

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
of
**THE COUNTY OF
SEDGWICK, KANSAS**
for the
Year Ended December 31, 2019

Prepared by:
DIVISION OF FINANCE
Lindsay Poe Rousseau, Chief Financial Officer
Brent Shelton, Deputy Chief Financial Officer
Hope Hernandez, Director of Accounting

COUNTY OF SEDGWICK, KANSAS BOARD OF COUNTY COMMISSIONERS

2019

Chairman
David T. Dennis

Chair Pro-Tem
Peter F. Meitzner

Commissioner
Michael O'Donnell, II

Commissioner
Lacey D. Cruse

Commissioner
James M. Howell

County Manager
Thomas J. Stolz

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, 2019

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Introductory Section

2019 Comprehensive Annual | Financial Report

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County Manager's Office

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

April 23, 2020

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, 2019. 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 Brent Shelton, Accounting Director Hope Hernandez, and the Accounting team of Mandy Estes, Brandi Baily, Rebecca Wadsworth, Ammi Walters, and Lynn Newby.

Sincerely,


Tom Stolz
County Manager



Sedgwick County...
working for you

Division of Finance

525 N. Main, Suite 1150, Wichita, KS 67203 - www.sedgwickcounty.org - TEL: 316-660-7591 - FAX: 316-383-7729

April 23, 2020

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 financial 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, 2019. 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. Sedgwick County has implemented a control environment that has been built into, not on to, its business practices. The objective of this control environment is to provide reasonable assurance that its financial statements are free of material misstatements. The cost of providing absolute assurance far exceeds the potential benefits derived from absolute assurance. 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 Generally Accepted Accounting Principles, (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

History

Originally a camping ground of the Osage and Wichita Indian tribes, Sedgwick County, Kansas, is thought to be a place of discovery for such explorers as Francisco Coronado and Kit Carson. The earliest European settler to the region was M. DuTissenet, a Frenchman operating under the direction of the governor of Louisiana, in 1719. DuTissenet brought with him soldiers, traders, and hunters who soon populated and transformed the region from prairie to a land of opportunity.

Sedgwick County was officially established nearly 150 years later on February 26, 1867, and bears the name of Civil War hero Major General John Sedgwick of the Union Army who was killed during the battle of Spotsylvania Courthouse in Virginia. After an initial failed attempt at establishing an official county government, the Governor of the State of Kansas appointed three Commissioners to aid in the effort. In April of 1870, the first county officials were elected and the county seat of Wichita was chosen.

Geography

Occupying 1,008 square miles of land in south central Kansas, Sedgwick County falls within the borders of the Arkansas River Lowlands. It is noted for its extreme flatness, as its highest point is only 1,540 feet above sea level. The County's lowest point, approximately 1,220 feet above sea level, occurs along the southern border where the Arkansas River leaves the county. Sedgwick County's largest city is Wichita, which is located along Interstate 35 with service areas to Interstate 135, U.S. 54, and various other highways.

Population

Sedgwick County is in a growing region, currently home to an estimated 516,042 citizens. The County's population has increased 3.2 percent since 2010 census, and has increased faster than the population of Kansas as a whole (2.2 percent since the 2010 census). The population of Sedgwick County is expected to grow to approximately 630,439 by 2064. In addition to a strong growth trend, the *U.S. Census Bureau, 2017 American Community Survey*, reports Sedgwick County is a relatively young community, with 89 percent of its population younger than the age of 65 with a median age of 35.5 years.

GOVERNMENT

Elected Officials

Sedgwick County is governed by a five-member Board of County Commissioners (BOCC) that meets in regular weekly sessions, with the exception of the last Wednesday of every month. Commissioners are elected according to geographical area (districts) and serve four-year terms with those terms overlapping. The Commissioners are full-time County officials and perform all executive, legislative, and policy-related functions. The Board also governs Sedgwick County Fire District 1, a separate special-purpose local government. The Chairman of the Board is elected by the Commissioners and serves a one-year term, January through December.

In addition to the BOCC, citizens of Sedgwick County elect the following positions:

- County Clerk
- Register of Deeds
- County Treasurer
- Sheriff
- District Attorney
- 18th Judicial District Judges

Appointed Officials

Sedgwick County was recognized by the International City-County Management Association (ICMA) in 1981 as a Council-Manager form of government. Therefore, the Board appoints 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 the County's nearly 3,000 employees. A Deputy County Manager and two Assistant County Managers aid the County Manager in his duties.

The BOCC also appoints the:

- County Counselor
- County Appraiser
- County Engineer

The Kansas Secretary of State is responsible for appointing an Election Commissioner for Sedgwick County.

In addition to the County government, Sedgwick County contains 26 townships, 20 cities, 20 unified school districts, 11 recreation commissions, 12 improvement districts, nine tax increment districts, eight cemetery districts, five drainage districts, six watershed districts, two redevelopment districts, two library districts, one fire district, one groundwater district, and one hospital district. 15 of the unified school districts, nine recreation districts, one library district, one drainage district; two of the cities, one of the improvement districts, and the hospital district cross the border into another county.

Services

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, INTRUST Bank Arena, and Exploration Place), economic development (National Center for Aviation Training), public improvements, planning and zoning, judicial support, youth facilities, elections, 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 12 months before the start of each fiscal year, when the Budget Department prepares a revised five-year financial forecast. The financial forecast serves as the foundation for planning and control, projecting revenues and expenditures for the next five years and comparing the prior year's projections with actual results. The Budget Department receives input from the Capital Improvement Program Committee. This Committee ranks projects with significant multi-year benefits, such as buildings, drainage, and infrastructure. Ten months before the start of the new fiscal year, the Budget Department prepares and distributes a base budget for all County departments. Department managers identify the service implications of the base budget and, if necessary, submit requests for additional funding or staff. Three 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 County Manager prepares a proposed budget in conjunction with his Budget Team and Budget Department staff. He presents this recommended budget to the Commission about five months before the new year. The Commissioners hold public hearings to receive input from citizens. The budget is adopted approximately four months before the start of the new fiscal year and is submitted to the County Clerk 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. Legally appropriated annual budgets are statutorily required for most, but not all, operations. 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.

Employment/Income

The Center for Economic Development and Business Research (CEDBR) at Wichita State University reports the labor force for the Wichita MSA at 311,313 as of December 2019 a 0.6% increase from December 2018. Of those who are eligible for employment, approximately 96.8 percent (301,359) were employed in 2019. According to the US Census Bureau the 2019 median income was \$54,974 for households in Sedgwick County, up from \$53,953 in 2018.

Property Values/Tax Payers

Similar to other jurisdictions, Sedgwick County has continued to address modest growth in property valuations by making operational changes. Prior to the national recession, assessed property valuations grew by an average of 5.5 percent annually between 1999 and 2009. Since that time, assessed valuations were below 1.0 percent for three years (2010 to 2012), and fell in value for the 2013 budget by 0.7 percent. In 2016, there was an increase to 1.4 percent. In 2017, there was an increase of 2.8 percent, and assessed value increased to 3.3 percent in 2018. The assessed valuation for 2019 is 3.9 percent. In Sedgwick County, residential property accounts for the largest percentage (62.4 percent) of the total assessed value of real property. The second largest is commercial property, comprising 34.4 percent of the County's total assessed value of real property. The large percentage of residential property shows that individuals and families recognize the County as a growing community where they can purchase a home and establish roots, while the large portion of commercial property shows that the County's business environment is also favorable. Another economic indicator is the total assessed value of the five largest taxpayers compared to the total assessed valuation of the County. A concentrated property tax base can be detrimental to a community in times of economic downturn, especially if a jurisdiction's largest taxpayers are in the same industry. Sedgwick County's largest five taxpayers comprised 7.15 percent of the County's total assessed value in 2018.

Cost of Living/Housing

The current overall cost of living in Wichita is below the national average of 100 on the "Overall Cost of Living Index". Compared to Oklahoma City, Oklahoma (86.0), Omaha, Nebraska (92.3), Dallas, Texas (108.2), and Kansas City, Missouri-Kansas (95.8), the overall cost of living for area residents (91.1) is close to other area communities. As of December 2019, the median home sales price in Wichita for new and existing homes was \$165,000.

COUNTY BUSINESS AND FINANCIAL FORECAST

Financial Forecast

Sedgwick County continues to demonstrate a strong financial position. 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 but is generally positioned to meet them financially. With the worldwide pandemic that began affecting Sedgwick County in March 2020, the County faces even greater fiscal pressure as a recession is almost certain, though the depth and duration is unknown. As this report demonstrates, the County has substantial reserves and a demonstrated history of making financial course corrections when needed to balance the budget. The health of the reserves will allow the County to make deliberate and strategic decisions. The County is closely monitoring revenue collections and expenses going into the next financial forecast update. The most recent update had anticipated an operating surplus in the General Fund in 2020 due to improved assessed value growth and modest improvement in the local economy. Other funds that receive ad valorem tax funding had been forecasted to experience operating deficits during the same period due to an intentional draw down of fund balance to targeted levels. Other funds, particularly grant funds, were projected to experience a mix of operating surpluses and deficits. These financial forecast projections will certainly be impacted, but it is anticipated that Federal relief through stimulus bills, efforts by local leaders to mitigate the impact of the pandemic, and actions by management to limit spending will mitigate the impact. The County's objective remains to maintain prudent fund balances.

Major initiatives of the County include the following:

- Community recovery from the effects of the worldwide pandemic associated with the novel coronavirus, referred to as COVID-19
- Maintaining budget balance while also meeting space needs for core government functions, like public safety and elections
- Planned upgrades to the County's Computer Aided Dispatch (CAD / Record Management System (RMS)
- Planned replacement of the County's portable/mobile radios across the organization
- Partnership with the Sedgwick County Zoo for upgrades to the main entrance and administration facility
- Upgrade to the County's enterprise data system with implementation in 2022 (financial and human resources)

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 2019 totaled \$26,407,530.54, including projects for road improvements, infrastructure, equipment, and continued upgrades to County owned and leased buildings. Planned capital spending for 2020 totals \$22,798,238, and total projected spending in the five-year capital improvement program that extends through 2024 is \$143,137,300. The most recent five-year CIP is comprised of the following: \$37.08 million for facilities and drainage, \$35.08 million for bridges and \$70.99 million for roads. 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 2019, 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 170 days and the average yield to maturity was 1.66%. The fair value of investments totaled \$556,278,164 at December 31, 2019.

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. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, the financial statements are free of any material misstatements. 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, 2018. This was the 38th 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 CAFR. 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 2019 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 37 consecutive years.

For the 14th time, Sedgwick County received GFOA's Popular Annual Financial Reporting (PAFR) Award for 2018. GFOA's PAFR award program encourages governments to publish concise annual financial reports specifically designed to be readily accessible and easily understandable to the general public. This award is valid for one year only.

Acknowledgements

Preparation of this report required the cooperation and dedicated efforts of many County personnel outside the Division of Finance, and of the independent auditors, 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 for their continued 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, 2018

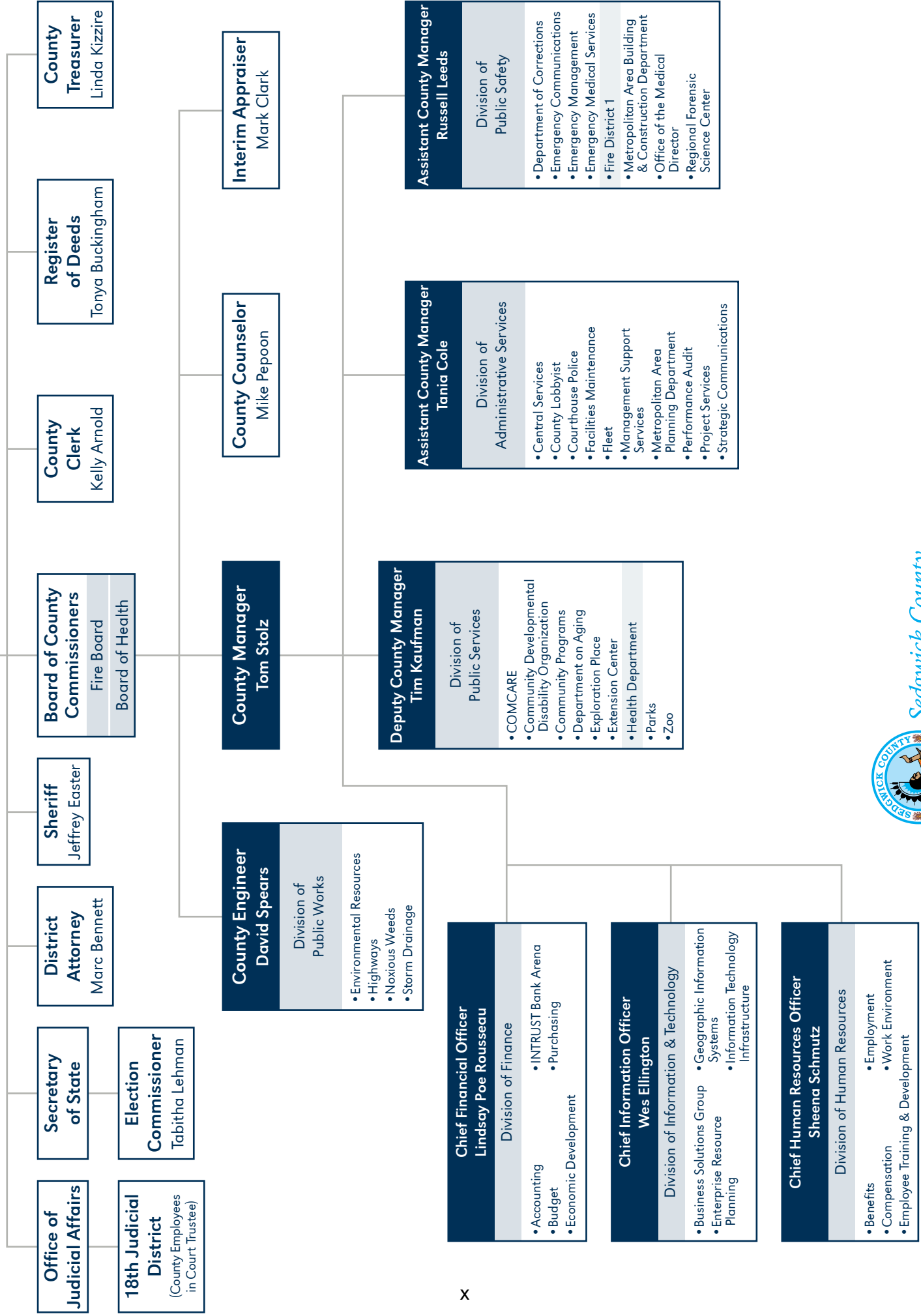
Christopher P. Morill

Executive Director/CEO

SEDGWICK COUNTY, KANSAS
PRINCIPAL OFFICIALS
March 31, 2020

Elected Positions	Name	Date of Appointment
Commissioner, 1 st District	Peter F. Meitzner	January 13, 2019
Commissioner, 2 nd District	Michael O'Donnell, II	January 8, 2017
Commissioner, 3 rd District	David T. Dennis	January 8, 2017
Commissioner, 4 th District	Lacey D. Cruse	January 13, 2019
Commissioner, 5 th District	James M. Howell	January 11, 2015
Administrative Judge, 18 th Judicial District	Jeffrey Goering	June 30, 2019
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

Appointed Positions	Name	Date of Appointment
County Manager	Thomas J. Stolz	February 20, 2019
Deputy County Manager, Public Services	Tim Kaufman	July 24, 2016
Assistant County Manager, Administrative Services	Tania Cole	April 3, 2019
Assistant County Manager, Public Safety	Russell Leeds	September 25, 2017
Chief Financial Officer	Lindsay Poe Rousseau	February 15, 2017
County Counselor	Michael Pepoon	November 16, 2018
County Appraiser	Mark Clark	February 12, 2020
County Engineer	David Spears	July 1, 1985
Chief Information Officer	Wes Ellington	January 23, 2016
Director of Health Department	Adrienne Byrne	May 18, 2014
Chief Human Resources Officer	Sheena Schmutz	November 26, 2018
Interim Director, Metropolitan Area Planning Department	Scott Wadle	March 23, 2020
Director, Metropolitan Area Building and Construction Department	Chris W. Labrum	June 5, 2017



x



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Financial Section

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2019 Comprehensive Annual | Financial Report

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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, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note IV.I. to the financial statements, the County adopted GASB Statement No. 84, *Fiduciary Activities*, in 2019. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 and schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund

financial statements and schedules and the schedule of expenditures of federal awards 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 April 23, 2020, 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 solely 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 effectiveness of the County's 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
April 23, 2020

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, 2019. 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 increased \$3.0 million to \$494.4 million. The governmental funds increased \$8 million, and the Arena fund, our only enterprise fund, decreased \$5 million.
- Of this total, (\$15.2) million is reported as unrestricted net position, a decrease from the prior year of \$8.5 million.
- The County implemented GASB No. 84, *Fiduciary Activities* as explained in Note IV.G. Beginning net position of fiduciary funds was restated to \$209,833 due to a prior period adjustment necessary for the implementation.
- The County implemented GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* as explained in Note III.E
- 2019 expenses were \$346.8 million, an increase of \$3 million.
- Program revenues were \$123.2 million, an increase of \$3.6 million.
- Investment earnings increased \$3.9 million to \$13.8 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, proprietary funds report on the activities the County operates like private-sector businesses and fiduciary funds report on the fiduciary activities of the County

The basic financial section also includes notes that explain in more detail 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-73 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 community 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 reports one pension (and other employee benefit) trust fund, its 457(b) Deferred Compensation Plan, and three custodial funds, the County Treasurer, 18th Judicial District Court and Sheriff Inmate custodial funds.

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-74 through A-77 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 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-3 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 \$494.4 million at the end of 2019.

Sedgwick County, Kansas
Net Position
As of December 31, 2019
With Comparatives as of December 31, 2018
(Millions of dollars)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	\$454.5	\$434.0	\$7.7	\$8.8	\$462.2	\$442.8
Capital assets	419.1	426.7	138.9	142.9	558.0	569.6
Total assets	<u>873.6</u>	<u>860.7</u>	<u>146.6</u>	<u>151.7</u>	<u>1,020.2</u>	<u>1,012.4</u>
Deferred Outflows:						
Deferred refunding	0.1	0.2	-	-	0.1	0.2
Deferred outflows – other postemployment benefits	1.4	-	-	-	1.4	-
Deferred outflows – pensions	21.5	23.5	-	-	21.5	23.5
Total deferred outflows	<u>23.0</u>	<u>23.7</u>	<u>-</u>	<u>-</u>	<u>23.0</u>	<u>23.7</u>
Liabilities:						
Long-term liabilities	321.4	320.9	-	-	321.4	320.9
Other liabilities	57.4	60.3	0.1	0.1	57.5	60.4
Total liabilities	<u>378.8</u>	<u>381.2</u>	<u>0.1</u>	<u>0.1</u>	<u>378.9</u>	<u>381.3</u>
Deferred Inflows:						
Deferred revenues	162.7	154.9	-	-	162.7	154.9
Deferred inflows –other postemployment benefits	1.8	1.0	-	-	1.8	1.0
Deferred inflows - pensions	5.4	7.4	-	-	5.4	7.4
Total deferred inflows	<u>169.9</u>	<u>163.3</u>	<u>-</u>	<u>-</u>	<u>169.9</u>	<u>163.3</u>
Net position:						
Net investment in capital assets	326.9	325.0	138.9	142.9	465.8	467.9
Restricted	43.7	46.4	-	0.7	43.7	47.1
Unrestricted (deficit)	(22.8)	(31.6)	7.7	8.0	(15.1)	(23.5)
Total net position	<u>347.8</u>	<u>\$339.8</u>	<u>146.6</u>	<u>\$151.6</u>	<u>494.4</u>	<u>\$491.5</u>

The largest portion of the County's net position (94.2 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 8.8 percent of net position and is resources that are subject to external restrictions on how they may be used. The remaining balance of (\$15.1) million is *unrestricted (deficit) net position*.

Change in Net Position

The County's net position for governmental activities increased \$8 million or 2.3 percent. Net position of the County's business-type activities decreased \$5 million representing a decrease of 3.3 percent during 2019. Overall, net position increased \$2.9 million. Changes in net position were as follows:

Sedgwick County, Kansas Change in Net Position Fiscal Year Ended December 31, 2019 With Comparatives for the Year Ended December 31, 2018 (Millions of dollars)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$71.2	\$70.1	\$0.9	\$0.8	\$72.1	\$ 70.9
Operating grants and contributions	47.0	44.9	-	-	47.0	44.9
Capital grants and contributions	4.0	3.8	-	-	4.0	3.8
General revenues:						
Property taxes	178.7	172.6	-	-	178.7	172.6
Sales taxes	30.4	29.8	-	-	30.4	29.8
Other taxes	3.6	3.4	-	-	3.6	3.4
Investment earnings	13.8	9.9	-	-	13.8	9.9
Gain (loss) on sale of capital assets	-	-	-	(0.2)	-	(0.2)
Total revenues	<u>348.7</u>	<u>334.6</u>	<u>0.9</u>	<u>0.6</u>	<u>349.6</u>	<u>335.1</u>
Expenses						
General government	56.0	54.8	-	-	56.0	54.8
Public safety	163.5	155.8	-	-	163.5	155.8
Public works	31.7	33.8	-	-	31.7	33.8
Health and welfare	56.9	54.7	-	-	56.9	54.7
Culture and recreation	15.7	13.6	-	-	15.7	13.6
Community development	11.8	19.4	-	-	11.8	19.4
Interest on long-term debt	5.2	6.3	-	-	5.2	6.3
Arena	-	-	5.9	5.3	5.9	5.3
Total expenses	<u>340.8</u>	<u>338.4</u>	<u>5.9</u>	<u>5.3</u>	<u>346.7</u>	<u>343.7</u>
Increase (decrease) in net position	8.0	(3.9)	(5.0)	(4.7)	3.0	(8.5)
Net position, beginning	339.8	343.7	151.6	156.3	491.4	500.0
Net position, ending	<u>\$347.8</u>	<u>\$339.8</u>	<u>\$146.6</u>	<u>\$151.6</u>	<u>\$494.4</u>	<u>\$491.5</u>

Charges for services in governmental activities increased \$1.1 million in 2019. Capital grants and contributions increased \$0.2 million. Operating grants and contributions increased \$2.1 million. This increase is primarily due to an increase in State revenue received by COMCARE as its participating

Community Mental Health Center (CMHC) contract for the 2019 State Fiscal Year, and COMCARE received additional reward funds for the Community Crisis Center. Property tax collections increased \$6.1 million; The County's assessed valuation grew 3.9% for 2019 budget year.

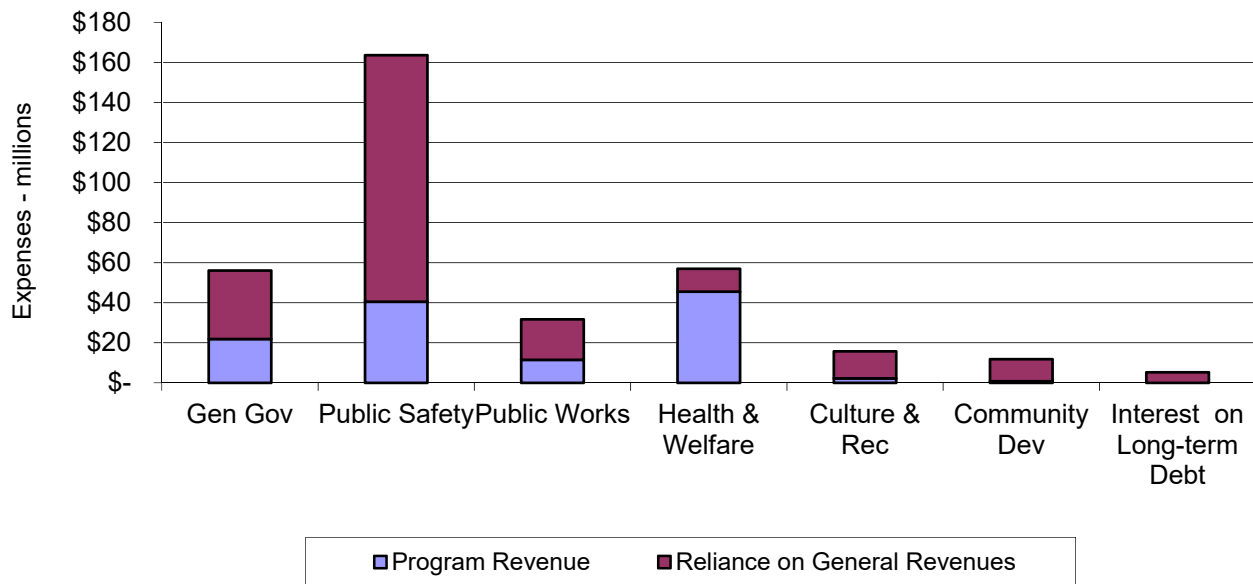
Expenses of governmental activities increased \$2.4 million. General government expenses increased \$1.2 million, 2.2%. Health and welfare expenses increased \$2.2 million or 4.0%. Culture and recreation expenses increased \$2.2 million or 15.4%. Community development expenses decreased \$7.6 million or 36%. Public safety expenses increased \$7.8 million, 4.9%.

