

Financial Forecast



For the Period of 2024 - 2029

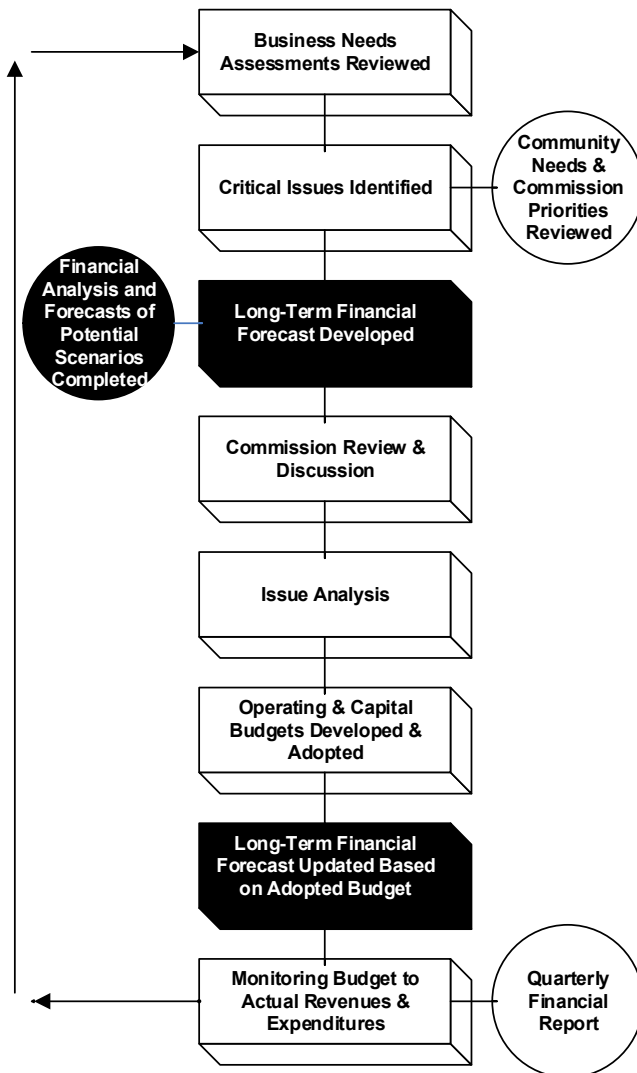
■ Introduction

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

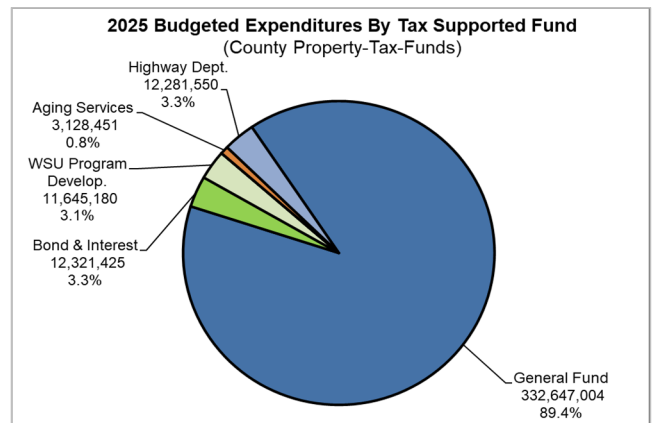
■ Financial Forecast vs. Budget

The long-term financial forecast should be distinguished from the annual budget, as the forecast projects expected revenues and expenditures for the current year and five years into the future, while the budget sets the maximum amount of spending for one year. An additional distinction is that the budget typically includes budgeted contingencies to provide additional spending authority beyond the amount allocated to an individual department or division for use in times of unanticipated events. While budgeted, these contingencies typically are not anticipated to be spent in the forecast. As such, the budget generally is significantly greater than the forecast for a given year. For 2024, \$40.3 million in contingencies is budgeted in the County General Fund.

Financial Forecast and the Budget Process



The revenue and expenditure estimates included in this financial forecast section pertain to the County's five property-tax-supported funds. Prior to 2022, the County had eight property-tax-supported funds. Beginning in 2022, the Emergency Medical Services (EMS), COMCARE, and Noxious Weeds tax funds were consolidated into the General Fund to allow for flexibility and efficiencies within those departments; however, the transfer of the remaining fund balances are budgeted in 2025 from the EMS and COMCARE consolidated funds. These funds are outlined in the pie chart below. Total budgeted expenditures in these funds are \$372,023,610 though forecasted expenditures total \$326,258,390 in 2025. The difference is largely related to the contingencies outlined in the paragraph above.



■ Forecasting Methodology

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

Whenever forecasts are done, even a local weather forecast, one often loses sight that they are performed based on the most recently available variables. For the financial forecast, these variables include economic data through June 2024, along with the changes included in the 2025 County Manager's Recommended Budget.

Unfortunately, financial variables are constantly changing. The County's forecast is subject to unforeseen and uncontrollable national, state, and local events, in addition to the timing of large capital projects and operational decisions that may make the forecast less accurate. All information is presented on a budgetary basis.

■ Executive Summary

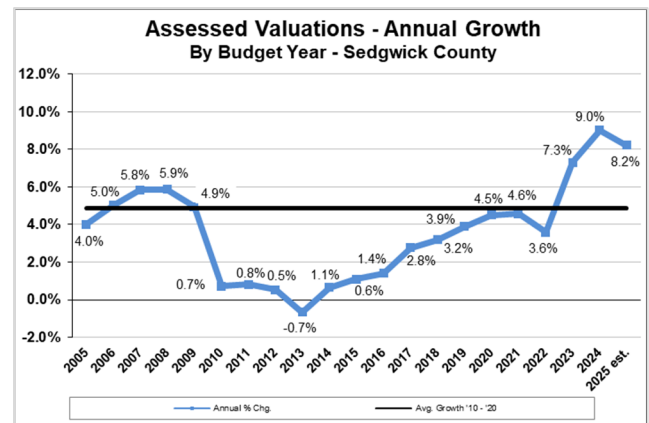
The 2025 Recommended Budget of \$593.6 million has been developed in increasingly unique and uncharted circumstances. The global economy continues to see mixed indicators of fiscal health following the COVID-19 pandemic, including moderating inflation that is still above targets; evolving geopolitical instability; supply chains that are still returning to pre-pandemic production levels; and very strong employment and wage growth statistics.

