

City of Wichita, Kansas

Incorporated 1870

City of 1st Class 1886

Council-Manager Form of

Government Adopted 1917

Comprehensive Annual Financial Report

For the Year Ended December 31, 2009



CITY COUNCIL

Carl Brewer, Mayor

Jeff Longwell, Vice Mayor (V)

Lavonta Williams, Council Member (I)

Sue Schlapp, Council Member (II)

Jim Skelton, Council Member (III)

Paul Gray, Council Member (IV)

Janet Miller, Council Member (VI)

City Manager

Robert Layton, City Manager

Department of Finance

Kelly Carpenter, Director of Finance

Rob Raine, Assistant Director of Finance

Prepared by Controller's Office

Department of Finance

CITY OF WICHITA, KANSAS

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INTRODUCTORY SECTION



Department of Finance
Controller's Office
City Hall – Twelfth Floor
455 North Main
Wichita, Kansas 67202

May 14, 2010

To the Honorable Mayor, City Council and Citizens of
the City of Wichita, Kansas:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Wichita for the year ended December 31, 2009.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that management has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City and its component unit.

Kansas Statutes require an annual audit of all funds of the City by independent certified public accountants. The certified public accounting firm of Allen, Gibbs & Houlik L.C. issued an unqualified opinion on the City of Wichita's financial statements for the year ended December 31, 2009. The independent auditor's report is located on page A-1 in the Financial Section of this report.

In addition to meeting the requirements set forth in State Statutes, the audit was also designed to meet the requirements of federal Office of Management and Budget Circular A-133. The auditor's reports related specifically to the single audit are included in the Single Audit Section. The audit for the year ended December 31, 2009, disclosed a significant control deficiency related to the financial statements as described in the report on internal control, but no material weaknesses or material violations of laws and regulations. Details on the audit findings and the management's response are located in the single audit section of this report.

Management's discussion and analysis (M D & A) immediately follows the independent auditor's report and provides an introduction, overview and analysis of the basic financial statements. M D & A complement this transmittal letter and should be read in conjunction with it.

THE REPORTING ENTITY AND ITS SERVICES

The City of Wichita is the largest city in Kansas, with an estimated 2009 population of 369,340, and is the county seat of Sedgwick County. The City is located in south central Kansas, 161 miles southeast of the nation's geographic center and 124 miles from the North American geodetic center. The City's incorporated area is approximately 162 square miles. The Kansas Turnpike and Interstate Highway I-35 link the City with a large trade area that encompasses a population of more than one million within a 100-mile radius.

In 1917, the City became one of the first municipalities in the United States to adopt the Commission-Manager (also known as the Council-Manager) form of government. In 1987, the form of government was modified to a Council-Manager form with City Council members nominated by district and elected at large. One member of the Council was appointed annually to serve as Mayor. In 1989, the form of government was again modified to a Mayor-Council-Manager form with a Mayor elected at large and other City Council members elected by district. The City Council was expanded from five to seven members, including the Mayor. The City Manager is appointed by the City Council and is responsible to them for the management of all City employees and administration of all City affairs.

The City of Wichita and its component unit provide a full range of municipal services, including police and fire protection, parks and recreation programs, libraries, art museum, public housing, public health and social services, infrastructure improvements, bus transportation, airports, water and sewer utilities, planning and zoning, cemetery maintenance, internal support services, and general administration.

The City Council is required to hold public hearings on a proposed budget and adopt a budget no later than August 25 of each year. The annual budget serves as a policy document, a financial plan, an operations guide and as a communication device.

The Budget Process: The City of Wichita actually produces three operating budgets: 1) a revision of the current year budget; 2) a proposal budget for the next year, which will become the adopted budget upon City Council approval; and 3) a projection budget for the year following, which becomes the basis for the proposed budget next year. For the 2010 budget, the City Council, with the assistance of Wichita State University, proactively conducted an environmental scan. The scan resulted in the definition of core and essential services, potential partnerships with other local governments, and alternate delivery methods for increased efficiency. Budget preparation began with a focus on sustaining the core and essential services and implementing efficiencies identified in the environmental scan.

Each year, City departments provide information on operations (financial and performance objectives) and identified significant issues and changing needs. The information is packaged in a strategic operating plan for each department. Senior staff and the City Manager conduct a review of revenue projections and departmental requests balanced against current year priorities. The City Council is briefed on strategic and policy issues and preliminary financial forecasts. The City Manager holds internal budget hearings in late May and early June. Based on City Council feedback and the information from departments, a proposed budget is crafted by the City Manager and provided to the City Council for consideration in July. Presentations are made to the District Advisory Board of each Council District, providing opportunities for citizen feedback on the budget as well.

The Finance staff reviews strategic operating plans and prepares financial analysis for the City Manager. The City Council holds public hearings on the proposed budget in July and August prior to adoption of a final budget no later than August 15.

Budgetary Control: The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level, but is monitored by function and activity within an individual fund. The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Unencumbered appropriations lapse at year end, however, lawful encumbrances are reappropriated as part of the following year's budget. As demonstrated by statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. Budget-to-actual comparisons are provided in for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, the comparison is presented on page A-25 as part of the basic financial statements, as well as a more detailed presentation beginning on page B-16. For governmental funds, other than the General Fund with appropriated annual budgets, the comparison is presented in the governmental fund section of this report which starts on B-1.

THE LOCAL ECONOMY¹

The Wichita metropolitan statistical area (MSA) has a diverse economic base, producing a wide variety of products from computers to aircraft. About 80 percent of all manufacturing establishments are small firms employing less than 50 workers. The growth in Wichita is stimulated by these small firms, as well as local aircraft companies that combine to produce a significant number of the world's general aviation and commercial aircraft.

Service-related firms, particularly regional health care firms, are also an important sector for Wichita's long-term growth. With an emphasis in research and training, Wichita has developed as a nationally recognized, state-of-the-art health care center. The Wichita MSA is serviced by 18 acute care and freestanding specialty hospitals and 53 nursing and assisted living facilities. More than 1,200 physicians and more than 260 dentists provide care in the four-county region. Numerous health care and specialty clinics also provide comprehensive patient care and same-day surgery. The health care industry employs more than 37,800 people.

Educational institutions are significant to the local economy. The Wichita Public School District operates 101 schools, from elementary through high school, offering alternative, magnet and special schools, making it the largest district in Kansas. Eight unified public school districts serve within the City of Wichita. Numerous private and public technical educational institutions, and 15 colleges and universities provide many educational opportunities. Among those are Wichita State University, University of Kansas-School of Medicine, Friends University and Newman University.

Largest Private Industries in the Wichita Metro Area

Industry	Average Annual Employment 2008	Average Annual Employment 2009*	Percent of 2009 Total
Total employment	299,948	290,522	100%
Transportation equipment manufacturing	41,028	36,546	12.6%
Food services and drinking places	22,036	21,817	7.5%
Administrative and support services	18,158	16,882	5.8%
Ambulatory health care services	12,894	13,122	4.5%
Hospitals	9,769	9,974	3.4%
Specialty trade contractors	10,263	9,458	3.3%
Professional and technical services	8,890	8,923	3.1%
Social assistance	7,441	7,353	2.5%
Nursing and residential care facilities	7,172	7,289	2.5%
General merchandise stores	7,501	7,185	2.5%

* Four-quarter moving average as of the third quarter 2009 which is the, latest available information from the Bureau of Labor Statistics at this level of detail at the time of publishing.

¹ Information provided by the Center for Economic Development and Business Research, Frank Barton School of Business, Wichita State University

Since 1940, increases in land area and in the number and size of manufacturing firms have highlighted the City's growth. Continued diversification of industry, combined with a skilled labor force and the City's central location contributed to the steady economic growth. The table above lists the largest private industry segments in the Wichita metropolitan area.

Wichita has not been immune from the current recession, although it has fared better than many regions of the country. The City of Wichita's unemployment rate hit a high of 11.4 percent in July 2009, while the unemployment rate of the MSA reached a high of 10.36 percent that same month. Wichita's economic situation is confirmed by the Wichita State University Current Conditions Index, which tends to mirror the Wichita economy. The Current Conditions Index maintained a steady decline in 2009 with only October and November deviating from the trend, increasing 0.3 percent over that two month period. The two indicators with the greatest negative impact on the index were seasonally adjusted outbound volume of airfreight shipments at Wichita's Mid-Continent Airport, which declined 18.69 per cent, and the seasonally adjusted number of home sales, which decreased 14.2 percent.

The Center for Economic Development and Business Research (CEDBR) Leading Economic Index is designed to foreshadow the Wichita Economy approximately six months into the future. The average annual Index value dropped 10.3 percent from 2008 to 2009. Although it is too soon to see an upward trend, the Index value did increase in November and December, for a two month rise of 1.1 percent. Kansas initial unemployment claims and Wichita's inflation-adjusted value of residential building permits were the two indicators creating the greatest drag on the Leading Index for 2008 to 2009.

If the Leading Index value continues to rise, Wichita could begin to see economic recovery by year-end. At the very least, the Wichita area should experience a slowing decline in 2010. The CEDBR forecasts a 1.5 percent decline in total employment, or a loss of approximately 4,280 jobs by year-end 2010. The production sector will continue to pull down Wichita growth expectations with an expected loss of 7.5 percent, in combination with an expected decrease of 0.5 percent in the trade, transportation and utilities sectors. Service sectors are expected to remain relatively flat. Government employment is projected to increase 3.1 percent, fueled by the American Recovery and Reinvestment Act funds and Census 2010 employment.

Annual Average Wichita MSA Employment by Industry*					
	2008 (a)	2009 (a)	2010 (f)	2009-2010 Level Change	2009-2010 Percent Change
Production Sectors	84,142	73,175	67,700	(5,475)	(7.5%)
Trade, Transportation and Utilities	52,100	50,183	49,930	(253)	(0.5%)
Service Sectors	130,791	127,284	127,425	142	0.1%
Government	40,850	41,533	42,840	1,307	3.1%
Total Non-farm Employment	307,883	292,175	287,895	(4,280)	(1.5%)

*Annual values are derived from average quarterly observations and projections. (a) actual (f) forecasted

National conditions are showing increased consumer confidence, overall economic growth and an increase in home sales. Unfortunately, the growth is not yet apparent in the labor markets. The national rebound will be slow to infiltrate the state of Kansas and the Wichita MSA economy. The overall economic conditions in Wichita are expected to be negative through the middle of 2010 with mild growth expected in the second half of the year.

CITY BUSINESS AND FINANCIAL PLAN

The City routinely revises the current year budget, then issues a two-year operating budget to identify trends that may extend beyond the statutorily mandated one-year budget. Bi-annually, the City prepares a ten-year capital budget to better allow for the extended timeframe required for completion of capital projects, including coordination with grant and other funding requirements. The City manages finances with a long term perspective.

The City met the current economic downturn with an environmental scan to define core services and identify opportunities for efficiencies in both the coming year and over the long run. With impending budget reductions and with priorities to sustain the core services as defined in the environmental scan, the City took major initiatives to address the loss of revenue. The 2009 operating budgets of the combined funds were revised downward \$61 million from the adopted budgets. The 2010 budget is currently under revision to ensure core and essential services are sustained and to incorporate the major initiatives implemented for increased efficiency. Major initiatives include privatizing mowing of parks and green spaces, deferring maintenance where appropriate and delaying the hiring for vacant positions. A new Center for Project Management and Process Improvements was created to identify potential for and implementation of process improvements. The City is currently evaluating the results of an energy efficiency audit that reviewed fleet operation, buildings and utility consumption to determine the most cost effective future course of action for the City.

Efforts to position the City favorably for long term economic growth remain a key business objective, based on a diversified foundation of business and industry. Downtown revitalization efforts are a major initiative towards that diversified business base. With private and public sector funding, façade programs have added value, as well as beauty and safety to the character of the downtown areas. Not resting on the success of the Old Town and Delano districts, the Wichita Downtown Development Corporation, together with contributions from the private sector, committed funding for a downtown revitalization master plan. In October 2009, the City Council approved a \$500,000 contract to develop a downtown revitalization master plan which will be adopted as an element of the Wichita-Sedgwick County Comprehensive Plan.

Protecting existing resources, the City manages a pooled funds investment program for all cash (not otherwise restricted) under a comprehensive, written investment policy. The program allows the City to invest its cash in secured investments for larger amounts, for longer terms, with fewer total investment transactions and for generally higher yields on City investments.

The City also manages its risk exposure through insurance policies and self insurance programs. The self-insurance and safety programs are funded and administered through the City's Risk Management office. The funds are maintained in a risk management reserve fund as authorized in Kansas Statutes. In addition, the City, Airport Authority, Wichita Housing Authority, Art Museum, and Wichita Public Building Commission maintain specialized insurance policies and bonds as detailed in the Additional Information Section of this report.

The City contributes to two single-employer defined benefit pension plans and a single-employer defined contribution plan, covering all full-time employees. At the close of 2009, the Wichita Employees' Retirement System's actuarially accrued pension liability was 96.3 percent funded and the Wichita Police and Fire Retirement System's actuarially accrued pension liability was 92.4 percent funded. A separate comprehensive annual financial report is issued for the City's pension funds and systems.

RELEVANT POLICY CHANGES

In 2006, the Kansas Legislature exempted commercial and industrial equipment from personal property taxes, a measure that will have a long term impact on local government finances. The measure is phased in by exempting new equipment while continuing to tax existing equipment until fully depreciated. The salvage value is removed when the equipment is replaced. The Legislature's intent was to mitigate the impact in the initial years with a program to replace 90 percent of any actual loss in the first year, 70 percent in the second year, and 50 percent, 30 percent and 10 percent in the succeeding years. In 2009 the State replaced \$900,000 in lost revenue down from slightly more than \$1.0 million in 2008 and eliminated it altogether for 2010 and 2011 (an estimated \$2 million and \$1.5 million, respectively, for the City). It is unlikely that the program will be picked up again for the final year in 2012.

Since 2002, the City of Wichita has provided incentives averaging \$1.9 million per year to retain low cost air carriers at Wichita's Mid-Continent Airport. In 2006, Sedgwick County contributed \$1 million and the State of Kansas contributed \$5 million to to keep airfares low out of Wichita's Mid-Continent Airport. Continued support from Sedgwick County and the Kansas Legislature is anticipated.

The State of Kansas significantly reduced demand transfers to cities. Beginning in 2003, Local Ad Valorem Tax Reduction (LAVTR) and County and City Revenue Sharing (CCRS) demand transfers were eliminated. In 2007, the Legislature restored LAVTR, to be funded in 2008. However, in successive years, this funding has been deferred; it is currently scheduled in 2012, but there is little expectation of this actually occurring (approximately \$6 million annually). Demand transfers to the Special City County Highway Fund (SCCH) have been reduced in recent years, but not eliminated. The 2009 Legislature reduced the transfers by approximately 7%. Current legislation is pending to reduce this transfer slightly from 2011 – 2015 for certain counties (including Sedgwick County).

The City is examining operations to ensure fees for services are at appropriate levels and operations are right-sized for current needs. Modifications to alarm fees have been proposed and the franchising of trash services is in the planning stages. City Council established priorities to sustain core services and to position the City for future growth and development. As the economic environment changed, the City shifted approximately one and one-half mills of property tax from capital funding to operations to achieve these objectives.

The American Recovery and Reinvestment Act provides some temporary capital funding for major street and infrastructure projects, offsetting some of the initial loss of State funding. At the close of 2009, the City had been awarded a total of \$26 million for ARRA approved projects with an additional \$4 million awarded in early 2010. ARRA approved projects include \$16 million to improve a major turnpike exchange in the southern portion of the City, funding for synchronization of traffic signals, neighborhood façade improvements, sidewalk repairs, homelessness prevention and programs to stop neighborhood blight. ARRA funds also provided assistance for a laid off worker's center, library services, youth crime prevention programs and a new para-transit vehicle maintenance facility.

MAJOR INITIATIVES

Downtown development continues and is a multi faceted initiative, anchored with Old Town, Old Town Cinema, River Corridor museums and the Intrust Arena districts. Private and public investments in the downtown core area and other neighborhoods have been initiated with tax increment financing districts which were established to finance the supporting infrastructure. A renewed energy is directed to downtown with the Downtown Revitalization Master Plan, a private and public partnership to make downtown a vibrant community gathering place that connects the unique districts in a pedestrian friendly style.

The new 15,000 seat arena, named Intrust Bank Arena, opened in early 2010. It is neighbored by the Old Town entertainment district, WaterWalk and the River Corridor district, the proposed Art District and the historic Eaton Place block. In preparation of the opening of the Intrust Bank Arena, the City made street and parking lot improvements in the arena vicinity. The city developed wayfinding systems and provides a new public transportation circular route for the comfort and convenience of guests in the arena area. The visioned revitalization results are pedestrian friendly connections between destinations in the core area that are engaging for young people, families and businesses.

The Waterwalk and River Corridor district is being developed into a park-like environment of ponds, fountains, walking paths and plantings surrounding Waterwalk Place, which is a mixed use building with 46 upper end residential units, a 497 car parking garage and 16,000 square feet of commercial space. An artist is being selected to assist in developing a major pedestrian

entry to the entire project. The highlight feature will be a unique \$1.5 million “Waltzing Waters” fountain with a surrounding plaza, all scheduled for completion in 2011.

Century II is both a convention and entertainment venue. In 2009, the City committed \$22 million over the next five years for improvements to the facility and to upgrade equipment. The Wichita Grand Opera, the Wichita Symphony Orchestra and Music Theatre perform regularly at Century II, with wide range of other performing arts, conventions and special shows.

Complimenting the Waterwalk, near the Century II Convention Center and River Corridor district, will be the new Fairfield Inn & Suites. The hotel will provide 130 moderately priced rooms to accommodate the convention industry. For the first time, the City utilized a community improvement district combined with guest tax to provide assistance to the developer for the \$12 million investment.

Residential units in the mid and downtown area are contributing to the growth and success of a vibrant downtown. In addition to the residential condominiums in the Old Town District and in Waterwalk Place, the City Council approved the redevelopment of Exchange Place in the heart of downtown into 144 residential units with a 204 car high-tech parking garage. Thirty percent of the parking spaces will be available for public parking. The first floor will also provide limited retail space. Parkstone is an inner city infill project that is planned to provide residential condominiums, townhouses and retail space. The first phase of brownstone construction was completed in 2009. Ken Mar is another central city tax increment financing district that was established to renovate 74,000 square feet of retail space.

Encouraged with economic incentives from the City of Wichita and Sedgwick County, Airbus North America is expanding its presence in Wichita. Airbus announced plans to add 80 jobs and expand its Old Town presence by moving into the former Kansas Sports Hall of Fame building in 2010. Employing approximately 200 engineers and support staff in the Wichita area, Airbus provides high quality jobs to attract and retain aviation engineering talent. Cargill Inc. also recently announced plans to build a new facility in downtown Wichita. The \$14.7 million Cargill Innovation Center will house research, development, culinary, laboratory, and pilot plant capabilities, employing approximately 65 people.

Also resulting from partnerships with the City of Wichita, Sedgwick County and the State of Kansas, Premier Processing and Cox Machine are expanding facilities and operations in Wichita. Over the next five years, these companies will add approximately 130 new manufacturing jobs to the aviation sector in Wichita. Premier, which is based out of California, has opened a state of the art metal finishing facility. Cox Machine, a locally owned and operated company, is completing another expansion to support new contracts they have received from Spirit Aerospace.

Improvements to the West 21st Street corridor have begun under plans to develop the neighboring retail area into a pedestrian friendly international marketplace. Environmental remediation efforts are underway at former industrial sites to prepare for development. Street and streetscape construction began in 2009. Construction of the NOMAR International Market began in 2009 and is nearing completion, featuring a transit plaza and a market gateway tower.

The Wichita Public Library master plan took a first step toward implementation with the acquisition of the site for the new Central Library in 2008. A program assessment was recently completed to match the new facility to the community’s changing needs. The new site provides convenient access to the core business district as well as to the cultural arts corridor.

Culminating a decade of research and planning in the Water Utility, in 2008 the piping and pumping network to recharge the underground aquifers pumped 300 million gallons of water back into the Equus beds. The Aquifer Storage and Recovery Project (ASR) is an important element in the 50 year water supply plan for the community. The design of major components in phase II are complete and the construction of the intake and treatment facility has begun. Further development of the ASR project is being evaluated as the project progresses.

Wichita Transit has initiated technology upgrades that will increase efficiency in operations and fleet maintenance. In addition, the design is underway for a new maintenance facility for the fleet of 24 vehicles that provide paratransit service. The new facility will shorten vehicle downtime, eliminate the need to chauffeur vehicles to the City's maintenance facility, and reduce the demand on the City's staff providing other fleet services. Wichita Transit has been awarded \$6.6 million in economic stimulus funding under the American Recovery and Reinvestment Act of 2009 which will be used for vehicle replacement upgrades, vehicles for ADA contract provided agencies, facility improvements, equipment and targeted operational costs.

Improvements impacting the operating efficiency of the City include the replacement of the fuel management system that serves the City's fleet. The new system uses wireless technology at each of the 29 fueling sites, in addition to environmental improvements including fuel tank monitoring systems, vapor recovery and spill containment. The new system provides more robust reporting of fuel usage and vastly improved controls. Concurrent with the replacement of the fuel management system, the City invested in major fleet replacements, efficiency improvements at traffic signals, and modifications to snow plows, all to reduce future operating costs while maintaining or improving services.

The City completed a comprehensive fire station location study in 1999 and is in the final phases of the implementation, which resulted in the relocation of five fire stations and the construction of three new fire stations which were opened in 2009. In the last five years, 90 percent of the fire apparatuses have been replaced, significantly improving the department's capital position. The City is also participating in the development of the Heartland Preparedness Center, a cooperative effort among the City of Wichita, Sedgwick County, the Kansas National Guard and the U.S. Marine Reserve Corps. The major portion of the funding for the center will come from the federal government. Local law enforcement will utilize the center as an emergency operation base for a more coordinated response to emergencies.

The new National Center for Aviation Training, scheduled to open in 2010, is located at Jabara Airport and was created to meet workforce demand for aviation manufacturing, including training for aerostructures technicians, manufacturing certificates, avionics, robotics, composites manufacturing, interiors installation, non-destructive testing, aircraft completion and more. The Wichita Technical College will serve as the managing partner with Wichita State University's National Institute for Aviation Research contributing training to teach and provide business-approved instruction to as many as 1,300 students annually.

The relocation of aprons and utilities in preparation for construction of a new airline terminal at Mid-Continent Airport began in 2008, as well as the initial terminal design work. The financing plan is currently being solidified for the estimated \$160 million project, which is likely to be financed from a mix of airport revenue and general obligation bonds, all intended to be repaid from airport revenue. Also at Mid-Continent, a 50,000 square foot state-of-the-art complex for use by airlines and freight forwarders was completed in 2009.

In response to the Task Force on Ending Chronic Homelessness, the City of Wichita, in partnership with Sedgwick County, launched the Housing First Program. The program, which has capacity to provide housing for 64, currently houses 60 chronically homeless citizens. An assigned case worker from a local supporting agency coordinates other social services for the well-being of the client.

The City elected to utilize ARRA funding to replace 401 new air conditioners and 401 new furnaces in Public Housing single family and garden apartment homes. The new units are Energy Star rated and will greatly improve the comfort level of the living units and will reduce operating and maintenance costs.

Addressing needs in low income neighborhoods, ARRA funds were utilized to replace 140,000 square feet of dangerous and damaged sidewalks. Additional funds are being used for neighborhood clean-up projects and disposing of debris. The clean-up activity utilizes City staff, residents and other volunteers.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wichita, Kansas for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2008. The 2008 award represents the 36th consecutive year that the City of Wichita's comprehensive annual financial report earned this award.

The City also received the GFOA's Certificate of Achievement for Excellence in Financial Reporting for its Pension Trust Fund CAFR for the fiscal year ended December 31, 2008. The 2008 award represents the 10th consecutive year that the City of Wichita's CAFR for pension funds earned the recognition.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this current comprehensive annual financial report continues to meet Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Wichita has for the 21st consecutive year received the GFOA's Outstanding Budget Presentation Award for its 2009 budget document. The award is the highest form of recognition in governmental budgeting. To receive the award, a government must publish a budget document judged to be proficient as a policy document, a financial plan, an operations guide and a communications device. The award is the budgetary counterpart to the Certificate of Achievement and is valid for one year only.

The Association of Public Treasurers, United States and Canada, awarded a Certificate of Excellence for the City's Investment Policy in 2008. In order to be awarded a Certificate of Excellence, a government must prepare and publish an investment policy that meets the standards established by the Association.

Preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to its preparation. The elected members of the City's governing body are also due credit for their continued interest and support in planning and conducting the financial operations of the City in a professional, responsible and progressive manner.

Respectfully submitted,



Robert Layton
City Manager



Kelly Carpenter
Director of Finance



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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wichita
Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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

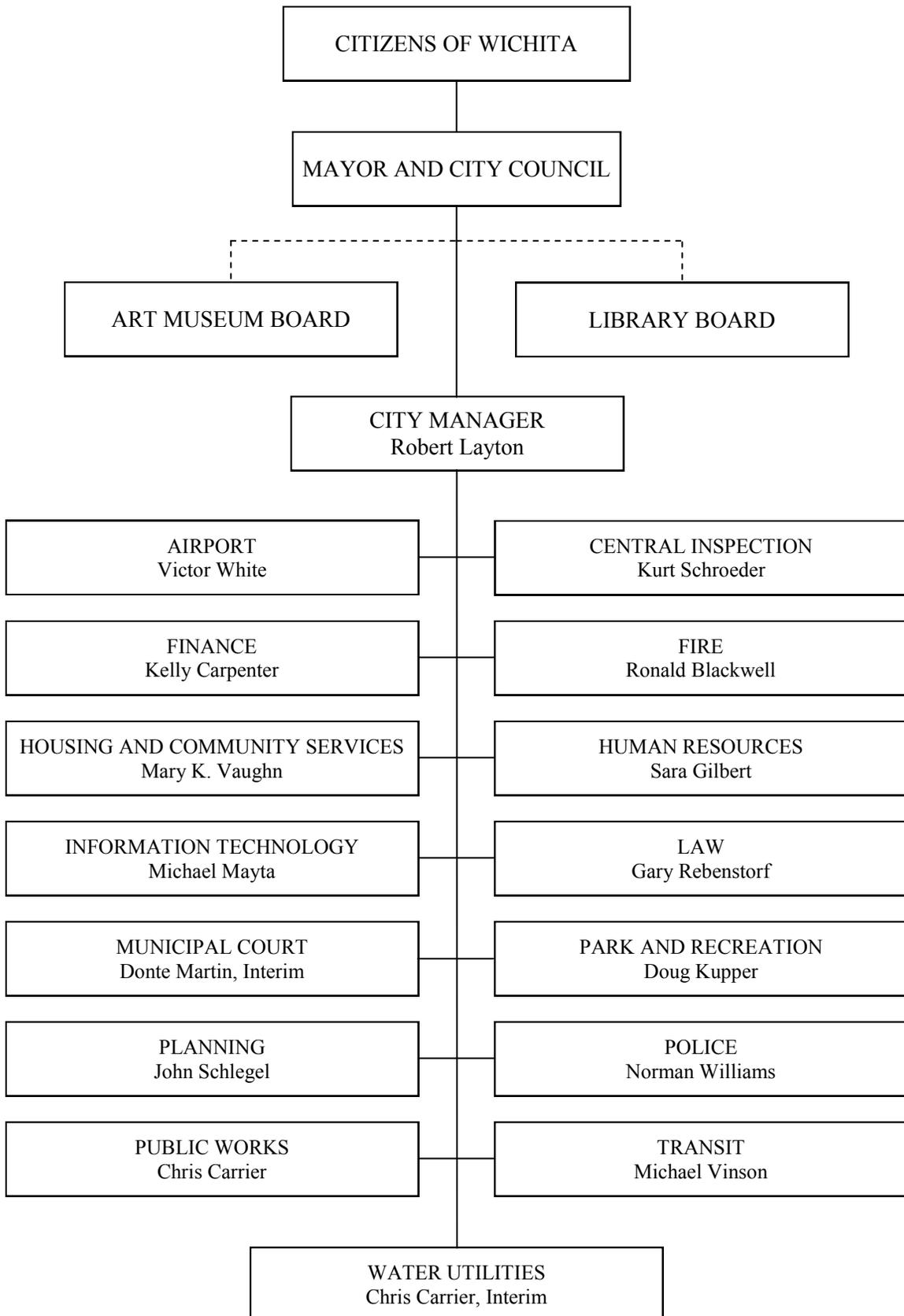


A stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director



CITY COUNCIL MEMBERS

Carl Brewer	Mayor	268-4331
Jeff Longwell	Vice Mayor (V)	268-4331
Lavonta Williams	Council Member (I)	268-4331
Sue Schlapp	Council Member (II)	268-4331
Jim Skelton	Council Member (III)	268-4331
Paul Gray	Council Member (IV)	268-4331
Jeff Longwell	Council Member (V)	268-4331
Janet Miller	Council Member (VI)	268-4331

CITY OFFICES

City Manager	268-4351	Robert Layton, City Manager
Assistant City Manager	268-4351	Cathy Holdeman, Assistant City Manager
Airport	946-4700	Victor White, Director
Art Museum	268-4921	Charles Steiner, Director
Central Inspection	268-4460	Kurt Schroeder, Superintendent
Finance	268-4300	Kelly Carpenter, Director
Fire	268-4451	Ronald Blackwell, Fire Chief
Housing & Community Services	462-3795	Mary K. Vaughn, Director
Human Resources	268-4531	Sarah Gilbert, Director
Information Technology	268-4531	Michael Mayta, Chief Information Officer
Law	268-4681	Gary Rebenstorf, Director of Law & City Attorney
Library	261-8500	Cynthia Berner-Harris, Director
Municipal Court	268-4611	Donte Martin, Interim Court Administrator
Park & Recreation	268-4398	Doug Kupper, Director
Planning	268-4425	John Schlegel, Director
Police	268-4158	Norman Williams, Chief of Police
Public Works	268-4497	Chris Carrier, Director
Transit	352-4802	Michael Vinson, Director
Water Utilities	268-4504	Chris Carrier, Interim Director

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



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

Honorable Mayor and City Council Members
City of Wichita, Kansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wichita, Kansas (City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the Kansas Municipal Audit Guide, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2010 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, Additional Information section,

statistical section, Water and Sewer section, Schedule of Expenditures of Federal Awards required by OMB Circular A-133, and Schedule of Passenger Facility Charges required by the *Passenger Facility Charge Audit Guide for Public Agencies* 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, Additional Information section, Water and Sewer section, Schedule of Expenditures of Federal Awards, and Schedule of Passenger Facility Charges have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information in the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on such information.

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

May 13, 2010
Wichita, Kansas

This discussion and analysis of the City of Wichita's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2009. The management discussion and analysis is presented in conjunction with the transmittal letter at the front of this report and the City of Wichita's financial statements, which follow this section.

Financial Highlights

- The City's net assets increased \$103.5 million during the fiscal year ending 2009.
- The cost of governmental activity was \$327.5 million, \$59.1 million below 2008.
- The cost of highways and streets decreased \$49.0 million in 2009.
- Non-current liabilities in the governmental activities increased \$18.6 million above 2008.
- Net assets of the governmental activities increased \$71.5 million in 2009.
- Non-current liabilities in the business type activities increased \$121.2 million as the Water, Sewer and Storm Water Utilities issued long term debt to finance the capital effort.
- The General Fund, on a budgetary basis, including transfers, reported \$2,252 of revenue in excess of expenditures.
- On December 31, 2009, the General Fund reported a budgetary fund balance of 10.1 percent of the 2010 appropriated budget.
- The City maintains a positive bond rating and a progressive capital improvement program.

Overview of the Financial Statements

The Comprehensive Annual Financial Report consists of four major sections: introductory, financial, statistical and single audit. The financial statements include government-wide financial statements, fund financial statements and notes to the financial statements. Supplementary information, provided in addition to the basic financial statements, is located in the sections titled Additional Information, Statistical and Water Utilities. The Water Utilities section provides specific information for water and sewer revenue bond holders.

The City presents two kinds of statements, each providing a different perspective of the City's finances. The reporting focus is on both the City as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The fund financial statements focus on the individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. Both perspectives allow the user to address relevant questions, broaden the basis of comparison and enhance the City's accountability.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements are prepared using accounting methods similar to those used by private-sector companies. The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets will serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating, absent extraordinary events.

The *statement of activities* reports how the government's net assets changed during the most recent fiscal year. All changes in net assets (current year's revenues and expenses) are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities), and from the City's component unit, the Wichita Public Building Commission. Governmental activities of the City include public safety, culture and recreation, public works, environmental health, housing and highways and streets. Business-type activities include the City's water, sewer, airport and transportation activities.

FUND FINANCIAL STATEMENTS

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Wichita, like other state and local governments,

uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more information about the City's most significant funds – not the City as a whole. All of the funds of the City of Wichita can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on cash flows and other financial assets that can be readily converted to cash and are available in the near future to finance the City's programs. The differences between the short-term view of governmental fund statements and the long-term view of the governmental activities on the entity-wide financial statements are provided in reconciliations on pages A-20 and A-24. Primary differences are the impact of accounting for capital assets and their long term financing.

The City maintains 26 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 funds considered major funds. Information on the other 22 governmental funds is combined into a single, aggregated presentation. Individual fund data for each nonmajor governmental fund is provided in the form of combining statements found beginning on page B-1.

The City of Wichita adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund on page A-25, demonstrating compliance with the appropriated budget. A more detailed budgetary statement is also provided beginning on page B-16 with the supplementary budgetary governmental fund statements.

- *Proprietary funds* account for services for which the City charges customers a fee and include both enterprise and internal services funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. Enterprise funds account for Water and Sewer, Airport, Golf, Storm Water, and Transit operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. Internal Service funds account for the City's fleet, technology, office supplies, and self-insurance programs. Because internal services primarily benefit governmental rather than business-type functions, the assets and activities of the internal service funds have predominately been included with governmental activities in the government-wide financial statements.

Proprietary funds report the same types of information as the government-wide financial statements, however in greater detail. The proprietary fund financial statements provide separate information for the Water, Sewer and Airport funds all of which are considered to be major funds of the City. The nonmajor funds are consolidated into an aggregated presentation on the proprietary fund financial statements, as are the internal service funds. Individual fund data for proprietary funds (enterprise and internal service funds) can be found on pages C-1 through D-13 of this report.

- *Fiduciary funds* report on activities for which the City is the trustee, or fiduciary, and like proprietary funds, present information based on the full accrual basis of accounting. Fiduciary funds include the employees' pension plans and other funds that – because of a trust arrangement – can be used only for the specified purpose. The City is responsible for ensuring that the assets reported in fiduciary funds be used for the intended purposes only. Activities conducted in a fiduciary capacity are excluded from the City's government-wide financial statements because the City is prohibited from using fiduciary assets to finance its operations.
- *Notes to the financial statements* provide information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow the basic financial statements.
- *Other information* – In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. The required supplementary information follows the notes to the financial statements, with additional information in the sections titled *Additional Information*, *Statistical Section* and the *Single Audit Section*.
- *The Water Utilities Section* provides for the specific informational needs of the Water and Sewer Revenue Bondholders.

GOVERNMENT WIDE FINANCIAL ANALYSIS

Net assets of the Primary Government. Over time, net assets can serve as a useful indicator of the City's financial position. Table 1 summarizes net assets of the primary government. The net assets increased 6.4 percent or \$103.5 million during the 2009 fiscal year. Approximately 75 percent of the City's net assets reflect investment in capital (e.g. land, buildings, improvements, equipment), less any related outstanding debt used to acquire those assets. The City uses the capital assets to provide services to citizens; consequently the capital assets are not available for future spending. An additional portion of these assets represent resources subject to external spending restrictions. The unrestricted portion of the net assets that may be used for any of the government's ongoing operations is \$63.9 million.

Business type activities: The \$31.9 million increase in net assets in business-type activities follows an increase in 2008 of \$23.1 million. Capital improvements in the Water Utility, the Storm Water Utility and the Airport made significant contributions to the increase in net assets. The Water Utility, with a \$13.5 million

Net Assets – Primary Government
As of December 31, 2009
(with comparative totals for December 31, 2008)
(in millions of dollars) Table 1

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 559.4	\$ 502.6	\$ 208.4	\$ 175.4	\$ 767.8	\$ 678.0
Capital assets	1,090.0	1,039.9	1,221.4	1,103.5	2,311.4	2,143.4
Total assets	1,649.4	1,542.5	1,429.8	1,278.9	3,079.2	2,821.4
Non-current liabilities	462.4	443.8	502.6	381.4	965.0	825.2
Other liabilities	305.3	288.6	52.9	55.2	358.2	343.8
Total liabilities	767.7	732.4	555.5	436.6	1,323.2	1,169.0
Net assets:						
Capital assets, net of related debt	521.6	512.5	762.4	777.0	1,284.0	1,289.5
Restricted assets	316.2	303.5	91.9	41.8	408.1	345.3
Unrestricted assets	43.9	(5.9)	20.0	23.5	63.9	17.6
Total net assets	\$ 881.7	\$ 810.1	\$ 874.3	\$ 842.3	\$ 1,756.0	\$ 1,652.4

increase in net assets, continued investment in the aquifer storage and recharge project, a major element in the community's 50-year water supply plan. Net assets of the Storm Water Utility increased \$11.2 million as the Utility made progress towards certification of the levee and the Wichita-Valley Center Floodway that protects the community during periods of heavy rainfall, in addition to drainage improvements completed across the City. The Airport's \$7.1 million increase in net assets reflects continued progress towards a new Mid-Continent terminal with initial apron infrastructure being constructed in 2009. In addition, the Airport also completed a 50,000 square foot cargo building.

The total liabilities of the business type activities increased as permanent financing was issued at the individual fund level. In 2009, revenue bonds increase \$104.9 million with general obligation bonds increasing \$7.6 million. The bonded debt of the Airport and Golf funds decreased, with the Water Utility

recording the most significant increase in bonded debt to finance the capital investment of the aquifer storage and recharge project. The Sewer Utility increased debt to finance a new sewer treatment plant and the Storm Water Utility Fund issued debt to finance drainage improvements including improvements to the levy system that protects the community from flooding on the Arkansas River.

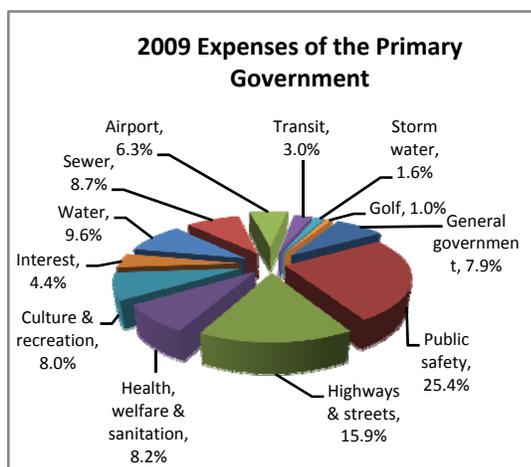
Government activities: Of the \$71.6 million increase in net assets from current year activity, unrestricted assets increased most significantly as the City's cash reserves were replenished with financing of capital improvements. Bonded debt in the governmental activities increased \$25.8 million with unrestricted assets increasing \$49.8 million. Projects completed and placed in service totaled \$162.4 million with the majority of the capital improvements in streets and bridges.

Total non-current liabilities in governmental activities increased \$18.6 million in 2009. A net increase in bonded debt of \$25.8 million was recorded, which included the issuance of refunding bonds totaling \$43.7 million to achieve lower overall debt service payments. Offsetting increases in bonded debt was a \$1.7 million decrease in the City's environmental remediation liability and a \$3.4 million decrease in insurance claims incurred but not reported. Included in non-current liabilities is an estimated \$16.5 million for environmental remediation obligations and a \$15.8 million in liability associated with insurance claims incurred but not reported.

With the exception of approximately \$20,000, the environmental remediation costs are accounted for within two tax increment financing districts, specifically established to pay the remediation costs from property tax resulting from growth in property values. Of the total \$16.5 million environmental remediation liability, half is anticipated to be spread over the next 63 years. The remaining remediation costs are anticipated to be paid out over the next ten years. Offsetting the legal liability are estimated recoveries of \$4.2 million, which are recorded as a receivable at the fund level.

An increase in other liabilities of \$16.7 million reflects \$10.0 million in additional temporary notes providing interim financing on capital projects and increases in the portion of long term debt that is due within the next twelve months.

Primary Government Expenses: The City's expenses totaled \$469.0 million, a decrease of \$46.0 million in 2009 or 8.9 percent. The combined expenses of the governmental activities decreased \$59.1 million and the combined expenses of the business-type activities increased \$13.1 million. The business-type activities represent 30.2 percent of the total expenses compared to 24.9 percent in 2008.



In governmental activities, spending decreased 15.3 percent with all categories decreasing except health and welfare, which increased 4.8 percent. Housing services lead the increase in health and welfare spending. The most significant spending decrease was in the highways and streets category which decreased \$49.1 million, reflecting the sharp decline in construction of infrastructure in developing areas of the City. Operational expenses for highways and streets decreased as well, 5.3 percent or \$1.1 million in 2009.

Additionally, general government expenses were 11.3 percent below 2008, culture and recreation decreased 8.3 percent and interest on long term debt decreased 7.3 percent. The lower spending levels reflect the City's efforts to control expenses in an environment of declining revenue.

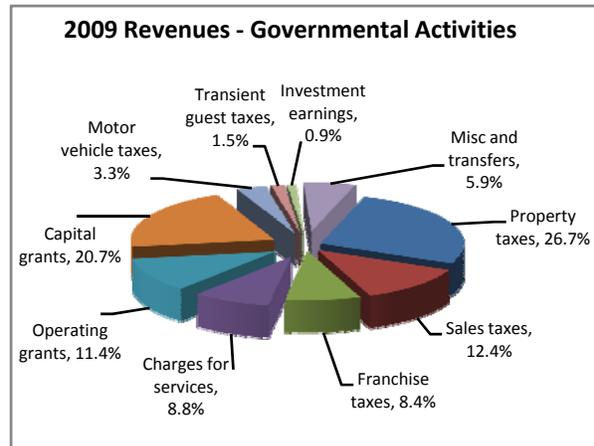
	2009	2008
Current and other assets	\$ 21.2	\$ 24.1
Capital assets	-	-
Total assets	21.2	24.1
Long-term liabilities	16.7	19.3
Other liabilities	4.5	4.8
Total liabilities	21.2	24.1
Net assets:		
Capital assets, net of debt	-	-
Restricted	-	-
Unrestricted	-	-
Total net assets	\$ -	\$ -

In the business-type activities, the utilities recorded the largest increase in expenses. Depreciation was the largest component of the increase in the Water and the Sewer Utility, increasing 77 percent and 78 percent respectively and reflecting the capital expansion of the past several years. The Storm Water Utility also recorded a moderate increase in depreciation expense, with the most significant expense being a repayment to the Debt Service Fund for debt service paid on the Utility's behalf in 2008. Only the golf fund recorded a decline in expenses despite increased play.

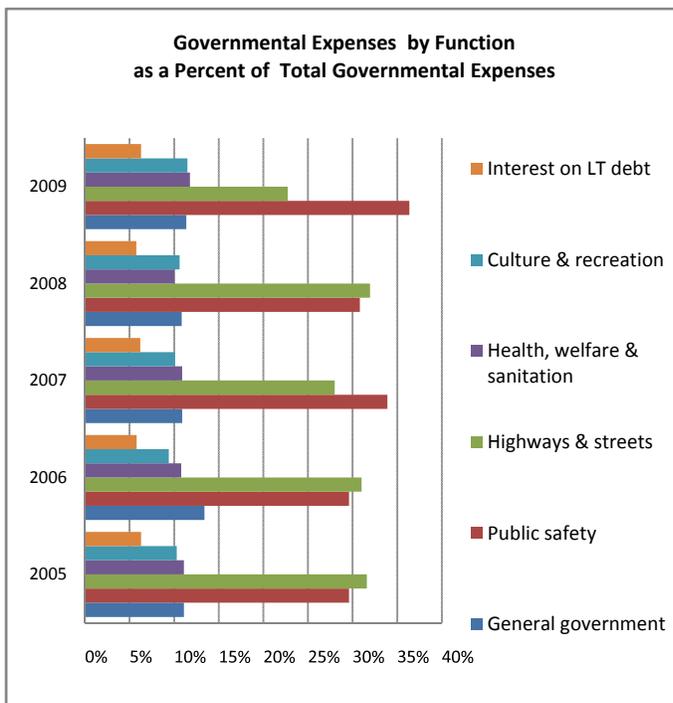
Primary Government Revenue: Combined revenue of the primary government increased 4.7 percent in 2009. Program revenue in governmental funds decreased 7.2 percent or \$12.6 million, while revenue in the business type activities increased 13.0 percent or \$19.2 million.

Major revenue sources for governmental activities continue to be property, sales and franchise taxes, as illustrated in the accompanying chart. In 2009, intergovernmental revenues totaled \$74.1 million, a decrease of \$20.0 in 2009. Table 2 on the following page provides a comparison between the revenues and expenses of fiscal years 2008 and 2009, with additional comparative information provided in the Statistical Section.

In 2009, charges for services provided 72.3 percent of the resources for the business-type activities, with 24.1 percent of the revenue coming from capital grants. The revenue sources are representative percentages for 2007 and 2008, as well.



Governmental Activities. The net assets of the City increased \$71.6 million from governmental activities. Governmental program revenues decreased \$12.6 million or 7.2 percent in 2009. Governmental expenses decreased \$59.1 million or 15.3 percent in 2009, with an increase in health and welfare spending only. Public safety expenses remained flat, while spending for all other functional areas of service declined.



The amount of governmental services funded with sales and general property taxes totaled \$155.9 million or 47.6 percent of governmental expenses, an increase from 39.5 percent in 2008. Operating and capital grant revenue decreased \$10.7 million and investment earnings declined \$5.2 million while the combined general property and sales taxes increased \$3.4 million, yielding a proportional increase in tax funding of governmental expenses. Sales tax revenue decreased \$1.8 million offset by property tax, which increased \$5.1 million. Charges for governmental services declined \$1.9 million or 5.1 percent.

Property tax revenue increased 5.1 percent (\$5.2 million) in 2009. The mill levy generating the 2009 revenue was 32.056 mills per \$1,000 of assessed value compared to 31.979 mills in the prior year. In 2009, 9.022 mills were dedicated for the capital program and debt service costs, a reduction from 10.008 mills in 2008.

**MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED DECEMBER 31, 2009**

CITY OF WICHITA KANSAS

Capital grants and contributions decreased 6.1 percent or \$5.4 million. The most significant change in capital grants and contributions was the decrease of state and federal grants for street improvements, a reduction of \$14.6 million from 2008.

Changes in Net Assets – Primary Government
For the Year Ended December 31, 2009
(with comparative totals for year ended December 31, 2008)
(in millions of dollars) Table 2

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	\$ 35.0	\$ 36.9	\$ 120.8	\$ 108.2	\$ 155.8	\$ 145.1
Operating grants and contributions	45.5	50.9	5.9	5.5	51.4	56.4
Capital grants and contributions	82.5	87.9	40.3	34.2	122.8	122.1
General revenues						
Property taxes	106.5	101.3	-	-	106.5	101.3
Sales taxes	49.5	51.2	-	-	49.5	51.2
Franchise taxes	33.7	34.3	-	-	33.7	34.3
Motor vehicle taxes	13.3	13.3	-	-	13.3	13.3
Transient guest taxes	6.0	6.3	-	-	6.0	6.3
Investment earnings	3.7	8.9	4.9	6.7	8.6	15.6
Miscellaneous	23.8	16.9	1.0	0.8	24.8	17.7
Total revenues	399.5	407.9	172.9	155.4	572.4	563.3
Expenses						
General government	37.2	41.9	-	-	37.1	41.9
Public safety	119.0	119.1	-	-	119.0	119.1
Highways and streets	74.5	123.5	-	-	74.5	123.5
Sanitation	3.6	5.5	-	-	3.6	5.5
Health and welfare	34.9	33.3	-	-	34.9	33.3
Culture and recreation	37.6	41.0	-	-	37.6	41.0
Interest on long-term debt	20.6	22.3	-	-	20.6	22.3
Water	-	-	45.0	41.7	45.0	41.7
Sewer	-	-	41.0	35.0	41.0	35.0
Airport	-	-	29.7	27.4	29.7	27.4
Storm Water	-	-	7.4	5.5	7.4	5.5
Golf	-	-	4.5	5.0	4.5	5.0
Transit	-	-	13.9	13.8	13.9	13.8
Total expenses	327.4	386.6	141.5	128.4	468.9	515.0
Excess before prior period adjustments and transfers	72.1	21.3	31.4	27.0	103.5	48.3
Prior period adjustment	-	(13.3)	-	(3.4)	-	(16.7)
Transfers	(0.5)	0.5	0.5	(0.5)	-	-
Increase in net assets	\$ 71.6	\$ 8.5	\$ 31.9	\$ 23.1	\$ 103.5	\$ 31.6

Business-type Activities. The net assets of the business-type activities increased \$31.9 million as a result of 2009 operations. Most significant is the \$13.5 million increase in net assets in the Water Utility as the Utility continued investment in the future water supply and delivery system. The assets, of which \$8.9 million were funded with capital contributions in the form of cash and non-cash transfers from other funds, are substantially financed with special assessments in governmental funds.

The Storm Water Utility recorded an \$11.2 million increase in net assets resulting from improvements in flood prone areas. The Utility is also making improvements to the Wichita-Valley Center Floodway and working towards recertification of the levy that protects the city from Arkansas River overflows. The majority of the improvements were funded by capital contributions in the form of special assessments.

Smaller increases in net assets were recorded in the Airport and the Sewer Utility. The \$7.2 million increase in net assets in the Airport Fund reflects the preparation for a new terminal at the Mid-Continent Airport, substantially the apron and infrastructure improvements in preparation for terminal construction. The improvements have been funded with federal grants. The Sewer Utility recorded a small increase in net assets, increasing the Utility's unrestricted net assets through operations and financing.

The net assets of the Transit Fund decreased by \$1.3 million, a result of asset depreciation in excess of asset replacement. A new Transit facility was placed in service in 1999, a management scheduling systems in 2001, electronic fareboxes in 2003, and surveillance cameras for buses in 2009. Transit operates a fleet of bus and para-transit vans, which are replaced on a rotating basis with federal and state grant funds combined with local funds for the grant match.

Transit operations are funded from fares, General Fund subsidies, state and federal grants. Federal and state funding has remained relatively stable for public transportation, with an additional \$6.6 million awarded under the American Recovery and Reinvestment Act. Though the Transit operation remains free of long-term debt, the rising operating costs, especially fuel costs, have placed pressure on the Transit operations and resources. Rising operating costs challenge the Transit operation to serve a growing ridership while investing in new technology and vehicles that offer improved efficiency.

The net assets of the Golf Fund also decreased slightly, the majority of which reflects the depreciation of assets. The City operates five golf courses with the City's newest golf course, Auburn Hills, in operation for eight years and ranked by golf publications as one of the top public courses in Kansas. More than 172,000 rounds of golf were played in 2009, a 5 percent increase above rounds played in 2007 and 2008. Operational restructuring has been implemented at the courses to maintain a quality attraction with a fee structure that encourages golfing as a leisure activity. The City continues to groom young golfers through a junior golf program and encourage play through promotional offers.

Operating expenses were tightly managed however the Fund reported a decrease in net assets. Overall, the Golf Fund's financial operations were an improvement from 2007 and 2008.

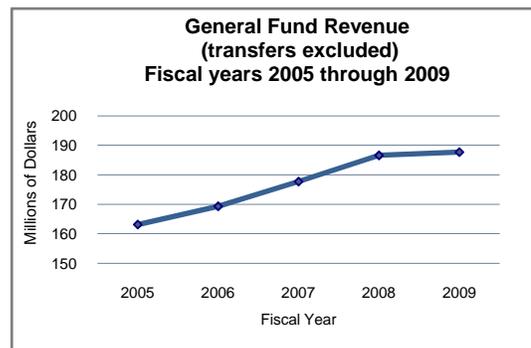
ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds. The City of Wichita uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The governmental funds reported a combined ending fund balance of \$70.1 million compared to \$32.8 million in 2008.

The General Fund is the major operating and taxing fund of the City of Wichita. At the close of 2009, the unreserved fund balance of the General Fund was \$22.4 million consistent with 2008. The 2009 unreserved fund balance represents 10.1 percent of the 2010 appropriated budget.

General Fund revenue, including transfers from other funds, grew \$1.0 million. Expenditures and transfers were \$290,515 in excess of all revenue sources. Major revenue sources in the General Fund are:

- General property taxes increased \$5.8 million.
- The General Fund portion of the local sales tax decreased \$884,468.



- Franchise taxes decreased \$552,118.
- Intergovernmental transfers from the State which consist of liquor tax and gas tax, provided a combined \$15.3 million in 2009, a decrease of \$2.0 million from 2008.

General Fund expenditures, excluding transfers, totaled \$190.4 million, which is \$785,121 or 0.4 percent, above 2008. Transfers to other funds decreased by \$1.1 million. The growth of revenue in recent years has supported increased spending in all categories of service. The current economic environment encouraged a cautious management purpose to insure continuation of essential and core services.

	2005	2006	2007	2008	2009	5 Year Average Annual Growth
General government	\$ 21.5	\$ 22.2	\$ 23.6	\$ 25.5	\$ 25.2	3.8%
Public safety	86.7	95.5	101.6	107.5	108.5	5.2%
Highways and streets	20.1	21.6	21.2	22.1	20.9	2.9%
Sanitation	2.0	2.2	2.2	2.6	2.7	4.2%
Health and welfare	3.4	3.4	4.0	3.9	4.0	3.3%
Culture and recreation	24.0	24.5	25.8	28.0	29.1	5.4%
Total expenses	\$ 157.7	\$ 169.4	\$ 178.4	\$ 189.6	\$ 190.4	4.7%

Expenditures in the Grants Assistance Fund were up \$3.3 million or 11.4 percent. Predominantly grants support housing, environmental health and programs for economically distressed citizens. Expenditures totaled \$32.5 million in 2009 compared with \$29.1 million in 2008.

Expenditures in the Street Improvement Fund are down \$3.9 million from 2008. Notably, intergovernmental revenue for capital projects is down 38.3 percent or \$14.6 million. The City has received \$16.1 million in American Recovery and Reinvestment Act awards that will offset the reduced funding in the Street Improvement Fund.

The Debt Service Fund reflects an increase in fund balance of \$16 million. As cash becomes available, it is utilized to fund projects in lieu of long-term financing. In 2009, available cash in the Debt Service Fund financed \$11.3 million in projects, in addition to \$34.3 million in the prior year. The mill levy for capital projects and debt service was decreased in 2009 from 10.008 to 9.022 reducing the cash that will become available for capital projects.

In other governmental funds, capital outlay is down by \$40.0 million from 2008 levels. Sewer construction for new development, funded through special assessments, declined \$12.8 million in 2009, a reflection of reduction in residential and commercial building in the community. The Public Improvements expenditures decreased \$12.7 million, reflecting lower levels of fleet replacements, the completion of the new animal shelter and reduced spending on cultural venues. Fiscal 2008 was an anomaly in expenditures in the Other Public Improvements Fund, including significant economic incentives to community partners. Fiscal 2009 spending decreased \$13.1 million to a level more common to this fund. The Local Sales Tax CIP Fund, also in other governmental funds, recorded a fund balance decrease of \$17.5 million as cash reserves were utilized to fund freeway and major arterial construction projects.

Reservations of the fund balances for inventories, encumbrances and prepaid items totaled \$69.6 million, a decrease of \$34.0 million. The most notable change is the decrease in the reserve for encumbrances in the Street Improvement Fund, which is \$34.3 million less than in 2008, and a reflection of fewer street construction projects in progress.

Proprietary Funds: The combined net assets of the proprietary funds increased by \$31.8 million or 3.8 percent in 2009 with the Water Utility and the Storm Water Utility recording the largest increase in net assets. The combined \$51.4 million increase in revenue bond reserves held in the Water and Sewer Utilities is the most notable factor. The increase in revenue bond reserves was offset by a \$14.6 million decrease in capital assets net of related debt, a reflection of increased debt to finance capital improvements.

Capital investments in the Water Utility, net of debt, decreased \$22.4 million in 2009. Increases in capital assets totaled \$57.2 million, however long term debt increased \$74.2 million. Capital investments include replacement of aging lines, continued implementation of the automatic meter readers, and investments in Phase II of the aquifer storage and recharge project. Water rates have increased each year between 2000 and 2009 with the exception of 2005 to fund the Utility's capital program. Currently the City has a water supply plan, which includes continued capital spending and rate increases, to meet the anticipated growth and development through 2050.

The Sewer Utility also has a capital improvement program in place. Capital investments in 2009 include the construction of an additional sanitary sewer treatment facility which is nearing completion and the reconstruction and rehab of aging lines. As in the Water Utility, capital assets increased but were offset by a larger increase in long term debt. The capital costs will be recovered from customers through charges for services.

The Storm Water Utility is funded from fees paid by property owners and until 2005, subsidized by the General Fund. A seven percent rate increase was implemented in 2006 and 2007 to insure sufficient funds for operations and capital investment, enabling the Utility to meet operational and capital needs. In 2009, the Utility was financially able to begin funding its capital program entirely without tax revenue assistance. The Utility operates eleven pump stations to move excess surface water from heavy rains. Capital contributions from special assessments represent about 94 percent of the 2009 increase in net assets.

