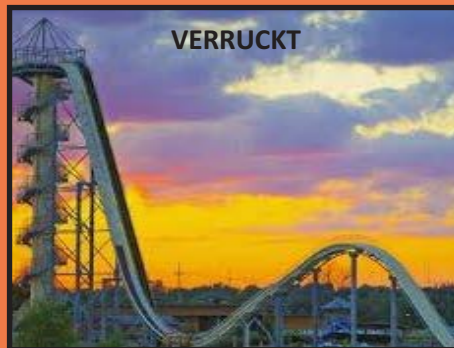


UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS



COMPREHENSIVE ANNUAL FINANCIAL REPORT For the fiscal year ended December 31, 2014

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the year ended DECEMBER 31, 2014



Prepared by:

Finance Department of the Unified Government of Wyandotte County/Kansas City, Kansas

REASONABLE ACCOMMODATIONS WILL BE MADE TO QUALIFIED INDIVIDUALS WITH DISABILITIES ON AN AS NEEDED BASIS, PROVIDED ADEQUATE NOTICE IS GIVEN.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2014

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June 5, 2015

To the Honorable Mayor, the Unified Board of Commissioners and Citizens of the Unified Government of Wyandotte County/Kansas City, Kansas:

The Office of the Chief Financial Officer and the Office of the County Administrator are pleased to submit to you the Unified Government's 2014 Comprehensive Annual Financial Report (CAFR).

Management has prepared and is responsible for the financial statements and for the integrity and consistency of other information in the Comprehensive Annual Financial Report. The financial statements, which necessarily include amounts based on management estimates and judgments, have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). Management is responsible for the accuracy, completeness, and fairness of the presented data, including all disclosures. The data, as presented, is accurate in all material aspects. It is presented in a manner designed to fairly set forth the financial position and results of the operation of the Unified Government as measured by the financial activity of its various fund types. It also includes all disclosures necessary to enable the reader to gain an understanding of the Unified Government's financial affairs.

The Unified Government maintains a system of internal controls designed to provide reasonable assurance that: assets are safeguarded; transactions are executed in accordance with the Unified Government's authorization requirements and policies; and transactions are properly recorded to allow preparation of financial statements that fairly present financial position and results of operations in conformity with generally accepted accounting principles. Internal accounting controls are augmented by written policies covering standards of personal and business conduct and organizational structure providing for division of responsibility and authority.

The effectiveness of and compliance with established control systems is monitored through a continuous program of internal controls. In recognition of cost-benefit relationships and inherent limitations, some features of the control system are designed to detect rather than prevent errors, irregularities and departures from approved policies and practices.

Management believes the system of controls has prevented or detected on a timely basis any occurrences that could be material to the financial statements and that timely corrective actions have been initiated when appropriate.

In addition, from October 2013 through January 2014, the Unified Government Commission reviewed and adopted nine additional financial policies which will provide further financial policy oversight and guidance for this government.

The Unified Board of Commissioners has engaged the firm of Allen, Gibbs & Houlik, L.C., independent auditors, to render an opinion on the financial statements. To the best of our knowledge, the independent auditors were provided access to all information and records necessary to render their opinion.

The independent audit of the financial statements of the Unified Government is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Unified Government's separately issued Single Audit Report.

The CAFR follows the organization, form and content of the revised principles prescribed by the Governmental Accounting Standards Board (GASB), State of Kansas, Unified Government policy, and the Government Finance Officers Association. There are two groups who are primarily responsible for determining current governmental accounting and reporting practices. They are the American Institute of Certified Public Accountants (AICPA), and GASB. The Unified Government of Wyandotte County/Kansas City, Kansas has adopted these reporting guidelines as its policy and complies with them.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Unified Government's MD&A can be found immediately following the report of the independent auditors.

General Information

The Unified Government of Wyandotte County/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.

Wyandotte County is located at the confluence of the Kansas and Missouri Rivers and at the crossroads of two transcontinental interstate highways. Two large railroad-switching yards are located in the Unified Government, which is also the base for several truck freight companies. The Unified Government is also the home to the Kansas Speedway Corporation, owners and operators of the 1.5 mile super speedway, which opened in the spring of 2001. The super speedway is located in the northwest corner of the junction of I-435 and I-70.

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 half of the County; each with candidates selected in the primary election within their district and in the general election on a countywide vote. The Mayor 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.

Economic Condition and Outlook

The Unified Government is the government for both Wyandotte County and the City of Kansas City, KS. Wyandotte County accounts for a large number of manufacturing, transportation and distribution, including rail, and health care jobs in the metropolitan area. Many of these jobs are high paying and contribute to the positive statistics regarding gross payroll and gross sales. Development remains an important priority for the Unified Government.

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 growth rate was twice the national growth rate. Wyandotte County had a 4.1% increase in jobs between September 2013 and September 2014 which ranked the County 29th nationally out of the 339 largest counties. Nationally, job growth was 2.0% for this period. In 2014, the County saw several major projects covering all sectors of the economy advance. The first phase of the 4,000 employee Cerner office campus opened mid-year of 2013, with its second adjacent office building opening in 2014. This development in combination adjacent Village West entertainment and retail growth has spurred the construction of nearly 600 first class apartment units in this area of the County. In the fall of 2014, North-Point Development began a second phase, 300-unit luxury apartment development.

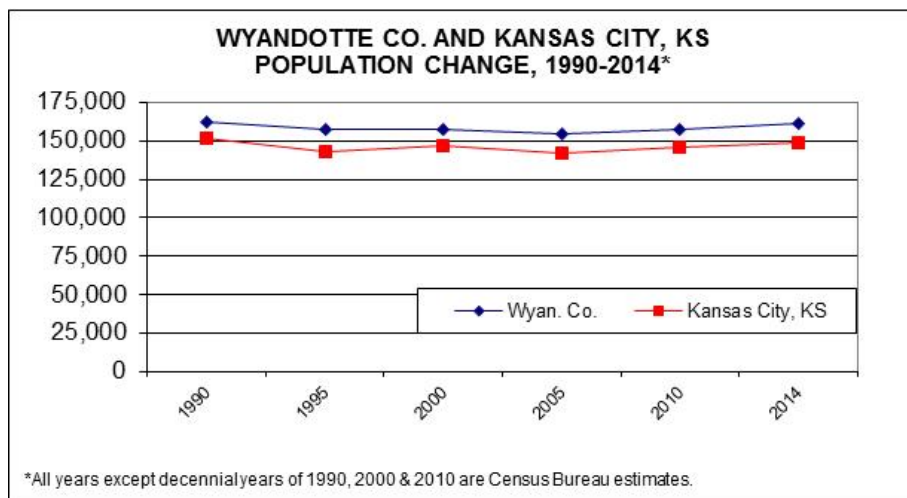
Industrial growth has resulted from the General Motors \$600 million investment in its Kansas City plant. This reinvestment was recently completed. The redevelopment of two adjacent industrial parks is currently underway. An initial building of 80,000 sq. ft. was completed in 2014. This building is occupied by Inergy and is a supplier to the General Motors automotive plant. In 2014 demolition began of the aging buildings in the Public Levee and will add an additional 300,000 sq. ft. of industrial space in the next one to three years.

In 2014 it was announced that a \$75 million U.S. Soccer National Training and Coaching Development Center is being planned to be built near Village West. The proposed development will have state-of-the-art facilities for professional soccer athletes; a training facility for coaches and officials; and a 12-field youth tournament complex. Adjacent to the U.S. Soccer facility, Schlitterbahn has additional plans for the creation of new retail stores including an automotive plaza, to be occupied by four to seven automotive dealerships, four restaurant pad sites and a convenience store/gas station. Construction on the auto mall began in the fourth quarter 2014. More detail on these projects is discussed below, with construction for the U.S. Soccer complex scheduled to begin by mid-year 2015.

These development projects will positively impact governmental revenues, both property, sales, and other revenues. (These projects and other economic trends are further reviewed in this transmittal letter.)

Population

During the 1970's and 1980's, the population loss of Wyandotte County exceeded 6 percent. In the 1990's, the loss was less than 3 percent. The 2000 total for Wyandotte County and Kansas City were 157,882 and 146,866 respectively. Wyandotte County's 2010 Census showed the county's population to be 157,505. This is a modest decline of 0.2% from the Census 2000 population count. Kansas City's population was 0.7% lower in 2010 (145,786) than in 2000. A 2014 Census estimate for Wyandotte County showed a population of 161,636. This is a 2.6% increase in population since the 2010 Census.



Housing and Construction

In 2014, there were 167 single family permits issued in Kansas City, Kansas, compared to 145 issued in 2013. The decade of the 2000's saw more new single-family building permits (3,098) than any other prior decade going back to the 1960's. The Home Builders Association of Greater Kansas City tracks new housing starts for 69 communities in an eight-county Kansas City area and, in 2014, Kansas City, Kansas ranked seventh among all cities in the number of single-family units added.

The strategic plan developed by the Wyandotte County Economic Council calls for the aggressive marketing of the I-435/K-7 highway corridor as a prime development area. Between 2000 and 2014 permits have been issued for the construction of 5,307 new residential units in Kansas City, Kansas. This area of the City has accounted for 3,609 new residential units or 68% of the newly built units since 2000. Examples of current active subdivisions are Genesis at Piper, Piper Landing, Northridge, Heartland Piper, Delaware Highlands, Freeman Farms and Escalade Heights. These developments have homes ranging in price from \$80,000 to \$458,000. Delaware Highlands located east of K-7 on State Avenue, saw a high level of construction between 2004 and 2009. The prices of these units range from \$80,000 to \$180,000. This development has attached town homes, duplexes, and detached single-family homes. This is an active subdivision with 24 single-family permits issued in 2014. In 2012, the Delaware Ridge area saw construction begin on a \$11.6 million apartment complex called, Delaware Ridge the Heights. This apartment complex is completed and has 228 units in 17 buildings.

Building upon the success of Village West and the Hollywood Casino, interest in multi-family residential housing developments has occurred. The Village West Apartments is a \$30 million, 306 unit, project. These market rate apartments are located just west of Village West on 110th St. between State Ave. and Parallel Pkwy. Construction of these apartments are nearing completion and leasing is ongoing. The Unified Government has approved a second phase of the Village West Apartments and construction has begun. This phase will have 312 units and is located adjacent to phase one.

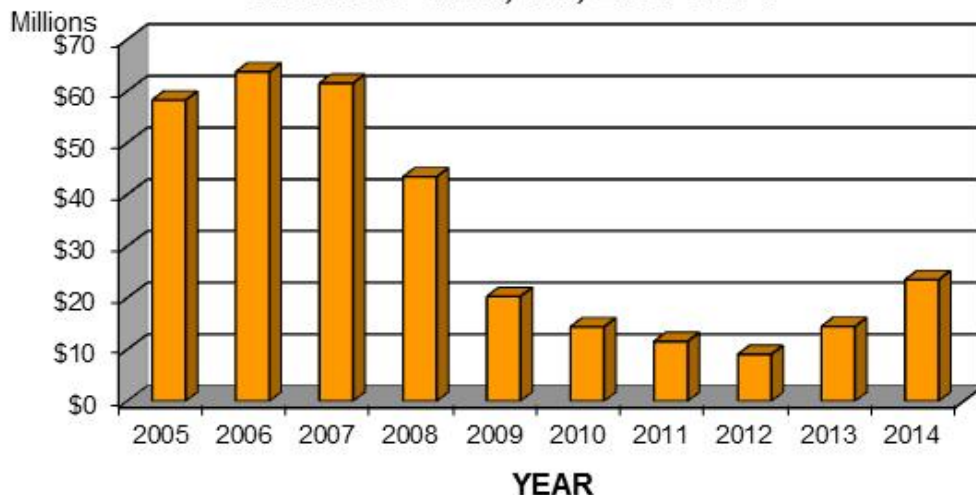
Multi-family unit demand is also positive in the eastern portions of the County. St. Margaret's was a hospital built in the 1880's south of downtown Kansas City, Kansas. This building long stood vacant but, do to renovations, began leasing in December 2013 as a multi-family apartment building with 111 units. Forty-four of the units are income restricted and the remaining are market rate units. This project is senior housing. Additionally, the Horace Mann luxury apartments, renovation of a former three-story school, began leasing in 2013. This project consists of 30 market rate units. Finally, Cross-Line Towers, a 15-story high-rise apartment building in downtown Kansas City, Kansas, is undergoing a \$25 million renovation and reopening of an adjacent parking garage.

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 urban core 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, CHWE has built and sold over 200 new single-family homes in the urban core 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 / Kansas City, Kansas with special emphasis on the northeast area of the city. Funds from NSP 1 purchased 52 properties with 49 being rehabbed or sold; the remaining three were demolished and put into the Unified Government's Land Bank program for future development. The second phase of funding NSP 3 is currently being utilized and to construct 21 new homes, and the rehabilitation of 5

existing homes. Of the 21 new homes 7 have been sold and 2 are under contract. Currently 2 homes have been rehabilitated with 1 under contract and work continues on the last 3.

NEW SINGLE-FAMILY HOUSING, CONSTRUCTION VALUE KANSAS CITY, KS, 2005-2014



Tourism District

In recent years, efforts have been directed toward the development of a 1,600-acre tract of land, located directly northwest of the intersection of Interstate Highways I-70 and I-435. The Unified Government attracted the Kansas Speedway as the economic catalyst for development of this tract using the STAR Bond financing incentive. 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. In 2011, a second NASCAR Sprint Cup race was added to the racing schedule. It is estimated that this second race has an economic impact of \$100 million in the Kansas City metro area. With the addition of this second race, the Kansas Speedway invested \$3.5 million in 2010 to add lighting to the Speedway for night races. The speedway has completed a \$6.5 million renovation project that includes repaving, reconfiguring and rebanking of the track. Also, a new infield road course was added for Grand-Am Road Racing. In August 2013, the Kansas Speedway hosted two Grand-Am Road Racing events: the Rolex Sports Car Series and the Continental Sports Car Challenge Series. The Kansas Speedway operates at or near capacity for all major race events.

Joining Kansas Speedway at Village West are major destination retailers and entertainment business that attracted approximately 10 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 (opened August 2002); Nebraska Furniture Mart which opened in August 2003 is 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 (opened June 2003). In 2010, Great Wolf Lodge invested nearly \$500,000 to upgrade a water park slide and Cabela's invested \$500,000 on an interior remodel.

The Legends Outlets Kansas City, formerly the Legends at Village West (the "Legends") is a more than \$230 million shopping center housing nearly 855,000 square feet of retail, dining, and entertainment. The Legends 14 Theatre complex (87,000 square feet) is the largest of the tenants. Dave and Buster's, with nearly 50,000 square feet, is a large restaurant/arcade. In 2006, the grand opening of the Legends occurred. Currently, over 100 businesses are open with many of the stores and restaurants new to the Kansas City area,

creating a unique destination. In 2014, several new stores have opened including Bath and Body Works, Coach, Haggard Clothing, Lid's, Woody's Automotive Group, and a Pizza Studio. Thus far in 2015, Eddie Bauer and Express Factory Outlet have opened and a Fuddrucker's has signed a lease and will open soon. On the north side of the Legends Outlets, a \$10 million, 106-unit Residence Inn by Marriott has begun construction. This hotel will feature only suites. A new multi-tenant building is being planned on the south side of the Legends in an area that is currently surface parking. This building plans to have four tenants.

As of December 2014, 114 businesses, including 27 restaurants, were open in Village West, employing nearly 5,700 persons. In 2014 businesses generated \$703 million in retail sales with local and state sales tax, use tax and transient guest tax collections of over \$62 million. The 2013 tax collections were 1.5% below 2012, attributed in part to a July 2013 reduction in the State sales tax rate from 6.3% to 6.15%. The 2013 real and personal property taxes levied for this development area was approximately \$20 million.

Approximately \$453 million in sales tax special obligation revenue bonds (STAR bonds) have been issued for Village West development. As of December 31, 2014 outstanding principal and accreted value of remaining Village West STAR bonds is \$95 million. Once these bonds are retired, local sales tax revenues will flow to the city and county governments. The STAR bonds remain on schedule for full redemption by the first quarter of 2017. The government is then projected to receive approximately \$13 million on an annual basis.

In December 2009, the Kansas Lottery Gaming Facilities Review Board approved the construction of a casino in Wyandotte County. Kansas Entertainment, the casino developer, completed construction of phase one of the project which opened in February 2012 and is adjacent to the Kansas Speedway. Hollywood Casino owned property is appraised at \$126 million for the 2014 tax year. The first phase of the project includes 2,000 slot machines, 64 table games, restaurants and bars. The proposal also included the second Sprint Cup NASCAR race and Grand-Am sports car road course mentioned above. The casino project created an estimated 1,500 construction jobs and employs approximately 750 casino employees. In the second phase of the project, a 300-room hotel is to be constructed. As of the first quarter of 2015, the casino has delayed construction of the hotel. Until construction of the hotel begins, the casino is subject to an additional 1% payment of net gaming revenues to the Unified Government. This equals approximately \$1.4 million on an annual basis and is effective as of February 4, 2014.

On January 25, 2013 E3 Realty Advisors conducted a foreclosure sale of the Legends property. This sale received strong interest from several major real estate trust funds, real estate investors and shopping center developers. The winning bid of \$131.5 million was submitted by KKR Real Estate Fund Holdings LP of New York. The close of this property sale was completed in March 2013.

The Unified Government, Zimmer Real Estate Services, Inc. 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 the Sporting Kansas City, a Major League Soccer team. Under the Stadium Agreement, the Unified Government has issued STAR Bonds 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 Sporting Park, held its first soccer match in June 2011 and completed its third successful season in 2013 with near capacity attendance. In December 2013 Sporting Kansas City won the 2013 MLS cup in a match that was played at Sporting Park. Further, Sporting Park, recognized nationally and internationally for its design, will host the NCAA Division I Men's Soccer Cup Championship on December 11-13, 2015 as well as the Division II Football Championship for four straight years from 2014 to 2017.

CommunityAmerica Ballpark is the home of the Kansas City T-Bones, a member of independent baseball's Northern League. Since the T-Bones moved to Kansas City, Kansas and built their ballpark in 2003, they have proven to be one of the most popular independent teams in the country. T-Bones games draw approximately 250,000 fans annually. In 2014, the T-Bones celebrated their 3 millionth fan since play began at the ballpark. Further, the American Association selected the T-Bones as the "Organization of the Year" in 2014. In December 2013, the Unified Government amended the redevelopment plan for the STAR bond district to allow for the financing of up to \$8 million in STAR bonds to purchase and renovate CommunityAmerica Ballpark

subject to completing a long-term agreement with the T-Bones ownership group. The stadium sale and STAR bonds financing was approved by the governing body in February 2014. This financing is projected to extend the STAR bond payoff by four months.

In February 2015 it was announced that Dairy Farmers of America would build a \$30 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 (\$18 billion in 2014). The new headquarters is proposed to be a three-story, 100,000 square foot project that will bring 325 jobs to this area.

Just east of the Village West/Legends tourism district, a \$75 million U.S. Soccer National Training and Coaching Development Center is being planned to be built. The proposed development will house the elite athlete training and performance analytics campus and national youth soccer development programs. The facility will include approximately 100,000 square feet for an indoor facility with a practice field, and 12 additional fields for professional training and youth tournaments. A 150-room extended stay hotel is part of the development.

The U.S. Soccer National Training and Coaching Development Center will be adjacent to the Schlitterbahn Waterpark. Schlitterbahn opened in July 2009 with 14 attractions which included 24 slides located on 24 acres. In 2011 a multi-million dollar expansion included six new attractions. In 2014 the world's tallest waterslide at just over 168 feet tall, called Verruct (German for insane), opened. The U.S. Soccer National Training and Coaching Development Center and Schlitterbahn will create a contiguous development with additional plans for the creation of new retail stores including an automotive plaza, to be occupied by four to seven automotive dealerships, four restaurant pad sites and a convenience store/gas station. Construction on the auto mall began in the fourth quarter 2014. The development agreement for the U.S. Soccer project is finalized, with construction expected to occur in 2015.

A report commissioned by the Kansas City Convention & Visitors Association indicated that Wyandotte County had the most visitor spending growth, increasing by 29 percent since 2010. Wyandotte County also saw a 251 percent increase in visitor spending on recreation.

39th & Rainbow Commercial Development

This project is a \$39 million mixed-use development located adjacent to Kansas University Medical Center. The first phase includes approximately 10,000 square feet of first-floor retail space and, on the second through fourth floors, an 83-room Holiday Inn Express & Suites which opened in September 2012. Five Guys Burger and Fries also opened in September 2012, a 7-11 Convenience store opened in March 2013 and Topp'd Pizza opened in January 2015 in phase one of this redevelopment project. The second phase was completed in May 2014 and has a health care tenant focus. Kansas University Hospital operates an inpatient acute rehabilitation center that takes up 27,800 square feet. Also, Kansas City Transitional Care Center, a post-acute nursing rehabilitation facility, leases an additional 55,600 square feet. Finally, Hanger Prosthetics & Orthotics is also currently operating and an IHOP restaurant opened in April 2015 in phase two. In total, the second phase of this redevelopment project is 100,000 square feet in a four-story building. This area expects to attract new retail development due to the area's dense resident population and the proximity to the KU Medical Center and Hospital. This area draws more than 10,000 persons daily. The 39th & Rainbow redevelopment was selected as a 2014 Capstone Award winner which honors the Kansas City metropolitan area's outstanding real estate and development projects. Further, the Urban Land Institute honored this project as Development of Distinction.

Downtown

In July 2012, ground was broken on a transit center in downtown Kansas City, Kansas at the corner of 7th St. and Minnesota Ave. The \$2.3 million Downtown KCK MetroCenter was completed in August 2013. In September 2013, the Midtown Metro Center opened. In addition to the largest public transit passenger facility

in the region, this facility also houses the Kansas City, KS Police Dept. Midtown Patrol division, the mobility management services for the Area Agency on Aging and has a Transit Community Space. Overall, these projects are part of a \$13 million effort to build KCK Connex, which will link downtown Kansas City, Missouri with downtown Kansas City, KS and Village West in the western portion of the county.

Midtown

Two redevelopment projects merit special note. First, the Prescott Plaza is a \$20 million development located at the site of an old abandoned truck stop at I-70 and 18th Street. This redevelopment is anchored by a 42,000 square-foot grocery store which opened in November 2008. In addition to the grocery store, an additional fourteen retail and/or service oriented businesses have opened. A Speedy's gasoline/convenience center opened in September 2012 with a Subway restaurant inside which opened in August 2013. This public/private development is bringing new retail services to the urban core.

In 2012, the Unified Government began demolition of the Indian Springs mall. In May 2014, the Unified Government approved a two-year contract with Lane4 Property Group to market the former Indian Springs.

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 near I-435 and the Kansas River.

General Motors (GM) continues to have a significant presence in the Fairfax Industrial District with reinvestment in excess of \$200 million. Currently the Chevy Malibu and Buick LaCrosse are produced at this facility. A third shift was added in January 2010, creating approximately 900 jobs. In 2011, GM issued building permits valued at \$5.4 million for two building additions. A \$600 million, 400,000 square-foot paint shop expansion which is for vehicle construction activities to support future production at the site was recently completed. Finally, in 2015 GM announced an additional \$174 million investment to the Kansas City, Kansas plant to support the redesigned 2015 Chevy Malibu.

The Revitalizing Auto Communities Environmental Response (RACER) Trust was established nationally in 2011 to remediate and reposition GM sites left behind by the company during its 2009 bankruptcy. In March 2013, the Unified Government approved an agreement with NorthPoint Development for development of a former 80-acre GM site which is expected to create \$40 million in capital and 2,000 jobs. The site is projected to be fully built over a 6 to 10 year period. Groundbreaking for the site occurred in December 2013. The new industrial park is the first development project in Fairfax in more than 25 years. Part of the first phase of construction consists of the installation of infrastructure, access roads and utility lines. The first project to be built on this site is a 80,000 square-foot, \$10 million manufacturing facility for Inergy which produces fuel tanks for GM vehicles. This project has created approximately 40 jobs initially, with 200 jobs at full build out.

In 2014, NorthPoint Development began redevelopment of 25 acres of the Unified Government's Public Levee operations, located in the Fairfax Industrial area. NorthPoint plans to build a 365,000 square-foot industrial building. To date, all TIF approvals have been obtained and the development agreement has been approved. Demolition has commenced and initial construction is being planned over the next 12 months.

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 Ave. Loretto Properties will redevelop the buildings for a cost of \$1.5 million. The buildings plan to house various nonprofit organizations, professional services and also may serve as possible satellite locations for two Kansas City, Kansas colleges. The first retail store, a coffee shop, opened in March 2015. A master plan was approved by the Unified Government Commission in December 2014.

A Downtown Healthy Campus is being proposed in downtown Kansas City, Kansas. This \$30 million project would include a new grocery store, community center with an Olympic-tournament size pool, walking trails, a possible housing development for seniors, a primary/urgent care medical facility and green space for farmers markets. It would also be home to a new YMCA. In May 2013, the Wyandotte Health Foundation donated \$1 million for this project and the Unified Government has committed \$6 million in its future capital program for this project.

Several offices and service buildings have been constructed directly north of Village West, near 110th and Parallel Parkway. The cost of development associated with these office facilities is in excess of \$5 million. The firms located in this area include: Heartland Primary Care, a medical group; Security National Bank; Mid America Bank and Trust; and a \$2.5 million Discover Vision Center office building opened in this area in 2009 and provides essential vision related services to Wyandotte County residents. In 2013, a new dialysis medical building was built in this area. In the southeast corner of the city, a new \$1.1 million dental office was constructed in 2013.

The Unified Government and the Cerner Corporation entered into Land Transfer and Specific Venture Agreement in which Cerner Corporation is committed to construct approximately 600,000 square feet of Class A office buildings to accommodate 4,000 Cerner employees Cerner's "Continuous Campus". The Continuous Campus is located adjacent to the Unified Government's Tourism District. Cerner Corporation is an international supplier of healthcare technology. Construction of the first office building began in January 2012 and the second office building in fall of 2012. Both buildings are currently open. The entire office complex was completed in 2014 at a cost in excess of \$400 million.

Retail

In addition to the Village West development, several other developments have seen growth in recent years.

Wyandotte Plaza at 78th and State Ave. is undergoing redevelopment which began in the fall of 2012. The \$28 million investment will expand the existing shopping center from 182,000 square feet to approximately 220,000 square feet. The anchor for Wyandotte Plaza is a newly constructed 75,000 square foot Price Chopper grocery store that opened in July 2014. An Advanced Auto is in its new building which is adjacent to the new grocery store. The former Advanced Auto building was demolished to make way for the grocery store. A new 13,000 square foot PetSmart opened in April 2015, a new Krispy Kreme donut retail store opened in February 2015 and finally, a 27,000 square foot Marshalls opened in May 2015. Improvements have been made to façade, lighting, and traffic flow for the entire shopping center. Currently, twenty businesses are operating at Wyandotte Plaza. The Wyandotte Plaza redevelopment was selected as a 2014 Capstone Award winner which honors the Kansas City metropolitan area's outstanding real estate and development projects.

Other new retail stores which have opened in various parts of the City over the past several years include: in 2011, a new CVS Pharmacy (\$1.5 million) located in the southwest corner of the City; a new Dollar General store located at 60th and Leavenworth Road; and a new Casey's General Store (\$1 million) located at 130th and State Ave.; in 2012, three new Dollar General stores opened, two located in the south-central area of the city and one in the northeast; in 2013, a Dollar General opened in the mid-town area; and a Family Dollar located

in the northcentral part of the city opened in November 2014 and another Family Dollar is under construction in the eastern area of the city.

The Metropolitan Avenue Redevelopment Area is located in the Argentine community which is south of I-70 in eastern Kansas City, Kansas. In 2012, a Dollar General opened in this area and a Save-A-Lot grocery store opened in December 2013. The next phase of this redevelopment area was La Plaza Argentine which is anchored by a 41,000 Wal-Mart Neighborhood Market and opened in September 2014. These projects are important to an area of the city that has been categorized as a food desert.

In late 2006, the Unified Government Commission approved a \$190 million project called Plaza at the Speedway, a tax increment project located on the north side of Parallel Parkway across from the Legends shopping area. The shopping area is anchored by a Wal-Mart Supercenter that opened in October 2009 and a Sam's Club which opened in October 2012. A Taco Bell opened in April 2010 and an Olive Garden restaurant opened in May 2010. Other openings are as follows: Kohl's retail store (September 2010); Chick-Fil-A restaurant (October 2010); Red Lobster (March 2011); Jack in the Box (November 2011) and Logan's Steakhouse (May 2012). A Starbucks opened in June 2014 and in the same building a new AT&T store opened in September 2014. A new retail building was completed in 2013 at a cost of \$1.6 million. Opened in this building are a Mattress Firm, Select Comfort, Great Clips, and a dentist office. Finally, adjacent to Interstate I-435 is the development of an auto mall. A Toyota dealership opened in June 2011 and a Honda dealership opened in April 2013.

Recreation

In 2010, the Wyandotte County Fair Board spent nearly \$1 million on a new site for the Wyandotte County Fair to be located in the vicinity of 137th and Polfer road in the northwest portion of Wyandotte County. In 2011, the inaugural fair was held at this new location. The 2011 amended budget approved the re-opening of the JFK Community Center. This project included major remodeling and the addition of staff to provide program support. This center is located in an older area of the City and provides important social and recreation opportunities for near-by residents. The center re-opened in 2012. Also, a former elementary school in the Piper school district, in western Kansas City, Kansas, was renovated at a cost of \$1.8 million for use as a community center.

Internal Accounting Controls

Financial Control: The Unified Government of Wyandotte County/Kansas City, Kansas, has adopted a comprehensive system of internal controls designed to reasonably safeguard Unified Government assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies within the Unified Government. Basic management responsibilities emphasize that the accounting system must have a strong relationship with all other management control systems. The Unified Government's internal accounting controls reasonably safeguard assets and provide reasonable assurance of proper recording of all financial transactions.

As part of the continuing effort to improve fiscal stewardship and financial accountability, the Unified Government utilizes a fully computerized financial accounting management information system, the Cayenta Financials System (CFS). The system is an integrated, online municipal government financial management system, comprised of many subsystems. Modifications and enhancements are continually being made to this system in order to keep abreast of rapidly changing accounting techniques and principles. CFS is based on the single transaction concept of processing, in which all relevant files and reports are updated from a single input of information. Look-up tables are used to tailor all accounting and classification treatments and are changed by file maintenance initiated by the Financial System Administrator.

Budgetary Control: The Unified Government's budgeting system is a program based and line item budgeting system process. Departments prepare program operating and capital budgets at a detailed object expense level.

All Unified Government Tax Levy Funds are required to balance according to Kansas State Statute (K.S.A 79-2967).

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. However funds cannot be transferred between departments without obtaining approval from administration.

The Unified Government further controls spending by requiring that no expenditures be committed that would exceed the amount appropriated for the spending category (for example - Personnel Services Contractual Services) without the department first obtaining approval.

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 the 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.

- In 2013, the Unified Government Commission adopted a formal budget policy that establishes limits and controls for budget transfers and revisions.

There are four categories of budget expenditures with differing controls as follows:

- 1) Commission review is necessary for discretionary expenditures that exceed \$50,000 and do not impact operations or present an immediate health and safety concern. Discretionary expenses include legal settlements (excluding legal fees), new capital projects, property acquisition payments, or other initiatives not previously reviewed by the governing body.
- 2) The County Administrator has authority to approve budget revisions that exceed \$50,000 for matters involving health and safety concerns, other emergencies or to sustain on-going operations, subject to approval by the Mayor or the Mayor pro-tem, if the Mayor is absent. These revisions will be reported to the next scheduled meeting of the Economic Development and Finance Standing Committee.
- 3) The County Administrator has authority to approve budget revisions from \$10,000 to \$50,000 for emergencies, health and safety concerns, new capital projects, legal settlements, property acquisition, or to sustain on-going government operations. These revisions will be reported to the Economic Development and Finance Standing Committee on a quarterly basis.
- 4) Routine day-to-day Department expenditures, less than \$10,000, are managed by the Department and are subject to the Administration controls set forth in this policy and do not require Commission review.

In addition, transfers from salary accounts require department director, chief financial officer, and County Administrator's Office approvals.

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 Unified Government's annual budget is prepared in conformance with and certified as required by Kansas State Statutes. The Unified Government Administrator and the Unified Board of Commissioners evaluate budget proposals of the various Unified Government departments to determine funding for operating, capital and public service programs. After giving due consideration to the input received from citizens, the Unified Board of Commissioners adopts the budget. Thus, the adopted budget is a document which places before the people of the Unified Government a clear and precise picture of the cost of public services which are to be provided. The budget process is automated and appropriately controlled through an online accounting system to assure effective fiscal management and accountability. In 2013, the Unified Government received the Distinguished Budget Award by the Government Finance Officers Association (GFOA) for its 2013 budget document.

Property Tax Levies and Collections

In accordance with applicable state statutes, property taxes levied during the current year are revenues to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half of the full amounts 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 County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as unearned revenue. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and the amounts thereof are not material in relationship to the financial statements taken as a whole.

The November 2014 certified assessed valuation for Wyandotte County was \$1.1 billion. Real property value accounted for 87% of this overall figure. The overall total was 0.3% above the prior year total. Residential and commercial property valuations have stabilized since 2011. However, personal property valuation is still affected by the 2006 legislation that exempts new machinery and equipment purchases from the tax roll. Personal property assessed value declined by \$17.5 million or 20% from 2013 to 2014.

The Unified Government 2014 tax levy for the 2015 budget is \$87.2 million. In 2013, the Unified Government levied \$86.9 million in property taxes for budget year 2014. The combined City and County mill rate increased from 81.865 mills in 2012 to 82.003 mills in 2013 for the 2014 budget year. Current-year property tax revenue collections in 2014 were \$81.4 million. In comparison, in 2013 the current-year tax collections were \$80.2 million, derived from a 2012 tax levy of \$86.4 million. The collection rate for current property taxes increased from 92.8% in 2013 to 93.7% in 2014. Treasury and the Department of Revenue collections implemented several programs in 2011 that have accelerated delinquent tax collections. Further, a 2012 budget initiative now requires payment of the most recent delinquent tax year. This change has increased delinquent payments for all outstanding years, in order for property owners to avoid a tax sale.

Financial Policies Impacting Budget Statements

Various actions occurred in 2014, impacting the financials.

Personnel costs continue to be the largest cost category for the government. For the General Fund personnel expenditures increased from \$139 million to \$146 million or 5.0%. A 1% salary bonus for non-union employees (*Union contracts are still under negotiation.*) and an increase in employer contributions to the State retirement system were the major factors. The employer contribution rates were increased by 4.85% for Police and Fire sworn officers and 1.6% for civilians. These increases were caused by excess compensation paid to

prior-year retirees for accrued benefits. In 2015, the employer contribution rate for Police and Fire sworn officers is 6.94% lower, while the civilian contribution rate increased by 0.96%. It is projected that 2015 personnel costs will decrease as a result of the lower contribution rate for the sworn officers. An effort to manage public safety overtime had a significant impact in 2014, as Police, Fire and Sheriff over time expenses decreased by \$1.1 million in 2014.

In 2014, efforts by the government’s jail population control committee resulted in a \$771,000 reduction in the external housing of jail inmates. This Committee included representatives of the Sheriff, District Attorney, Judicial, and Community Corrections Office.

The 2013 mill rate for the 2014 budget was essentially constant with only a 0.2% upward adjustment, based on final property valuations. However, overall current year and delinquent property tax collections increased by \$1.2 million in 2014. The General Fund portion of this increase was \$1 million. An approximate 1% increase in the current-year property tax collection rate led to this increase.

Sales tax revenues showed moderate growth in 2014. Total sales tax distributions for the General Fund were \$1 million or 2.9% above 2013. The Dedicated Sales Tax, which was implemented in July of 2010, was also positively affected by the sales tax growth, with an increase of over \$289,000 in annual revenues. This fund has supplemented general fund operating and capital expenditures in the areas of public safety and neighborhood infrastructure.

Casino net gaming tax revenues to the Unified Government were stable, with the annual growth only slightly over 1%.

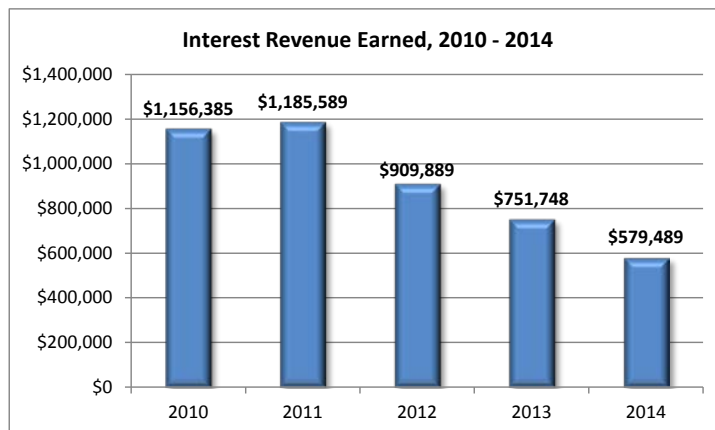
The Board of Public Utilities, an agency of the government, provides electric and water services to Kansas City. The payment-in-lieu of-tax rate was increased from 10.9% to 11.9% in 2014. This tax generated \$30.6 million in revenues or a \$3.7 million increase in revenues.

Cash Management

All idle cash is invested during the year in certificates of deposit, US Treasury Notes, the Kansas Municipal Investment Pool, U.S. Government agencies, bank trust department municipal pools, temporary notes or no fund warrants, repurchase agreements and overnight investments in the Unified Government’s primary depositories. At December 31, 2014 the carrying amount of such investments was \$188,404,291. The Unified Government earned interest income in the amount of \$579,489 during the year ended December 31, 2014.

All active deposits at December 31, 2014 were fully collateralized in compliance with State law.

The Unified Government’s portfolio at December 31, 2014, had an average weighted maturity of 348.04 days with an overall weighted average rate of interest of .067%. During 2014 there was an average carrying value of \$143,939,209.



Independent Audit

The basic financial statements for 2014 were examined by Allen, Gibbs, & Houlik, L.C., and their opinion has been included in this report. They have provided the Unified Government with an unmodified opinion.

Additionally, the Unified Government is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, entitled *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in a separate report issued annually by the Unified Government.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Unified Government for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2013. This is the fifteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized report, which conforms to applicable program standards, generally accepted accounting principles, and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Unified Government believes that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting the 2014 Comprehensive Annual Financial Report to GFOA to determine its eligibility for another certificate.

Acknowledgments

Our appreciation is extended to the Unified Board of Commissioners for their continued support in maintaining the highest standards for financial reporting. Special thanks are extended to the following staff for their contributions to the preparation of this document: Richard Mikesic, Accounting Manager; Mary Barnes, Mike Kupsch and Peggy Ryan, Accounting Division; Debbie Pack, Treasury Division; Mike Grimm and Debbie Jonscher of the Finance Administration Division, and Reginald Lindsey, Budget Division; and the Legislative Auditor's Office. In addition, we would like to acknowledge the audit firm of Allen, Gibbs & Houlik, L.C., for their review and comments in the preparation of this report.