Governmental Activities

Governmental activities incurred \$340,829,280 in expenses during 2019. The following list breaks this expense down into percentage by function with the corresponding dollar amount:

○ Public safety	48.0%	\$163,535,655
○ General Government	16.4%	56,019,543
○ Health and welfare	16.7%	56,904,126
○ Public works	9.3%	31,694,099
○ Community development	3.5%	11,761,470
○ Culture and recreation	4.6%	15,679,763
○ Interest on long-term debt	1.5%	5,234,624
Total governmental activities expenses		<u>\$340,829,280</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%	\$ 5,234,624	\$ -
o Community development	93.7%	11,021,585	739,885
o Culture and recreation	86.0%	13,484,677	2,195,086
o Public works	63.8%	20,222,866	11,471,233
o Public safety	75.2%	123,037,397	40,498,258
o General government	60.9%	34,127,490	21,892,053
o Health and welfare	20.1%	11,422,209	45,481,917
Total reliance on general revenues		<u>\$218,550,848</u>	<u>\$122,278,432</u>

Business-type Activity

Sedgwick County has one business-type activity, the Arena fund. Net position for fiscal year 2019 decreased by \$5.0 million to \$146.6 million. Of that \$146.6 million, \$138.9 million is invested in capital assets. The decrease can be attributed to depreciation, which was \$5.0 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 \$163.4 million, an increase of \$16.1 million since the beginning of the year. The following table shows how fund balance changed in the major and other governmental funds.

Fund	Beginning Fund Balance	Ending Fund Balance	Change in Fund Balance
General	\$ 66,936,303	\$ 71,704,036	\$ 4,767,733
Federal/State Assistance	23,112,094	22,173,240	(938,854)
Public Building Commission	1,427,470	1,240,069	(187,401)
Debt Service	2,595,046	2,152,796	(442,250)
Debt Proceeds	7,226,123	12,543,487	5,317,364
Other Governmental	46,035,385	53,590,437	7,555,052
Total Governmental Funds	<u>\$ 147,332,421</u>	<u>\$ 163,404,065</u>	<u>\$16,071,644</u>

The General Fund is the chief operating fund of Sedgwick County. Ending fund balance in the General Fund increased \$4.8 million, compared to an increase of \$.8 million a year ago.

Revenues of the General Fund increased \$6.6 million, to \$174.6 million, in 2019. Property tax increased \$3.3 million from 2018, primarily due to assessed valuations grew 3.9% for 2019 budget year. Intergovernmental revenues decreased \$.2 million from 2018. Licenses and permits decreased .05 million from 2018.

General Fund expenditures decreased \$2.8 million, to \$163.8 million. The decrease primarily can be attributed to the decrease in contractuals due to the County's 2018 payment to Spirit for their new building

compared to no such payment in 2019. The decrease in capital outlay is due to the 2018 purchase of technology equipment by the Sheriff's Office and the Department of Corrections. The decrease in debt service is due to 2018 debt service payments to Wichita State University (WSU) Tech due no such payments in 2019 as funding was eliminated in 2018.

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% of total General Fund expenditures, while total fund balance represents 43.8%. 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 \$22.2 million which is \$0.9 million less than 2018. Revenues increased \$1.0 million over the prior year, to \$54.3 million. The category of 'other revenues' decreased \$.002 million. Charges for service decreased \$.5 million from 2018. Intergovernmental revenues increased \$1.5 million from 2018. This increase is primarily due to an increase in State revenue received by COMCARE as its participating Community Mental Health Center (CMHC) contract for the 2019 State Fiscal Year, and COMCARE received an amendment for an additional funding for the Community Crisis Center. Federal/State Assistance Fund expenditures increased \$1.6 million. Community development expenditures decreased \$.01 million. Public safety expenses decreased \$0.4 million from 2018.

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 \$1.2 million, which is a decrease of \$.2 million from 2018.

Debt Service fund balance decreased by \$0.4 million due to the County not assessing any specials in 2019 compared to 2018.

The Debt Proceeds Fund is a capital projects fund that receives proceeds from general obligation bond issues and other long-term financing sources. During 2019, the fund received \$9.770 million in proceeds from debt issuance. Proceeds were used to pay for new projects and an economic development incentive. Debt Service Fund Balance Decrease due to \$40,000 less in Special Assessment Revenues, \$13,000 less in Intergovernmental Revenues and payments on 2018 Bond Issues (first bond issues since 2015.) \$5.1 million transferred to capital projects. \$2.36 million to ADF renovations (2019 Bond Funded Project Transfers Total Transfers Row) – repurpose vacant space of former visitation area and build 2-story expansion to move Sheriff's operations out of courthouse to make room for much needed space of DA.

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 \$5.0 million. The loss can be attributed to \$5.0 million in depreciation expense.

Internal service funds account for the County's fleet operation as well as insurance, including workers compensation, health, life, dental, property, and liability. Fleet operations show an increase in 2019 of \$0.3 million, to \$22.3 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 \$1,010,210 for property and liability insurance during 2019 and also paid \$652,527 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 gain of \$.4 million during 2019 increasing net position to \$4.3 million at the end of the year.

General Fund Budgetary Highlights

The County did not amend the budget during fiscal year 2019, although appropriations were shifted between line items in the General Fund.

Actual revenue was \$2,223,673, or 1.14%, below both the original and final budgets. Six of ten major revenue sources ended the year below budget. Property taxes were \$2,115,269 below budget. Charges for services were \$3,785,429 below budget. Reimbursed expenditures were 425,747 below budget. Other revenues were 342,429 below budget.

Combined the other four major revenues were below above budget \$4.8 million. Uses of money and property were above budget by 3.8 million. Sales taxes were above budget by 0.7 million. Licenses and permits were above budget by 0.2 million. Other taxes were above budget by 54,786.

General Fund expenditures totaled \$169.9 million, and were 11.9% less than the final budget. Expenditures for personnel services were less than the final budget by \$7.5 million. Contractual services ended the year \$14.8 million lower than the final budget. The County budgets a contingency for disaster recovery each year, which is included in contractual services. Much of the discrepancy between budgeted and actual contractual expenditures is due to the fact that the county was not required to use the disaster contingency account. Overall budgetary fund balance in the General Fund increased \$3.3 million in 2019.

Capital Asset and Debt Administration

Sedgwick County's investment in capital assets for its governmental and business-type activities as of December 31, 2019, totaled \$558,079,158 (net of accumulated depreciation). This investment in capital assets includes land, buildings, roads, bridges, improvements, machinery and equipment, software, and the INTRUST Bank Arena.

Capital Assets December 31, 2019 (Net of Depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	\$ 27,344,138	\$ 13,038,358	\$ 40,382,496
Buildings and improvements	190,144,329	124,208,841	314,353,170
Improvements other than buildings	11,825,946	-	11,825,946
Machinery and equipment	18,446,997	1,644,880	20,091,877
Infrastructure	149,570,584	-	149,570,584
Construction in progress	21,807,986	47,098	21,855,084
Total	<u>\$ 419,139,980</u>	<u>\$ 138,939,177</u>	<u>\$ 558,079,157</u>

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

Long-term Debt

At the end of 2019, Sedgwick County had total general obligation bonds outstanding of \$52.9 million. This amount includes \$1.7 million of special assessment bonds. The County's long-term obligations also include revenue bonds totaling \$88.5 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.

In 2019, the County issued \$9,770,000 of General Obligation Bonds. \$6.125 million was issued for new projects such as the Adult facilities detention renovation and \$3.645 million was issued for road and bridge projects.

Outstanding general obligation bonds of the County and lease revenue bonds of the PBC are rated “AA+” 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-50 of this report.

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate in the Wichita MSA stood at 3.2% at the end of 2019, is a small change from 3.4% at the end of 2018.
- The 2019 County property tax levy funds the 2020 budget. The 2019 property tax (mill levy) rate is 29.383.
- 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.
- The cost of living index in Wichita is a moderate 91.1 almost 9.0% below the national urban area average of 100.
- Community recovery from the effects of the worldwide pandemic associated with the novel coronavirus, referred to as COVID-19
- Maintaining budget balance while also meeting space needs for core government functions, like public safety and elections

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.

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SEDGWICK COUNTY, KANSAS

Statement of Net Position

December 31, 2019

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Assets			
Cash, including investments	\$ 185,180,105	\$ 6,968,444	\$ 192,148,549
Receivables, net	262,796,637	725,861	263,522,498
Due from other agencies	2,383,686	-	2,383,686
Inventories, at cost	690,729	-	690,729
Prepaid items	2,175,489	-	2,175,489
Restricted assets:			
Cash, including investments	1,221,885	-	1,221,885
Capital assets:			
Land and construction in progress	49,152,124	13,038,358	62,190,482
Other capital assets, net of depreciation	369,987,853	125,900,819	495,888,672
Total assets	873,588,508	146,633,482	1,020,221,990
Deferred Outflows of Resources			
Deferred refunding	112,213	-	112,213
Deferred outflows-other postemployment benefits	1,412,681	-	1,412,681
Deferred outflows-pensions	21,485,042	-	21,485,042
Total deferred outflows of resources	23,009,936	-	23,009,936
Liabilities			
Accounts payable and other current liabilities	4,576,757	23,751	4,600,508
Accrued wages	5,833,442	-	5,833,442
Accrued interest payable	2,239,693	-	2,239,693
Unearned revenue	41,846,830	-	41,846,830
Due to other entities	227,786	-	227,786
Advance - grants	1,009,888	-	1,009,888
Other liabilities	1,750,645	-	1,750,645
Noncurrent liabilities:			
Due within one year	21,207,884	-	21,207,884
Due in more than one year	300,149,947	-	300,149,947
Total liabilities	378,842,872	23,751	378,866,623
Deferred Inflows of Resources			
Deferred property tax revenue	162,757,546	-	162,757,546
Deferred inflows-other postemployment benefits	1,814,362	-	1,814,362
Deferred inflows-pensions	5,362,162	-	5,362,162
Total deferred inflows of resources	169,934,070	-	169,934,070
Net Position			
Net investment in capital assets	326,931,145	-	326,931,145
Invested in capital assets	-	138,939,177	138,939,177
Restricted for:			
Capital improvements	13,721,174	-	13,721,174
Debt service	3,694,631	-	3,694,631
Federal/State assistance	6,458,556	-	6,458,556
Community development	2,577,729	-	2,577,729
Equipment and technology improvements	1,028,668	-	1,028,668
Fire protection	5,904,951	-	5,904,951
Court operations	2,692,744	-	2,692,744
Other purposes	7,632,901	-	7,632,901
Unrestricted (Deficit)	(22,820,997)	7,670,554	(15,150,443)
Total net position	\$ 347,821,502	\$ 146,609,731	\$ 494,431,233

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, 2019

		Program Revenues		
			Operating	Capital
	Expenses	Charges for	Grants and	Grants and
		Services	Contributions	Contributions
Primary government:				
Governmental activities:				
General government	\$ 56,019,543	\$ 21,891,036	\$ 1,017	\$ -
Public safety	163,535,655	26,972,838	13,525,420	-
Public works	31,694,099	2,055,547	7,150,252	2,265,434
Health and welfare	56,904,126	19,927,585	25,554,332	-
Cultural and recreation	15,679,763	380,869	90,188	1,724,029
Community development	11,761,470	13,450	726,435	-
Interest on long-term debt	5,234,624	-	-	-
Total governmental activities	<u>340,829,280</u>	<u>71,241,325</u>	<u>47,047,644</u>	<u>3,989,463</u>
Business-type activities:				
Arena	5,933,968	909,978	-	-
Total business-type activities	<u>5,933,968</u>	<u>909,978</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 346,763,248</u>	<u>\$ 72,151,303</u>	<u>\$ 47,047,644</u>	<u>\$ 3,989,463</u>

General revenues:
Property taxes
Sales taxes
Other taxes
Investment earnings
Total general revenues

Change in net position

Net position, beginning of year

Net position, end of period

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (34,127,490)	\$ -	\$ (34,127,490)
(123,037,397)	-	(123,037,397)
(20,222,866)	-	(20,222,866)
(11,422,209)	-	(11,422,209)
(13,484,677)	-	(13,484,677)
(11,021,585)	-	(11,021,585)
(5,234,624)	-	(5,234,624)
(218,550,848)	-	(218,550,848)
-	(5,023,990)	(5,023,990)
-	(5,023,990)	(5,023,990)
(218,550,848)	(5,023,990)	(223,574,838)
178,745,661	-	178,745,661
30,423,553	-	30,423,553
3,592,849	-	3,592,849
13,779,510	-	13,779,510
226,541,573	-	226,541,573
7,990,725	(5,023,990)	2,966,735
339,830,777	151,633,721	491,464,498
\$ 347,821,502	\$ 146,609,731	\$ 494,431,233

SEDGWICK COUNTY, KANSAS

*Balance Sheet
Governmental Funds
December 31, 2019*

	General Fund	Federal/State Assistance Fund	Public Building Commission Fund
Assets:			
Cash, including investments	\$ 66,905,576	\$ 22,712,984	\$ 18,184
Restricted investment	-	-	1,221,885
Advance receivable	4,377,381	-	-
Due from other funds	-	-	-
Due from other agencies	322,142	1,688,356	-
Accounts receivable	337,666	1,034,987	-
Property tax receivable	114,677,043	-	-
Sales tax receivable	2,751,014	-	-
Interest receivable	690,203	-	-
Prepaid items	2,175,489	-	-
Lease receivable	-	-	85,115,580
Notes receivable	702,033	-	-
Special assessments receivable:			
Noncurrent	-	-	-
Delinquent (including interest)	-	-	-
Inventories, at cost	-	117,533	-
Total assets	\$ 192,938,547	\$ 25,553,860	\$ 86,355,649
Liabilities:			
Accounts payable	1,105,267	664,304	-
Accrued wages	3,387,987	1,030,568	-
Advance - grants	-	1,009,888	-
Due to other funds	-	-	-
Advance payable	-	-	-
Due to other entities	211,136	-	-
Other liabilities	1,750,645	-	-
Total liabilities	6,455,035	2,704,760	-
Deferred Inflows of Resources:			
Deferred property tax revenue	114,677,043	-	-
Unavailable revenue - accounts receivable	102,433	675,860	-
Deferred lease receivable	-	-	85,115,580
Unavailable revenue - special assessments	-	-	-
Total deferred inflows of resources	114,779,476	675,860	85,115,580
Fund balances:			
Nonspendable:			
Inventories	\$ -	\$ 117,533	\$ -
Advance receivable	4,377,381	-	-
Notes receivable	702,033	-	-
Prepaid items	2,175,489	-	-
Restricted:			
General Government	5,411,145	-	-
Debt Service	-	-	18,184
Public Safety	-	940,766	-
Public Works	-	-	-
Health and Welfare	-	5,328,598	-
Culture and Recreation	-	-	-
Community Development	-	4,244,275	1,221,885
Capital Outlay	-	-	-
Committed:			
Public Safety	-	345,139	-
Capital Outlay	-	-	-
Health and Welfare	-	1,542,445	-
Assigned:			
General Government	12,862,175	-	-
Public Safety	277,724	1,397,702	-
Public Works	254	-	-
Health and Welfare	24,202	8,241,847	-
Culture and Recreation	155	-	-
Community Development	9,198	14,935	-
Capital Outlay	-	-	-
Unassigned	45,864,280	-	-
Total fund balances	71,704,036	22,173,240	1,240,069
Total liabilities, deferred inflows of resources and fund balances	\$ 192,938,547	\$ 25,553,860	\$ 86,355,649

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
\$ 2,152,796	\$ 11,764,016	\$ 56,914,976	\$ 160,468,532
-	-	-	1,221,885
-	-	-	4,377,381
-	779,471	-	779,471
-	-	373,188	2,383,686
-	-	2,917,525	4,290,178
8,780,503	-	39,300,000	162,757,546
-	-	2,751,016	5,502,030
-	-	-	690,203
-	-	-	2,175,489
-	-	-	85,115,580
-	-	-	702,033
1,903,909	-	-	1,903,909
1,833,645	-	-	1,833,645
-	-	378,130	495,663
<u>\$ 14,670,853</u>	<u>\$ 12,543,487</u>	<u>\$ 102,634,835</u>	<u>\$ 434,697,231</u>
-	-	2,747,586	4,517,157
-	-	1,372,073	5,790,628
-	-	-	1,009,888
-	-	779,471	779,471
-	-	4,377,381	4,377,381
-	-	16,650	227,786
-	-	-	1,750,645
<u>-</u>	<u>-</u>	<u>9,293,161</u>	<u>18,452,956</u>
8,780,503	-	39,300,000	162,757,546
-	-	451,237	1,229,530
-	-	-	85,115,580
3,737,554	-	-	3,737,554
<u>12,518,057</u>	<u>-</u>	<u>39,751,237</u>	<u>252,840,210</u>
\$ -	\$ -	\$ 378,130	\$ 495,663
-	-	-	4,377,381
-	-	-	702,033
-	-	-	2,175,489
-	-	2,709,030	8,120,175
2,152,796	-	25,790	2,196,770
-	-	11,550,021	12,490,787
-	-	675,479	675,479
-	-	961,019	6,289,617
-	-	83,683	83,683
-	-	9,500	5,475,660
-	12,543,487	13,721,174	26,264,661
-	-	2,902,437	3,247,576
-	-	9,236,238	9,236,238
-	-	-	1,542,445
-	-	-	12,862,175
-	-	417,088	2,092,514
-	-	629,428	629,682
-	-	-	8,266,049
-	-	-	155
-	-	-	24,133
-	-	11,082,946	11,082,946
-	-	(791,526)	45,072,754
<u>2,152,796</u>	<u>12,543,487</u>	<u>53,590,437</u>	<u>163,404,065</u>
<u>\$ 14,670,853</u>	<u>\$ 12,543,487</u>	<u>\$ 102,634,835</u>	<u>\$ 434,697,231</u>

SEDGWICK COUNTY, KANSAS

Reconciliation of the Statement of Net Position to the Balance Sheet for Governmental Funds December 31, 2019

Total fund balances of governmental funds		\$ 163,404,065
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 \$785,626,388 and the accumulated depreciation is \$376,364,549, excluding internal service fund capital assets.		409,261,839
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.		30,807,574
Certain accounts receivable resulting from charges for services are not considered available to pay current period expenditures and are therefore deferred in the funds.		
Special assessments	3,737,554	
Principal portion of lease receivable	43,268,750	
Miscellaneous other	<u>1,229,532</u>	48,235,836
Other deferred outflows of resources do not decrease net position until a future period and therefore are not reported in the funds		
Deferred refunding	112,213	
Deferred outflows - other postemployment benefits	1,412,681	
Deferred outflows - pensions	<u>21,485,042</u>	23,009,936
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	(52,920,000)	
Bond premium	(6,784,651)	
Revenue bonds payable	(88,520,000)	
Capital lease payable	(1,946,437)	
Compensated absences	(6,400,000)	
Net pension liability	(140,339,426)	
Other postemployment benefits other than pensions	(20,571,017)	
Accrued interest payable	<u>(2,239,693)</u>	(319,721,224)
Other deferred inflows of resources do not increase net position until a future period and therefore are not reported in the funds		
Deferred inflows - OPEB		(1,814,362)
Deferred inflows - pensions		<u>(5,362,162)</u>
Net position of governmental activities		<u><u>\$ 347,821,502</u></u>

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, 2019

	General Fund	Federal/State Assistance Fund	Public Building Commission Fund
Revenues			
Property taxes	\$ 121,724,502	\$ -	\$ -
Emergency telephone services taxes	-	-	-
Sales taxes	16,809,342	-	-
Special assessments	-	-	-
Other taxes	388,077	6,499	-
Intergovernmental	535,325	34,361,256	-
Charges for services	13,257,386	19,561,645	535,417
Uses of money and property	10,628,889	9,837	1,768,661
Fines and forfeits	115,303	145,485	-
Licenses and permits	8,223,368	-	-
Other	2,886,823	225,629	-
Total revenues	<u>174,569,015</u>	<u>54,310,351</u>	<u>2,304,078</u>
Expenditures			
Current:			
General government	38,961,109	-	-
Public safety	100,245,468	10,590,427	-
Public works	2,055,481	-	-
Health and welfare	8,522,014	44,696,609	-
Cultural and recreation	12,193,766	-	-
Community development	1,719,283	731,798	-
Debt service:			
Principal	1,282	-	575,000
Interest and fiscal charges	93,456	-	1,916,479
Capital outlay	-	-	-
Total expenditures	<u>163,791,859</u>	<u>56,018,834</u>	<u>2,491,479</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,777,156</u>	<u>(1,708,483)</u>	<u>(187,401)</u>
Other financing sources (uses)			
Transfers from other funds	39,829	769,629	-
Transfers to other funds	(6,049,252)	-	-
Premium from issuance of general obligation bonds	-	-	-
Issuance of general obligation bonds	-	-	-
Proceeds from capital lease	-	-	-
Total other financing sources (uses)	<u>(6,009,423)</u>	<u>769,629</u>	<u>-</u>
Net change in fund balances	4,767,733	(938,854)	(187,401)
Fund balances, beginning of year	<u>66,936,303</u>	<u>23,112,094</u>	<u>1,427,470</u>
Fund balances, end of period	<u>\$ 71,704,036</u>	<u>\$ 22,173,240</u>	<u>\$ 1,240,069</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
\$ 14,969,327	\$ -	\$ 42,051,832	\$ 178,745,661
-	-	3,074,727	3,074,727
-	-	13,614,211	30,423,553
569,093	-	-	569,093
-	-	123,546	518,122
126,198	-	14,061,086	49,083,865
-	-	27,058,553	60,413,001
-	60,318	316,607	12,784,312
-	-	-	260,788
-	-	68,370	8,291,738
-	-	443,285	3,555,737
<u>15,664,618</u>	<u>60,318</u>	<u>100,812,217</u>	<u>347,720,597</u>
-	73,504	5,240,556	44,275,169
-	-	45,787,908	156,623,803
-	-	12,184,234	14,239,715
-	-	5,344,873	58,563,496
-	-	4,401	12,198,167
-	-	8,163,700	10,614,781
15,188,718	-	406,088	16,171,088
3,695,671	-	20,567	5,726,173
-	-	25,776,537	25,776,537
<u>18,884,389</u>	<u>73,504</u>	<u>102,928,864</u>	<u>344,188,929</u>
<u>(3,219,771)</u>	<u>(13,186)</u>	<u>(2,116,647)</u>	<u>3,531,668</u>
2,777,521	470	12,058,166	15,645,615
-	(5,495,621)	(4,011,671)	(15,556,544)
-	1,055,701	-	1,055,701
-	9,770,000	-	9,770,000
-	-	1,625,204	1,625,204
<u>2,777,521</u>	<u>5,330,550</u>	<u>9,671,699</u>	<u>12,539,976</u>
(442,250)	5,317,364	7,555,052	16,071,644
<u>2,595,046</u>	<u>7,226,123</u>	<u>46,035,385</u>	<u>147,332,421</u>
<u>\$ 2,152,796</u>	<u>\$ 12,543,487</u>	<u>\$ 53,590,437</u>	<u>\$ 163,404,065</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, 2019

Net change in fund balances - total governmental funds \$ 16,071,644

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those capitalized assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital outlays capitalized	15,654,832	
Loss on disposal of assets	(1,252,611)	
Depreciation expense	<u>(22,522,102)</u>	(8,119,881)

Contributed capital assets are recognized as revenues on the statement of activities		1,724,029
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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.		(1,619,550)
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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	9,790,000	
Revenue bond payable	5,975,000	
Capital lease payable	<u>406,088</u>	16,171,088

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 bonds		(9,770,000)
Proceeds from capital lease		(1,625,204)

Bond costs - governmental funds report the effect of premiums, discounts and similar items when the debt is issued, whereas these amounts are deferred and amortized in the statement of activities

25,161

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are not reported until due.		145,233
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In the statement of activities, compensated absences are measured by the amounts earned during the year, instead of by the amount paid.		100,000
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Payment of other postemployment benefits (OPEB) contributions is an expenditure in the governmental funds, but reduces the total OPEB liability in the statement of net position. Additionally, the effect of changes in deferred inflows for OPEB are only recorded in the statement of activities.

(1,132,804)

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.

(3,518,413)

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.