Locally, rising home prices have created new pressures with property taxes, while inflation continues to drive up costs of living. In addition to a tight labor pool, these factors require sustained focus on wages to compete for the qualified workforce necessary to perform service delivery. These circumstances have culminated in a financial forecast that predicts a modest structural imbalance in the County's property-tax-supported funds, if no action were taken. As a result, the Board of County Commissioners identified some key priorities as the

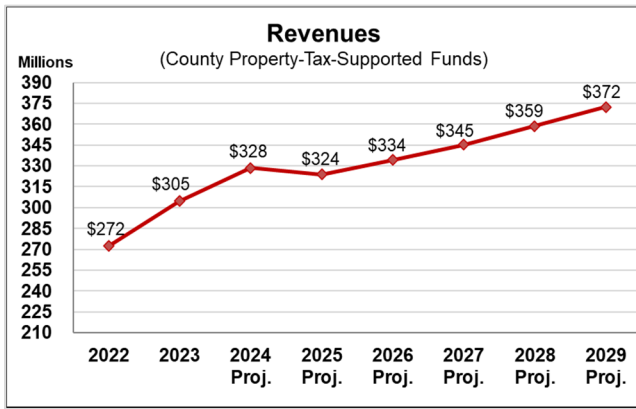
outset of the 2025 budget process: develop a plan to resolve the structural imbalance within two budget years, ensure core services are protected, and provide relief to taxpayers. These goals are met with this Recommended Budget, which maintains core, non-discretionary services with modest reductions to some areas of the budget that are more focused on quality of life, along with a mill levy rate reduction.

The County's 2024 budget built on prior year efforts to improve compensation with adjustments for employees on the General Pay Plan, full funding for step plans, pay structure movements, and general pay adjustments for all staff. Similar efforts to build on prior strategies are made in the 2025 Recommended Budget; the budget was developed to ensure that reasonable compensation adjustments could be implemented, as well as adding resources for increases in costs of doing business. It also includes strategic additions to departmental budgets and enhanced capital improvement funding.

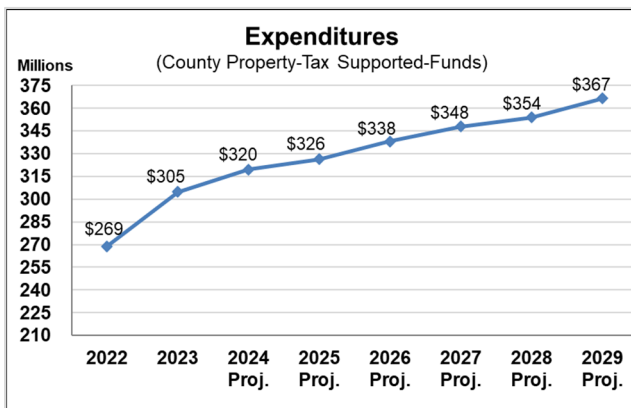
Like much of the country, Sedgwick County saw gradual improvement in assessed valuation after the Great Recession. In recent years, value growth has finally rebounded to pre-recession levels. Growth in assessed valuation to support the 2024 budget was 9.0 percent, while estimated growth for the 2024 budget is 8.2 percent due to unexpected, continued strength in the residential home market since 2022; it is estimated that this growth will begin to level off to more typical levels as the economy continues on a slow path to stabilization following the effects of the pandemic. The table below illustrates changes in Sedgwick County's assessed valuation since 2005.



As shown in the table on the next page, projections outline increased revenue in 2024. Additional growth expectations are moderated in future years due to an anticipated cooling down of the local economy.



The County's primary objective is to deliver services to constituents, which is primarily done through County workforce. However, the organization experienced significant turnover after the pandemic began. To address the workforce shortage, the County made compensation its highest priority in recent budget years, with more than half of the 2025 Recommended Budget going toward personnel.



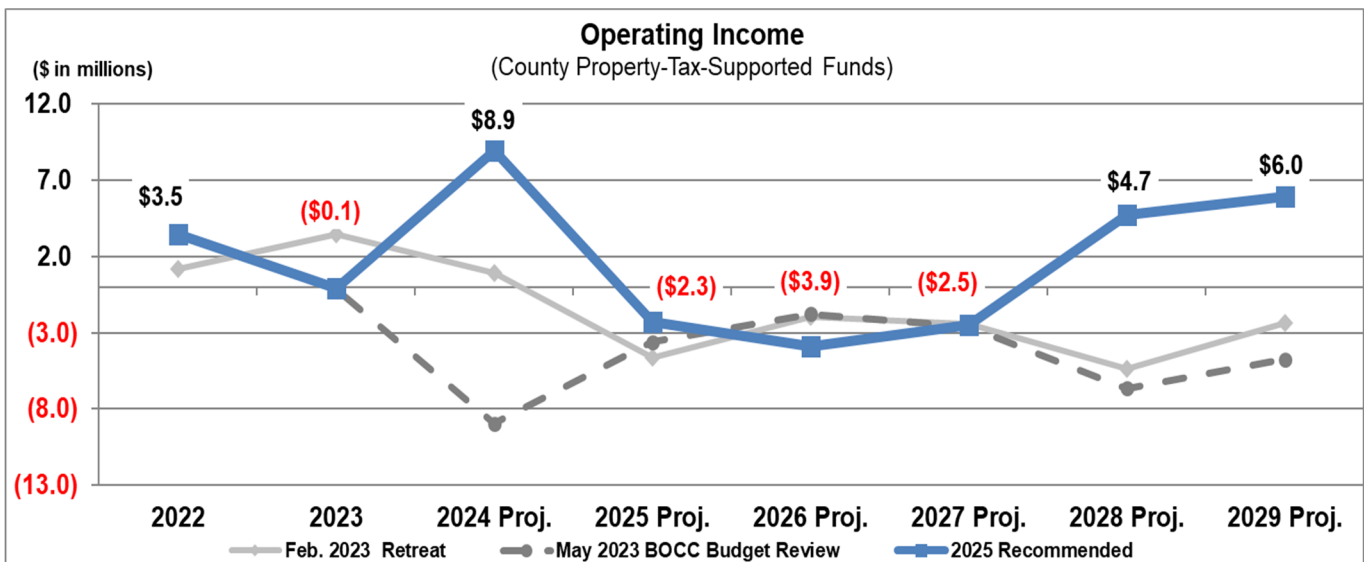
The blue line in the graph below shows the County's actual and current projections for each year in the

forecast. The 2025 Recommended Budget projects a deficit of \$2.3 million in County property-tax-supported funds. The projected surplus in 2024 is largely due to increased investment income as a result of more strategic investment decisions. Despite the estimated surplus, the forecast projects a structural imbalance of \$1.4 million remaining to be addressed in the 2026 budget. This Recommended Budget resolves \$3.5 million of the \$4.9 million structural imbalance projected at the start of the 2025 budget process.

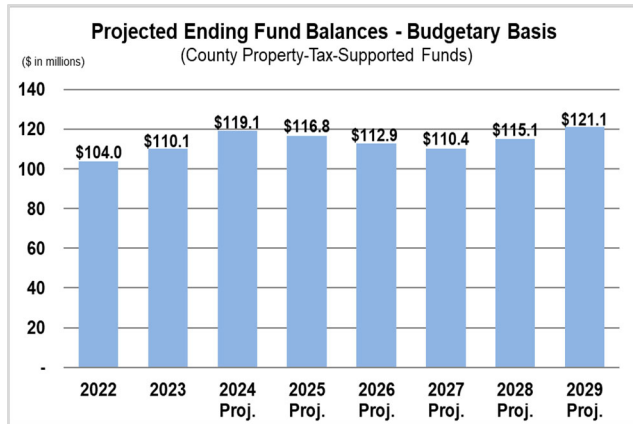
The 2025 Recommended Budget includes \$8.3 million in transfers for capital improvement projects from County property-tax-supported funds to the Capital Improvement Fund in 2025: \$7.5 million for facility projects and \$0.8 million for drainage.