Lew Levin
Chief Financial Officer



Douglas Bach
County Administrator

GOVERNING BODY AND EXECUTIVE STAFF

Mark Holland, Mayor/Chief Executive Officer

Gayle Townsend
Commissioner
First District

Angela Markley
Commissioner
Sixth District

Brian McKiernan
Commissioner
Second District

Jim Walters
Commissioner
Seventh District

Ann Brandua-Murguia
Commissioner
Third District

Jane Winkler Philbrook
Commissioner
Eighth District

Harold Johnson
Commissioner
Fourth District

Melissa Bynum
Commissioner
First At-Large

Mike Kane
Commissioner
Fifth District

Harold “Hal” Walker
Commissioner
Second At-Large

Doug Bach, County Administrator

Gordon Criswell, Assistant County Administrator

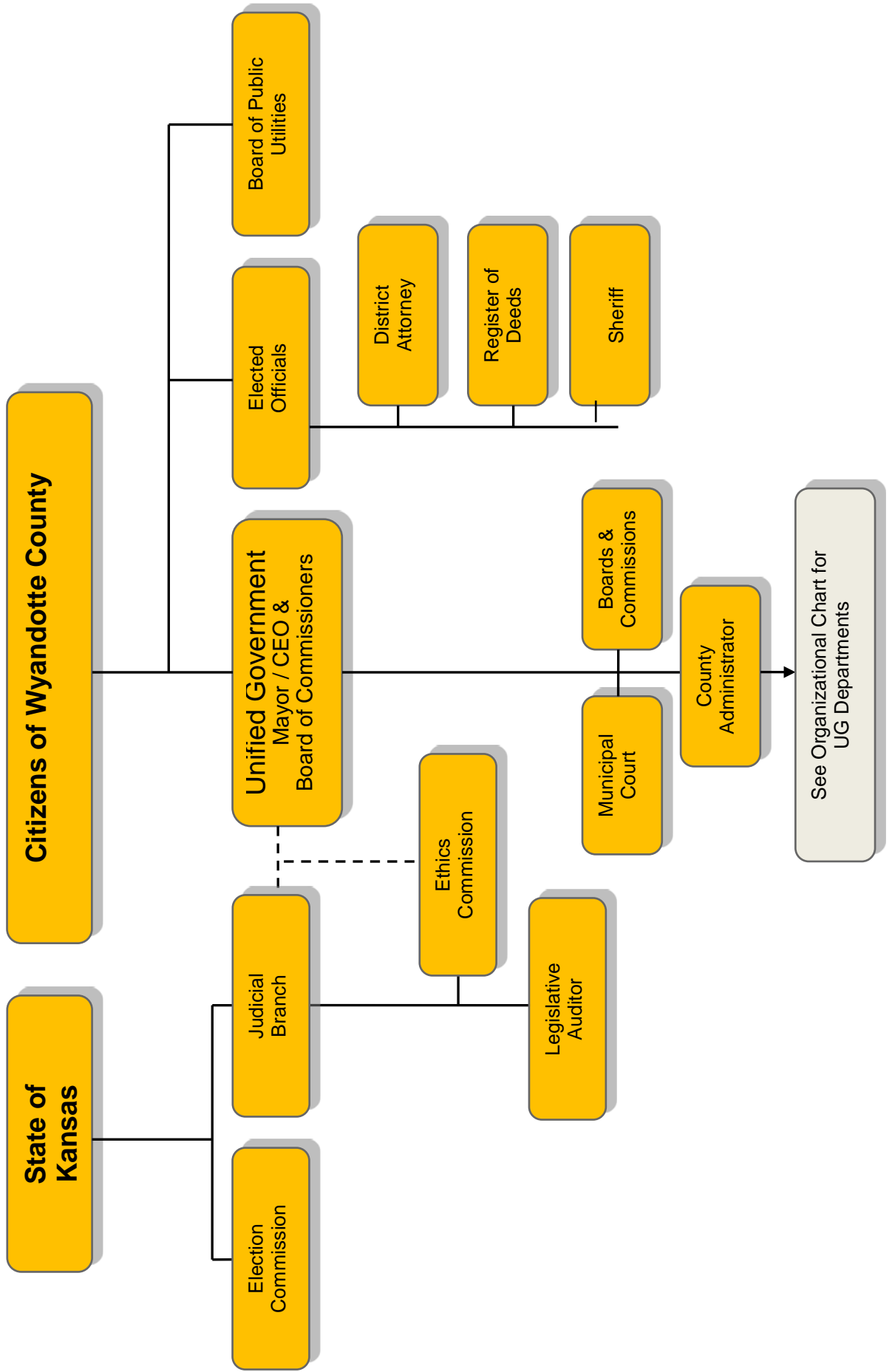
Joe Connor, Assistant County Administrator

Melissa Mundt, Assistant County Administrator

Jody Boeding, Chief Counsel

Lew Levin, Chief Financial Officer

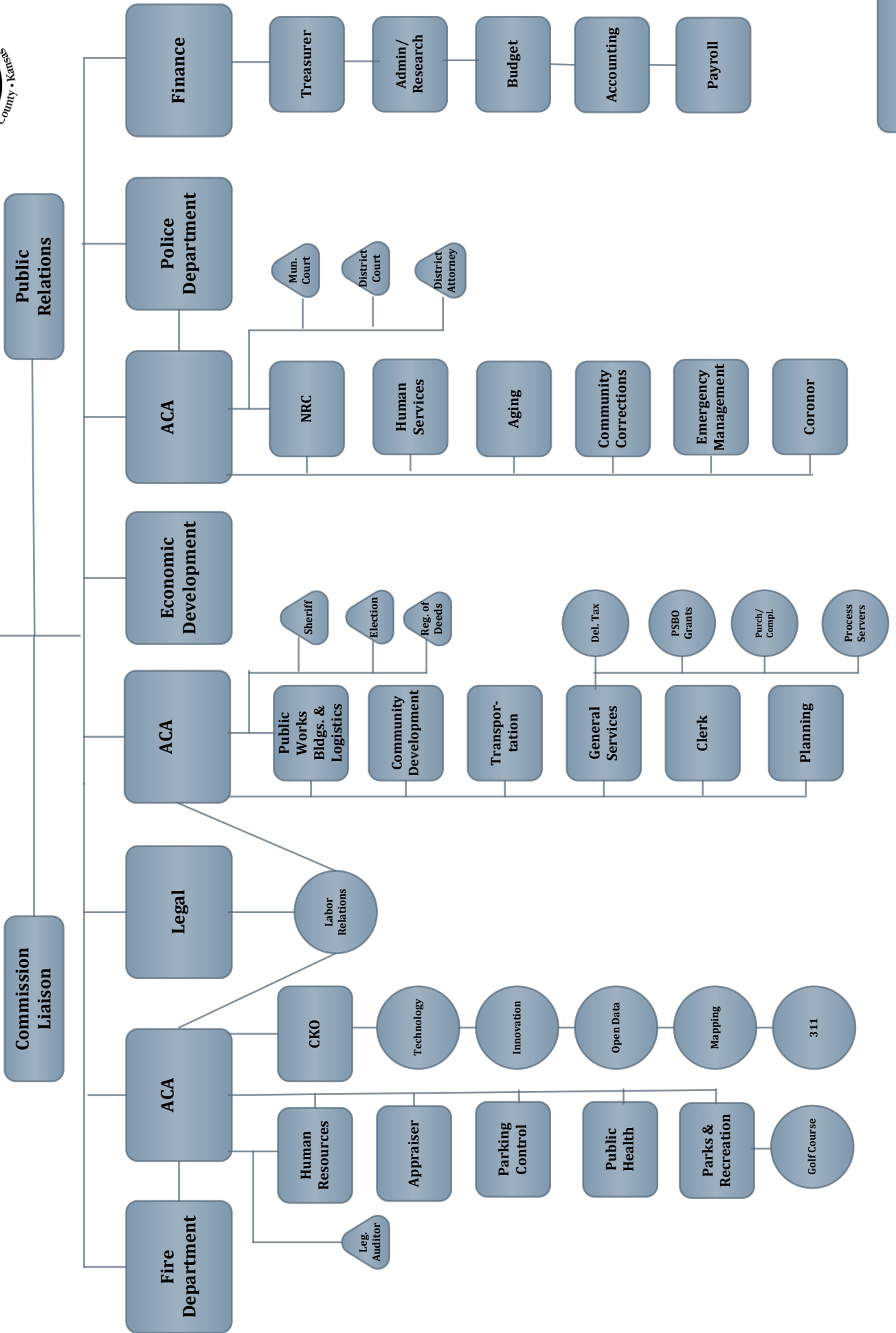
Unified Government of Wyandotte County / Kansas City, Kansas
Organizational Chart
 Elected & Appointed Officials





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

County Administrator





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Unified Government
of Wyandotte County/Kansas City
Kansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2014

FINANCIAL SECTION

The Financial Section is the Unified Government's audit report. It includes the opinion of the Independent Auditors, Management's Discussion and Analysis (MD&A), the Basic Financial Statements and Combining Statements and Schedules.

Basic Financial Statements reflect all financial activity of the Unified Government combined into nine (9) schedules.

Notes to the Financial Statements are adjunctive to the Basic Financial Statements, serving to explain the numbers and to highlight required disclosures.

Combining Statements and Schedules reflect greater detail of the Unified Government's financial activities. Also included are schedules showing the extent of each fund's compliance to state budget laws.

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, 2014, 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 86 percent, 83 percent, and 90 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 on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental

activities, business-type activities, each major fund, and the aggregate remaining fund information of the Unified Government as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Unified Government's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2015 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 Unified Government's internal control over financial reporting and compliance.

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

June 5, 2015
Wichita, Kansas

Management's Discussion and Analysis

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

Overview of the Financial Statements

Government-wide financial statements

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

The statement of net position presents information on all of the Unified Government's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Unified Government is improving or deteriorating.

The statement of activities presents information showing how the government's assets changed during the most recent fiscal 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Unified Government that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are included to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Unified Government include general government, health and welfare, public safety, public works, parks and recreation, and planning and development services. The business-type activities of the Unified Government include electric and water systems, sewer system, EMS, public levee, storm water, Sunflower Hills Golf Course and Stadium.

The government-wide financial statements can be found as listed in the Table of Contents.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Unified Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Unified Government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental 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 of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar

information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Unified Government maintains 29 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, economic development and capital projects funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in this report.

The basic governmental fund financial statements can be found as listed in the Table of Contents.

Proprietary Funds

The Unified Government maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal services funds are an accounting device used to accumulate and allocate costs internally among the Unified Government's various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer system and Board of Public Utilities, 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. Individual fund data for the internal service funds is provided in the form of combining statements in this report.

The basic proprietary fund financial statements can be found as listed in the Table of Contents.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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.

The basic fiduciary fund financial statements can be found as listed in the Table of Contents.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the Table of Contents.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the Unified Government's progress in funding its obligation to provide pension and other post-employment benefits to its employees. The RSI also shows a comparison of the original and final General Fund budget to actual results and reconciliation between

budgetary fund balance and GAAP fund balance. Required supplementary information can be found as listed in the Table of Contents.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found as listed in the Table of Contents.

Government-wide Financial Analysis

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The Unified Government's assets exceeded liabilities by \$595,620,215 at the close of the most recent fiscal year.

Unified Government of Wyandotte County/Kansas City, Kansas
Statement of Net Position
December 31, 2014

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 224,842,791	\$ 239,462,771	\$ 283,068,918	\$ 177,070,617	\$ 507,911,709	\$ 416,533,388
Capital assets	570,400,219	575,903,285	1,024,203,444	986,024,580	1,594,603,663	1,561,927,865
Total assets	795,243,010	815,366,056	1,307,272,362	1,163,095,197	2,102,515,372	1,978,461,253
Deferred refunding	\$ 473,725	\$ 538,420	\$ 13,497,906	\$ 7,145,907	\$ 13,971,631	\$ 7,684,327
Total deferred outflows	473,725	538,420	13,497,906	7,145,907	13,971,631	7,684,327
Long-term liabilities outstanding	495,088,620	502,719,438	718,852,129	596,039,963	1,213,940,749	1,098,759,401
Other liabilities	133,575,328	138,164,304	83,751,238	69,342,755	217,326,566	207,507,059
Total liabilities	628,663,948	640,883,742	802,603,367	665,382,718	1,431,267,315	1,306,266,460
Deferred revenues	\$ 84,469,578	\$ 84,122,705	\$ -	\$ -	\$ 84,469,578	\$ 84,122,705
Recovery fuel purchased power	-	-	5,129,895	-	5,129,895	-
Total deferred inflows	84,469,578	84,122,705	5,129,895	-	89,599,473	84,122,705
Net position						
Net investment in capital assets	225,110,072	240,297,777	429,605,573	423,372,753	654,715,645	663,670,530
Restricted	50,125,523	54,073,195	28,935,418	48,963,655	79,060,941	103,036,850
Unrestricted	(192,652,386)	(203,472,943)	54,496,015	32,521,978	(138,156,371)	(170,950,965)
Total net position	\$ 82,583,209	\$ 90,898,029	\$ 513,037,006	\$ 504,858,386	\$ 595,620,215	\$ 595,756,415

By far, the largest portion of the Unified Government's net position (110%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Unified Government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Unified 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 used to liquidate these liabilities. An additional portion of the Unified Government's net position (\$79,060,941) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of (\$138,156,371).

Change in Net Position

The net position of the Unified Government's governmental activities decreased by \$8.3 million. The net position of the business-type activities increased by \$8.2 million. The overall change in net position was a decrease of \$0.1 million. Changes in net position were as follows:

Unified Government of Wyandotte County/Kansas City, Kansas
Changes in Net Position
Year Ended December 31, 2014

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 25,489,543	\$ 25,047,665	\$ 346,965,968	\$ 292,760,902	\$ 372,455,511	\$ 317,808,567
Operating grants and contributions	65,543,620	72,377,433	-	-	65,543,620	72,377,433
Capital grants and contributions	1,078,673	5,526,285	1,869,192	258,037	2,947,865	5,784,322
General revenues:						
Property taxes	101,248,029	98,079,667	-	-	101,248,029	98,079,667
Other taxes	83,184,016	112,403,778	4,727,470	4,506,987	87,911,486	116,910,765
Unrestricted investment earnings	4,208,123	3,735,731	329,018	402,792	4,537,141	4,138,523
Miscellaneous	6,314,299	6,189,071	(958,686)	387,487	5,355,613	6,576,558
Total revenues	287,066,303	323,359,630	352,932,962	298,316,205	639,999,265	621,675,835
Expenses:						
General government	29,291,061	30,174,513	-	-	29,291,061	30,174,513
Health and welfare	13,382,429	13,282,130	-	-	13,382,429	13,282,130
Public safety	139,643,321	139,770,779	-	-	139,643,321	139,770,779
Public works	68,859,206	66,930,633	-	-	68,859,206	66,930,633
Parks and recreation	5,673,770	5,914,099	-	-	5,673,770	5,914,099
Planning and development services	52,390,674	98,996,868	-	-	52,390,674	98,996,868
Interest on long-term debt	20,301,957	21,087,848	-	-	20,301,957	21,087,848
Electric and water systems	-	-	271,053,725	250,339,905	271,053,725	250,339,905
Public levee	-	-	3,000,572	282,208	3,000,572	282,208
Storm Water	-	-	2,715,369	2,566,832	2,715,369	2,566,832
EMS	-	-	7,219,336	8,209,082	7,219,336	8,209,082
Sewer system	-	-	25,285,207	25,489,647	25,285,207	25,489,647
Sunflower Hills golf course	-	-	784,808	810,075	784,808	810,075
Stadium	-	-	534,030	-	534,030	-
Total expenses	329,542,418	376,156,870	310,593,047	287,697,749	640,135,465	663,854,619
Net position before transfers	(42,476,115)	(52,797,240)	42,339,915	10,618,456	(136,200)	(42,178,784)
Transfers	34,161,295	357,252	(34,161,295)	(357,252)	-	-
Changes in net position	(8,314,820)	(52,439,988)	8,178,620	10,261,204	(136,200)	(42,178,784)
Net Position - Beginning of year	90,898,029	150,024,143	504,858,386	501,283,613	595,756,415	651,307,756
Prior period adjustment	-	(6,686,126)	-	(6,686,431)	-	(13,372,557)
Net position - End of year	\$ 82,583,209	\$ 90,898,029	\$ 513,037,006	\$ 504,858,386	\$ 595,620,215	\$ 595,756,415

Governmental Activities

Total revenues of governmental activities were \$36.3 million below prior-year revenue levels. The largest contributing factor was a decrease of \$29.2 million in other taxes. The Board of Public Utilities makes PILOT payments to the Unified Government. (See Note I.D.11.) During 2013, these payments were included in other taxes. During 2014, the PILOT was classified as a transfer.

It was also noted that the operating grants and contributions decreased \$6.8 million. The Unified Government collects sales taxes within the Prairie Delaware Redevelopment District, which is dedicated for repayment of STAR bonds (see Note III.F.). During the year, a portion of these revenues are dedicated to repayment of the Series 2010B STAR bonds, 72% of which are recorded as an obligation of the State of Kansas. Therefore, the Unified Government collects such revenues, and then remits

them to the State, recording the expenditure with planning and development services. During 2014, these revenues decreased from the prior year.

In other revenue sources, capital grants and contributions decreased by \$4.4 million. During 2013, a building was constructed and paid for by the Kansas City Area Transit Authority which was subsequently contributed to the Unified Government. No such contribution was received this year, reducing the 2014 revenue from the prior year by the cost of the building. The property tax revenues increased by \$3.2 million due to an increase in the County valuation. All other revenue categories had variances that net to a \$1.0 million increase.

Total expenses of governmental activities were \$46.6 million below the prior year. The driving factor in the decrease was in the area of Planning and Development, which decreased by \$46.6 million. This was due to a significant reduction of costs related to new development agreements and principal and interest amounts paid on the 2010B Sales Tax Limited Obligation Bond. (See Note III.F.) All other categories remained somewhat constant from the prior year.

Total transfers went up significantly from 2013. As previously stated, during 2014 PILOT payments made by the Board of Public Utilities are treated as transfers in 2014, rather than other taxes.

Business-type activities

Total revenues of business-type activities increased by \$54.6 million from the prior year. This was primarily due to an increase in the Energy Rate Component during the year.

Operating expenses increased by \$22.9 million. 1) The Board of Public Utilities realized an increase in expenditures of \$20.7 million, primarily due to an increase of production, fuel and purchased power costs, 2) Public Levee costs increased by \$2.7 million. A new land lease was established granting a third party authority to demolish the current structures and rebuild to suit their needs. The third party began the demolition process during the year, resulting in a loss on disposal of assets of \$2.7 million. 3) EMS operations realized a decrease of \$1.0 million. This was due in large part to a decrease in personnel costs; the result of cycling longer term employees into other funding sources that were replaced by new employees and 4) The Stadium fund was established during the year with the 2014 purchase of a baseball stadium. The major costs of the operations of the stadium include insurance, improvements and financing.

Financial Analysis of the Government's Funds

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 near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Unified Government's financing requirements. In particular, unrestricted 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 the end of the current fiscal year, the Unified Government's governmental funds reported combined ending fund balance of \$8.4 million, a decrease of \$7.3 million in comparison with the prior year. The fund balance includes a negative balance of \$24.3 million classified as unassigned. The general fund had a balance of \$14.8 million, with the capital projects and other governmental funds both having negative unassigned balances, \$38.3 million and \$0.8 million, respectively. The largest portion of the fund balance is subject to restrictions in how the dollars may be utilized as dictated by the Unified Government fund balance policies.

The general fund is the chief operating fund of the Unified Government. At the end of the current fiscal year, the total fund balance was \$16.4 million, an increase of \$2.0 million from the prior year. 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. Unassigned fund balance represents 8.0 percent of total general fund expenditures, while total fund balance represents 8.9 percent of that same amount. Key factors related to the trends of the general fund are as follows.

The combined general fund mill levy rate increased from 59.545 mills in 2012 (budget year 2013) to 59.894 mills in 2013 (budget year 2014). This change represented an increase of 0.6%.

The overall property valuation of the County increased 0.3% from 2013 to 2014.

General Fund current year property taxes increased by \$994,000 in 2014, attributed to the valuation increase and a reduction in the delinquency rate (7.2% to 6.3%).

The payment-in-lieu-of-tax rate or PILOT for the publically-owned Board of Public Utilities was increased from 10.9% to 11.9% in 2014, resulting in a \$3.8 million or 14% increase in PILOT revenues.

The passage of a 3/8th cent Kansas City, Kansas dedicated sales tax for public safety and neighborhood infrastructure continued to impact revenues. This tax began July 1st of 2010. In 2014, revenue receipts for this dedicated tax were \$7.13 million compared to the prior-year figure of \$6.76 million or a 5% increase. The dedicated sales tax was primarily used in 2014 to offset General Fund expenses and maintain capital expenditures.

General fund sales and use tax revenues increased by \$1 million or 2.9% in 2014. Another category impacting revenues was the Hollywood Casino, which completed its third year of operations. The local tax on net gaming revenues generated nearly \$3 million from the gaming tax.

General fund personnel costs increased 5% in 2014 due to several factors. First, the transfer of 16 positions from the emergency medical services fund (EMS) to the general fund impacted expenses. Second, non-union employees received a 1% salary bonus. 2014 union contracts were still under negotiation as of 12/31/14. Third, an increase of 4.85%, in the employer contribution rate set by the State retirement system for Police and Fire sworn officers was the major contributing factor to the personnel increase. For civilians, the employer contribution rate, increased by 1.6%. These respective increases in retirement contributions were attributed to compensation for accrued benefits paid to individuals at retirement in prior years. Going forward, the Unified Government contribution rates will be consistent with the State-established rates, and the government will incur a current-year charge, if the accrued benefit payment for a retiree exceeds a certain threshold.

Significant expense reductions in the general fund in 2014 included a \$1.1 million decline in public safety overtime and a \$771,000 decrease in the external housing of jail inmates.

The debt service economic development fund consists of restricted cash for use in developments and debt service of development related bonds. The fund balance at the end of 2014 was \$13,634,920, which represented an increase from 2013 of approximately \$5.5 million.

The capital projects fund showed an \$8.5 million decrease in cash and temporary investments as compared to 2013. This was due to a reduction of unspent bond proceeds at the end of the year. There was also a decrease of \$7.1 million in restricted cash. STAR bond related projects were completed, leaving the related escrow in debt service. As a result, the escrows were moved to the Debt Service Economic Development Fund, causing this decrease. Total assets decreased by \$15.4 million. Total expenditures decreased by \$63.4 million due to decreased costs related to development agreements and capital projects. Debt service expenditures decreased by \$3.2 million as STAR bond escrows paying the debt service were moved to the Debt Service Economic Development Fund.

Proprietary funds

The net position for the proprietary funds increased by \$8.2 million. The major contributing factor to this change was the BPU which had an increase in net position of \$8.5 million. Additionally, the Sewer Fund had a nominal decrease of \$0.5 million while the non-major business type funds increased by \$0.2 million. 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:

Board of Public Utilities
540 Minnesota Avenue
Kansas City, Kansas 66101

Capital Asset and Debt Administration

Capital assets

The five-year Capital Maintenance and Improvement Plan (CMIP) is a plan for capital investment in Wyandotte County's streets, bridges, recreation facilities, parks, sewer system, traffic signalization, buildings, and grounds to improve service delivery and quality of life to its citizens.

The following is a summary of capital assets for the government as of December 31, 2014 net of accumulated depreciation:

Unified Government of Wyandotte County/Kansas City, Kansas Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 8,658,160	\$ 8,658,160	\$ 4,651,511	\$ 1,981,135	\$ 13,309,671	\$ 10,639,295
Buildings	163,117,546	135,708,599	1,554,570,645	1,544,800,874	1,717,688,191	1,680,509,473
Improvements other than buildings	39,505,026	39,355,026	3,691,240	3,691,240	43,196,266	43,046,266
Machinery and equipment	54,295,469	60,724,995	42,829,101	43,500,310	97,124,570	104,225,305
Infrastructure	628,610,575	623,602,931	177,656,211	164,917,078	806,266,786	788,520,009
Construction in progress	26,299,580	38,758,439	108,038,004	91,212,099	134,337,584	129,970,538
Accumulated depreciation	(350,086,137)	(330,904,865)	(867,233,268)	(864,078,156)	(1,217,319,405)	(1,194,983,021)
Total	<u>\$ 570,400,219</u>	<u>\$ 575,903,285</u>	<u>\$ 1,024,203,444</u>	<u>\$ 986,024,580</u>	<u>\$ 1,594,603,663</u>	<u>\$ 1,561,927,865</u>

Additional information on the Unified Government's capital assets can be found in Note III.B.

Long-term debt

The five-year Capital Maintenance Improvement Plan outlines capital projects to be financed with long-term debt. The outstanding debt for 2014 includes General Obligation debt of \$251,921,585, Tax Increment Financed (TIF) debt of \$36,753,415, and Revolving Loan Debt of \$40,021,610. The 2014 budget includes \$29.8 million for the payment of long-term debt of the Unified Government. The Debt Service Fund debt payments total \$31.3 million and Sewer System debt payments total \$8.0 million. The monies for the debt budget are funded primarily from the individual City and County Debt Service Funds. User fee income is the primary source of revenue in the Sewer System Fund.

Unified Government of Wyandotte County/Kansas City, Kansas Outstanding Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$ 194,613,291	\$ 185,395,413	\$ 57,308,294	\$ 51,957,960	\$ 251,921,585	\$ 237,353,373
Tax Increment Financed GO Bonds	36,753,415	38,221,627	-	-	36,753,415	38,221,627
Board of Public Utility revenue bonds	-	-	547,730,000	462,765,000	547,730,000	462,765,000
Revolving loans	-	-	40,021,610	38,408,165	40,021,610	38,408,165
Intergovernmental loan	-	-	4,866,250	-	4,866,250	-
Accreted interest on bonds	12,674,443	13,851,715	-	-	12,674,443	13,851,715
Capital lease	7,427,230	8,092,694	4,289,533	4,249,722	11,716,763	12,342,416
Section 108 loan	2,029,000	2,384,000	-	-	2,029,000	2,384,000
Special obligation bonds	55,630,000	58,255,000	-	-	55,630,000	58,255,000
Revenue Bonds	9,450,000	9,915,000	-	-	9,450,000	9,915,000
Sales tax obligation bonds *	42,742,395	60,925,224	-	-	42,742,395	60,925,224
Transportation district bonds	25,740,000	27,218,000	-	-	25,740,000	27,218,000
Total	\$ 387,059,774	\$ 404,258,673	\$ 654,215,687	\$ 557,380,847	\$ 1,041,275,461	\$ 961,639,520

*See note III.F.

Kansas State Statutes limit the amount of general obligation bonds a governmental entity may issue to 30 percent of the equalized assessed valuation. The limitation for debt, as of 12/31/14, for the Unified Government is \$368,920,000 with a legal debt margin of \$113,501,513.

As of 12/31/14 the Unified Government had a rating of Aa3, negative outlook, from Moody's Investor Service and AA from Standard and Poor's on all debt assumed from both the former City of Kansas City, Kansas and Wyandotte County. In February of 2015, both firms reviewed the government's credit rating. The Moody's rating was lowered to A1, stable outlook, while the Standard and Poor's credit rating was maintained at AA, stable outlook.

Additional information on the Unified Government's long-term debt can be found in note III.F.

General Fund Budgetary Highlights

The General Fund is the largest fund of the Unified Government, and it accounted for 76% percent of all taxes collected, and 72% of all property tax revenues received. The General Fund's major revenue sources in 2014 were property taxes (31%), sales taxes (19%) and franchise taxes (20%). Actual revenue collections, including other financing sources, for the general fund totaled \$189.2 million, compared to the 2014 budgeted figure of \$194.0 million.

The General Fund's original budgeted expenses were \$195,422,123. The final amended budget was \$197,864,856. However, actual expenditures of \$187,827,724 were 94.9 percent of budget. Significant variances between the amended budget and actual expenses were due to unexpended reserves, increased personnel costs, decreases in contractual services and delays in completing capital projects.

Also, expenditures of approximately \$7,000,000 were not required for debt backed by annual appropriation. Project revenues were sufficient to cover the debt payments.

Expenditures	Original Budget	Amended Budget	Increase/ Decrease	Actual	Difference
Personnel	\$ 143,371,176	\$ 144,564,896	\$ 1,193,720	\$ 146,109,685	\$ (1,544,789)
Contractual services	29,631,464	30,056,747	425,283	27,922,514	2,134,233
Commodities	5,743,953	6,163,826	419,873	5,333,107	830,719
Capital outlay	3,618,963	3,616,875	(2,088)	2,888,736	728,139
Grants, claims, shared revenue	4,613,565	4,833,674	220,109	4,510,754	322,920
Debt service	7,434,202	7,804,433	370,231	888,071	6,916,362
Other	1,008,800	824,405	(184,395)	174,857	649,548
Total Expenditures	\$ 195,422,123	\$ 197,864,856	\$ 2,442,733	\$ 187,827,724	\$ 10,037,132

Additional Information

Additional Operating Data regarding the Unified Government may be found in the Official Statement date February 13, 2015 printed in connection with the Unified Government's General Obligation Bonds, Series 2015-A. The official statement can be found on the Municipal Securities Rulemaking Board's EMMA website, www.emma.msrb.org and the Unified Government will provide a copy of such official statement to any person 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 any of 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/Kansas City, Kansas, 701 North 7th. Street, Kansas City, Kansas 66101.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF NET POSITION

December 31, 2014

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and temporary investments	\$ 69,322,618	\$ 54,282,376	\$ 123,604,994
Restricted cash and investments	15,100,290	35,904,665	51,004,955
Receivables (net of uncollectible amounts)			
Taxes	95,830,754	797,864	96,628,618
Accounts	5,927,153	44,445,707	50,372,860
Notes	10,477,784	-	10,477,784
Intergovernmental	24,390,959	-	24,390,959
Interest	706,409	125,324	831,733
Due from other governments	291,847	-	291,847
Special assessments	2,198,356	261,346	2,459,702
Internal balances	596,621	(596,621)	-
Inventories	-	31,032,383	31,032,383
Prepayments and other current assets	-	2,494,641	2,494,641
Other assets	-	3,609,148	3,609,148
Restricted cash and investments	-	110,712,085	110,712,085
Capital assets:			
Land and construction in progress	34,957,740	112,689,515	147,647,255
Other capital assets, net of depreciation	535,442,479	911,513,929	1,446,956,408
Total Assets	795,243,010	1,307,272,362	2,102,515,372
DEFERRED OUTFLOWS OF RESOURCES			
Deferred refunding	473,725	13,497,906	13,971,631
Total Deferred Outflows of Resources	473,725	13,497,906	13,971,631
LIABILITIES			
Accounts and contracts payable	7,198,714	32,963,787	40,162,501
Accrued wages and expense	7,052,524	5,644,246	12,696,770
Accrued interest payable	5,128,887	10,692,348	15,821,235
Due to others	2,417,222	3,863,292	6,280,514
Due to other governments	23,900	-	23,900
Temporary notes payable	80,245,000	-	80,245,000
Regulatory and other liabilities	-	2,429,543	2,429,543
Long-term liabilities:			
Due within one year	31,509,081	28,158,022	59,667,103
Due in more than one year	495,088,620	718,852,129	1,213,940,749
Total Liabilities	628,663,948	802,603,367	1,431,267,315
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax receivable	84,469,578	-	84,469,578
Recovery fuel purchased power	-	5,129,895	5,129,895
Total Deferred Inflows of Resources	84,469,578	5,129,895	89,599,473
NET POSITION			
Net investment in capital assets	225,110,072	429,605,573	654,715,645
Restricted for:			
Debt service	38,804,384	26,101,848	64,906,232
Revenue bond reserves	-	2,833,570	2,833,570
Capital projects	240,076	-	240,076
Federal/State assistance	3,392,904	-	3,392,904
Community services	7,688,159	-	7,688,159
Unrestricted (deficit)	(192,652,386)	54,496,015	(138,156,371)
Total net position	\$ 82,583,209	\$ 513,037,006	\$ 595,620,215

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
Functions/Programs					
Primary government:					
Governmental Activities:					
General government	\$ 29,291,061	\$ 3,326,556	\$ 1,165,087	\$ -	\$ (24,799,418)
Health and welfare	13,382,429	635,196	6,933,040	-	(5,814,193)
Public safety	139,643,321	7,366,395	6,090,741	199,841	(125,986,344)
Public works	68,859,206	9,083,896	7,813,656	428,954	(51,532,700)
Parks and recreation	5,673,770	603,504	-	-	(5,070,266)
Planning and development	52,390,674	4,473,996	42,916,513	449,878	(4,550,287)
Interest on long-term debt	20,301,957	-	624,583	-	(19,677,374)
Total governmental activities	329,542,418	25,489,543	65,543,620	1,078,673	(237,430,582)
Business-type activities:					
Electric and Water systems	271,053,725	311,540,386	-	206,722	40,693,383
Sewer System	25,285,207	26,621,867	-	9,840	1,346,500
EMS	7,219,336	4,453,260	-	-	(2,766,076)
Public Levee	3,000,572	411,244	-	-	(2,589,328)
Stormwater	2,715,369	3,351,672	-	-	636,303
Sunflower Hills Golf Course	784,808	587,539	-	-	(197,269)
Stadium	534,030	-	-	1,652,630	1,118,600
Total business-type activities	310,593,047	346,965,968	-	1,869,192	38,242,113
Total primary government	\$ 640,135,465	\$ 372,455,511	\$ 65,543,620	\$ 2,947,865	\$ (237,430,582)
General revenues:					
Taxes:					
Property taxes, general purpose					101,248,029
Sales taxes					68,045,425
Franchise taxes					8,864,600
Other taxes					5,213,943
Transient guest tax					1,060,048
Unrestricted investment earnings					4,208,123
Miscellaneous					6,314,299
Transfers					34,161,295
Total general revenues and transfers					229,115,762
Change in net position					(8,314,820)
Net position - beginning					90,898,029
Net position - ending					\$ 82,583,209
					\$ 513,037,006
					\$ 595,620,215

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2014

	General	Capital Projects	Debt Service Economic Development	Other Governmental	Totals 2014
ASSETS					
Cash and temporary investments	\$ 9,347,199	\$ 42,965,431	\$ 761	\$ 16,138,111	\$ 68,451,502
Restricted cash and temporary investments	311,991	435,541	13,634,159	161,642	14,543,333
Receivables (net of uncollectible amounts)					
Taxes:					
Property taxes	60,379,785	-	-	24,089,794	84,469,579
Other taxes	9,404,360	541,846	-	1,414,969	11,361,175
Accounts	4,235,786	-	-	1,602,157	5,837,943
Notes	9,515,825	-	-	961,959	10,477,784
Intergovernmental	-	-	24,390,959	-	24,390,959
Interest	284,474	209,174	-	16,282	509,930
Special assessments	977,487	-	-	1,220,869	2,198,356
Due from other funds	3,635,301	-	-	690,577	4,325,878
Due from other governments	-	-	-	291,847	291,847
Total Assets	\$ 98,092,208	\$ 44,151,992	\$ 38,025,879	\$ 46,588,207	\$ 226,858,286
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts and contracts payable	\$ 2,991,800	\$ 1,958,417	\$ -	\$ 1,778,615	\$ 6,728,832
Accrued wages and other	5,857,744	30,927	-	1,163,853	7,052,524
Due to others	2,002,599	25,738	-	296,833	2,325,170
Due to other funds	-	149,862	-	1,115,850	1,265,712
Due to other governments	3,944	-	-	19,956	23,900
Temporary notes payable	-	80,245,000	-	-	80,245,000
Total Liabilities	10,856,087	82,409,944	-	4,375,107	97,641,138
Deferred inflows of resources:					
Deferred property tax receivable	60,379,785	-	-	24,089,793	84,469,578
Unavailable revenue - note receivable	9,500,000	-	-	-	9,500,000
Unavailable revenue - intergovernmental receivable	-	-	24,390,959	-	24,390,959
Unavailable revenue - special assessments	977,487	-	-	1,220,869	2,198,356
Unavailable revenue - grants receivable	-	-	-	235,795	235,795
Total Deferred inflows of resources	70,857,272	-	24,390,959	25,546,457	120,794,688
Fund balances					
Restricted	216,347	-	13,634,920	16,565,228	30,416,495
Committed	495,470	-	-	870,220	1,365,690
Assigned	891,422	-	-	-	891,422
Unassigned	14,775,610	(38,257,952)	-	(768,805)	(24,251,147)
Total Fund Balances	16,378,849	(38,257,952)	13,634,920	16,666,643	8,422,460
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 98,092,208	\$ 44,151,992	\$ 38,025,879	\$ 46,588,207	\$ 226,858,286

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

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

December 31, 2014

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

Total fund balance - governmental funds		\$8,422,460
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$920,486,356	
Accumulated depreciation	<u>(350,086,137)</u>	570,400,219
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	231,366,706	
Special obligation bonds payable	55,630,000	
Public Building Commission revenue bonds payable	9,450,000	
Sales tax obligation bonds payable	42,742,395	
Transportation development bonds	25,740,000	
Premium on bonds payable	9,209,087	
Discount on bonds payable	(577,427)	
Accrued interest payable on the bonds	5,128,887	
Section 108 loan	2,029,000	
Capital lease	7,427,230	
Accreted interest	12,674,443	
Compensated absences	45,765,862	
Claims and judgments	600,000	
OPEB liability	78,421,665	
Landfill closure / postclosure care	682,000	
Unfunded pension obligation	<u>265,740</u>	(526,555,588)
Deferred refunding resulting from issuance of refunding bonds are recognized as deferred outflows of resources in the government-wide statements.		
		473,725
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.		
		193,906
Note receivable from the Sporting KC project is not considered available to liquidate liabilities of the current period, and is therefore deferred in the funds. However, the note is properly recognized as a revenue in the government-wide statements.		
		9,500,000
Intergovernmental receivables are not considered available to liquidate liabilities of the current period, and is therefore deferred in the funds. However, the intergovernmental receivables are properly recognized as a revenue in the government-wide statements.		
		24,626,754
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.		
		2,198,356
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.		
		(6,676,623)
Total net position - governmental activities		<u>\$82,583,209</u>

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

	General	Capital Projects	Debt Service Economic Development	Other Governmental	Totals 2014
REVENUES					
Taxes	\$123,404,016	\$ 6,843,710	\$ 18,239,529	\$ 39,455,258	\$187,942,513
Intergovernmental	765,760	428,954	42,086,336	25,113,047	68,394,097
Licenses, permits and fees	2,040,114	-	-	73,790	2,113,904
Charges for services	12,977,471	-	-	1,591,206	14,568,677
Fines, forfeitures and penalties	5,578,117	-	-	928,565	6,506,682
Interest income	1,828,311	453,428	154,996	516,149	2,952,884
Miscellaneous	3,637,016	64,366	-	3,305,212	7,006,594
TOTAL REVENUES	\$150,230,805	7,790,458	60,480,861	70,983,227	\$289,485,351
EXPENDITURES					
Current:					
General government	22,451,217	-	-	5,554,760	28,005,977
Public works	23,025,598	5,041,582	-	8,130,812	36,197,992
Public safety	113,930,243	-	-	7,991,202	121,921,445
Judicial	8,296,759	-	-	3,379,152	11,675,911
Health and welfare	559,248	-	-	12,487,413	13,046,661
Planning and development	7,894,947	-	37,133,974	4,012,143	49,041,064
Parks and recreation	5,054,352	-	-	324,329	5,378,681
Capital outlay	2,225,333	35,201,242	-	2,993,974	40,420,549
Debt service					
Principal	951,681	-	34,676,828	22,443,691	58,072,200
Interest	655,127	241,611	8,449,497	10,232,689	19,578,924
Other	-	551,171	1,409,683	66,340	2,027,194
TOTAL EXPENDITURES	185,044,505	41,035,606	81,669,982	77,616,505	385,366,598
OTHER FINANCING SOURCES (USES)					
Transfers in	36,800,745	7,670,013	12,268,756	6,587,194	63,326,708
Transfers out	(49,446)	(14,243,572)	-	(4,791,842)	(19,084,860)
Issuance of bonds	-	20,960,944	-	-	20,960,944
Premium from issuance of bonds	-	465,722	-	-	465,722
Issuance of refunding bonds	-	-	12,661,000	6,905,000	19,566,000
Premium from issuance of refunding bonds	-	-	1,776,984	-	1,776,984
Proceeds from sale of capital assets	30,734	-	-	-	30,734
Issuance of capital lease	-	1,523,629	-	-	1,523,629
TOTAL OTHER FINANCING SOURCES (USES)	36,782,033	16,376,736	26,706,740	8,700,352	88,565,861
NET CHANGE IN FUND BALANCE	1,968,333	(16,868,412)	5,517,619	2,067,074	(\$7,315,386)
FUND BALANCES (DEFICITS)					
Beginning of year	14,410,516	(21,389,540)	8,117,301	14,599,569	15,737,846
End of year	\$ 16,378,849	\$ (38,257,952)	\$ 13,634,920	\$ 16,666,643	\$8,422,460

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2014

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

Net change in fund balances - total governmental funds **(\$7,315,386)**

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

Depreciation expense	(\$22,730,298)	
Capitalized assets acquired	<u>17,404,807</u>	(5,325,491)

The net effect of various transactions involving capital assets (i.e., sales and trade-ins) is to decrease net position. (177,575)

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

General obligation bonds	(27,865,944)	
Transportation development bonds	(1,776,000)	
Sales tax obligation bonds	(10,885,000)	
Capital leases	(1,523,629)	
Premium	<u>(2,242,706)</u>	(44,293,279)

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

General obligation bonds	20,581,278	
Special obligation bonds	2,625,000	
Section 108 loan	355,000	
Sales tax obligation bonds	29,067,829	
Transportation development bonds	3,254,000	
Capital leases	<u>2,189,093</u>	58,072,200

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 230,773

The amortization of bond premiums, discounts and deferred refundings affects long-term assets, liabilities and deferred outflows of resources on the statement of net position, but does not provide or use current financial resources to governmental funds. 1,069,842

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

Compensated absences paid that exceeded amounts earned		1,850,096
Pension benefits paid that exceeded amounts earned		1,609,874
Landfill closure / postclosure care obligations incurred		(22,000)
Other postemployment benefits earned		(4,808,132)

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. (4,321,124)

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. 123,560

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. 7,520

Payments received on the note receivable from the Sporting KC project is recognized as revenue when received in the funds. However, in the statement of net position the note was recognized as revenue when issued. 142,269

Reduction of the Sporting KC note receivable to realizable value is recognized in the statement of net position. (1,660,393)