(460,578)

Change in net position of governmental activities		\$ 7,990,725
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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, 2019

	Business-type Activity - Enterprise Fund Arena Fund	Governmental Activities - Internal Service Funds
<u>Assets</u>		
Current assets:		
Cash, including investments	\$ 6,968,444	\$ 24,711,573
Accounts receivable	725,861	1,511
Inventories, at cost	-	195,066
Total current assets	7,694,305	24,908,150
Noncurrent assets:		
Capital assets:		
Land	13,038,358	40,580
Buildings and improvements	166,725,360	8,319,354
Machinery and equipment	8,116,166	31,008,865
Construction in progress	47,098	-
Less accumulated depreciation	(48,987,805)	(29,490,661)
Total capital assets (net of accumulated depreciation)	138,939,177	9,878,138
Total assets	146,633,482	34,786,288
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	23,751	59,600
Accrued wages	-	42,814
Estimated claims costs payable	-	2,869,900
Total current liabilities	23,751	2,972,314
Noncurrent liabilities:		
Estimated claims costs payable	-	1,006,400
Total liabilities	23,751	3,978,714
<u>Net position</u>		
Investment in capital assets	138,939,177	9,878,138
Unrestricted	7,670,554	20,929,436
Total net position	146,609,731	30,807,574
Total liabilities and net position	\$ 146,633,482	\$ 34,786,288

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, 2019

	Business-type Activity - Enterprise Fund Arena Fund	Governmental Activities - Internal Service Funds
Operating revenues:		
Charges for services	\$ 900,861	\$ 44,609,576
Other revenue	9,117	238,345
Total operating revenues	<u>909,978</u>	<u>44,847,921</u>
Operating expenses:		
Salaries and benefits	-	1,495,049
Contractual services	561,097	2,852,468
Utilities	-	65,283
Supplies and fuel	-	3,076,427
Administrative charges	-	184,841
Depreciation expense	4,993,361	2,355,876
Claims expense	-	35,614,499
Other expense	379,510	18,304
Total operating expenses	<u>5,933,968</u>	<u>45,662,747</u>
Operating loss	<u>(5,023,990)</u>	<u>(814,826)</u>
Nonoperating revenues:		
Investment income	-	260,153
Gain on sale of assets	-	183,166
Total nonoperating revenues	<u>-</u>	<u>443,319</u>
Loss before transfers	(5,023,990)	(371,507)
Transfers:		
Transfers from other funds	-	1,500,000
Transfers to other funds	<u>-</u>	<u>(1,589,071)</u>
Change in net position	(5,023,990)	(460,578)
Net position, beginning of year	<u>151,633,721</u>	<u>31,268,152</u>
Net position, end of period	<u>\$ 146,609,731</u>	<u>\$ 30,807,574</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, 2019

	Business-type Activity - Enterprise Fund Arena Fund	Governmental Activities - Internal Service Funds
Cash flows from operating activities		
Receipts from customers	\$ 427,934	\$ 55,232
Receipts from interfund services provided	-	44,609,019
Other operating revenues	-	183,113
Payments to suppliers for goods and services	(941,074)	(42,145,488)
Payments to employees for services	-	(1,495,049)
Net cash provided by (used in) operating activities	<u>(513,140)</u>	<u>1,206,827</u>
Cash flows from noncapital financing activities		
Transfers from other funds	-	1,500,000
Transfers to other funds	-	(1,589,071)
Net cash used in noncapital financing activities	<u>-</u>	<u>(89,071)</u>
Cash flows from capital and related financing activities		
Proceeds from sale of capital assets	-	186,080
Purchases and construction of capital assets	(1,050,865)	(1,190,866)
Net cash used in capital and related financing activities	<u>(1,050,865)</u>	<u>(1,004,786)</u>
Cash flows from investing activities		
Interest on investments	-	260,153
Net cash provided by investing activities	<u>-</u>	<u>260,153</u>
Net increase (decrease) in cash and cash equivalents	(1,564,005)	373,123
Cash and cash equivalents, beginning of the year	8,532,449	24,338,450
Cash and cash equivalents, end of the year	<u>\$ 6,968,444</u>	<u>\$ 24,711,573</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities		
Operating loss	\$ (5,023,990)	\$ (814,826)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation expense	4,993,361	2,355,876
Increase in accounts receivable	(482,044)	(557)
Increase in inventories	-	(22,062)
Decrease in accounts payable	(467)	(437,804)
Increase in estimated claims payable	-	126,200
Net cash provided by (used in) operating activities	<u>\$ (513,140)</u>	<u>\$ 1,206,827</u>

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

SEDGWICK COUNTY, KANSAS

Statement of Fiduciary Net Position Fiduciary Funds December 31, 2019

	Pension (and Other Employee Benefit) Trust Fund - 457(b) Plan	Custodial Funds
Assets		
Cash and cash equivalents	\$ -	\$ 381,888,741
Investments - Mutual Funds	55,295,823	-
Notes receivable from participants	1,071,347	-
Receivables - taxes for other governments	-	247,112,387
Total assets	56,367,170	629,001,128
Liabilities		
Accrued liabilities	-	46,121,864
Due to other governments	-	582,593,638
Total liabilities	-	628,715,502
Net Position		
Restricted for		
Employee Benefits	56,367,170	-
Individuals	-	285,626
Total net position	\$ 56,367,170	\$ 285,626

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

SEDGWICK COUNTY, KANSAS

Statement of Changes in Fiduciary Net Position Fiduciary Funds For the Year Ended December 31, 2019

	Pension (and Other Employee Benefit) Trust Fund - 457(b) Plan	Custodial Funds
Additions		
Contributions - members	\$ 4,403,814	\$ -
Property tax collections for other governments	-	1,712,790,694
Motor vehicle tax collections for other governments	-	115,818,495
Finance holdings	-	409,067,235
Inmate deposits	-	3,738,452
State clerk fee	-	3,271,169
Fines, penalties and forfeitures	-	2,618,680
Other fees	-	4,981,273
Other	-	14,208,635
Investment earnings		
Net increase (decrease) in the fair value of investments	7,642,982	-
Interest	2,045,181	-
Total investment earnings	9,688,163	-
Less investment expense	(87,041)	-
Net investment earnings	9,601,122	-
Total additions	14,004,936	2,266,494,633
Deductions:		
Plan fees	33,843	-
Benefits paid to participants or beneficiaries	3,556,095	-
Payment of property taxes to other governments	-	1,712,790,694
Motor vehicle tax to other governments	-	115,818,495
Finance holdings	-	409,067,235
State court fees	-	3,271,169
Inmate payments	-	3,662,659
Other	-	21,808,588
Total deductions	3,589,938	2,266,418,840
Net increase in fiduciary net position	10,414,998	75,793
Net position, beginning of year (as restated)	45,952,172	209,833
Net position, end of year	\$ 56,367,170	\$ 285,626

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

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

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SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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 - Sedgwick County Fire District 1 (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 projects funds within the County's financial statements. The blending method is used because the Fire District's governing body is identical to the County's governing board and because the County's finance staff and resources will be used to create and oversee the Fire District's lease purchase agreements.

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, 2019

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 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, 2019

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 a pension (and other employee benefit) trust fund and three custodial funds.

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.

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).

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

I. Summary of Significant Accounting Policies (continued)

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

- *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.
- *Pension (and other employee benefit) trust fund* is used to account for fiduciary activities of the Sedgwick County, Kansas Section 457(b) Deferred Compensation Plan, which accumulates resources that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing before-tax dollars through a voluntary salary contribution.
- *Custodial funds* are used to report fiduciary activities for tax collections and related distributions to other governments, as well as amounts held for individuals.

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.
- *Community 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 purchases.

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

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

I. Summary of Significant Accounting Policies (continued)

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

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 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 State 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,
- 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;

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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)

- 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 2019, 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.

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

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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)

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. (Zoo) 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, 2019 the note balance was \$702,033. Starting in 2014, there was a payment moratorium for five years. During that time, the Zoo, was not required to make payments on the loan. The rate reset to 2.66% on April 1, 2019.

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 National Center for Aviation Training. 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 \$2,175,489 remains at December 31, 2019. 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.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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)

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.

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.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

I. Summary of Significant Accounting Policies (continued)

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

7. Long-Term Obligations (continued)

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.

8. Pensions and OPEB

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.

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

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. If no debt is attributable to the capital assets, net position is reported as “invested in capital 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.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

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)

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.
- **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 reporting period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure/reduction of liability) until then. The County has three items that qualify for reporting in this category in the government-wide statement of net position, deferred charge on refunding, deferred outflows for pensions, and deferred outflows on other postemployment benefits. 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

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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)

shorter of the life of the refunded or refunding debt. See Note IV. G for more information on other postemployment benefits.

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 reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has four types of items: unavailable revenue, deferred revenue, deferred inflows for pensions and deferred inflows for other postemployment benefits, that qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: accounts receivable and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property tax receivable and 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 and fourth items, deferred inflows for pensions and deferred inflows for other postemployment benefits, are reported on the government-wide statement of net position. See Note IV. F. and Note IV. G. for more information on these deferred inflows.

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:

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

II. Stewardship, Compliance and Accountability (continued)

A. Budgetary Information (continued)

- 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., personnel services, contractual, commodities, etc.). This allows management to transfer amounts between object classes within a fund, subject to County policy.
- As allowed by Kansas statute, the governing body can increase the fund level expenditures by amending the budget. An amendment may only be made for previously unbudgeted increases in revenue other than ad valorem taxes. A notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after the publication, the hearing may be held and the governing body may amend the budget at that time.

There were no budget amendments in 2019.

All unencumbered appropriations (legal budget expenditure authority) lapse at year-end, except for capital projects fund appropriations, which are carried forward until such time as the project is completed or terminated. Encumbered appropriations are not appropriated 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/State Assistance Fund
Public Building Commission Fund
Fire District Research and Development
Auto License
Prosecuting Attorney Training
Technology
Court Alcohol/Drug Safety Action Program
Court Trustee Operations

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, a nonmajor capital project fund, had a fund balance deficit of \$791,526, as of December 31, 2019. This deficit 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

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well the probable income to be derived.”

At December 31, 2019, the County had the following investments:

Investment Type	Fair Value	Modified Duration (in years)	Percent of Total Pooled Funds ²
U.S. Agency coupon securities	\$ 91,056,943	0.891	16.33
U.S. Treasury coupon securities	119,880,800	0.188	21.50
Repurchase agreements	47,926,522	-	8.59
Kansas Municipal Investment Pool ¹	141,565,621	-	25.39
Mutual funds	9,991,021	-	1.79
Subtotal general operating portfolio	410,420,907		
Assets held by trustee:			
State & Local Govt. securities	1,221,885	-	0.22
Subtotal assets held by trustee	1,221,885		73.82
Total Investments	\$ 411,642,792		
Portfolio modified duration		<u>1.005</u>	

¹Interest rate risk for the Kansas Municipal Investment Pool is based on the weighted average maturity of the pool. As of December 31, 2019 the weighted average maturity of the pool was 40.8 days.

²Percentage is based off of pooled funds including certificates of deposit. Certificates of deposit is 26.18%

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 does not have any treasury or agency coupon 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, 2019

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The County does not accept peak period collateral agreements. 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, 2019, 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, 2019, 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 was not rated for 2019. Mutual funds utilized by the County were rated Aaa-mf by Moody's and AAAM by Standard & Poor's at December 31, 2019.

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:

Investment Type	Maximum Percentage Of Portfolio
Repurchase agreements	15
Collateralized time and demand deposits	100
U.S. Treasury notes and bills	80
U.S. government agency obligations	80
Kansas Municipal Investment Pool	25
Bank Trust Department municipal pools	15
Temporary notes	10

In addition, the limit on repurchase agreements and investments with the Kansas Municipal Investment Pool may not exceed 75% of the portfolio for a maximum of 45 days during each of the May and December tax collection seasons. Finally, investments established for bond proceeds are limited by instrument as a percentage of the County's total portfolio value. Invested amounts are not to exceed 20% for mutual funds and 10% for general obligation bonds of Kansas municipalities.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2019 the County held \$20.6 million, or 3.7%, of its portfolio in investments issued by the Federal Home Loan Bank, \$61.9 million, or 11.1%, in investments were issued by the Federal Farm Credit Bank, \$4.8 million, or 0.9%, in investments were issued by Federal Home Loan Mortgage Loan Corp., \$3.5 million, or 0.6% in investments were issued 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	\$ 192,148,549
Restricted cash, including investments, Statement of Net Position	1,221,885
Cash, including investments, custodial funds	381,888,741
Total	<u>\$ 575,259,175</u>

The above total is comprised of:

Deposits	\$ 163,616,383
Total Investments	411,642,792
Total	<u>\$ 575,259,175</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, 2019

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, 2019:

	12/31/2019	Fair Value Measurements Using		
		Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
U.S. Agency coupon securities	\$ 91,056,943	\$ 91,056,943	\$ -	\$ -
U.S. Treasury coupon securities	119,880,800	-	119,880,800	-
Repurchase agreements	47,926,522	47,926,522	-	-
Kansas Municipal Investment Pool	141,565,621	141,565,621	-	-
Collateralized deposits	146,000,000	146,000,000	-	-
Mutual Funds	9,991,021	9,991,021	-	-
Subtotal general operating portfolio	556,420,907	436,540,107	119,880,800	-
 Assets held by trustee:				
State & Local Govt. securities	1,221,885	1,221,885	-	-
Subtotal assets held by trustee	1,221,885	1,221,885	-	-
 Total investments, including collateralized deposits of \$146,000,000	 \$ 557,642,792	 \$ 437,761,992	 \$ 119,880,800	 \$ -

Total investments per previous page	\$ 411,642,792
Collateralized deposits	\$ 146,000,000
Total	\$ 557,642,792

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

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, 2019:

Receivables	Accounts Receivable	Property Taxes Receivable	Sales Taxes Receivable	Interest Receivable	Lease Receivable	Notes Receivable	Special Assessment Receivable	Total
General Fund	\$ 337,666	\$ 114,677,043	\$ 2,751,014	\$ 690,203	\$ -	\$ 702,033	\$ -	\$ 119,157,959
Fed/State Assistance Fund	1,034,987	-	-	-	-	-	-	1,034,987
Public Building Commission	-	-	-	-	85,115,580	-	-	85,115,580
Debt Service Fund	-	8,780,503	-	-	-	-	3,737,554	12,518,057
Nonmajor Governmental Funds	2,917,525	39,300,000	2,751,016	-	-	-	-	44,968,541
Internal Service Fund	1,511	-	-	-	-	-	-	1,511
Total Governmental Activities	4,291,689	162,757,546	5,502,030	690,203	85,115,580	702,033	3,737,554	262,796,635
Arena	725,861	-	-	-	-	-	-	725,861
Total Business-Type Activities	725,861	-	-	-	-	-	-	725,861
Total Net Receivables	\$ 5,017,550	\$ 162,757,546	\$ 5,502,030	\$ 690,203	\$ 85,115,580	\$ 702,033	\$ 3,737,554	\$ 263,522,496

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

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, 2019, was as follows:

	December 31, 2018	Increases	Decreases	December 31, 2019
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 28,033,996	\$ 40,002	\$ (729,860)	\$ 27,344,138
Construction in progress	17,954,575	9,906,467	(6,053,056)	21,807,986
Total capital assets, not being depreciated	<u>45,988,571</u>	<u>9,946,469</u>	<u>(6,782,916)</u>	<u>49,152,124</u>
Capital assets, being depreciated:				
Buildings and improvements	347,598,704	875,844	(2,583,058)	345,891,490
Leasehold improvements	2,234,871	-	-	2,234,871
Improvements other than buildings	40,603,169	1,066,389	(1,214,061)	40,455,497
Machinery and equipment	86,593,268	4,149,470	(3,650,709)	87,092,029
Infrastructure	291,584,566	8,584,610	-	300,169,176
Total capital assets being depreciated	<u>768,614,578</u>	<u>14,676,313</u>	<u>(7,447,828)</u>	<u>775,843,063</u>
Less accumulated depreciation for:				
Buildings and improvements	(148,534,737)	(9,502,297)	2,289,870	(155,747,164)
Leasehold improvements	(2,234,871)	-	-	(2,234,871)
Improvements other than buildings	(27,530,285)	(2,141,280)	1,042,014	(28,629,551)
Machinery and equipment	(67,254,255)	(4,981,057)	3,590,280	(68,645,032)
Infrastructure	(142,345,248)	(8,253,344)	-	(150,598,592)
Total accumulated depreciation	<u>(387,899,396)</u>	<u>(24,877,978)</u>	<u>6,922,164</u>	<u>(405,855,210)</u>
Total capital assets being depreciated, net	<u>380,715,182</u>	<u>(10,201,665)</u>	<u>(525,664)</u>	<u>369,987,853</u>
Governmental activities capital assets, net	<u>\$ 426,703,753</u>	<u>\$ (255,196)</u>	<u>\$ (7,308,580)</u>	<u>\$ 419,139,977</u>
	December 31, 2018	Increases	Decreases	December 31, 2019
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 13,038,358	\$ -	\$ -	\$ 13,038,358
Construction in progress	-	47,098	-	47,098
Total capital assets, not being depreciated	<u>13,038,358</u>	<u>47,098</u>	<u>-</u>	<u>13,085,456</u>
Capital assets, being depreciated:				
Buildings and improvements	166,107,497	617,862	-	166,725,359
Machinery and equipment	7,730,262	385,905	-	8,116,167
Total capital assets being depreciated	<u>173,837,759</u>	<u>1,003,767</u>	<u>-</u>	<u>174,841,526</u>
Less accumulated depreciation for:				
Buildings and improvements	(38,032,212)	(4,484,306)	-	(42,516,518)
Machinery and equipment	(5,962,232)	(509,055)	-	(6,471,287)
Total accumulated depreciation	<u>(43,994,444)</u>	<u>(4,993,361)</u>	<u>-</u>	<u>(48,987,805)</u>
Total capital assets being depreciated, net	<u>129,843,315</u>	<u>(3,989,594)</u>	<u>-</u>	<u>125,853,721</u>
Business-type activities capital assets, net	<u>\$ 142,881,673</u>	<u>\$ (3,942,496)</u>	<u>\$ -</u>	<u>\$ 138,939,177</u>

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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	\$ 3,112,667
Public safety	6,338,367
Public works, including depreciation of general infrastructure assets	8,554,162
Health and welfare	120,182
Cultural and recreation	3,295,552
Community development, conserve/natural resources	1,101,171
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>2,355,877</u>
Total depreciation expense – governmental activities	<u>24,877,978</u>
Business-type activities:	
Arena fund	\$ <u>4,993,361</u>

Construction Commitments

The County had outstanding construction commitments for various capital projects and improvements totaling \$10,562,208 at December 31, 2019. 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. Long-Term Debt

General Obligation Bonds

Sedgwick County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, roads, bridges, storm water drainage systems, and 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.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

III. Detailed Notes on All Funds (continued)

D. Long-Term Debt (continued)

General obligation bonds outstanding at December 31, 2019 are as follows:

Purpose	Interest Rate	Amount
Governmental Activities – Road and Bridge	2.00 – 5.65%	\$15,732,754
Governmental Activities – Facilities	2.00 – 5.65%	17,051,246
Governmental Activities – Refunding	2.00 – 5.65%	12,600,000
Governmental Activities – Comm. Development	4.00 – 5.00%	5,790,000
Total general obligation bonds outstanding		<u>\$ 51,174,000</u>

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

Year ending December 31	Governmental Activities		
	Principal	Interest	Totals
2020	\$ 5,872,000	\$ 1,873,074	\$ 7,745,074
2021	5,727,000	1,731,566	7,458,566
2022	5,293,000	1,477,921	6,770,921
2023	4,112,000	1,246,871	5,358,871
2024	4,011,000	1,086,954	5,097,954
2025-2029	15,134,000	3,471,086	18,605,086
2030-2034	7,145,000	1,284,924	8,429,924
2035-2039	3,880,000	331,375	4,211,375
Totals	<u>\$ 51,174,000</u>	<u>\$ 12,503,772</u>	<u>\$ 63,677,772</u>

During 2019, Sedgwick County issued general obligation debt in the amount of \$9,770,000, for various road and bridge projects and building renovations. On August 1, 2019, Sedgwick County elected to redeem the 2009A bond issue in the amount of \$4,350,000, saving the county a total of \$897,021 in interest after reducing the total interest amount of \$1,380,032 by the remainder of the Building America Bonds credit.

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%	\$ 1,746,000

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

Detailed Notes on All Funds (continued)

D. Long-Term Debt (continued)

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

Year ending December 31	Governmental Activities		
	Principal	Interest	Totals
2020	\$ 273,000	\$ 78,145	\$ 351,145
2021	303,000	66,329	369,329
2022	227,000	52,884	279,884
2023	233,000	42,903	275,903
2024	244,000	32,239	276,239
2025-2029	356,000	44,861	400,861
2030-2034	110,000	12,006	122,006
Totals	\$ 1,746,000	\$ 329,366	\$ 2,075,336

During 2019, Sedgwick County did not issue special assessment debt.

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 the extent the lease agreement constitutes an unconditional obligation of the County. The County is the operating governmental entity on five of the seven 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 Safety Facilities & Equipment 2011-1	2.00 – 4.00%	\$ 8,285,000
*Juvenile Justice 2012-1 Refunding	2.00 – 3.00%	5,400,000
*Juvenile Justice Complex 2014-1 Refunding	1.00 – 5.00%	4,540,000
*Technical Education Complex 2014-2 Refunding	1.75 – 5.00%	23,605,000
^WSU Experiential Engineering (Tax Exempt) 2014-3	1.50 – 5.00%	38,895,000 #
^WSU Experiential Engineering 2014-4	1.95 – 3.90%	4,910,000 #
*Exploration Place Series 2015-1 Refunding	5.00%	2,885,000 #
^Total		\$ 88,520,000

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

#: Direct borrowings

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

III. Detailed Notes on All Funds (continued)

D. Long-Term Debt (continued)

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

Year ending December 31	Component Unit – SCPBC		
	Principal	Interest	Totals
2020	6,150,000	\$ 3,651,648	\$ 9,626,648
2021	6,410,000	3,492,914	9,642,914
2022	6,610,000	3,249,705	9,659,705
2023	5,840,000	3,017,950	9,627,950
2024	4,625,000	2,740,745	8,580,745
2025-2029	20,230,000	10,303,068	34,325,796
2030-2034	6,105,000	8,023,914	15,002,284
2035-2039	5,550,000	6,798,703	12,357,836
2040-2044	7,070,000	5,235,750	12,315,566
2045-2049	8,910,000	3,378,900	12,293,450
2050-2054	11,020,000	1,229,375	12,255,625
2055-2059	0	0	2,446,625
Totals	<u>\$ 88,520,000</u>	<u>\$ 49,988,496</u>	<u>\$ 138,508,496</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, 2019, the components of the net investment of this lease consist of:

Lease receivable	\$ 85,115,580
Less unearned income	41,846,830
Net effect on statement of net position	<u>\$ 43,268,750</u>

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

Year ending December 31	Principal	Interest	Total
2020	585,000	1,902,695	2,487,695
2021	600,000	1,886,686	2,486,686
2022	620,000	1,868,681	2,488,681
2023	640,000	1,848,826	2,488,826
2024	660,000	1,827,041	2,487,041
2025-2029	3,675,000	8,740,555	12,415,555
2030-2034	4,475,000	7,925,514	12,400,514
2035-2039	5,550,000	6,798,703	12,348,703
2040-2044	7,070,000	5,235,750	12,305,750
2045-2049	8,910,000	3,378,900	12,288,900
2050-2054	11,020,000	1,229,375	12,249,375
Total	<u>\$ 43,805,000</u>	<u>\$ 42,642,726</u>	<u>\$ 86,447,726</u>

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

III. Detailed Notes on All Funds (continued)

D. Long-Term Debt (continued)

Direct Borrowings & Direct Placements

In accordance with GASB 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which was implemented during the year ended on December 31, 2019, the County is now required to disclose information about direct borrowings and direct placements of debt separately from other debt. The County's outstanding notes from direct borrowings and direct placements related to governmental activities total \$46,690,000. There are no unused lines of credit or assets pledged as collateral for debt at December 31, 2019.

The outstanding notes from direct borrowings relating to the Exploration Place Series 2015-1 Refunding in the amount of \$2,885,000 contain a provision in the original bond agreement from 1997. In the event of a default, outstanding notes from direct borrowings related to the Series 2015-1 Refunding contain (1) a provision if the payment of the principal, premium, or interest are not made when due, Intrust Bank, N.A. may take whatever action at law or in equity necessary or desirable to collect the rental payments due under the Exploration Place Lease Agreement; (2) a provision if Sedgwick County Public Building Commission defaults in the due and punctual performance of any of the covenants, conditions, agreements, and provisions contained in the Bonds (other than those relating to continuing disclosure requirements) and the default continues for thirty days after written notices specifying such default, Intrust Bank, N.A. may take whatever action at law or in equity is necessary or desirable to enforce the performance, observance, or compliance by SCPBC with any covenant, condition, or agreement by SCPBC; or (3) an event of default as defined in the lease has occurred, Intrust Bank, N.A. may take whatever action SCPBC would be entitled to take, and shall take whatever action required of SCPBC pursuant to the lease in order to remedy the event of default.

Fire District Lease Agreements

In 2014, 2016, and 2019 the County entered into the 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	\$ 6,353,188
Less: accumulated depreciation	3,727,566
Total	<u>\$ 2,625,622</u>

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

D. Long-Term Debt (continued)

Year ending December 31	Governmental Activities
2020	288,107
2021	480,380
2022	395,069
2023	279,539
2024	249,321
2025	249,321
2026	124,662
Total minimum lease payments	2,066,399
Less: amount representing interest	119,962
Total	\$ 1,946,437

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 \$3,876,300 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 the total other postemployment benefits (OPEB) liability are liquidated by the General Fund. Noncurrent liability activity for the year ended December 31, 2019, is as follows:

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SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

III. Detailed Notes on All Funds (continued)

D. Long-Term Debt (continued)

Conduit Debt

The County has issued Economic Development revenue bonds not directly obligated by the County. The County has issued these bonds individually and jointly with surrounding counties. The total amount outstanding at December 31, 2019 was \$4,720,000 for the Industrial Revenue Bonds. The Single Family Mortgage Revenue Bonds have been paid in full as of December 31, 2019. These bonds do not constitute an indebtedness or pledge of the faith and credit of the responsible entities or the County.

