

Comprehensive Annual Financial Report

Sedgwick County, Kansas

For the year ended December 31, 2006



*Sedgwick County...
working for you*

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
of
THE COUNTY OF
SEDGWICK, KANSAS
for the
Year Ended December 31, 2006



Prepared by:
DIVISION OF FINANCE
Chris Chronis, Chief Financial Officer
Troy Bruun, Deputy Chief Financial Officer
Anne Smarsh, Director of Accounting

COUNTY OF SEDGWICK, KANSAS BOARD OF COUNTY COMMISSIONERS

2006

Chairman
Ben Sciortino

Chairman Pro-Tem
Lucy Burtnett

Commissioner
David M. Unruh

Commissioner
Tim R. Norton

Commissioner
Thomas G. Winters

COUNTY MANAGER
William P. Buchanan

2007

Chairman
David M. Unruh

Chair Pro-Tem
Thomas G. Winters

Commissioner
Tim R. Norton

Commissioner
Kelly Parks

Commissioner
Gwen Welshimer

COUNTY MANAGER
William P. Buchanan

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, 2006

TABLE OF CONTENTS

Introductory Section

	Page
Letter of Transmittal	i-vi
Certificate of Achievement	vii
Principal Officials.....	viii
Organization Chart	ix

Financial Section

Independent Auditors' Report	A-1
Management's Discussion and Analysis	A-3

Basic Financial Statements

Government-wide Financial Statements:	
Statement of Net Assets	A-14
Statement of Activities	A-16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	A-18
Reconciliation of the Statement of Net Assets to the Balance Sheet for Governmental Funds	A-20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	A-22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	A-24
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Budgetary Basis - General Fund	A-25
Balance Sheet – Proprietary Funds	A-26
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	A-27
Statement of Cash Flows – Proprietary Funds	A-28
Statement of Fiduciary Net Assets – Agency Funds	A-29
Notes to the Financial Statements	A-31

Combining and Individual Fund Statements and Schedules

<u>Governmental Funds:</u>	
Combining Balance Sheet – Nonmajor Governmental Funds	B-1
Combining Balance Sheet – Nonmajor Special Revenue Funds	B-2
Combining Balance Sheet – Nonmajor Capital Projects Funds	B-8
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	B-11
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	B-12
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) – Nonmajor Capital Projects Funds	B-18
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis):	
Special Revenue Funds:	
Wichita State University Program Development	B-20
Comprehensive Community Care	B-21
Emergency Medical Services	B-22
Aging Services	B-23
Public Works Highways	B-24
Noxious Weeds	B-25
Solid Waste	B-26
Special Parks and Recreation	B-27

SEDGWICK COUNTY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2006

TABLE OF CONTENTS (continued)

Combining and Individual Fund Statements and Schedules (continued)

Governmental Funds (continued)

Schedules of Revenues, Expenditures and Changes in Fund Balances –

Budget and Actual (Non-GAAP Basis):

Special Revenue Funds (continued):

Emergency Telephone Services	B-28
Special Alcohol and Drug Programs	B-29
Convention Tourism Visitors Promotion	B-30
Fire District Operating	B-31

Debt Service Funds:

County Bond and Interest.....	B-32
Fire District Bond and Interest.....	B-33

Enterprise Funds:

Combining Schedule of Net Assets – Coliseum/Arena Fund	C-1
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets – Coliseum/Arena Fund	C-2

Internal Service Funds:

Combining Balance Sheet	D-2
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	D-4
Combining Statement of Cash Flows	D-6

Agency Funds:

Combining Statement of Changes in Assets and Liabilities	E-1
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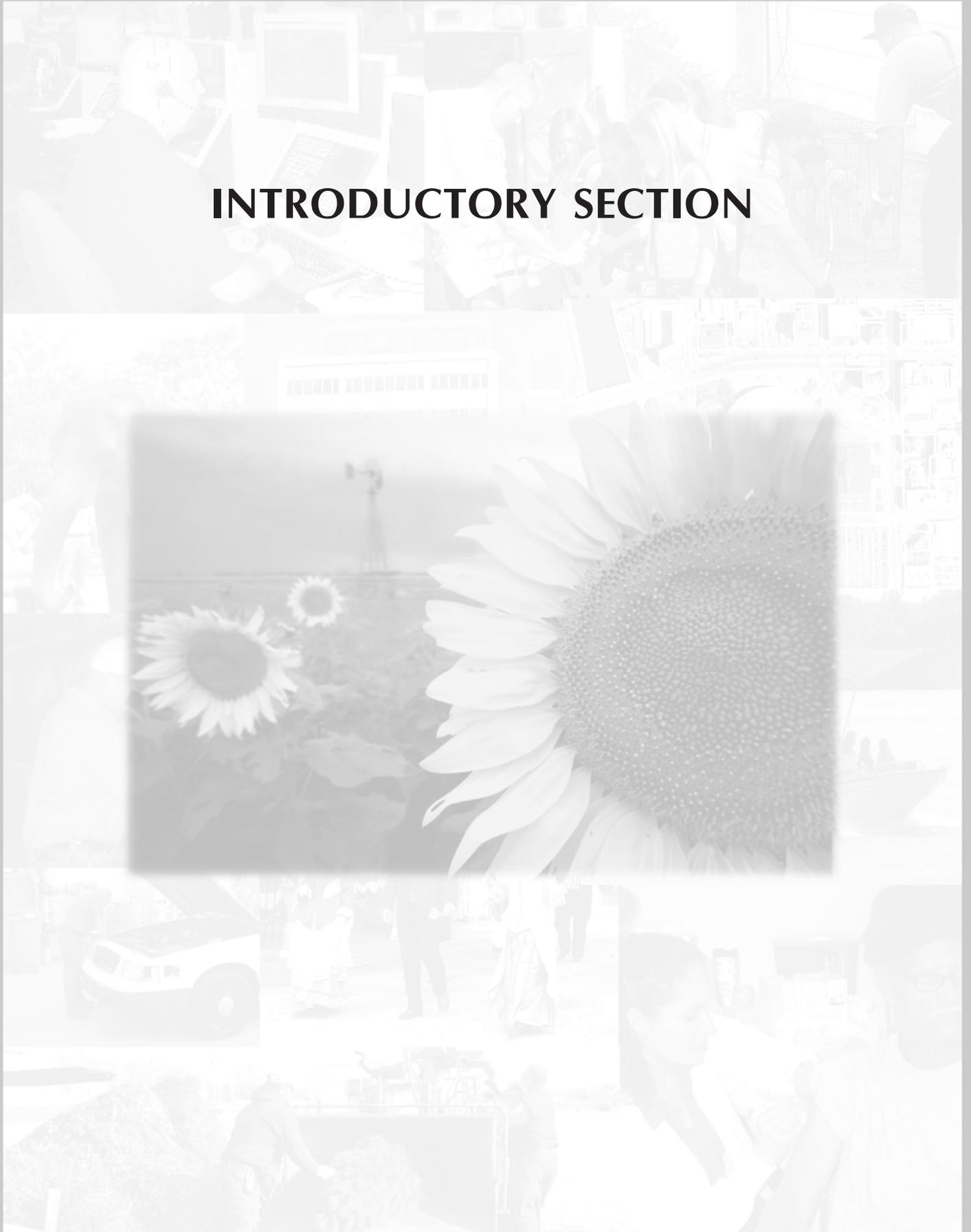
Component Unit:

Statement of Cash Flows – Sedgwick County Public Building Commission	F-1
--	-----

Statistical Section

Net Assets by Component	G-2
Changes in Net Assets.....	G-3
Fund Balances of Governmental Funds	G-5
Changes in Fund Balances of Governmental Funds	G-6
Assessed and Estimated Actual Values of Taxable Tangible Property	G-7
Direct and Overlapping Governments.....	G-8
Principal Property Taxpayers.....	G-9
General Property Tax Levies and Collections.....	G-10
Ratios of Outstanding Debt by Type	G-11
Ratios of General Bonded Debt Outstanding.....	G-12
Legal Debt Margin Information.....	G-13
Demographic and Economic Statistics.....	G-14
Principal Employers	G-15
Full-Time Equivalent County Government Employees by Function.....	G-16
Operating Indicators by Function	G-17
Capital Asset Statistics by Function.....	G-18

INTRODUCTORY SECTION





COUNTY MANAGER'S OFFICE

Sedgwick County Courthouse
525 N. Main, Suite 343
Wichita, KS 67203
Phone (316) 660-9393
Fax (316) 383-7946
wbuchana@sedgwick.gov

William P. Buchanan
County Manager

March 30, 2007

Board of County Commissioners
Sedgwick County Courthouse
525 N. Main
Wichita, KS 67203-2703

Dear Commissioners:

Once again, 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, 2006. 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 Chris Chronis, Deputy Chief Financial Officer Troy Bruun, Accounting Director Anne Smarsh and the good employees of Sedgwick County.

Sincerely,

William P. Buchanan
County Manager

"Sedgwick County...working for you"



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SEDGWICK COUNTY, KANSAS

DIVISION OF FINANCE

* 525 N. Main, Suite 823 * Wichita, KS 67203 * Telephone (316) 660-7591 * FAX (316) 383-7729 *

March 30, 2007

Board of County Commissioners
Sedgwick County Courthouse
525 N. Main
Wichita, KS 67203-2703

Honorable Chair of the Board and Commissioners:

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 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, 2006. 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 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.

Management has established an internal control structure designed to ensure that assets of the County are protected from loss, theft, or misuse and to compile adequate information to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The cost of the internal controls should not outweigh their benefits. Thus, Sedgwick County's internal controls are designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

The firm of Allen, Gibbs & Houlik L.C. 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. 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 unqualified opinions that the statements are presented in conformity with 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

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 Constitution of the State of Kansas in 1870. The County is the second most populous of the 105 counties in Kansas, with an estimated 471,739 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.

The County is governed by a five-member Board of County Commissioners. The Commissioners serve as full-time County officials and meet in regular session each Wednesday morning. 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 matters. Two Assistant County Managers and six Division Directors aid him in his duties. The County has 3,054 budgeted full-time employees.

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), construction and maintenance of roads and bridges, health services, aging assistance, parks, the Sedgwick County Zoo, the Kansas Coliseum complex, public improvements, planning and zoning, judicial support, youth facilities, and general administrative services. In addition to general government 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 15 months before the start of each fiscal year, when the Budget Department prepares a revised five-year financial plan. The financial plan serves as the foundation for planning and control, forecasting revenues and expenditures for the next five years and comparing the prior year’s projections with actual results. The Budget Department also receives input from the Technology Review Committee, which evaluates division technology enhancement plans based on established criteria. The goals of the Technology Review Committee are to provide peer review of departmental technology enhancement plans and to evaluate and coordinate technology acquisitions to provide efficient access to County information. The Budget Department also receives input from the Capital Improvement Program Committee. This committee ranks projects with significant multi-year benefits, such as buildings and infrastructure. Nine months before the start of the new fiscal year, the Budget Department prepares and distributes a base budget for all County Divisions. Division managers identify the service implications of the base budget and, if necessary, submit requests for additional funding or staff. Two months later, the Board of County Commissioners holds budget hearings to discuss service levels, resource allocations, and funding strategies for the upcoming year. The Budget Department then submits a proposed budget to the County Manager. The County Manager reviews and, as appropriate, revises the proposed budget and then, six months before the new year submits a recommended budget to the Board of County Commissioners. The Commissioners hold public hearings to receive input from citizens. The budget is adopted approximately five months before the start of the new fiscal year and is submitted to the State of Kansas 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. 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-25 as part of the basic financial statements. For governmental funds other than the General Fund with legal appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, beginning on page B-20.

ECONOMIC CONDITION AND OUTLOOK

Sedgwick County is a regional economic center with aircraft 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.

The CEDBR projects that the Wichita MSA economy will continue to modestly improve in 2007. The unemployment rate has dropped from 5.3% in the 4th quarter of 2005 to 4.3% in the 4th quarter of 2006. Employment was up 1.6% in 2006, and 2007 employment is expected to increase by 1.7%. The 2007 employment growth is projected to occur in each of the major sectors of the labor market: production jobs are projected to increase 1.6%; trade, transportation and utilities jobs are projected to increase 1.2%; service jobs are projected to increase 2.1%; and government jobs are projected to increase 1.5%. In Wichita, total personal income has increased, on average, 3.3 percent per year since 2000. The WSU Consumer Expectations Index increased 1.4 index points for the 12-month period ending December 2006 compared to the previous 12 months. Consumers' major concerns are higher interest rates, continued high oil prices and health care costs. Wichita's labor market continues to improve.

Manufacturing

In the Wichita MSA, manufacturing employment accounts for over 20% of all jobs. Projections for 2007 are for an additional 1.5 percent growth, a net gain of 900 jobs. The aviation sector continues its growth cycle. Deliveries for Boeing Commercial Airplanes were 290 in 2005 and 398 in 2006, a 37 percent increase. Boeing is projecting 440 deliveries in 2007, up an additional 11 percent from 2006.

Other highlights of the manufacturing sector are as follows:

- Optima Bus in Park City received an order for 300 buses, a deal valued at \$200 million, the largest in the company's history.
- Wichita is home to many durable goods manufacturers that supply the aviation manufacturing industry and are indirect beneficiaries of the current increase in aviation orders through increased orders for input products. In September, Diversified Services Inc., which conducts metal finishing, nondestructive testing and related services for the aviation industry, announced plans to invest \$2.1 million to open a new facility and add 68 jobs.
- On November 21, 2006, Spirit AeroSystems Inc. offered its IPO of 63.3 million shares at \$26.00.
- In December 2006, Raytheon announced the \$3.3 billion sale of Raytheon Aircraft Co. to Hawker Beechcraft Corp, a new company formed by GS Capital Partners, an affiliate of Goldman Sachs and Onex Partners, the Canadian investment group holding a majority interest in Wichita's Spirit AeroSystems Inc.

Other Sectors

Retail trade, after employment losses in 2005, gained 100 jobs in 2006. Taxable retail sales are expected to grow 4.5 percent in 2007. New developments, such as NewMarket Square and the Waterfront, continue to add tenants and move into planned expansion phases.

Additional information regarding other employment sectors is highlighted below:

- In March, a local Wichita developer announced plans for a 350-acre commercial and residential development between Wichita and Derby. The development is expected to have 600 homes, an apartment complex and 20 acres for commercial use.
- Overall, natural resources, mining and construction employment added approximately 800 jobs in 2006 and is expected to increase by an estimated 300 jobs or 1.8 percent in 2007. These industries accounted for 5.8 percent of all jobs in the Wichita MSA during 2006.
- Professional and business services experienced strong increases in employment for 2006 and further strong growth is forecast for 2007. CEDBR estimates employment growth of another 2.9 percent or 800 additional jobs in 2007.
- Education and health care services employment accounted for 41,200 jobs at the end of 2006, about 14 percent of all jobs in the Wichita MSA.
- The government sector employed 41,233 at the end of 2006. Projections for 2007 reflect moderate job increase of 600 jobs or a 1.5 percent increase.

COUNTY BUSINESS AND FINANCIAL PLAN

Financial Plan

Sedgwick County continues to demonstrate a strong financial standing. The County's mission is to provide quality public services for the citizens of Sedgwick County. We accomplish this by establishing and maintaining partnerships, encouraging innovation, ensuring informed decisions and allocating resources to meet changing needs.

The County uses a five-year financial plan to evaluate current and future fiscal conditions and to guide policy and programmatic decisions. The financial plan is a management tool that presents forecasted information based on current and projected financial conditions, identifying future revenue and expenditure trends that may have an immediate or long-term influence on County policies, strategic goals, or community services. The financial plan assists in the formation of decisions that reflect the County's objectives of fiscal discipline and the delivery of essential community services.

The financial plan shows that operating income for funds receiving statutorily authorized tax support is projected to remain strong throughout the planning horizon. Nevertheless, other funds, particularly grant funds are projected to experience operating deficits. After 2006, the operating deficits in the grant funds are projected to exceed the operating income generated in the tax-supported funds. Consequently, the financial plan anticipates that slight operating deficits could be realized for all operating funds if adjustments to grant funded operations are not implemented over the planning horizon. The projections in the financial plan reflect the trend of grant funding from the Federal and State levels that does not keep pace with inflationary growth.

Major initiatives of the County include the following:

- Sedgwick County has begun the process of designing and building a world-class entertainment venue in downtown Wichita. The Sedgwick County Arena will be located near Old Town to provide a multi-purpose, entertainment package for residents and visitors. The Sedgwick County Arena will provide for 15,000 seats and 22 suites, or up to 17,000 seats for concerts. The Arena is scheduled for completion in the fall of 2009. Costs associated with the Sedgwick County Arena will be funded without debt from the proceeds of a special 1% County sales tax, which was approved by the electors in November, 2004 and the Kansas Legislature in April, 2005. The dedicated sales tax commenced on July 1, 2005 and will terminate December 31, 2007. To date Arena sales tax revenues have exceeded the projected revenues and are expected to total more than \$201-million.
- Sedgwick County is an active partner focused on growing jobs in our community. The Sedgwick County Technical Education and Training Authority (SCTE&TA) was established in 2005 to help encourage training programs to assure a skilled workforce. Sedgwick County is providing funding for technical education and training for 2007. In conjunction with this initiative Sedgwick County has obtained a land lease at Jabara Airport, a general aviation complex located in the northeast quadrant of the county and is designing a \$40-million technical training complex that will serve the aircraft manufacturing and support businesses that are the foundation of the local economy. When completed late in 2009, the Jabara technical education complex will be capable of training 600 workers per semester in avionics and airframe and powerplant maintenance, and 600 workers per semester in advanced manufacturing processes. With public safety as one of the top priorities for our community, construction of a 108-bed, \$24-million Juvenile Detention Facility was completed in April 2006. Adjacent to this detention facility, Juvenile Court Complex improvements for the District Attorney and District Court have begun in 2007 with an estimated completion date of 2008. Additionally, construction of a \$10.4-million Public Safety Center will be complete in 2007. The new Public Safety Center will house the 9-1-1 emergency communications dispatch center and provides the opportunity to respond to an increasing call volume.
- The Criminal Justice Coordinating Council was created to explore alternatives to increases in the jail population and out-of-County placements for inmates. In 2006 select alternative jail programs have been implemented to mitigate population growth in the adult detention center. These programs include an offender assessment program designed to provide improved matching of rehabilitation programs with inmate needs in order to reduce recidivism, and a day reporting program designed to provide a non-residential sentencing alternative to incarceration.
- Fire District One began relocation projects for three Fire Stations to assure optimum response to the citizens of Sedgwick County. 2008 completion is projected for the fire district projects.

Financial Management

In addition to the five-year financial plan, the County develops a Capital Improvement Program 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 2006 budget year and projects it for 2007 through 2011, the planning years of the program. Planned capital spending for 2006 totaled almost \$28 million, including projects for road improvements, construction of a new Emergency Medical Services facility, and continued upgrades to County owned and leased buildings. The CIP is funded on a year-by-year basis from various funding sources, including annual operating revenues from property tax, sales tax, liquor tax, gasoline tax or by issuing bonds and making debt service payments over a period of years.

During 2006, 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 have a maximum maturity of four years. The weighted average maturity was 171 days and the average yield to maturity was 5.01 percent. The fair value of investments totaled \$487,288,942 at December 31, 2006.

Sedgwick County has maintained a debt management policy for several years designed to set guidelines for management and control of debt financing by the County. As the County continues to grow, many different demands are placed upon the services the County provides; therefore, it is necessary to ensure the demand for debt-financed projects does not outrun the County's legal and fiscal capability to finance projects.

Sedgwick County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. 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>.

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 ensure compliance with applicable laws and regulations related to those programs. 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, 2005. This was the 25th 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 Comprehensive Annual Financial Report. 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 2006 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 22 consecutive years (fiscal years 1985-2006).

Acknowledgements

Preparation of this report required the cooperation and dedicated efforts of many County personnel outside the Division of Finance and the independent auditors, Allen, Gibbs & Houlik L.C. 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 Troy Bruun, the Deputy CFO, and Anne Smarsh, the Director of Accounting, whose service to the County is invaluable. I express special appreciation to the Board of County Commissioners and County Manager Bill Buchanan for interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully,



Chris Chronis
Chief Financial Officer

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, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

PRINCIPAL OFFICIALS
March 2, 2007

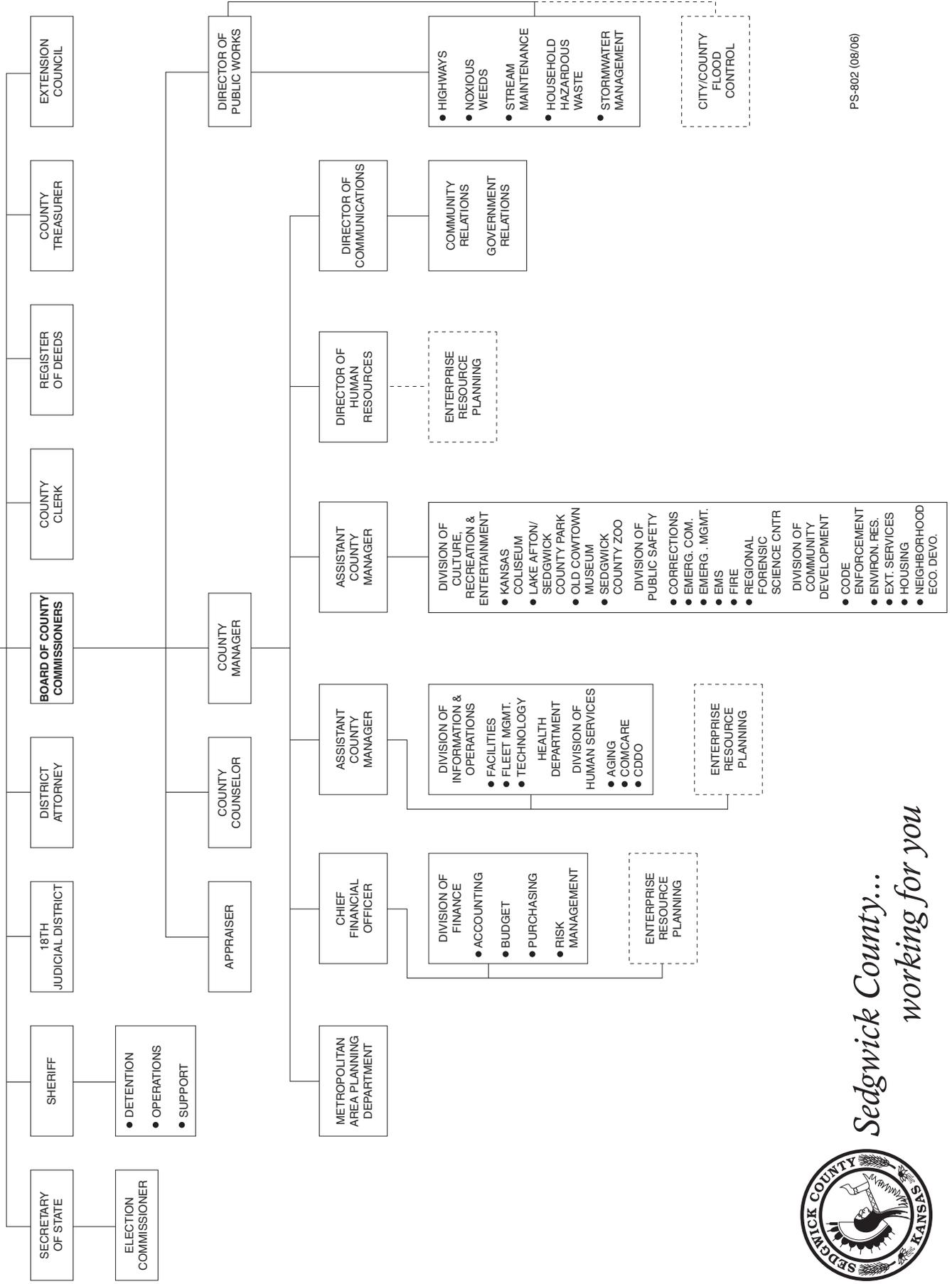
Elected Positions	Name	Date of Appointment
Commissioner, 1 st District	David M. Unruh	January 13, 2003
Commissioner, 2 nd District	Tim R. Norton	January 8, 2001
Commissioner, 3 rd District	Thomas G. Winters	January 10, 1993
Commissioner, 4 th District	Kelly Parks	January 7, 2007
Commissioner, 5 th District	Gwen Welshimer	January 7, 2007
Administrative Judge, 18 th Judicial District	Michael Corrigan	June 1, 2006
District Attorney	Nola Foulston	January 9, 1989
County Clerk	Don Brace	January 8, 2001
Register of Deeds	Bill Meek	April 20, 1998
County Sheriff	Gary Steed	January 8, 2001
County Treasurer	Ron Estes	October 11, 2005

County Manager/Divisions	Name	Date of Appointment
County Manager	William P. Buchanan	March 18, 1991
Assistant County Manager	Charlene Stevens	August 14, 2006
Assistant County Manager	Ron Holt	February 20, 2005
Chief Financial Officer	Chris Chronis	January 4, 1999
Director, Division of Human Resources	M. Jo Templin	July 13, 2003
Director, Division of Communications	Kristi Zukovich	January 1, 2001
Director, Metropolitan Area Planning Department	John L. Schlegel	June 30, 2003
Director, Public Works / County Engineer	David Spears	July 1, 1985
County Counselor	Richard A. Euson	March 5, 1997
County Appraiser	Mike Borchard	December 15, 2004

ORGANIZATIONAL CHART

VOTERS

SEDGWICK COUNTY, KS



PS-802 (08/06)



*Sedgwick County...
working for you*



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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT



Allen, Gibbs & Houlik, L.C.
CPAs & Advisors

Board of County Commissioners
Sedgwick County, Kansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Sedgwick County, Kansas (County) as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2007, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section 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 nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

March 30, 2007
Wichita, Kansas

Management's Discussion and Analysis

The following discussion and analysis provides an overview of Sedgwick County's financial activities for the fiscal year ended December 31, 2006 and should be considered in conjunction with the letter of transmittal that precedes this narrative, the financial statements, as well as the notes to the financial statements.