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. (4,674,846)

In the statement of activities, interest is accreted on outstanding bonds, whereas in governmental funds, interest is accreted when interest payments are due. 1,177,272

Change in net position of governmental activities **(\$8,314,820)**

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	NonMajor Business-type	Totals 2014	
ASSETS					
Current Assets:					
Cash and temporary investments	\$ 6,091,454	\$ 43,374,081	\$ 4,816,841	\$ 54,282,376	\$ 871,116
Restricted cash and temporary investments	5,433,570	28,764,821	1,706,274	35,904,665	556,957
Receivables (net of uncollectible amounts)					
Accounts and other receivables	4,797,930	38,820,387	2,011,924	45,630,241	91,783
Due from other funds	219,862	-	-	219,862	-
Inventories	-	31,032,383	-	31,032,383	-
Prepayments and other current assets	-	2,494,641	-	2,494,641	-
Total current assets	16,542,816	144,486,313	8,535,039	169,564,168	1,519,856
Noncurrent Assets:					
Restricted cash and investments	-	110,712,085	-	110,712,085	-
Capital assets	281,008,255	1,480,675,354	21,715,099	1,783,398,708	-
Accumulated depreciation	(162,045,111)	(699,475,741)	(5,712,416)	(867,233,268)	-
Construction in progress	11,036,912	85,686,636	11,314,456	108,038,004	-
Other assets	232,893	3,376,255	-	3,609,148	-
Total noncurrent assets	130,232,949	980,974,589	27,317,139	1,138,524,677	-
TOTAL ASSETS	146,775,765	1,125,460,902	35,852,178	1,308,088,845	1,519,856
DEFERRED OUTFLOWS OF RESOURCES					
Deferred refunding	118,137	13,379,769	-	13,497,906	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	118,137	13,379,769	-	13,497,906	-
LIABILITIES					
Current liabilities:					
Accounts and contracts payable	527,163	32,231,568	205,056	32,963,787	469,882
Accrued wages and expenses	251,644	5,162,534	230,068	5,644,246	-
Accrued interest payable	848,680	9,623,906	219,762	10,692,348	-
Due to others	66,450	3,796,842	-	3,863,292	92,052
Due to other funds	100,000	-	716,483	816,483	2,463,545
Regulatory and other liabilities	-	2,429,543	-	2,429,543	-
Claims incurred but not reported	-	-	-	-	4,547,000
Compensated absences payable	69,349	1,663,000	165,238	1,897,587	-
Current maturities of long-term debt	3,997,191	20,578,807	1,684,437	26,260,435	-
Total current liabilities	5,860,477	75,486,200	3,221,044	84,567,721	7,572,479
Long-term liabilities:					
Revenue bonds payable, less current maturities	10,893,834	607,312,910	-	618,206,744	-
Sales tax obligation bonds	-	-	5,668,060	5,668,060	-
Accreted interest on bonds	-	-	311,590	311,590	-
General obligation bonds payable (net of unamortized premiums)	41,488,434	-	13,836,889	55,325,323	-
Claims incurred but not reported	-	-	-	-	624,000
Compensated absences payable	1,373,368	3,691,000	3,272,332	8,336,700	-
Capital leases payable	471,089	854,126	1,160,524	2,485,739	-
Pension obligation	-	17,326,288	-	17,326,288	-
OPEB Liability	4,164,719	4,268,837	2,758,129	11,191,685	-
Total long-term liabilities	58,391,444	633,453,161	27,007,524	718,852,129	624,000
TOTAL LIABILITIES	64,251,921	708,939,361	30,228,568	803,419,850	8,196,479
DEFERRED INFLOWS OF RESOURCES					
Recovery fuel purchased power	-	5,129,895	-	5,129,895	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	5,129,895	-	5,129,895	-
NET POSITION					
Net investment in capital assets	73,387,507	347,346,161	8,871,905	429,605,573	-
Restricted for debt service	-	26,101,848	-	26,101,848	-
Restricted for revenue bond reserves	2,833,570	-	-	2,833,570	-
Unrestricted	6,420,904	51,323,406	(3,248,295)	54,496,015	(6,676,623)
TOTAL NET POSITION	\$ 82,641,981	\$ 424,771,415	\$ 5,623,610	\$ 513,037,006	\$ (6,676,623)

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	NonMajor Business-type	Totals 2014	
OPERATING REVENUES					
Charges for service	\$ 25,884,968	\$ 280,248,641	\$ 5,040,799	\$ 311,174,408	\$ 29,471,384
Fines/forfeits/fees	-	-	3,351,441	3,351,441	-
Earned lease income	-	-	411,475	411,475	-
Permits and licenses	279,494	-	-	279,494	-
Intergovernmental	-	-	-	-	-
Miscellaneous revenues	457,405	-	-	457,405	744,870
Payment-in-lieu of taxes	-	31,291,745	-	31,291,745	-
TOTAL OPERATING REVENUES	26,621,867	311,540,386	8,803,715	346,965,968	30,216,254
OPERATING EXPENSES					
Cost of sales and service	17,941,212	215,695,728	9,738,150	243,375,090	34,548,263
Depreciation and amortization	5,235,302	32,939,640	794,642	38,969,584	-
TOTAL OPERATING EXPENSES	23,176,514	248,635,368	10,532,792	282,344,674	34,548,263
Operating income (loss)	3,445,353	62,905,018	(1,729,077)	64,621,294	(4,332,009)
NON-OPERATING REVENUES (EXPENSES)					
Tax revenue	-	-	4,727,470	4,727,470	-
Interest earnings	277,428	-	51,590	329,018	10,885
Interest expense	(2,108,693)	(22,418,357)	(1,039,649)	(25,566,699)	-
Other	(54,283)	(911,449)	(2,674,628)	(3,640,360)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(1,885,548)	(23,329,806)	1,064,783	(24,150,571)	10,885
Income (loss) before contributions and transfers	1,559,805	39,575,212	(664,294)	40,470,723	(4,321,124)
Capital contributions-local government	6,147,795	-	3,932,758	10,080,553	-
Transfer in	2,877,115	-	883,637	3,760,752	-
Transfer out	(11,058,031)	(31,291,745)	(5,652,824)	(48,002,600)	-
Contributions from developers and others	9,840	206,722	1,652,630	1,869,192	-
Change in net position	(463,476)	8,490,189	151,907	8,178,620	(4,321,124)
TOTAL NET POSITION					
Beginning of year	83,105,457	416,281,226	5,471,703	504,858,386	(2,355,499)
End of year	\$ 82,641,981	\$ 424,771,415	\$ 5,623,610	\$ 513,037,006	\$ (6,676,623)

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

continued

For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds			Totals 2014	Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	NonMajor Business-type		
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 25,885,272	\$ 316,633,994	\$ 8,844,553	\$ 351,363,819	\$ 30,215,688
Payments to suppliers	(9,854,704)	(150,825,162)	(3,520,519)	(164,200,385)	-
Payments to employees	(8,310,025)	(59,353,955)	(5,449,601)	(73,113,581)	(33,898,693)
NET CASH FLOW FROM OPERATING ACTIVITIES	7,720,543	106,454,877	(125,567)	114,049,853	(3,683,005)
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES					
Receipts from taxes	-	-	4,699,636	4,699,636	-
Transfers out	(11,058,031)	-	(5,652,824)	(16,710,855)	-
Transfers in	2,877,115	-	883,640	3,760,755	-
Payment -in-lieu of taxes	-	(30,792,530)	-	(30,792,530)	-
NET CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES	(8,180,916)	(30,792,530)	(69,548)	(39,042,994)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on bonds	(2,599,460)	(113,319,378)	(518,322)	(116,437,160)	-
Interest paid on bonds and capital leases	(2,088,366)	(22,148,462)	(504,844)	(24,741,672)	-
Proceeds from bonds	7,871,143	209,062,385	8,309,175	225,242,703	-
Proceeds from capital leases	-	977,789	30,000	1,007,789	-
Acquisition of capital assets	(3,975,797)	(57,294,506)	(3,952,690)	(65,222,993)	-
Payments on capital leases	(441,123)	(535,386)	(794,348)	(1,770,857)	-
Acquisition of intangible assets	-	(2,180,085)	-	(2,180,085)	-
Accounts payable related to capital activities	-	8,955,149	-	8,955,149	-
Special assessment taxes	20,570	-	-	20,570	-
Issuance of government loans	-	6,718,057	-	6,718,057	-
Payments for debt issuance costs	(68,309)	(1,053,209)	(144,912)	(1,266,430)	-
NET CASH FLOW FROM CAPITAL RELATED FINANCING ACTIVITIES	(1,281,342)	29,182,354	2,424,059	30,325,071	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	277,428	177,792	67,974	523,194	8,312
Purchases of investments	-	(106,244,674)	-	(106,244,674)	-
Proceeds from maturity or sale of investments	-	70,462,768	-	70,462,768	-
NET CASH FLOW FROM INVESTING ACTIVITIES	277,428	(35,604,114)	67,974	(35,258,712)	8,312
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(1,464,287)	69,240,587	2,296,918	70,073,218	(3,674,693)
CASH AND CASH EQUIVALENTS					
Beginning of year	12,989,311	52,199,562	4,226,197	69,415,070	5,102,766
End of year	\$ 11,525,024	\$ 121,440,149	\$ 6,523,115	\$ 139,488,288	\$ 1,428,073
Cash and temporary investments	\$ 6,091,454	\$ 43,374,081	\$ 4,816,841	\$ 54,282,376	\$ 871,116
Cash and cash equivalents, reported as restricted cash	5,433,570	78,066,068	1,706,274	85,205,912	556,957
	\$ 11,525,024	\$ 121,440,149	\$ 6,523,115	\$ 139,488,288	\$ 1,428,073

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS - continued

For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	Nonmajor Business-type	Totals 2014	
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income	\$ 3,445,353	\$ 62,905,017	\$ (1,729,077)	\$ 64,621,293	\$ (4,332,009)
Adjustments to reconcile operating income to cash flow from operating activities					
Depreciation and amortization	5,235,302	32,939,640	794,642	38,969,584	-
Changes in assets and liabilities					
Accounts receivable	(736,595)	(2,026,918)	40,838	(2,722,675)	(565)
Inventories and prepaid assets	-	(422,518)	-	(422,518)	-
Accrued wages and expenses	20,839	(789,111)	(27,897)	(796,169)	-
Accounts payable	(564,326)	1,938,580	75,247	1,449,501	90,754
Accrued vacation and sick pay	69,106	-	576,043	645,149	-
Claims incurred but not reported	-	-	-	-	499,000
Due to others	-	(28,285)	-	(28,285)	59,815
Due to / from other funds	-	-	(19,306)	(19,306)	-
Unearned revenue	-	7,311,308	-	7,311,308	-
OPEB liability	250,864	-	163,943	414,807	-
Pension obligation	-	3,578,029	-	3,578,029	-
Other non-current assets	-	1,049,135	-	1,049,135	-
NET CASH FROM OPERATING ACTIVITIES	\$ 7,720,543	\$ 106,454,877	\$ (125,567)	\$ 114,049,853	\$ (3,683,005)
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions-local government	\$ 6,147,795	\$ 206,722	\$ 3,932,758	\$ 10,287,275	\$ -
Capital contributions-other governments	-	-	1,652,630	-	-
Property, plant and equipment acquired with capital leases	-	-	802,879	802,879	-

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

December 31, 2014

	Agency Funds
ASSETS	
Cash and investments	\$ 107,759,834
Accounts receivable	1,944
Due from other funds	-
TOTAL ASSETS	<u>\$ 107,761,778</u>
LIABILITIES	
Accounts payable	\$ 259,276
Due to other funds	0
Due to others	317,492
Due to other governments	107,185,010
TOTAL LIABILITIES	<u>\$ 107,761,778</u>

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Unified Government of Wyandotte County/Kansas City, Kansas (the Unified 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, Kansas City, Kansas (the Unified Government), pursuant to the Unified Government's constitutional home rule, the BPU is an administrative agency of the Unified Government and, as such, is a part of the Unified Government's primary government. However, the BPU's operational and administrative control is under a six-member elected board of directors (the Board).

Blended Component Unit – The 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. For the year ended December 31, 2014, the PBC had no financial activities to report.

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, licenses, and interest 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 is 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 transportation development and sales tax obligation bonds.

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 revenue bonds.

The *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, health insurance 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 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. Likewise, general revenues include all taxes.

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. Nonoperating revenue includes activities that have the characteristics of nonexchange 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 nonoperating.

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. Deposits 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 also, effectively, may withdraw cash at any time without prior notice or penalty. The pooled cash is invested to the extent available in authorized investments. Each fund'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 Unified 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 Unified Government considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

State statutes authorize the Unified Government to invest in temporary notes of the Unified 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, time deposits with banks located in Wyandotte County, FNMA, FHLB and FHLMC obligations, 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, FNMA, FHLB or FHLMC, and bonds issued by any municipality of the State of Kansas.

The Unified 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 weekly fund balances to the debt service, capital projects and enterprise funds with the 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.

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 the Unified Government. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied, with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the Unified Government Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred inflows of resources. The property tax receivable allowance is equal to 7.85% percent of outstanding property taxes at December 31, 2014.

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 EMS operations, three-eighths of one percent is pledged for public safety and public works projects, and the remainder is pledged for 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 Unified Government and are retired from the Unified Government bond and interest fund. Further, State statutes permit levying additional general ad valorem property taxes in the Unified Government bond and interest fund to finance delinquent special assessments receivable. Consequently, special assessments receivable are accounted for within the Unified Government bond and interest 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 Unified 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 bond and interest fund with a corresponding amount recorded as deferred inflows of resources.

Economic development note receivable and 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 Bonds and a note receivable related to a multi-stadium and office campus project. At December 31, the receivables are recorded in the economic development and general funds, respectively, with the corresponding amount recorded as deferred inflows of resources. See footnotes III.F. and IV.C., respectively for further information on these receivables.

BPU accounts receivable and revenue. 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 \$1,456,405 in fiscal year 2014.

3. **Inventories and Prepaid Items**

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

Inventories:	
Fuel	\$ 8,859,758
Material and supplies	<u>22,172,625</u>
Total	<u>\$ 31,032,383</u>

4. **Restricted Assets**

Certain proceeds of the Unified Government's enterprise fund revenue bonds, 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 to be classified as restricted assets for compliance with certain revenue bond indebtedness. 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 fair market 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 and Stormwater Funds are included as part of the capitalized value of the asset constructed. For the BPU, interest costs incurred to finance construction work-in-progress, net of interest income from tax-exempt bonds, are also capitalized.

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

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

Assets	Stormwater	Public Levee	Sunflower Hills Golf Course	T- Bones 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 the following composite rates:

Production plant	1.67% to 4.00%
Transmission and distribution	1.67% to 6.67%
General plant	2.27% to 10.0%

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 BPU 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. Regulatory assets and deferred inflows as of December 31, 2014 consisted of miner benefits and mine reclamation costs, and recovery fuel purchased power costs of \$1,072,638 and \$5,129,895, respectively.

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

7. Compensated Absences

Unified Government of Wyandotte County/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.

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 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. 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.

10. *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 Unified Government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in both the government-wide statement of net position and proprietary funds statement of net position. 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.

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 Unified Government has three types of items, unavailable revenue, deferred revenue and recovery of the Energy Rate Component (ERC) rider, 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 four sources: note receivable, intergovernmental receivable, grants receivable and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property tax receivable. Property taxes are not recognized as revenue until the period for which they are levied. The ERC rider is reported in both the government-wide statement of net position and the proprietary funds statement of net position.

11. *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 \$31,291,745 during 2014. 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 and trash charges. These service contributions approximated \$16,623,000 or 5.9% of the BPU's total revenue for 2014.

12. *Pending Governmental Accounting Standards Board Statements*

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was issued in June 2012. This statement establishes accounting and financial reporting by state and local governments for pensions, including entities that participate in cost-sharing multiple-employer plans. It also improves information provided by state and local governmental employers about financial support for pensions

that is provided by other entities. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equipment arrangements that meet certain criteria. Also, this statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For example, cost-sharing employers participating in KPERS, such as the Unified Government, will be required to record their proportionate share, as defined in Statement No. 68, of the KPERS unfunded pension liability. While management of the Unified Government has not yet estimated their share of the KPERS liability, it is presumed that the amount will be material to the Unified Government's financial statements. The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2015.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, was issued in November 2013. The objective of this statement is to address an issue regarding application of the transition provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Under Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances of deferred outflows and inflows of resources not be reported. This statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this statement should be applied simultaneously with the provisions of Statement 68.

GASB Statement No. 72, *Fair Value Measurement and Application*, was issued in February 2015. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes, applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2016.

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 (eg Personnel Services, Contractual Services) without the department first obtaining approval. The following types of budget transfers require department director approval and additional approval by the County Administrator's Office:

- An appropriation of contingency funds
- An appropriation of reserve funds
- Transfers that move funds between operating and capital budgets
- Transfers 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:

- Transfers from the salary accounts require department director, chief financial officer, and County Administrator's Office approvals.
- Funds may be transferred between other accounts with department director approval.
- Funds may be transferred 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 such time as the project is completed or terminated. Encumbered appropriations are not reappropriated in the ensuing year's budget but are carried forward until liquidated or canceled.

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

- Capital Projects
- Public Building Commission
- Internal Service
- Special Revenue: AR&RA
- 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, 2014, the Workers' Compensation fund and the Self-Insured Health Care fund had deficits of \$5,018,687 and \$1,799,048, 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 \$768,805 which will be recovered from future intergovernmental revenues. The EMS fund and the Sunflower Hills Golf Course had deficit fund balances of \$2,909,772 and \$132,954, respectively, which will be recovered from future charges for services. The Public Levee fund had a deficit fund balance of \$1,806,432 which will be recovered from future earned lease income. The Capital Projects fund had a deficit fund balance of \$38,257,952, which will be recovered from future bond issuances.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The Unified Government (excluding the BPU) has adopted a formal Cash Management and Investment Policy. 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 probable safety of their capital as well as the probable income to be derived."

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 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, 2014, the bank balance and certificates of deposit were \$655,323, 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. 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 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, 2014, 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 Unified Government. As of December 31, 2014, the Unified Government had \$25,007,291 of investments in U.S. government agency securities which were held by the investment's counterparty.

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. 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 Unified 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.

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. 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, 2014, 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.

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 of 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 Unified Government investment policy limits the amount of investments that can be placed with a single financial institution to no more than 60% 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 2014, the Unified Government held \$13.1 million, or 6.4%, of its portfolio in investments issued by Fannie Mae.

At December 31, 2014, the Unified Government (excluding the BPU) had the following investments:

	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less Than 1</u>	<u>1-5</u>
Repurchase agreements	\$ 93,112,000	\$ 93,112,000	\$ -
U.S. government agencies	25,007,291	7,037,722	17,969,569
Certificates of deposit	<u>70,285,000</u>	<u>18,285,000</u>	<u>52,000,000</u>
Subtotal general operating portfolio	188,404,291	118,434,722	69,969,569
Assets held by trustee:			
U.S. Treasuries	<u>15,896,300</u>	<u>14,853,083</u>	<u>1,043,217</u>
Total Investments	<u>\$204,300,591</u>	<u>\$133,287,805</u>	<u>\$ 71,012,786</u>

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 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>% of total portfolio</u>
FHLB	\$49,072,551	26.84%
FNMA	26,203,963	14.33%
FHLMAC	9,453,478	5.17%

The fair values, as determined by market prices, of the BPU's investments at December 31, 2014 are as follows:

	<u>Fair Value</u>	<u>Investment maturities</u>		
		<u>Less Than 6 months</u>	<u>6-12 months</u>	<u>Greater than 12 months</u>
Cash and CD's	\$ 655,323	\$ 655,323	\$ -	\$ -
Repurchase agreements	49,819,268	48,388,069	-	1,431,199
US Agency	84,729,992	76,511,113	8,218,879	-
Money market funds	<u>47,646,404</u>	<u>47,646,404</u>	-	-
Total Investments	<u>\$ 182,850,987</u>	<u>\$ 173,200,909</u>	<u>\$ 8,218,879</u>	<u>\$ 1,431,199</u>

A reconciliation of cash and investments is as follows:

	<u>Unified Government</u>	<u>BPU</u>	<u>TOTAL</u>
Cash on hand	\$ 12,136	\$ -	\$ 12,136
Carrying amount of deposits	3,614,799	655,323	4,270,122
Cash with others	2,303,355	-	2,303,355
Investments	188,404,291	182,195,664	370,599,955
Investments, assets held by trustee	<u>15,896,300</u>	<u>-</u>	<u>15,896,300</u>
Total	<u>\$210,230,881</u>	<u>\$ 182,850,987</u>	<u>\$393,081,868</u>

	<u>Unified Government</u>	<u>BPU</u>	<u>TOTAL</u>
Cash and temporary investments	\$187,990,747	\$ 43,374,081	\$231,364,828
Restricted cash and investments	<u>22,240,134</u>	<u>139,476,906</u>	<u>161,717,040</u>
Total	<u>\$210,230,881</u>	<u>\$ 182,850,987</u>	<u>\$393,081,868</u>

B. Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

Governmental activities:	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 8,658,160	\$ -	\$ -	\$ -	\$ 8,658,160
Construction in progress	38,758,439	-	15,092,583	27,551,442	26,299,580
Total capital assets, not being depreciated	47,416,599	-	15,092,583	27,551,442	34,957,740
Capital assets, being depreciated:					
Buildings	135,708,599	5,015,149	22,393,798	-	163,117,546
Improvements other than buildings	39,355,026	-	150,000	-	39,505,026
Machinery and equipment	60,724,995	-	2,312,224	8,741,750	54,295,469
Infrastructure	623,602,931	-	5,007,644	-	628,610,575
Total capital assets, being depreciated	859,391,551	5,015,149	29,863,666	8,741,750	885,528,616
Less accumulated depreciation for:					
Buildings	77,918,962	5,015,149	2,976,649	-	85,910,760
Improvements other than buildings	17,005,531	-	766,929	-	17,772,460
Machinery and equipment	50,506,845	-	2,592,515	8,564,175	44,535,185
Infrastructure	185,473,527	-	16,394,205	-	201,867,732
Total accumulated depreciation	330,904,865	5,015,149	22,730,298	8,564,175	350,086,137
Total capital assets, being depreciated, net	528,486,686	-	7,133,368	177,575	535,442,479
Governmental activities capital assets, net	\$ 575,903,285	\$ -	\$ 22,225,951	\$ 27,729,017	\$ 570,400,219

Business-type activities	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 1,981,135	\$ -	\$ 2,672,520	\$ 2,144	\$ 4,651,511
Sewer-Construction in progress	14,293,587	-	8,958,471	12,215,146	11,036,912
Stormwater -Construction in progress	8,163,176	-	4,029,311	878,031	11,314,456
BPU-Construction in progress	68,755,336	-	52,790,382	35,859,082	85,686,636
Total capital assets, not being depreciated	93,193,234	-	68,450,684	48,954,403	112,689,515
Capital assets, being depreciated:					
Buildings and improvements	8,109,852	-	2,836,247	7,404,854	3,541,245
Improvements other than buildings	3,691,240	-	-	-	3,691,240
Sewer lines	164,917,078	-	12,739,133	-	177,656,211
Treatment plants and facilities	69,275,252	-	1,078,794	-	70,354,046
Machinery and equipment	43,500,310	-	1,300,122	1,971,331	42,829,101
BPU Plant and equipment	1,467,415,770	(5,015,149)	41,759,205	23,484,472	1,480,675,354
Total capital assets, being depreciated	1,756,909,502	(5,015,149)	59,713,501	32,860,657	1,778,747,197
Less accumulated depreciation for:					
Buildings and improvements	5,298,583	-	109,234	4,725,326	682,491
Improvements other than buildings	2,201,524	-	82,544	-	2,284,068
Sewer lines	72,562,233	-	3,404,805	-	75,967,038
Treatment plants and facilities	51,332,502	-	1,244,757	-	52,577,259
Machinery and equipment	36,975,114	-	1,188,604	1,917,047	36,246,671
BPU Plant and equipment	695,708,200	(5,015,149)	31,067,844	22,285,154	699,475,741
Total accumulated depreciation	864,078,156	(5,015,149)	37,097,788	28,927,527	867,233,268
Total capital assets, being depreciated, net	892,831,346	-	22,615,713	3,933,130	911,513,929
Business-type activities capital assets, net	\$ 986,024,580	\$ -	\$ 91,066,397	\$ 52,887,533	\$ 1,024,203,444

The Public Levee Fund is utilized to report the fiscal activity of the Public Levee, which is located in the Fairfax Industrial District. Historically, the Public Levee leased industrial space in a series of buildings on the site as well as land. Effective August 1, 2014, an agreement was reached with a third party for a long term ground lease. The agreement calls for the demolition of existing structures and the building of an industrial building containing between 300,000 and 400,000 square feet. This agreement is for a 58 year, five month term. As of December 31, 2014, significant progress has been made on the demolition of the existing structures. As a result, the structures were deemed significantly impaired. The buildings, improvements and limited land improvements with an original cost of \$7,406,997 and accumulated depreciation of \$4,725,323 were written off as of December 31, 2014 for a realized loss of \$2,681,674.

In 2014, a building owned by the BPU was transferred to the Unified Government. There was no net impact on the financial statements from this transfer due to the asset being fully depreciated at the time of the transfer.

As discussed in note IV D, on December 18, 2012, the BPU acquired an undivided 17% interest in the assets of the Dogwood Energy Facility (Dogwood). The BPU's portion of Dogwood had a net utility plant investment of \$67.8 million, which included an acquisition adjustment of \$34.8 million. This amount is included in the BPU Plant and Equipment in the above table. The BPU is amortizing the acquisition adjustment over 29.1 years. The amortization of the acquisition adjustment is included in allowable costs and is being recovered in amounts charged to customers. The amount amortized in 2014 is \$1,201,133 and is included in the above table.

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

Governmental activities:	
General government	\$ 490,152
Health and Welfare	89,237
Public Safety	1,807,243
Judicial	31,732
Highways and streets, including depreciation of general infrastructure assets	18,498,860
Planning and development	1,581,052
Culture and recreation	<u>232,022</u>
Total depreciation expense – governmental activities	<u>\$ 22,730,298</u>
Business-type activities:	
Sewer	\$ 5,235,302
Public Levee	55,824
Sunflower Hills Golf Course	187,750
EMS	372,419
Stormwater Enterprise	143,196
Stadium	35,453
BPU	<u>31,067,844</u>
Total depreciation expense – business-type activities	<u>\$ 37,097,788</u>

C. Interfund Receivables and Payables and Transfers

The composition of interfund balances as of December 31, 2014, is as follows:

Interfund receivables and payables:

	Interfund Receivables	Interfund Payables
General	\$ 3,635,301	\$ -
Capital projects	-	149,862
Nonmajor governmental funds	690,577	1,115,850
Sewer enterprise fund	219,862	100,000
Nonmajor enterprise funds	-	716,483
Internal service funds	-	<u>2,463,545</u>
Total	<u>\$ 4,545,740</u>	<u>\$ 4,545,740</u>

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.

The composition of interfund transfers for the year ended December 31, 2014, is as follows:

Transfers Out:	Transfers In:						Total
	General	Capital Projects	Economic Development	Nonmajor Governmental	Sewer	Nonmajor Enterprise	
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,446	\$ 49,446
Capital projects	-	-	12,268,756	1,866,568	68,309	39,939	14,243,572
Nonmajor governmental	53,000	244,160	-	891,624	2,808,806	794,252	4,791,842
Sewer	3,200,000	4,784,738	-	3,073,293	-	-	11,058,031
BPU	31,291,745	-	-	-	-	-	31,291,745
Nonmajor Enterprise	2,256,000	2,641,115	-	755,709	-	-	5,652,824
	<u>\$ 36,800,745</u>	<u>\$ 7,670,013</u>	<u>\$ 12,268,756</u>	<u>\$ 6,587,194</u>	<u>\$ 2,877,115</u>	<u>\$ 883,637</u>	<u>\$ 67,087,460</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt services from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In 2014, PILOT revenues and expenses of \$31,291,745 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 \$6,147,795 and \$3,932,758 to the sewer and stormwater funds, respectively. This activity is shown as an expenditure from the capital project fund and capital contribution revenue to the sewer and stormwater funds, in the fund financial statements. However, this activity is shown within transfers in the government-wide financial statements.

Nonroutine transfers include \$3,200,000 in excess funds from the Sewer System Fund to the General Fund. Any future transfer of excess fund balance from the General Fund to the Sewer System Fund is subject to annual appropriation. The 2014 transfer did not create a future liability to the General Fund. Additionally, the capital projects fund transferred \$12,268,756 of escrowed cash funds to the economic development fund to make future debt payments.

D. Leases

Operating Leases

The Public Levee is located in the Fairfax Industrial District. Effective August 1, 2014, a new agreement was reached with a third party for a long term ground lease. This agreement, which has a term of 58 years and 5 months, calls for the demolition of existing structures and the building of a new industrial building containing between 300,000 and 400,000 square feet. As of December 31, 2014, significant progress has been made on the demolition of the existing structures. The lease covers only the ground, which has an original cost of \$116,598.

In February 2014, the Unified Government entered into a management agreement with a third party to operate Community American Ballpark Stadium (Stadium). This agreement is for a 20 year term. Property leased under this agreement includes the Stadium with a cost of \$5,508,767 and accumulated depreciation of \$35,453 at December 31, 2014.

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 \$325,000, commencing in 2011. Annual rent payments shall be adjusted every five years by the cumulative and compounded percentage increase in the Consumer Price Index. 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 the Stadium, and of future minimum rent payments to be made to the Kansas Speedway Corporation as of December 31, 2014:

Year ending December 31,	Public Levee Lease	Stadium Lease	Rent payments for parking
2015	\$ 327,058	\$ 32,296	\$ 325,000
2016	327,058	31,998	325,000
2017	327,058	34,254	325,000
2018	327,058	36,987	325,000
2019	327,058	38,438	325,000
Thereafter	10,584,760	849,844	3,900,000
Total	\$ 12,220,050	\$ 1,023,817	\$ 5,525,000

Capital Leases

The Unified Government has equipment under various capital leases. To account for financing leases, the Unified Government charges payments made during the fiscal period as debt service in governmental funds. In the year that the asset is received, the Unified 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	Sewer	Sunflower Hills Golf Course	EMS
Machinery and equipment	\$ 14,722,346	\$ 2,215,703	\$ 448,335	\$ 3,204,412

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, 2014, were as follows:

Year ended December 31,	Governmental Activities	Business-type Activities		
		Sunflower Hills Golf		
		Sewer	Course	EMS
2015	\$ 2,158,469	\$ 364,672	\$ 85,780	\$ 791,354
2016	1,902,173	273,752	61,740	601,606
2017	981,604	208,092	61,740	329,365
2018	886,951	-	61,740	55,919
2019	753,780	-	6,265	-
2020-2024	1,293,880	-	-	-
2025-2029	55,136	-	-	-
Total minimum lease payments	8,031,993	846,516	277,265	1,778,244
Less: Amount representing interest	(604,763)	(25,578)	(7,822)	(33,311)
Present value of minimum lease payments	\$ 7,427,230	\$ 820,938	\$ 269,443	\$ 1,744,933

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 governing body 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, 2014, the Unified Government had \$80,245,000 outstanding in temporary notes.

All temporary notes at December 31, 2014, have a maturity of no later than December 1, 2015 and have interest rates ranging from 0.18% to 1.00%.

Temporary note activity for the year ended December 31, 2014 was as follows:

Outstanding Jan. 1, 2014	Issued	Redeemed	Outstanding Dec. 31, 2014
\$ 78,560,000	\$ 74,835,000	\$ (73,150,000)	\$ 80,245,000

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, 2014:

Governmental activities:	Outstanding January 1, 2014	Additions	Deletions	Outstanding December 31, 2014	Due Within 1 Year
General Obligation:					
General obligation bonds	\$ 185,395,413	\$ 27,865,944	\$ 18,648,066	\$ 194,613,291	\$ 10,436,434
Tax Increment Financed GO bonds	38,221,627	-	1,468,212	36,753,415	2,560,805
Unamortized premium	7,364,434	465,722	888,547	6,941,609	-
Unamortized discount	(215,209)	-	(14,112)	(201,097)	-
Compensated absences	47,615,958	1,597,419	3,447,515	45,765,862	2,199,882
Capital leases	8,092,694	1,523,629	2,189,093	7,427,230	1,970,835
Claims and judgments	600,000	1,293,208	1,293,208	600,000	600,000
Unfunded pension obligation	275,614	28,492	38,366	265,740	-
Claims incurred but not reported	4,672,000	30,106,110	29,607,110	5,171,000	4,547,000
OPEB liability	73,613,533	4,808,132	-	78,421,665	-
Pension liability	1,600,000	-	1,600,000	-	-
Landfill closure/post-closure	660,000	102,760	80,760	682,000	62,000
Total - General obligation	367,896,064	67,791,416	59,246,765	376,440,715	22,376,956
Limited Obligation:					
Section 108 loan	2,384,000	-	355,000	2,029,000	379,000
Special obligation bonds	58,255,000	-	2,625,000	55,630,000	2,555,000
Revenue bonds	9,915,000	-	465,000	9,450,000	570,000
Transportation development bonds	27,218,000	1,776,000	3,254,000	25,740,000	635,000
Sales tax obligation bonds	60,925,224	10,885,000	29,067,829	42,742,395	4,416,597
Accreted interest on bonds	13,851,715	2,625,891	3,803,163	12,674,443	576,528
Unamortized premium	775,640	1,776,984	285,146	2,267,478	-
Unamortized discount	(401,376)	-	(25,046)	(376,330)	-
Total - Limited obligation	172,923,203	17,063,875	39,830,092	150,156,986	9,132,125
Total	\$ 540,819,267	\$ 84,855,291	\$ 99,076,857	\$ 526,597,701	\$ 31,509,081
Business-type activities:					
General obligation bonds	\$ 51,957,960	\$ 6,999,056	\$ 1,648,722	\$ 57,308,294	\$ 2,932,763
Unamortized premium	862,446	159,091	71,745	949,792	-
Capital leases	3,237,906	832,879	1,235,471	2,835,314	1,203,701
Sewer state revolving loan	10,822,225	3,085,833	1,469,060	12,438,998	1,545,164
Compensated absences	4,235,138	1,012,778	367,629	4,880,287	234,587
OPEB Liability	6,508,041	414,807	-	6,922,848	-
Sales tax obligation bonds - Limited	-	5,668,060	-	5,668,060	-
Accreted interest on bonds	-	311,590	-	311,590	-
Subtotal	77,623,716	18,484,094	4,792,627	91,315,183	5,916,215
BPU revenue bonds	462,765,000	190,620,000	105,655,000	547,730,000	17,945,000
Capital leases	1,011,816	977,789	535,386	1,454,219	600,093
Unamortized discount	(99,038)	-	(13,505)	(85,533)	-
Unamortized premium	30,457,294	18,442,385	1,701,384	47,198,295	-
State revolving loan	27,585,940	1,735,557	1,738,885	27,582,612	1,748,714
Intergovernmental loan	-	4,982,500	116,250	4,866,250	285,000
Compensated absences	5,837,000	1,180,000	1,663,000	5,354,000	1,663,000
Net pension obligation	13,748,259	7,796,451	4,218,422	17,326,288	-
OPEB Liability	3,719,986	4,217,197	3,668,346	4,268,837	-
Subtotal	545,026,257	229,951,879	119,283,168	655,694,968	22,241,807
Total	\$ 622,649,973	\$ 248,435,973	\$ 124,075,795	\$ 747,010,151	\$ 28,158,022

For the governmental activities, compensated absences, claims and judgments, the unfunded pension obligation, pension liability and the OPEB liability are generally liquidated by the general fund. Landfill closure and post closure care costs are expected to be liquidated by the Environmental Trust Fund.

Special Assessment and General Obligation 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, 2014, 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, 2014
2006 GO Bonds	\$ 39,685,000	2006-2025	4.00-5.50%	\$ 25,150,000
2007 GO Bonds	16,805,000	2007-2027	4.00-5.50%	2,420,000
2008 GO Bonds	34,660,000	2008-2028	3.50-7.00%	29,795,000
2009 GO Bonds	23,515,000	2009-2029	3.00-6.00%	19,720,000
2010 GO Bonds	110,330,000	2011-2031	0.70-5.70%	96,895,000
2011 GO Bonds	34,485,000	2012-2031	1.00-5.00%	32,565,000
2012 GO Bonds	15,975,000	2013-2022	1.00-4.00%	14,970,000
2013 GO Bonds	34,685,000	2013-2033	2.00-4.00%	32,295,000
2014 GO Bonds	34,865,000	2014-2034	2.00-4.00%	34,865,000
Total	<u>\$ 345,005,000</u>			<u>\$ 288,675,000</u>

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

Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 12,997,239	\$ 9,330,184	\$ 2,932,763	\$ 2,297,078
2016	13,073,397	8,924,131	3,016,603	2,204,041
2017	13,420,926	8,462,307	3,214,074	2,098,476
2018	19,292,395	7,982,433	3,302,605	1,980,764
2019	13,906,830	7,341,454	3,258,170	1,861,462
2020-2024	71,131,521	28,372,837	16,643,479	7,322,489
2025-2029	71,186,692	12,795,674	17,408,306	3,724,073
2030-2034	16,357,706	1,110,719	7,532,294	601,571
Total	\$231,366,706	\$84,319,739	\$ 57,308,294	\$22,089,954

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% 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 41.2% 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 64% 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 2014, the Unified Government received \$617,063 of interest subsidies related to these bonds.

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.

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.

Pension Liability. On July 3, 2013, the Unified Government was assessed an employer withdrawal liability in accordance with the Employee Retirement Income Security Act (ERISA) based on the Unified Government's withdrawal from participation in the Laborers' National (Industrial) Pension Fund. This liability was resolved and \$1,530,550 was paid during 2014, eliminating future liabilities against this claim.

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
2015	\$ 600,000	\$ 41,563	\$ 379,000	\$ 57,660
2016	-	38,654	406,000	49,322
2017	-	35,948	434,000	38,522
2018	-	33,432	465,000	25,894
2019	-	31,091	345,000	11,386
2020-2024	-	85,052	-	-
Total	\$ 600,000	\$ 265,740	\$ 2,029,000	\$ 182,784

Arbitrage Liability. In 1986, Federal 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 of 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, 2014. Actual payments could differ from the estimate.

Sales Tax Limited Obligation Bonds. In March 1998, the Unified Government established the Prairie Delaware Redevelopment District. The District was created for development of a major tourism area, including the Kansas International Speedway. In connection with various projects in this District, the Unified Government has issued Sales Tax Limited Obligation Revenue Bonds (STAR bonds). Pursuant to issuance of the STAR bonds, the Unified Government and the State of Kansas entered into a Redevelopment District Tax Distribution Agreement. The agreement provides 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 Unified Government's proportional share is approximately 28% on all STAR bonds except for the 2014 Stadium STAR bonds. The Unified Government's proportional share on the Stadium STAR bonds is 70%, as defined by the Redevelopment District Tax Distribution Agreement. This proportional share may change in the future if the sales taxes assessed by the local or state governments are modified.

These bonds are special, limited obligations of the Unified Government, payable solely from revenues generated within the Redevelopment District. The 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.

STAR Bonds With Annual Appropriation. Certain STAR bonds, as listed 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. Due to the presence of the Annual Appropriation covenant, the full amount of the outstanding bonds are recorded with long-term debt of the Unified Government, along with any related transactions or account balances. A corresponding receivable, in the amount of \$24,390,959, is recorded for the amount of the contractual pledge from the State of Kansas.

At December 31, 2014, 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				Total Accreted Value December 31, 2014
				Local Pledge	Local Accreted Interest	State Pledge	State Accreted Interest	
1999 KISC Bonds	\$ 24,300,413	2007-2027	4.20-5.25%	\$ 1,662,016	\$ 2,111,357	\$ 4,273,755	\$ 5,429,205	\$ 13,476,333
2004 Refunding Bonds	5,460,000	2007-2020	3.25-5.54%	821,800	-	2,113,200	-	2,935,000
2012 Refunding Bonds	12,785,000	2013-2016	2.00-5.00%	1,842,400	-	4,737,600	-	6,580,000
2014 KISC Refunding Bonds	10,885,000	2014-2027	2.00-5.00%	3,047,800	-	7,837,200	-	10,885,000
Total	\$ 53,430,413			\$ 7,374,016	\$ 2,111,357	\$ 18,961,755	\$ 5,429,205	\$ 33,876,333

STAR Bonds With No Annual Appropriation. In 2010, the Unified Government issued STAR bonds for a major multi-sport complex project. Pledged tax revenues for the 2010B bonds include only such state sales tax revenues collected by the State of Kansas and distributed on or before January 31, 2021. The amount of general state tax revenues that can be applied to the payment of the 2010B bonds is capped at \$144,500,000. After applying \$144,500,000 of payments to the 2010B bonds, the accreted value of any remaining 2010B bonds can be paid solely from the Unified Government's local sales and transient guest taxes located within the District. The bonds do not include an Annual Appropriation covenant. As such, the Unified Government has only recorded its 28% proportional share of the outstanding obligation for this bond issue. 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. Such amounts totaled \$37,133,974 for the year ended December 31, 2014, and are recorded in the Economic Development Debt Service Fund.

