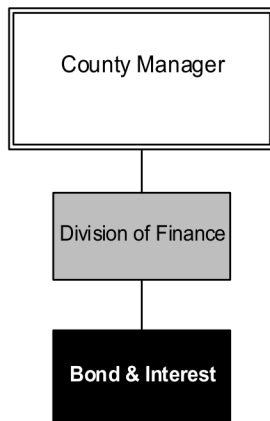




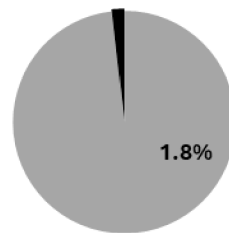
Hope Hernandez
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316.660.7136
hope.hernandez@sedgwick.gov

Mission:

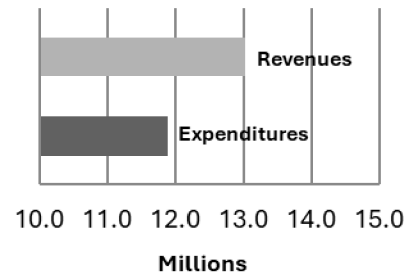
- ❑ To assure Sedgwick County government and citizens of proper use of County resources and informed financial decision-making.



% of Total Operating Budget



Expenditures & Program Revenues



Description of Major Services

The Bond and Interest Fund provides for the retirement of general obligation, Public Building Commission (PBC) revenue bonds, and special assessment bonds of Sedgwick County. Each year, the County levies taxes that, together with special assessments and other revenues credited to the Fund, are sufficient to pay the principal and interest payments due throughout the year.

Sedgwick County’s financial forecast section shows the five-year forecast for anticipated debt service payments based on the approved five-year capital improvement program, which is also included in a separate section of this budget document. In the most recent Annual Comprehensive Financial Report (ACFR), the County’s ratios of outstanding debt relative to County demographic information shows that total debt for the organization is about 0.4 percent of personal income in the community for 2024 (2025 data is not available). Put in terms of a per person (“per capita”) basis, the County’s outstanding debt is less than \$200 per person. Finally, the 2025 ACFR shows that the County’s debt is at 10.5 percent of the legal debt margin as set

by State statute. The County’s debt policy outlines certain ratios that keep County debt within the limits outlined in the AAA rating methodology historically used by S&P to assign the County’s debt rating during new debt issuances. The County’s most recent debt issued received a AAA rating with stable outlook under the methodology.

The County’s Debt Policy establishes guidelines pertaining to the County’s use of debt. The objectives of the policy are to ensure financing is obtained only when necessary; the process for identifying the timing and amount of debt or other financing is as efficient as possible; the most favorable interest rate and other related costs are obtained; and future financial flexibility is maintained.

A summary of key points from the Sedgwick County Debt Policy, which was revised in April 2024, is presented here:

- Debt management committee is formed to ensure compliance with debt policy.
- Pay-as-you-go financing is favored when the project can be funded from available current

revenue and fund balances, the project can be completed in an acceptable timeframe given available resources, additional debt could affect the County credit rating, or when repayment sources or market conditions are considered unstable or suggest difficulty in marketing the debt.

- Debt financing is favored when market conditions are favorable, a project is mandated and current revenue or fund balances are insufficient, or a project is immediately required to meet capacity needs. The useful life of each project must equal or exceed the term of the financing.
- Consideration of new debt issuance shall take into account the preservation of the County's applicable credit rating and the resulting access to favorable borrowing rates as well as the tax burden placed on citizens and businesses within the County. The County will not engage in debt financing unless the proposed obligation, when combined with all existing debts, will satisfy the following benchmarks throughout the life of the proposed obligation:
 - Budgetary flexibility is achieved by maintaining available unrestricted fund balance as a percentage of budgeted General Fund expenditures of at least 20.0 percent, with a target of 30.0 percent.
 - Liquidity is maintained with total government available cash of at least 120.0 percent of total governmental funds debt service and at least 20.0 percent of total governmental fund expenditures.
 - Debt levels are controlled by maintaining net direct debt at less than 60.0 percent of total governmental funds revenue and total governmental funds debt service at less than 8.0 percent of total governmental funds expenditures.
- Debt repayment is expedited. Debt issues are to be structured so that at least 30.0 percent of the aggregate outstanding principal amount is repaid within five years and 60.0 percent within ten years.

