

Financial Plan



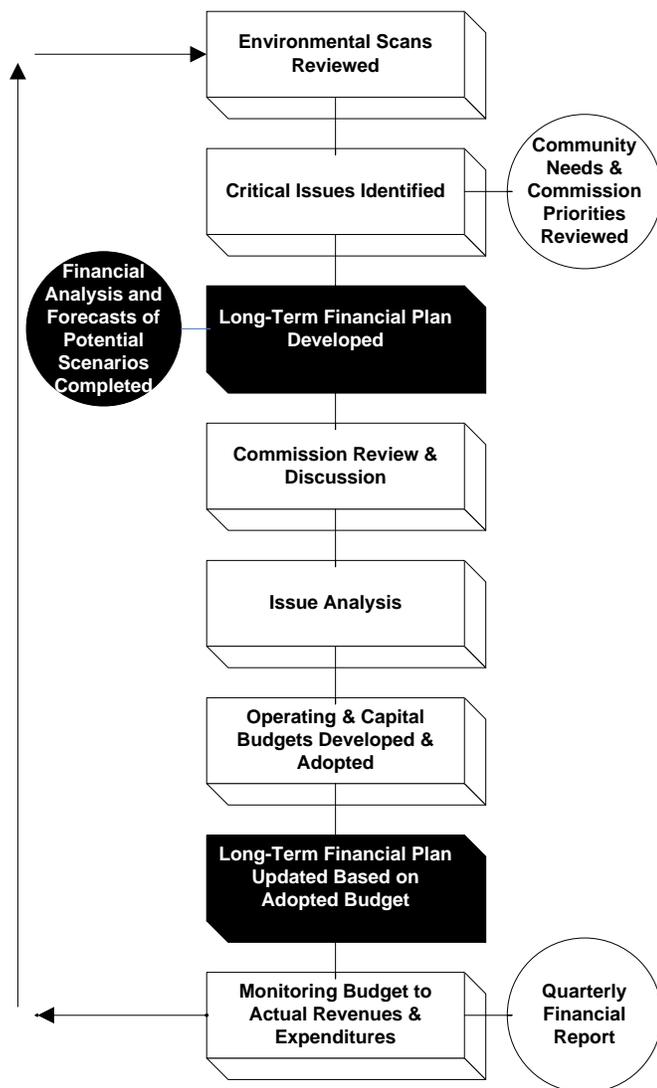
For the Period of 2007 - 2012



Introduction

Sedgwick County prepares an annual long-term financial plan as a fundamental element of the budget process. The purpose of the financial plan is to evaluate current and future fiscal conditions to guide policy and programmatic decisions. A financial plan is a fiscal management tool that presents forecasted information based on current and projected financial conditions to identify future revenue and expenditure trends that may have an immediate or long-term influence on County policies, strategic goals, or community services. The financial plan assists in the formation of decisions that exercise fiscal discipline and deliver essential community services as an essential part of the annual budgeting process.

Financial Plan and the Budget Process



The estimates included in this financial plan include only County-wide property tax supported funds.

Forecasting Methodology

The forecasts included in the Financial Plan are formulated through the utilization of both quantitative and qualitative methods. Quantitatively, historical revenues and expenditures were analyzed primarily through the use of trend analysis and percentage growth patterns. In addition, national, state, and local economic conditions were evaluated to determine what impact they may have on the County’s ability to generate specific types of revenue. Qualitatively, the forecast draws upon the experience and knowledge of finance staff to outline the most likely projections.

Whenever forecasts are performed, such as your local weather forecast, we often lose sight that these forecasts are performed based on the most recently available variables. For the Financial Plan, these variables include economic data and decisions by the Board of County Commissioners as of August 15th, 2007. In addition, the estimates incorporate the financial guidelines included in the 2008 adopted budget. Unfortunately, finance variables, just like the weather, are constantly changing. The forecasts included in the Financial Plan are subject to unforeseen and uncontrollable national, state, and local events, in addition to the timing of large capital projects that may make the forecasts less accurate.

SEDGWICK COUNTY

Executive Summary

Historically, Sedgwick County has a record of strong financial performance, as evidenced through its current bond

Bond Ratings	
Rating Agency	Rating
Standard & Poor’s	AA+
Moody’s	Aa1
Fitch	AAA

ratings. In addition, over the past five years, the Board of County Commissioners (BoCC) have been confronted with a variety of financial challenges requiring the execution of difficult management decisions to correct structural imbalances between revenue and expenditure growth outlined in preceding financial plans.



Previous Management Decisions

- **2002:** Stagnate economic growth.
 - County eliminates \$1.0 million in operating costs.
- **2003:** Economic growth remains stagnant. The State of Kansas enters a financial crisis. Retail Sales Tax revenue declines by \$1.1 million (5.2 percent) and the State eliminates revenue sharing with local jurisdictions, reducing revenues by \$6.8 million.
 - County eliminates 41 positions and freezes 10.5. In addition, County eliminates \$2.8 million in operating costs, reduces funding to local partners by \$406,000, defers \$1.1 million in capital projects, eliminates merit pay, and implements \$800,000 in new service fees.
- **2004:** County eliminates 42.8 positions, employees receive a 2.0 percent general pay adjustment, and departments' base budgets are maintained at the 2002 level.
- **2005:** County reallocates funding to meet critical needs — 14 positions eliminated and 10 frozen, departmental base budgets set at a 4 percent reduction.
- **2006:** County maintains 8th year of no increase in the property tax levy. The new Juvenile Detention Facility opens and alternative jail programs are implemented to mitigate population growth in the adult detention center.
- **2007:** 2.5 mill increase to address public safety issues with a growing jail population, maintaining other public safety services, and construction of the Center for Aviation Training.

Although previous structural imbalances have been corrected, changing community needs and State legislative mandates will have significant impacts on the County's long-term financial condition.

Over the financial planning period, 2007 to 2012, Sedgwick County has embraced ownership of two significant community needs:

- **PROTECTING PEOPLE**
- **INVESTING IN JOBS**

To pursue these changing needs, the County planned in 2006 and 2007 — in addition to discussing future execution — a variety of large capital and operational projects to address:

- a growing jail population,
- enhancing EMS services,
- maintaining the availability of a strong workforce for the vital aviation industry, and
- sustaining the affordable airfares program initiated by the City of Wichita.

Planning for Changing Needs

2007-2012 Financial Plan

	2007	2008	2009	2010	2011	2012
PROTECTING PEOPLE						
<u>Jail Expansion - 384 Beds</u>						
Debt Service	-	4,216,667	4,551,032	4,551,032	4,551,032	4,551,032
Operating Costs			3,312,274	7,424,549	7,870,022	8,342,223
<u>Jail Alternative Programs</u>						
Day Reporting	2,354,250	2,354,250	2,424,878	2,497,624	2,572,553	2,649,729
Offender Assessment	1,273,260	1,281,244	1,324,619	1,369,129	1,415,616	1,464,189
Drug Court	-	-	1,200,000	1,248,000	1,297,920	1,349,837
Work Center	-	-	-	1,700,000	1,768,000	1,838,720
Mental Health Court	-	-	-	1,350,000	1,404,000	1,460,160
INVESTING IN JOBS						
<u>Jabara Campus Training Facility</u>						
Debt Service	-	3,066,667	3,450,431	3,450,431	3,450,431	3,450,431
<u>Technical Education & Training Authority</u>	1,601,530	1,651,989	1,675,121	1,695,009	1,715,674	1,737,155
<u>Affordable Airfares Partnership</u>	1,085,000	1,085,000	1,085,000	1,085,000	1,085,000	1,085,000
LEGISLATIVE MANDATES						
<u>Commercial Personal Property Exemption</u>	-	1,484,425	2,956,310	6,207,763	9,654,857	12,226,867



Protecting People – A Growing Jail Population:

Sedgwick County’s jail facility has a current capacity of approximately 1,038 beds. However, the average daily inmate population placed in the Sheriff’s custody is approaching 1,600. At the current time, the difference between the capacity of the jail and the actual population is addressed by renting jail space from other surrounding counties, but this isn’t a long-term solution. At present, the availability of external jail space is limited while the jail population continues to grow.

To address the safety of the community, the BoCC has enhanced a variety of current programs to mitigate growth in the jail population, including double bunking and expanding diversion and pre-trial programs. In 2006, the BoCC also adopted the implementation of two new alternative jail programs — Day Reporting and Offender Assessment — and a 384 bed expansion of the current facility. The costs of these programs, including the operating costs of the expanded jail facility and the potential implementation of other alternative jail programs have been incorporated in this financial plan.

The financial plan also includes revenue from a municipal jail housing fee adopted by the County Commission. This new revenue of approximately \$3.5 million annually is anticipated to offset a portion of the overall costs related to the growing jail population.