E. Interfund Transfers

A summary of interfund transfers is as follows:

	Transfers In:						Totals
	General Fund	Federal/State Assistance Fund	Debt Service Fund	Debt Proceeds Fund	Nonmajor Governmental Funds	Internal Service Funds	
Transfers out:							
General Fund	\$ -	\$ 509,928	\$ 1,692,535	\$ -	\$ 2,346,789	\$ 1,500,000	\$ 6,049,252
Debt Proceed Fund	-	-	350,836	-	5,144,785	-	5,495,621
Nonmajor Governmental Funds	39,829	259,701	734,150	470	2,977,521	-	4,011,671
Internal Service Funds	-	-	-	-	1,589,071	-	1,589,071
Total	\$ 39,829	\$ 769,629	\$ 2,777,521	\$ 470	\$ 12,058,166	\$ 1,500,000	\$ 17,145,615

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

F. Interfund Receivables and Payables

Interfund balances result from the time lag between the dates that [1] interfund goods and services are provided or reimbursable expenditures occur, [2] transactions are recorded in the accounting system, and [3] payments between funds are made. Interfund payables at year-end relate to amounts spent in certain capital projects funds that have yet to be repaid from long-term financing from the Debt Proceeds Fund.

A summary of interfund receivables and payables at December 31, 2019 is as follows:

	Interfund Receivable	Interfund Payable
Debt Proceeds Fund	\$ 779,471	\$ -
Nonmajor Capital Projects Funds:		
Building and Equipment Fund	-	779,471
	<u>\$ 779,471</u>	<u>\$ 779,471</u>

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

III. Detailed Notes on All Funds (continued)

F. Interfund Receivables and Payables (continued)

During 2013 and 2014 interfund loans were made between the General Fund and the Capital Improvement Fund to provide for the funding of Fire Stations 34, 35, and 36. These advance receivables and payables as of December 31, 2019 are supported by note agreements specifying payment dates and interest amounts and are as follows:

	Advance Receivables	Advance Payables
General Fund	\$ 4,377,381	\$ -
Nonmajor Capital Projects Fund:		
Capital Improvement Fund	-	4,377,381
	<u>\$ 4,377,381</u>	<u>\$ 4,377,381</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 \$2,100,000 have been accrued as a liability. In 2019, \$28,274,091 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.

Workers Compensation 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.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

IV. Other Information (continued)

A. Risk Management (continued)

Risk Management Reserve Fund the Risk Management Reserve Fund was established for the purpose of providing a contingency fund to pay self-insured claims, retentions and deductibles, and to provide an additional source of funding for the self-insured law enforcement liability, general liability, and public official's liability. Property insurance is also maintained with a commercial insurer and provides a self-insured retention of \$100,000 for each claim. In 2019, \$652,527 was paid as claims.

The following is a summary of the changes in the unpaid claims liability:

	<u>Workers' Compensation</u>	<u>Health/Dental Life Insurance</u>
December 31, 2017 liability balances	\$ 1,140,300	\$ 2,000,000
2018 Claims and changes in estimates	1,623,361	28,233,100
2018 Claim payments	<u>(1,113,561)</u>	<u>(28,133,100)</u>
December 31, 2018 liability balances	1,650,100	\$ 2,100,000
2019 Claims and changes in estimates	2,004,424	28,274,091
2019 Claim payments	<u>(1,878,224)</u>	<u>(28,274,091)</u>
December 31, 2019 liability balances	<u>\$ 1,776,300</u>	<u>\$ 2,100,000</u>

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

Health/Dental/Life Insurance Reserve Fund	\$ 4,266,966
Workers' Compensation Reserve Fund	2,909,996
Risk Management Reserve Fund	1,351,412

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

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, 2019, the County's governmental funds had a total of \$12.8 million in encumbrances, which were reported as following:

	General	Federal/State Assistance	Other Governmental Funds	Total Governmental Funds
Restricted:				
General government	\$ 4,393	\$ -	\$ 3,278	\$ 7,671
Public safety	44,330	97,199	233,059	374,588
Health and welfare	-	336,122	23,193	359,315
Public works	-	-	37,769	37,769
Bond Issue	-	-	31,500	31,500
Capital outlay				
Road improvements	-	-	434,677	434,677
Preventive maintenance	-	-	1,142,888	1,142,888
Bridge improvements	-	-	5,071,282	5,071,282
Committed:				
Public safety	-	-	632,505	632,505
Capital Outlay				
Building improvements	-	-	3,007,288	3,007,288
Buildings	-	-	36,559	36,559
Drainage improvements	-	-	11,605	11,605
JDF Camera Upgrade	-	-	765,614	765,614
Salt Storage West Yard	-	-	18,000	18,000
Assigned:				
General government	75,716	-	-	75,716
Public safety	233,394	-	-	233,394
Capital outlay				
Equipment reserve	-	-	4,425	4,425
Public works	254	-	-	254
Health and welfare	24,202	481,914	-	506,116
Culture and recreation	155	-	-	155
Community development	9,198	-	-	9,198
Total	<u>\$ 391,642</u>	<u>\$ 915,235</u>	<u>\$ 11,453,642</u>	<u>\$ 12,760,519</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, 2019

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
IRB			
County	\$ 1,253,257	\$ 774,696	\$ 2,027,953
Cities	1,795,309	493,128	2,288,438
Total IRB	\$ 3,048,566	\$ 1,267,825	\$ 4,316,391
EDX			
County	\$ -	\$ -	\$ -
Cities	279,795	1,953	281,748
Total EDX	\$ 279,795	\$ 1,953	\$ 281,748
Total Abatements	\$ 3,328,362	\$ 1,269,778	\$ 4,598,139

The abated taxes reflect the amounts that would have been levied on behalf of the County and the County Fire District on the 2018 tax roll to fund expenditures during calendar year 2019 were it not for the tax exemption.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

IV. Other Information (continued)

E. Pending Governmental Accounting Standards

GASB Statement No. 87, Leases, establishes a single approach to accounting for and reporting leases by state and local governments. The standard addresses the reporting for governments that are lessors or lessees. GASB 87 is effective for financial statements for the County's fiscal year ending December 31, 2020.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. GASB 89 is effective for financial statements for the County's fiscal year ending December 31, 2020.

GASB Statement No. 91, Conduit Debt Obligations, establishes a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. GASB 91 is effective for financial statements for the County's fiscal year ending December 31, 2021.

GASB Statement No. 92, Omnibus 2020, the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB 92 is effective for financial statements for the County based on specific paragraph effective dates specified in the standard.

GASB Statement No. 93, Replacement of Interbank Offered Rates, the objectives of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. GASB 93 is effective for financial statements for the County's fiscal year ending December 31, 2021.

For each of the above pronouncements, GASB is proposing to postpone the effective date of the standard by one year in light of the COVID-19 pandemic.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

IV. Other Information (continued)

F. Defined Benefit Pension Plans

General Information about the Pension Plans

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.

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 Legislature. Members (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's 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, members may withdraw their contributions from their individual accounts, including interest. Member who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into, and disbursed from, the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement, a member may receive a lump sum payment of up to 50% of the actuarial present value of the members 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 60 years of age 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.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

IV. Other Information (continued)

F. Defined Benefit Pension Plans (continued)

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.

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 and the statutory contribution rate was 8.89% for KPERS and 22.13% for KP&F for the fiscal year ended December 31, 2019. Contributions to the pension plan from the County were \$10,001,428 for KPERS and \$7,609,435 for KP&F for the year ended December 31, 2019.

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, 2019, the County reported a liability of \$75,267,644 for KPERS and \$65,071,782 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, 2019, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. 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, 2019. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2019, the County's proportion and change from its proportion measured as of June 30, 2018 were as follows:

	Net pension liability as of December 31, 2019	Proportion as of June 30, 2019	Increase (Decrease) in proportion from June 30, 2018
KPERS (local)	\$ 75,267,644	5.386%	0.024%
KP&F	65,071,782	6.429%	(0.021%)
	<u>\$ 140,339,426</u>		

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

IV. Other Information (continued)

F. Defined Benefit Pension Plans (continued)

For the year ended December 31, 2019, the County recognized pension expense of \$9,204,545 for KPERS and \$7,138,241 for KP&F. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

KPERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 164,757	\$ (1,895,555)
Net difference between projected and actual earnings on pension plan investments	1,770,815	-
Changes in proportion	1,124,255	(1,424,657)
Changes of assumptions	2,300,453	(152,554)
County contributions subsequent to measurement date	5,018,974	-
Total	<u>\$ 10,379,254</u>	<u>\$ (3,472,766)</u>

KP&F	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,676,144	\$ (120,602)
Net difference between projected and actual earnings on pension plan investments	1,309,730	-
Changes in proportion	33,214	(1,696,746)
Changes of assumptions	2,305,107	(72,048)
County contributions subsequent to measurement date	3,781,593	-
Total	<u>\$ 11,105,788</u>	<u>\$ (1,889,396)</u>

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

IV. Other Information (continued)

F. Defined Benefit Pension Plans (continued)

The \$8,800,567 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, 2020. 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	
2020	\$	1,812,807
2021		(816,545)
2022		407,500
2023		493,377
2024		(9,625)
	\$	<u>1,887,514</u>

KP&F

Year ending December 31:	Net Deferred Outflows and Inflows of Resources	
2020	\$	2,879,963
2021		745,507
2022		1,053,897
2023		731,409
2024		24,023
	\$	<u>5,434,799</u>

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% (no change from prior year)
Salary increases	3.50% to 12.00%, including price inflation (no change from prior year)
Salary increases	7.75% compounded annually, net of investment expense, including price inflation (no change from prior year)

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted for period January 1, 2013 through December 31, 2015. The experience study is dated November 18, 2016.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

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 as of the most recent experience study, dated November 18, 2016, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.85%
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 7.75%. The projection of cash flows used to determine the discount rate was based on member and employer contributions. The local groups 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 statutory cap for Fiscal Year 2019 was 1.2%. Based on those assumptions, the pension plans 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.

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 7.75%, 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's KPERS proportionate share of the net pension liability	\$ 112,413,800	\$ 75,267,644	\$ 44,195,559
County's KP&F proportionate share of the net pension liability	92,341,576	65,071,782	42,241,730
	<u>\$ 204,755,376</u>	<u>\$ 140,339,426</u>	<u>\$ 86,437,289</u>

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

IV. Other Information (continued)

F. Defined Benefit Pension Plans (continued)

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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no stand-alone financial report for the plan.

Benefits Provided

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).

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.

Funding Policy

The premium requirements of plan members and the County are established and may be amended by the County Commission. The required premium is based on projected pay-as-you-go financing requirements. For year ended December 31, 2019, Sedgwick County's benefit payments were \$580,938. County retirees pay 100% of their healthcare premiums; the County is not required to share costs of retiree premiums.

Covered Employees

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	198
Active employees	2,487
TOTAL	<u>2,685</u>

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

IV. Other Information (continued)

G. Postemployment Benefits Other than Pensions (continued)

Total OPEB Liability

The County's total OPEB liability of \$20,571,017 was measured as of December 31, 2019, and was determined by an actuarial valuation as of December 31, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost-method	Entry-age
Inflation	2.50%
Salary increases	2.50%
Discount rate	3.01%
Healthcare cost trend rates	6.5% for 2020, decreasing by 0.25% per year to an ultimate rate of 4.5% for 2028 and later years
Retirees share of benefit related costs	Retirees and spouses pay 102% of the group premium rates

Changes in assumptions relate to changing the discount rate from 3.68% to 3.01% and updating the mortality table to the PUBH-2010 General Employees and Public Safety Mortality and the mortality projection scale was updated to MP-2019.

The discount rate was based on the average of the S&P Municipal Bond 20 Year High Grade and Fidelity GO AA-20 Year published yields.

Mortality rates were based on the PUBH-2010 General Employees and Public Safety Mortality and the MP-2019 Projection Scale.

Disability and retirement rates were based on those utilized for the KPERS-Local and KP&F-Local pension valuations.

The actuarial assumptions used in the December 31, 2019 valuation were based on an experience analysis of the plans past experience, the actuary's experience with plans of similar size, plan design, retiree contribution level and assumptions used in the County's participation in the corresponding pension plan through KPERS and KP&F, as applicable.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

IV. Other Information (continued)

G. Postemployment Benefits Other than Pensions (continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2018	\$ 18,802,126
Changes for the year	
Service cost	1,238,660
Interest	677,684
Differences between expected and actual experience	(994,321)
Changes of assumptions or other inputs	1,627,505
Benefit payments	(580,938)
Implicit rate subsidy fulfillment	(199,699)
Net changes	1,768,891
Balance at 12/31/2019	\$ 20,571,017

Rate Sensitivity

The following is a sensitivity analysis of the OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.01%) or 1 percentage point higher (4.01%) than the current discount rate:

	1% Decrease (2.01%)	Current Discount Rate (3.01%)	1% Increase (4.01%)
Total OPEB liability	\$ 22,721,115	\$ 20,571,017	\$ 18,626,846

The table below presents the total OPEB liability of the County, as well as what the County's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.5% decreasing to 3.5%) or 1 percentage point higher (7.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (5.5% decreasing to 3.5%)	Healthcare Cost Trend Rates (6.5% decreasing to 4.5%)	1% Increase (7.5% decreasing to 5.5%)
Total OPEB liability	\$ 18,068,110	\$ 20,571,017	\$ 23,837,310

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

IV. Other Information (continued)

G. Postemployment Benefits Other than Pensions (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended December 31, 2019, the County recognized OPEB expense of \$1,913,441. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow s of Resources	Deferred Inflow s of Resources
Differences between expected and actual experience	\$ -	\$ 1,015,458
Changes in assumptions	1,412,681	798,904
TOTAL	<u>\$ 1,412,681</u>	<u>\$ 1,814,362</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending December 31:</u>		
2020	\$	(2,903)
2021		(2,903)
2022		(2,903)
2023		(2,903)
2024		(2,903)
Thereafter		(387,166)
TOTAL	<u>\$</u>	<u>(401,681)</u>

H. Sedgwick County, Kansas Section 457(b) Deferred Compensation Plan

Plan Description

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. A governmental 457(b) deferred compensation plan (457b Plan) is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing before-tax dollars through a voluntary salary contribution. Contributions and any earnings on contributions are tax-deferred until money is withdrawn. Distributions are subject to ordinary income tax.

The assets of the plan are held in trust, with the County as trustee, for the exclusive benefit of the plan participants and their beneficiaries. The assets cannot be diverted for any other purpose.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

IV. Other Information (continued)

H. Sedgwick County, Kansas Section 457(b) Deferred Compensation Plan (continued)

Investment Policy

The deposits and investments of the 457(b) Plan are held separately from those of other County funds. Participating employees have the ability to invest in multiple mutual funds as investment options along with the ability to use a self-directed brokerage account for access to additional investment options.

Valuation of Investments

All investments in the 457(b) Plan are measured and reported at fair value and recorded as of the trade date. Fair value is based on quoted market prices at December 31, 2019. The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of fiduciary net position 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, 2019:

		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Type	Total			
Equity securities				
Mutual Funds -equity	\$ 55,295,823	\$ 55,295,823	-	-

Level 1 Includes quoted prices (unadjusted) for identical assets or liabilities in an active market that the County can access at the measurement date.

Level 2 Includes inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities 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 Includes unobservable inputs for an asset or liability

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

IV. Other Information (continued)

H. Sedgwick County, Kansas Section 457(b) Deferred Compensation Plan (continued)

Custodial credit, interest and credit risk

None of the Plan's investments at December 31, 2019 are subject to custodial credit, interest or credit risk.

I. Restatement

The County adopted the provisions of GASB Statement No. 84, *Fiduciary Activities* for fiscal year ended December 31, 2019. As a result of the adoption of the provisions of this statement, the County has restated beginning net position of Fiduciary Funds as follows:

	<u>Agency/ Custodial Funds</u>
Net position - January 1, 2019 (as previously reported)	\$ -
Adjustment to record net position related to the Sheriff's Inmate account at January 1, 2019	<u>209,833</u>
Net Position - January 1, 2019 (as restated)	<u>\$ 209,833</u>

In addition, as a result of the implementation of GASB Statement No. 84:

- The County determined that the payroll account previously reported as an agency fund did not qualify as a custodial fund under GASB Statement No. 84. As a result, the balances associated with the payroll account have been presented in the General Fund at December 31, 2019. This change had no impact on fund balance or net position.
- The 457(b) Plan is now reported as a pension (and other employee benefit) trust fund in the fiduciary fund statements.

J. Subsequent Events

There has been significant volatility in the investment markets both nationally and globally since December 31, 2019, resulting in an overall market decline in certain market segments which has resulted in a substantial decline in the value of our investment portfolio.

Over the next five years, the County faces a number of challenges but is generally positioned to meet them financially. With the worldwide pandemic that began affecting Sedgwick County in March 2020, the County faces even greater fiscal pressure as a recession is almost certain, though the depth and duration is unknown. As this report demonstrates, the County has substantial reserves and a demonstrated history of making financial course corrections when needed to balance the budget. The health of the reserves will allow the County to make deliberate and strategic decisions. The County is closely monitoring revenue collections and expenses going into the next financial forecast update. The most recent update had anticipated

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

IV. Other Information (continued)

J. Subsequent Events (continued)

an operating surplus in the General Fund in 2020 due to improved assessed value growth and modest improvement in the local economy. Other funds that receive ad valorem tax funding had been forecasted to experience operating deficits during the same period due to an intentional draw down of fund balance to targeted levels. Other funds, particularly grant funds, were projected to experience a mix of operating surpluses and deficits. These financial forecast projections will certainly be impacted, but it is anticipated that Federal relief through stimulus bills, efforts by local leaders to mitigate the impact of the pandemic, and actions by management to limit spending will mitigate the impact. The County's objective remains to maintain prudent fund balances.

SEDGWICK COUNTY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2018

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget to Actual – Budgetary Basis General Fund For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
Revenues				
Property taxes	\$ 123,839,771	\$ 123,839,771	\$ 121,724,502	\$ (2,115,269)
Sales taxes	29,635,669	29,635,669	30,371,698	736,029
Other taxes	333,292	333,292	388,077	54,786
Intergovernmental	1,049,466	1,049,466	668,565	(380,900)
Charges for services	17,483,579	17,483,579	13,698,150	(3,785,429)
Uses of money and property	5,641,076	5,641,076	9,476,201	3,835,124
Fines and forfeits	124,807	124,807	115,303	(9,504)
Licenses and permits	8,013,701	8,013,701	8,223,368	209,667
Reimbursed expenditures	6,055,971	6,055,971	5,630,223	(425,747)
Other	2,851,942	2,851,942	2,509,513	(342,429)
Total revenues	<u>195,029,273</u>	<u>195,029,273</u>	<u>192,805,601</u>	<u>(2,223,673)</u>
Expenditures				
Current:				
Personnel services	123,887,704	124,221,544	116,753,507	7,468,037
Contractual services	62,854,822	60,830,815	46,065,244	14,765,570
Commodities	6,623,898	6,721,094	6,141,514	579,580
Capital outlay	2,497,537	1,020,890	866,956	153,934
Debt service:				
Principal	-	1,301	1,282	19
Interest	-	93,456	93,456	(0)
Total debt service	-	94,757	94,738	19
Total expenditures	<u>195,863,960</u>	<u>192,889,099</u>	<u>169,921,960</u>	<u>22,967,158</u>
Revenues over expenditures	<u>(834,686)</u>	<u>2,140,174</u>	<u>22,883,641</u>	<u>20,743,485</u>
Other financing sources (uses)				
Transfers from other funds	-	-	39,829	39,829
Transfers to other funds	(17,047,796)	(20,022,657)	(19,637,534)	385,123
Total other financing sources (uses)	<u>(17,047,796)</u>	<u>(20,022,657)</u>	<u>(19,597,705)</u>	<u>424,951</u>
Net change in fund balances	<u>(17,882,482)</u>	<u>(17,882,482)</u>	<u>3,285,935</u>	<u>21,168,437</u>
Fund balances, beginning of year	<u>17,882,633</u>	<u>17,882,633</u>	<u>68,309,488</u>	<u>50,426,855</u>
Fund balances, end of year	<u>\$ 151</u>	<u>\$ 151</u>	<u>\$ 71,595,423</u>	<u>\$ 71,595,273</u>

SEDGWICK COUNTY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2018

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget to Actual – Budgetary Basis General Fund (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, 2019
Fund balance, budgetary basis	\$ 71,595,423
Current year encumbrances	391,642
Fair value adjustment of investments	157,887
Interdepartmental Charges	(440,764)
Accrued revenues	5,738,306
Accrued expenditures	(5,738,458)
Fund balance, GAAP basis	<u>\$ 71,704,036</u>

Defined Benefit Pension Plans

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

	2019	2018	2017	2016	2015	2014	2013
County's proportion of the collective net pension liability:							
KPERS (local group)	5.386%	5.362%	5.445%	5.344%	5.525%	5.403%	5.475%
KP&F (police & firemen)	6.430%	6.451%	6.655%	6.735%	6.858%	6.825%	6.879%
County's proportionate share of the collective net pension liability	\$ 140,339,426	\$ 136,810,111	\$ 141,282,887	\$ 145,221,592	\$ 122,343,954	\$ 111,262,101	\$ 139,254,285
County's covered payroll ^	\$ 142,457,639	\$ 138,127,377	\$ 134,047,537	\$ 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 payroll	0.985130927	0.990463397	1.053976001	1.143244133	0.961465324	0.908039124	1.140162957
Plan fiduciary net position as a percentage of the total pension liability	69.88%	70.95%	67.12%	65.10%	64.95%	66.60%	59.94%

* GASB 68 requires presentation of ten years. As of December 31, 2019, only seven years of information is available.

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

Changes in assumptions related to inflation, salary increases, investment rate of return, mortality, and discount rate were made since the prior measurement date.

SEDGWICK COUNTY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2018

Defined Benefit Pension Plans (continued)

Schedule of County's Contributions Kansas Public Employees Retirement System Last Seven Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 17,610,863	\$ 15,903,035	\$ 14,547,001	\$ 18,215,161	\$ 16,216,371	\$ 14,137,345	\$ 12,199,406
Contributions in relation to the statutorily required contribution	(17,610,863)	(15,903,035)	(14,547,001)	(18,215,161)	(16,216,371)	(14,137,345)	(12,199,406)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll ^	\$138,555,937	\$134,392,946	\$131,611,804	\$126,822,618	\$127,537,022	\$124,775,254	\$122,097,547
Contributions as a percentage of covered payroll	12.71%	11.83%	11.05%	14.36%	12.72%	11.33%	9.99%

* GASB 68 requires presentation of ten years. As of December 31, 2019, only seven 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 were 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, 2018

Postemployment Benefits Other than Pensions

Schedule of Changes in the County's Total OPEB Liability and Related Ratios

	2019	2018
Total OPEB Liability		
Service Cost	\$ 1,238,660	\$ 1,231,438
Interest	677,684	635,526
Differences Between Expected and Actual Experience	(994,321)	(180,089)
Changes in Assumptions	1,627,505	(944,160)
Benefit Payments	(580,938)	(648,319)
Implicit rate subsidy fulfillment	(199,699)	-
Net Changes in Total OPEB Liability	1,768,891	94,396
Total OPEB Liability-Beginning	18,802,126	18,707,730
Total OPEB Liability-Ending	\$ 20,571,017	\$ 18,802,126
Covered Payroll	\$ 118,276,383	\$ 120,999,328
Employer's Total OPEB Liability as a Percentage of Covered Payroll	17.39%	15.54%

Notes to Required Supplementary Information

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in assumptions relate to changing the discount rate from 3.68% to 3.01% and updating the mortality table to the PUBH-2010 General Employees and Public Safety Mortality and the mortality projection scale was updated to MP-2019.

*GASB 75 requires presentation of ten years. As of December 31, 2019, only two years of information is available.

