



COMPREHENSIVE ANNUAL FINANCIAL REPORT

2018

*Unified Government of Wyandotte
County and Kansas City,
Kansas For the Fiscal Year Ended
December 31, 2018*





Comprehensive Annual Financial Report

Year Ended December 31, 2018

Unified Government of Wyandotte
County and Kansas City, Kansas



prepared by

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INTRODUCTION



June 13, 2019

Citizens of the Unified Government
Honorable Mayor and
Honorable Members of the Board of Commissioners:



Kathleen VonAchen
Chief Financial Officer

Kansas State law 75-1120a requires that each municipality at the close of the fiscal year prepare a set of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The offices of the Chief Financial Officer and County Administrator are pleased to submit to you the Unified Government of Wyandotte County and Kansas City, Kansas's 2018 Comprehensive Annual Financial Report (CAFR) in accordance with State law and Article 1, Section 2.103 of the Unified Government Code.

This report consists of management's representations concerning the Government's finances. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Government. To provide a reasonable basis for making those representations, management of the Government has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Government's financial statements in conformity with U.S. GAAP. Because the cost of internal controls should not outweigh their benefits, the Government's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Allen, Gibbs & Houlik, L.C., a firm of licensed certified public accountants, has audited the Government's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Government for the fiscal year ended December 31, 2018 are free of material misstatement. The audit involved 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the Government's basic financial statements as of and for the year ended December 31, 2018. The independent auditors' report is presented as the first component of the financial section of this report.

Department of Finance, Office of the Chief Financial Officer

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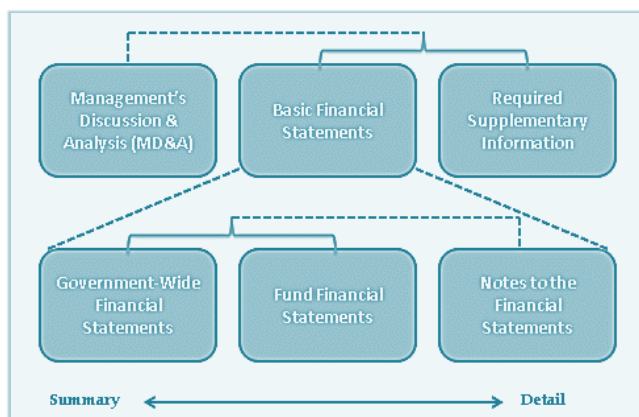
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The Report

The CAFR is presented in three sections:

- The **Introduction** section includes this letter of transmittal, County Administrator, Mayor and Board of Commissioner introduction, the Unified Government's organizational chart, and certificates of achievement from the Government Finance Officers Association (GFOA).
- The **Financial** section includes the report of the independent auditors, Management's Discussion and Analysis (MD&A), the basic financial statements, including the government-wide financial statements comprised of the Statement of Net Position and the Statement of Activities and the accompanying Notes to the Financial Statements. The Financial Section also includes the fund financial statements including the governmental funds financial statements, the proprietary funds financial statements, the fiduciary funds financial statements, and the combining individual funds financial statements for the non-major governmental funds and the proprietary funds. Required supplementary information other than the MD&A is also included in the financial section.



- The **Statistical** section includes selected financial and demographic information on a multi-year basis.

This transmittal letter complements the MD&A and should be read in conjunction with the MD&A.

This CAFR includes all funds of the Unified Government (the Government), and includes the Government's component unit, which is a legally separate organization and for which the Government is financially accountable or whose relationship with the Government is of a nature and significance that would cause the Government's financial statements to be incomplete were it not included.

The Government operates on an annual budget cycle. The budget process requires that each department submit a current year and future year expenditure plan and revenue estimates to the County Administrator for approval. The offices of the County Administrator and Chief Financial Officer review spending requests and develop a budget plan for review and adoption by the Unified Government Board of Commissioners. The Government utilizes a five-year plan for capital improvements that serves as a guide for allocation of future resources.

The Government maintains budgetary controls that have the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget submitted by the County Administrator and adopted by the Board of Commissioners. All activities of the General Fund and State certified funds are included in the annual appropriated budget. Project-length budgets are adopted for the respective special revenue funds and capital project funds. Budgetary control (the level at which expenditures and encumbrances cannot legally exceed the appropriated amount) is administratively established at the department level within individual funds, except for special revenue and capital project funds which are at the funded project level. Disbursements that would result in an overrun of funded capital project balances (budgets) are not released until additional appropriations are made available. At year-end, if additional monies have not been appropriated where needed, expenditures are properly reflected in the current period causing an over budget condition to exist.

The independent audit of the financial statements of the Unified Government is part of a federally mandated Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits* designed to meet the special needs of federal grantor agencies. The results of this single audit, including a schedule of expenditures of federal awards, and the independent auditor's reports on the Government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards, are available in the Unified Government's separately issued Single Audit report.

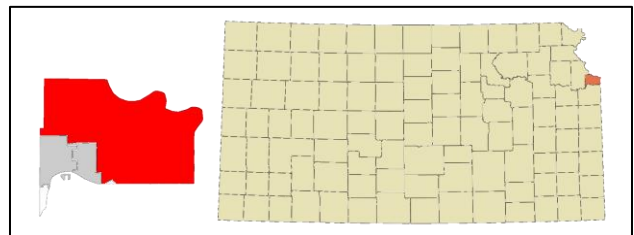
Unified Government Profile



The Unified Government of Wyandotte County and Kansas City, Kansas was created October 1, 1997, based on a citizen vote to consolidate the operations of the City of Kansas City, Kansas and Wyandotte County, Kansas. Part of the Kansas City Metropolitan Statistical Area with a total population of two million, Wyandotte County is located at the confluence of the Kansas and Missouri Rivers and at the crossroads of two transcontinental interstate highways (I-70 and I-35). Situated west of the Kansas River and the City of Kansas City, Missouri, Wyandotte County covers an area of 156 square miles, including urban and industrial developments, lakes, recreational activities, and rural settings.

Home to the Kansas Speedway Corporation (NASCAR) 1.5-mile super-speedway, Sporting KC major league soccer stadium, and the Legends Outlets Kansas City super-regional mall, Wyandotte County is Kansas' top tourism destination bringing in over 12 million shoppers and visitors annually. Also situated in Kansas City, Kansas is the Fairfax industrial area, believed to be the nation's first planned industrial district, and which currently houses over 120 businesses, employs over 10,000 people and generates over \$5.4 billion in annual sales. Many of the companies in Fairfax are world famous: the Fairfax Kellogg's plant makes nearly 75% of all of the Cheez-Its; CertainTeed is the largest insulation manufacturing plant in the world; Owens Corning makes the famous Pink Panther insulation; and the Fairfax General Motors Assembly Plant is the only plant making the Chevrolet Malibu.

The U.S. Census Bureau projects a population of 165,324 for Wyandotte County, Kansas for 2018, a growth of nearly 8,000 new residents of Kansas City, Kansas, Bonner Springs, Edwardsville and Lake Quivira over the past eight years.



UNIFIED GOVERNMENT HISTORY

The County is named after the Wyandot Indians who resettled from the State of Ohio. The Wyandot set up the territorial government and elected one of their own as the territorial governor. In 1859, the County was organized, and the Wyandotte Constitutional Convention gave Kansas its new State Constitution. Kansas City, Kansas was incorporated in 1872 and the neighboring cities of Armstrong, Armourdale, Riverview and Wyandotte were joined in 1886 to form "new" Kansas City, Kansas. Over a century later in 1997, the City of Kansas City, Kansas

and Wyandotte County were joined as the Unified Government with a new Charter.

UNIFIED GOVERNMENT STRUCTURE

The Unified Government is the government for both Wyandotte County and the City of Kansas City, Kansas. The governing body of the Unified Government consists of a ten-member Commission and a Mayor/Chief Elected Official. Eight Commission positions are elected within geographic districts. Two Commission positions cover the full County; the other eight candidates are selected in the primary election within their district and in the general election on a countywide vote. The Mayor/Chief Elected Official runs countywide in the primary and the general elections. In addition, the Mayor appoints the County Administrator with approval of the Commission. The Commission annually adopts a balanced budget and establishes the amount of taxes to be levied for the support of Unified Government programs. The County Administrator has the responsibility of administering these programs in accordance with policies and the annual budget adopted by the Commission.

The Government's 2,339 employees in 2018 provide a full range of municipal services, including police, sheriff and fire protection, public works, parks & recreation, library, planning and zoning, building, sewer system, street maintenance, health department, aging services, transit system, district attorney's staff, county detention facilities, municipal court, economic development, and other general city and county services. The Kansas City, Kansas Board of Public Utilities (BPU), an administrative agency of the Unified Government, provides water and electric power to residents. Within the County there are 53 parks, 10 recreation centers, an 18-hole golf course, 18 fire stations, 1,943 miles of road and six libraries.

The Unified Government mission is to deliver high quality, efficient services and be a resource to our residents; to be innovative, inspired public servants focused on the community's wants and needs.

The strategic goals are:

- reduce blight
- increase safety and perception of safety
- increase community health
- increase economic prosperity for all citizens
- improve customer service and communication, and
- increase community cohesion.

These goals are intended to guide management actions throughout the Government organization. The goals of management are to see that necessary and desired services are provided in an efficient and effective manner and that planning and continued improvement take place to provide for the community's future.

The Commission Economic Development and Finance (ED&F) Standing Committee serves as an audit committee. The Committee discusses with the external auditor matters related to the audit, and also accepts the results of the annual financial audit.

Regional Economic Conditions

Information presented in the financial statements is perhaps best understood when it is considered from a broader perspective of the specific environment in which the Government operates.

The economic outlook for Wyandotte County and Kansas City, Kansas remains positive. The County is a major economic, employment, industrial, educational and medical services center for the region. Employment in Wyandotte County is concentrated in four sectors: services, government, retail trade, and manufacturing. Kansas City, Kansas is the second largest rail center in the country and an important hub of the transcontinental rail system, providing both freight and passenger service. All major cities of the nation can be reached in less than 120 hours and many within 72 hours. The Unified Government is served by seven railroads, providing approximately 92 freight movements a day.

The County boasts a diversity of over 7,000 businesses supporting an employment base of over 90,000 employed. Major employers include:

- University of Kansas Hospital/ Medical Center
- Amazon Fulfillment Center
- General Motors
- BNSF Railroad
- Cerner Corporation
- Associated Wholesale Grocers

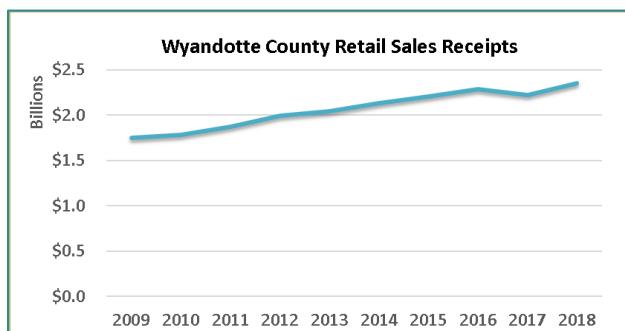
The regional economy has recovered from the recession a decade earlier with revenue sources increasing in some areas in fiscal year 2018. Most economic indicators show improvement.

UNEMPLOYMENT

Regionally, economic conditions also appear to be strong. The job market within the County boundaries is improving. The Bureau of Labor Statistics unemployment rate for 2018 in Kansas was 3.4% compared with 3.9% nationally. The unemployment rate for the County was 4.8%, down from 5.2% for 2017 and down from the recession high of 10.7% in 2009.

PERSONAL INCOME / CONSUMER SPENDING

The U.S. Bureau of Economic Analysis report shows that County personal income grew by 2.5% in 2018. Consumer spending continues to increase. The County's retail sales receipts totaled \$2.3 billion in 2018, 5.6% higher than in 2017.



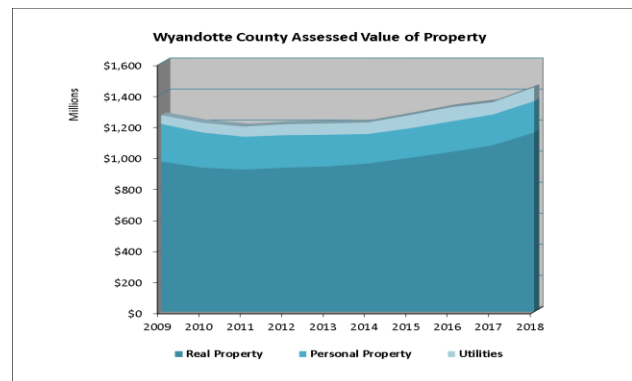
CONSTRUCTION

Commercial/ industrial construction values totaled \$186.8 million in 2018, down from a near decade high of \$232.8 million in 2016. New residential construction value in 2018 totaled \$33.3 million.

Residential permits totaled 159 in 2018 which is down from 2017 but a positive trend continues since the recession.

PROPERTY VALUES

The local real estate market saw a steady increase in values over the year. Wyandotte County's assessed value for 2018 was \$1.45 billion, a 7.2% increase over the 2017 assessed value and an 19.3% increase since 2013.



Financial Policies and Planning

Formal financial policies, as well as operating practices, enabled the Government to provide core services to citizens and employees. Formal policies exist in areas such as balanced budgets, revenue diversification and use of one-time and unpredictable revenues, operating expenditures, reserves, investments and debt. Eleven of the UG's financial policies have recently been re-written and adopted by the Commission. These can be found on the Finance Department's [Fiscal Accountability Policies](#) website.

Following prudent financial policies and procedures builds community trust. In April 2010, Kansas City, Kansas voters approved a measure to allow the City to impose a 3/8th cent general sale and use tax on purchases made in the City. Renewed by voters in the fall of 2018, this Dedicated Sales Tax measure generated \$10.4 million in additional revenue in 2018 to support public safety and neighborhood

infrastructure operations, equipment and capital projects. This tax will expire July 2030.

REVENUE ADMINISTRATION

The Government's two main sources of revenue for operating expenditures are real estate property taxes and sales and use taxes, which make up 67% of total 2018 governmental revenues. In addition, the Government's revenue administration includes a review of all fees, fines, and charges for services to ensure the charges are meeting cost recovery goals. Most of the Government's revenue is not restricted to assure responsiveness to expenditure needs. One-time and unpredictable revenues are spent on one-time costs, such as equipment replacement or capital improvements for repair and rehabilitation projects.

EXPENDITURE ADMINISTRATION

Expenditure budgets are carefully reviewed by both the implementing departments and the Budget Office. Department directors are responsible for containing expenditures within their Commission approved budgeted appropriations. Careful attention is paid to monitor department's ability to meet projected vacancy savings. Any unspent personnel appropriation must be approved by the Office of County Administrator in order to be transferred to non-personnel line items. The Government also maintains an encumbrance accounting system as an additional means of budgetary control.

General Fund budget actual expenditures and transfers were approximately \$4.1 million less than the revised 2018 budget (adjusted to exclude the budgeted \$9.7 million annual debt appropriation reserve). Achieving unspent budgets is due not fully expending contractual services and capital outlay.

RESERVES

The Government has multiple reserves in its various funds to address budgetary shortfalls. The Reserve Policy sets the target for the General Fund reserve at two-months (or 17%) of total budgeted expenditures and transfers-out, with other target reserves percentages established for the various special revenue funds. The Government's budget policy

concerning the use of reserves generally limits the use of reserves to respond to revenue shortfalls, unanticipated expenditures, or severe economic downturn. The Fund Balance at the end of 2018 is 19.3% of expenditures and transfers-out.

DEBT ADMINISTRATION

The Government's debt policy establishes guidelines and parameters for the issuance and management of debt. The Government continually and proactively communicates with the investment community in the issuance of new debt and the administration of its outstanding debt. In doing so, the Government seeks to ensure that debt is issued prudently and affordably, and bondholders are provided all the information required by the Municipal Securities Rulemaking Board as governed by the Securities and Exchange Commission.

State statutes limit general obligation bonded debt to 30% of the actual value of taxable property in the County. At December 31, 2018, the Government's (not including BPU) general obligation bonded debt of \$251.5 million, subject to this statutory debt limit, amounted to 58% of the \$433.6 million legal debt limit.

According to standard measures used by the primary credit rating agencies to assess debt (e.g. fund balance as a percent of operating expenses, debt-to-assessed value ratios, debt per capita, etc.), the Government's level of direct debt obligations are considered high in comparison with similarly sized municipalities. Rating agencies cite the Unified Government's strong financial management and prudent fiscal policies as credit strengths, while citing low economic indicators and a high level of debt as credit weaknesses. As of December 31, 2018, the Government is rated AA by Standard & Poor's and A1 by Moody's Investor Service.

CASH MANAGEMENT

State statutes regulate the securities in which municipalities may invest its funds. Legally permissible investments are obligations of the United States Government, its agencies, and sponsored corporations, prime bankers'

acceptances, prime commercial paper, certificates of deposit issued by banks and savings and loan institutions, highly rated municipal securities, money market funds that purchased only the types of securities specified herein, and other similar securities as authorized by State law.

The objectives of the Commission-adopted investment policy, in order of priority, are to maintain principal, to ensure the availability of funds to meet obligations promptly, and to maximize yield on the investment portfolio. Bank deposits and certificates of deposit are either insured by federal deposit insurance or collateralized according to state law. The Unified Government's fair value investment portfolio, not including the Board of Public Utilities, was \$440.0 million at December 31, 2018.

LONG TERM FINANCIAL PLANNING

The Government has a five-year long-range capital planning process that is updated each year and helps drive annual capital funding decisions as well as periodic general obligation bond issuances for larger investments. For General Fund and Sewer operations, revenues are forecasted out for ten years to account for planned changes to existing revenues, such as sunseting revenues, and to project any future deficits between revenues and expenditures.

Major Development Initiatives

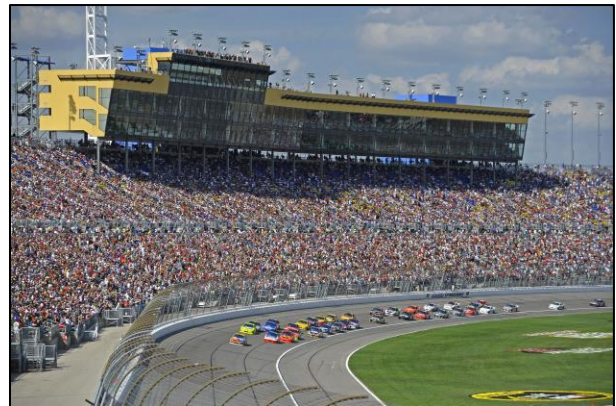
The Government's economic development program focuses on retaining and strengthening the traditional manufacturing and distribution base while diversifying the economy in the office, service, and tourism and entertainment sectors, and promoting housing development and redevelopment.

TOURISM DISTRICT

The Unified Government has been committed to the successful development of a 1,600-acre tract of land, located directly northwest of the intersection of Interstate Highways 70 and 435. This effort has resulted in attracting the Kansas Speedway (NASCAR)

as the economic catalyst for development of this tract using the STAR Bond tax increment financing incentive, which opened in 2001. The speedway project, totaling more than \$280 million, is a 1.5-mile tri-oval on approximately 1,100 acres of land, with 72 luxury hospitality suites and grandstand seating for 82,000. The Speedway has at least four major race events per year and is in use approximately 200 days per year for various events, including driving schools, charity events, and track tours.

A second NASCAR Sprint Cup race was added to the racing schedule for 2014 and has had an economic impact of \$100 million in the Kansas City metropolitan area. With the addition of this second race, the Kansas Speedway invested \$3.5 million to add lighting to the Speedway for night races. In addition, the Speedway has completed a \$6.5 million renovation project that includes repaving, reconfiguring and re-banking of the track. Also, a new infield road course was added for Grand-Am Road Racing. The Kansas Speedway operates at or near capacity for all major race events.



Kansas Speedway (NASCAR) opened in 2001

In December 2009, the Kansas Lottery Gaming Facilities Review Board approved the construction of a casino in Wyandotte County. The first phase of the Hollywood Casino project included 2,000 slot machines, 64 table games, restaurants and bars, and created approximately 1,500 construction jobs. The Casino employs approximately 750 people. In the second phase of the Hollywood Casino project, a 300-room hotel is to be constructed; however, construction of the hotel has been delayed. Until

construction of the hotel begins, the casino is subject to an additional 1% payment of net gaming revenues to the Government. This equals to \$1.4 million on an annual basis and was effective as of February 2014.

Joining Kansas Speedway at the Legends at Village West regional super-mall are major destination retailers and entertainment businesses that attract approximately 12 million visitors and shoppers annually. The initial anchor businesses and attractions include: Cabela's, a 195,500 square-foot store with 116,666 square feet of retail space featuring hunting, fishing, and other outdoor items with an 11,000 square foot museum and 60,000-gallon aquarium; Nebraska Furniture Mart, a 1,075,000 square-foot store with 450,000 square feet of retail space and an adjacent warehouse that sells furniture, electronics, appliances, and floor coverings; and the Great Wolf Lodge and Resort, a 281-room lodge with a 40,000 square foot indoor water park.

The Legends Outlets Kansas City, formerly the Legends at Village West, (the "Legends") is an approximately \$230 million shopping center housing nearly 690,000 square feet of retail, dining, and entertainment which opened in 2001. The Legends 14 Theatre complex at 87,000 square feet is the largest of the tenants. In 2015, the owner of the Legends, KKR Legends, LLC, purchased the theater complex from the Unified Government. KKR Legends, LLC has leased the theater to AMC Entertainment which completed renovations to the theater in 2016.

In January 2016, the Legends Outlets Kansas City was purchased by Walton Street Capital from KKR Legends, LLC. As of May 2019, 127 businesses, including 31 restaurants, were open in Village West, employing over 6,000 people. On the north side of the Legends Outlets, a \$10 million, 106-unit Residence Inn by Marriot was constructed that features suites opened in January 2016. In 2018, businesses generated over \$714 million in retail sales. The real and personal property taxes levied for this development area were approximately \$24 million.



Legends Outlet at Kansas City regional super-mall

Approximately \$453 million in sales tax special obligation revenue bonds (STAR bonds) were issued for the Village West development. On December 1, 2016, the Village West STAR bonds were retired five years early due to strong revenue performance. The local sales and use tax annual revenues of over \$12 million previously obligated for debt service payments now flow to the Unified Governments to support operational and capital needs.

The Unified Government and the Kansas Unified Development, LLC entered into a Multi-Sport Stadium Venture Agreement ("Stadium Agreement") for the construction of an 18,000-seat multi-sport stadium complex that is the permanent home to Sporting KC, a Major League Soccer team.

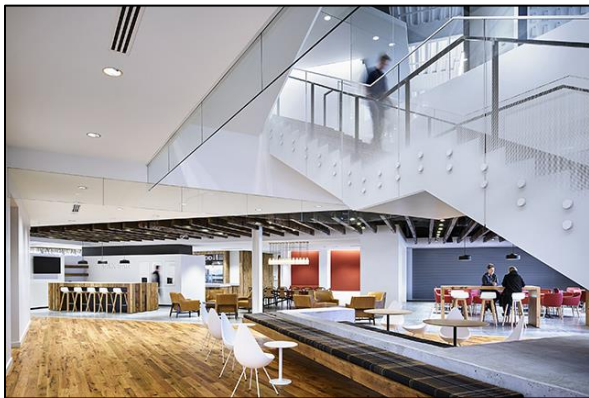


Children's Mercy Park, Sporting KC Soccer Stadium

Under the soccer Stadium Agreement, the Unified Government issued STAR bonds in 2010 that result in \$147,000,000 of net funding for the Stadium project. The STAR Bonds are payable from state and local sales and transient guest taxes. The stadium, named Children's Mercy Park (known as Sporting Park prior

to 2016), completed its eighth successful season in 2018 with near capacity attendance. Children's Mercy Park, recognized nationally and internationally for its design, hosted the Division II Football Championship for four straight years, from 2014 to 2017.

In June 2017, the Dairy Farmers of America opened a \$34 million headquarters north of I-70 and east of I-435, just east of the Village West area. The Dairy Farmers of America is the area's largest private employer in terms of revenue. Completed in early 2017, the new headquarters is a three-story, 100,000 square foot project that brought approximately 325 jobs to this area. Adjacent to the Dairy Farmers of America is a 40,000 square foot, \$11 million medical office building on a 5.2-acre site. This medical office building was completed in 2018. A Frontier Justice gun range (33,000 square foot, \$4.7 million) has also opened in late 2017 in this same area.



Dairy Farmers of America national headquarters

Just east of the Village West/Legends tourism district, an \$80 million U.S. Soccer National Training and Coaching Development Center was constructed and opened in early 2018 named Pinnacle. The development houses the elite athlete training and performance analytics campus and national youth soccer development programs. The facility includes approximately 100,000 square feet for an indoor facility with a practice field, eight lighted professional fields, and a new medical clinic from the soccer club's stadium naming-right sponsor Children's Mercy Park. Additionally, in February

2017 construction began and later completed on the 12-field youth soccer complex.



U.S. Soccer National Training & Coaching Development Center

Adjacent to the U.S. Soccer National Training and Coaching Development Center is the Vacation Village STAR District. Another component to this district is an auto mall that currently includes four auto dealerships, including a Ford, Dodge/Jeep/Chrysler, Nissan, and an auto outlet selling pre-owned vehicles. A Menard's home improvement store began construction in spring 2019.



American Royal headquarters

It was announced in 2016 that the American Royal will move to Kansas City, Kansas after 117 years in Kansas City, Missouri. The American Royal Association, which began as the National Hereford Show in 1899, has evolved into a comprehensive season of events and outreach including six equestrian shows, livestock shows, youth and PRCA rodeos, agricultural education programs and the world's largest barbecue competition - the World Series of Barbecue®. This new \$160 million development is anticipated to utilize up to \$80

million in STAR bond funds. The American Royal will purchase approximately 60 to 100 acres of the total 274-acre site.

OTHER COMMERCIAL/ INDUSTRIAL DEVELOPMENT

Amazon Fulfillment Center

In August 2017, Amazon completed construction and opened their Amazon Fulfillment Center in Kansas City, Kansas at I-70 and Turner Diagonal freeway, the third such facility in the Kansas City area region. The facility is 2.2 million square feet at a construction costs of approximately \$300 million on the 134-acre site. Approximately 4,000 employees currently work at the fulfillment center. These employees pick, pack and ship customer items, such as toys, books and electronics, utilizing cutting-edge technology with advanced robotics systems.



Amazon Fulfillment Center, Kansas City, Kansas

In 2018 the Unified Government was awarded \$13.8-million to replace the existing I-70 and Turner Diagonal Interchange. This will allow for the development of a site adjacent to the new interchange which will add up to two-million square feet of distribution/warehouse space and create 1,800 new jobs.

39th & Rainbow Commercial Development

This project is a \$39 million mixed-use development located adjacent to Kansas University Medical Center. The first phase of the project included approximately 10,000 square feet of first-floor retail space and, on the second through fourth floors, an 83-room Holiday Inn Express & Suites. Additional Phase I store openings in the development included a Five Guys Burger and Fries and a Subway sandwich

store. The second phase of the project was 100,000 square feet in a four-story building and includes Kansas University Hospital Rehab/ Kansas City Transitional Care Center, Hanger Prosthetics & Orthotics and Respiratory Health. Additional second phase include the following restaurants: Pita Pit, IHOP and Tanner's Bar and Grill. This area draws more than 10,000 persons daily and expects to attract new retail development due to the area's dense resident population and the proximity to the Kansas University Medical Center and Hospital. The Urban Land Institute honored this project as a Development of Distinction.

Midtown

The Unified Government completed the demolition of the Indian Springs Mall in 2016 and is working with Scavuzzo's Food Service to develop the 100-acre site. In 2018 discussions to redevelop the former Indian Springs site focused on a \$100 million "Foodie Park" and retail storefronts.

Industrial Park Developments

The Unified Government currently has four major industrial parks: Fairfax Industrial Business District, Central Industrial Business District, Armourdale Industrial Business District, and the Santa Fe Industrial Business Park. These four industrial areas represent 80% of the industrial development in the Unified Government. The Unified Government has several other industrial park developments in the Hart Business Park located at 55th and K-32, Woodend Industrial Park along the I-435 Corridor, the Muncie Industrial Park located at 62nd and K-32 and the I-635 Industrial Park at I 635 and Metropolitan. Edwardsville has also developed an industrial/warehouse area at I-435 and Kansas River.

General Motors (GM) continues to have a significant presence in the Fairfax Industrial District. Currently the Chevy Malibu and the Cadillac XT4 SUV are produced at this facility. A \$600 million, 400,000 square-foot paint shop expansion for vehicle construction activities to support future production at the site was recently completed. In 2015, GM announced an additional \$174 million investment to

this Kansas City, Kansas plant to support the redesigned 2016 Chevy Malibu.



General Motors manufacturing plant, Kansas City, Kansas

In April 2016, it was announced that a \$245 million investment at the Fairfax plant will allow for the production of a new car to be built which will replace the production of the Buick LaCrosse. In February 2018, GM announced an investment of \$265 million to support production of a new Cadillac XT4 crossover SUV.

In March 2013, the Unified Government approved an agreement with NorthPoint Development for development of a former 80-acre GM site, which is projected to be fully built over a 6 to 10-year period. Groundbreaking for the site occurred in December 2013. Part of the first phase of construction consists of the installation of infrastructure, access roads and utility lines. The first project built on this site is an 80,000 square foot, \$10 million manufacturing facility for Inergy which produces fuel tanks for GM vehicles. In 2017 a second industrial building (840,000 square feet) opened. NorthPoint Development is developing this building for General Motors which will use the space as a logistics center for the management of critical and time-sensitive manufacturing components. This new facility is expected to employ 500 persons.

In 2014, NorthPoint Development began redevelopment of 25 acres of the Unified Government's Public Levee operations, located in the Fairfax industrial area. NorthPoint initially demolished existing buildings and then built a

396,000 square-foot industrial building, which meets current manufacturing and industrial needs. The first tenants in this building are Plastic Packaging leasing 56,000 square feet, and Ozburn-Hessey Logistics leasing 56,200 square feet and, Vitex leasing 60,000 square feet.

Additionally, in 2015 NorthPoint acquired a 369,000 square-foot industrial warehouse property located in the Santa Fe industrial area. This \$18 million project included the acquisition of two buildings and investments in equipment, energy efficiencies, loading docks replacement and truck traffic reconfiguration. This project created 50 jobs for a new tenant. Two existing clients remain in the facility. Also, of note in the Fairfax Industrial District, Sunshine Biscuit recently completed a \$4.6 million remodel of its facility.

Office and Service

The downtown area, with approximately 5,000 employees, has the largest concentration of office workers. In addition to the downtown area, there are active office parks in Cambridge Terrace, Meadowlark Lane, Woodlands West and assorted office and medical facilities in different locations throughout the community. Downtown Kansas City, Kansas continues its revitalization with the redevelopment of two properties along Minnesota Avenue. Loretto Properties redeveloped the buildings for a cost of \$1.5 million. The buildings house various nonprofit organizations, professional services and also serve as possible satellite locations for two Kansas City, Kansas colleges.

In 2018, the Unified Government Commission and The Merc Coop, a grocery cooperative operating in Lawrence, Kansas, reached an agreement for The Merc to operate and manage a 14,000 square foot store in downtown Kansas City, Kansas at 5th Street and Minnesota, on ground currently used as a parking lot across from the Reardon Convention Center. The Unified Government will construct and own the building as part of a reinvestment into the downtown.

Retail

The Metropolitan Avenue Redevelopment Area is located in the Argentine community south of I-70 in eastern Kansas City, Kansas. In 2015 a Walmart grocery store was constructed. A new Police Department South Patrol Station was built in the redevelopment area with ground breaking held in June 2016 for this new \$2.25 million, 6,000 square foot facility.



Walmart at Metropolitan Avenue Project Area

HOUSING AND RESIDENTIAL DEVELOPMENT

Building upon the success of Village West and the Hollywood Casino, there has also been development of multi-family residential housing in this area. The Village West Apartments was a \$30 million project consisting of 306 units that opened in 2014. The Prairie View at Village West Apartments was a \$27 million second phase of the project consisting of 312 units. These market rate apartments are located adjacent to one another, just west of Village West on 110th Street between State Avenue and Parallel Parkway.

The Legacy Apartments and West Lawn project, planned to begin construction in 2018 or 2019, includes on the 2.5-acre site a 265-unit apartment building and garage located adjacent to the Legends Shopping Center on the south side of Parallel Parkway, east of 110th Street in Kansas City, Kansas, as well as various improvements to the Legends Outlets chapping area. The garage will have a total of 615 spaces and will service both the apartments and public parking for the various retail, entertainment and sports venues in Village West.



Legacy Apartments project to be constructed in 2020

Community Housing Wyandotte County (CHWC) is a non-profit, community development corporation, whose mission is to stabilize, revitalize, and reinvest in Kansas City, Kansas neighborhoods through affordable housing, homeownership promotion, and community building. CHWC focuses its programs in the traditional neighborhoods of Kansas City, Kansas/Wyandotte County. Additionally, CHWC has provided more than \$2,000,000 in grants, minor home repair loans, and mortgages to low- and moderate-income households in the community. To date, CHWC has built and sold over 200 new single-family homes east of I-635.

The Neighborhood Stabilization Program (NSP) is a federal Housing and Urban Development program and was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. This stabilization is realized through the purchase and redevelopment of foreclosed and abandoned homes and residential properties. The Unified Government has received over \$12 million in funding from two phases of the NSP 1 and 3 programs. Funds from this program have improved residential properties throughout Wyandotte County and Kansas City, Kansas with special emphasis on the northeast area of the county.

Acknowledgements

The preparation of this CAFR could not have been accomplished without the efficient and dedicated service of a highly qualified staff in the Finance Department.

Special thanks are extended to the following staff for their contributions to the preparation of this document: Accounting Manager Pamela Kahao, Mary Barnes, Lonia Green, Benjamin Ntonjira and Peggy Ryan of the Accounting Division, Deputy Chief Financial Officer Deborah Jonscher, Research Manager Mike Grimm, Debt Coordinator Alyse Villarreal, Treasurer Rick Mikesic, Deputy Treasurer Andrea Parra, Payroll Manager Ron Green, Budget Manager Reginald Lindsey, and staff of the Human Resources Department and the Legislative Auditor's Office.

The dedication and cooperation of staff in all Unified Government operating departments in the administration of financial policies throughout the year is appreciated. We also acknowledge the thorough and professional manner in which our independent auditors, Allen, Gibbs & Houlik, L.C., conducted the financial audit.

In closing, Unified Government staff wishes to express deep appreciation to the Mayor and Board of Commissioners for their leadership, support and responsiveness to the financial concerns of the Government.

Respectfully submitted,



Doug Bach
County Administrator



Kathleen VonAchen
Chief Financial Officer



Doug Bach
County Administrator

Dear Wyandotte County and Kansas City, Kansas residents:

Our organization has continued to make the most of opportunity as it has come our way. Since 2014, we have helped our economy create an estimated 8,400 jobs and increased our assessed valuation by 14.2%. We are continuing to restore the fiscal health of the Government, replenishing our financial reserves, and maintaining our bond ratings. The Unified Government has both sought to achieve fiscally prudent management practices, while also continuing to meet the Board of Commissioners strategic priorities.

Our Police, Fire and Sheriff's Departments serve and protect every neighborhood and ensure that Wyandotte County and Kansas City, Kansas remains a safe place. Investments were made in staffing, technology, training, equipment and facilities. By bolstering neighborhood patrols, we are fostering stronger relationships between officers and the communities they serve. We have also implemented several key innovations in criminal justice, including the Wyandotte County

Criminal Justice Collaborative that has amplifies efforts to positively engage youth, reduce recidivism and improve public safety's relationship with the community.

Homeownership gives families a foundation to build equity and wealth. Beginning in 2016, the Stabilization, Occupation, and Revitalization (SOAR) program was started. SOAR is a 5-year plan to confront some of the most pervasive challenges in the appearance, communication, and safety of our neighborhoods. It aims to address issues such as vacant and abandoned homes, property maintenance, loose dogs, poorly maintained streets, a lack of trails and sidewalks, mowing frequency, graffiti, and more. SOAR also aims to improve government services, communication with the public, and resident satisfaction in areas such as perception of safety. Go the [SOAR Dashboard Website](#) for the accomplishments that have been achieved since 2016.

The re-passage of the 3/8th cent Kansas City, Kansas dedicated sales tax for public safety and neighborhood infrastructure in November 2018 continues to positively impact our community. As the Unified Government's needs evolve and change, these revenues would help us to maintain support for public safety efforts, and restore, replace, and expand infrastructure and capital assets across the city.

These and other initiatives provide the framework by which the Unified Government will continue to be a desirable place to live, do business, and raise a family. Together, we can work to drive improvements that will keep us uniquely Wyandotte – active and vibrant – for generations to come.

Office of the County Administrator Staff

Joe Connor	Gordon Criswell
Assistant County Administrator	Assistant County Administrator
Melissa Sieben	Kenneth Moore
Assistant County Administrator	Chief Legal Counsel
Mike Taylor	Emerick Cross
Director of Public Affairs/Legislative Relations	Commission Liaison

The Unified Government Board of Commissioners is comprised of ten Commission members and the Mayor/CEO – eight members from equally populated districts, two members elected from two north/south districts, and the Mayor elected at-large. Commission members are elected for staggered four-year terms, and must be 18 years of age, US citizens and reside in the respective district for the duration of their term of office.



Honorable David Alvey
Mayor / CEO



Honorable Melissa Bynum
At-Large District 1



Honorable Tom Burroughs
At-Large District 2



Honorable Gayle
Townsend District 1



Honorable Brian
McKiernan District 2



Honorable Ann Brandau-
Murguia District 3



Honorable Harold L.
Johnson, Jr. District 4



Honorable Mike
Kane District 5



Honorable Angela
Markley District 6



Honorable James F.
Walters District 7

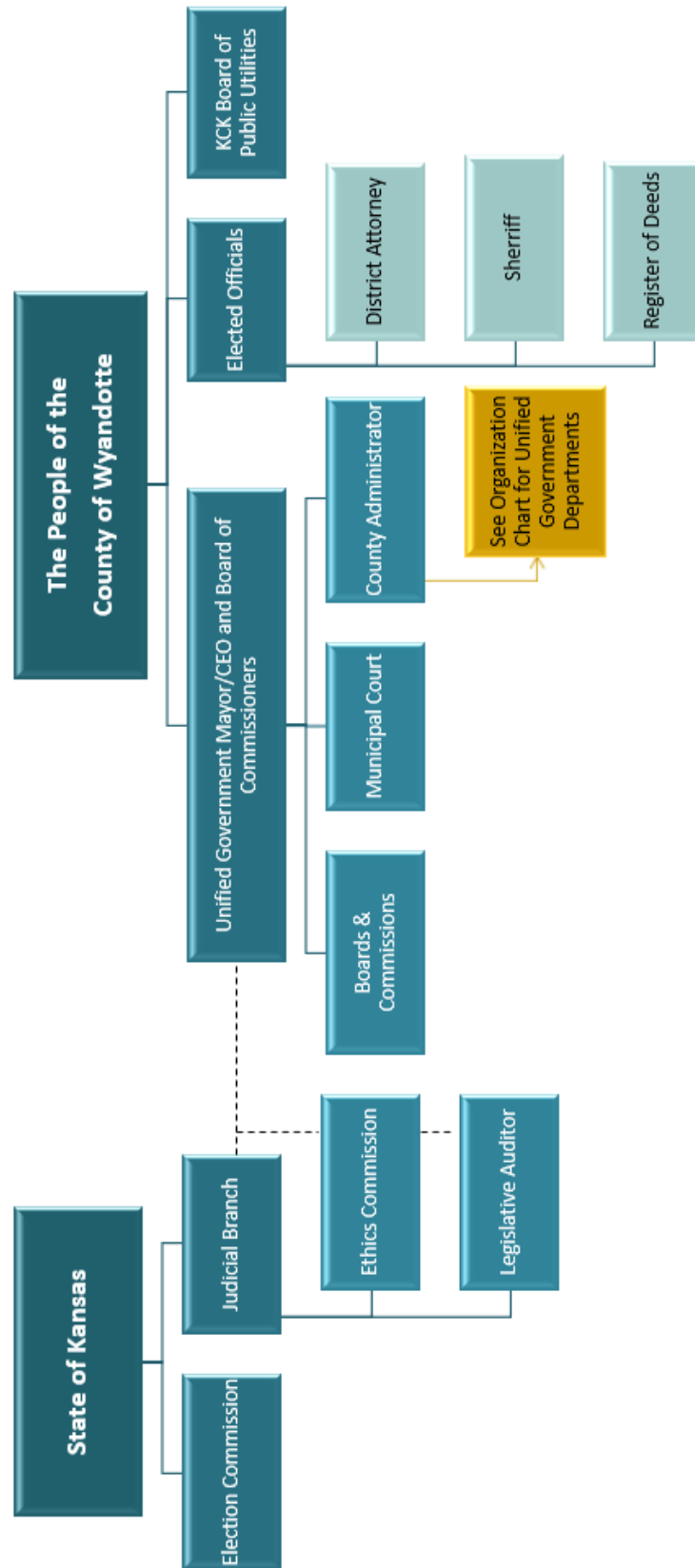


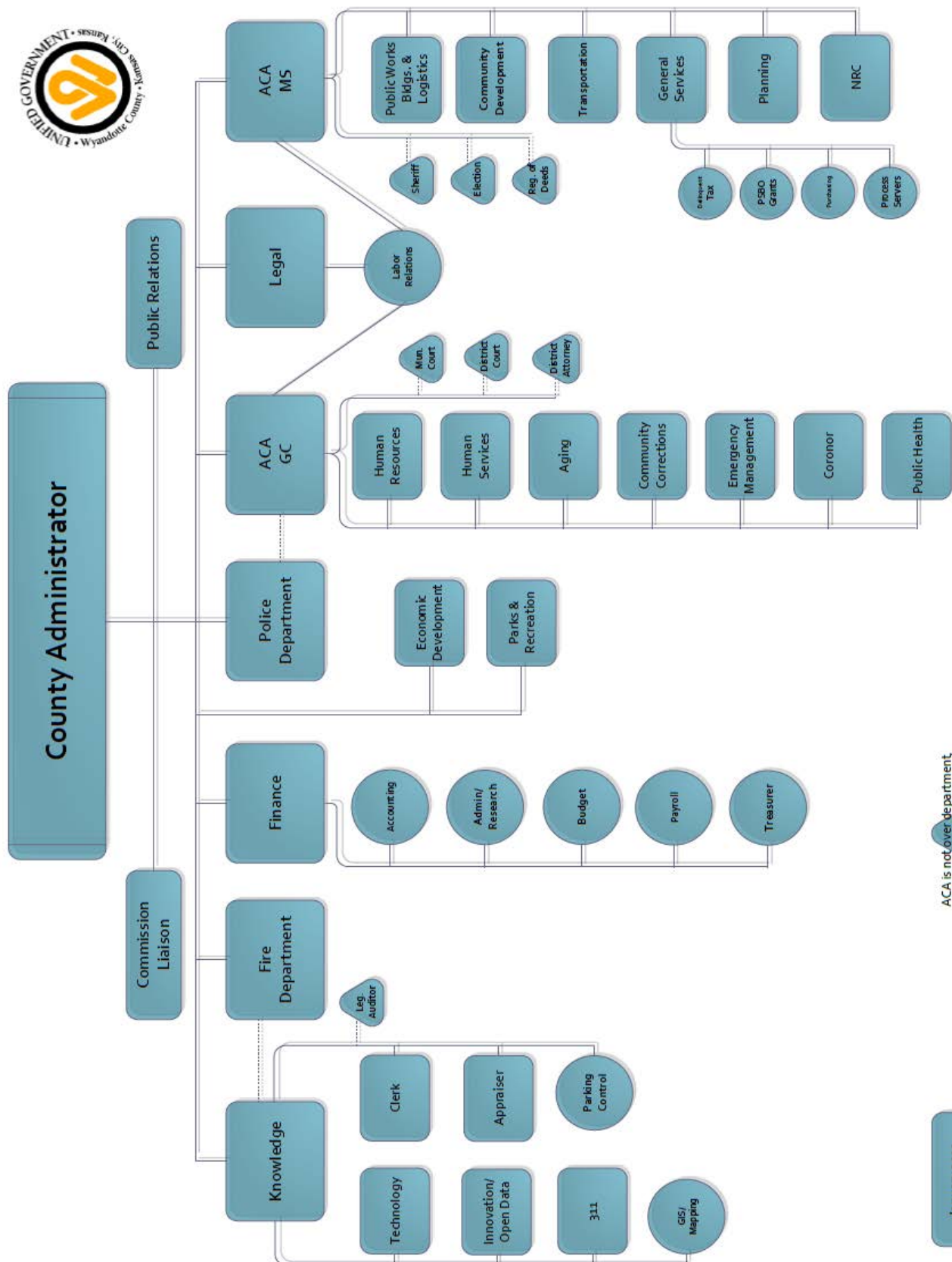
Honorable Dr. Jane Winkler
Philbrook District 8

Unified Government of Wyandotte County / Kansas City, Kansas

Organizational Chart

Elected and Appointed Officials



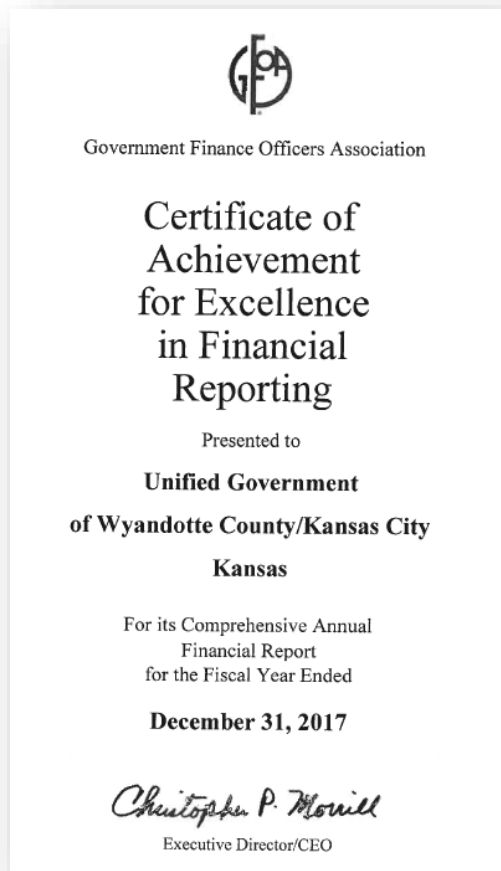


ACA is not over department, however does have responsibility to assist with operations

January 2019
Temporary

The Unified Government of Wyandotte County and Kansas City, Kansas is proud to have been recognized with an award for Outstanding Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award offered by the Government Finance Officers Association of the United States and Canada (GFOA)

Outstanding Achievement for Excellence in Financial Reporting Award



The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Unified Government of Wyandotte County and Kansas City, Kansas for its Annual Report for the fiscal year ended December 31, 2017. This is the 19th consecutive year that the Government has achieved this prestigious award.

The Certificate of Achievement is the highest form of recognition for excellence in state or local government financial reporting. The Certification of Achievement Program was established to encourage municipal governments to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Certification of Achievement, a government unit must publish an easily-readable and efficiently-organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments and address user needs. A Certificate of Achievement is valid for a period of one year only.

Distinguished Budget Presentation Award

The GFOA presented a Distinguished Budget Presentation Award to the Unified Government of Wyandotte County and Kansas City, Kansas for its annual budget for the fiscal year beginning January 1, 2018. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. This is the 5th consecutive year that the Unified Government has achieved this prestigious award.

The Distinguished Budget Presentation Awards Program is specifically designed to encourage state and local governments to prepare and issue budget documents of the highest quality. Top-quality documents are essential if citizens and others with an interest in a government's finances are to be fully informed participants in the budget process. Better budget documents contribute to better decision making and enhanced accountability.

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Commissioners
Unified Government of Wyandotte County / Kansas City, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Unified Government of Wyandotte County / Kansas City, Kansas (Unified Government) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Unified Government's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Board of Public Utilities, which is both a major fund and 85 percent, 83 percent, and 87 percent, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board of Public Utilities, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Unified Government as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Other Matters**Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Unified Government's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and the introductory and statistical sections 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2019 on our consideration of the Unified Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Unified Government's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Unified Government's internal control over financial reporting and compliance.

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

June 13, 2019
Wichita, Kansas

Management of the Unified Government of Wyandotte County and Kansas City, Kansas (the Government) offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the Government for the fiscal year ended December 31, 2018. Readers are encouraged to consider the information presented here in conjunction with additional information that is provided in the letter of transmittal.

Financial Highlights

- The Government's assets and deferred outflows of resources exceeds its liabilities and deferred inflows of resources at the close of the fiscal year by \$541,586,000 (net position).
- The Government's total net position decreased by \$3,504,000 or -0.6% over the prior year. Of the decrease, a prior period adjustment of (\$48,245,000) is recorded increasing other post-employment benefits (OPEB) retiree healthcare liabilities due to changes related to implementation of GASB Statement 75 and associated actuarial assumptions. Increases to net position improved the deficit net position of governmental activities by \$15,308,000 and the business-type activities' by \$29,434,000.
- The Government's long-term liabilities are \$1,768,306,000, consisting of \$829,749,000 for governmental activities and \$938,557,000 for business-type activities. Of the governmental long-term liabilities, \$278,279,000 or 33.5 % are for employee and retiree benefits and \$544,070,000 or 65.6% for debt-financed capital and economic development investments, with the remaining portion for various claims liabilities.
- Governmental funds combined ending fund balances of \$226,449,000 reflect an increase of \$93,984,000 or 70.9% over the prior year. Of that total, 14.9% or \$33,706,000 is unassigned fund balance that is available for future spending at the Government's discretion.
- General Fund's total fund balance is \$39,989,000 or 19.3% of expenditures and transfers out totaling \$207,379,000. Fund balance declined by \$968,000 from the prior year.
- The Unified Government's (excluding the Kansas City, Kansas Board of Public Utilities) total bonded indebtedness increased by \$85,928,000 in 2018. General obligation bonds increased by \$28,824,000, Public Building Commission (PBC) bonds increased by \$32,214,000, economic development related indebtedness increased by \$18,066,000 and capital leases and loans increased by \$6,824,000.

General Fund reserves are 19.3% of total expenditures and transfers at the end of 2018.

During 2018, the Government implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits (OPEB) Other Than Pensions*, for its participation in the KPERS Death and Disability Plan, as explained in Note IV.F.2. (The Government's OPEB plan was previously implemented in 2017). Beginning net position decreased by \$3,043,000 and \$437,000 for governmental activities and business-type activities, respectively, due to a prior period adjustment associated with the KPERS Death & Disability Plan. Additionally, the BPU's implementation of this standard for its OPEB plan, as explained in Note IV.F.3., resulted in a decrease to beginning net position of \$44,764,000.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Government's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements themselves, this report also provides other required and supplementary information.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Government's finances, in a manner similar to a private-sector business.

The **Statement of Net Position** presents information on all of the Government's assets, liabilities, deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating. The **Statement of Activities** reports how the Government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Governmental activities reflect the Government's basic services principally supported by taxes, including public safety, public works, planning and economic development, health and welfare, general government, and parks and recreation services. *Business-type activities* reflect private-sector-type operations, such as electric and water utilities, sewer system, emergency medical services, storm water, Sunflower Hills Golf Course, and the T-Bones Stadium, where fees for services typically cover all or most cost of operations, including depreciation.

The government-wide financial statements comprise all of the Unified Government as the primary government, including the Kansas City, Kansas Board of Public Utilities (BPU) which is a legal entity of the Unified Government. Also included is the Public Building Commission (PBC), a blended component unit. Blended component units, although legally separate, function essentially as an agency of the primary government and, therefore, are included as an integral part of the Unified Government's financial statements.

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. The Government, like other municipal governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Government can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances left at year-end that are available for future spending. Such information may be useful in evaluating the Government's near-term financing requirements. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Government's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional

information is provided that reconciles the governmental fund financial statements to the government-wide statements explaining the relationship (or differences) between them.

The Unified Government maintains 29 individual governmental funds. Information is presented separately in the governmental funds' balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund and Debt Service Economic Development Fund, which are considered to be major funds. Data from the other 26 governmental funds are combined into a single, aggregated presentation. Combining and individual fund statements for each of these non-major governmental funds is provided elsewhere in this report.

The Unified Government adopts an annual appropriated budget for the General Fund, which combined includes the City General Fund, County General Fund and Parks General Fund. Budgetary comparison schedules, both combined and individual, are provided to demonstrate compliance with the budget for these funds in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and can be found in the Required Supplementary Information (RSI) section of this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Unified Government maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Government uses enterprise funds to account for its electric and water public utilities, sewer system, emergency medical services, public levee, storm water, Sunflower Hills Golf Course, and T-Bones Baseball Stadium. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Government's various functions. The Government uses internal services funds to account for its employee and retiree health benefits and workers' compensation. The internal service funds provide services which predominantly benefit governmental rather than business-type functions. They have been included within governmental activities in the government-wide financial statements.

The proprietary fund financial statements provide separate information for the sewer system and BPU, which are considered major funds of the Unified Government. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Combining and individual fund statements for nonmajor enterprise funds and internal service funds is provided elsewhere in this report.

The Government uses **fiduciary funds** to account for assets held for the benefit of outside parties, including other governments. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Unified Government's own programs. Agency funds generally are used to account for assets the Government holds on behalf of others as their agent, such as in fulfilling the Government's role to collect and distribute property tax revenues to other local entities within Wyandotte County. The accounting used for fiduciary funds is much like that used for proprietary funds.

The **notes to the financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information, in addition to the basic financial statements and accompanying notes, is presented in the form of certain required supplementary information (RSI) concerning the Government's progress in funding its obligation to provide pension and other post-employment benefits to its employees, both active and retired.

The combining statements supplementary information referred to earlier in connection with nonmajor governmental funds, enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions and other post-employment benefits. The Unified Government adopts an annual appropriated budget for the State certified special revenue funds and enterprise funds. Budgetary comparison schedules have been provided to demonstrate compliance with the budget for these funds in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Unified Government's assets and deferred outflows of resources exceeds liabilities and deferred inflows of resources by \$541,586,000 at the close of the fiscal year. Net position of \$748,762,000 reflects investments in capital assets (e.g., land, buildings, other improvements, machinery and equipment, and infrastructure) less any related debt used to acquire those assets that is outstanding. The Government uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the Government's investment in its 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 liquidated to reduce these liabilities.