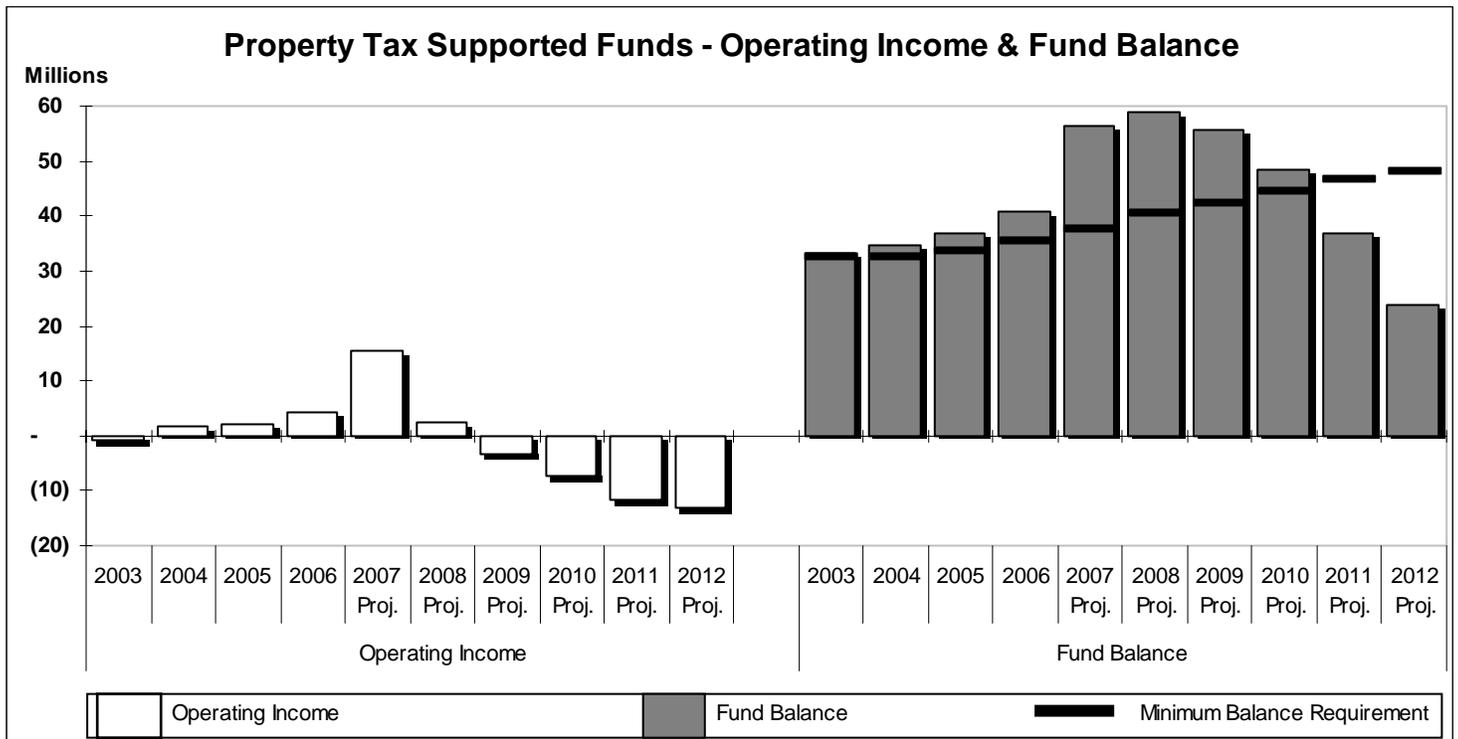
Investing in Jobs:

Wichita is well known as the air capital of the world and as a result the aviation industry is vital to the County’s economic condition. Over the last several years business leaders have voiced concern that the aging workforce in the aviation industry is resulting in a labor supply shortage of well-trained aviation workers. As a result, the BoCC committed in 2006 to not only lead the technical training needs of the community through the Technical Education and Training Authority but to also construct a Center for Aviation Training at the Jabara Airport dedicated not just to the training of aviation workers but also other technical training needs identified in the community.

Currently, the County is seeking funding from State and Federal sources that may mitigate the actual debt service costs of the facility that are estimated in this financial plan at \$3.5 million annually. The majority of the facilities’ operating costs will be funded through both student fees and donations from the business community.

Legislative Mandates:

The 2006 Legislature adopted House Bill 2583 to implement a property tax exemption for commercial personal property. The cost of the exemption through a reduction in property tax revenues is estimated at \$1.4



million in 2008 and growing to \$12.2 million by 2012.

Solutions:

Although previous imbalances between revenues and expenditures have been corrected and strong revenue growth is projected over the planning period, full implementation of the projects outlined in the table below in 2008 and beyond again creates a higher rate of growth in annual expenditures in comparison to current revenues for those funds receiving property tax support. This imbalance contributes to an annual operating loss and declining fund balance in 2009 and beyond.

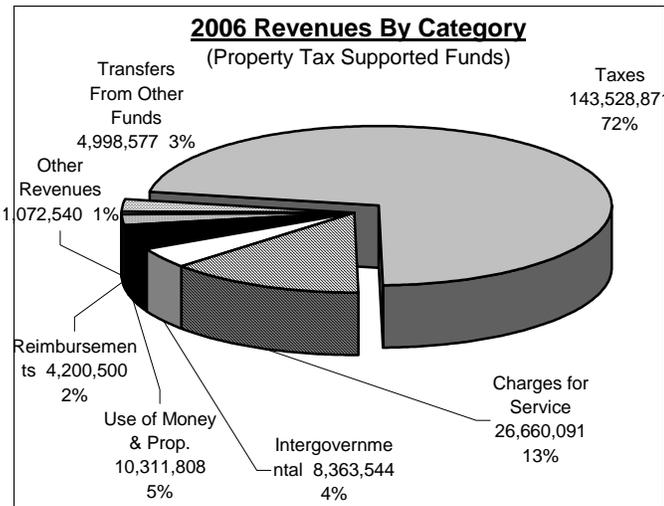
In 2008, the Financial Plan estimates the County will maintain a fund balance above the minimum balance policy until 2011 when the balance will fall \$7.4 million below policy requirements. By 2012, this gap grows to over \$22.0 million if additional revenues or changes in operational practices are not implemented.

To avoid the operating deficits projected in the financial plan and close the financial gap between the estimated unreserved fund balance and the minimum balance policy, a variety of policy options should be considered over the planning horizon that concentrate on:

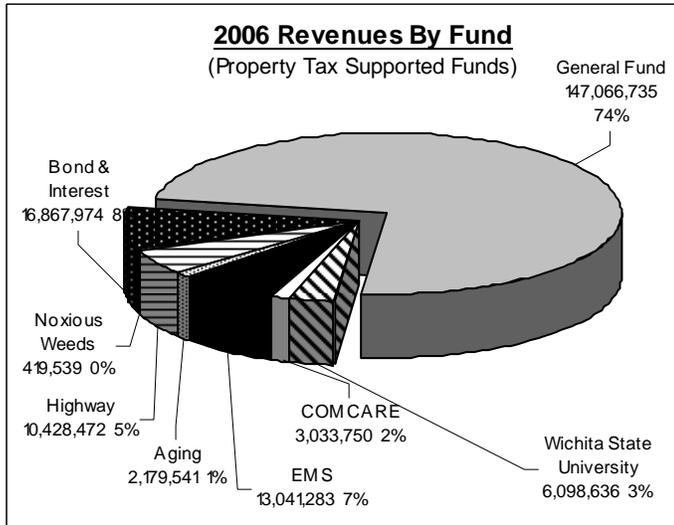
- **Revenues**
 - Seeking new revenue sources through both fees and taxes
 - Implement a Jail Housing Fee to be charged to local municipalities for municipal inmates
 - Increase current fees when appropriate
 - Increase the property tax levy beyond the 31.315 mills calculated in the financial plan over the planning horizon
 - Implement a sales tax levy to offset the costs of operating public health services
 - Implement a sales tax levy to offset the costs of construction related to the jail expansion and Center for Aviation Training

- **Expenditures**
 - Concentrate public services on those considered core County services and vital to the development of the community
 - Seek innovative programs for delivering public services beyond current operating standards

Revenues & Transfers In



Sedgwick County's revenue structure related to property tax supported funds is assigned into seven primary revenue categories, with aggregate tax collections as the largest revenue source, followed by charges for service and use of money and property. In 2006, a total of \$199,135,930 in revenue was received, with 72 percent collected from tax sources.



Of the funds receiving property tax support, the largest is the General Fund with 74 percent of total revenue collections in 2006, followed by the Bond & Interest Fund, and Emergency Medical Services.