The Airport Fund is continuing with plans to construct a new terminal building and increase customer parking. During 2005, the passenger facility charge was increased from \$3.00 to \$4.50 to support the capital program at Mid-Continent Airport. Cash reserves from the passenger facility charges and federal grants have financed the construction of the supporting aprons, runways and electrical infrastructure.

The net assets of the Golf Fund declined \$279,693 in 2009, following a \$691,545 decline in 2008. Golf play increased in 2009, with revenue from green fees and rentals increasing 2.7 percent. The decrease in net assets is result of current year depreciation offset by an increase in cash reserves. In 2007, an organizational and management re-structuring to ensure a quality golf experience at affordable costs included restructuring of the Golf Fund debt. The Debt Service Fund is extending an interfund loan to free operating cash while maintaining a long-term repayment schedule.

The total net assets of the Transit fund decreased \$1.3 million, primarily as the depreciation of assets existing assets was not offset by additional investment in 2009. In addition, current liabilities increased due to the timing of recording expenses and the scheduled payment to vendors. The operating expenses of the Transit Fund increased 1.1 percent above 2008, while operating revenue decreased 9.0 percent. Fixed route ridership in 2009 was down 3.8 percent or approximate 85,000 rides. Para-transit ridership showed continued growth and was up 2.1 percent above 2008 levels. The Fund receives approximately 50 percent of its operating revenue from state and federal grants and 33 percent of its revenue from local subsidies, with the balance from operations. Federal grants have provided approximately 80 percent of funds for capital investment.

General Fund Budgetary Highlights. Actual revenue fell short of the original and revised budget despite a growth of 0.5 percent increase in revenue. General property tax was the only major source of revenue that increased in 2009, increasing \$5.8 million. The increase was largely the result of an increased mill levy for the General Fund, increasing from 21.971 mills in 2007 to 23.034 mills in 2008 to finance the 2009 budget.

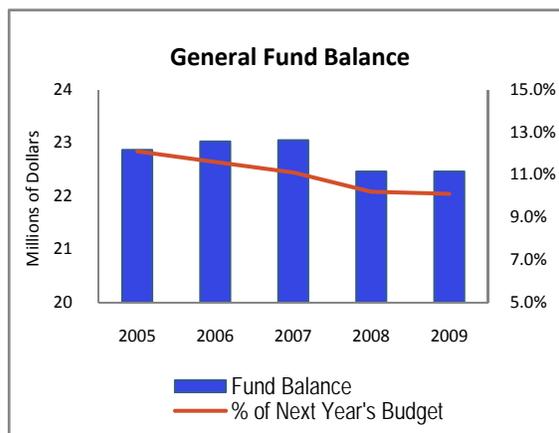
Total expenditures increased \$1.4 million or 0.8 percent with culture and recreation reflecting the largest increase in spending. Culture and recreation expenditures captured \$1.3 million more, with smaller increases in general government and public safety. General Fund spending decreased for highways and streets by \$1.1 million, with smaller decreases in the sanitation and health and welfare categories.

	Net Assets of Proprietary Funds (dollars in thousands)	
	2009	2008
Water Utility	\$ 320,501	\$ 307,044
Sewer Utility	245,782	244,207
Airport	169,729	162,576
Storm Water Utility	121,114	109,935
Golf Course System	2,215	2,495
Transit	14,829	16,126
Total	\$ 874,170	\$ 842,383

Fiscal 2009 closed with revenue and transfers from other funds exceeding expenditures by \$2,252 on a budgetary basis. Annually, the adopted budget is revised internally in August and approved by the City Council. Customarily, the revised budget does not increase as the City seeks cost savings and opportunities for one-time expenditures for improvements.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of 2009, the City of Wichita had invested \$2.3 billion (net of depreciation) in a broad range of capital assets, including water and sewer facilities, police and fire equipment, buildings, parks, roads, bridges, and land (Table 5). Capital assets, net of depreciation, increased \$167.9 million during 2009 compared to an increase of \$90.8 million in 2008 and \$109.4 million in 2007.



Approximately 70 percent of the increase was in proprietary activities and 30 percent in governmental funds. Additional information on changes in capital assets can be found in Note 6 to the Financial Statements.

Capital Assets Net of Depreciation
As of December 31, 2009
(with comparative totals for December 31, 2008)
(in millions of dollars) Table 5

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>		<u>Percent Change</u>
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	
Land	\$ 245	\$ 242	\$ 40	\$ 37	\$ 285	\$ 279	2.2%
Airfield	-	-	45	27	45	27	66.7%
Buildings & improvements	193	166	861	823	1,054	989	6.6%
Equipment	43	40	48	56	91	96	(5.2%)
Infrastructure	517	337	-	-	517	337	53.4%
Construction in progress	92	255	227	161	319	416	(23.3%)
Total	\$ 1,090	\$ 1,040	\$ 1,221	\$ 1,104	\$ 2,311	\$ 2,144	7.8%

Major capital asset investments in the proprietary activities include the following:

- Continued investment in the automatic water meter reading program of \$1.2 million.
- Water pumping equipment and stand-by power facilities totaling \$5.1 million.
- Continued water system security improvements totaling \$5.3 million.
- Phase II of the aquifer recharge program totaling \$28.4 million.
- Construction of Mid-Continent Sewage Treatment Plan totaling \$22.4 million.
- Sanitary sewer reconstruction and rehabilitation in the amount of \$3.4 million.
- Infrastructure for new airport terminal totaled \$10.7 million.
- Completion of 50,000 air cargo building of \$1.7 million.
- Wichita-Valley Center flood control improvements totaled \$1.6 million.
- Flood control levee certification improvements totaled \$1.2 million.
- Storm water improvements across the totaled City \$6.8 million.

Major capital asset additions in governmental activities include the following:

- Neighborhood paving projects of \$10.6 million compared to \$21.8 million in 2008.
- Freeways improvements totaled \$19.2 million.
- Street improvements to major arterials totaled \$44.2 million.

- Bridge improvements and reconstruction totaled \$8.8 million of which \$5.9 million was for the central rail corridor improvements.
- Improvements to the City's convention center, Century II totaled \$1.3 million.
- Park improvements across the city totaled \$3.7 million compared to \$4.0 in 2008.
- Economic development expenditures and improvements totaling \$7.7 million compared to \$20.0 in 2008.
- Fleet equipment and vehicle replacement of \$2.9 million following the 2008 investment of \$6.0 million.
- Fire stations, equipment and improvements to the training ground totaled \$4.6 million compared to \$3.8 million in 2008.
- Completion of the new \$6.7 million animal shelter with 2009 expenditures of \$3.1 million.
- Repairs and improvements to City facilities totaling \$4.3 million compared to \$4.7 in 2008.

Long-term Debt. The City finances capital projects with general obligation bonds/notes, revenue bonds, grants, and cash. The most significant of the financing tools is general obligation bonds based on the full faith and credit of the City. The City has approximately nine mills of the total mill levy dedicated to general obligation capital financing. Projects that rely most heavily upon property taxes for repayment of general obligation bonds are bridges, storm water, parks, transit, core area projects, and public buildings. Capital costs are also funded through enterprise, internal service and special revenue funds.

The City adopts a ten year Capital Improvement Program (CIP). Two years are a capital budget for purposes of project initiation and the remaining period is a planning tool. The City of Wichita holds an "AA+" rating from Standard and Poor's and a rating of Aa2 from Moody's Investor Service. The Water and Sewer Utilities currently hold an AA- rating from Standard and Poor's.

At year-end the City had \$979.7 million in bonds and \$117.8 million in temporary notes outstanding, shown in Table 6. Bonded debt of the City of Wichita increased by net of \$135.9 million, with new issues offset by retirements.

Revenue source	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Ad	\$ 56.6	\$ 30.8	\$ -	\$ -	\$ 56.6	\$ 30.8
Special assessments	241.4	227.6	-	-	241.4	227.6
Tax Increment	24.8	28.0	-	-	24.8	28.0
Transient guest tax	3.7	4.6	-	-	3.7	4.6
Local sales tax	119.5	129.2	-	-	119.5	129.2
G.O. and Revenue	-	-	514.4	401.9	514.4	401.9
Wichita Public Building Commission	-	-	19.3	21.8	19.3	21.8
Total	\$ 446.0	\$ 420.2	\$ 533.7	\$ 423.7	\$ 979.7	\$ 843.9

Total new debt was \$259.8 million with total retirements of \$123.9 million, excluding temporary notes, which increased \$13.6 million in 2008. Kansas State Statutes limit the amount of general obligation bonds a City can issue to 30 percent of the equalized tangible valuation. The current limitation for the City is \$1.1 billion, significantly higher than the general obligation debt outstanding. More detail is located in the Notes to the Financial Statements, in the Additional Information Section and in the Statistical Section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET¹

The local economy fared better than the national economy through most of the recession with average non-farm employment decreasing 5.1 percent in 2009. In July 2009, Wichita's unemployment rate surpassed the national rate, but has since been on a downward trend, reported at 7.8 percent for December compared to 10 percent nationally. The value of residential building permits decreased by 60 percent in 2009, however the housing market overall, has fared better in Wichita than in the nation as a

¹ Economic information was drawn from compiled information by Wichita State University, Center for Economic Development and Business Research.

whole. Home prices in Wichita wavered slightly with slow but steady sales and stable inventories. Home prices continued to appreciate between 2007 and 2009 but at a slower rate – 3.9 percent in 2007 and 2.2 percent in both 2008 and 2009.

The Wichita economy has positive aspects. Health care and social assistance has been a growing industry in Wichita with employment increasing 52.4 percent since 1990. Health care now represents 13.2 percent of the total employment in the Wichita area. Via Christi is completing a new hospital on the western side of Wichita and other projects such as new clinics are underway. Wichita State University has reported plans to build an Advanced Education in General Dentistry School in 2010, the first school of this kind in Kansas.

Wichita will also benefit from the \$20 million, five-year grant awarded to the Center of Innovation for Biomaterials in Orthopaedic Research (CIBOR) by the Kansas Bioscience Authority. In addition, the Knight Foundation has awarded \$2.1 million to CIBOR to help expedite the creation of a biocomposites/medical device industry in Wichita. The growth in the health care industry is a direct result of efforts to reduce economic volatility that can result from an economic base strongly influenced by one or two industries.

Wichita has been awarded federal stimulus money for affordable housing, homelessness, energy conservation and transportation projects. Many laid off workers are going back to school to learn new skills to become competitive in Wichita's job market. The Wichita Area Technical College (WATC) doubled its enrollment between the fall of 2007 and the fall of 2008. In December 2009, *Community College Week* ranked the WATC second in the nation of the fastest growing colleges among those with enrollments of less than 2,500 students. In Wichita, people are looking to the future and planning for economic recovery.

The State of Kansas significantly reduced demand transfers to cities. Beginning in 2003, Local Ad Valorem Tax Reduction (LAVTR) and County and City Revenue Sharing (CCRS) demand transfers were eliminated. In 2007, the Legislature restored LAVTR, to be funded in 2008. However, in successive years, this funding has been deferred; it is currently scheduled in 2012, but there is little expectation of this actually occurring (approximately \$6 million annually). Demand transfers to the Special City County Highway Fund (SCCH) have been reduced in recent years, but not eliminated. The 2009 Legislature reduced the transfers by approximately 7%. Current Legislature is pending to reduce this transfer slightly from 2011 – 2015 for certain counties, including Sedgwick County.

The State also passed legislation to eliminate property tax on new business machinery and equipment (M & E) incrementally with the first impact on the 2008 budget. This legislation will eventually reduce the local tax base by approximately 7% or \$7 million. Initially, the State Legislature approved legislation to mitigate the impact of this property tax base erosion through 2012. However, scheduled payments were halved in 2009 (\$900,000), and eliminated in 2010 and 2011 (\$2 million and \$1.5 million, respectively). There is little expectation that payments will be made in the final scheduled year, 2012.

Current economic conditions of the State make the restoration of LAVTR or M&E mitigation payments extremely remote. There is no enabling language for CCRS transfers; there is virtually no likelihood they will be restored. SCCH transfers are currently being funded and funding is expected to continue in the future, although at a reduced or artificially stunted level.

The City's has five labor bargaining units. Contracts of three bargaining units expired at the end of 2009. Negotiations are currently underway, as dictated by State statute. Two other bargaining unit contracts expire in December 2010. The City also continues to seek partnerships with other local governments and the private sector to replace jobs lost and capitalize on the strengths of the City and region, such as the existing labor market, professional and business services, education, healthcare and tourism.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Wichita's finances for individuals with an interest in the City's finances. Additional information is provided within the Notes to the Financial Statements, beginning on page A-38. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Wichita, Kansas, 455 North Main, Wichita, KS 67202.

CITY OF WICHITA, KANSAS

STATEMENT OF NET ASSETS

December 31, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wichita Public Building Commission
ASSETS				
Cash and cash equivalents	\$ 193,675,689	\$ 14,283,825	\$ 207,959,514	\$ -
Investments	3,847,702	-	3,847,702	-
Receivables (net)	349,642,747	11,573,402	361,216,149	-
Internal balances	3,799,023	(3,799,023)	-	-
Prepaid items	773,597	1,155,691	1,929,288	-
Inventories	648,722	2,664,674	3,313,396	-
Due from other agencies	361,346	10,803,032	11,164,378	-
Notes receivable	6,379,078	-	6,379,078	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	103,982,970	103,982,970	199
Investments	-	-	-	1,357,648
Receivables	-	284,834	284,834	292,121
Net investment in direct financing leases	-	63,150,000	63,150,000	19,558,611
Permanently restricted:				
Cash and cash equivalents	235,437	-	235,437	-
Other assets	-	4,337,299	4,337,299	-
Capital assets:				
Land and construction in progress	337,947,800	266,752,085	604,699,885	-
Other capital assets, net of depreciation	752,059,877	954,599,676	1,706,659,553	-
Total capital assets	<u>1,090,007,677</u>	<u>1,221,351,761</u>	<u>2,311,359,438</u>	<u>-</u>
 Total assets	 <u>1,649,371,018</u>	 <u>1,429,788,465</u>	 <u>3,079,159,483</u>	 <u>21,208,579</u>
LIABILITIES				
Accounts payable and other current liabilities	14,253,932	10,971,018	25,224,950	-
Accrued interest payable	6,851,283	7,695,300	14,546,583	292,121
Temporary notes payable	75,053,585	3,260,000	78,313,585	-
Deposits	1,572,660	3,874,921	5,447,581	-
Unearned revenue	101,997,480	4,116,725	106,114,205	-
Due to other agencies	-	-	-	1,357,847
Noncurrent liabilities, including claims payable:				
Due within one year	105,550,222	23,034,411	128,584,633	2,595,000
Due in more than one year	462,404,333	502,585,783	964,990,116	16,705,000
Other liabilities	-	-	-	258,611
Total liabilities	<u>767,683,495</u>	<u>555,538,158</u>	<u>1,323,221,653</u>	<u>21,208,579</u>
NET ASSETS				
Invested in capital assets, net of related debt	521,613,053	762,394,979	1,284,008,032	-
Restricted for:				
Capital projects	43,927,216	17,031,886	60,959,102	-
Highways and streets	810,272	-	810,272	-
Debt service	264,079,443	-	264,079,443	-
Revenue bond reserves	-	74,822,000	74,822,000	-
Cemetery:				
Expendable	653,328	-	653,328	-
Nonexpendable	235,437	-	235,437	-
Other purposes	6,470,405	-	6,470,405	-
Unrestricted	<u>43,898,369</u>	<u>20,001,442</u>	<u>63,899,811</u>	<u>-</u>
Total net assets	<u>\$ 881,687,523</u>	<u>\$ 874,250,307</u>	<u>\$ 1,755,937,830</u>	<u>\$ -</u>

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

CITY OF WICHITA, KANSAS

STATEMENT OF ACTIVITIES

For the year ended December 31, 2009

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	
<u>Functions/Programs</u>			
Primary government:			
General government	\$ 37,209,724	\$ 13,165,919	\$ 2,160,369
Public safety	119,072,578	4,919,518	1,981,116
Highways and streets	74,460,377	5,230,745	13,654,322
Sanitation	3,647,941	1,026,074	-
Health and welfare	34,924,120	5,890,932	25,655,375
Culture and recreation	37,601,034	4,772,629	2,063,175
Interest on long-term debt	20,633,846	-	-
Total governmental activities	327,549,620	35,005,817	45,514,357
Business-type activities:			
Water	44,994,306	51,021,931	-
Sewer	40,991,181	34,489,518	-
Airport	29,672,182	20,713,068	-
Storm Water	7,414,433	8,497,189	-
Transit	13,875,691	1,811,295	5,939,591
Golf Course System	4,538,822	4,297,719	-
Total business-type activities	141,486,615	120,830,720	5,939,591
Total primary government	\$ 469,036,235	\$ 155,836,537	\$ 51,453,948
Component unit:			
Wichita Public Building Commission	\$ -	\$ -	\$ -

General revenues:

- Property taxes
- Sales taxes
- Franchise taxes
- Motor vehicle taxes
- Transient guest taxes
- Investment earnings
- Miscellaneous

Transfers

Total general revenues, special items and transfers

Change in net assets

Net assets, beginning of year as previously reported

Net assets, end of year

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

Net (Expense) Revenue and Changes in Net Assets				
Capital Grants and Contributions	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Wichita Public Building Commission
\$ -	\$ (21,883,436)	\$ -	\$ (21,883,436)	\$ -
-	(112,171,944)	-	(112,171,944)	-
82,536,834	26,961,524	-	26,961,524	-
-	(2,621,867)	-	(2,621,867)	-
-	(3,377,813)	-	(3,377,813)	-
-	(30,765,230)	-	(30,765,230)	-
-	(20,633,846)	-	(20,633,846)	-
<u>82,536,834</u>	<u>(164,492,612)</u>	<u>-</u>	<u>(164,492,612)</u>	<u>-</u>
8,875,598	-	14,903,223	14,903,223	-
9,259,266	-	2,757,603	2,757,603	-
12,013,529	-	3,054,415	3,054,415	-
9,565,518	-	10,648,274	10,648,274	-
555,340	-	(5,569,465)	(5,569,465)	-
-	-	(241,103)	(241,103)	-
<u>40,269,251</u>	<u>-</u>	<u>25,552,947</u>	<u>25,552,947</u>	<u>-</u>
<u>\$ 122,806,085</u>	<u>(164,492,612)</u>	<u>25,552,947</u>	<u>(138,939,665)</u>	<u>-</u>
<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	106,500,257	-	106,500,257	-
	49,444,212	-	49,444,212	-
	33,720,386	-	33,720,386	-
	13,308,845	-	13,308,845	-
	6,014,975	-	6,014,975	-
	3,703,449	4,911,757	8,615,206	-
	23,842,883	974,500	24,817,383	-
	(493,760)	493,760	-	-
	<u>236,041,247</u>	<u>6,380,017</u>	<u>242,421,264</u>	<u>-</u>
	71,548,635	31,932,964	103,481,599	-
	810,138,888	842,317,343	1,652,456,231	-
	<u>\$ 881,687,523</u>	<u>\$ 874,250,307</u>	<u>\$ 1,755,937,830</u>	<u>\$ -</u>

CITY OF WICHITA, KANSAS

BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2009

	<u>General Fund</u>	<u>Grants Assistance Fund</u>	<u>Debt Service Fund</u>
ASSETS			
Cash and cash equivalents	\$ 32,480,888	\$ 418,011	\$ 22,221,043
Investments	-	3,767,265	-
Receivables, net:			
Property taxes	71,671,855	-	26,094,685
Due from other agencies	-	61,346	-
Special assessments	-	-	241,420,000
Accounts	1,673,419	2,539,499	-
Due from other funds	-	-	3,416,669
Prepaid items	14,669	59,706	699,222
Notes receivable	-	645,000	5,734,078
Inventories	-	23,500	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 105,840,831</u>	<u>\$ 7,514,327</u>	<u>\$ 299,585,697</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and other liabilities	\$ 8,021,303	\$ 586,223	\$ -
Accrued interest payable	-	-	-
Temporary notes payable	-	-	-
Deposits	895,843	556,590	-
Due to other funds	-	-	-
Deferred revenue	72,301,433	2,902,140	277,364,654
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>81,218,579</u>	<u>4,044,953</u>	<u>277,364,654</u>
Fund balances (deficits):			
Reserved for:			
Inventories	-	23,500	-
Encumbrances	2,160,309	3,069,090	-
Prepaid items	14,669	59,706	699,222
Cemetery perpetual care	-	-	-
Unreserved:			
Designated	11,626,962	317,078	21,521,821
Undesignated	10,820,312	-	-
Undesignated, reported in Special Revenue Funds	-	-	-
Undesignated, reported in Capital Projects Funds	-	-	-
Undesignated, reported in Permanent Fund	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficits)	<u>24,622,252</u>	<u>3,469,374</u>	<u>22,221,043</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 105,840,831</u>	<u>\$ 7,514,327</u>	<u>\$ 299,585,697</u>

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

Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ 9,454,909	\$ 87,595,956	\$ 152,170,807
-	80,437	3,847,702
-	-	97,766,540
-	300,000	361,346
-	-	241,420,000
1,902,840	4,673,800	10,789,558
-	9,272,951	12,689,620
-	-	773,597
-	-	6,379,078
-	-	23,500
<u>\$ 11,357,749</u>	<u>\$ 101,923,144</u>	<u>\$ 526,221,748</u>
\$ 1,382,277	\$ 2,745,419	\$ 12,735,222
196,457	169,296	365,753
36,453,266	38,600,319	75,053,585
63,001	57,226	1,572,660
-	9,272,951	9,272,951
-	4,602,413	357,170,640
<u>38,095,001</u>	<u>55,447,624</u>	<u>456,170,811</u>
-	-	23,500
41,318,694	21,752,206	68,300,299
-	-	773,597
-	235,437	235,437
-	-	33,465,861
-	-	10,820,312
-	56,393,719	56,393,719
(68,055,946)	(32,556,050)	(100,611,996)
-	650,208	650,208
<u>(26,737,252)</u>	<u>46,475,520</u>	<u>70,050,937</u>
<u>\$ 11,357,749</u>	<u>\$ 101,923,144</u>	<u>\$ 526,221,748</u>

CITY OF WICHITA, KANSAS

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets December 31, 2009

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

Total fund balance -- governmental funds		\$ 70,050,937
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	1,400,822,862	
Accumulated depreciation	<u>(322,858,840)</u>	1,077,964,022
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	204,590,251	
Special assessment bonds payable	241,420,000	
Premium on bonds payable	7,713,529	
Deferred refunding on bonds payable	(1,169,156)	
Accrued interest payable on the bonds	6,485,530	
Section 108 Loan	1,285,000	
Bond anticipation notes	39,501,415	
Accreted interest	2,226,817	
Compensated absences	9,344,734	
Other post employment benefits	4,059,043	
Environmental remediation liability	16,491,612	
Liability for landfill closure and postclosure costs	<u>25,159,409</u>	(557,108,184)
The amount due from proprietary funds is not considered available to liquidate liabilities of the current period, and therefore is deferred in the funds. However it is properly recognized as revenue in the entity-wide statements.		
		3,416,669
Accounts receivable not considered available to liquidate liabilities of the current period are deferred in the funds. They are recorded as revenue in the entity-wide statements.		
		9,952,871
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 entity-wide statements as soon as the related improvement is completed.		
		241,420,000
Internal service funds are used to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.		
		<u>35,991,208</u>
Total net assets -- governmental activities		<u><u>\$ 881,687,523</u></u>

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

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CITY OF WICHITA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the year ended December 31, 2009

	General Fund	Grant Assistance Fund	Debt Service Fund
REVENUES			
Taxes	\$ 80,234,439	\$ -	\$ 31,880,544
Special assessments	5,688	-	33,349,104
Franchise taxes	33,720,386	-	-
Local sales tax	24,722,106	-	-
Intergovernmental	15,361,152	24,730,014	-
Licenses and permits	1,828,929	-	-
Fines and penalties	10,392,142	-	-
Rentals	2,145,125	1,504,227	-
Interest earnings	2,824,941	80,821	285,197
Charges for services and sales	8,597,096	38,853	-
Other	7,941,383	3,474,452	2,012,885
Total revenues	187,773,387	29,828,367	67,527,730
EXPENDITURES			
Current:			
General government	25,198,269	2,163,352	-
Public safety	108,505,849	1,061,564	-
Highways and streets	20,936,707	-	-
Sanitation	2,716,617	-	-
Health and welfare	4,010,487	28,848,574	-
Culture and recreation	29,051,877	389,738	-
Debt service:			
Principal retirement	-	-	44,470,453
Interest and fiscal charges	-	-	17,939,024
Other	-	-	932,106
Capital outlay	-	-	-
Total expenditures	190,419,806	32,463,228	63,341,583
Excess (deficiency) of revenues over (under) expenditures	(2,646,419)	(2,634,862)	4,186,147
OTHER FINANCING SOURCES (USES)			
Issuance of long-term capital debt	-	-	-
Issuance of refunding bonds	-	-	43,715,000
Premiums on bonds sold	-	-	1,545,712
Premiums on refunded bonds	-	-	1,027,107
Payments on refunded bonds	-	-	(43,810,000)
Transfers from other funds	10,236,909	231,408	20,675,486
Transfers to other funds	(7,881,005)	(575,474)	(11,349,456)
Total other financing sources (uses)	2,355,904	(344,066)	11,803,849
Net change in fund balances	(290,515)	(2,978,928)	15,989,996
Fund balances - beginning	24,912,767	6,448,302	6,231,047
Fund balances - ending	\$ 24,622,252	\$ 3,469,374	\$ 22,221,043

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

Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 13,718,552	\$ 125,833,535
212,260	320,029	33,887,081
-	-	33,720,386
-	24,722,106	49,444,212
23,580,642	10,417,454	74,089,262
-	4,063,145	5,892,074
-	37,677	10,429,819
-	796,277	4,445,629
9,467	393,842	3,594,268
-	1,905,621	10,541,570
<u>9,620,116</u>	<u>12,159,736</u>	<u>35,208,572</u>
<u>33,422,485</u>	<u>68,534,439</u>	<u>387,086,408</u>
-	5,493,313	32,854,934
-	7,519,494	117,086,907
-	-	20,936,707
-	1,655,326	4,371,943
-	3,126,977	35,986,038
-	2,450,246	31,891,861
7,798,600	27,191,500	79,460,553
453,705	599,771	18,992,500
-	-	932,106
<u>84,297,266</u>	<u>36,958,745</u>	<u>121,256,011</u>
<u>92,549,571</u>	<u>84,995,372</u>	<u>463,769,560</u>
<u>(59,127,086)</u>	<u>(16,460,933)</u>	<u>(76,683,153)</u>
44,542,419	64,637,896	109,180,315
-	-	43,715,000
-	-	1,545,712
-	-	1,027,107
-	-	(43,810,000)
28,028,582	23,244,627	82,417,012
<u>(1,007,932)</u>	<u>(59,395,880)</u>	<u>(80,209,747)</u>
<u>71,563,069</u>	<u>28,486,643</u>	<u>113,865,399</u>
12,435,983	12,025,710	37,182,246
<u>(39,173,235)</u>	<u>34,449,810</u>	<u>32,868,691</u>
<u>\$ (26,737,252)</u>	<u>\$ 46,475,520</u>	<u>\$ 70,050,937</u>

CITY OF WICHITA, 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, 2009

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

Net change in fund balances -- total governmental funds	\$ 37,182,246
Governmental funds report capital asset acquisition as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital asset acquisitions exceeded depreciation in the current period.	
Depreciation expense	(28,254,302)
Capital asset acquisition	# <u>82,929,633</u> 54,675,331
In the statement of activities, the gain or loss from the sale of capital assets is reported, whereas in the governmental funds, only cash proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of capital assets sold.	(1,141,844)
In the statement of activities, transfers of capital assets from governmental activities to business type activities are reported as transfers, whereas in the governmental funds, there is no event to report as there was no outward flow of current financial resources.	(2,943,921)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.	(152,895,315)
Bond premium proceeds provide current financial resources to governmental funds, but premiums on sales do not increase long-term liabilities in the statement of net assets.	(2,572,819)
The amortization of bond premiums decrease the long term liabilities in the statement of net assets but do not provide current financial resources to governmental funds.	1,919,616
Deferred bond refunding costs reduce current financial resources to governmental funds and do not decrease long-term liabilities in the statement of net assets.	74,870
The amortization of refunding costs increases the long term liabilities in the statement of net assets but do not provide current financial resources to governmental funds.	(282,893)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
General obligation bonds	51,073,098
Special assessment bonds	36,500,000
Bond anticipation notes	34,990,100
Section 108 Housing & Urban Development loan	<u>280,000</u> 122,843,198
Debt service payments on behalf of proprietary funds are recorded as expenditures in governmental funds and interfund loans on the statement of net assets.	427,355
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due.	(1,013,445)
In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). The compensated absences earned that exceed benefits paid is shown as an expense on the statement of activities.	(522,547)
Internal service funds are used to charge the costs of certain activities, such as insurance, to the individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	1,578,171
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 activities as soon as the related improvement has been completed.	13,870,000
In the statement of activities, costs estimated to be incurred for closure and post-closure care of the landfill are recorded as incurred. In the governmental funds, however, expenditures are measured by the amount of financial resources used (or paid). The change in estimated costs incurred in excess of the amounts paid is shown as an expense on the statement of activities	812,606
In the statement of activities, interest is accreted on outstanding bonds, whereas in governmental funds, interest is accreted when interest payments are due.	304,207
In the statement of activities, an expense is recorded for post employment benefits other than pensions when earned. In the governmental funds an expense is recorded when the benefits are paid.	(1,817,420)
In the statement of activities, proceeds from notes receivable are recognized when realizable and earned. In the governmental funds, the revenue is deferred until funds are received.	(265,922)
In the statement of activities, environmental remediation reimbursements are recognized when realizable and earned. In the governmental funds, the revenue is deferred until funds are received.	(387,008)
In the statement of activities, an expense is recorded for environmental remediation obligations when the expected outlay is reasonably estimatable. In the governmental funds, an expense is recorded when paid.	1,704,169
Change in net assets of governmental activities	<u>\$ 71,548,635</u>

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

CITY OF WICHITA, KANSAS

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 82,011,950	\$ 79,986,653	\$ 80,234,438	\$ 247,785
Special assessments	6,000	6,000	5,688	(312)
Franchise taxes	35,170,805	35,778,652	33,720,386	(2,058,266)
Local sales tax	26,523,571	25,990,673	24,722,106	(1,268,567)
Intergovernmental	18,571,999	16,132,239	15,361,152	(771,087)
Licenses and permits	2,214,370	1,847,332	1,828,929	(18,403)
Fines and penalties	10,321,210	9,980,300	10,392,142	411,842
Rentals	2,336,710	2,275,000	2,145,125	(129,875)
Interest earnings	4,500,000	3,000,000	2,824,941	(175,059)
Charges for services and sales	8,899,690	8,885,944	8,597,096	(288,848)
Other	8,504,369	8,797,197	8,528,649	(268,548)
Total revenues	199,060,674	192,679,990	188,360,652	(4,319,338)
EXPENDITURES				
Current:				
General government	26,340,211	23,782,996	25,242,511	(1,459,515)
Public safety	111,778,916	110,516,140	108,611,595	1,904,545
Highways and streets	24,542,387	23,062,752	20,946,133	2,116,619
Sanitation	2,818,089	2,848,873	2,702,382	146,491
Health and welfare	4,526,608	3,828,981	4,008,359	(179,378)
Culture and recreation	29,922,732	30,039,030	29,203,324	835,706
Total expenditures	199,928,943	194,078,772	190,714,304	3,364,468
Excess (deficiency) of revenues over (under) expenditures	(868,269)	(1,398,782)	(2,353,652)	(954,870)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	8,951,330	9,603,482	10,236,909	633,427
Transfers to other funds	(8,083,061)	(8,204,700)	(7,881,005)	323,695
Total other financing sources (uses)	868,269	1,398,782	2,355,904	957,122
Net change in fund balances	-	-	2,252	2,252
Fund balance - beginning	23,051,084	22,459,688	22,459,688	-
Fund balance - ending	\$ 23,051,084	\$ 22,459,688	\$ 22,461,940	\$ 2,252

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

CITY OF WICHITA, KANSAS

BALANCE SHEET PROPRIETARY FUNDS December 31, 2009

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
ASSETS			
Current assets:			
Cash and temporary investments	\$ 4,981,350	\$ 3,660,894	\$ 4,822,922
Receivables, net	10,496,427	55,279	986,927
Due from other funds	-	-	-
Due from other agencies	-	-	9,121,807
Inventories	2,207,301	130,785	-
Prepaid items	1,054	1,122,995	31,642
Restricted assets:			
Cash and temporary investments	15,014,335	10,205,586	17,025,003
Receivables	-	-	284,834
Net investment in direct financing leases	-	-	450,000
Total current assets	32,700,467	15,175,539	32,723,135
Noncurrent assets:			
Restricted assets:			
Cash and temporary investments	47,939,827	13,798,219	-
Net investment in direct financing leases	-	-	62,700,000
Capital assets:			
Land	9,821,244	4,116,683	17,543,490
Airfield	-	-	137,160,527
Buildings	63,940,602	95,655,731	43,208,756
Improvements other than buildings	451,825,150	330,912,605	36,909,379
Machinery, equipment and other assets	48,165,633	38,139,695	20,506,049
Construction in progress	95,167,378	47,524,741	56,506,988
Less accumulated depreciation	(161,698,533)	(110,898,648)	(163,648,146)
Total capital assets (net of accumulated depreciation)	507,221,474	405,450,807	148,187,043
Other assets	2,407,209	1,928,937	1,153
Total noncurrent assets	557,568,510	421,177,963	210,888,196
Total assets	\$ 590,268,977	\$ 436,353,502	\$ 243,611,331

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

Business-type Activities - Enterprise Funds			Governmental Activities
Storm Water Utility	Other Enterprise Funds	Totals	Internal Service Funds
\$ 51,183	\$ 767,476	\$ 14,283,825	\$ 41,740,319
10,852	23,917	11,573,402	50,269
-	-	-	463,134
-	1,681,225	10,803,032	-
-	326,588	2,664,674	625,222
-	-	1,155,691	-
-	-	42,244,924	-
-	-	284,834	-
-	-	450,000	-
<u>62,035</u>	<u>2,799,206</u>	<u>83,460,382</u>	<u>42,878,944</u>
-	-	61,738,046	-
-	-	62,700,000	-
5,533,528	2,608,718	39,623,663	71,340
-	-	137,160,527	-
2,428,303	11,625,521	216,858,913	1,374,820
114,968,629	14,658,543	949,274,306	-
3,720,055	17,770,001	128,301,433	44,664,353
25,704,429	2,224,886	227,128,422	-
<u>(14,647,097)</u>	<u>(26,103,079)</u>	<u>(476,995,503)</u>	<u>(34,066,855)</u>
<u>137,707,847</u>	<u>22,784,590</u>	<u>1,221,351,761</u>	<u>12,043,658</u>
-	-	4,337,299	-
<u>137,707,847</u>	<u>22,784,590</u>	<u>1,350,127,106</u>	<u>12,043,658</u>
<u>\$ 137,769,882</u>	<u>\$ 25,583,796</u>	<u>\$ 1,433,587,488</u>	<u>\$ 54,922,602</u>

(Continued)

CITY OF WICHITA, KANSAS

BALANCE SHEET (CONTINUED)

PROPRIETARY FUNDS

December 31, 2009

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 6,062,678	\$ 1,766,952	\$ 1,953,779
Accrued interest payable	363,225	-	10,328
Temporary notes payable	-	-	3,260,000
Deposits	3,851,732	7,305	14,211
Current portion of long-term obligations:			
General obligation bonds payable	-	-	525,000
Due to other funds	-	-	-
Claims payable	-	-	-
Capital lease payable	-	-	-
Compensated absences	477,293	263,725	342,637
Current liabilities payable from restricted assets:			
Accounts payable and accrued expenses	-	-	68,285
Accrued interest payable	3,990,822	2,755,661	289,984
Revenue bonds payable	11,023,513	7,449,925	450,000
Total current liabilities	25,769,263	12,243,568	6,914,224
Noncurrent liabilities:			
Unearned revenue	-	-	4,116,725
Due to other funds	-	-	-
General obligation bonds payable	-	-	80,000
Revenue bonds	239,069,126	173,640,290	62,700,000
Unamortized deferred refunding	(954,523)	(572,941)	-
Unamortized revenue bond premium	5,784,508	5,205,588	-
Claims payable	-	-	-
Capital lease payable	-	-	-
Compensated absences	99,470	54,961	71,821
Total noncurrent liabilities	243,998,581	178,327,898	66,968,546
Total liabilities	269,767,844	190,571,466	73,882,770
NET ASSETS			
Invested in capital assets, net of related debt	255,327,761	221,748,348	144,322,043
Restricted for:			
Capital projects	-	-	17,025,003
Revenue bond reserves	55,594,256	19,227,744	-
Unrestricted - undesignated	9,579,116	4,805,944	8,381,515
Total net assets	320,501,133	245,782,036	169,728,561
Total liabilities and net assets	\$ 590,268,977	\$ 436,353,502	\$ 243,611,331

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

Business-type Activities - Enterprise Funds			Governmental Activities
Storm Water Utility	Other Enterprise Funds	Totals	Internal Service Funds
\$ 428,485	\$ 695,839	\$ 10,907,733	\$ 1,518,713
269,923	15,357	658,833	-
-	-	3,260,000	-
-	1,673	3,874,921	-
1,629,202	525,000	2,679,202	-
-	463,134	463,134	-
-	-	-	6,321,282
-	-	-	326,735
89,239	253,877	1,426,771	289,127
-	-	68,285	-
-	-	7,036,467	-
-	-	18,923,438	-
<u>2,416,849</u>	<u>1,954,880</u>	<u>49,298,784</u>	<u>8,455,857</u>
-	-	4,116,725	-
-	3,416,669	3,416,669	-
14,221,408	3,120,000	17,421,408	-
-	-	475,409,416	-
-	-	(1,527,464)	-
-	-	10,990,096	-
-	-	-	9,481,426
-	-	-	850,838
17,886	48,189	292,327	62,493
<u>14,239,294</u>	<u>6,584,858</u>	<u>510,119,177</u>	<u>10,394,757</u>
<u>16,656,143</u>	<u>8,539,738</u>	<u>559,417,961</u>	<u>18,850,614</u>
121,857,237	19,139,590	762,394,979	12,043,658
-	6,883	17,031,886	-
-	-	74,822,000	-
(743,498)	(2,102,415)	19,920,662	24,028,330
<u>121,113,739</u>	<u>17,044,058</u>	<u>874,169,527</u>	<u>36,071,988</u>
<u>\$ 137,769,882</u>	<u>\$ 25,583,796</u>	<u>\$ 1,433,587,488</u>	<u>\$ 54,922,602</u>

Total net assets \$ 874,169,527

Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities

80,780

Net assets of business-type activities

\$ 874,250,307

CITY OF WICHITA, KANSAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS

For the year ended December 31, 2009

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
OPERATING REVENUES			
Charges for services and sales	\$ 50,991,041	\$ 34,489,518	\$ 2,916,878
Fees	-	-	3,389,708
Rentals	30,890	-	14,406,482
Employer contributions	-	-	-
Employee contributions	-	-	-
Other	5,366	10,635	221,782
Total operating revenues	51,027,297	34,500,153	20,934,850
OPERATING EXPENSES			
Personal services	8,782,673	9,752,050	7,065,523
Contractual services	8,141,058	5,721,847	3,200,973
Materials and supplies	3,678,404	2,602,390	3,905,529
Cost of materials used	-	-	-
Other	249,770	34,820	91,854
Administrative charges	1,105,020	319,712	275,510
Franchise taxes and payments in lieu of delinquent specials	1,980,887	1,815,835	-
Depreciation	13,331,341	13,512,321	10,409,963
Employee benefits	-	-	-
Insurance claims	-	-	-
Total operating expenses	37,269,153	33,758,975	24,949,352
Operating income (loss)	13,758,144	741,178	(4,014,502)
NONOPERATING REVENUES (EXPENSES)			
Operating grants	-	-	-
Interest on investments	118,489	60,500	4,704,307
Other revenues (expenses)	(1,184)	-	(14,346)
Interest expense	(7,730,673)	(6,509,033)	(4,710,054)
Gain (loss) from sale of assets	82,231	(750,120)	3,235
Actuarial loss reserve adjustment	-	-	-
Bond premium (discount) amortization	312,387	260,283	(4,204)
Total nonoperating revenues (expenses)	(7,218,750)	(6,938,370)	(21,062)
Income (loss) before contributions and transfers	6,539,394	(6,197,192)	(4,035,564)
Capital contributions and operating transfers:			
Capital contributions - cash	3,710,799	1,474,031	12,013,529
Capital contributions - non cash	5,190,839	7,825,597	-
Capital transfer - non cash	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(1,984,169)	(1,527,630)	(824,920)
Increase (decrease) in net assets	13,456,863	1,574,806	7,153,045
Net assets - beginning	307,044,270	244,207,230	162,575,516
Total net assets - ending	\$ 320,501,133	\$ 245,782,036	\$ 169,728,561

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

Business-type Activities - Enterprise Funds			Governmental Activities
Storm Water Utility	Other Enterprise Funds	Totals	Internal Service Funds
\$ 8,497,189	\$ 2,304,882	\$ 99,199,508	\$ 9,209,978
-	2,872,271	6,261,979	-
-	931,861	15,369,233	11,465,213
-	-	-	26,314,039
-	-	-	6,724,874
2,322	56,469	296,574	835,904
<u>8,499,511</u>	<u>6,165,483</u>	<u>121,127,294</u>	<u>54,550,008</u>
1,870,210	7,966,884	35,437,340	7,084,194
1,124,354	4,600,164	22,788,396	6,612,050
223,506	2,358,204	12,768,033	4,613,121
-	-	-	1,374,600
255,500	-	631,944	-
100,790	544,301	2,345,333	803,990
-	-	3,796,722	-
2,026,648	2,809,596	42,089,869	5,074,701
-	-	-	26,412,808
-	-	-	4,756,835
<u>5,601,008</u>	<u>18,279,149</u>	<u>119,857,637</u>	<u>56,732,299</u>
<u>2,898,503</u>	<u>(12,113,666)</u>	<u>1,269,657</u>	<u>(2,182,291)</u>
-	5,939,591	5,939,591	-
27,611	850	4,911,757	132,176
(1,334,894)	(13,084)	(1,363,508)	61,793
(494,534)	(206,967)	(19,651,261)	(72,090)
19,790	(6,306)	(651,170)	142,217
-	-	-	3,399,892
-	-	568,466	-
<u>(1,782,027)</u>	<u>5,714,084</u>	<u>(10,246,125)</u>	<u>3,663,988</u>
1,116,476	(6,399,582)	(8,976,468)	1,481,697
1,100,134	555,340	18,853,833	-
9,405,759	26,652	22,448,847	2,165,192
-	-	-	(254,701)
-	4,355,080	4,355,080	320,000
<u>(443,330)</u>	<u>(114,700)</u>	<u>(4,894,749)</u>	<u>(1,987,596)</u>
11,179,039	(1,577,210)	31,786,543	1,724,592
109,934,700	18,621,268	842,382,984	34,347,396
<u>\$ 121,113,739</u>	<u>\$ 17,044,058</u>	<u>\$ 874,169,527</u>	<u>\$ 36,071,988</u>

Increase in net assets per fund statements

\$ 31,786,543

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities

146,421

Change in net assets of business-type activities

\$ 31,932,964

CITY OF WICHITA, KANSAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the year ended December 31, 2009

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 51,320,736	\$ 34,496,525	\$ 20,606,649
Cash payments to suppliers for goods and services	(11,595,853)	(10,125,206)	(7,018,613)
Cash payments to employees for services	(8,770,040)	(9,751,108)	(7,032,093)
Franchise taxes and payments in lieu of delinquent specials	(1,980,887)	(1,815,835)	-
Other operating revenues	5,366	10,635	221,782
Net cash provided by (used in) operating activities	28,979,322	12,815,011	6,777,725
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grant received	-	-	-
Interfund loan	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(1,984,169)	(1,527,630)	(824,920)
Net cash provided by (used in) noncapital financing activities	(1,984,169)	(1,527,630)	(824,920)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds of temporary notes	-	-	3,260,000
Payment of temporary notes	-	-	-
Proceeds of operating lease	-	-	1,202,789
Issuance from capital debt	83,536,581	49,083,419	-
Premium on bonds sold	555,131	460,882	-
Bond issuance costs paid	(566,582)	(332,251)	-
Additions (deductions) to property, plant and equipment	(62,734,202)	(40,788,616)	(19,676,830)
Debt service - principal	(9,321,008)	(6,612,778)	(675,000)
Debt service - interest	(8,272,760)	(6,663,994)	(58,305)
Proceeds from sale of assets	99,540	32,278	19,857
Capital contributions	3,710,799	1,474,031	2,891,722
Net cash provided by (used in) capital and related financing activities	7,007,499	(3,347,029)	(13,035,767)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	118,489	60,500	39,813
Net cash provided by investing activities	118,489	60,500	39,813
Net increase (decrease) in cash and temporary investments	34,121,141	8,000,852	(7,043,149)
Cash and temporary investments - January 1	33,814,371	19,663,847	28,891,074
Cash and temporary investments - December 31	\$ 67,935,512	\$ 27,664,699	\$ 21,847,925

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

Business-type Activities - Enterprise Funds			Governmental Activities
Storm Water Utility	Other Enterprise Funds	Totals	Internal Service Funds
\$ 8,630,143	\$ 6,213,214	\$ 121,267,267	\$ 53,241,845
(3,002,102)	(7,653,978)	(39,395,752)	(43,728,080)
(1,864,680)	(7,978,642)	(35,396,563)	(7,094,446)
-	-	(3,796,722)	-
2,322	56,469	296,574	835,904
<u>3,765,683</u>	<u>(9,362,937)</u>	<u>42,974,804</u>	<u>3,255,223</u>
-	5,170,846	5,170,846	-
-	463,134	463,134	-
-	4,355,080	4,355,080	320,000
(443,330)	(114,700)	(4,894,749)	(1,987,596)
<u>(443,330)</u>	<u>9,874,360</u>	<u>5,094,311</u>	<u>(1,667,596)</u>
-	-	3,260,000	-
(4,170,000)	-	(4,170,000)	-
-	-	1,202,789	-
9,686,100	-	142,306,100	-
-	-	1,016,013	-
-	-	(898,833)	-
(10,579,890)	(472,904)	(134,252,442)	(2,564,268)
(897,378)	(77,594)	(17,583,758)	(312,539)
(246,564)	(208,958)	(15,450,581)	(72,090)
11,356	-	163,031	38,646
1,100,134	524,171	9,700,857	-
<u>(5,096,242)</u>	<u>(235,285)</u>	<u>(14,706,824)</u>	<u>(2,910,251)</u>
27,611	(11,984)	234,429	132,176
27,611	(11,984)	234,429	132,176
(1,746,278)	264,154	33,596,720	(1,190,448)
1,797,461	503,322	84,670,075	42,930,767
<u>\$ 51,183</u>	<u>\$ 767,476</u>	<u>\$ 118,266,795</u>	<u>\$ 41,740,319</u>

(Continued)

CITY OF WICHITA, KANSAS

STATEMENT OF CASH FLOWS (CONTINUED) PROPRIETARY FUNDS

Year ended December 31, 2009

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ 13,758,144	\$ 741,178	\$ (4,014,502)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	13,331,341	13,512,321	10,409,963
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(402,772)	(14)	74,746
(Increase) decrease in inventory	(233,304)	19,480	-
(Increase) decrease in prepaid items	-	(1,122,995)	(2,682)
(Increase) decrease in due from other funds	-	-	-
(Decrease) increase in accounts payable/accrued expenses	1,811,703	(342,922)	457,935
(Decrease) increase in deposits	701,577	7,021	-
(Decrease) increase in deferred revenue	-	-	(181,165)
(Decrease) increase in compensated absences	12,633	942	33,430
Total adjustments	15,221,178	12,073,833	10,792,227
Net cash provided by (used in) operating activities	\$ 28,979,322	\$ 12,815,011	\$ 6,777,725

Supplemental Schedule of Non-Cash Investing and Financing Activities

Assets contributed by benefit districts	\$ 3,811,352	\$ 7,498,300	\$ -
Contribution of capital assets, increase (decrease)	26,040	40,362	-
Capital contributed for capital purposes	1,353,447	286,935	-
(Increase) decrease in net investment in direct financing leases	-	-	11,747,444
Increase (decrease) in revenue bonds payable	-	-	(11,747,444)
(Increase) decrease in interest receivable on direct financing leases	-	-	50,276
Increase (decrease) in accrued interest payable on revenue bonds	-	-	(50,276)
Interest income on investment in direct financing leases	-	-	4,664,494
Interest expense on revenue bonds payable	-	-	4,664,494
Assets acquired on capital lease	-	-	-

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

Business-type Activities - Enterprise Funds			Governmental Activities
Storm Water Utility	Other Enterprise Funds	Totals	Internal Service Funds
\$ 2,898,503	\$ (12,113,666)	\$ 1,269,657	\$ (2,182,291)
2,026,648	2,809,596	42,089,869	5,074,701
132,954	104,902	(90,184)	(9,125)
-	(22,980)	(236,804)	(5,878)
-	-	(1,125,677)	-
-	-	-	(463,134)
(1,297,952)	(128,329)	500,435	851,202
-	(702)	707,896	-
-	-	(181,165)	-
5,530	(11,758)	40,777	(10,252)
867,180	2,750,729	41,705,147	5,437,514
\$ 3,765,683	\$ (9,362,937)	\$ 42,974,804	\$ 3,255,223

\$ 7,637,230	\$ -	\$ 18,946,882	\$ -
940,375	26,652	1,033,429	2,111,918
828,154	-	2,468,536	-
-	-	11,747,444	-
-	-	(11,747,444)	-
-	-	50,276	-
-	-	(50,276)	-
-	-	4,664,494	-
-	-	4,664,494	-
-	-	-	17,760

CITY OF WICHITA, KANSAS

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS December 31, 2009

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and temporary investments	\$ 364,186	\$ 7,164,318
Receivables:		
Investment sales pending	9,410,873	-
Interest and dividends	3,237,435	-
Accounts	133,505	456,219
Total receivables	12,781,813	456,219
Investments, at fair value:		
Government short term investment fund	17,678,689	-
Government securities: long term	40,888,227	310,334
Corporate debt instruments: long term	99,647,881	-
Mortgage-backed securities	106,333,562	-
Corporate stocks: domestic common	297,846,669	-
Corporate stocks: international common	162,834,278	-
Real estate	27,336,014	-
Value of interest in pooled funds: domestic fixed income	364,485	-
Value of interest in pooled funds: international fixed income	5,131,638	-
Value of interest in pooled funds: high yield fixed income	7,266,835	-
Value of interest in pooled funds: domestic equities	101,097,243	-
Value of interest in pooled funds: international equities	14,420,739	-
Securities lending short-term collateral investment pool	138,455,969	-
Total investments	1,019,302,229	310,334
Capital assets:		
Pension software	1,284,451	
Accumulated depreciation	(282,517)	-
Capital assets net of depreciation	1,001,934	-
Prepaid expenses	-	-
Total assets	1,033,450,162	7,930,871
LIABILITIES		
Accounts payable and accrued expenses	2,792,689	1,908,257
Compensated absences	26,950	-
Investment purchases pending	22,315,300	-
Security lending obligations	138,455,969	-
Deposits	-	6,022,614
Total liabilities	163,590,908	7,930,871
NET ASSETS		
Held in trust for:		
Employees' pension benefits	869,859,254	-
Total net assets	\$ 869,859,254	\$ -

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

CITY OF WICHITA, KANSAS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS

For the year ended December 31, 2009

	2009 Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 15,058,139
Employee	8,560,860
Total contributions	23,618,999
Investment income:	
<i>From investment activities</i>	
Net appreciation (depreciation) in fair value of investments	134,441,222
Interest and dividends	24,565,198
Commission recapture	106,368
Total investment earnings	159,112,788
Less investment expense	3,737,028
Net income (loss) from investing activities	155,375,760
<i>From securities lending activities</i>	
Securities lending income	1,139,462
Securities lending activities expenses:	
Borrower rebates	100,529
Management fees	294,240
Total securities lending activities expenses	394,769
Net income from securities lending activities	744,693
Total net investment income (loss)	156,120,453
Transfers from other funds	1,664,681
Total additions	181,404,133
DEDUCTIONS	
Pension benefits	45,742,082
DROP and Back DROP payments	5,797,697
Pension administration	960,025
Depreciation	184,614
Employee contributions refunded	1,020,604
Transfers to other funds	1,664,681
Total deductions	55,369,703
Change in net assets	126,034,430
Net assets - beginning	743,824,824
Net assets - ending	\$ 869,859,254

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

CITY OF WICHITA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Wichita is a municipal corporation governed by an elected mayor and six-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. A blended component unit, although a legally separate entity, is, in substance, part of the government's operations and so data from the blended component unit is combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the government.

Blended Component Unit - The Wichita Airport Authority (WAA) serves all citizens of the government and is governed by a board comprised of the government's elected council. Bond issuance authorizations are approved by the governing body of the primary government and the legal liability for the general obligation portion of the Authority's debt remains with the government. The Wichita Airport Authority is reported as an enterprise fund.

Discretely Presented Component Unit - The Wichita Public Building Commission (WPBC) acquires and finances buildings or facilities for the City of Wichita or other local, state and federal agencies, school districts, and the Wichita State University Board of Trustees. The nine-member board is appointed by the Mayor and City Council. Of the nine members, one member is recommended for appointment by the County Commissioners of Sedgwick County, Kansas, and one by the President of Wichita State University. The Kansas Secretary of Administration and the Superintendent of Unified School District Number 259 serve as provisional members of the board of the WPBC. Members of the WPBC Board may only be removed for just cause. The City of Wichita provides staff support and legal representation by the Department of Law. Additionally, the City of Wichita is liable on a contingent basis and will make rental payments, if necessary, to supplement rental payments in connection with the City/County "wrap-around" obligation for the State Office Building. (Refer to Note 20.E. - Public Building Commission Lease, for further disclosure.) The WPBC is presented as a proprietary fund type.

Separate audited financial statements are not prepared by the Wichita Airport Authority or the Wichita Public Building Commission.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets on page A-13 and the statement of changes in net assets on page A-14) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported discretely from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include [1] charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and [2] grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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 and fiduciary fund financial statements. 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

1. Summary of Significant Accounting Policies (continued)

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

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 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 collectible within 60 days of the end of the current fiscal period. Expenditures are generally 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 the payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues 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. Special assessments receivable that are not due within the current fiscal period and not susceptible to accrual are recorded as unearned revenue. All other revenue items are considered to be measurable and available only when cash is received.

The following major governmental funds are reported:

The General Fund is the principal fund of the City that accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City, other than proprietary fund activities, are financed through revenues received by the General Fund.

The Federal/State Assistance Fund accounts for assistance received from Federal and State grant sources providing benefits to the community. The City maintains a separate fund for each Federal or State grant program. Because of the large number of such funds, the funds that are similar in nature or are funded by the same grantor agency have been consolidated.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The Street Improvement Fund accounts for capital improvements related to streets, arterials and freeway projects that are financed through the issuance of general obligation bonds, special assessments, local sales tax, Federal grants and other City funds.

The government reports the following major proprietary funds:

The Water Utility Fund accounts for the operation and maintenance of the water component of the combined utility, providing an adequate, quality supply of water and means of wastewater disposal.

The Sewer Utility Fund accounts for the operation and maintenance of the sewer component of the combined utility, including wastewater treatment plants, sewer laterals and mains.

The Wichita Airport Authority Fund accounts for the provision of air transportation services for the public, business and industry, while maintaining the safe operation of assets.

The Storm Water Utility Fund accounts for the acquisition, design, construction, maintenance and operation of the City's surface drainage system.

The government also reports the following fund types:

A permanent fund is used to report resources that are restricted for the maintenance and perpetual care of municipal cemeteries.

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis and to account for the City's self-insurance activities.

1. Summary of Significant Accounting Policies (continued)

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

Pension trust funds account for the activities of the Wichita Employees' Retirement System, Wichita Police and Fire Retirement System and the Wichita Employees' Retirement System-Plan 3, all of which accumulate resources for pension benefits for qualified employees.

Agency funds are used to report resources held by the City in a custodial capacity for remittance of fiduciary resources to individuals, private organizations or other governments. Agency funds account for payroll liabilities, prepayments of special assessments, special neighborhood revitalization funds, and payments in lieu of taxes related to industrial revenue bonds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's Enterprise funds and various other functions of the government.

Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include [1] charges to customers or applicants for goods, services, or privileges provided, [2] operating grants and contributions, and [3] capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for Enterprise and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these criteria are reported as non-operating revenues and expenses.

D. Pooled Cash and Temporary Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments, which is managed by the Director of Finance (except for investments of the pension trust funds and those of the Wichita Public Building Commission). The pool has the general characteristics of demand deposit accounts, in that each fund may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty. Investments of the pooled accounts consist primarily of certificates of deposits, and U.S. government agency securities, carried at amortized cost, which approximates fair value. Interest income earned is allocated to contributing funds based on average daily cash balances and in accordance with the adopted budget.

E. Investments

Investments of all funds (except the pension trust funds) and the component unit are recorded at amortized cost, which approximates fair value. For the pension trust funds, investments are reported at fair value. Investments traded on national or international exchanges are valued at the last trade price of the day. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar investments.

1. Summary of Significant Accounting Policies (continued)

E. Investments (continued)

Investments that do not have an established market are reported at their estimated fair value. The pension trust funds invest in Treasury strips and various asset backed securities, such as collateralized mortgage obligations and credit card trusts.