Financial Highlights

- The assets of Sedgwick County exceeded liabilities at the close of fiscal year 2006 by \$466,770,980 which represents net assets. Of this amount, \$49,267,016 is reported as unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets of business-type activities increased by \$82,051,759 due to sales tax receipts held for construction of the new downtown arena.
- A prior period adjustment of \$34,118,645, to record capital assets owned by other local governments, caused total net assets of governmental activities to decrease by \$24,785,687.
- Combining business-type and governmental activities, the overall financial health of Sedgwick County improved during 2006; results show a \$57,266,072 increase in net assets.
- Total expenses grew by \$31,978,736. Public safety expenses increased by \$21,528,377, primarily due to additional costs for the new Juvenile Detention Facility and implementation of alternative jail programs. Additionally, judicial services were classified in public safety rather than general government for the first time in 2006.
- General revenues increased \$33,215,192 mainly due to 12 months of arena sales tax collections totaling \$80,818,989, which represents an increase of \$41,800,483.

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, which were first presented in the 2002 Comprehensive Annual Financial Report, 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 the government-wide financial statements. The financial statements presented for governmental funds report on the County's general government services and proprietary funds report on the activities that the County operates like private-sector businesses.

The basic financial section also includes notes that more fully explain 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 to A-56 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 expenditures 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 assets* presents information on all of Sedgwick County's assets and liabilities, with the difference reported as *net assets*, which is one method to measure the County's financial condition. An increase or decrease in the County's net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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) 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 economic development. The County has a single business-type activity, the Coliseum/Arena Fund.

The government-wide financial statements include not only Sedgwick County (known as the primary government), but also a legally separate entity, the Sedgwick County Public Building Commission, for which the County is financially accountable. Financial information for this component unit is reported separately from the financial information for the primary government itself.

The government-wide financial statements can be found on pages A-14 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. Under the current reporting model, 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-five 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, Debt Service Fund, and Debt Proceeds Fund, all of which are reported as major funds or are of particular interest. Information on the remaining non-major 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-25 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 Coliseum/Arena complex. Additional information regarding the Kansas Coliseum and Downtown Arena subfunds is provided in the form of a 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's fiduciary funds are both classified as agency funds. These two funds account for tax collection and distribution, and for other clearing and fee collections. Individual fund detail is included in the form of *combining statements* in the Agency Funds subsection.

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 Information

Other information includes combining financial statements for nonmajor governmental, enterprise, internal service, and fiduciary funds, as well as the County's discretely presented component unit. Combining and individual fund statements and schedules can be found on pages B-1 through F-1 of this report.

Government-wide Financial Analysis

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets of the primary government exceeded liabilities by \$466.8 million at the end of 2006.

Sedgwick County, Kansas
Net Assets
As of December 31, 2006
With Comparatives as of December 31, 2005
(millions of dollars)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Assets:						
Current and other assets	\$291.6	\$287.0	\$ 114.4	\$ 37.3	\$406.0	\$324.3
Capital assets	332.4	355.7	14.8	9.2	347.2	364.9
Total assets	<u>624.0</u>	<u>642.7</u>	<u>129.2</u>	<u>46.5</u>	<u>753.2</u>	<u>689.2</u>
Liabilities:						
Long-term liabilities	148.4	155.1	-	-	143.8	155.1
Other liabilities	137.1	124.3	0.9	0.3	142.6	124.6
Total liabilities	<u>285.5</u>	<u>279.4</u>	<u>0.9</u>	<u>0.3</u>	<u>286.4</u>	<u>279.7</u>
Net assets:						
Invested in capital assets, net of related debt	192.1	208.0	14.8	9.2	206.9	217.2
Restricted	97.3	106.5	113.4	36.8	210.7	143.3
Unrestricted	49.1	48.8	0.1	0.2	49.2	49.0
Total net assets	<u>\$338.5</u>	<u>\$363.3</u>	<u>\$ 128.3</u>	<u>\$ 46.2</u>	<u>\$466.8</u>	<u>\$409.5</u>

The largest portion of the County's net assets (45.1 percent) is restricted. Restricted net assets are resources that are subject to external restrictions on how they may be used. Investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), less any related outstanding debt used to acquire those assets represent 44.3% of the County's net 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. The remaining balance of *unrestricted net assets*, \$49.2 million, may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Assets

The County's net assets for governmental activities decreased \$24.8 million (6.8 percent). Capital asset increases consist primarily of assets under construction for various capital projects. The County recorded a \$34.1 million prior period adjustment for assets owned by other governments. Net assets of the County's business-type activity increased \$82.1 million during 2006, due to unspent sales tax collections for the new downtown arena. Changes in net assets were as follows:

Sedgwick County, Kansas
Change in Net Assets
Fiscal Year Ended December 31, 2006
With Comparatives for the Year Ended December 31, 2005
(millions of dollars)

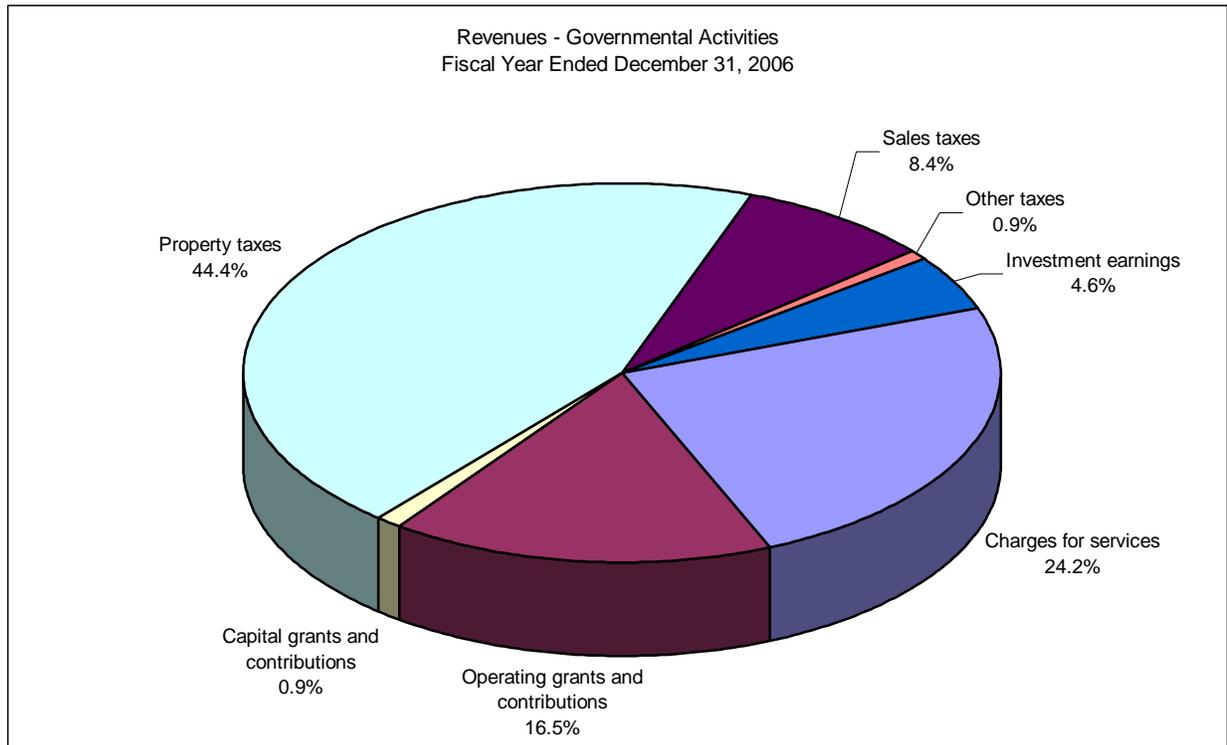
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenues:						
Charges for services	\$ 70.2	\$ 66.7	\$ 1.9	\$ 2.2	\$ 72.1	\$ 68.9
Operating grants and contributions	47.8	47.5	-	-	47.8	47.5
Capital grants and contributions	2.8	2.8	-	-	2.8	2.8
General revenues:						
Property taxes	128.9	123.6	-	-	128.9	123.6
Sales taxes	24.4	22.9	82.4	39.0	106.8	61.9
Other taxes	2.7	2.7	-	-	2.7	2.7
Investment earnings	13.3	8.2	-	-	13.3	8.2
Total revenues	<u>290.1</u>	<u>274.4</u>	<u>84.3</u>	<u>41.2</u>	<u>374.4</u>	<u>315.6</u>
Expenses						
General government	44.3	49.9	-	-	44.3	49.9
Public safety	116.4	94.9	-	-	116.4	94.9
Public works	24.9	15.5	-	-	24.9	15.5
Health and welfare	65.5	61.8	-	-	65.5	61.8
Culture and recreation	8.8	7.9	-	-	8.8	7.9
Economic development	14.3	12.2	-	-	14.3	12.2
Interest on long-term debt	5.9	5.9	-	-	5.9	5.9
Coliseum/Arena	-	-	2.9	3.0	2.9	3.0
Total expenses	<u>280.1</u>	<u>248.1</u>	<u>2.9</u>	<u>3.0</u>	<u>283.0</u>	<u>251.1</u>
Increase (decrease) in net assets before transfers	10.0	26.3	81.4	38.2	91.4	64.5
Transfers	<u>(0.7)</u>	<u>0.8</u>	<u>0.7</u>	<u>(0.8)</u>	<u>-</u>	<u>-</u>
Increase in net assets	9.3	27.1	82.1	37.4	91.4	64.5
Prior period adjustment	(34.1)	-	-	-	(34.1)	-
Net assets, beginning	<u>363.2</u>	<u>336.1</u>	<u>46.3</u>	<u>8.9</u>	<u>409.5</u>	<u>345.0</u>
Net assets, ending	<u>\$338.4</u>	<u>\$363.2</u>	<u>\$128.4</u>	<u>\$46.3</u>	<u>\$466.8</u>	<u>\$409.5</u>

Property tax revenue increased \$5.3 million over 2005, due to a 4.9% increase in assessed valuation. Investment earnings increased 63.8% from the previous year to \$13.3 million.

Expenses of governmental activities increased 12.9% or \$32.0 million. District Attorney and District Court increased \$0.9 million to \$9.4 million in 2006. These expenses were recorded in general government in 2005, but changed to public safety for 2006. Public safety expenditures alone increased by \$21.5 million, primarily due to additional costs for the new Juvenile Detention Facility and implementation of alternative jail programs.

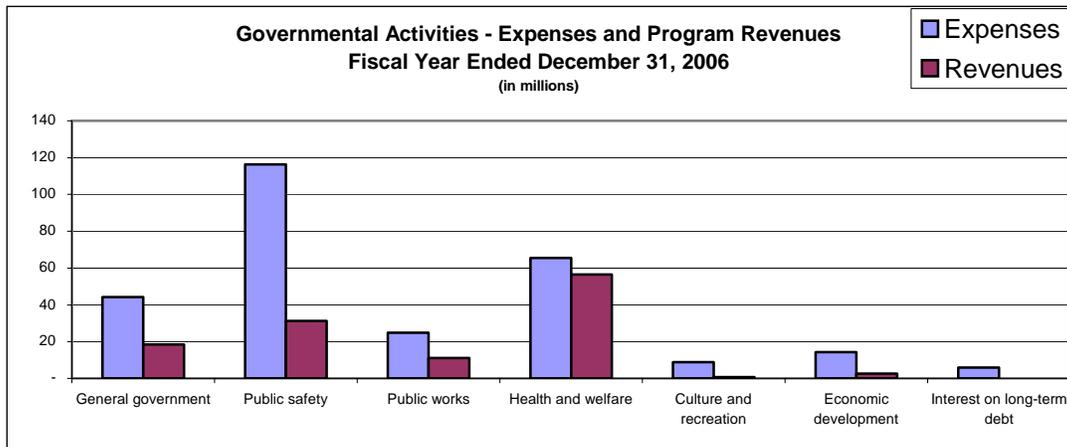
Governmental Activities

The following chart portrays governmental activities revenues by source.



As reflected in the chart above, property taxes provide 44.4 % of the County's revenue for governmental activities and totaled \$128.9 million at the end of the year. Charges for services and operating grants and contributions totaled \$118.0 million, making up the other major revenue streams for governmental activities.

The chart below reflects expenses and program revenues for governmental activities as of December 31, 2006. Public safety and health and welfare expenses rank higher than other functions of governmental activities, accounting for 65 percent of total expenses for governmental activities.



Business-type Activity

Sedgwick County has one business-type activity, the Coliseum/Arena fund. Net assets for fiscal year 2006 increased by \$82.1 million. The increase is fully attributed to the collection of a special sales tax for the construction of a new downtown arena.

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. Unreserved fund balance may serve as a useful measure of the County's net resources available for future spending at the end of the fiscal year.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$115.7 million, a decrease of \$9.6 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	\$ 38,068,363	\$ 42,480,017	\$ 4,411,654
Federal/State Assistance	17,017,367	16,943,618	(73,749)
Debt Service	1,124,572	2,583,216	1,458,644
Debt Proceeds	19,651,350	13,031,065	(6,620,285)
Other Governmental	49,446,773	40,655,188	(8,791,585)
Total Governmental Funds	\$ 125,308,425	\$ 115,693,104	\$(9,615,321)

The General Fund is the chief operating fund of Sedgwick County. The ending fund balance in the General Fund increased \$4.4 million, compared to an increase of just under \$5.0 million a year ago. General Fund revenues jumped \$8.8 million, driven by a \$5.0 million increase in investment income and a \$1.0 million increase in property tax and \$1.6 million more in sales tax receipts. Expenditures rose by \$12.0 million. Public safety increased by \$16.2 million, but \$9.4 million of the increase was a reclassification of judicial services from general government to public safety. At the end of 2006, unreserved fund balance was \$40.8 million and total fund balance was \$42.5 million. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 31.8% of total General Fund expenditures, while total fund balance represents 33.0%.

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 \$16.9 million which is down less than \$0.1 million as compared to 2005. Of the \$16.9 million fund balance, 86.6% is unreserved. For 2006, revenues increased by \$2.0 million and expenditures increased by \$5.7 million as compared to 2005.

The Debt Service fund has a total fund balance of \$2.6 million, all of which is reserved for the payment of debt service. The ending fund balance increased \$1.5 million during 2006.

The Debt Proceeds fund is a capital projects fund that receives proceeds from general obligation bond issues and other long-term financing sources. The fund received \$5.1 million in general obligation bond proceeds and transferred \$12.5 million out to other capital project funds in 2006. Transfers out to other capital projects funds included \$4.8 million for the 911 Emergency Operations Center, \$1.6 million in matching funds for widening Rock Road at 63rd Street South, \$3.0 million for continued construction on the new Juvenile Residential Facility, and \$0.7 million for various courthouse projects. The Debt Proceeds fund also earned \$0.9 million from investments during 2006.

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.

Unrestricted net assets of the Arena/Coliseum Fund at the end of the fiscal year amounted to \$134,256. The majority of the Arena/Coliseum Fund net assets are restricted for the construction of the new downtown arena. The restricted net assets are \$113.4 million and net assets invested in capital assets totals \$14.8 million.

General Fund Budgetary Highlights

The County did not amend the budget during fiscal year 2006, although budgeted expenditures were shifted between line items in the General Fund.

Actual revenue was \$6.9 million above both the original and final budgets. Investment income was \$4.5 million over the budgeted amount and intergovernmental revenue was \$1.1 million over budget.

Expenditures for personnel services were less than the original and final budgets by \$6.7 million and \$2.7 million, respectively. Contractual services ended the year \$7.6 million lower than the final budget. Transfers to other funds was \$1.7 million greater than the original budget, but was \$0.1 million less than the final budget. Overall budgetary fund balance in the General Fund increased \$2.1 million in 2006.

Capital Asset and Debt Administration

Sedgwick County's investment in capital assets for its governmental and business-type activities as of December 31, 2006, totaled \$347,227,624 (net of accumulated depreciation). This investment in capital assets includes land, buildings, roads, bridges, improvements, machinery and equipment, and park facilities.

Major capital asset events during the 2006 fiscal year included the following:

- Over \$46.9 million is recorded as construction in progress. The main projects are the Juvenile Justice Complex, Emergency Operations Center and the new downtown arena.
- Sedgwick County recorded a prior period adjustment to reduce capital assets by \$34,118,645 for infrastructure owned by other government entities. These assets consist of roads, bridges and right of way.

Capital Assets December 31, 2006 (net of depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	\$ 11,989,952	\$ 1,514,844	\$ 13,504,796
Buildings and improvements	126,447,190	5,133,041	131,580,231
Improvements other than buildings	12,998,162	-	12,998,162
Machinery and equipment	17,203,110	119,021	17,322,131
Infrastructure	124,905,419	-	124,905,419
Construction in progress	38,916,573	8,000,312	46,916,885
Total	\$ 332,460,406	\$ 14,767,218	\$347,227,624

Additional information regarding capital assets can be found in note III. B, beginning on page A-45.

Long-term Debt

At the end of 2006, Sedgwick County had total general obligation bonds outstanding of \$101,775,000. This amount includes \$15,965,000 of special assessment bonds. The County's long-term obligations also include direct financing leases with the Sedgwick County Public Building Commission, a discretely presented component unit of the County, totaling \$34,530,000 and a loan from the Kansas Department of Transportation with a 2006 ending balance of \$3,200,353. 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.

During the current fiscal year, Sedgwick County issued \$5,065,000 in general obligation bonds to finance road and special assessment projects.

Outstanding general obligation bonds of the County are rated "AAA" by Fitch Ratings ("Fitch"), "Aa1" by Moody's Investors Service ("Moody's"), and "AA+" by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. ("S&P").

State statutes limit the amount of general obligation debt county governments may issue to three percent of its total valuation. After subtracting deductions allowed by the statutes, Sedgwick County's legal debt margin is \$81,216,000.

Additional information about the County's long-term debt can be found in Note III. C, beginning on page A-46 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate in the Wichita MSA stood at 4.3% at the end of 2006, an improvement from 5.3% at the end of 2005.
- Sales tax collections are forecast to increase by 5% in 2007.
- The 2006 County mill levy funds the 2007 budget. The 2006 mill levy rate increased 2.552 mills to 31.315.

The Sedgwick County Public Building Commission issued \$15,445,000 in bonds dated January 1, 2007 for the second phase of the new Juvenile Justice Complex. These bonds will finance the completion of the juvenile detention facility and fund the construction of a new juvenile court building and remodel of the existing court building for district attorney offices.

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 Assets

December 31, 2006

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash, including investments	\$ 121,524,411	\$ 983,632	\$ 122,508,043
Receivables, net	160,449,475	5,093	160,454,568
Due from other agencies	7,645,952	-	7,645,952
Inventories, at cost	1,885,722	-	1,885,722
Restricted assets:			
Cash, including investments	-	98,140,670	98,140,670
Sales tax receivable	-	15,307,003	15,307,003
Net investment in direct financing lease	-	-	-
Costs of issuance	-	-	-
Bond discount	-	-	-
Capital assets:			
Land and construction in progress	50,906,525	9,515,156	60,421,681
Other capital assets, net of depreciation	281,553,881	5,252,062	286,805,943
Total assets	623,965,966	129,203,616	753,169,582
Liabilities			
Accounts payable and other current liabilities	2,712,197	53,204	2,765,401
Accrued interest payable	2,323,755	-	2,323,755
Unearned revenue	132,093,101	846,493	132,939,594
Noncurrent liabilities:			
Due within one year	19,159,300	-	19,159,300
Due in more than one year	129,210,552	-	129,210,552
Less: deferred refunding	-	-	-
Bond premium	-	-	-
Total liabilities	285,498,905	899,697	286,398,602
Net Assets			
Invested in capital assets, net of related debt	192,131,802	-	192,131,802
Invested in capital assets	-	14,767,218	14,767,218
Restricted for:			
Capital improvements	22,472,185	113,402,445	135,874,630
Debt service	24,310,859	-	24,310,859
Federal/State Assistance	21,688,393	-	21,688,393
Equipment and technology improvements	14,367,329	-	14,367,329
Fire protection	5,001,608	-	5,001,608
Court operations	2,060,255	-	2,060,255
Other purposes	7,301,870	-	7,301,870
Unrestricted	49,132,760	134,256	49,267,016
Total net assets	\$ 338,467,061	\$ 128,303,919	\$ 466,770,980

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

Component Unit
<u>SCPBC</u>
\$ -
-
-
-
-
-
34,045,473
389,057
61,990
-
-
34,496,520
-
551,248
-
1,630,000
32,900,000
(640,208)
55,480
34,496,520
-
-
-
-
-
-
-
-
-
\$ -

SEDGWICK COUNTY, KANSAS

Statement of Activities

For the Year Ended December 31, 2006

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 44,304,048	\$ 18,457,307	\$ 91,132	\$ -
Public safety	116,403,399	18,755,303	12,526,097	-
Public works	24,948,572	1,232,909	7,142,161	2,734,262
Health and welfare	65,515,975	31,042,066	25,409,052	-
Culture and recreation	8,778,118	633,362	-	-
Economic development	14,302,864	76,210	2,595,006	-
Interest on long-term debt	5,868,171	-	-	-
Total governmental activities	280,121,147	70,197,157	47,763,448	2,734,262
Business-type activities:				
Coliseum/Arena	2,936,214	1,933,702	-	-
Total business-type activities	2,936,214	1,933,702	-	-
Total primary government	\$ 283,057,361	\$ 72,130,859	\$ 47,763,448	\$ 2,734,262
Component unit:				
SCPBC	\$ -	\$ -	\$ -	\$ -
Total component unit	\$ -	\$ -	\$ -	\$ -

General revenues:

- Property taxes
- Sales taxes
- Other taxes
- Investment earnings
- Transfers

Total general revenue and transfers

Change in net assets

- Net assets, beginning of year
- Prior period adjustment

Net assets, end of year

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

Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Primary Government		Component Unit SCPBC
	Business-Type Activities	Total	
\$ (25,755,609)	\$ -	\$ (25,755,609)	\$ -
(85,121,999)	-	(85,121,999)	-
(13,839,240)	-	(13,839,240)	-
(9,064,857)	-	(9,064,857)	-
(8,144,756)	-	(8,144,756)	-
(11,631,648)	-	(11,631,648)	-
(5,868,171)	-	(5,868,171)	-
<u>(159,426,280)</u>	<u>-</u>	<u>(159,426,280)</u>	<u>-</u>
-	(1,002,512)	(1,002,512)	-
-	(1,002,512)	(1,002,512)	-
<u>(159,426,280)</u>	<u>(1,002,512)</u>	<u>(160,428,792)</u>	<u>-</u>
-	-	-	-
-	-	-	-
128,920,197	-	128,920,197	-
24,438,223	82,384,251	106,822,474	-
2,734,609	-	2,734,609	-
13,336,229	-	13,336,229	-
(670,020)	670,020	-	-
<u>168,759,238</u>	<u>83,054,271</u>	<u>251,813,509</u>	<u>-</u>
9,332,958	82,051,759	91,384,717	-
363,252,748	46,252,160	409,504,908	-
(34,118,645)	-	(34,118,645)	-
<u>\$ 338,467,061</u>	<u>\$ 128,303,919</u>	<u>\$ 466,770,980</u>	<u>\$ -</u>

