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, 2011

CITY COUNCIL

Carl Brewer, Mayor
Janet Miller, Vice Mayor (VI)
Lavonta Williams, Council Member (I)
Pete Meitzner, Council Member (II)
James Clendenin, Council Member (III)
Michael O'Donnell II, Council Member (IV)
Jeff Longwell, Council Member (V)

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

Comprehensive Annual Financial Report
Year ended December 31, 2011

TABLE OF CONTENTS

INTRODUCTORY SECTION	Page
Letter of Transmittal	i-x
Certificate of Achievement	xi
Organization Chart	xii
Principal Officials	xiii
FINANCIAL SECTION	
Report of Independent Auditors	A - 1
Management Discussion and Analysis	A - 3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	A - 15
Statement of Activities	A - 16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	A - 18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	A - 19
Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds	A - 20
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities	A - 21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	A - 23
Balance Sheet – Proprietary Funds	A - 24
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	A - 28
Statement of Cash Flows – Proprietary Funds	A - 30
Statement of Fiduciary Net Assets – Fiduciary Funds	A - 34
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	A - 35
Notes to the Financial Statements	A - 36
Required Supplementary Information:	
Schedule of Funding Progress:	
Wichita Employees Retirement System	A - 80
Wichita Police and Fire Retirement System	A - 80
Post Employment Benefits Other than Pensions	A - 80
Combining and Individual Fund Statements and Schedules:	
Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Fund Types	B - 1
Combining Balance Sheet – Nonmajor Special Revenue Funds	B - 2
Combining Balance Sheet – Nonmajor Capital Projects Funds	B - 6
Combining Balance Sheet – General Fund	B - 8
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) – Nonmajor Governmental Fund Types	B - 9
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	B - 10
Combining Statement of Revenues Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	B - 14
Combining Statement of Revenues Expenditures and Changes in Fund Balances – General Fund	B - 16
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis):	
General Fund	B - 18
General Fund – Permanent Reserve Subfund	B - 22
General Fund – Ice Rink Management Subfund	B - 23
General Fund – Economic Development Subfund	B - 24

CITY OF WICHITA, KANSAS

Comprehensive Annual Financial Report
Year ended December 31, 2011

TABLE OF CONTENTS (continued)

FINANCIAL SECTION (continued) **Page**

Combining and Individual Fund Statements and Schedules: (continued)

Special Revenue Funds:

Homelessness Assistance Fund ..... B - 25
Tourism and Convention Promotion Fund ..... B - 26
Special Alcohol Program Fund ..... B - 27
Special Parks and Recreation Fund ..... B - 28
Landfill Fund ..... B - 29
Landfill Post Closure Fund ..... B - 30
Central Inspection Fund ..... B - 31
Downtown Parking Fund ..... B - 32
State Office Building Fund ..... B - 33
Gilbert & Mosley TIF District Fund ..... B - 34
North Industrial Corridor TIF District Fund ..... B - 35
East Bank TIF District Fund ..... B - 36
Old Town TIF District Fund ..... B - 37
21st Street & Grove TIF District Fund ..... B - 38
Old Town Cinema TIF District Fund ..... B - 39
NE Redevelopment TIF District Fund ..... B - 40
Self Supporting Municipal Improvement District Fund ..... B - 41
City/County Flood Control Fund ..... B - 42
City/County Metropolitan Planning Fund ..... B - 43
Sales Tax Construction Pledge Fund ..... B - 44
Debt Service Fund ..... B - 45
Cemetery Fund ..... B - 46

Enterprise Funds:

Combining Balance Sheet – Nonmajor Enterprise Funds ..... C - 1
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds ..... C - 2
Combining Statement of Cash Flows – Nonmajor Enterprise Funds ..... C - 3
Schedules of Revenues, Expenditures and Changes in Unencumbered Cash – Budget and Actual:
Water Utility Fund ..... C - 4
Sewer Utility Fund ..... C - 5
Storm Water Utility Fund ..... C - 6

Internal Service Funds:

Combining Balance Sheet ..... D - 1
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets ..... D - 2
Combining Statement of Cash Flows ..... D - 3
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets – Self Insurance Funds ..... D - 4
Schedule of Revenues, Expenditures and Changes in Unencumbered Cash – Budget and Actual:
Information Technology Fund ..... D - 5
Fleet Fund ..... D - 6
Self Insurance Fund ..... D - 7

Fiduciary Funds:

Combining Statement of Net Assets – Pension Trust Funds ..... E - 1
Combining Statement of Changes in Net Assets – Pension Trust Funds ..... E - 2
Combining Statement of Changes in Assets and Liabilities – Agency Funds ..... E - 3

CITY OF WICHITA, KANSAS

Comprehensive Annual Financial Report
Year ended December 31, 2011

TABLE OF CONTENTS (continued)

FINANCIAL SECTION (continued) **Page**

Combining and Individual Fund Statements and Schedules: (continued)

Component Unit:
Statement of Cash Flows – Wichita Public Building Commission ..... F - 1

Additional Information:
Combined Schedule of Changes in Bonds Payable ..... G - 1
Reconciliation of Bonds Payable ..... G - 1
Summary of Debt Service Charges to Maturity:
General Obligation Bonds Payable ..... G - 2
General Obligation Bonds Payable from Proprietary Fund Revenues ..... G - 3
Revenue Bonds Payable ..... G - 4
Schedule of Insurance in Force ..... G - 6

STATISTICAL SECTION
Net Assets by Component ..... H - 2
Changes in Net Assets ..... H - 4
Fund Balances of Governmental Funds ..... H - 8
Changes in Fund Balances of Governmental Funds ..... H - 10
Governmental Own Source Revenues by Source ..... H - 12
Governmental Revenues by Source ..... H - 14
Governmental Expenditures by Function ..... H - 14
Assessed Value and Estimated Actual Value of Taxable Property ..... H - 16
Property Tax Rates ..... H - 17
Principal Property Taxpayers ..... H - 18
Principal Employers, Wichita Area ..... H - 18
Property Tax Levies and Collections ..... H - 19
Special Assessment Levies and Collections ..... H - 19
Ratio of Net General Obligation Bonded Debt to Assessed Value and
Net General Obligation Bonded Debt Per Capita ..... H - 20
Ratios of Outstanding Debt by Type ..... H - 22
Ratios of General Bonded Debt Outstanding ..... H - 23
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to
Total Government Expenditures ..... H - 23
Legal Debt Margin Information ..... H - 24
Computation of Direct and Overlapping Bonded Debt ..... H - 26
Demographic and Economic Statistics ..... H - 27
Pledged Revenue Coverage ..... H - 28
Capital Asset Statistics by Function ..... H - 29
Operating Indicators by Function ..... H - 30
City Government Employees by Function ..... H - 31

SINGLE AUDIT SECTION
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with Government Auditing Standards ..... I - 1
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program, the Passenger Facility Charge Program and Internal Control Over Compliance with OMB Circular A-133 and the Passenger Facility Charge Audit Guide ..... I - 3
Schedule of Expenditures of Federal Awards ..... I - 6
Notes to the Schedule of Expenditures of Federal Awards ..... I - 8
Schedule of Findings ..... I - 11

CITY OF WICHITA, KANSAS

Comprehensive Annual Financial Report
Year ended December 31, 2011

TABLE OF CONTENTS (continued)

WATER UTILITIES SECTION	Page
Message to the Bondholders	J - 1
Water Utilities Combined Balance Sheet	J - 3
Water Utilities Combined Statement of Revenues, Expenses, and Changes in Fund Net Assets	J - 4
Water Utilities Combined Statement of Cash Flows	J - 5
Notes for the Water Utilities Combined Statements	J - 6
Water Utilities Revenue Schedule and Property Insurance	J - 13
Water and Sewer Utility Statistics	J - 14

INTRODUCTORY SECTION

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

June 22, 2012

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, 2011.

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, 2011. 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 standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with the administration of federal and state awards. The auditor's reports related specifically to the single audit are included in the Single Audit Section. Details on the audit findings and management's response are located in the Single Audit Section of this report.

Management's discussion and analysis (MD & A) immediately follows the independent auditor's report and provides an introduction, overview and analysis of the basic financial statements. MD & A complements 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 2010 population of 382,368, 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 proposed 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. The 2011 budget was formulated around four core strategic priorities identified by the City Council in 2009. Those priorities include protecting life, protecting property, maintaining the City's investment in infrastructure and creating a sustainable community. Budget preparation began with a focus on sustaining the core and essential services.

Each year, City departments provide information on operations (financial and performance objectives) and identify 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 April through 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.

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 25.

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, while encumbered appropriations are carried over into the next year for liquidation. 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 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-23 as part of the basic financial statements, as well as a more detailed presentation beginning on page B-18. For governmental funds, other than the General Fund with appropriated annual budgets, the comparison is presented in the governmental funds section of this report which starts on B-1.

THE LOCAL ECONOMY[1]

The Wichita metropolitan statistical area (MSA) has a diverse economic base, producing a wide variety of products and services. Approximately 45 percent of Wichita's employment is in service-providing industries, 24 percent in goods-producing industries, 17 percent in trade, transportation and utilities, and 15 percent in government. Nearly 94 percent of the area's business establishments employ fewer than 50 workers, while 81 percent of the 708 manufacturers are small firms, employing less than 50 workers. 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 parts.

Annual Average Wichita MSA Employment by Sector*

	2009 (a)	2010 (a)	2011 (a)	2012 (f)	2011-2012 Forecasted Change	2011-2012 Forecasted Percent Change
Production Sectors	73,175	66,800	65,700	65,960	260	0.4%
Trade, Transportation and Utilities	50,183	49,100	49,500	49,600	100	0.2%
Service Sectors	127,284	125,800	127,300	128,450	1,150	0.9%
Government	41,533	41,800	40,300	40,460	160	0.4%
Total Non-farm Employment	292,175	283,500	282,800	284,500	1,700	0.6%

*Annual values are derived from average quarterly observations and projections. Subtotals may not add to totals due to rounding. (a) actual (f) forecasted

Since 2008, more than 17,000 manufacturing jobs have been lost in Wichita, with an additional loss of 2,160 jobs as the Boeing Company closes its Wichita facilities at the end of 2013. Still, manufacturing employs more people in Wichita than any other single industry.

Despite the setbacks, expansion and business development is occurring in manufacturing. Spirit AeroSystems has begun two expansions scheduled for completion in 2012. One is a new facility for work on Boeing's 787 Dreamliner and the other is an expansion to its composite fuselage facility. Both projects will enable Spirit to take on production rate increases on five programs this year. The company also plans to expand second and third shifts to increase capacity and take on additional work.

Bombardier Learjet also announced significant expansion plans in 2011. The company will add space to an existing production hangar to accommodate final assembly of the Learjet 85 and a new Center for Excellence of Engineering and Information Technology. The $52.7 million project will include three new buildings and add flight test capabilities, creating an additional 450 jobs.

Aviation suppliers are also looking to the future. In 2011, Global Aviation Technologies announced plans to build a new facility and expand its production to include the manufacture of instruments and avionics. While Capps Manufacturing began a $1.3 million plant expansion to accommodate work from Hawker Beechcraft.

Manufacturers outside the aviation sector are also doing well. In May 2011, Cargill announced a $2.6 million expansion at its Wichita oils production facility to produce a renewable electrical insulation fluid

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

from soybean oil. In addition, the new $14.7 million Cargill Innovation Center opened for business on July 15, 2011. In September, Johnson Controls announced that three assembly lines for residential heating and air-conditioning products would be moved to Wichita, adding 180 jobs to the Wichita area.

In the service related industries, health care services provide more jobs in Wichita than any other service sector and are important to Wichita's long-term growth. With emphasis on research and training, Wichita has developed as a nationally recognized, "state of the art" health care center. The Wichita MSA is served by 18 acute care and freestanding specialty hospitals and 85 nursing and assisted living facilities. Nearly 1,300 physicians and 300 dentists provide care in the four-county region. Numerous other health care and specialty clinics provide comprehensive patient care and same-day surgery. The combined health care and social assistance industry employs more than 37,000 people.

In recent years, significant expansion and consolidation of health care providers has taken place in the Wichita area. Via Christi built a new hospital on the northwest side of Wichita and constructed a $9 million surgical cancer institute within its St. Francis Street hospital. Wesley Medical Center constructed a $4.5 million endoscopy unit, while Larksfield Place and Legend Senior Living both built free standing assisted-living facilities in Wichita. In late 2010, Via Christi Health announced the purchase of the Wichita Clinic PA, Wesley Medical Center purchased Galichia Heart Hospital, and the merger of the Kansas Medical Center in Andover with Cypress Heart Hospital was announced in 2011.

Educational facilities remain a significant component of the local economy as well. Numerous private, public and technical schools, including 15 colleges and universities, provide educational opportunities in many fields of study. Among these are Wichita State University, Newman University, Friends University, and the Kansas School of Medicine.

A total of eight unified public school districts serve the City of Wichita. Wichita USD 259 operates nearly 100 schools from elementary through high school, offering alternative, magnet and special schools. Wichita USD 259 is the largest school district in Kansas with a 2011 fall enrollment of 50,103 students. The fall 2011 enrollment was the highest enrollment since 1975.

The Wichita Area Technical College is offering new courses and workshops to meet the needs of business and industry in Wichita. The new offerings include training and certification in supply chain management, negotiations, Society for Human Resource Management training, project management and Association for Operation Management training. In addition, the Workforce Alliance of South Central Kansas, the Wichita State University College of Engineering and the National Institute for Aviation Research have received a $5 million grant from the U. S. Department of Labor to help 100 individuals obtain engineering degrees, thereby increasing the number of engineers available to work in the south central Kansas aviation industry.

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 have contributed to the steady economic growth.

Wichita Area Employment by Industry			
Industry	**2009**	**2010**	**Percent of 2010 Total**
Total employment	244,680	235,538	100.0%
Transportation equipment manufacturing	35,337	30,890	13.1%
Food services and drinking places	21,588	21,244	9.0%
Ambulatory health care services	13,149	13,355	5.7%
Hospitals	10,027	9,924	4.2%
Professional and technical services	8,884	9,033	3.8%
Specialty trade contractors	9,058	8,278	3.5%
Nursing and residential care facilities	7,326	7,383	3.1%
General merchandise stores	6,983	6,853	2.9%
Social assistance	7,325	6,655	2.8%
Merchant wholesalers – durable goods	6,097	5,783	2.5%

Source: U. S Bureau of Labor Statistics, Quarterly Census of Employment and Wages

CITY BUSINESS AND FINANCIAL PLAN

The City of Wichita uses a comprehensive planning approach that incorporates a long-term strategic process (two-year budget), a shorter-term strategic process (revised current year budget), and a 10-year capital plan that is updated annually.

The City continues to implement strategic initiatives to provide stability in the fiscal reality of fewer financial resources. Utilizing a combination of approaches to meet the City's challenges proactively, the City has focused on saving energy, mitigating rising insurance premiums, and seeking opportunities for increased efficiency in delivering essential services. Maintaining engagement with stakeholders – residents, the governing body, District Advisory Boards, neighborhood associations, community groups, employee bargaining units and City staff – helps the City continue its focus on the reliable delivery of services and prudent use of resources in recognition of the community's priorities.

Positioning the City favorably for long-term economic growth remains a key business objective, based on a diversified foundation of business and industry. Downtown revitalization remains a major initiative towards that diversified base. Partnering with all levels of government, the City has worked to incentivize job growth and mitigate negative impacts of industry losses.

Restructuring of the workforce continues in order to efficiently utilize the organization's human resources and provide for long-term sustainability. In 2011, 104 employees participated in the Wichita Early Retirement Incentive Program, representing a wage base reduction of $7.5 million. Filling of the positions is under review, but most remain vacant. Total savings will be dependent on the number of positions that will ultimately be filled and the timing of the decision to fill the positions.

Additionally, the City continues to refine its efforts to consolidate code enforcement services with Sedgwick County to improve service delivery and gain efficiency. Through the Wellness Committee, the City is focusing on healthy living for the benefit of the employees and the work force. The Wellness Committee is developing strategies to incentivize healthy lifestyles, striving first for prevention, and after that for early detection and effective management of chronic diseases. Custodial services for all City facilities have been reorganized, significantly reducing the per square-foot custodial cost. City recreational services have been reorganized, resulting in a net savings of $1 million. The Recreational Division continues to seek areas to improve service delivery and enhance cost recovery. Across the City, assessment of cost recovery goals will continue to determine the appropriateness of current user fees. Some fees will reflect subsidized services while others will be based on a self-supporting cost structure.

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 2011, the Wichita Employees' Retirement System's actuarial accrued pension liability was 92.5 percent funded and the Wichita Police and Fire Retirement System's actuarial accrued pension liability was 90.8 percent funded. A separate comprehensive annual financial report is issued for the City's pension funds.

RELEVANT POLICY CHANGES

Most of the City's key financial management policies remain unchanged, including no property tax rate increase, a balanced budget, maintaining a General Fund balance of at least 10% of budgeted expenditures, and budget decisions driven by the four core strategic priorities adopted by the City Council (ensuring citizen safety, protecting private property, protecting public infrastructure investment, and promoting sustainable growth). The policies are challenged by the economic environment, its direct impact upon City financial planning and its indirect fallout from the economic impact upon the state as the state responds to financial duress.

Three of the City's primary sources of general revenue are property taxes, sales taxes and state aid. The struggles in the real estate market (residential and commercial) and increased availability of tax exemptions have severely restricted the growth of property tax revenue. Property taxes have not significantly changed since 2009. For the first time since 2008, sales tax revenue increased, rising slightly. The City has also experienced a substantial reduction of state aid due to fallout from the State's fiscal duress, as well as from higher gas prices (since the State's gas tax is volume based and not price based). Add to these circumstances the low interest earnings and general low level of economic activity, the City's revenue portfolio continues to be challenged. Recently, the State Legislature committed to continuing financial support for a joint affordable air fare program in which it has been partnering with the City and Sedgwick County.

The City implemented transitional policies to weather these times. The mill levy for capital investment and debt service has been temporarily shifted to general operations. In 2013 and 2014, the millage will be shifted back to the Debt Service Fund to maintain existing infrastructure through the capital improvement program. Street maintenance funding is being increased to slow deterioration. Planning for capital improvements and resulting operational costs has become more integrated to better align capital investment planning with long-term sustainability. Technological advancements will continue, improving wireless connectivity and interactive voice systems allowing citizens to pay bills and receive information on line. Exploration continues into other technology that could affordably improve efficiency. Virtually all of the City's fee for services have been or are being reviewed to assess the cost recovery appropriateness of each. Meanwhile, the City continues to press for major initiatives and to position itself for future and sustainable growth.

MAJOR INITIATIVES

Despite the challenging economic times, the City remained steadfast in its focus on core services of efficient government, an environment that invites private investment and a diversified business and industry foundation. Committed to public engagement, public meetings provided opportunities for citizens to voice concerns and offer ideas for a strong and affordable community.

In December 2010, the City Council approved Project Downtown – the Master Plan for Wichita. The plan identifies unique districts within the downtown area, all to be supported by development concepts that create "walkable" connections. In 2011, a new Downtown Incentives Policy was created in which the City established guidelines for public/private partnerships as the appropriate balance between public and developer investments. The City continued its commitment to funding public assets, such as parking garages, parks and street improvements in order to attract private investment.

Community improvement districts, a new tool authorized by the Kansas Legislature in 2010, were utilized to encourage investment in the City. Quickly put to use, three community improvement districts are active with two pending completion of the projects.

The WaterWalk and River Corridor district is in the third development phase of a park-like area including sculptures, an amphitheatre, 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. The $1.5 million "Waltzing Waters" fountain will be a unique feature surrounded by a plaza, all scheduled for completion in September 2012.

Century II is both a convention and entertainment venue. In 2009, the City made a $22 million, five year commitment for improvements to the facility and to upgrade equipment. Updating and increasing efficiency to this unique landmark is continuing. Century II is home to the Wichita Grand Opera, the Wichita Symphony Orchestra and Music Theatre and host to a wide range of other performing arts, conventions and special shows.

A major development in the WaterWalk district is the opening of the Fairfield Inn & Suites near the Century II Convention Center and near the River Corridor district. The hotel provides 130 moderately priced rooms to accommodate the convention industry. The Fairfield Inn was the City's first project that utilized a community improvement district combined with guest tax revenues to provide assistance to the developer for the $12 million investment.

Also complementing the Century II Convention Center is the historic Broadview Hotel in the river corridor, renovated and reopened by Drury Inn. Originally built in 1921 on the banks of the Arkansas River, Drury Inn retained historic elements and made extensive riverfront improvements, securing the hotel's place as a Wichita centerpiece.

Plans for an Ambassador Hotel in the heart of Wichita's downtown district were finalized in 2011. The hotel will be built in a vacant building that was the site of the first youth-led lunch counter sit-in that brought about widespread changes in civil rights. The Ambassador Hotel results from a private/public partnership and will include a 257-stall parking garage and a small public park. The four-star, 117-room hotel is scheduled to open in late 2012.

Also in the downtown core, Cargill Inc. opened a new $14.7 million facility. The 75,000 square-foot Cargill Innovation Center is devoted to research, development, culinary, laboratory, and pilot plant capabilities, employing approximately 65 people.

Downtown Vision Statement

"Downtown is a place that enables people to live, work, shop, play, and learn…all within a short walk of each other. Downtown celebrates Wichita's rich history and vibrant future, and it invites people from every walk of life to share their sense of community. 150 years after Wichita took root here, downtown is the reinvigorated heart of a region committed to a vital future."

Good economic news is not confined to the downtown core area of Wichita. Construction was completed on the 80,000 square-foot Cabella's store in northeast Wichita with a March 2012 opening. The store features the company's signature log and stone design with trophy animal mounts in conservation themed wildlife displays, showcasing thousands of products and gifts for outdoor enjoyment.

Discussions and public hearings are underway with developer GoodSports to build a $50 million multi-sport athletic and retail complex in northeast Wichita. The development would include indoor and outdoor facilities, as well as retail and restaurant opportunities. A key goal of the complex is to attract regional and national sports competitions.

The development of the West 21st Street corridor into a pedestrian friendly retail and international marketplace took shape with the ribbon cutting of the NOMAR International Market in May 2011. The Market can host up to 77 vendors and features a transit plaza and a market gateway tower. The Market provides space for open air markets, concerts and outdoor community events in a culturally rich neighborhood.

The City has not only focused on economic development but also on planning and affordably maintaining infrastructure to serve the community. Cost savings were captured with reorganizations, measures to reduce energy consumption, and actions to gain efficiencies, improve customer service and reduce costs. In 2011, a Call Center was created to improve access to government services. A single phone number was launched to help citizens ask questions related to any City service or to report a problem. Marketing efforts of golf and other park and recreational services increased to improve citizens' awareness of the offerings within their community, which resulted in increased participation and increased revenue. Targeted neighborhood cleanups continued to improve safety, protect property values and foster pride in our city. A team model of project management was initiated to better share information and successfully implement and close projects with a focus on fully utilizing technology to capture efficiencies whenever possible.

Culminating a decade of research and planning in the Water Utility, the piping and pumping network to recharge the underground aquifer is returning excess surface 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. Phase II of the project is essentially complete with testing to be conducted when excess surface water is available. Further development of the ASR project is being evaluated as the project progresses.

Wichita Transit invested in technology upgrades that increase efficiency in operations and fleet maintenance. In addition, a new maintenance facility was completed in 2011, financed with funds from the American Recovery and Reinvestment Act of 2009. The new facility will shorten vehicle down-time for para-transit service, eliminate the need to chauffer vehicles to the City's maintenance facility, and reduce demand on the City's staff that provide other fleet 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. A new $4.4 million fire training facility was completed in 2011, providing a regional training facility with "state of the art" training tower, classrooms that support digital media and video conferencing with fire stations. In the last five years, the majority of the fire apparatus have been replaced placing the City's fire services in a strong 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 City Council authorized $3.7 million for the project initially and through the capital improvement plan has programmed an additional $15.5 million for the center. Local law enforcement will utilize the center as an emergency operation base for a more coordinated response to emergencies. The center is scheduled to open in 2015.

Maintenance of existing facilities and infrastructure remained an important priority. Less visible than new construction, more than $4.7 million was spent to ensure cultural venues remained relevant and in good repair, $1.9 million was utilized for the repair and major maintenance of other City facilities, $1.5 million was spent for maintenance of parks, pathways, irrigation systems, pools and playgrounds, as well as $21.9 million directed to general street maintenance. Major street improvements were also completed, with $26.6 million targeted to arterial streets, $9.9 million invested in freeways, $3.8 million invested in neighborhood paving projects and $8.1 million spent on bridge improvements.

Interchange improvements at 47th Street and I-135 have been completed, with plans for a new interchange at I-235 and 13th Street. Freeway improvements (U.S. 54) in east Wichita continued, providing improved traffic flow through the City. The City continues to expand bike paths. With the 2011 additions, 31 continuous miles of bike path are provided for biking enthusiasts, in addition to other shorter paths dedicated to cyclists.

The Stormwater Utility is constructing the eleventh pump station with an expected final cost of $5.6 million. The pump stations move excess surface water during heavy rains to protect citizens and property. Jointly funded by Sedgwick County and the City of Wichita, $10.1 million of rehabilitation to the Wichita-Valley Center Floodway is nearing completion. The levied floodway, originally constructed in the 1950s, channels overflow water from the Big and Little Arkansas Rivers around the City.

The relocation of aprons and utilities in preparation for construction of a new airline terminal at Mid-Continent Airport has been completed. Bids for the new terminal were opened in early 2012. The new facility is expected to open in 2015.

In response to the Task Force on Ending Chronic Homelessness, the City of Wichita, in partnership with Sedgwick County, launched the Housing First Program in 2009. The program, which has capacity to provide housing for 64, housed 59 at the end of 2011 and provided financial assistance with rent or utilities to an additional 84 citizens. An assigned case worker from a local supporting agency coordinates other social services for the well-being of the client. A new task force has been formed to address problems of youth homelessness. Partnering with agencies community-wide, representatives and stakeholders are working to identify assets, barriers, long-term needs and solutions addressing homelessness of young people.

The City continues to be successful in various tourism initiatives. In 2011, Wichita hosted the USA Track and Field Junior Olympics bringing 7,000 participants and 42,000 people through the gates. The Prairie Fire Marathon and the NCAA Women's Basketball Tournament also brought many visitors to Wichita, providing a positive economic impact.

For the third year, the City of Wichita was recognized for taking an innovative approach to make play a priority for the health and well-being of children. Wichita is among 151 cities and towns named as a 2011 "Playful City USA" community by KaBOOM!, a national non-profit organization dedicated to bringing play back into the lives of children. Wichita was the first Kansas community to receive this distinction.

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 ending on December 31, 2010. The 2010 award represents the 38th consecutive year that the City of Wichita's comprehensive annual financial report earned this award.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wichita, Kansas for its popular annual financial report (PAFR) for the fiscal year ending on December 31, 2010. The 2010 award represents the City's second submittal and the 2nd consecutive year that the City's popular 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 ending on December 31, 2010. The 2010 award represents the 12th 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. The Certificate of Achievement is valid for a period of one year only. The City believes this current comprehensive annual financial report continues to meet Certificate of Achievement Program requirements and it will be submitted to the GFOA to determine its eligibility for another certificate.