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

PROVIDE
QUALITY



PUBLIC
SERVICES



SEDGWICK COUNTY, KANSAS

Combining Balance Sheet ***Nonmajor Governmental Funds*** ***December 31, 2019***

	Special Revenue Funds	Fire District Debt Service	Capital Projects Funds	Totals
Assets:				
Cash, including investments	\$ 20,332,352	\$ 25,790	\$ 36,556,834	\$ 56,914,976
Due from other agencies	373,188	-	-	373,188
Accounts receivable	2,917,525	-	-	2,917,525
Property tax receivable	39,300,000	-	-	39,300,000
Sales tax receivable	-	-	2,751,016	2,751,016
Inventories, at cost	378,130	-	-	378,130
Total assets	\$ 63,301,195	\$ 25,790	\$ 39,307,850	\$ 102,634,835
Liabilities:				
Accounts payable	1,861,156	-	886,430	2,747,586
Accrued wages	1,356,337	-	15,736	1,372,073
Due to other funds	-	-	779,471	779,471
Advance payable	-	-	4,377,381	4,377,381
Due to other entities	16,650	-	-	16,650
Total liabilities	3,234,143	-	6,059,018	9,293,161
Deferred Inflows of Resources:				
Deferred property tax revenue	39,300,000	-	-	39,300,000
Unavailable revenue - accounts receivable	451,237	-	-	451,237
Total deferred inflows of resources	39,751,237	-	-	39,751,237
Fund balances:				
Nonspendable:				
Inventories	\$ 378,130	\$ -	\$ -	\$ 378,130
Restricted:				
General Government	2,709,030	-	-	2,709,030
Debt Service	-	25,790	-	25,790
Public Safety	11,550,021	-	-	11,550,021
Public Works	675,479	-	-	675,479
Health and Welfare	961,019	-	-	961,019
Culture and Recreation	83,683	-	-	83,683
Community Development	9,500	-	-	9,500
Capital Outlay	-	-	13,721,174	13,721,174
Committed:				
Public Safety	2,902,437	-	-	2,902,437
Capital Outlay	-	-	9,236,238	9,236,238
Assigned:				
Public Works	629,428	-	-	629,428
Public Safety	417,088	-	-	417,088
Capital Outlay	-	-	11,082,946	11,082,946
Unassigned	-	-	(791,526)	(791,526)
Total fund balance	20,315,815	25,790	33,248,832	53,590,437
Total liabilities, deferred inflows of resources and fund balances	\$ 63,301,195	\$ 25,790	\$ 39,307,850	\$ 102,634,835

SEDGWICK COUNTY, KANSAS

Combining Balance Sheet Nonmajor Governmental Funds - Special Revenue Funds December 31, 2019

	Wichita State University Program Development	Comprehensive Community Care	Emergency Medical Services	Aging Services
Assets:				
Cash, including investments	\$ 829,779	\$ 501,763	\$ 1,721,278	\$ 564,248
Due from other agencies	-	-	-	-
Accounts receivable	-	-	2,907,575	-
Property tax receivable	7,436,902	3,141,283	4,536,511	2,320,314
Inventories, at cost	-	-	378,130	-
Total assets	\$ 8,266,681	\$ 3,643,046	\$ 9,543,494	\$ 2,884,562
Liabilities:				
Accounts payable	820,279	16,093	435,329	57,469
Accrued wages	-	44,606	422,762	17,624
Due to other entities	-	-	-	-
Total liabilities	820,279	60,699	858,091	75,093
Deferred Inflows of Resources:				
Deferred property tax revenue	7,436,902	3,141,283	4,536,511	2,320,314
Unavailable revenue - accounts receivable	-	-	451,237	-
Total deferred inflows of resources	7,436,902	3,141,283	4,987,748	2,320,314
Fund balances:				
Nonspendable:				
Inventories	\$ -	\$ -	\$ 378,130	\$ -
Restricted:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health and Welfare	-	441,064	-	489,155
Culture and Recreation	-	-	-	-
Community Development	9,500	-	-	-
Committed:				
Public Safety	-	-	2,902,437	-
Assigned:				
Public Works	-	-	-	-
Public Safety	-	-	417,088	-
Unassigned	-	-	-	-
Total fund balance	9,500	441,064	3,697,655	489,155
Total liabilities, deferred inflows of resources and fund balances	\$ 8,266,681	\$ 3,643,046	\$ 9,543,494	\$ 2,884,562

Public Works Highways	Noxious Weeds	Solid Waste	Special Parks and Recreation	Emergency Telephone Services	Court Trustee Operations
\$ 1,255,405	\$ 122,180	\$ 471,551	\$ 83,683	\$ 2,995,130	\$ 2,357,144
-	-	-	-	-	373,188
241	-	181	-	-	-
4,318,362	347,056	-	-	-	-
-	-	-	-	-	-
<u>\$ 5,574,008</u>	<u>\$ 469,236</u>	<u>\$ 471,732</u>	<u>\$ 83,683</u>	<u>\$ 2,995,130</u>	<u>\$ 2,730,332</u>
333,015	1,726	2,125	-	87,077	89,600
158,740	7,523	24,872	-	-	118,806
16,650	-	-	-	-	-
<u>508,405</u>	<u>9,249</u>	<u>26,997</u>	<u>-</u>	<u>87,077</u>	<u>208,406</u>
4,318,362	347,056	-	-	-	-
-	-	-	-	-	-
<u>4,318,362</u>	<u>347,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	2,908,053	2,521,926
521,256	-	154,223	-	-	-
-	-	-	-	-	-
-	-	-	83,683	-	-
-	-	-	-	-	-
-	-	-	-	-	-
225,985	112,931	290,512	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>747,241</u>	<u>112,931</u>	<u>444,735</u>	<u>83,683</u>	<u>2,908,053</u>	<u>2,521,926</u>
<u>\$ 5,574,008</u>	<u>\$ 469,236</u>	<u>\$ 471,732</u>	<u>\$ 83,683</u>	<u>\$ 2,995,130</u>	<u>\$ 2,730,332</u>

(Continued)

SEDGWICK COUNTY, KANSAS

Combining Balance Sheet (continued) Nonmajor Governmental Funds - Special Revenue Funds December 31, 2019

	Special Alcohol and Drug Programs	Auto License	Court Alcohol/Drug Safety Action Program	Prosecuting Attorney Training
Assets				
Cash, including investments	\$ 30,800	\$ 1,782,959	\$ 170,818	\$ 44,285
Due from other agencies	-	-	-	-
Accounts receivable	-	-	-	-
Property tax receivable	-	-	-	-
Inventories, at cost	-	-	-	-
Total assets	<u>\$ 30,800</u>	<u>\$ 1,782,959</u>	<u>\$ 170,818</u>	<u>\$ 44,285</u>
Liabilities:				
Accounts payable	-	3,575	-	12
Accrued wages	-	99,022	-	-
Due to other entities	-	-	-	-
Total liabilities	<u>-</u>	<u>102,597</u>	<u>-</u>	<u>12</u>
Deferred Inflows of Resources:				
Deferred property tax revenue	-	-	-	-
Unavailable revenue - accounts receivable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Inventories	\$ -	\$ -	\$ -	\$ -
Restricted:				
General Government	-	1,680,362	-	-
Public Safety	-	-	170,818	44,273
Public Works	-	-	-	-
Health and Welfare	30,800	-	-	-
Culture and Recreation	-	-	-	-
Community Development	-	-	-	-
Committed:				
Public Safety	-	-	-	-
Assigned:				
Public Works	-	-	-	-
Public Safety	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>30,800</u>	<u>1,680,362</u>	<u>170,818</u>	<u>44,273</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,800</u>	<u>\$ 1,782,959</u>	<u>\$ 170,818</u>	<u>\$ 44,285</u>

Elected Official Land Technology Fund	Fire District Operating	Fire District Research and Development	Totals
\$ 1,038,679	\$ 6,332,278	\$ 30,372	\$ 20,332,352
-	-	-	373,188
-	9,528	-	2,917,525
-	17,199,572	-	39,300,000
-	-	-	378,130
<u>\$ 1,038,679</u>	<u>\$ 23,541,378</u>	<u>\$ 30,372</u>	<u>\$ 63,301,195</u>
53	14,604	199	1,861,156
9,958	452,424	-	1,356,337
-	-	-	16,650
<u>10,011</u>	<u>467,028</u>	<u>199</u>	<u>3,234,143</u>
-	17,199,572	-	39,300,000
-	-	-	451,237
-	17,199,572	-	39,751,237
\$ -	\$ -	\$ -	\$ 378,130
1,028,668	-	-	2,709,030
-	5,874,778	30,173	11,550,021
-	-	-	675,479
-	-	-	961,019
-	-	-	83,683
-	-	-	9,500
-	-	-	2,902,437
-	-	-	629,428
-	-	-	417,088
-	-	-	-
<u>1,028,668</u>	<u>5,874,778</u>	<u>30,173</u>	<u>20,315,815</u>
<u>\$ 1,038,679</u>	<u>\$ 23,541,378</u>	<u>\$ 30,372</u>	<u>\$ 63,301,195</u>

SEDGWICK COUNTY, KANSAS

Combining Balance Sheet **Nonmajor Capital Projects Funds** *December 31, 2019*

	Building and Equipment	Street, Bridge and Other	Sales Tax Road and Bridge	Road and Bridge Equipment
Assets				
Cash, including investments	\$ -	\$ 3,240	\$ 11,438,375	\$ 201,320
Due from other agencies	-	-	-	-
Sales tax receivable	-	-	2,751,016	-
Total assets	<u>\$ -</u>	<u>\$ 3,240</u>	<u>\$ 14,189,391</u>	<u>\$ 201,320</u>
Liabilities:				
Accounts payable	12,055	-	452,481	-
Accrued wages	-	-	15,736	-
Due to other funds	779,471	-	-	-
Advance payable	-	-	-	-
Total liabilities	<u>791,526</u>	<u>-</u>	<u>468,217</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenue - accounts receivable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted:				
Capital Outlay	\$ -	\$ -	\$ 13,721,174	\$ -
Committed:				
Capital Outlay	-	3,240	-	-
Assigned:				
Capital Outlay	-	-	-	201,320
Unassigned	(791,526)	-	-	-
Total fund balance	<u>(791,526)</u>	<u>3,240</u>	<u>13,721,174</u>	<u>201,320</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 3,240</u>	<u>\$ 14,189,391</u>	<u>\$ 201,320</u>

Highway Improvement	Capital Improvements	Equipment Reserve	Fire District Special Equipment	Totals
\$ 45,623	\$ 14,026,157	\$ 7,582,983	\$ 3,259,136	\$ 36,556,834
-	-	-	-	-
-	-	-	-	2,751,016
<u>\$ 45,623</u>	<u>\$ 14,026,157</u>	<u>\$ 7,582,983</u>	<u>\$ 3,259,136</u>	<u>\$ 39,307,850</u>
-	415,778	6,116	-	886,430
-	-	-	-	15,736
-	-	-	-	779,471
-	4,377,381	-	-	4,377,381
-	4,793,159	6,116	-	6,059,018
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ 13,721,174
-	9,232,998	-	-	9,236,238
45,623	-	7,576,867	3,259,136	11,082,946
-	-	-	-	(791,526)
<u>45,623</u>	<u>9,232,998</u>	<u>7,576,867</u>	<u>3,259,136</u>	<u>33,248,832</u>
<u>\$ 45,623</u>	<u>\$ 14,026,157</u>	<u>\$ 7,582,983</u>	<u>\$ 3,259,136</u>	<u>\$ 39,307,850</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, 2019

	Special Revenue Funds	Fire District Debt Service	Capital Projects Funds	Totals
Revenues				
Property taxes	\$ 42,051,832	\$ -	\$ -	\$ 42,051,832
Emergency telephone services taxes	3,074,727	-	-	3,074,727
Sales taxes	-	-	13,614,211	13,614,211
Special assessments	-	-	-	-
Other taxes	123,546	-	-	123,546
Intergovernmental	9,560,938	-	4,500,148	14,061,086
Charges for services	26,983,731	-	74,822	27,058,553
Uses of money and property	259,912	-	56,695	316,607
Licenses and permits	68,370	-	-	68,370
Other	204,265	-	239,020	443,285
Total revenues	<u>82,327,321</u>	<u>-</u>	<u>18,484,896</u>	<u>100,812,217</u>
Expenditures				
Current:				
General government	5,240,556	-	-	5,240,556
Public safety	45,787,908	-	-	45,787,908
Public works	12,184,234	-	-	12,184,234
Health and welfare	5,344,873	-	-	5,344,873
Culture and recreation	4,401	-	-	4,401
Community development	8,163,700	-	-	8,163,700
Debt service:				
Principal	406,088	-	-	406,088
Interest and fiscal charges	20,567	-	-	20,567
Capital outlay	374,336	-	25,402,201	25,776,537
Total expenditures	<u>77,526,663</u>	<u>-</u>	<u>25,402,201</u>	<u>102,928,864</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,800,658</u>	<u>-</u>	<u>(6,917,305)</u>	<u>(2,116,647)</u>
Other financing sources (uses)				
Transfers from other funds	6,070	-	12,052,096	12,058,166
Transfers to other funds	(3,924,045)	-	(87,626)	(4,011,671)
Proceeds from capital lease	-	-	1,625,204	1,625,204
Total other financing sources (uses)	<u>(3,917,975)</u>	<u>-</u>	<u>13,589,674</u>	<u>9,671,699</u>
Net change in fund balances	882,683	-	6,672,369	7,555,052
Fund balances, beginning of year	<u>19,433,132</u>	<u>25,790</u>	<u>26,576,463</u>	<u>46,035,385</u>
Fund balances, end of period	<u>\$ 20,315,815</u>	<u>\$ 25,790</u>	<u>\$ 33,248,832</u>	<u>\$ 53,590,437</u>

SEDGWICK COUNTY, KANSAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended December 31, 2019

	Wichita State University Program Development	Comprehensive Community Care	Emergency Medical Services	Aging Services
Revenues				
Property taxes	\$ 8,163,700	\$ 2,696,157	\$ 5,610,733	\$ 2,382,134
Emergency telephone services taxes	-	-	-	-
Other taxes	-	-	-	-
Intergovernmental	-	174,444	-	-
Charges for services	-	-	17,612,282	75
Uses of money and property	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	20	3,953	775
Total revenues	8,163,700	2,870,621	23,226,968	2,382,984
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	20,373,062	-
Public works	-	-	-	-
Health and welfare	-	3,125,912	-	2,218,961
Culture and recreation	-	-	-	-
Community development	8,163,700	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	8,163,700	3,125,912	20,373,062	2,218,961
Excess (deficiency) of revenues over (under) expenditures	-	(255,291)	2,853,906	164,023
Other financing (uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	(220,620)
Total other financing (uses)	-	-	-	(220,620)
Net change in fund balances	-	(255,291)	2,853,906	(56,597)
Fund balances, beginning of year	9,500	696,355	843,749	545,752
Fund balances, end of period	\$ 9,500	\$ 441,064	\$ 3,697,655	\$ 489,155

Public Works Highways	Noxious Weeds	Solid Waste	Special Parks and Recreation	Emergency Telephone Services	Court Trustee Operations
\$ 3,984,212	\$ 377,444	\$ -	\$ -	\$ -	\$ -
-	-	-	-	3,074,727	-
-	-	-	53,664	-	-
4,883,562	-	-	-	-	4,471,607
61,300	89,619	1,593,956	-	-	1,211,447
-	-	-	-	12,022	-
14,100	-	48,600	-	-	-
56,132	-	45	-	52,824	9
<u>8,999,306</u>	<u>467,063</u>	<u>1,642,601</u>	<u>53,664</u>	<u>3,139,573</u>	<u>5,683,063</u>
-	-	-	-	-	-
-	-	-	-	2,230,739	5,908,823
9,657,038	496,631	2,030,565	-	-	-
-	-	-	-	-	-
-	-	-	4,401	-	-
-	-	-	-	-	-
322,139	-	-	-	52,197	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,979,177</u>	<u>496,631</u>	<u>2,030,565</u>	<u>4,401</u>	<u>2,282,936</u>	<u>5,908,823</u>
<u>(979,871)</u>	<u>(29,568)</u>	<u>(387,964)</u>	<u>49,263</u>	<u>856,637</u>	<u>(225,760)</u>
6,070	-	-	-	-	-
<u>(315,765)</u>	<u>-</u>	<u>(80,240)</u>	<u>-</u>	<u>(653,910)</u>	<u>-</u>
<u>(309,695)</u>	<u>-</u>	<u>(80,240)</u>	<u>-</u>	<u>(653,910)</u>	<u>-</u>
(1,289,566)	(29,568)	(468,204)	49,263	202,727	(225,760)
<u>2,036,807</u>	<u>142,499</u>	<u>912,939</u>	<u>34,420</u>	<u>2,705,326</u>	<u>2,747,686</u>
<u>\$ 747,241</u>	<u>\$ 112,931</u>	<u>\$ 444,735</u>	<u>\$ 83,683</u>	<u>\$ 2,908,053</u>	<u>\$ 2,521,926</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, 2019

	Special Alcohol and Drug Programs	Auto License	Court Alcohol/Drug Safety Action Program	Prosecuting Attorney Training
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Emergency telephone services taxes	-	-	-	-
Other taxes	69,882	-	-	-
Intergovernmental	-	31,325	-	-
Charges for services	-	5,075,228	5,104	40,329
Uses of money and property	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	32,226	-	-
Total revenues	69,882	5,138,779	5,104	40,329
Expenditures				
Current:				
General government	-	4,366,477	-	-
Public safety	-	-	-	46,495
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	4,366,477	-	46,495
Excess (deficiency) of revenues over (under) expenditures	69,882	772,302	5,104	(6,166)
Other financing (uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	(39,082)	-	-	-
Total other financing (uses)	(39,082)	-	-	-
Net change in fund balances	30,800	772,302	5,104	(6,166)
Fund balances, beginning of year	-	908,060	165,714	50,439
Fund balances, end of period	\$ 30,800	\$ 1,680,362	\$ 170,818	\$ 44,273

Elected Official Land Technology Fund	Fire District Operating	Fire District Research and Development	Totals
\$ -	\$ 18,837,452	\$ -	\$ 42,051,832
-	-	-	3,074,727
-	-	-	123,546
-	-	-	9,560,938
906,420	387,971	-	26,983,731
20,808	226,447	635	259,912
-	5,670	-	68,370
-	58,281	-	204,265
<u>927,228</u>	<u>19,515,821</u>	<u>635</u>	<u>82,327,321</u>
874,079	-	-	5,240,556
-	17,228,789	-	45,787,908
-	-	-	12,184,234
-	-	-	5,344,873
-	-	-	4,401
-	-	-	8,163,700
-	-	-	374,336
-	406,088	-	406,088
-	20,567	-	20,567
<u>874,079</u>	<u>17,655,444</u>	<u>-</u>	<u>77,526,663</u>
<u>53,149</u>	<u>1,860,377</u>	<u>635</u>	<u>4,800,658</u>
-	-	-	6,070
<u>(34,428)</u>	<u>(2,580,000)</u>	<u>-</u>	<u>(3,924,045)</u>
<u>(34,428)</u>	<u>(2,580,000)</u>	<u>-</u>	<u>(3,917,975)</u>
18,721	(719,623)	635	882,683
<u>1,009,947</u>	<u>6,594,401</u>	<u>29,538</u>	<u>19,433,132</u>
<u>\$ 1,028,668</u>	<u>\$ 5,874,778</u>	<u>\$ 30,173</u>	<u>\$ 20,315,815</u>

SEDGWICK COUNTY, KANSAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds For the Year Ended December 31, 2019

	Building and Equipment	Street, Bridge and Other	Sales Tax Road and Bridge	Road and Bridge Equipment
Revenues				
Sales taxes	\$ -	\$ -	\$ 13,614,211	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	-	4,500,148	-
Charges for services	-	-	74,822	-
Uses of money and property	-	-	-	-
Other revenue	54,097	-	-	-
Total revenues	54,097	-	18,189,181	-
Expenditures				
Capital outlay	-	200,017	16,521,875	-
Total expenditures	-	200,017	16,521,875	-
(Deficiency) of revenues (under) expenditures	54,097	(200,017)	1,667,306	-
Other financing sources (uses)				
Transfers from other funds	3,546	200,017	1,620,655	115,765
Transfers to other funds	(470)	-	-	(76,070)
Proceeds from capital lease	-	-	-	-
Total other financing sources (uses)	3,076	200,017	1,620,655	39,695
Net change in fund balances	57,173	-	3,287,961	39,695
Fund balances (deficits), beginning of year	(848,699)	3,240	10,433,213	161,625
Fund balances (deficits), end of period	\$ (791,526)	\$ 3,240	\$ 13,721,174	\$ 201,320

Highway Improvement	Capital Improvements	Equipment Reserve	Fire District Special Equipment	Totals
\$ -	\$ -	\$ -	\$ -	\$ 13,614,211
-	-	-	-	-
-	-	-	-	4,500,148
-	-	-	-	74,822
-	-	-	56,695	56,695
-	184,923	-	-	239,020
-	184,923	-	56,695	18,484,896
-	6,114,611	357,709	2,207,989	25,402,201
-	6,114,611	357,709	2,207,989	25,402,201
-	(5,929,688)	(357,709)	(2,151,294)	(6,917,305)
-	5,708,933	1,823,180	2,580,000	12,052,096
-	(5,686)	(5,400)	-	(87,626)
-	-	-	1,625,204	1,625,204
-	5,703,247	1,817,780	4,205,204	13,589,674
-	(226,441)	1,460,071	2,053,910	6,672,369
45,623	9,459,439	6,116,796	1,205,226	26,576,463
\$ 45,623	\$ 9,232,998	\$ 7,576,867	\$ 3,259,136	\$ 33,248,832

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final	Amounts	
Revenues				
Taxes	\$ 8,096,094	\$ 8,096,094	\$ 8,163,700	\$ 67,606
Other	300,000	300,000	-	(300,000)
Total revenues	<u>8,396,094</u>	<u>8,396,094</u>	<u>8,163,700</u>	<u>(232,394)</u>
Expenditures				
Current:				
Contractual services	<u>8,332,954</u>	<u>8,332,954</u>	<u>8,163,700</u>	<u>169,254</u>
Total expenditures	<u>8,332,954</u>	<u>8,332,954</u>	<u>8,163,700</u>	<u>169,254</u>
Net change in fund balances	\$ 63,140	\$ 63,140	\$ -	\$ (63,140)
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>9,500</u>	<u>9,500</u>
Fund balances, end of year	<u>\$ 63,140</u>	<u>\$ 63,140</u>	<u>\$ 9,500</u>	<u>\$ (53,640)</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final	Amounts	
Revenues				
Taxes	\$ 2,682,769	\$ 2,682,769	\$ 2,696,157	\$ 13,388
Intergovernmental	174,445	174,445	174,444	(1)
Other	-	-	20	20
Total revenues	<u>2,857,214</u>	<u>2,857,214</u>	<u>2,870,621</u>	<u>13,407</u>
Expenditures				
Current:				
Personnel services	1,539,651	1,539,651	1,420,144	119,507
Contractual services	1,708,877	1,708,877	1,623,343	85,534
Commodities	120,374	120,374	86,195	34,179
Total expenditures	<u>3,368,902</u>	<u>3,368,902</u>	<u>3,129,682</u>	<u>239,220</u>
Net change in fund balances	\$ (511,688)	\$ (511,688)	\$ (259,061)	\$ 252,627
Fund balances, beginning of year	<u>511,688</u>	<u>511,688</u>	<u>741,098</u>	<u>229,410</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 482,037</u>	<u>\$ 482,037</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
Revenues				
Taxes	\$ 4,167,724	\$ 4,167,724	\$ 5,610,733	\$ 1,443,009
Charges for services	15,614,009	15,614,009	15,638,622	24,613
Reimbursed expenditures	43	43	128	85
Other	779	779	3,825	3,046
Total revenues	19,782,555	19,782,555	21,253,308	1,470,753
Expenditures				
Current:				
Personnel services	15,970,114	15,627,029	14,709,496	917,533
Contractual services	3,871,595	4,186,679	4,147,203	39,476
Commodities	1,223,299	1,299,036	1,242,604	56,432
Capital outlay	270,000	222,263	222,263	-
Total expenditures	21,335,008	21,335,007	20,321,566	1,013,441
Revenues over (under) expenditures	(1,552,453)	(1,552,452)	931,742	2,484,194
Other financing sources				
Transfers to other funds	-	-	-	-
Transfers from other funds	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	\$ (1,552,453)	\$ (1,552,452)	\$ 931,742	\$ 2,484,194
Fund balances, beginning of year	1,552,453	1,552,452	332,820	(1,219,632)
Fund balances, end of year	\$ -	\$ -	\$ 1,264,562	\$ 1,264,562

