



# Comprehensive Annual Financial Report

Year Ended December 31, 2017

Unified Government of Wyandotte  
County and Kansas City, Kansas



prepared by

**Department of Finance**  
**Accounting Division**

Kathleen VonAchen, Chief Financial Officer  
Deborah Jonscher, Deputy Chief Financial Officer  
Pamela Kahao, Acting Accounting Manager

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*Reasonable accommodations will be made to qualified individuals with disabilities on an as needed basis, provided adequate notice is given.*

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June 18, 2018

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 2017 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, 2017 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, 2017. 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  
701 North Seventh Street | Kansas City, Kansas 66101

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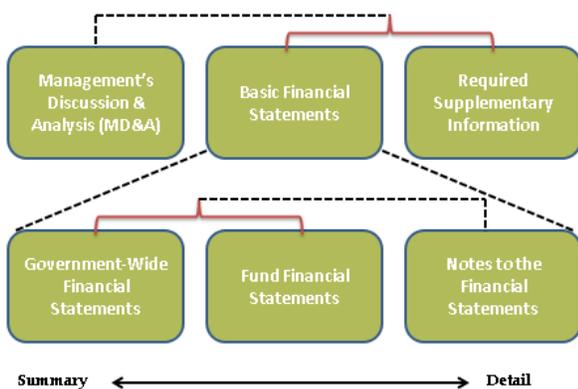
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# The Report

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.

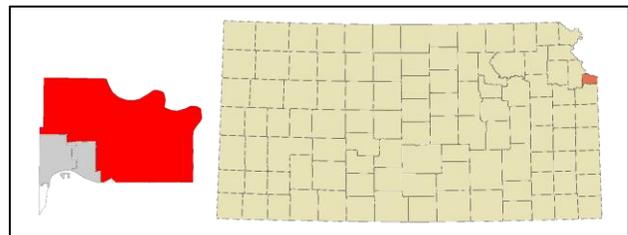
Home to the Kansas Speedway Corporation (NASCAR) 1.5-mile super-speedway, Sporting KC major league soccer stadium, and the Legends Outlets Kansas City super-regional mall, Wyandotte County is Kansas’ top tourism destination bringing in over 12 million shoppers and visitors annually. Also situated in Kansas City, Kansas is the Fairfax industrial area, believed to be nation’s the 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.

**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.

The U.S. Census Bureau projects a population of 165,288 for Wyandotte County, Kansas for 2017, a growth of over 5,000 new residents of Kansas City, Kansas, Bonner Springs, Edwardsville and Lake Quivira over the past five 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 Executive Officer. 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 Executive Officer 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 2,367 employees in 2017 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 8,000 businesses supporting an employment base of over 90,000 employed. Major employers include:

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

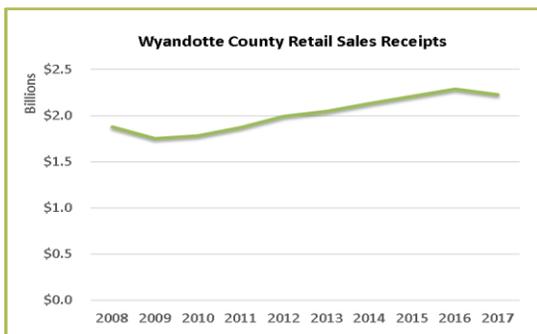
The regional economy has recovered from the recession a decade earlier with many revenues sources increasing in fiscal year 2017. Most economic indicators show improvement.

**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 2017 in Kansas was 3.6% compared with 4.4% nationally. The unemployment rate for the County was 5.2%, down from 5.7% for 2016 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 a modest 1.4% in 2017. Consumer spending continues to increase. The County’s retail sales receipts steadily grew since 2013 totaling \$2.2 billion in 2017. Sales and use tax revenue, which makes up 31% of the General Fund revenue stream, increased by 27% in 2017 due to the STAR bond payoff and one-time use taxes from the start-up of the Amazon Fulfillment Center. The Government anticipates that core sales and use tax revenue will grow a modest 2.6% in 2018.

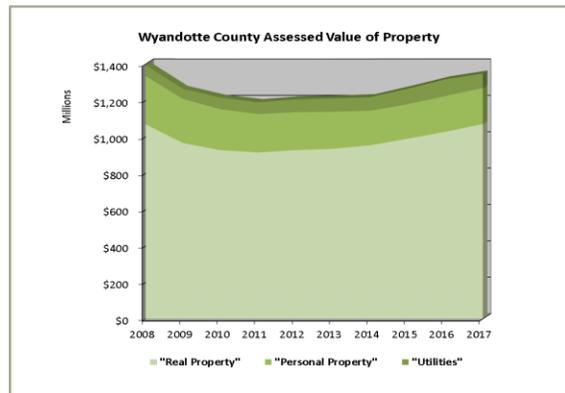


**CONSTRUCTION**

Commercial/ industrial construction values totaled \$105.7 million in 2017, down from a near decade high of \$232.8 million in 2016. New residential construction value increased for the third straight year in 2017, totaling \$48.2 million or 3.0% increase. Residential permits increased by 22.6% in 2017 and 59.7% in 2016. Growth is anticipated to continue in 2018 but at a more moderate pace.

**PROPERTY VALUES**

The local real estate market saw a steady increase in values over the year. Wyandotte County’s assessed value for 2017 was \$1.35 billion, a 2.4% increase over the 2016 assessed value and an 11.7% increase since 2012.



**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.

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 3/8<sup>th</sup> cent general sale and use tax on purchases made in the City. This Dedicated Sales Tax measure generated \$10 million in additional revenue in 2017 to support public safety and neighborhood

infrastructure operations, equipment and capital projects. This tax will expire July 2020.

### 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 68% of total 2017 General Fund 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 were approximately \$6 million less than the revised 2017 budget (adjusted to exclude the budgeted \$9.6 million annual debt appropriation reserve). Achieving unspent budgets is due in large part to 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 10% of total budgeted expenditures, 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 2017 is 20.6% 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 assessed value of taxable property in the County that totaled \$404.6 million in 2017. The Government's general obligation bonded debt subject to this statutory debt limit was \$245.7 million as of December 31, 2017 or 61% of the debt limit. Further, the Government's debt policy limits annual debt service payments, excluding enterprise funds, to 10% to 12% of total budget authority of the tax levied funds.

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, 2017, 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 \$350.0 million at December 31, 2017.

### 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 March 2018, 116 businesses, including 28 restaurants, were open in Village West, employing nearly 5,700 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 2017, businesses generated over \$734 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.

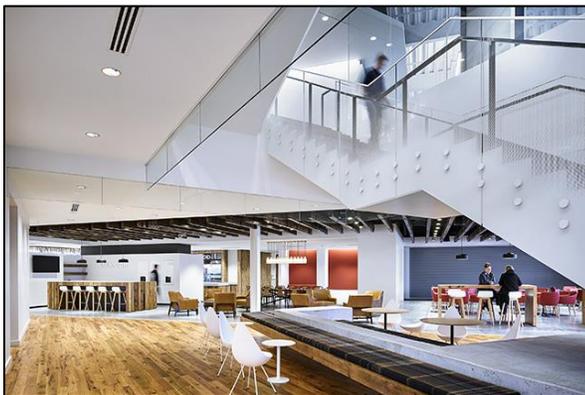


Children's Mercy Park, Sporting KC Soccer Stadium

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 seventh successful season in 2017 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. Finally, there are plans to build a 40,000 square foot, \$11 million medical office building on a 5.2-acre site adjacent to the Dairy Farmers of America (expected completion 2nd Quarter 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. This district includes the Schlitterbahn Waterpark, which has 20 attractions including 24 slides located on 24 acres. 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.



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 5,500 employees were hired for the fulfillment center that will 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

### *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 include: Five Guys Burger and Fries; Topp'd Pizza; 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,

Kansas City Transitional Care Center, and Hanger Prosthetics & Orthotics. A Tanner's Bar and Grill opened in 2018. 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 Lane4 Property Group to market the 100-acre site for new development.

### *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 Buick LaCrosse 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.

An development project is under consideration in downtown Kansas City, Kansas that could include a new grocery store and community center run by the YMCA. The Unified Government committed \$6 million in its future capital program for the community center portion of this project.

#### *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, 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 2019

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.

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## 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: Acting Accounting Manager Pam Kahao, former Accounting Manager and current County Treasurer Rick Mikesic, Mary Barnes, Lonia Green, Mike Kupsch and Peggy Ryan of the Accounting Division, Deputy Treasurer Lisa Nolan, Payroll Manager Ron Green, Deputy Chief Financial Officer Debbie Jonscher, Research Manager Mike Grimm, Debt Coordinator Alyse Villarreal, 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:**

This is a time of significant success for the Unified Government. Over the past three years, we have helped our economy create an estimated 7,000 jobs and increased our assessed valuation by 7.8%. We have restored the fiscal health of the Government, replenished our financial reserves and maintained our bond ratings. With these accomplishments in mind, as well as an eye on sustaining this success, the Unified Government has redoubled its efforts 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. The past years has seen the Wyandotte

County Criminal Justice Collaborative amplify 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. Over the past few years, great improvements in these areas have been achieved.

The passage in April 2010 of a 3/8th cent Kansas City, Kansas dedicated sales tax for public safety and neighborhood infrastructure continues to positively impact our community. Due to sunset on June 30, 2020, the Commission approved to have a renewal of this tax be placed on the ballot for August 7, 2018 for consideration by Kansas City, Kansas voters. As the Unified Government’s needs expand 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 efforts 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.

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**Office of the County Administrator Staff**

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

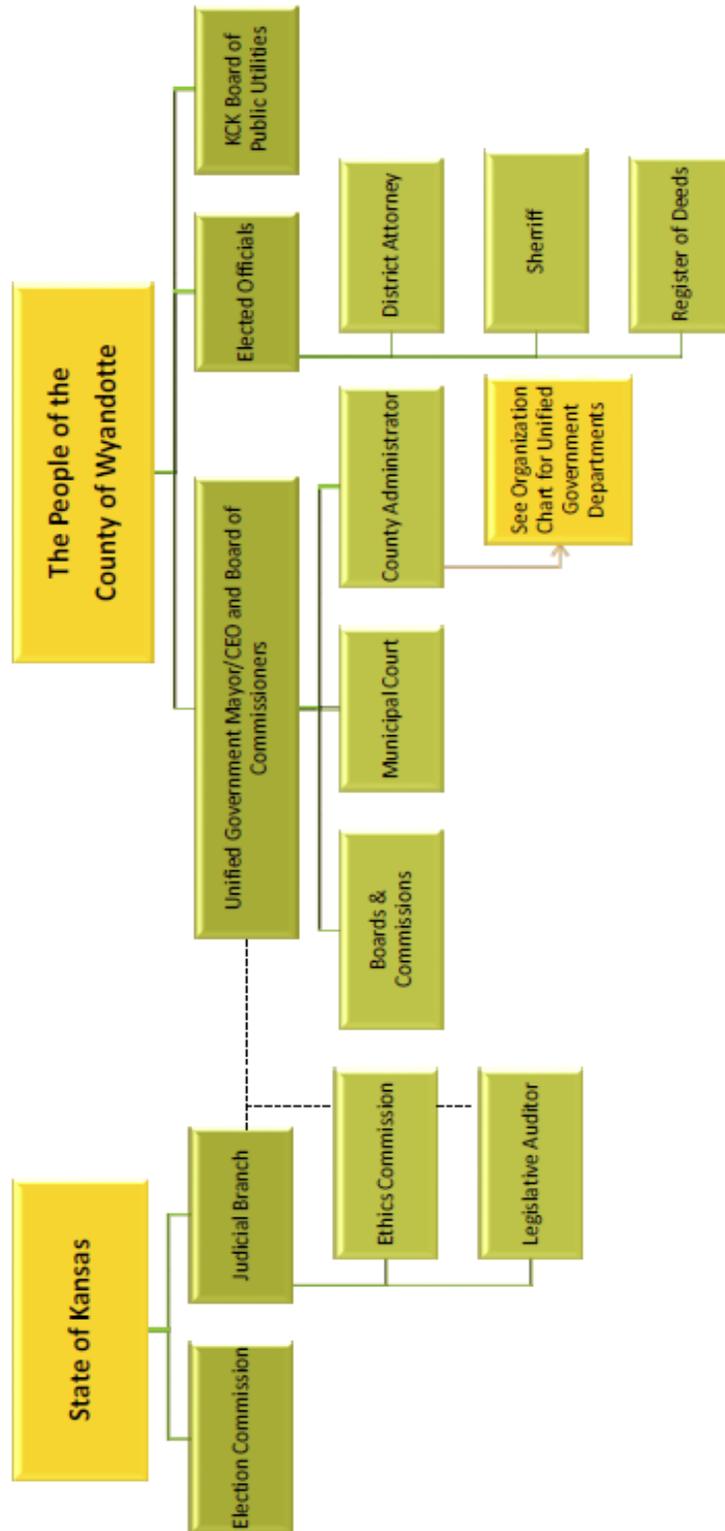


Honorable Dr. Jane Winkler  
Philbrook District 8

# Unified Government of Wyandotte County / Kansas City, Kansas

## Organizational Chart

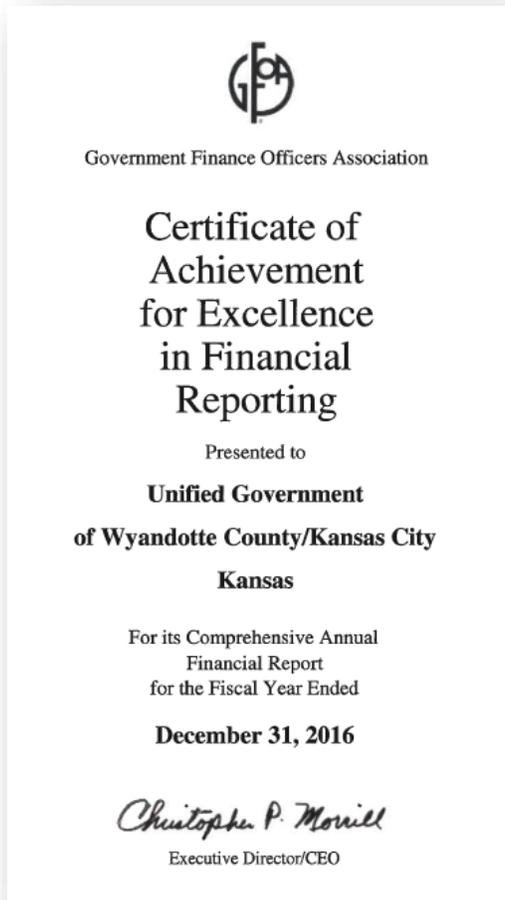
### Elected and Appointed Officials





*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, 2016. This is the 18<sup>th</sup> 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 5<sup>th</sup> 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.



## 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, 2017, 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, 82 percent, and 87 percent, respectively, of the assets, net position, and revenues of the business-type activities. Those financial 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, 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 Unified Government as of December 31, 2017, 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.

***Emphasis of Matter***

As discussed in Note IV. F. to the financial statements, in 2017, the Unified Government adopted Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

***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 18, 2018 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 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 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 18, 2018  
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, 2017. 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 \$545,089,000 (net position).
- The Government's total net position improved by \$48,444,000 or 9.8% over the prior year. Of the increase, a prior period adjustment of \$26,579,000 is recorded reducing other post-employment benefits (OPEB) retiree healthcare liabilities due to changes related to implementation of GASB Statement 75 and associated actuarial assumptions. Other increases to net position improved the deficit net position of governmental activities by \$4,144,000 and increased the business-type activities' net position by \$17,721,000.
- The Government's long-term liabilities are \$1,677,849,000, consisting of \$756,617,000 for governmental activities and \$921,232,000 for business-type activities. Of the governmental long-term liabilities, \$282,047,000 or 37.3 % are for employee and retiree benefits and \$468,459,000 or 61.7% for debt-financed capital and economic development investments, with the remaining portion for various claims liabilities.
- Governmental funds combined ending fund balances of \$132,465,000 reflect an increase of \$31,780,000 or 31.6% over the prior year. Of that total, 27.4% or \$36,230,000 is unassigned fund balance that is available for future spending at the Government's discretion.
- General Fund's total fund balance is \$40,957,000 or 20.6% of expenditures and transfers out totaling \$198,847,000. Fund balance grew by \$9,231,000 over the prior year.
- The Unified Government's (excluding the Kansas City, Kansas Board of Public Utilities) total bonded indebtedness increased by \$36,476,000 in 2017. General obligation bonds increased by \$46,817,000, offset by decreases in Public Building Commission (PBC) lease revenue bonds by \$2,155,000, economic development-related indebtedness by \$6,655,000, and capital leases and loans by \$1,530,000.
- During 2017, the Government implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits (OPEB) Other Than Pensions* which, along with changes to actuarial assumptions, resulted in a restated December 31, 2016 total OPEB liability of \$67,752,000 for governmental activities and \$6,084,000 for business-type activities. The impact to the OPEB liability reduction on the Government's net position were reductions of \$24,530,000 for governmental activities and \$2,049,000 for business type activities.

*General Fund reserves are 20.6% of total expenditures and transfers at the end of 2017.*

## 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

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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 \$545,089,000 at the close of the fiscal year. Net position of \$715,006,000 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 \$100,841,000 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 \$270,758,000. Table 1 reflects the Government's net position (amounts in thousands) as of December 31, 2017 and 2016:

**Table 1**  
Amounts in thousands

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 332,802	\$ 304,338	\$ 249,949	\$ 294,127	\$ 582,751	\$ 598,465
Capital assets	555,401	548,760	1,268,545	1,233,651	1,823,946	1,782,411
<b>Total assets</b>	<b>888,203</b>	<b>853,098</b>	<b>1,518,494</b>	<b>1,527,778</b>	<b>2,406,697</b>	<b>2,380,876</b>
<b>Deferred outflows</b>	<b>38,999</b>	<b>39,884</b>	<b>60,924</b>	<b>54,455</b>	<b>99,923</b>	<b>94,339</b>
Noncurrent liabilities	\$ 756,617	\$ 748,186	\$ 921,232	\$ 928,395	\$1,677,849	\$1,676,581
Other liabilities	85,126	89,806	62,300	89,042	147,426	178,848
<b>Total liabilities</b>	<b>841,743</b>	<b>837,992</b>	<b>983,532</b>	<b>1,017,437</b>	<b>1,825,275</b>	<b>1,855,429</b>
<b>Deferred inflows</b>	<b>100,218</b>	<b>98,423</b>	<b>36,038</b>	<b>24,718</b>	<b>136,256</b>	<b>123,141</b>
<b>Net position</b>						
Net investment in capital assets	\$ 226,298	\$ 225,611	\$ 488,708	\$ 471,943	\$ 715,006	\$ 697,554
Restricted	74,886	84,134	25,955	25,718	100,841	109,852
Unrestricted	(315,943)	(353,178)	45,185	42,417	(270,758)	(310,761)
<b>Total net position (deficit)</b>	<b>\$ (14,759)</b>	<b>\$ (43,433)</b>	<b>\$ 559,848</b>	<b>\$ 540,078</b>	<b>\$ 545,089</b>	<b>\$ 496,645</b>

The governmental activities' deficit net position of \$14,759,000 at the year ended December 31, 2017 improved by \$28,674,000 or 66.0% compared to 2016 as a result of a prior year adjustment that reduced the retiree health OPEB liability by \$24,530,000 due to implementation of GASB 75 and actuarial assumption changes. Net position of business-type activities totaling \$559,848,000 improved by \$19,770,000 or 3.7%, of which \$2,049,000 was also due to the same OPEB prior period adjustment. The government-wide change in net position increased by \$48,444,000, of which \$26,579,000 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, 2017 and 2016:

Amounts in thousands	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 26,643	\$ 27,455	\$ 358,930	\$ 349,696	\$ 385,573	\$ 377,151
Operating grants & contributions	25,426	51,537	-	-	25,426	51,537
Capital grants & contributions	378	1,358	220	230	598	1,588
General revenues:						
Property taxes	110,470	105,930	-	-	110,470	105,930
Other taxes	92,409	90,341	6,236	5,986	98,645	96,327
Unrestricted investment earnings	5,775	3,978	893	611	6,668	4,589
Miscellaneous	11,310	16,595	1,745	(137)	13,055	16,458
<b>Total revenues</b>	<b>272,411</b>	<b>297,194</b>	<b>368,024</b>	<b>356,386</b>	<b>640,434</b>	<b>653,580</b>
<b>Expenses</b>						
General government	30,324	31,250	-	-	30,324	31,250
Health and welfare	14,958	15,530	-	-	14,958	15,530
Public safety	139,866	139,153	-	-	139,866	139,153
Public works	65,535	62,108	-	-	65,535	62,108
Parks and recreation	7,449	5,968	-	-	7,449	5,968
Planning and development	24,245	45,155	-	-	24,245	45,155
Interest on long-term debt	20,322	20,602	-	-	20,322	20,602
Electric and water systems	-	-	273,413	270,045	273,413	270,045
Public levee	-	-	114	190	114	190
Stormwater	-	-	2,006	2,831	2,006	2,831
Emergency medical services	-	-	10,132	7,267	10,132	7,267
Sewer system	-	-	28,894	25,677	28,894	25,677
Sunflower Hills golf course	-	-	783	757	783	757
Stadium	-	-	529	742	529	742
<b>Total expenses</b>	<b>302,699</b>	<b>319,766</b>	<b>315,871</b>	<b>307,509</b>	<b>618,570</b>	<b>627,276</b>
Net position before transfers	(30,288)	(22,572)	52,153	48,877	21,865	26,305
Transfers	34,432	34,731	(34,432)	(34,731)	-	-
<b>Changes in net position</b>	<b>4,144</b>	<b>12,159</b>	<b>17,722</b>	<b>14,146</b>	<b>21,865</b>	<b>26,305</b>
Net position (deficit) - January 1	(43,433)	(55,592)	540,078	525,932	496,645	470,340
Prior period adjustment	24,530	-	2,049	-	26,579	-
<b>Net position (deficit) – December 31</b>	<b>\$ (14,759)</b>	<b>\$ (43,433)</b>	<b>\$ 559,848</b>	<b>\$ 540,078</b>	<b>\$ 545,089</b>	<b>\$ 496,645</b>

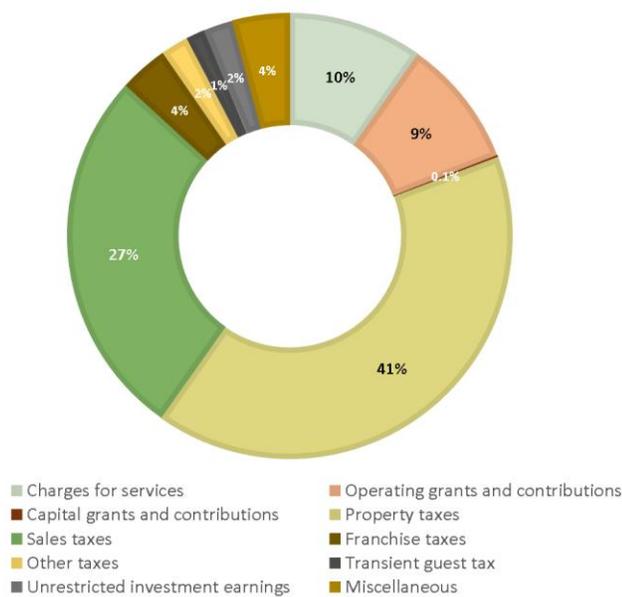
**Governmental activities'** net position improved by \$28,674,000 to a total deficit position of \$14,759,000 for the year ended December 31, 2017. Aside from the OPEB liability adjustment, key elements of the decrease in governmental activities' deficit net position were as follows:

- Property tax and sales tax comprise 90.7% of all tax revenues and 60.0% of all governmental activities' revenues including transfers-in. Property tax revenue totals \$110,470,000, an increase of \$4,540,000 or 4.3%, resulting from the net effect of a 2.4% assessed valuation growth offset by a Commission-adopted Kansas City, Kansas two mill levy property rate reduction.
- Sales tax revenue of \$73,524,000, recorded in governmental activities, were down \$378,000 or a reduction of 0.5% compared to 2016. This modest decrease is due to the net effect of increases from

stable economic growth offset by higher prior year collections of sales tax-related STAR bond debt reserve funds received December 2016 when the Legends shopping center STAR bonds were defeased.

- Beginning in 2017, over \$12,410,000 in estimated sales tax revenue shifted to operational and capital needs that had previously been pledged for principle and interest payments on the Legends shopping area STAR bonds. These STAR bonds were defeased five years ahead of the scheduled final maturity. This “STAR” revenue will continue to be received on an on-going basis, although future growth on \$9,381,000 of the total is capped since its incremental growth is contractually pledged towards repayment of the Sales Tax Special Obligation Capital Appreciation Revenue Bonds (Vacation Village Project Area 4 – Major Multi-Sport Athletic Complex) Series 2015 outstanding bonds. A substantial portion of the “STAR” revenue is programmed for capital projects and equipment acquisitions.
- Operating grants and contributions program revenue decreased \$26,111,000 or 50.7% below the prior year primarily due to a deduction in economic development intergovernmental revenue from the State of Kansas previously received to support debt service on the Legends shopping area STAR bonds that were defeased in December 2016.

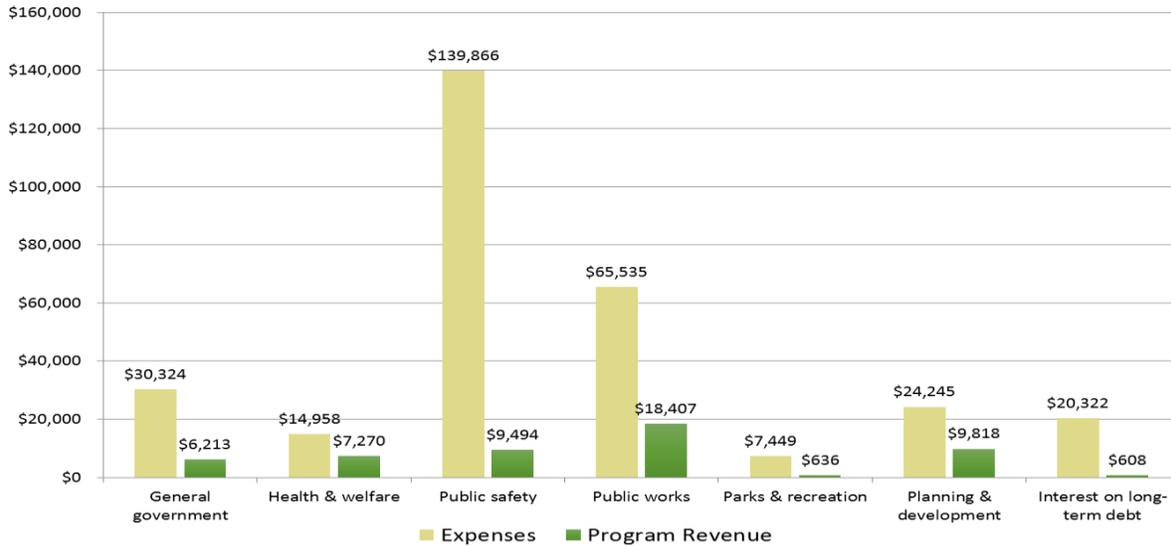
**Revenues by Source – Governmental Activities**



- Total governmental activities’ expenses decreased by \$17,067,000 or 5.3% due to a \$20,909,000 or 46.3% decrease in planning and development program expenses resulting from the Legends shopping area STAR bond defeasance in the prior year previously mentioned. Effectively, in prior years the Government recorded as an intergovernmental revenue the State of Kansas’ portion of sales tax collections related to this STAR bond district and remitted to bond investors the entire debt service payment on these bonds. These bonds defeasances in the December 2016 ended these related transactions contributing the significant variances reported in the 2017 fiscal year.

- Public safety program expenses modestly increased \$713,000 or 0.5% in part due to technology, data tracking, training and equipment acquisitions. Public Works program expense increased \$3,427,000 or 5.5% 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 \$302,699,000 are partially offset by \$52,447,000 in charges for services and operating and capital grants and contributions program revenues. The net shortfall of \$250,252,000 is funded by governmental tax revenue of \$202,880,000, miscellaneous revenues, investment earnings, and a transfer-in of \$34,431,000 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.

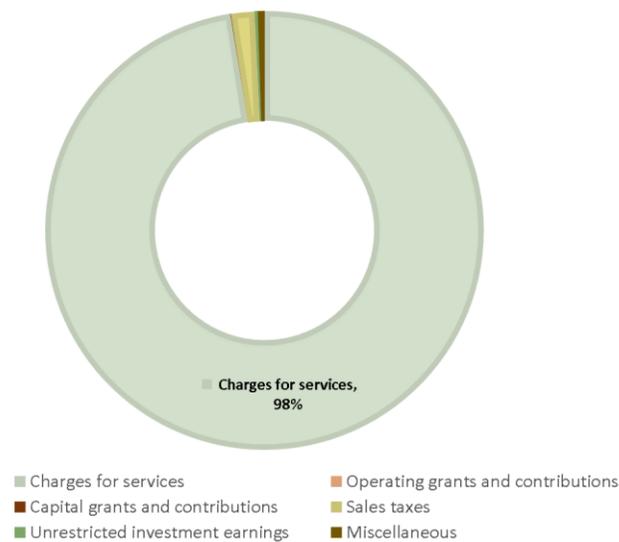
**Business-type activities** increased the Government’s net position by \$19,770,000 to a total net position of \$559,848,000 for the year ended December 31, 2017. Aside from the retiree healthcare OPEB liability prior period adjustment of \$2,049,000 for business-type activities, key elements of this increase are as follows:

- Total business-type revenues of \$368,024,000 were \$11,638,000 higher, or 3.9% 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 \$317,306,000 or 86.2% of the Government’s total business-type activities revenue. BPU charges for services program revenues increased by \$16,263,000 or 5.4% over the prior year due to a 4.0% increase in the electric base rates beginning March 1, 2017. An additional 4.0% increase is also Board-approved for 2018. This rate adjustment was based on future electric utility revenue requirements recommended in a *Cost of Service and Rate Report* prepared every three years by outside industry experts. The BPU had not adjusted its electric rates for the prior three years and required capital investments of an estimated \$222,000,000 in non-

environmental improvements to maintain the integrity of the electrical utility system, avoid delays or service disruptions in certain areas, and support new growth in the community.

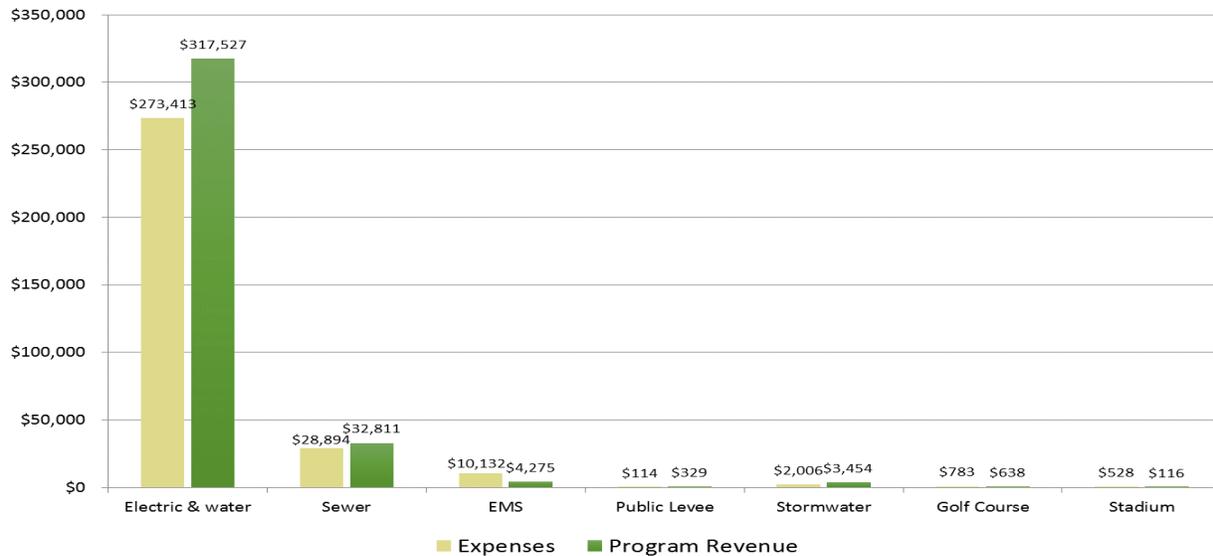
- The Unified Government’s sewer system enterprise charges for services revenue is the second largest business-type activities revenue source, amounting to \$32,810,000 or 8.9% of the total. Sewer charges for services increased by \$586,000 or 1.8% over the prior year due to an 7.0% overall rate increase in 2017. 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 \$315,871,000 increased by \$8,361,000 or 2.7% due to a modest increase in costs for goods for expanded service delivery less depreciation expense and increases in debt interest expense.
- BPU total expenses of \$273,413,000 increased by \$3,368,000 or a modest 1.3% over the prior year. The change in expenses is primarily due to the net of a decline in operating expenses of \$1,004,000 or 0.4%, offset by a \$4,373,000 or 18.7% increase in debt interest expense.
- Sewer system total expenses of \$28,894,000 increased \$3,217,000 or 12.5% over the prior year. The change in expenses is primarily due to an increase in operating expenses of \$2,702,000 or 11.8% for costs for goods for expanded service delivery less depreciation expense, and a \$515,000 or 18.9% increase in debt interest expense.
- Emergency medical services total expenses of \$10,132,000 increased \$2,865,000 or 39.4% over the prior year due to increased operating expenses and equipment acquisition. This enterprise fund’s deficit net position \$8,441,000 worsened by \$2,330,000 during the fiscal year. The deficit net position is largely due to \$7,519,000 in pension liability and restated \$2,604,000 in outstanding OPEB liability.

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



Business-type program expenses during 2017 of \$315,870,000 are supported by \$359,148,000 in charges for services and capital grants and contributions program revenue. The net difference of \$43,278,000 is further augmented by \$6,236,000 in sales tax revenue (dedicated to emergency medical services), miscellaneous revenues and investment earnings less a \$34,432,000 net transfer-out which is primarily the BPU payment-in-lieu of taxes (PILOT) made to the Government’s General Fund. As the graph displays, the most reliant on non-program revenues is emergency medical services, the Sunflower Hills Golf Course, and the T-Bones Stadium. Program revenues exceed expenses for the BPU utilities, sewer system, and stormwater program.

**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, 2017, the Unified Government’s governmental funds reports a combined ending fund balance of \$132,465,000, an increase of \$31,780,000 or 31.6% over the prior year. Positive net changes to fund balance include \$9,231,000 in the General Fund, \$19,451,000 in the Capital Projects Fund and \$4,424,000 in the Other Governmental Fund, offset by a \$1,326,000 decline in the Debt Service Economic Development Fund. Approximately 27.4% or \$36,230,000 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 \$36,791,000 while total fund balance is \$40,957,000. 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 18.5% of total General Fund expenditures and transfers out of \$198,847,000, while total fund balance represents 20.6% of the same amount.

The total fund balance of the General Fund increased by \$9,231,000 or 29.1% over the prior year. Key elements of the increase in the total fund balance of the General Fund are as follows:

Taxes, charges for services, miscellaneous revenue and transfers in were the four 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 \$208,079,000, an increase of \$16,126,000 or 8.4%.

Certain major revenue changes in the General Fund from 2016 to 2017 include:

- General Fund sales and use tax revenues totaling \$53,759,000 increased by \$11,338,000 or 26.7% in 2017 and a 12.0% increase in 2016. The substantial increases of the past two years are due to both healthy economic growth and the influx of over \$9,381,000 in 2017. This revenue was previously pledged for debt service payments of the Legends shopping area STAR bonds in the Debt Service Economic Development Fund. As mentioned previously, these STAR bonds were defeased December 2016, five years ahead of the scheduled final maturity of these bonds. For 2016, the significant sales tax revenue increase is the result of stable economic growth and the release of sales tax revenues previously escrowed as debt reserves of the Legends shopping area STAR bonds.

As mentioned previously, the "STAR" revenue, estimated at the end of 2016 to total \$12,410,000, will continue to be received on an on-going basis, although the \$9,381,000 General Fund portion of the total is capped with any related incremental growth contractually pledged for the Sales Tax Special Obligation Capital Appreciation Revenue Bonds (Vacation Village Project Area 4 – Major Multi-Sport Athletic Complex) Series 2015 STAR bond repayment. The remaining \$3,029,000 of the total \$12,410,000, as estimated at the end of 2016, is recorded in the Dedicated Sales Tax Fund and Emergency Medical Services Enterprise Fund according to their respective sales tax distribution allocations. These two funds' portions are not subject to the growth cap. A substantial portion of this new "STAR" revenue is programmed to fund one-time programs, capital projects and equipment acquisitions.

*2017 was the first year the Unified Government received the \$12.4 million in STAR revenue supporting a myriad of new initiatives aligned with Commission strategic goals.*

An additional reason for the sales and use tax revenue growth in 2017 is the result of improved compensating "use" tax collections. Use tax is imposed on transactions that are subject to sales tax, but for which sales tax is not charged. The intent is to capture tax on tangible items that are sold or purchased by a company or person residing out of the Government's boundaries, particularly if that company or person plans to use, donate, store or consume those items out of the Government's boundaries. This revenue varies greatly year-over-year because the greatest portion of the revenue comes from new companies organizing to begin operations in Kansas City, Kansas and are making

business start-up investments to equip new industries and operations, such as with the Amazon Fulfillment Center during 2017. Increases in use taxes are also attributed to increased on-line retail sales. Growth in use tax collections recorded in the General Fund is evident when comparing totals of \$9,854,000 in 2017 compared to \$7,063,000 in 2012.

- The combined General Fund mill levy rate was reduced two-mills by the Commission with the final 2016 valuation at 57.51 mills supporting operations for 2017. The total assessed valuation of the County increased 4.0% from 2015 to 2016 for taxes supporting operations in fiscal year 2017, compared to 3.9% and 0.5% the prior two years. Ad valorem real estate property tax revenues of the General Fund, excluding collection of delinquent taxes, total \$60,507,000, a modest increase of 0.6% or \$388,000.
- 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 2017.*
- Motor vehicle personal property tax collections in 2017 total \$8,413,000 or an unanticipated increase of \$1,403,000 or 20.0% over the prior year as a result of strong economic growth and increased enforcement efforts on unregistered vehicles by the Sheriff's Office.
  - 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 \$2,337,000 or 7.7% in the 2017 BPU PILOT totaling \$32,673,000 due to a 4.0% increase in the electric base rates beginning March 1, 2017. An additional 4.0% increase is approved for 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 \$720,000 or 6.0% to a total of \$12,809,000. This increase is due to increased jail booking fees and 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 \$3,284,000, a modest increase of 0.8%, plus \$1,453,000 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 2017. Total General Fund expenditures, including transfers out, of \$198,847,000 increased by \$7,031,000 or 3.7% were supported by the additional resources made available from the "STAR" revenues. Major expenditure changes in the General Fund from 2016 to 2017 include:

- Public safety expenditures totaling \$112,867,000 are 56.8% of total General Fund expenditures, including transfers out, and increased by \$2,605,000 or 2.4% due to increased personnel and equipment costs.