Budgetary Flexibility

In 2022, the available fund balance as a percentage of expenditures was 35.1 percent. In 2023, the available fund balance as a percentage of

expenditures was 40.7 percent. In 2024, the available fund balance as a percentage of expenditures was 42.6 percent. In 2025, the available fund balance as a percentage of expenditures was 43.4 percent

Liquidity

In 2022, total government available cash as a percentage of total governmental fund debt services was 1,807.7 percent. Total government available cash as a percentage of total governmental fund expenditures was 71.1 percent. In 2023, total government available cash as a percentage of total governmental fund debt services was 2,152.0 percent. Total government available cash as a percentage of total governmental fund expenditures was 64.5 percent. In 2024, total government available cash as a percentage of total governmental fund debt services was 2,642.7 percent. Total government available cash as a percentage of total governmental fund expenditures was 60.7 percent. In 2025, total government available cash as a percentage of total governmental fund debt services was 2,459.9 percent. Total government available cash as a percentage of total governmental fund expenditures was 56.6 percent.

Debt Levels

In 2022, net direct debt as a percentage of total governmental funds revenue was 30.1 percent. Total governmental funds debt service as a percentage of total governmental funds expenditures was 3.9 percent. In 2023, net direct debt as a percentage of total governmental funds revenue was 23.7 percent. Total governmental funds debt service as a percentage of total governmental funds expenditures was 3.0 percent. In 2024, net direct debt as a percentage of total governmental funds revenue was 21.9 percent. Total governmental funds debt service as a percentage of total governmental funds expenditures was 2.3 percent. In 2025, net direct debt as a percentage of total governmental funds revenue was 21.7 percent. Total governmental funds debt service as a percentage of total governmental funds expenditures was 2.3 percent.

Sedgwick County issues debt primarily to finance major capital projects such as roads, bridges, buildings, or other facilities. The instruments used to finance these projects are typically general obligation bonds or PBC revenue bonds. General obligation bonds are issued by Sedgwick County and

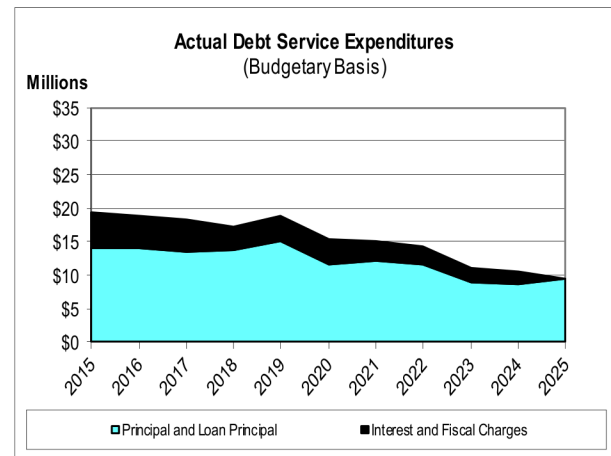
backed by the County's full faith and taxing power, meaning that bondholders have the power to compel the County to levy property taxes to repay the bonds. When a project meets a specific set of criteria described in Kansas law, the County can ask the PBC to issue revenue bonds on its behalf. These bonds are secured by lease revenues paid to the PBC by the County. The lease payments to the PBC are also backed by the full faith and taxing power of Sedgwick County.

Another type of debt occasionally issued by Sedgwick County is special assessment bonds. Special assessment bonds are issued to develop basic infrastructure for the benefit of properties within a defined district. Typically, such projects are requested by property owners within the district, and as part of their petition for specified improvements, they agree to pay the project costs through specially assessed taxes. Special assessment taxes are then levied on property within the benefit district for up to 15 years to repay the principal and interest on the bonds sold by the County to finance the cost of the improvements.

When a jurisdiction issues debt, it has the option of obtaining a debt rating - evaluation of its credit worthiness - by an independent rating service. Sedgwick County currently has high debt ratings from each of three credit rating agencies: "AAA" from Standard & Poor's, "Aaa" from Moody's Investors Service, and "AA+" from Fitch Rating Service.

Sedgwick County and its PBC have issued debt for various large projects including adult and juvenile detention facilities, roads and bridges, courthouse improvements, a juvenile court building, a public safety center, Exploration Place, the National Center for Aviation Training (NCAT), the Law Enforcement Training Facility (LETC), and the Ronald Reagan Building. The debt for these projects, in addition to special assessment debt, leaves the County with total outstanding direct debt of \$66.4 million as of June 30, 2026. As illustrated in the County's most recent ACFR, the County's debt is at 10.5 percent of the legal debt margin as set by State statute. Debt levels remain moderate, with some projected growth in the five-year forecast; however, significant debt is also retiring in the same timeframe, which significantly offsets the increases. The County does not anticipate any interference with current operations based on existing or anticipated debt service.