Current projections outline deficits in 2025 through 2027 due largely to the ongoing compensation strategy and the Technology Review Board (TRB) and Capital Improvement Plan (CIP) projects that are included in those years. Surpluses are projected in 2028 and 2029 as revenues are projected to exceed expenditures in each of those years. Cumulative fund balances in property-tax-supported funds are projected to fluctuate to around \$121.1 million throughout the forecast as shown on the graph on the top of the next page; however, the General Fund will still exceed the minimum fund balance requirement of 20.0 percent of budgeted expenditures in each year of the forecast.

As outlined previously, the organization's strategic efforts are significantly influenced by the forecast. The forecast is a valuable planning tool that is used to ensure the long-term continuity of essential services.



Prior to the national recession, Sedgwick County proactively implemented an initiative to increase its fund balances during the good times to weather significant economic downturns later through a “Rainy Day Reserve”.



Due to the County’s previous actions to develop a “Rainy Day Reserve” and other management actions outlined in the box to the right, the County has been able to make strategic decisions regarding how and when to make service changes to minimize the impact on community services. As the economy continues to experience unpredictable activity, the sustainability of the County is placed at risk if existing operations are not monitored and adjusted to address current economic conditions.

Over the planning horizon of the financial forecast, the County will continue to confront a variety of challenges beyond the COVID-19 pandemic. In addition to challenges from an uncertain economy, actions at the Federal and State levels continue to cause concern to County management. These challenges will require the County to continue to concentrate on a variety of core financial guidelines, as outlined in the following section.

• Revenue Core Guidelines

- o Reduce reliance on property tax by reducing mill levy rate when practical
- o Maintaining a diversified revenue base requires diligence. Look for alternative revenue strategies and adjust current fees when appropriate
- o Effective governance is the result of effective partnerships. County services mandated by another government should be funded by that government

• Expenditure Core Guidelines

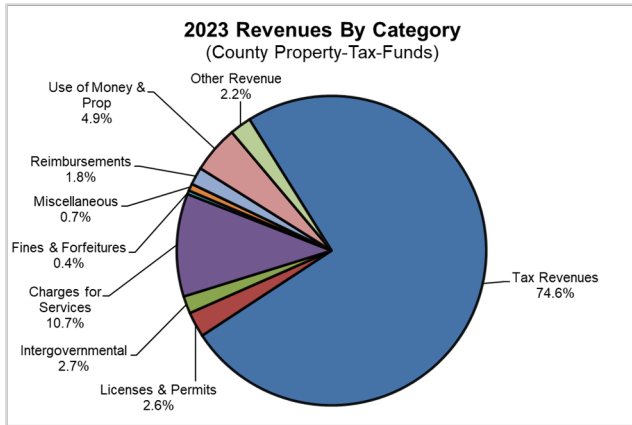
- o Concentrate spending on core, non-discretionary County services
- o Strategically use debt and bonding
- o Seek innovative programs for delivering public services to maximize effective performance
- o Educate State legislators on the impact of past, new, and pending State mandates
- o Ensuring adequate compensation to recruit and retain a quality workforce

Previous Management Decisions

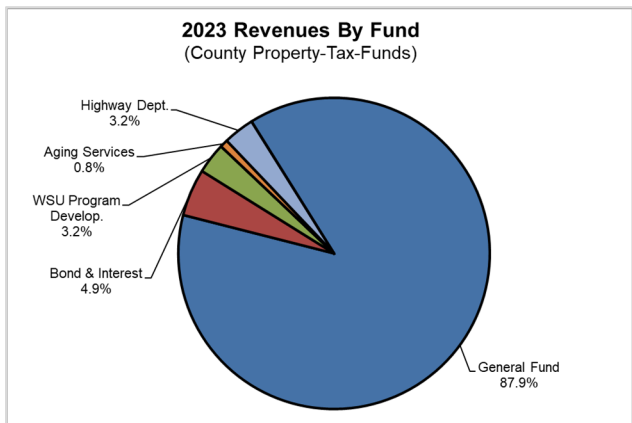
- **2020:** Implement a 2.25 percent general pay adjustment, a 1.25 percent pay structure adjustment, and a 1.25 percent pool for targeted pay adjustments. Add additional resources in Public Services including 6.0 FTE positions to the COMCARE Community Crisis Center and funding for a nutrition program and highest priority needs in the Department on Aging. Addition of 3.0 FTE positions to Emergency Communications.
- **2021:** No pay adjustment for employees. Add resources for critical needs including 1.0 FTE Epidemiologist for the Health Department, 5.0 FTE Docket Assistants for the District Attorney’s Office, and the addition of 2.0 FTE positions for Integrated Care Team 1 (ICT-1). Additional funding for The Kansas African American Museum (TKAAM) for relocation strategic planning process.
- **2022:** Implement the first year of a multi-year compensation plan with 1,637 position reclassifications and a 2.0 percent general pay adjustment. Add resources for increased costs of doing business and the addition 1.0 FTE Grant Administrator position for the Division of Finance, 1.0 FTE Logistics/Central Supply Manager for Emergency Management, and the addition of funding for a Paramedic and EMT educational program and for security camera replacement for the Sheriff’s Office Judicial Division.
- **2023:** Implement strategic pay adjustments for high-vacancy areas, like COMCARE, Corrections, Facilities, and Emergency Communications. Implement step plans for EMS and Fire District 1 as well as the addition of new COMCARE and Corrections pay plans. An eight percent general pay adjustment for other County employees, as well as a pay structure adjustment of seven percent. Add resources for increased costs of doing business and funding for contracted mental health services for juveniles in the Department of Corrections, addition of funding to increase Election Worker pay, addition of funding for District Court attorney fees, and the addition of 0.25 FTE for a full-time employment position for the Division of Human Resources. Additionally, funding for one-year of operations of the Mental Health and Substance Abuse Coalition was added.
- **2024:** Implement a new General Pay Plan and adjustments for placement of employees onto that plan, full funding of step plans for the Sheriff’s Office, EMS, and Fire District 1 along with a 2.0 percent structure adjustment for those plans, a 3.0 percent general pay adjustment for all County employees not on a step plan. Add resources for increased costs of doing business and the addition of 3.0 FTEs and funding for Elections for the 2024 Presidential Election and operations, the addition of 1.0 FTE 911 Technology Coordinator position for Emergency Communications, and the addition of 2.0 FTE Senior Residential Appraiser positions for the County Appraiser’s Office. Additionally, funding for the Child Advocacy Center to match increased agency contributions and funding for District Court attorney fees was added.