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
Revenues				
Taxes	\$ 2,307,816	\$ 2,307,816	\$ 2,382,134	\$ 74,318
Charges for Services	-	-	75	75
Other	6	6	775	769
Total revenues	<u>2,307,822</u>	<u>2,307,822</u>	<u>2,382,984</u>	<u>75,162</u>
Expenditures				
Current:				
Personnel services	718,650	718,650	595,286	123,364
Contractual services	1,725,908	1,673,583	1,569,127	104,456
Commodities	12,800	65,125	56,120	9,005
Total expenditures	<u>2,457,358</u>	<u>2,457,358</u>	<u>2,220,533</u>	<u>236,825</u>
Revenues over (under) expenditures	<u>(149,536)</u>	<u>(149,536)</u>	<u>162,451</u>	<u>311,987</u>
Other financing uses				
Transfers to other funds	(220,620)	(220,620)	(220,620)	-
Total other financing uses	<u>(220,620)</u>	<u>(220,620)</u>	<u>(220,620)</u>	<u>-</u>
Net change in fund balances	\$ (370,156)	\$ (370,156)	\$ (58,169)	\$ 311,987
Fund balances, beginning of year	<u>4,428</u>	<u>4,428</u>	<u>542,064</u>	<u>537,636</u>
Fund balances, end of year	<u>\$ (365,728)</u>	<u>\$ (365,728)</u>	<u>\$ 483,895</u>	<u>\$ 849,623</u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive/ (Negative)
Revenues				
Taxes	\$ 3,928,915	\$ 3,928,915	\$ 3,984,212	\$ 55,297
Intergovernmental	4,915,195	4,915,195	4,883,562	(31,633)
Charges for services	26,505	26,505	61,300	34,795
Licenses and permits	12,929	12,929	14,100	1,171
Reimbursed expenditures	8,624	8,624	36,664	28,040
Other	12,017	12,017	19,468	7,451
Total revenues	<u>8,904,185</u>	<u>8,904,185</u>	<u>8,999,306</u>	<u>95,121</u>
Expenditures				
Current:				
Personnel services	6,254,901	5,948,816	5,345,882	602,934
Contractual services	3,869,095	3,998,203	3,994,037	4,166
Commodities	348,955	410,167	328,451	81,716
Capital outlay	536,000	322,488	322,139	349
Total expenditures	<u>11,008,951</u>	<u>10,679,674</u>	<u>9,990,509</u>	<u>689,165</u>
Revenues over (under) expenditures	<u>(2,104,766)</u>	<u>(1,775,489)</u>	<u>(991,203)</u>	<u>784,286</u>
Other financing sources (uses)				
Transfers to other funds	-	-	6,070	6,070
Transfers from other funds	-	(329,277)	(315,765)	13,512
Total other financing sources (uses)	<u>-</u>	<u>(329,277)</u>	<u>(309,695)</u>	<u>19,582</u>
Net change in fund balances	\$ (2,104,766)	\$ (2,104,766)	\$ (1,300,898)	\$ 803,868
Fund balances, beginning of year	<u>2,104,766</u>	<u>2,104,766</u>	<u>2,203,459</u>	<u>98,693</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 902,561</u>	<u>\$ 902,561</u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final	Amounts	
Revenues				
Taxes	\$ 388,666	\$ 388,666	\$ 377,444	\$ (11,222)
Charges for services	115,316	115,316	89,619	(25,697)
Total revenues	<u>503,982</u>	<u>503,982</u>	<u>467,063</u>	<u>(36,919)</u>
Expenditures				
Current:				
Personnel services	339,258	339,258	308,537	30,721
Contractual services	102,240	106,300	103,850	2,450
Commodities	99,629	95,569	85,507	10,062
Total expenditures	<u>541,127</u>	<u>541,127</u>	<u>497,894</u>	<u>43,233</u>
Revenues over (under) expenditures	<u>(37,145)</u>	<u>(37,145)</u>	<u>(30,831)</u>	<u>6,314</u>
Net change in fund balances	\$ (37,145)	\$ (37,145)	\$ (30,831)	\$ 6,314
Fund balances, beginning of year	<u>152,461</u>	<u>152,461</u>	<u>147,315</u>	<u>(5,146)</u>
Fund balances, end of year	<u>\$ 115,316</u>	<u>\$ 115,316</u>	<u>\$ 116,484</u>	<u>\$ 1,168</u>

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ 6,365	\$ 6,365	\$ -	\$ (6,365)
Charges for services	1,577,358	1,577,358	1,593,956	16,598
Licenses and permits	37,660	37,660	48,600	10,940
Reimbursed expenditures	226	226	195	(31)
Other	458	458	(150)	(608)
Total revenues	1,622,067	1,622,067	1,642,601	20,534
Expenditures				
Current:				
Personnel services	874,404	875,083	827,115	47,968
Contractual services	1,299,024	1,298,311	1,135,364	162,947
Commodities	84,165	84,199	69,852	14,347
Total expenditures	2,257,593	2,257,593	2,032,331	225,262
Revenues over (under) expenditures	(635,526)	(635,526)	(389,730)	245,796
Other financing uses				
Transfers to other funds	(80,240)	(80,240)	(80,240)	-
Total other financing uses	(80,240)	(80,240)	(80,240)	-
Net change in fund balances	\$ (715,766)	\$ (715,766)	\$ (469,970)	\$ 245,796
Fund balances, beginning of year	715,766	715,766	907,100	191,334
Fund balances, end of year	\$ -	\$ -	\$ 437,130	\$ 437,130

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
Revenues				
Taxes	\$ 21,026	\$ 21,026	\$ 53,664	\$ 32,638
Total revenues	21,026	21,026	53,664	32,638
Expenditures				
Current:				
Contractual services	13,328	13,328	4,401	8,927
Commodities	8,026	8,026	-	8,026
Total expenditures	21,354	21,354	4,401	16,953
Revenues over (under) expenditures	(328)	(328)	49,263	49,591
Net change in fund balances	\$ (328)	\$ (328)	\$ 49,263	\$ 49,591
Fund balances, beginning of year	328	328	34,420	34,092
Fund balances, end of year	\$ -	\$ -	\$ 83,683	\$ 83,683

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
Revenues				
Taxes	\$ 3,003,050	\$ 3,003,050	\$ 3,074,727	\$ 71,677
Uses of money and property	4,258	4,258	12,022	7,764
Reimbursed expenditures	77	77	-	(77)
Other	1,851	1,851	52,824	50,973
Total revenues	<u>3,009,236</u>	<u>3,009,236</u>	<u>3,139,573</u>	<u>130,337</u>
Expenditures				
Current:				
Contractual services	2,547,588	2,468,391	2,353,421	114,970
Commodities	30,000	57,000	56,188	812
Capital Outlay	-	52,197	52,197	-
Total expenditures	<u>2,577,588</u>	<u>2,577,588</u>	<u>2,461,806</u>	<u>115,782</u>
Revenues over (under) expenditures	<u>431,648</u>	<u>431,648</u>	<u>677,767</u>	<u>246,119</u>
Other financing uses				
Transfers to other funds	(653,910)	(653,910)	(653,910)	-
Total other financing uses	<u>(653,910)</u>	<u>(653,910)</u>	<u>(653,910)</u>	<u>-</u>
Net change in fund balances	\$ (222,262)	\$ (222,262)	\$ 23,857	\$ 246,119
Fund balances, beginning of year	<u>222,262</u>	<u>222,262</u>	<u>2,104,054</u>	<u>1,881,792</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,127,911</u>	<u>\$ 2,127,911</u>

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
Revenues				
Taxes	\$ 39,082	\$ 39,082	\$ 69,882	\$ 30,800
Total revenues	39,082	39,082	69,882	30,800
Revenues over (under) expenditures	39,082	39,082	69,882	30,800
Other financing uses				
Transfers to other funds	39,082	39,082	39,082	-
Total other financing uses	39,082	39,082	39,082	-
Net change in fund balances	\$ -	\$ -	\$ 30,800	\$ 30,800
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ 30,800	\$ 30,800

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
Revenues				
Taxes	\$ 18,912,751	\$ 18,912,751	\$ 18,837,452	\$ (75,299)
Intergovernmental	-	-	-	-
Charges for services	1,028,855	1,028,855	387,971	(640,884)
Uses of money and property	82,967	82,967	226,447	143,480
Licenses and permits	6,439	6,439	5,670	(769)
Reimbursed expenditures	-	-	31,181	31,181
Other	1,150	1,150	27,100	25,950
Total revenues	<u>20,032,162</u>	<u>20,032,162</u>	<u>19,515,821</u>	<u>(516,341)</u>
Expenditures				
Current:				
Personnel services	15,063,983	14,418,701	14,400,455	18,246
Contractual services	3,778,748	1,981,248	1,925,606	55,642
Commodities	801,750	624,250	619,241	5,009
Capital outlay	198,248	448,248	346,198	102,050
Debt service:				
Principal	645,000	435,282	406,088	29,194
Interest	-	-	20,567	(20,567)
Total expenditures	<u>20,487,729</u>	<u>17,907,729</u>	<u>17,718,155</u>	<u>189,574</u>
Revenues over (under) expenditures	<u>(455,567)</u>	<u>2,124,433</u>	<u>1,797,666</u>	<u>(326,767)</u>
Other financing uses				
Transfers to other funds	-	(2,580,000)	(2,580,000)	-
Total other financing uses	<u>-</u>	<u>(2,580,000)</u>	<u>(2,580,000)</u>	<u>-</u>
Net change in fund balances	\$ (455,567)	\$ (455,567)	\$ (782,334)	\$ (326,767)
Fund balances, beginning of year	<u>455,567</u>	<u>455,567</u>	<u>7,045,975</u>	<u>6,590,408</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,263,641</u>	<u>\$ 6,263,641</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
Revenues				
Taxes	\$ 13,461,733	\$ 13,461,733	\$ 15,538,420	\$ 2,076,687
Intergovernmental	244,802	244,802	126,198	(118,604)
Total revenues	13,706,535	13,706,535	15,664,618	1,958,083
Expenditures				
Current:				
Contractual services	20,000	-	-	-
Debt service:				
Principal	15,168,718	15,188,718	15,188,718	-
Interest and fiscal charges	3,695,671	3,695,671	3,695,671	-
Total expenditures	18,884,389	18,884,389	18,884,389	-
Revenues over (under) expenditures	(5,177,854)	(5,177,854)	(3,219,771)	1,958,083
Other financing sources				
Transfers from other funds	2,776,494	2,776,494	2,777,521	1,027
Total other financing sources	2,776,494	2,776,494	2,777,521	1,027
Net change in fund balances	\$ (2,401,360)	\$ (2,401,360)	\$ (442,250)	\$ 1,959,110
Fund balances, beginning of year	2,401,360	2,401,360	2,574,880	173,520
Fund balances, end of year	\$ -	\$ -	\$ 2,132,630	\$ 2,132,630

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, 2019

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

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.



PROVIDE
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SEDGWICK COUNTY, KANSAS

Combining Statement of Net Position Internal Service Funds December 31, 2019

	Fleet Management	Health/Dental/ Life Insurance Reserve	Workers' Compensation Reserve
Assets			
Current assets:			
Cash, including investments	\$ 12,292,407	\$ 6,373,145	\$ 4,694,204
Accounts receivable	1,511	-	-
Inventories, at cost	195,066	-	-
Total current assets	12,488,984	6,373,145	4,694,204
Noncurrent assets:			
Capital assets:			
Land	40,580	-	-
Buildings and improvements	8,319,354	-	-
Machinery and equipment	30,947,633	-	-
Less accumulated depreciation	(29,429,429)	-	-
Total capital assets (net of accumulated depreciation)	9,878,138	-	-
Total assets	22,367,122	6,373,145	4,694,204
Liabilities			
Current liabilities:			
Accounts payable	59,195	-	-
Accrued wages	28,727	6,179	7,908
Estimated claims costs payable	-	2,100,000	769,900
Total current liabilities	87,922	2,106,179	777,808
Noncurrent liabilities:			
Estimated claims costs payable	-	-	1,006,400
Total liabilities	87,922	2,106,179	1,784,208
Net position			
Investment in capital assets	9,878,138	-	-
Unrestricted	12,401,062	4,266,966	2,909,996
Total net position	22,279,200	4,266,966	2,909,996
Total liabilities and net position	\$ 22,367,122	\$ 6,373,145	\$ 4,694,204

Risk Management Reserve	Totals
\$ 1,351,817	\$ 24,711,573
-	1,511
-	195,066
<u>1,351,817</u>	<u>24,908,150</u>
-	40,580
-	8,319,354
61,232	31,008,865
<u>(61,232)</u>	<u>(29,490,661)</u>
-	9,878,138
<u>1,351,817</u>	<u>34,786,288</u>
405	59,600
-	42,814
-	2,869,900
<u>405</u>	<u>2,972,314</u>
-	1,006,400
<u>405</u>	<u>3,978,714</u>
-	9,878,138
<u>1,351,412</u>	<u>20,929,436</u>
<u>1,351,412</u>	<u>30,807,574</u>
<u>\$ 1,351,817</u>	<u>\$ 34,786,288</u>

SEDGWICK COUNTY, KANSAS

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

Internal Service Funds

For the Year Ended December 31, 2019

	Fleet Management	Health/Dental/ Life Insurance Reserve	Workers' Compensation Reserve
Operating revenues:			
Charges for services	\$ 8,819,298	\$ 34,884,956	\$ 905,322
Other revenue	45,947	106,521	30,645
Total operating revenues	<u>8,865,245</u>	<u>34,991,477</u>	<u>935,967</u>
Operating expenses:			
Salaries and benefits	962,834	201,834	330,114
Contractual services	510,381	1,144,177	187,700
Utilities	65,283	-	-
Supplies and fuel	3,035,283	17,235	-
Administrative charges	184,841	-	-
Depreciation	2,355,876	-	-
Claims expense	-	33,337,848	1,624,124
Other	18,304	-	-
Total operating expenses	<u>7,132,802</u>	<u>34,701,094</u>	<u>2,141,938</u>
Operating income (loss)	<u>1,732,443</u>	<u>290,383</u>	<u>(1,205,971)</u>
Nonoperating revenues:			
Investment income	-	134,066	108,247
Gain on sale of assets	183,166	-	-
Total nonoperating revenues	<u>183,166</u>	<u>134,066</u>	<u>108,247</u>
Income (loss) before transfers	1,915,609	424,449	(1,097,724)
Transfers			
Transfers from other funds	-	-	-
Transfers to other funds	<u>(1,589,071)</u>	<u>-</u>	<u>-</u>
Change in net position	326,538	424,449	(1,097,724)
Net position, beginning of year	<u>21,952,662</u>	<u>3,842,517</u>	<u>4,007,720</u>
Net position, end of period	<u>\$ 22,279,200</u>	<u>\$ 4,266,966</u>	<u>\$ 2,909,996</u>

Risk Management Reserve	Totals
\$ -	\$ 44,609,576
55,232	238,345
55,232	44,847,921
267	1,495,049
1,010,210	2,852,468
-	65,283
23,909	3,076,427
-	184,841
-	2,355,876
652,527	35,614,499
-	18,304
1,686,913	45,662,747
(1,631,681)	(814,826)
17,840	260,153
-	183,166
17,840	443,319
(1,613,841)	(371,507)
1,500,000	1,500,000
-	(1,589,071)
(113,841)	(460,578)
1,465,253	31,268,152
\$ 1,351,412	\$ 30,807,574

SEDGWICK COUNTY, KANSAS

Combining Statement of Cash Flows Internal Service Funds For the year ended December 31, 2019

	Fleet Management	Health/Dental/Life Insurance Reserve	Worker's Compensation Reserve
Cash flows from operating activities			
Receipts from customers	\$ -	\$ -	\$ -
Receipts from interfund services provided	8,818,741	34,884,956	905,322
Other operating revenues	45,947	106,521	30,645
Payments to suppliers for goods and services	(4,254,008)	(34,501,523)	(1,698,240)
Payments to employees for services	(962,834)	(201,834)	(330,114)
Net cash provided by (used in) operating activities	3,647,846	288,120	(1,092,387)
Cash flows from noncapital financing activities			
Transfers from other funds	-	-	-
Transfers to other funds	(1,589,071)	-	-
Net cash provided by (used in) noncapital financing activities	(1,589,071)	-	-
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	186,080	-	-
Purchases of capital assets	(1,190,866)	-	-
Net cash used in capital and related financing activities	(1,004,786)	-	-
Cash flows from investing activities			
Interest on investments	-	134,066	108,247
Net cash provided by investing activities	-	134,066	108,247
Net increase (decrease) in cash and cash equivalents	1,053,989	422,186	(984,140)
Cash and cash equivalents, beginning of year	11,238,418	5,950,959	5,678,344
Cash and cash equivalents, end of year	\$ 12,292,407	\$ 6,373,145	\$ 4,694,204
Reconciliation of operating loss to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 1,732,443	\$ 290,383	\$ (1,205,971)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation expense	2,355,876	-	-
Increase in accounts receivable	(557)	-	-
Increase in inventories	(22,062)	-	-
Decrease in accounts payable	(417,854)	(2,263)	(12,616)
Increase in estimated claims payable	-	-	126,200
Total adjustments	1,915,403	(2,263)	113,584
Net cash provided by (used in) operating activities	\$ 3,647,846	\$ 288,120	\$ (1,092,387)

Risk Management Reserve	Totals
\$ 55,232	\$ 55,232
-	44,609,019
-	183,113
(1,691,717)	(42,145,488)
(267)	(1,495,049)
<u>(1,636,752)</u>	<u>1,206,827</u>
1,500,000	1,500,000
-	<u>(1,589,071)</u>
<u>1,500,000</u>	<u>(89,071)</u>
-	186,080
-	<u>(1,190,866)</u>
-	<u>(1,004,786)</u>
17,840	260,153
<u>17,840</u>	<u>260,153</u>
(118,912)	373,123
<u>1,470,729</u>	<u>24,338,450</u>
<u>\$ 1,351,817</u>	<u>\$ 24,711,573</u>
<u>\$ (1,631,681)</u>	<u>\$ (814,826)</u>
-	2,355,876
-	(557)
-	(22,062)
(5,071)	(437,804)
-	126,200
<u>(5,071)</u>	<u>2,021,653</u>
<u>\$ (1,636,752)</u>	<u>\$ 1,206,827</u>

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Custodial Funds

Custodial Funds are used to report fiduciary activities for tax collections and related distributions to other governments, as well as amounts held for individuals.

County Treasurer

18th Judicial District Court

Sheriff Inmate Trust Fund

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SEDGWICK COUNTY, KANSAS

Combining Statement of Fiduciary Net Position ***Fiduciary Funds*** ***All Custodial Funds*** ***December 31, 2019***

	County Treasurer Custodial Fund	18th Judicial District Court Custodial Fund	Sheriff Inmate Custodial Fund	Totals
Assets				
Cash, including investments	\$ 374,160,928	\$ 7,442,187	\$ 285,626	\$ 381,888,741
Receivables - taxes for other governments	247,112,387	-	-	247,112,387
Total assets	<u>621,273,315</u>	<u>-</u>	<u>285,626</u>	<u>629,001,128</u>
Liabilities				
Accrued liabilities	46,121,864	-	-	46,121,864
Due to inmates	-	-	-	-
Due to other governments	575,151,451	7,442,187	-	582,593,638
Total assets	<u>621,273,315</u>	<u>-</u>	<u>-</u>	<u>628,715,502</u>
Net Position				
Restricted for Individuals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 285,626</u>	<u>\$ 285,626</u>

SEDGWICK COUNTY, KANSAS

Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds All Custodial Funds For the Year Ended December 31, 2019

	County Treasurer Custodial Fund	18th Judicial District Court Custodial Fund	Sheriff Inmate Custodial Fund	Totals
Additions				
Property tax collections for other governments	\$ 1,712,790,694	\$ -	\$ -	\$ 1,712,790,694
Motor vehicle tax collections for other government	115,818,495	-	-	115,818,495
Finance holdings	409,067,235	-	-	409,067,235
Inmate deposits	-	-	3,738,452	3,738,452
State clerk fee	-	3,271,169	-	3,271,169
Fines, penalties and forfeitures	-	4,981,273	-	4,981,273
Other fees	-	2,618,680	-	2,618,680
Other	1,543,097	12,665,538	-	14,208,635
Total additions	<u>2,239,219,521</u>	<u>23,536,660</u>	<u>3,738,452</u>	<u>2,266,494,633</u>
Deductions:				
Payment of property taxes to other governments	1,712,790,694	-	-	1,712,790,694
Motor vehicle tax to other governments	115,818,495	-	-	115,818,495
Finance holdings	409,067,235	-	-	409,067,235
State court fees	-	3,271,169	-	3,271,169
Inmate payments	-	-	3,662,659	3,662,659
Other	1,543,097	20,265,491	-	21,808,588
Total deductions	<u>2,239,219,521</u>	<u>23,536,660</u>	<u>3,662,659</u>	<u>2,266,418,840</u>
Change in net position	-	-	75,793	75,793
Net position, beginning of year (as restated)	<u>-</u>	<u>-</u>	<u>209,833</u>	<u>209,833</u>
Net position, end of period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 285,626</u>	<u>\$ 285,626</u>

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Statistical Section

The statistical section includes schedules showing ten-year financial trends as extracted from current and prior years' financial reports and other supplemental information relevant to the County. The statistical schedules reflect demographic and economic data, financial trends and the fiscal capacity of the County.

Statistical Section

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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.

<u>Table of Contents</u>	<u>Page</u>
Financial Trends <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>	E - 3
Revenue Capacity <i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	E- 8
Debt Capacity <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>	E - 12
Demographic and Economic Information <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>	E - 16
Operating Information <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>	E - 19

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets										
Restricted	\$ 268,738,532	\$ 282,471,201	\$ 294,690,938	\$ 298,113,489	\$ 310,035,285	\$ 320,464,675	\$ 329,243,600	\$ 309,371,709	\$ 324,991,641	\$ 326,931,145
Unrestricted	93,119,058	61,027,411	56,123,063	57,021,635	59,952,665	55,946,964	50,528,123	73,793,333	46,396,561	43,711,354
Total governmental activities net position	<u>\$ 77,461,046</u>	<u>\$ 93,115,134</u>	<u>\$ 85,371,059</u>	<u>\$ 85,968,811</u>	<u>\$ 80,894,088</u>	<u>\$ (34,661,211)</u>	<u>\$ (35,519,210)</u>	<u>\$ (41,255,917)</u>	<u>\$ (31,557,425)</u>	<u>\$ (22,820,997)</u>
	\$ 439,318,636	\$ 436,613,746	\$ 436,185,060	\$ 440,703,935	\$ 450,882,038	\$ 341,750,428	\$ 344,252,513	\$ 341,909,125	\$ 339,830,777	\$ 347,821,502
Business-type activities										
Net investment in capital assets										
Restricted	\$ 182,094,430	\$ 173,139,907	\$ 165,857,656	\$ 160,701,886	\$ 155,902,064	\$ 152,003,174	\$ 148,147,767	\$ 146,047,762	\$ 142,881,673	\$ 138,939,177
Unrestricted	13,780,015	11,631,039	10,619,276	9,977,266	9,196,893	8,247,858	6,615,262	3,114,029	722,308	-
Total business-type activities net position	<u>\$ 1,371,399</u>	<u>\$ 166,572</u>	<u>\$ 2,599,671</u>	<u>\$ 3,745,044</u>	<u>\$ 4,340,525</u>	<u>\$ 5,072,058</u>	<u>\$ 5,904,885</u>	<u>\$ 7,183,527</u>	<u>\$ 8,029,740</u>	<u>\$ 7,670,554</u>
	\$ 197,245,844	\$ 184,937,518	\$ 179,076,603	\$ 174,424,196	\$ 169,439,482	\$ 165,323,090	\$ 160,667,914	\$ 156,345,318	\$ 151,633,721	\$ 146,609,731
Primary government										
Net investment in capital assets										
Restricted	\$ 450,832,962	\$ 455,611,108	\$ 460,548,594	\$ 458,815,375	\$ 465,937,349	\$ 472,467,849	\$ 477,391,367	\$ 455,419,471	\$ 467,873,314	\$ 465,870,322
Unrestricted	106,899,073	72,658,450	66,742,339	66,998,901	69,149,558	64,194,822	57,143,385	76,907,362	47,118,869	43,711,354
Total primary government net position	<u>\$ 78,832,445</u>	<u>\$ 93,281,706</u>	<u>\$ 87,970,730</u>	<u>\$ 89,313,855</u>	<u>\$ 85,234,613</u>	<u>\$ (29,589,153)</u>	<u>\$ (29,614,325)</u>	<u>\$ (34,072,390)</u>	<u>\$ (23,527,685)</u>	<u>\$ (15,150,443)</u>
	\$ 636,564,480	\$ 621,551,264	\$ 615,261,663	\$ 615,128,131	\$ 620,321,520	\$ 507,073,518	\$ 504,920,427	\$ 498,254,443	\$ 491,464,498	\$ 494,431,233