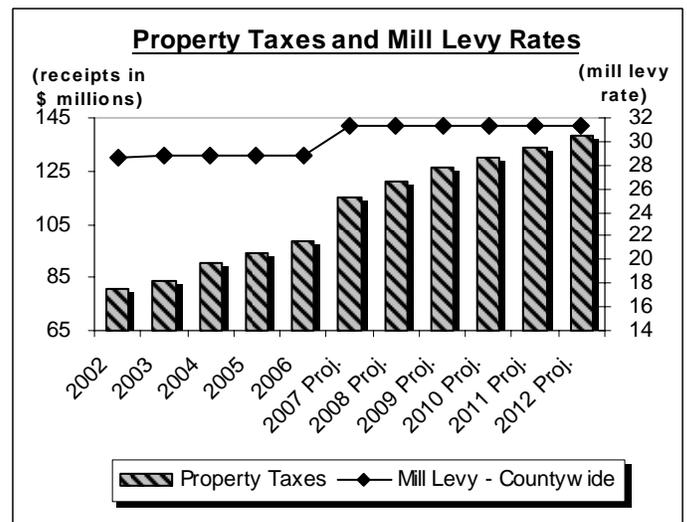
Specific Revenue Projections in the Financial Plan

Of the total revenue collections and transfers in, 93 percent is collected from 12 distinct revenue sources. The following discussion on revenue projections included in the financial plan will center on the majority of those revenues outlined in the table below.

	2006 Actual	% of Total
Total Revenues & transfers in	\$ 199,135,930	100%
Property taxes	99,010,452	50%
Local sales & use tax	24,080,366	12%
Motor vehicle tax	14,311,725	7%
Medical charges for service	11,549,953	6%
Investment income	9,574,065	5%
Mortgage registration & officer fees	8,985,111	5%
Special city/county highway	5,023,043	3%
Special assessments	3,696,058	2%
Administrative reimbursement	3,423,920	2%
Back taxes	2,252,870	1%
State revenue - SRS	1,748,388	1%
Prisoner Housing	1,202,109	1%
Total	\$ 184,858,060	93%

* General Fund, Wichita State University, COMCARE, EMS, Aging, Highway, Noxious Weeds, Bond & Interest

Property Taxes

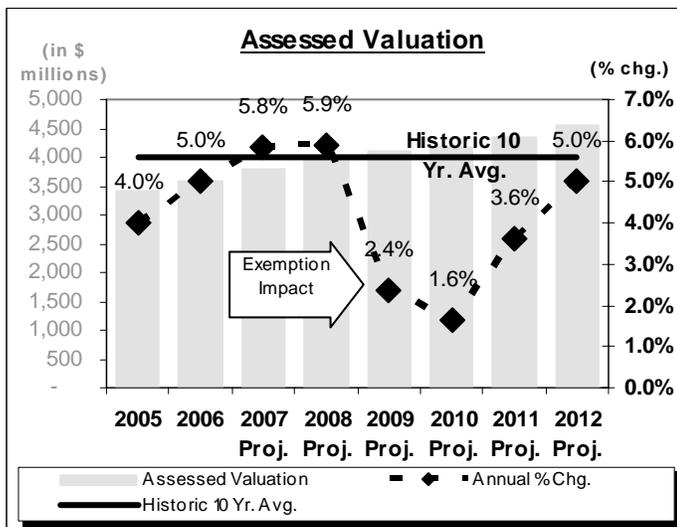


Property taxes play a vital role in financing essential public services. Property tax revenues are primarily used to fund services county-wide in the General Fund and various special revenue funds that do not have the capacity to self-finance their services, in addition to retiring the County's long-term debt on capital projects for facilities and infrastructure. This reliable revenue

source has no attached mandates as many other state and federal revenues often do.

The County-wide property tax rate, expressed in mills, remained relatively unchanged for seven years until adoption of the 2007 budget when the Board of County Commissioners adopted a 2.5 mill increase, bringing the total rate to 31.315 mills to meet the critical needs of the community.

- Property tax revenues are projected based on the assumption that the property tax levy of 31.315 mills will remain unchanged through the planning period.
- Consequently, growth in property tax revenues results from an estimated increase in assessed valuations and not a planned increase in the mill levy rate.



Historically, Sedgwick County’s assessed valuation has grown an average of 5.6 percent over the past ten years. In both the 2007 and 2008 budget, valuations have slightly exceeded that average. Nevertheless, the outlook for growth in assessed valuations in the future is less robust as a result of a commercial personal property tax exemption passed by the 2006 Legislature. Parameters of the legislation include:

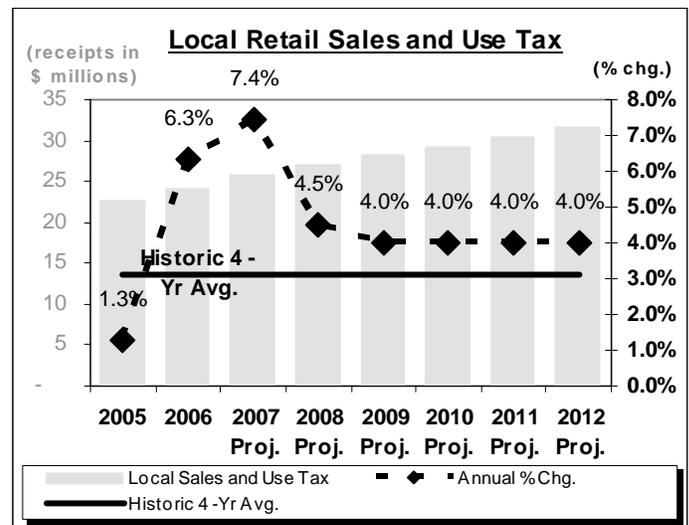
- Exempts qualifying commercial personal property acquired or transported into the State after June 30, 2006.
- Local jurisdictions will be reimbursed on a sliding scale (90 percent in 2008 to 10 percent by 2012) the difference between the amount of taxes levied on commercial property in budget year 2006 to the current year.

As a result of the exemption, growth in assessed valuations is estimated to significantly decline in 2009 and 2010 when the majority of commercial personal property is estimated to be removed from the tax rolls. Not until 2012 does growth in the assessed valuation return to its previous pattern of approximately 5.0 percent annually. As a result the exemption is anticipated to decrease collected property tax revenues from \$1.5 million in 2008 to \$12.2 million by 2012.

Commercial Personal Property Exemption

Budget Year	% of Commercial Personal Property Exempted	Estimated Loss In Tax Revenue
2008	11.00%	\$ 1,484,425
2009	35.00%	\$ 2,956,310
2010	74.00%	\$ 6,207,763
2011	93.00%	\$ 9,654,857
2012	95.00%	\$ 12,226,867

Local Retail Sales and Use Tax



Local retail sales tax is generated from a countywide 1.0 percent tax on retail sales, imposed pursuant to voter approval in July of 1985. Distribution of sales tax revenue to the County and cities is based half on their individual population levels and half on property tax levies per state statute K.S.A 12-187. There are three principal factors that influence the County’s collection of local retail sales tax revenue:

- Total taxable retail sales in Sedgwick County,
- population in the unincorporated areas of the County as a percentage of total County population and,

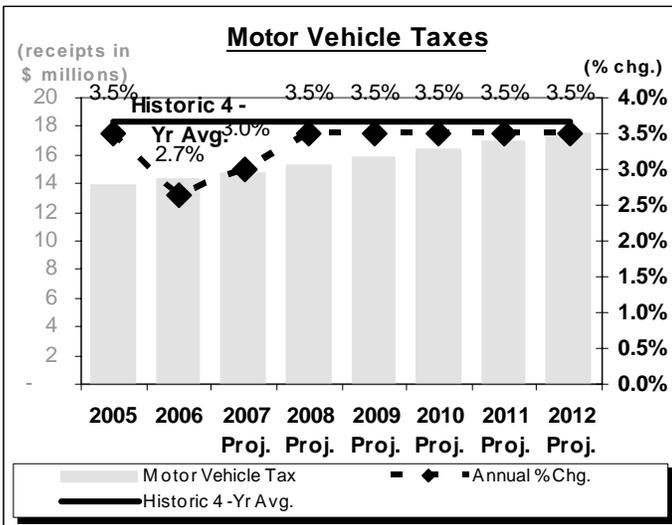
- the County's property tax levies as a percentage of total taxes levied by all governmental entities.

Local use tax, per state statute K.S.A. 12-198, is a tax paid on tangible personal property purchased from other states and used, stored, or consumed in Kansas on which no sales tax was paid. The use tax is also applied if the other state's sales tax rate is less than the Kansas rate.

Historically, retail sales and use tax collections have experienced an average growth rate of 3.1 percent between 2002 and 2006. Regardless it wasn't until 2006 that collections exceeded the level received back in 1998 with collections of \$24,080,366. Projections in the financial plan estimate collections will continue to grow with a 7.4 percent increase in 2007 and more moderate increases of approximately 4.0 percent annually throughout the rest of the planning horizon.

