



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**2016**



**For the Fiscal Year Ended December 31, 2016  
UNIFIED GOVERNMENT WYANDOTTE COUNTY/KANSAS CITY, KANSAS**

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2016

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**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, 2016

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June 19, 2017

**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 2016 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 over the past year, the Unified Government Commission reviewed and adopted two 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 stronger than the national growth rate. Wyandotte County had a 2.5% increase in jobs between September 2015 and September 2016 which ranked the County 3<sup>rd</sup> out of the six Kansas City Missouri-Kansas metropolitan area cities in the analysis. Nationally, job growth was 1.7% for this period. In 2016, the County saw several major projects covering all sectors of the economy advance. Example of these projects are: Amazon fulfillment center (\$240 million); Logistics warehouse in Fairfax Industrial area (\$19.3 million); U.S. Soccer Youth Soccer complex (\$10.9 million); Homewood Suites Hotel (\$4.3 million); Unified Government South Patrol police station (\$2.2 million) and Piper Heritage Veterinary clinic (\$1.3 million). The redevelopment of two industrial parks in northeast Kansas City, KS are currently underway.

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 have occurred in this area. 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, NorthPoint Development began redevelopment of 25 acres of the Unified Government's Public Levee operations, located in the Fairfax Industrial area. NorthPoint initially demolished existing buildings and then built a 396,000 square-foot industrial building to meet current manufacturing and industrial needs. The first tenant in this building is Plastic Packaging leasing 56,000 square feet and Ozburn-Hessey Logistics leasing 56,200 square feet and Vitex (60,000 square feet). Additional leasing efforts are on-going.

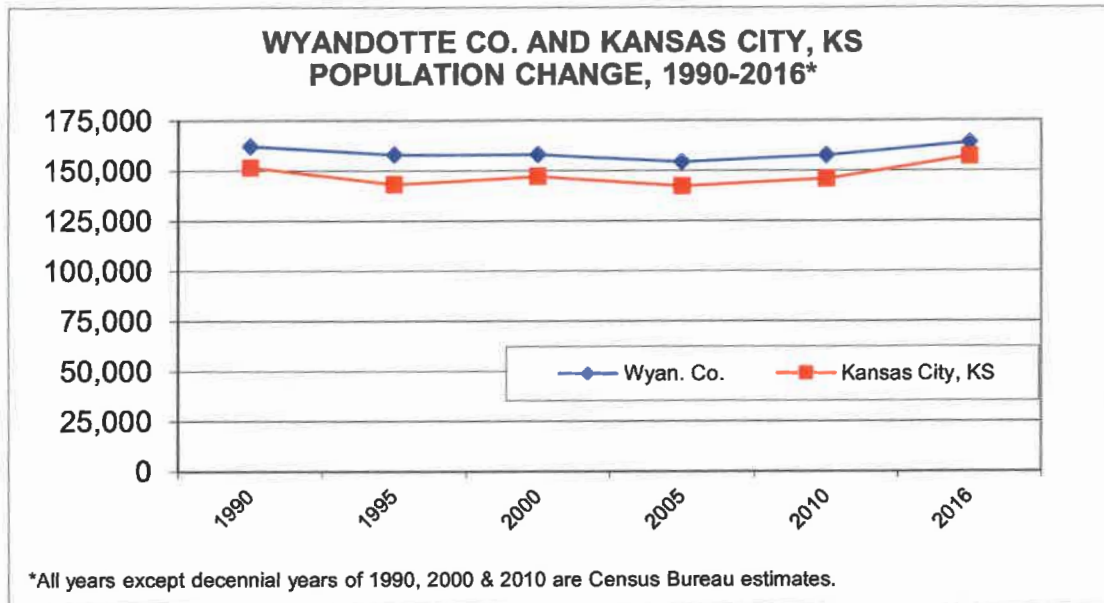
Just east of the Village West/Legends tourism district, a \$75 million U.S. Soccer National Training and Coaching Development Center began construction with the opening of the facility anticipated to occur in 2017. The proposed development will house the elite athlete training and performance analytics campus and national youth soccer development programs. The facility will include approximately 100,000 square feet for an indoor facility with a practice field, eight lighted professional fields and twelve youth fields. In February 2016 construction began on the 12-field youth soccer complex.

The U.S. Soccer National Training and Coaching Development Center is located adjacent to the Vacation Village STAR District. This district includes the Schlitterbahn Waterpark, which opened in July 2009 with 14 attractions including 24 slides located on 24 acres. In 2011, a multi-million dollar expansion included six new attractions. Another component to this district is an auto mall that currently includes three auto dealers. These businesses are the Ford, Dodge/Jeep/Chrysler and Nissan dealerships. Over the next 18 months, commitments are in place for an additional auto dealership, a 100-room limited-service hotel, a convenience store/gas station, and a combined carwash and restaurant. In 2016 and thus far in 2017 building permits have been issued for a carwash/restaurant business concept, a Star Fuel gas station/convenience store and a medical office building. The Dairy Farmers of America headquarters relocation is the third component to the Vacation Village STAR District and was completed in early 2017. Finally, there are plans to build a Frontier Justice gun range at 33,000 square foot with total project cost of \$4.7 million in this same area.

These development projects will positively impact governmental revenues, including property tax, sales tax, 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 2016 Census estimate for Wyandotte County showed a population of 163,831. This is a 4.0% increase in population since the 2010 Census.



## Housing and Construction

In 2016, there were 215 single-family permits issued in Kansas City, Kansas, compared to 132 issued for all of 2015. 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 Kansas City, Kansas ranked fifth 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 2016, permits have been issued for the construction of 6,017 new residential units in Kansas City, Kansas. This area of the City has accounted for 3,903 new residential units or 65% of the newly built units since 2000. Residential permits issued in 2016 have homes ranging in price from \$93,000 to \$433,000. Delaware Highlands located east of K-7 on State Avenue, saw a high level of construction between 2004 and 2009. This development has attached town homes, duplexes, and detached single-family homes. This is an active subdivision with 21 permits being issued for 36 units in 2016. In 2012, an \$11.6 million apartment complex called the Delaware Ridge Heights was built in the Delaware Ridge area. This apartment complex is completed and has 228 units in 17 buildings.

The Unified Government waived building permit, inspection and sewer-connection fees for single-family home construction beginning in September 2012 to spur new home construction, and the waiver continue through December 2016. The maximum fees waived were \$2,500 per home. Further, the Board of Public Utilities (BPU) waived temporary electricity service, residential water tap and water system development fees through 2013. The BPU fee waivers totaled \$2,775 per home.

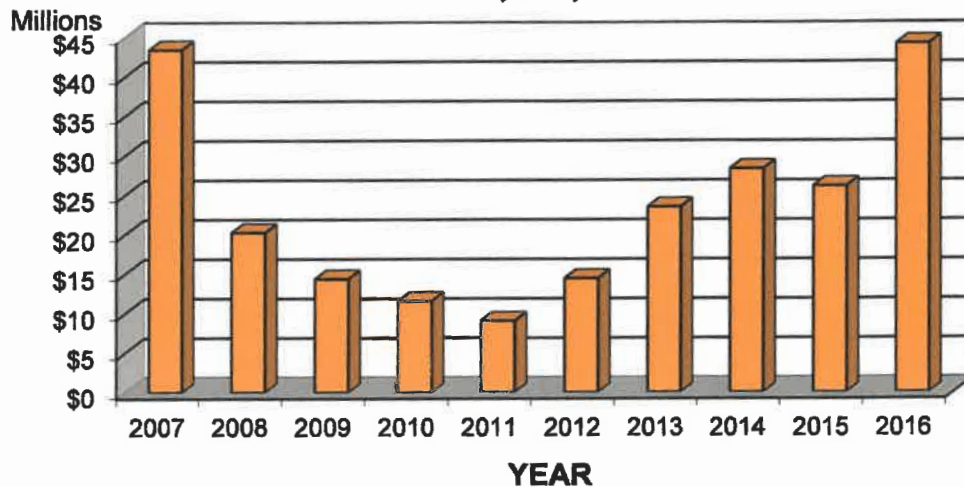
Building upon the success of Village West and the Hollywood Casino, interest in multi-family residential housing developments has occurred. The Village West Apartments is a \$30 million, 306 unit project. These



market rate apartments are located just west of Village West on 110<sup>th</sup> St. between State Ave. and Parallel Pkwy. Construction of these apartments is complete and leasing is ongoing. A second phase of the Village West Apartments, Prairie View, has begun leasing. This phase has 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, due to renovations, began leasing in December 2013 as a multi-family apartment building with 111 units for senior housing. Forty-four of the units will be income restricted and the remaining will be market rate units. 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. In 2015, two conversions of historic buildings created 18 units in the southwest area of the city.

### **NEW SINGLE-FAMILY HOUSING, CONSTRUCTION VALUE KANSAS CITY, KS, 2007-2016**



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, CHWC 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 was utilized to construct 21 new homes, and the rehabilitation of 5 existing homes. Of the 21 new homes all have been sold. Currently all 5 homes have been rehabilitated with 4 sold and 1 under contract.

## 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 having 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. In addition, the speedway has completed a \$6.5 million renovation project that includes repaving, reconfiguring and re-banking of the track. Also, a new infield road course was added for Grand-Am Road Racing. 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 690,000 square feet of retail, dining, and entertainment. The Legends 14 Theatre complex (87,000 square feet) is the largest of the tenants. In 2015, the owner of the Legends, KKR Legends, LLC, purchased the theater complex from the Unified Government which owned the theater and was managed by Phoenix Big Cinemas since opening in 2005. KKR Legends has leased the theater to AMC Entertainment which completed renovations to the theater in 2016. Dave and Buster's, with nearly 50,000 square feet, is a large restaurant/arcade. Currently, over 120 businesses are open with many of the stores and restaurants new to the Kansas City area, creating a unique destination. In 2015 several new stores opened including an Express Factory Outlet, Fuddruckers, Jose Peppers, KC Soda Company and a Watch Station. Opened in 2016 were Coach, Francesca's and a Victoria's Secret. On the north side of the Legends Outlets, a \$10 million, 106-unit Residence Inn by Marriot opened in January 2016. This hotel features only suites. A new Verizon free standing retail store opened in 2015 and a new multi-tenant building on the south side of the Legends, in an area that was previously surface parking, opened in 2016 with four tenants: PepperJax Grill, Noodles & Co., Vision Works and Beef Jerky Outlet.

In January 2016, the Legends Outlets Kansas City was purchased by Walton Street Capital from KKR & Co. for an undisclosed amount. Legends Outlets is a 1.2 million square-foot destination retail center in Kansas City, Kansas with traditionally high occupancy rates (currently 96%) and many stores at Legends Outlets are unique to the Kansas City market.

As of December 2016, 122 businesses, including 30 restaurants, were open in Village West, employing nearly 5,700 persons. In 2016 businesses generated over \$730 million in retail sales with local and state sales tax, use tax and transient guest tax collections of over \$66 million. The real and personal property taxes levied for this development area were approximately \$24 million.

Approximately \$453 million in sales tax special obligation revenue bonds (STAR bonds) were issued for Village West development. As of December 1, 2016, the Village West STAR bonds have been retired. Local sales

tax revenues will now flow to the city and county government and the government is projected to receive approximately \$12 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 \$166 million for the 2016 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.

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 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 Children's Mercy Park (known as Sporting Park prior to 2016), completed its sixth successful season in 2016 with near capacity attendance. Children's Mercy Park, recognized nationally and internationally for its design, hosted the NCAA Division I Men's Soccer Cup Championship on December of 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 American Association (League). Since the T-Bones moved to Kansas City, Kansas and built their ballpark in 2003, they have proven to be a popular independent teams in the county. The T-Bones completed their 14<sup>th</sup> year of operation in 2016. T-Bones games drew approximately 213,000 fans in 2016. 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 STAR bond financing was paid-off at the end of December 2016.

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 a three-story, 100,000 square-foot project that will bring approximately 325 jobs to this area. This project was completed in the first quarter of 2017.

Just east of the Village West/Legends tourism district, a \$75 million U.S. Soccer National Training and Coaching Development Center began construction with the opening of the facility anticipated to occur in 2017. 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, eight lighted professional fields and twelve youth fields. In February 2016 construction began on the 12-field youth soccer complex.

The U.S. Soccer National Training and Coaching Development Center will be located adjacent to the Vacation Village STAR District. This district includes the Schlitterbahn Waterpark, which opened in July 2009 with 14 attractions including 24 slides located on 24 acres. In 2011, a multi-million dollar expansion included six new attractions. Another component to this district is an auto mall that will initially include three auto dealers. These businesses are currently open and include a Ford, Dodge/Jeep/Chrysler and a Nissan dealership. Over the next 18 months, commitments are in place for an additional auto dealership, a 100-room limited-service

hotel, a convenience store/gas station, and a combined carwash and restaurant. In October 2016, a building permit was issued for the carwash and restaurant business. The Dairy Farmers of America headquarters relocation discussed previously is the third component to the Vacation Village STAR District. Finally, there are plans to build a 40,000 square foot, \$11 million medical office building on a 5.2 acre site adjacent to the Dairy Farmers of America (expected completion late 2017) and a Frontier Justice gun range at 33,000 square foot costing \$4.7 million in this same area.

It was announced in 2016 that the American Royal will move to Kansas City, Kansas after 117 years in Kansas City, Missouri. The American Royal Association, which began as the National Hereford Show in 1899, has evolved into a comprehensive season of events and outreach including six equestrian shows, a livestock show, youth and PRCA rodeos, agricultural education programs and the world's largest barbecue competition - the World Series of Barbecue®. This new \$160 million development will utilize up to \$80 million in STAR bond funds. The American Royal will purchase as much land as they need (approx. 60 to 100 acres) of the total 274 acre site. Detailed plans on the number and size of buildings will be released at a later date.

### **39th & Rainbow Commercial Development**

The 39<sup>th</sup> & Rainbow commercial project is a \$39 million mixed-use development located adjacent to Kansas University Medical Center. The first phase of the project included approximately 10,000 square feet of first-floor retail space and, on the second through fourth floors, an 83-room Holiday Inn Express & Suites, which opened in September 2012. Additional Phase 1 store openings in the development include: Five Guys Burger and Fries (September 2012); Topp'd Pizza (January 2015); and a Subway sandwich store (May 2015). The second phase was completed in May 2014 and has a health care tenant focus, with Kansas University Hospital operating an inpatient acute rehabilitation center encompassing 27,800 square feet. Kansas City Transitional Care Center, a post-acute nursing rehabilitation facility, leases an additional 55,600 square feet. Hanger Prosthetics & Orthotics is currently operating. Finally, an IHOP restaurant (2015) and a Pita Pit (2016) opened in phase two. In total, the second phase of this redevelopment project is 100,000 square feet in a four-story building. This area draws more than 10,000 persons daily and expects to attract new retail development due to the area's dense resident population and the proximity to the KU Medical Center and Hospital. The 39<sup>th</sup> & 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.

### **Midtown**

The Unified Government completed the demolition of the Indian Springs mall in 2016. The Unified Government intends to create a master plan of the Indian Springs area and the State Avenue corridor with input from the community the fall of 2017. In 2013, a \$4.5 million Midtown Metro Transit and Public Safety Center was erected on a portion of this site.

### **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. 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. In October 2015 the Chevy Malibu was the 5<sup>th</sup> best-selling car in America. Further, sales of the Malibu were up 53% from February 2015 to February 2016. Finally, in 2015 GM announced an additional \$174 million investment to the Kansas City, Kansas plant to support the redesigned 2016 Chevy Malibu. In April 2016 it was announced that a \$245 million investment at the Fairfax plant will allow for the production of a new car to be built which will replace the production of the Buick LaCrosse.

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 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 built on this site is an 80,000 square-foot, \$10 million manufacturing facility for Inergy which produces fuel tanks for GM vehicles. This project has created approximately 200 jobs. In 2016 a building permit was issued for a second industrial building (840,000 square feet). NorthPoint Development is developing this building for General Motors which will use the space as a logistics center for the management of critical and time-sensitive manufacturing components. This new facility is expected to employ 500 persons.

In 2014, NorthPoint Development began redevelopment of 25 acres of the Unified Government's Public Levee operations, located in the Fairfax Industrial area. NorthPoint initially demolished existing buildings and then built a 396,000 square-foot industrial building. This facility meets current manufacturing and industrial needs. The first tenants in this building are Plastic Packaging leasing 56,000 square feet and Ozburn-Hessey Logistics leasing 56,200 square feet and Vitex (60,000 square feet). Additionally, in 2015, NorthPoint acquired a 369,000 square-foot industrial warehouse property located in the Santa Fe industrial area. This \$18 million project included the acquisition of two buildings and investments in equipment, energy efficiencies, loading docks replacement and truck traffic reconfiguration. This project created 50 jobs for a new tenant. Two existing clients remain in the facility.

NorthPoint Development sold land for a development in the Turner Commerce Center southwest of interstate I-70 and Turner Diagonal. In June 2016, the Unified Government Board of Commissioners approved industrial revenues bonds for an industrial project with more than 2.3 million square feet of usable space. The building to be built is a \$310 million Amazon fulfillment center which plans to create 1500 full-time jobs. Grading of the site began in spring 2016 with the facility expected to be operational in July 2017.

Also of note in the Fairfax Industrial District, Sunshine Biscuit recently completed a \$4.6 million remodel of its facility.

## **Office and Service**

The downtown area, with approximately 5,000 employees, has the largest concentration of office workers. In addition to the downtown area, there are active office parks in Cambridge Terrace, Meadowlark Lane, Woodlands West and assorted office and medical facilities in different locations throughout the community.

Downtown Kansas City, Kansas continues its revitalization with the redevelopment of two properties along Minnesota Avenue. Loretto Properties 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 a pool, walking trails, affordable quality housing, a possible medical clinic and green space for the community. The recreational portion of this project is

estimated to cost \$16 million of the total \$30 million project costs and will be home to a new YMCA. In May 2013, the Wyandotte Health Foundation donated \$1 million for the recreational portion project, with additional commitments of \$5 million from various other philanthropic contributors. The Unified Government has also committed \$6 million in its future capital program from Hollywood Casino money committed annually to the Unified Government (this was contingent on matching philanthropic dollars that have been raised) for this portion of the project. New markets tax credits are being pursued to potentially fill the funding gap for this recreational project portion. Development efforts are ongoing for building and identifying an operator for the grocery store and parking lot portion of the project, estimated to cost \$14 million.

Several offices and service buildings have been constructed directly north of Village West, near 110<sup>th</sup> 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. Additionally, 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 the fall of 2012. Both buildings are currently open. The entire office complex was completed in 2014 at a cost in excess of \$400 million. Average wages of Cerner employees at this location are at least \$54,000.

## **Retail**

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

Adjacent to the Village West Area, in the Plaza at the Speedway development, 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, which houses a Mattress Firm, Select Comfort, Great Clips, and a dentist office. A \$16 million Homewood Suites hotel with 110 rooms is currently under construction in this area. A medical office building and a Burger King restaurant have begun construction in 2017.

Wyandotte Plaza at 78<sup>th</sup> and State Avenue underwent redevelopment beginning in the fall of 2012. The \$28 million investment expanded 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. 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. A Community American Credit Union opened in the fourth quarter 2015. Improvements have been made to façade, lighting, and traffic flow for the entire shopping center. Currently, twenty six 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. A new retail building is completed in 2016 at Wyandotte Plaza and contains several businesses. This building is located in an area that was previously surface parking. Current tenants in this building are Planet Sub sandwich shop, T-Mobile and Great Clips. In 2016, Legacy Development sold Wyandotte Plaza to Phillips Edison Grocery Center REIT II, a Cincinnati based real estate investment trust.

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 square foot 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. A new Kansas City, Kansas Police Department south patrol station has been built in the redevelopment area. A ground breaking was held in June 2016 for this new \$2.25 million, 6,000 square foot facility. This new station replaces an older sub-station which was a modified building built in 1950.

Fairway North shopping center was a dated 51,000 square-foot shopping center located in the southeastern portion of the City. In 2015, this shopping center underwent redevelopment and has been renamed Northwood Shopping Center. This project is valued at \$5.5 million, and the retail center includes a tenant mix that complements this area of the City. There are currently six tenants operating in the shopping center. Gus's World Famous Fried Chicken opened in February 2016 and an 1889 White Box Pizza opened in June 2016.

## **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 137<sup>th</sup> 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 former JFK Community Center recently renamed the Beatrice L. Lee 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. The Rozarks Urban Trail System located in the southeastern portion of the county, was recognized by the Mid America Regional Council (greater Kansas City metro area planning agency) for developing a trail system with the greater goal of connecting urban communities. Partners in this project included Rosedale Development, the Unified Government and the Urban Trail Company. In 2016 the Unified Government completed (in cooperation with many other organizations) a vital link to the Heritage Trail System. Costing \$2.6 million, the completion of the connector trail will open up additional trail development along the Kansas River. The Unified Government's Master Plan for all existing parks and recreation will be completed the summer of 2017.

## **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 or 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. A budget 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, budget revisions in 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 status 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 that 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 2016, the Unified Government received the Distinguished Budget Presentation Award by the Government Finance Officers Association (GFOA) for its 2016 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 2016 certified assessed valuation for Wyandotte County was \$1.2 billion. Real property value accounted for 87% of this overall figure. The overall total was 3.7% above the prior year total. Residential and commercial property valuations have recovered to pre-recessionary levels in western portions of the County. 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 \$1.7 million or 2.8% from 2015 to 2016.

The Unified Government 2016 tax levy for the 2017 budget is \$90.3 million. In 2015, the Unified Government levied \$91.4 million in property taxes for budget year 2016. The combined City and County mill rate increased from 81.961 mills in 2014 to 82.688 mills in 2015 for the 2016 budget year. Current-year property tax revenue collections in 2016 were \$85.1 million. In comparison, in 2015 the tax collections were \$82.1 million, derived from a 2014 tax levy of \$87.2 million. The collection rate for current property taxes decreased from 94.2% in 2015 to 93.1% in 2016. Treasury and the State of Kansas Department of Revenue collections implemented several programs in 2011 that have accelerated delinquent tax collections. Further, a 2012 budget initiative requires payment of the most recent delinquent tax year before applying collections to other prior year delinquent balances. This change has increased delinquent payments for all outstanding years in an effort for property owners to avoid a tax sale.

### **Financial Policies Impacting Budget Statements**

The 2015 mill rate for the 2016 budget was held constant based on final property valuations. Overall current year and delinquent property tax collections decreased by \$757,000 in 2016.

Sales tax revenues showed growth in 2016. Total sales tax distributions for the General Fund were \$2.7 million or 6.9% above 2015. The Dedicated Sales Tax, which was implemented in July of 2010, was also positively affected by sales tax growth, with an increase of over \$695,000 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 remained constant in 2016, with minimal growth of 0.2%.

The Board of Public Utilities, an agency of the government, provides electric and water services to Kansas City. The payment-in-lieu of-tax 2016 rate was constant with the 2015 rate of 11.9%. This tax generated \$30.3 million in revenues or a \$322,000 decrease in revenues.

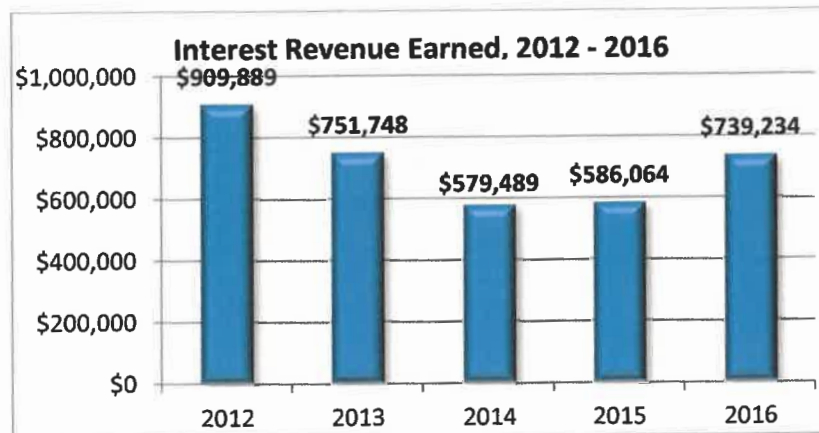


## Cash Management

All 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, 2016 the carrying amount of such investments was \$249,701,300. The Unified Government earned interest income in the amount of \$739,234 during the year ended December 31, 2016.

All active deposits at December 31, 2016 were fully collateralized in compliance with State law.

The Unified Government's portfolio at December 31, 2016, had an average weighted maturity of 350 days with an overall weighted average rate of interest of 0.93%. During 2016 there was an average carrying value of \$189,723,830.



## Independent Audit

The basic financial statements for 2016 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 Title 2 US Code of Federal Regulations Part 200, Uniform Administrative requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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, 2015. This is the seventeenth 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 2016 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; and Pam Kahao, Mary Barnes, Mike Kupsch and Peggy Ryan of the Accounting Division; Debbie Pack and Lisa Nolan of the Treasury Division; Debbie Jonscher, Deputy Chief Financial Officer, Mike Grimm, Research Manager, and Alyse Villarreal of the Finance Administration Division; Reginald Lindsey, Budget Manager; 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.



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Kathleen VonAchen  
Chief Financial Officer



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Douglas Bach  
County Administrator



# GOVERNING BODY AND EXECUTIVE STAFF

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*Mark Holland, Mayor/County Elected Official*

**Gayle Townsend**  
Commissioner  
First District

**Angela Markley**  
Commissioner  
Sixth District

**Brian McKiernan**  
Commissioner  
Second District

**Jim Walters**  
Commissioner  
Seventh District

**Ann Brandau-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**

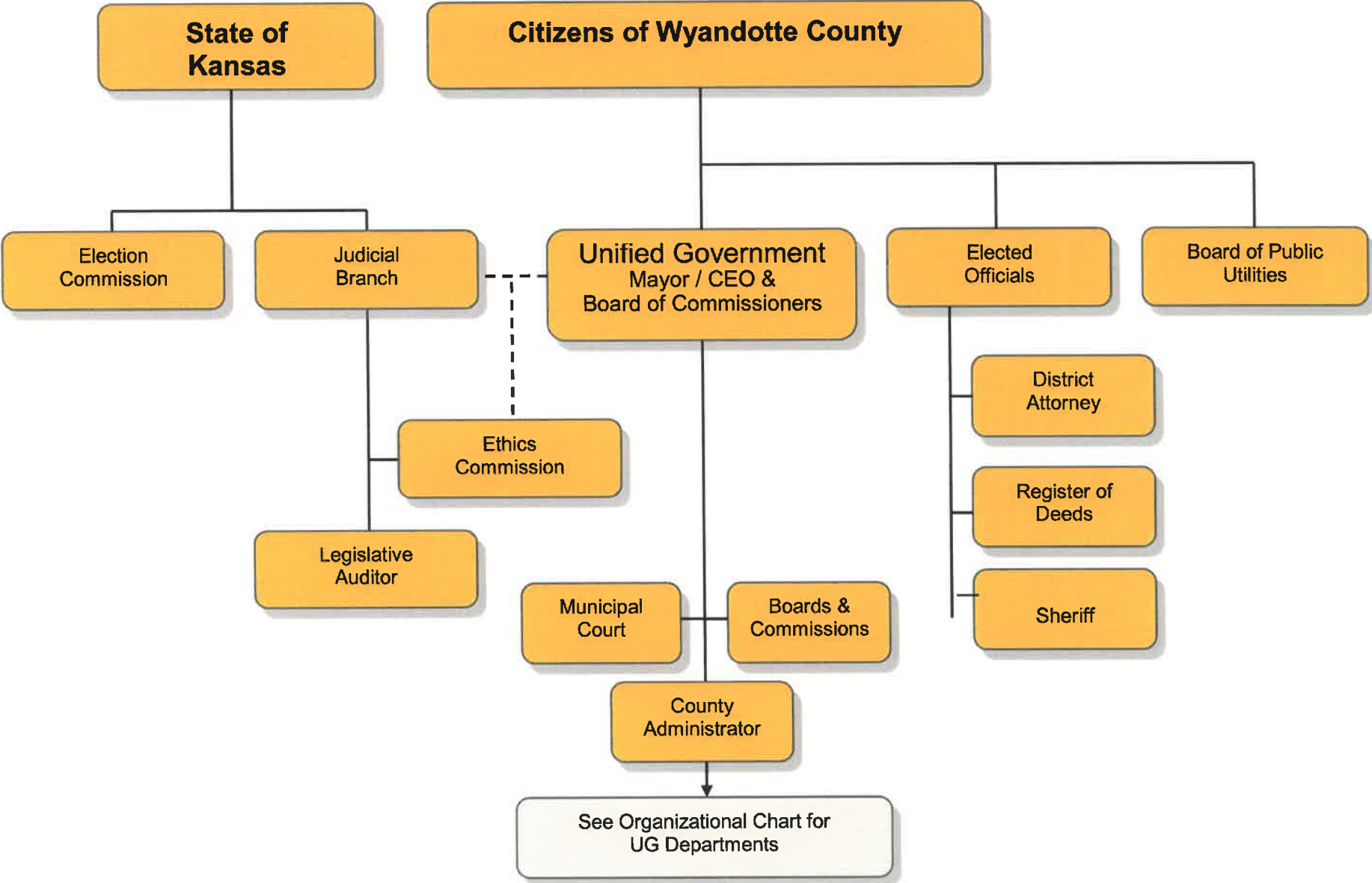
**Kenneth Moore, Chief Legal Counsel**

**Kathleen VonAchen, Chief Financial Officer**

Unified Government of Wyandotte County / Kansas City, Kansas

# Organizational Chart

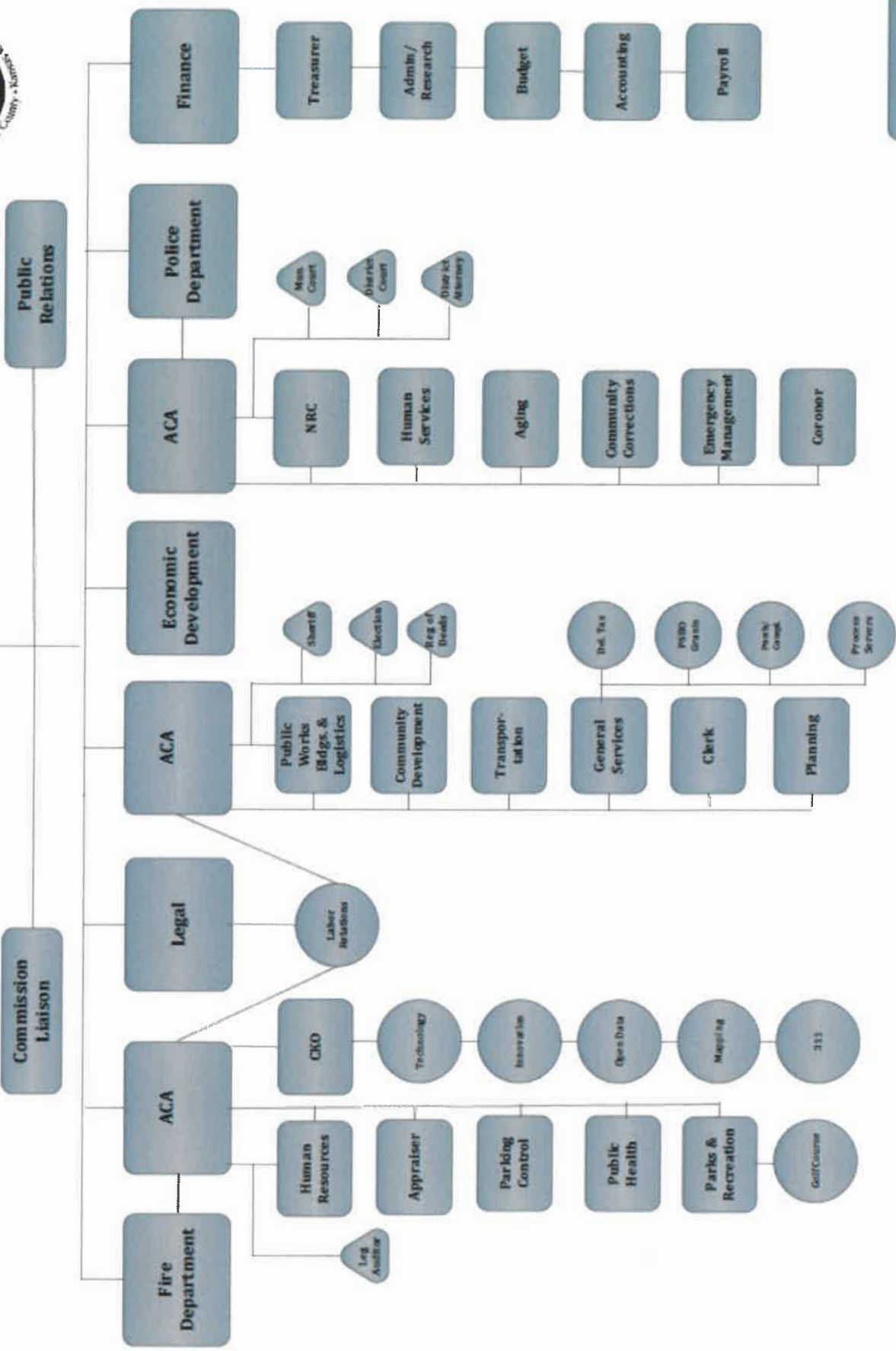
## Elected & Appointed Officials





# County Administrator

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



May 2015



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, 2015**

Executive Director/CEO

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# UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2016

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## 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, 2016, and the related notes to the financial statements which collectively comprise the Unified Government's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, 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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note I. D.1. to the financial statements, in 2016, the Unified Government adopted Government Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. Our opinions are not modified with respect to this matter.

***Emphasis of Matter***

As discussed in Note III. B. to the financial statements, in 2016, the Unified Government adopted Government Accounting Standards Board Statement No. 77, *Tax Abatement Disclosures*. Our opinions are not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

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

***Supplementary and Other Information***

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2017 on our consideration of the Unified Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Unified Government's internal control over financial reporting and compliance.

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

June 19, 2017  
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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$496.6 million at the close of the most recent fiscal year.

Unified Government of Wyandotte County/Kansas City, Kansas  
Statement of Net Position  
December 31, 2016

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 304,338,217	\$ 265,215,274	\$ 294,126,511	\$ 206,236,527	\$ 598,464,728	\$ 471,451,801
Capital assets	548,760,029	548,990,273	1,233,661,333	1,097,910,470	1,782,411,362	1,646,900,743
<b>Total assets</b>	<b>853,098,246</b>	<b>814,205,547</b>	<b>1,527,777,844</b>	<b>1,304,146,997</b>	<b>2,380,876,090</b>	<b>2,118,352,544</b>
Deferred refunding	\$ 1,677,670	\$ 1,099,713	\$ 14,978,722	\$ 12,611,233	\$ 16,656,392	\$ 13,710,946
Deferred outflows - pensions	38,206,450	12,334,854	39,475,623	12,756,278	77,682,273	25,091,132
<b>Total deferred outflows</b>	<b>39,884,120</b>	<b>13,434,567</b>	<b>54,454,345</b>	<b>25,367,511</b>	<b>94,338,665</b>	<b>38,802,078</b>
Long-term liabilities outstanding	\$ 716,183,852	\$ 658,197,211	\$ 896,908,730	\$ 718,465,098	\$ 1,613,092,582	\$ 1,376,662,309
Other liabilities	121,808,005	121,810,843	120,528,562	81,940,331	242,336,567	203,751,174
<b>Total liabilities</b>	<b>837,991,857</b>	<b>780,008,054</b>	<b>1,017,437,292</b>	<b>800,405,429</b>	<b>1,855,429,149</b>	<b>1,580,413,483</b>
Deferred property tax receivable	\$ 89,664,432	\$ 90,299,375	\$ -	\$ -	\$ 89,664,432	\$ 90,299,375
Deferred inflows - pensions	8,758,953	12,924,813	24,717,135	1,064,238	33,476,088	13,989,051
Recovery fuel purchased power	-	-	-	2,112,487	-	2,112,487
<b>Total deferred inflows</b>	<b>98,423,385</b>	<b>103,224,188</b>	<b>24,717,135</b>	<b>3,176,725</b>	<b>123,140,520</b>	<b>106,400,913</b>
<b>Net position</b>						
Net investment in capital assets	\$ 225,611,496	\$ 218,839,753	\$ 471,942,667	\$ 432,030,655	\$ 697,554,163	\$ 650,870,408
Restricted	84,133,876	79,616,230	25,717,935	24,783,759	109,851,811	104,399,989
Unrestricted	(353,178,248)	(354,048,111)	42,417,360	69,117,940	(310,760,888)	(284,930,171)
<b>Total net position</b>	<b>\$ (43,432,876)</b>	<b>\$ (55,592,128)</b>	<b>\$ 540,077,962</b>	<b>\$ 525,932,354</b>	<b>\$ 496,645,086</b>	<b>\$ 470,340,226</b>

By far, the largest portion of the Unified Government's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure) less any related outstanding debt used to acquire those assets. 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 liquidated to reduce the liability. An additional portion of the Unified Government's net position \$109.9 million represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position is a deficit of \$310.8 million.

## Change in Net Position

The deficit net position of the Unified Government's governmental activities dropped by \$12.2 million over the prior year. The net position of the business-type activities increased by \$14.1 million. The overall government wide change in net position was an increase of \$26.3 million. Changes in net position were as follows:

Unified Government of Wyandotte County/Kansas City, Kansas						
Changes in Net Position						
Year Ended December 31, 2016						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 27,455,444	\$ 29,812,828	\$ 349,695,788	\$ 341,546,695	\$ 377,151,232	\$ 371,359,523
Operating grants and contributions	51,536,844	77,172,263	-	-	51,536,844	77,172,263
Capital grants and contributions	1,357,650	962,151	230,046	951,950	1,587,696	1,914,101
General revenues:						
Property taxes	105,929,939	104,289,273	-	-	105,929,939	104,289,273
Other taxes	90,340,979	88,150,893	5,985,525	5,022,869	96,326,504	93,173,762
Unrestricted investment earnings	3,977,930	3,914,400	611,090	542,002	4,589,020	4,456,402
Miscellaneous	16,595,349	9,422,352	(136,500)	847,764	16,458,849	10,270,116
<b>Total revenues</b>	<b>297,194,135</b>	<b>313,724,160</b>	<b>356,385,949</b>	<b>348,911,280</b>	<b>653,580,084</b>	<b>662,635,440</b>
<b>Expenses:</b>						
General government	31,250,339	28,081,551	-	-	31,250,339	28,081,551
Health and welfare	15,530,414	13,069,750	-	-	15,530,414	13,069,750
Public safety	139,151,974	134,877,172	-	-	139,151,974	134,877,172
Public works	62,108,387	76,009,713	-	-	62,108,387	76,009,713
Parks and recreation	5,967,847	5,556,053	-	-	5,967,847	5,556,053
Planning and development services	45,154,673	67,407,166	-	-	45,154,673	67,407,166
Interest on long-term debt	20,602,274	20,104,585	-	-	20,602,274	20,104,585
Electric and water systems	-	-	270,044,786	273,413,456	270,044,786	273,413,456
Public levee	-	-	190,179	211,632	190,179	211,632
Storm Water	-	-	2,831,245	2,908,812	2,831,245	2,908,812
EMS	-	-	7,266,969	7,218,816	7,266,969	7,218,816
Sewer system	-	-	25,676,909	23,147,910	25,676,909	23,147,910
Sunflower Hills golf course	-	-	757,028	719,991	757,028	719,991
Stadium	-	-	742,200	552,003	742,200	552,003
<b>Total expenses</b>	<b>319,765,908</b>	<b>345,105,990</b>	<b>307,509,316</b>	<b>308,172,620</b>	<b>627,275,224</b>	<b>653,278,610</b>
Net position before transfers	(22,571,773)	(31,381,830)	48,876,633	40,736,660	26,304,860	9,356,830
Transfers	34,731,025	35,768,078	(34,731,025)	(35,768,078)	-	-
Changes in net position	12,159,252	4,386,248	14,145,608	4,970,582	26,304,860	9,356,830
Net Position - Beginning of year	(55,592,128)	82,583,209	525,932,354	513,037,006	470,340,226	595,620,215
Prior period adjustment	-	(142,561,585)	-	7,924,766	-	(134,636,819)
<b>Net position - End of year</b>	<b>\$ (43,432,876)</b>	<b>\$ (55,592,128)</b>	<b>\$ 540,077,962</b>	<b>\$ 525,932,354</b>	<b>\$ 496,645,086</b>	<b>\$ 470,340,226</b>

## ***Governmental Activities***

Total revenues of governmental activities were \$16.6 million lower than prior year revenues. The largest contributing factor was in operating grants and contributions, which decreased \$25.6 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.). A portion of these revenues are dedicated to repayment of various STAR bonds. For certain bonds, a portion of the obligation is attributable to the State of Kansas. As such, a reciprocating receivable from the State is recorded, with adjustments to the receivable affecting the current year revenue as operating grants and contributions. During 2016, the debt was retired on a number of STAR bonds, resulting in a decrease to the receivable from the State of Kansas and a decrease in revenues from the prior year.

In other revenue sources, charges for services decreased by \$2.4 million. There was a decrease of \$894,000 in the amount received from Hollywood Casino for failing to timely construct a hotel as required under the development agreement. The other major factor to the decrease was a decline of \$804,000 of fines collected by the Municipal Court. Property tax revenues increased by \$1.6 million due to an increase in the assessed valuations. Other tax revenue increased \$2.2 million due to an increase in sales tax revenue from increased spending activity during the year. Finally, miscellaneous revenues increased by \$7.2 million due to the sale of the Unified Government's interest in KCK Hotel Group, LLC. All other revenue categories had variances that net to a \$459,000 increase.

Total expenses of the governmental activities were \$25.3 million less than the prior year. The key change was a decrease in planning and development services of \$22.3 million due to a significant reduction of costs related to principal and interest amounts paid on the STAR bonds (see Note III.F.) There were small increases in general government costs of \$3.2 million, health and welfare costs of \$2.5 million, and public safety of \$4.3 million as compared to the previous year. Salary increases were awarded for all employees during the year. This resulted in a general increase in salaries and benefits across the board. Public works experienced a decrease of \$13.9 million in 2016. There was a variance in the nature of capital costs that were expended this year that resulted in a greater amount of dollars being capitalized, which reduced the amount expended as repairs.

## ***Business-type activities***

Total revenues of business-type activities increased by \$7.5 million from the prior year. The biggest change was in the Stadium fund with an increase of \$7.2 million in intergovernmental revenue related to payoff of a STAR bond. Secondly, the BPU realized a decrease in operating revenues of \$2.1 million due to decreased electric sales. Lastly, the Sewer system fund had increased operating revenues of \$3.2 million due to increase in charges for services.