Net positions of the Government also include \$136,024,000 of restricted net position. These resources are subject to external restrictions as to how they may be used by the Government. The remaining balance of unrestricted net position is a deficit of \$343,200,000. Table 1 reflects the Government's net position (amounts in thousands) as of December 31, 2018 and 2017:

Table 1
Amounts in thousands

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 421,290	\$ 332,802	\$ 262,307	\$ 249,949	\$ 683,597	\$ 582,751
Capital assets	555,494	555,401	1,293,939	1,268,545	1,849,433	1,823,946
Total assets	976,784	888,203	1,556,246	1,518,494	2,533,030	2,406,697
Deferred outflows	36,499	38,999	33,964	60,924	70,463	99,923
Noncurrent liabilities	\$ 829,749	\$ 756,617	\$ 938,557	\$ 921,232	\$ 1,768,306	\$ 1,677,849
Other liabilities	73,564	85,126	63,488	62,300	137,052	147,426
Total liabilities	903,313	841,743	1,002,045	983,532	1,905,358	1,825,275
Deferred inflows	112,464	100,218	44,085	36,038	156,549	136,256
Net position						
Net investment						
in capital assets	\$ 249,395	\$ 226,298	\$ 499,367	\$ 488,708	\$ 748,762	\$ 715,006
Restricted	86,513	74,886	49,511	25,955	136,024	100,841
Unrestricted	(338,402)	(315,943)	(4,798)	45,185	(343,200)	(270,758)
Total net position (deficit)	\$ (2,494)	\$ (14,759)	\$ 544,080	\$ 559,848	\$ 541,586	\$ 545,089

The governmental activities' deficit net position of \$2,494,000 at the year ended December 31, 2018 improved by \$12,264,000 or 83.1% compared to 2017. A prior year adjustment decreased the 2017 ending net position by \$3,043,000 due to implementation of GASB 75 and actuarial assumption changes for Death & Disability calculations. Net position of business-type activities totaling \$544,080,000 decreased by \$15,768,000 or 2.8%, of which \$45,201,000 was also due to the same OPEB prior period adjustment. The government-wide change in net

position decreased by \$3,504,000, of which \$48,245,000 is the total OPEB prior period adjustment across the Government's financial statements. Table 2 reflects the Government's changes in net position (amounts in thousands) for the years ended December 31, 2018 and 2017:

Table 2

Amounts in thousands

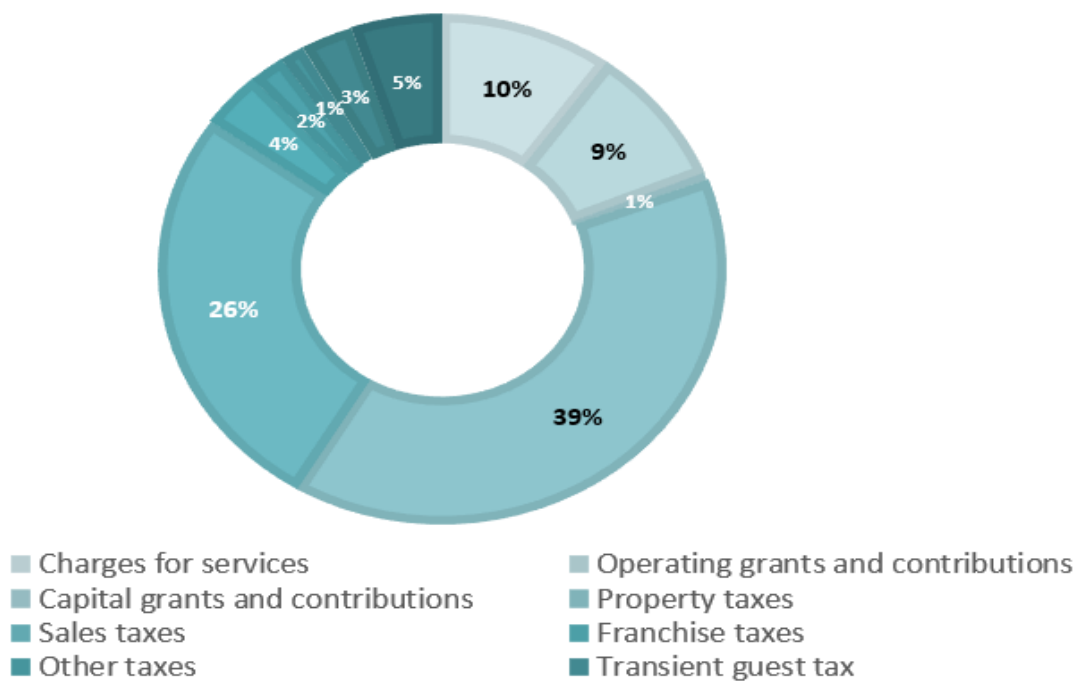
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 28,064	\$ 26,643	\$ 399,654	\$ 358,930	\$ 427,718	\$ 385,573
Operating grants & contributions	24,974	25,426	-	-	24,974	25,426
Capital grants & contributions	1,376	378	-	220	1,376	598
General revenues:						
Property taxes	110,744	110,470	-	-	110,744	110,470
Other taxes	93,910	92,409	6,928	6,236	100,838	98,645
Unrestricted investment earnings	8,320	5,775	1,014	893	9,334	6,668
Miscellaneous	14,602	11,310	2,488	1,745	17,091	13,055
Total revenues	281,990	272,411	410,084	368,024	692,075	640,435
Expenses						
General government	30,447	30,324	-	-	30,447	30,324
Health and welfare	13,880	14,958	-	-	13,880	14,958
Public safety	145,559	139,866	-	-	145,559	139,866
Public works	64,796	65,535	-	-	64,796	65,535
Parks and recreation	7,829	7,449	-	-	7,829	7,449
Planning and development	24,700	24,245	-	-	24,700	24,245
Interest on long-term debt	25,531	20,322	-	-	25,531	20,322
Electric and water systems	-	-	284,158	273,413	284,158	273,413
Public levee	-	-	108	114	108	114
Stormwater	-	-	3,571	2,006	3,571	2,006
Emergency medical services	-	-	10,201	10,132	10,201	10,132
Sewer system	-	-	35,150	28,894	35,150	28,894
Sunflower Hills golf course	-	-	825	783	825	783
Stadium	-	-	578	529	578	529
Total expenses	312,742	302,699	334,591	315,871	647,333	618,570
Net position before transfers	(30,752)	(30,288)	75,493	52,153	44,741	21,865
Transfers	46,060	34,432	(46,060)	(34,432)	-	-
Changes in net position	15,308	4,144	29,433	17,721	44,741	21,865
Net position (deficit) - January 1	(14,759)	(43,433)	559,848	540,078	545,089	496,645
Prior period adjustment	(3,043)	24,530	(45,201)	2,049	(48,244)	26,579
Net position (deficit) – December 31	\$ (2,494)	\$ (14,759)	\$ 544,080	\$ 559,848	\$ 541,586	\$ 545,089

Governmental activities' net position improved by \$12,265,000 to a total deficit position of \$2,494,000 for the year ended December 31, 2018. Aside from the OPEB liability adjustment, key elements of the decrease in governmental activities' deficit net position were as follows:

- Property tax and sales tax comprise 90.4% of all tax revenues and 56.4% of all governmental activities' revenues including transfers-in. Property tax revenue totals \$110,744,000, an increase of \$274,000 or 0.3%, resulting from the net effect of a 7.2% assessed valuation growth offset by a Commission-adopted Kansas City, Kansas two mill levy property rate reduction.

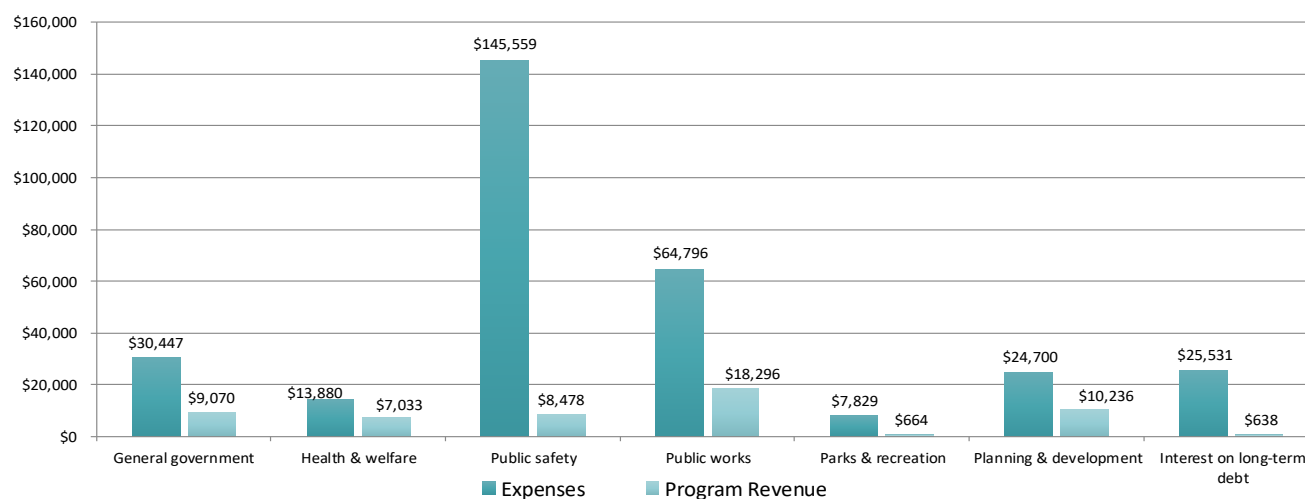
- Sales tax revenue of \$74,255,000, recorded in governmental activities, were up \$731,000 or an increase of 1.0% compared to 2017. This modest increase reflects strong retail sales growth in the first half of the year followed by notable declines in the later half brought on by macro-economic conditions and events.
- Operating grants and contributions program revenue decreased \$452,000 or 1.8% below the prior year primarily due to a deduction in economic development intergovernmental revenue from the State of Kansas.

Revenues by Source – Governmental Activities



- Total governmental activities' expenses increased by \$10,043,000 or 3.3%.
- Public safety program expenses increased \$5,693,000 or 4.1% in part due to technology, data tracking, training and equipment acquisitions. Public Works program expense decreased \$739,000 or 1.1% mainly due to greater investments in neighborhood improvements and capital project activities.

Expenses and Program Revenues – Governmental Activities (dollars in thousands)



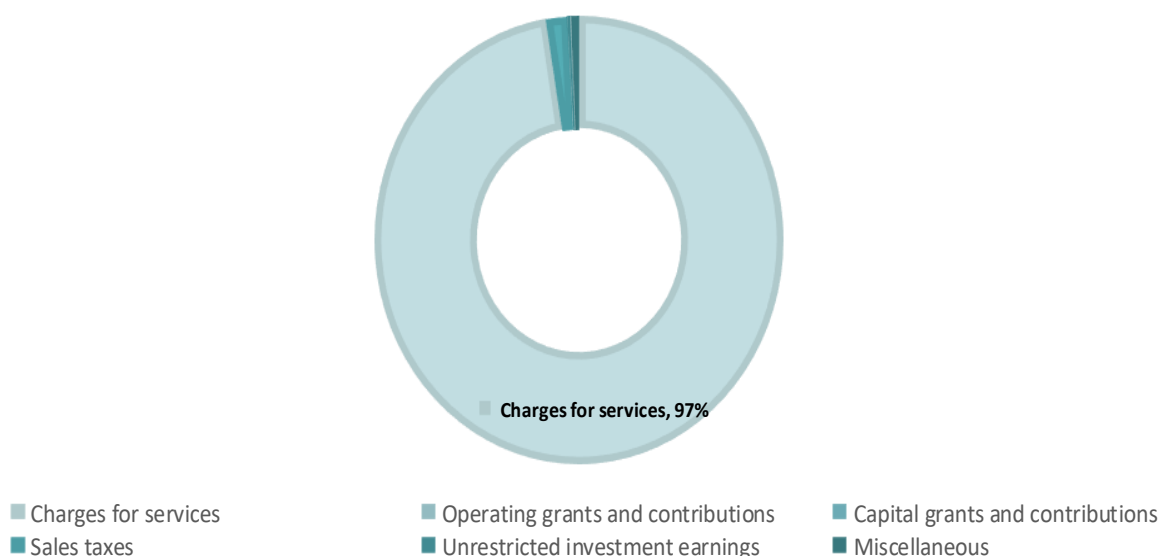
Governmental program expenses during the year of \$312,742,000 are partially offset by \$54,415,000 in charges for services and operating and capital grants and contributions program revenues. The net shortfall of \$258,328,000 is funded by governmental tax revenue of \$204,654,000, miscellaneous revenues, investment earnings, and a transfer-in of \$46,060,000 primarily from BPU payment-in-lieu of taxes (PILOT) made to the Unified Government's General Fund. As the graph displays, public safety programs are the most reliant on non-program revenues and taxes, followed by public works and general government services.

Business-type activities decreased the Government's net position by \$15,768,000 to a total net position of \$544,080,000 for the year ended December 31, 2018. Although a decrease resulted from the retiree healthcare OPEB liability prior period adjustment of \$45,201,000 for business-type activities, there are key elements contributing to the change in net position, as follows:

- Total business-type revenues of \$410,084,000 were \$42,060,000 higher, or 11.4% compared with prior year revenues.
- The Kansas City, Kansas Board of Public Utilities (BPU) charges for services revenue for both electric and water public utilities is the largest revenue source, totaling \$355,793,000 or 86.8% of the Government's total business-type activities revenue. BPU charges for services program revenues increased by \$38,486,000 or 12.1% over the prior year as residential and commercial usage was higher than the prior year. The BPU recognized \$4.8MM in deferred revenue from the 2018 over collection of the Energy Rate Component.

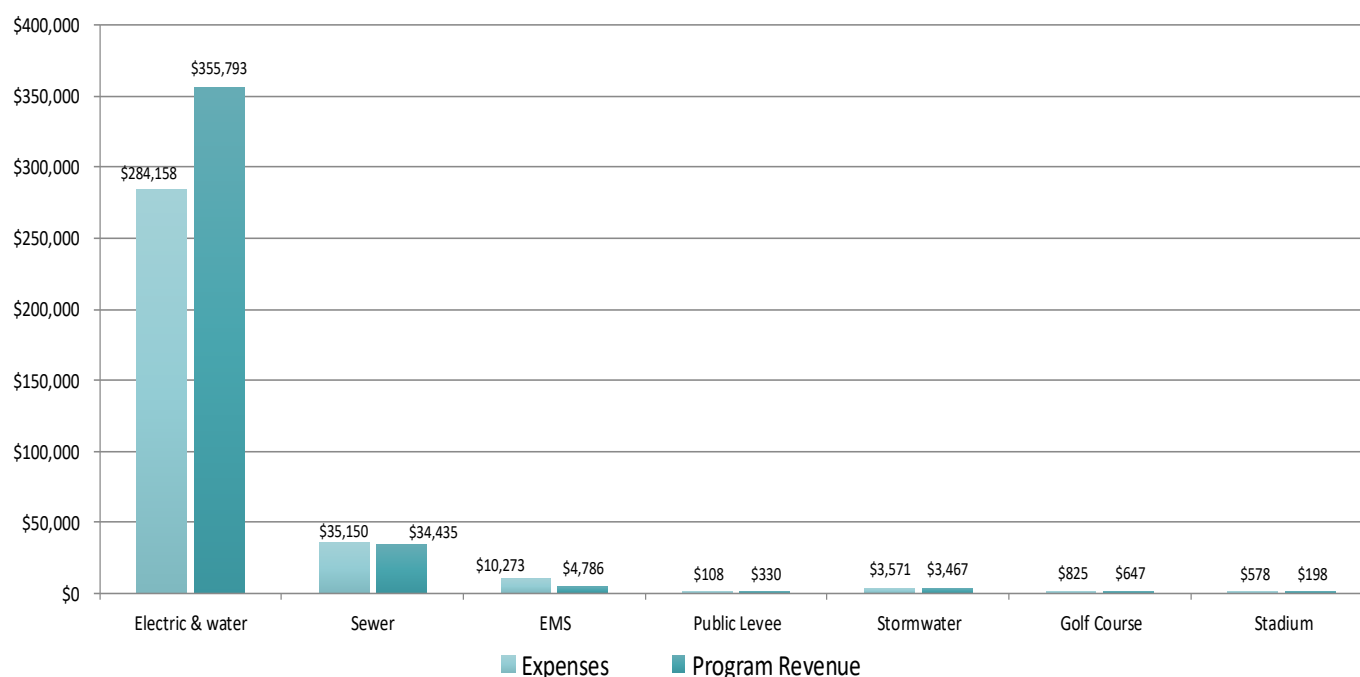
- The Unified Government's sewer system enterprise charges for services revenue is the second largest business-type activities revenue source, amounting to \$34,435,000 or 8.4% of the total. Sewer charges for services increased by \$1,625,000 or 5.0% over the prior year due to an 6.1% overall rate increase in 2018. The rate adjustment was approved to accumulate resources for capital infrastructure investment anticipated to be required by the Federal consent decree (refer to Footnote IV.B.).

Revenues by Source – Business-Type Activities



- Total business-type activities' expenses of \$334,591,000 increased by \$18,720,000 or 5.9% due to a increases in costs for goods for expanded service delivery less depreciation expense and increases in debt interest expense.
- BPU total expenses of \$284,158,000 increased by \$10,754,000 or a modest 3.9% over the prior year. The change in expenses is primarily due to an increase in the operating expenses of \$9,433,000.
- Sewer system total expenses of \$35,150,000 increased \$6,255,000 or 21.7% over the prior year. The change in expenses is primarily due to an increase in operating expenses of \$6,564,000 or 25.6% for costs for goods for expanded service delivery less depreciation expense, and a decrease of \$307,770 or 9.5% increase in debt interest expense.
- Emergency medical services total expenses of \$10,273,000 increased \$141,000 or 1.4% over the prior year due to increased operating expenses and equipment acquisition. This enterprise fund's deficit net position \$9,289,000 worsened by \$848,000 during the fiscal year.

Expenses and Program Revenues – Business-Type Activities (dollars in thousands)



Business-type program expenses during 2018 of \$334,591,000 are supported by \$399,654,000 in charges for services and capital grants and contributions program revenue. The net difference of \$65,063,000 is further augmented by \$6,927,000 in sales tax revenue (dedicated to emergency medical services), miscellaneous revenues and investment earnings less a \$46,060,000 net transfer-out which is primarily the BPU payment-in-lieu of taxes (PILOT) made to the Government's General Fund.

Financial Analysis of the Unified Government's Funds

As noted earlier, the Unified Government uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Unified Government's governmental funds is to provide information on current year revenues, expenditures, and balances of spendable resources. Such information is useful in assessing the Government's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2018, the Unified Government's governmental funds reports a combined ending fund balance of \$226,449,000, an increase of \$93,984,000 or 70.9% over the prior year. A modest decrease of \$968,000 in the General Fund fund balance was offset with positive net changes to fund balance including \$72,791,000 in the Capital Projects Fund, \$592,000 in the Other Governmental Fund and \$21,568,000 in the

Debt Service Economic Development Fund. Approximately 14.9% or \$33,706,000 of the total fund balance constitutes unassigned fund balance, which is available for future spending at the Government's discretion. The following information outlines in more detail the positive financial performance of the governmental funds.

The **General Fund** is the chief operating fund of the Unified Government. At the end of the current fiscal year, unassigned balance is \$34,390,000 while total fund balance is \$39,989,000. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 16.6% of total General Fund expenditures and transfers out of \$207,379,000, while total fund balance represents 19.3% of the same amount.

A two-mill tax rate reduction offset assessed value growth resulting in a modest increase in property tax revenue collection of \$388,000 or 0.6% in the Unified Government's General Fund for 2018.

The total fund balance of the General Fund decreased by \$968,000 or 2.4% over the prior year. Key elements of the decrease in the total fund balance of the General Fund are as follows:

Intergovernmental, charges for services, fines, interest income miscellaneous revenue and transfers in were the revenue categories that increased during the year, while the remaining revenue categories show modest declines. Total General Fund revenues, transfers in and other financing sources are \$206,411,000 a decrease of \$1,668,000 or .8%

Certain major revenue changes in the General Fund from 2017 to 2018 include:

- General Fund sales and use tax revenues totaling \$48,507,000 decreased by \$5,252,000 or 9.8% in 2018 and a 26.7% increase in 2017. This decrease is related to a decline in retail activity coupled with the scope of the tax base (e.g. services are not typically taxed). E-commerce also is gaining more of the retail market share and this is a challenge to tax collection efforts. However, compared to prior years there has been substantial growth in use tax collections recorded in the General Fund is evident when comparing totals of \$7,754,000 in 2018 compared to \$7,099,000 in 2013.
- The combined General Fund mill levy rate was reduced nearly two-mills by the Commission with the final 2017 valuation at 55.64 mills supporting operations for 2018. The total assessed valuation of the County increased 2.48% from 2016 to 2017 for taxes supporting operations in fiscal year 2018, compared to 4.0% and 3.9% the prior two years. Ad valorem real estate property tax revenues of the General Fund, excluding collection of delinquent taxes, total \$60,615,000, a modest increase of 0.2% or \$108,000.
- Motor vehicle personal property tax collections in 2018 total \$8,472,000 or an unanticipated increase of \$59,000 or 0.7% over the prior year as a result of strong economic growth and increased enforcement efforts on unregistered vehicles by the Sheriff's Office.

2018 Retail sales grew substantially from January through July when a dramatic drop occurred beginning in August 2018. The drop was felt nationwide and regionally.

- The payment-in-lieu-of-tax rate (PILOT) for the publicly-owned Board of Public Utilities (BPU) electric and water services was set in 2014 at 11.9% as authorized by State law, and no change to the rate was made in 2017. There was an increase of \$2,817,000 or 8.6% in the 2018 BPU PILOT totaling \$35,490,000 due to a 4.0% increase in the electric base rates beginning March 1, 2018. This BPU PILOT payment is reflected as a transfer in to the General Fund and a transfer out of the BPU respective financial statements.
- Charges for services increased by \$487,000 or 3.8% to a total of \$13,296,000. This increase is due to additional residential refuse collection revenue both of which are used to offset related service delivery costs. Additionally, building inspection and permit fee revenues saw a reduction from the higher than normal activity in the prior year.
- An additional revenue of note is the Hollywood Casino, which completed its fifth year of operations. Shared gaming revenues and contributions generated \$3,371,000, a modest increase of 2.66%, plus \$1,501,000 was paid to the Government by Hollywood Casino due to the delay in construction of a planned associated hotel, in compliance with the development agreement.

Although the national and local economies have recovered from the 2009 recession, the Government continued to closely monitor the cost of its operations during 2018. Total General Fund expenditures, including transfers out, of \$207,379,000 increased by \$8,532,000 or 4.3% were supported by the additional resources made available from the "STAR" revenues. Major expenditure changes in the General Fund from 2017 to 2018 include:

- Public safety expenditures totaling \$118,080,000 are 56.9% of total General Fund expenditures, including transfers out, and increased by \$5,213,000 or 4.6% due to increased personnel and equipment costs.
- Public works expenditures totaling \$25,139,000 are 12.1% of total expenditures, including transfers out, and decreased by \$60,000 or .2% due to savings in personnel costs.
- General government expenditures totaling \$23,946,000 are 11.5% of total expenditures, including transfers out, and increased by \$108,000 or a modest increase 0.45%.
- Capital outlay spending totaling \$4,608,000 comprising 2.2% of total expenditures, including transfers out, decreased by \$335,000 in 2018 or 6.8% compared to 2017 due to the replacement of aging equipment and infrastructure investment funded from operations rather than debt financed.

On the balance sheet, the General Fund has \$31,686,000 in cash and investments and \$10,916,000 in other taxes receivable, partially offset by \$11,751,000 in total current liabilities.

Capital Projects Fund's fund balance of \$111,239,000 increased by \$72,791,000 or 189.3% over 2017. Total revenues and transfers in of \$76,284,000 increased by \$49,943,000 or an increase of 189.6%. Total expenditures and transfers out totaling \$51,516,000 decreased by \$29,862,000 or 36.7%. Revenue, expenditure and transfer performance were offset by the addition of \$48,023,000 in bond proceeds, bond-related premiums and issuance of capital leases. The net resources of this Fund support the Government's five-year Capital Maintenance and Improvement Program (CMIP). On the balance sheet, the Capital Projects Fund has \$107,444,000 in cash and investments, \$52,203,000 in restricted cash and investments and \$2,568,000 in other taxes receivable, offset by temporary notes payable of \$47,021,000 due in March 2019.

Debt Service Economic Development Fund's financial activity consists of restricted cash for use in development projects and debt service on related outstanding bonds. This Fund has a total fund balance of \$32,255,000, which was an increase in fund balance of \$21,568,000 or an increase of 201.8% compared to 2017. Revenues, including transfers in, totaling \$15,061,000 were up \$4,634,000 and an additional \$26.8 million in bond proceeds was received due to the Community Improvement District (CID) revenue bonds issued in May 2018 for the Legends Apartment Garage & West Lawn improvement projects.

Total expenditures plus transfers out of \$20,298,000 were up \$8,544,000. On the balance sheet, the Debt Service Economic Development Fund has restricted cash and investments of \$32,431,000 joined by an intergovernmental receivable of \$24,094,000 primarily from the State of Kansas related to current outstanding STAR bond indebtedness, offset by a deferred outflow of resources of the same amount.

Other Governmental Funds combines all the non-major governmental funds used to account for the proceeds of specific revenue sources intended for specific operating and some capital purposes, other than what is accounted for in the General Fund, Capital Projects Fund or Debt Service Economic Development Fund. Fund balance of the Other Governmental Funds totals \$42,966,000, an increase of \$592,000 or 1.4%. Numerous nonmajor governmental funds had increases in fund balances during the year. Revenue, including transfers in, increased by \$2,049,000, and general obligation bond proceeds of \$33.14 million were received to fund various completed capital projects previously financed with temporary notes. Total expenditures, including transfers out, of \$117,171,000 had an increase of \$40,402,000 or an increase of 52.6% from the prior year. The substantial increase is due to the issuance of Public Building Commission Bonds to fund capital projects. On the balance sheet, the Other Governmental Fund has \$38,589,000 in cash and investments offset by \$4,010,000 in current liabilities.

Dedicated Sales Tax Fund for Public Safety and Neighborhood Infrastructure - The 3/8th cent Kansas City, Kansas dedicated sales tax for public safety and neighborhood infrastructure continues to positively impact revenues of the other governmental funds category. This dedicated sales tax began July 1, 2010 and was due to sunset on June 30, 2020. On August 7, 2018 Kansas City, Kansas voters approved to renew of this tax for an additional ten years. The Dedicated Sales Tax Fund's revenue was used in 2018 to augment public safety service delivery above limited General Fund funding levels, police and fire equipment replacement funding, and to provide neighborhood and street improvement capital projects, in compliance with the dedication approved by the 2018 voters. In 2018, sales tax collections from this dedicated tax total \$10,391,000 compared to \$9,963,000 in 2017, or a 4.3% increase.

Public safety services and neighborhood infrastructure projects have been supported with the \$10 million annually generated by 3/8th cent Dedicated Sales Tax expiring in June 2030.

Proprietary funds

The Government's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total net position of the Sewer Fund is \$85,30,000 and for the Kansas City, Kansas Board of Public Utilities the net position is \$452,584,000. Net position for all enterprise funds decreased \$15,767,000 of which \$45,201,000 was due to a prior period adjustment reflecting changes for the implementation of GASB 75 and resulting changes in the OPEB actuarial assumptions. Other significant factors concerning the finances of the proprietary funds can be found in the discussion of the Government's business-type activities.

For an in-depth discussion of the operating results and financial position of the Board of Public Utilities, see the separate report issued by the Board, which can be obtained by contacting them at:

Kansas City, Kansas Board of Public Utilities
540 Minnesota Avenue
Kansas City, Kansas 66101
www.bpu.com

General Fund Budgetary Highlights

The General Fund is the largest governmental fund of the Unified Government, accounting for 66.7% of all governmental taxes collected in 2018. A review of General Fund budgetary comparison statements provides the reader with information of the Government's budgetary performance and its ability to control expenditures. The financial statements for the General Fund combine the funds of the City, County and Parks general funds.

Changes in Budget Estimates

Differences between the General Fund original budget and the final amended budget include revisions to both revenue estimates and expenditure appropriations. Original revenue estimates for 2018, prepared in the summer of 2017, assumed continued growth in the local and national economies. General Fund total taxes were originally projected to grow by 1.4% over the 2017 revised budget forecast, while the total revenue including transfers in were increased by 1.6% over 2017 revised budget figures. In the summer of 2018, the original General Fund revenue forecast, including transfers in, was revised upward by \$4,916,000 or 2.5% over the original budget. At the same time, original General Fund expenditure budgets, including transfers out, were revised upward by \$5,822,000 or 2.7%. Table 3 details the Combined General Fund's revenue estimates performance during 2018:

Table 3

Amounts in thousands

Revenue Sources	General Fund Revenue Estimates			Actual Revenues ¹	Variance
	Original Estimates	Final Estimates	Variance		
Tax revenue ²	\$ 174,368	\$ 178,954	\$ 4,586	\$ 174,373	\$ (4,581)
Annual debt appropriation ²	10,289	9,671	(618)	-	(9,671)
Intergovernmental revenue	4,470	4,470	-	4,737	267
Charges for services	13,259	13,154	(105)	13,296	142
Fines, forfeitures and penalties	5,792	6,850	1,058	6,868	18
Interest earnings	1,860	1,910	50	3,107	1,197
Licenses and permits	2,421	2,304	(117)	2,340	36
Miscellaneous revenues	4,659	4,721	62	4,609	(112)
Transfers and other financing sources	2,337	2,337	-	2,296	(41)
Total revenues and other financing sources	\$ 219,455	\$ 224,371	\$ 4,916	\$ 211,626	\$ (12,745)
Annual debt appropriation	(10,289)	(9,671)	618	-	9,671
Total net revenues and other financing sources after annual debt appropriation	\$ 209,166	\$ 214,700	\$ 5,534	\$ 211,626	\$ (3,074)

¹ Utilizes the modified cash basis of accounting. Refer to Note to RSI Budgetary Comparison Schedule² Annual debt appropriation budgeted in the tax revenue has been separately presented for comparative purposes.

Major factors contributing to the changes between original and final revenue estimates for 2018 include:

- Tax revenue was revised upward by \$4,586,000 over the original estimate based on several factors:
 - Retail sales and use tax estimate was revised upward by \$895,000, to a total of \$53,769,000, due to strong retail sales growth based on performance through the first half of 2018.
 - The estimate for ad valorem real estate property tax revenues was decreased by \$1,089,000, to a total of \$59,964,000, to apply a higher delinquency non-collection factor (discount factor of 6.5% for the County and 7% for the City) than was used for computing the original estimate (discount factor of 5% for both the City and County). Enhanced collection procedures as part of the SOAR initiative are positively impacting current levy collection levels, although not as quickly as anticipated.
 - Franchise tax payments associated with the public electric utility (BPU PILOT) were revised upward by \$3,764,000, to a total of \$35.4 million, based on higher than anticipated growth trends from 2017 actuals adjusting for the BPU Board's approved electric rate increase. Other franchise tax payment estimates were increased by \$441,000 based on 2017 YTD performance.
- Charges for services revenue estimate was revised downward by \$105,000 based on mid-year collections, while fines and forfeitures estimate were increased by \$1,059,000 due to an adjustment to reflect the full year of Hollywood Casino hotel penalty revenues and more than anticipated municipal court collections.
- Licenses and permits were revised downward by \$117,000 due to Lower than anticipated growth trends reviewed at mid-year.

Major factors contributing to the changes between original and final expenditure budgets for 2018 include:

- Personnel expenditures final budget increased by \$2,504,000 compared to the original to adjust for anticipated overtime costs in the Sheriff's Office and detention facilities.

- Contractual services expenditures final budget increased by \$339,000 due to higher estimates for potential legal settlements and budgeted inmate contract bed funding.
- Capital outlay increased by \$1.5 million and Transfers out increased by \$1.74 million due to increased cash-funded investments to address aging infrastructure.

Table 4 details the Combined General Fund's expenditure budget performance during 2018:

Table 4

Amounts in thousands

Expenditure Categories	General Fund Appropriations			Actual Expenditures ¹	Variance
	Original Budget	Final Budget	Variance		
Personnel	\$ 152,024	\$ 154,528	\$ 2,504	\$ 153,756	\$ 772
Contractual services	35,565	35,904	339	33,081	2,823
Commodities	6,434	7,107	673	6,482	625
Capital outlay	5,903	7,404	1,501	5,809	1,595
Grants, claims, shared revenue	6,737	7,058	321	5,722	1,336
Debt service ²	641	640	(1)	641	(1)
Annual debt appropriation ²	10,289	9,671	(618)	-	9,671
Other	1,220	582	(638)	-	582
Transfers	875	2,616	1,741	6,205	(3,589)
Total expenditures and other financing uses	\$ 219,688	\$ 225,510	\$ 5,822	\$ 211,696	\$ 13,814
Annual debt appropriation	(10,289)	(9,671)	618	-	(9,671)
Total net expenditures and other financing uses after annual debt appropriation	\$ 209,399	\$ 215,839	\$ 6,440	\$ 211,696	\$ 4,143

¹ Utilizes the modified cash basis of accounting. Refer to Note to RSI Budgetary Comparison Schedule

² Annual debt appropriation budgeted in the debt service has been separately presented for comparative purposes.

Budgetary Performance Compared with Actuals

In 2018, actual General Fund revenues, including transfers in, were \$12,745,000 or 5.7% lower than the final budget, while actual General Fund expenditures, including transfers out, were \$13,814,000 or 6.1% lower than the revised budget for 2018. Approximately \$9,671,000 of these total variances for both revenues and expenditures is due to "annual debt appropriation" budgets that are not spent. The annual debt appropriation is required by the Government's various economic development bond covenants as additional security should the pledged revenues be insufficient to meet certain debt service payments. After eliminating the \$9,671,000 annual debt appropriations from the revenue and expenditure final budgets (as the tables 3 and 4 reflect), actual revenues were \$3,074,000 or 1.4% below the final revenue estimate and actual expenditures were below the final budget by \$4,143,000 or 1.9% lower.

Differences between the final budget and actuals are summarized as follows:

- Actual tax revenue of \$174,373,000 fell short of the final budget tax estimate by \$4,581,000 or 2.6% due several net factors:
 - Sales tax lower variance from final estimates is \$5,260,000, due to a substantial drop in retail sales in the latter half of the fiscal year. This drop in retail was also evidenced across the nation and throughout the Kansas City region which indicates the cause is likely due to macroeconomic events during the period.

- Ad valorem real estate property tax revenue collection exceeded final estimates by \$652,000 of the final estimate due to lower delinquency non-collection factor (budgeted at 6.5% for the County and 7% for the City) being lower than anticipated at 5.8% for the city and 5.5% for the County.
- Actual charges for services revenue estimate were above final budget estimate by \$142,000.
- Actuals for fines and forfeitures and licenses and permits actuals were comparable to the final budget estimate.
- Investment income exceeded the final budgeted estimate by \$1.197 million as a result of the increases in the interest rate earning for fixed income securities.
- Actual personnel expenditures were below the final budget by \$772,000 primarily due to greater than estimated costs for overtime.
- Actual contractual services expenditures were below the final budget by \$2,823,000 due to less inmate contract beds required and savings in other areas.
- Actual capital outlay expenditures were below the final budget by \$1,595,000 due to delays in project start-ups and planned equipment acquisitions, of which \$969,000 was transferred to the Capital Projects Fund to support the continuation in 2019 of certain projects.
- Transfers out above final budget include \$318,483 to the T-Bones Stadium to cover operating costs not paid for by the baseball management company, \$385,705 for various multi-year operating initiatives requiring an additional time related to Strong Towns and the Schlitterbahn grand jury, \$1,030,000 in operating savings to cover higher costs estimates for the new Fire Station capital project, \$1,073,000 in operating savings to cover higher costs estimates for the new Juvenile Center capital project, an \$969,000 in budgeted capital outlay moved to the Capital Projects Fund, and various operating transfers to nonmajor governmental funds.

Capital Assets and Bonded Debt Administration

Capital Assets

The Government's capital assets for its governmental and business-type activities as of December 31, 2018, are \$1,849,433,000 (net of accumulated depreciation), an increase of \$25,487,000 or 1.4%. Investment in capital assets includes land, buildings and improvements, street lights, major equipment, park facilities, infrastructure such as streets, alleys, traffic signals, bridges, fiber optic cable, and trails; as well as business-type capital assets, such as electric power generation and water treatment plants, electric power and water distribution lines and systems, sewer and stormwater conveyance and treatment systems, ambulances to deliver emergency medical services, the Sunflower Golf Course, and T-Bones Baseball Stadium.

Governmental activities capital assets of \$555,494,000 grew by \$93,000 or .02%, while total business-type activities capital assets of \$1,293,939,000 grew by \$25,394,000 or 2.0%. Of the total business-type activities, \$1,106,311,000 or 85.5% are capital assets supporting services by the BPU to its 65,000 electric power customers and 51,000 water customers. The Government's (excluding BPU) business-type activities' capital assets total \$187,628,000, an increase of \$4,959,000 or 2.7%. Of the Government's (non-BPU) total business-type capital assets, \$146,643,000 or 78.2% support sewer system conveyance and treatment services for its 44,000 customers and \$28,967,000 or 15.4% support stormwater conveyance systems.

The Government's capital assets by type at December 31, 2018 and 2017 are shown in Table 5 (dollars in thousands):

Table 5

Amounts in thousands

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 27,027	\$ 27,027	\$ 4,746	\$ 4,652	\$ 31,773	\$ 31,679
Buildings	173,469	171,792	1,967,195	1,879,739	2,140,664	2,051,531
Improvements other than buildings	43,348	39,743	3,691	3,691	47,040	43,434
Machinery and equipment	66,401	62,041	49,345	46,641	115,746	108,682
Infrastructure	656,777	642,276	197,964	193,365	854,741	835,641
Construction in progress	17,877	19,023	107,395	134,895	125,272	153,918
Accumulated depreciation	(429,406)	(406,501)	(1,036,397)	(994,438)	(1,465,804)	(1,400,939)
Total capital assets	\$ 555,494	\$ 555,401	\$ 1,293,939	\$ 1,268,545	\$ 1,849,433	\$ 1,823,946

Unified Government's capital asset assets for business-type activities (non-BPU) include sewer, stormwater, emergency medical services, golf and the T-Bones stadium. The primary changes by asset category over the prior year include: \$24,039,000 or 8.4% increase in infrastructure, buildings, and improvements, \$14,980,000 or 52.9% decrease in construction in progress, \$2,704,000 in machinery and equipment offset by an increase in accumulated depreciation of \$6,898,000 or 3.7%. The largest increase in asset levels amongst the Government's enterprise funds was in stormwater with an increase of \$18,418,000 in completed capital asset projects, before depreciation and not including construction-in-progress. Additionally, the sewer system added capital assets of \$6,416,000.

BPU enterprise electric power and water treatment system capital assets increased \$20,435,000 or 1.9% over the prior year with an increase to BPU plant and equipment of \$68,017,000 primarily for plant improvements, offset by a reduction in construction in progress of \$12,521,000 and an increase to accumulated depreciation of \$35,061,000.

The Government's capital assets (non-enterprise fund) improved its total capital asset value of \$555,494,000 by \$93,000 net an increase in accumulated depreciation of \$25,022,000. The primary changes in capital project completions during 2018 by asset category include an increase of \$14,501,000 in infrastructure for various street projects throughout the city, \$4,360,000 in machinery and equipment, and \$1,678,000 in buildings.

Additional information on the Unified Government's capital assets activity for the year can be found in Note III.B of the notes to the financial statements.

Bonded Debt Administration

At December 31, 2018, the Government had total bonded indebtedness of \$1,304,237 excluding premiums and discounts which are netted against bond proceeds at the time of issuance.

Outstanding bonded debt (amounts in thousands) at December 31, 2018 and 2017, is reflected in Table 6:

Table 6

Amounts in thousands

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 266,345	\$ 239,883	\$ 89,580	\$ 85,194	\$ 355,925	\$ 325,077
Tax increment financed GO bonds	43,979	46,168	-	-	43,979	46,168
BPU revenue bonds	-	-	636,780	656,170	636,780	656,170
Revolving loans	-	-	48,908	44,812	48,908	44,812
Intergovernmental loan	-	-	3,450	3,734	3,450	3,734
Accreted interest on bonds	10,556	9,625	-	-	10,556	9,625
Capital lease	11,404	9,409	2,608	2,220	14,012	11,629
Section 108 loan	-	810	-	-	-	810
Special obligation bonds	73,707	51,673	-	-	73,707	51,673
Revenue bonds	45,065	14,115	-	-	45,065	14,115
Sales tax obligation bonds	53,215	55,945	-	-	53,215	55,945
Transportation district bonds	18,640	20,713	-	-	18,640	20,713
Total bonded indebtedness	\$ 522,911	\$ 448,341	\$ 781,326	\$ 792,130	\$ 1,304,237	\$ 1,240,471

*Refer to Note III.F. Excludes premiums and discounts.

Of the total, \$781,326,000 or 59.9% supports business-type activities, including the BPU at \$671,155,000 total indebtedness for electric and water infrastructure investment and \$110,171,000 for Unified Government enterprise fund, such as sewer and stormwater services and capital financing. BPU total bonded indebtedness declined by \$20,829,000 or 3.0% compared to the prior year, while Unified Government enterprise funds' indebtedness increased by \$10,025,000 or 10.0%. Of the total \$110,171,000 in Unified Government enterprise funds' indebtedness, \$89,580,000 or 81.3% are general obligation bonds although enterprise charges for services revenue are dedicated for annual debt service payments.

Governmental activities bonded indebtedness, which excludes the Unified Government's enterprises and the BPU, totaled \$522,911,000, an increase of \$74,570,000 or 16.6%. Of this total, \$266,345,000 or 50.9% is general obligation debt backed by the full faith and credit of the Government. The remainder of the governmental activities bonded debt includes \$145,562,000 or 27.8% in special obligation, STAR bonds and transportation district bonds.

Governmental activities general obligation debt increased by \$26,462,000 compared to the prior year, or 11.0%, and is used to support a variety of capital needs as adopted in the Capital Maintenance and Improvements Program (CMIP). This change in indebtedness is a net of new debt less the retirement of prior year outstanding indebtedness. Tax increment financed (TIF or special assessment) bonds totaling \$43,979,000 decreased by \$2,189,000 with the scheduled repayment on prior year TIF bonds. The outstanding STAR bonds and accreted interest totaled \$63,771,000, of which is offset by a corresponding receivable of \$24,094,000 due to the contractual pledge from the State of Kansas for the estimated State share of sales tax revenue. Various other economic development related indebtedness, such as special obligations and transportation development district bonds, totaling \$92,347,000 increased by \$19,961,000 or 27.6% from the prior year due to new issuances of \$26,805,000 in 2018 offset by principal payments of \$6,844,000.

Additionally, the Unified Government (excluding the BPU) has temporary notes outstanding of \$47,021,000 as of December 31, 2018. This outstanding liability is not reflected in the table above due to its short-term nature, with these notes maturing or being refinanced in 2019.

The 2019 Unified Government (excluding the BPU) budget includes \$37,003,000 for the principal payments and \$25,363,000 in interest payments. Of these totals, the sewer system and stormwater enterprises will pay \$6,672,000 in principal and \$4,066,000 in interest from service charges. The sources of fund for the remaining debt service payments of \$30,331,000 in principal and \$21,297,000 in interest will come from ad valorem taxes, special assessments, and sales tax and transient guest tax revenue from various economic development districts.

Kansas State Statutes limit the amount of general obligation bonds a governmental entity may issue to 30% of the equalized taxable assessed valuation. The limitation for debt for the Unified Government, as of December 31, 2018, is \$433,652,000 with outstanding indebtedness applicable to the debt limit per State law of \$251,464,000 leaving a legal debt margin of \$182,188,000. The total net debt outstanding applicable to the debt limit as a percentage of the Government's calculated debt limit is 58.0%.

As of December 31, 2018, the Unified Government general obligation debt is rated A1 by Moody's Investor Service and AA by Standard and Poor's. Additional information on the Unified Government's long-term debt can be found in the notes to the financial statements III.F.

Economic Factors and Next Year's Budget

The original 2019 budget assumes solid growth in the local economy, especially in retail sales. The 2019 General Fund original budget revenues, including transfers in and adjusting for the budget annual debt appropriation, is projected to increase 3.4% from actual revenues in 2018. It is anticipated that 2019 revenues will be revised downward to reflect lower than expected retail sales performance in the latter half of 2018 and first half of 2019. Measures have been taken to have expenditures be in line with anticipated revenues. It is anticipated that fund balance will decrease during 2019. Nevertheless, the Government remains committed to maintaining a minimum reserve of two-months of operating expenses and growing General Fund reserves in the future.

Additional operating data regarding the Unified Government General Fund may be found in the Amended 2018/Adopted 2019 Budget and the Official Statement dated February 2019 printed in connection with the Unified Government's General Obligation Bonds, Series 2019. The Amended 2018/Adopted 2019 Budget can be found on the Government's website at www.wycokck.org/Budget. The referenced Official Statement can be found on the Municipal Securities Rulemaking Board's EMMA website www.emma.msrb.org and the Unified Government will provide a copy of such official statement upon request.

Requests for Information

This financial report is designed to provide a general overview of the Unified Government's finances for those with interest in the government's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Unified Government of Wyandotte County and Kansas City, Kansas, 701 North 7th. Street, Kansas City, Kansas 66101. The report is available online at www.wycokck.org/Accounting.



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UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF NET POSITION

December 31, 2018

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and temporary investments	\$ 177,890,136	\$ 74,294,443	\$ 252,184,579
Restricted cash and investments	89,849,151	43,408,259	133,257,410
Receivables (net of uncollectible amounts)			
Taxes	110,444,548	1,119,841	111,564,389
Accounts	6,408,216	54,943,697	61,351,913
Notes	398,166	-	398,166
Intergovernmental	24,094,217	-	24,094,217
Interest	3,588,635	462,790	4,051,425
Due from other governments	776,706	-	776,706
Special assessments	3,371,301	185,760	3,557,061
Internal balances	4,468,982	(4,468,982)	-
Inventories	-	28,082,078	28,082,078
Prepayments and other current assets	-	1,647,673	1,647,673
Other assets	-	1,178,766	1,178,766
Restricted cash and investments	-	38,936,271	38,936,271
Net pension asset		22,516,528	22,516,528
Capital assets:			
Land and construction in progress	44,904,302	112,140,108	157,044,410
Other capital assets, net of depreciation	510,589,479	1,181,798,623	1,692,388,102
Total Assets	976,783,839	1,556,245,855	2,533,029,694
DEFERRED OUTFLOWS OF RESOURCES			
Deferred refunding	1,295,297	11,889,401	13,184,698
Deferred outflows - pensions	29,632,925	18,151,553	47,784,478
Deferred outflows - OPEB	5,570,395	3,922,820	9,493,215
Total Deferred Outflows of Resources	36,498,617	33,963,774	70,462,391
LIABILITIES			
Accounts and contracts payable	10,337,623	37,273,611	47,611,234
Accrued wages and expense	6,357,030	3,421,304	9,778,334
Accrued interest payable	7,731,796	11,882,151	19,613,947
Due to others	2,075,290	8,211,297	10,286,587
Due to other governments	40,932	-	40,932
Temporary notes payable	47,020,700	-	47,020,700
Regulatory and other liabilities	-	2,700,207	2,700,207
Long-term liabilities:			
Due within one year	55,999,390	33,671,750	89,671,140
Due in more than one year	773,749,976	904,884,703	1,678,634,679
Total Liabilities	903,312,737	1,002,045,023	1,905,357,760
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax receivable	95,013,627	-	95,013,627
Deferred inflows - pensions	9,115,560	38,570,578	47,686,138
Deferred inflows - OPEB	8,334,510	763,925	9,098,435
Deferred inflows - recovery fuel purchased power	-	4,750,297	4,750,297
Total Deferred Inflows of Resources	112,463,697	44,084,800	156,548,497
NET POSITION			
Net investment in capital assets	249,395,151	499,366,603	748,761,754
Restricted for:			
Debt service	66,637,389	47,761,884	114,399,273
Revenue bond reserves	-	1,749,409	1,749,409
Capital projects	7,014,940	-	7,014,940
Federal/State assistance	4,415,818	-	4,415,818
Community services	8,444,782	-	8,444,782
Unrestricted (deficit)	(338,402,058)	(4,798,090)	(343,200,148)
Total net position	\$ (2,493,978)	\$ 544,079,806	\$ 541,585,828

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 30,447,281	\$ 6,619,097	\$ 2,450,678	\$ -	\$ (21,377,506)		\$ (21,377,506)
Health and welfare	13,880,444	403,803	6,629,010	-	(6,847,631)		(6,847,631)
Public safety	145,559,280	5,856,608	2,536,718	85,000	(137,080,954)		(137,080,954)
Public works	64,795,863	9,638,427	8,619,522	37,700	(46,500,214)		(46,500,214)
Parks and recreation	7,828,508	618,120	46,096	-	(7,164,292)		(7,164,292)
Planning and development	24,699,526	4,927,775	4,054,685	1,253,471	(14,463,595)		(14,463,595)
Interest on long-term debt	25,531,319	-	637,748	-	(24,893,571)		(24,893,571)
Total governmental activities	312,742,221	28,063,830	24,974,457	1,376,171	(258,327,763)		(258,327,763)
Business-type activities:							
Electric and Water systems	284,157,531	355,792,700	-	-		71,635,169	71,635,169
Sewer System	35,149,846	34,435,053	-	-		(714,793)	(714,793)
EMS	10,201,350	4,785,597	-	-		(5,415,753)	(5,415,753)
Public Levee	108,483	329,544	-	-		221,061	221,061
Stormwater	3,570,892	3,467,149	-	-		(103,743)	(103,743)
Sunflower Hills Golf Course	824,759	646,631	-	-		(178,128)	(178,128)
Stadium	578,167	197,628	-	-		(380,539)	(380,539)
Total business-type activities	334,591,028	399,654,302	-	-	-	65,063,274	65,063,274
Total primary government	\$ 647,333,249	\$ 427,718,132	\$ 24,974,457	\$ 1,376,171	\$ (258,327,763)	\$ 65,063,274	\$ (193,264,489)
General revenues:							
Taxes:							
Property taxes, general purpose					110,743,951	-	110,743,951
Sales taxes					74,255,486	6,927,197	81,182,683
Franchise taxes					10,001,733	-	10,001,733
Other taxes					5,706,705	1,014	5,707,719
Transient guest tax					3,945,813	-	3,945,813
Unrestricted investment earnings					8,320,182	1,014,204	9,334,386
Miscellaneous					14,601,298	2,488,071	17,089,369
Transfers					46,060,258	(46,060,258)	-
Total general revenues and transfers					273,635,426	(35,629,772)	238,005,654
Change in net position					15,307,663	29,433,502	44,741,165
Net position - beginning					(14,758,401)	559,847,755	545,089,354
Prior period adjustment					(3,043,240)	(45,201,451)	(48,244,691)
Net position - ending					\$ (2,493,978)	\$ 544,079,806	\$ 541,585,828

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2018

	General	Capital Projects	Debt Service Economic Development	Other Governmental	Totals 2018
ASSETS					
Cash and temporary investments	\$ 31,686,278	\$ 107,443,860	\$ -	\$ 38,589,132	\$ 177,719,270
Restricted cash and temporary investments	428,149	52,203,332	32,430,954	84,069	85,146,504
Receivables (net of uncollectible amounts)					
Taxes:					
Property taxes	65,101,401	-	-	29,912,226	95,013,627
Other taxes	10,916,135	2,567,768	-	1,947,018	15,430,921
Accounts	5,116,784	6,112	-	737,371	5,860,267
Notes	14,525	-	-	383,641	398,166
Intergovernmental	-	-	24,094,217	-	24,094,217
Interest	1,764,609	1,439,764	-	175,822	3,380,195
Special assessments	2,592,039	-	-	779,262	3,371,301
Due from other funds	4,356,791	20,650	-	1,752,340	6,129,781
Due from other governments	-	-	-	776,706	776,706
Advance to other funds	-	-	-	2,775,000	2,775,000
Total Assets	\$ 121,976,711	\$ 163,681,486	\$ 56,525,171	\$ 77,912,587	\$ 420,095,955
BALANCES					
Liabilities:					
Accounts and contracts payable	\$ 4,688,090	\$ 3,783,330	\$ -	\$ 1,701,567	\$ 10,172,987
Accrued wages and other	5,139,346	30,927	-	1,186,757	6,357,030
Due to others	1,646,609	25,738	-	320,359	1,992,706
Due to other funds	250,376	142,482	175,727	787,066	1,355,651
Due to other governments	26,468	-	-	14,464	40,932
Temporary notes payable	-	47,020,700	-	-	47,020,700
Total Liabilities	11,750,889	51,003,177	175,727	4,010,213	66,940,006
Deferred inflows of resources:					
Deferred property tax receivable	65,101,401	-	-	29,912,226	95,013,627
Unavailable revenue - accounts receivable	778,889	-	-	-	778,889
Unavailable revenue - intergovernmental receivable	-	-	24,094,217	-	24,094,217
Unavailable revenue - interest	1,764,609	1,439,765	-	175,822	3,380,196
Unavailable revenue - grants	-	-	-	68,779	68,779
Unavailable revenue - special assessments	2,592,039	-	-	779,262	3,371,301
Total Deferred inflows of resources	70,236,938	1,439,765	24,094,217	30,936,089	126,707,009
Fund balances					
Restricted	95,443	111,238,544	32,255,227	34,192,280	177,781,494
Committed	-	-	-	7,174,790	7,174,790
Assigned	5,503,779	-	-	2,282,700	7,786,479
Unassigned	34,389,662	-	-	(683,485)	33,706,177
Total Fund Balances	39,988,884	111,238,544	32,255,227	42,966,285	226,448,940
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 121,976,711	\$ 163,681,486	\$ 56,525,171	\$ 77,912,587	\$ 420,095,955

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position**

December 31, 2018

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

Total fund balance - governmental funds **\$226,448,940**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost	\$984,900,141	
Accumulated depreciation	<u>(429,406,360)</u>	555,493,781

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

General obligation bonds payable	292,325,284	
Special obligation bonds payable	73,707,000	
Public Building Commission revenue bonds payable	45,065,000	
Sales tax obligation bonds payable	53,215,116	
Transportation development bonds	18,640,000	
Premium on bonds payable	22,024,869	
Discount on bonds payable	(865,628)	
Accrued interest payable on the bonds	7,731,796	
Bond anticipation notes	17,999,300	
Capital lease	11,403,800	
Accreted interest	10,555,750	
Compensated absences	44,862,620	
Claims and judgments	600,000	
OPEB liability	74,527,497	
Landfill closure / postclosure care	378,000	
Net pension liability	158,661,814	
Unfunded pension obligation	<u>226,944</u>	(831,059,162)

Other deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds.

Deferred refunding	1,295,297	
Deferred outflows - OPEB	5,570,395	
Deferred outflows - pensions	<u>29,632,925</u>	36,498,617

Other deferred inflows of resources do not increase net position until a future period and therefore are not reported in the funds.

Deferred inflows - pensions	(9,115,560)	
Deferred inflows - OPEB	<u>(8,334,510)</u>	(17,450,070)

Interest subsidy from the Federal government is not considered available to liquidate liabilities of the current period, and is therefore deferred in the funds. However, the interest is properly recognized as a revenue in the government-wide statements.

208,440

Intergovernmental receivables are not considered available to liquidate liabilities of the current period, and is therefore deferred in the funds. However, the intergovernmental receivables are properly recognized as a revenue in the government-wide statements.

24,094,217

Certain receivables are not considered available to liquidate liabilities of the current period, and is therefore deferred in the funds. However, the receivables are properly recognized as a revenue in the government-wide statements.

4,227,864

Special assessments are not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, they are properly recognized as revenue in the government-wide statements as soon as the related improvement has been completed.

3,371,301

Internal Service Funds are used by management to charge the costs of certain activities, such as insurance, to the individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.

(4,327,906)

Total net position - governmental activities

(\$2,493,978)

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2018

	General	Capital Projects	Debt Service Economic Development	Other Governmental	Totals 2018
REVENUES					
Taxes	\$ 137,416,053	\$ 16,027,494	\$ 2,554,340	\$ 50,362,172	\$206,360,059
Intergovernmental	1,036,950	37,700	1,583,619	21,088,469	23,746,738
Licenses, permits and fees	2,339,979	-	-	311,147	2,651,126
Charges for services	13,295,766	22,291	-	1,489,615	14,807,672
Fines, forfeitures and penalties	6,867,668	-	-	961,754	7,829,422
Interest income	3,106,785	1,876,852	424,212	803,312	6,211,161
Miscellaneous	4,561,445	6,298,109	-	3,702,069	14,561,623
TOTAL REVENUES	168,624,646	24,262,446	4,562,171	78,718,538	276,167,801
EXPENDITURES					
Current:					
General government	23,946,207	-	-	5,007,691	28,953,898
Public works	25,139,010	4,883,783	-	10,094,056	40,116,849
Public safety	118,080,006	-	-	8,059,414	126,139,420
Judicial	10,166,834	-	-	2,994,419	13,161,253
Health and welfare	873,241	-	-	12,734,827	13,608,068
Planning and development	9,948,453	565,119	8,631,758	3,887,021	23,032,351
Parks and recreation	6,854,102	-	-	455,126	7,309,228
Capital outlay	4,608,350	23,641,728	-	4,531,265	32,781,343
Debt service					
Principal	1,167,683	4,910,691	6,912,628	19,739,743	32,730,745
Interest	389,340	4,544,359	3,904,701	11,378,955	20,217,355
Other	-	645,311	784,872	720,613	2,150,796
TOTAL EXPENDITURES	201,173,226	39,190,991	20,233,959	79,603,130	340,201,306
OTHER FINANCING SOURCES (USES)					
Transfers in	37,746,480	52,021,300	10,498,777	4,524,059	104,790,616
Transfers out	(6,205,543)	(12,324,546)	(64,156)	(37,568,315)	(56,162,560)
Issuance of bonds	-	42,179,300	26,805,000	33,140,000	102,124,300
Premium from issuance of bonds	-	1,598,333	-	1,381,331	2,979,664
Proceeds from sale of capital assets	39,675	-	-	-	39,675
Issuance of capital lease	-	4,245,442	-	-	4,245,442
TOTAL OTHER FINANCING SOURCES (USES)	31,580,612	87,719,829	37,239,621	1,477,075	158,017,137
NET CHANGE IN FUND BALANCE	(967,968)	72,791,284	21,567,833	592,483	93,983,632
FUND BALANCES (DEFICITS)					
Beginning of year	40,956,852	38,447,260	10,687,394	42,373,802	132,465,308
End of year	\$ 39,988,884	\$ 111,238,544	\$ 32,255,227	\$ 42,966,285	\$226,448,940

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, 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, 2018

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

Net change in fund balances - total governmental funds \$93,983,632

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

Depreciation expense	(\$25,021,563)	
Capitalized assets acquired	25,134,677	113,114

The net effect of various transactions involving capital assets (i.e., sales and trade-ins) is to decrease net position. (20,322)

Bond and capital lease proceeds and premiums / discounts provide or use current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

General obligation bonds	(24,180,000)	
Special obligation bonds	(26,805,000)	
Public building commission bonds	(33,140,000)	
Bond anticipation notes	(17,999,300)	
Capital leases	(4,245,442)	
Premium	(2,979,664)	(109,349,406)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

General obligation bonds	17,905,756	
Special obligation bonds	4,771,000	
Public building commission bonds	2,190,000	
Section 108 loan	810,000	
Sales tax obligation bonds	2,730,161	
Transportation development bonds	2,073,000	
Capital leases	2,250,828	32,730,745

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (1,976,393)

The amortization of bond premiums, discounts and deferred refundings affects long-term assets, liabilities and deferred outflows of resources on the statement of net position, but does not provide or use current financial resources to governmental funds. 1,746,680

In the statement of activities, certain expenditures are measured by the amounts incurred during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid).

