

# 2018

## Financial Year

### IN REVIEW

Fiscal year ended December 31, 2018



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

Division of Finance  
525 N. Main, Suite 823  
Wichita, KS 67203 - 316-660-7591  
[www.sedgwickcounty.org](http://www.sedgwickcounty.org)



# GFOA Award



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, 2017**

*Christopher P. Morrell*

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded Sedgwick County a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017. The prestigious national award recognizes conformance with the highest standards for preparation of state and local government popular reports.

To receive a Certificate of Excellence in Financial Reporting, a government unit must publish a popular annual financial report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

The Certificate of Achievement for Excellence in Financial Reporting is valid for a period of only one year. The current report continues to conform to the popular annual financial reporting requirements and will be submitted to the GFOA to determine its eligibility for another certificate.

## 2018 Demographics

Population	515,511
Per Capita Income (a)	\$49,101
Sedgwick MSA Unemployed Rate (b)	3.40%
Number of Budgeted County Positions	2,558

(a) U.S. Department of Commerce, Bureau of Economic Analysis (2018)

(b) U.S. Department of Labor, Bureau of Labor Statistics (2018)

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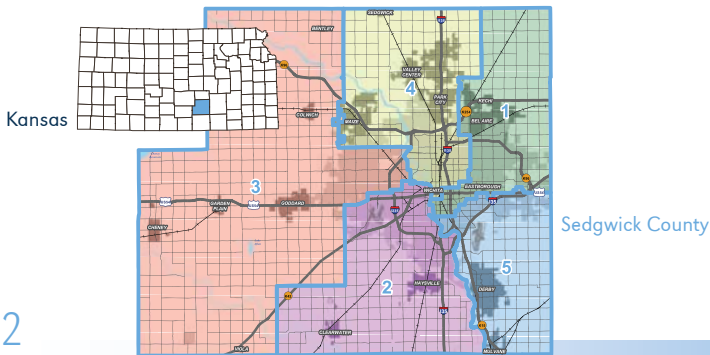
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# Sedgwick County

Located in South Central Kansas, Sedgwick County was officially established in 1867 and bears the name of Civil War hero Major General John Sedgwick of the Union Army. In 1870, Sedgwick County’s first county officials were elected, and the City of Wichita was selected to be the county seat. Sedgwick County occupies 1,008 square miles of land, and is the second most populous of the 105 counties in Kansas, with an estimated 515,511 residents. Wichita, the largest city in the state of Kansas, 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 Sedgwick County Commissioners who meet in regular session each Wednesday morning, except for the last Wednesday of each month. The commissioners, who serve four-year terms, are full-time County officials and perform executive, legislative, and policy-related functions. The Commissioners also appoint a professional County Manager to administer most county functions and to implement policy decisions. Tasks of the County Manager range from the management of special projects to the daily functions of **approximately 2,500 full-time employees.**



## Economic Indicators

The Wichita Metropolitan Statistical Area (MSA) unemployment rate in December 2018 was 3.4%, unchanged from December 2017.

As of December 2018, the median home sales price in Wichita for new and existing homes was \$165,000.

At 61.3%, residential property accounts for the largest segment of the total assessed value of real property in Sedgwick County. The second largest is commercial property, comprising of 35.4% of the county's total assessed value of real property.

In the Wichita MSA, manufacturing employment accounts for 18% of all jobs.

Health care jobs remain the highest paying occupations in Kansas.

The cost of living in Wichita is a moderate 91.8, almost 8.2% below the national urban area average.

## 2018 Top 10 Employers

Company	# of Employees
Spirit AeroSystems, Inc.	12,000
Textron Aviation	9,000
McConnell Air Force Base	6,689
Wichita Public Schools USD 259	5,516
State of Kansas	4,373
Via Christi Health	3,856
City of Wichita	3,255
Koch Industries Inc.	3,200
U.S. Government	2,738
Sedgwick County	2,496