- Public works expenditures totaling \$25,199,000 are 12.7% of total expenditures, including transfers out, and increased by \$425,000 or 1.7% due to increased personnel costs and neighborhood investments related to the Stabilization, Occupation, and Revitalization (SOAR) program initiative.
- General government expenditures totaling \$23,838,000 are 12.0% of total expenditures, including transfers out, and decreased by \$249,000 or a reduction of 1.0% due to operating efficiencies.
- Capital outlay spending totaling \$4,943,000 comprising 2.5% of total expenditures, including transfers out, increased by \$2,138,000 in 2017 or 76.2% compared to 2016 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 \$33,690,000 in cash and investments and \$11,711,000 in other taxes receivable, partially offset by \$10,612,000 in total current liabilities.

**Capital Projects Fund's** fund balance of \$38,447,000 increased by \$19,451,000 or 102.4% over 2016. Total revenues and transfers in of \$26,341,000 decreased by \$1,973,000 or a reduction of 7.0%. Total expenditures and transfers out totaling \$81,378,000 increased by \$18,828,000 or 30.1%. Revenue, expenditure and transfer performance were offset by the addition of \$74,488,000 in bond proceeds, the issuance of refunding bonds, 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 \$39,873,000 in cash and investments, \$60,081,000 in restricted cash and investments and \$2,297,000 in other taxes receivable, offset by temporary notes payable of \$62,255,000 due in March 2018.

**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 \$10,687,000, which was a decrease in fund balance of \$1,327,000 or a reduction of 11% compared to 2016. Revenues, including transfers in, totaling \$10,427,000 were down \$33,144,000 due to defeasance of the Legends shopping area STAR bond debt in December 2016 that resulted in a decrease in State of Kansas' sales tax intergovernmental revenue of \$25,342,000. The same redemption activity also is the primary cause for the reduction of \$8,147,000 in the tax revenue category. Both the prior year's intergovernmental revenue and sales tax collections were previously utilized to make annual debt service payments on the Legends shopping area STAR bonds. The related tax revenue, referred to as "STAR" revenue, began to be recorded in the General Fund, Dedicated Sales Tax Fund and Emergency Medical Services Enterprise Fund in December 2016

Total expenditures plus transfers out of \$11,754,000 were down \$37,716,000 during the year due to a reduction of \$17,302,000 in debt service costs due to the prior STAR bond defeasance and limited development cost activity during the year. On the balance sheet, the Debt Service Economic Development Fund has restricted cash and investments of \$10,866,000 joined by an intergovernmental receivable of \$25,242,000 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 \$42,374,000, an increase of \$4,424,000 or 11.7%. Numerous nonmajor governmental funds had increases in fund balances during the year. Revenue, including transfers in, decreased by \$8,162,000 due in large part to the prior year's sale of the Unified Government's interest with the

KCK Hotel Group, LLC in the downtown Hilton Garden Inn Hotel during 2016. Total expenditures, including transfers out, of \$76,769,000 had a decrease of \$3,403,000 or a reduction of 4.2% from the prior year due declining debt services payments and other reduced expenses in the health and welfare and planning and development categories. On the balance sheet, the Other Governmental Fund has \$36,859,000 in cash and investments offset by \$4,052,000 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 is due to sunset on June 30, 2020. The Commission approved to have a renewal of this tax for an additional ten years be placed on the August 7, 2018 ballot for consideration by Kansas City, Kansas voters. The Dedicated Sales Tax Fund's revenue was used in 2017 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 2010 voters.

*Public safety services and neighborhood infrastructure projects have been supported with the \$10 million annually generated by 3/8<sup>th</sup> cent Dedicated Sales Tax expiring in June 2020.*

In 2017, sales tax collections from this dedicated tax total \$9,963,000 compared to \$8,368,000 in 2016, or a 19.1% increase. This substantial increase is due to stable economic growth and the influx of revenue previously pledged for debt service payments of the Legends shopping area STAR bonds. This "STAR" revenue will continue to be received on an on-going basis should voters approve the August 2018 tax renewal measure. Unlike the related STAR bond revenue in the General Fund, this Fund's portion of the STAR revenue's incremental growth is not capped and is anticipated to grow.

### **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 \$87,545,000 and for the Kansas City, Kansas Board of Public Utilities the net position is \$458,643,000. Net position for all enterprise funds increased \$19,770,000 of which \$2,049,000 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](http://www.bpu.com)

## General Fund Budgetary Highlights

The General Fund is the largest governmental fund of the Unified Government, accounting for 68.8% of all governmental taxes collected in 2017. 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 2017, prepared in the summer of 2016, assumed moderate growth in the local and national economies. General Fund total taxes were originally projected to grow by 4.0% over the 2016 revised budget forecast, while the total revenue including transfers in were increased by 3.1% over 2016 revised budget figures. In the summer of 2017, the original General Fund revenue forecast, including transfers in, was revised upward by \$1,689,000 or 0.8% over the original budget. At the same time, original General Fund expenditure budgets, including transfers out, were revised downward by \$2,444,000 or 1.2%. Table 3 details the Combined General Fund’s revenue estimates performance during 2017:

**Table 3**  
Amounts in thousands

Revenue Sources	General Fund Revenue Estimates			Actual Revenues <sup>1</sup>	Variance
	Original Estimates	Final Estimates	Variance		
Tax revenue <sup>2</sup>	\$ 170,801	\$ 171,897	\$ 1,096	\$ 173,900	\$ 2,003
Annual debt appropriation <sup>2</sup>	9,638	9,638	-	-	(9,638)
Intergovernmental revenue	4,444	4,470	26	4,420	(50)
Charges for services	12,808	13,076	268	12,809	(267)
Fines, forfeitures and penalties	6,365	6,073	(292)	6,648	575
Interest earnings	1,675	1,440	(235)	2,111	671
Licenses and permits	1,767	2,330	563	2,244	(86)
Miscellaneous revenues	4,479	4,661	182	5,385	724
Transfers and other financing sources	2,256	2,337	81	2,764	427
<b>Total revenues and other financing sources</b>	<b>\$ 214,233</b>	<b>\$ 215,922</b>	<b>\$ 1,689</b>	<b>\$ 210,281</b>	<b>\$ (5,641)</b>
Annual debt appropriation	(9,638)	(9,638)	-	-	9,638
<b>Total net revenues and other financing sources after annual debt appropriation</b>	<b>\$ 204,595</b>	<b>\$ 206,284</b>	<b>\$ 1,689</b>	<b>\$ 210,281</b>	<b>\$ 3,997</b>

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

<sup>2</sup> 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 2017 include:

- Tax revenue was revised upward by \$1,096,000 over the original estimate based on several factors:
  - Retail sales and use tax estimate was revised upward by \$1,628,000, to a total of \$49,161,000, due to strong retail sales growth based on 2016 actuals and year-to-date 2017 performance.
  - The estimate for ad valorem real estate property tax revenues was increased by \$627,000, to a total of \$61,691,000, to apply a lower delinquency non-collection factor (discount factor of 5%) than was used for computing the original estimate (discount factor of 6%). Enhanced collection

procedures as part of the SOAR initiative were thought to have an impact on current levy collection levels.

- Franchise tax payments associated with the public electric utility (BPU PILOT) were revised downward by \$450,000 based on lower growth trends from 2016 actuals adjusting for the BPU Board’s approved electric rate increase. Gas franchise tax payment estimates were reduced by \$600,000 due to declining gas prices.
- Charges for services revenue estimate was revised upward by \$268,000 based on mid-year collections, while fines and forfeitures estimate were reduced by \$292,000 due to lower municipal court collections following issues with the ticket citation processing software.
- Both licenses and permits and miscellaneous revenues were revised upward by \$563,000 and \$182,000, respectively, due to better than anticipated growth trends reviewed at mid-year. A building and inspections permits fee waiver had expired in the prior year resulting a lower estimate in the original budget, but actual collections through mid-year demonstrated sustained growth in this area, accounting for \$470,000 of the increase in the licenses and permits category.

Major factors contributing to the changes between original and final expenditure budgets for 2017 include:

- Personnel expenditures final budget dropped by \$3,556,000 compared to the original to adjust for expected salary savings from normal vacancies of full time positions.
- Contractual services expenditures final budget dropped by \$769,000 due to the net of higher estimates for potential legal settlements less shifting \$1,000,000 in budgeted inmate contract bed funding to the transfer out category in anticipation of budget savings in this area to be utilized to support future debt service payments on PBC revenue bonds financing a new juvenile center.
- Transfers out increased by \$1,075,000 due to shifting contractual services budget as described above.

Table 4 details the Combined General Fund’s expenditure budget performance during 2017:

**Table 4**  
Amounts in thousands

Expenditure Categories	General Fund Appropriations			Actual Expenditures <sup>1</sup>	Variance
	Original Budget	Final Budget	Variance		
Personnel	\$ 149,965	\$ 146,409	\$ (3,556)	\$ 148,228	\$ (1,819)
Contractual services	35,482	34,713	(769)	31,025	3,688
Commodities	6,649	6,611	(38)	5,990	621
Capital outlay	7,640	7,768	128	6,296	1,472
Grants, claims, shared revenue	6,879	7,329	450	6,586	743
Debt service <sup>2</sup>	642	642	-	642	-
Annual debt appropriation <sup>2</sup>	9,638	9,638	-	-	9,638
Other	1,505	1,769	264	-	1,769
Transfers	200	1,275	1,075	3,866	(2,591)
<b>Total expenditures and other financing uses</b>	<b>\$ 218,600</b>	<b>\$ 216,154</b>	<b>\$ (2,446)</b>	<b>\$ 202,633</b>	<b>\$ 13,521</b>
Annual debt appropriation	(9,638)	(9,638)	-	-	(9,638)
<b>Total net expenditures and other financing uses after annual debt appropriation</b>	<b>\$ 208,962</b>	<b>\$ 206,516</b>	<b>\$ (2,446)</b>	<b>\$ 202,633</b>	<b>\$ 3,883</b>

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

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

*Budgetary Performance Compared with Actuals*

In 2017, actual General Fund revenues, including transfers in, were \$5,641,000 or 2.6% lower than the final budget, while actual General Fund expenditures, including transfers out, were \$13,521,000 or 6.3% lower than the revised budget for 2017. Approximately \$9,638,000 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 \$9,638,000 annual debt appropriations from the revenue and expenditure final budgets (as the tables 3 and 4 reflect), actual revenues were \$3,997,000 or 1.9% above the final revenue estimate and actual expenditures were below the final budget by \$3,883,000 or 1.9%.

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

- Actual tax revenue of \$173,900,000 exceeded the final budget tax estimate by \$2,003,000 or 1.2% due several net factors:
  - Sales tax variance from final estimates is \$2,500,000, primarily due to timing of funds received as part of the 2016 STAR bond defeasance. Early in the year residual sales tax previously held as debt reserves on the Legends shopping area STAR bonds were accrued to 2016 using the modified accrual accounting basis but are reflected in 2017 on a cash basis report.
  - Ad valorem real estate property tax revenue collection fell short by \$1,184,000 of the final estimate due to the realized delinquency non-collection factor (discount factor of 6.8%) being greater than the optimistic final estimate factor (discount factor of 5%).
  - Additionally, actual collections of prior year delinquent property taxes totaling \$2,950,000 were below final estimates by \$400,000.
  - Motor vehicle tax actual revenues of \$7,777,000 were above final estimates by \$1,427,000.
  - Franchise tax payments associated with the public electric utility (BPU PILOT) received through 2017 totaling approximately \$27,200,000 were \$1,440,000 above the final budget estimate and \$1,800,000 above 2016 actuals reflecting the revenue impact of the BPU Board-approved electric rate adjustment. Gas franchise tax payments were \$184,000 above the final estimate. Sewer PILOT payments were \$142,000 above final budget.
  - Sales tax revenue collected from the Kansas Speedway above the required debt service were \$887,000 below the estimate of \$1,200,000.
- Actual charges for services revenue estimate were below final budget estimate by \$267,000, while fines and forfeitures actuals exceeded final budget estimate by \$575,000 due to greater than anticipated municipal court collections after repair of the ticket citation processing software.
- Actuals for licenses and permits and miscellaneous revenues were \$86,000 lower and \$724,000 higher than final estimates, respectively.
- Actual personnel expenditure exceeded the final budget by \$1,819,000 primarily due to greater than estimated costs for overtime.
- Actual contractual services expenditures were below the final budget by \$3,688,000 due to less inmate contract beds required and savings in other areas.
- Actual capital outlay expenditures were below the final budget by \$1,472,000 due to delays in project start-ups and planned equipment acquisitions, of which \$1,281,000 was transferred to the Capital Projects Fund to support the continuation in 2018 of certain projects.
- Transfers out above final budget include an additional \$500,000 in inmate contract bed savings to be used to fund future debt service payments on PBC revenue bonds financing a new juvenile center, \$200,000 to sewer towards repayment of an advance of utility funds made to the General Fund in 2014,

\$1,281,000 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, 2017, are \$1,823,946,000 (net of accumulated depreciation), an increase of \$41,534,000 or 2.3%. 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 \$555,401,000 grew by \$6,641,000 or 1.2%, while total business-type activities capital assets of \$1,268,545,000 grew by \$34,893,000 or 2.8%. Of the total business-type activities, \$1,085,876,000 or 85.6% 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 \$182,669,000, an increase of \$5,884,000 or 3.3%. Of the Government's (non-BPU) total business-type capital assets, \$144,730,000 or 79.2% support sewer system conveyance and treatment services for its 44,000 customers and \$27,437,000 or 15% support stormwater conveyance systems.

The Government's capital assets by type at December 31, 2017 and 2016 are shown in Table 5 (dollars in thousands):

**Table 5**

Amounts in thousands

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 27,027	\$ 27,027	\$ 4,652	\$ 4,652	\$ 31,679	\$ 31,679
Buildings	171,792	168,042	1,879,739	1,630,005	2,051,531	1,798,047
Improvements other than buildings	39,743	39,576	3,691	3,691	43,434	43,267
Machinery and equipment	62,041	57,530	46,641	45,014	108,682	102,544
Infrastructure	642,276	626,160	193,365	189,992	835,641	816,152
Construction in progress	19,023	14,605	134,895	318,482	153,918	333,087
Accumulated depreciation	(406,501)	(384,180)	(994,438)	(958,185)	(1,400,939)	(1,342,365)
<b>Total capital assets</b>	<b>\$ 555,401</b>	<b>\$ 548,760</b>	<b>\$ 1,268,545</b>	<b>\$ 1,233,651</b>	<b>\$ 1,823,947</b>	<b>\$ 1,782,409</b>

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: \$6,348,000 or 2.3% increase in infrastructure, \$3,739,000 or 15.2% increase in construction in progress, \$1,627,000 in machinery and equipment offset by an increase in accumulated depreciation of \$5,916,000 or 3.3%. The largest increase in asset levels amongst the Government's enterprise funds was in sewer with an increase of \$7,822,000 in completed capital asset projects, before depreciation and not including construction-in-progress, mainly for various sewer line and plant improvements projects and equipment. Additionally, the stormwater system added capital assets of \$859,000.

BPU enterprise electric power and water treatment system capital assets increased \$29,009,000 or 2.7% over the prior year with an increase to BPU plant and equipment of \$246,673,000 primarily for plant improvements, offset by a reduction in construction in progress of \$187,326,000, and an increase to accumulated depreciation of \$30,337,000.

The Government's capital assets (non-enterprise fund) improved its total capital asset value of \$555,401,000 by \$6,641,000 net an increase in accumulated depreciation of \$22,321,000. The primary changes in capital project completions during 2017 by asset category include an increase of \$16,116,000 in infrastructure for various street projects throughout the city, \$4,511,000 in machinery and equipment, and \$3,750,000 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, 2017, the Government had total bonded indebtedness of \$1,240,471,000, excluding premiums and discounts which are netted against bond proceeds at the time of issuance.

Outstanding bonded debt (amounts in thousands) at December 31, 2017 and 2016, is reflected in Table 6:

**Table 6**

Amounts in thousands

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 239,883	\$ 222,249	\$ 85,194	\$ 76,205	\$ 325,077	\$ 298,454
Tax increment financed GO bonds	46,168	34,361	-	-	46,168	34,361
BPU revenue bonds	-	-	656,170	674,845	656,170	674,845
Revolving loans	-	-	44,812	45,926	44,812	45,926
Intergovernmental loan	-	-	3,734	4,011	3,734	4,011
Accreted interest on bonds	9,625	8,662	-	-	9,625	8,662
Capital lease	9,409	7,707	2,220	4,152	11,629	11,859
Section 108 loan	810	1,244	-	-	810	1,244
Special obligation bonds	51,673	56,138	-	-	51,673	56,138
Revenue bonds	14,115	16,270	-	-	14,115	16,270
Sales tax obligation bonds	55,945	57,213	-	-	55,945	57,213
Transportation district bonds	20,713	22,504	-	-	20,713	22,504
<b>Total bonded indebtedness</b>	<b>\$ 448,341</b>	<b>\$ 426,348</b>	<b>\$ 792,130</b>	<b>\$ 805,139</b>	<b>\$ 1,240,471</b>	<b>\$ 1,231,487</b>

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

Of the total, \$792,130,000 or 63.9% supports business-type activities, including the BPU at \$691,984,000 total indebtedness for electric and water infrastructure investment and \$100,146,000 for Unified Government enterprise fund, such as sewer and stormwater services, capital financing. BPU total bonded indebtedness declined by \$19,199,000 or 2.7% compared to the prior year, while Unified Government enterprise funds' indebtedness increased by \$6,190,000 or 6.6%. Of the total \$100,146,000 in Unified Government enterprise funds' indebtedness, \$85,194,000 or 85.1% 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 \$448,341,000, an increase of \$21,993,000 or 5.2%. Of this total, \$239,883,000 or 53.5% is general

obligation debt backed by the full faith and credit of the Government. The remainder of the governmental activities bonded debt includes \$137,956,000 or 30.8% in special obligation, STAR bonds and transportation district bonds.

Governmental activities general obligation debt increased by \$17,634,000 compared to the prior year, or 7.9%, 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 \$46,168,000 increased by \$11,807,000 with the addition of \$13,880,000 in GO Series 2017A bonds less repayment on prior year TIF bonds. The outstanding STAR bonds and accreted interest totaled \$65,571,000, of which is offset by a corresponding receivable of \$25,242,000 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 \$72,386,000 declined by \$6,256,000 or 8.0% from the prior year.

Additionally, the Unified Government (excluding the BPU) has outstanding temporary notes outstanding of \$62,255,000 as of December 31, 2017. This outstanding current liability is not reflected in the table below due to its short-term nature, with these notes maturing in March 2018.

The 2018 Unified Government (excluding the BPU) budget includes \$35,607,000 for the principal payments and \$21,623,000 in interest payments. Of these totals, the sewer system and stormwater enterprises will pay \$9,078,000 in principal and \$3,811,000 in interest from service charges. The sources of fund for the remaining debt service payments of \$26,529,000 in principal and \$17,812,000 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, 2017, is \$404,621,000 with outstanding indebtedness applicable to the debt limit per State law of \$245,698,000, leaving a legal debt margin of \$158,923,000. The total net debt outstanding applicable to the debt limit as a percentage of the Government's calculated debt limit is 61.0%.

As of December 31, 2017, 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 2018 budget assumes moderate growth in the local economy. The 2018 General Fund original budget revenues, including transfers in and adjusting for the budget annual debt appropriation, is projected to increase 3.6% from actual revenues in 2017. It is anticipated that 2018 revenues will be revised upward to reflect better than expected performance in 2017 and first half of 2018. Measures have been taken to have expenditures be in line with anticipated revenues. It is anticipated that fund balance will increase during 2018 and the Government remains committed to growing General Fund reserves.

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Additional operating data regarding the Unified Government General Fund may be found in the Amended 2017/Adopted 2018 Budget and the Official Statement dated February 27, 2018 printed in connection with the Unified Government's General Obligation Bonds, Series 2018-A. The Amended 2017/Adopted 2018 Budget can be found on the Government's website at [www.wycokck.org/Budget](http://www.wycokck.org/Budget). The referenced Official Statement can be found on the Municipal Securities Rulemaking Board's EMMA website [www.emma.msrb.org](http://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](http://www.wycokck.org/Accounting).

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

STATEMENT OF NET POSITION

As of December 31, 2017

	Governmental	Business-type	Totals
	Activities	Activities	
<b>ASSETS</b>			
Cash and temporary investments	\$ 110,593,724	\$ 64,610,421	\$ 175,204,145
Restricted cash and investments	73,621,458	44,109,735	117,731,193
Receivables (net of uncollectible amounts)			
Taxes	105,643,960	1,090,225	106,734,185
Accounts	5,322,013	52,950,395	58,272,408
Notes	416,860	-	416,860
Intergovernmental	25,241,865	-	25,241,865
Interest	3,127,419	569,438	3,696,857
Due from other governments	776,706	-	776,706
Special assessments	2,472,985	197,318	2,670,303
Internal balances	5,585,182	(5,585,182)	-
Inventories	-	24,989,139	24,989,139
Prepayments and other current assets	-	3,478,240	3,478,240
Other assets	-	1,783,542	1,783,542
Restricted cash and investments	-	61,756,044	61,756,044
Capital assets:			
Land and construction in progress	46,050,069	139,546,940	185,597,009
Other capital assets, net of depreciation	509,350,920	1,128,997,724	1,638,348,644
<b>Total Assets</b>	<b>888,203,161</b>	<b>1,518,493,979</b>	<b>2,406,697,140</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred refunding	1,486,483	13,434,063	14,920,546
Deferred outflows - pensions	31,256,618	46,928,481	78,185,099
Deferred outflows - OPEB	6,255,729	561,762	6,817,491
<b>Total Deferred Outflows of Resources</b>	<b>38,998,830</b>	<b>60,924,306</b>	<b>99,923,136</b>
<b>LIABILITIES</b>			
Accounts and contracts payable	8,238,891	36,139,094	44,377,985
Accrued wages and expense	5,916,463	3,935,178	9,851,641
Accrued interest payable	5,755,403	11,977,588	17,732,991
Due to others	2,922,675	7,815,543	10,738,218
Due to other governments	37,052	-	37,052
Temporary notes payable	62,255,000	-	62,255,000
Regulatory and other liabilities	-	2,433,487	2,433,487
Long-term liabilities:			
Due within one year	33,447,306	33,623,842	67,071,148
Due in more than one year	723,169,805	887,607,822	1,610,777,627
<b>Total Liabilities</b>	<b>841,742,595</b>	<b>983,532,554</b>	<b>1,825,275,149</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax receivable	89,720,065	-	89,720,065
Deferred inflows - pensions	10,497,732	29,703,865	40,201,597
Deferred inflows - recovery fuel purchased power	-	6,334,111	6,334,111
<b>Total Deferred Inflows of Resources</b>	<b>100,217,797</b>	<b>36,037,976</b>	<b>136,255,773</b>
<b>NET POSITION</b>			
Net investment in capital assets	226,298,253	488,707,860	715,006,113
Restricted for:			
Debt service	48,165,048	24,216,477	72,381,525
Revenue bond reserves	-	1,738,197	1,738,197
Capital projects	12,933,087	-	12,933,087
Federal/State assistance	5,617,813	-	5,617,813
Community services	8,170,306	-	8,170,306
Unrestricted (deficit)	(315,942,908)	45,185,221	(270,757,687)
<b>Total net position</b>	<b>\$ (14,758,401)</b>	<b>\$ 559,847,755</b>	<b>\$ 545,089,354</b>

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

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS**

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2017

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs</b>							
<b>Primary government:</b>							
Governmental Activities:							
General government	\$ 30,324,399	\$ 5,014,382	\$ 1,198,765	\$ -	\$ (24,111,252)	\$ -	\$ (24,111,252)
Health and welfare	14,957,543	868,595	6,400,927	-	(7,688,021)	-	(7,688,021)
Public safety	139,866,477	5,679,690	3,814,692	-	(130,372,095)	-	(130,372,095)
Public works	65,534,985	9,489,049	8,893,059	25,086	(47,127,791)	-	(47,127,791)
Parks and recreation	7,448,621	616,285	20,000	-	(6,812,336)	-	(6,812,336)
Planning and development	24,245,427	4,975,089	4,489,930	353,008	(14,427,400)	-	(14,427,400)
Interest on long-term debt	20,321,679	-	608,384	-	(19,713,295)	-	(19,713,295)
Total governmental activities	302,699,131	26,643,090	25,425,757	378,094	(250,252,190)	-	(250,252,190)
Business-type activities:							
Electric and Water systems	273,413,258	317,306,293	-	220,273	44,113,308	44,113,308	44,113,308
Sewer System	28,894,047	32,810,512	-	-	3,916,465	3,916,465	3,916,465
EMS	10,132,328	4,275,169	-	-	(5,857,159)	(5,857,159)	(5,857,159)
Public Levee	113,519	328,708	-	-	215,189	215,189	215,189
Stormwater	2,006,057	3,453,630	-	-	1,447,573	1,447,573	1,447,573
Sunflower Hills Golf Course	782,958	637,721	-	-	(145,237)	(145,237)	(145,237)
Stadium	528,497	116,390	-	-	(412,107)	(412,107)	(412,107)
Total business-type activities	315,870,664	358,928,423	-	220,273	43,278,032	43,278,032	43,278,032
<b>Total primary government</b>	<b>\$ 618,569,795</b>	<b>\$ 385,571,513</b>	<b>\$ 25,425,757</b>	<b>\$ 598,367</b>	<b>\$ (250,252,190)</b>	<b>\$ 43,278,032</b>	<b>\$ (206,974,158)</b>
General revenues:							
Taxes:							
Property taxes, general purpose					110,469,527	-	110,469,527
Sales taxes					73,524,198	6,236,128	79,760,326
Franchise taxes					9,664,207	-	9,664,207
Other taxes					5,470,819	-	5,470,819
Transient guest tax					3,751,538	-	3,751,538
Unrestricted investment earnings					5,775,143	893,377	6,668,520
Miscellaneous					11,309,618	1,745,278	13,054,896
Transfers					34,431,779	(34,431,779)	-
Total general revenues and transfers					254,396,829	(25,556,996)	228,839,833
Change in net position					4,144,639	17,721,036	21,865,675
Net position - beginning					(43,432,876)	540,077,962	496,645,086
Prior period adjustment					24,529,836	2,048,757	26,578,593
Net position - ending					\$ (14,758,401)	\$ 559,847,755	\$ 545,089,354

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

BALANCE SHEET

GOVERNMENTAL FUNDS

As of December 31, 2017

	General	Capital Projects	Debt Service Economic Development	Other Governmental	Totals 2017
<b>ASSETS</b>					
Cash and temporary investments	\$ 33,690,258	\$ 39,872,955	\$ -	\$ 36,859,581	\$ 110,422,794
Restricted cash and temporary investments	221,937	60,080,938	10,865,555	331,009	71,499,439
Receivables (net of uncollectible amounts)					
Taxes:					
Property taxes	62,124,786	-	-	27,595,279	89,720,065
Other taxes	11,710,878	2,297,279	-	1,915,738	15,923,895
Accounts	4,731,791	-	-	497,731	5,229,522
Notes	15,695	-	-	401,165	416,860
Intergovernmental	-	-	25,241,865	-	25,241,865
Interest	1,845,901	910,839	-	154,064	2,910,804
Special assessments	1,600,140	-	-	872,845	2,472,985
Due from other funds	1,198,332	20,650	-	1,523,540	2,742,522
Due from other governments	-	-	-	776,706	776,706
Advance to other funds	-	-	-	4,120,000	4,120,000
<b>Total Assets</b>	<b>\$ 117,139,718</b>	<b>\$ 103,182,661</b>	<b>\$ 36,107,420</b>	<b>\$ 75,047,658</b>	<b>\$ 331,477,457</b>
<b>BALANCES</b>					
Liabilities:					
Accounts and contracts payable	\$ 3,048,587	\$ 1,607,485	\$ -	\$ 1,911,835	\$ 6,567,907
Accrued wages and other	4,788,258	30,923	-	1,097,282	5,916,463
Due to others	2,500,993	25,738	-	320,150	2,846,881
Due to other funds	252,765	139,629	178,161	706,785	1,277,340
Due to other governments	21,436	-	-	15,616	37,052
Temporary notes payable	-	62,255,000	-	-	62,255,000
<b>Total Liabilities</b>	<b>10,612,039</b>	<b>64,058,775</b>	<b>178,161</b>	<b>4,051,668</b>	<b>78,900,643</b>
Deferred inflows of resources:					
Deferred property tax receivable	62,124,786	-	-	27,595,279	89,720,065
Unavailable revenue - intergovernmental receivable	-	-	25,241,865	-	25,241,865
Unavailable revenue - interest	1,845,901	676,626	-	154,064	2,676,591
Unavailable revenue - special assessments	1,600,140	-	-	872,845	2,472,985
<b>Total Deferred inflows of resources</b>	<b>65,570,827</b>	<b>676,626</b>	<b>25,241,865</b>	<b>28,622,188</b>	<b>120,111,506</b>
Fund balances					
Restricted	95,443	38,447,260	10,687,394	33,028,916	82,259,013
Committed	-	-	-	4,767,100	4,767,100
Assigned	4,069,920	-	-	5,139,085	9,209,005
Unassigned	36,791,489	-	-	(561,299)	36,230,190
<b>Total Fund Balances</b>	<b>40,956,852</b>	<b>38,447,260</b>	<b>10,687,394</b>	<b>42,373,802</b>	<b>132,465,308</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 117,139,718</b>	<b>\$ 103,182,661</b>	<b>\$ 36,107,420</b>	<b>\$ 75,047,658</b>	<b>\$ 331,477,457</b>

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

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

As of December 31, 2017

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

<b>Total fund balance - governmental funds</b>		<b>\$132,465,308</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$961,901,890	
Accumulated depreciation	<u>(406,500,901)</u>	555,400,989
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	286,051,040	
Special obligation bonds payable	51,673,000	
Public Building Commission revenue bonds payable	14,115,000	
Sales tax obligation bonds payable	55,945,277	
Transportation development bonds	20,713,000	
Premium on bonds payable	21,048,217	
Discount on bonds payable	(930,773)	
Accrued interest payable on the bonds	5,755,403	
Section 108 loan	810,000	
Capital lease	9,409,185	
Accreted interest	9,625,301	
Compensated absences	43,829,342	
Claims and judgments	600,000	
OPEB liability	77,580,816	
Landfill closure / postclosure care	432,000	
Net pension liability	160,400,227	
Unfunded pension obligation	<u>236,479</u>	(757,293,514)
Other deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds.		
Deferred refunding	1,486,483	
Deferred outflows - OPEB	6,255,729	
Deferred outflows - pensions	<u>31,256,618</u>	38,998,830
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		(10,497,732)
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.		
		216,615
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.		
		25,241,865
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.		
		2,676,591
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.		
		2,472,985
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.		
		(4,440,338)
<b>Total net position - governmental activities</b>		<b><u><u>(\$14,758,401)</u></u></b>

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

	General	Capital Projects	Debt Service Economic Development	Other Governmental	Totals 2017
<b>REVENUES</b>					
Taxes	\$ 144,066,703	\$ 14,041,837	\$ 2,238,246	\$ 49,195,753	\$209,542,539
Intergovernmental	720,163	25,086	1,334,995	21,910,498	23,990,742
Licenses, permits and fees	2,243,701	-	-	326,750	2,570,451
Charges for services	12,809,287	8,628	-	1,606,109	14,424,024
Fines, forfeitures and penalties	6,647,969	-	-	618,584	7,266,553
Interest income	1,021,575	82,136	145,054	579,366	1,828,131
Miscellaneous	5,132,085	2,442,749	90,740	3,467,765	11,133,339
<b>TOTAL REVENUES</b>	<b>172,641,483</b>	<b>16,600,436</b>	<b>3,809,035</b>	<b>77,704,825</b>	<b>270,755,779</b>
<b>EXPENDITURES</b>					
Current:					
General government	23,838,622	-	-	5,111,631	28,950,253
Public works	25,198,721	5,277,171	-	8,047,310	38,523,202
Public safety	112,866,967	-	-	7,854,437	120,721,404
Judicial	9,244,420	-	-	2,952,427	12,196,847
Health and welfare	1,034,426	-	-	13,578,593	14,613,019
Planning and development	9,538,893	-	-	3,513,621	13,052,514
Parks and recreation	6,719,959	-	-	382,969	7,102,928
Capital outlay	4,943,487	45,704,792	-	4,533,363	55,181,642
Debt service					
Principal	1,162,524	18,506,064	6,357,731	18,937,265	44,963,584
Interest	433,171	3,767,262	4,155,307	10,264,581	18,620,321
Other	-	778,749	32,150	34,833	845,732
<b>TOTAL EXPENDITURES</b>	<b>194,981,190</b>	<b>74,034,038</b>	<b>10,545,188</b>	<b>75,211,030</b>	<b>354,771,446</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	35,115,060	9,740,935	6,618,531	3,489,113	54,963,639
Transfers out	(3,866,043)	(7,344,032)	(1,209,054)	(1,558,422)	(13,977,551)
Issuance of bonds	-	20,850,799	-	-	20,850,799
Premium from issuance of bonds	-	885,643	-	-	885,643
Issuance of refunding bonds	-	41,702,092	-	-	41,702,092
Premium from issuance of refunding bonds	-	7,608,069	-	-	7,608,069
Proceeds from sale of capital assets	322,050	-	-	-	322,050
Issuance of capital lease	-	3,441,173	-	-	3,441,173
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>31,571,067</b>	<b>76,884,679</b>	<b>5,409,477</b>	<b>1,930,691</b>	<b>115,795,914</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>9,231,360</b>	<b>19,451,077</b>	<b>(1,326,676)</b>	<b>4,424,486</b>	<b>\$31,780,247</b>
<b>FUND BALANCES (DEFICITS)</b>					
Beginning of year	31,725,492	18,996,183	12,014,070	37,949,316	100,685,061
End of year	\$ 40,956,852	\$ 38,447,260	\$ 10,687,394	\$ 42,373,802	\$132,465,308

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND 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, 2017

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

<b>Net change in fund balances - total governmental funds</b>		<b>\$31,780,247</b>
<p>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.</p>		
Depreciation expense	(\$23,873,940)	
Capitalized assets acquired	<u>30,595,671</u>	6,721,731
<p>The net effect of various transactions involving capital assets (i.e., sales and trade-ins) is to decrease net position.</p>		
		(80,769)
<p>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.</p>		
General obligation bonds	(62,552,891)	
Capital leases	(3,441,173)	
Premium	<u>(8,493,712)</u>	(74,487,776)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
General obligation bonds	33,112,052	
Special obligation bonds	4,465,000	
Public building commission bonds	2,155,000	
Section 108 loan	434,000	
Sales tax obligation bonds	1,268,033	
Transportation development bonds	1,791,000	
Capital leases	<u>1,738,499</u>	44,963,584
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.</p>		
		363,868
<p>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.</p>		
		1,576,747
<p>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).</p>		
Compensated absences paid that exceeded amounts earned		(2,346,938)
Pension benefits paid that exceeded amounts earned		9,673
Landfill closure / postclosure care obligations incurred		54,000
Other postemployment benefits earned		(3,573,063)
<p>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.</p>		
		(459,251)
<p>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.</p>		
		2,450,174
<p>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.</p>		
		59,286
<p>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.</p>		
		30,471
<p>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.</p>		
		(691,511)
<p>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.</p>		
		(1,262,098)
<p>In the statement of activities, interest is accreted on outstanding bonds, whereas in governmental funds, interest is accreted when interest payments are due.</p>		
		<u>(963,736)</u>
<b>Change in net position of governmental activities</b>		<b><u>\$4,144,639</u></b>

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

As of December 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	NonMajor Business-type	Totals 2017	
<b>ASSETS</b>					
Current Assets:					
Cash and temporary investments	\$ 18,633,645	\$ 38,994,491	\$ 6,982,285	\$ 64,610,421	\$ 170,930
Restricted cash and temporary investments	16,539,290	27,393,652	176,793	44,109,735	2,122,019
Receivables (net of uncollectible amounts)					
Taxes	14,689	-	1,090,225	1,104,914	-
Accounts and other receivables	7,529,115	44,562,429	1,431,344	53,522,888	92,491
Inventories	-	24,989,139	-	24,989,139	-
Prepayments and other current assets	-	3,478,240	-	3,478,240	-
Due from other funds	17,744	-	235,022	252,766	-
Total current assets	<u>42,734,483</u>	<u>139,417,951</u>	<u>9,915,669</u>	<u>192,068,103</u>	<u>2,385,440</u>
Noncurrent Assets:					
Restricted cash and investments	-	61,756,044	-	61,756,044	-
Capital assets	312,170,078	1,789,028,038	26,889,183	2,128,087,299	-
Accumulated depreciation	(177,067,726)	(809,750,887)	(7,619,451)	(994,438,064)	-
Construction in progress	9,627,985	106,598,953	18,668,491	134,895,429	-
Other assets	179,574	1,783,542	-	1,963,116	-
Total noncurrent assets	<u>144,909,911</u>	<u>1,149,415,690</u>	<u>37,938,223</u>	<u>1,332,263,824</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>187,644,394</u>	<u>1,288,833,641</u>	<u>47,853,892</u>	<u>1,524,331,927</u>	<u>2,385,440</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred refunding	401,299	12,990,591	42,173	13,434,063	-
Deferred outflows - pensions	768,446	44,501,986	1,658,049	46,928,481	-
Deferred outflows - OPEB	326,558	-	235,204	561,762	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,496,303</u>	<u>57,492,577</u>	<u>1,935,426</u>	<u>60,924,306</u>	<u>-</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts and contracts payable	996,052	34,445,624	697,418	36,139,094	1,670,984
Accrued wages and expenses	1,075,651	2,666,196	193,331	3,935,178	-
Accrued interest payable	1,254,607	10,506,999	215,982	11,977,588	-
Due to others	62,200	7,753,343	-	7,815,543	75,794
Due to other funds	314,904	-	1,403,044	1,717,948	-
Regulatory and other liabilities	-	2,433,487	-	2,433,487	-
Claims incurred but not reported	-	-	-	-	3,245,234
Compensated absences payable	84,186	1,016,000	318,590	1,418,776	-
Current maturities of long-term debt	7,254,783	23,127,534	1,822,749	32,205,066	-
Total current liabilities	<u>11,042,383</u>	<u>81,949,183</u>	<u>4,651,114</u>	<u>97,642,680</u>	<u>4,992,012</u>
Long-term liabilities:					
Revenue bonds payable, less current maturities	12,298,612	734,602,374	-	746,900,986	-
General obligation bonds payable (net of unamortized premiums)	67,586,105	-	15,284,633	82,870,738	-
Advance from other funds	-	4,120,000	-	4,120,000	-
Claims incurred but not reported	-	-	-	-	1,833,766
Compensated absences payable	1,120,574	5,475,960	4,395,171	10,991,705	-
Capital leases payable	-	-	485,130	485,130	-
OPEB liability	-	5,917,229	-	5,917,229	-
Total OPEB liability	4,049,827	-	2,916,890	6,966,717	-
Net pension liability	5,126,870	20,449,991	7,898,456	33,475,317	-
Total long-term liabilities	<u>90,181,988</u>	<u>770,565,554</u>	<u>30,980,280</u>	<u>891,727,822</u>	<u>1,833,766</u>
<b>TOTAL LIABILITIES</b>	<u>101,224,371</u>	<u>852,514,737</u>	<u>35,631,394</u>	<u>989,370,502</u>	<u>6,825,778</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows - pensions	371,382	28,834,035	498,448	29,703,865	-
Deferred inflows - recovery fuel purchased power	-	6,334,111	-	6,334,111	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>371,382</u>	<u>35,168,146</u>	<u>498,448</u>	<u>36,037,976</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	70,193,229	396,252,643	22,261,988	488,707,860	-
Restricted for debt service	-	24,216,477	-	24,216,477	-
Restricted for revenue bond reserves	1,738,197	-	-	1,738,197	-
Unrestricted	15,613,518	38,174,215	(8,602,512)	45,185,221	(4,440,338)
<b>TOTAL NET POSITION</b>	<u>\$ 87,544,944</u>	<u>\$ 458,643,335</u>	<u>\$ 13,659,476</u>	<u>\$ 559,847,755</u>	<u>\$ (4,440,338)</u>

