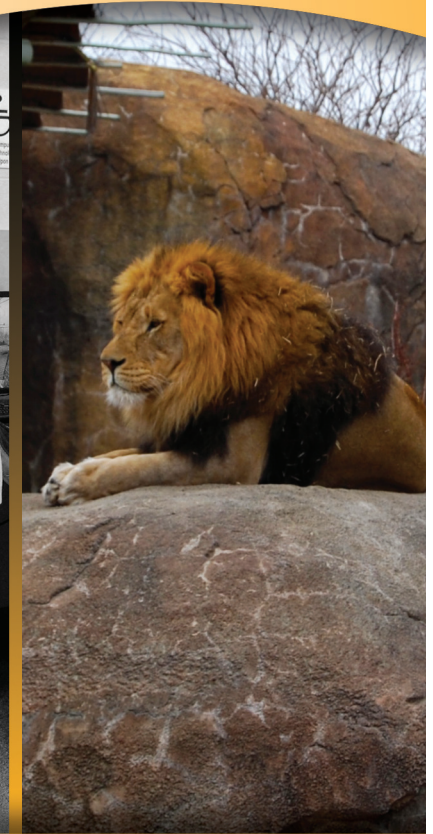




*Sedgwick County...  
working for you*



# 2016

## Comprehensive Annual FINANCIAL REPORT

For the Year Ended December 31, 2016

[www.sedgwickcounty.org](http://www.sedgwickcounty.org)



Department of Finance - 316-660-7591  
525 N. Main #823, Wichita, KS 67203

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
of  
**THE COUNTY OF  
SEDGWICK, KANSAS**  
for the  
Year Ended December 31, 2016

Prepared by:  
DEPARTMENT OF FINANCE  
Lindsay Poe Rousseau, Chief Financial Officer  
Richard Durham, Deputy Chief Financial Officer  
Hope Hernandez, Director of Accounting

# COUNTY OF SEDGWICK, KANSAS BOARD OF COUNTY COMMISSIONERS

## **2016**

Chairman  
James M. Howell

Chair Pro-Tem  
Richard Ranzau

Commissioner  
David M. Unruh

Commissioner  
Tim R. Norton

Commissioner  
Karl Peterjohn

COUNTY MANAGER  
Mike Scholes

## **2017**

Chairman  
David M. Unruh

Chair Pro-Tem  
Michael O'Donnell, II

Commissioner  
David Dennis

Commissioner  
Richard Ranzau

Commissioner  
James M. Howell

COUNTY MANAGER  
Mike Scholes

### **NON-DISCRIMINATION STATEMENT**

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

# SEDGWICK COUNTY, KANSAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

### YEAR ENDED DECEMBER 31, 2016

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**SEDGWICK COUNTY, KANSAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2016**  
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# Introductory Section



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Department of Finance - 316-660-7591 - 525 N. Main #823, Wichita, KS 67203



*Sedgwick County...  
working for you*

---

## County Manager's Office

525 N. Main, Suite 343, Wichita, KS 67203 - [www.sedgwickcounty.org](http://www.sedgwickcounty.org) - TEL: 316-660-9393 - FAX: 316-383-7946

Mike Scholes  
County Manager

June 2, 2017

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, 2016. 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 Lindsay Poe Rousseau, Deputy Chief Financial Officer Richard Durham, and the Accounting Division.

Sincerely,

Mike Scholes  
County Manager



*Sedgwick County...  
working for you*

---

## Department of Finance

525 North Main, Suite 823, Wichita, KS 67203 - [www.sedgwickcounty.org](http://www.sedgwickcounty.org) - TEL: 316-660-7591 - FAX: 316-383-7729

June 2, 2017

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, 2016. 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.

The firm of BKD, L.L.P. 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 511,995 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. A Deputy County Manager and two Assistant County Managers aid him in his duties. The County has 2,490 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 Division 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 Division 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 Division 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 Division 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-74 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 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 grow in 2016 but it will be slower than the national average. The Wichita MSA unemployment rate decreased from 4.8% in December 2015 to 4.4% in December 2016. In comparison, national rate stood at 4.7%. Home sales decreased slightly, but the median sales price increased \$2,500. The number of outbound airline passengers increased 2.3%. The total transient guest taxes collected decreased 7.2%.

### **Manufacturing**

In the Wichita MSA, manufacturing employment accounts for 34% of all jobs. 2016, general aviation shipments manufactured worldwide decreased 1.04% and total billings decreased 11.11%.

Highlights of the manufacturing sector are as follows:

- Airbus profits increased, additionally they moved their engineering operation to the experiential campus at Wichita State University.
- In April, Emerald Aerospace LLC, specializing in VIP interiors opened a 200,000 square foot facility at the former Boeing Co. property.
- Triumph Group, an aircraft supplier headquartered in Pennsylvania and a Wichita-area employer, announced in May its plans to cut jobs and close facilities, resulting from a \$1 billion loss in its fiscal year 2016 (ended March 31). The supplier's workforce will be reduced by 8 percent in the next couple of years with the consolidation of ten facilities. Facility consolidation will also diminish Triumph total facilities' footprint by 3.5 million square-feet, particularly in the company's aero structure market segment, and generate \$55 million in annualized pre-tax savings. Triumph currently has 175 employees in its Wichita location and 140 employees in its Wellington location.
- Cessna Aircraft received a \$55.2 million contract from Air Force.
- Beechcraft Defense took orders for T-6 trainer aircraft.

### **Other Sectors**

The Health Care and Social Assistance industry in Kansas has experienced a continuous upward trend in employment over the last five years, adding 13,449 employees to the labor force between 2011 and 2016. Employment levels in the Wichita Metropolitan Statistical Area (MSAs) also increased over the same period.

- Wesley Healthcare began a multi-faceted plan to renovate its tower. \$12.5 million is being earmarked to revamp Wesley's ninth-floor orthopedic wing, a project that will require the existing space to be gutted and rebuilt. Those services will be temporarily relocated to another part of the hospital. A separate, \$7 million project will expand the capacity of the hospital's intensive care unit by adding 14 beds.
- Via Christi began work on a patient care unit on the seventh floor of the St. Francis campus. The \$3 million project includes 23 patient rooms. This is the sixth piece of a multi-faceted multi-million dollar capital project to meet demand for private rooms. The hospital will have 215 private rooms once the entire capital project is complete.
- The Kansas Board of Regents approved legislation that merged Wichita State University (WSU) and Wichita Area Technical College (WATC). WATC became the WSU Campus of Applied Sciences and Technology.

## **COUNTY BUSINESS AND FINANCIAL FORECAST**

### **Financial Plan**

Sedgwick County continues to demonstrate a strong financial position. The County's mission is to provide quality public services to our community so everyone can pursue freedom and prosperity in a safe, secure, and healthy environment. We accomplish this by maintaining focus on the County's vision to strive to be a value driven, regional leader seeking innovative opportunities and collaborative partnerships to deliver quality public services. This is accomplished by adherence to the County values of; Service to community, Ethical behavior, Duty to be accountable, Good stewardship, Wellness of community, Integrity in all we do, Communicate effectively both internally and externally and the Knowledge that fosters an environment of competency and continuous learning.

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 anticipated operating surplus in the General Fund in 2017 due to a planned reduction of capital improvement projects. Some combination of reduced expenditures and increased revenues will be required to avoid operating deficits in the General Fund in the 2018 – 2022 fiscal years. Other funds that receive ad valorem tax funding are forecasted to experience operating deficits during the same period as their fund balances are reduced from present unnecessarily high levels. Other funds, particularly grant funds, are also projected to experience operating deficits. The projections in the financial forecast reflect the impacts of actions by management to maintain prudent but not unnecessarily high fund balances, by the Kansas Legislature to reduce county funding, and of slow growth of the local economy.

### **Major initiatives of the County include the following:**

- The County is developing a Law Enforcement Training Center in partnership with the City of Wichita. The facility will allow new recruits of the Sheriff and the Wichita police department to obtain required pre-employment training in the community, and will provide law enforcement officers, corrections staff, and emergency communications workers to obtain continuing education.
- In an effort to better meet the needs of citizens for mental health services, the County has established a Community Crisis Center housing public and private counseling services and 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.
- Under the leadership of the county manager, Sedgwick County has published its strategic plan that clearly articulates the county government's mission, vision and values, and strategic goals; individual departments are now formulating their respective strategic plan and goals that synchronize with the County's overall strategic plan and nest under the overarching County mission.

## 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 2016 totaled \$29,409,658, including projects for road improvements, infrastructure, and continued upgrades to County owned and leased buildings. Planned capital spending for 2017 totals \$64,935,564, and total projected spending in the five year capital improvement program that extends through 2021 is \$185,469,186. The most recent five year CIP is comprised of the following: \$20.09 million for facilities, \$24.89 million for bridges and \$140.49 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 \$76.00 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 2016, 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 295 days and the average yield to maturity was 0.62%. The fair value of investments totaled \$494,940,338 at December 31, 2016.

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 Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Single audits are intended to eliminate duplication of audit effort by providing for only one audit entity-wide, specifically designed to meet the needs of all interested parties. Although individual federal grantor agencies may still arrange for additional audit work if they consider it necessary for their purposes, the law requires that any additional work be built upon the single audit.

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

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, 2015. This was the 35th 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 2016 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 33 consecutive years.

For the tenth time Sedgwick County received GFOA's Popular Annual Financial Reporting (PAFR) Award for 2015. 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 Department of Finance, and of the independent auditors, BKD, L.L.P. 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 of the Accounting Staff, whose service to the County is invaluable. I express special appreciation to the Board of County Commissioners and County Manager Mike Scholes for their unfailing support for maintaining the highest standards of professionalism in the management of Sedgwick County's finances.

Respectfully,



Lindsay Poe Rousseau  
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, 2015**



Executive Director/CEO



**SEDGWICK COUNTY, KANSAS**  
**PRINCIPAL OFFICIALS**  
June 2, 2017

<b>Elected Positions</b>	<b>Name</b>	<b>Date of Appointment</b>
Commissioner, 1 <sup>st</sup> District	David M. Unruh	January 13, 2003
Commissioner, 2 <sup>nd</sup> District	Michael O'Donnell, II	January 8, 2017
Commissioner, 3 <sup>rd</sup> District	David Dennis	January 8, 2017
Commissioner, 4 <sup>th</sup> District	Richard Ranzau	January 9, 2011
Commissioner, 5 <sup>th</sup> District	James M. Howell	January 11, 2015
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	Tonya Buckingham	January 29, 2016
County Sheriff	Jeffrey Easter	December 16, 2012
County Treasurer	Linda Kizzire	January 9, 2011

<b>Appointed Positions</b>	<b>Name</b>	<b>Date of Appointment</b>
County Manager	Mike Scholes	November 07, 2015
Deputy County Manager	Tom Stolz	June 1, 2017
Assistant County Manager, Public Services	Tim Kaufman	July 24, 2016
Assistant County Manager, Public Works	David Spears	July 01, 1985
Assistant County Manager, Public Safety, Code Enforcement and Emergency Management	Vacant	
Chief Financial Officer	Lindsay Poe Rousseau	February 15, 2017
County Counselor	Eric Yost	September 14, 2015
County Appraiser	Mike Borchard	December 15, 2004
Chief Information Officer	Wes Ellington	January 23, 2016
Director of Health Division	Adrienne Byrne	May 18, 2014
Chief Human Resources Officer	Eileen McNichol	July 07, 2014
Director, Metropolitan Area Planning Department	Dale Miller	October 16, 2015

Other Agencies  
• 18th Judicial District  
(County Employees  
in Court Trustee)  
• Extension  
(No County Employees)



**Secretary of State**  
**Election Commissioner**  
Tabitha Lehman

**District Attorney**  
Marc Bennett

**Sheriff**  
Jeff Easter  
• Detention  
• Operations  
• Support

**Board of County Commissioners**  
Fire Board  
Board of Health

**County Clerk**  
Kelly Arnold

**Register of Deeds**  
Tonya Buckingham

**County Treasurer**  
Linda Kizzire

**Appraiser**  
Michael Borchard

**County Counselor**  
Eric Yost

**County Manager**  
Mike Scholes

**Assistant to the Manager**  
Jessica Ostmeyer

**MAPD**

**Corporate Communications Manager**  
Keturah Austin  
*Liaison to:*  
• Departments/Divisions/County Manager/Electeds

**Public Information Officer**  
Kate Flavin  
*Liaison to:*  
• County Manager/Electeds/Media/External Stakeholders

**LEGEND**

- Elected/Appointed
- Communications & Engagement
- Safe & Secure Communities
- Effective Government Organization
- Human Services & Cultural Experiences

**Asst. County Manager**  
David Spears  
County Engineer  
Department of Public Works, Facilities Maintenance & Project Services

• Environmental Resources  
• Household Hazardous Waste  
• Highways  
• Noxious Weeds  
• Storm Drainage  
• Facilities Maintenance  
• Project Services  
*Liaison to:*  
• Wichita Area Metropolitan Planning Organization  
• Kansas Department of Transportation  
• Kansas Department of Health & Environment

**Acting Asst. County Manager - Scott Hadley**  
Department of Public Safety, Code Enforcement & Emergency Mgmt.

• Corrections  
• Emergency Comm.  
• Emergency Mgmt.  
• Emergency Medical Services System  
• Fire District 1  
• Regional Forensic Science Center  
• Metropolitan Area Bldg. & Construction Dept.  
*Liaison to:*  
• Wichita Area Builders Association  
• Associated General Contractors of America  
• City of Wichita  
• State of Kansas  
• Kansas Emergency Management Association

**Deputy County Manager**  
Tom Stolz  
• Strategic Planning  
• Performance Measures  
• Policy Development  
• Courthouse Police Auditor  
*County Manager's Office Liaison to:*  
• Kansas State Chamber of Commerce  
• Greater Wichita Partnership  
• National Center for Aviation Training/Wichita Area Technical College  
• Kansas State Legislature  
• Community Based Organizations  
• City of Wichita

**Asst. County Manager**  
Tim Kaufman  
Department of Public Services

• Aging  
• Community Developmental Disability Organization  
• COMCARE  
• Health Services  
• Exploration Place  
• Parks  
• Zoo  
• Community Programs  
• Human Services Grants  
*Liaison to:*  
• Kansas Department of Health & Environment  
• Aging & Disability Serv.  
• City of Wichita  
• Centers for Disease Control & Prevention  
• National Institutes of Health  
• Community, Social & Recreational Service Organizations

**CIO**  
Wes Ellington  
Division of Information, Technology & Support Services

• Central Services  
• Call Centers  
• Print Shop & Mail Rm.  
• Records  
• Business Solutions Group  
• Info Tech Infrastructure  
• Enterprise Resource Planning  
• Geographic Info Serv.  
• Fleet  
*Liaison to:*  
• City of Wichita

**CHRO**  
Eileen McNichol  
Division of Human Resources

• Organizational Development  
• Benefits  
• Compensation  
• Employment  
• Employee Development  
• Work Environment  
*Liaison to:*  
• Department of Labor  
• State of Kansas

**CFO**  
Lindsay Poe Rousseau  
Division of Finance

• Accounting  
• Budget  
• Purchasing  
• Risk Management  
• INTRUST Bank Arena  
*Liaison to:*  
• Public Bldg. Commission  
• Arena Naming Rights Partners  
• SMG



*Sedgwick County...  
working for you*

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# Financial Section



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

Department of Finance - 316-660-7591 - 525 N. Main #823, Wichita, KS 67203

## 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 (the County), as of and for the year ended December 31, 2016, 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 the County, as of December 31, 2016, 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.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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.

### ***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 accompanying combining and individual fund financial statements and schedules, 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 fund financial statements and schedules of supplementary information is the responsibility of management and was derived from and relates 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, the combining and individual fund financial statements and schedules are 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 June 2, 2017, 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 the 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 the County's internal control over financial reporting and compliance.

*BKD, LLP*

Wichita, Kansas  
June 2, 2017

## 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, 2016. 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 \$2.1 million to \$505.0 million. The governmental funds increased \$2.5 million, and the Arena fund, our only enterprise fund, decreased \$4.6 million.
- Of this total, (\$29.6) million is reported as unrestricted net position, no change from the prior year which was also (\$29.6) million.
- 2016 expenses were \$319.4 million, a decrease of \$0.9 million.
- Program revenues were \$116.3 million, a decrease of \$21.0 million, due to reductions of \$3.1 million from the State of Kansas for road projects, \$4.8 million for Medicare fees, \$6.1 million due to the Affordable Airfares program ending and a one-time payment in 2015 of \$5.3 million to help fund construction of the new elephant barn at the Sedgwick County Zoo. Per the operating agreement between The Sedgwick County Zoological Society and Sedgwick County, the County will provide monies for the acquisition and construction of the initial physical facilities located at the Zoo.
- Investment earnings increased \$0.7 million or 10.3%, to \$6.4 million.

### 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-71 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 statements include not only the primary government but also two blended component units, Sedgwick County Fire District #1 and Public Building Commission.

The government-wide financial statements can be found on pages A-15 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, Public Building Commission Fund, Debt Service Fund, and Debt Proceeds Fund, all of which are reported as major funds. Information on the remaining nonmajor 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-72 through A-75 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 defined benefit pensions and 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. Combining and individual fund statements and schedules can be found on pages B-1 through D-4 of this report.

## Government-wide Financial Analysis

### Net Position

Net position may serve over time as a useful indicator of a government's financial position. Assets of the primary government exceeded liabilities by \$505.0 million at the end of 2016.

**Sedgwick County, Kansas**  
**Net Position**  
**As of December 31, 2016**  
**With Comparatives as of December 31, 2015**  
(millions of dollars)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>Assets:</b>						
Current and other assets	\$450.3	\$429.4	\$ 12.5	\$ 13.5	\$462.8	\$442.9
Capital assets	446.3	451.2	148.2	152.0	594.5	603.2
Total assets	<u>896.6</u>	<u>880.6</u>	<u>160.7</u>	<u>165.5</u>	<u>1,057.3</u>	<u>1,046.1</u>
<b>Deferred Outflows:</b>						
Deferred refunding	0.4	0.7	-	-	0.4	0.7
Deferred outflows – pensions	31.1	11.1	-	-	31.1	11.1
Total deferred outflows	<u>31.5</u>	<u>11.8</u>	<u>-</u>	<u>-</u>	<u>31.5</u>	<u>11.8</u>
<b>Liabilities:</b>						
Long-term liabilities	374.2	377.0	-	-	374.2	377.0
Other liabilities	58.1	23.9	-	0.2	58.1	24.1
Total liabilities	<u>432.3</u>	<u>400.9</u>	<u>-</u>	<u>0.2</u>	<u>432.3</u>	<u>401.1</u>
<b>Deferred Inflows:</b>						
Deferred revenues	144.6	139.9	-	-	144.6	139.9
Deferred inflows -pensions	6.9	9.8	-	-	6.9	9.8
Total deferred inflows	<u>151.5</u>	<u>149.7</u>	<u>-</u>	<u>-</u>	<u>151.5</u>	<u>149.7</u>
<b>Net position:</b>						
Net investment in capital assets	329.3	320.5	148.2	152.0	477.5	472.5
Restricted	50.5	56.0	6.6	8.2	57.1	64.2
Unrestricted (deficit)	(35.5)	(34.7)	5.9	5.1	(29.6)	(29.6)
Total net position	<u>\$344.3</u>	<u>\$341.8</u>	<u>\$160.7</u>	<u>\$165.3</u>	<u>\$505.0</u>	<u>\$507.1</u>

The largest portion of the County's net position (94.5 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 11.3 percent of net position and are resources that are subject to external restrictions on how they may be used. The remaining balance of (\$29.6) million is *unrestricted (deficit) net position*.

GASB Statements Nos. 68 and 71 were implemented during 2015, requiring the County to record its proportionate share of the Kansas Public Employees Retirement System (KPERs) collective net pension liability. For 2016, this accounts for the majority of the changes in long-term liabilities due in more than one year and unrestricted net position, as well as an increase to \$31.1 million to deferred outflows – pensions and a decrease to \$6.9 million in deferred inflows – pension. For additional information, please refer to Note IV.F. beginning on page A-64.

#### Change in Net Position

The County's net position for governmental activities increased \$2.5 million or 0.73 percent. Net position of the County's business-type activities decreased \$4.6 million representing a decrease of 2.8 percent during 2016. Overall, net position decreased \$2.1 million. Changes in net position were as follows:

<b>Sedgwick County, Kansas</b> <b>Change in Net Position</b> <b>Fiscal Year Ended December 31, 2016</b> <b>With Comparatives for the Year Ended December 31, 2015</b> <b>(millions of dollars)</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 65.5	\$ 70.2	\$ 0.6	\$ 1.0	\$ 66.1	\$ 71.2
Operating grants and contributions	44.9	51.2	-	-	44.9	51.2
Capital grants and contributions	5.3	14.9	-	-	5.3	14.9
General revenues:						
Property taxes	162.8	160.4	-	-	162.8	160.4
Sales taxes	28.9	28.4	-	-	28.9	28.4
Other taxes	3.4	3.0	-	-	3.4	3.0
Investment earnings	6.4	5.8	-	-	6.4	5.8
Extraordinary item	(0.5)	-	-	-	(0.5)	-
Gain on sale of capital assets	-	0.5	-	-	-	0.5
Total revenues	<u>316.7</u>	<u>334.4</u>	<u>0.6</u>	<u>1.0</u>	<u>317.3</u>	<u>335.4</u>
<b>Expenses</b>						
General government	47.5	44.1	-	-	47.5	44.1
Public safety	144.4	140.2	-	-	144.4	140.2
Public works	35.2	31.5	-	-	35.2	31.5
Health and welfare	53.3	55.9	-	-	53.3	55.9
Culture and recreation	12.4	16.8	-	-	12.4	16.8
Economic development	14.2	17.8	-	-	14.2	17.8
Interest on long-term debt	7.2	8.9	-	-	7.2	8.9
Arena	-	-	5.2	5.1	5.2	5.1
Total expenses	<u>314.2</u>	<u>315.2</u>	<u>5.2</u>	<u>5.1</u>	<u>319.4</u>	<u>320.3</u>
Increase (decrease) in net position	2.5	19.2	(4.6)	(4.1)	(2.1)	15.1
Net position, beginning	341.8	450.9	165.3	169.4	507.1	620.3
Adjustment for change in accounting principle	-	(128.3)	-	-	-	(128.3)
<b>Net position, ending</b>	<u><u>\$344.3</u></u>	<u><u>\$341.8</u></u>	<u><u>\$160.7</u></u>	<u><u>\$165.3</u></u>	<u><u>\$505.0</u></u>	<u><u>\$507.1</u></u>



Charges for services in governmental activities decreased \$4.7 million in 2016. Medicaid fees revenues decreased \$4.1 million. Capital grants and contributions were down \$9.6 million. In 2015 the Sedgwick County Zoo contributed \$8.9 million in capital assets due to the new elephant barn which opened in 2016. Operating grants and contributions decreased \$6.3 million from 2015 to 2016. Payments for the Affordable Airfares program were reduced and the program ended in mid-2016. Property tax collections were up \$2.4 million, due to an increase in ad valorem tax collections.

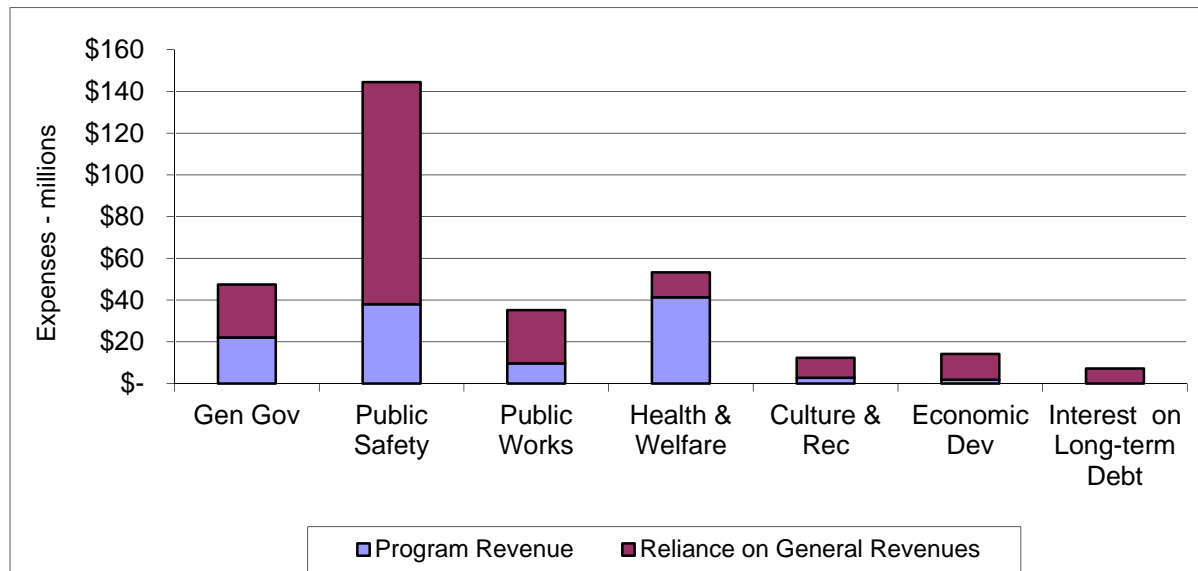
Expenses of governmental activities decreased \$1.0 million. General government expenses increased \$3.4 million, 2.3%. Health and welfare expenses decreased \$2.6 million or 4.6%. Culture and recreation expenses decreased \$4.4 million or 25%, due mostly to a one-time payment of \$5.3 million to help fund construction of the new elephant barn at the Sedgwick County Zoo in 2015. Economic development expenses decreased \$3.6 million, the decrease was primarily was due to the decrease of payment for the Affordable Airfares program. Public safety expenses increased \$4.2 million, 3.0%.