Source: Wichita Business Journal, December 2018





## Accomplishments

- ◇ The County partnered with the City of Wichita and Spirit AeroSystems, in a public-private partnership, to create a separate legal entity called the Eclipse Investment Authority. [Sedgwick County will invest \\$7 million in real estate \(facilities\) over the next 10 years.](#) In return, Spirit AeroSystems is committed to remain in the community for the next 20 years, with plans to hire an additional 1,000 employees within the next two years. Due to the additional 1,000 jobs from Spirit AeroSystems-- and the expected 1,200 indirect jobs-- approximately \$2.7 billion will be infused into the local economy.
- ◇ [Sedgwick County's AAA bond rating](#) and stable financial outlook has been reaffirmed by Standard and Poor's Rating Service (S&P).
- ◇ [The Office of the Medical Director moved to a more central location.](#) The new facility now includes a simulation training space for EMS. The training space includes a mock outdoor area, a child care/play room, an apartment with a bedroom, kitchen and bathroom, a bar/club scene, an intensive care room, and an Emergency Department room.
- ◇ Sedgwick County Commissioners approved a funding agreement with USD 259 and COMCARE in the amount of \$1,029,000 for [mental health services provided to children and their families.](#) This is part of a mental health intervention pilot program funded by the 2018 State Legislature. The program will be in six school districts and community mental health centers in Kansas including USD 259 and COMCARE.
- ◇ Sedgwick County closed three satellite tag office locations and replaced them with one large tag office. [The new location has 25 tag clerks to better serve customers.](#) There are now two large tag office locations in Sedgwick County, which will be staffed to reduce wait times, and process customer transactions quicker while also increasing operational efficiencies.

## Sedgwick County Service Statistics

Function/Program	2017	2018
<b>General Government</b>		
Number of registered voters	292,029	303,571
Number of taxable real estate parcels	213,810	215,067
<b>Public Safety</b>		
Average monthly number of 911 calls	44,158	41,973
Average monthly number of EMS responses	5,171	5,300
Number of residential structural fires per 100,000 households	189	210
Average monthly number of medical responses by Fire District 1	408	387
Average daily population, juveniles in detention	52	53
Average daily population in custody of Sheriff	1,448	1,421
<b>Public Works</b>		
Miles of road improved	144	106
Miles of road maintained	597	609
<b>Health and Welfare</b>		
Number of mental health program clients	13,572	13,132
Number of individuals eligible for developmental disability services	2,521	2,538
<b>Culture and Recreation</b>		
Number of events per year at INTRUST Bank Arena	87	84
Annual attendance at INTRUST Bank Arena	338,190	352,285
Annual attendance at Sedgwick County Zoo	581,227	504,118
Annual attendance at Sedgwick County Park	1,021,314	995,375
<b>Economic Development</b>		
Total value of merchandise moving through foreign trade zone (in millions)	\$79.3	\$72.2
Average monthly number of Sec. 8 housing clients	144	*
* Information not available		
Source: County operating departments		

## Government-Wide Sources of Revenue

Source	2018	%	2017	%	2016
◆ Charges for Services	\$ 70,114,187	21.0%	\$ 73,115,653	22.5%	\$ 65,494,452
◆ Operating Grants/Contributions	\$ 44,894,531	13.4%	\$ 42,376,178	13.0%	\$ 44,948,046
◆ Capital Grants/Contributions	\$ 3,814,876	1.1%	\$ 3,128,050	1.0%	\$ 5,282,270
◆ Property Tax	\$ 172,620,033	51.6%	\$ 166,801,051	51.4%	\$ 162,790,600
◆ Regular Sales Tax	\$ 29,776,859	8.9%	\$ 28,073,924	8.6%	\$ 28,899,247
◆ Other Tax	\$ 3,421,680	1.0%	\$ 3,279,473	1.0%	\$ 3,381,978
◆ Investment Income	\$ 9,919,659	3.0%	\$ 7,972,100	2.5%	\$ 6,423,364
◆ Extraordinary item (October fraud loss)	\$ 0	0.0%	\$ 0	0.0%	\$ (543,217)
<b>Total Revenues</b>	<b>\$334,561,825</b>		<b>\$324,746,429</b>		<b>\$316,676,740</b>

**Charges for services** revenues decreased \$3.0 million in 2018. This decrease is largely due to a decrease in mortgage registrations fees collected and a decrease in Medicare fees collected. *Charges for services are fees charged to users of a service to offset the incurred cost.*

**Operating grants and contributions** increased \$2.5 million from 2017 to 2018. This increase is primarily due to an increase in State revenue received by COMCARE, as its participating Community Mental Health Center (CMHC) contract increased by \$1.5 million for the 2018 State Fiscal Year, and COMCARE received and amendment for an additional \$1.3 million for the Community Crisis Center. *Operating grants and contributions are grant funds that are to be used specifically for the day-to-day costs of operating the program.*