F. Property Taxes and Other Receivables

In accordance with governing State statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed as of January 1 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 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 June 20 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 on the balance sheet of the appropriate funds. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Recognized State-shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes. For revenue recognition purposes, amounts collected and held by the State on behalf of the City at year-end are not due and receivable until the ensuing year. Federal and State grant aid is reported as revenue when the related reimbursable expenditures are incurred. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

G. Revenue Recognition for Proprietary Funds

The proprietary funds recognize revenue on sales when services are rendered. The Water, Sewer, and Storm Water Utilities recognize revenues for unbilled services. All users, including other City departments are charged for services provided by the respective proprietary fund. Accounts receivable represent uncollected charges (both billed and unbilled) at December 31, net of amounts estimated to be uncollectible.

H. Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds, which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as revenue in the Debt Service Fund or a liability in a City of Wichita revocable escrow account for prepaid special assessments. The escrow is revocable and, therefore, not technically public funds. The prepayment amount is discounted for the estimated interest earnings realized from investing the prepayment amount. The amount of interest plus prepayment equals the amount of debt service paid on outstanding bonds.

State statutes allow levying additional ad valorem property taxes in the City's debt service fund to finance delinquent special assessments receivable, if necessary. Special assessments receivable are accounted for within the debt service fund. Special assessments are levied over a ten to twenty year period and the annual installments

are due and payable with annual ad valorem property taxes. Delinquent assessments against property benefited by special assessments constitute a lien against such property. When assessments are two years in arrears, they may be collected by foreclosure. At December 31, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the debt service fund with a corresponding amount recorded as unearned revenue.

1. Summary of Significant Accounting Policies (continued)

I. Inventories and Prepaid Expenses

Inventories and prepaid expenses that benefit future periods, other than those recorded in the proprietary fund are recorded as expenditures during the year of purchase. Inventories are stated at the lower of cost or market, cost being determined by the first-in, first-out method except for Transit, the Water Utility and the Sewer Utility, which utilize an average unit cost method.

J. 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 as assets with an initial individual minimum cost ranging from \$5,000 to \$250,000, depending on the type of asset. Capital assets are valued at historical cost, or estimated historical cost (if actual historical cost is not available). Donated capital assets are valued at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. For proprietary funds, interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets. Additionally, in situations involving the acquisition of certain assets financed with the proceeds of tax-exempt borrowing, any interest earned on related interest-bearing investments from such proceeds are offset against the related interest costs in determining either capitalization rates or limitations on the amount of interest costs to be capitalized.

Capital assets of the primary government and its component unit are depreciated using the straight-line method. Estimated useful lives of asset categories are listed in the accompanying table.

Assets Classification	Estimated Useful Life
Buildings and improvements	1-42
Improvements other than buildings	1-50
Equipment	1-33
Vehicles	1-20
Public domain infrastructure	15-60
Water/Sewer mains and drainage	75-85
Airfields	5-40

K. Payment of Franchise Taxes

Annually, the Water Utility and Sewer Utility pay to the General Fund of the City franchise taxes in an amount not to exceed five percent of gross revenues for the preceding year, which is appropriated by the City and included in the annual budget.

L. Compensated Absences

The City's policy permits employees to accumulate earned but unused vacation and sick pay benefits. The City does not have a policy to pay accumulated sick pay benefits upon termination of employment, consequently, there is no liability for unpaid accumulated sick leave. Vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for vacation pay is reported in governmental funds only if it has matured, for example, as a result of employee terminations and retirements.

M. Statement of Cash Flows

The reporting entity defines cash and cash equivalents used in the statement of cash flows as all cash and temporary investments (both restricted and unrestricted).

N. Estimates

Preparation of financial statements in conformity with GAAP requires making estimates and assumptions that affect: [1] the reported amounts of assets and liabilities, [2] disclosures such as contingencies, and [3] the reported amounts of revenues and expenditures or expenses included in the financial statements. Actual results could differ from those estimates.

1. Summary of Significant Accounting Policies (continued)

O. Pending Governmental Accounting Standards Board Statements

GASB Statement No 51, "Accounting and Financial Reporting for Intangible Assets," was issued June 2007. This statement provides guidance on identifying, accounting for, and reporting intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature, and has an initial useful life extending beyond a single reporting period. It further states that these assets should be classified as capital assets. The provisions of this statement will apply to the financial statements of the City beginning with fiscal year 2010.

GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" was issued June 2008, applying to the financial statements of the City beginning with fiscal year 2010. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" was issued in February 2009 and is effective for financial statements for periods beginning after June 15, 2010. This Statement addresses fund balance classifications and disclosure of the policies in the notes to the financial statements, provides guidance on stabilization funds and clarifies definitions of governmental fund types.

2. Budgetary Control

Applicable Kansas statutes require that annual budgets be legally adopted for all funds (including proprietary funds) unless exempted by a specific statute. Specific funds exempted from legally adopted budgets are all Federal and State assistance funds, all capital projects funds (including capital projects of proprietary funds), the Wichita Airport Authority, Golf Course System, Transit, Self-Insurance, and all trust and agency funds. The component unit (Wichita Public Building Commission) is also exempt from legally adopted budgets. Controls over spending in funds and the component unit that are not subject to legal budgets are maintained by the use of internal spending limits established by management. K.S.A. 79-2926 et seq provides the following sequence and timetable for adoption of budgets:

- [1] Preparation of budget for the succeeding calendar year on or before August 1 of each year.
- [2] Publication of proposed budget on or before August 5 of each year. A minimum of ten days notice of public hearing, published in local newspaper, on or before August 15 of each year.
- [3] Adoption of final budget on or before August 25 of each year.

K.S.A. 79-2927 requires that all money to be raised by taxation and from all other sources for the ensuing budget year be appropriated. The law does not permit an appropriation for sundry or miscellaneous purposes in excess of ten percent of the total. The budget for each fund may include a non-appropriated balance not to exceed five percent of the total of each fund. The City of Wichita appropriates amounts for fund balance reserves in the various governmental funds on a budgetary basis; appropriated fund balance reserves are not intended to finance routine expenditures.

Kansas statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. In accordance with Kansas statutes, the legal level of control for the City is established at the individual fund level, also permitting the transfer of budgeted amounts from one object or purpose to another with Kansas statutes permit original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of hearing to amend the budget. Ten days after publication, a public hearing is held at which time the governing body may amend the budget.

3. Budgetary Basis of Accounting

Budgets are prepared on a basis (budgetary basis) different from generally accepted accounting principles (GAAP basis). For budgeting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, except for

	Net Change in Fund Balance from Prior Year	Fund Balances at End of Year
General Fund - GAAP Basis	\$ (290,515)	\$ 24,622,252
Increase (decrease) affecting basis:		
Expenditures due to prior year encumbrances	1,656,357	(209,457)
Cancellation of prior year encumbrances	587,266	-
Expenditures due to current year encumbrances	(1,950,856)	(1,950,855)
Budgetary Basis	<u>\$ (2,252)</u>	<u>\$ 22,461,940</u>

special assessments of the debt service fund that are recognized on the cash basis. The major difference between GAAP and budgetary basis is the reporting of encumbrances (purchase orders, contracts, and other commitments) as a reservation of fund balance (GAAP) as opposed to the equivalent of expenditures (budgetary). Adjustments necessary to convert the net change in fund balances and the ending fund balances from GAAP basis to budgetary basis for the general fund are provided in the accompanying table.

4. Fund Balance Deficits

At December 31, 2009, fund balance deficits are shown in the accompanying table. The Street Improvement and nonmajor governmental fund balance deficits will be financed through the sale of bonds authorized by the City Council but not yet sold at December 31, 2009.

Primary Government	Fund Balance Deficits
Street Improvement fund	\$ 26,737,252
Nonmajor governmental funds	
Water Main Extension	4,138,090
Park Bond Construction	5,613,484
Public Improvement Construction	19,601,291
Other Public Improvements	1,640,741
Sewer Construction	16,784,012
ARRA Projects	119,533
Total Reporting Entity	<u>\$ 74,634,403</u>

5. Cash, Investments and Securities Lending

The City of Wichita has adopted a formal investment policy. The primary objectives of the investment activities are, in priority order, safety, liquidity and yield. The standard of care to be used by investment officials shall be the "prudent person" standard as contemplated by K.S. A. 17-5004(1), and shall be applied in the context of managing an overall portfolio.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure or failure of the investment counterparty, the City's deposits may not be returned to the City, or the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City requires that all investment transactions be settled delivery versus payment with an independent third party safekeeping agent under contract with the City. The City requires compliance within the provisions of state law for the collateralization of all deposits and allowable securities are further limited to:

1. Direct obligations of, or obligations insured by, the U.S. government or any agency thereof;
2. Obligations and securities of U.S. sponsored corporations, which under federal law, may be accepted as security for public funds;
3. Bonds of any Kansas municipality that have been refunded and are secured by U.S. obligations;
4. State of Kansas bonds, general obligation bonds or notes of any municipality within the State of Kansas;
5. Approved Kansas municipality revenue bonds;
6. Warrants of any Kansas municipality payable from a mandatory tax levy;

5. Cash, Investments and Securities Lending (continued)

7. Certain Kansas municipality sponsored revenue bonds rated Aa or higher by Moody's Investor service or AA by Standard & Poor's Corporation;
8. Commercial paper that does not exceed 270 days to maturity and which has received one of the two highest ratings by a nationally recognized investment rating firm;
9. Approved corporate surety bond having an aggregate value at least equal to the amount of deposits less the amount insured by the federal deposit insurance corporation;
10. Personal bond in double the amount which is on deposit.

The City requires surety bonds and letters of credit to have an aggregate value of at least 105 percent.

As of December 31, 2009, the City had deposits in seven banks totaling \$18,934,302 with assets pledged by the banks as collateral with a fair value of \$28,647,538.

State law (K.S.A. 12-1675 and 12-1677b) allows monies, not otherwise regulated by statute, to be invested in the following instruments:

1. Temporary notes or no-fund warrants of the City of Wichita;
2. Time deposits, open accounts or certificates of deposits with maturities of not more than four years;
3. Repurchase agreements with banks, savings and loan associations and savings banks, or with a primary government securities dealer which reports to the market reports division of the Federal Reserve Bank of New York;
4. United States treasury bills or notes with maturities not exceeding four years;
5. U.S. Government agency securities with a maturity of not more than four years that do not have any more interest rate risk than U.S. Government obligations of similar maturities;
6. The municipal investment pool fund established by K.S.A. 12-1677a and amendments thereto;
7. Municipal investment pools established through the trust department of banks which have offices located in Sedgwick County.

A. Pooled Investments of the Primary Government

On December 31, 2009, the City's pooled funds were invested as follows:

<u>Investment type</u>	<u>Book Value</u>	<u>Modified Duration (yrs)</u>	<u>Percent of Total Pooled Funds</u>
U.S. Treasury coupon securities	\$ 15,191,383	0.653	5.5%
U.S. Treasury discount securities	24,268,157	0.392	8.8%
U.S. agency coupon securities	128,000,216	0.876	46.2%
U.S. agency callable securities	10,007,864	2.028	3.6%
U.S. agency discount securities	61,943,425	0.259	22.4%
Municipal Investment Pool-Overnight*	22,894,082	-	8.2%
Collateralized deposits	14,761,172	-	5.3%
Total value	<u>\$ 277,066,299</u>		<u>100.0%</u>
Portfolio modified duration		<u>0.706</u>	

*The weighted average maturity of the Municipal Investment Pool was 108.5 days at December 31, 2009.

Interest Rate Risk: The City of Wichita uses the methodology of modified duration to construct a portfolio of bonds to fund its future cash needs and to disclose the portfolio's exposure to changes in interest rates. The investment policy of the City of Wichita seeks to limit the modified duration of the portfolio to 1.4 years. The investment policy also requires that portfolio maturities be staggered in a way that avoids undue concentration of assets in a specific maturity sector, and that the investment portfolio remain sufficiently liquid to enable the City to meet all operating requirements which might reasonably be anticipated. Additionally, the investment policy limits investments to a maximum stated maturity of four years.

5. Cash, Investments and Securities Lending (continued)

A. Pooled Investments of the Primary Government (continued)

Credit Risk: As described earlier in this section, Kansas law limits the types of investments that can be made by the City of Wichita. The City's investment policy does not impose limitations beyond those of the State of Kansas. On December 31, 2009, the City's investments in U.S. agency obligations not directly guaranteed by the U.S. Government included only instruments rated Aaa by Moody's. The City also held investments in the Kansas Municipal Investment Pool, which is rated AAf/S1+ by Standard & Poor's.

Concentration of Credit Risk: The City's investment policy limits the amount of investments that can be placed with a single U.S. agency to 40 percent of the total portfolio. Maximum limits, by instrument, are also established for the City's investments of pooled funds and provided in the following table.

To allow efficient and effective placement of bond proceeds and County tax distributions, the limit of repurchase agreements and deposits with the Municipal Investment Pool may be exceeded up to 50 percent for a maximum of ten days following receipt of proceeds during adverse market conditions. Additionally, to allow for investment maturity timing prior to bond payment dates, the limit on repurchase agreements and Municipal Investment Pool deposits may be exceeded up to the amount of the bond payment for a maximum of five days prior to a bond payment date.

<u>Instrument</u>	<u>Maximum</u>
Demand deposits/repurchase agreement	5%
Municipal Investment Pool	15%
Certificates of deposit	10%
Temporary notes	10%
U.S. Treasury notes and bills	100%
U.S. agency obligations	95%
Bullet/Discount	95%
Agency callable	30%
Agency floater	10%

At December 31, 2009, the City's investments in pooled funds by issuer are shown in the table at the right.

<u>Investment Type</u>	<u>Book Value</u>	<u>Percent of Total Pooled Funds</u>
U.S. Treasury	\$ 39,459,540	14.3%
Federal Farm Credit Bank	39,419,127	14.2%
Federal Home Loan Bank	83,691,834	30.2%
Federal Home Loan Mortgage Corp.	20,541,948	7.4%
Federal National Mortgage Assoc.	56,298,596	20.3%
Municipal Investment Pool	22,894,082	8.3%
Collateralized deposits	14,761,172	5.3%
Total value	<u>\$277,066,299</u>	<u>100.0%</u>

B. Investments of the Primary Government Not Pooled

State law (K.S.A. 10-131) allows investment of the proceeds of bonds and temporary notes in:

1. Investments authorized by K.S.A. 12-1675, and amendments thereto;
2. The municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto;
3. Direct obligations of the U.S. Government or any agency thereof;
4. Temporary notes of the City of Wichita issued pursuant to K.S.A. 10-123, and amendments thereto;
5. Time deposits with banks and trust companies in Sedgwick County;
6. FNMA, FHLB and FHLMC obligations;
7. Collateralized repurchase agreements;
8. Investment agreements with or other obligations of a financial institution whose obligations are rated in one of the three highest rating categories by either Moody's or Standard & Poor's;
9. Mutual funds with portfolios consisting entirely of obligations of the U.S. Government, U.S. Government agencies, FNMA, FHLB or FHLMC;
10. Certain Kansas municipal bonds.

5. Cash, Investments and Securities Lending (continued)

B. Investments of the Primary Government Not Pooled (continued)

Although individual bond covenants include certain restrictive provisions regarding the types of investments and their maturities, the City does not have a formal investment policy that addresses interest rate risk, credit risk or concentration of credit risk for the investment of bond proceeds.

On December 31, 2009, revenue bond proceeds for reserve funds and future capital projects of the Water and Sewer Utility Funds were invested as follows:

<u>Investment</u>	<u>Book Value</u>	<u>Modified Duration (yrs)</u>	<u>Percent of Bond Proceeds Investments</u>
U.S. agency discount securities:			
Federal Home Loan Mortgage Corporation	\$20,305,606	0.072	46.5%
Federal Home Loan Bank	23,383,493	0.071	53.5%
Total value	<u>\$ 43,689,099</u>		<u>100.0%</u>
Total modified duration		<u>0.071</u>	

City Ordinance (47-721; section 2.52.100) authorizes the Group Life Insurance Fund to hold investments in the following categories:

1. U.S. Government securities;
2. Corporate bonds of A quality or better, as listed in Moody's or Standard & Poor's;
3. Not more than 50 percent may be invested in equity mutual funds.

On December 31, 2009 no investments were held directly by the Group Life Insurance Fund and all cash was invested in the City's pooled investment portfolio.

The City does not maintain a formal investment policy pertaining to investments held in the Special Assessment Advance Payments Fund, the Cemetery Fund or the Federal and State Assistance Fund for the Wichita Housing Authority. Funds for which a formal investment policy is not maintained are authorized to be prudently invested at the discretion of the City's Director of Finance. On December 31, 2009, these Funds held investments in U.S. Government and agency obligations, stocks and money market instruments.

Interest Rate Risk: The City of Wichita uses a duration methodology to construct a portfolio of bonds to fund its future cash needs and utilizes a modified duration to disclose the portfolio's exposure to changes in interest rates. The City seeks to limit the modified duration of the Group Life Insurance portfolio to five years.

Credit Risk: City ordinance limits the types of investments of the Group Life Insurance Fund to U.S. Government securities, corporate bonds of A quality or better, as rated by Moody's or Standard & Poor's, and not more than fifty percent by be invested in equity mutual funds.

C. Investments of the Wichita Public Building Commission

Deposits and investments of \$1,357,848 for the Wichita Public Building Commission are invested by trustees and are held under trust indentures. A formal investment policy is not maintained. On December 31, 2009, \$1,357,648 was invested in Treasury money market funds.

D. Investments of the Pension Trust Funds

City Ordinance (44-812; section 2.28.090) authorizes the Wichita Employees' Retirement System and City Charter Ordinance 209 authorizes the Police and Fire Retirement System to invest trust fund assets in accordance with the prudent person rule, subject to the following limitations: 1) The proportion of funds invested in corporate preferred and common stock shall not exceed 70 percent; and (2) the proportion of funds invested in foreign securities shall not exceed 25 percent. Additionally, the Systems are not permitted to invest directly or indirectly in any:

5. Cash, Investments and Securities Lending (continued)

D. Investments of the Pension Trust Funds (continued)

1. Real estate, except in certain pooled arrangements with the amount of such investment not to exceed 10 percent;
2. Private equity, except in a commingled fund-of funds vehicle with the amount of such investment not to exceed 10 percent;
3. Mortgages secured by real estate, except insured mortgages under Titles 203, 207, 220 and 221 of the Federal Housing Act;
4. Oil and gas leases or royalties;
5. Commodities;
6. Provided, however that the restrictions on investments set forth above shall not apply to funds which are invested in a mutual fund, separate account, or commingled fund operated by a qualified investment manager or insurance company for the purpose of making international investments.

All of the deposits and investments of the Wichita Employees' and Police and Fire Retirement Systems are held in a joint investment fund that is invested by outside money managers and are held under a custodial agreement. The pension funds follow an overall strategic allocation policy that includes investments in four asset types: domestic equities, international equities, domestic fixed income, and real estate.

The investments of the Wichita Retirement Systems on December 31, 2009 are listed in the table below.

The pension funds invest in various asset-backed securities such as collateralized mortgage obligations (CMO's) and credit card trusts to maximize yields and reduce the impact of interest rate changes. These securities are based on cash flows from principal and interest payments on the underlying assets. For example, CMO's break up the cash flows from mortgages into categories with defined risk and return characteristics called tranches. The tranches are differentiated by when the principal payments are received from the mortgage pool.

Type of Investment	Fair Value
Government short-term investment fund	\$ 17,678,689
Government securities, long-term	40,888,227
Corporate debt instruments, long-term	99,647,881
Mortgage-backed securities	106,333,562
Corporate stocks, domestic common	297,846,669
Corporate stocks, international common	162,834,278
Real estate	27,336,014
Value of interest in pooled funds, domestic fixed income	364,485
Value of interest in pooled funds, international fixed	5,131,638
Value of interest in pooled funds, high yield fixed income	7,266,835
Value of interest in pooled funds, domestic equities	101,097,243
Value of interest in pooled funds, international equities	14,420,739
Securities lending short-term collateral investment pool	138,455,969
Total investments	<u>\$ 1,019,302,229</u>

Changes in interest and mortgage prepayment rates may affect the amount and timing of cash flows, which would also affect the reported estimated fair values. The pension funds utilize a combination of asset-backed securities, which vary in their degree of volatility. Although considerable variability is inherent in such estimates, management believes the estimated fair values are reasonable estimates.

The pension funds also invest in real estate through real estate investment trusts. The fair values of these investments are estimated using the net asset value of the Systems' shares owned in each trust. Market conditions in 2008 and 2009 have had a negative impact on the estimated fair value of real estate investments. Severe restrictions on the availability of real estate financing, as well as the economic uncertainties in the current environment, have resulted in a low volume of purchase and sale transactions.

As a result, the estimates and assumptions used in determining the fair values of the real estate investments are inherently subject to significant uncertainty.

5. Cash, Investments and Securities Lending (continued)

D. Investments of the Pension Trust Funds (continued)

The REITs maintain redemption plans whereby shareholders may redeem shares, based on written redemption requests submitted within 45 days prior to the end of each quarter. Such requests are subject to approval by the REIT's board of directors, at their sole discretion. As of December 31, 2009, the Systems had submitted a redemption request for its ownership in one REIT totaling 191,379 shares at a fair value of \$5,612,996. This request had not yet been approved for payment. If this payment is approved in the future, the Systems have the option of whether to redeem the shares or retain their ownership and cancel the redemption request. Continued deterioration in economic and market conditions could result in future impairment on the value of the REIT's investments, and therefore the fair value of these investments would be realized based upon the net asset value at the time of redemption.

Custodial Credit Risk: The custodial credit risk for deposits is the risk that in the event of a bank failure, the Wichita Retirement Systems' (WRS) deposits may not be recovered. On December 31, 2009, the WRS' cash deposits in the amount of \$364,186 were included in the City's pooled cash and temporary investments. The WRS' debt securities investments were registered in the name of WRS and were held in the possession of the WRS' custodial bank, State Street.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The interest rate risk is managed using the modified duration methodology. Duration is a measure of a fixed income's cash flow using present values, weighted for cash flows as a percentage of the investment's full price. Modified duration estimates the sensitivity of a bond's price to interest rate changes.

The Wichita Retirement Systems manage their exposure to fair value loss arising from increasing interest rates by complying with the following policy:

1. Fixed income managers have full discretion over the issues selected and may hold any mix of fixed income securities and cash equivalents.
2. Portfolio duration must not be less than 80 percent nor more than 120 percent of the duration of the Barclays Capital Aggregate Bond Index, unless the Joint Investment Committee prospectively grants a written exception. The minimum and maximum of the index range on December 31, 2009 was 3.65 and 5.48, respectively.

The modified duration of investments on December 31, 2009 is as follows:

Investment Type	Fair Value	Modified Duration (years)
Government securities, long-term	\$ 40,888,227	4.10
Corporate debt	99,647,881	5.39
Mortgage-backed securities	106,333,562	2.81
Actively managed investment totals	246,869,670	4.10
Government short-term investment fund	17,678,689	0.07
Pooled domestic fixed income securities	364,485	4.58
Pooled international and high yield fixed income securities	12,398,473	3.62
Total investment in debt securities	\$ 277,311,317	

Credit Risk of Debt Securities: Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The Wichita Retirement Systems manage exposure to investment credit risk by adhering to the following policies: (1) For active core domestic fixed income investments, bonds and preferred stocks must be rated at least "A" by Moody's or Standard and Poor's at the time of purchase; and (2) For core-plus domestic fixed income investments, the weighted average credit quality of the portfolio will not fall below AA- or equivalent. On December 31, 2009, no securities in the investment managers' portfolios were outside of the policy guidelines.

5. Cash, Investments and Securities Lending (continued)

D. Investments of the Pension Trust Funds (continued)

On December 31, 2009, debt investments held by the Wichita Retirement Systems as rated by Standard and Poor's or an equivalent nationally recognized statistical rating organization are shown in the table at the right.

Concentration Credit Risk: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment with a single issuer. The Wichita Retirement Systems' investment in debt securities had no single issuer of investments that represented five percent or more of the plan assets, with exception of investments issued or implicitly guaranteed by the U.S. government and investments in mutual funds.

Foreign Currency Risk: Currency risk arises due to foreign exchange rate fluctuations. The Wichita Retirement Systems manage the exposure to foreign currency risk by allowing the international securities investment managers to enter into forward exchange or future contracts on foreign currency provided such contracts have a maturity of less than one year. Currency contracts are only to be utilized for the settlement of securities transactions and defensive hedging of currency positions.

Quality Rating	Total Debt Securities
AAA	\$ 135,537,231
AA+	6,826,681
AA	8,152,984
AA-	2,044,111
A+	14,717,405
A	32,556,356
A-	19,020,695
BBB+	7,284,708
BBB	5,320,406
BBB-	6,620,769
BB+	1,553,381
BB	334,925
BB-	716,412
B+	4,569,285
B	3,682,041
B-	823,954
CCC	8,574,972
CCC-	134,900
CC	520,004
C	27,986
D	248,937
Total credit risk debt securities	259,268,143
Pooled domestic fixed income securities*	364,485
Government Short Term Investment Fund**	17,678,689
Total investment in debt securities	\$ 277,311,317

* Pooled domestic fixed income securities funds report average quality ratings of AA2.

** The average quality of the holdings of the Government Short Term Investment Fund on December 31, 2009 was A1.

All forward foreign currency contracts are carried at fair value by the Retirement Systems. As of December 31, 2009, the Systems held no forward currency contracts. If held, sales of forward currency contracts are receivables and are reported as investment sales pending in the financial statements.

The Wichita Retirement Systems' exposure to foreign currency risk on December 31, 2009 is presented in the table on the following page.

Securities Lending Transactions: Policies of the Board of Trustees for the Wichita Employees' Retirement and Police and Fire Retirement Systems permit the lending of securities to broker-dealers and other entities (borrowers) with a simultaneous agreement to return the collateral for the same securities in the future. The custodian of the City's pension plans is an agent in lending the plans' domestic securities for initial collateral of 102 percent of the market value of the loaned securities, international equity securities for initial collateral of 105 percent of the market value of such securities, and the initial collateral received for loans of United Kingdom (UK) Gilts shall have a value of at least 102.5 percent of the market value of such UK Gilts. Collateral may consist of cash (U.S. and foreign currency), securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, irrevocable bank letters of credit issued by a person other than the securities borrower or affiliate, if determined appropriate by the agent under the securities lending programs it administers and such other collateral as the parties may agree to in writing.

5. Cash, Investments and Securities Lending (continued)

D. Investments of the Pension Trust Funds (continued)

Currency	Cash and cash equivalents	Debt Securities	Equities
Australian dollar	\$ 5,792	\$ -	\$ 16,682,002
Canadian dollar	-	-	1,169,637
Danish krone	-	-	1,178,791
Euro	89,596	-	57,310,957
Hong Kong dollar	-	-	4,129,117
Japanese yen	-	-	33,047,344
New Zealand dollar	-	-	569,941
Norwegian krone	10,267	-	464,177
Pound sterling	82,403	-	32,491,670
Singapore dollar	25,570	-	5,139,395
Swedish krona	-	-	392,121
Swiss franc	22,128	-	10,249,116
International mutual funds (various currencies)	-	5,131,638	14,420,739
Total subject to foreign currency risk	\$ 235,756	\$ 5,131,638	\$ 177,245,007

The collateral securities cannot be pledged or sold by the City unless the borrower defaults. The agent shall require additional collateral from the borrower whenever the value of loaned securities exceeds the value of the collateral in the agent's possession, so that collateral always equals or exceeds 100 percent of the market value of the loaned securities. Contracts with the lending agent require them to indemnify the Systems, if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the Systems for income distributions by the securities' issuers while the securities are on loan.

At year-end, the Systems had no credit risk exposure to borrowers because the amounts the Systems owe the borrowers exceeded the amounts the borrowers owed the Systems. Securities loaned can be terminated on demand by the Systems or the borrower.

At year-end, loans were secured with cash collateral, securities collateral or letters of credit. Cash collateral is invested in the lending agent's short-term investment pool, which at year-end had a weighted average maturity of 39 days. The relationship between the maturities of the investment pool and the Systems' loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Systems cannot determine.

Custodial Credit Risk Related to Securities Lending: Custodial credit risk for lent securities is the risk that, in the event of the failure of the counterparty, the Systems will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Consistent with the Systems' securities lending policy, \$138,455,969 was held by the counterparty acting as the Systems' agent in securities lending transactions on December 31, 2009.

6. Capital Assets

Capital asset activity of the primary government for the year ended December 31, 2009 presented in the following table (expressed in thousands of dollars).

6. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 242,226	\$ 4,292	\$ (700)	\$ (285)	\$ 245,533
Construction in progress	254,872	73,748	(236,205)	-	92,415
Total capital assets, not being depreciated	<u>497,098</u>	<u>78,040</u>	<u>(236,905)</u>	<u>(285)</u>	<u>337,948</u>
Capital assets, being depreciated:					
Buildings	244,865	11,474	(529)	(116)	255,694
Improvements other than buildings	45,722	26,277	(513)	(673)	70,813
Machinery, equipment and other assets	93,076	13,118	(3,785)	146	102,555
Infrastructure	486,886	193,081	-	(41)	679,926
Total capital assets being depreciated	<u>870,549</u>	<u>243,950</u>	<u>(4,827)</u>	<u>(684)</u>	<u>1,108,988</u>
Less accumulated depreciation for:					
Buildings	(105,243)	(7,189)	310	31	(112,091)
Improvements other than buildings	(19,062)	(3,239)	485	10	(21,806)
Machinery, equipment and other assets	(53,521)	(9,572)	3,418	(144)	(59,819)
Infrastructure	(149,925)	(13,329)	-	41	(163,213)
Total accumulated depreciation	<u>(327,751)</u>	<u>(33,329)</u>	<u>4,213</u>	<u>(62)</u>	<u>(356,929)</u>
Total capital assets, being depreciated, net	<u>542,798</u>	<u>210,621</u>	<u>(614)</u>	<u>(746)</u>	<u>752,059</u>
Governmental activities capital assets, net	<u>\$ 1,039,896</u>	<u>\$ 288,661</u>	<u>\$ (237,519)</u>	<u>\$ (1,031)</u>	<u>\$ 1,090,007</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 36,816	\$ -	\$ -	\$ -	\$ 39,624
Construction in progress	160,893	123,500	(57,265)	-	227,128
Total capital assets, not being depreciated	<u>197,709</u>	<u>126,076</u>	<u>(57,265)</u>	<u>232</u>	<u>266,752</u>
Capital assets, being depreciated:					
Airfields	111,822	25,339	-	-	137,161
Buildings	224,483	3,297	(10,957)	36	216,859
Improvements other than buildings	890,938	57,791	(302)	847	949,274
Machinery, equipment and other assets	126,191	4,732	(2,476)	(146)	128,301
Total capital assets being depreciated	<u>1,353,434</u>	<u>91,159</u>	<u>(13,735)</u>	<u>737</u>	<u>1,431,595</u>
Less accumulated depreciation for:					
Airfields	(84,736)	(7,684)	-	-	(92,420)
Buildings	(100,044)	(6,825)	10,529	9	(96,331)
Improvements other than buildings	(192,667)	(15,396)	15	(91)	(208,139)
Machinery, equipment and other assets	(70,155)	(12,185)	2,091	144	(80,105)
Total accumulated depreciation	<u>(447,602)</u>	<u>(42,090)</u>	<u>12,635</u>	<u>62</u>	<u>(476,995)</u>
Total capital assets, being depreciated, net	<u>905,832</u>	<u>49,069</u>	<u>(1,100)</u>	<u>799</u>	<u>954,600</u>
Business-type activities capital assets, net	<u>\$ 1,103,543</u>	<u>\$ 175,143</u>	<u>\$ (58,365)</u>	<u>\$ 1,031</u>	<u>\$ 1,221,352</u>

6. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Fiduciary Activities					
Capital assets, being depreciated:					
Machinery, equipment and other assets	\$ 1,284	\$ -	\$ -	\$ -	\$ 1,284
Less accumulated depreciation for:	-	-	-	-	-
Machinery, equipment and other assets	(98)	(184)	-	-	(282)
Total capital assets, being depreciated, net	<u>1,186</u>	<u>(184)</u>	<u>-</u>	<u>-</u>	<u>1,002</u>
Fiduciary activities capital assets, net	<u>\$ 1,186</u>	<u>\$ (184)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,002</u>

Depreciation expense was charged to function/programs of the primary government, as follows (in thousands of dollars):

	<u>Current Year Depreciation</u>
Governmental activities:	
General government	\$ 4,307
Public safety	2,480
Highways and streets, including depreciation of general infrastructure assets	14,230
Sanitation	114
Health and welfare	1,394
Culture and recreation	5,729
Capital assets held by the government's internal services funds are charged to the various functions based on their usage of the assets	<u>5,075</u>
Total depreciation expense-governmental activities	<u>\$ 33,329</u>
Business-type activities:	
Water Utility	\$ 13,331
Sewer Utility	13,512
Airport Authority	10,410
Storm Water Utility	2,027
Nonmajor enterprise funds	<u>2,810</u>
Total depreciation expense-business-type activities	<u>\$ 42,090</u>

7. Retirement Funds

The reporting entity contributes to two single-employer defined benefit pension plans and a single-employer defined contribution plan, covering all full-time employees. The defined benefit plans include the Wichita Employees' Retirement System (WERS) and the Wichita Police and Fire Retirement System (WPFERS). Each system is administered by a separate Board of Trustees. The single-employer defined contribution plan consists of the Wichita Employees' Retirement System Plan 3 that is also governed by the Wichita Employees' Retirement System Board of Trustees.

The Wichita Retirement Systems issue a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for WERS and WPFERS. The financial report may be obtained by writing to the Wichita Retirement Systems, City Hall, 12th Floor, 455 N. Main, Wichita, KS 67202 or by calling (316) 268-4544.

7. Retirement Funds (continued)

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: The Wichita Employees' Retirement System, Wichita Police and Fire Retirement System, and the Wichita Employees' Retirement System Plan 3 are reported as pension trust funds in the City's financial statements and use the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments: Investments are reported at fair value. Short-term investments are reported at cost plus accrued interest, which approximates market or fair value. Securities traded on national or international exchanges are valued at the last trade price of the day. If no close price exists, then a bid price is used. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar investments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at their estimated fair value.

Management of Plan Assets: The Board of Trustees of the Systems have contractual arrangements with independent investment counselors for management of the assets of the Systems. The firms have been granted discretionary authority concerning purchases and sales of investments within guidelines established by City Ordinances. The Boards of Trustees of the pension systems also have contractual arrangements with independent firms which monitor the investment decisions of the Systems' investment managers.

Reserves and Concentrations of Credit Risks: There are no assets legally reserved for purposes other than the payment of plan member benefits. The plans held no individual investments (other than U.S. Government and U.S. Government guaranteed obligations) where the market value exceeded five percent or more of net assets available for benefits. There are no long-term contracts for contributions.

A. Wichita Employees' Retirement System

Plan Description: The WERS was established to provide retirement and survivor annuities, disability benefits, death benefits, and other benefits for all regular full-time civilian employees of the reporting entity and their dependents. Plan 1 was established by City Ordinance on January 1, 1948 and became closed to new entrants as of July 19, 1981. With the initiation of Plan 2, which was established by City Ordinance on July 18, 1981, all covered employees of Plan 1 were given the option of converting to the new plan. Plan 2 was closed to new entrants with the establishment of Plan 3 by City Ordinance, effective January 1, 1994. However, upon completion of seven years of service, employees participating in Plan 3 may convert to participation in Plan 2. Establishment of, and amendments to the benefit provisions for the WERS are authorized by the City Council.

Funding Policy: The contribution requirements of plan members and the reporting entity are established by City Ordinance and may be amended by the governing body. Members of Plan 1 and 2 are required to contribute 6.4 and 4.7 percent of covered salaries, respectively. The City is required to contribute at an actuarially determined rate; the rate for 2009 was 4.7 percent of annual covered payroll for both Plans 1 and 2. The City may provide for pension expenses by levying ad valorem property taxes each year in the amount necessary to meet its obligation as determined by the WERS consulting actuary.

Annual Pension Cost and Net Pension Obligation: The net pension obligation (NPO) is defined as the cumulative difference between the employer's annual pension cost and the employer's annual required contributions to the plan. For 2009, the City's annual pension cost of \$2,545,331 was equal to the required and actual contributions.

The employer's annual required contribution for the current year was determined as part of the December 31, 2007 actuarial valuation using the Entry Age Normal actuarial cost method. Significant actuarial assumptions used in this valuation included (a) a rate of return on the investment of present and future assets of 7.75 percent per year compounded annually, (b) projected salary increases of 4.5 percent per year compounded annually (4.0 percent attributable to inflation and 0.5 percent attributable to productivity), (c) additional projected salary increases ranging from 0 percent to 5.5 percent per year, depending on age,

7. Retirement Funds (continued)

A. Wichita Employees' Retirement System (continued)

attributable to seniority/merit, and (d) the assumption that benefits will increase 3.0 percent per year (non-compounded) after retirement for Plan 1 and 2.0 percent per year (non-compounded) for Plan 2.

Subsequently, the actuarial assumptions for projected salary increases were modified with the December 31, 2009 valuation to 4.0 percent per year compounded annually (3.5 percent attributable to inflation and 0.5 percent attributable to productivity) and additional projected salary increases ranging from 0.25 percent to 3.2 percent per year, depending on age, attributable to seniority/merit.

The actuarial accrued liability, as determined by the Entry Age Normal actuarial cost method, is the portion of the actuarial present value of pension plan benefits and expenses not provided for by future normal costs. An asset valuation method is used to smooth the effect of market fluctuations. The actuarial value of assets is equal to the Expected Value (calculated using the actuarial assumed rate of 7.75 percent) plus 25 percent of the difference between the market and expected value. This is the eighth year this smoothing method has been used. The unfunded actuarial liability is being amortized as a level percent of projected payroll on an open basis. At December 31, 2009, the amortization period was 20 years.

The funded status for the WERS as of December 31, 2009, the most recent actuarial valuation date, is illustrated in the following table. (dollars are in thousands):

Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
\$ 509,494	\$ 529,271	\$19,778	96.3	\$ 82,704	23.9 %

The schedule of funding progress, presented as required supplementary information (following the notes to the financial statements), reflects multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Three Year Trend Information SCHEDULE OF EMPLOYER CONTRIBUTIONS			
Fiscal Year Ending	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
12/31/07	\$ 2,357,052	100%	\$ 0
12/31/08	\$ 2,450,162	100%	\$ 0
12/31/09	\$ 2,545,331	100%	\$ 0

B. Wichita Police and Fire Retirement System

Plan Description: The WPFRS is divided into three plans - Plan A, Plan B, and Plan C-79. The plans were established to provide retirement and survivor annuities, disability benefits, death benefits, and other benefits for Police and Fire Officers of the reporting entity and their dependents. All full-time active "commissioned" Police and Fire department personnel are required to participate in the plans. Plans A and B were established by City Ordinance on January 1, 1965 and Plan C-79 was established January 1, 1979 by City Ordinance. Plan B was closed to new entrants as of January 1, 1965 and Plan A was closed to new entrants as of December 31, 1978. Establishment of and amendments to the benefit provisions for the WPFRS are authorized by the City Council.

Funding Policy: The contribution requirements of plan members and the reporting entity are established by City Ordinance and may be amended by the governing body. WPFRS members are required to contribute six to eight percent of covered salaries. The City is required to contribute at an actuarially determined rate; the rate for 2009 was 17.5 percent of annual covered payroll. The City may provide for pension expenses by levying ad valorem property taxes each year in the amount necessary to meet its obligation as determined by the WPFRS consulting actuary.

7. Retirement Funds (continued)

B Wichita Police and Fire Retirement System (continued)

Annual Pension Cost and Net Pension Obligation: The net pension obligation (NPO) is defined as the cumulative difference between the employer's annual pension cost and the employer's annual required contributions to the plan. For 2009, the City's annual pension cost of \$11,034,552 was equal to the required and actual contributions.

The employer's annual required contribution was determined as part of the December 31, 2007 actuarial valuation using the Entry Age Normal actuarial cost method. Significant actuarial assumptions used included (a) a rate of return on the investment of present and future assets of 7.75 percent per year compounded annually, (b) projected salary increases of 4.5 percent per year compounded annually (3.5 percent attributable to inflation and 0.5 percent attributable to productivity), (c) additional projected salary increases ranging from 0 percent to 2.5 percent per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.0 percent per year (non-compounded) commencing 36 months after retirement.

Subsequently, the actuarial assumptions for projected salary increases were modified with the December 31, 2009 valuation to 4.0 percent per year compounded annually (3.5 percent attributable to inflation and 0.5 percent attributable to productivity) and additional projected salary increases ranging from 1.0 percent to 2.75 percent per year, depending on age, attributable to seniority/merit.

The actuarial accrued liability, as determined by the Entry Age Normal actuarial cost method, is the portion of the actuarial present value of pension plan benefits and expenses not provided for by future normal costs. An asset valuation method is used to smooth the effect of market fluctuations. The actuarial value of assets is equal to the Expected Value (calculated using the actuarial assumed rate of 7.75 percent) plus 25 percent of the difference between the market and expected value. This is the eighth year this smoothing method has been used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. At December 31, 2009, the amortization period was 20 years.

The funded status of WPFRS as of December 31, 2009, the most recent actuarial valuation date, is as follows (dollars in thousands):

Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
\$ 480,556	\$ 519,934	\$ 39,379	92.4	\$ 63,479	62.0 %

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, reflects multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to actuarial accrued liability for benefits.

Three Year Trend Information SCHEDULE OF EMPLOYER CONTRIBUTIONS			
Fiscal Year Ending	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
12/31/07	\$ 10,029,252	100%	\$ 0
12/31/08	\$ 10,549,401	100%	\$ 0
12/31/09	\$ 11,034,552	100%	\$ 0

C. Wichita Employees' Retirement System Plan 3

The reporting entity provides pension benefits for all of its full-time civilian employees hired or rehired on or after January 1, 1994. This is a defined contribution plan; therefore, benefits depend solely on amounts contributed to the plan plus investment earnings. At December 31, 2009, current membership totaled 809.

7. Retirement Funds (continued)

C. Wichita Employees' Retirement System Plan 3 (continued)

Plan 3, established by City ordinance on April 9, 1993 and amended on February 8, 2000, requires that both the employee and the reporting entity contribute an amount equal to 4.7 percent of covered salaries. The reporting entity's contributions and earnings for each employee are 25 percent vested after three years of service, 50 percent vested after five years and are fully vested after seven years of continuous service.

Upon completion of seven years of service, employees participating in the plan will be converted to the WERS Plan 2, a defined benefit plan, unless they make an irrevocable election to remain in Plan 3 within 90 days thereafter. If an employee converts to Plan 2, the employee's account on the date of election shall become part of Plan 2. Fully vested employees who elect to continue participation in Plan 3 beyond seven years, may contribute additional amounts into the plan as permitted by the rules of the Internal Revenue Code in effect at the time of the contribution. Contributions of the reporting entity and earnings forfeited by employees who leave employment before seven years of service are used to reduce the reporting entity's contribution requirements.

For the year ending December 31, 2009, employee and employer contributions to Plan 3 totaled \$1,478,256 and \$1,478,256, respectively.

8. Self-Insurance Fund

The City established a self-insurance fund in 1987 to account for self-insurance programs of workers' compensation, group health insurance, group life insurance, employee liability, property damage, auto liability and general liability for the reporting entity.

Beginning in 2006, the City converted the flexi-funded life insurance program to a fully insured program. The contributions and premiums for this plan are accounted for in the Self Insurance Fund. For those funds paying insurance costs, the contributions are recorded as expenses in the paying fund and revenues in the Self-Insurance Fund. The City records liabilities for known claims and estimated liabilities incurred but not reported at year-end. The claims are reflected under accounts payable and accrued liabilities in the internal service funds.

A. Health Insurance

In 2006, the employee health insurance program was a partially insured program with health insurance offered to all full-time employees of the reporting entity and their dependants. The health insurance program was open to retirees and dependants up to 65 years of age. A monthly premium was paid to the Coventry Health Care of Kansas for payment of all medical costs. A self-insured prescription drug plan was included in the monthly premium paid to Coventry Health Care of Kansas.

Beginning on January 1, 2007, the City converted to a self-insured health insurance program with the City self-insuring health benefits up to \$400,000 per member and a stop-loss secondary coverage for costs above \$400,000. The self-insured prescription drug plan is included in the monthly premium paid to Coventry Health Care of Kansas. At December 31, 2009, the City recorded a liability of \$2,595,875 for estimated claims pending. Net assets at December 31, 2009 were \$7,612,822.

B. Workers' Compensation

The workers' compensation program is a partially self-funded program covering substantially all full-time and part-time employees of the reporting entity. The annual requirements of the workers' compensation program are determined based on current claims outstanding and estimates of future liability based on pending claims, recorded at a confidence level of 95 percent. The City has reinsured for liabilities exceeding \$750,000 per occurrence with coverage provided through Safety National Corporation. The retention is taken into consideration in actuarial projections of the City's liability. The City maintains a reserve to meet State and actuarial requirements and to provide contingency funding. At December 31, 2009, the City recorded a liability of \$9,019,084 for estimated probable claims pending. Net assets at December 31, 2009 were \$2,639,207.

8. Self-Insurance Fund (continued)

C. Life Insurance

Prior to 2006, the City maintained a flexi-funded life insurance program administered by Minnesota Mutual Life Insurance Company, which provided basic life, dependent life, and accidental death and dismemberment with conversion privileges to participants. Beginning in December 2005, the life insurance program was converted to a fully insured program offering the same benefits to employees. The cost of basic employee life insurance is funded approximately one third by the employee and two thirds by the City.

D. Workers' Compensation

Benefit levels are based on employee compensation. The City offers additional supplemental, voluntary accidental death and dismemberment insurance for employees and eligible dependents, the total cost of which is paid by the employee. Contributions (employee and employer), plus interest earned on investments, are used for premium payments. All full-time employees of the reporting entity are eligible to participate in the plans. Coverage is terminated, if the participant fails to make contributions toward the cost of insurance, if the participant terminates employment with the City and does not elect the conversion or portability option, or if the plan is terminated. At December 31, 2009, net assets totaled \$705,485.

E. General Liability

The City's general liability program provides for legal defense and claims against employees of the reporting entity when an incident occurs during the course of employment. The program also includes vehicle liability and building and content insurance. The deductible portion of the building and content insurance coverage is paid from the self-insurance fund. The deductible is \$100,000 per occurrence.

The City is self-insured for tort liability claims against the reporting entity. The Kansas Tort Claims Act provides a liability limitation of \$500,000 per occurrence. In 2006, the City purchased an excess policy of insurance for federal actions because the limitations under the State's Tort Claims Act do not apply to federal actions. The policy remains in effect and provides coverage of \$10 million with a \$2 million self-insured retention. In one of the three prior years, one settlement was in excess of coverage.

At December 31, 2009, the City recorded a liability of \$4,187,749 for pending claims at a 95 percent confidence level and to provide for the loss of excess liability coverage and potential environmental liability exposure. At December 31, 2009, net assets totaled \$11,372,644.

Fund	Claims Paid	Beginning Balance	Changes in Actuarial Estimate	Ending Balance	Short Term Portion
Worker's Compensation					
2008	\$ 5,791,435	\$ 9,331,482	\$ 2,702,679	\$ 12,034,161	\$ 3,929,683
2009	3,038,395	12,034,161	(3,015,077)	9,019,084	2,682,307
General Liability					
2008	855,246	5,734,059	(1,065,782)	4,668,277	1,145,705
2009	1,718,440	4,668,277	(480,528)	4,187,749	1,043,100
Health Insurance					
2008	22,774,132	2,424,000	76,162	2,500,162	2,500,162
2009	25,493,243	2,500,162	95,713	2,595,875	2,595,875

F. Other Postemployment Healthcare Benefits

Description. Kansas statute provides that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The health insurance benefit provides the same coverage for retirees and their dependants as for active employees and their dependants. The benefit is available for selection at retirement and is extended to retirees and their dependants until the individuals become eligible for Medicare at age 65. The accounting for the health insurance for retirees is included in the City's Self-Insurance Fund, with the subsidy provided from the Self-Insurance Fund.

8. Self-Insurance Fund (continued)

F. Other Postemployment Healthcare Benefits (continued)

Funding Policy. The City provides health insurance benefits to retirees and their dependants in accordance with Kansas law (K.S.A. 12-5040). Kansas statute, which may be amended by the state legislature, establishes that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 100 percent of the blended premium cost of active employees up to age 60 (including the employer and employee share). Participating retirees between the ages of 60 and 65 are required to contribute 75 percent of the blended premium cost of active employees (including the employer and employee share).

The City appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis through the Self Insurance Fund. In 2009, retired plan members receiving benefits contributed \$1,459,230 to the plan compared to City's contribution of \$1,369,940.

Annual OPEB Cost and Net OPEB Obligation. The City's annual OPEB (other post employment benefit) cost 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 of not to exceed thirty years. The companion table presents the components of the City's annual OPEB cost for the year, the amount contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution-amortized liability	\$ 1,733,320
Interest on net OPEB obligation	89,665
Adjustment to annual required contribution	(129,349)
Normal cost	1,369,606
Annual OPEB cost (expense)	3,187,360
Contributions made	(1,369,940)
Increase in net OPEB obligation	1,817,420
Net OPEB obligation January 1, 2009	2,241,623
Net OPEB obligation December 31, 2009	\$ 4,059,043

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is shown in the table at the right.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2007	\$ 2,212,971	52.0%	\$ 1,151,758
2008	2,212,971	50.8%	2,241,623
2009	3,187,360	43.0%	4,059,043

Funded Status and Funding Progress. As of January 1, 2009, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$30,038,441. The City's policy is to fund the benefits on a pay as you go basis, resulting in an unfunded actuarial accrued liability (UAAL) of \$30,038,441. On January 1, 2009, the covered payroll (annual payroll of active employees covered by the plan) was \$141.5 million, and the ratio of the UAAL to the covered payroll was 21.2 percent.

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. The valuation includes, for example, assumptions about future employment, mortality and the healthcare cost trends. 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 the 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 statement, will present, multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing 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 and include the types of benefits provided at the time of valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial

8. Self-Insurance Fund (continued)

F. Other Postemployment Healthcare Benefits (continued)

methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2009 actuarial valuation, the projected unit credit method was applied. The actuarial assumptions included a four percent investment rate of return, which is a blended rate of the expected long-term investment returns on the City's pooled funds and investments. The valuation assumed annual healthcare cost trend rates of five to eight percent in the first five years and an ultimate rate of five percent after five years. The valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results. The UAAL is being amortized over a period of 28 years with the remaining amortization period of 28 years.

The sensitivity of the actuarial accrued liability and normal cost to a one percentage point increase and decrease in health care cost trend assumption for each future year is illustrated in the required supplementary tables following the notes to the financial statements.

9. Long-Term Debt

A. General Obligation Bonds

General obligation bonds are issued to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the City and pledge the full faith and credit of the government. The bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year.

Annual debt service requirements to maturity for general obligation bonds are presented in the accompanying tables.

General Obligation Bonds Outstanding on December 31, 2009 (dollars in thousands)		
Payable From	Interest Rates	Amount
Government activities:		
Ad valorem property taxes	2.45% - 6.5%	\$ 56,565
Transient guest tax	5.00% - 6.87%	3,737
Tax increment financing	2.75% - 6.25%	24,748
Local sales tax	3.00% - 5.00%	119,540
Subtotal government activities		204,590
Business-type activities:		
Storm Water Utility	2.75% - 4.00%	15,851
Golf Course System	4.625% - 5.20%	3,645
Wichita Airport Authority	5.00% - 8.80%	605
Subtotal business-type activities		20,101
Total general obligation bonds		\$ 224,691

Annual Debt Service Requirements General Obligation Bonds (dollars in thousands)				
Year ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2010	\$ 23,402	\$ 9,293	\$ 2,679	\$ 1,060
2011	23,174	7,678	2,166	826
2012	23,851	6,871	2,162	709
2013	21,689	6,017	2,238	594
2014	18,017	4,439	2,043	482
2015 - 2019	80,068	12,053	5,792	1,163
2020 - 2024	14,389	1,320	3,021	369
Totals	\$ 204,590	\$ 47,671	\$ 20,101	\$ 5,203

Long-Term Debt (continued)

A. General Obligation Bonds (continued)

The City of Wichita also issues special assessment bonds to provide funds for the construction of infrastructure in residential developments. Special assessment bonds will be repaid from amounts levied against the property owners benefited by this construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received.

Year ending December 31	Annual Debt Service Requirements Special Assessment Bonds (dollars in thousands)	
	Governmental Activities	
	Principal	Interest
2010	\$ 23,245	\$ 10,580
2011	22,675	9,068
2012	22,010	8,145
2013	21,335	7,230
2014	20,120	6,319
2015 - 2019	83,180	19,930
2020 - 2024	39,260	5,992
2025 - 2029	9,595	1,140
Totals	<u>\$ 241,420</u>	<u>\$ 68,404</u>

B. Revenue Bonds

Revenue bonds are also issued by the City of Wichita and the Wichita Public Building Commission, where income derived from the acquired or constructed assets is pledged to pay debt service. A summary of revenue bonds outstanding is presented in the following table.

Revenue Bonds Outstanding on December 31, 2009 (dollars in thousands)			
	Interest Rates	Final Maturity Date	Amount
Primary Government-Enterprise Funds			
Water Utilities:			
1998 Water & Sewer Refunding	4.700%	2012	\$ 5,915
1999 Water & Sewer	4.00% - 5.00%	2018	7,380
2000A Water	4.69%	2021	1,864
2000 B Water	4.69%	2021	3,209
2003 Water & Sewer	2.70% - 5.25%	2028	113,115
2005A Water & Sewer Refunding	3.00% - 5.00%	2016	30,155
2005B Water & Sewer Refunding	3.25% - 5.00%	2016	19,920
2005 C Water & Sewer Refunding	3.25% - 5.00%	2030	41,885
2006 Water & Sewer	4.00% - 5.00%	2031	47,010
2008A Water & Sewer	3.25% - 5.00%	2032	28,110
2009A Water & Sewer	2.75% - 5.00%	2039	119,775
2009B Water & Sewer	4.27% - 5.36%	2019	12,845
Wichita Airport Authority:			
Federal Express - Series A & B 1997	6.45%	2013	410
Executive Aircraft Corp. - Series 1999	6.10% - 6.75%	2014	1,930
Yingling Aircraft - Series 2001	7.50%	2021	1,300
Cessna Aircraft Co. - Series A 2002	6.25%	2032	49,300
Flightsafety - Series A 2003	Variable*	2031	2,860
Yingling Aircraft - Series A 2005	6.00%	2025	1,500
Cessna Aircraft Co. - Series A 2005	5.00%	2025	5,850
Total primary government			<u>\$ 494,333</u>

*The FlightSafety - Series A, 2003 bonds have a variable interest rate, adjustable weekly based on the rate at which the bonds can be remarketed at par, as determined by a remarketing agent, with an interest rate ceiling of 15 percent. The interest rate utilized to calculate the debt service requirements was the effective rate on December 31, 2009 of 0.34 percent.

9. Long-Term Debt (continued)
B. Revenue Bonds (continued)

Revenue Bonds (continued) Outstanding on December 31, 2009 (dollars in thousands)			
	Interest Rates	Final Maturity Date	Amount
<u>Component Unit – Wichita Public Building Commission</u>			
Wichita State University – Series L2001	4.00% - 5.00%	2017	\$ 10,490
Kansas Sports Hall of Fame – Series M 2003	2.30% - 4.40%	2023	1,315
State Office Building, Refunding Series N 2003	2.25% - 4.00%	2004	7,495
Total Component Unit			<u>\$ 19,300</u>

The City has pledged future water and sewer revenues, net of operating expenses, to repay revenue bonds which provided proceeds for capital acquisitions. The bonds are payable solely from net revenues of the utilities through 2039. The City covenants and agrees to produce net revenues available for debt service requirements of all revenue bond debt of the utilities of not less than 120 percent of the current year's debt service requirements. Principal and interest paid for the current year were \$15,933,786 and \$14,936,754, respectively, which represents 34.3 percent of gross earnings as calculated in accordance with the bond covenants. Additional information is presented Section H of this note and in the Water Utilities Section.

The Airport also has pledged revenues from direct financing leases pledged to repay revenue bonds which provided proceeds for construction of buildings and facilities. The bonds are payable solely from lease payments made directly to a trustee for the purpose of repaying the debt. Principal and interest paid for the current year were \$11,747,444 and \$4,664,494, respectively.

In addition, the Wichita Public Building Commission has future lease revenue pledged to repay revenue bonds which provided proceeds for financing of buildings and facilities. The bonds are payable solely from lease payments made directly to a trustee for the purpose of repaying the debt. Principal and interest paid for the current year were \$2,505,000 and \$865,586, respectively. Note 12 to the Financial Statements provides additional information about the direct financing leases of the Airport and the Wichita Public Building Commission.

Revenue bond debt service requirements to maturity are presented in the table below.