Compensated absences paid that exceeded amounts earned	(1,033,278)
Pension benefits paid that exceeded amounts earned	9,535
Landfill closure / postclosure care obligations incurred	54,000
Other postemployment benefits earned	(2,923,285)

Payment of pension contributions is an expenditure in the governmental funds, but reduces the net pension liability in the statement of net position. Additionally, the effect of changes in deferred inflows and deferred outflows for pensions are only recorded in the statement of activities. 1,496,890

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 112,432

Special assessments are not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, they are properly recognized as revenue in the statement of net position as soon as the related improvement has been completed. 898,316

Interest subsidy from the Federal government is not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, the interest is properly recognized as a revenue in the statement of activities. (8,175)

Payments received on the intergovernmental receivables are recognized as revenue when received in the funds. However, in the statement of net position the intergovernmental receivables were recognized as revenue when issued. (1,147,646)

Payments received on certain receivables are recognized as revenue when received in the funds. However, in the statement of net position the receivables were recognized as revenue when earned. 1,551,273

In the statement of activities, interest is accreted on outstanding bonds, whereas in governmental funds, interest is accreted when interest payments are due. (930,449)

Change in net position of governmental activities \$15,307,663

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2018

	Business-type Activities - Enterprise Funds				Governmental
	Sewer System	Board of Public Utilities	NonMajor Business-type	Totals 2018	Activities - Internal Service
ASSETS					
Current Assets:					
Cash and temporary investments	\$ 19,442,889	\$ 47,940,247	\$ 6,911,307	\$ 74,294,443	\$ 170,866
Restricted cash and temporary investments	13,855,365	29,379,149	173,745	43,408,259	4,702,647
Receivables (net of uncollectible amounts)					
Taxes	12,910	-	1,119,841	1,132,751	-
Accounts and other receivables	7,624,071	46,192,674	1,594,576	55,411,321	547,949
Inventories	-	28,082,078	-	28,082,078	-
Prepayments and other current assets	-	1,647,673	-	1,647,673	-
Due from other funds	17,744	-	235,022	252,766	-
Total current assets	40,952,979	153,241,821	10,034,491	204,229,291	5,421,462
Noncurrent Assets:					
Restricted cash and investments	-	38,936,271	-	38,936,271	-
Capital assets	318,586,570	1,857,044,867	47,215,852	2,222,847,289	-
Accumulated depreciation	(183,057,475)	(844,811,900)	(8,527,780)	(1,036,397,155)	-
Construction in progress	11,113,545	94,077,723	2,297,329	107,488,597	-
Other assets	168,016	1,178,766	-	1,346,782	-
Net pension asset	-	22,516,528	-	22,516,528	-
Total noncurrent assets	146,810,656	1,168,942,255	40,985,401	1,356,738,312	-
TOTAL ASSETS	187,763,635	1,322,184,076	51,019,892	1,560,967,603	5,421,462
DEFERRED OUTFLOWS OF RESOURCES					
Deferred refunding	350,404	11,502,447	36,550	11,889,401	-
Deferred outflows - pensions	904,570	15,529,509	1,717,474	18,151,553	-
Deferred outflows - OPEB	303,521	3,414,032	205,267	3,922,820	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,558,495	30,445,988	1,959,291	33,963,774	-
LIABILITIES					
Current liabilities:					
Accounts and contracts payable	1,590,326	35,248,554	434,731	37,273,611	164,636
Accrued wages and expenses	393,545	2,790,205	237,554	3,421,304	-
Accrued interest payable	1,300,588	10,232,460	349,103	11,882,151	-
Due to others	61,653	8,149,644	-	8,211,297	82,584
Due to other funds	314,904	-	1,631,844	1,946,748	3,080,148
Regulatory and other liabilities	-	2,700,207	-	2,700,207	-
Claims incurred but not reported	-	-	-	-	3,974,008
Compensated absences payable	84,810	1,257,700	320,952	1,663,462	-
Current maturities of long-term debt	4,966,580	25,336,191	1,705,517	32,008,288	-
Total current liabilities	8,712,406	85,714,961	4,679,701	99,107,068	7,301,376
Long-term liabilities:					
Revenue bonds payable, less current maturities	16,506,716	708,431,989	-	724,938,705	-
General obligation bonds payable (net of unamortized premiums)	66,705,112	-	23,095,226	89,800,338	-
Advance from other funds	-	2,775,000	-	2,775,000	-
Claims incurred but not reported	-	-	-	-	2,447,992
Compensated absences payable	1,085,304	5,641,600	4,906,390	11,633,294	-
Capital leases payable	-	-	2,069,536	2,069,536	-
Total OPEB liability	4,126,941	54,987,646	2,724,677	61,839,264	-
Net pension liability	5,883,986	-	8,719,580	14,603,566	-
Total long-term liabilities	94,308,059	771,836,235	41,515,409	907,659,703	2,447,992
TOTAL LIABILITIES	103,020,465	857,551,196	46,195,110	1,006,766,771	9,749,368
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pensions	314,022	37,744,588	511,968	38,570,578	-
Deferred inflows - OPEB	458,102	-	305,823	763,925	-
Deferred inflows - recovery fuel purchased power	-	4,750,297	-	4,750,297	-
TOTAL DEFERRED INFLOWS OF RESOURCES	772,124	42,494,885	817,791	44,084,800	-
NET POSITION					
Net investment in capital assets	68,320,591	416,757,145	14,288,867	499,366,603	-
Restricted for debt service	-	47,761,884	-	47,761,884	-
Restricted for revenue bond reserves	1,749,409	-	-	1,749,409	-
Unrestricted	15,459,541	(11,935,046)	(8,322,585)	(4,798,090)	(4,327,906)
TOTAL NET POSITION	\$ 85,529,541	\$ 452,583,983	\$ 5,966,282	\$ 544,079,806	\$ (4,327,906)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds				Governmental
	Sewer System	Board of Public Utilities	NonMajor Business-type	Totals 2018	Activities - Internal Service
OPERATING REVENUES					
Charges for service	\$ 33,991,545	\$ 320,302,220	\$ 5,414,621	\$ 359,708,386	\$ 36,365,782
Fines/forfeits/fees	-	-	3,467,149	3,467,149	-
Earned lease income	-	-	491,918	491,918	-
Permits and licenses	307,250	-	-	307,250	-
Miscellaneous revenues	136,258	-	52,861	189,119	2,352,046
Payment-in-lieu of taxes	-	35,490,480	-	35,490,480	-
TOTAL OPERATING REVENUES	34,435,053	355,792,700	9,426,549	399,654,302	38,717,828
OPERATING EXPENSES					
Cost of sales and service	26,222,618	219,002,751	13,033,442	258,258,811	39,153,726
Depreciation and amortization	5,989,749	36,110,255	1,286,465	43,386,469	-
TOTAL OPERATING EXPENSES	32,212,367	255,113,006	14,319,907	301,645,280	39,153,726
Operating income (loss)	2,222,686	100,679,694	(4,893,358)	98,009,022	(435,898)
NON-OPERATING REVENUES (EXPENSES)					
Tax revenue	1,014	-	6,927,197	6,928,211	-
Interest earnings	814,302	-	199,902	1,014,204	48,330
Interest expense	(2,937,479)	(29,044,525)	(963,744)	(32,945,748)	-
Other	-	2,560,008	(71,937)	2,488,071	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(2,122,163)	(26,484,517)	6,091,418	(22,515,262)	48,330
Income (loss) before contributions and transfers	100,523	74,195,177	1,198,060	75,493,760	(387,568)
Capital contributions-local government	1,330,609	-	1,737,189	3,067,798	-
Transfer in	369,252	-	704,074	1,073,326	500,000
Transfer out	(3,412,943)	(35,490,480)	(11,297,959)	(50,201,382)	-
Change in net position	(1,612,559)	38,704,697	(7,658,636)	29,433,502	112,432
TOTAL NET POSITION					
Beginning of year	87,544,944	458,643,335	13,659,476	559,847,755	(4,440,338)
Prior period adjustment	(402,844)	(44,764,049)	(34,558)	(45,201,451)	-
End of year	\$ 85,529,541	\$ 452,583,983	\$ 5,966,282	\$ 544,079,806	\$ (4,327,906)

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

continued

For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds				Governmental
	Sewer System	Board of Public Utilities	NonMajor Business-type	Totals 2018	Activities - Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 34,266,397	\$ 333,674,496	\$ 9,233,045	\$ 377,173,938	\$ 38,262,370
Payments to suppliers	(15,141,963)	(143,399,945)	(4,699,453)	(163,241,361)	-
Payments to employees	(10,484,092)	(59,981,037)	(6,925,864)	(77,390,993)	(36,230,136)
NET CASH FLOW FROM OPERATING ACTIVITIES	8,640,342	130,293,514	(2,392,272)	136,541,584	2,032,234
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES					
Receipts from taxes	-	-	6,897,581	6,897,581	-
Transfers out	(3,412,943)	-	(11,297,959)	(14,710,902)	-
Transfers in	369,252	-	704,074	1,073,326	500,000
Payment -in-lieu of taxes	-	(35,223,760)	-	(35,223,760)	-
NET CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES	(3,043,691)	(35,223,760)	(3,696,304)	(41,963,755)	500,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on bonds	(7,451,070)	(22,213,818)	(1,091,297)	(30,756,185)	-
Interest paid on bonds and capital leases	(3,101,839)	(32,570,641)	(784,005)	(36,456,485)	-
Proceeds from bonds	8,794,919	-	9,074,792	17,869,711	-
Proceeds from disposal of capital assets	-	-	54,000	54,000	-
Acquisition of capital assets	(6,571,443)	(53,761,388)	(611,211)	(60,944,042)	-
Payments on capital leases	-	(1,003,499)	(720,021)	(1,723,520)	-
Acquisition of intangible assets	-	(473,834)	-	(473,834)	-
Special assessment taxes	14,351	-	-	14,351	-
Issuance of government loans	-	2,388,271	-	2,388,271	-
Payment on advance for capital assets	-	(1,345,000)	-	(1,345,000)	-
Payments for debt issuance costs	(44,252)	-	(137,883)	(182,135)	-
NET CASH FLOW FROM CAPITAL RELATED FINANCING ACTIVITIES	(8,359,334)	(108,979,909)	5,784,375	(111,554,868)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	888,002	2,021,635	230,175	3,139,812	48,330
Purchases of investments	-	(47,717,838)	-	(47,717,838)	-
Proceeds from maturity or sale of investments	-	46,877,830	-	46,877,830	-
NET CASH FLOW FROM INVESTING ACTIVITIES	888,002	1,181,627	230,175	2,299,804	48,330
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(1,874,681)	(12,728,528)	(74,026)	(14,677,235)	2,580,564
CASH AND CASH EQUIVALENTS					
Beginning of year	35,172,935	113,541,685	7,159,078	155,873,698	2,292,949
End of year	<u>\$ 33,298,254</u>	<u>\$ 100,813,157</u>	<u>\$ 7,085,052</u>	<u>\$ 141,196,463</u>	<u>\$ 4,873,513</u>
Cash and temporary investments	\$ 19,442,889	\$ 52,872,910	\$ 6,911,307	\$ 79,227,106	\$ 170,866
Cash and cash equivalents, reported as restricted cash	13,855,365	47,940,247	173,745	61,969,357	4,702,647
	<u>\$ 33,298,254</u>	<u>\$ 100,813,157</u>	<u>\$ 7,085,052</u>	<u>\$ 141,196,463</u>	<u>\$ 4,873,513</u>

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS - continued

For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	Nonmajor Business-type	Totals 2018	
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income	\$ 2,222,686	\$ 100,679,694	\$ (4,893,358)	\$ 98,009,022	\$ (435,898)
Adjustments to reconcile operating income to cash flow from operating activities					
Depreciation and amortization	5,989,749	36,110,255	1,286,465	43,386,469	-
Changes in assets and liabilities					
Accounts receivable	(168,656)	(1,630,245)	(193,504)	(1,992,405)	(455,458)
Inventories and prepaid assets	-	(1,426,076)	-	(1,426,076)	-
Deferred outflows - pensions	(136,124)	28,972,477	(59,425)	28,776,928	-
Deferred outflows - OPEB	44,070	411,568	31,741	487,379	-
Accrued wages and expenses	(682,106)	629,225	44,223	(8,658)	-
Accounts payable	594,274	782,736	(262,687)	1,114,323	(1,506,348)
Accrued vacation and sick pay	(34,646)	-	513,581	478,935	-
Claims incurred but not reported	-	-	-	-	1,343,000
Due to others	-	318,617	-	318,617	6,790
Due to / from other funds	-	-	228,800	228,800	3,080,148
Unearned revenue	-	(1,583,814)	-	(1,583,814)	-
Total OPEB liability	(333,971)	480,768	(227,478)	(80,681)	-
Net pension liability	757,116	(42,966,519)	821,124	(41,388,279)	-
Deferred inflows - pensions	(57,360)	8,910,553	13,520	8,866,713	-
Deferred inflows - OPEB	445,310	-	304,726	750,036	-
Other non-current assets	-	604,275	-	604,275	-
NET CASH FROM OPERATING ACTIVITIES	\$ 8,640,342	\$ 130,293,514	\$ (2,392,272)	\$ 136,541,584	\$ 2,032,234
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions-local government	\$ 1,330,609	\$ -	\$ 1,737,189	\$ 3,067,798	\$ -
Accounts payable incurred for purchase of capital assets	-	633,464	-	633,464	-
Property, plant and equipment acquired with capital leases	-	-	2,111,182	2,111,182	-

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

December 31, 2018

	Agency Funds
ASSETS	
Cash and investments	\$ 133,673,454
Accounts receivable	170,333
TOTAL ASSETS	<u>\$ 133,843,787</u>
LIABILITIES	
Accounts payable	\$ (56,238)
Due to others	451,918
Due to other governments	133,448,107
TOTAL LIABILITIES	<u>\$ 133,843,787</u>

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



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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Unified Government of Wyandotte County and Kansas City, Kansas (the Unified Government or the Government) is organized under the laws of the State of Kansas and is governed by an elected eleven-member board. The Unified Government was created October 1, 1997, based on a citizen vote to consolidate the operations of the City of Kansas City, Kansas and Wyandotte County. As required by generally accepted accounting principles (GAAP), these financial statements present the primary government and its component units, entities for which the Unified Government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations.

Under Charter Ordinance of the Unified Government of Wyandotte County and Kansas City, Kansas, pursuant to the Government's constitutional home rule, the Kansas City, Kansas Board of Public Utilities (BPU) is not a not a legally separate entity of the Unified Government. As such, the BPU is a part of the Unified Government's primary government. However, the BPU's operational and administrative control for provision of electric and water utilities is under a separate six-member elected board of directors (the Board).

Blended Component Unit – The Unified Government Public Building Commission (PBC) was established to benefit the Unified Government and is governed by a five-member board. The Unified Government Board of Commissioners appoints all five members of the PBC Board and is able to impose its will on the PBC. The PBC 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 the Unified Government. The PBC finances the debt service of the revenue bonds by leasing the land and facilities to the Unified Government. The Unified Government guarantees the rentals under the PBC lease. The PBC has no power to levy taxes, and revenue bonds issued by the PBC are not included in any legal debt limitations of the Unified Government. For financial reporting, the financial activities of the PBC are accounted for within the capital project funds of the Unified Government's financial statements.

Separate audited financial statements are not prepared by the PBC.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* 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: charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment; and 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 provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and fiduciary funds 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 to be available if they are collected within 60 days of the end of the current fiscal period. 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.

Franchise taxes and licenses associated with the current fiscal period are all considered to be susceptible to accrual and thus have been recognized as revenue of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period are considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 Unified Government reports the following major governmental funds:

The *General Fund* is the Unified 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 *Capital Projects Fund* accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

The *Economic Development Fund* accounts for the servicing of tax increment financing, transportation development and sales tax obligation bonds.

Proprietary Funds account for activities that are often seen in the private sector and are operated in a similar manner as in the private sector. The Unified Government reports the following major proprietary funds:

The *Sewer System Fund* provides financing for water pollution control and is responsible for day-to-day and future operations, routine system maintenance and payment on bonded indebtedness.

The *Kansas City, Kansas Board of Public Utilities (BPU)* is an administrative agency of the Unified Government. The BPU operates and maintains the water and electric utilities owned by the Unified Government.

Additionally, the Unified Government reports the following fund types:

The *Internal Service Funds* account for workers' compensation reserves, employee health benefits reserves, and cafeteria plan reserves that provide services to other departments on a cost-reimbursement basis.

The *Agency Funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds, which are in the *fiduciary fund* category, are accounted for using the accrual basis of accounting. These funds are used to report resources held by the Unified Government in a custodial capacity for tax collection and related disbursements to other governments, as well as amounts held in a fiduciary capacity for remittance to individuals, private organizations, or other organizations.

Amounts reported as *program revenues* include: charges to customers or applicants for goods, services, or privileges provided; operating grants and contributions; and capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues and include all tax revenues.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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. Operating revenue includes activities that have characteristics of exchange transactions, including charges for services. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as grants, subsidies, and investment income. Operating expenses for enterprise funds and internal service funds include the cost of sales and services administrative expenses, and depreciation on capital assets. All expenses not meeting the above criteria are classified as non-operating.

The BPU's accounting policies conform to the requirements for regulated operations. In accordance with these rules, the BPU records certain costs or credits as deferred charges or credits when it is probable that future rates established by the Board permit recovery of specific costs or require these credits to be returned to ratepayers. The BPU applies the provisions of GASB Accounting Standards Codification Section Re10, *Regulated Operations*, as appropriate.

Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenditures, expenses and other disclosures. Accordingly, actual results could differ from those estimates.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

1. Cash and Investments

The Unified Government maintains a cash and investment pool that is available for use by all funds except the BPU. The pool has the general characteristics of demand deposit accounts, in that each fund may deposit additional cash at any time and, 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's portion of the pool is displayed on their balance sheet as "Cash and temporary investments." The balance sheet also includes two other accounts for restricted cash and investments of the Government. Restricted cash consists of assets held by trustees and various reserves required by revenue bond ordinances. For purposes of the statements of cash flows, the Government considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

State statutes authorize the Government to invest in temporary notes of the Government, time deposits, United States Treasury notes, repurchase agreements, a municipal investment pool established through the trust department of commercial banks which have offices in Wyandotte County, and the Kansas Municipal Investment Pool. This pool is not an SEC registered pool. The Pooled Money Investment Board (PMIB) provides the regulatory oversight for this pool. The reported value of the pool is the same as the fair value of the pool shares. Investments are stated at amortized cost which approximates fair value.

In addition to the preceding investments, state statutes authorize the Unified Government to invest proceeds of bonds and temporary notes in direct U.S. government and agency obligations, certificates of deposits with banks located in Wyandotte County, 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 and Poor's, mutual funds whose portfolio consists entirely of obligations of the U.S. government, agencies, and bonds issued by any municipality of the State of Kansas. Cash deposits are held with banks insured by Federal Deposit Insurance Corporation (FDIC) and acceptable collateral is maintained for amounts above FDIC limits, equal to or greater than 105% of the funds deposited at all times.

The Government maintains compensating balances with its depository bank to offset charges for check clearing and other services.

Interest income of the investment pool is allocated based on monthly fund balances to the debt service, capital projects and enterprise funds with the remaining balance allocated to the General Fund.

BPU investments consist of deposits, repurchase agreements, certificates of deposit, money market funds, and U.S. Treasury securities, which are recorded at estimated fair value as determined by market prices. BPU's investment policies are governed by the BPU's Charter Ordinance, management policies, and statutes established by the State of Kansas. Securities are held by BPU's safekeeping agent. Cash deposits are held with banks insured by Federal Deposit Insurance Corporation (FDIC) and acceptable collateral is maintained for amounts above FDIC limits, equal to or greater than 102% of the funds deposited at all times.

Investments are measured at fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value.

2. *Receivables and Payables*

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-types activities are reported in the government-wide financial statements as "internal balances".

Property tax receivable. In accordance with State 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 Unified Government Treasurer is the tax collection agent for all taxing entities within Wyandotte 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. State statutes prohibit the Unified Government Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and

receivable until the ensuing year. At December 31, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred inflows of resources. The property tax receivable allowance is equal to 7.67% percent of outstanding property taxes at December 31, 2018.

Sales tax receivable. The Unified Government has a 2.625% local sales tax collected by the State and remitted to the Unified Government monthly. One-quarter of one percent is pledged for emergency medical service operations, three-eighths of one percent is pledged for public safety services and equipment and neighborhood infrastructure projects, and the remainder of the sales tax percentage is pledged for Unified Government operations. The accrued sales tax receivable represents the sales tax collected by merchants at year-end.

Special assessments receivable. As required by State statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds which are secured by the full faith and credit of the Government and are retired from the Government's Debt Service Fund. Further, State statutes permit levying additional general ad valorem property taxes in the Government Debt Service Fund to finance delinquent special assessments receivable. Consequently, special assessments receivables are accounted for within the Government's Debt Service Fund. Special assessment taxes are levied over a ten or fifteen-year period, and the annual installments are due and payable with annual ad valorem property taxes. The Government may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. At December 31, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the Debt Service Fund with a corresponding amount recorded as deferred inflows of resources.

Intergovernmental receivable. The Unified Government has an intergovernmental receivable from the State of Kansas related to the State's share of the annual appropriation Sales Tax Limited Obligation Revenue (STAR) Bonds. At December 31, the receivable is recorded in the Economic Development Fund, with a corresponding amount recorded as deferred inflows of resources. See footnotes III.F. for further information on this receivable.

Board of Public Utilities and Unified Government utilities accounts receivable and revenue. The Kansas City, Kansas Board of Public Utilities is responsible for revenue collection of the Unified Government's sewer system, stormwater and refuse collection services, as well as for the BPU's electric and water utilities. The BPU utilizes cycle billing and accrues the amount of revenues for sales unbilled at the end of each reporting period. An estimate is made for the provision for uncollectible accounts based on an analysis of the aging of accounts receivable and historical write-offs, net of recoveries. Additional amounts may be included based upon management's evaluation of customer credit risks. Allowances totaled \$505,927 in fiscal year 2018. The BPU also provides billing service for the Sewer System Fund, Stormwater Fund and refuse collection services using the same procedures as described above. The BPU remits collected revenues monthly to the Government for associated utilities' charges for service. The Unified Government accrues a receivable in the Sewer System Fund and Stormwater Fund for services provided, yet not collected at the end of the reporting period.

3. Inventories and Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Inventories of governmental funds are recorded as expenditures during the year of purchase. Inventories are stated at cost.

Inventories:

Fuel	\$6,560,937
Material and supplies	21,521,141
Total	<u>\$28,082,078</u>

4. *Restricted Assets*

Certain proceeds of the Unified Government's enterprise fund bonded indebtedness, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The BPU also requires certain resources of the utility system be classified as restricted assets for compliance with certain bonded indebtedness covenants. The "debt service reserve" account is used to segregate resources accumulated for principal and interest payments on bonds in the event that the net revenues of the utility system are less than or equal to 130% of the maximum annual debt service on the bonds. The "construction reserve" account is used to report resources set aside for acquiring, constructing and installing capital improvements. The "improvement and emergency" account is used to report resources set aside to finance major renewals, repairs and replacement and extraordinary or unforeseen expenditures.

5. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset 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 the Sewer System Fund and Stormwater Funds are included as part of the capitalized value of the asset constructed. For the BPU, interest costs incurred to finance construction work-in-progress, net of interest income from tax-exempt bonds, are also capitalized.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities	Sewer System	EMS
Land Improvements	30 years		
Machinery and equipment	6 to 10 years	6 to 10 years	5 to 10 years
Sewer lines		50 years	
Street and bridge infrastructure	10 to 40 years		
Structures and improvements	20 to 40 years		
Treatment plants and other facilities		33 years	
Other public domain infrastructure	30 years		
Computer Software	5 years		

Assets	Stormwater	Public Levee	Sunflower Hills Golf Course	Stadium
Land Improvements		30 years	30 years	
Machinery and equipment		6 to 10 years	5 to 10 years	
Sewer lines	50 years			
Street and bridge infrastructure				
Structures and improvements			30 to 40 years	40 years
Treatment plants and other facilities	33 years			
Other public domain infrastructure				
Computer Software				

Depreciation for the BPU is computed on a straight-line basis using composite rates. In 2014, BPU engaged an independent third-party consulting firm to conduct a depreciation study to determine if existing depreciation rates remained applicable to the depreciable property groups. New depreciation rates resulting from the study were adopted during fiscal year 2015 as follows:

Production plant	1.70% to 9.69%
Transmission and distribution	1.36% to 8.76%
General plant	2.52% to 7.75%

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the service utility of an asset has declined significantly and unexpectedly.

6. Regulatory Assets and Deferred Inflows

The Kansas City, Kansas Board of Public Utilities is subject to provisions of GASB Codification Section Re10, *Regulated Operations*, and has recorded assets and liabilities on its statements of net position resulting from the effects of the rate-making process, which would not be recorded under U.S. generally accepted accounting principles for nonregulated entities. Regulatory assets represent costs incurred that have been deferred because future recovery in customer rates is probable. Deferred inflows generally represent probable future reductions in revenue or refunds to customers. Management regularly assesses whether regulatory assets and deferred inflows are probable of future recovery or refund. If recovery or refund of regulatory assets or deferred inflows is not approved by the Board, which is authorized to approve rates charged to customers or is no longer deemed probable, these regulatory assets or deferred inflows are recognized in the current period results of operations. Additionally, these factors could result in an impairment of utility plant assets if the cost of the assets could not be expected to be recovered in customer rates.

The BPU has an energy adjustment rate rider (ERC). Estimated retail tariffs are set to recover estimated fuel costs such as coal, natural gas, and purchases power. The ERC allows differences between these estimates and actual fuel and purchased power costs to be deferred as a regulatory asset or a deferred inflow depending on the nature of the variance between estimated and actual costs incurred.

7. *Compensated Absences*

Unified Government of Wyandotte County and Kansas City, Kansas employees. The number of vacation days awarded to a permanent, full-time employee is dependent upon the individual employee's number of continuous years of service. The number of days of annual vacation range from 10 to 28 days for full-time regular employees, 15 to 30 days for command officers of the police and fire departments, and 216 to 288 hours for fire officers on 24-hour shifts. Selected part-time employees accrue one-half the number of hours accrued by full-time regular employees. Employees are not eligible to use the earned time until completion of their probationary period, defined as six months. If certain conditions are satisfied and if appropriate approval is received, an employee may carry over to the following year earned and unused vacation time. Payment of unused vacation leave will be made upon separation of employment.

Permanent, full-time employees also earn and accumulate sick leave time at the rate of 8-10 hours for each minimum month of service. Selected part-time employees accrue sick leave time at the rate of one-half the full-time rate (4-5 hours) for each minimum month of service. Unused sick leave may be carried over indefinitely. Payment of unused sick leave will be made upon separation of employment based on a prorated formula.

In January 2014, the Unified Government established a new "employee class" for new and future hires that have sick and vacation accrual rules that vary from the classic employees described above in effort to reduce leave accrual liability balances at separation from the Government.

In governmental fund financial statements, a liability is accrued when it has matured, for example, as a result of employee resignations and retirements. Proprietary fund types accrue vacation and sick pay as earned. The liabilities are based on current salary costs and the vested portion of accumulated benefits.

BPU employees. Under the terms of the BPU's personnel policy, employees are granted vacation and sick leave. In the event of termination, an employee is paid for accumulated vacation days. Employees may carry over a maximum of 80 hours of vacation hours for bargaining unit employees and 120 hours for non-bargaining unit employees. Sick leave can be accrued up to 1,760 hours. Employees who resign with at least fifteen years of service are paid for 75 percent of accumulated sick leave. All employees are paid for accumulated sick leave upon retirement or death.

The BPU accrues vacation and sick pay as earned. The liabilities are based on current salary costs and the vested portion of accumulated benefits.

8. *Long-term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, regardless if withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Pensions

Unified Government of Wyandotte County and Kansas City, Kansas employees. The net pension liability (asset) is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of employee service and the plan's fiduciary net position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liability.

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

BPU employees. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Retirement Pension Plan for Employees of the Kansas City, Kansas Board of Public Utilities (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Equity Classifications

In the government-wide statements, equity is shown as net position and classified into three components:

- (1) Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowings that are attributable to the acquisitions, construction, or improvements of those assets
- (2) Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Unified Government and the BPU first utilize restricted resources to finance qualifying activities.
- (3) Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

In the governmental funds, equity is shown as fund balance and classified into five components:

- (1) Non-spendable – Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amount becomes spendable.
- (2) Restricted – Assets with externally imposed constraints such as those mandated by creditors, grantors and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws or regulations.

- (3) Committed – Assets with a purpose formally imposed by the Unified Government Board of Commissioners (Board) using its highest level of authority, binding unless modified or rescinded by the Board. The highest level of authority for the Board when acting as a county governing body is a resolution. The highest level of authority for the Board when acting as a city is an ordinance.
- (4) Assigned – Comprises of amounts intended to be used for specific purposes that are neither restricted nor committed. Intent is expressed by a) the Unified Government Board of Commissioners (Board) or b) a body or official to whom the Board has delegated the authority. The Board has delegated authority to the County Administrator and Department Heads to assign amounts to be used for specific purposes as prescribed by the Unified Government’s Fund Balance Policies.
- (5) Unassigned – All amounts not included in the other fund balance classifications. The general fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

In circumstances when expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

11. Deferred inflows of Resources/Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Government has three items that qualify for reporting in this category in the government-wide statement of net position and proprietary funds statement of net position, deferred charge on refunding, deferred outflows for pensions and deferred outflows for OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note IV. E. and IV. F., respectively, for more information on the deferred outflows for pensions and OPEB.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Government has four types of items, unavailable revenue, deferred revenue, deferred inflows for OPEB and deferred inflows for pensions, which qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from five sources: accounts receivable, intergovernmental receivable, interest receivable, grants receivable and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property tax receivable. Property taxes are not recognized as revenue until the period for which they are levied. The last items, deferred inflows for pensions and OPEB, are reported in both the government-wide statement of net position and the proprietary funds statement of net position. See Note IV. E. and IV.F., respectively, for more information on the deferred inflows for pensions and OPEB.

12. Payment-in-Lieu of Taxes (PILOT)

The BPU is exempt from federal and state income taxes and local property taxes because it is an administrative agency of the Unified Government. However, the BPU is required by a Charter Ordinance to pay a percentage of gross operating revenues to the Unified Government. The Charter Ordinance established a range of 5.0% to

15.0%. Currently, the payment-in-lieu of taxes is established at 11.9%, which amounted to \$35,490,480 during 2018. The PILOT is billed and collected by the BPU through incorporation in the rates as a supplemental rate rider. PILOT revenues and expenses are recorded as transfers in and transfers out in the General Fund and BPU Fund, respectively.

In addition to these payments to the Unified Government, the BPU also contributes free services to the Unified Government, such as street lighting, fire hydrant services, traffic signals, and collection of sewer, stormwater and refuse collection service charges. These service contributions are approximated at \$10,134,369 or 3.1% of the BPU's total operating revenue for 2018.

13. Pending Governmental Accounting Standards Board Statements

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability and a corresponding deferred outflow of resources for AROs when the liability is incurred and reasonable estimable. This statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for estimating the liability and the estimated remaining useful life of the associated tangible capital asset. The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2019.

GASB Statement No. 84, *Fiduciary Activities*, improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when demands for resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets. The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2019.

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resource based on the payment provisions of the contract. It establishes a single model for lease accounting based on foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2020.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, improves information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2019.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also simplifies the accounting for interest cost incurred before the end of a construction period. The Unified Government early implemented provisions of this statement for the fiscal year ending December 31, 2018. Provisions of this statement are effective for financial statements for the BPU's fiscal year ending December 31, 2020.

GASB Statement No. 90, *Major Equity Interests*, improves consistency and comparability of reporting a government's majority equity interest in a legally separate organization, and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. Provisions of this statement are effective for financial statements for the Unified Government's year ending December 31, 2019.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

State statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds, debt service funds and enterprise funds, (unless the fund is specifically exempted by statute). Kansas 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 1st.
- Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
- Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- Adoption of the final budget on or before August 25th.

The Unified Government has the following levels of budget control:

- The legal level of control is established at the fund level by State statutes which also permit the transfer of budgeted amounts from one object code or purpose to another within the same fund.

While the legal level of control is at the fund level, the Unified Government also has the following internal policies:

- The Unified Government further controls spending by requiring that no expenditures be committed that would exceed the amount appropriated for the spending category (e.g.; Personnel Services, Contractual Services) without the department first obtaining approval. The following types of budget adjustments require department director approval and additional approval by the County Administrator's Office:

- An appropriation of contingency funds
- An appropriation of reserve funds
- Budget adjustments that move funds between operating and capital budgets
- Budget adjustments within a fund that are equal to or greater than \$10,000

The following actions require budget director's approval before execution:

- Pre-Bid Contracts
- Capital Project Contracts
- Capital Equipment Purchases
- Changing status of an unfunded personnel position to funded or creation of a new personnel position.

The following budgetary controls have been implemented and will be adhered to by all departments and divisions:

- Budget adjustments from the salary accounts require department director, Chief Financial Officer, and County Administrator's Office approvals.

- Budget adjustments between other accounts with department director approval.
- Budget adjustments from one division to another division with both divisions being in the same fund with department director and the transferring division manager approvals.
- As allowed by State 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. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after the publication, the hearing may be held, and the governing body may amend the budget at that time.

Budget comparison statements are presented for each budgeted fund showing the actual receipts and expenditures compared to budgeted receipts and expenditures. Transfers to close funds can exceed the amount budgeted for that object code. The Unified Government of Wyandotte County/Kansas City, Kansas budget amounts presented in the statements that compare actual expenditures to the budget are the amended amounts.

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

A legal operating budget is not required for the following Unified Government funds:

Capital Projects
Public Building Commission
Internal Service
Special Revenue: Community Development
Special Revenue: Revolving Loan Fund
Special Revenue: Special Grants
Special Revenue: Special Law Enforcement
Debt Service: Economic Development
Agency Funds

Controls over spending in the above non-budgeted funds, which are not subject to the legal budget requirements, are maintained by the review and internal appropriation process established by management.

For the year ended December 31, 2018, the Service Program for the Elderly fund and the Emergency Medical Service fund reported actual expenditures in excess of budgeted expenditures of \$3,139 and \$21,751, respectively.

B. Deficit Fund Equity

At December 31, 2018, the Workers' Compensation Fund and the Health Benefits Fund had deficits of \$1,841,509 and \$2,657,378, respectively, which will be recovered from future internal charges to the Unified Government's other funds. The Community Development Fund had a deficit fund balance of \$683,485 which will be recovered from future intergovernmental revenues. The Emergency Medical Services Fund and the Sunflower Hills Golf Course Fund had deficit fund balances of \$9,288,545 and \$751,688, respectively, which will be recovered from future charges for services. The Public Levee Fund had a deficit fund balance of \$1,093,184 which will be recovered from future earned lease income.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

1. *Unified Government Cash and Investments*

The Unified Government (excluding the BPU) has adopted a formal Cash Management and Investment Policy that is reviewed and adopted annually. Primary objectives of investment activities are, in order of priority, safety, diversification, liquidity, maturity, and return on investment. The standard of care to be used by investment officials shall be the “prudent person standard” and shall be applied in the context of managing an overall portfolio. This rule states “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the first the safety and liquidity of their capital and next the probable income to be derived.”

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure or failure of the investment counter-party, the Unified Government’s deposits may not be returned to it, or it will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Government believes it has no custodial risk. All deposits with banks are collateralized at 105% of market value, as required by the Government’s cash and investment policy, less insured amounts. The Unified Government requires that deposits be fully collateralized at all times. Acceptable collateral for deposits follows the provisions of state law. Peak period collateral agreements are not permitted under the Unified Government’s policy. As of December 31, 2018, the market value of assets pledged to the Unified Government as collateral exceeded amounts on deposit.

The Unified Government requires all security purchases be settled on a delivery versus payment basis with an independent third-party custodian designated by the Government. As of December 31, 2018, the Unified Government had \$27,908,644 of investments in U.S. government agency securities which were held by the investment’s counterparty.

Interest Rate Risk. Interest rate risk is the risk that the fair value of securities in the portfolio will fall due to changes in general interest rates. Through its investment policy, the Government manages this risk by structuring investments so that securities mature to meet cash flows of the general operating fund, and by investing general operating funds primarily in shorter-term securities. 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. The Unified Government’s investment policy does not impose any additional limitations. In accordance with the investment policy, credit risk is minimized by limiting investments to the safest types of securities, by pre-qualifying financial institutions, broker/dealers, intermediaries, and advisors with whom the Unified Government will do business, and by diversifying the investment portfolio so that potential loss on individual securities will be minimal. As of December 31, 2018, the securities underlying repurchase agreements included U.S. agency obligations not explicitly guaranteed by the U.S. Government. The securities had ratings of AAA by Moody’s and AA+ by Standard and Poor’s. Investments in interest-earning investment contracts are not rated.

Concentration of Credit Risk. The Unified Government investment policy limits the amount of investments that can be placed with a single financial institution to no more than 30% of the total investment portfolio. The following maximum limits, by investment type, are also established:

<u>Investment Type</u>	<u>Maximum % of Portfolio</u>
Certificates of deposit	100%
U.S. Treasury bills or notes	100%
U.S. Government agency obligations	50%
Kansas Municipal Investment Pool	50%
Repurchase agreements	25%
Bank trust department municipal pools	25%
Temporary notes or no-fund warrants	10%

At December 31, 2018, the Unified Government did not hold more than 5% of its portfolio in any individual U.S. Government instrumentality issuer.

Fair Value Measurements. The Government categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investment.

Level 1 inputs are quoted prices in active markets for identical assets;

Level 2 inputs are significant other observable inputs, either directly or indirectly observable, and fair value can be determined through models or other valuation methodologies;

Level 3 inputs are significant unobservable inputs in situations where there is little or no market activity for the asset or liability and the entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The Unified Government has the following recurring fair value measurements as of year-end:

- Money market mutual funds are valued using quoted market prices (Level 1 inputs).
- U.S. treasuries, U.S. government agencies and fixed income securities are valued using pricing models that maximize the use of observable inputs for similar securities (Level 2 inputs).
- Certificates of deposit are non-participating interest-earning investments contracts that are using the cost-based approach.
- The repurchase agreement is an overnight instrument, with the fair value of the collateral underlying the repurchase agreement in excess of the amount invested. Given the short-term nature of the agreement, it is measured at amortized cost.

At December 31, 2018, the Unified Government (excluding the BPU) had the following investments:

	Investment Maturities (in Years)			Fair Value Hierarchy
	Fair Value	Less Than 1	1-5	
Repurchase Agreements	\$ 177,977,000	\$ 177,977,000	\$ -	N/A
U.S. government agencies	19,018,063	-	19,018,063	Level 2
U.S. Treasuries	8,890,581	8,890,581	-	Level 2
Certificates of Deposit	139,940,000	61,940,000	78,000,000	N/A
Subtotal general operating portfolio	345,825,644	248,807,581	97,018,063	
Assets held by trustee:				
U.S. Treasuries	58,373,819	15,414,275	42,959,544	Level 2
Money Market Mutual Funds	26,011,862	26,011,862	-	Level 1
U.S. government agencies	9,902,588	2,879,808	7,022,780	Level 2
Subtotal assets held by trustee	94,288,269	44,305,945	49,982,324	
Total Investments	\$ 440,113,913	\$ 293,113,526	\$ 147,000,387	

2. Kansas City, Kansas Board of Public Utilities Cash and Investments

The BPU maintains a cash and investment program to pay for operating and capital requirements as well as for debt service requirements. The investment program is comprised of deposits, repurchase agreements, certificates of deposit, and U.S. Treasury securities. Other investments using U.S. agency instrumentalities and money market fund securities for the debt service program are managed by the bond trustee. Nearly all maturities of securities were less than one year. At December 31, 2018, the bank balance and certificates of deposit were \$1,260,942 which was covered by federal depository insurance and collateral held in safekeeping in the BPU's name.

The BPU has an investment policy that regulates investments in securities that have objectives of safety of principal, liquidity with all investments in U.S. dollars, and investment returns optimized within the constraints of safety and liquidity. Eligible securities are specific to Kansas State Statutes and the BPU's bond indenture agreements. All securities owned by BPU are in conformance with the investment policy.

Custodial Credit Risk. The BPU believes it has no custodial risk. All deposits with banks are collateralized at 102% of market value, as required by the BPU's cash and investment policy and Kansas state statute, less insured amounts. All securities are registered in the name of the BPU and held by a third-party safekeeping agent. Investments in money market mutual funds are not exposed to custodial risk because their existence is not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk. The BPU minimizes the risk of market value changes by structuring the investment portfolio so that fixed income securities mature to meet cash requirements for debt service and other disbursement requirements for ongoing operations and by keeping maturities short.

Credit Risk. The BPU manages credit risk by requiring all investments meet the investment guidelines as established by the State of Kansas as described in K.S.A 12-1675 and 10-131. This requires all investments be in U.S. Treasury securities, in U.S. agency securities, or in any external investment pools, Money Market Mutual Funds, or Repurchase Agreement securities be the highest rated by nationally recognized rating agencies. All the BPU's securities including money market funds are AAA rated by Moody's. Any bank deposits and including certificates of deposit are fully collateralized by the FDIC or other qualifying securities. All securities held by the BPU meet the credit quality objective.

Concentration of Credit Risk. The BPU manages credit risk by requiring all investments meet the investment guidelines as established by the State of Kansas in K.S.A. 12-1675 and 10-131 and diversifying investment holdings to avoid high concentration of any one security issuer. The BPU has a concentration of credit risk where it holds more than 5% of its investment portfolio in any one security issuer other than U.S. Treasury securities and in investment pools. The following U.S. agency instrumentality securities held in safekeeping by the BPU's bond trustees are in excess of 5% of total investments:

Issuer	Amount	Percentage of Total Portfolio
Federal Home Loan Bank	\$ 17,763,711	15.33%

The fair values, as determined by market prices, of the BPU's investments at December 31, 2018 are as follows:

	Investment maturities			Fair Value Hierarchy
	Fair Value	Less Than 6 months	6-12 months	
Cash and CD's	\$ 1,260,942	\$ 1,260,942	\$ -	N/A
Repurchase Agreements	54,913,097	54,913,097	-	N/A
US Agency	17,763,711	10,235,401	7,528,310	Level 2
Money market funds	42,317,917	42,317,917	-	N/A
Total Investments	\$ 116,255,667	\$ 108,727,357	\$ 7,528,310	

A reconciliation of cash and investments is as follows:

	Unified Government	BPU	Total
Cash on hand	\$ 17,145	\$ -	\$ 17,145
Carrying amount of deposits	445,730	1,260,942	1,706,672
Cash with others	1,219,259	-	1,219,259
Investments	345,825,644	114,994,725	460,820,369
Investments, assets held by trustee	94,288,269	-	94,288,269
Total	\$ 441,796,047	\$ 116,255,667	\$ 558,051,714

	Unified Government	BPU	Total
Cash and temporary Investments	\$ 337,917,786	\$ 47,340,247	\$ 385,258,033
Restricted cash and investments	103,878,261	68,315,420	172,193,681
Total	\$ 441,796,047	\$ 115,655,667	\$ 557,451,714

B. Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 27,027,078	\$ -	\$ -	\$ 27,027,078
Construction in progress	19,022,991	18,380,984	19,526,751	17,877,224
Total capital assets, not being depreciated	46,050,069	18,380,984	19,526,751	44,904,302
Capital assets, being depreciated:				
Buildings	171,791,797	1,677,635	-	173,469,432
Improvements other than buildings	39,742,600	3,605,891	-	43,348,491
Machinery and equipment	62,041,071	6,496,322	2,136,426	66,400,967
Infrastructure	642,276,353	14,500,596	-	656,776,949
Total capital assets, being depreciated	915,851,821	26,280,444	2,136,426	939,995,839
Less accumulated depreciation for:				
Buildings	95,754,373	3,421,842	4,760	99,171,455
Improvements other than buildings	20,073,659	822,740	-	20,896,399
Machinery and equipment	45,735,939	3,545,304	2,111,344	47,169,899
Infrastructure	244,936,930	17,231,677	-	262,168,607
Total accumulated depreciation	406,500,901	25,021,563	2,116,104	429,406,360
Total capital assets, being depreciated, net	509,350,920	1,258,881	20,322	510,589,479
Governmental activities capital assets, net	\$ 555,400,989	\$ 19,639,865	\$ 19,547,073	\$ 555,493,781

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,651,511	\$ 94,065	\$ -	\$ 4,745,576
Sewer-Construction in progress	9,627,985	6,085,237	4,599,677	11,113,545
Stormwater -Construction in progress	18,668,491	2,054,234	18,519,461	2,203,264
BPU-Construction in progress	106,598,953	56,947,060	69,468,290	94,077,723
Total capital assets, not being depreciated	139,546,940	65,180,596	92,587,428	112,140,108
Capital assets, being depreciated:				
Buildings and improvements	4,271,005	39,310	-	4,310,315
Improvements other than buildings	3,691,240	-	-	3,691,240
Sewer lines	193,364,804	4,599,676	-	197,964,480
Treatment plants and facilities	86,439,630	19,400,063	-	105,839,693
Machinery and equipment	46,641,071	3,208,189	504,075	49,345,185
BPU Plant and equipment	1,789,028,038	68,267,162	250,333	1,857,044,867
Total capital assets, being depreciated	2,123,435,788	95,514,400	754,408	2,218,195,780
Less accumulated depreciation for:				
Buildings and improvements	954,689	95,794	-	1,050,483
Improvements other than buildings	2,523,323	76,475	-	2,599,798
Sewer lines	86,642,029	3,563,130	-	90,205,159
Treatment plants and facilities	56,991,642	1,917,854	-	58,909,496
Machinery and equipment	37,575,494	1,622,961	378,134	38,820,321
BPU Plant and equipment	809,750,887	35,263,663	202,650	844,811,900
Total accumulated depreciation	994,438,064	42,539,877	580,784	1,036,397,157
Total capital assets, being depreciated, net	1,128,997,724	52,974,523	173,624	1,181,798,623
Business-type activities capital assets, net	\$ 1,268,544,664	\$ 118,155,119	\$ 92,761,052	\$ 1,293,938,731

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

Governmental activities:	
General government	\$ 837,875
Health and Welfare	53,806
Public Safety	2,649,732
Judicial	39,845
Highways and streets, including depreciation of general infrastructure assets	19,441,772
Planning and development	1,596,479
Culture and recreation	402,054
Total depreciation expense – governmental activities	\$ 25,021,563
Business-type activities:	
Sewer System	\$ 5,989,749
Sunflower Hills Golf Course	109,396
EMS	660,628
Stormwater Enterprise	422,980
Stadium	93,461
BPU	35,263,663
Total depreciation expense – business-type activities	\$ 42,539,877

C. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2018, is as follows:

Interfund receivables and payables:		
	Interfund Receivables	Interfund Payables
General	\$ 4,356,791	\$ 250,376
Capital Projects	20,650	142,482
Economic Development	-	175,727
Nonmajor governmental funds	1,752,340	787,066
Sewer System enterprise fund	17,744	314,904
Nonmajor enterprise funds	235,022	1,631,844
Internal Service Funds	-	3,080,148
Total	\$ 6,382,547	\$ 6,382,547

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. The interfund payables due from certain nonmajor governmental funds include amounts owed to the General Fund for the reimbursement of certain indirect costs.

During 2016, the PBC issued \$6,800,000 of Lease Purchase Revenue Bonds for the BPU to acquire the existing BPU administrative office building. The Lease Purchase Revenue Bonds proceeds were used to refund all of BPU's Series 2001 bonds. The BPU entered into a lease purchase agreement at the time the bonds were issued with the PBC. At December 31, 2018, the PBC had an advance receivable and the BPU had an advance payable for \$2,775,000 under this lease purchase agreement.

The composition of interfund transfers for the year ended December 31, 2018, is as follows:

Transfers Out:	Transfers In:						
	General	Capital Projects	Economic Development	NonMajor Governmental	Sewer	Non-Major Enterprise	Internal Service
General	\$ -	\$ 3,358,748	\$ -	\$ 1,382,928	\$ 325,000	\$ 638,867	\$ 500,000
Capital Projects	-	-	10,213,439	2,111,107	-	-	-
Economic Development	-	-	-	-	-	64,156	-
Nonmajor Governmental	-	36,751,359	285,338	530,567	-	1,051	-
Sewer	-	2,913,486	-	499,457	-	-	-
BPU	35,490,480	-	-	-	-	-	-
Nonmajor Enterprise fund	2,256,000	8,997,707	-	-	44,252	-	-
	<u>\$37,746,480</u>	<u>\$52,021,300</u>	<u>\$10,498,777</u>	<u>\$ 4,524,059</u>	<u>\$ 369,252</u>	<u>\$ 704,074</u>	<u>\$500,000</u>
							<u>\$ 106,363,942</u>

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 services 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.

In 2018, PILOT revenues and expenses of \$35,490,480 are recorded as transfers in and transfers out in the General Fund and BPU Fund, respectively. Additionally, the capital projects fund constructed capital assets in the amount of \$1,330,609 and \$1,737,189 to the Sewer System Fund and Stormwater Fund, respectively. This activity is shown as an expenditure from the capital project fund and capital contribution revenue to the Sewer System Fund and Stormwater Fund, in the fund financial statements. However, this activity is shown within transfers in the government-wide financial statements.

D. Leases

Operating Leases

The Public Levee is located in the Fairfax Industrial District. During 2014, a lease agreement was reached with a third party for a long-term ground lease. Under this agreement, existing structures were demolished, and the third party built a new industrial building. The third party retains ownership of the new industrial building. This agreement, which runs through December 31, 2072, covers only the ground that had an original cost of \$116,598.

In November 2010, the Unified Government entered into a lease with the Kansas Speedway Corporation to lease 2,000 parking spaces for use in connection with the Sporting KC soccer stadium. Annual lease payments for use of the parking spaces are \$351,881. Annual rent payments are adjusted every five years by the cumulative and compounded percentage increase in the Consumer Price Index. The last year the lease payment was adjusted was 2016. The initial term of the lease is through December 31, 2031.

The following is a schedule of future minimum rentals to be received on non-cancelable operating leases by the Public Levee and of future minimum rent payments to be made to the Kansas Speedway Corporation as of December 31, 2018:

Year ending December 31,	Public Levee Lease	Rent payments for parking
2019	\$ 327,878	\$ 351,881
2020	215,001	351,881
2021	215,001	351,881
2022	215,001	351,881
2023	215,001	351,881
Thereafter	9,608,356	2,815,048
Total	\$ 10,796,238	\$ 4,574,453

Capital Leases

The Unified Government has equipment under various capital leases. To account for financing leases, the Government charges payments made during the fiscal period as debt service in governmental funds. In the year that the asset is received, the Government records the present value of future lease payments as a capital outlay expenditure and as an offsetting other financing source. The present value of payments due in future periods is shown as a liability in long-term debt.

Assets acquired under capital lease consist of the following:

	Governmental Activities	Sunflower Hills Golf Course	EMS
Machinery and equipment	<u>\$ 17,534,790</u>	<u>\$ 71,719</u>	<u>\$ 3,402,368</u>

Amortization of leased assets is included with depreciation expense on the Statement of Activities.

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2018, were as follows:

Year ended December 31,	Governmental Activities	Business-type Activities	
		EMS	Sunflower Hills Golf Course
2019	\$ 2,960,932	\$ 621,192	\$ 3,713
2020	2,266,211	392,249	-
2021	1,711,827	255,848	-
2022	1,475,465	255,848	-
2023	1,295,587	255,848	-
2024-2028	2,843,007	1,279,242	-
Total minimum lease payments	\$ 12,553,029	\$ 3,060,227	\$ 3,713
Less: Amount representing interest	(1,149,229)	(456,185)	(12)
Present value of minimum lease payments	\$ 11,403,800	\$ 2,604,042	\$ 3,701

E. Temporary Notes

Kansas law permits the issuance of temporary notes to finance certain capital improvement projects which will be refinanced with general obligation bonds. Prior to the issuance of the temporary notes, the Commission must take the necessary legal steps to authorize the issuance of general obligation bonds. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing, and have a maturity date not later than four years from the date of issuance. At December 31, 2018, the Unified Government had \$47,020,700 outstanding in temporary notes.

All temporary notes at December 31, 2018, have a maturity of no later than March 1, 2019 and have an interest rate of 1.75%.

Temporary note activity for the year ended December 31, 2018 was as follows:

Outstanding Jan. 1, 2018	Issued	Redeemed	Outstanding Dec. 31, 2018
\$ 62,255,000	\$ 47,020,700	\$ (62,255,000)	\$ 47,020,700

F. Long-term Liabilities

Summary of Long-Term Liabilities. The following is a summary of changes in long-term debt of the Unified Government for the year ended December 31, 2018:

	Outstanding January 1, 2018	Prior Period Adjustment	Additions	Deletions	Outstanding December 31, 2018	Due Within 1 Year
Governmental activities:						
General Obligation:						
General obligation bonds	\$ 239,882,584	\$ -	\$ 24,180,000	\$ 15,716,627	\$ 248,345,957	\$ 14,778,971
Tax Increment Financed GO bonds	46,168,456	-	-	2,189,129	43,979,327	2,294,190
Unamortized premium	19,531,333	-	2,979,664	1,856,732	20,654,265	-
Unamortized discount	(159,304)	-	-	(14,140)	(145,164)	-
Bond anticipation notes	-	-	17,999,300	-	17,999,300	17,999,300
Compensated absences	43,829,342	-	4,488,871	3,455,593	44,862,620	3,041,239
Capital leases	9,409,186	-	4,245,442	2,250,828	11,403,800	2,653,913
Claims and judgments	600,000	-	665,648	665,648	600,000	600,000
Unfunded pension obligation	236,479	-	32,028	41,563	226,944	-
Claims incurred but not reported	5,079,000	-	31,635,938	30,292,938	6,422,000	3,974,008
Total OPEB liability	77,580,815	3,105,501	5,399,144	11,557,963	74,527,497	-
Net pension liability	160,400,225	-	31,099,506	32,837,917	158,661,814	-
Landfill closure/post-closure	432,000	-	-	54,000	378,000	54,000
Total - General obligation	602,990,116	3,105,501	122,725,541	100,904,798	627,916,360	45,395,621
Limited Obligation:						
Section 108 loan	810,000	-	-	810,000	-	-
Special obligation bonds	51,673,000	-	26,805,000	4,771,000	73,707,000	3,699,000
Revenue bonds	14,115,000	-	33,140,000	2,190,000	45,065,000	3,335,000
Transportation development bonds	20,713,000	-	-	2,073,000	18,640,000	950,000
Sales tax obligation bonds	55,945,277	-	-	2,730,161	53,215,116	1,856,572
Accreted interest on bonds	9,625,304	-	1,678,947	748,501	10,555,750	763,197
Unamortized premium	1,516,881	-	-	146,277	1,370,604	-
Unamortized discount	(771,467)	-	-	(51,003)	(720,464)	-
Total - Limited obligation	153,626,995	-	61,623,947	13,417,936	201,833,006	10,603,769
Total	\$ 756,617,111	\$ 3,105,501	\$ 184,349,488	\$ 114,322,734	\$ 829,749,366	\$ 55,999,390
Business-type activities:						
General obligation bonds	\$ 85,193,960	\$ -	\$ 11,295,000	\$ 6,909,244	\$ 89,579,716	\$ 4,656,841
Unamortized premium	4,586,019	-	693,278	401,834	4,877,463	-
Capital leases	1,216,581	-	2,111,182	720,020	2,607,743	538,207
Sewer state revolving loan	13,735,452	-	5,881,433	1,633,120	17,983,765	1,477,049
Compensated absences	5,918,521	-	939,982	461,047	6,397,456	405,762
Total OPEB liability	6,966,717	446,350	499,843	1,061,292	6,851,618	-
Net pension liability	13,025,326	-	4,434,022	2,855,782	14,603,566	-
Subtotal	130,642,576	446,350	25,854,740	14,042,339	142,901,327	7,077,859
BPU revenue bonds	656,170,000	-	-	19,390,000	636,780,000	22,515,000
Capital leases	1,003,499	-	-	1,003,499	-	-
Unamortized premium	65,746,037	-	-	3,132,683	62,613,354	-
State revolving loan	31,076,736	-	2,388,271	2,540,453	30,924,554	2,530,099
Intergovernmental loan	3,733,636	-	-	283,364	3,450,272	291,092
Compensated absences	6,491,960	-	1,257,700	850,360	6,899,300	1,257,700
Net pension liability (asset)	20,449,991	-	50,524,021	93,490,540	(22,516,528)	-
Total OPEB Liability	5,917,229	48,589,649	4,306,368	3,825,600	54,987,646	-
Subtotal	790,589,088	48,589,649	58,476,360	124,516,499	773,138,598	26,593,891
Total	\$ 921,231,664	\$ 49,035,999	\$ 84,331,100	\$ 138,558,838	\$ 916,039,925	\$ 33,671,750

For the governmental activities, compensated absences, claims and judgments, the unfunded pension obligation, total OPEB liability and net pension liability are generally liquidated by the General Fund. Compensated absences, total OPEB liability and net pension liability will be liquidated by the governmental funds share of these payroll related costs. Landfill closure and post closure care costs are expected to be liquidated by the Environmental Trust Fund.