**Capital grants and contributions** were down \$0.7 million. *Capital grants and contributions are grant funds that are to be used specifically for the purchase of property, the construction, remodeling or expansions of the facility, or to purchase equipment needed to run the program.*

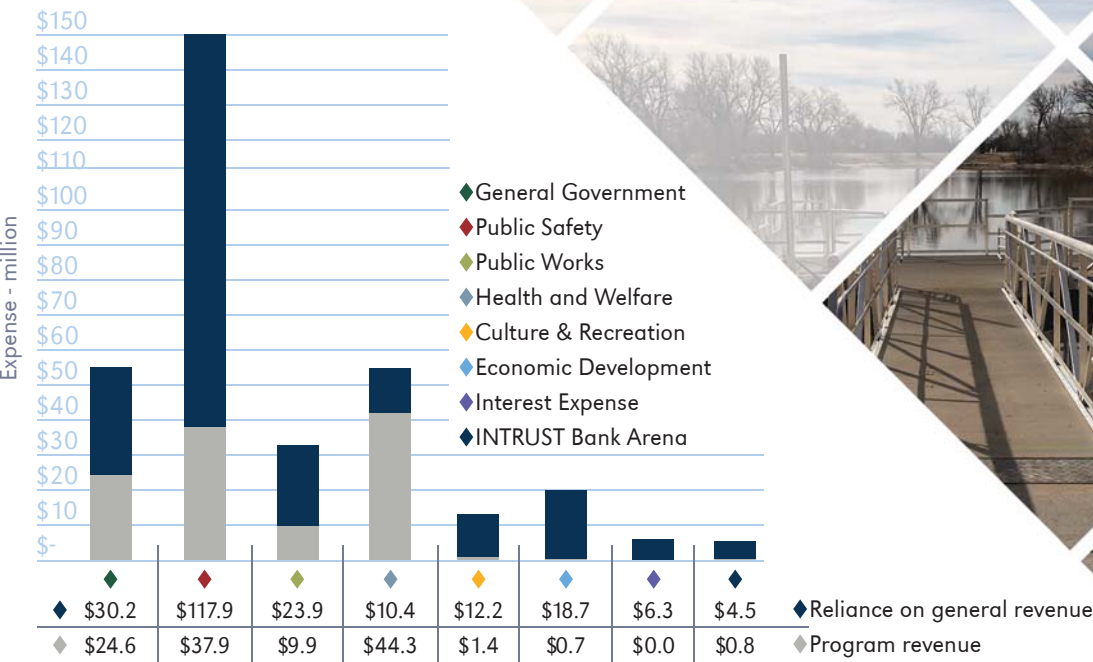
**Property tax** collections increased \$5.8 million; The County's assessed valuation grew 3.2% for 2018 budget year.

## Government-Wide Expenses by Function

Function	2018	%	2017	%	2016
◆ General Government	\$ 54,849,656	16.0%	\$ 52,508,805	15.8%	\$ 47,430,448
◆ Public Safety	\$ 155,753,795	45.4%	\$ 149,481,681	45.0%	\$ 144,411,990
◆ Public Works	\$ 33,795,769	9.8%	\$ 36,196,087	10.9%	\$ 35,205,540
◆ Health and Welfare	\$ 54,714,236	15.9%	\$ 52,924,647	15.9%	\$ 53,319,338
◆ Culture & Recreation	\$ 13,638,446	4.0%	\$ 12,752,767	3.8%	\$ 12,378,012
◆ Economic Development	\$ 19,385,943	5.6%	\$ 16,269,689	4.9%	\$ 14,210,390
◆ Interest on Long-term Debt	\$ 6,301,245	1.8%	\$ 6,956,141	2.1%	\$ 7,218,937
◆ INTRUST Bank Arena	\$ 5,294,694	1.5%	\$ 5,472,682	1.6%	\$ 5,248,238
<b>Total Expenses</b>	<b>\$343,733,784</b>		<b>\$332,562,499</b>		<b>\$319,422,893</b>

**Government-wide expenses increased \$11.2 million.** General government expenses increased \$2.3 million, 4.4%. Health and welfare expenses increased \$1.8 million or 3.4%. Culture and recreation expenses increased \$0.9 million or 7%. Economic development expenses increased \$3.1 million or 19%. Public safety expenses increased \$6.3 million, 4.2%.