In addition, the City of Wichita has for the 23rd consecutive year received the GFOA's Outstanding Budget Presentation Award for its 2011 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, again awarded a Certificate of Excellence for the City's Investment Policy in 2011. 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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

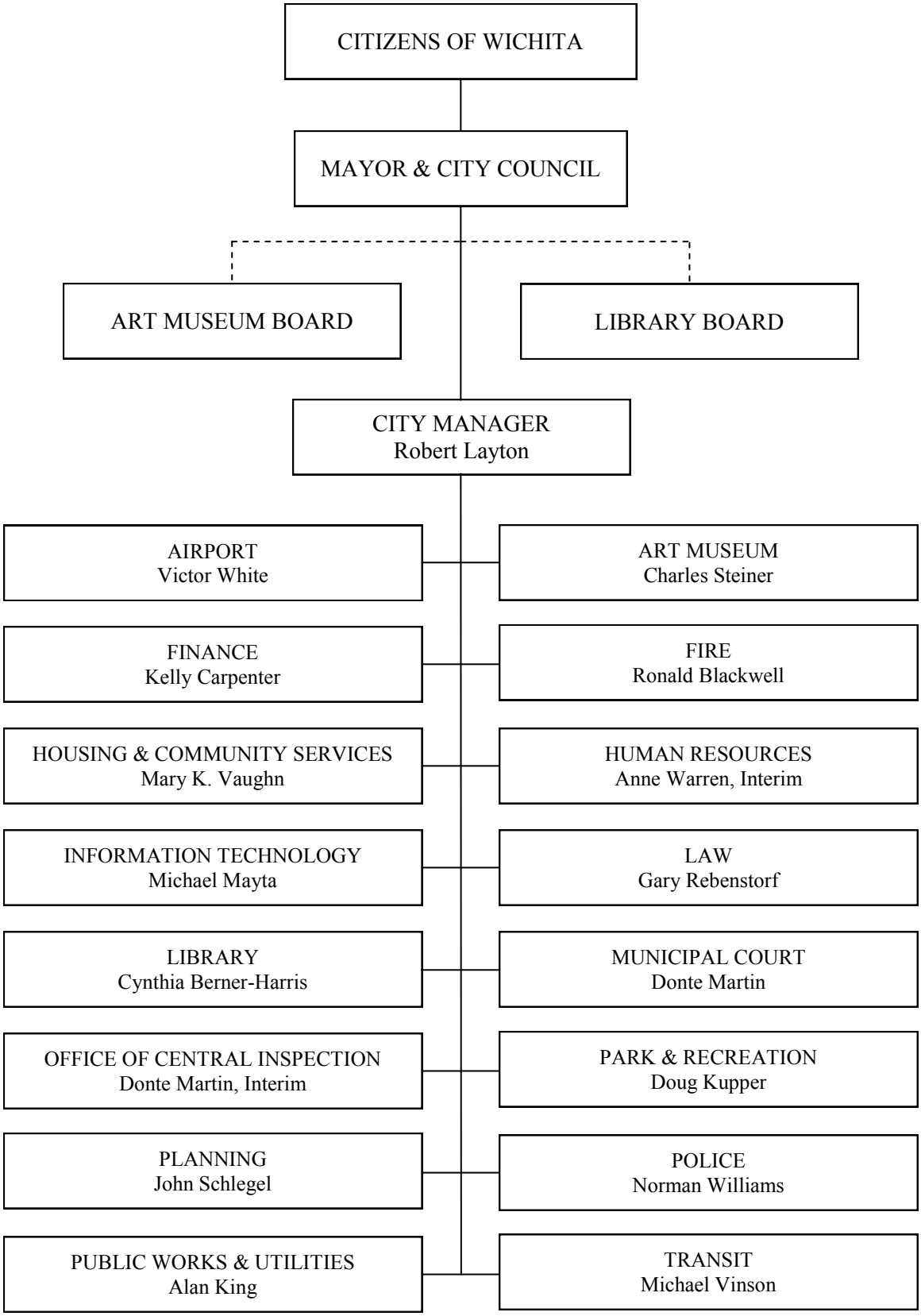
City of Wichita Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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.

President

Executive Director


CITIZENS OF WICHITA
MAYOR & CITY COUNCIL
ART MUSEUM BOARD
LIBRARY BOARD
CITY MANAGER
Robert Layton
AIRPORT
Victor White
ART MUSEUM
Charles Steiner
FINANCE
Kelly Carpenter
FIRE
Ronald Blackwell
HOUSING & COMMUNITY SERVICES
Mary K. Vaughn
HUMAN RESOURCES
Anne Warren, Interim
INFORMATION TECHNOLOGY
Michael Mayta
LAW
Gary Rebenstorf
LIBRARY
Cynthia Berner-Harris
MUNICIPAL COURT
Donte Martin
OFFICE OF CENTRAL INSPECTION
Donte Martin, Interim
PARK & RECREATION
Doug Kupper
PLANNING
John Schlegel
POLICE
Norman Williams
PUBLIC WORKS & UTILITIES
Alan King
TRANSIT
Michael Vinson

CITY COUNCIL MEMBERS

Carl Brewer	Mayor	268-4331
Janet Miller	Vice Mayor (VI)	268-4331
Lavonta Williams	Council Member (I)	268-4331
Pete Meitzner	Council Member (II)	268-4331
James Clendenin	Council Member (III)	268-4331
Michael O'Donnell II	Council Member (IV)	268-4331
Jeff Longwell	Council Member (V)	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
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	Anne Warren, Interim 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, Court Administrator
Office of Central Inspection	268-4460	Donte Martin, Interim Superintendent
Park & Recreation	268-4398	Doug Kupper, Director
Planning	268-4425	John Schlegel, Director
Police	268-4158	Norman Williams, Chief of Police
Public Works & Utilities	268-4497	Alan King, Director
Transit	352-4802	Michael Vinson, Director

This page intentionally left blank.

CITY OF WICHITA

FINANCIAL SECTION

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

INDEPENDENT AUDITORS' REPORT

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 City of Wichita, Kansas (City) as of and for the year ended December 31, 2011, 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 that 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, 2011, 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.

As described in Note 1 to the financial statements, on January 1, 2011, the City changed its method of accounting to adopt Government Accounting Standards Board Statement No. 54: Fund Balance Reporting and Governmental Fund Type Definitions.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2012, 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 and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on the table of contents be presented to supplement the basic financial statements. Such information,

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's 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 required by OMB *Circular A*-133, and Schedule of Passenger Facility Charges required by the *Passenger Facility Charge Audit Guide for Public Agencies* as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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 and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

June 22, 2012
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, 2011. 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 $101.2 million during the fiscal year ended 2011, compared to $103.7 million in 2010.
- The cost of governmental activity was $330.9 million, $2.0 million above 2010.
- The cost of highways and streets increased $4.7 million in 2011, as the City targeted maintenance to the areas of greatest need.
- Governmental liabilities increased $17.2 million due to a $12.3 million increase in bond anticipation notes, issued in preparation of permanent financing of arterial and neighborhood street improvements.
- Net assets of the governmental activities increased $49.2 million in 2011.
- The cost of the business-type activities increased $4.9 million in 2011.
- Net assets of the business-type activities increased $52.0 million in 2011.
- Non-current liabilities in the business-type activities decreased $14.2 million as the Water, Sewer and Stormwater Utilities retired and refinanced debt.
- The General Fund, on a budgetary basis and including transfers, reported $532,257 of revenue in excess of expenditures.
- On December 31, 2011, the General Fund reported a budgetary fund balance of 10.1% of the 2012 appropriated budget, which includes an $11.2 million reserve appropriated for emergencies.

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, stormwater, golf 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-19 and A-21. Primary differences are the impact of accounting for capital assets and their long term financing.

  The City maintains 24 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 21 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-23, demonstrating compliance with the appropriated budget. For the purposes of this report, the General Fund consists of several separately appropriated subfunds. Budgetary compliance with the appropriated subfunds of the General Fund is provided in the Governmental Funds Section of this report, which begins on page B-1. A more detailed budgetary statement of the General Fund, as appropriated, is also provided in the Governmental Funds Section with other supplementary budgetary governmental fund statements.

- *Proprietary funds* account for services for which the City charges customers a fee and include both enterprise and internal service 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, stormwater, 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 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 Stormwater Utilities and the Airport fund, 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 beginning on pages C-1 and D1 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 and Component Unit. Over time, net assets can serve as a useful indicator of the City's financial position. The table below summarizes net assets of the primary government. The net assets increased 5.4% or $101.2 million during the 2011 fiscal year. Approximately 74% of the City's net assets reflect investment in capital (e.g. land, buildings, improvements, equipment), net of 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 the government's ongoing operations is $48.4 million.

Business-type activities: The $52.0 million increase in net assets in business-type activities follows an increase of $55.0 million in 2010. The Water Utility recorded the greatest increase with continued construction of the aquifer storage and recharge project, bolstered with a rate increase to finance the investment. The Sewer Utility, also with a rate increase, focused on reconstruction and rehabilitation of the sanitary sewer network. The Stormwater Utility increased net assets by $8.4 million as the Utility continued construction of Stormwater Pump Station 11 and made improvements to the Wichita-Valley Center Floodway, the levee system that protects the community during periods of excessive rain water. The Airport Fund completed runway and utility relocations in preparation for the new terminal building which is targeted to begin construction in 2012. Cash and equivalents in the business-type activities are $44.3 less than at the close of 2010, reflecting spending for capital improvements.

Net Assets – Primary Government
As of December 31
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 630.0	$ 575.8	$ 298.6	$ 347.6	$ 928.6	$ 923.4
Capital assets	1,119.9	1,107.7	1,433.9	1,332.8	2,553.8	2,440.5
Total assets	1,749.9	1,683.5	1,732.5	1,680.4	3,482.4	3,363.9
Non-current liabilities	508.2	507.4	522.0	536.2	1,030.2	1,043.6
Other liabilities	262.2	245.8	229.2	214.9	491.4	460.7
Total liabilities	770.4	753.2	751.2	751.1	1,521.6	1,504.3
Net assets:						
Capital assets, net of related debt	615.4	554.4	828.7	792.8	1,444.1	1,347.2
Restricted assets	358.7	358.7	109.6	109.6	468.3	468.3
Unrestricted assets	5.4	17.2	43.0	26.9	48.4	44.1
Total net assets	$ 979.5	$ 930.3	$ 981.3	$ 929.3	$ 1,960.8	$ 1,859.6

In total, the liabilities of the business-type activities were essentially unchanged. Refunding of existing debt was completed, taking advantage of the low market interest rates to reduce long-term borrowing costs. For the most part, issuance of new debt and temporary notes offset principal payments in 2011.

Discretely presented component unit activities: The Wichita Public Building Commission (WPBC) is a discretely presented component unit of the City of Wichita that acquires and finances assets for the City of Wichita or other governmental units. The liabilities of the WPBC are revenue bonds issued to finance the public assets, secured with proceeds from direct financing leases which are recorded as assets of the WPBC. Changes in assets and liabilities reflect the declining balances on the direct financing leases and the corresponding debt.

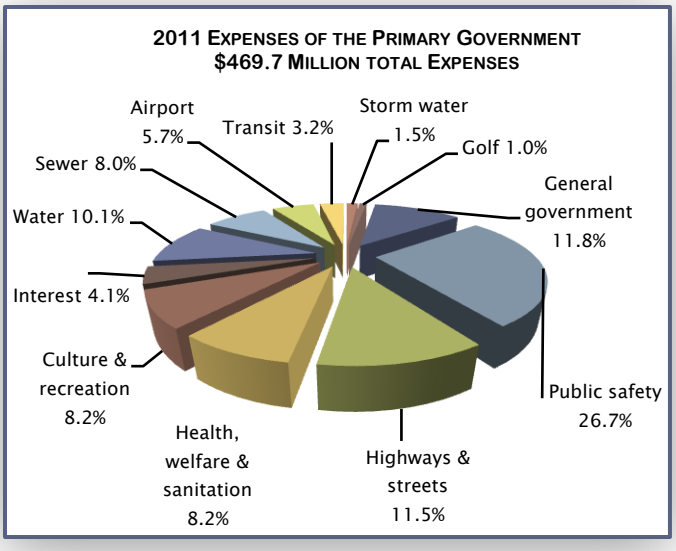
Net Assets – Wichita Public Building Commission
As of December 31
(in millions of dollars)

	2011	2010
Current and other assets	$ 15.9	$ 20.4
Capital assets	-	-
Total assets	15.9	20.4
Long-term liabilities	11.2	14.0
Other liabilities	4.7	6.4
Total liabilities	15.9	20.4
Net assets:		
Capital assets, net of debt	-	-
Restricted	-	-
Unrestricted	-	-
Total net assets	$ -	$ -

Governmental activities: The most significant governmental activities are related to long term financing. Proceeds of $62.1 million from 2011 advance and cross over refunding bond sales were held in escrow at the close of 2011. Overall, liabilities increased $17.2 million in 2011, including an increase in bond anticipation notes of $12.3 million and a $3.6 million increase in post employment and termination benefits other than pensions.

Environmental remediation activities are another significant consideration in governmental activities. The majority of 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 improvement in property values. Of the $16.1 million environmental remediation liability, half is anticipated to be paid within the next ten years and the remaining remediation costs are anticipated to be spread over the approximate next 60 years. Estimated recoveries of $4.2 million are recorded as a receivable at the fund level, offsetting the liability. Additional information regarding debt is provided in Note 9 to the accompanying financial statements.

Primary Government Expenses: Expenses totaling $469.7 million are one element contributing to the change in net assets of the primary government. The City's combined expenses increased $6.9 million. The cost of governmental activities increased $2.0 million, before transfers and special items, while the cost of the business-type activities increased $4.9 million. Overall, the price of fuel had an unfavorable impact, increasing operational costs of the primary government by $3.4 million. A proportional illustration of the total expenses of the primary government is provided in the accompanying chart.



In governmental activities, expenses for highways and streets increased $4.7 million, reflecting an increased level of maintenance. Capital investment in streets and highways continue to be restrained with significantly reduced state and federal cost sharing for streets and highways. General government expenses increased reflecting prisoner housing fees which are new in 2011. Over the years, the public safety has remained a priority for the community, with a growing focus on economic development, providing economic incentives when the community can benefit in the long term.

In the business-type activities, the Water Utility recorded the greatest cost increase. In 2011, a higher volume of water was treated, increasing operating costs. In addition, a higher level of geological testing associated with the aquifer storage and recharge program was completed and the Utility recorded an increased bad debt expense, reflecting the continuation of a difficult economy. The other business-type activities recorded more modest cost changes with Airport, Golf and Stormwater costs declining slightly.

Primary Government Revenue: Combined revenue of the primary government decreased $1.3 million in 2011. Program revenue in the governmental activities declined 1.0% offset by increases in general revenues. Program revenue in the business-type activities increased 3.1% with a decline in general revenue. Overall, charges for services increased offset by lower grant revenue.

Major revenue sources for governmental activities continue to be property, sales and franchise taxes. Operating grants in the governmental activities remained stable, however capital grants from the Federal and the State governments continued to decline, impacting street and highway activity significantly. Charges for services increased and provided an increased share of governmental revenue in 2011; 11.5% compared to 9.7% in 2010 and 8.8% in 2009. The growth reflects progress in identifying services in which increased cost recovery from the customer is appropriate.

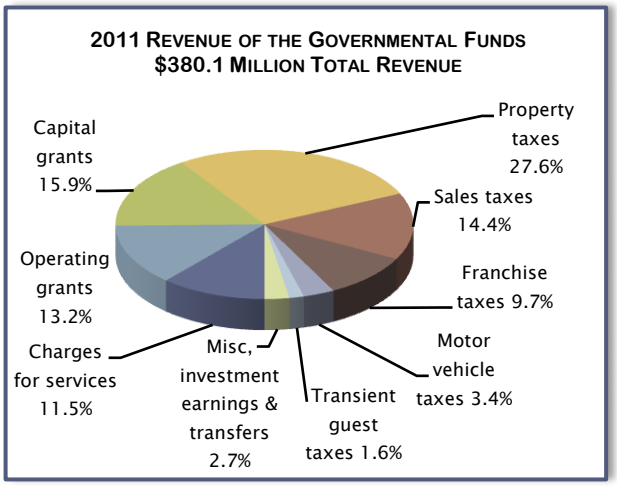
The Water and Sewer Utilities each implemented a rate increase in 2011 to finance their respective capital programs and provide adequate operating resources. Sales were also bolstered by an unusually hot summer. The Stormwater Utility recorded increased charges for services as new commercial customers began contributing to the Utility. Airport revenue remained stable with slightly higher capital grants and contributions than in 2010.

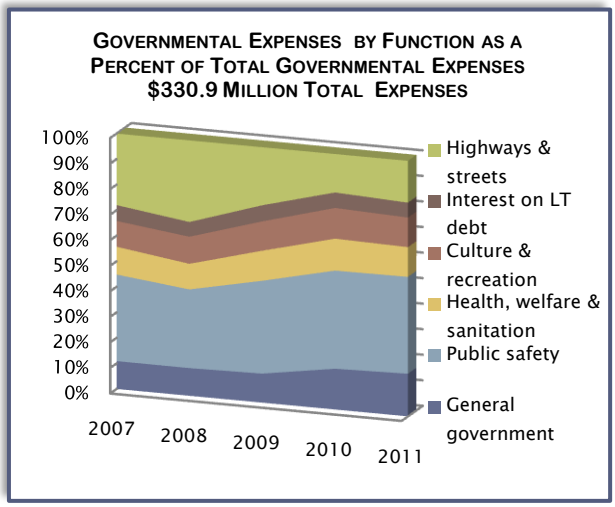
Governmental Activities. Including transfers and special items, revenues for the governmental activities were $380.1 million against total expenses of $330.9 million, yielding a net increase in assets of $49.2 million, compared to a 2010 increase in net assets of $48.6 million.

The increase in net assets is reflected in $8.8 million additional cash from sales tax restricted for freeway and major arterial improvements. In addition, the City held $62.2 million in escrow for principal and interest on various advance and cross-over refundings, compared to $22.1 million for similar purposes at the close of 2010. Capital investment in streets and highways slowed significantly as federal and state grant funds continued to decline. Resources were directed to sustaining core services and maintaining existing assets, deferring street improvement projects where practical.

Public safety, primarily police and fire services, continued as a priority. General government expenses increased, most notably jail fees of $2.4 million which were new in 2011. Economic development efforts continued as did hail repairs and essential maintenance on City facilities to insure assets remain in good repair.

Governmental activities generated revenue equivalent to 46.7% of program costs. The remaining program costs were paid from taxes and other general revenue. The following table summarizes the revenues and expenses that contributed to the $49.2 million increase in net assets.





Changes in Net Assets – Primary Government
For the Year Ended December 31
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues:						
Charges for services	$ 43.6	$ 37.1	$ 160.5	$ 138.3	$ 204.1	$ 175.4
Operating grants and contributions	50.4	51.9	7.2	6.3	57.6	58.2
Capital grants and contributions	60.3	66.9	20.4	37.8	80.7	104.7
General revenues						
Property taxes	105.1	105.1	-	-	105.1	105.1
Sales taxes	54.9	48.2	-	-	54.9	48.2
Franchise taxes	36.7	36.9	-	-	36.7	36.9
Motor vehicle taxes	12.9	13.1	-	-	12.9	13.1
Transient guest taxes	6.0	5.7	-	-	6.0	5.7
Investment earnings	1.0	2.0	3.8	3.7	4.8	5.7
Miscellaneous	7.4	17.5	0.7	1.7	8.1	19.2
Total revenues	378.3	384.4	192.6	187.8	570.9	572.2
Expenses						
General government	55.2	52.5	-	-	55.2	52.5
Public safety	125.5	126.3	-	-	125.5	126.3
Highways and streets	54.2	49.5	-	-	54.2	49.5
Sanitation	3.6	4.2	-	-	3.6	4.2
Health and welfare	34.8	37.0	-	-	34.8	37.0
Culture and recreation	38.3	39.5	-	-	38.3	39.5
Interest on long-term debt	19.3	19.9	-	-	19.3	19.9
Water	-	-	47.6	43.4	47.6	43.4
Sewer	-	-	37.7	36.9	37.7	36.9
Airport	-	-	26.7	26.9	26.7	26.9
Stormwater	-	-	7.0	7.5	7.0	7.5
Golf	-	-	4.6	4.7	4.6	4.7
Transit	-	-	15.2	14.5	15.2	14.5
Total expenses	330.9	328.9	138.8	133.9	469.7	462.8
Excess before special item and transfers	47.4	55.5	53.8	53.9	101.2	109.4
Special item	-	(5.7)	-	-	-	(5.7)
Transfers	1.8	(1.2)	(1.8)	1.2	-	-
Increase in net assets	$ 49.2	$ 48.6	$ 52.0	$ 55.1	$ 101.2	$ 103.7

Business-type Activities. The net assets of the business-type activities increased $52.0 million with a total revenue increase of $4.8 million or 2.6%, following a revenue increase of 9.2% in 2010. Most significant is the $33.0 million increase in net assets of the Water Utility. The Utility's continued investment in the future water supply is the most significant capital investment of the business-type activities. Water rate increases and increased sales volume generated an additional $14.5 million in revenue in 2011.

The Sewer Utility recorded a $7.6 million increase in net assets in 2011. Utility rate increases and increased sales volume provided an additional $6.8 million in charges for services to meet operational and capital needs.

The Stormwater Utility recorded an $8.4 million increase in net assets. Construction progressed on the eleventh pump station and on the Wichita-Valley Center Floodway, working towards recertification of the

levee that protects the community from Arkansas River overflows. The bulk of the growth in net assets resulted from capital contributions.

The Airport Fund completed apron and infrastructure improvements at the Wichita Mid-Continent Airport in preparation for construction of a new terminal building. The improvements were financed with cash and general obligation bonds issued in 2011.

The net assets of the Golf Fund decreased substantially from depreciation without additional investment in capital or growth in cash reserves. The total net assets of the Transit Fund remained stable, although the cash position diminished, bolstered with temporary interfund loans.

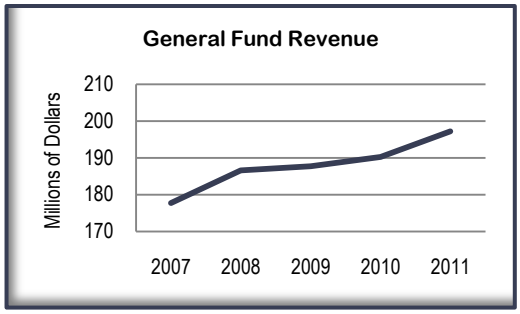
ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds. The City of Wichita uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and budgetary compliance. The governmental funds reported a combined ending fund balance of $139.2 million compared to $103.4 million at the close of 2010.

The General Fund is the major operating and taxing fund of the City of Wichita. At the close of 2011, the unrestricted fund balance of the General Fund and its combined subfunds was $24.1 million, representing 10.1% of the 2012 combined appropriations. In 2011, appropriated budgets for economic development and other reserves were consolidated for reporting purposes, though certified and operated separately for management and public transparency purposes.

Revenue of the General Fund and its subfunds increased $7.4 million, excluding transfers. Expenses were retained within the limitations of current year revenue. Changes in major revenue sources were as follows:

- Property taxes, including property tax on motor vehicles, increased $3.7 million due to a reallocation of mill levy from debt service to the general operations.
- Local sales tax increased $989,550.
- Franchise tax revenue of $36.8 million was recorded, comparable to the 2010 revenue.
- Intergovernmental transfers from the State of Kansas, consisting of liquor tax and gas tax, provided a combined $16.1 million in 2011, a 2.2% decrease from 2010.
- Charges for services and sales increased $1.6 million. The largest increases resulted from charges for pavement cuts ($502,952) and from the sale of obsolete equipment ($386,405). Other areas with growth are special police data retrieval services, recreation classes and amusements, and industrial revenue bond administration fees.



Expenses of the General Fund and the combined subfunds, excluding transfers, totaled $202.1 million, 3.1% above 2010. The 2011 budget focused on sustaining operations while containing costs within available resources. The following table illustrates the expenditures by function over the past five years and the proportional share of the General Fund resources directed to the functional categories.

General Fund Expenditures by Function
Fiscal years 2007 through 2011
(dollars in millions)

	2007	2008	2009	2010	2011	Average Annual Growth
General government	$ 25.1	$ 29.1	$ 28.0	$ 28.8	$ 30.9	4.2%
Public safety	101.6	107.5	108.5	112.3	114.5	3.0%
Highways and streets	21.2	22.1	20.9	19.1	22.4	1.4%
Sanitation	2.2	2.6	2.7	3.0	2.9	7.1%
Health and welfare	4.0	3.9	4.0	4.0	3.4	-3.9%
Culture and recreation	25.8	28.0	29.1	28.7	28.0	2.1%
Total expenses	$179.9	$ 193.2	$ 193.2	$ 195.9	$ 202.1	2.8%

Information for 2007 through 2010 restated to reflect GASB 54 fund consolidations implemented in 2011.

The Debt Service Fund reflects an increase in fund balance of $33.8 million. The mill levy for debt service was decreased, with resources shifted to the General Fund to sustain core services during the economic downturn. The City continued to take advantage of low interest rates, refinancing existing debt when economically advantageous. In 2011, $72.7 million of debt was issued of which $43.0 was for refunding existing debt. Premiums on debt totaled $11.5 million bolstering the fund balance. At the end of 2011, the Debt Service Fund held $40.0 million more in escrowed cash than at the end of 2010 to complete refinancing at the earliest date possible. As cash becomes available, it is utilized to fund projects in lieu of long-term financing. Cash from the Debt Service Fund financed projects totaling $19.0 million in 2011.

Expenditures in the Street Improvement Fund, including expenditures for the retirement of temporary financing notes, decreased $21.6 million, down 29.2% from 2010 and 43.3% below 2009 levels. Construction activity continues at a lower level, reducing the outstanding temporary notes and associated retirement expenditures. Direct expenditures for projects, however, were 8.6% above 2010 levels reflecting a continued investment in streets and highways. Intergovernmental revenue continued the five year downward trend, decreasing to $2.6 million, a 26.3% decrease from 2010.

In other governmental funds, capital outlay decreased $4.8 million, reflecting the culmination of projects funded by the American Recovery and Reinvestment Act. Projects funded from local resources increased $1.3 million. Special assessment funded new water and sewer connections increased slightly, but continue to reflect a low level of construction activity. Expenditures for public improvements increased $1.2 million, including improvements to the City's cultural and convention venues and targeted investments to encourage economic development. Revenue and expenditures in the special revenue funds remained stable with the exception of intergovernmental revenue. Culmination of grants under the American Recovery and Reinvestment Act is reflected in lower expenditure levels for health and welfare and corresponding lower levels of federal revenue.

Proprietary Funds. The combined net assets of the proprietary funds increased by $51.6 million or 5.5% in 2011, primarily from increased net assets in the utilities. Rate increases in the Water and Sewer Utility, in addition to careful expenditure management, increased operating income. Assets net of related debt increased $35.9 million with the most significant increases in the Sewer, Water and Stormwater Utilities. As the capital investment continued, the combined proprietary funds reduced principal on outstanding debt by $16.0 million and, through refinancing, reduced future debt service payments by $15.5 million.

Capital assets of the Water Utility increased $83.5 million, while assets net of debt, increased $9.3 million. The Utility continued construction of phase two of the aquifer storage and recharge project, financed with temporary notes. Water rates increased to fund current operations and insure adequate resources to finance the Utility's capital program in the long term. Currently, the City has a water supply plan, which includes continued capital spending and rate increases to meet the Utility's expected growth and development through 2050.

The Sewer Utility recorded a $6.5 million increase in capital assets with a $17.2 million increase in capital assets net of related debt. The Utility reduced bonded debt by $13.2 million in 2011 and refinanced portions of existing debt to reduce future interest costs. Rate increases were implemented to finance operations and the capital program. After completing construction of a new wastewater treatment plant in 2010, the Utility focused on containing operating costs, as well as the maintenance, rehabilitation and reconstruction of the existing piping network.

The Stormwater Utility is funded from fees paid by property owners with the last rate increase in 2007. Increases in revenue are primarily the result of new commercial properties entering the system. The Utility operates eleven pump stations to move excess surface water from heavy rains and maintains the Wichita-Valley Center Floodway, a levee system that redirects excess river water around the City. Capital contributions provided 80% of the 2011 increase in net assets.

The capital assets of the Airport Fund increased $5.7 million with a $1.2 million increase in capital assets net of related debt. The Airport Fund issued $17.1 million in new debt in 2011, replacing $12.6 million of outstanding bond anticipation notes. The Airport has been preparing for the construction of a new terminal building at Mid-Continent Airport, constructing the necessary runway and utility improvements. Ground breaking is expected in 2012. The passenger facility charge of $4.50 provides a portion of the resources for the capital program at Mid-Continent Airport.

