























COMPREHENSIVE ANNUAL FINANCIAL REPORT





### COMPREHENSIVE ANNUAL FINANCIAL REPORT of

# THE COUNTY OF SEDGWICK, KANSAS

for the Year Ended December 31, 2013



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





### COUNTY OF SEDGWICK, KANSAS BOARD OF COUNTY COMMISSIONERS



#### 2013

Chairman
James Skelton

Chair Pro-Tem David M. Unruh

Commissioner Tim R. Norton

Commissioner Karl Peterjohn

Commissioner Richard Ranzau

COUNTY MANAGER William P. Buchanan





#### 2014

Chairman
David M. Unruh

Chair Pro-Tem Tim R. Norton

Commissioner Karl Peterjohn

Commissioner Richard Ranzau

Commissioner James B. Skelton

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

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#### COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2013

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# INTRODUCTORY SECTION







### County Manager's Office

525 N. Main, Suite 343, Wichita, KS 67203 - www.sedgwickcounty.org - TEL: 316-660-9393 - FAX: 316-383-7946

William P. Buchanan County Manager

March 24, 2014

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

#### Dear Commissioners:

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, 2013. 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 Sara Jantz, and the accounting team of Marty Hughes, Brandi Baily, Sarah Shaffer and Stephanie Taylor.

Sincerely,

William P. Buchanan County Manager



#### Division of Finance

525 North Main, Suite 823, Wichita, KS 67203 - www.sedgwickcounty.org - TEL: 316-660-7591 - FAX: 316-383-7729

Chris Chronis Chief Financial Officer

March 24, 2014

To the Honorable Chair of the Board, Members of the Board of County Commissioners, and Citizens of Sedgwick County:

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, 2013. 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 in this report 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. Thus, 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 unmodified opinions that the statements are presented in conformity with GAAP and fairly present the financial position of the County. 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 505,905 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 Wednesday mornings. 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. One Assistant County Manager and six Division Directors aid him in his duties. The County has 2,572 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), public works (construction and maintenance of roads, bridges and stormwater drainage systems, noxious weed control, and household hazardous waste disposal), human services (physical and mental health services, support for developmentally and physically disabled populations, and aging assistance), cultural and recreational services (parks, the Sedgwick County Zoo, the INTRUST Bank Arena, and Exploration Place, an interactive science and discovery center), economic development (the National Center for Aviation Training), public improvements, planning and zoning, judicial support, youth facilities, and general administrative services. In addition to these activities, the governing body has operating and financial relationships with the Sedgwick County Fire District #1 and the Sedgwick County Public Building Commission.

The annual budget process begins 15 months before the start of each fiscal year, when the Budget Department prepares a revised five-year financial forecast. The financial forecast serves as the foundation for planning and control, projecting 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 enhancement plans based on established criteria. The goals of the Technology Review Committee are to provide peer review of departmental technology enhancement plans and to evaluate and coordinate technology acquisitions 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 holds budget review sessions to discuss service levels, resource allocations, and funding strategies for the upcoming year. The Budget Department then submits a proposed budget to the County Manager. The County Manager reviews and, as appropriate, revises the proposed budget and then, six months before the new year, submits a 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, and County policy provides authority for intra-fund modifications of the budget. The budget is prepared by fund, function, cost center and superior commitment item. Legal appropriated annual budgets are statutorily required for most, but not all, operations. County practice is to adopt budgets for all funds. 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-64 as part of the required supplementary information. For governmental funds other than the General Fund with legal appropriated annual budgets, this comparison is presented in the governmental funds subsection, beginning on page B-16.

#### **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 in this letter was drawn from publications of the Center for Economic Development and Business Research (CEDBR) at Wichita State University, and from the U.S. Department of Labor. The Wichita metropolitan statistical area (MSA) is comprised of Sedgwick, Butler, Harvey, Kingman and Sumner counties in Kansas.

The CEDBR projects that the Wichita MSA economy will continue a slow and steady recovery during 2014. The Wichita MSA unemployment rate decreased from 6.0% in December 2012 to 5.4% in December 2013. In comparison, the December 2013 national rate stood at 6.7%. For 2013, the value of new residential construction permits increased 34.2%; the value of new non-residential construction permits increased 63.2%; home sales decreased 1.7%. The number of outbound airline passengers increased 5.5%. The Wichita MSA's hotel occupancy rates increased 4.5% and total transient guest taxes collected increased 8.5%

#### Manufacturing

In the Wichita MSA, manufacturing employment accounts for 18.2% of all jobs. The aircraft manufacturing industry continues to turn around after several difficult years: in 2013, general aviation shipments manufactured worldwide increased 4.3% and total billings increased 24.0%.

Highlights of the manufacturing sector are as follows:

- Hawker Beechcraft emerged from bankruptcy in February as Beechcraft, Inc. In December, it was announced that Textron, Inc., the parent company of Cessna would purchase Beechcraft. Textron will merge the two companies and will name it Textron Aviation.
- In 2013, Beechcraft Corp. delivered 205 commercial aircraft. That's up 64.0% from 2012 when they only delivered 125. The company also received its largest general aviation propeller driven aircraft order in history. The \$788 million deal for up to a total of 105 King Air 350i aircraft was made with Wheels Up, a membership-based private aviation program.
- Even though Cessna rolled out its first Citation X, the fastest civilian aircraft in the world, they still announced they would cut jet production for 2013 after experiencing an \$8 million loss in the first quarter of the year.
- The Boeing Co. has begun the process of marketing its facility, in preparation for leaving the Wichita area. Office buildings will be marketed first; whereas, the hangars and flight line will not be available until the end of 2014. At the time the company announced the closure of its Wichita operation about 2,000 workers were employed at the facility. The local economy has absorbed those workers as Boeing has phased out its operations.
- IBT Industrial Solutions has opened a 48,000- square foot facility in Wichita to fabricate grain handling equipment. The facility will offer a full spectrum of products and services for the grain industry. This is entirely new division for the company.

#### **Other Sectors**

Education and health services employment accounted for 43,400 jobs in 2013, about 10.0% of all jobs in the Wichita MSA. Jobs in this sector decreased 1.1% this year.

Highlights of the education and health services sector are as follows:

- Kansas City, Mo. Based Children's Mercy Hospitals & Clinics recently opened its first permanent clinic in Wichita and is also providing allergy clinics in Wichita by video link to a Kansas City physician.
- Wichita State University's National Institute for Aviation Research has settled into its new location at the Britt Brown Arena at the old Kansas Coliseum. The facility provides full-scale testing for the aviation industry, as well as wind power, automotive and telecommunications industries.

- Wichita Urology Group physicians are planning to open a new cancer center in Wilson Estates in 2014 to provide new radiation technology to treat all kinds of cancers. The facility will be known as Advanced Cancer Therapies.
- In 2013, Via Christi Health announced that it will lay off up to 400 employees, and subsequently reduced the number of layoffs to 250. Most of those cuts occurred in Wichita.

Additional information regarding other employment sectors follows:

- In May, the U.S. Air Force announced that McConnell Air Force Base would become home to new KC-46A refueling tankers in 2016. The Air Force base will receive 36 new KC-46A tankers in 2016. This decision will result in hundreds of millions of dollars in economic impact to the area.
- City of Wichita downtown development continues to gain momentum. Completed projects of the Block One initiative included the Ambassador Hotel, the Urban Plaza and the 36,000-square-foot Kansas Leadership Center and Kansas Health Foundation Conference Center. There are also plans in the work to restore the Union Station complex. The plans include a restaurant and Grand Hotel.

#### **COUNTY BUSINESS AND FINANCIAL FORECAST**

#### **Financial Plan**

Sedgwick County continues to demonstrate a strong financial position. The County's mission is to assure quality public services that provide for the present and future well-being of 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 forecast to evaluate current and projected fiscal conditions and to guide policy and programmatic decisions. The financial forecast is a management tool that projects operating results based on current and anticipated economic conditions and identifies revenue and expenditure trends that may have an immediate or long-term effect on the County's financial condition. The financial forecast assists in making decisions that meet the County's objectives of fiscal discipline and delivery of essential community services. Additionally, it serves as an early warning signal of the possibility of future deficits, allowing time for reasoned consideration of alternative actions to avoid deficits.

Over the next five years, the County faces a number of challenges. The financial forecast shows an operating surplus in 2014, but some combination of reduced expenditures and increased revenues will be required to avoid operating deficits in funds receiving statutorily authorized tax support for the 2015 – 2018 fiscal years. Other funds, particularly grant funds, are also projected to experience operating deficits. The projections in the financial forecast reflect the impacts of actions by the Kansas Legislature to reduce county funding and of slow growth of the local economy.

Major initiatives of the County include the following:

- To simplify building code and inspection requirements for developers, as well as to increase efficiencies, the County is creating a consolidated Metropolitan Area Building and Construction Department (MABCD) to replace the former organizations that were operated independently by the County and the City of Wichita. The MABCD began functioning in January 2013. Over time the city staff, currently functioning under county supervision, will be replaced with county staff, and the permit and inspection fee structures of the county and city will be unified.
- Fire District #1's ongoing station relocation projects assure optimum response to the citizens of Sedgwick County and facilitate a substantial reduction of fire insurance premiums for rural residents. The District has completed four of five stations. Station 33 was relocated to Maize in 2007 and Station 32, which includes fire administration and fire prevention offices, was relocated in Park City in 2008. Station 39, in western Sedgwick County, was completed in 2009. Construction on Station 35 near Goddard was completed in late 2010 and opened in 2011. Station 36, located near Derby, was completed in 2013. Fire Station 34, in Haysville, is expected to be completed in 2014.

- The County is reconfiguring the Sheriff's Adult Detention facility to create a segregated area in which to house inmates who suffer from acute mental health problems. By providing extra security and mental health supervision the Sheriff expects fewer suicide attempts, assaults on corrections staff, and instances of abuse by other inmates. Additionally, the higher level of care provided while in custody should result in more successful transitions to society upon release.
- In an effort to better meet the needs of citizens for mental health services, the County is tripling the
  Crisis Stabilization Unit bed capacity. Due to current economic and societal pressures, a growth in
  the number of individuals suffering from mental health related crises has been occurring. By
  expanding the bed capacity the County will be better able to divert clients from more expensive
  treatment options such as inpatient care.
- The County is implementing new purchasing and budgeting software. The County is also implementing a workforce time management system and has implemented a paperless accounts payable process. All of this will help Sedgwick County become more efficient in administration, so that scarce resources may be used to provide core services to citizens. Additional value will be obtained as data becomes more visible to taxpayers so they can more easily understand how their taxes are used by Sedgwick County to make the community a better place to live.

#### **Financial Management**

In addition to the five-year financial forecast, the County develops a Capital Improvement Program (CIP) 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 current year and projects it for the four following years. Capital spending for 2013 totaled \$28,042,192, including projects for road improvements, levee repairs, infrastructure, and continued upgrades to County owned and leased buildings. Planned capital spending for 2014 totals \$22,817,129, and total projected spending in the five year capital improvement program that extends through 2018 is \$216,653,921. The most recent five year CIP is comprised of the following: \$3.88 million for drainage, \$5.83 million for facilities, \$17.77 million for bridges and \$189.16 million for roads. A majority of the road portion is State and Federal funding for the interchange project at I-235 and U.S. Highway 54 totaling \$113.83 million. The CIP is funded on a year-by-year basis from various funding sources, including annual operating revenues from property tax and sales tax, or by issuing bonds and making debt service payments over a period of years.

During 2013, 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 had a maximum maturity of four years. The weighted average maturity was 183 days and the average yield to maturity was 0.19%. The fair value of investments totaled \$506,242,307 at December 31, 2013.

Sedgwick County maintains a debt management policy designed to set guidelines for management and control of debt financing by the County. Many demands are placed upon the County to provide services; therefore, it is necessary to ensure the use of debt to finance projects does not outrun the County's legal and fiscal capability to repay the debt.

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, <a href="http://www.sedgwickcounty.org/finance">http://www.sedgwickcounty.org/finance</a>.

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 assure 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, 2012. This was the 32nd 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 2013 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 30 consecutive years.

For the eighth time Sedgwick County received GFOA's Popular Annual Financial Reporting (PAFR) Award for 2012. GFOA's PAFR award program encourages governments to publish concise annual financial reports specifically designed to be readily accessible and easily understandable to the general public. This award is valid for one year only.

#### Acknowledgements

Preparation of this report required the cooperation and dedicated efforts of many County personnel outside the Division of Finance, and of the independent auditors, Allen, Gibbs & Houlik, L.C. I sincerely appreciate this significant support. The citizens of Sedgwick County are extraordinarily well served by all members of the Division of Finance who contributed to this annual financial report of the County's financial results in their daily work throughout the year and their individual fiscal year-end tasks.

In particular, I want to applaud the efforts Sara Jantz, 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 their unfailing support for maintaining the highest standards of professionalism in the management of Sedgwick County's finances.

Respectfully,

Chris Chronis

Chief Financial Officer



Government Finance Officers Association

# 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, 2012** 

Executive Director/CEO

#### SEDGWICK COUNTY, KANSAS PRINCIPAL OFFICIALS December 31, 2013

Elected Positions	Name	Date of Appointment
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	Karl Peterjohn	January 11, 2009
Commissioner, 4 <sup>th</sup> District	Richard Ranzau	January 9, 2011
Commissioner, 5 <sup>th</sup> District	James Skelton	January 9, 2011
Administrative Judge, 18 <sup>th</sup> Judicial District	James Fleetwood	January 12, 2009
District Attorney	Marc Bennett	January 13, 2013
County Clerk	Kelly B. Arnold	January 11, 2009
Register of Deeds	Bill Meek	April 20, 1998
County Sheriff	Jeffrey Easter	December 16, 2012
County Treasurer	Linda Kizzire	January 9, 2011

Appointed Positions	Name	<b>Date of Appointment</b>
County Manager	William P. Buchanan	March 18, 1991
Assistant County Manager	Ron Holt	February 20, 2005
Chief Financial Officer	Chris Chronis	January 4, 1999
County Counselor	Richard A. Euson	March 5, 1997
County Appraiser	Mike Borchard	December 15, 2004
Director, Public Works / County Engineer	David Spears	July 1, 1985
Director, Division of Human Services	Tim Kaufman	January 16, 2013
Director, Division of Public Safety	Marvin Duncan	June 02, 2013
Director, Division of Information & Operations	David Miller	March 24, 2013
Director, Division of Culture, Recreation & Entertainment	Ron Holt	February 20, 2005
Director of Health Department	Claudia Blackburn	May 31, 2005
Director of Human Resources	Tim Kaufman, interim	December 2, 2013
Director of Communications	Kristi Zukovich	January 1, 2001
Director, Metropolitan Area Planning Department	John L. Schlegel	June 30, 2003

SEDGWICK COUNTY 2013

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# FINANCIAL SECTION









#### INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners Sedgwick County, Kansas

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sedgwick County, Kansas (County) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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 and Accounting 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **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, each major fund, and the aggregate remaining fund information of Sedgwick County, Kansas, as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Emphasis of Matter

As described in Note 1 to the financial statements, on January 1, 2013, the County changed its method of accounting to adopt Government Accounting Standards Board Statement No. 61: *The Financial Reporting Entity – Omnibus – An Amendment of GASB Statements No. 14 and No. 34.* Our opinion is not modified with respect to this matter.

#### Other Matters

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2014 on our consideration of the County's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

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

March 24, 2014 Wichita, Kansas

#### Management's Discussion and Analysis

As management of Sedgwick County, Kansas, we offer you this discussion and analysis of the financial activities of Sedgwick County for the fiscal year ended December 31, 2013. This information is designed to identify and explain significant financial issues, changes in Sedgwick County's financial position and deviations from budget. We encourage you to consider this information in conjunction with the letter of transmittal that precedes this narrative, the financial statements, and the notes to the financial statements.

#### **Financial Highlights**

- Total net position of Sedgwick County decreased \$0.1 million to \$615.1 million. The governmental funds increased \$4.5 million, and the Arena fund, our only enterprise fund, decreased \$4.7 million.
- Of this total, \$89.3 million is reported as unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.
- During 2013 Sedgwick County worked to reduce its projected deficit and government-wide expenses. General government expenses decreased \$6.2 million, and health and welfare expenses decreased \$2.1 million as compared to the prior year. These reductions combined with increases in public works and public safety expenses produced a \$6.6 million, or 2.1%, reduction of total expenses.
- Program revenues decreased \$4.9 million, resulting in more reliance on general revenues to pay for expenses.
- Investment earnings increased \$667,000 or 14.3%.

#### **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 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 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 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 through A-63 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 expenses 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 position presents information on all of Sedgwick County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position, which is one method to measure the County's financial condition. An increase or decrease in the County's

net position 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 position changed during the most recent fiscal year. All changes in net position 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) separately 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 Arena Fund, which is used to account for the assets, liabilities, revenues and expenses associated with INTRUST Bank Arena.

The government-wide financial statement includes not only the primary government but also two blended component units, Sedgwick County Fire District and Public Building Commission.

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. 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-two 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. 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-24 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 Arena complex. Additional information regarding the INTRUST Bank Arena is provided in the 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 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 Required Supplementary Information

This section is found on pages A-64 through A-66 and shows a comparison of the original and final General Fund budget to actual results and reconciliation between budgetary fund balance and GAAP. Information on the County's funding for postemployment benefits other than pensions is also shown.

#### 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 E-1 of this report.

#### **Government-wide Financial Analysis**

#### **Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets of the primary government exceeded liabilities by \$615.1 million at the end of 2013.

# Sedgwick County, Kansas Net Position As of December 31, 2013 With Comparatives as of December 31, 2012 (millions of dollars)

	Governmental		Busines	s-Type	Total Primary		
	Activi	ities	Activi	ities	Gover	nment	
	2013	2012	2013	2012	2013	2012	
Assets:							
Current and other assets	\$348.6	\$354.5	\$ 13.7	\$ 13.2	\$362.3	\$367.7	
Capital assets	437.4	438.6	160.7	165.9	598.1	604.5	
Total assets	786.0	793.1	174.4	179.1	960.4	972.2	
Deferred Outflows:							
Deferred refunding	1.2	1.0			1.2	1.0	
Total deferred outflows	1.2	1.0			1.2	1.0	
Liabilities:							
Long-term liabilities	195.4	205.2	-	-	195.4	205.2	
Other liabilities	13.8	16.7			13.8	16.7	
Total liabilities	209.2	221.9	-		209.2	221.9	
Deferred Inflows:							
Deferred revenues	137.3	136.0	-	-	137.3	136.0	
Total deferred inflows	137.3	136.0	-		137.3	136.0	
Net position: Net investment in							
capital assets	298.1	294.7	160.7	165.9	458.8	460.6	
Restricted	57.0	56.1	10.0	10.6	67.0	66.7	
Unrestricted	85.6	85.4	3.7	2.6	89.3	88.0	
Total net position	\$440.7	\$436.2	\$ 174.4	\$179.1	\$615.1	\$615.3	

The largest portion of the County's net position (74.6 percent) is invested in capital assets (e.g. land, buildings, infrastructure, 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. Restricted net position represents 10.9 percent of net position and are resources that are subject to external restrictions on how they may be used. The remaining balance of \$89.3 million is unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

#### Change in Net Position

The County's net position for governmental activities increased \$4.5 million or 1.0 percent. Net position of the County's business-type activities decreased \$4.7 million representing a decrease of 2.6 percent during 2013. Overall, net position decreased \$0.1 million. Changes in net position were as follows:

# Sedgwick County, Kansas Change in Net Position Fiscal Year Ended December 31, 2013 With Comparatives for the Year Ended December 31, 2012 (millions of dollars)

	Governmental Activities		Business-Type Activities		To Prim Goveri	nary
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	\$ 66.0	\$ 75.8	\$ 0.8	\$ 1.2	\$ 66.8	\$ 77.0
Operating grants and						
contributions	48.8	44.8	-	-	48.8	44.8
Capital grants and contributions	1.9	1.0	-	-	1.9	1.0
General revenues:						
Property taxes	156.6	155.4	-	-	156.6	155.4
Sales taxes	26.9	25.9	-	-	26.9	25.9
Other taxes	3.1	3.1	-	-	3.1	3.1
Investment earnings	5.3	4.7	-	-	5.3	4.7
Gain on sale of capital assets			0.2		0.2	
Total revenues	308.6	310.7	1.0	1.2	309.6	311.9
Expenses						
General government	46.7	52.9	-	-	46.7	52.9
Public safety	137.0	134.8	-	-	137.0	134.8
Public works	31.1	30.0	-	-	31.1	30.0
Health and welfare	56.5	58.6	-	-	56.5	58.6
Culture and recreation	10.8	11.1	-	-	10.8	11.1
Economic development	15.1	15.5	-	-	15.1	15.5
Interest on long-term debt	6.6	7.5	-	-	6.6	7.5
Arena	-	-	5.7	7.0	5.7	7.0
Total expenses	303.8	310.4	5.7	7.0	309.5	317.4
Increase (decrease) in net position	4.8	0.3	(4.7)	(5.8)	0.1	(5.5)
Net position, beginning	436.2	436.6	179.1	184.9	615.3	621.5
Prior period adjustment	(0.3)	(0.7)	173.1	104.3	(0.3)	(0.7)
Net position, ending	\$440.7	\$436.2	\$174.4	\$179.1	\$615.1	\$615.3
Net position, enamy	φ440.7	φ430.2	φ1/4.4	φ1/9.1	φυ15.1	φυ15.3

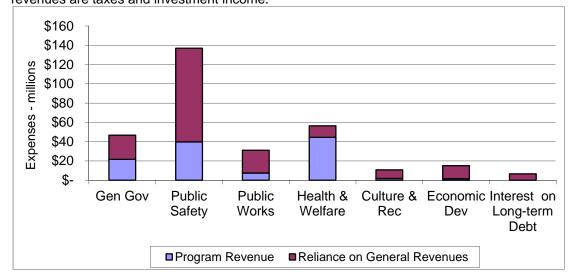
Charges for services in governmental activities decreased \$9.8 million in 2013. \$3.6 million of the decrease is attributed to a change in the Affordable Airfares Program. The State of Kansas had previously contracted with Regional Economic Area Partnership (REAP) to distribute funds to the County. During 2013 the State took over distributions and as of December 31st, has not made a payment to the County. Also, Medicaid fees decreased \$1.5 million during 2013. Capital grants and contributions were up \$912,000. The Zoo contributed \$1.5 million in capital assets in 2013 compared to \$851,000 in 2012. Operating grants and contributions increased \$4.0 million from 2012 to 2013. This is due to a change of classification of the Affordable Airfares from charges for service to operating grants and contributions. Property tax collections were up \$1.1 million.

Expenses of governmental activities decreased \$6.6 million. General government expenses decreased \$6.2 million, 11.7%. Health and welfare expenses decreased \$2.1 million or 3.6%. Public works expenses increased 3.7% due to an increase in road maintenance. Public Safety expenses increased \$2.2 million, 1.6%, mostly due to personnel cost. Decreased expenses for most functions resulted from planned budget cuts.

In 2013, there was a prior period adjustment in the amount of \$306,499 to include premiums, discounts and deferred refundings of the Public Building Commission (PBC). During 2013, the PBC was reclassified from a discretely presented component unit to a blended component unit. This is in accordance with GASB Statement No. 61, The Financial Reporting Entity: Omnibus, which has been implemented in 2013.

#### **Governmental Activities**

The following chart shows total expenses for each function of governmental activities. The chart also shows total program revenue for each function along with total reliance on general revenues. General revenues are taxes and investment income.