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	NonMajor Business-type	Totals 2017	
<b>OPERATING REVENUES</b>					
Charges for service	\$ 32,404,787	\$ 284,632,738	\$ 4,912,890	\$ 321,950,415	\$ 35,416,535
Fines/forfeits/fees	-	-	3,453,630	3,453,630	-
Earned lease income	-	-	440,063	440,063	-
Permits and licenses	315,276	-	-	315,276	-
Miscellaneous revenues	90,449	-	5,035	95,484	1,495,449
Payment-in-lieu of taxes	-	32,673,555	-	32,673,555	-
<b>TOTAL OPERATING REVENUES</b>	<b>32,810,512</b>	<b>317,306,293</b>	<b>8,811,618</b>	<b>358,928,423</b>	<b>36,911,984</b>
<b>OPERATING EXPENSES</b>					
Cost of sales and service	19,774,033	214,070,198	11,902,389	245,746,620	34,477,639
Depreciation and amortization	5,874,765	31,608,943	1,096,455	38,580,163	-
<b>TOTAL OPERATING EXPENSES</b>	<b>25,648,798</b>	<b>245,679,141</b>	<b>12,998,844</b>	<b>284,326,783</b>	<b>34,477,639</b>
Operating income (loss)	7,161,714	71,627,152	(4,187,226)	74,601,640	2,434,345
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Tax revenue	-	-	6,236,128	6,236,128	-
Interest earnings	732,310	-	161,067	893,377	15,829
Interest expense	(3,245,249)	(27,734,117)	(564,515)	(31,543,881)	-
Other	-	2,029,089	(283,811)	1,745,278	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(2,512,939)</b>	<b>(25,705,028)</b>	<b>5,548,869</b>	<b>(22,669,098)</b>	<b>15,829</b>
Income (loss) before contributions and transfers	4,648,775	45,922,124	1,361,643	51,932,542	2,450,174
Capital contributions-local government	1,144,591	-	5,409,718	6,554,309	-
Transfer in	628,219	-	298,825	927,044	-
Transfer out	(6,683,577)	(32,673,555)	(2,556,000)	(41,913,132)	-
Contributions from developers and others	-	220,273	-	220,273	-
Change in net position	(261,992)	13,468,842	4,514,186	17,721,036	2,450,174
<b>TOTAL NET POSITION</b>					
Beginning of year	86,446,326	445,174,493	8,457,143	540,077,962	(6,890,512)
Prior period adjustment	1,360,610	-	688,147	2,048,757	-
End of year	\$ 87,544,944	\$ 458,643,335	\$ 13,659,476	\$ 559,847,755	\$ (4,440,338)

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

continued

For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	NonMajor Business-type	Totals 2017	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 32,838,852	\$ 294,414,554	\$ 8,679,677	\$ 335,933,083	\$ 36,912,239
Payments to suppliers	(10,164,381)	(155,993,651)	(2,966,881)	(169,124,913)	-
Payments to employees	(8,958,387)	(58,449,197)	(6,374,601)	(73,782,185)	(35,443,891)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>13,716,084</b>	<b>79,971,706</b>	<b>(661,805)</b>	<b>93,025,985</b>	<b>1,468,348</b>
<b>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Receipts from taxes	-	-	6,513,199	6,513,199	-
Transfers out	(6,683,577)	-	(2,556,000)	(9,239,577)	-
Transfers in	628,219	-	298,825	927,044	-
Payment -in-lieu of taxes	-	(32,403,196)	-	(32,403,196)	-
<b>NET CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>	<b>(6,055,358)</b>	<b>(32,403,196)</b>	<b>4,256,024</b>	<b>(34,202,530)</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal paid on bonds	(7,786,392)	(21,496,442)	(1,064,415)	(30,347,249)	-
Interest paid on bonds and capital leases	(3,300,984)	(32,035,795)	(610,489)	(35,947,268)	-
Proceeds from bonds	17,364,784	-	178,953	17,543,737	-
Proceeds from disposal of capital assets	-	-	66,972	66,972	-
Acquisition of capital assets	(5,038,771)	(55,291,451)	(1,145,118)	(61,475,340)	-
Payments on capital leases	(205,349)	(1,257,694)	(864,134)	(2,327,177)	-
Acquisition of intangible assets	-	(823,891)	-	(823,891)	-
Special assessment taxes	11,459	-	-	11,459	-
Issuance of government loans	-	3,555,275	-	3,555,275	-
Payment on advance for capital assets	-	(1,320,000)	-	(1,320,000)	-
Payments for debt issuance costs	(161,652)	-	-	(161,652)	-
<b>NET CASH FLOW FROM CAPITAL RELATED FINANCING ACTIVITIES</b>	<b>883,095</b>	<b>(108,669,998)</b>	<b>(3,438,231)</b>	<b>(111,225,134)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	528,736	1,202,410	138,938	1,870,084	15,829
Purchases of investments	-	(54,216,031)	-	(54,216,031)	-
Proceeds from maturity or sale of investments	-	71,574,892	-	71,574,892	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>528,736</b>	<b>18,561,271</b>	<b>138,938</b>	<b>19,228,945</b>	<b>15,829</b>
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<b>9,072,557</b>	<b>(42,540,217)</b>	<b>294,926</b>	<b>(33,172,734)</b>	<b>1,484,177</b>
<b>CASH AND CASH EQUIVALENTS</b>					
Beginning of year	26,100,378	156,081,902	6,864,152	189,046,432	808,772
End of year	<u>\$ 35,172,935</u>	<u>\$ 113,541,685</u>	<u>\$ 7,159,078</u>	<u>\$ 155,873,698</u>	<u>\$ 2,292,949</u>
Cash and temporary investments	\$ 18,633,645	\$ 38,994,491	\$ 6,982,285	\$ 64,610,421	\$ 170,930
Cash and cash equivalents, reported as restricted cash	16,539,290	74,547,194	176,793	91,263,277	2,122,019
	<u>\$ 35,172,935</u>	<u>\$ 113,541,685</u>	<u>\$ 7,159,078</u>	<u>\$ 155,873,698</u>	<u>\$ 2,292,949</u>

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS - continued

For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds			Totals 2017	Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	Nonmajor Business-type		
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income	\$ 7,161,714	\$ 71,627,152	\$ (4,187,226)	\$ 74,601,640	\$ 2,434,345
Adjustments to reconcile operating income to cash flow from operating activities					
Depreciation and amortization	5,874,765	31,608,943	1,096,455	38,580,163	-
Changes in assets and liabilities					
Accounts receivable	28,340	(9,486,186)	(131,941)	(9,589,787)	256
Inventories and prepaid assets	-	3,608,040	-	3,608,040	-
Deferred outflows - pensions	161,724	(7,646,321)	31,939	(7,452,658)	-
Deferred outflows - OPEB	(326,558)	-	(235,204)	(561,762)	-
Accrued wages and expenses	(35,740)	501,809	50,952	517,021	-
Accounts payable	321,563	(29,606,089)	567,142	(28,717,384)	1,524,394
Accrued vacation and sick pay	(20,831)	-	596,303	575,472	-
Claims incurred but not reported	-	-	-	-	338,000
Due to others	-	838,535	(1,940)	836,595	(8,195)
Due to / from other funds	(17,744)	-	58,724	40,980	(2,820,452)
Unearned revenue	-	6,506,094	-	6,506,094	-
OPEB liability	-	435,450	-	435,450	-
Total OPEB liability	513,077	-	369,544	882,621	-
Net pension liability	(1,903)	5,990,777	961,214	6,950,088	-
Deferred inflows - pensions	57,677	4,766,820	162,233	4,986,730	-
Other non-current assets	-	826,682	-	826,682	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 13,716,084</b>	<b>\$ 79,971,706</b>	<b>\$ (661,805)</b>	<b>\$ 93,025,985</b>	<b>\$ 1,468,348</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions-local government	\$ 1,144,591	\$ 220,273	\$ 5,409,718	\$ 6,774,582	\$ -
Accounts payable incurred for purchase of capital assets	-	11,199,681	-	11,199,681	-
Property, plant and equipment acquired with capital leases	-	-	395,572	395,572	-

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

As of December 31, 2017

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	Agency Funds
<b>ASSETS</b>	
Cash and investments	\$ 124,101,799
Accounts receivable	15,141
<b>TOTAL ASSETS</b>	<u>\$ 124,116,940</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 17,728
Due to others	521,060
Due to other governments	123,578,152
<b>TOTAL LIABILITIES</b>	<u>\$ 124,116,940</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, routing 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 rate 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 8.01% percent of outstanding property taxes at December 31, 2017.

***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 \$644,452 in fiscal year 2017. 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	\$3,575,702
Material and supplies	21,413,437
Total	<u>\$24,989,139</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:

<b>Assets</b>	<b>Governmental Activities</b>	<b>Sewer System</b>	<b>EMS</b>
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	Sunflower Hills			
	Stormwater	Public Levee	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 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 purchased 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 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, 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. 1., 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 three types of items, unavailable revenue, deferred revenue 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 three sources: intergovernmental receivable, interest 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 item, deferred inflows for pensions, is reported in both the government-wide statement of net position and the proprietary funds statement of net position. See Note IV. E. for more information on this deferred inflow.

### **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 \$32,673,555 during

2017. 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 \$15,756,000 or 5.5% of the BPU's total operating revenue for 2017.

### **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. 85, *Omnibus 2017*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2018.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to the financial statements for debt that is defeased in substance. The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2018

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.

## 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.

## **B. Deficit Fund Equity**

At December 31, 2017, the Workers’ Compensation Fund and the Health Benefits Fund had deficits of \$2,345,915 and \$2,265,468, 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 \$561,299 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 \$8,441,190 and \$685,916, respectively, which will be recovered from future charges for services. The Public Levee Fund had a deficit fund balance of \$1,321,898 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, 2017, 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, 2017, the Unified Government had \$8,994,106 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, 2017, 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, 2017, 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, 2017, 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	\$ 139,295,000	\$ 139,295,000	\$ -	N/A
U.S. government agencies	8,994,106	8,004,700	989,406	Level 2
Certificates of deposit	<u>118,470,000</u>	<u>46,235,000</u>	<u>72,235,000</u>	N/A
Subtotal general operating portfolio	266,759,106	193,534,700	73,224,406	
Assets held by trustee:				
U.S. Treasuries	63,526,492	5,963,185	57,563,307	Level 2
Money Market Mutual Funds	17,037,281	17,037,281	-	Level 1
U.S. government agencies	<u>2,734,229</u>	<u>1,837,972</u>	<u>896,257</u>	Level 2
Subtotal assets held by trustee	83,298,002	24,838,438	58,459,564	
<b>Total Investments</b>	<b><u>\$ 350,057,108</u></b>	<b><u>\$ 218,373,138</u></b>	<b><u>\$ 131,683,970</u></b>	

## 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, 2017, the bank balance and certificates of deposit were \$495,245, 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:

<u>Issuer</u>	<u>Amount</u>	<u>Percentage of Total Portfolio</u>
Federal Home Loan Bank	\$ 9,485,043	7.40%
Federal Home Loan Mortgage Corp	7,479,601	5.84%

The fair values, as determined by market prices, of the BPU's investments at December 31, 2017 are as follows:

	<u>Investment maturities</u>			<u>Fair Value Hierarchy</u>
	<u>Fair Value</u>	<u>Less Than 6 months</u>	<u>6-12 months</u>	
Cash and CD's	\$ 495,245	\$ 495,245	\$ -	N/A
Repurchase Agreements	45,776,426	45,776,426	-	N/A
US Agency	16,964,644	10,495,883	6,468,761	Level 2
Money market funds	64,907,872	64,904,872	-	N/A
<b>Total Investments</b>	<b><u>\$ 128,144,187</u></b>	<b><u>\$ 121,673,426</u></b>	<b><u>\$ 6,468,761</u></b>	

A reconciliation of cash and investments is as follows:

	<u>Unified Government</u>		<u>BPU</u>		<u>Total</u>
Cash on Hand	\$ 16,558		\$ -		\$ 16,558
Carrying amount of deposits	(632,718)		495,245		(137,473)
Cash with others	1,208,046		-		1,208,046
Investments	266,759,106		127,648,942		394,408,048
investments, assets held by trustee	83,201,289		-		83,201,289
Cash, assets held by trustee	96,713		-		96,713
<b>Total</b>	<b>\$ 350,648,994</b>		<b>\$ 128,144,187</b>		<b>\$ 478,793,181</b>

	<u>Unified Government</u>		<u>BPU</u>		<u>Total</u>
Cash and temporary investments	\$ 260,311,453		\$ 38,994,491		\$ 299,305,944
Restricted cash and investments	90,337,541		89,149,696		179,487,237
<b>Total</b>	<b>\$ 350,648,994</b>		<b>\$ 128,144,187</b>		<b>\$ 478,793,181</b>

## B. Capital Assets

Capital asset activity for the year ended December 31, 2017 was as follows:

<b>Governmental activities:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 27,027,078	\$ -	\$ -	\$ 27,027,078
Construction in progress	14,605,139	24,411,359	19,993,507	19,022,991
Total capital assets, not being depreciated	41,632,217	24,411,359	19,993,507	46,050,069
Capital assets, being depreciated:				
Buildings	168,041,931	3,749,866	-	171,791,797
Improvements other than buildings	39,575,603	166,997	-	39,742,600
Machinery and equipment	57,529,587	6,145,387	1,633,903	62,041,071
Infrastructure	626,160,787	16,115,566	-	642,276,353
Total capital assets, being depreciated	891,307,908	26,177,816	1,633,903	915,851,821
Less accumulated depreciation for:				
Buildings	92,401,243	3,353,130	-	95,754,373
Improvements other than buildings	19,305,889	767,770	-	20,073,659
Machinery and equipment	44,312,625	2,976,449	1,553,135	45,735,939
Infrastructure	228,160,339	16,776,591	-	244,936,930
Total accumulated depreciation	384,180,096	23,873,940	1,553,135	406,500,901
Total capital assets, being depreciated, net	507,127,812	2,303,876	80,768	509,350,920
Governmental activities capital assets, net	<b>\$ 548,760,029</b>	<b>\$ 26,715,235</b>	<b>\$ 20,074,275</b>	<b>\$ 555,400,989</b>

<b>Business-type activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 4,651,511	\$ -	\$ -	\$ 4,651,511
Sewer-Construction in progress	11,194,116	2,874,499	4,440,630	9,627,985
Stormwater -Construction in progress	13,362,974	6,164,333	858,816	18,668,491
BPU-Construction in progress	293,925,294	60,763,194	248,089,535	106,598,953
Total capital assets, not being depreciated	323,133,895	69,802,026	253,388,981	139,546,940
Capital assets, being depreciated:				
Buildings and improvements	4,185,049	85,956	-	4,271,005
Improvements other than buildings	3,691,240	-	-	3,691,240
Sewer lines	189,992,089	3,372,715	-	193,364,804
Treatment plants and facilities	83,464,135	2,975,495	-	86,439,630
Machinery and equipment	45,014,362	3,032,554	1,405,845	46,641,071
BPU Plant and equipment	1,542,355,471	248,071,446	1,398,879	1,789,028,038
Total capital assets, being depreciated	1,868,702,346	257,538,166	2,804,724	2,123,435,788
Less accumulated depreciation for:				
Buildings and improvements	863,280	91,409	-	954,689
Improvements other than buildings	2,445,148	78,175	-	2,523,323
Sewer lines	83,092,965	3,549,064	-	86,642,029
Treatment plants and facilities	55,323,180	1,668,462	-	56,991,642
Machinery and equipment	37,046,455	1,584,110	1,055,071	37,575,494
BPU Plant and equipment	779,413,880	30,997,172	660,165	809,750,887
Total accumulated depreciation	958,184,908	37,968,392	1,715,236	994,438,064
Total capital assets, being depreciated, net	910,517,438	219,569,774	1,089,488	1,128,997,724
Business-type activities capital assets, net	\$ 1,233,651,333	\$ 289,371,800	\$ 254,478,469	\$ 1,268,544,664

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

<b>Governmental activities:</b>	
General government	\$ 725,982
Health and Welfare	58,013
Public Safety	2,426,864
Judicial	38,763
Highways and streets, including depreciation of general infrastructure assets	18,751,958
Planning and development	1,531,341
Culture and recreation	<u>341,019</u>
<b>Total depreciation expense – governmental activities</b>	<b><u>\$ 23,873,940</u></b>
<b>Business-type activities:</b>	
Sewer System	\$ 5,874,765
Sunflower Hills Golf Course	167,642
EMS	610,523
Stormwater Enterprise	230,214
Stadium	88,076
BPU	<u>30,997,172</u>
<b>Total depreciation expense – business-type activities</b>	<b><u>\$ 37,968,392</u></b>

### C. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2017, is as follows:

<b>Interfund receivables and payables:</b>		
	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General	\$ 1,198,332	252,765
Capital Projects	20,650	139,629
Economic Development	-	178,161
Nonmajor governmental funds	1,523,540	706,785
Sewer System enterprise fund	17,744	314,904
Nonmajor enterprise funds	235,022	1,403,044
<b>Total</b>	<b>\$ 2,995,288</b>	<b>\$ 2,995,288</b>

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, 2017, the PBC had an advance receivable and the BPU had an advance payable for \$4,120,000 under this lease purchase agreement.

The composition of interfund transfers for the year ended December 31, 2017, is as follows:

<b>Transfers Out:</b>	<b>Transfers In:</b>						<b>Total</b>
	General	Capital Projects	Economic Development	NonMajor Governmental	Sewer	Non-Major Enterprise	
General	\$ -	\$ 1,281,414	\$ -	\$ 1,809,629	\$ 500,000	\$ 275,000	\$ 3,866,043
Capital Projects	185,505	-	6,618,531	415,969	100,202	23,825	7,344,032
Economic Development	-	1,209,054	-	-	-	-	1,209,054
Nonmajor Governmental	-	633,106	-	897,299	28,017	-	1,558,422
Sewer	-	6,317,361	-	366,216	-	-	6,683,577
BPU	32,673,555	-	-	-	-	-	32,673,555
Nonmajor Enterprise Fund	2,256,000	300,000	-	-	-	-	2,556,000
	<b>\$ 35,115,060</b>	<b>\$ 9,740,935</b>	<b>\$ 6,618,531</b>	<b>\$ 3,489,113</b>	<b>\$ 628,219</b>	<b>\$ 298,825</b>	<b>\$ 55,890,683</b>

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 2017, PILOT revenues and expenses of \$32,673,555 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 \$1,144,591 and \$5,409,718 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, 2017:

Year ending December 31,	Public Levee Lease	Rent payments for parking
2018	\$ 327,878	\$ 351,881
2019	327,878	351,881
2020	215,001	351,881
2021	215,001	351,881
2022	215,001	351,881
Thereafter	9,823,357	3,166,929
<b>Total</b>	<b>\$ 11,124,116</b>	<b>\$ 4,926,334</b>

##### *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>\$ 14,384,277</u>	<u>\$ 297,838</u>	<u>\$ 2,914,057</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, 2017, were as follows:

Year ended December 31,	Governmental	Business Type	
	Activities	Sunflower Hills	Activities
		Golf Course	EMS
2018	\$2,484,638	\$61,740	\$687,052
2019	2,217,509	6,268	351,364
2020	1,554,268	-	136,400
2021	999,884	-	
2022	763,526	-	
2023-2027	2,149,044	-	
Total minimum lease payments	10,168,869	68,008	1,174,816
Less: Amount representing interest	(759,683)	(695)	(25,548)
<b>Present value of minimum lease payments</b>	<b>\$9,409,186</b>	<b>\$67,313</b>	<b>\$1,149,268</b>

#### 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, 2017, the Unified Government had \$62,255,000 outstanding in temporary notes.

All temporary notes at December 31, 2017, have a maturity of no later than March 1, 2018 and have an interest rate of 1.50%.

Temporary note activity for the year ended December 31, 2017 was as follows:

Outstanding Jan. 1, 2017	Issued	Redeemed	Outstanding Dec. 31, 2017
\$ 65,860,000	\$ 62,255,000	\$ (65,860,000)	\$ 62,255,000

## 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, 2017:

	Outstanding January 1, 2017	Prior Period Adjustment	Additions	Deletions	Outstanding December 31, 2017	Due Within 1 Year
<b>Governmental activities:</b>						
<b>General Obligation:</b>						
General obligation bonds	\$ 222,248,791	\$ -	\$ 48,672,832	\$ 31,039,039	\$ 239,882,584	\$ 13,207,530
Tax Increment Financed GO bonds	34,361,410	-	13,880,059	2,073,013	46,168,456	2,144,128
Unamortized premium	12,723,852	-	8,493,712	1,686,231	19,531,333	-
Unamortized discount	(172,873)	-	(566)	(14,135)	(159,304)	-
Compensated absences	41,482,404	-	4,873,192	2,526,254	43,829,342	3,018,852
Capital leases	7,706,512	-	3,441,173	1,738,499	9,409,186	2,278,635
Claims and judgments	600,000	-	1,459,702	1,459,702	600,000	600,000
Unfunded pension obligation	246,153	-	28,692	38,366	236,479	-
Claims incurred but not reported	4,741,000	-	28,997,755	28,659,755	5,079,000	3,245,234
Total OPEB liability	92,281,860	(24,529,836)	12,000,568	2,171,777	77,581,815	-
Net pension liability	168,629,587	-	29,890,444	38,119,806	160,400,225	-
Landfill closure/post-closure	486,000	-	-	54,000	432,000	54,000
<b>Total - General obligation</b>	<b>585,334,696</b>	<b>(24,529,836)</b>	<b>151,737,563</b>	<b>109,552,307</b>	<b>602,990,116</b>	<b>24,548,379</b>
<b>Limited Obligation:</b>						
Section 108 loan	1,244,000	-	-	434,000	810,000	465,000
Special obligation bonds	56,138,000	-	-	4,465,000	51,673,000	3,466,000
Revenue bonds	16,270,000	-	-	2,155,000	14,115,000	2,190,000
Transportation development bonds	22,504,000	-	-	1,791,000	20,713,000	510,000
Sales tax obligation bonds	57,213,310	-	-	1,268,033	55,945,277	1,548,479
Accreted interest on bonds	8,661,565	-	1,640,090	676,351	9,625,304	719,448
Unamortized premium	1,663,158	-	-	146,277	1,516,881	-
Unamortized discount	(822,471)	-	-	(51,004)	(771,467)	-
<b>Total - Limited obligation</b>	<b>162,871,562</b>	<b>-</b>	<b>1,640,090</b>	<b>10,884,657</b>	<b>153,626,995</b>	<b>8,898,927</b>
<b>Total</b>	<b>\$ 748,206,258</b>	<b>\$ (24,529,836)</b>	<b>\$ 153,377,653</b>	<b>\$ 120,436,964</b>	<b>\$ 756,617,111</b>	<b>\$ 33,447,306</b>
<b>Business-type activities:</b>						
General obligation bonds	\$ 76,204,799	\$ -	\$ 14,372,110	\$ 5,382,949	\$ 85,193,960	\$ 6,909,241
Unamortized premium	3,019,793	-	1,828,898	262,672	4,586,019	-
Capital leases	1,890,492	-	395,572	1,069,483	1,216,581	731,451
Sewer state revolving loan	15,860,581	-	1,342,729	3,467,858	13,735,452	1,436,840
Compensated absences	5,343,049	-	912,525	337,053	5,918,521	402,776
Total OPEB liability	8,132,853	(2,048,757)	1,077,645	195,024	6,966,717	-
Net pension liability	12,066,015	-	4,017,941	3,058,630	13,025,326	-
Sales tax obligation bonds - Limited	-	-	-	-	-	-
Accreted interest on bonds	-	-	-	-	-	-
<b>Subtotal</b>	<b>122,517,582</b>	<b>(2,048,757)</b>	<b>23,947,420</b>	<b>13,773,669</b>	<b>130,642,576</b>	<b>9,480,308</b>
BPU revenue bonds	674,845,000	-	-	18,675,000	656,170,000	19,390,000
Capital leases	2,261,193	-	-	1,257,694	1,003,499	1,003,499
Unamortized premium	68,878,718	-	-	3,132,681	65,746,037	-
State revolving loan	30,065,860	-	3,555,275	2,544,399	31,076,736	2,450,672
Intergovernmental loan	4,010,680	-	-	277,044	3,733,636	283,363
Compensated absences	5,875,200	-	1,016,000	399,240	6,491,960	1,016,000
Net pension liability	14,459,214	-	56,679,826	50,689,049	20,449,991	-
OPEB Liability	5,481,779	-	4,462,496	4,027,046	5,917,229	-
<b>Subtotal</b>	<b>805,877,644</b>	<b>-</b>	<b>65,713,597</b>	<b>81,002,153</b>	<b>790,589,088</b>	<b>24,143,534</b>
<b>Total</b>	<b>\$ 928,395,226</b>	<b>\$ (2,048,757)</b>	<b>\$ 89,661,017</b>	<b>\$ 94,775,822</b>	<b>\$ 921,231,664</b>	<b>\$ 33,623,842</b>

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, 2017, 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, 2017
2008 GO Bonds	34,660,000	2008-2028	3.50-7.00%	5,440,000
2009 GO Bonds	23,515,000	2009-2029	3.00-6.00%	16,665,000
2010 GO Bonds	110,330,000	2011-2031	0.70-5.70%	86,575,000
2011 GO Bonds	34,485,000	2012-2031	1.00-5.00%	24,925,000
2012 GO Bonds	15,975,000	2013-2022	1.00-4.00%	12,340,000
2013 GO Bonds	34,685,000	2013-2033	2.00-4.00%	24,980,000
2014 GO Bonds	34,865,000	2014-2034	2.00-4.00%	23,865,000
2015 GO Bonds	59,140,000	2015-2035	2.00-5.00%	50,935,000
2016 GO Bonds	49,370,000	2016-2036	2.00-5.00%	48,395,000
2017 GO Bonds	76,925,000	2017-2037	2.60-5.00%	76,925,000
<b>Total</b>	<b>\$473,950,000</b>			<b>\$371,245,000</b>

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
2018	\$ 15,351,658	\$ 11,308,916	\$ 6,909,241	\$ 3,193,609
2019	16,438,623	11,361,735	5,750,653	3,034,755
2020	17,079,837	10,707,123	12,098,127	2,811,099
2021	18,543,145	10,047,236	4,311,022	2,297,396
2022	19,243,487	9,314,394	4,450,826	2,140,920
2023-2027	110,380,948	33,401,988	23,124,457	7,995,999
2028-2032	73,656,570	9,558,917	20,371,446	3,421,211
2033-2037	15,356,772	1,294,017	8,178,188	624,825
<b>Total</b>	<b>\$286,051,040</b>	<b>\$96,994,326</b>	<b>\$ 85,193,960</b>	<b>\$25,519,814</b>

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 2017, the Unified Government received \$668,432 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.

**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 revenues 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
<b>Serial/Term Bonds:</b>					
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>					
<b>Turbo Bonds:</b>					
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</i>					

available to pay the 2015 bonds starting in fiscal year 2018.

**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 \$34,206,759 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 \$25,241,865 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, 2017, 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, 2017
1999 KISC Bonds	\$ 24,300,413	2007-2027	4.20-5.25%	1,313,890	2,172,602	3,378,575	5,586,692	12,451,759
2014 KISC Refunding Bonds	10,885,000	2014-2027	2.00-5.00%	2,658,600	-	6,836,400	-	9,495,000
2015B Vacation Village Bonds	12,260,000	2015-2035	3.125-4.00%	2,819,800	-	9,440,200	-	12,260,000
<b>Total</b>	<b>\$ 47,445,413</b>			<b>\$ 6,792,290</b>	<b>\$ 2,172,602</b>	<b>\$ 19,655,175</b>	<b>\$ 5,586,692</b>	<b>\$ 34,206,759</b>

**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, 2017, 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, 2017
2015 US Soccer Bonds	65,229,560	2034	6.75%	13,045,912	1,866,010	52,183,648	7,464,023	74,559,593
2015A Vacation Village Bonds	72,900,000	2015-2035	5.00-6.00%	16,451,900	-	55,078,100	-	71,530,000
<b>Total</b>	<b>\$ 138,129,560</b>			<b>\$ 29,497,812</b>	<b>\$ 1,866,010</b>	<b>\$ 107,261,748</b>	<b>\$ 7,464,023</b>	<b>\$ 146,089,593</b>

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

Governmental Activities		
Year	Principal	Interest
2018	\$ 1,548,479	\$ 2,576,097
2019	1,856,573	2,567,742
2020	2,101,140	2,548,665
2021	2,299,692	2,526,833
2022	2,485,475	2,483,578
2023-2027	15,017,255	14,950,637
2028-2032	9,046,050	3,628,113
2033-2037	21,590,613	33,983,469
<b>Total</b>	<b>\$55,945,277</b>	<b>\$65,265,134</b>

**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, 2017 is \$49,705,000. 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, 2006 NFM/Cabela's 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, 2017
2006 The Legends	\$17,520,000	2006-2028	4.60-4.875%	\$11,580,000
2006 NFM/Cabela's	2,415,000	2006-2027	5.00%	405,000
2013 Plaza at the Speedway	9,975,000	2013-2032	4.75-5.75%	7,905,000
2014 Happy Foods	317,000	2014-2024	4.50%	166,000
2014 Prescott Plaza	1,459,000	2014-2024	3.00%	657,000
<b>Total</b>	<b><u>\$31,686,000</u></b>			<b><u>\$20,713,000</u></b>

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

Year ended December 31,	Principal	Interest
2018	\$510,000	\$1,066,493
2019	1,140,000	1,039,049
2020	1,245,000	980,674
2021	1,355,000	916,830
2022	1,620,000	847,318
2023-2027	10,283,000	2,803,770
2028-2032	4,560,000	585,069
<b>Total</b>	<b><u>\$20,713,000</u></b>	<b><u>\$8,239,203</u></b>

**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 and 2016A and 2016B 39<sup>th</sup> and Rainbow bonds and the 2013 Plaza at the Speedway bond 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, 2017
2010H Kansas Speedway parking lot	\$ 7,725,000	2010-2021	2.0-4.5%	\$ 6,075,000
2012 39 <sup>th</sup> and Rainbow	6,445,000	2012-2027	4.19%	5,515,000
2013 Plaza at the Speedway	38,055,000	2013-2027	4.25%	22,275,000
2016A 39 <sup>th</sup> and Rainbow	2,615,000	2016-2030	3.30%	2,458,000
2016B 39 <sup>th</sup> and Rainbow	1,578,000	2016-2026	Variable	1,370,000
2016 Wyandotte Plaza	14,550,000	2028-2034	4.0-5.0%	13,980,000
<b>Total</b>	<b>\$ 70,968,000</b>			<b>\$ 51,673,000</b>

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

Year ended December 31,	Principal	Interest
2018	\$ 3,466,000	\$ 2,483,925
2019	3,699,000	2,315,296
2020	2,977,000	2,133,517
2021	3,175,000	1,990,213
2022	3,383,000	1,832,705
2023-2027	17,870,000	6,513,647
2028-2032	9,103,000	2,613,652
2033-2035	8,000,000	800,000
<b>Total</b>	<b>\$ 51,673,000</b>	<b>\$ 20,682,955</b>

**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 2017	Pledged revenues recognized in 2017
STAR bonds*	Sales and transient guest tax	\$415,451,338	Through 2035	100%	\$7,967,836	\$5,445,930
TDD bonds	Transportation development district sales tax	28,952,201	Through 2032	100%	2,931,044	2,927,428
TIF GO bonds	Incremental increase in property tax	62,363,299	Through 2033	100%	3,606,971	2,324,145
Special Obligation bonds (TIF)	Incremental increase in property tax	63,464,888	Through 2034	100%	5,558,535	5,600,781

\* 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 bond for \$9,915,000 with interest rates ranging from 1.5-3.0%. In 2015, the PBC issued series 2015A bond for \$780,000 with an interest rate of 3.30%. In 2016, the PBC issued series 2016A bond for \$6,775,000 with an interest rate of 2.00% and 2016B bond for \$1,830,000 with interest rates ranging from 1.10- 2.90%.

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

Year ended December 31,	Principal	Interest
2018	\$ 2,190,000	\$ 350,948
2019	2,245,000	310,352
2020	2,295,000	258,753
2021	920,000	212,915
2022	945,000	187,040
2023-2027	4,715,000	521,575
2028-2032	<u>805,000</u>	<u>24,150</u>
<b>Total</b>	<b><u>\$ 14,115,000</u></b>	<b><u>\$ 1,865,733</u></b>

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.

**Proprietary Fund Revenue Bonds.** At December 31, 2017, 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, 2017
Sewer System State Revolving Loan	\$40,046,592	2035	3.39-3.44%	\$13,735,452
<b>Subtotal</b>	<b><u>40,046,592</u></b>			<b><u>13,735,452</u></b>
BPU revenue bonds :				
2009A Series	57,575,000	2034	2.75-5.00%	3,640,000
2010 Refunding	32,190,000	2028	2.00-5.00%	13,370,000
2011 Series	90,000,000	2036	2.00-5.20%	78,445,000
2012 Refunding	110,830,000	2032	3.12-5.00%	105,045,000
2012B	79,540,000	2037	2.00-5.00%	70,675,000
2014 Refunding and improvement	190,620,000	2044	3.00-5.00%	172,020,000
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
<b>Subtotal</b>	<b><u>773,730,000</u></b>			<b><u>656,170,000</u></b>
<b>Total</b>	<b><u>\$813,776,592</u></b>			<b><u>\$669,905,452</u></b>

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 that 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, 2017.

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, 2017, 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:

	<b>Sewer System</b>		<b>BPU</b>			
	State Revolving Loan		Government Loans		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$1,436,840	\$616,919	\$2,734,035	\$985,041	\$19,390,000	\$31,479,794
2018	1,477,049	576,710	2,821,187	909,220	22,515,000	30,669,619
2019	1,518,384	535,375	2,908,784	828,897	23,295,000	29,593,268
2020	1,560,876	492,883	2,999,540	745,941	24,400,000	28,480,068
2021	1,604,557	449,201	3,105,738	659,166	27,725,000	27,311,156
2022-2026	6,374,214	1,628,465	12,881,126	2,051,235	134,065,000	116,603,250
2027-2031	5,631,924	860,014	6,612,071	821,655	157,955,000	82,220,800
2032-2036	3,116,710	129,259	747,891	137,746	118,045,000	47,459,013
2037-2041	-	-	-	-	76,850,000	24,741,825
2042-2046	-	-	-	-	51,930,000	5,286,250
<b>Total</b>	<b><u>\$22,720,554</u></b>	<b><u>\$5,288,826</u></b>	<b><u>\$34,810,372</u></b>	<b><u>\$7,138,901</u></b>	<b><u>\$656,170,000</u></b>	<b><u>\$423,845,043</u></b>

In July 2014, the BPU entered into a Kansas Public Water Supply load 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, 2017, the BPU has drawn approximately \$9,500,000 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 \$1,000,000 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 &amp; Interest for 2017</u>	<u>Pledged revenues recognized in 2017</u>
Sewer State Revolving Loan	Net operating revenue of the Sewer Fund	\$ 28,789,002	Through 2035	100%	\$ 3,863,374	\$ 13,036,479
BPU debt issues	Electric and Water operating revenues	\$1,084,280,543	Through 2046	16.1%	\$ 51,014,663	\$ 61,217,596

**Refundings of Long-Term Debt.** In February 2017, the Unified Government issued \$12,990,000 in general obligation bonds, Series 2017-C with interest rates of 3.0-5.0%, to crossover advance refund \$13,705,000 of general obligation bonds Series 2009-A maturing from 2020-2029. The Unified Government refunded these bonds to take advantage of lower interest rates. As a result, the total debt service payments over the future 10-year period will decrease debt service payments by \$963,690 and will realize a present value savings of \$795,742.

In December 2017, the Unified Government issued \$37,130,000 in general obligation bonds, Series 2017-D with interest rates of 3.0-5.0%, to crossover advance refund \$41,480,000 of general obligation bonds Series 2010-A maturing from 2021-2030. The Unified Government refunded these bonds to take advantage of lower interest rates. As a result, the total debt service payments over the future 10-year period will decrease debt service payments by \$4,827,350 and will realize a present value savings of \$3,896,143.

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 \$63,623,205.

As of December 31, 2017, \$60,110,000 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 with the current outstanding amounting to \$810,000.