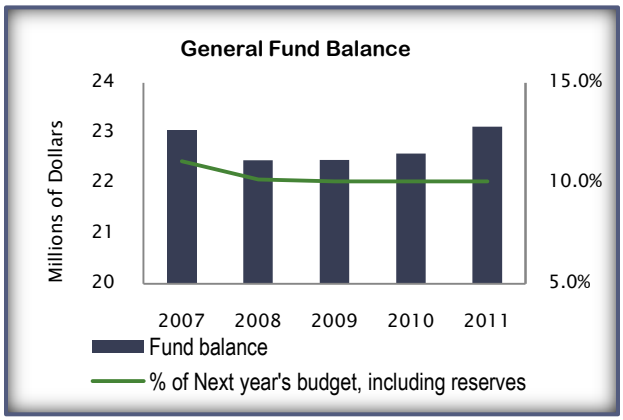
Net Assets of Proprietary Funds
(dollars in thousands)

	2011	2010
Water Utility	$ 385,424	$ 352,366
Sewer Utility	264,807	257,223
Airport	173,662	170,598
Stormwater Utility	137,967	129,505
Golf Course System	954	1,588
Transit	17,860	17,765
Total	$ 980,674	$ 929,045

The Golf Fund did not invest in capital improvements in 2011 as the fund focused resources on current operation, which continues to be impacted by the economy. Golf play declined 1.9% in 2011, which is reflected in lower revenue. The Debt Service Fund has extended an interfund loan to the Golf Fund with a long-term repayment plan to free cash for operations. Alternate business models are being explored for the five public courses to insure a sustainable financial recovery.

The Transit Fund implemented a rate increase in late 2011 to offset rising operating costs and to begin replenishing cash after several years of capital investment. Local resources provided approximately 40% of the funding for the operation and capital investment of the Transit Fund with the balance of funding from Federal and State grants.

***General Fund Budgetary Highlights*.** Despite a 3.3% increase in total revenue, total revenue at year end fell short of projections in the original and final budgets. Expenditures were less than the adopted and revised budgets, restrained within current year revenue to close the year with $532,257 of revenue in excess of expenditures. In 2010 and again in 2011, property tax was shifted from the Debt Service Fund to the General Fund for operations. The shift in property tax revenue supports vital services and maintains the emergency reserve while the City adapts operations and services to current resources. The 2013 Approved Budget restores a portion of the mill levy back to the Debt Service Fund for capital purposes.



Reimbursed expenditures increased substantially in 2011, reflecting a greater level of shared service among operating funds. Also notable is a reimbursement for a one-time cash retirement incentive to eligible employees.

Sales tax revenue increased 4.1%, providing a positive economic indicator. All other major sources of revenue were less in 2011 than in 2010 and less than budgeted.

The General Fund held an unassigned fund balance of 10.1% of the 2012 appropriation which includes an $11.2 million appropriated reserve. Annually a reserve is appropriated to establish legal spending authority in the event of a significant emergency.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of 2011, the City of Wichita reported $2.6 billion in assets net of depreciation in a broad range of capital assets. Assets are acquired through the City's direct investment, grants and from street and right-of-way dedications. Capital assets, net of depreciation, increased $113.3 million or 4.6% during 2011, compared to an increase of $129.1 million, 5.3% increase during 2010. Approximately 89% of the increase occurred in proprietary activities and 11% 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
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government		
	2011	2010	2011	2010	2011	2010	Percent Change
Land	$ 243	$ 253	$ 40	$ 40	$ 283	$ 293	3.4%
Airfield	-	-	36	40	36	40	-10.1%
Buildings & improvements	224	201	873	876	1,097	1,077	1.8%
Equipment	36	37	42	43	78	80	-2.5%
Infrastructure	565	553	-	-	565	553	2.2%
Construction in progress	52	64	443	334	495	398	24.4%
Total	$ 1,120	$ 1,108	$ 1,434	$ 1,333	$ 2,554	$ 2,441	4.6%

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

- Phase II of the aquifer recharge program totaled $84.2 million.
- Sanitary sewer reconstruction and rehabilitation in the amount of $9.1 million.
- Apron and utility improvements in preparation for new airport terminal.
- Airport technology improvements totaled $1.9 million.
- Progress to 80% completion of park and ride expansion at Mid-Continent Airport.
- Wichita-Valley Center flood control improvements totaled $1.9 million bringing the project to 90% completion.
- Construction progress to 80% completion on the eleventh stormwater pump station.
- Transit vehicle and equipment purchases totaled $1.2 million.

Major capital asset additions in governmental activities include the following:

- Improvements to freeways and major arterials totaled $36.4 million.
- Bridge improvements totaled $8.1 million.
- Neighborhood paving projects totaled $3.8 million.
- Improvements to the City's convention center, Century II, totaled $2.2 million.
- Improvements to other cultural and entertainment venues totaled $2.4 million.
- Park improvements totaled $2.7 million. Expansion of the City's botanical gardens is underway as is the equipping of a fitness center at the Wichita Ice Center.
- Economic development projects totaled $2.8 million.

- Contribution to the Heartland Preparedness Center totaled $1.4 million, a regional emergency response center being constructed under a multi-government cooperative agreement.
- Replacement of heavy fleet equipment and vehicles totaled $2.0 million.
- Fire apparatus, equipment and improvements to the training ground totaled $1.2 million.
- Repairs and improvements to City facilities totaled $5.4 million.

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 are general obligation bonds based on the full faith and credit of the City and revenue bonds based on the future earnings of the business-type activities. In 2011, the City committed 7.5 mills of the total mill levy to general obligation capital financing. Projects that rely most heavily upon property taxes for repayment of general obligation bonds are bridges, stormwater, parks, transit, core area projects, and public buildings. Capital costs are also funded through enterprise, internal service and special revenue funds, using a combination of resources including a dedicated portion of the county wide local sales tax.

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 Aa1 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 $1,034.1 million in outstanding bonds, as shown in the table below. The City also held $236.5 million in general obligation temporary notes, of which $160.0 million were held in the Water Utility Fund, $3.7 million were held in the Airport Fund , $10.6 million were held in the Stormwater Utility Fund and $62.2 million were held in governmental capital project funds. Bonded debt of the City of Wichita decreased by a net of $25.1 million overall.

General Obligation and Revenue Bonds
As of December 31
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
Revenue source	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Ad valorem property taxes	$ 69.5	$ 80.8	$ -	$ -	$ 69.5	$ 80.8
Special assessments	269.6	255.3	-	-	269.6	255.3
Tax increment	20.5	21.8	-	-	20.5	21.8
Transient guest tax	2.0	2.9	-	-	2.0	2.9
Local sales tax	123.5	130.7	-	-	123.5	130.7
G.O. and Revenue	-	-	535.0	551.0	535.0	551.0
Wichita Public Building Commission	-	-	14.0	16.7	14.0	16.7
Total	$ 485.1	$ 491.5	$ 549.0	$ 567.7	$ 1,034.1	$ 1,059.2

Kansas State Statutes limit the amount of general obligation bonds a City can issue to 30% of the equalized tangible valuation. The current limitation for the City is $1.1 billion, with a legal debt margin of $862.5 million. More detail is located in Note 9 to the Financial Statements, in the Additional Information Section and in the Statistical Section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET[1]

Measured by unemployment, the local economy fared better than the national economy through most of the recession, with Wichita's average annual unemployment rate lower than the nation's. Wichita's 2011 unemployment rate equaled the national rate, with both rates dropping below 2010 levels.

The unemployment rate has contributed to a decline in demand for new housing. The total number of homes sold, both new and existing, fell 3.8% from 2010 to 2011. The number of new residential building permits decreased by 17.9% in 2011. Nonresidential construction fared better, however, increasing 17.3% in 2011, while the permit value increased 4.3%. The community is seeing signs that nonresidential construction continues to strengthen. The Wichita Downtown Development Corp. indicates that 18 new downtown projects are in the planning stage or already under construction. The projects include new hotels, new office space, a new parking garage, more residential units and a new YMCA.

The Wichita Downtown Development Corp., an organization funded by the underlying self-supporting municipal improvement district, used grant funds to renovate space for a new Innovation Center, a place where economic developers can collaborate and share ideas. In addition, Sedgwick County has received federal approval to use a simplified process to establish foreign trade zones which is expected to enhance economic development in the four county Wichita MSA.

Average Annual Unemployment Rate

	Wichita	Wichita MSA	Nation
2008	4.8%	4.3%	5.8%
2009	8.9%	8.1%	9.3%
2010	9.4%	8.6%	9.6%
2011	8.9%	8.1%	8.9%

Retail trade activity in the Wichita area generated increased sales tax in 2011, indicating improved consumer confidence and a somewhat improved local economy. New national retailers have opened stores in Wichita. Cabela's opened in March 2012 and prior to that, Sephora opened in east Wichita's Bradley Fair shopping center. Also in northeast Wichita, Natural Grocers Fresh Market, an upscale grocery chain, is planning on opening soon. Kay Jewelers, Carter's and Men's Warehouse all opened in west Wichita's New Market Square. Walmart opened four neighborhood markets in the City with plans to open a fifth store. Davis-Moore is constructing a new Nissan store and has opened a Fiat dealership as well. New restaurants have opened with more new restaurants scheduled to open in 2012.

The Wichita City Council decided in June 2011 to move forward with the construction of a new terminal at Wichita's Mid-Continent Airport. Groundbreaking is expected in 2012 with a target opening date in 2015. The proposed terminal won the "Gold Award in the Unbuilt Category" from the International Interior Design Association. In addition, Southwest Airlines has committed to serving the Wichita market. Southwest Airlines purchased AirTran in 2011 and will continue to operate under the AirTran name through 2012. The positive developments at Wichita's airport have the potential to attract more visitors and more business to the Wichita area.

After three years of downturn in nonfarm employment, economic indicators suggest stability in the local economy. The Wichita State University's Leading Economic Indicators Index increased 9% when comparing the 12 months ending January 2012 to the previous 12 months. As a predictor of short-term changes in the economy, the increase suggests a strengthening of the local economy over the next 6 months.

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-36. 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.

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

CITY OF WICHITA, KANSAS

STATEMENT OF NET ASSETS
December 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wichita Public Building Commission
ASSETS				
Cash and cash equivalents	$ 235,903,065	$ 53,744,763	$ 289,647,828	$ -
Investments	3,591,546	-	3,591,546	-
Receivables (net)	377,942,850	15,583,123	393,525,973	-
Internal balances	4,698,678	(4,698,678)	-	-
Prepaid items	89,046	1,067,717	1,156,763	-
Inventories	852,311	2,718,041	3,570,352	-
Due from other agencies	1,039,791	806,187	1,845,978	-
Notes receivable	5,687,219	-	5,687,219	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	164,173,005	164,173,005	209
Investments	-	-	-	2,860,675
Receivables	-	-	-	225,598
Net investment in direct financing leases	-	62,020,000	62,020,000	12,844,788
Permanently restricted:				
Cash and cash equivalents	235,437	-	235,437	-
Other assets	-	3,072,798	3,072,798	-
Capital assets:				
Land and construction in progress	294,584,590	483,888,900	778,473,490	-
Other capital assets, net of depreciation	825,295,504	950,002,015	1,775,297,519	-
Total capital assets	1,119,880,094	1,433,890,915	2,553,771,009	-
Total assets	1,749,920,037	1,732,377,871	3,482,297,908	15,931,270
LIABILITIES				
Accounts payable and other current liabilities	21,578,224	11,838,156	33,416,380	-
Accrued interest payable	4,738,996	5,269,571	10,008,567	225,598
Temporary notes payable	48,067,285	164,054,420	212,121,705	-
Deposits	1,218,511	3,793,077	5,011,588	-
Unearned revenue	100,054,974	3,858,899	103,913,873	-
Due to other agencies	-	-	-	1,501,141
Noncurrent liabilities, including claims payable:				
Due within one year	86,561,073	40,345,825	126,906,898	2,790,000
Due in more than one year	508,221,505	521,906,561	1,030,128,066	11,220,000
Other liabilities	-	-	-	194,531
Total liabilities	770,440,568	751,066,509	1,521,507,077	15,931,270
NET ASSETS				
Invested in capital assets, net of related debt	615,404,465	828,695,814	1,444,100,279	-
Restricted for:				
Capital projects	48,938,661	13,682,143	62,620,804	-
Debt service	296,468,497	-	296,468,497	-
Revenue bond covenants	-	95,954,077	95,954,077	-
Cemetery:				
Expendable	578,318	-	578,318	-
Nonexpendable	235,437	-	235,437	-
Other purposes	12,468,092	-	12,468,092	-
Unrestricted	5,385,999	42,979,328	48,365,327	-
Total net assets	$ 979,479,469	$ 981,311,362	$ 1,960,790,831	$ -

CITY OF WICHITA, KANSAS

STATEMENT OF ACTIVITIES

For the year ended December 31, 2011

		Program Revenues	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Primary government:			
General government	$ 55,190,734	$ 22,011,414	$ 4,579,889
Public safety	125,525,535	6,774,361	2,428,203
Highways and streets	54,168,387	5,198,444	14,420,806
Sanitation	3,642,786	874,713	-
Health and welfare	34,847,696	3,931,396	26,742,200
Culture and recreation	38,343,885	4,781,310	2,221,850
Interest on long-term debt	19,277,115	-	-
Total governmental activities	330,996,138	43,571,638	50,392,948
Business-type activities:			
Water	47,621,034	79,547,238	-
Sewer	37,673,266	44,089,014	-
Airport	26,702,698	21,596,818	-
Storm Water	7,048,177	9,281,544	-
Transit	15,155,937	1,972,027	7,182,998
Golf Course System	4,585,947	4,017,422	-
Total business-type activities	138,787,059	160,504,063	7,182,998
Total primary government	$ 469,783,197	$ 204,075,701	$ 57,575,946
Component unit:			
Wichita Public Building Commission	$ -	$ -	$ -

General revenues:
- Property taxes
- Sales taxes
- Franchise taxes
- Motor vehicle taxes
- Transient guest taxes
- Investment earnings (loss)
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets, beginning of year

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			
	Primary Government			Component Unit
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Wichita Public Building Commission
$ 274,891	$ (28,324,540)	$ -	$ (28,324,540)	$ -
755,342	(115,567,629)	-	(115,567,629)	-
59,261,957	24,712,820	-	24,712,820	-
-	(2,768,073)	-	(2,768,073)	-
-	(4,174,100)	-	(4,174,100)	-
-	(31,340,725)	-	(31,340,725)	-
-	(19,277,115)	-	(19,277,115)	-
60,292,190	(176,739,362)	-	(176,739,362)	-
3,250,387	-	35,176,591	35,176,591	-
2,797,031	-	9,212,779	9,212,779	-
5,376,839	-	270,959	270,959	-
6,837,159	-	9,070,526	9,070,526	-
2,094,929	-	(3,905,983)	(3,905,983)	-
-	-	(568,525)	(568,525)	-
20,356,345	-	49,256,347	49,256,347	-
$ 80,648,535	(176,739,362)	49,256,347	(127,483,015)	-
$ -	-	-	-	-
	105,089,197	-	105,089,197	-
	54,919,387	-	54,919,387	-
	36,778,909	-	36,778,909	-
	12,898,462	-	12,898,462	-
	6,040,715	-	6,040,715	-
	1,003,263	3,802,612	4,805,875	-
	7,397,065	679,301	8,076,366	-
	1,765,567	(1,765,567)	-	-
	225,892,565	2,716,346	228,608,911	-
	49,153,203	51,972,693	101,125,896	-
	930,326,266	929,338,669	1,859,664,935	-
	$ 979,479,469	$ 981,311,362	$ 1,960,790,831	$ -

CITY OF WICHITA, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011

	General Fund	Debt Service Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 38,920,520	$ 23,647,787	$ -	$ 71,282,086	$ 133,850,393
Cash with fiscal agent	-	62,182,310	-	-	62,182,310
Investments	-	-	-	3,591,546	3,591,546
Receivables, net:					
Property taxes	75,210,618	23,110,748	-	-	98,321,366
Due from other agencies	-	-	-	1,039,791	1,039,791
Special assessments	-	269,630,000	-	-	269,630,000
Accounts	3,064,103	8,306	1,918,896	5,858,133	10,849,438
Due from other funds	675,000	4,266,064	-	26,638,599	31,579,663
Notes receivable	-	5,192,219	-	495,000	5,687,219
Inventories	90,243	-	-	18,845	109,088
Prepaid items	17,023	-	-	56,023	73,046
Total assets	$ 117,977,507	$ 388,037,434	$ 1,918,896	$ 108,980,023	$ 616,913,860
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and other liabilities	$ 10,195,851	$ -	$ 3,097,218	$ 4,154,418	$ 17,447,487
Accrued interest payable	-	-	5,352	72,869	78,221
Temporary notes payable	-	-	15,392,228	32,675,057	48,067,285
Deposits	888,313	-	62,876	267,322	1,218,511
Due to other funds	-	-	18,160,354	8,478,245	26,638,599
Deferred revenue	76,159,379	302,492,277	-	5,622,355	384,274,011
Total liabilities	87,243,543	302,492,277	36,718,028	51,270,266	477,724,114
Fund balances (deficits):					
Nonspendable:	882,266	-	-	310,305	1,192,571
Restricted:	-	85,545,157	-	73,986,035	159,531,192
Committed:	-	-	-	24,740,192	24,740,192
Assigned:	5,760,879	-	-	-	5,760,879
Unassigned:	24,090,819	-	(34,799,132)	(41,326,775)	(52,035,088)
Total fund balances (deficits)	30,733,964	85,545,157	(34,799,132)	57,709,757	139,189,746
Total liabilities and fund balances	$ 117,977,507	$ 388,037,434	$ 1,918,896	$ 108,980,023	$ 616,913,860

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

CITY OF WICHITA, KANSAS

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

December 31, 2011

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

Total fund balance -- governmental funds		$ 139,189,746
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	$ 1,492,314,560	
Accumulated depreciation	(382,620,228)	1,109,694,332
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	215,483,072	
Special assessment bonds payable	269,630,000	
Premium on bonds payable	22,005,596	
Deferred refunding on bonds payable	(3,365,871)	
Accrued interest payable on the bonds	4,660,775	
Section 108 Loan	680,000	
Bond anticipation notes	14,157,857	
Accreted interest	1,321,858	
Compensated absences	9,223,246	
Other post employment benefits	9,014,462	
Environmental remediation liability	16,122,003	
Liability for landfill closure and postclosure costs	23,150,179	
Legal liability	3,034,559	
Liability for termination benefits	1,080,822	
		(586,198,558)
The amount due from proprietary funds is not considered available to liquidate liabilites of the current period, and therefore is deferred in the funds. However it is properly recognized as revenue in the entity-wide statements.		4,266,064
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.		9,420,853
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.		269,630,000
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.		33,477,032
Total net assets -- governmental activities		$ 979,479,469

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

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2011

	General Fund	Debt Service Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 84,876,521	$ 25,954,642	$ -	$ 13,197,211	$ 124,028,374
Special assessments	-	33,556,661	65,443	25,766	33,647,870
Franchise taxes	36,778,909	-	-	-	36,778,909
Local sales tax	24,987,675	-	3,318,000	26,613,712	54,919,387
Intergovernmental	16,104,619	-	7,413,698	40,484,547	64,002,864
Licenses and permits	2,527,086	-	-	4,207,964	6,735,050
Fines and penalties	10,329,705	-	-	15,780	10,345,485
Rentals	2,632,234	-	-	1,633,798	4,266,032
Interest earnings	912,020	42,739	33	67,526	1,022,318
Charges for services and sales	9,788,193	-	-	2,230,356	12,018,549
Other	10,142,446	457,876	922,944	9,759,294	21,282,560
Total revenues	199,079,408	60,011,918	11,720,118	98,235,954	369,047,398
EXPENDITURES					
Current:					
General government	30,957,273	-	-	5,630,990	36,588,263
Public safety	114,519,729	-	-	8,409,918	122,929,647
Highways and streets	22,374,851	-	-	74,860	22,449,711
Sanitation	2,863,228	-	-	1,400,391	4,263,619
Health and welfare	3,366,715	-	-	32,012,734	35,379,449
Culture and recreation	27,995,015	-	-	2,797,801	30,792,816
Debt service:					
Principal retirement	-	50,929,981	1,122,125	691,000	52,743,106
Interest and fiscal charges	-	19,796,017	53,179	79,803	19,928,999
Capital outlay	-	-	51,240,270	31,660,633	82,900,903
Total expenditures	202,076,811	70,725,998	52,415,574	82,758,130	407,976,513
Excess (deficiency) of revenues over (under) expenditures	(2,997,403)	(10,714,080)	(40,695,456)	15,477,824	(38,929,115)
OTHER FINANCING SOURCES (USES)					
Issuance of long-term capital debt	-	-	18,521,933	9,790,925	28,312,858
Issuance of refunding bonds	-	72,730,000	-	-	72,730,000
Premiums on bonds sold	-	423,995	-	-	423,995
Premiums on refunded bonds	-	11,528,880	-	-	11,528,880
Payments on refunded bonds	-	(43,045,000)	-	-	(43,045,000)
Transfers from other funds	11,609,311	21,864,721	11,493,103	28,091,687	73,058,822
Transfers to other funds	(6,128,916)	(18,973,128)	-	(43,178,061)	(68,280,105)
Total other financing sources (uses)	5,480,395	44,529,468	30,015,036	(5,295,449)	74,729,450
Net change in fund balances	2,482,992	33,815,388	(10,680,420)	10,182,375	35,800,335
Fund balances - beginning	24,506,968	51,729,769	(24,118,712)	51,271,386	103,389,411
Prior period adjustment	3,744,004	-	-	(3,744,004)	-
Fund balances - ending	$ 30,733,964	$ 85,545,157	$ (34,799,132)	$ 57,709,757	$ 139,189,746

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

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, 2011

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

Net change in fund balances -- total governmental funds		$ 35,800,335
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	$ (28,288,224)	
Net capital asset acquisition	61,130,495	32,842,271
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.		(16,071,821)
In the statement of activites, 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.		(2,001,734)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.		(101,042,857)
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.		(11,952,875)
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.		1,747,272
Deferred bond refunding costs reduce current financial resources to governmental funds and do not decrease long-term liabilities in the statement of net assets.		2,587,250
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.		(503,912)
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	53,453,277	
Special assessment bonds	39,785,000	
Bond anticipation notes	1,813,125	
Section 108 Housing & Urban Development loan	310,000	95,361,402
Debt service payments on behalf of proprietary funds are recorded as expenditures in governmental funds and interfund loans on the statement of net assets.		426,704
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due.		149,232
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.		83,761
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.		123,480
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.		14,360,000
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		764,324
In the statement of activities, interest is accreted on outstanding bonds, whereas in governmental funds, interest is accreted when interest payments are due.		502,652
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.		(2,505,527)
In the statement of activities, proceeds from notes receivable are recognized when realizable and earned. In the governmenal funds, the revenue is deferred until funds are received.		(272,612)
In the statement of activities, environmental remediation reimbursements are recognized when realizable and earned. In the governmenal funds, the revenue is deferred until funds are received.		(6,411)
In the statement of activities, an expense is recorded for environmental remediation obligations when the expected outlay is reasonably estimtable. In the governmental funds, an expense is recorded when paid.		(681,909)
In the statement of activities, an expense is recorded for legal liabilities that will be satisfied from noncurrent resources.		525,000
In the statement of activities, an expense is recorded for termination benefits other than pensions when earned. In the governmental funds, an expense is recorded when benefits are paid.		(1,080,822)
Change in net assets of governmental activities		$ 49,153,203

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

This page intentionally left blank.

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	$ 84,730,450	$ 85,352,924	$ 84,876,521	$ (476,403)
Special assessments	6,000	-	-	-
Franchise taxes	39,203,725	38,539,263	36,778,909	(1,760,354)
Local sales tax	25,297,649	24,748,717	24,987,675	238,958
Intergovernmental	15,711,770	16,573,231	16,104,619	(468,612)
Licenses and permits	2,675,957	2,799,863	2,527,086	(272,777)
Fines and penalties	11,023,206	11,251,000	10,329,705	(921,295)
Rentals	1,928,770	2,411,220	2,135,212	(276,008)
Interest earnings	1,800,000	1,305,000	912,020	(392,980)
Charges for services and sales	9,869,886	10,066,953	8,886,900	(1,180,053)
Other	8,060,482	8,179,843	10,010,497	1,830,654
Total revenues	200,307,895	201,228,014	197,549,144	(3,678,870)
EXPENDITURES				
Current:				
General government	29,172,878	27,862,181	28,218,692	(356,511)
Public safety	114,497,287	115,753,962	114,488,117	1,265,845
Highways and streets	24,214,761	23,835,181	21,874,249	1,960,932
Sanitation	3,122,674	2,880,249	2,863,228	17,021
Health and welfare	3,806,566	3,661,300	3,358,015	303,285
Culture and recreation	28,227,022	28,774,628	28,284,161	490,467
Total expenditures	203,041,188	202,767,501	199,086,462	3,681,039
Excess (deficiency) of revenues over (under) expenditures	(2,733,293)	(1,539,487)	(1,537,318)	2,169
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	12,631,671	11,557,064	11,609,311	52,247
Transfers to other funds	(9,898,378)	(10,017,577)	(9,539,736)	477,841
Total other financing sources (uses)	2,733,293	1,539,487	2,069,575	530,088
Net change in fund balances	-	-	532,257	532,257
Fund balance - beginning	22,461,940	22,592,677	22,592,677	-
Fund balance - ending	$ 22,461,940	$ 22,592,677	$ 23,124,934	$ 532,257

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

CITY OF WICHITA, KANSAS

BALANCE SHEET
PROPRIETARY FUNDS
December 31, 2011

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
ASSETS			
Current assets:			
Cash and temporary investments	$ 5,826,943	$ 4,123,413	$ 31,088,144
Receivables, net	14,632,088	56,166	766,435
Due from other agencies	-	-	-
Inventories	2,246,681	123,821	-
Prepaid items	1,054	1,038,445	28,218
Restricted assets:			
Cash and temporary investments	16,863,506	12,441,570	13,520,787
Net investment in direct financing leases	-	-	505,000
Total current assets	39,570,272	17,783,415	45,908,584
Noncurrent assets:			
Restricted assets:			
Cash and temporary investments	112,462,870	8,884,272	-
Net investment in direct financing leases	-	-	61,515,000
Capital assets:			
Land	10,056,812	4,123,863	17,543,490
Airfield	-	-	136,795,484
Buildings	63,940,602	95,903,498	42,937,036
Improvements other than buildings	465,761,561	352,962,884	36,909,379
Machinery, equipment and other assets	48,547,113	39,176,631	22,207,395
Construction in progress	258,449,029	65,359,883	74,796,811
Less accumulated depreciation	(182,189,264)	(128,815,657)	(175,826,577)
Total capital assets (net of accumulated depreciation)	664,565,853	428,711,102	155,363,018
Other assets	1,945,682	1,127,114	-
Due from other funds	-	-	-
Total noncurrent assets	778,974,405	438,722,488	216,878,018
Total assets	$ 818,544,677	$ 456,505,903	$ 262,786,602

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
$ 12,132,260	$ 574,003	$ 53,744,763	$ 40,105,801
-	128,434	15,583,123	44,166
-	806,187	806,187	-
-	347,539	2,718,041	743,223
-	-	1,067,717	16,000
-	-	42,825,863	-
-	-	505,000	-
12,132,260	1,856,163	117,250,694	40,909,190
-	-	121,347,142	-
-	-	61,515,000	-
6,232,742	2,608,718	40,565,625	-
-	-	136,795,484	-
4,191,106	11,945,468	218,917,710	83,319
124,989,693	14,658,543	995,282,060	-
4,887,030	19,584,205	134,402,374	42,734,165
36,421,331	8,296,221	443,323,275	-
(18,539,720)	(30,024,395)	(535,395,613)	(32,631,722)
158,182,182	27,068,760	1,433,890,915	10,185,762
-	-	3,072,796	-
-	-	-	394,500
158,182,182	27,068,760	1,619,825,853	10,580,262
$ 170,314,442	$ 28,924,923	$ 1,737,076,547	$ 51,489,452

(Continued)