As reflected in the chart above, no function of government is self-supporting, thus the need for taxes to be levied and collected in order to provide services to the community. The following list shows each function of government, the percentage of reliance on general revenues of the county to fund the function, and the corresponding dollar amount of general revenue used to fund the function:

0	Interest on long-term debt	100.0%	\$ 6,607,782
0	Economic development	89.8%	13,584,460
0	Culture and recreation	83.5%	9,037,057
0	Public works	76.1%	23,675,746
0	Public safety	71.0%	97,172,411
0	General government	53.6%	25,055,464
0	Health and welfare	21.2%	11,977,247
	Total reliance on general rev	venues	\$187,110,167

Governmental activities incurred \$303,827,364 in expenses during 2013. The following list breaks this expense down into percentage by function with the corresponding dollar amount:

0	Public safety	45.1%	\$136,948,209
0	Health and welfare	18.6%	56,476,803
0	General government	15.4%	46,738,513
0	Public works	10.2%	31,112,309
0	Economic development	5.0%	15,119,439
0	Culture and recreation	3.6%	10,824,309
0	Interest on long-term debt	2.1%	6,607,782
	Total governmental activities	sexpenses	\$303.827.364

#### Business-type Activity

Sedgwick County has one business-type activity, the Arena fund. Net position for fiscal year 2013 decreased by \$4.7 million to \$174.4 million. Of that \$174.4 million, \$160.7 million is invested in capital assets.

#### **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. Unassigned fund balance may serve as a useful measure of the County's net resources available for future spending.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$164.6 million, a decrease of \$8.6 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	\$ 66,052,436	\$ 66,840,795	\$788,359
Federal/State Assistance	18,926,968	20,108,531	1,181,563
Debt Service	1,995,981	1,324,073	(671,908)
Debt Proceeds	36,697,719	24,167,275	(12,530,444)
Other Governmental	49,488,229	52,140,966	2,652,737
Total Governmental Funds	\$ 173,161,333	\$ 164,581,640	\$(8,579,693)

The General Fund is the chief operating fund of Sedgwick County. Ending fund balance in the General Fund increased \$0.8 million, compared to a decrease of \$0.2 million a year ago.

Revenues of the General Fund increased \$3.5 million in 2013. A majority of the increase comes from an increase of \$2.7 million in sales tax. Property tax increased \$2.3 million from 2012. The increase in property tax is due a shift from the Debt Service Fund to the General Fund. Intergovernmental revenues were down \$930,000. Prior to 2013, City of Wichita's contribution to the Affordable Airfare program was submitted to the County General Fund. The contribution now goes directly to the Federal/State Assistance Fund. Other revenue decreased \$978,000. Mortgage registration fees and auction proceeds decreased \$678,000 and \$300,000 from 2012, respectively.

General Fund expenditures decreased \$1.4 million; every function decreased with the exception of public safety and economic development. General government expenditures decreased \$3.3 million. \$1.6 million of that decrease was due to no longer making a contribution to REAP for Affordable Airfares. Instead, it is transferred to the Federal/State Assistance Fund. Public safety expenditures increased \$1.7 million due to increase personnel cost; economic development increased \$554,000.

As a measure of the General Fund's financial position, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 34.5% of total General Fund expenditures, while total fund balance represents 48.8%. In other words, readily available resources as of December 31 were sufficient to pay for services for more than four months.

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 \$20.1 million which is \$1.2 million more than 2012. Revenues decreased \$4.9 million over the prior year. A majority of that decrease was other revenue in the amount of \$3.6 million. This decrease is attributed to the State directly distributing funds of the Affordable Airfares Program to the County. As of December 31, no distribution had been made for state fiscal year 2014. Charges for service decreased \$1.3 million from 2012 to 2013. Medicaid fees decreased \$1.5 million. Federal/State Assistance expenditures decreased \$6.9 million in 2013. General government expenditures decreased \$3.2 million, which is due to the Affordable Airfares Program. Health and welfare expenditures were down \$2.0 million. Economic development expenditures decreased \$1.3 million due to the Neighborhood Stabilization Program ending in 2012.

Debt Service fund balance decreased by \$0.7 million due to a planned reduction of fund balance. The mill levy was decreased by 0.965 mills.

The Debt Proceeds Fund is a capital projects fund that receives proceeds from general obligation bond issues and other long-term financing sources. During 2013 the fund received \$9.3 million in proceeds from debt issuance. \$5.5 million was used to refund outstanding debt. \$10.0 million was transferred to capital projects funds to pay for current projects. A significant portion of transfers out to capital projects funds included \$8.1 million for the emergency communication radio upgrades and public safety facilities, and \$1.6 million for road and bridge projects.

#### **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.

The Arena Fund represents the activity of the INTRUST Bank Arena that opened on January 9, 2010. The facility is operated by a private company; the county incurs expenses only for certain capital improvements or major repairs and depreciation, and receives as revenue only a share of profits earned by the operator, if any. The Arena had an operating loss of \$4.7 million. The loss can be attributed to \$5.3 million in depreciation expense.

Internal service funds account for the County's fleet operation as well as insurance, including workers compensation, health, life, dental, property and liability. Fleet operations show an operating increase in 2013 of \$975,500. The workers' compensation charges exceeded expenses and the fund ended the year with an operating income of \$58,900. In the Risk Management Fund, Sedgwick County expended approximately \$673,000 for property and liability insurance during 2013 and also paid \$153,000 in claims for various items including but not limited to storm damage to County property and vehicle damages. The Health, Dental and Life Insurance Reserve Fund accounts for employee benefits. Employee health insurance is fully insured and dental insurance is self funded. The fund had operating gain of \$633,000 during 2013 increasing net position to \$4.9 million at the end of the year.

#### General Fund Budgetary Highlights

The County did not amend the budget during fiscal year 2013, although appropriations were shifted between line items in the General Fund.

Actual revenue was \$477,000 above both the original and final budgets. Six of ten major revenue sources ended the year above budget. Property tax collections were \$1.1 million above budget. Back taxes were \$800,000 more than budgeted. All other revenues were \$593,000 under budget. The main decrease was intergovernmental revenues, which was down \$929,000. Due to the change in funding for Affordable Airfares Program, City of Wichita contribution goes directly to the Federal/State Assistance Fund and not the General Fund. This accounted for \$792,000 of the decrease. State revenue for the juvenile justice authority was lower than expected by \$224,000. Charges for services were \$300,800 less than budgeted; this is due to a decrease in detention facility fees. Uses of money and property was \$833,000 more than budgeted. Investment rates were better than expected.

Expenditures for personnel services were less than the original and final budgets by \$4.3 million and \$2.6 million, respectively. Contractual services ended the year \$21.0 million lower than the final budget. The County budgets a contingency for disaster recovery each year, which is included in contractual services. Much of the discrepancy between budgeted and actual contractual expenditures is due to the fact that the county was not required to use the disaster contingency account. Overall budgetary fund balance in the General Fund increased \$1.4 million in 2013.

#### **Capital Asset and Debt Administration**

Sedgwick County's investment in capital assets for its governmental and business-type activities as of December 31, 2013, totaled \$598,076,386 (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 2013 fiscal year included the following:

- Construction in progress increased from \$31.0 million at the end of 2012 to \$35.4 million at the end of 2013.
- In 2013, the County began work to update the Master Control system for the Adult Detention Facility. The project is expected to cost approximately \$6.1 million.

#### Capital Assets December 31, 2013 (net of depreciation)

	Governmental Business-Type Activities Activities		Total
Land	\$ 21,818,422	\$ 13,038,358	\$ 34,856,780
Buildings and improvements	204,431,140	146,439,657	350,870,797
Improvements other than buildings	8,831,094	-	8,831,094
Machinery and equipment	20,964,149	1,223,871	22,188,020
Infrastructure	145,977,633	-	145,977,633
Construction in progress	35,352,062	-	35,352,062
Total	\$ 437,374,500	\$ 160,701,886	\$ 598,076,386

Additional information regarding capital assets can be found in Note III. B, beginning on page A-47.

#### **Long-term Debt**

At the end of 2013, Sedgwick County had total general obligation bonds outstanding of \$79,130,000. This amount includes \$3,667,949 of special assessment bonds. The County's long-term obligations also include revenue bonds totaling \$83,670,000. 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 with the exception of the PBC 2013-1 issuance, which is backed by lease revenue from Wichita State University. In 2011, the County crossover refunded the 2003 Series A bond issuance. The crossover payment was made in 2013 totaling \$6.3 million.

During 2013, the County issued \$3,825,000 in general obligation bonds. These bonds were issued for road projects. The County also issued \$5,465,000 to refund loans with the Kansas Department of Transportation. The refunding will reduce Sedgwick County's debt payments by \$440,876 over the next sixteen years. In addition, the County issued \$5,375,000 in revenue bonds. This was to refund City of Wichita PBC Series 2001 bonds for Wichita State University.

Outstanding general obligation bonds of the County are rated "AAA" by Fitch Ratings ("Fitch"), "AAA" by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. ("S&P") and "Aaa" by Moody's Investors Service ("Moody's").

State statutes limit the amount of general obligation debt a county government may issue to three percent of its total valuation. After subtracting deductions allowed by the statutes, Sedgwick County's legal debt margin is \$110,704,000.

Additional information about the County's long-term debt can be found in Note III. D, beginning on page A-49 of this report.

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

- The unemployment rate in the Wichita MSA stood at 5.4% at the end of 2013, as compared to 6.0% at the end of 2012.
- The 2013 County mill levy funds the 2014 budget. The 2013 mill levy rate is 29.377.
- Wichita is known as the air capital of the world because it houses major facilities of five leading aircraft manufacturers: Cessna, Spirit Aerosystems, Beechcraft, Bombardier Learjet, and Boeing. General Aviation shipments increased 4.3% from 2012 to 2013 and total billings increased 24%.
- For 2013, the value of new residential construction permits increased 34.2%; the value of new non-residential construction permits increased 63.2%.
- The cost of living in Wichita is a moderate 90.9, roughly 9% below the national urban area average.

#### **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.

SEDGWICK COUNTY 2013

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#### SEDGWICK COUNTY, KANSAS

### Statement of Net Position December 31, 2013

	Primary Government					
	Governmental Business-type					
		Activities		Activities		Total
Assets						
Cash, including investments	\$	175,593,543	\$	3,314,366	\$	178,907,909
Receivables, net		160,919,430		430,678		161,350,108
Due from other agencies		2,185,536		-		2,185,536
Inventories, at cost		1,254,366		-		1,254,366
Prepaid items		2,652,146		-		2,652,146
Restricted assets:						
Cash, including investments		6,059,821		9,977,266		16,037,087
Capital assets:						
Land and construction in progress		57,170,484		13,038,358		70,208,842
Other capital assets, net of depreciation		380,204,016		147,663,528		527,867,544
Total assets		786,039,342		174,424,196		960,463,538
Deferred Outflows of Resources						
Deferred refunding		1,236,640		<u> </u>		1,236,640
Total deferred outflows of resources		1,236,640		-		1,236,640
Liabilities						
Accounts payable and other current liabilities		4,605,305				4,605,305
				-		
Accrued wages		5,886,247		-		5,886,247
Accrued interest payable		2,595,797		-		2,595,797
Advance - grants		726,023		-		726,023
Noncurrent liabilities:		00 444 000				00 444 000
Due within one year		23,414,636		-		23,414,636
Due in more than one year		172,014,011		-		172,014,011
Total liabilities		209,242,019		-		209,242,019
Deferred Inflows of Resources						
Deferred property tax receivable		136,889,151		_		136,889,151
Deferred notes receivable		440,877		_		440,877
			-			
Total deferred inflows of resources		137,330,028	-	-		137,330,028
Net Position						
Net investment in capital assets		298,113,489		-		298,113,489
Invested in capital assets		-		160,701,886		160,701,886
Restricted for:				, - ,		, . ,
Capital improvements		20,154,667		-		20,154,667
Capital improvements and operations		-		9,977,266		9,977,266
Debt service		6,917,670		· · · · -		6,917,670
Federal/State assistance		14,269,207		-		14,269,207
Equipment and technology improvements		1,117,472		-		1,117,472
Fire protection		2,815,330		-		2,815,330
Court operations		3,570,899		-		3,570,899
Other purposes		8,176,390		-		8,176,390
Unrestricted		85,568,811		3,745,044		89,313,855
		<u> </u>				
Total net position	\$	440,703,935	\$	174,424,196	\$	615,128,131

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

SEDGWICK COUNTY 2013

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#### **SEDGWICK COUNTY, KANSAS**

### Statement of Activities For the Year Ended December 31, 2013

			Program Revenues						
		Expenses		Charges for Services		Operating Grants and Contributions		Capital Grants and Contributions	
Primary government:									
Governmental activities:									
General government	\$	46,738,513	\$	16,583,118	\$	5,099,931	\$	-	
Public safety		136,948,209		23,253,320		16,522,478		-	
Public works		31,112,309		1,883,805		5,072,272		480,486	
Health and welfare		56,476,803		23,820,227		20,679,329		-	
Culture and recreation		10,824,309		322,965		-		1,464,287	
Economic development		15,119,439		135,469		1,399,510		-	
Interest on long-term debt		6,607,782		-		-		-	
Total governmental activities		303,827,364		65,998,904		48,773,520		1,944,773	
Business-type activities:									
Arena		5,672,159		846,169		-		-	
Total business-type activities		5,672,159		846,169				-	
Total primary government	\$	309,499,523	\$	66,845,073	\$	48,773,520	\$	1,944,773	

General revenues:
Property taxes
Sales taxes
Other taxes
Investment earnings
Gain on sale of capital assets

Total general revenue

Change in net position

Net position, beginning of year

Prior period adjustment

Net position, end of period

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

Net (Expense) Revenue and Changes in Net Position

		Prim	ary Government			
(	Governmental	Business-Type				
	Activities		Activities	Total		
\$	(25,055,464)	\$	-	\$	(25,055,464)	
	(97,172,411)		-		(97,172,411)	
	(23,675,746)		-		(23,675,746)	
	(11,977,247)		-		(11,977,247)	
	(9,037,057)		-		(9,037,057)	
	(13,584,460)		-		(13,584,460)	
	(6,607,782)		-		(6,607,782)	
	(187,110,167)		-		(187,110,167)	
	-		(4,825,990)		(4,825,990)	
	-		(4,825,990)		(4,825,990)	
\$	(187,110,167)	\$	(4,825,990)	\$	(191,936,157)	
	156,571,499		-		156,571,499	
	26,890,523		-		26,890,523	
	3,128,768		-		3,128,768	
	5,344,751		-		5,344,751	
	<u> </u>		173,583		173,583	
	191,935,541		173,583		192,109,124	
	4,825,374		(4,652,407)		172,967	
	436,185,060		179,076,603		615,261,663	
	(306,499)		-		(306,499)	
\$	440,703,935	\$	174,424,196	\$	615,128,131	

#### Balance Sheet Governmental Funds December 31, 2013

		General Fund		ederal/State Assistance Fund	D	ebt Service Fund
ssets						
Cash, including investments	\$	61,740,463	\$	20,642,261	\$	1,324,073
Restricted investment		-		-		-
Advance receivable		3,453,048		-		-
Due from other funds		-		-		-
Due from other agencies		28,988		1,999,275		-
Accounts receivable		459,602		712,892		-
Property tax receivable		90,814,351		-		12,496,114
Sales tax receivable		2,468,634		-		-
Interest receivable		507,420		-		-
Prepaid items		2,652,146		-		-
Note receivable		936,044		-		-
Special assessments receivable:						
Noncurrent		-		-		6,571,760
Delinquent (including interest)		-		-		1,918,033
Inventories, at cost				100,216		
Total assets	\$	163,060,696	\$	23,454,644	\$	22,309,980
Total assets	<u> </u>	100,000,000	Ψ	20,404,044	Ψ	22,303,300
Liabilities:	•	0.044.040	•	040.455	¢.	
Accounts payable	\$	2,044,649	\$	940,155	\$	-
Accrued wages		3,360,901		1,070,134		-
Advance - grants		-		726,023		-
Due to other funds		-		-		
Advance payable						
Total liabilities	-	5,405,550		2,736,312		-
Deferred Inflows of Resources: Deferred property tax receivable		90,814,351		_		12,496,114
Deferred notes receivable		-		_		12,100,111
Unavailable revenue - accounts receivable Unavailable revenue - special assessments		-		609,801		8,489,793
Total deferred inflows of resources		90,814,351		609,801		20,985,907
Fund balances:						
Nonspendable:						
Inventories		-		100,216		-
Advance receivable		3,453,048		-		-
Note receivable		936,044		-		
Prepaid items Restricted:		2,652,146		-		
General Government		_		_		
Debt Service		-		-		1,324,073
Public Safety		-		3,367,957		
Public Works		-		-		-
Health and Welfare Culture and Recreation		-		10,191,233		-
Economic Development		-		-		
Capital Outlay		_		-		
Committed:						
Public Safety		-		-		-
Capital Outlay		-		-		-
Assigned:		12 420 154				
General Government Public Safety		12,439,154 101.605		519,445		
Public Works		91,083		-		
Health and Welfare		2,882		5,929,680		
Capital Outlay		-		-		-
Economic Development		-		-		-
Unassigned Total fund balance		47,164,833 66,840,795		20,108,531		1,324,073
		00,040,730		20, 100,001		1,024,073
Total liabilities, deferred inflows of resources and fund balances	\$	163,060,696	\$	23,454,644	\$	22,309,980

De	bt Proceeds Fund	G	Other overnmental Funds	 Total Governmental Funds
_				
\$	15,898,674	\$	57,807,399	\$ 157,412,870
	6,059,821		-	6,059,821
	-		-	3,453,048
	2,208,780		-	2,208,780
	-		157,273	2,185,536
	-		3,978,356	5,150,850
	-		33,578,686	136,889,151
	-		2,468,634	4,937,268
	-		-	507,420
	-		-	2,652,146
	-		4,008,904	4,944,948
	-		-	6,571,760
	-		-	1,918,033
	-		743,214	 843,430
\$	24,167,275	\$	102,742,466	\$ 335,735,061
\$	-	\$	1,008,202	\$ 3,993,006
	_		1,409,278	5,840,313
	_		-	726,023
	_		2,208,780	2,208,780
	<u> </u>		3,453,048	3,453,048
			8,079,308	 16,221,170
			00 570 000	400,000,454
	-		33,578,686	136,889,151
	-		4,807,877 4,135,629	4,807,877 4,745,430
			-,100,020	 8,489,793
			42,522,192	 154,932,251
			740.044	040 400
	-		743,214	843,430 3,453,048
	-		-	936,044
	-		_	2,652,146
	<del>.</del>		1,791,386	1,791,386
	6,059,821		1,142,479	8,526,373
	-		8,720,936	12,088,893
	-		3,274,348 978,260	3,274,348 11,169,493
	-		5,174	5,174
	-		9,500	9,500
	18,107,454		20,154,667	38,262,121
	-		3,240,416 6,703,551	3,240,416 6,703,551
	-		-	12,439,154
	-		-	621,050
	-		235,736	326,819
	-		242	5,932,804
	-		7,349,837 -	7,349,837
			(2,208,780)	 44,956,053
	24,167,275		52,140,966	 164,581,640
\$	24,167,275	\$	102,742,466	\$ 335,735,061
-				 -,,

# Reconciliation of the Statement of Net Position to the Balance Sheet for Governmental Funds December 31, 2013

#### Total fund balances of governmental funds

\$ 164,581,640

Amounts reported for governmental activities in the statement of net position 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 \$688,532,480 and the accumulated depreciation is \$266,198,433.

422,334,047

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 position.

31,832,829

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.

17,602,223

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 position. Long-term liabilities at year-end consist of:

Bonds payable	\$ (79,130,000)	
Bond premium	(5,443,334)	
Bond discount	33,086	
Deferred refunding	1,236,640	
Revenue bonds payable	(83,670,000)	
Capital lease payable	(2,264,555)	
Compensated absences	(6,700,000)	
Other postemployment benefits other than pensions	(17,112,844)	
Accrued interest payable	 (2,595,797)	(195,646,804)

#### Net position of governmental activities

\$ 440,703,935

SEDGWICK COUNTY 2013

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

For the Twelve Months Ended December 31, 2013

		General Fund		ederal/State Assistance Fund	D	ebt Service Fund
Revenues	_		_			
Property taxes	\$	104,694,337	\$	-	\$	13,215,140
Emergency telephone services taxes		-		-		-
Sales taxes		15,042,828		-		-
Special assessments		-		45.000		1,954,984
Other taxes		295,802		15,638		-
Intergovernmental		3,422,908		33,212,392		190,666
Charges for services		17,163,512		23,096,640		692,768
Uses of money and property		5,018,870		24,797		-
Fines and forfeits		62,975		614,939		-
Licenses and permits		88,014		-		-
Other		3,402,329		3,640,123		-
Total revenues		149,191,575		60,604,529		16,053,558
Expenditures						
Current:						
General government		29,215,205		4,463,180		-
Public safety		84,609,217		11,269,290		-
Public works		1,632,343		-		-
Health and welfare		8,655,497		43,936,244		-
Cultural and recreation		8,300,940		-		-
Economic development		4,439,928		1,525,555		-
Debt service:						
Principal		-		-		14,451,952
Interest and fiscal charges		-		-		6,314,721
Debt issuance costs		-		-		-
Capital outlay				<u> </u>		
Total expenditures		136,853,130		61,194,269		20,766,673
Excess (deficiency) of revenues						
over (under) expenditures		12,338,445		(589,740)		(4,713,115)
Other financing sources (uses)						
Transfers from other funds		36,463		1,771,303		4,041,207
Transfers to other funds		(11,586,549)		-		-
Premium from issuance of general obligation bonds		-		-		-
Premium from issuance of revenue bonds		-		-		-
Issuance of general obligation bonds		-		-		-
Issuance of refunding bonds		-		-		-
Issuance of revenue bonds		-		-		-
Payment to refunded bond		-		-		-
Total other financing sources (uses)		(11,550,086)		1,771,303		4,041,207
Net change in fund balance		788,359		1,181,563		(671,908)
Fund balances, beginning of year		66,052,436		18,926,968		1,995,981
Fund balances, end of period	\$	66,840,795	\$	20,108,531	\$	1,324,073

De	ebt Proceeds Fund	Go	Other overnmental Funds	G	Total overnmental Funds
\$	_	\$	38,662,022	\$	156,571,499
Ψ	_	Ψ	2,733,676	Ψ	2,733,676
	_		11,847,695		26,890,523
	_				1,954,984
	_		83,652		395,092
	_		8,656,148		45,482,114
	_		21,304,421		62,257,341
	28,480		150,465		5,222,612
			-		677,914
	_		67,653		155,667
	_		143,383		7,185,835
	28,480		83,649,115		309,527,257
	-		4,274,537		37,952,922
	-		37,871,662		133,750,169
	-		12,016,315		13,648,658
	-		5,736,492		58,328,233
	-		324		8,301,264
	-		12,903,814		18,869,297
	5,857,872		643,822		20,953,646
	355,448		97,325		6,767,494
	128,411		66,874		195,285
	<u>-</u>		28,042,192		28,042,192
	6,341,731		101,653,357		326,809,160
	(6,313,251)		(18,004,242)		(17,281,903)
	_		18,030,355		23,879,328
	(9,996,302)		(3,183,253)		(24,766,104)
	779,109		(=,:==,===)		779,109
	-		434,877		434,877
	3,825,000				3,825,000
	5,465,000		_		5,465,000
	3,403,000		5,375,000		5,375,000
	(6,290,000)		3,373,000		(6,290,000)
	(6,217,193)		20,656,979		8,702,210
	(12,530,444)		2,652,737		(8,579,693)
	36,697,719		49,488,229		173,161,333
\$	24,167,275	\$	52,140,966	\$	164,581,640