Operating expenses decreased by \$663,000. The Board of Public Utilities realized a decrease in expenditures of \$2.1 million, primarily due to a reduction in the water utility costs. The Sewer System fund had an increase of expenses of \$2.5 million. Capital outlay costs increased by \$800,000 during the year. In addition, the nature of those costs resulted in a smaller percentage of costs that were being capitalized, which increased the repairs expenses. Finally, there was an increase of \$650,000 in municipal waste fee charges.



## 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 \$100.7 million, an increase of \$38.3 million in comparison with the prior year due primarily to a large increase in the Other Governmental fund balance as described below. The fund balance includes a balance of \$27.1 million classified as unassigned. The general fund had an unassigned balance of \$27.7 million, with the other governmental funds having a negative unassigned balance of \$580,000. Approximately three-fourth's of the governmental fund balance is subject to restrictions in how the dollars may be utilized as dictated by the Unified Government fund balance policies.

*General Fund* - 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 \$31.7 million, representing a slight increase of \$136,000 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 15.0 percent of total general fund expenditures, while total fund balance represents 17.2 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 was held constant from 2014 (budget year 2015) to 2015 with the final valuation at 59.506 mills.

The overall property valuation of the County increased 3.7% from 2015 to 2016, compared to 3.7% and 0.3% in the prior two years.

The General Fund property tax revenues totaling \$71.3 million decreased by \$0.8 million in 2016, with the loss attributed to an increase in the delinquency rate (5.8% to 6.9%).

The payment-in-lieu-of-tax rate or PILOT for the publically-owned Board of Public Utilities was set in 2014 at 11.9% and no change to the rate was made in 2015. There was a decrease of \$322,000 (1%) in the 2016 PILOT due to the decrease in related BPU revenues.

The passage of a 3/8th cent Kansas City, Kansas dedicated sales tax for public safety and neighborhood infrastructure continued to positively impact revenues. This tax began July 1st of 2010 and is due to sunset in June 30, 2020. In 2016, revenue receipts for this dedicated tax were \$7.8 million compared to the prior-year figure of \$7.5 million or a 4.1% increase. The dedicated sales tax was primarily used in 2016 to offset General Fund operating expenses and maintain capital expenditures for its dedicated funds related to public safety and street improvements.

General Fund sales and use tax revenues totaling \$42.2 million increased by \$2.7 million or 6.9% in 2016, compared to a 6.5% in the prior year. Another category impacting revenues was the Hollywood Casino, which completed its fourth year of operations. Net gaming revenues generated nearly \$3.3 million from the gaming tax revenue.

General Fund personnel costs modestly increased in 2016 compared to 2015 due to several factors. All employee groups received raises and benefit cost increases, which was a combined impact of \$1.8



million over 2015. Additionally, workers Compensation expenses were up \$173,000 compared to 2015 due to increased claims. Overall actual personnel cost were \$1 million less than budget due to vacancies and overtime savings.

Contractual spending increased in 2016 compared to 2015 by \$4.1 million due increased budget allocations in 2016. Areas that contributed to an increase in budget allocations were Legal Fees \$948k, Wyandotte County Radio Communications \$689k, Transit \$318k, and Residential Waste \$234k Contractual spending in 2016 had \$2.1 million savings compared to 2016 Budget. Police jail booking fees were down \$329,000 in 2016 compared to 2015. In 2016 there was a \$687,000 savings in actual spending compared to the 2016 Adopted Budget. Police Department evaluates if an offender needs to be detained or if mental evaluation is recommended, and these decisions impact the number of offenders booked into county jail.

Capital expenditures spending was down \$92,000 in 2016 compared to 2015. There was also \$1.1 million savings in the 2016 capital expenditure budget. Expenditure savings were a result of both lease payment savings and capital project savings.

*Capital Projects Fund* – The capital projects fund balance increased by \$21.9 million compared to 2015. This was due to the refunding of the General Obligation Bonds Series 2008 debt issues during the year (see Note III.F.). The crossover advanced refunding activity resulted in cash accounts increasing by \$20.9 million at the end of the year which are restricted for the issuance of future debt service. Total revenues increased by \$1.8 million due to additional sales and use tax revenue recorded subsequent to the payoff of STAR bonds late in the year. Total expenditures increased by \$2.1 million. There were two offsetting factors that caused the variance. A redevelopment bond was refunded and the resulting payoff of \$8.1 million was recorded in the Capital Projects fund. Capital outlays decreased by \$7.3 million due to decreased costs related to development agreements and capital projects related to STAR bond redemption activity in 2016.

*Debt Service Economic Development Fund* – The debt service economic development fund consists of restricted cash for use in developments and debt service on development related bond issuances. The fund balance at the end of 2016 was down \$1.7 million from the prior year. This reduction was due to elimination of restricted cash accounts utilized in the debt service of certain STAR bonds which were paid in full during the current year. Total revenues were down \$26.6 million due to several combining factors. The satisfaction of the STAR bond debt during the year resulted in a decrease in intergovernmental revenue of \$10.9 million. The same redemption activity also caused a reduction of \$15.8 million in the tax revenue recorded in the fund. Total expenditures were down \$20.0 million during the year due to a significant decrease in development cost activity in the fund.

*Other Governmental Funds* – The fund balance of other governmental funds increased by \$18.0 million. Numerous nonmajor governmental funds had increases in cash balances during the year. Additionally, the Public Building Commission added an advance to other funds of \$5.4 million related to a lease purchase agreement with the BPU. Revenue of the other governmental funds increased by \$12.5 million due in large part to the sale of the Unified Government's interest in KCK Hotel Group, LLC. The expenditures experienced a decrease of \$5.2 million due a decrease in the principal payments, again related to the satisfaction of the STAR bond debt during the year.

### ***Proprietary funds***

There was a \$14.1 million increase in the net position of the proprietary funds. The Sewer Fund had an increase in its net position due to a \$4.1 million increase in charges for service while experiencing a \$2.1 million increase in costs of service. This fund is continuing to strengthen the fund balance in anticipation of future debt related to a federal consent decree (see Footnote IV.B.) The net position for non-major business type funds increased by \$10.4 million. This increase was largely due to a \$7.2 million increase in intergovernmental revenue in the Stadium fund to satisfy the payment of principal related to a STAR bond. The BPU had an increase in net position of \$755,000. 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, 2016 net of accumulated depreciation:

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 27,027,078	\$ 8,671,675	\$ 4,651,511	\$ 4,651,511	\$ 31,678,589	\$ 13,323,186
Buildings	168,041,931	164,647,993	1,630,004,655	1,614,575,626	1,798,046,586	1,779,223,619
Improvements other than buildings	39,575,603	39,575,603	3,691,240	3,691,240	43,266,843	43,266,843
Machinery and equipment	57,529,587	54,314,211	45,014,362	43,279,358	102,543,949	97,593,569
Infrastructure	626,160,787	606,707,627	189,992,089	186,116,862	816,152,876	792,824,489
Construction in progress	14,605,139	37,908,238	318,482,384	162,151,663	333,087,523	200,059,901
Accumulated depreciation	(384,180,096)	(362,832,074)	(958,184,908)	(916,555,790)	(1,342,365,004)	(1,279,387,864)
<b>Total</b>	<b>\$ 548,760,029</b>	<b>\$ 548,993,273</b>	<b>\$ 1,233,651,333</b>	<b>\$ 1,097,910,470</b>	<b>\$ 1,782,411,362</b>	<b>\$ 1,646,903,743</b>

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 2016 includes General Obligation debt of \$298,453,590, Tax Increment Financed (TIF) debt of \$34,361,410, and Revolving Loan Debt of \$45,926,441. The 2016 budget includes \$30.7 million for the payment of long-term debt of the Unified Government. The Debt Service Fund debt payments total \$30.3 million and Sewer System debt payments total \$7.1 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			
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 222,248,791	\$ 198,691,275	\$ 76,204,799	\$ 66,729,981	\$ 298,453,590	\$ 265,421,256
Tax Increment Financed GO Bonds	34,361,410	36,753,744	-	-	34,361,410	36,753,744
Board of Public Utility revenue bonds	-	-	674,845,000	529,785,000	674,845,000	529,785,000
Revolving loans	-	-	45,926,441	43,207,852	45,926,441	43,207,852
Intergovernmental loan	-	-	4,010,680	4,289,352	4,010,680	4,289,352
Accreted interest on bonds	8,661,565	9,674,340	-	-	8,661,565	9,674,340
Capital lease	7,706,512	6,839,477	4,151,685	6,263,102	11,858,197	13,102,579
Section 108 loan	1,244,000	1,650,000	-	-	1,244,000	1,650,000
Special obligation bonds	56,138,000	52,785,000	-	-	56,138,000	52,785,000
Revenue Bonds	16,270,000	9,660,000	-	-	16,270,000	9,660,000
Sales tax obligation bonds *	57,213,310	69,027,933	-	5,668,060	57,213,310	74,695,993
Transportation district bonds	22,504,000	24,165,000	-	-	22,504,000	24,165,000
<b>Total</b>	<b>\$ 426,347,588</b>	<b>\$ 409,246,769</b>	<b>\$ 805,138,605</b>	<b>\$ 655,943,347</b>	<b>\$ 1,231,486,193</b>	<b>\$ 1,065,190,116</b>

\*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 12/31/16, for the Unified Government is \$394,978,279 with a legal debt margin of \$125,337,855.

As of 12/31/16 the Unified Government had a rating of A1, stable outlook, from Moody's Investor Service and AA, stable outlook, from Standard and Poor's on all long-term general obligation debt assumed from both the former City of Kansas City, Kansas and Wyandotte County.

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 61% of all taxes collected, and 68% of all property tax revenues received. The General Fund's major revenue sources in 2016 were property taxes (36%), sales taxes (22%) and franchise taxes (20%). Actual revenue collections, including other financing sources, for the general fund totaled \$195.0 million, compared to the 2016 budgeted figure of \$207.5 million.

The General Fund's original budgeted expenses were \$208,193,799. The final amended budget was \$210,999,701. However, actual expenditures of \$192,293,676 were 91.1 percent of budget. Significant variances between the amended budget and actual expenses were due to decreases in contractual services, decreases in commodities and delays in completing capital projects. Also, expenditures of approximately \$12.8 million were not required for debt backed by annual appropriation because pledged project revenues were sufficient to cover the debt service payments.

<b>Expenditures</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Increase/ Decrease</b>	<b>Actual</b>	<b>Difference</b>
Personnel	\$ 144,131,806	\$ 144,710,774	\$ 578,968	\$ 143,636,567	\$ 1,074,207
Contractual services	32,469,448	34,962,694	2,493,246	32,861,566	2,101,128
Commodities	6,403,661	6,560,332	156,671	5,496,330	1,064,002
Capital outlay	5,516,252	5,781,786	265,534	4,595,056	1,186,730
Grants, claims, shared revenue	5,341,180	5,423,221	82,041	5,062,754	360,467
Debt service	13,664,224	13,465,123	(199,101)	641,175	12,823,948
Other	667,228	95,771	(571,457)	228	95,543
<b>Total Expenditures</b>	<b>\$ 208,193,799</b>	<b>\$ 210,999,701</b>	<b>\$ 2,805,902</b>	<b>\$ 192,293,676</b>	<b>\$ 18,706,025</b>

## **Additional Information**

Additional Operating Data regarding the Unified Government may be found in the Official Statement dated February 8, 2017 printed in connection with the Unified Government's General Obligation Bonds, Series 2017-A. The official statement can be found on the Municipal Securities Rulemaking Board's EMMA website, [www.emma.msrb.org](http://www.emma.msrb.org) and the Unified Government will provide a copy of such official statement 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 7<sup>th</sup>. Street, Kansas City, Kansas 66101.

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

**STATEMENT OF NET POSITION**

**December 31, 2016**

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and temporary investments	\$ 100,373,722	\$ 67,723,949	\$ 168,097,671
Restricted cash and investments	53,960,092	34,262,589	88,222,681
Receivables (net of uncollectible amounts)			
Taxes	106,027,339	1,367,296	107,394,635
Accounts	5,206,334	43,180,204	48,386,538
Notes	708,565	-	708,565
Intergovernmental	25,933,376	-	25,933,376
Interest	1,925,787	325,372	2,251,159
Due from other governments	925,101	-	925,101
Special assessments	2,413,699	216,511	2,630,210
Internal balances	6,864,202	(6,864,202)	-
Inventories	-	28,898,051	28,898,051
Prepayments and other current assets	-	3,513,055	3,513,055
Other assets	-	2,482,429	2,482,429
Restricted cash and investments	-	119,021,257	119,021,257
Capital assets:			
Land and construction in progress	41,632,217	323,133,895	364,766,112
Other capital assets, net of depreciation	507,127,812	910,517,438	1,417,645,250
<b>Total Assets</b>	<b>853,098,246</b>	<b>1,527,777,844</b>	<b>2,380,876,090</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred refunding	1,677,670	14,978,722	16,656,392
Deferred outflows - pensions	38,206,450	39,475,823	77,682,273
<b>Total Deferred Outflows of Resources</b>	<b>39,884,120</b>	<b>54,454,545</b>	<b>94,338,665</b>
<b>LIABILITIES</b>			
Accounts and contracts payable	9,162,892	65,372,557	74,535,449
Accrued wages and expense	5,718,871	3,617,076	9,335,947
Accrued interest payable	6,119,271	11,005,039	17,124,310
Due to others	2,894,030	6,884,266	9,778,296
Due to other governments	30,535	-	30,535
Temporary notes payable	65,860,000	-	65,860,000
Regulatory and other liabilities	-	2,163,128	2,163,128
Long-term liabilities:			
Due within one year	32,022,406	31,486,496	63,508,902
Due in more than one year	716,183,852	896,908,730	1,613,092,582
<b>Total Liabilities</b>	<b>837,991,857</b>	<b>1,017,437,292</b>	<b>1,855,429,149</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax receivable	89,664,432	-	89,664,432
Deferred inflows - pensions	8,758,953	24,717,135	33,476,088
<b>Total Deferred Inflows of Resources</b>	<b>98,423,385</b>	<b>24,717,135</b>	<b>123,140,520</b>
<b>NET POSITION</b>			
Net investment in capital assets	225,611,496	471,942,667	697,554,163
Restricted for:			
Debt service	47,000,396	22,897,756	69,898,152
Revenue bond reserves	-	2,820,179	2,820,179
Capital projects	23,485,985	-	23,485,985
Federal/State assistance	5,205,966	-	5,205,966
Community services	8,441,529	-	8,441,529
Unrestricted (deficit)	(353,178,248)	42,417,360	(310,760,888)
<b>Total net position</b>	<b>\$ (43,432,876)</b>	<b>\$ 540,077,962</b>	<b>\$ 496,645,086</b>

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, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental Activities:							
General government	\$ 31,250,339	\$ 5,802,345	\$ 1,172,971	\$ -	\$ (24,275,023)		\$ (24,275,023)
Health and welfare	15,530,414	711,645	7,047,909	-	(7,770,860)		(7,770,860)
Public safety	139,151,974	5,702,180	3,845,781	595,000	(129,009,013)		(129,009,013)
Public works	62,108,387	8,828,774	12,394,593	358,375	(40,526,645)		(40,526,645)
Parks and recreation	5,967,847	618,126	41,835	-	(5,307,886)		(5,307,886)
Planning and development	45,154,673	5,792,374	26,439,262	404,275	(12,518,762)		(12,518,762)
Interest on long-term debt	20,602,274	-	594,493	-	(20,007,781)		(20,007,781)
Total governmental activities	<u>319,765,908</u>	<u>27,455,444</u>	<u>51,536,844</u>	<u>1,357,650</u>	<u>(239,415,970)</u>		<u>(239,415,970)</u>
Business-type activities:							
Electric and Water systems	270,044,786	301,043,289	-	230,046		31,228,549	31,228,549
Sewer System	25,676,909	32,224,143	-	-		6,547,234	6,547,234
EMS	7,266,969	4,662,102	-	-		(2,604,867)	(2,604,867)
Public Levee	190,179	327,878	-	-		137,699	137,699
Stormwater	2,831,245	3,405,211	-	-		573,966	573,966
Sunflower Hills Golf Course	757,028	584,356	-	-		(172,672)	(172,672)
Stadium	742,200	7,448,809	-	-		6,706,609	6,706,609
Total business-type activities	<u>307,509,316</u>	<u>349,695,788</u>	<u>-</u>	<u>230,046</u>	<u>-</u>	<u>42,416,518</u>	<u>42,416,518</u>
Total primary government	<u>\$ 627,275,224</u>	<u>\$ 377,151,232</u>	<u>\$ 51,536,844</u>	<u>\$ 1,587,696</u>	<u>\$ (239,415,970)</u>	<u>\$ 42,416,518</u>	<u>\$ (196,999,452)</u>
General revenues:							
Taxes:							
Property taxes, general purpose					105,929,939	-	105,929,939
Sales taxes					73,902,389	5,985,525	79,887,914
Franchise taxes					8,979,443	-	8,979,443
Other taxes					5,696,014	-	5,696,014
Transient guest tax					1,763,133	-	1,763,133
Unrestricted investment earnings					3,977,930	611,090	4,589,020
Miscellaneous					16,595,349	(136,500)	16,458,849
Transfers					34,731,025	(34,731,025)	-
Total general revenues and transfers					<u>251,575,222</u>	<u>(28,270,910)</u>	<u>223,304,312</u>
Change in net position					<u>12,159,252</u>	<u>14,145,608</u>	<u>26,304,860</u>
Net position - beginning					<u>(55,592,128)</u>	<u>525,932,354</u>	<u>470,340,226</u>
Net position - ending					<u>\$ (43,432,876)</u>	<u>\$ 540,077,962</u>	<u>\$ 496,645,086</u>

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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, 2016

	General	Capital Projects	Debt Service Economic Development	Other Governmental	Totals 2016
<b>ASSETS</b>					
Cash and temporary investments	\$ 24,689,529	\$ 45,487,726	\$ -	\$ 30,029,198	\$ 100,206,453
Restricted cash and temporary investments	418,135	40,139,103	12,015,933	745,418	53,318,589
Receivables (net of uncollectible amounts)					
Taxes:					
Property taxes	62,753,844	-	-	26,910,588	89,664,432
Other taxes	12,817,460	1,265,296	-	2,280,151	16,362,907
Accounts	3,722,152	-	-	1,391,435	5,113,587
Notes	15,695	-	-	692,870	708,565
Intergovernmental	-	-	25,933,376	-	25,933,376
Interest	1,089,830	590,569	-	59,244	1,739,643
Special assessments	1,424,888	-	-	988,811	2,413,699
Due from other funds	3,905,148	15,437	-	1,211,983	5,132,568
Due from other governments	-	-	-	925,101	925,101
Advance to other funds	-	-	-	5,440,000	5,440,000
<b>Total Assets</b>	<b>\$ 110,836,681</b>	<b>\$ 87,498,131</b>	<b>\$ 37,949,309</b>	<b>\$ 70,674,799</b>	<b>\$ 306,958,920</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts and contracts payable	\$ 4,606,664	\$ 2,452,373	\$ -	\$ 1,957,265	\$ 9,016,302
Accrued wages and other	4,577,346	31,127	-	1,110,398	5,718,871
Due to others	2,457,720	25,738	-	326,583	2,810,041
Due to other funds	-	132,710	1,863	753,341	887,914
Due to other governments	14,919	-	-	15,616	30,535
Temporary notes payable	-	65,860,000	-	-	65,860,000
<b>Total Liabilities</b>	<b>11,656,649</b>	<b>68,501,948</b>	<b>1,863</b>	<b>4,163,203</b>	<b>84,323,663</b>
<b>Deferred inflows of resources:</b>					
Deferred property tax receivable	62,753,844	-	-	26,910,588	89,664,432
Unavailable revenue - intergovernmental receivable	-	-	25,933,376	-	25,933,376
Unavailable revenue - sales tax	3,275,808	-	-	609,679	3,885,487
Unavailable revenue - grants	-	-	-	53,202	53,202
Unavailable revenue - special assessments	1,424,888	-	-	988,811	2,413,699
<b>Total Deferred inflows of resources</b>	<b>67,454,540</b>	<b>-</b>	<b>25,933,376</b>	<b>28,562,280</b>	<b>121,950,196</b>
<b>Fund balances</b>					
Nonspendable	-	-	-	5,440,000	5,440,000
Restricted	95,443	18,996,183	12,014,070	25,575,291	56,680,987
Committed	-	-	-	2,375,319	2,375,319
Assigned	3,933,271	-	-	5,139,085	9,072,356
Unassigned	27,696,778	-	-	(580,379)	27,116,399
<b>Total Fund Balances</b>	<b>31,725,492</b>	<b>18,996,183</b>	<b>12,014,070</b>	<b>37,949,316</b>	<b>100,685,061</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 110,836,681</b>	<b>\$ 87,498,131</b>	<b>\$ 37,949,309</b>	<b>\$ 70,674,799</b>	<b>\$ 306,958,920</b>

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, 2016

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

<b>Total fund balance - governmental funds</b>		<b>\$100,685,061</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$932,940,125	
Accumulated depreciation	<u>(384,180,096)</u>	548,760,029
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	256,610,201	
Special obligation bonds payable	56,138,000	
Public Building Commission revenue bonds payable	16,270,000	
Sales tax obligation bonds payable	57,213,310	
Transportation development bonds	22,504,000	
Premium on bonds payable	14,387,010	
Discount on bonds payable	(995,344)	
Accrued interest payable on the bonds	6,119,271	
Section 108 loan	1,244,000	
Capital lease	7,706,512	
Accreted interest	8,661,565	
Compensated absences	41,482,404	
Claims and judgments	600,000	
OPEB liability	92,281,860	
Landfill closure / postclosure care	486,000	
Net pension liability	168,629,587	
Unfunded pension obligation	<u>246,153</u>	(749,584,529)
Other deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds.		
Deferred refunding	1,677,670	
Deferred outflows - pensions	<u>38,206,450</u>	39,884,120
Other deferred inflows of resources do not increase net position until a future period and therefore are not reported in the funds.		
Deferred inflows - pensions		(8,758,953)
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.		
		186,144
Intergovernmental receivables are not considered available to liquidate liabilities of the current period, and is therefore deferred in the funds. However, the intergovernmental receivables are properly recognized as a revenue in the government-wide statements.		
		25,933,376
Certain receivables are not considered available to liquidate liabilities of the current period, and is therefore deferred in the funds. However, the receivables are properly recognized as a revenue in the government-wide statements.		
		3,938,689
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.		
		2,413,699
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.		
		(6,890,512)
<b>Total net position - governmental activities</b>		<u><u><b>(\$43,432,876)</b></u></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, 2016

	General	Capital Projects	Debt Service Economic Development	Other Governmental	Totals 2016
<b>REVENUES</b>					
Taxes	\$130,713,766	\$ 10,412,076	\$ 10,385,512	\$ 44,013,469	\$195,524,823
Intergovernmental	842,979	358,375	26,677,527	26,537,698	54,416,579
Licenses, permits and fees	2,323,755	-	-	304,304	2,628,059
Charges for services	12,089,596	-	-	1,693,253	13,782,849
Fines, forfeitures and penalties	6,904,800	-	-	630,548	7,535,348
Interest income	1,469,879	580,176	134,163	619,506	2,803,724
Miscellaneous	4,834,174	740,498	-	10,994,049	16,568,721
<b>TOTAL REVENUES</b>	<b>159,178,949</b>	<b>12,091,125</b>	<b>37,197,202</b>	<b>84,792,827</b>	<b>293,260,103</b>
<b>EXPENDITURES</b>					
Current:					
General government	24,087,875	-	-	5,071,490	29,159,365
Public works	24,773,343	4,243,221	-	7,636,288	36,652,852
Public safety	110,261,381	-	-	6,905,699	117,167,080
Judicial	8,511,455	-	-	2,956,555	11,468,010
Health and welfare	542,925	-	-	14,611,538	15,154,463
Planning and development	9,446,035	17,898	21,549,581	4,895,931	35,909,445
Parks and recreation	5,304,269	-	-	246,533	5,550,802
Capital outlay	2,805,514	37,680,391	73,325	3,898,920	44,458,150
Debt service					
Principal	1,120,813	8,133,800	20,446,823	17,127,280	46,828,716
Interest	372,166	2,368,951	7,113,028	10,229,321	20,083,466
Other	-	920,043	287,479	249,068	1,456,590
<b>TOTAL EXPENDITURES</b>	<b>187,225,776</b>	<b>53,364,304</b>	<b>49,470,236</b>	<b>73,828,623</b>	<b>363,888,939</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	32,593,200	16,223,084	6,374,398	4,563,216	59,753,898
Transfers out	(4,590,847)	(9,185,627)	-	(6,344,323)	(20,120,797)
Issuance of bonds	-	22,325,000	-	8,605,000	30,930,000
Premium from issuance of bonds	-	1,476,831	-	179,700	1,656,531
Issuance of refunding bonds	-	26,946,046	4,193,000	-	31,139,046
Premium from issuance of refunding bonds	-	2,558,259	-	-	2,558,259
Proceeds from sale of capital assets	180,308	-	-	2,300	182,608
Issuance of capital lease	-	2,873,264	-	-	2,873,264
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>28,182,661</b>	<b>63,216,857</b>	<b>10,567,398</b>	<b>7,005,893</b>	<b>108,972,809</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>135,834</b>	<b>21,943,678</b>	<b>(1,705,636)</b>	<b>17,970,097</b>	<b>\$38,343,973</b>
<b>FUND BALANCES (DEFICITS)</b>					
Beginning of year	31,589,658	(2,947,495)	13,719,706	19,979,219	62,341,088
End of year	\$ 31,725,492	\$ 18,996,183	\$ 12,014,070	\$ 37,949,316	\$100,685,061

**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, 2016**

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

<b>Net change in fund balances - total governmental funds</b>		<b>\$38,343,973</b>
<p>Governmental funds report capital asset acquisition as expenditures. However, in the statement of activities, the cost of assets capitalized is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capitalized assets in the current period.</p>		
Depreciation expense	(\$22,924,616)	
Capitalized assets acquired	<u>22,747,158</u>	(177,458)
<p>The net effect of various transactions involving capital assets (i.e., sales and trade-ins) is to decrease net position.</p>		
		(52,786)
<p>Bond and capital lease proceeds and premiums / discounts provide or use current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.</p>		
General obligation bonds	(34,721,046)	
Special obligation bonds	(18,743,000)	
Public building commission bonds	(8,605,000)	
Capital leases	(2,873,264)	
Premium	<u>(4,214,790)</u>	(69,157,100)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
General obligation bonds	13,555,864	
Special obligation bonds	15,390,000	
Public building commission bonds	1,995,000	
Section 108 loan	406,000	
Sales tax obligation bonds	11,814,623	
Transportation development bonds	1,661,000	
Capital leases	<u>2,006,229</u>	46,828,716
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.</p>		
		(537,992)
<p>The amortization of bond premiums, discounts and deferred refundings affects long-term assets, liabilities and deferred outflows of resources on the statement of net position, but does not provide or use current financial resources to governmental funds.</p>		
		2,232,489
<p>In the statement of activities, certain expenditures are measured by the amounts incurred during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid).</p>		
Compensated absences paid that exceeded amounts earned		839,846
Pension benefits paid that exceeded amounts earned		9,766
Landfill closure / postclosure care obligations incurred		54,000
Other postemployment benefits earned		(6,773,710)
<p>Payment of pension contributions is an expenditure in the governmental funds, but reduces the net pension liability in the statement of net position. Additionally, the effect of changes in deferred inflows and deferred outflows for pensions are only recorded in the statement of activities.</p>		
		(994,500)
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.</p>		
		1,322,651
<p>Special assessments are not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, they are properly recognized as revenue in the statement of net position as soon as the related improvement has been completed.</p>		
		90,569
<p>Interest subsidy from the Federal government is not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, the interest is properly recognized as a revenue in the statement of activities.</p>		
		(3,020)
<p>Payments received on the intergovernmental receivables are recognized as revenue when received in the funds. However, in the statement of net position the intergovernmental receivables were recognized as revenue when issued.</p>		
		(4,817,656)
<p>Payments received on certain receivables are recognized as revenue when received in the funds. However, in the statement of net position the receivables were recognized as revenue when earned.</p>		
		3,938,689
<p>In the statement of activities, interest is accreted on outstanding bonds, whereas in governmental funds, interest is accreted when interest payments are due.</p>		
		<u>1,012,775</u>
<b>Change in net position of governmental activities</b>		<b><u>\$12,159,252</u></b>

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, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	NonMajor Business-type	Totals 2016	
<b>ASSETS</b>					
Current Assets:					
Cash and temporary investments	\$ 16,673,451	\$ 44,186,346	\$ 6,864,152	\$ 67,723,949	\$ 167,269
Restricted cash and temporary investments	9,426,927	24,835,662	-	34,262,589	641,503
Receivables (net of uncollectible amounts)					
Taxes	-	-	1,367,296	1,367,296	-
Accounts and other receivables	7,368,570	35,076,243	1,277,274	43,722,087	92,747
Inventories	-	28,898,051	-	28,898,051	-
Prepayments and other current assets	-	3,513,055	-	3,513,055	-
Due from other funds	-	-	289	289	-
Total current assets	33,468,948	136,509,357	9,509,011	179,487,316	901,519
Noncurrent Assets:					
Restricted cash and investments	-	119,021,257	-	119,021,257	-
Capital assets	304,348,249	1,542,355,471	26,650,137	1,873,353,857	-
Accumulated depreciation	(171,192,963)	(779,413,880)	(7,578,065)	(958,184,908)	-
Construction in progress	11,194,116	293,925,294	13,362,974	318,482,384	-
Other assets	191,033	2,291,396	-	2,482,429	-
Total noncurrent assets	144,540,435	1,178,179,538	32,435,046	1,355,155,019	-
<b>TOTAL ASSETS</b>	<b>178,009,383</b>	<b>1,314,688,895</b>	<b>41,944,057</b>	<b>1,534,642,335</b>	<b>901,519</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred refunding	452,194	14,478,732	47,796	14,978,722	-
Deferred outflows - pensions	930,170	36,855,665	1,689,988	39,475,823	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,382,364</b>	<b>51,334,397</b>	<b>1,737,784</b>	<b>54,454,545</b>	<b>-</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts and contracts payable	674,489	64,567,792	130,276	65,372,557	146,590
Accrued wages and expenses	1,111,391	2,363,306	142,379	3,617,076	-
Accrued interest payable	1,223,172	9,553,147	228,720	11,005,039	-
Due to others	65,759	6,816,567	1,940	6,884,266	83,989
Due to other funds	314,904	-	1,109,587	1,424,491	2,820,452
Regulatory and other liabilities	-	2,163,128	-	2,163,128	-
Claims incurred but not reported	-	-	-	-	2,893,745
Compensated absences payable	87,247	1,105,000	293,114	1,485,361	-
Current maturities of long-term debt	5,488,996	22,583,590	1,928,549	30,001,135	-
Total current liabilities	8,965,958	109,152,530	3,834,565	121,953,053	5,944,776
Long-term liabilities:					
Revenue bonds payable, less current maturities	13,510,231	756,474,362	-	769,984,593	-
General obligation bonds payable (net of unamortized premiums)	58,991,050	-	16,235,829	75,226,879	-
Advance from other funds	-	5,440,000	-	5,440,000	-
Claims incurred but not reported	-	-	-	-	1,847,255
Compensated absences payable	1,138,344	4,770,200	3,824,344	9,732,888	-
Capital leases payable	-	1,003,499	821,010	1,824,509	-
OPEB Liability	4,897,360	5,481,779	3,235,493	13,614,632	-
Net pension liability	5,128,773	14,459,214	6,937,242	26,525,229	-
Total long-term liabilities	83,665,758	787,629,054	31,053,918	902,348,730	1,847,255
<b>TOTAL LIABILITIES</b>	<b>92,631,716</b>	<b>896,781,584</b>	<b>34,888,483</b>	<b>1,024,301,783</b>	<b>7,792,031</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows - pensions	313,705	24,067,215	336,215	24,717,135	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>313,705</b>	<b>24,067,215</b>	<b>336,215</b>	<b>24,717,135</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	70,817,308	385,719,739	15,405,620	471,942,667	-
Restricted for debt service	-	22,897,756	-	22,897,756	-
Restricted for revenue bond reserves	2,820,179	-	-	2,820,179	-
Unrestricted	12,808,839	36,556,998	(6,948,477)	42,417,360	(6,890,512)
<b>TOTAL NET POSITION</b>	<b>\$ 86,446,326</b>	<b>\$ 445,174,493</b>	<b>\$ 8,457,143</b>	<b>\$ 540,077,962</b>	<b>\$ (6,890,512)</b>

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, 2016

	Business-type Activities - Enterprise Funds			Totals 2016	Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	NonMajor Business-type		
<b>OPERATING REVENUES</b>					
Charges for service	\$ 31,958,751	\$ 270,706,565	\$ 5,246,458	\$ 307,911,774	\$ 29,970,457
Fines/forfeits/fees	-	-	3,404,511	3,404,511	-
Earned lease income	-	-	363,921	363,921	-
Permits and licenses	244,876	-	-	244,876	-
Intergovernmental	-	-	7,412,766	7,412,766	-
Miscellaneous revenues	20,516	-	700	21,216	2,332,103
Payment-in-lieu of taxes	-	30,336,724	-	30,336,724	-
<b>TOTAL OPERATING REVENUES</b>	<b>32,224,143</b>	<b>301,043,289</b>	<b>16,428,356</b>	<b>349,695,788</b>	<b>32,302,560</b>
<b>OPERATING EXPENSES</b>					
Cost of sales and service	17,254,708	210,246,970	9,662,625	237,164,303	34,832,138
Depreciation and amortization	5,692,255	36,436,756	1,001,833	43,130,844	-
<b>TOTAL OPERATING EXPENSES</b>	<b>22,946,963</b>	<b>246,683,726</b>	<b>10,664,458</b>	<b>280,295,147</b>	<b>34,832,138</b>
Operating income (loss)	9,277,180	54,359,563	5,763,898	69,400,641	(2,529,578)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Tax revenue	-	-	5,985,525	5,985,525	-
Interest earnings	470,148	-	140,942	611,090	2,229
Interest expense	(2,729,946)	(23,361,060)	(1,123,163)	(27,214,169)	-
Other	-	(136,500)	-	(136,500)	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(2,259,798)</b>	<b>(23,497,560)</b>	<b>5,003,304</b>	<b>(20,754,054)</b>	<b>2,229</b>
Income (loss) before contributions and transfers	7,017,382	30,862,003	10,767,202	48,646,587	(2,527,349)
Capital contributions-local government	6,925,054	-	1,827,022	8,752,076	-
Transfer in	849,374	-	35,000	884,374	3,850,000
Transfer out	(11,774,751)	(30,336,724)	(2,256,000)	(44,367,475)	-
Contributions from developers and others	-	230,046	-	230,046	-
Change in net position	3,017,059	755,325	10,373,224	14,145,608	1,322,651
<b>TOTAL NET POSITION</b>					
Beginning of year	83,429,267	444,419,168	(1,916,081)	525,932,354	(8,213,163)
End of year	\$ 86,446,326	\$ 445,174,493	\$ 8,457,143	\$ 540,077,962	\$ (6,890,512)

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, 2016

	Business-type Activities - Enterprise Funds			Totals 2016	Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	NonMajor Business-type		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 30,059,326	\$ 306,049,844	\$ 16,469,258	\$ 352,578,428	\$ 32,303,668
Payments to suppliers	(9,609,453)	(146,881,773)	(3,665,016)	(160,156,242)	-
Payments to employees	(7,600,853)	(57,421,415)	(5,089,624)	(70,111,892)	(36,650,134)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>12,849,020</b>	<b>101,746,656</b>	<b>7,714,618</b>	<b>122,310,294</b>	<b>(4,346,466)</b>
<b>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Receipts from taxes	-	-	5,454,064	5,454,064	-
Transfers out	(11,774,751)	-	(2,256,000)	(14,030,751)	-
Transfers in	849,374	-	35,000	884,374	3,850,000
Payment -in-lieu of taxes	-	(30,404,490)	-	(30,404,490)	-
<b>NET CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>	<b>(10,925,377)</b>	<b>(30,404,490)</b>	<b>3,233,064</b>	<b>(38,096,803)</b>	<b>3,850,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal paid on bonds	(4,877,033)	(20,729,550)	(8,652,221)	(34,258,804)	-
Refunding of bond principal	-	(53,845,749)	-	(53,845,749)	-
Interest paid on bonds and capital leases	(2,783,111)	(29,351,801)	(1,908,925)	(34,043,837)	-
Proceeds from bonds	20,076,844	239,993,357	-	260,070,201	-
Acquisition of capital assets	(6,289,918)	(126,812,834)	(1,185,336)	(134,288,088)	-
Payments on capital leases	(265,740)	(1,551,181)	(920,111)	(2,737,032)	-
Acquisition of intangible assets	-	(2,007,493)	-	(2,007,493)	-
Special assessment taxes	22,153	-	-	22,153	-
Issuance of government loans	-	3,265,990	-	3,265,990	-
Issuance of advances for capital assets	-	6,775,000	-	6,775,000	-
Payment on advance for capital assets	-	(1,335,000)	-	(1,335,000)	-
Payments for debt issuance costs	(169,542)	(1,536,135)	(38,851)	(1,744,528)	-
<b>NET CASH FLOW FROM CAPITAL RELATED FINANCING ACTIVITIES</b>	<b>5,713,653</b>	<b>12,864,604</b>	<b>(12,705,444)</b>	<b>5,872,813</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	393,270	319,393	110,314	822,977	2,229
Purchases of investments	-	(123,197,223)	-	(123,197,223)	-
Proceeds from maturity or sale of investments	-	105,747,918	-	105,747,918	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>393,270</b>	<b>(17,129,912)</b>	<b>110,314</b>	<b>(16,626,328)</b>	<b>2,229</b>
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<b>8,030,566</b>	<b>67,076,858</b>	<b>(1,647,448)</b>	<b>73,459,976</b>	<b>(494,237)</b>
<b>CASH AND CASH EQUIVALENTS</b>					
Beginning of year	18,069,812	89,005,044	8,511,600	115,586,456	1,303,009
End of year	\$ 26,100,378	\$ 156,081,902	\$ 6,864,152	\$ 189,046,432	\$ 808,772
Cash and temporary investments	\$ 16,673,451	\$ 44,186,346	\$ 6,864,152	\$ 67,723,949	\$ 167,269
Cash and cash equivalents, reported as restricted cash	9,426,927	111,895,556	-	121,322,483	641,503
	\$ 26,100,378	\$ 156,081,902	\$ 6,864,152	\$ 189,046,432	\$ 808,772

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, 2016

	Business-type Activities - Enterprise Funds			Totals 2016	Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	Nonmajor Business-type		
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income	\$ 9,277,180	\$ 54,359,563	\$ 5,763,898	\$ 69,400,641	\$ (2,529,578)
Adjustments to reconcile operating income to cash flow from operating activities					
Depreciation and amortization	5,692,255	36,436,756	1,001,833	43,130,844	-
Changes in assets and liabilities					
Accounts receivable	(2,164,817)	43,078	40,902	(2,080,837)	1,107
Inventories and prepaid assets	-	365,360	-	365,360	-
Deferred outflows - pensions	(560,604)	23,155,207	(1,179,718)	21,414,885	-
Accrued wages and expenses	656,418	1,311,019	13,409	1,980,846	-
Accounts payable	(399,889)	6,184,149	(146,017)	5,638,243	(222,072)
Accrued vacation and sick pay	11,412	-	358,058	369,470	-
Claims incurred but not reported	-	-	-	-	(488,000)
Due to others	-	1,591,947	1,940	1,593,887	(3,185)
Due to / from other funds	-	-	197,058	197,058	(1,104,738)
Unearned revenue	-	(2,284,470)	-	(2,284,470)	-
OPEB liability	354,610	-	219,528	574,138	-
Net pension liability	300,499	2,731,668	1,540,001	4,572,168	-
Deferred inflows - pensions	(318,044)	(24,067,215)	(96,274)	(24,481,533)	-
Other non-current assets	-	1,919,594	-	1,919,594	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 12,849,020</b>	<b>\$ 101,746,656</b>	<b>\$ 7,714,618</b>	<b>\$ 122,310,294</b>	<b>\$ (4,346,466)</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions-local government	\$ 6,925,054	\$ 230,046	\$ 1,827,022	\$ 8,982,122	\$ -
Accounts payable incurred for purchase of capital assets	\$ -	\$ 21,594,052	\$ -	21,594,052	-
Property, plant and equipment acquired with capital leases	-	-	625,614	625,614	-

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, 2016

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	Agency Funds
<b>ASSETS</b>	
Cash and investments	\$ 120,641,836
Accounts receivable	29,690
<b>TOTAL ASSETS</b>	<u>\$ 120,671,526</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 85,567
Due to others	369,562
Due to other governments	120,216,397
<b>TOTAL LIABILITIES</b>	<u>\$ 120,671,526</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.

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

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

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

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

### **1. 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, repurchase agreements, investment agreements with financial institutions including broker/dealers whose obligations are rated in one of the three highest rating categories by either Moody's or Standard and Poor's, mutual funds whose portfolio consists entirely of obligations of the U.S. government, agencies, and bonds issued by any municipality of the State of Kansas.

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 monthly 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.

For the year ended December 31, 2016, the Unified Government implemented GASB 72, *Fair Value Measurement and Application*, which establishes a framework for measuring fair value that requires or permits fair value measurement and enhances disclosures about fair value measurements. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value. The guidance requires three levels of fair value measurement based on the respective inputs.

## **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 8.07% percent of outstanding property taxes at December 31, 2016.

**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.

**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. At December 31, the receivable is recorded in the economic development fund, with a corresponding amount recorded as deferred inflows of resources. See footnotes III.F. for further information on this receivable.

**BPU and Sewer Fund 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 \$870,806 in fiscal year 2016. The BPU also provides billing service for the Sewer Fund using the same procedures as described above. The BPU remits collected revenues monthly to the Unified Government for Sewer Fund charges for service. The Unified Government accrues a receivable in the Sewer Fund for services provided, not yet collected at the end of the reporting period.

### 3. Inventories and Prepaid Items

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

Inventories:	
Fuel	\$ 6,109,469
Material and supplies	<u>22,788,582</u>
<b>Total</b>	<b><u>\$ 28,898,051</u></b>

#### 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:

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

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

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

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

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

## **6. Regulatory Assets and Deferred Inflows**

The 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 as of December 31, 2016 consisted of miner benefits and mine reclamation costs \$171,983.