CITY OF WICHITA, KANSAS

BALANCE SHEET (CONTINUED)
PROPRIETARY FUNDS
December 31, 2011

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	$ 7,538,990	$ 482,351	$ 1,311,741
Accrued interest payable	380,042	-	265,385
Temporary notes payable	160,000,000	-	3,735,282
Deposits	3,766,343	7,305	16,011
Current portion of long-term obligations:			
General obligation bonds payable	-	-	495,000
Bond anticipation notes	-	-	-
Claims payable	-	-	-
Capital lease payable	-	-	-
Compensated absences	459,547	297,464	419,868
Current liabilities payable from restricted assets:			
Accounts payable and accrued expenses	-	-	377,150
Accrued interest payable	2,775,876	1,729,340	17,345
Revenue bonds payable	14,087,630	10,712,230	505,000
Total current liabilities	189,008,428	13,228,690	7,142,782
Noncurrent liabilities:			
Unearned revenue	-	-	3,858,897
Due to other funds	-	-	-
General obligation bonds payable (net of unamortized deferred refunding and premium)	-	-	16,585,000
Revenue bonds payable (net of unamortized deferred refunding and premium)	244,086,932	178,454,113	61,515,000
Claims payable	-	-	-
Capital lease payable	-	-	-
Compensated absences	24,703	15,991	23,012
Total noncurrent liabilities	244,111,635	178,470,104	81,981,909
Total liabilities	433,120,063	191,698,794	89,124,691
NET ASSETS			
Invested in capital assets, net of related debt	290,825,857	241,991,843	134,547,737
Restricted for:			
Capital projects	-	125,352	13,520,787
Revenue bond covenants	80,379,177	15,574,900	-
Unrestricted	14,219,580	7,115,014	25,593,387
Total net assets	385,424,614	264,807,109	173,661,911
Total liabilities and net assets	$ 818,544,677	$ 456,505,903	$ 262,786,602

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
	$ 237,202	$ 1,890,722	$ 11,461,006	$ 1,096,180
	4,103	10,855	660,385	-
	319,138	-	164,054,420	-
	-	3,418	3,793,077	-
	2,132,070	590,000	3,217,070	-
	10,245,437	-	10,245,437	-
	-	-	-	6,904,890
	-	-	-	356,429
	108,846	292,733	1,578,458	376,672
	-	-	377,150	-
	86,625	-	4,609,186	-
	-	-	25,304,860	-
	13,133,421	2,787,728	225,301,049	8,734,171
	-	-	3,858,897	-
	-	5,335,564	5,335,564	-
	19,209,125	1,975,000	37,769,125	-
	-	-	484,056,045	-
	-	-	-	8,466,016
	-	-	-	153,151
	5,096	12,589	81,391	22,196
	19,214,221	7,323,153	531,101,022	8,641,363
	32,347,642	10,110,881	756,402,071	17,375,534
	136,826,617	24,503,760	828,695,814	9,676,182
	-	36,004	13,682,143	-
	-	-	95,954,077	-
	1,140,183	(5,725,722)	42,342,442	24,437,736
	137,966,800	18,814,042	980,674,476	34,113,918
	$ 170,314,442	$ 28,924,923	$ 1,737,076,547	$ 51,489,452
Total net assets			$ 980,674,476	
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			636,886	
Net assets of business-type activities			$ 981,311,362	

CITY OF WICHITA, KANSAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the year ended December 31, 2011

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
OPERATING REVENUES			
Charges for services and sales	$ 79,515,543	$ 44,089,014	$ 2,934,512
Fees	-	-	3,198,947
Rentals	31,695	-	15,463,359
Employer contributions	-	-	-
Employee contributions	-	-	-
Other	-	6,123	33,832
Total operating revenues	79,547,238	44,095,137	21,630,650
OPERATING EXPENSES			
Personnel services	8,792,575	9,240,876	7,928,354
Contractual services	11,457,368	6,484,813	3,461,271
Materials and supplies	4,273,204	2,836,511	4,209,929
Cost of materials used	-	-	-
Other	252,764	948,125	158,900
Administrative charges	1,062,181	317,290	239,430
Franchise taxes and payments in lieu of delinquent specials	3,299,061	1,853,992	-
Depreciation	10,541,675	9,106,041	6,292,650
Employee benefits	-	-	-
Insurance claims	-	-	-
Total operating expenses	39,678,828	30,787,648	22,290,534
Operating income (loss)	39,868,410	13,307,489	(659,884)
NONOPERATING REVENUES (EXPENSES)			
Operating grants	-	-	-
Gain (loss) on investments	46,354	41,666	3,714,596
Other revenues (expenses)	-	-	-
Interest expense	(8,066,661)	(6,907,904)	(4,446,805)
Gain (loss) from sale of assets	(26,712)	(122,121)	50,690
Actuarial loss reserve adjustment	-	-	-
Bond premium (discount) amortization	365,498	276,738	-
Total nonoperating revenues (expenses)	(7,681,521)	(6,711,621)	(681,519)
Income (loss) before contributions and transfers	32,186,889	6,595,868	(1,341,403)
Capital contributions and operating transfers:			
Capital contributions - cash	1,408,947	890,048	5,376,839
Capital contributions - non cash	1,841,440	1,908,896	-
Transfers from other funds	-	-	-
Transfers to other funds	(2,378,720)	(1,811,130)	(971,210)
Increase (decrease) in net assets	33,058,556	7,583,682	3,064,226
Net assets - beginning	352,366,058	257,223,427	170,597,685
Total net assets - ending	$ 385,424,614	$ 264,807,109	$ 173,661,911

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
	$ 9,281,544	$ 2,421,066	$ 138,241,679	$ 13,945,997
	-	2,640,588	5,839,535	-
	-	927,795	16,422,849	7,828,238
	-	-	-	31,837,380
	-	-	-	8,496,796
	-	83,478	123,433	2,039,429
	9,281,544	6,072,927	160,627,496	64,147,840
	2,314,075	9,063,126	37,339,006	7,622,149
	1,422,621	4,654,831	27,480,904	6,408,302
	349,830	2,853,259	14,522,733	7,330,100
		-	-	(102,590)
	11,731	-	1,371,520	-
	131,040	570,030	2,319,971	557,720
	-	-	5,153,053	-
	2,092,410	2,173,043	30,205,819	4,419,967
	-	-	-	31,107,470
	-	-	-	5,018,826
	6,321,707	19,314,289	118,393,006	62,361,943
	2,959,837	(13,241,362)	42,234,490	1,785,896
	-	7,182,998	7,182,998	-
	-	(4)	3,802,612	-
	(19,563)	(410,631)	(430,194)	(6,639)
	(726,640)	(158,883)	(20,306,893)	(37,251)
	(32,194)	23,649	(106,688)	26,093
	-	-	-	(672,054)
	20,319	-	662,555	-
	(758,078)	6,637,129	(9,195,610)	(689,851)
	2,201,759	(6,604,233)	33,038,880	1,096,046
	3,792,990	2,094,929	13,563,753	-
	3,044,169	182,341	6,976,846	2,199,365
	-	3,955,080	3,955,080	250,000
	(577,090)	(166,750)	(5,904,900)	(3,078,897)
	8,461,828	(538,633)	51,629,659	466,514
	129,504,972	19,352,675	929,044,817	33,647,404
	$ 137,966,800	$ 18,814,042	$ 980,674,476	$ 34,113,918
Increase in net assets per fund statements			$ 51,629,659	
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			343,034	
Change in net assets of business-type activities			$ 51,972,693	

CITY OF WICHITA, KANSAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2011

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 77,399,254	$ 44,096,061	$ 21,619,371
Cash payments to suppliers for goods and services	(22,729,141)	(10,504,642)	(7,454,308)
Cash payments to employees for services	(8,839,745)	(9,242,042)	(7,908,296)
Franchise taxes and payments in lieu of delinquent specials	(3,299,061)	(1,853,992)	-
Other operating revenues (expenses)	(15,883)	6,123	57,073
Net cash provided by (used in) operating activities	42,515,424	22,501,508	6,313,840
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants received	-	-	-
Interfund loans	-	-	2,719,498
Transfers from other funds	-	-	-
Transfers to other funds	(2,378,720)	(1,811,130)	(971,210)
Net cash provided by (used in) noncapital financing activities	(2,378,720)	(1,811,130)	1,748,288
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Issuance of bond anticipation notes	-	-	-
Issuance of temporary notes	160,000,000	-	79,276
Retirement of temporary notes	(140,000,000)	-	-
Issuance of capital debt	42,867,644	62,457,356	17,080,000
Premiums on bonds sold	6,669,279	9,529,966	-
Accrued interest on bonds sold	(373,652)	(549,191)	-
Bond issuance costs paid	(3,910,515)	(5,665,559)	-
Additions (deductions) to property, plant and equipment	(87,849,694)	(11,206,350)	(11,981,576)
Debt service - principal refunded	(45,842,190)	(66,227,810)	-
Debt service - principal	(13,119,333)	(9,424,452)	(12,703,994)
Debt service - interest	(12,337,403)	(9,664,888)	(492,473)
Proceeds from sale of assets	4,898	(118,004)	50,690
Capital contributions	2,498,034	742,276	5,604,732
Net cash provided by (used in) capital and related financing activities	(91,392,932)	(30,126,656)	(2,363,345)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	46,354	41,666	24,235
Net cash provided by investing activities	46,354	41,666	24,235
Net increase (decrease) in cash and temporary investments	(51,209,874)	(9,394,612)	5,723,018
Cash and temporary investments - January 1	186,363,193	34,843,867	38,885,913
Cash and temporary investments - December 31	$ 135,153,319	$ 25,449,255	$ 44,608,931

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
$ 9,330,714	$ 6,550,185	$ 158,995,585	$ 61,919,732
(2,971,203)	(8,083,586)	(51,742,880)	(51,053,768)
(2,308,502)	(9,057,130)	(37,355,715)	(7,590,410)
-	-	(5,153,053)	-
(19,563)	83,478	111,228	2,039,429
4,031,446	(10,507,053)	64,855,165	5,314,983
-	7,154,043	7,154,043	-
-	(1,649,998)	1,069,500	-
-	3,955,080	3,955,080	250,000
(577,090)	(166,750)	(5,904,900)	(3,078,897)
(577,090)	9,292,375	6,273,723	(2,828,897)
10,564,575	-	10,564,575	-
-	-	160,079,276	-
-	-	(140,000,000)	-
3,450,000	-	125,855,000	-
355,301	-	16,554,546	-
(45,087)	-	(967,930)	-
(30,214)	-	(9,606,288)	-
(4,192,420)	(2,398,630)	(117,628,670)	(2,773,175)
(3,730,000)	-	(115,800,000)	-
(2,206,579)	(128,296)	(37,582,654)	(341,258)
(742,546)	(158,255)	(23,395,565)	(37,251)
(32,194)	129,955	35,345	502,671
3,792,990	3,737,310	16,375,342	-
7,183,826	1,182,084	(115,517,023)	(2,649,013)
-	(2,968)	109,287	-
-	(2,968)	109,287	-
10,638,182	(35,562)	(44,278,848)	(162,927)
1,494,078	609,565	262,196,616	40,268,728
$ 12,132,260	$ 574,003	$ 217,917,768	$ 40,105,801

(Continued)

CITY OF WICHITA, KANSAS

STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
Year ended December 31, 2011

	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)	$ 39,868,410	$ 13,307,489	$ (659,884)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	10,541,675	9,106,041	6,292,650
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(2,518,008)	7,047	149,997
(Increase) decrease in inventory	-	-	-
(Increase) decrease in prepaid items	-	41,446	(519)
(Increase) decrease in due from other funds	-	-	-
(Decrease) increase in accounts payable/accrued expenses	(5,667,874)	40,651	638,983
(Decrease) increase in deposits	338,391	-	-
(Decrease) increase in deferred revenue	-	-	(127,445)
(Decrease) increase in compensated absences	(47,170)	(1,166)	20,058
Total adjustments	2,647,014	9,194,019	6,973,724
Net cash provided by (used in) operating activities	$ 42,515,424	$ 22,501,508	$ 6,313,840
Supplemental Schedule of Non-Cash Investing and Financing Activities			
Assets contributed by benefit districts	$ 1,279,396	$ 1,908,896	$ -
Contribution of capital assets, increase (decrease)	-	1,913	-
Capital contributed for capital purposes	562,044	147,772	-
(Increase) decrease in net investment in direct financing leases	-	-	705,000
Increase (decrease) in revenue bonds payable	-	-	(705,000)
(Increase) decrease in interest receivable on direct financing leases	-	-	273,914
Increase (decrease) in accrued interest payable on revenue bonds	-	-	(273,914)
Interest income on investment in direct financing leases	-	-	3,690,361
Interest expense on revenue bonds payable	-	-	(3,690,361)

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
$ 2,959,837	$ (13,241,362)	$ 42,234,490	$ 1,785,896
2,092,410	2,173,043	30,205,819	4,419,967
49,170	558,859	(1,752,935)	205,822
-	-	-	(161,928)
-	-	40,927	(12,465)
-	-	-	(394,500)
(1,075,544)	(5,465)	(6,069,249)	(559,548)
-	1,876	340,267	-
-	-	(127,445)	-
5,573	5,996	(16,709)	31,739
1,071,609	2,734,309	22,620,675	3,529,087
$ 4,031,446	$ (10,507,053)	$ 64,855,165	$ 5,314,983
$ 2,880,333	$ -	$ 6,068,625	$ -
-	182,341	184,254	1,817,480
163,836	-	873,652	-
-	-	705,000	-
-	-	(705,000)	-
-	-	273,914	-
-	-	(273,914)	-
-	-	3,690,361	-
-	-	(3,690,361)	-

CITY OF WICHITA, KANSAS

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2011

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and temporary investments	$ 534,657	$ 5,627,651
Receivables:		
Investment sales pending	23,469,227	-
Interest and dividends	3,066,766	-
Accounts	1,081,397	686,438
Total receivables	27,617,390	686,438
Investments, at fair value:		
Government short-term investment fund	31,195,365	-
Government securities: long-term	30,823,657	795,046
Corporate debt instruments: long-term	93,784,938	-
Mortgage and asset-backed securities	87,013,880	-
Corporate stocks: domestic common	318,245,576	-
Corporate stocks: international common	143,652,699	-
Real estate	32,542,505	-
Timber	9,825,366	-
Commodities	12,043,342	-
Value of interest in pooled funds: domestic fixed income	451,921	-
Value of interest in pooled funds: international fixed income	7,263,755	-
Value of interest in pooled funds: high yield fixed income	7,496,134	-
Value of interest in pooled funds: U.S. TIPS	12,854,067	-
Value of interest in pooled funds: domestic equities	112,084,537	-
Value of interest in pooled funds: international equities	37,506,981	-
Securities lending short-term collateral investment pool	88,624,514	-
Total investments	1,025,409,237	795,046
Capital assets:		
Pension software	1,284,451	-
Accumulated depreciation	(643,928)	-
Capital assets net of depreciation	640,523	-
Total assets	1,054,201,807	7,109,135
LIABILITIES		
Accounts payable and accrued expenses	4,373,028	1,946,883
Compensated absences	26,328	-
Investment purchases pending	37,683,272	-
Security lending obligations	88,624,514	-
Deposits	-	5,162,252
Total liabilities	130,707,142	7,109,135
NET ASSETS		
Held in trust for:		
Employees' pension benefits	923,494,665	-
Total net assets	$ 923,494,665	$ -

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, 2011

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	$ 21,647,154
Employee	8,185,015
Total contributions	29,832,169
Investment income:	
From investment activities	
Net appreciation (depreciation) in fair value of investments	(17,649,784)
Interest and dividends	26,658,361
Commission recapture	55,897
Total investment earnings	9,064,474
Less investment expense	4,320,402
Net income (loss) from investing activities	4,744,072
From securities lending activities	
Securities lending income	437,766
Securities lending activities expenses:	
Borrower rebates	(119,708)
Management fees	156,493
Total securities lending activities expenses	36,785
Net income from securities lending activities	400,981
Total net investment income (loss)	5,145,053
Transfers from other funds	2,680,431
Total additions	37,657,653
DEDUCTIONS	
Pension benefits	60,299,420
Pension administration	966,745
Depreciation	180,049
Employee contributions refunded	1,795,125
Transfers to other funds	2,680,431
Total deductions	65,921,770
Change in net assets	(28,264,117)
Net assets - beginning	951,758,782
Net assets - ending	$ 923,494,665

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

1. Summary of Significant Accounting Policies A-37
2. Budgetary Control A-43
3. Budgetary Basis of Accounting A-43
4. Fund Balance Deficits A-44
5. Cash, Investments and Securities Lending A-44
6. Capital Assets A-53
7. Retirement Funds A-54
8. Self - Insurance Fund A-58
9. Long - Term Debt A-61
10. Prior - Year Defeasance of Debt A-71
11. Temporary Notes Payable A-71
12. Leases A-72
13. Conduit Debt Obligations A-74
14. Interfund Transfers A-74
15. Interfund Receivables/Payables A-75
16. Fund Balance Restrictions and Other Reservations A-75
17. Passenger Facility Charges A-76
18. Landfill Closure and Post-closure Care A-77
19. Contingencies and Commitments A-77
20. Prior Period Adjustment A-79
21. Subsequent Events A-79

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 19.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-15 and the statement of activities on page A-16) 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 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. Funds certified to the State of Kansas and reported as subfunds of the General Fund are the Permanent Reserve Fund, the Ice Rink Fund and the Economic Development Fund. Schedules for the certified funds and subfunds are presented as supplemental information in the Governmental Funds Section of this report.

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.

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.

Elimination 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, U.S. government and 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. The pension trust funds invest in real estate through real estate investment trusts, Treasury strips and various asset backed securities, such as collateralized mortgage obligations and credit card trusts. 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. The fair value of real estate investments are estimated using the net asset value of the shares owned in each trust. Investments that do not have an established market are reported at their estimated fair value.

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

May 10th 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.

I. Inventories and Prepaid Expenses

Inventories and prepaid expenses that benefit future periods, other than those recorded in the proprietary funds, are recorded as expenditures during the year of purchase. Inventories are valued utilizing the 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	1-100
Improvements other than buildings	1-85
Equipment	1-33
Vehicles	1-20
Public domain infrastructure	15-60
Airfields	1-20

K. Franchise Taxes

Franchise taxes are collected from utilities for use of right-of-ways. Annually, the Water Utility and Sewer Utility pay to the General Fund of the City franchise taxes in an amount not to exceed 5% 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.

O. Net Assets and Fund Balances

Net assets in the government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments imposed by law through state statute.

Government Accounting Standard 54, implemented in 2011, changed the reporting classifications of governmental fund balances. In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The governmental fund types classify fund balance as follows:

Nonspendable Fund Balance – Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances include amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Committed Fund Balance – The committed portion of fund balance can only be used for specific purposes imposed by the majority vote by quorum of the City Council of the City of Wichita. Any changes or removal of specific purposes requires majority action by the governing body.

Assigned Fund Balance – The assigned portion of the fund balance is that which the City of Wichita intends to use for a specified purpose. The portion of the fund balance that is appropriated for the next year's budget that is not already restricted or committed is considered assigned. Encumbrances, which can be approved by designated senior staff, are included in assigned fund balances. Additional information on encumbrance balances is provided in Note 19 to the financial statements.

Unassigned Fund Balance – The unassigned fund balance represents that portion which has not otherwise been restricted, committed or assigned to specific purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City of Wichita considers to have spent restricted funds first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first from the committed funds, then assigned funds, and finally unassigned funds, unless the City Council has provided otherwise in its commitment or assignment action.

The City of Wichita has adopted a minimum fund balance policy for the General Fund which instructs management to conduct business of the City in a manner that available fund balance is at least equal to or greater than 10% of the next year's budgeted expenditures.

P. Pending Governmental Accounting Standards Board Statements

GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, was issued in November 2010. This statement is intended to improve financial reporting by addressing issues related to service concession arrangements, which are a type of public-private partnership. GASB 60 applies to those arrangements in which specific criteria determining whether a transferor (a government) has control over the facility are met. The provisions of this statement are effective for the City's fiscal year ending December 31, 2012.

GASB Statement No. 61, The Financial Reporting Entity: Omnibus, was issued in November 2010. This statement modifies certain requirements for inclusion of component units in the County's financial statements when the component unit was included based on the fiscal dependency requirement. The new statement clarifies the manner in which a government's management determines a component unit should be included, even if the financial accountability criterion is not met. This statement also amends the criteria for reporting component units as if they were a part of the primary government (that is, blending) when the component unit is blended based on the "substantively in the same governing body" criterion. New criteria also are added to require blending of component units whose total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2013.

GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30.1989 FASB and AICPA Pronouncements, was issued in December 2010. GASB Statement 62 incorporates in the GASB authoritative literature certain accounting and financial reporting guidance that was included in pronouncements issued on or before November 30, 1989 and which do not conflict with or contradict GASB pronouncements as follows: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure. The provisions of this Statement are effective for financial statements for the City's fiscal year ending December 31, 2012.

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, was issued in June 2011. GASB Statement No. 63 provides guidance for deferred outflows and deferred inflows of resources applicable to future reporting periods and renames the residual measure as net position rather than net assets. The provisions of this Statement are effective for financial statements for the City's fiscal year ending December 31, 2012.

GASB Statement No. 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB Statement No. 53, was issued in June 2011. GASB Statement No. 64 requires a government to cease hedge accounting upon termination of the hedging instrument, resulting in immediate recognition of the deferred outflow or deferred inflow of resources as a component of investment income. The provisions of this Statement are effective for financial statements for the City's fiscal year ending December 31, 2012.

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, was issued in April 2012. GASB Statement No. 65 provides guidance on recognition of deferred outflows and deferred inflows of resources. The provisions of this Statement are effective for financial statements for the City's fiscal year ending December 31, 2013.

GASB Statement No. 66, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, was issued in April 2012. GASB Statement No. 66 provides guidance on the reporting of risk financing activities formerly recognized only in the general fund or internal service fund type. The provisions of this Statement are effective for financial statements for the City's fiscal year ending December 31, 2013.

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 10% of the total. The budget for each fund may include a non-appropriated balance not to exceed 5% 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 and are reflected in the budgets only to the extent utilized.

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 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 expenditures for budgetary purposes. 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 following table.

	Net Change in Fund Balance from Prior Year	Fund Balances at End of Year
General Fund - GAAP Basis	$ 2,482,992	$ 30,733,964
Increase (decrease) affecting basis:		
Expenditures due to prior year encumbrances	1,574,505	(2,898)
Cancellation of prior year encumbrances	336,886	-
Expenditures due to current year encumbrances	(1,386,454)	(1,386,456)
Less Subfund balances included for GAAP		
Permanent Reserve Fund	-	(1,821,848)
Ice Rink Fund	55,273	(52,964)
Economic Development Fund	(2,530,945)	(4,344,864)
General Fund - Budgetary Basis	$ 532,257	$ 23,124,934

4. Fund Balance Deficits

At December 31, 2011, 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, 2011.

Primary Government	Fund Balance Deficits
Street Improvement fund	$ 34,799,132
Nonmajor governmental funds	1,042,569
Park Bond Construction	3,612,794
Public Improvement Construction	27,519,578
Sewer Construction	6,442,429
ARRA Projects	2,378,541
Total Reporting Entity	$ 75,795,043

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;
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%.

As of December 31, 2011, the City had deposits in five banks totaling $18,680,803 with assets pledged by the banks as collateral with a fair value of $28,475,942.

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, 2011, the City's pooled funds were invested as follows:

Investment type	Carrying Value	Modified Duration (yrs)	Percent of Total Pooled Funds
U.S. Treasury discount securities	9,795,978	0.255	3.1%
U.S. agency coupon securities	54,444,422	0.884	16.9%
U.S. agency callable securities	12,998,599	2.663	4.0%
U.S. agency discount securities	203,668,873	0.428	63.3%
Municipal Investment Pool-Overnight*	25,621,543	-	8.0%
Collateralized deposits	15,026,687	-	4.7%
Total value	$ 321,556,102		100.0%
Portfolio modified duration		0.625	

*The weighted average maturity of the Municipal Investment Pool was 36.9 days at December 31, 2011.

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.

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, 2011, 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 AAAf/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% 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.

Instrument	Maximum
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%

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% 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.

At December 31, 2011, the City's investments in pooled funds by issuer are shown in the table at the right.

Investment Type	Carrying Value	Percent of Total Pooled Funds
U.S. Treasury	$ 9,795,978	3.1%
Federal Farm Credit Bank	35,191,575	10.9%
Federal Home Loan Bank	69,574,728	21.6%
Federal Home Loan Mortgage Corp.	91,088,240	28.3%
Federal National Mortgage Assoc.	75,257,351	23.4%
Municipal Investment Pool	25,621,543	8.0%
Collateralized deposits	15,026,687	4.7%
Total value	$321,556,102	100.0%

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.

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, 2011, revenue bond proceeds for reserve funds and future capital projects of the Water and Sewer Utility Funds were invested as follows:

Investment	Carrying Value	Modified Duration (yrs)	Percent of Bond Proceeds Investments
U.S. agency discount securities:			
Federal National Mortgage Association	$18,499,926	0.027	93.7%
Federal Home Loan Bank	1,244,907	0.375	6.3%
Total value	$ 19,744,833		100.0%
Total modified duration		0.048	

Additionally, general obligation temporary note proceeds for future capital projects of the Water Utility were invested as follows:

Investment	Carrying Value	Modified Duration (yrs)	Percent of Note Proceeds Investments
Municipal Investment Pool-Overnight*	$40,090,051	-	100.0%
Total value	$40,090,051		100.0%
Total modified duration		-	

*The weighted average maturity of the Municipal Investment Pool was 36.9 days at December 31, 2011.

In accordance with the Code of Federal Regulations, unexpended Passenger Facility revenue of the Airport Authority is held in other interest bearing instruments. As of December 31, 2011, $19,139,191 was invested with the Municipal Investment Pool – Overnight. The weighted average maturity of the Municipal Investment Pool was 36.9 days at December 31, 2011.

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% may be invested in equity mutual funds.

On December 31, 2011 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 Airport Authority Fund, 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, 2011, 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 50% by be invested in equity mutual funds.

C. Investments of the Wichita Public Building Commission

Deposits and investments of $2,860,675 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, 2011, $2,860,465 was invested in Treasury money market funds.

D. Investments of the Pension Trust Funds

City Ordinance (49-036; section 2.28.090) authorizes the Wichita Employees' Retirement System and City Charter Ordinance 215, section 12, 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%; and (2) the proportion of funds invested in foreign securities shall not exceed 35%. Additionally, the Systems are not permitted to invest directly or indirectly in any:

1. Real estate, except in certain pooled arrangements with the amount of such investment not to exceed 10% of the Fund;
2. Private equity, except in a commingled fund-of funds vehicle operated by a registered investment advisor or a bank with the amount of such investment not to exceed 10% of the Fund;
3. Timber; except in a commingled fund vehicle operated by a registered investment advisor or a bank. The amount of such investment shall not exceed 10% of the Fund;
4. Mortgages secured by real estate, except insured mortgages under Titles 203, 207, 220 and 221 of the Federal Housing Act;
5. Oil and gas leases or royalties; or
6. Commodities (including, but not limited to, wheat, gold, gasoline, options, or financial futures); provided however, that the restriction on investments contained in this paragraph shall not apply to funds which are invested in a mutual fund, separate account or commingled fund operated by a registered investment advisor or insurance company.

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 six asset types: domestic equities, international equities, domestic fixed income, real estate, timber, and commodities.

The investments of the Wichita Retirement Systems on December 31, 2011 are listed in the accompanying table.

Type of Investment	Fair Value
Government short-term investment fund	$ 31,195,365
Government securities, long-term	30,823,657
Corporate debt instruments, long-term	93,784,938
Mortgage and asset-backed securities	87,013,880
Corporate stocks, domestic common	318,245,576
Corporate stocks, international common	143,652,699
Real estate	32,542,505
Timber	9,825,366
Commodities	12,043,342
Value of interest in pooled funds, domestic fixed	451,921
Value of interest in pooled funds, international fixed	7,263,755
Value of interest in pooled funds, high yield fixed	7,496,134
Value of interest in pooled funds, U.S. TIPS	12,854,067
Value of interest in pooled funds, domestic equities	112,084,537
Value of interest in pooled funds, international equities	37,506,981
Securities lending short-term collateral investment pool	88,624,514
Total investments	$ 1,025,409,237

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.

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 (REITS). The fair values of these investments are estimated using the net asset value of the Systems' shares owned in each trust. Market conditions have had a negative impact on the estimated fair value of real estate investments. Restrictions on the availability of real estate financing, as well as economic uncertainties, 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 uncertainty.