### Governmental Activities

Governmental activities incurred \$314,174,655 in expenses during 2016. The following list breaks this expense down into percentage by function with the corresponding dollar amount:

○ Public safety	46.0%	\$144,411,990
○ Health and welfare	17.0%	53,319,338
○ General government	15.1%	47,430,448
○ Public works	11.2%	35,205,540
○ Economic development	4.5%	14,210,390
○ Culture and recreation	3.9%	12,378,012
○ Interest on long-term debt	2.3%	7,218,937
Total governmental activities expenses		<u>\$314,174,655</u>

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 principally taxes and investment earnings.



As reflected in the chart, no function of government is self-supporting. For that reason there is 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 and program revenues used to fund the function:

		General Revenues	Program Revenues
o Interest on long-term debt	100.0%	\$ 7,218,937	\$ -
o Economic development	86.7%	12,319,824	1,890,566
o Culture and recreation	77.9%	9,643,613	2,734,399
o Public works	72.6%	25,551,047	9,654,493
o Public safety	73.7%	106,374,045	38,037,945
o General government	53.4%	25,344,299	22,086,149
o Health and welfare	22.5%	11,998,122	41,321,216
Total reliance on general revenues		<u>\$198,449,887</u>	<u>\$115,724,768</u>

#### Business-type Activity

Sedgwick County has one business-type activity, the Arena fund. Net position for fiscal year 2016 decreased by \$4.6 million to \$160.7 million. Of that \$160.7 million, \$148.1 million is invested in capital assets. The decrease can be attributed to depreciation, which was \$4.4 million.

## 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 \$178.9 million, a decrease of \$39.9 million since the beginning of the year. The following table shows how fund balance changed in the major and other governmental funds.

<b>Fund</b>	<b>Beginning Fund Balance</b>	<b>Ending Fund Balance</b>	<b>Change in Fund Balance</b>
General	\$ 65,009,590	\$ 63,008,119	\$ (2,001,471)
Federal/State Assistance	20,396,259	23,117,749	2,721,490
Public Building Commission	41,905,143	9,718,608	(32,186,535)
Debt Service	3,110,533	3,271,361	160,828
Debt Proceeds	44,874,724	33,545,832	(11,328,892)
Other Governmental	43,499,283	46,191,693	2,692,410
Total Governmental Funds	\$ 218,795,532	\$ 178,853,362	\$(39,942,170)

The General Fund is the chief operating fund of Sedgwick County. Ending fund balance in the General Fund decreased \$2.0 million, compared to a decrease of \$3.6 million a year ago.

Revenues of the General Fund increased \$5.2 million, to \$156.4 million, in 2016. A variety of miscellaneous revenues categorized as "other revenues" had a decrease of \$0.4 million. Property tax increased \$3.4 million from 2015. Intergovernmental revenues and licenses and permits increased \$1.4 million and \$0.7 million from 2015, respectively.

General Fund expenditures decreased \$4.1 million, to \$145.1 million. The decrease primarily can be attributed to a one-time payment, in 2015, to the Sedgwick County Zoo in the amount of \$5.3 million to assist with building the elephant zoo barn, included in culture and recreation. General government expenditures increased \$2.8 million, attributable to clean up and reclassification of some old liability accounts. Health and welfare, and economic development decreased \$0.7 million. Public Safety expenses decreased \$1.4 million from 2015.

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 28.8% of total General Fund expenditures, while total fund balance represents 43.4%. In other words, readily available resources as of December 31 were sufficient to pay for services for three 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 \$23.1 million which is \$2.7 million more than 2015. Revenues decreased \$2.6 million over the prior year, to \$56.3 million. The category of 'other revenues' increased \$4.2 million. The increase can be attributed to the Affordable Airfares program. The State provided funds for the program for the State Fiscal Year 2016, which should have been received in 2015. Charges for service decreased \$3.3 million from 2015 to 2016. Within this category, Medicaid fees decreased \$4.1 million. Federal/State Assistance Fund expenditures decreased \$9.0 million. Health and welfare expenditures decreased \$4.3 million due partly to a reduction

of Medicaid pass-thru payments to affiliates and a reduction of personnel expenses. Economic development expenditures decreased \$3.1 million, due to the Affordable Airfares program ending. Public Safety expenses decreased \$1.5 million from 2015.

The Public Building Commission (PBC) fund is a special revenue fund to account for revenues and expenditures derived from direct financing leases. The PBC fund ended the year with a fund balance of \$9.7 million, which is a decrease of \$32.2 million from 2015. During the year, the County paid \$32.4 million to Wichita State University (WSU) for construction of an Experiential Engineering facility. The facility was financed with lease-revenue bonds sold by the PBC in 2014; the fund balance primarily consists of bond proceeds that have not yet been spent on the facility. The PBC and WSU have entered into a lease for the facility.

Debt Service fund balance increased by \$0.2 million due mostly to a \$0.2 million increase in intergovernmental revenue. The County received the second half of 2015 Build America bond interest refunds in 2016.

The Debt Proceeds Fund is a capital projects fund that receives proceeds from general obligation bond issues and other long-term financing sources. During 2016, the County did not issue any new debt. \$2.4 million was transferred to capital projects funds to pay for current projects. A significant portion of transfers out to capital projects funds included \$1.1 million for the acquisition and renovation of a building that will house Metropolitan Area Building and Construction Department, along with other various departments. Another \$1.3 million was used unspent bond proceeds that were transferred out to make debt service payments.

#### 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. 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, and naming rights fees. The Arena Fund had an operating loss of \$4.6 million. The loss can be attributed to \$4.4 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 a decrease in 2016 of \$78,819, to \$23.8 million. The workers' compensation expenses exceeded charges and the fund ended the year with a fund balance of \$2.9 million. In the Risk Management Fund, Sedgwick County expended approximately \$720,000 for property and liability insurance during 2016 and also paid \$351,000 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. The County uses a self-funded insurance model for health insurance and dental insurance. The fund had a loss of \$0.1 million during 2016 decreasing net position to \$6.7 million at the end of the year.

#### General Fund Budgetary Highlights

The County did not amend the budget during fiscal year 2016, although appropriations were shifted between line items in the General Fund.

Actual revenue was \$278,000, or 0.2%, above both the original and final budgets. Four of ten major revenue sources ended the year above budget. Charges for services were over budget by \$1.1 million. Licenses and permits were \$720,000 above budget, this is primarily due to the Metropolitan Area Building and Construction Department moving from a City of Wichita department to a Sedgwick County department. Combined the other eight major revenues were below budget \$1.6 million. Property tax

collections were \$300,000 below budget. Sales tax revenue was \$800,000 below budget. Intergovernmental revenues were \$400,000 less than budgeted.

General Fund expenditures totaled \$148.4 million, and were 11.9% less than the original and final budgets. Expenditures for personnel services were less than the original and final budgets by \$3.7 million and \$3.9 million, respectively. Contractual services ended the year \$15.2 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 decreased \$1.1 million in 2016.

### Capital Asset and Debt Administration

Sedgwick County's investment in capital assets for its governmental and business-type activities as of December 31, 2016, totaled \$594,491,658 (net of accumulated depreciation). This investment in capital assets includes land, buildings, roads, bridges, improvements, machinery and equipment, software and the INTRUST Bank Arena.

Major capital asset events during the 2016 fiscal year included the following:

- Construction in progress decreased from \$46.4 million at the end of 2015 to \$35.0 million at the end of 2016. \$10.6 million of the decrease comes from the completion of the Sedgwick County Zoo elephant exhibit.
- Sedgwick County Zoo contributed \$2.3 million in capital assets consisting of an elephant barn that opened May 2016.

#### Capital Assets December 31, 2016 (net of depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	\$ 24,611,096	\$ 13,038,358	\$ 37,649,454
Buildings and improvements	209,104,419	134,172,167	343,276,586
Improvements other than buildings	15,132,955	-	15,132,955
Machinery and equipment	18,759,366	782,153	19,541,519
Infrastructure	143,917,485	-	143,917,485
Construction in progress	34,818,568	155,089	34,973,657
Total	\$ 446,343,889	\$ 148,147,767	\$ 594,491,656

Additional information regarding capital assets can be found in Note III. B, beginning on page A-49.

### Long-term Debt

At the end of 2016, Sedgwick County had total general obligation bonds outstanding of \$56.7 million. This amount includes \$2.2 million of special assessment bonds. The County's long-term obligations also include revenue bonds totaling \$133.0 million. 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 Public Building Commission 2014-3 and 2014-4 issuance, which is backed by lease revenue from Wichita State University.

During 2016, Sedgwick County did not issue debt. The Board of County Commissioners have established a goal to reduce the amount of outstanding debt, and to fund future capital projects solely with cash and funding provided by other jurisdictions.

Outstanding general obligation bonds of the County and lease revenue bonds of the PBC are rated "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").

Additional information about the County's long-term debt can be found in Note III. D, beginning on page A-52 of this report.

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

- The unemployment rate in the Wichita MSA stood at 4.4% at the end of 2016, as compared to 4.0% at the end of 2015.
- The 2016 County property tax levy funds the 2017 budget. The 2016 property tax (mill levy) rate is 29.393.
- Wichita is known as the air capital of the world because it houses major facilities of three leading aircraft manufacturers: Textron Aviation (which produces Cessna and Beechcraft airplanes), Spirit Aerosystems, and Bombardier Learjet, as well as many other aviation parts suppliers. During 2016 Wichita companies delivered 43% of all general aviation airplanes built in the U.S. and accounted for 29% of global general aviation airplane deliveries.
- For 2016, the value of new residential construction permits was \$283.6 million. The value of new non-residential construction permits was \$668.6 million.
- The cost of living index in Wichita is a moderate 90.7, almost 9.3% below the national urban area average of 100.

### **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, KANSAS

## Statement of Net Position

December 31, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash, including investments	\$ 161,628,670	\$ 5,729,885	\$ 167,358,555
Receivables, net	246,472,430	175,000	246,647,430
Due from other agencies	3,417,838	-	3,417,838
Inventories, at cost	683,912	-	683,912
Prepaid items	2,416,769	-	2,416,769
Restricted assets:			
Cash, including investments	35,632,362	6,615,262	42,247,624
Capital assets:			
Land and construction in progress	59,429,664	13,193,447	72,623,111
Other capital assets, net of depreciation	386,914,225	134,954,320	521,868,545
<b>Total assets</b>	<b>896,595,870</b>	<b>160,667,914</b>	<b>1,057,263,784</b>
<b>Deferred Outflows of Resources</b>			
Refundings of debt	385,714	-	385,714
Pensions	31,128,715	-	31,128,715
<b>Total deferred outflows of resources</b>	<b>31,514,429</b>	<b>-</b>	<b>31,514,429</b>
<b>Liabilities</b>			
Accounts payable and other current liabilities	5,424,065	-	5,424,065
Accrued wages	3,862,487	-	3,862,487
Accrued interest payable	3,277,441	-	3,277,441
Due to other entities	292,184	-	292,184
Unearned revenue	44,423,107	-	44,423,107
Advance - grants	853,472	-	853,472
Noncurrent liabilities:			
Due within one year	23,649,358	-	23,649,358
Due in more than one year	350,549,874	-	350,549,874
<b>Total liabilities</b>	<b>432,331,988</b>	<b>-</b>	<b>432,331,988</b>
<b>Deferred Inflows of Resources</b>			
Property tax receivable	144,608,173	-	144,608,173
Pensions	6,917,625	-	6,917,625
<b>Total deferred inflows of resources</b>	<b>151,525,798</b>	<b>-</b>	<b>151,525,798</b>
<b>Net Position</b>			
Net investment in capital assets	329,243,600	-	329,243,600
Invested in capital assets	-	148,147,767	148,147,767
Restricted for:			
Capital improvements	8,391,601	-	8,391,601
Capital improvements and operations	-	6,615,262	6,615,262
Debt service	5,443,055	-	5,443,055
Federal/State assistance	12,517,985	-	12,517,985
Economic development	6,932,769	-	6,932,769
Equipment and technology improvements	1,334,022	-	1,334,022
Fire protection	3,808,586	-	3,808,586
Court operations	3,401,575	-	3,401,575
Other purposes	8,698,530	-	8,698,530
Unrestricted	(35,519,210)	5,904,885	(29,614,325)
<b>Total net position</b>	<b>\$ 344,252,513</b>	<b>\$ 160,667,914</b>	<b>\$ 504,920,427</b>

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

# SEDGWICK COUNTY, KANSAS

## Statement of Activities

For the Year Ended December 31, 2016

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 47,430,448	\$ 19,267,415	\$ 2,818,734	\$ -
Public safety	144,411,990	22,752,389	15,285,556	-
Public works	35,205,540	1,671,982	4,987,773	2,994,738
Health and welfare	53,319,338	21,132,561	20,188,655	-
Cultural and recreation	12,378,012	446,867	-	2,287,532
Economic development	14,210,390	223,238	1,667,328	-
Interest on long-term debt	7,218,937	-	-	-
Total governmental activities	<u>314,174,655</u>	<u>65,494,452</u>	<u>44,948,046</u>	<u>5,282,270</u>
Business-type activities:				
Arena	5,248,238	593,062	-	-
Total business-type activities	<u>5,248,238</u>	<u>593,062</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 319,422,893</u>	<u>\$ 66,087,514</u>	<u>\$ 44,948,046</u>	<u>\$ 5,282,270</u>

General revenues:  
Property taxes  
Sales taxes  
Other taxes  
Investment earnings  
Extraordinary item (October fraud loss)

Total general revenue

Change in net position

Net position, beginning of year

Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (25,344,299)	\$ -	\$ (25,344,299)
(106,374,045)	-	(106,374,045)
(25,551,047)	-	(25,551,047)
(11,998,122)	-	(11,998,122)
(9,643,613)	-	(9,643,613)
(12,319,824)	-	(12,319,824)
(7,218,937)	-	(7,218,937)
<u>(198,449,887)</u>	<u>-</u>	<u>(198,449,887)</u>
-	(4,655,176)	(4,655,176)
-	(4,655,176)	(4,655,176)
<u>\$ (198,449,887)</u>	<u>\$ (4,655,176)</u>	<u>\$ (203,105,063)</u>
162,790,600	-	162,790,600
28,899,247	-	28,899,247
3,381,978	-	3,381,978
6,423,364	-	6,423,364
(543,217)	-	(543,217)
<u>200,951,972</u>	<u>-</u>	<u>200,951,972</u>
2,502,085	(4,655,176)	(2,153,091)
<u>341,750,428</u>	<u>165,323,090</u>	<u>507,073,518</u>
<u>\$ 344,252,513</u>	<u>\$ 160,667,914</u>	<u>\$ 504,920,427</u>

**SEDGWICK COUNTY, KANSAS**

**Balance Sheet  
Governmental Funds  
December 31, 2016**

	<u>General Fund</u>	<u>Federal/State Assistance Fund</u>	<u>Public Building Commission Fund</u>
<b>Assets:</b>			
Cash, including investments	\$ 54,671,877	\$ 22,587,901	\$ 1,368,183
Restricted investment	-	-	8,350,425
Advance receivable	5,632,658	-	-
Due from other funds	-	-	-
Due from other agencies	874,711	1,882,240	-
Accounts receivable	395,453	1,041,387	-
Property tax receivable	100,368,752	-	-
Sales tax receivable	2,616,092	-	-
Interest receivable	551,430	-	-
Prepaid items	2,408,625	-	-
Lease receivable	-	-	86,469,024
Notes receivable	936,044	-	-
Special assessments receivable:			
Noncurrent	-	-	-
Delinquent (including interest)	-	-	-
Inventories, at cost	-	65,788	-
<b>Total assets</b>	<u>\$ 168,455,642</u>	<u>\$ 25,577,316</u>	<u>\$ 96,187,632</u>
<b>Liabilities:</b>			
Accounts payable	\$ 2,579,523	\$ 925,096	\$ -
Accrued wages	2,219,173	699,890	-
Advance - grants	18,891	834,581	-
Due to other entities	261,184	-	-
Due to other funds	-	-	-
Advance payable	-	-	-
<b>Total liabilities</b>	<u>5,078,771</u>	<u>2,459,567</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>			
Property tax receivable	100,368,752	-	-
Unavailable revenue - accounts receivable	-	-	-
Lease receivable	-	-	86,469,024
Unavailable revenue - special assessments	-	-	-
<b>Total deferred inflows of resources</b>	<u>100,368,752</u>	<u>-</u>	<u>86,469,024</u>
<b>Fund balances:</b>			
<b>Nonspendable:</b>			
Inventories	-	65,788	-
Advance receivable	5,632,658	-	-
Notes receivable	936,044	-	-
Prepaid items	2,408,625	-	-
<b>Restricted:</b>			
General Government	-	-	-
Debt Service	-	-	1,368,183
Public Safety	-	2,688,264	-
Public Works	-	-	-
Health and Welfare	-	9,547,108	-
Culture and Recreation	-	-	-
Economic Development	-	4,389,441	8,350,425
Capital Outlay	-	-	-
<b>Committed:</b>			
Public Safety	-	-	-
Capital Outlay	-	-	-
Health and Welfare	-	360,513	-
<b>Assigned:</b>			
General Government	12,118,235	-	-
Public Safety	118,676	739,756	-
Public Works	65	-	-
Health and Welfare	26,512	5,326,879	-
Culture and Recreation	2,281	-	-
Capital Outlay	-	-	-
Economic Development	-	-	-
Unassigned	41,765,023	-	-
<b>Total fund balance</b>	<u>63,008,119</u>	<u>23,117,749</u>	<u>9,718,608</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 168,455,642</u>	<u>\$ 25,577,316</u>	<u>\$ 96,187,632</u>

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

Debt Service Fund	Debt Proceeds Fund	Other Governmental Funds	Total Governmental Funds
\$ 3,271,361	\$ 5,664,817	\$ 49,719,832	\$ 137,283,971
-	27,281,937	-	35,632,362
-	-	-	5,632,658
-	599,078	-	599,078
-	-	660,887	3,417,838
-	-	1,863,044	3,299,884
11,456,996	-	32,782,425	144,608,173
-	-	2,616,093	5,232,185
-	-	-	551,430
-	-	-	2,408,625
-	-	-	86,469,024
-	-	-	936,044
3,664,639	-	-	3,664,639
1,710,523	-	-	1,710,523
-	-	464,629	530,417
<u>\$ 20,103,519</u>	<u>\$ 33,545,832</u>	<u>\$ 88,106,910</u>	<u>\$ 431,976,851</u>
\$ -	\$ -	\$ 1,220,263	\$ 4,724,882
-	-	904,911	3,823,974
-	-	-	853,472
-	-	31,000	292,184
-	-	599,078	599,078
-	-	5,632,658	5,632,658
-	-	8,387,910	15,926,248
11,456,996	-	32,782,425	144,608,173
-	-	744,882	744,882
-	-	-	86,469,024
5,375,162	-	-	5,375,162
<u>16,832,158</u>	<u>-</u>	<u>33,527,307</u>	<u>237,197,241</u>
-	-	464,629	530,417
-	-	-	5,632,658
-	-	-	936,044
-	-	-	2,408,625
-	-	1,994,780	1,994,780
3,271,361	27,281,937	25,790	31,947,271
-	-	9,910,731	12,598,995
-	-	3,806,901	3,806,901
-	-	858,285	10,405,393
-	-	30,202	30,202
-	-	9,500	12,749,366
-	6,263,895	9,620,397	15,884,292
-	-	5,027,929	5,027,929
-	-	5,746,491	5,746,491
-	-	-	360,513
-	-	-	12,118,235
-	-	39,811	898,243
-	-	441,721	441,786
-	-	-	5,353,391
-	-	-	2,281
-	-	8,828,924	8,828,924
-	-	-	-
-	-	(614,398)	41,150,625
<u>3,271,361</u>	<u>33,545,832</u>	<u>46,191,693</u>	<u>178,853,362</u>
<u>\$ 20,103,519</u>	<u>\$ 33,545,832</u>	<u>\$ 88,106,910</u>	<u>\$ 431,976,851</u>

# SEDGWICK COUNTY, KANSAS

## Reconciliation of the Statement of Net Position to the Balance Sheet for Governmental Funds December 31, 2016

**Total fund balances of governmental funds** \$ 178,853,362

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 \$758,359,674 and the accumulated depreciation is \$326,671,494, excluding internal service fund capital assets. 431,688,180

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. 35,293,379

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.