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. Payment of unused vacation leave will be made upon separation of employment.

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

In 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. Pensions**

**Unified Government of Wyandotte County/Kansas City, Kansas employees.** The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of employee service and the plan's fiduciary net position. The total

pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liability.

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

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

## **10. Equity Classifications**

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

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

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

- (1) Non-spendable – Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amount becomes spendable.
- (2) Restricted – Assets with externally imposed constraints such as those mandated by creditors, grantors and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws or regulations.
- (3) Committed – Assets with a purpose formally imposed by the Unified Government Board of Commissioners (Board) using its highest level of authority, binding unless modified or rescinded by the Board. The highest level of authority for the Board when acting as a county governing body is a resolution. The highest level of authority for the Board when acting as a city is an ordinance.



- (4) Assigned – Comprises of amounts intended to be used for specific purposes that are neither restricted nor committed. Intent is expressed by a) the Unified Government Board of Commissioners (Board) or b) a body or official to whom the Board has delegated the authority. The Board has delegated authority to the County Administrator and Department Heads to assign amounts to be used for specific purposes as prescribed by the Unified Government's Fund Balance Policies.
- (5) Unassigned – All amounts not included in the other fund balance classifications. The general fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

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

### **11. *Deferred inflows of Resources/Deferred Outflows of Resources***

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

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 deferred inflows for pensions, which qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: intergovernmental receivable, 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 third item, deferred inflows for pensions, is reported in both the government-wide statement of net position and the proprietary funds statement of net position. See Note IV. E. for more information on this deferred inflow.

### **12. *Payment-in-lieu of Taxes (PILOT)***

The BPU is exempt from federal and state income taxes and local property taxes because it is an administrative agency of the Unified Government. However, the BPU is required by a Charter Ordinance to pay a percentage of gross operating revenues to the Unified Government. The Charter Ordinance established a range of 5.0 to 15.0%. Currently, the payment-in-lieu of taxes is established at 11.9%, which amounted to \$30,336,724 during 2016. 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 \$14,362,000 or 4.77% of the BPU's total operating revenue for 2016.

### **13. Pending Governmental Accounting Standards Board Statements**

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes financial reporting standards for state and local governmental OPEB plans that are administered through trusts or equivalent arrangements and for governments that hold assets accumulated for purposes of providing OPEB through defined benefit OPEB plans that are not administered through a trust or equivalent arrangement. The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2017.

GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2018.

GASB Statement No. 80, *Blending Requirements for Certain Component Units*, amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2017.

GASB Statement No. 82, *Pension Issues*, addresses certain issues that have been raised with respect to Statement No. 67, Statement No. 68 and Statement No. 73. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in the Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2017.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability and a corresponding deferred outflow of resources for AROs when the liability is incurred and reasonable estimable. This statement also requires disclosure of information about the nature of a

government's AROs, the methods and assumptions used for estimating the liability and the estimated remaining useful life of the associated tangible capital asset. The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2019.

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

GASB Statement No. 85, *Omnibus 2017*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2018.

## **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 adjustments require department director approval and additional approval by the County Administrator's Office:

- An appropriation of contingency funds
- An appropriation of reserve funds
- Budget adjustments that move funds between operating and capital budgets

- Budget adjustments within a fund that are equal to or greater than \$10,000

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

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

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

- Budget adjustments from the salary accounts require department director, Chief Financial Officer, and County Administrator's Office approvals.
  - Budget adjustments between other accounts with department director approval.
  - Budget adjustments from one division to another division with both divisions being in the same fund with department director and the transferring division manager approvals.
- As allowed by State statute, the governing body can increase the fund level expenditures by amending the budget. An amendment may only be made for previously unbudgeted increases in revenue other than ad valorem taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after the publication, the hearing may be held and the governing body may amend the budget at that time.

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

All unencumbered appropriations (legal budget expenditure authority) lapse at year-end, except for capital project funds appropriations that are carried forward until 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: 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, 2016, the Workers' Compensation Fund and the Self-Insured Health Care Fund had deficits of \$3,200,258 and \$3,857,639, 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 \$580,379 which will be recovered from future intergovernmental revenues. The EMS Fund and the Sunflower Hills Golf Course Fund had deficit fund balances of \$6,671,886 and \$538,825, respectively, which will be recovered from future charges for services. The Public Levee Fund had a deficit fund balance of \$1,542,947 which will be recovered from future earned lease income.

## **III. DETAILED NOTES ON ALL FUNDS**

### **A. Deposits and Investments**

#### **1. Unified Government**

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."

*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, 2016, 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, 2016, the Unified Government had \$6,087,448 of investments in U.S. government agency securities which were held by the investment's counterparty.

*Interest Rate Risk.* Interest rate risk is the risk that the fair value of securities in the portfolio will fall due to changes in general interest rates. Through its investment policy, the 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.

*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, 2016, the securities underlying repurchase agreements included U.S. agency obligations not explicitly guaranteed by the U.S. government. The securities had ratings of AAA by Moody's and AA+ by Standard and Poor's. Investments in interest-earning investment contracts are not rated.

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

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

At December 31, 2016, the Unified government did not hold more than 5% of its portfolio in any individual issuer.

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

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

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

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

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

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

At December 31, 2016, the Unified Government (excluding the BPU) had the following investments:

	Investment Maturities (in Years)			Fair Value Hierarchy
	Fair Value	Less Than 1	1-5	
Repurchase agreements	\$ 146,630,000	\$ 146,630,000	\$ -	N/A
U.S. government agencies	6,071,300	1,002,300	5,069,000	Level 2
Certificates of deposit	<u>97,000,000</u>	<u>24,000,000</u>	<u>73,000,000</u>	N/A
Subtotal general operating portfolio	249,701,300	171,632,300	78,069,000	
Assets held by trustee:				
U.S. Treasuries	24,892,999	19,711,839	5,181,160	Level 2
Money Market Mutual Funds	23,066,028	23,066,028	-	Level 1
Fixed Income Securities	295,270	295,270	-	Level 2
U.S. government agencies	<u>7,821,138</u>	<u>5,083,348</u>	<u>2,737,790</u>	Level 2
Subtotal assets held by trustee	56,075,435	48,156,485	7,918,950	
<b>Total Investments</b>	<b><u>\$ 305,776,735</u></b>	<b><u>\$ 219,788,785</u></b>	<b><u>\$ 85,987,950</u></b>	

## 2. BPU

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, 2016, the bank balance and certificates of deposit were \$382,971, which was covered by federal depository insurance and collateral held in safekeeping in the BPU's name.

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

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

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

*Credit Risk.* The BPU manages credit risk by requiring all investments meet the investment guidelines as established by the State of Kansas as described in K.S.A 12-1675 and 10-131. This requires all investments be in U.S. Treasury securities, in U.S. agency securities, or in any external investment pools, Money Market Mutual Funds, or Repurchase Agreement securities be the highest rated by nationally recognized rating agencies. All 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 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	\$ 60,191,902	32.01%

The fair values, as determined by market prices, of the BPU's investments at December 31, 2016 are as follows:

	<u>Fair Value</u>	<u>Investment maturities</u>		<u>Fair Value Hierarchy</u>
		<u>Less Than 6 months</u>	<u>6-12 months</u>	
Cash and CD's	\$ 382,971	\$ 382,971	\$ -	N/A
Repurchase agreements	49,765,546	49,765,546	-	N/A
US Agency	71,518,929	65,557,115	5,961,814	Level 2
Money market funds	66,375,819	66,375,819	-	N/A
<b>Total Investments</b>	<b>\$ 188,043,265</b>	<b>\$ 182,081,451</b>	<b>\$ 5,961,814</b>	

A reconciliation of cash and investments is as follows:

Cash, assets held by trustee	60,612	-	60,612
<b>Total</b>	<b>\$ 307,940,180</b>	<b>\$ 188,043,265</b>	<b>\$ 495,983,445</b>

	<u>Unified Government</u>	<u>BPU</u>	<u>Total</u>
Cash and temporary investments	\$ 244,553,099	\$ 44,186,346	\$ 288,739,445
Restricted cash and investments	63,387,081	143,856,919	207,244,000
<b>Total</b>	<b>\$ 307,940,180</b>	<b>\$ 188,043,265</b>	<b>\$ 495,983,445</b>

## B. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

<b>Governmental activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 8,671,675	\$ 18,355,403	\$ -	\$ 27,027,078
Construction in progress	37,905,238	18,192,764	41,492,863	14,605,139
Total capital assets, not being depreciated	<u>46,576,913</u>	<u>36,548,167</u>	<u>41,492,863</u>	<u>41,632,217</u>
Capital assets, being depreciated:				
Buildings	164,647,993	3,393,938	-	168,041,931
Improvements other than buildings	39,575,603	-	-	39,575,603
Machinery and equipment	54,314,211	4,844,756	1,629,380	57,529,587
Infrastructure	606,707,627	19,453,160	-	626,160,787
Total capital assets, being depreciated	<u>865,245,434</u>	<u>27,691,854</u>	<u>1,629,380</u>	<u>891,307,908</u>
Less accumulated depreciation for:				
Buildings	89,128,750	3,272,493	-	92,401,243
Improvements other than buildings	18,538,733	767,156	-	19,305,889
Machinery and equipment	43,246,743	2,642,476	1,576,594	44,312,625
Infrastructure	211,917,848	16,242,491	-	228,160,339
Total accumulated depreciation	<u>362,832,074</u>	<u>22,924,616</u>	<u>1,576,594</u>	<u>384,180,096</u>
Total capital assets, being depreciated, net	<u>502,413,360</u>	<u>4,767,238</u>	<u>52,786</u>	<u>507,127,812</u>
Governmental activities capital assets, net	<u>\$ 548,990,273</u>	<u>\$ 41,315,405</u>	<u>\$ 41,545,649</u>	<u>\$ 548,760,029</u>

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,651,511	\$ -	\$ -	\$ 4,651,511
Sewer-Construction in progress	13,267,746	11,325,842	13,399,472	11,194,116
Stormwater -Construction in progress	10,959,733	2,810,360	407,119	13,362,974
BPU-Construction in progress	137,924,184	161,870,015	5,868,905	293,925,294
Total capital assets, not being depreciated	166,803,174	176,006,217	19,675,496	323,133,895
Capital assets, being depreciated:				
Buildings and improvements	4,107,495	77,554	-	4,185,049
Improvements other than buildings	3,691,240	-	-	3,691,240
Sewer lines	186,116,862	3,875,227	-	189,992,089
Treatment plants and facilities	72,621,861	10,842,274	-	83,464,135
Machinery and equipment	43,279,358	1,803,385	68,381	45,014,362
BPU Plant and equipment	1,537,846,270	5,941,823	1,432,622	1,542,355,471
Total capital assets, being depreciated	1,847,663,086	22,540,263	1,501,003	1,868,702,346
Less accumulated depreciation for:				
Buildings and improvements	773,911	89,369	-	863,280
Improvements other than buildings	2,365,273	79,875	-	2,445,148
Sewer lines	79,516,464	3,576,501	-	83,092,965
Treatment plants and facilities	53,857,560	1,465,620	-	55,323,180
Machinery and equipment	35,632,113	1,482,723	68,381	37,046,455
BPU Plant and equipment	744,410,469	35,149,052	145,641	779,413,880
Total accumulated depreciation	916,555,790	41,843,140	214,022	958,184,908
Total capital assets, being depreciated, net	931,107,296	(19,302,877)	1,286,981	910,517,438
Business-type activities capital assets, net	\$ 1,097,910,470	\$ 156,703,340	\$ 20,962,477	\$ 1,233,651,333

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

<b>Governmental activities:</b>	
General government	\$ 610,447
Health and Welfare	65,535
Public Safety	2,221,001
Judicial	34,444
Highways and streets, including depreciation of general infrastructure assets	18,188,127
Planning and development	1,531,341
Culture and recreation	<u>273,721</u>
<b>Total depreciation expense – governmental activities</b>	<b><u>\$ 22,924,616</u></b>
<b>Business-type activities:</b>	
Sewer	\$ 5,692,255
Sunflower Hills Golf Course	170,456
EMS	527,790
Stormwater Enterprise	217,555
Stadium	86,032
BPU	<u>35,149,052</u>
<b>Total depreciation expense – business-type activities</b>	<b><u>\$ 41,843,140</u></b>

### C. Interfund Receivables and Payables and Transfers

The composition of interfund balances as of December 31, 2016, is as follows:

#### Interfund receivables and payables:

	Interfund Receivables	Interfund Payables
General	\$ 3,905,148	\$ -
Capital Projects	15,437	132,710
Economic Development	-	1,863
Nonmajor governmental funds	1,211,983	753,341
Sewer enterprise fund	-	314,904
Nonmajor enterprise funds	289	1,109,587
Internal service funds	-	<u>2,820,452</u>
<b>Total</b>	<b><u>\$ 5,132,857</u></b>	<b><u>\$ 5,132,857</u></b>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The interfund payables due from certain nonmajor governmental funds include amounts owed to the General Fund for the reimbursement of certain indirect costs. In addition, interfund payables from the Internal Service Funds include amounts owed to the General Fund for negative cash balances.

During 2016, the PBC issued \$6.8 million of Lease Purchase Revenue Bonds for the BPU to acquire the existing BPU administrative office building. The Lease Purchase Revenue Bonds proceeds were used to refund all of BPU's Series 2001 bonds. The BPU entered into a lease purchase agreement at the time the bonds were issued with the PBC. At December 31, 2016, the PBC had an advance receivable and the BPU had an advance payable for \$5,440,000 under this lease purchase agreement.

The composition of interfund transfers for the year ended December 31, 2016, is as follows:

Transfers Out:	Transfers In:							
	General	Capital Projects	Economic Development	NonMajor Governmental	Sewer	Non-Major Enterprise	Internal Service	Total
General	\$ -	\$ -	\$ -	\$ 405,847	\$ 300,000	\$ 35,000	\$ 3,850,000	\$ 4,590,847
Capital Projects	-	-	6,170,469	2,890,223	122,935	-	-	9,183,627
Nonmajor Governmental	476	4,567,082	203,929	1,146,397	426,439	-	-	6,344,323
Sewer	-	11,654,002	-	120,749	-	-	-	11,774,751
BPU	30,336,724	-	-	-	-	-	-	30,336,724
Nonmajor Enterprise fund	2,256,000	-	-	-	-	-	-	2,256,000
	<u>\$ 32,593,200</u>	<u>\$ 16,221,084</u>	<u>\$ 6,374,398</u>	<u>\$ 4,563,216</u>	<u>\$ 849,374</u>	<u>\$ 35,000</u>	<u>\$ 3,850,000</u>	<u>\$ 64,486,272</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 2016, PILOT revenues and expenses of \$30,336,724 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 \$6,925,054 and \$1,827,022 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.

Non-routine transfers include \$1,650,000 from the General Fund to the Employee Hospitalization Fund for prior year payments not made into this fund and to provide additional funding for self-insurance activities. There was also a transfer of \$2,200,000 from the General Fund to the Workers' Compensation Fund to provide additional funding to provide additional funding for self-insurance activities.

#### D. Leases

##### Operating Leases

The Public Levee is located in the Fairfax Industrial District. During 2014, a lease agreement was reached with a third party for a long term ground lease. Under this agreement, existing structures were demolished and the third party built a new industrial building. The third party retains ownership of the new industrial building. This agreement, which runs through December 31 2072, covers only the ground, 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 \$6,152,571 and accumulated depreciation of \$202,256 at December 31, 2016.

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

The following is a schedule of future minimum rentals to be received on non-cancelable operating leases by the Public Levee and the Stadium, and of future minimum rent payments to be made to the Kansas Speedway Corporation as of December 31, 2016:

Year ending December 31,	Public Levee Lease	Stadium Lease	Rent payments for parking
2017	\$ 327,878	\$ 34,253	\$ 351,881
2018	327,878	36,987	351,881
2019	327,878	38,438	351,881
2020	215,001	39,591	351,881
2021	215,001	40,778	351,881
Thereafter	10,178,040	769,475	3,518,810
<b>Total</b>	<b>\$ 11,591,676</b>	<b>\$ 959,522</b>	<b>\$ 5,278,215</b>

### 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	<u>\$ 16,207,092</u>	<u>\$ 1,293,422</u>	<u>\$ 297,838</u>	<u>\$ 3,867,866</u>

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

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2016, were as follows:

Year ended December 31,	Governmental Activities	Business-type Activities		
		Sewer	Sunflower Hills Golf Course	EMS
2017	\$ 1,901,456	\$ 208,092	\$ 61,740	\$ 824,098
2018	1,806,803	-	61,740	550,652
2019	1,539,674	-	6,268	214,963
2020	876,433	-	-	-
2021	623,246	-	-	-
2022-2026	1,552,154	-	-	-
2027-2031	-	-	-	-
Total minimum lease payments	8,299,766	208,092	129,748	1,589,713
Less: Amount representing interest	(593,254)	(2,743)	(2,157)	(32,161)
<b>Present value of minimum lease payments</b>	<b>\$ 7,706,512</b>	<b>\$ 205,349</b>	<b>\$ 127,591</b>	<b>\$ 1,557,552</b>

## E. Temporary Notes

Kansas law permits the issuance of temporary notes to finance certain capital improvement projects which will be refinanced with general obligation bonds. Prior to the issuance of the temporary notes, the 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, 2016, the Unified Government had \$65,860,000 outstanding in temporary notes.

All temporary notes at December 31, 2016, have a maturity of no later than March 1, 2017 and have an interest rate of 1.00%.

Temporary note activity for the year ended December 31, 2016 was as follows:

<b>Outstanding Jan. 1, 2016</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Outstanding Dec. 31, 2016</b>
\$ 67,410,000	\$ 65,860,000	\$ (67,410,000)	\$ 65,860,000



## 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, 2016:

	Outstanding January 1, 2016	Additions	Deletions	Outstanding December 31, 2016	Due Within 1 Year
<b>Governmental activities:</b>					
<b>General Obligation:</b>					
General obligation bonds	\$ 198,691,275	\$ 34,721,046	\$ 11,163,530	\$ 222,248,791	\$ 13,404,274
Tax Increment Financed GO bonds	36,753,744	-	2,392,334	34,361,410	2,073,014
Unamortized premium	10,084,678	4,035,090	1,395,916	12,723,852	-
Unamortized discount	(186,985)	-	(14,112)	(172,873)	-
Compensated absences	42,322,250	2,019,374	2,859,220	41,482,404	2,975,490
Capital leases	6,839,477	2,873,264	2,006,229	7,706,512	1,738,499
Claims and judgments	600,000	667,934	667,934	600,000	600,000
Unfunded pension obligation	255,919	28,600	38,366	246,153	-
Claims incurred but not reported	5,229,000	30,561,662	31,049,662	4,741,000	2,893,745
OPEB liability	85,508,150	9,118,051	2,344,341	92,281,860	-
Net pension liability	137,597,631	54,106,709	23,074,753	168,629,587	-
Landfill closure/post-closure	540,000	-	54,000	486,000	54,000
<b>Total - General obligation</b>	<b>524,235,139</b>	<b>138,131,730</b>	<b>77,032,173</b>	<b>585,334,696</b>	<b>23,739,022</b>
<b>Limited Obligation:</b>					
Section 108 loan	1,650,000	-	406,000	1,244,000	434,000
Special obligation bonds	52,785,000	18,743,000	15,390,000	56,138,000	3,250,000
Revenue bonds	9,660,000	8,605,000	1,995,000	16,270,000	2,155,000
Transportation development bonds	24,165,000	-	1,661,000	22,504,000	500,000
Sales tax obligation bonds	69,027,933	-	11,814,623	57,213,310	1,268,033
Accreted interest on bonds	9,674,340	1,814,788	2,827,563	8,661,565	676,351
Unamortized premium	1,857,032	179,700	373,574	1,663,158	-
Unamortized discount	(923,317)	-	(100,846)	(822,471)	-
<b>Total - Limited obligation</b>	<b>167,895,988</b>	<b>29,342,488</b>	<b>34,366,914</b>	<b>162,871,562</b>	<b>8,283,384</b>
<b>Total</b>	<b>\$ 692,131,127</b>	<b>\$ 167,474,218</b>	<b>\$ 111,399,087</b>	<b>\$ 748,206,258</b>	<b>\$ 32,022,406</b>
<b>Business-type activities:</b>					
General obligation bonds	\$ 66,729,981	\$ 14,648,954	\$ 5,174,136	\$ 76,204,799	\$ 3,997,713
Unamortized premium	2,128,895	1,102,356	211,458	3,019,793	-
Capital leases	2,450,728	625,615	1,185,851	1,890,492	1,069,482
Sewer state revolving loan	14,222,104	4,325,535	2,687,058	15,860,581	2,350,350
Compensated absences	4,973,580	735,281	365,812	5,343,049	380,361
OPEB Liability	7,558,715	780,746	206,608	8,132,853	-
Net pension liability	10,225,515	3,420,656	1,580,156	12,066,015	-
Sales tax obligation bonds - Limited	5,668,060	-	5,668,060	-	-
Accreted interest on bonds	737,499	456,247	1,193,746	-	-
<b>Subtotal</b>	<b>114,695,077</b>	<b>26,095,390</b>	<b>18,272,885</b>	<b>122,517,582</b>	<b>7,797,906</b>
BPU revenue bonds	529,785,000	212,975,000	67,915,000	674,845,000	18,675,000
Capital leases	3,812,374	-	1,551,181	2,261,193	1,257,694
Unamortized discount	(72,028)	-	(72,028)	-	-
Unamortized premium	45,087,079	27,018,356	3,226,717	68,878,718	-
State revolving loan	28,985,748	3,265,990	2,185,878	30,065,860	2,373,851
Intergovernmental loan	4,289,352	-	278,672	4,010,680	277,045
Compensated absences	5,383,000	1,105,000	612,800	5,875,200	1,105,000
Net pension liability	11,727,545	45,705,663	42,973,994	14,459,214	-
OPEB Liability	5,074,739	4,687,591	4,280,551	5,481,779	-
<b>Subtotal</b>	<b>634,072,809</b>	<b>294,757,600</b>	<b>122,952,765</b>	<b>805,877,644</b>	<b>23,688,590</b>
<b>Total</b>	<b>\$ 748,767,886</b>	<b>\$ 320,852,990</b>	<b>\$ 141,225,650</b>	<b>\$ 928,395,226</b>	<b>\$ 31,486,496</b>

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

**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, 2016, 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, 2016
2007 GO Bonds	16,805,000	2007-2027	4.00-5.50%	845,000
2008 GO Bonds	34,660,000	2008-2028	3.50-7.00%	26,315,000
2009 GO Bonds	23,515,000	2009-2029	3.00-6.00%	17,715,000
2010 GO Bonds	110,330,000	2011-2031	0.70-5.70%	90,325,000
2011 GO Bonds	34,485,000	2012-2031	1.00-5.00%	27,400,000
2012 GO Bonds	15,975,000	2013-2022	1.00-4.00%	13,375,000
2013 GO Bonds	34,685,000	2013-2033	2.00-4.00%	27,315,000
2014 GO Bonds	34,865,000	2014-2034	2.00-4.00%	25,260,000
2015 GO Bonds	59,140,000	2015-2035	2.00-5.00%	54,895,000
2016 GO Bonds	49,370,000	2016-2036	2.00-5.00%	49,370,000
<b>Total</b>	<b>\$ 413,830,000</b>			<b>\$ 332,815,000</b>

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

Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 15,477,288	\$ 10,421,598	\$ 3,997,713	\$ 2,906,934
2018	15,999,628	9,876,056	4,325,374	2,769,091
2019	17,692,299	9,276,332	4,402,701	2,616,396
2020	16,952,115	8,586,131	4,357,885	2,451,712
2021	17,611,784	7,928,952	4,513,216	2,290,993
2022-2026	92,726,949	28,297,705	23,908,051	8,722,125
2027-2031	67,776,289	9,076,489	21,748,708	3,815,670
2032-2036	12,373,849	997,627	8,951,151	713,929
<b>Total</b>	<b>\$256,610,201</b>	<b>\$84,460,890</b>	<b>\$ 76,204,799</b>	<b>\$26,286,850</b>

The Series 2010D bonds were issued as taxable Build America Bonds pursuant to the American Recovery and Reinvestment Act of 2009, which provides that 32.6% of the interest payments on those bonds will be paid to the Unified Government by the U.S. Treasury. The Series 2010C and 2010F bonds were issued as taxable Recovery Zone Economic Development Bonds pursuant to the American Recovery and Reinvestment Act of 2010, which provides that 41.9% of the interest payments on those bonds will be paid to the Unified Government by the U.S. Treasury. The Series 2010G bonds were issued as taxable Qualified Energy Conservation Bonds. The Unified Government has elected to receive interest subsidy payments from the U.S. Treasury in an amount equal to the lesser of the amount of interest payable on each interest payment date, or 62.3% 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 2016, the Unified Government received \$688,133 of interest subsidies related to these bonds.

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

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

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

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

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

Issue	District / Project	Original Amount	Annual Appropriation Covenant	Other Features	Tax Distribution Details
<b>Serial/Term Bonds:</b>					
1999 KISC Capital Appreciation Bonds (CABs)	Kansas International Speedway	\$24,300,413	Yes		28% local tax revenues / 72% State sales tax revenues
2014 KISC Refunding	Kansas International Speedway	10,885,000	Yes	Issued on a parity lien basis with the 1999 KISC CABs.	28% local tax revenues / 72% State sales tax revenues
2015A	Vacation Village Project Areas 1 and 2A / Waterpark Project and Auto Plaza Project	72,900,000	No		23% local tax revenues / 77% State sales tax revenues
<i>Secured and payable from Incremental Tax Revenues generated solely from the Waterpark Project and Auto Plaza Project. For Project Area 2A, Incremental Tax Revenues include the excess of revenues over a Base Year amount, as defined in the Tax Distribution Agreement.</i>					
2015B	Vacation Village Project Areas 1 and 2A / Waterpark Project and Auto Plaza Project	12,260,000	Yes	Subordinate to 2015A bonds	23% local sales tax revenues / 77% State sales tax revenues
<i>Secured and payable from Incremental Tax Revenues generated solely from the Waterpark Project and Auto Plaza Project, and certain local sales and compensating use tax revenues and local transient guest tax revenues generated outside the STAR Bond District to the extent appropriated by the governing body of the Unified Government. For Project Area 2A, Incremental Tax Revenues include the excess of revenues over a Base Year amount, as defined in the Tax Distribution Agreement.</i>					

Issue	District / Project	Original Amount	Annual Appropriation Covenant	Other Features	Tax Distribution Details
<b>Turbo Bonds:</b>					
2015 Capital Appreciation Bonds (CABs)	Vacation Village Project Area 4 / US Soccer National Training Facility and Village West	65,229,560	No	Village West included within Project Area 4 only upon payment in full of 2004 bonds, 2010B CABs, 2012 bonds and 2014 CABs.	20% local tax revenues / 80% State sales tax revenues
<p><i>Secured and payable from Incremental Tax Revenues generated solely from Project Area 4. Local and state tax revenues generated within the Village West Property are pledged to secure and will be applied solely to the payment of the Outstanding Village West STAR Bonds (2004 bonds, 2010B CABs, 2012 bonds and 2014 CABs) until the Outstanding Village West STAR Bonds are paid in full, at which time the Village East area will be included in Project Area 4. Incremental tax revenues are expected to be available to pay the 2015 bonds starting in fiscal year 2017 as the Outstanding Village West STAR Bonds were paid in full during 2016.</i></p>					

**STAR Bonds With Annual Appropriation.** Due to the presence of the Annual Appropriation covenant, the full amount of these outstanding bonds in the amount of \$35,167,190 is recorded with long-term debt of the Unified Government, along with any related transactions or account balances. A corresponding receivable, in the amount of \$25,933,376 is recorded for the amount of the contractual pledge from the State of Kansas for the estimated State share of sales tax revenues.

At December 31, 2016, 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, 2016
				Local Pledge	Local Accreted Interest	State Pledge	State Accreted Interest	
1999 KISC Bonds	\$ 24,300,413	2007-2027	4.20-5.25%	\$ 1,429,175	\$ 2,170,838	\$ 3,675,023	\$ 5,582,154	\$ 12,857,190
2014 KISC Refunding Bonds	10,885,000	2014-2027	2.00-5.00%	2,814,000	-	7,236,000	-	10,050,000
2015B Vacation Village Bonds	12,260,000	2015-2035	3.125-4.00%	2,819,800	-	9,440,200	-	12,260,000
<b>Total</b>	<b>\$ 47,445,413</b>			<b>\$ 7,062,975</b>	<b>\$ 2,170,838</b>	<b>\$ 20,351,223</b>	<b>\$ 5,582,154</b>	<b>\$ 35,167,190</b>

**STAR Bonds With No Annual Appropriation.** For these bond issues, the Unified Government records its proportional share of the outstanding obligation (see the "local sales tax" in the Tax Distribution Details of the table above). The Unified Government collects 100% of the sales taxes for these bonds, then records planning and development expenditures for amounts remitted to the State for its share of the principal and interest. Such amounts totaled \$21,549,581 for the year ended December 31, 2016, and are recorded in the Economic Development Debt Service Fund.

At December 31, 2016, 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, 2015
				Local Pledge	Local Accreted Interest	State Pledge	State Accreted Interest	
2015 US Soccer Bonds	65,229,560	2034	6.75%	13,045,912	181,714	52,183,648	726,858	66,138,132
2015A Vacation Village Bonds	72,900,000	2015-2035	5.00-6.00%	16,753,200	-	56,086,800	-	72,840,000
<b>Total</b>	<b>\$ 138,129,560</b>			<b>\$ 29,799,112</b>	<b>\$ 181,714</b>	<b>\$ 108,270,448</b>	<b>\$ 726,858</b>	<b>\$ 138,978,132</b>

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

<b>Governmental Activities</b>		
<b>Year</b>	<b>Principal</b>	<b>Interest</b>
2017	\$ 1,268,033	\$ 2,573,373
2018	1,548,479	2,577,098
2019	1,856,573	2,567,742
2020	2,101,140	2,548,665
2021	2,299,692	2,526,833
2022-2026	14,436,608	11,874,908
2027-2031	10,074,922	8,645,179
2032-2036	23,627,863	34,525,711
<b>Total</b>	<b>\$57,213,310</b>	<b>\$67,839,509</b>

**Bonds Issued for KISC.** In 1999, the Unified Government issued Series 1999 Taxable Special Obligation Revenue Bonds for an original amount of \$71,340,000 to provide financing to the Kansas International Speedway Corporation (KISC) for construction of the Kansas Speedway. KISC is responsible for making semi-annual payments for principal and interest on the bonds. The obligation of KISC to make debt service payments is secured by a mortgage on the project site. Payments to the trustee are also backed by a policy of financial guaranty insurance issued by the MBIA Insurance Corporation, and are guaranteed by the International Speedway Corporation under a Payment Guarantee Agreement. The Unified Government has also provided an annual appropriation commitment from local sales taxes collected, though this does not create a liability or general obligation debt of the Unified Government, nor constitute a pledge of the general credit, tax revenues, funds or moneys of the Unified Government, and does not obligate them to levy or pledge any form of taxation or make any appropriation or payments beyond those appropriated for the current fiscal year. Since the 1999 bonds were issued, the Unified Government has made no annual appropriations for payment of the bonds. The remaining amount outstanding as of December 31, 2016 is \$52,540,000. The bonds have a final maturity date of December 2027.

**Transportation Development District Sales Tax Revenue Bonds.** The Unified Government has created transportation development districts under K.S.A. 12-14,140 through 12-17,149. Under statute, creation of such districts allows the Government to impose a transportation development district sales tax, not to exceed 1%, with the revenues received therefrom pledged to pay bonds issued for projects within the established districts. Bonds issued under these statutes are special, limited obligations of the Unified Government, payable solely from revenues generated within the transportation development districts. For the 2014 Happy Foods and 2014 Prescott Plaza bonds the Unified Government 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.

<b>Description and Purpose</b>	<b>Amount of Original Issue</b>	<b>Range of Final Maturity Dates</b>	<b>Range of Interest Rates</b>	<b>Amount Outstanding Dec 31, 2016</b>
2007 The Legends	\$ 17,520,000	2007-2028	4.60-4.875%	\$ 12,355,000
2007 NFM/Cabela's	2,415,000	2007-2027	5.0%	615,000
2013 Plaza at the Speedway	9,975,000	2013-2032	4.75-5.75%	8,415,000
2014 Happy Foods	317,000	2014-2024	4.5%	219,000
2014 Prescott Plaza	1,459,000	2014-2024	3.0%	900,000
<b>Total</b>	<b>\$ 31,686,000</b>			<b>\$ 22,504,000</b>

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

Year ended December 31,	Principal	Interest
2017	\$ 500,000	\$ 1,153,774
2018	1,050,000	1,127,080
2019	1,140,000	1,073,311
2020	1,245,000	1,014,936
2021	1,355,000	951,093
2022-2026	10,289,000	3,422,194
2027-2031	6,430,000	1,008,838
2032	495,000	14,231
<b>Total</b>	<b><u>\$ 22,504,000</u></b>	<b><u>\$ 9,765,457</u></b>

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

Description and Purpose	Amount of Original Issue	Range of Final Maturity Dates	Range of Interest Rates	Amount Outstanding Dec 31, 2016
2010H Kansas Speedway parking lot	\$ 7,725,000	2010-2021	2.0-4.5%	\$ 6,370,000
2012 39 <sup>th</sup> and Rainbow	6,445,000	2012-2027	4.19%	5,905,000
2013 Plaza at the Speedway	38,055,000	2013-2027	4.25%	25,235,000
2016A 39 <sup>th</sup> and Rainbow	2,615,000	2016-2030	3.30%	2,567,000
2016B 39 <sup>th</sup> and Rainbow	1,578,000	2016-2026	Variable	1,511,000
2016 Wyandotte Plaza	14,550,000	2028-2034	4.0-5.0%	14,550,000
<b>Total</b>	<b><u>\$ 70,968,000</u></b>			<b><u>\$ 56,138,000</u></b>

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

Year ended December 31,	Principal	Interest
2017	\$ 3,250,000	\$ 2,697,704
2018	3,466,000	2,540,588
2019	3,699,000	2,371,959
2020	2,977,000	2,190,180
2021	3,175,000	2,046,876
2022-2026	17,733,000	7,730,154
2027-2031	13,838,000	3,175,693
2032-2034	8,000,000	1,200,000
<b>Total</b>	<b><u>\$ 56,138,000</u></b>	<b><u>\$ 23,953,154</u></b>

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

Issue(s)	Type revenue pledged	Amount of pledge	Term of commitment	Percent of revenue pledged	Principal & Interest for 2016	Pledged revenues recognized in 2016
STAR bonds*	Sales and transient guest tax	\$414,082,840	Through 2035	100%	\$38,343,195	\$46,582,407
TDD bonds	Transportation development district sales tax	32,268,456	Through 2032	100%	2,882,362	2,745,887
TIF GO bonds	Incremental increase in property tax	46,220,308	Through 2033	100%	4,004,891	2,112,267
Special Obligation bonds (TIF)	Incremental increase in property tax	70,474,354	Through 2034	100%	9,664,029	4,935,808

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

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

Year ended December 31,	Principal	Interest
2017	\$ 2,155,000	\$ 390,752
2018	2,190,000	350,948
2019	2,245,000	310,352
2020	2,295,000	258,753
2021	920,000	212,915
2022-2026	4,880,000	661,065
2027-2031	1,585,000	71,700
<b>Total</b>	<b>\$ 16,270,000</b>	<b>\$ 2,256,485</b>

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



**Proprietary Fund Revenue Bonds.** At December 31, 2016, 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, 2015
Sewer System State Revolving Loan	\$ 40,046,592	2035	3.39-3.44%	\$ 15,860,581
<b>Subtotal</b>	<b><u>40,046,592</u></b>			<b><u>15,860,581</u></b>
BPU revenue bonds:				
2009A Series	57,575,000	2034	2.75-5.00%	5,330,000
2010 Refunding	32,190,000	2028	2.00-5.00%	16,245,000
2011 Series	90,000,000	2036	2.00-5.20%	81,700,000
2012 Refunding	110,830,000	2032	3.12-5.00%	107,200,000
2012B	79,540,000	2037	2.00-5.00%	72,340,000
2014 Refunding and improvement	190,620,000	2044	3.00-5.00%	179,055,000
2016A	114,165,000	2045	3.00-5.00%	114,165,000
2016B Refunding	42,545,000	2034	3.25-5.00%	42,545,000
2016C	56,265,000	2046	5.00%	56,265,000
<b>Subtotal</b>	<b><u>773,730,000</u></b>			<b><u>674,845,000</u></b>
<b>Total</b>	<b><u>\$ 813,776,592</u></b>			<b><u>\$ 690,705,581</u></b>

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

The revenue bond ordinances of the BPU require, among other things, that special reserves and accounts be established and maintained. Additionally, the ordinances require the BPU to establish rates and collect fees sufficient to pay the operating, maintenance and debt service costs of the utilities and to provide net operating income, before depreciation and payment in lieu of taxes, of at least 120% of the maximum annual debt service due on the outstanding bonds of the BPU. All of the BPU's utility plant facilities are pledged under the terms of the indentures. The BPU was in compliance with the above requirements as of December 31, 2016.

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 2036.

In 2016, the BPU issued \$114.2 million of Utility System Improvement Revenue Bonds. The bond proceeds were issued to finance environmental equipment upgrades to comply with new EPA regulations impacting the Nearman power generation stations. As a result of market conditions, the BPU recognized a \$17.5 million premium on the sale of the bonds. The Series 2016A bond bears an average interest rate at 3.86% and is payable through 2045.

The BPU also issued \$42.5 million of Utility System Refunding Revenue bonds. The bond proceeds were used to refund a portion of the 2009 System Revenue Bonds (\$42,315,000). This refunding

resulted in a net present economic gain of \$2.4 million. The Series 2016B refunding bond bears an average interest rate at 3.56% and is payable through 2034.

The BPU completed a defeasement of utility systems revenue bonds by placing the proceeds of new bonds in irrevocable trusts to provide all future debt service payments on the old 2009 Utility System Revenue Bonds. Accordingly, neither the trust account assets nor the liability for the defeased bonds are included in the BPU's financial statements. At December 31, 2016, outstanding utility system revenue bonds in the amount of \$42,315,000 are considered substantively defeased.

In addition, the BPU issued \$56.3 million of Utility System Improvement Revenue Bonds. The bond proceeds were issued to finance transmission and distribution projects within the service territory and Nearman power plant improvements. As a result of market conditions, the BPU recognized a \$6.15 million premium on the sale of the bonds. The Series 2016C bond bears an average interest rate at 4.24% and is payable through 2046.

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
2017	\$ 2,350,350	\$ 709,556	\$ 2,650,896	\$ 1,058,411	\$ 18,675,000	\$ 30,917,463
2018	2,299,759	638,068	2,734,036	985,041	19,390,000	31,479,794
2019	1,477,049	576,710	2,821,191	909,220	22,515,000	30,669,619
2020	1,518,384	535,375	2,908,784	828,897	23,295,000	29,593,268
2021	1,560,875	492,883	2,999,541	745,942	24,400,000	28,480,068
2022-2026	6,941,461	1,816,589	13,835,774	2,349,299	133,155,000	123,144,306
2027-2031	5,480,723	1,011,214	4,647,233	1,122,266	154,825,000	89,555,338
2032-2036	4,305,220	239,135	1,479,085	198,237	130,870,000	53,654,563
2037-2041	-	-	-	-	78,910,000	28,538,338
2042-2046	-	-	-	-	68,810,000	8,726,750
<b>Total</b>	<b><u>\$25,933,821</u></b>	<b><u>\$ 6,019,530</u></b>	<b><u>\$34,076,540</u></b>	<b><u>\$ 8,197,313</u></b>	<b><u>\$674,845,000</u></b>	<b><u>\$454,759,507</u></b>

In July 2014, the BPU entered into a Kansas Public Water Supply load fund agreement, for which the amount is not to exceed \$13.0 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. As of December 31, 2016, the BPU has drawn approximately \$5.5 million of the \$13.0 million. This amount is included in the principal column of the above debt service schedule. Also in the above debt service schedule, the interest including accreted balances column includes \$3.1 million in accreted scheduled interest on the July 2014 Kansas Public Water Supply loan fund agreement.

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

Issue(s)	Type revenue pledged	Amount of pledge	Term of commitment	Percent of revenue pledged	Principal & Interest for 2016	Pledged revenues recognized in 2016
Sewer State Revolving Loan	Net operating revenue of the Sewer Fund	\$ 31,953,351	Through 2035	100%	\$ 3,059,076	\$ 14,969,435
BPU debt issues	Electric and Water operating revenues	\$1,135,292,207	Through 2046	16.0%	\$48,079,981	\$57,695,977

**Refundings of Long-Term Debt.** In March 2016, the Unified Government issued \$19,675,000 in general obligation bonds, Series 2016-B with interest rates of 2.1-5.0%, to crossover advance refund \$17,565,000 of general obligation bonds Series 2008-A maturing from 2018-2027, and \$3,750,000 of general obligation bonds Series 2008-C maturing from 2019-2028 . The Unified Government refunded these bonds to take advantage of lower interest rates. As a result, the total debt service payments over the next 10 years will decrease by \$3,191,628 in debt service payments and will realize a present value savings of \$2,819,325.

In March 2016, the Unified Government issued \$2,870,000 in general obligation bonds, Series 2016-C with interest rates of 2.0-2.8%, to crossover advance refund \$1,455,000 of general obligation bonds Series 2008-B maturing from 2018-2027, and \$1,295,000 of general obligation bonds Series 2008-D maturing from 2019-2028 . The Unified Government refunded these bonds to take advantage of lower interest rates. As a result, the total debt service payments over the next 10 years will decrease by \$475,327 in debt service payments and will realize a present value savings of \$405,416.

Under a crossover advance refunding issue, the original bond issues (refunded bonds) are not considered defeased until they are retired. Proceeds of the crossover refunding are placed into an escrow account; however, unlike other advance refundings, the escrow account in a crossover advance refunding is not immediately dedicated to debt service principal and interest on the refunded bonds. Instead, resources in the escrow account are used temporarily to meet debt service requirements on the new, refunding bonds. Only at a later date, known as the "crossover date," are resources in the escrow account dedicated exclusively to payment of principal and interest on the refunded bonds. Therefore, crossover refundings do not result in the defeasance of debt until the crossover date. The Unified Government has recorded both the refunding and the refunded bonds in the financial statements, as well as the balance of funds held in escrow for their repayment, which totals \$24,959,681.

As of December 31, 2016, \$24,065,000 of crossover refunded bonds have not been called.