General Obligation and Special Assessment (Tax Increment Financing) Bonds. The remaining debt service requirements for general obligation and special assessment bonds will be paid from the respective bond and interest funds with future property tax revenues and special assessment taxes.

At December 31, 2018, the bonds outstanding for the Unified Government consisted of the following:

Description and Purpose	Amount of Original Issue	Range of Final Maturity Dates	Range of Interest Rates	Amount Outstanding Dec 31, 2018
2009 GO Bonds	\$ 23,515,000	2009-2029	3.00-6.00%	\$ 15,580,000
2010 GO Bonds	110,330,000	2011-2031	0.70-5.70%	82,725,000
2011 GO Bonds	34,485,000	2012-2031	1.00-5.00%	22,380,000
2012 GO Bonds	15,975,000	2013-2022	1.00-4.00%	11,860,000
2013 GO Bonds	34,685,000	2013-2033	2.00-4.00%	22,575,000
2014 GO Bonds	34,865,000	2014-2034	2.00-4.00%	22,445,000
2015 GO Bonds	59,140,000	2015-2035	2.00-5.00%	46,930,000
2016 GO Bonds	49,370,000	2016-2036	2.00-5.00%	45,990,000
2017 GO Bonds	76,925,000	2017-2037	2.60-5.00%	75,945,000
2018 GO Bonds	35,475,000	2018-2038	3.125-5.00%	35,475,000
Total	<u>\$474,765,000</u>			<u>\$381,905,000</u>

Annual debt service requirements to maturity for bonds outstanding of the Unified Government are as follows:

Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 17,073,161	\$ 12,209,859	\$ 4,656,841	\$ 3,489,736
2020	17,742,415	11,523,788	12,591,405	3,311,722
2021	19,240,523	10,831,581	4,828,543	2,774,538
2022	19,975,665	10,065,069	4,994,182	2,593,412
2023	21,542,811	9,217,928	5,001,362	2,392,196
2024-2028	116,649,121	31,535,118	26,737,130	8,766,833
2029-2033	61,765,129	8,346,455	21,516,713	3,608,593
2034-2038	18,336,459	1,565,155	9,253,540	745,688
Total	<u>\$292,325,284</u>	<u>\$95,294,953</u>	<u>\$ 89,579,716</u>	<u>\$27,682,718</u>

The Series 2010D bonds were issued as taxable Build America Bonds pursuant to the American Recovery and Reinvestment Act of 2009, which provides that 32.6% of the interest payments on those bonds will be paid to the Unified Government by the U.S. Treasury. The Series 2010C and 2010F bonds were issued as taxable Recovery Zone Economic Development Bonds pursuant to the American Recovery and Reinvestment Act of 2010, which provides that 41.9% of the interest payments on those bonds will be paid to the Unified Government by the U.S. Treasury. The Series 2010G bonds were issued as taxable Qualified Energy Conservation Bonds. The Unified Government has elected to receive interest subsidy payments from the U.S. Treasury in an amount equal to the lesser of the amount of interest payable on each interest payment date, or 62.4% of the amount of interest which would have been payable with respect to the bonds if the interest were determined at applicable tax credit rates for the bonds. In 2018, the Unified Government received \$645,923 of interest subsidies related to these bonds.

The Series 2014C and 2015C bonds were issued to pay a portion of the costs of constructing certain emergency communications facilities and buildings to be operated by the Unified Government. The BPU agreed to pay 17% of the costs of these facilities, which will be owed on each debt service payment date. The Series 2018A bonds

were issued in part to improve certain infrastructure to be maintained by the Unified Government. The BPU has agreed to pay 50% of the costs of these improvements, which will be owed on each debt service payment date.

Sales Tax Limited Obligation Bonds. Sales tax special obligation revenue bonds (STAR bonds) are authorized to be issued pursuant to K.S.A. 12-17,160, et seq., as amended (the STAR Bond Act). The STAR Bond Act provides a form of tax increment financing that enables the issuance of bonds payable from certain State and local sales and compensating use tax revenues and transient guest tax revenues generated from STAR bond projects constructed within a STAR bond project district. To implement STAR bond financing, a local government must adopt a resolution that specifies a proposed STAR bond project district's boundary and describes the overall district plan, hold a public hearing on the district and plan, and pass a resolution that establishes the STAR bond project district. Additionally, there may be one or more projects within a STAR bond district.

In connection with the issuance of STAR bonds, the Unified Government and the State of Kansas enter into Tax Distribution Agreements. The agreements provide that the principal of, accreted value, and interest on the STAR bonds will be paid proportionally by the Unified Government and the State of Kansas, based on each entity's respective share of sales taxes generated within the district. The proportional shares may vary by bond issue, as described in the "Tax Distribution Details" in the table below. These proportional shares may change in the future if the sales taxes assessed by the local or state governments are modified.

Certain STAR bonds, as listed in the table below, include an Annual Appropriation covenant. As issuer of the bonds, the Unified Government may, but is not obligated to, budget and appropriate local sales tax from outside the district to the extent that sales tax collections from the district are unavailable or insufficient for annual debt service requirements.

Certain bond issues have "Turbo Redemption" provisions. Pledged tax revenue received in excess of amounts required for mandatory debt service payments or for various reserve account requirements will be used to redeem the bonds early. It is therefore expected that payment in full of principal on these bond series will be made earlier than their respective maturity dates.

Issue	District / Project	Original Amount	Annual Appropriation Covenant	Other Features	Tax Distribution Details
Serial/Term Bonds:					
1999 KISC Capital Appreciation Bonds (CABs)	Kansas International Speedway	\$24,300,413	Yes		28% local tax revenues / 72% State sales tax revenues
2014 KISC Refunding	Kansas International Speedway	10,885,000	Yes	Issued on a parity lien basis with the 1999 KISC CABs.	28% local tax revenues / 72% State sales tax revenues
2015A	Vacation Village Project Areas 1 and 2A / Waterpark Project and Auto Plaza Project	72,900,000	No		23% local tax revenues / 77% State sales tax revenues
<i>Secured and payable from Incremental Tax Revenues generated solely from the Waterpark Project and Auto Plaza Project. For Project Area 2A, Incremental Tax Revenues include the excess of revenues over a Base Year amount, as defined in the Tax Distribution Agreement.</i>					
2015B	Vacation Village Project Areas 1 and 2A / Waterpark Project and Auto Plaza Project	12,260,000	Yes	Subordinate to 2015A bonds	23% local sales tax revenues / 77% State sales tax revenues
<i>Secured and payable from Incremental Tax Revenues generated solely from the Waterpark Project and Auto Plaza Project, and certain local sales and compensating use tax revenues and local transient guest tax revenues generated outside the STAR Bond District to the extent appropriated by the governing body of the Unified Government. For Project Area 2A, Incremental Tax Revenues include the excess of revenues over a Base Year amount, as defined in the Tax Distribution Agreement.</i>					
Turbo Bonds:					
2015 Capital Appreciation Bonds (CABs)	Vacation Village Project Area 4 / US Soccer National Training Facility and Village West	65,229,560	No	Village West included within Project Area 4 only upon payment in full of 2004 bonds, 2010B CABs, 2012 bonds and 2014 CABs.	20% local tax revenues / 80% State sales tax revenues
<i>Secured and payable from Incremental Tax Revenues generated solely from Project Area 4. Local and state tax revenues generated within the Village West Property are pledged to secure and will be applied solely to the payment of the Outstanding Village West STAR Bonds (2004 bonds, 2010B CABs, 2012 bonds and 2014 CABs) until the Outstanding Village West STAR Bonds are paid in full, at which time the Village East area will be included in Project Area 4. Incremental tax revenues are expected to be available to pay the 2015 bonds starting in fiscal year 2018.</i>					

STAR Bonds with Annual Appropriation. Due to the presence of the Annual Appropriation covenant, the full amount of these outstanding bonds in the amount of \$32,645,094 is recorded with long-term debt of the Unified Government, along with any related transactions or account balances. A corresponding receivable, in the amount of \$24,094,217 is recorded for the amount of the contractual pledge from the State of Kansas for the estimated State share of sales tax revenues.

At December 31, 2018, STAR bonds outstanding with annual appropriation consisted of the following:

Description and Purpose	Amount of Original Issue	Range of Final Maturity Dates	Range of Interest Rates	Recorded with Unified Government Long-Term Liabilities					
				Local Pledge	Local Accreted Interest	State Pledge	State Accreted Interest	Total Accreted Value December 31, 2018	
1999 KISC Bonds	\$ 24,300,413	2007-2027	4.20-5.25%	\$ 1,200,874	\$ 2,156,318	\$ 3,087,962	\$ 5,544,906	\$ 11,990,060	
2014 KISC Refunding Bonds	10,885,000	2014-2027	2.00-5.00%	2,480,800	-	6,379,200	-	8,860,000	
2015B Vacation Village Bonds	12,260,000	2015-2035	3.125-4.00%	2,712,850	-	9,082,150	-	11,795,000	
Total	\$ 47,445,413			\$ 6,394,524	\$ 2,156,318	\$ 18,549,312	\$ 5,544,906	\$ 32,645,060	

STAR Bonds with No Annual Appropriation. For these bond issues, the Unified Government records its proportional share of the outstanding obligation (see the “local sales tax” in the Tax Distribution Details of the table above). The Unified Government collects 100% of the sales taxes for these bonds, then records planning and development expenditures for amounts remitted to the State for its share of the principal and interest.

At December 31, 2018, STAR bonds outstanding with no annual appropriation consisted of:

Description and Purpose	Amount of Original Issue	Range of Final Maturity Dates	Range of Interest Rates	Recorded with Unified Government Long-Term Liabilities				
				Local Pledge	Local Accreted Interest	State Pledge	State Accreted Interest	Total Accreted Value December 31, 2018
2015 US Soccer Bonds	\$ 65,229,560	2034	6.75%	\$ 12,886,580	\$ 2,854,526	\$ 51,546,309	\$ 11,418,106	\$ 78,705,521
2015A Vacation Village Bonds	72,900,000	2015-2035	5.00-6.00%	15,384,700	-	51,505,300	-	66,890,000
Total	\$ 138,129,560			\$ 28,271,280	\$ 2,854,526	\$ 103,051,609	\$ 11,418,106	\$ 145,595,521

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

Governmental Activities		
Year	Principal	Interest
2019	\$ 1,856,572	\$ 2,510,627
2020	2,101,140	2,491,550
2021	2,299,692	2,469,718
2022	2,485,475	2,426,464
2023	2,670,423	2,384,116
2024-2028	14,034,882	13,118,849
2029-2033	9,540,250	2,862,090
2034-2038	18,226,682	32,689,397
Total	\$ 53,215,116	\$ 60,952,811

Bonds Issued for Kansas International Speedway Corporation (KISC). In 1999, the Unified Government issued Series 1999 Taxable Special Obligation Revenue Bonds for an original amount of \$71,340,000 to provide financing to the Kansas International Speedway Corporation (KISC) for construction of the Kansas Speedway. KISC is responsible for making semi-annual payments for principal and interest on the bonds. The obligation of KISC to make debt service payments is secured by a mortgage on the project site. Payments to the trustee are also backed by a policy of financial guaranty insurance issued by the MBIA Insurance Corporation and are guaranteed by the International Speedway Corporation under a Payment Guarantee Agreement. The Unified Government has also provided an annual appropriation commitment from local sales taxes collected, though this does not create a liability or general obligation debt of the Unified Government, nor constitute a pledge of

the general credit, tax revenues, funds or moneys of the Unified Government, and does not obligate them to levy or pledge any form of taxation or make any appropriation or payments beyond those appropriated for the current fiscal year. Since the 1999 bonds were issued, the Unified Government has made no annual appropriations for payment of the bonds. The remaining amount outstanding as of December 31, 2018 is \$46,575,000. The bonds have a final maturity date of December 2027.

Transportation Development District Sales Tax Revenue Bonds. The Unified Government has created transportation development districts under K.S.A. 12-14,140 through 12-17,149. Under statute, creation of such districts allows the Government to impose a transportation development district sales tax, not to exceed 1%, with the revenues received therefrom pledged to pay bonds issued for projects within the established districts. Bonds issued under these statutes are special, limited obligations of the Unified Government, payable solely from revenues generated within the transportation development districts. For the 2014 Happy Foods and 2014 Prescott Plaza bonds, the Unified Government appropriates moneys sufficient to pay all the debt service payments on these bonds for the next succeeding fiscal year. The 2006 The Legends and 2013 Plaza at the Speedway bonds do not constitute a pledge of the full faith and credit of the Unified Government, and do not obligate the Unified Government to levy any form of taxation or to make any appropriation for their payment.

Description and Purpose	Amount of Original Issue	Range of Final Maturity Dates	Rate of Interest Rates	Amount Outstanding Dec 31, 2018
2006 The Legends	\$17,520,000	2006-2028	4.60-4.875%	\$10,825,000
2013 Plaza at the Speedway	9,975,000	2013-2032	4.75-5.75%	7,320,000
2014 Happy Foods	317,000	2014-2024	4.50%	103,000
2014 Prescott Plaza	<u>1,459,000</u>	2014-2024	3.00%	<u>392,000</u>
Total	<u>\$29,271,000</u>			<u>\$18,640,000</u>

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

Year ended December 31:	Principal	Interest
2019	\$ 950,000	\$ 965,014
2020	1,245,000	915,901
2021	1,355,000	892,058
2022	1,465,000	782,545
2023	1,580,000	707,363
2024-2028	9,680,000	2,112,873
2029-2033	<u>2,365,000</u>	<u>276,288</u>
	<u>\$ 18,640,000</u>	<u>\$ 6,652,042</u>

Special Obligation Bonds. The Series 2010H and 2016 Wyandotte Plaza bonds were issued as special obligation annual appropriation bonds. The bonds are payable solely from the amounts budgeted or appropriated out of the income and revenue generated for such a year. The 2012, 2016A and 2016B 39th and Rainbow bonds, 2013 Plaza at the Speedway bond, and 2018 Legends CID Parking bonds were issued as a special obligation tax increment revenue bonds. The bonds are payable solely from property tax and sales tax revenue generated in the redevelopment district and certain moneys on deposit under the bond indentures.

Description and Purpose	Amount of Original Issue	Range of Final Maturity Dates	Range of Interest Rates	Amount Outstanding Dec 31, 2018
2010H Kansas Speedway parking lot	\$ 7,725,000	2010-2021	2.0-4.5%	\$ 5,770,000
2012 39 th and Rainbow	6,445,000	2012-2027	4.19%	5,095,000
2013 Plaza at the Speedway	38,055,000	2013-2027	4.25%	19,150,000
2016A 39 th and Rainbow	2,615,000	2016-2030	3.30%	2,347,000
2016B 39 th and Rainbow	1,578,000	2016-2026	Variable	1,225,000
2016 Wyandotte Plaza	14,550,000	2028-2034	4.0-5.0%	13,315,000
2018 Legends CID Parking	<u>26,805,000</u>	2040	4.5%	<u>26,805,000</u>
Total	\$ 97,773,000			\$ 73,707,000

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

Year Ended December 31,	Principal	Interest
2019	\$ 3,699,000	\$ 4,020,875
2020	2,977,000	3,279,542
2021	3,175,000	3,136,238
2022	3,383,000	2,978,729
2023	3,573,000	2,565,741
2024-2028	19,834,000	11,423,634
2029-2033	2,261,000	8,250,598
2034-2038	8,000,000	6,431,125
2039-2043	26,805,000	1,809,338
Total	\$ 73,707,000	\$ 43,895,820

Pledged Revenues. The Unified Government has pledged specific revenue streams to secure the repayment of certain outstanding debt issues. The corresponding debt issues are for projects described previously for Sales Tax Limited Obligation (STAR) Bonds and Transportation Development District (TDD) Sales Tax Revenue Bonds, as well as general obligation bonds issued to finance infrastructure and capital improvements in tax increment financing (TIF) districts. The following table lists those revenues and the corresponding debt issues, the amount and term of the pledge remaining, the current fiscal year principal and interest on the debt, the amount of pledged revenue recognized during the current fiscal year, and the approximate percentage of the revenue stream that has been committed:

Issue(s)	Type revenue pledged	Amount of pledge	Term of commitment	Percent of revenue pledged	Principal & Interest for 2018	Pledged revenues recognized in 2018
STAR bonds *	Sales and transient guest tax	\$ 405,833,673	Through 2035	100%	\$ 12,612,800	\$ 7,250,654
TDD bonds	Transportation development district sales tax	25,292,041	Through 2032	100%	3,127,075	2,991,901
TIF GO bonds	Incremental increase in property tax	58,234,355	Through 2033	100%	4,128,943	2,027,170
Special Obligation bonds (TIF)	Incremental increase in property tax	109,268,784	Through 2040	100%	6,189,775	6,894,462

* Note the STAR Bond activity above includes the Unified Government's and the State's proportional share of the activity.

Public Building Commission Revenue Bonds. The Unified Government Public Building Commission (PBC) is a blended component unit of the Unified Government. The PBC 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 the Unified Government. The PBC finances the debt service of the revenue bonds by leasing the land and facilities to the Unified Government, which operates it. The Unified Government guarantees the rentals under the PBC lease. The PBC has no power to levy taxes, and revenue bonds issued by the PBC are not included in any legal debt

limitations of the Unified Government. In 2013, the PBC issued series 2013A bonds for \$9,915,000 with interest rates ranging from 1.5-3.0%. In 2015, the PBC issued series 2015A bonds for \$780,000 with an interest rate of 3.30%. In 2016, the PBC issued series 2016A bonds for \$6,775,000 with an interest rate of 2.00% and 2016B bonds for \$1,830,000 with interest rates ranging from 1.10- 2.90%. In 2018, the PBC issues series 2018A bonds for \$24,430,000 with interest rates ranging from 3.00-5.00% and series 2018B bonds for \$8,710,000 with interest rates ranging from 3.00-5.00%.

Annual debt service requirements to maturity for this bond is as follows:

Year ended December 31,	Principal	Interest
2019	\$ 3,335,000	\$ 1,590,459
2020	3,430,000	1,490,809
2021	2,100,000	1,394,621
2022	2,185,000	1,316,096
2023	2,265,000	1,233,786
2024-2028	12,010,000	4,756,876
2029-2033	9,065,000	2,775,388
2034-2038	10,675,000	1,158,188
Total	\$45,065,000	\$15,716,223

The purpose of the 2013A bond issuance was to pay a portion of the costs of constructing certain emergency communications facilities and buildings to be operated by the Unified Government. On December 10, 2012, the BPU agreed to pay 21% of the costs of these facilities, which will be owed on each debt service payment date. The purpose of the 2015A bond issuance was to pay for improvements to the Providence Medical Center Amphitheater. The 2016A bond issuance was to refund the BPU Office Building series 2001 Bonds and entered into a lease purchase agreement with the PBC. The 2016B bond issue was to pay for a Medical Clinic for the Unified Government employees. The 2018A and 2018B bond issuances were to pay for improvements to the juvenile justice facility and the courthouse and jail.

Bond Anticipation Notes. The Unified Government long-termed financed \$17,999,300 of 2018 bond anticipation notes in March of 2019. These notes are recorded in the governmental activities column as long-term liabilities as of December 31, 2018.

Proprietary Fund Revenue Bonds. At December 31, 2018, the various proprietary funds had the following bonds outstanding:

Description and Purpose	Amount of Original Interest	Range of Final Maturity Dates	Range of Interest Rates	Amount Outstanding Dec 31, 2018
Sewer Sytem State Revolving Loan	\$ 40,046,592	2035	3.39-3.44%	\$ 17,983,765
Subtotal	40,046,592			17,983,765
BPU revenue bonds:				
2009A Series	57,575,000	2034	2.75-5.00%	1,865,000
2010 Refunding	32,190,000	2028	2.00-5.00%	10,390,000
2011 Series	90,000,000	2036	2.00-5.20%	75,080,000
2012 Refunding	110,830,000	2032	3.12-5.00%	102,835,000
2012B	79,540,000	2037	2.00-5.00%	68,940,000
2014 Refunding and improvement	190,620,000	2044	3.00-5.00%	165,695,000
2016A	114,165,000	2045	3.00-5.00%	114,165,000
2016B Refunding	42,545,000	2034	3.25-5.00%	42,545,000
2016C	56,265,000	2046	5.00%	56,265,000
Subtotal	773,730,000			637,780,000
Total	\$ 813,776,592			\$655,763,765

The utility system revenue bond debt service and reserve account is held in escrow in a bank acting as a trustee for the BPU. The utility system revenue bond indentures also provide for a bond reserve account to be held by the trustee for the future payments of principal and interest in the event the net revenues of the utility system are less than or equal to 130% of the maximum annual debt service on the bonds. All amounts are reported on the accompanying statement of net position as restricted assets.

The revenue bond ordinances of the BPU require, among other things, that special reserves and accounts be established and maintained. Additionally, the ordinances require the BPU to establish rates and collect fees sufficient to pay the operating, maintenance and debt service costs of the utilities and to provide net operating income, before depreciation and payment in lieu of taxes, of at least 120% of the maximum annual debt service due on the outstanding bonds of the BPU. All of the BPU's utility plant facilities are pledged under the terms of the indentures. The BPU was in compliance with the above requirements as of December 31, 2018.

The Unified Government has entered into five agreements with the State of Kansas, Department of Health and Environment. These agreements resulted in the State loaning money to the Unified Government's Water Pollution Control Division for the purpose of capital expenditures to improve the sewer system. State Revolving Loan advances are made at the time for paying costs related to the approved loan. The State and Unified Government agreed on an amortization schedule for the entire amount of the loans. If the final loan amount is less than the approved total, an amended amortization schedule will be developed. The following chart represents the adopted amortization schedule and is not reflective of the amount actually borrowed and outstanding to date. The BPU also has two loans with the Kansas Department of Health and Environment for the purpose of water capital improvements to be repaid over 20 years ending 2036.

The BPU completed a defeasement of utility systems revenue bonds by placing the proceeds of new bonds in irrevocable trusts to provide all future debt service payments on the old 2009 Utility System Revenue Bonds. Accordingly, neither the trust account assets nor the liability for the defeased bonds are included in the BPU's financial statements. At December 31, 2018, outstanding utility system revenue bonds in the amount of \$42,315,000 are considered substantively defeased.

Annual debt service requirements to maturity for the proprietary funds loan and revenue bonds are as follows:

	<u>Sewer System</u>		<u>BPU</u>			
	State Revolving Loan		Government Loans		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 1,477,049	\$ 576,710	\$ 2,821,191	\$ 909,220	\$ 22,515,000	\$ 30,669,619
2020	1,518,384	535,375	2,908,781	828,897	23,295,000	29,593,268
2021	1,560,875	492,883	2,999,540	745,941	24,400,000	28,480,068
2022	1,604,557	449,201	3,105,738	659,166	27,725,000	27,311,156
2023	1,649,461	404,297	3,193,890	567,467	28,805,000	25,932,106
2024-2028	5,790,680	1,308,731	11,402,064	1,716,831	135,580,000	110,072,644
2029-2033	5,787,294	704,642	7,425,468	655,747	154,200,000	74,701,288
2034-2038	1,895,411	52,170	518,154	68,592	105,445,000	41,925,688
2039-2043	-	-	-	-	80,600,000	20,986,663
2044-2048	-	-	-	-	34,215,000	2,689,750
Total	\$21,283,711	\$4,524,009	\$34,374,826	\$6,151,861	\$636,780,000	\$392,362,250

In July 2014, the BPU entered into a Kansas Public Water Supply loan fund agreement, for which the amount is not to exceed \$13,000,000. The projects to be funded by this loan consist of filter media and pump replacement at the Nearman Water Treatment Plant and replacement of deteriorated water lines throughout the distribution system. As of December 31, 2018, the BPU has drawn approximately \$11,900,000 of the \$13,000,000. This amount is included in the principal column of the above debt service schedule. Also, in the above debt service schedule, the interest including accreted balances column includes \$225,000 in accreted scheduled interest on the July 2014 Kansas Public Water Supply loan fund agreement.

BPU has pledged specific revenue streams to secure the repayment of certain outstanding debt issues. The corresponding debt issues are for utility system revenue bonds and the purpose of the debt is for the utility improvements. The following table lists those revenues, the amount and term of pledge remaining, the current year principal and interest on the debt, the amount of pledged revenue recognized during the current fiscal year, and the approximate percentage of the revenue stream that has been committed:

<u>Issue(s)</u>	<u>Type revenue pledged</u>	<u>Amount of pledge</u>	<u>Term of commitment</u>	<u>Percent of revenue pledged</u>	<u>Principal & Interest for 2018</u>	<u>Pledged revenues recognized in 2018</u>
Sewer State Revolving Loan	Net operating revenue of the Sewer Fund	\$ 25,807,721	Through 2035	100%	\$ 2,053,758	\$ 9,900,426
BPU debt issues	Electric and Water operating revenues	\$1,031,987,050	Through 2046	14.6%	\$ 52,290,494	\$ 62,748,593

Refundings of Long-Term Debt.

Under a crossover advance refunding issue, the original bond issues (refunded bonds) are not considered defeased until they are retired. Proceeds of the crossover refunding are placed into an escrow account; however, unlike other advance refundings, the escrow account in a crossover advance refunding is not immediately dedicated to debt service principal and interest on the refunded bonds. Instead, resources in the escrow account are used temporarily to meet debt service requirements on the new, refunding bonds. Only at a later date, known as the "crossover date," are resources in the escrow account dedicated exclusively to payment of principal and interest on the refunded bonds. Therefore, crossover refundings do not result in the defeasance of debt until the crossover date. The Unified Government has recorded both the refunding and the refunded bonds in the financial statements, as well as the balance of funds held in escrow for their repayment, which totals \$57,279,076.

As of December 31, 2018, \$55,185,000 of crossover refunded bonds have not been called.

Section 108 Loan. During 2000, the Unified Government entered into a loan agreement with the U.S. Department of Housing and Urban Development (HUD) for the construction of the new downtown hotel project. During 2010, this loan was refunded with the new principal balance of \$3,314,000. This loan was paid off in full during 2018.

Claims and Judgments. Various legal actions and claims against the Unified Government presently pending involve: personal injury (including workers' compensation claims), alleged discriminatory personnel practices, property damages, civil rights complaints and other miscellaneous claims. The Unified Government generally follows the practice of recording liabilities resulting from claims and legal actions only when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Unfunded Pension Obligation. Reference Note IV.E. "Unified Government Plan" for further explanation.

The following schedule represents the annual payments required for Claims and Judgments and the Unfunded Pension Obligation:

Year ended December 31,	Claims and Judgments	Unfunded Pension Obligation
2019	600,000	41,563
2020	-	38,654
2021	-	35,948
2022	-	33,431
2023	-	31,091
2024-2028	-	46,257
Total	<u>\$ 600,000</u>	<u>\$ 226,944</u>

Arbitrage Liability. In 1986, Federal tax law changed, making it illegal for an entity to issue tax-exempt debt, reinvest those proceeds in a tax-deductible instrument, and make an arbitrage profit on the differential in interest rates. A calculation was created which established the methodology for determining if the tax-exempt debt proceeds were invested to yield a profit. If a profit exists, all that profit must be paid to the U.S. Treasury. The Unified Government has bonds and temporary notes subject to arbitrage but does not have an arbitrage liability as of December 31, 2018.

G. Non-Obligatory Debt

Conduit Debt. The Unified Government has issued revenue bonds not directly obligated by the Unified Government which are generally used to finance construction or renovation of facilities on government land or the acquisition of equipment. The bonds are paid solely from revenues generated from entities for whom the bonds are issued. The total amount at December 31, 2018 was \$571,572,008 for the Industrial Revenue Bonds, \$103,051,609 for Sales Tax Special Obligation Revenue Bonds and \$100,000 for the Single Family and Collateralized Mortgage Revenue Bonds. These bonds do not constitute an indebtedness or pledge of the faith and credit of the Unified Government, and accordingly have not been reported in the accompanying financial statements.

H. Tax Abatement

The Unified Government provides property tax abatements to encourage capital investment, employment opportunities and quality services for the benefit of the community. Tax abatements are the result of an agreement between the Unified Government and an outside party in which the Unified Government promises to forgo tax revenues and the outside party promises to take specific actions that contributes to the economic development or benefits citizens of the Unified Government. The issuances of these abatements are pursuant to Section 13 of Article 11 of the Kansas Constitution and K.S.A. 12-1740 *et seq.* and 79-201a. The Economic Development Program “EDX” has the following criteria:

- Existence of Economic Benefit – The project must add to the local economy according to: capital investment, producing value-added products and services, number of jobs created and associated payroll, and whether the project provides a positive fiscal and economic impact.
- Type of Business – The project shall be of a nature that is desirable and stimulates the local economy and improves the quality of life for its citizens.
- Compatibility with Adopted Plans – The project shall be consistent with the Unified Government Comprehensive Plan, any applicable corridor plans, and other plans of the Unified Government which may be relevant to the project.

- **Excluded Business** – The project may not be listed as prohibited by state law (K.S.A. 79-201a) or otherwise listed as ineligible under the Unified Government Tax Abatement Policy.
- **Maintaining Existing Tax Base** – The amount of property taxes or special assessments on the existing land and facilities shall under no circumstances be reduced for new development projects.
- **Transfer of Ownership** – The owner or lessee of any property that is all or partially exempt from ad valorem taxes as the result of the Unified Government having granted the exemption shall obtain the Unified Government written consent before transferring majority ownership of the property unless the transfer is to an affiliate or a related entity.

To obtain the exemption, an application must be submitted and is subject to the completion of a cost benefit analysis to determine the financial impact. For all exemptions, the County Appraiser determines the full value of the property, noting the value that has been exempted through the program. The County Treasurer computes the taxes due on the appraised value only on the taxable portion of the property. The percentage of the abatement can vary depending on the following factors: 1) the amount of capital invested, 2) development in targeted areas, 3) industry, 4) local employment rates for new hires, 5) utilization of minority, women and locally owned businesses, and 6) environmental design of facility. The maximum percentage of abatement provided for any project shall not exceed 75% and will be capped at 10 years in length. Each project receiving tax abatements shall be subject to a performance agreement. The performance agreement shall allow for a modification of the abatement, reducing the percentage of the abatement should the project be found non-compliant with the performance agreement. The amount of tax abated by the Unified Government in 2018 was \$4,858,918 (\$2,786,547 by Wyandotte County and \$1,982,371 by City of Kansas City, Kansas.)

I. Landfill Closure and Postclosure Care

In 2004, the Kansas Department of Health and Environment (KDHE) issued an administrative “Order to Comply” to the Unified Government alleging the need for investigations into the alleged release of hazardous substances found to exist at the John Garland Park Landfill, which was operated from 1972-1974 by a third party and has been closed since then. The Unified Government conducted, with KDHE approval, certain investigations and conducted or prepared work plans for conducting in the future, certain remedial activities. In March 2008, the Unified Government and KDHE entered into a Consent Agreement requiring certain landfill closure activities, including annual landfill capital maintenance, periodic groundwater monitoring through the year 2025, and conversion of an existing passive landfill gas extraction system to an active gas extraction system. The Unified Government recorded a liability of \$378,000 the estimated cost for the remaining monitoring activities through 2025. The cost estimates are subject to change due to inflation, deflation, technology, laws and regulations. The Environmental Trust Fund will provide the primary source of funding for these costs.

J. Restricted Assets

The balances of the restricted asset accounts are as follows:

General fund:	
Restricted for others	\$ 428,149
Capital projects fund:	
Debt service accounts	49,188,446
Capital projects fund:	
STAR bonds	3,014,886
Economic development Fund:	
STAR/TDD/TIF/SO bonds	32,430,954
Other governmental:	
Revolving loan fund	41,209
Special alcohol programs	42,860
Sewer revenue bonds:	
Debt service accounts	13,011,789
State Revolving Loan	843,576
Stormwater bonds:	
Debt service accounts	173,745
Customer deposits - BPU	6,733,792
BPU Revenue bonds:	
Debt service accounts	22,645,357
Improvement and emergency account	1,500,000
Construction funds	37,436,271
Internal service funds:	
Workers' comepnasation	1,982,687
Self-insured health care	2,719,960
Total restricted assets	<u>\$ 172,193,681</u>

K. Fund Balances

A summary of the components of fund balance reported in governmental funds, by purpose, is as follows:

Unified Government Components of Fund Balance December 31, 2018

	Major			Nonmajor	
	General	Capital Projects	Debt Service Economic Development	Other Governmental Funds	Total Governmental Funds
Fund Balances:					
Restricted for:					
Elections	-	-	-	447,585	447,585
Library	-	-	-	1,042,751	1,042,751
Register of Deeds - Technology	-	-	-	189,007	189,007
Clerk's Office - Technology	-	-	-	121,813	121,813
Treasurer's Office - Technology	-	-	-	122,869	122,869
Alcohol abuse, prevention, treatment programs	-	-	-	905,329	905,329
Community Corrections	-	-	-	501,239	501,239
Community Development	-	-	-	281,947	281,947
Road improvements and development	-	-	-	2,480,299	2,480,299
Road improvements and development - Debt Service	-	-	-	224,038	224,038
Police Department	-	-	-	2,567,761	2,567,761
Fire Department	-	-	-	1,350,111	1,350,111
Neighborhood Infrastructure	-	-	-	1,350,111	1,350,111
Enhancement of 911 System	-	-	-	602,268	602,268
Emergency Management	-	-	-	31,327	31,327
Sheriff Department	-	-	-	119,111	119,111
Public Safety	-	-	-	125,310	125,310
District Attorney	-	-	-	73,299	73,299
Child Support Enforcement	-	-	-	712,957	712,957
Mental Health Services	-	-	-	483,251	483,251
County Health Services	-	-	-	1,415,596	1,415,596
Senior Citizen Services	-	-	-	459,377	459,377
Development - Gap Financing	-	-	-	744,645	744,645
Transit	-	-	-	156,637	156,637
Parks and Recreation - Operations	-	-	-	102,819	102,819
Parks and Recreations - Capital Improvements	-	-	-	48,076	48,076
Development	27,713	-	-	-	27,713
Debt Service - General	-	111,238,544	-	17,532,747	128,771,291
Debt Service - Development	67,730	-	32,255,227	-	32,322,957
Total	\$ 95,443	\$ 111,238,544	\$ 32,255,227	\$ 34,192,280	\$ 177,781,494
Committed to:					
Promote Tourism and Convention	-	-	-	4,732,743	4,732,743
Promote Tourism and Convention - Debt Service	-	-	-	829,069	829,069
Inmate services	-	-	-	239,718	239,718
Future landfill remediation	-	-	-	1,373,260	1,373,260
Total	\$ -	\$ -	\$ -	\$ 7,174,790	\$ 7,174,790
Assigned to:					
Subsequent years appropriation of fund balance	5,503,779	-	-	-	5,503,779
Asset Acquisition	-	-	-	2,282,700	2,282,700
Total	\$ 5,503,779	\$ -	\$ -	\$ 2,282,700	\$ 7,786,479
Unassigned:	34,389,662	-	-	\$ (683,485)	33,706,177
Total fund balances:	\$ 39,988,884	\$ 111,238,544	\$ 32,255,227	\$ 42,966,285	\$ 226,448,940

IV. OTHER NOTE DISCLOSURES

A. Risk Management

The Unified Government's insurance coverage consists of both self-insurance and policies maintained with various carriers. Exposure to various risks associated primarily with weather related incidents such as wind, hail, tornado and storm damage is covered by property insurance. There have been limited settlements in excess of insurance coverage during any of the prior three fiscal years. There has been no significant change in insurance coverage from the previous fiscal year.

Health Benefits and Accidents. The Unified Government is both self-insured and fully insured for accident and health claims. Claims for Unified Government employees (except for BPU employees) are administered through a third-party administrator for the Government's self-insured plan. Premiums are paid by employer and employee contributions into an internal service fund and are available to pay claims and costs of an administrative service agreement. An excess insurance policy covers individual claims exceeding \$325,000. Incurred but not reported claims of \$2,600,000 have been accrued as a liability. In 2018, \$28,808,575 was paid for claims and administrative costs. The outstanding claims liability is calculated from historical data and future expectations. This includes an estimated liability for known claims as well as an estimated liability for claims incurred but not reported. The BPU is self-insured on essentially up to 100% of their health claims.

Workers' Compensation. The Unified Government is self-insured for workers' compensation. Premiums are paid from the General Fund into an internal service fund and available to pay claims, claim reserves and administrative costs of the program. An excess coverage insurance policy covers individual claims exceeding \$750,000. Incurred but not reported claims of \$3,822,000 have been accrued as a liability. During 2018, a total of \$1,484,363 was paid in benefits and administrative costs from the fund. The Unified Government Chief Legal Counsel makes significant estimates in determining amounts of unsettled claims under the self-insurance program. The outstanding claims liability is calculated from historical data and future expectations. This includes an estimated liability for known claims as well as an estimated liability for claims incurred but not reported. The BPU is self-insured to the first \$750,000 per employee / per occurrence for workers' compensation. All claims exceeding \$500,000 are fully insured.

General Liability. The Unified Government is also self-insured for liability claims with no premium paid to any insuring firm. All liability claims are reviewed, challenged if appropriate, and processed for payment at the agreed amount by the Legal Department. Kansas statutes limit the liability in tort cases to \$500,000. The BPU is responsible for the first \$500,000 of general liability and automobile insurance claims. In addition, any general liability or automobile claims greater than \$35,000,000 are responsibility of the BPU.

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

	Workers' Compensation	Health Insurance	General Liability	BPU
December 31, 2016 Liability Balances	\$ 2,695,000	\$ 2,046,000	\$ 600,000	\$ 2,622,000
Claims and changes in estimates	1,250,133	27,747,622	1,459,702	12,783,000
Claim payments	(1,280,133)	(27,379,622)	(1,459,702)	(13,100,000)
December 31, 2017 Liability Balances	\$ 2,665,000	\$ 2,414,000	\$ 600,000	\$ 2,305,000
Claims and changes in estimates	2,641,363	28,994,575	665,648	12,711,000
Claim payments	(1,484,363)	(28,808,575)	(665,648)	(13,600,000)
December 31, 2018 Liability Balances	\$ 3,822,000	\$ 2,600,000	\$ 600,000	\$ 1,416,000

B. Commitments and Contingent Liabilities

Litigation. The Unified Government 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 Unified Government's counsel are of the opinion that the final outcome of the cases will not have an adverse material effect on the Unified Government's financial statements.

Economic Development Activities. The Unified Government has established tax increment financing (TIF), transportation development districts (TDD) and community improvement districts (CID) as allowed by state statutes. Incremental property and sales taxes generated in the districts are pledged to developers to repay certain costs incurred by the developers. Under these agreements, the Government is under no obligation to pay the developer for any shortfall, should the incremental revenues generated be insufficient to fully reimburse 100% of the costs incurred by the developer. During 2018, payments made under these agreements amounted to \$795,081 and the remaining certified project costs to be repaid as of December 31, 2018 totals \$140,269,353.

Federal Consent Decree. On May 20, 2013, the United States District Court for the District of Kansas entered a Partial Consent Decree (PCD) between the Unified Government and United States Environmental Protection Agency (EPA). The State of Kansas was a defendant in the PCD along with the Unified Government. On September 28, 2016, the Unified Government submitted an Integrated Overflow Control Plan (IOCP) in accordance with the PCD. The plan was rejected, and the Unified Government worked with EPA to create a comprehensive IOCP that is anticipated to last 25 years. The IOCP is designed to comply with federal requirements in a manner that meets the following goals: protect human health, public safety and customer property and make continued progress towards improving water quality. Over the course of the next twenty-five years, the Unified Government committed to an aggressive \$900+ million plan that reinvests revenue in the existing sewer systems improvements and makes continued overflow reduction progress while providing some rate certainty to the citizens. The plan has yet to be accepted by the EPA and the US Department of Justice and is under review. In addition, the PCD requires the Unified Government to implement approximately \$20,000,000 of ongoing sewer improvement projects in its 5-year capital improvement plan. The PCD does not impose any civil penalty at this time but does provide for stipulated penalties if the Unified Government either fails to perform or is late in performing required actions.

The cost of compliance is expected to be in the multi-million dollar range. The respective Sewer System and Stormwater enterprise funds have had rate adjustments in previous years in anticipation of the work that is required under the PCD, and rates will continue to increase at set levels for the next 25 years if the plan is accepted. Both of these funds have strengthened fund balances in anticipation of future debt issuances. The Sewer System and Stormwater enterprise funds ended 2018 with a combined budgetary fund balance of \$28,171,239 or 80% of their total 2018 expenditures.

Environmental Matters. The Unified Government is subject to various laws and regulations with respect to environmental matters such as underground storage facilities and air and water quality. The cost of complying with existing and future changes to laws and regulations cannot be estimated; however, compliance with such laws and regulations may necessitate substantial expenditures.

Unified Government management also expects to make future capital improvements related to fire suppression and other life safety code requirements. Costs related to these projects have yet to be determined but are expected to be significant.

The BPU is subject to substantial regulation of air emissions and control equipment under federal, state, and county environmental laws and regulations. Nationwide, utilities with coal-fired generating units have been under heavy scrutiny and enforcement by the U.S. Environmental Protection Agency (EPA) and Department of Justice for matters related to permitting of modifications to those coal-fired units. This is referred to as "new source review permitting."

In 2007, the BPU received from the EPA a Clean Air Act section 114 information request seeking information about the types of projects that have been the subject of new source review permitting investigations. On November 25, 2008, EPA issued the BPU a Notice of Violation (NOV) alleging violation of Clean Air Act new source review permitting requirements. On December 19, 2008, the BPU received a supplemental Clean Air Act Section 114 information request to the 2007 information request. BPU has responded to both information requests. The NOV alleges violations of the Clean Air Act new source review permitting requirements and corresponding requirements under the Kansas State Implementation Plan at the Utility's Nearman plant dating back to 1994 (four violations) and Quindaro plant dating back to 2001 (two violations). The NOV states such fines and/or penalties could be as much as \$25,000 to \$32,500 per day (depending upon when the violation occurred) commencing from date of the violation. Settlements of numerous similar notice of violation have included penalties and injunctive relief requiring capital expenditures for air pollution control equipment in the hundreds of millions of dollars. The NOV issued to the BPU offers opportunity for conference with EPA and the Department of Justice (DOJ) regarding the allegations and a first conference was held in February 2009. Subsequently, EPA and DOJ made an offer of settlement to the BPU and the parties have had exchanges regarding settlement, the most recent in August 2011. Recent court decisions have limited EPA's ability to successfully enforce through imposition of penalties and injunctive relief allegations in notices of violation like those in NOV issued to BPU. In addition, pursuant to requirements of law, the utility has implemented measures and installed much of the pollution control equipment typically part of injunctive relief in enforcement of such notice of violation, the costs of which may be significant in addition to fines and penalties. BPU is not presently able to evaluate what, if any, liability might be imposed and has not accrued anything for this possible obligation.

On July 16, 2012, the BPU and Unified Government received from the Kansas Chapter of the Sierra Club a notice of intent to sue the BPU, under the Clean Air Act citizen suit provisions, for alleged violations of opacity emissions limits at the Nearman Station and Quindaro Station. The Sierra Club and BPU signed a consent decree approved by the U.S. District Court on December 5, 2013. The consent decree requires that coal no longer be combusted at Quindaro Station as of April 16, 2015, which has been accomplished, and that the Nearman Station install and operate particulate matter pollution control equipment by June 1, 2017. The BPU has completed its obligations under the Consent Decree and intends to seek termination of the Decree.

Encumbrances. At December 31, 2018, the Unified Government had the following outstanding encumbrances:

General Fund	\$ 5,503,779
Capital Projects	17,287,196
Sewer System	8,428,755
Nonmajor Governmental	6,530,523
Nonmajor Enterprise	2,209,424
Nonmajor Internal Service Funds	1,732,635
Total	\$ 41,692,312

Grants. Intergovernmental grant awards are subject to audit and adjustments by funding agencies. Award revenues received for expenditures that are disallowed are repayable to the funding agency. In the opinion of management, any amounts that may ultimately be refunded would not have a material impact on these general purpose financial statements.

Power Purchase & Sales Agreements.

On December 21, 2006, the BPU entered into a Renewable Energy Purchase Agreement with TradeWind Energy to receive 25% of the energy output of Phase 1 of the Smoky Hills Wind Farm. This contract is a 20-year fixed price contract for 25% of the output of 100.8 MW of turbines as well as the Renewable Energy Credits associated with the output. The wind farm, which was built approximately 25 miles west of Salina, Kansas in

Lincoln and Ellsworth Counties, began commercial operation in January 2008. Total power purchased under this agreement was \$3,846,936 in 2018.

On November 3, 2010, the BPU entered into an agreement with Lawrence, Kansas based Bowersock Mills and Power Company to purchase 7 MW of hydroelectric power over the next 25 years, providing additional renewable energy resources to BPU's existing power generating mix. Total power purchased under this agreement was \$2,474,415 in 2018.

In December 2013, the BPU completed negotiations with OwnEnergy Inc., a developer of mid-sized wind projects, for the purchase of 25 megawatts of energy generated by wind turbines. The wind farm will be located south of Alexander, Kansas in Rush County. Construction began in December 2013 and ties into the Southwest Power Pool (SPP) Midwest Energy transmission system. The contract between BPU and OwnEnergy Inc. is a 20-year renewable energy Purchase Power Agreement (PPA). The wind farm was completed in 2015 with commercial production beginning in December 2015. Total power purchased under this agreement was \$3,179,054 in 2018.

The BPU has contracts with the Southwestern Power Administration ("SPA") entitling the BPU to annually purchase 38.6 MW of hydroelectric peaking capacity. These contracts provide the BPU with hydro allocations until July 1, 2020. The BPU counts the full SPA capacity as a firm supply resource, reducing the need for additional capacity purchases and delaying the need for additional firm generation or other firm purchase power agreements. The energy available from this capacity is equal to 1,200 hours per MW of capacity per year, the scheduling of such energy being at the BPU's discretion (with certain minimum and maximum monthly and seasonal limitations). Total power purchased under this agreement was \$3,286,224 in 2018. The BPU also has an allotment of 5 MW of hydroelectric power from the Western Area Power Administration ("WAPA") until September 30, 2024. Total power purchased under this agreement was \$468,077 in 2018.

In January 2016, the BPU completed negotiations with Tradewind Energy Inc., a renewable energy developer, for the purchase of 200 megawatts of energy generated by wind turbines. Construction began on the wind farm in 2016 with commercial operations beginning in April of 2017. The facility is located just south of Minneola, Kansas and ties into the Southwest Power Pool (SPP) in the Sunflower Energy transmission system. The contract between BPU and the Cimarron Bend Wind Project, LLC. is a 20-year renewable energy Purchase Power Agreement (PPA). Total power purchased under this agreement was \$18,003,499 in 2018.

In November 2016, the BPU finalized an agreement with MC Power, a solar developer, for the purchase of a 1 megawatt alternating current solar photovoltaic facility to be located at the Kansas City Board of Public Utilities Nearman Creek Power facility in Kansas City, Kansas. The contract between the BPU and MCP-KCBPU, LLC is a 25-year renewable energy Purchase Power Agreement (PPA) with commercial operations beginning in September of 2017. The project is intended to serve as a community solar project whereas BPU customers can license panels within the project to reduce their overall monthly electric expenses, while supporting greener initiatives. Total power purchased under this agreement was \$138,366 in 2018.

The BPU has determined these purchase contracts to be excluded from the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as these are normal purchase contracts.

Coal Contracts. The BPU purchases coal for Nearman generating stations through contracts with Western Fuels Association (WFA) and affiliates. WFA, in turn, contracts with coal producers and railroads to meet its coal supply and delivery commitments to the BPU. The BPU is required to pay all costs incurred by WFA in acquiring and delivering the coal as well as a management fee.

Coal delivery to Nearman is contracted between WFA and the Union Pacific Railroad. This contract expires December 31, 2020. The delivery cost is established from a base price and is adjusted by indices set out in the contract.

The BPU is committed to purchase coal through WFA for the duration of the Nearman plant. The estimated coal purchase for Nearman station is \$19,300,000 and \$19,000,000 for 2019 and 2020, respectively. Any additional coal required will be bought on the spot market.

The BPU has determined these coal contracts to be excluded from the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as these are normal purchase contracts.

Brushy Creek Coal Company and Liberty Coal Company. The BPU holds an indirect 50% interest in Brushy Creek Coal Company (BCCC) and a 50% indirect interest in Liberty Coal Company (Liberty). The other 50% interest is indirectly owned by the City of Sikeston, Missouri (Sikeston). BCCC was the owner and operator of a coal mine and related equipment located in Illinois. BCCC discontinued mining operations in 1997. BCCC did not have material operations during the years ended December 31, 2018. Upon cessation of operations at BCCC, the BPU became contractually responsible for 50% of asset retirement obligations and for 50% of certain postretirement benefits to mine workers. At December 31, 2018 the BPU has recorded an estimated liability of \$1,400,000, within accrued claims payable for its estimated remaining share of these obligations. Funding provided for these obligations was \$100,000 in 2018.

The amounts recorded for the BPU's portion of the asset retirement obligation and the miners' benefits require significant judgment and involve a number of estimates. The BPU has recorded its estimated obligations for each of these items using information currently available to management. These estimates could change significantly over time.

C. Multi-Sport Stadium and Office Campus Projects.

During 2010, the Unified Government entered into a Multi-Sport Stadium Specific Venture Agreement with Kansas Unified Development, LLC (Developer) to construct, develop, complete and operate a major, multi-sport athletic complex including a stadium facility (Children's Mercy Park) that is the home field for Sporting KC, a major league soccer team, within the Village West Redevelopment Area. The construction was primarily funded from proceeds of the Series 2010B STAR bonds. Additionally, under a Land Transfer and Specific Venture Agreement, the Cerner Corporation (Cerner) acquired land from the Unified Government within the Village West Redevelopment Area to construct, develop, complete and operate 600,000 square feet of Class A office buildings.

The agreement with Cerner imposes obligations regarding construction of the office project and the creation of jobs. Cerner met the payroll and job creation obligations of the agreement through December 31, 2018. Under this agreement, annual payroll and job creation requirements continue through 2026. During this time frame, if the requirements are not met, the Developer has an obligation to pay the Unified Government an "Office Payment Obligation" as defined in the Multi-Sport Stadium Specific Venture Agreement. For years after 2016, the potential obligation for non-compliance is \$3,041,061 annually, with the total potential obligation of \$21,287,427 (payable in 8 equal installments from 2019 to 2026). This amount has not been recorded as a receivable in the Unified Government's financial statements as of December 31, 2018, as it is not yet determinable whether Cerner will meet the payroll and job creation obligations for the future years.

D. Jointly Governed Organizations and Other Related Organizations

Dogwood Energy Facility (Dogwood). The BPU owns an undivided 17% interest in the assets of the Dogwood Energy Facility (Dogwood), a natural gas-fired combined cycle generating plant located in Pleasant Hill, Missouri in Cass County, Missouri, operated by Dogwood Energy, LLC.

The BPU's portion of the 630 megawatt (MW) rated capability of Dogwood is approximately 110 megawatts. Generation from Dogwood and operating expenses incurred by Dogwood are allocated to the BPU based on the 17% ownership interest. The BPU's proportionate share of their plant operating expenses is included in the corresponding operating expenses in the statement of net position. In addition, the BPU is required to provide its share of financing for any capital additions to Dogwood. During 2018, BPU's portion of fuel expense and operating and maintenance expense were \$7,899,115 and \$2,740,027 respectively. BPU also receives a portion of the wholesale sales generated by the Dogwood plant. BPU received \$11,900,842 in wholesale sales from Dogwood during 2018. These amounts are included in the accompanying statements of revenues, expenses and changes in fund net position.

The BPU's investment includes an acquisition adjustment of \$34,800,000, which is presented as property, plant, and equipment and amortized over the estimated remaining life of the plant (29.1 years). The BPU paid 15 years of Payment-in-lieu of taxes (PILOT) to Cass County, Missouri in the amount of \$2,500,000. This was recorded as a prepayment and is being amortized until 2028.

The BPU Board of Directors has approved the recovery of amounts invested in this facility, including the acquisition adjustments in current rates.

As of December 31, 2018, the BPU's ownership interest in Dogwood's capital assets consisted of \$37,945,897 in Plant in Service Facility, \$7,116,334 of accumulated depreciation and \$1,276,445 of construction work in process which is included in the capital asset balances in footnote III.B.

The BPU has an operating agreement with Dogwood Energy, LLC, which provides for a management committee comprising one representative and an alternate from each participant. Dogwood Power Management, LLC, the project management company, controls the operating and maintenance decisions of Dogwood in its role as operator. The BPU and other participating entities have joint approval rights for the annual business plan, the annual budget, and material changes to the budget.

E. Employee Retirement Systems and Pension Plans

1. Unified Government Pension Plan.

Plan description: The Unified Government participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at <http://www.kpers.org> or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Benefits provided. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the Kansas State Legislature. Member employees (except police and firemen) with ten or more years of credited service, may retire as early as age 55 (police and firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's

combined age and years of credited service equal 85 “points” (police and firemen’s normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees chose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee’s lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump-sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas State Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current member employees and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 years with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contributions rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen Retirement System (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for KPERS and 20.09% for KP&F for the fiscal year ended December 31, 2018. Contributions to the pension plan from the Unified Government were \$5,557,762 for KPERS and \$13,467,105 for KP&F for the year ended December 31, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Although KPERS administers one cost sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred

inflows of recourse, and pension expense are determined separately for each group of the plan. The Unified Government participates in the local (KPERS) group and the Police and Firemen (KP&F) group.