Special assessments	\$ 5,375,162	
Principal portion of lease receivable	42,045,917	
Miscellaneous other	<u>744,882</u>	48,165,961

Other deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds

Deferred refunding	\$ 385,714	
Deferred outflows - pensions	<u>31,128,715</u>	31,514,429

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	\$ (56,740,000)	
Bond premium	(8,509,062)	
Revenue bonds payable	(133,025,000)	
Capital lease payable	(1,713,962)	
Compensated absences	(6,400,000)	
Net pension liability	(145,221,592)	
Other postemployment benefits other than pensions	(19,458,116)	
Accrued interest payable	<u>(3,277,441)</u>	(374,345,173)

Other deferred inflows of resources do not increase net position until a future period and therefore are not reported in the funds

Deferred inflows - pensions		<u>(6,917,625)</u>
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**Net position of governmental activities** \$ 344,252,513

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

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# SEDGWICK COUNTY, KANSAS

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2016

	General Fund	Federal/State Assistance Fund	Public Building Commission
<b>Revenues</b>			
Property taxes	\$ 110,172,395	\$ -	\$ -
Emergency telephone services taxes	-	-	-
Sales taxes	16,047,189	-	-
Special assessments	-	-	-
Other taxes	380,976	6,422	-
Intergovernmental	3,928,621	29,998,498	-
Charges for services	16,958,332	20,885,234	1,434,167
Uses of money and property	4,283,165	10,624	2,182,984
Fines and forfeits	38,184	222,285	-
Licenses and permits	785,292	-	-
Other	3,765,165	5,165,179	-
<b>Total revenues</b>	<u>156,359,319</u>	<u>56,288,242</u>	<u>3,617,151</u>
<b>Expenditures</b>			
<b>Current:</b>			
General government	34,267,240	-	-
Public safety	88,453,284	10,485,659	-
Public works	1,762,093	-	-
Health and welfare	8,492,824	41,128,047	-
Cultural and recreation	9,245,310	-	-
Economic development	2,483,085	3,144,376	32,393,615
<b>Debt service:</b>			
Principal	221,483	-	1,370,000
Interest and fiscal charges	153,617	-	2,040,071
Debt issuance costs	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>145,078,936</u>	<u>54,758,082</u>	<u>35,803,686</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>11,280,383</u>	<u>1,530,160</u>	<u>(32,186,535)</u>
<b>Other financing sources (uses)</b>			
Transfers from other funds	556,881	1,191,330	-
Transfers to other funds	(13,838,735)	-	-
Premium from issuance of refunding bonds	-	-	-
Premium from issuance of general obligation bonds	-	-	-
Sale of general capital assets	-	-	-
Issuance of general obligation bonds	-	-	-
Extraordinary item	-	-	-
Proceeds from capital lease	-	-	-
Issuance of general obligation bonds	-	-	-
Issuance of revenue bonds	-	-	-
<b>Total other financing sources (uses)</b>	<u>(13,281,854)</u>	<u>1,191,330</u>	<u>-</u>
<b>Net change in fund balances</b>	(2,001,471)	2,721,490	(32,186,535)
<b>Fund balances, beginning of year</b>	<u>65,009,590</u>	<u>20,396,259</u>	<u>41,905,143</u>
<b>Fund balances, end of year</b>	<u>\$ 63,008,119</u>	<u>\$ 23,117,749</u>	<u>\$ 9,718,608</u>

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



Debt Service Fund	Debt Proceeds Fund	Other Governmental Funds	Total Governmental Funds
\$ 13,603,875	\$ -	\$ 39,014,330	\$ 162,790,600
-	-	2,918,138	2,918,138
-	-	12,852,058	28,899,247
918,786	-	-	918,786
-	-	76,442	463,840
245,945	-	13,149,636	47,322,700
628,582	-	23,724,505	63,630,820
-	421,403	30,043	6,928,219
-	-	-	260,469
-	-	75,712	861,004
-	-	374,095	9,304,439
<u>15,397,188</u>	<u>421,403</u>	<u>92,214,959</u>	<u>324,298,262</u>
-	-	4,566,998	38,834,238
-	-	40,485,976	139,424,919
-	-	11,006,647	12,768,740
-	-	5,473,496	55,094,367
-	-	36,960	9,282,270
-	-	7,449,554	45,470,630
13,958,517	8,195,000	673,509	24,418,509
4,887,163	1,202,392	53,989	8,337,232
-	600	-	600
-	-	30,583,432	30,583,432
<u>18,845,680</u>	<u>9,397,992</u>	<u>100,330,561</u>	<u>364,214,937</u>
<u>(3,448,492)</u>	<u>(8,976,589)</u>	<u>(8,115,602)</u>	<u>(39,916,675)</u>
3,609,320	-	15,398,753	20,756,284
-	(2,352,303)	(4,438,716)	(20,629,754)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	(543,217)	(543,217)
-	-	391,192	391,192
-	-	-	-
-	-	-	-
<u>3,609,320</u>	<u>(2,352,303)</u>	<u>10,808,012</u>	<u>(25,495)</u>
160,828	(11,328,892)	2,692,410	(39,942,170)
<u>3,110,533</u>	<u>44,874,724</u>	<u>43,499,283</u>	<u>218,795,532</u>
<u>\$ 3,271,361</u>	<u>\$ 33,545,832</u>	<u>\$ 46,191,693</u>	<u>\$ 178,853,362</u>

# **SEDGWICK COUNTY, KANSAS**

## **Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2016**

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

Net change in fund balances - total governmental funds		\$ (39,942,170)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays capitalized	\$ 16,387,028	
Loss on disposal of assets	(364,889)	
Depreciation expense	<u>(21,956,895)</u>	(5,934,756)
Contributed capital assets are recognized as revenues on the statement of activities		2,287,532
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.		21,432,327
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	\$ 10,480,000	
Revenue bond payable	13,265,000	
Capital lease payable	<u>673,509</u>	24,418,509
Bond and capital lease proceeds provide current financial resources to government funds, but represent an increase in long-term liabilities in the statement of net position.		
Proceeds from capital lease		(391,192)
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		
		2,602,014
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are not reported until due.		
		68,587
In the statement of activities, compensated absences are measured by the amounts earned during the year, instead of by the amount paid.		
		(200,000)
In the statement of activities, other postemployment benefits is measured by the amount due during the year, instead of by the amount paid.		
		(904,559)
Payment of pension contributions is an expenditure in the governmental funds, but reduces the net pension liability in the statement of net position. Additionally, the effect of changes in deferred inflows and deferred outflows for pensions are only recorded in the statement of activities.		
		54,205
Internal service funds are used by management to charge the costs of fleet management and insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		
		<u>(988,412)</u>
<b>Change in net position of governmental activities</b>		<u><u>\$ 2,502,085</u></u>

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

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# SEDGWICK COUNTY, KANSAS

## Statement of Net Position Proprietary Funds December 31, 2016

	Business-type Activity - Enterprise Fund Arena Fund	Governmental Activities - Internal Service Funds
<b>Assets</b>		
<b>Current assets:</b>		
Cash, including investments	\$ 5,729,885	\$ 24,344,699
Accounts receivable	175,000	528
Prepays	-	8,144
Inventories, at cost	-	153,495
<b>Restricted assets:</b>		
Cash, including investments	6,615,262	-
<b>Total current assets</b>	<u>12,520,147</u>	<u>24,506,866</u>
<b>Noncurrent assets:</b>		
<b>Capital assets:</b>		
Land	13,038,358	40,580
Buildings and improvements	163,470,698	8,319,354
Machinery and equipment	6,610,580	31,726,887
Construction in progress	155,089	-
Less accumulated depreciation	(35,126,958)	(25,431,112)
<b>Total capital assets (net of accumulated depreciation)</b>	<u>148,147,767</u>	<u>14,655,709</u>
<b>Total assets</b>	<u><u>\$ 160,667,914</u></u>	<u><u>\$ 39,162,575</u></u>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ -	\$ 699,183
Accrued wages	-	38,513
Estimated claims costs payable	-	2,806,100
<b>Total current liabilities</b>	<u>-</u>	<u>3,543,796</u>
<b>Noncurrent liabilities:</b>		
Estimated claims costs payable	-	325,400
<b>Total liabilities</b>	<u>-</u>	<u>3,869,196</u>
<b>Net position</b>		
Investment in capital assets	148,147,767	14,655,709
Restricted for capital improvements and operations	6,615,262	-
Unrestricted	5,904,885	20,637,670
<b>Total net position</b>	<u>160,667,914</u>	<u>35,293,379</u>
<b>Total liabilities and net position</b>	<u><u>\$ 160,667,914</u></u>	<u><u>\$ 39,162,575</u></u>

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

# SEDGWICK COUNTY, KANSAS

## Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds For the Year Ended December 31, 2016

	Business-type Activity - Enterprise Fund Arena Fund	Governmental Activities - Internal Service Funds
Operating revenues:		
Charges for services	\$ 590,103	\$ 38,544,630
Other revenue	2,959	863,211
Total operating revenues	<u>593,062</u>	<u>39,407,841</u>
Operating expenses:		
Salaries and benefits	-	1,669,651
Contractual services	497,832	2,945,935
Utilities	-	55,590
Supplies and fuel	-	2,373,224
Administrative charges	-	171,313
Depreciation expense	4,434,035	2,892,860
Claims expense	-	30,669,912
Other expense	316,371	140
Total operating expenses	<u>5,248,238</u>	<u>40,778,625</u>
Operating loss	<u>(4,655,176)</u>	<u>(1,370,784)</u>
Nonoperating revenues:		
Investment income	-	43,746
Gain (loss) on sale of assets	-	465,156
Total nonoperating revenues	<u>-</u>	<u>508,902</u>
Loss before transfers	(4,655,176)	(861,882)
Transfers:		
Transfers from other funds	-	713,470
Transfers to other funds	<u>-</u>	<u>(840,000)</u>
Change in net position	(4,655,176)	(988,412)
Net position, beginning of year	<u>165,323,090</u>	<u>36,281,791</u>
Net position, end of year	<u>\$ 160,667,914</u>	<u>\$ 35,293,379</u>

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

# SEDGWICK COUNTY, KANSAS

## Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2016

	Business-type Activity - Enterprise Fund Arena Fund	Governmental Activities - Internal Service Funds
<b>Cash flows from operating activities</b>		
Receipts from customers	\$ 793,062	\$ 147,663
Receipts from interfund services provided	-	38,591,040
Other operating revenues	-	669,011
Payments to suppliers for goods and services	(1,011,798)	(36,026,300)
Payments to employees for services	-	(1,677,795)
Net cash provided by (used in) operating activities	<u>(218,736)</u>	<u>1,703,619</u>
<b>Cash flows from noncapital financing activities</b>		
Transfers from other funds	-	713,470
Transfers to other funds	-	(840,000)
Net cash used in noncapital financing activities	<u>-</u>	<u>(126,530)</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from sale of capital assets	-	549,438
Purchases and construction of capital assets	(578,628)	(1,814,943)
Net cash used in capital and related financing activities	<u>(578,628)</u>	<u>(1,265,505)</u>
<b>Cash flows from investing activities</b>		
Interest on investments	-	43,746
Net cash provided by investing activities	<u>-</u>	<u>43,746</u>
Net Increase (Decrease) in cash and cash equivalents	(797,364)	355,330
Cash and cash equivalents, beginning of the year	13,142,511	23,989,369
Cash and cash equivalents, end of the year	<u>\$ 12,345,147</u>	<u>\$ 24,344,699</u>
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities</b>		
Operating loss	\$ (4,655,176)	\$ (1,370,784)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation expense	4,434,035	2,892,860
Increase in prepaid expenses	-	(8,144)
Decrease (increase) in accounts receivable	200,000	(127)
Increase in inventories	-	(23,294)
Increase (decrease) in accounts payable	(197,595)	63,708
Increase in estimated claims payable	-	149,400
Net cash provided by (used in) operating activities	<u>\$ (218,736)</u>	<u>\$ 1,703,619</u>

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

# SEDGWICK COUNTY, KANSAS

## *Statement of Fiduciary Net Position* *Agency Funds* *December 31, 2016*

	Agency Funds
<b>Assets</b>	
Cash, including investments	\$ 344,532,377
Accounts receivable	-
Property tax levied	214,913,042
Total assets	<u>\$ 559,445,419</u>
<b>Liabilities</b>	
Accrued liabilities	\$ 16,493,314
Due to other governmental units	542,952,105
Total liabilities	<u>\$ 559,445,419</u>

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

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# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### 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. The SCPBC is considered a blended component unit due to a majority of the total debt outstanding for SCPBC being expected to be repaid entirely with the resources of the County. For financial reporting, the financial activities of the SCPBC are accounted for within the special revenue funds within the County's financial statements.

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

Related Organizations - 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.

The Sedgwick County Zoological Society, Inc. (Society) and Sedgwick County Board of County commissioners entered into an agreement on August 18, 1967, which employs the Society as an agent of the county to plan, establish, manage, operate, and develop zoological gardens and exhibits. Sedgwick County provides monies annually for the maintenance and operation of the facility. Such expenditures are financed within the general fund, the capital reserve fund and the park and recreation fund of Sedgwick County.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

#### 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.

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

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

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

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 *Public Building Commission Fund* is a blended component unit (special revenue fund) established to account for revenues and expenditures derived from direct financing leases.
- ❑ 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.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

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

The County reports the following major proprietary fund:

The *Arena Fund* is a major fund and the only enterprise fund of the County, accounting for activities of the County-owned downtown arena.

Additionally, the County reports the following fund types:

- ❑ *Nonmajor special revenue funds* account for the proceeds of specific revenue sources (other than for debt service or capital projects) that are restricted or committed for specified purposes.
- ❑ *Nonmajor 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.

Expenditures are grouped by function. The following are descriptions of the County's functions:

- ❑ *General Government* includes legislative, executive, financial administration, law, personnel administration, elections, facility operations, information technology, and planning & zoning functions.
- ❑ *Public Safety* 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.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### 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 are charges to customers for services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. For internal service funds, operating revenues and expenses relate to goods or services provided to other funds. 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 investments of the proprietary fund types to be cash equivalents if such investments have original maturities of three months or less.

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,

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### 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 2016, 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

Interfund receivables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent 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 nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### 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)

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

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 both the government-wide and 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.

Special assessments receivable – As required by Kansas statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds that are secured by the full faith and credit of the County and are retired from the Debt Service Fund. Further, Kansas statutes permit levying additional general ad valorem property taxes in the Debt Service Fund to finance delinquent special assessments receivable. Consequently, special assessments receivable are accounted for within the Debt Service Fund.

Special assessment taxes are levied over a 10 or 15-year period, and the County may foreclose on liens against property benefited by special assessments when delinquent assessments are two years in arrears. In the fund financial statements, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the Debt Service Fund, with a corresponding amount recorded as deferred inflows of resources in the fund financial statements at December 31.

Note receivable – 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, 2016 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, 2018.



# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### 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 – Land Lease

Effective January 1, 2007, the County, through the SCPBC, entered into a 50-year lease as lessee 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 cost of the prepaid item is recorded as expenditures/expenses when consumed rather than when purchased. The County originally paid \$3,263,206 in advance rental payments, of which \$2,408,625 remains at December 31, 2016. At the end of the 50-year term, title to the facilities contracted by the County reverts to the lessor, unless sooner transferred under provisions of the lease.

##### 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 acquisition 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.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### 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:

<u>Assets</u>	<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.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

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

##### 8. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### 9. Net Position/Fund Balance Classifications

In the government-wide statements, net position is 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 does 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:

- Nonspendable - Amounts 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 - Amounts 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.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

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

##### 9. Net Position/Fund Balance Classifications (continued)

- Committed - Amounts 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.

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.

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

In addition to assets, the statement of financial position and fund balance sheet 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 has two items that qualify for reporting in this category in the government-wide statement of net position, deferred charge on refunding and deferred outflows for pensions. 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. See Note IV. F. for more information on the deferred outflows for pensions.

In addition to liabilities, the statement of financial position and fund balance sheet 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 three types of items, unavailable revenue, deferred revenue and deferred inflows for pensions 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:

# **SEDGWICK COUNTY, KANSAS**

## **NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2016

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

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

##### **10. Deferred Inflows of Resources/Deferred Outflows of Resources (continued)**

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 in the governmental funds balance sheet for lease receivable. Property taxes are not recognized as revenue until the period for which they are levied. Principal on the lease receivable is not available until future periods, so is deferred in the funds. The third item, deferred inflows for pensions, is reported on the government-wide statement of net position. See Note IV. F. for more information on this deferred inflow.

##### **11. Estimates**

Preparation of financial statements in conformity with GAAP requires making estimates and assumptions that affect [1] the reported amounts of assets and liabilities, deferred outflows and deferred inflows of resources [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.

### **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.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

#### A. Budgetary Information (continued)

- 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 2016.

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  
Public Building Commission  
Fire District Research and Development  
Auto License  
Prosecuting Attorney Training  
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

#### B. Deficit Fund Equity

The Building and Equipment Fund and the Street, Bridge and Other Fund had a fund balance deficit of \$611,253 and \$3,145 respectively as of December 31, 2016. 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."

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

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

At December 31, 2016, the County had the following investments:

Investment Type	Fair Value	Modified Duration (in years)	Percent of Total Pooled Funds
U.S. treasury coupon securities	\$ 44,110,678	1.295	8.31
U.S. agency coupon securities	205,399,502	1.953	38.72
Repurchase agreements	91,192,485	-	17.19
Kansas Municipal Investment Pool <sup>1</sup>	105,982,744	-	19.98
Collateralized deposits	42,013,268	-	7.92
Mutual funds	6,199,869	-	1.17
Subtotal general operating portfolio	494,898,546		
Assets held by trustee:			
U.S. treasury coupon securities	27,281,937	-	5.14
State & Local Govt. securities	8,350,425	-	1.57
Subtotal assets held by trustee	35,632,362		100.00
<b>Total Investments</b>	<b>\$ 530,530,908</b>		
Portfolio modified duration		<u>.772</u>	

<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, 2016 the weighted average maturity of the pool was 20 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 \$13,998,743 of treasury and agency coupons securities that are held by the investment counterparty.

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.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

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

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, 2016, 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, 2016, 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, 2016.

##### 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:

<u>Investment Type</u>	<u>Maximum Percentage Of Portfolio</u>
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.



# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

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

At December 31, the County held \$93.2 million, or 18.8%, of its portfolio in investments issued by the Federal Home Loan Bank, \$34.1 million, or 6.9%, in investments were issued by the Federal Farm Credit Bank, \$29.6, or 6.0%, in investments were issued by Federal Home Loan Mortgage Loan Corp., and investments totaling \$49.7 million, or 10.0%, 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	\$ 167,358,555
Restricted cash, including investments, Statement of Net Position	42,247,624
Cash, including investments, Statement of Fiduciary Net Position	<u>344,532,377</u>
Total	<u>\$ 554,138,556</u>

#### Fair Value Investments

Generally accepted accounting principles (GAAP) defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

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

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position/balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016:

		Fair Value Measurements Using		
		Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	12/31/2016			
<b>Investments</b>				
U.S. treasury securities	\$ 44,110,678	\$ 44,110,678	\$ -	\$ -
U.S agency securities	205,399,502	18,459,790	186,939,712	-
Repurchase agreements	91,192,485	91,192,485	-	-
Kansas Municipal Investment Pool	105,982,744	105,982,744	-	-
Collateralized deposits	42,013,268	42,013,268	-	-
Mutual funds	6,199,869	6,199,869	-	-
Subtotal general operating portfolio	494,898,546	307,958,834	186,939,712	-
Assets held by trustee:				
U.S. treasury securities	27,281,937	27,281,937	-	-
State & Local Govt. securities	8,350,425	8,350,425	-	-
Subtotal assets held by trustee	35,632,362	35,632,362	-	-
<b>Total investments</b>	<b>\$ 530,530,908</b>	<b>\$ 343,591,196</b>	<b>\$ 186,939,712</b>	<b>\$ -</b>

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2016

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

#### B. Receivables

Amounts are aggregated into a single accounts receivable line for certain funds and aggregated columns. Below is the detail of receivables for the general, fed/state assistance, PBC, debt service, nonmajor governmental, internal service and Arena funds in the aggregate as of December 31, 2016:

Receivables	Accounts Receivable	Property Taxes Receivable	Sales Taxes Receivable	Interest Receivable	Lease Receivable	Notes Receivable	Special Assessment Receivable	Total
General Fund	\$ 395,453	\$ 100,368,752	\$ 2,616,092	\$ 551,430	\$ -	\$ 936,044	\$ -	\$ 104,867,771
Fed/State Assistance Fund	1,041,387	-	-	-	-	-	-	1,041,387
Public Building Commission	-	-	-	-	86,469,024	-	-	86,469,024
Debt Service Fund	-	11,456,996	-	-	-	-	5,375,162	16,832,158
Nonmajor Governmental Funds	1,863,044	32,782,425	2,616,093	-	-	-	-	37,261,562
Internal Service Fund	528	-	-	-	-	-	-	528
<b>Total Governmental Activities</b>	<b>3,300,412</b>	<b>144,608,173</b>	<b>5,232,185</b>	<b>551,430</b>	<b>86,469,024</b>	<b>936,044</b>	<b>5,375,162</b>	<b>246,472,430</b>
Arena	175,000	-	-	-	-	-	-	175,000
<b>Total Business-Type Activities</b>	<b>175,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175,000</b>
<b>Total Net Receivables</b>	<b>\$ 3,475,412</b>	<b>\$ 144,608,173</b>	<b>\$ 5,232,185</b>	<b>\$ 551,430</b>	<b>\$ 86,469,024</b>	<b>\$ 936,044</b>	<b>\$ 5,375,162</b>	<b>\$ 246,647,430</b>

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

#### C. Capital Assets

Capital assets activity of the primary government, which includes the internal service funds, for the year ended December 31, 2016, was as follows:

	December 31, 2015	Increases	Decreases	December 31, 2016
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 22,344,233	\$ 2,266,863	\$ -	\$ 24,611,096
Construction in progress	46,355,316	13,059,206	(24,595,954)	34,818,568
Total capital assets, not being depreciated	<u>68,699,549</u>	<u>15,326,069</u>	<u>(24,595,954)</u>	<u>59,429,664</u>
Capital assets, being depreciated:				
Buildings and improvements	324,171,646	14,560,004	-	338,731,650
Leasehold improvements	2,234,871	-	-	2,234,871
Improvements other than buildings	37,787,163	828,438	-	38,615,601
Machinery and equipment	88,478,096	3,456,768	(2,281,401)	89,653,463
Infrastructure	259,319,612	10,914,178	(452,544)	269,781,246
Total capital assets being depreciated	<u>711,991,388</u>	<u>29,759,388</u>	<u>(2,733,945)</u>	<u>739,016,831</u>
Less accumulated depreciation for:				
Buildings and improvements	(120,565,178)	(9,062,053)	-	(129,627,231)
Leasehold improvements	(2,234,871)	-	-	(2,234,871)
Improvements other than buildings	(20,523,302)	(2,959,344)	-	(23,482,646)
Machinery and equipment	(68,092,216)	(4,974,587)	2,172,706	(70,894,097)
Infrastructure	(118,122,058)	(7,853,771)	112,068	(125,863,761)
Total accumulated depreciation	<u>(329,537,625)</u>	<u>(24,849,755)</u>	<u>2,284,774</u>	<u>(352,102,606)</u>
Total capital assets being depreciated, net	<u>382,453,763</u>	<u>4,909,633</u>	<u>(449,171)</u>	<u>386,914,225</u>
Governmental activities capital assets, net	<u>\$ 451,153,312</u>	<u>\$ 20,235,702</u>	<u>\$ (25,045,125)</u>	<u>\$ 446,343,889</u>
	December 31, 2015	Increases	Decreases	December 31, 2016
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 13,038,358	\$ -	\$ -	\$ 13,038,358
Construction in progress	-	155,089	-	155,089
Total capital assets, not being depreciated	<u>13,038,358</u>	<u>155,089</u>	<u>-</u>	<u>13,193,447</u>
Capital assets, being depreciated:				
Buildings and improvements	163,412,739	57,958	-	163,470,697
Machinery and equipment	6,343,384	365,581	(98,385)	6,610,580
Total capital assets being depreciated	<u>169,756,123</u>	<u>423,539</u>	<u>(98,385)</u>	<u>170,081,277</u>
Less accumulated depreciation for:				
Buildings and improvements	(25,033,859)	(4,264,671)	-	(29,298,530)
Machinery and equipment	(5,757,448)	(169,364)	98,385	(5,828,427)
Total accumulated depreciation	<u>(30,791,307)</u>	<u>(4,434,035)</u>	<u>98,385</u>	<u>(35,126,957)</u>
Total capital assets being depreciated, net	<u>138,964,816</u>	<u>(4,010,496)</u>	<u>-</u>	<u>134,954,320</u>
Business-type activities capital assets, net	<u>\$ 152,003,174</u>	<u>\$ (3,855,407)</u>	<u>\$ -</u>	<u>\$ 148,147,767</u>

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

#### C. Capital Assets (continued)

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

Governmental activities:	
General government	\$ 2,484,035
Public safety	6,126,366
Public works, including depreciation of general infrastructure assets	9,036,855
Health and welfare	150,088
Cultural and recreation	3,037,344
Economic Development, conserve./natural resources	1,122,207
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	2,892,860
Total depreciation expense – governmental activities	<u>\$ 24,849,755</u>
Business-type activities:	
Arena fund	\$ 4,434,035
Total depreciation expense – business-type activities	<u>\$ 4,434,035</u>

#### Construction Commitments

The County had outstanding construction commitments for various capital projects and improvements totaling \$13,281,462 at December 31, 2016. 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.

#### D. Operating Leases

The County has entered into a lease agreement as lessor with Wichita State University for space at the National Center for Aviation Training on the aviation technical education campus (note I.D.4). The future minimum rental income on this lease is as follows:

Year ending December 31	Governmental Activities
2017	\$ 800,000
2018	800,000
2019	800,000
2020	800,000
2021	800,000
2022 – 2026	4,000,000
2027 – 2030	3,200,000
Totals	<u>\$ 11,200,000</u>

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.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

#### E. Long-Term Debt

##### 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 when debt is called or matures, 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 September 15, 2014, the Sedgwick County Public Building Commission issued \$6,130,000 in revenue bonds at a premium of \$495,119 for a crossover refunding. The bonds have a true interest cost of 2.0 percent. The crossover refunding portion included \$6,175,000 of Series 2007-1 Bonds with an average interest rate of 4.1 percent.

The crossover date on this refunding issue was August 1, 2016, and the \$6,175,000 was paid.

The County refunded these bonds to reduce its total debt service payments over a period of 12 years and will realize a net savings of \$473,397 with a present value savings of \$414,011.

On September 15, 2014, the Sedgwick County Public Building Commission issued \$25,745,000 in revenue bonds at a premium of \$2,823,335 for a crossover refunding. The bonds have a true interest cost of 2.3 percent. The crossover refunding portion includes \$26,065,000 of Series 2008-1 Bonds with an average interest rate of 5.1 percent.

The crossover date on this refunding issue is August 1, 2018.

The County refunded these bonds to reduce its total debt service payments over a period of 14 years and will realize a net savings of \$3,076,572 with a present value savings of \$2,510,739.

On November 19, 2015, the County issued \$1,915,000 in General Obligation Bonds at a premium of \$193,758 for a crossover refunding. The bonds have a true interest cost of 1.8 percent. The crossover refunding portion includes \$2,020,000 of Series A 2006 Bonds with an average interest rate of 4.0 percent.

The crossover date on this refunding issue was August 1, 2016.

The County refunded these bonds to reduce total debt service payments over a period of 11 years and will realize a net savings of \$175,426 with a present value savings of \$152,334.