Annual Debt Service Requirements- Revenue Bonds (dollars in thousands)				
Year ending December 31	Business-type Activities		Component Unit-WPBC	
	Principal	Interest	Principal	Interest
2010	\$ 18,923	\$ 25,837	\$ 2,595	\$ 773
2011	21,239	23,384	2,695	678
2012	22,635	22,440	2,790	581
2013	21,467	21,446	2,890	474
2014	22,374	20,486	3,010	354
2015 - 2019	106,517	86,460	4,865	489
2020 - 2024	93,983	62,245	455	52
2025 - 2029	81,095	39,201	-	-
2030 - 2034	95,275	19,271	-	-
2035 - 2039	10,825	9,327	-	-
Totals	<u>\$ 494,333</u>	<u>\$ 330,097</u>	<u>\$ 19,300</u>	<u>\$ 3,401</u>

9. Long-Term Debt (continued)

C. Section 108 Loans

In April 1999, the City entered into a loan agreement with the U.S. Department of Housing and Urban Development (HUD) for funding of \$3,610,000 for the construction of a manufacturing, training and employment center on 21st Street. The City entered into an operating lease with Cessna Aircraft Company for rental of the facility, with rental payments designed to cover principal and interest owed by the City on the loan. Footnote 12.A. – Operating Leases, provides further disclosure. Interest rates for amounts outstanding under the loan range from 5.96 percent to 6.33 percent. Debt service requirements to maturity for the HUD Section 108 loan are presented in the accompanying table.

Year ending December 31	Annual Debt Service Requirements HUD Section 108 Loan (dollars in thousands)	
	Governmental Activities	
	Principal	Interest
2010	\$ 295	\$ 80
2011	310	62
2012	330	43
2013	350	22
Totals	<u>\$ 1,285</u>	<u>\$ 207</u>

D. Capital Leases

The City has entered into a six year capital lease in 2007 for \$1,925,626 to fund printer/copiers. The final payment is due in 2013. The lease is a flexible lease permitting additional printer/copier purchases, which increases the principal due but does not extend the repayment period. The interest rate for amounts outstanding under the lease agreement is 4.29 percent. Debt service requirements to maturity are presented in the accompanying table.

Year Ending December 31	Annual Debt Service Requirements Capital Lease	
	Internal Service Fund	
	Principal	Interest
2010	\$ 326,735	\$ 55,099
2011	341,258	37,254
2012	356,429	18,718
2013	153,151	2,112
Totals	<u>\$1,177,573</u>	<u>\$113,183</u>

E. Other Long-Term Obligations

The City's municipal solid waste facility, Brooks Landfill, closed operations October 9, 2001. Kansas and federal laws and regulations require the City to perform maintenance and monitoring functions at the site for thirty years after the regulatory closure date of July 25, 2003. Estimated postclosure costs for the remaining 23.56 years total \$22,801,816, or \$967,819 annually.

The City's Chapin municipal solid waste facility closed operations in December 1980. Kansas and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the site for thirty years after the regulatory closure date of July 1, 1989. In June 2008, landfill gas was determined to have migrated off-site from the Chapin Landfill. The estimated additional postclosure care for the remaining 9.48 years is \$1,578,942 or \$166,555 annually.

Additionally, the City operates three limited landfills. The City's construction and demolition landfill has cumulative closure costs of \$682,654 on December 31, 2009, based on the use of 57.8 percent of the estimated capacity. The industrial monofill landfill for asbestos waste has cumulative closure costs of \$95,997, based on the use of 17.6 percent of the estimated capacity. In March 2008, the City began operation of a composting facility for yard waste at the existing Brooks Landfill site for which the capacity used was too small to measure, as yard waste moves in and compost moves out.

As of December 31, 2009 the accumulated costs for the landfills are recorded as a long-term liability in the governmental activities on the Statement of Net Assets. The costs will be liquidated from prior years' landfill fees accumulated in the Landfill Postclosure Fund. Footnote 18.-Landfill Closure and Postclosure Care provides further disclosure.

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities of the internal service funds are included as part of the following totals for governmental activities. At year-end, compensated absences totaling \$351,620 were in the governmental amounts below. Compensated absences for the governmental funds are generally liquidated by the General Fund. The Information

9. Long-Term Debt (continued)

E. Changes in Long-Term Debt (continued)

Technology Fund has purchased copier machines under a capital lease agreement. At year-end, \$1,177,573 for the capital lease was included in the governmental amounts below.

Long-term liability activity for the year ended December 31, 2009, follows (expressed in thousands of dollars):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable:					
General obligation bonds	\$ 192,639	\$ 63,024	\$ (51,073)	\$ 204,590	\$ 23,402
Special assessment debt with government commitment	227,550	50,370	(36,500)	241,420	23,245
Deferred amount on refunding	(1,377)	(75)	283	(1,169)	-
Unamortized premium	7,060	2,573	(1,920)	7,713	-
Total bonds payable	<u>425,872</u>	<u>115,892</u>	<u>(89,210)</u>	<u>452,554</u>	<u>46,647</u>
Bond anticipation notes	34,990	39,501	(34,990)	39,501	39,501
Section 108 loan	1,565	-	(280)	1,285	295
Accreted interest	2,531	345	(649)	2,227	-
Capital lease	1,472	18	(312)	1,178	327
Compensated absences	9,184	10,170	(9,658)	9,696	8,073
Other post employment benefits	2,242	3,187	(1,370)	4,059	1,370
Environmental remediation	18,196	267	(1,971)	16,492	1,880
Landfill closure/postclosure care	<u>25,972</u>	<u>112</u>	<u>(924)</u>	<u>25,160</u>	<u>1,134</u>
Total long-term liabilities – Governmental activities	<u>\$ 522,024</u>	<u>\$ 169,492</u>	<u>\$ (139,364)</u>	<u>\$ 552,152</u>	<u>\$ 99,227</u>
Business-type activities					
Bonds payable:					
General obligation bonds	\$ 12,492	\$ 13,826	\$ (6,217)	\$ 20,101	\$ 2,679
Bond anticipation notes	4,170	-	(4,170)	-	-
Revenue bonds	389,394	132,620	(27,681)	494,333	18,923
Deferred amount on refunding	(1,821)	-	294	(1,527)	-
Unamortized premium	10,846	1,016	(872)	10,990	-
Environmental remediation	-	5	-	5	5
Total bonds payable	<u>415,081</u>	<u>147,467</u>	<u>(38,646)</u>	<u>523,902</u>	<u>21,607</u>
Compensated absences	<u>1,678</u>	<u>1,754</u>	<u>(1,713)</u>	<u>1,719</u>	<u>1,427</u>
Total long-term liabilities – Business-type activities	<u>\$ 416,759</u>	<u>\$ 149,221</u>	<u>\$ (40,359)</u>	<u>\$ 525,621</u>	<u>\$ 23,034</u>
Wichita Public Building Commission					
Bonds payable:					
Revenue bonds	\$ 21,805	\$ -	\$ (2,505)	\$ 19,300	\$ 2,595
Unamortized premium	<u>291</u>	<u>-</u>	<u>(32)</u>	<u>259</u>	<u>-</u>
Total long-term liabilities- WPBC	<u>\$ 22,096</u>	<u>\$ -</u>	<u>\$ (2,537)</u>	<u>\$ 19,559</u>	<u>\$ 2,595</u>

9. Long-Term Debt (continued)

F. Current Refunding of Long-Term Debt

On March 10, 2009, the City issued Series 2009A general obligation bonds in the amount of \$28,385,000 with a net interest cost of 2.82 percent to refund the outstanding balance on general obligation bonds, Series 2002 with a net interest cost of 4.42 percent. As a result, the Series 2002 Bonds are considered to be defeased and the liability for the bonds has been removed from the long-term debt of the City. The City completed the current refunding to reduce the total debt service payments over the next eight years by \$2,386,173 and to obtain an economic gain (difference between the present values of the old debt service payments and the new debt service payments) of \$2,110,437.

Also on March 10, 2009, the City issued Series 2009B general obligation bonds in the amount of \$19,470,000 with a net interest cost of 2.559 percent to refund the outstanding balances of Series 754 general obligation bonds with a net interest cost of 4.421 percent, Series 763 general obligation bonds with a net interest cost of 5.15 percent, Series 764 general obligation bonds with a net interest cost of 4.493 percent and, Series 766 general obligation bonds with a net interest cost of 4.596 percent. As a result, the Series 754, Series 763, Series 764 and Series 766 general obligation bonds are considered to be defeased and the liability for the bonds has been removed from the long-term debt of the City. The City completed the current refunding to reduce the total debt service payments over the next seven years \$1,249,087 and to obtain an economic gain (difference between the present values of the old debt service payments and the new debt service payments) of \$1,233,092.

G. Environmental Remediation Obligations

Gilbert and Mosley Groundwater Contamination (Plumes ABE): In the late 1980s and early 1990s, under a Cooperative Agreement with the U.S. Environmental Protection Agency (EPA), the Kansas Department of Health and Environment (KDHE) conducted a preliminary assessment and investigation of an area near the City's downtown, known as the Gilbert and Mosley site. The studies identified contaminants of volatile organic compounds and the concentrations of the compounds. On March 26, 1991, the City and KDHE finalized a "Settlement Agreement for Remedial Investigation and Feasibility Study, and for Certain Remedial Actions to be Determined Following Opportunity for Public Involvement" (Settlement Agreement). The City performed the Remedial Investigation (RI) and the Feasibility Study (FS) with final reports approved by KDHE in September 1994. In 1999, the City issued an RI/FS addendum and with subsequent investigations, identified the nature, extent and sources of contamination. In October 2000, KDHE approved the final design for a pump-and-treat alternative to address the site-wide groundwater contamination (Plumes ABE). In 2002, the City completed the installation of the extraction wells, piping and treatment facility. The system has been in continuous operation since December 30, 2002.

The City has ongoing costs associated with the operations, maintenance, monitoring and reporting activities for the groundwater remediation system for the ABE plume contamination. Accordingly, a liability of \$10,237,156 has been recorded in the government-wide financial statements, in addition to a receivable of \$4,218,793 for settlements from potentially responsible parties. The liability and recovery amounts are based on an engineering estimate which was defended in the United States District Court (United States District Court Case No. 98-1360-MLB) and as well as based on actual annual costs incurred. The potential for change to the liability is moderate, due to the potential of reducing the groundwater contamination plume to acceptable concentrations prior to the 70-year projection contained in the engineering estimate, offset with future inflationary cost increases. The probability of continued operation of the treatment system after 40 years of operations is estimated to be 30 percent

Harcross/TriState Central Site: Within the Gilbert and Mosley District, some specific source areas have been identified as requiring source control measures. The Harcross/TriState Central site has been identified as contaminated by volatile organic compounds resulting from various industrial spills and processes, in addition to contamination from food grade chemicals. Some reported contaminant concentrations have exceeded KDHE standards. Based on the Gilbert and Mosley Settlement Agreement, the City is responsible for cleanup of the site. The City has performed a site investigation and is in the process of implementing the remediation which consists of two vapor mitigation systems which were installed in residential houses in September 2005. An additional vapor mitigation system was installed in a third residential property in 2006,

9. Long-Term Debt (continued)

G. Environmental Remediation Obligations (continued)

in conjunction with offsite excavations of soil. An air sparge/soil vapor extraction system was installed in 2007 and is in operation.

The City has ongoing costs associated with the remediation of the Harcross/TriState Central site. The estimated liability is based on engineering estimates and actual annual costs incurred, net of estimated recoveries. A liability of \$1,388,511 has been recorded in the government-wide financial statements for the ongoing remediation costs. The potential for changes in the liability is moderate though the changes are unlikely to be material.

TriState North Site: The TriState North site, within the Gilbert and Mosley district, has been identified as having soil and groundwater impacts exceeding KDHE standards. The contaminants are volatile organic compounds resulting from industrial activities. Based on the Settlement Agreement, the City is responsible for cleanup of the site. The City performed a site investigation and selected a remediation alternative. An air sparge/soil vapor extraction system was installed in 2007 and upgraded in early 2008 with additional soil vapor extraction wells. The system will operate until April 2009 and any remaining soil contamination will be removed by extraction as necessary.

A liability of \$28,704 has been recorded in the government-wide financial statements for the estimated ongoing remediation costs, net of recoveries. The potential for changes to the liability are low.

Waterwalk Site: Also within the Gilbert & Mosley district, the Waterwalk site has been identified as contaminated by total petroleum hydrocarbons (TPH) and metals in soils and groundwater above KDHE standards. The contamination is being addressed under the Gilbert and Mosley Settlement Agreement. The City has submitted a draft Comprehensive Investigation Work Plan, which has been approved by KDHE, to delineate the horizontal and vertical extent of the contamination. A utility corridor excavated on the site in 2006 resulted in excavated soils being screened and segregated based on contaminate and concentration. Lead-impacted soils were landfilled, and petroleum-impacted soils were treated at a local asphalt plant until the soils reached residential contact standards for TPH.

A liability of \$4,489 has been recorded in the government-wide financial statements for the estimated liability for the ongoing remediation activities, net of related recoveries. The potential for changes to the liability is relatively moderate and are not expected to be material.

South Washington and English Site (SWE): The SWE site has soil and groundwater contaminated by chlorinated solvents associated with dry cleaning and other industrial processes. The impacted areas have concentrations that exceed KDHE standards. The City is responsible for cleanup of the site based on the Gilbert and Mosley Settlement Agreement. The City performed a site investigation and selected a remediation alternative consisting of excavation and offsite disposal of select soils, electrical resistance heating of subsurface soils, and soil vapor extraction.

The City recorded a liability for remediation and monitoring activities of \$1,663,509 in the government-wide financial statements, based on engineering estimates, actual costs incurred, and estimated recoveries. The potential for changes to the liability is moderate but any changes are not expected to be material.

APCO Chemical Company (APCO): The APCO site has been identified as contaminated by chlorinated volatile organic compounds (VOCs) and petroleum related hydrocarbons. Soil and groundwater concentrations exceed KDHE standards and require remediation efforts. The KDHE Underground Storage Tank Trust Fund (UST Trust) has installed an air sparging/soil vapor extraction system to address the petroleum hydrocarbon contamination. Based on the Gilbert and Mosley Settlement Agreement, the City is responsible for cleanup of the chlorinated VOCs. The City has performed a site investigation and is in the process of evaluating whether work, in addition to that being conducted by the KDHE UST Trust Fund, will be needed.

9. Long-Term Debt (continued)

G. Environmental Remediation Obligations (continued)

The City has recorded a liability of \$1,366,611 for future costs based on an engineering estimate and actual costs incurred. The liability is reported net of estimated recoveries in the government-wide financial statements. The potential for changes to the liability are high due to a higher level of the remediation being conducted by KDHE and anticipated.

Automotive Fleet Services, Inc. (AFS): The AFS site, within the Gilbert and Mosley district, has been identified as contaminated by volatile organic compounds related to vehicle maintenance with reported contaminant concentrations in groundwater exceeding KDHE standards. Based on the Gilbert and Mosley Settlement Agreement, the City is responsible for cleanup of the site. The City has begun the process investigating and selecting remediation alternatives. Investigation findings are still pending. The City has ongoing costs for investigation, remediation and monitoring. A liability is recorded net of recoveries in the amount of \$364,317 in the government-wide financial statements. The liability is based on a 2005 engineering estimate and actual costs incurred. The potential for change to the liability is moderate.

Reid Supply, Inc (RSI): The RSI site, within the Gilbert and Mosley district, has been identified as contaminated by chlorinated solvents with some contaminant concentrations exceeding KDHE soil and groundwater standards. RSI has been named as the responsible party for cleanup of the site; however, the City may be named as partially or fully responsible at a future date. Because the City has not been yet named either partially or fully responsible for the site, a remediation option has not been selected.

The estimated liability is based on an engineering estimate in 2002 (City of Wichita v. Aero Holdings, et al., United States District Court, District of Kansas, Case No. 98-136-MI.B). Costs include estimates for capital and operational work plans for sampling, soil excavation/disposal, air sparging and soil vapor extraction, in addition to actual costs incurred.

The City has recorded a liability of \$920,171 for future costs based on the engineering estimate and actual costs incurred. The liability is reported net of estimated recoveries in the government-wide financial statements. The potential for changes to the liability are relatively moderate due to the need for additional investigation.

North Industrial Corridor (NIC) Site-wide Groundwater Contamination: In the 1980s, the Environmental Protection Agency identified the presence of volatile organic compounds in groundwater produced from two industrial wells. Subsequent investigations revealed widespread contamination in the groundwater in what is known as the North Industrial Corridor. In 1987, the Wichita North Industrial District Group (WNID Group) organized with the City as a member. The WNID Group entered into a consent agreement with KDHE September 1989. A portion of the NIC site was listed on the National Priorities List by the EPA in February 1990. In 1994, the City petitioned for the removal of the site from the National Priorities List. The EPA published notice of removal in April 1996.

To restore economic viability to the area, the City signed a "Settlement Agreement for Remedial Investigation and Feasibility Study for Certain Remedial Actions to be Determined Following Opportunity for Public Involvement" (NIC Settlement Agreement) in 1995. In May 1996, the City entered into a participation agreement with potentially responsible parties for the NIC contamination. The remedial investigation report was completed in June 2004, with an addendum to the report completed in 2005. The reports were approved by KDHE in March 2007. The feasibility study for the NIC site is underway.

The City has ongoing investigation, remediation and monitoring costs. A liability has been recorded in the government-wide financial statements in the amount of \$236,560, representing the City's current obligation for completion of the feasibility study. A reasonable estimate of remediation costs is not available until completion of the feasibility study.

APEX/11th State Site: Within the NIC Site, the APEX/11th State Site has been identified as requiring source remediation for chlorinated solvents, some reported contaminant concentrations exceeding KDHE standards. The current occupant of the site was issued a certificate of release from environmental conditions by the City and therefore is not a responsible party with respect to the chlorinated solvent contamination at

9. Long-Term Debt (continued)

G. Environmental Remediation Obligations (continued)

the site. In October 2008, the KDHE required the City to conduct a comprehensive investigation (CI) and correction action study (CAS) on the site.

The City has ongoing investigation costs and has recorded a liability of \$136,000 in the government-wide financial statements for the contractual costs of preparing the CI and CAS. The potential for changes to the liability for the CI/CAS is relatively low. A reasonable estimate of remediation costs is not available until remedial actions and alternatives are identified.

VIM Trainer: Within the NIC site, the VIM Trailer site has been identified as contaminated by chlorinated solvents with groundwater concentrations exceeding KDHE standards. Based on the Settlement Agreement, KDHE has required the City to conduct a comprehensive investigation (CI) and corrective action study in January 2009. The City is in the process of evaluating the site.

The City has ongoing investigation costs and has recorded a liability of \$124,000 in the government-wide financial statements for the contractual costs of preparing the CI and CAS. The potential for changes to the liability for the CI/CAS is relatively low. A reasonable estimate of remediation costs is not available until remedial actions and alternatives are identified.

John's Sludge Pond: The John's Sludge Pond site was formerly used for disposal of waste oil and oily sludge generated in the recycling/reclamation process of an oil refinery. A portion of the site was purchased by the City in 1983 to provide drainage for interstate highway. A private estate owns the remainder of the site. Investigations by the City of Wichita found the sludge and water in the pond to be very acidic and the sludge was found to contain elevated concentrations of lead, low levels of PCBs, other metals and organics. The site was placed on the National Priorities List (NPL) by the EPA in 1983. Remedial actions consisted of stabilizing the sludge with pozzolanic material and capping the site in 1985. The site was removed from the NPL in 1992. The site monitoring is required through 2012 when another review will be take place.

The City has ongoing costs associated with monitoring of the site. A liability of \$19,001 has been recorded in the government-wide financial statements. The potential for changes in the liability are low.

Mid-town Bike Path: The City has converted a portion of an abandoned rail line into a bicycle pathway. The shallow soils along the proposed pathway are impacted by TPH, lead and arsenic. As part of the remediation strategy, the impacted soils will be capped with clean soils to prevent dermal contact and limit potential infiltration and leaching of materials to the groundwater. The site has been enrolled in the KCHE Environmental Use and Control (EUC) program that requires a deed restriction on the property and an annual inspection of the conditions and maintenance as outlined by the EUC program.

Annual inspections and reporting constitutes current requirements. A liability of \$2,583 has been recorded on the government-wide financial statements for ongoing costs associated with the site.

Wichita Mid-continent Airport Fuel Farm and Fire Training Facility Site: Contaminates of petroleum related volatile organic compounds were found in soil samples collected between 1989 and 1993. Due to the low level of contaminates reported in the groundwater at the Fuel Farm and the absence of contaminates in the groundwater at the Fire Training Facility, the KDHE requires monitoring of groundwater only. Annual monitoring of the site is completed in compliance the KDHE requirements.

The City has recorded a liability of \$5,059 in the Airport Fund financial statements for costs associated with the monitoring and reporting on the site.

H. Revenue Bond Ordinance Provisions and Reserve Requirements

Revenue bond ordinances related to the issuance of revenue bonds of the respective enterprise funds provide for specific deposits to debt service and other related bond reserve and maintenance accounts. At December 31, 2009, the City was in compliance with all significant reserve requirements of the respective Water and Sewer Utility revenue bond resolutions and ordinances. The credit rating downgrade of third party insurers of revenue bonds issued by the Water and Sewer Utilities resulted in the establishment of reserve funds, to be amortized over five years, beginning in 2008. Additional information on the reserve funds is provided in Note 16. – Reserves and Designations of Fund Balances.

10. Prior-Year Defeasance of Debt

In prior years, the City and the Wichita Public Building Commission defeased certain general obligation, revenue, and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements of the reporting entity. At December 31, 2009, bonds totaling \$3,335,000 from the Wichita Public Building Commission are considered defeased.

11. Temporary Notes Payable

Kansas Statutes permit the issuance of temporary notes to finance certain capital improvement projects that will be refinanced with general obligation bonds. Prior to the issuance of temporary notes, the governing body must take 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. Temporary notes outstanding at December 31, 2009 are payable as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
\$104,170,000	\$179,885,000	\$166,240,000	\$117,815,000

During 2009, the City issued \$179,885,000, retired \$166,240,000 and reclassified \$39,501,415 of temporary notes for various capital improvement projects activities as bond anticipation notes.

<u>Primary Government</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Maturity Date</u>
Capital Projects Funds:			
Street and Bridge Improvements - Series 228	0.75%	,\$ 17,283,252	04/08/10
Street and Bridge Improvements BAN - Series 228	0.75%	19,698,048	04/08/10
Street and Bridge Improvements - Series 232	0.75%	19,170,014	08/19/10
Street and Bridge Improvements BAN - Series 232	0.75%	7,016,886	08/19/10
Park Improvements - Series 228	0.75%	1,822,000	04/08/10
Park Improvements - Series 232	0.75%	1,721,100	08/19/10
Public Improvements - Series 228	0.75%	1,976,700	04/08/10
Public Improvements BAN - Series 228	0.75%	4,624,000	04/08/10
Public Improvements - Series 231	1.50%	12,050,000	08/19/10
Public Improvements - Series 232	0.75%	5,731,400	08/19/10
Public Improvements BAN - Series 232	0.75%	588,400	08/19/10
Water Improvements BAN - Series 228	0.75%	35,000	04/08/10
Public Improvements - Series 232	0.75%	101,700	08/19/10
Public Improvements BAN- Series 232	0.75%	191,000	08/19/10
Sewer Improvements - Series 228	0.75%	9,396,000	04/08/10
Sewer Improvements BAN - Series 228	0.75%	4,225,000	04/08/10
Sewer Improvements - Series 232	0.75%	5,801,419	08/19/10
Sewer Improvements BAN- Series 232	0.75%	3,123,081	08/19/10
Enterprise funds:			
Airport Improvements - Series 232	0.75%	3,260,000	08/19/10
Total Reporting Entity		<u>\$ 117,815,000</u>	

12. Leases

Rents Receivable Under Operating Leases: The City and the Airport Authority lease facilities and land to various airlines, concessionaires, commercial entities and others. The leases are for varying periods, from one month to 49 years, and require the payment of minimum annual rentals. The following are future minimum rentals of non-cancelable operating leases:

The operating leases in the following table do not include contingent rentals that may be received under certain leases; such contingent rentals totaled \$2,114,998 in 2009.

Rents Receivable Under Non-Cancelable Operating Leases As of December 31, 2009	
Year Ending December 31	Minimum Rentals of Non-cancelable Operating Leases
2010	\$ 6,972,045
2011	4,243,485
2012	4,063,729
2013	4,014,958
2014	3,949,640
2015 - 2019	14,949,300
2020 - 2024	9,717,501
2025 - 2029	5,662,566
2030 - 2034	2,830,596
2035 - 2039	2,013,682
Thereafter	2,692,941
Total minimum future rentals	\$ 61,110,443

The Wichita Airport Authority (WAA) has authorized the construction of buildings on Authority- owned land by 31 tenants. The tenants lease the land from the WAA for periods ranging from two months to 40 years with renewal options ranging from one to 48 years. The WAA has assisted in the financing of certain of these buildings through the issuance of Airport Facility Revenue Bonds.

The Wichita Public Building Commission (WPBC) has assisted in the financing of buildings and facilities for Wichita State University, the State of Kansas and the Kansas Sports Hall of Fame through the issuance of revenue bonds and by entering into lease agreements with the Board of Trustees of the University, the State of Kansas and the Kansas Sports Hall of Fame. The bonds are payable from lease payments that are made directly to a trustee for the purpose of retiring the principal and interest of the related bonds as they mature.

Additionally, lease payments for Wichita State University are secured by a pledge of the surplus on an ad valorem tax levy in amounts sufficient to guarantee the rentals under the leases. Such surplus consists of the proceeds of one and one-half (1½) mill tax levy on all tangible property within the City of Wichita which is not needed to guarantee the rentals due under certain leases from the WPBC to the Board of Trustees of Wichita State University.

Pursuant to lease agreements for the financing of the Finney State Office Building, the City of Wichita and Sedgwick County are contingently liable and will make rental payments, as necessary, to supplement the rental payments to be paid by the State of Kansas so that the total shall be sufficient to pay the debt service on the revenue bonds.

The financing of these facilities by the WAA and the WPBC represent direct financing leases and accordingly, the net investments of such leases are recorded on the respective enterprise fund and component unit balance sheets as restricted assets. The following tables provide the components of the net investment in direct financing leases as of December 31, 2009 and the future minimum lease rentals to be received under the leases.

12. Leases (continued)

Investments in Direct Financing Leases As of December 31, 2009			
	WAA	WPBC	Total
Total minimum lease payments to be received	\$ 140,145,305	\$ 22,701,024	\$ 162,846,329
Less: unearned income	76,995,305	3,401,024	80,396,329
Net investment in direct financing leases	<u>\$ 63,150,000</u>	<u>\$ 19,300,000</u>	<u>\$ 82,450,000</u>

Future Minimum Lease Rentals Under Direct Financing Leases As of December 31, 2009			
Year ending December 31	Airport Authority	Wichita Public Building Commission	Total
2010	\$ 4,173,830	\$ 3,368,228	\$ 7,542,058
2011	4,174,814	3,372,552	7,547,366
2012	4,168,674	3,371,495	7,540,169
2013	4,099,947	3,363,695	7,463,642
2014	4,035,337	3,364,263	7,399,600
2015 - 2019	17,854,870	5,354,311	25,209,181
2020 - 2024	18,784,641	506,480	19,291,121
2025 - 2029	22,970,620	-	22,970,620
2030 - 2034	59,882,572	-	59,882,572
Total minimum future rentals	<u>\$ 140,145,305</u>	<u>\$ 22,701,024</u>	<u>\$ 162,846,329</u>

Rentals Payable Under Operating Leases: The City has entered into an agreement in which the City is the lessee of printers, software and accessories. The operating lease is a component of the lease agreement that is disclosed in Note 9.-Long Term Debt, D. Capital Leases. Four years remain on the operating lease with the summary of the future minimum lease payments totaling \$250,709 presented in the accompanying table.

Rents Payable Under Non-Cancelable Operating Lease As of December 31, 2009	
Year Ending December 31	Minimum Rentals of Non- cancelable Operating Leases
2010	\$ 69,653
2011	72,700
2012	75,771
2013	32,585
Total	<u>\$ 250,709</u>

13. Conduit Debt Obligations

From time to time the City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The industrial revenue bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2009, 124 series of industrial revenue bonds were outstanding, with an aggregate principal amount payable of \$3,132,670,681.

Special facility revenue bonds have been issued by the Wichita Airport Authority to provide for the construction of buildings on Authority-owned land. The bonds are special limited obligations of the Authority, payable solely from

13. Conduit Debt Obligations (continued)

and secured by a pledge of rentals to be received from lease agreements between the Authority and various tenants. The bonds do not constitute a debt or pledge of the faith and credit of the City or the Airport Authority. At December 31, 2009, seven series of special facility revenue bonds were outstanding totaling \$63,150,000 but are reported as a long-term liability of the Wichita Airport Authority. Note 9 provides additional disclosure on the long term debt. Note 12 provides further disclosure on the direct financing leases.

To assist in the financing of buildings, facilities, and equipment for other governmental units, the Wichita Public Building Commission has issued three series of revenue bonds. The bonds are secured by the property financed and are payable from payments received based on underlying lease agreements. As of December 31, 2009, the aggregate principal amount payable was \$19,300,000. Note 12.B. provides further disclosure.

14. Interfund Transfers

Interfund transfers reflect the flow of resources from one fund to another fund, generally from the fund in which the resources are received or reside to the fund in which the resources will be expended. During the year ended December 31, 2009, interfund transfers totaled \$87,092,092, that is, both transfer revenue and expenditures were each \$87,092,092.

Non-routine transfers to the General Fund consisted primarily of \$845,520 from the Landfill Postclosure Fund, and \$541,000 from Fleet Fund for equipment replacements funded through capital projects. The Stationary Stores Fund was liquidated into the General Fund resulting in a transfer to the General Fund of \$274,369. Of routine nature

are the Debt Service Fund transfers of \$11.3 million to the Street Improvement Fund and other capital project funds to retire temporary notes and cash fund projects. Also routine were transfers from the Sales Tax Construction Pledge Fund to the Debt Service Fund of \$14.5 million and \$23.8 million from the Local Sales Tax CIP fund to cash fund freeway and major arterial projects.

Summary of Interfund Transfers For Year Ended December 31, 2009		
Fund	Transfers Out	Transfers In
Major Funds:		
General Fund	\$ 7,881,005	\$ 10,236,909
Grants Assistance Fund	575,474	231,408
Debt Service Fund	11,349,456	20,675,486
Street Improvement Fund	1,007,932	28,028,582
Water Utility Fund	1,984,169	-
Sewer Utility Fund	1,527,630	-
Airport Fund	824,920	-
Storm Water Utility Fund	443,330	-
Nonmajor governmental funds	59,395,880	23,244,627
Nonmajor enterprise funds	114,700	4,355,080
Internal service funds	1,987,596	320,000
Total Transfers	<u>\$ 87,092,092</u>	<u>\$ 87,092,092</u>

15. Interfund Receivables/Payables

Interfund receivables/payables result from product or services provided to other funds or loans between funds. Individual fund receivable/payable balances at December 31, 2009 are presented in the following tables.

Interfund receivables/payables at the end of December 2009 totaled \$13,152,754, including a Golf Fund payable to the Debt Service Fund to assist with the restructuring of long term debt. Most significant are the receivables in the Local Sales Tax CIP Fund, loaned to the capital project funds until projects are completed and long term financing has been secured.

Interfund Receivables As of December 31, 2009	
Fund	Interfund Receivable
Debt Service Fund	\$ 3,416,669
Nonmajor governmental funds:	
Local Sales Tax CIP Fund	9,272,951
Internal service funds:	
Self Insurance Fund	463,134
Total interfund receivables	<u>\$ 13,152,754</u>

16. Reserves and Designations of Fund Balances

Reserved fund balance is reported to denote portions of fund balance that are either (1) legally restricted for a specific future use or (2) not available for appropriation or expenditures. The following reservations of fund balance are used by the City: [1] reserved for encumbrances - used to segregate a portion of fund balance for expenditures upon vendor performance; [2] reserved for inventory – used to segregate a portion of fund balance to indicate that inventories do not represent available or spendable resources, and [3] reserved for prepaid items – used to segregate a portion of fund balance to indicate that prepaid items do not represent available or spendable resources.

Interfund Payables As of December 31, 2009	
Fund	Interfund Payables
Nonmajor governmental funds:	
Water Main Extension Fund	\$ 4,013,417
Park Board Construction Fund	1,968,422
Other Public Improvements Fund	1,625,133
Sewer Construction Fund	1,549,579
ARRA Project	116,400
Nonmajor enterprise funds:	
Golf Fund	3,416,669
Transit Fund	463,134
Total interfund payables	<u>\$ 13,152,754</u>

In the governmental funds, a fund balance designation is reported in the amount of \$11,626,962 for the General Fund for the subsequent year's appropriation. The Grants Assistance Fund holds \$317,078 in designated fund balance for specific grant programs and the Debt Service Fund holds \$21,521,821 designated fund balance, for future debt service requirements.

The City maintains the Cemetery Fund, a permanent fund for the perpetual care of the Jamesburg and Highland Cemeteries, as well as the Old Mission Mausoleum. The non-expendable portion of the fund balance is \$235,437. The remainder is expendable for care of the cemeteries.

In the proprietary funds, additional reservations were made in the Water Utility and Sewer Utility Funds due to the down grade of credit rating of third parties providing bond insurance. In accordance with the revenue bond resolution, the City elected to establish the reserve to be funded in semi-annual installments over five year, beginning in 2008. On December 31, 2009, the Sewer Utility Fund held \$9,262,787 in reserve for debt service and the Water Utility Fund held \$12,824,756 in reserve for debt service.

17. Passenger Facility Charges

In 1994, the Wichita Airport Authority first received approval from the Federal Aviation Administration to impose and use a passenger facility charge (PFC) of \$3 for each eligible passenger utilizing Wichita Mid-Continent Airport, effective December 1, 1994. The first funds were received by the Wichita Airport Authority in January 1995. On May 1, 2005 the PFC increased to \$4.50 for each eligible passenger.

The charge is collected by all carriers and remitted to the Airport Authority, less an \$.08 per passenger handling fee through April 2004. Beginning May 1, 2004, the handling fee increased to \$.11 per passenger. The proceeds from the PFC are restricted for certain FAA approved capital improvement projects. As of December 31, 2009, the Airport Authority has submitted and received approval on six applications. The approved applications represent a total amended authorized amount of \$33,143,859 which was fully collected as of September 1, 2009. The processes required submittal of a seventh application, which is underway with an expected application in March of 2010 and a new collection date of October 2010. .

18. Landfill Closure and Post-closure Care

The City's municipal solid waste facility, Brooks Landfill, closed operations October 9, 2001. Applicable Kansas and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the site for thirty years after the regulatory closure date of July 25, 2003. Accordingly, a liability of \$22,801,816 for post-closure care for the remaining 23.56 years has been reported as a long-term liability of governmental activities on the Statement of Net Assets as of December 31, 2009.

18. Landfill Closure and Post-closure Care (continued)

The City's Chapin municipal solid waste facility stopped accepting waste December 19, 1980. Applicable Kansas and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the site for 30 years after the regulatory closure date of July 1, 1989. In June 2008, landfill gas was determined to have migrated off-site from the Chapin Landfill. Accordingly, an additional liability of \$1,578,942 for post-closure care for the remaining 9.48 years has been reported as a long-term liability of the governmental activities on the Statement of Net Assets as of December 31, 2009.

Additionally, the City has permission to operate three limited landfills, all located at the Brooks Landfill site. Kansas and federal laws and regulations require the City to place a final cover when the landfills close and perform certain maintenance and monitoring functions for 30 years after regulatory closure. Based on the capacity used in each landfill, the accumulated closure costs for each of the landfills is recorded as a long-term liability of the governmental activities on the Statement of Net Assets as of December 31, 2009.

During 2001, the City was granted permission to operate a construction and demolition landfill. The landfill began operation on October 1, 2001. As of December 31, 2009, a long-term liability of \$682,654 is recorded representing the cumulative liability based on the use of 57.8 percent of the estimated capacity. The City will recognize the remaining closure costs of \$498,409 as the remaining capacity is filled. Based on activity to date, the City expects the landfill to close in approximately 2016, or as capacity is reached.

In May 2002, the City began operation of an industrial monofill landfill for asbestos waste. As of December 31, 2009, a long-term liability of \$95,997 is recorded, based on the use of 17.6 percent of the estimated capacity. The City will recognize the remaining closure costs of \$448,511 as the remaining capacity is filled. Based on activity to date, the industrial monofill landfill is expected to close in approximately 2047, or as capacity is reached.

In March, 2008, the City began operation of a composting facility for yard waste. Yard waste moves into the landfill and compost moves out of the landfill. As of December 31, 2009, the capacity used was too small to estimate, thus the total estimated closure and post-closure care of \$77,812 will be recognized as capacity is filled. The composting facility is expected to close in 2047, or as capacity is reached.

The cost estimates are subject to change due to inflation, deflation, technology, laws and regulations. Financial assurance for closure and post-closure care costs of the landfills has been demonstrated by the local government financial test, as specified in 40 CFR 258.74(f), adopted by reference for use in Kansas by K.A.R. 28-29-98. The Landfill Post Closure Fund and landfill tipping fees will provide the primary source of funding for the landfills' closure and post-closure costs. Additional financing needs beyond those met by the fund and user fees will potentially require the sale of bonds.

19. Contingencies and Commitments

A. Legal Matters

The reporting entity 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. The reporting entity is vigorously defending its interest in all of the various legal actions and claims against the reporting entity presently pending involving personal injury (including workers' compensation claims), property damages, civil rights complaints, and other claims..

An action is pending in Sedgwick County District Court seeking declaratory judgment and subsequent determination of damages. On March 25, 2010, the District Court ruled that the City of Wichita and other cities are liable for payment of maintenance costs of municipal prisoners held in the County Adult Detention Facility that have accrued since January 1, 2008. The decision is subject to appeal. On appellate review, the decision could be affirmed, reversed or remanded for modification to use a later date of commencement for the damages. The case is now beginning the discovery phase to determine the amount in dispute. Although Sedgwick County claims the amount owed by the City of Wichita exceeds \$7 million, recovery in this amount is not likely. The City's obligation to pay some amount is probable. Success in this litigation would substantially reduce the claimed obligation, but would likely not eliminate the obligation entirely.

19. Contingencies and Commitments (continued)

A. Legal Matters (continued)

The ultimate liability that might result from the final resolution of the above matters is not presently determinable. In the opinion of management and its legal counsel, the probability of material aggregate liabilities resulting from these claims will not have an adverse material effect on the reporting entity's basic financial statements

Under Kansas Statutes, should the courts sustain any of the litigation against the reporting entity, the City may issue no-fund warrants to cover any resulting over-expenditures not anticipated in the current year budget. The City is then required to levy sufficient ad valorem property taxes in the first levying period following issuance to retire such warrants. This tax levy is without limitation.

B. Grant Programs

The City participates in a number of Federal and State assisted grant programs, which are subject to financial and compliance requirements with each applicable grant. Any disallowed costs resulting from financial and compliance audits could become a liability of the City. In the opinion of management, any such disallowed costs will not have a material effect on the basic financial statements of the City at December 31, 2009.

C. Construction Commitments

The City has outstanding construction commitments for freeway and arterial street construction and other capital improvements of \$59,751,156 at December 31, 2009. This amount is reflected as reserve for encumbrances in capital projects funds.

D. Public Building Commission Lease

The City of Wichita, in cooperation with Sedgwick County, entered into a lease agreement dated March 1, 1993 with the Wichita Public Building Commission in conjunction with the issuance of \$18,620,000 Revenue Bonds, Series H, 1993, to finance the acquisition, renovation, construction, and other specified improvements of a State Office Building and related parking facilities in downtown Wichita. In 2003, the original bonds on the State Office Building were refunded with the issuance of \$13,880,000 Revenue Bonds, Series N, 2003, to refinance the remaining debt at a lower interest cost.

The Wichita Public Building Commission previously entered into a lease agreement for the project with the State of Kansas regarding the acquisition and renovation of the former "Dillard's" building to provide rentable office space. Agencies of the State, including the Department of Social and Rehabilitation Services, lease office space in the State Office Building. The City/County lease is intended to be a "wrap-around" obligation wherein the City and County are contingently liable and will make rental payments, if necessary, to supplement the rental payments to be paid by the State pursuant to the State lease so that the total shall be sufficient to pay the principal of, premium, if any, and interest on the bonds. In 2007, no such payments were required. The City of Wichita also serves as the Property Manager for the State Office Building and related parking facilities for the term of the lease.

E. Economic Development Activities

The City has established tax increment financing districts to support economic development activities. The City's contributions to these projects include streets, public art and water features, meeting rooms for Expo Hall (adjacent to the downtown convention hotel), and a parking garage adjacent to the Hotel at Old Town, which are financed through the issuance of bonds of which \$24.7 million are outstanding.

In the event that property and guest tax revenues generated by the tax increment financing districts and other revenue sources are not available, under State law, the City would be required to levy additional property tax on all taxable tangible property in the City to meet debt service requirements for these projects.

In 2001, the City acquired the Hyatt Hotel adjacent to the Century II and Expo Hall Convention Center to insure that the hotel maintained premiere service for convention business. The Hyatt Hotel is managed under contract by the Hyatt Corporation and the operations of the Hyatt Hotel are not related to the operations of the City in any manner.

20. Subsequent Events

On February 2, 2010, the City issued \$22,505,000 of 10-year general obligation bonds (Series 799) with a total interest cost of 2.72 percent, \$10,865,000 of 15-year general obligation bonds (Series 800) with a total interest cost of 3.23 percent, \$13,125,000 of 20-year general obligation bonds (Series 800A) with a total interest cost of 3.56 percent and \$1,630,000 of 20-year general obligation bonds, taxable under Federal law, (Series 800B) with a total interest cost of 4.99 percent.

In addition, on February 2, 2010, the City issued \$5,265,000 general obligation renewal and improvement temporary notes, taxable under Federal law, (Series 233) with an interest rate of 0.70 percent, \$70,820,000 general obligation renewal and improvement temporary notes (Series 234) with an interest rate of 0.45 percent and \$7,705,000 general obligation renewal and improvement temporary notes (Series 236) with an average interest rate of 0.625 percent.

Accordingly, temporary notes payable totaling \$39,501,415 were reclassified as bond anticipation notes and are recorded as long-term liabilities in the governmental funds of the City as of December 31, 2009. The notes in the amount of \$39,501,415 were refinanced through the issuance of general obligation bonds (Series 799, Series 800, Series 800A and Series 800B) on February 2, 2010.

CITY OF WICHITA, KANSAS

2009 PENSION REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS

Wichita Employees' Retirement System

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/07	533,911	483,387	(50,524)	110.5	78,736	(64.2) %
12/31/08	512,853	512,373	(480)	100.1	81,580	(0.6)
12/31/09	509,494	529,271	19,778	96.3	82,704	23.9

Wichita Police and Fire Retirement System

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/07	480,820	468,115	(12,705)	102.7	57,310	(22.2) %
12/31/08	472,345	496,561	24,216	95.1	60,282	40.2
12/31/09	480,556	519,934	39,379	92.4	63,479	62.0

2009 OTHER POST EMPLOYMENT BENEFITS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS

Health Insurance Post Employment Benefits

(Dollar amounts in thousands)

Fiscal Year Ending	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/07	12/31/06	\$ -	\$ 19,860	\$ 18,799	-	\$ 120,645	15.6 %
12/31/09	12/31/08	-	30,038	30,038	-	141,534	21.2

GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

The primary purpose of the special revenue funds is to account for the proceeds of designated revenue sources which are used to finance specified activities as required by law or administrative regulation. The following nonmajor special revenue funds are reported:

- Permanent Reserve
- Homelessness Assistance
- Tourism and Convention
- Special Alcohol Program
- Special Parks and Recreation
- Ice Rink Management
- Landfill
- Landfill Postclosure
- Central Inspection
- Economic Development
- Sales Tax Pledge
- State Office Building
- TIF Districts
- Self-Supporting Municipal District
- City-County
- Art Museum Board

Nonmajor Capital Projects Funds

- Water Main Extension
- Park Bond Construction
- Public Improvement Construction
- Other Public Improvements
- Sewer Construction
- Local Sales Tax CIP
- ARRA Projects

Permanent Fund

The Cemetery Fund is reported as a permanent fund and receives earnings from investments that are used for the perpetual care of three cemeteries.

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUND TYPES December 31, 2009 (with comparative totals for December 31, 2008)

	Governmental Fund Types			2009 Totals	2008 Totals
	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery		
ASSETS					
Cash and cash equivalents	\$ 61,352,742	\$ 25,434,886	\$ 808,328	\$ 87,595,956	\$ 57,274,826
Investments	-	-	80,437	80,437	475,584
Receivables, net:					
Due from other agencies	-	300,000	-	300,000	300,000
Accounts	4,673,500	300	-	4,673,800	14,412,979
Due from other funds	-	9,272,951	-	9,272,951	49,585,454
	<u>\$ 66,026,242</u>	<u>\$ 35,008,137</u>	<u>\$ 888,765</u>	<u>\$ 101,923,144</u>	<u>\$ 122,048,843</u>
LIABILITIES AND FUND BALANCES (DEFICITS)					
Liabilities:					
Accounts payable and other liabilities	\$ 1,656,260	\$ 1,089,159	\$ -	\$ 2,745,419	\$ 4,638,158
Accrued interest payable	-	169,296	-	169,296	362,078
Temporary notes payable	-	38,600,319	-	38,600,319	37,239,000
Deposits	57,226	-	-	57,226	58,778
Due to other funds	-	9,272,951	-	9,272,951	31,160,378
Deferred revenue	4,602,413	-	-	4,602,413	14,140,641
	<u>6,315,899</u>	<u>49,131,725</u>	<u>-</u>	<u>55,447,624</u>	<u>87,599,033</u>
Fund balances (deficits):					
Reserved for encumbrances	3,316,624	18,432,462	3,120	21,752,206	23,749,853
Reserved for cemetery perpetual care	-	-	235,437	235,437	235,437
Unreserved, undesignated	56,393,719	(32,556,050)	650,208	24,487,877	10,464,520
	<u>59,710,343</u>	<u>(14,123,588)</u>	<u>888,765</u>	<u>46,475,520</u>	<u>34,449,810</u>
Total liabilities and fund balances	<u>\$ 66,026,242</u>	<u>\$ 35,008,137</u>	<u>\$ 888,765</u>	<u>\$ 101,923,144</u>	<u>\$ 122,048,843</u>

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2009

(with comparative totals for December 31, 2008)

	Permanent Reserve	Homelessness Assistance	Tourism and Convention	Special Alcohol Program
ASSETS				
Cash and cash equivalents	\$ 1,825,000	\$ 2,591	\$ 2,304,484	\$ 766,195
Receivables, net:				
Accounts	-	-	-	-
Total assets	<u>\$ 1,825,000</u>	<u>\$ 2,591</u>	<u>\$ 2,304,484</u>	<u>\$ 766,195</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other liabilities	\$ -	\$ 2,591	\$ -	\$ 21,413
Deposits	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	2,591	-	21,413
 Fund balances:				
Reserved for encumbrances	-	-	215,949	203,065
Unreserved	1,825,000	-	2,088,535	541,717
Total fund balances	1,825,000	-	2,304,484	744,782
Total liabilities and fund balances	<u>\$ 1,825,000</u>	<u>\$ 2,591</u>	<u>\$ 2,304,484</u>	<u>\$ 766,195</u>

<u>Special Parks and Recreation</u>	<u>Ice Rink Management</u>	<u>Landfill</u>	<u>Landfill Postclosure</u>	<u>Central Inspection</u>
\$ -	\$ 120,462	\$ 3,679,283	\$ 23,681,311	\$ 600,420
-	-	-	-	22,520
<u>\$ -</u>	<u>\$ 120,462</u>	<u>\$ 3,679,283</u>	<u>\$ 23,681,311</u>	<u>\$ 622,940</u>
\$ -	\$ -	\$ 32,472	\$ 256,574	\$ 57,127
-	-	-	-	50,500
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>32,472</u>	<u>256,574</u>	<u>107,627</u>
-	-	630,000	682,308	853
-	120,462	3,016,811	22,742,429	514,460
-	120,462	3,646,811	23,424,737	515,313
<u>\$ -</u>	<u>\$ 120,462</u>	<u>\$ 3,679,283</u>	<u>\$ 23,681,311</u>	<u>\$ 622,940</u>

(Continued)

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2009

(with comparative totals for December 31, 2008)

	Economic Development	Sales Tax Pledge	State Office Building	TIF Districts
ASSETS				
Cash and cash equivalents	\$ 2,197,983	\$ 10,153,653	\$ 1,393,990	\$ 14,273,343
Receivables, net:				
Accounts	402,120	-	-	4,248,853
Total assets	\$ 2,600,103	\$ 10,153,653	\$ 1,393,990	\$ 18,522,196
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other liabilities	\$ 93,433	\$ -	\$ 931,643	\$ 17,228
Deposits	-	-	-	-
Deferred revenue	383,620	-	-	4,218,793
Total liabilities	477,053	-	931,643	4,236,021
Fund balances:				
Reserved for encumbrances	84,096	-	268	1,414,045
Unreserved	2,038,954	10,153,653	462,079	12,872,130
Total fund balances	2,123,050	10,153,653	462,347	14,286,175
Total liabilities and fund balances	\$ 2,600,103	\$ 10,153,653	\$ 1,393,990	\$ 18,522,196

Self-Supporting Municipal District	City- County	2009 Totals	2008 Totals
\$ 17,489	\$ 336,538	\$ 61,352,742	\$ 55,122,474
-	7	4,673,500	14,352,041
<u>\$ 17,489</u>	<u>\$ 336,545</u>	<u>\$ 66,026,242</u>	<u>\$ 69,474,515</u>
\$ -	\$ 243,779	\$ 1,656,260	\$ 627,943
-	6,726	57,226	58,778
-	-	4,602,413	14,140,641
<u>-</u>	<u>250,505</u>	<u>6,315,899</u>	<u>14,827,362</u>
-	86,040	3,316,624	1,550,072
<u>17,489</u>	<u>-</u>	<u>56,393,719</u>	<u>53,097,081</u>
<u>17,489</u>	<u>86,040</u>	<u>59,710,343</u>	<u>54,647,153</u>
<u>\$ 17,489</u>	<u>\$ 336,545</u>	<u>\$ 66,026,242</u>	<u>\$ 69,474,515</u>

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

December 31, 2009

(with comparative totals for December 31, 2008)

	<u>Water Main Extension</u>	<u>Park Bond Construction</u>	<u>Public Improvement Construction</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 837,819
Due from other agencies	-	-	300,000
Accounts receivable, net	-	-	300
Due from other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 1,138,119</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities:			
Accounts payable and other liabilities	\$ 22,354	\$ 91,118	\$ 898,317
Accrued interest payable	619	10,844	82,993
Temporary notes payable	101,700	3,543,100	19,758,100
Due to other funds	4,013,417	1,968,422	-
	<u>4,138,090</u>	<u>5,613,484</u>	<u>20,739,410</u>
 Fund balances (deficits):			
Reserved for encumbrances	42,122	591,125	7,370,933
Unreserved	<u>(4,180,212)</u>	<u>(6,204,609)</u>	<u>(26,972,224)</u>
 Total fund balances (deficits)	 <u>(4,138,090)</u>	 <u>(5,613,484)</u>	 <u>(19,601,291)</u>
 Total liabilities and fund balances	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 1,138,119</u>

Other Public Improvements	Sewer Construction	Local Sales Tax CIP	ARRA Projects	Totals	
				2009	2008
\$ -	\$ 96,455	\$ 24,500,612	\$ -	\$ 25,434,886	\$ 1,725,400
-	-	-	-	300,000	300,000
-	-	-	-	300	60,938
-	-	9,272,951	-	9,272,951	49,585,454
<u>\$ -</u>	<u>\$ 96,455</u>	<u>\$ 33,773,563</u>	<u>\$ -</u>	<u>\$ 35,008,137</u>	<u>\$ 51,671,792</u>
\$ 15,608	\$ 58,629	\$ -	\$ 3,133	\$ 1,089,159	\$ 4,009,585
-	74,840	-	-	169,296	362,078
-	15,197,419	-	-	38,600,319	37,239,000
1,625,133	1,549,579	-	116,400	9,272,951	31,160,378
<u>1,640,741</u>	<u>16,880,467</u>	<u>-</u>	<u>119,533</u>	<u>49,131,725</u>	<u>72,771,041</u>
143,972	2,825,680	-	7,458,630	18,432,462	22,199,386
(1,784,713)	(19,609,692)	33,773,563	(7,578,163)	(32,556,050)	(43,298,635)
(1,640,741)	(16,784,012)	33,773,563	(119,533)	(14,123,588)	(21,099,249)
<u>\$ -</u>	<u>\$ 96,455</u>	<u>\$ 33,773,563</u>	<u>\$ -</u>	<u>\$ 35,008,137</u>	<u>\$ 51,671,792</u>

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CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) NONMAJOR GOVERNMENTAL FUND TYPES

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Governmental Fund Types			2009 Totals	2008 Totals
	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery		
REVENUES					
Taxes	\$ 13,718,552	\$ -	\$ -	\$ 13,718,552	\$ 13,156,384
Special assessments	-	320,029	-	320,029	362,530
Local sales tax	24,722,106	-	-	24,722,106	25,648,730
Intergovernmental	5,249,864	5,167,590	-	10,417,454	10,384,803
Licenses and permits	4,063,145	-	-	4,063,145	4,606,525
Fines and penalties	37,677	-	-	37,677	-
Rentals	796,277	-	-	796,277	1,800,780
Interest earnings	216,465	154,383	22,994	393,842	2,820,106
Charges for services and sales	1,902,971	-	2,650	1,905,621	2,103,025
Other	783,800	11,374,921	1,015	12,159,736	6,222,912
Total revenues	51,490,857	17,016,923	26,659	68,534,439	67,105,795
EXPENDITURES					
Current:					
General government	5,453,513	-	39,800	5,493,313	8,776,806
Public safety	7,519,494	-	-	7,519,494	8,027,587
Sanitation	1,655,326	-	-	1,655,326	1,236,561
Health and welfare	3,126,977	-	-	3,126,977	3,185,476
Culture and recreation	2,450,246	-	-	2,450,246	3,944,538
Debt service:					
Principal retirement	-	27,191,500	-	27,191,500	7,273,731
Interest and fiscal charges	-	599,771	-	599,771	1,323,347
Capital outlay	-	36,958,745	-	36,958,745	77,011,684
Total expenditures	20,205,556	64,750,016	39,800	84,995,372	110,779,730
Excess (deficiency) of revenues over (under) expenditures	31,285,301	(47,733,093)	(13,141)	(16,460,933)	(43,673,935)
OTHER FINANCING SOURCES (USES)					
Issuance of long-term capital debt	-	64,637,896	-	64,637,896	43,628,561
Transfers from other funds	7,351,825	15,892,802	-	23,244,627	42,838,740
Transfers to other funds	(33,573,936)	(25,821,944)	-	(59,395,880)	(64,755,373)
Total other financing sources (uses)	(26,222,111)	54,708,754	-	28,486,643	21,711,928
Net change in fund balances	5,063,190	6,975,661	(13,141)	12,025,710	(21,962,007)
Fund balances - beginning	54,647,153	(21,099,249)	901,906	34,449,810	56,558,750
Prior period adjustment	-	-	-	-	(146,933)
Fund balances (deficits) - ending	\$ 59,710,343	\$ (14,123,588)	\$ 888,765	\$ 46,475,520	\$ 34,449,810

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Permanent Reserve	Homelessness Assistance	Tourism and Convention	Special Alcohol Program	Special Parks and Recreation
REVENUES					
Taxes	\$ -	\$ -	\$ 6,014,975	\$ -	\$ -
Local sales tax	-	-	-	-	-
Intergovernmental	-	86,414	-	1,706,755	1,706,755
Licenses and permits	-	-	-	-	-
Fines and penalties	-	-	-	-	-
Rentals	-	-	-	-	-
Interest earnings	-	-	12,814	2,515	970
Charges for services and sales	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>86,414</u>	<u>6,027,789</u>	<u>1,709,270</u>	<u>1,707,725</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Sanitation	-	-	-	-	-
Health and welfare	-	207,071	-	1,657,242	-
Culture and recreation	-	-	2,450,246	-	-
Total expenditures	<u>-</u>	<u>207,071</u>	<u>2,450,246</u>	<u>1,657,242</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(120,657)</u>	<u>3,577,543</u>	<u>52,028</u>	<u>1,707,725</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	3,000,000	120,657	-	-	-
Transfers to other funds	(1,175,000)	-	(4,133,660)	-	(1,866,879)
Total other financing sources (uses)	<u>1,825,000</u>	<u>120,657</u>	<u>(4,133,660)</u>	<u>-</u>	<u>(1,866,879)</u>
Net change in fund balances	1,825,000	-	(556,117)	52,028	(159,154)
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>2,860,601</u>	<u>692,754</u>	<u>159,154</u>
Prior period adjustment	-	-	-	-	-
Fund balances, ending	<u>\$ 1,825,000</u>	<u>\$ -</u>	<u>\$ 2,304,484</u>	<u>\$ 744,782</u>	<u>\$ -</u>

Ice Rink Management	Landfill	Landfill Postclosure	Central Inspection	Economic Development	Sales Tax Pledge
\$ -	\$ -	\$ -	\$ 9,458	\$ -	\$ -
-	-	-	-	-	24,722,106
-	-	-	-	-	-
-	-	-	4,063,145	-	-
-	-	-	37,677	-	-
-	38,928	6,672	-	565,519	-
438	13,151	90,748	4,425	5,667	23,727
-	911,917	-	551,797	262,642	-
-	-	-	1,442	321,043	-
<u>438</u>	<u>963,996</u>	<u>97,420</u>	<u>4,667,944</u>	<u>1,154,871</u>	<u>24,745,833</u>
-	-	-	-	2,683,595	-
-	-	-	5,588,780	-	-
-	923,869	731,457	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>923,869</u>	<u>731,457</u>	<u>5,588,780</u>	<u>2,683,595</u>	<u>-</u>
<u>438</u>	<u>40,127</u>	<u>(634,037)</u>	<u>(920,836)</u>	<u>(1,528,724)</u>	<u>24,745,833</u>
-	-	62,719	123,096	2,275,000	-
-	(62,720)	(845,520)	-	(109,593)	(20,632,667)
<u>-</u>	<u>(62,720)</u>	<u>(782,801)</u>	<u>123,096</u>	<u>2,165,407</u>	<u>(20,632,667)</u>
438	(22,593)	(1,416,838)	(797,740)	636,683	4,113,166
120,024	3,669,404	24,841,575	1,313,053	1,486,367	6,040,487
-	-	-	-	-	-
<u>\$ 120,462</u>	<u>\$ 3,646,811</u>	<u>\$ 23,424,737</u>	<u>\$ 515,313</u>	<u>\$ 2,123,050</u>	<u>\$ 10,153,653</u>