**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 and the Section 108 Loan:

Year ended December 31,	Claims and Judgments	Unfunded Pension Obligation	Section 108 Loan	
			Principal	Interest
2018	600,000	41,563	465,000	25,894
2019	-	38,654	345,000	11,386
2020	-	35,948	-	-
2021	-	33,431	-	-
2022	-	31,091	-	-
2023-2028	-	55,792	-	-
<b>Total</b>	<b>\$ 600,000</b>	<b>\$ 236,479</b>	<b>\$ 810,000</b>	<b>\$ 37,280</b>

**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, 2017.

## 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, 2017 was \$527,133,919 for the Industrial Revenue Bonds, \$107,261,748 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 2017 was \$4,722,993 (\$2,715,955 by Wyandotte County and \$2,007,038 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 \$432,000 as 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:

Capital projects fund: Debt service accounts	\$ 52,867,373
Capital projects fund: STAR financing	7,213,565
Economic development fund:	
STAR/TDD/TIF bonds	10,865,555
Customer deposits-BPU	5,449,008
Sewer revenue bonds:	
Debt service accounts	15,705,927
State Revolving Loan	833,363
Stormwater bonds:	
Debt Service Accounts	176,793
BPU revenue bonds:	
Debt service account	21,944,644
Improvement and emergency account	1,500,000
Construction funds	<u>60,256,044</u>
<b>Total restricted assets</b>	<b><u>\$176,812,272</u></b>

## 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, 2017**

	Major		Nonmajor		Total Governmental Funds
	General	Capital Projects	Debt Service Economic Development	Other Governmental Funds	
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Elections	-	-	-	542,570	542,570
Library	-	-	-	873,500	873,500
Register of Deeds - Technology	-	-	-	140,048	140,048
Clerk's Office - Technology	-	-	-	92,247	92,247
Treasurer's Office - Technology	-	-	-	104,327	104,327
Alcohol abuse, prevention, treatment programs	-	-	-	665,108	665,108
Community Corrections	-	-	-	642,995	642,995
Community Development	-	-	-	361,685	361,685
Road improvements and development	-	-	-	2,152,297	2,152,297
Road improvements and development - Debt Service	-	-	-	126,788	126,788
Police Department	-	-	-	2,579,036	2,579,036
Fire Department	-	-	-	1,618,153	1,618,153
Neighborhood Infrastructure	-	-	-	1,618,153	1,618,153
Enhancement of 911 System	-	-	-	361,153	361,153
Emergency Management	-	-	-	40,187	40,187
Sheriff Department	-	-	-	124,925	124,925
Public Safety	-	-	-	160,749	160,749
District Attorney	-	-	-	57,842	57,842
Child Support Enforcement	-	-	-	738,986	738,986
Mental Health Services	-	-	-	392,977	392,977
County Health Services	-	-	-	1,789,374	1,789,374
Senior Citizen Services	-	-	-	722,297	722,297
Development - Gap Financing	-	-	-	934,963	934,963
Transit	-	-	-	200,936	200,936
Parks and Recreation - Operations	-	-	-	49,516	49,516
Parks and Recreations - Capital Improvements	-	-	-	47,049	47,049
Development	27,713	-	-	-	27,713
Debt Service - General	-	38,447,260	-	15,891,055	54,338,315
Debt Service - Development	67,730	-	10,687,394	-	10,755,124
<b>Total</b>	<b>\$ 95,443</b>	<b>\$ 38,447,260</b>	<b>\$ 10,687,394</b>	<b>\$ 33,028,916</b>	<b>\$ 82,259,013</b>
<b>Committed to:</b>					
Promote Tourism and Convention	-	-	-	2,866,936	2,866,936
Promote Tourism and Convention - Debt Service	-	-	-	490,454	490,454
Inmate services	-	-	-	190,776	190,776
Future landfill remediation	-	-	-	1,218,934	1,218,934
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,767,100</b>	<b>\$ 4,767,100</b>
<b>Assigned to:</b>					
Subsequent years appropriation of fund balance	4,069,920	-	-	-	4,069,920
Asset Acquisition	-	-	-	5,139,085	5,139,085
<b>Total</b>	<b>\$ 4,069,920</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,139,085</b>	<b>\$ 9,209,005</b>
<b>Unassigned:</b>	<b>36,791,489</b>	<b>-</b>	<b>-</b>	<b>\$ (561,299)</b>	<b>36,230,190</b>
<b>Total fund balances:</b>	<b>\$ 40,956,852</b>	<b>\$ 38,447,260</b>	<b>\$ 10,687,394</b>	<b>\$ 42,373,802</b>	<b>\$ 132,465,308</b>

#### 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 in excess of \$325,000. Incurred but not reported claims of \$2,414,000 have been accrued as a liability. In 2017, \$27,379,622 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 in excess of \$750,000. Incurred but not reported claims of \$2,665,000 have been accrued as a liability. During 2017, a total of \$1,310,133 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. Claims exceeding \$750,000 and up to \$35,000,000 per employee / per occurrence 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:

	<b>Workers' Compensation</b>	<b>Health Insurance</b>	<b>General Liability</b>	<b>BPU</b>
<b>December 31, 2015 Liability Balances</b>	<b><u>\$ 2,252,000</u></b>	<b><u>\$ 2,977,000</u></b>	<b><u>\$ 600,000</u></b>	<b><u>\$ 3,154,000</u></b>
Claims and changes in estimates	2,431,723	28,129,939	667,934	12,208,000
Claim payments	<u>(1,988,723)</u>	<u>(29,060,939)</u>	<u>(667,934)</u>	<u>(12,740,000)</u>
<b>December 31, 2016 Liability Balances</b>	<b><u>\$ 2,695,000</u></b>	<b><u>\$ 2,046,000</u></b>	<b><u>\$ 600,000</u></b>	<b><u>\$ 2,622,000</u></b>
Claims and changes in estimates	1,250,133	27,747,622	1,459,702	12,783,000
Claim payments	<u>(1,280,133)</u>	<u>(27,379,622)</u>	<u>(1,459,702)</u>	<u>(13,100,000)</u>
<b>December 31, 2017 Liability Balances</b>	<b><u>\$ 2,665,000</u></b>	<b><u>\$ 2,414,000</u></b>	<b><u>\$ 600,000</u></b>	<b><u>\$ 2,305,000</u></b>

## 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 2017, payments made under these agreements amounted to \$1,035,962 and the remaining certified project costs to be repaid as of December 31, 2017 totals \$57,254,426.

**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 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 decade, the Unified Government committed an aggressive \$200+ million plan that reinvests revenue in the existing sewer systems improvements and makes continued overflow reduction progress, while allowing time to grow the capability of the utility to implement and revise the overall IOCP. 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. Both of these funds have strengthened fund balances in anticipation of future debt issuances. The Sewer System and Stormwater enterprise funds ended 2017 with a combined budgetary fund balance of \$31,306,203 or 97% of their total 2017 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 finds 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, 2017, the Unified Government had the following outstanding encumbrances:

General Fund	\$ 4,069,920
Capital Projects	7,869,617
Sewer System	14,212,260
Nonmajor Governmental	6,143,668
Nonmajor Enterprise	4,168,458
<b>Total</b>	<b>\$ 36,463,923</b>

**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 in Kansas, began commercial operation in January 2008. Total power purchased under this agreement was \$4,240,598 in 2017.

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 \$2,531,763 in 2017.

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 will tie 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 \$3,331,510 in 2017.

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 \$3,251,370 in 2017. 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 \$545,554 in 2017.

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 \$15,397,636 in 2017.

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 \$428,751 in 2017.

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 \$23,000,000, \$23,000,000 and \$23,000,000 for 2018, 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, 2017. 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, 2017 the BPU has recorded an estimated liability of \$1,500,000, within accrued claims payable for its estimated remaining share of these obligations. Funding provided for these obligations was \$450,000 in 2017.

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, 2017. 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 \$24,328,488 (payable in 8 equal installments from 2018 to 2026). This amount has not been recorded as a

receivable in the Unified Government's financial statements as of December 31, 2017, 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 2017, BPU's portion of fuel expense and operating and maintenance expense were \$4,511,953 and \$2,495,256 respectively. BPU also receives a portion of the wholesale sales generated by the Dogwood plant. BPU received \$6,270,335 in wholesale sales from Dogwood during 2017. 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, 2017, the BPU's ownership interest in Dogwood's capital assets consisted of \$39,068,395 in Plant in Service Facility, \$6,075,238 of accumulated depreciation and \$378,668 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 8.46% for KPERS and 19.03% for KP&F for the fiscal year ended December 31, 2017. Contributions to the pension plan from the Unified Government were \$5,426,333 for KPERS and \$12,186,896 for KP&F for the year ended December 31, 2017.

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, 2017, the Unified Government reported a liability of \$51,499,513 for KPERS and \$121,926,038 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, 2017, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The Unified Government 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, 2017. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2017, the Unified Government proportion and change from its proportion measured as of June 30, 2016 were as follows:

<b>Net pension liability as of December 31, 2017</b>					
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Proportion as of June 30, 2017</b>	<b>Decrease in proportion from June 30, 2016</b>
KPERS (local)	\$ 45,993,322	\$ 5,506,191	\$ 51,499,513	3.555	(0.018%)
KP&F	114,406,903	7,519,135	121,926,038	13.001	(0.502%)
	<u>\$ 160,400,225</u>	<u>\$ 13,025,326</u>	<u>\$ 173,425,551</u>		

For the year ended December 31, 2017, the Unified Government recognized pension expense of \$4,477,573 for KPERS and \$18,605,747 for KP&F. At December 31, 2017, the Unified Government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 5,753,018	\$ (2,446,174)	\$ 390,115	\$ (246,638)
Net difference between projected and actual earnings on pension plan investments	5,680,987	-	451,270	-
Changes in proportionate share	1,086,326	(7,203,973)	80,765	(549,328)
Changes in assumptions	10,465,775	(847,585)	821,580	(73,864)
(Client) contributions subsequent to measurement date	8,270,512	-	682,765	-
Total	<u>\$ 31,256,618</u>	<u>\$ (10,497,732)</u>	<u>\$ 2,426,495</u>	<u>\$ (869,830)</u>

Deferred outflows of resources of \$8,953,277 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, 2018. 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	
2018	\$	1,397,217	\$	97,773
2019		7,459,218		521,974
2020		3,909,036		273,543
2021		(970,496)		(67,913)
2022		693,399		48,523
	\$	12,488,374	\$	873,900

*Actuarial assumptions.* The total pension liability for KPERS in the December 31, 2016 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, 2016 valuation were based on the results of an actuarial experience study conducted for the three-year period beginning January 1, 2013.

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, 2017 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 2017 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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Unified Government's KPERS proportionate share of the net pension liability	\$ 74,170,545	\$ 51,499,513	\$ 32,388,708
Unified Government's KP&F proportionate share of the net pension liability	<u>172,969,635</u>	<u>121,926,038</u>	<u>79,195,239</u>
	<u>\$ 247,140,180</u>	<u>\$ 173,425,551</u>	<u>\$ 111,583,947</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, 2017, the Valuation date.

Inactive Members or Beneficiaries Currently Receiving Benefits	817
Disabled Members	11
Inactive member Entitled To But Not Yet Receiving Benefits	24
Active Members	538
Total	1,390

*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 \$4,256,839 to the Plan for the year ended December 31, 2017.

*Net Pension Liability.* The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017 and rolled forward to the measurement date. As of December 31, 2017, the Plan reported a net pension liability of \$20,449,991.

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at December 31, 2016</b>	\$ 474,063,287	\$ 459,604,073	\$ 14,459,214
<b>Changes for the year:</b>			
Service cost	7,297,782	-	7,297,782
Interest on total pension liability	36,679,579	-	36,679,579
Difference between expected and actual experience	(14,572,637)	-	(14,572,637)
Changes of assumptions	12,331,048	-	12,331,048
Employer contributions	-	4,252,025	(4,252,025)
Employee contributions	-	4,252,025	(4,252,025)
Net investment income	-	27,612,362	(27,612,362)
Benefit payments, including member refunds	(31,747,866)	(31,747,866)	-
Administrative expenses	-	(371,417)	371,417
Net changes	9,987,906	3,997,129	5,990,777
<b>Balances at December 31, 2017</b>	<u>\$ 484,051,193</u>	<u>\$ 463,601,202</u>	<u>\$ 20,449,991</u>

\* 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.

\* Within the January 1, 2015 valuation, the assumed COLA for post January 1, 1993 retirees was changed from 1% through 2010 and 3% thereafter to 1% through 2025 and 3% thereafter.

*Actuarial Assumptions.* The total pension liability based on the January 1, 2017 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 or 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	20.0%	5.9%
Domestic Large Cap Equity	20.0	7.2
International equity	13.0	6.1
International Small Cap Equity	4.0	7.4
Emerging Market Equities	3.0	8.9
Real Estate	14.0	5.5
Fixed Income- Intermediate	21.0	3.4
Fixed Income - High Yield	5.0	5.2
Cash and Equivalents	0.0	1.0
	100.0%	

*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:

	<b>2017</b>		
	<b>1% Decrease (7.0%)</b>	<b>Current Discount Rate (8.0%)</b>	<b>1% Increase (9.0%)</b>
Net pension liability (asset)	\$74,388,738	\$20,449,991	(\$24,974,382)

*Pension Expense.* For the fiscal year ended December 31, 2017, the BPU recognized pension expense of \$7,368,115. 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, 2017, the BPU reported deferred outflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ —	\$ 16,890,898
Changes in assumptions	9,690,567	11,943,137
Difference between projected and actual earnings on pension plan investment	30,555,801	—
Contributions subsequent to the measurement date	4,255,618	—
<b>Total</b>	<b>\$ 44,501,986</b>	<b>\$ 28,834,035</b>

The amount reported as deferred outflows of resources as of December 31, 2017 resulting from contributions subsequent to the measurement date of \$4,255,618 will be recognized as a reduction in the net pension liability for the year ended December 31, 2018. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
2018	\$ 12,919,068	\$ 9,805,817
2019	12,919,070	9,805,817
2020	10,993,202	7,131,680
2021	<u>3,415,028</u>	<u>2,090,721</u>
	<u>\$ 40,246,368</u>	<u>\$ 28,834,035</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 2017 through 2031 to be approximately \$236,479. 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, 2017 were \$38,366. 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, 2017, 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 \$84,547,532 was measured as of December 31, 2017 and was determined by an actuarial valuation as of January 1, 2017, which was rolled forward to December 31, 2017.

*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:

Inflation	2.50%
Salary increases	2.00%
Discount rate	3.24%
Healthcare cost trend rates	7.5% for 2017, 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.

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 12/31/16 (re-stated)	\$ 67,752,024	\$ 6,084,096	\$ 73,836,120
Changes for the year:			
Service cost	2,307,213	207,187	2,514,400
Interest	2,593,398	232,886	2,826,284
Changes in assumptions	7,099,958	637,572	7,737,530
Net benefits paid by employer	(2,171,778)	(195,024)	(2,366,802)
Net changes	9,828,791	882,621	10,711,412
Balance at 12/31/17	\$ 77,580,815	\$ 6,966,717	\$ 84,547,532

Changes in assumptions reflect a change in the discount rate from 3.76% in 2016 to 3.24% in 2017 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 (2.24%) or 1-percentage-point higher (4.24%) than the current discount rate:

	1% Decrease (2.24%)	Discount Rate (3.24%)	1% Increase (4.24%)
Total OPEB liability	\$ 105,904,549	\$ 84,547,532	\$ 68,690,240

*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 (6.5% decreasing to 4.0%) or 1-percentage-point higher (8.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Total OPEB liability	\$ 67,256,428	\$ 84,547,532	\$ 108,413,559

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

For the year ended December 31, 2017, the Unified Government recognized OPEB expense of \$6,260,722. At December 31, 2017, the Unified Government reported deferred outflows of resources related to OPEB from the following sources:

	<u>Governmental Activities</u> <u>Deferred Outflows of</u> <u>Resources</u>	<u>Business-Type Activities</u> <u>Deferred Outflows of</u> <u>Resources</u>
Changes in assumptions	\$ 6,255,729	\$ 561,762
Total	<u>\$ 6,255,729</u>	<u>\$ 561,762</u>

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

	<u>Governmental Activities</u> <u>Deferred Outflows</u> <u>(Inflows) of Resources</u>	<u>Business-Type Activities</u> <u>Deferred Outflows</u> <u>(Inflows) of Resources</u>
Year ended December 31:		
2018	\$ 844,228	\$ 75,811
2019	844,228	75,811
2020	844,228	75,811
2021	844,228	75,811
2022	844,228	75,811
Thereafter	2,034,589	182,707
	<u>\$ 6,255,729</u>	<u>\$ 561,762</u>

*Prior period adjustment.* The implementation of GASB Statement 75 and changes to actuarial assumptions resulted in a restated as of December 31, 2016 of total OPEB liability of \$67,752,024 for governmental activities and \$6,084,096 for business-type activities, or a reduction \$24,529,835 for governmental activities and

\$2,048,757 for business-type activities. This prior period adjustment resulted in a corresponding increase to net position for governmental activities and business-type activities, respectively, as of January 1, 2017.

## 2. 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 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. The retiree 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. There were 361 participants eligible to receive benefits under this plan as of December 31, 2017.

### *Funding Policy*

The contribution requirements of plan members and the BPU are established and can be amended by the BPU's Board. Contributions are made to the plan based on a pay-as-you-go basis. For the year ended December 31, 2017, the BPU paid \$4,027,046 for retirees.

### *Annual OPEB Cost and Net OPEB Obligation*

The BPU's annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. The BPU's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015-2017 are as follows:

	<b>Annual OPEB Expense</b>	<b>Annual OPEB Contributed</b>	<b>Net OPEB</b>
Fiscal year ended:			
December 31, 2017	\$ 4,462,496	90%	\$ 5,917,229
December 31, 2016	4,687,591	91%	5,481,779
December 31, 2015	4,863,731	83%	5,074,739

The following table shows the components of BPU's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the BPU's net OPEB obligation:

	<u>2017</u>
Normal costs	\$ 1,793,169
Amortization payment	<u>2,751,044</u>
Annual required contribution (ARC)	4,544,213
Amortization of net OPEB obligation	(342,102)
Interest on net OPEB obligation	<u>260,385</u>
Total OPEB expense	4,462,496
Annual employer contribution	<u>4,027,046</u>
Change in OPEB obligation	435,450
Net OPEB obligation – beginning of year	<u>5,481,779</u>
Net OPEB obligation – end of year	<u><u>\$ 5,917,229</u></u>

The funded status of the plan as of December 31, 2017 is as follows:

	<u>2017</u>
Actuarial accrued liability (AAL)	\$ 43,407,651
Actuarial value of plan assets	—
Unfunded actuarial accrued liability (UAAL)	43,407,651
Funded ratio	—
Covered payroll	\$ 45,019,626
UAAL as a percentage of covered payroll	96.4%

#### *Actuarial Methods and Assumptions*

Actuarial valuations for an ongoing plan involve estimates of the value of reports amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include benefits provided at the time of each valuation date and the historical pattern of sharing benefit costs between the employer and plan member to that point. The actuarial methods used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets, consistent with the long-term perspective of the calculations. The valuation of the liabilities is based on a closed group. In the actuarial valuation as of December 31, 2017, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.75% discount rate, which includes an annual healthcare cost trend of 8.0% in 2017, reduced by decrements to an ultimate rate of 5% over 10 years. The projected salary increase is 2.5%. The unfunded actuarial accrued liability is being amortized over 20 years (closed) as a level percent of payrolls.

## 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 \$160,400,225, for OPEB were \$77,580,815, and for compensated absences were \$43,829,342.

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, 2017, General Fund revenues accounted for approximately 66% 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 tradition 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 resulted in a 4.7% reduction in 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 2017 the number of members covered by the high deductible health savings plan enrollment increased by 26% over 2016. The decrease in membership to the traditional plan was 19%. 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. During 2016 and 2017, 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 moderate improvement in General Fund revenues during the next two years. Continued growth in sales and use tax revenues to the General Fund, with an annual increase of 12.0% in 2016, 26.7% in 2017, have positively impacted governmental funds revenues. 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. Going forward, sales and use tax revenue are projected to grow modestly by 2.5% in 2018 and approximately 5% in 2019.

The Hollywood Casino opened in February of 2012 and generated in 2017 approximately \$3,284,000 gaming revenue and \$7,302,000 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 2017 was \$1,459,000. 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 \$1,453,000 in 2017. 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 1.5% increase in jobs between September 2016 and September 2017 which ranked the County 3rd out of the six Kansas City Missouri-Kansas metropolitan area cities in the analysis. Nationally, job growth was 1.0% for this period. In 2017, 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 2017, there were 258 single-family permits issued in Kansas City, Kansas, and 215 issued in 2016. The Home Builders Association of Greater Kansas City tracks new housing starts for 69 communities in an eight-county Kansas City area, and during 2017 Kansas City, Kansas ranked fifth among all cities in the number of single-family units added.

#### H. Subsequent Events

Since January of 2018, the Unified Government has issued four financings for both bonds and temporary notes. No other financings are expected to be completed by June 30<sup>th</sup> of 2018. The table below provides a summary of these issuances.

Issue	Month	Tax Status	Term	Amount	True Interest Cost
2018-I	February	Tax-Exempt Municipal Temporary Notes	1	\$ 65,020,000	1.60%
2018-A	February	Tax-Exempt GO Bonds	20	34,025,000	3.26%
2018-PBC	February	Taxable Go Bonds	10	1,450,000	2.55%
2018-A	March	PBC Revenue Bonds (Juvenile Justice Facility)	20	24,430,000	3.38%
2018-B	March	PBC Revenue Bonds (Courthouse and Adult Jail Facility)	20	8,710,000	3.41%
2018 Legends CID	May	Tax-Exempt CID Bonds	22	26,805,000	4.63%

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:

<b>Revenue and other sources:</b>	<b><u>General Fund</u></b>
GAAP basis revenues	\$ 208,078,593
Revenue adjustments	(1,769,273)
Intra-fund appropriations and transfers	3,700,000
Cancellation of prior year encumbrances	<u>271,193</u>
<b>Budgetary basis revenue</b>	<b><u>\$ 210,280,513</u></b>
<b>Expenditures and other uses:</b>	
GAAP basis expenditures	\$ 198,847,233
Expenditure adjustments	(14,658)
Intra-fund appropriations	3,700,000
Change in reserve for encumbrances	(169,843)
Cancellation of prior year encumbrances	<u>271,193</u>
<b>Budgetary basis expenditures</b>	<b><u>\$ 202,633,925</u></b>

**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, 2017**

	2016		2017		
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
Tax revenue	\$ 160,525,389	\$ 180,439,363	\$ 181,535,221	\$ 173,899,701	\$ (7,635,520)
Intergovernmental revenues	4,042,979	4,443,500	4,469,650	4,420,164	(49,486)
Charges for services	12,922,898	12,808,300	13,075,600	12,809,287	(266,313)
Fines, forfeitures and penalties	6,904,800	6,365,100	6,072,900	6,647,967	575,067
Interest earnings	1,069,265	1,675,000	1,440,000	2,111,406	671,406
Licenses and permits	2,323,755	1,767,000	2,330,200	2,243,700	(86,500)
Miscellaneous revenues	4,807,310	4,478,588	4,661,188	5,384,733	723,545
<b>TOTAL REVENUES</b>	<b>192,596,396</b>	<b>211,976,851</b>	<b>213,584,759</b>	<b>207,516,958</b>	<b>(6,067,801)</b>
<b>EXPENDITURES</b>					
Personnel	143,636,567	149,964,692	146,409,118	148,228,265	(1,819,147)
Contractual services	32,861,566	35,482,116	34,713,429	31,025,280	3,688,149
Commodities	5,496,330	6,648,634	6,611,261	5,989,723	621,538
Capital outlay	4,595,056	7,639,600	7,767,563	6,296,496	1,471,067
Grants, claims, shared revenue	5,062,754	6,879,072	7,329,458	6,585,723	743,735
Debt service	641,175	10,280,396	10,280,396	641,913	9,638,483
Other	228	1,505,261	1,769,263	482	1,768,781
<b>TOTAL EXPENDITURES</b>	<b>192,293,676</b>	<b>218,399,771</b>	<b>214,880,488</b>	<b>198,767,882</b>	<b>16,112,606</b>
<b>OTHER FINANCING SOURCES(USES)</b>					
Transfers in	2,256,476	2,256,000	2,256,700	2,441,505	184,805
Transfers out	(4,590,847)	(200,000)	(1,275,000)	(3,866,043)	(2,591,043)
Proceeds from sale of capital assets	181,494	-	81,000	322,050	241,050
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,152,877)</b>	<b>2,056,000</b>	<b>1,062,700</b>	<b>(1,102,488)</b>	<b>(2,165,188)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,850,157)</b>	<b>(4,366,920)</b>	<b>(233,029)</b>	<b>7,646,588</b>	<b>7,879,617</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	21,128,824	19,278,667	19,278,667	19,278,667	-
End of year	\$ 19,278,667	\$ 14,911,747	\$ 19,045,638	\$ 26,925,255	\$ 7,879,617

**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, 2017**

	2016		2017		Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final		
<b>REVENUES</b>					
Tax revenue	\$ 110,726,619	\$ 127,708,629	\$ 128,967,604	\$ 121,077,180	\$ (7,890,424)
Intergovernmental revenues	754,898	678,000	704,000	709,228	5,228
Charges for services	10,940,420	10,301,800	10,892,100	10,507,575	(384,525)
Fines, forfeitures and penalties	4,397,364	4,755,100	3,913,000	3,734,998	(178,002)
Interest earnings	50,819	75,000	90,000	209,321	119,321
Licenses and permits	1,226,294	862,000	1,225,200	1,236,276	11,076
Miscellaneous revenues	3,589,862	3,391,692	3,396,892	3,978,285	581,393
<b>TOTAL REVENUES</b>	<b>131,686,276</b>	<b>147,772,221</b>	<b>149,188,796</b>	<b>141,452,863</b>	<b>(7,735,933)</b>
<b>EXPENDITURES</b>					
Personnel	100,021,835	105,646,554	102,293,534	102,498,597	(205,063)
Contractual services	19,013,132	20,223,177	20,904,976	19,337,746	1,567,230
Commodities	3,781,455	4,634,258	4,345,456	4,003,004	342,452
Capital outlay	2,672,051	5,377,100	5,332,934	4,315,912	1,017,022
Grants, claims, shared revenue	4,372,111	5,546,195	5,458,871	4,953,026	505,845
Debt service	641,175	10,280,396	10,280,396	641,913	9,638,483
Other	-	1,128,033	351,711	-	351,711
<b>TOTAL EXPENDITURES</b>	<b>130,501,759</b>	<b>152,835,713</b>	<b>148,967,878</b>	<b>135,750,198</b>	<b>13,217,680</b>
<b>OTHER FINANCING SOURCES(USES)</b>					
Transfers in	2,256,000	2,256,000	2,256,000	2,417,804	161,804
Transfers out	(4,405,847)	-	(1,075,000)	(1,788,119)	(713,119)
Proceeds from sale of capital assets	181,494	-	80,000	321,300	241,300
<b>TOTAL OTHER FINANCING (USES)</b>	<b>(1,968,353)</b>	<b>2,256,000</b>	<b>1,261,000</b>	<b>950,985</b>	<b>(310,015)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(783,836)</b>	<b>(2,807,492)</b>	<b>1,481,918</b>	<b>6,653,650</b>	<b>5,171,732</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	14,785,572	14,001,736	14,001,736	14,001,736	-
End of year	\$ 14,001,736	\$ 11,194,244	\$ 15,483,654	\$ 20,655,386	\$ 5,171,732

**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, 2017**

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final		
<b>REVENUES</b>					
Tax revenue	\$ 48,055,655	\$ 50,887,133	\$ 50,734,839	\$ 50,984,399	\$ 249,560
Intergovernmental revenues	88,081	65,500	65,650	10,936	(54,714)
Charges for services	1,371,939	1,894,500	1,548,500	1,693,716	145,216
Fines, forfeitures and penalties	2,507,436	1,610,000	2,159,900	2,912,969	753,069
Interest earnings	1,018,446	1,600,000	1,350,000	1,902,085	552,085
Licenses and permits	1,097,461	905,000	1,105,000	1,007,424	(97,576)
Miscellaneous revenues	1,114,848	985,896	1,062,996	1,233,818	170,822
<b>TOTAL REVENUES</b>	<b>55,253,866</b>	<b>57,948,029</b>	<b>58,026,885</b>	<b>59,745,347</b>	<b>1,718,462</b>
<b>EXPENDITURES</b>					
Personnel	39,892,635	40,355,138	40,114,468	41,557,743	(1,443,275)
Contractual services	12,750,916	13,987,994	12,683,535	10,575,102	2,108,433
Commodities	1,212,722	1,392,172	1,647,574	1,428,891	218,683
Capital outlay	1,501,803	1,590,500	1,762,629	1,462,530	300,099
Grants, claims, shared revenue	690,643	1,327,602	1,860,178	1,626,447	233,731
Other	228	326,118	1,266,442	482	1,265,960
<b>TOTAL EXPENDITURES</b>	<b>56,048,947</b>	<b>58,979,524</b>	<b>59,334,826</b>	<b>56,651,195</b>	<b>2,683,631</b>
<b>OTHER FINANCING SOURCES(USES)</b>					
Transfers in	476	-	700	23,701	23,001
Transfers out	(150,000)	(200,000)	(200,000)	(2,016,924)	(1,816,924)
Proceeds of sale of capital assets	-	-	1,000	750	(250)
<b>TOTAL OTHER FINANCING (USES)</b>	<b>(149,524)</b>	<b>(200,000)</b>	<b>(198,300)</b>	<b>(1,992,473)</b>	<b>(1,794,173)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(944,605)</b>	<b>(1,231,495)</b>	<b>(1,506,241)</b>	<b>1,101,679</b>	<b>2,607,920</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	5,586,277	4,641,672	4,641,672	4,641,672	-
End of year	\$ 4,641,672	\$ 3,410,177	\$ 3,135,431	\$ 5,743,351	\$ 2,607,920

**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, 2017**

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final		
<b>REVENUES</b>					
Tax revenue	\$ 1,743,115	\$ 1,843,601	\$ 1,832,778	\$ 1,838,122	\$ 5,344
Intergovernmental revenues	3,200,000	3,700,000	3,700,000	3,700,000	-
Charges for services	610,539	612,000	635,000	607,996	(27,004)
Miscellaneous revenues	102,600	101,000	201,300	172,630	(28,670)
<b>TOTAL REVENUES</b>	<b>5,656,254</b>	<b>6,256,601</b>	<b>6,369,078</b>	<b>6,318,748</b>	<b>(50,330)</b>
<b>EXPENDITURES</b>					
Personnel	3,722,097	3,963,000	4,001,116	4,171,925	(170,809)
Contractual services	1,097,518	1,270,945	1,124,918	1,112,432	12,486
Commodities	502,153	622,204	618,231	557,828	60,403
Capital outlay	421,202	672,000	672,000	518,054	153,946
Grants, claims, shared revenue	-	5,275	10,409	6,250	4,159
Other	-	51,110	151,110	-	151,110
<b>TOTAL EXPENDITURES</b>	<b>5,742,970</b>	<b>6,584,534</b>	<b>6,577,784</b>	<b>6,366,489</b>	<b>211,295</b>
<b>OTHER FINANCING SOURCES(USES)</b>					
Transfers out	(35,000)	-	-	(61,000)	61,000
<b>TOTAL OTHER FINANCING (USES)</b>	<b>(35,000)</b>	<b>-</b>	<b>-</b>	<b>(61,000)</b>	<b>61,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(121,716)</b>	<b>(327,933)</b>	<b>(208,706)</b>	<b>(108,741)</b>	<b>221,965</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	756,975	635,259	635,259	635,259	-
End of year	\$ 635,259	\$ 307,326	\$ 426,553	\$ 526,518	\$ 221,965

**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 Five Fiscal Years*				
	2017	2016	2015	2014	2013
Unified Government's proportion of the collective net pension liability:					
KPERs (local group)	3.555%	3.574%	3.576%	3.766%	3.725%
KP&F (police & firemen)	13.001%	13.503%	13.892%	14.190%	13.807%
Unified Government's proportionate share of the collective net pension liability	\$ 173,425,551	\$ 180,695,602	\$ 147,823,146	\$ 139,414,084	\$ 168,946,370
Unified Government's covered-employee payroll ^	\$ 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-employee payroll	135%	144%	118%	110%	137%
Plan fiduciary net position as a percentage of the total pension liability	67.12%	65.10%	64.95%	66.60%	59.94%

\* GASB 68 requires presentation of ten years. As of December 31, 2017, only five 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**

**Schedule of Unified Government's Pension Contributions – KPERS and KP&F**

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

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

\* GASB 68 requires presentation of ten years. As of December 31, 2017, only five 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.

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

## UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

### REQUIRED SUPPLEMENTARY INFORMATION

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, 2017**

	2017	2016	2015
<b>Total Pension Liability</b>			
Service cost	\$ 7,297,782	\$ 7,339,629	\$ 7,560,923
Interest on total pension liability	36,679,579	38,033,409	36,958,626
Difference between expected and actual experience	(14,572,637)	(9,622,386)	-
Assumption changes	12,331,048	(21,130,167)	-
Benefit payments, including member refunds	(31,747,866)	(31,346,590)	(30,832,788)
Net change in total pension liability	9,987,906	(16,726,105)	13,686,761
Total pension liability, beginning	474,063,287	490,789,392	477,102,631
Total pension liability, ending (a)	<u>\$ 484,051,193</u>	<u>\$ 474,063,287</u>	<u>\$ 490,789,392</u>
<b>Plan Fiduciary Net Position</b>			
Employer contributions	4,252,025	4,172,968	4,278,318
Employee contributions	4,252,025	4,172,968	4,278,318
Net investment income	27,612,362	3,875,505	27,423,709
Benefit payments, including member refunds	(31,747,866)	(31,346,590)	(30,832,788)
Administrative expenses	(371,417)	(332,625)	(338,801)
Net change in plan fiduciary net position	3,997,129	(19,457,774)	4,808,756
Plan fiduciary net position, beginning	459,604,073	479,061,847	474,253,091
Plan fiduciary net position, ending (b)	<u>\$ 463,601,202</u>	<u>\$ 459,604,073</u>	<u>\$ 479,061,847</u>
Net pension liability, ending (a) - (b)	<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	95.78%	96.95%	97.61%
Covered payroll	\$ 50,070,440	\$ 50,400,000	\$ 49,091,000
Net pension liability as a percentage of covered payroll	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 three years are presented herein. Additional years will be added as they become available.

Changes of assumptions:

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.

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.

**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, 2017  
(Dollar amounts in thousands)**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$5,789	\$7,263	\$7,428	\$7,887	\$8,398	\$7,257	\$5,817	\$5,269	\$6,959	\$3,367
Actual employer contributions	4,257	4,251	4,173	4,278	4,269	4,332	4,255	4,155	3,365	2,812
Contribution deficiency (excess)	\$1,532	\$3,012	\$3,255	\$3,609	\$4,129	\$2,925	\$1,562	\$1,114	\$3,594	\$555
Covered payroll	\$50,273	\$50,070	\$49,091	\$50,128	\$50,792	\$51,357	\$50,254	\$49,254	\$50,111	\$50,389
Contribution as a percentage of covered payroll	8.47%	8.49%	8.50%	8.53%	8.41%	8.43%	8.47%	8.44%	6.72%	5.58%

**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, 2016):

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	23 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	Retired before January 1, 1993: 3.0 percent in all future years, Retired on/ or after January 1, 1993: 1.0 percent through 2022 and then 3.0 percent for 2023 and later.
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  
Kansas Public Employees Retirement System and Kansas Police & Firemen's Retirement System**

Last Fiscal Year\*

	<b>2017</b>
<b>Total OPEB liability</b>	
Service cost	\$ 2,514,400
Interest	2,826,283
Change in assumptions	7,737,530
Net benefits paid by employer	<u>(2,366,801)</u>
<b>Net change in total OPEB liability</b>	10,711,412
<b>Total OPEB liability - beginning</b>	<u>73,836,120</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 84,547,532</u></u>
<b>Covered-employee payroll</b>	\$ 130,414,240
 <b>Total OPEB liability as a percentage of covered-employee payroll</b>	 64.83%

•GASB 75 requires presentation of ten years. As of December 31, 2017, only one year 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:

2017 - 3.24%  
2016 - 3.76%

In 2017, amounts reflect difference in actual versus expected employer contributions.