At December 31, 2016, \$26,065,000 of crossover refunding bonds have not been called.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

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

##### 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.

General obligation bonds outstanding at December 31, 2016 are as follows:

Purpose	Interest Rate	Amount
Governmental Activities – Road and Bridge	2.00 – 5.65%	\$ 15,791,339
Governmental Activities – Facilities	2.00 – 5.65%	12,011,661
Governmental Activities – Refunding	2.00 – 5.65%	26,745,000
Total general obligation bonds outstanding		<u>\$ 54,548,000</u>

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

Year ending December 31	Governmental Activities		
	Principal	Interest	Totals
2017	\$ 8,091,000	\$ 2,106,253	\$ 10,197,253
2018	8,261,000	1,839,960	10,100,960
2019	4,952,000	1,521,605	6,473,605
2020	4,732,000	1,326,045	6,058,045
2021	4,642,000	1,116,734	5,758,734
2022 – 2026	14,328,000	3,200,444	17,528,444
2027 – 2031	7,462,000	1,130,199	8,592,199
2032 – 2036	<u>2,080,000</u>	<u>154,219</u>	<u>2,234,219</u>
Totals	<u>\$ 54,548,000</u>	<u>\$ 12,395,458</u>	<u>\$ 66,943,458</u>

# **SEDGWICK COUNTY, KANSAS**

## **NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2016

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

#### **E. 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	2.00 – 5.20%	\$ 2,192,000

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

Year ending December 31	Governmental Activities		
	Principal	Interest	Totals
2017	\$ 234,000	\$ 90,273	\$ 324,273
2018	239,000	83,863	322,863
2019	253,000	74,538	327,538
2020	258,000	66,489	324,489
2021	288,000	55,423	343,423
2022 – 2026	912,000	113,456	1,025,456
2027 – 2031	8,000	480	8,480
Totals	<u>\$ 2,192,000</u>	<u>\$ 484,520</u>	<u>\$ 2,676,520</u>



# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

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

##### 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. SCPBC bonds do not constitute a debt or pledge the full faith and credit of Sedgwick County, except to extent the lease agreement constitutes an unconditional obligation of the County. The County is the operating governmental entity on eight of the eleven issues outstanding (as indicated with a “\*”) with repayment schedules ranging from 5 to 20 years with one exception. The WSU Experiential Engineering 2014-3 is paid over 40 years to keep annual debt service under \$2,500,000. The current bonds outstanding are as follows:

Purpose	Interest Rate	Amount
*Public Services Administration Building 2003-3	3.60 – 4.00%	\$ 305,000
*#Technical Education Complex 2008-1	4.00 – 5.25%	29,975,000
*Public Safety Facilities & Equipment 2011-1	2.00 – 4.00%	9,955,000
*Juvenile Justice 2012-1 Refunding	2.00 – 3.00%	9,205,000
Wichita State University 2013-1 Refunding	3.00 – 4.00%	1,440,000
*Juvenile Justice Complex 2014-1 Refunding	1.00 – 5.00%	6,130,000
*Technical Education Complex 2014-2 Refunding	1.75 – 5.00%	25,745,000
^WSU Experiential Engineering (Tax Exempt) 2014-3	1.50 – 5.00%	38,895,000
^WSU Experiential Engineering 2014-4	1.95 – 3.90%	6,050,000
*Exploration Place Series 2015-1 Refunding	5.00%	5,325,000
Total		<u>\$ 133,025,000</u>

^: These bond issues do not constitute an unconditional obligation of the County.

#: \$32.2 million of these bond issues have been crossover refunded as a result of the proceeds from the 2014-1 and 2014-2 issues. Funds have been placed into an escrow account to be used on the crossover dates. See page A-52 for additional information.

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

Year ending December 31	Component Unit – SCPBC		
	Principal	Interest	Totals
2017	\$ 6,735,000	\$ 5,393,853	\$ 12,128,853
2018	5,730,000	5,150,744	10,880,744
2019	8,055,000	4,961,885	13,016,885
2020	8,325,000	4,704,351	13,029,351
2021	8,690,000	4,363,268	13,053,268
2022 – 2026	40,075,000	16,542,816	56,617,816
2027 – 2031	20,075,000	9,654,954	29,729,954
2032 – 2036	4,850,000	7,530,491	12,380,491
2037 – 2041	6,115,000	6,220,228	12,335,228
2042 – 2046	7,785,000	4,513,400	12,298,400
2047 – 2051	9,700,000	2,571,950	12,271,950
2052 – 2056	6,890,000	454,200	7,344,200
Totals	<u>\$ 133,025,000</u>	<u>\$ 72,062,140</u>	<u>\$ 205,087,140</u>

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

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

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

In 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, 2016, the components of the net investment of this lease consist of:

Lease receivable	\$ 126,000
Less unearned income	6,000
Net effect on statement of net position	<u>\$ 120,000</u>

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

Year ending December 31	Principal	Interest	Total
2017	<u>120,000</u>	<u>6,000</u>	<u>126,000</u>
Total	<u>\$ 120,000</u>	<u>\$ 6,000</u>	<u>\$ 126,000</u>

##### SCPBC Revenue Bonds – WSU Experiential Engineering 2014-3 & 2014-4

On December 30, 2014, the SCPBC issued revenue bonds for Wichita State University (WSU) to finance the cost of constructing, furnishing and equipping the first project part of the University's Innovation Campus. The proceeds of the bonds were deposited into an escrow trust account. Concurrent with the debt issuance, the SCPBC entered into a ground lease (as lessee) with the Kansas Board of Regents and a project lease (as lessor) with the Wichita State Board of Trustees. At December 31, 2016, the components of the net investment of this lease consist of:

Lease receivable	\$ 86,343,024
Less unearned income	44,417,107
Net effect on statement of net position	<u>\$ 41,925,917</u>

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

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

The County and WSU agreed on an amortization schedule for the entire amount of the lease. The following chart represents the adopted future minimum lease rentals to be received under the direct financing lease. The future amounts to be received coincide with the debt schedule on page A-55.

Year ending December 31	Principal	Interest	Total
2017	-	1,933,821	1,933,821
2018	565,000	1,928,313	2,493,313
2019	575,000	1,916,479	2,491,479
2020	585,000	1,902,695	2,487,695
2021	600,000	1,886,686	2,486,686
2022-2026	3,305,000	9,125,923	12,430,923
2027-2031	3,975,000	8,437,154	12,412,154
2032-2036	4,850,000	7,530,491	12,380,491
2037-2041	6,115,000	6,220,228	12,335,228
2042-2046	7,785,000	4,513,400	12,298,400
2047-2051	9,700,000	2,571,950	12,271,950
2052-2057	6,890,000	454,200	7,344,200
Total	<u>\$ 44,945,000</u>	<u>\$ 48,421,340</u>	<u>\$ 93,366,340</u>

#### Fire District Lease Agreements

In 2010, 2011, 2014 and 2016 the County entered into five 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	\$ 4,727,984
Less: accumulated depreciation	2,246,850
Total	<u>\$ 2,481,134</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of December 31, 2016, were as follows:

Year ending December 31	Governmental Activities
2017	\$ 508,254
2018	418,087
2019	231,060
2020	231,060
2021	231,060
2022	145,749
2023	<u>30,219</u>
Total minimum lease payments	1,795,488
Less: amount representing interest	81,526
Total	<u>\$ 1,713,962</u>

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

#### E. 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 \$3,131,500 are included in the amounts below. Claims are generally liquidated by the appropriate Internal Service Fund. The net pension liability will be liquidated primarily through KPERs employer contributions made primarily from the governmental funds. Generally, compensated absences and other postemployment benefits are liquidated by the General Fund. Noncurrent liability activity for the year ended December 31, 2016, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 64,400,000	\$ -	\$ 9,852,000	\$ 54,548,000	\$ 8,091,000
Revenue bonds	\$ 146,290,000	-	13,265,000	133,025,000	6,735,000
Special assessment debt with government commitment	\$ 2,820,000	-	628,000	2,192,000	234,000
Total bonds payable	213,510,000	-	23,745,000	189,765,000	15,060,000
Capital lease payable	1,996,279	391,192	673,509	1,713,962	483,258
Claims payable	2,982,100	24,844,269	24,694,869	3,131,500	2,806,100
Other postemployment benefits	18,553,557	2,063,028	1,158,469	19,458,116	-
Compensated absences	6,200,000	6,690,345	6,490,345	6,400,000	5,300,000
Governmental activities	243,241,936	33,988,834	56,762,192	220,468,578	23,649,358
Premium/(Discount)	11,464,461	-	2,955,399	8,509,062	-
Noncurrent liabilities	\$ 254,706,397	\$ 33,988,834	\$ 59,717,591	\$ 228,977,640	\$ 23,649,358
Net pension liability				145,221,592	
Total noncurrent liabilities				\$ 374,199,232	

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

#### E. 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, 2016 was \$24,805,000 for the Industrial Revenue Bonds and \$9,114,764 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.

#### F. Interfund Transfers

A summary of interfund transfers is as follows:

	Transfers in:					Totals
	General Fund	Federal/State Assistance Funds	Debt Service Fund	Nonmajor Governmental Funds	Internal Service Funds	
Transfers out:						
General Fund	\$ -	\$ 906,906	\$ 1,597,566	\$ 10,620,793	\$ 713,470	\$ 13,838,735
Debt Proceed Fund	-	-	1,275,841	1,076,462	-	2,352,303
Nonmajor Governmental Funds	556,881	284,424	735,913	2,861,498	-	4,438,716
Internal Service Funds	-	-	-	840,000	-	840,000
Total	<u>\$ 556,881</u>	<u>\$ 1,191,330</u>	<u>\$ 3,609,320</u>	<u>\$ 15,398,753</u>	<u>\$ 713,470</u>	<u>\$ 21,469,754</u>

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

#### G. 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.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

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

A summary of interfund receivables and payables at December 31, 2016 is as follows:

	Interfund Receivable	Interfund Payable
Debt Proceeds Fund	\$ 599,078	\$ -
Nonmajor Capital Projects Funds:		
Building and Equipment Fund	-	599,078
	<u>\$ 599,078</u>	<u>\$ 599,078</u>

During 2003, 2013 and 2014 interfund loans were made between the General Fund and the Capital Improvement Fund to provide for the funding of the Department of Corrections Adult Residential Facility and Fire Stations 34, 35 and 36. These advance receivables and payables as of December 31, 2016 are supported by note agreements specifying payment dates and interest amounts and are as follows:

	Advance Receivables	Advance Payables
General Fund	\$ 5,632,658	\$ -
Nonmajor Capital Projects Fund:		
Capital Improvement Fund	-	5,632,658
	<u>\$ 5,632,658</u>	<u>\$ 5,632,658</u>

### 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.

Health/Dental/Life Insurance Reserve Fund. The County has a self-funded insurance fund for health claims. Claims for county employees are administered through a third party administrator for the County's self-insured plan. Premiums are paid by employer and employee contributions into an internal service fund and are available to pay claims and costs of an administrative service agreement. An excess insurance policy covers individual claims in excess of \$500,000. Incurred but not reported claims of \$2,000,000 have been accrued as a liability. In 2016, \$23,806,886 was paid as claims. The outstanding claims liability is calculated from historical data and future expectations. This includes an estimated liability for known claims as well as an estimated liability for claims incurred but not reported.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### IV. Other Information (continued)

#### A. Risk Management (continued)

Workers' Compensation Reserve Fund. 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.

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' Compensation	Health/Dental Life Insurance
January 1, 2015 liability balances	\$ 1,175,900	
Claims and changes in estimates	1,001,104	23,171,135
Claim payments	(1,094,904)	(21,271,135)
December 31, 2015 liability balances	1,082,100	\$ 1,900,000
Claims and changes in estimates	937,383	23,906,886
Claim payments	(887,983)	(23,806,886)
December 31, 2016 liability balances	<u>\$ 1,131,500</u>	<u>\$ 2,000,000</u>

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

Health/Dental/Life Insurance Reserve Fund	\$ 6,711,122
Workers' Compensation Reserve Fund	2,944,281
Risk Management Reserve Fund	1,837,951

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### 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 a 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, 2016 the County's governmental funds had a total of \$13.7 million in encumbrances, which were reported as following:

	General	Federal/State Assistance	Other Governmental Funds	Total Governmental Funds
Restricted:				
General government	\$ -	\$ -	\$ 6,074	\$ 6,074
Public safety	-	33,636	229,532	263,168
Health and welfare	-	46,235	2,211	48,445
Public Works	-	-	513,622	513,622
Economic development	-	3,861	-	3,861
Capital Outlay				
Road improvements	-	-	8,101,467	8,101,467
Road preventive maintenance	-	-	807,211	807,211
Bridge improvements	-	-	1,086,518	1,086,518
Committed:				
Public safety	-	-	18,283	18,283
Capital Outlay				
Road improvements	-	-	898,694	898,694
Bridge improvements	-	-	291,053	291,053
Sedgwick County park improvements	-	-	1,628	1,628
Sedgwick County facility improvements	-	-	1,394,016	1,394,016
Assigned:				
General government	111,003	-	-	111,003
Public safety	118,676	-	-	118,676
Public works	65	-	36	101
Health and welfare	26,512	-	-	26,512
Culture and recreation	2,281	-	-	2,281
Capital Outlay	-	-	52,373	52,373
Total	<u>\$ 258,537</u>	<u>\$ 83,731</u>	<u>\$ 13,402,718</u>	<u>\$ 13,744,986</u>

#### 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.



# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### IV. Other Information (continued)

#### D. Tax Abatements

There are currently two programs being utilized in Sedgwick County that offer tax abatements for economic development purposes. Both operate by granting an exemption on part or all of a property's assessed, or taxable, valuation.

#### Economic Development Exemptions (EDX)

Article 11, Section 13 of the Kansas Constitution gives counties and cities the authority to exempt from ad valorem taxation all or any portion of the valuation of buildings, land or other improvements used to facilitate business expansion and new employment creation. Such economic development exemptions may be in effect for up to ten years.

#### Exempt Industrial Revenue Bonds (IRB)

Kansas Statutes Annotated 79-213 et.seq. establish procedures by which the taxable value of real or personal property being financed by industrial revenue bonds may be wholly or partially exempt. In Sedgwick County, IRB exemptions granted by the County and several of the cities are currently in effect. The table below shows taxes that are foregone by the County government and the County Fire District for both EDX & IRB abatements whether issued by the County or by another municipal government that reduce County revenues.

#### Economic Development Tax Abatements

#### Abated Taxes

Location of Exempt Property	Sedgwick County	Sedgwick County Fire District	Total
<u>IRB</u>			
County	\$1,456,677	\$910,702	\$2,367,379
Cities	\$1,548,935	\$353,948	\$1,902,883
Total IRB	\$3,005,612	\$1,264,650	\$4,270,262
<u>EDX</u>			
County	\$1,763	\$1,102	\$2,865
Cities	\$336,700	\$207	\$336,907
Total EDX	\$338,463	\$1,309	\$339,772
Total Abatements	\$3,344,075	\$1,265,959	\$4,610,034

The abated taxes reflect the amounts that would have been levied on behalf of the County and the County Fire District on the 2015 tax roll to fund expenditures during calendar year 2016 were it not for the tax exemption.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### IV. Other Information (continued)

#### E. Pending Governmental Accounting Standards

*GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes financial reporting standards for state and local governmental OPEB plans that are administered through trusts or equivalent arrangements and for governments that hold assets accumulated for purposes of providing OPEB through defined benefit OPEB plans that are not administered through a trust or equivalent arrangement. The provisions of this statement are effective for financial statements for the County's fiscal year ending December 31, 2017.

*GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. The provisions of this statement are effective for financial statements for the County's fiscal year ending December 31, 2018.

*GASB Statement No. 80, Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of *Statement No. 39, Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14*. The provisions of this statement are effective for financial statements for the County's fiscal year ending December 31, 2017.

*GASB Statement No. 83, Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (ARO). This statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. This statement requires that recognition occurs when the liability is both incurred and reasonably estimable, and it also requires the measurement of an ARO be based on the best estimate of the current value of outlays expected to be incurred. This statement also requires disclosure about the nature of a government's AROs, the methods and assumptions used for the estimated of the liabilities, and the estimated remaining useful life of the associated tangible capital asset. The provisions of this statement are effective for financial statements for the County's fiscal year ending December 31, 2019.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### IV. Other Information (continued)

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

*GASB Statement No. 84, Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The provisions of this statement are effective for financial statements for the County's fiscal year ending December 31, 2019.

*GASB Statement No. 85, Omnibus 2017*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The provisions of this statement are effective for financial statements for the County's fiscal year ending December 31, 2018.

*GASB Statement No. 86, Certain Debt Extinguishment Issues*, establishes accounting and financial reporting guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt), are placed in an irrevocable trust for the sole purpose of extinguishing debt. When debt is defeased in substance, the debt, cash, and other monetary assets placed in trust are no longer reported in the financial statements. But governments are required to disclose information in the notes to the financial statements about debt that has been defeased in substance. Statement 86 also provides guidance relating to prepaid insurance on debt that is extinguished. When governments extinguish debt, whether through a legal extinguishment or through an in-substance defeasance, this statement will require that any remaining prepaid insurance related to the extinguished debt be included in the net carrying amount of that debt for the purpose of calculating the difference between the reacquisition price and the net carrying amount of the debt. The provisions of this statement are effective for financial statements for the County's fiscal year ending December 31, 2018.

#### F. Defined Benefit Pension Plans

##### General Information about the Pension Plan

*Plan description:* The County participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et. seq.* Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at <http://www.kpers.org> or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### IV. Other Information (continued)

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

*Benefits provided.* KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the General Assembly. Member employees (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 "points" (Police and Firemen' normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump-sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current member employees and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 30 years with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contributions rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

# **SEDGWICK COUNTY, KANSAS**

## **NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2016

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

#### **F. Defined Benefit Pension Plans (continued)**

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.18% for KPERS and 20.42% for KP&F for the fiscal year ended December 31, 2016. Contributions to the pension plan from the County were \$11,708,452 for KPERS and \$6,506,709 for KP&F for the year ended December 31, 2016.

#### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each group of the plan. The County participates in the local (KPERS) group and the Police and Firemen (KP&F) group

At December 31, 2016, the County reported a liability of \$82,666,154 for KPERS and \$62,555,438 for KP&F for its proportionate share of the KPERS' collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2016, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The County's proportion of the collective net pension liability was based on the ratio of the County's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of the KPERS and KP&F for the fiscal year ended June 30, 2016. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2016, the County's proportion and change from its proportion measured as of June 30, 2015 were as follows:

	Net pension liability as of December 31, 2016	Proportion as of June 30, 2016	Decrease in proportion from June 30, 2015
KPERS (local)	\$ 82,666,154	5.344%	(0.181%)
KP&F	62,555,438	6.735%	(0.123%)
	<u>\$ 145,221,592</u>		

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### IV. Other Information (continued)

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

For the year ended December 31, 2016, the County recognized pension expense of \$7,037,998 for KPERS and \$7,264,298 for KP&F. At December 31, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>KPERS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 479,796	\$ 1,492,040
Net difference between projected and actual earnings on pension plan investments	9,765,340	-
Changes in proportion	1,181,053	2,639,798
Changes of assumptions	-	773,303
County contributions subsequent to measurement date	4,530,646	-
Total	<u>\$ 15,956,835</u>	<u>\$ 4,905,141</u>

<b>KP&amp;F</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,301,599	\$ 645,566
Net difference between projected and actual earnings on pension plan investments	8,190,429	-
Changes in proportion	169,714	981,258
Changes of assumptions	-	385,660
County contributions subsequent to measurement date	3,510,138	-
Total	<u>\$ 15,171,880</u>	<u>\$ 2,012,484</u>

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### IV. Other Information (continued)

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

The \$8,040,784 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

##### **KPERS**

Year ending December 31:	Net Deferred Outflows and Inflows of Resources	
2017	\$	418,732
2018		418,732
2019		3,469,281
2020		2,411,478
2021		(197,175)
	\$	<u>6,521,048</u>

##### **KP&F**

Year ending December 31:	Net Deferred Outflows and Inflows of Resources	
2017	\$	1,494,921
2018		1,494,921
2019		3,888,471
2020		2,504,509
2021		266,436
	\$	<u>9,649,258</u>

*Actuarial assumptions.* The total pension liability for KPERS in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	3.00%
Wage inflation	4.00%
Salary increases, including wage increases	4.00% to 16.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	8.00%

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study conducted for the three-year period beginning December 31, 2012.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### IV. Other Information (continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.80%
Fixed income	13	1.25
Yield driven	8	6.55
Real return	11	1.71
Real estate	11	5.05
Alternatives	8	9.85
Short-term investments	2	(0.25)
Total	100%	

*Discount rate.* The discount rate used by KPERS to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in the future. Employers contribute the full actuarial determined rate for KP&F. Future employer contribution rates were also modeled for KP&F assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### IV. Other Information (continued)

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

*Sensitivity of the County's proportionate share of the collective net pension liability to changes in the discount rate.* The following presents the County's proportionate share of the collective net pension liability calculated using the discount rate of 8.00%, as well as what the County's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
County's KPERS proportionate share of the net pension liability	\$ 113,307,338	\$ 82,666,154	\$ 56,684,820
County's KP&F proportionate share of the net pension liability	<u>85,813,261</u>	<u>62,555,438</u>	<u>42,905,277</u>
	<u>\$ 199,120,599</u>	<u>\$ 145,221,592</u>	<u>\$ 99,590,097</u>

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report.

#### G. Postemployment Benefits Other than Pensions

Plan description. 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 postemployment 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.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### IV. Other Information (continued)

#### G. Postemployment Benefits Other than Pensions (continued)

Funding policy. 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.

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 2016:

Annual OPEB Cost and Obligation for 2016	Amount
Annual required contribution (ARC)	\$ 2,123,089
Interest on Net OPEB Obligation	649,374
Adjustment to the ARC	(709,435)
Annual OPEB cost (expense)	2,063,028
Contributions made	(1,158,469)
Increase in net OPEB obligation	904,559
Net OPEB obligation—beginning of year	18,553,557
Net OPEB obligation—end of year	<u>\$ 19,458,116</u>

Employer Contribution for 2016	Amount
Age-approximating premiums paid on behalf of retirees	\$ 1,828,927
Retiree contribution	(670,458)
Net employer contribution	<u>\$ 1,158,469</u>

Schedule of Employer Contributions				
Year	Net OPEB Obligation	Annual OPEB Cost	Net Employer Contributions	Percentage Contributed
2014	18,181,801	2,652,183	1,583,226	59.7%
2015	18,553,557	2,064,232	1,692,476	82.0%
2016	19,458,116	2,063,028	1,158,469	56.2%

Funded Status and Funding Progress. As of January 1, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$21.4 million, and there was no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$21.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$117.8 million, and the ratio of the UAAL to the covered payroll was 18.1 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

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### IV. Other Information (continued)

#### G. Postemployment Benefits Other than Pensions (continued)

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.

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, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 2.75 percent inflation rate implicitly included in the 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, 2015, was thirty years.

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

#### H. 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. 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). Benefits paid during 2016 before and after retiree contribution premiums were \$ 946,255 and \$901,132, respectively. The incentive program ended December 31, 2016. Those who retired under the program may continue coverage beyond 5 years at COBRA rates until age 65.

# SEDGWICK COUNTY, KANSAS

## REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2016

### Schedule of Revenues, Expenditures and Changes in Fund Balances Budget to Actual – Budgetary Basis General Fund For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Property taxes	\$ 110,498,042	\$ 110,498,042	\$ 110,172,395	\$ (325,647)
Sales taxes	29,543,935	29,543,935	28,744,006	(799,929)
Other taxes	328,656	328,656	380,976	52,320
Intergovernmental	3,512,765	3,512,765	3,109,324	(403,441)
Charges for services	16,195,545	16,195,545	17,340,735	1,145,190
Uses of money and property	4,698,980	4,698,980	4,712,540	13,560
Fines and forfeits	55,510	55,510	38,184	(17,326)
Licenses and permits	64,900	64,900	785,292	720,392
Reimbursed expenditures	5,196,181	5,196,181	5,110,994	(85,187)
Other	2,964,797	2,964,797	2,942,738	(22,059)
<b>Total revenues</b>	<u>173,059,311</u>	<u>173,059,311</u>	<u>173,337,184</u>	<u>277,873</u>
<b>Expenditures</b>				
Current:				
Personnel services	108,751,010	109,003,568	105,069,803	3,933,765
Contractual services	57,887,509	52,332,034	37,115,834	15,216,200
Commodities	5,889,466	6,243,828	5,583,448	660,380
Capital outlay	1,087,786	537,500	285,650	251,850
Debt service:				
Principal	-	221,483	221,483	-
Interest	-	153,617	153,617	-
Total debt service	-	375,100	375,100	-
<b>Total expenditures</b>	<u>173,615,771</u>	<u>168,492,030</u>	<u>148,429,835</u>	<u>20,062,195</u>
<b>Revenues over expenditures</b>	<u>(556,460)</u>	<u>4,567,281</u>	<u>24,907,349</u>	<u>20,340,068</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	1,190	1,190	556,881	555,691
Transfers to other funds	(21,890,401)	(27,014,142)	(26,613,171)	400,971
<b>Total other financing sources (uses)</b>	<u>(21,889,211)</u>	<u>(27,012,952)</u>	<u>(26,056,290)</u>	<u>956,662</u>
Net change in fund balances	(22,445,671)	(22,445,671)	(1,148,941)	21,296,730
Fund balances, beginning of year	22,445,671	22,445,671	63,006,684	40,561,013
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,857,743</u>	<u>\$ 61,857,743</u>

# SEDGWICK COUNTY, KANSAS

## REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2016

### 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, 2016
Fund balance, budgetary basis	\$ 61,857,743
Current year encumbrances	258,537
Fair value adjustment of investments	(1,551,415)
Accrued revenues	4,023,342
Accrued expenditures	(1,580,088)
	<hr/>
Fund balance, GAAP basis	\$ 63,008,119

### Defined Benefit Pension Plans

Share of the Collective Net Pension Liability  
Kansas Public Employees Retirement System  
Last Four Fiscal Years\*

	2016	2015	2014	2013
County's proportion of the collective net pension liability:				
KPERS (local group)	5.344%	5.525%	5.403%	5.475%
KP&F (police & firemen)	6.735%	6.858%	6.825%	6.879%
County's proportionate share of the collective net pension liability	\$ 145,221,592	\$ 122,343,954	\$ 111,262,101	\$ 139,254,285
County's covered-employee payroll ^	\$ 127,025,880	\$ 127,247,391	\$ 122,530,074	\$ 122,135,423
County's proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	1.143244133	0.961465324	0.908039124	1.140162957
Plan fiduciary net position as a percentage of the total pension liability	65.10%	64.95%	66.60%	59.94%

\* GASB 68 requires presentation of ten years. As of December 31, 2016, only four years of information is available.