# 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, 2013

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

Net change in fund balances - total governmental funds	\$ (8,579,693)
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 \$ 19,611,692	
Depreciation expense (21,273,177)	// aa/ /a=\
	(1,661,485)
Payments received on certain receivables are recognized as revenue when received in the fund. However, in the statement of net position, revenue is recognized as earned.	(2,472,757)
Issuance of notes receivable by the Public Buliding Commission does not create a current financial resource, and therefore revenue recognition is deferred in the government fund; however, it is recorded as earned revenue in the government-wide statements	5,375,000
The net effect of various transactions involving conital access	
The net effect of various transactions involving capital assets (i.e., annexations, sales, and trade-ins) is to decrease net position.	(85,305)
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 position.	
Bonds payable \$ 15,120,000	
Revenue bond payable 5,280,000 Revolving loan payable 6,199,824	
Capital lease payable	
	27,243,646
Bond proceeds provide current financial resources to government funds, but represent an increase in long-term liabilities in the statement of net position.	(14,665,000)
Bond costs - governmental funds report the effect of premiums, discounts and similar items when the debt is issued, where as these amounts are deferred and amortized in the statement of activities	(878,446)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental	, , ,
funds, interest expenditures are not reported until due.	135,850
In the statement of activities, compensated absences are measured by the amounts earned during the year, instead of by the amount paid.	(100,000)
In the statement of activities, other postemployment benefits is measured by the amount due	
during the year, instead of by the amount paid.	(1,338,098)
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.	 1,851,662
Change in net position of governmental activities	\$ 4,825,374

SEDGWICK COUNTY 2013

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### Statement of Net Position Proprietary Funds December 31, 2013

		usiness-type Activity - terprise Fund	_	overnmental Activities - Internal
		Arena Fund	Se	ervice Funds
<u>Assets</u>	'-	_		_
Current assets:				
Cash, including investments	\$	3,314,366	\$	18,180,673
Accounts receivable, net		430,678		-
Inventories, at cost		-		410,936
Restricted assets:				
Cash, including investments		9,977,266		-
Total current assets		13,722,310		18,591,609
Noncurrent assets:				
Capital assets:				
Land		13,038,358		-
Buildings and improvements		162,992,184		8,319,354
Machinery and equipment		5,861,624		30,476,753
Less accumulated depreciation		(21,190,280)		(23,755,654)
Total capital assets (net of accumulated depreciation)		160,701,886		15,040,453
Total assets	\$	174,424,196	\$	33,632,062
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$	-	\$	612,299
Accrued wages		-		45,934
Estimated claims costs payable		-		852,000
Total current liabilities		-		1,510,233
Noncurrent liabilities:				
Estimated claims costs payable		-		289,000
Total liabilities		<u>-</u>	·	1,799,233
Net position				
Investment in capital assets		160,701,886		15,040,453
Restricted for capital improvements and operations		9,977,266		-
Unrestricted		3,745,044		16,792,376
Total net position		174,424,196		31,832,829
Total liabilities and net position	\$	174,424,196	\$	33,632,062

### Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds

For the Twelve Months Ended December 31, 2013

	Act Enterp	Business-type Activity - Enterprise Fund Arena Fund		overnmental Activities - Internal
Operating revenues:	Aleii	Service Funds		
Charges for services	\$	845,938	\$	38,417,259
Other revenue	Ψ	231	Ψ	395,690
Total operating revenues		846,169		38,812,949
Total operating revenues		040,109		30,012,949
Operating expenses:				
Salaries and benefits		-		1,375,445
Contractual services		376,324		1,488,791
Utilities		-		70,420
Supplies and fuel		288		3,362,417
Administrative charges		-		189,359
Depreciation expense		5,295,414		2,542,345
Claims expense		-		29,382,003
Other expense		133		18,422
Total operating expenses		5,672,159		38,429,202
Operating income (loss)		(4,825,990)		383,747
Nonoperating revenues:				
Investment Income		-		5,335
Other Income		-		12,222
Proceeds from disposal of assets		173,583		563,582
Total nonoperating revenues		173,583		581,139
Income (loss) before transfers		(4,652,407)		964,886
Transfers:				
Transfers from other funds		-		1,102,142
Transfers to other funds		<u>-</u>		(215,366)
Change in net position		(4,652,407)		1,851,662
Net position, beginning of year		179,076,603		29,981,167
Net position, end of period	\$	174,424,196	\$	31,832,829

### Statement of Cash Flows Proprietary Funds

### For the Year Ended December 31, 2013

	En	usiness-type Activity - erprise Fund Arena Fund	Governmental Activities - Internal Service Funds		
Cash flows from operating activities		•			
Receipts from customers and users	\$	668,491	\$	38,551,729	
Other operating revenues		-		261,220	
Payments to suppliers for goods and services		(376,745)		(34,718,192)	
Payments to employees for services		-		(1,375,445)	
Net cash provided by (used in) operating activities		291,746		2,719,312	
Cash flows from noncapital financing activities					
Transfers from other funds				1,102,142	
Transfers to other funds		_		(215,366)	
Net cash provided by (used in) noncapital financing activities		-		886,776	
Cash flows from capital and related financing activities					
Proceeds from sale of capital assets		299,203		588,970	
Purchases and construction of capital assets		(265,264)		(3,063,940)	
Net cash provided by (used in) capital and		(, /		(-)/	
related financing activities		33,939		(2,474,970)	
Cash flows from investing activities					
Interest on investments		-		5,335	
Other		-		12,222	
Net cash provided by investing activities		-		17,557	
Net increase in cash and cash equivalents		325,685		1,148,675	
Cash and cash equivalents, beginning of the year		12,965,947		17,031,998	
Cash and cash equivalents, end of the year	\$	13,291,632	\$	18,180,673	
Reconciliation of operating loss to net cash					
provided by operating activities					
Operating income (loss)	\$	(4,825,990)	\$	383,747	
Adjustments to reconcile operating (loss) to net cash					
provided by operating activities:					
Depreciation expense		5,295,414		2,542,345	
Decrease (increase) in accounts receivable		(177,678)		-	
Decrease (increase) in inventory		-		63,616	
Increase (decrease) in accounts payable		-		(207,396)	
Increase in estimated claims payable		-		(63,000)	
Net cash provided by (used in) operating activities	\$	291,746	\$	2,719,312	

### Statement of Net Position Agency Funds December 31, 2013

	 gency Funds
Assets	
Cash, including investments	\$ 329,424,715
Accounts receivable	449
Property tax levied	 213,510,193
Total assets	\$ 542,935,357
Liabilities	
Accrued liabilities	\$ 17,013,256
Due to other governmental units	 525,922,101
Total liabilities	\$ 542,935,357

SEDGWICK COUNTY 2013

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### NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

#### 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.

Blended Component Units - 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 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.

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. For financial reporting, the financial activities of the SCPBC are accounted for within the special revenue funds within the County's financial statements.

Prior to 2013, SCPBC was a discretely presented component unit. Due to the implementation of GASB 61, The Financial Reporting Entity: Omnibus, the SCPBC is now considered a blended component unit. A majority of the total debt outstanding for SCPBC is expected to be repaid entirely with the resources of the County.

Prior Period Adjustment. In addition to the reclassification described above, SCPBC had bond premiums, discounts and deferred refundings included in their financials that had not been previously included in the County's financials. A prior period adjustment was recorded for premiums and discounts resulting in a \$687,689 decrease in net position and for deferred refundings resulting in a \$381,190 increase in net position. The impact of these adjustments resulted in a net \$306,499 decrease in net position as of January 1, 2013.

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

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

#### A. Reporting Entity (continued)

<u>Related Organizations</u> - The County Manager and Board of County Commissioners are also responsible for appointing ten of the eleven members of the board of the Sedgwick County Technical Education and Training Authority. However, the County's accountability for this organization does not extend beyond making the appointments. The Sedgwick County Technical Education and Training Authority is the official governing body of the Wichita Area Technical College.

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

The government-wide financial statements (i.e., the Statement of Net Position 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. However, interfund services provided and used are not eliminated in the process of consolidation. *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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

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

<u>Fund Financial Statements</u> - 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

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

The *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.

Add	ditionally, 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 are restricted or committed 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.
Exp	penditures are grouped by function. The following are descriptions of the County's functions:
	<i>General Government</i> includes legislative, executive, financial administration, law, personnel administration, elections, facility operations, information technology, and planning & zoning functions.
	<i>Public Safety</i> includes public safety administration, law enforcement, corrections, protective inspection, fire protection, EMS, emergency communications, civil preparedness and judicial functions.
	Public Works includes road & bridges, storm drainage, waste disposal, weed control, and environmental resources functions.
	Health and welfare includes mental health, public health, aging assistance, general assistance, and animal control functions.
	Cultural and recreation includes parks, fairs & livestock, museums, and zoo functions.
	Economic development includes education, economic development, economic opportunity, and urban redevelopment & housing functions

□ *Debt* service includes payment of principal, interest and debt issuance cost.

□ Capital Outlay includes construction of buildings, roads and major asset purchase.

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

#### 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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

#### 1. Deposits and Investments

The County maintains a cash and investment pool that is available for use by all funds of the primary government. 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 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 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.

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

- D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (continued)
  - 1. Deposits and Investments (continued)
    - A municipal investment pool established through the trust department of commercial banks that have offices in Sedgwick County.

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 2013, the County invested in certificates of deposit, repurchase agreements, the Kansas Municipal Investment 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

<u>Interfund receivables</u> - 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.

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (continued)

#### 2. Receivables (continued)

<u>Property tax receivables</u> – 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.

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 inflows of resources in the fund financial statements. It is not practicable to apportion delinquent taxes at the end of the year, and further, those amounts are not material in relationship to the basic financial statements.

<u>Special assessments receivable</u> – 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 inflows of resources in the fund financial statements at December 31.

<u>Note receivable</u> – Sedgwick County agreed to loan the Sedgwick County Zoological Society, Inc. up to \$2,400,000 for a 10-year term beginning April 1, 2007. The loan funds capital improvements for the Zoo at an initial rate of 5.23%, adjusted annually. At December 31, 2013 the note balance was \$936,044. Starting in 2014 there is a moratorium for five years. During that time the zoo will not be required to make payments on the loan. The rate will reset April 1, 2017.

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (continued)

#### 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. Under the consumption method, inventories purchased are recorded as an asset and expenditure recognition is deferred until the inventories are actually consumed. Reported inventories in governmental funds are equally offset by a nonspendable fund balance, 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. Prepaid Items

Effective January 1, 2007, the County, through the SCPBC, entered into a 50-year lease with the Wichita Airport Authority of the City of Wichita, Kansas for land at Jabara Airport for construction of the aviation technical education campus. The County originally paid \$3,263,206 in advance rental payments, of which \$2,652,146 remains at December 31, 2013.

#### 5. Capital Assets

Capital assets, including property, plant, equipment, software, 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 and software is capitalized when the initial cost exceeds \$10,000 and its useful life extends beyond a single reporting period.

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.

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (continued)

#### 5. Capital Assets (continued)

Property, plant, software, 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:

Assets	<u>Years</u>
Buildings	40-50
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	3-5
Software	5
Vehicles	3

#### 6. Compensated Absences

It is the County's policy to permit employees to accumulate a maximum of 160 hours 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 800 hours of sick leave is entitled to 240 hours 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.

#### 7. 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 position. In the government-wide financial statements, bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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.

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (continued)

#### 8. Equity Classifications

In the government-wide statements, equity is shown as net position and classified into three components:

- Net investment in capital assets consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowings that are attributable to the acquisitions, construction, or improvements of those assets.
- Restricted net position consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The County first utilizes restricted resources to finance qualifying activities.
- Unrestricted net position All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

As prescribed by GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, governmental fund balance classifications are based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

In the fund financial statements, governmental funds report fund balance in five different classifications:

- Non-spendable Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
- Restricted Assets with externally imposed constraints, such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws, or regulations.
- Committed Assets with a purpose formally imposed by resolution by the Board of County Commissioners, binding unless modified or rescinded by the Board of County Commissioners.
- Assigned Comprises of amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the County's Board or (2) a body or official to whom the County's Board has delegated the authority to. The Board has delegated authority to the County Manager or Department Heads to assign amounts to be used for specific purposes as prescribed by the County's Fund Balance and Cash policy.
- Unassigned All amounts not included in the other fund balance classifications. The general fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

- D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (continued)
  - 8. Equity Classifications (continued)

In circumstances when expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

The County's fund balance policy states that the General Fund will be managed in such a way as to maintain a minimum unrestricted fund balance on the last calendar quarter equal to twenty percent of budgeted annual expenditures and transfers out.

#### 9. Deferred Inflows of Resources/Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items, unavailable revenue and deferred revenue that qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: accounts receivable and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property tax receivable and notes receivable. Property taxes are not recognized as revenue until the period for which they are levied. Principal and interest on notes receivable are not available until future periods, so are deferred in the funds; however, only the interest portion is deferred in the government-wide statements, as it is recognized as revenue as it is earned over the term of the agreement.

#### 10. 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.

#### NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

#### 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 places level of control at the object class (i.e., personal services, contractual, commodities, etc.). This allows management to transfer amounts between object classes within a fund, subject to County policy.
- 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 in 2013.

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 cancelled.

A legal operating budget is not required for capital projects funds, the debt proceeds fund, 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
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

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

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

#### B. Deficit Fund Equity

The Street, Bridge and Other Fund had a fund balance deficit of \$1,117,543 and the Building and Equipment Fund had a fund balance deficit of \$1,091,237 as of December 31, 2013. These deficits will be recovered through transfers from the Debt 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 is the "prudent person" investment rule and is 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, 2013, the County had the following investments:

Investment Type	Fair Value	Modified Duration (in years)	Percent of Total Pooled Funds
U.S. treasury coupon securities	\$ 5,002,539	0.326	0.99
U.S. agency coupon securities	168,922,261	1.533	33.36
Repurchase agreements	168,059,488	-	33.20
Kansas Municipal Investment Pool <sup>1</sup>	82,979,435	=	16.39
State & Local Government Securities	6,058,820	-	1.20
Mutual funds	13,414,952	=	2.65
Collateralized deposits	61,804,812	=	12.21
Total value	\$ 506,242,307		100.00
Portfolio modified duration		.493	

<sup>&</sup>lt;sup>1</sup>Interest rate risk for the Kansas Municipal Investment Pool is based on the weighted average maturity of the pool. As of December 31, 2013 the weighted average maturity of the pool was 70 days.

#### 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 has \$38,005,364 of agency coupons securities that are held by the investment counterparty.

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

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

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 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. The County's investment policy requires the fair value of collateral to be at least 102% of the total deposits. As of December 31, 2013, the market value of assets pledged to the County as collateral complied with the investment policy.

#### 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, Kansas law and 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 imposes 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, 2013, 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 and AA+ by Standard & Poor'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, 2013.

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

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

#### 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 time deposits in the portfolio. The following maximum limits, by instrument, are also established for the County's total investment portfolio:

_	Maximum Percentage
Investment Type	Of Portfolio
Repurchase agreements	15
Collateralized time and demand deposits	100
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	10

In addition, 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 May and December tax collection 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 and 10% for general obligation bonds of Kansas municipalities.

At December 31, the County held \$70 million, or 13.8%, of its portfolio in investments issued by Federal Home Loan Bank, and investments totaling \$53 million, or 10.6%, were held with the Federal National Mortgage Association.

A reconciliation of cash and investments as shown on the basic financial statements follows:

Cash, including investments, Statement of Net Position
Restricted cash, including investments, Statement of Net Position
Cash, including investments, Statement of Fiduciary Net Position
Total

178,907,909
16,037,087
329,424,715
524,369,711

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

### B. Capital Assets

Capital assets activity of the primary government, which includes the internal service funds, for the year ended December 31, 2013, was as follows:

	December 31, 2012	Increases	Decreases	December 31, 2013
Governmental activities: Capital assets, not being depreciated:				
Land	\$ 21,156,054	\$ 662,368	\$ -	\$ 21,818,422
Construction in progress	31,070,440	15,864,115	(11,582,493)	35,352,062
Total capital assets, not being depreciated	52,226,494	16,526,483	(11,582,493)	57,170,484
Capital assets, being depreciated:				
Buildings and improvements	304,031,125	5,268,548	-	309,299,673
Leasehold improvements	2,234,871	=	-	2,234,871
Improvements other than buildings	22,170,921	3,455,624	-	25,626,545
Machinery and equipment	81,085,832	4,629,254	(1,793,415)	83,921,671
Infrastructure	245,012,005	4,378,216	(314,879)	249,075,342
Total capital assets being depreciated	654,534,754	17,731,642	(2,108,294)	670,158,102
Less accumulated depreciation for:				
Buildings and improvements	(96,761,119)	(8,107,414)	-	(104,868,533)
Leasehold improvements	(2,234,871)	=	-	(2,234,871)
Improvements other than buildings	(15,131,284)	(1,664,167)	-	(16,795,451)
Machinery and equipment	(58,084,673)	(6,640,875)	1,768,026	(62,957,522)
Infrastructure	(95,924,218)	(7,403,066)	229,575	(103,097,709)
Total accumulated depreciation	(268,136,165)	(23,815,522)	1,997,601	(289,954,086)
Total capital assets being depreciated, net	386,398,589	(6,083,880)	(110,693)	380,204,016
Governmental activities capital assets, net	\$ 438,625,083	\$ 10,442,603	\$ (11,693,186)	\$ 437,374,500
	December 31,			December 31,
	2012	Increases	Decreases	2013
Business-type activities:				
Capital assets, not being depreciated:				
Land Construction in progress	\$ 13,163,978 -	\$ - -	\$ (125,620) -	\$ 13,038,358 -
Total capital assets, not being depreciated	13,163,978		(125,620)	13,038,358
Capital assets, being depreciated:				
Buildings and improvements	162,749,058	243,126	_	162,992,184
Machinery and equipment	5,839,486	22,138	-	5,861,624
Total capital assets being depreciated	168,588,544	265,264		168,853,808
Less accumulated depreciation for:				
Buildings and improvements	(12,339,050)	(4,213,477)	-	(16,552,527)
Machinery and equipment	(3,555,816)	(1,081,937)	-	(4,637,753)
Total accumulated depreciation	(15,894,866)	(5,295,414)		(21,190,280)
Total capital assets being depreciated, net	152,693,678	(5,030,150)		147,663,528
Business-type activities capital assets, net	\$ 165,857,656	\$ (5,030,150)	\$ (125,620)	\$ 160,701,886

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

#### B. Capital Assets (continued)

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

Governmental activities:	
General government	\$ 3,342,394
Public safety	5,074,737
Public works, including depreciation of general	
infrastructure assets	8,578,081
Health and welfare	139,666
Culture and recreation	2,527,253
Economic Development, conserve./natural resources	1,611,046
Capital assets held by the government's internal service	
funds are charged to the various functions based on their	
usage of the assets	2,542,345
Total depreciation expense – governmental activities	\$ 23,815,522
Business-type activities:	
Arena fund	\$ 5,295,414
Total depreciation expense – business-type activities	\$ 5,295,414

#### **Construction Commitments**

The County had outstanding construction commitments for various capital projects and improvements totaling \$12,701,681 at December 31, 2013. This amount is reflected as an encumbrance, which is a part of the fund balance in the Capital Projects Funds, including the Building and Equipment Fund, Street, Bridge and Other Fund, Sales Tax Road and Bridge Fund, Road and Bridge Equipment 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.

#### C. Operating Leases

The County has entered into a lease agreement with Wichita State University for space at National Center for Aviation Training. The future minimum rental income on this lease is as follows:

Year ending	
December 31	Governmental Activities
2014	\$ 800,000
2015	800,000
2016	800,000
2017	800,000
2018	800,000
2019 – 2023	4,000,000
2024 – 2028	4,000,000
2029 – 2030	1,600,000
Totals	\$ 13,600,000

The lease has a term of 20 years. The County is responsible for a majority of utility payments and the lessee is responsible for insurance expenses associated with the property.

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

#### D. 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.

#### Current and Crossover Refunding Bonds

Crossover Refunding - For reporting purposes, under a crossover advance refunding bond issue, the original issue (refunded bonds) is not considered defeased until they are retired. As with advance refunding bond issues, the proceeds of the crossover advance refunding bonds are placed into an escrow account. However, unlike other types of advance refunding, the escrow account in a crossover advance refunding transaction is not immediately dedicated to debt service principal and interest payments on the refunded debt. Instead, the resources in the escrow account are used temporarily to meet debt service requirements on the refunding bonds. Only at a later date, known as the "crossover date" are the resources in the escrow account dedicated exclusively to the payment of principal and interest on the refunded debt. Crossover refunding does not result in the defeasance of debt prior to the crossover date. The County has recorded in the appropriate financial statements the outstanding debt of both the refunding and the refunded issues which are not considered defeased.

On August 15, 2012, the County issued \$5,840,000 in General Obligation Bonds at a premium of \$468,377 for a crossover refunding. The bonds have a true interest cost of 1.8 percent. The crossover refunding portion includes \$5,785,000 of Series A 2005 Bonds with an average interest rate of 4.0 percent.

The crossover date on this refunding issue is August 1, 2015.

The County refunded these bonds to reduce its total debt service payments over a period of 13 years and will realize a net savings of \$396,098 with a present value savings of \$341,415.

At December 31, 2013, \$7,630,000 of the Series A 2005 crossover advance refunding bonds have not been called.

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

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

Current Refunding - On August 22, 2013, Sedgwick County issued \$5,375,000 Public Building Commission (PBC) Series 2013-1 refunding bonds at a premium of \$434,877. The average interest rate of the new bonds is 4.94 percent. Total proceeds of the issuance were \$5,826,428. These proceeds were used to refund \$5,725,000 of outstanding City of Wichita Public Building Commission Series 2001 bonds with an average interest rate of 4.9 percent. Proceeds of \$5,741,551 from the Series 2013-1 bonds were remitted to the City of Wichita, which was recorded by the County's PBC fund as an economic development expenditure.

This refunding bond was issued for Wichita State University (WSU) projects and reduced WSU's total debt payments over the next four years by \$385,479. The economic gain (difference between the present value of the old and new debt service payments) is \$379,070.

Current Refunding - On September 12, 2013, the County issued \$9,290,000 in General Obligation Bonds at a premium of \$779,109. The average interest rate of the new bond is 4.3 percent. Total proceeds of the issuance were \$10,069,109. The proceeds were used to refund \$2,187,977 and \$3,669,896 of the 2004 and 2009 KDOT Revolving Loans, respectively. As a result of the refunding portion, the 2004 and 2009 KDOT Loans were retired and the liabilities have been removed from the County's financial statements.

The County refunded these loans to reduce total debt service payments over the next sixteen years by \$409,583. The economic gain (difference between the present value of the old and new debt service payments) is \$339,238.