Changes in State statutes that define the scope of taxable sales have a large impact on local retail sales tax collections. In 1993, when materials used in construction of new buildings and utilities became taxable, revenue increased by more than 10.0 percent. When the 1995 Legislature again exempted these items from sales taxation, collections declined. In 2004, when statutory changes to the application of the use tax took effect, total retail sales and use tax collections increased by 10.0 percent from the previous year.

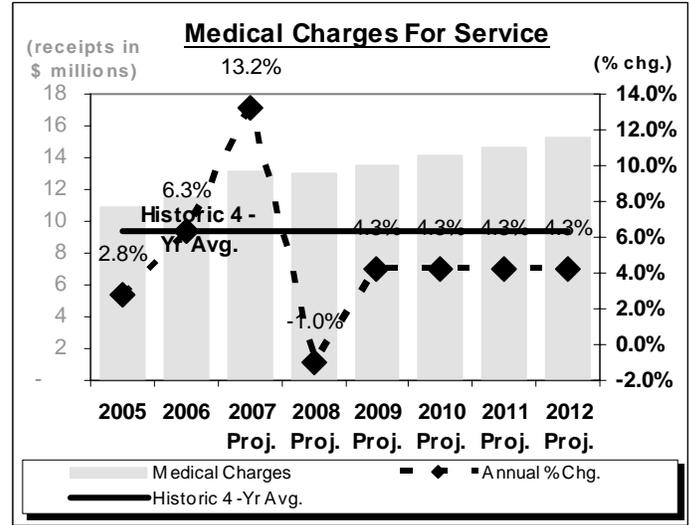
Motor Vehicle Taxes



Motor vehicle taxes continue to be a consistent and reliable revenue source, growing in 2006 by 2.7 percent to \$14.3 million. In 2007 receipts are estimate to increase by \$428,000 or 3.0 percent. Following 2007,

receipts are estimated to increase annually at approximately 3.5 percent between 2008 to 2012.

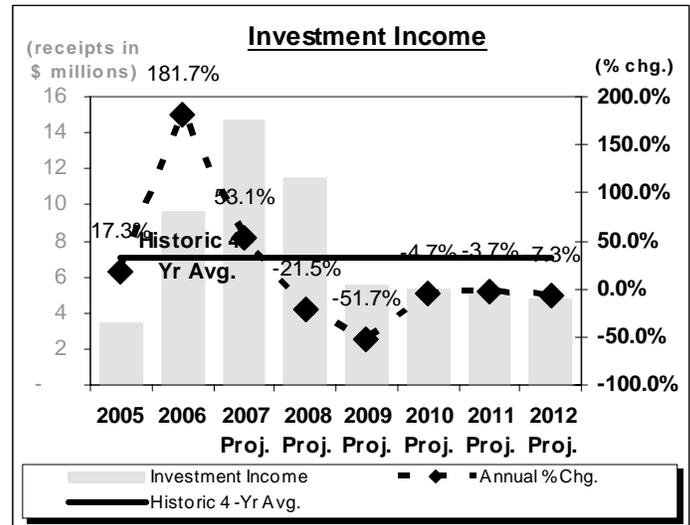
Medical Charges for Service



Medical charges for service include Medicaid, Medicare, insurance, and patient fees for delivered medical services. These services are primarily delivered through EMS, generating 72 percent of total 2006 collections, followed by the Judge Riddell Boys Ranch, and the Health Department.

In 2006 and 2007, the County witnessed abnormally strong growth, largely resulting from increases in the delivery of EMS services and delayed Medicare receipts. Such strong growth is not anticipated to continue, with more moderate growth of approximately 4.3 percent annually between 2009 and 2012.

Investment Income

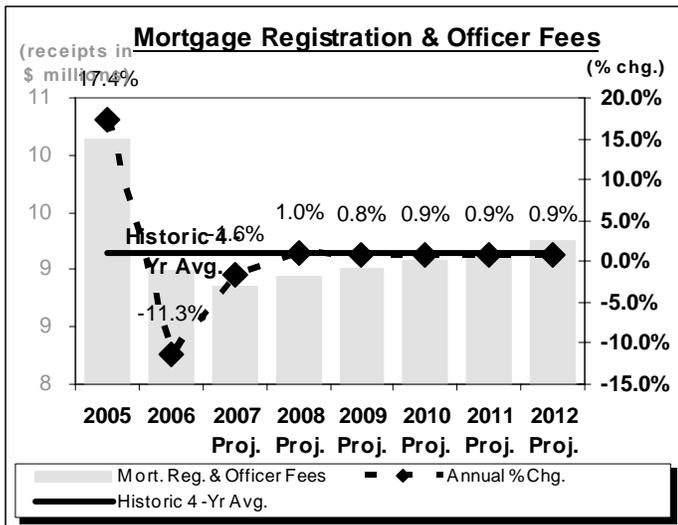


Investment income accounts for revenues generated from the investment of idle County funds. Traditionally, this revenue source can be volatile with collections dependent on interest rates in the investment markets, the timing in which investments mature, and the size of the investment portfolio.

In 2006, the County experienced a 182 percent increase in revenue collections from \$3.3 million in 2005 to \$9.6 million. The increase was principally the result of increasing interest rates on investments and a growing investment portfolio largely related to the Sedgwick County Arena. The arena project, funded with a thirty month one-percent sales tax, received legislative approval following a local election. As required by state statute, all investment income is to be deposited in the General Fund unless otherwise directed by statute.

Investment income collections are estimated to reach its highest point at \$14.0 million in 2007 and then begin to decline as construction of the arena begins, resulting in a decrease in the amount of idle funds available to be used for investment purposes. Beginning in 2009, investment income receipts decrease to a more traditional level as construction of the arena is completed. Nevertheless, investment income is projected to continue to decline from 2010 to 2012 as the County begins to draw down its fund balances to meet operating expenditures.

Mortgage Registration & Officer Fees



Mortgage registration and officer fees are primarily collected by the Register of Deeds.

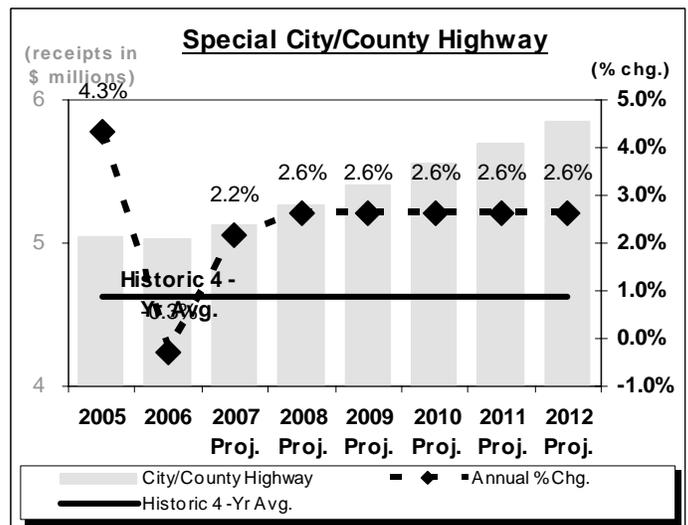
- Officer fees are established under K.S.A. 28-115 and include various filing fees for the recording of deeds and mortgages.

- Mortgage registration fees are established under K.S.A. 79-3102 and set the fee rate at 26 cents per \$100 of mortgage principal.

Within this revenue source, collection levels are strongly correlated with the strength of the local real estate market. To date, Sedgwick County has been largely isolated from the housing recession that has impacted other markets, but future growth is estimated to be minimal as the market slows in comparison to the refinancing boom of previous years.

In fiscal year 2005, collections reached a historic high as a result of one-time revenues related to the purchase of Boeing’s commercial manufacturing service by Spirit Aerosystems.

Special City/County Highway Funding



The Highway Department is financed through the Highway Fund to construct and maintain the County’s roads, bridges, and intersections. Of the revenues used to fund these operations, the largest is the state’s special city/county highway fund authorized under K.S.A. 79-3425. Through the fund, the state distributes motor-fuel taxes among local jurisdictions based on a distribution formula that includes:

- Each County shall receive a payment of \$5,000.
- Remaining 50 percent is allocated based on the portion of collected motor vehicle registration fees in the County compared to the amount collected in all counties.
- Remaining 50 percent is allocated based on the portion of average daily vehicle miles traveled in the



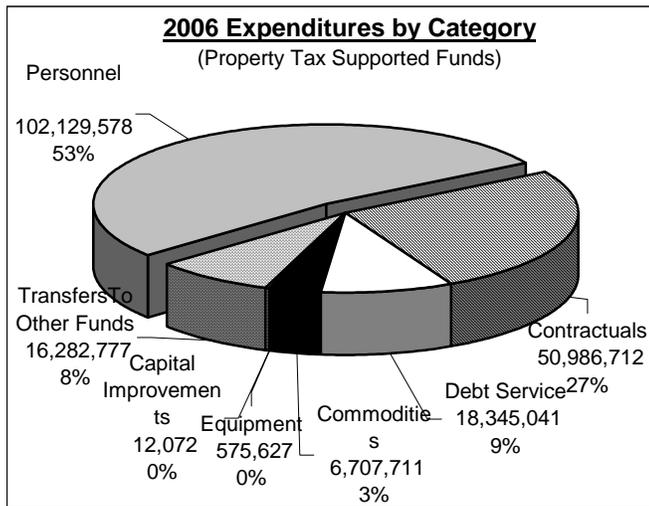
County compared to the amount traveled in all counties.

