



*Sedgwick County...
working for you*

2015 Financial Year in Review

Fiscal year ended December 31, 2015



Contents

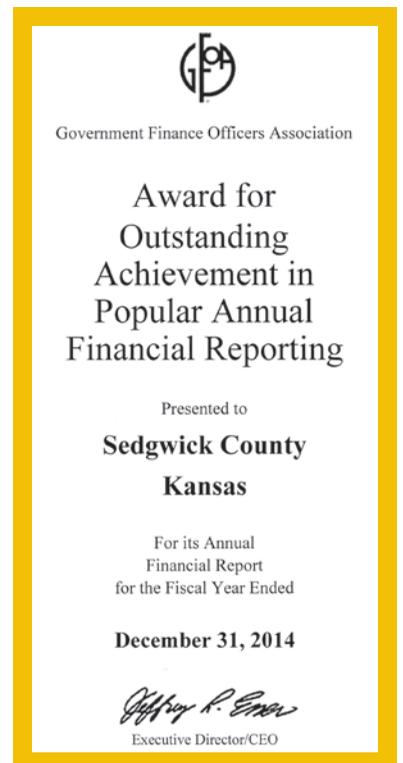
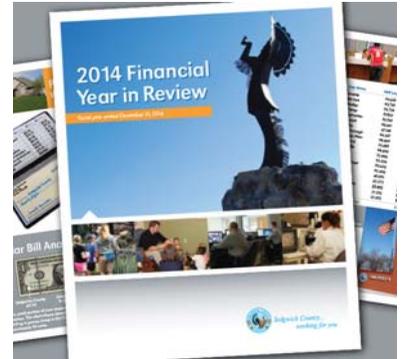
- 1 GFOA Award
- 2 About Sedgwick County
- 3 Statistics and Accomplishments
- 4 Revenues and Expenses
- 5 Areas of Government
- 6 Total Net Position
- 7 Property Taxes Levied
- 8 Sedgwick County Checkbook
- 9 Projects and Fiscal Challenges
- 10 Economic Indicators and Sedgwick County Directory

GFOA Award

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Sedgwick County for its Popular Annual Financial Report for the fiscal year ended December 31, 2014. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a popular annual financial report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

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



Attractions

- **Exploration Place** - It would be an understatement to call Exploration Place: The Sedgwick County Science and Discovery Center simply a museum. This riverfront complex is a truly unique institution located in the heart of the largest city in Kansas.
- **INTRUST Bank Arena** - Completed in December 2009, the INTRUST Bank Arena is a modern, world-class sports and entertainment facility, located in downtown Wichita. The arena's main tenant, the Thunder Hockey Team, is a favorite among local sports fans.
- **Kansas African-American Museum** - A regional and cultural museum, and an important source of historical reference material, creative works and media.
- **Lake Afton Park** - An 828-acre park complete with opportunities for boating, swimming, fishing and camping.
- **Sedgwick County Extension Education Center** - The Sedgwick County and Kansas State University partnership for youth development, family and consumer sciences, agriculture, horticulture and community development.
- **Sedgwick County Park** - A 400-acre site in northwest Wichita that includes four small lakes, a sledding hill, enclosed and open shelters, tennis courts, softball fields, basketball and volleyball courts, bocce court, and horseshoe pits, and provides fishing, model boat racing, fitness opportunities, and rollerblading and biking trails.
- **Sedgwick County Zoo** - Opening in 1971, Sedgwick County Zoo has been ranked among the best zoos in the United States. Home to more than 3,000 individual animals of nearly 400 different species, the zoo is the number one outdoor family attraction in Kansas.
- **Wichita Riverfest** - Sedgwick County is a long-time supporter and participant in this week-long festival of events, music, art, food and community development to welcome summer.



Sedgwick County is located in south central Kansas and encompasses 1,008 square miles. The county was organized under the territorial laws of the state of Kansas and the Kansas Constitution in 1870. The county is the second most populous of the 105 counties in Kansas, with an estimated 511,885 residents. The county seat is Wichita, the largest city in the state of Kansas. Wichita is known as the “Air Capital of the World” for its internationally recognized concentration of commercial and military airplane production and aviation services.

Sedgwick County’s mission is to assure quality public services that provide for the present and future well-being of citizens. We accomplish this by establishing and maintaining partnerships, encouraging creativity and innovation, ensuring informed decisions, and allocating resources to meet the changing needs of our community.