(Continued)

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	State Office Building	TIF Districts	Self Supporting Municipal District
REVENUES			
Taxes	\$ -	\$ 7,039,143	\$ 654,976
Local sales tax	-	-	-
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Fines and penalties	-	-	-
Rentals	6,976	178,182	-
Interest earnings	2,464	59,546	-
Charges for services and sales	9,754	-	-
Other	190	460,179	-
Total revenues	<u>19,384</u>	<u>7,737,050</u>	<u>654,976</u>
EXPENDITURES			
Current:			
General government	280,507	22,635	637,487
Public safety	-	-	-
Sanitation	-	-	-
Health and welfare	-	1,262,664	-
Culture and recreation	-	-	-
Total expenditures	<u>280,507</u>	<u>1,285,299</u>	<u>637,487</u>
Excess (deficiency) of revenues over expenditures	<u>(261,123)</u>	<u>6,451,751</u>	<u>17,489</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	20,413	-
Transfers to other funds	-	(4,727,976)	-
Total other financing sources (uses)	<u>-</u>	<u>(4,707,563)</u>	<u>-</u>
Net change in fund balances	(261,123)	1,744,188	17,489
Fund balances, beginning	<u>723,470</u>	<u>12,541,987</u>	<u>-</u>
Prior period adjustment	-	-	-
Fund balances, ending	<u>\$ 462,347</u>	<u>\$ 14,286,175</u>	<u>\$ 17,489</u>

City- County	Art Museum Board	2009 Totals	2008 Totals
\$ -	\$ -	\$ 13,718,552	\$ 13,156,384
-	-	24,722,106	25,648,730
1,749,940	-	5,249,864	5,293,769
-	-	4,063,145	4,606,525
-	-	37,677	-
-	-	796,277	1,800,780
-	-	216,465	1,366,861
166,861	-	1,902,971	2,100,595
946	-	783,800	684,851
<u>1,917,747</u>	<u>-</u>	<u>51,490,857</u>	<u>54,658,495</u>
1,829,289	-	5,453,513	8,752,782
1,930,714	-	7,519,494	8,027,587
-	-	1,655,326	1,236,561
-	-	3,126,977	3,185,476
-	-	2,450,246	3,944,538
<u>3,760,003</u>	<u>-</u>	<u>20,205,556</u>	<u>25,146,944</u>
(1,842,256)	-	31,285,301	29,511,551
1,749,940	-	7,351,825	6,771,424
(10,000)	(9,921)	(33,573,936)	(40,172,522)
<u>1,739,940</u>	<u>(9,921)</u>	<u>(26,222,111)</u>	<u>(33,401,098)</u>
(102,316)	(9,921)	5,063,190	(3,889,547)
<u>188,356</u>	<u>9,921</u>	<u>54,647,153</u>	<u>58,683,633</u>
-	-	-	(146,933)
<u>\$ 86,040</u>	<u>\$ -</u>	<u>\$ 59,710,343</u>	<u>\$ 54,647,153</u>

CITY OF WICHITA, KANSAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR CAPITAL PROJECTS FUNDS**

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	<u>Water Main Extension</u>	<u>Park Bond Construction</u>	<u>Public Improvement Construction</u>
REVENUES			
Special assessments	\$ 84,810	\$ -	\$ -
Intergovernmental	-	-	-
Interest earnings	-	-	-
Other	<u>1,632,475</u>	-	<u>229,034</u>
Total revenues	<u>1,717,285</u>	<u>-</u>	<u>229,034</u>
EXPENDITURES			
Debt service:			
Principal retirement	2,533,000	-	8,697,500
Interest and fiscal charges	27,870	22,314	330,004
Capital outlay	<u>1,981,654</u>	<u>3,850,847</u>	<u>20,349,675</u>
Total expenditures	<u>4,542,524</u>	<u>3,873,161</u>	<u>29,377,179</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,825,239)</u>	<u>(3,873,161)</u>	<u>(29,148,145)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term capital debt	4,823,237	-	35,610,400
Transfers from other funds	-	3,259,000	5,631,131
Transfers to other funds	<u>-</u>	<u>-</u>	<u>(1,992,068)</u>
Total other financing sources (uses)	<u>4,823,237</u>	<u>3,259,000</u>	<u>39,249,463</u>
Net change in fund balances	1,997,998	(614,161)	10,101,318
Fund balances (deficits) - beginning	<u>(6,136,088)</u>	<u>(4,999,323)</u>	<u>(29,702,609)</u>
Fund balances (deficits) - ending	<u>\$ (4,138,090)</u>	<u>\$ (5,613,484)</u>	<u>\$ (19,601,291)</u>

Other Public Improvements	Sewer Construction	Local Sales Tax CIP	ARRA Projects	Totals	
				2009	2008
\$ -	\$ 235,219	\$ -	\$ -	\$ 320,029	\$ 362,530
5,000,000	167,590	-	-	5,167,590	5,091,034
-	-	154,383	-	154,383	1,411,343
-	9,455,210	58,202	-	11,374,921	5,514,973
<u>5,000,000</u>	<u>9,858,019</u>	<u>212,585</u>	<u>-</u>	<u>17,016,923</u>	<u>12,379,880</u>
-	15,961,000	-	-	27,191,500	7,273,731
-	219,583	-	-	599,771	1,323,347
<u>3,130,325</u>	<u>7,526,711</u>	<u>-</u>	<u>119,533</u>	<u>36,958,745</u>	<u>77,011,684</u>
<u>3,130,325</u>	<u>23,707,294</u>	<u>-</u>	<u>119,533</u>	<u>64,750,016</u>	<u>85,608,762</u>
<u>1,869,675</u>	<u>(13,849,275)</u>	<u>212,585</u>	<u>(119,533)</u>	<u>(47,733,093)</u>	<u>(73,228,882)</u>
-	24,204,259	-	-	64,637,896	43,628,561
615,000	307,671	6,080,000	-	15,892,802	36,067,316
-	-	(23,829,876)	-	(25,821,944)	(24,582,851)
<u>615,000</u>	<u>24,511,930</u>	<u>(17,749,876)</u>	<u>-</u>	<u>54,708,754</u>	<u>55,113,026</u>
2,484,675	10,662,655	(17,537,291)	(119,533)	6,975,661	(18,115,856)
<u>(4,125,416)</u>	<u>(27,446,667)</u>	<u>51,310,854</u>	<u>-</u>	<u>(21,099,249)</u>	<u>(2,983,393)</u>
<u>\$ (1,640,741)</u>	<u>\$ (16,784,012)</u>	<u>\$ 33,773,563</u>	<u>\$ (119,533)</u>	<u>\$ (14,123,588)</u>	<u>\$ (21,099,249)</u>

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with	2008 Actual Amounts
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Local government taxes					
Property taxes	\$ 68,112,759	\$ 68,113,437	\$ 68,201,421	\$ 87,984	\$ 62,380,744
Delinquent property taxes	1,700,000	1,700,000	1,845,897	145,897	1,536,940
IRBs, In-lieu-of-taxes	-	-	16,827	16,827	-
WHA, in-lieu-of-taxes	40,000	40,000	50,650	10,650	45,222
Business mchry & equip tax reduction	-	-	634,167	634,167	697,320
Other property taxes	2,105,225	490,667	(60,587)	(551,254)	(71,472)
Special assessments	6,000	6,000	5,688	(312)	7,368
Motor vehicle tax	10,053,966	9,642,549	9,546,063	(96,486)	9,120,843
Local sales tax	26,523,571	25,990,673	24,722,106	(1,268,567)	25,606,574
Franchise taxes	35,170,805	35,778,652	33,720,386	(2,058,266)	34,272,504
Total local government taxes	143,712,326	141,761,978	138,682,618	(3,079,360)	133,596,043
Licenses and permits	2,214,370	1,847,332	1,828,929	(18,403)	1,904,605
Fines and penalties	10,321,210	9,980,300	10,392,142	411,842	9,443,776
Intergovernmental	18,571,999	16,132,239	15,361,152	(771,087)	17,386,376
Charges for services and sales	8,899,690	8,885,944	8,597,096	(288,848)	8,409,003
Rental/lease income	2,336,710	2,275,000	2,145,125	(129,875)	2,392,608
Interest earnings	4,500,000	3,000,000	2,824,941	(175,059)	4,079,664
Reimbursed expenditures	4,274,418	4,559,619	4,192,959	(366,660)	5,927,498
Administrative fees	4,229,951	4,237,578	4,335,690	98,112	4,183,359
Total revenues	199,060,674	192,679,990	188,360,652	(4,319,338)	187,322,932
EXPENDITURES					
City Council:					
Personnel services	561,790	556,828	534,916	21,912	546,920
Contractual services	116,140	131,470	129,409	2,061	136,428
Materials and supplies	20,950	22,950	17,846	5,104	25,463
Contingency	7,750	-	-	-	-
Total City Council	706,630	711,248	682,171	29,077	708,811
City Manager:					
Personnel services	1,944,462	1,916,775	1,845,556	71,219	2,948,566
Contractual services	350,150	616,485	230,264	386,221	2,383,540
Materials and supplies	21,250	26,600	22,911	3,689	68,517
Other	-	-	-	-	25,394
Contingency	239,006	(56,730)	-	(56,730)	-
Total City Manager	2,554,868	2,503,130	2,098,731	404,399	5,426,017
Department of Finance:					
Personnel services	3,744,735	3,690,269	3,315,695	374,574	3,270,457
Contractual services	690,746	691,191	611,060	80,131	692,899
Materials and supplies	29,910	24,840	17,714	7,126	21,124
Contingency	(361,666)	(402,666)	-	(402,666)	-
Total Department of Finance	4,103,725	4,003,634	3,944,469	59,165	3,984,480

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
Law Department:					
Personnel services	2,143,316	2,147,112	2,112,398	34,714	2,023,703
Contractual services	271,108	265,004	260,859	4,145	322,539
Materials and supplies	6,920	8,320	6,884	1,436	5,681
Contingency	(42,767)	(27,912)	-	(27,912)	-
Total Law Department	2,378,577	2,392,524	2,380,141	12,383	2,351,923
Municipal Court:					
Personnel services	4,562,840	4,548,206	4,264,043	284,163	4,260,934
Contractual services	1,701,010	1,670,864	1,546,198	124,666	1,483,337
Materials and supplies	99,560	87,910	59,921	27,989	74,233
Contingency	(254,537)	(252,079)	-	(252,079)	-
Total Municipal Court	6,108,873	6,054,901	5,870,162	184,739	5,818,504
Fire Department:					
Personnel services	35,267,292	34,817,970	34,390,723	427,247	33,712,677
Contractual services	1,900,441	1,969,095	1,857,459	111,636	1,848,768
Materials and supplies	852,240	922,080	772,074	150,006	864,441
Other	70,667	70,667	35,334	35,333	44,537
Contingency	(263,812)	(59,266)	-	(59,266)	-
Total Fire Department	37,826,828	37,720,546	37,055,590	664,956	36,470,423
Police Department:					
Personnel services	63,862,776	63,060,903	61,478,281	1,582,622	60,375,553
Contractual services	7,492,580	7,362,745	6,773,518	589,227	6,725,820
Materials and supplies	941,200	900,560	768,404	132,156	835,992
Other	-	-	50,000	(50,000)	50,000
Contingency	(1,149,876)	(1,194,876)	-	(1,194,876)	-
Total Police Department	71,146,680	70,129,332	69,070,203	1,059,129	67,987,365
Housing & Community Services:					
Personnel services	22,729	23,647	23,647	-	24,707
Contractual services	3,590	-	-	-	1,293
Total Housing & Community Services	26,319	23,647	23,647	-	26,000
Library:					
Personnel services	5,696,000	5,744,190	5,404,829	339,361	5,376,384
Contractual services	1,070,940	1,025,897	932,835	93,062	1,000,258
Materials and supplies	854,460	852,663	848,453	4,210	821,471
Capital outlay	35,000	35,000	-	35,000	-
Other	75,000	75,000	153,866	(78,866)	75,000
Contingency	(234,356)	(234,096)	-	(234,096)	-
Total Library	7,497,044	7,498,654	7,339,983	158,671	7,273,113

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with	2008
	Original	Final		Final Budget - Positive (Negative)	
CMO - Cultural Arts Division:					
Personnel services	4,232,332	3,887,958	3,592,977	294,981	-
Contractual services	3,935,670	3,852,361	3,683,600	168,761	-
Materials and supplies	171,460	259,970	190,192	69,778	-
Capital outlay	21,000	19,000	-	19,000	-
Other	90,000	157,020	94,059	62,961	-
Contingency	(419,534)	(235,370)	-	(235,370)	-
Engineering overhead	-	-	57	(57)	-
Total CMO - Cultural Arts Division	8,030,928	7,940,939	7,560,885	380,054	-
Public Works:					
Personnel services	5,733,210	5,443,975	4,965,103	478,872	5,212,580
Contractual services	5,461,160	5,812,356	5,536,609	275,747	5,260,198
Materials and supplies	609,160	625,230	589,134	36,096	653,747
Capital outlay	158,500	94,509	6,703	87,806	75,244
Other	70,670	70,670	35,295	35,375	-
Contingency	(211,124)	(397,611)	-	(397,611)	-
Total Public Works	11,821,576	11,649,129	11,132,844	516,285	11,201,769
Environmental Services:					
Personnel services	3,567,120	3,557,832	3,295,242	262,590	3,131,047
Contractual services	755,214	856,660	671,297	185,363	719,773
Materials and supplies	78,700	76,920	54,575	22,345	64,679
Contingency	(224,001)	(224,497)	-	(224,497)	-
Total Environmental Services	4,177,033	4,266,915	4,021,114	245,801	3,915,499
Park:					
Personnel services	9,704,074	10,009,855	9,158,516	851,339	10,241,546
Contractual services	5,061,650	5,068,489	4,476,223	592,266	6,372,397
Materials and supplies	660,150	641,538	586,166	55,372	757,876
Capital outlay	54,900	52,200	52,129	71	60,382
Other	33,200	32,000	29,386	2,614	32,675
Contingency	(1,119,214)	(1,204,645)	-	(1,204,645)	-
Total Park	14,394,760	14,599,437	14,302,420	297,017	17,464,876
Non Departmental:					
Personnel services	1,470,000	775,000	45,487	729,513	48,094
Contractual services	738,250	1,065,000	753,766	311,234	371,640
Materials and supplies	103,700	73,700	25,715	47,985	102,389
Contingency	(1,652,830)	(4,087,525)	50,260	(4,137,785)	64,040
Engineering overhead	-	-	230	(230)	90
Total Non Departmental	659,120	(2,173,825)	875,458	(3,049,283)	586,253

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with	2008 Actual Amounts
	Original	Final		Final Budget - Positive (Negative)	
Central Inspection:					
Personnel services	321,810	314,062	302,202	11,860	302,460
Contractual services	425,420	400,907	340,780	60,127	343,854
Materials and supplies	4,600	4,600	519	4,081	5,934
Capital outlay	-	-	-	-	27,226
Contingency	(26,314)	(26,090)	-	(26,090)	-
Total Central Inspection	725,516	693,479	643,501	49,978	679,474
Human Resources:					
Personnel services	1,379,856	1,312,944	1,272,069	40,875	1,285,025
Contractual services	209,520	196,625	187,459	9,166	213,384
Materials and supplies	39,420	41,420	31,231	10,189	37,567
Other	-	-	33	(33)	-
Contingency	(57,008)	(54,100)	-	(54,100)	-
Total Human Resources	1,571,788	1,496,889	1,490,792	6,097	1,535,976
Public Works-Gas Tax:					
Personnel services	10,682,710	10,415,142	9,817,530	597,612	9,752,613
Contractual services	13,870,240	12,479,865	10,217,371	2,262,494	11,333,142
Materials and supplies	1,839,710	2,001,432	1,870,918	130,514	2,157,687
Capital outlay	434,100	113,568	39,953	73,615	390,916
Other	-	70,670	35,295	35,375	-
Contingency	(909,662)	(791,154)	-	(791,154)	-
Engineering overhead	281,580	278,670	241,126	37,544	208,171
Total Public Works-Gas Tax	26,198,678	24,568,193	22,222,193	2,346,000	23,842,529
Total expenditures	199,928,943	194,078,772	190,714,304	3,364,468	189,273,012
Excess (deficiency) of revenues over (under) expenditures	(868,269)	(1,398,782)	(2,353,652)	(954,870)	(1,950,080)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	8,951,330	9,603,482	10,236,909	633,427	10,345,375
Transfers to other funds	(8,083,061)	(8,204,700)	(7,881,005)	323,695	(8,986,691)
Total other financing sources (uses)	868,269	1,398,782	2,355,904	957,122	1,358,684
Net change in fund balances	-	-	2,252	2,252	(591,396)
Unencumbered fund balances - beginning	23,051,084	22,459,688	22,459,688	-	23,051,084
Unencumbered fund balances - ending	<u>\$ 23,051,084</u>	<u>\$ 22,459,688</u>	<u>\$ 22,461,940</u>	<u>\$ 2,252</u>	<u>\$ 22,459,688</u>

CITY OF WICHITA, KANSAS
PERMANENT RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Other revenue	\$ 3,000,000	\$ 3,000,000	\$ -	\$ (3,000,000)	\$ -
Total revenues	3,000,000	3,000,000	-	(3,000,000)	-
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	3,000,000	3,000,000	-
Transfers to other funds	(3,000,000)	(1,250,000)	(1,175,000)	75,000	-
Total other financing sources (uses)	(3,000,000)	(1,250,000)	1,825,000	3,075,000	-
Net change in fund balances	-	1,750,000	1,825,000	75,000	-
Unencumbered fund balances - beginning	-	-	-	-	-
Unencumbered fund balances - ending	\$ -	\$ 1,750,000	\$ 1,825,000	\$ 75,000	\$ -

CITY OF WICHITA, KANSAS
HOMELESSNESS ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Intergovernmental	\$ -	\$ 191,368	\$ 86,414	\$ (104,954)	\$ -
Total revenues	-	191,368	86,414	(104,954)	-
EXPENDITURES					
Health and Welfare:					
Contractual services	-	382,736	207,071	175,665	-
Total expenditures	-	382,736	207,071	175,665	-
Excess (deficiency) of revenues over (under) expenditures	-	(191,368)	(120,657)	70,711	-
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	191,368	120,657	(70,711)	-
Total other financing sources (uses)	-	191,368	120,657	(70,711)	-
Net change in fund balances	-	-	-	-	-
Unencumbered fund balances - beginning	-	-	-	-	-
Unencumbered fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF WICHITA, KANSAS
TOURISM AND CONVENTION PROMOTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Taxes and levies	\$ 5,938,580	\$ 6,134,840	\$ 6,014,975	\$ (119,865)	\$ 6,324,575
Interest earnings	122,990	58,710	12,814	(45,896)	83,871
Other revenue	25,000	25,000	2,500	(22,500)	301,016
Total revenues	6,086,570	6,218,550	6,030,289	(188,261)	6,709,462
EXPENDITURES					
Culture and Recreation:					
Contractual services	3,702,780	2,561,780	2,447,729	114,051	2,690,960
Total expenditures	3,702,780	2,561,780	2,447,729	114,051	2,690,960
Excess (deficiency) of revenues over (under) expenditures	2,383,790	3,656,770	3,582,560	(74,210)	4,018,502
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(4,047,210)	(4,199,103)	(4,133,660)	65,443	(3,391,490)
Total other financing sources (uses)	(4,047,210)	(4,199,103)	(4,133,660)	65,443	(3,391,490)
Net change in fund balances	(1,663,420)	(542,333)	(551,100)	(8,767)	627,012
Unencumbered fund balances - beginning	2,016,424	2,639,635	2,639,635	-	2,012,623
Unencumbered fund balances - ending	\$ 353,004	\$ 2,097,302	\$ 2,088,535	\$ (8,767)	\$ 2,639,635

CITY OF WICHITA, KANSAS
SPECIAL ALCOHOL PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Intergovernmental	\$ 1,820,540	\$ 1,889,990	\$ 1,706,755	\$ (183,235)	\$ 1,799,981
Interest earnings	10,000	10,000	2,515	(7,485)	12,844
Other revenue	-	-	5,018	5,018	27,551
Total revenues	<u>1,830,540</u>	<u>1,899,990</u>	<u>1,714,288</u>	<u>(185,702)</u>	<u>1,840,376</u>
EXPENDITURES					
Health and Welfare:					
Contractual services	1,773,040	1,787,637	1,690,512	97,125	1,818,068
Other operating expenditures	<u>580,000</u>	<u>180,000</u>	<u>-</u>	<u>180,000</u>	<u>-</u>
Total expenditures	<u>2,353,040</u>	<u>1,967,637</u>	<u>1,690,512</u>	<u>277,125</u>	<u>1,818,068</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(522,500)</u>	<u>(67,647)</u>	<u>23,776</u>	<u>91,423</u>	<u>22,308</u>
Net change in fund balances	(522,500)	(67,647)	23,776	91,423	22,308
Unencumbered fund balances - beginning	<u>582,083</u>	<u>517,941</u>	<u>517,941</u>	<u>-</u>	<u>495,633</u>
Unencumbered fund balances - ending	<u>\$ 59,583</u>	<u>\$ 450,294</u>	<u>\$ 541,717</u>	<u>\$ 91,423</u>	<u>\$ 517,941</u>

CITY OF WICHITA, KANSAS
SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Intergovernmental	\$ 1,820,540	\$ 1,889,990	\$ 1,706,755	\$ (183,235)	\$ 1,799,981
Interest earnings	5,000	5,000	970	(4,030)	5,130
Total revenues	<u>1,825,540</u>	<u>1,894,990</u>	<u>1,707,725</u>	<u>(187,265)</u>	<u>1,805,111</u>
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	<u>(1,900,000)</u>	<u>(1,900,000)</u>	<u>(1,866,879)</u>	<u>33,121</u>	<u>(1,850,000)</u>
Total other financing sources (uses)	<u>(1,900,000)</u>	<u>(1,900,000)</u>	<u>(1,866,879)</u>	<u>33,121</u>	<u>(1,850,000)</u>
Net change in fund balances	(74,460)	(5,010)	(159,154)	(154,144)	(44,889)
Unencumbered fund balances - beginning	92,893	159,154	159,154	-	204,043
Unencumbered fund balances - ending	<u>\$ 18,433</u>	<u>\$ 154,144</u>	<u>\$ -</u>	<u>\$ (154,144)</u>	<u>\$ 159,154</u>

CITY OF WICHITA, KANSAS
ICE RINK MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	\$ -	\$ -	\$ -	\$ -	\$ 8
Rental/lease income	100,000	100,000	-	(100,000)	-
Interest earnings	-	-	438	438	2,506
Other revenue	-	-	-	-	3,217
Total revenues	100,000	100,000	438	(99,562)	5,731
EXPENDITURES					
Culture and Recreation:					
Contractual services	210,000	-	-	-	(250)
Total expenditures	210,000	-	-	-	(250)
Excess (deficiency) of revenues over (under) expenditures	(110,000)	100,000	438	(99,562)	5,981
Net change in fund balances	(110,000)	100,000	438	(99,562)	5,981
Unencumbered fund balances - beginning	114,043	120,024	120,024	-	114,043
Unencumbered fund balances - ending	\$ 4,043	\$ 220,024	\$ 120,462	\$ (99,562)	\$ 120,024

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	\$ 450,000	\$ 450,000	\$ 911,917	\$ 461,917	\$ 619,915
Rental/lease income	-	30,000	38,928	8,928	-
Interest earnings	152,000	50,000	13,152	(36,848)	113,008
Other revenue	-	-	-	-	60,594
Total revenues	602,000	530,000	963,997	433,997	793,517
EXPENDITURES					
Sanitation:					
Personnel services	-	-	-	-	5,291
Contractual services	808,620	2,326,269	1,547,046	779,223	589,310
Materials and supplies	11,000	11,000	5,938	5,062	7,339
Other operating expenditures	2,065,000	-	-	-	-
Total expenditures	2,884,620	2,337,269	1,552,984	784,285	601,940
Excess (deficiency) of revenues over (under) expenditures	(2,282,620)	(1,807,269)	(588,987)	1,218,282	191,577
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	-	(62,720)	(62,720)	-	(1,667,630)
Total other financing sources (uses)	-	(62,720)	(62,720)	-	(1,667,630)
Net change in fund balances	(2,282,620)	(1,869,989)	(651,707)	1,218,282	(1,476,053)
Unencumbered fund balances - beginning	2,424,321	3,668,518	3,668,518	-	5,144,571
Unencumbered fund balances - ending	<u>\$ 141,701</u>	<u>\$ 1,798,529</u>	<u>\$ 3,016,811</u>	<u>\$ 1,218,282</u>	<u>\$ 3,668,518</u>

CITY OF WICHITA, KANSAS
LANDFILL POST CLOSURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Rental/lease income	\$ 30,000	\$ -	\$ 6,672	\$ 6,672	\$ 53,858
Interest earnings	730,000	235,000	90,747	(144,253)	541,085
Other revenue	-	-	-	-	1,439
Total revenues	760,000	235,000	97,419	(137,581)	596,382
EXPENDITURES					
Sanitation:					
Personnel services	157,290	188,227	215,383	(27,156)	120,602
Contractual services	552,450	3,087,914	1,072,590	2,015,324	466,449
Materials and supplies	20,300	29,350	19,481	9,869	22,054
Other operating expenditures	22,300,000	-	-	-	-
Total expenditures	23,030,040	3,305,491	1,307,454	1,998,037	609,105
Excess (deficiency) of revenues over (under) expenditures	(22,270,040)	(3,070,491)	(1,210,035)	1,860,456	(12,723)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	62,720	62,719	(1)	1,667,630
Transfers to other funds	(845,520)	(845,520)	(845,520)	-	(1,565,520)
Total other financing sources (uses)	(845,520)	(782,800)	(782,801)	(1)	102,110
Net change in fund balances	(23,115,560)	(3,853,291)	(1,992,836)	1,860,455	89,387
Unencumbered fund balances - beginning	24,003,238	24,735,265	24,735,265	-	24,645,878
Unencumbered fund balances - ending	\$ 887,678	\$ 20,881,974	\$ 22,742,429	\$ 1,860,455	\$ 24,735,265

CITY OF WICHITA, KANSAS
CENTRAL INSPECTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with	2008 Actual Amounts
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes and levies	\$ 7,350	\$ 8,600	\$ 9,458	\$ 858	\$ 2,727
Licenses	552,700	574,700	528,181	(46,519)	526,611
Permits	5,175,620	3,257,065	3,534,964	277,899	4,053,943
Fines and penalties	38,000	38,000	37,677	(323)	25,330
Charges for services and sales	893,520	385,640	551,797	166,157	903,731
Fees	-	-	-	-	641
Interest earnings	53,180	12,000	4,425	(7,575)	46,990
Other revenue	-	-	1,442	1,442	26,072
Total revenues	6,720,370	4,276,005	4,667,944	391,939	5,586,045
EXPENDITURES					
Public Safety:					
Personnel services	5,266,070	4,379,412	4,473,564	(94,152)	4,876,707
Contractual services	1,228,620	1,119,375	1,059,199	60,176	1,242,035
Materials and supplies	46,480	33,390	21,132	12,258	36,742
Capital outlay	28,000	-	-	-	-
Other operating expenditures	1,855,890	60,540	34,540	26,000	183,200
Total expenditures	8,425,060	5,592,717	5,588,435	4,282	6,338,684
Excess (deficiency) of revenues over (under) expenditures	(1,704,690)	(1,316,712)	(920,491)	396,221	(752,639)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	123,000	123,096	96	-
Total other financing sources (uses)	-	123,000	123,096	96	-
Net change in fund balances	(1,704,690)	(1,193,712)	(797,395)	396,317	(752,639)
Unencumbered fund balances - beginning	2,125,307	1,311,855	1,311,855	-	2,211,017
Prior year adjustment	-	-	-	-	(146,523)
Unencumbered fund balances - ending	\$ 420,617	\$ 118,143	\$ 514,460	\$ 396,317	\$ 1,311,855

CITY OF WICHITA, KANSAS
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts ¹
	Original	Final			
REVENUES					
Charges for services and sales	\$ 371,720	\$ 300,000	\$ 262,642	\$ (37,358)	\$ 326,762
Rental/lease income	565,000	617,690	565,519	(52,171)	594,906
Interest earnings	48,200	30,000	5,667	(24,333)	64,748
Other revenue	147,350	1,167,000	157,543	(1,009,457)	64,198
Administrative fees	297,000	250,000	163,500	(86,500)	246,000
Total revenues	1,429,270	2,364,690	1,154,871	(1,209,819)	1,296,614
EXPENDITURES					
General Government:					
Personnel services	761,760	727,866	740,879	(13,013)	671,643
Contractual services	2,436,050	2,045,100	1,789,525	255,575	2,156,773
Materials and supplies	26,460	33,060	19,972	13,088	16,101
Other operating expenditures	1,486,500	775,330	120,810	654,520	1,225,683
Total expenditures	4,710,770	3,581,356	2,671,186	910,170	4,070,200
Excess (deficiency) of revenues over (under) expenditures	(3,281,500)	(1,216,666)	(1,516,315)	(299,649)	(2,773,586)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	1,275,000	1,275,000	2,275,000	1,000,000	1,955,029
Transfers to other funds	(114,180)	(114,180)	(109,593)	4,587	(794,209)
Total other financing sources (uses)	1,160,820	1,160,820	2,165,407	1,004,587	1,160,820
Net change in fund balances	(2,120,680)	(55,846)	649,092	704,938	(1,612,766)
Unencumbered fund balances - beginning	2,333,388	1,389,862	1,389,862	-	3,002,628
Unencumbered fund balances - ending	\$ 212,708	\$ 1,334,016	\$ 2,038,954	\$ 704,938	\$ 1,389,862

¹ The 2008 data reflects the transactions recorded in the Property Management Fund and the Economic Development Fund. Beginning January 1, 2009, the funds were combined, thus the 2008 data is a combined presentation for comparative purposes.

CITY OF WICHITA, KANSAS

**SALES TAX CONSTRUCTION PLEDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Taxes and levies	\$ 26,432,571	\$ 25,648,730	\$ 24,722,106	\$ (926,624)	\$ 25,648,730
Interest earnings	250,000	150,000	23,727	(126,273)	113,872
Total revenues	26,682,571	25,798,730	24,745,833	(1,052,897)	25,762,602
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(26,689,704)	(25,177,665)	(20,632,667)	4,544,998	(25,793,410)
Total other financing sources (uses)	(26,689,704)	(25,177,665)	(20,632,667)	4,544,998	(25,793,410)
Net change in fund balances	(7,133)	621,065	4,113,166	3,492,101	(30,808)
Unencumbered fund balances - beginning	95,842	6,040,487	6,040,487	-	6,071,295
Unencumbered fund balances - ending	\$ 88,709	\$ 6,661,552	\$ 10,153,653	\$ 3,492,101	\$ 6,040,487

CITY OF WICHITA, KANSAS
STATE OFFICE BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	\$ 15,000	\$ 36,000	\$ 9,754	\$ (26,246)	\$ 13,037
Rental/lease income	213,380	281,970	6,976	(274,994)	963,995
Interest earnings	17,000	4,000	2,464	(1,536)	11,388
Other revenue	-	-	-	-	9,960
Total revenues	<u>245,380</u>	<u>321,970</u>	<u>19,194</u>	<u>(302,776)</u>	<u>998,380</u>
EXPENDITURES					
General Government:					
Personnel services	10,000	5,000	1,013	3,987	29,739
Contractual services	241,530	338,114	278,625	59,489	626,904
Materials and supplies	6,420	6,420	670	5,750	3,472
Other operating expenditures	375,000	412,888	-	412,888	-
Total expenditures	<u>632,950</u>	<u>762,422</u>	<u>280,308</u>	<u>482,114</u>	<u>660,115</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(387,570)</u>	<u>(440,452)</u>	<u>(261,114)</u>	<u>179,338</u>	<u>338,265</u>
Net change in fund balances	(387,570)	(440,452)	(261,114)	179,338	338,265
Unencumbered fund balances - beginning	<u>418,119</u>	<u>723,193</u>	<u>723,193</u>	-	<u>384,928</u>
Unencumbered fund balances - ending	<u>\$ 30,549</u>	<u>\$ 282,741</u>	<u>\$ 462,079</u>	<u>\$ 179,338</u>	<u>\$ 723,193</u>

CITY OF WICHITA, KANSAS

**GILBERT & MOSLEY TIF DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Taxes and levies	\$ 2,670,040	\$ 2,670,998	\$ 2,518,040	\$ (152,958)	\$ 2,515,938
Intergovernmental	120,000	237,252	-	(237,252)	-
Interest earnings	126,740	84,000	22,536	(61,464)	141,172
Other revenue	150,000	100,000	269,092	169,092	147,316
Total revenues	3,066,780	3,092,250	2,809,668	(282,582)	2,804,426
EXPENDITURES					
Health and Welfare:					
Contractual services	1,466,540	2,150,592	1,115,774	1,034,818	816,556
Materials and supplies	33,160	47,160	21,800	25,360	32,083
Capital outlay	965,000	-	-	-	-
Other operating expenditures	1,528,740	661,052	162,532	498,520	158,720
Total expenditures	3,993,440	2,858,804	1,300,106	1,558,698	1,007,359
Excess (deficiency) of revenues over (under) expenditures	(926,660)	233,446	1,509,562	1,276,116	1,797,067
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(1,904,070)	(1,904,068)	(1,904,068)	-	(1,889,960)
Total other financing sources (uses)	(1,904,070)	(1,904,068)	(1,904,068)	-	(1,889,960)
Net change in fund balances	(2,830,730)	(1,670,622)	(394,506)	1,276,116	(92,893)
Unencumbered fund balances - beginning	3,123,584	4,619,251	4,619,251	-	4,712,144
Unencumbered fund balances - ending	\$ 292,854	\$ 2,948,629	\$ 4,224,745	\$ 1,276,116	\$ 4,619,251

CITY OF WICHITA, KANSAS
NORTH IND. CORRIDOR TIF DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Taxes and levies	\$ 1,165,300	\$ 1,166,130	\$ 1,114,365	\$ (51,765)	\$ 1,165,663
Interest earnings	88,250	90,000	28,966	(61,034)	156,426
Other revenue	-	200,000	203,926	3,926	1,518
Total revenues	<u>1,253,550</u>	<u>1,456,130</u>	<u>1,347,257</u>	<u>(108,873)</u>	<u>1,323,607</u>
EXPENDITURES					
Health and Welfare:					
Contractual services	1,527,880	1,496,960	503,602	993,358	550,765
Materials and supplies	4,000	4,000	1,965	2,035	591
Capital outlay	30,000	30,000	-	30,000	-
Other operating expenditures	5,368,740	661,052	161,052	500,000	158,720
Total expenditures	<u>6,930,620</u>	<u>2,192,012</u>	<u>666,619</u>	<u>1,525,393</u>	<u>710,076</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,677,070)</u>	<u>(735,882)</u>	<u>680,638</u>	<u>1,416,520</u>	<u>613,531</u>
Net change in fund balances	(5,677,070)	(735,882)	680,638	1,416,520	613,531
Unencumbered fund balances - beginning	<u>6,024,871</u>	<u>6,887,472</u>	<u>6,887,472</u>	<u>-</u>	<u>6,273,941</u>
Unencumbered fund balances - ending	<u>\$ 347,801</u>	<u>\$ 6,151,590</u>	<u>\$ 7,568,110</u>	<u>\$ 1,416,520</u>	<u>\$ 6,887,472</u>

CITY OF WICHITA, KANSAS
EAST BANK TIF DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Taxes and levies	\$ 2,451,830	\$ 1,253,817	\$ 1,980,888	\$ 727,071	\$ 1,223,237
Rental/lease income	51,000	98,000	43,182	(54,818)	96,462
Interest earnings	40,000	30,000	3,885	(26,115)	26,244
Total revenues	<u>2,542,830</u>	<u>1,381,817</u>	<u>2,027,955</u>	<u>646,138</u>	<u>1,345,943</u>
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	<u>(2,506,020)</u>	<u>(1,431,000)</u>	<u>(1,431,000)</u>	<u>-</u>	<u>(1,693,297)</u>
Total other financing sources (uses)	<u>(2,506,020)</u>	<u>(1,431,000)</u>	<u>(1,431,000)</u>	<u>-</u>	<u>(1,693,297)</u>
Net change in fund balances	36,810	(49,183)	596,955	646,138	(347,354)
Unencumbered fund balances - beginning	<u>51,691</u>	<u>50,067</u>	<u>50,067</u>	<u>-</u>	<u>397,421</u>
Unencumbered fund balances - ending	<u>\$ 88,501</u>	<u>\$ 884</u>	<u>\$ 647,022</u>	<u>\$ 646,138</u>	<u>\$ 50,067</u>

CITY OF WICHITA, KANSAS
OLD TOWN TIF DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Taxes and levies	\$ 762,200	\$ 812,756	\$ 942,708	\$ 129,952	\$ 783,702
Rental/lease income	-	-	120,000	120,000	-
Interest earnings	37,130	25,000	2,804	(22,196)	37,337
Other revenue	-	-	394	394	-
Total revenues	<u>799,330</u>	<u>837,756</u>	<u>1,065,906</u>	<u>228,150</u>	<u>821,039</u>
EXPENDITURES					
General Government:					
Contractual services	-	-	-	-	7,128
Materials and supplies	25,000	25,000	-	25,000	3,922
Other operating expenditures	615,000	-	-	-	1,350,000
Total expenditures	<u>640,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>1,361,050</u>
Excess (deficiency) of revenues over (under) expenditures	<u>159,330</u>	<u>812,756</u>	<u>1,065,906</u>	<u>253,150</u>	<u>(540,011)</u>
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	<u>(215,070)</u>	<u>(808,427)</u>	<u>(808,427)</u>	<u>-</u>	<u>(953,410)</u>
Total other financing sources (uses)	<u>(215,070)</u>	<u>(808,427)</u>	<u>(808,427)</u>	<u>-</u>	<u>(953,410)</u>
Net change in fund balances	(55,740)	4,329	257,479	253,150	(1,493,421)
Unencumbered fund balances - beginning	82,456	118,492	118,492	-	1,611,913
Unencumbered fund balances - ending	<u>\$ 26,716</u>	<u>\$ 122,821</u>	<u>\$ 375,971</u>	<u>\$ 253,150</u>	<u>\$ 118,492</u>

CITY OF WICHITA, KANSAS
21ST STREET & GROVE TIF DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Taxes and levies	\$ 202,350	\$ 153,175	\$ 205,591	\$ 52,416	\$ 140,142
Interest earnings	2,350	1,000	320	(680)	3,913
Total revenues	204,700	154,175	205,911	51,736	144,055
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(200,000)	(154,000)	(154,000)	-	(203,596)
Total other financing sources (uses)	(200,000)	(154,000)	(154,000)	-	(203,596)
Net change in fund balances	4,700	175	51,911	51,736	(59,541)
Unencumbered fund balances - beginning	3,753	62	62	-	59,603
Unencumbered fund balances - ending	<u>\$ 8,453</u>	<u>\$ 237</u>	<u>\$ 51,973</u>	<u>\$ 51,736</u>	<u>\$ 62</u>

CITY OF WICHITA, KANSAS

**OLD TOWN CINEMA TIF DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Taxes and levies	\$ 342,130	\$ 369,627	\$ 240,661	\$ (128,966)	\$ 362,379
Rental/lease income	37,000	98,400	15,000	(83,400)	91,559
Interest earnings	500	500	874	374	5,051
Total revenues	379,630	468,527	256,535	(211,992)	458,989
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	20,413	20,413	-
Transfers to other funds	(365,000)	(557,000)	(366,775)	190,225	(370,000)
Total other financing sources (uses)	(365,000)	(557,000)	(346,362)	210,638	(370,000)
Net change in fund balances	14,630	(88,473)	(89,827)	(1,354)	88,989
Unencumbered fund balances - beginning	563	89,832	89,832	-	843
Unencumbered fund balances - ending	\$ 15,193	\$ 1,359	\$ 5	\$ (1,354)	\$ 89,832

CITY OF WICHITA, KANSAS

**NE REDEVELOPMENT TIF DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Taxes and levies	\$ -	\$ 32,928	\$ 32,585	\$ (343)	\$ 30,534
Interest earnings	-	1,000	163	(837)	37
Total revenues	-	33,928	32,748	(1,180)	30,571
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	-	(64,000)	(63,705)	295	-
Total other financing sources (uses)	-	(64,000)	(63,705)	295	-
Net change in fund balances	-	(30,072)	(30,957)	(885)	30,571
Unencumbered fund balances - beginning	-	30,957	30,957	-	386
Unencumbered fund balances - ending	\$ -	\$ 885	\$ -	\$ (885)	\$ 30,957

CITY OF WICHITA, KANSAS

**CENTER CITY SOUTH TIF DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Taxes and levies	\$ -	\$ 24,620	\$ -	\$ (24,620)	\$ -
Interest earnings	-	1,000	-	(1,000)	-
Total revenues	-	25,620	-	(25,620)	-
Net change in fund balances	-	25,620	-	(25,620)	-
Unencumbered fund balances - beginning	-	-	-	-	-
Unencumbered fund balances - ending	\$ -	\$ 25,620	\$ -	\$ (25,620)	\$ -

CITY OF WICHITA, KANSAS

**DOUGLAS & HILLSIDE TIF DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Taxes and levies	\$ -	\$ -	\$ 4,304	\$ 4,304	\$ -
Total revenues	-	-	4,304	4,304	-
Net change in fund balances	-	-	4,304	4,304	-
Unencumbered fund balances - beginning	-	-	-	-	-
Unencumbered fund balances - ending	\$ -	\$ -	\$ 4,304	\$ 4,304	\$ -

CITY OF WICHITA, KANSAS

**SELF SUPPORTING MUNICIPAL IMPROVEMENT DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Taxes and levies	\$ 637,489	\$ 654,153	\$ 654,976	\$ 823	\$ 610,214
Total revenues	<u>637,489</u>	<u>654,153</u>	<u>654,976</u>	<u>823</u>	<u>610,214</u>
EXPENDITURES					
General Government:					
Contractual services	<u>637,487</u>	<u>637,487</u>	<u>637,487</u>	<u>-</u>	<u>610,214</u>
Total expenditures	<u>637,487</u>	<u>637,487</u>	<u>637,487</u>	<u>-</u>	<u>610,214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2</u>	<u>16,666</u>	<u>17,489</u>	<u>823</u>	<u>-</u>
Net change in fund balances	2	16,666	17,489	823	-
Unencumbered fund balances - beginning	<u>10,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered fund balances - ending	<u>\$ 10,829</u>	<u>\$ 16,666</u>	<u>\$ 17,489</u>	<u>\$ 823</u>	<u>\$ -</u>

CITY OF WICHITA, KANSAS
CITY/COUNTY FLOOD CONTROL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Intergovernmental	\$ 1,044,750	\$ 998,276	\$ 914,198	\$ (84,078)	\$ 863,738
Other revenue	-	-	11,321	11,321	-
Total revenues	1,044,750	998,276	925,519	(72,757)	863,738
EXPENDITURES					
Public Safety:					
Personnel services	1,054,240	1,004,062	970,737	33,325	816,574
Contractual services	776,220	739,808	654,448	85,360	752,657
Materials and supplies	197,720	192,774	154,699	38,075	148,287
Capital outlay	61,320	45,000	44,925	75	37,768
Total expenditures	2,089,500	1,981,644	1,824,809	156,835	1,755,286
Excess (deficiency) of revenues over (under) expenditures	(1,044,750)	(983,368)	(899,290)	84,078	(891,548)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	1,044,750	998,276	914,198	(84,078)	863,738
Total other financing sources (uses)	1,044,750	998,276	914,198	(84,078)	863,738
Net change in fund balances	-	14,908	14,908	-	(27,810)
Unencumbered fund balances - beginning	-	(14,908)	(14,908)	-	12,902
Unencumbered fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ (14,908)

CITY OF WICHITA, KANSAS

**CITY/COUNTY METROPOLITAN PLANNING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Intergovernmental	\$ 888,470	\$ 850,313	\$ 835,742	\$ (14,571)	\$ 830,069
Charges for services and sales	282,950	200,000	166,861	(33,139)	234,423
Other revenue	-	-	944	944	2
Total revenues	<u>1,171,420</u>	<u>1,050,313</u>	<u>1,003,547</u>	<u>(46,766)</u>	<u>1,064,494</u>
EXPENDITURES					
General Government:					
Personnel services	1,766,840	1,678,353	1,662,398	15,955	1,652,200
Contractual services	196,960	161,843	147,304	14,539	167,037
Materials and supplies	18,930	10,430	9,587	843	14,460
Other operating expenditures	77,160	-	10,000	(10,000)	60,864
Total expenditures	<u>2,059,890</u>	<u>1,850,626</u>	<u>1,829,289</u>	<u>21,337</u>	<u>1,894,561</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(888,470)</u>	<u>(800,313)</u>	<u>(825,742)</u>	<u>(25,429)</u>	<u>(830,067)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	888,470	850,313	835,742	(14,571)	830,067
Transfers to other funds	-	(50,000)	(10,000)	40,000	-
Total other financing sources (uses)	<u>888,470</u>	<u>800,313</u>	<u>825,742</u>	<u>25,429</u>	<u>830,067</u>
Net change in fund balances	-	-	-	-	-
Unencumbered fund balances - beginning	-	-	-	-	-
Unencumbered fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Interest earnings	\$ 3,500	\$ 5,079	\$ -	\$ (5,079)	\$ 1,239
Total revenues	3,500	5,079	-	(5,079)	1,239
EXPENDITURES					
Culture and Recreation:					
Personnel services	1,178,213	-	-	-	1,009,662
Contractual services	112,930	-	-	-	448,633
Materials and supplies	3,500	-	-	-	165
Total expenditures	1,294,643	-	-	-	1,458,460
Excess (deficiency) of revenues over (under) expenditures	(1,291,143)	5,079	-	(5,079)	(1,457,221)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	1,278,960	-	-	-	1,454,960
Transfers to other funds	-	(15,000)	(9,921)	5,079	-
Total other financing sources (uses)	1,278,960	(15,000)	(9,921)	5,079	1,454,960
Net change in fund balances	(12,183)	(9,921)	(9,921)	-	(2,261)
Unencumbered fund balances - beginning	12,183	9,921	9,921	-	12,182
Unencumbered fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ 9,921

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with	2008 Actual Amounts
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Property taxes	\$ 26,687,172	\$ 26,688,798	\$ 27,053,929	\$ 365,131	\$ 28,852,172
Delinquent property taxes	850,000	880,400	839,204	(41,196)	720,553
Business mchry & equip tax reduction	-	-	248,392	248,392	317,635
Special assessments	30,752,844	30,520,904	31,096,028	575,124	30,394,965
Delinquent special assessments	1,273,270	1,516,908	2,253,076	736,168	1,390,558
Motor vehicle tax	3,934,256	3,776,812	3,739,019	(37,793)	4,165,653
Interest earnings	1,500,000	700,000	285,197	(414,803)	629,506
Other	140,000	140,000	2,012,885	1,872,885	418,018
Total revenues	65,137,542	64,223,822	67,527,730	3,303,908	66,889,060
EXPENDITURES					
Interest on general obligation bonds	-	-	8,859,217	(8,859,217)	9,699,219
Interest on special assessment bonds	-	-	8,813,298	(8,813,298)	9,531,014
Interest on HUD Section 108 loan	-	-	96,474	(96,474)	111,632
Commission, postage and refunds	120,000	120,000	5,500	114,500	5,500
Retirement of general obligation bonds	34,352,764	30,984,248	23,010,453	7,973,795	23,213,736
Retirement of special assessment bonds	28,728,363	31,447,019	21,180,000	10,267,019	20,170,000
Retirement of HUD Section 108 loan	376,424	376,424	280,000	96,424	260,000
Other debt service cost	-	-	164,535	(164,535)	1,329,000
Total expenditures	63,577,551	62,927,691	62,409,477	518,214	64,320,101
Excess (deficiency) of revenues over (under) expenditures	1,559,991	1,296,131	5,118,253	3,822,122	2,568,959
OTHER FINANCING SOURCES (USES)					
Premiums on bonds sold	-	500,000	1,545,712	1,045,712	169,179
Transfers from other funds	22,397,658	21,511,992	20,675,487	(836,505)	21,763,215
Transfers to other funds - retirement of temporary notes	(24,000,000)	(25,200,000)	(11,349,456)	13,850,544	(34,377,187)
Total other financing sources (uses)	(1,602,342)	(3,188,008)	10,871,743	14,059,751	(12,444,793)
Net change in unencumbered cash balances	(42,351)	(1,891,877)	15,989,996	17,881,873	(9,875,834)
Unencumbered fund balances - beginning	3,642,812	6,231,047	6,231,047	-	16,106,881
Unencumbered fund balances - ending	\$ 3,600,461	\$ 4,339,170	\$ 22,221,043	\$ 17,881,873	\$ 6,231,047

CITY OF WICHITA, KANSAS
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Licenses	\$ -	\$ -	\$ 2,650	\$ 2,650	\$ 2,430
Interest earnings	29,400	41,900	22,994	(18,906)	41,902
Other revenue	-	-	1,410	1,410	23,088
Total revenues	29,400	41,900	27,054	(14,846)	67,420
EXPENDITURES					
General Government:					
Personnel services	3,500	3,500	-	3,500	-
Contractual services	46,630	46,630	42,630	4,000	23,976
Materials and supplies	3,500	3,500	290	3,210	443
Total expenditures	53,630	53,630	42,920	10,710	24,419
Excess (deficiency) of revenues over (under) expenditures	(24,230)	(11,730)	(15,866)	(4,136)	43,001
Net change in fund balances	(24,230)	(11,730)	(15,866)	(4,136)	43,001
Unencumbered fund balances - beginning	834,190	901,511	901,511	-	858,510
Unencumbered fund balances - ending	\$ 809,960	\$ 889,781	\$ 885,645	\$ (4,136)	\$ 901,511

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The fund measurement focus is upon determination of net income, financial position and change in financial position. The following nonmajor enterprise funds are reported:

Golf Course Systems provide the public with five suitable golf facilities on a self-sustaining basis.

Wichita Transit provides economical bus service through regular route and para-transit services.