SEDGWICK COUNTY, KANSAS

Balance Sheet Governmental Funds December 31, 2006

	General Fund	Federal/State Assistance Fund	Debt Service Fund
Assets			
Cash, including investments	\$ 35,346,944	\$ 15,865,471	\$ 2,603,379
Advance receivable	925,190	-	-
Due from other funds	-	-	-
Due from other agencies	1,630,771	2,357,120	-
Accounts receivable	107,322	581,852	-
Property tax receivable	87,579,955	-	8,378,264
Sales tax receivable	4,605,232	-	-
Special assessments receivable:			
Deferred	-	-	23,072,513
Delinquent (including interest)	-	-	953,159
Inventories, at cost	-	80,798	-
Interest receivable	2,370,947	-	-
Total assets	\$ 132,566,361	\$ 18,885,241	\$ 35,007,315
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 912,291	\$ 908,560	\$ -
Due to other funds	-	-	-
Due to other agencies	257	-	-
Advance payable	-	-	-
Deferred revenue	89,173,796	1,033,063	32,403,936
Matured bonds and coupons payable	-	-	20,163
Total liabilities	90,086,344	1,941,623	32,424,099
Fund balances:			
Reserved for:			
Encumbrances	717,857	2,194,520	-
Inventories	-	80,798	-
Debt service	-	-	2,583,216
Advance receivable	925,190	-	-
Unreserved:			
Designated for:			
Subsequent year's budget	16,700,754	-	-
Capital improvements	-	-	-
Division of highways	2,302,616	-	-
Reported in Special Revenue Funds:			
Subsequent year's budget	-	-	-
Undesignated	21,833,600	14,668,300	-
Undesignated, reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Total fund balances	42,480,017	16,943,618	2,583,216
Total liabilities and fund balances	\$ 132,566,361	\$ 18,885,241	\$ 35,007,315

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

Debt Proceeds Fund	Other Governmental Funds	Total Governmental Funds
\$ 6,294,976	\$ 47,590,000	\$ 107,700,770
-	-	925,190
6,736,089	-	6,736,089
-	3,667,727	7,655,618
-	2,491,723	3,180,897
-	30,308,508	126,266,727
-	-	4,605,232
-	-	23,072,513
-	-	953,159
-	1,389,622	1,470,420
-	-	2,370,947
<u>\$ 13,031,065</u>	<u>\$ 85,447,580</u>	<u>\$ 284,937,562</u>
\$ -	\$ 639,941	\$ 2,460,792
-	6,736,089	6,736,089
-	-	257
-	925,190	925,190
-	36,491,172	159,101,967
-	-	20,163
<u>-</u>	<u>44,792,392</u>	<u>169,244,458</u>
-	16,183,513	19,095,890
-	1,389,622	1,470,420
-	25,726	2,608,942
-	-	925,190
-	-	16,700,754
13,031,065	-	13,031,065
-	-	2,302,616
-	8,059,378	8,059,378
-	-	36,501,900
-	16,228,454	16,228,454
-	(1,231,505)	(1,231,505)
<u>13,031,065</u>	<u>40,655,188</u>	<u>115,693,104</u>
<u>\$ 13,031,065</u>	<u>\$ 85,447,580</u>	<u>\$ 284,937,562</u>

SEDGWICK COUNTY, KANSAS

Reconciliation of the Statement of Net Assets to the Balance Sheet for Governmental Funds

December 31, 2006

Total fund balances of governmental funds \$ 115,693,104

Amounts reported for governmental activities in the statement of net assets 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 \$467,683,519 and the accumulated depreciation is \$153,353,265. 314,330,254

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 assets. 30,147,196

Special assessments and certain accounts receivable resulting from charges for services are not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, they are recognized as revenue in the entity-wide statements as soon as the related improvement has been completed or the related service has been provided. 27,008,866

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 assets. Long-term liabilities at year-end consist of:

Bonds payable	\$ (101,775,000)	
Direct financing lease payable	(34,530,000)	
Revolving loan payable	(3,200,353)	
Capital lease payable	(823,251)	
Compensated absences	(6,060,000)	
Accrued interest payable	(2,323,755)	
	(148,712,359)	(148,712,359)

Net assets of governmental activities \$ 338,467,061

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, 2006

	General Fund	Federal/State Assistance Fund	Debt Service Fund
Revenues			
Property taxes	\$ 85,363,527	\$ -	\$ 8,879,799
Emergency telephone services taxes	-	-	-
Sales taxes	24,495,067	-	-
Special assessments	-	-	3,696,058
Other taxes	209,433	27,180	-
Intergovernmental	2,974,162	34,866,879	-
Charges for services	18,123,295	31,101,082	80,500
Uses of money and property	11,792,390	89,647	60,109
Fines and forfeits	96,636	198,987	-
Licenses and permits	532,887	8,925	-
Reimbursed expenditures	4,187,348	3,448,417	-
Other	411,744	303,178	2,253
Total revenues	<u>148,186,489</u>	<u>70,044,295</u>	<u>12,718,719</u>
Expenditures			
Current:			
General government	29,376,533	3,293,943	-
Public safety	73,629,540	11,796,060	-
Public works	1,460,226	2,217	-
Health and welfare	7,814,171	53,827,607	-
Cultural and recreation	7,147,497	-	-
Economic development	6,465,414	1,673,838	-
Debt service:			
Principal	1,385,000	-	10,723,542
Interest and fiscal charges	1,257,907	1,921	4,685,788
Debt issuance costs	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>128,536,288</u>	<u>70,595,586</u>	<u>15,409,330</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,650,201</u>	<u>(551,291)</u>	<u>(2,690,611)</u>
Other financing sources (uses)			
Transfers from other funds	843,466	605,104	4,149,255
Transfers to other funds	(16,082,013)	(127,562)	-
Issuance of general obligation bonds	-	-	-
Total other financing sources (uses)	<u>(15,238,547)</u>	<u>477,542</u>	<u>4,149,255</u>
Net change in fund balance	4,411,654	(73,749)	1,458,644
Fund balances, beginning of year	<u>38,068,363</u>	<u>17,017,367</u>	<u>1,124,572</u>
Fund balances, end of year	<u>\$ 42,480,017</u>	<u>\$ 16,943,618</u>	<u>\$ 2,583,216</u>

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

Debt Proceeds Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 34,676,871	\$ 128,920,197
-	2,344,925	2,344,925
-	-	24,495,067
-	15,404	3,711,462
-	94,634	331,247
-	9,922,318	47,763,359
-	14,643,616	63,948,493
904,846	489,237	13,336,229
-	-	295,623
-	95,467	637,279
-	40,687	7,676,452
-	421,572	1,138,747
<u>904,846</u>	<u>62,744,731</u>	<u>294,599,080</u>
46,427	5,168,533	37,885,436
-	29,818,699	115,244,299
-	11,189,855	12,652,298
-	5,352,376	66,994,154
-	28,803	7,176,300
-	6,197,676	14,336,928
-	335,887	12,444,429
-	132,130	6,077,746
-	-	-
-	34,492,542	34,492,542
<u>46,427</u>	<u>92,716,501</u>	<u>307,304,132</u>
<u>858,419</u>	<u>(29,971,770)</u>	<u>(12,705,052)</u>
-	25,406,929	31,004,754
(12,543,704)	(4,226,744)	(32,980,023)
<u>5,065,000</u>	<u>-</u>	<u>5,065,000</u>
<u>(7,478,704)</u>	<u>21,180,185</u>	<u>3,089,731</u>
(6,620,285)	(8,791,585)	(9,615,321)
<u>19,651,350</u>	<u>49,446,773</u>	<u>125,308,425</u>
<u>\$ 13,031,065</u>	<u>\$ 40,655,188</u>	<u>\$ 115,693,104</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, 2006

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

Net change in fund balances - total governmental funds		\$ (9,615,321)
<p>Governmental funds report capital asset acquisitions as expenditures. However, in the statement of activities the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized assets exceeded depreciation in the current period.</p>		
Capitalized assets	\$ 27,655,828	
Depreciation expense	<u>(12,483,865)</u>	15,171,963
Revenues reported in the funds that do not provide current financial resources are reported as revenues in the statement of activities.		(1,258,699)
The net effect of various transactions involving capital assets (i.e., annexations, sales, and trade-ins) is to decrease net assets.		(3,171,054)
<p>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 assets.</p>		
Bonds payable	\$ 10,600,000	
Direct financing lease payable	1,590,000	
Revolving loan payable	123,542	
Capital lease payable	<u>130,885</u>	12,444,427
Bond and revolving loan proceeds provide current financial resources to government funds, but represent an increase in long-term liabilities in the statement of net assets.		(5,065,000)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are not reported until due.		209,577
In the statement of activities, compensated absences are measured by the amounts earned during the year, instead of by the amount paid.		(390,000)
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.		<u>1,007,065</u>
Change in net assets of governmental activities		<u>\$ 9,332,958</u>

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

SEDGWICK COUNTY, KANSAS

Statement of Revenues, Expenditures and Changes in Fund Balances Budget to Actual - Budgetary Basis General Fund

For the Year Ended December 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 85,886,433	\$ 85,886,433	\$ 85,363,527	\$ (522,906)
Sales taxes	23,513,175	23,513,175	24,080,366	567,191
Other taxes	212,691	212,691	209,433	(3,258)
Intergovernmental	1,827,306	1,827,306	2,966,129	1,138,823
Charges for services	17,565,623	17,565,623	18,123,499	557,876
Uses of money and property	5,746,160	5,746,160	10,251,699	4,505,539
Fines and forfeits	78,452	78,452	96,636	18,184
Licenses and permits	470,034	470,034	532,887	62,853
Reimbursed expenditures	3,393,614	3,393,614	4,187,348	793,734
Other	660,017	660,017	411,744	(248,273)
Total revenues	<u>139,353,505</u>	<u>139,353,505</u>	<u>146,223,268</u>	<u>6,869,763</u>
Expenditures				
Current:				
Personnel services	90,857,070	86,676,997	83,991,701	2,685,296
Contractual services	41,065,200	44,328,627	36,695,029	7,633,598
Commodities	4,939,963	5,591,675	5,125,363	466,312
Capital outlay	2,094,350	559,394	409,387	150,007
Debt service:				
Principal	1,385,266	1,385,266	1,385,000	
Interest	1,257,907	1,257,907	1,257,907	
Total debt service	2,643,173	2,643,173	2,642,907	266
Total expenditures	<u>141,599,756</u>	<u>139,799,866</u>	<u>128,864,387</u>	<u>10,935,479</u>
Revenues over expenditures	<u>(2,246,251)</u>	<u>(446,361)</u>	<u>17,358,881</u>	<u>17,805,242</u>
Other financing sources (uses)				
Transfers from other funds	452,836	452,836	843,466	390,630
Transfers to other funds	(14,384,689)	(16,184,579)	(16,082,013)	102,566
Total other financing sources (uses)	<u>(13,931,853)</u>	<u>(15,731,743)</u>	<u>(15,238,547)</u>	<u>493,196</u>
Net change in fund balances	(16,178,104)	(16,178,104)	2,120,334	18,298,438
Fund balances, beginning of year	<u>16,178,104</u>	<u>16,178,104</u>	<u>32,877,764</u>	<u>16,699,660</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,998,098</u>	<u>\$ 34,998,098</u>

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

SEDGWICK COUNTY, KANSAS

Balance Sheet Proprietary Funds December 31, 2006

	Business-type Activity - Enterprise Fund Coliseum/Arena Fund	Governmental Activities - Internal Service Funds
Assets		
Current assets:		
Cash, including investments	\$ 983,632	\$ 13,823,640
Accounts receivable, net	5,093	-
Inventories, at cost	-	415,302
Restricted assets:		
Cash, including investments	98,140,670	-
Sales tax receivable	15,307,003	-
Total current assets	114,436,398	14,238,942
Noncurrent assets:		
Capital assets:		
Land	1,514,844	-
Buildings and improvements	14,649,502	8,303,571
Machinery and equipment	971,753	19,614,597
Construction in progress	8,000,312	-
Less accumulated depreciation	(10,369,193)	(9,788,016)
Total capital assets (net of accumulated depreciation)	14,767,218	18,130,152
Total assets	\$ 129,203,616	\$ 32,369,094
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 53,204	\$ 240,650
Estimated claims costs payable	-	1,834,616
Unearned revenue	846,493	-
Total current liabilities	899,697	2,075,266
Noncurrent liabilities:		
Estimated claims costs payable	-	146,632
Total liabilities	899,697	2,221,898
Net assets		
Invested in capital assets	14,767,218	18,130,152
Restricted for capital improvements	113,402,445	-
Unrestricted	134,256	12,017,044
Total net assets	128,303,919	30,147,196
Total liabilities and net assets	\$ 129,203,616	\$ 32,369,094

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

SEDGWICK COUNTY, KANSAS

Statement of Revenues, Expenses, and Changes in Fund Net Assets Proprietary Funds

For the Year Ended December 31, 2006

	Business-type Activity - Enterprise Fund Coliseum/Arena Fund	Governmental Activities - Internal Service Funds
Operating revenues:		
Charges for services	\$ 1,933,532	\$ 33,101,469
Reimbursements	-	208,385
Other revenue	170	1,777
Total operating revenues	1,933,702	33,311,631
Operating expenses:		
Salaries and benefits	1,490,145	1,621,895
Contractual services	304,744	1,164,660
Utilities	465,281	90,891
Supplies and fuel	-	2,605,674
Administrative charges	206,624	114,126
Depreciation expense	276,979	2,845,204
Claims expense	-	25,641,369
Other expense	192,441	6,432
Total operating expenses	2,936,214	34,090,251
Operating income (loss)	(1,002,512)	(778,620)
Nonoperating revenues:		
Sales taxes	82,384,251	-
Investment income	-	220,678
Proceeds from disposal of assets	-	259,758
Total nonoperating revenues	82,384,251	480,436
Income (loss) before transfers	81,381,739	(298,184)
Transfers:		
Transfers from other funds	670,020	1,374,249
Transfers to other funds	-	(69,000)
Change in net assets	82,051,759	1,007,065
Net assets, beginning of year	46,252,160	29,140,131
Net assets, end of year	\$ 128,303,919	\$ 30,147,196

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, 2006

	Business-type Activity - Enterprise Fund <u>Arena/Coliseum Fund</u>	Governmental Activities - Internal Service Funds
Cash flows from operating activities		
Receipts from customers and users	\$ 2,508,800	\$ 33,101,469
Other operating revenues	170	210,162
Payments to suppliers for goods and services	(1,128,749)	(29,727,599)
Payments to employees for services	<u>(1,490,145)</u>	<u>(1,621,895)</u>
Net cash provided by (used in) operating activities	<u>(109,924)</u>	<u>1,962,137</u>
Cash flows from noncapital financing activities		
Transfers from other funds	670,020	1,374,249
Transfers to other funds	-	(69,000)
Net cash provided by (used in) noncapital financing activities	<u>670,020</u>	<u>1,305,249</u>
Cash flows from capital and related financing activities		
Sales tax receipts	81,223,244	-
Proceeds from sale of capital assets	-	259,758
Purchases and construction of capital assets	<u>(5,881,148)</u>	<u>(1,702,696)</u>
Net cash provided by (used in) capital and related financing activities	<u>75,342,096</u>	<u>(1,442,938)</u>
Cash flows from investing activities		
Interest on investments	-	220,678
Net cash provided by investing activities	<u>-</u>	<u>220,678</u>
Net increase in cash and cash equivalents	75,902,192	2,045,126
Cash and cash equivalents, beginning of the year	<u>23,222,110</u>	<u>11,778,514</u>
Cash and cash equivalents, end of the year	<u>\$ 99,124,302</u>	<u>\$ 13,823,640</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (1,002,512)	\$ (778,620)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation expense	276,979	2,845,204
(Increase) decrease in accounts receivable	(4,093)	-
(Increase) in inventory	-	(41,735)
Increase (decrease) in accounts payable	40,341	(314,465)
Increase in estimated claims payable	-	251,753
Increase in unearned revenue	<u>579,361</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ (109,924)</u>	<u>\$ 1,962,137</u>

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

SEDGWICK COUNTY, KANSAS

Statement of Fiduciary Net Assets Agency Funds December 31, 2006

	<u>Agency Funds</u>
Assets	
Cash, including investments	\$ 278,675,867
Accounts receivable	1,051
Property tax levied	<u>226,362,489</u>
Total assets	<u>\$ 505,039,407</u>
Liabilities	
Accrued liabilities	\$ 10,519,029
Due to other governmental units	<u>494,520,378</u>
Total liabilities	<u>\$ 505,039,407</u>

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



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SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

INDEX

	PAGE
I. Summary of Significant Accounting Policies	
A. Reporting Entity.....	A-32
B. Government-Wide and Fund Financial Statements.....	A-33
C. Measurement Focus, Basis of Accounting and Financial Statement Presentation	A-33
D. Assets, Liabilities, Net Assets or Equity.....	A-35
1. Deposits and Investments.....	A-35
2. Receivables.....	A-37
3. Inventories.....	A-38
4. Capital Assets	A-38
5. Compensated Absences.....	A-38
6. Long-term Obligations.....	A-39
7. Reserves and Designations of Fund Balances.....	A-39
8. Estimates	A-40
II. Stewardship, Compliance and Accountability	
A. Budgetary Information.....	A-40
B. Budget / GAAP Reconciliation	A-41
C. Deficit Fund Equity	A-42
III. Detailed Notes on All Funds	
A. Deposits and Investments	A-42
B. Capital Assets	A-45
C. Long-term Debt	A-46
D. Interfund Transfers.....	A-53
E. Interfund Receivables and Payables	A-53
IV. Other Information	
A. Risk Management	A-54
B. Contingent Liabilities	A-55
C. Defined Benefit Pension Plans	A-55
D. Other Post Employments Benefits Other Than Pensions.....	A-56
E. Construction Commitments.....	A-56
F. Subsequent Events	A-56

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

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. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Blended Component Unit – The Sedgwick County Fire District (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 unincorporated 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 project funds within the County's financial statements.

Discretely Presented Component Unit – 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.

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.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

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 Assets 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. *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. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are 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 to be 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.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

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 agency funds. Agency funds, unlike all other types of funds, report only assets and liabilities and use the accrual basis of accounting to recognize receivables and payables.

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 *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 *Coliseum/Arena Fund* is a major fund and the only enterprise fund of the County, accounting for activities of the County-owned multi-purpose coliseum facilities and the downtown arena.

Additionally, the County reports the following fund types:

- ❑ *Special revenue funds* account for the proceeds of specific revenue sources (other than for major capital projects) that legally restrict expenditures for specified purposes.
- ❑ *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).
- ❑ *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.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

I. Summary of Significant Accounting Policies (continued)

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

- *Agency funds* are used to report resources held by the County in a custodial capacity for tax collections and related distributions to other governments, as well as amounts held as fiduciary resources for remittance to individuals, private organizations or other governments through established clearing/other fee collection accounts.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Based on accounting and reporting standards set forth in GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the County has opted to apply only the accounting and reporting pronouncements issued by the Financial Accounting Standards Board (FASB) on or before November 30, 1989 for business-type activities and enterprise funds.

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 and internal service funds are charges to customers for services. Operating expenses for the enterprise fund and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not 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, Liabilities and Net Assets or Equity

1. Deposits and Investments

The County maintains a cash and investment pool that is available for use by all funds of the primary government and the SCPBC. The pool has the general characteristics of demand deposit accounts, in that each fund may deposit additional cash at any time and also, effectively, 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 and component unit'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 all cash of the proprietary fund types and the SCPBC to be cash equivalents.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

1. Deposits and Investments (continued)

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 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;
- 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 2006, 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.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

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 non-current 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 fund balance reserve account 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 revenue in the fund financial statements. It is not practicable to apportion delinquent taxes by the County Treasurer at the end of the year, and further, the amounts thereof 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 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 revenue in the fund financial statements at December 31.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

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 fund balance reserve, 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. Capital Assets

Capital assets, including property, plant, equipment, 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 is capitalized when the initial cost exceeds \$10,000 and its useful life extends beyond a single reporting period.

Donated capital assets are recorded at estimated fair market 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, 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	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	5
Vehicles	3

5. 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.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

5. Compensated Absences (continued)

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.

6. 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 assets. In the government-wide financial statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

7. Reserves and Designations of Fund Balances

In the fund financial statements, governmental funds report the following reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose:

- Reserved for encumbrances – used to segregate a portion of fund balance legally restricted for the future payment of outstanding encumbrances.
- Reserved for inventory – used to segregate a portion of fund balance to indicate that inventories do not represent available or spendable resources.
- Reserved for debt service – used to segregate a portion of fund balance for debt service resources legally restricted to the payment of general long-term debt principal and interest amounts in future years.
- Reserved for advance receivables – used to segregate a portion of fund balance to indicate that advance receivables do not represent available or spendable resources.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

7. Reserves and Designations of Fund Balances (continued)

The following designations of fund balance are reflected in the governmental fund financial statements for amounts that represent tentative management plans that are subject to change:

- Designated for subsequent year's budget – used to segregate a portion of fund balance for current resources that were included in the subsequent year's budget to be used to finance operations of the ensuing year.
- Designated for capital improvements – used to segregate a portion of fund balance for current resources pledged for capital improvements.
- Designated for division of highways – used to segregate a portion of fund balance for accrued sales tax receivable pledged for improvements of roads, highways, and bridges.

8. Estimates

Preparation of financial statements in conformity with GAAP requires making estimates and assumptions that affect [1] the reported amounts of assets and liabilities, [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:

- The legal level of control is established at the fund level by Kansas statutes.
- County resolution lowers the legal level of control to the object class level (i.e., personal services, contractual, commodities, etc.) by allowing management to transfer amounts between object classes within a fund, if approved by the governing body.
- 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.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

II. Stewardship, Compliance and Accountability (continued)

A. Budgetary Information (continued)

There were no budget amendments during 2006.

All unencumbered appropriations (legal budget expenditure authority) lapse at year-end, except for capital project funds appropriations, which are carried forward until such time as the project is completed or terminated. Encumbered appropriations are not reappropriated in the ensuing year's budget but are carried forward until liquidated or canceled.

A legal operating budget is not required for capital projects funds, 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 and State Assistance Programs
Equipment Reserve
Fire District Special Equipment
Fire District Research and Development
Auto License
Prosecuting Attorney Training
Register of Deeds Technology
Court Alcohol/Drug Safety Action Program
District Court Trustee Operations
Township Dissolution

Non-Budgeted Internal Service Funds

Health/Dental/Life Insurance Reserve
Workers' Compensation Reserve
Risk Management Reserve

B. 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 a reconciliation from GAAP basis to budgetary basis for the General Fund.

	December 31, 2006
Fund balance, budgetary basis	\$ 34,998,098
Current year encumbrances	717,857
Fair value adjustment of investments	(191,337)
Accrued revenues	6,955,399
Fund balance, GAAP basis	\$ 42,480,017

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

II. Stewardship, Compliance and Accountability (continued)

C. Deficit Fund Equity

The following nonmajor governmental funds had fund balance deficits as of December 31, 2006:

The Building and Equipment Fund has a fund balance deficit of \$80,648. This deficit will be recovered through transfers from the Debt Proceeds Fund.

The Street, Bridge and Other Fund had a fund balance deficit of \$6,733,096. 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 shall be the "prudent person" investment rule and shall be 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 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, 2006, the County (including the SCPBC) had the following investments:

Investment Type	Fair Value	Modified Duration (in years)	Percent of Total Pooled Funds
U.S. treasury coupon securities	\$ 45,151,634	0.945	9.3
U.S. treasury discount securities	34,876,100	0.046	7.2
U.S. agency coupon securities	164,855,463	0.969	33.8
U.S. agency discount securities	64,824,972	0.043	13.3
Repurchase agreement	102,593,000	-	21.0
Kansas Municipal Investment Pool	61,344,216	-	12.6
Mutual funds	10,123,443	-	2.1
Collateralized deposits	3,520,114	-	0.7
Total value	<u>\$487,288,942</u>		<u>100.0</u>
 Portfolio modified duration		 <u>.487</u>	

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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 has \$42,817,936 of agency coupon securities and \$9,964,600 of U.S. Treasury 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.

Peak period collateral agreements and mortgages are not accepted by the County. Kansas law requires the fair value of collateral pledged to be equal to or greater than the entity's deposits. As of December 31, 2006, the market value of assets pledged to the County as collateral exceeded amounts on deposit.

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, 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 does not impose 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, 2006, 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. The County also holds investments with the Kansas Municipal Investment Pool, which is rated AAf/S1+ by Standard & Poor's. Mutual funds utilized by the County were rated AAAM by Standard & Poor's at December 31, 2006.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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 demand and 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	25
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 or no-fund warrants	10

Additionally, 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 June and December tax 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, 15% for financial institution paper, and 10% for general obligation bonds of Kansas municipalities.