# Where Does the Money Come From?



The chart above shows the total expenses for each function of governmental activities. The chart also shows the total program revenue for each function, as well as the total reliance on general revenues. General revenues are taxes and investment income.

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.

## Sedgwick County Government

- General Government** – County Appraiser – County Clerk – County Commissioners – County Counselor – County Manager  
County Treasurer – Election Commissioner – Enterprise Resource Planning – Facilities Management – Financial Management  
Human Resources – Metropolitan Area Planning Department – Register of Deeds
- Public Safety** – 18th Judicial District – District Attorney – Division of Corrections – Emergency Communications – Emergency Mgmt.  
Emergency Medical Service – Fire District 1 – Metropolitan Area Building and Construction Dept. – Regional Forensic Science Center  
Sheriff’s Office
- Public Works** – Environmental Resources – Highways – Household Hazardous Waste – Noxious Weeds – Storm Drainage
- Health and Welfare** – Animal Control – COMCARE – Developmental Disability Organization – Division on Aging – Division of Health
- Culture and Recreation** – Exploration Place – INTRUST Bank Arena – Lake Afton Park – Sedgwick County Park – Sedgwick County Zoo
- Economic Development** – Economic Opportunity – Sedgwick County Extension – Urban Redevelopment & Housing Functions

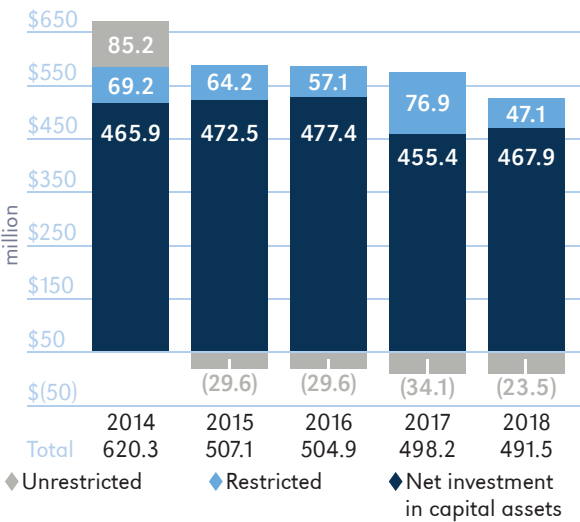


# \$491.5 Million

## Total Net Position

At the end of 2018, the total net position (assets minus liabilities) of Sedgwick County was \$491.5 million.

The largest portion of the County's net position, \$467.9 million (95.2%), is invested in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment) less depreciation and 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.

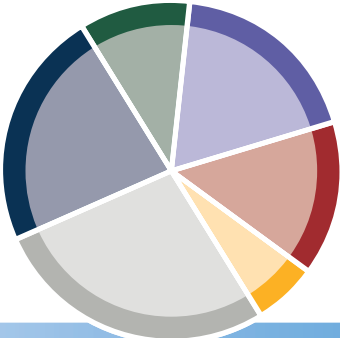
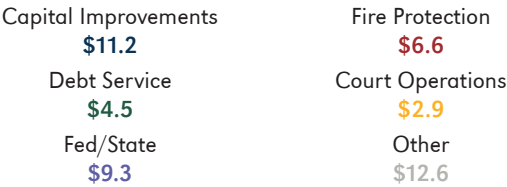


# \$47.1 Million

## Restricted Net Position

Restricted net position of \$47.1 million (9.6% of net position) are resources that are subject to external restrictions on how they may be used.

Unrestricted net position at the end of 2018 totaled (\$23.5) million. Governmental Accounting Standards Board (GASB) Statement No. 68 requires the County to record its proportionate share of the Kansas Public Employees Retirement System (KPERs) collective net pension liability. GASB Statement No. 75 was implemented during 2018, requiring the County to record its liability for other postemployment benefits (OPEB) we provide. For 2018, this accounts for the majority of the changes in long-term liabilities due in more than one year and unrestricted net position.



# Property Taxes Levied\*

\*2018 property taxes levied to fund the 2019 budget.