General obligation bonds outstanding at December 31, 2013 are as follows:

Purpose	Interest Rate	Amount
Governmental Activities – Road and Bridge	1.25 - 5.65%	\$ 21,186,469
Governmental Activities – Facilities	1.25 - 5.65%	12,910,582
Governmental Activities – Refunding	1.25 - 5.65%	41,365,000
Total general obligation bonds outstanding		\$ 75,462,051

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

		Governmental Activitie	ntal Activities	
Year ending				
December 31	Principal	<u>Interest</u>	Totals	
2014	\$ 8,505,051	\$ 2,652,314	\$ 11,157,365	
2015	8,112,000	2,484,660	10,596,660	
2016	8,107,000	2,285,788	10,392,788	
2017	7,991,000	2,014,294	10,005,294	
2018	8,186,000	1,739,554	9,925,554	
2019 - 2023	21,326,000	5,147,191	26,473,191	
2024 - 2028	9,825,000	1,755,169	11,580,169	
2029 - 2033	3,410,000	283,861	3,693,861	
Totals	\$ 75,462,051	\$ 18,362,831	\$ 93,824,882	

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

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

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	1.25 - 5.20%	\$ 3,667,949

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

		Governmental Activiti	es
Year ending December 31	Principal	Interest	Totals
2014	\$ 324,949	\$ 139,804	\$ 464,753
2015	328,000	130,789	458,789
2016	333,000	120,624	453,624
2017	349,000	109,753	458,753
2018	359,000	97,656	456,656
2019 - 2023	1,484,000	285,341	1,769,341
2024 - 2028	490,000	37,712	527,712
Totals	\$ 3,667,949	\$ 921,679	\$ 4,589,628

#### Sedgwick County Public Building Commission Revenue Bonds

The Sedgwick County Public Building Commission (SCPBC) is a blended 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. The County is the operating governmental entity on six of the seven issues outstanding (as indicated with a "\*") with repayment schedules ranging from 5 to 20 years. The current bonds outstanding are as follows:

Purpose	Interest Rate	Amount
*Public Services Administration Building	3.60 - 4.00%	\$ 1,135,000
*Exploration Place Series 2003-2	3.60 - 4.50%	8,390,000
*Juvenile Justice Complex 2007-1	4.00 - 4.125%	9,060,000
*Technical Education Complex 2008-1	4.00 - 5.25%	35,300,000
*Public Safety Facilities & Equipment	2.00 - 4.00%	11,550,000
*Juvenile Justice 2003-1 Refunding	2.00 - 3.00%	12,860,000
Refunding WSU Series 2013-1	3.00 - 4.00%	5,375,000
Total		\$ 83,670,000

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

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

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

	Component Unit - SCPBC		
Year ending December 31	Principal	Interest	Totals
2014	\$ 6,665,000	\$ 3,211,603	\$ 9,876,603
2015	6,870,000	3,120,303	9,990,303
2016	7,115,000	2,857,560	9,972,560
2017	6,855,000	2,582,410	9,437,410
2018	5,280,000	2,315,925	7,595,925
2019 – 2023	28,265,000	8,606,233	36,871,233
2024 – 2028	20,220,000	3,372,106	23,592,106
2029 - 2031	2,400,000	194,400	2,594,400
Totals	\$ 83,670,000	\$ 26,260,540	\$ 109,930,540

#### SCPBC Revenue Bonds – WSU Refunding 2013-1

During 2013, the SCPBC issued revenue bonds for Wichita State University to finance the costs of acquiring an interest in the Woodman Alumni Center from the Wichita State Board of Trustees. The financing of this facility by the SCPBC represents a direct financing lease, and accordingly, the net investment in the lease is recorded as a note receivable on the SCPBC's balance sheet for governmental funds, and on the government-wide statement of net position.

At December 31, 2013, the components of the net investment of this lease consist of:

Note receivable	\$ 4,008,904
Less unearned income	440,876
Net effect on statement of net position	\$ 3,568,028

Future minimum lease rentals to be received under the direct financing lease are as follows:

Year ended December 31	Principal	Interest	Total
2014	\$ 649,278	\$ 211,231	\$ 860,509
2015	1,364,583	145,938	1,510,521
2016	1,434,167	77,707	1,511,874
2017	120,000	6,000	126,000
Total	\$ 3,568,028	\$ 440,876	\$ 4,008,904

# NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

D. Long-Term Debt (continued)

#### Fire District Lease Agreements

In 2007, 2010 and 2011 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	\$	4,723,602	
Less: accumulated depreciation	·	1,994,326	
Total	\$	2,729,276	

The future minimum lease obligations and the net present value of the minimum lease payments as of December 31, 2013, were as follows:

Year ended	 Governmental	
December 31	 Activities	
2014	\$ 741,147	
2015	618,793	
2016	496,439	
2017	392,724	
2018	 187,027	
Total minimum lease payments	2,436,130	
Less: amount representing interest	171,575	
Total	\$ 2.264.555	

#### NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

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

#### **Changes in Noncurrent Liabilities**

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 \$1,141,000 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. Noncurrent liability activity for the year ended December 31, 2013, is as follows:

	Beginning Balance	Prior Period Adjustment	. <u></u>	Additions		Reductions		Ending Balance		Oue Within One Year
Governmental activities:										
Bonds payable:										
General obligation bonds	\$ 80,615,000	\$ -	\$	9,237,051	\$	14,390,000	\$	75,462,051	\$	8,505,051
Revenue Bonds	83,575,000	-		5,375,000		5,280,000		83,670,000		6,665,000
Special assessment debt with										
government commitment	4,345,000			52,949		730,000		3,667,949		324,949
Total bonds payable	168,535,000	-		14,665,000		20,400,000		162,800,000		15,495,000
KDOT Revolving Loans	6,199,824	-		-		6,199,824		-		-
Capital lease payable	2,908,377	-		-		643,822		2,264,555		667,636
Claims payable	1,204,000	-		1,326,004		1,389,004		1,141,000		852,000
Other postemployment benefits	45 774 740			2.050.544		4 240 440		47 440 044		
	15,774,746	-		2,656,514		1,318,416		17,112,844		<u>-</u>
Compensated absences	6,600,000			6,652,562		6,552,562	_	6,700,000		6,400,000
Governmental activities	201,221,947	-		25,300,080		36,503,628		190,018,399		23,414,636
				, ,		, ,		, ,		<u> </u>
Premium/(Discount)	3,977,145	687,689		1,213,986		468,572	_	5,410,248		<u>-</u>
Noncurrent liabilities	\$ 205,199,092	\$ 687,689	\$	26,514,066	\$	36,972,200	\$	195,428,647	\$	23,414,636

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

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

#### 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, 2013 was \$214,326,266 for the Industrial Revenue Bonds and \$85,253,044 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.

#### E. Interfund Transfers

A summary of interfund transfers is as follows:

	Transfers in:										
	General Fund		Federal/State Assistance Debt Funds Service Fund		Nonmajor Governmental Funds		Internal Service Funds			Totals	
Transfers out:											
General Fund	\$	-	\$1,541,485	\$	1,597,566	\$	7,345,356	\$	1,102,142	\$	11,586,549
Debt Proceed Fund		-	-		1,275,842		8,720,460		-		9,996,302
Nonmajor Governmental Funds	3	36,463	229,818		1,167,799		1,749,173		-		3,183,253
Internal Service Funds		-	-		-		215,366		-		215,366
Total	\$ 3	36,463	\$ 1,771,303	\$	4,041,207	\$	18,030,355	\$	1,102,142	\$	24,981,470

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.

#### F. 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 certain capital projects funds that have yet to be repaid from long-term financing from the Debt Proceeds Fund.

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

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

#### F. Interfund Receivables and Payables (continued)

A summary of interfund receivables and payables at December 31, 2013 is as follows:

	Interfund Receivable	Interfund Payable			
	Receivable	1 ayabie			
Debt Proceeds Fund	\$ 2,208,780	\$ -			
Nonmajor Capital Projects Funds:					
Building and Equipment Fund	-	1,091,237			
Street, Bridge and Other Fund	-	1,117,543			
•	\$ 2,208,780	\$ 2,208,780			

During 2003 and 2013, interfund loans were made between the General Fund and the Capital Improvement Fund to provide for the funding of specific capital improvement projects. These advance receivables and payables as of December 31, 2013 are as follows:

	Advance Receivables	Advance Payables			
General Fund Nonmajor Capital Projects Fund:	\$ 3,453,048	\$ -			
Capital Improvement Fund	\$ 3.453.048	3,453,048 \$ 3,453,048			
	\$ 3,433,046	\$ 3,455,046			

#### 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 INTRUST Bank Arena include loss related to theft, damage or destruction of assets, and natural disasters. These risks are covered by commercial insurance. Settlements from these risks have not exceeded insurance coverage for the past three years.

<u>Health/Dental/Life Insurance Reserve Fund</u>. The County has a fully funded health plan. A dental benefit purchased from a dental insurance company is provided for all health plan participants. The County pays all premiums for the health/dental benefit from the Health/Dental/Life Insurance Reserve Fund. In 2013, the County paid 90% and participating employees paid 10% of the cost of the health plan benefit.

<u>Workers' Compensation Reserve Fund.</u> The County provides workers' compensation benefits 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.

#### NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

#### IV. Other Information (continued)

#### A. Risk Management (continued)

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:

	Workers' mpensation
January 1, 2012 liability balances Claims and changes in estimates	\$ 1,295,865 1,218,760
Claim payments	(1,310,625)
December 31, 2012 liability balances	 1,204,000
Claims and changes in estimates	1,325,004
Claim payments	 (1,389,004)
December 31, 2013 liability balances	\$ 1,141,000

Net position available for self-insurance expenses and future catastrophic losses are as follows:

Health/Dental/Life Insurance Reserve Fund	\$ 4,908,173
Workers' Compensation Reserve Fund	1,834,682
Risk Management Reserve Fund	2,583,099

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

#### IV. Other Information (continued)

#### B. Commitments - Encumbrances

The County uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executed contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve portion of applicable appropriations. Encumbrances still open at year end are not accounted for as expenditures and liabilities but, rather, as restricted, committed, or assigned fund balance. As of December 31, 2013 the County's governmental funds had a total of \$13.8 million in encumbrances, which were reported as following:

	Ge	eneral	Federal/State Assistance		Other Governmental Funds		Total Governmental Funds
Restricted:							
General government	\$	-	\$	384,368	\$	2,759	\$ 387,127
Public safety		-		137,492		91,951	229,443
Health and welfare		-		89,821		29,928	119,749
Public Works		-		-		33,516	33,516
Economic development		-		18,114		-	18,114
Capital Outlay		-		-	9,673,770		9,673,770
Committed:							
Public safety		-		-		54,113	54,113
Capital Outlay		-		-		2,875,487	2,875,487
Assigned:							
General government		54,677		-		-	54,677
Public safety		101,605		-		-	101,605
Public works		91,083		-		-	91,083
Health and welfare	2,882			17,181		-	20,063
Economic development		-		3,392		-	3,392
Capital Outlay		-		-		152,424	 152,424
Total	\$	250,247	\$	650,368	\$	12,913,948	\$ 13,814,563

#### C. 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.

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

#### IV. Other Information (continued)

#### D. Pending Governmental Accounting Standards

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, was issued in June 2012. This statement establishes accounting and financial reporting by state and local governments for pensions, including entities that participate in cost-sharing multiple-employer plans. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equipment arrangements that meet certain criteria. Also, this statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For example, cost-sharing employers participating in KPERS, such as the County, will be required to record their proportionate share, as defined in Statement No. 68, of the KPERS unfunded pension liability. While management of the County has not yet estimated their share of the KPERS liability, it is presumed that the amount will be material to the County's financial statements. The provisions of this statement are effective for financial statements for the County's fiscal year ending December 31, 2015.

GASB Statement No. 69, Government Combinations and Disposals of Government Operations, was issued in January 2013. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The distinction between a government merger and a government acquisition is based upon whether an exchange of significant consideration is present within the combination transaction. Government mergers include combinations of legally separate entities without the exchange of significant consideration. This statement requires the use of carrying values to measure the assets and liabilities in a government merger. Conversely, government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. This statement requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations. A disposal of a government's operations results in the removal of specific activities of a government. This statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. This statement requires disclosures to be made about government combinations and disposals of government operation to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this statement are effective for financial statements for the County's fiscal year ending December 31, 2014 with earlier application encouraged.

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, was issued in April 2013. The objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government that has issued an obligation guaranteed in a nonexchange transaction to report the obligations until legally released as an obligor. This

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

#### IV. Other Information (continued)

#### D. Pending Governmental Accounting Standards (continued)

statement specifies the information required to be disclosed by governments that extend nonexchange guarantees. In addition, this statement requires new information to be disclosed by governments that receive nonexchange financial guarantees. The provisions of this statement are effective for the financial statements for the County's fiscal year ending December 31, 2014 with earlier application encouraged.

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, was issued in November 2013. The objective of this statement is to address an issue regarding application of the transition provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Under Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances of deferred outflows and inflows of resources not be reported. This statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this statement should be applied simultaneously with the provisions of Statement 68.

#### E. Defined Benefit Pension Plans

<u>Plan description</u>. 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. That report may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

<u>Funding policy</u>. K.S.A. 74-419 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes 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 2013 is as follows:

 January 1 – March 23
 8.94%

 March 24 – June 15
 7.94%

 June 16 – December 31
 8.94%

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

#### IV. Other Information (continued)

#### E. Defined Benefit Pension Plans (continued)

The County's contributions to KPERS for the years ended December 31, 2013, 2012, and 2011 were \$7,589,220, \$7,382,885, and \$7,281,767, respectively, equal to the statutory required contributions for each year. The KP&F employer rates for 2013 are 17.60% for the Emergency Medical Services Department, 17.26% for the Fire Department, and 17.59% for the Sheriff Department. 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, 2013, 2012, and 2011 were \$5,344,070, \$5,093,322, and \$4,697,406, respectively, equal to the statutory required contributions for each year.

#### F. Other Postemployment Benefits Other Than Pensions

<u>Plan description</u>. The County sponsors a single-employer defined benefit healthcare plan that provides healthcare benefits, including medical, dental and vision, to retirees. Retiree health coverage is provided for under K.S.A. 12-5040. Employees who retire with at least 10 years of cumulative service with the County and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERS) are eligible for benefits. The funding policy of the County is to pay premiums as they come due through the Health/Dental/Life Insurance Reserve internal service fund.

County retirees pay the same premiums charged to COBRA participants for medical, dental and vision coverage. The COBRA rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these two amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB Statement 45).

Retirees and spouses have the same benefit as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches the Medicare eligibility age which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies.

<u>Funding policy</u>. The contribution requirements of plan members and the County are established and may be amended by the County Commission. The required contribution is based on projected pay-as-you-go financing requirements. County retirees pay 100% of their healthcare premiums; the County is not required to share costs of retiree premiums.

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

#### IV. Other Information (continued)

F. Other Postemployment Benefits Other Than Pensions (continued)

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following tables show the components of the primary government OPEB cost for 2013:

Annual OPEB Cost and Obligation for 2013	 Amount
Annual required contribution (ARC) Interest on Net OPEB Obligation Adjustment to the ARC	\$ 2,707,579 552,116 (603,181)
Annual OPEB cost (expense) Contributions made	2,656,514 (1,318,416)
Increase in net OPEB obligation	 1,338,098
Net OPEB obligation—beginning of year	 15,774,746
Net OPEB obligation—end of year	\$ 17,112,844
Employer Contribution for 2013	 Amount
Age-approximating premiums paid on behalf of retirees Retiree contribution	\$ 1,875,393 (556,977)
Net employer contribution	\$ 1,318,416

#### Schedule of Employer Contributions Annual Net OPEB OPEB Net Employer Percentage Year Obligation Cost Contributions Contributed 14,773,711 2011 2,366,903 501,783 21.2% 2012 15,774,746 2,365,362 1,364,327 57.7% 2013 17,112,844 2,656,514 1,318,416 49.6%

<u>Funded Status and Funding Progress.</u> As of January 1, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$27.6 million, and there was no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$27.6 million. The covered payroll (annual payroll of active employees covered by the plan) was \$111.0 million, and the ratio of the UAAL to the covered payroll was 24.8 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

#### IV. Other Information (continued)

#### F. Other Postemployment Benefits Other Than Pensions (continued)

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment return on the County's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 7.5 percent initially, reduced by decrements to an ultimate rate of 5 percent after seven years. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013, was thirty years.

<u>Plan Report.</u> The plan does not issue a stand-alone audited GAAP-basis report.

#### G. Termination Benefits

During 2011, the County adopted a retirement incentive program to reduce its workforce. This was done as a cost saving measure in response to the decline in the economy. Eligible employees were given the option to participate in medical insurance for five years or until retiree reaches the age of 65. The County would continue paying the current employer portion of the premium consistent with the contribution of active employees. If during the five years the employee reaches the age of 65, the benefit will transition to a single Medicare supplemental plan. The employee could also elect a one-time pay out of sick leave plus an additional 20 days (a maximum of a 50 day payout). In 2012, benefits paid were \$1,110,860. The effect of the health care benefit is included with the determination of other post employment benefits described in Note F. above. The retirement incentive program increased the accrual actuarial liability by \$5,775,637 for the year ended December 31, 2013.

# REQUIRED SUPPLEMENTARY INFORMATION December 31, 2013

# Schedule of Revenues, Expenditures and Changes in Fund Balances Budget to Actual – Budgetary Basis General Fund For the Year Ended December 31, 2013

	Budgeted Original	I Amounts Final	Actual Amounts	Variance with Final Budget Positive/ (Negative)
Revenues				
Property taxes	\$ 103,624,743	\$ 103,624,743	\$ 104,694,337	\$ 1,069,594
Sales taxes	26,686,524	26,686,524	26,710,085	23,561
Other taxes	256,958	256,958	295,802	38,844
Intergovernmental	4,560,823	4,560,823	3,632,306	(928,517)
Charges for services	17,462,481	17,462,481	17,161,681	(300,800)
Uses of money and property	4,292,310	4,292,310	5,124,831	832,521
Fines and forfeits	172,567	172,567	62,975	(109,592)
Licenses and permits	455,845	455,845	88,014	(367,831)
Reimbursed expenditures	4,888,408	4,888,408	5,018,750	130,342
Other	2,935,634	2,935,634	3,024,397	88,763
Total revenues	165,336,293	165,336,293	165,813,178	476,885
Expenditures Current:				
Personnel services	101,470,924	99,874,575	97,211,855	2,662,720
Contractual services	63,183,067	59,525,324	38,490,572	21,034,752
Commodities	5,350,352	5,812,175	5,302,369	509,806
Capital outlay	3,297,965	169,540	124,025	45,515
Total expenditures	173,302,308	165,381,614	141,128,821	24,252,793
Revenues over expenditures	(7,966,015)	(45,321)	24,684,357	24,729,678
Other financing sources (uses)				
Transfers from other funds	508,312	508,312	36,463	(471,849)
Transfers to other funds	(15,602,571)	(23,523,265)	(23,344,026)	179,239
Total other financing sources (uses)	(15,094,259)	(23,014,953)	(23,307,563)	(292,610)
Net change in fund balances	(23,060,274)	(23,060,274)	1,376,794	24,437,068
Fund balances, beginning of year	23,060,274	23,060,274	61,377,253	38,316,979
Fund balances, end of year	\$ -	\$ -	\$ 62,754,047	\$ 62,754,047

# REQUIRED SUPPLEMENTARY INFORMATION December 31, 2013

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

#### 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 reconciliation from GAAP basis to budgetary basis for the General Fund.

	December 31, 2013
Fund balance, budgetary basis	\$ 62,754,047
Current year encumbrances	250,247
Fair value adjustment of investments	(351,558)
Accrued revenues	4,188,059
Fund balance, GAAP basis	\$ 66,840,795

#### **Other Postemployment Benefits Other Than Pensions**

Schedule of Funding Progress										
		Actuarial				UAAL as a				
Actuarial	Actuarial	Accrued	Unfunded			Percentage				
Valuation	Value of	Liability	AAL	Funded	Covered	of Covered				
Date	Assets	(AAL)	(UAAL)	Ratio	Payroll	Payroll				
01/01/2009	-	28,488,774	28,488,774	-	113,107,379	25.2%				
01/01/2011	-	22,649,095	22,649,095	-	121,832,839	18.6%				
01/01/2013	-	27,567,411	27,567,411	-	111,026,155	24.8%				

## REQUIRED SUPPLEMENTARY INFORMATION December 31, 2013

Note 1 Significant Factors Affecting Trends in Actuarial Information

Changes in the Actuarial Accrued Liability for the valuation completed at January 1, 2013 are primarily due to:

- The valuation interest rate was lowered from 4.0% to 3.5%.
- The assumed enrollment rate for future retirees was lowered from 65% to 55%.
- The assumed proportion of future retirees with a covered spouse was lowered from 60% to 50%.
- The assumed Medical/Rx trend rates where changed from Actual, then 7.5% grading down in increments of .5 percentage points to an ultimate of 5.0% **to** a starting trend of Actual, then 7.5% grading down in increments of .25 percentage points to an ultimate of 5.0%.
- The disability, turnover and retirement rates were updated where applicable to be based on the latest available rates from KPERS/KP&F.
- Assumed mortality was updated to reflect improvement through 2018 based on recommendations in actuarial literature.
- The County changed from two Medical plan options to one effective January 1, 2013.

sedgwick county 2013

# **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** 

**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

Prosecuting Attorney Training Register of Deeds Technology

Fire District Operating

Fire District Research and Development

Township Dissolution

**Public Building Commission** 

#### **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:

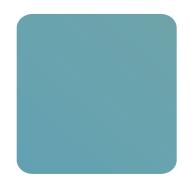
Fire District Debt Service

#### **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
Equipment Reserve
Fire District Special Equipment







### Combining Balance Sheet Nonmajor Governmental Funds December 31, 2013

	Special Revenue Funds		Fire District Debt Service		Pro	Capital ojects Funds	Totals
<u>Assets</u>		<del>.</del>					 
Cash, including investments	\$	22,212,568	\$	25,790	\$	35,569,041	\$ 57,807,399
Due from other agencies		157,273		-		-	157,273
Accounts receivable		3,978,356		-		-	3,978,356
Property tax receivable		33,578,686		-		-	33,578,686
Sales tax receivable		-		-		2,468,634	2,468,634
Notes receivable		4,008,904		-		-	4,008,904
Inventories, at cost		743,214		-		-	 743,214
Total assets	\$	64,679,001	\$	25,790	\$	38,037,675	\$ 102,742,466
Liabilities:							
Accounts payable	\$	631,630	\$	-	\$	376,572	\$ 1,008,202
Accrued wages		1,409,278		-		-	1,409,278
Due to other funds		-		-		2,208,780	2,208,780
Advance payable		-	-			3,453,048	 3,453,048
Total liabilities		2,040,908				6,038,400	 8,079,308
Deferred Inflows of Resources:							
Deferred property tax receivable		33,578,686		-		-	33,578,686
Deferred notes receivable		4,807,877		-		-	4,807,877
Unavailable revenue - accounts receivable		4,135,629		-		<u> </u>	 4,135,629
Total deferred inflows of resources		42,522,192					 42,522,192
Fund balances:							
Nonspendable:							
Inventories		743,214		-		-	743,214
Restricted:							
General Government		1,791,386		-		-	1,791,386
Debt Service		1,116,689		25,790		-	1,142,479
Public Safety		8,720,936		-		-	8,720,936
Public Works		3,274,348		-		-	3,274,348
Health and Welfare		978,260		-		-	978,260
Culture and Recreation		5,174		-		-	5,174
<b>Economic Development</b>		9,500		-		-	9,500
Capital Outlay		-		-		20,154,667	20,154,667
Committed:							
Public Safety		3,240,416		-		-	3,240,416
Capital Outlay		-		-		6,703,551	6,703,551
Assigned:							
Public Works		235,736		-		-	235,736
Health and Welfare		242		-		-	242
Capital Outlay		-		-		7,349,837	7,349,837
Unassigned		-		-		(2,208,780)	(2,208,780)
Total fund balance	-	20,115,901		25,790		31,999,275	 52,140,966
		· · · · · · · · · · · · · · · · · · ·		· · · · · · · · · · · · · · · · · · ·		<u> </u>	· · ·
Total liabilities, deferred inflows of							
resources and fund balances	\$	64,679,001	\$	25,790	\$	38,037,675	\$ 102,742,466

# Combining Balance Sheet Nonmajor Governmental Funds - Special Revenue Funds December 31, 2013

	Wichita State University Program Development		Comprehensive Community Care		Emergency Medical Services		Aging Services	
<u>Assets</u>	_		_					
Cash, including investments	\$	106,259	\$	822,337	\$	3,702,433	\$	422,350
Due from other agencies		-		-		-		-
Accounts receivable		-		-		3,978,356		-
Property tax receivable		6,256,715		2,435,110		2,868,994		2,244,201
Notes receivable		-		-		-		-
Inventories, at cost		<u> </u>				347,349		<u>-</u>
Total assets	\$	6,362,974	\$	3,257,447	\$	10,897,132	\$	2,666,551
Liabilities:								
Accounts payable	\$	96,759	\$	50,624	\$	39,462	\$	135,182
Accrued wages		-		57,957		422,555		23,493
Total liabilities		00.750		400 504		400.047		150.075
Total liabilities		96,759		108,581		462,017		158,675
Deferred Inflows of Resources:								
Deferred property tax receivable		6,256,715		2,435,110		2,868,994		2,244,201
Deferred notes receivable		-		-		-		-
Unavailable revenue - accounts receivable		-		-		3,978,356		
Total deferred inflows of resources		6,256,715		2,435,110		6,847,350		2,244,201
Fund balances:								
Nonspendable:								
Inventories		-		-		347,349		-
Restricted:								
General Government		-		-		-		-
Debt Service		-		-		-		-
Public Safety		-		-		-		-
Public Works		-		-		-		-
Health and Welfare		-		713,514		-		263,675
Culture and Recreation		-		-		-		-
Economic Development		9,500		-		-		-
Committed:								
Public Safety		-		-		3,240,416		-
Assigned:								
Public Works		-		-		-		-
Health and Welfare		-		242		-		-
Total fund balance		9,500		713,756		3,587,765		263,675
Total liabilities, deferred inflows of resources and fund balances	\$	6,362,974	\$	3,257,447	\$	10,897,132	\$	2,666,551
	<u> </u>	0,002,014	Ψ	0,201,771	Ψ	10,007,102	Ψ	_,000,001