**Schedule of Kansas Board of Public Utilities Retirement System's Other Postemployment Benefits  
Funding Progress  
December 31, 2017  
(Dollars in millions)**

<u>Actuarial valuation date, January 1</u>	<u>Actuarial value of assets</u>	<u>Actuarial accrued liability (AAL)</u>	<u>Funded ratio</u>	<u>Unfunded AAL</u>	<u>Covered payroll</u>	<u>UAAL as a percentage of covered payroll</u>
2016	—	\$ 47.8	—	\$ 47.8	\$ 49.6	96.3 %
2017	—	45.9	—	45.9	44.8	102.7
2018	—	43.4	—	43.4	45.0	96.4



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## 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 AND KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

As of December 31, 2017

	Special Revenue				
	Clerk's Technology	Community Development	Court Trustee	Dedicated Sales Tax	Developmental Disability
<b>ASSETS</b>					
Cash and investments	\$ 92,247	\$ -	\$ 758,997	\$ 3,784,728	\$ 327,765
Restricted cash and investments	-	-	-	-	-
Receivables (net of uncollectible)					
Property taxes	-	-	-	-	402,653
Other taxes	-	-	-	1,635,336	-
Accounts	-	88,025	-	-	6,030
Notes	-	-	-	-	-
Interest	-	-	-	-	-
Special assessments	-	8,408	-	-	-
Due from other funds	-	-	-	53,600	-
Due from other governments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 92,247</b>	<b>\$ 96,433</b>	<b>\$ 758,997</b>	<b>\$ 5,473,664</b>	<b>\$ 736,448</b>
<b>LIABILITIES</b>					
Accounts and contracts payable	\$ -	\$ 15,923	\$ 7,190	\$ 438,342	\$ 4,139
Accrued wages and other	-	32,507	12,821	100,787	5,770
Due to others	-	13,913	-	-	-
Due to other funds	-	572,517	-	80,077	21
Due to other governments	-	14,464	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>649,324</b>	<b>20,011</b>	<b>619,206</b>	<b>9,930</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax receivable	-	-	-	-	402,653
Unavailable revenue - interest	-	-	-	-	-
Unavailable revenue - special assessments	-	8,408	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>8,408</b>	<b>-</b>	<b>-</b>	<b>402,653</b>
<b>FUND BALANCE</b>					
Restricted	92,247	-	738,986	4,854,458	323,865
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(561,299)	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>92,247</b>	<b>(561,299)</b>	<b>738,986</b>	<b>4,854,458</b>	<b>323,865</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 92,247</b>	<b>\$ 96,433</b>	<b>\$ 758,997</b>	<b>\$ 5,473,664</b>	<b>\$ 736,448</b>

continued

Special Revenue				
Elections	Environmental Trust	Health Department	Jail Commissary	Library
\$ 592,898	\$ 1,591,342	\$ 794,177	\$ 190,850	\$ 873,500
-	-	-	-	-
1,017,168	-	1,815,451	-	2,526,684
-	-	572	-	-
-	171,351	-	-	-
-	-	-	-	-
-	-	-	-	13,658
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,610,066</u>	<u>\$ 1,762,693</u>	<u>\$ 2,610,200</u>	<u>\$ 190,850</u>	<u>\$ 3,413,842</u>
\$ 20,623	\$ 543,759	\$ 43,196	\$ 74	\$ -
28,553	-	87,342	-	-
-	-	78	-	-
-	-	-	-	-
1,152	-	-	-	-
<u>50,328</u>	<u>543,759</u>	<u>130,616</u>	<u>74</u>	<u>-</u>
1,017,168	-	1,815,451	-	2,526,684
-	-	-	-	13,658
-	-	-	-	-
<u>1,017,168</u>	<u>-</u>	<u>1,815,451</u>	<u>-</u>	<u>2,540,342</u>
542,570	-	664,133	-	873,500
-	1,218,934	-	190,776	-
-	-	-	-	-
-	-	-	-	-
<u>542,570</u>	<u>1,218,934</u>	<u>664,133</u>	<u>190,776</u>	<u>873,500</u>
<u>\$ 1,610,066</u>	<u>\$ 1,762,693</u>	<u>\$ 2,610,200</u>	<u>\$ 190,850</u>	<u>\$ 3,413,842</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - continued

As of December 31, 2017

	Special Revenue			
	Mental Health	Register of Deeds Tech	Revolving Loan	Service Program for the Elderly
<b>ASSETS</b>				
Cash and investments	\$ 69,112	\$ 140,201	\$ 247,519	\$ 257,487
Restricted cash and investments	-	-	286,429	-
Receivables (net of uncollectible)				
Property taxes	495,123	-	-	1,196,256
Other taxes	-	-	-	-
Accounts	-	-	-	148
Notes	-	-	401,165	-
Interest	-	-	-	-
Special assessments	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Advance to other funds	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 564,235</b>	<b>\$ 140,201</b>	<b>\$ 935,113</b>	<b>\$ 1,453,891</b>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ -	\$ 153	\$ 150	\$ 9,840
Accrued wages and other	-	-	-	47,931
Due to others	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>153</b>	<b>150</b>	<b>57,771</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property tax receivable	495,123	-	-	1,196,256
Unavailable revenue - interest	-	-	-	-
Unavailable revenue - special assessments	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>495,123</b>	<b>-</b>	<b>-</b>	<b>1,196,256</b>
<b>FUND BALANCE</b>				
Restricted	69,112	140,048	934,963	199,864
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>69,112</b>	<b>140,048</b>	<b>934,963</b>	<b>199,864</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 564,235</b>	<b>\$ 140,201</b>	<b>\$ 935,113</b>	<b>\$ 1,453,891</b>

continued

						Special Revenue				
Special 911 Tax Wyandotte County		Special Alcohol Programs		Special Asset		Special Grants		Special Law Enforcement Program		
\$	272,263	\$	654,177	\$	5,139,085	\$	4,251,277	\$	1,419,234	
	-		44,580		-		-		-	
	-		-		-		-		-	
	131,804		-		-		-		-	
	-		-		-		152,000		-	
	-		-		-		-		-	
	-		-		-		-		-	
	-		-		-		125,396		-	
	-		-		-		-		-	
	-		-		-		-		-	
\$	404,067	\$	698,757	\$	5,139,085	\$	4,528,673	\$	1,419,234	
\$	42,914	\$	26,485	\$	-	\$	241,212	\$	49,803	
	-		7,164		-		262,703		-	
	-		-		-		-		306,159	
	-		-		-		6,041		-	
	-		-		-		-		-	
	42,914		33,649		-		509,956		355,962	
	-		-		-		-		-	
	-		-		-		-		-	
	361,153		665,108		-		4,018,717		1,063,272	
	-		-		-		-		-	
	-		-		5,139,085		-		-	
	-		-		-		-		-	
	361,153		665,108		5,139,085		4,018,717		1,063,272	
\$	404,067	\$	698,757	\$	5,139,085	\$	4,528,673	\$	1,419,234	

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - continued

As of December 31, 2017

	Special Revenue				
	Special Parks and Recreation	Special Street and Highway	Tourism and Convention Program	Treasurer's Technology	Total
<b>ASSETS</b>					
Cash and investments	\$ 110,763	\$ 1,950,112	\$ 2,584,292	\$ 104,327	\$ 26,206,353
Restricted cash and investments	-	-	-	-	331,009
Receivables (net of uncollectible)					
Property taxes	-	-	-	-	7,453,335
Other taxes	-	-	-	-	1,767,712
Accounts	-	-	-	-	417,554
Notes	-	-	-	-	401,165
Interest	-	-	-	-	13,658
Special assessments	-	-	-	-	8,408
Due from other funds	-	-	-	-	178,996
Due from other governments	-	-	776,706	-	776,706
Advance to other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 110,763</b>	<b>\$ 1,950,112</b>	<b>\$ 3,360,998</b>	<b>\$ 104,327</b>	<b>\$ 37,554,896</b>
<b>LIABILITIES</b>					
Accounts and contracts payable	\$ 7,070	\$ 317,129	\$ 3,608	\$ -	\$ 1,771,610
Accrued wages and other	7,122	223,670	-	-	816,370
Due to others	-	-	-	-	320,150
Due to other funds	-	14,346	-	-	673,002
Due to other governments	-	-	-	-	15,616
<b>TOTAL LIABILITIES</b>	<b>14,192</b>	<b>555,145</b>	<b>3,608</b>	<b>-</b>	<b>3,596,748</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax receivable	-	-	-	-	7,453,335
Unavailable revenue - interest	-	-	-	-	13,658
Unavailable revenue - special assessments	-	-	-	-	8,408
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,475,401</b>
<b>FUND BALANCE</b>					
Restricted	96,571	1,394,967	-	104,327	17,137,861
Committed	-	-	3,357,390	-	4,767,100
Assigned	-	-	-	-	5,139,085
Unassigned	-	-	-	-	(561,299)
<b>TOTAL FUND BALANCE</b>	<b>96,571</b>	<b>1,394,967</b>	<b>3,357,390</b>	<b>104,327</b>	<b>26,482,747</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 110,763</b>	<b>\$ 1,950,112</b>	<b>\$ 3,360,998</b>	<b>\$ 104,327</b>	<b>\$ 37,554,896</b>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - continued

As of December 31, 2017

	Debt Service		Capital Projects		Total Nonmajor Governmental Funds
	Debt Service Fund	County Initiative To Fund Infrastructure	Public Building Commission		2017
<b>ASSETS</b>					
Cash and investments	\$ 10,653,228	\$ -	\$ -	\$ -	36,859,581
Restricted cash and investments	-	-	-	-	331,009
Receivables (net of uncollectible)					
Property taxes	20,141,944	-	-	-	27,595,279
Other taxes	148,026	-	-	-	1,915,738
Accounts	80,177	-	-	-	497,731
Notes	-	-	-	-	401,165
Interest	140,406	-	-	-	154,064
Special assessments	864,437	-	-	-	872,845
Due from other funds	1,344,544	-	-	-	1,523,540
Due from other governments	-	-	-	-	776,706
Advance to other funds	-	-	4,120,000	-	4,120,000
<b>TOTAL ASSETS</b>	<b>\$ 33,372,762</b>	<b>\$ -</b>	<b>\$ 4,120,000</b>	<b>\$ -</b>	<b>75,047,658</b>
<b>LIABILITIES</b>					
Accounts and contracts payable	\$ 140,225	\$ -	\$ -	\$ -	1,911,835
Accrued wages and other	280,912	-	-	-	1,097,282
Due to others	-	-	-	-	320,150
Due to other funds	33,783	-	-	-	706,785
Due to other governments	-	-	-	-	15,616
<b>TOTAL LIABILITIES</b>	<b>454,920</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,051,668</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax receivable	20,141,944	-	-	-	27,595,279
Unavailable revenue - interest	140,406	-	-	-	154,064
Unavailable revenue - special assessments	864,437	-	-	-	872,845
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>21,146,787</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,622,188</b>
<b>FUND BALANCE</b>					
Restricted	11,771,055	-	4,120,000	-	33,028,916
Committed	-	-	-	-	4,767,100
Assigned	-	-	-	-	5,139,085
Unassigned	-	-	-	-	(561,299)
<b>TOTAL FUND BALANCE</b>	<b>11,771,055</b>	<b>-</b>	<b>4,120,000</b>	<b>-</b>	<b>42,373,802</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 33,372,762</b>	<b>\$ -</b>	<b>\$ 4,120,000</b>	<b>\$ -</b>	<b>75,047,658</b>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

	Special Revenue				
	Clerk's Technology	Community Development	Court Trustee	Dedicated Sales Tax	Developmental Disability
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ 9,963,932	\$ 456,873
Intergovernmental revenue	-	2,410,162	-	27,626	-
Charges for services	-	-	-	-	-
Fines, forfeitures and penalties	-	-	401,155	-	-
Interest income	-	969	-	-	-
Licenses, permits and fees	46,531	-	-	-	-
Miscellaneous revenues	-	105,286	6,395	-	34,190
<b>TOTAL REVENUES</b>	<b>46,531</b>	<b>2,516,417</b>	<b>407,550</b>	<b>9,991,558</b>	<b>491,063</b>
<b>EXPENDITURES</b>					
General government	4,300	105,145	1,226	204	1,228
Public works	-	-	-	-	-
Public safety	-	-	-	5,948,019	-
Judicial	-	-	412,319	-	-
Health and welfare	-	-	-	-	441,762
Planning and development	-	2,087,081	-	-	-
Parks and recreation	-	-	-	-	-
Capital outlay	-	25,111	-	2,839,337	-
Debt service					
Principal	-	280,000	-	171,876	-
Interest	-	-	-	23,696	-
Other	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>4,300</b>	<b>2,497,337</b>	<b>413,545</b>	<b>8,983,132</b>	<b>442,990</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	35,725	-
Transfers out	-	-	-	(1,112,600)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,076,875)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>42,231</b>	<b>19,080</b>	<b>(5,995)</b>	<b>(68,449)</b>	<b>48,073</b>
<b>FUND BALANCE</b>					
Beginning of year	50,016	(580,379)	744,981	4,922,907	275,792
End of year	\$ 92,247	\$ (561,299)	\$ 738,986	\$ 4,854,458	\$ 323,865

continued

Special Revenue				
Elections	Environmental Trust	Health Department	Jail Commissary	Library
\$ 1,153,205	\$ -	\$ 2,058,317	\$ -	\$ 2,807,948
-	-	9,079	-	-
4,773	1,059,491	484,305	-	-
-	-	-	-	-
-	-	-	-	(2,836)
-	-	73,452	-	-
26	9,884	417,558	44,672	-
1,158,004	1,069,375	3,042,711	44,672	2,805,112
1,148,181	-	9,085	-	2,654,008
-	-	-	-	-
-	-	-	16,186	-
-	-	-	-	-
-	838,550	2,947,074	-	-
-	-	-	-	-
-	-	-	-	-
-	87,160	3,663	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,148,181	925,710	2,959,822	16,186	2,654,008
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
9,823	143,665	82,889	28,486	151,104
532,747	1,075,269	581,244	162,290	722,396
\$ 542,570	\$ 1,218,934	\$ 664,133	\$ 190,776	\$ 873,500

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS - continued

For the Year Ended December 31, 2017

	Special Revenue			
	Mental Health	Register of Deeds Tech	Revolving Loan	Service Program for the Elderly
<b>REVENUES</b>				
Taxes	\$ 561,365	\$ -	\$ -	\$ 1,355,656
Intergovernmental revenue	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Interest income	-	-	11,284	-
Licenses, permits and fees	-	160,236	-	-
Miscellaneous revenues	-	-	-	34,908
<b>TOTAL REVENUES</b>	<b>561,365</b>	<b>160,236</b>	<b>11,284</b>	<b>1,390,564</b>
<b>EXPENDITURES</b>				
General government	-	110,574	463,300	3,165
Public works	-	-	-	1,237,957
Public safety	-	-	-	-
Judicial	-	-	-	-
Health and welfare	540,000	-	-	398,476
Planning and development	-	-	-	-
Parks and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	32,206
Interest	-	-	-	2,030
Other	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>540,000</b>	<b>110,574</b>	<b>463,300</b>	<b>1,673,834</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	170,000
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>170,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>21,365</b>	<b>49,662</b>	<b>(452,016)</b>	<b>(113,270)</b>
<b>FUND BALANCE</b>				
Beginning of year	47,747	90,386	1,386,979	313,134
End of year	\$ 69,112	\$ 140,048	\$ 934,963	\$ 199,864

continued

Special Revenue				
Special 911 Tax Wyandotte County	Special Alcohol Programs	Special Asset	Special Grants	Special Law Enforcement Program
\$ 806,841	\$ 529,585	\$ -	\$ 5,542	\$ 79,831
-	-	-	12,411,913	-
-	-	-	57,540	-
-	-	-	91,170	126,259
-	-	-	-	78
-	-	-	-	-
798	-	-	2,173,038	50,636
<u>807,639</u>	<u>529,585</u>	<u>-</u>	<u>14,739,203</u>	<u>256,804</u>
-	466,313	-	123,942	-
-	-	-	965,030	-
539,223	-	-	1,019,842	331,167
-	-	-	2,540,108	-
-	-	-	8,412,731	-
-	-	-	334,237	-
-	-	-	106,836	-
-	27,618	-	541,930	175,729
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>539,223</u>	<u>493,931</u>	<u>-</u>	<u>14,044,656</u>	<u>506,896</u>
-	-	-	139,629	-
(291,000)	-	-	-	-
<u>(291,000)</u>	<u>-</u>	<u>-</u>	<u>139,629</u>	<u>-</u>
(22,584)	35,654	-	834,176	(250,092)
<u>383,737</u>	<u>629,454</u>	<u>5,139,085</u>	<u>3,184,541</u>	<u>1,313,364</u>
<u>\$ 361,153</u>	<u>\$ 665,108</u>	<u>\$ 5,139,085</u>	<u>\$ 4,018,717</u>	<u>\$ 1,063,272</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS - continued

For the Year Ended December 31, 2017

	Special Revenue				Total
	Special Parks and Recreation	Special Street and Highway	Tourism and Convention Program	Treasurer's Technology	
<b>REVENUES</b>					
Taxes	\$ 523,866	\$ -	\$ 3,537,535	\$ -	\$ 23,840,496
Intergovernmental revenue	-	7,047,145	-	-	21,905,925
Charges for services	-	-	-	-	1,606,109
Fines, forfeitures and penalties	-	-	-	-	618,584
Interest income	-	-	-	-	9,495
Licenses, permits and fees	-	-	-	46,531	326,750
Miscellaneous revenues	-	4,013	-	-	2,881,404
<b>TOTAL REVENUES</b>	<b>523,866</b>	<b>7,051,158</b>	<b>3,537,535</b>	<b>46,531</b>	<b>51,188,763</b>
<b>EXPENDITURES</b>					
General government	16	5,659	15,285	-	5,111,631
Public works	-	5,826,528	17,795	-	8,047,310
Public safety	-	-	-	-	7,854,437
Judicial	-	-	-	-	2,952,427
Health and welfare	-	-	-	-	13,578,593
Planning and development	-	-	1,092,303	-	3,513,621
Parks and recreation	276,133	-	-	-	382,969
Capital Outlay	347,385	471,537	-	13,893	4,533,363
Debt service					
Principal	-	565,445	154,000	-	1,203,527
Interest	-	32,073	38,522	-	96,321
Other	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>623,534</b>	<b>6,901,242</b>	<b>1,317,905</b>	<b>13,893</b>	<b>47,274,199</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	345,354
Transfers out	-	(15,600)	-	-	(1,419,200)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(15,600)</b>	<b>-</b>	<b>-</b>	<b>(1,073,846)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(99,668)</b>	<b>134,316</b>	<b>2,219,630</b>	<b>32,638</b>	<b>2,840,718</b>
<b>FUND BALANCE</b>					
Beginning of year	196,239	1,260,651	1,137,760	71,689	23,642,029
End of year	\$ 96,571	\$ 1,394,967	\$ 3,357,390	\$ 104,327	\$ 26,482,747

Debt Service		Capital Projects		Total Nonmajor Governmental Funds
Debt Service Fund	County Initiative To Fund Infrastructure	Public Building Commission		2017
\$ 25,355,257	\$ -	\$ -	\$	49,195,753
4,573	-	-	-	21,910,498
-	-	-	-	1,606,109
-	-	-	-	618,584
467,671	-	102,200	-	579,366
-	-	-	-	326,750
586,361	-	-	-	3,467,765
<u>26,413,862</u>	<u>-</u>	<u>102,200</u>		<u>77,704,825</u>
-	-	-	-	5,111,631
-	-	-	-	8,047,310
-	-	-	-	7,854,437
-	-	-	-	2,952,427
-	-	-	-	13,578,593
-	-	-	-	3,513,621
-	-	-	-	382,969
-	-	-	-	4,533,363
16,413,738	-	1,320,000	-	18,937,265
10,066,060	-	102,200	-	10,264,581
34,833	-	-	-	34,833
<u>26,514,631</u>	<u>-</u>	<u>1,422,200</u>		<u>75,211,030</u>
3,143,759	-	-	-	3,489,113
(138,524)	(698)	-	-	(1,558,422)
<u>3,005,235</u>	<u>(698)</u>			<u>1,930,691</u>
2,904,466	(698)	(1,320,000)		4,424,486
8,866,589	698	5,440,000		37,949,316
<u>\$ 11,771,055</u>	<u>\$ -</u>	<u>\$ 4,120,000</u>	<u>\$</u>	<u>\$ 42,373,802</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: CLERK'S TECHNOLOGY FUND

Year Ended December 31, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Fines, fees, forfeitures	\$ 40,816	\$ 32,000	\$ 42,000	\$ 46,531	\$ 4,531
<b>TOTAL REVENUES</b>	<u>40,816</u>	<u>32,000</u>	<u>42,000</u>	<u>46,531</u>	<u>4,531</u>
<b>EXPENDITURES</b>					
Contractual services	25,000	25,000	40,000	4,300	35,700
Capital Outlay	-	-	5,000	-	5,000
Other	-	-	5,000	-	5,000
<b>TOTAL EXPENDITURES</b>	<u>25,000</u>	<u>25,000</u>	<u>50,000</u>	<u>4,300</u>	<u>45,700</u>
<b>NET CHANGE IN FUND BALANCE</b>	15,816	7,000	(8,000)	42,231	50,231
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	34,200	50,016	50,016	50,016	-
End of year	<u>\$ 50,016</u>	<u>\$ 57,016</u>	<u>\$ 42,016</u>	<u>\$ 92,247</u>	<u>\$ 50,231</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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Fines, fees, forfeitures	\$ 426,413	\$ 400,000	\$ 420,000	\$ 401,155	\$ (18,845)
Miscellaneous revenue	-	-	-	6,394	\$ 6,394
<b>TOTAL REVENUES</b>	<b>426,413</b>	<b>400,000</b>	<b>420,000</b>	<b>407,549</b>	<b>(12,451)</b>
<b>EXPENDITURES</b>					
Personnel	327,010	440,517	440,517	334,215	106,302
Contractual services	70,100	89,608	87,908	72,975	14,933
Commodities	48,659	7,792	9,492	6,355	3,137
Other	-	45,000	45,000	-	45,000
<b>TOTAL EXPENDITURES</b>	<b>445,769</b>	<b>582,917</b>	<b>582,917</b>	<b>413,545</b>	<b>169,372</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(19,356)</b>	<b>(182,917)</b>	<b>(162,917)</b>	<b>(5,996)</b>	<b>156,921</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	764,360	745,004	745,004	745,004	-
End of year	\$ 745,004	\$ 562,087	\$ 582,087	\$ 739,008	\$ 156,921

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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 8,180,967	\$ 9,375,000	\$ 9,988,000	\$ 9,769,800	\$ (218,200)
Intergovernmental	5,600	-	-	27,626	27,626
Miscellaneous revenue	11,513	-	-	335,388	335,388
<b>TOTAL REVENUES</b>	<b>8,198,080</b>	<b>9,375,000</b>	<b>9,988,000</b>	<b>10,132,814</b>	<b>144,814</b>
<b>EXPENDITURES</b>					
Personnel	2,906,131	2,774,957	3,469,434	3,693,753	(224,319)
Contractual services	856,661	1,508,647	1,415,611	1,362,779	52,832
Commodities	737,250	752,082	808,469	855,957	(47,488)
Capital outlay	2,713,530	4,010,000	4,292,527	3,549,132	743,395
<b>TOTAL EXPENDITURES</b>	<b>7,213,572</b>	<b>9,045,686</b>	<b>9,986,041</b>	<b>9,461,621</b>	<b>524,420</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(630,600)	(631,000)	(590,000)	(1,112,600)	(522,600)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(630,600)</b>	<b>(631,000)</b>	<b>(590,000)</b>	<b>(1,112,600)</b>	<b>(522,600)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>353,908</b>	<b>(301,686)</b>	<b>(588,041)</b>	<b>(441,407)</b>	<b>146,634</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	1,033,475	1,387,383	1,387,383	1,387,383	-
End of year	<u>\$ 1,387,383</u>	<u>\$ 1,085,697</u>	<u>\$ 799,342</u>	<u>\$ 945,976</u>	<u>\$ 146,634</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, 2017

	2016		2017		
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 433,254	\$ 448,746	\$ 458,645	\$ 456,875	\$ (1,770)
Miscellaneous revenue	-	-	-	34,190	34,190
<b>TOTAL REVENUES</b>	<u>433,254</u>	<u>448,746</u>	<u>458,645</u>	<u>491,065</u>	<u>32,420</u>
<b>EXPENDITURES</b>					
Personnel	148,005	198,702	166,320	145,066	21,254
Contractual services	289,486	323,879	317,879	310,720	7,159
Commodities	9,617	3,000	9,000	3,204	5,796
Other	-	85,000	85,000	-	85,000
<b>TOTAL EXPENDITURES</b>	<u>447,108</u>	<u>610,581</u>	<u>578,199</u>	<u>458,990</u>	<u>119,209</u>
<b>NET CHANGE IN FUND BALANCE</b>	(13,854)	(161,835)	(119,554)	32,075	151,629
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	289,649	275,795	275,795	275,795	-
End of year	<u>\$ 275,795</u>	<u>\$ 113,960</u>	<u>\$ 156,241</u>	<u>\$ 307,870</u>	<u>\$ 151,629</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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 1,093,858	\$ 1,138,482	\$ 1,152,914	\$ 1,153,205	\$ 291
Charges for services	995	3,000	1,000	4,773	3,773
Miscellaneous revenue	17,320	8,000	8,000	224	(7,776)
<b>TOTAL REVENUES</b>	<u>1,112,173</u>	<u>1,149,482</u>	<u>1,161,914</u>	<u>1,158,202</u>	<u>(3,712)</u>
<b>EXPENDITURES</b>					
Personnel	759,507	826,000	826,204	743,691	82,513
Contractual services	379,988	325,000	429,913	344,878	85,035
Commodities	94,260	125,000	107,400	59,814	47,586
Capital outlay	2,073	130,000	-	-	-
Other	-	-	20,000	-	20,000
<b>TOTAL EXPENDITURES</b>	<u>1,235,828</u>	<u>1,406,000</u>	<u>1,383,517</u>	<u>1,148,383</u>	<u>235,134</u>
<b>NET CHANGE IN FUND BALANCE</b>	(123,655)	(256,518)	(221,603)	9,819	231,422
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	656,667	533,012	533,012	533,012	-
End of year	<u>\$ 533,012</u>	<u>\$ 276,494</u>	<u>\$ 311,409</u>	<u>\$ 542,831</u>	<u>\$ 231,422</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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Charges for services	\$ 1,047,328	\$ 1,043,000	\$ 1,050,000	\$ 1,059,491	\$ 9,491
Interest income	-	4,000		-	-
Miscellaneous revenue	29,032	-	17,000	10,218	(6,782)
<b>TOTAL REVENUES</b>	<b>1,076,360</b>	<b>1,047,000</b>	<b>1,067,000</b>	<b>1,069,709</b>	<b>2,709</b>
<b>EXPENDITURES</b>					
Contractual services	930,740	950,000	950,000	826,668	123,332
Capital outlay	25,329	100,000	100,000	92,065	7,935
Other	-	80,000	80,000	-	80,000
<b>TOTAL EXPENDITURES</b>	<b>956,069</b>	<b>1,130,000</b>	<b>1,130,000</b>	<b>918,733</b>	<b>211,267</b>
<b>OTHER FINANCNG SOURCES (USES)</b>					
Transfers In	250,000	-	-	-	-
<b>TOTAL OTHER FINACING SOURCES (USES)</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>370,291</b>	<b>(83,000)</b>	<b>(63,000)</b>	<b>150,976</b>	<b>213,976</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	687,888	1,058,179	1,058,179	1,058,179	-
End of year	\$ 1,058,179	\$ 975,179	\$ 995,179	\$ 1,209,155	\$ 213,976

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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 1,952,544	\$ 2,023,843	\$ 2,060,028	\$ 2,058,316	\$ (1,712)
Intergovernmental revenue	1,159	15,000	4,000	9,079	5,079
Charges for services	592,374	600,000	598,800	484,305	(114,495)
Licenses and permits	69,215	72,500	74,500	73,452	(1,048)
Miscellaneous revenue	364,444	385,000	335,000	423,452	88,452
<b>TOTAL REVENUES</b>	<b>2,979,736</b>	<b>3,096,343</b>	<b>3,072,328</b>	<b>3,048,604</b>	<b>(23,724)</b>
<b>EXPENDITURES</b>					
Personnel	2,503,408	2,641,750	2,505,800	2,397,906	107,894
Contractual services	220,723	259,142	239,956	188,619	51,337
Commodities	161,099	231,084	191,924	144,872	47,052
Capital outlay	17,557	50,000	25,000	13,382	11,618
Grants, claims, shared revenue	200,000	200,000	200,000	200,000	-
Other	-	25,000	25,000	-	25,000
<b>TOTAL EXPENDITURES</b>	<b>3,102,787</b>	<b>3,406,976</b>	<b>3,187,680</b>	<b>2,944,779</b>	<b>242,901</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(123,051)</b>	<b>(310,633)</b>	<b>(115,352)</b>	<b>103,825</b>	<b>219,177</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	671,796	548,745	548,745	548,745	-
End of year	\$ 548,745	\$ 238,112	\$ 433,393	\$ 652,570	\$ 219,177

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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Miscellaneous revenue	\$ 24,271	\$ 30,000	\$ 29,000	\$ 44,671	\$ 15,671
<b>TOTAL REVENUES</b>	<u>24,271</u>	<u>30,000</u>	<u>29,000</u>	<u>44,671</u>	<u>15,671</u>
<b>EXPENDITURES</b>					
Commodities	36,346	60,000	59,950	16,178	43,772
Contractual	-	-	50	7	43
<b>TOTAL EXPENDITURES</b>	<u>36,346</u>	<u>60,000</u>	<u>60,000</u>	<u>16,185</u>	<u>43,815</u>
<b>NET CHANGE IN FUND BALANCE</b>	(12,075)	(30,000)	(31,000)	28,486	59,486
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	163,957	151,882	151,882	151,882	-
End of year	<u>\$ 151,882</u>	<u>\$ 121,882</u>	<u>\$ 120,882</u>	<u>\$ 180,368</u>	<u>\$ 59,486</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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 2,596,067	\$ 2,673,725	\$ 2,677,747	\$ 2,807,949	\$ 130,202
Interest income	2,430	1,000	3,000	5,346	2,346
<b>TOTAL REVENUES</b>	<u>2,598,497</u>	<u>2,674,725</u>	<u>2,680,747</u>	<u>2,813,295</u>	<u>132,548</u>
<b>EXPENDITURES</b>					
Contractual services	1,889	1,650	2,122	2,125	(3)
Other	2,525,604	2,931,884	2,931,412	2,651,884	279,528
<b>TOTAL EXPENDITURES</b>	<u>2,527,493</u>	<u>2,933,534</u>	<u>2,933,534</u>	<u>2,654,009</u>	<u>279,525</u>
<b>NET CHANGE IN FUND BALANCE</b>	71,004	(258,809)	(252,787)	159,286	412,073
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	643,212	714,216	714,216	714,216	-
End of year	<u>\$ 714,216</u>	<u>\$ 455,407</u>	<u>\$ 461,429</u>	<u>\$ 873,502</u>	<u>\$ 412,073</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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 532,498	\$ 552,655	\$ 561,699	\$ 561,366	\$ (333)
<b>TOTAL REVENUES</b>	<u>532,498</u>	<u>552,655</u>	<u>561,699</u>	<u>561,366</u>	<u>(333)</u>
<b>EXPENDITURES</b>					
Contractual services	540,000	540,000	540,000	540,000	-
Other	-	15,500	40,000	-	40,000
<b>TOTAL EXPENDITURES</b>	<u>540,000</u>	<u>555,500</u>	<u>580,000</u>	<u>540,000</u>	<u>40,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(7,502)	(2,845)	(18,301)	21,366	39,667
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	55,246	47,744	47,744	47,744	-
End of year	<u>\$ 47,744</u>	<u>\$ 44,899</u>	<u>\$ 29,443</u>	<u>\$ 69,110</u>	<u>\$ 39,667</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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Fines/fees/forfeitures	\$ 153,457	\$ 145,000	\$ 155,000	\$ 160,237	\$ 5,237
Interest income	-	100	100	-	(100)
<b>TOTAL REVENUES</b>	<u>153,457</u>	<u>145,100</u>	<u>155,100</u>	<u>160,237</u>	<u>5,137</u>
<b>EXPENDITURES</b>					
Contractual services	123,985	170,170	170,170	68,528	101,642
<b>TOTAL EXPENDITURES</b>	<u>123,985</u>	<u>170,170</u>	<u>170,170</u>	<u>68,528</u>	<u>101,642</u>
<b>NET CHANGE IN FUND BALANCE</b>	29,472	(25,070)	(15,070)	91,709	106,779
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	60,915	90,387	90,387	90,387	-
End of year	<u>\$ 90,387</u>	<u>\$ 65,317</u>	<u>\$ 75,317</u>	<u>\$ 182,096</u>	<u>\$ 106,779</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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 1,285,998	\$ 1,339,476	\$ 1,351,899	\$ 1,355,659	\$ 3,760
Miscellaneous revenue	38,011	18,000	30,300	34,908	4,608
<b>TOTAL REVENUES</b>	<b>1,324,009</b>	<b>1,357,476</b>	<b>1,382,199</b>	<b>1,390,567</b>	<b>8,368</b>
<b>EXPENDITURES</b>					
Personnel	1,131,045	1,263,352	1,275,972	1,326,675	(50,703)
Contractual services	101,410	114,211	105,633	98,756	6,877
Commodities	176,137	160,098	223,676	218,383	5,293
Capital Outlay	44,642	87,000	87,000	34,235	52,765
Grants, claims, shared revenue	-	209	209	-	209
Other	-	25,000	25,000	-	25,000
<b>TOTAL EXPENDITURES</b>	<b>1,453,234</b>	<b>1,649,870</b>	<b>1,717,490</b>	<b>1,678,049</b>	<b>39,441</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	150,000	230,000	200,000	170,000	(30,000)
Transfers out	(444)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>149,556</b>	<b>230,000</b>	<b>200,000</b>	<b>170,000</b>	<b>(30,000)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>20,331</b>	<b>(62,394)</b>	<b>(135,291)</b>	<b>(117,482)</b>	<b>17,809</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	295,326	315,657	315,657	315,657	-
End of year	\$ 315,657	\$ 253,263	\$ 180,366	\$ 198,175	\$ 17,809

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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 801,161	\$ 725,000	\$ 800,000	\$ 806,841	\$ 6,841
Miscellaneous revenue	-	-	-	798	798
<b>TOTAL REVENUES</b>	<u>801,161</u>	<u>725,000</u>	<u>800,000</u>	<u>807,639</u>	<u>7,639</u>
<b>EXPENDITURES</b>					
Contractual services	497,084	503,850	550,000	500,371	49,629
Other	-	10,000	10,000	-	10,000
<b>TOTAL EXPENDITURES</b>	<u>497,084</u>	<u>513,850</u>	<u>560,000</u>	<u>500,371</u>	<u>59,629</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(291,000)	(291,000)	(291,000)	(291,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(291,000)</u>	<u>(291,000)</u>	<u>(291,000)</u>	<u>(291,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	13,077	(79,850)	(51,000)	16,268	67,268
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	199,146	212,223	212,223	212,223	-
End of year	<u>\$ 212,223</u>	<u>\$ 132,373</u>	<u>\$ 161,223</u>	<u>\$ 228,491</u>	<u>\$ 67,268</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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 547,021	\$ 584,000	\$ 540,000	\$ 529,662	\$ (10,338)
Fines, forfeitures and penalties	-	100	100	-	(100)
<b>TOTAL REVENUES</b>	<u>547,021</u>	<u>584,100</u>	<u>540,100</u>	<u>529,662</u>	<u>(10,438)</u>
<b>EXPENDITURES</b>					
Personnel	209,878	262,671	344,084	251,164	92,920
Contractual services	19,886	121,900	118,128	59,288	58,840
Commodities	1,942	8,025	11,797	6,148	5,649
Capital Outlay	50,000	-	-	-	-
Grants, claims, shared revenue	249,500	249,500	249,500	151,781	97,719
<b>TOTAL EXPENDITURES</b>	<u>531,206</u>	<u>642,096</u>	<u>723,509</u>	<u>468,381</u>	<u>255,128</u>
<b>NET CHANGE IN FUND BALANCE</b>	15,815	(57,996)	(183,409)	61,281	244,690
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	585,978	601,793	601,793	601,793	-
End of year	<u>\$ 601,793</u>	<u>\$ 543,797</u>	<u>\$ 418,384</u>	<u>\$ 663,074</u>	<u>\$ 244,690</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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Miscellaneous revenue	\$ 7,858,440	\$ 25,000	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<u>7,858,440</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
Contractual services	19,355	250,000	250,000	-	250,000
Other	-	3,500,000	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>19,355</u>	<u>3,750,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(2,700,000)	-	(500,000)	-	500,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,700,000)</u>	<u>-</u>	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	5,139,085	(3,725,000)	(750,000)	-	750,000
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	-	5,139,085	5,139,085	5,139,085	-
End of year	<u>\$ 5,139,085</u>	<u>\$ 1,414,085</u>	<u>\$ 4,389,085</u>	<u>\$ 5,139,085</u>	<u>\$ 750,000</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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 541,158	\$ 584,000	\$ 540,000	\$ 523,868	\$ (16,132)
Misc Revenue	-	-	-	12,983	12,983
<b>TOTAL REVENUES</b>	<u>541,158</u>	<u>584,000</u>	<u>540,000</u>	<u>536,851</u>	<u>(3,149)</u>
<b>EXPENDITURES</b>					
Personnel	150,530	155,800	185,000	186,150	(1,150)
Contractual services	90,000	90,000	90,000	90,000	-
Capital outlay	277,210	385,000	365,000	323,377	41,623
<b>TOTAL EXPENDITURES</b>	<u>517,740</u>	<u>630,800</u>	<u>640,000</u>	<u>599,527</u>	<u>40,473</u>
<b>NET CHANGE IN FUND BALANCE</b>	23,418	(46,800)	(100,000)	(62,676)	37,324
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	130,365	153,783	153,783	153,783	-
End of year	<u>\$ 153,783</u>	<u>\$ 106,983</u>	<u>\$ 53,783</u>	<u>\$ 91,107</u>	<u>\$ 37,324</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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Intergovernmental revenue	\$ 7,029,338	\$ 6,750,000	\$ 6,900,000	\$ 7,047,146	\$ 147,146
Miscellaneous revenue	26,756	102,000	30,000	4,119	(25,881)
<b>TOTAL REVENUES</b>	<b>7,056,094</b>	<b>6,852,000</b>	<b>6,930,000</b>	<b>7,051,265</b>	<b>121,265</b>
<b>EXPENDITURES</b>					
Personnel	5,117,171	5,340,000	5,289,694	5,409,949	(120,255)
Contractual	-	90,000	90,000	-	90,000
Commodities	450,000	470,000	440,422	388,198	52,224
Capital outlay	826,134	1,307,000	1,231,578	998,806	232,772
Grants, claims, shared revenue	25,175	15,000	15,000	5,262	9,738
Other	-	25,000	150,306	-	150,306
<b>TOTAL EXPENDITURES</b>	<b>6,418,480</b>	<b>7,247,000</b>	<b>7,217,000</b>	<b>6,802,215</b>	<b>414,785</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(16,200)	(15,600)	(15,600)	(15,600)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(16,200)</b>	<b>(15,600)</b>	<b>(15,600)</b>	<b>(15,600)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>					
	621,414	(410,600)	(302,600)	233,450	536,050
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	319,121	940,535	940,535	940,535	-
End of year	\$ 940,535	\$ 529,935	\$ 637,935	\$ 1,173,985	\$ 536,050

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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 1,365,433	\$ 3,252,454	\$ 3,252,000	\$ 3,537,536	\$ 285,536
Charges for Services	-	120,000	120,000	-	(120,000)
Miscellaneous revenue	778	-	-	-	-
<b>TOTAL REVENUES</b>	<b>1,366,211</b>	<b>3,372,454</b>	<b>3,372,000</b>	<b>3,537,536</b>	<b>165,536</b>
<b>EXPENDITURES</b>					
Contractual	-	188,000	208,000	118,649	89,351
Commodities	-	32,000	32,000	4,371	27,629
Capital Outlay	-	200,000	-	-	-
Grants, claims, shared revenue	1,017,219	1,050,000	1,050,000	1,017,946	32,054
Debt service	175,322	192,523	192,523	192,522	1
Other	-	160,000	1,060,000	-	1,060,000
<b>TOTAL EXPENDITURES</b>	<b>1,192,541</b>	<b>1,822,523</b>	<b>2,542,523</b>	<b>1,333,488</b>	<b>1,209,035</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>173,670</b>	<b>1,549,931</b>	<b>829,477</b>	<b>2,204,048</b>	<b>1,374,571</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	187,382	361,052	361,052	361,052	-
End of year	\$ 361,052	\$ 1,910,983	\$ 1,190,529	\$ 2,565,100	\$ 1,374,571