At December 31, the County held \$142.6 million, or 29.3%, of its portfolio in investments issued by the Federal Home Loan Bank and investments totaling \$72.1 million, or 14.8%, were held 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 Assets	\$ 122,508,043
Restricted cash, including investments, Statement of Net Assets	98,140,670
Cash, including investments, Statement of Fiduciary Net Assets	278,675,867
Total	\$ 499,324,580

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

III. Detailed Notes on All Funds (continued)

B. Capital Assets

Capital assets activity of the primary government for the year ended December 31, 2006 was as follows:

	As Previously Reported December 31, 2005	Prior Period Adjustment	Increases	Decreases	December 31, 2006
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 16,633,918	\$ (5,484,877)	\$ 840,911	\$ -	\$ 11,989,952
Construction in progress	21,008,446	-	30,461,313	(12,553,186)	38,916,573
Total capital assets, not being depreciated	<u>37,642,364</u>	<u>(5,484,877)</u>	<u>31,302,224</u>	<u>(12,553,186)</u>	<u>50,906,525</u>
Capital assets, being depreciated:					
Buildings and improvements	184,489,656	-	1,696,035	-	186,185,691
Leasehold improvements	2,234,871	-	-	-	2,234,871
Improvements other than buildings	7,658,800	-	12,803,359	-	20,462,159
Machinery and equipment	49,686,098	-	2,761,310	(10,328)	52,437,080
Infrastructure	241,492,161	(44,813,520)	9,998,043	(23,301,323)	183,375,361
Total capital assets being depreciated	<u>485,561,586</u>	<u>(44,813,520)</u>	<u>27,258,747</u>	<u>(23,311,651)</u>	<u>444,695,162</u>
Less accumulated depreciation for:					
Buildings	(55,062,987)	-	(4,877,013)	-	(59,940,000)
Leasehold improvements	(1,989,333)	-	(44,039)	-	(2,033,372)
Improvements other than buildings	(6,295,089)	-	(1,168,908)	-	(7,463,997)
Machinery and equipment	(30,619,629)	-	(4,614,341)	-	(35,233,970)
Infrastructure	(73,516,262)	16,179,752	(4,624,768)	3,491,336	(58,469,942)
Total accumulated depreciation	<u>(167,483,300)</u>	<u>16,179,752</u>	<u>(15,329,069)</u>	<u>3,491,336</u>	<u>(163,141,281)</u>
Total capital assets being depreciated, net	<u>318,078,286</u>	<u>(28,633,768)</u>	<u>11,929,678</u>	<u>(19,820,317)</u>	<u>281,553,881</u>
Governmental activities capital assets, net	<u>\$ 355,720,650</u>	<u>\$ (34,118,645)</u>	<u>\$ 43,231,902</u>	<u>\$ (32,373,501)</u>	<u>\$ 332,460,406</u>

Prior period adjustment

The County's net assets have been restated by \$34,118,645 to reduce capital assets which are owned by other government entities. These assets consist primarily of roads, bridges and right of way land. These infrastructure assets were capitalized during 2002 when the County implemented GASB No. 34 to record capital assets in the statement of net assets. This correction would have increased the change in net assets on the statement of activities by approximately \$1,500,000 for the year ended December 31, 2005.

Prior year reclassifications

Certain amounts presented in the prior year governmental activities capital asset balances have been reclassified in order to be consistent with the current year's presentation.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

III. Detailed Notes on All Funds (continued)

B. Capital Assets (continued)

	December 31, 2005	Increases	Decreases	December 31, 2006
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,514,844	\$ -	\$ -	\$ 1,514,844
Construction in progress	2,149,505	5,850,807	-	8,000,312
Total capital assets, not being depreciated	<u>3,664,349</u>	<u>5,850,807</u>	<u>-</u>	<u>9,515,156</u>
Capital assets, being depreciated:				
Buildings and improvements	14,649,502	-	-	14,649,502
Machinery and equipment	941,413	30,341	-	971,754
Total capital assets being depreciated	<u>15,590,915</u>	<u>30,341</u>	<u>-</u>	<u>15,621,256</u>
Less accumulated depreciation for:				
Buildings and improvements	(9,244,943)	(271,518)	-	(9,516,461)
Machinery and equipment	(847,272)	(5,461)	-	(852,733)
Total accumulated depreciation	<u>(10,092,215)</u>	<u>(276,979)</u>	<u>-</u>	<u>(10,369,194)</u>
Total capital assets being depreciated, net	<u>5,498,700</u>	<u>(246,638)</u>	<u>-</u>	<u>5,252,062</u>
Business-type activities capital assets, net	<u>\$ 9,163,049</u>	<u>\$ 5,604,169</u>	<u>\$ -</u>	<u>\$ 14,767,218</u>

Depreciation expense was charged to functions of the primary government, as follows:

Governmental activities:	
General government	\$ 2,475,301
Public safety	2,632,297
Public works, including depreciation of general infrastructure assets	5,638,332
Health and welfare	86,447
Culture and recreation	1,651,488
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>2,845,204</u>
Total depreciation expense – governmental activities	<u>\$15,329,069</u>
Business-type activities:	
Coliseum/Arena fund	\$ 276,979
Total depreciation expense – business-type activities	<u>\$ 276,979</u>

C. 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 also 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, 2006

III. Detailed Notes on All Funds (continued)

C. Long-Term Debt (continued)

General obligation bonds outstanding at December 31, 2006 are as follows:

Purpose	Interest Rate	Amount
Governmental Activities – Road and Bridge	3.00 – 4.95%	\$ 37,052,350
Governmental Activities – Facilities	3.00 – 6.00%	38,544,772
Governmental Activities – Storm Water	4.00 – 4.95%	1,412,878
Governmental Activities – Refunding	3.00 – 4.75%	<u>8,800,000</u>
Total general obligation bonds outstanding		<u>\$ 85,810,000</u>

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

Year ending December 31	Governmental Activities		
	Principal	Interest	Totals
2007	\$ 7,955,000	\$ 3,518,235	\$ 11,473,235
2008	7,665,000	3,258,295	10,923,295
2009	7,155,000	2,955,410	10,110,410
2010	6,380,000	2,687,230	9,067,230
2011	5,620,000	2,443,668	8,063,668
2012 - 2016	27,300,000	8,812,883	36,112,883
2017 - 2021	19,050,000	3,213,548	22,263,548
2022 - 2026	<u>4,685,000</u>	<u>430,945</u>	<u>5,115,945</u>
Totals	<u>\$ 85,810,000</u>	<u>\$ 27,320,214</u>	<u>\$ 113,130,214</u>

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	3.00 – 6.00%	\$15,965,000

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

III. Detailed Notes on All Funds (continued)

C. 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
2007	\$ 1,715,000	\$ 698,993	\$ 2,413,993
2008	1,710,000	635,490	2,345,490
2009	1,785,000	558,786	2,343,786
2010	1,875,000	480,185	2,355,185
2011	1,960,000	397,595	2,357,595
2012 - 2016	6,005,000	823,926	6,828,926
2017 - 2021	915,000	97,785	1,012,785
Totals	<u>\$ 15,965,000</u>	<u>\$ 3,692,760</u>	<u>\$ 19,657,760</u>

Sedgwick County Public Building Commission Revenue Bonds

The Sedgwick County Public Building Commission (SCPBC) is a 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. Three issues are outstanding with repayment schedules ranging from 12 to 18 years. The current bonds outstanding are as follows:

Purpose	Interest Rate	Amount
Public Services Administration Building	2.00 – 4.00%	\$ 2,750,000
Exploration Place	2.00 – 4.50%	13,050,000
Juvenile Justice Complex 2003-1	2.00 – 4.65%	18,730,000
Total		<u>\$34,530,000</u>

Future minimum lease rentals to be received under the direct financing leases are equal to the annual debt service requirements to maturity for the revenue bonds, as follows:

Year ending December 31	Component Unit - SCPBC		
	Principal	Interest	Totals
2007	\$ 1,630,000	\$ 1,322,993	\$ 2,952,993
2008	1,685,000	1,287,477	2,972,477
2009	1,735,000	1,240,114	2,975,114
2010	1,785,000	1,188,725	2,973,725
2011	1,840,000	1,132,938	2,972,938
2012 - 2016	10,360,000	4,616,334	14,976,334
2017 - 2021	11,450,000	2,430,094	13,880,094
2022 - 2026	4,045,000	254,025	4,299,025
Totals	<u>\$ 34,530,000</u>	<u>\$ 13,472,700</u>	<u>\$ 48,002,700</u>

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

III. Detailed Notes on All Funds (continued)

C. Long-Term Debt (continued)

SCPBC Revenue Bonds – Public Services Administration Building. During 1997, the SCPBC issued revenue bonds to finance all or a portion of the costs to acquire a site and construct and equip thereon a facility for the Division of Public Works of the County, consisting of approximately 32,000 square feet, containing offices and working spaces for the County's engineering, public works, zoning, and code enforcement operations. The financing of this facility by the SCPBC represents a direct financing lease, and accordingly, the net investment in the lease is recorded in the SCPBC's balance sheet on the government-wide financial statements. The following lists the components of the net investment in the direct financing lease as of December 31, 2006:

Minimum lease payments receivable	\$ 3,387,000
Less unearned income	<u>(759,571)</u>
Net investment in direct financing lease	<u>\$ 2,627,429</u>

Future minimum lease rentals to be received under the direct financing lease are equal to the annual debt service requirements to maturity for the revenue bonds, as follows:

Year ended December 31	Principal	Interest	Total
2007	\$ 210,000	\$ 92,520	\$ 302,520
2008	215,000	87,480	302,480
2009	220,000	82,105	302,105
2010	230,000	76,165	306,165
2011	235,000	69,265	304,265
2012 - 2016	1,335,000	217,265	1,552,265
2017	<u>305,000</u>	<u>12,200</u>	<u>317,200</u>
Total	<u>\$ 2,750,000</u>	<u>\$ 637,000</u>	<u>\$ 3,387,000</u>

SCPBC Revenue Bonds – Exploration Place. During 1997, the SCPBC issued revenue bonds to finance a portion of the costs of developing, constructing, and equipping a children's museum and science center known as Exploration Place, to be located in Wichita, Kansas, and consisting of a 90,000 square foot structure, attendant parking, landscaping, and related appurtenances thereto. The financing of this facility by the SCPBC represents a direct financing lease, and accordingly, the net investment in the lease is recorded in the SCPBC's balance sheet and as part of the long-term obligations of the County. The following lists the components of the net investment in the direct financing lease as of December 31, 2006:

Minimum lease payments receivable	\$ 18,042,992
Less unearned income	<u>(5,520,818)</u>
Net investment in direct financing lease	<u>\$ 12,522,174</u>

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

III. Detailed Notes on All Funds (continued)

C. Long-Term Debt (continued)

The County entered into an operating agreement with a not-for-profit corporation to operate the facility. The \$62 million project is funded through a public partnership that includes the County, the City of Wichita, and numerous private sector donors. The land on which the project is located is owned by the City of Wichita and is being leased to the SCPBC for 50 years.

Future minimum lease rentals to be paid by the County to the SCPBC under the direct financing lease will be equal to the annual debt service requirements to maturity for the revenue bonds, as follows:

Year ended December 31	Principal	Interest	Total
2007	\$ 590,000	\$ 493,108	\$ 1,083,108
2008	625,000	481,307	1,106,307
2009	645,000	462,557	1,107,557
2010	660,000	443,208	1,103,208
2011	685,000	423,407	1,108,407
2012 - 2016	3,880,000	1,741,300	5,621,300
2017 - 2021	4,850,000	897,930	5,747,930
2022	1,115,000	50,175	1,165,175
Total	<u>\$13,050,000</u>	<u>\$ 4,992,992</u>	<u>\$18,042,992</u>

SCPBC Revenue Bonds - Juvenile Justice Complex

During 2003, the SCPBC issued revenue bonds to finance the costs of developing, constructing and equipping the Juvenile Justice Complex, to be located in Wichita, Kansas. The financing of this facility by the SCPBC represents a direct financing lease, and accordingly, the net investment of the lease is recorded in the SCPBC's balance sheet and as part of the long-term obligations of the County. The following lists the components of the net investment in the direct financing lease as of December 31, 2006:

Minimum lease payments receivable	\$ 26,572,707
Less unearned income	<u>(7,676,837)</u>
Net investment in direct financing lease	<u>\$ 18,895,870</u>

Future minimum lease rentals to be paid by the County to the SCPBC under the direct financing lease will be equal to the annual debt service requirements to maturity for the revenue bonds, as follows:

Year ended December 31	Principal	Interest	Total
2007	\$ 830,000	\$ 737,365	\$ 1,567,365
2008	845,000	718,690	1,563,690
2009	870,000	695,452	1,565,452
2010	895,000	669,352	1,564,352
2011	920,000	640,265	1,560,265
2012 - 2016	5,145,000	2,657,769	7,802,769
2017 - 2021	6,295,000	1,519,964	7,814,964
2022 - 2023	2,930,000	203,850	3,133,850
Total	<u>\$18,730,000</u>	<u>\$7,842,707</u>	<u>\$26,572,707</u>

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

III. Detailed Notes on All Funds (continued)

C. Long-Term Debt (continued)

Kansas Transportation Project Loan

In January 2005, the County entered into a loan agreement with the State of Kansas through the Kansas Department of Transportation to obtain funding of \$3,412,564 from the Kansas Transportation Revolving Fund to finance certain qualified transportation projects. This liability is considered a general obligation of the County and is payable over a 20-year term at an interest rate of 3.86%. Debt service requirements to maturity for the Kansas Transportation Project Loan are as follows:

Year ending December 31	Governmental Activities		
	Principal	Interest	Totals
2007	128,722	123,534	252,256
2008	133,691	118,565	252,256
2009	138,852	113,404	252,256
2010	144,211	108,045	252,256
2011	149,778	102,478	252,256
2012 - 2016	840,204	421,076	1,261,280
2017 - 2021	1,015,375	245,905	1,261,280
2022 - 2024	649,520	48,568	698,088
Totals	\$ 3,200,353	\$ 1,281,575	\$ 4,481,928

Capital Leases

In 2003 and 2004, the County entered into four 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	\$ 1,140,411
Less: accumulated depreciation	(352,731)
Total	\$ 787,680

The future minimum lease obligations and the net present value of the minimum lease payments as of December 31, 2006, were as follows:

Year ended December 31	Governmental Activities
2007	\$ 166,396
2008	166,396
2009	166,396
2010 - 2012	424,234
Total minimum lease payments	923,422
Less: amount representing interest	(100,171)
Total	\$ 823,251

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

III. Detailed Notes on All Funds (continued)

C. Long-Term Debt (continued)

Changes in Long-Term Debt

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 \$1,981,248 are included in the amounts below. Claims are generally liquidated by the appropriate Internal Service Fund. Generally, compensated absences are liquidated by the General Fund. Long-term liability activity for the year ended December 31, 2006, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 90,760,000	\$ 4,065,000	\$ 9,015,000	\$ 85,810,000	\$ 7,955,000
Special assessment debt with government commitment	16,550,000	1,000,000	1,585,000	15,965,000	1,715,000
Total bonds payable	107,310,000	5,065,000	10,600,000	101,775,000	9,670,000
 KDOT Revolving Loan	 3,323,895	 -	 123,542	 3,200,353	 128,722
Direct financing lease	36,120,000	-	1,590,000	34,530,000	1,630,000
Claims payable	1,729,495	10,155,519	9,903,766	1,981,248	1,834,616
Capital lease payable	954,136	-	130,885	823,251	135,962
Compensated absences	5,670,000	6,702,920	6,312,920	6,060,000	5,760,000
 Governmental activity long-term liabilities	 \$ 155,107,526	 \$ 21,923,439	 \$ 28,661,113	 \$ 148,369,852	 \$ 19,159,300
 Component unit: SCPBC					
Bonds payable:					
Revenue bonds	\$ 36,120,000	\$ -	\$ 1,590,000	\$ 34,530,000	\$ 1,630,000

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, 2006 was \$568,203,948 for the Industrial Revenue Bonds and \$526,386,273 for the Single Family Mortgage Revenue Bonds. These bonds do not constitute an indebtedness or pledge of the faith and credit of the responsible entities or the County.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

III. Detailed Notes on All Funds (continued)

D. Interfund Transfers

A summary of interfund transfers is as follows:

	Transfers In:						Totals
	General Fund	Federal/State Assistance Funds	Debt Service Fund	Nonmajor Governmental Funds	Internal Service Funds	Coliseum/Arena Enterprise Fund	
Transfers out:							
General Fund	\$ -	\$ 285,373	\$ 1,597,566	\$ 12,227,805	\$ 1,301,249	\$ 670,020	\$ 16,082,013
Federal/State Assistance Funds	-	119,562	-	-	8,000	-	127,562
Debt Proceeds Fund	-	-	1,981,671	10,562,033	-	-	12,543,704
Nonmajor Governmental Funds	839,466	200,169	570,018	2,552,091	65,000	-	4,226,744
Internal Service Funds	4,000	-	-	65,000	-	-	69,000
Total	\$ 843,466	\$ 605,104	\$ 4,149,255	\$ 25,406,929	\$ 1,374,249	\$ 670,020	\$ 33,049,023

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.

E. 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 the special revenue equipment and 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, 2006 is as follows:

	Interfund Receivable	Interfund Payable
Debt Proceeds Fund	\$ 6,736,089	\$ -
Nonmajor Capital Projects Funds:		
Building and Equipment Fund	-	3,106
Street, Bridge and Other Fund	-	6,732,983
	\$ 6,736,089	\$ 6,736,089

During 2003, an interfund loan was made between the General Fund and the Capital Improvement Fund to provide for the funding of a specific capital improvement project, with repayment terms over the next 9 years. This advance receivable and payable as of December 31, 2006 is as follows:

	Advance Receivable	Advance Payable
General Fund	\$ 925,190	\$ -
Nonmajor Capital Projects Fund:		
Capital Improvement Fund	-	925,190
	\$ 925,190	\$ 925,190

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

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 Kansas Coliseum include loss related to torts, theft, damage or destruction of assets, errors and omissions, injury to employees, 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 maintains both a self-insured health plan and a health plan purchased from an insurance company for accident and health claims. A dental benefit purchased from a dental insurance company is provided for all health plan participants. A prescription drug benefit purchased from a pharmacy benefit manager is provided for all health plan participants. The County does maintain reserves and pays all expenses for the health/dental/prescription benefit from the Health/Dental/Life Insurance Reserve Fund. In 2006, the County paid 81% and participating employees paid 19% of the cost of the health plan benefit.

Workers' Compensation Reserve Fund. The County does provide a workers' compensation benefit 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.

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.

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

	Workers' Compensation	Health/Dental/ Life Insurance
January 1, 2005 liability balances	\$ 1,589,280	\$ 630,824
Claims and changes in estimates	935,135	6,727,045
Claim payments	(1,524,078)	(6,628,711)
December 31, 2005 liability balances	1,000,337	729,158
Claims and changes in estimates	1,108,186	9,047,333
Claim payments	(1,047,773)	(8,855,993)
December 31, 2006 liability balances	\$ 1,060,750	\$ 920,498

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

IV. Other Information (continued)

A. Risk Management (continued)

Net assets available for self-insurance expenses and future catastrophe losses are as follows:

Health/Dental/Life Insurance Reserve Fund	\$ 668,893
Workers' Compensation Reserve Fund	1,487,940
Risk Management Reserve Fund	2,079,161

B. 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.

C. Defined Benefit 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 Kansas law. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding policy. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary and the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

The KPERS employer rates established by statute for 2006 are 4.61% and 4.81% for the six months ended June 30, 2006 and December 31, 2006, respectively. The County's contributions to KPERS for the years ended December 31, 2006, 2005, and 2004 were \$3,314,684, \$2,770,225 and \$2,235,132, respectively, equal to the statutory required contributions for each year. The KP&F employer rates for 2006 are 12.85% for the Emergency Medical Services Department, 12.75% for the Fire Department, and 12.74% for the Sheriff Department. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The County's contributions to KP&F for the years ended December 31, 2006, 2005, and 2004 were \$3,591,339, \$3,275,169 and \$2,717,287, respectively, equal to the statutory required contributions for each year.

SEDGWICK COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

IV. Other Information (continued)

D. Other Postemployment Benefits Other Than Pensions

GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," establishes standards for the measurement, recognition and display of other postemployment benefits (OPEB) expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. The provisions of this statement will be implemented by the County for its year ended December 31, 2007.

The County sponsors a single-employer defined benefit healthcare plan that provides healthcare benefits to retirees including medical, dental and vision. Retiree health coverage is provided for under K.S.A. 12-5040. The funding policy of the County is to pay premiums as they come due through the Health/Dental/Life Insurance Reserve internal service fund.

The County will implement the statement retroactively, meaning that an OPEB liability will be recorded as of January 1, 2007, with the annual OPEB cost for 2007 being recorded as an expenditure on the Statement of Activities. The liability and annual cost will be based on an actuarial valuation performed as of January 1, 2007. That valuation has already been completed as of the date of this report, and the annual OPEB cost for 2007 is estimated at \$3.6 million. The unfunded accrued actuarial liability as of January 1, 2007 is approximately \$26.7 million.

E. Construction Commitments

The County had outstanding construction commitments for various capital projects and improvements totaling \$13,129,905 at December 31, 2006. This amount is reflected as reserved for encumbrances in the Capital Projects Funds, including the Building and Equipment Fund, Street, Bridge and Other Fund, Sales Tax Road and Bridge 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.

F. Subsequent Events

In January 2007, the Sedgwick County Public Building Commission issued \$15,445,000 of revenue bonds to finance the costs of designing, constructing, furnishing and equipping, as a part of the juvenile justice complex for the County, a juvenile court building, and completing other improvements to the juvenile justice complex. The bonds carry interest rates ranging from 3.75% to 4.125%, and have a final stated maturity in 2026.

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
Comprehensive Community Care
Emergency Medical Services
Extension Council
Aging Services
Public Works Highways
Noxious Weeds
Solid Waste
Special Parks and Recreation
Emergency Telephone Services
Court Trustee Operations
Special Alcohol and Drug Programs

Auto License
Court Alcohol/Drug Safety Action Program
Convention Tourism Visitors Promotion
Prosecuting Attorney Training
Community Health
Equipment Reserve
Register of Deeds Technology
Fire District Operating
Fire District Special Equipment
Fire District Research and Development
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 Debt Service

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

SEDGWICK COUNTY, KANSAS

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2006

	Special Revenue Funds	Fire District Debt Service	Capital Projects Funds	Totals
Assets				
Cash, including investments	\$ 27,931,308	\$ 25,726	\$ 19,632,966	\$ 47,590,000
Due from other agencies	264,151	-	3,403,576	3,667,727
Accounts receivable	2,491,723	-	-	2,491,723
Property tax receivable	30,308,508	-	-	30,308,508
Inventories, at cost	1,389,622	-	-	1,389,622
Total assets	\$ 62,385,312	\$ 25,726	\$ 23,036,542	\$ 85,447,580
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 556,988	\$ -	\$ 82,953	\$ 639,941
Due to other funds	-	-	6,736,089	6,736,089
Advance payable	-	-	925,190	925,190
Deferred revenue	33,097,262	-	3,393,910	36,491,172
Total liabilities	33,654,250	-	11,138,142	44,792,392
Fund balances (deficits):				
Reserved for:				
Encumbrances	3,053,608	-	13,129,905	16,183,513
Inventories	1,389,622	-	-	1,389,622
Debt service	-	25,726	-	25,726
Unreserved:				
Designated for:				
Subsequent year's budget	8,059,378	-	-	8,059,378
Undesignated	16,228,454	-	(1,231,505)	14,996,949
Total fund balances	28,731,062	25,726	11,898,400	40,655,188
Total liabilities and fund balances	\$ 62,385,312	\$ 25,726	\$ 23,036,542	\$ 85,447,580

SEDGWICK COUNTY, KANSAS

Combining Balance Sheet Nonmajor Governmental Funds - Special Revenue Funds December 31, 2006

	Wichita State University Program Development	Comprehensive Community Care	Emergency Medical Services	Aging Services
Assets				
Cash, including investments	\$ 31,392	\$ 381,773	\$ 1,415,931	\$ 98,773
Due from other agencies	-	-	-	-
Accounts receivable	-	-	2,490,606	-
Property tax receivable	5,492,743	2,156,817	4,987,409	1,995,697
Inventories, at cost	-	-	281,555	-
Total assets	\$ 5,524,135	\$ 2,538,590	\$ 9,175,501	\$ 2,094,470
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 84,445	\$ 204,406	\$ 4,660
Due to other funds	-	-	-	-
Advance payable	-	-	-	-
Deferred revenue	5,492,743	2,244,039	7,478,015	1,995,697
Total liabilities	5,492,743	2,328,484	7,682,421	2,000,357
Fund balances:				
Reserved for:				
Encumbrances	-	-	45,066	2,145
Inventories	-	-	281,555	-
Unreserved:				
Designated for:				
Subsequent year's budget	31,392	197,025	531,287	89,394
Undesignated	-	13,081	635,172	2,574
Total fund balances	31,392	210,106	1,493,080	94,113
Total liabilities and fund balances	\$ 5,524,135	\$ 2,538,590	\$ 9,175,501	\$ 2,094,470

Public Works Highways	Noxious Weeds	Solid Waste	Special Parks and Recreation	Emergency Telephone Services	Court Trustee Operations
\$ 1,883,496	\$ 29,218	\$ 1,033,695	\$ 1,344	\$ 818,508	\$ 1,979,391
264,151	-	-	-	-	-
-	-	-	-	-	-
3,716,756	325,903	-	-	-	-
1,108,067	-	-	-	-	-
<u>\$ 6,972,470</u>	<u>\$ 355,121</u>	<u>\$ 1,033,695</u>	<u>\$ 1,344</u>	<u>\$ 818,508</u>	<u>\$ 1,979,391</u>
\$ 53,254	\$ 805	\$ 8,590	\$ 85	\$ 2,211	\$ 5,098
-	-	-	-	-	-
-	-	-	-	-	-
3,927,682	325,903	-	-	-	-
<u>3,980,936</u>	<u>326,708</u>	<u>8,590</u>	<u>85</u>	<u>2,211</u>	<u>5,098</u>
127,496	-	-	295	263,389	-
1,108,067	-	-	-	-	-
1,028,727	16,084	826,035	964	489,336	1,631,064
727,244	12,329	199,070	-	63,572	343,229
<u>2,991,534</u>	<u>28,413</u>	<u>1,025,105</u>	<u>1,259</u>	<u>816,297</u>	<u>1,974,293</u>
<u>\$ 6,972,470</u>	<u>\$ 355,121</u>	<u>\$ 1,033,695</u>	<u>\$ 1,344</u>	<u>\$ 818,508</u>	<u>\$ 1,979,391</u>