In February 2014, the Unified Government issued \$8,097,229 of STAR bonds for the purchase of Community America Ballpark as part of the major multi-sport complex project. The bonds do not include an Annual Appropriation covenant. As such, the Unified Government has only recorded its 70% proportional share of the outstanding obligation of this bond issue. 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. No principal and interest payments were made on the 2014 bonds for the year ended December 31, 2014.

At December 31, 2014, STAR bonds outstanding with no 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				Total Accreted Value December 31, 2014
				Local Pledge	Local Accreted Interest	State Pledge	State Accreted Interest	
Governmental activities:								
2010B Bonds	\$ 150,289,489	2021	6.07%	\$ 16,406,624	\$ 5,133,881	\$ 42,188,462	\$ 13,201,410	\$ 76,930,377
Total	\$ 150,289,489			\$ 16,406,624	\$ 5,133,881	\$ 42,188,462	\$ 13,201,410	\$ 76,930,377
Business-type activities:								
2014 Bonds	\$ 8,097,229	2021	7.00%	\$ 5,668,060	\$ 311,590	\$ 2,429,169	\$ 133,538	\$ 8,542,357
Total	\$ 8,097,229			\$ 5,668,060	\$ 311,590	\$ 2,429,169	\$ 133,538	\$ 8,542,357

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

Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 4,416,597	\$ 1,583,182	\$ -	\$ -
2016	4,649,976	1,456,761	-	-
2017	1,456,733	1,292,524	-	-
2018	1,533,629	1,280,723	-	-
2019	1,640,523	1,265,300	-	-
2020-2024	23,968,282	21,532,131	5,668,060	3,683,940
2025-2027	5,076,655	7,000,492	-	-
Total	\$42,742,395	\$35,411,113	\$ 5,668,060	\$3,683,940

The 2010B and 2014 bonds 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.

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 intends to budget and appropriate moneys sufficient to pay all the debt service payments on these bonds for the next succeeding fiscal year. The 2007 The Legends, 2007 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	Range of Interest Rates	Amount Outstanding Dec 31, 2014
2007 The Legends	\$ 17,520,000	2007-2028	4.60-4.875%	\$ 13,805,000
2007 NFM/Cabela’s	2,415,000	2007-2027	5.0%	1,015,000
2013 Plaza at the Speedway	9,975,000	2013-2032	4.75-5.75%	9,280,000
2014 Happy Foods	317,000	2014-2024	4.5%	297,000
2014 Prescott Plaza	1,459,000	2014-2024	3.0%	1,343,000
Total	\$ 31,686,000			\$ 25,740,000

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

Year ended December 31,	Principal	Interest
2015	\$ 635,000	\$ 1,260,295
2016	800,000	1,276,421
2017	960,000	1,237,149
2018	1,080,000	1,188,030
2019	1,265,000	1,132,761
2020-2024	9,670,000	4,561,441
2025-2029	8,755,000	1,982,644
2030-2032	2,575,000	276,431
Total	\$ 25,740,000	\$ 12,915,172

Special Obligation Bonds. The Series 2010H and 2012C 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 provided for such a year. The 2012 and 2013 39th 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, 2014
2010H Kansas Speedway parking lot	\$ 7,725,000	2010-2021	2.0-4.5%	\$ 6,930,000
2012C Wyandotte Plaza	8,115,000	2012-2032	2.0-3.8%	8,115,000
2012 39 th and Rainbow	6,445,000	2012-2027	4.19%	6,445,000
2013 39 th and Rainbow	4,365,000	2012-2032	3.3-3.9%	4,215,000
2013 Plaza at the Speedway	<u>33,550,000</u>	2012-2027	4.25%	<u>29,925,000</u>
Total	<u>\$ 60,200,000</u>			<u>\$ 55,630,000</u>

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

Year ended December 31,	Principal	Interest
2015	\$ 2,555,000	\$ 2,534,826
2016	2,930,000	2,538,375
2017	3,380,000	2,405,620
2018	3,595,000	2,248,451
2019	3,830,000	2,079,862
2020-2024	17,220,000	7,906,322
2025-2029	15,015,000	3,384,502
2030-2032	<u>7,105,000</u>	<u>339,493</u>
Total	<u>\$ 55,630,000</u>	<u>\$ 23,437,451</u>

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 2014	Pledged revenues recognized in 2014
STAR bonds*	Sales and transient guest tax	\$199,536,483	Through 2027	100%	\$57,712,677	\$58,453,245
TDD bonds	Transportation development district sales tax	38,655,172	Through 2032	100%	2,649,196	2,738,028
TIF GO bonds	Incremental increase in property tax	50,874,910	Through 2031	100%	3,143,591	3,065,134
Special Obligation bonds (TIF)	Incremental increase in property tax	57,218,806	Through 2030	100%	4,304,948	3,954,207

* 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 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%.

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

Year ended December 31,	Principal	Interest
2015	\$ 570,000	\$ 250,375
2016	585,000	238,975
2017	595,000	227,275
2018	605,000	218,350
2019	630,000	209,275
2020-2024	3,390,000	754,025
2025-2029	<u>3,075,000</u>	<u>234,150</u>
Total	<u>\$ 9,450,000</u>	<u>\$ 2,132,425</u>

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 25% of the costs of these facilities, which will be owed on each debt service payment date.

Proprietary Fund Revenue Bonds. At December 31, 2014, the various proprietary funds had the following bonds outstanding:

Description and Purpose	Amount of Original Issue	Range of Final Maturity Dates	Range of Interest Rates	Amount Outstanding Dec 31, 2014
Sewer System State Revolving Loan	<u>\$ 31,853,102</u>	2035	3.39-3.44%	<u>\$ 12,438,998</u>
Subtotal	<u>31,853,102</u>			<u>12,438,998</u>
BPU revenue bonds:				
2001 Series	17,170,000	2021	4.00-5.95%	8,350,000
2009A Series	57,575,000	2034	4.73-5.30%	50,790,000
2010 Refunding	32,190,000	2028	4.40-4.72%	23,085,000
2011 Series	90,000,000	2036	2.00-5.20%	88,000,000
2012 Refunding	110,830,000	2032	3.12-5.00%	110,830,000
2012B	79,540,000	2037	2.00-5.00%	76,055,000
2014 Refunding and improvement	<u>190,620,000</u>	2044	4.00-5.00%	<u>190,620,000</u>
Subtotal	<u>577,925,000</u>			<u>547,730,000</u>
Total	<u>\$ 609,778,102</u>			<u>\$ 560,168,998</u>

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, 2014.

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. 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 2033.

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

	Sewer System		BPU			
	State Revolving Loan		Government Loans		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 1,545,164	\$ 570,325	\$ 2,033,714	\$ 899,162	\$ 17,945,000	\$ 27,389,587
2016	2,297,752	779,784	2,094,299	844,530	19,340,000	24,972,006
2017	2,350,349	709,556	2,160,611	783,757	19,805,000	24,258,631
2018	2,299,760	638,068	2,230,350	721,667	20,580,000	23,483,656
2019	1,477,049	576,710	2,304,844	657,434	23,765,000	22,612,481
2020-2024	8,028,899	2,239,893	12,704,055	2,196,559	122,315,000	95,077,481
2025-2029	5,190,391	1,301,546	6,483,034	679,347	118,380,000	66,937,838
2030-2034	6,259,806	544,984	2,437,955	126,616	118,540,000	36,754,551
2035-2039	640,420	8,774	-	-	52,830,000	14,366,587
2040-2044	-	-	-	-	34,230,000	5,301,251
Total	<u>\$30,089,590</u>	<u>\$ 7,369,640</u>	<u>\$32,448,862</u>	<u>\$ 6,909,072</u>	<u>\$547,730,000</u>	<u>\$341,154,069</u>

In May 2012, the BPU entered into a Kansas Public Water Supply loan fund agreement, which the amount is not to exceed \$12.3 million. As of December 31, 2014, the BPU has drawn approximately \$11.8 million of the \$12.3 million. The projects funded by this loan consist of a 4MG reservoir at the Nearman Water Treatment Plant and various waterline replacement projects. The 4MG reservoir at Nearman has been placed in service in 2014. In July 2014, the BPU entered into a Kansas Public Water Supply load fund agreement, for which the amount is not to exceed \$13.0 million. 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.

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:

Issue(s)	Type revenue pledged	Amount of pledge	Term of commitment	Percent of revenue pledged	Principal & Interest for 2014	Pledged revenues recognized in 2014
Sewer State Revolving Loan	Net operating revenue of the Sewer Fund	\$ 37,459,230	Through 2035	100%	\$ 1,775,526	\$ 8,691,350
BPU debt issues	Electric and Water operating revenues	\$888,884,069	Through 2044	7.9%	\$24,804,869	\$29,765,843

Refundings of Long-Term Debt. In November 2014, the Unified Government issued \$10,885,000 in STAR bonds, Series 2014 KISC with interest rates of 2.0-5.0%, to current refund \$13,560,000 of STAR bonds, Series 1999 KISC maturing from 2015-2027. The Unified Government refunded these bonds to take advantage of lower interest rates. As a result, the total debt service payments over the next 13 years will decrease by \$2,793,296 in debt service payments and will realize a present value savings of \$2,412,025.

In 2014, the Unified Government issued \$6,905,000 in general obligation bonds, Series 2014-D, \$317,000 in TDD bonds, Happy Foods Series 2014 and \$1,459,000 in TDD bonds, Prescott Plaza Series 2014 to make the 2014 debt service balloon payments and extended the repayment terms of the bonds. There was no savings or loss as a result of these three refunding bonds.

In 2014, the BPU issued \$190.6 million of Utility System Refunding Revenue Bonds. The aggregate savings in debt service between the refunded debt and the refunding debt was \$11.8 million and resulted in a net present value economic gain of \$9.7 million. The Series 2014 refunding bond bears an average interest rate at 4.85% and is payable over 9 years.

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, 2014 was \$352,979,373 for the Industrial Revenue Bonds, \$44,617,631 for Sales Tax Special Obligation Revenue Bonds and \$840,000 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. 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 cap 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 has recorded a liability of \$682,000 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.

I. Restricted Assets

The balances of the restricted asset accounts are as follows:

General fund: master leases	\$	146,064
Capital projects fund: GO proceeds		25,738
Capital projects fund: STAR financing		409,803
Economic development fund:		
STAR/TDD/TIF bonds		13,634,159
Customer deposits-BPU		3,796,841
Sewer revenue bonds:		
Debt service accounts		3,504,834
State Revolving Loan		1,928,736
Stadium fund: STAR financing		1,706,274
BPU revenue bonds:		
Debt service account		24,968,645
Improvement and emergency account		1,500,000
Construction funds		<u>109,211,420</u>
Total restricted assets		<u>\$ 160,832,514</u>

J. Fund Balances

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

	Major			Nonmajor	Total Governmental Funds
	General	Capital Projects	Debt Service Economic Development	Other Governmental Funds	
Fund Balances:					
Restricted for:					
Elections	\$ -	\$ -	\$ -	\$ 533,404	\$ 533,404
Library	-	-	-	644,699	644,699
Register of Deeds - Technology	-	-	-	30,205	30,205
Alcohol abuse, prevention, treatment programs	-	-	-	498,242	498,242
Community Corrections	-	-	-	67,300	67,300
Community Development	-	-	-	208,109	208,109
Road improvements and development	-	-	-	363,850	363,850
Road improvements and development - Debt Service	-	-	-	18,074	18,074
Police Department	-	-	-	3,155,973	3,155,973
Fire Department	-	-	-	961,179	961,179
Neighborhood Infrastructure	-	-	-	814,724	814,724
Enhancement of 911 System	-	-	-	426,773	426,773
Emergency Management	-	-	-	23,753	23,753
Sheriff Department	-	-	-	124,253	124,253
District Attorney	-	-	-	61,883	61,883
Child Support Enforcement	-	-	-	718,038	718,038
Mental Health Services	-	-	-	289,117	289,117
County Health Services	-	-	-	769,589	769,589
Senior Citizen Services	-	-	-	359,407	359,407
Development - Gap Financing	-	-	-	1,798,799	1,798,799
Transit	-	-	-	19,794	19,794
Parks and Recreation - Operations	-	-	-	110,598	110,598
Parks and Recreations - Capital Improvements	-	-	-	66,440	66,440
Development	27,713	-	-	-	27,713
Debt Service - General	-	-	-	4,501,025	4,501,025
Debt Service - Development	188,634	-	13,634,920	-	13,823,554
Total restricted	216,347	-	13,634,920	16,565,228	30,416,495
Committed to:					
Promote Tourism and Convention	-	-	-	278,383	278,383
Promote Tourism and Convention - Debt Service	-	-	-	52,682	52,682
Inmate services	-	-	-	170,716	170,716
Future landfill remediation	-	-	-	368,439	368,439
Parks and Recreation	495,470	-	-	-	495,470
Total committed	495,470	-	-	870,220	1,365,690
Assigned to:					
Subsequent years budget: appropriation of fund balance	891,422	-	-	-	891,422
Total assigned	891,422	-	-	-	891,422
Unassigned:	14,775,610	(38,257,952)	-	(768,805)	(24,251,147)
Total fund balances	<u>\$ 16,378,849</u>	<u>\$ (38,257,952)</u>	<u>\$ 13,634,920</u>	<u>\$ 16,666,643</u>	<u>\$ 8,422,460</u>

IV. OTHER INFORMATION

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 and storm damage is covered by property insurance. There have been no 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.

Accident and Health. 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 Unified 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 \$190,000. Incurred but not reported claims of \$2,619,000 have been accrued as a liability. In 2014, \$27,662,651 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. During 2014, a total of \$1,944,459 was paid in benefits and administrative costs from the fund. An excess coverage insurance policy covers individual claims in excess of \$750,000. Incurred but not reported claims of \$2,552,000 have been accrued as a liability. The Unified Government attorney 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 BPU.

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

	Workers' Compensation	Health Insurance	General Liability	BPU
December 31, 2012 Liability Balances	<u>\$ 3,000,000</u>	<u>\$ 1,787,000</u>	<u>\$ 600,000</u>	<u>\$ 2,858,000</u>
Claims and changes in estimates	1,702,477	24,960,135	1,256,823	10,779,000
Claim payments	<u>(2,150,477)</u>	<u>(24,627,135)</u>	<u>(1,256,823)</u>	<u>(10,969,000)</u>
December 31, 2013 Liability Balances	<u>\$ 2,552,000</u>	<u>\$ 2,120,000</u>	<u>\$ 600,000</u>	<u>\$ 2,668,000</u>
Claims and changes in estimates	1,944,459	28,161,651	1,293,208	9,650,000
Claim payments	<u>(1,944,459)</u>	<u>(27,662,651)</u>	<u>(1,293,208)</u>	<u>(9,621,000)</u>
December 31, 2014 Liability Balances	<u>\$ 2,552,000</u>	<u>\$ 2,619,000</u>	<u>\$ 600,000</u>	<u>\$ 2,697,000</u>

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.

Health Insurance Contributions. From 2009-2011, the Unified Government suspended making certain employer contributions to the Self-Insured Health Care Fund from the County General Fund. During 2012, the Unified Government resumed full contributions to the Self-Insured Health Care Fund. As of December 31, 2014, the governing body and management have made a formal commitment to fund \$100,000 during 2015. There is no commitment to fund additional amounts and there is no requirement that these additional amounts must be paid to the Self-Insured Health Care Fund. However, the amount is monitored and reviewed on an annual basis, and considered when preparing the County General Fund's budget. During 2014, there was \$650,000 of additional funding from the General Fund to the Self-Insured Health Care Fund. For the year ended December 31, 2014 the cumulative amount of employer contributions that were not budgeted or paid totaled approximately \$4.0 million.

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 Unified Government is under no obligation to pay the developer for any shortfall, should the incremental revenues generated not be sufficient to fully reimburse 100% of the costs incurred by the developer. The remaining certified project costs to be repaid as of December 31, 2014 totals \$35,161,606.

In September 2014, the Unified Government entered into an Amended and Restated Vacation Village Development Agreement with SVV I, LLC for the development of the Schlitterbahn waterpark, automotive plaza and restaurant and hotel facilities. Community Improvement District (CID) and Sales Tax revenues have been pledged for repayment of project costs, with a maximum amount of \$90 million allowed for reimbursement to the developer. It is anticipated that STAR bonds will be issued to fund the reimbursable project costs, with such revenues pledged as repayment of the bonds.

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. The State of Kansas was a defendant in the PCD along with the Unified Government. The PCD requires the development of an Overflow Control Plan (OCP) by September 2016, as well as enhanced operation and maintenance of the Unified Government's sewer and storm sewer systems. Implementation of the OCP will be addressed via a modification of the PCD, likely sometime during 2017. In addition, the PCD requires the Unified Government to implement approximately \$20 million of ongoing sewer improvement projects in its 5-year capital improvement plan. The PCD does not impose any civil penalty but does provide for stipulated penalties if the Unified Government either fails to perform or is late performing required activities.

The costs to comply with the PCD are expected to be in the multi-million dollar range. The respective sanitary and storm sewer enterprise funds have had rate adjustments for each of the past four 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. The sewer and storm enterprise funds ended 2014 with a combined budgetary fund balance of \$11.0 million or 33% of their total 2014 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. BPU responded to the information request. On November 25, 2008, the BPU received a Notice of Violation of certain Clean Air Act regulations with respect to new source review permitting matters. 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 the supplemental information request. The BPU has evaluated the EPA findings and has had preliminary discussions with the EPA regarding the Notice of Violation. At this time, the EPA has not filed a lawsuit. Management does not know the impact that these alleged violations of the Clean Air Act regulations will have on the BPU; however, the BPU could be subject to fines and/or penalties and the amounts of any such fines and/or penalties could be material. The Notice of Violation 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. The EPA alleges that such Clean Air Act violations at the Nearman Station commenced in 1994 and at the Quindaro Station in 2001. The BPU could also be required to make material capital expenditures for air pollution control equipment as a result of resolution of the alleged violations, which could cost hundreds of millions of dollars. The pollution control equipment generally coincides with the equipment required for MATS compliance. The EPA has issued notices to many utilities alleging violation of new source review permitting and the Department of Justice has filed many lawsuits. To date, the settlements of those notices have included penalties much less than \$25,000 to \$32,500 per day but have included requirements for significant capital expenditures for air pollution control equipment. 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. As part of this agreement, the Quindaro Station will no longer combust coal by April 16, 2015 (MATS compliance date) and the Nearman Station will install and operate pollution control equipment by June 1, 2017.

Encumbrances. At December 31, 2014, the Unified Government had the following outstanding encumbrances:

General	\$ 936,854
Capital Projects	10,512,800
Sewer	5,274,283
Nonmajor Governmental	4,544,407
Nonmajor Enterprise	1,204,473
Interal Service	<u>22,882</u>
Total	<u>\$ 22,495,699</u>

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. In 1982, the BPU entered into a power agreement with the Kansas Municipal Energy Agency (KMEA). The agreement entitles KMEA to purchase 15.86% of the net available capacity of the BPU's Nearman power station. The power sales agreement with KMEA will terminate effective December 31, 2015 at the request of KMEA. The contracted 37.5 MW of electrical output to KMEA will be available for BPU's service territory. Total revenue from the power sales agreement for the year ended December 31, 2014 was \$6,479,101 and is included in other revenues in the statements of revenues, expenses, and changes in net position.

On November 1, 2006, BPU entered into an agreement with Tenaska Power Services Company (Tenaska) to both purchase and market excess wholesale energy for BPU. The BPU's wholesale purchases and sales through Tenaska for the year ended December 31, 2014 are summarized as follows:

	2014
Purchased power	\$ 1,227,840
Wholesale sales	56,480

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 \$4,197,201 in 2014.

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. The agreement became fully operational in 2014. Total power purchased under this agreement was \$2,023,574 in 2014.

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). It is anticipated that energy will be available to BPU in October 2015.

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 the Nearman and Quindaro 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.

The delivery of the coal to the Nearman Station and Quindaro Station is covered by contracts between WFA and the Union Pacific Railroad. This contract expires December 31, 2015. The delivery cost is established from a base price and is adjusted by indices set out in the contract.

Coal is purchased through a contract between WFA and the BPU, which continues through December 31, 2017. The purchase price of the coal is based on WFA's cost of acquiring and delivering coal. Contracted coal purchases for the Nearman and Quindaro Stations are approximately \$35,000,000, \$28,000,000 and \$28,000,000 for 2015, 2016 and 2017, 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 subsidiary 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, 2014. 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, 2014, the BPU has recorded an estimated liability of \$1.6 million, within accrued claims payable for its estimated remaining share of these obligations. Funding provided for these obligations was \$187,500 in 2014.

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 that will be the home field for Sporting KC within the Village West Redevelopment Area. The construction is primarily being funded from proceeds of the Series 2010B STAR bonds. Additionally, under a Land Transfer and Specific Venture Agreement, Cerner Corporation (Cerner) will acquire 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. Certain components of the Agreements affect the Unified Government's financial statements as follows:

The site for the stadium project was sold to the Developer at its appraised fair market value, or \$3,600,000, to be paid in 11 annual installments, the first of which was received in December 2010.

The site for the office project was sold to the Developer at its appraised fair market value, or \$4,400,000, to be paid in 11 annual installments, the first of which is due July 1, 2015.

Supplemental Land Payments will also be paid to the Unified Government by the developer, in an aggregate amount equal to \$18,000,000, less the amounts paid as noted above for the stadium and office sites. The first payment is due July 1, 2015.

Beginning in 2014, negotiations started between the Unified Government and Sporting KC to reach a settlement agreement to reduce the amounts owed for the stadium project, office project and supplemental land payments. In May 2015, a settlement agreement was reached with Sporting KC to make a lump sum payment of \$9,500,000. This settlement is owed within 30 days of the signed agreement and represents approximately the net present value of the above payments owed. For the year ended December 31, 2014, the receivable recorded for the above payments was reduced to its realizable value of \$9,500,000. This resulted in no net impact to the fund financial statements, but a

\$1,666,393 reduction to the receivable was recorded in the government-wide financial statements as a Planning & Development expense.

The agreement with Cerner imposes obligations on Cerner regarding construction of the office project and the creation of jobs. In the event that certain of the payroll and job creation obligations of the agreement 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. This obligation totals \$30,410,610 (payable in 10 equal installments from 2017 to 2026). This amount has not been recorded as a receivable in the Unified Government's financial statements as of December 31, 2014, as it is not yet determinable whether Cerner will meet the payroll and job creation obligations.

Payments owed to the Unified Government by the Developer as outlined above are guaranteed by the entity that owns Sporting KC, as well as five individual guarantors who have control voting rights to a majority of the outstanding stock of the Developer and the entity that owns Sporting KC.

D. Jointly Governed Organizations and Other Related Organizations

KCK Hotel Group, L.L.C. The Unified Government is one of three parties who have invested in the KCK Hotel Group, L.L.C. (KCK Hotel), which is responsible for the development, ownership and operation of a downtown hotel, civic center and related facilities including an office building, garage and adjoining common areas. The Unified Government contributed \$5,000,000, mostly from an Empowerment Zone Grant from the Federal government, to obtain a 49.95% membership interest in KCK Hotel. The Unified Government also provided a \$6,040,000 loan to KCK Hotel, financed by a Section 108 loan from the U.S. Department of Housing and Urban Development. The loan agreement with KCK Hotel was entered into in February 2001, and calls for a repayment schedule based on a 25-year amortization, with a balloon payment at the end of 20 years. Due to the past operating performance of the hotel, at December 31, 2008 the loan receivable from KCK Hotel was written down to \$0 reflect the estimated loan payments to be collected over the term of the loan. In 2013, the Unified Government contributed an additional \$2,000,000, financed by the Series 2013-D general obligation bond. The additional contribution was used to fund renovations to the Hotel. The other two members in KCK Hotel contributed funding in accordance with the memorandum of understanding, and one also acts as the manager of KCK Hotel.

Gross receipts from hotel operations are used first for payment of operating expenses, then to fund an equipment reserve, and finally for debt service requirements on the loan with the Unified Government. KCK Hotel members receive distributions on their ownership interests only after all other payment requirements have been met. In May 2004, the members of KCK Hotel entered into a new funding agreement to provide additional infusions of funds to the hotel. The Unified Government has paid debt service payments for the KCK Hotel's Home Rule Bonds since December 2004. Similar additional advances may be required in future years. In 2009, the remaining balance of the Home Rule Bonds was refinanced with temporary notes issued by the Unified Government. In 2013, the Unified Government issued Series 2013-D to permanently finance the Home Rule Bonds, which are included in the balance of long-term liabilities on the Statement of Net Position.

Because KCK Hotel is a separate legal entity controlled by its three members, it is considered a joint venture under accounting principles generally accepted in the United States of America. The Unified Government's investment in this joint venture has no value as of December 31, 2014. Separately issued financial statements for the joint venture are available from the Unified Government at 701 North 7th Street, Kansas City, KS 66101

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 share 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 expense 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 2014, BPU's portion of fuel expense and operating and maintenance expense were \$6,468,755 and \$2,279,479 respectively. BPU also receives a portion of the wholesale sales generated by the Dogwood plant. BPU received \$8,093,122 in wholesale sales from Dogwood during 2014.

The BPU applied proportionate consolidation rules to record its undivided ownership interest in this facility. The BPU's investment includes an acquisition adjustment of \$34.8 million, 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 \$2.5 million. 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, 2014, the BPU's ownership interest in Dogwood's capital assets consisted of \$34,072,147 in Plant in Service Facility, \$2,348,034 of accumulated depreciation and \$1,854,574 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

There are five contributory defined benefit retirement plans covering substantially all of its employees. The Unified Government was required to make contributions to four of the plans for the year ended December 31, 2014.

KPERS and KP&F. Plan description. The Unified Government participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et.seq. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, KS 66603-3803) or by calling 1-800-275-5737.

Funding Policy. K.S.A. 74-4919 law establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. The KPERS member-employee contribution rates are 5% of covered salary for Tier 1 members and 6% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established by statute for 2014 was 9.69%. The Unified Government's contributions to KPERS for the

years ending December 31, 2014, 2013 and 2012 were \$6,387,007, \$5,550,098, and \$4,853,592 respectively, equal to the statutory required contributions for each year. The KP&F uniform participating employer rate established for fiscal years beginning in 2014 is 19.92% for Sheriff's department personnel and 28.30% for Police and Fire department personnel. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The Unified Government's contributions to KP&F for the years ending December 31, 2014, 2013 and 2012, were \$17,419,552, \$14,423,324, and \$11,950,741, respectively, equal to the statutory required contributions for each year.

BPU Plan. Plan Description. The Employees' Retirement Pension Plan (the Plan) of the BPU is a single employer, contributory defined benefit pension plan. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the Board of the Pension Trustees of the Plan. The Plan is governed by State Statutes which in essence 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 Trustees. The BPU's total payroll for the year ended December 31, 2014 was approximately \$50,128,000 of which approximately \$49,629,000 was payroll of Plan participants.

BPU employees who retire at or after age 55 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.2% of their average compensation multiplied by the years of credited service through December 31, 2003, and 1.8% of their average compensation multiplied by the years of credited service after December 31, 2003 (Tier 1). Average annual compensation is defined as actual compensation paid, including overtime, but excluding workers' compensation, severance pay, and bonuses, averaged over the three 12-month periods (not necessarily consecutive periods) out of the last 120 months that produce the highest average. In order to maintain the long term funding of the plan, the Trustees have amended the Plan to make annual COLA discretionary until the Plan's funded status has been restored to 100%. This change became effective January 1, 2014. Prior to this amendment, on January 1, each retiree received 3% benefit increase or COLA. The Plan also provides death benefits. It is a governmental plan and, therefore, not subject to the Employee Retirement Income Security Act of 1974. Because the Plan has established a Board of Pension Trustees in accordance with Kansas state statutes, neither the BPU nor the Unified Government act in a fiduciary or trustee capacity for the Plan, and as such, the Plan's financial activities are not reported in the BPU's financial statements.

The Pension Board adopted a new plan design (Tier 2) for members hired on or after January 1, 2010. The new plan design is a career average defined benefit plan. As of January 1, 2013, there were 132 members in Tier 2. For Tier 2 employees, normal retirement is defined as age 65 with completion of 5 years of creditable service, or age 60 with 30 years of creditable service. The pension is equal to 1.5% of the sum of the member's pensionable wages during each year. Before attaining age 65 with 5 years of creditable service or age 60 with 30 years of creditable service, a member can receive an early retirement benefit at age 55 with 10 years of creditable service.

Funding Policy. Funding is provided by contributions from Plan members and the BPU based on rates established by the Board of Pension Trustees.

Total contributions were \$8,436,844 for the year ended December 31, 2014. Of the total contributions, the BPU contributed \$4,218,422 (8.5% of current covered payroll in 2014), and the Plan participants contributed \$4,218,422 (8.5% of current covered payroll for 2013). The annual pension cost is net of employee contributions.

There were 773 retirees and beneficiaries currently receiving benefits as of January 1, 2014. The Plan uses the accrual basis of accounting. Investments are reported at fair value. Securities traded on a national or international exchange, which comprise a substantial majority of total investments, are valued at the last reported sales price at current exchange rates.

Three-year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
December 31, 2012	\$ 6,795,326	63.66%	\$ 9,579,524
December 31, 2013	8,443,207	50.63	13,748,258
December 31, 2014	7,796,452	54.11	17,326,288

The annual pension cost and net pension asset as of December 31, 2014 is as follows:

	<u>2014</u>
Annual required contribution	\$ 7,563,033
Interest on net pension obligation	1,099,859
Adjustment to annual required contribution	<u>(866,441)</u>
Annual pension cost	7,796,451
Contributions made	<u>4,218,422</u>
Increase in net pension obligation	3,578,029
Net pension obligation, beginning of year	<u>13,748,259</u>
Net pension obligation, end of year	<u><u>\$17,326,288</u></u>

The information presented in the required supplemental information was determined as part of the actuarial valuations as of the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2014	
Actuarial cost method	Entry age normal	
Tier 1:		
Amortization method	Level percent of pay (closed)	
Remaining amortization period	25 years	
Tier 2:		
Amortization method	Level percent of pay (open)	
Amortization period	30 years	
Asset valuation method	Asset smoothing method	
Actuarial assumptions:		
Investment rate of return	8.00%	
Inflation rate assumption	3.10%	
Projected salary increase based on age:	<u>Age</u>	<u>Salary Scale</u>
	25	11.0%
	30	8.5%
	35	6.8%
	40	6.2%
	45	5.7%
	50	5.2%
	55	4.7%

Funding Status and Funding Progress

The funding progress schedule as of January 1, 2014, 2013, and 2012 is as follows (dollars are in millions):

Actuarial valuation date, January 1	Actuarial value of assets	Actuarial accrued liability (AAL)	Funded ratio	Unfunded (overfunded) AAL (UAAL)	Covered payroll	UAAL as a percentage of covered payroll
2012	\$442.3	\$496.7	89.0%	\$54.4	\$50.3	108.2%
2013	441.1	516.6	85.4	75.5	51.6	146.3
2014	447.4	515.4	86.8	68.0	50.6	134.4

Actuarial Methods and Assumptions

An asset smoothing method is used in the actuarial valuation process. Gains/losses on the market value of assets are recognized equally over an eight year period. Gains and losses are calculated based on the excess/ (shortfall) of the actual market value of assets compared to the expected value of assets, had the actuarial assumed rate been met exactly.

The plan is funded through equal BPU and member contributions for future service benefits.

The balance of the actuarial present value of service retirement pensions, plus death benefits and termination benefits to the level of employee contributions, plus an allowance for expenses is funded through future BPU Board and member contributions related to annual compensation. The actuarial contribution rate for these benefits is funded by the entry age method.

In addition to depending upon the actuarial method used, actuarial cost estimates depend to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees and rates of termination from employment.

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.

Unified Government 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 2015 through 2030 to be approximately \$265,740. 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, 2014 were \$38,366. This future payable is included with long-term debt.

F. Other Postemployment Benefits Other Than Pensions

1. UG Plan.

Plan Description. 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.

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.

The Plan does not issue separate financial statements.

Funding Policy

GASB Statement 45 does not require the funding of the OPEB liability. Medical and dental benefits are self-funded with a stop-loss for medical. The funding policy of the UG is to pay claims, administrative costs and stop-loss premiums as they are due through an internal service fund. This arrangement does not qualify as an “OPEB Plan” under GASB 45 requirements and thus cannot be treated as holding assets for GASB reporting.

Unless an early retirement direct subsidy applies, participants must contribute full blended premiums to maintain coverage. The full premium amounts (on a monthly basis) that applied for 2013 ranged from \$325 to \$429, depending on retiree age and marital status. Retirees who meet stipulated age and service criteria receive a subsidy off the full premiums. The subsidy applies to retiree medical coverage to age 65. It does not apply to dental or vision, nor does it apply to dependent coverage except when a qualifying retiree elects the 50%-family paid option. The subsidy percentages (i.e. amount of plan premium paid by UG) vary from 50% to 100%, generally based on the single premium. The subsidy is not available to employees terminating due to disability retirement. The early retirement subsidy for pre-65 medical coverage is no longer available for retirements with UG occurring after December 31, 2010.

Annual OPEB Cost and Net OPEB Obligation

The Unified Government’s annual OPEB cost (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 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 over a period not to exceed thirty years. The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation.

**Primary Government
Other Post Employment Benefits**

1. Annual OPEB Cost for 2014

Normal Cost	\$ 4,563,254
Amortization of Unfunded Actuarial Accrued Liability	6,138,418
Annual Required Contribution (ARC)	10,701,672
Interest on Net OPEB Obligation	2,804,257
Adjustment to the ARC	(4,209,001)
Annual OPEB Cost	9,296,928
Contribution made	(4,073,989)
Increase in Net OPEB Obligation	\$ 5,222,939

2. Employer Contributions for 2014

Claims + Admin Paid on Behalf of Retirees	\$ 5,933,770
Retiree Contributions	(1,859,781)
Net Employer Contributions	\$ 4,073,989

3. Schedule of Employer Contributions

Year	Annual OPEB Cost	Net Employer Contributions	Percentage Contributed	Net OPEB Obligation
2014	\$ 9,296,928	\$ 4,073,989	43.82%	\$ 85,344,513
2013	9,413,028	2,791,044	29.65%	80,121,574
2012	10,223,294	3,948,784	38.63%	73,499,590

4. Net OPEB Obligation at 12/31/14

Beginning balance at 12/31/13	\$ 80,121,574
Net increase for 2014	5,222,939
Balance at 12/31/14	\$ 85,344,513

Funded Status and Funding Progress

As of January 1, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$112,898,088, and there was no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$112,898,088. The covered payroll (annual payroll active employees covered by the plan) was \$109,435,135, and the ratio of the UAAL to the covered payroll was 103.2%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported 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.

Actuarial Methods and Assumptions

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 the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 2.75% inflation rate implicitly included in the 3.5% investment rate of return, which is a blended rate of the expected long-term investment returns on the employer's own investments, calculated based on the funded level of the plan at the valuation date. Other assumptions included an annual healthcare cost trend rate of 7.0% initially, reduced by decrements to an ultimate rate of 5.0% after eight years. The UAAL is being amortized in level dollar amounts on an open basis over thirty years. The remaining amortization period at December 31, 2013 was 30 years.

2. BPU Plan.

Plan Description. The 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. 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 7 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 324 participants eligible to receive benefits under this plan as of December 31, 2014.

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, 2014, the BPU paid \$3,668,346 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 2012-2014 are as follows:

Fiscal year ended:	Annual OPEB Cost	Percentage of annual OPEB contributed	Net OPEB
December 31, 2014	\$4,217,197	87%	\$4,268,837
December 31, 2013	4,266,768	90%	3,719,986
December 31, 2012	4,382,240	87%	3,303,724

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:

Normal costs	\$ 1,726,700
Amortization payment	<u>2,545,951</u>
Annual required contribution (ARC)	4,272,651
Amortization of net OPEB obligation	(232,153)
Interest on net OPEB obligation	<u>176,699</u>
Annual OPEB cost	4,217,197
Annual employer contribution	<u>(3,668,346)</u>
Increase in OPEB obligation	548,851
Net OPEB obligation - beginning of year	<u>3,719,986</u>
Net OPEB obligation - end of year	<u>\$ 4,268,837</u>

The funded status of the plan as of December 31, 2014 is as follows:

Actuarial accrued liability (AAL)	\$47,767,989
Actuarial value of plan assets	\$ -
Unfunded actuarial accrued liability (UAAL)	\$47,767,989
Funded ratio	-%
Covered payroll	\$49,629,000
UAAL as percentage of covered payroll	96.3%

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 planmembers) 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, 2014, the projected unit credit actuarial cost method was used. The valuation of liabilities is based on a closed group. The actuarial assumptions included a 4.75% discount rate, which includes a 2% inflation rate and an annual healthcare cost trend of 7% in 2014, reduced by decrements to an ultimate rate of 5.0% in 2019. The projected salary increase is 2.5%. The unfunded actuarial accrued liability is being amortized over 20 years as a level percent of payroll.

G. Economic Condition

As described in Notes III.F. and IV.F., the Unified Government has significant long-term liabilities for compensated absences and other post-employment benefit obligations (OPEB). These obligations are two of the primary factors in the resulting deficit in unrestricted net position for governmental activities recorded on the Statement of Net Position. The annual increase in the net OPEB obligation has averaged over \$6.6 million for the prior three years. In 2014, the annual increase in liability was \$5,222,939.

As of the most recent actuarial valuation, January 1, 2013, for OPEB, the unfunded actuarial liability was approximately \$113 million, which means that the Unified Government does not currently have enough assets to provide all the benefits earned by employees under the OPEB plan and to pay off the unfunded liability during the adopted amortization period ending in 2043. Accounting standards do not require the unfunded actuarial liability to be recorded in the financial statements; therefore, it is not included in the Statement of Net Position. For more information on the unfunded actuarial liability, see Note IV.F. For more information on the decrease in the OPEB liability see the requirement supplementary information and related footnote.

Both the compensated absences and OPEB obligations will be liquidated primarily by General Fund resources. General Fund revenues accounted for approximately 62% of all governmental fund revenues excluding the Economic Development fund, which is restricted for sales tax obligation and transportation development bonds, for the year ended December 31, 2014. General Fund revenue sources such as property taxes and sales taxes are affected by general economic conditions, and the Unified Government, like many other entities, has experienced economic challenges in recent years. There is at least a reasonable possibility that continued growth in compensated absences, and especially the net OPEB obligation, could result in increases to the deficit in unrestricted net position for governmental activities in future years.

Continued growth in sales tax revenues, with an annual increase of 3% in 2014 and over 12% growth since 2011 have positively impacted government revenues. Also, a 3-year reduction in the tax delinquency rate from 7.5% (2012) to 7.1% (2013) and to 6.3% (2014) has increased property tax revenue collections for the general fund.

Several actions have been implemented by management to reduce future increases in OPEB and compensated absences liabilities. In 2014, a deductible for employee and retiree health coverage was introduced, \$25 single/\$500 family. For the 2015 budget year, the employee deductibles were increased to \$500 single/\$1,000 family. These changes will reduce the government's total contributions and may result in lower future participation by retirees. As of January 2014, the government established a new "employee class" for new and future hires. Sick leave accruals and the payout of accrued vacation and sick leave, at separation and retirement, have been significantly reduced for this employee group. This change has been implemented for non-union hires, but remains under negotiation for union groups. Further, management expects to negotiate and implement employee contributions towards individual's health coverage, which is currently paid 100% by the government. This action is projected to generate an estimated \$500,000 on an annual basis in additional employee contributions to the health plan.

The Unified Government expects positive increases in General Fund revenues during the next two years. The Hollywood Casino opened in February of 2012 and generated over \$8.5 million on an annual basis in gaming and property tax revenues in 2014. Consistent with a development agreement, the casino will begin contributing an additional 1% of net gaming revenues during the fourth quarter of 2015. This represents approximately \$1.4 million on an annual basis. The development agreement also required 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 will be required to make annual payments in excess

of \$1 million, with the 2015 liability including both a partial year 2014 and full-year 2015 obligation. This penalty payment will continue until the casino proceeds with the construction project.