Revenues & Transfers In

Sedgwick County's revenue structure related to property-tax-supported funds is grouped into seven primary revenue categories, with aggregate tax collections as the largest revenue source, followed by charges for services and uses of money and property. These revenue categories are shown in the chart below. In 2023, a total of \$304,611,933 in revenue and transfers in was received in these funds, with 75 percent collected from multiple tax sources. These actual results are the baseline from which financial estimates in the financial forecast are made.



Of the five funds receiving property-tax support through 2023, the largest is the General Fund, with 88 percent of total revenue collections in 2023, followed by Bond & Interest, Highway, WSU, and Aging funds. Revenues by fund are outlined in the chart below.



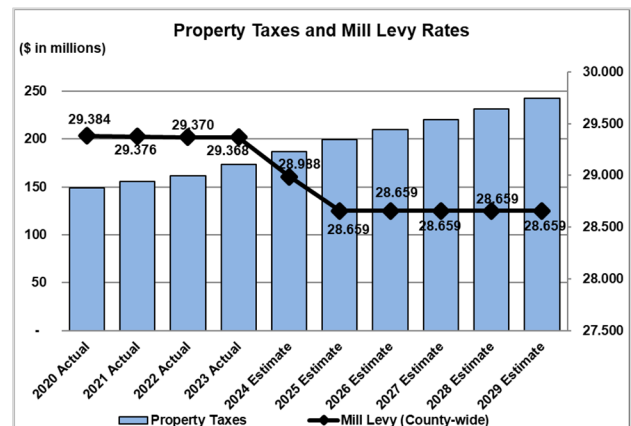
Of the total revenue collections and transfers from other funds in 2023, 93 percent was collected from nine distinct revenue sources. The following discussion on revenue projections included in the financial forecast will concentrate on these revenues as outlined in the table below.

Major Revenues		
County Property-Tax-Supported Funds*		
	2023	% of Total
Total Revenues & Transfers In	\$ 304,611,933	100%
Property Taxes	\$ 169,730,356	56%
Local sales & use tax	\$ 39,150,986	13%
Motor vehicle tax	\$ 17,857,997	6%
Medical charges for services	\$ 19,170,977	6%
Licenses & permits	\$ 8,058,616	3%
Investment income	\$ 8,018,985	5%
Special city/county highway	\$ 4,873,905	2%
Prisoner Housing/Care	\$ 4,064,341	2%
Officer fees	\$ 3,585,090	1%
Total	\$ 274,511,253	93%

*General Fund, Wichita State University, Aging, Highway, Bond & Interest

Property Taxes

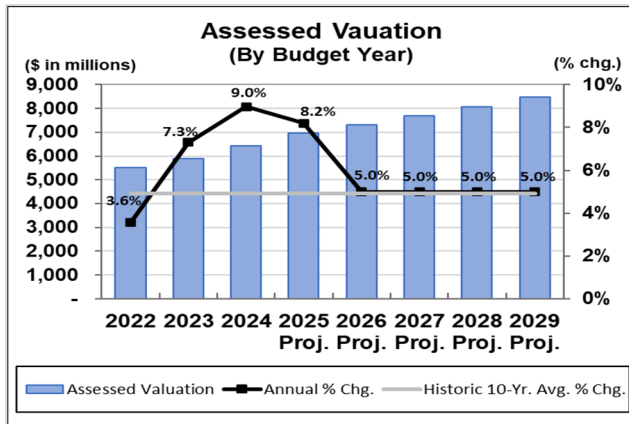
Property taxes play a vital role in financing essential public services. Property tax revenues are primarily used to fund services County-wide in the General Fund and various special revenue funds that do not have the capacity to self-finance their services, in addition to retiring the County's long-term debt on capital projects for facilities and infrastructure. This reliable revenue source has no attached mandates as many other State and Federal revenues often do.



The 2025 Recommended Budget includes an estimated mill levy rate of 28.659 mills. This forecast assumes that the property tax rate will remain unchanged at 28.659 mills in 2026 through 2029.

Projected revenue from property tax collections in this financial plan are based on:

- An assumption that the property tax rate will remain at 28.659 mills through 2029, absent technical adjustments.
- Increases or decreases in property tax revenues will result from estimated changes in assessed valuations and not changes to the mill levy rate.
- An assumption that collection delinquencies will remain at about 3.0 percent.



Over the past 10 years, Sedgwick County’s assessed valuation has grown an average of 4.9 percent annually. Like many other jurisdictions, the County experienced strong valuation growth between the years of 2000 to 2009 with an average growth rate of 5.6 percent. That trend changed notably in 2010 when valuation increased by less than a percent. Growth was less than one percent through 2012; then, for the first time in 20 years, assessed valuation decreased for the 2013 budget year. Growth returned at a rate of 0.6 percent in the 2014 budget year. Assessed valuation growth for the 2018 budget was 3.2 percent over the previous year. Growth was 3.9 percent for the 2019 budget, 4.5 percent for the 2020 budget, 4.6 percent for the 2021 budget, 3.6 percent for the 2022 budget, and 7.3 percent for the 2023 budget. Growth in assessed valuation to support the 2024 budget was 9.0 percent, while estimated growth for the 2025 budget is 8.2 percent due to a very strong residential home market in 2022 and 2023; it is estimated that this growth will level off to more typical levels as the economy is expected to cool in the near future.

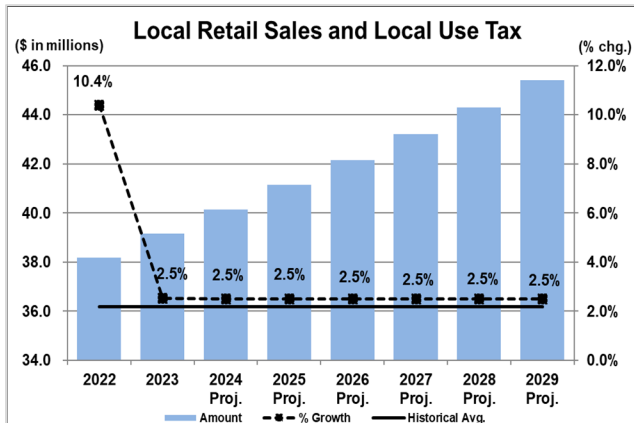
Within the financial forecast, property tax rates among different County property-tax-supported funds can and are distributed based on the total available resources to achieve the greatest outcomes in service delivery. In some instances, distribution of the total property tax rate is adjusted due to changing

operations, one-time projects such as capital improvements, or the availability of unexpected resources. The table below outlines the property tax rate movements estimated within this plan.