At December 31, 2018, the Unified Government reported a liability of \$50,838,678 for KPERS and \$122,426,702 for KP&F for its proportionate share of the KPERS' collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2018, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The Unified Government's proportion of the collective net pension liability was based on the ratio of the Unified Government actual contributions to KPERS and KP&F, relative to the total employer and non-employer contributions of the KPERS and KP&F for the fiscal year ended June 30, 2018. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2018, the Unified Government proportion and change from its proportion measured as of June 30, 2017 were as follows:

Net pension liability as of December 31, 2018					
	Governmental Activities	Business-Type Activities	Total	Proportion as of June 30, 2018	Decrease in proportion from June 30, 2017
KPERS (local)	\$ 44,449,944	\$ 6,388,734	\$ 50,838,678	3.648%	0.092%
KP&F	114,211,870	8,214,832	122,426,702	12.724%	-0.278%
	<u>\$ 158,661,814</u>	<u>\$ 14,603,566</u>	<u>\$ 173,265,380</u>		

For the year ended December 31, 2018, the Unified Government recognized pension expense of \$3,996,603 for KPERS and \$16,506,964 for KP&F. At December 31, 2018, the Unified Government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 7,139,150	\$ (1,787,184)	\$ 525,015	\$ (219,001)
Net difference between projected and actual earnings on pension plan investments	4,012,195	-	363,244	-
Changes in proportionate share	1,382,749	(6,799,092)	169,380	(553,550)
Changes in assumptions	7,939,191	(529,284)	709,246	(53,439)
Unified Government's contributions subsequent measurement date	9,159,640	-	855,159	-
Total	<u>\$ 29,632,925</u>	<u>\$ (9,115,560)</u>	<u>\$ 2,622,044</u>	<u>\$ (825,990)</u>

Deferred outflows of resources of \$10,014,799 related to pensions resulting from the Unified Government's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

Year ended December 31,	Governmental Activities		Business-Type Activities	
	Deferred Outflows		Deferred Outflows	
	(Inflows) of Resources		(Inflows) of Resources	
2019	\$	7,386,711	\$	611,929
2020		3,915,412		324,360
2021		(860,410)		(71,278)
2022		795,462		65,898
2023		120,550		9,986
	\$	11,357,725	\$	940,895

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.50% to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.75%

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted for the three-year period beginning January 1, 2013. The experience study is dated November 18, 2016.

The actuarial assumptions changes adopted by the Pension Plan for all groups based on the experience study were as follows:

- Price inflation assumption lowered from 3.00% to 2.75%
- Investment return assumption was lowered from 8.00% to 7.75%
- General wage growth assumption was lowered from 4.00% to 3.50%
- Payroll growth assumption was lowered from 4.00% to 3.00%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.80%
Fixed income	13	1.25
Yield driven	8	6.55
Real return	11	1.71
Real estate	11	5.05
Alternatives	8	9.85
Short-term investments	2	-0.25
Total	100%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made

at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The statutory cap for the State fiscal year 2018 was 1.2%. The Local employers are currently contributing the full actuarial contribution rate. Employers contribute the full actuarial determined rate for KP&F. The expected employer actuarial contribution was modeled for future years for these groups, assuming all actuarial assumptions are met in the future. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Unified Government's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the Unified Government's proportionate share of the collective net pension liability calculated using the discount rate of 7.75%, as well as what the Unified Government's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Unified Government's KPERS proportionate share of the net pension liability	\$ 74,562,348	\$ 50,838,678	\$ 30,790,048
Unified Government's KP&F proportionate share of the net pension liability	174,482,380	122,426,702	78,844,610
	<u>\$ 249,044,728</u>	<u>\$ 173,265,380</u>	<u>\$ 109,634,658</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report.

2. BPU Pension Plan.

Plan Description. The Retirement Pension Plan for the Kansas City, Kansas Board of Public Utilities (the "Plan") is a contributory, single-employer defined benefit pension plan administered by the Board of Pension Trustees of the Retirement Pension Plan of the Kansas City, Kansas Board of Public Utilities ("the Board") of Pension Trustees.

The Plan is governed by Kansas State statutes, which, provide for the establishment of a Board of Pension Trustees and provides authorization for the Plan to take control and custody of all assets, property, and funds presently held, controlled, and in the possession of the Plan's Board of Pension Trustee. The Plan was established and may be amended only by the Board of Pension Trustees. The Board of Pension Trustees is represented equally by three management seats appointed by the General Manager, and three non-management seats elected by the BPU members. The Plan membership includes all persons employed by the BPU on a regular, permanent basis.

Separate, stand-alone financial statements of the Plan can be obtained from the Pension Administrator, in care of the Human Resources Department of the BPU, 540 Minnesota Avenue, Kansas City, KS 66101.

Benefits Provided. The primary benefits provided by the Plan are retirement benefits. However, the Plan also provides ancillary benefits in the event of pre-retirement death, disability, or termination of employment prior

to meeting the eligibility requirements to retire. An employee of the BPU is eligible for coverage at the time of employment as a regular, permanent BPU employee. An employee remains a member of the Plan as long as they continue employment with the BPU. Vesting is achieved upon the completion of five years of service. Tier 1 member, retirement is at age 55, regardless of service. Benefits are calculated using the compensation for the three highest years of service within the last 10 years of service, multiplied by the total years of service and the formula factor of 1.80%, plus final average salary multiplied by the total years of service prior to January 1, 2004 and the formula factor of 0.40%. Benefits vest after 5 years of service. For Tier 2 members, retirement is at age 65, with 5 years of service or age 60, with 30 years of service. Benefits are calculated using the compensation for member's entire career, multiplied by the formula factor of 1.50%. Benefits vest after 5 years of service.

The cost of living adjustment (COLA) is an automatic, simple 3% for members who retired before January 1, 1993. The COLA is not automatic, but discretionary for members who retired on or after January 1, 1993. The COLA can vary from 0% to 3% of the previous year's pension as determined by the Pension Board every year. If, on the first January 1 following benefit commencement, benefits have been received for less than a full calendar year, the increase is a fraction of the determined increase equal to the ratio of number monthly benefit payments received divided by 12.

The data required regarding the membership of the Plan were furnished by the Pension Administrator of the Plan. The following table summarized the membership of the Plan as of January 1, 2018, the Valuation date.

Inactive Members or Beneficiaries Currently Receiving Benefits	810
Disabled Members	8
Inactive member Entitled To But Not Yet Receiving Benefits	20
Inactive Non-vested Members Entitled to a Refund of Member Contributions	1
Active Members	554
Total	1,393

Contributions. Benefit and contribution provisions are established by and may only be amended by the Pension Board of Trustees. Contribution rates are determined annually by the Pension Board of Trustees. BPU contributes a fixed contribution rate, equal to that of the members, currently 8.50% of pensionable earnings. BPU contributed \$4,393,307 to the Plan for the year ended December 31, 2018.

Net Pension Liability (Asset). The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2018 and rolled forward to the measurement date. As of December 31, 2018, the Plan reported a net pension asset of \$22,516,528.

Changes in the total pension liability, plan fiduciary net position, and the net pension liability (asset) are:

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at December 31, 2017	\$ 484,051,193	\$ 463,601,202	\$ 20,449,991
Changes for the year:			
Service cost	7,440,404	-	7,440,404
Interest on total pension liability	37,460,630	-	37,460,630
Difference between expected and actual experience	(10,311,840)	-	(10,311,840)
Changes of assumptions	5,161,410	-	5,161,410
Employer contributions	-	4,250,560	(4,250,560)
Employee contributions	-	4,250,560	(4,250,560)
Net investment income	-	74,677,580	(74,677,580)
Benefit payments, including member refunds	(32,206,227)	(32,206,227)	-
Administrative expenses	-	(461,577)	461,577
Net changes	7,544,377	50,510,896	(42,966,519)
Balances at December 31, 2018	<u>\$ 491,595,570</u>	<u>\$ 514,112,098</u>	<u>\$ (22,516,528)</u>

* Within the January 1, 2017 valuation, the assumed COLA for post January 1, 1993 retirees was changed from 1% through 2022 and 3% thereafter to 1% through 2021 and 3% thereafter.

* Within the January 1, 2016 valuation, the assumed COLA for post January 1, 1993 retirees was changed from 1% through 2025 and 3% thereafter to 1% through 2022 and 3% thereafter.

Actuarial Assumptions. The total pension liability based on the January 1, 2018 actuarial valuations were determined using the following actuarial assumptions, and applied to all periods included in the respective measurement:

Price inflation	3.10%
Salary inflation	4.70-11.00%
Long-term rate of return, net of investment expenses; and including inflation rate assumption	8.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Table with generational mortality projections using Scale AA. Post-retirement mortality rates were based on the RP-2000 Healthy Annuitant Table with generational mortality projections using Scale AA.

The actuarial assumptions used in the valuation are based on the results of the most recent actuarial experience study, which covered the five-year period ending December 31, 2012. The experience study report is dated June 18, 2014.

The long-term expected rate of return on pension plan investments is reviewed as part of the regular experience study prepared for the Plan. The results of the most recent experience study were presented in a report dated June 18, 2014. Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation), along with estimates of variability and correlations for each asset class, were developed by the Plan's investment consultant. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by some investment consultants are often intended for use over a 10-year investment horizon and are not always useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The investment consultant for the BPU does provide capital market assumptions for a 50-year period and those were used as part of our analysis. The long-term rate of return

assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class used for the experience study dated June 18, 2014, as provided by the Plan's investment consultant, Demarche, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Large Cap Equity	20%	5.9%
Domestic Small Cap Equity	20%	7.2%
International Equity	13%	6.1%
International Small Cap Equity	4%	7.4%
Emerging Market Equities	3%	8.9%
Real Estate	14%	5.5%
Fixed Income - Intermediate	21%	3.4%
Fixed Income - High Yield	5%	5.2%
Cash and Equivalents	0%	1.0%
	<u>100%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed the plan contributions from members and BPU will be made at the current contribution rates as determined annually by the Pension Board in effect on the measurement date:

- i. Employee contribution rate: 8.5% of annual compensation
- ii. BPU contribution rate: Same as member contributions (8.5% of annual compensation)
- iii. Administrative expenses for the current and future years were assumed to be .60% of the current member's proportionate share of covered payroll.

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments of 8.0% was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The net pension liability (asset) of the BPU has been calculated using a discount rate of 8.0 percent. The following presents the net pension liability using a discount rate 1% higher and 1% lower than the current rate:

	2018		
	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Net pension liability (asset)	32,120,704	(22,516,528)	(68,594,236)

Pension Expense. For the fiscal year ended December 31, 2018, the BPU recognized pension expense of \$(695,241). Annual pension expense consists of service cost, interest and administrative expenses on pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as deferred outflow/inflow of resources recognized in pension expense over a five-year period.

Deferred Outflows/Inflows of Resources related to Pensions. In accordance with GASB Statement No. 68, the BPU recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflow/inflows of resources.

As of December 31, 2018, the BPU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	-	(19,842,136)
Difference between projected and actual earnings on pension plan investments	-	(10,552,830)
Changes in assumptions	11,136,202	(7,349,622)
Contributions subsequent to measurement date	4,393,307	-
Total	15,529,509	(37,744,588)

The amount reported as deferred outflows of resources as of December 31, 2018 resulting from contributions subsequent to the measurement date of \$4,393,307 will be recognized as a reduction in the net pension liability for the year ended December 31, 2019. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Deferred Outflows (Inflows) of Resources
2019	\$ (5,667,264)
2020	(4,918,995)
2021	(7,456,210)
2022	(8,565,917)
	<u>\$ (26,608,386)</u>

3. Unified Government Closed Pension Plan.

In 1962, certain individuals elected not to participate in KPERS. Currently, there are 2 remaining retirees or their spouses receiving benefits under the prior plan maintained by the Unified Government. There are no employees contributing to the plan. The most recent actuarial study was prepared in 1998 and estimated total payments for 2018 through 2031 to be approximately \$226,944. The Unified Government has made no provision to fund these payments but includes an estimate of the annual expense in the General Fund budget. Payments made to plan retirees for the year ended December 31, 2018 were \$41,563. This future payable is included with long-term debt.

F. Other Postemployment Benefits (OPEB) Other Than Pensions

1. Unified Government OPEB Plan

General Information about the OPEB Plan. The Unified Government sponsors a single-employer defined benefit healthcare plan that offers lifetime benefits to retirees and their dependents including medical, dental and vision. Retiree health care coverage to age 65 is mandated under Kansas Statute 12-5040. The UG also offers coverage past age 65 that is secondary to Medicare. Retired employees who do not meet the following employer paid retiree coverage criteria may elect to continue coverage at the retired employee's own expense. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The Plan does not issue separate financial statements.

Benefits provided. Employees must qualify for “unreduced” retirement under either KPERS or KP&F. Also, coverage due to disability retirement is available for qualifying individuals at any age who meet the requirements of KPERS or KP&F. A retiree may not enroll in medical coverage after once declining coverage. Dental and vision coverage are available each open enrollment whether or not a prior declination has occurred.

Additionally, employees that elected to retire under an early retirement offer receive direct subsidies off of the normal retiree premium rate to age 65. Employees not receiving a subsidy are required to pay blended premium rates to maintain coverage.

Employees covered by benefit terms. At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	702
Active employees	1,951
	<u>2,653</u>

Total Unified Government OPEB Liability

The Unified Government’s total OPEB liability of \$78,005,183 was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2017, which was rolled forward to December 31, 2018.

Actuarial Assumptions and other inputs. The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise noted:

Actuarial Assumptions

Inflation	2.50%
Salary increases	2.00%
Discount rate	3.68% For December 31, 2018
Healthcare cost trend rates	7.0% for 2018, decreasing by 0.5% per year until 2020 and then decreasing by 0.25% per year to an ultimate rate of 5.0% for 2024 and later years
Retiree's share of benefit related costs	100% of projected health insurance premiums for retirees who retire after December 31, 2010. For retirees who retired prior to December 31, 2010 who met certain criteria under early retirement receive a "subsidy" off the plan premiums ranging from 50% to 100%.

The discount rate was based on the average of the Standard & Poor’s Municipal Bond 20 Year High Grade and Fidelity GO AA-20 Year published yields as of the measurement date.

Healthy life mortality rates were based on the Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality with MP-2017 Full Generational Improvement and disabled life mortality rates were based on the Society of Actuaries RPH-2014 Adjusted to 2006 Disabled Retiree Headcount-weighted Mortality with MP-2017 Full Generational Improvement.

The actuarial assumptions used in the January 1, 2017 valuation were based on reasonable expectations of future experience under the postretirement insurance program based on years of experience information provided by the Unified Government and review of industry data as a benchmark against plan experience.

Changes in Total OPEB Liability

	Total OPEB Liability		
	Governmental Activities	Business-Type Activities	Total
Balance at 12/31/17	\$ 77,580,815	\$ 6,966,717	\$ 84,547,532
Changes for the year:			
Service cost	2,856,340	256,498	3,112,838
Interest	2,569,994	230,784	2,800,778
Changes in assumptions	(9,196,882)	(825,875)	(10,022,757)
Net benefits paid by employer	(2,232,711)	(200,497)	(2,433,208)
Net changes	(6,003,259)	(539,090)	(6,542,349)
Balance at 12/31/18	\$ 71,577,556	\$ 6,427,627	\$ 78,005,183

Changes in assumptions reflect a change in the discount rate from 3.24% in 2017 to 3.68% in 2018 plus difference in actual versus expected employer contributions.

Sensitivity to the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the Unified Government, as well as the estimated Unified Government's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.68%) or 1-percentage-point higher (4.68%) than the current discount rate:

	1% Decrease 2.68%	Discount Rate 3.68%	1% Increase 4.68%
Total OPEB liability	\$ 96,273,688	\$ 78,005,183	\$ 64,295,949

Sensitivity to the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the Unified Government, as well as the estimated Unified Government's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0% decreasing to 4.0%) or 1-percentage-point higher (8.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates (7.0% decreasing to 5.0%)		
	1% Decrease (6.0% to 4.0%)	1% Increase (8.0% decreasing to 6.0%)	
Total OPEB liability	\$ 62,689,591	\$ 78,005,183	\$ 98,965,611

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

For the year ended December 31, 2018, the Unified Government recognized OPEB expense of \$5,580,810. At December 31, 2018, the Unified Government reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Changes in assumptions	\$ 5,411,502	\$ 485,950	\$ (8,047,271)	\$ (722,641)
Total	\$ 5,411,502	\$ 485,950	\$ (8,047,271)	\$ (722,641)

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Governmental Activities		Business-Type Activities	
	Deferred Outflows (Inflows) of Resources		Deferred Outflows (Inflows) of Resources	
Year ended December 31:				
2019	\$	(305,383)	\$	(27,423)
2020		(305,383)		(27,423)
2021		(305,383)		(27,423)
2022		(305,383)		(27,423)
2023		(305,383)		(27,423)
Thereafter		(1,108,854)		(99,576)
	\$	(2,635,769)	\$	(236,691)

2. KPERS Death and Disability OPEB Plan

Plan Description. The Unified Government participates in an agent multiple-employer defined benefit other post-employment benefit (OPEB) plan which is administered by KPERS. The Plan provides long-term disability benefits and life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. Because the trust's assets are used to pay employee benefits other than OPEB, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no stand-alone financial report for the plan.

Benefits provided:

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60% (prior to January 1, 2006, 66 2/3%) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver premium provision.

Long-term disability benefit: Monthly benefit is 60% of the member's monthly compensation, with a minimum of \$100 and maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability occurs after age 60, benefits are payable while disability continues, for a period of 5 years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the term of the disability or 24 months per lifetime, whichever is less. There are no automatic cost-of-living increase provisions. KPERS has the authority to implement an ad hoc cost-of living increase.

Group life waiver of premium benefit: Upon the death of an employee who is receiving monthly disability benefits, the plan will pay a lump-sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of the member's annual rate of compensation at the time of disability or the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for 5 or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point, to compute the death benefit. If an member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather

than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual life insurance policy.

Employees covered by benefit terms. At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	27
Active employees	1,214
	<u>1,241</u>

Total OPEB Liability

The Unified Government's total OPEB liability of \$3,373,932 was measured as of June 30, 2018, and was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

Price inflation	2.75%
Payroll growth	3.00%
Salary increases, including inflation	3.50 to 10%, including price inflation
Discount Rate	3.87%
Healthcare cost trend rates	Not applicable for the coverage in this plan
Retiree share of benefit cost	Not applicable for the coverage in this plan

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2018.

The actuarial assumptions used in the June 30, 2018 valuation were based on an actuarial experience study for the period July 1, 2014 – June 30, 2016. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2017 KPERS pension valuation.

Changes in the Total OPEB Liability

	Total KPERS D&D OPEB Liability December 31, 2018		
	Governmental	Business-Type	Total
	Activities	Activities	
Balance at fiscal year-end 12/31/17	\$ 3,105,501	\$ 446,350	\$ 3,551,851
Changes for the year:			
Service cost	198,569	28,540	227,109
Interest	113,972	16,381	130,353
Effect of economic/demographic gains or losses	(185,999)	(26,733)	(212,732)
Effect of assumptions changes or inputs	(38,956)	(5,599)	(44,555)
Benefit payments	(243,146)	(34,948)	(278,094)
Net changes	(155,560)	(22,359)	(177,919)
Balance at fiscal year-end 12/31/18	\$ 2,949,941	\$ 423,991	\$ 3,373,932

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Unified Government, as well as what the Unified Government's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 3,527,547	\$ 3,373,932	\$ 3,224,411

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS. Therefore, there is no sensitivity to a change in healthcare trend rates.

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

For the year ended December 31, 2018, the Unified Government recognized OPEB expense of \$318,177. At December 31, 2018, the Unified Government reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (166,804)	\$ -	\$ (23,974)
Changes in assumptions	-	(120,435)	-	(17,310)
Benefit payments subsequent to the measurement date	158,893	-	22,838	-
Total	<u>\$ 158,893</u>	<u>\$ (287,239)</u>	<u>\$ 22,838</u>	<u>\$ (41,284)</u>

The \$181,731 of benefit payments made subsequent to the measurement date will be recognized as a reduction in the total OPEB liability for the year ended December 31, 2018. The remaining amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Governmental Activities Deferred Outflows (Inflows) of Resources	Business-Type Activities Deferred Outflows (Inflows) of Resources
Year ended December 31:		
2019	\$ (34,348)	\$ (4,937)
2020	(34,348)	(4,937)
2021	(34,348)	(4,937)
2022	(34,348)	(4,937)
2023	(34,348)	(4,937)
Thereafter	(115,499)	(16,599)
	<u>\$ (287,239)</u>	<u>\$ (41,284)</u>

Summary of OPEB Plans

As of December 31, 2018, the Unified Government's total OPEB liability, deferred inflows of resources and OPEB expense associated with the two OPEB plans are summarized as follows:

	2018
Total OPEB liability	(81,379,115)
Deferred outflows of resources	6,079,183
Deferred inflows of resources	(9,098,435)
OPEB expense	5,898,987

Prior period adjustment. The implementation of GASB 75 resulted in a \$3,105,501 and \$446,350 increase to the total OPEB liability, \$96,633 and \$13,889 increase to the deferred inflows of resources, \$158,894 and \$22,837 increase to the deferred outflows of resources and a \$3,043,240 and \$437,402 decrease to net position as of January 1, 2018 for governmental activities and business-type activities, respectively, related to the KPERS Death & Disability plan. There was no prior period adjustment to the Unified Government's OPEB Plan due to early implementing GASB 75 in the prior year.

3. BPU OPEB Plan

Plan Description. The Kansas City, Kansas BPU provides certain postemployment health care and life insurance benefits to eligible retirees and their dependents in accordance with provisions established by the BPU's Board of Directors. The plan is a single-employer defined benefit healthcare plan administered by the BPU. The BPU currently determined the eligibility, benefits provided, and changes to those provisions applicable to eligible retirees. The plan does not issue separate financial statements. Employees are given a 90-day window to retire with medical coverage at ages 55 and above with seven consecutive years of service. No assets have been segregated and restricted to provide for postretirement benefits.

Benefits policy. The post retirement benefit plan is a comprehensive major medical plan with a \$100 deductible per individual or \$200 per family. For individuals, the plan pays 80% of the next \$12,500 of allowable charges and 100% thereafter for the remainder of that calendar year. For families, the plan pays 80% of the next \$25,000 of allowable charges and 100% thereafter for the remainder of that calendar year. The plan has a lifetime maximum of \$750,000. Benefits cease at the first of the month that the retired employee attains age 65 or death. Spouse benefits end at the first of the month that the retired employee attains age 65, the end of the month of the retiree's death, or the spouse's date of death. Retirees are not required to contribute toward the cost of the postretirement benefits.

Employees covered by benefit terms. As of January 1, 2018 (the actuarial valuation date), the OPEB plan had 311 participants eligible to receive benefits under this plan, 183 retirees with medical coverage and 128 retiree spouses with medical coverage.

Total BPU OPEB Liability

The total OPEB liability of \$54,987,646 was measured as of December 31, 2017, and was determined by an actuarial valuation as of January 1, 2018.

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions:

Payroll growth	2.50%
Salary increases, including inflation	3.50 to 10%, including price inflation
Discount rate	3.03%
Healthcare cost trend rates	8.0% graded down to 5.0% over 10 years

The discount rate used for the plan was the S&P Municipal Bond 20-Year High Grade Index as of December 29, 2017.

Mortality rates were based on the RP-2014 total dataset adjusted to 2006 using MP-2014 and projected forward generationally using improvement scale MP-2017.

The actuarial cost method was Entry Age Normal Level Percent of Salary.

The BPU's annual OPEB cost, employer contributions, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for December 31 are as follows:

Changes in Total OPEB Liability

Balance at fiscal year-end 12/31/17	\$ 54,506,878
Changes for the year:	
Service cost	2,689,241
Interest	1,617,127
Benefit payments	(3,825,600)
Net changes	480,768
Balance at fiscal year-end 12/31/18	\$ 54,987,646

Sensitivity of net OPEB liability to changes in the healthcare cost trend rate. The following represents the net OPEB liability calculated using the stated health care cost trend assumption, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower (7% decreases to 4%) or 1-percentage-point higher (9% decreasing to 6%) than the assumed trend rate:

	1% Decrease (7% decreasing to 4.0%)	Healthcare Cost Trend Rates (8% decreasing to 5.0%)	1% Increase (9% decreasing to 6.0%)
Total OPEB liability	\$ 50,390,373	\$ 54,987,646	\$ 60,321,874

Sensitivity of net OPEB liability to changes in the discount rate. The following represents the net OPEB liability calculated using the stated discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.03%) or 1-percentage-point higher (4.03%) than the current rate:

	1% Decrease 2.03%	Discount Rate 3.03%	1% Increase 4.03%
Total OPEB liability	\$ 58,570,739	\$ 54,987,646	\$ 51,665,292

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended December 31, 2018, the BPU recognized OPEB expense of \$4,306,365. At December 31, 2018, the BPU reported deferred outflows of \$3,414,032 for benefit payments made subsequent to the measurement date which will be recognized as a reduction in the total OPEB liability for the year-ended December 31, 2019.

Prior period adjustment. The implementation of GASB 75 and changes to actuarial assumptions resulted in a \$48,589,649 increase to the total OPEB liability, a \$3,825,600 increase to the deferred outflows of resources and a \$44,764,049 decrease to net position as of January 1, 2018 for the BPU.

G. Economic Condition

As described in Notes III.F., IV.E. and IV.F., the Unified Government has significant long-term liabilities for pensions, other post-employment benefit obligations (OPEB), and compensated absences. These obligations are the primary cause of the resulting deficit in net position for governmental activities recorded on the Statement of Net Position. For governmental activities, total long-term liabilities for pensions totaled \$158,661,814,000, for OPEB were \$74,527,497, and for compensated absences were \$44,862,620.

The deficit net position of the Unified Government reflects insufficient assets to provide all the benefits earned by employees under the pension and OPEB plans to meet the liabilities during the adopted amortization periods. A significant majority of the pension, OPEB and compensated absences obligations will be liquidated by General Fund resources. For the year ended December 31, 2018, General Fund revenues accounted for approximately 62% of all governmental fund revenues, excluding the Economic Development Fund which is restricted for sales tax obligation and transportation development bonds. General Fund revenue sources, such as property taxes and sales taxes, are affected by general economic conditions, and the Government, like many other entities, experienced economic challenges over the past decade. There is a reasonable possibility that continued growth in net pension and OPEB obligations and compensated absences will result in increases to the deficit net position for governmental activities in future years.

Several actions have been implemented by management to reduce future increases in OPEB-related retiree health benefits and compensated absences liabilities. The Government offers employees two health insurance plans: a traditional plan and a high deductible health savings plan. In 2016 co-insurance rates on the traditional insurance plan decreased from 100% to 90%, with the employee paying 10% of medical expenses after the deductible has been met. This change continues to reduce the claims paid by the traditional health plan. In 2015 employee deductibles were set to \$500 single/\$1,000 family to reduce the Unified Government's total contributions. Additionally, in 2018 the number of members covered by the high deductible health savings plan enrollment increased by 12% over 2018. The decrease in membership to the traditional plan was 7%. All of these actions attribute to the improvement in the Health Benefits Fund over the past several years.

Further, management negotiated and implemented employee contributions of \$10, \$20 and \$30 per month depending on salary level towards the employee's and family health care coverage, which was previously paid 100% by the Government. Since 2016 these employee health care contribution rates were effective for all employees.

In January 2014, the Unified Government established a new "employee class" for new and future hires to address leave accrual liability balances at separation. Sick leave accruals, and the payout of accrued vacation and sick leave at separation and retirement, have been significantly reduced for this employee class. This change in accrued leave balances has been implemented for all new employees in KPERs.

The Government expects stagnate sales tax revenue performance in General Fund revenues during the next two years. Continued modest growth in other revenue areas to cover expected operating expenditures. The significant increase of sales tax revenue to the General Fund in 2017 was a result of the pay off of the Village West STAR bonds, Series 2004, Series 2010B CAB, Series 2012 and Series 2014 CAB on December 1, 2016. The STAR Bond payoff resulted in local sales tax revenues increasing by approximately \$12,400,000 annually to fund operations and capital investments in the General Fund, Dedicated Sales Tax Fund and the Emergency Medical Services Enterprise Fund. This sales tax influx assisted the organization in funding a variety of capital infrastructure and equipment needs. These funds also supported various important operating initiatives, such as the Stabilization, Occupation & Revitalization initiative (SOAR) to diminish blight.

The Hollywood Casino opened in February of 2012 and generated in 2018 approximately \$3,371,000 gaming revenue and \$7,228,000 property tax revenues (to all taxing entities). Consistent with a development agreement, Hollywood Casino also contributed an additional 1% of net gaming revenues on an annual basis, which for 2018 was \$1,498,000. The development agreement also requires the construction of a first class- 250 room hotel to begin 24 months after opening or be subject to an additional payment of 1% of net gaming revenues. In April of 2015, the Casino announced a delay in the start of this project and was required to make annual payment amounting to \$1,501,000 in 2018. This penalty payment will continue until the Casino proceeds with the hotel construction project.

The economic outlook for Wyandotte County and Kansas City, KS remains positive. Wyandotte County remains strong in terms of job growth among Kansas City metro area counties, as well as nationally. Wyandotte County's job growth rate was stronger than the national growth rate. Wyandotte County had a 1.3% increase in jobs between December 2017 and December 2018 which ranked the County 2nd out of the six Kansas City Missouri-Kansas metropolitan area cities in the analysis. Nationally, job growth was 1.5% for this period. In 2018, Wyandotte County saw several major projects covering all sectors of the economy advance. Example of these projects are provided in the Transmittal Letter of this report.

Commercial investments have spurred residential construction. In 2018, there were 159 single-family permits issued in Kansas City, Kansas, and 258 issued in 2017.

H. Subsequent Events

Since January of 2019, the Unified Government has issued four financings for both bonds and temporary notes. No other financings are expected to be completed by June 30th of 2019. The table below provides a summary of these issuances.

Issue	Month	Tax Status	Term	Amount	True Interest Cost
2019-I	February	Tax-Exempt Municipal Temporary Notes	1	44,400,000	1.85%
2019-A	February	Tax-Exempt GO Bonds	20	20,310,000	3.15%
2019-II	April	Tax-Exempt Municipal Temporary Notes	1	7,445,000	1.74%
2019-B	April	Tax-Exempt GO Refunding Bonds	8	8,980,000	1.87%

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information Budgetary Comparison Schedule

Budgetary Comparison Schedules

The Unified Government adopts a legal budget for the General Fund separately for the city, county and parks divisions; however, for GAAP purposes the General Fund is presented for the Unified Government as a whole. The schedules present both the combined General Fund budgetary schedule, as well as the individual budgetary schedules which represent the legal level of budget authority.

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 differ from the data presented in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America. The following schedule presents the reconciliation between the different bases of reporting for the general fund:

	General Fund
Revenue and other sources:	
GAAP basis revenues	\$ 206,410,801
Revenue adjustments	1,465,898
Intra-fund appropriations and transfers	3,700,000
Cancellation of prior year encumbrances	47,602
Budgetary basis revenue	\$ 211,624,301
Expenditures and other uses:	
GAAP basis expenditures	\$ 207,378,769
Expenditure adjustments	(864,111)
Intra-fund appropriations	3,700,000
Change in reserve for encumbrances	1,433,859
Cancellation of prior year encumbrances	47,602
Budgetary basis expenditures	\$ 211,696,119

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

GENERAL FUND - COMBINED
Year Ended December 31, 2018

	2017	2018			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final		
REVENUES					
Tax revenue	\$ 173,899,701	\$ 184,656,886	\$ 188,624,833	\$ 174,372,602	\$ (14,252,231)
Intergovernmental revenues	4,420,164	4,469,650	4,469,650	4,736,950	267,300
Charges for services	12,809,287	13,259,100	13,154,500	13,295,765	141,265
Fines, forfeitures and penalties	6,647,967	5,791,900	6,850,400	6,867,668	17,268
Interest earnings	2,111,406	1,860,000	1,910,000	3,106,785	1,196,785
Licenses and permits	2,243,700	2,421,200	2,304,312	2,339,979	35,667
Miscellaneous revenues	5,384,733	4,658,807	4,720,507	4,608,877	(111,630)
TOTAL REVENUES	207,516,958	217,117,543	222,034,202	209,328,626	(12,705,576)
EXPENDITURES					
Personnel	148,228,265	152,024,046	154,528,211	153,756,267	771,944
Contractual services	31,025,280	35,564,751	35,903,940	33,081,429	2,822,511
Commodities	5,989,723	6,434,497	7,106,856	6,482,110	624,746
Capital outlay	6,296,496	5,902,850	7,404,197	5,808,639	1,595,558
Grants, claims, shared revenue	6,585,723	6,736,889	7,058,489	5,721,589	1,336,900
Debt service	641,913	10,930,076	10,311,495	640,850	9,670,645
Other	482	1,220,083	582,270	-	582,270
TOTAL EXPENDITURES	198,767,882	218,813,192	222,895,458	205,490,884	17,404,574
OTHER FINANCING SOURCES(USES)					
Transfers in	2,441,505	2,256,000	2,256,000	2,256,000	-
Transfers out	(3,866,043)	(875,000)	(2,616,214)	(6,205,235)	(3,589,021)
Proceeds from sale of capital assets	322,050	81,000	81,000	39,675	(41,325)
TOTAL OTHER FINANCING SOURCES (USES)	(1,102,488)	1,462,000	(279,214)	(3,909,560)	(3,630,346)
NET CHANGE IN FUND BALANCE	7,646,588	(233,649)	(1,140,470)	(71,818)	1,068,652
UNENCUMBERED FUND BALANCE					
Beginning of year	19,278,667	26,925,255	26,925,255	26,925,255	-
End of year	\$ 26,925,255	\$ 26,691,606	\$ 25,784,785	\$ 26,853,437	\$ 1,068,652

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

GENERAL FUND - CITY

Year Ended December 31, 2018

	2017	2018			
		Budget Amounts			Variance with Final Budget-
	Actual Amounts	Original	Final	Actual Amounts	Positive (Negative)
REVENUES					
Tax revenue	\$ 121,077,180	\$ 130,631,589	\$ 134,491,667	\$ 120,666,665	\$ (13,825,002)
Intergovernmental revenues	709,228	704,000	704,000	940,238	236,238
Charges for services	10,507,575	11,039,100	10,791,100	10,826,204	35,104
Fines, forfeitures and penalties	3,734,998	3,937,000	3,777,500	3,886,253	108,753
Interest earnings	209,321	110,000	160,000	575,620	415,620
Licenses and permits	1,236,276	1,271,200	1,267,806	1,286,260	18,454
Miscellaneous revenues	3,978,285	3,468,983	3,433,583	3,287,354	(146,229)
TOTAL REVENUES	141,452,863	151,161,872	154,625,656	141,468,594	(13,157,062)
EXPENDITURES					
Personnel	102,498,597	107,036,388	107,430,924	107,166,059	264,865
Contractual services	19,337,746	21,424,658	21,768,797	20,297,514	1,471,283
Commodities	4,003,004	4,236,030	4,692,485	4,363,975	328,510
Capital outlay	4,315,912	4,053,450	5,344,303	4,280,797	1,063,506
Grants, claims, shared revenue	4,953,026	5,417,714	5,741,950	4,613,058	1,128,892
Debt service	641,913	10,930,076	10,311,495	640,850	9,670,645
Other	-	392,903	237,826	-	237,826
TOTAL EXPENDITURES	135,750,198	153,491,219	155,527,780	141,362,253	14,165,527
OTHER FINANCING SOURCES(USES)					
Transfers in	2,417,804	2,256,000	2,256,000	2,256,000	-
Transfers out	(1,788,119)	(515,000)	(756,211)	(2,767,800)	(2,011,589)
Proceeds from sale of capital assets	321,300	80,000	80,000	39,675	(40,325)
TOTAL OTHER FINANCING (USES)	950,985	1,821,000	1,579,789	(472,125)	(2,051,914)
NET CHANGE IN FUND BALANCE	6,653,650	(508,347)	677,665	(365,784)	(1,043,449)
UNENCUMBERED FUND BALANCE					
Beginning of year	14,001,736	20,655,386	20,655,386	20,655,386	-
End of year	\$ 20,655,386	\$ 20,147,039	\$ 21,333,051	\$ 20,289,602	\$ (1,043,449)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

GENERAL FUND - COUNTY

Year Ended December 31, 2018

	2017	2018			
		Budget Amounts		Actual	Variance with
	Actual			Amounts	Final Budget-
	Amounts	Original	Final		Positive
					(Negative)
REVENUES					
Tax revenue	\$ 50,984,399	\$ 52,144,853	\$ 52,246,119	\$ 51,817,491	\$ (428,628)
Intergovernmental revenues	10,936	65,650	65,650	50,616	(15,034)
Charges for services	1,693,716	1,558,500	1,745,900	1,860,334	114,434
Fines, forfeitures and penalties	2,912,969	1,854,900	3,072,900	2,981,415	(91,485)
Interest earnings	1,902,085	1,750,000	1,750,000	2,531,165	781,165
Licenses and permits	1,007,424	1,150,000	1,036,506	1,053,719	17,213
Miscellaneous revenues	1,233,818	1,088,524	1,185,624	1,198,250	12,626
TOTAL REVENUES	59,745,347	59,612,427	61,102,699	61,492,990	390,291
EXPENDITURES					
Personnel	41,557,743	40,837,658	42,762,954	42,289,208	473,746
Contractual services	10,575,102	13,033,063	13,058,240	11,813,248	1,244,992
Commodities	1,428,891	1,663,132	1,844,832	1,563,048	281,784
Capital outlay	1,462,530	1,354,400	1,564,471	1,218,420	346,051
Grants, claims, shared revenue	1,626,447	1,307,650	1,299,895	1,102,419	197,476
Other	482	676,070	288,334	-	288,334
TOTAL EXPENDITURES	56,651,195	58,871,973	60,818,726	57,986,343	2,832,383
OTHER FINANCING SOURCES(USES)					
Transfers in	23,701	-	-	-	-
Transfers out	(2,016,924)	(360,000)	(1,860,003)	(3,337,435)	(1,477,432)
Proceeds of sale of capital assets	750	1,000	1,000	-	(1,000)
TOTAL OTHER FINANCING (USES)	(1,992,473)	(359,000)	(1,859,003)	(3,337,435)	(1,478,432)
NET CHANGE IN FUND BALANCE	1,101,679	381,454	(1,575,030)	169,212	1,744,242
UNENCUMBERED FUND BALANCE					
Beginning of year	4,641,672	5,743,351	5,743,351	5,743,351	-
End of year	\$ 5,743,351	\$ 6,124,805	\$ 4,168,321	\$ 5,912,563	\$ 1,744,242

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

GENERAL FUND - PARKS

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final		
REVENUES					
Tax revenue	\$ 1,838,122	\$ 1,880,444	\$ 1,887,047	\$ 1,888,446	\$ 1,399
Intergovernmental revenues	3,700,000	3,700,000	3,700,000	3,746,096	46,096
Charges for services	607,996	661,500	617,500	609,227	(8,273)
Miscellaneous revenues	172,630	101,300	101,300	123,273	21,973
TOTAL REVENUES	6,318,748	6,343,244	6,305,847	6,367,042	61,195
EXPENDITURES					
Personnel	4,171,925	4,150,000	4,334,333	4,301,000	33,333
Contractual services	1,112,432	1,107,030	1,076,903	970,667	106,236
Commodities	557,828	535,335	569,539	555,087	14,452
Capital outlay	518,054	495,000	495,423	309,422	186,001
Grants, claims, shared revenue	6,250	11,525	16,644	6,112	10,532
Other	-	151,110	56,110	-	56,110
TOTAL EXPENDITURES	6,366,489	6,450,000	6,548,952	6,142,288	406,664
OTHER FINANCING SOURCES(USES)					
Transfers out	(61,000)	-	-	(100,000)	(100,000)
TOTAL OTHER FINANCING (USES)	(61,000)	-	-	(100,000)	(100,000)
NET CHANGE IN FUND BALANCE	(108,741)	(106,756)	(243,105)	124,754	367,859
UNENCUMBERED FUND BALANCE					
Beginning of year	635,259	526,518	526,518	526,518	-
End of year	<u>\$ 526,518</u>	<u>\$ 419,762</u>	<u>\$ 283,413</u>	<u>\$ 651,272</u>	<u>\$ 367,859</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Unified Government's Proportionate Share of the Collective Net Pension Liability – Kansas Pension Employees Retirement System (KPERs) and Kansas Police and Firemen's Retirement System (KP&F)

	Last Six Fiscal Years*					
	2018	2017	2016	2015	2014	2013
Unified Government's proportion of the collective net pension liability:						
KPERs (local group)	3.648%	3.555%	3.574%	3.576%	3.766%	3.725%
KP&F (police & firemen)	12.724%	13.001%	13.503%	13.892%	14.190%	13.807%
Unified Government's proportionate share of the collective net pension liability	\$ 173,265,380	\$ 173,425,551	\$ 180,695,602	\$ 147,823,146	\$ 139,414,084	\$ 168,946,370
Unified Government's covered payroll ^	\$ 132,412,973	\$ 128,258,175	\$ 125,344,016	\$ 125,440,405	\$ 127,086,410	\$ 122,982,901
Unified Government's proportionate share of the collective net pension liability as a percentage of its covered payroll	131%	135%	144%	118%	110%	137%
Plan fiduciary net position as a percentage of the total pension liability	68.88%	67.12%	65.10%	64.95%	66.60%	59.94%

* GASB 68 requires presentation of ten years. As of December 31, 2018, only six years of information is available.

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

Kansas Public Employees Retirement System including Kansas Police and Firemen's Retirement System Last Six Fiscal Years*

	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 19,024,867	\$ 17,613,229	\$ 18,275,310	\$ 19,104,856	\$ 23,246,022	\$ 19,435,537
Contributions in relation to the contractually required contribution	(19,024,867)	(17,613,229)	(18,275,310)	(19,104,856)	(23,246,022)	(19,435,537)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unified Government's covered payroll ^	\$ 135,895,482	\$ 130,414,240	\$ 125,904,379	\$ 125,104,747	\$ 126,562,034	\$ 126,122,490
Contributions as a percentage of covered payroll	14.00%	13.51%	14.52%	15.27%	18.37%	15.41%

* GASB 68 requires presentation of ten years. As of December 31, 2018, only six years of information is available.

^ Covered payroll is measured as of the fiscal year end December 31.

Changes in benefit terms for KPERS. In the state fiscal year 2014, the KP&F group had a change in benefit terms. The Legislature increased this group's employee contributions to 7.15 percent and eliminated the reduction of employee contributions to 2.0 percent after 32 years of service. In addition, the maximum retirement benefit increased to 90 percent of final average salary (reached at 36 years of service). Before this change the maximum retirement benefit was limited to 80 percent of final average salary (reached at 32 years of service).

Effective January 1, 2014, KPERS 1 member's employee contribution rate increased to 5.0 percent and then on January 1, 2015, increase to 6.0 percent, with an increase in benefit multiplier to 1.85 percent for future years of service. For KPERS 2 members retired after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85 percent multiplier for all years of service.

January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

For the state fiscal year 2017, the KP&F group had a change in benefit terms. The Legislature changed the duty-related death benefit for KP&F members to the greater of 50% of Final Average Salary and member's accrued retirement benefit under the 100% joint and survivor option, payable to the member's spouse. Including any benefits that may be due to child beneficiaries, the total monthly benefits may not exceed 90% of the member's Final Average Salary. Prior to this bill, the duty-related spousal death benefit for KP&F member was 50% of the Final Average Salary, and the maximum available to the family was 75% of the member's Final Average Salary.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

For the state fiscal year 2017, the Legislature changed the working after retirement rules for members who retire on or after January 1, 2018. The key changes to the working after retirement rules were to lengthen the waiting period for KPERS members to return to work from 60 days to 180 days for members who retire before attaining age 62, remove the earnings limitation for all retirees and establish a single-employer contribution schedule for all retirees.

Changes in assumptions for KPERS. As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2016 and include:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.

Changes from the November 2016 experience study that impacted individual groups are listed below:

KPERS:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

KP&F:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table with 1-year age set forward and the MP-2016, is used to anticipate future mortality improvements.
- The mortality assumption for disabled members was changed to the RP-2014 Disabled Lives Table (generational using MP-2016) with a 1-year age set forward.
- The active member mortality assumption was modified to the RP-2014 Employee Mortality Table with a 1-year age set forward with a 90% scaling factor.
- The retirement rates for Tier 1 were lowered and the ultimate assumed retirement age was changed from 63 to 65 for Tier 2.
- The termination of employment rates for Tier 2 were increased to better match the observed experience.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Kansas City, Kansas Board of Public Utilities Retirement System's Net Pension Liability and Related Ratios

Fiscal Year Ended December 31, 2018

	2018	2017	2016	2015
Total Pension Liability				
Service cost	\$ 7,440,404	\$ 7,297,782	\$ 7,339,629	\$ 7,560,923
Interest on total pension liability	37,460,630	36,679,579	38,033,409	36,958,626
Difference between expected and actual experience	(10,311,840)	(14,572,637)	(9,622,386)	-
Assumption changes	5,161,410	12,331,048	(21,130,167)	-
Benefit payments, including member refunds	(32,206,227)	(31,747,866)	(31,346,590)	(30,832,788)
Net change in total pension liability	7,544,377	9,987,906	(16,726,105)	13,686,761
Total pension liability, beginning	484,051,193	474,063,287	490,789,392	477,102,631
Total pension liability, ending (a)	<u>\$ 491,595,570</u>	<u>\$ 484,051,193</u>	<u>\$ 474,063,287</u>	<u>\$ 490,789,392</u>
Plan Fiduciary Net Position				
Employer contributions	4,250,560	4,252,025	4,172,968	4,278,318
Employee contributions	4,250,560	4,252,025	4,172,968	4,278,318
Net investment income	74,677,580	27,612,362	3,875,505	27,423,709
Benefit payments, including member refunds	(32,206,227)	(31,747,866)	(31,346,590)	(30,832,788)
Administrative expenses	(461,577)	(371,417)	(332,625)	(338,801)
Net change in plan fiduciary net position	50,510,896	3,997,129	(19,457,774)	4,808,756
Plan fiduciary net position, beginning	463,601,202	459,604,073	479,061,847	474,253,091
Plan fiduciary net position, ending (b)	<u>\$ 514,112,098</u>	<u>\$ 463,601,202</u>	<u>\$ 459,604,073</u>	<u>\$ 479,061,847</u>
Net pension liability (asset), ending (a) - (b)	<u>\$ (22,516,528)</u>	<u>\$ 20,449,991</u>	<u>\$ 14,459,214</u>	<u>\$ 11,727,545</u>
Fiduciary net position as a percentage of the total pension liability	104.58%	95.78%	96.95%	97.61%
Covered payroll	\$ 50,272,605	\$ 50,070,440	\$ 50,400,000	\$ 49,091,000
Net pension liability (asset) as a percentage of covered payroll	-44.79%	40.84%	28.69%	23.89%

Note: Required schedule is intended to show 10-year trend. GASB 68 was adopted in 2015, as such, only four years are presented herein. Additional years will be added as they become available.

Changes of assumptions:

In 2018, the assumed COLA for post January 1, 1993 retirees was changed from 1% through 2022 and 3% thereafter to 1% through 2021 and 3% thereafter, for TPL purposes only.

In 2017, the assumed COLA for post January 1, 1993 retirees was changed from 1% through 2025 and 3% thereafter to 1% through 2022 and 3% thereafter, for TPL purposes only.

In 2016, the assumed COLA for post January 1, 1993 retirees was changed from 1% through 2020 and 3% thereafter to 1% through 2025 and 3% thereafter, for TPL purposes only.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Kansas City, Kansas Board of Public Utilities Retirement System Pension Contributions

Schedule of Employer Ten Year Contributions Fiscal Year Ended December 31, 2018 (Dollar amounts in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$6,458	\$5,789	\$7,263	\$7,428	\$7,887	\$8,398	\$7,257	\$5,817	\$5,269	\$6,959
Actual employer contributions	4,398	4,257	4,251	4,173	4,278	4,269	4,332	4,255	4,155	3,365
Contribution deficiency (excess)	\$2,059	\$1,532	\$3,012	\$3,255	\$3,609	\$4,129	\$2,925	\$1,562	\$1,114	\$3,594
Covered payroll	\$51,910	\$50,273	\$50,070	\$49,091	\$50,128	\$50,792	\$51,357	\$50,254	\$49,254	\$50,111
Contribution as a percentage of covered payroll	8.47%	8.47%	8.49%	8.50%	8.53%	8.41%	8.43%	8.47%	8.44%	6.72%

Notes to Required Supplementary Information for Contributions

The following actuarial methods and assumptions were used to determine the actuarially determined contribution reported in the most recent actuarial valuation (January 1, 2017):

Actuarial cost method	Entry age normal cost
Amortization method	Level percentage of payroll, closed, 15-year floor; 30-year level percent of payroll, open, if a surplus exists on a funding basis
Remaining amortization period	21 years
Asset valuation method	8-year smoothed market
Inflation	3.10 percent
Salary increases	4.70 percent - 11.00 percent, including inflation
Investment rate of return	8.00 percent
Cost-of-living adjustments	3.00 percent
Changes in benefits and funding tiers:	In 2010, The Pension Board Trustees adopted a new plan design for members hired on or after January 1, 2010. The new plan is a career average defined benefit plan. The Pension Board Trustees increased the member contribution rate from 5.5 percent to 8.5 percent. This also increased the BPU's matching contribution rate.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes of Unified Government Other Post Employment Benefits Liabilities and Related Ratios Health Insurance

Last Two Fiscal Years*

	2018	2017
Total OPEB liability		
Service cost	\$ 3,112,838	\$ 2,514,400
Interest	2,800,778	2,826,283
Change in assumptions	(10,022,757)	7,737,530
Net benefits paid by employer	(2,433,208)	(2,366,801)
Net change in total OPEB liability	(6,542,349)	10,711,412
Total OPEB liability - beginning	84,547,532	73,836,120
Total OPEB liability - ending	<u>\$ 78,005,183</u>	<u>\$ 84,547,532</u>
Covered-employee payroll	<u>\$ 135,895,482</u>	<u>\$ 130,414,240</u>
Total OPEB liability as a percentage of covered-employee payroll	57.40%	64.83%

•GASB 75 requires presentation of ten years. As of December 31, 2018, only two years of information is available.

Changes of assumptions. Changes of assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018 - 3.68%

2017 - 3.24%

2016 - 3.76%

For all years presented, amounts reflect difference in actual versus expected employer contributions.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes of Unified Government Other Post Employment Benefits Liabilities and Related Ratios Disability Benefits and Life Insurance

Last Two Fiscal Years*

	2018	2017
Measurement Date	June 30, 2018	June 30, 2017
Total OPEB liability		
Service cost	\$ 227,109	\$ 232,454
Interest	130,353	106,909
Effect of economic/demographic gains or losses	(212,732)	-
Effect of assumptions changes or inputs	(44,555)	(123,254)
Net benefits paid by employer	(278,094)	(363,462)
Net change in total OPEB liability	(177,919)	(147,353)
Total OPEB liability - beginning	3,551,851	3,699,204
Total OPEB liability - ending	<u>\$ 3,373,932</u>	<u>\$ 3,551,851</u>
Covered-employee payroll	<u>\$ 74,543,922</u>	<u>\$ 71,961,956</u>
Total OPEB liability as a percentage of covered-employee payroll	4.53%	4.94%

* GASB 75 requires presentation of ten years. As of December 31, 2018 only two years of information is available. There are no assets accumulated in the trust to pay related benefits.

Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.
- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.

Schedule of Changes of Kansas City, Kansas Board of Public Utilities Total OPEB Liability and Related Ratios

Last Fiscal Year*

	2018
Total OPEB liability	
Service cost	\$ 2,689,238
Interest	1,617,127
Net benefits paid by employer	(3,825,597)
Net change in total OPEB liability	480,768
Total OPEB liability - beginning	54,506,878
Total OPEB liability - ending	<u>\$ 54,987,646</u>
Covered-employee payroll	<u>\$ 48,709,400</u>
Total OPEB liability as a percentage of covered-employee payroll	112.89%

* GASB 75 requires presentation of ten years. As of December 31, 2018 only one year of information is available. There are no assets accumulated in the trust to pay related benefits. This information is presented as of the measurement date.

GOVERNMENTAL FUNDS

NonMajor Governmental Funds

Special Revenue Funds

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

- * **Clerk's Technology Fund**, created on January 1, 2015 by state statute, accounts for revenues received from specified fees charged by the County Treasurer to acquire equipment and technological services for the storing, recording, archiving, retrieving, maintaining and handling of data recorded, stored or generated in the office of the County Treasurer.
- * **Community Development Fund** is the Unified Government's entitlement grant from the U.S. Department of Housing and Urban Development (HUD). Federal regulation requires this fund be used to support services and activities benefiting low and moderate income households or areas of the city and county requiring special attention.
- * **Court Trustee Fund** supports providing services to children by establishing or enforcing court orders by the Court Trustee Office. All revenue is used to pay for child support enforcement activities.
- * **Dedicated Sales Tax Fund** was established on July 1, 2010 to pay for public safety services and neighborhood infrastructure. The public safety services are provided by the Kansas City, Kansas police & fire departments. The source of revenue is a 3/8th cent sales tax passed by Kansas City, Kansas voters on April 13, 2010. This special measure sales tax expires on June 30, 2020.
- * **Developmental Disability Fund** provides resources to support services for mental health or developmental disability clients in the County.
- * **Elections Fund** accounts for the administration of community-wide elections in Wyandotte County.
- * **Environmental Trust Fund** accumulates resources for future landfill maintenance costs.
- * **Health Department Fund** provides resources to support the County Health Department operations and capital expenditures.
- * **Jail Commissary Fund** accounts for the sales related to inmate clothing, food and personal products.
- * **Library Fund** collects and distributes property taxes to support services rendered by the Kansas City, Kansas Public Library.
- * **Mental Health Fund** disburses tax revenues for a variety of community mental health services provided by contracted, nonprofit corporations.
- * **Register of Deeds Technology Fund**, created in 2002 by state statute, accounts for revenues received from specified fees charged by the Register of Deeds to acquire equipment and technological services for storing, recording, archiving, retrieving, maintaining and handling of data recorded or stored in the office.
- * **Revolving Loan Fund** addresses very specific needs in the community by providing gap financing for businesses for expansion, job creation or retention. The majority of the revenue is interest income that is utilized to support the administrative costs of the program.

Special Revenue Funds continued

- * **Service Program for the Elderly Fund** provides resources for those citizens age 60 and over related to senior centers, transportation, education, and health-related concerns.
- * **Special 911 Tax Wyandotte County Fund** is a statewide 911 fee imposed per subscriber account (telephone numbers capable of accessing 911) that applies to hardwire, wireless and VoIP phones. The resources are used only for purposes required or permitted under the Kansas 911 Act.
- * **Special Alcohol Programs Fund** includes two separate programs. The Special Alcohol Program Grant Program funding is from a portion of the Government's liquor tax allocations from the State of Kansas, with expenditures restricted to providing services for alcohol abuse prevention, treatment or education. The Alcohol Diversion Program is funded through collection of fines from persons found in violation of driving under the influence of alcohol, K.S.A. 8-1567. This program's expenditures support community services targeting alcohol related programs.
- * **Special Asset Fund** accounts for resources associated with the sale or acquisition of significant government assets, including land and buildings. This fund accounts for any related debt payments, operating expenditures, or future land acquisition that may be budgeted from available resources.
- * **Special Grants Fund** accounts for grant revenues and related expenditures in the areas of Law Enforcement, Supportive Housing, Aging, Health, Community Correction, District Court, District Attorney, and other grants. A legal operating budget for this fund is not required; therefore, a budgetary schedule is not included in this financial report.
- * **Special Law Enforcement Fund** obtains revenues from drug-related court forfeitures and confiscated property. Expenditures are restricted to drug enforcement related programs.
- * **Special Parks and Recreation Fund** supports designated park improvement projects. Revenues generated from a portion of liquor sales tax receipts distributed by the State to the Unified Government.
- * **Special Street and Highway Fund** finances road improvement, development and maintenance. Revenues generated primarily from motor fuel taxes collected by the State and distributed to the Government.
- * **Tourism and Convention Promotion Fund** receives transient guest taxes levied on hotel and motel lodging within the Kansas City, Kansas. Resources apportioned to the Kansas City, Kansas Convention and Visitor Bureau, the maintenance and repair of Reardon Civic Center, and to support hotel development.
- * **Treasurer's Technology Fund**, created on January 1, 2015 by state statute, accounts for revenues received from specified fees charged by the County Treasurer to acquire equipment and technological services for the storing, recording, archiving, retrieving, maintaining and handling of data recorded, stored or generated in the office of the County Treasurer.

Debt Service Fund

Debt Service Fund is responsible for servicing the annual principal and interest payments on outstanding debt issued by the Unified Government. These bonds fund major capital improvement and maintenance projects. The primary source of revenue for this fund is from Ad Valorem Property Taxes. Segregation is maintained between debt supported by the boundaries of the City and debt supported by the County.