The Cerner Office Campus, a 600,000 sq. ft. development, was completed in 2014. The office currently employs 2,500 individuals, with 4,000 employees expected to be on-site by 2016. This office center has added \$48 million in property valuation. In addition, these commercial investments have spurred the construction of 600 multi-housing units with openings occurring in 2013/2014. North Point development began the construction of an additional 300 units, during the fourth quarter of 2014. Several industrial projects have advanced in 2014, including the 80 acre Central Industrial Park. An initial 70,000 sq. ft. General Motors supplier completed construction and opened in 2014. The demolition of existing commercial structures began at the Fairfax Levee in the 4th quarter of 2014, with the construction of a 365,000 sq. ft. industrial building scheduled to occur in 2015.

In 2014, STAR bonds were approved by the State for two major projects that are under development in 2015. Adjacent to Schlitterbahn water park, the construction of a seven dealership auto mall began during the second half of 2014. Also announced was the construction of a training center and office facility for U.S. Soccer. A companion piece to the U.S. Soccer development is a commitment by the developer to build a 12 field tournament/training complex. These developments, with plans for adjacent retail and a motel, will further enhance the tourism area of the City. The developments will be subject to property tax and a portion of the sales tax is not pledged to STAR Bond pay-off, but will be retained by the government.

Finally, the retirement of STAR bonds, remains on schedule for retirement to occur by December 2016. The STAR Bond payoff will result in local sales tax revenues increasing by approximately \$12-\$15 million annually, beginning in 2017.

H. Subsequent Events

Since January of 2015, the Unified Government has issued seven financings for both bonds and temporary notes. No other financings are expected to be completed by June 30th of 2015. The table below provides a summary of these issuances.

Unified Government Financings: January - May 2015						True Interest Cost
Issue	Month	Tax Status	Term	Amount		
General Obligation Financings:						
2015-A	February	Tax-Exempt	20 yr.	\$ 29,655,000		2.89%
2015-B	February	Taxable	10 yr.	\$ 3,800,000		2.30%
2015-C	February	Tax-Exempt	14 yr.	\$ 5,070,000		2.43%
2015-D	February	Tax-Exempt	11 yr.	\$ 20,615,000		1.84%
2015-I	February	Tax-Exempt	1 yr.	\$ 60,275,000		0.20%
2015-II	February	Taxable	1 yr.	\$ 7,135,000		0.66%
2015-III	March	Taxable	2 yr.	\$ 4,500,000		0.75%

During the fourth quarter of 2014 and on-going in 2015, the Unified Government is proceeding with the sale of two assets, including the Legend's Theater and the sale of the Hilton Garden Inn. See Note IV.D. for discussion of the KCK Hotel Group and related investment in joint venture. The government

has hired a broker to proceed with the sale of the hotel property and has had direct contact with a potential buyer of the theater. It is not likely that these sales would occur until after September of 2015. The sales of these assets would be contingent upon covering outstanding debt on these assets. As of April 2015 the current theater debt is \$7.1 million (including the 2014-D financing of \$6.9 million plus the remaining balance on a 2011 equipment lease purchase). Outstanding debt on the hotel includes an approximate balance of \$2 million on a 2010 Section 108 loan refinancing and a \$4.2 million balance on the 2103-D debt issuance.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - BUDGETARY BASIS**

**GENERAL FUND - COMBINED
Year Ended December 31, 2014**

	2013		2014		Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final		
REVENUES					
Tax revenue	\$ 147,190,282	\$ 155,862,279	\$ 157,725,812	\$ 153,915,417	\$ (3,810,395)
Intergovernmental revenues	3,966,164	3,423,300	3,543,500	3,565,760	22,260
Charges for services	12,626,782	13,610,800	13,053,500	13,049,760	(3,740)
Fines, forfeitures and penalties	5,176,284	5,811,000	5,536,000	5,578,117	42,117
Interest earnings	2,048,460	1,725,000	1,825,000	1,843,127	18,127
Licenses and permits	2,082,278	2,197,700	2,130,000	2,040,114	(89,886)
Miscellaneous revenues	2,941,600	2,732,373	3,962,710	3,137,972	(824,738)
TOTAL REVENUES	176,031,850	185,362,452	187,776,522	183,130,267	(4,646,255)
EXPENDITURES					
Personnel	139,438,667	143,371,176	144,564,896	146,109,685	(1,544,789)
Contractual services	28,377,393	29,631,464	30,056,747	27,922,514	2,134,233
Commodities	5,737,274	5,743,953	6,163,826	5,333,107	830,719
Capital outlay	3,324,402	3,618,963	3,616,875	2,888,736	728,139
Grants, claims, shared revenue	4,786,521	4,613,565	4,833,674	4,510,754	322,920
Debt service	1,254,155	7,434,202	7,804,433	888,071	6,916,362
Other	55,440	1,008,800	824,405	174,857	649,548
TOTAL EXPENDITURES	182,973,852	195,422,123	197,864,856	187,827,724	10,037,132
OTHER FINANCING SOURCES(USES)					
Transfers in	2,659,235	5,456,000	5,509,000	5,509,000	-
Transfers out	(350,000)	-	-	-	-
Proceeds from sale of land	829,470	545,455	668,689	576,189	(92,500)
TOTAL OTHER FINANCING SOURCES (USES)	3,138,705	6,001,455	6,177,689	6,085,189	(92,500)
NET CHANGE IN FUND BALANCE	(3,803,297)	(4,058,216)	(3,910,645)	1,387,732	5,298,377
UNENCUMBERED FUND BALANCE					
Beginning of year	9,750,332	5,947,035	5,947,035	5,947,035	-
End of year	\$ 5,947,035	\$ 1,888,819	\$ 2,036,390	\$ 7,334,767	\$ 5,298,377

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - BUDGETARY BASIS**

**GENERAL FUND - CITY
Year Ended December 31, 2014**

	2013	2014			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final		
REVENUES					
Tax revenue	\$ 100,808,238	\$ 110,203,884	\$ 111,837,574	\$ 106,751,888	\$ (5,085,686)
Intergovernmental revenues	704,582	673,000	678,000	700,290	22,290
Charges for services	9,847,342	10,410,300	10,221,000	10,433,051	212,051
Fines, forfeitures and penalties	4,271,774	4,615,000	4,520,000	4,532,613	12,613
Interest earnings	75,741	50,000	50,000	39,587	(10,413)
Licenses and permits	1,159,666	1,243,200	1,175,000	1,140,763	(34,237)
Miscellaneous revenues	1,970,140	1,806,343	2,609,314	2,182,957	(426,357)
TOTAL REVENUES	118,837,483	129,001,727	131,090,888	125,781,149	(5,309,739)
EXPENDITURES					
Personnel	98,819,493	102,398,440	104,033,058	104,536,295	(503,237)
Contractual services	15,006,004	16,598,487	17,023,856	16,017,129	1,006,727
Commodities	3,869,794	3,955,958	4,155,695	3,543,081	612,614
Capital outlay	1,919,014	2,132,462	2,206,205	1,796,256	409,949
Grants, claims, shared revenue	4,064,032	3,760,891	3,813,880	3,639,129	174,751
Debt service	1,254,155	7,434,202	7,804,433	888,071	6,916,362
Other	45,890	627,495	195,217	95,554	99,663
TOTAL EXPENDITURES	124,978,382	136,907,935	139,232,344	130,515,515	8,716,829
OTHER FINANCING SOURCES(USES)					
Transfers in	2,256,235	5,456,000	5,456,000	5,456,000	-
Proceeds from sale of land	829,470	545,455	663,689	571,189	(92,500)
TOTAL OTHER FINANCING (USES)	3,085,705	6,001,455	6,119,689	6,027,189	(92,500)
NET CHANGE IN FUND BALANCE	(3,055,194)	(1,904,753)	(2,021,767)	1,292,823	3,314,590
UNENCUMBERED FUND BALANCE					
Beginning of year	6,620,995	3,565,801	3,565,801	3,565,801	-
End of year	\$ 3,565,801	\$ 1,661,048	\$ 1,544,034	\$ 4,858,624	\$ 3,314,590

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - BUDGETARY BASIS**

**GENERAL FUND - COUNTY
Year Ended December 31, 2014**

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final		
REVENUES					
Tax revenue	\$ 44,696,772	\$ 44,012,953	\$ 44,194,126	\$ 45,460,656	\$ 1,266,530
Intergovernmental revenues	61,582	50,300	65,500	65,470	(30)
Charges for services	2,228,568	2,602,500	2,234,500	2,020,302	(214,198)
Fines, forfeitures and penalties	904,510	1,196,000	1,016,000	1,045,504	29,504
Interest earnings	1,972,719	1,675,000	1,775,000	1,803,540	28,540
Licenses and permits	922,612	954,500	955,000	899,351	(55,649)
Miscellaneous revenues	870,912	825,030	1,252,396	840,077	(412,319)
TOTAL REVENUES	51,657,675	51,316,283	51,492,522	52,134,900	642,378
EXPENDITURES					
Personnel	37,016,320	37,436,251	36,978,596	37,919,050	(940,454)
Contractual services	12,599,785	12,171,396	12,180,119	11,193,657	986,462
Commodities	1,334,960	1,251,291	1,400,571	1,265,401	135,170
Capital outlay	1,141,305	1,021,401	1,125,340	935,784	189,556
Grants, claims, shared revenue	640,325	847,399	924,761	778,768	145,993
Other	9,550	355,195	536,891	78,683	458,208
TOTAL EXPENDITURES	52,742,245	53,082,933	53,146,278	52,171,343	974,935
OTHER FINANCING SOURCES(USES)					
Transfers in	403,000	-	53,000	53,000	-
Proceeds of sale of land	-	-	5,000	5,000	-
TOTAL OTHER FINANCING (USES)	403,000	-	58,000	58,000	-
NET CHANGE IN FUND BALANCE	(681,570)	(1,766,650)	(1,595,756)	21,557	1,617,313
UNENCUMBERED FUND BALANCE					
Beginning of year	2,688,284	2,006,714	2,006,714	2,006,714	-
End of year	\$ 2,006,714	\$ 240,064	\$ 410,958	\$ 2,028,271	\$ 1,617,313

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - BUDGETARY BASIS**

**GENERAL FUND - PARKS
Year Ended December 31, 2014**

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final		
REVENUES					
Tax revenue	\$ 1,685,272	\$ 1,645,442	\$ 1,694,112	\$ 1,702,873	\$ 8,761
Intergovernmental revenues	3,200,000	2,700,000	2,800,000	2,800,000	-
Charges for services	550,872	598,000	598,000	596,407	(1,593)
Miscellaneous revenues	100,548	101,000	101,000	114,938	13,938
TOTAL REVENUES	5,536,692	5,044,442	5,193,112	5,214,218	21,106
EXPENDITURES					
Personnel	3,602,854	3,536,485	3,553,242	3,654,340	(101,098)
Contractual services	771,604	861,581	852,772	711,728	141,044
Commodities	532,520	536,704	607,560	524,625	82,935
Capital outlay	264,083	465,100	285,330	156,696	128,634
Grants, claims, shared revenue	82,164	5,275	95,033	92,857	2,176
Other	-	26,110	92,297	620	91,677
TOTAL EXPENDITURES	5,253,225	5,431,255	5,486,234	5,140,866	345,368
OTHER FINANCING SOURCES(USES)					
Transfers out	(350,000)	-	-	-	-
TOTAL OTHER FINANCING (USES)	(350,000)	-	-	-	-
NET CHANGE IN FUND BALANCE	(66,533)	(386,813)	(293,122)	73,352	366,474
UNENCUMBERED FUND BALANCE					
Beginning of year	441,053	374,520	374,520	374,520	-
End of year	\$ 374,520	\$ (12,293)	\$ 81,398	\$ 447,872	\$ 366,474

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary 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 above 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:

Revenue and other sources:	<u>General Fund</u>
GAAP basis revenues	\$ 187,062,284
Revenue adjustments	(693,239)
Intrafund appropriations and transfers	2,800,000
Cancellation of prior year encumbrances	<u>46,411</u>
Budgetary basis revenue	<u>\$ 189,215,456</u>
Expenditures and other uses:	
GAAP basis expenditures	\$ 185,093,951
Expenditure adjustments	202,795
Intrafund appropriations	2,800,000
Change in reserve for encumbrances	(315,433)
Cancellation of prior year encumbrances	<u>46,411</u>
Budgetary basis expenditures	<u>\$ 187,827,724</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

Board of Public Utilities

Schedule of Funding Progress

December 31, 2014
(Dollars in millions)

Acturial Valuation date, Jan 1	Actuarial value of assets	Actuarial accrued liability (AAL)	Funded Ratio	Unfunded (overfunded) AAL(UAAL)	Covered payroll	UAAL as a percentage of covered payroll
2012 -- Pension	\$442.3	\$496.7	89.0%	\$54.4	\$50.3	108.2%
2013 – Pension	441.1	516.6	85.4	75.5	51.6	146.3
2014 – Pension	447.4	515.4	86.8	68.0	50.6	134.4
2012-Postretirement	\$-	\$44.7	-%	\$44.7	\$50.8	88.0%
2013-Postretirement	-	40.8	-	40.8	50.3	81.1
2014-Postretirement	-	47.8	-	47.8	49.6	96.3

Unified Government

Other Postemployment Benefits Other Than Pensions

Schedule of Funding Progress

December 31, 2013
(Dollars in millions)

Acturial Valuation date, Jan 1	Actuarial value of assets	Actuarial accrued liability (AAL)	Funded Ratio	Unfunded (overfunded) AAL(UAAL)	Covered payroll	UAAL as a percentage of covered payroll
2009	\$ -	\$ 180.0	0%	\$ 180.0	\$ 108.6	165.8%
2011	-	111.3	0	111.3	106.3	104.7
2013	-	112.9	0	112.9	109.4	103.2

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

Note 1 Significant Factors Affecting Trends in Actuarial Information for the Unified
Government's Other
Post-Employment Benefits other than Pensions

Changes in the Actuarial Liability for the valuation completed at January 1, 2013 are primarily due to:

- The valuation interest rate was lowered from 4.0% to 3.5%.
- The assumed Medical / Rx trend rates were changed from a starting trend of 8.5% grading down in increments of 0.5 percentage points to an ultimate of 5.0% to a starting trend of 7.0% grading down in increments of 0.25 percentage points to an ultimate of 5.0%.
- The assumed Dental cost trend rate was lowered from 4.0% to 3.75%.
- The disability turnover rates and retirement age assumptions were updated to reflect the latest statistics available from KPERS and KP&F pension valuations.
- The assumed proportion of future retirees with a covered spouse was lowered from 30% to 25%.
- Assumed mortality was updated to reflect improvement through 2013 based on recommendations in actuarial literature.
- The assumed proportion of future retirees with pre65/post 65 coverage was lowered from 75%/65% to 60%/45%, respectively.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2014

GOVERNMENTAL FUNDS

General Fund, is the principal operating fund containing all activity not required to be reported in a separate fund. This fund accounts for revenues and expenses that were formally City and County operations. Revenues are received from taxes, fees, intergovernmental revenue, rents and other sources. Expenses support general operations including court programs, public safety, public works, facilities maintenance, economic development and administrative functions. Financing for the purchase of capital equipment and projects not debt financed are also included.

Capital Projects Fund, is funded almost entirely by the issuance of debt and only incidentally from reimbursements and transfers in from other funds. Expenses are tracked by projects which usually are construction/reconstruction but also include settlement of claims which are financed by debt.

Debt Service Economic Development Sales Tax Fund, was established to record debt service payments and revenues related to completed STAR bond and TDD financed projects.

Statements for these major governmental funds are included in the Basic Financial Statements found in the Financial Section of this document. As a legal operating budget for the Capital Projects Fund is not required, a budgetary schedule is not included in this document.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

Primary source of revenue of these funds is governmental allocations or special taxes.

American Recovery & Reinvestment Act Fund, commonly referred to as the “Stimulus Act” is a Federal government initiative to stimulate the United States economy through grants from across the spectrum of Federal government agencies. Public Safety, Public Works, Transportation and Community Development are the largest areas of funding to the Unified Government, but grant opportunities span virtually every area of Unified Government business.

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 to the benefit of “low and moderate” income households or areas of the city and county requiring special attention.

Court Trustee Fund, supports the Court Trustee Office in providing services to children by establishing or enforcing court orders. All generated 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 10-year 3/8th cent sales tax, which was passed by Kansas City, Kansas voters on April 13, 2010.

Developmental Disability Fund, provides funds to support mental health or mental retardation services.

Elections Fund, established to account for the administration of community-wide elections in Wyandotte County.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2014

NONMAJOR GOVERNMENTAL FUNDS
(continued)

Special Revenue Funds (continued):

Environmental Trust Fund, is used to accumulate resources for future landfill costs. A legal operating budget for this fund is not required; therefore, a budgetary schedule is not included in this document.

Health Department Fund, provides funding to support the County Health Department operations and capital expenditures for county health purposes.

Jail Commissary Fund, was established to record the sales to inmates of clothing, food and personal products.

Library Fund, collects library taxes to support the services of the Kansas City, Kansas Public Library.

Mental Health Fund, disburses funds for a variety of community mental health services provided by contracted, nonprofit corporations.

Register of Deeds Technology Fund, created in 2002 by state statute, is used to account for revenues and expenses received from specified fees charged by the Register of Deeds. Moneys are required to be used "to acquire equipment and technological services for the 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 in expansion and job creation or retention. The major fund revenue is interest income and is utilized to pay for administrative costs of the program.

Service Program for the Elderly Fund, provides services for those citizens age 60 and over such as: senior centers, transportation, education, and health-related concerns.

Special 911 Tax Wyandotte County, is a new statewide 911 fee per subscriber account (telephone number capable of accessing 911) was imposed and that fee applies to hardwire, wireless and VoIP phones. Monies in this fund shall be used only for purposes required or permitted under the Kansas 911 Act.

Special Alcohol Programs Fund, includes two separate fund programs:

The Special Alcohol Program Grant Program receives its funding from a portion of the Government's liquor tax moneys. Expenditures are restricted to providing services and/or programs 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. Again, expenditures are used to fund community services targeting alcohol related programs.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2014

**NONMAJOR GOVERNMENTAL FUNDS
(continued)**

Special Revenue Funds (continued):

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 document.

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 for this fund are generated from a portion of liquor sales receipts within the Unified Government.

Special Street and Highway Fund, finances road improvement, development and maintenance. Revenues are generated primarily from motor fuel taxes collected by the State.

Tourism and Convention Promotion Fund, receives its revenue from transient guest taxes levied on hotel and motel lodging within the city. These moneys are apportioned to the Chamber of Commerce, maintenance and repair of the Reardon Civic Center, and a hotel reserve fund for future hotel development.

Debt Service Fund:

Debt Service Fund, also known as the Bond and Interest 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-at-large.

Capital Project Funds:

County Initiative to Fund Infrastructure, fund finances infrastructure projects that benefit all of the cities in the county.

Public Building Commission Fund, utilized for constructing, reconstructing, equipping, and furnishing buildings and facilities to be used as a county courthouse or for Unified Government offices or other Unified Government functions.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

As of December 31, 2014

	Special Revenue			
	AR&RA	Community Development	Court Trustee	Dedicated Sales Tax
ASSETS				
Cash and investments	\$ -	\$ -	\$ 730,238	\$ 1,488,576
Restricted cash and investments	-	115,782	-	-
Receivables (net of uncollectible)				
Taxes	-	-	-	1,198,613
Accounts	586,927	356,236	-	-
Notes	-	-	-	-
Interest	-	-	-	-
Special assessments	-	8,408	-	-
Due from other funds	67,430	-	-	-
Due from other governments	-	-	-	-
TOTAL ASSETS	\$ 654,357	\$ 480,426	\$ 730,238	\$ 2,687,189
LIABILITIES				
Accounts and contracts payable	\$ 819	\$ 120,479	\$ 2,159	\$ 147,328
Accrued wages and other	56,680	26,702	10,041	95,687
Due to others	-	12,786	-	-
Due to other funds	49,458	1,066,392	-	-
Due to other governments	-	14,464	-	-
TOTAL LIABILITIES	106,957	1,240,823	12,200	243,015
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax receivable	-	-	-	-
Unavailable revenue - special assessments	-	8,408	-	-
Unavailable revenue - grant receivable	235,795	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	235,795	8,408	-	-
FUND BALANCE				
Restricted	311,605	-	718,038	2,444,174
Committed	-	-	-	-
Unassigned	-	(768,805)	-	-
TOTAL FUND BALANCE	311,605	(768,805)	718,038	2,444,174
TOTAL LIABILITIES, DEFERRED INFLOWS OF	\$ 654,357	\$ 480,426	\$ 730,238	\$ 2,687,189

continued

Special Revenue					
Developmental Disability	Elections	Environmental Trust	Health Department	Jail Commissary	
\$ 244,635	\$ 586,418	\$ 820,690	\$ 789,430	\$ 173,061	
-	-	-	-	-	-
363,108	916,821	-	1,638,114	-	-
-	-	162,888	-	-	-
-	-	-	-	-	-
-	-	4,431	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 607,743	\$ 1,503,239	\$ 988,009	\$ 2,427,544	\$ 173,061	
\$ 2,454	\$ 27,346	\$ 619,570	\$ 61,532	\$ 2,345	
4,868	20,176	-	77,395	-	-
-	-	-	78	-	-
-	-	-	-	-	-
-	5,492	-	-	-	-
7,322	53,014	619,570	139,005	2,345	
363,108	916,821	-	1,637,714	-	-
-	-	-	-	-	-
-	-	-	-	-	-
363,108	916,821	-	1,637,714	-	
237,313	533,404	-	650,825	-	-
-	-	368,439	-	170,716	-
-	-	-	-	-	-
237,313	533,404	368,439	650,825	170,716	
\$ 607,743	\$ 1,503,239	\$ 988,009	\$ 2,427,544	\$ 173,061	

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - continued

As of December 31, 2014

	Special Revenue			
	Library	Mental Health	Register of Deeds Tech	Revolving Loan
ASSETS				
Cash and investments	\$ 641,951	\$ 51,804	\$ 29,978	\$ 836,991
Restricted cash and investments	-	-	-	-
Receivables (net of uncollectible)				
Taxes	1,996,357	447,230	-	-
Accounts	-	-	-	-
Notes	-	-	-	961,959
Interest	2,748	-	227	-
Special assessments	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
TOTAL ASSETS	\$ 2,641,056	\$ 499,034	\$ 30,205	\$ 1,798,950
LIABILITIES				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ 151
Accrued wages and other	-	-	-	-
Due to others	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
TOTAL LIABILITIES	-	-	-	151
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax receivable	1,996,357	447,230	-	-
Unavailable revenue - special assessments	-	-	-	-
Unavailable revenue - grant receivable	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,996,357	447,230	-	-
FUND BALANCE				
Restricted	644,699	51,804	30,205	1,798,799
Committed	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	644,699	51,804	30,205	1,798,799
TOTAL LIABILITIES, DEFERRED INFLOWS OF	\$ 2,641,056	\$ 499,034	\$ 30,205	\$ 1,798,950

continued

Special Revenue				
Service Program for the Elderly	Special 911 Tax Wyandotte County	Special Alcohol Programs	Special Grants	Special Law Enforcement Program
\$ 364,461	\$ 392,561	\$ 465,423	\$ 749,018	\$ 2,891,152
-	-	45,860	-	-
1,078,677	118,257	-	-	-
78	-	-	155,412	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,443,216</u>	<u>\$ 510,818</u>	<u>\$ 511,283</u>	<u>\$ 904,430</u>	<u>\$ 2,891,152</u>
\$ 45,096	\$ 84,045	\$ 6,092	\$ 254,374	\$ 131,851
23,377	-	6,949	254,176	-
-	-	-	-	283,969
-	-	-	-	-
-	-	-	-	-
<u>68,473</u>	<u>84,045</u>	<u>13,041</u>	<u>508,550</u>	<u>415,820</u>
1,078,677	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,078,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
296,066	426,773	498,242	395,880	2,475,332
-	-	-	-	-
-	-	-	-	-
<u>296,066</u>	<u>426,773</u>	<u>498,242</u>	<u>395,880</u>	<u>2,475,332</u>
<u>\$ 1,443,216</u>	<u>\$ 510,818</u>	<u>\$ 511,283</u>	<u>\$ 904,430</u>	<u>\$ 2,891,152</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - continued

As of December 31, 2014

	Special Revenue			Total
	Special Parks and Recreation	Special Street and Highway	Tourism and Convention Program	
ASSETS				
Cash and investments	\$ 191,368	\$ 795,786	\$ 39,218	\$ 12,282,759
Restricted cash and investments	-	-	-	161,642
Receivables (net of uncollectible)				
Taxes	-	-	-	7,757,177
Accounts	-	-	-	1,261,541
Notes	-	-	-	961,959
Interest	-	-	-	7,406
Special assessments	-	-	-	8,408
Due from other funds	-	-	-	67,430
Due from other governments	-	-	291,847	291,847
TOTAL ASSETS	\$ 191,368	\$ 795,786	\$ 331,065	\$ 22,800,169
LIABILITIES				
Accounts and contracts payable	\$ 11,946	\$ 261,028	\$ -	\$ 1,778,615
Accrued wages and other	2,384	161,228	-	739,663
Due to others	-	-	-	296,833
Due to other funds	-	-	-	1,115,850
Due to other governments	-	-	-	19,956
TOTAL LIABILITIES	14,330	422,256	-	3,950,917
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax receivable	-	-	-	6,439,907
Unavailable revenue - special assessments	-	-	-	8,408
Unavailable revenue - grant receivable	-	-	-	235,795
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	6,684,110
FUND BALANCE				
Restricted	177,038	373,530	-	12,063,727
Committed	-	-	331,065	870,220
Unassigned	-	-	-	(768,805)
TOTAL FUND BALANCE	177,038	373,530	331,065	12,165,142
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES	\$ 191,368	\$ 795,786	\$ 331,065	\$ 22,800,169

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - continued

As of December 31, 2014

	Debt Service	Capital Projects	Total Nonmajor
	Debt Service	County Initiative To	Governmental Funds
	Fund	Fund Infrastructure	2014
ASSETS			
Cash and investments	\$ 3,854,876	\$ 476	\$ 16,138,111
Restricted cash and investments	-	-	161,642
Receivables (net of uncollectible)			
Taxes	17,747,586	-	25,504,763
Accounts	340,616	-	1,602,157
Notes	-	-	961,959
Interest	8,876	-	16,282
Special assessments	1,212,461	-	1,220,869
Due from other funds	623,147	-	690,577
Due from other governments	-	-	291,847
TOTAL ASSETS	\$ 23,787,562	\$ 476	\$ 46,588,207
LIABILITIES			
Accounts and contracts payable	\$ -	\$ -	\$ 1,778,615
Accrued wages and other	424,190	-	1,163,853
Due to others	-	-	296,833
Due to other funds	-	-	1,115,850
Due to other governments	-	-	19,956
TOTAL LIABILITIES	424,190	-	4,375,107
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax receivable	17,649,886	-	24,089,793
Unavailable revenue - special assessments	1,212,461	-	1,220,869
Unavailable revenue - grant receivable	-	-	235,795
TOTAL DEFERRED INFLOWS OF RESOURCES	18,862,347	-	25,546,457
FUND BALANCE			
Restricted	4,501,025	476	16,565,228
Committed	-	-	870,220
Unassigned	-	-	(768,805)
TOTAL FUND BALANCE	4,501,025	476	16,666,643
TOTAL LIABILITIES, DEFERRED INFLOWS OF	\$ 23,787,562	\$ 476	\$ 46,588,207

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

	Special Revenue			
	AR&RA	Community Development	Court Trustee	Dedicated Sales Tax
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 7,093,021
Intergovernmental revenue	1,795,246	3,400,212	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	421,217	-
Interest income	-	985	-	-
Licenses, permits and fees	-	-	-	-
Miscellaneous revenues	-	212,333	-	-
TOTAL REVENUES	1,795,246	3,613,530	421,217	7,093,021
EXPENDITURES				
General government	726	106,059	6,102	8,511
Public works	56,561	-	-	200,772
Public safety	976,302	-	-	4,169,633
Judicial	-	-	454,056	-
Health and welfare	-	-	-	-
Planning and development	149,986	2,486,700	-	-
Parks and recreation	-	-	-	-
Capital outlay	401,228	46,794	-	1,124,893
Debt service				
Principal	-	280,000	-	532,041
Interest	-	-	-	72,261
Other	-	-	-	-
TOTAL EXPENDITURES	1,584,803	2,919,553	460,158	6,108,111
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(621,845)
Issuance of refunding bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(621,845)
NET CHANGE IN FUND BALANCE	210,443	693,977	(38,941)	363,065
FUND BALANCE				
Beginning of year	101,162	(1,462,782)	756,979	2,081,109
End of year	\$ 311,605	\$ (768,805)	\$ 718,038	\$ 2,444,174

continued

Special Revenue					
Developmental Disability	Elections	Environmental Trust	Health Department	Jail Commissary	
\$ 421,718	\$ 1,065,967	\$ -	\$ 1,905,088	\$ -	
-	-	-	27,374	-	
-	2,081	1,027,719	499,857	-	
-	-	-	-	-	
-	-	1,100	-	-	
-	-	-	73,790	-	
15,256	8,093	3,720	326,867	28,706	
436,974	1,076,141	1,032,539	2,832,976	28,706	
2,566	1,128,490	-	37,234	-	
-	-	-	-	-	
-	-	-	-	25,275	
-	-	-	-	-	
581,145	-	926,471	2,931,260	-	
-	-	-	-	-	
-	-	-	-	-	
-	9,115	3,758	45,928	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
583,711	1,137,605	930,229	3,014,422	25,275	
-	-	-	-	-	
-	(50,000)	-	-	-	
-	-	-	-	-	
-	(50,000)	-	-	-	
(146,737)	(111,464)	102,310	(181,446)	3,431	
384,050	644,868	266,129	832,271	167,285	
\$ 237,313	\$ 533,404	\$ 368,439	\$ 650,825	\$ 170,716	

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS - continued

For the Year Ended December 31, 2014

	Special Revenue			
	Library	Mental Health	Register of Deeds Tech	Revolving Loan
REVENUES				
Taxes	\$ 2,318,567	\$ 518,992	\$ -	\$ -
Intergovernmental revenue	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	133,633	-
Interest income	315	-	-	34,343
Permits and licenses	-	-	-	-
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	2,318,882	518,992	133,633	34,343
EXPENDITURES				
General government	2,237,520	-	158,862	38,090
Public works	-	-	-	-
Public safety	-	-	-	-
Judicial	-	-	-	-
Health and welfare	-	533,331	-	-
Planning and development	-	-	-	-
Parks and recreation	-	-	-	-
Capital Outlay	-	-	-	1,890
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
TOTAL EXPENDITURES	2,237,520	533,331	158,862	39,980
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Tranfers out	-	-	-	-
Issuance of refunding bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	81,362	(14,339)	(25,229)	(5,637)
FUND BALANCE				
Beginning of year	563,337	66,143	55,434	1,804,436
End of year	\$ 644,699	\$ 51,804	\$ 30,205	\$ 1,798,799

continued

Special Revenue				
Service Program for the Elderly	Special 911 Tax Wyandotte County	Special Alcohol Programs	Special Grants	Special Law Enforcement Program
\$ 1,252,464	\$ 747,003	\$ 541,960	\$ 27,801	\$ 175,095
-	-	-	13,252,402	-
-	-	-	61,549	-
-	-	766	88,174	284,775
-	-	-	-	36
-	-	-	-	-
16,351	36,875	-	1,987,934	7,750
<u>1,268,815</u>	<u>783,878</u>	<u>542,726</u>	<u>15,417,860</u>	<u>467,656</u>
24,141	-	484,788	1,278,131	-
828,851	-	-	760,911	-
-	489,293	-	1,998,972	331,727
-	-	-	2,913,304	11,792
302,986	-	-	7,212,220	-
-	-	-	603,392	-
-	-	-	6,018	-
-	-	-	469,471	616,779
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,155,978</u>	<u>489,293</u>	<u>484,788</u>	<u>15,242,419</u>	<u>960,298</u>
-	-	-	-	-
-	(291,000)	-	-	-
-	-	-	-	-
-	(291,000)	-	-	-
112,837	3,585	57,938	175,441	(492,642)
183,229	423,188	440,304	220,439	2,967,974
<u>\$ 296,066</u>	<u>\$ 426,773</u>	<u>\$ 498,242</u>	<u>\$ 395,880</u>	<u>\$ 2,475,332</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS - continued

For the Year Ended December 31, 2014

	Special Revenue			Total
	Special Parks and Recreation	Special Street and Highway	Tourism and Convention Program	
REVENUES				
Taxes	\$ 539,736	\$ -	\$ 891,649	\$ 17,499,061
Intergovernmental revenue	-	6,617,919	-	25,093,153
Charges for services	-	-	-	1,591,206
Fines, forfeitures and penalties	-	-	-	928,565
Interest income	-	-	-	36,779
Permits and licenses	-	-	-	73,790
Miscellaneous revenues	-	77,052	-	2,720,937
TOTAL REVENUES	539,736	6,694,971	891,649	47,943,491
EXPENDITURES				
General government	1,449	42,091	-	5,554,760
Public works	-	6,283,717	-	8,130,812
Public safety	-	-	-	7,991,202
Judicial	-	-	-	3,379,152
Health and welfare	-	-	-	12,487,413
Planning and development	-	37,296	734,769	4,012,143
Parks and recreation	318,311	-	-	324,329
Capital Outlay	192,090	82,028	-	2,993,974
Debt service				
Principal	-	293,111	75,000	1,180,152
Interest	-	34,599	64,050	170,910
Other	-	-	-	-
TOTAL EXPENDITURES	511,850	6,772,842	873,819	46,224,847
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(17,325)	-	(980,170)
Issuance of refunding bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(17,325)	-	(980,170)
NET CHANGE IN FUND BALANCE	27,886	(95,196)	17,830	738,474
FUND BALANCE				
Beginning of year	149,152	468,726	313,235	11,426,668
End of year	\$ 177,038	\$ 373,530	\$ 331,065	\$ 12,165,142

Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Debt Service Fund	County Initiative To Fund Infrastructure	2014
\$ 21,953,001	\$ 3,196	\$ 39,455,258
19,894	-	25,113,047
-	-	1,591,206
-	-	928,565
479,370	-	516,149
-	-	73,790
584,275	-	3,305,212
<u>23,036,540</u>	<u>3,196</u>	<u>70,983,227</u>
-	-	5,554,760
-	-	8,130,812
-	-	7,991,202
-	-	3,379,152
-	-	12,487,413
-	-	4,012,143
-	-	324,329
-	-	2,993,974
21,263,539	-	22,443,691
10,061,779	-	10,232,689
66,340	-	66,340
<u>31,391,658</u>	<u>-</u>	<u>77,616,505</u>
6,587,194	-	6,587,194
(3,808,672)	(3,000)	(4,791,842)
6,905,000	-	6,905,000
<u>9,683,522</u>	<u>(3,000)</u>	<u>8,700,352</u>
1,328,404	196	2,067,074
3,172,621	280	14,599,569
<u>\$ 4,501,025</u>	<u>\$ 476</u>	<u>\$ 16,666,643</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: COURT TRUSTEE
Year Ended December 31, 2014

	2013	2014			
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Fines, fees, forfeitures	\$ 401,114	\$ 400,000	\$ 400,000	\$ 421,217	\$ 21,217
TOTAL REVENUES	<u>401,114</u>	<u>400,000</u>	<u>400,000</u>	<u>421,217</u>	<u>21,217</u>
EXPENDITURES					
Personnel	340,369	420,769	420,769	345,918	74,851
Contractual services	48,751	65,610	59,738	51,176	8,562
Commodities	5,218	5,592	10,192	7,064	3,128
Capital Outlay	-	-	123	-	123
Grants, Claims, Shared Revenue	-	56,000	56,000	56,000	-
Other	-	45,000	44,877	-	44,877
TOTAL EXPENDITURES	<u>394,338</u>	<u>592,971</u>	<u>591,699</u>	<u>460,158</u>	<u>131,541</u>
NET CHANGE IN FUND BALANCE	6,776	(192,971)	(191,699)	(38,941)	152,758
UNENCUMBERED FUND BALANCE					
Beginning of year	750,228	757,004	757,004	757,004	-
End of year	<u>\$ 757,004</u>	<u>\$ 564,033</u>	<u>\$ 565,305</u>	<u>\$ 718,063</u>	<u>\$ 152,758</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: DEDICATED SALES TAX
Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 6,760,480	\$ 6,335,000	\$ 7,000,000	\$ 7,049,453	\$ 49,453
Miscellaneous revenue	1,950	-	-	77,375	77,375
TOTAL REVENUES	6,762,430	6,335,000	7,000,000	7,126,828	126,828
EXPENDITURES					
Personnel	3,106,966	2,247,466	2,419,668	2,433,095	(13,427)
Contractual services	1,096,599	1,027,805	1,123,179	1,104,918	18,261
Commodities	452,920	1,051,185	1,016,493	1,007,126	9,367
Capital outlay	1,214,833	1,381,000	2,102,968	2,021,496	81,472
TOTAL EXPENDITURES	5,871,318	5,707,456	6,662,308	6,566,635	95,673
OTHER FINANCING SOURCES (USES)					
Transfers out	(586,983)	(600,000)	(600,000)	(583,300)	16,700
TOTAL OTHER FINANCING SOURCES (USES)	(586,983)	(600,000)	(600,000)	(583,300)	16,700
NET CHANGE IN FUND BALANCE	304,129	27,544	(262,308)	(23,107)	239,201
UNENCUMBERED FUND BALANCE					
Beginning of year	191,001	495,130	495,130	495,130	-
End of year	\$ 495,130	\$ 522,674	\$ 232,822	\$ 472,023	\$ 239,201

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: DEVELOPMENTAL DISABILITY
Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 413,640	\$ 408,125	\$ 410,137	\$ 421,718	\$ 11,581
Reimbursements	25,813	-	-	14,626	14,626
Miscellaneous revenue	-	-	700	2,117	1,417
TOTAL REVENUES	439,453	408,125	410,837	438,461	27,624
EXPENDITURES					
Personnel	259,376	182,622	371,861	356,708	15,153
Contractual services	115,045	410,000	167,797	160,467	7,330
Commodities	495	1,000	4,775	2,693	2,082
Capital Outlay	-	-	30	-	30
Other	-	30,000	29,970	-	29,970
TOTAL EXPENDITURES	374,916	623,622	574,433	519,868	54,565
NET CHANGE IN FUND BALANCE	64,537	(215,497)	(163,596)	(81,407)	82,189
UNENCUMBERED FUND BALANCE					
Beginning of year	254,187	318,724	318,724	318,724	-
End of year	<u>\$ 318,724</u>	<u>\$ 103,227</u>	<u>\$ 155,128</u>	<u>\$ 237,317</u>	<u>\$ 82,189</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: ELECTIONS
Year Ended December 31, 2014

	2013		2014		
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 1,052,337	\$ 1,032,183	\$ 1,036,060	\$ 1,065,967	\$ 29,907
Charges for services	7,936	10,000	10,000	2,081	(7,919)
Miscellaneous revenue	20,387	-	-	8,093	8,093
TOTAL REVENUES	1,080,660	1,042,183	1,046,060	1,076,141	30,081
EXPENDITURES					
Personnel	628,228	700,000	700,000	645,169	54,831
Contractual services	313,446	473,439	444,052	365,845	78,207
Commodities	114,803	146,504	141,004	117,475	23,529
Capital outlay	1,536	10,000	10,213	9,115	1,098
Other	-	20,000	41,787	-	41,787
TOTAL EXPENDITURES	1,058,013	1,349,943	1,337,056	1,137,604	199,452
OTHER FINANCING SOURCES (USES)					
Transfers out	(50,000)	-	(50,000)	(50,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(50,000)	-	(50,000)	(50,000)	-
NET CHANGE IN FUND BALANCE	(27,353)	(307,760)	(340,996)	(111,463)	229,533
UNENCUMBERED FUND BALANCE					
Beginning of year	672,484	645,131	645,131	645,131	-
End of year	\$ 645,131	\$ 337,371	\$ 304,135	\$ 533,668	\$ 229,533

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: ENVIRONMENTAL TRUST
 Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Charges for services	\$ 923,363	\$ 930,000	\$ 1,015,000	\$ 1,017,305	\$ 2,305
Interest income	3,164	4,000	4,000	2,922	(1,078)
Miscellaneous revenue	9,491	-	-	3,720	3,720
TOTAL REVENUES	936,018	934,000	1,019,000	1,023,947	4,947
EXPENDITURES					
Contractual services	869,976	970,000	971,100	933,690	37,410
Capital outlay	-	100,000	100,000	80,760	19,240
Other	-	-	98,900	-	98,900
TOTAL EXPENDITURES	869,976	1,070,000	1,170,000	1,014,450	155,550
NET CHANGE IN FUND BALANCE	66,042	(136,000)	(151,000)	9,497	160,497
UNENCUMBERED FUND BALANCE					
Beginning of year	221,560	287,602	287,602	287,602	-
End of year	\$ 287,602	\$ 151,602	\$ 136,602	\$ 297,099	\$ 160,497

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: HEALTH DEPARTMENT
Year Ended December 31, 2014