Overall, this revenue sources is projected to remain consistent with an average annual increase of approximately 2.6 percent annually.

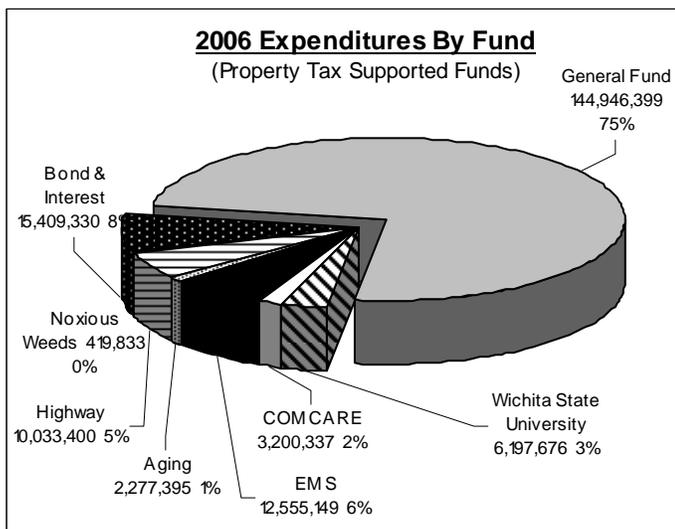
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Expenditures



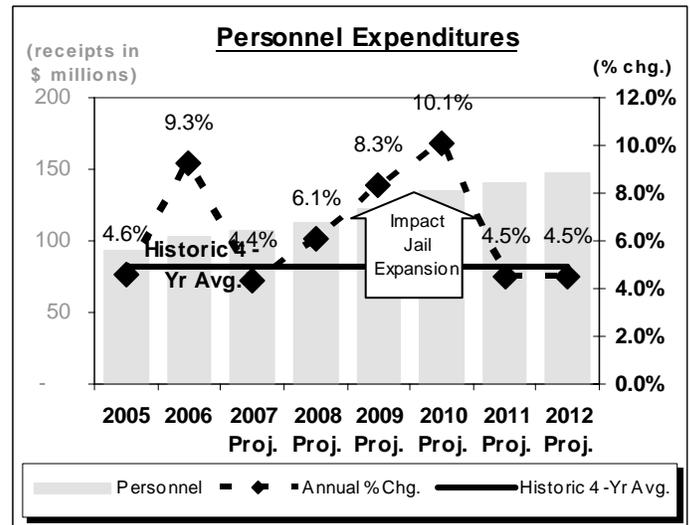
Sedgwick County's expenditure structure is divided into seven primary categories: personnel, contractuals, debt service, commodities, capital improvements, capital outlay, and interfund transfers. Of the total expenditures incurred in 2006 for property tax supported funds, 53 percent was attributed to personnel and 27 percent to contractuals. Not only are these the two largest expenditure categories but also the two fastest growing.



Of the funds receiving property tax support, the largest is the General Fund with 75 percent of total 2006 expenditures, followed by the Bond & Interest Fund, and Emergency Medical Services.

Specific Expenditure Projections in the Financial Plan

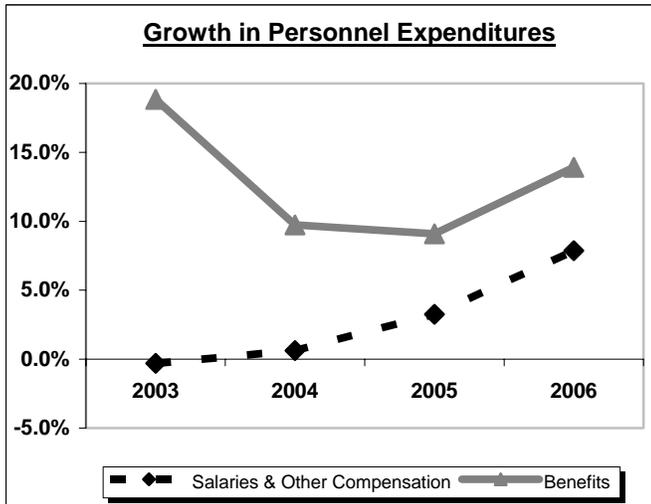
Personnel



Similar to most government and proprietary entities, personnel expenditures represent the largest cost in delivering services. Historically, significant increases in personnel costs have been related to service expansions.

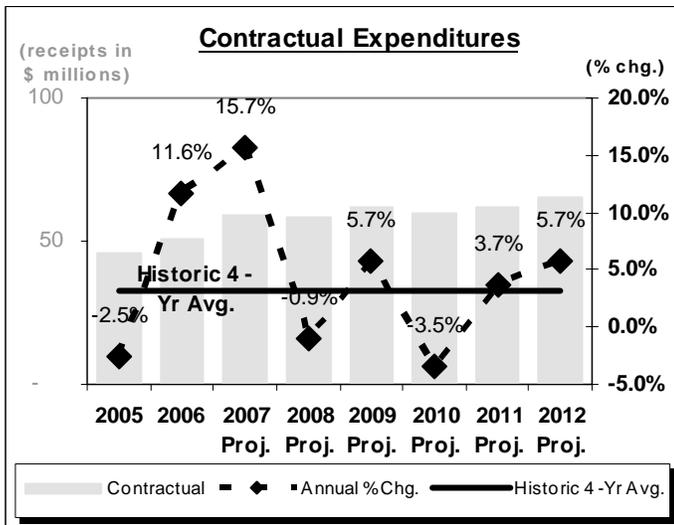
- 2006: 9.3 percent increase due to implementation of a new jail alternative program titled the Sedgwick County Offender Assessment Program (SCOAP). In addition, 2006 represented the first year of full annual operations within the expanded Juvenile Detention Facility.
- 2009 & 2010: 8.3 and 10.1 percent increases projected resulting from program expansions related to the Jail. In 2010, the jail expansion is planned to open with hiring and training occurring during mid 2009. In addition, three additional jail alternative programs – Drug Court, Work Center, and a Mental Health Court – are also slated to open during this time period.

Personnel expenditures are comprised of both direct compensation to employees and benefit costs. The Financial Plan assumes salary adjustments for personnel will remain moderate. Consequently, employee wages are estimated to increase by 3.5 percent annually. In the past, growth in personnel costs have been driven more by increases in benefit costs, specifically health benefits as opposed to employee compensation.



To offset the rising costs of health benefits, the County has adjusted its health benefit plans and migrated to a single instead of dual provider system in 2007. Consequently benefit rates are projected to incur moderate increases in 2007 and 2008, with increases of approximately 8.0 percent annually in the following years.

Contractual

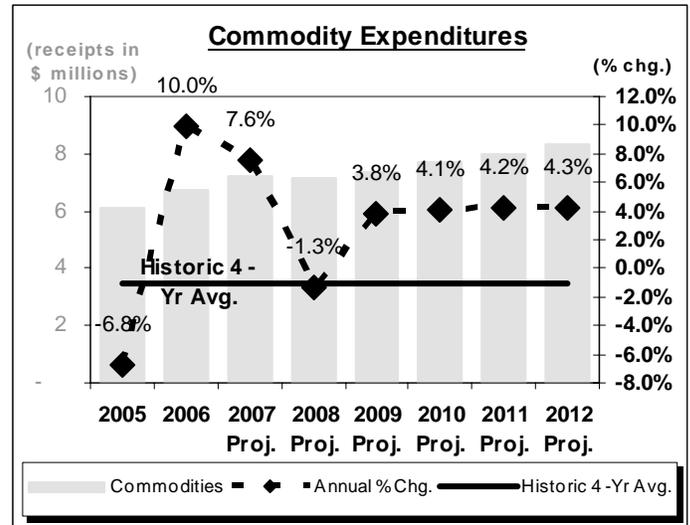


Contractual expenditures, the second largest expenditure category, include those services purchased from and delivered by an external entity. This may include utility services, insurance services, billing contracts, software agreements, or social services delivered by other community providers.