School Districts	Mill Levy	Amount Levied
Andover Jt. #385	67.612	\$ 11,432,392
Burton Jt. #369	56.444	\$ 50,142
Cheney Jt. #268	62.443	\$ 1,613,377
Circle Jt. #375	62.947	\$ 6,870,351
Clearwater Jt. #264	65.642	\$ 3,826,249
Conway Spgs. Jt. #356	54.294	\$ 159,111
Derby #260	65.699	\$ 28,484,284
Goddard #265	58.934	\$ 16,377,874
Halstead Jt. #440	50.561	\$ 488,731
Haven Jt. #312	57.231	\$ 370,784
Haysville #261	55.908	\$ 8,493,098
Kingman Jt. #331	58.556	\$ 33,526
Maize #266	59.800	\$ 27,388,422
Mulvane Jt. #263	59.244	\$ 2,995,103
Remington Jt. #206	52.235	\$ 428,956
Renwick Jt. #267	56.996	\$ 7,341,598
Rose Hill Jt. #394	63.159	\$ 988,054
Sedgwick Jt. #439	42.266	\$ 220,276
Valley Center Jt. #262	64.370	\$ 8,790,140
Wichita #259	53.638	\$ 150,662,466
<b>Total School Districts</b>		<b>\$277,014,934</b>

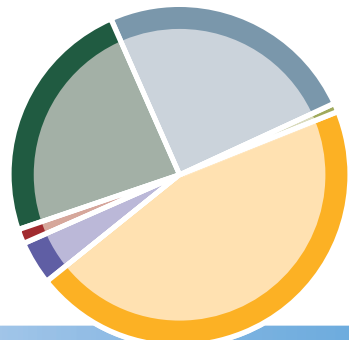
A Mill is a monetary unit used to express the property tax rate. One mill is equivalent to one-thousandth of a dollar, \$1 of tax per \$1,000 of assessed valuation.

A Levy is a compulsory collection of monies or the imposition of taxes.



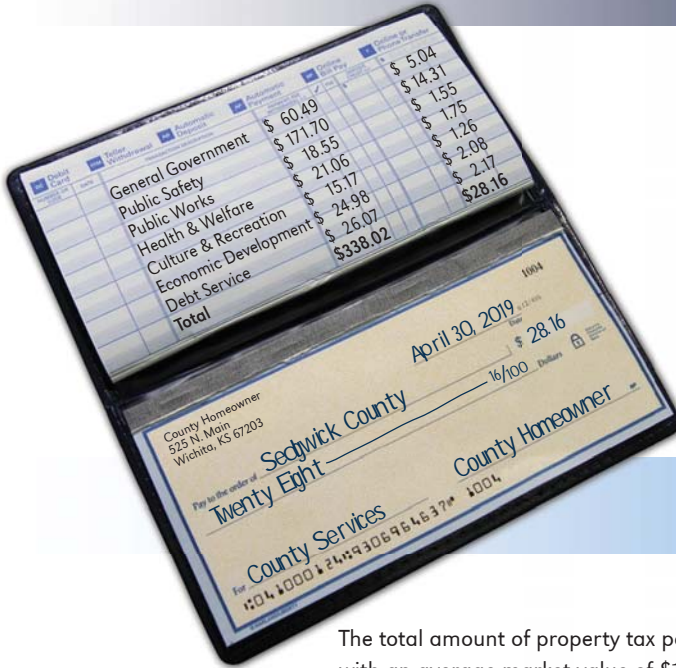
City Rates	Mill Levy	Amount Levied
Andale	48.274	\$ 334,342
Bel Aire	45.725	\$ 2,775,164
Bentley	59.460	\$ 137,977
Cheney	59.426	\$ 839,221
Clearwater	59.681	\$ 947,487
Colwich	58.315	\$ 730,849
Derby	48.063	\$ 10,610,178
Eastborough	61.934	\$ 858,221
Garden Plain	52.979	\$ 350,245
Goddard	33.230	\$ 1,390,838
Haysville	48.424	\$ 2,872,658
Kechi	36.768	\$ 708,752
Maize	42.925	\$ 2,130,526
Mount Hope	54.543	\$ 224,092
Mulvane	46.603	\$ 1,496,467
Park City	44.560	\$ 3,426,209
Sedgwick	74.927	\$ 112,614
Valley Center	54.977	\$ 2,796,926
Viola	28.060	\$ 17,172
Wichita	32.692	\$ 113,750,046
<b>Total City Levies</b>		<b>\$146,509,984</b>