	2013		2014		
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 1,880,663	\$ 1,844,683	\$ 1,848,882	\$ 1,905,088	\$ 56,206
Intergovernmental revenue	18,299	20,500	23,000	27,374	4,374
Charges for services	663,320	699,100	618,900	499,857	(119,043)
Licenses and permits	70,982	78,000	75,500	73,790	(1,710)
Miscellaneous revenue	338,621	367,000	357,000	331,362	(25,638)
TOTAL REVENUES	2,971,885	3,009,283	2,923,282	2,837,471	(85,811)
EXPENDITURES					
Personnel	2,393,677	2,600,000	2,488,770	2,394,441	94,329
Contractual services	175,922	266,964	240,159	194,708	45,451
Commodities	222,910	224,820	244,777	197,596	47,181
Capital outlay	68,400	40,000	41,220	29,462	11,758
Grants, claims, shared revenue	200,000	200,000	200,000	200,000	-
Other	-	50,000	48,858	78	48,780
TOTAL EXPENDITURES	3,060,909	3,381,784	3,263,784	3,016,285	247,499
NET CHANGE IN FUND BALANCE	(89,024)	(372,501)	(340,502)	(178,814)	161,688
UNENCUMBERED FUND BALANCE					
Beginning of year	882,049	793,025	793,025	793,025	-
End of year	\$ 793,025	\$ 420,524	\$ 452,523	\$ 614,211	\$ 161,688

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: JAIL COMMISSARY
 Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
		Actual Amounts	Budget Amounts		
		Original	Final Amended		
REVENUES					
Miscellaneous revenue	\$ 57,744	\$ 20,000	\$ 25,000	\$ 28,706	\$ 3,706
TOTAL REVENUES	<u>57,744</u>	<u>20,000</u>	<u>25,000</u>	<u>28,706</u>	<u>3,706</u>
EXPENDITURES					
Commodities	19,619	60,000	60,000	38,123	21,877
TOTAL EXPENDITURES	<u>19,619</u>	<u>60,000</u>	<u>60,000</u>	<u>38,123</u>	<u>21,877</u>
NET CHANGE IN FUND BALANCE	38,125	(40,000)	(35,000)	(9,417)	25,583
UNENCUMBERED FUND BALANCE					
Beginning of year	131,600	169,725	169,725	169,725	-
End of year	<u>\$ 169,725</u>	<u>\$ 129,725</u>	<u>\$ 134,725</u>	<u>\$ 160,308</u>	<u>\$ 25,583</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: LIBRARY
 Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 2,100,884	\$ 2,142,503	\$ 2,226,257	\$ 2,318,567	\$ 92,310
Interest income	3,545	1,200	500	2,055	1,555
TOTAL REVENUES	<u>2,104,429</u>	<u>2,143,703</u>	<u>2,226,757</u>	<u>2,320,622</u>	<u>93,865</u>
EXPENDITURES					
Contractual services	1,665	-	531	-	531
Other	2,010,499	2,407,520	2,406,989	2,237,520	169,469
TOTAL EXPENDITURES	<u>2,012,164</u>	<u>2,407,520</u>	<u>2,407,520</u>	<u>2,237,520</u>	<u>170,000</u>
NET CHANGE IN FUND BALANCE	92,265	(263,817)	(180,763)	83,102	263,865
UNENCUMBERED FUND BALANCE					
Beginning of year	466,586	558,851	558,851	558,851	-
End of year	<u>\$ 558,851</u>	<u>\$ 295,034</u>	<u>\$ 378,088</u>	<u>\$ 641,953</u>	<u>\$ 263,865</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: MENTAL HEALTH
 Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 510,125	\$ 502,777	\$ 504,385	\$ 518,992	\$ 14,607
TOTAL REVENUES	<u>510,125</u>	<u>502,777</u>	<u>504,385</u>	<u>518,992</u>	<u>14,607</u>
EXPENDITURES					
Grants, claims, shared revenue	533,331	533,331	533,331	533,331	-
Other	-	5,000	-	-	-
TOTAL EXPENDITURES	<u>533,331</u>	<u>538,331</u>	<u>533,331</u>	<u>533,331</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(23,206)	(35,554)	(28,946)	(14,339)	14,607
UNENCUMBERED FUND BALANCE					
Beginning of year	89,348	66,142	66,142	66,142	-
End of year	<u>\$ 66,142</u>	<u>\$ 30,588</u>	<u>\$ 37,196</u>	<u>\$ 51,803</u>	<u>\$ 14,607</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS

BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: REGISTER OF DEEDS TECHNOLOGY FUND

Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Fines/fees/forfeitures	\$ 154,970	\$ 150,000	\$ 140,000	\$ 133,634	\$ (6,366)
Interest income	407	300	300	214	(86)
Miscellaneous revenue	-	-	-	10,800	10,800
TOTAL REVENUES	<u>155,377</u>	<u>150,300</u>	<u>140,300</u>	<u>144,648</u>	<u>4,348</u>
EXPENDITURES					
Personnel	50,003	50,008	49,957	45,000	4,957
Contractual services	119,932	120,000	120,051	108,923	11,128
TOTAL EXPENDITURES	<u>169,935</u>	<u>170,008</u>	<u>170,008</u>	<u>153,923</u>	<u>16,085</u>
NET CHANGE IN FUND BALANCE	(14,558)	(19,708)	(29,708)	(9,275)	20,433
UNENCUMBERED FUND BALANCE					
Beginning of year	53,813	39,255	39,255	39,255	-
End of year	<u>\$ 39,255</u>	<u>\$ 19,547</u>	<u>\$ 9,547</u>	<u>\$ 29,980</u>	<u>\$ 20,433</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS

BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: SERVICE PROGRAM FOR THE ELDERLY

Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 1,233,282	\$ 1,203,450	\$ 1,217,945	\$ 1,252,464	\$ 34,519
Miscellaneous revenue	16,235	10,100	12,000	16,351	4,351
TOTAL REVENUES	<u>1,249,517</u>	<u>1,213,550</u>	<u>1,229,945</u>	<u>1,268,815</u>	<u>38,870</u>
EXPENDITURES					
Personnel	886,015	937,899	977,621	913,803	63,818
Contractual services	98,454	116,771	138,628	115,979	22,649
Commodities	176,469	164,598	139,747	109,132	30,615
Capital Outlay	-	-	20,191	19,150	1,041
Grants, claims, shared revenue	-	109	1,158	1,158	-
Other	-	15,000	15,069	140	14,929
TOTAL EXPENDITURES	<u>1,160,938</u>	<u>1,234,377</u>	<u>1,292,414</u>	<u>1,159,362</u>	<u>133,052</u>
NET CHANGE IN FUND BALANCE	88,579	(20,827)	(62,469)	109,453	171,922
UNENCUMBERED FUND BALANCE					
Beginning of year	81,410	169,989	169,989	169,989	-
End of year	<u>\$ 169,989</u>	<u>\$ 149,162</u>	<u>\$ 107,520</u>	<u>\$ 279,442</u>	<u>\$ 171,922</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: SPECIAL 911 TAX - WYANDOTTE COUNTY

Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 773,038	\$ 760,000	\$ 770,000	\$ 760,323	\$ (9,677)
Miscellaneous revenue	2,087	-	-	36,875	36,875
TOTAL REVENUES	<u>775,125</u>	<u>760,000</u>	<u>770,000</u>	<u>797,198</u>	<u>27,198</u>
EXPENDITURES					
Contractual services	512,243	583,850	590,154	492,379	97,775
Other	-	25,000	18,696	-	18,696
TOTAL EXPENDITURES	<u>512,243</u>	<u>608,850</u>	<u>608,850</u>	<u>492,379</u>	<u>116,471</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(291,000)	(291,000)	(291,000)	(291,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(291,000)</u>	<u>(291,000)</u>	<u>(291,000)</u>	<u>(291,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(28,118)	(139,850)	(129,850)	13,819	143,669
UNENCUMBERED FUND BALANCE					
Beginning of year	319,730	291,612	291,612	291,612	-
End of year	<u>\$ 291,612</u>	<u>\$ 151,762</u>	<u>\$ 161,762</u>	<u>\$ 305,431</u>	<u>\$ 143,669</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: SPECIAL ALCOHOL AND DRUG PROGRAMS

Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 514,121	\$ 517,000	\$ 538,000	\$ 541,960	\$ 3,960
Fines, forfeitures and penalties	4,629	7,500	7,500	766	(6,734)
TOTAL REVENUES	<u>518,750</u>	<u>524,500</u>	<u>545,500</u>	<u>542,726</u>	<u>(2,774)</u>
EXPENDITURES					
Personnel	194,801	197,575	198,982	213,217	(14,235)
Contractual services	12,592	133,000	146,131	21,760	124,371
Commodities	2,538	7,925	6,341	1,311	5,030
Capital Outlay	-	-	46	-	46
Grants, claims, shared revenue	249,500	249,500	248,500	248,500	-
TOTAL EXPENDITURES	<u>459,431</u>	<u>588,000</u>	<u>600,000</u>	<u>484,788</u>	<u>115,212</u>
NET CHANGE IN FUND BALANCE	59,319	(63,500)	(54,500)	57,938	112,438
UNENCUMBERED FUND BALANCE					
Beginning of year	380,986	440,305	440,305	440,305	-
End of year	<u>\$ 440,305</u>	<u>\$ 376,805</u>	<u>\$ 385,805</u>	<u>\$ 498,243</u>	<u>\$ 112,438</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: SPECIAL PARKS AND RECREATION

Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 512,152	\$ 517,000	\$ 537,000	\$ 539,735	\$ 2,735
Miscellaneous revenue	932	-	-	-	-
TOTAL REVENUES	<u>513,084</u>	<u>517,000</u>	<u>537,000</u>	<u>539,735</u>	<u>2,735</u>
EXPENDITURES					
Personnel	183,847	186,519	188,218	229,761	(41,543)
Contractual services	86,838	90,000	90,000	90,000	-
Capital outlay	265,590	345,000	358,782	303,663	55,119
TOTAL EXPENDITURES	<u>536,275</u>	<u>621,519</u>	<u>637,000</u>	<u>623,424</u>	<u>13,576</u>
NET CHANGE IN FUND BALANCE	(23,191)	(104,519)	(100,000)	(83,689)	16,311
UNENCUMBERED FUND BALANCE					
Beginning of year	172,345	149,154	149,154	149,154	-
End of year	<u>\$ 149,154</u>	<u>\$ 44,635</u>	<u>\$ 49,154</u>	<u>\$ 65,465</u>	<u>\$ 16,311</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS

BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: SPECIAL STREET AND HIGHWAY

Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Intergovernmental revenue	\$ 6,410,136	\$ 6,331,000	\$ 6,600,000	\$ 6,617,919	\$ 17,919
Miscellaneous revenue	40,921	-	105,500	107,387	1,887
TOTAL REVENUES	<u>6,451,057</u>	<u>6,331,000</u>	<u>6,705,500</u>	<u>6,725,306</u>	<u>19,806</u>
EXPENDITURES					
Personnel	5,693,089	5,100,000	5,300,000	5,186,643	113,357
Contractual Services	-	-	48,574	46,770	1,804
Commodities	848,941	250,000	768,411	963,307	(194,896)
Capital outlay	396,990	834,744	557,812	361,156	196,656
Grants, claims, shared revenue	33,340	15,000	15,000	3,936	11,064
Other	-	125,000	32,047	-	32,047
TOTAL EXPENDITURES	<u>6,972,360</u>	<u>6,324,744</u>	<u>6,721,844</u>	<u>6,561,812</u>	<u>160,032</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(12,675)	(17,325)	(17,325)	(17,325)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(12,675)</u>	<u>(17,325)</u>	<u>(17,325)</u>	<u>(17,325)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(533,978)	(11,069)	(33,669)	146,169	179,838
UNENCUMBERED FUND BALANCE					
Beginning of year	573,655	39,677	39,677	39,677	-
End of year	<u>\$ 39,677</u>	<u>\$ 28,608</u>	<u>\$ 6,008</u>	<u>\$ 185,846</u>	<u>\$ 179,838</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: TOURISM AND CONVENTION PROMOTION
 Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 820,417	\$ 792,000	\$ 835,000	\$ 847,127	\$ 12,127
TOTAL REVENUES	<u>820,417</u>	<u>792,000</u>	<u>835,000</u>	<u>847,127</u>	<u>12,127</u>
EXPENDITURES					
Grants, claims, shared revenue	687,877	669,769	734,769	734,769	-
Debt service	250,000	139,050	139,050	139,050	-
TOTAL EXPENDITURES	<u>937,877</u>	<u>808,819</u>	<u>873,819</u>	<u>873,819</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(117,460)	(16,819)	(38,819)	(26,692)	12,127
UNENCUMBERED FUND BALANCE					
Beginning of year	183,367	65,907	65,907	65,907	-
End of year	<u>\$ 65,907</u>	<u>\$ 49,088</u>	<u>\$ 27,088</u>	<u>\$ 39,215</u>	<u>\$ 12,127</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS

BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

DEBT SERVICE FUND - CITY
Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 20,562,856	\$ 20,264,821	\$ 20,319,373	\$ 20,954,336	\$ 634,963
Intergovernmental revenue	23,440	10,000	20,000	19,894	(106)
Interest income	24,095	10,000	10,000	16,826	6,826
Miscellaneous revenue	1,491,741	1,229,516	1,234,152	995,465	(238,687)
TOTAL REVENUES	<u>22,102,132</u>	<u>21,514,337</u>	<u>21,583,525</u>	<u>21,986,521</u>	<u>402,996</u>
EXPENDITURES					
Debt service	26,701,762	27,181,960	27,884,236	26,698,372	1,185,864
TOTAL EXPENDITURES	<u>26,701,762</u>	<u>27,181,960</u>	<u>27,884,236</u>	<u>26,698,372</u>	<u>1,185,864</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	5,107,997	5,044,405	5,044,405	6,321,549	1,277,144
Transfers out	(201,534)	-	(204,033)	(204,033)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,906,463</u>	<u>5,044,405</u>	<u>4,840,372</u>	<u>6,117,516</u>	<u>1,277,144</u>
NET CHANGE IN FUND BALANCE	306,833	(623,218)	(1,460,339)	1,405,665	2,866,004
UNENCUMBERED FUND BALANCE					
Beginning of year	1,845,081	2,151,914	2,151,914	2,151,914	-
End of year	<u>\$ 2,151,914</u>	<u>\$ 1,528,696</u>	<u>\$ 691,575</u>	<u>\$ 3,557,579</u>	<u>\$ 2,866,004</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS

BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

DEBT SERVICE FUND - COUNTY
Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 981,312	\$ 947,153	\$ 960,531	\$ 988,886	\$ 28,355
Interest income	3,345	1,220	1,000	1,041	41
Miscellaneous revenue	-	164,700	280,414	205,874	(74,540)
TOTAL REVENUES	<u>984,657</u>	<u>1,113,073</u>	<u>1,241,945</u>	<u>1,195,801</u>	<u>(46,144)</u>
EXPENDITURES					
Debt service	768,494	1,515,678	1,712,013	1,616,630	95,383
TOTAL EXPENDITURES	<u>768,494</u>	<u>1,515,678</u>	<u>1,712,013</u>	<u>1,616,630</u>	<u>95,383</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	115,714	115,714
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,714</u>	<u>115,714</u>
NET CHANGE IN FUND BALANCE	216,163	(402,605)	(470,068)	(305,115)	164,953
UNENCUMBERED FUND BALANCE					
Beginning of year	302,416	518,579	518,579	518,579	-
End of year	<u>\$ 518,579</u>	<u>\$ 115,974</u>	<u>\$ 48,511</u>	<u>\$ 213,464</u>	<u>\$ 164,953</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS

BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

CAPITAL PROJECTS FUND: COUNTY INITIATIVE TO FUND INFRASTRUCTURE
 Year Ended December 31, 2014

	2013	2014			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 3,279	\$ -	\$ 2,721	\$ 3,197	\$ 476
TOTAL REVENUES	<u>3,279</u>	<u>-</u>	<u>2,721</u>	<u>3,197</u>	<u>476</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(3,000)	-	(3,000)	(3,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,000)</u>	<u>-</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	279	-	(279)	197	476
UNENCUMBERED FUND BALANCE					
Beginning of year	-	279	279	279	-
End of year	<u>\$ 279</u>	<u>\$ 279</u>	<u>\$ -</u>	<u>\$ 476</u>	<u>\$ 476</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2014

ENTERPRISE FUNDS

Revenues from user service fees directly fund the five (5) funds contained in the Enterprise Funds.

Sewer System Enterprise Fund, provides financing for Water Pollution Control and is responsible for day-to-day and future operations, routine system maintenance and payment on revenue bonds.

Board of Public Utilities (BPU), is the Unified Government's Utility System managed, operated, maintained and controlled on a day-to-day basis by the Board of Public Utilities, which is an administrative agency of the Unified Government. The BPU operates the water and electric utilities owned by the Unified Government.

Statements for these 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 here.

NONMAJOR ENTERPRISE FUNDS

Emergency Medical Services Fund, was established on January 1, 2005 to pay for emergency medical services, including ambulance transport, which are provided by the Kansas City, Kansas Fire Department. Primary sources of revenue are a one-fourth cent public safety sales tax, which was passed by Kansas City, Kansas voters on June 8, 2004 and charges for services.

Public Levee Enterprise Fund, expends lease income revenues to pay operation of and improvements to office and warehouse space located in the Fairfax Industrial District. 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, created to record the revenues and expenditures related to the operations of a professional baseball stadium acquired by the Unified Government during 2014.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

As of December 31, 2014

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
ASSETS						
Cash and temporary investments	\$ 550,912	\$ 442,826	\$ 3,806,967	\$ 16,136	\$ -	\$ 4,816,841
Restricted cash and temporary investments	-	-	-	-	1,706,274	1,706,274
Receivables (net uncollectible)						
Taxes	797,864	-	-	-	-	797,864
Accounts and returns	900,084	-	280,722	44	-	1,180,850
Interest	3,537	1,885	27,783	5	-	33,210
Capital assets	4,172,551	116,598	6,101,051	5,816,132	5,508,767	21,715,099
Construction in progress	-	-	11,314,456	-	-	11,314,456
Accumulated depreciation	(1,417,733)	-	(324,662)	(3,934,568)	(35,453)	(5,712,416)
TOTAL ASSETS	\$ 5,007,215	\$ 561,309	\$ 21,206,317	\$ 1,897,749	\$ 7,179,588	\$ 35,852,178
LIABILITIES						
CURRENT LIABILITIES						
Accounts and contracts payable	\$ 108,861	\$ -	\$ 86,743	\$ 6,347	\$ 3,105	\$ 205,056
Accrued wages and other	217,160	-	5,219	7,689	-	230,068
Accrued interest payable	-	52,741	154,771	12,250	-	219,762
Due to other funds	-	-	-	649,498	66,985	716,483
Compensated absences payable	163,527	-	-	1,711	-	165,238
Current maturities of long-term debt	771,455	160,000	470,584	282,398	-	1,684,437
Total current liabilities	1,261,003	212,741	717,317	959,893	70,090	3,221,044
LONG-TERM LIABILITIES						
Compensated absences payable	3,238,450	-	-	33,882	-	3,272,332
Capital lease payable	973,477	-	-	187,047	-	1,160,524
Sales tax obligation bonds	-	-	-	-	5,668,060	5,668,060
Accreted interest on bonds	-	-	-	-	311,590	311,590
General obligation bonds payable (net of unamortized premiums)	-	2,155,000	10,972,419	709,470	-	13,836,889
OPEB liability	2,444,057	-	173,661	140,411	-	2,758,129
Total long-term liabilities	6,655,984	2,155,000	11,146,080	1,070,810	5,979,650	27,007,524
TOTAL LIABILITIES	7,916,987	2,367,741	11,863,397	2,030,703	6,049,740	30,228,568
NET POSITION						
Net investment in capital assets	1,009,886	-	5,647,842	702,649	1,511,528	8,871,905
Unrestricted	(3,919,658)	(1,806,432)	3,695,078	(835,603)	(381,680)	(3,248,295)
TOTAL NET POSITION	(2,909,772)	(1,806,432)	9,342,920	(132,954)	1,129,848	5,623,610
TOTAL LIABILITIES AND NET POSITION	\$ 5,007,215	\$ 561,309	\$ 21,206,317	\$ 1,897,749	\$ 7,179,588	\$ 35,852,178

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

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

NONMAJOR ENTERPRISE FUNDS
Year ended December 31, 2014

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
OPERATING REVENUES						
Charges for service	\$ 4,453,260	\$ -	\$ -	\$ 587,539	\$ -	\$ 5,040,799
Fines/forfeits/fees	-	-	3,351,441	-	-	3,351,441
Earned lease income	-	411,244	231	-	-	411,475
TOTAL OPERATING REVENUES	4,453,260	411,244	3,351,672	587,539	-	8,803,715
OPERATING EXPENSES						
EMS	6,822,822	-	-	-	-	6,822,822
Public Levee	-	130,946	-	-	-	130,946
Stormwater Enterprise	-	-	2,148,779	-	-	2,148,779
Sunflower Hills Golf Course	-	-	-	560,633	-	560,633
T-Bones Stadium	-	-	-	-	74,970	74,970
Depreciation and amortization	372,419	55,824	143,196	187,750	35,453	794,642
TOTAL OPERATING EXPENSES	7,195,241	186,770	2,291,975	748,383	110,423	10,532,792
Operating income (loss)	(2,741,981)	224,474	1,059,697	(160,844)	(110,423)	(1,729,077)
NON-OPERATING REVENUES (EXPENSES)						
Taxes	4,727,470	-	-	-	-	4,727,470
Interest earnings	-	156	38,826	8,406	4,202	51,590
Interest expense	(24,095)	(132,128)	(423,394)	(36,425)	(423,607)	(1,039,649)
Gain (loss) on disposal of assets	-	(2,681,674)	-	-	-	(2,681,674)
Other non-operating revenue	-	-	-	-	7,046	7,046
TOTAL NON-OPERATING REVENUES (EXPENSES)	4,703,375	(2,813,646)	(384,568)	(28,019)	(412,359)	1,064,783
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,961,394	(2,589,172)	675,129	(188,863)	(522,782)	(664,294)
Transfers in	47,925	290,615	505,034	40,063	-	883,637
Transfers out	(2,256,000)	(290,615)	(3,106,209)	-	-	(5,652,824)
Capital contributions-other governments	-	-	-	-	1,652,630	1,652,630
Capital contributions-local government	-	-	3,932,758	-	-	3,932,758
TOTAL CONTRIBUTIONS AND TRANSFERS	(2,208,075)	-	1,331,583	40,063	1,652,630	816,201
CHANGE IN NET POSITION	(246,681)	(2,589,172)	2,006,712	(148,800)	1,129,848	151,907
Beginning of year	(2,663,091)	782,740	7,336,208	15,846	-	5,471,703
End of year	\$ (2,909,772)	\$ (1,806,432)	\$ 9,342,920	\$ (132,954)	\$ 1,129,848	\$ 5,623,610

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

Year ended December 31, 2014

	EMS	Public Levee	Stromwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 4,473,112	\$ 434,304	\$ 3,349,598	\$ 587,539	\$ -	\$ 8,844,553
Payments to suppliers	(1,926,710)	(130,946)	(1,328,899)	(129,084)	(4,880)	(3,520,519)
Payments to employees	(4,471,140)	-	(724,830)	(253,631)	-	(5,449,601)
NET CASH FLOW FROM OPERATING ACTIVITIES	(1,924,738)	303,358	1,295,869	204,824	(4,880)	(125,567)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Receipts from sales taxes	4,699,636	-	-	-	-	4,699,636
Transfer in	47,925	290,615	505,034	40,066	-	883,640
Transfers out	(2,256,000)	(290,615)	(3,106,209)	-	-	(5,652,824)
NET CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES	2,491,561	-	(2,601,175)	40,066	-	(69,548)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal paid on bonds	-	(155,000)	(178,322)	(185,000)	-	(518,322)
Principal paid on capital lease	(703,564)	-	-	(90,784)	-	(794,348)
Proceeds from issuance of capital leases	-	-	-	30,000	-	30,000
Proceeds from issuance of bonds	-	-	2,641,115	-	5,668,060	8,309,175
Interest paid on bonds and capital leases	(24,095)	(135,615)	(292,644)	(52,490)	-	(504,844)
Payment of debt issuance costs	-	-	(39,941)	-	(104,971)	(144,912)
Acquisition of capital assets	-	-	(96,553)	-	(3,856,137)	(3,952,690)
NET CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES	(727,659)	(290,615)	2,033,655	(298,274)	1,706,952	2,424,059
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	6,561	1,706	45,876	9,629	4,202	67,974
NET CASH FLOW FROM INVESTING ACTIVITIES	6,561	1,706	45,876	9,629	4,202	67,974
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(154,275)	14,449	774,225	(43,755)	1,706,274	2,296,918
CASH AND CASH EQUIVALENTS						
Beginning of year	705,187	428,377	3,032,742	59,891	-	4,226,197
End of year	\$ 550,912	\$ 442,826	\$ 3,806,967	\$ 16,136	\$ 1,706,274	\$ 6,523,115
Cash and temporary investments	\$ 550,912	\$ 442,826	\$ 3,806,967	\$ 16,136	\$ -	\$ 4,816,841
Restricted cash and temporary investments	-	-	-	-	1,706,274	1,706,274
	\$ 550,912	\$ 442,826	\$ 3,806,967	\$ 16,136	\$ 1,706,274	\$ 6,523,115

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
RECONCILIATION OF OPERATING INCOME TO						
CASH FLOWS FROM OPERATING ACTIVITIES						
Operating income (loss)	\$ (2,741,981)	\$ 224,474	\$ 1,059,697	\$ (160,844)	\$ (110,423)	\$ (1,729,077)
Adjustments to reconcile operating income (loss) to cash flow from operating activities						
Depreciation and amortization	372,419	55,824	143,196	187,750	35,453	794,642
Changes in assets and liabilities						
Accounts receivable	19,852	23,060	(2,074)	-	-	40,838
Accrued wages and expenses	(31,478)	-	2,815	766	-	(27,897)
Accounts payable	2,135	-	69,643	364	3,105	75,247
Accrued vacation and sick pay	570,625	-	-	5,418	-	576,043
Due to others	-	-	-	-	-	-
Due to other funds	(250,000)	-	-	163,709	66,985	(19,306)
OPEB liability	133,690	-	22,592	7,661	-	163,943
NET CASH FROM OPERATING ACTIVITIES	\$ (1,924,738)	\$ 303,358	\$ 1,295,869	\$ 204,824	\$ (4,880)	\$ (125,567)
SUPPLEMENTAL DISCLOSURE OF NONCASH						
CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions-local government	\$ -	\$ -	\$ 3,932,758	\$ -	\$ -	\$ 3,932,758
Capital contributions-other governments	-	-	-	-	1,652,630	1,652,630
Property, plant and equipment acquired with capital leases	802,879	-	-	-	-	802,879

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

ENTERPRISE FUND: SEWER SYSTEM
Year ended December 31, 2014

	2013	2014			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
OPERATING REVENUES					
Charges for services	\$ 27,108,513	\$ 28,045,100	\$ 27,920,100	\$ 29,378,831	\$ 1,458,731
Permits and licenses	226,770	288,000	238,000	279,494	41,494
Miscellaneous revenues	365,666	37,500	337,500	533,459	195,959
TOTAL OPERATING REVENUES	<u>27,700,949</u>	<u>28,370,600</u>	<u>28,495,600</u>	<u>30,191,784</u>	<u>1,696,184</u>
OPERATING EXPENSES					
Personnel costs	8,146,165	7,699,164	7,992,852	8,330,864	(338,012)
Contractual services	1,840,020	2,180,920	2,187,471	1,706,851	480,620
Commodities	2,985,078	3,193,980	3,424,308	2,952,579	471,729
Capital outlay	7,204,461	7,091,195	7,635,416	4,671,470	2,963,946
Grants, claims and shared revenue	4,286,866	4,482,000	4,701,103	4,567,788	133,315
Other	91,000	499,079	185,252	91,000	94,252
TOTAL OPERATING EXPENSES	<u>24,553,590</u>	<u>25,146,338</u>	<u>26,126,402</u>	<u>22,320,552</u>	<u>3,805,850</u>
Net operating income (loss)	<u>3,147,359</u>	<u>3,224,262</u>	<u>2,369,198</u>	<u>7,871,232</u>	<u>5,502,034</u>
NON-OPERATING REVENUES (EXPENSES)					
Tax revenue	21,924	140,200	25,000	19,029	(5,971)
Interest earnings	119,569	100,000	100,000	96,690	(3,310)
Debt service	(1,779,149)	(1,780,000)	(1,802,912)	(1,802,912)	-
Transfers out: debt service	(3,017,985)	(5,948,570)	(6,348,570)	(6,148,570)	200,000
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(4,655,641)</u>	<u>(7,488,370)</u>	<u>(8,026,482)</u>	<u>(7,835,763)</u>	<u>190,719</u>
NET CHANGE IN UNENCUMBERED FUND BALANCE	<u>(1,508,282)</u>	<u>(4,264,108)</u>	<u>(5,657,284)</u>	<u>35,469</u>	<u>5,692,753</u>
UNENCUMBERED FUND BALANCE					
Beginning of year	9,305,379	7,797,097	7,797,097	7,797,097	-
End of year	<u>\$ 7,797,097</u>	<u>\$ 3,532,989</u>	<u>\$ 2,139,813</u>	<u>\$ 7,832,566</u>	<u>\$ 5,692,753</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

ENTERPRISE FUND: EMERGENCY MEDICAL SERVICE
Year ended December 31, 2014

	2013	2014			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
OPERATING REVENUES					
Charges for service	\$ 4,419,792	\$ 5,150,000	\$ 4,527,500	\$ 4,453,260	\$ (74,240)
Miscellaneous revenues	81	4,000	304,000	125	(303,875)
TOTAL OPERATING REVENUES	4,419,873	5,154,000	4,831,500	4,453,385	(378,115)
OPERATING EXPENSES					
Personnel costs	5,198,372	5,027,977	4,805,212	4,439,662	365,550
Contractual services	508,624	519,633	513,658	512,202	1,456
Commodities	924,300	696,572	709,570	709,496	74
Capital outlay	272,095	612,500	681,765	678,534	3,231
Grants, claims, shared revenue	250,000	244,928	466,624	466,624	-
TOTAL OPERATING EXPENSES	7,153,391	7,101,610	7,176,829	6,806,518	370,311
Net operating income (loss)	(2,733,518)	(1,947,610)	(2,345,329)	(2,353,133)	(7,804)
NON-OPERATING REVENUES (EXPENSES)					
Tax revenue	4,506,987	4,215,000	4,510,000	4,699,635	189,635
Interest earnings	6,210	3,600	5,000	5,360	360
Transfers out	(2,256,000)	(2,256,000)	(2,256,000)	(2,256,000)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	2,257,197	1,962,600	2,259,000	2,448,995	189,995
NET CHANGE IN UNENCUMBERED FUND BALANCE	(476,321)	14,990	(86,329)	95,862	182,191
UNENCUMBERED FUND BALANCE					
Beginning of year	572,168	95,847	95,847	95,847	-
End of year	\$ 95,847	\$ 110,837	\$ 9,518	\$ 191,709	\$ 182,191

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

**SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)**

**ENTERPRISE FUND: PUBLIC LEVEE
Year ended December 31, 2014**

	2013	2014			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
OPERATING REVENUES					
Miscellaneous revenues	\$ 478,169	\$ 433,700	\$ 410,000	\$ 411,244	\$ 1,244
TOTAL OPERATING REVENUES	<u>478,169</u>	<u>433,700</u>	<u>410,000</u>	<u>411,244</u>	<u>1,244</u>
OPERATING EXPENSES					
Personnel costs	43,516	-	-	-	-
Contractual services	15,880	-	187,185	157,240	29,945
Commodities	16,581	-	-	-	-
Grants, claims, shared revenue	69,164	150,000	22,815	-	22,815
Other expenses	-	-	40,000	-	40,000
TOTAL OPERATING EXPENSES	<u>145,141</u>	<u>150,000</u>	<u>250,000</u>	<u>157,240</u>	<u>92,760</u>
Net operating income (loss)	<u>333,028</u>	<u>283,700</u>	<u>160,000</u>	<u>254,004</u>	<u>94,004</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest earnings	1,968	1,000	1,000	1,706	706
Transfers out: debt service	(288,373)	(290,615)	(290,615)	(290,615)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(286,405)</u>	<u>(289,615)</u>	<u>(289,615)</u>	<u>(288,909)</u>	<u>706</u>
NET CHANGE IN UNENCUMBERED FUND BALANC	46,623	(5,915)	(129,615)	(34,905)	94,710
UNENCUMBERED FUND BALANCE					
Beginning of year	309,826	356,449	356,449	356,449	-
End of year	<u>\$ 356,449</u>	<u>\$ 350,534</u>	<u>\$ 226,834</u>	<u>\$ 321,544</u>	<u>\$ 94,710</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

ENTERPRISE FUND: STORMWATER ENTERPRISE
Year ended December 31, 2014

	2013	2014			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
OPERATING REVENUES					
Fines/forfeits/fees	\$ 3,329,932	\$ 3,300,000	\$ 3,300,000	\$ 3,351,441	\$ 51,441
Intergovernmental revenue	108,658	-	-	-	-
Miscellaneous revenues	-	-	-	30,616	30,616
TOTAL OPERATING REVENUES	3,438,590	3,300,000	3,300,000	3,382,057	82,057
OPERATING EXPENSES					
Personnel costs	645,071	749,407	757,000	750,238	6,762
Contractual services	35,662	380,000	146,733	8,892	137,841
Commodities	-	-	4,000	3,309	691
Capital outlay	1,450,064	2,520,000	2,503,618	1,492,591	1,011,027
Grants, claims, shared revenue	339,312	323,483	328,486	328,486	-
Other expenses	-	200,000	395,649	-	395,649
TOTAL OPERATING EXPENSES	2,470,109	4,172,890	4,135,486	2,583,516	1,551,970
Net operating income (loss)	968,481	(872,890)	(835,486)	798,541	1,634,027
NON-OPERATING REVENUES (EXPENSES)					
Interest earnings	19,227	13,700	13,700	14,795	1,095
Transfers out: debt service	(286,444)	(439,886)	(439,886)	(439,886)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(267,217)	(426,186)	(426,186)	(425,091)	1,095
NET CHANGE IN UNENCUMBERED FUND BALANC	701,264	(1,299,076)	(1,261,672)	373,450	1,635,122
UNENCUMBERED FUND BALANCE					
Beginning of year	2,122,928	2,824,192	2,824,192	2,824,192	-
End of year	\$ 2,824,192	\$ 1,525,116	\$ 1,562,520	\$ 3,197,642	\$ 1,635,122

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

**SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)**

**ENTERPRISE FUND: SUNFLOWER HILLS GOLF COURSE
Year ended December 31, 2014**

	2013	2014			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
OPERATING REVENUES					
Charges for service	\$ 605,497	\$ 761,500	\$ 703,000	\$ 587,539	\$ (115,461)
Miscellaneous revenues	-	80,000	70,000	292	(69,708)
TOTAL OPERATING REVENUES	<u>605,497</u>	<u>841,500</u>	<u>773,000</u>	<u>587,831</u>	<u>(185,169)</u>
OPERATING EXPENSES					
Personnel costs	242,672	255,263	247,000	254,397	(7,397)
Contractual services	140,492	161,563	159,087	143,570	15,517
Commodities	136,810	131,855	137,996	132,382	5,614
Capital outlay	-	101,000	92,068	72,968	19,100
Other expenses	-	-	16,193	-	16,193
TOTAL OPERATING EXPENSES	<u>519,974</u>	<u>649,681</u>	<u>652,344</u>	<u>603,317</u>	<u>49,027</u>
Net operating income (loss)	<u>85,523</u>	<u>191,819</u>	<u>120,656</u>	<u>(15,486)</u>	<u>(136,142)</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest earnings	575	100	100	602	502
Transfers out: debt service	(100,000)	(223,709)	(150,000)	-	150,000
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(99,425)</u>	<u>(223,609)</u>	<u>(149,900)</u>	<u>602</u>	<u>150,502</u>
NET CHANGE IN UNENCUMBERED FUND BALANCE	<u>(13,902)</u>	<u>(31,790)</u>	<u>(29,244)</u>	<u>(14,884)</u>	<u>14,360</u>
UNENCUMBERED FUND BALANCE					
Beginning of year	45,170	31,268	31,268	31,268	-
End of year	<u>\$ 31,268</u>	<u>\$ (522)</u>	<u>\$ 2,024</u>	<u>\$ 16,384</u>	<u>\$ 14,360</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

ENTERPRISE FUND: STADIUM
Year ended December 31, 2014

	2013	2014			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
OPERATING REVENUES					
Miscellaneous revenues	\$ -	\$ -	\$ 24,100	\$ 26,719	\$ 2,619
TOTAL OPERATING REVENUES	-	-	24,100	26,719	2,619
OPERATING EXPENSES					
Contractual services	-	-	43,973	43,973	-
Capital outlay	-	-	5,787,475	5,790,297	(2,822)
Other expenses	-	-	456,027	-	456,027
TOTAL OPERATING EXPENSES	-	-	6,287,475	5,834,270	453,205
Net operating income (loss)	-	-	(6,263,375)	(5,807,551)	455,824
NON-OPERATING REVENUES (EXPENSES)					
Interest earnings	-	-	5,000	6,003	1,003
Bond proceeds	-	-	8,097,229	8,097,229	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	-	8,102,229	8,103,232	1,003
NET CHANGE IN UNENCUMBERED FUND BALANCE	-	-	1,838,854	2,295,681	456,827
UNENCUMBERED FUND BALANCE					
Beginning of year	-	-	-	-	-
End of year	\$ -	\$ -	\$ 1,838,854	\$ 2,295,681	\$ 456,827

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UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2014

INTERNAL SERVICE FUNDS

The Internal Service Funds section is comprised of three (3) funds. These funds derive their revenues primarily from other Unified Government units and exist to support the implementation of a function. These funds are:

Workers' Compensation Fund, receives revenue from the Unified Government and pays claims submitted by Unified Government employees related to injuries incurred on the job. The fund also pays for administrative services associated with claims review.

Employees' Hospitalization Fund, receives premium revenue from former employees, from current employees to the extent of their contribution, 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.