Historically, growth in contractual expenditures has averaged 3.1 percent over the past four years. However,

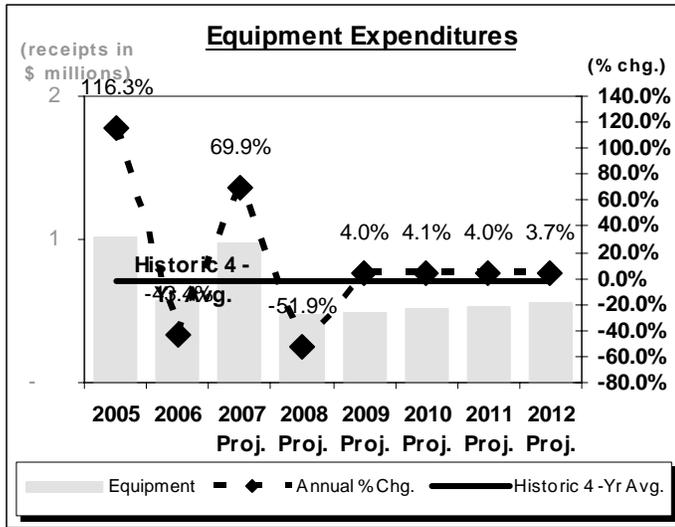
2006 and 2007 have experienced strong growth resulting from expenditures related to the Affordable Airfares program and the lease payment for the Center for Aviation Training. Over the planning period contractual expenditures are projected to grow by an average annual rate of 3.5 percent. The decrease in 2010 is a reflection of an anticipated decline in the number of prisoners housed in out of county housing following the opening of the jail expansion.

Commodities



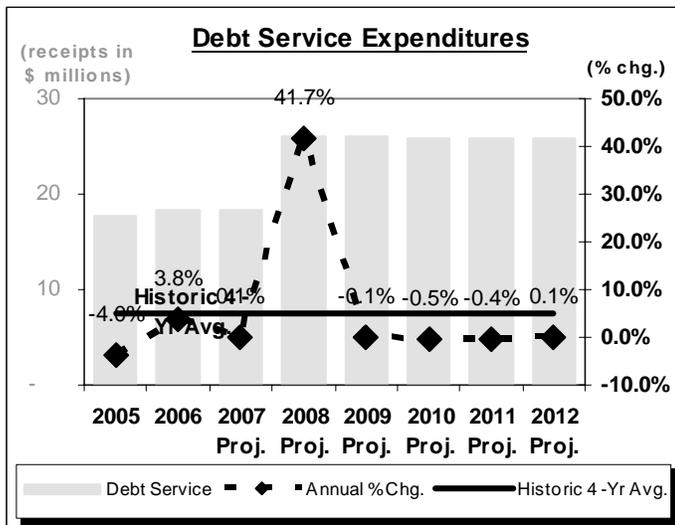
This category includes expenditures for the purchase of common tangible items. This may include office supplies, fuel, food, or clothing. Commodity expenditures are projected to increase by 7.6 percent in 2007. The strong growth results from expanded operations in the new Juvenile Detention Facility and increases in drug costs in Emergency Medical Services. Over the planning horizon, commodity costs are projected to stabilize at an average annual rate of approximately 3.8 percent.

Equipment (Capital Outlay)



Equipment includes expenditures for office, technical, operating, and vehicular equipment that traditionally cost more than \$10,000. In 2007 equipment expenditures are projected to increase by 70 percent due to one-time equipment replacements in EMS, funding for equipment replacements in the Department of Corrections, and funding in the Division of Information and Operations for new Enterprise Servers and other electronic equipment. Over the remaining planning period, growth is projected to be more consistent with an annual increase of approximately 4.0% between 2009 and 2012.

Debt Service



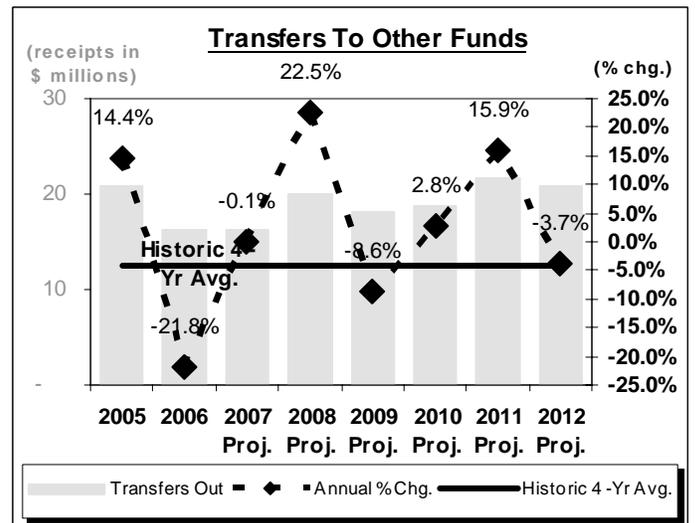
The financial plan incorporates debt service payments on current debt obligations and includes forecasted debt payments for capital improvement projects, as outlined in the most recently adopted five-year Capital

Improvement Plan. The debt service calculations in the financial plan include the following major projects as outlined in the table below.

Major Capital Projects to be Funded With Debt Proceeds		
Year	Project	Est. Bonded Amount (millions)
2008	Jail Expansion	\$54.9
2008	Center for Aviation Training	\$43.0
2008	RFSC Annex	\$2.5
2009	Historic Courthouse Upgrades	\$2.8
2009	Additional Courtrooms	\$1.7
2010-2011	Heartland Preparedness Center	\$8.3
2011	Repair Lake Afton Spillway	\$2.8
2008-2012	Road & Bridge Projects	\$16.0

Two significant projects are planned to be bonded in early 2008 with the Jail Expansion Project and the Center for Aviation Training. As a result, debt service payments are projected to increase by 41.7 percent as the County begins debt payments on these two issues. Following 2008, debt service payments are projected to remain consistent through the remaining planning period.

Transfers to Other Funds



Within statutory limitations, the County is allowed to transfer funding from property tax supported funds to other funds to fund equipment purchases, capital improvements, or grant matches. Traditionally, transfers to other funds are relatively consistent from one year to

the next with the exception of transfers for capital improvement projects and transfers for one-time equipment and software purchases through the Equipment Reserve Fund.

Recurring annual transfers to other funds include the following:

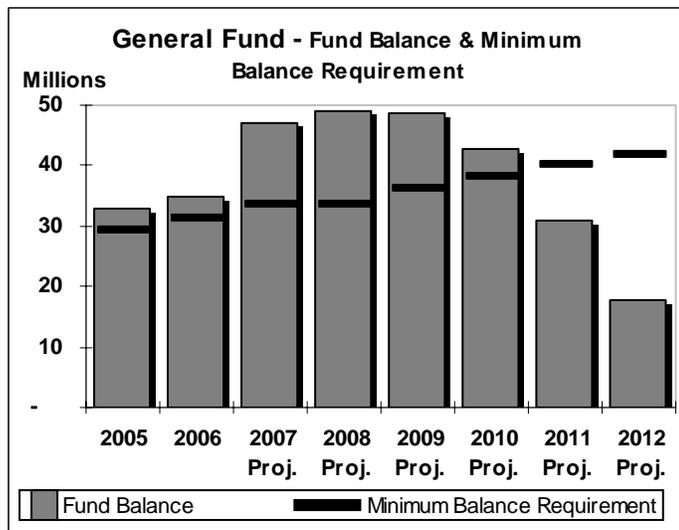
- \$1,597,566 annually in collected retail sales and use tax revenues from the General Fund to the Bond & Interest Fund to mitigate the cost of debt service on road & bridge projects.
- Approximately \$12 million annually in collected retail sales and use tax revenues from the General Fund to the Sales Tax Road and Bridge fund for related capital projects.
- Approximately \$1.2 million annually from the General Fund to the Risk Management Fund.
- Annual transfers of varying amounts for cash funded capital projects as included in the most recently adopted capital improvement program. The financial plan includes the following amounts for 2008-2012.
 - 2008: \$4,099,450
 - 2009: \$1,756,607
 - 2010: \$2,113,661
 - 2011: \$4,500,403
 - 2012: \$2,977,577

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Summary by Fund

The following section will provide a brief discussion of each property tax supported fund included in the Financial Plan, outline current and future fund balance projections, and discuss major fiscal challenges anticipated to impact the fund over the planning period.