Sedgwick County is governed by a five-member board of commissioners.

The commissioners serve as full-time county officials and meet in regular session each Wednesday morning, except for the last Wednesday of each month. The board, which performs both executive and legislative functions, is responsible for all policy and executive decisions. A county manager, appointed by the board, is responsible for administrative oversight of operations. The county has 2,524 full-time employees.

| Demographic | 2014 | 2015 |
|--------------------------------------|---------|------------------------|
| Population | 508,803 | 511,885 ^{est} |
| Per Capita Income | 46,219 | 48,530 ^{est} |
| Sedgwick MSA | | |
| Unemployment Rate | 5.60% | 4.0% |
| Number of Full-Time County Employees | 2,568 | 2,524 |

Service Statistics

| Function/Program | 2014 | 2015 |
|--|---------|---------|
| General Government | | |
| Number of registered voters | 275,499 | 274,961 |
| Number of taxable real estate parcels | 212,917 | 213,261 |
| Public Safety | | |
| Average monthly number of 911 calls | 40,901 | 47,304 |
| Average monthly number of EMS responses | 5,051 | 5,337 |
| Number of residential structural fires per 100,000 households | 91 | 167 |
| Average monthly number of medical responses by Fire District 1 | 415 | 462 |
| Average daily population, juveniles in detention | 62 | 64 |
| Average daily population in custody of Sheriff | 1,359 | 1,406 |
| Public Works | | |
| Miles of road improved | 97 | 186 |
| Miles of road maintained | 603 | 603 |
| Health and Welfare | | |
| Number of mental health program clients | 12,559 | 12,940 |
| Number of individuals eligible for developmental disability services | 2,536 | 2,554 |
| Culture and Recreation | | |
| Number of events per year at INTRUST Bank Arena | 100 | 107 |
| Annual attendance at INTRUST Bank Arena | 298,825 | 439,767 |
| Annual attendance at Sedgwick County Zoo | 527,981 | 581,773 |
| Annual attendance at Sedgwick County Park | 959,101 | 944,320 |
| Economic Development | | |
| Total value of merchandise moving through foreign trade zone (in millions) | \$226.0 | \$91.9 |
| Average monthly number of Sec. 8 housing clients | 214 | 193 |

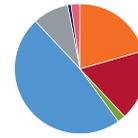
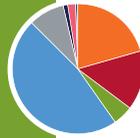
Source: County operating departments



2015 Notable Accomplishments

- COMCARE Crisis Services moved to a new Community Crisis Center (CCC). The CCC- a joint initiative by Sedgwick, Butler and Sumner Counties- will provide a single location, and a comprehensive system of care for integrated assessment, triage, stabilization, engagement and referral to ongoing supports and services for those in the region experiencing a behavioral health crisis.
- Sedgwick County continues to demonstrate a strong financial position with AAA bond rating, the top bond credit rating awarded by independent rating agencies to assess the credit worthiness of an organization's debt issues.
- Brigadier General Michael Scholes (USA Ret) began work as Sedgwick County Manager on November 9, 2015. Mike Scholes was appointed to the position by the Board of Sedgwick County Commissioners at the September 2, 2015 commission meeting following a national, executive search.
- After three years of implementation, the school arrest diversion strategy for minor offenses has exceeded expectations in successful completion of Juvenile Intake and Assessment Center (JIAC) intake assessments for youth without the need for handcuffs and police transport; the overall success rate is 96 percent.

Government-Wide Sources of Revenue



| Source | 2015 | % | 2014 | % | 2013 |
|--------------------------------|----------------------|-------|----------------------|-------|----------------------|
| Charges for Services | \$ 71,194,818 | 21.2% | \$ 69,498,401 | 21.4% | \$ 66,845,073 |
| Operating Grants/Contributions | \$ 51,200,488 | 15.3% | \$ 57,197,374 | 17.6% | \$ 48,773,520 |
| Capital Grants/Contributions | \$ 14,931,115 | 4.5% | \$ 4,837,143 | 1.5% | \$ 1,944,773 |
| Property Tax | \$ 160,388,971 | 47.7% | \$ 157,680,267 | 48.6% | \$ 156,571,499 |
| Regular Sales Tax | \$ 28,402,456 | 8.5% | \$ 27,737,784 | 8.5% | \$ 26,890,523 |
| Other Tax | \$ 2,980,953 | 0.9% | \$ 3,251,092 | 1.0% | \$ 3,128,768 |
| Investment Income | \$ 5,761,660 | 1.7% | \$ 4,704,790 | 1.4% | \$ 5,344,751 |
| Gain on Sale of Capital Assets | \$ 511,960 | 0.2% | \$ - | 0.0% | \$ 173,583 |
| Total | \$335,372,421 | | \$324,906,851 | | \$309,672,490 |