Public Works Noxious Highways Weeds				S	olid Waste	cial Parks Recreation	7	Emergency Felephone Services	Court Trustee Operations		
\$	2,297,960 157,273	\$	200,015	\$	1,328,989	\$ 5,174	\$	2,341,395 -	\$	3,635,799	
	4,975,602		- 348,794		-	-		-		-	
	395,865				<u>-</u>	 					
\$	7,826,700	\$	548,809	\$	1,328,989	\$ 5,174	\$	2,341,395	\$	3,635,799	
\$	36,850 205,271	\$	12,815 10,016	\$	28,200 23,728	\$ - -	\$	57,852 -	\$	89,510 106,682	
	242,121		22,831		51,928	 		57,852		196,192	
	4,975,602		348,794		-	-		-		-	
	157,273				<u> </u>	 <u> </u>				<u> </u>	
	5,132,875		348,794			 		<u> </u>			
	395,865		-		-	-		-		-	
	-		-		-	-		-		-	
	-		-		-	-		2,283,543		3,439,607	
	2,055,839		-		1,218,509	-		-		-	
	-		-		-	- 5,174		-		-	
	-		-		-	-		-		-	
	-		-		-	-		-		-	
	-		177,184		58,552	-		-		-	
_	2,451,704		177,184		1,277,061	 5,174		2,283,543		3,439,607	
\$	7,826,700	\$	548,809	\$	1,328,989	\$ 5,174	\$	2,341,395	\$	3,635,799	

(Continued)

# Combining Balance Sheet (continued) Nonmajor Governmental Funds - Special Revenue Funds December 31, 2013

	an	al Alcohol d Drug ograms	Au	to License	Saf	Court cohol/Drug ety Action Program	Prosecuting Attorney Training	
<u>Assets</u>	•	4.074	•	504.470	•	400 004	•	50.005
Cash, including investments	\$	1,071	\$	584,178	\$	130,221	\$	52,235
Due from other agencies Accounts receivable		-		-		-		-
		-		-		-		-
Property tax receivable Notes receivable		-		-		-		-
Inventories, at cost		-		-		-		-
inventories, at cost	-			<u>-</u> _				
Total assets	\$	1,071	\$	584,178	\$	130,221	\$	52,235
Liabilities:								
Accounts payable	\$	-	\$	20,055	\$	-	\$	-
Accrued wages		-		82,746		-		-
Total liabilities				102,801	•	_		
Deferred Inflows of Resources:								
Deferred property tax receivable		-		-		-		-
Deferred notes receivable		-		-		-		-
Unavailable revenue - accounts receivable		-		-				
Total deferred inflows of resources				_				
Fund balances:								
Nonspendable:								
Inventories		_		-		_		_
Restricted:								
General Government		_		481,377		_		_
Debt Service		_		-		_		_
Public Safety		_		_		130,221		52,235
Public Works		_		_		-		-
Health and Welfare		1,071		_		_		_
Culture and Recreation		-,0		_		_		_
Economic Development		_		_		_		_
Committed:								
Public Safety		_		_		_		_
Assigned:								
Public Works		_		_		_		_
Health and Welfare		-		-		_		_
Total fund balance		1,071		481,377		130,221		52,235
i otai itiliti balailoe	-	1,071		401,311		130,221		32,233
Total liabilities, deferred inflows of								
resources and fund balances	\$	1,071	\$	584,178	\$	130,221	\$	52,235

_	ster of Deeds echnology	ire District Operating	Fire District Research and Development			ownship ssolution		olic Building	 Totals
\$	1,131,692	\$ 3,335,230	\$	7,031	\$	192,537	\$	1,915,662	\$ 22,212,568
	-	-		-		-		-	157,273
	-	-		-		-		-	3,978,356
	-	14,449,270		-		-		-	33,578,686
	-	-		-		-		4,008,904	4,008,904 743,214
		 							 743,214
\$	1,131,692	\$ 17,784,500	\$	7,031	\$	192,537	\$	5,924,566	\$ 64,679,001
\$	3,433	\$ 60,888	\$	-	\$	_	\$	-	\$ 631,630
	10,787	 466,043				-			 1,409,278
	14,220	 526,931				<u>-</u>	-		 2,040,908
		14 440 270							22 579 696
	-	14,449,270				-		4,807,877	33,578,686 4,807,877
	-	-		-		-		-,007,077	4,135,629
		44440.070						4.007.077	 40 500 400
	<u> </u>	 14,449,270						4,807,877	42,522,192
	-	-		-		-		-	743,214
	1,117,472	_		_		192,537		_	1,791,386
	-	-		-		-		1,116,689	1,116,689
	-	2,808,299		7,031		-		-	8,720,936
	-	-		-		-		-	3,274,348
	-	-		-		-		-	978,260
	-	-		-		-		-	5,174
	-	-		-		-		-	9,500
	-	-		-		-		-	3,240,416
	-	-		-		-		-	235,736
	-	-		-		-		-	242
	1,117,472	2,808,299		7,031		192,537		1,116,689	20,115,901
		AT TO 1 TO 1			•	406		<b>.</b>	04.0=====
\$	1,131,692	\$ 17,784,500	\$	7,031	\$	192,537	\$	5,924,566	\$ 64,679,001

## Combining Balance Sheet Nonmajor Capital Projects Funds December 31, 2013

	Building and Equipment	Street, Bridge and Other	Sales Tax Road and Bridge	Road and Bridge Equipment	
<u>Assets</u>					
Cash, including investments	\$ -	\$ -	\$ 17,739,741	\$ 155,555	
Sales tax receivable			2,468,634		
Total assets	\$ -	\$ -	\$ 20,208,375	\$ 155,555	
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 53,708	\$ -	
Due to other funds	1,091,237	1,117,543	-	-	
Advance payable			<u> </u>		
Total liabilities	1,091,237	1,117,543	53,708		
Fund balances:					
Restricted:					
Capital Outlay	-	-	20,154,667	-	
Committed:					
Capital Outlay	-	-	-	-	
Assigned:					
Capital Outlay	-	-	-	155,555	
Unassigned	(1,091,237)	(1,117,543)	-	-	
Total fund balance	(1,091,237)	(1,117,543)	20,154,667	155,555	
Total liabilities, deferred inflows of					
resources and fund balances	\$ -	\$ -	\$ 20,208,375	\$ 155,555	

	lighway rovement	lm	Capital provements		Equipment Reserve		e District Special quipment		Totals
\$	55,163	\$	10,387,589	\$	6,567,330	\$	663,663	\$	35,569,041
		-	<del>-</del>		<del></del>		<del></del>		2,468,634
\$	55,163	\$	10,387,589	\$	6,567,330	\$	663,663	\$	38,037,675
<b>c</b>		<b>c</b>	000 000	\$	04.074	Φ.		<b>c</b>	070 570
\$	-	\$	230,990	Ф	91,874	\$	-	\$	376,572 2,208,780
			3,453,048		<u> </u>				3,453,048
	<u>-</u>		3,684,038		91,874		-		6,038,400
	-		-		-		-		20,154,667
	-		6,703,551		-		-		6,703,551
	55,163		-		6,475,456		663,663		7,349,837
	-						-		(2,208,780)
	55,163		6,703,551		6,475,456		663,663		31,999,275
\$	55,163	\$	10,387,589	\$	6,567,330	\$	663,663	\$	38,037,675

SEDGWICK COUNTY 2013

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

For the Twelve Months Ended December 31, 2013

	Special Revenue Funds	Fire District Debt Service	Capital Projects Funds	Totals
Revenues	Nevenue i unus	Dept Service	Frojects runus	Totals
Property taxes	\$ 38,662,021	\$ 1	\$ -	\$ 38,662,022
Emergency telephone services taxes	2,733,676	Ψ .	Ψ -	2,733,676
Sales taxes	2,700,070	_	11,847,695	11,847,695
Other taxes	83,652	_	- 11,011,000	83,652
Intergovernmental	8,113,207	_	542,941	8,656,148
Charges for services	21,304,421	_	-	21,304,421
Uses of money and property	150,465	-	-	150,465
Licenses and permits	67,653	_	_	67,653
Other	117,561	_	25,822	143,383
Total revenues	71,232,656	1_	12,416,458	83,649,115
Expenditures				
Current:				
General government	4,274,537	-	-	4,274,537
Public safety	37,871,662	-	-	37,871,662
Public works	12,016,315	-	-	12,016,315
Health and welfare	5,736,492	-	-	5,736,492
Culture and recreation	324	-	-	324
Economic development	12,903,814	-	-	12,903,814
Debt service:				
Principal	643,822	-	-	643,822
Interest and fiscal charges	97,325	-	-	97,325
Debt issuance cost	66,874			66,874
Capital outlay	-	-	28,042,192	28,042,192
Total expenditures	73,611,165	<u> </u>	28,042,192	101,653,357
Excess (deficiency) of revenues				
over (under) expenditures	(2,378,509)	1	(15,625,734)	(18,004,242)
Other financing sources (uses)				
Transfers from other funds	-	-	18,030,355	18,030,355
Transfers to other funds	(3,146,790)	-	(36,463)	(3,183,253)
Premium from issuance of revenue bonds	434,877	-	-	434,877
Issuance of revenue bonds	5,375,000	-	-	5,375,000
Total other financing sources (uses)	2,663,087	-	17,993,892	20,656,979
Net change in fund balances	284,578	1	2,368,158	2,652,737
	- ,		,,	, ,
Fund balances, beginning of year	19,831,323	25,789	29,631,117	49,488,229
Fund balances, end of period	\$ 20,115,901	\$ 25,790	\$ 31,999,275	\$ 52,140,966

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

For the Twelve Months Ended December 31, 2013

	Wichita State University Program Development		mprehensive nmunity Care	mergency Medical Services	Aging Services	
Revenues						
Property taxes	\$	7,162,443	\$ 2,310,238	\$ 4,006,318	\$	2,718,003
Emergency telephone services taxes		-	-	-		-
Other taxes		-	-	-		-
Intergovernmental		-	348,890	-		-
Charges for services		-	-	12,811,017		-
Uses of money and property		-	-	-		-
Licenses and permits		-	-	-		-
Other			 242	 24,447		<u> </u>
Total revenues		7,162,443	 2,659,370	 16,841,782		2,718,003
Expenditures						
Current:						
General government		-	-	-		-
Public safety		-	-	16,529,823		-
Public works		-	-	-		-
Health and welfare		-	3,088,744	-		2,647,232
Culture and recreation		-	-	-		-
Economic development		7,162,443	-	-		-
Debt service:						
Principal		-	-	-		-
Interest and fiscal charges		-	-	-		-
Debt issuance cost			 -	 <u> </u>		
Total expenditures		7,162,443	 3,088,744	 16,529,823		2,647,232
Excess (deficiency) of revenues						
over (under) expenditures			 (429,374)	 311,959	_	70,771
Other financing sources (uses)						
Transfers to other funds		-	-	(500,500)		(176,387)
Premium from issuance of revenue bonds		-	-	-		-
Issuance of revenue bonds			 	<u> </u>		
Total other financing sources (uses)	-		 	(500,500)		(176,387)
Net change in fund balances		-	(429,374)	(188,541)		(105,616)
Fund balances, beginning of year		9,500	 1,143,130	 3,776,306		369,291
Fund balances, end of period	\$	9,500	\$ 713,756	\$ 3,587,765	\$	263,675

ublic Works Highways		Noxious Weeds Solid Waste		olid Waste	-	cial Parks Recreation	1	mergency Felephone Services	Court Trustee Operations	
\$ 5,845,952	\$	495,454	\$	-	\$	-	\$	-	\$	-
-		-		-		- 32,810		2,733,676		-
4,541,068		-		-		-		-		3,196,649
68,356		52,382		1,557,343		-		-		918,208
-		-		-		-		55,269		-
5,265		-		57,628		-		-		-
 25,307		290		924			-	2,704	-	20,781
 10,485,948		548,126		1,615,895		32,810		2,791,649		4,135,638
-		-		-		-		-		-
-		-		-		-		1,774,260		4,112,069
10,248,652		418,417		1,349,246		-		-		-
-		-		-		-		-		-
-		-		-		324		-		-
-		-		-		-		-		-
-		-		-		-		-		-
 <u>-</u> _		<u> </u>		<u>-</u> _				<del>-</del> _		<u> </u>
 10,248,652		418,417		1,349,246		324		1,774,260		4,112,069
 237,296		129,709		266,649		32,486		1,017,389		23,569
(13,000)		-		(232,277)		(33,313)		(1,087,882)		-
-		-		-		-		-		-
 (13,000)		<u> </u>		(232,277)		(33,313)		(1,087,882)		<u>-</u>
 (13,000)	-			(232,211)	-	(33,313)		(1,007,002)		
224,296		129,709		34,372		(827)		(70,493)		23,569
 2,227,408		47,475		1,242,689		6,001		2,354,036		3,416,038
\$ 2,451,704	\$	177,184	\$	1,277,061	\$	5,174	\$	2,283,543	\$	3,439,607

(Continued)

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued) Nonmajor Special Revenue Funds

For the Twelve Months Ended December 31, 2013

	Special Alcohol and Drug Programs	Auto License	Court Alcohol/Drug Safety Action Program	Prosecuting Attorney Training
Revenues				
Property taxes	\$ -	\$ -	- \$	\$ -
Emergency telephone services taxes	-	-		-
Other taxes	50,842			-
Intergovernmental	-	26,600		-
Charges for services	-	3,748,330	35,125	32,829
Uses of money and property	-	-		-
Licenses and permits	-	-		-
Other		<u> </u>	· <u> </u>	<del>-</del>
Total revenues	50,842	3,774,930	35,125	32,829
Expenditures				
Current:				
General government	-	3,598,654		_
Public safety	-	-	34,451	23,398
Public works	-	-	· -	-
Health and welfare	516	-		-
Culture and recreation	-	-		-
Economic development	-	-		-
Debt service:				
Principal	-	-		-
Interest and fiscal charges	-	-		-
Debt issuance cost			<u> </u>	
Total expenditures	516	3,598,654	34,451	23,398
Excess (deficiency) of revenues				
over (under) expenditures	50,326	176,276	674	9,431
(				
Other financing sources (uses)				
Transfers to other funds	(53,431)	-		-
Premium from issuance of revenue bonds	-	-		-
Issuance of revenue bonds			<u> </u>	<u></u> _
Total other financing sources (uses)	(53,431)	-	<u> </u>	
Net change in fund balances	(3,105)	176,276	674	9,431
Fund balances, beginning of year	4,176	305,101	129,547	42,804
Fund balances, end of period	\$ 1,071	\$ 481,377	\$ 130,221	\$ 52,235

Register of Deeds Technology	Fire District Operating	Fire District Research and Development	Township Dissolution	Public Building Commission	Totals
\$ -	\$ 16,123,613	\$ -	\$ -	\$ -	\$ 38,662,021
-	-	-	-	-	2,733,676
-	-	-	-	-	83,652
-	-	-	-	-	8,113,207
688,914	383,917	-	-	1,008,000	21,304,421
208	4,478	4	-	90,506	150,465
-	4,760	-	-	-	67,653
	18,715	7,600	·	16,551	117,561
689,122	16,535,483	7,604		1,115,057	71,232,656
675,883	-	-	-	-	4,274,537
-	15,382,714	14,947	-	-	37,871,662
-	-	-	-	-	12,016,315
-	-	-	-	-	5,736,492
-	-	-	-	-	324
-	-	-	-	5,741,371	12,903,814
-	643,822	-	-	-	643,822
-	97,325	-	-	-	97,325
				66,874	66,874
675,883	16,123,861	14,947		5,808,245	73,611,165
13,239	411,622	(7,343)		(4,693,188)	(2,378,509)
	(4.050.000)				(2.146.700)
-	(1,050,000)	-	-	434,877	(3,146,790) 434,877
<u>.</u>	<u>.</u>	-	-	5,375,000	5,375,000
	(1,050,000)			5,809,877	2,663,087
13,239	(638,378)	(7,343)	-	1,116,689	284,578
1,104,233	3,446,677	14,374	192,537		19,831,323
\$ 1,117,472	\$ 2,808,299	\$ 7,031	\$ 192,537	\$ 1,116,689	\$ 20,115,901

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds For the Twelve Months Ended December 31, 2013

		lding and uipment	reet, Bridge and Other	Sales Tax Id and Bridge		and Bridge uipment
Revenues						
Sales taxes	\$	-	\$ -	\$ 11,847,695	\$	-
Other revenue		11,020	-	100		-
Intergovernmental	-	-	 -	 531,466		
Total revenues		11,020	 <u>-</u>	 12,379,261	-	-
Expenditures						
Capital outlay		7,100,207	 2,164,855	 10,359,706		-
Total expenditures		7,100,207	2,164,855	 10,359,706		
(Deficiency) of revenues						
(under) expenditures		(7,089,187)	 (2,164,855)	 2,019,555		
Other financing sources (uses)						
Transfers from other funds		8,183,088	1,587,372	-		-
Transfers to other funds		(36,463)	-	-		-
Proceeds from capital lease		-	 	 		
Total other financing sources (uses)		8,146,625	 1,587,372	 		
Net change in fund balances		1,057,438	(577,483)	2,019,555		-
Fund balances (deficits), beginning of year		(2,148,675)	 (540,060)	 18,135,112		155,555
Fund balances (deficits), end of period	\$	(1,091,237)	\$ (1,117,543)	\$ 20,154,667	\$	155,555

Highway Improvement		Capital Improvements		E	Equipment Reserve		re District Special quipment	Totals			
\$	-	\$	-	\$	-	\$	-	\$	11,847,695		
	-		14,289		-		413		25,822		
			11,475			-	-	-	542,941		
			25,764				413		12,416,458		
			5,518,464		2,787,646		111,314		28,042,192		
			5,518,464		2,787,646		111,314		28,042,192		
			(5,492,700)		(2,787,646)		(110,901)		(15,625,734)		
	13,000		4,752,341		3,494,554		-		18,030,355		
	<u>-</u>		- -		- -		<u> </u>		(36,463)		
	13,000		4,752,341		3,494,554				17,993,892		
	13,000		(740,359)		706,908		(110,901)		2,368,158		
	42,163		7,443,910		5,768,548		774,564		29,631,117		
\$	55,163	\$	6,703,551	\$	6,475,456	\$	663,663	\$	31,999,275		

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

# Special Revenue Fund: Wichita State University Program Development For the year ended December 31, 2013

		Budgeted	lΛmoi	ınte		Actual	Fir	riance with nal Budget Positive/
		Original	Final			Amounts		Negative)
Revenues		Original		1 mai		7.111041110		togativo)
Taxes	\$	7,108,426	\$	7,108,426	\$	7,162,443	\$	54,017
Charges for services	•	-	*	-	*	-	*	-
Other		300,000		300,000		-		(300,000)
Total revenues		7,408,426		7,408,426		7,162,443		(245,983)
Expenditures								
Current:								
Contractual services		7,408,426		7,408,426		7,162,443		245,983
Total expenditures		7,408,426		7,408,426		7,162,443		245,983
Revenues over (under) expenditures								
Net change in fund balances		-		-		-		-
Fund balances, beginning of year						9,500		9,500
Fund balances, end of year	\$		\$		\$	9,500	\$	9,500

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

### Special Revenue Fund: Comprehensive Community Care For the year ended December 31, 2013

					Actual		Variance with Final Budget Positive/	
		Original	Final		Amounts		(Negative)	
Revenues								
Taxes	\$	2,290,315	\$	2,290,315	\$	2,310,238	\$	19,923
Intergovernmental		348,890		348,890		348,890		-
Reimbursed expenditures		-		-		63		63
Other		<u>-</u>		<u>-</u>		179		179
Total revenues		2,639,205		2,639,205		2,659,370		20,165
Expenditures								
Current:								
Personnel services		1,724,747		1,724,747		1,574,722		150,025
Contractual services		1,542,114		1,540,614		1,441,251		99,363
Commodities		115,273		105,845		102,518		3,327
Capital outlay				10,928				10,928
Total expenditures		3,382,134		3,382,134		3,118,491		263,643
Revenues over (under) expenditures		(742,929)		(742,929)		(459,121)		283,808
Net change in fund balances		(742,929)		(742,929)		(459,121)		283,808
Fund balances, beginning of year		742,929		742,929		1,143,050		400,121
Fund balances, end of year	\$	-	\$		\$	683,929	\$	683,929

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

# Special Revenue Fund: Emergency Medical Services For the year ended December 31, 2013

		I Amounts Final	Actual	Variance with Final Budget Positive/
Revenues	Original	<u> </u>	Amounts	(Negative)
Taxes	\$ 3,978,431	\$ 3,978,431	\$ 4,006,318	\$ 27,887
Charges for services	12,230,123	12,230,123	12,811,017	580,894
Reimbursed expenditures	441	441	14,170	13,729
Other	8,632	8,632	10,277	1,645
Total revenues	16,217,627	16,217,627	16,841,782	624,155
Expenditures				
Current:				
Personnel services	12,723,314	12,164,814	11,933,835	230,979
Contractual services	3,721,582	3,599,932	3,454,147	145,785
Commodities	1,056,539	1,236,189	1,139,228	96,961
Capital outlay	<u>-</u> _		<u> </u>	
Total expenditures	17,501,435	17,000,935	16,527,210	473,725
Revenues over (under) expenditures	(1,283,808)	(783,308)	314,572	1,097,880
Other financing (uses)				
Transfers to other funds		(500,500)	(500,500)	
Total other financing (uses)		(500,500)	(500,500)	
Net change in fund balances	(1,283,808)	(1,283,808)	(185,928)	1,097,880
Fund balances, beginning of year	1,283,808	1,283,808	3,374,553	2,090,745
Fund balances, end of year	\$ -	\$ -	\$ 3,188,625	\$ 3,188,625

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

# Special Revenue Fund: Aging Services For the year ended December 31, 2013

		Budgeted	unts		Actual	Variance with Final Budget Positive/ (Negative)		
	(	Original		Final	Amounts			
Revenues		_		_				_
Taxes	\$	2,686,730	\$	2,686,730	\$	2,718,003	\$	31,273
Intergovernmental		-		-		-		-
Reimbursed expenditures		-		-		-		-
Other		155		155		-		(155)
Total revenues		2,686,885		2,686,885		2,718,003		31,118
Expenditures								
Current:								
Personnel services		711,664		711,664		679,877		31,787
Contractual services		1,856,893		1,856,292		1,856,285		7
Commodities		6,379		6,980		6,979		1
Total expenditures		2,574,936		2,574,936		2,543,141		31,795
Revenues over (under) expenditures		111,949		111,949		174,862		62,913
Other financing (uses)								
Transfers to other funds		(176,387)		(176,387)		(176,387)		
Total other financing (uses)		(176,387)		(176,387)		(176,387)		-
Net change in fund balances		(64,438)		(64,438)		(1,525)		62,913
Fund balances, beginning of year		64,438		64,438		263,599		199,161
Fund balances, end of year	\$	-	\$		\$	262,074	\$	262,074