General Fund



Major fiscal challenges:

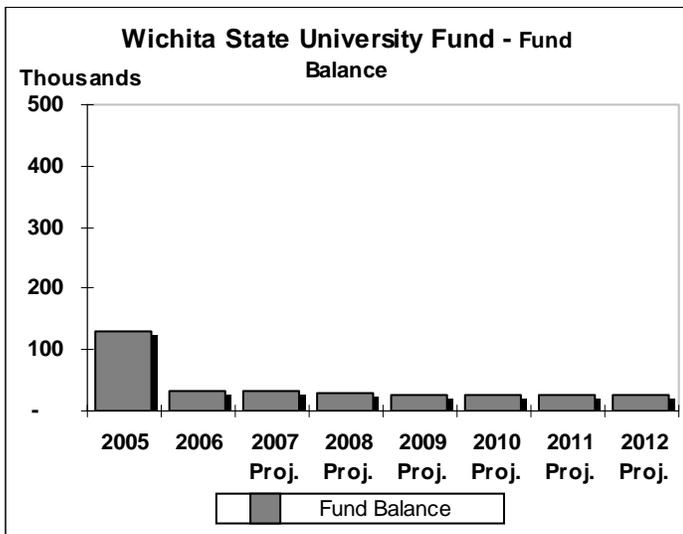
- Absorbing operating costs of up to \$7.4 million annually with the opening of the Jail expansion in 2010
- Absorbing operating costs of up to \$4.3 Million annually with the implementation of new jail alternative programs in 2009 and 2010 – Drug Court, Work Center, and Mental Health Court
- Absorbing the impact of the commercial machinery & equipment exemption of up to \$12.2 million by 2012
- Maintaining funding availability for cash funded capital projects
- Maintaining current services and/or service levels as the availability of funding diminishes
- Limitations in the ability to address unplanned, emergency funding needs when they arise
- Shifting of property tax revenues to the Bond & Interest Fund to cover additional debt service related to the Jail expansion and the Center of Aviation Training.

The General Fund is the County’s primary operating fund and accounts for County services that do not have a designated fund of their own. The General Fund includes most general government and law enforcement functions and receives the broadest variety of revenues. Currently, the operations of forty-four different departments are funded from the General Fund.

The County’s fund balance policy requires the General Fund to maintain a minimum balance equal to 20 percent of the adopted budget. Currently, the fund has built a balance exceeding this amount, but by 2011 the financial plan estimates the fund balance will fall below the minimum balance requirement as the County utilizes the balance to fund major fiscal challenges that creates a structural imbalance in which expenditures grow at a faster rate than revenues.



Wichita State University



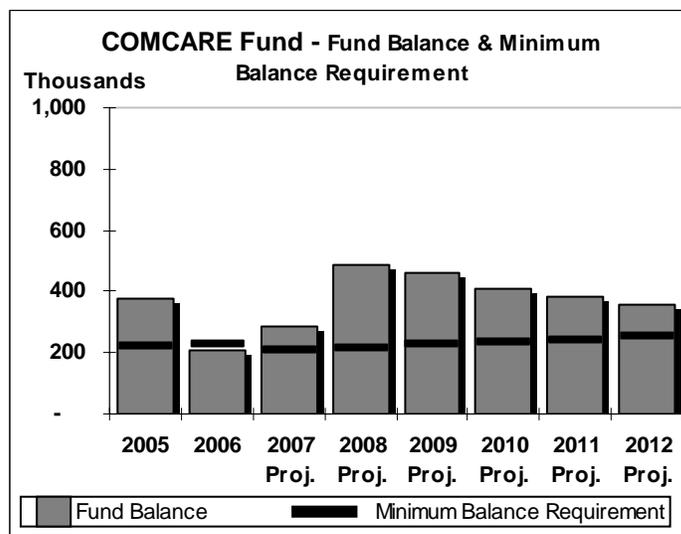
In June 1987, the Board of County Commissioners and the Wichita City Council approved an inter-local agreement in which the City agreed to stop levying its 1.5 mill property tax and the County created a countywide levy of an equal amount.

This fund is not subject to the fund balance policy as all revenue collected is paid to the university within state budgetary limitations.

Major fiscal challenges:

- Addressing the impact of slower growth in assessed valuations and property tax revenues resulting from the commercial machinery and equipment exemption.

COMCARE



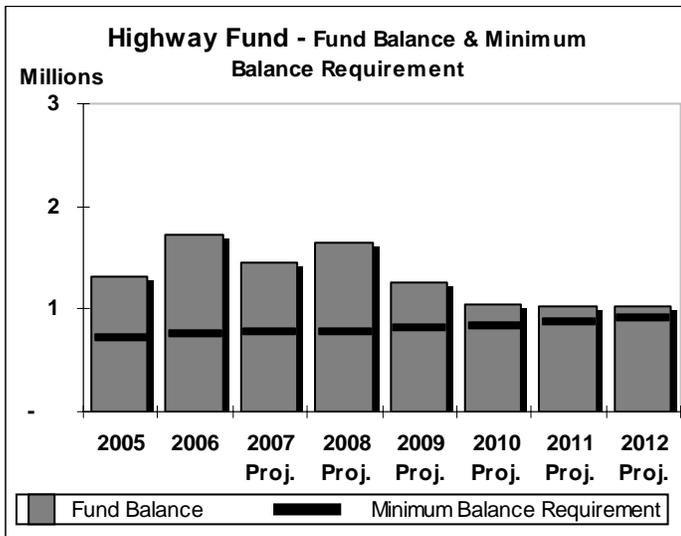
Comprehensive Community Care (COMCARE) of Sedgwick County provides mental health services and substance abuse treatment to adults, families, and children. COMCARE was established after the passage of the State’s Mental Health Reform Act in 1990 and is one of 29 agencies in the State of Kansas. This fund primarily supports the majority of administrative costs related to the delivery of mental health services, while a separate grant fund supports the majority of direct services provided by the County.

The County’s fund balance policy requires the COMCARE Fund to maintain a minimum balance equal to 7 percent of the adopted budget.

Major fiscal challenges:

- Addressing the impact of slower growth in assessed valuations and property tax revenues resulting from the commercial machinery and equipment exemption.
- Minimizing or reducing services due to reduced County resources
- Potential shifting of programs from the property tax supported fund to the grant supported fund

Highway Fund



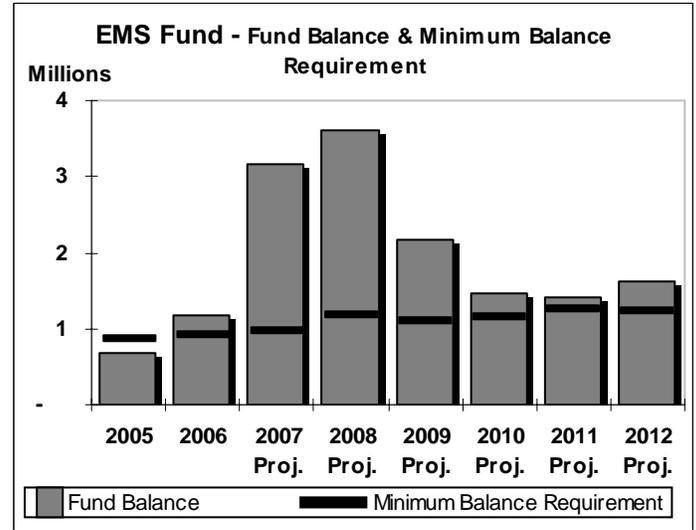
The Highway Department is financed through the Highway Fund to construct and maintain the County’s roads, bridges and intersections. The Fund is primarily supported through a property tax levy and revenue from the State’s Special City/County Highway Fund.

The County’s fund balance policy requires the Highway Fund to maintain a minimum balance equal to 7 percent of the adopted budget.

Major fiscal challenges:

- Addressing the impact of slower growth in assessed valuations and property tax revenues resulting from the commercial machinery and equipment exemption
- Addressing expanding operations at a time when overall county revenues have been dedicated to other projects

Emergency Medical Services Fund



Emergency Medical Services (EMS) was created in 1974 per a City/County agreement to provide emergency response and scheduled ambulatory transfers. Prior to 1974 a private provider delivered EMS services to the community.

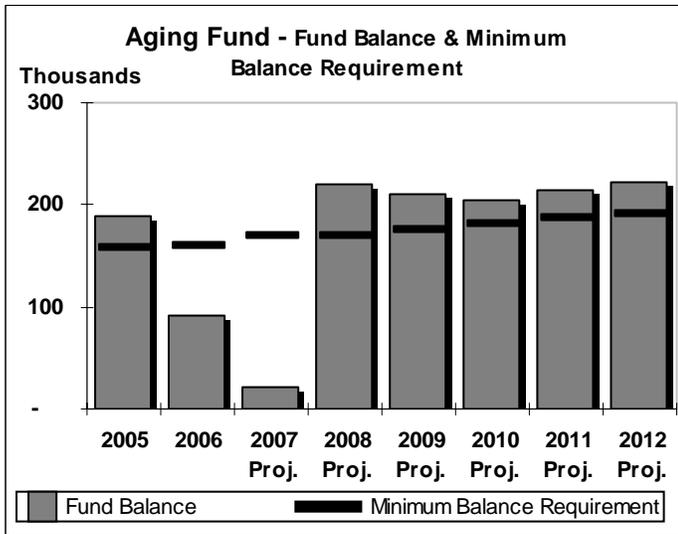
The County’s fund balance policy requires the Highway Fund to maintain a minimum balance equal to 7 percent of the adopted budget.