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, 2011, the WRS' cash deposits in the amount of $534,657 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. 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.

Quality Rating	Total Debt Securities
AAA	$ 30,090,238
AA+	88,728,726
AA	4,355,880
AA-	2,974,572
A+	9,829,454
A	24,811,964
A-	28,260,780
BBB+	12,885,900
BBB	6,072,586
BBB-	3,351,001
BB+	1,719,531
BB	401,488
BB-	776,400
B+	7,904,541
B	904,931
B-	93,883
CCC	4,522,567
CC	866,624
C	53,625
D	1,387,530
NR	9,244,210
Total credit risk debt securities	239,236,431
Pooled domestic fixed income securities*	451,921
Government short term investment fund**	31,195,365
Total investment in debt securities	$ 270,883,717

* 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, 2011 was A1P1.

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 issuers selected and may hold any mix of fixed income securities and cash equivalents.

2. Portfolio duration must not be less than 80% nor more than 120% of the duration of the Barclays Capital Aggregate Bond Index, unless the Joint Investment Committee prospectively grants a written exception. As of December 31, 2011, the duration of the Index was 4.95 years, which equated to a minimum and maximum range for each fixed income portfolio of 3.96 years and 5.94 years, respectively.

The modified duration of investments on December 31, 2011 is as follows:

Investment Type	Fair Value	Modified Duration (years)
Government securities, long-term	$ 30,823,657	5.79
Corporate debt instruments: long term	93,784,938	5.17
Mortgage and asset-backed securities	87,013,880	3.41
Actively managed investment totals	211,622,475	4.54
Government short-term investment fund	31,195,365	0.09
Pooled U.S. TIPS	12,854,067	8.17
Pooled domestic fixed income securities	451,921	4.86
Pooled international and high yield fixed income securities	14,759,889	3.13
Total investment in debt securities	$ 270,883,717	

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, at the time of purchase, bonds and preferred stocks must be rated at least "A2/A/A" or higher using the middle rating of Moody's, Standard and Poor's, and Fitch after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower ("more conservative") rating is used. When a rating from only one agency is available, that rating is used to determine credit quality; and (2) For core-plus domestic fixed income investments, the weighted average credit quality of the portfolio will not fall below "Aa3/AA-/AA-" or equivalent; when determining credit quality, the middle rating of Moody's, Standard and Poor's, and Fitch is used after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower ("more conservative") rating is used. When a rating from only one agency is available, that rating is used to determine credit quality. Throughout 2011, no securities were purchased that were below the established credit quality minimum in the active core portfolio. Due to the volatile investment environment in 2011, the weighted average credit quality of the active core-plus portfolio fell below the established credit quality minimum.

The table below shows the debt investments held by the Wichita Retirement Systems on December 31, 2011 and their respective ratings by Standard and Poor's, or an equivalent nationally recognized statistical rating organization.

Type	Classification	Change in Fair Value	Notional Value	Exposure/ Fair Market Value	Counterparty	Counterparty Rating
Credit Default Swap bought	Investment Revenue	$ 2,818	$ 312,000	$ 15,688	Goldman Sachs & Co	A-
Credit Default Swap bought	Investment Loss	(377)	328,000	16,493	Morgan Stanley Co., Inc.	A-
Credit Default Swap written	Investment Loss	(68,507)	553,000	(65,786)		
Fixed Income Futures Long	Investment Revenue	2,089,415	5,738,520			
Fixed Income Futures Short	Investment Loss	(1,319,794)	15,500,000			
Fixed Income Options Bought	Investment Revenue	6,545				
Fixed Income Options Written	Investment Revenue	48,195				
Futures Options Bought	Investment Loss	(5,844)	42,500	5,631		
Futures Options Written	Investment Revenue	129,116	(42,500)	(4,037)		
FX Forwards	Investment Revenue	152,033	4,984,352	152,806	State Street Bank London	A+
Pay Fixed Interest Rate Swaps	Investment Loss	(622,271)				
Rights	Investment Revenue	45,639				
Total Return Bond Swap	Investment Loss	(213,789)	1,122,823	(10,455)		
	Totals	$ 243,179	$28,538,695	$ 110,340		

Credit risk for investment derivative instruments results from counterparty risk assumed by the Wichita Retirement Systems. This is essentially the risk that the counterparty to a Wichita Retirement Systems' transaction will be unable to meet its obligation. Information regarding the Wichita Retirement Systems' credit risk related to derivatives is found in the derivatives disclosures following in these notes.

Concentration Credit Risk: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of an entity's investment with a single issuer. The Wichita Retirement Systems' investment in debt securities had no single issuer of investments that represented 5% or more of the plan assets, with exception of investments issued or implicitly guaranteed by the U.S. government and investments in mutual funds.

Derivatives: Investment derivative instruments are financial contracts for which the value of the contract is dependent on the values of one or more underlying asset, reference rate, or financial index. They include futures contracts, swap contracts, options contracts, rights, and forward foreign currency exchanges. While the Wichita Retirement Systems has no formal policy specific to investment derivatives, the Wichita Retirement Systems, through its external investment managers, held a variety of these instruments as of December 31, 2011. The Wichita Retirement Systems enters into these investment derivative instruments primarily to enhance the performance, reduce the volatility of its investment portfolio, and to manage interest rate risk. The investment derivative instruments held by the Wichita Retirement Systems on December 31, 2011 are shown in the following table. The notional values associated with these derivative instruments are generally not recorded in the financial statements; however, the exposure amounts on these instruments are included in the fair value of investments in the Statement of Plan Net Assets and the total changes in fair value for the year are included as investment income in the Statement of Changes in Plan Net Assets.

The fair value of derivative investments is based on the exchanges when available. When an exchange is not available, estimated fair values are determined in good faith by using information from J.P. Morgan traders and other market participants, including methods and assumptions considering market conditions and risks existing at the date of the Statement of Plan Net Assets. Such methods and assumptions incorporate standard valuation conventions and techniques, such as discounted cash flow analysis and option pricing models. All methods utilized to estimate fair values result only in general approximations of value.

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.

All forward foreign currency contracts are carried at fair value by the Wichita Retirement Systems. As of December 31, 2011, the Systems held forward currency contracts with an unrealized gain of $152,033. 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, 2011 is presented in the following table.

Currency	Cash and cash equivalents	Debt Securities	Equities
Australian dollar	$ 173,797	$ -	$ 10,985,855
Canadian dollar	24,653	-	1,279,176
Danish krone	-	-	837,340
Euro	62,854	-	47,453,315
Hong Kong dollar	4	-	2,435,010
Japanese yen	-	-	30,627,665
New Zealand dollar	-	-	196,173
Norwegian krone	9,943	-	656,040
Pound sterling	80,136	-	33,303,276
Singapore dollar	27,636	-	2,737,563
Swedish krona	-	-	717,823
Swiss franc	-	-	10,641,294
International mutual funds (various currencies)	-	7,263,755	37,506,981
Total subject to foreign currency risk	$ 379,023	$ 7,263,755	$ 179,377,511

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 Wichita Retirement Systems' custodial bank, State Street, is the lending agent for the Systems' domestic securities for initial collateral of 102% of the market value of the loaned securities, international equity

securities for initial collateral of 105% 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% 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.

The collateral securities cannot be pledged or sold by the Wichita Retirement Systems 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% of the market value of the loaned securities. Contracts with the lending agent require them to indemnify the Wichita Retirement 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 Wichita Retirement Systems for income distributions by the securities' issuers while the securities are on loan.

At year-end, the Wichita Retirement Systems had no credit risk exposure to borrowers because the amounts the Wichita Retirement Systems owe the borrowers exceeded the amounts the borrowers owed the Systems. Securities loaned can be terminated on demand by the Wichita Retirement 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 36 days. The relationship between the maturities of the investment pool and the Wichita Retirement Systems' loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Wichita Retirement 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 Wichita Retirement 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

Wichita Retirement Systems' securities lending policy, $88,624,514 was held by the counterparty acting as the Wichita Retirement Systems' agent in securities lending transactions on December 31, 2011.

6. Capital Assets

Capital asset activity of the primary government for the year ended December 31, 2011 presented in the following table (expressed in thousands of dollars).

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 253,061	$ 8,422	$ (18,569)	$ -	$ 242,914
Construction in progress	63,529	48,516	(60,375)	-	51,670
Total capital assets, not being depreciated	316,590	56,938	(78,944)	-	294,584
Capital assets, being depreciated:					
Buildings	266,285	20,477	(8)	135	286,889
Improvements other than buildings	76,179	8,968	-	(1,198)	83,949
Machinery, equipment and other assets	103,334	9,416	(5,141)	(628)	106,981
Infrastructure	733,205	28,462	-	1,063	762,730
Total capital assets being depreciated	1,179,003	67,323	(5,149)	(628)	1,240,549
Less accumulated depreciation for:					
Buildings	(116,267)	(3,179)	3	(135)	(119,578)
Improvements other than buildings	(24,905)	(2,523)	-	163	(27,265)
Machinery, equipment and other assets	(66,701)	(9,139)	4,930	408	(70,502)
Infrastructure	(180,015)	(17,865)	-	(28)	(197,908)
Total accumulated depreciation	(387,888)	(32,706)	4,933	408	(415,253)
Total capital assets, being depreciated, net	791,115	34,617	(216)	(220)	825,296
Governmental activities capital assets, net	$ 1,107,705	$ 91,555	$ (79,160)	$ (220)	$ 1,119,880
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 40,295	$ 270	$ -	$ -	$ 40,565
Construction in progress	333,920	114,721	(5,318)	-	443,323
Total capital assets, not being depreciated	374,215	114,991	(5,318)	-	483,888
Capital assets, being depreciated:					
Airfields	136,796	-	-	-	136,796
Buildings	218,476	463	(21)	-	218,918
Improvements other than buildings	980,717	14,565	-	-	995,282
Machinery, equipment and other assets	129,344	6,636	(2,206)	628	134,402
Total capital assets being depreciated	1,465,333	21,664	(2,227)	628	1,485,398
Less accumulated depreciation for:					
Airfields	(97,035)	(3,867)	-	-	(100,902)
Buildings	(100,000))	(3,547)	7	-	(103,540))
Improvements other than buildings	(223,231)	(15,122)	-	-	(238,353)
Machinery, equipment and other assets	(86,508)	(7,670)	1,986	(408)	(92,600)
Total accumulated depreciation	(506,774)	(30,206)	1,993	(408)	(535,395)
Total capital assets, being depreciated, net	958,559	(8,542)	(234)	220	950,003
Business-type activities capital assets, net	$ 1,332,774	$ 106,449	$ (5,552)	$ 220	$ 1,433,891

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Fiduciary Activities					
Capital assets, being depreciated:					
Machinery, equipment and other assets	$ 1,284	$ -	$ -	$ -	$ 1,284
Less accumulated depreciation for:					
Machinery, equipment and other assets	(463)	(180)	-	-	(643)
Total capital assets, being depreciated, net	821	(180)	-	-	641
Fiduciary activities capital assets, net	$ 821	$ (180)	$ -	$ -	$ 641

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

	Current Year Depreciation
Governmental activities:	
General government	$ 1,918
Public safety	2,216
Highways and streets, including depreciation of general infrastructure assets	19,025
Sanitation	126
Health and welfare	729
Culture and recreation	4,272
Capital assets held by the government's internal services funds are charged to the various functions based on their usage of the assets	4,420
Total depreciation expense-governmental activities	$ 32,706
Business-type activities:	
Water Utility	$ 10,542
Sewer Utility	9,106
Airport Authority	6,293
Storm Water Utility	2,092
Nonmajor enterprise funds	2,173
Total depreciation expense-business-type activities	$ 30,206
Fiduciary activities	
Pension Trust Funds	$ 180

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 (WPFRS). Each system is governed 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 WPFRS. 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.

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 Boards of Trustees of the Systems have contractual arrangements with independent money managers for investment 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 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 System member benefits. The Systems held no individual investments (other than U.S. Government and U.S. Government guaranteed obligations) where the market value exceeded 5% 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% of covered salaries, respectively. From its various operating funds, the City is required to contribute at an actuarially determined rate; the rate for 2010 was 10.2% 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 2011, the City's annual pension cost of $6,596,124 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, 2009 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% year compounded annually, (b) projected salary increases of 4.0% per year compounded annually (3.5% attributable to inflation and 0.5% attributable to productivity), (c) additional projected salary increases ranging

from .25% to 3.20% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 3.0% per year (non-compounded) after retirement for Plan 1 and 2.0% per year (non-compounded) for Plan 2.

The market value of assets is not used directly in the calculation of the City's contribution rate. An asset valuation method is used to smooth the effect of market fluctuations and determine the value of assets used in the valuation, called the actuarial value of assets. The actuarial value of assets is equal to the expected value (calculated using the actuarial assumed rate of return of 7.75%), plus 25% of the difference between the market and expected value. This is the tenth year this smoothing method has been used.

With the smoothing method, portions of investment losses are deferred and currently represent about 11% of the market value of assets. Unless offset by future investment gains or other favorable experience, the recognition of the $54 million loss is expected to have an impact on the future funded ratio and actuarial contribution requirements. If the deferred losses were recognized immediately in the actuarial value of assets, the funded percentage would decrease from 92.5% to 82.6% and the actuarially determined contribution rate would increase from 12.6% to 17.9%.

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. The unfunded actuarial liability/(surplus) represents the difference between the actuarial accrued liability and the actuarial value of assets. The unfunded actuarial liability/(surplus) is amortized as a level percent of projected payroll on an open basis. At December 31, 2011, the amortization period was 20 years.

The funded status for the WERS as of December 31, 2011, the most recent actuarial valuation date, is illustrated in the following table. (dollars are in thousands):

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
$ 513,298	$ 555,174	$41,876	92.5%	$ 75,444	55.5%

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
12/31/09	$ 2,545,331	100%	$ 0
12/31/10	4,529,765	100%	0
12/31/11	6,596124	100%	0

B. Wichita Police and Fire Retirement System

Plan Description: The WPFRS consists of 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 establishedby 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 8% of covered salaries. From its various operating funds, the City is required to contribute at an actuarially determined rate; the rate for 2011 was 22.0% 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.

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 2011, the City's annual pension cost of $13,806,880 was equal to the required and actual contributions.

The employer's annual required contribution was determined as part of the December 31, 2009 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% year compounded annually, (b) projected salary increases of 4.0% per year compounded annually (3.5% attributable to inflation and 0.5% attributable to productivity), (c) additional projected salary increases ranging from 1.0% to 2.75% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.0% per year (non-compounded) commencing 36 months after retirement.

The market value of assets is not used directly in the calculation of the City's contribution rate. An asset valuation method is used to smooth the effect of market fluctuations and determine the value of assets used in the valuation, called the actuarial value of assets. The actuarial value of assets is equal to the expected value (calculated using the actuarial assumed rate of return of 7.75%), plus 25% of the difference between the market and expected value. This is the tenth year this smoothing method has been used.

With the smoothing method, portions of investment losses are deferred and currently represent about 11% of the market value of assets. Unless offset by future investment gains or other favorable experience, the recognition of the $50 million loss is expected to have an impact on the future funded ratio and actuarial contribution requirements. If the deferred losses were recognized immediately in the actuarial value of assets, the funded percentage would decrease from 90.8% to 81.9% and the actuarially determined contribution rate would increase from 22.8% to 28.2%.

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. The unfunded actuarial liability/(surplus) represents the difference between the actuarial accrued liability and the actuarial value of assets. The unfunded actuarial accrued liability/(surplus) is amortized as a level percentage of projected payroll on an open basis. At December 31, 2011, the amortization period was 20 years.

The funded status of WPFRS as of December 31, 2011, the most recent actuarial valuation date, is as follows (dollars in thousands):

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
$ 510,946	$ 562,488	$ 51,542	90.8%	$ 62,759	82.1%

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
12/31/09	$ 11,034,552	100%	$ 0
12/31/10	13,119,984	100%	0
12/31/11	13,806,880	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, 2011, current membership totaled 683.

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% covered salaries. The reporting entity's contributions and earnings for each employee are 25% vested after three years of service, 50% 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, 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, 2011, employee and employer contributions to Plan 3 totaled $1,244,150 and $1,244,150, 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. For 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

The employee health insurance program is offered to all full-time employees of the reporting entity and their dependants. The health insurance program is open to retirees and dependants up to 65 years of age. The City self-insures health benefits up to $450,000 per member with a stop-loss secondary coverage for costs above $450,000. The self-insured prescription drug plan is included in the monthly premium paid to Express Scripts. At December 31, 2011, the City recorded a liability of $2,974,147 for estimated claims pending. Net assets at December 31, 2011 were $8,166,887.

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 90%. 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, 2011, the City recorded a liability of $9,168,509 for estimated probable claims pending. Net assets at December 31, 2010 were $4,788,685.

C. Life Insurance

The life insurance program offered by the City is a fully insured program administered by Minnesota Mutual Life Insurance Company. The program provides basic life, dependent life, and accidental death and dismemberment with conversion privileges to participants. The cost of basic employee life insurance is funded approximately one third by the employee and two thirds by the City.

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, 2011, net assets totaled $703,586.

D. 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 for most covered losses, except wind and hail, which is $2,000,000 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. The City maintains 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 provides coverage of $10 million with a $2 million self-insured retention.

At December 31, 2011, the City recorded a liability of $3,203,250 for pending tort claims at a 90% confidence level and to provide for the loss of excess liability coverage and potential environmental liability exposure. At December 31, 2011, net assets totaled $8,306,824.

Fund	Claims Paid	Beginning Balance	Changes in Actuarial Estimate	Ending Balance	Short Term Portion
Worker's Compensation					
2010	$ 2,406,383	$ 9,019,084	$ 856,123	$ 9,875,207	$ 2,884,581
2011	2,640,481	9,875,207	(706,698)	9,168,509	2,517,514
General Liability					
2010	2,693,940	4,187,749	(2,175,893)	2,008,856	749,648
2011	2,378,345	2,008,856	1,194,394	3,203,250	1,388,228
Health Insurance					
2010	29,847,900	2,595,875	193,914	2,789,789	2,789,789
2011	30,204,871	2,789,789	184,358	2,974,147	2,974,147

E. 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.

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% of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 100% 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% 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 2011, retired plan members receiving benefits contributed $1,833,395 to the plan compared to City's contribution of $1,780,292.

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	$ 4,401,874
Interest on net OPEB obligation	260,357
Adjustment to annual required contribution	(376,412)
Annual OPEB cost (expense)	4,285,819
Contributions made	(1,780,292)
Increase in net OPEB obligation	2,505,527
Net OPEB obligation January 1, 2010	6,508,935
Net OPEB obligation December 31, 2010	9,014,462

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.

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $39,121,258. On December 31, 2011, the covered payroll (annual payroll of active employees covered by the plan) was $137.3 million, and the ratio of the UAAL to the covered payroll was 28.5%. The City's policy is to fund the benefits on a pay as you go basis from the Self Insurance Fund, resulting in an unfunded actuarial accrued liability (UAAL) of $39,121,258 on December 31, 2011.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	$ 3,187,360	43.0%	$ 4,059,043
2010	3,155,185	22.4%	6,508,935
2011	4,285,819	41.5%	9,014,462

Actuarial valuations of the 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 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 December 31, 2011 actuarial valuation, the projected unit credit method was applied. The actuarial assumptions included a 3.5% inflation rate implicitly included in the 4% 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 9% declining 7.0% in the first five years and 6.5% to a rate of 5% after five years. The valuation did not include changes in the benefits over the valuation period. The valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results. The 2011 UAAL is being amortized on a level dollar basis utilizing an open 30-year period. Prior year UAAL amortizations were amortized on a level dollar basis utilizing a closed 30-year period.

F. Termination Benefits

Description. The City offered a one-time termination incentive to employees eligible for normal or reduced retirement in the Wichita Employees Retirement System between November 1, 2011 and December 24, 2011. Eligible employees were offered a choice between two retirement incentive options: 1) Employee could elect to purchase single or family health insurance at the active employee contribution rate for five years or until the age of 65, whichever comes first or 2) the Employee could elect a one-time payment of $25,000 subject to applicable payroll and tax withholding. Voluntary termination was elected by 104 employees: 47 employees elected the cash payout option and 57 employees elected to continue in the health insurance program. The City funded cash incentives from operations and will fund the health insurance benefits to retirees and their dependants on a pay-as-you-go basis.

The December 31, 2011 actuarial valuation assumed annual healthcare cost trend rates of 9% declining to 7% discounted to the present value utilizing a 4% discount rate. The net present value of the health benefits in governmental funds on December 31, 2011 is $1,080,822. In 2011, the City recorded one-time termination expenses totaling $1,175,000.

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.

The Airport combines cash and long-term financing to manage capital programs, funding the construction from cash as available, then issuing bonds for permanent financing as necessary to replenish cash. In 2011, the Airport issued General Obligation Bond Series 2011A in the amount of $5,715,000 and General Obligation Bond Series 2011B in the amount of $11,365,000 to permanently finance capital investments previously funded from operating cash. Annual debt service requirements to maturity for general obligation bonds are presented in the following table.

General Obligation Bonds
Outstanding on December 31, 2011
(dollars in thousands)

Payable From	Interest Rates	Amount
Government activities:		
Ad valorem property taxes	2.0% - 6.5%	$ 69,517
Transient guest tax	5.00% - 6.87%	1,956
Tax increment financing	2.0% - 5.0%	20,555
Local sales tax	2.0% - 5.0%	123,455
Subtotal government activities		215,483
Business-type activities:		
Storm Water Utility	2.0% - 5.0%	21,036
Golf Course System	3.00% - 3.25%	2,565
Wichita Airport Authority	1.2%-5.6%	17,080
Subtotal business-type activities		40,681
Total general obligation bonds		$ 256,164

Annual Debt Service Requirements -General Obligation Bonds
(dollars in thousands)

Year ending	Governmental Activities		Business-type Activities	
December 31	Principal	Interest	Principal	Interest
2012	$ 26,763	$ 8,561	$ 3,217	$ 1,499
2013	24,769	7,693	3,313	1,419
2014	24,447	6,050	3,129	1,326
2015	24,478	5,181	3,089	1,226
2016	25,319	4,295	2,473	1,122
2017 - 2021	79,592	9,136	10,744	4,266
2022 - 2026	10,115	814	6,091	2,790
2027 - 2031	-	-	3,580	1,827
2032 – 2036	-	-	2,280	1,058
2037 - 2041	-	-	2,765	384
Totals	$ 215,483	$ 41,730	$ 40,681	$ 16,917

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.

Annual Debt Service Requirements
Special Assessment Bonds
(dollars in thousands)

Year ending December 31	Governmental Activities Principal	Governmental Activities Interest
2012	$ 23,850	$ 10,576
2013	25,185	9,792
2014	25,875	8,895
2015	24,630	7,944
2016	22,975	6,969
2017 - 2021	101,555	21,031
2022 - 2026	34,835	5,675
2027 - 2031	10,725	920
Totals	$ 269,630	$ 71,802

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 tables.

Revenue Bonds
Outstanding on December 31, 2011
(dollars in thousands)

Primary Government-Enterprise Funds	Interest Rates	Final Maturity Date	Amount
Water Utilities:			
1998 Water & Sewer Refunding	4.70%	2012	$ 2,065
2000A Water	4.69%	2021	1,621
2000B Water	4.69%	2021	2,790
2005A Water & Sewer Refunding	3.00% - 5.00%	2016	22,840
2005B Water & Sewer Refunding	5.00%	2016	14,880
2005C Water & Sewer Refunding	3.75% - 5.00%	2030	38,955
2006 Water & Sewer	4.00% - 5.00%	2031	43,955
2008A Water & Sewer	3.50% - 5.00%	2032	26,630
2009A Water & Sewer	3.00% - 5.00%	2039	115,305
2009B Water & Sewer	4.27% - 5.36%	2019	10,840
2010A Water & Sewer	1.75% - 4.00%	2030	30,605
2010B Water & Sewer	3.00% - 5.35%	2030	16,510
2011A Water & Sewer	3.00% - 5.00%	2028	105,325
Wichita Airport Authority:			
Federal Express – Series A & B 1997	6.45%	2013	180
Executive Aircraft Corp. – Series 1999	6.10% - 6.75%	2014	1,230
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	2,660
Yingling Aircraft – Series A 2005	6.00%	2025	1,500
Cessna Aircraft Co. – Series A 2005	5.00%	2025	5,850
Total primary government			$ 494,341

*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%. The interest rate utilized to calculate the debt service requirements was the effective rate on December 31, 2011 of 0.09%.

Revenue Bonds (continued) Outstanding on December 31, 2011 (dollars in thousands)			
	Interest Rates	Final Maturity Date	Amount
Component Unit – Wichita Public Building Commission			
Wichita State University – Series L 2001	4.00% - 5.00%	2017	$ 8,205
Kansas Sports Hall of Fame – Series M 2003	2.30% - 4.40%	2023	1,170
State Office Building, Refunding Series N 2003	2.25% - 4.00%	2004	4,635
Total Component Unit			$ 14,010

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% of the current year's debt service requirements. Principal and interest paid for the current year were $22,543,785 and $21,550,591, respectively, which represents 35.0% 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 for repayment of revenue bonds were $705,000 and $3,690,361, respectively in 2011.

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 $2,695,000 and $677,552, respectively. Note 12 to the Financial Statements provides additional information about the direct financing leases of the Airport and the Wichita Public Building Commission.

In 2011, the Wichita Public Building Commission sold the building leased and occupied by the Kansas Sports Hall of Fame. The proceeds were deposited into an escrow account to provide for future debt service payments. The bonds will be recorded as a liability of the Wichita Public Building Commission until the bonds are fully repaid in 2023, or defeased at the earliest call date. The balance of principal and interest to be paid from the escrow account on December 31, 2011 is $1,513,827.

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

Annual Debt Service Requirements- Revenue Bonds (dollars in thousands)				
Year ending	Business-type Activities		Component Unit-WPBC	
December 31	Principal	Interest	Principal	Interest
2012	$ 25,305	$ 22,959	$ 2,790	$ 581
2013	23,587	22,624	2,890	474
2014	22,199	21,715	3,010	354
2015	22,833	20,773	1,480	221
2016	24,037	19,783	1,555	146
2017 - 2021	107,995	83,267	2,045	158
2022 - 2026	107,710	57,136	240	16
2027 - 2031	79,355	33,502	-	-
2032 - 2036	74,825	6,183	-	-
2037 - 2041	6,495	649	-	-
Totals	$ 494,341	$ 288,591	$ 14,010	$ 1,950

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% to 6.33%. Debt service requirements to maturity for the HUD Section 108 loan are presented in the accompanying table.

Annual Debt Service Requirements HUD Section 108 Loan (dollars in thousands		
Year ending	Governmental Activities	
December 31	Principal	Interest
2012	$ 330	$ 43
2013	350	22
Totals	$ 680	$ 65

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%. Debt service requirements to maturity are presented in the accompanying table. At year-end, the $509,580 outstanding principal is included in the governmental debt.

Annual Debt Service Requirements Capital Lease		
Year Ending	Internal Service Fund	
December 31	Principal	Interest
2012	$ 356,429	$ 18,718
2013	153,151	2,111
Totals	$ 509,580	$ 20,829

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 21.56 years total $21,522,917 or $998,280 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 7.48 years is $655,779 or $87,671 annually.

Additionally, the City operates three limited landfills. The City's construction and demolition landfill has cumulative closure costs of $851,740 on December 31, 2011, based on the use of 69.9% of the estimated capacity. The industrial monofill landfill for asbestos waste has cumulative closure costs of $119,743, based on the use of 21.3% 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, 2011 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 $398,866 were in the governmental amounts below. Compensated absences for the governmental funds are generally liquidated by the General Fund.

Post employment benefits other than pensions are recorded at the entity-wide level and are generally liquidated from the Self-Insurance Fund.

F . Current and Advance Refunding of Long-Term Debt

Current Refunding: On September 15, 2011, the City issued Series 2011C general obligation bonds in the amount of $22,585,000 with a net interest cost of 1.25% for a current refunding of the general obligation bonds, payable in part with special assessments, tax increment financing and Storm Water Utility revenue, described as follows:

Series 776 general obligation bonds in the amount of $8,165,000 carrying an average coupon interest rate of 3.78%.