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

# Special Revenue Fund: Public Works Highways For the year ended December 31, 2013

	Budgeted Amounts Original Final					Actual Amounts		Variance with Final Budget Positive/ (Negative)		
Revenues										
Taxes	\$	5,805,268	\$	5,805,268	\$	5,845,952	\$	40,684		
Intergovernmental		4,636,484		4,636,484		4,541,068		(95,416)		
Charges for services		5,450		5,450		68,356		62,906		
Licenses and permits		4,973		4,973		5,265		292		
Reimbursed expenditures		11,937		11,937		10,634		(1,303)		
Other		6,106		6,106		14,673		8,567		
Total revenues		10,470,218		10,470,218		10,485,948		15,730		
Expenditures										
Current:										
Personnel services		6,134,004		6,134,004		5,769,203		364,801		
Contractual services		4,266,602		4,223,293		4,060,323		162,970		
Commodities		319,109		349,418		251,573		97,845		
Capital outlay		-		-		-		-		
Debt service:										
Principal		-		-		-		-		
Interest		-		-		-		-		
Total expenditures		10,719,715		10,706,715		10,081,099		625,616		
Revenues over (under) expenditures		(249,497)		(236,497)		404,849		641,346		
Other financing sources (uses)										
Transfers from other funds		-		(13,000)		(13,000)		-		
Total other financing sources (uses)				(13,000)		(13,000)		<u> </u>		
Net change in fund balances		(249,497)		(249,497)		391,849		641,346		
Fund balances, beginning of year		249,497		249,497		1,664,944		1,415,447		
Fund balances, end of year	\$		\$		\$	2,056,793	\$	2,056,793		

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

#### **Special Revenue Fund: Noxious Weeds**

For the year ended December 31, 2013

	Budgeted	Amour	nts		Actual	Fin	iance with al Budget Positive/
	 Driginal	Final		Amounts		(Negative)	
Revenues	 			-			<u> </u>
Taxes	\$ 490,697	\$	490,697	\$	495,454	\$	4,757
Charges for services	51,415		51,415		52,382		967
Reimbursed expenditures					40		40
Other	 -		-		250		250
Total revenues	 542,112		542,112		548,126		6,014
Expenditures							
Current:							
Personnel services	301,263		301,263		242,087		59,176
Contractual services	114,111		114,111		101,831		12,280
Commodities	100,162		100,162		66,948		33,214
Capital outlay	 				-		
Total expenditures	 515,536		515,536		410,866		104,670
Revenues over (under) expenditures	 26,576		26,576		137,260		110,684
Net change in fund balances	26,576		26,576		137,260		110,684
Fund balances, beginning of year	 				39,925		39,925
Fund balances, end of year	\$ 26,576	\$	26,576	\$	177,185	\$	150,609

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

# Special Revenue Fund: Solid Waste For the year ended December 31, 2013

	Budgeted Amounts Original Final				Actual Amounts	Variance with Final Budget Positive/ (Negative)		
Revenues		Original	-	1 iiiai		7 tillourits	(inegative)	
Charges for services	\$	1,516,113	\$	1,516,113	\$	1,557,343	\$	41,230
Licenses and permits		57,729		57,729		57,628		(101)
Reimbursed expenditures		10		10		513		503
Other		-		-		411		411
Total revenues		1,573,852		1,573,852		1,615,895		42,043
Expenditures								
Current:								
Personnel services		774,265		774,265		715,895		58,370
Contractual services		1,290,915		1,126,055		600,855		525,200
Commodities		61,496		61,496		49,904		11,592
Capital outlay				12,500		48		12,452
Total expenditures		2,126,676		1,974,316		1,366,702		607,614
Revenues over (under) expenditures		(552,824)		(400,464)		249,193		649,657
Other financing (uses)								
Transfers to other funds		(79,917)		(232,277)		(232,277)		
Total other financing (uses)		(79,917)		(232,277)		(232,277)		<u> </u>
Net change in fund balances		(632,741)		(632,741)		16,916		649,657
Fund balances, beginning of year		632,741		632,741		1,243,815		611,074
Fund balances, end of year	\$		\$	<u>-</u>	\$	1,260,731	\$	1,260,731

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

### Special Revenue Fund: Special Parks and Recreation For the year ended December 31, 2013

	Budgeted	Amoui	nts	,	Actual	Fina	ance with I Budget ositive/		
	Original		Final	Amounts		(Negative)			
Revenues	 								
Taxes	\$ 33,637	\$	33,637	\$	32,810	\$	(827)		
Other	 -		<u>-</u>		<u> </u>				
Total revenues	 33,637		33,637		32,810		(827)		
Expenditures									
Current:									
Personnel services	-		-		-		-		
Contractual services	324	324		324			-		
Commodities	-	-		-			-		
Capital outlay	 -								
Total expenditures	 324		324		324		-		
Revenues over (under) expenditures	 33,313		33,313		32,486		(827)		
Other financing (uses)									
Transfers to other funds	 (33,313)		(33,313)		(33,313)				
Total other financing (uses)	 (33,313)		(33,313)	-	(33,313)				
Net change in fund balances	-		-		(827)		(827)		
Fund balances, beginning of year	 				6,001		6,001		
Fund balances, end of year	\$ 	\$		\$	5,174	\$	5,174		

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

### Special Revenue Fund: Emergency Telephone Services For the year ended December 31, 2013

		d Amounts	Actual	Variance with Final Budget Positive/
_	Original	Final	Amounts	(Negative)
Revenues				
Taxes	\$ 2,692,265	\$ 2,692,265	\$ 2,733,676	\$ 41,411
Charges for services	-	-	-	-
Uses of money and property	-	-	55,269	55,269
Reimbursed expenditures	-	-	-	-
Other	521	521	2,704	2,183
Total revenues	2,692,786	2,692,786	2,791,649	98,863
Expenditures				
Current:				
Contractual services	1,594,500	1,682,758	1,632,544	50,214
Commodities	71,500	126,000	117,812	8,188
Capital outlay	167,000	24,242	(5,800)	30,042
Total expenditures	1,833,000	1,833,000	1,744,556	88,444
Revenues over (under) expenditures	859,786	859,786	1,047,093	187,307
Other financing (uses)				
Transfers to other funds	(1,132,399)	(1,132,399)	(1,087,882)	44,517
Total other financing (uses)	(1,132,399)	(1,132,399)	(1,087,882)	44,517
Net change in fund balances	(272,613)	(272,613)	(40,789)	231,824
Fund balances, beginning of year	272,613	272,613	2,295,419	2,022,806
Fund balances, end of year	\$ -	\$ -	\$ 2,254,630	\$ 2,254,630

### 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, 2013

		Budgeted	Amour	nts		Actual	Fina	ance with al Budget ositive/
	C	Original		Final Amounts		mounts	(Negative)	
Revenues								
Taxes	\$	53,947	\$	53,947	\$	50,842	\$	(3,105)
Reimbursed expenditures		-		-		-		
Total revenues		53,947		53,947		50,842		(3,105)
Expenditures								
Current:								
Contractual services		516		516		516		-
Total expenditures		516		516		516		
Revenues over (under) expenditures		53,431		53,431		50,326		(3,105)
Other financing (uses)								
Transfers to other funds		(53,431)		(53,431)		(53,431)		
Total other financing (uses)		(53,431)		(53,431)		(53,431)		
Net change in fund balances		-		-		(3,105)		(3,105)
Fund balances, beginning of year						4,176		4,176
Fund balances, end of year	\$		\$		\$	1,071	\$	1,071

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

### Special Revenue Fund: Fire District Operating For the year ended December 31, 2013

	Budgeted Amounts				Actual	Variance with Final Budget Positive/	
	 Original		Final		Amounts	(	Negative)
Revenues	 						
Taxes	\$ 16,022,497	\$	16,022,497	\$	16,123,613	\$	101,116
Intergovernmental	-		-		-		-
Charges for services	375,051		375,051		383,917		8,866
Uses of money and property	4,782		4,782		4,478		(304)
Licenses and permits	5,518		5,518		4,760		(758)
Reimbursed expenditures	365		365		16,740		16,375
Other	17,523		17,523		1,975		(15,548)
Total revenues	16,425,736		16,425,736		16,535,483		109,747
Expenditures							
Current:							
Personnel services	13,440,905		13,440,905		13,398,794		42,111
Contractual services	1,331,775		1,344,090		1,213,725		130,365
Commodities	756,653		744,338		618,409		125,929
Capital outlay	234,600		234,600		204,199		30,401
Debt service:							
Principal	1,116,154		1,116,154		643,822		472,332
Interest	168,727		168,727		97,325		71,402
Total expenditures	 17,048,814		17,048,814		16,176,274		872,540
Revenues over (under) expenditures	 (623,078)		(623,078)		359,209	-	982,287
Other financing sources (uses)							
Transfers from other funds	_		-		-		-
Transfers to other funds	 (1,050,000)		(1,050,000)		(1,050,000)		
Total other financing sources (uses)	 (1,050,000)		(1,050,000)		(1,050,000)		<del>-</del>
Net change in fund balances	(1,673,078)		(1,673,078)		(690,791)		982,287
Fund balances, beginning of year	 1,673,078		1,673,078		3,461,093		1,788,015
Fund balances, end of year	\$ 	\$		\$	2,770,302	\$	2,770,302

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

### Debt Service Fund: County Bond and Interest For the year ended December 31, 2013

	Budgete	d Amounts	Actual	Variance with Final Budget Positive/
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	\$ 14,961,489	\$ 14,961,489	\$ 15,170,124	\$ 208,635
Intergovernmental	199,337	199,337	190,666	(8,671)
Charges for services	683,739	683,739	692,768	9,029
Uses of money and property	6,119	6,119		(6,119)
Total revenues	15,850,684	15,850,684	16,053,558	202,874
Expenditures				
Current:				
Contractual services	19,813	19,813	17,630	2,183
Debt service:				
Principal	14,171,628	14,171,628	14,110,000	61,628
Loan Principal	343,445		341,952	1,493
Interest and fiscal charges	6,324,596	6,324,596	6,297,091	27,505
Total expenditures	20,859,482	20,859,482	20,766,673	92,809
Revenues over (under) expenditures	(5,008,798)	(5,008,798)	(4,713,115)	295,683
Other financing sources				
Transfers from other funds	4,085,724	4,085,724	4,041,207	(44,517)
Total other financing sources	4,085,724	4,085,724	4,041,207	(44,517)
Net change in fund balances	(923,074)	(923,074)	(671,908)	251,166
Fund balances, beginning of year	923,074	923,074	1,975,816	1,052,742
Fund balances, end of year	<u>\$</u>	\$ -	\$ 1,303,908	\$ 1,303,908

### 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, 2013

	Orio	Budgeted	Amounts Fir	nal	Actual mounts	Fina P	ance with al Budget ositive/ egative)
Revenues			-				, , , , , , , , , , , , , , , , , , ,
Taxes	\$		\$		\$ 1	\$	11
Total revenues		-		<u>-</u>	1	-	1
Revenues over (under) expenditures					 1_		1_
Net change in fund balances		-		-	1		1
Fund balances, beginning of year				<u>-</u>	 25,789		25,789
Fund balances, end of year	\$		\$		\$ 25,790	\$	25,790

# **ENTERPRISE**

### **FUND**

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.

Arena Fund

Kansas Pavilions Subfund Downtown Arena Subfund







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#### Combining Schedule of Net Position Arena Fund December 31, 2013

	Kansas Downtown Pavilions Arena Subfund Subfund		Totals Pavilions/Arena Funds
Assets	-		
Current assets:			
Cash, including investments	\$ -	\$ 3,314,366	\$ 3,314,366
Accounts receivable, net	-	430,678	430,678
Total current assets		3,745,044	3,745,044
Restricted assets:			
Cash, including investments	-	9,977,266	9,977,266
Total restricted assets	-	9,977,266	9,977,266
Noncurrent assets:			
Capital assets:			
Land	-	13,038,358	13,038,358
Buildings and improvements	-	162,992,184	162,992,184
Machinery and equipment	-	5,861,624	5,861,624
Less accumulated depreciation	-	(21,190,280)	(21,190,280)
Total capital assets (net of			
accumulated depreciation)		160,701,886	160,701,886
Total assets	\$ -	\$ 174,424,196	\$ 174,424,196
Liabilities			
Current liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	-		
Net Position			
Investment in capital assets	-	160,701,886	160,701,886
Restricted for capital improvements and operations	-	9,977,266	9,977,266
Unrestricted	=	3,745,044	3,745,044
Total net position	-	174,424,196	174,424,196
Total liabilities and net position	\$ -	\$ 174,424,196	\$ 174,424,196

### Combining Schedule of Revenues, Expenses, and Changes in Net Position Arena Fund

For the Twelve Months Ended December 31, 2013

	Kansas Pavilions Subfund		
Operating revenues			
Charges for services	\$ -	\$ 845,938	\$ 845,938
Other revenue		231	231
Total operating revenues	-	846,169	846,169
Operating expenses			
Contractual services	-	376,324	376,324
Supplies and fuel	-	288	288
Depreciation expense	-	5,295,414	5,295,414
Other expenses		133	133
Total operating expenses	-	5,672,159	5,672,159
Operating (loss)		(4,825,990)	(4,825,990)
Nonoperating revenues			
Proceeds from disposal of assets		173,583	173,583
Total nonoperating revenues		173,583	173,583
Income (loss) before transfers	-	(4,652,407)	(4,652,407)
Transfers			
Transfers from other funds	-	1,043,937	1,043,937
Transfers to other funds	(1,043,937)	<u> </u>	(1,043,937)
Change in net position	(1,043,937)	(3,608,470)	(4,652,407)
Total net position, beginning of year	1,043,937	178,032,666	179,076,603
Total net position, end of period	\$ -	\$ 174,424,196	\$ 174,424,196

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# 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.

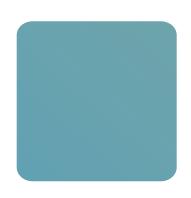
Fleet Management – provides and maintains vehicles and equipment for County departments.

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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#### Combining Statement of Net Position Internal Service Funds December 31, 2013

	Fleet Management		Health/Dental/ Life Insurance Reserve		Co	Vorkers' mpensation Reserve
<u>Assets</u>						
Current assets:						
Cash, including investments	\$	7,876,795	\$	4,917,530	\$	2,988,497
Inventories, at cost		410,936				
Total current assets		8,287,731		4,917,530		2,988,497
Noncurrent assets:						
Capital assets:						
Buildings and improvements		8,319,354		-		-
Machinery and equipment		30,228,314		-		-
Less accumulated depreciation		(23,713,666)		<u>-</u>		
Total capital assets (net of accumulated depreciation)		14,834,002		-		-
Total assets	\$	23,121,733	\$	4,917,530	\$	2,988,497
Liabilities						
Current liabilities:						
Accounts payable	\$	582,710	\$	8,067	\$	6,831
Accrued wages		32,148		1,290		5,984
Estimated claims costs payable		_		-		852,000
Total current liabilities		614,858		9,357		864,815
Noncurrent liabilities:						
Estimated claims costs payable		-		-		289,000
Total liabilities		614,858		9,357		1,153,815
Net position						
Investment in capital assets		14,834,002		-		-
Unrestricted		7,672,873		4,908,173		1,834,682
Total net position		22,506,875		4,908,173		1,834,682
Total liabilities and net position	\$	23,121,733	\$	4,917,530	\$	2,988,497

Risk anagement Reserve	 Totals
\$ 2,397,851	\$ 18,180,673 410,936
 2,397,851	 18,591,609
-	8,319,354
248,439	30,476,753
 (41,988)	 (23,755,654)
 206,451	 15,040,453
\$ 2,604,302	\$ 33,632,062
\$ 14,691	\$ 612,299
6,512	45,934
-	852,000
21,203	 1,510,233
 - 24 202	 289,000
 21,203	 1,799,233
000 45	45.040.455
206,451	15,040,453
 2,376,648	 16,792,376
 2,583,099	 31,832,829
\$ 2,604,302	\$ 33,632,062

### Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds

#### For the Twelve Months Ended December 31, 2013

	Fleet Management		Health/Dental/ Life Insurance Reserve		Norkers' mpensation Reserve
Operating revenues:					
Charges for services	\$	7,997,633	\$ 28,721,653	\$	1,697,973
Other revenue		118	 184,305		76,915
Total operating revenues		7,997,751	 28,905,958	-	1,774,888
Operating expenses:					
Salaries and benefits		889,383	67,348		226,333
Contractual services		345,433	277,850		192,277
Utilities		70,420	-		-
Supplies and fuel		3,347,381	-		69
Administrative charges		189,359	-		-
Depreciation		2,518,455	_		-
Claims expense		· · ·	27,930,004		1,298,920
Other		10,037	-		-
Total operating expenses		7,370,468	28,275,202		1,717,599
Operating income (loss)		627,283	 630,756		57,289
Nonoperating revenues:					
Investment income		-	2,661		1,612
Other income		_	-		-
Gain (loss) on sale of assets		563,582	-		-
Total nonoperating revenues		563,582	2,661		1,612
Income (loss) before transfers		1,190,865	633,417		58,901
Transfers					
Transfers from other funds		-	-		-
Transfers to other funds		(215,366)	 -		-
Change in net position		975,499	633,417		58,901
Net position, beginning of year		21,531,376	4,274,756		1,775,781
Net position, end of period	\$	22,506,875	\$ 4,908,173	\$	1,834,682

	Risk	
Ma	anagement	
	Reserve	 Totals
\$	-	\$ 38,417,259
	134,352	 395,690
	134,352	 38,812,949
	192,381	1,375,445
	673,231	1,488,791
	-	70,420
	14,967	3,362,417
	-	189,359
	23,890	2,542,345
	153,079	29,382,003
	8,385	 18,422
	1,065,933	 38,429,202
	(931,581)	383,747
	<u> </u>	 
	1,062	5,335
	12,222	12,222
		 563,582
	13,284	 581,139
	(918,297)	964,886
	1,102,142	1,102,142
	<u>-</u>	 (215,366)
	402.212	4 0= 4 ===
	183,845	1,851,662
	2,399,254	 29,981,167
\$	2,583,099	\$ 31,832,829

#### Combining Statement of Cash Flows Internal Service Funds For the year ended December 31, 2013

	M	Fleet anagement	ealth/Dental/ ife Insurance Reserve	Cc	Workers' ompensation Reserve
Cash flows from operating activities					
Receipts from customers and users	\$	7,997,751	\$ 28,721,653	\$	1,697,973
Other operating revenues		-	184,305		76,915
Payments to suppliers for goods and services		(4,048,213)	(28,201,126)		(1,586,999)
Payments to employees for services		(889,383)	 (67,348)		(226,333)
Net cash provided by (used in) operating activities		3,060,155	 637,484		(38,444)
Cash flows from noncapital financing activities					
Transfers from other funds		-	-		-
Transfers to other funds		(215,366)	-		-
Net cash provided (used in) noncapital	·				_
financing activities		(215,366)	 -		-
Cash flows from capital and related financing activities					
Proceeds on disposal of capital assets		588,970	-		-
Purchases of capital assets		(2,857,266)	-		-
Net cash provided by (used in) capital and related		<u> </u>			
financing activities		(2,268,296)	 		
Cash flows from investing activities					
Interest on investments		-	2,661		1,612
Other		-	-		-
Net cash provided by investing activities			 2,661		1,612
Net increase (decrease) in cash and cash equivalents		576,493	640,145		(36,832)
Cash and cash equivalents, beginning of year		7,300,302	 4,277,385		3,025,329
Cash and cash equivalents, end of year	\$	7,876,795	\$ 4,917,530	\$	2,988,497
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$	627,283	\$ 630,756	\$	57,289
Adjustments to reconcile operating income (loss) to					
net cash provided by (used in) operating activities:					
Depreciation expense		2,518,455	-		-
(Increase) in inventories		63,616	-		-
Increase (decrease) in accounts payable		(149,199)	6,728		(32,733)
Increase (decrease) in estimated claims payable		-	-		(63,000)
Total adjustments	_	2,432,872	6,728		(95,733)
Net cash provided by (used in) operating activities	\$	3,060,155	\$ 637,484	\$	(38,444)

M	Risk anagement Reserve		Totals
\$	134,352	\$	38,551,729
Ψ	-	Ψ	261,220
	(881,854)		(34,718,192)
	(192,381)		(1,375,445)
	(939,883)		2,719,312
	(333,003)		2,713,312
	1,102,142		1,102,142
	1,102,142		(215,366)
			(210,000)
	1,102,142		886,776
	1,102,142		000,770
	_		588,970
	(206,674)		(3,063,940)
	(200,014)		(0,000,040)
	(206,674)		(2,474,970)
	(200,011)		(2,171,070)
	1,062		5,335
	12,222		12,222
-	13,284		17,557
			,
	(31,131)		1,148,675
	2,428,982		17,031,998
\$	2,397,851	\$	18,180,673
		-	
\$	(031 501)	\$	202 7/7
φ	(931,581)	φ	383,747
	23,890		2,542,345
	23,090		63,616
	(32,192)		(207,396)
	(32,182)		(63,000)
	(8 303)		
	(8,302)		2,335,565
\$	(939,883)	\$	2,719,312
	(000,000)		_,. 10,012

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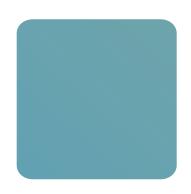


# AGENCY FUNDS

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







# Combining Statement of Changes in Assets and Liabilities All Agency Funds For the Year Ended December 31, 2013

TOTALS - ALL AGENCY FUNDS	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
Assets Cash Accounts receivable Property tax levied	\$ 315,720,306 449 219,333,625	\$ 2,952,332,923 - 528,871,024	\$ (2,938,628,514) - (534,694,456)	\$ 329,424,715 449 213,510,193
Total assets	\$ 535,054,380	\$ 3,481,203,947	\$ (3,473,322,970)	\$ 542,935,357
Liabilities Accrued liabilities Due to other governmental units	\$ 13,832,597 521,221,783	\$ 1,924,335,922 1,556,868,025	\$ (1,921,155,263) (1,552,167,707)	\$ 17,013,256 525,922,101
Total liabilities	\$ 535,054,380	\$ 3,481,203,947	\$ (3,473,322,970)	\$ 542,935,357
TAX COLLECTION AND DISTRIBUTION ACC	COUNTS			
Assets Cash Property tax levied	\$ 301,888,158 219,333,625	\$ 1,027,997,001 528,871,024	\$ (1,017,473,251) (534,694,456)	\$ 312,411,908 213,510,193
Total assets	\$ 521,221,783	\$ 1,556,868,025	\$ (1,552,167,707)	\$ 525,922,101
<b>Liabilities</b> Due to other governmental units	\$ 521,221,783	\$ 1,556,868,025	\$ (1,552,167,707)	\$ 525,922,101
Total liabilities	\$ 521,221,783	\$ 1,556,868,025	\$ (1,552,167,707)	\$ 525,922,101
CLEARING/OTHER FEE COLLECTIONS				
Assets Cash Accounts receivable	\$ 13,832,148 449	\$ 1,924,335,922 -	\$ (1,921,155,263) -	\$ 17,012,807 449
Total assets	\$ 13,832,597	\$ 1,924,335,922	\$ (1,921,155,263)	\$ 17,013,256
Liabilities Accrued liabilities	\$ 13,832,597	\$ 1,924,335,922	\$ (1,921,155,263)	\$ 17,013,256
Total liabilities	\$ 13,832,597	\$ 1,924,335,922	\$ (1,921,155,263)	\$ 17,013,256

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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 demographic and economic data, financial trends and the fiscal capacity of the County.