From	Amount	%
♦ State	\$ 7,287,199	1.20%
♦ County	\$ 142,746,508	23.74%
♦ Cities	\$ 146,509,984	24.36%
♦ Townships	\$ 6,645,116	1.11%
♦ School Districts	\$ 277,014,934	46.07%
♦ Misc. Districts	\$ 21,143,285	3.52%
<b>Total Collected</b>	<b>\$601,347,026</b>	





# Property Tax



## What the Average Homeowner Pays

Sedgwick County provides a wide range of services to citizens. The checkbook to the left shows the functions of County government and how property tax is used to fund operations. The checkbook uses property tax on a home with an **assessed value of \$100,000** and shows how the property tax is used on a monthly basis.

In	Yearly	Monthly
2018*	<b>\$338.02</b>	<b>\$28.16</b>

\*2017 property taxes levied to fund the 2018 budget.

The total amount of property tax paid to Fire District 1 by the owners of a single-family home with an average market value of \$100,000 was \$211.51 per year, or \$17.63 per month.

## Dollar Bill Analysis

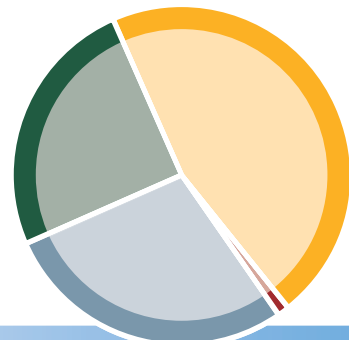
Only a small portion of your property taxes goes to support Sedgwick County's operations. The chart below shows, for every **\$1.00 of your property taxes paid** for a person living in the city of Wichita, Sedgwick County received approximately **25 cents**.

◆ Sedgwick County	<b>\$0.25</b>
◆ USD 259	<b>\$0.46</b>
◆ State of Kansas	<b>\$0.01</b>
◆ City of Wichita	<b>\$0.28</b>



Sedgwick County  
\$0.25

Other Local Governments  
& School District \$0.75





# 2018 Projects

- ◆ Reconstruction of the interchange at I-235 and Kellogg Expressway (US-54).
- ◆ Compliance with the Americans and Disabilities Act (ADA). This project continues to provide for a logical, planned effort to comply with the ADA, and the recommendations of the County's Transition Plan.
- ◆ Replacement of roofs and parking lots on County-owned properties.
- ◆ Re-deck or replace bridges located throughout Sedgwick County.

## Fiscal Challenges **Going Forward**

- ◆ **Continue to make strategic decisions about use of revenues from moderated growth in the property tax base after years of increased demand for services** - In the last 10 years, County public safety functions, like 9-1-1, EMS, the Sheriff and the District Attorney have experienced an increase in demand for the services they provide. At the same time, revenues have been mostly flat, or slowly increasing after the Great Recession. In addition, 2019 is the first year the County will experience the full loss of the mortgage registration fee as a result of legislative action in 2014. Since 2012, County departments have had mostly flat budgets within those areas that are supported by property tax revenues. As the economy continues to improve, and revenues moderately increase, County leadership will need to prioritize which areas of the County budget should see increases.
- ◆ **Behavioral health** - Sedgwick County Commissioners and community partners have identified a rapidly growing need for behavioral health services in the community. The impact is felt across the County organization. Recently, two community collaborator positions were added to the County's budget to develop relationships, and identify solutions in partnership with many stakeholders, including other governments, hospital systems, advocacy groups, and others. While the best use of resources to address the challenge is being considered through 2020 budget development, it will take a cultural change that could span a generation to truly address issues.
- ◆ **Planning for growth** - The need for more space, both physical and digital, has been a consistent theme from public safety agencies in the last several budget cycles. The most pressing need come from the District Court and District Attorney, both of which are currently housed in the County Courthouse; however, other significant needs across the organization and the County have also been identified. The County is working to develop a master plan to address capital improvement issues in the most efficient and cost-effective manner. The County also implemented a new technology review board to provide guidance and oversight as the technology needs of the organization increase and become more complex.
- ◆ **Employee recruitment and retention** - As the economy improves and unemployment in our community remains low, competition for qualified employees has increased, which has presented a challenge for employee recruitment. A recent market survey of the County's governmental peers showed the County is not as competitive in terms of pay as its peers, though, the County's benefit package continues to be a leader among peers. When staff positions are not filled or have delays in being filled, this presents challenges to many areas of organization, particularly those with 24/7 operations where coverage is critical. The County is working to develop a comprehensive "total compensation" strategy to improve the County's ability to recruit and retain a highly-qualified workforce.