Property Tax Rates by Fund (in mills)						
	2024	2025 Est.	2026 Est.	2027 Est.	2028 Est.	2029 Est.
General	25.205	24.763	24.493	24.443	24.494	25.027
Bond & Int.	1.156	1.364	1.595	1.588	1.525	1.047
WSU	1.500	1.500	1.500	1.500	1.500	1.500
Highway	0.742	0.661	0.728	0.773	0.788	0.735
Aging	0.385	0.371	0.343	0.355	0.352	0.35
Total	28.988	28.659	28.659	28.659	28.659	28.659

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Local Retail Sales and Use Tax



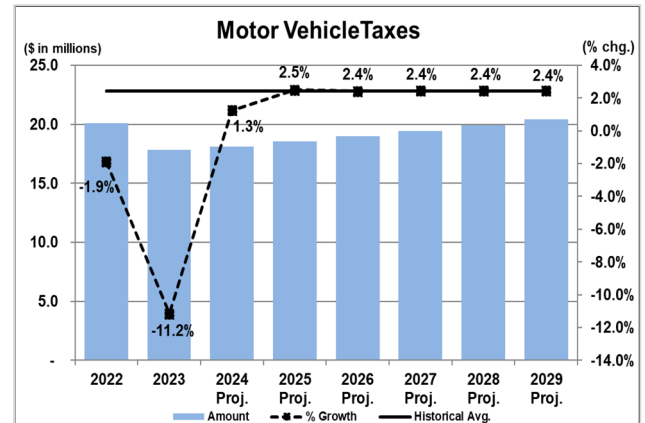
Local retail sales tax is generated from a County-wide one-percent tax on retail sales, imposed pursuant to voter approval in July 1985. Local use tax, per State statute K.S.A. 12-198, is a tax paid on tangible personal property purchased from other states and used, stored, or consumed in Kansas on which no sales tax was paid. Use tax is also applied if a taxable item is relocated to Sedgwick County from another state and that state's sales tax rate is less than the Kansas rate.

Distribution of these revenues to the County and cities is based half on their individual population levels and half on property tax levies per State statute K.S.A. 12-187. Sedgwick County receives 28.5 percent of the revenue produced by the County-wide sales tax in its General Fund; the balance is distributed by the State government to the 20 cities located within the county. There are three principal factors that influence the County's collection of local retail sales tax revenue:

- Total taxable retail sales in Sedgwick County
- Population in the unincorporated areas of the County as a percentage of total County population
- The County's property tax levies as a percentage of total taxes levied by all governmental entities

Historically, retail sales and use tax collections have experienced an average growth rate of 2.2 percent over the past 10 years. Total revenues of \$39.2 million were collected in 2023 with estimated increases to \$40.1 million in 2024 and to \$41.1 million in 2025. Collections in 2022 saw a 10.4 percent increase over 2021 with growth returning to more typical levels starting in 2023.

Motor Vehicle Taxes



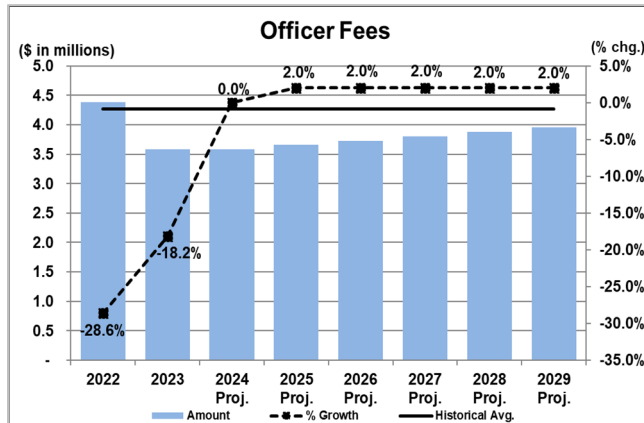
The State statute describing the collection and distribution of Motor Vehicle Taxes is outlined in K.S.A. 79-5101 et seq. Motor vehicles are distinguished by 20 vehicle classes, and then taxed at 20 percent of the class value based on the average County-wide mill levy during the previous year. State statutes define the average county-wide mill levy as the amount of general property taxes levied within the county by the State, county, and all other property taxing subdivisions; and then divided by the County's total assessed valuation.

The 2012 Legislature enacted legislation requiring that an annual commercial vehicle fee be paid in lieu of current property taxes for both interstate and intrastate commercial vehicles registered in Kansas.

Collected taxes are distributed by the County Treasurer to the taxing jurisdictions based on the owner's residency, and the ratio of levied taxes by the jurisdiction to the total taxes levied. Once the County's portion is distributed, the revenues are shared across the eight County property-tax-supported funds based on each fund's mill levy rate for the previous year.

Collections are dependent not only on economic conditions and vehicle sales, but also on the ratio of County property taxes to all of the other property taxing jurisdictions. Collections decreased in 2023 returning to more normal levels of growth starting in 2024.

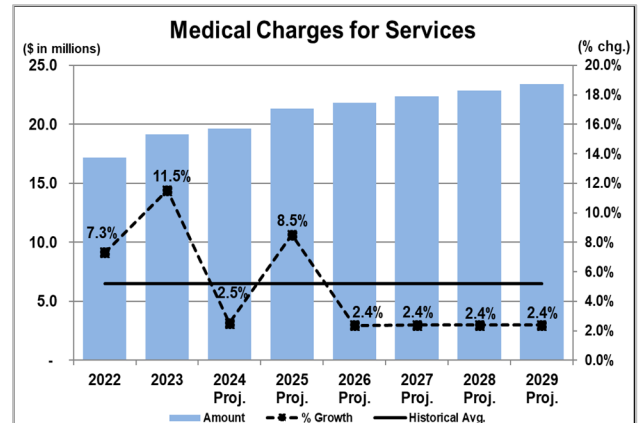
Officer Fees



Officer fees were established under K.S.A. 28-115 to replace mortgage registration fees, which were phased out by legislative action starting in 2015, with complete elimination by 2019. These fees are a per-page fee that varies based on the type and length of document being filed.

Within this revenue source, collection levels are strongly correlated with the strength of the local real estate and refinancing market. After a decrease in 2022, officer fees began to stabilize in 2023 with what is anticipated to be normal annual collections, remaining fairly flat through 2029. Collections are estimated at \$3.6 million for 2024.

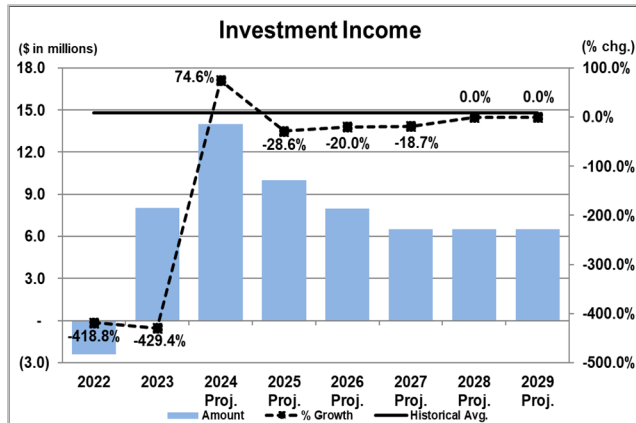
Medical Charges for Services



Medical charges for services include Medicaid, Medicare, insurance, and patient fees for delivered medical services. In the property-tax-supported funds, these services are predominately delivered through EMS, generating 96.0 percent of the total 2023 collections, followed by the Health Department and the Sedgwick County Offender Assessment Program (SCOAP). Revenues related to emergency medical services were deposited in the EMS Tax Fund through 2021 and starting in 2022 are now deposited in the County General Fund due to the consolidation of the EMS Tax Fund into the County General Fund.