Capital Project Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

- * **County Initiative to Fund Infrastructure Fund** finances infrastructure projects that benefit all of the cities in the County.

- * **Public Building Commission Fund** accounts for resources for constructing, reconstructing, equipping, and furnishing buildings and facilities to be used for county-related Unified Government functions.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

As of December 31, 2018

	Special Revenue				
	Clerk's Technology	Community Development	Court Trustee	Dedicated Sales Tax	Developmental Disability
ASSETS					
Cash and investments	\$ 122,606	\$ -	\$ 739,255	\$ 2,801,175	\$ 384,109
Restricted cash and investments	-	-	-	-	-
Receivables (net of uncollectible)					
Property taxes	-	-	-	-	436,483
Other taxes	-	-	-	1,679,761	-
Accounts	-	178,829	-	-	-
Notes	-	-	-	-	-
Interest	-	-	-	-	-
Special assessments	-	8,408	-	-	-
Due from other funds	-	-	-	53,600	-
Due from other governments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
TOTAL ASSETS	\$ 122,606	\$ 187,237	\$ 739,255	\$ 4,534,536	\$ 820,592
LIABILITIES					
Accounts and contracts payable	\$ 793	\$ 81,115	\$ 3,668	\$ 246,481	\$ 884
Accrued wages and other	-	31,800	22,630	157,644	5,922
Due to others	-	14,122	-	-	-
Due to other funds	-	652,034	-	80,077	21
Due to other governments	-	14,464	-	-	-
TOTAL LIABILITIES	793	793,535	26,298	484,202	6,827
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax receivable	-	-	-	-	436,483
Unavailable revenue - interest	-	-	-	-	-
Unavailable revenue - grant receivables	-	68,779	-	-	-
Unavailable revenue - special assessments	-	8,408	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	77,187	-	-	436,483
FUND BALANCE					
Restricted	121,813	-	712,957	4,050,334	377,282
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(683,485)	-	-	-
TOTAL FUND BALANCE	121,813	(683,485)	712,957	4,050,334	377,282
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 122,606	\$ 187,237	\$ 739,255	\$ 4,534,536	\$ 820,592

continued

Special Revenue					
Elections	Environmental Trust	Health Department	Jail Commissary	Library	
\$ 486,124	\$ 1,642,493	\$ 648,537	\$ 239,818	\$ 1,042,751	
-	-	-	-	-	
1,102,630	-	1,967,983	-	2,721,246	
-	-	672	-	-	
-	256,394	-	-	-	
-	-	-	-	-	
-	-	-	-	14,765	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
\$ 1,588,754	\$ 1,898,887	\$ 2,617,192	\$ 239,818	\$ 3,778,762	
\$ 7,044	\$ 525,627	\$ 18,118	\$ 100	\$ -	
31,495	-	92,586	-	-	
-	-	78	-	-	
-	-	-	-	-	
-	-	-	-	-	
38,539	525,627	110,782	100	-	
1,102,630	-	1,967,983	-	2,721,246	
-	-	-	-	14,765	
-	-	-	-	-	
-	-	-	-	-	
1,102,630	-	1,967,983	-	2,736,011	
447,585	-	538,427	-	1,042,751	
-	1,373,260	-	239,718	-	
-	-	-	-	-	
-	-	-	-	-	
447,585	1,373,260	538,427	239,718	1,042,751	
\$ 1,588,754	\$ 1,898,887	\$ 2,617,192	\$ 239,818	\$ 3,778,762	

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - continued

As of December 31, 2018

	Special Revenue			
	Mental Health	Register of Deeds Tech	Revolving Loan	Service Program for the Elderly
ASSETS				
Cash and investments	\$ 105,969	\$ 192,442	\$ 319,945	\$ 146,362
Restricted cash and investments	-	-	41,209	-
Receivables (net of uncollectible)				
Property taxes	536,723	-	-	1,296,762
Other taxes	-	-	-	-
Accounts	-	-	-	148
Notes	-	-	383,641	-
Interest	-	-	-	-
Special assessments	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Advance to other funds	-	-	-	-
TOTAL ASSETS	\$ 642,692	\$ 192,442	\$ 744,795	\$ 1,443,272
LIABILITIES				
Accounts and contracts payable	\$ -	\$ 3,435	\$ 150	\$ 39,448
Accrued wages and other	-	-	-	54,942
Due to others	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
TOTAL LIABILITIES	-	3,435	150	94,390
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax receivable	536,723	-	-	1,296,762
Unavailable revenue - interest	-	-	-	-
Unavailable revenue - grant receivables	-	-	-	-
Unavailable revenue - special assessments	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	536,723	-	-	1,296,762
FUND BALANCE				
Restricted	105,969	189,007	744,645	52,120
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	105,969	189,007	744,645	52,120
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 642,692	\$ 192,442	\$ 744,795	\$ 1,443,272

continued

Special Revenue					
Special 911 Tax Wyandotte County	Special Alcohol Programs	Special Asset	Special Grants	Special Law Enforcement Program	
\$ 557,676	\$ 882,264	\$ 2,282,700	\$ 3,223,727	\$ 1,792,354	
-	42,860	-	-	-	
-	-	-	-	-	
131,804	-	-	-	-	
-	-	-	302,000	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	125,396	-	
-	-	-	-	-	
-	-	-	-	-	
\$ 689,480	\$ 925,124	\$ 2,282,700	\$ 3,651,123	\$ 1,792,354	
\$ 87,212	\$ 6,398	\$ -	\$ 233,833	\$ 138,792	
-	13,397	-	278,222	-	
-	-	-	-	306,159	
-	-	-	6,322	-	
-	-	-	-	-	
87,212	19,795	-	518,377	444,951	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
602,268	905,329	-	3,132,746	1,347,403	
-	-	-	-	-	
-	-	2,282,700	-	-	
-	-	-	-	-	
602,268	905,329	2,282,700	3,132,746	1,347,403	
\$ 689,480	\$ 925,124	\$ 2,282,700	\$ 3,651,123	\$ 1,792,354	

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - continued

As of December 31, 2018

	Special Revenue				
	Special Parks and Recreation	Special Street and Highway	Tourism and Convention Program	Treasurer's Technology	Total
ASSETS					
Cash and investments	\$ 167,679	\$ 2,351,887	\$ 4,809,970	\$ 139,807	\$ 25,079,650
Restricted cash and investments	-	-	-	-	84,069
Receivables (net of uncollectible)					
Property taxes	-	-	-	-	8,061,827
Other taxes	-	-	-	-	1,812,237
Accounts	-	-	-	-	737,371
Notes	-	-	-	-	383,641
Interest	-	-	-	-	14,765
Special assessments	-	-	-	-	8,408
Due from other funds	-	-	-	-	178,996
Due from other governments	-	-	776,706	-	776,706
Advance to other funds	-	-	-	-	-
TOTAL ASSETS	\$ 167,679	\$ 2,351,887	\$ 5,586,676	\$ 139,807	\$ 37,137,670
LIABILITIES					
Accounts and contracts payable	\$ 12,235	\$ 109,750	\$ 24,864	\$ 16,938	\$ 1,556,885
Accrued wages and other	4,549	212,658	-	-	905,845
Due to others	-	-	-	-	320,359
Due to other funds	-	14,346	-	-	752,800
Due to other governments	-	-	-	-	14,464
TOTAL LIABILITIES	16,784	336,754	24,864	16,938	3,550,353
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax receivable	-	-	-	-	8,061,827
Unavailable revenue - interest	-	-	-	-	14,765
Unavailable revenue - grant receivables	-	-	-	-	68,779
Unavailable revenue - special assessments	-	-	-	-	8,408
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	8,153,779
FUND BALANCE					
Restricted	150,895	2,015,133	-	122,869	16,659,533
Committed	-	-	5,561,812	-	7,174,790
Assigned	-	-	-	-	2,282,700
Unassigned	-	-	-	-	(683,485)
TOTAL FUND BALANCE	150,895	2,015,133	5,561,812	122,869	25,433,538
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 167,679	\$ 2,351,887	\$ 5,586,676	\$ 139,807	\$ 37,137,670

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - continued

As of December 31, 2018

	Debt Service		Capital Projects		Total Nonmajor Governmental Funds
	Debt Service Fund	County Initiative To Fund Infrastructure	Public Building Commission		2018
ASSETS					
Cash and investments	\$ 13,508,999	\$ 483	\$ -	\$	38,589,132
Restricted cash and investments	-	-	-		84,069
Receivables (net of uncollectible)					
Property taxes	21,850,399	-	-		29,912,226
Other taxes	134,781	-	-		1,947,018
Accounts	-	-	-		737,371
Notes	-	-	-		383,641
Interest	161,057	-	-		175,822
Special assessments	770,854	-	-		779,262
Due from other funds	1,573,344	-	-		1,752,340
Due from other governments	-	-	-		776,706
Advance to other funds	-	-	2,775,000		2,775,000
TOTAL ASSETS	\$ 37,999,434	\$ 483	\$ 2,775,000	\$	77,912,587
LIABILITIES					
Accounts and contracts payable	\$ 144,682	\$ -	\$ -	\$	1,701,567
Accrued wages and other	280,912	-	-		1,186,757
Due to others	-	-	-		320,359
Due to other funds	33,783	483	-		787,066
Due to other governments	-	-	-		14,464
TOTAL LIABILITIES	459,377	483	-		4,010,213
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax receivable	21,850,399	-	-		29,912,226
Unavailable revenue - interest	161,057	-	-		175,822
Unavailable revenue - grant receivables	-	-	-		68,779
Unavailable revenue - special assessments	770,854	-	-		779,262
TOTAL DEFERRED INFLOWS OF RESOURCES	22,782,310	-	-		30,936,089
FUND BALANCE					
Restricted	14,757,747	-	2,775,000		34,192,280
Committed	-	-	-		7,174,790
Assigned	-	-	-		2,282,700
Unassigned	-	-	-		(683,485)
TOTAL FUND BALANCE	14,757,747	-	2,775,000		42,966,285
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 37,999,434	\$ 483	\$ 2,775,000	\$	77,912,587

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2018

	Special Revenue				
	Clerk's Technology	Community Development	Court Trustee	Dedicated Sales Tax	Developmental Disability
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 10,390,797	\$ 469,350
Intergovernmental revenue	-	2,419,083	-	48,985	-
Charges for services	-	-	-	-	-
Fines, forfeitures and penalties	-	-	436,580	-	-
Interest income	-	646	-	-	-
Licenses, permits and fees	39,808	-	-	-	-
Miscellaneous revenues	-	39,193	-	73,818	35,100
TOTAL REVENUES	39,808	2,458,922	436,580	10,513,600	504,450
EXPENDITURES					
General government	10,242	73,114	4,446	275	1,913
Public works	-	-	-	-	-
Public safety	-	-	-	6,158,645	139
Judicial	-	-	458,163	-	-
Health and welfare	-	-	-	-	422,377
Planning and development	-	2,164,163	-	-	-
Parks and recreation	-	-	-	59,887	-
Capital outlay	-	63,831	-	3,575,760	26,604
Debt service					
Principal	-	280,000	-	396,639	-
Interest	-	-	-	32,511	-
Other	-	-	-	-	-
TOTAL EXPENDITURES	10,242	2,581,108	462,609	10,223,717	451,033
OTHER FINANCING SOURCES (USES)					
Issuance of bonds	-	-	-	-	-
Premium from issuance of bonds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(1,094,007)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(1,094,007)	-
NET CHANGE IN FUND BALANCE	29,566	(122,186)	(26,029)	(804,124)	53,417
FUND BALANCE					
Beginning of year	92,247	(561,299)	738,986	4,854,458	323,865
End of year	\$ 121,813	\$ (683,485)	\$ 712,957	\$ 4,050,334	\$ 377,282

continued

Special Revenue					
Elections	Environmental Trust	Health Department	Jail Commissary	Library	
\$ 1,185,011	\$ -	\$ 2,115,083	\$ -	\$ 2,941,629	
-	-	6,233	-	-	
3,845	1,150,452	298,235	-	-	
-	-	-	-	-	
-	-	-	-	13,189	
-	-	68,485	-	-	
11,731	19,638	500,515	53,668	-	
1,200,587	1,170,090	2,988,551	53,668	2,954,818	
1,294,477	-	23,762	-	2,785,567	
-	976,957	-	-	-	
1,095	-	10,372	4,726	-	
-	-	-	-	-	
-	-	3,056,132	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	38,807	23,991	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
1,295,572	1,015,764	3,114,257	4,726	2,785,567	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
(94,985)	154,326	(125,706)	48,942	169,251	
542,570	1,218,934	664,133	190,776	873,500	
\$ 447,585	\$ 1,373,260	\$ 538,427	\$ 239,718	\$ 1,042,751	

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS - continued

For the Year Ended December 31, 2018

	Special Revenue			
	Mental Health	Register of Deeds Tech	Revolving Loan	Service Program for the Elderly
REVENUES				
Taxes	\$ 576,857	\$ -	\$ -	\$ 1,393,255
Intergovernmental revenue	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Interest income	-	-	15,441	-
Licenses, permits and fees	-	163,046	-	-
Miscellaneous revenues	-	-	-	30,286
TOTAL REVENUES	576,857	163,046	15,441	1,423,541
EXPENDITURES				
General government	-	114,087	205,759	9,678
Public works	-	-	-	1,330,672
Public safety	-	-	-	1,247
Judicial	-	-	-	-
Health and welfare	540,000	-	-	415,888
Planning and development	-	-	-	-
Parks and recreation	-	-	-	-
Capital Outlay	-	-	-	103,796
Debt service				
Principal	-	-	-	64,997
Interest	-	-	-	5,007
Other	-	-	-	-
TOTAL EXPENDITURES	540,000	114,087	205,759	1,931,285
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	-	-	-
Premium from issuance of bonds	-	-	-	-
Transfers in	-	-	-	360,000
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	360,000
NET CHANGE IN FUND BALANCE	36,857	48,959	(190,318)	(147,744)
FUND BALANCE				
Beginning of year	69,112	140,048	934,963	199,864
End of year	\$ 105,969	\$ 189,007	\$ 744,645	\$ 52,120

continued

Special Revenue					
Special 911 Tax Wyandotte County	Special Alcohol Programs	Special Asset	Special Grants	Special Law Enforcement Program	
\$ 842,448	\$ 569,815	\$ -	\$ 48,351	\$ 120,777	
-	-	-	11,073,622	-	
-	-	-	37,083	-	
-	-	-	95,795	429,379	
-	-	-	-	57	
-	-	-	-	-	
-	-	-	2,231,010	153,489	
842,448	569,815	-	13,485,861	703,702	
-	337,151	-	116,755	-	
-	-	-	1,552,502	-	
601,333	-	-	1,150,188	127,374	
-	-	-	2,536,256	-	
-	-	-	8,300,430	-	
-	-	-	614,961	-	
-	-	-	87,165	-	
-	-	-	113,575	292,197	
-	-	345,000	-	-	
-	-	11,385	-	-	
-	-	-	-	-	
601,333	337,151	356,385	14,471,832	419,571	
-	-	-	-	-	
-	-	-	-	-	
-	7,557	-	100,000	-	
-	-	(2,500,000)	-	-	
-	7,557	(2,500,000)	100,000	-	
241,115	240,221	(2,856,385)	(885,971)	284,131	
361,153	665,108	5,139,085	4,018,717	1,063,272	
\$ 602,268	\$ 905,329	\$ 2,282,700	\$ 3,132,746	\$ 1,347,403	

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS - continued

For the Year Ended December 31, 2018

	Special Revenue				
	Special Parks and Recreation	Special Street and Highway	Tourism and Convention Program	Treasurer's Technology	Total
REVENUES					
Taxes	\$ 567,753	\$ -	\$ 3,619,198	\$ -	\$ 24,840,324
Intergovernmental revenue	-	7,540,546	-	-	21,088,469
Charges for services	-	-	-	-	1,489,615
Fines, forfeitures and penalties	-	-	-	-	961,754
Interest income	-	-	-	-	29,333
Licenses, permits and fees	-	-	-	39,808	311,147
Miscellaneous revenues	-	165,865	-	-	3,314,313
TOTAL REVENUES	567,753	7,706,411	3,619,198	39,808	52,034,955
EXPENDITURES					
General government	970	24,035	-	5,460	5,007,691
Public works	-	6,137,939	95,986	-	10,094,056
Public safety	172	4,123	-	-	8,059,414
Judicial	-	-	-	-	2,994,419
Health and welfare	-	-	-	-	12,734,827
Planning and development	-	-	1,107,897	-	3,887,021
Parks and recreation	308,074	-	-	-	455,126
Capital Outlay	144,584	132,314	-	15,806	4,531,265
Debt service					
Principal	-	741,781	185,000	-	2,013,417
Interest	-	46,053	25,893	-	120,849
Other	-	-	-	-	-
TOTAL EXPENDITURES	453,800	7,086,245	1,414,776	21,266	49,898,085
OTHER FINANCING SOURCES (USES)					
Issuance of bonds	-	-	-	-	-
Premium from issuance of bonds	-	-	-	-	-
Transfers in	15,371	-	-	-	482,928
Transfers out	(75,000)	-	-	-	(3,669,007)
TOTAL OTHER FINANCING SOURCES (USES)	(59,629)	-	-	-	(3,186,079)
NET CHANGE IN FUND BALANCE	54,324	620,166	2,204,422	18,542	(1,049,209)
FUND BALANCE					
Beginning of year	96,571	1,394,967	3,357,390	104,327	26,482,747
End of year	\$ 150,895	\$ 2,015,133	\$ 5,561,812	\$ 122,869	\$ 25,433,538

Debt Service		Capital Projects		Total Nonmajor Governmental Funds
Debt Service Fund	County Initiative To Fund Infrastructure	Public Building Commission		2018
\$ 25,521,848	\$ -	\$ -	\$	50,362,172
-	-	-		21,088,469
-	-	-		1,489,615
-	-	-		961,754
698,279	-	75,700		803,312
-	-	-		311,147
387,756	-	-		3,702,069
26,607,883	-	75,700		78,718,538
-	-	-		5,007,691
-	-	-		10,094,056
-	-	-		8,059,414
-	-	-		2,994,419
-	-	-		12,734,827
-	-	-		3,887,021
-	-	-		455,126
-	-	-		4,531,265
16,381,326	-	1,345,000		19,739,743
11,182,406	-	75,700		11,378,955
15,242	-	705,371		720,613
27,578,974	-	2,126,071		79,603,130
-	-	33,140,000		33,140,000
-	-	1,381,331		1,381,331
4,041,131	-	-		4,524,059
(83,348)	-	(33,815,960)		(37,568,315)
3,957,783	-	705,371		1,477,075
2,986,692	-	(1,345,000)		592,483
11,771,055	-	4,120,000		42,373,802
\$ 14,757,747	\$ -	\$ 2,775,000	\$	42,966,285

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: CLERK'S TECHNOLOGY FUND

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Fines, fees, forfeitures	\$ 46,531	\$ 42,000	\$ 45,000	\$ 39,808	\$ (5,192)
TOTAL REVENUES	<u>46,531</u>	<u>42,000</u>	<u>45,000</u>	<u>39,808</u>	<u>(5,192)</u>
EXPENDITURES					
Contractual services	4,300	40,000	44,239	9,482	34,757
Capital Outlay	-	12,500	5,000	760	4,240
Other	-	5,000	761	-	761
TOTAL EXPENDITURES	<u>4,300</u>	<u>57,500</u>	<u>50,000</u>	<u>10,242</u>	<u>39,758</u>
NET CHANGE IN FUND BALANCE	42,231	(15,500)	(5,000)	29,566	34,566
UNENCUMBERED FUND BALANCE					
Beginning of year	50,016	92,247	92,247	92,247	-
End of year	<u>\$ 92,247</u>	<u>\$ 76,747</u>	<u>\$ 87,247</u>	<u>\$ 121,813</u>	<u>\$ 34,566</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: COURT TRUSTEE

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Fines, fees, forfeitures	\$ 401,155	\$ 420,000	\$ 410,000	\$ 436,580	\$ 26,580
Miscellaneous revenue	6,394	-	-	-	-
TOTAL REVENUES	407,549	420,000	410,000	436,580	26,580
EXPENDITURES					
Personnel	334,215	440,517	417,708	354,955	62,753
Contractual services	72,975	89,608	104,668	96,497	8,171
Commodities	6,355	7,792	12,138	10,645	1,493
Other	-	45,000	45,513	512	45,001
TOTAL EXPENDITURES	413,545	582,917	580,027	462,609	117,418
NET CHANGE IN FUND BALANCE	(5,996)	(162,917)	(170,027)	(26,029)	143,998
UNENCUMBERED FUND BALANCE					
Beginning of year	745,004	739,008	739,008	739,008	-
End of year	<u>\$ 739,008</u>	<u>\$ 576,091</u>	<u>\$ 568,981</u>	<u>\$ 712,979</u>	<u>\$ 143,998</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: DEDICATED SALES TAX

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 9,769,800	\$ 10,364,000	\$ 10,200,000	\$ 10,346,372	\$ 146,372
Intergovernmental	27,626	-	-	48,985	48,985
Miscellaneous revenue	335,388	-	-	73,818	73,818
TOTAL REVENUES	10,132,814	10,364,000	10,200,000	10,469,175	269,175
EXPENDITURES					
Personnel	3,693,753	4,045,877	4,192,066	4,476,379	(284,313)
Contractual services	1,362,779	1,438,937	1,247,667	1,237,293	10,374
Commodities	855,957	684,900	564,882	503,128	61,754
Capital outlay	3,549,132	4,338,000	4,340,000	3,694,191	645,809
Other	-	-	30,000	2,859	27,141
TOTAL EXPENDITURES	9,461,621	10,507,714	10,374,615	9,913,850	460,765
OTHER FINANCING SOURCES (USES)					
Transfers out	(1,112,600)	(570,000)	(568,400)	(1,028,800)	(460,400)
TOTAL OTHER FINANCING SOURCES (USES)	(1,112,600)	(570,000)	(568,400)	(1,028,800)	(460,400)
NET CHANGE IN FUND BALANCE	(441,407)	(713,714)	(743,015)	(473,475)	269,540
UNENCUMBERED FUND BALANCE					
Beginning of year	1,387,383	945,976	945,976	945,976	-
End of year	<u>\$ 945,976</u>	<u>\$ 232,262</u>	<u>\$ 202,961</u>	<u>\$ 472,501</u>	<u>\$ 269,540</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: DEVELOPMENTAL DISABILITY

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 456,875	\$ 466,967	\$ 468,986	\$ 469,350	\$ 364
Miscellaneous revenue	34,190	-	25,000	35,100	10,100
TOTAL REVENUES	491,065	466,967	493,986	504,450	10,464
EXPENDITURES					
Personnel	145,066	186,028	203,027	176,930	26,097
Contractual services	310,720	323,879	264,713	239,831	24,882
Commodities	3,204	3,000	12,958	7,529	5,429
Capital outlay	-	-	26,604	26,604	-
Grants, claims, shared revenue	-	-	140	139	1
Other	-	85,000	85,000	-	85,000
TOTAL EXPENDITURES	458,990	597,907	592,442	451,033	141,409
NET CHANGE IN FUND BALANCE	32,075	(130,940)	(98,456)	53,417	151,873
UNENCUMBERED FUND BALANCE					
Beginning of year	275,795	307,870	307,870	307,870	-
End of year	<u>\$ 307,870</u>	<u>\$ 176,930</u>	<u>\$ 209,414</u>	<u>\$ 361,287</u>	<u>\$ 151,873</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: ELECTIONS

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 1,153,205	\$ 1,176,364	\$ 1,184,220	\$ 1,185,011	\$ 791
Charges for services	4,773	1,000	3,000	3,845	845
Miscellaneous revenue	224	8,000	50,000	11,731	(38,269)
TOTAL REVENUES	1,158,202	1,185,364	1,237,220	1,200,587	(36,633)
EXPENDITURES					
Personnel	743,691	856,517	856,517	806,014	50,503
Contractual services	344,878	492,087	491,887	418,022	73,865
Commodities	59,814	109,400	109,600	87,470	22,130
Other	-	20,000	20,000	1,095	18,905
TOTAL EXPENDITURES	1,148,383	1,478,004	1,478,004	1,312,601	165,403
NET CHANGE IN FUND BALANCE	9,819	(292,640)	(240,784)	(112,014)	128,770
UNENCUMBERED FUND BALANCE					
Beginning of year	533,012	542,831	542,831	542,831	-
End of year	<u>\$ 542,831</u>	<u>\$ 250,191</u>	<u>\$ 302,047</u>	<u>\$ 430,817</u>	<u>\$ 128,770</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: ENVIRONMENTAL TRUST

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Charges for services	\$ 1,059,491	\$ 1,050,000	\$ 1,060,000	\$ 1,066,138	\$ 6,138
Miscellaneous revenue	10,218	17,000	18,000	19,638	1,638
TOTAL REVENUES	1,069,709	1,067,000	1,078,000	1,085,776	7,776
EXPENDITURES					
Contractual services	826,668	950,000	990,000	987,434	2,566
Capital outlay	92,065	100,000	100,000	61,414	38,586
Other	-	80,000	40,000	-	40,000
TOTAL EXPENDITURES	918,733	1,130,000	1,130,000	1,048,848	81,152
NET CHANGE IN FUND BALANCE	150,976	(63,000)	(52,000)	36,928	88,928
UNENCUMBERED FUND BALANCE					
Beginning of year	1,058,179	1,209,155	1,209,155	1,209,155	-
End of year	<u>\$ 1,209,155</u>	<u>\$ 1,146,155</u>	<u>\$ 1,157,155</u>	<u>\$ 1,246,083</u>	<u>\$ 88,928</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: HEALTH DEPARTMENT

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 2,058,316	\$ 2,100,367	\$ 2,113,824	\$ 2,115,083	\$ 1,259
Intergovernmental revenue	9,079	4,000	4,000	6,233	2,233
Charges for services	484,305	598,800	537,700	298,235	(239,465)
Licenses and permits	73,452	74,500	74,000	68,485	(5,515)
Miscellaneous revenue	423,452	360,000	410,000	500,890	90,890
TOTAL REVENUES	3,048,604	3,137,667	3,139,524	2,988,926	(150,598)
EXPENDITURES					
Personnel	2,397,906	2,697,000	2,624,385	2,610,037	14,348
Contractual services	188,619	239,971	249,683	206,592	43,091
Commodities	144,872	191,909	185,686	89,292	96,394
Capital outlay	13,382	50,000	96,510	14,277	82,233
Grants, claims, shared revenue	200,000	200,000	202,194	202,194	-
Other	-	15,000	10,000	-	10,000
TOTAL EXPENDITURES	2,944,779	3,393,880	3,368,458	3,122,392	246,066
NET CHANGE IN FUND BALANCE	103,825	(256,213)	(228,934)	(133,466)	95,468
UNENCUMBERED FUND BALANCE					
Beginning of year	548,745	652,570	652,570	652,570	-
End of year	\$ 652,570	\$ 396,357	\$ 423,636	\$ 519,104	\$ 95,468

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: JAIL COMMISSARY

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Miscellaneous revenue	\$ 44,671	\$ 25,000	\$ 25,000	\$ 53,668	\$ 28,668
TOTAL REVENUES	<u>44,671</u>	<u>25,000</u>	<u>25,000</u>	<u>53,668</u>	<u>28,668</u>
EXPENDITURES					
Commodities	16,178	59,500	59,500	4,313	55,187
Contractual	7	500	500	413	87
TOTAL EXPENDITURES	<u>16,185</u>	<u>60,000</u>	<u>60,000</u>	<u>4,726</u>	<u>55,274</u>
NET CHANGE IN FUND BALANCE	28,486	(35,000)	(35,000)	48,942	83,942
UNENCUMBERED FUND BALANCE					
Beginning of year	151,882	180,368	180,368	180,368	-
End of year	<u>\$ 180,368</u>	<u>\$ 145,368</u>	<u>\$ 145,368</u>	<u>\$ 229,310</u>	<u>\$ 83,942</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: LIBRARY DISTRICT

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 2,807,949	\$ 2,816,930	\$ 2,953,403	\$ 2,941,629	\$ (11,774)
Interest income	5,346	3,000	3,000	13,189	10,189
TOTAL REVENUES	2,813,295	2,819,930	2,956,403	2,954,818	(1,585)
EXPENDITURES					
Contractual services	2,125	1,650	1,650	1,087	563
Other	2,651,884	3,122,038	3,122,038	2,784,480	337,558
TOTAL EXPENDITURES	2,654,009	3,123,688	3,123,688	2,785,567	338,121
NET CHANGE IN FUND BALANCE	159,286	(303,758)	(167,285)	169,251	336,536
UNENCUMBERED FUND BALANCE					
Beginning of year	714,216	873,502	873,502	873,502	-
End of year	<u>\$ 873,502</u>	<u>\$ 569,744</u>	<u>\$ 706,217</u>	<u>\$ 1,042,753</u>	<u>\$ 336,536</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: MENTAL HEALTH

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 561,366	\$ 571,904	\$ 576,475	\$ 576,857	\$ 382
TOTAL REVENUES	<u>561,366</u>	<u>571,904</u>	<u>576,475</u>	<u>576,857</u>	<u>382</u>
EXPENDITURES					
Contractual services	540,000	540,000	540,000	540,000	-
Other	-	40,000	40,000	-	40,000
TOTAL EXPENDITURES	<u>540,000</u>	<u>580,000</u>	<u>580,000</u>	<u>540,000</u>	<u>40,000</u>
NET CHANGE IN FUND BALANCE	21,366	(8,096)	(3,525)	36,857	40,382
UNENCUMBERED FUND BALANCE					
Beginning of year	47,744	69,110	69,110	69,110	-
End of year	<u>\$ 69,110</u>	<u>\$ 61,014</u>	<u>\$ 65,585</u>	<u>\$ 105,967</u>	<u>\$ 40,382</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: REGISTER OF DEEDS TECHNOLOGY FUND

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Fines/fees/forfeitures	\$ 160,237	\$ 155,000	\$ 160,000	\$ 163,046	\$ 3,046
Interest income	-	100	100	-	(100)
TOTAL REVENUES	160,237	155,100	160,100	163,046	2,946
EXPENDITURES					
Contractual services	68,528	170,170	130,170	114,087	16,083
TOTAL EXPENDITURES	68,528	170,170	130,170	114,087	16,083
NET CHANGE IN FUND BALANCE	91,709	(15,070)	29,930	48,959	19,029
UNENCUMBERED FUND BALANCE					
Beginning of year	90,387	182,096	182,096	182,096	-
End of year	<u>\$ 182,096</u>	<u>\$ 167,026</u>	<u>\$ 212,026</u>	<u>\$ 231,055</u>	<u>\$ 19,029</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: SERVICE PROGRAM FOR THE ELDERLY

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 1,355,659	\$ 1,382,631	\$ 1,392,431	\$ 1,393,255	\$ 824
Miscellaneous revenue	34,908	30,300	30,300	30,286	(14)
TOTAL REVENUES	1,390,567	1,412,931	1,422,731	1,423,541	810
EXPENDITURES					
Personnel	1,326,675	1,329,045	1,357,672	1,424,010	(66,338)
Contractual services	98,756	114,211	97,037	91,669	5,368
Commodities	218,383	235,098	252,282	244,519	7,763
Capital Outlay	34,235	195,400	213,759	173,800	39,959
Grants, claims, shared revenue	-	209	1,456	1,347	109
Other	-	10,000	10,000	-	10,000
TOTAL EXPENDITURES	1,678,049	1,883,963	1,932,206	1,935,345	(3,139)
OTHER FINANCING SOURCES (USES)					
Transfers in	170,000	360,000	360,000	360,000	-
TOTAL OTHER FINANCING SOURCES (USES)	170,000	360,000	360,000	360,000	-
NET CHANGE IN FUND BALANCE	(117,482)	(111,032)	(149,475)	(151,804)	(2,329)
UNENCUMBERED FUND BALANCE					
Beginning of year	315,657	198,175	198,175	198,175	-
End of year	\$ 198,175	\$ 87,143	\$ 48,700	\$ 46,371	\$ (2,329)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: SPECIAL 911 TAX - WYANDOTTE COUNTY

Year Ended December 31, 2018

	2017	2018			
		Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 806,841	\$ 800,000	\$ 814,910	\$ 842,448	\$ 27,538
Miscellaneous revenue	798	-	-	1,474	1,474
TOTAL REVENUES	807,639	800,000	814,910	843,922	29,012
EXPENDITURES					
Contractual services	500,371	550,000	629,000	605,365	23,635
Capital Outlay	-	300,000	300,000	272,773	27,227
Other	-	10,000	25,000	-	25,000
TOTAL EXPENDITURES	500,371	860,000	954,000	878,138	75,862
OTHER FINANCING SOURCES (USES)					
Transfers out	(291,000)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(291,000)	-	-	-	-
NET CHANGE IN FUND BALANCE	16,268	(60,000)	(139,090)	(34,216)	104,874
UNENCUMBERED FUND BALANCE					
Beginning of year	212,223	228,491	228,491	228,491	-
End of year	<u>\$ 228,491</u>	<u>\$ 168,491</u>	<u>\$ 89,401</u>	<u>\$ 194,275</u>	<u>\$ 104,874</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: SPECIAL ALCOHOL AND DRUG PROGRAMS

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 529,662	\$ 548,000	\$ 515,000	\$ 569,815	\$ 54,815
Fines, forfeitures and penalties	-	100	100	-	(100)
Miscellaneous revenue	-	-	-	164	164
TOTAL REVENUES	529,662	548,100	515,100	569,979	54,879
EXPENDITURES					
Personnel	251,164	354,306	338,367	275,686	62,681
Contractual services	59,288	121,928	127,292	54,783	72,509
Commodities	6,148	7,997	11,633	4,461	7,172
Grants, claims, shared revenue	151,781	249,500	249,802	302	249,500
Other	-	50,000	50,000	-	50,000
TOTAL EXPENDITURES	468,381	783,731	777,094	335,232	441,862
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	7,557	7,557
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	7,557	7,557
NET CHANGE IN FUND BALANCE	61,281	(235,631)	(261,994)	242,304	504,298
UNENCUMBERED FUND BALANCE					
Beginning of year	601,793	663,074	663,074	663,074	-
End of year	<u>\$ 663,074</u>	<u>\$ 427,443</u>	<u>\$ 401,080</u>	<u>\$ 905,378</u>	<u>\$ 504,298</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: SPECIAL ASSETS

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Miscellaneous revenue	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
EXPENDITURES					
Contractual services	-	250,000	250,000	-	250,000
Debt	-	-	-	356,385	(356,385)
Other	-	4,000,000	4,000,000	-	4,000,000
TOTAL EXPENDITURES	-	4,250,000	4,250,000	356,385	3,893,615
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	-	(2,500,000)	(2,500,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(2,500,000)	(2,500,000)
NET CHANGE IN FUND BALANCE	-	(4,250,000)	(4,250,000)	(2,856,385)	1,393,615
UNENCUMBERED FUND BALANCE					
Beginning of year	5,139,085	5,139,085	5,139,085	5,139,085	-
End of year	<u>\$ 5,139,085</u>	<u>\$ 889,085</u>	<u>\$ 889,085</u>	<u>\$ 2,282,700</u>	<u>\$ 1,393,615</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: SPECIAL PARKS AND RECREATION

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 523,868	\$ 548,000	\$ 515,000	\$ 567,753	\$ 52,753
Misc Revenue	12,983	-	-	-	-
TOTAL REVENUES	536,851	548,000	515,000	567,753	52,753
EXPENDITURES					
Personnel	186,150	200,070	198,688	175,547	23,141
Contractual services	90,000	150,000	140,500	124,039	16,461
Commodities	-	-	9,500	9,459	41
Capital outlay	323,377	233,000	215,000	139,052	75,948
Grants, Glaims, Shared Revenue	-	-	-	171	(171)
Others	-	-	10,000	-	10,000
TOTAL EXPENDITURES	599,527	583,070	573,688	448,268	125,420
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	15,371	15,371
Transfers out	-	-	-	(75,000)	(75,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(59,629)	(59,629)
NET CHANGE IN FUND BALANCE	(62,676)	(35,070)	(58,688)	59,856	118,544
UNENCUMBERED FUND BALANCE					
Beginning of year	153,783	91,107	91,107	91,107	-
End of year	<u>\$ 91,107</u>	<u>\$ 56,037</u>	<u>\$ 32,419</u>	<u>\$ 150,963</u>	<u>\$ 118,544</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: SPECIAL STREET AND HIGHWAY

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Intergovernmental revenue	\$ 7,047,146	\$ 7,000,000	\$ 7,000,000	\$ 7,540,546	\$ 540,546
Miscellaneous revenue	4,119	30,000	30,000	166,751	136,751
TOTAL REVENUES	7,051,265	7,030,000	7,030,000	7,707,297	677,297
EXPENDITURES					
Personnel	5,409,949	5,340,000	5,555,874	5,406,870	149,004
Contractual	-	90,000	90,000	32,464	57,536
Commodities	388,198	470,000	841,924	801,830	40,094
Capital outlay	998,806	1,549,500	1,021,576	1,020,149	1,427
Grants, claims, shared revenue	5,262	15,000	19,126	4,125	15,001
Other	-	100,000	34,000	-	34,000
TOTAL EXPENDITURES	6,802,215	7,564,500	7,562,500	7,265,438	297,062
OTHER FINANCING SOURCES (USES)					
Transfers out	(15,600)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(15,600)	-	-	-	-
NET CHANGE IN FUND BALANCE	233,450	(534,500)	(532,500)	441,859	974,359
UNENCUMBERED FUND BALANCE					
Beginning of year	940,535	1,173,985	1,173,985	1,173,985	-
End of year	<u>\$ 1,173,985</u>	<u>\$ 639,485</u>	<u>\$ 641,485</u>	<u>\$ 1,615,844</u>	<u>\$ 974,359</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: TOURISM AND CONVENTION PROMOTION

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 3,537,536	\$ 3,317,000	\$ 3,714,412	\$ 3,619,198	\$ (95,214)
Charges for Services	-	120,000	-	-	-
TOTAL REVENUES	3,537,536	3,437,000	3,714,412	3,619,198	(95,214)
EXPENDITURES					
Contractual	118,649	208,000	272,800	83,183	189,617
Commodities	4,371	32,000	47,200	34,051	13,149
Capital Outlay	-	447,500	1,267,500	884,241	383,259
Grants, claims, shared revenue	1,017,946	1,100,000	1,050,000	1,050,000	-
Debt service	192,522	210,893	210,893	210,893	-
Other	-	2,100,000	1,500,000	-	1,500,000
TOTAL EXPENDITURES	1,333,488	4,098,393	4,348,393	2,262,368	2,086,025
NET CHANGE IN FUND BALANCE	2,204,048	(661,393)	(633,981)	1,356,830	1,990,811
UNENCUMBERED FUND BALANCE					
Beginning of year	361,052	2,565,100	2,565,100	2,565,100	-
End of year	<u>\$ 2,565,100</u>	<u>\$ 1,903,707</u>	<u>\$ 1,931,119</u>	<u>\$ 3,921,930</u>	<u>\$ 1,990,811</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

SPECIAL REVENUE FUND: TREASURER'S TECHNOLOGY FUND

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Fines, forfeitures and penalties	\$ 46,531	\$ 42,000	\$ 45,000	\$ 39,808	\$ (5,192)
TOTAL REVENUES	<u>46,531</u>	<u>42,000</u>	<u>45,000</u>	<u>39,808</u>	<u>(5,192)</u>
EXPENDITURES					
Contractual Services	-	-	8,658	5,460	3,198
Capital Outlay	13,893	30,500	30,500	15,806	14,694
TOTAL EXPENDITURES	<u>13,893</u>	<u>30,500</u>	<u>39,158</u>	<u>21,266</u>	<u>17,892</u>
NET CHANGE IN FUND BALANCE	32,638	11,500	5,842	18,542	12,700
UNENCUMBERED FUND BALANCE					
Beginning of year	69,285	101,923	101,923	101,923	-
End of year	<u>\$ 101,923</u>	<u>\$ 113,423</u>	<u>\$ 107,765</u>	<u>\$ 120,465</u>	<u>\$ 12,700</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

DEBT SERVICE FUND - CITY

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 22,333,355	\$ 20,400,751	\$ 22,875,100	\$ 22,469,186	\$ (405,914)
Intergovernmental revenue	4,573	-	-	-	-
Interest income	69,982	30,000	30,000	132,214	102,214
Miscellaneous revenue	777,913	643,157	643,157	645,923	2,766
TOTAL REVENUES	<u>23,185,823</u>	<u>21,073,908</u>	<u>23,548,257</u>	<u>23,247,323</u>	<u>(300,934)</u>
EXPENDITURES					
Contractual Services	30,037	30,000	30,000	10,999	19,001
Debt service	31,048,359	31,891,422	31,875,937	33,160,498	(1,284,561)
Other	-	1,000,000	1,000,000	-	1,000,000
TOTAL EXPENDITURES	<u>31,078,396</u>	<u>32,921,422</u>	<u>32,905,937</u>	<u>33,171,497</u>	<u>(265,560)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	8,273,883	10,768,914	8,649,196	10,744,207	2,095,011
Transfers out	(27,478)	(294,300)	(294,300)	-	294,300
TOTAL OTHER FINANCING SOURCES (USES)	<u>8,246,405</u>	<u>10,474,614</u>	<u>8,354,896</u>	<u>10,744,207</u>	<u>2,389,311</u>
NET CHANGE IN FUND BALANCE	353,832	(1,372,900)	(1,002,784)	820,033	1,822,817
UNENCUMBERED FUND BALANCE					
Beginning of year	7,172,596	7,526,428	7,526,428	7,526,428	-
End of year	<u>\$ 7,526,428</u>	<u>\$ 6,153,528</u>	<u>\$ 6,523,644</u>	<u>\$ 8,346,461</u>	<u>\$ 1,822,817</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

DEBT SERVICE FUND - COUNTY

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 2,970,889	\$ 2,970,146	\$ 3,054,613	\$ 3,065,906	\$ 11,293
Interest income	11,722	5,000	5,000	55,097	50,097
Miscellaneous revenue	386,361	478,711	478,711	387,756	(90,955)
TOTAL REVENUES	3,368,972	3,453,857	3,538,324	3,508,759	(29,565)
EXPENDITURES					
Contractual Services	4,803	6,000	6,000	4,247	1,753
Capital Outlay	120,352	230,000	239,999	235,048	4,951
Debt service	2,420,341	2,270,714	2,777,003	2,777,002	1
Other	-	1,650,000	300,000	-	300,000
TOTAL EXPENDITURES	2,545,496	4,156,714	3,323,002	3,016,297	306,705
OTHER FINANCING SOURCES (USES)					
Transfers in	1,500,000	-	1,370,961	1,458,638	87,677
TOTAL OTHER FINANCING SOURCES (USES)	1,500,000	-	1,370,961	1,458,638	87,677
NET CHANGE IN FUND BALANCE	2,323,476	(702,857)	1,586,283	1,951,100	364,817
UNENCUMBERED FUND BALANCE					
Beginning of year	459,843	2,783,319	2,783,319	2,783,319	-
End of year	<u>\$ 2,783,319</u>	<u>\$ 2,080,462</u>	<u>\$ 4,369,602</u>	<u>\$ 4,734,419</u>	<u>\$ 364,817</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

CAPITAL PROJECTS FUND: COUNTY INITIATIVE TO FUND INFRASTRUCTURE

Year Ended December 31, 2018

	2017	2018			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
OTHER FINANCING SOURCES (USES)					
Transfers out	(697)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(697)	-	-	-	-
NET CHANGE IN FUND BALANCE	(697)	-	-	-	-
UNENCUMBERED FUND BALANCE					
Beginning of year	697	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -	\$ -



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ENTERPRISE FUNDS

Proprietary Funds

Proprietary funds are a group of funds that account for activities that are often seen in the private sector and are operated in a similar manner as in the private sector.

Enterprise Funds

Revenues from user service fees directly fund the six funds contained in the Enterprise Funds category. Of the six funds, two funds are considered major funds, the Sewer System Fund and the Kansas City, Kansas Board of Public Utilities Fund. Statements for these two major enterprise funds are included in the Basic Financial Statements found in the Financial Section of this document. A comparative budgetary schedule of the Sewer System Fund is presented in this report

- * **Sewer System Enterprise Fund** provides financing for Water Pollution Control and is responsible for day-to-day and future operations, routine system maintenance, capital investment and payment on outstanding debt.
- * **Board of Public Utilities (BPU) Fund** is the Unified Government's electric and water utility system managed, operated, maintained and controlled on a day-to-day basis by the Board of Public Utilities. The BPU is an administrative agency of the Unified Government. The BPU water and electric utility assets are owned by the Unified Government.

Non Major Enterprise Funds

- * **Emergency Medical Services Fund** was established on January 1, 2005 to pay for emergency medical services, including ambulance transport provided by the Kansas City, Kansas Fire Department. Primary sources of revenue are a one-fourth cent public safety sales tax passed by Kansas City, Kansas voters on June 8, 2004 and various charges for services.
- * **Public Levee Enterprise Fund** expends lease income revenues to pay for the operation of and improvements to office and warehouse space located in the Fairfax Industrial District, and for payments on outstanding debt. The facility contains approximately 560,000 square feet of industrial and office space on approximately 111 acres.
- * **Stormwater Utility Enterprise Fund** receives revenue from the Stormwater Utility fee that is used to fund the operations, maintenance, capital improvements and debt service for the Unified Government's Municipal Separate Storm Sewer System.
- * **Sunflower Hills Golf Course Fund**, established through an interlocal agreement, provides funding for an 18-hole, 192-acre championship golf course and clubhouse facilities. Revenues are generated from greens fees, cart rentals and concessions.
- * **Stadium Fund** records the revenues and expenditures related to the operations of a professional baseball stadium acquired by the Unified Government in 2014.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

As of December 31, 2018

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
ASSETS						
Cash and temporary investments	\$ 1,447,183	\$ 403,502	\$ 3,663,454	\$ 19,756	\$ 1,377,412	\$ 6,911,307
Restricted cash and temporary investments	-	-	173,745	-	-	173,745
Receivables (net uncollectible)						
Taxes	1,119,841	-	-	-	-	1,119,841
Accounts and returns	912,702	5,371	351,075	758	324,670	1,594,576
Due from other funds	223,123	-	11,899	-	-	235,022
Capital assets	7,149,560	116,598	28,142,090	5,529,769	6,277,835	47,215,852
Construction in progress	94,065	-	2,203,264	-	-	2,297,329
Accumulated depreciation	(2,426,234)	-	(1,378,140)	(4,339,613)	(383,793)	(8,527,780)
TOTAL ASSETS	8,520,240	525,471	33,167,387	1,210,670	7,596,124	51,019,892
DEFERRED OUTFLOWS OF RESOURCES						
Deferred refunding	-	36,550	-	-	-	36,550
Deferred outflows - pensions	1,639,879	-	44,219	33,376	-	1,717,474
Deferred outflows - OPEB	181,642	-	13,413	10,212	-	205,267
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,821,521	36,550	57,632	43,588	-	1,959,291
LIABILITIES						
CURRENT LIABILITIES						
Accounts and contracts payable	181,213	-	222,526	12,243	18,749	434,731
Accrued wages and other	208,366	-	17,578	11,610	-	237,554
Accrued interest payable	-	15,600	333,502	1	-	349,103
Due to other funds	66,257	-	-	1,565,587	-	1,631,844
Compensated absences payable	319,484	-	-	1,468	-	320,952
Current maturities of long-term debt	534,506	220,000	947,310	3,701	-	1,705,517
Total current liabilities	1,309,826	235,600	1,520,916	1,594,610	18,749	4,679,701
LONG-TERM LIABILITIES						
Compensated absences payable	4,878,406	-	-	27,984	-	4,906,390
Capital lease payable	2,069,536	-	-	-	-	2,069,536
General obligation bonds payable (net of unamortized premiums)	-	1,419,605	21,675,621	-	-	23,095,226
Total OPEB liability	2,402,560	-	182,900	139,217	-	2,724,677
Net pension liability	8,214,832	-	287,634	217,114	-	8,719,580
Total long-term liabilities	17,565,334	1,419,605	22,146,155	384,315	-	41,515,409
TOTAL LIABILITIES	18,875,160	1,655,205	23,667,071	1,978,925	18,749	46,195,110
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - pensions	485,033	-	15,349	11,586	-	511,968
Deferred inflows - OPEB	270,113	-	20,275	15,435	-	305,823
TOTAL DEFERRED INFLOWS OF RESOURCES	755,146	-	35,624	27,021	-	817,791
NET POSITION						
Net investment in capital assets	2,213,349	(1,523,007)	6,518,028	1,186,455	5,894,042	14,288,867
Unrestricted	(11,501,894)	429,823	3,004,296	(1,938,143)	1,683,333	(8,322,585)
TOTAL NET POSITION	\$ (9,288,545)	\$ (1,093,184)	\$ 9,522,324	\$ (751,688)	\$ 7,577,375	\$ 5,966,282

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION

NONMAJOR ENTERPRISE FUNDS
Year ended December 31, 2018

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
OPERATING REVENUES						
Charges for service	\$ 4,767,990	\$ -	\$ -	\$ 646,631	\$ -	\$ 5,414,621
Fines/forfeits/fees	-	-	3,467,149	-	-	3,467,149
Earned lease income	-	329,544	-	-	162,374	491,918
Miscellaneous revenues	17,607	-	-	-	35,254	52,861
TOTAL OPERATING REVENUES	4,785,597	329,544	3,467,149	646,631	197,628	9,426,549
OPERATING EXPENSES						
Cost of sales and service	9,524,059	62,912	2,251,672	710,093	484,706	13,033,442
Depreciation and amortization	660,628	-	422,980	109,396	93,461	1,286,465
TOTAL OPERATING EXPENSES	10,184,687	62,912	2,674,652	819,489	578,167	14,319,907
Operating income (loss)	(5,399,090)	266,632	792,497	(172,858)	(380,539)	(4,893,358)
NON-OPERATING REVENUES (EXPENSES)						
Taxes	6,927,197	-	-	-	-	6,927,197
Interest earnings	8,547	7,653	122,670	47,722	13,310	199,902
Interest expense	(16,663)	(45,571)	(896,240)	(5,270)	-	(963,744)
Gain (loss) on sale of capital assets	(71,937)	-	-	-	-	(71,937)
TOTAL NON-OPERATING REVENUES (EXPENSES)	6,847,144	(37,918)	(773,570)	42,452	13,310	6,091,418
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,448,054	228,714	18,927	(130,406)	(367,229)	1,198,060
Transfers in	65,591	-	-	79,500	558,983	704,074
Transfers out	(2,361,000)	-	(8,936,959)	-	-	(11,297,959)
Capital contributions-local government	-	-	1,737,189	-	-	1,737,189
TOTAL CONTRIBUTIONS AND TRANSFERS	(2,295,409)	-	(7,199,770)	79,500	558,983	(8,856,696)
CHANGE IN NET POSITION	(847,355)	228,714	(7,180,843)	(50,906)	191,754	(7,658,636)
Beginning of year	(8,441,190)	(1,321,898)	16,722,859	(685,916)	7,385,621	13,659,476
Prior period adjustment	-	-	(19,692)	(14,866)	-	(34,558)
End of year	\$ (9,288,545)	\$ (1,093,184)	\$ 9,522,324	\$ (751,688)	\$ 7,577,375	\$ 5,966,282

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

Year ended December 31, 2018

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 4,785,597	\$ 329,544	\$ 3,465,240	\$ 646,631	\$ 6,033	\$ 9,233,045
Payments to suppliers	(2,169,739)	(62,912)	(1,803,218)	(107,406)	(556,178)	(4,699,453)
Payments to employees	(6,203,367)	-	(414,248)	(308,249)	-	(6,925,864)
NET CASH FLOW FROM OPERATING ACTIVITIES	(3,587,509)	266,632	1,247,774	230,976	(550,145)	(2,392,272)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Receipts from sales taxes	6,897,581	-	-	-	-	6,897,581
Transfer in	65,591	-	-	79,500	558,983	704,074
Transfers out	(2,361,000)	-	(8,936,959)	-	-	(11,297,959)
NET CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES	4,602,172	-	(8,936,959)	79,500	558,983	(3,696,304)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal paid on bonds	-	(215,000)	(656,297)	(220,000)	-	(1,091,297)
Principal paid on capital lease	(656,409)	-	-	(63,612)	-	(720,021)
Proceeds from issuance of bonds	-	-	9,074,792	-	-	9,074,792
Proceeds from disposal of capital assets	54,000	-	-	-	-	54,000
Interest paid on bonds and capital leases	(16,663)	(43,217)	(667,800)	(56,325)	-	(784,005)
Payments for debt issuance costs	-	-	(137,883)	-	-	(137,883)
Acquisition of capital assets	(356,472)	-	(215,429)	-	(39,310)	(611,211)
NET CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(975,544)	(258,217)	7,397,383	(339,937)	(39,310)	5,784,375
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	28,927	8,057	132,319	47,562	13,310	230,175
NET CASH FLOW FROM INVESTING ACTIVITIES	28,927	8,057	132,319	47,562	13,310	230,175
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	68,046	16,472	(159,483)	18,101	(17,162)	(74,026)
CASH AND CASH EQUIVALENTS						
Beginning of year	1,379,137	387,030	3,996,682	1,655	1,394,574	7,159,078
End of year	\$ 1,447,183	\$ 403,502	\$ 3,837,199	\$ 19,756	\$ 1,377,412	\$ 7,085,052

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
RECONCILIATION OF OPERATING INCOME TO						
CASH FLOWS FROM OPERATING ACTIVITIES						
Operating income (loss)	\$ (5,399,090)	\$ 266,632	\$ 792,497	\$ (172,858)	\$ (380,539)	\$ (4,893,358)
Adjustments to reconcile operating income (loss) to cash flow from operating activities						
Depreciation and amortization	660,628	-	422,980	109,396	93,461	1,286,465
Changes in assets and liabilities						
Accounts receivable	-	-	(1,909)	-	(191,595)	(193,504)
Deferred outflows - pensions	(38,684)	-	(10,898)	(9,843)	-	(59,425)
Deferred outflows - OPEB	28,337	-	1,932	1,472	-	31,741
Accrued wages and expenses	40,390	-	2,666	1,167	-	44,223
Accounts payable	(163,153)	-	(28,971)	909	(71,472)	(262,687)
Accrued vacation and sick pay	505,695	-	-	7,886	-	513,581
Due to other funds	-	-	-	228,800	-	228,800
Total OPEB liability	(201,504)	-	(14,746)	(11,228)	-	(227,478)
Net pension liability	695,697	-	65,326	60,101	-	821,124
Deferred inflows - pensions	14,062	-	(754)	212	-	13,520
Deferred inflows - OPEB	270,113	-	19,651	14,962	-	304,726
NET CASH FROM OPERATING ACTIVITIES	\$ (3,587,509)	\$ 266,632	\$ 1,247,774	\$ 230,976	\$ (550,145)	\$ (2,392,272)
SUPPLEMENTAL DISCLOSURE OF NONCASH						
CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions-local government	\$ -	\$ -	\$ 1,737,189	\$ -	\$ -	\$ 1,737,189
Property, plant and equipment acquired with capital leases	2,111,182	-	-	-	-	2,111,182

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

ENTERPRISE FUND: SEWER SYSTEM

Year ended December 31, 2018

	2017	2018			
	Actual Amounts	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final Amended		
OPERATING REVENUES					
Charges for services	\$ 40,008,645	\$ 39,108,000	\$ 39,403,000	\$ 38,928,222	\$ (474,778)
Permits and licenses	315,276	286,000	321,000	307,250	(13,750)
Miscellaneous revenues	263,823	42,500	45,000	145,979	100,979
TOTAL OPERATING REVENUES	40,587,744	39,436,500	39,769,000	39,381,451	(387,549)
OPERATING EXPENSES					
Personnel costs	8,922,646	8,850,000	9,767,458	9,801,987	(34,529)
Contractual services	3,343,782	4,350,699	4,276,118	3,385,462	890,656
Commodities	3,347,293	3,656,811	4,711,402	3,874,012	837,390
Capital outlay	8,458,351	9,143,800	9,816,800	9,602,466	214,334
Grants, claims and shared revenue	5,760,663	5,876,845	6,132,706	5,993,136	139,570
TOTAL OPERATING EXPENSES	29,832,735	31,878,155	34,704,484	32,657,063	2,047,421
Net operating income (loss)	10,755,009	7,558,345	5,064,516	6,724,388	1,659,872
NON-OPERATING REVENUES (EXPENSES)					
Tax revenue	17,026	16,500	16,500	12,819	(3,681)
Transfers In	500,000	100,000	430,000	-	(430,000)
Interest earnings	240,824	250,000	600,000	523,017	(76,983)
Bond issue proceeds	8,267,623	-	-	-	-
Debt premium	1,557,071	-	-	-	-
Debt service	(5,505,821)	(2,850,000)	(4,844,000)	(4,534,250)	309,750
Other	-	(500,000)	(32,600)	-	32,600
Transfers out: debt service	(5,753,365)	(8,690,281)	(5,774,825)	(5,774,825)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(676,642)	(11,673,781)	(9,604,925)	(9,773,239)	(168,314)
NET CHANGE IN UNENCUMBERED FUND BALANCE	10,078,367	(4,115,436)	(4,540,409)	(3,048,851)	1,491,558
UNENCUMBERED FUND BALANCE					
Beginning of year	19,057,300	29,135,667	29,135,667	29,135,667	-
End of year	<u>\$ 29,135,667</u>	<u>\$ 25,020,231</u>	<u>\$ 24,595,258</u>	<u>\$ 26,086,816</u>	<u>\$ 1,491,558</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