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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Fines, forfeitures and penalties	\$ 40,816	\$ 32,000	\$ 42,000	\$ 46,531	\$ 4,531
<b>TOTAL REVENUES</b>	<u>40,816</u>	<u>32,000</u>	<u>42,000</u>	<u>46,531</u>	<u>4,531</u>
<b>EXPENDITURES</b>					
Contractual Services	5,731	-	-	-	-
Capital Outlay	-	15,000	15,000	13,893	1,107
<b>TOTAL EXPENDITURES</b>	<u>5,731</u>	<u>15,000</u>	<u>15,000</u>	<u>13,893</u>	<u>1,107</u>
<b>NET CHANGE IN FUND BALANCE</b>	35,085	17,000	27,000	32,638	5,638
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	34,200	69,285	69,285	69,285	-
End of year	<u>\$ 69,285</u>	<u>\$ 86,285</u>	<u>\$ 96,285</u>	<u>\$ 101,923</u>	<u>\$ 5,638</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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 21,077,423	\$ 22,264,571	\$ 20,057,245	\$ 22,333,355	\$ 2,276,110
Intergovernmental revenue	4,396	4,200	-	4,573	4,573
Interest income	28,833	15,000	30,000	69,982	39,982
Miscellaneous revenue	629,062	577,292	777,292	777,913	621
<b>TOTAL REVENUES</b>	<b>21,739,714</b>	<b>22,861,063</b>	<b>20,864,537</b>	<b>23,185,823</b>	<b>2,321,286</b>
<b>EXPENDITURES</b>					
Contractual Services	25,805	18,000	30,000	30,037	(37)
Debt service	27,782,034	30,923,748	32,224,664	31,048,359	1,176,305
Other	-	1,500,000	1,000,000	-	1,000,000
<b>TOTAL EXPENDITURES</b>	<b>27,807,839</b>	<b>32,441,748</b>	<b>33,254,664</b>	<b>31,078,396</b>	<b>2,176,268</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	9,128,695	7,388,875	8,368,707	8,273,883	(94,824)
Transfers out	(203,925)	-	(294,300)	(27,478)	266,822
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>8,924,770</b>	<b>7,388,875</b>	<b>8,074,407</b>	<b>8,246,405</b>	<b>171,998</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2,856,645</b>	<b>(2,191,810)</b>	<b>(4,315,720)</b>	<b>353,832</b>	<b>4,669,552</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	4,315,951	7,172,596	7,172,596	7,172,596	-
End of year	\$ 7,172,596	\$ 4,980,786	\$ 2,856,876	\$ 7,526,428	\$ 4,669,552

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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 2,665,580	\$ 2,904,541	\$ 2,811,900	\$ 2,970,889	\$ 158,989
Interest income	4,710	1,500	5,000	11,722	6,722
Miscellaneous revenue	387,189	479,826	569,984	386,361	(183,623)
<b>TOTAL REVENUES</b>	<u>3,057,479</u>	<u>3,385,867</u>	<u>3,386,884</u>	<u>3,368,972</u>	<u>(17,912)</u>
<b>EXPENDITURES</b>					
Contractual Services	4,096	1,750	6,000	4,803	1,197
Capital Outlay	365,837	125,000	265,000	120,352	144,648
Debt service	2,477,039	2,420,388	2,420,388	2,420,341	47
Other	-	900,000	250,000	-	250,000
<b>TOTAL EXPENDITURES</b>	<u>2,846,972</u>	<u>3,447,138</u>	<u>2,941,388</u>	<u>2,545,496</u>	<u>395,892</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	1,500,000	1,500,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	210,507	(61,271)	445,496	2,323,476	1,877,980
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	249,336	459,843	459,843	459,843	-
End of year	<u>\$ 459,843</u>	<u>\$ 398,572</u>	<u>\$ 905,339</u>	<u>\$ 2,783,319</u>	<u>\$ 1,877,980</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, 2017

	2016	2017			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 697	\$ -	\$ 3	\$ -	\$ (3)
<b>TOTAL REVENUES</b>	<u>697</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>(3)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(476)	-	(700)	(697)	3
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(476)</u>	<u>-</u>	<u>(700)</u>	<u>(697)</u>	<u>3</u>
<b>NET CHANGE IN FUND BALANCE</b>	221	-	(697)	(697)	-
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	476	697	697	697	-
End of year	<u>\$ 697</u>	<u>\$ 697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>



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## 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 AND KANSAS CITY, KANSAS

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

As of December 31, 2017

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
<b>ASSETS</b>						
Cash and temporary investments	\$ 1,379,137	\$ 387,030	\$ 3,819,889	\$ 1,655	\$ 1,394,574	\$ 6,982,285
Restricted cash and temporary investments	-	-	176,793	-	-	176,793
Receivables (net uncollectible)						
Taxes	1,090,225	-	-	-	-	1,090,225
Accounts and returns	933,081	5,775	358,815	598	133,075	1,431,344
Due from other funds	223,123	-	11,899	-	-	235,022
Capital assets	5,280,045	116,598	9,724,246	5,529,769	6,238,525	26,889,183
Construction in progress	-	-	18,668,491	-	-	18,668,491
Accumulated depreciation	(2,143,742)	-	(955,160)	(4,230,217)	(290,332)	(7,619,451)
<b>TOTAL ASSETS</b>	<b>6,761,869</b>	<b>509,403</b>	<b>31,804,973</b>	<b>1,301,805</b>	<b>7,475,842</b>	<b>47,853,892</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred refunding	-	42,173	-	-	-	42,173
Deferred outflows - pensions	1,601,195	-	33,321	23,533	-	1,658,049
Deferred outflows - OPEB	209,979	-	14,317	10,908	-	235,204
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,811,174</b>	<b>42,173</b>	<b>47,638</b>	<b>34,441</b>	<b>-</b>	<b>1,935,426</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts and contracts payable	344,366	-	251,497	11,334	90,221	697,418
Accrued wages and other	167,976	-	14,912	10,443	-	193,331
Accrued interest payable	-	17,392	194,924	3,666	-	215,982
Due to other funds	66,257	-	-	1,336,787	-	1,403,044
Compensated absences payable	317,132	-	-	1,458	-	318,590
Current maturities of long-term debt	670,342	215,000	656,297	281,110	-	1,822,749
Total current liabilities	<b>1,566,073</b>	<b>232,392</b>	<b>1,117,630</b>	<b>1,644,798</b>	<b>90,221</b>	<b>4,651,114</b>
<b>LONG-TERM LIABILITIES</b>						
Compensated absences payable	4,375,063	-	-	20,108	-	4,395,171
Capital lease payable	478,927	-	-	6,203	-	485,130
General obligation bonds payable (net of unamortized premiums)	-	1,641,082	13,596,161	47,390	-	15,284,633
OPEB liability	2,604,064	-	177,550	135,276	-	2,916,890
Net pension liability	7,519,135	-	222,308	157,013	-	7,898,456
Total long-term liabilities	<b>14,977,189</b>	<b>1,641,082</b>	<b>13,996,019</b>	<b>365,990</b>	<b>-</b>	<b>30,980,280</b>
<b>TOTAL LIABILITIES</b>	<b>16,543,262</b>	<b>1,873,474</b>	<b>15,113,649</b>	<b>2,010,788</b>	<b>90,221</b>	<b>35,631,394</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows - pensions	470,971	-	16,103	11,374	-	498,448
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>470,971</b>	<b>-</b>	<b>16,103</b>	<b>11,374</b>	<b>-</b>	<b>498,448</b>
<b>NET POSITION</b>						
Net investment in capital assets	1,987,034	-	13,361,912	964,849	5,948,193	22,261,988
Unrestricted	(10,428,224)	(1,321,898)	3,360,947	(1,650,765)	1,437,428	(8,602,512)
<b>TOTAL NET POSITION</b>	<b>\$ (8,441,190)</b>	<b>\$ (1,321,898)</b>	<b>\$ 16,722,859</b>	<b>\$ (685,916)</b>	<b>\$ 7,385,621</b>	<b>\$ 13,659,476</b>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

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

NONMAJOR ENTERPRISE FUNDS

Year ended December 31, 2017

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
<b>OPERATING REVENUES</b>						
Charges for service	\$ 4,275,169	\$ -	\$ -	\$ 637,721	\$ -	\$ 4,912,890
Fines/forfeits/fees	-	-	3,453,630	-	-	3,453,630
Earned lease income	-	328,708	-	-	111,355	440,063
Miscellaneous revenues	-	-	-	-	5,035	5,035
<b>TOTAL OPERATING REVENUES</b>	<b>4,275,169</b>	<b>328,708</b>	<b>3,453,630</b>	<b>637,721</b>	<b>116,390</b>	<b>8,811,618</b>
<b>OPERATING EXPENSES</b>						
Cost of sales and service	9,501,564	63,647	1,296,603	600,154	440,421	11,902,389
Depreciation and amortization	610,523	-	230,214	167,642	88,076	1,096,455
<b>TOTAL OPERATING EXPENSES</b>	<b>10,112,087</b>	<b>63,647</b>	<b>1,526,817</b>	<b>767,796</b>	<b>528,497</b>	<b>12,998,844</b>
Operating income (loss)	(5,836,918)	265,061	1,926,813	(130,075)	(412,107)	(4,187,226)
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Taxes	6,236,128	-	-	-	-	6,236,128
Interest earnings	32,805	5,860	84,717	9,695	27,990	161,067
Interest expense	(20,241)	(49,872)	(479,240)	(15,162)	-	(564,515)
Loss on sale of capital assets	(209,961)	-	-	(73,850)	-	(283,811)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>6,038,731</b>	<b>(44,012)</b>	<b>(394,523)</b>	<b>(79,317)</b>	<b>27,990</b>	<b>5,548,869</b>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	201,813	221,049	1,532,290	(209,392)	(384,117)	1,361,643
Transfers in	23,825	-	-	15,000	260,000	298,825
Transfers out	(2,556,000)	-	-	-	-	(2,556,000)
Capital contributions-local government	-	-	5,409,718	-	-	5,409,718
<b>TOTAL CONTRIBUTIONS AND TRANSFERS</b>	<b>(2,532,175)</b>	<b>-</b>	<b>5,409,718</b>	<b>15,000</b>	<b>260,000</b>	<b>3,152,543</b>
CHANGE IN NET POSITION	(2,330,362)	221,049	6,942,008	(194,392)	(124,117)	4,514,186
Beginning of year	(6,671,886)	(1,542,947)	9,701,063	(538,825)	7,509,738	8,457,143
Prior period adjustment	561,058	-	79,788	47,301	-	688,147
End of year	\$ (8,441,190)	\$ (1,321,898)	\$ 16,722,859	\$ (685,916)	\$ 7,385,621	\$ 13,659,476

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

Year ended December 31, 2017

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 4,275,169	\$ 328,706	\$ 3,451,880	\$ 637,821	\$ (13,899)	\$ 8,679,677
Payments to suppliers	(1,934,067)	(65,587)	(544,650)	(72,377)	(350,200)	(2,966,881)
Payments to employees	(5,703,313)	-	(380,831)	(290,457)	-	(6,374,601)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(3,362,211)</b>	<b>263,119</b>	<b>2,526,399</b>	<b>274,987</b>	<b>(364,099)</b>	<b>(661,805)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Receipts from sales taxes	6,513,199	-	-	-	-	6,513,199
Transfer in	23,825	-	-	15,000	260,000	298,825
Transfers out	(2,556,000)	-	-	-	-	(2,556,000)
<b>NET CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>	<b>3,981,024</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>260,000</b>	<b>4,256,024</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Principal paid on bonds	-	(215,000)	(639,415)	(210,000)	-	(1,064,415)
Principal paid on capital lease	(803,856)	-	-	(60,278)	-	(864,134)
Proceeds from issuance of bonds	-	-	178,953	-	-	178,953
Proceeds from disposal of capital assets	66,972	-	-	-	-	66,972
Interest paid on bonds and capital leases	(20,247)	(47,518)	(515,033)	(27,691)	-	(610,489)
Acquisition of capital assets	(295,512)	-	(754,615)	(9,037)	(85,954)	(1,145,118)
<b>NET CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(1,052,643)</b>	<b>(262,518)</b>	<b>(1,730,110)</b>	<b>(307,006)</b>	<b>(85,954)</b>	<b>(3,438,231)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on investments	19,057	4,690	78,056	9,145	27,990	138,938
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>19,057</b>	<b>4,690</b>	<b>78,056</b>	<b>9,145</b>	<b>27,990</b>	<b>138,938</b>
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<b>(414,773)</b>	<b>5,291</b>	<b>874,345</b>	<b>(7,874)</b>	<b>(162,063)</b>	<b>294,926</b>
<b>CASH AND CASH EQUIVALENTS</b>						
Beginning of year	1,793,910	381,739	3,122,337	9,529	1,556,637	6,864,152
End of year	\$ 1,379,137	\$ 387,030	\$ 3,996,682	\$ 1,655	\$ 1,394,574	\$ 7,159,078

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
<b>RECONCILIATION OF OPERATING INCOME TO</b>						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (5,836,918)	\$ 265,061	\$ 1,926,813	\$ (130,075)	\$ (412,107)	\$ (4,187,226)
Adjustments to reconcile operating income (loss) to cash flow from operating activities						
Depreciation and amortization	610,523	-	230,214	167,642	88,076	1,096,455
Changes in assets and liabilities						
Accounts receivable	-	(2)	(1,750)	100	(130,289)	(131,941)
Due from other funds	(222,834)	-	(11,899)	-	-	(234,733)
Deferred outflows - pensions	49,988	-	(25,581)	7,532	-	31,939
Deferred outflows - OPEB	(209,979)	-	(14,317)	(10,908)	-	(235,204)
Accrued wages and expenses	42,879	-	4,854	3,219	-	50,952
Accounts payable	272,296	-	202,447	2,178	90,221	567,142
Accrued vacation and sick pay	591,959	-	-	4,344	-	596,303
Due to others	-	(1,940)	-	-	-	(1,940)
Due to other funds	66,257	-	-	227,200	-	293,457
OPEB liability	329,912	-	22,494	17,138	-	369,544
Net pension liability	795,862	-	179,632	(14,280)	-	961,214
Deferred inflows - pensions	147,844	-	13,492	897	-	162,233
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ (3,362,211)</b>	<b>\$ 263,119</b>	<b>\$ 2,526,399</b>	<b>\$ 274,987</b>	<b>\$ (364,099)</b>	<b>\$ (661,805)</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH</b>						
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital contributions-local government	\$ -	\$ -	\$ 5,409,718	\$ -	\$ -	\$ 5,409,718
Property, plant and equipment acquired with capital leases	395,572	-	-	-	-	395,572

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, 2017

	2016		2017		Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
<b>OPERATING REVENUES</b>					
Charges for services	\$ 34,639,430	\$ 35,355,000	\$ 36,867,000	\$ 40,008,645	\$ 3,141,645
Permits and licenses	244,876	305,500	286,000	315,276	29,276
Miscellaneous revenues	166,583	40,000	112,500	263,823	151,323
<b>TOTAL OPERATING REVENUES</b>	<b>35,050,889</b>	<b>35,700,500</b>	<b>37,265,500</b>	<b>40,587,744</b>	<b>3,322,244</b>
<b>OPERATING EXPENSES</b>					
Personnel costs	8,257,271	9,539,000	8,699,612	8,922,646	(223,034)
Contractual services	2,880,589	4,335,699	3,960,852	3,343,782	617,070
Commodities	2,970,932	3,671,811	3,779,397	3,347,293	432,104
Capital outlay	6,458,792	9,396,100	9,497,600	8,458,351	1,039,249
Grants, claims and shared revenue	5,335,952	5,426,900	5,644,550	5,760,663	(116,113)
<b>TOTAL OPERATING EXPENSES</b>	<b>25,903,536</b>	<b>32,369,510</b>	<b>31,582,011</b>	<b>29,832,735</b>	<b>1,749,276</b>
Net operating income (loss)	9,147,353	3,330,990	5,683,489	10,755,009	5,071,520
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Tax revenue	16,766	20,500	16,500	17,026	526
Transfers In	323,591	-	300,000	500,000	200,000
Interest earnings	99,913	100,000	250,000	240,824	(9,176)
Bond issue proceeds	3,718,954	-	-	8,267,623	8,267,623
Debt premium	378,355	-	-	1,557,071	1,557,071
Debt service	(3,191,022)	(3,060,000)	(3,979,510)	(5,505,821)	(1,526,311)
Transfers out: debt service	(3,932,613)	(4,938,302)	(5,628,001)	(5,753,365)	(125,364)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(2,586,056)</b>	<b>(7,877,802)</b>	<b>(9,041,011)</b>	<b>(676,642)</b>	<b>8,364,369</b>
<b>NET CHANGE IN UNENCUMBERED FUND BALANCE</b>	<b>6,561,297</b>	<b>(4,546,812)</b>	<b>(3,357,522)</b>	<b>10,078,367</b>	<b>13,435,889</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	12,496,003	19,057,300	19,057,300	19,057,300	-
End of year	\$ 19,057,300	\$ 14,510,488	\$ 15,699,778	\$ 29,135,667	\$ 13,435,889

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, 2017

	2016		2017		
	Actual Amounts	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final Amended		
<b>OPERATING REVENUES</b>					
Charges for service	\$ 4,662,103	\$ 4,655,000	\$ 4,633,000	\$ 4,275,169	\$ (357,831)
Miscellaneous revenues	1,611	1,000	-	-	-
<b>TOTAL OPERATING REVENUES</b>	<u>4,663,714</u>	<u>4,656,000</u>	<u>4,633,000</u>	<u>4,275,169</u>	<u>(357,831)</u>
<b>OPERATING EXPENSES</b>					
Personnel costs	4,166,351	5,316,475	5,498,985	5,746,191	(247,206)
Contractual services	545,603	547,833	524,044	504,509	19,535
Commodities	851,676	853,572	1,068,761	854,817	213,944
Capital outlay	970,756	1,309,000	1,759,667	1,242,660	517,007
Grants,claims,shared revenue	466,624	466,624	466,624	514,624	(48,000)
Other	-	50,000	60,000	-	60,000
<b>TOTAL OPERATING EXPENSES</b>	<u>7,001,010</u>	<u>8,543,504</u>	<u>9,378,081</u>	<u>8,862,801</u>	<u>515,280</u>
Net operating income (loss)	<u>(2,337,296)</u>	<u>(3,887,504)</u>	<u>(4,745,081)</u>	<u>(4,587,632)</u>	<u>157,449</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Tax revenue	5,454,063	6,150,000	6,658,000	6,106,707	(551,293)
Transfers in	-	-	-	23,825	23,825
Interest earnings	5,671	5,000	5,000	19,057	14,057
Transfers out	(2,256,000)	(2,256,000)	(2,256,000)	(2,556,000)	(300,000)
Other non-operating income	-	-	74,000	85,512	11,512
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>3,203,734</u>	<u>3,899,000</u>	<u>4,481,000</u>	<u>3,679,101</u>	<u>(801,899)</u>
<b>NET CHANGE IN UNENCUMBERED FUND BALANCE</b>	<u>866,438</u>	<u>11,496</u>	<u>(264,081)</u>	<u>(908,531)</u>	<u>(644,450)</u>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	503,324	1,369,762	1,369,762	1,369,762	-
End of year	<u>\$ 1,369,762</u>	<u>\$ 1,381,258</u>	<u>\$ 1,105,681</u>	<u>\$ 461,231</u>	<u>\$ (644,450)</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: PUBLIC LEVEE

Year ended December 31, 2017

	2016	2017			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
<b>OPERATING REVENUES</b>					
Miscellaneous revenues	\$ 327,878	\$ 325,000	\$ 328,000	\$ 328,707	\$ 707
<b>TOTAL OPERATING REVENUES</b>	<u>327,878</u>	<u>325,000</u>	<u>328,000</u>	<u>328,707</u>	<u>707</u>
<b>OPERATING EXPENSES</b>					
Contractual services	63,753	140,000	140,000	63,648	76,352
Capital outlay	-	-	10,000	-	10,000
Other expenses	5,980	50,000	40,000	-	40,000
<b>TOTAL OPERATING EXPENSES</b>	<u>69,733</u>	<u>190,000</u>	<u>190,000</u>	<u>63,648</u>	<u>126,352</u>
Net operating income (loss)	<u>258,145</u>	<u>135,000</u>	<u>138,000</u>	<u>265,059</u>	<u>127,059</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest earnings	1,781	1,000	2,000	3,213	1,213
Transfer out: debt service	(288,525)	(261,040)	(261,040)	(261,040)	-
Total debt service subjected to budget	<u>(286,744)</u>	<u>(260,040)</u>	<u>(259,040)</u>	<u>(257,827)</u>	<u>1,213</u>
<b>Debt service not subjected to budget:</b>					
Principal-refunded bond	(1,985,000)	-	-	-	-
Interest-refunded bond	(46,040)	-	-	-	-
Total debt service not subjected to budget	<u>(2,031,040)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>(2,317,784)</u>	<u>(260,040)</u>	<u>(259,040)</u>	<u>(257,827)</u>	<u>1,213</u>
<b>NET CHANGE IN UNENCUMBERED FUND BALANCE</b>	<u>(2,059,639)</u>	<u>(125,040)</u>	<u>(121,040)</u>	<u>7,232</u>	<u>128,272</u>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	2,344,450	284,811	284,811	284,811	-
End of year	<u>\$ 284,811</u>	<u>\$ 159,771</u>	<u>\$ 163,771</u>	<u>\$ 292,043</u>	<u>\$ 128,272</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, 2017

	2016		2017		
	Actual Amounts	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final Amended		
<b>OPERATING REVENUES</b>					
Fines, forfeitures and penalties	\$ 3,404,511	\$ 3,400,000	\$ 3,400,000	\$ 3,453,628	\$ 53,628
Miscellaneous revenues	23,307	-	-	17,551	17,551
<b>TOTAL OPERATING REVENUES</b>	<b>3,427,818</b>	<b>3,400,000</b>	<b>3,400,000</b>	<b>3,471,179</b>	<b>71,179</b>
<b>OPERATING EXPENSES</b>					
Personnel costs	668,137	750,000	424,999	385,685	39,314
Contractual services	37,926	155,000	269,095	265,016	4,079
Commodities	596	2,000	2,099	2,098	1
Capital outlay	1,362,918	1,850,000	2,097,456	1,470,708	626,748
Grants, claims, shared revenue	328,486	335,715	335,715	285,715	50,000
<b>TOTAL OPERATING EXPENSES</b>	<b>2,398,063</b>	<b>3,092,715</b>	<b>3,129,364</b>	<b>2,409,222</b>	<b>720,142</b>
Net operating income (loss)	1,029,755	307,285	270,636	1,061,957	791,321
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest earnings	15,611	15,000	15,000	27,701	12,701
Bond issue proceeds	-	-	-	149,485	149,485
Debt premium	-	-	-	29,468	29,468
Debt service	-	-	-	(997)	(997)
Transfers out: debt service	(1,103,125)	(1,101,933)	(1,101,933)	(1,101,933)	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(1,087,514)</b>	<b>(1,086,933)</b>	<b>(1,086,933)</b>	<b>(896,276)</b>	<b>190,657</b>
<b>NET CHANGE IN UNENCUMBERED FUND BALANCE</b>	<b>(57,759)</b>	<b>(779,648)</b>	<b>(816,297)</b>	<b>165,681</b>	<b>981,978</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	2,062,614	2,004,855	2,004,855	2,004,855	-
End of year	\$ 2,004,855	\$ 1,225,207	\$ 1,188,558	\$ 2,170,536	\$ 981,978

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, 2017

	2016	2017			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
<b>OPERATING REVENUES</b>					
Charges for service	\$ 584,355	\$ 730,000	\$ 695,000	\$ 637,721	\$ (57,279)
Miscellaneous revenues	-	70,000	70,000	-	(70,000)
<b>TOTAL OPERATING REVENUES</b>	<b>584,355</b>	<b>800,000</b>	<b>765,000</b>	<b>637,721</b>	<b>(127,279)</b>
<b>OPERATING EXPENSES</b>					
Personnel costs	277,323	263,600	265,001	293,676	(28,675)
Contractual services	151,254	158,489	176,646	173,510	3,136
Commodities	131,640	131,855	116,765	128,245	(11,480)
Capital outlay	69,163	93,300	70,778	70,777	1
<b>TOTAL OPERATING EXPENSES</b>	<b>629,380</b>	<b>647,244</b>	<b>629,190</b>	<b>666,208</b>	<b>(37,018)</b>
Net operating income (loss)	(45,025)	152,756	135,810	(28,487)	(164,297)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest earnings	7	100	-	119	119
Transfers out: debt service	-	(150,000)	(150,000)	-	150,000
Transfers In	35,000	-	15,000	15,000	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>35,007</b>	<b>(149,900)</b>	<b>(135,000)</b>	<b>15,119</b>	<b>150,119</b>
<b>NET CHANGE IN UNENCUMBERED FUND BALANCE</b>	<b>(10,018)</b>	<b>2,856</b>	<b>810</b>	<b>(13,368)</b>	<b>(14,178)</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	17,547	7,529	7,529	7,529	-
End of year	\$ 7,529	\$ 10,385	\$ 8,339	\$ (5,839)	\$ (14,178)

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, 2017

	2016		2017		Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
<b>OPERATING REVENUES</b>					
Intergovernmental Revenues	\$ 550,964	\$ -	\$ -	\$ -	-
Miscellaneous revenues	36,043	50,000	92,449	116,391	23,942
<b>TOTAL OPERATING REVENUES</b>	<b>587,007</b>	<b>50,000</b>	<b>92,449</b>	<b>116,391</b>	<b>23,942</b>
<b>OPERATING EXPENSES</b>					
Contractual services	180,976	51,000	187,979	181,011	6,968
Commodities	-	-	184,349	184,293	56
Capital outlay	96,500	150,000	150,000	85,954	64,046
Other expenses	-	250,000	4,201	-	4,201
<b>TOTAL OPERATING EXPENSES</b>	<b>277,476</b>	<b>451,000</b>	<b>526,529</b>	<b>451,258</b>	<b>75,271</b>
Net operating income (loss)	309,531	(401,000)	(434,080)	(334,867)	99,213
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest earnings	2,181	5,000	4,000	9,627	5,627
Transfer in	2,596	-	260,000	260,000	-
Transfer out	(2,600)	-	-	-	-
Total debt service subjected to budget	2,177	5,000	264,000	269,627	5,627
<b>Debt service not subjected to budget:</b>					
Bond issue proceeds-refunded bonds	6,861,805	-	-	-	-
Principal-refunded bond	(5,668,060)	-	-	-	-
Interest-refunded bond	(1,193,745)	-	-	-	-
Total debt service not subjected to budget	-	-	-	-	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>2,177</b>	<b>5,000</b>	<b>264,000</b>	<b>269,627</b>	<b>5,627</b>
<b>NET CHANGE IN UNENCUMBERED FUND BALANCE</b>	<b>311,708</b>	<b>(396,000)</b>	<b>(170,080)</b>	<b>(65,240)</b>	<b>104,840</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	1,978,975	2,290,683	2,290,683	2,290,683	-
End of year	\$ 2,290,683	\$ 1,894,683	\$ 2,120,603	\$ 2,225,443	\$ 104,840



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## 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 AND KANSAS CITY, KANSAS

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

As of December 31, 2017

	Workers' Compensation	Health Benefits	Cafeteria Plan (Section 125)	Totals Internal Service
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 170,930	\$ 170,930
Restricted cash	332,231	1,789,788	-	2,122,019
Accounts receivable	-	92,376	115	92,491
<b>TOTAL ASSETS</b>	<b>\$ 332,231</b>	<b>\$ 1,882,164</b>	<b>\$ 171,045</b>	<b>\$ 2,385,440</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 13,146	\$ 1,657,838	\$ -	\$ 1,670,984
Due to others	-	75,794	-	75,794
Claims incurred but not reported	831,234	2,414,000	-	3,245,234
Total current liabilities	844,380	4,147,632	-	4,992,012
<b>LONG-TERM LIABILITIES</b>				
Claims incurred but not reported	1,833,766	-	-	1,833,766
Total long-term liabilities	1,833,766	-	-	1,833,766
<b>TOTAL LIABILITIES</b>	<b>2,678,146</b>	<b>4,147,632</b>	<b>-</b>	<b>6,825,778</b>
<b>NET POSITION</b>				
Net position	\$ (2,345,915)	\$ (2,265,468)	\$ 171,045	\$ (4,440,338)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

ALL INTERNAL SERVICE FUNDS

Year ended December 31, 2017

	Workers' Compensation	Health Benefits	Cafeteria Plan (Section 125)	Totals Internal Service
<b>OPERATING REVENUES</b>				
Miscellaneous revenues	\$ 2,500,000	\$ 32,635,728	\$ 280,807	\$ 35,416,535
Reimbursements	17,348	1,478,101	-	1,495,449
<b>TOTAL OPERATING REVENUES</b>	<b>2,517,348</b>	<b>34,113,829</b>	<b>280,807</b>	<b>36,911,984</b>
<b>OPERATING EXPENSES</b>				
Cost of sales and service	1,663,005	32,537,487	277,147	34,477,639
<b>TOTAL OPERATING EXPENSES</b>	<b>1,663,005</b>	<b>32,537,487</b>	<b>277,147</b>	<b>34,477,639</b>
Net operating income (loss)	854,343	1,576,342	3,660	2,434,345
<b>NON-OPERATING REVENUE</b>				
Interest income	-	15,829	-	15,829
<b>TOTAL NON-OPERATING REVENUES</b>	<b>-</b>	<b>15,829</b>	<b>-</b>	<b>15,829</b>
<b>NET INCOME (LOSS)</b>	<b>854,343</b>	<b>1,592,171</b>	<b>3,660</b>	<b>2,450,174</b>
<b>NET POSITON</b>				
Beginning of year	(3,200,258)	(3,857,639)	167,385	(6,890,512)
End of year	\$ (2,345,915)	\$ (2,265,468)	\$ 171,045	\$ (4,440,338)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Year ended December 31, 2017

	Workers' Compensation	Health Benefits	Cafeteria Plan (Section 125)	Totals 2017
<b>CASH FLOWS FROM OPERATING</b>				
<b>ACTIVITIES</b>				
Receipts from customers	\$ 2,517,348	\$ 34,114,084	\$ 280,807	\$ 36,912,239
Payments to employees and suppliers	(2,192,320)	(32,974,425)	(277,146)	(35,443,891)
<b>NET CASH FLOWS FROM</b>				
<b>OPERATING ACTIVITIES</b>	<u>325,028</u>	<u>1,139,659</u>	<u>3,661</u>	<u>1,468,348</u>
<b>CASH FLOWS FROM INVESTING</b>				
<b>ACTIVITIES:</b>				
Interest on investments	-	15,829	-	15,829
<b>NET CASH FLOW FROM</b>				
<b>INVESTING ACTIVITIES</b>	<u>-</u>	<u>15,829</u>	<u>-</u>	<u>15,829</u>
<b>NET INCREASE (DECREASE) IN</b>				
<b>CASH AND CASH EQUIVALENTS</b>	325,028	1,155,488	3,661	1,484,177
<b>CASH AND CASH EQUIVALENTS</b>				
Beginning of year	7,203	634,300	167,269	808,772
End of year	<u>\$ 332,231</u>	<u>\$ 1,789,788</u>	<u>\$ 170,930</u>	<u>\$ 2,292,949</u>
<b>RECONCILIATION OF OPERATING INCOME</b>				
<b>TO CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 854,343	\$ 1,576,342	\$ 3,660	\$ 2,434,345
Changes in assets and liabilities				
Accounts receivable	-	255	1	256
Accounts payable	8,505	1,515,889	-	1,524,394
Claims incurred	(30,000)	368,000	-	338,000
Due to others	-	(8,195)	-	(8,195)
Due to other funds	(507,820)	(2,312,632)		(2,820,452)
	<u>\$ 325,028</u>	<u>\$ 1,139,659</u>	<u>\$ 3,661</u>	<u>\$ 1,468,348</u>

## 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 AND KANSAS CITY, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

As of December 31, 2017

	Balance				Balance	
	Jan 1, 2017	Additions	Deductions		Dec 31, 2017	
<b>AGENCY FUND</b>						
<b>ASSETS</b>						
Cash and investments	\$ 135,604	\$ 748,553	\$ 739,019	\$	\$ 145,138	
<b>TOTAL ASSETS</b>	<b>\$ 135,604</b>	<b>\$ 748,553</b>	<b>\$ 739,019</b>	<b>\$</b>	<b>\$ 145,138</b>	
<b>LIABILITIES</b>						
Accounts payable	\$ 61,027	\$ 1,251,017	\$ 1,243,733	\$	\$ 68,311	
Due to others	74,277	183,307	181,557		76,027	
Due to other governments	300	3,300	2,800		800	
<b>TOTAL LIABILITIES</b>	<b>\$ 135,604</b>	<b>\$ 1,437,624</b>	<b>\$ 1,428,090</b>	<b>\$</b>	<b>\$ 145,138</b>	
<b>FIRE INSURANCE PROCEEDS</b>						
<b>ASSETS</b>						
Cash and investments	\$ 258,643	\$ 222,691	\$ 140,861	\$	\$ 340,473	
<b>TOTAL ASSETS</b>	<b>\$ 258,643</b>	<b>\$ 222,691</b>	<b>\$ 140,861</b>	<b>\$</b>	<b>\$ 340,473</b>	
<b>LIABILITIES</b>						
Due to others	\$ 258,643	\$ 222,971	\$ 141,141	\$	\$ 340,473	
<b>TOTAL LIABILITIES</b>	<b>\$ 258,643</b>	<b>\$ 222,971</b>	<b>\$ 141,141</b>	<b>\$</b>	<b>\$ 340,473</b>	
<b>KANSAS STATE WITHHOLDING</b>						
<b>ASSETS</b>						
Cash and investments	\$ (1,465)	\$ 5,180,187	\$ 5,180,187	\$	\$ (1,465)	
Due from other funds	-	1,394,945	1,394,945		-	
<b>TOTAL ASSETS</b>	<b>\$ (1,465)</b>	<b>\$ 6,575,132</b>	<b>\$ 6,575,132</b>	<b>\$</b>	<b>\$ (1,465)</b>	
<b>LIABILITIES</b>						
Due to other governments	\$ (1,465)	\$ 5,180,187	\$ 5,180,187	\$	\$ (1,465)	
<b>TOTAL LIABILITIES</b>	<b>\$ (1,465)</b>	<b>\$ 5,180,187</b>	<b>\$ 5,180,187</b>	<b>\$</b>	<b>\$ (1,465)</b>	

continued

	Balance		Balance	
	Jan 1, 2017	Additions	Deductions	Dec 31, 2017
<b><u>PAYROLL DEDUCTIONS CLEARING</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 146,006	\$ 96,178,824	\$ 96,279,316	\$ 45,514
Due from other funds	-	26,033,458	26,033,458	-
<b>TOTAL ASSETS</b>	<b>\$ 146,006</b>	<b>\$ 122,212,282</b>	<b>\$ 122,312,774</b>	<b>\$ 45,514</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 146,006	\$ 135,781,198	\$ 135,881,690	\$ 45,514
<b>TOTAL LIABILITIES</b>	<b>\$ 146,006</b>	<b>\$ 135,781,198</b>	<b>\$ 135,881,690</b>	<b>\$ 45,514</b>
<b><u>REGISTER OF DEEDS</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 86,472	\$ 2,211,212	\$ 2,250,694	\$ 46,990
<b>TOTAL ASSETS</b>	<b>\$ 86,472</b>	<b>\$ 2,211,212</b>	<b>\$ 2,250,694</b>	<b>\$ 46,990</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 86,472	\$ 2,211,212	\$ 2,250,694	\$ 46,990
<b>TOTAL LIABILITIES</b>	<b>\$ 86,472</b>	<b>\$ 2,211,212</b>	<b>\$ 2,250,694</b>	<b>\$ 46,990</b>
<b><u>SHERIFF</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 22,712	\$ 1,446,517	\$ 1,378,599	\$ 90,630
<b>TOTAL ASSETS</b>	<b>\$ 22,712</b>	<b>\$ 1,446,517</b>	<b>\$ 1,378,599</b>	<b>\$ 90,630</b>
<b>LIABILITIES</b>				
Due to others	\$ 22,712	\$ 1,446,517	\$ 1,378,599	\$ 90,630
<b>TOTAL LIABILITIES</b>	<b>\$ 22,712</b>	<b>\$ 1,446,517</b>	<b>\$ 1,378,599</b>	<b>\$ 90,630</b>
<b><u>TAX COLLECTION</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 119,963,694	\$ 246,560,158	\$ 243,120,592	\$ 123,403,260
Accounts receivable	29,690	192,171	206,720	15,141
<b>TOTAL ASSETS</b>	<b>\$ 119,993,384</b>	<b>\$ 246,752,329</b>	<b>\$ 243,327,312</b>	<b>\$ 123,418,401</b>
<b>LIABILITIES</b>				
Accounts payable	\$ (121,466)	\$ 6,334,711	\$ 6,309,342	\$ (96,097)
Due to others	13,930	-	-	13,930
Due to other governments	120,100,920	244,518,438	241,118,790	123,500,568
<b>TOTAL LIABILITIES</b>	<b>\$ 119,993,384</b>	<b>\$ 250,853,149</b>	<b>\$ 247,428,132</b>	<b>\$ 123,418,401</b>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

As of December 31, 2017

	Balance Jan 1, 2017	Additions	Deductions	Balance Dec 31, 2017
<b>TAX DISTRIBUTION</b>				
<b>ASSETS</b>				
Cash and investments	\$ 26,778	\$ 159,577,213	\$ 159,576,124	\$ 27,867
<b>TOTAL ASSETS</b>	<b>\$ 26,778</b>	<b>\$ 159,577,213</b>	<b>\$ 159,576,124</b>	<b>\$ 27,867</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 26,778	\$ 125,626,710	\$ 125,625,621	\$ 27,867
<b>TOTAL LIABILITIES</b>	<b>\$ 26,778</b>	<b>\$ 125,626,710</b>	<b>\$ 125,625,621</b>	<b>\$ 27,867</b>
<b>U.S. SAVINGS BONDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 3,392	\$ -	\$ -	\$ 3,392
<b>TOTAL ASSETS</b>	<b>\$ 3,392</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,392</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 3,392	\$ -	\$ -	\$ 3,392
<b>TOTAL LIABILITIES</b>	<b>\$ 3,392</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,392</b>
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 120,641,836	\$ 512,125,355	\$ 508,665,392	\$ 124,101,799
Accounts receivable	29,690	192,171	206,720	15,141
Due from other funds	-	27,428,403	27,428,403	-
<b>TOTAL ASSETS</b>	<b>\$ 120,671,526</b>	<b>\$ 539,745,929</b>	<b>\$ 536,300,515</b>	<b>\$ 124,116,940</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 85,567	\$ 143,366,926	\$ 143,434,765	\$ 17,728
Due to others	369,562	1,852,795	1,701,297	521,060
Due to other governments	120,216,397	377,539,847	374,178,092	123,578,152
<b>TOTAL LIABILITIES</b>	<b>\$ 120,671,526</b>	<b>\$ 522,759,568</b>	<b>\$ 519,314,154</b>	<b>\$ 124,116,940</b>