The County also receives substantial amounts of medical charges for services revenue in grant funds delivering mental health, developmentally disabled, and aging services. Because those revenues are not received within property-tax-supported funds, they are not included within this forecast.

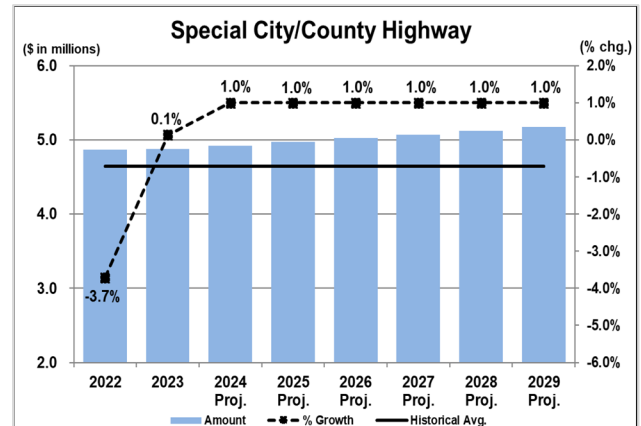
Investment Income



Investment income accounts for revenues generated from the investment of idle County funds. Traditionally, this revenue source can be volatile with collections dependent on interest rates in investment markets, the timing in which investments mature, and the size of the investment portfolio. State law outlines that all investment income is to be deposited in the General Fund unless otherwise directed by statute.

The County has an investment portfolio that ranges from \$225 million to \$600 million depending on the time of year. By law, the County's investments are restricted to short maturities having little or no risk. In 2022, the County pulled cash out of greatly underperforming long-term investments to immediately reinvest in more lucrative investments and due to timing a negative balance is shown in 2022. Interest rates have increased significantly and more investment of idle funds. The forecast projects revenue of \$14.0 million in 2024; then, the forecast anticipates action by the Federal Reserve to reduce interest rates in 2025 and beyond.

Special City/County Highway



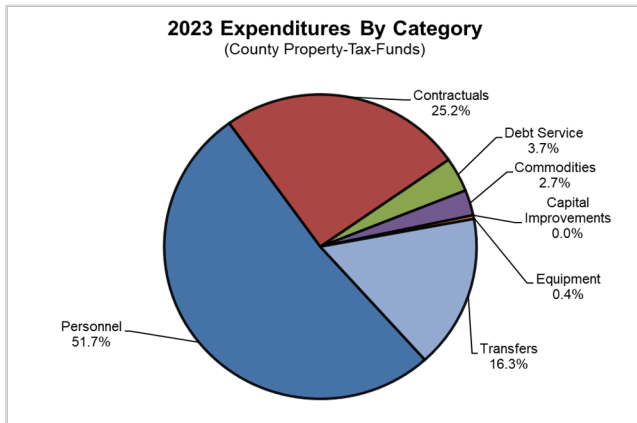
The Highway Department is financed through the Highway Fund to construct and maintain the County's roads, bridges, and intersections. Of the revenues used to fund these operations, the largest is the State's special city/county highway fund authorized under K.S.A. 79-3425. Through the Fund, the State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

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

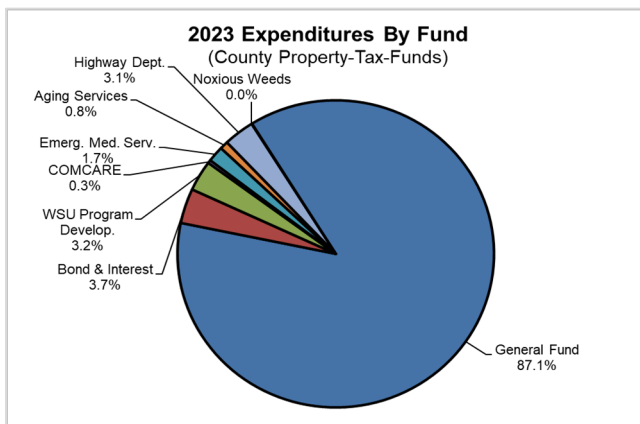
This revenue source has demonstrated considerable variability in the past. As State Motor Fuel Gas Tax collections fluctuated, the Legislature made temporary adjustments to the distribution formula, and the State corrected previous distributions made in error. Revenue collections expected to remain at normal levels of growth and collections are anticipated to remain relatively flat through 2029.

Expenditures

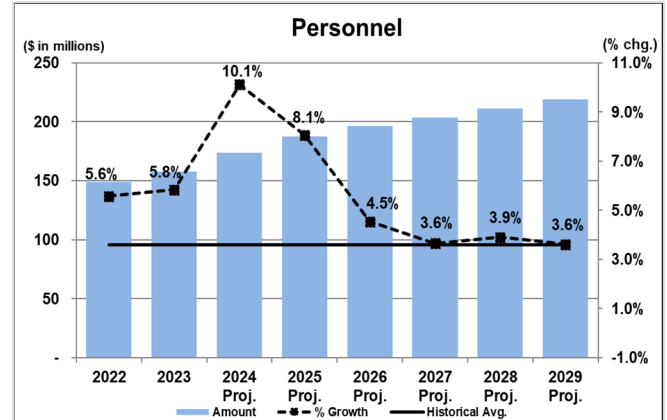
Sedgwick County's expenditure structure is divided into seven primary spending categories: personnel, contractals, debt service, commodities, capital improvements, equipment, and interfund transfers. Total expenditures incurred in 2023 in County property-tax-supported funds were \$304,712,618. Of those, 52 percent were for personnel costs and 25 percent for contractual services. As with revenues, these actual results are the baseline from which the current financial forecast was developed.



Of the total spent in funds receiving property tax support, the fund with the greatest portion of total expenses is the General Fund with 87 percent of total 2023 expenditures, followed by Bond & Interest, Highways, WSU, EMS, Aging, and the COMCARE funds. EMS, COMCARE, and Noxious Weeds Tax Funds paid the final administrative charges and transferred the remaining fund balances to the General Fund in 2023.