The County's annual debt service, including both the repayment of principal and interest on outstanding bonds, had decreased from approximately \$15.3 million in 2020 to \$9.5 million in 2025.

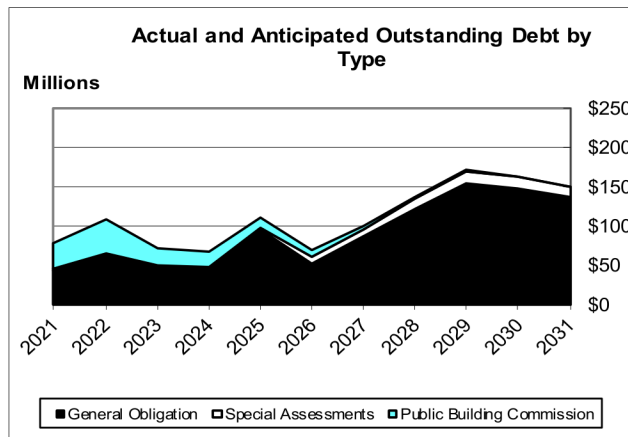


The table below shows the debt service requirements on debt existing as of June 30, 2026. If no additional bonds were issued, Sedgwick County would pay its debt in full by 2046. During this time period, yearly principal and interest payments would decrease from \$11.9 million in 2025 to \$0.7 million in 2046. When Sedgwick County issues additional bonds, debt service requirements will be extended into the future. The debt payment schedule continues to be in line with County policy and has not resulted in any issues or concerns with any credit rating agencies during annual surveillance processes.

Budget Year	Bonds Outstanding	Principal	Interest	Total
2026	\$ 66,445,000	\$ 9,455,000	\$ 2,485,541	\$ 11,940,541
2027	\$ 67,045,000	\$ 9,970,000	\$ 2,634,624	\$ 12,604,624
2028	\$ 57,880,000	\$ 9,165,000	\$ 2,709,190	\$ 11,874,190
2029	\$ 48,465,000	\$ 9,415,000	\$ 2,365,780	\$ 11,780,780
2030	\$ 42,805,000	\$ 5,660,000	\$ 2,007,100	\$ 7,667,100
2031	\$ 37,530,000	\$ 5,275,000	\$ 1,764,413	\$ 7,039,413
2032	\$ 32,560,000	\$ 4,970,000	\$ 1,547,820	\$ 6,517,820
2033	\$ 28,675,000	\$ 3,885,000	\$ 1,337,780	\$ 5,222,780
2034	\$ 24,910,000	\$ 3,765,000	\$ 1,168,584	\$ 4,933,584
2035	\$ 21,210,000	\$ 3,700,000	\$ 1,006,535	\$ 4,706,535
2036	\$ 17,920,000	\$ 3,290,000	\$ 854,304	\$ 4,144,304
2037	\$ 15,515,000	\$ 2,405,000	\$ 722,729	\$ 3,127,729
2038	\$ 13,020,000	\$ 2,495,000	\$ 624,618	\$ 3,119,618
2039	\$ 10,450,000	\$ 2,570,000	\$ 522,700	\$ 3,092,700
2040	\$ 8,135,000	\$ 2,315,000	\$ 416,806	\$ 2,731,806
2041	\$ 6,185,000	\$ 1,950,000	\$ 321,031	\$ 2,271,031
2042	\$ 4,825,000	\$ 1,360,000	\$ 245,619	\$ 1,605,619
2043	\$ 3,430,000	\$ 1,395,000	\$ 191,219	\$ 1,586,219
2044	\$ 2,075,000	\$ 1,355,000	\$ 136,131	\$ 1,491,131
2045	\$ 665,000	\$ 1,410,000	\$ 82,675	\$ 1,492,675
2046	\$ -	\$ 665,000	\$ 27,050	\$ 692,050

The 2027 budget includes projects supported with bonds in all five years, to include significant facility projects like the Regional Forensic Science Center

(RFSC) Deoxyribonucleic Acid (DNA) Lab addition and current space remodel, the 911 Radio System, the Emergency Preparedness Center, and large road and bridge projects.



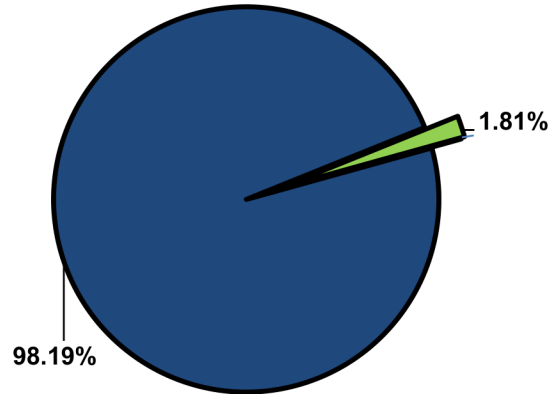
If the County chose to issue debt as included in the “Anticipated Debt with Issuance Costs” chart on the next page, it would be in compliance with the updated debt policy benchmarks.