In February 2016, the Unified Government issued \$14,550,000 in Special Obligation refunding and improvement bonds Series 2016 for the Wyandotte Plaza Redevelopment Project for the purpose of (i) refunding the Series 2012 bonds, (ii) fund the Series 2016 debt service reserve account and (iii) provide additional funding for the redevelopment of the Wyandotte Plaza shopping center. The financing was structured with two turbo tern bonds, 2028 \$(6,650,000 at 4% yield) and 2034 (\$8,000,000 at 4.67% yield). The bonds are payable solely from the CID sales tax, NRA revenues and

Sales tax revenues. The financing removes the government's annual appropriation pledge from the Series 2012.

In March 2016, the Unified Government issued \$4,193,000 in Special Obligation Tax Increment Financing Revenue Bonds for the 39th & Rainbow Redevelopment Project. The Series 2016A and 2016B bonds were issued for the purpose of (i) refunding the Series 2013 bonds, (ii) fund a debt service reserve and (iii) pay the cost of issuing the bonds. The bonds are special limited obligations payable solely from the proceeds of Incremental tax revenues, defined in the Bond Trust Indenture as certain Property Tax Revenues and Sales and Transient Guest Tax Revenues, collected within the 39th & Rainbow Redevelopment District.

**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.

**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
2017	\$ 600,000	\$ 41,563	\$ 434,000	\$ 38,522
2018	-	38,654	465,000	25,894
2019	-	35,948	345,000	11,386
2020	-	33,432	-	-
2021	-	31,091	-	-
2022-2026	-	65,465	-	-
<b>Total</b>	<b>\$ 600,000</b>	<b>\$ 246,153</b>	<b>\$ 1,244,000</b>	<b>\$ 75,802</b>

**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, 2016. Actual payments could differ from the estimate.

## 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, 2016 was \$364,376,984 for the Industrial Revenue Bonds, \$108,270,448 for Sales Tax Special Obligation Revenue Bonds and \$100,000 for the Single Family and Collateralized Mortgage Revenue Bonds.

These bonds do not constitute an indebtedness or pledge of the faith and credit of the Unified Government, and accordingly have not been reported in the accompanying financial statements.

## **H. Tax Abatement**

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

- Existence of Economic Benefit – The project must add to the local economy according to: capital investment, producing value-added products and services, number of jobs created and associated payroll, and whether the project provides a positive fiscal and economic impact.
- Type of Business – The project shall be of a nature that is desirable and stimulates the local economy and improves the quality of life for its citizens.
- Compatibility with Adopted Plans – The project shall be consistent with the Unified Government Comprehensive Plan, any applicable corridor plans, and other plans of the Unified Government which may be relevant to the project.
- Excluded Business – The project may not be listed as prohibited by state law (K.S.A. 79-201a) or otherwise listed as ineligible under the Unified Government Tax Abatement Policy.
- Maintaining Existing Tax Base – The amount of property taxes or special assessments on the existing land and facilities shall under no circumstances be reduced for new development projects.
- Transfer of Ownership – The owner or lessee of any property that is all or partially exempt from ad valorem taxes as the result of the Unified Government having granted the exemption shall obtain the Unified Government written consent before transferring majority ownership of the property unless the transfer is to an affiliate or a related entity.

To obtain the exemption, an application must be submitted and is subject to the completion of a cost benefit analysis to determine the financial impact. For all exemptions, the County Appraiser determines the full value of the property, noting the value that has been exempted through the program. The County Treasurer computes the taxes due on the appraised value only on the taxable portion of the property. The percentage of the abatement can vary depending on the following factors: 1) the amount of capital invested, 2) development in targeted areas, 3) industry, 4) local employment rates for new hires, 5) utilization of minority, women and locally owned businesses, and 6) environmental design of facility. The maximum percentage of abatement provided for any project shall not exceed 75% and will be capped at 10 years in length. Each project receiving tax abatements shall be subject to a performance agreement. The performance agreement shall allow for a modification of the abatement, reducing the percentage of the abatement should the project be found non-compliant with the performance agreement. The amount of tax abated by the Unified Government in 2016 was \$3,338,165 (\$1,970,523 by Wyandotte County and \$1,367,642 by Kansas City, Kansas.)

## **I. Landfill Closure and Postclosure Care**

In 2004, the Kansas Department of Health and Environment (KDHE) issued an administrative “Order to Comply” to the Unified Government alleging the need for investigations into the alleged release of hazardous substances found to exist at the John Garland Park Landfill, which was operated from 1972-1974 by a third party and has been closed since then. The Unified Government conducted, with KDHE approval, certain investigations and conducted or prepared work plans for conducting in the future,

certain remedial activities. In March 2008, the Unified Government and KDHE entered into a Consent Agreement requiring certain landfill closure activities, including annual landfill 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 \$486,000 as the estimated cost for the remaining monitoring activities through 2025. The cost estimates are subject to change due to inflation, deflation, technology, laws and regulations. The Environmental Trust Fund will provide the primary source of funding for these costs.

**J. Restricted Assets**

The balances of the restricted asset accounts are as follows:

Capital projects fund: Debt service accounts	\$ 20,972,600
Capital projects fund: STAR financing	19,166,503
Economic development fund:	
STAR/TDD/TIF bonds	12,015,933
Customer deposits-BPU	4,194,474
Sewer revenue bonds:	
Debt service accounts	7,511,581
State Revolving Loan	1,915,346
BPU revenue bonds:	
Debt service account	20,641,188
Improvement and emergency account	1,500,000
Contraction funds	<u>117,521,257</u>
<b>Total restricted assets</b>	<b><u>\$ 205,438,882</u></b>

## K. Fund Balances

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

**Unified Government  
Components of Fund Balance  
December 31, 2016**

	Major		Nonmajor		Total Governmental Funds
	General	Capital Projects	Debt Service Economic Development	Other Governmental Funds	
<b>Fund Balances:</b>					
<b>Non Spendable - advance receivable:</b>	\$ -	\$ -	\$ -	\$ 5,440,000	\$ 5,440,000
<b>Restricted for:</b>					
Elections	-	-	-	532,747	532,747
Library	-	-	-	722,396	722,396
Register of Deeds - Technology	-	-	-	90,386	90,386
Clerk's Office - Technology	-	-	-	50,016	50,016
Treasurer's Office - Technology	-	-	-	71,689	71,689
Alcohol abuse, prevention, treatment programs	-	-	-	629,454	629,454
Community Corrections	-	-	-	509,527	509,527
Community Development	-	-	-	286,609	286,609
Road improvements and development	-	-	-	1,837,615	1,837,615
Road improvements and development - Debt Service	-	-	-	124,333	124,333
Police Department	-	-	-	2,807,368	2,807,368
Fire Department	-	-	-	1,640,969	1,640,969
Neighborhood Infrastructure	-	-	-	1,640,969	1,640,969
Enhancement of 911 System	-	-	-	383,737	383,737
Emergency Management	-	-	-	31,845	31,845
Sheriff Department	-	-	-	109,265	109,265
Public Safety	-	-	-	127,382	127,382
District Attorney	-	-	-	101,392	101,392
Child Support Enforcement	-	-	-	744,981	744,981
Mental Health Services	-	-	-	323,539	323,539
County Health Services	-	-	-	1,472,915	1,472,915
Senior Citizen Services	-	-	-	727,124	727,124
Development - Gap Financing	-	-	-	1,386,979	1,386,979
Transit	-	-	-	159,227	159,227
Parks and Recreation - Operations	-	-	-	88,551	88,551
Parks and Recreations - Capital Improvements	-	-	-	107,687	107,687
Development	27,713	-	-	-	27,713
Debt Service - General	-	18,996,183	-	8,866,589	27,862,772
Debt Service - Development	67,730	-	12,014,070	-	12,081,800
<b>Total</b>	<b>\$ 95,443</b>	<b>\$ 18,996,183</b>	<b>\$ 12,014,070</b>	<b>\$ 25,575,291</b>	<b>\$ 56,680,987</b>
<b>Committed to:</b>					
Promote Tourism and Convention	-	-	-	930,926	930,926
Promote Tourism and Convention - Debt Service	-	-	-	206,834	206,834
Inmate services	-	-	-	162,290	162,290
Future landfill remediation	-	-	-	1,075,269	1,075,269
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,375,319</b>	<b>\$ 2,375,319</b>
<b>Assigned to:</b>					
Subsequent years budget: appropriation of fund balance	3,933,271	-	-	-	3,933,271
Asset Acquisition	-	-	-	5,139,085	5,139,085
<b>Total</b>	<b>\$ 3,933,271</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,139,085</b>	<b>\$ 9,072,356</b>
<b>Unassigned:</b>	<b>27,696,778</b>	<b>-</b>	<b>-</b>	<b>\$ (580,379)</b>	<b>27,116,399</b>
<b>Total fund balances:</b>	<b>\$ 31,725,492</b>	<b>\$ 18,996,183</b>	<b>\$ 12,014,070</b>	<b>\$ 32,509,316</b>	<b>\$ 100,685,061</b>



## 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 \$325,000. Incurred but not reported claims of \$2,046,000 have been accrued as a liability. In 2016, \$28,132,939 was paid for claims and administrative costs. The outstanding claims liability is calculated from historical data and future expectations. This includes an estimated liability for known claims as well as an estimated liability for claims incurred but not reported. The BPU is self-insured on essentially up to 100% of their health claims.

**Workers' Compensation.** The Unified Government is self-insured for workers' compensation. Premiums are paid from the general fund into an internal service fund and available to pay claims, claim reserves and administrative costs of the program. An excess coverage insurance policy covers individual claims in excess of \$750,000. Incurred but not reported claims of \$2,695,000 have been accrued as a liability. During 2016, a total of \$2,431,723 was paid in benefits and administrative costs from the fund. 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:

	<u>Workers' Compensation</u>	<u>Health Insurance</u>	<u>General Liability</u>	<u>BPU</u>
<b>December 31, 2014 Liability Balances</b>	<b><u>\$ 2,552,000</u></b>	<b><u>\$ 2,619,000</u></b>	<b><u>\$ 600,000</u></b>	<b><u>\$ 2,697,000</u></b>
Claims and changes in estimates	1,525,263	27,937,362	629,292	14,637,000
Claim payments	<u>(1,825,263)</u>	<u>(27,579,362)</u>	<u>(629,292)</u>	<u>(14,180,000)</u>
<b>December 31, 2015 Liability Balances</b>	<b><u>\$ 2,252,000</u></b>	<b><u>\$ 2,977,000</u></b>	<b><u>\$ 600,000</u></b>	<b><u>\$ 3,154,000</u></b>
Claims and changes in estimates	2,431,723	28,129,939	667,934	12,208,000
Claim payments	<u>(1,988,723)</u>	<u>(29,060,939)</u>	<u>(667,934)</u>	<u>(12,740,000)</u>
<b>December 31, 2016 Liability Balances</b>	<b><u>\$ 2,695,000</u></b>	<b><u>\$ 2,046,000</u></b>	<b><u>\$ 600,000</u></b>	<b><u>\$ 2,622,000</u></b>

## **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. From 2012 through 2016, in addition to the required contributions, additional amounts have also been funded by the Unified Government. There was no commitment to fund other additional amounts and there was no requirement that these additional amounts be paid to the Self-Insured Health Care Fund. During 2016, there was \$2,400,000 of additional funding to the Self-Insured Health Care Fund. Of this amount funding during the year, approximately \$1.9 million resulted in the elimination of the cumulative amount of employer contributions that were not budgeted or paid while the remaining \$500,000 represented an additional payment to support the fund.

**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. During 2016, payments made under these agreements amounted to \$5,961,343 and the remaining certified project costs to be repaid as of December 31, 2016 totals \$114,689,663.

**Federal Consent Decree.** On May 20, 2013, the United States District Court for the District of Kansas entered a Partial Consent Decree (PCD) between the Unified Government and United States Environmental Protection Agency (EPA). The State of Kansas was a defendant in the PCD along with the Unified Government. On September 28, 2016, the Unified Government submitted an Integrated Overflow Control Plan (IOCP) in accordance with the PCD. The IOCP is designed to comply with federal requirements in a manner that meets the following goals: protect human health, public safety and customer property and make continued progress towards improving water quality. Over the course of the next decade, the Unified Government committed an aggressive \$200+ million plan that reinvests revenue in the existing sewer systems improvements and makes continued overflow reduction progress, while allowing time to grow the capability of the utility to implement and revise the overall IOCP. The plan has yet to be accepted by the EPA and the US Department of Justice and is under review. In addition, the PCD requires the Unified Government to implement approximately \$20 million of ongoing sewer improvement projects in its 5-year capital improvement plan. The PCD does not impose any civil penalty at this time but does provide for stipulated penalties if the Unified Government either fails to perform or is late performing required actions.

The cost of compliance is expected to be in the multi-million dollar range. The respective sanitary and storm sewer enterprise funds have had rate adjustments in previous years in anticipation of the work that is required under the PCD. Both of these funds have strengthened fund balances in anticipation of future debt. The sewer and storm enterprise funds ended 2016 with a combined budgetary fund balance of \$21.1 million or 74% of their total 2016 expenditures.

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

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

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

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

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

**Encumbrances.** At December 31, 2016, the Unified Government had the following outstanding encumbrances:

General	\$ 4,239,763
Capital Projects	13,313,017
Sewer	8,011,365
Nonmajor Governmental	5,779,639
Nonmajor Enterprise	<u>1,859,732</u>
Total	<u>\$ 33,203,516</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 terminated 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. There was no revenue from the power sales agreement for the year ended December 31, 2016.

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 \$4,106,808 in 2016.

On November 3, 2010, the BPU entered into an agreement with Lawrence, Kansas based Bowersock Mills and Power Company to purchase 7 MW of hydroelectric power over the next 25 years, providing additional renewable energy resources to BPU's existing power generating mix. Total power purchased under this agreement was \$2,387,721 in 2016.

In December 2013, the BPU completed negotiations with OwnEnergy Inc., a developer of mid-sized wind projects, for the purchase of 25 megawatts of energy generated by wind turbines. The wind farm will be located south of Alexander, Kansas in Rush County. Construction began in December 2013, and will tie into the Southwest Power Pool (SPP) Midwest Energy transmission system. The contract between BPU and OwnEnergy Inc. is a 20-year renewable energy Purchase Power Agreement (PPA). The wind farm was completed in 2015 with commercial production beginning in December 2015. Total power purchased under this agreement was \$2,887,819 in 2016.

The BPU has contracts with the Southwestern Power Administration ("SPA") entitling the BPU to annually purchase 38.6 MW of hydroelectric peaking capacity. These contracts provide the BPU with hydro allocations until July 1, 2020. The BPU counts the full SPA capacity as a firm supply resource, reducing the need for additional capacity purchases and delaying the need for additional firm generation or other firm purchase power agreements. The energy available from this capacity is equal to 1,200 hours per MW of capacity per year, the scheduling of such energy being at the BPU's discretion (with certain minimum and maximum monthly and seasonal limitations). Total power purchased under this agreement was \$3,796,834 in 2016. The BPU also has an allotment of 5 MW of hydroelectric power from the Western Area Power Administration ("WAPA") until September 30, 2024. Total power purchased under this agreement was \$618,263 in 2016.

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

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

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

The BPU is committed to purchase coal through WFA for the duration of the Nearman plant. The estimated coal purchase for Nearman station is \$23,000,000, \$23,000,000 and \$23,000,000 for 2017, 2018 and 2019, respectively. Any additional coal required will be bought on the spot market.

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

***Brushy Creek Coal Company and Liberty Coal Company.*** The BPU holds an indirect 50% interest in Brushy Creek Coal Company (BCCC) and a 50% indirect interest in Liberty Coal Company (Liberty). The other 50% interest is indirectly owned by the City of Sikeston, Missouri (Sikeston). BCCC was the owner and operator of a coal mine and related equipment located in Illinois. BCCC discontinued mining operations in 1997. BCCC did not have material operations during the years ended December 31, 2016. 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, 2016, the BPU has recorded an estimated liability of \$1.0 million, within accrued claims payable for its estimated remaining share of these obligations. Funding provided for these obligations was \$320,000 in 2016.

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 is the home field for Sporting KC within the Village West Redevelopment Area. The construction was primarily funded from proceeds of the Series 2010B STAR bonds. Additionally, under a Land Transfer and Specific Venture Agreement, the Cerner Corporation (Cerner) acquired land from the Unified Government within the Village West Redevelopment Area to construct, develop, complete and operate 600,000 square feet of Class A office buildings.

Under these agreements, land was sold to the Developer for the stadium project and the office project at its appraised fair market value. The agreements included Supplemental Land Payments as well. The annual payments on the land were scheduled to have continued through 2025. However, a settlement agreement was reached and in June 2015 the Developer paid a lump sum in full satisfaction of the amount owed to the Unified Government. There is no outstanding note receivable as all related amounts due to the land sale have been settled in full.

The agreement with Cerner imposes obligations regarding construction of the office project and the creation of jobs. Cerner met the payroll and job creation obligations of the agreement through December 31, 2016. Under this agreement, annual payroll and job creation requirements continue through 2026. During this time frame, if the requirements are not met, the Developer has an obligation to pay the Unified Government an "Office Payment Obligation" as defined in the Multi-Sport Stadium Specific Venture Agreement. For years after 2016, the potential obligation for non-compliance is \$3,041,061 annually, with the total potential obligation of \$27,369,549 (payable in 9 equal installments from 2018 to 2026). This amount has not been recorded as a receivable in the Unified Government's financial statements as of December 31, 2016, as it is not yet determinable whether Cerner will meet the payroll and job creation obligations for the future years.

#### **D. Jointly Governed Organizations and Other Related Organizations**

**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.

In April 2016, the Unified Government received \$7.0 million from the sale of their interest in KCK Hotel Group, L.L.C. to Fairwood Capital, LLC. The Unified Government maintained ownership of the adjacent Reardon Convention Center and will continue to manage this facility for civic and government-sponsored events. The sale will allow the Unified Government to invest \$2 million for capital improvements and renovations to the convention center and to cover the outstanding debt obligations on the hotel. Outstanding debt on the hotel includes an approximate balance of \$1.2 million on a 2010 Section 108 loan refinancing and a \$4.0 million balance on the 2013-D debt issuance, neither of which can be defeased until a future maturity date.

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

The BPU's portion of the 630 megawatt (MW) rated capability of Dogwood is approximately 110 megawatts. Generation from Dogwood and operating expenses incurred by Dogwood are allocated to the BPU based on the 17% ownership interest. The BPU's proportionate share of their plant operating expenses is included in the corresponding operating expenses in the statement of net position. In addition, the BPU is required to provide its share of financing for any capital additions to Dogwood. During 2016, BPU's portion of fuel expense and operating and maintenance expense were \$5,726,176 and \$2,362,607 respectively. BPU also receives a portion of the wholesale sales generated by the Dogwood plant. BPU received \$8,313,950 in wholesale sales from Dogwood during 2016. These amounts are included in the accompanying statements of revenues, expenses and changes in fund net position.

The BPU's investment includes an acquisition adjustment of \$34.8 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, 2016, the BPU's ownership interest in Dogwood's capital assets consisted of \$38,839,720 in Plant in Service Facility, \$4,733,618 of accumulated depreciation and \$0 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**

### **Unified Government Plan.**

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

*Benefits provided.* KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the General Assembly. Member employees (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 "points" (Police and Firemen' normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

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

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

The 2012 Legislature made changes affecting new hires, current member employees and employers. A new KPERs 3 cash balance retirement plan for new hires starting January 1, 2015, was created.



Normal retirement age for KPERS 3 is 65 with five years of service or 60 years with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.18% for KPERS and 20.42% for KP&F for the fiscal year ended December 31, 2016. Contributions to the pension plan from the Unified Government were \$5,683,137 for KPERS and \$12,592,173 for KP&F for the year ended December 31, 2016.

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

Although KPERS administers one cost sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of recourse, and pension expense are determined separately for each group of the plan. The Unified Government participates in the local (KPERS) group and the Police and Firemen (KP&F) group.

At December 31, 2016, the Unified Government reported a liability of \$55,283,525 for KPERS and \$125,412,077 for KP&F for its proportionate share of the KPERS' collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2016, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The Unified Government proportion of the collective net pension liability was based on the ratio of the Unified Government actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of the KPERS and KP&F for the fiscal year ended June 30, 2016. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2016, the Unified Government proportion and change from its proportion measured as of June 30, 2015 were as follows:

**Net pension liability as of December 31, 2016**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Proportion as of June 30, 2016</b>	<b>Decrease in proportion from June 30, 2015</b>
KPERS (local)	\$ 49,940,783	\$ 5,342,742	\$ 55,283,525	3.574	(0.002%)
KP&F	118,688,804	6,723,273	125,412,077	13.503	(0.389%)
	<u>\$ 168,629,587</u>	<u>\$ 12,066,015</u>	<u>\$ 180,695,602</u>		

For the year ended December 31, 2016, the Unified Government recognized pension expense of \$4,860,280 for KPERS and \$19,927,381 for KP&F. At December 31, 2016, the Unified Government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 6,554,106	\$ 2,126,238	\$ 385,856	\$ 165,815
Net difference between projected and actual earnings on pension plan investments	21,439,544	-	1,511,422	-
Changes in proportionate share	1,698,435	5,433,823	109,899	392,676
Changes in assumptions	-	1,198,892	-	91,429
County contributions subsequent to measurement date	<u>8,514,365</u>	<u>-</u>	<u>612,981</u>	<u>-</u>
Total	<u>\$ 38,206,450</u>	<u>\$ 8,758,953</u>	<u>\$ 2,620,158</u>	<u>\$ 649,920</u>

The \$9,127,346 reported as deferred outflows of resources related to pensions resulting from the Unified Government's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

Year ended December 31:	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
	<b>Deferred Outflows (Inflows) of Resources</b>	<b>Deferred Outflows (Inflows) of Resources</b>
2017	\$ 2,908,873	\$ 188,605
2018	2,908,873	188,605
2019	9,176,196	594,964
2020	5,505,022	356,933
2021	434,168	28,150
	<u>\$ 20,933,132</u>	<u>\$ 1,357,257</u>

*Actuarial assumptions.* The total pension liability for KPERS in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	3.00%
Wage inflation	4.00%
Salary increases, including wage increases	4.00% to 16.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	8.00%

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study conducted for the three year period beginning December 31, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations as of June 30, 2016 are summarized in the following table:

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

*Discount rate.* The discount rate used by KPERS to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in the future. Employers contribute the full actuarial determined rate for KP&F. Future employer contribution rates were also modeled for KP&F assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Unified Government's proportionate share of the collective net pension liability to changes in the discount rate.* The following presents the Unified Government's proportionate share of the collective net pension liability calculated using the discount rate of 8.00%, as well as what the Unified Government's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Unified Government's KPERS proportionate share of the net pension liability	\$ 77,775,002	\$ 55,283,525	\$ 37,908,333
Unified Government's KP&F proportionate share of the net pension liability	<u>172,039,724</u>	<u>125,412,077</u>	<u>86,017,151</u>
	<u>\$ 249,814,726</u>	<u>\$ 180,695,602</u>	<u>\$ 123,925,484</u>

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

*Subsequent events.* KPERs is currently conducting an actuarial experience study. One of the recommendations made by KPERs' actuarial firm was to reduce the assumed rate of return. The current rate is 8 percent. The recommendation made was a change to a rate in the range of 7.75 percent to 7.50 percent. The earliest actuarial valuation affected would be the December 31, 2016, report. If adopted, this change would affect the funded status of the plan and also the calculation of the total pension liability for fiscal year 2017.

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

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

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

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

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

The data required regarding the membership of the Plan were furnished by the Pension Administrator of the Plan. The following table summarized the membership of the Plan as of January 1, 2016, the Valuation date.

Inactive Members or Beneficiaries Currently Receiving Benefits	801
Disabled Members	12
Inactive member Entitled To But Not Yet Receiving Benefits	22
Active Members	<u>545</u>
Total	1,380

*Funding Policy.* Benefit and contribution provisions are established by and may only be amended by the Pension Board of Trustees. Contribution rates are determined annually by the Pension Board of Trustees. BPU contributes a fixed contribution rate, equal to that of the members, currently 8.50% of pensionable earnings. BPU contributed \$4,250,805 to the Plan for the year ended December 31, 2016.

*Pension Liabilities.* The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016 and rolled forward to the measurement date. As of December 31, 2016, the Plan reported a net pension liability of \$14,459,214.

	<b>Increases (Decreases)</b>		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
<b>Balances at December 31, 2015</b>			
<b>Changes for the year:</b>	\$490,789,392	\$479,061,847	\$ 11,727,545
Service cost	7,339,629	-	7,339,629
Interest on total pension liability	38,033,409	-	38,033,409
Difference between expected and actual experience	(9,622,386)	-	(9,622,386)
Change of assumptions	(21,130,167) *	-	(21,130,167)
Employer contributions	-	4,172,968	(4,172,968)
Employee contributions	-	4,172,968	(4,172,968)
Net investment income	-	3,875,505	(3,875,505)
Benefit payments, including member refunds	(31,346,590)	(31,346,590)	-
Administrative expenses	-	(332,625)	332,625
Net changes	<u>(16,726,105)</u>	<u>(19,457,774)</u>	<u>2,731,669</u>
<b>Balance at December 31, 2016</b>	<u>\$474,063,287</u>	<u>\$459,604,073</u>	<u>\$ 14,459,214</u>

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

*Actuarial Assumptions.* The total pension liability based on the January 1, 2016 actuarial valuations were determined using the following actuarial assumptions, and applied to all periods included in the respective measurement:

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

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

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

The long-term expected rate of return on pension plan investments is reviewed as part of the regular experience study prepared for the Plan. The results of the most recent experience study were presented in a report dated June 18, 2014. Several factors are considered in evaluating the long-term rate or return assumption, including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation), along with estimates of variability and correlations for each asset class, were developed by the Plan's investment consultant. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by some investment consultants are often intended for use over a 10-year investment horizon and are not always useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The investment consultant for the BPU does provide capital market assumptions for a 50-year period and those were used as part of our analysis. The long-term rate of return assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Asset class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Large Cap Equity	20.0%	5.9%
Domestic Large Cap Equity	20.0	7.2
International equity	13.0	6.1
International Small Cap Equity	4.0	7.4
Emerging Market Equities	3.0	8.9
Real Estate	14.0	5.5
Fixed Income- Intermediate	21.0	3.4
Fixed Income - High Yield	5.0	5.2
Cash and Equivalents	0.0	1.0
	<u>100.0%</u>	

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

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

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of

return on Plan investments of 8.0% was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Net Pension asset (liability)	\$ 67,151,934	\$ 14,459,214	\$ (29,922,826)

*Pension Expense.* For the fiscal year ended December 31, 2016, the BPU recognized pension expense of \$6,070,466. Annual pension expense consists of service cost, interest and administrative expenses on pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as deferred outflow/inflow of resources recognized in pension expense over a five year period.

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

As of December 31, 2016, the BPU reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 7,530,563
Changes in assumptions	-	16,536,652
Difference between projected and actual earnings on pension plan investments	32,604,860	-
Contributions subsequent to the measurement date	4,250,805	-
Total	<u>\$ 36,855,665</u>	<u>\$ 24,067,215</u>

The amount reported as deferred outflows of resources as of December 31, 2016 resulting from contributions subsequent to the measurement date of \$4,250,805 will be recognized as a reduction in the net pension liability for the year ended December 31, 2017. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Deferred Outflow of Resources	Deferred Outflow of Resources
2017	\$ 8,632,681	\$ 6,685,338
2018	8,632,681	6,685,338
2019	8,632,681	6,685,338
2020	6,706,817	4,011,201
	<u>\$ 32,604,860</u>	<u>\$24,067,215</u>

**Unified Government Closed Plan.** In 1962, certain individuals elected not to participate in KPERS. Currently, there are 2 remaining retirees or their spouses receiving benefits under the prior plan maintained by the Unified Government. There are no employees contributing to the plan. The most recent actuarial study was prepared in 1998 and estimated total payments for 2017 through 2031 to be approximately \$246,153. 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, 2016 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 2016 ranged from \$385 to \$1,383, 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**

<b>1. Annual OPEB Cost for 2016</b>				
Normal Cost	\$	5,324,103		
Amortization of Unfunded Actuarial Accrued Liability		<u>6,206,406</u>		
Annual Required Contribution (ARC)		11,530,509		
Interest on Net OPEB Obligation		3,257,340		
Adjustment to the ARC		<u>(4,889,052)</u>		
Annual OPEB Cost		9,898,797		
Contribution made		<u>(2,550,949)</u>		
Increase in Net OPEB Obligation	\$	<u><u>7,347,848</u></u>		
<b>2. Employer Contributions for 2016</b>				
Claims + Admin Paid on Behalf of Retirees	\$	4,746,987		
Retiree Contributions		<u>(2,196,038)</u>		
Net Employer Contributions	\$	<u><u>2,550,949</u></u>		
<b>3. Schedule of Employer Contributions</b>				
<b>Year</b>	<b>Annual OPEB Cost</b>	<b>Net Employer Contributions</b>	<b>Percentage Contributed</b>	<b>Net OPEB Obligation</b>
2016	\$ 9,898,797	\$ 2,550,949	25.77%	\$ 100,414,713
2015	10,034,189	2,311,837	23.04%	93,066,865
2014	9,296,928	4,073,989	43.82%	85,344,513
<b>4. Net OPEB Obligation at 12/31/16</b>				
Beginning balance at 12/31/15			\$	93,066,865
Net increase for 2016				<u>7,347,848</u>
Balance at 12/31/16			\$	<u><u>100,414,713</u></u>

*Funded Status and Funding Progress*

As of January 1, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$114,148,528, and there was no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$114,148,528. The covered payroll (annual payroll active employees covered by the plan) was \$106,221,076, and the ratio of the UAAL to the covered payroll was 107.5%.

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, 2015 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 six years. The UAAL is being amortized in level dollar amounts on an open basis over thirty years. The remaining amortization period at December 31, 2015 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 of Directors. The plan is a single-employer defined benefit healthcare plan administered by the BPU. The plan does not issue separate financial statements. Employees are given a 90-day window to retire with medical coverage at ages 55 and above with seven consecutive years of service. The retiree plan is a comprehensive major medical plan with a \$100 deductible per individual or \$200 per family. For individuals, the plan pays 80% of the next \$12,500 of allowable charges and 100% thereafter for the remainder of that calendar year. For families, the plan pays 80% of the next \$25,000 of allowable charges and 100% thereafter for the remainder of that calendar year. The plan has a lifetime maximum of \$750,000. Benefits cease at the first of the month that the retired employee attains age 65 or death. Spouse benefits end at the first of the month that the retired employee attains age 65, the end of the month of the retiree's death, or the spouse's date of death. Retirees are not required to contribute toward the cost of the postretirement benefits. There were 394 participants eligible to receive benefits under this plan as of December 31, 2016.

*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, 2016, the BPU paid \$4,280,551 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 2014-2016 are as follows:

Fiscal year ended:	Annual OPEB Cost	Percentage of annual OPEB contributed	Net OPEB
December 31, 2016	\$4,687,591	91%	\$5,481,779
December 31, 2015	4,863,731	83%	5,074,739
December 31, 2014	4,217,197	87%	4,268,837

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	\$ 1,852,428
Amortization payment	<u>2,910,813</u>
Annual required contribution (ARC)	4,763,241
Amortization of net OPEB obligation	(316,700)
Interest on net OPEB obligation	<u>241,050</u>
Annual OPEB cost	4,687,591
Annual employer contribution	<u>(4,280,551)</u>
Increase in OPEB obligation	407,040
Net OPEB obligation - beginning of year	<u>5,074,739</u>
Net OPEB obligation - end of year	<u>\$ 5,481,779</u>

The funded status of the plan as of December 31, 2016 is as follows:

Actuarial accrued liability (AAL)	\$45,945,465
Actuarial value of plan assets	\$ -
Unfunded actuarial accrued liability (UAAL)	\$45,945,465
Funded ratio	-%
Covered payroll	\$44,755,765
UAAL as percentage of covered payroll	102.7%

#### *Actuarial Methods and Assumptions*

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include benefits provided at the time of each valuation date and the historical pattern of sharing benefit costs between the employer and plan member to that point. The actuarial methods used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets, consistent with the long-term perspective of the calculations. The valuation of the liabilities is based on a closed group. In the actuarial valuation as of December 31, 2016, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.75% discount rate, which includes an annual healthcare cost trend of 7.5% in 2016, reduced by decrements to an ultimate rate of 5.0% in 2020. The projected salary increase is 2.5%. The unfunded actuarial accrued liability is being amortized over 20 years (closed) as a level percent of payrolls.

## **G. Economic Condition**

As described in Notes III.F., IV.E. and IV.F., the Unified Government has significant long-term liabilities for compensated absences, other post-employment benefit obligations (OPEB), and pensions. These obligations are the primary cause of the resulting deficit in net position for governmental activities recorded on the Statement of Net Position. For governmental activities, total long-term liabilities for compensated absences were \$41.5 million, for OPEB were \$92.3 million, and for pensions totaled \$168.6 million.

The annual increase in the net OPEB obligation for retiree health benefits has averaged over \$6.0 million for the prior three years. In 2016, the annual increase in liability was \$7,347,848. As of the most recent actuarial valuation, January 1, 2015 for OPEB, the total unfunded actuarial liability was approximately \$114 million. For more information on the OPEB unfunded actuarial liability, see Note IV.F.

With the implementation of GASB 68, the Unified Government recorded a total net pension liability in 2016 of \$180.6 million resulting from its participation in KPERS and KP&F based on the most recent actuarial valuation as of December 31, 2015. For more information on the unfunded actuarial liability, see Note IV.E.

The deficit net position of the Unified Government reflects there are currently insufficient assets to provide all the benefits earned by employees under the OPEB and pension plans in order to pay off the unfunded liability during the adopted amortization periods ending in 2045. A significant majority of the compensated absences, OPEB and pension obligations will be liquidated by General Fund resources. For the year ended December 31, 2016, General Fund revenues accounted for approximately 66% of all governmental fund revenues, excluding the Economic Development Fund which is restricted for sales tax obligation and transportation development bonds. General Fund revenue sources such as property taxes and sales taxes are affected by general economic conditions, and the Unified Government, like many other entities, experienced economic challenges in past years. There is a reasonable possibility that continued growth in compensated absences and net OPEB and pension obligations will result in increases to the deficit in net position for governmental activities in future years.

Several actions have been implemented by management to reduce future increases in OPEB retiree health benefit and compensated absences liabilities. The Unified Government offers employees two Health Insurance plans: a tradition plan and a high deductible health savings plan. In 2016 co-insurance rates on the traditional insurance plan decreased from 100% to 90%, with the employee paying 10% of medical expenses after the deductible has been met. This resulted in a 4.7% reduction in claims paid by the Health Plan. In 2015 employee deductibles were set to \$500 single/\$1,000 family to reduce the Unified Government's total contributions. Further, management negotiated and implemented employee contributions of \$10, \$20 and \$30 per month depending on salary level towards the employee's and family health care coverage, which was previously paid 100% by the Unified Government. During 2016, the employee health care contributions were effective for all employees except the International IAFF bargaining groups. The IAFF group accepted their contract changes in FY 2017.

In 2016 there was an increase in enrollment to the High deductible health savings plan. The number of members covered in 2016 increased by 172% over 2015. The decrease in membership to the traditional plan was 35%. All of these actions are attributable to the improvement in the Health Fund over the last several years.

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

employee class. This change in accrued leave balances has been implemented for all new employees in KPERs.

The Unified Government expects positive increases in General Fund revenues during the next two years. Continued growth in sales and use tax revenues to the General Fund, with an annual increase of 8.8% in 2016 and 24.2% growth since 2012, have positively impacted government revenues. Additionally, the Village West STAR bonds, Series 2004, Series 2010B CAB, Series 2012 and Series 2014 CAB, were paid off on December 1, 2016. The STAR Bond payoff will result in local sales tax revenues increasing by approximately \$12.4 million annually.

The Hollywood Casino opened in February of 2012 and generated approximately \$3.3 million in gaming and \$7.1 million property tax revenues in 2016. Consistent with a development agreement, the Casino also contributes an additional 1% of net gaming revenues in 2016 which represents approximately \$1.5 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 was required to make annual payments in excess of \$1.4 million. This penalty payment will continue until the Casino proceeds with the hotel construction project.

The economic outlook for Wyandotte County and Kansas City, KS remains positive. Wyandotte County remains strong in terms of job growth among Kansas City metro area counties as well as nationally. Wyandotte County's growth rate was stronger than the national growth rate. Wyandotte County had a 2.5% increase in jobs between September 2015 and September 2016 which ranked the County 3rd out of the six Kansas City Missouri-Kansas metropolitan area cities in the analysis. Nationally, job growth was 1.7% for this period. In 2016, the County saw several major projects covering all sectors of the economy advance. Example of these projects are: Amazon distribution center (\$120 million); Logistics warehouse in Fairfax Industrial area (\$19.3 million); U.S. Soccer Youth Soccer complex (\$10.9 million); Homewood Suites Hotel (\$4.3 million); Unified Government South Patrol police station (\$2.2 million) and Piper Heritage Veterinary clinic (\$1.3 million). The redevelopment of two industrial parks in northeast Kansas City, KS are 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. A second building permit was issued in 2016 (mentioned above) for a second logistics warehouse building.

These commercial investments has spurred residential construction. In 2016, there were 215 single-family permits issued in Kansas City, Kansas, and 132 issued in 2015. 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 2016, Kansas City, Kansas ranked fifth among all cities in the number of single-family units added.

In 2015, STAR bonds were issued for two major projects. Adjacent to Schlitterbahn water park, the construction of an auto mall continued in 2016, as well as construction of a training center and office facility for U.S. Soccer National Training and Coaching Development Center. 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, which began development in 2015 as mentioned above, four restaurant pad sites and a convenience store/gas station. Building permits have been issued in 2016 for a Star convenience store/gas station, a fourth auto dealer, a medical office building and a carwash/restaurant combination business. 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.

## H. Subsequent Events

Since January of 2017, the Unified Government has issued four financings for both bonds and temporary notes. No other financings are expected to be completed by June 30<sup>th</sup> of 2017. The table below provides a summary of these issuances.