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET NONMAJOR ENTERPRISE FUNDS

December 31, 2009
(with comparative totals for December 31, 2008)

	Golf Course System	Transit	Totals	
			2009	2008
ASSETS				
Current assets:				
Cash and temporary investments	\$ 767,476	\$ -	\$ 767,476	\$ 503,322
Receivables, net	-	23,917	23,917	128,819
Due from other agencies	-	1,681,225	1,681,225	881,311
Inventories	-	326,588	326,588	303,608
Total current assets	767,476	2,031,730	2,799,206	1,817,060
Noncurrent assets:				
Capital assets:				
Land	727,968	1,880,750	2,608,718	2,585,719
Buildings	2,789,843	8,835,678	11,625,521	11,611,719
Improvements other than buildings	14,316,362	342,181	14,658,543	14,586,242
Machinery, equipment and other assets	1,586,050	16,183,951	17,770,001	17,793,193
Construction in progress	-	2,224,886	2,224,886	1,835,216
Less accumulated depreciation	(10,668,889)	(15,434,190)	(26,103,079)	(23,323,339)
Total capital assets (net of accumulated depreciation)	8,751,334	14,033,256	22,784,590	25,088,750
Total noncurrent assets	8,751,334	14,033,256	22,784,590	25,088,750
Total assets	\$ 9,518,810	\$ 16,064,986	\$ 25,583,796	\$ 26,905,810
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	\$ 97,532	\$ 598,307	\$ 695,839	\$ 811,664
Accrued interest payable	15,357	-	15,357	17,418
Deposits	1,673	-	1,673	2,375
Due to other funds	-	463,134	463,134	-
Current portion of long-term obligations:				
General obligation bonds payable	525,000	-	525,000	504,947
Compensated absences	106,009	147,868	253,877	278,023
Total current liabilities	745,571	1,209,309	1,954,880	1,614,427
Noncurrent liabilities:				
Due to other funds	3,416,669	-	3,416,669	2,989,314
General obligation bonds payable	3,120,000	-	3,120,000	3,645,000
Compensated absences	21,111	27,078	48,189	35,801
Total noncurrent liabilities	6,557,780	27,078	6,584,858	6,670,115
Total liabilities	7,303,351	1,236,387	8,539,738	8,284,542
NET ASSETS				
Invested in capital assets, net of related debt	5,106,334	14,033,256	19,139,590	20,938,803
Restricted for capital projects		6,883	6,883	250
Unrestricted	(2,890,875)	788,460	(2,102,415)	(2,317,785)
Total net assets	2,215,459	14,828,599	17,044,058	18,621,268
Total liabilities and net assets	\$ 9,518,810	\$ 16,064,986	\$ 25,583,796	\$ 26,905,810

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS NONMAJOR ENTERPRISE FUNDS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Golf Course	Transit	Totals	
	System		2009	2008
OPERATING REVENUES				
Charges for services and sales	\$ 542,361	\$ 1,762,521	\$ 2,304,882	\$ 2,439,323
Fees	2,872,271	-	2,872,271	2,773,303
Rentals	883,087	48,774	931,861	877,248
Other	15,833	40,636	56,469	144,660
Total operating revenues	<u>4,313,552</u>	<u>1,851,931</u>	<u>6,165,483</u>	<u>6,234,534</u>
OPERATING EXPENSES				
Personal services	1,783,880	6,183,004	7,966,884	8,024,804
Contractual services	996,011	3,604,153	4,600,164	3,954,778
Materials and supplies	572,928	1,785,276	2,358,204	3,021,706
Administrative charges	194,390	349,911	544,301	544,230
Depreciation	795,761	2,013,835	2,809,596	2,979,354
Total operating expenses	<u>4,342,970</u>	<u>13,936,179</u>	<u>18,279,149</u>	<u>18,524,872</u>
Operating income (loss)	<u>(29,418)</u>	<u>(12,084,248)</u>	<u>(12,113,666)</u>	<u>(12,290,338)</u>
NONOPERATING REVENUES (EXPENSES)				
Operating grants	-	5,939,591	5,939,591	5,469,357
Interest on investments	850	-	850	7,953
Other revenues (expenses)	(250)	(12,834)	(13,084)	(22,018)
Interest expense	(206,897)	(70)	(206,967)	(239,872)
Gain (loss) from sale of assets	-	(6,306)	(6,306)	(44,536)
Total nonoperating revenues (expenses)	<u>(206,297)</u>	<u>5,920,381</u>	<u>5,714,084</u>	<u>5,170,884</u>
Income (loss) before contributions and transfers	(235,715)	(6,163,867)	(6,399,582)	(7,119,454)
Capital contributions and operating transfers:				
Capital contributions - cash	-	555,340	555,340	731,337
Capital contributions - non cash	26,652	-	26,652	175,862
Transfers from other funds	-	4,355,080	4,355,080	4,095,080
Transfers to other funds	(70,630)	(44,070)	(114,700)	(138,590)
Change in net assets	(279,693)	(1,297,517)	(1,577,210)	(2,255,765)
Net assets - as previously reported	2,495,152	16,126,116	18,621,268	20,876,623
Prior period adjustment	-	-	-	410
Net assets - beginning, as restated	2,495,152	16,126,116	18,621,268	20,877,033
Total net assets - ending	<u>\$ 2,215,459</u>	<u>\$ 14,828,599</u>	<u>\$ 17,044,058</u>	<u>\$ 18,621,268</u>

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Golf Course		Totals	
	System	Transit	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 4,297,017	\$ 1,916,197	\$ 6,213,214	\$ 6,201,787
Cash payments to suppliers for goods and services	(1,764,212)	(5,889,766)	(7,653,978)	(7,308,638)
Cash payments to employees for services	(1,777,958)	(6,200,684)	(7,978,642)	(8,028,364)
Other operating revenues (uses)	15,833	40,636	56,469	144,660
Net cash provided (used) by operating activities	<u>770,680</u>	<u>(10,133,617)</u>	<u>(9,362,937)</u>	<u>(8,990,555)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grant received	-	5,170,846	5,170,846	5,794,850
Interfund loan	-	463,134	463,134	(141,029)
Proceeds from fund consolidation	-	-	-	410
Transfers from other funds	-	4,355,080	4,355,080	4,095,080
Transfers to other funds	(70,630)	(44,070)	(114,700)	(138,590)
Net cash provided (used) by noncapital financing activities	<u>(70,630)</u>	<u>9,944,990</u>	<u>9,874,360</u>	<u>9,610,721</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Additions to property, plant and equipment	1	(472,905)	(472,904)	(730,649)
Debt service - principal	(77,594)	-	(77,594)	(54,339)
Debt service - interest	(208,958)	-	(208,958)	(232,213)
Proceeds from sale of assets	-	-	-	20,819
Capital contributions	-	524,171	524,171	483,154
Net cash provided (used) by capital and related financing activities	<u>(286,551)</u>	<u>51,266</u>	<u>(235,285)</u>	<u>(513,228)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	850	(12,834)	(11,984)	(1,640)
Net cash provided by investing activities	<u>850</u>	<u>(12,834)</u>	<u>(11,984)</u>	<u>(1,640)</u>
Net increase (decrease) in cash and temporary investments	414,349	(150,195)	264,154	105,298
Cash and temporary investments - January 1	<u>353,127</u>	<u>150,195</u>	<u>503,322</u>	<u>398,024</u>
Cash and temporary investments - December 31	<u>\$ 767,476</u>	<u>\$ -</u>	<u>\$ 767,476</u>	<u>\$ 503,322</u>

(Continued)

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CASH FLOWS (CONTINUED) NONMAJOR ENTERPRISE FUNDS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Golf Course System	Transit	Totals	
			2009	2008
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (29,418)	\$ (12,084,248)	\$ (12,113,666)	\$ (12,290,338)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	795,761	2,013,835	2,809,596	2,979,354
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	-	104,902	104,902	111,145
(Increase) decrease in inventory	-	(22,980)	(22,980)	(51,131)
Increase (decrease) in accounts payable/accrued expenses	(883)	(127,446)	(128,329)	263,207
Increase (decrease) in deposits	(702)	-	(702)	768
Increase (decrease) in compensated absences	5,922	(17,680)	(11,758)	(3,560)
 Total adjustments	 800,098	 1,950,631	 2,750,729	 3,299,783
Net cash provided (used) by operating activities	\$ 770,680	\$ (10,133,617)	\$ (9,362,937)	\$ (8,990,555)
 <u>Noncash, investing, capital and financing activities:</u>				
Contribution of capital asset	\$ 26,652	\$ -	\$ 26,652	\$ 175,862

CITY OF WICHITA, KANSAS

**WATER UTILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN UNENCUMBERED CASH
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	\$ 54,051,137	\$ 52,981,890	\$ 53,794,929	\$ 813,039	\$ 37,343,408
Rental/lease income	14,590	24,840	30,891	6,051	33,907
Interest earnings	1,606,949	1,190,000	118,490	(1,071,510)	948,639
Other Revenue	278,232	1,000	1,253,020	1,252,020	1,556,567
Total Revenues	55,950,908	54,197,730	55,197,330	999,600	39,882,521
EXPENDITURES					
Personal services	9,118,528	8,945,957	8,770,040	175,917	8,696,676
Contractual services	8,709,947	8,717,101	7,835,842	881,259	8,668,142
Materials and supplies	3,520,660	3,448,730	2,933,690	515,040	3,803,096
Capital Outlay	4,941,450	2,970,890	2,401,403	569,487	3,583,192
Other operating expenses	502,730	502,730	502,820	(90)	507,060
Interest - deferred refunding rev bonds	178,540	178,540	178,187	353	-
City administrative charges	1,102,786	1,112,358	1,105,020	7,338	1,090,764
Debt service	21,268,760	17,593,767	17,593,768	(1)	16,688,961
Other non-operating expenses	7,000	7,000	54,637	(47,637)	288,365
Cost of materials used	2,000,000	2,066,940	907,769	1,159,171	-
Bond amortization expense	33,380	33,380	(312,387)	345,767	(316,491)
Contingency	1,000,000	-	-	-	-
Franchise taxes	2,307,765	1,846,837	1,846,837	-	2,114,070
Total Expenditures	54,691,546	47,424,230	43,817,626	3,606,604	45,123,835
Excess (deficiency) of revenues over (under) expenditures	1,259,362	6,773,500	11,379,704	4,606,204	(5,241,314)
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(1,994,550)	(2,083,960)	(1,984,169)	99,791	(1,826,300)
Total other financing sources (uses)	(1,994,550)	(2,083,960)	(1,984,169)	99,791	(1,826,300)
Net change in unencumbered cash balances	(735,188)	4,689,540	9,395,535	4,705,995	(7,067,614)
Unencumbered cash - beginning	27,497,233	28,696,143	28,696,143	-	30,431,075
(Increase)/decrease in assets and liabilities	-	-	7,573,603	7,573,603	5,332,682
Unencumbered cash - ending	\$ 26,762,045	\$ 33,385,683	\$ 45,665,281	\$ 12,279,598	\$ 28,696,143

CITY OF WICHITA, KANSAS

**SEWER UTILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN UNENCUMBERED CASH
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with	2008 Actual Amounts
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Charges for services and sales	\$ 38,251,947	\$ 40,569,800	\$ 36,514,194	\$ (4,055,606)	\$ 36,828,064
Interest earnings	953,635	540,000	60,500	(479,500)	487,475
Spec assessment bond proceeds	65,729	-	-	-	47,829
Other Revenue	301,584	10,100	97,428	87,328	310,007
Total Revenues	39,572,895	41,119,900	36,672,122	(4,447,778)	37,673,375
EXPENDITURES					
Personal services	11,107,514	9,986,542	9,751,108	235,434	9,937,124
Contractual services	5,938,689	6,278,096	5,646,165	631,931	5,073,230
Materials and supplies	2,815,272	2,893,702	2,574,846	318,856	2,619,360
Capital outlay	2,004,660	940,060	783,029	157,031	1,094,927
Other operating expenses	327,870	327,870	327,870	-	327,870
Interest - deferred refunding rev bonds	116,150	116,150	115,599	551	-
City administrative charges	301,584	319,712	319,712	-	319,710
Debt service	14,661,800	13,276,771	13,276,772	(1)	13,037,416
Other non-operating expenses	1,500	1,500	-	1,500	116,148
Bond amortization expense	(269,380)	(269,380)	(260,283)	(9,097)	(260,817)
Contingency	250,000	-	-	-	-
Franchise taxes	1,772,871	1,615,385	1,615,385	-	1,642,781
Total Expenditures	39,028,530	35,486,408	34,150,203	1,336,205	33,907,749
Excess (deficiency) of revenues over (under) expenditures	544,365	5,633,492	2,521,919	(3,111,573)	3,765,626
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(1,526,860)	(1,527,630)	(1,527,630)	-	(1,454,150)
Total other financing sources (uses)	(1,526,860)	(1,527,630)	(1,527,630)	-	(1,454,150)
Net change in unencumbered cash balances	(982,495)	4,105,862	994,289	(3,111,573)	2,311,476
Unencumbered cash - beginning	20,619,066	18,366,080	18,366,080	-	21,504,512
(Increase)/decrease in assets and liabilities	-	-	595,187	595,187	(5,449,908)
Unencumbered cash - ending	\$ 19,636,571	\$ 22,471,942	\$ 19,955,556	\$ (2,516,386)	\$ 18,366,080

CITY OF WICHITA, KANSAS

**STORM WATER UTILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN UNENCUMBERED CASH
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	\$ 8,492,990	\$ 8,512,990	\$ 8,611,367	\$ 98,377	\$ 8,428,092
Interest earnings	140,000	40,000	27,611	(12,389)	118,801
Other Revenue	-	-	1,121,349	1,121,349	3,719,499
Total Revenues	8,632,990	8,552,990	9,760,327	1,207,337	12,266,392
EXPENDITURES					
Personal services	2,032,610	1,947,647	1,864,680	82,967	1,779,392
Contractual services	1,153,320	1,479,727	1,206,018	273,709	1,008,644
Materials and supplies	192,300	245,716	221,976	23,740	193,454
Capital outlay	517,000	517,000	240,738	276,262	467,000
Other operating expenses	968,400	825,500	861,101	(35,601)	397,162
City administrative charges	100,790	100,790	100,790	-	100,790
Debt service	2,278,940	1,143,942	1,143,942	-	1,151,513
Other non-operating expenses	25,000	-	-	-	-
Contingency	6,025,000	100,000	-	100,000	-
Total Expenditures	13,293,360	6,360,322	5,639,245	721,077	5,097,955
Excess (deficiency) of revenues over (under) expenditures	(4,660,370)	2,192,668	4,121,082	1,928,414	7,168,437
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(431,000)	(443,330)	(443,330)	-	(1,050,684)
Total other financing sources (uses)	(431,000)	(443,330)	(443,330)	-	(1,050,684)
Net change in unencumbered cash balances	(5,091,370)	1,749,338	3,677,752	1,928,414	6,117,753
Unencumbered cash - beginning	5,716,433	6,424,974	6,424,974	-	3,812,753
(Increase)/decrease in assets and liabilities	-	-	(2,568,788)	(2,568,788)	(3,505,532)
Unencumbered cash - ending	\$ 625,063	\$ 8,174,312	\$ 7,533,938	\$ (640,374)	\$ 6,424,974

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INTERNAL SERVICES FUNDS

Internal service funds are used to account for the financing and administration of general services rendered to the various departments of the City.

Information Technology coordinates the City's computer automation efforts and provides a City-owned telephone system to the organization. Information Technology also provides limited printing and photocopying services.

Fleet purchases, repairs and maintains vehicles and equipment used by City departments.

Stationery Stores provides all departments with office supplies and mail service.

Self-Insurance accounts for self-insurance programs of health insurance, workers' compensation, group life, auto liability and general liability.

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET INTERNAL SERVICE FUNDS

December 31, 2009

(with comparative totals for the year ended December 31, 2008)

	Information Technology	Fleet	Self Insurance	Totals	
				2009	2008
ASSETS					
Current assets:					
Cash and temporary investments	\$ 1,071,034	\$ 2,143,373	\$ 38,525,912	\$ 41,740,319	\$ 42,930,767
Receivables, net	223	48,784	1,262	50,269	41,144
Due from other funds	-	-	463,134	463,134	-
Inventories	-	625,222	-	625,222	619,344
Total current assets	<u>1,071,257</u>	<u>2,817,379</u>	<u>38,990,308</u>	<u>42,878,944</u>	<u>43,591,255</u>
Noncurrent assets:					
Capital assets:					
Land	-	71,340	-	71,340	71,340
Buildings	53,364	1,321,456	-	1,374,820	3,337,821
Machinery, equipment and other assets	14,220,311	30,133,508	310,534	44,664,353	41,885,555
Less accumulated depreciation	<u>(11,423,276)</u>	<u>(22,405,113)</u>	<u>(238,466)</u>	<u>(34,066,855)</u>	<u>(32,772,447)</u>
Total capital assets (net of accumulated depreciation)	<u>2,850,399</u>	<u>9,121,191</u>	<u>72,068</u>	<u>12,043,658</u>	<u>12,522,269</u>
Total assets	<u>\$ 3,921,656</u>	<u>\$ 11,938,570</u>	<u>\$ 39,062,376</u>	<u>\$ 54,922,602</u>	<u>\$ 56,113,524</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	\$ 189,776	\$ 433,883	\$ 895,054	\$ 1,518,713	\$ 729,304
Current portion of long-term obligations:					
Claims payable	-	-	6,321,282	6,321,282	7,575,551
Capital lease payable	326,735	-	-	326,735	309,187
Compensated absences	<u>138,852</u>	<u>122,200</u>	<u>28,075</u>	<u>289,127</u>	<u>312,443</u>
Total current liabilities	<u>655,363</u>	<u>556,083</u>	<u>7,244,411</u>	<u>8,455,857</u>	<u>8,926,485</u>
Noncurrent liabilities:					
Claims payable	-	-	9,481,426	9,481,426	11,627,049
Capital lease payable	850,838	-	-	850,838	1,163,165
Compensated absences	<u>31,619</u>	<u>24,493</u>	<u>6,381</u>	<u>62,493</u>	<u>49,429</u>
Total noncurrent liabilities	<u>882,457</u>	<u>24,493</u>	<u>9,487,807</u>	<u>10,394,757</u>	<u>12,839,643</u>
Total liabilities	<u>1,537,820</u>	<u>580,576</u>	<u>16,732,218</u>	<u>18,850,614</u>	<u>21,766,128</u>
NET ASSETS					
Invested in capital assets	2,850,399	9,121,191	72,068	12,043,658	12,522,269
Unrestricted - undesignated	<u>(466,563)</u>	<u>2,236,803</u>	<u>22,258,090</u>	<u>24,028,330</u>	<u>21,825,127</u>
Total net assets	<u>2,383,836</u>	<u>11,357,994</u>	<u>22,330,158</u>	<u>36,071,988</u>	<u>34,347,396</u>
Total liabilities and net assets	<u>\$ 3,921,656</u>	<u>\$ 11,938,570</u>	<u>\$ 39,062,376</u>	<u>\$ 54,922,602</u>	<u>\$ 56,113,524</u>

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS INTERNAL SERVICE FUNDS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Information Technology	Fleet
OPERATING REVENUES		
Charges for services and sales	\$ 8,063,953	\$ 325,462
Rentals	-	11,465,213
Employer contributions	-	-
Employee contributions	-	-
Other	543,504	52,788
Total operating revenues	8,607,457	11,843,463
OPERATING EXPENSES		
Personal services	3,694,552	2,869,138
Contractual services	3,153,555	999,264
Materials and supplies	227,204	4,304,880
Cost of materials used	149,948	396,923
Administrative charges	448,670	264,570
Depreciation	1,900,943	3,133,784
Employee benefits	-	-
Insurance claims	-	-
Total operating expenses	9,574,872	11,968,559
Operating income (loss)	(967,415)	(125,096)
NONOPERATING REVENUES (EXPENSES)		
Other revenue (expenses)	(6,094)	67,887
Interest earnings	-	-
Interest expense	(72,090)	-
Gain (loss) on the sale of assets	(7,733)	165,813
Actuarial loss reserve adjustment	-	-
Total nonoperating revenues (expenses)	(85,917)	233,700
Income (loss) before contributions and transfers	(1,053,332)	108,604
Capital contributions and operating transfers:		
Capital contributions - non cash	2,051,179	114,013
Capital transfer - non cash	-	(201,427)
Transfers from other funds	35,000	-
Transfers to other funds	(1,172,227)	(541,000)
Change in net assets	(139,380)	(519,810)
Total net assets - beginning	2,523,216	11,877,804
Total net assets - ending	\$ 2,383,836	\$ 11,357,994

Stationery Stores	Self Insurance	Totals	
		2009	2008
\$ 820,563	\$ -	\$ 9,209,978	\$ 9,029,799
-	-	11,465,213	11,639,232
-	26,314,039	26,314,039	28,238,329
-	6,724,874	6,724,874	7,176,536
-	239,612	835,904	1,044,276
<u>820,563</u>	<u>33,278,525</u>	<u>54,550,008</u>	<u>57,128,172</u>
68,084	452,420	7,084,194	7,269,635
15,515	2,443,716	6,612,050	6,814,735
1,298	79,739	4,613,121	6,659,579
827,729	-	1,374,600	719,320
5,590	85,160	803,990	679,680
9,256	30,718	5,074,701	3,655,810
-	26,412,808	26,412,808	24,592,912
-	4,756,835	4,756,835	6,646,681
<u>927,472</u>	<u>34,261,396</u>	<u>56,732,299</u>	<u>57,038,352</u>
<u>(106,909)</u>	<u>(982,871)</u>	<u>(2,182,291)</u>	<u>89,820</u>
-	-	61,793	(72,235)
-	132,176	132,176	756,361
-	-	(72,090)	(78,434)
(15,863)	-	142,217	336,385
-	3,399,892	3,399,892	-
<u>(15,863)</u>	<u>3,532,068</u>	<u>3,663,988</u>	<u>942,077</u>
(122,772)	2,549,197	1,481,697	1,031,897
-	-	2,165,192	501,179
(53,274)	-	(254,701)	-
35,000	250,000	320,000	361,175
<u>(274,369)</u>	<u>-</u>	<u>(1,987,596)</u>	<u>(1,148,975)</u>
(415,415)	2,799,197	1,724,592	745,276
415,415	19,530,961	34,347,396	33,602,120
<u>\$ -</u>	<u>\$ 22,330,158</u>	<u>\$ 36,071,988</u>	<u>\$ 34,347,396</u>

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Information Technology	Fleet
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 8,076,398	\$ 11,768,923
Cash payments to suppliers for goods and services	(4,014,394)	(5,646,677)
Cash payments to employees for services	(3,713,514)	(2,866,626)
Other operating revenues	543,504	52,788
Net cash provided by (used in) operating activities	891,994	3,308,408
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	35,000	-
Transfers to other funds	(1,172,227)	(541,000)
Net cash provided by (used in) noncapital financing activities	(1,137,227)	(541,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Additions (deductions) to property, plant and equipment	(2)	(2,510,994)
Debt service - principal	(312,539)	-
Debt service - interest	(72,090)	-
Proceeds from sale of assets	174	38,472
Net cash used in capital and related financing activities	(384,457)	(2,472,522)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	-	-
Net cash provided by investing activities	-	-
Net increase (decrease) in cash and temporary investments	(629,690)	294,886
Cash and temporary investments - January 1	1,700,724	1,848,487
Cash and temporary investments - December 31	\$ 1,071,034	\$ 2,143,373

Stationery Stores	Self Insurance	Totals	
		2009	2008
\$ 820,745	\$ 32,575,779	\$ 53,241,845	\$ 56,207,335
(851,937)	(33,215,072)	(43,728,080)	(45,401,360)
(69,412)	(444,894)	(7,094,446)	(7,249,149)
-	239,612	835,904	1,044,276
<u>(100,604)</u>	<u>(844,575)</u>	<u>3,255,223</u>	<u>4,601,102</u>
35,000	250,000	320,000	361,175
(274,369)	-	(1,987,596)	(1,148,975)
<u>(239,369)</u>	<u>250,000</u>	<u>(1,667,596)</u>	<u>(787,800)</u>
(53,272)	-	(2,564,268)	(2,654,171)
-	-	(312,539)	(320,625)
-	-	(72,090)	(78,434)
-	-	38,646	666,839
<u>(53,272)</u>	<u>-</u>	<u>(2,910,251)</u>	<u>(2,386,391)</u>
-	132,176	132,176	756,361
<u>-</u>	<u>132,176</u>	<u>132,176</u>	<u>756,361</u>
(393,245)	(462,399)	(1,190,448)	2,183,272
<u>393,245</u>	<u>38,988,311</u>	<u>42,930,767</u>	<u>40,747,495</u>
<u>\$ -</u>	<u>\$ 38,525,912</u>	<u>\$ 41,740,319</u>	<u>\$ 42,930,767</u>

(Continued)

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CASH FLOWS (CONTINUED) INTERNAL SERVICE FUNDS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Information Technology	Fleet
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	<u>\$ (967,415)</u>	<u>\$ (125,096)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	1,900,943	3,133,784
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	12,445	(21,752)
(Increase) decrease in inventory	-	(5,878)
(Increase) decrease in due from other funds	-	-
Increase (decrease) in accounts payable and accrued expenses	(35,017)	324,838
Increase in claims payable	-	-
Increase (decrease) in compensated absences	<u>(18,962)</u>	<u>2,512</u>
Total adjustments	<u>1,859,409</u>	<u>3,433,504</u>
Net cash provided by (used in) operating activities	<u>\$ 891,994</u>	<u>\$ 3,308,408</u>

Supplemental Schedule of Non-Cash Investing and Financing Activities

Contribution of capital assets, increase (decrease)	\$ 2,051,179	\$ 114,013
Assets acquired on capital lease	17,760	-

Stationery Stores	Self Insurance	Totals	
		2009	2008
<u>\$ (106,909)</u>	<u>\$ (982,871)</u>	<u>\$ (2,182,291)</u>	<u>\$ 89,820</u>
9,256	30,718	5,074,701	3,655,810
182	-	(9,125)	123,439
-	-	(5,878)	(40,630)
-	(463,134)	(463,134)	-
(1,805)	563,186	851,202	(960,882)
-	-	-	1,713,059
<u>(1,328)</u>	<u>7,526</u>	<u>(10,252)</u>	<u>20,486</u>
<u>6,305</u>	<u>138,296</u>	<u>5,437,514</u>	<u>4,511,282</u>
<u>\$ (100,604)</u>	<u>\$ (844,575)</u>	<u>\$ 3,255,223</u>	<u>\$ 4,601,102</u>
\$ (53,274)	\$ -	\$ 2,111,918	\$ 501,179
-	-	17,760	111,804

CITY OF WICHITA, KANSAS

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS SELF INSURANCE FUNDS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Life	Health	Workers'	General	Totals	
	Insurance	Insurance	Compensation	Liability	2009	2008
OPERATING REVENUES						
Employer contributions	\$ 339,409	\$ 19,375,408	\$ 4,191,715	\$ 2,407,507	\$ 26,314,039	\$ 28,238,329
Employee contributions	532,152	6,192,722	-	-	6,724,874	7,176,536
Other	(53,180)	10,473	206,203	76,116	239,612	297,527
Total operating revenues	<u>818,381</u>	<u>25,578,603</u>	<u>4,397,918</u>	<u>2,483,623</u>	<u>33,278,525</u>	<u>35,712,392</u>
OPERATING EXPENSES						
Personal services	-	5,001	149,744	297,675	452,420	502,801
Contractual services	1,707	1,880,276	500,715	61,018	2,443,716	2,539,596
Materials and supplies	-	-	2,655	77,084	79,739	71,536
Administrative changes	320	2,530	70,830	11,480	85,160	85,160
Depreciation	-	-	-	30,718	30,718	34,068
Employee benefits	919,565	25,493,243	-	-	26,412,808	24,592,912
Insurance claims	-	-	3,038,395	1,718,440	4,756,835	6,646,681
Total operating expenses	<u>921,592</u>	<u>27,381,050</u>	<u>3,762,339</u>	<u>2,196,415</u>	<u>34,261,396</u>	<u>34,472,754</u>
Operating income (loss)	<u>(103,211)</u>	<u>(1,802,447)</u>	<u>635,579</u>	<u>287,208</u>	<u>(982,871)</u>	<u>1,239,638</u>
NONOPERATING REVENUES						
Interest earnings	1,961	41,391	38,852	49,972	132,176	756,361
Actuarial loss reserve adjustment	-	(95,713)	3,015,077	480,528	3,399,892	-
Total nonoperating revenues	<u>1,961</u>	<u>(54,322)</u>	<u>3,053,929</u>	<u>530,500</u>	<u>3,532,068</u>	<u>756,361</u>
Income (loss) before operating transfers	(101,250)	(1,856,769)	3,689,508	817,708	2,549,197	1,995,999
Operating transfers:						
Transfers from other funds	-	-	-	250,000	250,000	250,000
Transfers to other funds	-	-	-	-	-	(114,728)
Change in net assets	(101,250)	(1,856,769)	3,689,508	1,067,708	2,799,197	2,131,271
Total net assets - beginning	<u>806,735</u>	<u>9,469,591</u>	<u>(1,050,301)</u>	<u>10,304,936</u>	<u>19,530,961</u>	<u>17,399,690</u>
Total net assets - ending	<u>\$ 705,485</u>	<u>\$ 7,612,822</u>	<u>\$ 2,639,207</u>	<u>\$ 11,372,644</u>	<u>\$ 22,330,158</u>	<u>\$ 19,530,961</u>

CITY OF WICHITA, KANSAS
INFORMATION TECHNOLOGY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN UNENCUMBERED CASH
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with	2008 Actual Amounts
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Charges for services and sales	\$ 8,141,759	\$ 8,551,178	\$ 8,064,127	\$ (487,051)	\$ 8,018,249
Other Revenue	759,553	796,507	598,090	(198,417)	934,359
Total Revenues	8,901,312	9,347,685	8,662,217	(685,468)	8,952,608
EXPENDITURES					
Personal services	4,232,675	3,893,920	3,675,590	218,330	3,890,551
Contractual services	3,438,053	3,379,842	3,105,789	274,053	3,168,515
Materials and supplies	613,450	478,310	236,333	241,977	700,873
Capital outlay	45,000	45,000	17,437	27,563	13,202
Other non-operating expenses	-	-	6,094	(6,094)	-
City administrative charges	324,360	448,670	448,670	-	324,360
Debt service	-	78,500	384,628	(306,128)	399,059
Cost of materials used	-	700,000	149,948	550,052	-
Total Expenditures	8,653,538	9,024,242	8,024,489	999,753	8,496,560
Excess (deficiency) of revenues over (under) expenditures	247,774	323,443	637,728	314,285	456,048
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	35,000	35,000	51,175
Transfers to other funds	(1,096,629)	(1,172,227)	(1,172,227)	-	(1,034,247)
Total other financing sources (uses)	(1,096,629)	(1,172,227)	(1,137,227)	35,000	(983,072)
Net change in unencumbered cash balances	(848,855)	(848,784)	(499,499)	349,285	(527,024)
Unencumbered cash - beginning	1,335,186	1,358,605	1,358,605	-	1,882,139
(Increase)/decrease in assets and liabilities	-	-	(25,480)	(25,480)	3,490
Unencumbered cash - ending	\$ 486,331	\$ 509,821	\$ 833,626	\$ 323,805	\$ 1,358,605

CITY OF WICHITA, KANSAS

**FLEET FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN UNENCUMBERED CASH
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	\$ 850,000	\$ 545,000	\$ 576,560	\$ 31,560	\$ 890,862
Rental/lease income	11,850,000	11,286,706	11,465,213	178,507	11,639,232
Other Revenue	165,000	50,000	47,043	(2,957)	16,607
Total Revenues	12,865,000	11,881,706	12,088,816	207,110	12,546,701
EXPENDITURES					
Personal services	3,139,060	2,880,925	2,866,626	14,299	2,782,957
Contractual services	849,330	1,060,316	979,371	80,945	887,527
Materials and supplies	5,450,190	4,325,810	4,240,844	84,966	5,955,105
Capital outlay	2,300,000	2,300,000	2,286,286	13,714	2,254,997
City administrative charges	264,570	264,570	264,570	-	264,570
Cost of materials used	800,000	559,000	343,940	215,060	(41,628)
Total Expenditures	12,803,150	11,390,621	10,981,637	408,984	12,103,528
Excess (deficiency) of revenues over (under) expenditures	61,850	491,085	1,107,179	616,094	443,173
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	-	-	25,000
Transfers to other funds	-	(541,000)	(541,000)	-	-
Total other financing sources (uses)	-	(541,000)	(541,000)	-	25,000
Net change in unencumbered cash balances	61,850	(49,915)	566,179	616,094	468,173
Unencumbered cash - beginning	695	664,724	664,724	-	117,845
(Increase)/decrease in assets and liabilities	-	-	50,610	50,610	78,706
Unencumbered cash - ending	\$ 62,545	\$ 614,809	\$ 1,281,513	\$ 666,704	\$ 664,724

CITY OF WICHITA, KANSAS
STATIONERY STORES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN UNENCUMBERED CASH
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	\$ 950,000	\$ 960,000	\$ 820,563	\$ (139,437)	\$ 787,527
Total Revenues	950,000	960,000	820,563	(139,437)	787,527
EXPENDITURES					
Personal services	67,495	69,994	68,082	1,912	67,775
Contractual services	20,271	20,271	15,357	4,914	12,853
Materials and supplies	3,130	3,130	1,298	1,832	2,596
Capital outlay	-	55,000	53,273	1,727	-
City administrative charges	5,590	5,590	5,590	-	5,590
Cost of materials used	900,000	900,000	827,729	72,271	719,321
Contingency	300,000	-	-	-	-
Total Expenditures	1,296,486	1,053,985	971,329	82,656	808,135
Excess (deficiency) of revenues over (under) expenditures	(346,486)	(93,985)	(150,766)	(56,781)	(20,608)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	35,000	35,000	35,000	-	35,000
Transfers to other funds	-	-	(274,369)	(274,369)	-
Total other financing sources (uses)	35,000	35,000	(239,369)	(274,369)	35,000
Net change in unencumbered cash balances	(311,486)	(58,985)	(390,135)	(331,150)	14,392
Unencumbered cash - beginning	365,556	391,283	391,283	-	376,277
(Increase)/decrease in assets and liabilities	-	-	(1,148)	(1,148)	614
Unencumbered cash - ending	\$ 54,070	\$ 332,298	\$ -	\$ (332,298)	\$ 391,283

CITY OF WICHITA, KANSAS

**SELF INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN UNENCUMBERED CASH
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Budgeted Amounts		Actual Amounts	Variance with	2008 Actual Amounts
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Interest earnings	\$ 862,113	\$ 862,113	\$ 132,176	\$ (729,937)	\$ 756,362
Contributions	-	-	905,566	905,566	703,742
Employer contributions	32,305,975	33,649,117	25,478,001	(8,171,116)	27,588,419
Employee contributions	8,423,180	8,520,922	6,655,348	(1,865,574)	7,122,938
Other Revenue	130,000	393,530	517,378	123,848	297,292
Total Revenues	41,721,268	43,425,682	33,688,469	(9,737,213)	36,468,753
EXPENDITURES					
Personal services	1,692,925	1,557,410	1,499,827	57,583	1,439,077
Contractual services	37,262,492	37,923,319	32,167,630	5,755,689	29,905,074
Materials and supplies	102,900	103,100	61,855	41,245	74,256
Capital outlay	10,000	34,488	9,738	24,750	-
Other operating expenses	-	130,520	23,930	106,590	131,248
City administrative charges	85,160	85,160	85,160	-	85,160
Other non-operating expenses	583,160	813,160	578,139	235,021	1,082,544
Contingency	3,500,000	2,720,000	-	2,720,000	-
Total Expenditures	43,236,637	43,367,157	34,426,279	8,940,878	32,717,359
Excess (deficiency) of revenues over (under) expenditures	(1,515,369)	58,525	(737,810)	(796,335)	3,751,394
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	325,670	250,000	250,000	-	250,000
Transfers to other funds	(130,520)	-	-	-	(114,728)
Total other financing sources (uses)	195,150	250,000	250,000	-	135,272
Net change in unencumbered cash balances	(1,320,219)	308,525	(487,810)	(796,335)	3,886,666
Unencumbered cash - beginning	16,922,633	21,663,852	21,663,852	-	19,337,922
(Increase)/decrease in assets and liabilities	-	-	3,606,369	3,606,369	(1,560,736)
Unencumbered cash - ending	\$ 15,602,414	\$ 21,972,377	\$ 24,782,411	\$ 2,810,034	\$ 21,663,852

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agent capacity for others and therefore, are not used to support the government's own programs.

Pension trust funds account for the receipt, investment and distribution of retirement contributions made for the benefit of police, fire and other City employees.

- Police and Fire Retirement System
- Employees' Retirement System
- Employees Retirement Plan 3

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

- Payroll Liability
- Special Assessment Advance Payments
- Neighborhood Revitalization
- IRB, Payment-in-lieu of taxes (PILOT)
- Special Assessments Letters of Credit

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF NET ASSETS PENSION TRUST FUNDS

December 31, 2009
(with comparative totals for December 31, 2008)

	Police and Fire	Employees'	Employees'	Totals	
	Retirement System	Retirement System	Retirement Plan 3	2009	2008
ASSETS					
Cash and temporary investments	\$ 244,446	\$ 95,413	\$ 24,327	\$ 364,186	\$ 300,516
Receivables:					
Investment sales pending	4,575,405	4,685,537	149,931	9,410,873	13,528,335
Interest and dividends	1,574,037	1,611,801	51,597	3,237,435	3,385,399
Other	72,464	39,434	21,607	133,505	110,372
Total receivables	<u>6,221,906</u>	<u>6,336,772</u>	<u>223,135</u>	<u>12,781,813</u>	<u>17,024,106</u>
Investments, at fair value:					
Government short term investment fund	8,595,357	8,801,575	281,757	17,678,689	34,604,698
Government securities: long term	19,867,080	20,344,081	677,066	40,888,227	25,911,919
Corporate debt instruments: long term	48,417,664	49,580,153	1,650,064	99,647,881	99,623,914
Mortgage-backed securities	51,666,153	52,906,637	1,760,772	106,333,562	128,712,547
Corporate stocks: domestic common	144,719,986	148,194,656	4,932,027	297,846,669	224,082,674
Corporate stocks: international common	79,119,147	81,018,767	2,696,364	162,834,278	126,363,611
Real estate	13,281,708	13,601,650	452,656	27,336,014	51,703,835
Value of interest in pooled funds: domestic fixed income	-	-	364,485	364,485	278,559
Value of interest in pooled funds: international fixed income	2,493,399	2,553,264	84,975	5,131,638	5,582,544
Value of interest in pooled funds: high yield fixed income	3,530,865	3,615,639	120,331	7,266,835	5,394,965
Value of interest in pooled funds: domestic equities	49,121,891	50,301,288	1,674,064	101,097,243	67,246,626
Value of interest in pooled funds: international equities	6,947,650	7,114,336	358,753	14,420,739	8,594,658
Securities lending short-term collateral investment pool	67,317,124	68,932,182	2,206,663	138,455,969	108,888,775
Total investments	<u>495,078,024</u>	<u>506,964,228</u>	<u>17,259,977</u>	<u>1,019,302,229</u>	<u>886,989,325</u>
Capital assets:					
Pension software	449,558	449,558	385,335	1,284,451	1,284,451
Less accumulated depreciation	(98,881)	(98,881)	(84,755)	(282,517)	(97,903)
Total capital assets (net of depreciation)	<u>350,677</u>	<u>350,677</u>	<u>300,580</u>	<u>1,001,934</u>	<u>1,186,548</u>
Prepaid expenses	-	-	-	-	100,000
Total assets	<u>501,895,053</u>	<u>513,747,090</u>	<u>17,808,019</u>	<u>1,033,450,162</u>	<u>905,600,495</u>
LIABILITIES					
Accounts payable and accrued expenses	1,349,026	1,419,903	50,710	2,819,639	7,815,769
Investment purchases pending	10,849,672	11,109,975	355,653	22,315,300	45,071,127
Securities lending obligations	67,317,124	68,932,182	2,206,663	138,455,969	108,888,775
Total liabilities	<u>79,515,822</u>	<u>81,462,060</u>	<u>2,613,026</u>	<u>163,590,908</u>	<u>161,775,671</u>
NET ASSETS					
Held in trust for pension benefits	<u>\$ 422,379,231</u>	<u>\$ 432,285,030</u>	<u>\$ 15,194,993</u>	<u>\$ 869,859,254</u>	<u>\$ 743,824,824</u>

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CHANGES IN NET ASSETS PENSION TRUST FUNDS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Police and Fire	Employees'	Employees'	Totals	
	Retirement System	Retirement System	Retirement Plan 3	2009	2008
ADDITIONS					
Contributions:					
Employer	\$ 11,034,552	\$ 2,545,331	\$ 1,478,256	\$ 15,058,139	\$ 14,493,642
Employee	4,443,524	2,639,080	1,478,256	8,560,860	8,392,402
Total contributions	<u>15,478,076</u>	<u>5,184,411</u>	<u>2,956,512</u>	<u>23,618,999</u>	<u>22,886,044</u>
Investment income:					
From investment activities					
Net appreciation (depreciation) in fair value of investments	65,037,661	67,115,314	2,288,247	134,441,222	(324,605,204)
Interest and dividends	11,861,117	12,334,799	369,282	24,565,198	31,013,570
Commission recapture	51,242	53,553	1,573	106,368	33,174
Total investing activity income	<u>76,950,020</u>	<u>79,503,666</u>	<u>2,659,102</u>	<u>159,112,788</u>	<u>(293,558,460)</u>
Less investment expense	1,808,630	1,867,182	61,216	3,737,028	3,692,359
Net income (loss) from investing activities	<u>75,141,390</u>	<u>77,636,484</u>	<u>2,597,886</u>	<u>155,375,760</u>	<u>(297,250,819)</u>
From securities lending activities					
Securities lending income	549,373	573,184	16,905	1,139,462	6,852,638
Securities lending activities expenses:					
Borrower rebates	48,562	50,518	1,449	100,529	4,484,781
Management fees	141,831	148,032	4,377	294,240	717,063
Total securities lending activities expenses	<u>190,393</u>	<u>198,550</u>	<u>5,826</u>	<u>394,769</u>	<u>5,201,844</u>
Net income from securities lending activities	<u>358,980</u>	<u>374,634</u>	<u>11,079</u>	<u>744,693</u>	<u>1,650,794</u>
Total net investment income (loss)	<u>75,500,370</u>	<u>78,011,118</u>	<u>2,608,965</u>	<u>156,120,453</u>	<u>(295,600,025)</u>
Transfers from other funds	-	1,664,681	-	1,664,681	2,019,289
Total additions	<u>90,978,446</u>	<u>84,860,210</u>	<u>5,565,477</u>	<u>181,404,133</u>	<u>(270,694,692)</u>
DEDUCTIONS					
Pension benefits	20,412,223	25,329,859	-	45,742,082	43,014,044
DROP and Back DROP payments	3,444,839	2,352,858	-	5,797,697	3,834,269
Pension administration	438,348	444,112	77,565	960,025	926,441
Depreciation	64,615	64,615	55,384	184,614	97,903
Employee contributions refunded	295,424	247,890	477,290	1,020,604	1,505,862
Transfers to other funds	-	-	1,664,681	1,664,681	2,019,289
Total deductions	<u>24,655,449</u>	<u>28,439,334</u>	<u>2,274,920</u>	<u>55,369,703</u>	<u>51,397,808</u>
Change in net assets	66,322,997	56,420,876	3,290,557	126,034,430	(322,092,500)
Net assets - beginning	<u>356,056,234</u>	<u>375,864,154</u>	<u>11,904,436</u>	<u>743,824,824</u>	<u>1,065,917,324</u>
Net assets - ending	<u>\$ 422,379,231</u>	<u>\$ 432,285,030</u>	<u>\$ 15,194,993</u>	<u>\$ 869,859,254</u>	<u>\$ 743,824,824</u>

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS

For the year ended December 31, 2009

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
<u>Payroll Liability Fund</u>				
ASSETS				
Cash and temporary investments	\$ 1,615,768	\$ 115,105,530	\$ 115,248,815	\$ 1,472,483
Accounts receivable	662,610	-	226,836	435,774
Total assets	\$ 2,278,378	\$ 115,105,530	\$ 115,475,651	\$ 1,908,257
LIABILITIES				
Accounts payable	\$ 2,278,378	\$ 177,249,113	\$ 177,619,235	\$ 1,908,257
Total liabilities	\$ 2,278,378	\$ 177,249,113	\$ 177,619,235	\$ 1,908,257
 <u>Special Assessment Advance Payments Fund</u>				
ASSETS				
Cash and temporary investments	\$ 5,458,633	\$ 1,430,156	\$ 1,376,143	\$ 5,512,646
Investments	391,740	18,594	100,000	310,334
Accounts receivable	12,221	-	-	12,221
Total assets	\$ 5,862,594	\$ 1,448,750	\$ 1,476,143	\$ 5,835,201
LIABILITIES				
Accounts payable	\$ -	\$ 222	\$ 222	\$ -
Deposits	5,862,594	1,255,145	1,282,538	5,835,201
Total liabilities	\$ 5,862,594	\$ 1,255,367	\$ 1,282,760	\$ 5,835,201
 <u>Neighborhood Revitalization Fund</u>				
ASSETS				
Cash and temporary investments	\$ 78,128	\$ 224,649	\$ 302,777	\$ -
Accounts receivable	-	-	-	-
Total assets	\$ 78,128	\$ 224,649	\$ 302,777	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits	78,128	223,870	301,998	-
Total liabilities	\$ 78,128	\$ 223,870	\$ 301,998	\$ -

(Continued)

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED) ALL AGENCY FUNDS

For the year ended December 31, 2009

	<u>Balance</u> <u>January 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2009</u>
<u>IRB, PILOT Fund</u>				
ASSETS				
Accounts receivable	\$ 98,224	\$ -	\$ 90,000	\$ 8,224
Total assets	<u>\$ 98,224</u>	<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 8,224</u>
LIABILITIES				
Deposits	\$ 98,224	\$ -	\$ 90,000	\$ 8,224
Total liabilities	<u>\$ 98,224</u>	<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 8,224</u>
 <u>Special Assesment Letters of Credit</u>				
ASSETS				
Cash and temporary investments	\$ -	\$ 179,363	\$ 174	\$ 179,189
Total assets	<u>\$ -</u>	<u>\$ 179,363</u>	<u>\$ 174</u>	<u>\$ 179,189</u>
LIABILITIES				
Deposits	\$ -	\$ 179,224	\$ 35	\$ 179,189
Total liabilities	<u>\$ -</u>	<u>\$ 179,224</u>	<u>\$ 35</u>	<u>\$ 179,189</u>
 <u>Totals - All Agency Funds</u>				
ASSETS				
Cash and temporary investments	\$ 7,152,529	\$ 116,939,698	\$ 116,927,909	\$ 7,164,318
Investments	391,740	18,594	100,000	310,334
Accounts receivable	773,055	-	316,836	456,219
Interest receivable	-	-	-	-
Total assets	<u>\$ 8,317,324</u>	<u>\$ 116,958,292</u>	<u>\$ 117,344,745</u>	<u>\$ 7,930,871</u>
LIABILITIES				
Accounts payable	\$ 2,278,378	\$ 177,249,335	\$ 177,619,457	\$ 1,908,257
Deposits	6,038,946	1,658,239	1,674,571	6,022,614
Total liabilities	<u>\$ 8,317,324</u>	<u>\$ 178,907,574</u>	<u>\$ 179,294,027</u>	<u>\$ 7,930,871</u>

COMPONENT UNIT

The Wichita Public Building Commission (WPBC) is reported as a discretely presented component unit within the financial statements of the City of Wichita (the reporting entity) to emphasize its separate legal status. The WPBC acquires and finances buildings or facilitates for the City of Wichita or other local state and federal agencies and school districts.

CITY OF WICHITA, KANSAS

STATEMENT OF CASH FLOWS COMPONENT UNIT - WICHITA PUBLIC BUILDING COMMISSION For the year ended December 31, 2009

	<u>2009</u>	<u>2008</u>
CASH FLOWS PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Received on direct financing lease	\$ 2,505,000	\$ 2,425,000
Debt service - principal	(2,505,000)	(2,425,000)
Debt service - interest	<u>(865,587)</u>	<u>(949,209)</u>
Net cash provided by (used in) capital and related financing activities	<u>(865,587)</u>	<u>(949,209)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on lease investment	<u>582,176</u>	<u>820,912</u>
Net cash provided by (used in) investment activities	<u>582,176</u>	<u>820,912</u>
Net increase in cash and temporary investments	(283,411)	(128,297)
Cash and temporary investments - January 1	<u>1,641,258</u>	<u>1,769,555</u>
Cash and temporary investments - December 31	<u>\$ 1,357,847</u>	<u>\$ 1,641,258</u>

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ADDITIONAL INFORMATION

Additional information represents various financial schedules of the City. Included are supplementary schedules pertaining to long-term debt obligations and insurance policies in force.

CITY OF WICHITA, KANSAS

COMBINED SCHEDULE OF CHANGES IN BONDS PAYABLE
Year ended December 31, 2009

	Balance January 1, 2009	Issued	Retired	Balance December 1, 2009
General obligation bonds payable from:				
Ad valorem property taxes	\$ 30,798,935	\$ 34,638,900	\$ 8,873,136	\$ 56,564,699
Special assessments	227,550,000	50,370,000	36,500,000	241,420,000
Tax increment financing	28,036,971	-	3,288,485	24,748,486
Transient guest tax	4,638,543	-	901,477	3,737,066
Airport Authority	1,280,000	-	675,000	605,000
Golf Course System	4,149,947	4,140,000	4,644,947	3,645,000
Local sales tax	129,165,000	28,385,000	38,010,000	119,540,000
Storm Water Utility	7,061,888	9,686,100	897,378	15,850,610
Revenue bonds payable from:				
Water Utility	175,877,066	83,536,581	9,321,008	250,092,639
Sewer Utility	138,619,574	49,083,419	6,612,778	181,090,215
Airport Special Facilities	74,897,444	-	11,747,444	63,150,000
Wichita Public Building Commission	21,805,000	-	2,505,000	19,300,000
	<u>\$ 843,880,368</u>	<u>\$ 259,840,000</u>	<u>\$ 123,976,653</u>	<u>\$ 979,743,715</u>

RECONCILIATION OF BONDS PAYABLE
December 31, 2009

General obligation bonds	\$ 466,110,861
Revenue bonds	<u>513,632,854</u>
 Total bonds payable	 <u>\$ 979,743,715</u>
 Serial bonds payable exclusive of bond anticipation notes	 \$ 446,010,251
Bonds payable from component unit	19,300,000
Bonds payable from proprietary funds	<u>514,433,464</u>
 Total bonds payable	 <u>\$ 979,743,715</u>

CITY OF WICHITA, KANSAS

**SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES
BASED ON BONDED DEBT AS OF DECEMBER 31, 2009**

Year	PAYABLE FROM PROPERTY TAXES			PAYABLE FROM TRANSIENT GUEST TAX		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2010	9,308,756	2,068,430	11,377,186	889,911	796,976	1,686,887
2011	8,477,943	1,430,213	9,908,156	891,553	811,924	1,703,477
2012	8,560,630	1,180,005	9,740,635	891,264	824,992	1,716,256
2013	6,753,318	941,989	7,695,307	896,914	829,966	1,726,880
2014	4,347,038	776,538	5,123,576	167,424	8,371	175,795
2015	3,419,828	674,155	4,093,983	-	-	-
2016	3,586,716	580,781	4,167,497	-	-	-
2017	3,698,605	462,944	4,161,549	-	-	-
2018	3,815,493	327,444	4,142,937	-	-	-
2019	3,932,381	180,444	4,112,825	-	-	-
2020	122,961	28,844	151,805	-	-	-
2021	127,060	23,969	151,029	-	-	-
2022	131,159	18,738	149,897	-	-	-
2023	139,356	12,938	152,294	-	-	-
2024	143,455	6,563	150,018	-	-	-
	<u>\$ 56,564,699</u>	<u>\$ 8,713,995</u>	<u>\$ 65,278,694</u>	<u>\$ 3,737,066</u>	<u>\$ 3,272,229</u>	<u>\$ 7,009,295</u>

Year	PAYABLE FROM TAX INCREMENT FINANCING			PAYABLE FROM LOCAL SALES TAX		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2010	2,973,636	1,101,039	4,074,675	10,230,000	5,326,591	15,556,591
2011	3,179,849	973,610	4,153,459	10,625,000	4,461,885	15,086,885
2012	3,399,091	837,240	4,236,331	11,000,000	4,028,385	15,028,385
2013	2,603,334	690,048	3,293,382	11,435,000	3,555,035	14,990,035
2014	1,672,576	571,379	2,243,955	11,830,000	3,082,760	14,912,760
2015	1,475,000	497,453	1,972,453	12,240,000	2,597,035	14,837,035
2016	1,540,000	433,863	1,973,863	12,685,000	2,087,216	14,772,216
2017	1,605,000	366,701	1,971,701	13,165,000	1,585,473	14,750,473
2018	1,675,000	295,954	1,970,954	9,735,000	1,092,860	10,827,860
2019	1,265,000	222,379	1,487,379	6,230,000	648,548	6,878,548
2020	1,315,000	163,604	1,478,604	3,300,000	446,753	3,746,753
2021	1,005,000	102,044	1,107,044	3,455,000	306,503	3,761,503
2022	1,040,000	52,300	1,092,300	3,610,000	157,938	3,767,938
	<u>\$ 24,748,486</u>	<u>\$ 6,307,614</u>	<u>\$ 31,056,100</u>	<u>\$ 119,540,000</u>	<u>\$ 29,376,982</u>	<u>\$ 148,916,982</u>

Year	TOTAL PAYABLE FROM TAXES			PAYABLE FROM SPECIAL ASSESSMENTS		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2010	23,402,303	9,293,036	32,695,339	23,245,000	10,579,743	33,824,743
2011	23,174,345	7,677,632	30,851,977	22,675,000	9,067,749	31,742,749
2012	23,850,985	6,870,622	30,721,607	22,010,000	8,145,304	30,155,304
2013	21,688,566	6,017,038	27,705,604	21,335,000	7,230,079	28,565,079
2014	18,017,038	4,439,048	22,456,086	20,120,000	6,318,933	26,438,933
2015	17,134,828	3,768,643	20,903,471	18,915,000	5,462,422	24,377,422
2016	17,811,716	3,101,860	20,913,576	17,330,000	4,626,025	21,956,025
2017	18,468,605	2,415,118	20,883,723	16,730,000	3,956,154	20,686,154
2018	15,225,493	1,716,258	16,941,751	16,040,000	3,272,639	19,312,639
2019	11,427,381	1,051,371	12,478,752	14,165,000	2,612,573	16,777,573
2020	4,737,961	639,201	5,377,162	12,440,000	2,029,776	14,469,776
2021	4,587,060	432,516	5,019,576	9,990,000	1,507,779	11,497,779
2022	4,781,159	228,976	5,010,135	7,660,000	1,108,115	8,768,115
2023	139,356	12,938	152,294	5,455,000	783,811	6,238,811
2024	143,455	6,563	150,018	3,715,000	562,584	4,277,584
2025	-	-	-	2,215,000	412,036	2,627,036
2026	-	-	-	2,190,000	318,489	2,508,489
2027	-	-	-	2,210,000	224,986	2,434,986
2028	-	-	-	1,725,000	129,744	1,854,744
2029	-	-	-	1,255,000	55,125	1,310,125
	<u>\$ 204,590,251</u>	<u>\$ 47,670,820</u>	<u>\$ 252,261,071</u>	<u>\$ 241,420,000</u>	<u>\$ 68,404,066</u>	<u>\$ 309,824,066</u>

CITY OF WICHITA, KANSAS

SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES
PAYABLE FROM PROPRIETARY FUND REVENUES
BASED ON BONDED DEBT AS OF DECEMBER 31, 2009

PROPRIETARY FUNDS

Year	Airport Authority		Golf Course System		Storm Water Utility	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	525,000	19,563	525,000	410,550	1,629,202	630,017
2011	80,000	4,240	555,000	347,700	1,530,511	473,690
2012	-	-	590,000	283,650	1,571,820	425,184
2013	-	-	620,000	217,950	1,618,129	376,519
2014	-	-	660,000	150,600	1,382,962	331,422
2015	-	-	695,000	81,900	1,435,172	284,981
2016	-	-	-	41,600	1,488,284	234,817
2017	-	-	-	-	701,395	198,253
2018	-	-	-	-	724,507	173,909
2019	-	-	-	-	747,619	147,479
2020	-	-	-	-	567,039	120,199
2021	-	-	-	-	582,940	97,721
2022	-	-	-	-	603,841	74,578
2023	-	-	-	-	625,644	50,532
2024	-	-	-	-	641,545	25,583
	<u>\$ 605,000</u>	<u>\$ 23,803</u>	<u>\$ 3,645,000</u>	<u>\$ 1,533,950</u>	<u>\$ 15,850,610</u>	<u>\$ 3,644,884</u>

Totals

Year	Principal	Interest	Debt Service Charges
2010	2,679,202	1,060,130	3,739,332
2011	2,165,511	825,630	2,991,141
2012	2,161,820	708,834	2,870,654
2013	2,238,129	594,469	2,832,598
2014	2,042,962	482,022	2,524,984
2015	2,130,172	366,881	2,497,053
2016	1,488,284	276,417	1,764,701
2017	701,395	198,253	899,648
2018	724,507	173,909	898,416
2019	747,619	147,479	895,098
2020	567,039	120,199	687,238
2021	582,940	97,721	680,661
2022	603,841	74,578	678,419
2023	625,644	50,532	676,176
2024	641,545	25,583	667,128
	<u>\$ 20,100,610</u>	<u>\$ 5,202,637</u>	<u>\$ 25,303,247</u>

CITY OF WICHITA, KANSAS

**SUMMARY OF REVENUE BOND DEBT SERVICE CHARGES
PAYABLE FROM PROPRIETARY FUND AND COMPONENT UNIT REVENUES
BASED ON BONDED DEBT AS OF DECEMBER 31, 2009**

PROPRIETARY FUNDS

Year	Water Utility		Sewer Utility		Wichita Airport Authority	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	11,023,517	12,800,772	7,449,921	9,286,770	450,000	3,748,998
2011	12,095,802	11,306,593	8,662,983	8,357,584	480,000	3,719,982
2012	12,593,017	10,781,582	9,536,844	7,969,114	505,000	3,688,842
2013	11,957,851	10,241,886	9,038,848	7,548,957	470,000	3,655,115
2014	12,506,121	9,718,230	9,433,214	7,142,511	435,000	3,625,505
2015	13,124,224	9,149,803	9,918,585	6,703,264	-	3,596,142
2016	13,816,343	8,536,990	10,470,817	6,223,459	-	3,596,142
2017	11,468,286	7,880,490	8,579,143	5,710,883	-	3,596,142
2018	12,062,212	7,352,170	9,031,448	5,291,508	-	3,596,142
2019	9,703,905	6,786,759	8,341,992	4,844,334	-	3,596,142
2020	9,944,711	6,327,422	8,379,480	4,436,826	-	3,596,142
2021	10,356,906	5,852,612	8,761,683	4,029,181	1,300,000	3,518,413
2022	10,215,653	5,363,493	9,159,347	3,602,707	-	3,498,642
2023	10,654,335	4,864,564	9,555,665	3,148,398	-	3,498,642
2024	9,031,209	4,336,061	6,623,791	2,673,076	-	3,498,642
2025	9,513,899	3,884,501	7,091,102	2,341,886	7,350,000	3,281,892
2026	8,807,482	3,416,407	6,672,518	1,996,518	-	3,116,142
2027	8,782,404	2,989,701	6,112,596	1,675,662	-	3,116,142
2028	9,126,828	2,567,238	6,388,172	1,381,887	-	3,116,142
2029	7,580,827	2,127,054	3,669,173	1,074,233	-	3,116,142
2030	7,881,172	1,757,486	3,803,828	895,527	-	3,116,142
2031	6,993,577	1,380,481	3,241,423	714,456	2,860,000	3,116,142
2032	5,604,843	1,042,615	2,525,157	558,385	49,300,000	1,540,625
2033	4,103,873	762,374	2,326,127	432,126	-	1,540,625
2034	4,234,712	557,181	2,400,288	315,819	-	1,540,625
2035	1,381,786	345,446	783,214	195,804	-	1,540,625
2036	1,381,786	276,356	783,214	156,644	-	1,540,625
2037	1,381,786	207,267	783,214	117,483	-	1,540,625
2038	1,381,786	138,178	783,214	78,322	-	1,540,625
2039	1,381,786	69,089	783,214	39,161	-	1,540,625
	<u>\$ 250,092,639</u>	<u>\$ 142,820,801</u>	<u>\$ 181,090,215</u>	<u>\$ 98,942,485</u>	<u>\$ 63,150,000</u>	<u>\$ 88,333,377</u>

COMPOONENT UNIT				
Wichita Public Building Commission		Totals		
Principal	Interest	Principal	Interest	Charges
2,595,000	773,228	21,518,438	26,609,768	48,128,206
2,695,000	677,553	23,933,785	24,061,712	47,995,497
2,790,000	581,495	25,424,861	23,021,033	48,445,894
2,890,000	473,695	24,356,699	21,919,653	46,276,352
3,010,000	354,263	25,384,335	20,840,509	46,224,844
1,480,000	220,960	24,522,809	19,670,169	44,192,978
1,555,000	146,315	25,842,160	18,502,906	44,345,066
1,630,000	69,196	21,677,429	17,256,711	38,934,140
100,000	28,420	21,193,660	16,268,240	37,461,900
100,000	24,420	18,145,897	15,251,655	33,397,552
105,000	20,020	18,429,191	14,380,410	32,809,601
110,000	15,400	20,528,589	13,415,606	33,944,195
115,000	10,560	19,490,000	12,475,402	31,965,402
125,000	5,500	20,335,000	11,517,104	31,852,104
-	-	15,655,000	10,507,779	26,162,779
-	-	23,955,001	9,508,279	33,463,280
-	-	15,480,000	8,529,067	24,009,067
-	-	14,895,000	7,781,505	22,676,505
-	-	15,515,000	7,065,267	22,580,267
-	-	11,250,000	6,317,429	17,567,429
-	-	11,685,000	5,769,155	17,454,155
-	-	13,095,000	5,211,079	18,306,079
-	-	57,430,000	3,141,625	60,571,625
-	-	6,430,000	2,735,125	9,165,125
-	-	6,635,000	2,413,625	9,048,625
-	-	2,165,000	2,081,875	4,246,875
-	-	2,165,000	1,973,625	4,138,625
-	-	2,165,000	1,865,375	4,030,375
-	-	2,165,000	1,757,125	3,922,125
-	-	2,165,000	1,648,875	3,813,875
<u>\$ 19,300,000</u>	<u>\$ 3,401,025</u>	<u>\$ 513,632,854</u>	<u>\$ 333,497,688</u>	<u>\$ 847,130,542</u>

CITY OF WICHITA, KANSAS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2009

Company	Policy Period		Details of Coverage	Terms	Deductible	Value Limits
	From	To				
Travelers	01-09	01-10	Property Insurance - All risk coverage on real and personal property for which the City is legally liable, per I.A.W. statement of values on replacement cost basis.	Per occurrence-Property	\$ 100,000 Property, \$1,000,000 Wind and hail	\$ 639,000,000 100,000,000
Travelers	01-09	01-10	Property Insurance - Comprehensive coverage for steam boilers, air conditioners and electric motors. Property coverage for repair or replacement cost basis.	Per occurrence	10,000	75,000,000
Travelers	01-09	01-10	Data processing property protection	Hardware	100,000	10,000,000
Hartford Fire	01-09	01-10	Burglary and/or theft coverage for monies and securities	Per occurrence	10,000	1,000,000
<u>Housing Authority</u>						
Housing Authority Insurance Group	06-09	06-10	WHA general liability	Per occurrence	10,000	5,000,000
Housing Authority Insurance Group	06-09	06-10	WHA fire insurance on owned units	Per occurrence	5,000	\$64,884,786 combined limit based on individual \$48,000 per unit
Philadelphia Indemnity Insurance	12-09	12-10	WHA flood insurance on owned units-29 units	Per occurrence	5,000	
Safety National Casualty Corporation	01-09	01-10	Excess workers' compensation Employers' liability	Per occurrence -liability imposed by law Per occurrence	750,000 -	Statutory 1,000,000
Zurich	01-09	01-10	Travel accident insurance	Per person / occurrence Aggregate	- -	100,000 500,000
ACE American Ins. Co.	01-09	01-10	Foreign package-General liability	Per occurrence	-	1,000,000
Old Republic Ins. Co.	01-09	01-10	Helicopter liability coverage - property	Per occurrence	-	1,000,000
Old Republic Ins. Co.	01-09	01-10	Helicopter hull coverage-in motion	Per occurrence	30,000	1,200,000
Old Republic Ins. Co.	01-09	01-10	Helicopter hull coverage-not in motion	Per occurrence	1,000	1,200,000
Ins. Co. of State of PA	01-09	01-10	Special liability	Per occurrence	2,000,000	10,000,000
<u>WICHITA AIRPORT</u>						
National Union Fire Ins.	01-09	01-10	Comprehensive general liability	Per occurrence Aggregate	1,000 10,000	100,000,000
Great American Alliance	01-09	01-10	Underground storage tank liability	Per occurrence	10,000	1,000,000
<u>WICHITA ART MUSEUM</u>						
American Insurance Corp. AXA Art Insurance Corp.	01-09	01-10	All risk coverage for fine arts collections, on premises, worldwide transit coverage and	Per occurrence at Per occurrence not at Per disaster not at insured's premises	1,000 1,000 1,000	75,000,000 25,000,000 75,000,000
<u>WICHITA PUBLIC BUILDING COMMISSION - STATE OFFICE BUILDING</u>						
Travelers	01-09	01-10	Property - buildings and earnings State office building and parking facility	Per occurrence as scheduled	5,000	37,185,536
Travelers	01-09	01-10	Comprehensive general liability	Per occurrence	-	1,000,000
<u>CAREER DEVELOPMENT</u>						
Travelers	04-09	04-10	Employers Liability: Bodily injury by accident	Per occurrence	-	500,000
	04-09	04-10	Bodily injury by disease - Policy Limit		-	500,000
	04-09	04-10	Bodily injury by disease - Each Employee	Per occurrence	-	500,000

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.