Section 125 – Cafeteria Plan, receives deductions from employees' salary and reimburses employees for expenses related to medical claims or dependent care. All contributions not claimed by employees revert to the Unified Government.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

As of December 31, 2014

	Workers'	Self-Insured	Cafeteria	Totals
	Compensation	Health Care	Plan	2014
			(Section 125)	
ASSETS				
Cash and investments	\$ -	\$ 730,118	\$ 140,998	\$ 871,116
Restricted cash	7,203	549,754	-	556,957
Accounts receivable	-	89,096	114	89,210
Interest receivable	-	2,573	-	2,573
TOTAL ASSETS	\$ 7,203	\$ 1,371,541	\$ 141,112	\$ 1,519,856
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 10,345	\$ 459,537	\$ -	\$ 469,882
Due to others	-	92,052	-	92,052
Due to other funds	2,463,545	-	-	2,463,545
Claims incurred but not reported	1,928,000	2,619,000	-	4,547,000
Total current liabilities	4,401,890	3,170,589	-	7,572,479
LONG-TERM LIABILITIES				
Claims incurred but not reported	624,000	-	-	624,000
Total long-term liabilities	624,000	-	-	624,000
TOTAL LIABILITIES	5,025,890	3,170,589	-	8,196,479
NET POSITION				
Net position	(5,018,687)	(1,799,048)	141,112	(6,676,623)
TOTAL LIABILITIES AND NET POSITION	\$ 7,203	\$ 1,371,541	\$ 141,112	\$ 1,519,856

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

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

ALL INTERNAL SERVICE FUNDS

Year ended December 31, 2014

	Workers' Compensation	Self-Insured Health Care	Cafeteria Plan (Section 125)	Totals	
				2014	2013
OPERATING REVENUES					
Miscellaneous revenues	\$ 2,271,067	\$ 26,688,390	\$ 511,927	\$ 29,471,384	\$ 28,791,248
Reimbursements	8,001	736,869	-	744,870	845,117
TOTAL OPERATING REVENUES	2,279,068	27,425,259	511,927	30,216,254	29,636,365
OPERATING EXPENSES					
Contractual services	374,238	3,561,649	-	3,935,887	3,442,861
Grants, claims, shared revenue	1,944,459	28,162,478	505,439	30,612,376	27,085,794
TOTAL OPERATING EXPENSES	2,318,697	31,724,127	505,439	34,548,263	30,528,655
Net operating income (loss)	(39,629)	(4,298,868)	6,488	(4,332,009)	(892,290)
NON-OPERATING REVENUE					
Interest income	-	10,885	-	10,885	-
TOTAL NON-OPERATING REVENUES	-	10,885	-	10,885	-
NET INCOME (LOSS)	(39,629)	(4,287,983)	6,488	(4,321,124)	(892,290)
NET POSITON					
Beginning of year	(4,979,058)	2,488,935	134,624	(2,355,499)	(1,463,209)
End of year	\$ (5,018,687)	\$ (1,799,048)	\$ 141,112	\$ (6,676,623)	\$ (2,355,499)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Year ended December 31, 2014

	Workers' Compensation	Self-Insured Health Care	Cafeteria Plan (Section 125)	Totals 2014
CASH FLOWS FROM OPERATING				
ACTIVITIES:				
Receipts from customers	\$ 2,279,068	\$ 27,424,693	\$ 511,927	\$ 30,215,688
Payments to employees and suppliers	(2,279,068)	(31,114,187)	(505,438)	(33,898,693)
OPERATING ACTIVITIES	-	(3,689,494)	6,489	(3,683,005)
CASH FLOWS FROM INVESTING				
ACTIVITIES:				
Interest on investments	-	8,312	-	8,312
NET CASH FLOW FROM				
INVESTING ACTIVITIES	-	8,312	-	8,312
NET INCREASE (DECREASE) IN				
CASH AND CASH EQUIVALENTS	-	(3,681,182)	6,489	(3,674,693)
CASH AND CASH EQUIVALENTS				
Beginning of year	7,203	4,961,054	134,509	5,102,766
End of year	\$ 7,203	\$ 1,279,872	\$ 140,998	\$ 1,428,073
RECONCILIATION OF OPERATING INCOME				
TO CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (39,629)	\$ (4,298,868)	\$ 6,488	\$ (4,332,009)
Changes in assets and liabilities				
Accounts receivable	-	(566)	1	(565)
Accounts payable	(9,901)	100,655	-	90,754
Claims incurred	-	499,000	-	499,000
Due to others	49,530	10,285	-	59,815
	\$ -	\$ (3,689,494)	\$ 6,489	\$ (3,683,005)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2014

AGENCY FUNDS

An Agency Fund holds money 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 and include:

- Agency Fund
- ETAC Police Chiefs' Fund
- Fire Insurance
- Kansas State Withholding
- Payroll Deductions
- Register of Deeds
- Sheriff
- Tax Collection
- Tax Distribution
- U.S. Savings Bonds

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS
Year ended December 31, 2014

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

	Balance			Balance		
	Jan 1, 2014	Additions	Deductions	Jan 1, 2014	Additions	Deductions
AGENCY FUND						
ASSETS						
Cash and investments	\$ 146,422	\$ 671,571	\$ 636,792	\$ 146,422	\$ 671,571	\$ 636,792
TOTAL ASSETS	\$ 146,422	\$ 671,571	\$ 636,792	\$ 146,422	\$ 671,571	\$ 636,792

LIABILITIES						
Accounts payable	\$ 89,378	\$ 1,283,659	\$ 1,249,180	\$ 89,378	\$ 1,283,659	\$ 1,249,180
Due to others	55,944	72,625	72,625	55,944	72,625	72,625
Due to other governments	1,100	3,050	2,750	1,100	3,050	2,750
TOTAL LIABILITIES	\$ 146,422	\$ 1,359,334	\$ 1,324,555	\$ 146,422	\$ 1,359,334	\$ 1,324,555

ETAC POLICE CHIEF'S ASSOCIATION

ASSETS						
Cash and investments	\$ 7,787	\$ 238	\$ 879	\$ 7,787	\$ 238	\$ 879
Accounts receivable	137,112	-	137,112	137,112	-	137,112
TOTAL ASSETS	\$ 144,899	\$ 238	\$ 137,991	\$ 144,899	\$ 238	\$ 137,991

LIABILITIES						
Accounts payable	\$ 137,050	\$ -	\$ 137,050	\$ 137,050	\$ -	\$ 137,050
Due to others	7,849	238	941	7,849	238	941
TOTAL LIABILITIES	\$ 144,899	\$ 238	\$ 137,991	\$ 144,899	\$ 238	\$ 137,991

FIRE INSURANCE PROCEEDS

ASSETS						
Cash and investments	\$ 273,918	\$ 149,559	\$ 210,942	\$ 273,918	\$ 149,559	\$ 210,942
TOTAL ASSETS	\$ 273,918	\$ 149,559	\$ 210,942	\$ 273,918	\$ 149,559	\$ 210,942

LIABILITIES						
Due to others	\$ 273,918	\$ 149,753	\$ 211,136	\$ 273,918	\$ 149,753	\$ 211,136
TOTAL LIABILITIES	\$ 273,918	\$ 149,753	\$ 211,136	\$ 273,918	\$ 149,753	\$ 211,136

KANSAS STATE WITHHOLDING

ASSETS						
Cash and investments	\$ (828)	\$ 4,343,870	\$ 4,344,506	\$ (828)	\$ 4,343,870	\$ 4,344,506
Due from other funds	-	1,062,634	1,062,634	-	1,062,634	1,062,634
TOTAL ASSETS	\$ (828)	\$ 5,406,504	\$ 5,407,140	\$ (828)	\$ 5,406,504	\$ 5,407,140

LIABILITIES						
Due to other governments	\$ (828)	\$ 4,344,470	\$ 4,345,106	\$ (828)	\$ 4,344,470	\$ 4,345,106
TOTAL LIABILITIES	\$ (828)	\$ 4,344,470	\$ 4,345,106	\$ (828)	\$ 4,344,470	\$ 4,345,106

continued

	Balance			Balance
	Jan 1, 2014	Additions	Deductions	Dec 31, 2014
<u>PAYROLL DEDUCTIONS CLEARING</u>				
ASSETS				
Cash and investments	\$ 119,760	\$ 95,037,992	\$ 95,066,395	\$ 91,357
Due from other funds	-	26,142,021	26,142,021	-
TOTAL ASSETS	\$ 119,760	\$ 121,180,013	\$ 121,208,416	\$ 91,357
LIABILITIES				
Accounts payable	\$ 119,760	\$ 130,975,879	\$ 131,004,282	\$ 91,357
TOTAL LIABILITIES	\$ 119,760	\$ 130,975,879	\$ 131,004,282	\$ 91,357
<u>REGISTER OF DEEDS</u>				
ASSETS				
Cash and investments	\$ 27,708	\$ 2,360,578	\$ 2,360,178	\$ 28,108
TOTAL ASSETS	\$ 27,708	\$ 2,360,578	\$ 2,360,178	\$ 28,108
LIABILITIES				
Due to other governments	\$ 27,708	\$ 2,360,578	\$ 2,360,178	\$ 28,108
TOTAL LIABILITIES	\$ 27,708	\$ 2,360,578	\$ 2,360,178	\$ 28,108
<u>SHERIFF</u>				
ASSETS				
Cash and investments	\$ 54,337	\$ 1,428,038	\$ 1,454,438	\$ 27,937
TOTAL ASSETS	\$ 54,337	\$ 1,428,038	\$ 1,454,438	\$ 27,937
LIABILITIES				
Due to others	\$ 54,337	\$ 1,428,038	\$ 1,454,438	\$ 27,937
TOTAL LIABILITIES	\$ 54,337	\$ 1,428,038	\$ 1,454,438	\$ 27,937
<u>TAX COLLECTION</u>				
ASSETS				
Cash and investments	\$ 110,460,491	\$ 227,288,710	\$ 230,525,829	\$ 107,223,372
Accounts receivable	33,561	155,728	187,345	1,944
Due from other funds	52,854	-	52,854	-
TOTAL ASSETS	\$ 110,546,906	\$ 227,444,438	\$ 230,766,028	\$ 107,225,316
LIABILITIES				
Accounts payable	\$ (48,950)	\$ 4,529,535	\$ 4,436,523	\$ 44,062
Due to others	13,930	-	-	13,930
Due to other governments	110,581,926	225,173,195	228,587,797	107,167,324
TOTAL LIABILITIES	\$ 110,546,906	\$ 229,702,730	\$ 233,024,320	\$ 107,225,316

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS
Year ended December 31, 2014

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

	Balance		Balance	
	Jan 1, 2014	Additions	Deductions	Dec 31, 2014
TAX DISTRIBUTION				
ASSETS				
Cash and investments	\$ 69,670	\$ 123,770,050	\$ 123,853,470	\$ (13,750)
TOTAL ASSETS	\$ 69,670	\$ 123,770,050	\$ 123,853,470	\$ (13,750)

LIABILITIES				
Due to other governments	\$ 16,816	\$ 123,783,257	\$ 123,813,823	\$ (13,750)
Due to other funds	52,854	-	52,854	-
TOTAL LIABILITIES	\$ 69,670	\$ 123,783,257	\$ 123,866,677	\$ (13,750)

U.S. SAVINGS BONDS

ASSETS				
Cash and investments	\$ 3,392	\$ -	\$ -	\$ 3,392
TOTAL ASSETS	\$ 3,392	\$ -	\$ -	\$ 3,392

LIABILITIES				
Due to other governments	\$ 3,392	\$ -	\$ -	\$ 3,392
TOTAL LIABILITIES	\$ 3,392	\$ -	\$ -	\$ 3,392

TOTALS - ALL AGENCY FUNDS

ASSETS				
Cash and investments	\$ 111,162,657	\$ 455,050,606	\$ 458,453,429	\$ 107,759,834
Accounts receivable	170,673	155,728	324,457	1,944
Due from other funds	52,854	27,204,655	27,257,509	-
TOTAL ASSETS	\$ 111,386,184	\$ 482,410,989	\$ 486,035,395	\$ 107,761,778

LIABILITIES				
Accounts payable	\$ 297,238	\$ 136,789,073	\$ 136,827,035	\$ 259,276
Due to other funds	52,854	-	52,854	-
Due to others	405,978	1,650,654	1,739,140	317,492
Due to other governments	110,630,114	355,664,550	359,109,654	107,185,010
TOTAL LIABILITIES	\$ 111,386,184	\$ 494,104,277	\$ 497,728,683	\$ 107,761,778

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2014

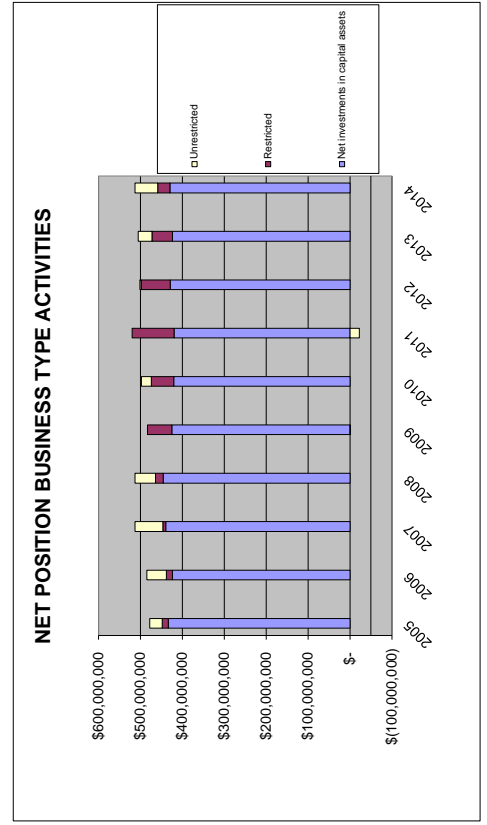
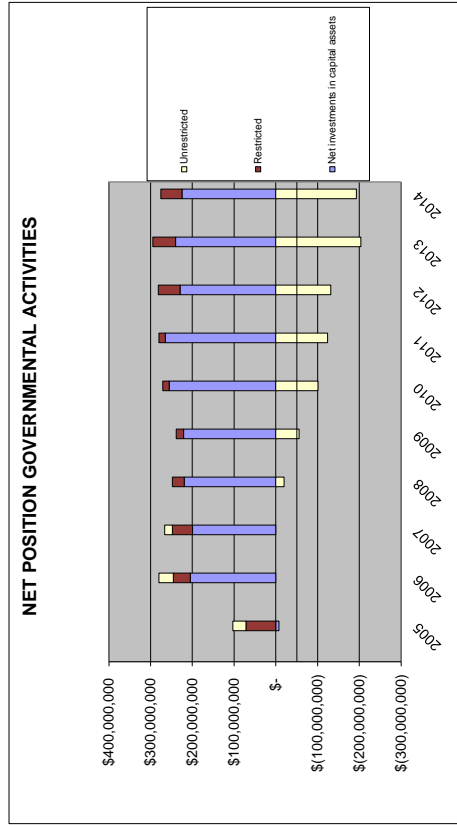
STATISTICAL SECTION

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	136
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales tax.	142
Debt Capacity These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	150
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	156
Operating Information These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	158

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investments in capital assets	\$ (7,471,667)	\$ 204,659,363	\$ 199,833,368	\$ 219,828,936	\$ 221,298,106	\$ 255,635,959	\$ 265,081,754	\$ 229,277,747	\$ 240,297,777	\$ 225,110,072
Restricted	71,157,146	40,547,247	47,718,384	28,210,746	16,963,758	15,009,099	15,014,405	52,449,466	54,073,195	50,125,523
Unrestricted	31,439,950	35,059,547	16,680,207	(20,019,235)	(56,097,289)	(100,227,833)	(124,062,943)	(131,703,070)	(203,472,943)	(192,652,380)
Total governmental activities net position	\$ 95,125,429	\$ 280,266,157	\$ 286,231,959	\$ 228,019,907	\$ 182,165,573	\$ 170,077,223	\$ 156,043,216	\$ 150,024,143	\$ 90,896,029	\$ 82,583,209
Business-type activities										
Net investments in capital assets	\$ 433,716,852	\$ 423,138,783	\$ 439,466,356	\$ 445,669,877	\$ 425,007,799	\$ 420,099,070	\$ 419,256,036	\$ 428,738,821	\$ 423,372,753	\$ 429,605,573
Restricted	14,435,813	14,574,135	7,064,244	18,061,823	57,809,722	53,623,425	100,186,670	69,552,333	48,963,655	28,935,418
Unrestricted	29,353,438	46,561,495	65,859,500	48,863,977	(872,495)	23,503,122	(22,225,539)	2,992,459	32,521,978	54,496,015
Total business-type activities net position	\$ 477,506,103	\$ 484,274,413	\$ 512,390,100	\$ 512,595,777	\$ 481,945,026	\$ 487,225,617	\$ 497,217,167	\$ 501,283,613	\$ 504,858,386	\$ 513,037,006
Primary government										
Net investments in capital assets	\$ 426,245,185	\$ 627,798,146	\$ 639,299,724	\$ 665,498,373	\$ 646,306,905	\$ 675,755,029	\$ 684,337,790	\$ 656,016,568	\$ 663,870,530	\$ 654,715,645
Restricted	86,592,959	55,121,382	54,782,598	46,272,569	74,773,480	68,732,524	115,201,075	122,001,799	103,036,850	79,060,941
Unrestricted	60,793,388	81,621,042	84,539,707	28,844,742	(56,969,784)	(77,225,711)	(146,278,482)	(128,710,611)	(170,950,955)	(138,196,371)
Total primary government net position	\$ 572,831,532	\$ 784,540,570	\$ 778,622,029	\$ 740,615,684	\$ 664,110,801	\$ 667,242,842	\$ 653,260,383	\$ 651,307,756	\$ 585,756,415	\$ 585,620,215



**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	158,651,366	167,245,525	172,169,402	174,665,584	173,727,730	179,650,292	190,755,147	203,060,631	213,987,743	187,942,513
Intergovernmental	42,831,813	28,174,958	28,893,929	30,465,945	31,658,398	35,152,715	32,628,499	75,634,063	73,041,064	68,394,097
Charges for services	11,005,969	10,723,274	11,014,270	11,289,047	2,090,162	15,074,325	14,752,914	15,150,279	13,961,482	14,566,677
Fines and forfeits	6,242,775	6,347,172	6,879,659	7,464,884	11,887,989	7,464,884	6,685,618	6,384,181	6,403,593	6,506,682
Interest income	6,907,281	9,657,697	11,362,492	7,638,204	7,134,365	2,697,361	3,388,987	3,434,181	2,403,089	2,952,884
Licenses and permits	1,761,409	2,036,912	2,063,703	2,083,703	3,812,573	2,361,505	2,353,746	2,427,042	2,153,200	2,113,904
Other	6,015,194	14,843,123	14,023,456	9,047,136	9,969,005	9,389,744	7,244,254	5,463,389	6,524,015	7,006,594
Total revenues	233,415,807	238,493,113	245,847,633	242,061,278	240,280,722	251,790,826	257,789,175	311,859,203	318,465,246	289,465,351
Expenditures										
General government	21,554,976	25,676,780	27,050,974	32,300,863	23,630,694	23,557,173	22,531,506	25,438,838	27,464,803	28,005,977
Public works	28,138,407	33,178,154	33,439,156	35,233,444	33,521,679	34,264,954	35,175,946	36,957,012	38,281,756	36,197,982
Public Safety	88,386,259	94,323,734	103,932,912	106,616,700	106,722,422	104,581,273	107,328,253	110,745,870	117,976,588	121,921,445
Judicial	10,623,580	10,960,092	11,804,541	11,656,145	11,407,740	10,740,785	10,670,642	10,691,287	11,107,489	11,675,911
Health and welfare	13,227,157	13,869,503	14,447,927	14,014,561	14,164,694	14,104,662	14,045,683	13,717,453	12,926,519	13,046,661
Planning and Development	13,834,255	14,029,108	12,810,765	16,141,032	16,856,928	18,467,426	15,244,481	18,684,758	97,172,857	49,041,064
Parks & Recreation	7,133,030	7,659,686	9,125,662	9,164,019	8,636,966	6,060,195	5,012,970	4,829,439	5,344,765	5,378,681
Debt service	18,234,648	20,186,633	26,440,847	35,282,367	31,504,403	36,634,039	28,347,221	100,377,297	35,685,991	58,072,200
Interest and fiscal charges	16,105,608	13,091,102	14,386,641	15,505,340	14,086,063	12,284,553	15,319,813	17,259,860	17,691,040	19,578,924
Other	178,274	438,551	478,436	705,128	812,748	980,369	604,078	1,411,665	1,654,868	2,027,194
Capital outlay	47,627,848	58,019,889	59,250,756	35,959,093	37,398,326	61,258,669	60,655,124	44,431,302	56,362,001	40,420,549
Total expenditures	265,044,042	291,433,232	313,168,617	312,578,692	298,742,663	322,934,098	314,935,717	384,544,835	421,668,687	385,366,598
Other financing sources (uses)										
Transfers from other funds	3,993,983	16,419,291	30,057,936	49,121,870	28,458,409	24,432,532	17,006,404	19,368,689	22,411,872	63,326,708
Transfers to other funds	(1,778,972)	(3,910,755)	(27,507,160)	(40,930,199)	(23,329,251)	(11,292,809)	(9,625,162)	(6,566,178)	(12,047,890)	(19,084,860)
Proceeds from issuance of bonds	18,225,608	49,361,062	-	39,405,239	21,545,726	140,635,339	16,004,650	23,372,439	75,796,868	20,960,944
Discount from issuance of bonds	-	-	-	-	(282,240)	(177,896)	1,245,112	(60,111)	-	-
Proceeds from refunding bonds	104,779,400	636,222	(7,235,000)	-	-	8,175,000	14,700,000	12,785,000	8,455,000	19,566,000
Proceeds from sale of assets	-	3,400,109	6,366,021	68,361	8,197	714,789	661,380	600,955	284,015	30,734
Proceeds from capital lease	12,693,340	8,631,144	11,312,299	730,993	929,600	2,311,526	4,188,169	591,748	2,377,527	1,523,629
Premium from issuance of bonds	1,480,397	-	480,887	378,647	-	4,216,368	-	1,465,660	422,930	465,722
Premium from issuance of refunding bonds	-	-	-	-	-	-	-	-	1,307,618	1,776,984
Payment to refunding bond escrow agent	(114,186,238)	-	16,805,000	(9,900,000)	-	(8,105,000)	(12,130,000)	-	(9,314,875)	-
Total other financing sources (uses)	25,208,518	74,537,073	30,279,983	38,875,911	27,330,441	160,909,849	32,050,553	51,558,202	89,693,085	89,565,861
Net change in fund balances	(6,419,717)	21,596,954	(37,041,001)	(31,641,503)	(31,131,500)	89,766,577	(25,095,989)	(21,127,430)	(13,510,376)	(7,315,386)
Debt service as a percentage of noncapital expenditures	15.20%	13.80%	16.00%	17.94%	16.78%	16.94%	15.57%	32.40%	14.06%	21.10%
Noncap expenditures are total expenditures less capital outlay (to the extent capitalized for gov-wide statement of net assets) and expenditures for capitalized assets included within the functional expenditure categories										
Total expenditures	265,044,042	291,433,232	313,168,617	312,578,692	298,742,663	322,934,098	314,935,717	384,544,835	421,668,687	385,366,598
Capital outlay from recon GAAP to Mod Accr	38,523,703	50,187,393	58,082,851	29,427,235	27,071,318	34,130,665	34,429,542	21,457,117	42,138,536	17,404,807
Non-capital expenditures	226,520,339	241,245,839	255,085,766	283,151,457	271,671,345	288,803,433	280,506,175	363,087,718	379,530,151	367,961,791
Debt service	34,340,256	33,277,735	40,827,488	50,787,707	45,590,466	48,918,592	43,687,034	117,637,157	53,377,031	77,651,124
Debt SVC at % of non-capital expend.	15.20%	13.80%	16.00%	17.94%	16.78%	16.94%	15.57%	32.40%	14.06%	21.10%

Note: The significant variances noted in the net change in Fund Balances is due in large part to timing issues related to when Bond Proceeds are received on Capital Outlay costs.

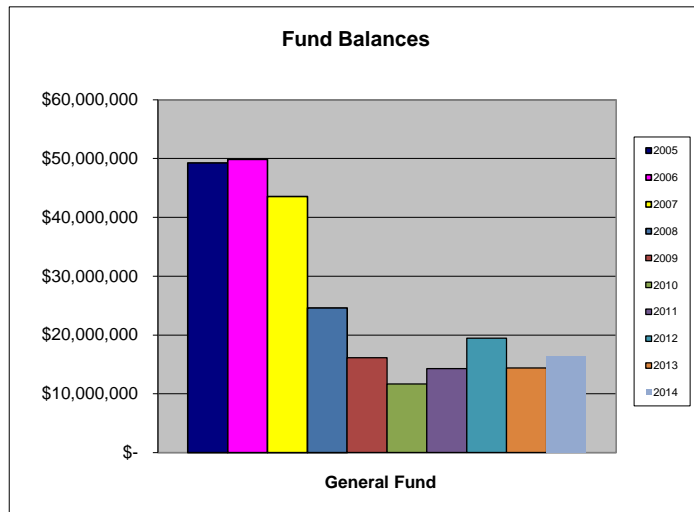
UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS
 CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 25,959,678	\$ 27,673,242	\$ 30,290,783	\$ 38,152,695	\$ 28,883,020	\$ 27,087,733	\$ 25,079,852	\$ 26,520,320	\$ 30,174,513	\$ 29,291,061
Public safety	101,728,966	105,717,926	124,080,775	133,104,186	135,838,855	128,169,717	127,440,244	130,719,941	138,770,779	139,643,321
Public works	44,311,788	58,489,179	54,490,909	58,852,528	49,539,819	58,107,781	58,107,781	77,746,288	66,930,633	68,859,206
Health and welfare	13,373,754	13,789,503	14,793,255	14,715,932	14,986,775	14,729,903	14,320,574	14,062,319	13,385,430	13,385,430
Parks and recreation	7,002,155	7,361,313	9,343,632	9,801,025	9,409,508	6,476,736	5,495,005	5,263,063	5,914,089	5,673,770
Planning and development	14,304,351	14,283,076	12,307,802	17,431,756	23,102,672	41,351,126	32,962,826	26,627,128	86,986,868	52,390,674
Interest on long-term debt	12,893,447	14,125,359	15,367,447	16,041,480	16,629,959	17,281,745	17,071,653	21,701,653	21,087,845	20,301,957
Total governmental activities expenses	219,644,309	241,413,946	261,899,613	288,099,602	283,991,760	284,716,936	280,364,323	302,600,696	376,156,870	329,946,416
Business-type activities:										
Electric and water systems	\$ 232,559,743	\$ 250,258,575	\$ 230,920,697	\$ 238,766,992	\$ 236,173,513	\$ 221,565,124	\$ 245,026,662	\$ 256,465,888	\$ 250,339,905	\$ 271,053,725
Public levee	1,093,984	3,849,121	1,582,795	1,164,347	1,504,174	1,413,301	1,163,555	1,162,015	282,208	3,000,572
EMS	3,724,121	3,849,121	5,081,613	5,824,847	6,944,949	7,367,253	7,024,655	7,392,927	8,209,082	7,219,336
Stormwater	20,094,031	21,530,247	21,365,521	22,056,220	661,304	1,480,508	1,527,906	1,512,216	2,566,832	2,715,369
Sewer system	949,965	861,923	759,816	910,510	819,472	17,772,564	20,809,633	22,012,623	25,489,547	25,285,207
Sunflower Hills golf course	-	-	-	-	819,472	679,706	800,540	825,125	810,175	784,808
Stadium	289,431,844	277,771,532	259,656,442	288,722,906	269,891,956	250,278,456	276,352,951	289,370,734	287,697,749	310,593,047
Total business-type activities expenses	478,076,153	519,190,928	521,655,955	596,827,508	555,483,729	534,994,686	556,717,276	592,011,686	663,654,619	640,135,465
Program Revenues										
Charges for services:										
General government	\$ 2,659,284	\$ 2,738,188	\$ 2,831,976	\$ 2,692,381	\$ 3,549,637	\$ 4,523,345	\$ 3,088,044	\$ 3,579,602	\$ 3,462,939	\$ 3,328,556
Public safety	8,682,736	7,295,193	8,682,736	8,221,180	9,773,604	9,840,757	8,935,002	8,744,276	7,408,484	7,348,395
Public works	3,971,522	4,484,283	4,271,881	4,716,235	6,683,601	8,028,250	8,307,701	8,614,426	8,092,739	7,985,886
Health and welfare	945,128	987,319	1,539,141	1,539,141	789,085	1,028,850	805,618	706,103	890,739	938,196
Parks and recreation	538,004	540,683	584,603	556,240	585,003	1,166,756	635,219	507,780	559,687	603,504
Planning and development	3,690,690	3,113,249	3,128,384	2,615,712	2,259,151	3,201,347	3,838,439	4,480,536	4,742,195	4,473,996
Operating grants and contributions:										
General government	404,467	461,422	558,762	588,008	857,042	886,779	954,831	1,449,387	1,166,459	1,165,087
Public safety	5,610,602	6,214,383	5,724,447	6,248,288	4,685,658	6,135,125	6,761,464	6,165,885	6,165,885	6,090,741
Health and welfare	8,809,026	7,430,081	9,664,249	9,000,428	7,863,473	7,696,076	7,388,647	8,766,933	7,875,791	7,813,656
Parks and recreation	8,192,238	8,409,496	8,276,022	7,896,489	7,921,420	8,087,027	7,808,148	7,280,100	6,790,351	6,833,040
Planning and development	347,330	422,436	830,506	580,812	3,050,717	2,700,000	-	10,000	-	-
Interest on long-term debt	5,932,414	5,725,466	4,894,831	7,677,848	8,537,247	12,826,305	9,216,477	8,881,541	49,746,299	42,916,513
Capital grants and contributions:										
Public safety	14,404,547	789,990	249,372	2,284,824	2,742,209	1,446,326	-	1,141,970	640,848	624,583
Planning and development	212,243	872,508	187,037	139,622	217,655	649,650	428,781	273,032	5,081,790	428,954
Total governmental activities program revenues	63,487,544	49,522,000	50,352,124	55,447,189	59,825,169	67,791,576	58,863,319	62,250,699	102,951,383	92,111,858
Business-type activities:										
Electric and Water systems	\$ 221,945,484	\$ 256,910,231	\$ 228,782,367	\$ 240,093,868	\$ 210,088,949	\$ 237,159,626	\$ 243,459,804	\$ 261,315,976	\$ 260,094,320	\$ 311,540,396
EMS	3,207,214	3,365,556	3,269,900	4,216,457	4,251,550	4,414,666	4,363,301	4,589,845	4,419,792	4,453,280
Public Levee	984,779	988,970	991,053	1,083,636	1,077,112	850,896	854,894	820,070	562,467	411,244
Stormwater	-	-	-	-	1,004,109	2,213,075	2,921,111	3,429,547	3,329,932	3,351,672
Sewer System	15,628,899	17,279,920	17,515,426	18,067,381	18,140,230	19,855,939	21,001,659	23,633,571	23,758,884	26,621,867
Sunflower Hill Golf Course	740,497	826,618	747,656	729,321	715,492	669,895	636,032	707,015	606,487	587,539
Operating grants and contributions:										
Electric and Water systems	1,261,668	1,403,996	880,873	1,466,171	209,965	300,888	59,048	130,878	234,557	206,722
Sewer System	-	-	-	-	-	588,162	271,701	192,083	23,480	9,840
Stadium	243,768,151	293,775,291	262,187,276	285,853,844	238,487,407	266,031,147	273,657,650	294,818,946	293,019,639	1,652,630
Total business-type activities program revenues	307,479,085	332,297,831	302,539,589	321,104,032	294,282,976	333,622,723	332,470,869	357,056,884	395,970,322	449,946,996
Net (Expense)/Revenue										
Governmental activities	\$ (156,156,765)	\$ (191,887,296)	\$ (211,547,489)	\$ (232,652,414)	\$ (226,666,998)	\$ (175,924,654)	\$ (221,481,006)	\$ (240,414,193)	\$ (273,206,487)	\$ (237,430,582)
Business-type activities	(14,643,303)	5,003,759	(7,468,167)	(3,066,062)	(34,424,549)	(15,752,891)	(2,765,301)	5,448,191	5,321,190	38,245,113
Total primary government net expense	\$ (170,800,068)	\$ (186,883,537)	\$ (219,015,656)	\$ (235,718,476)	\$ (261,191,147)	\$ (201,171,963)	\$ (224,246,307)	\$ (234,966,002)	\$ (267,884,297)	\$ (199,186,469)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 86,561,866	\$ 90,034,309	\$ 93,692,006	\$ 96,321,532	\$ 95,137,607	\$ 86,298,207	\$ 89,841,305	\$ 96,535,642	\$ 98,079,667	\$ 101,246,029
Sales taxes	40,051,945	44,218,277	47,694,289	47,236,962	44,174,371	52,252,785	59,428,395	63,279,907	70,526,816	66,046,425
Franchise taxes	23,285,298	25,115,152	24,087,737	24,825,134	28,588,370	36,854,199	36,098,926	36,690,760	35,723,504	8,864,600
Other taxes	5,211,118	5,032,840	4,556,518	3,927,701	3,744,134	3,114,724	1,855,050	4,576,991	5,207,238	5,213,943
Transient guest tax	383,537	524,658	597,861	628,348	628,507	678,669	760,917	863,194	947,220	1,060,048
Unrestricted investment earnings	7,271,873	10,271,852	12,295,118	8,394,705	4,384,308	3,590,620	3,498,400	3,720,098	3,735,731	4,208,123
Miscellaneous	6,026,557	15,243,232	20,369,476	9,488,051	7,234,953	6,678,702	5,119,817	5,518,890	6,189,071	6,314,299
Special item	(3,145,034)	6,930,392	(2,891,205)	3,616,939	1,550,805	10,393,260	5,683,302	6,753,348	357,252	54,161,295
Transfers	167,847,160	200,371,151	200,291,800	194,440,932	183,423,068	216,922,936	205,417,413	216,941,030	220,766,499	229,115,782
Total governmental activities	\$ 4,498,357	\$ 4,016,471	\$ 3,999,832	\$ 3,927,919	\$ 3,578,923	\$ 3,798,538	\$ 4,120,807	\$ 4,218,676	\$ 4,506,987	\$ 4,727,470
Business-type activities:										
Sales taxes	24,592	56,333	9,442	7,484	6,073	-	-	-	-	-
Other taxes	4,526,300	4,426,672	3,127,564	1,459,007	619,140	467,604	1,003,466	303,675	402,792	329,018
Unrestricted investment earnings	321,326	195,267	530,266	21,882	1,120,467	690,696	763,659	849,052	397,487	(958,686)
Miscellaneous	3,145,034	(6,930,392)	2,891,205	(3,616,939)	(1,550,805)	(17,504,964)	(3,131,301)	(6,753,348)	(357,252)	(34,161,295)
Transfers	12,515,609	1,764,551	10,658,369	1,799,353	3,773,798	(12,618,128)	2,756,851	(1,381,745)	4,940,014	(30,065,493)
Total business-type activities	\$ 180,162,769	\$ 202,136,063	\$ 210,950,169	\$ 196,239,745	\$ 189,196,893	\$ 204,304,204	\$ 208,174,264	\$ 214,559,265	\$ 225,705,513	\$ 199,052,269
Total primary government	\$ 1,149,395	\$ 8,474,216	\$ (11,255,689)	\$ (38,212,022)	\$ (41,343,503)	\$ (2,324)	\$ (16,063,593)	\$ (24,473,163)	\$ (62,439,988)	\$ (8,314,820)
Change in Net Position										
Government activities	83,005,742	95,125,429	280,286,156	286,231,929	226,019,907	182,165,575	170,017,225	156,043,216	150,024,143	90,686,029
Business-type activities	95,126,429	200,286,157	206,231,929	228,019,907	182,165,575	182,163,251	156,043,216	150,024,143	90,686,029	92,562,209
Changes in Net Position	(2,127,694)	6,768,310	3,190,202	(1,266,709)	(30,650,751)	3,134,555	(8,450)	4,066,446	10,261,204	8,178,620
Net Position-Beginning of year	479,774,886	477,506,103	484,274,413	512,390,100	512,595,777	481,945,026	497,225,617	497,217,167	501,283,613	504,858,396
Prior period adjustment	(141,089)	-	24,925,485	512,595,777	481,945,026	485,079,591	497,217,167	501,283,613	504,858,396	513,037,006
Total primary government	\$ 572,631,532	\$ 764,540,570	\$ 779,622,029	\$ 740,615,694	\$ 664,110,601	\$ 667,242,642	\$ 653,260,383	\$ 651,307,756	\$ 695,796,415	\$ 695,620,215

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

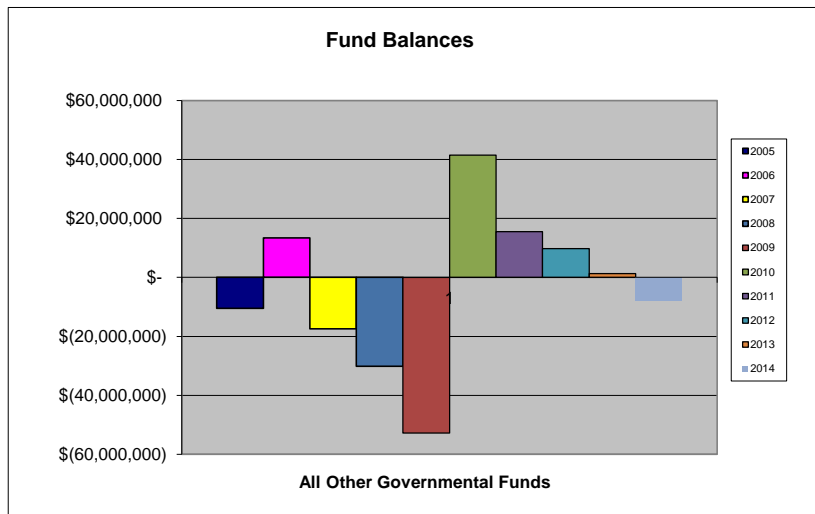
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Reserved	\$ 4,658,857	\$ 3,731,365	\$ 2,534,531	\$ 2,209,108
Unreserved	44,589,586	46,090,297	41,021,879	22,399,364
Designated for restricted sales tax	7,964	7,964	7,964	7,964
Restricted	N/A	N/A	N/A	N/A
Committed	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A
Total general fund	\$ 49,256,407	\$ 49,829,626	\$ 43,564,374	\$ 24,616,436
All Other Governmental Funds				
Reserved	12,260,930	17,694,680	15,579,130	22,973,920
Unreserved	-	-	-	-
Designated				
Designated crossover refunded bond	-	-	10,025,335	-
Undesignated				
Special revenue funds	15,723,679	15,503,824	15,871,924	9,519,621
Debt service Fund	2,611,751	6,366,505	11,057,310	15,286,601
Capital projects funds	(41,028,300)	(26,201,227)	(69,945,666)	(77,885,673)
Restricted	N/A	N/A	N/A	N/A
Committed	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A
Total all other governmental funds	\$ (10,431,940)	\$ 13,363,782	\$ (17,411,967)	\$ (30,105,531)



Note:

In 2011, the Unified Government implemented Governmental Accounting Standards Board Statement 54, which resulted in the new fund balance classifications.

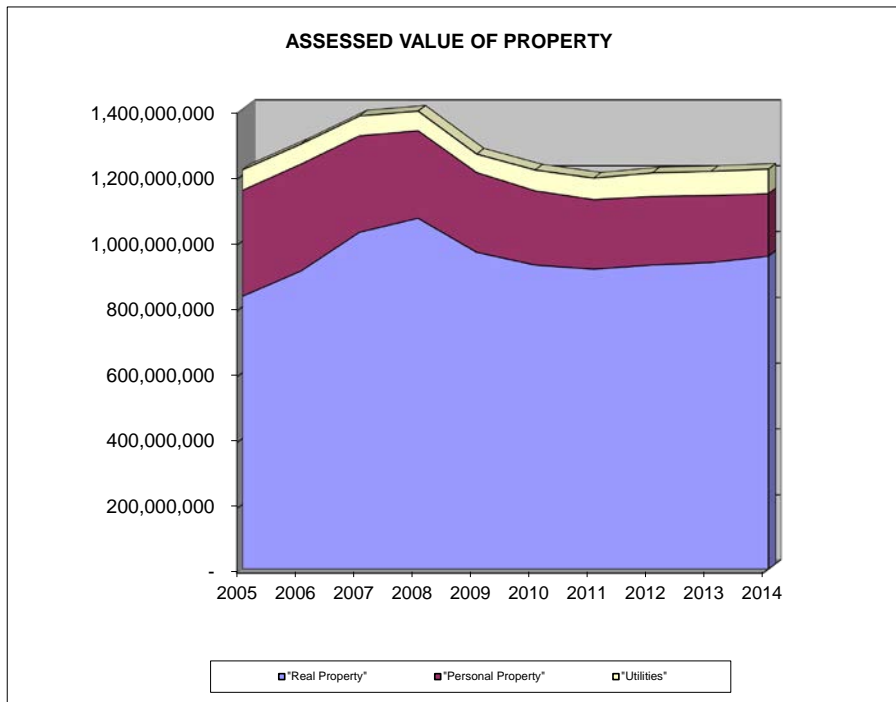
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 1,260,078	\$ 1,741,912	N/A	N/A	N/A	N/A
14,860,536	9,899,484	N/A	N/A	N/A	N/A
7,964	7,964	N/A	N/A	N/A	N/A
N/A	N/A	-	751,740	463,243	216,347
N/A	N/A	253,692	560,204	493,012	495,470
N/A	N/A	1,438,927	1,629,346	1,019,593	891,422
N/A	N/A	12,618,862	16,527,952	12,434,668	14,775,610
<u>\$ 16,128,578</u>	<u>\$ 11,649,360</u>	<u>\$ 14,311,481</u>	<u>\$ 19,469,242</u>	<u>\$ 14,410,516</u>	<u>\$ 16,378,849</u>
14,740,008	17,284,705	N/A	N/A	N/A	N/A
-	-	N/A	N/A	N/A	N/A
-	-	N/A	N/A	N/A	N/A
3,453,909	3,112,038	N/A	N/A	N/A	N/A
10,113,695	15,830,660	N/A	N/A	N/A	N/A
(81,056,786)	5,269,218	N/A	N/A	N/A	N/A
N/A	N/A	25,522,172	24,322,105	23,432,723	30,200,148
N/A	N/A	586,540	832,686	746,929	870,220
N/A	N/A	(10,615,036)	(15,375,811)	(22,852,322)	(39,026,757)
<u>\$ (52,749,174)</u>	<u>\$ 41,496,621</u>	<u>\$ 15,493,676</u>	<u>\$ 9,778,980</u>	<u>\$ 1,327,330</u>	<u>\$ (7,956,389)</u>



**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
 ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE TANGIBLE PROPERTY
 Including Motor Vehicles, Last Ten Fiscal Years**

UNIFIED GOVERNMENT PRIMARY GOVERNMENT

	Real Property (1)	Personal Property (2)	Utilities (2)	Total
Fiscal Year	Assessed Value	Assessed Value	Assessed Value	Assessed Value
2005	832,146,776	322,022,598	62,065,428	1,216,234,802
2006	908,899,542	324,970,743	60,672,383	1,294,542,668
2007	1,026,694,090	293,356,034	60,003,173	1,380,053,297
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



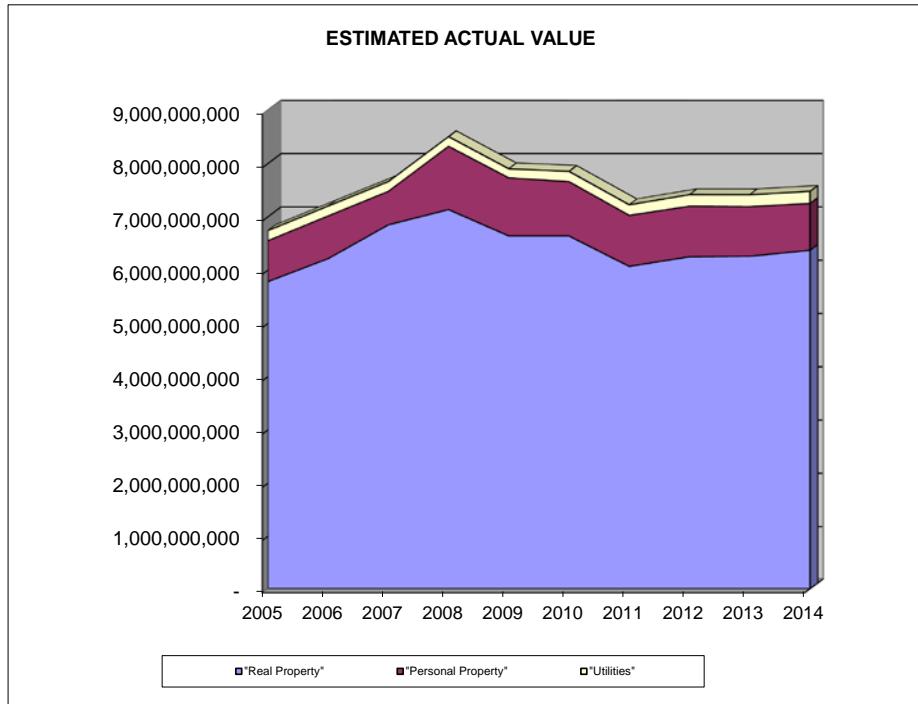
¹ Real Property Estimated Actual Value is the value assigned by the County Appraiser on taxable property.