### Unified Government Financings: January - May 2017

<b>Issue</b>	<b>Month</b>	<b>Tax Status</b>	<b>Term</b>	<b>Amount</b>	<b>True Interest Cost</b>
2017-I	February	Tax-Exempt Municipal Temporary Notes	1 \$	62,255,000	1.1517407%
2017-A	February	Tax-Exempt GO Bonds	20	21,995,000	3.2373951%
2017-B	February	Taxable GO Bonds	20	4,810,000	3.5092081%
2017-C	February	Tax-Exempt GO Bonds	12	12,990,000	2.6227145%

**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, 2016**

	2015		2016		Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final		
<b>REVENUES</b>					
Tax revenue	\$ 158,106,549	\$ 168,003,352	\$ 173,240,470	\$ 160,525,389	\$ (12,715,081)
Intergovernmental revenues	3,854,285	3,943,500	3,943,500	4,042,979	99,479
Charges for services	12,898,945	12,842,800	12,764,800	12,922,898	158,098
Fines, forfeitures and penalties	8,108,639	6,335,100	7,035,100	6,904,800	(130,300)
Interest earnings	1,536,193	1,625,000	1,675,000	1,069,265	(605,735)
Licenses and permits	2,334,336	2,052,000	2,052,000	2,323,755	271,755
Miscellaneous revenues	4,101,300	4,353,588	4,553,588	4,807,310	253,722
<b>TOTAL REVENUES</b>	<b>190,940,247</b>	<b>199,155,340</b>	<b>205,264,458</b>	<b>192,596,396</b>	<b>(12,668,062)</b>
<b>EXPENDITURES</b>					
Personnel	141,658,997	144,131,806	144,710,774	143,636,567	1,074,207
Contractual services	28,673,021	32,469,448	34,962,694	32,861,566	2,101,128
Commodities	5,405,810	6,403,661	6,560,332	5,496,330	1,064,002
Capital outlay	4,687,800	5,516,252	5,781,786	4,595,056	1,186,730
Grants, claims, shared revenue	4,637,154	5,341,180	5,423,221	5,062,754	360,467
Debt service	1,174,900	13,664,224	13,465,123	641,175	12,823,948
Other	30,924	667,228	95,771	228	95,543
<b>TOTAL EXPENDITURES</b>	<b>186,268,606</b>	<b>208,193,799</b>	<b>210,999,701</b>	<b>192,293,676</b>	<b>18,706,025</b>
<b>OTHER FINANCING SOURCES(USES)</b>					
Transfers in	2,264,738	2,256,000	2,256,476	2,256,476	-
Transfers out	(3,095,672)	(1,192,495)	(4,592,848)	(4,590,847)	2,001
Bond proceeds	275,000	-	-	-	-
Proceeds from sale of capital assets	9,678,350	-	-	181,494	181,494
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>9,122,416</b>	<b>1,063,505</b>	<b>(2,336,372)</b>	<b>(2,152,877)</b>	<b>183,495</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>13,794,057</b>	<b>(7,974,954)</b>	<b>(8,071,615)</b>	<b>(1,850,157)</b>	<b>6,221,458</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	7,334,767	21,128,824	21,128,824	21,128,824	-
End of year	\$ 21,128,824	\$ 13,153,870	\$ 13,057,209	\$ 19,278,667	\$ 6,221,458

**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, 2016**

	2015	2016		Variance with Final Budget- Positive (Negative)	
	Actual Amounts	Budget Amounts			
		Original	Final		Actual Amounts
<b>REVENUES</b>					
Tax revenue	\$ 108,109,186	\$ 119,754,534	\$ 124,040,830	\$ 110,726,619	\$ (13,314,211)
Intergovernmental revenues	703,537	678,000	678,000	754,898	76,898
Charges for services	10,408,835	10,210,300	10,160,300	10,940,420	780,120
Fines, forfeitures and penalties	5,621,012	4,735,100	5,085,100	4,397,364	(687,736)
Interest earnings	77,158	25,000	75,000	50,819	(24,181)
Licenses and permits	1,188,398	1,147,000	1,147,000	1,226,294	79,294
Miscellaneous revenues	3,157,687	3,391,692	3,391,692	3,589,862	198,170
<b>TOTAL REVENUES</b>	<b>129,265,813</b>	<b>139,941,626</b>	<b>144,577,922</b>	<b>131,686,276</b>	<b>(12,891,646)</b>
<b>EXPENDITURES</b>					
Personnel	100,202,597	102,261,132	102,011,311	100,021,835	1,989,476
Contractual services	16,352,602	18,176,222	19,810,804	19,013,132	797,672
Commodities	3,659,422	4,531,317	4,505,575	3,781,455	724,120
Capital outlay	3,129,180	4,062,752	3,649,452	2,672,051	977,401
Grants, claims, shared revenue	3,855,168	4,414,313	4,646,415	4,372,111	274,304
Debt service	1,174,151	13,664,224	13,465,123	641,175	12,823,948
Other	3,763	345,000	72,649	-	72,649
<b>TOTAL EXPENDITURES</b>	<b>128,376,883</b>	<b>147,454,960</b>	<b>148,161,329</b>	<b>130,501,759</b>	<b>17,659,570</b>
<b>OTHER FINANCING SOURCES(USES)</b>					
Transfers in	2,256,000	2,256,000	2,256,000	2,256,000	-
Transfers out	(3,095,672)	(992,495)	(4,407,848)	(4,405,847)	2,001
Bond proceeds	275,000	-	-	-	-
Proceeds from sale of capital assets	9,602,690	-	-	181,494	181,494
<b>TOTAL OTHER FINANCING (USES)</b>	<b>9,038,018</b>	<b>1,263,505</b>	<b>(2,151,848)</b>	<b>(1,968,353)</b>	<b>183,495</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>9,926,948</b>	<b>(6,249,829)</b>	<b>(5,735,255)</b>	<b>(783,836)</b>	<b>4,951,419</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	4,858,624	14,785,572	14,785,572	14,785,572	-
End of year	\$ 14,785,572	\$ 8,535,743	\$ 9,050,317	\$ 14,001,736	\$ 4,951,419



**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, 2016**

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final		
<b>REVENUES</b>					
Tax revenue	\$ 48,257,484	\$ 46,533,466	\$ 47,467,687	\$ 48,055,655	\$ 587,968
Intergovernmental revenues	50,748	65,500	65,500	88,081	22,581
Charges for services	1,871,187	2,034,500	1,994,500	1,371,939	(622,561)
Fines, forfeitures and penalties	2,487,627	1,600,000	1,950,000	2,507,436	557,436
Interest earnings	1,459,035	1,600,000	1,600,000	1,018,446	(581,554)
Licenses and permits	1,145,938	905,000	905,000	1,097,461	192,461
Miscellaneous revenues	842,226	860,896	1,060,896	1,114,848	53,952
<b>TOTAL REVENUES</b>	<b>56,114,245</b>	<b>53,599,362</b>	<b>55,043,583</b>	<b>55,253,866</b>	<b>210,283</b>
<b>EXPENDITURES</b>					
Personnel	37,779,564	38,030,674	38,959,463	39,892,635	(933,172)
Contractual services	11,533,634	13,110,181	14,015,877	12,750,916	1,264,961
Commodities	1,261,359	1,287,140	1,422,521	1,212,722	209,799
Capital outlay	1,335,459	1,103,500	1,697,334	1,501,803	195,531
Grants, claims, shared revenue	702,711	921,592	771,531	690,643	80,888
Debt Service	749	-	-	-	-
Other	27,161	301,118	22,012	228	21,784
<b>TOTAL EXPENDITURES</b>	<b>52,640,637</b>	<b>54,754,205</b>	<b>56,888,738</b>	<b>56,048,947</b>	<b>839,791</b>
<b>OTHER FINANCING SOURCES(USES)</b>					
Transfers in	8,738	-	476	476	-
Transfers out	-	(200,000)	(150,000)	(150,000)	-
Proceeds of sale of capital assets	75,660	-	-	-	-
<b>TOTAL OTHER FINANCING (USES)</b>	<b>84,398</b>	<b>(200,000)</b>	<b>(149,524)</b>	<b>(149,524)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>3,558,006</b>	<b>(1,354,843)</b>	<b>(1,994,679)</b>	<b>(944,605)</b>	<b>1,050,074</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	2,028,271	5,586,277	5,586,277	5,586,277	-
End of year	\$ 5,586,277	\$ 4,231,434	\$ 3,591,598	\$ 4,641,672	\$ 1,050,074

**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, 2016**

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final		
<b>REVENUES</b>					
Tax revenue	\$ 1,739,879	\$ 1,715,352	\$ 1,731,953	\$ 1,743,115	\$ 11,162
Intergovernmental revenues	3,100,000	3,200,000	3,200,000	3,200,000	-
Charges for services	618,923	598,000	610,000	610,539	539
Miscellaneous revenues	101,387	101,000	101,000	102,600	1,600
<b>TOTAL REVENUES</b>	<b>5,560,189</b>	<b>5,614,352</b>	<b>5,642,953</b>	<b>5,656,254</b>	<b>13,301</b>
<b>EXPENDITURES</b>					
Personnel	3,676,836	3,840,000	3,740,000	3,722,097	17,903
Contractual services	786,785	1,183,045	1,136,013	1,097,518	38,495
Commodities	485,029	585,204	632,236	502,153	130,083
Capital outlay	223,161	350,000	435,000	421,202	13,798
Grants, claims, shared revenue	79,275	5,275	5,275	-	5,275
Other	-	21,110	1,110	-	1,110
<b>TOTAL EXPENDITURES</b>	<b>5,251,086</b>	<b>5,984,634</b>	<b>5,949,634</b>	<b>5,742,970</b>	<b>206,664</b>
<b>OTHER FINANCING SOURCES(USES)</b>					
Transfers out	-	-	(35,000)	(35,000)	-
<b>TOTAL OTHER FINANCING (USES)</b>	<b>-</b>	<b>-</b>	<b>(35,000)</b>	<b>(35,000)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>309,103</b>	<b>(370,282)</b>	<b>(341,681)</b>	<b>(121,716)</b>	<b>219,965</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	447,872	756,975	756,975	756,975	-
End of year	\$ 756,975	\$ 386,693	\$ 415,294	\$ 635,259	\$ 219,965

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:

<b>Revenue and other sources:</b>	<b><u>General Fund</u></b>
GAAP basis revenues	\$ 191,952,457
Revenue adjustments	(474,667)
Intrafund appropriations and transfers	3,463,169
Cancellation of prior year encumbrances	<u>93,407</u>
<b>Budgetary basis revenue</b>	<b><u>\$ 195,034,366</u></b>
<b>Expenditures and other uses:</b>	
GAAP basis expenditures	\$ 191,816,623
Expenditure adjustments	275,140
Intrafund appropriations	3,463,169
Change in reserve for encumbrances	1,236,184
Cancellation of prior year encumbrances	<u>93,407</u>
<b>Budgetary basis expenditures</b>	<b><u>\$ 196,884,523</u></b>

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**Defined Benefit Pension Plans**

**Unified Government**

Share of the Collective Net Pension Liability  
Kansas Public Employees Retirement System  
Last Four Fiscal Years\*

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Unified Government's proportion of the collective net pension liability:				
KPERs (local group)	3.574%	3.576%	3.766%	3.725%
KP&F (police & firemen)	13.503%	13.892%	14.190%	13.807%
Unified Government's proportionate share of the collective net pension liability	\$ 180,695,602	\$ 147,823,146	\$ 139,414,084	\$ 168,946,370
Unified Government's covered-employee payroll ^	\$ 125,344,016	\$ 125,440,405	\$ 127,086,410	\$ 122,982,901
Unified Government's proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	144%	118%	110%	137%
Plan fiduciary net position as a percentage of the total pension liability	65.10%	64.95%	66.60%	59.94%

\* GASB 68 requires presentation of ten years. As of December 31, 2016, only four years of information is available.

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

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

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Unified Government's Contributions  
Kansas Public Employees Retirement System  
Last Four Fiscal Years\*

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

\* GASB 68 requires presentation of ten years. As of December 31, 2016, only four years of information is available.

<sup>^</sup> Covered payroll is measured as of the fiscal year end December 31.

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

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

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

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**Board of Public Utilities**

Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year Ended December 31, 2016\*

	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>		
Service cost	\$ 7,339,629	\$ 7,560,923
Interest on total pension liability	38,033,409	36,958,626
Difference between expected and actual experience	(9,622,386)	-
Assumption changes	(21,130,167)	-
Benefit payments, including member refunds	<u>(31,346,590)</u>	<u>(30,832,788)</u>
Net change in total pension liability	(16,726,105)	13,686,761
Total pension liability, beginning	<u>490,789,392</u>	<u>477,102,631</u>
Total pension liability, ending (a)	<u>\$ 474,063,287</u>	<u>\$ 490,789,392</u>
 <b>Plan Fiduciary Net Position</b>		
Employer contributions	\$ 4,172,968	\$ 4,278,318
Employee contributions	4,172,968	4,278,318
Net investment income	3,875,505	27,423,709
Benefit payments, including member refunds	(31,346,590)	(30,832,788)
Administrative expenses	<u>(332,625)</u>	<u>(338,801)</u>
Net change in plan fiduciary net position	(19,457,774)	4,808,756
Plan fiduciary net position, beginning	<u>479,061,847</u>	<u>474,253,091</u>
Plan fiduciary net position, ending (b)	<u>\$ 459,604,073</u>	<u>\$ 479,061,847</u>
 Net pension liability, ending (a)-(b)	<u>\$ 14,459,214</u>	<u>\$ 11,727,545</u>
 Fiduciary net position as a percentage of the total pension liability	96.95%	97.61%
 Covered payroll	\$ 50,400,000	\$ 49,091,000
 Net pension liability as a percentage of covered payroll	28.69%	23.89%

\* GASB 68 requires presentation of ten years. As of December 31, 2016, only two years of information is available.

Changes in assumptions:

1/1/2015 Valuation – the assumed COLA for post January 1, 1993 retirees was changed from 1 through 2020 and 3% thereafter to 1% through 2025 and 3% thereafter.

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

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Employer Ten Year Contributions  
Fiscal Year Ended December 31, 2016  
Accordance with GASB No. 67  
(Dollar amounts in thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined employer contributions	\$ 7,263	\$ 7,423	\$ 7,887	\$ 8,398	\$ 7,257	\$ 5,817	\$ 5,269	\$ 6,959	\$ 3,367	\$ 2,495
Actual employer contributions	4,251	4,170	4,278	4,269	4,332	4,255	4,155	3,365	2,812	2,811
Contribution deficiency (excess)	\$ 3,012	\$ 3,253	\$ 3,609	\$ 4,129	\$ 2,925	\$ 1,562	\$ 1,114	\$ 3,594	\$ 555	\$ (316)
Covered-employee payroll	\$ 50,070	\$ 49,091	\$ 50,128	\$ 50,792	\$ 51,357	\$ 50,254	\$ 49,254	\$ 50,111	\$ 50,389	\$ 48,138
Contribution as a percentage of covered employee payroll	8.49%	8.49%	8.53%	8.40%	8.44%	8.47%	8.44%	6.72%	5.58%	5.84%

**Notes to Required Supplementary Information for Contributions**

The following actuarial methods and assumptions were used to determine the actuarially determined employer contribution reported in the most recent actuarial valuation (January 1, 2015):

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed, 15-year floor; 30-year level percent of payroll, open, if a surplus exists on a funding basis
Remaining amortization period	24 years
Asset valuation method	8-year smoothed market
Price inflation	3.10%
Salary increases	4.70 to 11.00%
Investment rate of return	8.00% net investment expenses and including inflation
Future cost-of-living adjustment	Retired before January 1, 1993: 3.0% in all future years Retired on/after January 1, 1993: 1.0% through 2025 and then 3.00% for 2026 and later.
Changes of Benefit and funding terms:	2010 - The Board adopted a new plan design for members hired on or after January 1, 2010. The new plan is a career average defined benefit plan.  The Trustees increased the member contribution rate from 5% to 8.5%. This also increased the BPU matching contribution rate.

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**Other Postemployment Benefits Other Than Pensions**

**Board of Public Utilities**

Schedule of Funding Progress

December 31, 2016  
(Dollars in millions)

<b>Actuarial Valuation date, Jan 1</b>	<b>Actuarial value of assets</b>	<b>Actuarial accrued liability (AAL)</b>	<b>Funded Ratio</b>	<b>Unfunded (overfunded) AAL(UAAL)</b>	<b>Covered payroll</b>	<b>UAAL as a percentage of covered payroll</b>
2015	\$-	\$40.8	-%	\$40.8	\$50.3	81.1%
2016	-	47.8	-	47.8	49.6	96.3
2017	-	45.9	-	45.9	44.8	102.7

**Unified Government**

Schedule of Funding Progress

December 31, 2015  
(Dollars in millions)

<b>Actuarial Valuation date, Jan 1</b>	<b>Actuarial value of assets</b>	<b>Actuarial accrued liability (AAL)</b>	<b>Funded Ratio</b>	<b>Unfunded (overfunded) AAL(UAAL)</b>	<b>Covered payroll</b>	<b>UAAL as a percentage of covered payroll</b>
2011	\$ -	\$ 111.3	0%	\$ 111.3	\$ 106.3	104.7%
2013	-	112.9	0	112.9	109.4	103.2
2015	-	114.1	0	114.1	106.2	107.5



# 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, 2015 are primarily due to:

- The disability, turnover and retirement rates were updated where applicable to be based on the latest available rates from KPERS / KP&F.
- The assumed trend rates, per capita costs and retiree contribution premiums were updated as part of the ongoing valuation analysis.
- Plan contribution premium rates increased about 14% and 18% for pre-Medicare retirees, respectively from 2015 to 2016. This was factored into the valuation.
- Expected per capita costs increased less than expected due in part to some reduction in benefits per the 2015 plan design.
- The assumed mortality was updated to reflect the Society of Actuaries Adjusted RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality with MP-2015 full generational improvement.
- The assumed proportion of future employees that elect coverage who retire at  $\geq$  age 65 was lowered from 45% to 40% due to two factors: 1) The direct subsidy of plan premiums is not available to future retirees, and 2) The Unified Government is endorsing/promoting Medicare supplemental coverage with AARP. Current post 65 retirees are assumed to continue coverage. When current pre 65 retirees attain age 65 it is assume 35% (previously 25%) will drop the coverage.

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2016

### 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.

**Clerk's Technology Fund**, created on January 1, 2015 by state statute, is used to account for revenues and expenses received from specified fees charged by the county treasurer. Moneys are required "...to acquire equipment and technological services for the storing, recording, archiving, retrieving, maintaining and handling of data recorded, stored or generated in the office of the county treasurer".

**Community Development Fund**, is the Unified Government's entitlement grant from the U.S. Department of Housing and Urban Development (HUD). Federal regulation requires this fund be used to support services and activities 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 3/8<sup>th</sup> 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, 2016

## 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 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.

**Special Asset Fund**, is a special revenue fund established associated with the sale or acquisition of significant government assets, including land and buildings. This fund will detail the activity associated with the potential sale of major assets. In addition, any related debt payments, operating expenditures, or future land acquisition expenditures may be budgeted from available cash balances in this fund.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2016

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.

**Treasurer's Technology Fund**, created on January 1, 2015 by state statute, is used to account for revenues and expenses received from specified fees charged by the county treasurer. Moneys are required "...to acquire equipment and technological services for the storing, recording, archiving, retrieving, maintaining and handling of data recorded, stored or generated in the office of the county treasurer".

**Debt Service Fund:**

**Debt Service Fund**, 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, 2016

	Special Revenue				
	Clerk's Technology	Community Development	Court Trustee	Dedicated Sales Tax	Developmental Disability
<b>ASSETS</b>					
Cash and investments	\$ 55,721	\$ -	\$ 763,401	\$ 3,804,179	\$ 289,565
Restricted cash and investments	-	136,915	-	-	-
Receivables (net of uncollectible)					392,791
Property taxes	-	-	-	-	-
Other taxes	-	-	-	2,050,884	-
Accounts	-	212,704	-	-	-
Notes	-	-	-	-	-
Interest	-	-	-	-	-
Special assessments	-	8,408	-	-	-
Due from other funds	-	-	-	5,600	-
Due from other governments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 55,721</b>	<b>\$ 358,027</b>	<b>\$ 763,401</b>	<b>\$ 5,860,663</b>	<b>\$ 682,356</b>
<b>LIABILITIES</b>					
Accounts and contracts payable	\$ -	\$ 80,087	\$ 5,254	\$ 242,720	\$ 7,773
Accrued wages and other	5,705	36,593	13,166	85,357	5,979
Due to others	-	13,810	-	-	-
Due to other funds	-	731,842	-	-	21
Due to other governments	-	14,464	-	-	-
<b>TOTAL LIABILITIES</b>	<b>5,705</b>	<b>876,796</b>	<b>18,420</b>	<b>328,077</b>	<b>13,773</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax receivable	-	-	-	-	392,791
Unavailable revenue - sales tax	-	-	-	609,679	-
Unavailable revenue - grants	-	53,202	-	-	-
Unavailable revenue - special assessments	-	8,408	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>61,610</b>	<b>-</b>	<b>609,679</b>	<b>392,791</b>
<b>FUND BALANCE</b>					
Nonspendable	-	-	-	-	-
Restricted	50,016	-	744,981	4,922,907	275,792
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(580,379)	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>50,016</b>	<b>(580,379)</b>	<b>744,981</b>	<b>4,922,907</b>	<b>275,792</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF</b>	<b>\$ 55,721</b>	<b>\$ 358,027</b>	<b>\$ 763,401</b>	<b>\$ 5,860,663</b>	<b>\$ 682,356</b>

continued

Special Revenue				
Elections	Environmental Trust	Health Department	Jail Commissary	Library
\$ 574,980	\$ 1,418,921	\$ 703,097	\$ 168,213	\$ 714,213
-	-	-	-	-
992,255	-	1,770,986	-	2,384,263
-	-	452	-	-
-	170,869	-	-	-
-	-	-	-	-
-	-	-	-	8,183
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,567,235</u>	<u>\$ 1,589,790</u>	<u>\$ 2,474,535</u>	<u>\$ 168,213</u>	<u>\$ 3,106,659</u>
\$ 10,987	\$ 514,521	\$ 26,366	\$ 5,923	\$ -
30,094	-	95,861	-	-
-	-	78	-	-
-	-	-	-	-
1,152	-	-	-	-
<u>42,233</u>	<u>514,521</u>	<u>122,305</u>	<u>5,923</u>	<u>-</u>
992,255	-	1,770,986	-	2,384,263
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>992,255</u>	<u>-</u>	<u>1,770,986</u>	<u>-</u>	<u>2,384,263</u>
-	-	-	-	-
532,747	-	581,244	-	722,396
-	1,075,269	-	162,290	-
-	-	-	-	-
-	-	-	-	-
<u>532,747</u>	<u>1,075,269</u>	<u>581,244</u>	<u>162,290</u>	<u>722,396</u>
<u>\$ 1,567,235</u>	<u>\$ 1,589,790</u>	<u>\$ 2,474,535</u>	<u>\$ 168,213</u>	<u>\$ 3,106,659</u>



UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - continued

As of December 31, 2016

	Special Revenue			
	Mental Health	Register of Deeds Tech	Revolving Loan	Service Program for the Elderly
<b>ASSETS</b>				
Cash and investments	\$ 47,747	\$ 90,386	\$ 130,536	\$ 359,629
Restricted cash and investments	-	-	563,723	-
Receivables (net of uncollectible)				
Property taxes	482,995	-	-	1,166,955
Other taxes	-	-	-	-
Accounts	-	-	-	78
Notes	-	-	692,870	-
Interest	-	-	-	-
Special assessments	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Advance to other funds	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 530,742</b>	<b>\$ 90,386</b>	<b>\$ 1,387,129</b>	<b>\$ 1,526,662</b>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ -	\$ -	\$ 150	\$ 5,186
Accrued wages and other	-	-	-	41,387
Due to others	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>150</b>	<b>46,573</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property tax receivable	482,995	-	-	1,166,955
Unavailable revenue - sales tax	-	-	-	-
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - special assessments	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>482,995</b>	<b>-</b>	<b>-</b>	<b>1,166,955</b>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	47,747	90,386	1,386,979	313,134
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>47,747</b>	<b>90,386</b>	<b>1,386,979</b>	<b>313,134</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF</b>	<b>\$ 530,742</b>	<b>\$ 90,386</b>	<b>\$ 1,387,129</b>	<b>\$ 1,526,662</b>

continued

Special Revenue					
Special 911 Tax Wyandotte County	Special Alcohol Programs	Special Asset	Special Grants	Special Law Enforcement Program	
\$ 251,934	\$ 619,081	\$ 4,283,301	\$ 3,738,818	\$ 1,704,416	
-	44,780	-	-	-	
-	-	-	-	-	
131,803	-	-	-	-	
-	-	855,784	152,000	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	123,436	-	
-	-	-	148,395	-	
-	-	-	-	-	
<u>\$ 383,737</u>	<u>\$ 663,861</u>	<u>\$ 5,139,085</u>	<u>\$ 4,162,649</u>	<u>\$ 1,704,416</u>	
\$ -	\$ 24,155	\$ -	\$ 694,058	\$ 84,893	
-	10,252	-	278,009	-	
-	-	-	-	306,159	
-	-	-	6,041	-	
-	-	-	-	-	
-	34,407	-	978,108	391,052	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
383,737	629,454	-	3,184,541	1,313,364	
-	-	-	-	-	
-	-	5,139,085	-	-	
-	-	-	-	-	
<u>383,737</u>	<u>629,454</u>	<u>5,139,085</u>	<u>3,184,541</u>	<u>1,313,364</u>	
<u>\$ 383,737</u>	<u>\$ 663,861</u>	<u>\$ 5,139,085</u>	<u>\$ 4,162,649</u>	<u>\$ 1,704,416</u>	

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - continued

As of December 31, 2016

	Special Revenue				Total
	Special Parks and Recreation	Special Street and Highway	Tourism and Convention Program	Treasurer's Technology	
<b>ASSETS</b>					
Cash and investments	\$ 231,994	\$ 1,553,401	\$ 361,054	\$ 71,689	\$ 21,936,276
Restricted cash and investments	-	-	-	-	745,418
Receivables (net of uncollectible)					
Property taxes	-	-	-	-	7,190,245
Other taxes	-	-	-	-	2,183,139
Accounts	-	-	-	-	1,391,435
Notes	-	-	-	-	692,870
Interest	-	-	-	-	8,183
Special assessments	-	-	-	-	8,408
Due from other funds	-	-	-	-	129,036
Due from other governments	-	-	776,706	-	925,101
Advance to other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 231,994</b>	<b>\$ 1,553,401</b>	<b>\$ 1,137,760</b>	<b>\$ 71,689</b>	<b>\$ 35,210,111</b>
<b>LIABILITIES</b>					
Accounts and contracts payable	\$ 30,281	\$ 56,802	\$ -	\$ -	\$ 1,789,156
Accrued wages and other	5,474	221,602	-	-	829,479
Due to others	-	-	-	-	320,047
Due to other funds	-	14,346	-	-	752,250
Due to other governments	-	-	-	-	15,616
<b>TOTAL LIABILITIES</b>	<b>35,755</b>	<b>292,750</b>	<b>-</b>	<b>-</b>	<b>3,706,548</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax receivable	-	-	-	-	7,190,245
Unavailable revenue - sales tax	-	-	-	-	609,679
Unavailable revenue - grants	-	-	-	-	53,202
Unavailable revenue - special assessments	-	-	-	-	8,408
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,861,534</b>
<b>FUND BALANCE</b>					
Nonspendable	-	-	-	-	-
Restricted	196,239	1,260,651	-	71,689	16,708,004
Committed	-	-	1,137,760	-	2,375,319
Assigned	-	-	-	-	5,139,085
Unassigned	-	-	-	-	(580,379)
<b>TOTAL FUND BALANCE</b>	<b>196,239</b>	<b>1,260,651</b>	<b>1,137,760</b>	<b>71,689</b>	<b>23,642,029</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 231,994</b>	<b>\$ 1,553,401</b>	<b>\$ 1,137,760</b>	<b>\$ 71,689</b>	<b>\$ 35,210,111</b>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - continued

As of December 31, 2016

	Debt Service		Capital Projects		Total Nonmajor
	Debt Service Fund	County Initiative To Fund Infrastructure	Public Building Commission		Governmental Funds 2016
<b>ASSETS</b>					
Cash and investments	\$ 8,092,224	\$ 698	\$ -	\$ -	30,029,198
Restricted cash and investments	-	-	-	-	745,418
Receivables (net of uncollectible)					
Property taxes	19,720,343	-	-	-	26,910,588
Other taxes	97,012	-	-	-	2,280,151
Accounts	-	-	-	-	1,391,435
Notes	-	-	-	-	692,870
Interest	51,061	-	-	-	59,244
Special assessments	980,403	-	-	-	988,811
Due from other funds	1,082,947	-	-	-	1,211,983
Due from other governments	-	-	-	-	925,101
Advance to other funds	-	-	5,440,000	-	5,440,000
<b>TOTAL ASSETS</b>	<b>\$ 30,023,990</b>	<b>\$ 698</b>	<b>\$ 5,440,000</b>	<b>\$ -</b>	<b>70,674,799</b>
<b>LIABILITIES</b>					
Accounts and contracts payable	\$ 168,109	\$ -	\$ -	\$ -	1,957,265
Accrued wages and other	280,919	-	-	-	1,110,398
Due to others	6,536	-	-	-	326,583
Due to other funds	1,091	-	-	-	753,341
Due to other governments	-	-	-	-	15,616
<b>TOTAL LIABILITIES</b>	<b>456,655</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,163,203</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax receivable	19,720,343	-	-	-	26,910,588
Unavailable revenue - sales tax	-	-	-	-	609,679
Unavailable revenue - grants	-	-	-	-	53,202
Unavailable revenue - special assessments	980,403	-	-	-	988,811
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>20,700,746</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,562,280</b>
<b>FUND BALANCE</b>					
Nonspendable	-	-	5,440,000	-	5,440,000
Restricted	8,866,589	698	-	-	25,575,291
Committed	-	-	-	-	2,375,319
Assigned	-	-	-	-	5,139,085
Unassigned	-	-	-	-	(580,379)
<b>TOTAL FUND BALANCE</b>	<b>8,866,589</b>	<b>698</b>	<b>5,440,000</b>	<b>-</b>	<b>37,949,316</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF</b>	<b>\$ 30,023,990</b>	<b>\$ 698</b>	<b>\$ 5,440,000</b>	<b>\$ -</b>	<b>70,674,799</b>

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, 2016

	Special Revenue				
	Clerk's Technology	Community Development	Court Trustee	Dedicated Sales Tax	Developmental Disability
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ 8,368,422	\$ 433,255
Intergovernmental revenue	-	3,240,516	-	5,600	-
Charges for services	-	-	-	-	-
Fines, forfeitures and penalties	-	-	426,414	-	-
Interest income	-	2,396	-	-	-
Licenses, permits and fees	40,816	-	-	-	-
Miscellaneous revenues	-	102,695	-	735	-
<b>TOTAL REVENUES</b>	<b>40,816</b>	<b>3,345,607</b>	<b>426,414</b>	<b>8,374,757</b>	<b>433,255</b>
<b>EXPENDITURES</b>					
General government	25,000	100,227	1,381	230	1,389
Public works	-	-	-	-	-
Public safety	-	-	-	4,262,207	-
Judicial	-	-	444,388	-	-
Health and welfare	-	-	-	-	445,719
Planning and development	-	3,001,558	-	-	-
Parks and recreation	-	-	-	-	-
Capital outlay	-	13,609	-	1,362,104	-
Debt service					
Principal	-	280,000	-	202,802	-
Interest	-	-	-	33,036	-
Other	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>25,000</b>	<b>3,395,394</b>	<b>445,769</b>	<b>5,860,379</b>	<b>447,108</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	207,652	-	-	-
Transfers out	-	(500)	-	(630,600)	-
Issuance of bonds	-	-	-	-	-
Premiums from issuance of refunding bonds	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>207,152</b>	<b>-</b>	<b>(630,600)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>15,816</b>	<b>157,365</b>	<b>(19,355)</b>	<b>1,883,778</b>	<b>(13,853)</b>
<b>FUND BALANCE</b>					
Beginning of year	34,200	(737,744)	764,336	3,039,129	289,645
End of year	\$ 50,016	\$ (580,379)	\$ 744,981	\$ 4,922,907	\$ 275,792

continued

Special Revenue				
Elections	Environmental Trust	Health Department	Jail Commissary	Library
\$ 1,093,857	\$ -	\$ 1,952,544	\$ -	\$ 2,596,067
-	-	1,159	-	-
995	1,049,827	592,374	-	-
-	-	-	-	-
-	-	-	-	5,714
-	-	69,215	-	-
11,733	16,787	360,799	24,271	-
<u>1,106,585</u>	<u>1,066,614</u>	<u>2,976,091</u>	<u>24,271</u>	<u>2,601,781</u>
1,236,522	-	18,148	-	2,527,494
-	-	-	-	-
-	-	-	36,346	-
-	-	-	-	-
-	883,128	3,086,711	-	-
-	-	-	-	-
-	-	-	-	-
2,073	59,959	17,557	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,238,595</u>	<u>943,087</u>	<u>3,122,416</u>	<u>36,346</u>	<u>2,527,494</u>
-	250,000	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
(132,010)	373,527	(146,325)	(12,075)	74,287
664,757	701,742	727,569	174,365	648,109
<u>\$ 532,747</u>	<u>\$ 1,075,269</u>	<u>\$ 581,244</u>	<u>\$ 162,290</u>	<u>\$ 722,396</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, 2016

	Special Revenue			
	Mental Health	Register of Deeds Tech	Revolving Loan	Service Program for the Elderly
<b>REVENUES</b>				
Taxes	\$ 532,499	\$ -	\$ -	\$ 1,285,999
Intergovernmental revenue	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Interest income	-	-	18,891	-
Licenses, permits and fees	-	153,457	-	-
Miscellaneous revenues	-	-	-	36,051
<b>TOTAL REVENUES</b>	<b>532,499</b>	<b>153,457</b>	<b>18,891</b>	<b>1,322,050</b>
<b>EXPENDITURES</b>				
General government	-	123,985	399,748	3,563
Public works	-	-	-	1,052,740
Public safety	-	-	-	-
Judicial	-	-	-	-
Health and welfare	540,000	-	-	352,287
Planning and development	-	-	-	-
Parks and recreation	-	-	-	-
Capital Outlay	-	-	-	10,407
Debt service	-	-	-	31,667
Principal	-	-	-	2,568
Interest	-	-	-	-
Other	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>540,000</b>	<b>123,985</b>	<b>399,748</b>	<b>1,453,232</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	150,000
Transfers out	-	-	-	(444)
Issuance of bonds	-	-	-	-
Premiums from issuance of refunding bonds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149,556</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(7,501)</b>	<b>29,472</b>	<b>(380,857)</b>	<b>18,374</b>
<b>FUND BALANCE</b>				
Beginning of year	55,248	60,914	1,767,836	294,760
End of year	\$ 47,747	\$ 90,386	\$ 1,386,979	\$ 313,134

continued

Special Revenue					
Special 911 Tax Wyandotte County	Special Alcohol Programs	Special Asset	Special Grants	Special Law Enforcement Program	
\$ 799,825	\$ 547,021	\$ -	\$ 28,378	\$ 163,263	
-	-	-	16,256,689	-	
-	-	-	50,057	-	
-	-	-	91,594	112,540	
-	-	-	-	90	
-	-	-	-	-	
-	-	7,858,440	1,949,501	186,769	
<u>799,825</u>	<u>547,021</u>	<u>7,858,440</u>	<u>18,376,219</u>	<u>462,662</u>	
-	481,162	-	127,054	-	
-	-	-	862,257	-	
480,046	-	-	1,622,206	504,894	
-	-	-	2,509,826	2,341	
-	-	-	9,303,693	-	
-	-	19,355	857,800	-	
-	-	-	6,019	-	
-	22,382	-	1,150,269	828,170	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
<u>480,046</u>	<u>503,544</u>	<u>19,355</u>	<u>16,439,124</u>	<u>1,335,405</u>	
-	-	-	6,791	-	
(291,000)	-	(2,700,000)	(207,652)	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	2,300	
<u>(291,000)</u>	<u>-</u>	<u>(2,700,000)</u>	<u>(200,861)</u>	<u>2,300</u>	
28,779	43,477	5,139,085	1,736,234	(870,443)	
354,958	585,977	-	1,448,307	2,183,807	
<u>\$ 383,737</u>	<u>\$ 629,454</u>	<u>\$ 5,139,085</u>	<u>\$ 3,184,541</u>	<u>\$ 1,313,364</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, 2016

	Special Revenue				Total
	Special Parks and Recreation	Special Street and Highway	Tourism and Convention Program	Treasurer's Technology	
<b>REVENUES</b>					
Taxes	\$ 541,158	\$ -	\$ 1,921,355	\$ -	\$ 20,263,643
Intergovernmental revenue	-	7,029,338	-	-	26,533,302
Charges for services	-	-	-	-	1,693,253
Fines, forfeitures and penalties	-	-	-	-	630,548
Interest income	-	-	-	-	27,091
Licenses, permits and fees	-	-	-	40,816	304,304
Miscellaneous revenues	-	26,756	778	-	10,575,315
<b>TOTAL REVENUES</b>	<b>541,158</b>	<b>7,056,094</b>	<b>1,922,133</b>	<b>40,816</b>	<b>60,027,456</b>
<b>EXPENDITURES</b>					
General government	16	25,571	-	-	5,071,490
Public works	-	5,721,291	-	-	7,636,288
Public safety	-	-	-	-	6,905,699
Judicial	-	-	-	-	2,956,555
Health and welfare	-	-	-	-	14,611,538
Planning and development	-	-	1,017,218	-	4,895,931
Parks and recreation	240,514	-	-	-	246,533
Capital Outlay	292,508	136,555	-	3,327	3,898,920
Debt service					
Principal	-	600,460	126,000	-	1,240,929
Interest	-	43,288	49,322	-	128,214
Other	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>533,038</b>	<b>6,527,165</b>	<b>1,192,540</b>	<b>3,327</b>	<b>47,592,097</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	614,443
Transfers out	-	(16,200)	-	-	(3,846,396)
Issuance of bonds	-	-	-	-	-
Premiums from issuance of refunding bonds	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	2,300
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(16,200)</b>	<b>-</b>	<b>-</b>	<b>(3,229,653)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>8,120</b>	<b>512,729</b>	<b>729,593</b>	<b>37,489</b>	<b>9,205,706</b>
<b>FUND BALANCE</b>					
Beginning of year	188,119	747,922	408,167	34,200	14,436,323
End of year	\$ 196,239	\$ 1,260,651	\$ 1,137,760	\$ 71,689	\$ 23,642,029

Debt Service		Capital Projects		Total Nonmajor Governmental Funds
Debt Service Fund	County Initiative To Fund Infrastructure	Public Building Commission		2016
\$ 23,749,128	\$ 698	\$ -	\$ -	44,013,469
4,396	-	-	-	26,537,698
-	-	-	-	1,693,253
-	-	-	-	630,548
506,673	-	85,742	-	619,506
-	-	-	-	304,304
418,734	-	-	-	10,994,049
<u>24,678,931</u>	<u>698</u>	<u>85,742</u>		<u>84,792,827</u>
-	-	-	-	5,071,490
-	-	-	-	7,636,288
-	-	-	-	6,905,699
-	-	-	-	2,956,555
-	-	-	-	14,611,538
-	-	-	-	4,895,931
-	-	-	-	246,533
-	-	-	-	3,898,920
14,551,351	-	1,335,000	-	17,127,280
10,015,365	-	85,742	-	10,229,321
29,896	-	219,172	-	249,068
<u>24,596,612</u>	<u>-</u>	<u>1,639,914</u>		<u>73,828,623</u>
3,948,773	-	-	-	4,563,216
(706,923)	(476)	(1,790,528)	-	(6,344,323)
-	-	8,605,000	-	8,605,000
-	-	179,700	-	179,700
-	-	-	-	2,300
<u>3,241,850</u>	<u>(476)</u>	<u>6,994,172</u>		<u>7,005,893</u>
3,324,169	222	5,440,000	-	17,970,097
5,542,420	476	-	-	19,979,219
<u>\$ 8,866,589</u>	<u>\$ 698</u>	<u>\$ 5,440,000</u>	<u>\$ -</u>	<u>\$ 37,949,316</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

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

SPECIAL REVENUE FUND: CLERKS TECHNOLOGY FUND  
 Year Ended December 31, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Fines, fees, forfeitures	\$ 34,200	\$ 32,000	\$ 32,000	\$ 40,816	\$ 8,816
<b>TOTAL REVENUES</b>	<u>34,200</u>	<u>32,000</u>	<u>32,000</u>	<u>40,816</u>	<u>8,816</u>
<b>EXPENDITURES</b>					
Contractual services	-	25,000	25,000	25,000	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	34,200	7,000	7,000	15,816	8,816
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	-	34,200	34,200	34,200	-
End of year	<u>\$ 34,200</u>	<u>\$ 41,200</u>	<u>\$ 41,200</u>	<u>\$ 50,016</u>	<u>\$ 8,816</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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Fines, fees, forfeitures	\$ 428,586	\$ 400,000	\$ 400,000	\$ 426,413	\$ 26,413
<b>TOTAL REVENUES</b>	<u>428,586</u>	<u>400,000</u>	<u>400,000</u>	<u>426,413</u>	<u>26,413</u>
<b>EXPENDITURES</b>					
Personnel	315,238	427,413	427,152	327,010	100,142
Contractual services	59,994	72,848	94,508	70,100	24,408
Commodities	6,934	7,092	62,882	48,659	14,223
Capital Outlay	123	-	-	-	-
Other	-	45,000	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>382,289</u>	<u>552,353</u>	<u>584,542</u>	<u>445,769</u>	<u>138,773</u>
<b>NET CHANGE IN FUND BALANCE</b>	46,297	(152,353)	(184,542)	(19,356)	165,186
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	718,063	764,360	764,360	764,360	-
End of year	<u>\$ 764,360</u>	<u>\$ 612,007</u>	<u>\$ 579,818</u>	<u>\$ 745,004</u>	<u>\$ 165,186</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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
		Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 7,486,227	\$ 7,264,000	\$ 8,000,000	\$ 8,180,967	\$ 180,967
Intergovernmental	-	-	-	5,600	5,600
Miscellaneous revenue	24,001	-	-	11,513	11,513
<b>TOTAL REVENUES</b>	<u>7,510,228</u>	<u>7,264,000</u>	<u>8,000,000</u>	<u>8,198,080</u>	<u>198,080</u>
<b>EXPENDITURES</b>					
Personnel	2,935,191	2,807,739	2,669,262	2,906,131	(236,869)
Contractual services	1,324,440	1,241,047	1,040,602	856,661	183,941
Commodities	397,458	807,943	737,918	737,250	668
Capital outlay	1,704,487	2,408,000	3,438,109	2,713,530	724,579
Other	-	-	177,100	-	177,100
<b>TOTAL EXPENDITURES</b>	<u>6,361,576</u>	<u>7,264,729</u>	<u>8,062,991</u>	<u>7,213,572</u>	<u>849,419</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(587,200)	(631,000)	(631,000)	(630,600)	400
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(587,200)</u>	<u>(631,000)</u>	<u>(631,000)</u>	<u>(630,600)</u>	<u>400</u>
<b>NET CHANGE IN FUND BALANCE</b>	561,452	(631,729)	(693,991)	353,908	1,047,899
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	472,023	1,033,475	1,033,475	1,033,475	-
End of year	<u>\$ 1,033,475</u>	<u>\$ 401,746</u>	<u>\$ 339,484</u>	<u>\$ 1,387,383</u>	<u>\$ 1,047,899</u>

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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 432,349	\$ 426,401	\$ 426,401	\$ 433,254	\$ 6,853
Miscellaneous revenue	28	-	-	-	-
<b>TOTAL REVENUES</b>	<u>432,377</u>	<u>426,401</u>	<u>426,401</u>	<u>433,254</u>	<u>6,853</u>
<b>EXPENDITURES</b>					
Personnel	91,511	195,867	167,326	148,005	19,321
Contractual services	285,897	325,879	313,879	289,486	24,393
Commodities	2,607	1,000	13,000	9,617	3,383
Capital Outlay	30	-	-	-	-
Other	-	30,000	30,000	-	30,000
<b>TOTAL EXPENDITURES</b>	<u>380,045</u>	<u>552,746</u>	<u>524,205</u>	<u>447,108</u>	<u>77,097</u>
<b>NET CHANGE IN FUND BALANCE</b>	52,332	(126,345)	(97,804)	(13,854)	83,950
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	237,317	289,649	289,649	289,649	-
End of year	<u>\$ 289,649</u>	<u>\$ 163,304</u>	<u>\$ 191,845</u>	<u>\$ 275,795</u>	<u>\$ 83,950</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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 1,090,638	\$ 1,076,531	\$ 1,068,907	\$ 1,093,858	\$ 24,951
Charges for services	3,355	6,000	3,000	995	(2,005)
Miscellaneous revenue	13,427	-	8,000	17,320	9,320
<b>TOTAL REVENUES</b>	<u>1,107,420</u>	<u>1,082,531</u>	<u>1,079,907</u>	<u>1,112,173</u>	<u>32,266</u>
<b>EXPENDITURES</b>					
Personnel	644,833	746,500	746,500	759,507	(13,007)
Contractual services	249,232	545,713	500,213	379,988	120,225
Commodities	86,793	176,504	177,004	94,260	82,744
Capital outlay	3,563	10,000	10,000	2,073	7,927
Other	-	27,000	10,000	-	10,000
<b>TOTAL EXPENDITURES</b>	<u>984,421</u>	<u>1,505,717</u>	<u>1,443,717</u>	<u>1,235,828</u>	<u>207,889</u>
<b>NET CHANGE IN FUND BALANCE</b>	122,999	(423,186)	(363,810)	(123,655)	240,155
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	533,668	656,667	656,667	656,667	-
End of year	<u>\$ 656,667</u>	<u>\$ 233,481</u>	<u>\$ 292,857</u>	<u>\$ 533,012</u>	<u>\$ 240,155</u>

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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Charges for services	\$ 1,042,116	\$ 1,042,000	\$ 1,042,000	\$ 1,047,328	\$ 5,328
Interest income	250	4,000	4,000	-	(4,000)
Miscellaneous revenue	10,419	-	-	29,032	29,032
<b>TOTAL REVENUES</b>	<u>1,052,785</u>	<u>1,046,000</u>	<u>1,046,000</u>	<u>1,076,360</u>	<u>30,360</u>
<b>EXPENDITURES</b>					
Contractual services	855,930	950,000	950,000	930,740	19,260
Capital outlay	56,066	100,000	100,000	25,329	74,671
Other	-	80,000	80,000	-	80,000
<b>TOTAL EXPENDITURES</b>	<u>911,996</u>	<u>1,130,000</u>	<u>1,130,000</u>	<u>956,069</u>	<u>173,931</u>
<b>OTHER FINANCNG SOURCES (USES)</b>					
Transfers In	250,000	250,000	250,000	250,000	-
<b>TOTAL OTHER FINACING SOURCES (USES)</b>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	390,789	166,000	166,000	370,291	204,291
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	297,099	687,888	687,888	687,888	-
End of year	<u>\$ 687,888</u>	<u>\$ 853,888</u>	<u>\$ 853,888</u>	<u>\$ 1,058,179</u>	<u>\$ 204,291</u>