Financial trends information helps the reader understand how the City's financial performance and well-being have changed over time.

Revenue capacity information is intended to help the reader assess the factors affecting the City's ability to generate its property and sales tax.

Debt capacity 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.

Demographic and economic indicators are offered to help the reader understand the environment within which the City's financial activities take place and to help make comparisons across time.

Operating information about the City and its resources is provided to help the reader understand how the City's financial information related to the services provided and the activities the City performed.

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CITY OF WICHITA, KANSAS

NET ASSETS BY COMPONENT

For years ended December 31, 2002 through December 31, 2009
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year			
	2002	2003	2004	2005
Governmental activities				
Invested in capital assets net of related debt	\$ 386,100	\$ 414,206	\$ 370,193	\$ 376,630
Restricted for:				
Capital projects	13,565	23,340	40,741	34,397
Highways and streets	12,133	12,558	12,827	11,641
Debt service	162,623	180,799	266,105	261,354
Perpetual care	799	813	827	839
Other purposes	12,196	12,240	17,452	19,409
Unrestricted	39,995	15,015	14,643	28,625
Total governmental activities net assets	<u>\$ 627,411</u>	<u>\$ 658,971</u>	<u>\$ 722,788</u>	<u>\$ 732,895</u>
Business-type activities				
Invested in capital assets net of related debt	\$ 594,231	\$ 575,074	\$ 626,009	\$ 664,564
Restricted for:				
Capital projects	2,432	6,771	7,560	5,233
Debt service	1,630	2,978	2,840	3,206
Revenue bond reserves	28,664	65,389	40,613	48,145
Unrestricted	30,073	25,787	24,887	34,814
Total business-type activities net assets	<u>\$ 657,030</u>	<u>\$ 675,999</u>	<u>\$ 701,909</u>	<u>\$ 755,962</u>
Primary government				
Invested in capital assets net of related debt	\$ 980,331	\$ 989,280	\$ 996,202	\$1,041,194
Restricted for:				
Capital projects	15,997	30,111	48,301	39,630
Highways and streets	12,133	12,558	12,827	11,641
Debt service	164,253	183,777	268,945	264,560
Revenue bond reserves	28,664	65,389	40,613	48,145
Perpetual care	799	813	827	839
Other purposes	12,196	12,240	17,452	19,409
Unrestricted	70,068	40,802	39,530	63,439
Total primary government net assets	<u>\$1,284,441</u>	<u>\$1,334,970</u>	<u>\$1,424,697</u>	<u>\$1,488,857</u>

Note: Comparative information provided beginning with the year of GASB 34 implementation.

(continued)

(continued)

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities				
Invested in capital assets net of related debt	\$ 457,432	\$ 488,829	\$ 512,459	\$ 521,613
Restricted for:				
Capital projects	25,275	69,899	57,352	43,927
Highways and streets	8,898	6,712	4,126	810
Debt service	252,783	228,627	234,767	264,080
Perpetual care	831	859	902	889
Other purposes	18,524	19,673	6,470	6,470
Unrestricted	(8,843)	(12,955)	(5,937)	43,898
Total governmental activities net assets	<u>\$ 754,900</u>	<u>\$ 801,644</u>	<u>\$ 810,139</u>	<u>\$ 881,687</u>
Business-type activities				
Invested in capital assets net of related debt	\$ 684,433	\$ 744,184	\$ 777,044	\$ 762,395
Restricted for:				
Capital projects	10,456	15,391	14,688	17,032
Debt service	3,660	3,523	3,704	-
Revenue bond reserves	55,714	30,186	23,401	74,822
Unrestricted	32,620	25,868	23,480	20,001
Total business-type activities net assets	<u>\$ 786,883</u>	<u>\$ 819,152</u>	<u>\$ 842,317</u>	<u>\$ 874,250</u>
Primary government				
Invested in capital assets net of related debt	\$1,141,865	\$1,233,013	\$1,289,503	\$1,284,008
Restricted for:				
Capital projects	35,731	85,290	72,040	60,959
Highways and streets	8,898	6,712	4,126	810
Debt service	256,443	232,150	238,471	264,080
Revenue bond reserves	55,714	30,186	23,401	74,822
Perpetual care	831	859	902	889
Other purposes	18,524	19,673	6,470	6,470
Unrestricted	23,777	12,913	17,543	63,899
Total primary government net assets	<u>\$1,541,783</u>	<u>\$1,620,796</u>	<u>\$1,652,456</u>	<u>\$1,755,937</u>

CITY OF WICHITA, KANSAS

CHANGES IN NET ASSETS

For years ended December 31, 2002 through December 31, 2009

(accrual basis of accounting)

(dollars expressed in thousands)

	Fiscal Year			
	2002	2003	2004	2005
Expenses				
Governmental activities:				
General government	\$ 30,848	\$ 30,888	\$ 45,119	\$ 36,835
Public safety	84,756	88,369	94,029	97,962
Highways and streets	50,122	94,348	96,767	104,570
Sanitation	5,184	4,908	1,650	2,700
Health and welfare	37,372	38,790	35,914	33,833
Culture and recreation	30,442	29,205	32,102	33,814
Interest on long-term debt	15,856	16,037	19,104	20,901
Total governmental activities expenses	<u>254,580</u>	<u>302,545</u>	<u>324,685</u>	<u>330,615</u>
Business-type activities:				
Water	26,904	29,658	32,290	34,417
Sewer	21,909	26,133	26,984	29,328
Airport	23,793	24,606	25,355	24,324
Storm Water	4,010	4,217	4,030	4,078
Transit	9,777	9,959	10,810	11,923
Golf	3,947	4,049	4,357	4,589
Total business-type activities expenses	<u>90,340</u>	<u>98,622</u>	<u>103,826</u>	<u>108,659</u>
Total primary government expenses	<u>\$ 344,920</u>	<u>\$ 401,167</u>	<u>\$ 428,511</u>	<u>\$ 439,274</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 12,465	\$ 14,282	\$ 14,085	\$ 15,137
Public safety	6,381	5,207	4,813	5,565
Highways and streets	4,619	4,602	4,461	4,459
Sanitation	399	425	788	518
Health and welfare	1,139	1,438	1,456	3,179
Culture and recreation	5,601	5,009	5,311	4,874
Operating grants and contributions	53,962	50,671	48,862	50,659
Capital grants and contributions	39,269	78,060	116,377	67,817
Total governmental activities program revenues	<u>123,835</u>	<u>159,694</u>	<u>196,153</u>	<u>152,208</u>
Business-type activities:				
Charges for services				
Water	32,787	31,980	33,461	36,036
Sewer	25,490	25,714	25,881	28,669
Airport	16,601	15,153	18,280	18,856
Storm Water	4,959	5,326	5,513	5,868
Transit	1,594	1,619	1,633	1,754
Golf	3,359	3,479	3,551	3,574
Operating grants and contributions	4,277	3,138	3,156	4,075
Capital grants and contributions	33,869	27,622	31,850	47,139
Total business-type activities program revenues	<u>122,936</u>	<u>114,031</u>	<u>123,325</u>	<u>145,971</u>
Total primary government program revenues	<u>\$ 246,771</u>	<u>\$ 273,725</u>	<u>\$ 319,478</u>	<u>\$ 298,179</u>
Net (Expense) Revenue				
Governmental activities	\$ (130,745)	\$ (142,851)	\$ (128,532)	\$ (178,407)
Business-type activities	32,596	15,409	19,499	37,312
Total primary government net expense	<u>\$ (98,149)</u>	<u>\$ (127,442)</u>	<u>\$ (109,033)</u>	<u>\$ (141,095)</u>

(continued)

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental activities:				
General government	\$ 47,248	\$ 36,810	\$ 41,906	\$ 37,210
Public safety	104,819	114,507	119,123	119,073
Highways and streets	109,643	94,502	123,526	74,460
Sanitation	3,680	3,729	5,441	3,648
Health and welfare	34,561	33,088	33,324	34,924
Culture and recreation	33,242	34,294	41,031	37,601
Interest on long-term debt	20,605	20,922	22,264	20,634
Total governmental activities expenses	<u>353,798</u>	<u>337,852</u>	<u>386,615</u>	<u>327,550</u>
Business-type activities:				
Water	36,233	38,130	41,670	44,994
Sewer	31,001	31,983	34,958	40,991
Airport	25,619	25,789	27,416	29,672
Storm Water	5,270	5,490	5,542	7,415
Transit	12,185	12,928	13,767	13,876
Golf	5,017	4,985	4,997	4,539
Total business-type activities expenses	<u>115,325</u>	<u>119,305</u>	<u>128,350</u>	<u>141,487</u>
Total primary government expenses	<u>\$ 469,123</u>	<u>\$ 457,157</u>	<u>\$ 514,965</u>	<u>\$ 469,037</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 14,390	\$ 16,258	\$ 16,008	\$ 13,166
Public safety	5,949	6,713	5,730	4,919
Highways and streets	5,077	4,940	5,784	5,231
Sanitation	978	817	744	1,026
Health and welfare	1,767	2,960	3,816	5,891
Culture and recreation	4,876	4,546	4,814	4,773
Operating grants and contributions	50,167	49,594	50,859	45,514
Capital grants and contributions	86,328	78,098	87,891	82,537
Total governmental activities program revenues	<u>169,532</u>	<u>163,926</u>	<u>175,646</u>	<u>163,057</u>
Business-type activities:				
Charges for services				
Water	40,658	37,486	38,356	51,022
Sewer	28,868	31,875	33,789	34,490
Airport	20,321	20,635	21,598	20,713
Storm Water	7,063	8,273	8,405	8,497
Transit	1,708	1,738	1,931	1,811
Golf	4,365	3,981	4,159	4,298
Operating grants and contributions	4,849	5,561	5,469	5,940
Capital grants and contributions	31,209	33,867	34,176	40,269
Total business-type activities program revenues	<u>139,041</u>	<u>143,416</u>	<u>147,883</u>	<u>167,040</u>
Total primary government program revenues	<u>\$ 308,573</u>	<u>\$ 307,342</u>	<u>\$ 323,529</u>	<u>\$ 330,097</u>
Net (Expense) Revenue				
Governmental activities	\$ (184,266)	\$ (173,926)	\$ (210,969)	\$ (164,493)
Business-type activities	23,716	24,111	19,533	25,553
Total primary government net expense	<u>\$ (160,550)</u>	<u>\$ (149,815)</u>	<u>\$ (191,436)</u>	<u>\$ (138,940)</u>

(continued)

CITY OF WICHITA, KANSAS

CHANGES IN NET ASSETS

For years ended December 31, 2002 through December 31, 2009
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year			
	2002	2003	2004	2005
General Revenues and Other Charges in Net Assets				
Governmental activities:				
Taxes				
Property taxes	\$ 71,447	\$ 75,287	\$ 82,582	\$ 85,573
Sales taxes	40,952	39,735	44,739	45,181
Franchise fees	28,792	29,259	29,556	30,702
Motor vehicle taxes	11,107	11,068	11,780	12,168
Transient guest taxes	4,361	4,488	4,926	5,064
Investment earnings	8,652	5,472	5,668	8,296
Miscellaneous	10,409	11,404	13,311	12,263
Transfers	(3,671)	(2,302)	(607)	(9,976)
Prior period adjustments	-	-	394	(758)
Total governmental activities	172,049	174,411	192,349	188,513
Business-type activities:				
Investment earnings	5,724	6,258	5,615	6,199
Miscellaneous	292	145	189	566
Special item-gain (loss) on sale of assets	44	-	-	-
Transfers	3,671	2,302	607	9,976
Prior period adjustments	-	-	-	-
Total business-type activities	9,731	8,705	6,411	16,741
Total primary government	\$ 181,780	\$ 183,116	\$ 198,760	\$ 205,254
Change in Net Assets				
Governmental activities	41,304	31,560	63,817	10,106
Business-type activities	42,327	24,114	25,910	54,053
Total primary government	\$ 83,631	\$ 55,674	\$ 89,727	\$ 64,159

Note: Comparative information provided beginning with the year of GASB 34 implementation.

(continued)

(continued)

	Fiscal Year			
	2006	2007	2008	2009
General Revenues and Other Charges in Net Assets				
Governmental activities:				
Taxes				
Property taxes	\$ 89,682	\$ 94,959	\$ 101,311	\$ 106,500
Sales taxes	47,705	49,256	51,255	49,444
Franchise taxes	31,851	32,157	34,272	33,720
Motor vehicle taxes	12,590	13,060	13,287	13,309
Transient guest taxes	5,035	5,709	6,325	6,015
Investment earnings	10,866	11,535	8,874	3,703
Miscellaneous	7,747	12,329	16,928	23,843
Transfers	545	1,101	557	(493)
Prior period adjustments	251	564	(13,345)	-
Total governmental activities	<u>206,272</u>	<u>220,670</u>	<u>219,464</u>	<u>236,041</u>
Business-type activities:				
Investment earnings	7,277	8,466	6,710	4,912
Miscellaneous	856	793	825	974
Special item-gain (loss) on sale of assets	-	-	-	-
Transfers	(545)	(1,101)	(557)	494
Prior period adjustments	(383)	-	(3,346)	-
Total business-type activities	<u>7,205</u>	<u>8,158</u>	<u>3,632</u>	<u>6,380</u>
Total primary government	<u>\$ 213,477</u>	<u>\$ 228,828</u>	<u>\$ 223,096</u>	<u>\$ 242,421</u>
Change in Net Assets				
Governmental activities	22,005	46,744	8,495	71,548
Business-type activities	30,921	32,269	23,165	31,933
Total primary government	<u>\$ 52,926</u>	<u>\$ 79,013</u>	<u>\$ 31,660</u>	<u>\$ 103,481</u>

Note: Comparative information provided beginning with the year of GASB 34 implementation.

CITY OF WICHITA, KANSAS

FUND BALANCES OF GOVERNMENTAL FUNDS

For years ended December 31, 2002 through December 31, 2009
 (modified accrual basis of accounting)
 (dollars expressed in thousands)

	Fiscal Year			
	2002	2003	2004	2005
General fund				
Reserved	\$ 2,258	\$ 2,683	\$ 3,675	\$ 3,887
Unreserved	21,126	20,769	22,000	22,867
Total general fund	\$ 23,384	\$ 23,452	\$ 25,675	\$ 26,754
 Debt Service fund				
Unreserved	\$ -	\$ -	\$ -	\$ -
Total general fund	\$ 20,079	\$ 26,286	\$ 65,958	\$ 57,287
 All other governmental funds				
Reserved	\$ 144,172	\$ 99,036	\$ 57,962	\$ 115,661
Unreserved reported in:				
Special revenue funds	54,434	53,352	59,468	60,404
Capital projects funds	(150,469)	(105,664)	(49,344)	(137,842)
Permanent funds	798	814	827	603
Total all other governmental funds	\$ 48,935	\$ 47,538	\$ 68,913	\$ 38,826

Note: Comparative information provided beginning with the year of GASB 34 implementation.

(continued)

	Fiscal Year			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General fund				
Reserved	\$ 2,767	\$ 3,485	\$ 2,462	\$ 2,175
Unreserved	<u>23,026</u>	<u>23,051</u>	<u>22,451</u>	<u>22,447</u>
Total general fund	<u>\$ 25,793</u>	<u>\$ 26,536</u>	<u>\$ 24,913</u>	<u>\$ 24,622</u>
Debt Service fund				
Reserved	\$ -	\$ -	\$ -	\$ 699
Unreserved	<u>40,945</u>	<u>16,107</u>	<u>6,231</u>	<u>21,522</u>
Total general fund	<u>\$ 40,945</u>	<u>\$ 16,107</u>	<u>\$ 6,231</u>	<u>\$ 22,221</u>
All other governmental funds				
Reserved	\$ 137,531	\$ 112,903	\$ 101,176	\$ 66,458
Unreserved reported in:				
Special revenue funds	57,387	60,417	57,993	56,712
Capital projects funds	(207,404)	(152,103)	(158,110)	(100,612)
Permanent funds	<u>594</u>	<u>623</u>	<u>666</u>	<u>650</u>
Total all other governmental funds	<u>\$ (11,892)</u>	<u>\$ 21,840</u>	<u>\$ 1,725</u>	<u>\$ 23,208</u>

Note: Comparative information provided beginning with the year of GASB 34 implementation.

CITY OF WICHITA, KANSAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

For years ended December 31, 2002 through December 31, 2009

(accrual basis of accounting)

(dollars expressed in thousands)

	Fiscal Year			
	2002	2003	2004	2005
Revenues				
Taxes	\$ 127,867	\$ 130,579	\$ 144,028	\$ 147,986
Special assessments	27,557	25,875	26,371	27,099
Franchise fees	28,792	29,259	29,556	30,702
Intergovernmental	66,353	90,492	96,078	87,953
Charges for services	9,951	9,842	10,414	10,310
Licenses and permits	6,331	5,614	6,069	6,494
Fines and penalties	8,139	8,454	7,933	8,666
Rents	4,602	4,175	4,061	3,848
Investment earnings	7,827	5,053	5,396	7,699
Other revenue	12,925	15,341	18,053	18,036
Total revenues	<u>300,344</u>	<u>324,684</u>	<u>347,959</u>	<u>348,793</u>
Expenditures				
General government	29,644	25,343	29,836	30,524
Public safety	84,887	86,742	91,576	94,353
Highways and streets	18,658	17,726	18,796	21,569
Sanitation	4,466	3,590	3,592	3,082
Health and welfare	36,822	38,100	34,741	32,900
Culture and recreation	27,271	25,987	27,883	29,256
Capital outlay	123,828	171,333	146,568	126,314
Debt service:				
Principal	93,993	55,207	61,745	65,492
Interest	14,854	15,681	18,341	20,517
Total expenditures	<u>434,423</u>	<u>439,709</u>	<u>433,078</u>	<u>424,007</u>
Excess of revenues over (under) expenditures	(134,079)	(115,025)	(85,119)	(75,214)
Other financing sources (uses)				
Transfers in	50,546	44,645	71,432	67,897
Transfers out	(54,521)	(44,444)	(70,941)	(68,088)
Refunding bonds issued	-	18,230	71,980	-
Bonds issued	102,596	119,307	100,466	57,172
Premium on bonds issued	-	4,045	5,532	83
Discount on bonds issued	-	-	(225)	-
Payments on refunded bonds	-	(21,880)	(30,250)	(19,175)
Total other financing sources (uses)	<u>98,621</u>	<u>119,903</u>	<u>147,994</u>	<u>37,889</u>
Prior period adjustment	-	-	-	(354)
Net changes in fund balances	<u>\$ (35,458)</u>	<u>\$ 4,878</u>	<u>\$ 62,875</u>	<u>\$ (37,679)</u>
Debt service as a percentage of noncapital expenditures	32.5%	21.0%	22.4%	23.2%

Note: Comparative information provided beginning with the year of GASB 34 implementation.

(continued)

	Fiscal Year			
	2006	2007	2008	2009
Revenues				
Taxes	\$ 155,011	\$ 162,985	\$ 172,176	\$ 175,277
Special assessments	29,102	30,082	32,573	33,887
Franchise taxes	31,851	32,157	34,273	33,720
Intergovernmental	98,988	96,660	94,087	74,089
Charges for services	10,398	9,946	10,748	10,542
Licenses and permits	7,048	7,478	6,511	5,892
Fines and penalties	8,801	9,948	9,444	10,430
Rents	3,956	5,568	5,571	4,446
Investment earnings	9,944	10,375	8,160	3,594
Other revenue	12,179	16,242	19,566	35,209
Total revenues	<u>367,278</u>	<u>381,441</u>	<u>393,109</u>	<u>387,086</u>
Expenditures				
General government	34,193	31,576	36,065	32,855
Public safety	103,315	110,745	116,580	117,087
Highways and streets	22,833	22,784	22,838	20,937
Sanitation	3,304	3,609	3,872	4,372
Health and welfare	33,482	31,758	31,864	35,986
Culture and recreation	29,650	30,171	32,720	31,892
Capital outlay	170,129	150,383	165,767	121,256
Debt service:				
Principal	59,867	58,496	57,823	79,460
Interest	20,418	20,332	22,849	19,924
Total expenditures	<u>477,191</u>	<u>459,854</u>	<u>490,378</u>	<u>463,769</u>
Excess of revenues over (under) expenditures	(109,913)	(78,413)	(97,269)	(76,683)
Other financing sources (uses)				
Transfers in	94,789	109,209	111,156	82,417
Transfers out	(92,973)	(107,707)	(109,811)	(80,210)
Refunding bonds issued	-	-	-	43,715
Bonds issued	48,879	101,620	64,165	109,180
Premium on bonds issued	159	628	169	2,573
Discount on bonds issued	-	-	-	-
Payments on refunded bonds	(8,845)	(15,615)	-	(43,810)
Total other financing sources (uses)	<u>42,009</u>	<u>88,135</u>	<u>65,679</u>	<u>113,865</u>
Prior period adjustment	(117)	(86)	(24)	-
Net changes in fund balances	<u>\$ (68,021)</u>	<u>\$ 9,636</u>	<u>\$ (31,614)</u>	<u>\$ 37,182</u>
Debt service as a percentage of noncapital expenditures	21.0%	21.5%	19.5%	26.1%

Note: Comparative information provided beginning with the year of GASB 34 implementation.

CITY OF WICHITA, KANSAS

GOVERNMENTAL OWN SOURCE REVENUES BY SOURCE

For years ended December 31, 2000 through December 31, 2009

(modified accrual basis of accounting)

(dollars expressed in thousands)

<u>Year</u>	<u>Property Taxes</u>	<u>Special Assessments</u>	<u>Franchise Fees</u>
2000	\$ 69,345	\$ 24,576	\$ 29,088
2001	73,228	25,598	31,521
2002	78,096	25,705	28,792
2003	81,285	25,042	29,259
2004	88,845	25,216	29,556
2005	91,345	26,452	30,702
2006	95,339	28,013	31,851
2007	108,018	29,529	32,157
2008	114,598	31,786	34,273
2009	119,809	33,349	33,720

Note: In 2000, the tax increment financing districts were reclassified as special revenue funds and became governmental funds.

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CITY OF WICHITA, KANSAS

GOVERNMENTAL REVENUES BY SOURCE

For fiscal years 2000 through 2009
(modified accrual basis of accounting)
(amounts expressed in thousands)

Year	Taxes	Special Assessments	Franchise Fees	Local Sales Tax	Intergovernmental	Licenses and Permits
2000	\$ 75,663	\$ 25,877	\$ 29,088	\$ 37,779	\$ 73,682	\$ 5,272
2001	81,586	26,295	31,521	40,187	71,330	6,382
2002	86,915	27,557	28,792	40,952	66,352	6,331
2003	90,844	25,875	29,259	39,735	90,492	5,614
2004	99,289	26,371	29,556	44,739	96,078	6,069
2005	102,805	27,099	30,702	45,181	87,953	6,494
2006	107,307	29,102	31,851	47,705	98,988	7,047
2007	113,728	30,082	32,157	49,256	96,660	7,478
2008	120,922	32,573	34,273	51,255	94,087	6,511
2009	125,834	33,887	33,720	49,444	74,089	5,892

Note: All Governmental Fund types including Expendable Trust Funds are reported for 1999-2001.

GOVERNMENTAL EXPENDITURES BY FUNCTION

For fiscal years 2000 through 2009
(modified accrual basis of accounting)
(dollars expressed in thousands)

Year	General Government	Public Safety	Highways and Streets	Sanitation	Health and Welfare
2000	\$ 23,980	\$ 76,700	\$ 17,368	\$ 4,649	\$ 37,618
2001	25,496	78,639	17,685	6,814	38,741
2002	29,644	84,887	18,659	4,466	36,822
2003	25,343	86,742	17,726	3,591	38,100
2004	29,836	91,576	18,796	3,592	34,741
2005	30,524	94,352	21,569	3,082	32,900
2006	34,193	103,315	22,833	3,305	33,482
2007	31,576	110,745	22,783	3,609	31,758
2008	36,064	116,580	22,838	3,872	31,864
2009	32,855	117,087	20,937	4,372	35,986

Note: All Governmental Fund types including Expendable Trust Funds are reported for 1999-2001.

CITY OF WICHITA, KANSAS

GOVERNMENTAL REVENUES BY SOURCE

For fiscal years 2000 through 2009
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fines and Penalties	Rentals	Interest Earnings	Charges for Services and Sales	Other Revenues	Total	Year
\$ 7,400	\$ 4,148	\$ 10,212	\$ 19,775	\$ 13,471	\$ 302,367	2000
6,852	4,331	10,441	18,444	16,592	313,961	2001
8,139	4,602	7,827	9,950	12,925	300,342	2002
8,454	4,175	5,053	9,842	15,341	324,684	2003
7,933	4,061	5,396	10,414	18,053	347,959	2004
8,666	3,848	7,699	10,310	18,036	348,793	2005
8,801	3,956	9,944	10,398	12,179	367,278	2006
9,948	5,568	10,375	9,946	16,241	381,440	2007
9,444	5,571	8,160	10,747	19,566	393,109	2008
10,430	4,446	3,594	10,541	35,209	387,086	2009

GOVERNMENTAL EXPENDITURES BY FUNCTION

For fiscal years 2000 through 2009
(modified accrual basis of accounting)
(dollars expressed in thousands)

Culture and Recreation	Debt Service	Capital Outlay	Total	Year
\$ 24,386	\$ 62,858	\$ 78,920	\$ 326,479	2000
25,098	68,993	115,792	377,258	2001
27,271	108,847	123,828	434,424	2002
25,987	70,888	171,333	439,710	2003
27,883	80,086	146,568	433,078	2004
29,256	86,009	126,314	424,006	2005
29,650	80,284	170,129	477,191	2006
30,171	78,828	150,383	459,853	2007
32,720	80,673	165,767	490,378	2008
31,892	98,454	122,187	463,770	2009

CITY OF WICHITA, KANSAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

For years ended December 31, 2000 through December 31, 2009

(dollars expressed in thousands of dollars)

Year ¹	Real Property		Personal Property		State Assessed Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2000	\$ 1,666,014	\$ 11,620,283	\$ 291,867	\$ 1,214,678	\$ 120,686	\$ 365,715
2001	1,787,594	12,475,185	273,783	1,153,727	128,886	390,562
2002	1,888,530	13,132,043	277,106	1,154,747	116,026	351,594
2003	2,064,518	14,310,944	276,057	1,147,884	118,372	358,702
2004	2,147,334	14,958,321	275,516	1,142,836	123,092	373,006
2005	2,265,832	15,804,145	276,669	1,136,938	125,534	380,408
2006	2,434,211	16,932,177	284,827	1,165,037	114,675	347,499
2007	2,633,615	18,234,004	248,988	1,019,861	109,702	332,430
2008	2,827,209	19,506,118	212,829	871,131	105,794	320,589
2009	2,265,832	19,881,261	276,669	729,638	125,535	299,941

Year	Totals Assessed Property		Assessed Value as a Percent of Actual Value	Total Direct Tax Rate ²	Tangible Valuation of Motor Vehicles	Total Valuation for Bonded Debt Limitations
	Assessed Value	Estimated Actual Value				
2000	\$ 2,078,567	\$ 13,200,676	15.75%	4.72	\$ 306,303	\$ 2,384,870
2001	2,190,263	14,019,474	15.62%	4.96	324,709	2,514,972
2002	2,281,662	14,638,384	15.59%	5.01	342,600	2,624,262
2003	2,458,947	15,817,530	15.55%	4.86	352,820	2,811,767
2004	2,545,942	16,474,163	15.45%	5.07	360,861	2,906,803
2005	2,668,035	17,321,491	15.40%	5.03	369,682	3,037,717
2006	2,833,713	18,444,713	15.36%	4.95	379,910	3,213,623
2007	2,992,305	19,586,295	15.28%	4.96	392,292	3,384,597
2008	3,145,832	20,697,838	15.20%	4.96	401,805	3,547,637
2009	2,668,036	20,910,840	12.76%	5.16	396,701	3,064,737

¹ The assessed value and tax rate of the referenced year supports the budget of the subsequent year. For example, the assessed value of 2007 multiplied by the tax rate supports the budget of fiscal 2008. Excludes valuation of motor vehicles.

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

Source: Sedgwick County Clerk and Sedgwick County Appraiser

CITY OF WICHITA, KANSAS

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS For years ended December 31, 2000 through December 31, 2009

Year ¹	City of Wichita			Overlapping Rates				Total Direct & Overlapping Rates	
	Operating Millage	Debt Millage	Total Millage	State Levy	Wichita State University	Sedgwick County	Unified School District 259		Total Overlapping
2000	21.323	10.036	31.359	1.500	1.543	27.057	46.163	76.263	107.622
2001	21.437	10.037	31.474	1.500	1.500	27.154	54.926	85.080	116.554
2002	21.727	10.118	31.845	1.500	1.500	27.276	51.839	82.115	113.960
2003	21.886	10.019	31.905	1.500	1.500	27.317	51.408	81.725	113.630
2004	21.852	9.976	31.828	1.500	1.495	27.268	51.296	81.559	113.387
2005	21.876	10.022	31.898	1.500	1.500	27.258	51.300	81.558	113.456
2006	21.936	10.017	31.953	1.500	1.500	29.815	51.296	84.111	116.064
2007	21.971	10.008	31.979	1.500	1.500	31.333	53.238	87.571	119.550
2008	23.034	9.022	32.056	1.500	1.500	30.377	53.309	86.686	118.742
2009	23.619	8.523	32.142	1.500	1.500	30.377	56.850	90.227	122.369

¹ Represents the year taxes were levied to provide support for the subsequent budget year.

Source: Sedgwick County Clerk and Sedgwick County Appraiser

UNEMPLOYMENT RATES

Average Annual Rates
For years ended December 31, 2000 through December 31, 2009

Year	City of Wichita	Wichita MSA
2000	4.6%	4.2%
2001	4.5%	4.1%
2002	6.5%	5.9%
2003	7.4%	6.7%
2004	6.7%	6.2%
2005	6.0%	5.5%
2006	4.9%	4.5%
2007	4.4%	4.0%
2008	4.8%	4.4%
2009	8.9%	8.1%

Source: State of Kansas, Department of Labor

CITY OF WICHITA, KANSAS

PRINCIPAL PROPERTY TAXPAYERS

For years ended December 31, 2000 and December 31, 2009
(dollars expressed in thousands)

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
City of Wichita:						
Wesley Medical Center LLC (HCA)	\$ 32,769	1	1.04 %	\$ 22,788	4	0.96 %
Kansas Gas & Electric-A Westar Energy Co	31,801	2	1.01	-		0.00
Simon Property Group	31,132	3	0.99	29,029	3	1.22
Southwestern Bell	28,799	4	0.91	47,408	1	1.99
Kansas Gas Service-Division of Oneok	27,004	5	0.86	8,486	7	0.36
Wal-Mart Real Estate Business Trust	13,735	6	0.44	-		0.00
Target Corporation	12,295	7	0.39	-		0.00
Builders, Inc.	11,136	8	0.35	5,209	8	0.22
Bradley Fair One LLC	10,515	9	0.33	-		0.00
Boeing Company	6,859	10	0.22	4,995	9	0.21
Western Resources	-		-	44,848	2	1.88
GATX Technology Service	-		-	20,333	5	0.85
Koch Industries	-		-	12,020	6	0.50
Eastgate Plaza Company	-		-	4,230	10	0.18
	<u>\$ 173,276</u>		<u>5.50 %</u>	<u>\$ 199,346</u>		<u>8.36 %</u>

PRINCIPAL EMPLOYERS, WICHITA AREA

For years ended December 31, 1999 and December 31, 2008

Employer	2009			2000		
	Total full-time Wichita-area Employees	Rank	Percentage of Total City Employment	Total full-time Wichita-area Employees	Rank	Percentage of Total City Employment
Company name						
Spirit AeroSystems Inc.	10,300	1	3.22 %	-		- %
Cessna Aircraft Co.	5,994	2	1.88	11,165	2	3.73
USD 259 Wichita	5,543	3	1.73	4,956	4	2
Hawker Beechcraft Corporation	5,300	4	1.66	-		-
Via Christi Health System	5,134	5	1.61	3,282	8	1.10
State of Kansas	3,919	6	1.23	4,910	5	1.64
City of Wichita	3,000	7	0.94	5,008	9	1.67
Sedgwick County	2,929	8	0.92	-		-
United States Government	2,881	9	0.90	4,005	6	-
Boeing IDS Wichita	2,500	10	0.78	-		-
Boeing Aircraft Co.	-		-	17,300	1	5.78
Raytheon Aircraft Co.	-		-	9,200	3	3.08
Bombardier Aerospace Learjet, Inc.	-		-	3,800	7	1.27
Dillons Food Stores	-		-	2,550	10	0.85
			<u>14.86 %</u>			<u>20.88 %</u>
Total employment	319,676			299,138		

Source: Wichita Business Journal; total employment U.S. Department of Labor, Bureau of Labor Statistics

CITY OF WICHITA, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS

General and Debt Service Funds

For years ended December 31, 2000 through December 31, 2009
(dollars expressed in thousands)

Year Ended December 31 ¹	Current Year Collections			Collections in Subsequent Years	Total Tax Collections	
	Taxes Levied	Amount	Percentage Levy		Amount	Percentage Levy
2000	\$ 59,641	\$ 56,957	95.50 %	\$ 1,050	\$ 58,007	97.26 %
2001	65,180	61,319	94.08	1,139	62,458	95.82
2002	68,935	65,483	94.99	1,509	66,992	97.18
2003	72,659	68,607	94.42	1,579	70,186	96.60
2004	78,450	74,180	94.56	2,863	77,043	98.21
2005	81,030	76,454	94.35	3,066	79,520	98.14
2006	85,103	80,692	94.82	2,702	83,394	97.99
2007	90,546	86,525	95.56	2,863	89,388	98.72
2008	95,692	91,161	95.27	2,908	94,069	98.30
2009	100,840	95,255	94.46	-	95,255	94.46

PROPERTY TAX LEVIES AND COLLECTIONS

Tax Increment Financing Districts

For years ended December 31, 2000 through December 31, 2009
(dollars expressed in thousands)
(Includes Taxes on Real Property Only)

Year Ended December 31 ¹	Current Year Collections			Collections in Subsequent Years	Total Tax Collections	
	Taxes Levied	Amount	Percentage Levy		Amount	Percentage Levy
2000	\$ 2,656	\$ 2,149	80.91 %	\$ 34	\$ 2,183	82.19 %
2001	4,422	3,823	86.45	165	3,988	90.19
2002	4,467	3,851	86.21	208	4,059	90.87
2003	4,268	4,054	94.99	141	4,195	98.29
2004	4,993	4,524	90.61	242	4,766	95.45
2005	6,163	5,361	86.99	432	5,793	94.00
2006	6,169	5,766	93.47	353	6,119	99.19
2007	6,580	6,087	92.51	451	6,538	99.36
2008	7,038	5,752	81.73	287	6,039	85.81
2009	7,101	6,127	86.28	-	6,127	86.28

SPECIAL ASSESSMENT LEVIES AND COLLECTIONS

For years ended December 31, 2000 through December 31, 2009
(dollars expressed in thousands)

Year Ended December 31 ¹	Assessments Certified to County ²	Current Year Collections		Collections in Subsequent Years	Total Assessment Collections	
		Amount	Percentage of Assessment		Amount	Percentage of Assessment
2000	\$ 24,538	\$ 21,960	89.49 %	\$ 1,158	\$ 23,118	94.21 %
2001	24,206	23,275	96.15	851	24,126	99.67
2002	23,788	22,926	96.38	745	23,671	99.51
2003	24,659	22,607	91.68	1,084	23,691	96.07
2004	25,034	23,335	93.21	1,361	24,696	98.65
2005	27,137	23,869	87.96	1,337	25,206	92.88
2006	28,797	25,889	89.90	1,258	27,147	94.27
2007	30,871	27,272	88.34	1,340	28,612	92.68
2008	30,687	29,097	94.82	1,056	30,153	98.26
2009	33,314	29,756	89.32	-	29,756	89.32

¹ The year shown is the year in which the collections were received. The levy or assessment is certified to the county the previous year.

² Special assessments of proprietary funds, advance payments and nuisance assessments are not included.

CITY OF WICHITA, KANSAS

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA

For years ending December 31, 2000 through December 31, 2009

(dollars expressed thousands except per capita amounts)

Year	Assessed Value ¹	Gross Bonded Debt ²	Debt Service Monies Available	Debt Payable From Local Sales Tax	Debt Payable from Transient Guest Tax
2000	\$ 2,384,871	\$ 314,685	\$ 25,037	\$ 25,000	\$ 16,203
2001	2,514,971	279,827	6,393	17,500	14,398
2002	2,624,262	327,649	20,079	56,000	12,520
2003	2,811,767	380,223	26,286	92,690	10,552
2004	2,981,652	458,232	65,958	122,180	10,110
2005	3,037,718	433,104	57,287	113,500	8,890
2006	3,213,623	418,305	40,945	104,505	6,717
2007	3,384,597	448,457	16,107	138,205	5,554
2008	3,547,637	432,681	6,231	129,165	4,639
2009	3,548,356	466,111	22,221	119,540	3,737

¹ Includes assessed value and motor vehicle valuations expressed in thousands

² Includes all long-term general obligation debt.

Debt Payable from Proprietary Revenues	Debt payable from Special Assessments	Net Bonded Debt Payable	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Year
\$ 25,062	\$ 158,375	\$ 65,008	2.73	\$ 184.94	2000
21,278	149,255	71,003	2.82	201.65	2001
18,689	148,540	71,821	2.74	203.53	2002
18,822	160,865	71,008	2.53	200.21	2003
15,846	206,720	37,418	1.25	105.62	2004
12,771	210,370	30,286	1.00	85.77	2005
16,401	217,705	32,032	1.00	90.40	2006
14,484	218,545	55,562	1.64	155.94	2007
12,492	227,550	52,604	1.48	145.83	2008
20,101	241,420	59,092	1.67	161.43	2009

CITY OF WICHITA, KANSAS

RATIOS OF OUTSTANDING DEBT BY TYPE

For years ended December 31, 2000 through December 31, 2009
(dollars expressed in thousands except per capita amounts)

Fiscal Year	Proprietary Activities					Governmental Activities
	Water Utility Bonds	Sewer Utility Bonds	Airport Authority Bonds	General Obligation Bonds	Bond Anticipation Notes	General Obligation Bonds ¹
2000	\$ 91,604	\$ 61,921	\$ 36,568	\$ 25,062	\$ -	\$ 289,623
2001	91,868	58,292	31,093	21,278	-	258,549
2002	86,921	54,585	75,116	18,689	-	148,540
2003	129,914	122,999	77,570	18,822	-	361,401
2004	124,032	118,471	74,166	15,846	-	442,386
2005	145,759	129,887	77,825	12,771	6,223	420,333
2006	167,473	146,810	76,557	16,401	-	401,905
2007	159,292	140,604	75,198	14,484	-	433,973
2008	175,877	138,620	74,897	12,492	4,170	420,189
2009	250,093	181,090	63,150	4,250	-	446,010

Fiscal Year	Governmental			Total Debt Primary Government	Total Debt Per Capita ²	Total Debt as a Percent of Personal Income	Component Unit
	HUD Section 108 Loan	Capital Lease Debt	Bond Anticipation Notes				Public Building Commission
2000	\$ 3,290	\$ -	\$ 7,350	\$ 515,418	\$ 1,464	5.15 %	\$ 45,700
2001	3,115	-	55,808	520,003	1,474	4.78	41,620
2002	2,930	-	14,771	401,552	1,132	3.70	37,470
2003	2,735	-	22,969	736,410	2,079	6.72	33,505
2004	5,530	-	23,160	803,591	2,276	6.86	32,075
2005	5,310	-	18,629	816,737	2,305	6.64	29,315
2006	2,075	-	18,057	829,278	2,327	6.07	26,555
2007	1,825	1,681	14,180	841,237	2,332	5.86	24,230
2008	1,565	1,472	34,990	864,272	2,361	6.02	21,805
2009	1,285	1,178	39,501	986,557	2,671	6.81	19,300

¹ The source of funding for debt sold as general obligation debt is presented on page G-2 and G-3 in the Statistical Section.

² Expressed in dollars. Population figures are presented on page H-27 of this section.

CITY OF WICHITA, KANSAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

For years ended December 31, 2000 through December 31, 2009
(dollars expressed in thousands except per capita amounts)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percent of Estimated Actual Value of Taxable Property ¹	Per Capita ²
2000	\$ 314,685	\$ 25,037	\$ 289,648	2.19%	863.2
2001	279,827	6,393	273,434	1.95%	777.9
2002	327,649	20,079	307,570	2.10%	873.5
2003	380,223	26,286	353,937	2.24%	1,003.0
2004	458,232	65,958	392,274	2.38%	1,106.0
2005	433,104	57,287	375,817	2.17%	1,060.8
2006	418,200	40,945	377,255	2.05%	1,068.4
2007	448,457	16,107	432,350	2.21%	1,220.2
2008	432,681	6,231	426,450	2.06%	1,196.9
2009	466,111	22,221	443,890	2.12%	1,230.5

¹ Excludes estimated actual value of motor vehicles.

² Population figures provided on page H-27 of this section.

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GOVERNMENT EXPENDITURES

For years ended December 31, 2000 through December 31, 2009
(dollars expressed in thousands)

Fiscal Year	Principal	Interest	Debt Service ¹	Total Government Expenditures ²	Ratio of Debt Service to Government Expenditures
2000	\$ 35,299	\$ 14,104	\$ 49,403	\$ 326,480	15.13
2001	45,819	14,119	59,938	377,259	15.89
2002	38,000	13,925	51,925	434,424	11.95
2003	40,241	14,482	54,723	439,709	12.45
2004	38,570	16,473	55,043	433,078	12.71
2005	42,111	17,301	59,412	424,007	14.01
2006	41,002	17,176	58,178	477,191	12.19
2007	40,189	16,880	57,069	459,853	12.41
2008	43,384	19,230	62,614	490,379	12.77
2009	44,190	17,673	61,863	463,770	13.34

¹ Excludes debt service related to Section 108 loan.

² Includes expenditures of all government fund types.

CITY OF WICHITA, KANSAS

LEGAL DEBT MARGIN INFORMATION

For years ended December 31, 2000 through December 31, 2009
(dollars expressed in thousands)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Debt limit	\$ 715,461	\$ 754,491	\$ 787,279	\$ 843,530
Total net debt applicable to limit	<u>216,533</u>	<u>266,213</u>	<u>287,304</u>	<u>270,190</u>
Legal debt margin	<u>\$ 498,928</u>	<u>\$ 488,278</u>	<u>\$ 499,975</u>	<u>\$ 573,340</u>
Total net debt applicable to limit as a percentage of debt limit	30.26%	35.28%	36.49%	32.03%

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 872,044	\$ 911,315	\$ 964,087	\$1,015,379	\$ 1,064,291	\$ 1,064,507
<u>252,320</u>	<u>227,053</u>	<u>232,818</u>	<u>197,179</u>	<u>202,312</u>	<u>221,768</u>
<u><u>\$ 619,724</u></u>	<u><u>\$ 684,262</u></u>	<u><u>\$ 731,269</u></u>	<u><u>\$ 818,200</u></u>	<u><u>\$ 861,979</u></u>	<u><u>\$ 842,739</u></u>
28.93%	24.91%	24.15%	19.42%	19.01%	20.83%

2009 Equalized assessed valuation of taxable tangible property	\$ 3,151,655
Add: 2009 Estimated tangible valuation of motor vehicles	<u>396,701</u>
Total assessed value	\$ 3,548,356
Debt limit (30% of equalized assessed value)	1,064,507
Total debt	979,744
Debt applicable to limit:	
General obligation bonds	243,989
Less: Amount set aside for repayment of general obligation debt	<u>22,221</u>
Total net debt applicable to limit	<u>221,768</u>
Legal debt margin	<u><u>\$ 842,739</u></u>

CITY OF WICHITA, KANSAS

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT

As of December 31, 2007, 2008 and 2009

	<u>December 31, 2007</u>		<u>December 31, 2008</u>		<u>December 31, 2009</u>	
	<u>Percent of debt applicable to City</u>	<u>City of Wichita share of debt</u>	<u>Percent of debt applicable to City</u>	<u>City of Wichita share of debt</u>	<u>Percent of debt applicable to City</u>	<u>City of Wichita share of debt</u>
Direct Debt:						
General obligation bonded debt						
Payable from ad valorem taxes		\$ 40,556,074		\$ 30,798,935		\$ 56,564,700
Temporary note debt		<u>65,140,000</u>		<u>85,895,000</u>		<u>117,815,000</u>
Total direct debt		105,696,074		116,693,935		174,379,700
Less - assets in debt service fund available for payment of principal		<u>16,106,881</u>		<u>6,231,000</u>		<u>22,221,043</u>
Total net direct debt		<u>89,589,193</u>		<u>110,462,935</u>		<u>152,158,657</u>
Overlapping debt:						
Sedgwick County	73.90	105,382,605	74.50	97,239,590	74.10	54,678,390
USD 259	62.76	173,754,198	66.85	176,336,930	61.96	281,948,980
Wichita Public Building Commission	100.00	<u>12,560,000</u>	100.00	<u>11,550,000</u>	100.00	<u>10,490,000</u>
Total overlapping debt		<u>291,696,803</u>		<u>285,126,520</u>		<u>347,117,370</u>
Total direct and overlapping debt		<u>\$ 381,285,996</u>		<u>\$ 395,589,455</u>		<u>\$ 499,276,027</u>

CITY OF WICHITA, KANSAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
For years 2000 through 2009

Fiscal Year	Population of Wichita ¹	Population of Wichita MSA ²	Personal Income of Wichita MSA (amounts expressed in thousands) ³
2000	352,104	572,015	\$ 15,918,139
2001	352,878	574,926	17,197,254
2002	354,674	579,645	17,297,382
2003	354,261	581,330	17,534,899
2004	353,090	583,530	18,519,359
2005	354,340	586,933	19,762,665
2006	356,299	589,279	22,080,831
2007	360,729	596,452	22,642,335
2008	366,046	603,716	23,650,151
2009	369,340	646,317	23,650,151

Fiscal Year	Per Capita Personal Income ⁴	Median Age ⁵	School Enrollment ⁶
2000	\$ 28,445	33.4	49,100
2001	30,823	33.6	49,147
2002	30,622	34.4	48,962
2003	30,950	33.2	49,065
2004	33,153	35.4	48,818
2005	34,703	34.2	48,865
2006	38,318	34.8	48,451
2007	39,811	35.0	48,705
2008	39,207	34.0	49,146
2009	39,207	34.9	50,042

¹ 2000-2009 estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University

² 1999-2000, 2006-2008 estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University; 2001-2005, 2009 estimates, Bureau of Census

³ 1999-2000 estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University; 2001-2008 estimates, Bureau of Census, 2009 personal income estimates not available at publishing.

⁴ 2000-2007 estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University; 2008 Bureau of Economic Analysis; 2009 not available at publishing.

⁵ 2000-2009 estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University

⁶ Wichita Public Schools, Unified School District 259

CITY OF WICHITA, KANSAS

PLEGDED-REVENUE COVERAGE

For years ended December 31, 2000 through December 31, 2009

(dollars expressed in thousands)

Water Revenue Bonds						
Fiscal Year	Less:					
	Gross Earnings	Operating and Maintenance Expenses	Net Revenue Available for Debt Service	Principal	Interest	Coverage
2000	\$ 32,778	\$ 16,627	\$ 16,151	\$ 3,901	\$ 4,679	1.88
2001	36,729	17,480	19,249	4,357	4,710	2.12
2002	37,687	17,829	19,858	4,947	4,343	2.14
2003	36,427	17,911	18,516	5,122	5,770	1.70
2004	38,059	18,752	19,307	5,881	6,193	1.60
2005	42,081	21,014	21,067	6,279	5,321	1.82
2006	46,580	22,189	24,391	7,146	6,800	1.75
2007	43,901	22,924	20,977	8,181	7,588	1.33
2008	44,635	24,073	20,562	8,640	8,049	1.23
2009	55,251	23,938	31,313	9,321	8,273	1.78

Sewer Revenue Bonds						
Fiscal Year	Less:					
	Gross Earnings	Operating and Maintenance Expenses	Net Revenue Available for Debt Service	Principal	Interest	Coverage
2000	\$ 25,015	\$ 13,494	\$ 11,521	\$ 3,470	\$ 3,309	1.70
2001	25,243	14,768	10,475	3,695	3,306	1.50
2002	27,053	15,938	11,115	3,707	2,800	1.71
2003	27,814	16,252	11,562	3,836	5,170	1.28
2004	28,198	16,487	11,711	4,528	5,876	1.13
2005	30,685	17,328	13,357	4,842	5,364	1.31
2006	31,607	18,851	12,756	5,358	6,164	1.11
2007	34,994	19,049	15,945	6,205	6,797	1.23
2008	36,667	20,010	16,657	6,220	6,817	1.28
2009	36,295	20,247	16,048	6,613	6,664	1.21

Combined Water and Sewer Revenue Bonds						
Fiscal Year	Less:					
	Gross Earnings	Operating and Maintenance Expenses	Net Revenue Available for Debt Service	Principal	Interest	Coverage
2000	\$ 57,793	\$ 30,121	\$ 27,672	\$ 7,371	\$ 7,988	1.80
2001	61,972	32,248	29,724	8,052	8,016	1.85
2002	64,740	33,767	30,973	8,654	7,143	1.96
2003	64,241	34,163	30,078	8,958	10,940	1.51
2004	66,257	35,239	31,018	10,409	12,069	1.38
2005	72,766	38,342	34,424	11,121	10,685	1.58
2006	78,187	41,040	37,147	12,504	12,964	1.46
2007	78,895	41,973	36,922	14,386	14,385	1.28
2008	81,302	44,083	37,219	14,860	14,866	1.25
2009	91,546	44,185	47,361	15,934	14,937	1.53

CITY OF WICHITA, KANSAS
CAPITAL ASSET STATISTICS BY FUNCTION

For years ended December 31, 2002 through December 31, 2009

Function	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Public safety								
Police stations	4	4	4	4	4	4	4	4
Police patrol units	175	175	175	175	175	175	175	175
Fire stations	18	18	18	18	18	19	19	22
Highways and streets								
Streets (miles)	1,710	1,725	1,745	1,760	1,795	1,830	1,859	1,882
Signalized intersections	518	523	526	541	547	553	562	562
Culture and recreation								
Parks acreage	4,273	4,273	4,273	4,327	4,458	5,281	5,281	4,892
Swimming pools	12	12	12	11	11	11	11	11
Interactive water features	2	2	3	5	5	6	6	6
Fishing ponds	11	11	11	12	13	13	13	13
Tennis courts	85	86	83	74	75	76	76	75
Exercise/fitness trails	13	13	12	12	12	12	12	16
Children's playgrounds	68	67	67	74	78	78	80	82
Community centers	10	10	10	10	10	10	10	10
Golf Courses	5	5	5	5	5	5	5	5
Libraries	12	10	9	9	9	9	9	9
Water								
Water mains (miles)	1,881	1,881	2,006	2,031	2,244	2,280	2,298	2,314
Maximum daily capacity (million gallons per day) ¹	91	95	100	106	119	108	160	160
Sewer								
Sanitary sewers (miles) ²	1,904	1,904	1,919	1,925	1,935	1,986	2,011	2,013
Storm sewers (miles)	400	400	400	400	400	420	420	420
Maximum daily treatment capacity (million gallons per day)	55	59	59	61	61	59	59	62
Airport	2	2	2	2	2	2	2	2
Transit								
Bus and trolley fleet	56	56	56	56	56	53	53	53
Para-transit vans	27	27	27	22	22	20	23	24

¹ Estimated daily average

² Miles of sanitary sewers are estimates

Source: City of Wichita Operating Departments

CITY OF WICHITA, KANSAS
OPERATING INDICATORS BY FUNCTION

For years ended December 31, 2002 through December 31, 2009

Function	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety								
Police								
Dispatched calls for 911 service ¹	240,000	242,000	247,233	243,166	245,200	206,453	234,578	238,766
Parking violations	20,250	25,365	20,915	19,816	20,500	30,885	23,922	22,011
Traffic violations	79,425	80,647	71,806	72,047	70,000	79,755	64,113	77,589
Fire								
Number of unit responses	50,263	53,999	52,971	60,830	60,012	67,170	68,818	69,332
Fires contained to room of origin	72%	73%	71%	41%	69%	68%	78%	73%
Inspections ²	4,150	4,376	6,662	5,262	5,165	5,953	5,753	4,092
Highways and streets								
Street resurfacing (miles) ³	48	66	62	36	36	33	18	11
Potholes repaired	40,000	55,000	70,000	55,000	42,000	96,731	93,880	51,241
Culture and recreation								
Parks and Recreation								
Golf rounds played	192,197	183,417	180,214	181,934	188,883	164,013	164,140	172,096
Trees planted	4,724	4,119	3,897	4,764	3,907	2,498	2,189	2,090
Swim Lessons	2,245	1,910	1,829	1,732	1,560	1,134	1,490	1,379
Botanica Garden visitors	99,906	101,416	114,529	102,691	111,289	94,865	102,877	97,390
Regional, state, and national conventions	32	29	29	39	29	25	28	18
Library								
Library circulation	1,851,696	1,864,047	1,905,435	1,949,241	1,992,052	2,057,722	2,248,824	2,237,881
Library program attendance	45,198	42,921	64,602	77,038	65,169	68,296	69,597	70,030
Water								
Water customers ⁴	135,552	137,592	138,626	141,249	144,780	144,336	141,622	142,196
Main breaks per 1,000 miles of mains	391	307	254	263	311	280	198	165
Average daily consumption (million gallons per day) ⁵	50	53	55	57	61	58	54	54
Sanitary Sewer (wastewater)								
Sewer customers ⁶	125,995	127,990	127,314	130,496	133,759	131,235	133,160	133,799
Average daily sewage treated (million gallons per day)	37	37	39	38	35	36	40	37
Airport								
Number of passengers	1,337,270	1,431,610	1,498,749	1,486,590	1,460,331	1,596,229	1,619,075	1,505,607
Passenger enplanements	670,833	717,741	749,416	742,363	726,619	795,535	805,286	746,283
Number of daily flights	49	53	45	44	47	50	43	41
Transit								
Fixed route ridership	1,869,667	1,800,022	1,948,838	2,070,153	1,868,673	1,972,981	2,255,051	2,170,346
Para-transit ridership	287,439	320,767	330,891	327,781	326,303	318,122	325,433	342,500

¹ Dispatched calls for 911 service estimated for 2002 and 2003

² Number of inspections estimated for 2002

³ Miles of streets resurfaced estimated for 2002

⁴ Water customers estimated

⁵ Average daily consumption estimated for 2002, 2003 and 2004

⁶ Sewer customers estimated

Source: City of Wichita Operating Departments

CITY GOVERNMENT EMPLOYEES BY FUNCTION
For Years ended December 31, 2000 through December 31, 2009

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
City Council & City Manager	19	16	17	15	15	16	16	15	15	15
General Government Services	21	23	25	24	19	19	17	16	28	25
Economic Development	3	3	3	3	3	3	3	4	4	9
Financial Services	71	73	75	74	70	71	73	73	73	73
Legal Services	26	28	28	26	24	24	25	25	25	26
Municipal Court	104	101	101	101	106	109	105	111	115	116
Information Technology	27	32	40	50	49	52	55	56	56	59
Metropolitan Planning	36	30	29	40	30	32	32	38	31	31
Human Resources	17	17	17	17	17	17	18	18	18	18
Public Safety										
Police	850	830	852	839	834	841	856	857	860	860
Fire	385	383	393	404	397	397	407	439	436	436
Central Inspection	73	73	73	73	74	73	72	78	81	83
Flood Control	19	19	19	19	18	18	18	18	18	18
Public Works										
Administration	6	6	6	6	6	5	5	5	5	5
Maintenance	135	142	142	142	141	128	127	127	129	123
Fleet Services	58	58	58	55	60	61	61	61	61	60
Building Services	99	101	106	108	117	115	109	108	111	111
Engineering	95	95	94	93	92	102	102	98	105	102
Sanitation										
Landfill Operations	3	3	4	4	4	2	2	3	2	2
Street Cleaning	33	33	31	31	28	22	22	22	21	26
Health and Welfare										
Public Health	135	146	147	0	0	0	0	0	0	0
Housing & Community Services	91	110	111	90	89	89	93	88	89	90
Environmental Services	79	81	80	75	65	69	69	71	67	68
Culture and recreation										
Libraries	139	142	139	154	148	148	153	153	155	155
Art Museum	19	19	19	19	26	26	26	30	24	26
Parks & Recreation	783	856	853	741	840	273	188	198	185	185
Golf Courses	56	59	89	86	86	90	34	38	38	38
Community Facilities	47	40	40	39	39	37	34	29	46	58
Water	214	216	219	220	219	213	222	228	223	230
Sewer	143	143	152	157	159	159	159	159	163	163
Airport	109	109	96	114	114	116	116	115	114	115
Storm Water	37	37	37	37	37	37	37	33	33	38
Public Transportation	169	174	151	160	168	157	133	131	133	131
Total	<u>4,101</u>	<u>4,198</u>	<u>4,246</u>	<u>4,016</u>	<u>4,094</u>	<u>3,521</u>	<u>3,389</u>	<u>3,445</u>	<u>3,464</u>	<u>3,495</u>

Note: Numbers presented are authorized positions as reported in the Adopted Budget.