(Continued)

SEDGWICK COUNTY, KANSAS

Combining Balance Sheet (continued)
Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2006

	Special Alcohol and Drug Programs	Auto License	Court Alcohol/Drug Safety Action Program	Convention Tourism Visitors Promotion
Assets				
Cash, including investments	\$ 6,818	\$ 317,980	\$ 86,647	\$ 1,074
Due from other agencies	-	-	-	-
Accounts receivable	-	-	-	-
Property tax receivable	-	-	-	-
Inventories, at cost	-	-	-	-
Total assets	\$ 6,818	\$ 317,980	\$ 86,647	\$ 1,074
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 32,832	\$ 685	\$ -
Due to other funds	-	-	-	-
Advance payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	32,832	685	-
Fund balances:				
Reserved for:				
Encumbrances	-	27,650	1,899	-
Inventories	-	-	-	-
Unreserved:				
Designated for:				
Subsequent year's budget	6,818	133,053	33,271	-
Undesignated	-	124,445	50,792	1,074
Total fund balances	6,818	285,148	85,962	1,074
Total liabilities and fund balances	\$ 6,818	\$ 317,980	\$ 86,647	\$ 1,074

Prosecuting Attorney Training	Equipment Reserve	Register of Deeds Technology	Fire District Operating	Fire District Special Equipment	Fire District Research and Development
\$ 153,178	\$ 13,305,669	\$ 1,125,652	\$ 3,696,569	\$ 1,329,025	\$ 68,424
-	-	-	-	-	-
-	-	-	1,117	-	-
-	-	-	11,633,183	-	-
-	-	-	-	-	-
<u>\$ 153,178</u>	<u>\$ 13,305,669</u>	<u>\$ 1,125,652</u>	<u>\$ 15,330,869</u>	<u>\$ 1,329,025</u>	<u>\$ 68,424</u>
\$ 2,398	\$ 42,725	\$ 21,267	\$ 85,192	\$ 8,335	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	11,633,183	-	-
<u>2,398</u>	<u>42,725</u>	<u>21,267</u>	<u>11,718,375</u>	<u>8,335</u>	<u>-</u>
-	561,570	228,321	138,664	1,657,113	-
-	-	-	-	-	-
53,824	-	395,627	2,576,414	-	19,063
96,956	12,701,374	480,437	897,416	(336,423)	49,361
<u>150,780</u>	<u>13,262,944</u>	<u>1,104,385</u>	<u>3,612,494</u>	<u>1,320,690</u>	<u>68,424</u>
<u>\$ 153,178</u>	<u>\$ 13,305,669</u>	<u>\$ 1,125,652</u>	<u>\$ 15,330,869</u>	<u>\$ 1,329,025</u>	<u>\$ 68,424</u>

(Continued)

SEDGWICK COUNTY, KANSAS

Combining Balance Sheet (continued) Nonmajor Governmental Funds - Special Revenue Funds December 31, 2006

	Township Dissolution	Totals
<u>Assets</u>		
Cash, including investments	\$ 166,751	\$ 27,931,308
Due from other agencies	-	264,151
Accounts receivable	-	2,491,723
Property tax receivable	-	30,308,508
Inventories, at cost	-	1,389,622
Total assets	\$ 166,751	\$ 62,385,312
<u>Liabilities and Fund Balances</u>		
Liabilities:		
Accounts payable	\$ -	\$ 556,988
Due to other funds	-	-
Advance payable	-	-
Deferred revenue	-	33,097,262
Total liabilities	-	33,654,250
Fund balances:		
Reserved for:		
Encumbrances	-	3,053,608
Inventories	-	1,389,622
Unreserved:		
Designated for:		
Subsequent year's budget	-	8,059,378
Undesignated	166,751	16,228,454
Total fund balances	166,751	28,731,062
Total liabilities and fund balances	\$ 166,751	\$ 62,385,312



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SEDGWICK COUNTY, KANSAS

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2006**

	<u>Building and Equipment</u>	<u>Street, Bridge and Other</u>	<u>Sales Tax Road and Bridge</u>
<u>Assets</u>			
Cash, including investments	\$ -	\$ -	\$ 9,446,418
Due from other agencies	-	-	3,393,910
Total assets	\$ -	\$ -	\$ 12,840,328
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 77,542	\$ 113	\$ 5,298
Due to other funds	3,106	6,732,983	-
Advance payable	-	-	-
Deferred revenue	-	-	3,393,910
Total liabilities	80,648	6,733,096	3,399,208
Fund balances (deficits):			
Reserved for:			
Encumbrances	6,619,904	534,206	4,162,976
Unreserved	(6,700,552)	(7,267,302)	5,278,144
Total fund balances (deficits)	(80,648)	(6,733,096)	9,441,120
Total liabilities and fund balances	\$ -	\$ -	\$ 12,840,328

Road and Bridge Equipment	Highway Improvement	Capital Improvements	Totals
\$ 268,179	\$ 152,010	\$ 9,766,359	\$ 19,632,966
-	-	9,666	3,403,576
<u>\$ 268,179</u>	<u>\$ 152,010</u>	<u>\$ 9,776,025</u>	<u>\$ 23,036,542</u>
\$ -	\$ -	\$ -	\$ 82,953
-	-	-	6,736,089
-	-	925,190	925,190
-	-	-	3,393,910
<u>-</u>	<u>-</u>	<u>925,190</u>	<u>11,138,142</u>
27,200	109,848	1,675,771	13,129,905
240,979	42,162	7,175,064	(1,231,505)
<u>268,179</u>	<u>152,010</u>	<u>8,850,835</u>	<u>11,898,400</u>
<u>\$ 268,179</u>	<u>\$ 152,010</u>	<u>\$ 9,776,025</u>	<u>\$ 23,036,542</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, 2006

	Special Revenue Funds	Fire District Debt Service	Capital Projects Funds	Totals
Revenues				
Property taxes	\$ 34,675,411	\$ 1,460	\$ -	\$ 34,676,871
Emergency telephone services taxes	2,344,925	-	-	2,344,925
Special assessments	-	-	15,404	15,404
Other taxes	94,634	-	-	94,634
Intergovernmental	7,764,500	-	2,157,818	9,922,318
Charges for services	14,643,616	-	-	14,643,616
Uses of money and property	489,237	-	-	489,237
Licenses and permits	95,467	-	-	95,467
Reimbursed expenditures	40,687	-	-	40,687
Other	63,251	-	358,321	421,572
Total revenues	60,211,728	1,460	2,531,543	62,744,731
Expenditures				
Current:				
General government	5,168,533	-	-	5,168,533
Public safety	29,818,699	-	-	29,818,699
Public works	11,189,855	-	-	11,189,855
Health and welfare	5,352,376	-	-	5,352,376
Culture and recreation	28,803	-	-	28,803
Economic development	6,197,676	-	-	6,197,676
Debt service:				
Principal	335,887	-	-	335,887
Interest and fiscal charges	132,130	-	-	132,130
Capital outlay	-	-	34,492,542	34,492,542
Total expenditures	58,223,959	-	34,492,542	92,716,501
Excess (deficiency) of revenues over (under) expenditures	1,987,769	1,460	(31,960,999)	(29,971,770)
Other financing sources (uses)				
Transfers from other funds	3,025,171	-	22,381,758	25,406,929
Transfers to other funds	(3,511,253)	-	(715,491)	(4,226,744)
Total other financing sources (uses)	(486,082)	-	21,666,267	21,180,185
Net change in fund balances	1,501,687	1,460	(10,294,732)	(8,791,585)
Fund balances, beginning of year	27,229,375	24,266	22,193,132	49,446,773
Fund balances, end of year	\$ 28,731,062	\$ 25,726	\$ 11,898,400	\$ 40,655,188

SEDGWICK COUNTY, KANSAS

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006*

	Wichita State University Program Development	Comprehensive Community Care	Emergency Medical Services	Aging Services
Revenues				
Property taxes	\$ 6,098,636	\$ 2,684,209	\$ 4,668,188	\$ 2,175,022
Emergency telephone services taxes	-	-	-	-
Other taxes	-	-	-	-
Intergovernmental	-	348,890	-	4,032
Charges for services	-	-	8,372,226	-
Uses of money and property	-	-	-	-
Licenses and permits	-	-	-	-
Reimbursed expenditures	-	631	394	394
Other	-	20	475	93
Total revenues	<u>6,098,636</u>	<u>3,033,750</u>	<u>13,041,283</u>	<u>2,179,541</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	12,424,101	-
Public works	-	-	-	-
Health and welfare	-	3,200,480	-	2,136,746
Culture and recreation	-	-	-	-
Economic development	6,197,676	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>6,197,676</u>	<u>3,200,480</u>	<u>12,424,101</u>	<u>2,136,746</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(99,040)</u>	<u>(166,730)</u>	<u>617,182</u>	<u>42,795</u>
Other financing sources (uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	(60,000)	(140,764)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(60,000)</u>	<u>(140,764)</u>
Net change in fund balances	(99,040)	(166,730)	557,182	(97,969)
Fund balances, beginning of year	<u>130,432</u>	<u>376,836</u>	<u>935,898</u>	<u>192,082</u>
Fund balances, end of year	<u>\$ 31,392</u>	<u>\$ 210,106</u>	<u>\$ 1,493,080</u>	<u>\$ 94,113</u>

Public Works Highways	Noxious Weeds	Solid Waste	Special Parks and Recreation	Emergency Telephone Services	Court Trustee Operations
\$ 5,321,596	\$ 352,036	\$ -	\$ -	\$ -	\$ -
-	-	-	-	2,344,925	-
-	-	-	41,450	-	-
5,044,493	-	-	-	-	2,310,460
18,868	64,997	989,618	-	-	708,220
-	-	-	-	131,275	-
7,905	-	77,139	-	-	-
11,222	511	-	-	186	-
20,527	-	159	-	-	-
<u>10,424,611</u>	<u>417,544</u>	<u>1,066,916</u>	<u>41,450</u>	<u>2,476,386</u>	<u>3,018,680</u>
-	-	-	-	-	-
-	-	-	-	1,101,744	3,477,521
9,746,715	420,321	913,669	-	-	-
-	-	-	-	-	-
-	-	-	22,475	-	-
-	-	-	-	-	-
205,000	-	-	-	-	-
96,620	-	-	-	-	-
-	-	-	-	-	-
<u>10,048,335</u>	<u>420,321</u>	<u>913,669</u>	<u>22,475</u>	<u>1,101,744</u>	<u>3,477,521</u>
<u>376,276</u>	<u>(2,777)</u>	<u>153,247</u>	<u>18,975</u>	<u>1,374,642</u>	<u>(458,841)</u>
3,861	1,995	-	-	-	-
-	-	(79,785)	(32,076)	(1,319,430)	-
<u>3,861</u>	<u>1,995</u>	<u>(79,785)</u>	<u>(32,076)</u>	<u>(1,319,430)</u>	<u>-</u>
380,137	(782)	73,462	(13,101)	55,212	(458,841)
<u>2,611,397</u>	<u>29,195</u>	<u>951,643</u>	<u>14,360</u>	<u>761,085</u>	<u>2,433,134</u>
<u>\$ 2,991,534</u>	<u>\$ 28,413</u>	<u>\$ 1,025,105</u>	<u>\$ 1,259</u>	<u>\$ 816,297</u>	<u>\$ 1,974,293</u>

(Continued)

SEDGWICK COUNTY, KANSAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006

	Special Alcohol and Drug Programs	Auto License	Court Alcohol/Drug Safety Action Program	Convention Tourism Visitors Promotion
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Emergency telephone services taxes	-	-	-	-
Other taxes	53,184	-	-	-
Intergovernmental	-	21,000	-	-
Charges for services	-	3,248,360	134,473	-
Uses of money and property	-	-	-	-
Licenses and permits	-	-	-	-
Reimbursed expenditures	-	22,213	-	-
Other	-	9,681	-	-
Total revenues	<u>53,184</u>	<u>3,301,254</u>	<u>134,473</u>	<u>-</u>
Expenditures				
Current:				
General government	-	3,075,486	-	-
Public safety	-	-	113,372	-
Public works	-	-	-	-
Health and welfare	15,150	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>15,150</u>	<u>3,075,486</u>	<u>113,372</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>38,034</u>	<u>225,768</u>	<u>21,101</u>	<u>-</u>
Other financing sources (uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	(59,405)	(129,832)	-	-
Total other financing sources (uses)	<u>(59,405)</u>	<u>(129,832)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(21,371)	95,936	21,101	-
Fund balances, beginning of year	<u>28,189</u>	<u>189,212</u>	<u>64,861</u>	<u>1,074</u>
Fund balances, end of year	<u>\$ 6,818</u>	<u>\$ 285,148</u>	<u>\$ 85,962</u>	<u>\$ 1,074</u>

Prosecuting Attorney Training	Equipment Reserve	Register of Deeds Technology	Fire District Operating	Fire District Special Equipment	Fire District Research and Development
\$ -	\$ -	\$ -	\$ 13,375,724	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	19,155	-	-
29,953	40	923,604	153,257	-	-
-	-	23,719	330,726	868	2,649
-	-	-	10,423	-	-
2,828	168	-	2,140	-	-
-	-	-	4,855	-	27,441
<u>32,781</u>	<u>208</u>	<u>947,323</u>	<u>13,896,280</u>	<u>868</u>	<u>30,090</u>
-	1,019,400	1,073,647	-	-	-
69,945	711,633	-	11,571,183	326,258	22,942
-	109,150	-	-	-	-
-	-	-	-	-	-
-	6,328	-	-	-	-
-	-	-	-	-	-
-	-	-	130,887	-	-
-	-	-	35,510	-	-
-	-	-	-	-	-
<u>69,945</u>	<u>1,846,511</u>	<u>1,073,647</u>	<u>11,737,580</u>	<u>326,258</u>	<u>22,942</u>
<u>(37,164)</u>	<u>(1,846,303)</u>	<u>(126,324)</u>	<u>2,158,700</u>	<u>(325,390)</u>	<u>7,148</u>
-	1,329,354	-	65,000	1,624,961	-
-	-	-	(1,689,961)	-	-
-	<u>1,329,354</u>	-	<u>(1,624,961)</u>	<u>1,624,961</u>	-
(37,164)	(516,949)	(126,324)	533,739	1,299,571	7,148
<u>187,944</u>	<u>13,779,893</u>	<u>1,230,709</u>	<u>3,078,755</u>	<u>21,119</u>	<u>61,276</u>
<u>\$ 150,780</u>	<u>\$ 13,262,944</u>	<u>\$ 1,104,385</u>	<u>\$ 3,612,494</u>	<u>\$ 1,320,690</u>	<u>\$ 68,424</u>

(Continued)

SEDGWICK COUNTY, KANSAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2006

	Township Dissolution	Totals
Revenues		
Property taxes	\$ -	\$ 34,675,411
Emergency telephone services taxes	-	2,344,925
Other taxes	-	94,634
Intergovernmental	16,470	7,764,500
Charges for services	-	14,643,616
Uses of money and property	-	489,237
Licenses and permits	-	95,467
Reimbursed expenditures	-	40,687
Other	-	63,251
	16,470	60,211,728
Total revenues	16,470	60,211,728
Expenditures		
Current:		
General government	-	5,168,533
Public safety	-	29,818,699
Public works	-	11,189,855
Health and welfare	-	5,352,376
Culture and recreation	-	28,803
Economic development	-	6,197,676
Debt service:		
Principal	-	335,887
Interest	-	132,130
Capital outlay	-	-
	-	58,223,959
Total expenditures	-	58,223,959
Excess (deficiency) of revenues over (under) expenditures	16,470	1,987,769
Other financing sources (uses)		
Transfers from other funds	-	3,025,171
Transfers to other funds	-	(3,511,253)
Total other financing sources (uses)	-	(486,082)
Net change in fund balances	16,470	1,501,687
Fund balances, beginning of year	150,281	27,229,375
Fund balances, end of year	\$ 166,751	\$ 28,731,062



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SEDGWICK COUNTY, KANSAS

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (Deficits)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

	Building and Equipment	Street, Bridge and Other	Sales Tax Road and Bridge
Revenues			
Special assessments	\$ -	\$ 15,404	\$ -
Other revenue	-	-	20,763
Intergovernmental	112,373	232,326	1,813,119
Total revenues	<u>112,373</u>	<u>247,730</u>	<u>1,833,882</u>
Expenditures			
Capital outlay	8,243,656	6,462,091	18,513,527
Total expenditures	<u>8,243,656</u>	<u>6,462,091</u>	<u>18,513,527</u>
(Deficiency) of revenues (under) expenditures	<u>(8,131,283)</u>	<u>(6,214,361)</u>	<u>(16,679,645)</u>
Other financing sources (uses)			
Transfers from other funds	8,840,113	1,721,921	10,442,616
Transfers to other funds	-	-	-
Total other financing sources (uses)	<u>8,840,113</u>	<u>1,721,921</u>	<u>10,442,616</u>
Net change in fund balances	708,830	(4,492,440)	(6,237,029)
Fund balances (deficits), beginning of year	<u>(789,478)</u>	<u>(2,240,656)</u>	<u>15,678,149</u>
Fund balances (deficits), end of year	<u>\$ (80,648)</u>	<u>\$ (6,733,096)</u>	<u>\$ 9,441,120</u>

Road and Bridge Equipment	Highway Improvement	Capital Improvements	Totals
\$ -	\$ -	\$ -	\$ 15,404
-	-	337,558	358,321
-	-	-	2,157,818
-	-	337,558	2,531,543
-	50,000	1,223,268	34,492,542
-	50,000	1,223,268	34,492,542
-	(50,000)	(885,710)	(31,960,999)
-	-	1,377,108	22,381,758
-	-	(715,491)	(715,491)
-	-	661,617	21,666,267
-	(50,000)	(224,093)	(10,294,732)
268,179	202,010	9,074,928	22,193,132
<u>\$ 268,179</u>	<u>\$ 152,010</u>	<u>\$ 8,850,835</u>	<u>\$ 11,898,400</u>

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 6,067,244	\$ 6,067,244	\$ 6,098,636	\$ 31,392
Other	266,786	266,786	-	(266,786)
Total revenues	<u>6,334,030</u>	<u>6,334,030</u>	<u>6,098,636</u>	<u>(235,394)</u>
Expenditures				
Current:				
Contractual services	6,394,514	6,394,514	6,197,676	196,838
Total expenditures	<u>6,394,514</u>	<u>6,394,514</u>	<u>6,197,676</u>	<u>196,838</u>
Revenues over (under) expenditures	<u>(60,484)</u>	<u>(60,484)</u>	<u>(99,040)</u>	<u>(38,556)</u>
Net change in fund balances	(60,484)	(60,484)	(99,040)	(38,556)
Fund balances, beginning of year	<u>60,484</u>	<u>60,484</u>	<u>130,432</u>	<u>69,948</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,392</u>	<u>\$ 31,392</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,714,645	\$ 2,714,645	\$ 2,684,209	\$ (30,436)
Intergovernmental	365,480	365,480	348,890	(16,590)
Reimbursed expenditures	125	125	631	506
Other	-	-	20	20
Total revenues	<u>3,080,250</u>	<u>3,080,250</u>	<u>3,033,750</u>	<u>(46,500)</u>
Expenditures				
Current:				
Personnel services	2,244,106	2,231,761	2,192,670	39,091
Contractual services	901,658	895,923	895,464	459
Commodities	94,153	100,153	100,123	30
Capital outlay	-	12,080	12,080	-
Total expenditures	<u>3,239,917</u>	<u>3,239,917</u>	<u>3,200,337</u>	<u>39,580</u>
Revenues over (under) expenditures	<u>(159,667)</u>	<u>(159,667)</u>	<u>(166,587)</u>	<u>(6,920)</u>
Net change in fund balances	(159,667)	(159,667)	(166,587)	(6,920)
Fund balances, beginning of year	<u>159,667</u>	<u>159,667</u>	<u>376,692</u>	<u>217,025</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,105</u>	<u>\$ 210,105</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 4,688,660	\$ 4,688,660	\$ 4,668,188	\$ (20,472)
Charges for services	8,063,787	8,063,787	8,372,226	308,439
Reimbursed expenditures	113	113	394	281
Other	1,179	1,179	475	(704)
Total revenues	<u>12,753,739</u>	<u>12,753,739</u>	<u>13,041,283</u>	<u>287,544</u>
Expenditures				
Current:				
Personnel services	9,542,280	9,668,640	9,408,241	260,399
Contractual services	2,476,519	2,279,389	2,196,762	82,627
Commodities	636,971	741,683	737,088	4,595
Capital outlay	247,000	153,058	153,058	-
Total expenditures	<u>12,902,770</u>	<u>12,842,770</u>	<u>12,495,149</u>	<u>347,621</u>
Revenues over (under) expenditures	<u>(149,031)</u>	<u>(89,031)</u>	<u>546,134</u>	<u>347,621</u>
Other financing (uses)				
Transfers to other funds	-	(60,000)	(60,000)	-
Total other financing (uses)	<u>-</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Net change in fund balances	(149,031)	(149,031)	486,134	635,165
Fund balances, beginning of year	<u>149,031</u>	<u>149,031</u>	<u>680,318</u>	<u>531,287</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,166,452</u>	<u>\$ 1,166,452</u>

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/ (Negative)
Revenues				
Taxes	\$ 2,179,207	\$ 2,179,207	\$ 2,175,022	\$ (4,185)
Intergovernmental	12,938	12,938	4,032	(8,906)
Reimbursed expenditures	-	-	394	394
Other	233	233	93	(140)
Total revenues	<u>2,192,378</u>	<u>2,192,378</u>	<u>2,179,541</u>	<u>(12,837)</u>
Expenditures				
Current:				
Personnel services	660,899	660,899	650,818	10,081
Contractual services	1,485,142	1,485,142	1,480,701	4,441
Commodities	6,000	6,000	5,112	888
Total expenditures	<u>2,152,041</u>	<u>2,152,041</u>	<u>2,136,631</u>	<u>15,410</u>
Revenues over (under) expenditures	<u>40,337</u>	<u>40,337</u>	<u>42,910</u>	<u>2,573</u>
Other financing (uses)				
Transfers to other funds	(140,764)	(140,764)	(140,764)	-
Total other financing (uses)	<u>(140,764)</u>	<u>(140,764)</u>	<u>(140,764)</u>	<u>-</u>
Net change in fund balances	(100,427)	(100,427)	(97,854)	2,573
Fund balances, beginning of year	<u>100,427</u>	<u>100,427</u>	<u>189,822</u>	<u>89,395</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,968</u>	<u>\$ 91,968</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 5,365,450	\$ 5,365,450	\$ 5,321,596	\$ (43,854)
Intergovernmental	5,122,622	5,122,622	5,044,493	(78,129)
Charges for services	52,718	52,718	18,868	(33,850)
Licenses and permits	10,512	10,512	7,905	(2,607)
Reimbursements	5,301	5,301	11,222	5,921
Other	9,309	9,309	20,527	11,218
Total revenues	<u>10,565,912</u>	<u>10,565,912</u>	<u>10,424,611</u>	<u>(141,301)</u>
Expenditures				
Current:				
Personnel services	6,145,657	6,003,357	5,652,756	350,601
Contractual services	3,322,193	3,738,293	3,422,008	316,285
Commodities	1,088,536	799,561	643,841	155,720
Capital outlay	-	14,175	13,175	1,000
Debt service:				
Principal	204,000	205,000	205,000	-
Interest	96,620	96,620	96,620	-
Total expenditures	<u>10,857,006</u>	<u>10,857,006</u>	<u>10,033,400</u>	<u>823,606</u>
Revenues over (under) expenditures	<u>(291,094)</u>	<u>(291,094)</u>	<u>391,211</u>	<u>682,305</u>
Other financing sources (uses)				
Transfers from other funds	-	-	3,861	3,861
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,861</u>	<u>3,861</u>
Net change in fund balances	(291,094)	(291,094)	395,072	686,166
Fund balances, beginning of year	<u>291,094</u>	<u>291,094</u>	<u>1,319,821</u>	<u>1,028,727</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,714,893</u>	<u>\$ 1,714,893</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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 354,671	\$ 354,671	\$ 352,036	\$ (2,635)
Charges for services	70,051	70,051	64,997	(5,054)
Reimbursed expenditures	-	-	511	511
Total revenues	<u>424,722</u>	<u>424,722</u>	<u>417,544</u>	<u>(7,178)</u>
Expenditures				
Current:				
Personnel services	232,845	234,745	233,392	1,353
Contractual services	89,308	97,008	90,256	6,752
Commodities	115,191	105,591	96,185	9,406
Capital outlay	-	-	-	-
Total expenditures	<u>437,344</u>	<u>437,344</u>	<u>419,833</u>	<u>17,511</u>
Revenues over (under) expenditures	<u>(12,622)</u>	<u>(12,622)</u>	<u>(2,289)</u>	<u>10,333</u>
Other financing sources (uses)				
Transfers from other funds	-	-	1,995	1,995
Net change in fund balances	(12,622)	(12,622)	(294)	12,328
Fund balances, beginning of year	<u>12,622</u>	<u>12,622</u>	<u>28,707</u>	<u>16,085</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,413</u>	<u>\$ 28,413</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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 918,504	\$ 918,504	\$ 989,618	\$ 71,114
Licenses and permits	76,768	76,768	77,139	371
Reimbursed expenditures	-	-	-	-
Other	-	-	159	159
Total revenues	<u>995,272</u>	<u>995,272</u>	<u>1,066,916</u>	<u>71,644</u>
Expenditures				
Current:				
Personnel services	644,166	648,105	592,962	55,143
Contractual services	1,008,366	885,842	286,775	599,067
Commodities	18,348	57,148	32,804	24,344
Capital outlay	-	-	-	-
Total expenditures	<u>1,670,880</u>	<u>1,591,095</u>	<u>912,541</u>	<u>678,554</u>
Revenues over (under) expenditures	<u>(675,608)</u>	<u>(595,823)</u>	<u>154,375</u>	<u>750,198</u>
Other financing (uses)				
Transfers to other funds	-	(79,785)	(79,785)	-
Total other financing (uses)	<u>-</u>	<u>(79,785)</u>	<u>(79,785)</u>	<u>-</u>
Net change in fund balances	(675,608)	(675,608)	74,590	750,198
Fund balances, beginning of year	<u>675,608</u>	<u>675,608</u>	<u>951,643</u>	<u>276,035</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,026,233</u>	<u>\$ 1,026,233</u>