660-7070	Animal Control
660-9000	Appraiser's Office
660-7600	COMCARE
660-9863	Community Development
660-9222	County Clerk
660-9300	County Commissioners
660-9393	County Manager
660-7500	Crisis Intervention Services
660-7630	Developmental Disability Organization
660-3600	District Attorney
660-7014	Division of Corrections
660-7591	Division of Finance
660-7300	Division of Health
660-7050	Division of Human Resources
660-7298	Division on Aging
660-7591	Economic Development
660-7100	Election Commissioner
660-4977	Emergency Communications
660-5959	Emergency Management
660-7994	Emergency Medical Service
660-7200	Environmental Resources
660-0600	Exploration Place
660-0100	Extension Education Center
660-3473	Fire District 1
268-4498	Flood Control
660-7458	Household Hazardous Waste
660-9000	Information Desk
440-9000	INTRUST Bank Arena
794-2774	Lake Afton Park
660-1840	Metropolitan Area Building and Construction Department
268-4421	Metropolitan Area Planning Department
660-7459	Noxious Weeds
660-1777	Public Works
660-7255	Purchasing
660-4800	Regional Forensic Science Center
660-9400	Register of Deeds
943-0192	Sedgwick County Park
660-9453	Sedgwick County Zoo
660-3900	Sheriff's Office
660-9370	Strategic Communications
660-9000	Treasurer and Tag Office

## Attractions

Ballet Wichita  
 Botanica Gardens  
 City and Town Fairs and Festivals  
 Exploration Place  
 FC Wichita  
 INTRUST Bank Arena  
 Kansas African-American Museum  
 Kansas Aviation Museum  
 Lake Afton Park  
 Mid America All-Indian Center  
 Old Cowntown Museum  
 Sedgwick County Fair  
 Sedgwick County Park  
 Sedgwick County Zoo  
 Wichita Art Museum  
 Wichita Flight Festival  
 Wichita Force Indoor Football  
 Wichita Ice Center  
 Wichita Open  
 Wichita Orpheum Theatre  
 Wichita Riverfest  
 Wichita-Sedgwick County  
 Historical Museum  
 Wichita Symphony  
 Wichita Thunder Hockey  
 Wichita WaterWalk

## The Mission

of Sedgwick County is to **provide quality public services** to  
**our community** so everyone can pursue **freedom** and **prosperity**  
 in a **safe, secure, and healthy environment**.

The Comprehensive Annual Financial Report (CAFR) is available on the Sedgwick County website at [www.sedgwickcounty.org](http://www.sedgwickcounty.org).

Scroll over the “Government” tab and click “Finance.” From there, click on “Reports & Documents” and choose 2018 Comprehensive Annual Financial Report.



## Published April 2019

This publication provides the public with an easy-to-read overview of Sedgwick County’s financial condition. The information contained in this report is derived from the 2018 Sedgwick County Comprehensive Annual Financial Report (CAFR). The CAFR contains more detailed information about the County’s finances, was prepared in conformance with Generally Accepted Accounting Principles (GAAP), and was audited by the County’s independent auditors. The schedules shown in the PAFR are different from the GAAP financial statements because accounting data has been summarized.



## Elected Officials

Pete Meitzner  
Commissioner - 1st District

Michael O'Donnell, II  
Commissioner - 2nd District

David Dennis  
Commissioner - 3rd District

Lacey Cruse  
Commissioner - 4th District

Jim Howell  
Commissioner - 5th District

Kelly Arnold  
County Clerk

Linda Kizzire  
County Treasurer

Marc Bennett  
District Attorney

Tonya Buckingham  
Register of Deeds

Jeff Easter  
Sheriff



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

Division of Finance  
525 N. Main, Suite 823  
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[www.sedgwickcounty.org](http://www.sedgwickcounty.org)

Tom Stolz  
County Manager

Lindsay Poe Rousseau  
Chief Financial Officer