The chart on the next pages shows the County’s anticipated debt issuance with costs for planned capital projects.

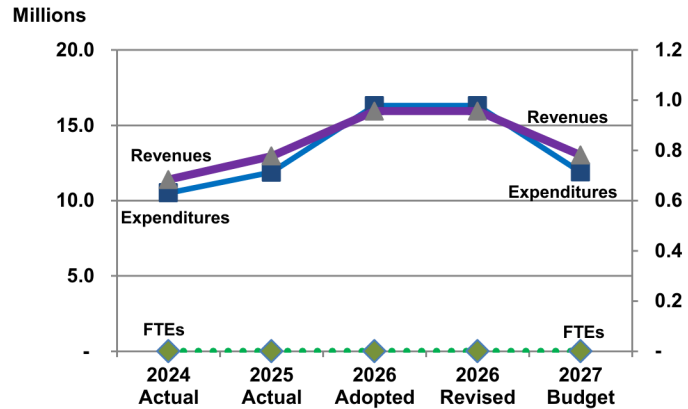
Sedgwick County Anticipated Debt with Issuance Costs					
Project	2027	2028	2029	2030	2031
RFSC DNA Lab Addition and Current Space Remodel	\$ 19,117,956				
911 Radio System	\$ 14,500,000				
Ronald Reagan Mechanical Equipment	\$ 5,766,688				
Adult Detention Facility Booking and Property Renovation	\$ 1,924,299				
Emergency Preparedness Center	\$ 226,862	\$ 19,991,122			
Joint Sherff - Kansas Highway Patrol Hangar		\$ 8,885,125			
Road/Bridge Improvements	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Totals	\$ 45,535,805	\$ 32,876,247	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000

Departmental Graphical Summary

Bond & Interest
Percent of Total County Operating Budget



Expenditures, Program Revenue & FTEs
All Operating Funds



Budget Summary by Category

	2024 Actual	2025 Actual	2026 Adopted	2026 Revised	2027 Budget	Amount Chg '26 Rev.-'27	% Chg '26 Rev.-'27
Expenditures							
Personnel	-	-	-	-	-	-	-
Contractual Services	31,184	232	20,000	20,000	20,000	-	0.00%
Debt Service	10,485,266	11,885,341	16,275,590	16,275,590	11,874,190	(4,401,400)	-27.04%
Commodities	-	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	-	-
Capital Equipment	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-
Total Expenditures	10,516,451	11,885,574	16,295,590	16,295,590	11,894,190	(4,401,400)	-27.01%
Revenues							
Tax Revenues	9,058,902	10,559,058	13,478,680	13,478,680	9,940,272	(3,538,407)	-26.25%
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
All Other Revenue	2,331,687	2,392,736	2,455,653	2,455,653	3,077,298	621,644	25.31%
Total Revenues	11,390,589	12,951,794	15,934,333	15,934,333	13,017,570	(2,916,763)	-18.30%
Full-Time Equivalents (FTEs)							
Property Tax Funded	-	-	-	-	-	-	-
Non-Property Tax Funded	-	-	-	-	-	-	-
Total FTEs	-	-	-	-	-	-	-

Budget Summary by Fund

Fund	2024 Actual	2025 Actual	2026 Adopted	2026 Revised	2027 Budget	Amount Chg '26 Rev.-'27	% Chg '26 Rev.-'27
Bond & Interest	10,516,451	11,885,574	16,295,590	16,295,590	11,894,190	(4,401,400)	-27.01%
Total Expenditures	10,516,451	11,885,574	16,295,590	16,295,590	11,894,190	(4,401,400)	-27.01%

Decrease in budget to bring in-line with planned principal and interest costs

Increase in all other revenue due to anticipated increase in transfer in-operating revenue

Expenditures	Revenues	FTEs
(4,401,400)		
	621,644	

Total	(4,401,400)	621,644	-
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Program	Fund	2024 Actual	2025 Actual	2026 Adopted	2026 Revised	2027 Budget	% Chg '26 Rev.-'27	26-'27' FTEs
Bond & Interest	301	10,516,451	11,885,574	16,295,590	16,295,590	11,894,190	-27.01%	-
Total		10,516,451	11,885,574	16,295,590	16,295,590	11,894,190	-27.01%	-