^ Covered payroll is measured as of the measurement date ending June 30.

# SEDGWICK COUNTY, KANSAS

## REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2016

### Defined Benefit Pension Plans (continued)

#### Schedule of County's Contributions Kansas Public Employees Retirement System Last Four Fiscal Years\*

	2016	2015	2014	2013
Statutorily required contribution	\$ 18,215,161	\$ 16,216,371	\$ 14,137,345	\$ 12,199,406
Contributions in relation to the statutorily required contribution	(18,215,161)	(16,216,371)	(14,137,345)	(12,199,406)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll ^	\$ 126,822,618	\$ 127,537,022	\$ 124,775,254	\$ 122,097,547
Contributions as a percentage of covered-employee payroll	14.36%	12.72%	11.33%	9.99%

\* GASB 68 requires presentation of ten years. As of December 31, 2016, only four years of information is available.

^ Covered payroll is measured as of the fiscal year end December 31.

*Changes in benefit terms for KPERS.* In the state fiscal year 2014, the KP&F group had a change in benefit terms. The Legislature increased this group's employee contributions to 7.15 percent and eliminated the reduction of employee contributions to 2.0 percent after 32 years of service. In addition, the maximum retirement benefit increased to 90 percent of final average salary (reached at 36 years of service). Before this change the maximum retirement benefit was limited to 80 percent of final average salary (reached at 32 years of service).

Effective January 1, 2014, KPERS 1 member's employee contribution rate increased to 5.0 percent and then on January 1, 2015, increased to 6.0 percent, with an increase in benefit multiplier to 1.85 percent for future years of service. For KPERS 2 members retiring after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85 percent multiplier for all years of service.

January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

# SEDGWICK COUNTY, KANSAS

## REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2016

### Postemployment Benefits Other than Pensions

Actuarial Valuation Date	Actuarial Value of Assets	Schedule of Funding Progress			Covered Payroll	UAAL as a Percentage of Covered Payroll
		Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio		
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%
01/01/2015	-	21,379,829	21,379,826	-	117,796,647	18.1%

#### Note 1 Significant Factors Affecting Trends in Actuarial Information

Changes in the Actuarial Accrued Liability for the valuation completed at January 1, 2015 are primarily due to:

- F. The disability, turnover and retirement rates were updated where applicable to be based on the latest available rates from KPERS/KP&F.
- G. The assumed mortality was updated to reflect the Society of Actuaries Adjusted RPH-2014 Total Dataset Mortality with MP-2015 full generational improvement.
- H. The assumed proportion of future retirees with a covered spouse was lowered from 50% to 40%. This is based on multiple years of retiree experience.
- I. The assumed trend rates and per capita costs were updated as part of the ongoing valuation analysis.
- J. The assumed enrollment rate for future retirees was lowered from 55% to 45%. Twelve years of County experience was utilized in evaluating this assumption.
- K. The County went to a self-funded arrangement for Medical/Rx effective January 1, 2015. Thus, pre-65 per capita costs were evaluated as expected claims plus admin fees.

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# 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	Court Trustee Operations
Comprehensive Community Care	Special Alcohol and Drug Programs
Emergency Medical Services	Auto License
Aging Services	Court Alcohol/Drug Safety Action Program
Public Works Highways	Prosecuting Attorney Training
Noxious Weeds	Technology
Solid Waste	Fire District Operating
Special Parks and Recreation	Fire District Research and Development
Emergency Telephone Services	Township Dissolution

## Nonmajor Debt Service Fund

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

Fire District Bond and Interest

## 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	Highway Improvement
Street, Bridge and Other	Capital Improvements
Sales Tax Road and Bridge	Equipment Reserve
Road and Bridge Equipment	Fire District Special Equipment



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# SEDGWICK COUNTY, KANSAS

## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2016

	Special Revenue Funds	Fire District Bond and Interest	Capital Projects Funds	Totals
<b>Assets</b>				
Cash, including investments	\$ 22,095,165	\$ 25,790	\$ 27,598,877	\$ 49,719,832
Due from other agencies	374,648	-	286,239	660,887
Accounts receivable	1,863,044	-	-	1,863,044
Property tax receivable	32,782,425	-	-	32,782,425
Sales tax receivable	-	-	2,616,093	2,616,093
Inventories, at cost	464,629	-	-	464,629
<b>Total assets</b>	<b>\$ 57,579,911</b>	<b>\$ 25,790</b>	<b>\$ 30,501,209</b>	<b>\$ 88,106,910</b>
<b>Liabilities:</b>				
Accounts payable	\$ 708,998	\$ -	\$ 511,265	\$ 1,220,263
Accrued wages	894,356	-	10,555	904,911
Due to other entities	31,000	-	-	31,000
Due to other funds	-	-	599,078	599,078
Advance payable	-	-	5,632,658	5,632,658
<b>Total liabilities</b>	<b>1,634,354</b>	<b>-</b>	<b>6,753,556</b>	<b>8,387,910</b>
<b>Deferred Inflows of Resources:</b>				
Property tax receivable	32,782,425	-	-	32,782,425
Unavailable revenue - accounts receivable	578,643	-	166,239	744,882
<b>Total deferred inflows of resources</b>	<b>33,361,068</b>	<b>-</b>	<b>166,239</b>	<b>33,527,307</b>
<b>Fund balances:</b>				
<b>Nonspendable:</b>				
Inventories	464,629	-	-	464,629
<b>Restricted:</b>				
General Government	1,994,780	-	-	1,994,780
Debt Service	-	25,790	-	25,790
Public Safety	9,910,731	-	-	9,910,731
Public Works	3,806,901	-	-	3,806,901
Health and Welfare	858,285	-	-	858,285
Culture and Recreation	30,202	-	-	30,202
Economic Development	9,500	-	-	9,500
Capital Outlay	-	-	9,620,397	9,620,397
<b>Committed:</b>				
Public Safety	5,027,929	-	-	5,027,929
Capital Outlay	-	-	5,746,491	5,746,491
<b>Assigned:</b>				
Public Works	441,721	-	-	441,721
Public Safety	39,811	-	-	39,811
Capital Outlay	-	-	8,828,924	8,828,924
Unassigned	-	-	(614,398)	(614,398)
<b>Total fund balance</b>	<b>22,584,489</b>	<b>25,790</b>	<b>23,581,414</b>	<b>46,191,693</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 57,579,911</b>	<b>\$ 25,790</b>	<b>\$ 30,501,209</b>	<b>\$ 88,106,910</b>

# SEDGWICK COUNTY, KANSAS

## Combining Balance Sheet Nonmajor Governmental Funds - Special Revenue Funds December 31, 2016

	Wichita State University Program Development	Comprehensive Community Care	Emergency Medical Services	Aging Services
<b>Assets</b>				
Cash, including investments	\$ 9,500	\$ 704,789	\$ 4,164,633	\$ 382,997
Due from other agencies	-	-	-	-
Accounts receivable	-	-	1,860,569	-
Property tax receivable	6,607,264	2,594,452	1,220,142	2,299,328
Inventories, at cost	-	-	464,629	-
<b>Total assets</b>	<u>\$ 6,616,764</u>	<u>\$ 3,299,241</u>	<u>\$ 7,709,973</u>	<u>\$ 2,682,325</u>
<b>Liabilities:</b>				
Accounts payable	-	8,652	89,083	178,916
Accrued wages	-	28,471	291,182	13,462
Due to other entities	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>37,123</u>	<u>380,265</u>	<u>192,378</u>
<b>Deferred Inflows of Resources:</b>				
Property tax receivable	6,607,264	2,594,452	1,220,142	2,299,328
Unavailable revenue - accounts receivable	-	-	577,197	-
<b>Total deferred inflows of resources</b>	<u>6,607,264</u>	<u>2,594,452</u>	<u>1,797,339</u>	<u>2,299,328</u>
<b>Fund balances:</b>				
<b>Nonspendable:</b>				
Inventories	-	-	464,629	-
<b>Restricted:</b>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health and Welfare	-	667,666	-	190,619
Culture and Recreation	-	-	-	-
Economic Development	9,500	-	-	-
<b>Committed:</b>				
Public Safety	-	-	5,027,929	-
<b>Assigned:</b>				
Public Works	-	-	-	-
Public Safety	-	-	39,811	-
<b>Total fund balance</b>	<u>9,500</u>	<u>667,666</u>	<u>5,532,369</u>	<u>190,619</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 6,616,764</u>	<u>\$ 3,299,241</u>	<u>\$ 7,709,973</u>	<u>\$ 2,682,325</u>

<b>Public Works Highways</b>	<b>Noxious Weeds</b>	<b>Solid Waste</b>	<b>Special Parks and Recreation</b>	<b>Emergency Telephone Services</b>	<b>Court Trustee Operations</b>
\$ 2,962,610	\$ 302,623	\$ 1,276,996	\$ 30,202	\$ 2,694,550	\$ 3,056,624
1,446	-	-	-	-	373,202
-	-	-	-	-	-
4,514,964	259,885	-	-	-	-
-	-	-	-	-	-
<u>\$ 7,479,020</u>	<u>\$ 562,508</u>	<u>\$ 1,276,996</u>	<u>\$ 30,202</u>	<u>\$ 2,694,550</u>	<u>\$ 3,429,826</u>
83,593	20,805	28,194	-	37,946	104,620
107,564	5,762	16,689	-	-	74,288
31,000	-	-	-	-	-
<u>222,157</u>	<u>26,567</u>	<u>44,883</u>	<u>-</u>	<u>37,946</u>	<u>178,908</u>
4,514,964	259,885	-	-	-	-
1,446	-	-	-	-	-
<u>4,516,410</u>	<u>259,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,656,604	3,250,918
2,700,003	-	1,106,898	-	-	-
-	-	-	-	-	-
-	-	-	30,202	-	-
-	-	-	-	-	-
-	-	-	-	-	-
40,450	276,056	125,215	-	-	-
-	-	-	-	-	-
<u>2,740,453</u>	<u>276,056</u>	<u>1,232,113</u>	<u>30,202</u>	<u>2,656,604</u>	<u>3,250,918</u>
<u>\$ 7,479,020</u>	<u>\$ 562,508</u>	<u>\$ 1,276,996</u>	<u>\$ 30,202</u>	<u>\$ 2,694,550</u>	<u>\$ 3,429,826</u>

(Continued)

# **SEDGWICK COUNTY, KANSAS**

## ***Combining Balance Sheet (continued)*** ***Nonmajor Governmental Funds - Special Revenue Funds*** ***December 31, 2016***

	Special Alcohol and Drug Programs	Auto License	Court Alcohol/Drug Safety Action Program	Prosecuting Attorney Training
<b>Assets</b>				
Cash, including investments	\$ -	\$ 552,816	\$ 150,657	\$ 43,966
Due from other agencies	-	-	-	-
Accounts receivable	-	-	-	-
Property tax receivable	-	-	-	-
Inventories, at cost	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 552,816</b>	<b>\$ 150,657</b>	<b>\$ 43,966</b>
<b>Liabilities:</b>				
Accounts payable	-	25,112	-	-
Accrued wages	-	59,483	-	-
Due to other entities	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>84,595</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Property tax receivable	-	-	-	-
Unavailable revenue - accounts receivable	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>				
<b>Nonspendable:</b>				
Inventories	-	-	-	-
<b>Restricted:</b>				
General Government	-	468,221	-	-
Public Safety	-	-	150,657	43,966
Public Works	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Economic Development	-	-	-	-
<b>Committed:</b>				
Public Safety	-	-	-	-
<b>Assigned:</b>				
Public Works	-	-	-	-
Public Safety	-	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>468,221</b>	<b>150,657</b>	<b>43,966</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ -</b>	<b>\$ 552,816</b>	<b>\$ 150,657</b>	<b>\$ 43,966</b>

Technology	Fire District Operating	Fire District Research and Development	Township Dissolution	Totals
\$ 1,342,480	\$ 4,198,450	\$ 28,735	\$ 192,537	\$ 22,095,165
-	-	-	-	374,648
-	2,475	-	-	1,863,044
-	15,286,390	-	-	32,782,425
-	-	-	-	464,629
<u>\$ 1,342,480</u>	<u>\$ 19,487,315</u>	<u>\$ 28,735</u>	<u>\$ 192,537</u>	<u>\$ 57,579,911</u>
2,163	127,866	2,048	-	708,998
6,295	291,160	-	-	894,356
-	-	-	-	31,000
<u>8,458</u>	<u>419,026</u>	<u>2,048</u>	<u>-</u>	<u>1,634,354</u>
-	15,286,390	-	-	32,782,425
-	-	-	-	578,643
-	15,286,390	-	-	33,361,068
-	-	-	-	464,629
1,334,022	-	-	192,537	1,994,780
-	3,781,899	26,687	-	9,910,731
-	-	-	-	3,806,901
-	-	-	-	858,285
-	-	-	-	30,202
-	-	-	-	9,500
-	-	-	-	5,027,929
-	-	-	-	441,721
-	-	-	-	39,811
<u>1,334,022</u>	<u>3,781,899</u>	<u>26,687</u>	<u>192,537</u>	<u>22,584,489</u>
<u>\$ 1,342,480</u>	<u>\$ 19,487,315</u>	<u>\$ 28,735</u>	<u>\$ 192,537</u>	<u>\$ 57,579,911</u>

# SEDGWICK COUNTY, KANSAS

## Combining Balance Sheet Nonmajor Capital Projects Funds December 31, 2016

	Building and Equipment	Street, Bridge and Other	Sales Tax Road and Bridge	Road and Bridge Equipment
<b>Assets</b>				
Cash, including investments	\$ -	\$ 3,239	\$ 7,283,595	\$ 161,625
Due from other agencies	-	-	286,239	-
Sales tax receivable	-	-	2,616,093	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 3,239</u>	<u>\$ 10,185,927</u>	<u>\$ 161,625</u>
<b>Liabilities:</b>				
Accounts payable	\$ 12,175	\$ 6,384	\$ 388,736	\$ -
Accrued wages	-	-	10,555	-
Due to other funds	599,078	-	-	-
Advance payable	-	-	-	-
<b>Total liabilities</b>	<u>611,253</u>	<u>6,384</u>	<u>399,291</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - accounts receivable	-	-	166,239	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>166,239</u>	<u>-</u>
<b>Fund balances:</b>				
<b>Restricted:</b>				
Capital Outlay	-	-	9,620,397	-
<b>Committed:</b>				
Capital Outlay	-	-	-	-
<b>Assigned:</b>				
Capital Outlay	-	-	-	161,625
<b>Unassigned</b>	<u>(611,253)</u>	<u>(3,145)</u>	<u>-</u>	<u>-</u>
<b>Total fund balance (deficit)</b>	<u>(611,253)</u>	<u>(3,145)</u>	<u>9,620,397</u>	<u>161,625</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ -</u>	<u>\$ 3,239</u>	<u>\$ 10,185,927</u>	<u>\$ 161,625</u>

Highway Improvement	Capital Improvements	Equipment Reserve	Fire District Special Equipment	Totals
\$ 45,623	\$ 11,472,271	\$ 7,862,311	\$ 770,213	\$ 27,598,877
-	-	-	-	286,239
-	-	-	-	2,616,093
<u>\$ 45,623</u>	<u>\$ 11,472,271</u>	<u>\$ 7,862,311</u>	<u>\$ 770,213</u>	<u>\$ 30,501,209</u>
\$ -	\$ 93,122	\$ 10,848	\$ -	\$ 511,265
-	-	-	-	10,555
-	-	-	-	599,078
-	5,632,658	-	-	5,632,658
-	5,725,780	10,848	-	6,753,556
-	-	-	-	166,239
-	-	-	-	166,239
-	-	-	-	9,620,397
-	5,746,491	-	-	5,746,491
45,623	-	7,851,463	770,213	8,828,924
-	-	-	-	(614,398)
<u>45,623</u>	<u>5,746,491</u>	<u>7,851,463</u>	<u>770,213</u>	<u>23,581,414</u>
<u>\$ 45,623</u>	<u>\$ 11,472,271</u>	<u>\$ 7,862,311</u>	<u>\$ 770,213</u>	<u>\$ 30,501,209</u>



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# SEDGWICK COUNTY, KANSAS

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended December 31, 2016

	Special Revenue Funds	Fire District Bond and Interest	Capital Projects Funds	Totals
<b>Revenues</b>				
Property taxes	\$ 39,014,330	\$ -	\$ -	\$ 39,014,330
Emergency telephone services taxes	2,918,138	-	-	2,918,138
Sales taxes	-	-	12,852,058	12,852,058
Special assessments	-	-	-	-
Other taxes	76,442	-	-	76,442
Intergovernmental	9,896,052	-	3,253,584	13,149,636
Charges for services	23,724,005	-	500	23,724,505
Uses of money and property	28,054	-	1,989	30,043
Licenses and permits	75,712	-	-	75,712
Other	159,024	-	215,071	374,095
<b>Total revenues</b>	<u>75,891,757</u>	<u>-</u>	<u>16,323,202</u>	<u>92,214,959</u>
<b>Expenditures</b>				
Current:				
General government	4,566,998	-	-	4,566,998
Public safety	40,485,976	-	-	40,485,976
Public works	11,006,647	-	-	11,006,647
Health and welfare	5,473,496	-	-	5,473,496
Culture and recreation	36,960	-	-	36,960
Economic development	7,449,554	-	-	7,449,554
Debt service:				
Principal	673,509	-	-	673,509
Interest and fiscal charges	53,989	-	-	53,989
Capital outlay	-	-	30,583,432	30,583,432
<b>Total expenditures</b>	<u>69,747,129</u>	<u>-</u>	<u>30,583,432</u>	<u>100,330,561</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>6,144,628</u>	<u>-</u>	<u>(14,260,230)</u>	<u>(8,115,602)</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	40,686	-	15,358,067	15,398,753
Transfers to other funds	(2,950,360)	-	(1,488,356)	(4,438,716)
Extraordinary items	-	-	(543,217)	(543,217)
Proceeds from capital lease	-	-	391,192	391,192
<b>Total other financing sources (uses)</b>	<u>(2,909,674)</u>	<u>-</u>	<u>13,717,686</u>	<u>10,808,012</u>
<b>Net change in fund balances</b>	3,234,954	-	(542,544)	2,692,410
<b>Fund balances, beginning of year</b>	<u>19,349,535</u>	<u>25,790</u>	<u>24,123,958</u>	<u>43,499,283</u>
<b>Fund balances, end of year</b>	<u>\$ 22,584,489</u>	<u>\$ 25,790</u>	<u>\$ 23,581,414</u>	<u>\$ 46,191,693</u>

# SEDGWICK COUNTY, KANSAS

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended December 31, 2016

	Wichita State University Program Development	Comprehensive Community Care	Emergency Medical Services	Aging Services
<b>Revenues</b>				
Property taxes	\$ 7,449,554	\$ 2,919,413	\$ 2,992,470	\$ 2,741,250
Emergency telephone services taxes	-	-	-	-
Other taxes	-	-	-	-
Intergovernmental	-	174,445	-	-
Charges for services	-	994	15,413,154	-
Uses of money and property	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	98	35,834	-
<b>Total revenues</b>	<b>7,449,554</b>	<b>3,094,950</b>	<b>18,441,458</b>	<b>2,741,250</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	17,079,162	-
Public works	-	-	-	-
Health and welfare	-	3,065,371	-	2,408,125
Culture and recreation	-	-	-	-
Economic development	7,449,554	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>7,449,554</b>	<b>3,065,371</b>	<b>17,079,162</b>	<b>2,408,125</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>29,579</b>	<b>1,362,296</b>	<b>333,125</b>
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	-	3,977	-
Transfers to other funds	-	-	(210,800)	(187,047)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(206,823)</b>	<b>(187,047)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>29,579</b>	<b>1,155,473</b>	<b>146,078</b>
<b>Fund balances, beginning of year</b>	<b>9,500</b>	<b>638,087</b>	<b>4,376,896</b>	<b>44,541</b>
<b>Fund balances, end of year</b>	<b>\$ 9,500</b>	<b>\$ 667,666</b>	<b>\$ 5,532,369</b>	<b>\$ 190,619</b>

Public Works Highways	Noxious Weeds	Solid Waste	Special Parks and Recreation	Emergency Telephone Services	Court Trustee Operations
\$ 5,588,398	\$ 432,913	\$ -	\$ -	\$ -	\$ -
-	-	-	-	2,918,138	-
-	-	-	29,467	-	-
4,573,843	-	-	-	-	5,112,935
22,504	105,205	1,348,594	-	-	928,085
-	-	-	-	1,301	-
4,965	-	57,641	-	-	-
92,206	-	629	-	1,796	2,458
<u>10,281,916</u>	<u>538,118</u>	<u>1,406,864</u>	<u>29,467</u>	<u>2,921,235</u>	<u>6,043,478</u>
-	-	-	-	-	-
-	-	-	-	2,248,439	5,439,454
9,067,125	487,165	1,452,357	-	-	-
-	-	-	-	-	-
-	-	-	36,960	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,067,125</u>	<u>487,165</u>	<u>1,452,357</u>	<u>36,960</u>	<u>2,248,439</u>	<u>5,439,454</u>
<u>1,214,791</u>	<u>50,953</u>	<u>(45,493)</u>	<u>(7,493)</u>	<u>672,796</u>	<u>604,024</u>
-	-	-	-	-	-
(1,000,000)	-	(80,315)	-	(655,598)	-
(1,000,000)	-	(80,315)	-	(655,598)	-
214,791	50,953	(125,808)	(7,493)	17,198	604,024
<u>2,525,662</u>	<u>225,103</u>	<u>1,357,921</u>	<u>37,695</u>	<u>2,639,406</u>	<u>2,646,894</u>
<u>\$ 2,740,453</u>	<u>\$ 276,056</u>	<u>\$ 1,232,113</u>	<u>\$ 30,202</u>	<u>\$ 2,656,604</u>	<u>\$ 3,250,918</u>

# **SEDGWICK COUNTY, KANSAS**

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

### ***Nonmajor Special Revenue Funds***

***For the Year Ended December 31, 2016***

	Special Alcohol and Drug Programs	Auto License	Court Alcohol/Drug Safety Action Program	Prosecuting Attorney Training
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Emergency telephone services taxes	-	-	-	-
Other taxes	46,975	-	-	-
Intergovernmental	-	34,829	-	-
Charges for services	-	4,496,635	2,400	29,662
Uses of money and property	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	4,374	-	358
<b>Total revenues</b>	<b>46,975</b>	<b>4,535,838</b>	<b>2,400</b>	<b>30,020</b>
<b>Expenditures</b>				
Current:				
General government	-	3,815,604	-	-
Public safety	-	-	19	19,804
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>3,815,604</b>	<b>19</b>	<b>19,804</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>46,975</b>	<b>720,234</b>	<b>2,381</b>	<b>10,216</b>
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	(51,067)	(509,431)	-	-
<b>Total other financing sources (uses)</b>	<b>(51,067)</b>	<b>(509,431)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(4,092)</b>	<b>210,803</b>	<b>2,381</b>	<b>10,216</b>
<b>Fund balances, beginning of year</b>	<b>4,092</b>	<b>257,418</b>	<b>148,276</b>	<b>33,750</b>
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 468,221</b>	<b>\$ 150,657</b>	<b>\$ 43,966</b>