ENTERPRISE FUND: EMERGENCY MEDICAL SERVICES

Year ended December 31, 2018

	2017	2018			
	Actual Amounts	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final Amended		
OPERATING REVENUES					
Charges for service	\$ 4,275,169	\$ 4,633,000	\$ 4,633,000	\$ 4,767,990	\$ 134,990
Miscellaneous revenues	-	-	-	18,257	18,257
TOTAL OPERATING REVENUES	4,275,169	4,633,000	4,633,000	4,786,247	153,247
OPERATING EXPENSES					
Personnel costs	5,746,191	5,801,409	5,766,244	6,243,758	(477,514)
Contractual services	504,509	597,833	732,833	691,020	41,813
Commodities	854,817	1,053,572	918,572	845,049	73,523
Capital outlay	1,242,660	1,508,000	1,346,000	883,072	462,928
Grants,claims,shared revenue	514,624	486,070	489,826	489,825	1
TOTAL OPERATING EXPENSES	8,862,801	9,446,884	9,253,475	9,152,724	100,751
Net operating income (loss)	(4,587,632)	(4,813,884)	(4,620,475)	(4,366,477)	253,998
NON-OPERATING REVENUES (EXPENSES)					
Tax revenue	6,106,707	6,909,000	6,500,000	6,897,582	397,582
Transfers in	23,825	-	-	-	-
Interest earnings	19,057	5,000	25,000	28,926	3,926
Transfers out	(2,556,000)	(2,256,000)	(2,256,000)	(2,361,000)	(105,000)
Other non-operating income	85,512	-	-	54,000	54,000
Other non-operating expense	-	(100,000)	(30,000)	-	30,000
TOTAL NON-OPERATING REVENUES (EXPENSES)	3,679,101	4,558,000	4,239,000	4,619,508	380,508
NET CHANGE IN UNENCUMBERED FUND BALANCE	(908,531)	(255,884)	(381,475)	253,031	634,506
UNENCUMBERED FUND BALANCE					
Beginning of year	1,369,762	461,231	461,231	461,231	-
End of year	\$ 461,231	\$ 205,347	\$ 79,756	\$ 714,262	\$ 634,506

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

ENTERPRISE FUND: PUBLIC LEVEE

Year ended December 31, 2018

	2017	2018			
	Actual Amounts	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final Amended		
OPERATING REVENUES					
Miscellaneous revenues	\$ 328,707	\$ 328,000	\$ 329,000	\$ 329,544	\$ 544
TOTAL OPERATING REVENUES	<u>328,707</u>	<u>328,000</u>	<u>329,000</u>	<u>329,544</u>	<u>544</u>
OPERATING EXPENSES					
Contractual services	63,648	140,000	70,000	62,911	7,089
Capital outlay	-	10,000	10,000	-	10,000
Other expenses	-	50,000	50,000	-	50,000
TOTAL OPERATING EXPENSES	<u>63,648</u>	<u>200,000</u>	<u>130,000</u>	<u>62,911</u>	<u>67,089</u>
Net operating income (loss)	<u>265,059</u>	<u>128,000</u>	<u>199,000</u>	<u>266,633</u>	<u>67,633</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest earnings	3,213	2,000	6,000	6,579	579
Transfer out: debt service	(261,040)	(256,740)	(256,740)	(256,740)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(257,827)</u>	<u>(254,740)</u>	<u>(250,740)</u>	<u>(250,161)</u>	<u>579</u>
NET CHANGE IN UNENCUMBERED FUND BALANCE	<u>7,232</u>	<u>(126,740)</u>	<u>(51,740)</u>	<u>16,472</u>	<u>68,212</u>
UNENCUMBERED FUND BALANCE					
Beginning of year	<u>284,811</u>	<u>292,043</u>	<u>292,043</u>	<u>292,043</u>	<u>-</u>
End of year	<u>\$ 292,043</u>	<u>\$ 165,303</u>	<u>\$ 240,303</u>	<u>\$ 308,515</u>	<u>\$ 68,212</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

ENTERPRISE FUND: STORMWATER

Year ended December 31, 2018

	2017	2018			
	Actual Amounts	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final Amended		
OPERATING REVENUES					
Fines, forfeitures and penalties	\$ 3,453,628	\$ 3,400,000	\$ 3,460,000	\$ 3,467,149	\$ 7,149
Miscellaneous revenues	17,551	-	-	13,745	13,745
TOTAL OPERATING REVENUES	3,471,179	3,400,000	3,460,000	3,480,894	20,894
OPERATING EXPENSES					
Personnel costs	385,685	450,000	470,072	416,914	53,158
Contractual services	265,016	266,650	267,971	216,171	51,800
Commodities	2,098	2,000	2,000	646	1,354
Capital outlay	1,470,708	1,900,000	1,898,679	1,395,651	503,028
Grants, claims, shared revenue	285,715	346,600	346,942	346,941	1
TOTAL OPERATING EXPENSES	2,409,222	2,965,250	2,985,664	2,376,323	609,341
Net operating income (loss)	1,061,957	434,750	474,336	1,104,571	630,235
NON-OPERATING REVENUES (EXPENSES)					
Interest earnings	27,701	15,000	55,000	63,290	8,290
Bond issue proceeds	149,485	-	-	-	-
Debt premium	29,468	-	-	-	-
Debt service	(997)	-	-	(4,744)	(4,744)
Transfers out: debt service	(1,101,933)	(1,101,893)	(1,249,230)	(1,249,230)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(896,276)	(1,086,893)	(1,194,230)	(1,190,684)	3,546
NET CHANGE IN UNENCUMBERED FUND BALANCE	165,681	(652,143)	(719,894)	(86,113)	633,781
UNENCUMBERED FUND BALANCE					
Beginning of year	2,004,855	2,170,536	2,170,536	2,170,536	-
End of year	\$ 2,170,536	\$ 1,518,393	\$ 1,450,642	\$ 2,084,423	\$ 633,781

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

ENTERPRISE FUND: SUNFLOWER HILLS GOLF COURSE

Year ended December 31, 2018

	2017	2018			
	Actual Amounts	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Amended		
OPERATING REVENUES					
Charges for service	\$ 637,721	\$ 615,000	\$ 645,000	\$ 646,631	\$ 1,631
Miscellaneous revenues	-	150,000	150,000	-	(150,000)
TOTAL OPERATING REVENUES	637,721	765,000	795,000	646,631	(148,369)
OPERATING EXPENSES					
Personnel costs	293,676	265,000	289,793	309,414	(19,621)
Contractual services	173,510	192,610	204,307	204,303	4
Commodities	128,245	116,400	132,589	132,584	5
Grants	-	-	228	228	-
Capital outlay	70,777	63,300	67,461	63,747	3,714
TOTAL OPERATING EXPENSES	666,208	637,310	694,378	710,276	(15,898)
Net operating income (loss)	(28,487)	127,690	100,622	(63,645)	(164,267)
NON-OPERATING REVENUES (EXPENSES)					
Interest earnings	119	-	10,000	171	(9,829)
Transfers out: debt service	-	(150,000)	(145,953)	-	145,953
Transfers In	15,000	15,000	70,000	79,500	9,500
TOTAL NON-OPERATING REVENUES (EXPENSES)	15,119	(135,000)	(65,953)	79,671	145,624
NET CHANGE IN UNENCUMBERED FUND BALANCE	(13,368)	(7,310)	34,669	16,026	(18,643)
UNENCUMBERED FUND BALANCE					
Beginning of year	7,529	(5,839)	(5,839)	(5,839)	-
End of year	<u>\$ (5,839)</u>	<u>\$ (13,149)</u>	<u>\$ 28,830</u>	<u>\$ 10,187</u>	<u>\$ (18,643)</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)

ENTERPRISE FUND: STADIUM (T-BONES)

Year ended December 31, 2018

	2017	2018			
	Actual Amounts	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final Amended		
OPERATING REVENUES					
Miscellaneous revenues	\$ 116,391	\$ 159,898	\$ 159,898	\$ 197,628	\$ 37,730
TOTAL OPERATING REVENUES	116,391	159,898	159,898	197,628	37,730
OPERATING EXPENSES					
Contractual services	181,011	193,600	197,585	203,893	(6,308)
Commodities	184,293	267,100	313,115	272,093	41,022
Capital outlay	85,954	150,000	150,000	123,148	26,852
TOTAL OPERATING EXPENSES	451,258	610,700	660,700	599,134	61,566
Net operating income (loss)	(334,867)	(450,802)	(500,802)	(401,506)	99,296
NON-OPERATING REVENUES (EXPENSES)					
Interest earnings	9,627	4,000	33,000	15,986	(17,014)
Transfer in	260,000	150,000	250,000	558,983	308,983
Transfer out	-	(50,000)	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	269,627	104,000	283,000	574,969	291,969
NET CHANGE IN UNENCUMBERED FUND BALANCE	(65,240)	(346,802)	(217,802)	173,463	391,265
UNENCUMBERED FUND BALANCE					
Beginning of year	2,290,683	2,225,443	2,225,443	2,225,443	-
End of year	\$ 2,225,443	\$ 1,878,641	\$ 2,007,641	\$ 2,398,906	\$ 391,265



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**INTERNAL
SERVICE
FUNDS**

Internal Service Funds

Internal Service Funds derive their revenues primarily from other Unified Government units and exist to support the implementation of an internal function.

- * **Workers' Compensation Fund** receives revenue from the Unified Government operating departments to pay claims submitted by Unified Government employees related to injuries incurred on the job. The fund also pays for administrative services associated with claims review.
- *
Health Benefits Fund receives premium revenue and contributions from current and former employees and from the Unified Government as the employer's share of premiums for health insurance. Expenses include claims paid on behalf of employees and covered dependents, insurance premiums to the health plans, administrative services associated with claims review of self-insured plans, and stop-loss insurance premiums for the self-insured plans.
- * **Cafeteria Plan (Section 125) Fund** receives deductions from employees' salary and reimburses employees for expenses related to medical claims or dependent care. All contributions not claimed by employees revert to the Unified Government.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

As of December 31, 2018

	Workers'	Self-Insured	Cafeteria	Totals
	Compensation	Health Care	Plan (Section 125)	Internal Service
ASSETS				
Cash and investments	\$ -	\$ -	\$ 170,866	\$ 170,866
Restricted cash	1,982,687	2,719,960	-	4,702,647
Accounts receivable	-	547,834	115	547,949
TOTAL ASSETS	\$ 1,982,687	\$ 3,267,794	\$ 170,981	\$ 5,421,462
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 2,196	\$ 162,440	\$ -	\$ 164,636
Due to other funds	-	3,080,148	-	3,080,148
Due to others	-	82,584	-	82,584
Claims incurred but not reported	1,374,008	2,600,000	-	3,974,008
Total current liabilities	1,376,204	5,925,172	-	7,301,376
LONG-TERM LIABILITIES				
Claims incurred but not reported	2,447,992	-	-	2,447,992
Total long-term liabilities	2,447,992	-	-	2,447,992
TOTAL LIABILITIES	3,824,196	5,925,172	-	9,749,368
NET POSITION				
Net position	\$ (1,841,509)	\$ (2,657,378)	\$ 170,981	\$ (4,327,906)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

ALL INTERNAL SERVICE FUNDS

Year ended December 31, 2018

	Workers'	Self-Insured	Cafeteria	Totals
	Compensation	Health Care	Plan	Internal
			(Section 125)	Service
OPERATING REVENUES				
Miscellaneous revenues	\$ 3,023,227	\$ 33,075,492	\$ 267,063	\$ 36,365,782
Reimbursements	-	2,352,046	-	2,352,046
TOTAL OPERATING REVENUES	3,023,227	35,427,538	267,063	38,717,828
OPERATING EXPENSES				
Cost of sales and service	3,018,821	35,867,778	267,127	39,153,726
TOTAL OPERATING EXPENSES	3,018,821	35,867,778	267,127	39,153,726
Net operating income (loss)	4,406	(440,240)	(64)	(435,898)
NON-OPERATING REVENUE				
Interest income	-	48,330	-	48,330
Transfers in	500,000	-	-	500,000
TOTAL NON-OPERATING REVENUES	500,000	48,330	-	548,330
NET INCOME (LOSS)	504,406	(391,910)	(64)	112,432
NET POSITON				
Beginning of year	(2,345,915)	(2,265,468)	171,045	(4,440,338)
End of year	\$ (1,841,509)	\$ (2,657,378)	\$ 170,981	\$ (4,327,906)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Year ended December 31, 2018

	Workers'	Self-Insured	Cafeteria	Totals
	Compensation	Health Care	Plan (Section 125)	2018
CASH FLOWS FROM OPERATING				
ACTIVITIES				
Receipts from customers	\$ 3,023,227	\$ 34,972,080	\$ 267,063	\$ 38,262,370
Payments to employees and suppliers	(1,872,771)	(34,090,238)	(267,127)	(36,230,136)
NET CASH FLOWS FROM				
OPERATING ACTIVITIES	1,150,456	881,842	(64)	2,032,234
CASH FLOWS FROM NON-CAPITAL				
FINANCING ACTIVITIES:				
Transfer in	500,000	-	-	500,000
NET CASH FLOW FROM NON-CAPITAL				
FINANCING ACTIVITIES	500,000	-	-	500,000
CASH FLOWS FROM INVESTING				
ACTIVITIES:				
Interest on investments	-	48,330	-	48,330
NET CASH FLOW FROM				
INVESTING ACTIVITIES	-	48,330	-	48,330
NET INCREASE (DECREASE) IN				
CASH AND CASH EQUIVALENTS	1,650,456	930,172	(64)	2,580,564
CASH AND CASH EQUIVALENTS				
Beginning of year	332,231	1,789,788	170,930	2,292,949
End of year	\$ 1,982,687	\$ 2,719,960	\$ 170,866	\$ 4,873,513
RECONCILIATION OF OPERATING INCOME				
TO CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 4,406	\$ (440,240)	\$ (64)	\$ (435,898)
Changes in assets and liabilities				
Accounts receivable	-	(455,458)	-	(455,458)
Accounts payable	(10,950)	(1,495,398)	-	(1,506,348)
Claims incurred	1,157,000	186,000	-	1,343,000
Due to others	-	6,790	-	6,790
Due to other funds	-	3,080,148	-	3,080,148
	\$ 1,150,456	\$ 881,842	\$ (64)	\$ 2,032,234

AGENCY FUNDS

Fiduciary Funds

Fiduciary funds are trust and agency funds which account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. These include expendable trust funds, non-expendable trust funds, pension trust funds, and agency funds.

Agency Funds

Agency Funds hold funding for short periods of time operating primarily as a clearing account. All cash balances are offset by amounts due to others. Agency funds render custodial care to assets pending disbursement to outside entities.

- * **Agency Fund**
- * **Fire Insurance Proceeds Fund**
- * **Kansas State Withholding Fund**
- * **Payroll Deductions Clearing Fund**
- * **Register of Deeds Agency Fund**
- * **Sheriff Agency Fund**
- * **County-wide Tax Collection Agency Fund**
- * **County-wide Tax Distribution Agency Fund**
- * **US Savings Bonds Agency Fund**

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS
Year ended December 31, 2018

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

	Balance		Balance	
	Jan 1, 2018	Additions	Deductions	Dec 31, 2018
<u>AGENCY FUND</u>				
ASSETS				
Cash and investments	\$ 145,138	\$ 741,234	\$ 761,288	\$ 125,084
TOTAL ASSETS	\$ 145,138	\$ 741,234	\$ 761,288	\$ 125,084
LIABILITIES				
Accounts payable	\$ 68,311	\$ 1,241,842	\$ 1,260,371	\$ 49,782
Due to others	76,027	158,100	159,225	74,902
Due to other governments	800	5,050	5,450	400
TOTAL LIABILITIES	\$ 145,138	\$ 1,404,992	\$ 1,425,046	\$ 125,084

FIRE INSURANCE PROCEEDS

ASSETS				
Cash and investments	\$ 340,473	\$ 180,911	\$ 151,424	\$ 369,960
TOTAL ASSETS	\$ 340,473	\$ 180,911	\$ 151,424	\$ 369,960
LIABILITIES				
Due to others	\$ 340,473	\$ 181,226	\$ 151,739	\$ 369,960
TOTAL LIABILITIES	\$ 340,473	\$ 181,226	\$ 151,739	\$ 369,960

KANSAS STATE WITHHOLDING

ASSETS				
Cash and investments	\$ (1,465)	\$ 5,889,277	\$ 5,889,287	\$ (1,475)
Due from other funds	-	1,686,365	1,686,365	-
TOTAL ASSETS	\$ (1,465)	\$ 7,575,642	\$ 7,575,652	\$ (1,475)
LIABILITIES				
Due to other governments	\$ (1,465)	\$ 5,889,277	\$ 5,889,287	\$ (1,475)
TOTAL LIABILITIES	\$ (1,465)	\$ 5,889,277	\$ 5,889,287	\$ (1,475)

continued

	Balance			Balance		
	Jan 1, 2018	Additions	Deductions	Dec 31, 2018		
<u>PAYROLL DEDUCTIONS CLEARING</u>						
ASSETS						
Cash and investments	\$ 45,514	\$ 102,973,868	\$ 103,094,297	\$ (74,915)		
Due from other funds	-	29,190,093	29,190,093	-		
TOTAL ASSETS	\$ 45,514	\$ 132,163,961	\$ 132,284,390	\$ (74,915)		
LIABILITIES						
Accounts payable	\$ 45,514	\$ 146,222,124	\$ 146,342,553	\$ (74,915)		
TOTAL LIABILITIES	\$ 45,514	\$ 146,222,124	\$ 146,342,553	\$ (74,915)		
<u>REGISTER OF DEEDS</u>						
ASSETS						
Cash and investments	\$ 46,990	\$ 1,943,649	\$ 1,934,323	\$ 56,316		
TOTAL ASSETS	\$ 46,990	\$ 1,943,649	\$ 1,934,323	\$ 56,316		
LIABILITIES						
Due to other governments	\$ 46,990	\$ 1,943,649	\$ 1,934,323	\$ 56,316		
TOTAL LIABILITIES	\$ 46,990	\$ 1,943,649	\$ 1,934,323	\$ 56,316		
<u>SHERIFF</u>						
ASSETS						
Cash and investments	\$ 90,630	\$ 1,486,355	\$ 1,583,630	\$ (6,645)		
TOTAL ASSETS	\$ 90,630	\$ 1,486,355	\$ 1,583,630	\$ (6,645)		
LIABILITIES						
Due to others	\$ 90,630	\$ 1,486,355	\$ 1,583,630	\$ (6,645)		
TOTAL LIABILITIES	\$ 90,630	\$ 1,486,355	\$ 1,583,630	\$ (6,645)		
<u>TAX COLLECTION</u>						
ASSETS						
Cash and investments	\$ 123,403,260	\$ 258,288,573	\$ 248,552,221	\$ 133,139,612		
Accounts receivable	15,141	933,102	777,910	170,333		
TOTAL ASSETS	\$ 123,418,401	\$ 259,221,675	\$ 249,330,131	\$ 133,309,945		
LIABILITIES						
Accounts payable	\$ (96,097)	\$ 1,922,584	\$ 1,857,592	\$ (31,105)		
Due to others	13,930	3,277,074	3,277,303	13,701		
Due to other governments	123,500,568	255,426,688	245,599,907	133,327,349		
TOTAL LIABILITIES	\$ 123,418,401	\$ 260,626,346	\$ 250,734,802	\$ 133,309,945		

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

Year ended December 31, 2018

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

	Balance Jan 1, 2018	Additions	Deductions	Balance Dec 31, 2018
TAX DISTRIBUTION				
ASSETS				
Cash and investments	\$ 27,867	\$ 131,116,153	\$ 131,081,895	\$ 62,125
TOTAL ASSETS	\$ 27,867	\$ 131,116,153	\$ 131,081,895	\$ 62,125
LIABILITIES				
Due to other governments	\$ 27,867	\$ 130,520,105	\$ 130,485,847	\$ 62,125
TOTAL LIABILITIES	\$ 27,867	\$ 130,520,105	\$ 130,485,847	\$ 62,125

U.S. SAVINGS BONDS

ASSETS				
Cash and investments	\$ 3,392	\$ -	\$ -	\$ 3,392
TOTAL ASSETS	\$ 3,392	\$ -	\$ -	\$ 3,392
LIABILITIES				
Due to other governments	\$ 3,392	\$ -	\$ -	\$ 3,392
TOTAL LIABILITIES	\$ 3,392	\$ -	\$ -	\$ 3,392

TOTALS - ALL AGENCY FUNDS

ASSETS				
Cash and investments	\$ 124,101,799	\$ 502,620,020	\$ 493,048,365	\$ 133,673,454
Accounts receivable	15,141	933,102	777,910	170,333
Due from other funds	-	30,876,458	30,876,458	-
TOTAL ASSETS	\$ 124,116,940	\$ 534,429,580	\$ 524,702,733	\$ 133,843,787
LIABILITIES				
Accounts payable	\$ 17,728	\$ 149,386,550	\$ 149,460,516	\$ (56,238)
Due to others	521,060	5,102,755	5,171,897	451,918
Due to other governments	123,578,152	393,784,769	383,914,814	133,448,107
TOTAL LIABILITIES	\$ 124,116,940	\$ 548,274,074	\$ 538,547,227	\$ 133,843,787

STATISTICAL SECTION

Table of Contents - Statistical Section

This part of the Unified Government'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 government's overall financial health.

166 Financial Trends

These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.

178 Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the Government's ability to generate its property and sales tax.

187 Debt Capacity

These schedules present information to help the reader assess the affordability of the Government's current levels of outstanding debt and the Government's ability to issue additional debt in the future.

195 Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Government's financial activities take place and to help make comparisons over time and with other governments.

197 Operating Information

These schedules contain information about the Government's operations and resources to help the reader understand how the Government's financial information relates to the services the Government provides and the activities it performs.

TABLE 1

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities					
Net investments in capital assets	\$ 221,299,106	\$ 255,635,959	\$ 265,081,754	\$ 229,277,747	\$ 240,297,777
Restricted	16,963,758	15,109,099	15,014,405	52,449,466	54,073,195
Unrestricted	(56,097,289)	(100,727,833)	(124,052,943)	(131,703,070)	(203,472,943)
Total governmental activities net position	<u>\$ 182,165,575</u>	<u>\$ 170,017,225</u>	<u>\$ 156,043,216</u>	<u>\$ 150,024,143</u>	<u>\$ 90,898,029</u>
Business-type activities					
Net investments in capital assets	\$ 425,007,799	\$ 420,099,070	\$ 419,256,036	\$ 428,738,821	\$ 423,372,753
Restricted	57,809,722	53,623,425	100,186,670	69,552,333	48,963,655
Unrestricted	(872,495)	23,503,122	(22,225,539)	2,992,459	32,521,978
Total business-type activities net position	<u>\$ 481,945,026</u>	<u>\$ 497,225,617</u>	<u>\$ 497,217,167</u>	<u>\$ 501,283,613</u>	<u>\$ 504,858,386</u>
Primary government					
Net investments in capital assets	\$ 646,306,905	\$ 675,735,029	\$ 684,337,790	\$ 658,016,568	\$ 663,670,530
Restricted	74,773,480	68,732,524	115,201,075	122,001,799	103,036,850
Unrestricted	(56,969,784)	(77,224,711)	(146,278,482)	(128,710,611)	(170,950,965)
Total primary government net position	<u>\$ 664,110,601</u>	<u>\$ 667,242,842</u>	<u>\$ 653,260,383</u>	<u>\$ 651,307,756</u>	<u>\$ 595,756,415</u>

TABLE 1

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities					
Net investments in capital assets	\$ 225,110,072	\$ 218,839,753	\$ 225,611,496	\$ 226,298,253	\$ 249,395,151
Restricted	50,125,523	79,616,230	84,133,876	74,886,254	86,512,929
Unrestricted	(192,652,386)	(354,048,111)	(353,178,248)	(315,942,908)	(338,402,058)
Total governmental activities net position	<u>\$ 82,583,209</u>	<u>\$ (55,592,128)</u>	<u>\$ (43,432,876)</u>	<u>\$ (14,758,401)</u>	<u>\$ (2,493,978)</u>
Business-type activities					
Net investments in capital assets	\$ 429,605,573	\$ 432,030,655	\$ 471,942,667	\$ 488,707,860	\$ 499,366,603
Restricted	28,935,418	24,783,759	25,717,935	25,954,674	49,511,293
Unrestricted	54,496,015	69,117,940	42,417,360	45,185,221	(4,798,090)
Total business-type activities net position	<u>\$ 513,037,006</u>	<u>\$ 525,932,354</u>	<u>\$ 540,077,962</u>	<u>\$ 559,847,755</u>	<u>\$ 544,079,806</u>
Primary government					
Net investments in capital assets	\$ 654,715,645	\$ 650,870,408	\$ 697,554,163	\$ 715,006,113	\$ 748,761,754
Restricted	79,060,941	104,399,989	109,851,811	100,840,928	136,024,222
Unrestricted	(138,156,371)	(284,930,171)	(310,760,888)	(270,757,687)	(343,200,148)
Total primary government net position	<u>\$ 595,620,215</u>	<u>\$ 470,340,226</u>	<u>\$ 496,645,086</u>	<u>\$ 545,089,354</u>	<u>\$ 541,585,828</u>

Unified Government of Wyandotte County and Kansas City, Kansas

TABLE 2

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2009	2010	2011	2012	2013
Expenses					
Governmental activities:					
General government	\$ 28,883,020	\$ 27,087,733	\$ 25,079,952	\$ 26,520,320	\$ 30,174,513
Public safety	135,838,855	128,169,717	127,440,244	130,719,941	139,770,779
Public works	58,231,382	49,439,819	58,107,781	77,746,268	66,930,633
Health and welfare	14,496,775	14,729,903	14,320,574	14,062,319	13,282,130
Parks and recreation	9,409,508	6,476,736	5,495,405	5,263,063	5,914,099
Planning and development	23,102,672	41,321,126	32,662,526	26,627,128	98,996,868
Interest on long-term debt	15,629,555	17,491,196	17,257,843	21,701,853	21,087,848
Total governmental activities expenses	\$ 285,591,767	\$ 284,716,230	\$ 280,364,325	\$ 302,640,892	\$ 376,156,870
Business-type activities:					
Electric and Water systems	\$ 236,173,513	\$ 221,565,124	\$ 245,026,662	\$ 256,465,888	\$ 250,339,905
Public levee	1,504,174	1,413,301	1,163,555	1,162,015	282,208
EMS	6,944,949	7,367,253	7,024,655	7,392,927	8,209,082
Stormwater	661,304	1,480,508	1,527,906	1,512,216	2,566,832
Sewer system	23,788,544	17,772,564	20,809,633	22,012,623	25,489,647
Sunflower Hills golf course	819,472	679,706	800,540	825,125	810,075
Stadium	-	-	-	-	-
Total business-type activities expenses	\$ 269,891,956	\$ 250,278,456	\$ 276,352,951	\$ 289,370,794	\$ 287,697,749
Total primary government expenses	\$ 555,483,723	\$ 534,994,686	\$ 556,717,276	\$ 592,011,686	\$ 663,854,619
Program Revenues					
Charges for services:					
General government	\$ 3,549,937	\$ 4,623,345	\$ 3,088,044	\$ 3,579,602	\$ 3,462,929
Public safety	9,073,041	9,840,757	8,835,402	8,744,676	7,409,484
Public works	6,693,601	8,028,250	8,307,791	8,614,203	8,082,739
Health and welfare	789,085	162,850	805,818	706,109	790,631
Parks and recreation	585,003	1,166,756	635,219	547,780	559,687
Planning and development	2,259,151	3,201,347	3,838,439	4,480,536	4,742,195
Operating grants and contributions:					
General government	857,042	886,779	954,831	1,449,387	1,166,459
Public safety	4,685,658	6,135,125	6,856,885	6,761,464	6,165,685
Public works	7,863,473	7,696,076	7,388,647	8,766,393	7,875,791
Health and welfare	7,921,420	8,087,027	7,808,448	7,260,100	6,780,351
Parks and recreation	3,050,717	2,700,000	-	10,000	-
Planning and development	8,537,247	12,826,305	9,216,477	8,881,541	49,748,299
Interest on long-term debt	-	340,372	720,537	1,141,970	640,848
Capital grants and contributions:					
Public works	2,742,209	1,446,928	-	-	-
Public safety	-	-	-	273,032	5,081,790
Planning and development	217,585	649,659	426,781	1,009,906	444,495
Total governmental activities program revenues	\$ 58,825,169	\$ 67,791,576	\$ 58,883,319	\$ 62,226,699	\$ 102,951,383
Business-type activities:					
Charges for services:					
Electric and Water systems	\$ 210,068,949	\$ 237,159,626	\$ 243,459,904	\$ 261,315,976	\$ 260,084,320
EMS	4,251,550	4,414,666	4,383,301	4,589,845	4,419,792
Public Levee	1,077,112	850,896	854,894	820,070	562,467
Stormwater	1,004,109	2,213,075	2,921,111	3,429,547	3,329,932
Sewer system	18,140,230	19,855,939	21,001,659	23,633,571	23,758,894
Sunflower Hill golf course	715,492	669,895	636,032	707,015	605,497
Stadium	-	-	-	-	-
Operating grants and contributions:					
Capital grants and contributions:					
Electric and Water systems	209,965	300,888	59,048	130,878	234,557
Sewer system	-	566,162	271,701	192,083	23,480
Stadium	-	-	-	-	-
Total business-type activities program revenues	\$ 235,467,407	\$ 266,031,147	\$ 273,587,650	\$ 294,818,985	\$ 293,018,939
Total primary government program revenues	\$ 294,292,576	\$ 333,822,723	\$ 332,470,969	\$ 357,045,684	\$ 395,970,322
Net (Expense)/Revenue					
Governmental activities	\$ (226,766,598)	\$ (216,924,654)	\$ (221,481,006)	\$ (240,414,193)	\$ (273,205,487)
Business-type activities	(34,424,549)	15,752,691	(2,765,301)	5,448,191	5,321,190
Total primary government net expense	\$ (261,191,147)	\$ (201,171,963)	\$ (224,246,307)	\$ (234,966,002)	\$ (267,884,297)

Unified Government of Wyandotte County and Kansas City, Kansas

TABLE 2

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	\$ 29,291,061	\$ 28,081,551	\$ 31,250,339	\$ 30,324,399	\$ 30,447,281
Public safety	139,643,321	134,877,172	139,151,974	139,866,477	145,559,280
Public works	68,859,206	76,009,713	62,108,387	65,534,985	64,795,863
Health and welfare	13,382,429	13,069,750	15,530,414	14,957,543	13,880,444
Parks and recreation	5,673,770	5,556,053	5,967,847	7,448,621	7,828,508
Planning and development	52,390,674	67,407,166	45,154,673	24,245,427	24,699,526
Interest on long-term debt	20,301,957	20,104,585	20,602,274	20,321,679	25,531,319
Total governmental activities expenses	\$ 329,542,418	\$ 345,105,990	\$ 319,765,908	\$ 302,699,131	\$ 312,742,221
Business-type activities:					
Electric and Water systems	\$ 271,053,725	\$ 273,413,456	\$ 270,044,786	\$ 273,413,258	\$ 284,157,531
Public levee	3,000,572	211,632	190,179	113,519	108,483
EMS	7,219,336	7,218,816	7,266,969	10,132,328	10,201,350
Stormwater	2,715,369	2,908,812	2,831,245	2,006,057	3,570,892
Sewer system	25,285,207	23,147,910	25,676,909	28,894,047	35,149,846
Sunflower Hills golf course	784,808	719,991	757,028	782,958	824,759
Stadium	534,030	552,003	742,200	528,497	578,167
Total business-type activities expenses	\$ 310,593,047	\$ 308,172,620	\$ 307,509,316	\$ 315,870,664	\$ 334,591,028
Total primary government expenses	\$ 640,135,465	\$ 653,278,610	\$ 627,275,224	\$ 618,569,795	\$ 647,333,249
Program Revenues					
Charges for services:					
General government	\$ 3,326,556	\$ 4,962,124	\$ 5,802,345	\$ 5,014,382	\$ 6,619,097
Public safety	7,366,395	7,640,286	5,702,180	5,679,690	5,856,608
Public works	9,083,896	9,175,237	8,828,774	9,489,049	9,638,427
Health and welfare	635,196	736,527	711,645	868,595	403,803
Parks and recreation	603,504	625,328	618,126	616,285	618,120
Planning and development	4,473,996	6,673,326	5,792,374	4,975,089	4,927,775
Operating grants and contributions:					
General government	1,165,087	1,263,590	1,172,971	1,198,765	2,450,678
Public safety	6,090,741	5,700,271	3,845,781	3,814,692	2,536,718
Public works	7,813,656	8,194,694	12,394,593	8,893,059	8,619,522
Health and welfare	6,933,040	6,824,396	7,047,909	6,400,927	6,629,010
Parks and recreation	-	-	41,835	20,000	46,096
Planning and development	42,916,513	54,585,186	26,439,262	4,489,930	4,054,685
Interest on long-term debt	624,583	604,126	594,493	608,384	637,748
Capital grants and contributions:					
Public works	428,954	241,773	358,375	25,086	37,700
Public safety	199,841	336,597	595,000	-	85,000
Planning and development	449,878	383,781	404,275	353,008	1,253,471
Total governmental activities program revenues	\$ 92,111,836	\$ 107,947,242	\$ 80,349,938	\$ 52,446,941	\$ 54,414,458
Business-type activities:					
Charges for services:					
Electric and Water systems	\$ 311,540,386	\$ 303,124,272	\$ 301,043,289	\$ 317,306,293	\$ 355,792,700
EMS	4,453,260	4,697,399	4,662,102	4,275,169	4,785,597
Public Levee	411,244	327,058	327,878	328,708	329,544
Stormwater	3,351,672	3,613,029	3,405,211	3,453,630	3,467,149
Sewer system	26,621,867	28,979,670	32,224,143	32,810,512	34,435,053
Sunflower Hill golf course	587,539	588,922	584,356	637,721	646,631
Stadium	-	216,345	7,448,809	116,390	197,628
Operating grants and contributions:					
Capital grants and contributions:					
Electric and Water systems	206,722	951,950	230,046	220,273	-
Sewer system	9,840	-	-	-	-
Stadium	1,652,630	-	-	-	-
Total business-type activities program revenues	\$ 348,835,160	\$ 342,498,645	\$ 349,925,834	\$ 359,148,696	\$ 399,654,302
Total primary government program revenues	\$ 440,946,996	\$ 450,445,887	\$ 430,275,772	\$ 411,595,637	\$ 454,068,760
Net (Expense)/Revenue					
Governmental activities	\$ (237,430,582)	\$ (237,158,748)	\$ (239,415,970)	\$ (250,252,190)	\$ (258,327,763)
Business-type activities	38,242,113	34,326,025	42,416,518	43,278,032	65,063,274
Total primary government net expense	\$ (199,188,469)	\$ (202,832,723)	\$ (196,999,452)	\$ (206,974,158)	\$ (193,264,489)

Unified Government of Wyandotte County and Kansas City, Kansas

TABLE 2 (continued)

CHANGES IN NET POSITION - continued

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 95,137,607	\$ 86,298,207	\$ 89,841,305	\$ 95,535,842	\$ 98,079,667
Sales taxes	44,174,371	52,252,785	59,428,395	63,279,907	70,525,816
Franchise taxes	28,568,370	35,854,199	36,098,926	35,690,760	35,723,504
Other taxes	3,744,134	3,114,724	1,855,050	4,578,991	5,207,238
Transient guest tax	628,507	678,869	760,917	863,194	947,220
Unrestricted investment earnings	4,384,308	3,580,620	3,498,400	3,720,098	3,735,731
Miscellaneous	7,234,993	6,678,702	5,119,817	5,518,890	6,189,071
Special Item	-	10,959,260	5,683,302	-	-
Transfers	1,550,805	5,358,938	3,131,301	6,753,348	357,252
Total governmental activities	<u>\$ 185,423,095</u>	<u>\$ 204,776,304</u>	<u>\$ 205,417,413</u>	<u>\$ 215,941,030</u>	<u>\$ 220,765,499</u>
Business-type activities:					
Sales taxes	\$ 3,578,923	\$ 3,738,538	\$ 4,120,807	\$ 4,218,676	\$ 4,506,987
Other taxes	6,073	-	-	-	-
Unrestricted investment earnings	619,140	467,604	1,003,486	303,875	402,792
Miscellaneous	1,120,467	680,696	763,859	849,052	387,487
Transfers	(1,550,805)	(5,358,938)	(3,131,301)	(6,753,348)	(357,252)
Total business-type activities	<u>\$ 3,773,798</u>	<u>\$ (472,100)</u>	<u>\$ 2,756,851</u>	<u>\$ (1,381,745)</u>	<u>\$ 4,940,014</u>
Total primary government	<u>\$ 189,196,893</u>	<u>\$ 204,304,204</u>	<u>\$ 208,174,264</u>	<u>\$ 214,559,285</u>	<u>\$ 225,705,513</u>
Change in Net Position					
Government activities					
Changes in Net Position	\$ (41,343,503)	\$ (12,148,350)	\$ (16,063,593)	\$ (24,473,163)	\$ (52,439,988)
Net Position-Beginning of year	228,019,907	182,165,575	170,017,225	156,043,216	150,024,143
Prior period adjustment	(4,510,829)	-	2,089,584	18,454,090	(6,686,126)
Total governmental activities	<u>\$ 182,165,575</u>	<u>\$ 170,017,225</u>	<u>\$ 156,043,216</u>	<u>\$ 150,024,143</u>	<u>\$ 90,898,029</u>
Business-type activities					
Changes in Net Position	\$ (30,650,751)	\$ 15,280,591	\$ (8,450)	\$ 4,066,446	\$ 10,261,204
Net Position-Beginning of year	512,595,777	481,945,026	497,225,617	497,217,167	501,283,613
Prior period adjustment	-	-	-	-	(6,686,431)
	<u>\$ 481,945,026</u>	<u>\$ 497,225,617</u>	<u>\$ 497,217,167</u>	<u>\$ 501,283,613</u>	<u>\$ 504,858,386</u>
Net Position:					
Total primary government	<u>\$ 664,110,601</u>	<u>\$ 667,242,842</u>	<u>\$ 653,260,383</u>	<u>\$ 651,307,756</u>	<u>\$ 595,756,415</u>

Unified Government of Wyandotte County and Kansas City, Kansas

TABLE 2 (continued)

CHANGES IN NET POSITION - continued

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 101,248,029	\$104,289,273	\$ 105,929,939	\$ 110,469,527	\$ 110,743,951
Sales taxes	68,045,425	72,404,103	73,902,389	73,524,198	74,255,486
Franchise taxes	8,864,600	8,725,685	8,979,443	9,664,207	10,001,733
Other taxes	5,213,943	5,836,065	5,696,014	5,470,819	5,706,705
Transient guest tax	1,060,048	1,185,040	1,763,133	3,751,538	3,945,813
Unrestricted investment earnings	4,208,123	3,914,400	3,977,930	5,775,143	8,320,182
Miscellaneous	6,314,299	9,422,352	16,595,349	11,309,618	14,601,298
Special Item	-	-	-	-	-
Transfers	34,161,295	35,768,078	34,731,025	34,431,779	46,060,258
Total governmental activities	<u>\$ 229,115,762</u>	<u>\$ 241,544,996</u>	<u>\$ 251,575,222</u>	<u>\$ 254,396,829</u>	<u>\$ 273,635,426</u>
Business-type activities:					
Sales taxes	\$ 4,727,470	\$ 5,022,869	\$ 5,985,525	\$ 6,236,128	\$ 6,927,197
Other taxes	-	-	-	-	1,014
Unrestricted investment earnings	329,018	542,002	611,090	893,377	1,014,204
Miscellaneous	(958,686)	847,764	(136,500)	1,745,278	2,488,071
Transfers	(34,161,295)	(35,768,078)	(34,731,025)	(34,431,779)	(46,060,258)
Total business-type activities	<u>\$ (30,063,493)</u>	<u>\$ (29,355,443)</u>	<u>\$ (28,270,910)</u>	<u>\$ (25,556,996)</u>	<u>\$ (35,629,772)</u>
Total primary government	<u>\$ 199,052,269</u>	<u>\$ 212,189,553</u>	<u>\$ 223,304,312</u>	<u>\$ 228,839,833</u>	<u>\$ 238,005,654</u>
Change in Net Position					
Government activities					
Changes in Net Position	\$ (8,314,820)	\$ 4,386,248	\$ 12,159,252	\$ 4,144,639	\$ 15,307,663
Net Position-Beginning of year	90,898,029	82,583,209	(55,592,128)	(43,432,876)	(14,758,401)
Prior period adjustment	-	(142,561,585)	-	24,529,836	(3,043,240)
Total governmental activities	<u>\$ 82,583,209</u>	<u>\$ (55,592,128)</u>	<u>\$ (43,432,876)</u>	<u>\$ (14,758,401)</u>	<u>\$ (2,493,978)</u>
Business-type activities					
Changes in Net Position	\$ 8,178,620	\$ 4,970,582	\$ 14,145,608	\$ 17,721,036	\$ 29,433,502
Net Position-Beginning of year	504,858,386	513,037,006	525,932,354	540,077,962	559,847,755
Prior period adjustment	-	7,924,766	-	2,048,757	(45,201,451)
	<u>\$ 513,037,006</u>	<u>\$ 525,932,354</u>	<u>\$ 540,077,962</u>	<u>\$ 559,847,755</u>	<u>\$ 544,079,806</u>
Net Position:					
Total primary government	<u>\$ 595,620,215</u>	<u>\$ 470,340,226</u>	<u>\$ 496,645,086</u>	<u>\$ 545,089,354</u>	<u>\$ 541,585,828</u>

Unified Government of Wyandotte County and Kansas City, Kansas

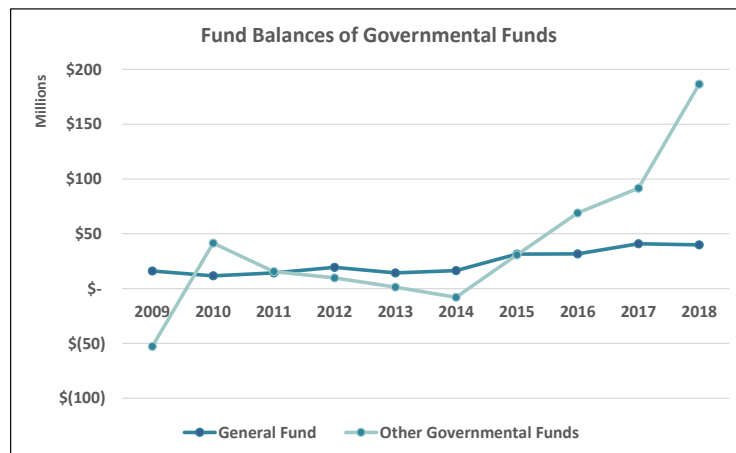
TABLE 3

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund					
Reserved	\$ 1,260,078	\$ 1,741,912	N/A	N/A	N/A
Unreserved	14,860,536	9,899,484	N/A	N/A	N/A
Designated for restricted sales tax	7,964	7,964	N/A	N/A	N/A
Restricted	N/A	N/A	-	751,740	463,243
Committed	N/A	N/A	253,692	560,204	493,012
Assigned	N/A	N/A	1,438,927	1,629,346	1,019,593
Unassigned	N/A	N/A	12,618,862	16,527,952	12,434,668
Total general fund	<u>\$ 16,128,578</u>	<u>\$ 11,649,360</u>	<u>\$ 14,311,481</u>	<u>\$ 19,469,242</u>	<u>\$ 14,410,516</u>
All Other Governmental Funds					
Reserved	\$ 14,740,008	\$ 17,284,705	N/A	N/A	N/A
Unreserved	-	-	N/A	N/A	N/A
Designated	-	-	N/A	N/A	N/A
Designated crossover refunded bonds	-	-	N/A	N/A	N/A
Undesignated					
Special revenue funds	3,453,909	3,112,038	N/A	N/A	N/A
Debt service Fund	10,113,695	15,830,660	N/A	N/A	N/A
Capital projects funds	(81,056,786)	5,269,218	N/A	N/A	N/A
Unavailable	N/A	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	25,522,172	24,322,105	23,432,723
Committed	N/A	N/A	586,540	832,686	746,929
Assigned	N/A	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	(10,615,036)	(15,375,811)	(22,852,322)
Total all other governmental funds	<u>\$ (52,749,174)</u>	<u>\$ 41,496,621</u>	<u>\$ 15,493,676</u>	<u>\$ 9,778,980</u>	<u>\$ 1,327,330</u>



Note:

In 2011, the Unified Government implemented GASB 54 new fund balance classifications.

Unified Government of Wyandotte County and Kansas City, Kansas

TABLE 3

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund					
Reserved	N/A	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A	N/A
Designated for restricted sales tax	N/A	N/A	N/A	N/A	N/A
Restricted	216,347	95,443	95,443	95,443	95,443
Committed	495,470	854,812	-	-	-
Assigned	891,422	2,912,722	3,933,271	4,069,920	5,503,779
Unassigned	14,775,610	27,726,681	27,696,778	36,791,489	34,389,662
	<u>\$ 16,378,849</u>	<u>\$ 31,589,658</u>	<u>\$ 31,725,492</u>	<u>\$ 40,956,852</u>	<u>\$ 39,988,884</u>
Total general fund					
All Other Governmental Funds					
Reserved	N/A	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A	N/A
Designated	N/A	N/A	N/A	N/A	N/A
Designated crossover refunded bonds	N/A	N/A	N/A	N/A	N/A
Undesignated					
Special revenue funds	N/A	N/A	N/A	N/A	N/A
Debt service Fund	N/A	N/A	N/A	N/A	N/A
Capital projects funds	N/A	N/A	N/A	N/A	N/A
Unavailable	N/A	N/A	5,440,000	-	-
Restricted	30,200,148	33,152,395	56,585,544	82,163,570	177,686,051
Committed	870,220	1,284,274	2,375,319	4,767,100	7,174,790
Assigned	N/A	N/A	5,139,085	5,139,085	2,282,700
Unassigned	(39,026,757)	(3,685,239)	(580,379)	(561,299)	(683,485)
	<u>\$ (7,956,389)</u>	<u>\$ 30,751,430</u>	<u>\$ 68,959,569</u>	<u>\$ 91,508,456</u>	<u>\$ 186,460,056</u>
Total all other governmental funds					

TABLE 4

**CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues					
Taxes	\$ 173,727,730	\$ 179,650,292	\$ 190,755,147	\$ 203,060,631	\$ 213,987,743
Intergovernmental	31,658,398	35,152,715	32,628,499	75,634,063	73,041,064
Charges for services	2,090,162	15,074,325	14,752,914	15,150,279	13,961,482
Fines and forfeits	11,887,889	7,464,884	6,665,618	6,689,618	6,394,593
Interest Income	7,134,965	2,697,361	3,388,997	3,434,181	2,403,089
Licenses and permits	3,812,573	2,361,505	2,353,746	2,427,042	2,153,260
Other	9,969,005	9,389,744	7,244,254	5,463,389	6,524,015
Total revenues	<u>\$ 240,280,722</u>	<u>\$ 251,790,826</u>	<u>\$ 257,789,175</u>	<u>\$ 311,859,203</u>	<u>\$ 318,465,246</u>
Expenditures					
General government	\$ 23,630,694	\$ 23,557,173	\$ 22,531,506	\$ 25,438,838	\$ 27,464,803
Public works	33,521,679	34,264,954	35,175,946	36,957,012	38,281,756
Public Safety	106,722,422	104,581,273	107,328,253	110,745,870	117,976,588
Judicial	11,407,740	10,740,785	10,670,642	10,691,287	11,107,499
Health and welfare	14,164,694	14,104,662	14,045,683	13,717,453	12,926,519
Planning and Development	16,856,928	18,467,426	15,244,481	18,684,758	97,172,857
Parks & Recreation	8,636,966	6,060,195	5,012,970	4,829,493	5,344,765
Debt service:					
Principal	31,504,403	36,634,039	28,347,221	100,377,297	35,685,991
Interest and fiscal charges	14,086,063	12,284,553	15,319,813	17,259,860	17,691,040
Other	812,748	980,369	604,078	1,411,665	1,654,868
Capital outlay	37,398,326	61,258,669	60,655,124	44,431,302	56,362,001
Total expenditures	<u>\$ 298,742,663</u>	<u>\$ 322,934,098</u>	<u>\$ 314,935,717</u>	<u>\$ 384,544,835</u>	<u>\$ 421,668,687</u>
Other financing sources (uses)					
Transfers from other funds	\$ 28,458,409	\$ 24,432,532	\$ 17,006,404	\$ 19,368,689	\$ 22,411,872
Transfers to other funds	(23,329,251)	(11,292,809)	(9,625,162)	(6,566,178)	(12,047,890)
Proceeds from issuance of bonds	21,545,726	140,635,339	16,004,650	23,372,439	75,796,868
Discount from issuance of bonds	(282,240)	(177,896)	1,245,112	(60,111)	-
Proceeds from refunding bonds	-	8,175,000	14,700,000	12,785,000	8,455,000
Proceeds from sale of assets	8,197	714,789	661,380	600,955	284,015
Proceeds from capital lease	929,600	2,311,526	4,188,169	591,748	2,377,527
Premium from issuance of bonds	-	4,216,368	-	1,465,660	422,930
Premium from issuance of refunding bonds	-	-	-	-	1,307,618
Payment to refunding bond escrow agent	-	(8,105,000)	(12,130,000)	-	(9,314,875)
Total other financing sources (uses)	<u>\$ 27,330,441</u>	<u>\$ 160,909,849</u>	<u>\$ 32,050,553</u>	<u>\$ 51,558,202</u>	<u>\$ 89,693,065</u>
Net change in fund balances	\$ (31,131,500)	\$ 89,766,577	\$ (25,095,989)	\$ (21,127,430)	\$ (13,510,376)
Debt SVC at % of non-capital expenditures	16.78%	16.94%	15.57%	32.40%	14.06%
<i>Total expenditures</i>	<i>\$ 298,742,663</i>	<i>\$ 322,934,098</i>	<i>\$ 314,935,717</i>	<i>\$ 384,544,835</i>	<i>\$ 421,668,687</i>
<i>Capital outlay from recon GAAP to Mod Accr</i>	<i>27,071,318</i>	<i>34,130,665</i>	<i>34,429,542</i>	<i>21,457,117</i>	<i>42,138,536</i>
<i>Non-capital expenditures</i>	<u><i>\$ 271,671,345</i></u>	<u><i>\$ 288,803,433</i></u>	<u><i>\$ 280,506,175</i></u>	<u><i>\$ 363,087,718</i></u>	<u><i>\$ 379,530,151</i></u>
<i>Debt service</i>	<i>\$ 45,590,466</i>	<i>\$ 48,918,592</i>	<i>\$ 43,667,034</i>	<i>\$ 117,637,157</i>	<i>\$ 53,377,031</i>
Debt SVC at % of non-capital expenditures	16.78%	16.94%	15.57%	32.40%	14.06%

Note:

The significant variances noted in the Net Change in Fund Balances are due primarily to timing issues related to when Bond Proceeds are received compared to when Capital Outlay costs are incurred. Noncap expenditures are total expenditures less capital outlay (to the extent capitalized for gov-wide statement of net position) and expenditures for capitalized assets included within functional expenditure categories.

TABLE 4

**CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues					
Taxes	\$ 187,942,513	\$ 196,028,207	\$ 195,524,823	\$ 209,542,539	\$ 206,360,059
Intergovernmental	68,394,097	68,927,599	54,416,579	23,990,742	23,746,738
Charges for services	14,568,677	14,786,758	13,782,849	14,424,024	14,807,672
Fines and forfeits	6,506,682	9,152,902	7,535,348	7,266,553	7,829,422
Interest Income	2,952,884	2,855,537	2,803,724	1,828,131	6,211,161
Licenses and permits	2,113,904	2,404,850	2,628,059	2,570,451	2,651,126
Other	7,006,594	9,227,352	16,568,721	11,133,339	14,561,623
Total revenues	<u>\$ 289,485,351</u>	<u>\$ 303,383,205</u>	<u>\$ 293,260,103</u>	<u>\$ 270,755,779</u>	<u>\$ 276,167,801</u>
Expenditures					
General government	\$ 28,005,977	\$ 27,126,153	\$ 29,159,365	\$ 28,950,253	\$ 28,953,898
Public works	36,197,992	35,654,979	36,652,852	38,523,202	40,116,849
Public Safety	121,921,445	118,496,129	117,167,080	120,721,404	126,139,420
Judicial	11,675,911	11,169,082	11,468,010	12,196,847	13,161,253
Health and welfare	13,046,661	12,774,870	15,154,463	14,613,019	13,608,068
Planning and Development	49,041,064	53,036,380	35,909,445	13,052,514	23,032,351
Parks & Recreation	5,378,681	5,301,110	5,550,802	7,102,928	7,309,228
Debt service:					
Principal	58,072,200	43,995,575	46,828,716	44,963,584	32,730,745
Interest and fiscal charges	19,578,924	20,190,883	20,083,466	18,620,321	20,217,355
Other	2,027,194	1,957,418	1,456,590	845,732	2,150,796
Capital outlay	40,420,549	51,792,280	44,458,150	55,181,642	32,781,343
Total expenditures	<u>\$ 385,366,598</u>	<u>\$ 381,494,859</u>	<u>\$ 363,888,939</u>	<u>\$ 354,771,446</u>	<u>\$ 340,201,306</u>
Other financing sources (uses)					
Transfers from other funds	\$ 63,326,708	\$ 53,266,795	\$ 59,753,898	\$ 54,963,639	\$ 104,790,616
Transfers to other funds	(19,084,860)	(11,777,041)	(20,120,797)	(13,977,551)	(56,162,560)
Proceeds from issuance of bonds	20,960,944	68,872,912	30,930,000	20,850,799	102,124,300
Discount from issuance of bonds	-	(579,274)	-	-	-
Proceeds from refunding bonds	19,566,000	16,800,000	31,139,046	41,702,092	-
Proceeds from sale of assets	30,734	18,619,010	182,608	322,050	39,675
Proceeds from capital lease	1,523,629	1,720,103	2,873,264	3,441,173	4,245,442
Premium from issuance of bonds	465,722	1,361,927	1,656,531	885,643	2,979,664
Premium from issuance of refunding bonds	1,776,984	3,039,776	2,558,259	7,608,069	-
Payment to refunding bond escrow agent	-	(19,293,926)	-	-	-
Total other financing sources (uses)	<u>\$ 88,565,861</u>	<u>\$ 132,030,282</u>	<u>\$ 108,972,809</u>	<u>\$ 115,795,914</u>	<u>\$ 158,017,137</u>
Net change in fund balances	\$ (7,315,386)	\$ 53,918,628	\$ 38,343,973	\$ 31,780,247	\$ 93,983,632
Debt SVC at % of non-capital expenditures	21.10%	17.88%	19.61%	19.61%	16.81%
Total expenditures	<u>\$ 385,366,598</u>	<u>\$ 381,494,859</u>	<u>\$ 363,888,939</u>	<u>\$ 354,771,446</u>	<u>\$ 340,201,306</u>
Capital outlay from recon GAAP to Mod Accr	<u>17,404,807</u>	<u>22,463,135</u>	<u>22,747,158</u>	<u>30,595,671</u>	<u>25,134,677</u>
Non-capital expenditures	<u>\$ 367,961,791</u>	<u>\$ 359,031,724</u>	<u>\$ 341,141,781</u>	<u>\$ 324,175,775</u>	<u>\$ 315,066,629</u>
Debt service	<u>\$ 77,651,124</u>	<u>\$ 64,186,458</u>	<u>\$ 66,912,182</u>	<u>\$ 63,583,905</u>	<u>\$ 52,948,100</u>
Debt SVC at % of non-capital expenditures	21.10%	17.88%	19.61%	19.61%	16.81%

TABLE 5

GOVERNMENTAL ACTIVITIES
TAX REVENUES BY SOURCE

Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Tax Source					
Property	\$ 95,137,607	\$ 86,298,207	\$ 89,841,305	\$ 95,535,842	\$ 98,079,667
Sales and use ¹	44,174,371	52,252,785	59,428,395	63,279,907	70,525,816
BPU franchise ²	21,264,851	27,704,188	28,110,339	27,672,884	27,115,906
Other franchise	7,303,519	8,150,011	7,988,587	8,017,876	8,607,598
Other taxes ³	3,744,134	3,114,724	1,855,050	4,578,991	5,207,238
Transient guest	628,507	678,869	760,917	863,194	947,220
Total tax revenues	<u>\$ 172,252,989</u>	<u>\$ 178,198,784</u>	<u>\$ 187,984,593</u>	<u>\$ 199,948,694</u>	<u>\$ 210,483,445</u>

¹ Increase in 2010 due to passage of the 0.375% dedicated sales tax for public safety and infrastructure.