Charges for services revenues increased by \$1.7 million in 2015; Medicaid fees revenues increased \$3.0 million mostly due to a new program called Health Home. Miscellaneous charges for services decreased \$1.5 million. *Charges for services are fees charged to users of a service to offset the incurred cost.*

Operating grants and contributions decreased \$6.0 million from 2014 to 2015. In 2014, the State of Kansas provided funds for 2014 and 2015 state fiscal year for the Affordable Airfares fund. *Operating grants and contributions are grant funds to be used specifically for the day to day costs of running the program.*

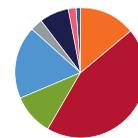
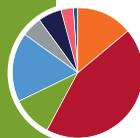
Capital grants and contributions were up \$10.1 million. The Sedgwick County Zoo contributed \$8.8 million in capital assets due to the new elephant barn being built. *Capital grants and contributions are grant funds to be used specifically for the purchase of property, the construction, remodeling or expansion of the facility, or to purchase equipment needed to run the program.*

Property tax collections were up \$2.7 million, due to an increase in ad valorem tax collections.

Government-wide expenses increased \$0.6 million. General government expenses decreased \$1.5 million, 3.3 percent. Health and welfare expenses decreased \$0.4 million or 0.7 percent. Culture and recreation expenses increased \$5.8 million or 52.7 percent, due to a one-time payment of \$5.3 million to help build the elephant barn at the Sedgwick County Zoo. Economic development expenses decreased \$3.2 million, 15.2 percent; part of the decrease was due to a one-time payment in 2014 to the Child Advocacy Center for \$1 million. Public safety expenses decreased \$1.3 million, 0.9 percent.



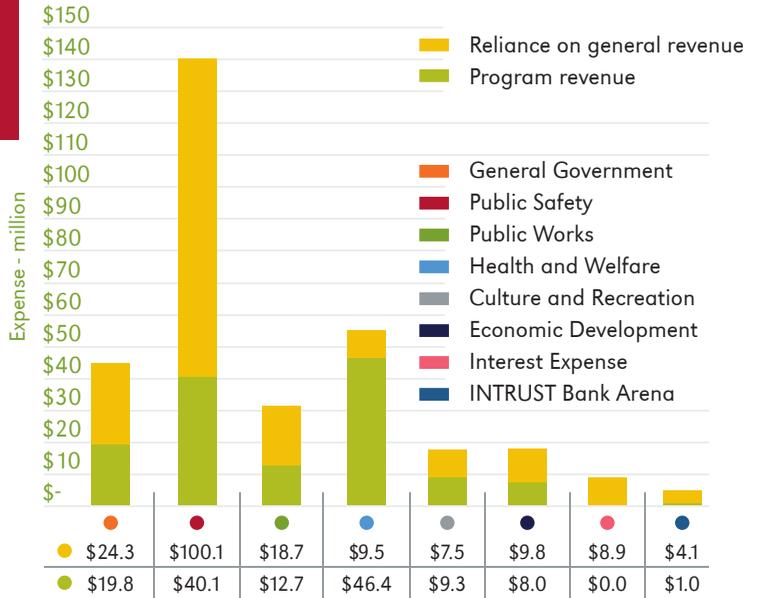
Government-Wide Expenses by Function



| Function | 2015 | % | 2014 | % | 2013 |
|----------------------------|----------------------|-------|----------------------|-------|----------------------|
| General Government | \$ 44,076,129 | 13.8% | \$ 45,631,487 | 14.3% | \$ 46,738,513 |
| Public Safety | \$ 140,226,506 | 43.8% | \$ 141,461,365 | 44.2% | \$ 136,948,209 |
| Public Works | \$ 31,455,330 | 9.8% | \$ 31,607,297 | 9.9% | \$ 31,112,309 |
| Health and Welfare | \$ 55,876,955 | 17.4% | \$ 56,346,131 | 17.8% | \$ 56,476,803 |
| Culture and Recreation | \$ 16,808,103 | 5.2% | \$ 11,024,934 | 3.4% | \$ 10,824,309 |
| Economic Development | \$ 17,841,996 | 5.6% | \$ 20,937,889 | 6.5% | \$ 15,119,439 |
| Interest on Long-term Debt | \$ 8,914,547 | 2.8% | \$ 7,124,165 | 2.2% | \$ 6,607,782 |
| INTRUST Bank Arena | \$ 5,087,691 | 1.6% | \$ 5,580,194 | 1.7% | \$ 5,672,159 |
| Total Expenses | \$320,287,257 | | \$319,713,462 | | \$309,499,523 |

Where Does the Money Come From?