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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
		Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 1,948,354	\$ 1,923,187	\$ 1,909,570	\$ 1,952,544	\$ 42,974
Intergovernmental revenue	5,069	23,000	15,000	1,159	(13,841)
Charges for services	609,234	537,450	600,000	592,374	(7,626)
Licenses and permits	70,497	72,500	72,500	69,215	(3,285)
Miscellaneous revenue	313,650	385,000	385,000	364,444	(20,556)
<b>TOTAL REVENUES</b>	<b>2,946,804</b>	<b>2,941,137</b>	<b>2,982,070</b>	<b>2,979,736</b>	<b>(2,334)</b>
<b>EXPENDITURES</b>					
Personnel	2,303,410	2,555,507	2,528,845	2,503,408	25,437
Contractual services	195,987	225,000	262,442	220,723	41,719
Commodities	188,602	220,693	227,784	161,099	66,685
Capital outlay	1,220	50,000	50,000	17,557	32,443
Grants, claims, shared revenue	200,000	200,000	200,000	200,000	-
Other	-	25,000	25,000	-	25,000
<b>TOTAL EXPENDITURES</b>	<b>2,889,219</b>	<b>3,276,200</b>	<b>3,294,071</b>	<b>3,102,787</b>	<b>191,284</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>57,585</b>	<b>(335,063)</b>	<b>(312,001)</b>	<b>(123,051)</b>	<b>188,950</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	614,211	671,796	671,796	671,796	-
End of year	\$ 671,796	\$ 336,733	\$ 359,795	\$ 548,745	\$ 188,950

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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Miscellaneous revenue	\$ 31,966	\$ 30,000	\$ 30,000	\$ 24,271	\$ (5,729)
<b>TOTAL REVENUES</b>	<u>31,966</u>	<u>30,000</u>	<u>30,000</u>	<u>24,271</u>	<u>(5,729)</u>
<b>EXPENDITURES</b>					
Commodities	28,317	60,000	60,000	36,346	23,654
<b>TOTAL EXPENDITURES</b>	<u>28,317</u>	<u>60,000</u>	<u>60,000</u>	<u>36,346</u>	<u>23,654</u>
<b>NET CHANGE IN FUND BALANCE</b>	3,649	(30,000)	(30,000)	(12,075)	17,925
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	160,308	163,957	163,957	163,957	-
End of year	<u>\$ 163,957</u>	<u>\$ 133,957</u>	<u>\$ 133,957</u>	<u>\$ 151,882</u>	<u>\$ 17,925</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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 2,350,188	\$ 2,491,022	\$ 2,491,022	\$ 2,596,067	\$ 105,045
Interest income	1,952	1,000	1,000	2,430	1,430
<b>TOTAL REVENUES</b>	<u>2,352,140</u>	<u>2,492,022</u>	<u>2,492,022</u>	<u>2,598,497</u>	<u>106,475</u>
<b>EXPENDITURES</b>					
Contractual services	1,485	-	1,890	1,889	1
Other	2,349,396	2,805,604	2,803,714	2,525,604	278,110
<b>TOTAL EXPENDITURES</b>	<u>2,350,881</u>	<u>2,805,604</u>	<u>2,805,604</u>	<u>2,527,493</u>	<u>278,111</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,259	(313,582)	(313,582)	71,004	384,586
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	641,953	643,212	643,212	643,212	-
End of year	<u>\$ 643,212</u>	<u>\$ 329,630</u>	<u>\$ 329,630</u>	<u>\$ 714,216</u>	<u>\$ 384,586</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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 531,774	\$ 524,996	\$ 524,996	\$ 532,498	\$ 7,502
<b>TOTAL REVENUES</b>	<u>531,774</u>	<u>524,996</u>	<u>524,996</u>	<u>532,498</u>	<u>7,502</u>
<b>EXPENDITURES</b>					
Contractual services	528,331	540,000	540,000	540,000	-
Other	-	10,000	10,000	-	10,000
<b>TOTAL EXPENDITURES</b>	<u>528,331</u>	<u>550,000</u>	<u>550,000</u>	<u>540,000</u>	<u>10,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	3,443	(25,004)	(25,004)	(7,502)	17,502
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	51,803	55,246	55,246	55,246	-
End of year	<u>\$ 55,246</u>	<u>\$ 30,242</u>	<u>\$ 30,242</u>	<u>\$ 47,744</u>	<u>\$ 17,502</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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Fines/fees/forfeitures	\$ 143,250	\$ 145,000	\$ 145,000	\$ 153,457	\$ 8,457
Interest income	75	100	100	-	(100)
<b>TOTAL REVENUES</b>	<u>143,325</u>	<u>145,100</u>	<u>145,100</u>	<u>153,457</u>	<u>8,357</u>
<b>EXPENDITURES</b>					
Contractual services	112,390	170,000	170,170	123,985	46,185
<b>TOTAL EXPENDITURES</b>	<u>112,390</u>	<u>170,000</u>	<u>170,170</u>	<u>123,985</u>	<u>46,185</u>
<b>NET CHANGE IN FUND BALANCE</b>	30,935	(24,900)	(25,070)	29,472	54,542
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	29,980	60,915	60,915	60,915	-
End of year	<u>\$ 60,915</u>	<u>\$ 36,015</u>	<u>\$ 35,845</u>	<u>\$ 90,387</u>	<u>\$ 54,542</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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 1,282,133	\$ 1,266,705	\$ 1,257,736	\$ 1,285,998	\$ 28,262
Miscellaneous revenue	25,980	18,000	18,000	38,011	20,011
<b>TOTAL REVENUES</b>	<b>1,308,113</b>	<b>1,284,705</b>	<b>1,275,736</b>	<b>1,324,009</b>	<b>48,273</b>
<b>EXPENDITURES</b>					
Personnel	1,046,631	1,135,930	1,203,993	1,131,045	72,948
Contractual services	105,590	114,211	106,617	101,410	5,207
Commodities	136,420	160,098	183,331	176,137	7,194
Capital Outlay	3,588	67,000	67,000	44,642	22,358
Grants, claims, shared revenue	-	209	209	-	209
Other	-	20,000	35,445	-	35,445
<b>TOTAL EXPENDITURES</b>	<b>1,292,229</b>	<b>1,497,448</b>	<b>1,596,595</b>	<b>1,453,234</b>	<b>143,361</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	150,000	150,000	150,000	-
Transfers out	-	-	-	(444)	(444)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>150,000</b>	<b>150,000</b>	<b>149,556</b>	<b>(444)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>15,884</b>	<b>(62,743)</b>	<b>(170,859)</b>	<b>20,331</b>	<b>191,190</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	279,442	295,326	295,326	295,326	-
End of year	\$ 295,326	\$ 232,583	\$ 124,467	\$ 315,657	\$ 191,190

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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 728,210	\$ 720,000	\$ 725,000	\$ 801,161	\$ 76,161
<b>TOTAL REVENUES</b>	<u>728,210</u>	<u>720,000</u>	<u>725,000</u>	<u>801,161</u>	<u>76,161</u>
<b>EXPENDITURES</b>					
Contractual services	520,209	548,850	503,850	497,084	6,766
Commodities	23,286	-	-	-	-
Other	-	25,000	10,000	-	10,000
<b>TOTAL EXPENDITURES</b>	<u>543,495</u>	<u>573,850</u>	<u>513,850</u>	<u>497,084</u>	<u>16,766</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(291,000)	(291,000)	(291,000)	(291,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(291,000)</u>	<u>(291,000)</u>	<u>(291,000)</u>	<u>(291,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(106,285)	(144,850)	(79,850)	13,077	92,927
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	305,431	199,146	199,146	199,146	-
End of year	<u>\$ 199,146</u>	<u>\$ 54,296</u>	<u>\$ 119,296</u>	<u>\$ 212,223</u>	<u>\$ 92,927</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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 585,131	\$ 555,000	\$ 575,000	\$ 547,021	\$ (27,979)
Fines, forfeitures and penalties	95	100	100	-	(100)
<b>TOTAL REVENUES</b>	<u>585,226</u>	<u>555,100</u>	<u>575,100</u>	<u>547,021</u>	<u>(28,079)</u>
<b>EXPENDITURES</b>					
Personnel	209,958	221,829	251,707	209,878	41,829
Contractual services	36,817	121,900	71,128	19,886	51,242
Commodities	1,170	8,025	8,797	1,942	6,855
Capital Outlay	46	-	50,000	50,000	-
Grants, claims, shared revenue	249,500	249,500	249,500	249,500	-
<b>TOTAL EXPENDITURES</b>	<u>497,491</u>	<u>601,254</u>	<u>631,132</u>	<u>531,206</u>	<u>99,926</u>
<b>NET CHANGE IN FUND BALANCE</b>	87,735	(46,154)	(56,032)	15,815	71,847
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	498,243	585,978	585,978	585,978	-
End of year	<u>\$ 585,978</u>	<u>\$ 539,824</u>	<u>\$ 529,946</u>	<u>\$ 601,793</u>	<u>\$ 71,847</u>



UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

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

SPECIAL REVENUE FUND: SPECIAL ASSETS

Year Ended December 31, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Miscellaneous revenue	\$ 11,455	\$ 25,000	\$ 25,000	\$ 7,858,440	\$ 7,833,440
<b>TOTAL REVENUES</b>	<u>11,455</u>	<u>25,000</u>	<u>25,000</u>	<u>7,858,440</u>	<u>7,833,440</u>
<b>EXPENDITURES</b>					
Personnel	127,324	-	-	-	-
Contractual services	1,868,644	250,000	250,000	19,355	230,645
Capital outlay	-	2,500,000	-	-	-
Other	7,014,889	1,000,000	2,000,000	-	2,000,000
<b>TOTAL EXPENDITURES</b>	<u>9,010,857</u>	<u>3,750,000</u>	<u>2,250,000</u>	<u>19,355</u>	<u>2,230,645</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	8,800,000	-	8,800,000	-	(8,800,000)
Transfers in	199,402	-	-	-	-
Transfers out	-	-	(2,700,000)	(2,700,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>8,999,402</u>	<u>-</u>	<u>6,100,000</u>	<u>(2,700,000)</u>	<u>(8,800,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(3,725,000)	3,875,000	5,139,085	1,264,085
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	-	-	-	-	-
End of year	<u>\$ -</u>	<u>\$(3,725,000)</u>	<u>\$3,875,000</u>	<u>\$ 5,139,085</u>	<u>\$ 1,264,085</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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 583,077	\$ 565,000	\$ 575,000	\$ 541,158	\$ (33,842)
<b>TOTAL REVENUES</b>	<u>583,077</u>	<u>565,000</u>	<u>575,000</u>	<u>541,158</u>	<u>(33,842)</u>
<b>EXPENDITURES</b>					
Personnel	120,363	145,000	151,200	150,530	670
Contractual services	90,000	90,000	90,000	90,000	-
Commodities	40,000	-	-	-	-
Capital outlay	267,814	365,000	365,000	277,210	87,790
Other	-	-	50,000	-	50,000
<b>TOTAL EXPENDITURES</b>	<u>518,177</u>	<u>600,000</u>	<u>656,200</u>	<u>517,740</u>	<u>138,460</u>
<b>NET CHANGE IN FUND BALANCE</b>	64,900	(35,000)	(81,200)	23,418	104,618
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	65,465	130,365	130,365	130,365	-
End of year	<u>\$ 130,365</u>	<u>\$ 95,365</u>	<u>\$ 49,165</u>	<u>\$ 153,783</u>	<u>\$ 104,618</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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Intergovernmental revenue	\$ 6,847,615	\$ 6,650,000	\$ 6,750,000	\$ 7,029,338	\$ 279,338
Miscellaneous revenue	3,365	102,000	102,000	26,756	(75,244)
<b>TOTAL REVENUES</b>	<b>6,850,980</b>	<b>6,752,000</b>	<b>6,852,000</b>	<b>7,056,094</b>	<b>204,094</b>
<b>EXPENDITURES</b>					
Personnel	5,113,994	5,250,000	5,189,824	5,117,171	72,653
Commodities	930,000	470,000	470,000	450,000	20,000
Capital outlay	637,873	984,258	975,258	826,134	149,124
Grants, claims, shared revenue	4,692	15,000	25,176	25,175	1
Other	-	25,000	75,000	-	75,000
<b>TOTAL EXPENDITURES</b>	<b>6,686,559</b>	<b>6,744,258</b>	<b>6,735,258</b>	<b>6,418,480</b>	<b>316,778</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(31,146)	(16,200)	(16,200)	(16,200)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(31,146)</b>	<b>(16,200)</b>	<b>(16,200)</b>	<b>(16,200)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>133,275</b>	<b>(8,458)</b>	<b>100,542</b>	<b>621,414</b>	<b>520,872</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	185,846	319,121	319,121	319,121	-
End of year	\$ 319,121	\$ 310,663	\$ 419,663	\$ 940,535	\$ 520,872

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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 1,057,883	\$ 885,000	\$ 1,082,288	\$ 1,365,433	\$ 283,145
Fines, forfeitures and penalties	-	-	106,000	-	(106,000)
Miscellaneous revenue	-	-	-	778	778
<b>TOTAL REVENUES</b>	<u>1,057,883</u>	<u>885,000</u>	<u>1,188,288</u>	<u>1,366,211</u>	<u>177,923</u>
<b>EXPENDITURES</b>					
Grants, claims, shared revenue	765,886	738,420	1,017,651	1,017,219	432
Debt service	143,830	175,322	175,322	175,322	-
Other	-	-	3,301	-	3,301
<b>TOTAL EXPENDITURES</b>	<u>909,716</u>	<u>913,742</u>	<u>1,196,274</u>	<u>1,192,541</u>	<u>3,733</u>
<b>NET CHANGE IN FUND BALANCE</b>	148,167	(28,742)	(7,986)	173,670	181,656
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	39,215	187,382	187,382	187,382	-
End of year	<u>\$ 187,382</u>	<u>\$ 158,640</u>	<u>\$ 179,396</u>	<u>\$ 361,052</u>	<u>\$ 181,656</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

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

SPECIAL REVENUE FUND: TREASURER'S TECHNOLOGY FUND

Year Ended December 31, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Fines, forfeitures and penalties	\$ 34,200	\$ 32,000	\$ 32,000	\$ 40,816	\$ 8,816
<b>TOTAL REVENUES</b>	<u>34,200</u>	<u>32,000</u>	<u>32,000</u>	<u>40,816</u>	<u>8,816</u>
<b>EXPENDITURES</b>					
Contractual Services	-	25,000	25,000	5,731	19,269
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>5,731</u>	<u>19,269</u>
<b>NET CHANGE IN FUND BALANCE</b>	34,200	7,000	7,000	35,085	28,085
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	-	34,200	34,200	34,200	-
End of year	<u>\$ 34,200</u>	<u>\$ 41,200</u>	<u>\$ 41,200</u>	<u>\$ 69,285</u>	<u>\$ 28,085</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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 20,993,716	\$ 20,830,806	\$ 21,000,589	\$ 21,077,423	\$ 76,834
Intergovernmental revenue	11,189	4,200	4,200	4,396	196
Interest income	25,249	15,000	15,000	28,833	13,833
Miscellaneous revenue	831,233	1,021,786	1,008,970	629,062	(379,908)
<b>TOTAL REVENUES</b>	<b>21,861,387</b>	<b>21,871,792</b>	<b>22,028,759</b>	<b>21,739,714</b>	<b>(289,045)</b>
<b>EXPENDITURES</b>					
Contractual Services	-	-	25,806	25,805	1
Debt service	27,298,472	27,817,610	28,262,945	27,782,034	480,911
Other	-	1,245,000	657,322	-	657,322
<b>TOTAL EXPENDITURES</b>	<b>27,298,472</b>	<b>29,062,610</b>	<b>28,946,073</b>	<b>27,807,839</b>	<b>1,138,234</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	6,400,716	6,588,472	6,588,872	9,128,695	2,539,823
Transfers out	(205,259)	(197,071)	(294,300)	(203,925)	90,375
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>6,195,457</b>	<b>6,391,401</b>	<b>6,294,572</b>	<b>8,924,770</b>	<b>2,630,198</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>758,372</b>	<b>(799,417)</b>	<b>(622,742)</b>	<b>2,856,645</b>	<b>3,479,387</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	3,557,579	4,315,951	4,315,951	4,315,951	-
End of year	\$ 4,315,951	\$ 3,516,534	\$ 3,693,209	\$ 7,172,596	\$ 3,479,387

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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 1,946,309	\$ 2,624,257	\$ 2,650,124	\$ 2,665,580	\$ 15,456
Interest income	2,891	1,500	1,500	4,710	3,210
Miscellaneous revenue	306,337	387,189	477,347	387,189	(90,158)
<b>TOTAL REVENUES</b>	<b>2,255,537</b>	<b>3,012,946</b>	<b>3,128,971</b>	<b>3,057,479</b>	<b>(71,492)</b>
<b>EXPENDITURES</b>					
Contractual Services	-	-	4,285	4,096	189
Capital Outlay	-	384,001	384,001	365,837	18,164
Debt service	2,262,093	2,380,655	2,477,040	2,477,039	1
Other	-	25,000	297,465	-	297,465
<b>TOTAL EXPENDITURES</b>	<b>2,262,093</b>	<b>2,789,656</b>	<b>3,162,791</b>	<b>2,846,972</b>	<b>315,819</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	42,428	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>42,428</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>35,872</b>	<b>223,290</b>	<b>(33,820)</b>	<b>210,507</b>	<b>244,327</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	213,464	249,336	249,336	249,336	-
End of year	\$ 249,336	\$ 472,626	\$ 215,516	\$ 459,843	\$ 244,327

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, 2016

	2015	2016			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
<b>REVENUES</b>					
Tax revenue	\$ 1,483	\$ -	\$ -	\$ 697	\$ 697
<b>TOTAL REVENUES</b>	<u>1,483</u>	<u>-</u>	<u>-</u>	<u>697</u>	<u>697</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(1,483)	-	(476)	(476)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,483)</u>	<u>-</u>	<u>(476)</u>	<u>(476)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(476)	221	697
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	476	476	476	476	-
End of year	<u>\$ 476</u>	<u>\$ 476</u>	<u>\$ -</u>	<u>\$ 697</u>	<u>\$ 697</u>



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# UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2016

## 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 is 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, 2016

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
<b>ASSETS</b>						
Cash and temporary investments	\$ 1,793,910	\$ 381,739	\$ 3,122,337	\$ 9,529	\$ 1,556,637	\$ 6,864,152
Receivables (net uncollectible)						
Taxes	1,367,296	-	-	-	-	1,367,296
Accounts and returns	919,333	4,603	350,404	148	2,786	1,277,274
Due from other funds	289	-	-	-	-	289
Capital assets	5,699,406	116,598	8,865,430	5,816,132	6,152,571	26,650,137
Construction in progress	-	-	13,362,974	-	-	13,362,974
Accumulated depreciation	(2,366,737)	-	(724,946)	(4,284,126)	(202,256)	(7,578,065)
<b>TOTAL ASSETS</b>	<b>7,413,497</b>	<b>502,940</b>	<b>24,976,199</b>	<b>1,541,683</b>	<b>7,509,738</b>	<b>41,944,057</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred refunding	-	47,796	-	-	-	47,796
Deferred outflows - pensions	1,651,183	-	7,740	31,065	-	1,689,988
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,651,183</b>	<b>47,796</b>	<b>7,740</b>	<b>31,065</b>	<b>-</b>	<b>1,737,784</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts and contracts payable	72,070	-	49,050	9,156	-	130,276
Accrued wages and other	125,097	-	10,058	7,224	-	142,379
Accrued interest payable	-	19,183	202,370	7,167	-	228,720
Due to other funds	-	-	-	1,109,587	-	1,109,587
Due to others	-	1,940	-	-	-	1,940
Compensated absences payable	291,888	-	-	1,226	-	293,114
Current maturities of long-term debt	803,856	215,000	639,415	270,278	-	1,928,549
Total current liabilities	<b>1,292,911</b>	<b>236,123</b>	<b>900,893</b>	<b>1,404,638</b>	<b>-</b>	<b>3,834,565</b>
<b>LONG-TERM LIABILITIES</b>						
Compensated absences payable	3,808,348	-	-	15,996	-	3,824,344
Capital lease payable	753,697	-	-	67,313	-	821,010
General obligation bonds payable (net of unamortized premiums)	-	1,857,560	14,101,852	276,417	-	16,235,829
OPEB liability	2,835,210	-	234,844	165,439	-	3,235,493
Net pension liability	6,723,273	-	42,676	171,293	-	6,937,242
Total long-term liabilities	<b>14,120,528</b>	<b>1,857,560</b>	<b>14,379,372</b>	<b>696,458</b>	<b>-</b>	<b>31,053,918</b>
<b>TOTAL LIABILITIES</b>	<b>15,413,439</b>	<b>2,093,683</b>	<b>15,280,265</b>	<b>2,101,096</b>	<b>-</b>	<b>34,888,483</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows - pensions	323,127	-	2,611	10,477	-	336,215
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>323,127</b>	<b>-</b>	<b>2,611</b>	<b>10,477</b>	<b>-</b>	<b>336,215</b>
<b>NET POSITION</b>						
Net investment in capital assets	1,775,116	-	6,762,191	917,998	5,950,315	15,405,620
Unrestricted	(8,447,002)	(1,542,947)	2,938,872	(1,456,823)	1,559,423	(6,948,477)
<b>TOTAL NET POSITION</b>	<b>\$ (6,671,886)</b>	<b>\$ (1,542,947)</b>	<b>\$ 9,701,063</b>	<b>\$ (538,825)</b>	<b>\$ 7,509,738</b>	<b>\$ 8,457,143</b>

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, 2016

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
<b>OPERATING REVENUES</b>						
Charges for service	\$ 4,662,102	\$ -	\$ -	\$ 584,356	\$ -	\$ 5,246,458
Fines/forfeits/fees	-	-	3,404,511	-	-	3,404,511
Earned lease income	-	327,878	-	-	36,043	363,921
Intergovernmental	-	-	-	-	7,412,766	7,412,766
Miscellaneous revenues	-	-	700	-	-	700
<b>TOTAL OPERATING REVENUES</b>	<b>4,662,102</b>	<b>327,878</b>	<b>3,405,211</b>	<b>584,356</b>	<b>7,448,809</b>	<b>16,428,356</b>
<b>OPERATING EXPENSES</b>						
Cost of sales and service	6,719,338	63,753	2,117,306	562,306	199,922	9,662,625
Depreciation and amortization	527,790	-	217,555	170,456	86,032	1,001,833
<b>TOTAL OPERATING EXPENSES</b>	<b>7,247,128</b>	<b>63,753</b>	<b>2,334,861</b>	<b>732,762</b>	<b>285,954</b>	<b>10,664,458</b>
Operating income (loss)	(2,585,026)	264,125	1,070,350	(148,406)	7,162,855	5,763,898
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Taxes	5,985,525	-	-	-	-	5,985,525
Interest earnings	13,398	24,845	89,249	9,036	4,414	140,942
Interest expense	(19,841)	(126,426)	(496,384)	(24,266)	(456,246)	(1,123,163)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>5,979,082</b>	<b>(101,581)</b>	<b>(407,135)</b>	<b>(15,230)</b>	<b>(451,832)</b>	<b>5,003,304</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>3,394,056</b>	<b>162,544</b>	<b>663,215</b>	<b>(163,636)</b>	<b>6,711,023</b>	<b>10,767,202</b>
Transfers in	-	-	-	35,000	-	35,000
Transfers out	(2,256,000)	-	-	-	-	(2,256,000)
Capital contributions-local government	-	-	1,827,022	-	-	1,827,022
<b>TOTAL CONTRIBUTIONS AND TRANSFERS</b>	<b>(2,256,000)</b>	<b>-</b>	<b>1,827,022</b>	<b>35,000</b>	<b>-</b>	<b>(393,978)</b>
<b>CHANGE IN NET POSITION</b>	<b>1,138,056</b>	<b>162,544</b>	<b>2,490,237</b>	<b>(128,636)</b>	<b>6,711,023</b>	<b>10,373,224</b>
Beginning of year	(7,809,942)	(1,705,491)	7,210,826	(410,189)	798,715	(1,916,081)
End of year	\$ (6,671,886)	\$ (1,542,947)	\$ 9,701,063	\$ (538,825)	\$ 7,509,738	\$ 8,457,143

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

Year ended December 31, 2016

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 4,662,102	\$ 373,857	\$ 3,403,020	\$ 584,256	\$ 7,446,023	\$ 16,469,258
Payments to suppliers	(1,767,215)	(70,591)	(1,531,590)	(59,864)	(235,756)	(3,665,016)
Payments to employees	(4,152,355)	-	(661,013)	(276,256)	-	(5,089,624)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(1,257,468)</b>	<b>303,266</b>	<b>1,210,417</b>	<b>248,136</b>	<b>7,210,267</b>	<b>7,714,618</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Receipts from sales taxes	5,454,064	-	-	-	-	5,454,064
Transfer in	-	-	-	35,000	-	35,000
Transfers out	(2,256,000)	-	-	-	-	(2,256,000)
<b>NET CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>	<b>3,198,064</b>	<b>-</b>	<b>-</b>	<b>35,000</b>	<b>-</b>	<b>3,233,064</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Principal paid on bonds	-	(2,155,000)	(624,161)	(205,000)	(5,668,060)	(8,652,221)
Principal paid on capital lease	(860,654)	-	-	(59,457)	-	(920,111)
Proceeds from issuance of bonds	-	-	-	-	-	-
Interest paid on bonds and capital leases	(19,841)	(164,566)	(503,092)	(27,681)	(1,193,745)	(1,908,925)
Payment of debt issuance costs	-	(1,478)	(28,347)	(9,026)	-	(38,851)
Acquisition of capital assets	(124,445)	-	(983,337)	-	(77,554)	(1,185,336)
<b>NET CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(1,004,940)</b>	<b>(2,321,044)</b>	<b>(2,138,937)</b>	<b>(301,164)</b>	<b>(6,939,359)</b>	<b>(12,705,444)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on investments	5,671	23,108	68,086	9,035	4,414	110,314
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>5,671</b>	<b>23,108</b>	<b>68,086</b>	<b>9,035</b>	<b>4,414</b>	<b>110,314</b>
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<b>941,327</b>	<b>(1,994,670)</b>	<b>(860,434)</b>	<b>(8,993)</b>	<b>275,322</b>	<b>(1,647,448)</b>
<b>CASH AND CASH EQUIVALENTS</b>						
Beginning of year	852,583	2,376,409	3,982,771	18,522	1,281,315	8,511,600
End of year	\$ 1,793,910	\$ 381,739	\$ 3,122,337	\$ 9,529	\$ 1,556,637	\$ 6,864,152

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Stadium	Totals Nonmajor Funds
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (2,585,026)	\$ 264,125	\$ 1,070,350	\$ (148,406)	\$ 7,162,855	\$ 5,763,898
Adjustments to reconcile operating income (loss) to cash flow from operating activities						
Depreciation and amortization	527,790	-	217,555	170,456	86,032	1,001,833
Changes in assets and liabilities						
Accounts receivable	-	45,979	(2,191)	(100)	(2,786)	40,902
Deferred outflows - pensions	(1,159,237)	-	(2,309)	(18,172)	-	(1,179,718)
Accrued wages and expenses	13,996	(8,778)	7,124	1,067	-	13,409
Accounts payable	(69,738)	-	(73,842)	55	(2,492)	(146,017)
Accrued vacation and sick pay	348,712	-	-	9,346	-	358,058
Due to others	-	1,940	-	-	-	1,940
Due to other funds	(289)	-	-	230,689	(33,342)	197,058
OPEB liability	178,925	-	28,693	11,910	-	219,528
Net pension liability	1,565,437	-	(28,289)	2,853	-	1,540,001
Deferred inflows - pensions	(78,038)	-	(6,674)	(11,562)	-	(96,274)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ (1,257,468)</b>	<b>\$ 303,266</b>	<b>\$ 1,210,417</b>	<b>\$ 248,136</b>	<b>\$ 7,210,267</b>	<b>\$ 7,714,618</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital contributions-local government	\$ -	\$ -	\$ 1,827,022	\$ -	\$ -	\$ 1,827,022
Property, plant and equipment acquired with capital leases	625,614	-	-	-	-	625,614

**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, 2016**

	2015		2016		Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
<b>OPERATING REVENUES</b>					
Charges for services	\$ 32,016,771	\$ 33,160,100	\$ 33,060,000	\$ 34,639,430	\$ 1,579,430
Permits and licenses	449,372	147,500	159,500	244,876	85,376
Miscellaneous revenues	726,925	37,500	290,000	166,583	(123,417)
<b>TOTAL OPERATING REVENUES</b>	<b>33,193,068</b>	<b>33,345,100</b>	<b>33,509,500</b>	<b>35,050,889</b>	<b>1,541,389</b>
<b>OPERATING EXPENSES</b>					
Personnel costs	8,276,024	8,350,000	8,527,963	8,257,271	270,692
Contractual services	2,211,826	3,274,541	3,203,181	2,880,589	322,592
Commodities	2,855,591	3,603,525	3,402,785	2,970,932	431,853
Capital outlay	4,707,236	8,488,600	8,488,600	6,458,792	2,029,808
Grants, claims and shared revenue	4,721,913	5,141,981	5,410,922	5,335,952	74,970
Other	-	200,000	1,668	-	1,668
<b>TOTAL OPERATING EXPENSES</b>	<b>22,772,590</b>	<b>29,058,647</b>	<b>29,035,119</b>	<b>25,903,536</b>	<b>3,131,583</b>
Net operating income (loss)	10,420,478	4,286,453	4,474,381	9,147,353	4,672,972
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Tax revenue	17,566	20,200	20,500	16,766	(3,734)
Transfers In	250,000	250,000	300,000	323,591	23,591
Interest earnings	95,683	100,000	100,000	99,913	(87)
Bond issue proceeds	-	-	-	3,718,954	3,718,954
Debt premium	-	-	-	378,355	378,355
Debt service	(2,464,529)	(3,077,600)	(3,174,340)	(3,191,022)	(16,682)
Transfers out: debt service	(3,655,761)	(4,008,101)	(3,932,614)	(3,932,613)	1
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(5,757,041)</b>	<b>(6,715,501)</b>	<b>(6,686,454)</b>	<b>(2,586,056)</b>	<b>4,100,398</b>
<b>NET CHANGE IN UNENCUMBERED FUND BALANCE</b>	<b>4,663,437</b>	<b>(2,429,048)</b>	<b>(2,212,073)</b>	<b>6,561,297</b>	<b>8,773,370</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	7,832,566	12,496,003	12,496,003	12,496,003	-
End of year	\$ 12,496,003	\$ 10,066,955	\$ 10,283,930	\$ 19,057,300	\$ 8,773,370



**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, 2016**

	2015		2016		
	Actual Amounts	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final Amended		
<b>OPERATING REVENUES</b>					
Charges for service	\$ 4,697,399	\$ 4,630,000	\$ 4,630,000	\$ 4,662,103	\$ 32,103
Miscellaneous revenues	596	4,000	4,000	1,611	(2,389)
<b>TOTAL OPERATING REVENUES</b>	<b>4,697,995</b>	<b>4,634,000</b>	<b>4,634,000</b>	<b>4,663,714</b>	<b>29,714</b>
<b>OPERATING EXPENSES</b>					
Personnel costs	4,646,204	4,475,000	5,141,331	4,166,351	974,980
Contractual services	504,337	519,633	549,552	545,603	3,949
Commodities	634,283	696,572	851,853	851,676	177
Capital outlay	869,295	978,500	978,500	970,756	7,744
Grants,claims,shared revenue	466,624	466,624	466,624	466,624	-
Other	-	50,000	50,000	-	50,000
<b>TOTAL OPERATING EXPENSES</b>	<b>7,120,743</b>	<b>7,186,329</b>	<b>8,037,860</b>	<b>7,001,010</b>	<b>1,036,850</b>
Net operating income (loss)	(2,422,748)	(2,552,329)	(3,403,860)	(2,337,296)	1,066,564
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Tax revenue	4,984,900	4,774,000	5,400,000	5,454,063	54,063
Interest earnings	5,463	5,000	5,000	5,671	671
Transfers out	(2,256,000)	(2,256,000)	(2,387,144)	(2,256,000)	131,144
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>2,734,363</b>	<b>2,523,000</b>	<b>3,017,856</b>	<b>3,203,734</b>	<b>185,878</b>
<b>NET CHANGE IN UNENCUMBERED FUND BALANCE</b>	<b>311,615</b>	<b>(29,329)</b>	<b>(386,004)</b>	<b>866,438</b>	<b>1,252,442</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	191,709	503,324	503,324	503,324	-
End of year	\$ 503,324	\$ 473,995	\$ 117,320	\$ 1,369,762	\$ 1,252,442

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, 2016

	2015	2016			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
<b>OPERATING REVENUES</b>					
Miscellaneous revenues	\$ 368,867	\$ 325,000	\$ 325,000	\$ 327,878	\$ 2,878
<b>TOTAL OPERATING REVENUES</b>	<u>368,867</u>	<u>325,000</u>	<u>325,000</u>	<u>327,878</u>	<u>2,878</u>
<b>OPERATING EXPENSES</b>					
Personnel costs	375	-	-	-	-
Contractual services	76,208	140,000	116,980	63,753	53,227
Commodities	-	-	10,000	-	10,000
Capital outlay	31,473	-	23,020	-	23,020
Other expenses	-	50,000	40,000	5,980	34,020
<b>TOTAL OPERATING EXPENSES</b>	<u>108,056</u>	<u>190,000</u>	<u>190,000</u>	<u>69,733</u>	<u>120,267</u>
Net operating income (loss)	<u>260,811</u>	<u>135,000</u>	<u>135,000</u>	<u>258,145</u>	<u>123,145</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest earnings	14,163	1,000	1,000	1,781	781
Debt services	(19,823)	-	-	-	-
Transfer out: debt service	(292,245)	(288,525)	(288,525)	(288,525)	-
Total debt service subjected to budget	<u>(297,905)</u>	<u>(287,525)</u>	<u>(287,525)</u>	<u>(286,744)</u>	<u>781</u>
<b>Debt service not subjected to budget:</b>					
Bond Proceeds	2,060,000	-	-	-	-
Principal-refunded bond	-	-	-	(1,985,000)	(1,985,000)
Interest-refunded bond	-	-	-	(46,040)	(46,040)
Total debt service not subjected to budget	<u>2,060,000</u>	<u>-</u>	<u>-</u>	<u>(2,031,040)</u>	<u>(2,031,040)</u>
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>1,762,095</u>	<u>(287,525)</u>	<u>(287,525)</u>	<u>(2,317,784)</u>	<u>(2,030,259)</u>
<b>NET CHANGE IN UNENCUMBERED FUND BALANCE</b>	<u>2,022,906</u>	<u>(152,525)</u>	<u>(152,525)</u>	<u>(2,059,639)</u>	<u>(1,907,114)</u>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	321,544	2,344,450	2,344,450	2,344,450	-
End of year	<u>\$ 2,344,450</u>	<u>\$ 2,191,925</u>	<u>\$ 2,191,925</u>	<u>\$ 284,811</u>	<u>\$ (1,907,114)</u>

\* Not subject to legal annual operating budget

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, 2016

	2015	2016			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
<b>OPERATING REVENUES</b>					
Fines, forfeitures and penalties	\$ 3,395,035	\$ 3,300,000	\$ 3,300,000	\$ 3,404,511	\$ 104,511
Intergovernmental revenue	217,990	-	-	-	-
Miscellaneous revenues	15,107	-	-	23,307	23,307
<b>TOTAL OPERATING REVENUES</b>	<b>3,628,132</b>	<b>3,300,000</b>	<b>3,300,000</b>	<b>3,427,818</b>	<b>127,818</b>
<b>OPERATING EXPENSES</b>					
Personnel costs	711,284	753,000	745,000	668,137	76,863
Contractual services	19,266	152,000	155,500	37,926	117,574
Commodities	194	2,000	2,000	596	1,404
Capital outlay	2,895,282	2,200,000	2,199,500	1,362,918	836,582
Grants, claims, shared revenue	343,294	328,486	330,715	328,486	2,229
<b>TOTAL OPERATING EXPENSES</b>	<b>3,969,320</b>	<b>3,435,486</b>	<b>3,432,715</b>	<b>2,398,063</b>	<b>1,034,652</b>
Net operating income (loss)	(341,188)	(135,486)	(132,715)	1,029,755	1,162,470
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest earnings	15,885	13,700	13,700	15,611	1,911
Transfers out: debt service	(809,725)	(1,103,125)	(1,103,125)	(1,103,125)	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(793,840)</b>	<b>(1,089,425)</b>	<b>(1,089,425)</b>	<b>(1,087,514)</b>	<b>1,911</b>
<b>NET CHANGE IN UNENCUMBERED FUND BALANCE</b>	<b>(1,135,028)</b>	<b>(1,224,911)</b>	<b>(1,222,140)</b>	<b>(57,759)</b>	<b>1,164,381</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	3,197,642	2,062,614	2,062,614	2,062,614	-
End of year	\$ 2,062,614	\$ 837,703	\$ 840,474	\$ 2,004,855	\$ 1,164,381

**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, 2016**

	2015	2016			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
<b>OPERATING REVENUES</b>					
Charges for service	\$ 588,920	\$ 728,000	\$ 705,000	\$ 584,355	\$ (120,645)
Miscellaneous revenues	-	80,000	70,000	-	(70,000)
<b>TOTAL OPERATING REVENUES</b>	<b>588,920</b>	<b>808,000</b>	<b>775,000</b>	<b>584,355</b>	<b>(190,645)</b>
<b>OPERATING EXPENSES</b>					
Personnel costs	287,191	258,000	253,000	277,323	(24,323)
Contractual services	146,260	156,489	158,346	151,254	7,092
Commodities	101,412	131,855	132,125	131,640	485
Capital outlay	62,318	113,300	93,173	69,163	24,010
<b>TOTAL OPERATING EXPENSES</b>	<b>597,181</b>	<b>659,644</b>	<b>636,644</b>	<b>629,380</b>	<b>7,264</b>
Net operating income (loss)	(8,261)	148,356	138,356	(45,025)	(183,381)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest earnings	96	100	100	7	(93)
Transfers out: debt service	-	(150,000)	(150,000)	-	150,000
Transfers In	9,328	-	-	35,000	35,000
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>9,424</b>	<b>(149,900)</b>	<b>(149,900)</b>	<b>35,007</b>	<b>184,907</b>
<b>NET CHANGE IN UNENCUMBERED FUND BALANCE</b>	<b>1,163</b>	<b>(1,544)</b>	<b>(11,544)</b>	<b>(10,018)</b>	<b>1,526</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	16,384	17,547	17,547	17,547	-
End of year	\$ 17,547	\$ 16,003	\$ 6,003	\$ 7,529	\$ 1,526

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

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

ENTERPRISE FUND: STADIUM (T-BONES)  
Year ended December 31, 2016

	2015	2016			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
<b>OPERATING REVENUES</b>					
Intergovernmental Revenues	\$ 184,050	\$ -	\$ -	\$ 550,964	550,964
Miscellaneous revenues	34,659	50,000	180,000	36,043	(143,957)
<b>TOTAL OPERATING REVENUES</b>	<b>218,709</b>	<b>50,000</b>	<b>180,000</b>	<b>587,007</b>	<b>407,007</b>
<b>OPERATING EXPENSES</b>					
Contractual services	45,324	50,000	186,638	180,976	5,662
Capital outlay	496,849	150,000	150,000	96,500	53,500
Other expenses	-	100,000	244,362	-	244,362
<b>TOTAL OPERATING EXPENSES</b>	<b>542,173</b>	<b>300,000</b>	<b>581,000</b>	<b>277,476</b>	<b>303,524</b>
Net operating income (loss)	(323,464)	(250,000)	(401,000)	309,531	710,531
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest earnings	6,758	5,000	5,000	2,181	(2,819)
Transfer in	-	-	-	2,596	2,596
Transfer out	-	-	-	(2,600)	(2,600)
Total debt service subjected to budget	6,758	5,000	5,000	2,177	(2,823)
<b>Debt service not subjected to budget:</b>					
Bond issue proceeds-refunded bonds	-	-	-	6,861,805	6,861,805 *
Principal-refunded bond	-	-	-	(5,668,060)	(5,668,060) *
Interest-refunded bond	-	-	-	(1,193,745)	(1,193,745) *
Total debt service not subjected to budget	-	-	-	-	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>6,758</b>	<b>5,000</b>	<b>5,000</b>	<b>2,177</b>	<b>(2,823)</b>
<b>NET CHANGE IN UNENCUMBERED FUND BALANCE</b>	<b>(316,706)</b>	<b>(245,000)</b>	<b>(396,000)</b>	<b>311,708</b>	<b>707,708</b>
<b>UNENCUMBERED FUND BALANCE</b>					
Beginning of year	2,295,681	1,978,975	1,978,975	1,978,975	-
End of year	\$ 1,978,975	\$ 1,733,975	\$ 1,582,975	\$ 2,290,683	\$ 707,708

\* Not subject to legal annual operating budget

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2016

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### 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, 2016**

	Workers' Compensation	Self-Insured Health Care	Cafeteria Plan (Section 125)	Totals Internal Service
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 167,269	\$ 167,269
Restricted cash	7,203	634,300	-	641,503
Accounts receivable	-	92,631	116	92,747
<b>TOTAL ASSETS</b>	<b>\$ 7,203</b>	<b>\$ 726,931</b>	<b>\$ 167,385</b>	<b>\$ 901,519</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 4,641	\$ 141,949	\$ -	\$ 146,590
Due to others	-	83,989	-	83,989
Due to other funds	507,820	2,312,632	-	2,820,452
Claims incurred but not reported	847,745	2,046,000	-	2,893,745
Total current liabilities	1,360,206	4,584,570	-	5,944,776
<b>LONG-TERM LIABILITIES</b>				
Claims incurred but not reported	1,847,255	-	-	1,847,255
Total long-term liabilities	1,847,255	-	-	1,847,255
<b>TOTAL LIABILITIES</b>	<b>3,207,461</b>	<b>4,584,570</b>	<b>-</b>	<b>7,792,031</b>
<b>NET POSITION</b>				
Net position	(3,200,258)	(3,857,639)	167,385	(6,890,512)
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 7,203</b>	<b>\$ 726,931</b>	<b>\$ 167,385</b>	<b>\$ 901,519</b>