Personnel



Similar to most government and proprietary entities, personnel expenditures represent the largest cost in delivering services. Projections incorporate the following variables for 2025:

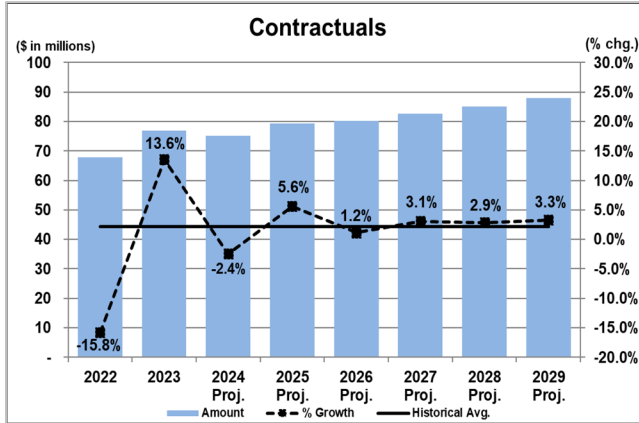
- The implementation of a 2.0 percent scale adjustment and 3.0 percent general pay adjustment (GPA) for the General, COMCARE, and DA pay plans along with a 7.6 percent scale adjustment for attorneys on the DA pay plan
- Full funding of step plans for the Sheriff's Office, EMS, and Fire District 1 along with scale adjustments for EMS and the Sheriff's Office
- A 3.0 percent GPA for the Emergency Communications pay plan
- A 7.0 percent scale movement and 1.0 percent GPA for the Corrections 1 pay plan and a 5.0 percent scale movement and 1.0 percent GPA for the Corrections 2 pay plan

Beyond 2025, the forecast includes:

- A pay pool of 5.0 percent in 2026 and 4.0 percent in 2027 through 2029
- Increases of 5.0 percent in employee health insurance premiums in 2026 through 2029
- Increases in retirement contribution rates through the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F)

	2020	2021	2022	2023	2024	2025
KPERS - Retirement Rates						
	9.89%	9.87%	9.90%	9.43%	10.26%	10.71%
KP&F - Retirement Rates						
Sheriff	21.93%	22.80%	22.99%	22.86%	23.10%	25.67%
Fire	21.93%	22.80%	22.99%	22.86%	23.10%	25.67%
EMS	21.93%	22.80%	22.99%	22.86%	23.10%	25.67%

Contractuals

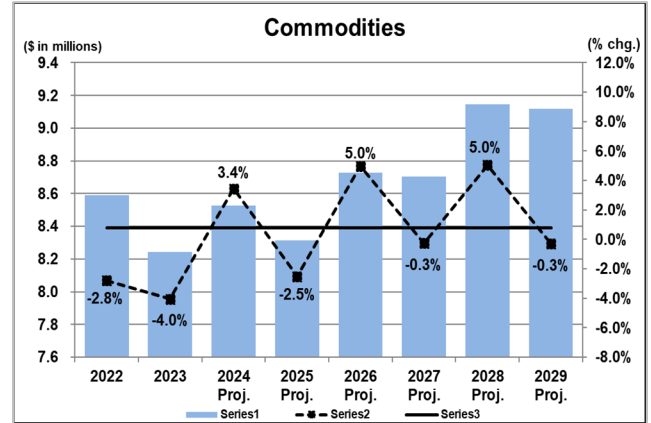


Contractual expenditures, the second largest expenditure category, include services purchased from and delivered by an external entity and internal departmental charges to other funds. These may include utility services, insurance services, software agreements, social services delivered by other community providers, or internal fleet and administrative charges.

Increased costs in 2023 are largely due to the final payment of administrative charges for the consolidated tax funds (\$1.7 million) as well as an increase in Technology Review Board (TRB) projects.

Excluding those changes, increases included in this forecast anticipate continuing increases in utilities, inmate medical and food service contracts, and software and technology equipment maintenance costs. The cyclical nature of national, State, and local elections also contributes to expenditure variations in this category.

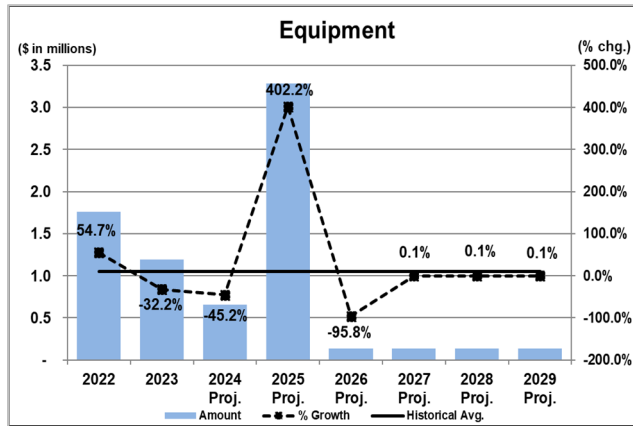
Commodities



This category includes expenditures for the purchase of common tangible items. This may include office supplies, fuel, food, clothing, software, and equipment with acquisition costs of less than \$10,000 per unit.

Commodity expenditures often fluctuate from year to year. These fluctuations often are due to the election cycle, when expenses vary from odd years to even year (even years representing either gubernatorial or presidential election cycles) as well as what TRB projects and associated costs are included in each year.

Equipment (Capital Outlay)

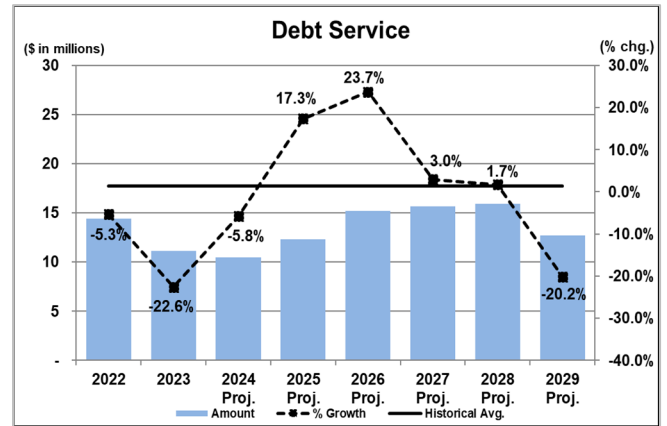


Equipment includes expenditures for office, technical, operating, and vehicular equipment that are more than \$10,000. Overall, the County spends relatively small amounts for equipment in the property-tax-supported funds, so isolated purchases can often result in sizable year-to-year percentage changes

Bond Ratings	
Rating Agency	Rating
Standard & Poor's	AAA
Moody's	Aaa
Fitch	AA+

Increased costs in 2022 and 2023 were due to mobile and portable radio replacements across the organization as the radios reach the end of support. Increased costs in 2025 are due to the replacement of the Fire Station Alerting System. Costs are anticipated to return to more typical levels in 2026.

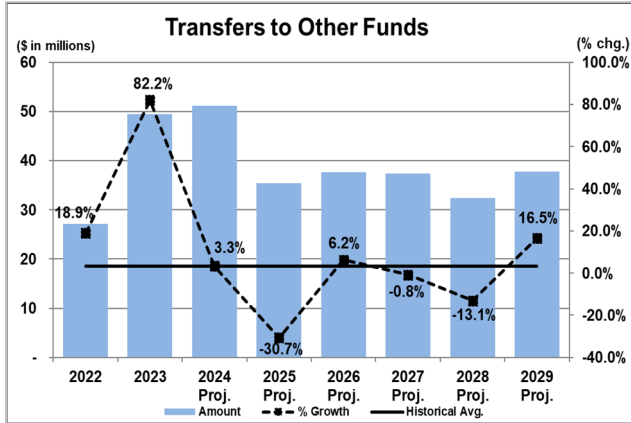
Debt Service



The financial forecast incorporates debt service payments on current debt obligations. Sedgwick County continues to hold high bond ratings from the three most widely used rating agencies: Moody's Investor Services, Standard & Poor's, and Fitch Ratings. In a recent rating evaluation, Standard & Poor's outlined that Sedgwick County's management is "very strong, with 'strong' financial management policies and practices...indicating financial practices are strong, well embedded, and likely sustainable."