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



Program revenues include [1] charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and [2] grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

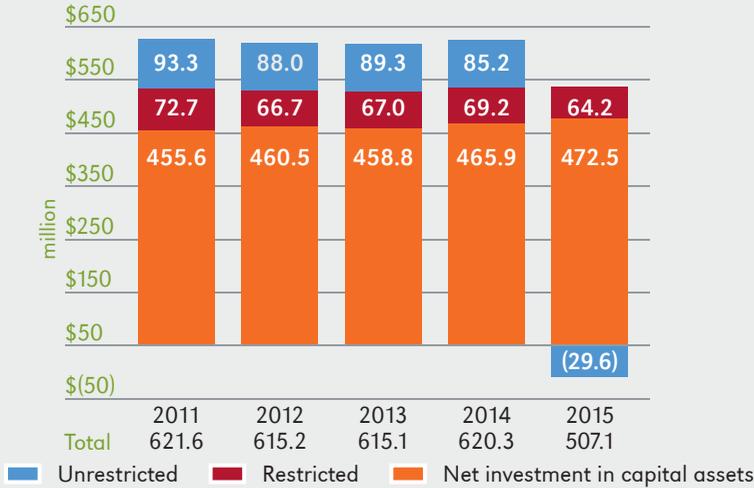


- General Government** – County Appraiser – County Clerk – County Commissioners – County Counselor
County Manager – County Treasurer – Election Commissioner – Enterprise Resource Planning – Facilities Management
Financial Management – Human Resources – Metropolitan Area Planning Department – Register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

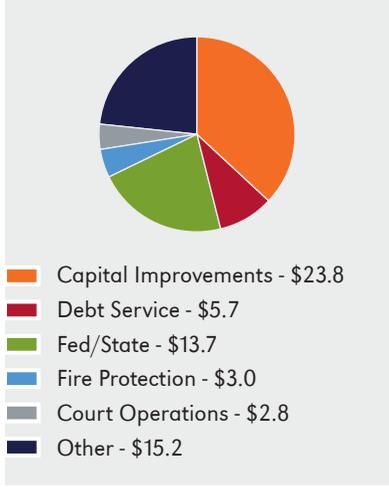
2015 TOTAL NET POSITION

\$507.1 MILLION

Total Net Position



2015 Restricted Net Position
\$64.2 Million



At the end of 2015, total net position (assets minus liabilities) of Sedgwick County was \$507.1 million.

The largest portion of the County's net position, \$472.5 million (93.2 percent), is invested in capital assets (e.g. land, buildings, infrastructure, machinery and equipment) less depreciation and any related outstanding debt used to acquire those assets. Sedgwick County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Restricted net position of \$64.2 million (12.7 percent of net position) are resources that are subject to external restrictions on how they may be used.

Unrestricted net position at the end of 2015 totaled \$(29.6) million. GASB Statements Nos. 68 and 71 were implemented during 2015, requiring the County to record its proportionate share of the Kansas Public Employees Retirement System (KPERS) collective net pension liability. On December 31, 2015, the County reported a liability of \$72,544,365 for KPERS and \$49,799,589 for KP&F for its proportionate share of the KPERS' collective net pension liability.