**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, 2016**

	Workers' Compensation	Self-Insured Health Care	Cafeteria Plan (Section 125)	Totals Internal Service
<b>OPERATING REVENUES</b>				
Miscellaneous revenues	\$ 1,839,793	\$ 27,815,169	\$ 315,495	\$ 29,970,457
Reimbursements	542	2,331,561	-	2,332,103
<b>TOTAL OPERATING REVENUES</b>	<b>1,840,335</b>	<b>30,146,730</b>	<b>315,495</b>	<b>32,302,560</b>
<b>OPERATING EXPENSES</b>				
Cost of sales and service	2,782,990	31,753,613	295,535	34,832,138
<b>TOTAL OPERATING EXPENSES</b>	<b>2,782,990</b>	<b>31,753,613</b>	<b>295,535</b>	<b>34,832,138</b>
Net operating income (loss)	(942,655)	(1,606,883)	19,960	(2,529,578)
<b>NON-OPERATING REVENUE</b>				
Interest income	-	2,229	-	2,229
<b>TOTAL NON-OPERATING REVENUES</b>	<b>-</b>	<b>2,229</b>	<b>-</b>	<b>2,229</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>				
TRANSFERS	(942,655)	(1,604,654)	19,960	(2,527,349)
Transfers in	2,200,000	1,650,000	-	3,850,000
<b>TOTAL TRANSFERS</b>	<b>2,200,000</b>	<b>1,650,000</b>	<b>-</b>	<b>3,850,000</b>
<b>NET INCOME (LOSS)</b>	<b>1,257,345</b>	<b>45,346</b>	<b>19,960</b>	<b>1,322,651</b>
<b>NET POSITON</b>				
Beginning of year	(4,457,603)	(3,902,985)	147,425	(8,213,163)
End of year	\$ (3,200,258)	\$ (3,857,639)	\$ 167,385	\$ (6,890,512)

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

**COMBINING STATEMENT OF CASH FLOWS**

**INTERNAL SERVICE FUNDS**

**Year ended December 31, 2016**

	Workers' Compensation	Self-Insured Health Care	Cafeteria Plan (Section 125)	Totals 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 1,840,335	\$ 30,147,838	\$ 315,495	\$ 32,303,668
Payments to employees and suppliers	(4,040,335)	(32,314,263)	(295,536)	(36,650,134)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(2,200,000)</b>	<b>(2,166,425)</b>	<b>19,959</b>	<b>(4,346,466)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfer in	2,200,000	1,650,000	-	3,850,000
<b>NET CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	<b>2,200,000</b>	<b>1,650,000</b>	<b>-</b>	<b>3,850,000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest on investments	-	2,229	-	2,229
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>2,229</b>	<b>-</b>	<b>2,229</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>(514,196)</b>	<b>19,959</b>	<b>(494,237)</b>
<b>CASH AND CASH EQUIVALENTS</b>				
Beginning of year	7,203	1,148,496	147,310	1,303,009
End of year	\$ 7,203	\$ 634,300	\$ 167,269	\$ 808,772
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (942,655)	\$ (1,606,883)	\$ 19,960	\$ (2,529,578)
Changes in assets and liabilities				
Accounts receivable	-	1,108	(1)	1,107
Accounts payable	(1,088)	(220,984)	-	(222,072)
Claims incurred	443,000	(931,000)	-	(488,000)
Due to others	-	(3,185)	-	(3,185)
Due to other funds	(1,699,257)	594,519		(1,104,738)
	<b>\$ (2,200,000)</b>	<b>\$ (2,166,425)</b>	<b>\$ 19,959</b>	<b>\$ (4,346,466)</b>



# UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2016

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## 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
- 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, 2016**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**ALL AGENCY FUNDS**

	Balance		Balance	
	Jan 1, 2016	Additions	Deductions	Dec 31, 2016
<b>AGENCY FUND</b>				
<b>ASSETS</b>				
Cash and investments	\$ 112,303	\$ 675,107	\$ 651,806	\$ 135,604
<b>TOTAL ASSETS</b>	<b>\$ 112,303</b>	<b>\$ 675,107</b>	<b>\$ 651,806</b>	<b>\$ 135,604</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 55,259	\$ 1,175,440	\$ 1,169,672	\$ 61,027
Due to others	55,944	102,083	83,750	74,277
Due to other governments	1,100	1,850	2,650	300
<b>TOTAL LIABILITIES</b>	<b>\$ 112,303</b>	<b>\$ 1,279,373</b>	<b>\$ 1,256,072</b>	<b>\$ 135,604</b>
<b>FIRE INSURANCE PROCEEDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 322,792	\$ 117,695	\$ 181,844	\$ 258,643
<b>TOTAL ASSETS</b>	<b>\$ 322,792</b>	<b>\$ 117,695</b>	<b>\$ 181,844</b>	<b>\$ 258,643</b>
<b>LIABILITIES</b>				
Due to others	\$ 322,792	\$ 117,861	\$ 182,010	\$ 258,643
<b>TOTAL LIABILITIES</b>	<b>\$ 322,792</b>	<b>\$ 117,861</b>	<b>\$ 182,010</b>	<b>\$ 258,643</b>
<b>KANSAS STATE WITHHOLDING</b>				
<b>ASSETS</b>				
Cash and investments	\$ (1,465)	\$ 4,185,531	\$ 4,185,531	\$ (1,465)
Due from other funds	-	1,202,082	1,202,082	-
<b>TOTAL ASSETS</b>	<b>\$ (1,465)</b>	<b>\$ 5,387,613</b>	<b>\$ 5,387,613</b>	<b>\$ (1,465)</b>
<b>LIABILITIES</b>				
Due to other governments	\$ (1,465)	\$ 4,185,531	\$ 4,185,531	\$ (1,465)
<b>TOTAL LIABILITIES</b>	<b>\$ (1,465)</b>	<b>\$ 4,185,531</b>	<b>\$ 4,185,531</b>	<b>\$ (1,465)</b>

continued

	Balance		Balance	
	Jan 1, 2016	Additions	Deductions	Dec 31, 2016
<b><u>PAYROLL DEDUCTIONS CLEARING</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 109,747	\$ 92,056,889	\$ 92,020,630	\$ 146,006
Due from other funds	-	26,607,042	26,607,042	-
<b>TOTAL ASSETS</b>	<b>\$ 109,747</b>	<b>\$ 118,663,931</b>	<b>\$ 118,627,672</b>	<b>\$ 146,006</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 109,747	\$ 128,670,495	\$ 128,634,236	\$ 146,006
<b>TOTAL LIABILITIES</b>	<b>\$ 109,747</b>	<b>\$ 128,670,495</b>	<b>\$ 128,634,236</b>	<b>\$ 146,006</b>
<b><u>REGISTER OF DEEDS</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 49,505	\$ 2,266,333	\$ 2,229,366	\$ 86,472
<b>TOTAL ASSETS</b>	<b>\$ 49,505</b>	<b>\$ 2,266,333</b>	<b>\$ 2,229,366</b>	<b>\$ 86,472</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 49,505	\$ 2,266,333	\$ 2,229,366	\$ 86,472
<b>TOTAL LIABILITIES</b>	<b>\$ 49,505</b>	<b>\$ 2,266,333</b>	<b>\$ 2,229,366</b>	<b>\$ 86,472</b>
<b><u>SHERIFF</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 19,091	\$ 1,374,167	\$ 1,370,546	\$ 22,712
<b>TOTAL ASSETS</b>	<b>\$ 19,091</b>	<b>\$ 1,374,167</b>	<b>\$ 1,370,546</b>	<b>\$ 22,712</b>
<b>LIABILITIES</b>				
Due to others	\$ 19,091	\$ 1,374,167	\$ 1,370,546	\$ 22,712
<b>TOTAL LIABILITIES</b>	<b>\$ 19,091</b>	<b>\$ 1,374,167</b>	<b>\$ 1,370,546</b>	<b>\$ 22,712</b>
<b><u>TAX COLLECTION</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 113,791,652	\$ 245,160,442	\$ 238,988,400	\$ 119,963,694
Accounts receivable	17,332	133,888	121,530	29,690
<b>TOTAL ASSETS</b>	<b>\$ 113,808,984</b>	<b>\$ 245,294,330</b>	<b>\$ 239,109,930</b>	<b>\$ 119,993,384</b>
<b>LIABILITIES</b>				
Accounts payable	\$ (145,865)	\$ 11,479,842	\$ 11,455,443	\$ (121,466)
Due to others	13,930	-	-	13,930
Due to other governments	113,940,919	245,217,282	239,057,281	120,100,920
<b>TOTAL LIABILITIES</b>	<b>\$ 113,808,984</b>	<b>\$ 256,697,124</b>	<b>\$ 250,512,724</b>	<b>\$ 119,993,384</b>

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS**  
**Year ended December 31, 2016**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**ALL AGENCY FUNDS**

	Balance		Balance	
	Jan 1, 2016	Additions	Deductions	Dec 31, 2016
<b>TAX DISTRIBUTION</b>				
<b>ASSETS</b>				
Cash and investments	\$ 16,017	\$ 120,883,303	\$ 120,872,542	\$ 26,778
<b>TOTAL ASSETS</b>	<b>\$ 16,017</b>	<b>\$ 120,883,303</b>	<b>\$ 120,872,542</b>	<b>\$ 26,778</b>
<b>LIABILITIES</b>				
Due to other governments	16,017	\$ 120,435,104	\$ 120,424,343	26,778
<b>TOTAL LIABILITIES</b>	<b>\$ 16,017</b>	<b>\$ 120,435,104</b>	<b>\$ 120,424,343</b>	<b>\$ 26,778</b>
<b>U.S. SAVINGS BONDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 3,392	\$ -	\$ -	\$ 3,392
<b>TOTAL ASSETS</b>	<b>\$ 3,392</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,392</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 3,392	\$ -	\$ -	\$ 3,392
<b>TOTAL LIABILITIES</b>	<b>\$ 3,392</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,392</b>
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 114,423,034	\$ 466,719,467	\$ 460,500,665	\$ 120,641,836
Accounts receivable	17,332	133,888	121,530	29,690
Due from other funds	-	27,809,124	27,809,124	-
<b>TOTAL ASSETS</b>	<b>\$ 114,440,366</b>	<b>\$ 494,662,479</b>	<b>\$ 488,431,319</b>	<b>\$ 120,671,526</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 19,141	\$ 141,325,777	\$ 141,259,351	\$ 85,567
Due to others	411,757	1,594,111	1,636,306	369,562
Due to other governments	114,009,468	372,106,100	365,899,171	120,216,397
<b>TOTAL LIABILITIES</b>	<b>\$ 114,440,366</b>	<b>\$ 515,025,988</b>	<b>\$ 508,794,828</b>	<b>\$ 120,671,526</b>





# UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2016

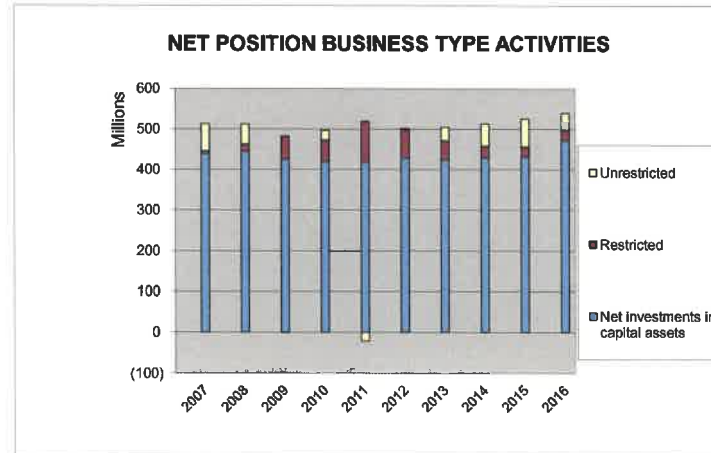
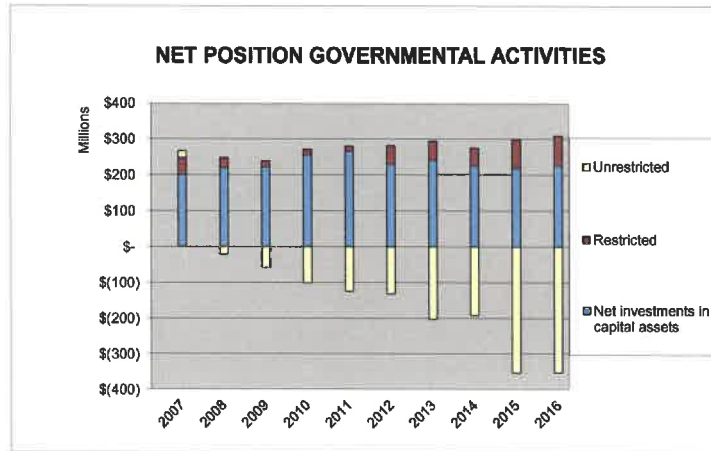
## STATISTICAL SECTION

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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	<b>156</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales tax.	<b>162</b>
<b>Debt Capacity</b> 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.	<b>171</b>
<b>Demographic and Economic Information</b> 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.	<b>177</b>
<b>Operating Information</b> 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.	<b>179</b>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities</b>										
Net investments in capital assets	\$ 199,833,368	\$ 219,828,396	\$ 221,299,106	\$ 255,635,959	\$ 265,081,754	\$ 229,277,747	\$ 240,297,777	\$ 225,110,072	\$ 218,839,753	\$ 225,611,496
Restricted	47,718,354	28,210,746	16,963,758	15,109,099	15,014,405	52,449,466	54,073,195	50,125,523	79,616,230	84,133,876
Unrestricted	18,680,207	(20,019,235)	(56,087,289)	(100,727,833)	(124,052,943)	(131,703,070)	(203,472,943)	(192,652,386)	(354,048,111)	(353,178,248)
<b>Total governmental activities net position</b>	<b>\$ 266,231,929</b>	<b>\$ 228,019,907</b>	<b>\$ 182,165,576</b>	<b>\$ 170,017,225</b>	<b>\$ 156,043,216</b>	<b>\$ 150,024,143</b>	<b>\$ 60,868,029</b>	<b>\$ 82,583,209</b>	<b>\$ (55,592,128)</b>	<b>\$ (43,432,876)</b>
<b>Business-type activities</b>										
Net investments in capital assets	\$ 439,466,356	\$ 445,869,977	\$ 425,007,799	\$ 420,099,070	\$ 419,256,036	\$ 428,738,821	\$ 423,372,753	\$ 429,605,573	\$ 432,030,655	\$ 471,942,667
Restricted	7,064,244	18,061,823	57,809,722	53,823,425	100,186,670	69,552,333	48,963,655	28,935,418	24,783,759	25,717,935
Unrestricted	65,859,500	48,863,977	(872,495)	23,503,122	(22,225,539)	2,992,459	32,521,978	54,496,015	69,117,940	42,417,360
<b>Total business-type activities net position</b>	<b>\$ 512,390,100</b>	<b>\$ 512,695,777</b>	<b>\$ 481,945,026</b>	<b>\$ 497,225,617</b>	<b>\$ 497,217,167</b>	<b>\$ 501,283,613</b>	<b>\$ 504,858,386</b>	<b>\$ 513,037,006</b>	<b>\$ 525,832,354</b>	<b>\$ 540,077,962</b>
<b>Primary government</b>										
Net investments in capital assets	\$ 639,299,724	\$ 665,498,373	\$ 646,306,905	\$ 675,735,029	\$ 684,337,790	\$ 658,016,568	\$ 663,670,530	\$ 654,715,645	\$ 650,870,408	\$ 697,554,163
Restricted	54,782,598	46,272,569	74,773,480	68,732,524	115,201,075	122,001,799	103,036,850	79,060,941	104,399,989	109,851,811
Unrestricted	84,539,707	28,844,742	(56,969,784)	(77,224,711)	(146,278,482)	(128,710,611)	(170,850,965)	(138,156,371)	(284,930,171)	(310,760,888)
<b>Total primary government net position</b>	<b>\$ 778,622,029</b>	<b>\$ 740,615,684</b>	<b>\$ 664,110,601</b>	<b>\$ 667,242,842</b>	<b>\$ 653,260,383</b>	<b>\$ 651,307,756</b>	<b>\$ 595,756,415</b>	<b>\$ 595,620,215</b>	<b>\$ 470,340,226</b>	<b>\$ 496,645,088</b>



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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Taxes	\$ 172,169,402	\$ 174,657,584	\$ 173,727,730	\$ 179,650,292	\$ 190,755,147	\$ 203,060,631	\$ 213,987,743	\$ 187,942,513	\$ 196,028,207	\$ 195,524,823
Intergovernmental	28,893,929	30,465,945	31,658,398	35,152,715	32,628,499	75,634,063	73,041,064	68,394,097	68,927,599	54,416,579
Charges for services	11,014,270	11,289,047	2,090,162	15,074,325	14,752,914	15,150,279	13,961,482	14,568,677	14,786,758	13,782,849
Fines and forfeits	6,347,172	6,879,659	11,887,889	7,464,884	6,665,618	6,689,618	6,394,593	6,506,682	9,152,902	7,535,348
Interest income	11,362,492	7,638,204	7,134,965	2,697,361	3,388,997	3,434,181	2,403,089	2,952,884	2,855,537	2,803,724
Licenses and permits	2,036,912	2,083,703	3,812,573	2,361,505	2,353,746	2,427,042	2,153,260	2,113,904	2,404,850	2,628,059
Other	14,023,456	9,047,136	9,969,005	9,389,744	7,244,254	5,463,389	6,524,015	7,006,594	9,227,352	16,568,721
<b>Total revenues</b>	<b>\$ 245,847,633</b>	<b>\$ 242,061,278</b>	<b>\$ 240,280,722</b>	<b>\$ 251,790,626</b>	<b>\$ 257,789,175</b>	<b>\$ 311,859,203</b>	<b>\$ 318,465,246</b>	<b>\$ 289,485,351</b>	<b>\$ 303,383,205</b>	<b>\$ 293,260,103</b>
<b>Expenditures</b>										
General government	\$ 27,050,974	\$ 32,300,863	\$ 23,630,694	\$ 23,557,173	\$ 22,531,506	\$ 25,438,838	\$ 27,464,803	\$ 28,005,977	\$ 27,126,153	\$ 29,159,365
Public works	33,439,156	35,233,444	33,521,679	34,264,954	35,175,946	36,957,012	38,281,756	36,197,992	35,654,979	36,652,852
Public Safety	103,932,912	106,616,700	106,722,422	104,581,273	107,328,253	110,745,870	117,976,588	121,921,445	118,496,129	117,167,080
Judicial	11,804,541	11,656,145	11,407,740	10,740,785	10,670,642	10,691,287	11,107,499	11,675,911	11,169,082	11,468,010
Health and welfare	14,447,927	14,014,561	14,164,694	14,104,662	14,045,683	13,717,453	12,926,519	13,046,661	12,774,870	15,154,463
Planning and Development	12,810,765	16,141,032	16,856,928	18,467,426	15,244,481	18,684,758	97,172,857	49,041,064	53,036,380	35,909,445
Parks & Recreation	9,125,662	9,164,019	8,636,966	6,060,195	5,012,970	4,829,493	5,344,765	5,378,681	5,301,110	5,550,802
Debt service										
Principal	26,440,847	35,282,367	31,504,403	36,634,039	28,347,221	100,377,297	35,685,991	58,072,200	43,995,575	46,828,716
Interest and fiscal charges	14,386,641	15,505,340	14,086,063	12,284,553	15,319,813	17,259,860	17,691,040	19,578,924	20,190,883	20,083,466
Other	478,436	705,128	812,748	980,369	604,078	1,411,665	1,654,868	2,027,194	1,957,418	1,456,590
Capital outlay	59,250,756	35,959,093	37,398,326	61,258,669	60,655,124	44,431,302	56,362,001	40,420,549	51,792,280	44,458,150
<b>Total expenditures</b>	<b>\$ 313,168,617</b>	<b>\$ 312,578,692</b>	<b>\$ 298,742,663</b>	<b>\$ 322,934,098</b>	<b>\$ 314,935,717</b>	<b>\$ 384,544,835</b>	<b>\$ 421,668,687</b>	<b>\$ 385,366,598</b>	<b>\$ 381,494,859</b>	<b>\$ 363,888,939</b>
<b>Other financing sources (uses)</b>										
Transfers from other funds	\$ 30,057,936	\$ 49,121,670	\$ 28,458,409	\$ 24,432,532	\$ 17,006,404	\$ 19,368,689	\$ 22,411,872	\$ 63,326,708	\$ 53,266,795	\$ 59,753,898
Transfers to other funds	(27,507,160)	(40,930,199)	(23,329,251)	(11,292,809)	(9,625,162)	(6,566,178)	(12,047,890)	(19,084,860)	(11,777,041)	(20,120,797)
Proceeds from issuance of bonds	-	39,405,239	21,545,726	140,635,339	16,004,650	23,372,439	75,796,868	20,960,944	68,872,912	30,930,000
Discount from issuance of bonds	-	-	(282,240)	(177,896)	1,245,112	(60,111)	-	-	(579,274)	-
Proceeds from refunding bonds	(7,235,000)	-	-	8,175,000	14,700,000	12,785,000	8,455,000	19,566,000	16,800,000	31,139,046
Proceeds from sale of assets	6,366,021	69,361	8,197	714,789	661,380	600,955	284,015	30,734	18,619,010	182,608
Proceeds from capital lease	11,312,299	730,993	929,600	2,311,526	4,188,169	591,748	2,377,527	1,523,629	1,720,103	2,873,264
Premium from issuance of bonds	480,887	378,647	-	4,216,368	-	1,465,660	422,930	465,722	1,361,927	1,656,531
Premium from issuance of refunding bonds	-	-	-	-	-	-	1,307,618	1,776,984	3,039,776	2,558,259
Payment to refunding bond escrow agent	16,805,000	(9,900,000)	-	(8,105,000)	(12,130,000)	-	(9,314,875)	-	(19,293,926)	-
<b>Total other financing sources (uses)</b>	<b>\$ 30,279,983</b>	<b>\$ 38,875,911</b>	<b>\$ 27,330,441</b>	<b>\$ 160,909,849</b>	<b>\$ 32,050,553</b>	<b>\$ 51,558,202</b>	<b>\$ 89,693,065</b>	<b>\$ 88,565,861</b>	<b>\$ 132,030,282</b>	<b>\$ 108,972,809</b>
<b>Net change in fund balances</b>	<b>\$ (37,041,001)</b>	<b>\$ (31,641,503)</b>	<b>\$ (31,131,500)</b>	<b>\$ 89,766,577</b>	<b>\$ (25,095,989)</b>	<b>\$ (21,127,430)</b>	<b>\$ (13,510,376)</b>	<b>\$ (7,315,386)</b>	<b>\$ 53,918,628</b>	<b>\$ 38,343,973</b>
Debt SVC at % of non-capital expenditures	16.00%	17.94%	16.78%	16.94%	15.57%	32.40%	14.06%	21.10%	17.88%	19.61%
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										
<b>Total expenditures</b>	<b>\$ 313,168,617</b>	<b>\$ 312,578,692</b>	<b>\$ 298,742,663</b>	<b>\$ 322,934,098</b>	<b>\$ 314,935,717</b>	<b>\$ 384,544,835</b>	<b>\$ 421,668,687</b>	<b>\$ 385,366,598</b>	<b>\$ 381,494,859</b>	<b>\$ 363,888,939</b>
<b>Capital outlay from recon GAAP to Mod Accr</b>	<b>58,082,851</b>	<b>29,427,235</b>	<b>27,071,318</b>	<b>34,130,665</b>	<b>34,429,542</b>	<b>21,457,117</b>	<b>42,138,536</b>	<b>17,404,807</b>	<b>22,463,135</b>	<b>22,747,158</b>
<b>Non-capital expenditures</b>	<b>\$ 255,085,766</b>	<b>\$ 283,151,457</b>	<b>\$ 271,671,345</b>	<b>\$ 288,803,433</b>	<b>\$ 280,506,175</b>	<b>\$ 363,087,718</b>	<b>\$ 379,530,151</b>	<b>\$ 367,961,791</b>	<b>\$ 359,031,724</b>	<b>\$ 341,141,781</b>
<b>Debt service</b>	<b>\$ 40,827,488</b>	<b>\$ 50,787,707</b>	<b>\$ 45,590,466</b>	<b>\$ 48,918,592</b>	<b>\$ 43,667,034</b>	<b>\$ 117,637,157</b>	<b>\$ 53,377,031</b>	<b>\$ 77,651,124</b>	<b>\$ 64,186,458</b>	<b>\$ 66,912,182</b>
Debt SVC at % of non-capital expenditures	16.00%	17.94%	16.78%	16.94%	15.57%	32.40%	14.06%	21.10%	17.88%	19.61%

Note: The significant variances noted in the Net Change in Fund Balances are due primarily to timing issues related to when Bond Proceeds are received compared to when Capital Outlay costs are incurred.

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

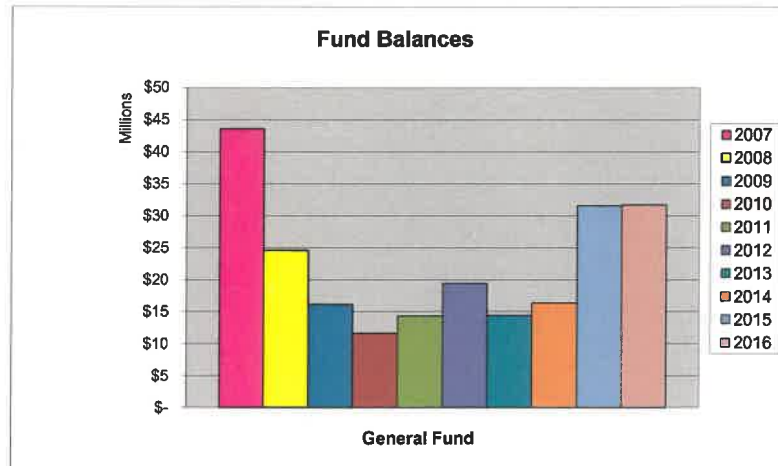
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 30,290,793	\$ 38,152,695	\$ 28,883,020	\$ 27,087,733	\$ 25,079,952	\$ 26,520,320	\$ 30,174,513	\$ 29,291,061	\$ 28,081,551	\$ 31,250,339
Public safety	124,080,775	133,104,186	135,838,855	128,169,717	127,440,244	130,719,941	139,770,779	139,643,321	134,877,172	139,151,974
Public works	54,490,909	58,852,528	58,231,382	49,439,819	58,107,781	77,746,268	66,930,633	68,859,206	76,009,713	62,108,387
Health and welfare	14,798,255	14,715,932	14,496,775	14,729,903	14,320,574	14,062,319	13,282,130	13,382,429	13,069,750	15,530,414
Parks and recreation	9,343,632	9,801,025	9,409,508	6,476,736	5,495,405	5,263,063	5,914,099	5,673,770	5,556,053	5,967,847
Planning and development	12,907,802	17,431,756	23,102,672	41,321,126	32,662,526	26,627,128	98,996,868	52,390,674	67,407,166	45,154,673
Interest on long-term debt	15,987,447	16,041,480	15,629,555	17,491,196	17,257,843	21,701,853	21,087,848	20,301,957	20,104,585	20,602,274
<b>Total governmental activities expenses</b>	<b>\$ 261,899,613</b>	<b>\$ 288,099,602</b>	<b>\$ 285,591,767</b>	<b>\$ 284,716,230</b>	<b>\$ 280,364,325</b>	<b>\$ 302,640,892</b>	<b>\$ 376,156,870</b>	<b>\$ 329,542,418</b>	<b>\$ 345,105,990</b>	<b>\$ 319,765,908</b>
<b>Business-type activities:</b>										
Electric and water systems	\$ 230,920,697	\$ 238,766,982	\$ 236,173,513	\$ 221,565,124	\$ 245,026,662	\$ 256,465,888	\$ 250,339,905	\$ 271,053,725	\$ 273,413,456	\$ 270,044,786
Public levee	1,527,795	1,164,347	1,504,174	1,413,301	1,163,555	1,162,015	282,208	3,000,572	211,632	190,179
EMS	5,081,613	5,824,847	6,944,949	7,367,253	7,024,655	7,392,927	8,209,082	7,219,336	7,218,816	7,266,969
Stormwater	-	-	661,304	1,480,508	1,527,906	1,512,216	2,566,832	2,715,369	2,908,812	2,831,245
Sewer system	21,365,521	22,056,220	23,788,544	17,772,564	20,809,633	22,012,623	25,489,647	25,285,207	23,147,910	25,676,909
Sunflower Hills golf course	759,816	910,510	819,472	679,706	800,540	825,125	810,075	784,808	719,991	757,028
Stadium	-	-	-	-	-	-	-	534,030	552,003	742,200
<b>Total business-type activities expenses</b>	<b>\$ 259,655,442</b>	<b>\$ 268,722,906</b>	<b>\$ 269,891,956</b>	<b>\$ 250,278,456</b>	<b>\$ 276,352,951</b>	<b>\$ 289,370,794</b>	<b>\$ 287,697,749</b>	<b>\$ 310,593,047</b>	<b>\$ 308,172,620</b>	<b>\$ 307,509,316</b>
<b>Total primary government expenses</b>	<b>\$ 521,555,055</b>	<b>\$ 556,822,508</b>	<b>\$ 555,483,723</b>	<b>\$ 534,994,686</b>	<b>\$ 556,717,276</b>	<b>\$ 592,011,686</b>	<b>\$ 663,854,619</b>	<b>\$ 640,135,465</b>	<b>\$ 653,278,610</b>	<b>\$ 627,275,224</b>
<b>Program Revenues</b>										
<b>Charges for services:</b>										
General government	\$ 2,931,976	\$ 2,582,381	\$ 3,549,937	\$ 4,623,345	\$ 3,088,044	\$ 3,579,602	\$ 3,462,929	\$ 3,326,556	\$ 4,962,124	\$ 5,802,345
Public safety	8,062,735	9,021,180	9,073,041	9,840,757	8,835,402	8,744,676	7,409,484	7,366,395	7,640,286	5,702,180
Public works	4,271,881	4,716,235	6,693,601	8,028,250	8,307,791	8,614,203	8,082,739	9,083,896	9,175,237	8,828,774
Health and welfare	987,319	1,539,141	789,085	162,850	805,818	706,109	790,631	635,196	736,527	711,645
Parks and recreation	584,603	556,240	585,003	1,166,756	635,219	547,780	569,687	603,504	625,328	618,126
Planning and development	3,128,384	2,615,712	2,259,151	3,201,347	3,838,439	4,480,536	4,742,195	4,473,996	6,673,326	5,792,374
<b>Operating grants and contributions:</b>										
General government	559,762	588,008	857,042	886,779	954,831	1,449,387	1,166,459	1,165,087	1,263,590	1,172,971
Public safety	5,724,447	6,248,268	4,685,658	6,135,125	6,856,885	6,761,464	6,165,685	6,090,741	5,700,271	3,845,781
Public works	9,664,249	9,000,428	7,863,473	7,696,076	7,388,647	8,766,393	7,875,791	7,813,656	8,194,694	12,394,593
Health and welfare	8,276,022	7,896,489	7,921,420	8,087,027	7,808,448	7,260,100	6,780,351	6,933,040	6,824,396	7,047,909
Parks and recreation	830,506	580,812	3,050,717	2,700,000	-	10,000	-	-	-	41,835
Planning and development	4,893,831	7,677,848	8,537,247	12,826,305	9,216,477	8,881,541	49,748,299	42,916,513	54,585,186	26,439,262
Interest on long-term debt	-	-	-	340,372	720,537	1,141,970	640,848	624,583	604,126	594,493
<b>Capital grants and contributions:</b>										
Public works	249,372	2,284,824	2,742,209	1,446,928	-	-	-	428,954	241,773	358,375
Public Safety	-	-	-	-	-	273,032	-	199,841	336,597	595,000
Planning and development	187,037	139,622	217,585	649,659	426,781	1,009,906	444,495	449,878	383,781	404,275
<b>Total governmental activities program revenues</b>	<b>\$ 50,352,124</b>	<b>\$ 55,447,188</b>	<b>\$ 58,825,169</b>	<b>\$ 67,791,576</b>	<b>\$ 58,883,319</b>	<b>\$ 62,226,699</b>	<b>\$ 102,951,383</b>	<b>\$ 92,111,836</b>	<b>\$ 107,947,242</b>	<b>\$ 80,349,938</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Electric and Water systems	\$ 228,782,367	\$ 240,093,868	\$ 210,068,949	\$ 237,159,626	\$ 243,459,904	\$ 261,315,976	\$ 260,084,320	\$ 311,540,386	\$ 303,124,272	\$ 301,043,289
EMS	3,269,900	4,216,457	4,251,550	4,414,666	4,383,301	4,589,845	4,419,792	4,453,260	4,697,399	4,662,102
Public Levee	991,053	1,083,636	1,077,112	850,896	854,894	820,070	562,467	411,244	327,058	327,878
Stormwater	-	-	1,004,109	2,213,075	2,921,111	3,429,547	3,329,932	3,351,672	3,613,029	3,405,211
Sewer System	17,515,426	18,067,391	18,140,230	19,855,939	21,001,659	23,633,571	23,758,894	26,621,867	28,979,670	32,224,143
Sunflower Hill Golf Course	747,656	729,321	715,492	669,895	636,032	707,015	605,497	587,539	588,922	584,356
Stadium	-	-	-	-	-	-	-	-	216,345	7,448,809
<b>Operating grants and contributions:</b>										
Capital grants and contributions:										
Electric and Water systems	880,873	1,466,171	209,965	300,888	59,048	130,878	234,557	206,722	951,950	230,046
Sewer System	-	-	-	566,162	271,701	192,083	23,480	9,840	-	-
Stadium	-	-	-	-	-	-	-	1,652,630	-	-
<b>Total business-type activities program revenues</b>	<b>252,187,275</b>	<b>265,656,844</b>	<b>235,467,407</b>	<b>266,031,147</b>	<b>273,587,650</b>	<b>294,818,985</b>	<b>293,018,939</b>	<b>348,835,160</b>	<b>342,498,645</b>	<b>349,925,834</b>
<b>Total primary government program revenues</b>	<b>\$ 302,539,399</b>	<b>\$ 321,104,032</b>	<b>\$ 294,292,576</b>	<b>\$ 333,822,723</b>	<b>\$ 332,470,969</b>	<b>\$ 357,045,684</b>	<b>\$ 395,970,322</b>	<b>\$ 440,946,996</b>	<b>\$ 450,445,887</b>	<b>\$ 430,275,772</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (211,547,489)	\$ (232,652,414)	\$ (226,766,598)	\$ (216,924,654)	\$ (221,481,006)	\$ (240,414,193)	\$ (273,205,487)	\$ (237,430,582)	\$ (237,158,748)	\$ (239,415,970)
Business-type activities	(7,468,167)	(3,066,062)	(34,424,549)	15,752,691	(2,765,301)	5,448,191	5,321,190	38,242,113	34,326,025	42,416,518
<b>Total primary government net expense</b>	<b>\$ (219,015,656)</b>	<b>\$ (235,718,476)</b>	<b>\$ (261,191,147)</b>	<b>\$ (201,171,963)</b>	<b>\$ (224,246,307)</b>	<b>\$ (234,966,002)</b>	<b>\$ (267,884,297)</b>	<b>\$ (199,188,469)</b>	<b>\$ (202,832,723)</b>	<b>\$ (196,999,452)</b>

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 93,692,006	\$ 96,321,532	\$ 95,137,607	\$ 86,298,207	\$ 89,841,305	\$ 95,535,842	\$ 98,079,667	\$ 101,248,029	\$104,289,273	\$ 105,929,939
Sales taxes	47,694,289	47,236,982	44,174,371	52,252,785	59,428,395	63,279,907	70,525,816	68,045,425	72,404,103	73,902,389
Franchise taxes	24,087,737	24,825,134	28,568,370	35,854,199	36,098,926	35,690,760	35,723,504	8,864,600	8,725,685	8,979,443
Other taxes	4,566,518	3,927,701	3,744,134	3,114,724	1,855,050	4,578,991	5,207,238	5,213,943	5,836,065	5,696,014
Transient guest tax	587,861	629,348	628,507	678,869	760,917	863,194	947,220	1,060,048	1,185,040	1,763,133
Unrestricted investment earnings	12,295,118	8,394,705	4,384,308	3,580,620	3,498,400	3,720,098	3,735,731	4,208,123	3,914,400	3,977,930
Miscellaneous	20,369,476	9,488,051	7,234,993	6,678,702	5,119,817	5,518,890	6,189,071	6,314,299	9,422,352	16,595,349
Special Item	-	-	-	10,959,260	5,683,302	-	-	-	-	-
Transfers	(2,991,205)	3,616,939	1,550,805	17,504,964	3,131,301	6,753,348	357,252	34,161,295	35,768,078	34,731,025
<b>Total governmental activities</b>	<b>\$ 200,291,800</b>	<b>\$ 194,440,392</b>	<b>\$ 185,423,095</b>	<b>\$ 216,922,330</b>	<b>\$ 205,417,413</b>	<b>\$ 215,941,030</b>	<b>\$ 220,765,499</b>	<b>\$ 229,115,762</b>	<b>\$ 241,544,996</b>	<b>\$ 251,575,222</b>
Business-type activities:										
Sales taxes	\$ 3,999,892	\$ 3,927,919	\$ 3,578,923	\$ 3,738,538	\$ 4,120,807	\$ 4,218,676	\$ 4,506,987	\$ 4,727,470	\$ 5,022,869	\$ 5,985,525
Other taxes	9,442	7,484	6,073	-	-	-	-	-	-	-
Unrestricted investment earnings	3,127,564	1,459,007	619,140	467,604	1,003,486	303,875	402,792	329,018	542,002	611,090
Miscellaneous	530,266	21,882	1,120,467	680,696	763,859	849,052	387,487	(958,686)	847,764	(136,500)
Transfers	2,991,205	(3,616,939)	(1,550,805)	(17,504,964)	(3,131,301)	(6,753,348)	(357,252)	(34,161,295)	(35,768,078)	(34,731,025)
<b>Total business-type activities</b>	<b>\$ 10,658,369</b>	<b>\$ 1,799,353</b>	<b>\$ 182,733,798</b>	<b>\$ (12,618,126)</b>	<b>\$ 2,756,851</b>	<b>\$ (1,381,745)</b>	<b>\$ 4,940,014</b>	<b>\$ (30,063,493)</b>	<b>\$ (29,355,443)</b>	<b>\$ (28,270,910)</b>
<b>Total primary government</b>	<b>\$ 210,950,169</b>	<b>\$ 196,239,745</b>	<b>\$ 189,196,893</b>	<b>\$ 204,304,204</b>	<b>\$ 208,174,264</b>	<b>\$ 214,559,285</b>	<b>\$ 225,705,513</b>	<b>\$ 199,052,269</b>	<b>\$ 212,189,553</b>	<b>\$ 223,304,312</b>
<b>Change in Net Position</b>										
Government activities										
Changes in Net Position	\$ (11,255,689)	\$ (38,212,022)	\$ (41,343,503)	\$ (2,324)	\$ (16,063,593)	\$ (24,473,163)	\$ (52,439,988)	\$ (8,314,820)	\$ 4,386,248	\$ 12,159,252
Net Position-Beginning of year	280,266,156	266,231,929	228,019,907	182,165,575	170,017,225	156,043,216	150,024,143	90,898,029	82,583,209	55,592,128)
Prior period adjustment	(2,778,538)	-	(4,510,829)	-	2,089,584	18,454,090	(6,686,126)	-	(142,561,585)	-
<b>Total governmental activities</b>	<b>\$ 266,231,929</b>	<b>\$ 228,019,907</b>	<b>\$ 182,165,575</b>	<b>\$ 182,163,251</b>	<b>\$ 156,043,216</b>	<b>\$ 150,024,143</b>	<b>\$ 90,898,029</b>	<b>\$ 82,583,209</b>	<b>\$ (55,592,128)</b>	<b>\$ (43,432,876)</b>
Business-type activities										
Changes in Net Position	\$ 3,190,202	\$ (1,266,709)	\$ (30,650,751)	\$ 3,134,565	\$ (8,450)	\$ 4,066,446	\$ 10,261,204	\$ 8,178,620	\$ 4,970,582	\$ 14,145,608
Net Position-Beginning of year	484,274,413	512,390,100	512,595,777	481,945,026	497,225,617	497,217,167	501,283,613	504,858,386	513,037,006	525,932,354
Prior period adjustment	24,925,485	1,472,386	-	-	-	-	(6,686,431)	-	7,924,766	-
<b>Total business-type activities</b>	<b>\$ 512,390,100</b>	<b>\$ 512,595,777</b>	<b>\$ 481,945,026</b>	<b>\$ 485,079,591</b>	<b>\$ 497,217,167</b>	<b>\$ 501,283,613</b>	<b>\$ 504,858,386</b>	<b>\$ 513,037,006</b>	<b>\$ 525,932,354</b>	<b>\$ 540,077,962</b>
<b>Total primary government</b>	<b>\$ 778,622,029</b>	<b>\$ 740,615,684</b>	<b>\$ 664,110,601</b>	<b>\$ 667,242,842</b>	<b>\$ 653,260,383</b>	<b>\$ 651,307,756</b>	<b>\$ 595,756,415</b>	<b>\$ 595,620,215</b>	<b>\$ 470,340,226</b>	<b>\$ 496,645,086</b>