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SINGLE AUDIT SECTION

The Single Audit Section contains reports of the independent auditor, schedules and exhibits reflecting Federal, State and local matching participation in various projects and programs of the City.



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

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Honorable Mayor and City Council Members
City of Wichita, Kansas

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wichita, Kansas (City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 13, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (2009-1, 2009-2 and 2009-3). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City in a separate letter dated May 13, 2010.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the City Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

May 13, 2010
Wichita, Kansas



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

INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM,
THE PASSENGER FACILITY CHARGE PROGRAM, AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB *CIRCULAR A-133* AND
THE PASSENGER FACILITY CHARGE AUDIT GUIDE

Honorable Mayor and City Council Members
City of Wichita, Kansas

Compliance

We have audited the compliance of the City of Wichita, Kansas (City), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs and in the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration (Guide) for the year ended December 31, 2009. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and to its passenger facility charge program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and the Guide. Those standards, OMB *Circular A-133*, and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Wichita complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and to its passenger facility charge program for the year ended December 31, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB *Circular A-133* and which are described in the accompanying schedule of findings and questioned costs as items 2009-4, 2009-6, 2009-7, and 2009-8.

Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs and the passenger facility charge program. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program or the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will be not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2009-4, 2009-5, 2009-6, 2009-7, and 2009-8. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the City Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

May 13, 2010
Wichita, Kansas

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CITY OF WICHITA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2009

Federal Grant or Program Title	Federal CFDA Number	Revenue Recognized	Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Supportive Housing for Persons with Disabilities	14.181	\$ 294,151	\$ 258,116
Community Development Block Grants/Entitlement Grants (7)	14.218	2,798,434	2,692,471
Special Purpose Grant	14.225	2,329	-
Emergency Shelter Grants Program	14.231	155,652	163,749
Shelter Plus Care	14.238	684,018	684,018
HOME Investment Partnerships Program	14.239	1,926,785	1,902,081
CDBG/Brownsfields Economic Development Initiative	14.246	-	31,864
ARRA CDBG Entitlement Grants (7)	14.253	2,191	38,925
Public and Indian Housing	14.850	1,833,226	1,763,293
Resident Opportunity and Supportive Services	14.870	154,749	140,486
Section 8 Housing Choice Vouchers	14.871	12,696,394	13,608,946
Public Housing Capital Fund (8)	14.872	1,025,250	1,025,250
ARRA Public Housing Capital Fund (8)	14.885	23,515	23,515
Total U.S. Department of Housing and Urban Development		<u>\$ 21,596,694</u>	<u>\$ 22,332,714</u>
<u>U. S. Department of the Interior</u>			
Equus Beds Division Acquirer Storage Recharge Project	15.539	\$ 887,348	\$ 887,348
Historic Preservation Fund Grants-In-Aid (4)	15.904	24,859	9,526
Outdoor Recreation - Acquisition, Development and Planning	15.916	(38,062)	57
Total U.S. Department of the Interior		<u>\$ 874,145</u>	<u>\$ 896,931</u>
<u>U.S. Department of Justice</u>			
Missing Children's Assistance	16.543	\$ 102,564	\$ 99,772
Crime Victim Assistance	16.575	58,625	63,487
Enforcement Assistance Discretionary Grants Program	16.580	40,955	27,747
Local Law Enforcement Block Grants Program	16.592	157,455	158,520
Bulletproof Vest Partnership Program	16.607	11,017	-
Enforcing Underage Drinking Laws Program	16.727	26,027	26,027
Edward Byrne Memorial Justice Assistance Grant Program (9)	16.738	76,844	49,723
Anti-Gang Initiative DOJ	16.744	108,711	65,935
ARRA Edward Byrne Memorial JAG Program (9)	16.804	-	7,610
Total U.S. Department of Justice		<u>\$ 582,198</u>	<u>\$ 498,821</u>
<u>U.S. Department of Transportation</u>			
Airport Improvement Program	20.106	\$ 9,424,822	\$ 8,687,034
ARRA Airport Improvement Program	20.106	-	347
Highway Planning and Construction (3)	20.205	19,477,956	18,674,643
Federal Transit - Formula Grants	20.507	4,081,457	4,081,457
ARRA Federal Transit - Formula Grants	20.507	1,440,892	1,440,892
Federal Transit Research Grant	20.514	-	2,000
Job Access - Reverse Commute	20.516	86,281	91,993
State and Community Highway Safety (3) (10)	20.600	6,629	14,759
Child Safety & Child Booster Seats Incentive (3) (10)	20.613	44,407	30,156
Total U.S. Department of Transportation		<u>\$ 34,562,444</u>	<u>\$ 33,023,281</u>

CITY OF WICHITA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Federal Grant or Program Title</u>	<u>CFDA</u>	<u>Revenue</u>	<u>Expenditures</u>
<u>Institute of Museum and Library Services</u>			
Grant to State - State Library Program (6)	45.310	\$ 72,336	\$ 34,464
Total Institute of Museum and Library Services		<u>\$ 72,336</u>	<u>\$ 34,464</u>
<u>U.S. Environmental Protection Agency</u>			
Air Pollution Control Program Support (1)	66.001	\$ 67,923	\$ 79,774
Surveys, Studies, Research Clean Air Act (1)	66.034	33,943	48,867
Environmental Protection Consolidated Grant (1)	66.600	446	33,101
Total U.S. Environmental Protection Agency		<u>\$ 102,312</u>	<u>\$ 161,742</u>
<u>U.S. Department of Health and Human Services</u>			
Drug Free Communities Support Program Grants	93.276	\$ 54,278	\$ 72,939
Community Services Block Grant (2) (11)	93.569	1,073,659	1,171,061
Child Care and Development Block Grant (1)	93.575	305,969	210,384
ARRA Community Services Block Grant (2) (11)	93.710	614,902	494,151
Total U.S. Department of Health and Human Services		<u>\$ 2,048,808</u>	<u>\$ 1,948,535</u>
<u>U.S. Department of Homeland Security</u>			
Assistance to Firefighters Grants (5)	97.044	\$ 137,732	\$ 137,732
Disaster Housing Assistance Grant	97.109	(4,772)	3,558
Total U.S. Department of Homeland Security		<u>\$ 132,960</u>	<u>\$ 141,290</u>
Total revenue and expenditures of federal awards		<u>\$ 59,971,897</u>	<u>\$ 59,037,778</u>

- (1) Federal assistance is passed through from the Kansas Department of Health and Environment
- (2) Federal assistance is passed through from the Kansas Housing Resources Corporation.
- (3) Federal assistance is passed through from the Kansas Department of Transportation
- (4) Federal assistance is passed through from the Kansas Department of Administration
- (5) Federal assistance is passed through from the Kansas Adjutant General
- (6) Federal assistance is passed through from the Kansas State Library
- (7) Included in the Community Development Block Grant cluster.
- (8) Included in the Public Housing Capital Fund Grant cluster.
- (9) Included in the Edward Byrne Memorial JAG Program cluster.
- (10) Included in the Highway Safety Grant cluster.
- (11) Included in the Community Services Block Grant cluster.

**NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

CITY OF WICHITA KANSAS

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Wichita and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Circular A-133, Audits of States Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

2. Subrecipients

Of the federal expenditures presented in the schedule, the City of Wichita provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipient
Community Development Block Grants/Entitlement Grants	14.218	\$ 439,719
Emergency Shelter Grants Program	14.231	\$ 155,057

3. Federal Forfeited Property Program

In 2009, the Narcotic Seizure acquired \$286,703 in federal forfeited property and expended \$186,803 on the qualified program expenditures.

4. Community Services Block Grant

The Community Services Block Grant (CSBG) is passed to the City of Wichita through the Kansas Housing Resources Corporation. Expenditures for the grant program years ending June 30, 2009 and June 30, 2010 are summarized in the following tables.

CSBG Grant Program Year Ended June 30, 2009					
	Budget		Actual		Variance
	July 1, 2008 to June 30, 2009	July 1, 2008 to Dec 31, 2008	January 1, 2009 to June 30, 2009	Total	
Revenue:	\$ 1,032,931	\$ 171,088	\$ 820,043	\$ 991,131	\$ 41,800
Expenditures:					
Personnel	380,000	66,177	369,951	436,128	(56,128)
Contractual	565,574	157,447	402,098	559,545	6,029
Commodities	87,357	7,776	62,103	69,879	17,478
Total	\$ 1,032,931	\$ 231,400	\$ 834,152	\$	\$ (32,621)

4. Community Services Block Grant (continued)

CSBG Grant Program Year Ended June 30, 2010		
	Budget	Actual
	July 1, 2009 to June 30, 2010	July 1, 2009 to December 31, 2009
Revenue:	\$ 2,447,321	\$ 785,990
Expenditures:		
Personnel	1,369,627	548,187
Contractual	629,379	199,881
Commodities	309,475	69,755
Capital outlay	50,000	-
Other	88,840	-
Total expenditures	\$ 2,447,321	\$ 817,823

5. Emergency Community Services for the Homeless

The Emergency Community Services for the Homeless Grant is passed to the City of Wichita through the Kansas Housing Resources Corporation. Expenditures for the grant program years ending June 30, 2009 and June 30, 2010 are summarized in the following tables.

Emergency Community Services for the Homeless Grant Year Ended June 30, 2009					
	Budget	Actual			Variance
	July 1, 2008 to June 30, 2009	July 1, 2008 to Dec 31, 2008	January 1, 2009 to June 30, 2009	Total	
Revenue:	\$ 56,483	\$ -	\$ 56,484	\$ 56,484	\$ (1)
Expenditures:					
Personnel	9,321	2,585	6,926	9,511	(190)
Contractual	35,171	3,870	30,364	34,234	937
Commodities	11,991	5,164	6,827	11,991	-
Total expenditures	\$ 56,483	\$ 11,619	\$ 44,117	\$ 55,736	\$ 747

Emergency Community Services for the Homeless Grant Year Ended June 30, 2010		
	Budget	Actual
	July 1, 2009 to June 30, 2010	July 1, 2009 to December 31, 2009
Revenue:	\$ 25,625	\$ -
Expenditures:		
Personnel	10,500	4,234
Contractual	13,125	2,131
Commodities	2,000	-
Total expenditures	\$ 25,625	\$ 6,365

6. Passenger Facility Charges

The accompanying schedule of Passenger Facility Charges is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the Passenger Facility Charge Audit Guide for Public Agencies. Therefore, some amounts presented in this schedule may differ from amounts in or used in the preparation of the basic financial statements.

Wichita Airport Authority Passenger Facility Charges (PFC)				
Approved Application Project Number	Unliquidated PFC Beginning Balance	PFC Collected	PFC Expended	Unliquidated PFC Ending Balance
96-02-C-00	\$ 1,247,191	\$ -	\$ -	\$ 1,247,191
98-03-C-00	2,169,890	-	-	2,169,890
03-04-C-00	7,445,311	-	879	7,444,432
07-05-C-00	2,232,175	-	1,021,843	1,210,332
08-06-C-00	1,543,752	2,444,844	-	3,988,596
Total	<u>\$ 14,638,319</u>	<u>\$ 3,476,940</u>	<u>\$ 38,012</u>	<u>\$ 14,060,441</u>

CITY OF WICHITA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009

SECTION I – SUMMARY OF INDEPENDENT AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? X yes none reported
- Noncompliance material to financial statements noted? yes X no

FEDERAL AWARDS

Internal control over major programs:

- Material weaknesses identified? yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? X yes none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB *Circular A-133*? X yes no

CITY OF WICHITA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009

SECTION I – SUMMARY OF INDEPENDENT AUDITORS' RESULTS (Continued)

Identification of major programs:

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM</u>
14.218 / 14.253	<i>Community Development Block Grants</i>
14.239	<i>HOME Investment Partnerships Program</i>
20.205	<i>Highway Planning and Construction</i>
20.507	<i>Federal Transit – Formula Grants</i>
93.569 / 93.710	<i>Community Services Block Grant</i>

Dollar threshold used to distinguish
between type A and type B programs:

\$ 1,771,133

Auditee qualified as low-risk auditee?

X yes no

CITY OF WICHITA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2009-1: (Significant Deficiency)

Condition: In 2008, a significant deficiency was noted (2008-1) in the Municipal Court in which customer service clerks had open access to the software creating incompatible segregation of duties and the potential to manipulate the database to achieve unauthorized results. Management's response at that time was to develop and implement exception reports to identify key fields, including deleted/cancelled or voided payments that would be reviewed daily.

During our review of internal controls in the Municipal Court in 2009, we noted no evidence that the exception report is being reviewed and/or approved by supervisors. Further, it was noted that the implementation of the exception report had not taken place prior to October 15, 2009, the date of our review.

Criteria: Internal controls should be designed to provide adequate segregation of duties for processing transactions.

Effect: Lack of controls and procedures could result in a misstatement to the financial statements.

Recommendation: We recommend that Municipal Court develop procedures to ensure exception reports are being reviewed by supervisors.

Response and corrective action plan (unaudited): Municipal Court has developed and implemented a new set of review and documentation procedures to be performed by supervisors.

Finding 2009-2 (Significant Deficiency)

Condition: During our review of internal controls in the Municipal Court, it was noted that documentation and review of citation data entry by Customer Service Representatives (CSR) is lacking. When a citizen presents payment for a citation that has not yet been entered into the E*Justice Public Safety System, the CSR will enter the citation information from the copy provided by the citizen, the system calculates the fines and charges due and payment is posted against the citation. The CSR does not maintain a copy of the source document used for data entry. In addition, there is no subsequent verification that the data was entered correctly.

Criteria: Internal controls should be designed to provide adequate segregation of duties for processing transactions.

Effect: Lack of controls and procedures could result in a misstatement to the financial statements.

Recommendation: We recommend that the source document be retained and CSR supervisors review the data entry to ensure accuracy.

CITY OF WICHITA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS
(continued)

Response and corrective action plan (unaudited): Municipal Court concurs with the auditor's findings. The Court has taken steps to address concerns with the data entry of citations by Customer Service Representatives. Effective May 3, 2010, citations that are data entered at customer service windows will be scanned into Laserfiche. Customer Service Supervisors will randomly spot check citations that have been data entered into E*JS to ensure accuracy. Case Creation employees will continue to review citations entered at customer service windows upon the original copy of the citation being filed by the Wichita Police Department.

Finding 2009-3 (Significant Deficiency)

Condition: We noted that reconciling revenue between the Water department's subsidiary accounting system (Banner System) and Performance general ledger is not a standard required procedure.

Criteria: Internal controls should be designed to provide adequate reconciliations between subsidiary ledgers and the general ledger.

Effect: Without a reconciliation of revenue, the Water department may not identify that revenue has been improperly posted in Performance.

Recommendation: We recommend a review of receipts from the Treasurer's Office and reconciliation of the Banner subsidiary records to amounts posted to Performance general ledger.

Response and corrective action plan (unaudited): Management concurs with the observation and will work with the departments that interface revenue transactions for improved accuracy and overall improved control.

CITY OF WICHITA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2009-4 (Significant Deficiency):

#14.218, Community Development Block Grant/Entitlement Grants, U.S. Department of Housing and Urban Development

#93.569 / 93.710 Community Services Block Grant, U.S. Department of Health and Human Services and ARRA Community Services Block Grant, passed through Kansas Housing Resources Corporation

Condition: Per review of a contractor's bid file, there was no evidence that the City checked the Excluded parties List System (EPLS) or obtained certification from the contractor that they were not suspended or debarred.

Criteria: 2 CFR section 180.300 provides when entering into a covered transaction, the City must verify that the contractor is not excluded or disqualified by checking the EPLS or collecting a certification or adding a clause or condition to the covered transaction.

Questioned Costs: (14.218) \$39,747; (93.569 / 93.710) \$50,000 related to 93.569

Context: (14.218) Of two expenditures greater than \$25,000, one was tested and found not to be in compliance with the requirement. (93.569 / 93.710) Only one expenditure was greater than \$25,000 and found not to be in compliance.

Cause: Unknown.

Effect: Not verifying the contractor against the EPLS or obtaining contractor's certification could result in inappropriate use of Federal Funds and a decrease in funding.

Recommendation: We recommend that the City develop procedures to ensure all contractors of federal funds are verified against the EPLS or provide a certification.

Response and corrective action plan (unaudited): The Housing and Community Services Department acknowledges that the required EPLS documentation was in all files tested, except as noted above. These files were prepared by a staff member who is no longer in the department. There was a six month period between the time the preparer left and a new person was hired. The new person did not prioritize as a point of initial job duties, review of all program files, given that six months of work needed to move forward with funded programs. However, the department recognizes the importance of compliance with this regulation and proposes that a written agreement be developed with the City's Purchasing Agent such that the department is immediately notified of the bidder which is selected following the opening of bids for CDBG and CSBG funded projects. HCSD staff will then determine whether the bidder is on the EPLS and will notify Purchasing before a contract is prepared. If the successful bidder is on the list, Purchasing will be advised to deny them the bid, and select the next. The process will be continued until a bidder who is not on the EPLS is identified.

CITY OF WICHITA, KANSAS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
(Continued)**

Finding 2009-5 (Significant Deficiency):

#14.253 Community Development Block Grant ARRA Entitlement Grants (CDBG-R)(Recovery Act Funded), U.S. Department of Housing and Urban Development

#20.507 ARRA Federal Transit Formula Grants, U.S. Department of Transportation

Condition: The American Recovery and Reinvestment Act (ARRA) Section 1512 report was not submitted accurately by the City for the quarter ending September 30, 2009.

Criteria: On June 22, 2009, the Office of Management and Budget issued "Implementing Guidance for the Reports on Use of Funds Pursuant to the ARRA of 2009", which requires the City to report the amount of federal recovery act funds expended on a quarterly basis.

Questioned Costs: Unknown.

Context: Recipients are responsible for verifying submitted information for all Recovery funds for which they are responsible, and for ensuring any data corrections are completed in a timely manner. Recipients have until the end of the 10th day following the end of the quarter to submit the Section 1512 report and until the end of the 21st day following the end of the quarter to perform a data quality review and submit corrections. In order to submit the report by the due date, the City is completing the report prior to the month end close period, resulting in incomplete data and not utilizing the review and corrections period through the 21st day following the end of the quarter. For grant #14.253, \$7.08 of expenditures were not properly reported; for grant #20.507, \$30,452 of expenditures were not properly reported.

Cause: Procedures have not been developed for utilizing the time between the 10th day following the quarter and the end of the 21st day following the end of the quarter to perform quality reviews and submit corrections to ensure the City meets the Section 1512 reporting requirements.

Effect: The federal grantor did not receive accurate information for their use in monitoring the FTA and HUD grant awards which could impact future funding.

Recommendations: We recommend the City develop policies and procedures to ensure that the required Section 1512 reports are filed accurately and timely to meet requirements.

Response and corrective action plan (unaudited): The Housing and Community services Department entered the discrepancy in question into the federal reporting system in the subsequent reporting period, bringing the reports up to date. HUD has advised grantees to go back and make changes as appropriate and staff are following HUDs directions on report revisions.

The Transit department concurs with this audit finding and as such, the new Transportation Development Coordinator has worked with the new Planning Analyst to develop and implement a required report matrix. This matrix defines each report that Wichita Transit is required to complete and their due dates. The Transportation Development Coordinator has written a new procedure (2.11 Federal Reporting Requirements) to ensure that all reports are completed accurately and on-time. The procedure defines those responsible to meet these requirements. Last year Wichita Transit did not have a Transportation Development Coordinator in place to help facilitate these requirements.

CITY OF WICHITA, KANSAS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
(Continued)**

Finding 2009-6 (Significant Deficiency):

#20.205 Highway Planning and Construction, U.S. Department of Transportation, passed through the Kansas Department of Transportation

Condition: Reimbursement of funds were submitted to Kansas Department of Transportation (KDOT) prior to the actual expenditure occurring.

Criteria: The OMB A-133 Compliance Supplement, Cash Management requirements, state that program costs must be paid for by entity funds before reimbursement is requested.

Questioned Costs: \$366,718

Context: During review of twenty-one invoices tested for proper reimbursement, one invoice was submitted prior to the expenditure being incurred.

Cause: The invoice was submitted for reimbursement before it had been through the proper approval processes.

Effect: Submitting expenditures that have not been approved could result in unallowable expenditures and impact future funding.

Recommendation: We recommend the City re-evaluate its reimbursement request process to ensure that expenditures have completed the proper approvals at all City levels prior to submitting the reimbursement request.

Response and corrective action plan (unaudited): Management concurs with the finding and as a result has modified procedures to ensure payment is not only approved, but the payment has been made prior to requesting reimbursement.

CITY OF WICHITA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
(Continued)

Finding 2009-7 (Significant Deficiency):

#20.507 Federal Transit Formula Grants, U.S. Department of Transportation

Condition: Subrecipient monitoring was not conducted in accordance with the following OMB Circular A-133 requirements: a) subrecipient agreements did not have federal award information and guidance and b) receipt and review of the subrecipients' audits was not conducted under OMB Circular A-133.

Criteria: OMB Circular A-133 Section .400(d) requires that a subrecipient agreement be in place, and contain the CFDA number and grant name, along with the compliance requirements specific to the pass through Federal funds. In addition, the City should ensure that subrecipients expending \$500,000 or more in Federal awards during the fiscal year have audits as required by OMB Circular A-133, with management decisions on audit findings completed within 6 months after receipt of the subrecipient's audit report.

Questioned Costs: Expenditures passed through to subrecipients totaled approximately \$31,124.

Context: The City's Transit department monitors subrecipients through the receipt and approval of subrecipient invoices and on-site visits.

Cause: The City's Transit department did not always follow OMB and FTA contract requirements to ensure that compliance requirements are being met.

Effect: Lack of required subrecipient monitoring could result in unallowable expenditures and activities.

Recommendation: We recommend the City review their subrecipient monitoring procedures to ensure compliance with OMB requirements.

Response and corrective action plan (unaudited): The Transit Department concurs with this audit finding and as such, has established an "oversight procedure (2.12 Wichita Transit Oversight of Pass-through Fund Recipients) for ensuring that our pass-through recipients are only asking for "allowable cost" reimbursements from the City of Wichita, according to OMB and FTA requirements. It is the responsibility of the Transportation Development Coordinator to review all reimbursement requests from sub-recipients and approve disbursement or follow up with sub-recipients on non-allowable costs. The vacant Transportation Development Coordinator position has been filled and will oversee these functions.

CITY OF WICHITA, KANSAS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
(Continued)**

Finding 2009-8 (Significant Deficiency):

#20.507 Federal Transit Formula Grants, and ARRA Federal Transit Formula Grants U.S. Department of Transportation

Condition: Reports required by the Federal Transit Authority (FTA) were not submitted timely and accurately by the City's Transit department:

- 1) The DBE report for the period of October, 2008 through March 31, 2009 due on June 1, 2009 was submitted on October 5, 2009.
- 2) The Quarterly Narrative report for project number KS-90-X103-01 for the period January 1, 2009 through March 31, 2009 due on April 30, 2009 was submitted on June 30, 2009.
- 3) The Quarterly Narrative report for project number KS-96-X004-00 for the period July 1, 2009 through September 30, 2009 did not report expenditures of \$155,731. This report relates to the ARRA Federal Transit Formula Grant.

Criteria: 49 CFR section 26.11 requires the City's Transit department to provide data about its Disadvantaged Business Enterprises (DBE) program to the Department as directed by Department of Transportation operating administrations. Per the OMB A-133 Compliance Supplement, the FTA requires the Uniform Report of DBE Awards or Commitments and Payments to be submitted semi-annually based on a recordkeeping system. Additionally, Quarterly Narrative reports are due within 30 days of the end of the quarter.

Questioned Costs: Unknown.

Context: Of the three quarterly reports reviewed, two were not filed timely and one did not report accurate expenditures.

Cause: Due to a lack of proper controls, the City's Transit department did not always follow OMB and FTA contract reporting requirements to ensure timely and accurate reporting.

Effect: Not meeting compliance requirements could impact future funding.

Recommendation: We recommend the City's Transit department develop controls to ensure that the required FTA reports are filed timely and accurately.

Response and corrective action plan (unaudited): The number of Transit staff notified of month end closing has been expanded to include the current Planning Analyst and the current Transportation Development Coordinator to facilitate timely and accurate month end reporting.

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WATER UTILITIES SECTION

The Water Utilities Section contains schedules and exhibits that fulfill the requirements of the Water and Sewer bond covenants.



Wichita Water Utilities
Director's Office
City Hall – Eighth Floor
455 North Main
Wichita, Kansas 67202

May 14, 2010

To our Water and Sewer Bondholders:

On behalf of the City of Wichita and the Water Utilities, I am pleased to present our 2009 Annual Report.

Wichita continues to uphold its tradition of excellence. Our mission as the premier water and sewer utility in the region is to provide quality, reliable, customer convenient water and sewer services that represent extraordinary value. That mission is achieved by ensuring effectiveness, efficiency, fiscal responsibility, accountability, responsiveness, customer friendliness, and accessibility, while increasing productivity.

The Wichita Water Utilities treats and distributes potable water and collects and processes wastewater, for about 500,000 people in south central Kansas. Services include maintaining about 4,300 miles of sewer and water mains, with related facilities, and working with business, industry and developers to provide infrastructure for their continued success.

In 2007, operation of Phase I of the Equus Beds Aquifer Storage and Recovery (ASR) Project was initiated. The ASR project is designed to create an additional water supply for the City of Wichita through the year 2050 and to create a hydraulic barrier against salt water contamination that threatens a portion of the aquifer. In 2008, the ASR Phase I facility used excess flow in the Little Arkansas River to recharge over 300 million gallons of water back into the Equus Beds Aquifer. In 2009, 170 million gallons were recharged back into the aquifer. Design has been completed for the five projects that are part of Phase II of the ASR project, and construction of the Membrane Water Treatment Facility and Intake, along with recharge and recovery wells has begun.

Water Distribution initiated a valve maintenance program in 2007. This program was enhanced in 2008 by the purchase of an electronic valve turner and the addition of a new crew member. These additions have enabled the Utility to achieve its initial goal of exercising all 16" and larger valves annually, and to be on track towards achieving the second goal of exercising all other line valves at least once every five years. The

replacement of the Utility's remaining lead services was nearly completed during 2009, and expected to be finished in 2010. The Backflow Prevention Program continues on target to meet its core mission of safeguarding the water supply from contamination.

In 2004, the Utility initiated a program to systematically install automated meter reading (AMR) devices. The devices have enabled the Utility to read in a few hours what used to take about 50 hours, and with very few errors. In 2009, misreads decreased by over 24 percent. Automated meter reading installation continued in 2009 bringing the total amount of AMR devices to almost 63,000 or nearly 43 percent of the Utility's total meters. Other efficiencies in the Customer Service Division include an increase in the number of payments received electronically. Payment processing through the interactive voice response system and other automated services increased approximately 38 percent in 2009 with over 656,000 electronic payments received.

Sewage Treatment is currently in the construction phases of the projects to upgrade the Cowskin Creek Pump Station and to build the new Mid Continent Water Quality Reclamation Facility. These projects are both scheduled for completion by the spring of 2010. The division has completed a study to determine the costs and feasibility of upgrading its main treatment facility to meet higher quality standards for the discharge of nitrogen and phosphorus. Although this upgrade will not be required for three to five years, the study will serve as a planning tool for assessing future costs. In the coming year, a solids handling upgrade at the Four Mile Creek facility will be under design and construction with an anticipated completion date by the spring of 2011. This upgrade will reduce the costs associated with current trucking operations used to transport materials between facilities.

Sewer Maintenance focused on system maintenance in 2009 and implemented a process to ensure that all collection systems are cleaned within regulatory guidelines. The process included working with staff at several golf courses to determine appropriate access to large interceptor sewers existing on golf course property. Other interceptor sewers along Chisholm Creek and Cowskin Creek involved innovative methods in order to gain access and maintain the systems. As part of this process, the division also maintained large amounts of PVC sewers in the far west and east areas of the collection system.

2009 brought many improvements and innovations to the Utilities. As needs and technologies change, so too will the Utilities. I want to express my gratitude to our employees for making our operation successful. Without their continuous efforts Wichita Water Utilities would be unable to provide our customers with quality, reliable water and sewer service.

Christopher M. Carrier, P.E.
Director of Public Works
For the Wichita Water Utilities
The City of Wichita, Kansas

CITY OF WICHITA, KANSAS

WATER UTILITIES COMBINED BALANCE SHEET

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	2009	2008
ASSETS		
Current assets:		
Cash and temporary investments	\$ 8,642,244	\$ 8,902,167
Receivables, net	10,551,706	10,148,920
Inventories	2,338,086	2,124,262
Prepaid items	1,124,049	1,054
Restricted assets:		
Cash and temporary investments	25,219,921	19,722,136
Total current assets	47,876,006	40,898,539
Noncurrent assets:		
Restricted assets:		
Cash and temporary investments	61,738,046	24,853,915
Capital assets:		
Land	13,937,927	13,290,023
Buildings	159,596,333	169,404,224
Improvements other than buildings	782,737,755	734,338,599
Machinery, equipment and other assets	86,305,328	84,760,685
Construction in progress	142,692,119	75,607,326
Less accumulated depreciation	(272,597,181)	(257,626,881)
Total capital assets (net of accumulated depreciation)	912,672,281	819,773,976
Other assets	4,336,146	3,735,846
Total noncurrent assets	978,746,473	848,363,737
Total assets	\$ 1,026,622,479	\$ 889,262,276
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 7,829,630	\$ 6,359,665
Accrued interest payable	363,225	433,975
Deposits	3,859,037	3,026,235
Current portion of long-term obligations:		
Compensated absences	741,161	767,266
Current liabilities payable from restricted assets:		
Accrued interest payable	6,746,483	3,788,351
Revenue bonds payable	18,473,438	15,933,785
Total current liabilities	38,012,974	30,309,277
Noncurrent liabilities:		
Revenue bonds	412,709,416	298,562,853
Unamortized deferred refunding	(1,527,464)	(1,821,249)
Unamortized revenue bond premium	10,990,096	10,845,287
Compensated absences	154,288	114,608
Total noncurrent liabilities	422,326,336	307,701,499
Total liabilities	460,339,310	338,010,776
NET ASSETS		
Invested in capital assets, net of related debt	477,076,109	509,935,903
Restricted for:		
Debt service	-	3,704,217
Revenue bond reserves	74,822,000	23,400,881
Unrestricted	14,385,060	14,210,499
Total net assets	566,283,169	551,251,500
Total liabilities and net assets	\$ 1,026,622,479	\$ 889,262,276

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

CITY OF WICHITA, KANSAS

WATER UTILITIES COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	2009	2008
OPERATING REVENUES		
Charges for services and sales	\$ 85,480,559	\$ 72,110,650
Rentals	30,890	33,907
Other	16,001	13,034
Total operating revenues	85,527,450	72,157,591
OPERATING EXPENSES		
Personal services	18,534,723	18,939,841
Contractual services	13,862,905	13,770,310
Materials and supplies	6,280,794	5,870,484
Other	284,590	-
Administrative charges	1,424,732	1,410,474
Payments in lieu of franchise fees	3,796,722	4,091,351
Depreciation	26,843,662	19,388,662
Total operating expenses	71,028,128	63,471,122
Operating income (loss)	14,499,322	8,686,469
NONOPERATING REVENUES (EXPENSES)		
Interest on investments	178,989	1,483,943
Other revenues (expenses)	(1,184)	(827)
Interest expense	(14,239,706)	(13,021,728)
Gain (Loss) from sale of assets	(667,889)	(380,992)
Bond discount amortization	572,670	577,308
Total nonoperating revenues (expenses)	(14,157,120)	(11,342,296)
Income (loss) before contributions and transfers	342,202	(2,655,827)
CAPITAL CONTRIBUTIONS AND OPERATING TRANSFERS		
Capital contributions - cash	5,184,830	7,082,706
Capital contributions - non cash	13,016,436	5,106,228
Transfers to other funds	(3,511,799)	(3,280,450)
Change in net assets	15,031,669	6,252,657
Net assets - beginning	551,251,500	546,342,203
Prior period adjustment	-	(1,343,360)
Net Assets - beginning, as restated	551,251,500	544,998,843
Total net assets - ending	\$ 566,283,169	\$ 551,251,500

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

CITY OF WICHITA, KANSAS

WATER UTILITIES COMBINED STATEMENT OF CASH FLOWS

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 85,817,261	\$ 69,552,238
Cash payments to suppliers for goods and services	(21,721,059)	(17,342,482)
Cash payments to employees for services	(18,521,148)	(18,922,630)
Franchise fees and payments in lieu of delinquent specials	(3,796,722)	(4,091,351)
Other operating revenues	16,001	13,034
Net cash provided by (used in) operating activities	41,794,333	29,208,809
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer to other funds	(3,511,799)	(3,280,450)
Net cash provided by (used in) noncapital financing activities	(3,511,799)	(3,280,450)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Issuance from capital debt	132,620,000	29,460,000
Premuims from the sale of bonds	1,016,013	34,191
Accrued interest from the sale of bonds	-	82,802
Bond issuance costs paid	(898,833)	(199,239)
Additions to property, plant and equipment	(103,522,818)	(38,383,742)
Debt service - principal	(15,933,786)	(14,859,798)
Debt service - interest	(14,936,754)	(14,866,579)
Proceeds from sale of assets	131,818	140,408
Capital contributions	5,184,830	7,082,706
Net cash provided by (used in) capital and related financing activities	3,660,470	(31,509,251)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	178,989	1,483,943
Net cash provided by investing activities	178,989	1,483,943
Net increase (decrease) in cash and temporary investments	42,121,993	(4,096,949)
Cash and temporary investments - January 1	53,478,218	57,575,167
Cash and temporary investments - December 31	\$ 95,600,211	\$ 53,478,218
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ 14,499,322	\$ 8,686,469
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	26,843,662	19,388,662
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(402,786)	(2,798,698)
(Increase) decrease in inventory	(213,824)	(567,718)
(Increase) decrease in prepaid items	(1,122,995)	-
(Decrease) increase in accounts payable/accrued expenses	1,468,781	4,276,504
(Decrease) increase in deposits	708,598	206,379
Increase in compensated absences	13,575	17,211
Total adjustments	27,295,011	20,522,340
Net cash provided by (used in) operating activities	\$ 41,794,333	\$ 29,208,809
Supplemental Schedule of Non-Cash Investing and Financing Activities		
Assets contributed by benefit districts	\$ 11,309,652	\$ 12,484,210
Contribution of capital assets	66,402	-
Capital contributed for capital purposes	1,640,382	2,712,462

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

1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Wichita is a municipal corporation governed by an elected mayor and six-member council. The accompanying combined financial statements represent the proprietary Water and Sewer Utility Funds of the municipal government. The Water Utility Fund accounts for the operation and maintenance of the water supply component of the combined utility. The Sewer Utility Fund accounts for the operation and maintenance of the sewer component of the combined utility, including wastewater treatment plants and the sewer mains and laterals.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

The Water and Sewer Utility Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Principal operating revenues of the proprietary funds are charges to customers for sales and services and the portion of tap fees intended for recovery of connecting new customers to the system. Operating expenses of the utilities include the cost of sales and services, administration expenses, and depreciation on capital assets.

Revenues and expenses not meeting these criteria are reported as non-operating revenues and expenses. Consistent with Governmental Accounting Standards Board Statement Number 33, capital contributions resulting from non-exchange transactions are included in non-operating revenues.

C. Cash and Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments, which is managed by the Director of Finance (except for investments of the pension trust funds and those of the Wichita Public Building Commission). Information on the pooled cash and investments of the City is provided in Note 5 of the Notes to the Financial Statements which begin on page A-39 of this document.

E. Revenue Recognition

The Water Utility and Sewer Utility recognize revenue on sales when services are rendered. The Water Utilities recognize revenues for unbilled services. All users, including other City departments are charged for services provided. Accounts receivable represent uncollected charges (both billed and unbilled) at December 31, net of amounts estimated to be uncollectible.

F. Inventories

Inventories are stated at the lower of cost or market, cost being determined by the average unit cost method for both the Water Utility and Sewer Utility.

G. Capital Assets

Capital assets are valued at historical cost or estimated historical cost (if actual historical cost is not available). Donated capital assets are valued at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

**NOTES TO THE FINANCIAL STATEMENTS
OF THE WATER UTILITIES
FISCAL YEAR ENDED DECEMBER 31, 2009**

CITY OF WICHITA KANSAS

1. Summary of Significant Accounting Policies (continued)

G. Capital Assets (continued)

Depreciation of all exhaustible capital assets, including the depreciation of capital leased assets, is charged as an expense against the utility operations. Accumulated depreciation is reported on the proprietary funds' balance sheet.

Capital assets of the utilities are depreciated using the straight line method over the following estimated useful lives:

Assets Classification	Year
Buildings and improvements	1-42
Improvements other than buildings	1-50
Equipment	1-33
Vehicles	1-20
Water/Sewer mains and drainage	75-85

H. Payment of Franchise Taxes

Annually, the Water Utility and Sewer

Utility pay franchise taxes to the General Fund of the City an amount not to exceed five percent of

gross revenues for the preceding year, which is included in the annual budget. The combined utility paid to the General Fund of the City \$3,462,222 in 2009 and paid to the General Fund of the City in 2008 a total of \$3,756,851. The payment of franchise taxes is an operating expense passed through to the Utilities' customers.

I. Compensated Absences

The City's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts to employees who separate from service with the government. All vacation pay is accrued when incurred in the financial statements.

All permanent full-time and permanent part-time employees of the reporting entity within six months of continuous employment are eligible for vacation benefits in varying amounts. City policy provides that exempt employees may accumulate and carry forward each year, not more than 30 days of vacation leave. Non-exempt employees may accumulate and carry forward each year, not more than 240 hours of vacation leave. Sick leave benefits accrue to full time employees at varying rates, depending on the employees length of service to the City. A limitation has not been placed on the amount of unused sick leave that may accumulate. Upon retirement, employees may apply unused sick leave benefits to increase the employee's retirement benefit.

J. Bond Issuance Costs

Bond issuance costs are being amortized using the straight-line method of amortization over the life of the bonds.

2. Cash and Investments

At December 31, 2009 and 2008, the combined Utility's cash and temporary investments in the amount of \$95,600,211 and \$53,478,218 respectively are included in the City's pooled cash and temporary investments.

The City of Wichita has adopted a formal investment policy. The primary objectives of the investment activities are, in priority order, safety, liquidity and yield. The standard of care to be used by investment officials shall be the "prudent person" standard as contemplated by K.S. A. 17-5004(1), and shall be applied in the context of managing an overall portfolio. Additional information on the City's investment policy and the pooled investments of the City is located in the Note 5 – Cash, Investments and Securities Lending located in the Financial Section, Notes to the Financial Statements of this publication.

On December 31, 2009, revenue bond proceeds for reserve funds and future capital projects of the Water and Sewer Utility Funds were invested as follows:

**NOTES TO THE FINANCIAL STATEMENTS
OF THE WATER UTILITIES
FISCAL YEAR ENDED DECEMBER 31, 2009**

CITY OF WICHITA KANSAS

2. Cash and Investments (continued)

Investment	Book Value	Modified Duration (yrs)	Percent of Bond Proceeds Investments
U.S. agency discount securities:			
Federal Home Loan Mortgage Corporation	\$ 20,305,606	0.072	46.5%
Federal Home Loan Bank	23,383,493	0.071	53.5%
Total value	\$ 43,689,099		100.0%
Total modified duration		0.071	

3. Capital Assets

Capital asset activity of the Water and Sewer Utilities for the year ended December 31, 2009 is shown as follows (expressed in thousands of dollars):

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 13,290	\$ 648	\$ -	\$ -	\$ 13,938
Construction in progress	75,607	93,578	(26,493)	-	142,692
Total capital assets, not being depreciated	88,897	94,226	(26,493)	-	156,630
Capital assets, being depreciated:					
Buildings	169,404	1,180	(10,957)	(31)	159,596
Improvements other than buildings	734,339	48,604	(302)	97	782,738
Machinery, equipment and other assets	84,761	3,183	(1,527)	(112)	86,305
Total capital assets being depreciated	988,504	52,967	(12,786)	(46)	1,028,639
Less accumulated depreciation for:					
Buildings	(63,858)	(5,481)	10,530	20	(58,789)
Improvements other than buildings	(151,681)	(12,415)	15	(20)	(164,101)
Machinery, equipment and other assets	(42,088)	(8,948)	1,227	102	(49,707)
Total accumulated depreciation	(257,627)	(26,844)	11,772	102	(272,597)
Total capital assets, being depreciated, net	\$ 819,774	\$ 120,349	\$ (27,507)	\$ 56	\$ 912,672

Interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets. During 2008 and 2009, total interest cost of the combined Water and Sewer Utility Funds was \$15,405,474 and \$18,242,190 of which \$2,383,746 and \$4,002,484 respectively was capitalized.

4. Retirement Funds

The reporting entity contributes to a defined single-employer retirement benefit plan, the Wichita Employees' Retirement System (WERS) and a single-employer defined contribution plan, the Wichita Employees' Retirement System Plan 3. Both plans are governed by the Wichita Employees' Retirement System Board of Trustees. All full-time employees of the Utilities participate in one of the retirement plans. The payroll for the Utilities' employees covered by the systems for the years ended December 31, 2009 and December 31, 2008 was \$14,951,551 and \$15,208,721 respectively, which was also the total payroll for the utilities.

**NOTES TO THE FINANCIAL STATEMENTS
OF THE WATER UTILITIES
FISCAL YEAR ENDED DECEMBER 31, 2009**

CITY OF WICHITA KANSAS

4. Retirement Funds (continued)

Additional information on the retirement systems is reported in the Notes to the Financial Statements for the City of Wichita, located in the Financial Section of this publication. The Wichita Retirement System also issues a publicly available financial report that includes financial statements and required supplementary information for WERS and Wichita Police and Fire Retirement System. The financial report may be obtained by writing to the Wichita Retirement System, City Hall, 12th Floor, 455 N. Main, Wichita, KS 67202 or by calling (316) 268-4544.

The Utility's are required to contribute at an actuarially determined rate; the rate for 2009 was 4.7 percent of annual covered payroll for both Plans 1 and 2. The net pension obligation (NPO) is defined as the cumulative difference between the employer's annual pension cost and the employer's annual required contributions to the plan. For 2009, the Utility's annual pension cost of \$617,897 was equal to the required and actual contributions. For the year ending December 31, 2009, employee contributions to all pension plans for the Utility totaled \$633,432 and \$642,662 contributed in 2008.

5. Self-Insurance Fund

The City established a self-insurance fund in 1987 to account for self-insurance programs of workers' compensation, group life insurance, employee liability, property damage, auto liability and general liability for the reporting entity. The Utility participates in the self insurance fund programs of workers' compensation, group life insurance, group health insurance, employee liability, property damage, auto liability and general liability.

Information on the insurance programs is located in the Notes to the Comprehensive Annual Financial Report, which begin on page A-39 of this publication.

6. Long-Term Debt

A. Revenue Bonds

Revenue bonds are issued by the City of Wichita where income derived from the acquired or constructed assets is pledged to pay debt service. The bonds are payable solely from net revenues of the utilities. Revenue bonds outstanding at December 31, 2009 are as follows (expressed in thousands of dollars):

<u>Outstanding issue</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Amount Outstanding</u>
1998-Water & Sewer	4.70%	2012	\$ 5,915
1999-Water & Sewer	4.00 - 5.00%	2018	7,380
2000A-Water	4.69%	2021	1,864
2000B-Water	4.69%	2021	3,209
2003-Water & Sewer	2.70 - 5.25%	2028	113,115
2005A-Water & Sewer Refunding	3.00 - 5.00%	2016	30,155
2005B Water & Sewer Refunding	3.25 - 5.00%	2016	19,920
2005C Water & Sewer	3.25 - 5.00%	2030	41,885
2006-Water & Sewer	4.00 - 5.00%	2031	47,010
2008A-Water & Sewer	3.25 - 5.00%	2032	28,110
2009A-Water & Sewer	2.75 - 5.00%	2039	119,775
2009B-Water & Sewer	4.27 - 5.36%	2019	12,845
Total Water and Sewer Utility			<u>\$ 431,183</u>

**NOTES TO THE FINANCIAL STATEMENTS
OF THE WATER UTILITIES
FISCAL YEAR ENDED DECEMBER 31, 2009**

CITY OF WICHITA KANSAS

6. Long-Term Debt (continued)

A. Revenue Bonds (continued)

Changes in the long-term liability for the year ended December 31, 2009 are summarized in the following table:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
Revenue bonds	\$ 314,496	\$ 132,620	\$(15,934)	\$431,182	\$18,473
Deferred amount on refunding	(1,821)	-	294	(1,527)	-
Unamortized premium	<u>10,845</u>	<u>1,016</u>	<u>(871)</u>	<u>10,990</u>	<u>-</u>
Total bonds payable	323,520	133,636	(16,511)	440,645	18,473
Compensated absences	<u>882</u>	<u>906</u>	<u>(892)</u>	<u>896</u>	<u>741</u>
Total long-term liabilities					
Water and Sewer Utility	<u>\$ 324,402</u>	<u>\$ 134,542</u>	<u>\$(17,403)</u>	<u>\$ 441,541</u>	<u>\$ 19,214</u>

Revenue bond debt service requirements to maturity are as follows (expressed in thousands of dollars):

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 18,473	\$ 22,087
2011	20,759	19,664
2012	22,130	18,751
2013	20,997	17,791
2014	21,939	16,861
2015 – 2019	106,517	68,480
2020 – 2024	92,683	44,634
2025 – 2029	73,745	23,455
2030 – 2034	43,115	8,416
2035 – 2039	<u>10,825</u>	<u>1,624</u>
Totals	<u>\$ 431,183</u>	<u>\$ 241,763</u>

B. Revenue Bond Ordinance Provisions and Reserve Requirements

Revenue bond ordinances related to the issuance of revenue bonds provide for specific deposits to debt service and other related bond reserve and maintenance accounts. At December 31, 2009 and 2008, unrestricted cash available in accordance with the revenue requirements of the bond covenants was \$8,642,244 and \$8,902,167.

<u>Water and Sewer Utility Restricted Assets</u>		
	<u>2009</u>	<u>2008</u>
Principal and Interest	\$ 11,775,966	\$ 21,175,171
Bond Reserve	22,087,543	2,987,351
Depreciation and Replacement	6,126,206	7,505,612
Improvements	<u>45,697,370</u>	<u>12,907,917</u>
	<u>\$ 85,687,085</u>	<u>\$ 44,576,051</u>

**NOTES TO THE FINANCIAL STATEMENTS
OF THE WATER UTILITIES
FISCAL YEAR ENDED DECEMBER 31, 2009**

CITY OF WICHITA KANSAS

6. Long-Term Debt (continued)

B. Revenue Bond Ordinance Provisions and Reserve Requirements (continued)

At December 31, 2009, the City was in compliance with all significant reserve requirements of the respective Water and Sewer Utility revenue bond ordinances.

<u>Account</u>	<u>Amount</u>	<u>Expenses</u>
Unrestricted revenue	Amount deemed reasonable and necessary to pay expense of operation and maintenance for the ensuing 60 days	Expenses for operation, repair and maintenance for the Utility
Principal and Interest	An equal prorate portion of the next semi-annual interest payment plus the semiannual principal maturity on the first day of each month which is sufficient to meet the maturing bond and interest requirements.	Payment of principal and interest on revenue bonds
Bond Reserve	The credit rating downgrade of third party insurers of revenue bonds issued by the Water and Sewer Utilities resulted in the establishment of reserve funds, to be amortized over five years, beginning in 2008.	Over five years, fund semi-annual installments, beginning in 2008. Became fully fund in 2009 with the issuance of new bonds.
Depreciation and replacement	\$5,000 monthly, or the amount available after above allocations, until 15% of the operating revenues of the preceding year are accumulated.	To be used for the purpose of extraordinary maintenance and repairs, capital improvements, and if other funds are not available, for the cost of operating and maintaining the Utility.
Improvement	Amount remaining in the Revenue Fund on each January 1, which shall not be required for the operation and maintenance of the Utility or for the transfers required to the above accounts for a period of 90 days shall be credited to the account.	May be used for (1) operational and maintenance expenses of the Utility, (2) increase amounts in any of the other accounts to cover potential deficiencies, (3) improvements, repairs or extensions of the utility, (4) redemption of bonds issued under provisions of the ordinance prior to maturity, or (5) to make transfers to the Revenue Fund.

**NOTES TO THE FINANCIAL STATEMENTS
OF THE WATER UTILITIES
FISCAL YEAR ENDED DECEMBER 31, 2009**

CITY OF WICHITA KANSAS

7. Leases

Rents Receivable Under Operating Leases: The Sewer Utility and the Airport Authority entered into a 50 year lease for land and requires an annual payment. The following are future minimum rentals of non-cancelable operating leases:

Rents Receivable Under Non-Cancelable Operating Leases As of December 31, 2009	
Year Ending December 31	Minimum Rentals of Non- cancelable Operating Leases
2010	\$ 43,104
2011	41,446
2012	39,852
2013	40,233
2014	38,686
2015 - 2019	175,465
2020 - 2024	151,422
2025 - 2029	130,678
2030 - 2034	112,779
2035 - 2039	97,314
Thereafter	254,685
Total minimum future rentals	<u>\$ 1,125,664</u>

8. Segment Information

The Utility maintains separate funds for water and sewer services. Segment information for the year ended December 31, 2009 is located in the Financial Section of this publication.

CITY OF WICHITA, KANSAS
WATER UTILITIES
NET REVENUES AVAILABLE FOR DEBT SERVICE AND
CAPITAL EXPENDITURES MADE FROM OPERATING REVENUES
For the year ended December 31, 2009

UNAUDITED

	Water	Sewer	Combined
REVENUES			
Charges for services	\$ 50,991,041	\$ 34,489,518	\$ 85,480,559
Investment earnings	118,489	60,500	178,989
Capital contributions - cash	3,710,799	1,474,031	5,184,830
Bond discount amortization	312,387	260,283	572,670
Other	118,487	10,635	129,122
Gross earnings	<u>55,251,203</u>	<u>36,294,967</u>	<u>91,546,170</u>
OPERATIONS AND MAINTENANCE			
Personal services	8,782,673	9,752,050	18,534,723
Contractual services	8,141,058	5,721,847	13,862,905
Materials and supplies	3,678,404	2,602,390	6,280,794
Other	249,770	34,820	284,590
Administrative charges	1,105,020	319,712	1,424,732
Contributions to the city	1,980,887	1,815,835	3,796,722
Total operations and maintenance	<u>23,937,812</u>	<u>20,246,654</u>	<u>44,184,466</u>
Net revenues available for debt service	<u>\$ 31,313,391</u>	<u>\$ 16,048,313</u>	<u>\$ 47,361,704</u>
REVENUE BONDS DEBT SERVICE	\$ 17,593,768	\$ 13,276,772	\$ 30,870,540
DEBT SERVICE COVERAGE RATIO	1.78	1.21	1.53
Gross earnings	\$ 55,251,203	\$ 36,294,967	\$ 91,546,170
Less: other non operating revenue	-	-	-
Less: investment earnings	118,489	60,500	178,989
Less: capital contributions	3,710,799	1,474,031	5,184,830
Less: bond discount amortization	312,387	260,283	572,670
Operating revenues	<u>\$ 51,109,528</u>	<u>\$ 34,500,153</u>	<u>\$ 85,609,681</u>
CAPITAL EXPENDITURES FROM OPERATING REVENUES	\$ 2,861,631	\$ 1,149,038	\$ 4,010,669

PROPERTY INSURANCE

Insurance Company	2009 Deductible	Period covered	Detail of Coverage
Travelers	\$100,000 per occurrence	1-09 to 1-10	* All risk coverage on real and personal property.
	\$1,000,000 per occurrence of wind and hail		
Travelers	\$10,000 per occurrence	1-09 to 1-10	*Comprehensive coverage for steam boilers, air conditioning and electric motors.

*Property insurance for the Utility is included in the City's coverage. Limits shown are for the entire City.

CITY OF WICHITA, KANSAS

WATER UTILITIES STATISTICS BY CUSTOMER CLASS

For year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

UNAUDITED

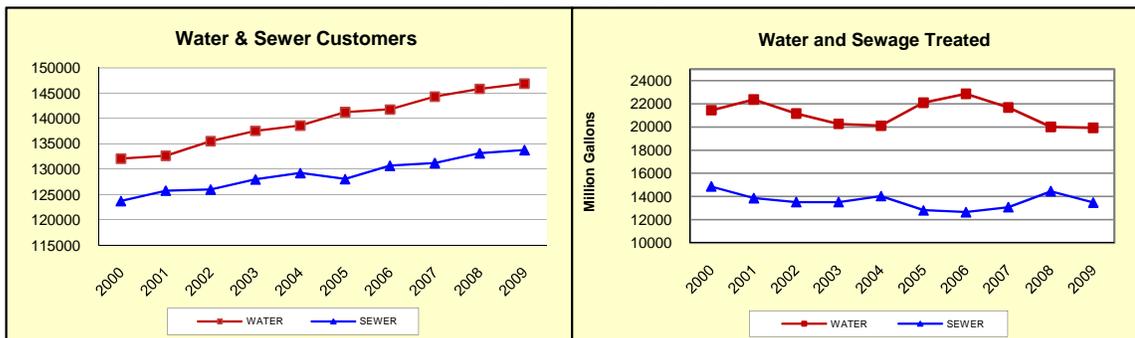
WATER UTILITY STATISTICS BY CUSTOMER CLASS

CUSTOMER CLASS	Number of Customers		Water Revenues		Water Consumed (Million Gallons)	
	2009	2008	2009	2008	2009	2008
Residential	128,905	128,285	\$ 26,744,573	\$ 23,511,514	8,938	9,003
Commercial / Industrial	12,897	12,918	12,922,579	11,364,113	6,839	6,996
Wholesale	11	10	2,126,408	1,937,464	1,299	1,365
Lawn services	2,975	2,718	-	-	-	-
Fire protection	1,742	1,547	181,703	156,910	-	-
Contract	383	381	590,909	533,104	238	279
Backflow charges	-	-	221,189	216,656	-	-
Other sales	-	-	215,165	205,302	-	467
Estimated leaks	-	-	-	-	47	45
Water utility uses	28	27	-	-	214	267
Unaccounted for water	-	-	-	-	2,354	1,586
	<u>146,941</u>	<u>145,886</u>	<u>\$ 43,002,526</u>	<u>\$ 37,925,063</u>	<u>19,929</u>	<u>20,008</u>

SEWER UTILITY STATISTICS BY CUSTOMER CLASS

CUSTOMER CLASS	Number of Customers		Sewer Revenues	
	2009	2008	2009	2008
Residential	122,011	121,333	\$ 17,149,091	\$ 17,877,191
Commercial	11,000	11,031	8,447,817	8,922,496
Industrial	19	20	3,236,223	3,708,974
Institutional	749	751	601,420	634,133
Wholesale	1	1	50,589	55,028
Other	-	-	28,047	70,711
Extra Strength	19	24	1,834,188	1,395,321
	<u>133,799</u>	<u>133,160</u>	<u>\$ 31,347,375</u>	<u>\$ 32,663,854</u>

OTHER SUMMARY DATA



	2009	2008	CHANGE
Number of water customers	146,941	145,886	0.72%
Number of sewer customers	133,799	133,160	0.48%
Miles of water line	2,314	2,284	1.31%
Miles of sanitary sewer line	2,013	2,011	0.10%
Water produced (million gallons)	19,926	20,008	-0.41%
Wastewater treated (million gallons)	13,478	14,466	-6.83%
Cost of treated, pressurized water per 1000 gallons	\$0.48	\$0.46	4.35%
Cost of treated wastewater per 1000 gallons	\$0.76	\$0.67	13.43%