## 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.

### 164 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.

### 176 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.

### 185 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.

### 193 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.

### 195 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.

*Unified Government of Wyandotte County and Kansas City, Kansas*

**TABLE 1**

**NET POSITION BY COMPONENT**

Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Governmental activities</b>					
Net investments in capital assets	\$ 219,828,396	\$ 221,299,106	\$ 255,635,959	\$ 265,081,754	\$ 229,277,747
Restricted	28,210,746	16,963,758	15,109,099	15,014,405	52,449,466
Unrestricted	<u>(20,019,235)</u>	<u>(56,097,289)</u>	<u>(100,727,833)</u>	<u>(124,052,943)</u>	<u>(131,703,070)</u>
Total governmental activities net position	<u>\$ 228,019,907</u>	<u>\$ 182,165,575</u>	<u>\$ 170,017,225</u>	<u>\$ 156,043,216</u>	<u>\$ 150,024,143</u>
<b>Business-type activities</b>					
Net investments in capital assets	\$ 445,669,977	\$ 425,007,799	\$ 420,099,070	\$ 419,256,036	\$ 428,738,821
Restricted	18,061,823	57,809,722	53,623,425	100,186,670	69,552,333
Unrestricted	<u>48,863,977</u>	<u>(872,495)</u>	<u>23,503,122</u>	<u>(22,225,539)</u>	<u>2,992,459</u>
Total business-type activities net position	<u>\$ 512,595,777</u>	<u>\$ 481,945,026</u>	<u>\$ 497,225,617</u>	<u>\$ 497,217,167</u>	<u>\$ 501,283,613</u>
<b>Primary government</b>					
Net investments in capital assets	\$ 665,498,373	\$ 646,306,905	\$ 675,735,029	\$ 684,337,790	\$ 658,016,568
Restricted	46,272,569	74,773,480	68,732,524	115,201,075	122,001,799
Unrestricted	<u>28,844,742</u>	<u>(56,969,784)</u>	<u>(77,224,711)</u>	<u>(146,278,482)</u>	<u>(128,710,611)</u>
Total primary government net position	<u>\$ 740,615,684</u>	<u>\$ 664,110,601</u>	<u>\$ 667,242,842</u>	<u>\$ 653,260,383</u>	<u>\$ 651,307,756</u>

*Unified Government of Wyandotte County and Kansas City, Kansas*

**TABLE 1**

**NET POSITION BY COMPONENT**

Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Governmental activities</b>					
Net investments in capital assets	\$ 240,297,777	\$ 225,110,072	\$ 218,839,753	\$ 225,611,496	\$ 226,298,253
Restricted	54,073,195	50,125,523	79,616,230	84,133,876	74,886,254
Unrestricted	(203,472,943)	(192,652,386)	(354,048,111)	(353,178,248)	(315,942,908)
<b>Total governmental activities net position</b>	<u>\$ 90,898,029</u>	<u>\$ 82,583,209</u>	<u>\$ (55,592,128)</u>	<u>\$ (43,432,876)</u>	<u>\$ (14,758,401)</u>
<b>Business-type activities</b>					
Net investments in capital assets	\$ 423,372,753	\$ 429,605,573	\$ 432,030,655	\$ 471,942,667	\$ 488,707,860
Restricted	48,963,655	28,935,418	24,783,759	25,717,935	25,954,674
Unrestricted	32,521,978	54,496,015	69,117,940	42,417,360	45,185,221
<b>Total business-type activities net position</b>	<u>\$ 504,858,386</u>	<u>\$ 513,037,006</u>	<u>\$ 525,932,354</u>	<u>\$ 540,077,962</u>	<u>\$ 559,847,755</u>
<b>Primary government</b>					
Net investments in capital assets	\$ 663,670,530	\$ 654,715,645	\$ 650,870,408	\$ 697,554,163	\$ 715,006,113
Restricted	103,036,850	79,060,941	104,399,989	109,851,811	100,840,928
Unrestricted	(170,950,965)	(138,156,371)	(284,930,171)	(310,760,888)	(270,757,687)
<b>Total primary government net position</b>	<u>\$ 595,756,415</u>	<u>\$ 595,620,215</u>	<u>\$ 470,340,226</u>	<u>\$ 496,645,086</u>	<u>\$ 545,089,354</u>

Unified Government of Wyandotte County and Kansas City, Kansas

**TABLE 2**

**CHANGES IN NET POSITION**

Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 38,152,695	\$ 28,883,020	\$ 27,087,733	\$ 25,079,952	\$ 26,520,320
Public safety	133,104,186	135,838,855	128,169,717	127,440,244	130,719,941
Public works	58,852,528	58,231,382	49,439,819	58,107,781	77,746,268
Health and welfare	14,715,932	14,496,775	14,729,903	14,320,574	14,062,319
Parks and recreation	9,801,025	9,409,508	6,476,736	5,495,405	5,263,063
Planning and development	17,431,756	23,102,672	41,321,126	32,662,526	26,627,128
Interest on long-term debt	16,041,480	15,629,555	17,491,196	17,257,843	21,701,853
Total governmental activities expenses	<u>\$ 288,099,602</u>	<u>\$ 285,591,767</u>	<u>\$ 284,716,230</u>	<u>\$ 280,364,325</u>	<u>\$ 302,640,892</u>
Business-type activities:					
Electric and Water systems	\$ 238,766,982	\$ 236,173,513	\$ 221,565,124	\$ 245,026,662	\$ 256,465,888
Public levee	1,164,347	1,504,174	1,413,301	1,163,555	1,162,015
EMS	5,824,847	6,944,949	7,367,253	7,024,655	7,392,927
Stormwater	-	661,304	1,480,508	1,527,906	1,512,216
Sewer system	22,056,220	23,788,544	17,772,564	20,809,633	22,012,623
Sunflower Hills golf course	910,510	819,472	679,706	800,540	825,125
Stadium	-	-	-	-	-
Total business-type activities expenses	<u>\$ 268,722,906</u>	<u>\$ 269,891,956</u>	<u>\$ 250,278,456</u>	<u>\$ 276,352,951</u>	<u>\$ 289,370,794</u>
Total primary government expenses	<u>\$ 556,822,508</u>	<u>\$ 555,483,723</u>	<u>\$ 534,994,686</u>	<u>\$ 556,717,276</u>	<u>\$ 592,011,686</u>
<b>Program Revenues</b>					
Charges for services:					
General government	\$ 2,582,381	\$ 3,549,937	\$ 4,623,345	\$ 3,088,044	\$ 3,579,602
Public safety	9,021,180	9,073,041	9,840,757	8,835,402	8,744,676
Public works	4,716,235	6,693,601	8,028,250	8,307,791	8,614,203
Health and welfare	1,539,141	789,085	162,850	805,818	706,109
Parks and recreation	556,240	585,003	1,166,756	635,219	547,780
Planning and development	2,615,712	2,259,151	3,201,347	3,838,439	4,480,536
Operating grants and contributions:					
General government	588,008	857,042	886,779	954,831	1,449,387
Public safety	6,248,268	4,685,658	6,135,125	6,856,885	6,761,464
Public works	9,000,428	7,863,473	7,696,076	7,388,647	8,766,393
Health and welfare	7,896,489	7,921,420	8,087,027	7,808,448	7,260,100
Parks and recreation	580,812	3,050,717	2,700,000	-	10,000
Planning and development	7,677,848	8,537,247	12,826,305	9,216,477	8,881,541
Interest on long-term debt	-	-	340,372	720,537	1,141,970
Capital grants and contributions:					
Public works	2,284,824	2,742,209	1,446,928	-	-
Public safety	-	-	-	-	273,032
Planning and development	139,622	217,585	649,659	426,781	1,009,906
Total governmental activities program revenues	<u>\$ 55,447,188</u>	<u>\$ 58,825,169</u>	<u>\$ 67,791,576</u>	<u>\$ 58,883,319</u>	<u>\$ 62,226,699</u>
Business-type activities:					
Charges for services:					
Electric and Water systems	\$ 240,093,868	\$ 210,068,949	\$ 237,159,626	\$ 243,459,904	\$ 261,315,976
EMS	4,216,457	4,251,550	4,414,666	4,383,301	4,589,845
Public Levee	1,083,636	1,077,112	850,896	854,894	820,070
Stormwater	-	1,004,109	2,213,075	2,921,111	3,429,547
Sewer system	18,067,391	18,140,230	19,855,939	21,001,659	23,633,571
Sunflower Hill golf course	729,321	715,492	669,895	636,032	707,015
Stadium	-	-	-	-	-
Operating grants and contributions:					
Capital grants and contributions:					
Electric and Water systems	1,466,171	209,965	300,888	59,048	130,878
Sewer system	-	-	566,162	271,701	192,083
Stadium	-	-	-	-	-
Total business-type activities program revenues	<u>\$ 265,656,844</u>	<u>\$ 235,467,407</u>	<u>\$ 266,031,147</u>	<u>\$ 273,587,650</u>	<u>\$ 294,818,985</u>
Total primary government program revenues	<u>\$ 321,104,032</u>	<u>\$ 294,292,576</u>	<u>\$ 333,822,723</u>	<u>\$ 332,470,969</u>	<u>\$ 357,045,684</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (232,652,414)	\$ (226,766,598)	\$ (216,924,654)	\$ (221,481,006)	\$ (240,414,193)
Business-type activities	<u>(3,066,062)</u>	<u>(34,424,549)</u>	<u>15,752,691</u>	<u>(2,765,301)</u>	<u>5,448,191</u>
Total primary government net expense	<u>\$ (235,718,476)</u>	<u>\$ (261,191,147)</u>	<u>\$ (201,171,963)</u>	<u>\$ (224,246,307)</u>	<u>\$ (234,966,002)</u>

Unified Government of Wyandotte County and Kansas City, Kansas

TABLE 2

CHANGES IN NET POSITION

Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	2013	2014	2015	2016	2017
<b>Expenses</b>					
Governmental activities:					
General government	\$ 30,174,513	\$ 29,291,061	\$ 28,081,551	\$ 31,250,339	\$ 30,324,399
Public safety	139,770,779	139,643,321	134,877,172	139,151,974	139,866,477
Public works	66,930,633	68,859,206	76,009,713	62,108,387	65,534,985
Health and welfare	13,282,130	13,382,429	13,069,750	15,530,414	14,957,543
Parks and recreation	5,914,099	5,673,770	5,556,053	5,967,847	7,448,621
Planning and development	98,996,868	52,390,674	67,407,166	45,154,673	24,245,427
Interest on long-term debt	21,087,848	20,301,957	20,104,585	20,602,274	20,321,679
Total governmental activities expenses	\$ 376,156,870	\$ 329,542,418	\$ 345,105,990	\$ 319,765,908	\$ 302,699,131
Business-type activities:					
Electric and Water systems	\$ 250,339,905	\$ 271,053,725	\$ 273,413,456	\$ 270,044,786	\$ 273,413,258
Public levee	282,208	3,000,572	211,632	190,179	113,519
EMS	8,209,082	7,219,336	7,218,816	7,266,969	10,132,328
Stormwater	2,566,832	2,715,369	2,908,812	2,831,245	2,006,057
Sewer system	25,489,647	25,285,207	23,147,910	25,676,909	28,894,047
Sunflower Hills golf course	810,075	784,808	719,991	757,028	782,958
Stadium	-	534,030	552,003	742,200	528,497
Total business-type activities expenses	\$ 287,697,749	\$ 310,593,047	\$ 308,172,620	\$ 307,509,316	\$ 315,870,664
Total primary government expenses	\$ 663,854,619	\$ 640,135,465	\$ 653,278,610	\$ 627,275,224	\$ 618,569,795
<b>Program Revenues</b>					
Charges for services:					
General government	\$ 3,462,929	\$ 3,326,556	\$ 4,962,124	\$ 5,802,345	\$ 5,014,382
Public safety	7,409,484	7,366,395	7,640,286	5,702,180	5,679,690
Public works	8,082,739	9,083,896	9,175,237	8,828,774	9,489,049
Health and welfare	790,631	635,196	736,527	711,645	868,595
Parks and recreation	559,687	603,504	625,328	618,126	616,285
Planning and development	4,742,195	4,473,996	6,673,326	5,792,374	4,975,089
Operating grants and contributions:					
General government	1,166,459	1,165,087	1,263,590	1,172,971	1,198,765
Public safety	6,165,685	6,090,741	5,700,271	3,845,781	3,814,692
Public works	7,875,791	7,813,656	8,194,694	12,394,593	8,893,059
Health and welfare	6,780,351	6,933,040	6,824,396	7,047,909	6,400,927
Parks and recreation	-	-	-	41,835	20,000
Planning and development	49,748,299	42,916,513	54,585,186	26,439,262	4,489,930
Interest on long-term debt	640,848	624,583	604,126	594,493	608,384
Capital grants and contributions:					
Public works	-	428,954	241,773	358,375	25,086
Public safety	5,081,790	199,841	336,597	595,000	-
Planning and development	444,495	449,878	383,781	404,275	353,008
Total governmental activities program revenues	\$ 102,951,383	\$ 92,111,836	\$ 107,947,242	\$ 80,349,938	\$ 52,446,941
Business-type activities:					
Charges for services:					
Electric and Water systems	\$ 260,084,320	\$ 311,540,386	\$ 303,124,272	\$ 301,043,289	\$ 317,306,293
EMS	4,419,792	4,453,260	4,697,399	4,662,102	4,275,169
Public Levee	562,467	411,244	327,058	327,878	328,708
Stormwater	3,329,932	3,351,672	3,613,029	3,405,211	3,453,630
Sewer system	23,758,894	26,621,867	28,979,670	32,224,143	32,810,512
Sunflower Hill golf course	605,497	587,539	588,922	584,356	637,721
Stadium	-	-	216,345	7,448,809	116,390
Operating grants and contributions:					
Electric and Water systems	234,557	206,722	951,950	230,046	220,273
Sewer system	23,480	9,840	-	-	-
Stadium	-	1,652,630	-	-	-
Total business-type activities program revenues	293,018,939	348,835,160	342,498,645	349,925,834	359,148,696
Total primary government program revenues	\$ 395,970,322	\$ 440,946,996	\$ 450,445,887	\$ 430,275,772	\$ 411,595,637
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (273,205,487)	\$ (237,430,582)	\$ (237,158,748)	\$ (239,415,970)	\$ (250,252,190)
Business-type activities	5,321,190	38,242,113	34,326,025	42,416,518	43,278,032
Total primary government net expense	\$ (267,884,297)	\$ (199,188,469)	\$ (202,832,723)	\$ (196,999,452)	\$ (206,974,158)

*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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Property taxes	\$ 96,321,532	\$ 95,137,607	\$ 86,298,207	\$ 89,841,305	\$ 95,535,842
Sales taxes	47,236,982	44,174,371	52,252,785	59,428,395	63,279,907
Franchise taxes	24,825,134	28,568,370	35,854,199	36,098,926	35,690,760
Other taxes	3,927,701	3,744,134	3,114,724	1,855,050	4,578,991
Transient guest tax	629,348	628,507	678,869	760,917	863,194
Unrestricted investment earnings	8,394,705	4,384,308	3,580,620	3,498,400	3,720,098
Miscellaneous	9,488,051	7,234,993	6,678,702	5,119,817	5,518,890
Special Item	-	-	10,959,260	5,683,302	-
Transfers	3,616,939	1,550,805	5,358,938	3,131,301	6,753,348
Total governmental activities	<u>\$ 194,440,392</u>	<u>\$ 185,423,095</u>	<u>\$ 204,776,304</u>	<u>\$ 205,417,413</u>	<u>\$ 215,941,030</u>
Business-type activities:					
Sales taxes	\$ 3,927,919	\$ 3,578,923	\$ 3,738,538	\$ 4,120,807	\$ 4,218,676
Other taxes	7,484	6,073	-	-	-
Unrestricted investment earnings	1,459,007	619,140	467,604	1,003,486	303,875
Miscellaneous	21,882	1,120,467	680,696	763,859	849,052
Transfers	(3,616,939)	(1,550,805)	(5,358,938)	(3,131,301)	(6,753,348)
Total business-type activities	<u>\$ 1,799,353</u>	<u>\$ 3,773,798</u>	<u>\$ (472,100)</u>	<u>\$ 2,756,851</u>	<u>\$ (1,381,745)</u>
Total primary government	<u>\$ 196,239,745</u>	<u>\$ 189,196,893</u>	<u>\$ 204,304,204</u>	<u>\$ 208,174,264</u>	<u>\$ 214,559,285</u>
<b>Change in Net Position</b>					
Government activities					
Changes in Net Position	\$ (38,212,022)	\$ (41,343,503)	\$ (12,148,350)	\$ (16,063,593)	\$ (24,473,163)
Net Position-Beginning of year	266,231,929	228,019,907	182,165,575	170,017,225	156,043,216
Prior period adjustment	-	(4,510,829)	-	2,089,584	18,454,090
Total governmental activities	<u>\$ 228,019,907</u>	<u>\$ 182,165,575</u>	<u>\$ 170,017,225</u>	<u>\$ 156,043,216</u>	<u>\$ 150,024,143</u>
Business-type activities					
Changes in Net Position	\$ (1,266,709)	\$ (30,650,751)	\$ 15,280,591	\$ (8,450)	\$ 4,066,446
Net Position-Beginning of year	512,390,100	512,595,777	481,945,026	497,225,617	497,217,167
Prior period adjustment	1,472,386	-	-	-	-
	<u>\$ 512,595,777</u>	<u>\$ 481,945,026</u>	<u>\$ 497,225,617</u>	<u>\$ 497,217,167</u>	<u>\$ 501,283,613</u>
Net Position:					
Total primary government	<u>\$ 740,615,684</u>	<u>\$ 664,110,601</u>	<u>\$ 667,242,842</u>	<u>\$ 653,260,383</u>	<u>\$ 651,307,756</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Property taxes	\$ 98,079,667	\$ 101,248,029	\$104,289,273	\$ 105,929,939	\$ 110,469,527
Sales taxes	70,525,816	68,045,425	72,404,103	73,902,389	73,524,198
Franchise taxes	35,723,504	8,864,600	8,725,685	8,979,443	9,664,207
Other taxes	5,207,238	5,213,943	5,836,065	5,696,014	5,470,819
Transient guest tax	947,220	1,060,048	1,185,040	1,763,133	3,751,538
Unrestricted investment earnings	3,735,731	4,208,123	3,914,400	3,977,930	5,775,143
Miscellaneous	6,189,071	6,314,299	9,422,352	16,595,349	11,309,618
Special Item	-	-	-	-	-
Transfers	357,252	34,161,295	35,768,078	34,731,025	34,431,779
Total governmental activities	<u>\$ 220,765,499</u>	<u>\$ 229,115,762</u>	<u>\$ 241,544,996</u>	<u>\$ 251,575,222</u>	<u>\$ 254,396,829</u>
Business-type activities:					
Sales taxes	\$ 4,506,987	\$ 4,727,470	\$ 5,022,869	\$ 5,985,525	\$ 6,236,128
Other taxes	-	-	-	-	-
Unrestricted investment earnings	402,792	329,018	542,002	611,090	893,377
Miscellaneous	387,487	(958,686)	847,764	(136,500)	1,745,278
Transfers	(357,252)	(34,161,295)	(35,768,078)	(34,731,025)	(34,431,779)
Total business-type activities	<u>\$ 4,940,014</u>	<u>\$ (30,063,493)</u>	<u>\$ (29,355,443)</u>	<u>\$ (28,270,910)</u>	<u>\$ (25,556,996)</u>
Total primary government	<u>\$ 225,705,513</u>	<u>\$ 199,052,269</u>	<u>\$ 212,189,553</u>	<u>\$ 223,304,312</u>	<u>\$ 228,839,833</u>
<b>Change in Net Position</b>					
Government activities					
Changes in Net Position	\$ (52,439,988)	\$ (8,314,820)	\$ 4,386,248	\$ 12,159,252	\$ 4,144,639
Net Position-Beginning of year	150,024,143	90,898,029	82,583,209	(55,592,128)	(43,432,876)
Prior period adjustment	(6,686,126)	-	(142,561,585)	-	24,529,836
Total governmental activities	<u>\$ 90,898,029</u>	<u>\$ 82,583,209</u>	<u>\$ (55,592,128)</u>	<u>\$ (43,432,876)</u>	<u>\$ (14,758,401)</u>
Business-type activities					
Changes in Net Position	\$ 10,261,204	\$ 8,178,620	\$ 4,970,582	\$ 14,145,608	\$ 17,721,036
Net Position-Beginning of year	501,283,613	504,858,386	513,037,006	525,932,354	540,077,962
Prior period adjustment	(6,686,431)	-	7,924,766	-	2,048,757
	<u>\$ 504,858,386</u>	<u>\$ 513,037,006</u>	<u>\$ 525,932,354</u>	<u>\$ 540,077,962</u>	<u>\$ 559,847,755</u>
Net Position:					
Total primary government	<u>\$ 595,756,415</u>	<u>\$ 595,620,215</u>	<u>\$ 470,340,226</u>	<u>\$ 496,645,086</u>	<u>\$ 545,089,354</u>

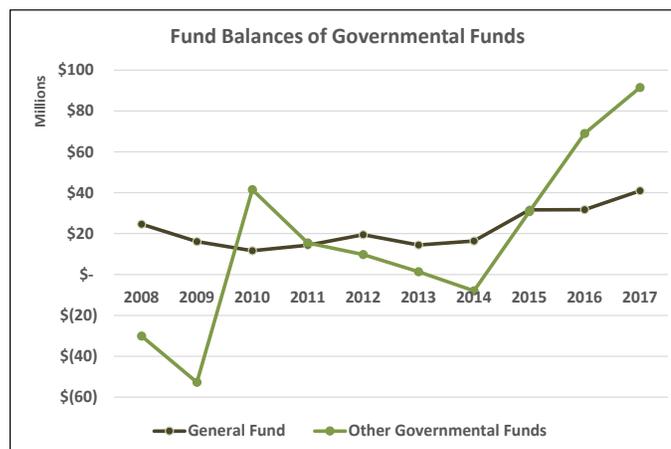
Unified Government of Wyandotte County and Kansas City, Kansas

TABLE 3

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>General Fund</b>					
Reserved	\$ 2,209,108	\$ 1,260,078	\$ 1,741,912	N/A	N/A
Unreserved	22,399,364	14,860,536	9,899,484	N/A	N/A
Designated for restricted sales tax	7,964	7,964	7,964	N/A	N/A
Restricted	N/A	N/A	N/A	-	751,740
Committed	N/A	N/A	N/A	253,692	560,204
Assigned	N/A	N/A	N/A	1,438,927	1,629,346
Unassigned	N/A	N/A	N/A	12,618,862	16,527,952
Total general fund	<u>\$ 24,616,436</u>	<u>\$ 16,128,578</u>	<u>\$ 11,649,360</u>	<u>\$ 14,311,481</u>	<u>\$ 19,469,242</u>
<b>All Other Governmental Funds</b>					
Reserved	\$ 22,973,920	\$ 14,740,008	\$ 17,284,705	N/A	N/A
Unreserved	-	-	-	N/A	N/A
Designated					
Designated crossover refunded bonds	-	-	-	N/A	N/A
Undesignated					
Special revenue funds	9,519,621	3,453,909	3,112,038	N/A	N/A
Debt service Fund	15,286,601	10,113,695	15,830,660	N/A	N/A
Capital projects funds	(77,885,673)	(81,056,786)	5,269,218	N/A	N/A
Unavailable	N/A	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	25,522,172	24,322,105
Committed	N/A	N/A	N/A	586,540	832,686
Assigned	N/A	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	(10,615,036)	(15,375,811)
Total all other governmental funds	<u>\$ (30,105,531)</u>	<u>\$ (52,749,174)</u>	<u>\$ 41,496,621</u>	<u>\$ 15,493,676</u>	<u>\$ 9,778,980</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Fund</b>					
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	463,243	216,347	95,443	95,443	95,443
Committed	493,012	495,470	854,812	-	-
Assigned	1,019,593	891,422	2,912,722	3,933,271	4,069,920
Unassigned	<u>12,434,668</u>	<u>14,775,610</u>	<u>27,726,681</u>	<u>27,696,778</u>	<u>36,791,489</u>
Total general fund	<u>\$ 14,410,516</u>	<u>\$ 16,378,849</u>	<u>\$ 31,589,658</u>	<u>\$ 31,725,492</u>	<u>\$ 40,956,852</u>
<b>All Other Governmental Funds</b>					
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	N/A	5,440,000	-
Restricted	23,432,723	30,200,148	33,152,395	56,585,544	82,163,570
Committed	746,929	870,220	1,284,274	2,375,319	4,767,100
Assigned	N/A	N/A	N/A	5,139,085	5,139,085
Unassigned	<u>(22,852,322)</u>	<u>(39,026,757)</u>	<u>(3,685,239)</u>	<u>(580,379)</u>	<u>(561,299)</u>
Total all other governmental funds	<u>\$ 1,327,330</u>	<u>\$ (7,956,389)</u>	<u>\$ 30,751,430</u>	<u>\$ 68,959,569</u>	<u>\$ 91,508,456</u>

TABLE 4

CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Revenues</b>					
Taxes	\$ 174,657,584	\$ 173,727,730	\$ 179,650,292	\$ 190,755,147	\$ 203,060,631
Intergovernmental	30,465,945	31,658,398	35,152,715	32,628,499	75,634,063
Charges for services	11,289,047	2,090,162	15,074,325	14,752,914	15,150,279
Fines and forfeits	6,879,659	11,887,889	7,464,884	6,665,618	6,689,618
Interest Income	7,638,204	7,134,965	2,697,361	3,388,997	3,434,181
Licenses and permits	2,083,703	3,812,573	2,361,505	2,353,746	2,427,042
Other	9,047,136	9,969,005	9,389,744	7,244,254	5,463,389
Total revenues	<u>\$ 242,061,278</u>	<u>\$ 240,280,722</u>	<u>\$ 251,790,826</u>	<u>\$ 257,789,175</u>	<u>\$ 311,859,203</u>
<b>Expenditures</b>					
General government	\$ 32,300,863	\$ 23,630,694	\$ 23,557,173	\$ 22,531,506	\$ 25,438,838
Public works	35,233,444	33,521,679	34,264,954	35,175,946	36,957,012
Public Safety	106,616,700	106,722,422	104,581,273	107,328,253	110,745,870
Judicial	11,656,145	11,407,740	10,740,785	10,670,642	10,691,287
Health and welfare	14,014,561	14,164,694	14,104,662	14,045,683	13,717,453
Planning and Development	16,141,032	16,856,928	18,467,426	15,244,481	18,684,758
Parks & Recreation	9,164,019	8,636,966	6,060,195	5,012,970	4,829,493
Debt service:					
Principal	35,282,367	31,504,403	36,634,039	28,347,221	100,377,297
Interest and fiscal charges	15,505,340	14,086,063	12,284,553	15,319,813	17,259,860
Other	705,128	812,748	980,369	604,078	1,411,665
Capital outlay	35,959,093	37,398,326	61,258,669	60,655,124	44,431,302
Total expenditures	<u>\$ 312,578,692</u>	<u>\$ 298,742,663</u>	<u>\$ 322,934,098</u>	<u>\$ 314,935,717</u>	<u>\$ 384,544,835</u>
<b>Other financing sources (uses)</b>					
Transfers from other funds	\$ 49,121,870	\$ 28,458,409	\$ 24,432,532	\$ 17,006,404	\$ 19,368,689
Transfers to other funds	(40,930,199)	(23,329,251)	(11,292,809)	(9,625,162)	(6,566,178)
Proceeds from issuance of bonds	39,405,239	21,545,726	140,635,339	16,004,650	23,372,439
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
Proceeds from sale of assets	69,361	8,197	714,789	661,380	600,955
Proceeds from capital lease	730,993	929,600	2,311,526	4,188,169	591,748
Premium from issuance of bonds	378,647	-	4,216,368	-	1,465,660
Premium from issuance of refunding bonds	-	-	-	-	-
Payment to refunding bond escrow agent	(9,900,000)	-	(8,105,000)	(12,130,000)	-
Total other financing sources (uses)	<u>\$ 38,875,911</u>	<u>\$ 27,330,441</u>	<u>\$ 160,909,849</u>	<u>\$ 32,050,553</u>	<u>\$ 51,558,202</u>
Net change in fund balances	\$ (31,641,503)	\$ (31,131,500)	\$ 89,766,577	\$ (25,095,989)	\$ (21,127,430)
Debt SVC at % of non-capital expenditures	17.94%	16.78%	16.94%	15.57%	32.40%
<b>Total expenditures</b>					
	\$ 312,578,692	\$ 298,742,663	\$ 322,934,098	\$ 314,935,717	\$ 384,544,835
Capital outlay from recon GAAP to Mod Accr	29,427,235	27,071,318	34,130,665	34,429,542	21,457,117
Non-capital expenditures	<u>\$ 283,151,457</u>	<u>\$ 271,671,345</u>	<u>\$ 288,803,433</u>	<u>\$ 280,506,175</u>	<u>\$ 363,087,718</u>
<b>Debt service</b>					
	\$ 50,787,707	\$ 45,590,466	\$ 48,918,592	\$ 43,667,034	\$ 117,637,157
Debt SVC at % of non-capital expenditures	17.94%	16.78%	16.94%	15.57%	32.40%

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues</b>					
Taxes	\$ 213,987,743	\$ 187,942,513	\$ 196,028,207	\$ 195,524,823	\$ 209,542,539
Intergovernmental	73,041,064	68,394,097	68,927,599	54,416,579	23,990,742
Charges for services	13,961,482	14,568,677	14,786,758	13,782,849	14,424,024
Fines and forfeits	6,394,593	6,506,682	9,152,902	7,535,348	7,266,553
Interest Income	2,403,089	2,952,884	2,855,537	2,803,724	1,828,131
Licenses and permits	2,153,260	2,113,904	2,404,850	2,628,059	2,570,451
Other	6,524,015	7,006,594	9,227,352	16,568,721	11,133,339
Total revenues	<u>\$ 318,465,246</u>	<u>\$ 289,485,351</u>	<u>\$ 303,383,205</u>	<u>\$ 293,260,103</u>	<u>\$ 270,755,779</u>
<b>Expenditures</b>					
General government	\$ 27,464,803	\$ 28,005,977	\$ 27,126,153	\$ 29,159,365	\$ 28,950,253
Public works	38,281,756	36,197,992	35,654,979	36,652,852	38,523,202
Public Safety	117,976,588	121,921,445	118,496,129	117,167,080	120,721,404
Judicial	11,107,499	11,675,911	11,169,082	11,468,010	12,196,847
Health and welfare	12,926,519	13,046,661	12,774,870	15,154,463	14,613,019
Planning and Development	97,172,857	49,041,064	53,036,380	35,909,445	13,052,514
Parks & Recreation	5,344,765	5,378,681	5,301,110	5,550,802	7,102,928
Debt service:					
Principal	35,685,991	58,072,200	43,995,575	46,828,716	44,963,584
Interest and fiscal charges	17,691,040	19,578,924	20,190,883	20,083,466	18,620,321
Other	1,654,868	2,027,194	1,957,418	1,456,590	845,732
Capital outlay	56,362,001	40,420,549	51,792,280	44,458,150	55,181,642
Total expenditures	<u>\$ 421,668,687</u>	<u>\$ 385,366,598</u>	<u>\$ 381,494,859</u>	<u>\$ 363,888,939</u>	<u>\$ 354,771,446</u>
<b>Other financing sources (uses)</b>					
Transfers from other funds	\$ 22,411,872	\$ 63,326,708	\$ 53,266,795	\$ 59,753,898	\$ 54,963,639
Transfers to other funds	(12,047,890)	(19,084,860)	(11,777,041)	(20,120,797)	(13,977,551)
Proceeds from issuance of bonds	75,796,868	20,960,944	68,872,912	30,930,000	20,850,799
Discount from issuance of bonds	-	-	(579,274)	-	-
Proceeds from refunding bonds	8,455,000	19,566,000	16,800,000	31,139,046	41,702,092
Proceeds from sale of assets	284,015	30,734	18,619,010	182,608	322,050
Proceeds from capital lease	2,377,527	1,523,629	1,720,103	2,873,264	3,441,173
Premium from issuance of bonds	422,930	465,722	1,361,927	1,656,531	885,643
Premium from issuance of refunding bonds	1,307,618	1,776,984	3,039,776	2,558,259	7,608,069
Payment to refunding bond escrow agent	(9,314,875)	-	(19,293,926)	-	-
Total other financing sources (uses)	<u>\$ 89,693,065</u>	<u>\$ 88,565,861</u>	<u>\$ 132,030,282</u>	<u>\$ 108,972,809</u>	<u>\$ 115,795,914</u>
Net change in fund balances	\$ (13,510,376)	\$ (7,315,386)	\$ 53,918,628	\$ 38,343,973	\$ 31,780,247
Debt SVC at % of non-capital expenditures	14.06%	21.10%	17.88%	19.61%	19.61%
<i>Total expenditures</i>	\$ 421,668,687	\$ 385,366,598	\$ 381,494,859	\$ 363,888,939	\$ 354,771,446
<i>Capital outlay from recon GAAP to Mod Accr</i>	42,138,536	17,404,807	22,463,135	22,747,158	30,595,671
<i>Non-capital expenditures</i>	<u>\$ 379,530,151</u>	<u>\$ 367,961,791</u>	<u>\$ 359,031,724</u>	<u>\$ 341,141,781</u>	<u>\$ 324,175,775</u>
<i>Debt service</i>	\$ 53,377,031	\$ 77,651,124	\$ 64,186,458	\$ 66,912,182	\$ 63,583,905
Debt SVC at % of non-capital expenditures	14.06%	21.10%	17.88%	19.61%	19.61%

TABLE 5

**GOVERNMENTAL ACTIVITIES  
TAX REVENUES BY SOURCE**

Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Tax Source</b>					
Property	\$ 96,321,532	\$ 95,137,607	\$ 86,298,207	\$ 89,841,305	\$ 95,535,842
Sales and use <sup>1</sup>	47,236,982	44,174,371	52,252,785	59,428,395	63,279,907
BPU franchise <sup>2</sup>	17,448,710	21,264,851	27,704,188	28,110,339	27,672,884
Other franchise	7,376,424	7,303,519	8,150,011	7,988,587	8,017,876
Other taxes <sup>3</sup>	3,927,701	3,744,134	3,114,724	1,855,050	4,578,991
Transient guest	629,348	628,507	678,869	760,917	863,194
Total tax revenues	<u>\$ 172,940,697</u>	<u>\$ 172,252,989</u>	<u>\$ 178,198,784</u>	<u>\$ 187,984,593</u>	<u>\$ 199,948,694</u>

<sup>1</sup> Increase in 2010 due to passage of the 0.375% dedicated sales tax for public safety and infrastructure.

<sup>2</sup> 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.