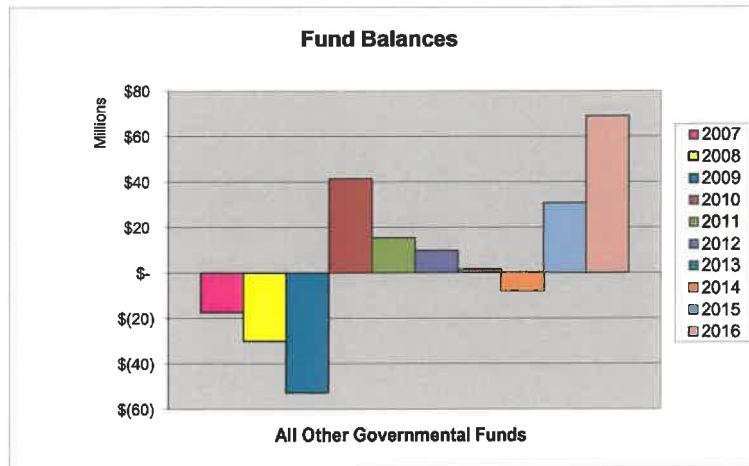
**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
 (Modified Accrual Basis of Accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Fund</b>				
Reserved	\$ 2,534,531	\$ 2,209,108	\$ 1,260,078	\$ 1,741,912
Unreserved	41,021,879	22,399,364	14,860,536	9,899,484
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
<b>Total general fund</b>	<b>\$ 43,564,374</b>	<b>\$ 24,616,436</b>	<b>\$ 16,128,578</b>	<b>\$ 11,649,360</b>
<b>All Other Governmental Funds</b>				
Reserved	\$ 15,579,130	\$ 22,973,920	\$ 14,740,008	\$ 17,284,705
Unreserved	-	-	-	-
Designated				
Designated crossover refunded bonds	10,025,335	-	-	-
Undesignated				
Special revenue funds	15,871,924	9,519,621	3,453,909	3,112,038
Debt service Fund	11,057,310	15,286,601	10,113,695	15,830,660
Capital projects funds	(69,945,666)	(77,885,673)	(81,056,786)	5,269,218
Unavailable	N/A	N/A	N/A	N/A
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
<b>Total all other governmental funds</b>	<b>\$ (17,411,967)</b>	<b>\$ (30,105,531)</b>	<b>\$ (52,749,174)</b>	<b>\$ 41,496,621</b>



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

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
-	751,740	463,243	216,347	95,443	95,443
253,692	560,204	493,012	495,470	854,812	-
1,438,927	1,629,346	1,019,593	891,422	2,912,722	3,933,271
12,618,862	16,527,952	12,434,668	14,775,610	27,726,681	27,696,778
<u>\$ 14,311,481</u>	<u>\$ 19,469,242</u>	<u>\$ 14,410,516</u>	<u>\$ 16,378,849</u>	<u>\$ 31,589,658</u>	<u>\$ 31,725,492</u>
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
25,522,172	24,322,105	23,432,723	30,200,148	33,152,395	56,585,544
586,540	832,686	746,929	870,220	1,284,274	2,375,319
N/A	N/A	N/A	N/A	N/A	5,139,085
<u>(10,615,036)</u>	<u>(15,375,811)</u>	<u>(22,852,322)</u>	<u>(39,026,757)</u>	<u>(3,685,239)</u>	<u>(580,379)</u>
<u>\$ 15,493,676</u>	<u>\$ 9,778,980</u>	<u>\$ 1,327,330</u>	<u>\$ (7,956,389)</u>	<u>\$ 30,751,430</u>	<u>\$ 68,959,569</u>

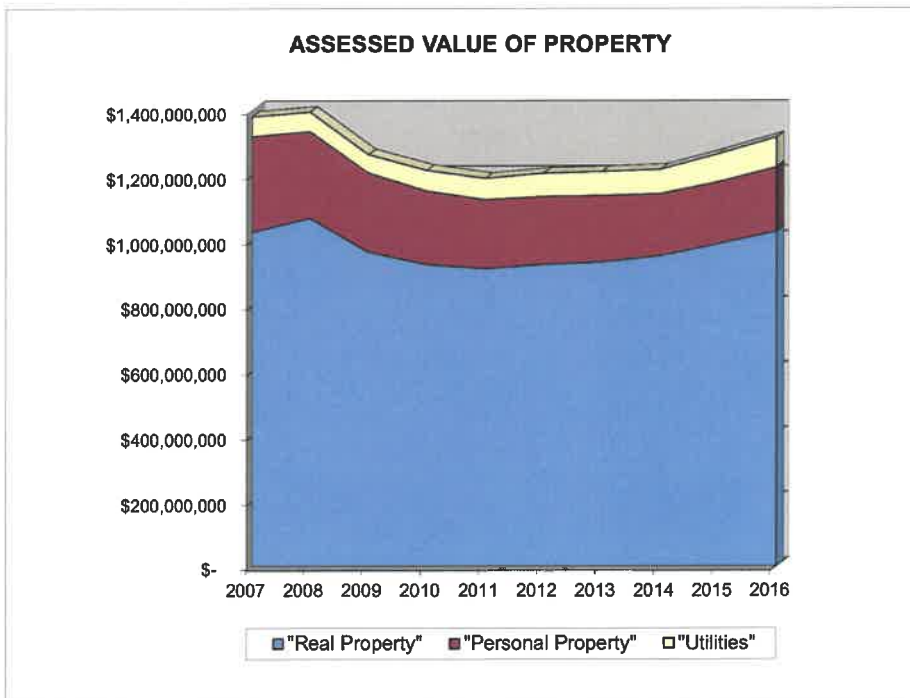




**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS  
 ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE TANGIBLE PROPERTY  
 Including Motor Vehicles, Last Ten Fiscal Years**

**UNIFIED GOVERNMENT PRIMARY GOVERNMENT**

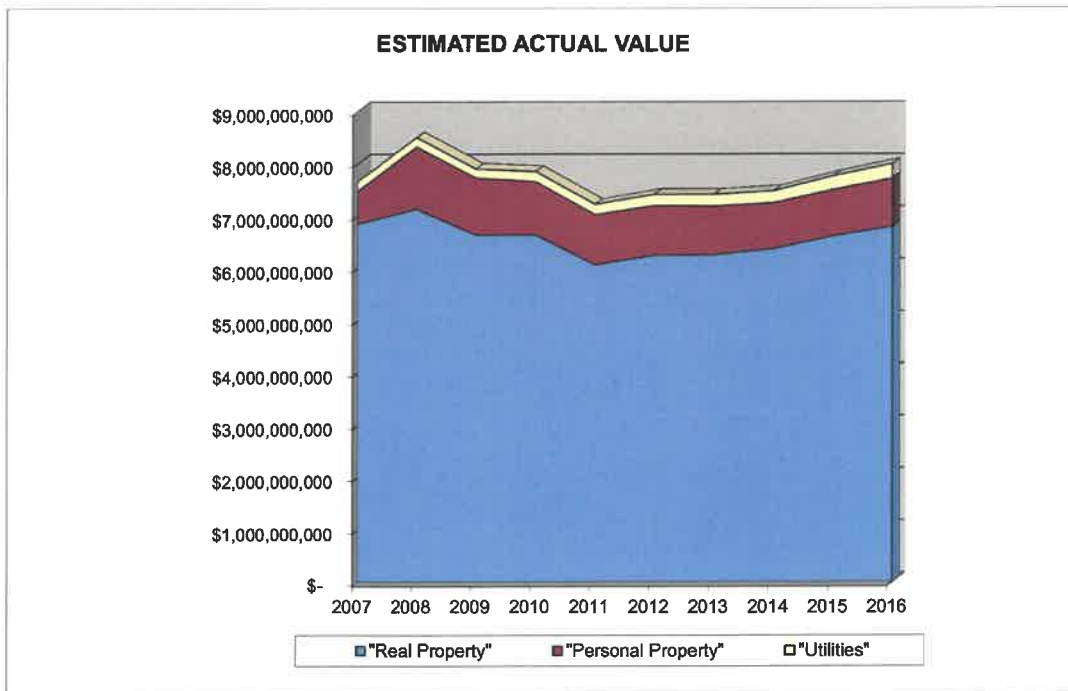
	<b>Real Property (1)</b>	<b>Personal Property (2)</b>	<b>Utilities (2)</b>	<b>Total</b>
<b>Fiscal Year</b>	<b>Assessed Value</b>	<b>Assessed Value</b>	<b>Assessed Value</b>	<b>Assessed Value</b>
2007	\$ 1,026,694,090	\$ 293,356,034	\$ 60,003,173	\$ 1,380,053,297
2008	1,069,442,741	265,953,815	59,613,262	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
2015	990,206,580	189,771,046	85,851,534	1,265,829,160
2016	1,028,187,363	196,689,211	91,717,690	1,316,594,264



<sup>1</sup> Real Property Estimated Actual Value is the value assigned by the County Appraiser on taxable property.  
<sup>2</sup> Personal Property Estimated Actual Value and Utilities Estimated Actual Value was calculated using a formula based on assessed rate  
<sup>3</sup> The total direct tax rate for citizens in the Unified Government varies according to the location of the property and the relation of the various taxing entities within the Unified Government 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 County Clerk's Office

Fiscal Year	Real Property (1)			Personal Property (2)		Assessed/ Actual Ratio	Total Direct Tax Rate (3)
	Estimated Actual Value	Estimated Actual Value	Estimated Actual Value	Estimated Actual Value	Estimated Actual Value		
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	
2015	6,616,509,010	885,480,168	260,156,164	7,762,145,342	16.31%	82.688	
2016	6,795,221,270	921,819,045	277,932,394	7,994,972,709	16.47%	80.688	



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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>County Direct Rates</b>										
General	22.208	23.102	24.557	27.857	30.072	30.115	30.162	31.271	31.029	31.029
Election	0.846	0.847	0.858	0.856	0.859	0.860	0.861	0.861	0.869	0.869
County Park	2.145	2.148	1.216	1.464	1.369	1.371	1.373	1.372	1.384	1.384
Historical Society	0.169	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Appraiser's Cost	0.000	0.000	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	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Soil Conservation	0.043	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
County Fair Building	0.145	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Service Program - Aging	0.900	0.901	0.811	0.907	1.011	1.012	1.014	1.013	1.022	1.022
Arts Program/Projects	0.035	0.000	0.000	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	1.510	1.512	1.532	1.529	1.535	1.537	1.539	1.538	1.551	1.551
Mental Health	0.460	0.461	0.416	0.332	0.418	0.419	0.420	0.420	0.423	0.423
Developmental Disabilities	0.478	0.479	0.485	0.314	0.315	0.340	0.341	0.341	0.344	0.344
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	1.027	1.014	0.817	0.820	0.796	0.798	1.672	2.191	2.191
County Infrastructure	1.600	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total County direct rate	30.539	30.477	30.889	34.076	36.399	36.450	36.508	36.488	38.813	38.813
<b>City Rates</b>										
Kansas City	40.685	40.258	40.808	40.635	45.267	45.415	45.495	43.473	43.875	41.875
Bonner Springs	30.456	29.065	29.086	30.101	30.578	30.605	33.635	33.616	33.658	33.657
Edwardsville	40.427	40.427	42.441	44.505	44.505	44.467	47.367	47.367	47.367	47.367
Lake Quivira	13.553	13.315	13.226	13.633	19.317	19.317	18.65	18.436	18.436	17.228
<b>Unified Government Direct Rate (County + City)</b>										
Unified Government - Kansas City	71.224	70.735	71.697	74.711	81.666	81.865	82.003	81.961	82.688	80.688
Unified Government - Bonner Springs	60.995	59.542	59.975	64.177	66.977	67.055	70.143	72.104	72.471	72.470
Unified Government - Edwardsville	70.966	70.904	73.330	78.581	80.904	80.917	83.875	85.855	86.180	86.180
Unified Government - Lake Quivira	44.092	43.792	44.115	47.709	55.716	55.767	55.158	56.924	57.249	56.041
<b>Community College</b>	19.524	19.296	19.991	23.456	23.456	23.58	26.121	26.108	27.336	27.336
<b>School Districts</b>	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	49.309-62.775	49.309-62.659
<b>Cemetery Districts</b>	0.261	0.261	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Drainage Districts</b>	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	3.052-16.378	3.080-15.664
<b>Library</b>	4.130	4.130	4.130	5.030	5.030	5.030	5.578	5.583	6.059	6.059
<b>Other Districts</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Source: Unified Government County Clerk's Office

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

	<u>Fiscal Year 2016</u>			<u>Fiscal Year 2007</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>
Kansas Entertainment	\$41,500,000	1	3.51%			
W-LD Legends Owner VII	38,580,084	2	3.27%	\$26,530,411	2	2.27%
General Motors	32,804,459	3	2.78%	51,673,136	1	4.42%
Magellan Pipeline	18,249,085	4	1.54%			
Phillips 66 Carrier	16,061,013	5	1.36%			
Union Pacific Railroad	15,820,647	6	1.34%			
BNSF	14,934,513	7	1.26%			
Cerner Corporation	13,185,125	8	1.12%			
NFM of Kansas	12,270,429	9	1.04%	21,134,859	3	1.81%
SVV I LLC (Schlitterbahn)	11,890,287	10	1.01%			
Prime Investments LLC				11,182,638	4	0.96%
Certain-Teed Corp.				10,147,654	5	0.87%
Owens Corning				9,643,027	6	0.82%
Proctor and Gamble				8,562,876	7	0.73%
Associated Wholesale Grocers				8,470,387	8	0.72%
Cabela's				7,370,312	9	0.63%
Keebler Company				6,738,463	10	0.58%
	<u>\$215,295,642</u>		<u>18.23%</u>	<u>\$161,453,763</u>		<u>13.81%</u>

Total 2016 County Assessed Value \$1,181,532,063

\*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.

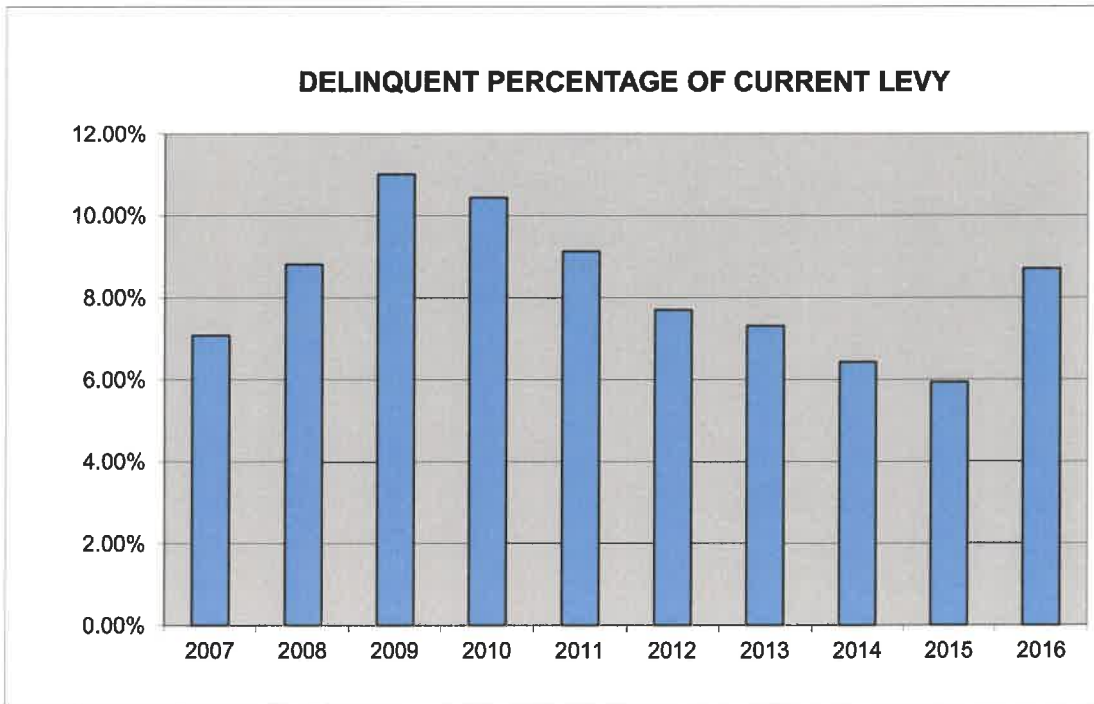
Source: Unified Government County Appraiser's Office

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS  
GENERAL PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years**

**UNIFIED GOVERNMENT PRIMARY GOVERNMENT**

Budget Year <sup>1</sup>	Taxes Levied for the Fiscal Year (Original Levy)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Year <sup>2</sup>	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
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%
2015	87,265,691	82,087,300	94.07%	4,472,811	86,560,111	99.19%
2016	93,214,739	85,097,921	91.29%	3,853,124	88,951,045	95.43%

Budget Year	Amount Levied	Amount Collected	Amount Delinquent	Percent Delinquent
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%
2015	87,265,691	82,087,300	5,178,391	5.93%
2016	93,214,739	85,097,921	8,116,818	8.71%



**Notes:**

<sup>1</sup> Taxes levied support the subsequent year's budget, e.g., 2015 taxes financed 2016 spending.

<sup>2</sup> County Treasurer's records do not provide a determination of delinquent tax collections by levy year; therefore, delinquent tax collections may include collections of prior year delinquencies and current year delinquencies.

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

**Wyandotte County**

<b>Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>State Assessed Utilities</b>	<b>Special Motor Vehicles</b>	<b>Total</b>
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
2015	990,206,580	63,375,062	85,851,534	126,395,984	1,265,829,160
2016	1,028,187,363	61,627,010	91,717,690	135,062,201	1,316,594,264

**City of Kansas City, Kansas**

<b>Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>State Assessed Utilities</b>	<b>Special Motor Vehicles</b>	<b>Total</b>
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
2015	884,539,295	58,869,677	77,655,254	114,240,821	1,135,305,047
2016	921,243,873	56,777,514	83,664,066	122,671,850	1,184,357,303

Source: Unified Government County Clerk's Office

**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>
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
2015	13,683,154	11,444,023	4,045,804	3,168,447	32,341,428
2016	13,854,405	11,664,801	4,345,933	3,325,132	33,190,271

Note:

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

Source: State of Kansas Department of Revenue

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

<b>Year</b>	<b>State Tax</b>	<b>City Tax</b>	<b>County Tax</b>	<b>Total Revenues</b>
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
2015	3,641,160	948,592	542,688	5,132,439
2016	5,376,299	1,329,428	777,237	7,482,964

Source: State of Kansas Department of Revenue



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

**General Fund Sales and Use Revenues**

<b>Year</b>	<b>General Fund Sales Tax (1)</b>	<b>Dedicated Sales Tax (2)</b>	<b>Total Revenues</b>	<b>Wyandotte County Retail Sales Receipts (3)</b>
2007	\$ 33,691,205	\$ -	\$ 33,691,205	\$ 1,883,227,018
2008	33,400,173	-	33,400,173	1,876,994,881
2009	30,656,706	-	30,656,706	1,759,436,442
2010	29,485,215	1,880,559	31,365,774	1,779,298,420
2011	32,763,090	6,053,474	38,816,564	1,869,475,166
2012	33,550,042	6,241,082	39,791,124	1,989,999,107
2013	34,988,351	6,760,480	41,748,831	2,043,743,670
2014	36,067,182	7,049,453	43,116,635	1,976,540,808
2015	38,303,870	7,486,226	45,790,096	2,208,780,095
2016	41,685,143	7,807,507	49,492,650	2,283,631,270

**Notes:**

(1) Includes city and county (portion) sales and use taxes to city and county general funds.

(2) Dedicated sales tax began 7/1/2010.

(3) Based on Kansas state sales tax collections. Sales tax rate changes are as follows: July 1, 2010, State of Kansas rate increased by 1.0% and local rate by 0.375%; July 1, 2013, State of Kansas rate decreased by 0.15%; and July 1, 2015, State of Kansas rate increased by 0.35%.

Source: State of 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 Obligation Bonds	Special Obligation Bonds	Revenue Bonds	Capital Leases	Certificates of Participation	Section 108 Loan	STAR Bonds	TDD Bonds
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
2015	245,001,722	52,599,618	10,000,992	6,839,477	-	1,650,000	79,987,272	23,999,096
2016	268,701,047	56,181,878	16,730,134	7,706,512	-	1,244,000	66,824,018	22,351,665

**Business Type Activities**

Fiscal Year	General Obligation Bonds	Capital Leases	Sewer Revolving Loan	STAR Bonds	BPU Revenue Bonds	BPU Capital Leases	BPU Government Loan	Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
2007	\$ 16,147,752	\$ 943,125	\$ 14,820,947	\$ -	\$ 323,001,990	\$ 1,738,066	\$ 23,690,167	\$ 637,183,418	15.1%	\$ 4,152
2008	20,915,297	773,492	13,816,268	-	313,043,225	1,018,921	22,707,905	621,521,155	14.1%	\$ 4,030
2009	22,384,448	1,077,448	13,653,555	-	363,881,515	650,042	21,710,900	663,574,878	15.4%	\$ 4,267
2010	39,734,634	1,792,146	12,570,320	-	355,430,000	367,952	20,717,121	777,211,969	17.6%	\$ 4,935
2011	40,859,282	1,863,319	11,273,779	-	421,100,000	74,989	19,813,666	830,317,124	18.2%	\$ 5,254
2012	46,766,770	2,175,132	10,018,884	-	479,735,000	-	18,788,619	905,697,959	18.6%	\$ 5,679
2013	51,957,960	3,237,906	10,822,225	-	462,765,000	1,011,816	27,585,940	947,787,805	18.8%	\$ 5,887
2014	58,258,086	2,835,314	12,438,998	5,979,650	594,842,762	1,454,219	32,448,862	1,103,949,325	23.5%	\$ 6,808
2015	68,858,876	2,450,728	14,222,104	6,405,559	574,800,051	3,812,374	33,275,100	1,123,902,969	19.3%	\$ 6,944
2016	79,224,592	1,890,492	15,860,581	-	743,723,718	2,261,193	34,076,540	1,316,776,370	21.9%	\$ 8,074

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

<sup>1</sup> Population and personal income data can be found in the Demographics Table.

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			Percentage of Personal Income <sup>2</sup>	Percentage of Actual Value of Taxable Property <sup>3</sup>	Per Capita <sup>2</sup>
	General Obligation Debt <sup>1</sup>	Less: Amounts Restricted to Repaying Principal	Total			
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%	1,647
2012	266,235,000	(2,523,496)	263,711,504	5.61%	3.56%	1,654
2013	275,575,000	(3,172,621)	272,402,379	5.59%	3.67%	1,692
2014	295,997,034	(4,501,025)	291,496,009	6.06%	3.90%	1,798
2015	313,860,598	(5,542,420)	308,318,178	6.55%	3.97%	1,887
2016	347,925,639	(8,866,589)	339,059,050	5.63%	4.24%	2,070

**Notes:**

<sup>1</sup> Includes General Obligation Bonds

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

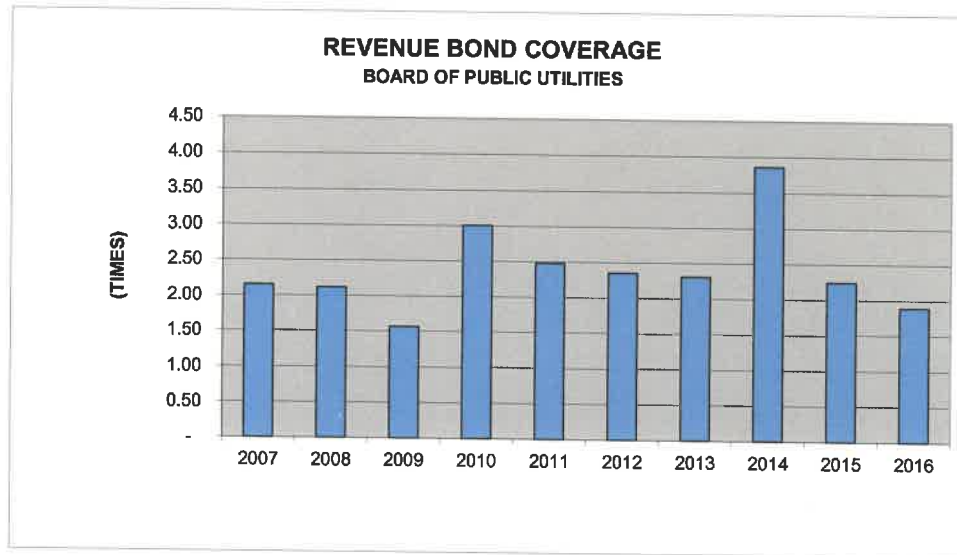
**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS  
LEGAL DEBT MARGIN INFORMATION  
Last Ten Fiscal Years**

	<u>2007</u> (As of 12/31/07)	<u>2008</u> (As of 12/31/08)	<u>2009</u> (As of 12/31/09)	<u>2010</u> (As of 12/31/10)	<u>2011</u> (As of 12/31/11)	<u>2012</u> (As of 12/31/12)	<u>2013</u> (As of 12/31/13)	<u>2014</u> (As of 12/31/14)	<u>2015</u> (As of 12/31/15)	<u>2016</u> (As of 12/31/16)
<b>Statutory debt capacity:</b>										
Equalized assessed valuation of taxable tangible property	\$ 1,194,327,556	\$ 1,270,053,704	\$ 1,143,897,672	\$ 1,098,921,073	\$ 1,077,678,389	\$ 1,093,343,355	\$ 1,095,669,466	\$ 1,098,740,174	\$ 1,139,433,176	\$ 1,181,532,063
Estimated tangible valuation of motor vehicles	125,722,568	124,966,114	120,485,596	117,043,311	113,607,923	113,853,207 *	116,127,017 *	119,834,832 *	126,395,984 *	135,062,201
Estimated tangible valuation for computation of bonded indebtedness limitations	<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>\$ 1,207,196,562</u>	<u>\$ 1,211,796,483</u>	<u>\$ 1,218,575,006</u>	<u>\$ 1,265,829,160</u>	<u>\$ 1,316,594,264</u>
Debt limit (30% of total valuation)	\$ 396,015,037	\$ 418,505,945	\$ 379,314,980	\$ 364,789,315	\$ 357,385,894	\$ 362,158,969	\$ 363,538,945	\$ 365,572,502	\$ 379,748,748	\$ 394,978,279
<b>Amount of debt applicable to limit</b>										
Total bonded indebtedness	\$ 243,785,000	\$ 273,547,299	\$ 275,107,299	\$ 313,895,000	\$ 314,865,000	\$ 320,893,000	\$ 364,150,000	\$ 369,585,001	\$ 369,585,001	\$ 374,610,000
Less exempt issues	<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>(128,992,366)</u>	<u>(128,992,366)</u>	<u>(104,969,576)</u>
Total net debt applicable to limit	\$ 126,667,633	\$ 186,454,337	\$ 194,004,498	\$ 193,016,194	\$ 174,802,147	\$ 224,277,904	\$ 262,736,230	\$ 240,592,635	\$ 240,592,635	\$ 269,640,424
Legal debt margin	<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>\$ 137,881,065</u>	<u>\$ 100,802,715</u>	<u>\$ 124,979,867</u>	<u>\$ 139,156,113</u>	<u>\$ 125,337,855</u>
Total net debt applicable to the limit as a percentage of debt limit	31.99%	44.55%	51.15%	52.91%	48.91%	61.93%	72.27%	65.81%	63.36%	68.27%

\* Amount was adjusted to present updated figure.

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

Fiscal Year	BPU Revenue Bonds				STAR Bonds <sup>1</sup>				TDD Bonds <sup>2</sup>				
	Gross Revenues <sup>3</sup>	Direct Operating Expenses <sup>3</sup>	Net Available Revenue	Total Debt Service Requirements	Coverage	Sales Tax Revenues	Principal	Interest	Coverage	Sales Tax Revenues	Principal	Interest	Coverage
2007	\$ 248,628,392	\$ 180,408,174	\$ 68,220,218	\$ 31,666,838	2.15	\$ 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	31,666,839	2.12	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	29,908,142	1.57	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	31,363,760	3.01	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	32,481,143	2.48	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	36,295,726	2.36	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	39,323,773	2.31	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	24,804,869	3.86	58,453,245	44,181,854	13,530,823	1.01	2,738,028	1,366,000	1,283,196	1.03
2015	303,124,272	201,260,954	101,863,318	45,334,587	2.25	61,697,772	45,026,515	16,782,445	1.00	3,007,406	1,575,000	1,257,442	1.06
2016	301,043,289	210,246,970	90,796,319	48,079,981	1.89	46,582,407	24,810,143	13,533,052	1.21	2,745,887	1,661,000	1,221,362	0.95



Notes:

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

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

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

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS  
INDIRECT DEBT AS OF DECEMBER 31, 2016**

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

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<b>Jurisdiction</b>	<b>Total Debt</b>	<b>Applicable % to Wyandotte County</b>	<b>Wyandotte County</b>	<b>Applicable % to Kansas City</b>	<b>Kansas City</b>
Kansas City, Kansas Community College	\$ 32,250,000	100.00%	\$ 32,250,000	89.61%	\$ 28,978,778
U.S.D. No. 500	276,860,000	100.00%	276,860,000	99.98%	276,818,373
U.S.D. No. 202	30,600,000	100.00%	30,600,000	99.84%	30,557,104
U.S.D. No. 203	25,700,000	100.00%	25,700,000	100.00%	25,700,000
U.S.D. No. 204	23,733,823	97.82%	23,218,916	31.72%	7,153,300
City of Bonner Springs	14,055,000	93.23%	13,167,834	0.00%	-
City of Edwardsville	7,740,000	100.00%	7,740,000	0.00%	-
<b>Total</b>	<b>\$ 410,938,823</b>		<b>\$ 409,536,750</b>		<b>\$ 369,207,555</b>

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 table estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents of Wyandotte County and Kansas City, Kansas. The applicable percentage is based on the County & City percent share of the respective entities' total assessed valuation.

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

	<u>Wyandotte Co.</u>	<u>Kansas City</u>
Estimated Actual Valuation (Appraised)	\$ 7,319,661,704	\$ 6,552,122,149
Equalized Assessed Tangible Valuation <sup>(a)</sup>	\$ 1,181,532,063	\$ 1,184,357,303
Population (2014 U.S. Census Estimate)	163,831	151,306
Outstanding General Obligation Indebtedness (as of February 26, 2017)		
General Obligation Bonds	\$ 13,560,000	\$ 321,280,000
General Obligation Notes	\$ 82,125	\$ 62,225,000
Less: Debt Service Funds on Hand as of December 31, 2016	<u>\$ (270,704)</u>	<u>\$ (5,368,159)</u>
Net Outstanding General Obligation Indebtedness	\$ 13,371,421	\$ 378,136,841
Ratio of Net General Obligation Debt to Estimated Actual Valuations	0.18%	5.77%
Ratio of Net General Obligation Debt to Equalized Assessed Tangible Valuation	1.02%	32.16%
Net General Obligation Debt per Capita	82	2,499
Overlapping Indebtedness	\$ 409,536,750	\$ 369,207,555
Direct and Overlapping Indebtedness	\$ 422,908,171	\$ 747,344,396
Ratio of Direct and Overlapping Indebtedness to Estimated Actual Valuation	5.78%	11.41%
Ratio of Direct and Overlapping Indebtedness to Equalized Assessed Tangible Valuation	32.33%	63.55%
Direct and Overlapping Indebtedness per Capita	2,581	4,939
Overlapping Indebtedness per Capita	2,500	2,440

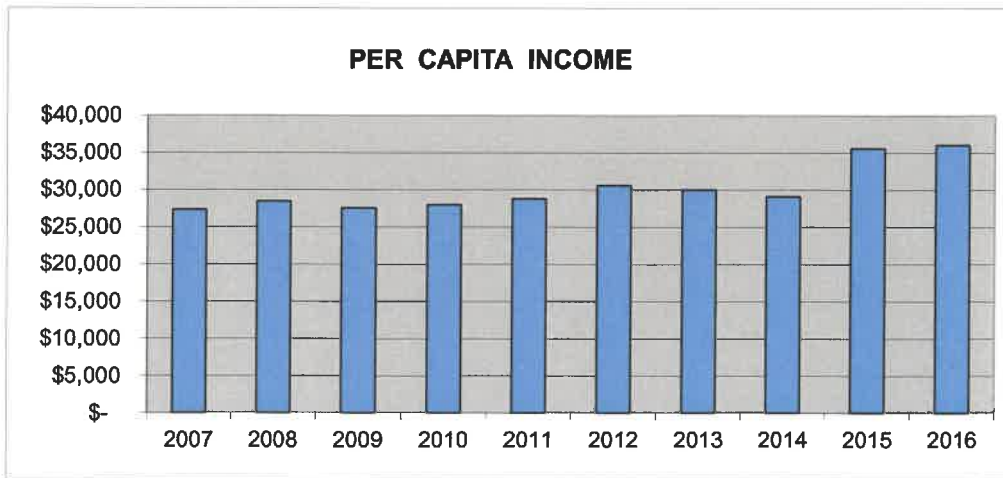
(a) Includes real property, personal property, and state assessed utility valuations and excludes valuations for motor vehicles.

Source: Unified Government Finance Department

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

<b>Year</b>	<b>Population</b>		<b>Personal Income (thousands of dollars)</b>		<b>Per Capita Personal Income</b>	<b>Public School Enrollment</b>	<b>Unemployment Rate</b>
2007	153,454	(1)	\$ 4,223,792	(3)	\$ 27,380	27,877	7.6%
2008	154,233	(1)	\$ 4,415,768	(3)	\$ 28,472	27,867	8.1%
2009	155,499	(1)	\$ 4,310,940	(3)	\$ 27,561	28,538	10.7%
2010	157,505	(2)	\$ 4,420,281	(3)	\$ 28,010	28,455	10.1%
2011	157,973	(1)	\$ 4,562,495	(3)	\$ 28,836	28,462	9.5%
2012	159,360	(1)	\$ 4,875,180	(3)	\$ 30,637	29,284	8.4%
2013	160,744	(1)	\$ 4,810,886	(3)	\$ 29,996	29,753	8.0%
2014	161,855	(1)	\$ 4,706,681	(3)	\$ 29,119	30,200	6.9%
2015	163,095	(1)	\$ 5,814,072	(3)	\$ 35,589	30,414	6.1%
2016	163,831		\$ 6,023,379	(4)	\$ 36,052	30,826	5.7%

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



**Notes:**

- <sup>1</sup> U.S. Dept of Commerce, Bureau of Census, Local Population Estimates, revisions post-2010 Census data release.
- <sup>2</sup> 2010 U.S. Census Counts
- <sup>3</sup> Bureau of Economic Analysis
- <sup>4</sup> Estimates based on trends
- <sup>\*</sup> Updated in 2016 for final figures



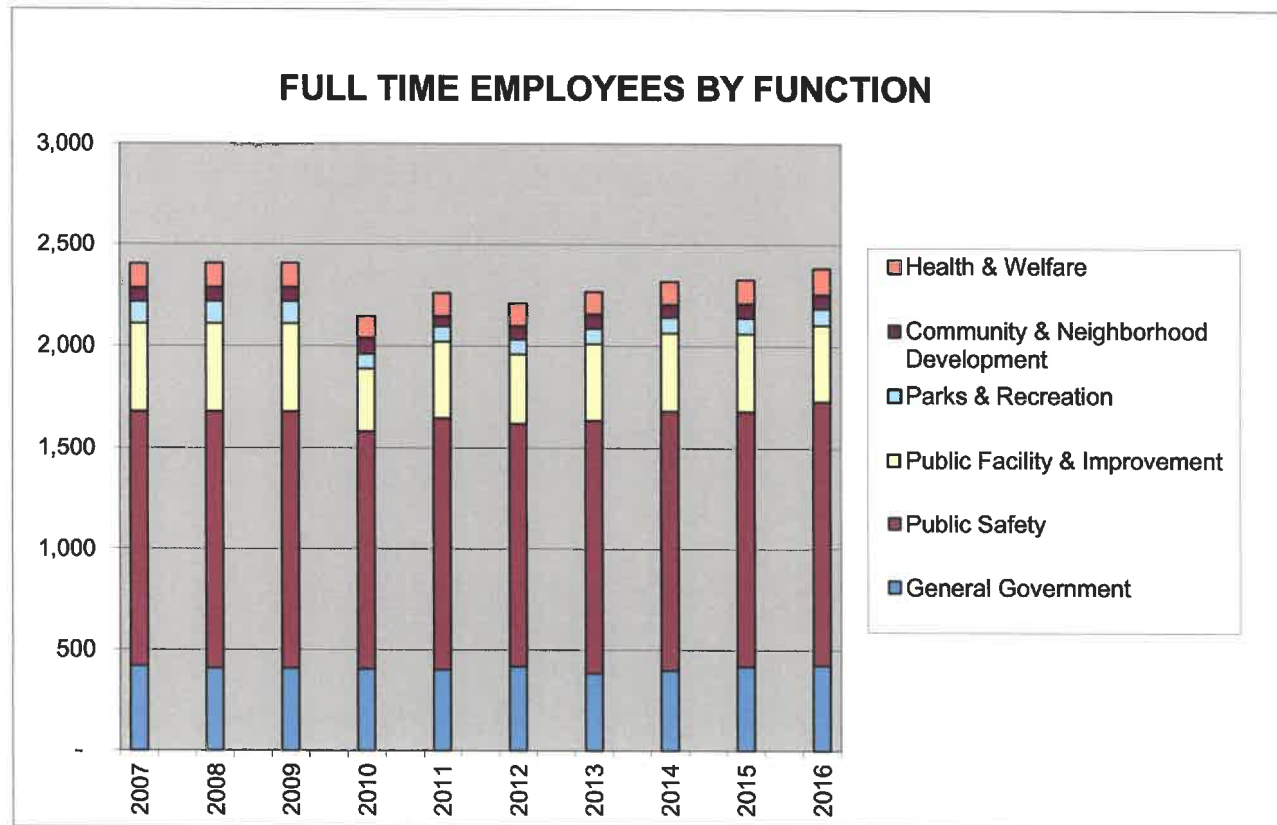
**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago**

	2016			Fiscal Year 2007		
	Employees in County (Employment Range)	Rank	Percentage of Total County Employment	Employees in County (Employment Range)	Rank	Percentage of Total County Employment
Kansas University Hospital	5,000+	1	6.30%	2500-3499	2	4.08%
University of Kansas Medical Center	3500-4000	2	3.82%	2500-3499	3	3.31%
General Motors Corporation	3500-4000	3	3.68%	2500-3499	5	3.19%
Kansas City, KS School District #500	2500-4000	4	3.57%	3500-4000	1	4.57%
Cerner	2500-4000	5	3.18%	-	-	-
Burlington Northern/Santa Fe Railroad	2500-4000	6	2.63%	2500-3499	4	3.24%
Unified Government of Wyandotte Co/KCK	1000-2499	7	2.53%	2500-3499	6	2.94%
Associated Grocers	1000-2499	8	1.25%	750-999	9	1.11%
Providence Medical Center	1000-2499	9	1.24%	1000-2499	7	1.45%
Nebraska Furniture Mart	1000-2499	10	0.95%	1000-2499	8	1.43%
United Parcel Service	-	-	-	750-999	10	1.09%
	<u>27,749</u>		<u>29.16%</u>	<u>22,455</u>		<u>26.41%</u>

Source: Unified Government Finance Department.

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

<u>Function/Program</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>	<u>2015</u>	<u>2016</u>
General Government	419	409	409	404	400	416	383	397	416	422
Public Safety	1,260	1,270	1,270	1,177	1,247	1,204	1,254	1,285	1,264	1,308
Public Facility & Improvement	430	431	431	308	375	340	375	382	380	374
Parks & Recreation	108	108	108	72	74	73	75	77	77	80
Community & Neighborhood Development	67	69	69	79	50	66	70	62	71	71
Health & Welfare	120	120	120	104	115	107	110	114	118	128
	<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>	<u>2,326</u>	<u>2,383</u>



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

<u>Function/Program</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>	<u>2015</u>	<u>2016</u>
<b>General Government</b>										
Number of Documents recorded in Register of Deeds	28,340	22,320	20,479	18,008	19,432	22,281	23,714	20,852	23,208	22,713
Number of registered voters	83,778	91,201	90,764	76,174	80,613	81,980	81,638	70,787	82,550	74,239
<b>Public Safety</b>										
Number of 911 calls	190,067	178,119	181,164	180,826	179,544	189,020	201,335	199,646	223,413	181,381
Number of Fire Department Calls	24,619	25,166	24,970	25,592	25,744	26,689	27,471	26,127	25,244	22,215
Violent Crimes	1,204	917	942	808	906	853	707	865	944	1,250
<b>Public Facility &amp; Improvement</b>										
Number of bridges maintained	151	151	151	151	151	151	151	151	151	151
Miles of road maintained	1,943	1,947	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943
<b>Parks &amp; Recreation</b>										
Park acres maintained	2,729	2,729	2,600	2,600	2,600	2,600	2,715	2,715	2,715	2,715
<b>Community &amp; Neighborhood Development</b>										
Number of Business Licenses Issued	7,515	7,387	7,185	7,092	7,141	7,036	6,906	6,621	6,956	6,951
Number of Demolition Permits Issued	208	153	119	195	123	171	64	100	112	89
<sup>1</sup> Number of Downpayment Assistance	16	10	16	13	8	24	39	16	14	21
<sup>2</sup> Number of Grants/Loans	95	86	149	97	117	149	113	101	68	73
<b>Health &amp; Welfare</b>										
Number of Visits to the Health Department	24,682	26,313	34,537	30,506	29,520	29,286	29,037	27,477	24,811	23,630
Number of Clients to the Health Department	15,894	13,844	19,071	20,381	16,540	21,035	19,794	13,781	12,493	11,976
Number of Visits to the WIC Department	50,531	59,060	65,225	64,337	63,998	60,293	50,844	56,499	52,225	48,131
Number of Clients to the WIC Department	6,917	7,485	8,047	7,722	7,429	7,449	6,946	6,639	6,309	6,033
Number of Congregate Meals Served to Seniors	62,268	67,041	58,828	50,426	40,430	40,271	39,770	398,180	34,225	36,041
Number of Home Delivered Meals Served to Seniors	139,392	144,969	147,914	138,776	129,989	126,423	127,384	117,767	118,797	127,240
Number of Newsletters distributed	33,054	16,157	24,418	20,751	22,534	22,694	24,552	19,200	19,200	20,626
Number of Legal Hours provided	478	522	534	510	533	497	506	498	496	481

\* Information not available.

**Notes:**

<sup>1</sup> Downpayment Assistance Program (CHIP) is aimed at low-to moderate-income households to provide assistance for purchasing single-family homes.

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

<sup>2</sup> Grants are aimed at very low-income single-family households and includes emergency grants, roofs, sewers, residential barrier removal, special service grants, lead-based paint removal, and other similar improvements.

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

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

Source: Unified Government Finance Department, Budget Division 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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Government</b>										
Office Buildings	11	11	12	12	12	12	12	12	13	14
Other Buildings	27	27	27	27	27	27	26	26	21	21
<b>Public Safety</b>										
Fire Stations	18	18	18	18	18	18	18	18	18	18
Fire Trucks/Engines	22	22	22	22	16	16	22	22	22	23
Ambulances	12	12	12	12	12	12	12	12	12	12
Police Stations	7	7	7	7	7	7	7	7	7	7
<b>Public Facility &amp; Improvement</b>										
Number of Bridges	151	151	151	151	151	151	151	151	151	151
Miles of Roads	1,943	1,947	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943
Number of Waste Water Plants	4	5	5	5	5	5	5	5	5	5
<b>Parks &amp; Recreation</b>										
Number of Recreation Centers	9	8	7	7	7	7	9	10	10	10
Number of Parks	48	51	54	54	54	54	53	53	53	53

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

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