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									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses										
Governmental activities:										
General government	\$ 51,626,927	\$ 51,164,331	\$ 52,946,017	\$ 46,738,513	\$ 45,631,487	\$ 44,076,129	\$ 47,430,448	\$ 52,508,805	\$ 54,849,656	\$ 56,019,543
Public safety	143,056,732	136,614,471	134,847,877	136,948,209	141,461,365	140,226,506	144,411,990	149,481,681	155,753,795	163,535,655
Public works	30,471,325	28,598,830	29,963,817	31,112,309	31,607,297	31,455,330	35,205,540	36,196,087	33,795,769	31,694,099
Health and welfare	66,600,199	66,002,246	58,600,471	56,476,803	56,346,131	55,876,955	53,319,338	52,924,647	54,714,236	56,904,126
Culture and recreation	11,814,466	11,247,354	11,069,797	10,824,309	11,024,934	16,808,103	12,378,012	12,752,767	13,638,446	15,679,763
Economic development	16,466,134	14,981,790	15,462,057	15,119,439	20,937,889	17,841,996	14,210,390	16,269,689	19,385,943	11,761,470
Interest on long-term debt	7,113,384	7,078,866	7,503,342	6,607,792	7,124,165	8,914,547	7,218,937	6,956,141	6,301,245	5,234,624
Total governmental activities expenses	<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>	<u>327,089,817</u>	<u>338,439,090</u>	<u>340,829,280</u>
Business-type activities:										
Pavilion/Arena	6,933,493	8,823,760	7,072,571	5,672,159	5,580,194	5,087,691	5,248,238	5,472,682	5,294,694	5,933,968
Total business-type activities expenses	<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>	<u>5,472,682</u>	<u>5,294,694</u>	<u>5,933,968</u>
Total primary government expenses	<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>	<u>\$ 332,562,499</u>	<u>\$ 343,733,784</u>	<u>\$ 346,763,248</u>
Program Revenues										
Charges for services:										
General government	\$ 25,747,664	\$ 22,112,904	\$ 25,248,415	\$ 16,583,118	\$ 17,671,949	\$ 17,568,111	\$ 19,267,415	\$ 24,879,696	\$ 24,437,736	\$ 21,891,036
Public safety	17,371,731	24,791,564	23,064,255	23,253,320	25,399,717	25,207,446	22,752,389	25,057,768	23,040,607	26,972,838
Public works	3,235,017	1,838,058	2,116,756	1,803,395	2,012,791	2,012,791	1,671,982	2,037,175	1,877,994	2,055,547
Health and welfare	29,672,759	30,214,621	24,989,604	23,820,227	23,134,337	24,776,064	21,132,561	20,301,262	20,378,294	19,927,585
Culture and recreation	572,101	347,183	299,983	322,965	328,772	437,640	446,867	463,752	369,439	380,869
Economic development	52,172	70,094	394,528	135,469	251,390	221,467	223,238	376,000	10,117	13,450
Operating grants and contributions:										
General government	947,601	996,886	1,475,519	5,099,931	2,107,925	2,240,299	2,818,734	168,600	194,931	1,017
Public safety	17,971,430	17,612,533	15,235,719	16,522,478	16,175,844	14,937,314	15,285,556	14,092,580	14,827,946	13,525,420
Public works	5,778,017	5,251,826	4,655,174	5,072,272	5,210,949	4,651,463	4,987,773	5,519,877	5,186,028	7,150,252
Health and welfare	19,861,573	20,877,847	20,722,097	20,679,329	21,056,655	21,595,015	20,188,655	21,438,843	23,901,512	25,554,332
Culture and recreation	-	-	35,000	-	-	-	-	-	90,188	90,188
Economic development	6,867,203	2,274,887	2,681,365	1,399,510	12,646,001	7,776,397	1,667,328	1,156,278	693,926	726,435
Capital grants and contributions:										
Public works	2,131,839	-	181,201	480,486	133,975	6,066,050	2,994,738	2,712,271	2,853,935	2,265,434
Culture and recreation	415,799	-	851,451	1,464,287	4,703,168	8,865,065	2,287,532	415,779	960,941	1,724,029
Total governmental activities program revenues	<u>130,624,906</u>	<u>126,388,403</u>	<u>121,637,706</u>	<u>116,717,197</u>	<u>130,937,438</u>	<u>136,355,122</u>	<u>115,724,768</u>	<u>118,619,881</u>	<u>118,823,594</u>	<u>122,278,432</u>
Business-type activities:										
Charges for services:										
Coliseum/Arena	2,546,279	1,939,862	1,211,656	846,169	595,480	971,299	593,062	1,150,086	753,403	909,978
Total business-type activities program revenues	<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>	<u>1,150,086</u>	<u>753,403</u>	<u>909,978</u>
Total primary government program revenues	<u>\$ 133,171,185</u>	<u>\$ 128,328,265</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>	<u>\$ 119,769,967</u>	<u>\$ 119,576,997</u>	<u>\$ 123,188,410</u>
Net (Expense)/Revenue										
Governmental activities	\$ (196,524,261)	\$ (189,299,485)	\$ (188,755,672)	\$ (187,110,167)	\$ (183,195,830)	\$ (178,844,444)	\$ (198,449,887)	\$ (208,469,936)	\$ (219,615,496)	\$ (218,550,848)
Business-type activities	<u>(4,387,214)</u>	<u>(6,883,898)</u>	<u>(5,860,915)</u>	<u>(4,825,990)</u>	<u>(4,984,714)</u>	<u>(4,116,392)</u>	<u>(4,655,176)</u>	<u>(4,322,596)</u>	<u>(4,541,291)</u>	<u>(5,023,990)</u>
Total primary government net expense	<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>	<u>\$ (212,792,532)</u>	<u>\$ (224,156,787)</u>	<u>\$ (223,574,838)</u>

General Revenues and Other Changes in Net Position

Governmental activities:										
Property taxes	\$ 154,371,208	\$ 153,102,405	\$ 155,437,762	\$ 156,571,499	\$ 157,680,267	\$ 160,388,971	\$ 162,790,600	\$ 166,801,051	\$ 172,620,033	\$ 178,745,661
Sales taxes	24,575,414	24,886,782	25,907,161	26,890,523	27,737,784	28,402,456	28,899,247	28,073,924	29,776,859	30,423,553
Other taxes	3,146,170	2,948,834	3,075,138	3,128,768	3,251,092	2,980,953	3,381,978	3,279,473	3,421,680	3,592,849
Investment earnings	4,758,857	5,656,574	4,677,886	5,344,751	4,704,790	5,761,660	6,423,364	7,972,100	9,919,659	13,779,510
Miscellaneous	(4,795,573)	-	-	-	-	511,960	-	-	-	-
Transfers	(229,164)	-	-	-	-	-	-	-	-	-
Extraordinary item	-	-	-	-	-	-	(543,217)	-	-	-
Total governmental activities	<u>\$ 181,826,912</u>	<u>\$ 186,594,595</u>	<u>\$ 189,097,947</u>	<u>\$ 191,935,541</u>	<u>\$ 193,373,933</u>	<u>\$ 198,046,000</u>	<u>\$ 200,951,972</u>	<u>\$ 206,126,548</u>	<u>\$ 215,738,231</u>	<u>\$ 226,541,573</u>
Business-type activities:										
Sales taxes	-	-	-	-	-	-	-	-	-	-
Special items	(3,191,933)	(5,424,428)	-	173,583	-	-	-	-	(170,306)	-
Transfers	229,164	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>(2,962,769)</u>	<u>(5,424,428)</u>	<u>-</u>	<u>173,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(170,306)</u>	<u>-</u>
Total primary government	<u>\$ 178,864,143</u>	<u>\$ 181,170,167</u>	<u>\$ 189,097,947</u>	<u>\$ 192,109,124</u>	<u>\$ 193,373,933</u>	<u>\$ 198,046,000</u>	<u>\$ 200,951,972</u>	<u>\$ 206,126,548</u>	<u>\$ 215,567,925</u>	<u>\$ 226,541,573</u>
Change in Net Position										
Governmental activities	\$ (14,697,349)	\$ (2,704,890)	\$ 342,275	\$ 4,825,374	\$ 10,178,103	\$ 19,201,556	\$ 2,502,085	\$ (2,343,388)	\$ (3,877,265)	\$ 7,990,725
Business-type activities	(7,349,983)	(12,308,326)	(5,860,915)	(4,652,407)	(4,984,714)	(4,116,392)	(4,655,176)	(4,322,596)	(4,711,597)	(5,023,990)
Total primary government	<u>\$ (22,047,332)</u>	<u>\$ (15,013,216)</u>	<u>\$ (5,518,640)</u>	<u>\$ 172,967</u>	<u>\$ 5,193,389</u>	<u>\$ 15,085,164</u>	<u>\$ (2,153,091)</u>	<u>\$ (6,665,984)</u>	<u>\$ (8,588,862)</u>	<u>\$ 2,966,735</u>

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

	Fiscal Year									
	2010									
General Fund										
Reserved	\$	5,480,843								
Unreserved		60,871,094								
Total general fund	\$	66,351,937								
All Other Governmental Funds										
Reserved		23,543,417								
Unreserved										
Designated										
Special revenue funds		9,469,114								
Capital projects funds		12,448,839								
Undesignated										
Special revenue funds		37,889,024								
Capital projects funds		13,593,302								
Total all other governmental funds	\$	96,943,696								
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	\$	66,229,848	\$	66,052,436	\$	66,840,795	\$	68,626,769	\$	65,009,590
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	\$	105,132,453	\$	107,108,897	\$	97,740,845	\$	167,874,229	\$	153,785,942

* 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 182,093	\$ 180,938	\$ 184,420	\$ 186,591	\$ 188,670	\$ 191,772	\$ 195,072	\$ 198,154	\$ 205,819	\$ 212,762
Special assessments	3,196	3,359	2,375	1,955	1,617	1,301	919	630	749	569
Intergovernmental	51,426	47,014	44,647	45,482	46,276	50,454	47,323	45,234	46,525	49,084
Charges for services	59,753	66,922	62,599	62,257	63,029	65,890	63,631	59,426	56,191	60,413
Uses of money and property	4,747	5,474	4,352	5,222	4,477	5,128	6,928	7,028	8,911	12,784
Fines and forfeits	258	460	1,348	678	255	212	260	167	179	261
Licenses and permits	530	546	471	156	122	138	861	7,975	8,372	8,292
Reimbursed expenditures	-	-	-	-	-	-	9,304	5,728	-	-
Other	13,495	10,287	11,728	7,186	17,396	7,434	-	-	3,977	3,556
Total revenues	315,498	315,000	311,940	309,527	321,842	322,329	324,298	324,342	330,723	347,721
Expenditures										
General government	44,398	43,723	44,564	37,953	36,329	36,367	38,834	42,790	45,276	44,275
Public safety	139,386	133,111	130,477	133,750	138,131	142,612	139,425	143,919	149,609	156,624
Public works	15,326	14,613	13,442	13,649	13,944	13,874	12,769	13,468	13,910	14,240
Health and welfare	67,918	67,487	60,151	58,328	58,261	59,844	55,094	54,659	56,514	58,563
Culture and recreation	9,284	8,919	8,621	8,301	8,771	14,482	9,282	9,446	10,037	12,198
Community development	16,294	13,394	13,836	18,869	19,391	25,961	45,471	17,651	18,283	10,615
Debt service										
Principal	14,113	14,071	14,989	20,954	16,312	22,842	24,419	15,649	40,692	16,171
Interest and fiscal charges	7,347	6,910	7,208	6,768	6,355	8,082	8,337	7,627	7,097	5,726
Debt issuance costs	340	452	340	195	858	280	1	-	212	-
Capital outlay	42,665	26,327	26,081	28,042	34,745	28,775	30,583	32,807	22,044	25,777
Total expenditures	357,071	329,007	319,709	326,809	333,097	353,119	364,215	338,016	363,674	344,189
Excess of revenues over (under) expenditures	(41,573)	(14,007)	(7,769)	(17,282)	(11,255)	(30,790)	(39,917)	(13,674)	(32,951)	3,532
Other financing sources (uses)										
Transfers from other funds	54,143	27,356	13,955	23,879	18,976	15,602	20,756	18,306	31,319	15,646
Transfers to other funds	(55,080)	(27,929)	(14,937)	(24,766)	(19,976)	(17,010)	(20,630)	(18,439)	(31,773)	(15,557)
Premium from issuance of revenue bonds	-	-	-	-	2,765	-	-	-	-	-
Premium from issuance of refunding bonds	-	-	-	-	3,318	1,046	-	-	-	-
Premium from issuance of general obligation bonds	-	-	-	-	-	559	-	-	935	1,056
Extraordinary item	-	-	-	-	-	-	(543)	-	-	-
Sale of general capital assets	-	-	-	-	-	1,382	-	-	1,725	-
Issuance of refunding bonds	-	-	-	-	31,875	8,060	-	-	-	-
Issuance of revenue bonds	-	-	-	-	44,945	-	-	-	-	-
Issuance of general obligation bonds	-	-	-	-	-	9,230	-	-	-	9,770
Issuance of capital lease	-	-	-	-	-	-	-	-	-	-
Proceeds from Capital Lease	1,793	1,273	-	-	1,271	-	391	-	13,025	1,625
Debt premium	2,190	1,064	1,224	1,214	-	-	-	-	-	-
Debt issuance	28,320	26,680	23,795	14,665	-	-	-	-	-	-
Payment to refunded bond	-	(6,370)	-	-	-	(5,785)	-	-	-	-
Payment to refunding bond escrow agent	(16,915)	-	(14,469)	(6,290)	-	-	-	-	-	-
Total other financing sources (uses)	14,451	22,074	9,568	8,702	83,174	13,084	(26)	(127)	15,231	12,540
Net change in fund balances	\$ (27,122)	\$ 8,067	\$ 1,799	\$ (8,580)	\$ 71,919	\$ (17,706)	\$ (39,943)	\$ (13,801)	\$ (17,720)	\$ 16,072
Debt service as a percentage of noncapital expenditures	6.7%	6.8%	7.4%	9.0%	7.5%	9.2%	9.4% ¹	7.3%	13.5%	6.8%

¹ Percentage has been updated from prior year report.

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 ^{2,4}	Real Property		Personal Property ⁵		Total ¹		Assessed/ Actual Ratio	Total Direct Tax Rate ³
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
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
2017	4,235,262	29,583,823	1,035,677	4,935,193	5,270,939	34,519,016	15.27%	29.393
2018	4,414,311	30,914,157	1,051,492	5,020,096	5,465,803	35,934,253	15.21%	29.383
2019	4,628,350	32,447,937	1,075,608	4,730,455	5,703,957	37,178,391	16.63%	29.384

SEDGWICK COUNTY FIRE DISTRICT 1
(Dollars in Thousands)

Fiscal Year ^{2,4}	Real Property		Personal Property ⁵		Total ¹		Assessed/ Actual Ratio	Total Direct Tax Rate ³
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
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
2017	669,773	4,789,488	321,881	1,481,541	991,654	6,271,029	15.81%	18.392
2018	709,412	5,072,483	327,978	1,557,343	1,037,398	6,629,826	15.65%	18.163
2019	756,281	5,409,418	332,984	1,375,988	1,089,267	6,785,407	16.05%	17.896

¹ Represents the equalized valuation of tangible property, including motor vehicles
² Taxes levied support the subsequent year's budget, e.g., 2016 taxes levied finance 2017 spending
³ Tax rates are per \$1,000 of assessed value
⁴ 2009, 2010 and 2011 amounts have been updated from previous Comprehensive Annual Financial Reports
⁵ Beginning in 2015 values exclude watercraft and 16M/20M motor vehicles

Source: Sedgwick County Clerk

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

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

County Direct Rates	Year Taxes Are Payable									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General	\$ 22.005	\$ 21.516	\$ 22.003	\$ 21.790	\$ 21.915	\$ 22.249	\$ 22.814	\$ 22.528	\$ 22.342	\$ 23.151
Road and bridge	1.178	1.042	1.256	1.194	1.093	1.129	1.026	0.780	0.720	0.872
Mental health	0.714	0.624	0.460	0.584	0.613	0.585	0.590	0.495	0.494	1.500
Noxious weeds	0.089	0.091	0.106	0.084	0.081	0.088	0.059	0.065	0.070	0.070
Emergency medical services	0.706	0.427	0.896	0.688	0.577	0.603	0.277	0.906	1.059	0.634
Aging	0.608	0.601	0.564	0.539	0.497	0.560	0.523	0.494	0.428	0.916
WSU program development	1.502	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	0.468
Debt service	2.557	3.627	2.661	2.998	3.202	2.669	2.604	2.625	2.770	1.773
Total direct rate	29.359	29.428	29.446	29.377	29.478	29.383	29.393	29.393	29.383	29.384
Fire District Rates	18.336	18.397	18.398	18.348	18.367	18.371	18.414	18.392	18.163	17.896
City Rates										
Andale	42.361	42.511	44.025	46.893	44.016	41.862	48.575	52.218	48.274	49.739
Bentley	53.633	53.690	53.762	53.761	53.736	53.629	58.571	59.601	59.460	59.232
Cheney	55.116	55.126	58.381	57.808	57.833	60.740	60.808	60.753	59.426	61.814
Cleanwater	46.000	49.943	49.897	49.873	53.993	53.999	56.061	56.144	59.681	62.384
Colwich	33.328	40.054	40.230	41.988	46.041	47.911	52.347	56.589	58.315	57.210
Derby	47.818	47.340	47.153	47.054	47.148	47.009	48.021	48.075	48.063	48.049
Eastborough	57.944	59.999	62.073	64.597	64.597	67.600	63.637	63.637	61.934	61.298
Garden Plain	49.347	50.075	49.119	49.058	48.964	48.874	48.855	50.856	52.979	54.284
Goddard	27.146	28.114	28.048	33.057	33.085	31.164	31.228	33.230	33.230	33.223
Haysville	48.421	48.436	48.425	48.672	48.609	48.646	48.618	48.500	48.424	48.239
Kechi	33.774	33.676	33.714	33.706	33.866	33.699	36.727	36.726	36.768	36.760
Maize	43.323	43.132	42.868	43.270	43.036	43.030	43.059	43.117	42.925	43.043
Mount Hope	51.332	51.251	51.002	50.460	50.636	54.612	56.072	55.933	54.543	53.394
Mulvane	53.753	52.759	46.531	41.923	42.406	42.262	44.247	44.304	46.603	46.590
Sedgwick	65.055	65.420	66.475	63.272	63.273	62.783	67.599	74.977	74.927	74.888
Valley Center	48.448	51.172	53.630	53.630	55.443	55.446	55.640	54.951	54.977	54.955
Viola	14.677	19.662	20.019	21.360	21.202	22.181	25.526	26.185	28.060	24.980
Wichita	32.272	32.359	32.471	32.509	32.652	32.686	32.625	32.667	32.692	32.721
Bel Aire	39.050	46.118	46.162	45.695	45.730	46.246	45.726	45.719	45.725	45.774
Park City	37.395	37.792	39.607	39.890	40.051	40.111	40.224	41.325	44.560	44.641
Townships	0.010-23.745	1.630-24.029	1.613-24.009	1.677-24.077	1.663-22.726	1.722-23.243	2.088-21.321	2.075-21.632	2.054-21.495	2.059-20.828
School Districts	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	42.644-67.592	42.266-67.612	42.973-67.736
Cemetery Districts	.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	0.277-2.807	0.272-2.784	0.269-2.769
Drainage Districts	.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	0.999-2.369	0.994-2.328	0.530-1.569
Improvement Districts	.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	0.914-12.130	0.912-15.735	0.371-17.000
Other Districts	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	1.253-3.327	1.237-2.792	1.159-2.719

Source: Sedgwick County Tax Administration System
Sedgwick County Clerks Website 2018 Ad Valorem Tax Levies

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

	Fiscal Year 2019			Fiscal Year 2010		
	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Kansas Gas & Elec-A Westar Energy Co	143,566,929	1	2.83%	\$ 76,694,195	2	2.01%
Spirit Aerosystems Inc/Mid-Western Aircraft Systems Inc.	108,825,081	2	2.14%	99,598,885	1	2.61%
Cessna Aircraft	46,890,652	3	0.92%	35,804,829	4	0.94%
Hawker Beechcraft/Beechcraft Corp/Beechcraft Defense	44,735,201	4	0.88%	-	-	-
Boeing Company	35,773,280	5	0.70%	54,371,449	3	1.43%
Kansas Gas Service - A Division of One Gas	30,834,187	6	0.61%	25,437,888	9	0.67%
Wal Mart Real Estate/Sam's	29,716,094	7	0.59%	-	-	-
Wesley Medical Center/Wesley Endowment Foundation	28,427,856	8	0.56%	-	-	-
Bradley Fair Properties	15,446,611	9	0.30%	-	-	-
Simon Property Group LP	13,910,723	10	0.27%	27,651,104	8	0.73%
Wesley Medical Center, LLC	-	-	-	31,266,704	7	0.82%
Hawker Beechcraft Corp	-	-	-	33,004,976	5	0.87%
Southwestern Bell Telephone	-	-	-	32,939,893	6	0.86%
Walmart Stores	-	-	-	23,830,265	10	0.63%
	\$ 498,126,614		9.81%	\$ 440,600,188		11.56%

Source: Sedgwick County Clerk

SEDGWICK COUNTY, KANSAS

GENERAL PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

SEDGWICK COUNTY PRIMARY GOVERNMENT

Tax Year ¹	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total		Collected within the		Collections in Subsequent Years ³	Total Collections to Date	
			Adjusted Levy	Fiscal Year of the Levy	Percentage of			Amount	Percentage of Adjusted Levy
					Amount ²	Original Levy			
2009	129,522,134	(1,565,747)	127,956,386	123,962,799	95.71%	2,623,792	126,586,591	98.93%	
2010	129,182,341	343,543	129,525,884	124,101,517	96.07%	2,595,057	126,696,574	97.82%	
2011	130,016,010	269,245	130,285,255	125,349,762	96.41%	2,477,202	127,826,964	98.11%	
2012	129,216,721	108,339	129,325,060	125,129,425	96.84%	2,599,822	127,729,247	98.77%	
2013	129,639,393	26,690	129,666,083	125,508,033	96.81%	2,573,165	128,081,198	98.78%	
2014	130,922,296	(215,999)	130,706,297	127,648,264	97.50%	2,619,245	130,267,509	99.66%	
2015	131,704,711	(195,108)	131,509,603	128,621,614	97.66%	2,410,148	131,031,762	99.64%	
2016	135,147,416	(94,878)	135,052,538	132,021,791	97.69%	2,043,255	134,065,046	99.27%	
2017	139,633,113	(108,238)	139,524,875	136,474,410	97.74%	1,419,764	136,474,410	97.81%	
2018	144,941,192	80,789	145,021,980	141,872,711	97.88%	Not Applicable	141,872,711	97.83%	

SEDGWICK COUNTY FIRE DISTRICT 1

Tax Year ¹	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the		Collections in Subsequent Years ³	Total Collections to Date	
				Fiscal Year of the Levy	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2009	13,861,628	(60,613)	13,801,015	13,373,141	96.48%	231,944	13,605,085	98.58%
2010	14,285,305	(127,003)	14,158,302	13,857,862	97.01%	258,035	14,115,897	99.70%
2011	14,603,909	(166,083)	14,437,826	14,172,661	97.05%	177,267	14,349,928	99.39%
2012	14,721,733	(74,201)	14,647,532	14,382,596	97.70%	228,743	14,611,339	99.75%
2013	14,857,310	(96,016)	14,761,294	14,484,501	97.49%	211,844	14,696,345	99.56%
2014	15,134,136	(120,732)	15,013,404	14,739,202	97.39%	248,974	14,988,176	99.83%
2015	15,272,821	(77,053)	15,195,768	14,951,500	97.90%	212,327	15,163,827	99.79%
2016	15,766,541	(20,373)	15,746,168	15,488,312	98.24%	172,429	15,488,312	98.36%
2017	16,444,620	(36,289)	16,408,331	16,176,028	98.37%	104,584	16,176,028	98.58%
2018	17,023,773	(25,540)	16,998,233	16,750,228	98.39%	Not Applicable	16,750,228	98.54%

¹ Taxes levied support the subsequent year's budget, e.g., 2018 taxes financed 2019 spending

² Net of refunding warrants

³ 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 ²	Per Capita ²
	General Obligation Bonds	Public Building Commission	Special Assessments	KDOT Revolving Loan	Capital Leases	Premium (Discount) ¹			
2010	78,082,751	79,600,000	7,257,249	6,845,245	2,955,239	2,190,020	176,930,504	0.9%	355
2011	78,800,000	87,875,000	5,415,000	6,528,784	3,633,318	3,071,677	185,323,779	0.9%	370
2012	80,615,000	83,575,000	4,345,000	6,199,824	2,908,377	3,977,145	181,620,346	0.8%	360
2013	75,462,051	83,670,000	3,667,949	-	2,264,555	5,410,248	170,474,803	0.7%	337
2014	66,957,000	153,825,000	3,343,000	-	2,718,464	10,865,354	237,708,818	1.0%	467
2015	64,400,000	146,290,000	2,820,000	-	1,996,279	11,464,461	226,970,740	0.9%	444
2016	54,548,000	133,025,000	2,192,000	-	1,713,961	8,509,062	199,988,023	0.8%	390
2017	46,457,000	126,290,000	1,958,000	-	1,124,818	7,260,566	183,090,384	0.7%	356
2018	50,941,000	94,495,000	1,999,000	-	727,322	6,883,527	155,045,849	0.6%	302
2019	52,920,000	88,520,000	1,999,000	-	1,946,435	6,784,651	152,170,086	0.6%	296

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

¹ Information added to table in 2017

² Population and personal income data can be found in Schedules E-16

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

General Bond Debt Outstanding

Fiscal Year	General Obligation Debt ¹	Add: Premium (Discount) ⁴	Less: Amounts Restricted to		Percentage of Personal Income ²	Percentage of Actual Value of Taxable Property ³	Per Capita
			Repaying Principal	Total			
2010	157,682,751	2,190,020	(9,903,860)	147,778,891	0.75%	0.48%	297
2011	166,675,000	3,071,677	(7,670,437)	159,004,563	0.80%	0.51%	317
2012	164,190,000	3,977,145	(14,651,936)	149,538,064	0.66%	0.48%	297
2013	159,132,051	5,410,248	(8,500,583)	150,631,468	0.63%	0.48%	297
2014	220,782,000	10,865,354	(43,678,059)	177,103,941	0.73%	0.56%	348
2015	210,690,000	11,464,461	(40,719,420)	169,970,580	0.66%	0.53%	333
2016	187,573,000	8,509,062	(31,921,481)	155,651,519	0.62%	0.47%	304
2017	172,747,000	7,260,566	(29,492,294)	143,254,706	0.58%	0.42%	279
2018	145,436,000	6,883,527	(2,664,810)	142,771,190	0.55%	0.40%	278
2019	141,440,000	6,784,651	(2,170,980)	146,053,671	0.53%	0.39%	284

¹ Includes General Obligation and Public Building Commission debt; excludes Fire District 1, special assessment debt, KDOT revolving loan and capital leases