#### STATISTICAL SECTION

This part of Sedgwick County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends  These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	F - 2
Revenue Capacity  These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	F- 7
Debt Capacity  These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	F - 11
Demographic and Economic Information  These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	F - 15
Operating Information  These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	F - 17

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

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#### SEDGWICK COUNTY, KANSAS NET POSITION BY COMPONENT Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year																
	2004		2005		2006		2007		2008		2009		<u>2010</u>		<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities																	
Net investment in capital assets	\$ 199,146	,401 \$	208,012,619	\$	192,131,802	\$	198,389,307	\$	204,548,962	\$	240,044,637	\$	268,738,532	\$	282,471,201	\$ 294,690,938	\$ 298,113,489
Restricted	87,93	,415	106,459,311		97,202,499		103,756,016		150,861,408		129,664,044		93,119,058		61,027,411	56,123,063	57,021,635
Unrestricted	49,039	,454	48,780,818		49,132,760		72,304,957		74,229,923		84,307,304		77,461,046		93,115,134	85,371,059	85,568,811
Total governmental activities net position	\$ 336,119	,270 \$	363,252,748	\$	338,467,061	\$	374,450,280	\$	429,640,293	\$	454,015,985	\$	439,318,636	\$	436,613,746	\$ 436,185,060	\$ 440,703,935
Business-type activities Net investment in capital assets Restricted Unrestricted Total business-type activities net position	\$ 8,619 288 \$ 8,900	,610	9,163,049 36,869,001 220,110 46,252,160	\$	14,767,218 113,402,445 134,256 128,303,919	\$	41,565,756 171,294,796 379,987 213,240,539	\$	110,766,423 101,769,649 384,616 212,920,688	\$	183,396,054 21,188,982 10,791 204,595,827	\$	182,094,430 13,780,015 1,371,399 197,245,844	\$	173,139,907 11,631,039 166,572 184,937,518	\$ 165,857,656 10,619,276 2,599,671 \$ 179,076,603	\$ 160,701,886 9,977,266 3,745,044 \$ 174,424,196
Primary government Net investment in capital assets Restricted Unrestricted	\$ 207,76' 87,93' 49,32' \$ 345,02'	,415 ,064	217,175,668 143,328,312 49,000,928 409,504,908	\$	206,899,020 210,604,944 49,267,016 466,770,980	\$	239,955,063 275,050,812 72,684,944 587,690,819	\$	315,315,385 252,631,057 74,614,539 642,560,981	\$	423,440,691 150,853,026 84,318,095 658,611,812	\$	450,832,962 106,899,073 78,832,445 636,564,480	\$	455,611,108 72,658,450 93,281,706 621,551,264	\$ 460,548,594 66,742,339 87,970,730 \$ 615,261,663	\$ 458,815,375 66,998,901 89,313,855 \$ 615,128,131
Total primary government net position	φ 345,02,	,240 \$	403,304,906	- P	400,770,900	Φ.	301,090,019	φ	042,000,961	Ψ	000,011,012	Φ	030,304,460	- P	021,031,204	φ 010,201,003	φ 010,120,131

The County's 2008 net position have been restated by \$12,605,321 to increase the value of capital assets in prior years.

Certain construction in progress costs for road, bridge and building improvements should have been recorded in prior years

The County's 2012 net position have been restated by \$770,961 to eliminate bond cost that was amortized in prior years

The County's 2013 net position have been restated by \$306,499 to include premiums, discount and deferred revenue of the Public Building Commission.

### SEDGWICK COUNTY, KANSAS CHANGES IN NET POSITION

#### Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
Expenses				· <del></del>	<u> </u>			<del></del>				
Governmental activities:												
General government	\$ 48,331,988	\$ 49,884,611	\$ 44,304,048	\$ 46,618,528	\$ 51,279,084	\$ 48,207,197	\$ 51,626,927	\$ 51,164,331	\$ 52,946,017	\$ 46,738,513		
Public safety	90,329,891	94,875,022	116,403,399	122,371,034	126,348,632	134,712,863	143,056,732	136,614,471	134,847,877	136,948,209		
Public works	23,710,531	15,462,330	24,948,572	21,920,559	21,171,258	26,918,844	30,471,325	28,598,830	29,963,817	31,112,309		
Health and welfare	62,317,632	61,857,647	65,515,975	63,734,178	65,583,467	66,495,063	66,600,199	66,002,246	58,600,471	56,476,803		
Culture and recreation	6,952,194	7,869,915	8,778,118	10,110,047	10,343,796	11,840,940	11,814,466	11,247,354	11,069,797	10,824,309		
Economic development	14,279,223	12,247,263	14,302,864	11,156,066	17,607,805	12,626,170	16,466,134	14,981,790	15,462,057	15,119,439		
Interest on long-term debt	6.072.591	5,900,048	5,868,171	6,315,457	5,439,606	6,934,908	7.113.384	7,078,866	7,503,342	6,607,782		
Total governmental activities expenses	251,994,050	248,096,836	280,121,147	282,225,869	297,773,648	307,735,985	327,149,167	315,687,888	310,393,378	303,827,364		
J												
Business-type activities:												
Arena	2,997,603	2,981,789	2,936,214	3,097,901	3,407,526	3,707,728	6,933,493	8,823,760	7,072,571	5,672,159		
Total business-type activities expenses	2,997,603	2,981,789	2,936,214	3,097,901	3,407,526	3,707,728	6,933,493	8,823,760	7,072,571	5,672,159		
Total primary government expenses	\$ 254,991,653	\$ 251,078,625	\$ 283,057,361	\$ 285,323,770	\$ 301,181,174	\$ 311,443,713	\$ 334,082,660	\$ 324,511,648	\$ 317,465,949	\$ 309,499,523		
Program Revenues												
Charges for services:												
General government	\$ 16,423,929	\$ 17,615,559	\$ 18,457,307	\$ 22,386,703	\$ 21,901,043	\$ 22,167,092	\$ 25,747,664	\$ 22,112,904	\$ 25,248,415	\$ 16,583,118		
Public safety	14,239,648	14,836,964	18,755,303	19,807,231	24,960,511	20,626,141	17,371,731	24,791,564	23,064,255	23,253,320		
Public works	1,038,116	1,393,981	1,232,909	1,335,895	1,275,836	1,345,707	3,235,017	1,838,058	1,803,395	1,883,805		
Health and welfare	34,107,631	31,870,736	31,042,066	33,120,649	34,497,702	34,379,717	29,672,759	30,214,621	24,989,604	23,820,227		
Culture and recreation	379,438	388,293	633,362	488,140	502,431	593,759	572,101	347,183	299,983	322,965		
Economic development	911,998	606,056	76,210	1,793,518	90,778	5,310,076	52,172	70,094	394,528	135,469		
Operating grants and contributions:												
General government	2,964,772	2,870,948	91,132	1,113,614	1,084,056	839,565	947,601	996,886	1,475,519	5,099,931		
Public safety	13,005,593	12,265,843	12,526,097	14,904,521	17,621,937	18,136,629	17,971,430	17,612,533	15,235,719	16,522,478		
Public works	11,688,318	7,785,059	7,142,161	5,614,317	5,796,503	5,933,226	5,778,017	5,251,826	4,655,174	5,072,272		
Health and welfare	22,713,306	22,997,389	25,409,052	22,074,899	23,578,890	22,327,054	19,861,573	20,877,847	20,722,097	20,679,329		
Culture and recreation	, ,	,,	,,	,,		505,279	-	,,	35,000	,,		
Economic development	1,945,840	1,613,765	2,595,006	1,621,763	2,163,177	5,318,201	6,867,203	2,274,887	2,681,365	1,399,510		
Capital grants and contributions:	1,010,010	1,010,100	2,000,000	1,021,100	2,100,111	0,010,201	0,007,200	2,27 1,007	2,001,000	1,000,010		
Public works	1,821,302	2,810,309	2,734,262	1,964,342	1,275,875	447,927	2,131,839	_	181,201	480,486		
Culture and recreation	- 1,021,002	-		- 1,001,012	4,808,892	1,089,882	415,799		851,451	1,464,287		
Total governmental activities program revenues	121,239,891	117,054,902	120,694,867	126,225,592	139,557,631	139,020,255	130,624,906	126,388,403	121,637,706	116,717,197		
Business-type activities:												
Charges for services:												
Arena	2,542,662	2,132,623	1,933,702	2,269,722	2,552,686	1,956,551	2,546,279	1,939,862	1,211,656	846,169		
Total business-type activities program revenues	2,542,662	2,132,623	1,933,702	2,269,722	2,552,686	1,956,551	2,546,279	1,939,862	1,211,656	846,169		
Total primary government program revenues	\$ 123,782,553	\$ 119,187,525	\$ 122,628,569	\$ 128,495,314	\$ 142,110,317	\$ 140,976,806	\$ 133,171,185	\$ 128,328,265	\$ 122,849,362	\$ 117,563,366		
Net (Expense)/Revenue												
Governmental activities	\$ (130,754,159)	\$ (131,041,934)	\$ (159,426,280)	\$ (156,000,277)	\$ (158,216,017)	\$ (168,715,730)	\$ (196,524,261)	\$ (189,299,485)	\$ (188,755,672)	\$ (187,110,167)		
Business-type activities	(454,941)	(849,166)	(1,002,512)	(828,179)	(854,840)	(1,751,177)	(4,387,214)	(6,883,898)	(5,860,915)	(4,825,990)		
Total primary government net expense	\$ (131,209,100)	\$ (131,891,100)	\$ (160,428,792)	\$ (156,828,456)	\$ (159,070,857)	\$ (170,466,907)	\$ (200,911,475)	\$ (196,183,383)	\$ (194,616,587)	\$ (191,936,157)		
General Revenues and Other Changes in Net Position												
Governmental activities:												
Property taxes	\$ 118,207,167	\$ 123,602,221	\$ 128,920,197	\$ 145,277,955	\$ 155,298,965	\$ 157,669,623	\$ 154,371,208	\$ 153,102,405	\$ 155,437,762	\$ 156,571,499		
Sales taxes	22,340,777	22,886,788	24,438,223	25,812,643	26,330,302	25,225,445	24,575,414	24,886,782	25,907,161	26,890,523		
Other taxes	2,460,235	2,721,419	2,734,609	3,304,335	3,303,621	3,052,011	3,146,170	2,948,834	3,075,138	3,128,768		
Investment earnings	5,659,692	8,143,828	13,336,229	22,229,269	16,402,810	7,753,307	4,758,857	5,656,574	4,677,886	5,344,751		
Miscellaneous	-			-		· · · · · · · · ·	(4,795,573)					
Transfers	(1,180,305)	821,156	(670,020)	(629,651)	(534,989)	(608,964)	(229,164)					
Total governmental activities	147,487,566	158,175,412	168,759,238	195,994,551	200,800,709	193,091,422	181,826,912	186,594,595	189,097,947	191,935,541		

Business-type activities:

Sales taxes		39,018,506	82,384,251	85,135,148	-	-	-	-	-	
Special items	-	-	-	-	-	(7,182,648)	(3,191,933)	(5,424,428)	-	173,583
Transfers	1,180,305	(821,156)	670,020	629,651	534,989	608,964	229,164			
Total business-type activities	1,180,305	38,197,350	83,054,271	85,764,799	534,989	(6,573,684)	(2,962,769)	(5,424,428)		173,583
Total primary government	\$ 148,667,871	\$ 196,372,762	\$ 251,813,509	\$ 281,759,350	\$ 201,335,698	\$ 186,517,738	\$ 178,864,143	\$ 181,170,167	\$ 189,097,947	\$ 192,109,124
Change in Net Position Governmental activities Business-type activities	\$ 16,733,407 725,364	\$ 27,133,478 37,348,184	\$ 9,332,958 82,051,759	\$ 39,994,274 84,936,620	\$ 42,584,692 (319,851)	\$ 24,375,692 (8,324,861)	\$ (14,697,349) (7,349,983)	\$ (2,704,890) (12,308,326)	\$ 342,275 (5,860,915)	\$ 4,825,374 (4,652,407)
Total primary government	\$ 17,458,771	\$ 64,481,662	\$ 91,384,717	\$ 124,930,894	\$ 42,264,841	\$ 16,050,831	\$ (22,047,332)	\$ (15,013,216)	\$ (5,518,640)	\$ 172,967

#### SEDGWICK COUNTY, KANSAS FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year											
	2004	<u>2005</u>	<u>2006</u>	2007	<u>2008</u>	2009	2010					
General Fund												
Reserved	\$ 1,614,676	\$ 1,403,228	\$ 1,643,047	\$ 6,074,440	\$ 6,081,736	\$ 6,439,464	\$ 5,480,843					
Unreserved	31,487,300	36,665,136	40,836,970	60,925,726	60,289,793	62,369,959	60,871,094					
Total general fund	\$ 33,101,976	\$ 38,068,364	\$ 42,480,017	\$ 67,000,166	\$ 66,371,529	\$ 68,809,423	\$ 66,351,937					
All Other Governmental Funds Reserved	22,245,968	20,609,966	22 457 205	24.000.406	56,468,812	40,306,524	22 542 447					
Unreserved Designated	22,245,900	20,609,966	22,457,395	24,088,196	50,400,012	40,306,324	23,543,417					
Special revenue funds	15,459,654	6,951,752	8,078,864	6,340,911	8,025,265	7,303,953	9,469,114					
Capital projects funds Undesignated	34,787,640	19,651,350	13,031,065	14,171,633	46,683,969	37,306,220	12,448,839					
Special revenue funds	19,976,200	31,581,181	30,877,268	38,511,440	44,192,815	43,354,555	37,889,024					
Capital projects funds	(19,107,968)	8,445,813	(1,231,505)	(1,830,687)	(24,551,310)	(6,663,343)	13,593,302					
Total all other governmental funds	\$ 73,361,494	\$ 87,240,062	\$ 73,213,087	\$ 81,281,493	\$ 130,819,551	\$ 121,607,909	\$ 96,943,696					
	<u>2011*</u>	<u>2012</u>	<u>2013</u>									
General Fund												
Nonspendable	\$ 4,788,374	\$ 4,469,663	\$ 7,041,238									
Restricted	2,292,205	-	-									
Committed	-	-	-									
Assigned	14,853,724	13,216,543	12,634,724									
Unassigned	44,295,545	48,366,230	47,164,833									
Total general fund	\$ 66,229,848	\$ 66,052,436	\$ 66,840,795									
All Other Governmental Funds												
Nonspendable	\$ 1,123,491	\$ 1,020,014	\$ 843,430									
Restricted	71,086,679	84,089,630	75,127,288									
Committed	14,543,401	10,863,452	9,943,967									
Assigned	20,385,544	13,824,536	14,034,940									
Unassigned	(2,006,662)	(2,688,735)	(2,208,780)									
Total all other governmental funds	\$ 105,132,453	\$ 107,108,897	\$ 97,740,845									

<sup>\*</sup> In 2011, the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned compared to the past categories of reserved and unreserved.

### SEDGWICK COUNTY, KANSAS CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

#### **Last Ten Fiscal Years**

(Modified Accrual Basis of Accounting)
(Dollars in Thousands)

	Fiscal Year												
	2004	<u>2005</u>	<u>2006</u>	2007	2008	2009	<u>2010</u>	<u>2011</u>	2012	<u>2013</u>			
Revenues													
Taxes	\$ 143,008	\$ 149,211	\$ 156,092	\$ 174,395	\$ 184,933	\$ 185,948	\$ 182,093	\$ 180,938	\$ 184,420	\$ 186,591			
Special assessments	4,113	3,797	3,711	3,654	3,528	3,615	3,196	3,359	2,375	1,955			
Intergovernmental	52,317	47,533	47,763	45,329	50,245	53,060	51,426	47,014	44,647	45,482			
Charges for services	62,864	63,966	63,949	66,664	68,337	65,648	59,753	66,922	62,599	62,257			
Uses of money and property	5,591	8,023	13,336	22,229	16,322	7,240	4,747	5,474	4,352	5,222			
Fines and forfeits	175	180	296	288	458	361	258	460	1,348	678			
Licenses and permits	451	604	637	450	579	532	530	546	471	156			
Reimbursed expenditures	4,419	4,345	7,676	12,205	11,026	16,383	-	_	-	-			
Other	2,274	902	1,139	1,074	1,831	3,721	13,495	10,287	11,728	7,186			
Total revenues	275,212	278,561	294,599	326,288	337,259	336,508	315,498	315,000	311,940	309,527			
Expenditures													
General government	44,616	46,242	37,885	42,320	48,089	45,283	44,398	43,723	44,564	37,953			
Public safety	88,796	92,932	115,244	118,380	122,499	131,426	139,386	133,111	130,477	133,750			
Public works	14,084	11,338	12,652	13,467	14,980	14,462	15,326	14,613	13,442	13,649			
Health and welfare	63,980	63,109	66,994	64,632	66,688	67,811	67,918	67,487	60,151	58,328			
Culture and recreation	5,575	6,236	7,176	7,883	8,206	9,536	9,284	8,919	8,621	8,301			
Economic development	14,453	12,239	14,337	11,170	17,616	12,612	16,294	13,394	13,836	18,869			
Debt service	14,400	12,239	14,557	11,170	17,010	12,012	10,294	15,594	13,030	10,009			
Principal	12,846	12,097	12,445	12,574	12,403	14,251	14,113	14,071	14,989	20,954			
Interest and fiscal charges	5,688	5,743	6,078	6,084	5,964	7,125	7,347	6,910	7,208	6,768			
Debt issuance costs	169	-	-	309	390	268	340	452	340	195			
Capital outlay	35,004	27,453	34,493	32,412	34,381	53,598	42,665	26,327	26,081	28,042			
Total expenditures	285,211	277,389	307,304	309,231	331,216	356,372	357,071	329,007	319,709	326,809			
Excess of revenues over (under)													
expenditures	(9,999)	1,172	(12,705)	17,057	6,043	(19,864)	(41,573)	(14,007)	(7,769)	(17,282)			
Other financing sources (uses)													
Transfers from other funds	34,856	41,701	31,005	35,793	39,580	47,685	54,143	27,356	13,955	23,879			
Transfers to other funds	(36,459)	(42,029)	(32,980)	(37,551)	(41,291)	(49,315)	(55,080)	(27,929)	(14,937)	(24,766)			
Direct financing lease	928	(42,023)	(32,300)	(37,331)	(41,231)	(40,010)	(55,000)	(21,323)	(14,557)	(24,700)			
Issuance of revolving loan	920	3,412				_							
Issuance of capital lease		5,412		1,658		4,376							
Proceeds from Capital Lease	_			1,000	_	4,070	1,793	1,273		_			
Debt premium				186	748	1,099	2,190	1,064	1,224	1,214			
Debt issuance	_	14,515	5,065	15,445	43,830	27,485	28,320	26,680	23,795	14,665			
Payment to refunded bond		14,515	3,003	13,443	43,030	21,405	20,320	(6,370)	23,793	14,003			
Payment to refunded bond Payment to refunding bond escrow agent	(5,025)	_	_	_	_	(18,240)	(16,915)	(0,370)	(14,469)	(6,290)			
Total other financing sources (uses)	(5,700)	17,599	3,090	15,531	42,867	13,090	14,451	22,074	9,568	8,702			
Net change in fund balances	\$ (15,699)	\$ 18,771	\$ (9,615)	\$ 32,588	\$ 48,910	\$ (6,774)	\$ (27,122)	\$ 8,067	\$ 1,799	\$ (8,580)			
Debt service as a percentage of noncapital													
expenditures	7.9%	7.8%	7.1%	7.3%	6.8%	7.6%	6.7%	6.8%	7.4%	9.0%			
. ,	70	70	,0	70	0.070	70	3 70	3.570	,0	0.079			

## 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		Persona	l Property	То	tal <sup>1</sup>		
Fiscal Year <sup>2,4</sup>	Assessed Value			Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed/ Actual Ratio	Total Direct Tax Rate <sup>3</sup>
2004	2,831,621	19,723,089	1,088,563	4,710,991	3,920,184	24,434,080	16.04%	28.763
2005	2,994,083	19,727,010	1,114,926	4,813,199	4,109,009	24,540,209	16.74%	28.758
2006	3,179,041	22,334,988	1,130,307	4,867,631	4,309,348	27,202,619	15.84%	31.315
2007	3,445,044	24,095,166	1,110,690	4,813,130	4,555,734	28,908,296	15.76%	31.333
2008	3,679,637	25,653,996	1,082,535	4,741,103	4,762,172	30,395,099	15.67%	30.377
2009	3,758,852	26,248,229	1,027,863	4,526,469	4,786,715	30,774,698	15.55%	29.868
2010	3,811,787	26,558,303	994,685	4,379,156	4,806,471	30,937,459	15.54%	29.359
2011	3,836,821	26,769,748	986,674	4,330,616	4,823,494	31,100,364	15.51%	29.428
2012	3,804,616	26,515,320	995,806	4,369,975	4,800,422	30,885,295	15.54%	29.446
2013	3,833,553	26,686,105	1,009,300	4,434,274	4,842,853	31,120,379	15.56%	29.377

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

	Real F	Property	Personal	Property	Tot	al <sup>1</sup>		
Fiscal Year <sup>2,4</sup>	Assessed Value			Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed/ Actual Ratio	Total Direct Tax Rate <sup>3</sup>
2004	452,974	3,172,813	234,002	989,026	686,976	4,161,839	16.51%	18.579
2005	475,972	3,359,937	251,072	1,058,181	727,044	4,418,118	16.46%	18.556
2006	488,541	3,465,068	246,490	1,038,254	735,030	4,503,322	16.32%	18.469
2007	528,394	3,738,821	259,831	1,112,285	788,225	4,851,106	16.25%	18.482
2008	550,815	3,882,393	270,080	1,141,461	820,895	5,023,854	16.34%	18.501
2009	571,200	4,661,019	236,221	1,030,927	807,421	5,691,946	14.19%	18.447
2010	586,829	4,148,095	275,346	1,158,260	862,175	5,306,355	16.25%	18.336
2011	633,522	4,301,089	283,376	1,182,125	916,898	5,483,214	16.72%	18.397
2012	589,141	4,163,066	295,874	1,236,184	885,015	5,399,250	16.39%	18.398
2013	594,565	4,344,936	301,604	1,258,648	896,171	5,603,584	15.99%	18.348

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

Source: Sedgwick County Clerk

<sup>&</sup>lt;sup>2</sup> Taxes levied support the subsequent year's budget, e.g., 2012 taxes levied finance 2013 spending

<sup>&</sup>lt;sup>3</sup> Tax rates are per \$1,000 of assessed value

<sup>&</sup>lt;sup>4</sup> 2009, 2010 and 2011 amounts have been updated from previous Comprehensive Annual Financial Reports

# SEDGWICK COUNTY, KANSAS PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS Last Ten Years

(rate per \$1,000 of assessed value)