Property Taxes Levied

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

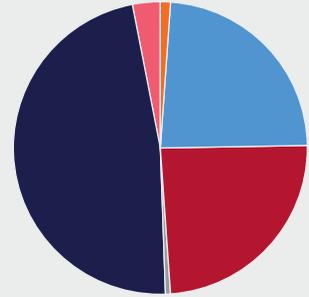
| School Districts | Mill Levy | Amount Levied |
|------------------------|-----------|----------------|
| Andover Jt. #385 | 65.289 | \$ 9,693,114 |
| Burton Jt. #369 | 65.448 | \$ 48,180 |
| Cheney Jt. #268 | 62.541 | \$ 1,460,593 |
| Circle Jt. #375 | 65.621 | \$ 5,509,145 |
| Clearwater Jt. #264 | 61.187 | \$ 3,399,802 |
| Conway Spgs. Jt. #356 | 60.901 | \$ 163,268 |
| Derby #260 | 62.156 | \$ 24,130,841 |
| Goddard #265 | 65.005 | \$ 15,817,161 |
| Halstead Jt. #440 | 51.631 | \$ 464,212 |
| Haven Jt. #312 | 55.073 | \$ 328,160 |
| Haysville #261 | 56.073 | \$ 7,738,656 |
| Kingman Jt. #331 | 65.447 | \$ 29,715 |
| Maize #266 | 62.826 | \$ 24,095,235 |
| Mulvane Jt. #263 | 64.306 | \$ 2,816,611 |
| Remington Jt. #206 | 53.907 | \$ 349,113 |
| Renwick Jt. #267 | 59.430 | \$ 6,641,503 |
| Rose Hill Jt. #394 | 62.850 | \$ 862,393 |
| Sedgwick Jt. #439 | 41.667 | \$ 195,135 |
| Valley Center Jt. #262 | 66.599 | \$ 8,139,720 |
| Wichita #259 | 56.278 | \$ 147,681,501 |

Total School Districts \$259,564,058

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

| City Rates | Mill Levy | Amount Levied |
|---------------|-----------|----------------|
| Andale | 41.862 | \$ 250,922 |
| Bel Aire | 46.246 | \$ 2,226,439 |
| Bentley | 53.629 | \$ 121,340 |
| Cheney | 60.740 | \$ 748,926 |
| Clearwater | 53.999 | \$ 790,166 |
| Colwich | 47.911 | \$ 480,587 |
| Derby | 47.009 | \$ 8,911,742 |
| Eastborough | 64.664 | \$ 814,499 |
| Garden Plain | 48.874 | \$ 285,038 |
| Goddard | 31.164 | \$ 1,176,966 |
| Haysville | 48.646 | \$ 2,627,843 |
| Kechi | 33.699 | \$ 539,430 |
| Maize | 43.030 | \$ 1,600,494 |
| Mount Hope | 54.612 | \$ 210,902 |
| Mulvane | 42.262 | \$ 1,167,409 |
| Park City | 40.111 | \$ 2,466,798 |
| Sedgwick | 62.783 | \$ 94,549 |
| Valley Center | 55.446 | \$ 2,535,363 |
| Viola | 22.181 | \$ 13,519 |
| Wichita | 32.686 | \$ 104,320,059 |

Total City Levies \$ 131,382,991



| From | Amount | % |
|------------------|----------------|--------|
| State | \$ 6,615,061 | 1.21% |
| County | \$ 129,580,226 | 23.59% |
| Cities | \$ 131,382,991 | 23.92% |
| Townships | \$ 4,451,958 | 0.81% |
| School Districts | \$ 259,564,058 | 47.26% |
| Misc. Districts | \$ 17,610,509 | 3.21% |

Total Levied \$549,204,803



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

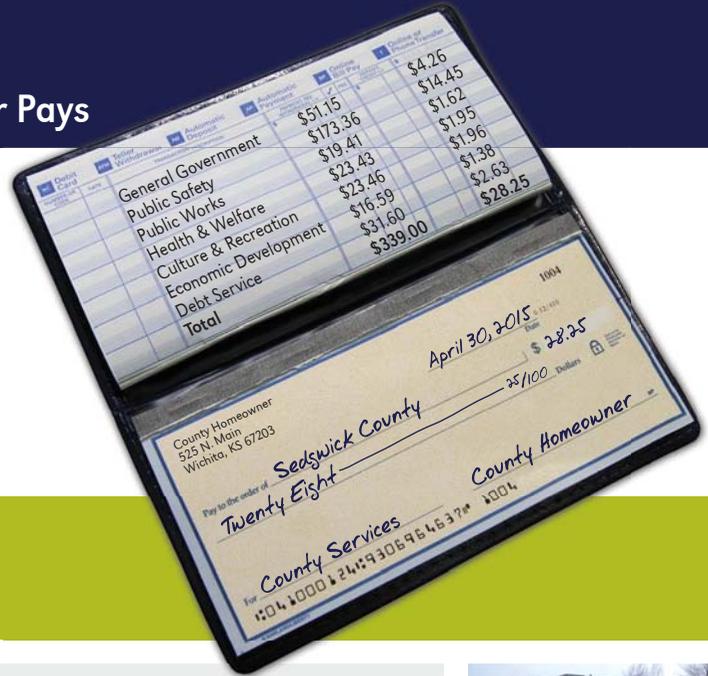
A levy is a compulsory collection of monies or the imposition of taxes.