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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/ (Negative)
Revenues				
Taxes	\$ 58,475	\$ 58,475	\$ 41,450	\$ (17,025)
Other	-	-	-	-
Total revenues	<u>58,475</u>	<u>58,475</u>	<u>41,450</u>	<u>(17,025)</u>
Expenditures				
Current:				
Personnel services	547	-	-	-
Contractual services	5,009	3,641	743	2,898
Commodities	11,970	1	-	1
Capital outlay	52,925	21,733	21,210	523
Total expenditures	<u>70,451</u>	<u>25,375</u>	<u>21,953</u>	<u>3,422</u>
Revenues over (under) expenditures	<u>(11,976)</u>	<u>33,100</u>	<u>19,497</u>	<u>(13,603)</u>
Other financing (uses)				
Transfers to other funds	-	(45,076)	(32,076)	13,000
Total other financing (uses)	<u>-</u>	<u>(45,076)</u>	<u>(32,076)</u>	<u>13,000</u>
Net change in fund balances	(11,976)	(11,976)	(12,579)	(603)
Fund balances, beginning of year	<u>11,976</u>	<u>11,976</u>	<u>13,543</u>	<u>1,567</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 964</u>	<u>\$ 964</u>

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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,382,971	\$ 2,382,971	\$ 2,346,516	\$ (36,455)
Charges for services	-	-	(1,591)	(1,591)
Uses of money and property	-	-	131,275	131,275
Reimbursed expenditures	-	-	186	186
Other	-	-	-	-
Total revenues	<u>2,382,971</u>	<u>2,382,971</u>	<u>2,476,386</u>	<u>93,415</u>
Expenditures				
Current:				
Contractual services	868,750	790,750	717,731	73,019
Commodities	52,750	47,750	30,354	17,396
Capital outlay	1,356,013	690,770	385,197	305,573
Total expenditures	<u>2,277,513</u>	<u>1,529,270</u>	<u>1,133,282</u>	<u>395,988</u>
Revenues over (under) expenditures	<u>105,458</u>	<u>853,701</u>	<u>1,343,104</u>	<u>489,403</u>
Other financing (uses)				
Transfers to other funds	(571,187)	(1,319,430)	(1,319,430)	-
Total other financing (uses)	<u>(571,187)</u>	<u>(1,319,430)</u>	<u>(1,319,430)</u>	<u>-</u>
Net change in fund balances	(465,729)	(465,729)	23,674	489,403
Fund balances, beginning of year	<u>465,729</u>	<u>465,729</u>	<u>529,234</u>	<u>63,505</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 552,908</u>	<u>\$ 552,908</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 72,512	\$ 72,512	\$ 53,184	\$ (19,328)
Total revenues	<u>72,512</u>	<u>72,512</u>	<u>53,184</u>	<u>(19,328)</u>
Expenditures				
Current:				
Contractual services	15,594	15,594	15,150	444
Total expenditures	<u>15,594</u>	<u>15,594</u>	<u>15,150</u>	<u>444</u>
Revenues over (under) expenditures	<u>56,918</u>	<u>56,918</u>	<u>38,034</u>	<u>(18,884)</u>
Other financing (uses)				
Transfers to other funds	(59,406)	(59,406)	(59,405)	1
Total other financing (uses)	<u>(59,406)</u>	<u>(59,406)</u>	<u>(59,405)</u>	<u>1</u>
Net change in fund balances	(2,488)	(2,488)	(21,371)	(18,883)
Fund balances, beginning of year	<u>2,488</u>	<u>2,488</u>	<u>28,189</u>	<u>25,701</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,818</u>	<u>\$ 6,818</u>

SEDGWICK COUNTY, KANSAS

Schedule of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)

**Special Revenue Fund: Convention Tourism Visitors Promotion
For the Year Ended December 31, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>1,074</u>	<u>1,074</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,074</u></u>	<u><u>\$ 1,074</u></u>

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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 12,961,671	\$ 12,961,671	\$ 13,375,724	\$ 414,053
Intergovernmental	-	-	19,155	19,155
Charges for services	120,500	120,500	153,257	32,757
Uses of money and property	-	-	330,726	330,726
Licenses and permits	18,872	18,872	10,423	(8,449)
Reimbursed expenditures	113	113	2,140	2,027
Other	7,904	7,904	4,855	(3,049)
Total revenues	<u>13,109,060</u>	<u>13,109,060</u>	<u>13,896,280</u>	<u>787,220</u>
Expenditures				
Current:				
Personnel services	10,316,320	10,215,283	10,205,020	10,263
Contractual services	2,529,356	946,424	918,268	28,156
Commodities	353,062	467,413	446,207	21,206
Capital outlay	229,057	8,714	139,279	(130,565)
Debt service:				
Principal	136,826	136,826	130,887	5,939
Interest	35,510	35,510	35,510	-
Total expenditures	<u>13,600,131</u>	<u>11,810,170</u>	<u>11,875,171</u>	<u>(65,001)</u>
Revenues over (under) expenditures	<u>(491,071)</u>	<u>1,298,890</u>	<u>2,021,109</u>	<u>722,219</u>
Other financing sources (uses)				
Transfers from other funds	-	-	65,000	65,000
Transfers to other funds	-	(1,789,961)	(1,689,961)	100,000
Total other financing sources (uses)	<u>-</u>	<u>(1,789,961)</u>	<u>(1,624,961)</u>	<u>165,000</u>
Net change in fund balances	(491,071)	(491,071)	396,148	887,219
Fund balances, beginning of year	<u>491,071</u>	<u>491,071</u>	<u>3,077,417</u>	<u>2,586,346</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,473,565</u>	<u>\$ 3,473,565</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 13,114,121	\$ 13,114,121	\$ 12,575,856	\$ (538,265)
Charges for services	81,368	81,368	80,500	(868)
Uses of money and property	-	-	60,109	60,109
Reimbursed expenditures	1,173	1,173	-	(1,173)
Other	55,126	55,126	2,253	(52,873)
Total revenues	<u>13,251,788</u>	<u>13,251,788</u>	<u>12,718,718</u>	<u>(533,070)</u>
Expenditures				
Current:				
Contractual services	-	8,817	8,815	2
Debt service:				
Principal	10,750,554	10,741,737	10,723,542	18,195
Interest and fiscal charges	4,676,973	4,676,973	4,676,973	-
Total expenditures	<u>15,427,527</u>	<u>15,427,527</u>	<u>15,409,330</u>	<u>18,197</u>
Revenues over (under) expenditures	<u>(2,175,739)</u>	<u>(2,175,739)</u>	<u>(2,690,612)</u>	<u>(514,873)</u>
Other financing sources				
Transfers from other funds	2,168,753	2,168,753	4,149,255	1,980,502
Total other financing sources	<u>2,168,753</u>	<u>2,168,753</u>	<u>4,149,255</u>	<u>1,980,502</u>
Net change in fund balances	(6,986)	(6,986)	1,458,643	1,465,629
Fund balances, beginning of year	<u>6,986</u>	<u>6,986</u>	<u>1,124,572</u>	<u>1,117,586</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,583,215</u>	<u>\$ 2,583,215</u>

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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ 1,460	\$ 1,460
Total revenues	<u>-</u>	<u>-</u>	<u>1,460</u>	<u>1,460</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,460</u>	<u>1,460</u>
Net change in fund balances	-	-	1,460	1,460
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>24,266</u>	<u>24,266</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,726</u>	<u>\$ 25,726</u>



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ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The fund measurement focus is based upon determination of net income, financial position and changes in financial position. Sedgwick County reports a single Enterprise Fund and additional information is presented in this section regarding the subfunds.

Coliseum/Arena Fund

Kansas Coliseum Subfund

Downtown Arena Subfund



SEDGWICK COUNTY, KANSAS

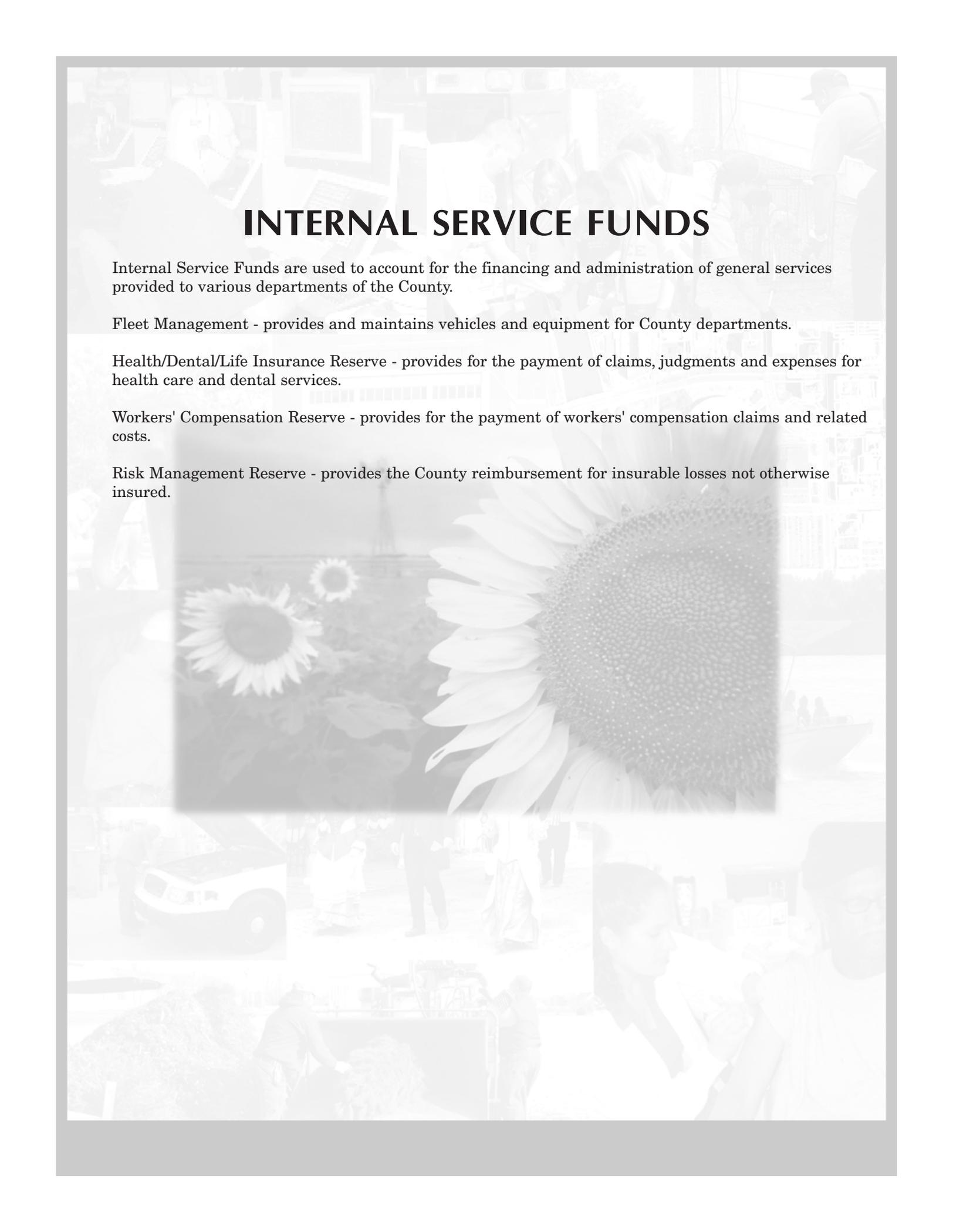
**Combining Schedule of Net Assets
Coliseum/Arena Fund
December 31, 2006**

	Kansas Coliseum Subfund	Downtown Arena Subfund	Totals Coliseum/Arena Fund
Assets			
Current assets:			
Cash, including investments	\$ 983,632	\$ -	\$ 983,632
Accounts receivable, net	5,093	-	5,093
Restricted assets:			
Cash, including investments	-	98,140,670	98,140,670
Sales tax receivable	-	15,307,003	15,307,003
Total current assets	988,725	113,447,673	114,436,398
Noncurrent assets:			
Capital assets:			
Land	1,514,844	-	1,514,844
Buildings and improvements	14,649,502	-	14,649,502
Machinery and equipment	971,753	-	971,753
Construction in progress	-	8,000,312	8,000,312
Less accumulated depreciation	(10,369,193)	-	(10,369,193)
Total capital assets (net of accumulated depreciation)	6,766,906	8,000,312	14,767,218
Total assets	\$ 7,755,631	\$ 121,447,985	\$ 129,203,616
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	\$ 7,976	\$ 45,228	\$ 53,204
Unearned revenue	846,493	-	846,493
Total liabilities	854,469	45,228	899,697
Net Assets			
Invested in capital assets	6,766,906	8,000,312	14,767,218
Restricted for capital improvements	-	113,402,445	113,402,445
Unrestricted	134,256	-	134,256
Total net assets	6,901,162	121,402,757	128,303,919
Total liabilities and net assets	\$ 7,755,631	\$ 121,447,985	\$ 129,203,616

SEDGWICK COUNTY, KANSAS

**Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets
Coliseum/Arena Fund
For the Year Ended December 31, 2006**

	Kansas Coliseum Subfund	Downtown Arena Subfund	Totals Coliseum/Arena Fund
Operating revenues			
Charges for services	\$ 1,933,532	\$ -	\$ 1,933,532
Other revenue	170	-	170
Total operating revenues	<u>1,933,702</u>	<u>-</u>	<u>1,933,702</u>
Operating expenses			
Salaries and benefits	1,490,145	-	1,490,145
Contractual services	304,744	-	304,744
Utilities	465,281	-	465,281
Supplies and Fuel	-	-	-
Administrative charges	206,624	-	206,624
Depreciation expense	276,979	-	276,979
Other expenses	192,441	-	192,441
Total operating expenses	<u>2,936,214</u>	<u>-</u>	<u>2,936,214</u>
Operating (loss)	<u>(1,002,512)</u>	<u>-</u>	<u>(1,002,512)</u>
Nonoperating revenues			
Local sales tax	-	82,384,251	82,384,251
Total nonoperating revenues	<u>-</u>	<u>82,384,251</u>	<u>82,384,251</u>
Income (loss) before transfers	(1,002,512)	82,384,251	81,381,739
Transfers			
Transfers from other funds	670,020	-	670,020
Transfers to other funds	-	-	-
Change in net assets	(332,492)	82,384,251	82,051,759
Total net assets, beginning of year	<u>7,233,654</u>	<u>39,018,506</u>	<u>46,252,160</u>
Total net assets, end of year	<u>\$ 6,901,162</u>	<u>\$ 121,402,757</u>	<u>\$ 128,303,919</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.



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SEDGWICK COUNTY, KANSAS

Combining Balance Sheet Internal Service Funds December 31, 2006

	<u>Fleet Management</u>	<u>Health/Dental/ Life Insurance Reserve</u>	<u>Workers' Compensation Reserve</u>
<u>Assets</u>			
Current assets:			
Cash, including investments	\$ 7,588,822	\$ 1,589,391	\$ 2,556,048
Inventories, at cost	415,302	-	-
Total current assets	<u>8,004,124</u>	<u>1,589,391</u>	<u>2,556,048</u>
Noncurrent assets:			
Capital assets:			
Buildings and improvements	8,303,571	-	-
Machinery and equipment	19,614,597	-	-
Less accumulated depreciation	<u>(9,788,016)</u>	<u>-</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>18,130,152</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 26,134,276</u>	<u>\$ 1,589,391</u>	<u>\$ 2,556,048</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 223,074	\$ -	\$ 7,358
Estimated claims costs payable	-	920,498	914,118
Total current liabilities	<u>223,074</u>	<u>920,498</u>	<u>921,476</u>
Noncurrent liabilities:			
Estimated claims costs payable	-	-	146,632
Total liabilities	<u>223,074</u>	<u>920,498</u>	<u>1,068,108</u>
<u>Net assets</u>			
Invested in capital assets	18,130,152	-	-
Unrestricted	<u>7,781,050</u>	<u>668,893</u>	<u>1,487,940</u>
Total net assets	<u>25,911,202</u>	<u>668,893</u>	<u>1,487,940</u>
Total liabilities and net assets	<u>\$ 26,134,276</u>	<u>\$ 1,589,391</u>	<u>\$ 2,556,048</u>

Risk Management Reserve	Totals
\$ 2,089,379	\$ 13,823,640
-	415,302
<u>2,089,379</u>	<u>14,238,942</u>
-	8,303,571
-	19,614,597
-	<u>(9,788,016)</u>
-	<u>18,130,152</u>
<u>\$ 2,089,379</u>	<u>\$ 32,369,094</u>
\$ 10,218	\$ 240,650
-	1,834,616
<u>10,218</u>	<u>2,075,266</u>
-	146,632
<u>10,218</u>	<u>2,221,898</u>
-	18,130,152
<u>2,079,161</u>	<u>12,017,044</u>
<u>2,079,161</u>	<u>30,147,196</u>
<u>\$ 2,089,379</u>	<u>\$ 32,369,094</u>

SEDGWICK COUNTY, KANSAS

*Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2006*

	<u>Fleet Management</u>	<u>Health/Dental/ Life Insurance Reserve</u>	<u>Workers' Compensation Reserve</u>
Operating revenues:			
Charges for services	\$ 6,741,175	\$ 24,498,020	\$ 1,862,274
Reimbursements	54,611	-	87,504
Other revenue	-	-	-
Total operating revenues	<u>6,795,786</u>	<u>24,498,020</u>	<u>1,949,778</u>
Operating expenses:			
Salaries and benefits	1,147,884	85,001	226,857
Contractual services	191,108	14,030	206,337
Utilities	90,891	-	-
Supplies and fuel	2,579,241	-	4,844
Administrative charges	114,126	-	-
Depreciation	2,845,204	-	-
Claims expense	-	24,398,531	1,026,029
Other	5,753	-	-
Total operating expenses	<u>6,974,207</u>	<u>24,497,562</u>	<u>1,464,067</u>
Operating income (loss)	<u>(178,421)</u>	<u>458</u>	<u>485,711</u>
Nonoperating revenues:			
Investment income	-	68,638	92,160
Proceeds from disposal of assets	259,758	-	-
Total nonoperating revenues	<u>259,758</u>	<u>68,638</u>	<u>92,160</u>
Income (loss) before transfers	81,337	69,096	577,871
Transfers			
Transfers from other funds	126,092	-	-
Transfers to other funds	(65,000)	-	-
Change in net assets	142,429	69,096	577,871
Net assets, beginning of year	<u>25,768,773</u>	<u>599,797</u>	<u>910,069</u>
Net assets, end of year	<u>\$ 25,911,202</u>	<u>\$ 668,893</u>	<u>\$ 1,487,940</u>

Risk Management Reserve	Totals
\$ -	\$ 33,101,469
66,270	208,385
1,777	1,777
<u>68,047</u>	<u>33,311,631</u>
162,153	1,621,895
753,185	1,164,660
-	90,891
21,589	2,605,674
-	114,126
-	2,845,204
216,809	25,641,369
679	6,432
<u>1,154,415</u>	<u>34,090,251</u>
<u>(1,086,368)</u>	<u>(778,620)</u>
59,880	220,678
-	259,758
<u>59,880</u>	<u>480,436</u>
(1,026,488)	(298,184)
1,248,157	1,374,249
<u>(4,000)</u>	<u>(69,000)</u>
217,669	1,007,065
<u>1,861,492</u>	<u>29,140,131</u>
<u>\$ 2,079,161</u>	<u>\$ 30,147,196</u>

SEDGWICK COUNTY, KANSAS

Combining Statement of Cash Flows Internal Service Funds For the year ended December 31, 2006

	Fleet Management	Health/Dental/ Life Insurance Reserve	Workers' Compensation Reserve
Cash flows from operating activities			
Receipts from customers and users	\$ 6,741,175	\$ 24,498,020	\$ 1,862,274
Other operating revenues	54,611	-	87,504
Payments to suppliers for goods and services	(3,017,654)	(24,534,463)	(1,181,375)
Payments to employees for services	(1,147,884)	(85,001)	(226,857)
Net cash provided by (used in) operating activities	<u>2,630,248</u>	<u>(121,444)</u>	<u>541,546</u>
Cash flows from noncapital financing activities			
Transfers from other funds	126,092	-	-
Transfers to other funds	(65,000)	-	-
Net cash provided (used in) noncapital financing activities	<u>61,092</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities			
Proceeds on disposal of capital assets	259,758	-	-
Purchases of capital assets	(1,702,696)	-	-
Net cash provided by (used in) capital and related financing activities	<u>(1,442,938)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Interest on investments	-	68,638	92,160
Net cash provided by investing activities	<u>-</u>	<u>68,638</u>	<u>92,160</u>
Net increase (decrease) in cash and cash equivalents	1,248,402	(52,806)	633,706
Cash and cash equivalents, beginning of year	6,340,420	1,642,197	1,922,342
Cash and cash equivalents, end of year	<u>\$ 7,588,822</u>	<u>\$ 1,589,391</u>	<u>\$ 2,556,048</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (178,421)	\$ 458	\$ 485,711
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	2,845,204	-	-
(Increase) in inventories	(41,735)	-	-
Increase (decrease) in accounts payable	5,200	(313,242)	(4,578)
Increase (decrease) in estimated claims payable	-	191,340	60,413
Total adjustments	<u>2,808,669</u>	<u>(121,902)</u>	<u>55,835</u>
Net cash provided by (used in) operating activities	<u>\$ 2,630,248</u>	<u>\$ (121,444)</u>	<u>\$ 541,546</u>

Risk Management Reserve	Totals
\$ -	\$ 33,101,469
68,047	210,162
(994,107)	(29,727,599)
(162,153)	(1,621,895)
<u>(1,088,213)</u>	<u>1,962,137</u>
1,248,157	1,374,249
<u>(4,000)</u>	<u>(69,000)</u>
<u>1,244,157</u>	<u>1,305,249</u>
-	259,758
<u>-</u>	<u>(1,702,696)</u>
<u>-</u>	<u>(1,442,938)</u>
59,880	220,678
<u>59,880</u>	<u>220,678</u>
215,824	2,045,126
<u>1,873,555</u>	<u>11,778,514</u>
<u>\$ 2,089,379</u>	<u>\$ 13,823,640</u>
<u>\$ (1,086,368)</u>	<u>\$ (778,620)</u>
-	2,845,204
-	(41,735)
(1,845)	(314,465)
<u>-</u>	<u>251,753</u>
<u>(1,845)</u>	<u>2,740,757</u>
<u>\$ (1,088,213)</u>	<u>\$ 1,962,137</u>

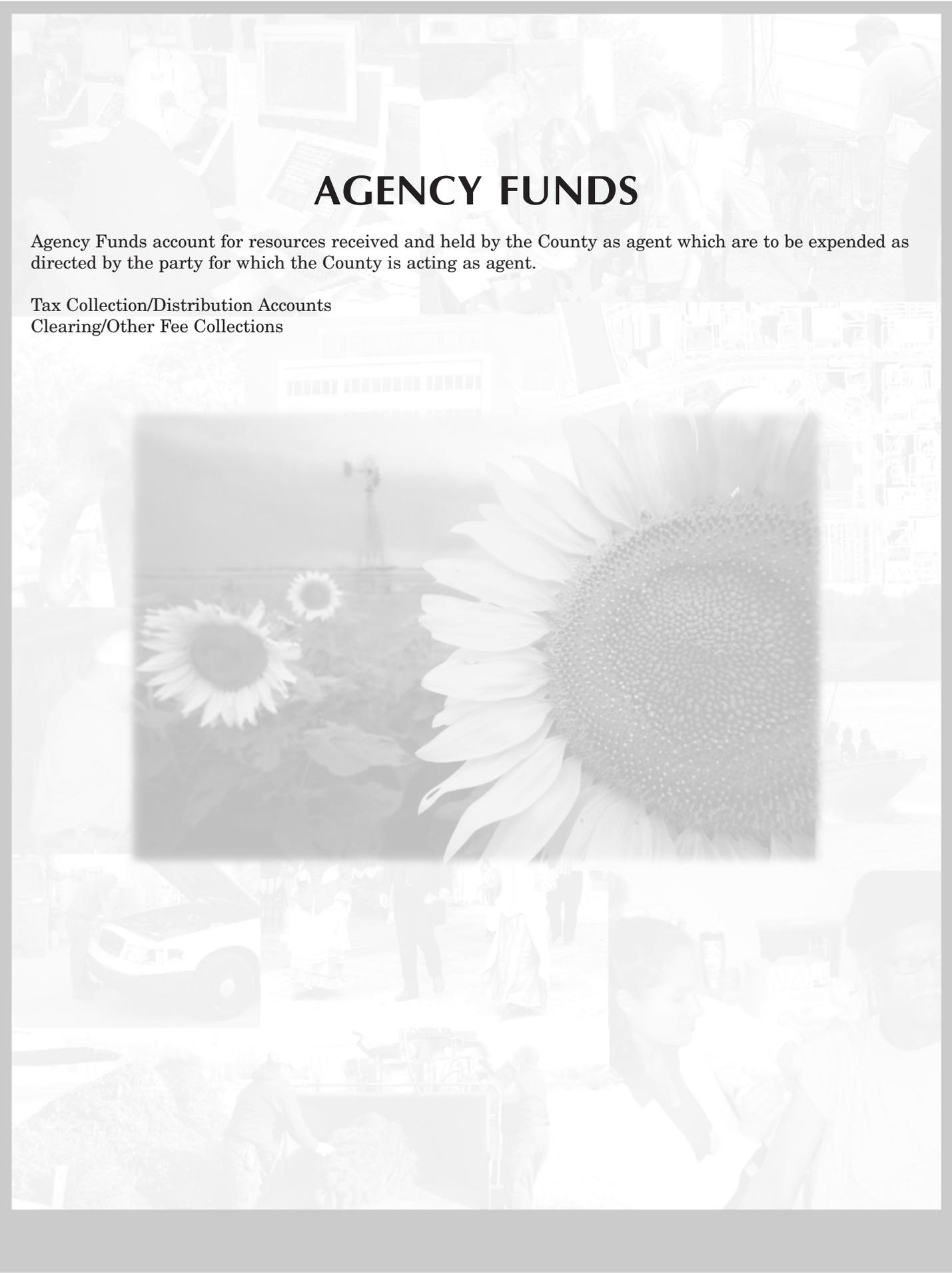


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AGENCY FUNDS

Agency Funds account for resources received and held by the County as agent which are to be expended as directed by the party for which the County is acting as agent.