Technology	Fire District Operating	Fire District Research and Development	Township Dissolution	Totals
\$ -	\$ 16,890,332	\$ -	\$ -	\$ 39,014,330
-	-	-	-	2,918,138
-	-	-	-	76,442
-	-	-	-	9,896,052
964,962	411,810	-	-	23,724,005
3,058	23,614	81	-	28,054
-	13,106	-	-	75,712
20	13,251	8,000	-	159,024
968,040	17,352,113	8,081	-	75,891,757
751,394	-	-	-	4,566,998
-	15,694,560	4,538	-	40,485,976
-	-	-	-	11,006,647
-	-	-	-	5,473,496
-	-	-	-	36,960
-	-	-	-	7,449,554
-	673,509	-	-	673,509
-	53,989	-	-	53,989
751,394	16,422,058	4,538	-	69,747,129
216,646	930,055	3,543	-	6,144,628
-	36,709	-	-	40,686
(47,450)	(208,652)	-	-	(2,950,360)
(47,450)	(171,943)	-	-	(2,909,674)
169,196	758,112	3,543	-	3,234,954
1,164,826	3,023,787	23,144	192,537	19,349,535
\$ 1,334,022	\$ 3,781,899	\$ 26,687	\$ 192,537	\$ 22,584,489

# SEDGWICK COUNTY, KANSAS

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds For the Year Ended December 31, 2016

	Building and Equipment	Street, Bridge and Other	Sales Tax Road and Bridge	Road and Bridge Equipment
<b>Revenues</b>				
Sales taxes	\$ -	\$ -	\$ 12,852,058	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	-	3,253,584	-
Charges for services	-	-	500	-
Uses of money and property	-	-	-	-
Other revenue	48,304	-	200	-
<b>Total revenues</b>	<u>48,304</u>	<u>-</u>	<u>16,106,342</u>	<u>-</u>
<b>Expenditures</b>				
Capital outlay	2,089,854	930,454	18,512,682	31,930
<b>Total expenditures</b>	<u>2,089,854</u>	<u>930,454</u>	<u>18,512,682</u>	<u>31,930</u>
<b>(Deficiency) of revenues (under) expenditures</b>	<u>(2,041,550)</u>	<u>(930,454)</u>	<u>(2,406,340)</u>	<u>(31,930)</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	2,252,392	924,070	705,051	-
Transfers to other funds	-	-	(1,114,303)	-
Extraordinary Item	-	-	(543,217)	-
Proceeds from capital lease	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>2,252,392</u>	<u>924,070</u>	<u>(952,469)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>210,842</u>	<u>(6,384)</u>	<u>(3,358,809)</u>	<u>(31,930)</u>
<b>Fund balances (deficits), beginning of year</b>	<u>(822,095)</u>	<u>3,239</u>	<u>12,979,206</u>	<u>193,555</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ (611,253)</u>	<u>\$ (3,145)</u>	<u>\$ 9,620,397</u>	<u>\$ 161,625</u>

Highway Improvement	Capital Improvements	Equipment Reserve	Fire District Special Equipment	Totals
\$ -	\$ -	\$ -	\$ -	\$ 12,852,058
-	-	-	-	-
-	-	-	-	3,253,584
-	-	-	-	500
-	-	-	1,989	1,989
-	166,567	-	-	215,071
-	166,567	-	1,989	16,323,202
-	8,306,373	244,824	467,315	30,583,432
-	8,306,373	244,824	467,315	30,583,432
-	(8,139,806)	(244,824)	(465,326)	(14,260,230)
-	10,278,679	990,925	206,950	15,358,067
-	(206,442)	(130,902)	(36,709)	(1,488,356)
-	-	-	-	(543,217)
-	-	-	391,192	391,192
-	10,072,237	860,023	561,433	13,717,686
-	1,932,431	615,199	96,107	(542,544)
45,623	3,814,060	7,236,264	674,106	24,123,958
\$ 45,623	\$ 5,746,491	\$ 7,851,463	\$ 770,213	\$ 23,581,414



# SEDGWICK COUNTY, KANSAS

## 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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final	Amounts	
<b>Revenues</b>				
Taxes	\$ 7,401,020	\$ 7,401,020	\$ 7,449,554	\$ 48,534
Other	300,000	300,000	-	(300,000)
Total revenues	<u>7,701,020</u>	<u>7,701,020</u>	<u>7,449,554</u>	<u>(251,466)</u>
<b>Expenditures</b>				
Current:				
Contractual services	<u>7,778,515</u>	<u>7,778,515</u>	<u>7,449,554</u>	<u>328,961</u>
Total expenditures	<u>7,778,515</u>	<u>7,778,515</u>	<u>7,449,554</u>	<u>328,961</u>
Revenues over (under) expenditures	<u>(77,495)</u>	<u>(77,495)</u>	<u>-</u>	<u>77,495</u>
Net change in fund balances	(77,495)	(77,495)	-	77,495
Fund balances, beginning of year	<u>77,495</u>	<u>77,495</u>	<u>9,500</u>	<u>(67,995)</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,500</u>	<u>\$ 9,500</u>

# SEDGWICK COUNTY, KANSAS

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

### Special Revenue Fund: Comprehensive Community Care For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final	Amounts	
<b>Revenues</b>				
Taxes	\$ 2,903,164	\$ 2,903,164	\$ 2,919,413	\$ 16,249
Intergovernmental	174,445	174,445	174,445	-
Charges for services	-	-	994	994
Other	-	-	98	98
Total revenues	<u>3,077,609</u>	<u>3,077,609</u>	<u>3,094,950</u>	<u>17,341</u>
<b>Expenditures</b>				
Current:				
Personnel services	1,468,382	1,468,382	1,318,245	150,137
Contractual services	1,673,353	1,672,753	1,631,804	40,949
Commodities	<u>116,773</u>	<u>117,373</u>	<u>112,594</u>	<u>4,779</u>
Total expenditures	<u>3,258,508</u>	<u>3,258,508</u>	<u>3,062,643</u>	<u>195,865</u>
Revenues over (under) expenditures	<u>(180,899)</u>	<u>(180,899)</u>	<u>32,307</u>	<u>213,206</u>
Net change in fund balances	(180,899)	(180,899)	32,307	213,206
Fund balances, beginning of year	<u>180,899</u>	<u>180,899</u>	<u>660,199</u>	<u>479,300</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 692,506</u>	<u>\$ 692,506</u>

# SEDGWICK COUNTY, KANSAS

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

### Special Revenue Fund: Emergency Medical Services For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 2,950,771	\$ 2,950,771	\$ 2,992,470	\$ 41,699
Charges for services	14,455,546	14,455,546	14,129,782	(325,764)
Reimbursed expenditures	445	445	30	(415)
Other	5	5	35,804	35,799
Total revenues	17,406,767	17,406,767	17,158,086	(248,681)
<b>Expenditures</b>				
Current:				
Personnel services	13,799,089	13,799,089	13,212,384	586,705
Contractual services	2,941,810	2,929,810	2,674,827	254,983
Commodities	1,125,115	1,137,115	1,133,033	4,082
Capital outlay	210,800	-	-	-
Total expenditures	18,076,814	17,866,014	17,020,244	845,770
Revenues over (under) expenditures	(670,047)	(459,247)	137,842	597,089
<b>Other financing (uses)</b>				
Transfers to other funds	-	(210,800)	(210,800)	-
Transfers from other funds	-	-	3,977	(3,977)
Total other financing (uses)	-	(210,800)	(206,823)	(3,977)
Net change in fund balances	(670,047)	(670,047)	(68,981)	601,066
Fund balances, beginning of year	670,047	670,047	4,117,688	3,447,641
Fund balances, end of year	\$ -	\$ -	\$ 4,048,707	\$ 4,048,707

# **SEDGWICK COUNTY, KANSAS**

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

### **Special Revenue Fund: Aging Services For the year ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 2,713,812	\$ 2,713,812	\$ 2,741,250	\$ 27,438
Total revenues	2,713,812	2,713,812	2,741,250	27,438
<b>Expenditures</b>				
Current:				
Personnel services	625,111	625,111	606,372	18,739
Contractual services	1,807,574	1,807,574	1,786,307	21,267
Commodities	12,800	12,800	12,788	12
Total expenditures	2,445,485	2,445,485	2,405,467	40,018
Revenues over (under) expenditures	268,327	268,327	335,783	67,456
<b>Other financing (uses)</b>				
Transfers to other funds	(187,047)	(187,047)	(187,047)	-
Total other financing (uses)	(187,047)	(187,047)	(187,047)	-
Net change in fund balances	81,280	81,280	148,736	67,456
Fund balances, beginning of year	(81,280)	(81,280)	52,880	134,160
Fund balances, end of year	\$ -	\$ -	\$ 201,616	\$ 201,616

# **SEDGWICK COUNTY, KANSAS**

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

### **Special Revenue Fund: Public Works Highways For the year ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final	Amounts	
<b>Revenues</b>				
Taxes	\$ 5,536,627	\$ 5,536,627	\$ 5,588,398	\$ 51,771
Intergovernmental	4,499,053	4,499,053	4,573,843	74,790
Charges for services	80,898	80,898	22,504	(58,394)
Licenses and permits	5,264	5,264	4,965	(299)
Reimbursed expenditures	11,488	11,488	18,984	7,496
Other	15,307	15,307	73,222	57,915
Total revenues	10,148,637	10,148,637	10,281,916	133,279
<b>Expenditures</b>				
Current:				
Personnel services	6,008,008	6,008,008	5,483,642	524,366
Contractual services	3,999,242	3,996,191	3,410,492	585,699
Commodities	315,780	318,831	174,318	144,513
Total expenditures	10,323,030	10,323,030	9,068,452	1,254,578
Revenues over (under) expenditures	(174,393)	(174,393)	1,213,464	1,387,857
<b>Other financing sources (uses)</b>				
Transfers to other funds	(1,000,000)	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	(1,000,000)	(1,000,000)	(1,000,000)	-
Net change in fund balances	(1,174,393)	(1,174,393)	213,464	1,387,857
Fund balances, beginning of year	1,174,393	1,174,393	2,631,415	1,457,022
Fund balances, end of year	\$ -	\$ -	\$ 2,844,879	\$ 2,844,879

# **SEDGWICK COUNTY, KANSAS**

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

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

For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 428,515	\$ 428,515	\$ 432,913	\$ 4,398
Charges for services	65,342	65,342	105,205	39,863
Total revenues	493,857	493,857	538,118	44,261
<b>Expenditures</b>				
Current:				
Personnel services	308,417	308,417	292,407	16,010
Contractual services	102,006	105,006	102,927	2,079
Commodities	100,129	97,129	90,942	6,187
Total expenditures	510,552	510,552	486,276	24,276
Revenues over (under) expenditures	(16,695)	(16,695)	51,842	68,537
Net change in fund balances	(16,695)	(16,695)	51,842	68,537
Fund balances, beginning of year	16,695	16,695	229,940	213,245
Fund balances, end of year	\$ -	\$ -	\$ 281,782	\$ 281,782

# **SEDGWICK COUNTY, KANSAS**

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

### **Special Revenue Fund: Solid Waste For the year ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Charges for services	\$ 1,322,000	\$ 1,322,000	\$ 1,348,594	\$ 26,594
Licenses and permits	57,645	57,645	57,641	(4)
Other	-	-	629	629
Total revenues	<u>1,379,645</u>	<u>1,379,645</u>	<u>1,406,864</u>	<u>27,219</u>
<b>Expenditures</b>				
Current:				
Personnel services	824,774	824,774	757,433	67,341
Contractual services	813,056	776,675	626,908	149,767
Commodities	67,481	103,862	67,210	36,652
Total expenditures	<u>1,705,311</u>	<u>1,705,311</u>	<u>1,451,551</u>	<u>253,760</u>
Revenues over (under) expenditures	<u>(325,666)</u>	<u>(325,666)</u>	<u>(44,687)</u>	<u>280,979</u>
<b>Other financing (uses)</b>				
Transfers to other funds	<u>(80,315)</u>	<u>(80,315)</u>	<u>(80,315)</u>	-
Total other financing (uses)	<u>(80,315)</u>	<u>(80,315)</u>	<u>(80,315)</u>	-
Net change in fund balances	(405,981)	(405,981)	(125,002)	280,979
Fund balances, beginning of year	<u>405,981</u>	<u>405,981</u>	<u>1,366,201</u>	<u>960,220</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,241,199</u>	<u>\$ 1,241,199</u>

# **SEDGWICK COUNTY, KANSAS**

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

### **Special Revenue Fund: Special Parks and Recreation For the year ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 36,960	\$ 36,960	\$ 29,467	\$ (7,493)
Total revenues	36,960	36,960	29,467	(7,493)
<b>Expenditures</b>				
Current:				
Contractual services	89	34,889	34,889	-
Commodities	.	2,071	2,071	-
Capital outlay	-	-	-	-
Total expenditures	89	36,960	36,960	-
Revenues over (under) expenditures	36,871	-	(7,493)	(7,493)
<b>Other financing (uses)</b>				
Transfers to other funds	(36,871)	-	-	-
Total other financing (uses)	(36,871)	-	-	-
Net change in fund balances	-	-	(7,493)	(7,493)
Fund balances, beginning of year	-	-	37,695	37,695
Fund balances, end of year	\$ -	\$ -	\$ 30,202	\$ 30,202



# SEDGWICK COUNTY, KANSAS

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

### Special Revenue Fund: Emergency Telephone Services For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 2,650,652	\$ 2,650,652	\$ 2,918,138	\$ 267,486
Uses of money and property	904	904	1,301	397
Other	2,759	2,759	1,796	(963)
Total revenues	2,654,315	2,654,315	2,921,235	266,920
<b>Expenditures</b>				
Current:				
Contractual services	2,407,000	2,404,000	2,393,894	10,106
Commodities	30,000	33,000	30,971	2,029
Total expenditures	2,437,000	2,437,000	2,424,865	12,135
Revenues over (under) expenditures	217,315	217,315	496,370	279,055
<b>Other financing (uses)</b>				
Transfers to other funds	(655,598)	(655,598)	(655,598)	-
Transfers from other funds	-	-	-	-
Total other financing (uses)	(655,598)	(655,598)	(655,598)	-
Net change in fund balances	(438,283)	(438,283)	(159,228)	279,055
Fund balances, beginning of year	438,283	438,283	2,639,406	2,201,123
Fund balances, end of year	\$ -	\$ -	\$ 2,480,178	\$ 2,480,178

# **SEDGWICK COUNTY, KANSAS**

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

### **Special Revenue Fund: Special Alcohol and Drug Programs For the year ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 55,495	\$ 55,495	\$ 46,975	\$ (8,520)
Total revenues	55,495	55,495	46,975	(8,520)
Revenues over (under) expenditures	55,495	55,495	46,975	(8,520)
<b>Other financing (uses)</b>				
Transfers to other funds	(55,486)	(55,486)	(51,067)	4,419
Total other financing (uses)	(55,486)	(55,486)	(51,067)	4,419
Net change in fund balances	9	9	(4,092)	(4,101)
Fund balances, beginning of year	(9)	(9)	4,092	4,101
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

# SEDGWICK COUNTY, KANSAS

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

### Special Revenue Fund: Fire District Operating For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 16,635,954	\$ 16,635,954	\$ 16,890,332	\$ 254,378
Charges for services	388,975	388,975	411,810	22,835
Uses of money and property	2,489	2,489	23,614	21,125
Licenses and permits	5,718	5,718	13,106	7,388
Reimbursed expenditures	1,118	1,118	72	(1,046)
Other	66,539	66,539	13,179	(53,360)
Total revenues	<u>17,100,793</u>	<u>17,100,793</u>	<u>17,352,113</u>	<u>251,320</u>
<b>Expenditures</b>				
Current:				
Personnel services	14,080,722	14,086,572	13,353,534	733,038
Contractual services	2,053,220	2,086,568	1,642,619	443,949
Commodities	781,121	740,221	679,417	60,804
Capital outlay	317,560	110,610	1,167	109,443
Debt service:				
Principal	923,340	923,340	673,509	249,831
Interest	-	-	53,989	(53,989)
Total expenditures	<u>18,155,963</u>	<u>17,947,311</u>	<u>16,404,235</u>	<u>1,543,076</u>
Revenues over (under) expenditures	<u>(1,055,170)</u>	<u>(846,518)</u>	<u>947,878</u>	<u>1,794,396</u>
<b>Other financing sources (uses)</b>				
Transfers to other funds	-	(208,652)	(208,652)	-
Transfers from other funds	-	-	36,709	36,709
Total other financing sources (uses)	<u>-</u>	<u>(208,652)</u>	<u>(171,943)</u>	<u>36,709</u>
Net change in fund balances	(1,055,170)	(1,055,170)	775,935	1,831,105
Fund balances, beginning of year	<u>1,055,170</u>	<u>1,055,170</u>	<u>3,247,057</u>	<u>2,191,887</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,022,992</u>	<u>\$ 4,022,992</u>

# SEDGWICK COUNTY, KANSAS

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

### Debt Service Fund: County Bond and Interest For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 14,824,357	\$ 14,824,357	\$ 14,522,661	\$ (301,696)
Intergovernmental	172,999	172,999	245,945	72,946
Charges for services	664,936	664,936	628,582	(36,354)
Total revenues	15,662,292	15,662,292	15,397,188	(265,104)
<b>Expenditures</b>				
Current:				
Contractual services	20,000	20,000	1,700	18,300
Debt service:				
Principal	13,958,517	13,958,517	13,958,517	-
Interest and fiscal charges	4,885,463	4,885,463	4,885,463	-
Total expenditures	18,863,980	18,863,980	18,845,680	18,300
Revenues over (under) expenditures	(3,201,688)	(3,201,688)	(3,448,492)	(246,804)
<b>Other financing sources</b>				
Transfers from other funds	3,609,321	3,609,321	3,609,320	(1)
Total other financing sources	3,609,321	3,609,321	3,609,320	(1)
Net change in fund balances	407,633	407,633	160,828	(246,805)
Fund balances, beginning of year	(407,633)	(407,633)	3,090,367	3,498,000
Fund balances, end of year	\$ -	\$ -	\$ 3,251,195	\$ 3,251,195

# SEDGWICK COUNTY, KANSAS

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

### Debt Service Fund: Fire District Bond and Interest For the year ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	25,790	25,790
Fund balances, end of year	\$ -	\$ -	\$ 25,790	\$ 25,790

# Internal Service Funds

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

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

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

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

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



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# SEDGWICK COUNTY, KANSAS

## Combining Statement of Net Position Internal Service Funds December 31, 2016

	Fleet Management	Health/Dental/ Life Insurance Reserve	Workers' Compensation Reserve
<b><u>Assets</u></b>			
<b>Current assets:</b>			
Cash, including investments	\$ 9,167,937	\$ 9,092,178	\$ 4,230,942
Accounts receivable	528	-	-
Prepays	-	-	-
Inventories, at cost	153,495	-	-
<b>Total current assets</b>	<b>9,321,960</b>	<b>9,092,178</b>	<b>4,230,942</b>
<b>Noncurrent assets:</b>			
<b>Capital assets:</b>			
Land	40,580	-	-
Buildings and improvements	8,319,354	-	-
Machinery and equipment	31,492,398	-	-
Less accumulated depreciation	(25,306,271)	-	-
<b>Total capital assets (net of accumulated depreciation)</b>	<b>14,546,061</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 23,868,021</b>	<b>\$ 9,092,178</b>	<b>\$ 4,230,942</b>
<b><u>Liabilities</u></b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 48,713	\$ 374,140	\$ 147,016
Accrued wages	19,283	6,916	8,145
Estimated claims costs payable	-	2,000,000	806,100
<b>Total current liabilities</b>	<b>67,996</b>	<b>2,381,056</b>	<b>961,261</b>
<b>Noncurrent liabilities:</b>			
Estimated claims costs payable	-	-	325,400
<b>Total liabilities</b>	<b>67,996</b>	<b>2,381,056</b>	<b>1,286,661</b>
<b><u>Net position</u></b>			
Investment in capital assets	14,546,061	-	-
Unrestricted	9,253,964	6,711,122	2,944,281
<b>Total net position</b>	<b>23,800,025</b>	<b>6,711,122</b>	<b>2,944,281</b>
<b>Total liabilities and net position</b>	<b>\$ 23,868,021</b>	<b>\$ 9,092,178</b>	<b>\$ 4,230,942</b>



<b>Risk Management Reserve</b>	<b>Totals</b>
\$ 1,853,642	\$ 24,344,699
-	528
8,144	8,144
-	153,495
<u>1,861,786</u>	<u>24,506,866</u>
-	40,580
-	8,319,354
234,489	31,726,887
<u>(124,841)</u>	<u>(25,431,112)</u>
<u>109,648</u>	<u>14,655,709</u>
<u>\$ 1,971,434</u>	<u>\$ 39,162,575</u>
\$ 129,314	\$ 699,183
4,169	38,513
-	2,806,100
<u>133,483</u>	<u>3,543,796</u>
-	325,400
<u>133,483</u>	<u>3,869,196</u>
109,648	14,655,709
<u>1,728,303</u>	<u>20,637,670</u>
<u>1,837,951</u>	<u>35,293,379</u>
<u>\$ 1,971,434</u>	<u>\$ 39,162,575</u>

# SEDGWICK COUNTY, KANSAS

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

### Internal Service Funds

For the Year Ended December 31, 2016

	Fleet Management	Health/Dental/ Life Insurance Reserve	Workers' Compensation Reserve
<b>Operating revenues:</b>			
Charges for services	\$ 6,970,093	\$ 30,424,720	\$ 1,149,817
Other revenue	46,537	648,589	20,422
Total operating revenues	<u>7,016,630</u>	<u>31,073,309</u>	<u>1,170,239</u>
<b>Operating expenses:</b>			
Salaries and benefits	953,923	216,113	284,584
Contractual services	333,526	1,566,395	326,361
Utilities	55,090	-	-
Supplies and fuel	2,339,844	21,153	166
Administrative charges	171,313	-	-
Depreciation	2,866,769	-	-
Claims expense	-	29,427,560	891,518
Other	140	-	-
Total operating expenses	<u>6,720,605</u>	<u>31,231,221</u>	<u>1,502,629</u>
Operating income (loss)	<u>296,025</u>	<u>(157,912)</u>	<u>(332,390)</u>
<b>Nonoperating revenues:</b>			
Investment income	-	25,844	12,709
Other income	-	-	-
Gain (loss) on sale of assets	465,156	-	-
Total nonoperating revenues	<u>465,156</u>	<u>25,844</u>	<u>12,709</u>
Income (loss) before transfers	761,181	(132,068)	(319,681)
<b>Transfers</b>			
Transfers from other funds	-	15,000	-
Transfers to other funds	<u>(840,000)</u>	<u>-</u>	<u>-</u>
Change in net position	(78,819)	(117,068)	(319,681)
Net position, beginning of year	<u>23,878,844</u>	<u>6,828,190</u>	<u>3,263,962</u>
Net position, end of year	<u>\$ 23,800,025</u>	<u>\$ 6,711,122</u>	<u>\$ 2,944,281</u>

<b>Risk Management Reserve</b>	<b>Totals</b>
\$ -	\$ 38,544,630
147,663	863,211
147,663	39,407,841
215,031	1,669,651
719,653	2,945,935
500	55,590
12,061	2,373,224
-	171,313
26,091	2,892,860
350,834	30,669,912
-	140
1,324,170	40,778,625
(1,176,507)	(1,370,784)
5,193	43,746
-	-
-	465,156
5,193	508,902
(1,171,314)	(861,882)
698,470	713,470
-	(840,000)
(472,844)	(988,412)
2,310,795	36,281,791
\$ 1,837,951	\$ 35,293,379

# SEDGWICK COUNTY, KANSAS

## Combining Statement of Cash Flows Internal Service Funds For the year ended December 31, 2016

	Fleet Management	Health/Dental/Life Insurance Reserve	Worker's Compensation Reserve
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ -	\$ -	\$ -
Receipts from interfund services provided	7,016,503	30,424,720	1,149,817
Other operating revenues	-	648,589	20,422
Payments to suppliers for goods and services	(3,092,847)	(30,743,874)	(1,036,549)
Payments to employees for services	(953,923)	(216,113)	(284,584)
Net cash provided by (used in) operating activities	<u>2,969,733</u>	<u>113,322</u>	<u>(150,894)</u>
<b>Cash flows from noncapital financing activities</b>			
Transfers from other funds	-	15,000	-
Transfers to other funds	(840,000)	-	-
Net cash provided by (used in) noncapital financing activities	<u>(840,000)</u>	<u>15,000</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>			
Proceeds from sale of capital assets	549,438	-	-
Purchases of capital assets	(1,814,943)	-	-
Net cash used in capital and related financing activities	<u>(1,265,505)</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Interest on investments	-	25,844	12,709
Net cash provided by investing activities	<u>-</u>	<u>25,844</u>	<u>12,709</u>
Net increase (decrease) in cash and cash equivalents	864,228	154,166	(138,185)
Cash and cash equivalents, beginning of year	<u>8,303,709</u>	<u>8,938,012</u>	<u>4,369,127</u>
Cash and cash equivalents, end of year	<u><u>\$ 9,167,937</u></u>	<u><u>\$ 9,092,178</u></u>	<u><u>\$ 4,230,942</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>			
Operating income (loss)	\$ 296,025	\$ (157,912)	\$ (332,390)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	2,866,769	-	-
Increase in prepaid expenses	-	-	-
Increase in accounts receivable	(127)	-	-
Increase in inventories	(23,294)	-	-
Increase (decrease) in accounts payable	(169,640)	171,234	132,096
Increase in estimated claims payable	-	100,000	49,400
Total adjustments	<u>2,673,708</u>	<u>271,234</u>	<u>181,496</u>
Net cash provided by (used in) operating activities	<u><u>\$ 2,969,733</u></u>	<u><u>\$ 113,322</u></u>	<u><u>\$ (150,894)</u></u>

Risk Management Reserve	Totals
\$ 147,663	\$ 147,663
-	38,591,040
-	669,011
(1,153,030)	(36,026,300)
(223,175)	(1,677,795)
(1,228,542)	1,703,619
698,470	713,470
-	(840,000)
698,470	(126,530)
-	549,438
-	(1,814,943)
-	(1,265,505)
5,193	43,746
5,193	43,746
(524,879)	355,330
2,378,521	23,989,369
\$ 1,853,642	\$ 24,344,699
\$ (1,176,507)	\$ (1,370,784)
26,091	2,892,860
(8,144)	(8,144)
-	(127)
-	(23,294)
(69,982)	63,708
-	149,400
(52,035)	3,074,403
\$ (1,228,542)	\$ 1,703,619

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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.