The debt service calculations in the financial plan include the projects listed within the Capital Improvement section of the budget book.

Transfers to Other Funds



Within statutory limitations, the County is allowed to transfer funding from property-tax-supported funds to other funds to finance equipment purchases, capital improvements, or grant matches. Traditionally, transfers to other funds are relatively consistent from one year to the next with the exception of transfers for capital improvement projects and transfers for one-time equipment and software purchases to the Equipment Reserve Fund.

Recurring annual transfers to other funds include the following:

- \$1,597,566 annually in collected retail sales and use tax revenues from the General Fund to the Bond & Interest Fund to mitigate the cost of debt service on road and bridge projects
- Approximately \$19.1 million to \$22.7 million annually in collected retail sales and use tax revenues from the General Fund to the Sales Tax Road and Bridge Fund for related capital projects
- Approximately \$2.9 to \$5.3 million annually from the General Fund to the Risk Management Fund
- Approximately \$0.4 to \$1.8 million annually from the General Fund to the Auto License Fund
- Annual transfers of varying amounts for cash-funded capital projects as included in the Capital Improvement Plan (CIP)

As outlined in the table in the next column, significant changes in transfers from one year to the next are largely related to cash-funded capital projects included in the County's CIP.

Primary Recurring Transfers

	Sales Tax to LST Road & Bridge Fund	Sales Tax to Bond & Interest Fund	Other Cash Funded Capital Projects	General Fund to Auto License	General Fund to Risk Mgmt.
2022	19,093,588	1,597,566	2,772,243	-	3,910,357
2023	19,575,493	1,597,566	4,320,751	362,060	2,923,048
2024 Proj.	20,064,880	1,597,566	7,014,270	617,116	3,689,955
2025 Proj.	20,566,502	1,597,566	8,266,233	959,844	4,392,499
2026 Proj.	21,080,665	1,597,566	10,090,337	1,109,805	4,102,371
2027 Proj.	21,607,681	1,597,566	8,500,662	1,269,337	4,707,893
2028 Proj.	22,147,873	1,597,566	3,229,670	1,484,854	4,329,452
2029 Proj.	22,701,570	1,597,566	1,706,735	1,821,664	5,321,906

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Financial Forecast 2021 - 2029
All County Property-Tax-Supported Funds

Modified Accrual Basis

			Actual		Estimates				
	2021	2022	2023	2024	2025	2026	2027	2028	2029
1	Beginning Fund Balance								
2	105,541,137	106,706,726	110,180,589	110,079,904	119,003,835	116,689,512	112,779,694	110,314,377	115,026,501
3	Operating Revenue								
4	Taxes								
5	209,490,592	217,396,973	227,346,864	240,818,319	254,889,332	266,005,997	277,652,543	289,850,711	302,626,028
6	150,797,202	156,326,951	167,306,424	179,770,177	192,433,074	202,111,813	212,274,487	222,945,295	234,149,643
7	2,939,228	2,171,187	2,423,932	2,285,398	2,286,076	2,286,720	2,287,332	2,287,913	2,288,465
8	427,427	339,874	401,165	340,991	289,842	246,366	209,411	177,999	151,299
9	20,486,584	20,099,615	17,857,997	18,082,123	18,533,893	18,982,693	19,445,175	19,919,220	20,405,116
10	29,433,084	31,904,327	32,520,627	33,333,642	34,166,984	35,021,158	35,896,687	36,794,104	37,713,957
11	5,153,782	6,282,849	6,630,359	6,796,118	6,966,021	7,140,171	7,318,676	7,501,642	7,689,184
12	253,286	272,169	206,359	209,871	213,443	217,077	220,775	224,537	228,364
13	6,379,967	5,684,459	5,539,026	5,839,274	5,904,642	5,970,743	6,041,822	6,113,988	6,087,265
14	30,715,506	30,142,412	32,737,261	32,944,370	34,783,128	35,458,709	36,150,982	36,860,366	37,577,292
15	6,119,592	3,910,563	5,581,418	5,922,657	6,369,495	6,583,790	6,805,524	7,034,957	7,272,356
16	5,359,107	963,534	15,032,973	21,087,201	17,161,250	15,236,150	13,811,915	13,888,556	13,966,087
17	11,212,215	11,841,742	11,528,258	2,429,973	2,443,914	2,458,809	2,474,133	2,490,016	2,506,720
18	2,480,744	2,333,543	6,846,133	19,408,585	2,392,306	2,453,240	2,450,463	2,454,204	2,456,831
19	271,757,963	272,273,231	304,611,933	328,450,378	323,944,067	334,167,439	345,387,381	358,692,798	372,492,578
20	Operating Expenditures								
21	Personnel and benefits								
22	141,116,075	148,981,053	157,676,501	173,626,346	187,630,810	196,141,044	203,299,182	211,245,390	218,891,250
23	80,408,927	67,736,385	76,922,867	75,068,950	79,287,990	80,212,455	82,697,780	85,058,732	87,854,294
24	15,195,366	14,388,808	11,133,908	10,485,266	12,301,425	15,218,007	15,669,368	15,942,463	12,728,813
25	8,838,524	8,590,798	8,243,439	8,527,724	8,313,307	8,727,714	8,705,853	9,144,513	9,116,786
26	1,034,795	153,431	16,253	10,000	-	-	-	-	-
27	1,138,768	1,761,966	1,193,789	653,632	3,282,662	137,741	137,824	137,908	137,996
28	22,859,920	27,186,927	49,525,862	51,154,528	35,442,196	37,640,296	37,342,691	32,451,667	37,808,993
29	270,592,374	268,799,368	304,712,618	319,526,447	326,258,390	338,077,257	347,852,698	353,980,674	366,538,131
30	1,165,589	3,473,863	(100,685)	8,923,932	(2,314,323)	(3,909,818)	(2,465,317)	4,712,124	5,954,446
31	106,706,726	110,180,589	110,079,904	119,003,835	116,689,512	112,779,694	110,314,377	115,026,501	120,980,947
32	Ending Fund Balance								
33	Assessed valuation								
34	5,309,726,413	5,499,916,842	5,901,350,627	6,433,934,558	6,963,307,081	7,311,472,435	7,677,046,057	8,060,898,360	8,463,943,278
35	1.41%	3.58%	7.30%	9.02%	8.23%	5.00%	5.00%	5.00%	5.00%
36	29.376	29.370	29.368	28.988	28.659	28.659	28.659	28.659	28.659
37	(0.008)	(0.006)	(0.002)	(0.380)	(0.329)	0.000	0.000	0.000	0.000
38	Mill levy change								