Major fiscal challenges:

- Addressing the impact of slower growth in assessed valuations and property tax revenues resulting from the commercial machinery and equipment exemption
- Addressing growing needs for EMS services and meeting professional standards, such as response time goals, with limited resources.



Aging Fund



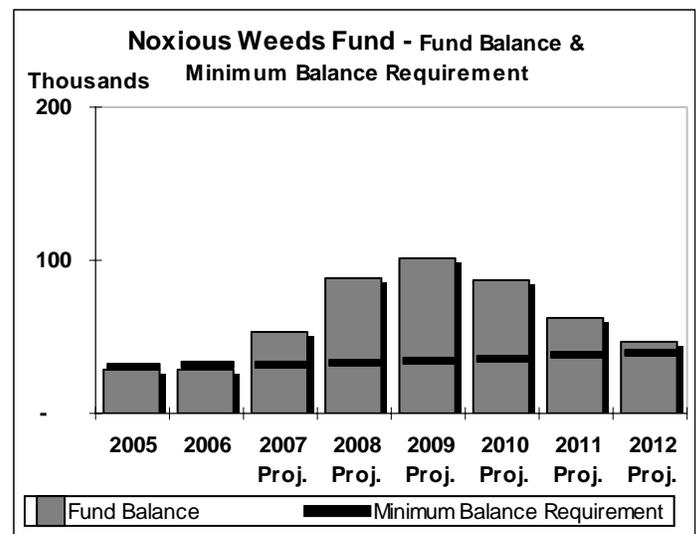
The Department on Aging was created in 1980 to serve older citizens of the County and advocate independence and quality of life. This fund primarily supports the majority of administrative costs and variety of direct services, such as funding to local senior centers. The department also operates within a grant fund in which direct services are also funded.

The County’s fund balance policy requires the Aging Fund to maintain a minimum balance equal to 7 percent of the adopted budget.

Major fiscal challenges:

- Addressing the impact of slower growth in assessed valuations and property tax revenues resulting from the commercial machinery and equipment exemption
- Potential shifting of programs from the property tax supported fund to the grant supported fund

Noxious Weeds Fund

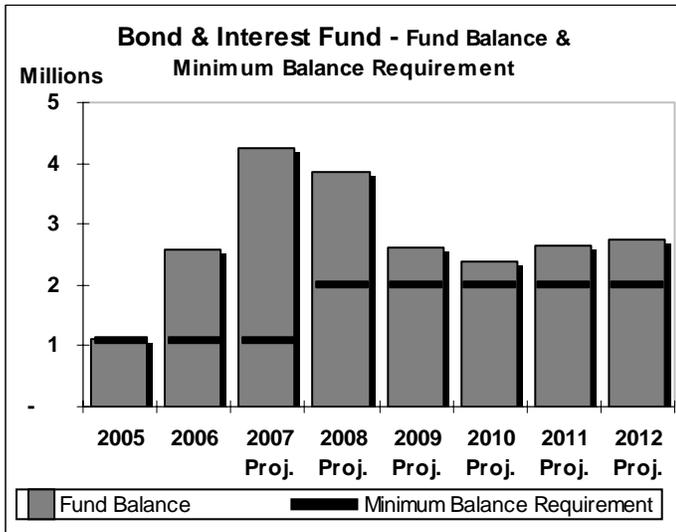


The Noxious Weeds Department was established to eradicate and control noxious weeds as required by K.S.A. 2-1318. The County’s fund balance policy requires the Fund to maintain a minimum balance equal to 7 percent of the adopted budget.

Major fiscal challenges:

- Addressing the impact of slower growth in assessed valuations and property tax revenues resulting from the commercial machinery and equipment exemption

Bond & Interest Fund



The Bond and Interest Fund provides for the retirement of the County’s General obligation bonds. Each year, the County levies taxes, together with special assessments credited to the Fund, which are sufficient to pay the principal and interest payment due throughout the year.

The County’s fund balance policy requires the Bond and Interest Fund to maintain a minimum balance equal to 7 percent of the adopted budget.

Major fiscal challenges:

- Addressing the impact of slower growth in assessed valuations and property tax revenues resulting from the commercial machinery and equipment exemption
- Shifting of property tax revenues from other funds to support additional debt service payments resulting from the bonding of the jail expansion and the Center for Aviation Training



Financial Planning Worksheet 2004-2012

All County-Wide Property Tax Supported Funds General Fund/COMCARE/EMS/Aging/Noxious Weeds/Bond & Interest/Highway/WSU

Modified Accrual Basis

	Actual			Estimated			Projected		
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Beginning Fund Balance From CAFR									
Operating Revenue									
Tax Revenue									
Property Taxes	33,107,111	34,686,682	36,728,125	40,824,537	56,295,962	58,936,750	55,830,948	48,745,312	37,334,076
Motor Vehicle Taxes	134,025,344	137,567,087	143,528,871	161,843,294	169,866,044	176,767,062	182,312,657	187,989,049	194,628,380
Local Retail Sales Taxes	93,290,297	96,445,687	100,600,993	116,688,956	122,963,099	128,069,709	131,751,953	135,493,391	140,123,406
Local Use Tax	14,046,672	14,521,620	14,942,021	15,362,226	15,903,015	16,459,620	17,035,707	17,631,957	18,249,075
Other Taxes	20,358,110	20,714,031	21,823,457	23,265,092	24,312,021	25,284,502	26,295,882	27,347,717	28,441,626
Charges for Service	2,008,871	1,937,676	2,256,909	2,604,190	2,721,379	2,830,234	2,943,443	3,061,181	3,183,628
Use of Money and Property	4,321,395	3,948,073	3,905,491	3,922,830	3,966,591	4,122,997	4,285,672	4,454,802	4,630,645
Interfund Revenue	8,023,591	8,079,983	8,363,544	10,143,493	8,864,092	12,280,873	12,681,195	13,100,281	13,539,089
Other Revenues	24,826,879	26,038,476	26,660,091	27,446,002	27,462,621	28,239,602	29,053,064	29,902,059	30,787,902
	5,490,572	6,384,513	10,311,808	16,682,342	13,579,598	7,690,502	7,482,023	7,338,062	7,016,802
	2,230,247	3,951,668	4,998,577	2,742,417	2,752,901	2,750,712	2,750,676	2,697,550	2,700,252
	6,817,659	4,763,640	5,273,040	5,049,889	4,994,020	5,305,893	5,638,435	5,994,193	6,375,013
Total Revenue	181,414,292	186,785,367	199,135,930	223,907,437	227,519,275	233,034,645	239,918,050	247,021,193	255,047,438
Operating Expenditures									
Personnel and Benefits	89,377,302	93,457,997	102,129,578	106,575,136	112,885,408	122,271,477	134,590,668	140,596,212	146,914,103
Contractual Services	46,841,440	45,671,212	50,986,712	58,981,379	58,436,454	61,765,866	59,601,088	61,813,571	65,330,382
Debt Service	18,395,586	17,667,899	18,345,041	18,367,644	26,035,356	25,997,480	25,869,965	25,753,760	25,790,572
Commodities	6,543,394	6,099,538	6,707,711	7,214,912	7,120,162	7,390,466	7,690,245	8,010,344	8,352,515
Capital Improvements	3,546	3,357	12,072	50,000	-	-	-	-	-
Capital Outlay	470,138	1,016,698	575,627	978,080	470,549	489,553	509,706	530,170	549,955
Interfund Expenditure	18,203,316	20,827,221	16,282,777	16,268,862	19,930,558	18,225,604	18,742,014	21,728,373	20,926,029
Total Expenditures	179,834,721	184,743,924	195,039,518	208,436,012	224,878,487	236,140,446	247,003,686	258,432,429	267,863,554
Operating Income	1,579,571	2,041,443	4,096,412	15,471,425	2,640,788	(3,105,802)	(7,085,636)	(11,411,236)	(12,816,116)
Year-End Fund Balance	34,686,682	36,728,125	40,824,537	56,295,962	58,936,750	55,830,948	48,745,312	37,334,076	24,517,960
Less: Minimum Fund Balance Requirement	29,856,776	32,502,350	34,391,441	36,664,540	38,078,531	40,510,219	42,612,525	44,699,852	46,544,222
Available Fund Balance	4,829,905	4,225,774	6,433,096	19,631,422	20,858,218	15,320,729	6,132,787	(7,365,776)	(22,026,262)
Sedgwick County Assessed Valuation	\$ 3,280,851,347	\$ 3,412,388,480	\$ 3,583,856,664	\$ 3,793,419,298	\$ 4,016,063,576	\$ 4,111,645,889	\$ 4,179,076,882	\$ 4,330,777,372	\$ 4,547,316,241
Mill Levy	28.817	28.763	28.758	31.315	31.315	31.315	31.315	31.315	31.315
Mill Levy Change		(0.054)	(0.005)	2.557	0.000	(0.000)	0.000	0.000	(0.000)

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