Year Taxes Are Pavable

Year Taxes Are Payable																				
		<u>2004</u>		<u>2005</u>		2006		2007		2008		2009		<u>2010</u>		<u>2011</u>		<u>2012</u>		<u>2013</u>
County Direct Rates																				
General	\$	21.845	\$	21.225	\$	23.925	\$	20.887	\$	21.958	\$	23.615	\$	22.005	\$	21.516	\$	22.003	\$	21.790
Road and bridge		0.736		1.400		1.015		1.239		1.408		1.506		1.178		1.042		1.256		1.194
Mental health		0.595		0.673		0.589		0.638		0.704		0.607		0.714		0.624		0.460		0.584
Noxious weeds		0.073		0.089		0.089		0.088		0.096		0.081		0.089		0.091		0.106		0.084
Emergency medical services		1.178		1.152		1.363		1.722		1.049		0.904		0.706		0.427		0.896		0.688
Aging		0.583		0.529		0.545		0.582		0.573		0.561		0.608		0.601		0.564		0.539
WSU program development		1.495		1.500		1.500		1.500		1.500		1.500		1.502		1.500		1.500		1.500
Debt service		2.258		2.190		2.289		4.677		3.089		1.094		2.557		3.627		2.661		2.998
Total direct rate		28.763		28.758		31.315		31.333		30.377		29.868		29.359		29.428		29.446		29.377
Fire District Rates		18.579		18.556		18.469		18.482		18.501		18.447		18.336		18.397		18.398		18.348
City Rates																				
Andale		41.845		38.842		39.374		40.929		41.894		42.492		42.361		42.511		44.025		46.893
Bentley		48.616		48.763		48.566		45.556		45.033		53.545		53.633		53.690		53.762		53.761
Cheney		49.742		49.661		49.519		53.674		56.605		56.842		55.116		55.126		58.381		57.808
Clearwater		42.846		42.743		44.294		43.964		43.661		41.767		46.000		49.943		49.897		49.873
Colwich		33.508		37.932		34.249		32.100		42.227		53.784		33.328		40.054		40.230		41.988
Derby		48.331		48.352		48.176		48.155		47.756		47.773		47.818		47.340		47.153		47.054
Eastborough		35.006		37.642		58.221		60.252		62.241		58.351		57.944		59.999		62.073		64.597
Garden Plain		46.852		45.869		48.250		47.300		49.863		49.509		49.347		50.075		49.119		49.058
Goddard		14.720		14.075		14.053		14.061		16.426		18.789		27.146		28.114		28.048		33.057
Haysville		45.673		45.402		45.204		48.441		48.408		48.425		48.421		48.436		48.425		48.672
Kechi		18.431		18.246		21.154		24.037		23.954		33.857		33.774		33.676		33.714		33.706
Maize		37.397		39.654		41.321		43.251		43.022		42.427		43.323		43.132		42.868		43.270
Mount Hope		49.730		51.587		51.357		51.049		51.008		50.945		51.332		51.251		51.002		50.460
Mulvane		48.633		48.411		56.664		53.330		53.359		53.414		53.753		52.759		46.531		41.923
Sedgwick		51.480		51.291		51.210		47.993		51.033		51.316		65.055		65.420		66.475		63.272
Valley Center		47.813		49.666		49.731		48.761		48.367		48.516		48.448		51.172		53.630		53.630
Viola		9.420		9.493		14.408		14.928		14.200		14.087		14.677		19.662		20.019		21.360
Wichita		31.828		31.898		31.953		31.979		32.056		32.142		32.272		32.359		32.471		32.509
Bel Aire		21.975		22.831		23.959		33.503		34.908		35.970		39.050		46.118		46.162		45.695
Park City		36.178		35.043		37.236		37.145		37.450		37.332		37.395		37.792		39.607		39.890
Townships		.193-14.813		.112-15.765		.109-16.716		.102-16.041		.088-19.167		.073-21.737		.010-23.745	1	.630-24.029		1.613-24.009		1.677-24.077
School Districts	41	.546-68.404	4	2.955-67.959	4	0.681-66.593	4	3.007-63.580	42	2.413-65.327	4	14.194-66.534	42	2.809-70.835	43	3.481-70.072	4	3.433-70.409	4	6.067-69.816
Cemetery Districts		.156-1.754		.159-1.814		.157-1.792		.164-1.772		.194-1.771		.133-2.006		.132-2.006		0.136-2.913		0.141-2.932		0.141-2.928
Drainage Districts		.503-6.307		.875-6.207		.902-9.052		.885-2.141		.872-2.997		.888-2.972		.898-2.712		0.923-2.749		0.940-2.734		0.942-2.707
Improvement Districts		.966-15.637		1.014-16.239		1.060-14.399		1.042-17.090	1	.000-17.091		.967-17.043		.978-12.077	C	0.000-16.102		0.000-16.195		0-17.694
Other Districts		.960-24.245		.953-23.607		1.876-22.873		1.014-21.167	1	.013-20.101		1.987-19.808		1.137-22.804	1	.138-19.357		0.509-19.504		0.489-19.151

Source: Sedgwick County Tax Administration System

SC Clerks Website 2013 Tax Levies

#### SEDGWICK COUNTY, KANSAS PRINCIPAL PROPERTY TAX PAYERS Current Year and Nine Years Ago

			Fiscal Year 20		Fiscal Year 2004				
	Assessed Value		Rank	Percentage of Total County Taxable Assessed Value	Assessed Value		Rank	Percentage of Total County Taxable Assessed Value	
Kansas Gas & Electric - A Westar Co.	\$	75,677,455	1	1.97%	\$	75,697,566	1	2.12%	
Spirit Aerosystems, Inc.		53,153,823	2	1.39%		-	-	-	
The Boeing Company		52,539,791	3	1.37%		59,592,571	2	1.70%	
Mid Western Aircraft Systems		48,822,186	4	1.27%		-	-	-	
Hawker Beechcraft Corp		40,835,047	5	1.07%		-	-	-	
Cessna Aircraft		37,306,350	6	0.97%		22,995,266	6	0.61%	
Wesley Medical Center, LLC		26,754,097	7	0.70%		16,461,933	8	0.49%	
Kansas Gas Service		26,413,880	8	0.69%		38,847,176	4	1.13%	
Simon Property Group		23,787,290	9	0.62%		30,464,043	5	0.88%	
Southwestern Bell Telephone		21,042,774	10	0.55%		52,491,895	3	1.56%	
Raytheon Aircraft Company		-	-	-		19,408,139	7	0.52%	
Vulcan Materials		-	-	-		13,441,677	9	0.38%	
Western Resources Electric		<del>-</del>	-			12,180,729	10	0.28%	
	\$	406,332,693		10.60%	\$	341,580,995		9.67%	

Source: Sedgwick County Clerk

#### **SEDGWICK COUNTY, KANSAS GENERAL PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years**

#### SEDGWICK COUNTY PRIMARY GOVERNMENT

	Taxes Levied			Collected v	within the				
	for the			Fiscal Year	of the Levy	Collections	Total Collections to Date		
Tax	Fiscal Year		Total		Percentage of	in Subsequent		Percentage of	
Year 1	(Original Levy)	Adjustments	Adjusted Levy	Amount <sup>2</sup>	Original Levy	Years <sup>3</sup>	Amount	Adjusted Levy	
2003	94,601,506	(520,803)	94,080,703	91,068,224	96.27%	2,533,986	93,602,210	99.49%	
2004	98,203,643	(455,308)	97,748,335	94,695,003	96.43%	2,359,059	97,054,062	99.29%	
2005	103,184,139	(473,529)	102,710,610	99,887,609	96.81%	2,622,339	102,509,948	99.80%	
2006	121,793,520	(473,822)	121,319,698	117,958,001	96.85%	3,364,205	121,322,206	100.00%	
2007	128,747,504	(440,767)	128,306,737	124,575,078	96.76%	3,733,046	128,308,124	100.00%	
2008	130,983,921	(1,035,315)	129,948,606	125,701,736	95.97%	4,244,455	129,946,192	100.00%	
2009	129,522,134	(1,565,747)	127,956,386	123,962,799	95.71%	2,452,572	126,415,371	98.80%	
2010	129,182,341	343,543	129,525,884	124,101,517	96.07%	2,306,543	126,408,060	97.59%	
2011	130,016,010	269,245	130,285,255	125,349,762	96.41%	1,587,223	126,936,985	97.43%	
2012	129,216,721	108,339	129,325,060	125,129,425	96.84%	Not Applicable	125,129,425	96.76%	

#### **SEDGWICK COUNTY FIRE DISTRICT #1**

	Taxes Levied			Collected v	within the				
	for the			Fiscal Year	of the Levy	Collections	Total Collections to Date		
Tax	Fiscal Year		Total		Percentage of	in Subsequent		Percentage of	
Year 1	(Original Levy)	Adjustments	Adjusted Levy	Amount <sup>2</sup>	Original Levy	Years <sup>3</sup>	Amount	Adjusted Levy	
2003	9,731,825	(38,665)	9,693,160	9,423,315	96.83%	203,977	9,627,292	99.32%	
2004	11,376,138	(30,074)	11,346,064	11,091,213	97.50%	187,993	11,279,206	99.41%	
2005	11,996,353	(60,712)	11,935,641	11,716,988	97.67%	203,296	11,920,284	99.87%	
2006	12,109,011	(52,953)	12,056,058	11,815,566	97.58%	232,635	12,048,201	99.93%	
2007	13,009,881	(56,695)	12,953,186	12,680,055	97.46%	237,195	12,917,250	99.72%	
2008	13,581,460	(160,583)	13,420,877	13,096,204	96.43%	324,407	13,420,611	100.00%	
2009	13,861,628	(60,613)	13,801,015	13,373,141	96.48%	229,266	13,602,407	98.56%	
2010	14,285,305	(127,003)	14,158,302	13,857,862	97.01%	241,509	14,099,371	99.58%	
2011	14,603,909	(166,083)	14,437,826	14,172,661	97.05%	120,222	14,292,883	99.00%	
2012	14,721,733	(74,201)	14,647,532	14,382,596	97.70%	Not Applicable	14,382,596	98.19%	

 $<sup>^{\</sup>rm 1}$  Taxes levied support the subsequent year's budget, e.g.,2012 taxes financed 2013 spending  $^{\rm 2}$  Net of refunding warrants  $^{\rm 3}$  Excludes interest penalties

Source: Sedgwick County Treasurer Tax Abstract

### SEDGWICK COUNTY, KANSAS RATIOS OF OUTSTANDING DEBT BY TYPE **Last Ten Fiscal Years**

**Governmental Activities** 

	General	Public		KDOT	,	Total	Percentage	
Fiscal	Obligation	Building	Special	Revolving	Capital	Primary	of Personal	Per
Year	Bonds	Commission	Assessments	Loan	Leases	Government	Income <sup>1</sup>	Capita <sup>1</sup>
2004	86,355,000	37,940,000	16,500,000	-	1,082,234	141,877,234	0.9%	306
2005	90,760,000	36,120,000	16,550,000	3,323,895	954,136	147,708,031	0.9%	316
2006	85,810,000	34,530,000	15,965,000	3,200,353	823,251	140,328,604	0.8%	298
2007	77,855,000	47,425,000	14,250,000	3,071,631	2,256,509	144,858,140	0.8%	303
2008	70,190,000	88,685,000	12,540,000	2,937,940	1,932,286	176,285,226	0.9%	363
2009	75,180,000	83,850,000	7,855,000	7,175,585	1,595,100	175,655,685	0.9%	355
2010	78,082,751	79,600,000	7,257,249	6,845,245	2,955,239	174,740,484	0.9%	350
2011	78,800,000	87,875,000	5,415,000	6,528,784	3,633,318	182,252,102	0.9%	364
2012	80,615,000	83,575,000	4,345,000	6,199,824	2,908,377	177,643,201	0.9%	353
2013	75,462,051	83,670,000	3,667,949	-	2,264,555	165,064,555	0.8%	326

Details regarding the county's outstanding debt can be found in the notes to the financial statements

Population and personal income data can be found in Schedules F-15 These ratios are calculated using personal income and populations for the prior calendar year (Census data has been updated since previous report. Previous years data is not comparable to previous Comprehensive Annual Financial Reports)

# SEDGWICK COUNTY, KANSAS RATIOS OF GENERAL BONDED DEBT OUTSTANDING Last Ten Fiscal Years

General Bond Debt Outstanding

		chicial bond best odistandi	119			
Fiscal Year	General Obligation Debt <sup>1</sup>	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Personal Income <sup>2</sup>	Percentage of Actual Value of Taxable Property <sup>3</sup>	Per Capita <sup>2</sup>
2004	124,295,000	(560,506)	123,734,494	0.81%	0.51%	267
2005	126,880,000	(1,124,572)	125,755,428	0.78%	0.51%	269
2006	120,340,000	(2,583,216)	117,756,784	0.65%	0.43%	250
2007	125,280,000	(4,086,468)	121,193,532	0.65%	0.42%	253
2008	158,875,000	(11,609,796)	147,265,204	0.74%	0.48%	303
2009	159,030,000	(12,136,187)	146,893,813	0.79%	0.48%	297
2010	157,682,751	(9,903,860)	147,778,891	0.80%	0.48%	296
2011	166,675,000	(7,670,437)	159,004,563	0.79%	0.51%	317
2012	164,190,000	(14,651,936)	149,538,064	0.72%	0.49%	297
2013	159,132,051	(8,500,583)	150,631,468	0.73%	0.48%	298

<sup>&</sup>lt;sup>1</sup> Includes General Obligation and Public Building Commission debt; excludes Fire District # 1, special assessment debt, KDOT revolving loan and capital leases

<sup>&</sup>lt;sup>2</sup> Population and personal income data can be found in Schedule F-15

These ratios are calculated using personal income and populations for the prior calendar year (Census data has been updated since previous report. Previous years data is not comparable to previous Comprehensive Annual Financial Reports)

<sup>&</sup>lt;sup>3</sup> Property value data can be found in Schedule F-7 (Property values have been updated since previous Comprehensive Annual Financial Reports)

#### SEDGWICK COUNTY, KANSAS LEGAL DEBT MARGIN INFORMATION

#### **Last Ten Fiscal Years**

(Dollars in Thousands)

	2004	2005	2006	2007	2008	2009	<u>2010</u>	<u>2011</u>	2012	<u>2013</u>
Statutory debt capacity: Equalized assessed valuation of taxable tangible property Estimated tangible valuation of motor vehicles Estimated tangible valuation for	\$ 3,436,218 483,967	\$ 3,611,221 497,788	\$ 3,796,641 512,707	\$ 4,025,083 530,651	\$ 4,218,727 543,445	\$ 4,245,447 537,340	\$ 4,244,709 537,340	\$ 4,312,927 523,812	\$ 4,286,965 523,435	\$ 4,301,085 538,413
computation of bonded indebtedness limitations	\$ 3,920,185	\$ 4,109,009	\$ 4,309,348	\$ 4,555,734	\$ 4,762,172	\$ 4,782,787	\$ 4,782,049	\$ 4,836,739	\$ 4,810,400	\$ 4,839,498
Debt limit (3% of total valuation)	\$ 117,606	\$ 123,270	\$ 129,280	\$ 136,672	\$ 142,865	\$ 143,484	\$ 143,461	\$ 145,102	\$ 144,312	\$ 145,185
Amount of debt applicable to limit Total bonded indebtedness Less exempt issues	140,795 (94,725)	146,754 (93,485)	139,505 (91,441)	142,602 (95,537)	174,353 (130,957)	174,061 (133,779)	171,785 (130,303)	178,619 (133,462)	174,735 (141,906)	162,800 (128,319)
Total net debt applicable to limit	46,070	53,269	48,064	47,065	43,396	40,282	41,482	45,157	32,829	34,481
Legal debt margin	\$ 71,536	\$ 70,001	\$ 81,216	\$ 89,607	\$ 99,469	\$ 103,202	\$ 101,979	\$ 99,945	\$ 111,483	\$ 110,704
Total net debt applicable to the limi as a percentage of debt limit	39.17%	43.21%	37.18%	34.44%	30.38%	28.07%	28.92%	31.12%	22.75%	23.75%

### SEDGWICK COUNTY, KANSAS PLEDGED-REVENUE COVERAGE

### **Last Ten Fiscal Years**

(Dollars in Thousands)

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Assessment			
Collections	Principal	Interest	<u>Coverage</u>
4,114	1,385	814	1.87
3,797	1,425	752	1.74
3,711	1,585	751	1.59
3,654	1,715	699	1.51
3,528	1,710	635	1.50
3,615	1,785	559	1.54
3,196	1,295	338	1.96
3,359	1,182	245	2.35
2,375	1,070	200	1.87
1,955	655	163	2.39
	Collections 4,114 3,797 3,711 3,654 3,528 3,615 3,196 3,359 2,375	Collections         Principal           4,114         1,385           3,797         1,425           3,711         1,585           3,654         1,715           3,528         1,710           3,615         1,785           3,196         1,295           3,359         1,182           2,375         1,070	Collections         Principal         Interest           4,114         1,385         814           3,797         1,425         752           3,711         1,585         751           3,654         1,715         699           3,528         1,710         635           3,615         1,785         559           3,196         1,295         338           3,359         1,182         245           2,375         1,070         200

Details regarding the county's outstanding debt can be found in the notes to the financial statements

# SEDGWICK COUNTY, KANSAS DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Fiscal Years

Personal Income 2,5

		(thousands	(thousands Per Capita		Unemployment
Year	Population 1,5	of dollars)	Personal Income <sup>2,5</sup>	Enrollment 3,5	Rate <sup>4</sup>
2004	464,021	15,242,520	32,849	87,010	6.6%
2005	467,113	16,126,460	34,524	87,507	5.6%
2006	471,659	18,031,383	38,230	88,151	4.3%
2007	478,479	18,617,895	38,911	88,612	3.8%
2008	486,077	19,780,492	40,694	89,248	4.9%
2009	495,006	18,643,418	37,663	90,467	7.6%
2010	499,360	18,536,917	37,121	91,071	7.9%
2011	500,976	20,040,578	40,003	91,302	7.1%
2012	503,889	20,671,720	41,024	92,273	6.1%
2013	505,905	Not Available	Not Available	92,988	5.4%

#### Notes:

<sup>&</sup>lt;sup>1</sup> 2013 Population is estimated. Population for 2004-2012 is from the U.S. Census Bureau.

<sup>&</sup>lt;sup>2</sup> U.S. Bureau of Economic Analysis

<sup>&</sup>lt;sup>3</sup> Kansas State Board of Education (organization level headcount)

<sup>&</sup>lt;sup>4</sup> Kansas Department of Labor

<sup>&</sup>lt;sup>5</sup> Census data has been updated since previous report. Previous years data is not comparable to previous Comprehensive Annual Financial Reports

# SEDGWICK COUNTY, KANSAS PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

Fiscal Year 2013 Fiscal Year 2004 Percentage of Total Percentage of Civilian Wichita MSA Civilian **Total Wichita Employees** MSA 1 Rank Rank **Employees** Spirit AeroSystems, Inc. 11,000 1 3.71% McConnell Air Force Base 6,438 2 2.17% 5 Via Christi Health 6,393 3 2.16% 5,025 1.73% Unified School District #259 5,482 4 1.85% 4,842 6 1.67% Cessna Aircraft 4,979 5 1.68% 8,500 2 2.93% State of Kansas 3,969 6 1.34% 3,849 7 1.33% Bombardier Learjet 7 0.88% 3,400 1.15% 2,560 10 Beechcraft Corp. 3,372 8 1.14% City of Wichita 2,950 9 1.00% 3,057 8 1.05% Koch Industries Inc. 2,900 10 0.98% The Boeing Company 12,300 1 4.24% Raytheon Aircraft 6,462 3 2.23% U.S. Government 5,435 4 1.87% Sedgwick County 9 2,790 0.96% 50,883 17.17% 54,820 18.89%

Source: Wichita Business Journal

<sup>&</sup>lt;sup>1</sup> Includes Sedgwick, Butler, Harvey, Kingman and Sumner counties for 2013. Data for 2004 includes Sedgwick, Butler, Harvey and Sumner counties.

## SEDGWICK COUNTY, KANSAS FULL-TIME COUNTY GOVERNMENT EMPLOYEES BY FUNCTION Last Ten Fiscal Years

Full-time Employees as of December 31 Function/Program <u>2006</u> General government Public safety 1,471 1,355 1,411 1,443 1,509 1,549 1,542 1,476 1,420 1,438 Public works Health and welfare Culture and recreation Economic development 2,614 2,680 2,722 2,738 2,813 2,911 2,875 2,708 2,595 2,572

Source: Sedgwick County finance department

### SEDGWICK COUNTY, KANSAS OPERATING INDICATORS BY FUNCTION Last Ten Fiscal Years

					Fisc	cal Year				
Function/Program	2004	2005	<u>2006</u>	2007	<u>2008</u>	2009	<u>2010</u>	<u>2011</u>	<u>2012</u>	2013
General government										
Number of registered voters	233,181	230,246	236,000	237,135	246,928	252,101	259,888	261,038	274,369	271,013
Number of taxable real estate parcels	199,609	202,235	205,079	207,530	210,889	217,134	217,684	212,725	212,765	212,744
Documents filed with register of deeds	104,371	104,116	97,789	94,454	84,578	83,406	75,458	68,485	78,147	82,749
Real estate records processed	64,895	65,208	66,900	67,956	68,456	78,725	62,700	53,957	46,893	77,608
Average monthly investment portfolio (in millions)	\$ 218.7	\$ 226.4	\$ 288.3	\$ 377.7	\$ 413.3	\$ 378.0	\$ 317.5	\$ 299.2	\$ 297.4	\$ 290.0
Average number of bids per purchase	*	*	4.5	4.5	4.7	5.0	4.4	6.5	7.1	6.2
Public safety										
Average monthly number of incoming 911 calls	36,615	36,305	36,030	37,722	35,170	38,627	36,635	37,145	39,502	40,328
Average monthly number of EMS responses	3,503	3,512	3,834	4,040	4,000	4,150	4,401	4,520	4,714	4,836
Number of residential structural fires per 100,000 households	276	308	308	208	256	280	161	74	89	70
Average monthly number of medical responses by Fire	219	216	214	239	288	248	292	206	330	378
Average daily population, juveniles in detention	108	116	124	120	109	106	113	110	60	55
Average daily population in custody of Sheriff	1,382	1,501	1,514	1,522	1,533	1,645	1,561	1,502	1,442	1,418
Percent of autopsy reports filed within 90 days	97	97	94	78	62	57	69	89	59	75
Public works										
Miles of road improved	146	78	103	88	113	61	76	121	172	163
Miles of road maintained	622	622	622	622	622	617	617	626	617	600
Household hazardous waste tonnage disposed (in tons)	261	332	394	457	489	521	594	653	664	580
Health and welfare										
Number of mental health program clients	10,463	11,588	12,246	13,319	12,253	11,934	12,483	12,126	12,299	12,344
Number of individuals eligible for developmental										
disability services	1,698	1,812	1,958	2,082	2,102	2,285	2,278	2,331	2,410	2,482
Number of health clinic patient encounters	149,037	167,530	149,507	165,039	178,812	188,205	174,841	164,037	176,230	153,529
Number of immunizations provided	22,324	27,659	29,000	27,170	26,015	27,327	23,588	19,057	16,396	13,402
Number of tuberculosis encounters	6,343	7,629	8,005	6,223	6,357	4,742	4,205	3,061	2,731	2,806
Culture and recreation										
Number of events per year at Intrust Bank Arena	*	*	*	*	*	*	109	63	70	80
Annual attendance at Intrust Bank Arena events	*	*	*	*	*	*	492,532	391,801	349,612	411,121
Number of events per year at Kansas Pavilions	164	143	123	137	122	110	55	39	*	*
Annual attendance at Kansas Pavilions events	571,406	532,804	541,949	557,334	543,519	500,801	202,922	203,800	*	*
Annual attendance at Sedgwick County Zoo	591,687	502,367	484,014	593,428	584,076	654,494	548,919	553,098	515,634	511,306
Annual attendance at Sedgwick County Park	626,821	813,676	730,972	932,486	1,131,339	1,060,267	966,792	1,028,339	872,349	922,713
Economic development										
Total value of merchandise moving										
through foreign trade zone (in millions)	\$ 12.9	\$ 15.8	\$ 18.4	\$ 19.6	\$ 20.3	\$ 25.7	\$ 1,159.0	\$ 1,698.7	\$ 36.4	\$ 297.4
Average monthly number of Sec. 8 housing clients	323	301	315	304	318	306	294	297	244	230

<sup>\*</sup> Information not available.

Source: County operating departments

# SEDGWICK COUNTY, KANSAS CAPITAL ASSET STATISTICS BY FUNCTION Last Ten Fiscal Years

	Fiscal Year									
Function/Program	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government										
Auto License buildings	4	4	4	4	4	4	4	4	4	4
Total fleet vehicles	*	*	460	462	464	473	464	469	468	466
Public safety										
Adult detention facility capacity	1,032	1,032	1,122	1,115	1,145	1,158	1,158	1,158	1,158	1,158
Fire stations	8	8	8	8	8	9	9	9	9	9
EMS posts	13	13	13	13	14	15	15	15	15	15
Public Safety vehicles	*	*	*	260	278	291	294	290	288	274
Public works										
Bridges maintained	650	651	652	645	645	639	593	593	601	583
Miles of roads maintained	622	622	622	622	622	617	617	626	600	600
Culture and recreation										
Sedgwick County Park acreage	400	400	400	400	400	400	400	400	400	400
Lake Afton Park acreage	828	828	828	828	828	828	828	828	828	828

<sup>\*</sup> Information not available

Source: County budget department and individual county departments