Tax Collection/Distribution Accounts
Clearing/Other Fee Collections



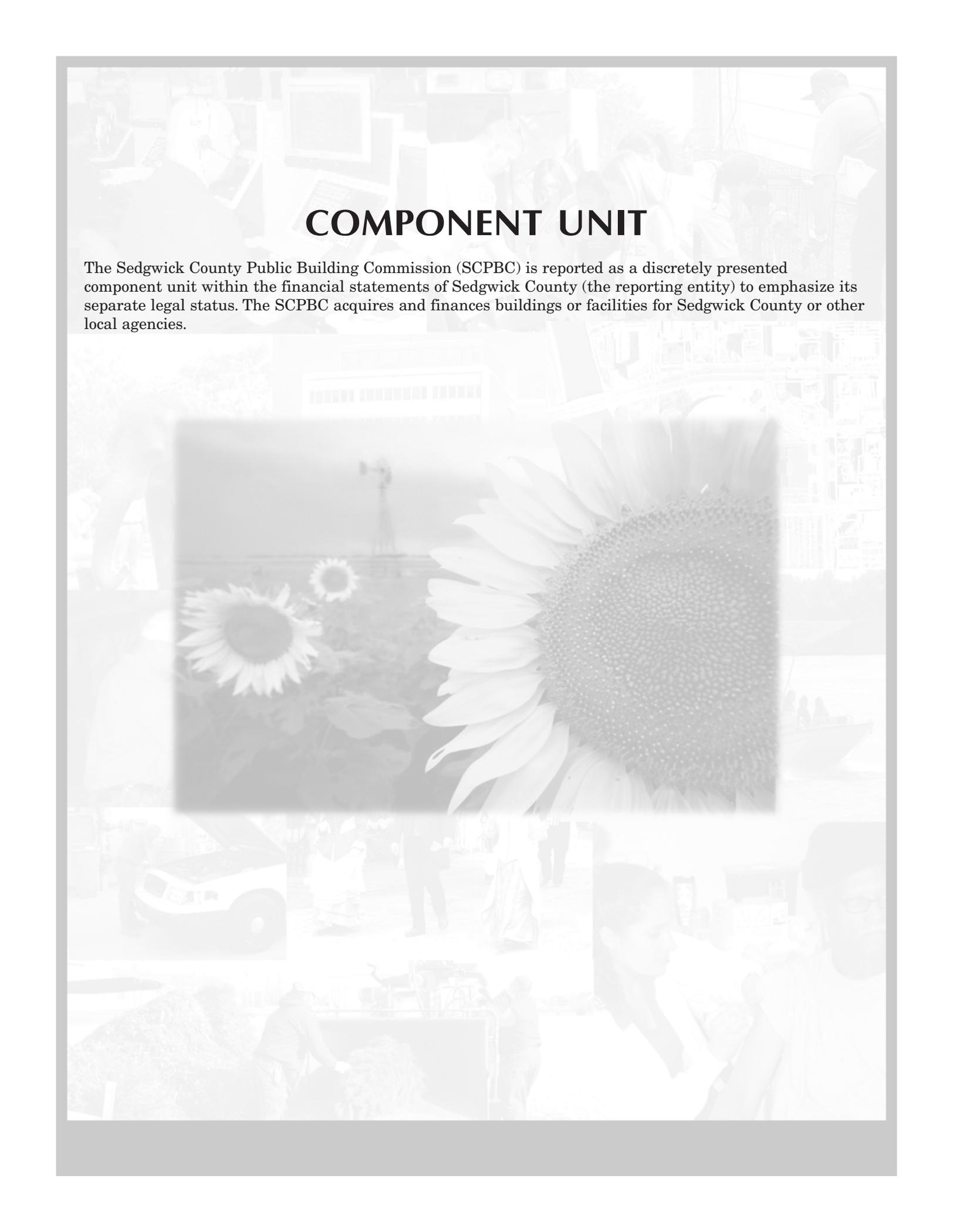
SEDGWICK COUNTY, KANSAS

Combining Statement of Changes in Assets and Liabilities All Agency Funds For the Year Ended December 31, 2006

	<u>Balance January 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2006</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets				
Cash	\$ 257,446,258	\$ 1,482,043,948	\$ (1,460,814,339)	\$ 278,675,867
Accounts receivable	764	287	-	1,051
Property tax levied	<u>206,447,169</u>	<u>489,941,227</u>	<u>(470,025,907)</u>	<u>226,362,489</u>
Total assets	<u>\$ 463,894,191</u>	<u>\$ 1,971,985,462</u>	<u>\$ (1,930,840,246)</u>	<u>\$ 505,039,407</u>
Liabilities				
Accrued liabilities	\$ 6,904,069	\$ 754,400,743	\$ (750,785,783)	\$ 10,519,029
Due to other governmental units	<u>456,990,122</u>	<u>1,217,584,719</u>	<u>(1,180,054,463)</u>	<u>494,520,378</u>
Total liabilities	<u>\$ 463,894,191</u>	<u>\$ 1,971,985,462</u>	<u>\$ (1,930,840,246)</u>	<u>\$ 505,039,407</u>
<u>TAX COLLECTION AND DISTRIBUTION ACCOUNTS</u>				
Assets				
Cash	\$ 250,542,953	\$ 727,643,492	\$ (710,028,556)	\$ 268,157,889
Property tax levied	<u>206,447,169</u>	<u>489,941,227</u>	<u>(470,025,907)</u>	<u>226,362,489</u>
Total assets	<u>\$ 456,990,122</u>	<u>\$ 1,217,584,719</u>	<u>\$ (1,180,054,463)</u>	<u>\$ 494,520,378</u>
Liabilities				
Due to other governmental units	<u>\$ 456,990,122</u>	<u>\$ 1,217,584,719</u>	<u>\$ (1,180,054,463)</u>	<u>\$ 494,520,378</u>
Total liabilities	<u>\$ 456,990,122</u>	<u>\$ 1,217,584,719</u>	<u>\$ (1,180,054,463)</u>	<u>\$ 494,520,378</u>
<u>CLEARING/OTHER FEE COLLECTIONS</u>				
Assets				
Cash	\$ 6,903,305	\$ 754,400,456	\$ (750,785,783)	\$ 10,517,978
Accounts receivable	<u>764</u>	<u>287</u>	<u>-</u>	<u>1,051</u>
Total assets	<u>\$ 6,904,069</u>	<u>\$ 754,400,743</u>	<u>\$ (750,785,783)</u>	<u>\$ 10,519,029</u>
Liabilities				
Accrued liabilities	<u>\$ 6,904,069</u>	<u>\$ 754,400,743</u>	<u>\$ (750,785,783)</u>	<u>\$ 10,519,029</u>
Total liabilities	<u>\$ 6,904,069</u>	<u>\$ 754,400,743</u>	<u>\$ (750,785,783)</u>	<u>\$ 10,519,029</u>



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COMPONENT UNIT

The Sedgwick County Public Building Commission (SCPBC) is reported as a discretely presented component unit within the financial statements of Sedgwick County (the reporting entity) to emphasize its separate legal status. The SCPBC acquires and finances buildings or facilities for Sedgwick County or other local agencies.

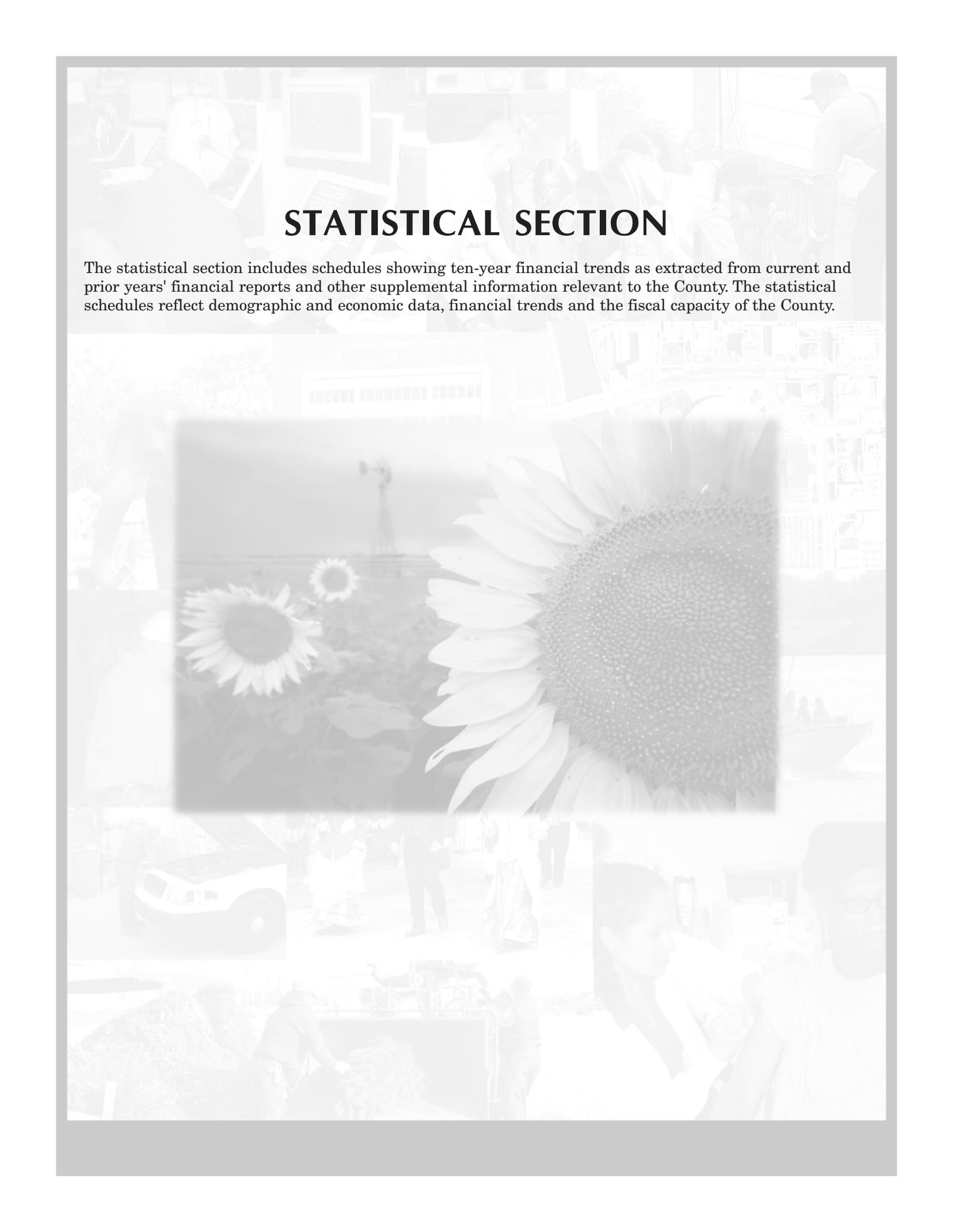
SEDGWICK COUNTY, KANSAS

Statement of Cash Flows Component Unit - Sedgwick County Public Building Commission For the Year Ended December 31, 2006

Cash flows from capital and related financing activities:	
Received on direct financing lease	\$ 2,947,793
Debt service - principal	(1,590,000)
Debt service - interest expense	<u>(1,357,793)</u>
Net cash used in capital and related financing activities	<u>-</u>
Net decrease in cash and cash equivalents	-
Cash and cash equivalents - beginning of the year	<u>-</u>
Cash and cash equivalents - end of the year	<u>\$ -</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.

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>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>	G - 2
Revenue Capacity <i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	G - 6
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>	G - 11
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>	G - 14
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>	G - 16

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.*



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SEDGWICK COUNTY, KANSAS
NET ASSETS BY COMPONENT
Last Five Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities					
Invested in capital assets, net of related debt	\$ 196,735,452	166,039,212.00	\$ 199,146,401	\$ 208,012,619	\$ 192,131,802
Restricted	45,438,250	96,685,495	87,933,415	106,459,311	97,202,499
Unrestricted	76,066,168	52,638,473	49,039,454	48,780,818	49,132,760
Total governmental activities net assets	\$ 318,239,870	\$ 315,363,180	\$ 336,119,270	\$ 363,252,748	\$ 338,467,061
Business-type activities					
Invested in capital assets, net of related debt	\$ 7,864,772	\$ 7,706,580	\$ 8,615,366	\$ 9,163,049	\$ 14,767,218
Restricted	-	-	-	36,869,001	113,402,445
Unrestricted	783,483	472,032	288,610	220,110	134,256
Total business-type activities net assets	\$ 8,648,255	\$ 8,178,612	\$ 8,903,976	\$ 46,252,160	\$ 128,303,919
Primary government					
Invested in capital assets, net of related debt	\$ 204,600,224	\$ 173,745,792	\$ 207,761,767	\$ 217,175,668	\$ 206,899,020
Restricted	45,438,250	96,685,495	87,933,415	143,328,312	210,604,944
Unrestricted	76,849,651	53,110,505	49,328,064	49,000,928	49,267,016
Total primary government net assets	\$ 326,888,125	\$ 323,541,792	\$ 345,023,246	\$ 409,504,908	\$ 466,770,980

Notes:

Accrual-basis financial information for the county government as a whole is available back to 2002 only, the year GASB Statement 34 was implemented.

The County's 2006 net assets have been restated by \$34,118,645 to reduce capital assets which are owned by other government entities.

SEDGWICK COUNTY, KANSAS
CHANGES IN NET ASSETS
Last Five Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses					
Governmental activities:					
General government	\$ 49,476,435	\$ 50,198,438	\$ 48,331,988	\$ 49,884,611	\$ 44,304,048
Public safety	82,167,365	86,161,021	90,329,891	94,875,022	116,403,399
Public works	18,717,784	29,331,078	23,710,531	15,462,330	24,948,572
Health and welfare	55,010,015	58,815,151	62,317,632	61,857,647	65,515,975
Culture and recreation	7,661,687	7,139,230	6,952,194	7,869,915	8,778,118
Economic development	11,719,936	12,896,137	14,279,223	12,247,263	14,302,864
Interest on long-term debt	6,069,027	3,920,879	6,072,591	5,900,048	5,868,171
Total governmental activities expenses	<u>230,822,249</u>	<u>248,461,934</u>	<u>251,994,050</u>	<u>248,096,836</u>	<u>280,121,147</u>
Business-type activities:					
Coliseum/Arena	3,300,402	3,572,280	2,997,603	2,981,789	2,936,214
Total business-type activities expenses	<u>3,300,402</u>	<u>3,572,280</u>	<u>2,997,603</u>	<u>2,981,789</u>	<u>2,936,214</u>
Total primary government expenses	<u>\$ 234,122,651</u>	<u>\$ 252,034,214</u>	<u>\$ 254,991,653</u>	<u>\$ 251,078,625</u>	<u>\$ 283,057,361</u>
Program Revenues					
Charges for services:					
General government	\$ 14,395,770	\$ 19,018,984	\$ 16,423,929	\$ 17,615,559	\$ 18,457,307
Public safety	15,226,982	15,432,238	14,239,648	14,836,964	18,755,303
Public works	1,349,820	1,974,186	1,038,116	1,393,981	1,232,909
Health and welfare	20,001,934	28,694,484	34,107,631	31,870,736	31,042,066
Culture and recreation	511,285	520,298	379,438	388,293	633,362
Economic development	895,885	723,044	911,998	606,056	76,210
Operating grants and contributions:					
General government	5,570,899	2,737,723	2,964,772	2,870,948	91,132
Public safety	13,056,847	15,539,593	13,005,593	12,265,843	12,526,097
Public works	5,917,140	6,375,111	11,688,318	7,785,059	7,142,161
Health and welfare	23,888,519	15,500,871	22,713,306	22,997,389	25,409,052
Economic development	1,716,835	1,886,253	1,945,840	1,613,765	2,595,006
Capital grants and contributions:					
Public works	3,654,922	504,727	1,821,302	2,810,309	2,734,262
Total governmental activities program revenues	<u>106,186,838</u>	<u>108,907,512</u>	<u>121,239,891</u>	<u>117,054,902</u>	<u>120,694,867</u>

Business-type activities:								
Charges for services:								
Coliseum/Arena	3,025,157	2,855,752	2,542,662	2,132,623	1,933,702			
Total business-type activities program revenues	<u>3,025,157</u>	<u>2,855,752</u>	<u>2,542,662</u>	<u>2,132,623</u>	<u>1,933,702</u>			
Total primary government program revenues	<u>\$ 109,211,995</u>	<u>\$ 111,763,264</u>	<u>\$ 123,782,553</u>	<u>\$ 119,187,525</u>	<u>\$ 122,628,569</u>			
Net (Expense)/Revenue								
Governmental activities	\$ (124,635,411)	\$ (139,554,422)	\$ (130,754,159)	\$ (131,041,934)	\$ (159,426,280)			
Business-type activities	<u>(275,245)</u>	<u>(716,528)</u>	<u>(454,941)</u>	<u>(849,166)</u>	<u>(1,002,512)</u>			
Total primary government net expense	<u>\$ (124,910,656)</u>	<u>\$ (140,270,950)</u>	<u>\$ (131,209,100)</u>	<u>\$ (131,891,100)</u>	<u>\$ (160,428,792)</u>			
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes	\$ 104,320,028	\$ 107,594,113	\$ 118,207,167	\$ 123,602,221	\$ 128,920,197			
Sales taxes	21,421,060	22,441,273	22,340,777	22,886,788	24,438,223			
Other taxes	2,489,042	2,393,205	2,460,235	2,721,419	2,734,609			
Investment earnings	8,129,260	4,496,026	5,659,692	8,143,828	13,336,229			
Miscellaneous	693,060	-	-	-	-			
Transfers	56,366	(246,885)	(1,180,305)	821,156	(670,020)			
Total governmental activities	<u>137,108,816</u>	<u>136,677,732</u>	<u>147,487,566</u>	<u>158,175,412</u>	<u>168,759,238</u>			
Business-type activities:								
Sales taxes	-	-	-	39,018,506	82,384,251			
Transfers	(56,366)	246,885	1,180,305	(821,156)	670,020			
Total business-type activities	<u>(56,366)</u>	<u>246,885</u>	<u>1,180,305</u>	<u>38,197,350</u>	<u>83,054,271</u>			
Total primary government	<u>\$ 137,052,450</u>	<u>\$ 136,924,617</u>	<u>\$ 148,667,871</u>	<u>\$ 196,372,762</u>	<u>\$ 251,813,509</u>			
Change in Net Assets								
Governmental activities	\$ 12,473,405	\$ (2,876,690)	\$ 16,733,407	\$ 27,133,478	\$ 9,332,958			
Business-type activities	<u>(331,611)</u>	<u>(469,643)</u>	<u>725,364</u>	<u>37,348,184</u>	<u>82,051,759</u>			
Total primary government	<u>\$ 12,141,794</u>	<u>\$ (3,346,333)</u>	<u>\$ 17,458,771</u>	<u>\$ 64,481,662</u>	<u>\$ 91,384,717</u>			

Note: Accrual-basis financial information for the county government as a whole is available back to 2002 only, the year GASB Statement 34 was implemented.