Property Tax

What the Average Homeowner Pays

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

Annual County property tax on a home with an assessed value of \$100,000 was \$339 in 2014.

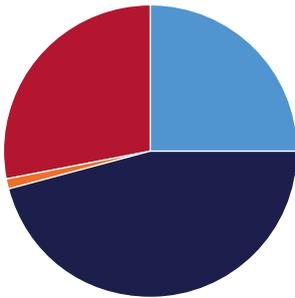


| | |
|------------------------------|---------------------------------|
| <p>Yearly</p> <h1>\$339</h1> | <p>Monthly</p> <h1>\$28.25</h1> |
|------------------------------|---------------------------------|

The total amount of property tax paid to Fire District 1 by the owners of a single-family home with an average market value of \$100,000 was \$211.22 per year or \$17.60 per month.



Dollar Bill Analysis



Sedgwick County
\$0.25

Other Local Governments
& School District \$0.75

- Sedgwick County \$0.25
- USD 259 \$0.46
- State of Kansas \$0.01
- City of Wichita \$0.28

Only a small portion of your property taxes goes to support Sedgwick County's operations. The chart above shows for every \$1 of the property taxes paid in 2014 by a person living in the City of Wichita, Sedgwick County received approximately 25 cents.



2015 Projects

- Replace the air vents in the resident rooms at the Juvenile Detention Facility to minimize the risk of suicide attempts.
- Major maintenance and repair work to the flood control system. Work includes repair or replacement of toe drains, flood gates, concrete, erosion control systems, earthwork on levees and channels.
- Upgrade and replacement of the existing door control systems, card access system, video surveillance and voice communications systems, inmate system and remodel of the northeast end at the Sedgwick County Work Release.
- Designed and began construction of bridge project B-455, a major bridge across the Arkansas River north of Mt. Hope.
- Construct bike/pedestrian path on Englewood, Clifton 47th St. South and Oliver to connect the Wichita pathway system to the Derby pathway system.

2015 Sedgwick County Top 10 Employers

| Company | #Employees |
|---|------------|
| Spirit AeroSystems, Inc. | 10,900 |
| Via Christi Health | 6,027 |
| USD 259 | 5,620 |
| State of Kansas | 4,803 |
| McConnell Air Force Base | 4,576 |
| Koch Industries Inc. | 3,600 |
| City of Wichita | 2,752 |
| U.S. Government | 2,658 |
| Sedgwick County | 2,542 |
| Wesley Medical Center & Galichia Heart Hospital | 2,072 |

Source: Wichita Business Journal, March 2015

Fiscal Challenges Going Forward

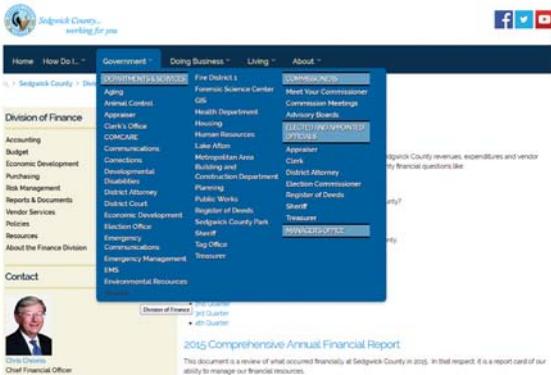
Making smart decisions about use of county reserves. The County has a rainy day reserve of \$7.5 million, and additionally has an unrestricted general fund balance equaling 28 percent of budgeted revenue. The county's policy sets the minimum expected unrestricted general fund balance at 20 percent of budgeted expenditures. The amount in excess of the minimum, \$18 million, may be used to fund capital projects or non-recurring start-up costs of new programs. How it is used, and how quickly, are considerations taken into account by credit analysts and, if judged to be detrimental to county financial condition, could result in a loss of the county's AAA bond rating.