Series 777 general obligation bonds in the amount of $3,060,000 carrying an average coupon interest rate of 3.21%.

Series 778 general obligation bonds in the amount of $7,325,000 carrying an average coupon interest rate of 4.19%.

Series 785 Storm Water Utility general obligation bonds in the amount of $3,730,000 carrying an average coupon interest rate of 3.68%.

Series 957 general obligation bonds in the amount of $2,850,000 carrying an average coupon interest rate of 3.62%.

As a result, Series 776, Series 777, Series 778, Series 785 and Series 957 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 eight years by $2,403,602 and to obtain an economic gain (difference between the present values of the old debt service payment and the new debt service payments) of $2,297,564.

Crossover Refunding: Also on September 15, 2011, the City issued Series 2011D general obligation bonds in the amount of $37,355,000 with a net interest cost of 1.87% for a crossover refunding of the general obligation bonds, payable in part from special assessment and tax increment financing revenue, described as follows:

Series 780 general obligation bonds in the amount $11,600,000 carrying an average coupon interest rate of 3.27%.

Series 782 general obligation bonds in the amount of $8,365,000 carrying an average coupon interest rate of 3.35%.

Series 784 general obligation bonds in the amount of $11,770,000 carrying an average coupon interest rate of 2.98%.

Series 786 general obligation bonds in the amount of $6,485,000 carrying an average coupon interest rate of 3.11%.

Series 958 general obligation bonds in the amount of $2,525,000 carrying an average coupon interest rate of 3.23%.

Proceeds of the crossover refunding bonds have been placed into an escrow account to meet the costs of refunding on the call date on or after September 1, 2012. The debt service requirements of the refunded bonds, up to the crossover call date, are paid from resources in the City's Debt Service Fund.

The City completed the crossover refunding to reduce the total debt service payments over the next ten years by $3,158,098 and to obtain an economic gain (difference between the present values of the old debt service payments and the new debt service payments) of $2,903,607.

Crossover Refunding: On October 1, 2011, the City issued Series 2011B general obligation sales tax refunding bonds in the amount of $16,240,000 with a net interest cost of 1.31% for a crossover refunding of the outstanding balance Series 2003B general obligation sales tax bonds with an average coupon interest rate of 4.80%.

Proceeds of the crossover refunding bonds have been placed into an escrow account to meet the costs of refunding on the call date on or after October 1, 2013. The debt service requirements of the refunded bonds, up to the call date will be paid from resources in the City's Debt Service Fund.

The City completed the crossover refunding to reduce the total debt service payments over the next seven years by $1,295,050 and to obtain an economic gain (difference between the present values of the old debt service payments and the new debt service payments) of $1,179,219.

Current and Advance Refunding: On November 17, 2011, the City issued Water and Sewer Utility Refunding Revenue Bonds Series 2011A in the amount of $105,325,000 with a net interest cost of 3.16% to complete a current refunding of Water and Sewer Utility Revenue Bonds Series 1999 with an average coupon interest rate of 4.0% and a full advance refunding of Water and Sewer Utility Revenue Bonds Series 2003 with an average coupon interest rate of 4.97%.

Proceeds of the refunding bonds have been placed into an escrow account to meet the costs of the current refunding of Series 1999 on or after the redemption date of December 15, 2011 and to meet the costs of the full advance refunding of Series 2003 on or after the redemption date of October 1, 2013.

As a result, the Series 1999 and Series 2003 Water and Sewer revenue 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 of Series 1999 to reduce the total debt service payments over the next seven years by $996,918 and to obtain an economic gain (difference between the present values of the old debt service payments and the new debt service payments) of $845,651. The City completed the advance refunding of Series 2003 to reduce the total debt service payments over the next seventeen years by $8,340,829 and to obtain an economic gain (difference between the present values of the old debt service payments and the new debt service payments) of $7,557,606.

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 contaminates 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 $9,688,004 has been recorded in the government-wide financial statements, in addition to a receivable of $4,023,857 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%.

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, in conjunction with offsite excavations of soil. An air sparge/soil vapor extraction system was installed in 2007 and is in operation. Remediation operations are expected to continue until 2013.

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 since the beginning of the project to the present. A liability of $1,350,341 has been recorded in the government-wide financial statements for the ongoing remediation costs. The potential for changes in the liability is low with any changes likely to be immaterial.

Waterwalk Site: 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 $4,615 has been recorded in the government-wide financial statements for the estimated liability for the ongoing remediation activities. The potential for changes to the liability is moderate pending completion of the investigation.

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 plan consisting of excavation and offsite disposal of select soils, electrical resistance heating of subsurface soils, and soil vapor extraction.

Remedial action was initiated in 2010 including excavation and disposal of contaminated soils, the initiation of the electrical resistance heating design and additional investigation. The project is expected to continue into 2013. As a result of the need to secure the property for remediation, property was purchased which is planned to be sold after the remediation process is complete. Accordingly an accounts receivable of $204,777 has been recorded reflecting estimated proceeds for the sale of this property.

The City recorded a liability for remediation and monitoring activities of $1,105,208 in the government-wide financial statements, based on engineering estimates, actual costs incurred from the start of the project to the present. The potential for change is moderate. Changes are expected to be immaterial resulting from adjustments as the remediation project nears completion.

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. The KDHE Underground Storage Tank Trust Fund has installed a system to address the petroleum related hydrocarbons. Based on the Settlement Agreement, the KDHE identified the City as the responsible party for cleanup of the chlorinated VOCs associated with the site when the responsible party declared bankruptcy in 2005. The City has performed a site investigation and is in the process of evaluating whether additional remediation is needed.

The City has recorded a liability of $1,412,589 for future costs based on an engineering estimate and actual costs incurred. The potential for reductions in the liability is high based on the level of remediation being conducted by KDHE.

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 evaluating remediation alternatives. Investigation findings are still pending. The City has ongoing costs for investigation, remediation and monitoring. A liability is recorded in the amount of $376,578 in the government-wide financial statements. The liability is based on a 2005 engineering estimate and actual costs incurred from the start of the project to the present. The potential for change to the liability is moderate pending the results of the investigations.

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.Band actual costs incurred from the start of the project to the present.

The City has recorded a liability of $951,137 in the government-wide financial statements. The potential for change to the liability is 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 KDHE approved the feasibility study in 2011 and began work on the corrective action decision. The corrective action decision is subject to a public comment period and an administrative hearing prior to finalization at which time a remediation liability can be estimated.

The City's current obligation is to provide technical services to address KDHE requirements and conduct a vapor intrusion assessment as required by KDHE. A liability of $1,198,379 has been recorded in the government-wide statements representing the City's current obligation to address the KDHE comments and technical evaluations. The potential for change to the current liability is low. Once the corrective action decision is finalized, which is likely in 2012, the resulting remediation liability is expected to be material to the long-term liability recorded in the government-wide financial statements.

APEX/11th State Site: Within the NIC Site, the APEX/11th State Site has been identified contaminated by chlorinated solvents, some reported contaminant concentrations exceeding KDHE standards. In 2008, the KDHE required the City to conduct a comprehensive investigation (CI) and correction action study (CAS) on the site. The CAS proposed remedial alternatives and evaluated the anticipated effectiveness and cost. In 2010, the KDHE required a vapor intrusion study resulting in no additional required remediation. A full scale pilot study of air sparging and soil vapor extraction technologies will be conducted in accordance with KDHE requirements.

The City has recorded a liability of $20,612 in the government-wide financial statements based on actual costs incurred from the start of the project to the present and based on known remediation requirements. The potential for changes to the current liability is relatively low. A reasonable estimate of remediation costs is not available until remedial actions are determined.

VIM Trailer: Within the NIC site, the VIM Trailer site has been identified as contaminated by chlorinated solvents with groundwater concentrations exceeding KDHE standards. A comprehensive investigation was completed and corrective action study was conducted. KDHE has approved the comprehensive investigation. The corrective action study draft report requires the City to conduct a full scale pilot study of air sparging and soil vapor extraction technologies, services which the City will be procuring in 2012.

The City has recorded a liability of $7,891 in the government-wide financial statements for the remaining investigative and corrective action study costs. The probability for change to this liability is low. A reasonable estimate of remediation costs is not available until remedial actions and alternatives are identified.

Golden Rule: Golden Rule, within the NIC site, has been identified as contaminated by TPH and metals associated with the operations of a former oil refinery. Based on the Settlement Agreement, KDHE has required the City to conduct a comprehensive investigation (CI) and corrective action study (CAS) in 2009. The degree and extent of contaminant impact is being evaluated. The City is also in the process of evaluating potential corporate successors and current landowners that may be considered liable.

The cost to conduct the CI and CAS has not been determined pending results of legal reviews of potential responsible parties. A remediation option has not been approved and as such, the City does not have a reasonable estimate of future liabilities.

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 $6,649 has been recorded in the government-wide financial statements with low potential for changes in the liability.

Redbud Rails to Trails Project: The City initiated the construction of a concrete bike path over an abandoned rail line. The rail corridor was abandoned in 2002 and "rail banked" by the City of Wichita in 2006. KDHE conducted an assessment of the rail corridor and determined the soils beneath the old rail road contain heavy metals including arsenic, cadmium, lead and poly-aromatic hydrocarbons knows as benzo(a)pyrene and naphthalene. The contaminants can be removed by excavation or capped with an approved material such as concrete. KDHE and the City entered into an agreement for a Brownfield Cleanup Grant requiring a

20% local match for the purpose of capping the pollution with a concrete bike path. Approximately two miles of bike path were constructed in 2010. No additional remediation is required at this time. Estimates of future bike path construction along the banked rail corridor will be developed as design for the paths is completed.

Wichita Mid-Continent Airport Fuel and Fire Training Facility Site: Contaminates of petroleum related volatile organic compounds were found in solid 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 contaminated in the groundwater at the nearby Fire Training Facility, KDHE requires monitoring of groundwater only. Annual monitoring of the site is completed in compliance with the KDHE requirements.

The City has recorded a liability of $5,000 in the Airport Fund financial statements for costs associated with site monitoring and reporting.

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, 2011, 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.

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, 2011, the Sewer Utility Fund held $8,300,725 in reserve for debt service and the Water Utility Fund held $11,447,263 in reserve for debt service.

Long-term liability activity for the year ended December 31, 2011, follows (expressed in thousands of dollars) is summarized in the following tables:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable:					
General obligation bonds	$ 236,196	$ 32,740	$ (53,453)	$ 215,483	$ 26,763
Special assessment debt with government commitment	255,270	54,145	(39,785)	269,630	24,442
Deferred amount on refunding	(1,282)	(2,587)	503	(3,366)	-
Unamortized premium	11,800	11,953	(1,747)	22,006	-
Total bonds payable	501,984	96,251	(94,482)	503,753	51,205
Bond anticipation notes	1,813	14,158	(1,813)	14,158	14,158
Section 108 loan	990	-	(310)	680	330
Accreted interest	1,825	222	(725)	1,322	-
Capital lease	851	-	(341)	510	356
Compensated absences	9,673	9,124	(9,175)	9,622	9,174
Claims payable	14,699	36,798	(36,126)	15,371	6,904
Other post employment benefits	6,509	4,285	(1,780)	9,014	-
Termination benefits	-	1,081	-	1,081	296
Environmental remediation	15,440	1,632	(950)	16,122	3,049
Landfill closure/postclosure care	23,915	76	(841)	23,150	1,086
Total long-term liabilities – Governmental activities	$ 577,699	$ 163,627	$ (146,543)	$ 594,783	$ 86,558

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Bonds payable:					
General obligation bonds	$ 26,723	$ 20,530	$ (6,572)	$ 40,681	$ 3,217
Deferred amount on refunding	-	(54)	3	(51)	-
Unamortized premium	-	379	(24)	355	-
Bond anticipation notes	12,624	10,245	(12,624)	10,245	10,245
Revenue bonds	524,309	105,325	(135,293)	494,341	25,305
Deferred amount on refunding	(1,243)	(7,743)	324	(8,662)	-
Unamortized premium	12,119	16,114	(4,551)	23,682	-
Total bonds payable	574,532	144,796	(158,737)	560,591	38,767
Environmental remediation	5	5	(5)	5	5
Compensated absences	1,677	1,566	(1,583)	1,660	1,578
Total long-term liabilities – Business-type activities	$ 576,214	$ 146,367	$ (160,325)	$ 562,256	$ 40,350
Wichita Public Building Commission					
Bonds payable:					
Revenue bonds	$ 16,705	$ -	$ (2,695)	$ 14,010	$ 2,790
Unamortized premium	227	-	(32)	195	-
Total long-term liabilities-WPBC	$ 16,932	$ -	$ (2,727)	$ 14,205	$ 2,790

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, 2011, bonds totaling $1,400,000 from the Wichita Public Building Commission completed the defeasance of the old bonds.

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, 2011 are payable as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities	$ 50,360,000	$ 104,622,143	$ 92,757,000	$ 62,225,143
Business-type Activities				
Water Utility Fund	140,000,000	160,000,000	140,000,000	160,000,000
Airport Fund	16,280,000	4,385,282	16,930,000	3,735,282
Storm Water Utility	-	15,287,575	4,723,000	10,564,575
Total Business-type	156,280,000	179,672,857	161,653,000	174,299,857
Total temporary notes	$ 206,640,000	$ 284,295,000	$ 254,410,000	$ 236,525,000

During 2011, the City issued $284,295,000 retired $254,410,000 and reclassified $24,403,294 of temporary notes for various capital improvement as bond anticipation notes. On December 31, 2011, the Water Utility held proceeds of $44,319,070 from the issuance of general obligation temporary notes for future capital construction. Temporary notes also replace operating cash which has been used to finance capital construction in other funds. Some construction costs may have occurred in prior periods. On December 31, 2011, the temporary notes in the Storm Water Utility Fund were reclassified as bond anticipation notes.

Primary Government	Interest Rate	Amount Outstanding	Maturity Date
Capital Projects Funds:			
Public Improvements - Series 241	1.25%	$ 6,085,000	02/09/12
Street and Bridge Improvements - Series 246	0.38%	15,392,229	08/10/12
Street and Bridge Improvements BAN - Series 246	0.38%	7,565,627	08/10/12
Water Main Construction - Series 246	0.38%	214,902	08/10/12
Water Main Construction - Series 246	0.38%	335,038	08/10/12
Public Improvements - Series 246	0.38%	18,818,249	08/10/12
Sewer Construction - Series 246	0.38%	5,033,680	08/10/12
Sewer Construction BAN- Series 246	0.38%	6,257,192	08/10/12
Park Improvements - Series 246	0.38%	2,523,226	08/10/12
Enterprise funds:	0.70%	3,085,000	02/09/12
Airport Improvements - Series 246	0.38%	650,282	08/10/12
Storm Water Utility - Series 246	0.38%	319,138	08/10/12
Storm Water Utility BAN - Series 246	0.38%	10,245,437	08/10/12
Water Utility – Series 248	0.30%	160,000,000	08/15/13
Total Reporting Entity		$ 236,525,000	

12. Leases

Rents Receivable Under Operating Leases: The City and the Airport Authority lease facilities and land to 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 future minimum rentals of non-cancelable operating leases are reflected in the accompanying table in this note. The future value of operating leases summarized in the table do not include contingent rentals that may be received under certain leases; such contingent rentals totaled $2,349,158 in 2011.

Year Ending December 31	Minimum Rentals of Non-cancelable Operating Leases
2012	$ 7,599,151
2013	4,792,558
2014	4,473,013
2015	3,743,146
2016	3,637,852
2017 - 2021	13,843,499
2022 - 2026	8,846,067
2027 - 2031	5,491,012
2032 - 2036	3,676,129
2037 - 2041	3,203,346
2042 - thereafter	6,290,703
Total minimum future	$ 65,596,476

The Wichita Airport Authority (WAA) has authorized the construction of buildings on Authority-owned land by 39 tenants. The tenants lease the land from the WAA for periods ranging from one month to 46 years with renewal options ranging from five years to 27 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. In 2010, the building leased and occupied by the Kansas Sports Hall of Fame was sold and the lease agreement terminated. The proceeds of the sale were deposited in an escrow account to make all future debt service payments until the scheduled defeasance of the debt in 2014. Additional information about the principal and interest payments is provided in Note 9 to the financial statements.

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, 2011 and the future minimum lease rentals to be received under the leases.

Investments in Direct Financing Leases
As of December 31, 2011

	WAA	WPBC	Total
Total minimum lease payments to be received	$ 131,450,061	$ 14,446,417	$ 145,896,478
Less: unearned income	69,430,061	1,606,417	71,036,478
Net investment in direct financing leases	$ 62,020,000	$ 12,840,000	$ 74,860,000

Future Minimum Lease Rentals
Under Direct Financing Leases
As of December 31, 2011

Year ending December 31	Airport Authority	Wichita Public Building Commission	Total
2012	$ 4,161,344	$ 3,244,315	$ 7,405,659
2013	4,092,617	3,239,195	7,331,812
2014	4,028,007	3,237,563	7,265,570
2015	3,563,644	1,577,362	5,141,006
2016	3,563,644	1,575,863	5,139,507
2017 - 2021	19,040,491	1,572,119	20,612,610
2022 - 2026	24,081,470	-	24,081,470
2027 - 2031	18,078,220	-	18,078,220
2032 - 2036	50,840,624	-	50,840,624
Total minimum future rentals	$ 131,450,061	$ 14,446,417	$ 145,896,478

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. Three years remain on the operating lease with the summary of the future minimum lease payments totaling $108,356 presented in the accompanying table.

Rents Payable Under Non-Cancelable Operating Lease
As of December 31, 2011

Year Ending December 31	Minimum Rentals of Non-cancelable Operating Leases
2012	$ 75,771
2013	32,585
Total	$ 108,356

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, 2011, 123 series of industrial revenue bonds were outstanding, with an aggregate principal amount payable of $2,412,026,574.

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 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, 2011, seven series of special facility revenue bonds were outstanding totaling $62,020,000 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, 2011, the aggregate principal amount payable was $14,010,000. 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, 2011, transfer revenue and transfer expenditures each totaled $77,263,902.

Non-routine transfers to the General Fund consisted primarily of $400,000 from the Landfill Postclosure Fund, $1.2 from the pension reserves held in the Self Insurance Fund to offset higher pension contribution rates and $775,000 from the Self Insurance Fund to pre-fund a 2011 retirement incentive program.

Of routine nature are the Debt Service Fund transfers of $18.9 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

Summary of Interfund Transfers
For Year Ended December 31, 2011

Fund	Transfers Out	Transfers In
Major Funds:		
General Fund	$ 6,128,916	$ 11,609,311
Debt Service Fund	18,973,128	21,864,721
Street Improvement Fund	-	11,493,103
Airport Fund	971,210	-
Water Utility Fund	2,378,720	-
Sewer Utility Fund	1,811,130	-
Storm Water Utility Fund	577,090	-
Nonmajor governmental funds	43,178,061	28,091,687
Nonmajor enterprise funds	166,750	3,955,080
Internal service funds	3,078,897	250,000
Total Transfers	$ 77,263,902	$ 77,263,902

Sales Tax Construction Pledge Fund to the Debt Service Fund of $14.9 million and $10.8 million to the Local Sales Tax CIP fund to cash fund freeway and major arterial projects.

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, 2011 are presented in the following tables.

Interfund receivables/payables at the end of December 2011 totaled $31,974,163, 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, and temporary loans from the General Fund-Permanent Reserve Subfund and Self Insurance Fund to the Transit Fund until operations recover from the recent years of capital replacement and expansion.

Interfund Receivables
As of December 31, 2011

Fund	Receivables
Major funds:	
General Fund	$ 675,000
Debt Service Fund	4,266,064
Nonmajor governmental funds:	
Landfill Post Closure Fund	26,122
Local Sales Tax CIP Fund	26,612,477
Internal service funds:	
Self Insurance Fund	394,500
Total interfund receivables	$ 31,974,163

Interfund Payables
As of December 31, 2011

Fund	Payables
Maior funds:	
Street Improvement Fund	$ 18,160,354
Nonmajor governmental funds:	
Homelessness Assistance Fund	26,122
Water Main Extension Fund	826,344
Park Bond Construction Fund	921,515
Public Improvement Construction Fund	2,836,641
Sewer Construction Fund	1,359,479
ARRA Projects Fund	2,508,144
Nonmajor enterprise funds:	
Golf Course System Fund	4,266,064
Transit Fund	1,069,500
Total interfund payables	$ 31,974,163

16. Fund Balance Restrictions and Other Reservations

Governmental fund balance designations denote portions of the fund balance that are either (1) non-spendable due to form, legal or contractual constraints; (2) restricted under an externally imposed constraint; (3) committed to a specific purpose by the City Council; (4) assigned with intentions for a specific purpose; or (4) unassigned without any constraints.

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 governmental funds, fund balance designations are reported in the following table.

Governmental Fund Balance Designations
As of December 31, 2011

	Major Governmental Funds				
	General Fund	Debt Service Fund	Street Improvement Fund	Nonmajor governmental funds	Total governmental fund balance
Nonspendable:					
Inventories & prepaids	$ 107,266	$ -	$ -	$ 74,868	$ 182,134
Permanent Fund principal	-	-	-	235,437	235,437
Receivables-LT	775,000	-	-	-	775,000
Restricted for:					
General government	-	-	-	2,889,008	2,889,008
Public safety	-	-	-	410,420	410,420
Highways & streets	-	-	-	48,938,661	48,938,661
Health & welfare	-	-	-	18,631,365	18,631,365
Culture & recreation	-	-	-	3,116,581	3,116,581
Debt service	-	85,545,157	-	-	85,545,157
Committed to:					
General government	-	-	-	34,310	34,310
Public safety	-	-	-	354,897	354,897
Sanitation	-	-	-	24,350,985	24,350,985
Assigned to:					
Economic development	4,344,864	-	-	-	4,344,864
General government	321,189	-	-	-	321,189
Highways & streets	672,416	-	-	-	672,416
Public safety	87,673	-	-	-	87,673
Culture & recreation	334,737	-	-	-	334,737
Unassigned:	24,090,819	-	(34,799,132)	(41,326,775)	(52,035,088)
	$ 30,733,964	$ 85,545,157	$ (34,799,132)	$ 57,709,757	$ 139,189,746

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, 2011 the Airport Authority has submitted and received approval on seven applications. The approved applications represent a total amended authorized amount of $199,528.281. The charge expiration date for the current program is estimated to be May 1, 2046.

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 $21,522,917 for post-closure care for the remaining 21.56 years has been reported as a long-term liability of governmental activities on the Statement of Net Assets as of December 31, 2011.

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 $655,779 for post-closure care for the remaining 7.48 years has been reported as a long-term liability of the governmental activities on the Statement of Net Assets as of December 31, 2011.

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, 2011.

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, 2011, a long-term liability of $851,740 is recorded representing the cumulative liability based on 69.9% usage of the estimated capacity. The City will recognize the remaining closure costs of $366,772 as the remaining capacity is filled. Based on activity to date, the City expects the landfill to close in approximately 2017, or as capacity is reached.

In May 2002, the City began operation of an industrial monofill landfill for asbestos waste. As of December 31, 2011, a long-term liability of $119,743 is recorded, based on 21.3% usage of the estimated capacity. The City will recognize the remaining closure costs of $441,903 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, 2011, the capacity used was too small to estimate, thus the total estimated closure and post-closure care of $80,273 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.

Under Kansas Statutes, should the courts sustain any 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, 2011.

C. Construction and Capital Commitments

The City has outstanding construction and capital commitments for freeway and arterial street construction and other capital improvements of $45.6 million in the governmental funds and $49.8 million in the enterprise funds.

D. Encumbrances

Encumbrances included in fund balances are reported in the following table:

Primary Government	Encumbrances
General Fund	$ 3,441,382
Street Improvement Fund	30,732,344
Water Utility Fund	25,073,597
Sewer Utility Fund	3,014,523
Airport Fund	16,002,083
Storm Water Utility Fund	1,589,608
Nonmajor governmental	18,128,470
Nonmajor enterprise funds	1,424,079
Internal service funds	230,804
Total Reporting Entity	$ 99,636,890

E. 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 2011, 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.

F. 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, storm water drainage, public art, water features and public parking, which are financed through the issuance of bonds of which $20.6 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. Prior Period Adjustment

Implementation of Government Accounting Standard Board Statement 54 required the consolidation of certain formerly classified as special revenue funds into the General Fund. The prior period adjustment in the General Fund of $3,744,004 reflects the consolidation of the funds. Compliance to the certified budget of the General Fund is presented in the Financial Section with more detailed information provided in the Governmental Funds Section. Compliance with the certified budgets of the former special revenue funds is presented in the Governmental Funds Section of this report.

21. Subsequent Events

On February 1, 2012, the City issued $19,265,000 of 15-year general obligation serial bonds (Series 803) with a total interest cost of 1.97%, $5,615,000 of 20-year general obligation serial bonds (Series 808) with a total interest cost of 2.28%.

In addition, on February 9, 2012, the City issued $7,870,000 general obligation renewal and improvement temporary notes, Series 243, taxable under Federal law with an interest rate of 0.75% and $37,995,000 general obligation renewal and improvement temporary notes, Series 250, tax exempt under Federal law with an interest rate of 0.25%.

Accordingly, temporary notes payable as of December 31, 2011 totaling $14,157,857 were reclassified as bond anticipation notes and recorded as long-term liabilities in the governmental funds and $10,245,437 in temporary notes were reclassified as bond anticipation notes and recorded as long-term liabilities in the proprietary funds. The notes in the amount of $24,403,294 were refinanced through the issuance of general obligation bonds on February 1, 2012 (Series 803. and Series 808).

CITY OF WICHITA, KANSAS

2011 PENSION REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

(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)
Wichita Employees' Retirement System						
12/31/09	$ 509,494	$ 529,271	$ 19,777	96.3	$ 82,704	23.9 %
12/31/10	516,308	540,436	24,128	95.5	79,636	30.3
12/31/11	513,298	555,174	41,876	92.5	75,444	55.5
Wichita Police and Fire Retirement System						
12/31/09	$ 480,556	$ 519,934	$ 39,378	92.4	$ 63,055	62.5 %
12/31/10	497,926	536,908	38,982	92.7	63,077	61.8
12/31/11	510,946	562,488	51,542	90.8	62,759	82.1

2011 OTHER POST EMPLOYMENT BENEFITS REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Health Insurance Post Employment Benefits

(Dollar amounts in thousands)

Fiscal Year Ending [1]	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)
12/31/09	1/1/2009	$ -	$ 30,038	$ 30,038	-	$ 141,534	21.2 %
12/31/10	1/1/2009	-	30,038	30,038	-	141,534	21.2
12/31/11	12/31/2011	-	39,121	39,121	-	137,304	28.5

[1] Changes in assumptions in the 2011 valuation follow.

The amortization method changed from a closed 30-year peroid to an open 30-year period.

Mortality, disability retirement and termination assumptions were updated to be consistent with the Wichita Employees' Retirement System and the Police and Fire Retirement System actuarial valuation for fiscal year ended December 31, 2010.

Disability incidence was not explicity stated in the prior actuarial report. For the 2011 valuation, all disability incidences for Police and Fire employees are considered in the line of duty while only 50% of disability incidences are considered in the line of duty for other City employees.

Past valuations assumed 40% of active employees elected health coverage at retirement. Assumptions of this valuarion are:

General employees:
65% of employees retiring under age 60 elect health coverage
80% of employees retiring on or after age 60 elect health coverage

Police and Fire employees:
55% of employees retiring under age 60 elect health coverage
95% of employees retiring on or after age 60 elect health coverage

Employees not carrying health coverage as an active employee are assumed not to elect coverage at retirement.

Trend rate assumptions:	Past valuation	Current valuation
Year 1	5.0%	9.0%
Year 2	8.0%	8.5%
Year 3	7.0%	8.0%
Year 4	6.0%	7.5%
Year 5	5.0%	7.0%
Year 6	5.0%	6.5%
Year 7	5.0%	6.0%
Year 8	5.0%	5.5%
Beyond	5.0%	5.0%

GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

Homelessness Assistance
Tourism and Convention
Special Alcohol Program
Special Parks and Recreation
Landfill
Landfill Postclosure
Central Inspection
Downtown Parking
State Office Building
Tax Increment Financing (TIF) Districts
Self-Supporting Municipal District
City/County
Grants Assistance

Nonmajor Capital Projects Funds

The purpose of the capital projects funds is to account for capital improvements (except those financed by proprietary funds) that are financed from the City's general obligation bond issues, special assessments, local sales tax, certain Federal grants and other City funds. Following are the nonmajor capital projects funds:

Water Main Extension
Park Bond Construction
Public Improvement Construction
Sewer Construction
Local Sales Tax CIP
Sales Tax Pledge
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 and a mausoleum maintained by the municipality.