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

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ 2,166,081	\$ 1,862,883	\$ 2,224,414	\$ 2,198,063	\$ 1,445,489	\$ 961,353	\$ 2,003,050	\$ 1,614,676	\$ 1,403,228	\$ 1,643,047
Unreserved	13,889,257	21,085,223	17,083,187	21,104,409	27,070,677	26,814,560	24,696,983	31,487,300	36,665,136	40,836,970
Total general fund	\$ 16,055,338	\$ 22,948,106	\$ 19,307,601	\$ 23,302,472	\$ 28,516,166	\$ 27,775,913	\$ 26,700,033	\$ 33,101,976	\$ 38,068,364	\$ 42,480,017
All Other Governmental Funds										
Reserved	41,199,155	14,713,012	17,447,606	20,974,577	20,019,190	32,340,509	49,470,545	22,245,968	20,609,966	22,457,395
Unreserved										
Designated										
Special revenue funds	3,860,184	3,137,601	15,703,046	9,020,694	8,827,523	17,502,934	14,156,619	15,459,654	6,951,752	8,078,864
Capital projects funds	-	-	9,312,169	13,878,234	8,572,716	16,426,399	48,746,047	34,787,640	19,651,350	13,031,065
Undesignated										
Special revenue funds	29,497,543	36,686,095	20,522,698	17,750,489	20,349,878	20,110,759	10,752,979	19,976,200	31,581,181	30,877,268
Capital projects funds	(31,022,284)	(582,212)	721,116	1,568,197	4,193,887	(5,100,776)	(31,907,388)	(19,107,968)	8,445,813	(1,231,505)
Total all other governmental funds	\$ 43,534,598	\$ 53,954,496	\$ 63,706,635	\$ 63,192,191	\$ 61,963,194	\$ 81,279,825	\$ 91,218,802	\$ 73,361,494	\$ 87,240,062	\$ 73,213,087

SEDGWICK COUNTY, KANSAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Dollars in Thousands)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues										
Taxes	\$ 103,806	\$ 115,885	\$ 117,570	\$ 122,411	\$ 125,340	\$ 128,230	\$ 132,429	\$ 143,008	\$ 149,211	\$ 156,092
Special assessments	4,469	4,257	4,326	4,383	4,230	3,919	4,138	4,113	3,797	3,711
Inter governmental	40,369	39,470	45,375	44,075	45,743	50,266	42,073	52,317	47,533	47,763
Charges for services	18,305	23,589	22,048	25,888	35,102	48,139	59,852	62,864	63,966	63,949
Uses of money and property	6,887	7,550	7,956	11,799	10,824	8,031	4,104	5,591	8,023	13,336
Fines and forfeits	174	200	298	463	490	426	283	175	180	296
Licenses and permits	151	145	123	143	186	283	597	451	604	637
Reimbursed expenditures	5,756	5,714	5,538	4,304	4,083	5,339	4,951	4,419	4,345	7,676
Other	1,597	2,410	1,807	1,257	1,914	1,507	1,665	2,274	902	1,139
Total revenues	181,514	199,220	205,041	214,723	227,912	246,140	250,092	275,212	278,561	294,599
Expenditures										
General government	31,405	32,929	36,102	41,217	46,669	45,918	45,966	44,616	46,242	37,885
Public safety	56,312	60,957	67,228	74,948	81,466	78,953	84,507	88,796	92,932	115,244
Public works	9,894	9,646	10,057	21,675	24,721	12,489	13,002	14,084	11,338	12,652
Health and welfare	30,697	31,609	32,955	36,002	46,775	55,496	59,892	63,980	63,109	66,994
Culture and recreation	4,381	4,340	4,746	5,661	5,839	6,202	5,703	5,575	6,236	7,176
Economic development	9,521	9,412	9,538	10,837	10,790	11,921	13,162	14,453	12,239	14,337
Debt service										
Principal	11,491	12,512	12,961	13,853	11,119	28,956	10,967	12,846	12,097	12,445
Interest and fiscal charges	4,118	4,986	6,578	6,086	5,543	5,577	5,432	5,688	5,743	6,078
Debt issuance costs	131	795	170	87	190	160	60	169	-	-
Capital outlay	46,441	67,320	37,589	3,877	5,353	24,106	38,749	35,004	27,453	34,493
Total expenditures	204,391	234,506	217,924	214,243	238,465	269,778	277,440	285,211	277,389	307,304
Excess of revenues over (under) expenditures	(22,877)	(35,286)	(12,883)	480	(10,553)	(23,638)	(27,348)	(9,999)	1,172	(12,705)
Other financing sources (uses)										
Transfers from other funds	37,753	59,232	36,288	33,849	27,989	32,198	27,120	34,856	41,701	31,005
Transfers to other funds	(37,468)	(59,507)	(36,077)	(34,561)	(29,158)	(34,094)	(28,825)	(36,459)	(42,029)	(32,980)
Direct financing lease	-	14,992	6,251	-	-	-	212	928	-	-
Proceeds of advance from health insurance funds	-	-	423	-	-	-	-	-	-	-
Issuance of revolving loan	-	-	-	-	-	-	-	-	3,412	-
Issuance of general obligation bonds	9,529	38,080	12,124	3,930	11,220	43,758	37,802	-	14,515	5,065
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	(5,025)	-	-
Total other financing sources (uses)	9,814	52,797	19,009	3,218	10,051	41,882	36,309	(5,700)	17,599	3,090
Net change in fund balances	\$ (13,063)	\$ 17,511	\$ 6,126	\$ 3,698	\$ (502)	\$ 18,224	\$ 8,961	\$ (15,699)	\$ 18,771	\$ (9,615)
Debt service as a percentage of noncapital expenditures	11.1%	12.3%	12.3%	10.5%	7.8%	16.4%	7.2%	7.9%	7.8%	7.1%

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	Real Property		Personal Property		Total ¹		Assessed/ Actual Ratio	Total Direct Tax Rate ²
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
1997	1,763,539	12,345,401	983,593	3,174,446	2,747,131	15,519,847	17.70%	30.196
1998	1,854,181	13,025,389	1,017,210	4,167,792	2,871,392	17,193,182	16.70%	29.638
1999	2,000,772	14,128,911	1,024,492	4,222,712	3,025,264	18,351,623	16.48%	28.699
2000	2,173,066	15,262,596	1,051,832	4,260,450	3,224,898	19,523,047	16.52%	28.600
2001	2,324,187	16,310,311	1,056,770	4,533,394	3,380,957	20,843,705	16.22%	28.654
2002	2,464,039	17,192,910	1,046,810	4,536,948	3,510,849	21,729,858	16.16%	28.776
2003	2,704,995	18,788,455	1,072,064	4,598,427	3,777,059	23,386,882	16.15%	28.817
2004	2,831,621	19,723,089	1,088,563	4,710,991	3,920,184	24,434,080	16.04%	28.763
2005	2,994,083	19,727,010	1,114,926	4,813,199	4,109,009	24,540,209	16.74%	28.758
2006	3,179,041	22,334,988	1,130,307	4,867,631	4,309,348	27,202,619	15.84%	31.315

SEDGWICK COUNTY FIRE DISTRICT #1
(Dollars in Thousands)

Fiscal Year	Real Property		Personal Property		Total ¹		Assessed/ Actual Ratio	Total Direct Tax Rate ²
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
1997	320,983	2,299,499	278,683	1,114,097	599,665	3,413,596	17.57%	14.011
1998	327,589	2,365,714	288,849	1,175,221	616,438	3,540,935	17.41%	14.951
1999	340,366	2,466,254	286,725	1,168,354	627,091	3,634,607	17.25%	15.978
2000	479,704	3,561,126	286,662	1,222,230	766,366	4,783,356	16.02%	15.426
2001	538,057	3,988,844	287,581	1,230,188	825,638	5,219,033	15.82%	15.373
2002	380,539	2,657,619	228,639	1,093,361	609,178	3,750,980	16.24%	15.407
2003	429,885	2,971,327	226,211	958,559	656,096	3,929,886	16.70%	16.695
2004	452,974	3,172,813	234,002	989,026	686,976	4,161,839	16.51%	18.579
2005	475,972	3,359,937	251,072	1,058,181	727,044	4,418,118	16.46%	18.556
2006	488,541	3,465,068	246,490	1,038,254	735,030	4,503,322	16.32%	18.469

¹ Represents the equalized valuation of tangible property, including motor vehicles.

² Tax rates are per \$1,000 of assessed value.

Source: Sedgwick County Clerk

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

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

	Year Taxes Are Payable									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
County Direct Rates										
General	\$ 17,814	\$ 15,683	\$ 17,521	\$ 19,186	\$ 19,899	\$ 18,984	\$ 21,818	\$ 21,845	\$ 21,225	\$ 23,925
Road and bridge	0.905	1.394	1.912	2.176	1.662	1.882	1.014	0.736	1.400	1.015
Mental health	0.997	1.259	1.582	1.130	1.025	1.017	0.476	0.595	0.673	0.589
Community health	-	-	-	-	-	0.710	0.717	-	-	-
Noxious weeds	0.124	0.122	0.131	0.135	0.117	0.118	0.067	0.073	0.089	0.089
Agricultural extension council	0.315	0.315	0.362	0.348	0.367	0.377	0.288	-	-	-
Junior college tuition	0.750	0.573	0.591	0.460	-	-	-	-	-	-
Employee benefits	3.194	3.293	-	-	-	-	-	-	-	-
Emergency medical services	1.070	1.187	0.790	1.333	1.314	1.487	0.473	1.178	1.152	1.363
Aging	0.766	0.685	0.750	0.688	0.680	0.655	0.553	0.583	0.529	0.545
WSU program development	1.479	1.491	1.500	1.543	1.500	1.500	1.500	1.495	1.500	1.500
Debt service	2.782	3.636	3.560	1.601	2.090	2.046	1.911	2.258	2.190	2.289
Total direct rate	30.196	29.638	28.699	28.600	28.654	28.776	28.817	28.763	28.758	31.315
Fire District Rates										
Andale	14.011	14.951	15.631	15.426	15.373	15.407	16.695	18.579	18.556	18.469
City Rates										
Bentley	30.749	31.383	26.931	28.659	32.329	32.638	38.932	41.845	38.842	39.374
Cheney	41.852	39.017	46.376	46.750	52.516	52.265	48.983	48.616	48.763	48.566
Clearwater	42.937	44.480	47.520	47.442	46.418	48.646	48.945	49.742	49.661	49.519
Colwich	44.448	43.952	42.532	42.301	40.946	40.831	42.954	42.846	42.743	44.294
Derby	22.826	22.511	22.696	59.073	54.057	52.096	23.692	33.508	37.932	34.249
Eastborough	39.852	40.184	40.830	45.635	45.791	45.940	45.790	48.331	48.352	48.176
Garden Plain	27.431	25.129	25.157	23.852	23.993	27.264	30.007	35.006	37.642	58.221
Goddard	41.934	48.379	47.130	43.802	45.954	46.730	46.781	46.852	45.869	48.250
Haysville	18.300	18.661	20.569	20.533	19.807	19.276	16.724	14.720	14.075	14.053
Kechi	42.538	42.370	41.673	41.967	43.371	43.326	48.310	45.673	45.402	45.204
Maize	19.403	19.403	19.386	18.490	18.454	18.392	18.353	18.431	18.246	21.154
Mount Hope	29.551	29.535	29.641	34.941	37.254	37.319	37.172	37.397	39.654	41.321
Mulvane	47.012	47.233	46.957	47.164	46.922	50.224	51.052	49.730	51.587	51.367
Sedgwick	44.923	44.925	44.895	44.676	49.969	47.390	49.811	48.633	48.411	56.664
Valley Center	46.036	44.723	43.973	47.203	48.541	52.246	51.729	51.480	51.291	51.210
Viola	38.637	38.485	35.864	39.012	40.028	39.679	47.969	47.813	49.666	49.731
Wichita	7.538	7.031	6.975	7.432	7.005	7.213	9.428	9.420	9.493	14.408
Bel Aire	31.225	31.253	31.406	31.359	31.474	31.845	31.905	31.828	31.898	31.953
Park City	11.576	11.587	11.567	11.558	14.857	15.787	23.861	21.975	22.831	23.959
	30.006	29.391	30.633	32.389	33.991	33.687	36.193	36.178	35.043	37.236
Townships										
	.262-15.717	.299-15.644	.511-17.660	.124-13.530	.161-14.550	.547-14.396	.103-14.064	.193-14.813	.112-15.765	.109-16.716
School Districts										
	33.942-68.737	31.593-66.027	33.115-66.480	30.739-65.250	28.935-67.310	35.247-68.253	36.822-68.488	41.546-68.404	42.955-67.959	40.681-66.593
Cemetery Districts										
	.024-1.034	.023-2.150	.022-1.959	.144-1.685	.147-1.660	.150-1.959	.944-1.826	.156-1.754	.159-1.814	.157-1.792
Drainage Districts										
	1.125-4.108	.152-5.327	1.299-5.156	1.190-5.154	1.061-4.775	.786-3.386	.501-4.812	.503-6.307	.875-6.207	.902-9.052
Improvement Districts										
	3.822-11.503	.429-8.959	.446-7.709	1.608-8.548	1.496-9.577	2.737-18.076	1.100-16.154	.966-15.637	1.014-16.239	1.060-14.399
Sewer Districts										
	2.748	2.374-4.145	1.975	1.658	-	-	-	-	-	-
Other Districts										
	.514-7.596	.471-9.683	1.608-14.043	.763-24.258	0.22-4.52	.922-27.028	.837-25.156	.960-24.245	.953-23.607	1.876-22.873

Source: Sedgwick County Clerk



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

	Fiscal Year 2006			Fiscal Year 1997		
	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Kansas Gas & Electric - A Westar Co.	\$ 93,682,621	1	2.17%	\$ 94,539,841	1	3.44%
Spirit Aerosystems, Inc.	85,302,070	2	1.98%	-	-	-
Southwestern Bell Telephone	49,683,265	3	1.15%	61,798,194	2	2.25%
Wesley Medical Center, LLC	26,165,336	4	0.61%	20,397,419	4	0.74%
Cessna Aircraft Company	25,467,274	5	0.59%	14,692,280	7	0.53%
Boeing IDS Wichita/Boeing Company	21,276,849	6	0.49%	67,747,995	3	2.47%
Simon Property Group	18,411,522	7	0.43%	12,144,723	9	0.44%
Raytheon Aircraft Company	18,303,417	8	0.42%	14,216,711	8	0.52%
Kansas Gas Service	15,854,817	9	0.37%	-	-	-
Basic Chemicals Co. (formerly Vulcan Materials)	12,797,850	10	0.30%	16,468,871	6	0.60%
Kellogg Mall Associates LP	-	-	-	17,918,150	5	0.65%
Koch Industries, Inc.	-	-	-	11,931,821	10	0.43%
	<u>\$366,945,021</u>		<u>8.51%</u>	<u>\$331,856,005</u>		<u>12.07%</u>

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		Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ³	Total Collections to Date	
	(Original Levy)				Amount ²	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
1996	61,621,823	(58,778)		61,563,045	60,178,793	97.66%	1,208,491	61,387,284	99.71%
1997	70,295,877	(132,427)		70,163,449	68,619,982	97.62%	995,669	69,615,651	99.22%
1998	72,676,852	(99,820)		72,577,032	70,999,015	97.69%	1,249,239	72,248,254	99.55%
1999	75,369,869	(272,440)		75,097,430	72,924,106	96.75%	1,269,685	74,193,791	98.80%
2000	80,139,081	(770,034)		79,369,047	77,184,854	96.31%	1,042,912	78,227,766	98.56%
2001	84,524,755	(4,974)		84,519,780	81,564,178	96.50%	1,606,396	83,170,574	98.40%
2002	87,885,050	(249,660)		87,635,391	84,773,787	96.46%	1,830,410	86,604,197	98.82%
2003	94,601,506	(520,803)		94,080,703	91,068,224	96.27%	1,973,979	93,042,203	98.90%
2004	98,203,643	455,308		97,748,335	94,695,003	96.43%	2,050,618	96,745,621	98.97%
2005	103,184,139	(473,529)		102,710,610	99,887,609	96.81%	Not Applicable	99,887,609	96.81%

SEDGWICK COUNTY FIRE DISTRICT #1

Tax Year ¹	Taxes Levied for the Fiscal Year		Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ³	Total Collections to Date	
	(Original Levy)				Amount ²	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
1996	6,384,260	(15,347)		6,368,913	6,254,297	97.96%	105,070	6,359,367	99.85%
1997	7,074,158	(5,230)		7,068,928	6,957,443	98.35%	76,446	7,033,889	99.50%
1998	8,011,163	(8,377)		8,002,786	7,877,417	98.33%	83,060	7,960,477	99.47%
1999	8,285,951	(48,636)		8,237,315	8,041,212	97.05%	107,066	8,148,278	98.92%
2000	8,012,656	(19,824)		7,992,831	7,831,508	97.74%	107,278	7,938,786	99.32%
2001	8,103,411	(18,527)		8,084,884	7,854,202	96.92%	125,065	7,979,267	98.69%
2002	8,251,806	(23,550)		8,228,256	8,028,002	97.29%	161,558	8,189,560	99.53%
2003	9,731,825	(38,665)		9,693,160	9,423,315	96.83%	161,464	9,584,779	98.88%
2004	11,376,138	(30,074)		11,346,064	11,091,213	97.50%	163,719	11,254,932	99.20%
2005	11,996,353	(60,712)		11,935,641	11,716,988	97.67%	Not Applicable	11,716,988	97.67%

¹ Taxes levied support the subsequent year's budget, e.g., 2005 taxes financed 2006 spending.

² Net of refunding warrants.

³ Excludes interest penalties.

Source: Sedgwick County Treasurer

SEDGWICK COUNTY, KANSAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities										Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Public Building Commission	Special Assessments	KDOT Revolving Loan	Fire District General Obligation Bonds	Capital Leases	General Obligation Bonds	Special Assessments	KDOT Revolving Loan	Fire District General Obligation Bonds			
1997	\$ 51,973,197	\$ 22,800,000	\$ 22,686,803	\$ -	\$ 265,000	\$ 3,367,365	\$ -	\$ -	\$ -	\$ -	\$ 101,092,365	1.0%	\$ 236
1998	76,480,000	22,105,000	25,355,000	-	200,000	2,520,010	-	-	200,000	-	126,660,010	1.1%	293
1999	73,228,459	21,385,000	29,516,541	-	135,000	1,629,486	-	-	135,000	-	125,894,486	1.1%	287
2000	63,180,000	20,640,000	31,535,000	-	70,000	693,594	-	-	70,000	-	116,118,594	0.9%	259
2001	64,954,300	19,865,000	31,500,700	-	-	-	-	-	-	-	116,320,000	0.9%	257
2002	89,995,000	19,065,000	21,930,000	-	-	-	-	-	-	-	130,990,000	1.0%	287
2003	97,890,000	40,225,000	20,505,000	-	-	200,523	-	-	-	-	158,820,523	1.2%	345
2004	86,355,000	37,940,000	16,500,000	-	-	1,082,234	-	-	-	-	141,877,234	1.0%	306
2005	90,760,000	36,120,000	16,550,000	3,323,895	-	954,136	-	3,323,895	-	-	147,708,031	1.0%	318
2006	85,810,000	34,530,000	15,965,000	3,200,353	-	823,251	-	3,200,353	-	-	140,328,604	0.9%	301

G-11 Details regarding the county's outstanding debt can be found in the notes to the financial statements.

¹ Population and personal income data can be found in Schedule G-14.

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

SEDGWICK COUNTY, KANSAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Bond Debt Outstanding			Percentage of Personal Income ²	Percentage of Actual Value of Taxable Property ³	Per Capita ²
	General Obligation Debt ¹	Less: Amounts Restricted to Repaying Principal	Total			
1997	\$ 74,773,197	\$ (2,930,272)	\$ 71,842,925	0.65%	0.46%	\$ 166
1998	98,585,000	(2,841,520)	95,743,480	0.81%	0.56%	218
1999	94,613,459	(3,762,449)	90,851,010	0.74%	0.50%	203
2000	83,820,000	(4,280,340)	79,539,660	0.63%	0.41%	176
2001	84,819,300	(7,195,893)	77,623,407	0.59%	0.37%	170
2002	109,060,000	(5,677,358)	103,382,642	0.76%	0.48%	224
2003	138,115,000	(4,105,465)	134,009,535	0.98%	0.57%	290
2004	124,295,000	(560,506)	123,734,494	0.87%	0.51%	267
2005	126,880,000	(1,124,572)	125,755,428	0.88%	0.51%	270
2006	120,340,000	(2,583,216)	117,756,784	Unavailable	0.43%	250

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

² Population and personal income data can be found in Schedule G-14.

³ Property value data can be found in Schedule G-7.

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

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Statutory debt capacity:										
Equalized assessed valuation of taxable tangible property	\$2,333,124	\$2,452,365	\$2,586,868	\$2,797,444	\$2,940,282	\$3,052,926	\$3,305,893	\$3,436,218	\$3,611,221	\$3,796,641
Estimated tangible valuation of motor vehicles	414,007	419,027	438,396	427,454	444,891	457,923	471,166	483,967	497,788	512,707
Estimated tangible valuation for computation of bonded indebtedness limitations	2,747,131	2,871,392	3,025,264	3,224,898	3,385,173	3,510,849	3,777,059	3,920,185	4,109,009	4,309,348
Debt limit (3% of total valuation)	82,414	86,142	90,758	96,747	101,555	105,325	113,312	117,606	123,270	129,280
Amount of debt applicable to limit										
Total bonded indebtedness	77,450	106,265	106,245	96,115	96,455	125,965	153,595	140,795	146,754	139,505
Less exempt issues	(60,363)	(65,711)	(69,493)	(61,935)	(64,671)	(82,193)	(100,201)	(94,725)	(93,485)	(91,441)
Total net debt applicable to limit	17,087	40,554	36,752	34,180	31,784	43,772	53,394	46,070	53,269	48,064
Legal debt margin	65,327	45,588	54,006	62,567	69,771	61,553	59,918	71,536	70,001	81,216
Total net debt applicable to the limit as a percentage of debt limit	20.73%	47.08%	40.49%	35.33%	31.30%	41.56%	47.12%	39.17%	43.21%	37.18%

SEDGWICK COUNTY, KANSAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Population ¹	Personal Income ² (thousands of dollars)	Per Capita Personal Income ²	Public School Enrollment ³	Unemployment Rate ⁴
1997	432,779	\$ 11,132,374	\$ 25,723	82,030	3.4%
1998	438,679	11,890,394	27,105	83,416	3.3%
1999	448,050	12,295,388	27,442	84,024	3.4%
2000	452,869	12,704,787	28,054	85,808	3.8%
2001	456,351	13,250,608	29,036	85,918	4.5%
2002	460,643	13,678,333	29,694	86,242	6.1%
2003	462,896	13,626,732	29,438	86,859	7.1%
2004	463,802	15,129,685	32,621	87,010	6.6%
2005	466,061	16,173,715	34,703	87,507	5.6%
2006	471,739	<i>Not Available</i>	<i>Not Available</i>	87,583	4.3%

Notes:

¹ Population is estimated for each year, except 2000. Actual population for 2000 is from the U.S. Census Bureau.

² U.S. Bureau of Economic Analysis.

³ Kansas State Board of Education (organization level headcount).

⁴ Kansas Department of Human Resources.

**SEDGWICK COUNTY, KANSAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago**

	<u>Fiscal Year 2006</u>			<u>Fiscal Year 1997</u>		
	<u>Full Time Civilian Employees</u>	<u>Rank</u>	<u>Percentage of Total Wichita MSA ¹</u>	<u>Full Time Civilian Employees</u>	<u>Rank</u>	<u>Percentage of Total Wichita MSA ¹</u>
Cessna Aircraft Company	9,393	1	3.02%	9,145	2	3.39%
Spirit AeroSystems, Inc.	8,300	2	2.67%	-	-	-
Raytheon Aircraft Corporation	6,259	3	2.02%	7,285	3	2.70%
United States Government	5,435	4	1.75%	4,100	6	1.52%
Unified School District #259	5,033	5	1.62%	4,475	4	1.66%
Via Christi Health System	4,810	6	1.55%	4,109	5	1.52%
State of Kansas	3,977	7	1.28%	3,651	7	1.35%
Boeing IDS Wichita/Boeing Company	3,700	8	1.19%	19,442	1	7.20%
City of Wichita	3,070	9	0.99%	2,810	8	1.04%
Sedgwick County	2,722	10	0.88%	-	-	-
Learjet Inc.	-	-	-	2,807	9	1.04%
Koch Industries	-	-	-	2,558	10	0.95%
	<u>52,699</u>		<u>16.97%</u>	<u>60,382</u>		<u>22.37%</u>

¹ Includes Sedgwick, Butler, Harvey and Sumner counties for 2006. Data for 1997 includes Sedgwick, Butler and Harvey counties.

Source: Wichita Business Journal

SEDGWICK COUNTY, KANSAS
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function/Program	Full-time Employees as of December 31									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government	477	462	464	475	480	484	466	451	450	454
Public safety	1,145	1,139	1,301	1,372	1,386	1,407	1,368	1,355	1,411	1,443
Public works	154	152	152	157	157	145	132	135	136	132
Health and welfare	250	288	290	313	318	546	534	534	541	549
Culture and recreation	123	122	125	126	127	132	134	132	134	135
Economic development	3	4	4	4	8	5	7	7	8	9
	<u>2,152</u>	<u>2,167</u>	<u>2,336</u>	<u>2,447</u>	<u>2,476</u>	<u>2,719</u>	<u>2,641</u>	<u>2,614</u>	<u>2,680</u>	<u>2,722</u>

Source: Sedgwick County finance department

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

Function/Program	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government										
Number of community outreach events	*	*	*	*	*	*	168	168	185	195
Real estate records processed	*	*	*	*	*	*	40,750	64,895	65,208	66,900
Number of registered voters	225,203	232,105	235,143	236,029	227,245	232,739	200,042	233,181	230,246	236,000
Public safety										
Number of 911 calls	413,663	414,101	416,339	404,060	416,633	434,514	426,716	439,384	435,661	432,365
Number of fire inspections performed	*	*	*	*	*	*	*	1,764	1,796	1,800
Average daily inmate population	929	987	1,068	1,153	1,203	1,301	1,285	1,382	1,453	1,514
Public works										
Percent of construction projects finished under budget	69%	96%	22%	55%	89%	100%	88%	100%	100%	94%
Number of clients served in Household Hazardous Waste	*	*	*	*	*	*	7,270	12,291	14,135	16,962
Health and welfare										
Caseload per staff in COMCARE addiction treatment	*	*	*	*	*	*	*	93	96	93
Number of persons served by outreach activities	*	*	*	*	*	*	*	1,127	1,130	1,150
Culture and recreation										
Number of events per year at Kansas Coliseum							87	166	285	285
Annual attendance at Sedgwick County Zoo	504,889	465,753	470,469	484,086	455,623	429,646	491,462	591,687	502,367	484,014
Annual attendance at Sedgwick County Park	*	*	*	703,124	705,954	700,650	720,000	626,821	813,676	730,972
Economic development										
Total value of merchandise moving through foreign trade zone (in millions)	*	*	*	*	*	*	\$ 7.5	\$ 12.9	\$ 15.8	\$ 18.4
Average cost of housing rehabilitation per unit	*	*	*	*	*	*	*	\$21,688	\$19,494	\$20,905

* Information not available.

Source: Sedgwick County budget department and individual county departments.

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

Function/Program	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government										
Auto License buildings	4	4	4	4	4	4	4	4	4	4
Public safety										
Adult detention facility capacity	430	430	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,122
Fire Stations	7	8	8	8	8	8	8	8	8	8
Public works										
Bridges Maintained	636	658	657	650	653	653	650	650	651	652
Culture and recreation										
Lake Afton Park Acreage	400	400	400	400	400	400	400	400	400	400
Sedgwick County Park Acreage	780	780	780	780	780	828	828	828	828	828

Source: Sedgwick County budget department and individual county departments.