² Based on Statement of Activities plus electric and water Franchise PILOT payments from the KCK Public Utilities which beginning in 2014 are reflected as a transfer on the Statement of Activities.

³ Other taxes include business tax, liquor tax, gaming tax, mortgage registration tax and other taxes. Hollywood Casino revenue sharing agreement began in 2012.

TABLE 5

**GOVERNMENTAL ACTIVITIES
TAX REVENUES BY SOURCE**

Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Tax Source					
Property	\$ 101,248,029	\$ 104,289,273	\$ 105,929,939	\$ 110,469,527	\$ 110,743,951
Sales and use ¹	68,045,425	72,404,103	73,902,389	73,524,198	74,255,486
BPU franchise ²	31,291,745	30,658,851	30,336,724	32,673,555	35,490,480
Other franchise	8,864,600	8,725,685	8,979,443	9,664,207	10,001,733
Other taxes ³	5,213,943	5,836,065	5,696,014	5,470,819	5,706,705
Transient guest	1,060,048	1,185,040	1,763,133	3,751,538	3,945,813
Total tax revenues	<u>\$ 215,723,790</u>	<u>\$ 223,099,017</u>	<u>\$ 226,607,642</u>	<u>\$ 235,553,844</u>	<u>\$ 240,144,168</u>

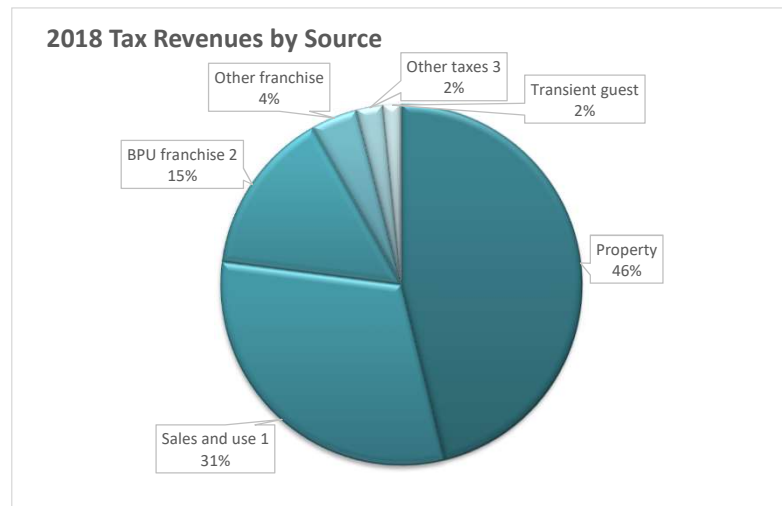


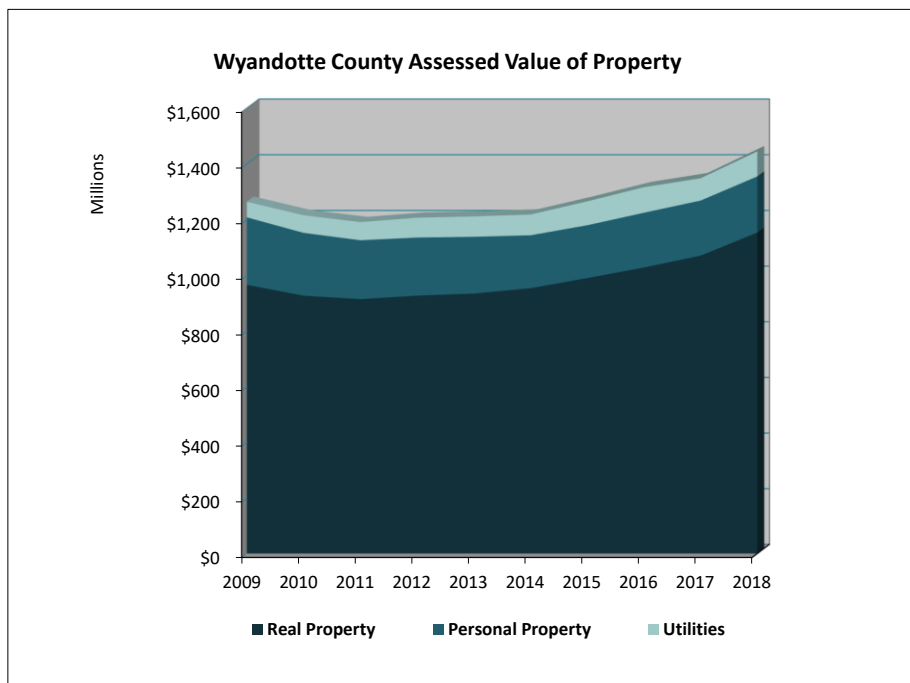
TABLE 6

ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE TANGIBLE PROPERTY

Including Motor Vehicles, Last Ten Fiscal Years

UNIFIED GOVERNMENT PRIMARY GOVERNMENT

Assessed Value of Property in Wyandotte County				
Fiscal Year	Real Property ⁽¹⁾	Personal Property ⁽²⁾	State Assessed Utilities ⁽²⁾	Total Assessed Value
2009	\$ 966,053,674	\$ 242,392,251	\$ 55,937,343	\$ 1,264,383,268
2010	927,030,390	225,604,185	63,329,809	1,215,964,384
2011	914,682,119	211,367,889	65,236,304	1,191,286,312
2012	927,243,259	208,650,769	71,302,534	1,207,196,562
2013	934,648,262	203,839,096	73,309,125	1,211,796,483
2014	953,992,985	189,995,200	74,586,821	1,218,575,006
2015	990,206,580	189,771,046	85,851,534	1,265,829,160
2016	1,028,187,363	196,689,211	91,717,690	1,316,594,264
2017	1,070,760,527	197,834,401	80,141,950	1,348,736,878
2018	1,153,637,230	201,516,545	90,353,466	1,445,507,241



¹ Real Property Estimated Actual Value is the value assigned by the County Appraiser on taxable property as of the October final certification.

² Personal Property includes motor vehicle valuation. Estimated Actual Value and Estimated Actual Value for Utilities based on State assessed rate.

³ The total direct tax rate for citizens in the Unified Government varies according to the location of the property and the relation of the various taxing entities within the Unified Government borders. The total direct tax rate presented represents the rate for property located in City of Kansas City, Kansas. The applicable drainage rates for property on other cities, school districts or drainage districts will vary.

Source: Unified Government Clerk's Office

TABLE 6 (continued)

ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE TANGIBLE PROPERTY (continued)

Including Motor Vehicles, Last Ten Fiscal Years

UNIFIED GOVERNMENT PRIMARY GOVERNMENT continued

Estimated Actual Value of Property in Wyandotte County						
Fiscal Year	Real Property ⁽¹⁾	Personal Property ⁽²⁾	State Assessed Utilities ⁽²⁾	Total Estimated Actual Value	Assessed/ Actual Ratio	Total Direct Tax Rate ⁽³⁾
2009	\$ 6,641,739,576	\$ 1,090,054,600	\$ 169,507,100	\$ 7,901,301,276	16.00%	71.697
2010	6,641,739,576	1,019,460,051	191,908,512	7,853,108,139	15.48%	74.711
2011	6,068,832,960	959,079,479	197,685,770	7,225,598,209	16.49%	81.666
2012	6,250,481,620	948,429,918	216,068,285	7,414,979,823	16.28%	81.865
2013	6,259,523,650	931,483,401	222,148,864	7,413,155,915	16.35%	82.003
2014	6,372,823,830	879,815,632	226,020,670	7,478,660,132	16.29%	81.961
2015	6,616,509,010	885,480,168	260,156,164	7,762,145,342	16.31%	82.688
2016	6,795,221,270	921,819,045	277,932,394	7,994,972,709	16.47%	80.688
2017	7,144,561,380	931,360,363	242,854,394	8,318,776,137	16.21%	78.883
2018	7,720,323,770	952,057,909	273,798,382	8,946,180,061	16.16%	77.149

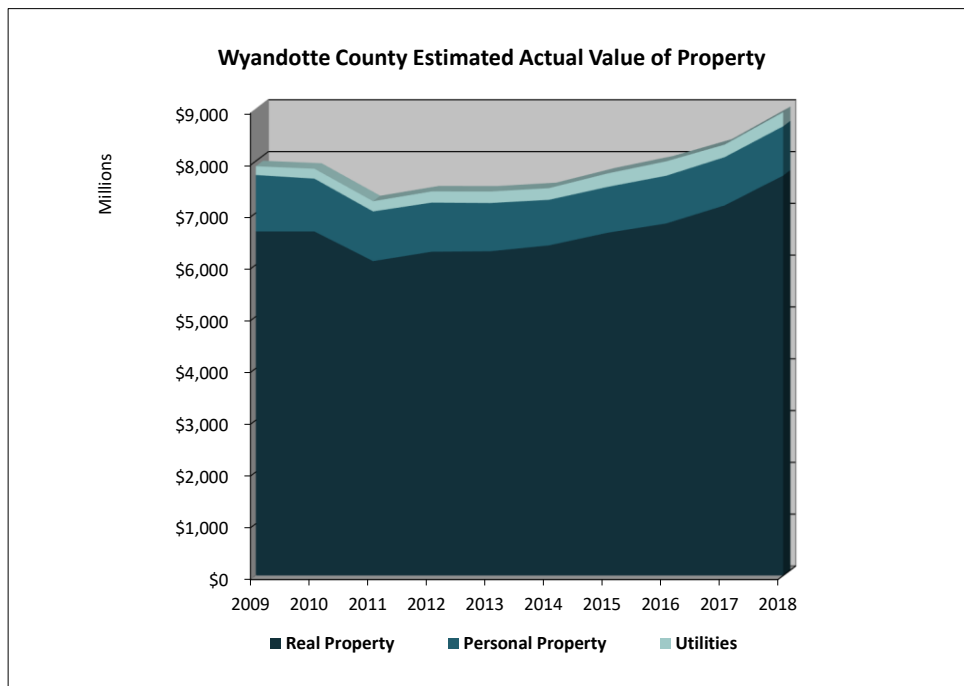


TABLE 7

**DIRECT AND OVERLAPPING PROPERTY TAX
MILL LEVY RATES**

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
County Direct Rates					
General	24.557	27.857	30.072	30.115	30.162
Election	0.858	0.856	0.859	0.860	0.861
County Park	1.216	1.464	1.369	1.371	1.373
Service Program - Aging	0.811	0.907	1.011	1.012	1.014
Health Department	1.532	1.529	1.535	1.537	1.539
Mental Health	0.416	0.332	0.418	0.419	0.420
Developmental Disabilities	0.485	0.314	0.315	0.340	0.341
Bond and Interest	1.014	0.817	0.820	0.796	0.798
Total County direct rate	30.889	34.076	36.399	36.450	36.508
City Direct Rates					
<u>Kansas City</u>					
Kansas City - City General Fund	25.341	24.885	28.468	28.059	28.359
Kansas City - Bond & Interest Fund	15.467	15.750	16.799	17.356	17.136
Kansas City - Total	40.808	40.635	45.267	45.415	45.495
Bonner Springs (includes library)	29.086	30.101	30.578	30.605	33.635
Edwardsville	42.441	44.505	44.505	44.467	47.367
Lake Quivira	13.226	13.633	19.317	19.317	18.65
Unified Government Direct Rate (County + City)					
Unified Government - Kansas City	71.697	74.711	81.666	81.865	82.003
Unified Government - Bonner Springs	59.975	64.177	66.977	67.055	70.143
Unified Government - Edwardsville	73.330	78.581	80.904	80.917	83.875
Unified Government - Lake Quivera	44.115	47.709	55.716	55.767	55.158
Community College	19.991	23.456	23.546	23.58	26.121
School Districts					
USD #500 - Kansas City, Kansas	63.745	60.124	60.268	60.419	60.204
USD #204 - Bonner Springs	65.503	65.980	64.708	63.061	65.042
USD #203 - Piper	61.416	61.414	57.988	60.327	59.618
USD #202 - Turner (includes recreation)	69.032	73.165	75.463	75.386	78.220
Drainage Districts	4.798 - 11.471	4.121 - 13.428	4.058-13.210	3.946-13.777	3.720-15.338
Library Districts					
Wyandotte County Library District	4.130	5.030	5.030	5.030	5.578
USD #500 Kansas City, Kansas Library District	7.730	7.954	7.980	7.980	8.922
Statewide Levy	1.500	1.500	1.500	1.500	1.500

Source: Unified Government Clerk's Office

TABLE 7

**DIRECT AND OVERLAPPING PROPERTY TAX
MILL LEVY RATES**

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
County Direct Rates					
General	31.271	31.029	31.029	31.082	31.187
Election	0.861	0.869	0.869	0.870	0.873
County Park	1.372	1.384	1.384	1.386	1.391
Service Program - Aging	1.013	1.022	1.022	1.024	1.027
Health Department	1.538	1.551	1.551	1.554	1.559
Mental Health	0.420	0.423	0.423	0.424	0.425
Developmental Disabilities	0.341	0.344	0.344	0.345	0.346
Bond and Interest	1.672	2.191	2.191	2.195	2.202
Total County direct rate	38.488	38.813	38.813	38.880	39.011
City Direct Rates					
<u>Kansas City</u>					
Kansas City - City General Fund	26.845	27.093	25.093	23.167	21.242
Kansas City - Bond & Interest Fund	16.628	16.782	16.782	16.836	16.896
Kansas City - Total	43.473	43.875	41.875	40.003	38.138
Bonner Springs (includes library)	33.616	33.658	33.657	33.689	38.323
Edwardsville	47.367	47.367	47.367	46.155	46.139
Lake Quivira	18.436	17.749	17.228	17.228	17.277
Unified Government Direct Rate (County + City)					
Unified Government - Kansas City	81.961	82.688	80.688	78.883	77.149
Unified Government - Bonner Springs	72.104	72.471	72.470	72.569	77.333
Unified Government - Edwardsville	85.855	86.180	86.180	85.035	85.149
Unified Government - Lake Quivera	56.924	56.562	56.041	56.108	56.288
Community College	26.108	27.336	27.336	27.384	27.476
School Districts					
USD #500 - Kansas City, Kansas	49.165	49.309	49.309	49.390	49.489
USD #204 - Bonner Springs	63.008	62.775	62.659	62.575	60.568
USD #203 - Piper	59.536	59.701	58.430	58.422	62.131
USD #202 - Turner (includes recreation)	61.710	68.837	63.059	67.554	60.640
Drainage Districts	3.208-14.826	3.052-16.378	3.080-15.664	2.665-16.206	2.608-18.183
Library Districts					
Wyandotte County Library District	5.583	6.059	6.059	6.042	6.068
USD #500 Kansas City, Kansas Library District	8.911	10.985	10.985	11.036	11.086
Statewide Levy	1.500	1.500	1.500	1.500	1.500

Source: Unified Government Clerk's Office

TABLE 8

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayers ¹	Fiscal Year 2018			Fiscal Year 2009		
	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value ²	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value ²
Kansas Entertainment	\$ 42,458,921	1	3.3%	\$ -		
W-LD Legends Owner VII	38,253,224	2	2.9%	24,944,690	2	2.2%
General Motors	31,373,204	3	2.4%	44,061,856	1	3.9%
Magellan Pipeline	20,771,679	4	1.6%			
Union Pacific Railroad	17,529,691	5	1.4%			
BNSF	17,217,996	6	1.3%			
Cerner Corporation	13,793,001	7	1.1%			
NFM of Kansas	12,847,026	8	1.0%	10,317,781	5	0.9%
SVV I LLC (Schlitterbahn)	10,198,417	9	0.8%			
Phillips 66 Carrier	9,511,480	10	0.7%			
Certain Teed Corp.				12,440,322	3	1.1%
Prime Investments LLC				10,944,407	4	1.0%
Great Wolf Lodge				6,984,288	6	0.6%
Proctor and Gamble				6,180,306	7	0.5%
Owens Corning				5,932,639	8	0.5%
Associated Wholesale Grocers				5,499,620	9	0.5%
Cabelas				5,249,814	10	0.5%
	<u>\$ 213,954,639</u>		<u>16.5%</u>	<u>\$ 132,555,723</u>		<u>11.6%</u>

Total 2018 County
Taxable Assessed Value: \$ 1,299,515,512

Notes:

¹ Does not include tax exempt properties, including businesses with granted exemptions requiring payments in lieu of taxes or properties that are part of a TIF district.

² Total County Taxable Assessed Value does not include motor vehicle property valuation.

Source: Unified Government County Appraiser's Office

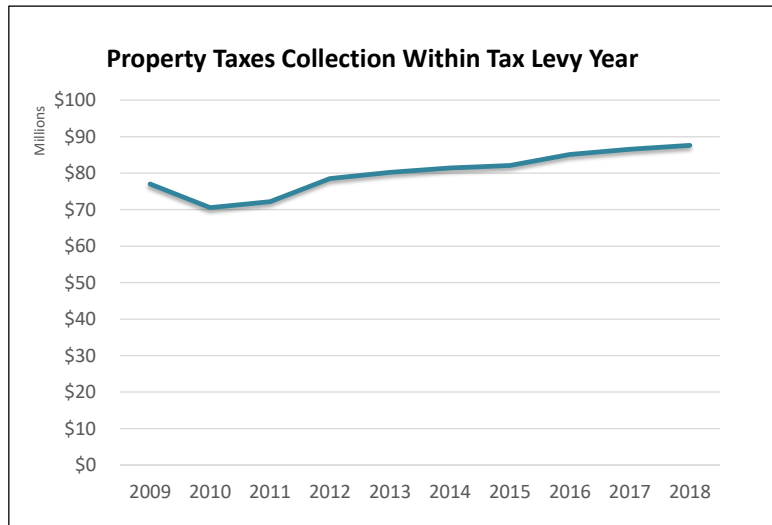
TABLE 9

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

UNIFIED GOVERNMENT PRIMARY GOVERNMENT - COUNTY-WIDE

Budget Year ¹	Taxes Levied for the Fiscal Year (Original Levy) ²	Collected within the Fiscal Year of the Current Levy				Total Collections to Date		
		Taxes Collected	Percentage of Original Levy Less TIF Levy	Taxes Delinquent	Percent Delinquent ³	Collections in Subsequent Year ⁴	Total Collected	Percentage of Adjusted Levy
2009	\$ 86,553,044	\$ 77,018,669	89.0%	\$ 9,534,375	11.0%	\$ 3,745,924	\$ 80,764,593	93.3%
2010	78,780,950	70,547,267	89.5%	8,233,683	10.5%	3,323,323	73,870,590	93.8%
2011	79,410,908	72,159,973	90.9%	7,250,935	9.1%	4,088,568	76,248,541	96.0%
2012	85,042,936	78,494,361	92.3%	6,548,575	7.7%	4,263,845	82,758,206	97.3%
2013	86,586,891	80,208,596	92.6%	6,378,295	7.4%	5,397,418	85,606,014	98.9%
2014	86,140,170	81,396,447	94.5%	4,743,723	5.5%	5,420,809	86,817,256	100.8%
2015	87,265,691	82,087,300	94.1%	5,178,391	5.9%	4,472,811	86,560,111	99.2%
2016	93,214,739	85,097,921	91.3%	8,116,818	8.7%	3,853,124	88,951,045	95.4%
2017	92,784,037	86,574,111	93.3%	6,209,926	6.7%	4,013,314	90,587,425	97.6%
2018	92,810,927	87,620,141	94.4%	5,190,786	5.6%	3,252,345	90,872,486	97.9%



Notes:

Tax amounts (levied, collected, delinquent) in table are for county, city and library mill levies.

¹ Taxes levied support the subsequent year's budget, e.g., 2017 taxes financed 2018 budgeted expenditures.

² Taxes Levied (Original Levy) excludes tax increment financing (TIF) values.

³ Delinquent amount includes those parcels taxed and not paying, including tax-exempt parcels. Parcels exempted for TIF purposes are not included.

⁴ County Treasurer's records do not provide a determination of delinquent tax collections by levy year; therefore, delinquent tax collections may include collections of prior year delinquencies and current year delinquencies.

Source: Unified Government Finance Department

TABLE 10

TOTAL ASSESSED TANGIBLE PROPERTY VALUATION OF THE COUNTY AND CITY OF KANSAS CITY, KANSAS
WYANDOTTE COUNTY AND CITY OF KANSAS CITY, KANSAS

Wyandotte County, Kansas

Year	Real Property	Personal Property	State Assessed Utilities	Assessed Value before Motor Vehicle	Motor Vehicles	Total Assessed Valuation
2009	\$ 966,053,674	\$ 121,906,655	\$ 55,937,343	\$ 1,143,897,672	\$ 120,485,596	\$ 1,264,383,268
2010	927,030,390	108,560,874	63,329,809	1,098,921,073	117,043,311	1,215,964,384
2011	914,682,119	97,759,966	65,236,304	1,077,678,389	113,607,923	1,191,286,312
2012	927,243,259	94,797,562	71,302,534	1,093,343,355	113,853,207	1,207,196,562
2013	934,648,262	87,712,079	73,309,125	1,095,669,466	116,127,017	1,211,796,483
2014	953,992,985	70,160,368	74,586,821	1,098,740,174	119,834,832	1,218,575,006
2015	990,206,580	63,375,062	85,851,534	1,139,433,176	126,395,984	1,265,829,160
2016	1,028,187,363	61,627,010	91,717,690	1,181,532,063	135,062,201	1,316,594,264
2017	1,070,760,527	57,811,642	80,141,950	1,208,714,119	140,022,759	1,348,736,878
2018	1,153,637,230	55,524,816	90,353,466	1,299,515,512	145,991,729	1,445,507,241

City of Kansas City, Kansas

Year	Real Property	Personal Property	State Assessed Utilities	Assessed Value before Motor Vehicle	Motor Vehicles	Total Assessed Valuation
2009	\$ 858,775,239	\$ 114,620,480	\$ 49,139,429	\$ 1,022,535,148	\$ 109,375,508	\$ 1,131,910,656
2010	827,160,814	101,988,198	56,337,965	985,486,977	106,222,539	1,091,709,516
2011	817,605,423	92,163,360	58,315,374	968,084,157	102,834,773	1,070,918,930
2012	831,130,786	89,139,267	63,840,942	984,110,995	102,990,904	1,087,101,899
2013	837,949,270	82,234,789	65,791,156	985,975,215	105,001,763	1,090,976,978
2014	852,927,158	65,279,122	66,852,833	985,059,113	108,205,718	1,093,264,831
2015	884,539,295	58,869,677	77,655,254	1,021,064,226	114,240,821	1,135,305,047
2016	921,243,873	56,777,514	83,664,066	1,061,685,453	122,671,850	1,184,357,303
2017	954,627,361	53,272,856	72,077,008	1,079,977,225	127,407,120	1,207,384,345
2018	1,029,105,367	50,757,362	82,024,133	1,161,886,862	132,686,800	1,294,573,662

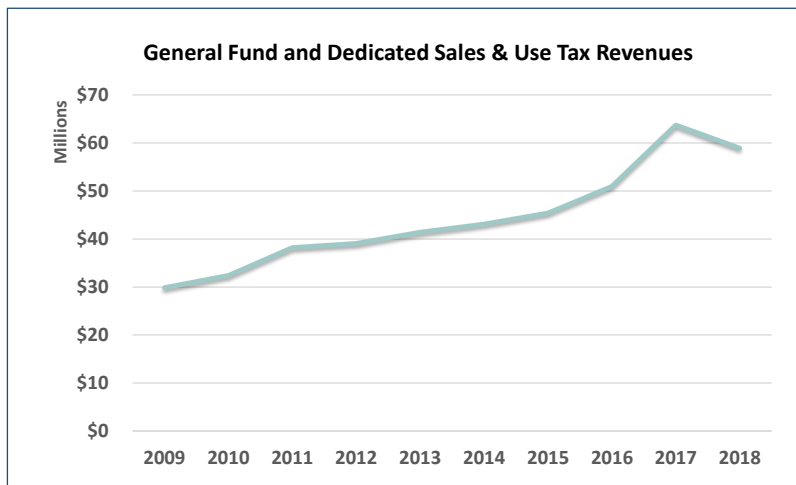
Source: Unified Government Clerk's Office

TABLE 11

SELECTED SALES AND USE TAX REVENUES AND COUNTY-WIDE RETAIL SALES RECEIPTS

Last Ten Fiscal Years

General Fund & Dedicated Sales and Use Tax Revenues					
Year	General Fund City & County Sales & Use Tax ⁽¹⁾	Dedicated Sales & Use Tax ⁽²⁾	Subtotal General Fund and Dedicated Sales & Use Tax Revenue ⁽³⁾	Wyandotte County Retail Sales Receipts ⁽⁴⁾	Percent Change in Retail Sales Receipts
2009	\$ 29,861,968	\$ -	\$ 29,861,968	\$ 1,752,237,568	(6.6%)
2010	29,590,524	2,820,935	32,411,458	1,779,298,420	1.5%
2011	32,033,764	6,181,211	38,214,975	1,869,475,166	5.1%
2012	32,763,449	6,328,015	39,091,464	1,991,399,330	6.5%
2013	34,639,630	6,760,480	41,400,110	2,043,743,670	2.6%
2014	36,024,497	7,093,021	43,117,518	2,129,865,576	4.2%
2015	37,877,474	7,541,364	45,418,838	2,208,780,095	3.7%
2016	42,420,844	8,543,043	50,963,887	2,283,631,272	3.4%
2017	53,759,356	9,963,932	63,723,288	2,224,774,634	(2.6%)
2018	48,507,240	10,390,797	58,898,037	2,348,850,077	5.6%



Notes:

⁽¹⁾ Includes city and county sales and use taxes to city / county general funds. Beginning in 2017, base sales and use tax revenues resulting from the pay off of the original STAR bonds related to Village West are included.

⁽²⁾ Dedicated sales tax of 0.375% for public safety and neighborhood infrastructure began July 1, 2010 and expires July 1, 2020.

⁽³⁾ Emergency Medical Services Enterprise Fund 0.25% sales and use tax revenues not included.

⁽⁴⁾ Based on Kansas state sales tax collections. Sales tax rate changes are as follows: July 1, 2010 State of Kansas rate increased by 1.0% and local rate by 0.375%; July 1, 2013 State of Kansas rate decreased by 0.15%; and July 1, 2015 State of Kansas rate increased by 0.35%.

Source: Unified Government, Finance Department. Figures on a modified accrual basis of accounting.

TABLE 12

CITY GENERAL FUND SALES AND USE TAX REVENUE

Last Ten Fiscal Years

Year	City Sales Tax	City Portion of County Tax	City Use Tax	City Portion of County Use Tax	City General Fund Sales & Use Taxes Total
2009	\$ 11,374,585	\$ 10,128,643	\$ 2,571,623	\$ 2,100,388	\$ 26,175,239
2010	11,199,178	9,855,389	2,795,466	2,113,902	25,963,935
2011	10,585,511	10,843,863	3,597,015	2,867,622	27,894,011
2012	11,923,216	10,480,472	3,457,058	2,743,824	28,604,570
2013	12,927,093	11,188,057	3,446,599	2,773,515	30,335,264
2014	13,638,685	11,434,879	3,450,836	2,808,123	31,332,523
2015	13,824,822	11,515,101	4,194,270	3,244,537	32,778,730
2016	15,717,589	12,322,303	4,504,963	3,414,582	35,959,437
2017	21,922,528	16,258,394	4,850,326	3,698,294	46,729,542
2018	19,731,411	15,377,433	3,723,088	2,945,642	41,777,574

Source: Unified Government, Finance Department. Figures on a modified accrual basis of accounting.

Note:

Sales and use taxes to City General Fund do not include sales taxes pledged to special sales tax districts. Also, sales and use tax revenue from the Emergency Medical Services (0.25%) and Dedicated Public Safety and Neighborhood Infrastructure (0.375%) are accounted for in other funds and not reflected in the above table. Beginning in 2017, base sales and use tax revenues resulting from the pay off of the original STAR bonds related to Village West are included.

TABLE 13

KANSAS SPEEDWAY STAR BONDS SALES AND USE TAX REVENUES

Last Ten Fiscal Years

Year	State Sales & Use Tax	City Sales & Use Tax	County Sales & Use Tax	Total Kansas Speedway STAR Bond Sales & Use Tax Revenues
2009	\$ 2,310,231	\$ 580,258	\$ 431,853	\$ 3,322,342
2010	2,592,525	664,407	419,936	3,676,868
2011	3,539,573	963,209	555,175	5,057,957
2012	3,342,323	960,020	638,616	4,940,959
2013	2,736,162	712,401	412,658	3,861,221
2014	2,770,282	737,584	428,937	3,936,803
2015	3,641,160	948,592	542,688	5,132,439
2016	5,376,299	1,344,175	777,237	7,497,711
2017	2,190,945	190,915	131,406	2,513,266
2018	933,764	246,328	137,350	1,317,442

Source: Unified Government, Finance Department. Figures reflected on a budgetary (cash) basis of accounting.

TABLE 14

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Governmental Activities

Fiscal Year	General Obligation Bonds ²	Special Obligation Bonds	Revenue Bonds	Capital Leases	Certificates of Participation	Section 108 Loan	STAR Bonds	TDD Bonds
2009	\$ 138,680,552	\$ -	\$ -	\$ 14,920,099	\$ 8,100,000	\$ 3,584,000	\$ 54,352,319	\$ 20,580,000
2010	223,100,366	-	-	14,859,322	-	3,314,000	85,317,108	20,009,000
2011	222,715,718	7,725,000	-	10,421,691	-	3,025,000	72,091,680	19,353,000
2012	219,468,230	22,025,000	-	7,808,657	-	2,715,000	77,734,667	18,462,000
2013	223,617,040	58,255,000	9,915,000	8,092,694	-	2,384,000	60,925,224	27,218,000
2014	237,738,948	55,433,142	9,818,271	7,427,230	-	2,029,000	57,684,315	25,560,528
2015	245,001,722	52,599,618	10,000,992	6,839,477	-	1,650,000	79,987,272	23,999,096
2016	268,701,047	56,181,878	16,730,134	7,706,512	-	1,244,000	66,824,018	22,351,665
2017	305,030,147	52,418,414	14,507,922	9,409,186	-	810,000	65,570,581	20,713,000
2018	329,177,181	74,357,140	46,721,504	11,403,800	-	-	63,770,866	18,640,000

Business Type Activities

Fiscal Year	General Obligation Bonds	Capital Leases	Sewer Revolving Loan	STAR Bonds	BPU Revenue Bonds	BPU Capital Leases	BPU Government Loan	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
2009	\$ 22,384,448	\$ 1,077,448	\$ 13,653,555	\$ -	\$ 363,881,515	\$ 650,042	\$ 21,710,900	\$ 663,574,878	15.6%	4,267
2010	39,734,634	1,792,146	12,570,320	-	355,430,000	367,952	20,717,121	777,211,969	17.0%	4,935
2011	40,859,282	1,863,319	11,273,779	-	421,100,000	74,989	19,813,666	830,317,124	13.7%	5,255
2012	46,766,770	2,175,132	10,018,884	-	479,735,000	-	18,788,619	905,697,959	10.6%	5,682
2013	51,957,960	3,237,906	10,822,225	-	462,765,000	1,011,816	27,585,940	947,787,805	12.0%	5,887
2014	58,258,086	2,835,314	12,438,998	5,979,650	594,842,762	1,454,219	32,448,862	1,103,949,325	16.0%	6,801
2015	68,858,876	2,450,728	14,222,104	6,405,559	574,800,051	3,812,374	33,275,100	1,123,902,969	17.1%	6,860
2016	79,224,592	1,890,492	15,860,581	-	743,723,718	2,261,193	34,076,540	1,316,776,370	25.6%	7,984
2017	89,779,979	1,216,581	13,735,452	-	721,916,037	1,003,499	34,810,372	1,330,921,170	25.1%	8,051
2018	94,457,179	2,607,743	17,983,765	-	699,393,354	-	34,374,826	1,392,887,358	25.6%	8,425

Details regarding the Unified Government's outstanding debt can be found in the Notes to the Financial Statements.

¹ Population and personal income data can be found in the Demographics Statistical Table.

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

² This includes all long-term general obligation debt consisting of: general obligation bonds, tax increment financed GO bonds and bond anticipation notes

TABLE 15

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

General Bonded Debt Outstanding						
Fiscal Year	General Obligation Debt ¹	Less: Amounts Restricted to Repaying Principal	Total General Bond Debt	Percentage of Personal Income ²	Percentage of Actual Value of Taxable Property ³	Per Capita ²
2009	\$ 161,065,000	\$ (3,846,913)	\$ 157,218,087	3.69%	1.99%	998
2010	262,835,000	(3,432,786)	259,402,214	5.67%	3.30%	1,642
2011	263,575,000	(3,294,379)	260,280,621	4.29%	3.60%	1,647
2012	266,235,000	(2,523,496)	263,711,504	3.10%	3.56%	1,654
2013	275,575,000	(3,172,621)	272,402,379	3.44%	3.67%	1,692
2014	295,997,034	(4,501,025)	291,496,009	4.22%	3.90%	1,798
2015	313,860,598	(5,542,420)	308,318,178	4.69%	3.97%	1,887
2016	347,925,639	(8,866,589)	339,059,050	6.59%	4.24%	2,070
2017	394,810,126	(11,771,055)	383,039,071	7.22%	4.60%	2,317
2018	423,634,360	(14,757,747)	408,876,613	7.52%	4.57%	2,473

Notes:

¹ Includes General Obligation Bonds for governmental and business-type activities net of premiums and discounts.

² Population and personal income data can be found in the Demographics Statistical Table.

³ Property value data can be found in Actual Value of Property Statistical Table.

TABLE 16

DEBT RATIOS

AS OF DECEMBER 31, 2018

	Wyandotte Co.	Kansas City
Estimated Actual Valuation (Appraised)	\$ 8,946,180,061	\$ 7,996,552,407
Equalized Assessed Tangible Valuation ^(a)	\$ 1,445,507,241	\$ 1,294,573,662
Population (U.S. Census Estimate)	165,324	152,938
Outstanding General Obligation Indebtedness (as of December 31, 2018)		
General Obligation Bonds	\$ 13,105,000	\$ 205,098,990
General Obligation Notes	\$ -	\$ 65,020,000
Less: Debt Service Funds on Hand as of December 31, 2018	\$ (4,734,573)	\$ (8,774,423)
Net Outstanding General Obligation Indebtedness	\$ 8,370,427	\$ 261,344,567
Ratio of Net General Obligation Debt to Estimated Actual Valuations	0.09%	3.27%
Ratio of Net General Obligation Debt to Equalized Assessed Tangible Valuation	0.58%	20.19%
Net General Obligation Debt per Capita	\$ 51	\$ 1,709
Overlapping Indebtedness	\$ 393,104,987	\$ 354,144,868
Direct and Overlapping Indebtedness	\$ 401,475,414	\$ 615,489,435
Ratio of Direct and Overlapping Indebtedness to Estimated Actual Valuation	4.49%	7.70%
Ratio of Direct & Overlapping Debt to Equalized Assessed Tangible Valuation	27.77%	47.54%
Direct and Overlapping Indebtedness per Capita	\$ 2,428	\$ 4,024
Overlapping Indebtedness per Capita	\$ 2,378	\$ 2,316

(a) Includes real property, personal property, and state assessed utility valuations and excludes valuations for motor vehicles.

Source: Unified Government, Finance Department

TABLE 17

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

	2009 (As of 12/31/09)	2010 (As of 12/31/10)	2011 (As of 12/31/11)	2012 (As of 12/31/12)	2013 (As of 12/31/13)
Statutory debt capacity:					
Equalized assessed valuation of taxable tangible property	\$ 1,143,897,672	\$ 1,098,921,073	\$ 1,077,678,389	\$ 1,093,343,355	\$ 1,095,669,466
Estimated tangible valuation of motor vehicles	<u>120,485,596</u>	<u>117,043,311</u>	<u>113,607,923</u>	<u>113,853,207</u>	<u>116,127,017</u>
Estimated tangible valuation for calculating bonded indebtedness limit	<u>1,264,383,268</u>	<u>1,215,964,384</u>	<u>1,191,286,312</u>	<u>1,207,196,562</u>	<u>1,211,796,483</u>
Debt limit (30% of total valuation)	379,314,980	364,789,315	357,385,894	362,158,969	363,538,945
Amount of debt applicable to limit					
Total bonded indebtedness	275,107,299	313,695,000	314,865,000	320,893,000	364,150,000
Less exempt issues	<u>(81,102,801)</u>	<u>(120,678,806)</u>	<u>(140,062,853)</u>	<u>(96,615,096)</u>	<u>(101,413,770)</u>
Total net debt applicable to limit	194,004,498	193,016,194	174,802,147	224,277,904	262,736,230
Legal debt margin	<u>\$ 185,310,482</u>	<u>\$ 171,773,121</u>	<u>\$ 182,583,747</u>	<u>\$ 137,881,065</u>	<u>\$ 100,802,715</u>
Total net debt applicable to the limit as a percentage of debt limit	51%	53%	49%	62%	72%

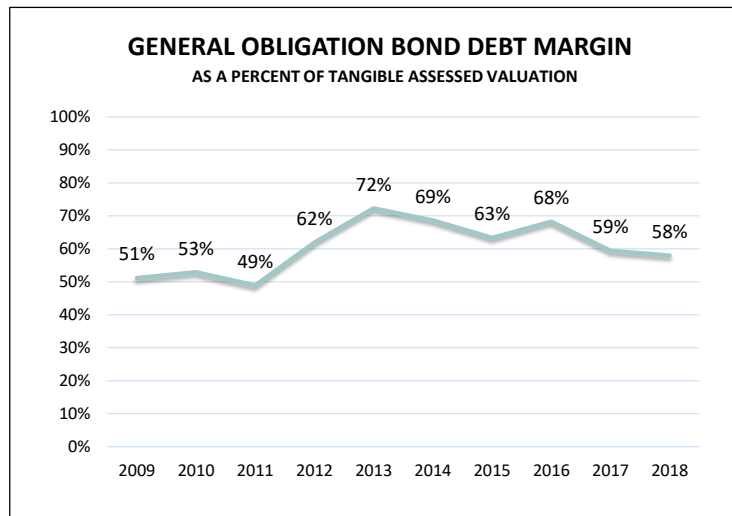


TABLE 17

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

	2014 (As of 12/31/14)	2015 (As of 12/31/15)	2016 (As of 12/31/16)	2017 (As of 12/31/17)	2018 (As of 12/31/18)
Statutory debt capacity:					
Equalized assessed valuation of taxable tangible property	\$ 1,098,740,174	\$ 1,139,433,176	\$ 1,181,532,063	\$ 1,208,714,119	\$ 1,299,515,512
Estimated tangible valuation of motor vehicles	119,834,832	126,395,984	135,062,201	140,022,759	145,991,729
Estimated tangible valuation for calculating bonded indebtedness limit	1,218,575,006	1,265,829,160	1,316,594,264	1,348,736,878	1,445,507,241
Debt limit (30% of total valuation)	365,572,502	379,748,748	394,978,279	404,621,063	433,652,172
Amount of debt applicable to limit					
Total bonded indebtedness	368,920,000	369,585,001	374,610,000	428,455,000	446,925,000
Less exempt issues	(117,961,356)	(128,992,366)	(104,969,576)	(188,067,178)	(195,461,010)
Total net debt applicable to limit	250,958,644	240,592,635	269,640,424	240,387,822	251,463,990
Legal debt margin	\$ 124,979,867	\$ 139,156,113	\$ 125,337,855	\$ 164,233,241	\$ 182,188,182
Total net debt applicable to the limit as a percentage of debt limit	69%	63%	68%	59%	58%

TABLE 18

PLEDGED-REVENUE DEBT COVERAGE

Last Ten Fiscal Years

Kansas City, Kansas Board of Public Utilities Revenue Bonds					
Fiscal Year	Gross Revenues ³	Direct Operating Expenses ³	Net Available Revenue	Total Debt Service Requirements	Coverage
2009	\$ 231,955,328	\$ 185,129,869	\$ 46,825,459	\$ 29,908,142	1.57
2010	265,907,854	171,635,395	94,272,459	31,363,760	3.01
2011	273,231,435	192,613,493	80,617,942	32,481,143	2.48
2012	290,217,990	204,642,159	85,575,831	36,295,726	2.36
2013	287,771,566	196,863,453	90,908,113	39,323,773	2.31
2014	311,540,386	215,695,728	95,844,658	24,804,869	3.86
2015	303,124,272	201,260,954	101,863,318	45,334,587	2.25
2016	301,043,289	210,246,970	90,796,319	48,079,981	1.89
2017	317,306,293	214,070,198	103,236,095	51,014,663	2.02
2018	355,792,700	219,002,751	136,789,949	52,290,494	2.62

Notes:

¹ Includes sales tax generated in the Prairie Delaware Redevelopment District.
See more in Note III.F. to the financial statements.

² Includes sales tax generated in three transportation development districts.
See more in Note III.F. to the financial statements.

³ Excludes depreciation expense, amortization expense and amortization revenue.

TABLE 18 (continued)

PLEDGED-REVENUE DEBT COVERAGE

Last Ten Fiscal Years

Fiscal Year	Unified Government STAR Bonds ¹					Unified Government TDD Bonds ²				
	Sales Tax Revenues	Principal	Interest	Coverage		Sales Tax Revenues	Principal	Interest	Coverage	
2009	\$ 12,010,638	\$ 9,961,787	\$ 3,190,804	0.91		\$ 1,384,668	\$ 615,000	\$ 1,019,714	0.85	
2010	13,529,636	11,116,268	2,723,395	0.98		1,653,312	571,000	1,016,321	1.04	
2011	14,620,449	13,225,428	2,044,921	0.96		1,589,184	646,000	973,531	0.98	
2012	61,108,119	84,312,186	5,222,713	0.68		1,870,493	891,000	921,536	1.03	
2013	17,068,733	16,809,443	4,606,309	0.80		2,481,133	1,219,000	1,157,689	1.04	
2014	58,453,245	44,181,854	13,530,823	1.01		2,738,028	1,366,000	1,283,196	1.03	
2015	61,697,772	45,026,515	16,782,445	1.00		3,007,406	1,575,000	1,257,442	1.06	
2016	46,582,407	24,810,143	13,533,052	1.21		2,745,887	1,661,000	1,221,362	0.95	
2017	5,445,930	2,276,733	5,691,103	0.68		2,927,428	1,791,000	1,140,044	1.00	
2018	7,250,654	6,940,303	5,672,497	0.57		2,991,901	2,073,000	1,054,075	0.96	

Unified Government of Wyandotte County and Kansas City, Kansas

TABLE 19

INDIRECT DEBT

AS OF DECEMBER 31, 2018

Four school districts are located completely within the territorial limits of the Unified Government, as is the Kansas City, Kansas Community College.

Jurisdiction	Total Debt	Applicable % to Wyandotte County	Wyandotte County	Applicable % to Kansas City, KS	Kansas City, KS
Kansas City, Kansas Community College	\$ 29,568,000	100.00%	\$ 29,568,000	89.61%	\$ 26,436,522
U.S.D. No. 500	268,015,000	100.00%	268,015,000	99.98%	267,977,657
U.S.D. No. 202	27,280,000	100.00%	27,280,000	99.84%	27,244,437
U.S.D. No. 203	25,700,000	100.00%	25,700,000	100.00%	25,700,000
U.S.D. No. 204	23,733,823	97.82%	23,214,731	31.72%	6,786,252
City of Bonner Springs	13,500,000	93.23%	12,532,256	0.00%	-
City of Edwardsville	6,795,000	100.00%	6,795,000	0.00%	-
Totals	\$ 394,591,823		\$ 393,104,987		\$ 354,144,868

Note: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the County or City. This table estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents of Wyandotte County and Kansas City, Kansas. The applicable percentage is based on the County & City percent share of the respective entities' total assessed valuation.

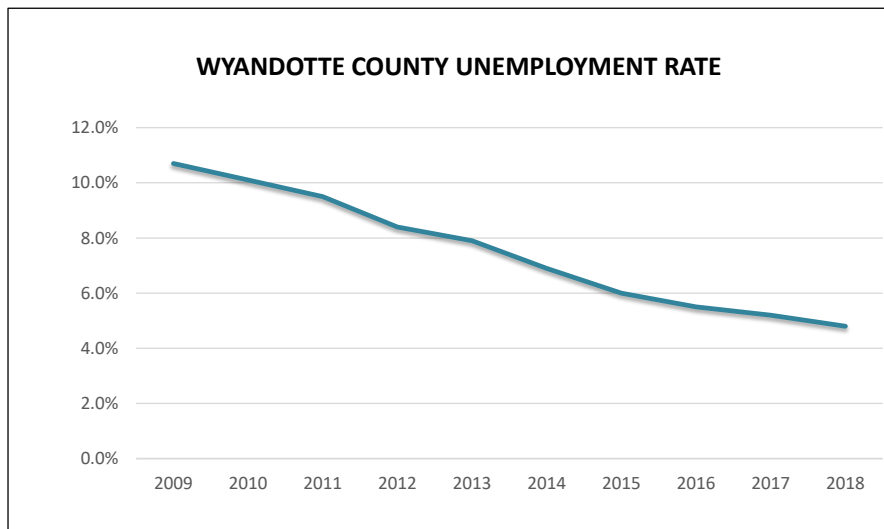
Source: Unified Government, Finance Department.

TABLE 20

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Year	County Population ¹	Personal Income ² (thousands of dollars)	Per Capita ² Personal Income	County-wide Public School Enrollment ³	Unemployment Rate
2009	155,499	\$ 4,258,048	\$ 27,223	28,538	10.7%
2010	157,505	\$ 4,575,257	\$ 29,023	28,455	10.1%
2011	158,020	\$ 6,072,087	\$ 38,426	28,462	9.5%
2012	159,411	\$ 8,514,739	\$ 53,394	29,284	8.4%
2013	160,984	\$ 7,910,231	\$ 49,150	29,753	7.9%
2014	162,320	\$ 6,912,435	\$ 42,641	30,200	6.9%
2015	163,832	\$ 6,574,820	\$ 40,242	30,414	6.0%
2016	164,934	\$ 5,141,826	\$ 31,273	30,826	5.5%
2017	165,313	\$ 5,303,254	\$ 32,085	31,578	5.2%
2018	165,324	\$ 5,435,835	\$ 32,663	31,436	4.8%



Sources and Notes:

¹ U.S. Dept of Commerce, Bureau of Census, Local Population Estimates; non-decenial Census figures are time-series data updated annually with release of annual population estimate. 2010 population from the U.S. Census Count.

² Personal Income and Per Capita Personal Income per U.S. Bureau of Economic Analysis. Most recent year is an estimate based on trends.

³ School enrollment of Kansas City, Kansas #500, Turner #202, Piper #203, Bonner Springs #204 and parochial schools in Wyandotte County.

TABLE 21

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

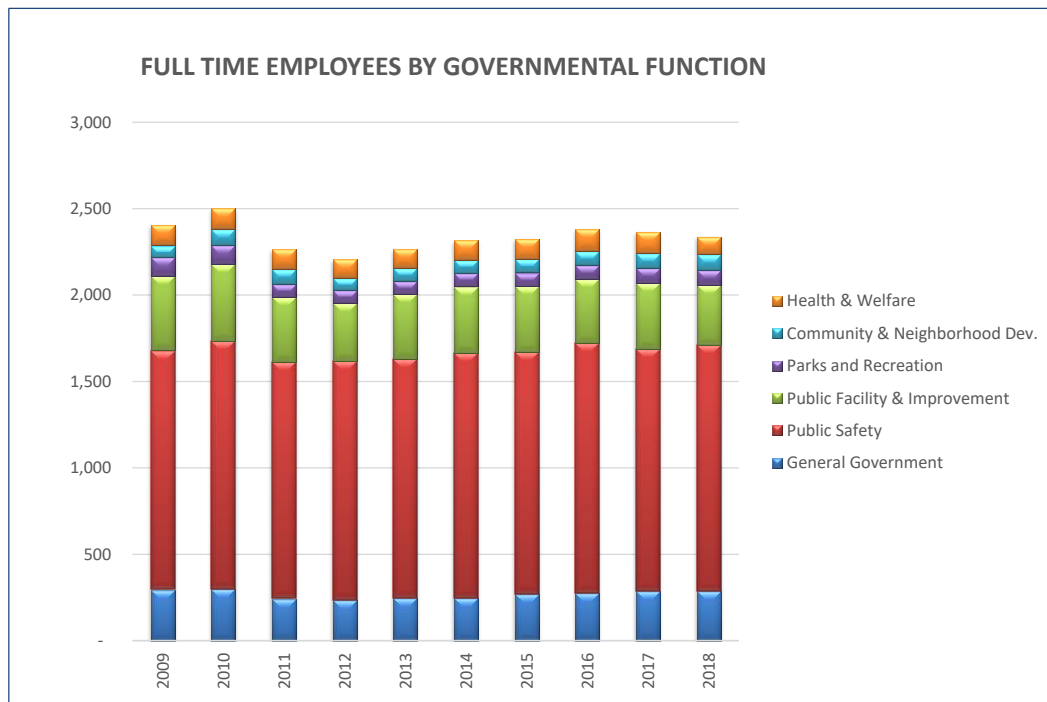
	Fiscal Year 2018			Fiscal Year 2009		
	Employees in County (Employment Range)	Rank	Percentage of Total County Employment	Employees in County (Employment Range)	Rank	Percentage of Total County Employment
Kansas University Hospital	5,000+	1	7.00%	2500-3499	3	4.10%
Amazon Fulfillment Center	3500-4000	2	4.12%	-	-	-
University of Kansas Medical Center	3500-4000	3	4.05%	2500-3499	4	3.35%
Kansas City, KS School District #500	3500-4000	4	3.60%	3500-4000	1	4.59%
Cerner	2500-3499	5	3.11%	-	-	-
Burlington Northern/Santa Fe Railroad	2500-3499	6	2.57%	1000-2499	5	3.05%
Unified Government of Wyandotte Co/KCK	1000-2499	7	2.41%	1000-2499	6	2.80%
General Motors Corporation	1000-2499	8	2.30%	3500-4000	2	4.39%
Providence Medical Center	1000-2499	9	1.22%	1000-2499	7	1.46%
Nebraska Furniture Mart	1000-2499	10	1.17%	1000-2499	8	1.45%
Associated Wholesale Grocers	-	-	-	1000-2499	9	1.28%
United Parcel Service	-	-	-	750-999	10	1.13%
	30,655		31.54%	22,650		27.60%

Source: Unified Government Finance Department, Research Division.

TABLE 22

FULL-TIME EQUIVALENT UNIFIED GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	295	300	244	234	249	247	268	274	287	286
Public Safety	1,384	1,433	1,370	1,381	1,381	1,420	1,405	1,447	1,401	1,427
Public Facility & Improvement	431	448	375	340	375	382	380	375	380	345
Parks and Recreation	108	109	74	73	75	77	77	80	89	89
Community & Neighborhood Dev.	69	92	86	70	76	77	79	81	84	89
Health & Welfare	120	121	115	107	110	114	118	128	126	103
Total FTE Employees	2,407	2,503	2,265	2,205	2,267	2,317	2,326	2,383	2,366	2,339
Percentage Change	0.0%	4.0%	-9.5%	-2.6%	2.8%	2.2%	0.4%	2.4%	-0.7%	-1.2%
Population per FTE	65	63	70	72	70	69	70	69	70	71



Source: Unified Government Annual Budget Documents

TABLE 23

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Number of Register of Deeds documents recorded	20,479	18,008	19,432	22,281	23,714	20,852	23,208	22,713	23,886	22,538
Number of registered voters	90,764	76,174	80,613	81,980	81,638	70,787	82,550	74,239	78,020	82,741
Public Safety										
Number of 911 calls	181,164	180,826	179,544	189,020	201,335	199,646	223,413	181,381	173,667	163,366
Number of Fire Department calls for service	24,970	25,592	25,744	26,689	27,471	26,127	25,244	22,215	31,433	32,291
Violent crimes	942	808	906	853	707	865	944	1,250	1,445	1,320
Public Facility and Improvement										
Number of bridges maintained	151	151	151	151	151	151	151	151	151	151
Miles of road maintained	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943
Parks & Recreation										
Park acres maintained	2,600	2,600	2,600	2,600	2,715	2,715	2,715	2,715	2,715	2,715
Community and Neighborhood Development										
Number of business licenses processed	7,185	7,092	7,141	7,036	6,906	6,621	6,956	6,951	7,323	7,310
Number of demolition permits issued	119	195	123	171	64	100	109	88	96	105
¹ Number of assistance downpayments issued	16	13	8	24	39	16	14	21	7	8
² Number of grants/ loans awarded	149	97	117	149	113	101	68	73	80	67
Public Health and Welfare										
Number of visits to the Health Department	34,537	30,506	29,520	29,286	29,037	27,477	24,811	23,630	21,509	17,360
Number of clients to the Health Department	19,071	20,381	16,540	21,035	19,794	13,781	12,493	11,976	10,741	7,610
Number of visits to the WIC Division ³	65,225	64,337	63,998	60,293	50,844	56,499	52,225	48,131	46,057	42,434
Number of clients to the WIC Division ³	8,047	7,722	7,429	7,449	6,946	6,639	6,309	6,033	5,507	5,215
Number of congregate meals served to seniors	58,828	50,426	40,430	40,271	39,770	398,180	34,225	36,041	36,277	37,504
Number of home delivered meals served to seniors	147,914	138,776	129,989	126,423	127,384	117,767	118,797	127,240	124,726	110,388
Number of newsletters distributed	24,418	20,751	22,534	22,694	24,552	19,200	19,200	20,626	21,257	21,555
Number of legal assistance hours provided	534	510	533	497	506	498	496	481	522	494

Notes:

¹ Downpayment Assistance Program (CHIP) is aimed at low-to moderate-income households to provide assistance for purchasing single-family homes. Averaging an estimated value of \$12,000, each downpayment represents an estimated \$2 million investment over a ten year period .

² Grants are aimed at very low-income single-family households and includes emergency grants, roofs, sewers, residential barrier removal, special service grants, lead-based paint removal, and other similar improvements.

² Also includes grants/loans for low-to moderate income households, such as the HELP loan program.

Averaging an estimated value of \$4,000, each grant/loan represents an estimated \$4 million investment over a ten year period.

³ The Special Supplemental Nutrition Program for Women Infants and Children (WIC) provides federal grants to states for supplemental foods, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five at nutritional risk.

Source: Unified Government Finance Department, Budget Office and individual departments.

TABLE 24

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government										
Office buildings	12	12	12	12	12	12	13	14	15	15
Other buildings	27	27	27	27	26	26	21	21	30	30
Public Safety										
Fire stations	18	18	18	18	18	18	18	18	18	18
Primary Fire trucks/ Pumpers	22	22	16	16	22	22	22	23	22	22
Primary Ambulances	12	12	12	12	12	12	12	12	9	9
Police stations	7	7	7	7	7	7	7	7	8	8
Public Facility and Improvement										
Number of bridges	151	151	151	151	151	151	151	151	151	151
Miles of roads	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943
Number of wastewater plants	5	5	5	5	5	5	5	5	5	5
Parks & Recreation										
Number of recreation centers	7	7	7	7	9	10	10	10	10	10
Number of parks	54	54	54	54	53	53	53	53	53	53

Source: Unified Government Finance Department, Budget Office and individual departments.



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