**County Treasurer**

**Payroll**

**18th Judicial District Court**

**Sheriff Inmate Trust Fund**



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# SEDGWICK COUNTY, KANSAS

## Combining Statement of Changes in Assets and Liabilities All Agency Funds For the Year Ended December 31, 2016

	*Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b>Assets</b>				
Cash	\$ 341,308,817	\$ 1,837,421,857	\$ (1,834,198,297)	\$ 344,532,377
Accounts receivable	449	-	(449)	-
Property tax levied	214,479,560	545,786,602	(545,353,120)	214,913,042
Total assets	<u>\$ 555,788,826</u>	<u>\$ 2,383,208,459</u>	<u>\$ (2,379,551,866)</u>	<u>\$ 559,445,419</u>
<b>Liabilities</b>				
Accrued liabilities	\$ 13,270,203	\$ 1,837,421,857	\$ (1,834,198,746)	\$ 16,493,314
Due to other governmental units	542,518,623	545,786,602	(545,353,120)	542,952,105
Total liabilities	<u>\$ 555,788,826</u>	<u>\$ 2,383,208,459</u>	<u>\$ (2,379,551,866)</u>	<u>\$ 559,445,419</u>
	*Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
<b><u>COUNTY TREASURER</u></b>				
<b>Assets</b>				
Cash	\$ 334,058,899	\$ 1,662,615,158	\$ (1,661,253,153)	\$ 335,420,904
Accounts receivable	449	-	(449)	-
Property tax levied	214,479,560	545,786,602	(545,353,120)	214,913,042
Total assets	<u>\$ 548,538,908</u>	<u>\$ 2,208,401,760</u>	<u>\$ (2,206,606,722)</u>	<u>\$ 550,333,946</u>
<b>Liabilities</b>				
Accrued liabilities	\$ 6,020,285	\$ 1,662,615,158	\$ (1,661,253,602)	\$ 7,381,841
Due to other governmental units	542,518,623	545,786,602	(545,353,120)	542,952,105
Total liabilities	<u>\$ 548,538,908</u>	<u>\$ 2,208,401,760</u>	<u>\$ (2,206,606,722)</u>	<u>\$ 550,333,946</u>

\* Certain Adjustments have been made to beginning balances.

	*Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
<b><u>PAYROLL</u></b>				
<b>Assets</b>				
Cash	\$ 2,355,866	\$ 133,746,208	\$ (134,537,892)	\$ 1,564,182
Accounts receivable	-	-	-	-
Property tax levied	-	-	-	-
Total assets	<u>\$ 2,355,866</u>	<u>\$ 133,746,208</u>	<u>\$ (134,537,892)</u>	<u>\$ 1,564,182</u>
<b>Liabilities</b>				
Accrued liabilities	\$ 2,355,866	\$ 133,746,208	\$ (134,537,892)	\$ 1,564,182
Due to other governmental units	-	-	-	-
Total liabilities	<u>\$ 2,355,866</u>	<u>\$ 133,746,208</u>	<u>\$ (134,537,892)</u>	<u>\$ 1,564,182</u>

	*Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
<b><u>18TH JUDICIAL DISTRICT COURT</u></b>				
<b>Assets</b>				
Cash	\$ 4,894,052	\$ 40,991,789	\$ (38,407,252)	\$ 7,478,589
Accounts receivable	-	-	-	-
Property tax levied	-	-	-	-
Total assets	<u>\$ 4,894,052</u>	<u>\$ 40,991,789</u>	<u>\$ (38,407,252)</u>	<u>\$ 7,478,589</u>
<b>Liabilities</b>				
Accrued liabilities	\$ 4,894,052	\$ 40,991,789	\$ (38,407,252)	\$ 7,478,589
Due to other governmental units	-	-	-	-
Total liabilities	<u>\$ 4,894,052</u>	<u>\$ 40,991,789</u>	<u>\$ (38,407,252)</u>	<u>\$ 7,478,589</u>

(Continued)

# SEDGWICK COUNTY, KANSAS

## Combining Statement of Changes in Assets and Liabilities All Agency Funds For the Year Ended December 31, 2016

	*Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
<b><u>SHERIFF INMATE TRUST FUND</u></b>				
<b>Assets</b>				
Cash	\$ -	\$ 68,702	\$ -	\$ 68,702
Accounts receivable	-	-	-	-
Property tax levied	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ 68,702</u>	<u>\$ -</u>	<u>\$ 68,702</u>
<b>Liabilities</b>				
Accrued liabilities	\$ -	\$ 68,702	\$ -	\$ 68,702
Due to other governmental units	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ -</u>	<u>\$ 68,702</u>	<u>\$ -</u>	<u>\$ 68,702</u>

\* Certain Adjustments have been made to beginning balances.

# 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.



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# SEDGWICK COUNTY, KANSAS

## 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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	<b>E - 2</b>
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	<b>E - 7</b>
<b>Debt Capacity</b> <i>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.</i>	<b>E - 11</b>
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	<b>E - 15</b>
<b>Operating Information</b> <i>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.</i>	<b>E - 17</b>

**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									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 198,389,307	\$ 204,548,962	\$ 240,044,637	\$ 268,736,532	\$ 282,471,201	\$ 294,690,938	\$ 298,113,489	\$ 310,035,285	\$ 320,464,675	\$ 329,243,600
Restricted	103,756,016	150,861,408	129,664,044	93,119,058	61,027,411	56,123,063	57,021,635	59,952,665	55,946,964	50,528,123
Unrestricted	72,304,957	74,229,923	84,307,304	77,461,046	93,115,134	85,371,059	85,568,811	80,894,088	(34,661,211)	(35,519,210)
Total governmental activities net position	<u>\$ 374,450,280</u>	<u>\$ 429,640,293</u>	<u>\$ 454,015,985</u>	<u>\$ 439,318,636</u>	<u>\$ 436,613,746</u>	<u>\$ 436,185,060</u>	<u>\$ 440,703,935</u>	<u>\$ 450,882,038</u>	<u>\$ 341,750,428</u>	<u>\$ 344,252,513</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 41,565,756	\$ 110,766,423	\$ 183,396,054	\$ 182,094,430	\$ 173,139,907	\$ 165,857,656	\$ 160,701,886	\$ 155,902,064	\$ 152,003,174	\$ 148,147,767
Restricted	171,294,796	101,769,649	21,188,982	13,780,015	11,631,039	10,619,276	9,977,266	9,196,893	8,247,858	6,615,262
Unrestricted	379,987	384,616	10,791	1,371,399	166,572	2,599,671	3,745,044	4,340,525	5,072,058	5,904,885
Total business-type activities net position	<u>\$ 213,240,539</u>	<u>\$ 212,920,688</u>	<u>\$ 204,595,827</u>	<u>\$ 197,245,844</u>	<u>\$ 184,937,518</u>	<u>\$ 179,076,603</u>	<u>\$ 174,424,196</u>	<u>\$ 169,439,482</u>	<u>\$ 165,323,090</u>	<u>\$ 160,667,914</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 239,955,063	\$ 315,315,385	\$ 423,440,691	\$ 450,832,962	\$ 455,611,108	\$ 460,548,594	\$ 458,815,375	\$ 465,937,349	\$ 472,467,849	\$ 477,391,367
Restricted	275,050,812	252,631,057	150,853,026	106,899,073	72,658,450	66,742,339	66,998,901	69,149,558	64,194,822	57,143,385
Unrestricted	72,684,944	74,614,539	84,318,095	78,832,445	93,281,706	87,970,730	89,313,855	85,234,613	(29,589,153)	(29,614,325)
Total primary government net position	<u>\$ 587,690,819</u>	<u>\$ 642,560,981</u>	<u>\$ 658,611,812</u>	<u>\$ 636,564,480</u>	<u>\$ 621,551,264</u>	<u>\$ 615,261,663</u>	<u>\$ 615,128,131</u>	<u>\$ 620,321,520</u>	<u>\$ 507,073,518</u>	<u>\$ 504,920,427</u>

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.

The County's 2015 net position have been restated by \$128,333,166 to include net pension liability

**SEDGWICK COUNTY, KANSAS**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
(Accrual Basis of Accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities:										
General government										
Public safety	\$ 46,618,528	\$ 51,279,084	\$ 48,207,197	\$ 51,626,927	\$ 51,164,331	\$ 52,946,017	\$ 46,739,513	\$ 45,631,487	\$ 44,076,129	\$ 47,430,448
Public works	122,371,034	126,348,632	134,712,863	143,096,732	136,614,471	134,847,877	136,948,209	141,461,365	140,226,506	144,411,990
Health and welfare	21,920,559	21,171,258	26,918,844	30,471,325	28,598,830	29,963,817	31,112,309	31,607,297	31,455,330	35,205,540
Culture and recreation	63,734,178	65,583,467	66,495,063	66,600,199	66,002,246	58,600,471	56,476,803	56,346,131	55,876,955	53,319,338
Economic development	10,110,047	10,343,796	11,840,940	11,814,466	11,247,354	11,069,797	10,824,309	11,024,834	16,808,103	12,378,012
Interest on long-term debt	11,156,066	17,607,805	12,626,170	16,466,134	14,981,790	15,462,057	15,119,439	20,937,889	17,841,996	14,210,390
Total governmental activities expenses	6,315,457	5,439,606	6,934,908	7,113,384	7,078,866	7,503,342	6,607,782	7,124,165	8,914,547	7,218,937
Total governmental activities expenses	<u>282,225,869</u>	<u>297,773,648</u>	<u>307,735,995</u>	<u>327,149,167</u>	<u>315,687,888</u>	<u>310,393,378</u>	<u>303,827,364</u>	<u>314,133,268</u>	<u>315,199,566</u>	<u>314,174,655</u>
Business-type activities:										
Pavilion/Arena	3,097,901	3,407,526	3,707,728	6,933,493	8,823,760	7,072,571	5,672,159	5,580,194	5,087,691	5,248,238
Total business-type activities expenses	<u>3,097,901</u>	<u>3,407,526</u>	<u>3,707,728</u>	<u>6,933,493</u>	<u>8,823,760</u>	<u>7,072,571</u>	<u>5,672,159</u>	<u>5,580,194</u>	<u>5,087,691</u>	<u>5,248,238</u>
Total primary government expenses	<u>\$ 285,323,770</u>	<u>\$ 301,181,174</u>	<u>\$ 311,443,713</u>	<u>\$ 334,082,660</u>	<u>\$ 324,511,648</u>	<u>\$ 317,465,949</u>	<u>\$ 309,499,523</u>	<u>\$ 319,713,462</u>	<u>\$ 320,287,257</u>	<u>\$ 319,422,893</u>
<b>Program Revenues</b>										
Charges for services:										
General government	\$ 22,386,703	\$ 21,901,043	\$ 22,167,092	\$ 25,747,864	\$ 22,112,904	\$ 25,248,415	\$ 16,583,118	\$ 17,671,949	\$ 17,568,111	\$ 19,267,415
Public safety	19,807,231	24,960,511	20,626,141	17,371,731	24,791,564	23,064,255	23,253,320	26,399,717	26,207,446	22,752,389
Public works	1,335,895	1,276,836	1,345,707	3,235,017	1,838,058	1,803,395	1,883,805	2,116,756	2,012,791	1,671,982
Health and welfare	33,120,649	34,497,702	34,379,717	29,672,759	30,214,621	24,989,604	23,820,227	23,134,337	24,776,064	21,132,561
Culture and recreation	488,140	502,431	593,759	572,101	347,183	299,983	322,965	328,772	437,640	446,867
Economic development	1,793,518	90,778	5,310,076	52,172	70,094	394,528	136,469	251,390	221,467	223,238
Operating grants and contributions:										
General government	1,113,614	1,084,056	839,565	947,601	996,886	1,475,519	5,099,931	2,107,925	2,240,299	2,818,734
Public safety	14,904,521	17,621,937	18,136,629	17,971,430	17,612,533	15,235,719	16,522,478	16,175,844	14,937,314	15,286,556
Public works	5,614,317	5,796,503	5,933,226	5,778,017	5,251,826	4,655,174	5,072,272	5,010,949	4,651,463	4,987,773
Health and welfare	22,074,889	23,578,890	22,327,054	19,861,573	20,877,847	20,722,097	20,679,329	21,056,655	21,595,015	20,188,655
Culture and recreation	-	-	505,279	-	-	35,000	-	-	-	-
Economic development	1,621,763	2,163,177	5,318,201	6,867,203	2,274,897	2,681,365	1,399,510	12,646,001	7,776,397	1,667,328
Capital grants and contributions:										
Public works	1,964,342	1,276,875	447,927	2,131,839	-	181,201	480,486	133,975	6,066,050	2,994,738
Culture and recreation	-	4,808,892	1,089,882	415,799	-	851,451	1,464,287	4,703,168	8,865,065	2,287,532
Total governmental activities program revenues	<u>126,225,592</u>	<u>139,557,631</u>	<u>139,020,255</u>	<u>130,624,906</u>	<u>126,388,403</u>	<u>121,637,706</u>	<u>116,711,197</u>	<u>130,937,438</u>	<u>136,355,122</u>	<u>115,724,768</u>
Business-type activities:										
Charges for services:										
Coliseum/Arena	2,269,722	2,552,686	1,956,551	2,546,279	1,939,862	1,211,656	846,169	595,480	971,299	593,062
Total business-type activities program revenues	<u>2,269,722</u>	<u>2,552,686</u>	<u>1,956,551</u>	<u>2,546,279</u>	<u>1,939,862</u>	<u>1,211,656</u>	<u>846,169</u>	<u>595,480</u>	<u>971,299</u>	<u>593,062</u>
Total primary government program revenues	<u>\$ 128,495,314</u>	<u>\$ 142,110,317</u>	<u>\$ 140,976,806</u>	<u>\$ 133,171,185</u>	<u>\$ 128,326,265</u>	<u>\$ 122,849,362</u>	<u>\$ 117,563,366</u>	<u>\$ 131,532,918</u>	<u>\$ 137,326,421</u>	<u>\$ 116,317,830</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (156,000,277)	\$ (158,216,017)	\$ (166,715,730)	\$ (196,524,261)	\$ (189,299,485)	\$ (188,755,672)	\$ (187,110,167)	\$ (183,195,830)	\$ (178,844,444)	\$ (198,449,887)
Business-type activities	(828,179)	(854,840)	(1,751,177)	(4,387,214)	(6,883,898)	(5,860,915)	(4,825,990)	(4,984,714)	(4,116,392)	(4,655,176)
Total primary government net expense	<u>\$ (156,828,456)</u>	<u>\$ (159,070,857)</u>	<u>\$ (170,466,907)</u>	<u>\$ (200,911,475)</u>	<u>\$ (196,183,383)</u>	<u>\$ (194,616,587)</u>	<u>\$ (191,936,157)</u>	<u>\$ (188,180,544)</u>	<u>\$ (182,960,836)</u>	<u>\$ (203,105,063)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 145,277,955	\$ 155,298,965	\$ 157,669,623	\$ 154,371,208	\$ 153,102,405	\$ 155,437,762	\$ 156,571,499	\$ 157,680,267	\$ 160,388,971	\$ 162,790,600
Sales taxes	25,812,643	26,330,302	25,225,445	24,575,414	24,886,782	25,907,161	26,890,523	27,737,784	28,402,456	28,899,247
Other taxes	3,304,335	3,303,621	3,052,011	3,146,170	2,948,834	3,075,138	3,128,768	3,251,092	2,980,953	3,381,978
Investment earnings	22,229,269	16,402,810	7,753,307	4,758,857	5,656,574	4,677,886	5,344,751	4,704,790	5,761,660	6,423,364





**SEDGWICK COUNTY, KANSAS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	
General Fund					
Reserved	\$ 6,074,440	\$ 6,081,736	\$ 6,439,464	\$ 5,480,843	
Unreserved	60,925,726	60,289,793	62,369,959	60,871,094	
Total general fund	<u>\$ 67,000,166</u>	<u>\$ 66,371,529</u>	<u>\$ 68,809,423</u>	<u>\$ 66,351,937</u>	
All Other Governmental Funds					
Reserved	24,088,196	56,468,812	40,306,524	23,543,417	
Unreserved					
Designated					
Special revenue funds	6,340,911	8,025,265	7,303,953	9,469,114	
Capital projects funds	14,171,633	46,683,969	37,306,220	12,448,839	
Undesignated					
Special revenue funds	38,511,440	44,192,815	43,354,555	37,889,024	
Capital projects funds	(1,830,687)	(24,551,310)	(6,663,343)	13,593,302	
Total all other governmental funds	<u>\$ 81,281,493</u>	<u>\$ 130,819,551</u>	<u>\$ 121,607,909</u>	<u>\$ 96,943,696</u>	
	<u>2011*</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund					
Nonspendable	\$ 4,788,374	\$ 4,469,663	\$ 7,041,238	\$ 9,560,858	\$ 9,272,182
Restricted	2,292,205	-	-	-	-
Committed	-	-	-	5,300,000	-
Assigned	14,853,724	13,216,543	12,634,724	15,540,068	16,057,287
Unassigned	44,295,545	48,366,230	47,164,833	38,225,843	39,680,121
Total general fund	<u>\$ 66,229,848</u>	<u>\$ 66,052,436</u>	<u>\$ 66,840,795</u>	<u>\$ 68,626,769</u>	<u>\$ 65,009,590</u>
All Other Governmental Funds					
Nonspendable	\$ 1,123,491	\$ 1,020,014	\$ 843,430	\$ 444,259	\$ 567,326
Restricted	71,086,679	84,089,630	75,127,288	151,771,314	132,094,838
Committed	14,543,401	10,863,452	9,943,967	8,193,709	8,428,869
Assigned	20,385,544	13,824,536	14,034,940	14,010,003	13,517,004
Unassigned	(2,006,662)	(2,688,735)	(2,208,780)	(6,545,056)	(822,095)
Total all other governmental funds	<u>\$ 105,132,453</u>	<u>\$ 107,108,897</u>	<u>\$ 97,740,845</u>	<u>\$ 167,874,229</u>	<u>\$ 153,785,942</u>
	<u>\$ 171,362,301</u>	<u>\$ 173,161,333</u>	<u>\$ 164,581,640</u>	<u>\$ 186,501,000</u>	<u>\$ 178,795,532</u>

\* 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Taxes	\$ 174,395	\$ 184,933	\$ 185,948	\$ 182,093	\$ 180,938	\$ 184,420	\$ 186,591	\$ 188,670	\$ 191,772	\$ 195,072
Special assessments	3,654	3,528	3,615	3,196	3,359	2,375	1,955	1,617	1,301	919
Intergovernmental	45,329	50,245	53,060	51,426	47,014	44,647	45,482	46,276	50,454	47,323
Charges for services	66,664	68,337	65,648	59,753	66,922	62,599	62,257	63,029	65,890	63,631
Uses of money and property	22,229	16,322	7,240	4,747	5,474	4,352	5,222	4,477	5,128	6,928
Fines and forfeits	288	458	361	258	460	1,348	678	255	212	260
Licenses and permits	450	579	532	530	546	471	156	122	138	861
Reimbursed expenditures	12,205	11,026	16,383	-	-	-	-	-	-	9,304
Other	1,074	1,831	3,721	13,495	10,287	11,728	7,186	17,396	7,434	-
Total revenues	326,288	337,259	336,508	315,498	315,000	311,940	309,527	321,842	322,329	324,298
<b>Expenditures</b>										
General government	42,320	48,089	45,283	44,398	43,723	44,564	37,953	36,329	36,367	38,834
Public safety	118,380	122,499	131,426	139,386	133,111	130,477	133,750	138,131	142,612	139,425
Public works	13,467	14,980	14,462	15,326	14,613	13,442	13,649	13,944	13,874	12,769
Health and welfare	64,632	66,688	67,811	67,918	67,487	60,151	58,328	58,261	59,844	55,094
Culture and recreation	7,883	8,206	9,536	9,284	8,919	8,621	8,301	8,771	14,482	9,282
Economic development	11,170	17,616	12,612	16,294	13,394	13,836	18,869	19,391	25,961	45,471
Debt service										
Principal	12,574	12,403	14,251	14,113	14,071	14,989	20,954	16,312	22,842	24,419
Interest and fiscal charges	6,084	5,964	7,125	7,347	6,910	7,208	6,768	6,355	8,082	8,337
Debt issuance costs	309	390	268	340	452	340	195	858	280	1
Capital outlay	32,412	34,381	53,598	42,665	26,327	26,081	28,042	34,745	28,775	30,583
Total expenditures	309,231	331,216	356,372	357,071	329,007	319,709	326,809	333,097	353,119	364,215
Excess of revenues over (under) expenditures	17,057	6,043	(19,864)	(41,573)	(14,007)	(7,769)	(17,282)	(11,255)	(30,790)	(39,917)
<b>Other financing sources (uses)</b>										
Transfers from other funds	35,793	39,580	47,685	54,143	27,356	13,955	23,879	18,976	15,602	20,756
Transfers to other funds	(37,551)	(41,291)	(49,315)	(55,080)	(27,929)	(14,937)	(24,766)	(19,976)	(17,010)	(20,630)
Premium from issuance of revenue bonds	-	-	-	-	-	-	-	2,765	-	-
Premium from issuance of refunding bonds	-	-	-	-	-	-	-	1,046	-	-
Premium from issuance of general obligation bonds	-	-	-	-	-	-	-	3,318	559	-
Extraordinary item	-	-	-	-	-	-	-	-	-	(543)
Sale of general capital assets	-	-	-	-	-	-	-	-	1,382	-
Issuance of refunding bonds	-	-	-	-	-	-	-	31,875	8,060	-
Issuance of revenue bonds	-	-	-	-	-	-	-	44,945	-	-
Issuance of general obligation bonds	-	-	-	-	-	-	-	-	9,230	-
Issuance of capital lease	1,658	-	4,376	-	-	-	-	-	-	-
Proceeds from Capital Lease	-	-	-	1,793	1,273	-	-	1,271	-	391
Debt premium	186	748	1,099	2,190	1,064	1,224	1,214	-	-	-
Debt issuance	15,445	43,830	27,485	28,320	26,680	23,795	14,665	-	-	-
Payment to refunded bond	-	-	-	-	(6,370)	-	-	-	(5,785)	-
Payment to refunding bond escrow agent	-	-	(18,240)	(16,915)	-	(14,469)	(6,290)	-	-	-
Total other financing sources (uses)	15,531	42,867	13,090	14,451	22,074	9,568	8,702	83,174	13,084	(26)
Net change in fund balances	\$ 32,588	\$ 48,910	\$ (6,774)	\$ (27,122)	\$ 8,067	\$ 1,799	\$ (8,580)	\$ 71,919	\$ (17,706)	\$ (39,943)
Debt service as a percentage of noncapital expenditures	7.3%	6.8%	7.6%	6.7%	6.8%	7.4%	9.0%	7.5%	9.2%	9.5%

**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)**

Fiscal Year <sup>2,4</sup>	Real Property		Personal Property <sup>5</sup>		Total <sup>1</sup>		Assessed/ Actual Ratio	Estimated Actual Value	Assessed Value	Estimated Actual Value	Total Direct Tax Rate <sup>3</sup>
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value					
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
2014	3,913,588	27,240,503	989,209	4,463,330	4,902,796	31,703,833	15.46%				29.478
2015	3,974,529	27,659,847	1,003,376	4,427,781	4,977,905	32,087,628	15.51%				29.383
2016	4,096,071	28,525,984	1,019,388	4,500,910	5,115,459	33,026,895	15.49%				29.393