² Population and personal income data can be found in Schedule E-16

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

Personal income and population data has been updated since previous report

³ Property value data can be found in Schedule E-8

⁴ Information added in to table 2019

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Statutory debt capacity:										
Equalized assessed valuation of taxable tangible property	\$ 4,244,709	\$ 4,312,927	\$ 4,286,965	\$ 4,301,085	\$ 4,348,562	\$ 4,410,040	\$ 4,531,486	\$ 4,675,742	\$ 4,858,133	\$ 5,077,374
Estimated tangible valuation of motor vehicles	537,340	523,812	523,435	538,413	549,522	567,865	583,973	595,197	607,670	626,583
Estimated tangible valuation for computation of bonded indebtedness limitations	\$ 4,782,049	\$ 4,836,739	\$ 4,810,400	\$ 4,839,498	\$ 4,898,084	\$ 4,977,905	\$ 5,115,459	\$ 5,270,939	\$ 5,465,803	\$ 5,703,957
Debt limit (3% of total valuation)	\$ 143,461	\$ 145,102	\$ 144,312	\$ 145,185	\$ 146,943	\$ 149,337	\$ 153,464	\$ 158,128	\$ 163,974	\$ 171,119
Amount of debt applicable to limit										
Total bonded indebtedness	171,785	178,619	174,735	162,800	224,125	213,510	189,765	174,705	147,435	143,439
Less exempt issues	(130,303)	(133,462)	(141,906)	(128,319)	(197,118)	(186,522)	(166,900)	(157,655)	(125,439)	(117,151)
Total net debt applicable to limit	41,482	45,157	32,829	34,481	27,007	26,988	22,865	17,050	21,996	26,288
Legal debt margin	\$ 101,979	\$ 99,945	\$ 111,483	\$ 110,704	\$ 119,935	\$ 122,349	\$ 130,599	\$ 141,078	\$ 141,978	\$ 144,831
Total net debt applicable to the limit as a percentage of debt limit	28.92%	31.12%	22.75%	23.75%	18.38%	18.07%	14.90%	10.78%	13.41%	15.36%

SEDGWICK COUNTY, KANSAS PLEDGED-REVENUE COVERAGE

Special Assessments Last Ten Fiscal Years (Dollars in Thousands)

Fiscal Year	Special Assessment Collections	Principal	Interest	Coverage
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
2017	630	234	90	1.94
2018	604	239	84	1.87
2019	569	253	83	1.69

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

Calendar Year	Actual Special Tax Levy Revenue ¹	Existing Bond Debt Service Requirements ²	Balance Available for University Program Expenditures ³	Debt Service Coverage Ratio ⁴
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
2017	7,624,392	3,766,586	3,857,806	2.02
2018	7,880,749	2,497,888	5,382,861	3.15
2019	8,163,700	2,495,375	5,668,325	3.27

¹ Total Proceeds from the Special Tax Levy

² Debt service requirements for the existing bonds paid from such proceeds

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

⁴ 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 ^{1, 5}	Increase %	Personal Income ^{2, 5}		Public School Enrollment ³	Unemployment Rate ⁴
			(thousands of dollars)	Per Capita Personal Income ^{2, 5}		
2010	498,365	0.84	19,775,959	39,621	91,071	8.8%
2011	500,918	0.35	22,493,827	44,899	91,302	8.0%
2012	504,112	0.64	23,938,174	47,484	92,273	7.0%
2013	506,455	0.46	24,314,328	48,003	92,988	6.4%
2014	508,921	0.49	25,868,327	50,815	93,502	5.6%
2015	510,715	0.35	25,074,168	49,053	93,672	4.0%
2016	512,641	0.38	24,604,872	47,945	93,254	4.4%
2017	513,687	0.20	25,922,684	50,503	93,748	3.4%
2018	513,607	-0.02	27,619,954	53,776	93,976	3.4%
2019	514,786	0.23	Not Available	Not Available	93,900	3.3%

Notes:

¹ 2018 Population is estimated. Population for 2008-2017 is from the U.S. Census Bureau.

² U.S. Bureau of Economic Analysis

³ Kansas State Department of Education

⁴ Kansas Department of Labor

⁵ 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 2019			Fiscal Year 2010		
	Employees	Rank	Percentage of Total Wichita MSA ¹	Employees	Rank	Percentage of Total Wichita MSA ¹
Spirit AeroSystems, Inc.	13,000	1	4.18%	10,300	1	3.59%
Textron Aviation	9,350	2	3.00%	-	-	-
McConnell Air Force Base	5,679	3	1.82%	-	-	-
Wichita Public Schools USD #259	5,614	4	1.80%	5,420	3	1.89%
Ascension Via Christi Health Inc.	4,413	5	1.42%	5,276	4	1.84%
Steven Enterprises	3,277	6	1.05%	-	-	-
Koch Industries Inc.	3,100	7	1.00%	2,162	10	0.75%
City of Wichita	2,886	8	0.93%	3,184	7	1.11%
U.S. Government	2,830	9	0.91%	-	-	-
Sedgwick County	2,521	10	0.81%	2,913	8	1.01%
Cessna Aircraft Company	-	-	-	6,193	2	2.16%
Hawker Beechcraft	-	-	-	5,000	5	1.74%
State of Kansas	-	-	-	3,759	6	1.31%
Boeing Defense, Space & Security	-	-	-	2,300	9	0.80%
	52,670		16.92%	46,507		16.20%

¹ Includes Sedgwick, Butler, Harvey, Kingman and Sumner counties for 2019. Data for 2010 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

Function/Program	Full-time Employees as of December 31									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	475	446	429	409	422	386	404	410	404	408
Public safety	1,542	1,476	1,420	1,438	1,406	1,413	1,404	1,429	1,419	1,463
Public works	124	111	115	116	116	130	129	125	127	128
Health and welfare	610	557	529	509	522	489	476	479	500	510
Culture and recreation	112	105	96	94	96	103	99	106	107	101
Community development	12	13	6	6	6	3	3	1	1	-
	<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>	<u>2,550</u>	<u>2,558</u>	<u>2,610</u>

Source: Sedgwick County finance department as of December 31, 2019

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
Number of registered voters	259,888	261,038	274,369	271,013	275,499	274,961	294,138	292,029	303,571	301,756
Number of taxable real estate parcels	217,684	212,725	212,765	212,744	212,917	213,261	212,851	213,810	215,067	216,109
Documents filed with register of deeds	75,458	68,485	78,147	82,749	69,651	76,939	77,642	75,504	71,249	73,037
Real estate records processed	62,700	53,957	46,893	77,608	64,450	74,132	56,606	74,665	73,029	74,432
Average monthly investment portfolio (in millions)	\$ 317.5	\$ 299.2	\$ 297.4	\$ 290.0	\$ 284.1	\$ 269.5	\$ 276.4	\$ 273.4	\$ 282.1	\$ 300.4
Average number of bids per purchase	4.4	6.5	7.1	6.2	8.8	9.1	8.4	9.4	8.3	8.7
Public safety										
Average monthly number of incoming 911 calls	36,635	37,145	39,502	40,328	40,901	47,304	49,009	44,158	41,973	44,662
Average monthly number of EMS responses	4,401	4,520	4,714	4,836	5,051	5,337	5,182	5,171	5,300	5,531
Number of residential structural fires per 100,000 households	161	74	89	70	91	167	214	189	210	185
Average monthly number of medical responses by Fire	292	206	330	378	415	462	423	408	387	364
Average daily population, juveniles in detention	113	110	60	55	62	64	55	52	53	55
Average daily population in custody of Sheriff	1,561	1,502	1,442	1,418	1,359	1,406	1,373	1,448	1,421	1,529
Percent of autopsy reports filed within 90 days	69%	89%	59%	75%	78%	74%	63%	86%	90.99%	73.50%
Public works										
Miles of road improved	76	121	172	163	97	186	122	144	106	105
Miles of road maintained	617	626	617	600	603	603	603	597	609	609
Household hazardous waste tonnage disposed (in tons)	594	653	664	580	576	598	571	650	599	631
Health and welfare										
Number of mental health program clients	12,483	12,126	12,299	12,344	12,559	12,940	13,476	13,572	13,132	15,603
Number of individuals eligible for developmental disability services	2,278	2,331	2,410	2,482	2,536	2,554	2,592	2,521	2,538	2,589
Number of health clinic patient encounters	174,841	164,037	176,230	153,529	155,316	170,960	147,358	141,722	130,328	*
Number of Health Department patient encounters	*	*	*	*	*	*	*	*	*	126,511
Number of immunizations provided	23,588	30,146	24,447	22,321	22,011	21,829	22,030	17,573	20,886	19,059
Number of tuberculosis encounters	4,205	3,061	2,731	2,806	2,741	3,819	3,050	3,033	1,986	*
Culture and recreation										
Number of events per year at INTRUST Bank Arena	109	63	70	80	100	107	102	87	84	93
Annual attendance at INTRUST Bank Arena events	492,532	391,801	349,612	411,121	298,825	439,767	371,280	338,190	352,285	348,357
Number of events per year at Kansas Pavilions	55	39	*	*	*	*	*	*	*	*
Annual attendance at Kansas Pavilions events	202,922	203,800	*	*	*	*	*	*	*	*
Annual attendance at Sedgwick County Zoo	548,919	553,098	515,634	511,306	527,881	581,773	710,629	581,227	504,118	518,446
Annual attendance at Sedgwick County Park	966,792	1,028,339	872,349	922,713	959,101	944,320	1,000,806	1,021,314	995,375	997,945
Economic development										
Total value of merchandise moving through foreign trade zone (in millions)	\$ 1,159.0	\$ 1,698.7	\$ 36.4	\$ 297.4	\$ 226.0	\$ 91.9	\$ 103.4	\$ 79.3	\$ 72.2	\$ 42.9
Average monthly number of Sec. 8 housing clients	294	297	244	230	214	193	155	144	*	*

* Information not available.

Source: County operating departments

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government										
Auto License buildings	4	4	4	4	4	4	4	4	4	2
Total fleet vehicles	464	469	468	466	462	462	464	468	472	477
Public safety										
Adult detention facility capacity	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158
Fire stations	9	9	9	9	9	9	9	9	9	9
EMS posts	15	15	15	15	15	15	15	15	15	17
Public Safety vehicles	294	290	288	274	278	279	279	280	281	283
Public works										
Bridges maintained	593	593	601	583	582	593	598	598	600	600
Miles of roads maintained	617	626	600	600	603	603	601	600	600	600
Culture and recreation										
Sedgwick County Park acreage	400	400	400	400	400	400	400	400	400	400
Lake Afton Park acreage ¹	720	720	720	720	720	720	720	720	720	720

¹ Prior years have been updated from prior reports.

Source: County budget department and individual county departments

Single Audit Section

The Single Audit Section contains reports of the Independent Auditor's, schedules and exhibits reflecting Federal, State and local matching participation in various projects and programs of the County.

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Sedgwick County, Kansas

Single Audit Reports

Year Ended December 31, 2019

Sedgwick County, Kansas

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2019

<i>Agency/Program</i>	<i>Clusters</i>	<i>CFDA #</i>	<i>Award/Contract Number</i>	<i>Passed Through to Subrecipients</i>	<i>Federal Expenditures</i>
U.S. Department of Agriculture:					
Pass-Through Program From:					
Kansas Department of Education					
National School Breakfast Program	1	10.553	2011N109943		\$ 68,868
National School Lunch Program	1	10.555	2011N109943		126,737
Kansas Department of Health & Environment					
WIC - Women Infants & Children FY18		*10.557	2013IW100343		1,541,719
WIC - Women Infants & Children FY19		*10.557	2013IW100343		467,030
Subtotal Indirect Programs					<u>2,204,354</u>
Total U.S. Department of Agriculture					<u>2,204,354</u>
U.S. Department of Housing & Urban Development:					
Continuum of Care Program (SPC-Main) FY' 18		14.267	KS0012L7P021710		181,666
Continuum of Care Program (SPC-B-1) FY '18		14.267	KS0066L7P021707		2,789
Continuum of Care Program (SPC-B-2) FY '18		14.267	KS0082L7P021706		7,964
Continuum of Care Program (SPC-Consolidated) FY '20		14.267	KS0012L7P021811		540,182
Subtotal Direct Programs					<u>732,601</u>
Pass-Through Program From:					
City of Wichita -					
Resident Opportunity and Supportive Services (ROSS)		14.870	KS004RPS039A015		226
Resident Opportunity and Supportive Services (ROSS)		14.870	KS004RPS039A015		48,184
Subtotal Indirect Programs					<u>48,410</u>
Total U.S. Department of Housing & Urban Development					<u>781,011</u>
U.S. Department of Interior:					
Pass-Through Program From:					
Kansas Department of Wildlife, Parks and Tourism -					
Sport Fish Restoration - Community Fisheries					
Assistance Program	5	15.605			<u>46,393</u>
Subtotal Indirect Programs					<u>46,393</u>
Total U.S. Department of Interior					<u>46,393</u>
U.S. Department of Justice:					
Internet Crimes Against Children (Title IV, JJDP)'16		16.543	2016-MC-FX-K005	89,722	206,839
Internet Crimes Against Children (Title IV, JJDP)'19		16.543	2019-MC-FX-K054	30,297	60,231
Federal Victims of Crime Act Asst Program (VOCA) '19		16.575	2017-VA-GX-0045		33,441
Federal Victims of Crime Act Asst Program (VOCA) '20		16.575	2018-V2-GX-0003		12,276
State Criminal Alien Assistance Program FY' 18		16.606	2019-AP-BX-0874		47,307
Byrne Justice Assistance Grant '16 (JAG)		16.738	2016-DJ-BX-0620	60,676	107,844
Byrne Justice Assistance Grant '17 (JAG)		16.738	2017-DJ-BX-0136	110,121	159,058
Byrne Justice Assistance Grant '18 (JAG)		16.738	2018-DJ-BX-0065	101,192	134,423
DNA Backlog Reduction Program '17 (NIJ)		16.741	2017-DN-BX-0053		28,756
Equitable Sharing Program USMS		16.922			26,625
Subtotal Direct Programs					<u>816,800</u>
Pass-Through Program From:					
Kansas Governor Federal Grants Program					
Paul Coverdell National Forensic Science Improvement Act FY '19		16.742	2018-CD-BX-0033		134,104
Subtotal Indirect Programs					<u>134,104</u>
Total U.S. Department of Justice					<u>950,904</u>
U.S. Department of Transportation:					
Pass-Through Program From:					
Kansas Dept. of Transportation					
Highway Planning & Construction	4	*20.205	TE-0432-02 017186016, TE-0432-01 017191022		2,117,542
Formula Grants for Rural Areas Section 5311 - FY19		20.509	PT-0799-39	391,172	483,643
Formula Grants for Rural Areas Section 5311 - FY20		20.509	PT-0800-40	209,057	239,621
Enhanced Mobility of Seniors & Disable Section 5310-FY19	6	20.513	KS-2017-007-00		47,571
Highway Safety Project - Click Step	3	20.600	PT-0995-19		44,211
Subtotal Indirect Programs					<u>2,932,588</u>
Total U.S. Department of Transportation					<u>2,932,588</u>

Sedgwick County, Kansas

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2019

Agency/Program	Clusters	CFDA #	Award/Contract Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health & Human Services:					
Healthy Start Initiative FFY19		93.926	5 H49MC 11254-11-00		241,625
Healthy Start Initiative FFY20		93.926			413,679
Subtotal Direct Programs					655,304
Pass-Through Program From:					
Administration On Aging					
Kansas Department For Aging And Disability Services					
Title III, Part D - Disease Prevention & Health Promotion - FY19		93.043	19-01-1D		29,093
Title III, Part D - Disease Prevention & Health Promotion - FY20		93.043	20-02-1D		8,897
Title III, Part B - Support Services - FY19	2	*93.044	19-02-1B	117,170	281,953
Title III, Part B - Support Services - FY20	2	*93.044	20-02-1B	18,628	33,764
Title III, Part C(1) - Administration - FY19	2	*93.045	19-02-4A		72,327
Title III, Part C(1) - Administration - FY20	2	*93.045	20-02-1A		17,696
Title III, Part C(1) - Congregate Meals - FY18	2	*93.045	18-01-1C(1)	58,806	58,806
Title III, Part C(1) - Congregate Meals - FY19	2	*93.045	19-01-1C(1)	537,231	537,231
Title III, Part C(1) - Congregate Meals - FY20	2	*93.045	20-02-1C(1)	107,017	107,017
Title III, Part C (2) - Home Delivered Meals - FY19	2	*93.045	19-02-6C(2)	593,595	593,595
Title III, Part C (2) - Home Delivered Meals - FY20	2	*93.045		104,470	104,470
Senior Medicare Patrol FY19		93.048	90MPPG0037-01-00		9,500
Title III, Part E - Administration - FY19		93.052	19-02-4A		8,892
Title III, Part E - Administration - FY20		93.052	20-02-1A		2,283
Title III, Part E - National Family Caregiver Support Program - FY19		93.052	19-01-1E	40,342	213,483
Title III, Part E - National Family Caregiver Support Program FY20		93.052	20-02-1E	6,372	38,159
Home Delivered & Congregate Meals '19	2	*93.053	19-02-1C(1) & 19-02-1C(2)	-	268,943
Home Delivered & Congregate Meals '20	2	*93.053	20-02-1C(1) & 20-02-1C(2)	-	44,737
Medical Improvements for Patients & Providers '19		93.071	1801KSMISH, 1801KSMIAA, 1801KSMIDR		8,359
Projects for Assistance in Transition from Homelessness FY19		93.150	PATH 19-022		74,645
Projects for Assistance in Transition from Homelessness FY20		93.150			55,195
Substance Abuse (Beacon Health) Contract - SFY19		93.959	ADT-19-01-04		167,423
Substance Abuse (Beacon Health) Contract - SFY20		93.959			189,418
Enhanced Supported Employment of Kansas SFY19		93.243			210,229
Block Grants for Community Mental Health Services FY19		93.958			136,881
Block Grants for Community Mental Health Services FY20		93.958			75,301
Kansas Department of Health & Environment					
Tuberculosis Control Grant '19		93.116			31,860
Kansas Overdose Data to Action Program '19		93.136	NU90TP92196-01-00		71,500
Public Health Emergency Preparedness (PHEP) '19		93.069	264678X		202,544
Public Health Emergency Preparedness (PHEP) '20		93.069			131,325
Family Planning Services '19		93.217	264FP19		172,296
Family Planning Services '20		93.217			83,251
Maternal and Child Health IAP Immunization Cooperation FY19		93.268	264315H3OP		19,983
Maternal and Child Health IAP Immunization Cooperation FY20		93.268			11,384
Toxicology Equipment FY19		93.354	NU9TP921961-01-00		94,865
STI/HIV Control Programs - Disease Intervention / Prevention FY19		93.977	264308J & 264308K		137,629
STI/HIV Control Programs - Disease Intervention / Prevention FY20		93.977			80,506
Maternal and Child Health Services Block Grant FY19		93.994	264329K,264334M		105,178
Maternal and Child Health Services Block Grant FY20		93.994			72,303
Subtotal Indirect Programs					4,562,921
Total U.S. Department of Health & Human Services					5,218,225
Corporation For National And Community Service:					
Retired and Senior Volunteer Program					
Retired and Senior Volunteer Program FY18		94.002	16SRWKS001		24,466
Retired and Senior Volunteer Program FY19		94.002			28,477
Total Corporation For National And Community Service					52,943

Sedgwick County, Kansas

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2019

<i>Agency/Program</i>	<i>Clusters</i>	<i>CFDA #</i>	<i>Award/Contract Number</i>	<i>Passed Through to Subrecipients</i>	<i>Federal Expenditures</i>
Executive Office of the President Kansas Bureau of Investigation High Intensity Drug Trafficking Areas Program Total Executive Office of the President		95.001	G18MW003A		<u>47,420</u> <u>47,420</u>
U.S. Department of Homeland Security Pass-Through Program From: Kansas Adjutant General - Division of Emergency Management Emergency Mgmt Performance Grant -Salary Reimbursement Emergency Mgmt Performance Grant -Salary Reimbursement Subtotal Indirect Programs Total Department of Homeland Security		97.042 97.042	EMK-2018-EP-00005		<u>1,250</u> <u>95,910</u> <u>97,160</u> <u>97,160</u>
Total Expenditures of Federal Awards				<u>\$ 2,575,868</u>	<u>\$ 12,330,998</u>

<u>Clusters:</u>	<u>Totals</u>
1 - Child Nutrition Cluster =	\$ 195,605
2 - Aging Cluster =	\$ 2,120,539
3 - Highway Safety Cluster =	\$ 44,211
4 - Highway Planning and Construction Cluster =	\$ 2,117,542
5 - Fish and Wildlife Cluster =	\$ 46,393
6 - Transit Services Program Cluster =	\$ 47,571

* Major Programs

Sedgwick County, Kansas
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

(1) Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Sedgwick County (the County) under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

(2) Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the Uniform Guidance, wherein certain types of expenditures are not allowance or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected not to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.

**Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

Sedgwick County
Wichita, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 22, 2020 which contained an emphasis-of-matter paragraph regarding a change in accounting principle.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

Sedgwick County
Wichita, Kansas

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Wichita, Kansas
April 23, 2020

**Report on Compliance for Each Major
Federal Program and Report on Internal Control Over Compliance**

Independent Auditor's Report

Sedgwick County
Wichita, Kansas

Report on Compliance for Each Major Federal Program

We have audited Sedgwick County, Kansas' (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Sedgwick County
Wichita, Kansas

Opinion on Major Federal Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Wichita, Kansas
April 23, 2020

Sedgwick County, Kansas
Schedule of Findings and Questioned Costs
Year Ended December 31, 2019

Section I – Summary of Auditor’s Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. The independent auditor’s report on internal control over financial reporting disclosed:
Significant deficiency(ies) ☒ Yes ☐ None reported
Material weakness(es) ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit? ☐ Yes ☒ No

Federal Awards

4. The independent auditor’s report on internal control over compliance for major federal awards programs disclosed:
Significant deficiency(ies) ☐ Yes ☒ None reported
Material weakness(es) ☐ Yes ☒ No

5. The opinions expressed in the independent auditor’s report on compliance for major federal awards were:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No

Sedgwick County, Kansas
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2019

7. Identification of major programs:

CFDA 93.044, 93.045, 93.053 – Aging Cluster

CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

CFDA 20.205 – Highway Planning and Construction Cluster

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The County qualified as a low-risk auditee?

☐ Yes

☒ No

Sedgwick County, Kansas
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2019

Section II – Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
2019-001	<p>Finding: Significant Deficiency - EMS Account Receivables</p> <p>Criteria: The County is expected to obtain adequate reports from the EMS billing system.</p> <p>Condition: While reviewing the EMS accounts receivables it was found that, at this time, the only reports that the County can generate from the system are live reports. Due to only live reports being available, the County was unable to provide a report showing the collectable accounts receivable at year end according to the third-party billing system. The County was able to utilize monthly billing and collection reports to establish an estimate on the year-end accounts receivable.</p> <p>Cause: Turnover in EMS and inexperience with the new system.</p> <p>Effect: EMS account receivable balances are only able to be estimated</p> <p>Recommendation: The County should work with the third-party biller to determine what reports to generate to determine year end account receivable amounts.</p> <p>Views of Responsible Officials: Sedgwick County Finance, the EMS billing vendor, and members of the BKD audit team met to define the specifications of the needed reports in April 2020. As of April 17, 2020, the vendor provided the requested point-in-time report.</p>

Sedgwick County, Kansas
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2019

Section III – Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
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No matters reportable.



*Sedgwick County...
working for you*

Division of Finance

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

Prior Year Audit Finding

2018-004 Finding: Reporting

CFDA No. 16.543 - Missing Children's Assistance - Internet Crimes Against Children

Criteria: The County is expected to file quarterly financial status reports 30 days after quarter end.

Condition: The County filed two reports after the 30 day requirement

Context: BKD reviewed the four quarterly financial status reports during 2018 for proper filing. It was noted that two reports were filed on the 31st of the month instead of the 30th of the month.

Cause: The County was filing reports based on the idea that they were due at month end not 30 days after quarter end.

Effect: Quarterly financial status reports are not being filed timely.

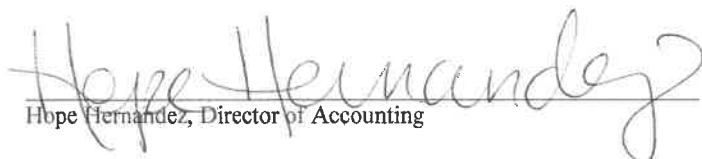
Recommendation: The county should maintain a schedule of when reports are due based of the grant agreement or other grant guidance.

Views of Responsible Officials: The County acknowledges the finding. See the following detail for planned corrective action.

Corrective Action: The grant reporting process for this grant program is managed by Accounting Department, Revenue Management staff. The Accounting Department maintains a task list for Revenue Management staff that includes various grant reports. The Internet Crimes Against Children Grant financial status report is included in the task list which has a column to enter the date completed. This task list will be closely monitored to assure timely reporting of all future grant reports with special emphasis on this and other Justice Department Grants that are due 30 days after quarter end.

Anticipated Completion Date: April 1, 2019

Responsible Party: Mandy Estes, Revenue Manager, Sedgwick County Finance/Accounting


Hope Hernandez, Director of Accounting