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
December 31, 2011

	Governmental Fund Types			
	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery	2011 Totals
ASSETS				
Cash and cash equivalents	$ 48,620,114	$ 22,326,184	$ 335,788	$ 71,282,086
Investments	3,111,383	-	480,163	3,591,546
Receivables, net:				
Due from other agencies	464,900	574,891	-	1,039,791
Accounts	5,501,487	356,646	-	5,858,133
Due from other funds	26,122	26,612,477	-	26,638,599
Notes receivable	495,000	-	-	495,000
Inventories	18,845	-	-	18,845
Prepaid items	56,023	-	-	56,023
Total assets	$ 58,293,874	$ 49,870,198	$ 815,951	$ 108,980,023
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities:				
Accounts payable and other liabilities	$ 3,424,823	$ 727,399	$ 2,196	$ 4,154,418
Accrued interest payable	-	72,869	-	72,869
Temporary notes payable	-	32,675,057	-	32,675,057
Deposits	267,322	-	-	267,322
Due to other funds	26,122	8,452,123	-	8,478,245
Deferred revenue	5,622,355	-	-	5,622,355
Total liabilities	9,340,622	41,927,448	2,196	51,270,266
Fund balances (deficits):				
Nonspendable:	74,868	-	235,437	310,305
Restricted:	24,469,056	48,938,661	578,318	73,986,035
Committed:	24,740,192	-	-	24,740,192
Unassigned:	(330,864)	(40,995,911)	-	(41,326,775)
Total fund balances (deficits)	48,953,252	7,942,750	813,755	57,709,757
Total liabilities and fund balances	$ 58,293,874	$ 49,870,198	$ 815,951	$ 108,980,023

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2011

	Homelessness Assistance	Tourism and Convention	Special Alcohol Program
ASSETS			
Cash and cash equivalents	$ -	$ 2,907,426	$ 867,722
Investments	-	-	-
Receivables, net:			
Due from other agencies	-	-	-
Accounts	28,053	-	-
Due from other funds	-	-	-
Notes receivable	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Total assets	$ 28,053	$ 2,907,426	$ 867,722
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and other liabilities	$ 1,852	$ -	$ 14,071
Deposits	-	-	-
Due to other funds	26,122	-	-
Deferred revenue	-	-	-
Total liabilities	27,974	-	14,071
Fund balances (deficits):			
Nonspendable:	-	-	-
Restricted	79	2,907,426	853,651
Committed	-	-	-
Unassigned	-	-	-
Total fund balances	79	2,907,426	853,651
Total liabilities and fund balances	$ 28,053	$ 2,907,426	$ 867,722

Special Parks and Recreation	Landfill	Landfill Post Closure	Central Inspection
$ -	$ 3,235,860	$ 21,095,770	$ 551,801
-	-	-	-
-	-	-	-
-	-	-	-
-	-	26,122	-
-	-	-	-
-	-	-	-
-	-	-	-
$ -	$ 3,235,860	$ 21,121,892	$ 551,801
$ -	$ 3,213	$ 3,554	$ 145,904
-	-	-	51,000
-	-	-	-
-	-	-	-
-	3,213	3,554	196,904
-	-	-	-
-	-	-	-
-	3,232,647	21,118,338	354,897
-	-	-	-
-	3,232,647	21,118,338	354,897
$ -	$ 3,235,860	$ 21,121,892	$ 551,801

(Continued)

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2011

	Downtown Parking	State Office Building	TIF Districts
ASSETS			
Cash and cash equivalents	$ 57,313	$ 2,700,260	$ 15,828,144
Investments	-	-	-
Receivables, net:			
Due from other agencies	-	-	-
Accounts	-	-	4,261,564
Due from other funds	-	-	-
Notes receivable	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Total assets	$ 57,313	$ 2,700,260	$ 20,089,708
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and other liabilities	$ 23,003	$ 2,347,236	$ 207,701
Deposits	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	4,228,634
Total liabilities	23,003	2,347,236	4,436,335
Fund balances:			
Nonspendable:	-	-	-
Restricted	-	353,024	15,653,373
Committed	34,310	-	-
Unassigned	-	-	-
Total fund balances	34,310	353,024	15,653,373
Total liabilities and fund balances	$ 57,313	$ 2,700,260	$ 20,089,708

Self-Supporting Municipal District	City - County	Grants Assistance	2011 Totals
$ 14,659	$ 283,932	$ 1,077,227	$ 48,620,114
-	-	3,111,383	3,111,383
-	-	464,900	464,900
-	-	1,211,870	5,501,487
-	-	-	26,122
-	-	495,000	495,000
-	-	18,845	18,845
-	-	56,023	56,023
$ 14,659	$ 283,932	$ 6,435,248	$ 58,293,874
$ -	$ 187,183	$ 491,106	$ 3,424,823
-	1,609	214,713	267,322
-	-	-	26,122
-	-	1,393,721	5,622,355
-	188,792	2,099,540	9,340,622
-	-	74,868	74,868
14,659	95,140	4,591,704	24,469,056
-	-	-	24,740,192
-	-	(330,864)	(330,864)
14,659	95,140	4,335,708	48,953,252
$ 14,659	$ 283,932	$ 6,435,248	$ 58,293,874

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2011

	Water Main Extension	Park Bond Construction	Public Improvement Construction	Sewer Construction
ASSETS				
Cash and cash equivalents	$ -	$ -	$ -	$ -
Due from other agencies	-	-	574,891	-
Accounts receivable, net	-	-	127,762	-
Due from other funds	-	-	-	-
Total assets	$ -	$ -	$ 702,653	$ -
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities:				
Accounts payable and other liabilities	$ 1,077	$ 167,536	$ 413,155	$ 46,350
Accrued interest payable	246	517	69,186	2,920
Temporary notes payable	214,902	2,523,226	24,903,249	5,033,680
Due to other funds	826,344	921,515	2,836,641	1,359,479
Total liabilities	1,042,569	3,612,794	28,222,231	6,442,429
Fund balances (deficits):				
Nonspendable:	-	-	-	-
Restricted:	-	-	-	-
Committed:	-	-	-	-
Assigned:	-	-	-	-
Unassigned:	(1,042,569)	(3,612,794)	(27,519,578)	(6,442,429)
Total fund balances (deficits)	(1,042,569)	(3,612,794)	(27,519,578)	(6,442,429)
Total liabilities and fund balances	$ -	$ -	$ 702,653	$ -

Local Sales Tax CIP	Sales Tax Pledge	ARRA Projects	Totals 2011
$ 12,136,093	$ 10,190,091	$ -	$ 22,326,184
-	-	-	574,891
-	-	228,884	356,646
26,612,477	-	-	26,612,477
$ 38,748,570	$ 10,190,091	$ 228,884	$ 49,870,198
$ -	$ -	$ 99,281	$ 727,399
-	-	-	72,869
-	-	-	32,675,057
-	-	2,508,144	8,452,123
-	-	2,607,425	41,927,448
-	-	-	-
38,748,570	10,190,091	-	48,938,661
-	-	-	-
-	-	-	-
-	-	(2,378,541)	(40,995,911)
38,748,570	10,190,091	(2,378,541)	7,942,750
$ 38,748,570	$ 10,190,091	$ 228,884	$ 49,870,198

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET
GENERAL FUND
December 31, 2011

	Permanent Reserve	Ice Rink	Economic Development	General Fund	Combined General Fund
ASSETS					
Cash and cash equivalents	$ 1,146,848	$ 52,964	$ 4,224,031	$ 33,496,677	$ 38,920,520
Receivables, net:					
Property taxes	-	-	-	75,210,618	75,210,618
Accounts	-	-	1,175,620	1,888,483	3,064,103
Due from other funds	675,000	-	-	-	675,000
Inventories	-	-	-	90,243	90,243
Prepaid items	-	-	-	17,023	17,023
Total assets	$ 1,821,848	$ 52,964	$ 5,399,651	$ 110,703,044	$ 117,977,507
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and other liabilities	$ -	$ -	$ 152,667	$ 10,043,184	$ 10,195,851
Deposits	-	-	-	888,313	888,313
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	902,120	75,257,259	76,159,379
Total liabilities	-	-	1,054,787	86,188,756	87,243,543
Fund balances (deficits):					
Nonspendable:	675,000	-	-	207,266	882,266
Assigned:	-	-	4,344,864	1,416,015	5,760,879
Unassigned:	1,146,848	52,964	-	22,891,007	24,090,819
Total fund balances (deficits)	1,821,848	52,964	4,344,864	24,514,288	30,733,964
Total liabilities and fund balances	$ 1,821,848	$ 52,964	$ 5,399,651	$ 110,703,044	$ 117,977,507

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, 2011

	Governmental Fund Types			
	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery	2011 Totals
REVENUES				
Taxes	$ 13,197,211	$ -	$ -	$ 13,197,211
Special assessments	-	25,766	-	25,766
Local sales tax	-	26,613,712	-	26,613,712
Intergovernmental	35,675,475	4,809,072	-	40,484,547
Licenses and permits	4,207,964	-	-	4,207,964
Fines and penalties	15,780	-	-	15,780
Rentals	1,633,798	-	-	1,633,798
Interest earnings	48,471	-	19,055	67,526
Charges for services and sales	2,225,476	-	4,880	2,230,356
Other	3,390,860	6,368,409	25	9,759,294
Total revenues	60,395,035	37,816,959	23,960	98,235,954
EXPENDITURES				
Current:				
General government	5,568,649	-	62,341	5,630,990
Public safety	8,409,918	-	-	8,409,918
Highways and streets	74,860	-	-	74,860
Sanitation	1,400,391	-	-	1,400,391
Health and welfare	32,012,734	-	-	32,012,734
Culture and recreation	2,797,801	-	-	2,797,801
Debt service:				
Principal retirement	-	691,000	-	691,000
Interest and fiscal charges	-	79,803	-	79,803
Capital outlay	-	31,660,633	-	31,660,633
Total expenditures	50,264,353	32,431,436	62,341	82,758,130
Excess (deficiency) of revenues over (under) expenditures	10,130,682	5,385,523	(38,381)	15,477,824
OTHER FINANCING SOURCES (USES)				
Issuance of long-term capital debt	-	9,790,925	-	9,790,925
Transfers from other funds	2,287,900	25,803,787	-	28,091,687
Transfers to other funds	(10,998,548)	(32,179,513)	-	(43,178,061)
Total other financing sources (uses)	(8,710,648)	3,415,199	-	(5,295,449)
Net change in fund balances	1,420,034	8,800,722	(38,381)	10,182,375
Fund balances - beginning	47,533,218	(857,972)	852,136	47,527,382
Fund balances (deficits) - ending	$ 48,953,252	$ 7,942,750	$ 813,755	$ 57,709,757

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended December 31, 2011

	Homelessness Assistance	Tourism & Convention	Special Alcohol Program	Special Parks and Recreation
REVENUES				
Taxes	$ -	$ 6,040,715	$ -	$ -
Intergovernmental	161,148	-	1,684,138	1,684,137
Licenses and permits	-	-	-	-
Fines and penalties	-	-	-	-
Rentals	-	-	-	-
Interest earnings	-	-	-	-
Charges for services and sales	-	-	-	-
Other	-	-	-	-
Total revenues	161,148	6,040,715	1,684,138	1,684,137
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Health and welfare	322,778	-	1,536,682	-
Culture and recreation	-	2,317,843	-	-
Total expenditures	322,778	2,317,843	1,536,682	-
Excess (deficiency) of revenues over expenditures	(161,630)	3,722,872	147,456	1,684,137
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	161,624	-	-	-
Transfers to other funds	-	(3,211,943)	-	(1,722,036)
Total other financing sources (uses)	161,624	(3,211,943)	-	(1,722,036)
Net change in fund balances	(6)	510,929	147,456	(37,899)
Fund balances, beginning	85	2,396,497	706,195	37,899
Fund balances, ending	$ 79	$ 2,907,426	$ 853,651	$ -

Landfill	Landfill Post Closure	Central Inspection	Downtown Parking	State Office Building	TIF Districts
$ -	$ -	$ -	$ -	$ -	$ 6,554,448
-	-	-	-	-	-
-	-	4,207,964	-	-	-
-	-	15,780	-	-	-
22,745	-	-	-	122,178	101,580
-	-	-	-	-	-
774,506	-	926,438	217,049	13,841	-
-	-	394	-	-	216,453
797,251	-	5,150,576	217,049	136,019	6,872,481
-	-	-	182,739	235,934	62,248
-	-	5,103,042	-	-	-
-	-	-	-	-	-
806,623	593,768	-	-	-	-
-	-	-	-	-	1,442,520
-	-	-	-	-	-
806,623	593,768	5,103,042	182,739	235,934	1,504,768
(9,372)	(593,768)	47,534	34,310	(99,915)	5,367,713
-	-	-	-	-	-
-	(400,000)	-	-	-	(4,933,026)
-	(400,000)	-	-	-	(4,933,026)
(9,372)	(993,768)	47,534	34,310	(99,915)	434,687
3,242,019	22,112,106	307,363	-	452,939	15,218,686
$ 3,232,647	$ 21,118,338	$ 354,897	$ 34,310	$ 353,024	$ 15,653,373

(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, 2011

	Self Supporting Municipal District	City - County	Grants Assistance	2011 Totals
REVENUES				
Taxes	$ 602,048	$ -	$ -	$ 13,197,211
Intergovernmental	-	1,722,001	30,424,051	35,675,475
Licenses and permits	-	-	-	4,207,964
Fines and penalties	-	-	-	15,780
Rentals	-	-	1,387,295	1,633,798
Interest earnings	-	-	48,471	48,471
Charges for services and sales	-	153,001	140,641	2,225,476
Other	-	46,505	3,127,508	3,390,860
Total revenues	602,048	1,921,507	35,127,966	60,395,035
EXPENDITURES				
Current:				
General government	594,603	1,897,216	2,595,909	5,568,649
Public safety	-	1,613,907	1,692,969	8,409,918
Highways and streets	-	-	74,860	74,860
Sanitation	-	-	-	1,400,391
Health and welfare	-	-	28,710,754	32,012,734
Culture and recreation	-	-	479,958	2,797,801
Total expenditures	594,603	3,511,123	33,554,450	50,264,353
Excess (deficiency) of revenues over expenditures	7,445	(1,589,616)	1,573,516	10,130,682
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	1,722,001	404,275	2,287,900
Transfers to other funds	-	(37,634)	(693,909)	(10,998,548)
Total other financing sources (uses)	-	1,684,367	(289,634)	(8,710,648)
Net change in fund balances	7,445	94,751	1,283,882	1,420,034
Fund balances, beginning	7,214	389	3,051,826	47,533,218
Fund balances, ending	$ 14,659	$ 95,140	$ 4,335,708	$ 48,953,252

This page intentionally left blank.

CITY OF WICHITA

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the year ended December 31, 2011

	Water Main Extension	Park Bond Construction	Public Improvement Construction
REVENUES			
Special assessments	$ 8,328	$ -	$ -
Local sales tax	-	-	1,555,000
Intergovernmental	-	-	1,030,236
Other	181,908	-	152,416
Total revenues	190,236	-	2,737,652
EXPENDITURES			
Debt service:			
Principal retirement	124,000	-	-
Interest and fiscal charges	1,537	3,035	48,616
Capital outlay	1,017,933	2,163,614	19,205,075
Total expenditures	1,143,470	2,166,649	19,253,691
Excess (deficiency) of revenues over (under) expenditures	(953,234)	(2,166,649)	(16,516,039)
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term capital debt	676,364	-	-
Transfers from other funds	-	3,332,300	11,682,097
Transfers to other funds	-	-	-
Total other financing sources (uses)	676,364	3,332,300	11,682,097
Net change in fund balances	(276,870)	1,165,651	(4,833,942)
Fund balances (deficits) - beginning	(765,699)	(4,778,445)	(22,685,636)
Fund balances (deficits) - ending	$ (1,042,569)	$ (3,612,794)	$ (27,519,578)

Sewer Construction	Local Sales Tax CIP	Sales Tax Pledge	ARRA Projects	Total 2011
$ 17,438	$ -	$ -	$ -	$ 25,766
-	-	25,058,712	-	26,613,712
-	-	-	3,778,836	4,809,072
939,115	5,094,970	-	-	6,368,409
956,553	5,094,970	25,058,712	3,778,836	37,816,959
567,000	-	-	-	691,000
26,615	-	-	-	79,803
5,233,461	-	-	4,040,550	31,660,633
5,827,076	-	-	4,040,550	32,431,436
(4,870,523)	5,094,970	25,058,712	(261,714)	5,385,523
9,114,561	-	-	-	9,790,925
120,000	10,788,000	-	(118,610)	25,803,787
-	(6,500,475)	(25,679,038)	-	(32,179,513)
9,234,561	4,287,525	(25,679,038)	(118,610)	3,415,199
4,364,038	9,382,495	(620,326)	(380,324)	8,800,722
(10,806,467)	29,366,075	10,810,417	(1,998,217)	(857,972)
$ (6,442,429)	$ 38,748,570	$ 10,190,091	$ (2,378,541)	$ 7,942,750

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND

For the year ended December 31, 2011

	Permanent Reserve	Ice Rink	Economic Development	General Fund	Combined General Fund
REVENUES					
Taxes	$ -	$ -	$ -	$ 84,876,521	$ 84,876,521
Franchise taxes	-	-	-	36,778,909	36,778,909
Local sales tax	-	-	-	24,987,675	24,987,675
Intergovernmental	-	-	-	16,104,619	16,104,619
Licenses and permits	-	-	-	2,527,086	2,527,086
Fines and penalties	-	-	-	10,329,705	10,329,705
Rentals	-	-	497,022	2,135,212	2,632,234
Interest earnings	-	-	-	912,020	912,020
Charges for services and sales	-	-	901,293	8,886,900	9,788,193
Other	-	44,727	424,109	9,673,610	10,142,446
Total revenues	-	44,727	1,822,424	197,212,257	199,079,408
EXPENDITURES					
Current:					
General government	-	-	2,702,299	28,254,974	30,957,273
Public safety	-	-	-	114,519,729	114,519,729
Highways and streets	-	-	-	22,374,851	22,374,851
Sanitation	-	-	-	2,863,228	2,863,228
Health and welfare	-	-	-	3,366,715	3,366,715
Culture and recreation	-	100,000	-	27,895,015	27,995,015
Total expenditures	-	100,000	2,702,299	199,274,512	202,076,811
Excess (deficiency) of revenues over (under) expenditures	-	(55,273)	(879,875)	(2,062,255)	(2,997,403)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	3,525,000	11,609,311	15,134,311
Transfers to other funds	-	-	(114,180)	(9,539,736)	(9,653,916)
Total other financing sources (uses)	-	-	3,410,820	2,069,575	5,480,395
Net change in fund balances	-	(55,273)	2,530,945	7,320	2,482,992
Fund balances - beginning	1,821,848	108,237	1,813,919	24,506,968	28,250,972
Fund balances - ending	$ 1,821,848	$ 52,964	$ 4,344,864	$ 24,514,288	$ 30,733,964

This page intentionally left blank.

CITY OF WICHITA

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Local government taxes					
Property taxes	$ 72,296,277	$ 73,353,348	$ 73,579,110	$ 225,762	$ 69,837,834
Delinquent property taxes	1,850,000	1,750,000	1,401,077	(348,923)	1,680,552
IRBs, In-lieu-of-taxes	-	8,000	36,271	28,271	8,831
WHA, in-lieu-of-taxes	40,000	50,000	46,969	(3,031)	49,218
Other property taxes	-	-	(75,498)	(75,498)	(21,418)
Special assessments	6,000	-	-	-	-
Motor vehicle tax	10,544,173	10,191,576	9,888,592	(302,984)	9,606,926
Local sales tax	25,297,649	24,748,717	24,987,675	238,958	23,998,125
Franchise fees	39,203,725	38,539,263	36,778,909	(1,760,354)	36,923,114
Total local government taxes	149,237,824	148,640,904	146,643,105	(1,997,799)	142,083,182
Licenses and permits	2,675,957	2,799,863	2,527,086	(272,777)	2,392,646
Fines and penalties	11,023,206	11,251,000	10,329,705	(921,295)	10,613,502
Intergovernmental	15,711,770	16,573,231	16,104,619	(468,612)	16,466,715
Charges for services and sales	9,869,886	10,066,953	8,886,900	(1,180,053)	7,837,493
Rental/lease income	1,928,770	2,411,220	2,135,212	(276,008)	2,236,980
Interest earnings	1,800,000	1,305,000	912,020	(392,980)	2,004,753
Reimbursed expenditures	4,234,933	4,339,382	6,204,841	1,865,459	3,725,338
Administrative fees	3,825,549	3,840,461	3,805,656	(34,805)	3,706,975
Total revenues	200,307,895	201,228,014	197,549,144	(3,678,870)	191,067,584
EXPENDITURES					
City Council:					
Personnel services	590,179	554,382	552,072	2,310	566,706
Contractual services	105,725	137,022	136,378	644	103,939
Materials and supplies	15,600	20,100	19,893	207	18,530
Total City Council	711,504	711,504	708,343	3,161	689,175
City Manager:					
Personnel services	1,684,210	1,896,287	1,789,923	106,364	1,756,545
Contractual services	574,700	598,066	275,715	322,351	377,982
Materials and supplies	24,650	19,150	12,465	6,685	17,055
Contingency	(11,218)	(12,773)	-	(12,773)	-
Total City Manager	2,272,342	2,500,730	2,078,103	422,627	2,151,582
Department of Finance:					
Personnel services	4,036,089	4,064,042	3,438,972	625,070	3,413,621
Contractual services	708,549	729,134	641,198	87,936	620,504
Materials and supplies	27,480	27,480	16,529	10,951	20,902
Other	900,000	500,000	-	500,000	134,898
Contingency	(411,514)	(416,190)	-	(416,190)	99
Total Department of Finance	5,260,604	4,904,466	4,096,699	807,767	4,190,024

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
Law Department:					
Personnel services	2,204,526	2,245,382	1,971,722	273,660	2,075,224
Contractual services	274,133	274,039	259,031	15,008	277,690
Materials and supplies	6,520	6,520	4,983	1,537	7,977
Contingency	(30,120)	(71,072)	-	(71,072)	-
Total Law Department	2,455,059	2,454,869	2,235,736	219,133	2,360,891
Municipal Court:					
Personnel services	4,829,528	4,841,586	4,354,274	487,312	4,243,197
Contractual services	1,702,816	1,629,541	1,512,842	116,699	1,635,497
Materials and supplies	59,810	59,666	40,083	19,583	50,392
Contingency	(243,910)	(241,075)	-	(241,075)	-
Total Municipal Court	6,348,244	6,289,718	5,907,199	382,519	5,929,086
Fire Department:					
Personnel services	36,734,931	37,328,844	36,603,039	725,805	36,202,072
Contractual services	1,854,688	1,960,663	1,838,368	122,295	1,806,769
Materials and supplies	785,171	977,603	839,769	137,834	729,441
Other	-	-	39,314	(39,314)	39,614
Contingency	(268,294)	(266,651)	-	(266,651)	-
Total Fire Department	39,106,496	40,000,459	39,320,490	679,969	38,777,896
Police Department:					
Personnel services	67,897,546	67,572,747	65,847,391	1,725,356	63,469,567
Contractual services	6,221,883	6,795,508	6,397,276	398,232	5,911,730
Materials and supplies	1,870,298	2,457,844	2,425,626	32,218	1,887,415
Contingency	(1,476,620)	(1,688,864)	-	(1,688,864)	-
Total Police Department	74,513,107	75,137,235	74,670,293	466,942	71,268,712
Housing & Community Services:					
Personnel services	22,501	24,868	26,299	(1,431)	8,977
Contractual services	3,590	3,590	675	2,915	15
Total Housing & Community Services	26,091	28,458	26,974	1,484	8,992
Library:					
Personnel services	5,933,618	5,937,257	5,566,099	371,158	5,524,651
Contractual services	990,372	1,019,940	935,543	84,397	891,158
Materials and supplies	747,449	750,737	720,089	30,648	743,183
Other	163,199	163,784	163,784	-	160,099
Contingency	(235,047)	(236,159)	-	(236,159)	-
Total Library	7,599,591	7,635,559	7,385,515	250,044	7,319,091

(Continued)

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
CMO - Cultural Arts Division:					
Personnel services	4,093,172	4,110,612	4,153,147	(42,535)	3,786,049
Contractual services	3,440,051	3,560,534	3,312,050	248,484	3,414,285
Materials and supplies	197,670	210,599	189,520	21,079	143,583
Capital outlay	19,000	-	-	-	-
Other	157,020	50,500	40,756	9,744	145,588
Contingency	2,641	2,129	-	2,129	-
Total CMO - Cultural Arts Division	7,909,554	7,934,374	7,695,473	238,901	7,489,505
Public Works & Utilities-Admin & Bldg Services:					
Personnel services	6,082,822	6,399,284	5,842,117	557,167	5,368,415
Contractual services	6,756,978	6,508,719	6,241,675	267,044	5,827,725
Materials and supplies	743,279	735,275	669,273	66,002	631,629
Capital outlay	95,000	93,000	21,655	71,345	-
Other	-	-	-	-	70,670
Contingency	(196,194)	(256,194)	-	(256,194)	-
Total Public Works & Utilities	13,481,885	13,480,084	12,774,720	705,364	11,898,439
Public Works & Utilities-Environmental Services:					
Personnel services	1,770,278	1,599,380	1,396,475	202,905	3,285,866
Contractual services	447,516	354,918	219,889	135,029	720,559
Materials and supplies	47,886	49,477	35,205	14,272	130,609
Contingency	(136,658)	(136,658)	-	(136,658)	-
Total Public Works & Utilities	2,129,022	1,867,117	1,651,569	215,548	4,137,034
Park:					
Personnel services	7,049,979	8,935,548	7,723,255	1,212,293	7,505,210
Contractual services	5,674,694	4,415,430	4,606,867	(191,437)	5,448,686
Materials and supplies	643,847	924,837	775,938	148,899	668,034
Capital outlay	29,900	57,000	32,047	24,953	31,841
Other	55,320	55,320	65,065	(9,745)	29,392
Contingency	(735,863)	(1,183,440)	-	(1,183,440)	-
Total Park	12,717,877	13,204,695	13,203,172	1,523	13,683,163
Non Departmental:					
Personnel services	487,000	-	175,000	(175,000)	53,265
Contractual services	998,215	3,470,475	3,104,844	365,631	852,825
Materials and supplies	72,485	72,485	33,920	38,565	36,455
Contingency	284,568	(2,670,433)	57,469	(2,727,902)	27,139
Total Non Departmental	1,842,268	872,527	3,371,233	(2,498,706)	969,684

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
Central Inspection:					
Personnel services	395,474	396,717	422,800	(26,083)	334,123
Contractual services	308,990	363,766	289,498	74,268	323,264
Materials and supplies	6,334	12,547	11,567	980	9,639
Contingency	-	(15,617)	-	(15,617)	-
Total Central Inspection	710,798	757,413	723,865	33,548	667,026
Human Resources:					
Personnel services	1,406,017	1,352,494	1,346,451	6,043	1,343,479
Contractual services	192,732	203,456	175,961	27,495	178,089
Materials and supplies	16,000	16,000	10,389	5,611	11,724
Contingency	(69,892)	(68,039)	-	(68,039)	-
Total Human Resources	1,544,857	1,503,911	1,532,801	(28,890)	1,533,292
Public Works-Gas Tax:					
Personnel services	10,560,306	10,258,486	9,274,803	983,683	9,852,782
Contractual services	11,108,936	10,597,910	9,641,070	956,840	8,420,595
Materials and supplies	2,633,402	2,821,990	2,381,137	440,853	2,283,239
Capital outlay	49,490	-	-	-	49,490
Other	114,661	180,136	150,136	30,000	70,670
Contingency	(305,706)	(599,140)	-	(599,140)	-
Engineering overhead	250,800	225,000	257,131	(32,131)	174,337
Total Public Works-Gas Tax	24,411,889	23,484,382	21,704,277	1,780,105	20,851,113
Total expenditures	203,041,188	202,767,501	199,086,462	3,681,039	193,924,705
Excess (deficiency) of revenues over (under) expenditures	(2,733,293)	(1,539,487)	(1,537,318)	2,169	(2,857,121)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	12,631,671	11,557,064	11,609,311	52,247	10,340,407
Transfers to other funds	(9,898,378)	(10,017,577)	(9,539,736)	477,841	(7,352,547)
Total other financing sources (uses)	2,733,293	1,539,487	2,069,575	530,088	2,987,860
Net change in fund balances	-	-	532,257	532,257	130,739
Unencumbered fund balances - beginning	22,461,910	22,592,677	22,592,677	-	22,461,938
Unencumbered fund balances - ending	$ 22,461,910	$ 22,592,677	$ 23,124,934	$ 532,257	$ 22,592,677