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

Fiscal Year <sup>2,4</sup>	Real Property		Personal Property <sup>5</sup>		Total <sup>1</sup>		Assessed/ Actual Ratio	Estimated Actual Value	Assessed Value	Estimated Actual Value	Total Direct Tax Rate <sup>3</sup>
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value					
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
2014	611,796	4,347,654	303,078	1,267,844	914,875	5,615,498	16.29%				18.367
2015	618,449	4,411,878	305,207	1,270,196	923,656	5,682,074	16.26%				18.371
2016	638,936	4,569,487	312,177	1,297,088	951,112	5,866,575	16.21%				18.414

<sup>1</sup> Represents the equalized valuation of tangible property, including motor vehicles  
<sup>2</sup> Taxes levied support the subsequent year's budget, e.g., 2014 taxes levied finance 2015 spending  
<sup>3</sup> Tax rates are per \$1,000 of assessed value  
<sup>4</sup> 2009, 2010 and 2011 amounts have been updated from previous Comprehensive Annual Financial Reports  
<sup>5</sup> Beginning in 2015 values exclude watercraft and 16M/20M motor vehicles

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	Year Taxes Are Payable					<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
				<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>				
<b>County Direct Rates</b>												
General	\$ 20.887	\$ 21.958	\$ 23.615	\$ 22.005	\$ 21.516	\$ 22.003	\$ 21.790	\$ 21.915	\$ 22.249	\$ 22.814		
Road and bridge	1.239	1.408	1.506	1.178	1.042	1.256	1.194	1.093	1.129	1.026		
Mental health	0.638	0.704	0.607	0.714	0.624	0.460	0.584	0.613	0.585	0.590		
Noxious weeds	0.088	0.096	0.081	0.089	0.091	0.106	0.084	0.081	0.088	0.059		
Emergency medical services	1.722	1.049	0.904	0.706	0.427	0.896	0.688	0.577	0.603	0.277		
Aging	0.582	0.573	0.561	0.608	0.601	0.564	0.539	0.497	0.560	0.523		
WSU program development	1.500	1.500	1.500	1.502	1.500	1.500	1.500	1.500	1.500	1.500		
Debt service	4.677	3.089	1.094	2.557	3.627	2.661	2.998	3.202	2.669	2.604		
Total direct rate	31.333	30.377	29.868	29.359	29.428	29.446	29.377	29.478	29.383	29.393		
<b>Fire District Rates</b>												
	18.482	18.501	18.447	18.336	18.397	18.398	18.348	18.367	18.371	18.414		
<b>City Rates</b>												
Andale	40.929	41.894	42.492	42.361	42.511	44.025	46.893	44.016	41.862	48.575		
Bentley	45.556	45.033	53.545	53.633	53.690	53.762	53.761	53.736	53.629	58.571		
Cheney	53.674	56.605	56.842	55.116	55.126	58.381	57.808	57.833	60.740	60.808		
Clearwater	43.964	43.661	41.767	46.000	49.943	49.897	49.873	53.993	53.999	56.061		
Colwich	32.100	42.227	53.784	33.328	40.054	40.230	41.988	46.041	47.911	52.347		
Derby	48.155	47.756	47.773	47.818	47.340	47.153	47.054	47.148	47.009	48.021		
Eastborough	60.252	62.241	58.351	57.944	59.999	62.073	64.597	64.597	64.664	63.637		
Garden Plain	47.300	49.863	49.509	49.347	50.075	49.119	49.058	48.964	48.874	48.855		
Goddard	14.061	16.426	18.789	27.146	28.114	28.048	33.057	31.164	31.164	31.228		
Haysville	48.441	48.408	48.425	48.421	48.425	48.425	48.672	48.609	48.646	48.618		
Kechi	24.037	23.954	33.857	33.774	33.676	33.714	33.706	33.866	33.699	36.727		
Maize	43.251	43.022	42.427	43.323	43.132	42.868	43.270	43.036	43.030	43.059		
Mount Hope	51.049	51.008	50.945	51.332	51.251	51.002	50.460	50.636	54.612	56.072		
Mulvane	53.330	53.359	53.414	53.753	52.759	46.531	41.923	42.406	42.262	44.247		
Sedgwick	47.993	51.033	51.316	65.055	65.420	66.475	63.272	62.273	62.783	67.599		
Valley Center	48.761	48.367	48.516	48.448	51.172	53.630	53.630	55.443	55.446	55.640		
Viola	14.928	14.200	14.087	14.677	19.662	20.019	21.360	21.202	22.181	25.526		
Wichita	31.979	32.056	32.142	32.272	32.359	32.471	32.509	32.652	32.686	32.625		
Bel Aire	33.503	34.908	35.970	39.050	46.118	46.162	45.695	45.730	46.246	45.726		
Park City	37.145	37.450	37.332	37.395	37.792	39.607	39.890	40.051	40.111	40.224		
<b>Townships</b>	.102-16.041	.088-19.167	.073-21.737	.010-23.745	1.630-24.029	1.613-24.009	1.677-24.077	1.663-22.726	1.722-23.243	2.088-21.321		
<b>School Districts</b>	43.007-63.580	42.413-65.327	44.194-66.534	42.809-70.835	43.481-70.072	43.433-70.409	46.067-69.816	38.164-66.358	41.667-66.599	42.000-65.341		
<b>Cemetery Districts</b>	.164-1.772	.194-1.771	.133-2.006	.132-2.006	0.136-2.913	0.141-2.932	0.141-2.928	0.139-2.826	0.141-2.891	0.136-2.844		
<b>Drainage Districts</b>	.885-2.141	.872-2.997	.888-2.972	.898-2.712	0.923-2.749	0.940-2.734	0.942-2.707	0.974-2.582	1.007-2.435	0.994-2.395		
<b>Improvement Districts</b>	1.042-17.090	1.000-17.091	0.967-17.043	.978-12.077	0.000-16.102	0.000-16.195	0.000-17.694	0.000-17.525	0.000-17.368	0.911-11.053		
<b>Other Districts</b>	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	0.483-19.073	0.451-19.032	0.000-18.647		

Source: Sedgwick County Tax Administration System  
SC Clerks Website 2016 Tax Levies

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

	Fiscal Year 2016			Fiscal Year 2007		
	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.	\$ 120,161,791	1	2.72%	\$ 83,426,680	1	1.83%
Spirit Aerosystems, Inc.	100,276,286	2	2.27%	80,500,538	2	1.77%
Beechcraft Corp <sup>1</sup>	42,260,322	3	0.96%	19,971,845	7	0.44%
The Boeing Company	36,989,675	4	0.84%	34,438,808.00	4	0.76%
Cessna Aircraft	36,783,311	5	0.83%	27,223,318.00	6	0.60%
Walmart	31,690,669	6	0.72%	-	-	-
Kansas Gas Service - A Division of Oneok	25,993,187	7	0.59%	18,004,827	9	0.40%
Simon Property Group	25,148,465	8	0.57%	18,422,964	8	0.40%
City of Wichita	21,684,777	9	0.49%	-	-	-
Southwestern Bell Telephone	17,282,589	10	0.39%	49,371,637	3	1.08%
Wesley Medical Center, LLC	-	-	-	34,007,132	5	0.75%
Towne West Square, LLC	-	-	-	12,340,962	10	0.27%
	<u>\$ 458,271,072</u>		<u>10.39%</u>	<u>\$ 377,708,711</u>		<u>8.29%</u>

<sup>1</sup> Formerly Raytheon Aircraft and Hawker Beechcraft Corp.

Source: Sedgwick County Clerk

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

## **SEDGWICK COUNTY PRIMARY GOVERNMENT**

Tax Year <sup>1</sup>	Taxes Levied for the Fiscal Year (Original Levy)	Collected within the Fiscal Year of the Levy				Collections in Subsequent Years <sup>3</sup>	Total Collections to Date	
		Total		Percentage of			Amount	Percentage of Adjusted Levy
		Adjustments	Adjusted Levy	Amount <sup>2</sup>	Original Levy			
2006	121,793,520	(473,822)	121,319,698	117,958,001	96.85%	3,366,421	121,324,422	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%	2,558,617	126,521,416	98.88%
2010	129,182,341	343,543	129,525,884	124,101,517	96.07%	2,477,890	126,579,407	97.73%
2011	130,016,010	269,245	130,285,255	125,349,762	96.41%	2,328,032	127,677,794	98.00%
2012	129,216,721	108,339	129,325,060	125,129,425	96.84%	2,334,558	127,463,983	98.56%
2013	129,639,393	26,690	129,666,083	125,508,033	96.81%	1,900,361	127,408,394	98.26%
2014	130,922,296	(215,999)	130,706,297	127,648,264	97.50%	1,366,271	129,014,535	98.71%
2015	131,704,711	(195,108)	131,509,603	128,621,614	97.66%	<i>Not Applicable</i>	128,621,614	97.80%

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

Tax Year <sup>1</sup>	Taxes Levied for the Fiscal Year (Original Levy)	Collected within the Fiscal Year of the Levy				Collections in Subsequent Years <sup>3</sup>	Total Collections to Date	
		Total		Percentage of			Amount	Percentage of Adjusted Levy
		Adjustments	Adjusted Levy	Amount <sup>2</sup>	Original Levy			
2006	12,109,011	(52,953)	12,056,058	11,815,566	97.58%	232,662	12,048,228	99.94%
2007	13,009,881	(56,695)	12,953,186	12,680,055	97.46%	237,273	12,917,328	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%	230,856	13,603,997	98.57%
2010	14,285,305	(127,003)	14,158,302	13,857,862	97.01%	256,626	14,114,488	99.69%
2011	14,603,909	(166,083)	14,437,826	14,172,661	97.05%	175,678	14,348,339	99.38%
2012	14,721,733	(74,201)	14,647,532	14,382,596	97.70%	205,540	14,588,136	99.59%
2013	14,857,310	(96,016)	14,761,294	14,484,501	97.49%	189,496	14,673,997	99.41%
2014	15,134,136	(120,732)	15,013,404	14,739,202	97.39%	134,614	14,873,816	99.07%
2015	15,272,821	(77,053)	15,195,768	14,951,500	97.90%	Not Applicable	14,951,500	

<sup>1</sup> Taxes levied support the subsequent year's budget, e.g., 2015 taxes financed 2016 spending

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

<sup>3</sup> Excludes interest penalties

Source: Sedgwick County Treasurer Tax Abstract

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

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Public Building Commission	Special Assessments	KDOT Revolving Loan	Capital Leases			
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	0.8%	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	0.8%	352
2013	75,462,051	83,670,000	3,667,949	-	2,264,555	165,064,555	0.7%	326
2014	66,957,000	153,825,000	3,343,000	-	2,718,464	226,843,464	0.9%	445
2015	64,400,000	146,290,000	2,820,000	-	1,996,279	215,506,279	0.9%	421
2016	54,548,000	133,025,000	2,192,000	-	1,713,961	191,478,961	0.7%	372

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

<sup>1</sup> Population and personal income data can be found in Schedules E-15

These ratios are calculated using personal income for the prior calendar year  
Personal income and population data has been updated since previous report



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

Fiscal Year	General Bond Debt Outstanding			Percentage of Personal Income <sup>2</sup>	Percentage of Actual Value of Taxable Property <sup>3</sup>	Per Capita <sup>2</sup>
	General Obligation Debt <sup>1</sup>	Less: Amounts Restricted to Repaying Principal				
		Total				
2007	125,280,000	(4,086,468)	121,193,532	0.57%	0.42%	253
2008	158,875,000	(11,609,796)	147,265,204	0.77%	0.48%	303
2009	159,030,000	(12,136,187)	146,893,813	0.69%	0.48%	297
2010	157,682,751	(9,903,860)	147,778,891	0.74%	0.48%	296
2011	166,675,000	(7,670,437)	159,004,563	0.82%	0.51%	317
2012	164,190,000	(14,651,936)	149,538,064	0.67%	0.48%	297
2013	159,132,051	(8,500,583)	150,631,468	0.64%	0.48%	297
2014	220,782,000	(43,678,059)	177,103,941	0.74%	0.56%	348
2015	210,690,000	(40,719,420)	169,970,580	0.67%	0.53%	332
2016	187,573,000	(31,921,481)	155,651,519	0.60%	0.47%	303

<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>2</sup> Population and personal income data can be found in Schedule E-15

These ratios are calculated using personal income for the prior calendar year

Personal income and population data has been updated since previous report

<sup>3</sup> Property value data can be found in Schedule E-7

**SEDGWICK COUNTY, KANSAS**  
**LEGAL DEBT MARGIN INFORMATION**  
**Last Ten Fiscal Years**  
(Dollars in Thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2015</u>
<b>Statutory debt capacity:</b>										
Equalized assessed valuation of taxable tangible property	\$ 4,025,083	\$ 4,218,727	\$ 4,245,447	\$ 4,244,709	\$ 4,312,927	\$ 4,286,965	\$ 4,301,085	\$ 4,348,562	\$ 4,410,040	\$ 4,531,486
Estimated tangible valuation of motor vehicles	<u>530,651</u>	<u>543,445</u>	<u>537,340</u>	<u>537,340</u>	<u>523,812</u>	<u>523,435</u>	<u>538,413</u>	<u>549,522</u>	<u>567,865</u>	<u>583,973</u>
Estimated tangible valuation for computation of bonded indebtedness limitations	<u>\$ 4,555,734</u>	<u>\$ 4,762,172</u>	<u>\$ 4,782,787</u>	<u>\$ 4,782,049</u>	<u>\$ 4,836,739</u>	<u>\$ 4,810,400</u>	<u>\$ 4,839,498</u>	<u>\$ 4,898,084</u>	<u>\$ 4,977,905</u>	<u>\$ 5,115,459</u>
Debt limit (3% of total valuation)	\$ 136,672	\$ 142,865	\$ 143,484	\$ 143,461	\$ 145,102	\$ 144,312	\$ 145,185	\$ 146,943	\$ 149,337	\$ 153,464
<b>Amount of debt applicable to limit</b>										
Total bonded indebtedness	142,602	174,353	174,061	171,785	178,619	174,735	162,800	224,125	213,510	189,765
Less exempt issues	<u>(95,537)</u>	<u>(130,957)</u>	<u>(133,779)</u>	<u>(130,303)</u>	<u>(133,462)</u>	<u>(141,906)</u>	<u>(128,319)</u>	<u>(197,118)</u>	<u>(186,522)</u>	<u>(166,900)</u>
Total net debt applicable to limit	47,065	43,396	40,282	41,482	45,157	32,829	34,481	27,007	26,988	22,865
Legal debt margin	<u>\$ 89,607</u>	<u>\$ 99,469</u>	<u>\$ 103,202</u>	<u>\$ 101,979</u>	<u>\$ 99,945</u>	<u>\$ 111,483</u>	<u>\$ 110,704</u>	<u>\$ 119,935</u>	<u>\$ 122,349</u>	<u>\$ 130,599</u>
Total net debt applicable to the limit as a percentage of debt limit	34.44%	30.38%	28.07%	28.92%	31.12%	22.75%	23.75%	18.38%	18.07%	14.90%

# **SEDGWICK COUNTY, KANSAS** **PLEDGED-REVENUE COVERAGE**

## **Special Assessments** **Last Ten Fiscal Years** (Dollars in Thousands)

<u>Fiscal Year</u>	<u>Special Assessment Collections</u>	<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>
2007	3,654	1,715	699	1.51
2008	3,528	1,710	635	1.50
2009	3,615	1,785	559	1.54
2010	3,196	1,295	338	1.96
2011	3,359	1,182	245	2.35
2012	2,375	1,070	200	1.87
2013	1,955	655	163	2.39
2014	1,617	325	140	3.48
2015	1,108	328	131	2.42
2016	919	228	108	2.73

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

## **THE SPECIAL TAX LEVY - HISTORICAL COVERAGES** **Last Ten Fiscal Years**

<u>Calendar Year</u>	<u>Actual Special Tax Levy Revenue <sup>1</sup></u>	<u>Existing Bond Debt Service Requirements <sup>2</sup></u>	<u>Balance Available for University Program Expenditures <sup>3</sup></u>	<u>Debt Service Coverage Ratio <sup>4</sup></u>
2007	6,433,665	1,586,853	4,846,812	4.05
2008	6,798,738	1,587,603	5,211,135	4.28
2009	7,076,919	1,585,852	5,491,067	4.46
2010	7,031,298	1,586,478	5,444,820	4.43
2011	7,027,579	1,590,202	5,437,377	4.42
2012	7,120,438	1,586,895	5,533,543	4.49
2013	7,162,443	1,580,363	5,582,080	4.53
2014	7,223,079	1,476,008	5,747,071	4.89
2015	7,322,161	1,478,125	5,844,036	4.95
2016	7,449,554	1,476,250	5,973,304	5.05

<sup>1</sup> Total Proceeds from the Special Tax Levy

<sup>2</sup> Debt service requirements for the existing bonds paid from such proceeds

<sup>3</sup> Balance available to be distributed to the Board of Trustees of Wichita State University  
for University program expenditures

<sup>4</sup> Debt service coverage ratio for the existing bonds paid from such proceeds

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

Year	Population <sup>1</sup>	Increase %	Personal Income <sup>2</sup> (thousands of dollars)	Per Capita Personal Income <sup>2</sup>	Public School Enrollment <sup>3</sup>	Unemployment Rate <sup>4</sup>
2007	478,479		19,043,811	39,801	88,612	4.1%
2008	486,077	1.59	21,407,778	44,042	89,248	4.3%
2009	495,006	1.84	19,941,205	40,285	90,467	8.7%
2010	499,315	0.87	19,509,118	39,072	91,071	8.8%
2011	501,042	0.35	22,213,695	44,335	91,302	8.0%
2012	504,167	0.62	23,683,947	46,976	92,273	7.0%
2013	506,570	0.48	24,085,292	47,546	92,988	6.4%
2014	509,294	0.54	25,332,295	49,740	93,502	5.6%
2015	511,574	0.48	25,807,971	50,448	93,672	4.0%
2016	514,132	0.85	Not Available	Not Available	93,254	4.4%

Notes:

<sup>1</sup> 2016 Population is estimated. Population for 2007-2015 is from the U.S. Census Bureau.

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

<sup>3</sup> Ks State Department of Education

<sup>4</sup> Kansas Department of Labor

<sup>5</sup> Prior years amounts have been updated to reflect the most recent information from the U.S. Bureau of Economic Analysis

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

	Fiscal Year 2016			Fiscal Year 2007		
	Employees	Rank	Percentage of Total Wichita MSA <sup>1</sup>	Employees	Rank	Percentage of Total Wichita MSA <sup>1</sup>
Spirit AeroSystems, Inc.	10,800	1	3.44%	9,400	2	2.95%
Textron Aviation	9,500	2	3.03%	-	-	-
McConnell Air Force Base	6,808	3	2.17%	-	-	-
Wichita Public Schools USD #259	5,583	4	1.78%	5,206	5	1.64%
Via Christi Health	4,768	5	1.52%	4,762	6	1.50%
State of Kansas	4,494	6	1.43%	4,029	7	1.27%
Koch Industries Inc.	3,600	7	1.15%	-	-	-
City of Wichita	3,121	8	0.99%	3,095	9	0.97%
U.S. Government	2,629	9	0.84%	5,435	4	1.71%
Sedgwick County	2,460	10	0.78%	2,753	10	0.87%
Cessna Aircraft Company	-	-	-	10,258	1	3.22%
Hawker Beechcraft	-	-	-	6,300	3	1.98%
Boeing IDS Wichita	-	-	-	3,133	8	0.98%
	<u>53,763</u>		<u>17.12%</u>	<u>54,371</u>		<u>17.09%</u>

<sup>1</sup> Includes Sedgwick, Butler, Harvey, Kingman and Sumner counties for 2016. Data for 2007 includes Sedgwick, Butler, Harvey and Sumner counties.

Source: Wichita Business Journal and Kansas Department of Labor

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

<u>Function/Program</u>	<u>Full-time Employees as of December 31</u>									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government	442	446	477	475	446	429	409	422	386	404
Public safety	1,471	1,509	1,549	1,542	1,476	1,420	1,438	1,406	1,413	1,404
Public works	126	126	132	124	111	115	116	116	130	129
Health and welfare	560	593	614	610	557	529	509	522	489	476
Culture and recreation	126	128	127	112	105	96	94	96	103	99
Economic development	13	11	12	12	13	6	6	6	3	3
	<u>2,738</u>	<u>2,813</u>	<u>2,911</u>	<u>2,875</u>	<u>2,708</u>	<u>2,595</u>	<u>2,572</u>	<u>2,568</u>	<u>2,524</u>	<u>2,515</u>

Source: Sedgwick County finance department as of December 31, 2016

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General government</b>										
Number of registered voters	237,135	246,928	252,101	259,888	261,038	274,369	271,013	275,499	274,961	294,138
Number of taxable real estate parcels	207,530	210,889	217,134	217,684	212,725	212,765	212,744	212,917	213,261	212,851
Documents filed with register of deeds	94,454	84,578	83,406	75,458	68,485	78,147	82,749	69,651	76,939	77,642
Real estate records processed	67,956	68,456	78,725	62,700	53,957	46,893	77,608	64,450	74,132	56,606
Average monthly investment portfolio (in millions)	\$ 377.7	\$ 413.3	\$ 378.0	\$ 317.5	\$ 299.2	\$ 297.4	\$ 290.0	\$ 284.1	\$ 269.5	\$ 276.4
Average number of bids per purchase	4.5	4.7	5.0	4.4	6.5	7.1	6.2	8.8	9.1	8.4
<b>Public safety</b>										
Average monthly number of incoming 911 calls	37,722	35,170	38,627	36,635	37,145	39,502	40,328	40,901	47,304	49,009
Average monthly number of EMS responses	4,040	4,000	4,150	4,401	4,520	4,714	4,836	5,051	5,337	5,182
Number of residential structural fires per 100,000 households	208	256	280	161	74	89	70	91	167	214
Average monthly number of medical responses by Fire	239	288	248	292	206	330	378	415	462	423
Average daily population, juveniles in detention	120	109	106	113	110	60	55	62	64	55
Average daily population in custody of Sheriff	1,522	1,533	1,645	1,561	1,502	1,442	1,418	1,359	1,406	1,373
Percent of autopsy reports filed within 90 days	78	62	57	69	89	59	75	78	74	63
<b>Public works</b>										
Miles of road improved	88	113	61	76	121	172	163	97	186	122
Miles of road maintained	622	622	617	617	626	617	600	603	603	603
Household hazardous waste tonnage disposed (in tons)	457	489	521	594	653	664	580	576	598	571
<b>Health and welfare</b>										
Number of mental health program clients	13,319	12,253	11,934	12,483	12,126	12,299	12,344	12,559	12,940	13,476
Number of Individuals eligible for developmental disability services	2,082	2,102	2,285	2,278	2,331	2,410	2,482	2,536	2,554	2,592
Number of health clinic patient encounters	165,039	178,812	188,205	174,841	164,037	176,230	153,529	155,316	170,960	147,358
Number of immunizations provided	27,170	26,015	27,327	23,588	33,586	24,453	23,080	22,734	26,159	25,763
Number of tuberculosis encounters	6,223	6,357	4,742	4,205	3,061	2,731	2,806	2,741	3,819	3,050
<b>Culture and recreation</b>										
Number of events per year at Intrust Bank Arena	*	*	*	109	63	70	80	100	107	102
Annual attendance at Intrust Bank Arena events	*	*	*	492,532	391,801	349,612	411,121	298,825	439,767	371,280
Number of events per year at Kansas Pavilions	137	122	110	55	39	*	*	*	*	*
Annual attendance at Kansas Pavilions events	557,334	543,519	500,801	202,922	203,800	*	*	*	*	*
Annual attendance at Sedgwick County Zoo	593,428	584,076	654,494	548,919	553,098	515,634	511,306	527,981	581,773	710,629
Annual attendance at Sedgwick County Park	932,486	1,131,339	1,060,267	966,792	1,028,339	872,349	922,713	959,101	944,320	1,000,806
<b>Economic development</b>										
Total value of merchandise moving through foreign trade zone (in millions)	\$ 19.6	\$ 20.3	\$ 25.7	\$ 1,159.0	\$ 1,698.7	\$ 36.4	\$ 297.4	\$ 226.0	\$ 91.9	\$ 103.4
Average monthly number of Sec. 8 housing clients	304	318	306	294	297	244	230	214	193	155

\* Information not available.

Source: County operating departments

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

Function/Program	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General government</b>										
Auto License buildings	4	4	4	4	4	4	4	4	4	4
Total fleet vehicles	462	464	473	464	469	468	466	462	462	464
<b>Public safety</b>										
Adult detention facility capacity	1,115	1,145	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158
Fire stations	8	8	9	9	9	9	9	9	9	9
EMS posts	13	14	15	15	15	15	15	15	15	15
Public Safety vehicles	260	278	291	294	290	288	274	278	279	279
<b>Public works</b>										
Bridges maintained	645	645	639	593	593	601	583	582	593	598
Miles of roads maintained	622	622	617	617	626	600	600	603	603	601
<b>Culture and recreation</b>										
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

\* Information not available

Source: County budget department and individual county departments