Addressing the impact of sluggish revenue growth. In the last ten years county revenue has grown 16 percent. During the same period the number of EMS responses has increased 39 percent, the number of fire department medical responses has increased 116 percent, the number of citizens eligible for developmental disability services has increased 30 percent, the number of miles of road improvement projects has increased 81 percent, and the number of people using Sedgwick County Park has increased 29 percent. The reality of service growth substantially exceeding revenue growth has been achieved by increased efficiency: the number of county employees at the end of 2015 was 7 percent lower than ten years earlier. If revenue growth continues at a 1.6 percent annual rate it may be necessary to constrain further service growth.

Providing services mandated by the state government despite state actions to limit county funding. About \$156 million, nearly half of the county's total yearly expenditure pays for services mandated by the state, such as law enforcement, the jail, and mental health programs. State funding provided to pay for these mandated programs has been reduced 13 percent since 2009; now the state provides only \$24 million of the funding needed to pay for the programs it mandates. Additionally, the state legislature is considering a variety of proposals to restrict the county's ability to produce revenue, but constituents still expect to receive the services.

Economic Indicators

- The Wichita Metropolitan Statistical Area (MSA) unemployment rate decreased from 4.8 percent in December 2014 to 4.0 percent in December 2015.
- For 2015, the value of new residential construction permits was \$240.5 million; the value of new non-residential construction permits was \$539.8 million.
- The number of outbound airline passengers increased 3.6 percent.
- In third quarter 2015, general aviation shipments manufactured worldwide decreased 3.6 percent and total billings increased 2.0 percent.
- Education and health services employment accounted for 44,800 jobs as of third quarter 2015, about 15.4 percent of all jobs in the Wichita MSA. Jobs in this sector decreased 2.9 percent this year.
- The cost of living in Wichita is a moderate 93.1, almost 6.9 percent below the national urban area average.



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

Scroll over the "Government" tab and click "Finance." From there, click on "Reports & Documents" and choose 2015 Comprehensive Annual Financial Report.

Directory

| | |
|--|----------|
| Animal Control | 660-7070 |
| Appraiser's Office | 660-9110 |
| COMCARE | 660-7600 |
| Community Development | 660-9863 |
| Corporate Communications | 660-9370 |
| County Clerk | 660-9222 |
| County Commissioners | 660-9300 |
| County Manager | 660-9393 |
| Department of Corrections | 660-9750 |
| Department on Aging | 660-1990 |
| Developmental Disability Organization | 660-7630 |
| District Attorney | 660-3600 |
| Economic Development | 660-7591 |
| Election Commissioner | 660-7100 |
| Emergency Communications | 660-4977 |
| Emergency Management | 660-5959 |
| Emergency Medical Service | 660-7994 |
| Environmental Resources | 660-7200 |
| Finance | 660-7591 |
| Fire District 1 | 660-3473 |
| Geographic Information Services | 660-9290 |
| Health Department | 660-7300 |
| Homeless Program | 660-7615 |
| Housing Department | 660-1990 |
| Human Resources | 660-7050 |
| Information & Operations | 660-9800 |
| Lake Afton Park | 794-2774 |
| Metropolitan Area Building and Construction Department | 660-1840 |
| Public Works | 660-1777 |
| Purchasing | 660-7255 |
| Regional Forensic Science Center | 660-4800 |
| Register of Deeds | 660-9400 |
| Sedgwick County Park | 943-0192 |
| Sedgwick County Zoo | 660-9453 |
| Sheriff's Office | 660-3900 |
| Treasurer and Tag Office | 660-9110 |

Published April 2016

This publication provides the public with an easy-to-read overview of Sedgwick County's financial condition. The information contained in this report is derived from the 2015 Sedgwick County Comprehensive Annual Financial Report (CAFR). The CAFR contains more detailed information about the County's finances, was prepared in conformance with Generally Accepted Accounting Principles (GAAP), and was audited by the County's independent auditors. The schedules shown in the PAFR are different from the GAAP financial statements because accounting data has been summarized.



Elected Officials (as of January 29, 2016)

2016 Board of Sedgwick County Commissioners

Dave Unruh, 1st District

Tim Norton, 2nd District

Karl Peterjohn, 3rd District

Richard Ranzau, 4th District

Jim Howell, 5th District

Kelly Arnold
County Clerk

Tonya Buckingham
Register of Deeds

Linda Kizzire
County Treasurer

Marc Bennett
District Attorney

Jeff Easter
Sheriff

Mike Scholes
County Manager

Chris Chronis
Chief Financial Officer

Prepared by Brandi Baily



*Sedgwick County...
working for you*

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