² Personal Property Estimated Actual Value and Utilities Estimated Actual Value was calculated using a formula based on assessed rate

³ The total direct tax rate for citizens in the Unified Government varies according to the location of the property and the relation of the various taxing entities within the Unified Government boarders. The total direct tax rate presented represents the rate for property located in City of Kansas City, Kansas, the school district of USD 500 and Drainage District #1. The applicable drainage rates for property on other cities, school districts or drainage districts will vary.

Source: Unified Government Clerk

Fiscal Year	Real Property (1)	Personal Property (2)	Utilities (2)	Estimated Actual Value	Assessed/ Actual Ratio	Total Direct Tax Rate (3)
	Estimated Actual Value	Estimated Actual Value	Estimated Actual Value			
2005	5,783,420,083	768,418,871	188,058,247	6,739,897,201	18.05%	74.021
2006	6,214,268,915	802,291,592	183,855,706	7,200,416,213	17.98%	71.987
2007	6,848,879,075	628,612,840	181,827,797	7,659,319,712	18.02%	71.224
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



**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS**

Last Ten Years

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
County Direct Rates										
General	20.335	19.750	22.208	23.102	24.557	27.857	30.072	30.115	30.162	31.271
Election	0.846	0.842	0.846	0.847	0.858	0.856	0.859	0.860	0.861	0.861
County Park	2.144	2.135	2.145	2.148	1.216	1.464	1.369	1.371	1.373	1.372
Historical Society	0.169	0.168	0.169	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Appraiser's Cost	2.066	2.057	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reappraisal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Noxious Weed	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Wy. County Extension Council	0.306	0.299	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Soil Conservation	0.044	0.043	0.043	0.000	0.000	0.000	0.000	0.000	0.000	0.000
County Fair Building	0.147	0.144	0.145	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Service Program - Aging	0.941	0.896	0.900	0.901	0.811	0.907	1.011	1.012	1.014	1.013
Arts Program/Projects	0.036	0.035	0.035	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Economic Development	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health Department	1.509	1.503	1.510	1.512	1.532	1.529	1.535	1.537	1.539	1.538
Mental Health	0.490	0.458	0.460	0.461	0.416	0.332	0.418	0.419	0.420	0.420
Developmental Disabilities	0.478	0.476	0.478	0.479	0.485	0.314	0.315	0.340	0.341	0.341
Juvenile Detention	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Community College Tuition	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Employee's Benefit	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Bond and Interest	0.000	0.000	0.000	1.027	1.014	0.817	0.820	0.796	0.798	0.000
County Infrastructure	1.768	1.593	1.600	0.000	0.000	0.000	0.000	0.000	0.000	1.672
Total County direct rate	31.279	30.399	30.539	30.477	30.889	34.076	36.399	36.450	36.508	38.488
City Rates										
Kansas City	42.742	41.588	40.685	40.258	40.808	40.635	45.267	45.415	45.495	43.473
Bonner Springs	32.568	31.127	30.456	29.065	29.086	30.101	30.578	30.605	33.635	33.616
Edwardsville	34.833	34.211	40.427	40.427	42.441	44.505	44.505	44.467	47.367	47.367
Lake Quivira	13.688	13.700	13.553	13.315	13.226	13.633	19.317	19.317	18.65	18.436
Unified Government Direct Rate (County + City)										
Unified Government - Kansas City	74.021	71.987	71.224	70.735	71.697	74.711	81.666	81.865	82.003	81.961
Unified Government - Bonner Springs	63.847	61.526	60.995	59.542	59.975	64.177	66.977	67.055	70.143	72.104
Unified Government - Edwardsville	66.112	64.610	70.966	70.904	73.330	78.581	80.904	80.917	83.875	85.855
Unified Government - Lake Quivira	44.967	44.099	44.092	43.792	44.115	47.709	55.716	55.767	55.158	56.924
Community College	20.331	20.244	19.524	19.296	19.991	23.456	23.456	23.58	26.121	26.108
School Districts	52.700 - 65.372	45.509 - 65.037	48.876 - 65.627	51.257 - 67.818	61.416 - 71.475	61.414 - 68.078	57.988-68.459	60.327-68.378	59.618-71.450	49.165-63.008
Cemetery Districts	0.516	0.248	0.261	0.261	0.000	0.000	0.000	0.000	0.000	0.000
Drainage Districts	4.016 - 10.634	4.101 - 10.066	4.101 - 11.269	4.101 - 11.285	4.798 - 11.471	4.121 - 13.428	4.058-13.210	3.946-13.777	3.720-15.338	3.208-14.826
Library	3.380	3.380	4.130	4.130	4.130	5.030	5.030	5.030	5.578	5.583
Other Districts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Source: Unified Government Clerk

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago

	<u>Fiscal Year 2014</u>			<u>Fiscal Year 2005</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>
General Motors	35,279,016	1	3.21%	\$68,305,869	1	6.97%
Kansas Entertainment LLC	31,611,002	2	2.88%			
KKR Legends, LLC	27,259,696	3	2.48%			
Magellan Pipeline	17,310,671	4	1.58%			
Union Pacific Railroad	14,624,827	5	1.33%			
Burlington Northern Santa Fe	12,450,931	6	1.13%			
Nebraska Furniture Mart	12,357,442	7	1.12%	\$15,026,636	2	1.53%
Cerner Corporation	12,000,000	8	1.09%			
EPR Properties (Schlitterbahn)	11,359,597	9	1.03%			
Prime Investments LLC	11,149,435	10	1.01%	\$7,940,319	6	0.81%
Proctor and Gamble				\$9,953,676	5	1.02%
Owens Corning				\$10,869,427	4	1.11%
Colgate Palmolive				\$6,774,853	7	0.69%
Certain-Teed Corp.				\$11,561,266	3	1.18%
Cabela's				\$6,098,873	8	0.62%
Assoc. Wholesale Grocers				\$5,838,433	10	0.60%
Great Wolf Lodge				\$5,919,350	9	0.60%
	<u>\$185,402,617</u>		<u>16.87%</u>	<u>\$148,288,702</u>		<u>15.13%</u>

Total 2014 Wyco Assessed Value \$1,098,740,174

*Does not include exempt properties including businesses with exemptions granted which require payments in lieu of taxes or properties which are part of a TIF project.

Source: Unified Government Appraisers Office

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS

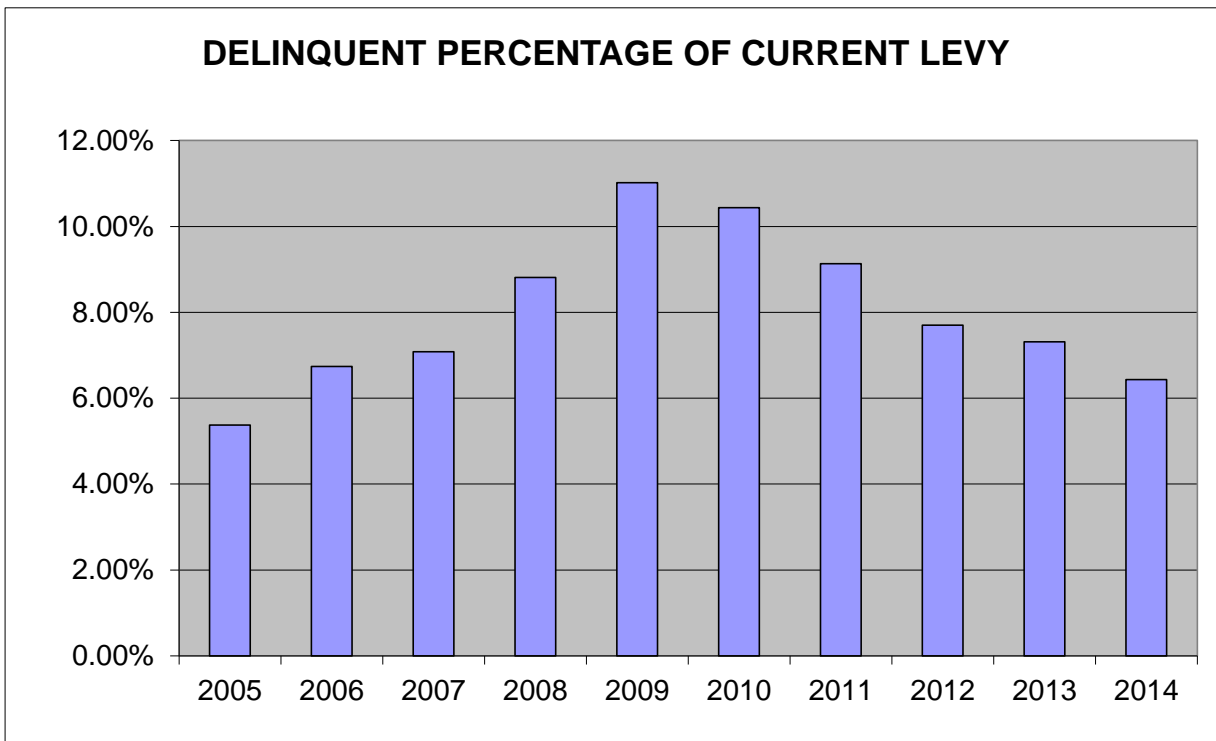
GENERAL PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

UNIFIED GOVERNMENT PRIMARY GOVERNMENT

Budget Year ¹	Taxes Levied for the Fiscal Year (Original Levy)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Year ²	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2005	75,569,970	71,510,400	94.63%	3,064,413	74,574,813	98.68%
2006	77,667,951	72,433,411	93.26%	3,448,998	75,882,409	97.70%
2007	80,690,926	74,975,134	92.92%	3,650,410	78,625,544	97.44%
2008	86,210,883	78,613,006	91.19%	2,997,523	81,610,529	94.66%
2009	86,553,044	77,018,671	88.98%	3,745,924	80,764,595	93.31%
2010	78,780,950	70,555,802	89.56%	3,323,323	73,879,125	93.78%
2011	79,410,908	72,160,092	90.87%	4,004,222	76,164,314	95.91%
2012	85,042,936	78,494,361	92.30%	4,263,845	82,758,206	97.31%
2013	86,535,383	80,208,596	92.69%	5,387,418	85,596,014	98.91%
2014	86,991,190	81,396,447	93.57%	5,424,778	86,821,225	99.80%

Budget Year	Amount Levied	Amount Collected	Amount Delinquent	Percent Delinquent
2005	75,569,970	71,510,400	4,059,570	5.37%
2006	77,667,951	72,433,411	5,234,540	6.74%
2007	80,690,926	74,975,134	5,715,792	7.08%
2008	86,210,883	78,613,006	7,597,877	8.81%
2009	86,553,044	77,018,671	9,534,373	11.02%
2010	78,780,950	70,555,802	8,225,148	10.44%
2011	79,410,908	72,160,092	7,250,816	9.13%
2012	85,042,936	78,494,361	6,548,575	7.70%
2013	86,535,383	80,208,596	6,326,787	7.31%
2014	86,991,190	81,396,447	5,594,743	6.43%



¹ Taxes levied support the subsequent year's budget, e.g., 2013 taxes financed 2014 spending.

² 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 Treasurer

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
TOTAL EQUALIZED ASSESSED TANGIBLE VALUATIONS**

Wyandotte County

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>State Assessed Utilities</u>	<u>Special Motor Vehicles</u>	<u>Total</u>
2005	832,146,776	200,109,081	62,065,428	121,913,517	1,216,234,802
2006	908,899,542	200,572,898	60,672,383	124,397,845	1,294,542,668
2007	1,026,694,090	167,633,466	60,003,173	125,722,568	1,380,053,297
2008	1,069,442,741	140,997,701	59,613,262	124,956,114	1,395,009,818
2009	966,053,674	121,906,655	55,937,343	120,485,596	1,264,383,268
2010	927,030,390	108,560,874	63,329,809	117,043,311	1,215,964,384
2011	914,682,119	97,759,966	65,236,304	113,607,923	1,191,286,312
2012	927,243,259	94,797,562	71,302,534	113,853,207	1,207,196,562
2013	934,648,262	87,712,079	73,309,125	116,127,017	1,211,796,483
2014	953,992,985	70,160,368	74,586,821	119,834,832	1,218,575,006

City of Kansas City, Kansas

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>State Assessed Utilities</u>	<u>Special Motor Vehicles</u>	<u>Total</u>
2005	745,805,852	189,825,606	53,790,474	110,734,325	1,100,156,257
2006	810,615,698	189,489,227	52,825,802	113,020,579	1,165,951,306
2007	921,052,950	158,719,094	52,262,532	114,204,294	1,246,238,870
2008	957,720,722	132,804,602	52,440,398	113,258,701	1,256,224,423
2009	858,775,239	114,620,480	49,139,429	109,375,508	1,131,910,656
2010	827,160,814	101,988,198	56,337,965	106,222,539	1,091,709,516
2011	817,605,423	92,163,360	58,315,374	102,834,773	1,070,918,930
2012	831,130,786	89,139,267	63,840,942	102,990,904	1,087,101,899
2013	837,949,270	82,234,789	65,791,156	105,001,763	1,090,976,978
2014	852,927,158	65,279,122	66,852,833	108,205,718	1,093,264,831

Source: County Clerk's office of Wyandotte County, Kansas.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
GENERAL FUND RETAIL SALES AND COMPENSATING USE TAXES
Last Ten Fiscal Years

<u>Year</u>	<u>City Tax</u>	<u>County Tax</u>	<u>City Use Tax</u>	<u>County Use Tax</u>	<u>Annual Total</u>
2005	12,757,730	10,909,395	2,639,817	2,133,385	28,440,327
2006	13,174,021	11,303,283	2,776,314	2,255,286	29,508,904
2007	13,164,595	11,240,198	2,897,659	2,377,388	29,679,840
2008	12,888,279	11,137,014	2,887,775	2,426,624	29,339,692
2009	11,841,271	10,323,246	2,603,481	2,133,057	26,901,055
2010	10,902,730	9,622,909	2,616,096	2,087,402	25,229,137
2011	11,506,397	9,975,892	3,234,153	2,522,365	27,238,807
2012	11,881,706	10,419,493	3,319,256	2,622,511	28,242,966
2013	12,611,862	10,890,778	3,613,485	2,993,656	30,109,781
2014	13,309,315	11,250,773	3,460,198	2,801,449	30,821,735

Note: Sales and use taxes to general fund do not include sales taxes pledged to special sales tax districts. Also, Emergency Medical Services (0.25%) and Public Safety Infrastructure (0.375%) sales taxes are not reflected in the above table.

Source: Kansas Department of Revenue

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
 KANSAS SPEEDWAY STAR BONDS - ANNUAL SALES TAX COLLECTIONS
 Last Ten Fiscal Years**

<u>Year</u>	<u>State Tax</u>	<u>City Tax</u>	<u>County Tax</u>	<u>Total Revenues</u>
2005	1,957,316	460,117	355,370	2,772,803
2006	2,644,031	629,291	475,645	3,748,967
2007	2,332,532	565,094	414,887	3,312,513
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

Source: Kansas Department of Revenue

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Governmental Activities

Fiscal Year	General		Special Obligation Bonds	Revenue Bonds	Capital Leases	Certificates of Participation	Section 108 Loan	STAR Bonds	TDD Bonds
	Obligation Bonds	Obligation Bonds							
2005	103,340,000	-	-	-	23,269,448	200,000	4,500,000	90,510,116	-
2006	123,158,372	-	-	-	27,187,694	105,000	4,294,000	84,941,306	19,935,000
2007	123,042,248	-	-	-	35,179,385	-	4,073,000	75,131,738	19,415,000
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

Business Type Activities

Fiscal Year	General		Capital Leases	Sewer Revolving Loan	STAR Bonds	BPU Revenue Bonds		BPU Capital Leases	BPU Government Loan	Total Primary Government	Percentage of Personal Income ¹
	Obligation Bonds	Obligation Bonds									
2005	7,510,000	1,342,758	1,342,758	13,617,355	-	344,780,565	7,965,358	17,076,082	614,111,682	16.4%	
2006	16,811,628	1,080,600	1,080,600	15,737,397	-	333,954,975	3,342,010	20,471,208	651,019,190	16.4%	
2007	16,147,752	943,125	943,125	14,820,947	-	323,001,990	1,738,066	23,690,167	637,183,418	15.1%	
2008	20,915,297	773,492	773,492	13,816,268	-	313,043,225	1,018,921	22,707,905	621,521,155	14.1%	
2009	22,384,448	1,077,448	1,077,448	13,653,555	-	363,881,515	650,042	21,710,900	663,574,878	15.4%	
2010	39,734,634	1,792,146	1,792,146	12,570,320	-	355,430,000	367,952	20,717,121	777,211,969	17.6%	
2011	40,859,282	1,863,319	1,863,319	11,273,779	-	421,100,000	74,989	19,813,666	830,317,124	18.2%	
2012	46,766,770	2,175,132	2,175,132	10,018,884	-	479,735,000	-	18,788,619	905,697,959	18.6%	
2013	51,957,960	3,237,906	3,237,906	10,822,225	-	462,765,000	1,011,816	27,585,940	947,787,805	18.8%	
2014	58,258,086	2,835,314	2,835,314	12,438,998	5,979,650	594,842,762	1,454,219	32,448,862	1,103,949,325	22.3%	

Details regarding the Unified Government's outstanding debt can be found in the notes to the financial statements.

¹ Population and personal income data can be found in the Demographic Schedule
 These ratios are calculated using personal income and populations for the prior calendar year.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Bond Debt Outstanding			Total	Percentage of Personal Income ²	Percentage of Actual Value of Taxable Property ³	Per Capita ²
	General Obligation Debt ¹	Less: Amounts Restricted to Repaying Principal					
2005	110,850,000	(2,611,751)		108,238,249	2.94%	1.61%	695
2006	139,970,000	(6,366,505)		133,603,495	3.51%	1.86%	859
2007	139,190,000	(15,744,129)		123,445,871	3.14%	1.61%	795
2008	153,210,000	(5,927,079)		147,282,921	3.34%	1.73%	955
2009	161,065,000	(3,846,913)		157,218,087	3.52%	1.99%	1,011
2010	262,835,000	(3,432,786)		259,402,214	5.61%	3.30%	1,647
2011	263,575,000	(3,294,379)		260,280,621	5.94%	3.60%	1,645
2012	266,235,000	(2,523,496)		263,711,504	5.61%	3.56%	1,657
2013	275,575,000	(3,172,621)		272,402,379	5.41%	3.67%	1,698
2014	295,997,034	(4,501,025)		291,496,009	5.89%	3.90%	1,803

¹ Includes General Obligation Bonds

² Population and personal income data can be found in the Demographic Schedule

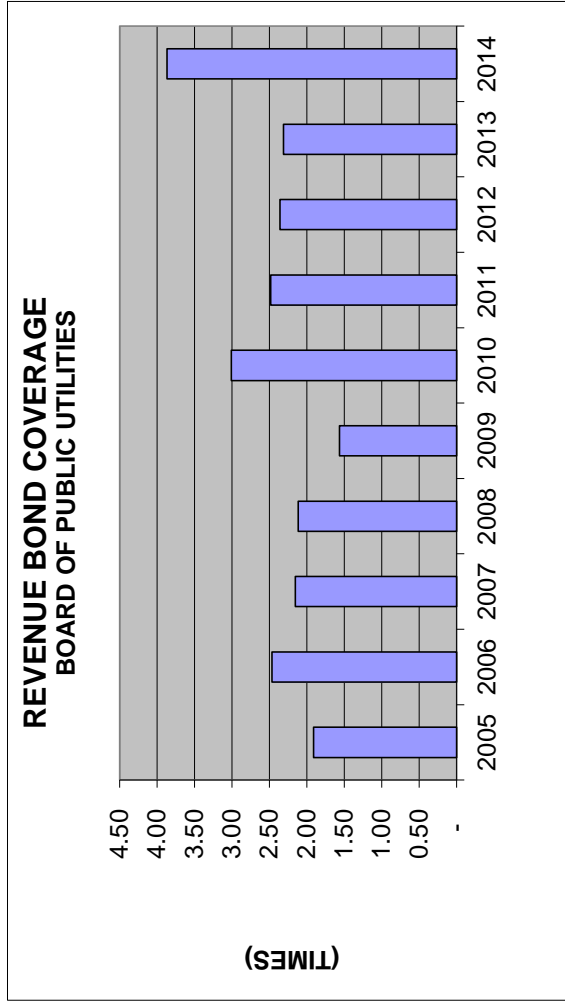
³ Property value data can be found in Schedule Actual Values Schedule

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	2005 <small>(As of 3/15/06)</small>	2006 <small>(As of 3/01/07)</small>	2007 <small>(As of 12/31/07)</small>	2008 <small>(As of 12/31/08)</small>	2009 <small>(As of 12/31/09)</small>	2010 <small>(As of 12/31/10)</small>	2011 <small>(As of 12/31/11)</small>	2012 <small>(As of 12/31/12)</small>	2013 <small>(As of 12/31/13)</small>	2014 <small>(As of 12/31/14)</small>
Statutory debt capacity:										
Equalized assessed valuation of taxable tangible property	\$ 1,094,321,285	\$ 1,170,144,823	\$ 1,194,327,556	\$ 1,270,053,704	\$ 1,143,897,672	\$1,098,921,073	\$ 1,077,676,389	\$ 1,093,343,355	\$ 1,095,669,466	\$ 1,098,740,174
Estimated tangible valuation of motor vehicles	121,913,517	124,397,845	125,722,568	124,966,114	120,485,596	117,043,311	113,607,923	113,607,923	113,853,207	116,127,017
Estimated tangible valuation for computation of bonded indebtedness limitations	<u>1,216,234,802</u>	<u>1,294,542,668</u>	<u>1,320,050,124</u>	<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>1,206,951,278</u>	<u>1,209,522,673</u>	<u>1,214,867,191</u>
Debt limit (30% of total valuation)	364,870,441	388,362,800	396,015,037	418,505,945	379,314,980	364,789,315	357,385,894	362,085,383	362,856,802	364,460,157
Amount of debt applicable to limit										
Total bonded indebtedness	219,100,218	221,435,000	243,785,000	273,547,299	275,107,299	313,695,000	314,865,000	320,893,000	364,150,000	368,920,000
Less exempt issues	<u>(100,267,289)</u>	<u>(112,181,830)</u>	<u>(117,117,367)</u>	<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>	<u>(101,413,770)</u>	<u>(117,961,356)</u>
Total net debt applicable to limit	118,832,929	109,253,170	126,667,633	186,454,337	194,004,498	193,016,194	174,802,147	224,277,904	262,736,230	250,958,644
Legal debt margin	<u>246,037,512</u>	<u>279,109,630</u>	<u>269,347,404</u>	<u>232,051,608</u>	<u>185,310,482</u>	<u>171,773,121</u>	<u>182,583,747</u>	<u>137,807,479</u>	<u>100,120,572</u>	<u>113,501,513</u>
Total net debt applicable to the limit as a percentage of debt limit	32.57%	28.13%	31.99%	44.55%	51.15%	52.91%	48.91%	61.94%	72.41%	68.86%

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years**

Fiscal Year	BPU Revenue Bonds			STAR Bonds ¹			TDD Bonds ²				
	Gross Revenues ³	Direct Operating Expenses ³	Net Available Revenue	Sales Tax Revenues	Principal	Interest	Coverage	Sales Tax Revenues	Principal	Interest	Coverage
2005	226,137,858	163,244,269	62,893,589	7,512,182	370,720	5,687,718	1.24	0	0	0	n/a
2006	262,805,352	181,735,686	81,069,666	9,956,814	5,568,810	4,135,336	1.03	257,398	0	95,929	2.68
2007	248,628,392	180,408,174	68,220,218	12,769,316	9,809,568	3,839,332	0.94	1,277,777	520,000	933,241	0.88
2008	258,694,309	191,646,083	67,048,226	12,785,814	10,817,632	3,485,647	0.89	1,221,851	620,000	963,369	0.77
2009	231,955,328	185,129,869	46,825,459	12,010,638	9,961,787	3,190,804	0.91	1,384,668	615,000	1,019,714	0.85
2010	265,907,854	171,635,395	94,272,459	13,529,636	11,116,268	2,723,395	0.98	1,653,312	571,000	1,016,321	1.04
2011	273,231,435	192,613,493	80,617,942	14,620,449	13,225,428	2,044,921	0.96	1,589,184	646,000	973,531	0.98
2012	290,217,990	204,642,159	85,575,831	61,108,119	84,312,186	5,222,713	0.68	1,870,493	891,000	921,536	1.03
2013	287,771,566	196,863,453	90,908,113	17,068,733	16,809,443	4,606,309	0.80	2,481,133	1,219,000	1,157,689	1.04
2014	311,540,386	215,695,728	95,844,658	58,453,245	44,181,854	13,530,823	1.01	2,738,028	1,366,000	1,283,196	1.03



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

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

³ Excludes depreciation expense, amortization expense, and amortization revenue.

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
INDIRECT DEBT AS OF DECEMBER 31, 2014**

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

Jurisdiction	Total Debt	Applicable % to	
		Wyandotte County	Wyandotte County
Kansas City, Kansas Community College	\$ 37,390,000	100.00%	\$ 37,390,000
U.S.D. No. 500	66,160,000	100.00%	66,160,000
U.S.D. No. 202	36,765,000	100.00%	36,765,000
U.S.D. No. 203	29,565,000	100.00%	29,565,000
U.S.D. No. 204	28,745,000	97.83%	28,121,363
City of Bonner Springs	17,285,000	92.49%	15,987,593
City of Edwardsville	6,620,000	100.00%	6,620,000
Total	\$ 222,530,000		\$ 220,608,956
		Applicable % to Kansas City	\$ 33,521,447
			66,149,409
			36,707,803
			29,565,000
			7,781,489
			-
			-
			\$ 173,725,148

Source: Unified Government Finance Department.

Note: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the County or City. This schedule 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.

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
DEBT RATIOS**

	<u>Wyandotte Co.</u>	<u>Kansas City</u>
Estimated Actual Valuation (Appraised)	6,879,485,972	6,139,705,180
Equalized Assessed Tangible Valuation ^(a)	1,214,867,191	1,090,060,876
Population (2013 U.S. Census Estimate)	160,384	148,483
Outstanding General Obligation Indebtedness (as of February 26, 2015)		
General Obligation Bonds	15,350,000	307,645,000
General Obligation Notes	217,375	72,820,000
Less: Debt Service Funds on Hand as of November 30, 2014	<u>-227,706</u>	<u>-1,859,599</u>
Net Outstanding General Obligation Indebtedness	15,339,669	378,605,401
Ratio of Net General Obligation Debt to Estimated Actual Valuations	0.223%	6.167%
Ratio of Net General Obligation Debt to Equalized Assessed Tangible Valuation	1.263%	34.733%
Net General Obligation Debt per Capita	96	2,550
Overlapping Indebtedness	220,608,956	173,725,375
Direct and Overlapping Indebtedness	235,948,625	552,330,776
Ratio of Direct and Overlapping Indebtedness to Estimated Actual Valuation	3.430%	9.000%
Ratio of Direct and Overlapping Indebtedness to Equalized Assessed Tangible Valuation	19.420%	50.670%
Direct and Overlapping Indebtedness per Capita	1,471	3,720
Overlapping Indebtedness per Capita	1,376	1,170

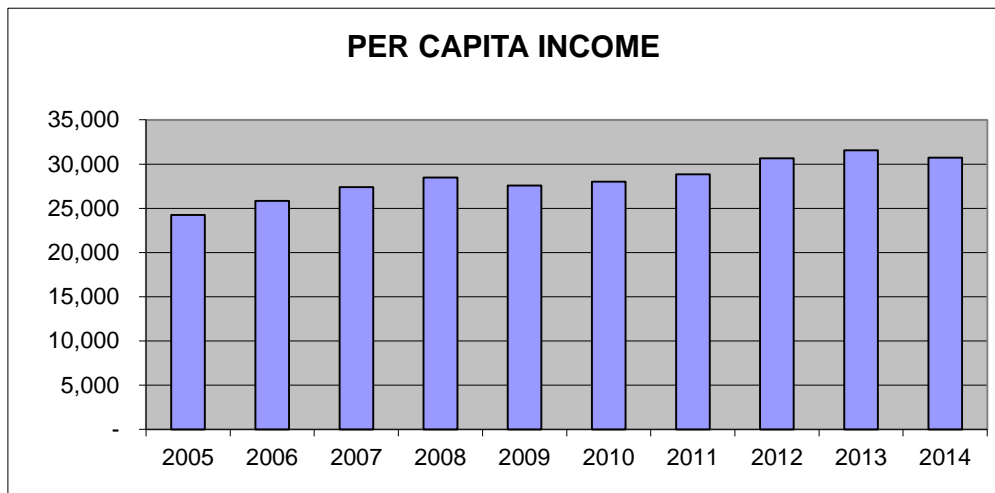
(a) Includes real property, personal property, and state assessed utility valuations and excludes valuations for motor vehicles.

Source: Unified Government Finance Department.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Population		Personal Income (<i>thousands of dollars</i>)	Per Capita Personal Income	Public School Enrollment	Unemployment Rate
2005	153,700	(1)	3,742,504 (3)	24,246 (3)	28,059	8.8%
2006	152,900	(1)	3,970,858 (3)	25,837 (3)	27,970	7.6%
2007	153,454	(1)	4,223,792 (3)	27,380 (3)	27,877	7.4%
2008	154,233	(1)	4,415,768 (3)	28,472 (3)	27,867	7.7%
2009	155,499	(1)	4,310,940 (3)	27,561 (3)	28,538	11.2%
2010	157,505	(2)	4,420,281 (3)	28,010 (3)	28,455	10.4%
2011	157,990	(1)	4,562,495 (3)	28,836 (3)	28,462	9.7%
2012	159,175	(1)	4,875,180 (3)	30,637 (3)	29,284	8.6%
2013	160,384	(1)	5,036,061 (3)	31,566 (3)	29,753	8.3%
2014	161,636	(1)	4,945,590 (4)	30,716 (4)	30,200	6.9%

Includes Kansas City Kansas #500, Turner #202, Piper #203, Bonner Springs #204 and the Parochial schools within Wyandotte County.



Notes:

¹ U.S. Dept of Commerce, Bureau of Census, Local Population Estimates, revisions post-2010 Census data release.

² 2010 U.S. Census Counts

³ Bureau of Economic Analysis

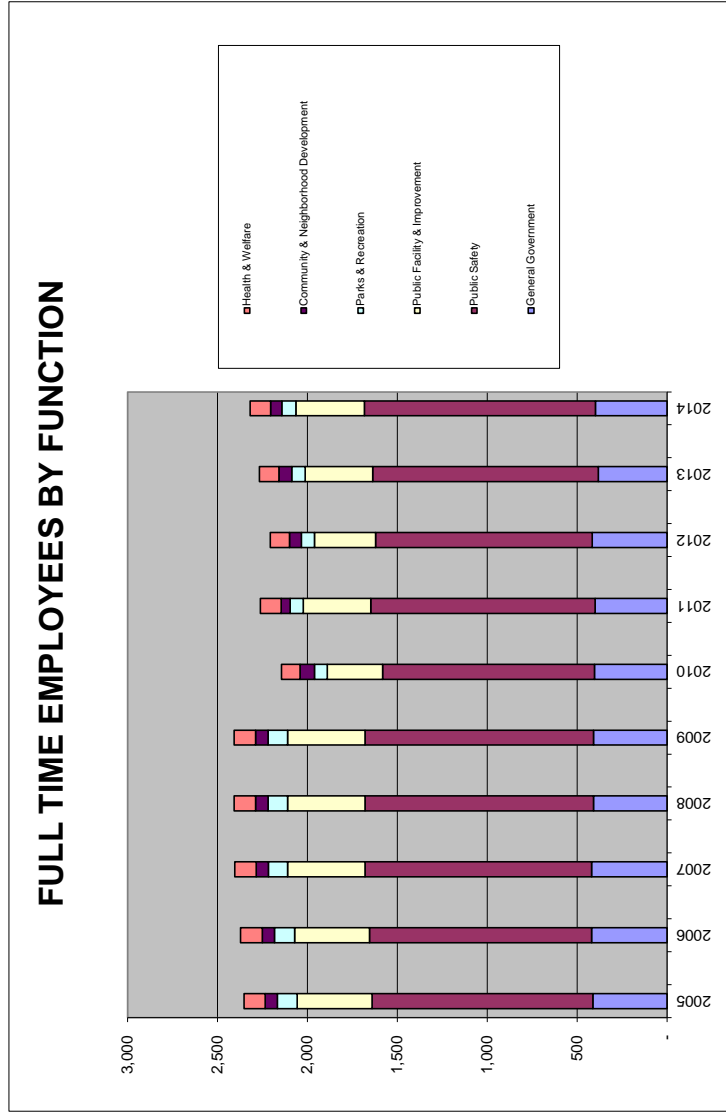
⁴ Estimates based on trends

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	Fiscal Year 2014			Fiscal Year 2005		
	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	4500-5000	1	6.80%	2500-3499	4	-
University of Kansas Medical Center	3500-4000	2	4.12%	2500-3499	6	-
General Motors Corporation	3500-4000	3	4.01%	2500-3499	3	-
Kansas City, KS School District #500	3000-3500	4	3.85%	3500-4000	1	-
Burlington Northern/Santa Fe Railroad	2500-3000	5	2.83%	2500-3499	2	-
Cerner	1000-2499	6	2.75%	-	-	-
Unified Government of Wyandotte Co/KCK	1000-2499	7	2.63%	2500-3499	5	-
Associated Grocers	1000-2499	8	1.35%	1000-2499	7	-
Providence Medical Center	1000-2499	9	1.34%	1000-2499	8	-
Nebraska Furniture Mart	1000-2499	10	1.29%	750-999	9	-
United Parcel Service	-	-	-	750-999	10	-
	<u>27,316</u>		<u>30.97%</u>	<u>-</u>		<u>-</u>

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years**

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	413	418	419	409	409	404	400	416	383	397
Public Safety	1,227	1,236	1,260	1,270	1,270	1,177	1,247	1,204	1,254	1,285
Public Facility & Improvement	416	416	430	431	431	308	375	340	375	382
Parks & Recreation	111	111	108	108	108	72	74	73	75	77
Community & Neighborhood Development	68	69	67	69	69	79	50	66	70	62
Health & Welfare	116	120	120	120	120	104	115	107	110	114
	<u>2,351</u>	<u>2,371</u>	<u>2,404</u>	<u>2,407</u>	<u>2,407</u>	<u>2,144</u>	<u>2,261</u>	<u>2,205</u>	<u>2,267</u>	<u>2,317</u>



Source: Unified Government Annual Budget Reports

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years**

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Number of Documents recorded in Register of Deeds	34,854	32,593	28,340	22,320	20,479	18,008	19,432	22,281	23,714	20,852
Number of registered voters	85,858	84,300	83,778	91,201	90,764	76,174	80,613	81,980	81,638	70,787
Public Safety										
Number of 911 calls	197,284	195,070	190,067	178,119	181,164	180,826	179,544	189,020	201,335	199,646
Number of Fire Department Calls	21,914	23,603	24,619	25,166	24,970	25,592	25,744	26,689	27,471	26,127
Violent Crimes	1,163	1,269	1,204	917	942	808	906	853	707	865
Public Facility & Improvement										
Number of bridges maintained	151	151	151	151	151	151	151	151	151	151
Miles of road maintained	1,909	1,924	1,943	1,947	1,943	1,943	1,943	1,943	1,943	1,943
Parks & Recreation										
Park acres maintained	2,729	2,729	2,729	2,729	2,600	2,600	2,600	2,600	2,715	2,715
Community & Neighborhood Development										
Number of Business Licenses Issued	7,170	7,394	7,515	7,387	7,185	7,092	7,141	7,036	6,906	6,621
Number of Demolition Permits Issued	232	212	208	153	119	195	123	171	64	100
¹ Number of Downpayment Assistance	46	20	16	10	16	13	8	24	39	16
² Number of Grants/Loans	155	141	95	86	149	97	117	149	113	101
Health & Welfare										
Number of Visits to the Health Department	28,008	25,938	24,682	26,313	34,537	30,506	29,520	29,286	29,037	27,477
Number of Clients to the Health Department	12,782	12,386	15,894	13,844	19,071	20,381	16,540	21,035	19,794	13,781
Number of Visits to the WIC Department	75,874	81,672	50,531	59,060	65,225	64,337	63,998	60,293	50,844	56,499
Number of Clients to the WIC Department	5,333	6,210	6,917	7,485	8,047	7,722	7,429	7,449	6,946	6,639
Number of Congregate Meals Served to Seniors	70,724	69,159	62,268	67,041	58,828	50,426	40,430	40,271	39,770	398,180
Number of Home Delivered Meals Served to Seniors	128,748	138,782	139,392	144,969	147,914	138,776	129,989	126,423	127,384	117,767
Number of Newsletters distributed	22,811	24,341	33,054	16,157	24,418	20,751	22,534	22,694	24,552	19,200
Number of Legal Hours provided	550	506	478	522	534	510	533	497	506	498

* Information not available.

Note: 911 Calls Wireline & Wireless 2003 does not include first 4 months of wireless call stats

¹ Downpayment Assistance Program (CHIP) is aimed at low-to moderate-income households for assistance to purchase single-family homes

¹ At an average estimated value of \$12,000 each over a ten year period represents an estimated \$5,808,000 investment

² Grants are aimed at very low-income single-family households and includes emergency grants, roofs, sewers, residential barrier removal, special service grants, lead-based paint removal, etc.

² Also includes grants/loans for low-to moderate income households such as the HELP loan program.

² At an average estimated value of \$4,000 each over a ten year period represents an estimated \$7,412,000 investment

Source: Unified Government budget department and individual departments.

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government										
Office Buildings	11	11	11	11	12	12	12	12	12	12
Other Buildings	31	31	27	27	27	27	27	27	26	26
Public Safety										
Fire Stations	18	18	18	18	18	18	18	18	18	18
Fire Trucks/Engines	22	22	22	22	22	22	16	16	22	22
Ambulances	11	11	12	12	12	12	12	12	12	12
Police Stations	6	6	7	7	7	7	7	7	7	7
Public Facility & Improvement										
Number of Bridges	151	151	151	151	151	151	151	151	151	151
Miles of Roads	1,909	1,924	1,943	1,947	1,943	1,943	1,943	1,943	1,943	1,943
Number of Waste Water Plants	4	4	4	5	5	5	5	5	5	5
Parks & Recreation										
Number of Recreation Centers	6	6	9	8	7	7	7	7	9	10
Number of Parks	50	50	48	51	54	54	54	54	53	53

Source: Unified Government budget department and individual departments.