<sup>3</sup> 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Tax Source</b>					
Property	\$ 98,079,667	\$ 101,248,029	\$ 104,289,273	\$ 105,929,939	\$ 110,469,527
Sales and use <sup>1</sup>	70,525,816	68,045,425	72,404,103	73,902,389	73,524,198
BPU franchise <sup>2</sup>	27,115,906	31,291,745	30,658,851	30,336,724	32,673,555
Other franchise	8,607,598	8,864,600	8,725,685	8,979,443	9,664,207
Other taxes <sup>3</sup>	5,207,238	5,213,943	5,836,065	5,696,014	5,470,819
Transient guest	947,220	1,060,048	1,185,040	1,763,133	3,751,538
Total tax revenues	<u>\$ 210,483,445</u>	<u>\$ 215,723,790</u>	<u>\$ 223,099,017</u>	<u>\$ 226,607,642</u>	<u>\$ 235,553,844</u>

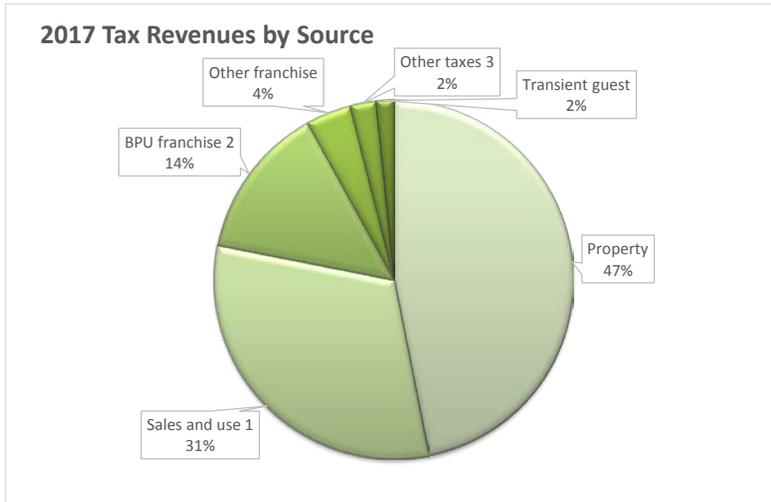
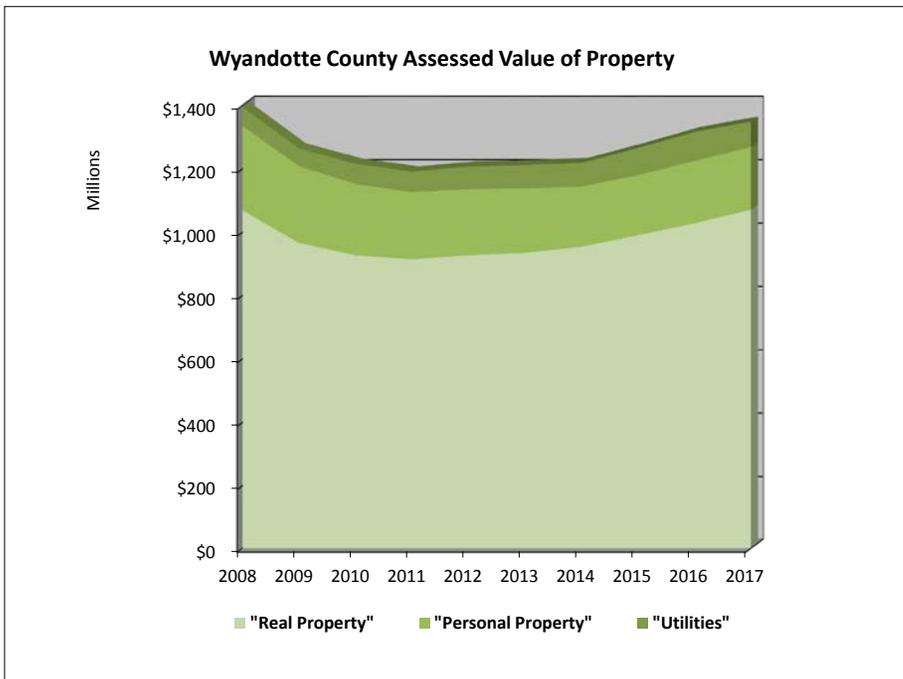


TABLE 6

**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 <sup>(1)</sup>	Personal Property <sup>(2)</sup>	State Assessed Utilities <sup>(2)</sup>	Total Assessed Value
2008	\$ 1,069,442,741	\$ 265,953,815	\$ 59,613,262	\$ 1,395,009,818
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



<sup>1</sup> Real Property Estimated Actual Value is the value assigned by the County Appraiser on taxable property as of the October final certification.  
<sup>2</sup> Personal Property includes motor vehicle valuation. Estimated Actual Value and Estimated Actual Value for Utilities based on State assessed rate.  
<sup>3</sup> 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 <sup>(1)</sup>	Personal Property <sup>(2)</sup>	State Assessed Utilities <sup>(2)</sup>	Total Estimated Actual Value	Assessed/Actual Ratio	Total Direct Tax Rate <sup>(3)</sup>
2008	\$ 7,135,799,722	\$ 1,188,771,374	\$ 180,646,248	\$ 8,505,217,344	16.40%	70.735
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

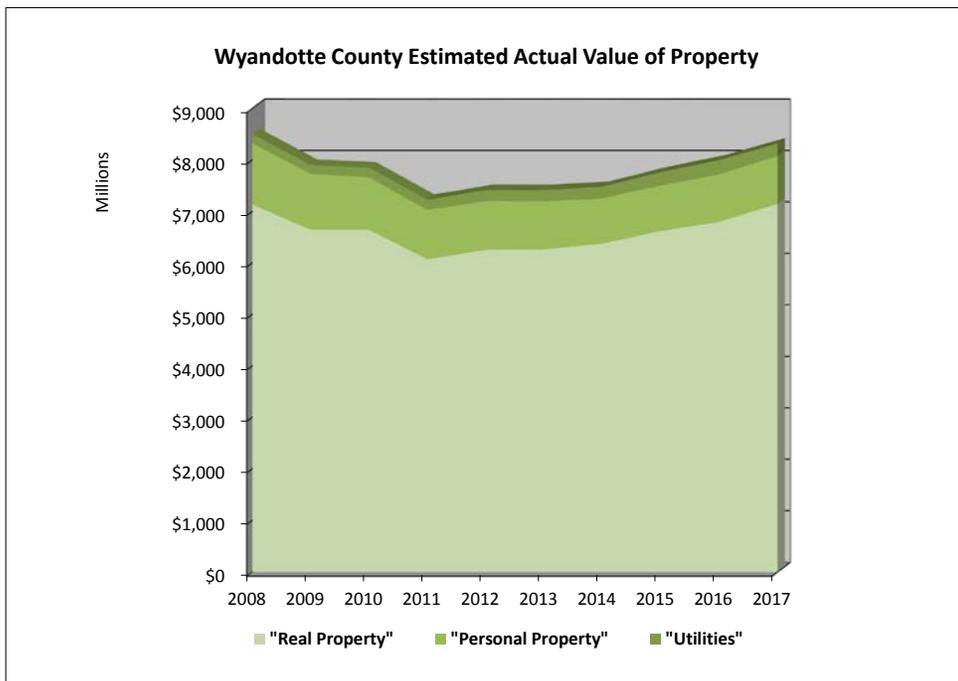


TABLE 7

**DIRECT AND OVERLAPPING PROPERTY TAX  
MILL LEVY RATES**

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>County Direct Rates</b>					
General	23.102	24.557	27.857	30.072	30.115
Election	0.847	0.858	0.856	0.859	0.860
County Park	2.148	1.216	1.464	1.369	1.371
Service Program - Aging	0.901	0.811	0.907	1.011	1.012
Health Department	1.512	1.532	1.529	1.535	1.537
Mental Health	0.461	0.416	0.332	0.418	0.419
Developmental Disabilities	0.479	0.485	0.314	0.315	0.340
Bond and Interest	1.027	1.014	0.817	0.820	0.796
Total County direct rate	30.477	30.889	34.076	36.399	36.450
<b>City Direct Rates</b>					
<u>Kansas City</u>					
Kansas City - City General Fund	25.903	25.341	24.885	28.468	28.059
Kansas City - Bond & Interest Fund	14.355	15.467	15.750	16.799	17.356
Kansas City - Total	40.258	40.808	40.635	45.267	45.415
Bonner Springs (includes library)	29.065	29.086	30.101	30.578	30.605
Edwardsville	40.427	42.441	44.505	44.505	44.467
Lake Quivira	13.315	13.226	13.633	19.317	19.317
<b>Unified Government Direct Rate (County + City)</b>					
Unified Government - Kansas City	70.735	71.697	74.711	81.666	81.865
Unified Government - Bonner Springs	59.542	59.975	64.177	66.977	67.055
Unified Government - Edwardsville	70.904	73.330	78.581	80.904	80.917
Unified Government - Lake Quivera	43.792	44.115	47.709	55.716	55.767
<b>Community College</b>	19.296	19.991	23.456	23.456	23.58
<b>School Districts</b>					
USD #500 - Kansas City, Kansas	53.441	63.745	60.124	60.268	60.419
USD #204 - Bonner Springs	65.252	65.503	65.980	64.708	63.061
USD #203 - Piper	51.257	61.416	61.414	57.988	60.327
USD #202 - Turner (includes recreation)	67.818	69.032	73.165	75.463	75.386
<b>Drainage Districts</b>	4.101 - 11.285	4.798 - 11.471	4.121 - 13.428	4.058-13.210	3.946-13.777
<b>Library Districts</b>					
Wyandotte County Library District	4.130	4.130	5.030	5.030	5.030
USD #500 Kansas City, Kansas Library District	7.730	7.730	7.954	7.980	7.980
<b>Statewide Levy</b>	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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>County Direct Rates</b>					
General	30.162	31.271	31.029	31.029	31.082
Election	0.861	0.861	0.869	0.869	0.870
County Park	1.373	1.372	1.384	1.384	1.386
Service Program - Aging	1.014	1.013	1.022	1.022	1.024
Health Department	1.539	1.538	1.551	1.551	1.554
Mental Health	0.420	0.420	0.423	0.423	0.424
Developmental Disabilities	0.341	0.341	0.344	0.344	0.345
Bond and Interest	0.798	1.672	2.191	2.191	2.195
Total County direct rate	36.508	38.488	38.813	38.813	38.880
<b>City Direct Rates</b>					
<u>Kansas City</u>					
Kansas City - City General Fund	28.359	26.845	27.093	25.093	23.167
Kansas City - Bond & Interest Fund	17.136	16.628	16.782	16.782	16.836
Kansas City - Total	45.495	43.473	43.875	41.875	40.003
Bonner Springs (includes library)	33.635	33.616	33.658	33.657	33.689
Edwardsville	47.367	47.367	47.367	47.367	46.155
Lake Quivira	18.65	18.436	18.436	17.228	17.228
<b>Unified Government Direct Rate (County + City)</b>					
Unified Government - Kansas City	82.003	81.961	82.688	80.688	78.883
Unified Government - Bonner Springs	70.143	72.104	72.471	72.470	72.569
Unified Government - Edwardsville	83.875	85.855	86.180	86.180	85.035
Unified Government - Lake Quivera	55.158	56.924	57.249	56.041	56.108
<b>Community College</b>					
	26.121	26.108	27.336	27.336	27.384
<b>School Districts</b>					
USD #500 - Kansas City, Kansas	60.204	49.165	49.309	49.309	49.390
USD #204 - Bonner Springs	65.042	63.008	62.775	62.659	62.575
USD #203 - Piper	59.618	59.536	59.701	58.430	58.422
USD #202 - Turner (includes recreation)	78.220	61.710	68.837	63.059	67.554
<b>Drainage Districts</b>					
	3.720-15.338	3.208-14.826	3.052-16.378	3.080-15.664	2.665-16.206
<b>Library Districts</b>					
Wyandotte County Library District	5.578	5.583	6.059	6.059	6.042
USD #500 Kansas City, Kansas Library District	8.922	8.911	10.985	10.985	11.036
<b>Statewide Levy</b>					
	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 <sup>1</sup>	Fiscal Year 2017			Fiscal Year 2008		
	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value <sup>2</sup>	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value <sup>2</sup>
Kansas Entertainment	\$ 41,505,957	1	3.4%	\$ -		
W-LD Legends Owner VII	39,635,312	2	3.3%	42,010,704	2	3.3%
General Motors	30,819,279	3	2.6%	46,505,564	1	3.7%
Magellan Pipeline	18,331,732	4	1.5%			
Union Pacific Railroad	14,549,367	5	1.2%			
SVV I LLC (Schlitterbahn)	13,698,651	6	1.1%			
BNSF	13,622,755	7	1.1%			
NFM of Kansas	12,358,029	8	1.0%	18,680,588	3	1.5%
Cerner Corporation	11,906,625	9	1.0%			
Kansas Gas Service (One Gas)	7,174,404	10	0.6%			
Certain Teed Corp.				10,575,480	4	0.8%
Prime Investments LLC				10,401,524	5	0.8%
Great Wolf Lodge				9,347,805	6	0.7%
Associated Wholesale Grocers				8,863,451	7	0.7%
Proctor and Gamble				7,547,144	8	0.6%
Cabelas				7,247,252	9	0.6%
Owens Corning				6,841,690	10	0.5%
	<u>\$ 203,602,111</u>		<u>16.8%</u>	<u>\$ 168,021,202</u>		<u>13.2%</u>

Total 2017 County  
Taxable Assessed Value: \$ 1,208,714,119

Notes:

<sup>1</sup> 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.

<sup>2</sup> Total County Taxable Assessed Value does not include motor vehicle property valuation.

Source: Unified Government County Appraiser's Office

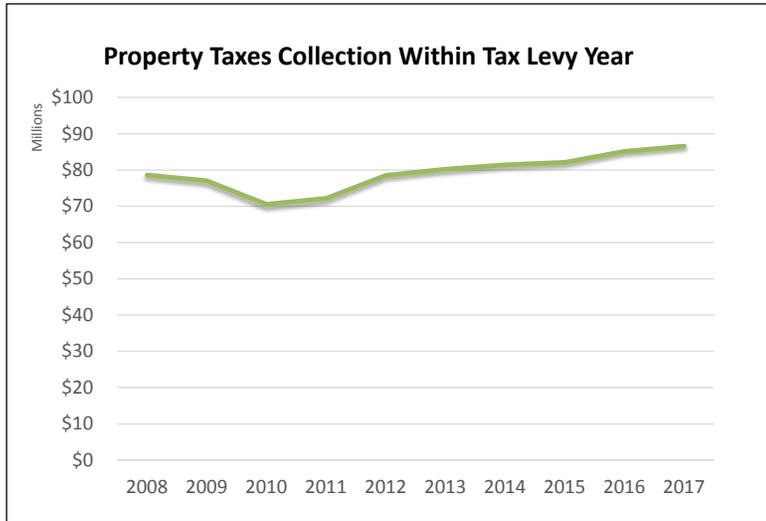
TABLE 9

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

UNIFIED GOVERNMENT PRIMARY GOVERNMENT - COUNTY-WIDE

Budget Year <sup>1</sup>	Taxes Levied for the Fiscal Year (Original Levy) <sup>2</sup>	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 <sup>3</sup>	Collections in Subsequent Year <sup>4</sup>	Total Collected	Percentage of Adjusted Levy
2008	\$ 86,210,883	\$ 78,613,006	91.2%	\$ 7,597,877	8.8%	\$ 2,997,523	\$ 81,610,529	94.7%
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%



Notes:

Tax amounts (levied, collected, delinquent) in table are for county, city and library mill levies.

<sup>1</sup> Taxes levied support the subsequent year's budget, e.g., 2016 taxes financed 2017 budgeted expenditures.

<sup>2</sup> Taxes Levied (Original Levy) excludes tax increment financing (TIF) values.

<sup>3</sup> Delinquent amount includes those parcels taxed and not paying, including tax-exempt parcels. Parcels exempted for TIF purposes are not included.

<sup>4</sup> 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

*Unified Government of Wyandotte County and Kansas City, Kansas*

**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**

<b>Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>State Assessed Utilities</b>	<b>Assessed Value before Motor Vehicle</b>	<b>Motor Vehicles</b>	<b>Total Assessed Valuation</b>
2008	\$ 1,069,442,741	\$ 140,997,701	\$ 59,613,262	\$ 1,270,053,704	\$ 124,956,114	\$ 1,395,009,818
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

**City of Kansas City, Kansas**

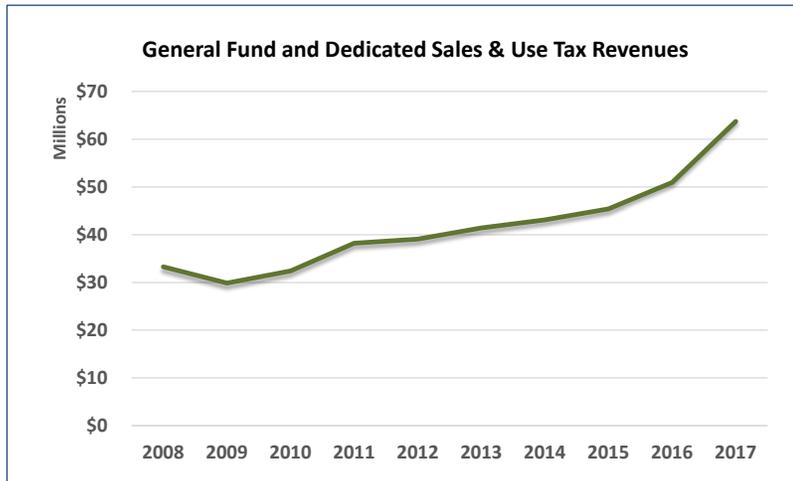
<b>Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>State Assessed Utilities</b>	<b>Assessed Value before Motor Vehicle</b>	<b>Motor Vehicles</b>	<b>Total Assessed Valuation</b>
2008	\$ 957,720,722	\$ 132,804,602	\$ 52,440,398	\$ 1,142,965,722	\$ 113,258,701	\$ 1,256,224,423
2009	858,775,239	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

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 <sup>(1)</sup>	Dedicated Sales & Use Tax <sup>(2)</sup>	Subtotal General Fund and Dedicated Sales & Use Tax Revenue <sup>(3)</sup>	Wyandotte County Retail Sales Receipts <sup>(4)</sup>	Percent Change in Retail Sales Receipts
2008	\$ 33,256,317	\$ -	\$ 33,256,317	\$ 1,876,994,881	(0.3%)
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	2,283,631,270	3.4%
2017	53,759,356	9,963,932	63,723,288	2,224,774,635	(2.6%)



Notes:

<sup>(1)</sup> 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.

<sup>(2)</sup> Dedicated sales tax of 0.375% for public safety and neighborhood infrastructure began July 1, 2010 and expires July 1, 2020.

<sup>(3)</sup> Emergency Medical Services Enterprise Fund 0.25% sales and use tax revenues not included.

<sup>(4)</sup> 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
2008	\$ 13,200,226	\$ 8,527,634	\$ 3,873,438	\$ 3,257,325	\$ 28,858,623
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

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 TAX REVENUES**

Last Ten Fiscal Years

Year	State Sales Tax	City Sales Tax	County Sales Tax	Total Kansas Speedway STAR Bond Sales Tax Revenues
2008	\$ 2,379,418	\$ 604,837	\$ 480,244	\$ 3,464,499
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

Source: Unified Government, Finance Department. Figures reflected on a budgetary (cash) basis of accounting.

Unified Government of Wyandotte County and Kansas City, Kansas

TABLE 14

RATIOS OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years

Governmental Activities

Fiscal Year	General Obligation Bonds	Special Obligation Bonds	Revenue Bonds	Capital Leases	Certificates of Participation	Section 108 Loan	STAR Bonds	TDD Bonds
2008	\$ 132,294,703	\$ -	\$ -	\$ 19,805,238	\$ 8,200,000	\$ 3,837,000	\$ 64,314,106	\$ 20,795,000
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

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 <sup>1</sup>	Per Capita <sup>1</sup>
2008	\$ 20,915,297	\$ 773,492	\$ 13,816,268	\$ -	\$ 313,043,225	\$ 1,018,921	\$ 22,707,905	\$ 621,521,155	14.1%	\$ 4,030
2009	22,384,448	1,077,448	13,653,555	-	363,881,515	650,042	21,710,900	663,574,878	15.4%	4,267
2010	39,734,634	1,792,146	12,570,320	-	355,430,000	367,952	20,717,121	777,211,969	17.6%	4,935
2011	40,859,282	1,863,319	11,273,779	-	421,100,000	74,989	19,813,666	830,317,124	18.2%	5,254
2012	46,766,770	2,175,132	10,018,884	-	479,735,000	-	18,788,619	905,697,959	18.6%	5,679
2013	51,957,960	3,237,906	10,822,225	-	462,765,000	1,011,816	27,585,940	947,787,805	19.7%	5,889
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	23.5%	6,810
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	19.3%	6,879
2016	79,224,592	1,890,492	15,860,581	-	743,723,718	2,261,193	34,076,540	1,316,776,370	26.3%	8,009
2017	89,779,979	1,216,581	13,735,452	-	721,916,037	1,003,499	34,810,372	1,330,921,170	26.3%	8,052

Details regarding the Unified Government's outstanding debt can be found in the Notes to the Financial Statements.

<sup>1</sup> 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.

TABLE 15

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income <sup>2</sup>	Percentage of Actual Value of Taxable Property <sup>3</sup>	Per Capita <sup>2</sup>
	General Obligation Debt <sup>1</sup>	Less: Amounts Restricted to Repaying Principal	Total General Bond Debt			
2008	\$ 153,210,000	\$ (5,927,079)	\$ 147,282,921	3.34%	1.73%	\$ 947
2009	161,065,000	(3,846,913)	157,218,087	3.65%	1.99%	998
2010	262,835,000	(3,432,786)	259,402,214	5.87%	3.30%	1,642
2011	263,575,000	(3,294,379)	260,280,621	5.70%	3.60%	1,647
2012	266,235,000	(2,523,496)	263,711,504	5.41%	3.56%	1,654
2013	275,575,000	(3,172,621)	272,402,379	5.66%	3.67%	1,692
2014	295,997,034	(4,501,025)	291,496,009	6.19%	3.90%	1,798
2015	313,860,598	(5,542,420)	308,318,178	5.30%	3.97%	1,887
2016	347,925,639	(8,866,589)	339,059,050	6.78%	4.24%	2,070
2017	394,810,126	(11,771,055)	383,039,071	7.56%	4.60%	2,317

Notes:

<sup>1</sup> Includes General Obligation Bonds for governmental and business-type activities net of premiums and discounts.

<sup>2</sup> Population and personal income data can be found in the Demographics Statistical Table.

<sup>3</sup> Property value data can be found in Actual Value of Property Statistical Table.

**TABLE 16**

**DEBT RATIOS**

	<u>Wyandotte Co.</u>	<u>Kansas City</u>
Estimated Actual Valuation (Appraised)	\$ 8,318,776,137	\$ 7,428,935,780
Equalized Assessed Tangible Valuation <sup>(a)</sup>	\$ 1,348,736,878	\$ 1,207,384,345
Population (U.S. Census Estimate)	165,288	153,058
Outstanding General Obligation Indebtedness (as of December 31, 2017)		
General Obligation Bonds	\$ 12,585,000	\$ 298,430,000
General Obligation Notes	\$ -	\$ 62,255,000
Less: Debt Service Funds on Hand as of December 31, 2017	\$ (1,754,093)	\$ (6,735,100)
Net Outstanding General Obligation Indebtedness	<u>\$ 10,830,907</u>	<u>\$ 353,949,900</u>
Ratio of Net General Obligation Debt to Estimated Actual Valuations	0.13%	4.76%
Ratio of Net General Obligation Debt to Equalized Assessed Tangible Valuation	0.80%	29.32%
Net General Obligation Debt per Capita	\$ 66	\$ 2,313
Overlapping Indebtedness	\$ 423,208,441	\$ 362,974,692
Direct and Overlapping Indebtedness	\$ 434,039,348	\$ 716,924,592
Ratio of Direct and Overlapping Indebtedness to Estimated Actual Valuation	5.22%	9.65%
Ratio of Direct & Overlapping Debt to Equalized Assessed Tangible Valuation	32.18%	59.38%
Direct and Overlapping Indebtedness per Capita	\$ 2,626	\$ 4,684
Overlapping Indebtedness per Capita	\$ 2,560	\$ 2,371

(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

	<u>2008</u> (As of 12/31/08)	<u>2009</u> (As of 12/31/09)	<u>2010</u> (As of 12/31/10)	<u>2011</u> (As of 12/31/11)	<u>2012</u> (As of 12/31/12)
<b>Statutory debt capacity:</b>					
Equalized assessed valuation of taxable tangible property	\$ 1,270,053,704	\$ 1,143,897,672	\$ 1,098,921,073	\$ 1,077,678,389	\$ 1,093,343,355
Estimated tangible valuation of motor vehicles	<u>124,966,114</u>	<u>120,485,596</u>	<u>117,043,311</u>	<u>113,607,923</u>	<u>113,853,207</u>
Estimated tangible valuation for calculating bonded indebtedness limit	<u>1,395,019,818</u>	<u>1,264,383,268</u>	<u>1,215,964,384</u>	<u>1,191,286,312</u>	<u>1,207,196,562</u>
Debt limit (30% of total valuation)	418,505,945	379,314,980	364,789,315	357,385,894	362,158,969
<b>Amount of debt applicable to limit</b>					
Total bonded indebtedness	273,547,299	275,107,299	313,695,000	314,865,000	320,893,000
Less exempt issues	<u>(87,092,962)</u>	<u>(81,102,801)</u>	<u>(120,678,806)</u>	<u>(140,062,853)</u>	<u>(96,615,096)</u>
Total net debt applicable to limit	186,454,337	194,004,498	193,016,194	174,802,147	224,277,904
Legal debt margin	<u>\$ 232,051,608</u>	<u>\$ 185,310,482</u>	<u>\$ 171,773,121</u>	<u>\$ 182,583,747</u>	<u>\$ 137,881,065</u>
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	<b>45%</b>	<b>51%</b>	<b>53%</b>	<b>49%</b>	<b>62%</b>

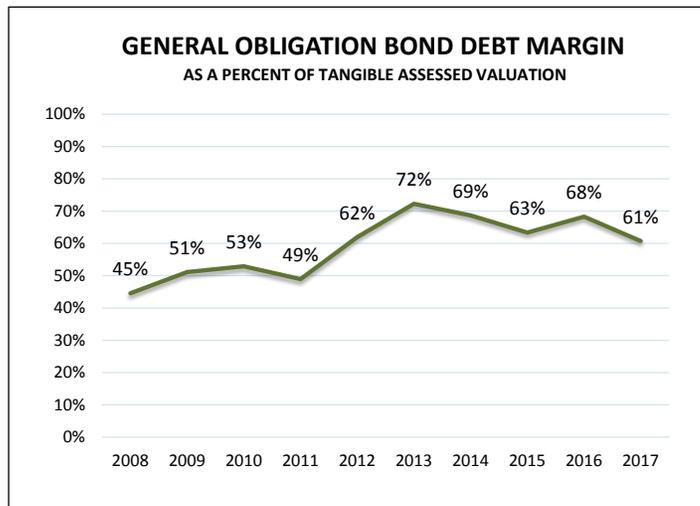


TABLE 17

LEGAL DEBT MARGIN INFORMATION  
Last Ten Fiscal Years

	<u>2013</u> (As of 12/31/13)	<u>2014</u> (As of 12/31/14)	<u>2015</u> (As of 12/31/15)	<u>2016</u> (As of 12/31/16)	<u>2017</u> (As of 12/31/17)
<b>Statutory debt capacity:</b>					
Equalized assessed valuation of taxable tangible property	\$ 1,095,669,466	\$ 1,098,740,174	\$ 1,139,433,176	\$ 1,181,532,063	\$ 1,208,714,119
Estimated tangible valuation of motor vehicles	<u>116,127,017</u>	<u>119,834,832</u>	<u>126,395,984</u>	<u>135,062,201</u>	<u>140,022,759</u>
Estimated tangible valuation for calculating bonded indebtedness limit	<u>1,211,796,483</u>	<u>1,218,575,006</u>	<u>1,265,829,160</u>	<u>1,316,594,264</u>	<u>1,348,736,878</u>
Debt limit (30% of total valuation)	363,538,945	365,572,502	379,748,748	394,978,279	404,621,063
<b>Amount of debt applicable to limit</b>					
Total bonded indebtedness	364,150,000	368,920,000	369,585,001	374,610,000	428,455,000
Less exempt issues	<u>(101,413,770)</u>	<u>(117,961,356)</u>	<u>(128,992,366)</u>	<u>(104,969,576)</u>	<u>(182,757,486)</u>
Total net debt applicable to limit	262,736,230	250,958,644	240,592,635	269,640,424	245,697,514
Legal debt margin	<u>\$ 100,802,715</u>	<u>\$ 124,979,867</u>	<u>\$ 139,156,113</u>	<u>\$ 125,337,855</u>	<u>\$ 158,923,549</u>
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	<b>72%</b>	<b>69%</b>	<b>63%</b>	<b>68%</b>	<b>61%</b>

TABLE 18

PLEDGED-REVENUE DEBT COVERAGE

Last Ten Fiscal Years

Kansas City, Kansas Board of Public Utilities Revenue Bonds					
Fiscal Year	Gross Revenues <sup>3</sup>	Direct Operating Expenses <sup>3</sup>	Net Available Revenue	Total Debt Service Requirements	Coverage
2008	\$ 258,694,309	\$ 191,646,083	\$ 67,048,226	\$ 31,666,839	2.12
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

Notes:

<sup>1</sup> Includes sales tax generated in the Prairie Delaware Redevelopment District. See more in Note III.F. to the financial statements.

<sup>2</sup> Includes sales tax generated in three transportation development districts. See more in Note III.F. to the financial statements.

<sup>3</sup> Excludes depreciation expense, amortization expense and amortization revenue.

*Unified Government of Wyandotte County and Kansas City, Kansas*

TABLE 18 (continued)

**PLEGGED-REVENUE DEBT COVERAGE**

Last Ten Fiscal Years

Fiscal Year	Unified Government STAR Bonds <sup>1</sup>				Unified Government TDD Bonds <sup>2</sup>			
	Sales Tax Revenues	Principal	Interest	Coverage	Sales Tax Revenues	Principal	Interest	Coverage
2008	\$ 12,785,814	\$ 10,817,632	\$ 3,485,647	0.89	\$ 1,221,851	\$ 620,000	\$ 963,369	0.77
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

*Unified Government of Wyandotte County and Kansas City, Kansas*

**TABLE 19**

**INDIRECT DEBT**

AS OF DECEMBER 31, 2017

*Four school districts are located completely within the territorial limits of the Unified Government, as is the Kansas City, Kansas Community College.*

<u>Jurisdiction</u>	<u>Total Debt</u>	<u>Applicable % to Wyandotte County</u>	<u>Wyandotte County</u>	<u>Applicable % to Kansas City, KS</u>	<u>Kansas City, KS</u>
Kansas City, Kansas Community College	\$ 29,568,000	100.00%	\$ 29,568,000	89.61%	\$ 26,508,749
U.S.D. No. 500	268,015,000	100.00%	268,015,000	99.98%	267,973,904
U.S.D. No. 202	27,280,000	100.00%	27,280,000	99.84%	27,237,559
U.S.D. No. 203	23,940,000	100.00%	23,940,000	100.00%	23,940,000
U.S.D. No. 204	56,530,000	97.82%	54,585,368	31.72%	17,314,479
City of Bonner Springs	13,500,000	93.23%	13,025,073	0.00%	-
City of Edwardsville	6,795,000	100.00%	6,795,000	0.00%	-
<b>Totals</b>	<b>\$ 425,628,000</b>		<b>\$ 423,208,441</b>		<b>\$ 362,974,692</b>

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.

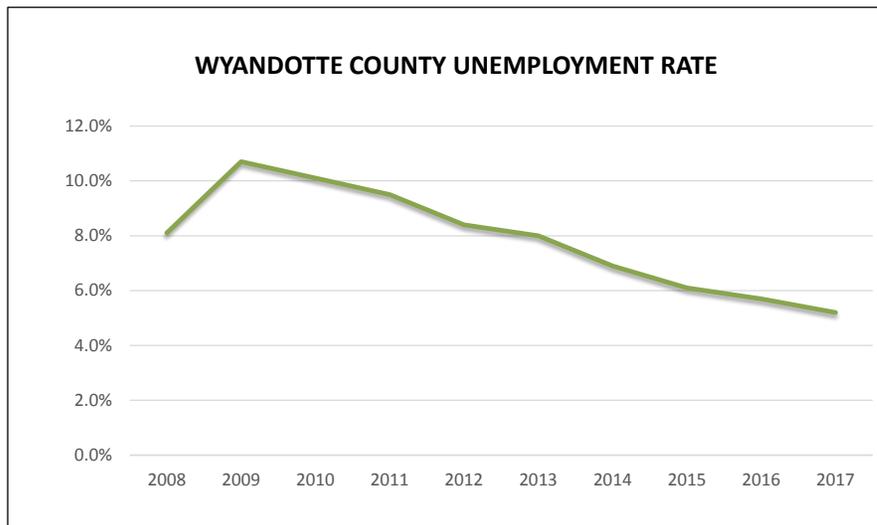
Source: Unified Government, Finance Department.

TABLE 20

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Year	County Population <sup>1</sup>	Personal Income <sup>2</sup> (thousands of dollars)	Per Capita <sup>2</sup> Personal Income	County-wide Public School Enrollment <sup>3</sup>	Unemployment Rate
2008	154,233	\$ 4,415,768	\$ 28,472	27,867	8.1%
2009	155,499	\$ 4,310,940	\$ 27,561	28,538	10.7%
2010	157,505	\$ 4,420,281	\$ 28,010	28,455	10.1%
2011	158,022	\$ 4,562,495	\$ 28,836	28,462	9.5%
2012	159,471	\$ 4,875,180	\$ 30,637	29,284	8.4%
2013	160,940	\$ 4,810,886	\$ 29,996	29,753	8.0%
2014	162,106	\$ 4,706,681	\$ 29,119	30,200	6.9%
2015	163,384	\$ 5,814,072	\$ 35,589	30,414	6.1%
2016	164,418	\$ 4,998,181	\$ 30,508	30,826	5.7%
2017	165,288	\$ 5,068,156	\$ 30,722	31,578	5.2%



Sources and Notes:

<sup>1</sup> 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.

<sup>2</sup> Personal Income and Per Capita Personal Income per U.S. Bureau of Economic Analysis. Most recent year is an estimate based on trend.

<sup>3</sup> 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

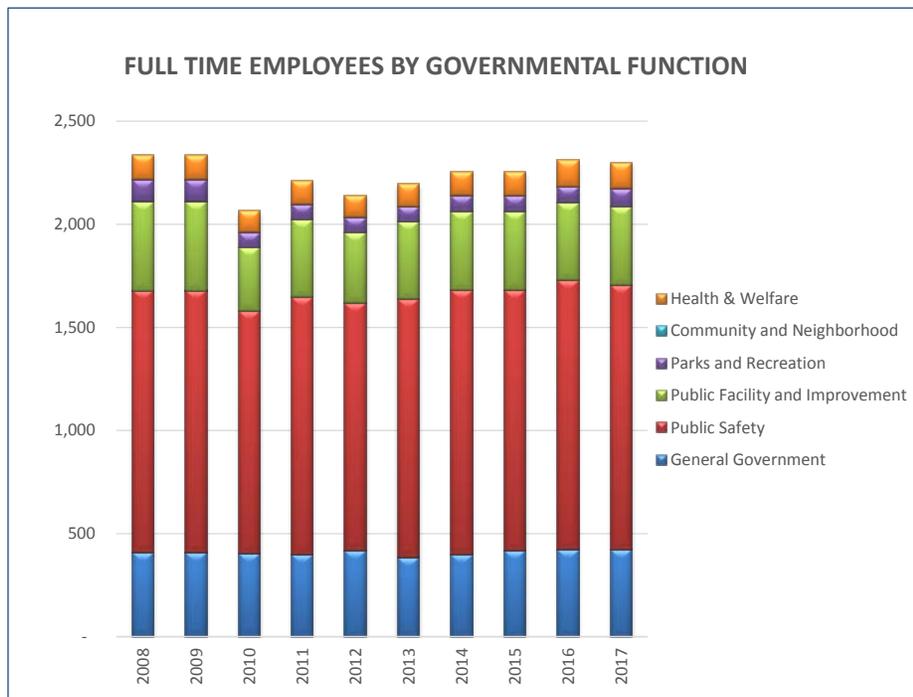
	Fiscal Year 2017			Fiscal Year 2008		
	Employees in County (Employment Range)	Rank	Percentage of Total County Employment	Employees in County (Employment Range)	Rank	Percentage of Total County Employment
Kansas University Hospital	5,000+	1	6.26%	2500-4000	2	3.96%
Amazon Fullfillment Center	5,000+	2	5.81%	-	-	-
University of Kansas Medical Center	3500-4000	3	4.11%	2500-3499	3	3.24%
Kansas City, KS School District #500	3500-4000	4	3.65%	3500-4000	1	4.43%
Cerner	2500-3499	5	3.16%	-	-	-
Burlington Northern/Santa Fe Railroad	2500-3499	6	2.61%	2500-3499	5	2.94%
Unified Government of Wyandotte Co/KCK	1000-2499	7	2.47%	1000-2499	6	2.84%
General Motors Corporation	1000-2499	8	2.33%	2500-3499	4	3.18%
Providence Medical Center	1000-2499	9	1.23%	1000-2499	7	1.41%
Nebraska Furniture Mart	1000-2499	10	1.18%	1000-2499	8	1.40%
Associated Wholesale Grocers	-	-	-	1000-2499	9	1.23%
United Parcel Service	-	-	-	750-999	10	1.09%
	<b>31,434</b>		<b>32.82%</b>	<b>21,863</b>		<b>25.72%</b>

Source: Unified Government Finance Department, Research Division.

TABLE 22

**FULL-TIME EQUIVALENT UNIFIED GOVERNMENT EMPLOYEES BY FUNCTION**  
Last Ten Fiscal Years

<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
General Government	409	409	404	400	416	383	397	416	422	424
Public Safety	1,270	1,270	1,177	1,247	1,204	1,254	1,285	1,264	1,308	1,281
Public Facility and Improvement	431	431	308	375	340	375	382	380	374	380
Parks and Recreation	108	108	72	74	73	75	77	77	80	89
Community and Neighborhood Development	69	69	79	50	66	70	62	71	71	66
Health & Welfare	120	120	104	115	107	110	114	118	128	126
<b>Total FTE Employees</b>	<b>2,407</b>	<b>2,407</b>	<b>2,144</b>	<b>2,261</b>	<b>2,205</b>	<b>2,267</b>	<b>2,317</b>	<b>2,326</b>	<b>2,383</b>	<b>2,366</b>



Source: Unified Government Annual Budget Documents

TABLE 23

OPERATING INDICATORS BY FUNCTION  
Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Government</b>										
Number of Register of Deeds documents recorded	22,320	20,479	18,008	19,432	22,281	23,714	20,852	23,208	22,713	23,886
Number of registered voters	91,201	90,764	76,174	80,613	81,980	81,638	70,787	82,550	74,239	78,020
<b>Public Safety</b>										
Number of 911 calls	178,119	181,164	180,826	179,544	189,020	201,335	199,646	223,413	181,381	173,667
Number of Fire Department calls for service	25,166	24,970	25,592	25,744	26,689	27,471	26,127	25,244	22,215	31,433
Violent crimes	917	942	808	906	853	707	865	944	1,250	1,445
<b>Public Facility and Improvement</b>										
Number of bridges maintained	151	151	151	151	151	151	151	151	151	151
Miles of road maintained	1,947	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943
<b>Parks &amp; Recreation</b>										
Park acres maintained	2,729	2,600	2,600	2,600	2,600	2,715	2,715	2,715	2,715	2,715
<b>Community and Neighborhood Development</b>										
Number of business licenses processed	7,387	7,185	7,092	7,141	7,036	6,906	6,621	6,956	6,951	7,323
Number of demolition permits issued	153	119	195	123	171	64	100	109	88	96
<sup>1</sup> Number of assistance downpayments issued	10	16	13	8	24	39	16	14	21	7
<sup>2</sup> Number of grants/ loans awarded	86	149	97	117	149	113	101	68	73	80
<b>Public Health and Welfare</b>										
Number of visits to the Health Department	26,313	34,537	30,506	29,520	29,286	29,037	27,477	24,811	23,630	21,509
Number of clients to the Health Department	13,844	19,071	20,381	16,540	21,035	19,794	13,781	12,493	11,976	10,741
Number of visits to the WIC Division <sup>3</sup>	59,060	65,225	64,337	63,998	60,293	50,844	56,499	52,225	48,131	46,057
Number of clients to the WIC Division <sup>3</sup>	7,485	8,047	7,722	7,429	7,449	6,946	6,639	6,309	6,033	5,507
Number of congregate meals served to seniors	67,041	58,828	50,426	40,430	40,271	39,770	398,180	34,225	36,041	36,277
Number of home delivered meals served to seniors	144,969	147,914	138,776	129,989	126,423	127,384	117,767	118,797	127,240	124,726
Number of newsletters distributed	16,157	24,418	20,751	22,534	22,694	24,552	19,200	19,200	20,626	21,257
Number of legal assistance hours provided	522	534	510	533	497	506	498	496	481	522

Notes:

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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>2008</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>
<b>General Government</b>										
Office buildings	11	12	12	12	12	12	12	13	14	15
Other buildings	27	27	27	27	27	26	26	21	21	30
<b>Public Safety</b>										
Fire stations	18	18	18	18	18	18	18	18	18	18
Fire trucks/ engines	22	22	22	16	16	22	22	22	23	22
Ambulances	12	12	12	12	12	12	12	12	12	9
Police stations	7	7	7	7	7	7	7	7	7	8
<b>Public Facility and Improvement</b>										
Number of bridges	151	151	151	151	151	151	151	151	151	151
Miles of roads	1,947	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
<b>Parks &amp; Recreation</b>										
Number of recreation centers	8	7	7	7	7	9	10	10	10	10
Number of parks	51	54	54	54	54	53	53	53	53	53

Source: Unified Government Finance Department, Budget Office and individual departments.



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