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Interest earnings	$ -	$ -	$ -	$ -	$ (3,152)
Total revenues	-	-	-	-	(3,152)
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	-	(1,821,848)	-	1,821,848	-
Total other financing sources (uses)	-	(1,821,848)	-	1,821,848	-
Net change in fund balances	-	(1,821,848)	-	1,821,848	(3,152)
Unencumbered fund balances - beginning	-	1,821,848	1,821,848	-	1,825,000
Unencumbered fund balances - ending	$ -	$ -	$ 1,821,848	$ 1,821,848	$ 1,821,848

CITY OF WICHITA, KANSAS

GENERAL FUND-ICE RINK MANAGEMENT SUBFUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Rental/lease income	$ 100,000	$ 36,842	$ -	$ (36,842)	$ -
Interest earnings	-	-	-	-	(208)
Other revenue	-	-	44,727	44,727	-
Total revenues	100,000	36,842	44,727	7,885	(208)
EXPENDITURES					
Culture and Recreation:					
Contractual services	-	-	-	-	6,567
Other operating expenditures	200,000	100,000	100,000	-	-
Total expenditures	200,000	100,000	100,000	-	6,567
Excess (deficiency) of revenues over (under) expenditures	(100,000)	(63,158)	(55,273)	7,885	(6,775)
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	-	-	-	-	(5,450)
Total other financing sources (uses)	-	-	-	-	(5,450)
Net change in fund balances	(100,000)	(63,158)	(55,273)	7,885	(12,225)
Unencumbered fund balances - beginning	103,012	108,237	108,237	-	120,462
Unencumbered fund balances - ending	$ 3,012	$ 45,079	$ 52,964	$ 7,885	$ 108,237

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 307,500	$ 788,222	$ 901,293	$ 113,071	$ 468,613
Rental/lease income	695,690	527,500	497,022	(30,478)	589,060
Interest earnings	8,500	1,000	-	(1,000)	(4,014)
Other revenue	60,219	122,586	235,609	113,023	140,420
Administrative fees	495,000	495,000	238,500	(256,500)	223,500
Total revenues	1,566,909	1,934,308	1,872,424	(61,884)	1,417,579
EXPENDITURES					
General Government:					
Personnel services	190,320	418,757	403,591	15,166	490,724
Contractual services	1,706,138	4,701,227	4,180,917	520,310	2,023,641
Materials and supplies	43,900	35,200	20,029	15,171	17,103
Other operating expenditures	4,398,156	253,037	99,037	154,000	123,214
Total expenditures	6,338,514	5,408,221	4,703,574	704,647	2,654,682
Excess (deficiency) of revenues over (under) expenditures	(4,771,605)	(3,473,913)	(2,831,150)	642,763	(1,237,103)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	3,546,741	3,650,000	3,525,000	(125,000)	1,052,157
Transfers to other funds	(319,808)	(114,180)	(114,180)	-	(114,180)
Total other financing sources (uses)	3,226,933	3,535,820	3,410,820	(125,000)	937,977
Net change in fund balances	(1,544,672)	61,907	579,670	517,763	(299,126)
Unencumbered fund balances - beginning	1,667,447	1,739,828	1,739,828	-	2,038,954
Unencumbered fund balances - ending	$ 122,775	$ 1,801,735	$ 2,319,498	$ 517,763	$ 1,739,828

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental	$ 191,368	$ 191,368	$ 161,148	$ (30,220)	$ 182,040
Interest earnings	-	-	-	-	(21)
Total revenues	191,368	191,368	161,148	(30,220)	182,019
EXPENDITURES					
Health and Welfare:					
Contractual services	382,736	382,736	322,772	59,964	336,797
Total expenditures	382,736	382,736	322,772	59,964	336,797
Excess (deficiency) of revenues over (under) expenditures	(191,368)	(191,368)	(161,624)	29,744	(154,778)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	191,368	191,368	161,624	(29,744)	154,778
Total other financing sources (uses)	191,368	191,368	161,624	(29,744)	154,778
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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 6,130,510	$ 5,860,010	$ 6,040,715	$ 180,705	$ 5,689,330
Interest earnings	15,510	-	-	-	(5,391)
Other revenue	25,000	78,753	24,648	(54,105)	44,848
Total revenues	6,171,020	5,938,763	6,065,363	126,600	5,728,787
EXPENDITURES					
Culture and Recreation:					
Contractual services	2,589,270	2,491,270	2,396,602	94,668	2,403,636
Total expenditures	2,589,270	2,491,270	2,396,602	94,668	2,403,636
Excess (deficiency) of revenues over (under) expenditures	3,581,750	3,447,493	3,668,761	221,268	3,325,151
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(4,536,945)	(3,211,943)	(3,211,943)	-	(3,248,572)
Total other financing sources (uses)	(4,536,945)	(3,211,943)	(3,211,943)	-	(3,248,572)
Net change in fund balances	(955,195)	235,550	456,818	221,268	76,579
Unencumbered fund balances - beginning	1,302,356	2,165,114	2,165,114	-	2,088,535
Unencumbered fund balances - ending	$ 347,161	$ 2,400,664	$ 2,621,932	$ 221,268	$ 2,165,114

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental	$ 1,790,976	$ 1,731,389	$ 1,684,138	$ (47,251)	$ 1,762,442
Interest earnings	10,000	1,000	-	(1,000)	(1,113)
Total revenues	1,800,976	1,732,389	1,684,138	(48,251)	1,761,329
EXPENDITURES					
Health and Welfare:					
Contractual services	1,770,000	1,922,680	1,770,596	152,084	1,771,376
Other operating expenditures	400,000	147,320	125,000	22,320	75,000
Total expenditures	2,170,000	2,070,000	1,895,596	174,404	1,846,376
Excess (deficiency) of revenues over (under) expenditures	(369,024)	(337,611)	(211,458)	126,153	(85,047)
Net change in fund balances	(369,024)	(337,611)	(211,458)	126,153	(85,047)
Unencumbered fund balances - beginning	387,794	456,670	456,670	-	541,717
Unencumbered fund balances - ending	$ 18,770	$ 119,059	$ 245,212	$ 126,153	$ 456,670

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental	$ 1,790,976	$ 1,731,390	$ 1,684,137	$ (47,253)	$ 1,762,442
Interest earnings	2,000	-	-	-	(69)
Total revenues	1,792,976	1,731,390	1,684,137	(47,253)	1,762,373
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(1,792,976)	(1,769,289)	(1,722,036)	47,253	(1,724,474)
Total other financing sources (uses)	(1,792,976)	(1,769,289)	(1,722,036)	47,253	(1,724,474)
Net change in fund balances	-	(37,899)	(37,899)	-	37,899
Unencumbered fund balances - beginning	-	37,899	37,899	-	-
Unencumbered fund balances - ending	$ -	$ -	$ -	$ -	$ 37,899

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 500,000	$ 840,000	$ 774,506	$ (65,494)	$ 842,159
Rental/lease income	30,000	60,000	22,745	(37,255)	48,832
Interest earnings	15,000	-	-	-	(6,128)
Other revenue	-	-	-	-	10,375
Total revenues	545,000	900,000	797,251	(102,749)	895,238
EXPENDITURES					
Sanitation:					
Personnel services	-	-	81,250	(81,250)	80,360
Contractual services	821,584	881,049	755,466	125,583	587,880
Materials and supplies	11,000	11,000	2,379	8,621	2,789
Other operating expenditures	2,300,000	-	-	-	-
Total expenditures	3,132,584	892,049	839,095	52,954	671,029
Excess (deficiency) of revenues over (under) expenditures	(2,587,584)	7,951	(41,844)	(49,795)	224,209
Net change in fund balances	(2,587,584)	7,951	(41,844)	(49,795)	224,209
Unencumbered fund balances - beginning	2,729,227	3,241,020	3,241,020	-	3,016,811
Unencumbered fund balances - ending	$ 141,643	$ 3,248,971	$ 3,199,176	$ (49,795)	$ 3,241,020

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Rental/lease income	$ -	$ -	$ -	$ -	$ 35,100
Interest earnings	50,000	-	-	-	(40,046)
Other revenue	-	-	-	-	46,415
Total revenues	50,000	-	-	-	41,469
EXPENDITURES					
Sanitation:					
Personnel services	161,832	195,796	208,393	(12,597)	168,523
Contractual services	718,004	685,971	83,966	602,005	429,181
Materials and supplies	19,308	18,999	15,705	3,294	5,738
Other operating expenditures	19,250,000	-	-	-	-
Total expenditures	20,149,144	900,766	308,064	592,702	603,442
Excess (deficiency) of revenues over (under) expenditures	(20,099,144)	(900,766)	(308,064)	592,702	(561,973)
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(400,000)	(400,000)	(400,000)	-	(400,000)
Total other financing sources (uses)	(400,000)	(400,000)	(400,000)	-	(400,000)
Net change in fund balances	(20,499,144)	(1,300,766)	(708,064)	592,702	(961,973)
Unencumbered fund balances - beginning	21,486,497	21,780,456	21,780,456	-	22,742,429
Unencumbered fund balances - ending	$ 987,353	$ 20,479,690	$ 21,072,392	$ 592,702	$ 21,780,456

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 2,650	$ 1,708	$ -	$ (1,708)	$ 1,708
Licenses	609,569	571,089	488,715	(82,374)	516,107
Permits	4,645,058	3,942,504	3,719,249	(223,255)	3,738,690
Fines and penalties	40,280	27,303	15,780	(11,523)	27,303
Charges for services and sales	885,477	909,762	926,399	16,637	915,700
Fees	-	-	39	39	489
Interest earnings	-	-	-	-	(782)
Other revenue	-	-	394	394	1,265
Total revenues	6,183,034	5,452,366	5,150,576	(301,790)	5,200,480
EXPENDITURES					
Public Safety:					
Personnel services	4,711,475	4,043,284	4,079,532	(36,248)	4,294,955
Contractual services	962,718	1,021,415	874,846	146,569	939,365
Materials and supplies	70,066	97,434	82,242	15,192	81,352
Other operating expenditures	851,028	166,457	66,458	99,999	93,076
Total expenditures	6,595,287	5,328,590	5,103,078	225,512	5,408,748
Excess (deficiency) of revenues over (under) expenditures	(412,253)	123,776	47,498	(76,278)	(208,268)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	7,814	-	(7,814)	-
Total other financing sources (uses)	-	7,814	-	(7,814)	-
Net change in fund balances	(412,253)	131,590	47,498	(84,092)	(208,268)
Unencumbered fund balances - beginning	699,832	306,192	306,192	-	514,460
Unencumbered fund balances - ending	$ 287,579	$ 437,782	$ 353,690	$ (84,092)	$ 306,192

CITY OF WICHITA, KANSAS

DOWNTOWN PARKING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 576,319	$ 488,834	$ 217,049	$ (271,785)	$ 296,151
Rental/lease income	-	5,200	-	(5,200)	5,160
Interest earnings	-	-	-	-	(10)
Total revenues	576,319	494,034	217,049	(276,985)	301,301
EXPENDITURES					
General Government:					
Personnel services	80,000	-	-	-	-
Contractual services	445,600	438,948	144,654	294,294	317,880
Materials and supplies	17,500	17,500	499	17,001	858
Other operating expenditures	33,219	37,586	37,586	-	-
Total expenditures	576,319	494,034	182,739	311,295	318,738
Excess (deficiency) of revenues over (under) expenditures	-	-	34,310	34,310	(17,437)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	-	-	17,437
Total other financing sources (uses)	-	-	-	-	17,437
Net change in fund balances	-	-	34,310	34,310	-
Unencumbered fund balances - beginning	-	-	-	-	-
Unencumbered fund balances - ending	$ -	$ -	$ 34,310	$ 34,310	$ -

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 36,000	$ 16,000	$ 13,841	$ (2,159)	$ 14,296
Rental/lease income	173,570	195,000	122,178	(72,822)	186,521
Interest earnings	-	-	-	-	(2,977)
Total revenues	209,570	211,000	136,019	(74,981)	197,840
EXPENDITURES					
General Government:					
Personnel services	-	-	1,082	(1,082)	376
Contractual services	213,201	243,194	232,642	10,552	202,307
Materials and supplies	6,420	6,420	2,196	4,224	4,400
Other operating expenditures	410,000	-	-	-	-
Total expenditures	629,621	249,614	235,920	13,694	207,083
Excess (deficiency) of revenues over (under) expenditures	(420,051)	(38,614)	(99,901)	(61,287)	(9,243)
Net change in fund balances	(420,051)	(38,614)	(99,901)	(61,287)	(9,243)
Unencumbered fund balances - beginning	447,028	452,836	452,836	-	462,079
Unencumbered fund balances - ending	$ 26,977	$ 414,222	$ 352,935	$ (61,287)	$ 452,836

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 2,670,998	$ 2,652,953	$ 2,782,933	$ 129,980	$ 2,606,983
Intergovernmental	120,000	120,000	-	(120,000)	120,000
Interest earnings	30,000	-	-	-	(10,709)
Other revenue	100,000	105,000	110,863	5,863	104,004
Total revenues	2,920,998	2,877,953	2,893,796	15,843	2,820,278
EXPENDITURES					
Health and Welfare:					
Contractual services	1,192,439	1,192,804	573,862	618,942	414,516
Materials and supplies	46,160	46,960	31,268	15,692	27,466
Capital outlay	-	-	-	-	300,380
Other operating expenditures	3,582,285	673,555	173,555	500,000	177,190
Total expenditures	4,820,884	1,913,319	778,685	1,134,634	919,552
Excess (deficiency) of revenues over (under) expenditures	(1,899,886)	964,634	2,115,111	1,150,477	1,900,726
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(1,372,678)	(1,372,678)	(1,372,678)	-	(1,360,208)
Total other financing sources (uses)	(1,372,678)	(1,372,678)	(1,372,678)	-	(1,360,208)
Net change in fund balances	(3,272,564)	(408,044)	742,433	1,150,477	540,518
Unencumbered fund balances - beginning	3,532,575	4,765,263	4,765,263	-	4,224,745
Unencumbered fund balances - ending	$ 260,011	$ 4,357,219	$ 5,507,696	$ 1,150,477	$ 4,765,263

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 1,166,200	$ 1,017,100	$ 1,201,531	$ 184,431	$ 1,013,713
Interest earnings	30,000	-	-	-	(15,146)
Other revenue	-	-	112,199	112,199	222
Total revenues	1,196,200	1,017,100	1,313,730	296,630	998,789
EXPENDITURES					
Health and Welfare:					
Contractual services	1,433,103	1,436,778	1,285,000	151,778	41,010
Materials and supplies	4,000	4,000	693	3,307	510
Capital outlay	20,000	20,000	-	20,000	-
Other operating expenditures	6,232,285	173,555	173,555	-	177,190
Total expenditures	7,689,388	1,634,333	1,459,248	175,085	218,710
Excess (deficiency) of revenues over (under) expenditures	(6,493,188)	(617,233)	(145,518)	471,715	780,079
Net change in fund balances	(6,493,188)	(617,233)	(145,518)	471,715	780,079
Unencumbered fund balances - beginning	6,860,277	8,348,189	8,348,189	-	7,568,110
Unencumbered fund balances - ending	$ 367,089	$ 7,730,956	$ 8,202,671	$ 471,715	$ 8,348,189

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010
	Original	Final	Actual Amounts		Actual Amounts
REVENUES					
Taxes and levies	$ 1,846,481	$ 1,846,481	$ 1,949,791	$ 103,310	$ 1,817,215
Charges for services and sales	-	-	-	-	32,392
Rental/lease income	50,000	50,000	52,520	2,520	35,057
Interest earnings	5,000	-	-	-	(2,576)
Total revenues	1,901,481	1,896,481	2,002,311	105,830	1,882,088
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(2,900,000)	(2,900,000)	(2,900,000)	-	(1,424,000)
Total other financing sources (uses)	(2,900,000)	(2,900,000)	(2,900,000)	-	(1,424,000)
Net change in fund balances	(998,519)	(1,003,519)	(897,689)	105,830	458,088
Unencumbered fund balances - beginning	1,106,221	1,105,110	1,105,110	-	647,022
Unencumbered fund balances - ending	$ 107,702	$ 101,591	$ 207,421	$ 105,830	$ 1,105,110

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ -	$ -	$ -	$ -	$ 1,007,047
Interest earnings	-	-	-	-	(1,423)
Other revenue	-	-	-	-	413
Total revenues	-	-	-	-	1,006,037
EXPENDITURES					
General Government:					
Contractual services	-	62,248	62,248	-	-
Total expenditures	-	62,248	62,248	-	-
Excess (deficiency) of revenues over (under) expenditures	-	(62,248)	(62,248)	-	1,006,037
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	-	-	-	-	(1,319,760)
Total other financing sources (uses)	-	-	-	-	(1,319,760)
Net change in fund balances	-	(62,248)	(62,248)	-	(313,723)
Unencumbered fund balances - beginning	-	62,248	62,248	-	375,971
Unencumbered fund balances - ending	$ -	$ -	$ -	$ -	$ 62,248

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 181,992	$ 165,811	$ 133,346	$ (32,465)	$ 161,685
Interest earnings	1,000	-	-	-	(205)
Total revenues	182,992	165,811	133,346	(32,465)	161,480
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(250,000)	(220,000)	(188,799)	31,201	(158,000)
Total other financing sources (uses)	(250,000)	(220,000)	(188,799)	31,201	(158,000)
Net change in fund balances	(67,008)	(54,189)	(55,453)	(1,264)	3,480
Unencumbered fund balances - beginning	75,262	55,453	55,453	-	51,973
Unencumbered fund balances - ending	$ 8,254	$ 1,264	$ -	$ (1,264)	$ 55,453

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 339,038	$ 339,038	$ 403,013	$ 63,975	$ 332,390
Rental/lease income	100,000	65,000	49,060	(15,940)	47,710
Interest earnings	1,000	1,000	-	(1,000)	(272)
Total revenues	440,038	405,038	452,073	47,035	379,828
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(440,000)	(440,000)	(440,000)	-	(326,229)
Total other financing sources (uses)	(440,000)	(440,000)	(440,000)	-	(326,229)
Net change in fund balances	38	(34,962)	12,073	47,035	53,599
Unencumbered fund balances - beginning	1,395	53,604	53,604	-	5
Unencumbered fund balances - ending	$ 1,433	$ 18,642	$ 65,677	$ 47,035	$ 53,604

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 36,468	$ 36,468	$ 31,549	$ (4,919)	$ 33,463
Interest earnings	-	-	-	-	(26)
Total revenues	36,468	36,468	31,549	(4,919)	33,437
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(36,000)	(36,000)	(31,549)	4,451	(33,437)
Total other financing sources (uses)	(36,000)	(36,000)	(31,549)	4,451	(33,437)
Net change in fund balances	468	468	-	(468)	-
Unencumbered fund balances - beginning	1,268	-	-	-	-
Unencumbered fund balances - ending	$ 1,736	$ 468	$ -	$ (468)	$ -

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 589,365	$ 587,389	$ 602,048	$ 14,659	$ 609,680
Other revenue	33,445	-	-	-	-
Total revenues	622,810	587,389	602,048	14,659	609,680
EXPENDITURES					
General Government:					
Contractual services	622,810	594,603	594,603	-	619,955
Total expenditures	622,810	594,603	594,603	-	619,955
Excess (deficiency) of revenues over (under) expenditures	-	(7,214)	7,445	14,659	(10,275)
Net change in fund balances	-	(7,214)	7,445	14,659	(10,275)
Unencumbered fund balances - beginning	-	7,214	7,214	-	17,489
Unencumbered fund balances - ending	$ -	$ -	$ 14,659	$ 14,659	$ 7,214

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental	$ 960,979	$ 960,979	$ 854,429	$ (106,550)	$ 832,668
Charges for services and sales	-	-	189	189	-
Other revenue	-	-	-	-	2,569
Total revenues	960,979	960,979	854,618	(106,361)	835,237
EXPENDITURES					
Public Safety:					
Personnel services	1,134,325	1,117,589	989,008	128,581	1,061,112
Contractual services	506,733	506,419	465,988	40,431	311,914
Materials and supplies	277,966	295,017	254,051	40,966	294,880
Other operating expenditures	2,933	2,933	-	2,933	-
Total expenditures	1,921,957	1,921,958	1,709,047	212,911	1,667,906
Excess (deficiency) of revenues over (under) expenditures	(960,978)	(960,979)	(854,429)	106,550	(832,669)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	960,979	960,979	854,429	(106,550)	832,669
Total other financing sources (uses)	960,979	960,979	854,429	(106,550)	832,669
Net change in fund balances	1	-	-	-	-
Unencumbered fund balances - beginning	-	-	-	-	-
Unencumbered fund balances - ending	$ 1	$ -	$ -	$ -	$ -

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental	$ 880,536	$ 860,600	$ 867,572	$ 6,972	$ 796,455
Charges for services and sales	166,874	166,876	152,812	(14,064)	169,682
Other revenue	-	76,473	46,505	(29,968)	308
Total revenues	1,047,410	1,103,949	1,066,889	(37,060)	966,445
EXPENDITURES					
General Government:					
Personnel services	1,728,852	1,750,026	1,737,961	12,065	1,605,981
Contractual services	182,165	197,593	150,358	47,235	145,036
Materials and supplies	16,930	16,930	7,760	9,170	11,883
Total expenditures	1,927,947	1,964,549	1,896,079	68,470	1,762,900
Excess (deficiency) of revenues over (under) expenditures	(880,537)	(860,600)	(829,190)	31,410	(796,455)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	880,536	860,600	867,572	6,972	795,707
Transfers to other funds	-	-	(37,634)	(37,634)	-
Total other financing sources (uses)	880,536	860,600	829,938	(30,662)	795,707
Net change in fund balances	(1)	-	748	748	(748)
Unencumbered fund balances - beginning	-	(748)	(748)	-	-
Unencumbered fund balances - ending	$ (1)	$ (748)	$ -	$ 748	$ (748)

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 25,297,649	$ 25,297,649	$ 25,058,712	$ (238,937)	$ 24,241,837
Charges for services and sales	-	-	-	-	12,850
Interest earnings	100,000	100,000	-	(100,000)	(17,332)
Total revenues	25,397,649	25,397,649	25,058,712	(338,937)	24,237,355
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(27,690,576)	(27,690,576)	(25,679,038)	2,011,538	(23,580,591)
Total other financing sources (uses)	(27,690,576)	(27,690,576)	(25,679,038)	2,011,538	(23,580,591)
Net change in fund balances	(2,292,927)	(2,292,927)	(620,326)	1,672,601	656,764
Unencumbered fund balances - beginning	3,300,367	3,300,367	10,810,417	7,510,050	10,153,653
Unencumbered fund balances - ending	$ 1,007,440	$ 1,007,440	$ 10,190,091	$ 9,182,651	$ 10,810,417

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Property taxes	$ 22,013,980	$ 22,218,546	$ 22,319,218	$ 100,672	$ 25,502,790
Delinquent property taxes	900,000	900,000	626,413	(273,587)	724,167
Special assessments	32,566,965	33,468,470	31,914,081	(1,554,389)	32,183,268
Delinquent special assessments	1,596,446	1,909,500	1,642,580	(266,920)	1,540,091
Motor vehicle tax	3,209,208	3,101,712	3,009,011	(92,701)	3,466,693
Sale of property-Land	-	-	-	-	1,006,342
Interest earnings	250,000	250,000	11,957	(238,043)	(8,633)
Other	265,922	765,922	457,876	(308,046)	1,080,605
Total revenues	60,802,521	62,614,150	59,981,136	(2,633,014)	65,495,323
EXPENDITURES					
Interest on general obligation bonds	11,995,165	16,796,543	8,523,006	8,273,537	10,075,093
Interest on special assessment bonds	10,048,107	5,083,065	9,917,673	(4,834,608)	10,794,456
Interest on HUD Section 108 loan	-	-	61,909	(61,909)	79,786
Commission, postage and refunds	5,500	5,800	87,771	(81,971)	4,000
Retirement of general obligation bonds	29,633,819	39,345,602	26,324,981	13,020,621	23,824,994
Retirement of special assessment bonds	23,514,293	17,149,874	24,295,000	(7,145,126)	23,245,000
Retirement of HUD Section 108 loan	371,910	634,432	310,000	324,432	295,000
Total expenditures	75,568,794	79,015,316	69,520,340	9,494,976	68,318,329
Excess (deficiency) of revenues over (under) expenditures	(14,766,273)	(16,401,166)	(9,539,204)	6,861,962	(2,823,006)
OTHER FINANCING SOURCES (USES)					
Premiums on bonds sold	500,000	500,000	423,995	(76,005)	2,338,184
Transfers from other funds	26,303,375	22,399,370	21,864,721	(534,649)	22,168,377
Transfers to other funds - retirement of temporary notes	(30,100,000)	(15,226,775)	(18,973,128)	(3,746,353)	(14,318,135)
Total other financing sources (uses)	(3,296,625)	7,672,595	3,315,588	(4,357,007)	10,188,426
Net change in unencumbered cash balances	(18,062,898)	(8,728,571)	(6,223,616)	2,504,955	7,365,420
Unencumbered fund balances - beginning	22,144,387	29,586,463	29,586,463	-	22,221,043
Unencumbered fund balances - ending	$ 4,081,489	$ 20,857,892	$ 23,362,847	$ 2,504,955	$ 29,586,463

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Licenses	$ -	$ 1,200	$ 4,880	$ 3,680	$ 1,280
Interest earnings	41,900	18,000	19,055	1,055	17,365
Other revenue	-	-	25	25	3,120
Total revenues	41,900	19,200	23,960	4,760	21,765
EXPENDITURES					
General Government:					
Personnel services	3,500	3,500	-	3,500	-
Contractual services	76,500	78,050	51,214	26,836	66,577
Materials and supplies	3,500	3,500	-	3,500	72
Total expenditures	83,500	85,050	51,214	33,836	66,649
Excess (deficiency) of revenues over (under) expenditures	(41,600)	(65,850)	(27,254)	38,596	(44,884)
Net change in fund balances	(41,600)	(65,850)	(27,254)	38,596	(44,884)
Unencumbered fund balances - beginning	844,045	840,761	840,761	-	885,645
Unencumbered fund balances - ending	$ 802,445	$ 774,911	$ 813,507	$ 38,596	$ 840,761

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:

The **Golf Course System Fund** provides the public with five golf facilities on a self-sustaining basis.

The **Transit Fund** provides economical bus service through regular route and para-transit services.

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET
NONMAJOR ENTERPRISE FUNDS
December 31, 2011

	Golf Course System	Transit	Total
ASSETS			
Current assets:			
Cash and temporary investments	$ 574,003	$ -	$ 574,003
Receivables, net	663	127,771	128,434
Due from other agencies	-	806,187	806,187
Inventories	-	347,539	347,539
Total current assets	574,666	1,281,497	1,856,163
Noncurrent assets:			
Capital assets:			
Land	727,968	1,880,750	2,608,718
Buildings	2,820,781	9,124,687	11,945,468
Improvements other than buildings	14,316,362	342,181	14,658,543
Machinery, equipment and other assets	1,658,081	17,926,124	19,584,205
Construction in progress	-	8,296,221	8,296,221
Less accumulated depreciation	(12,037,934)	(17,986,461)	(30,024,395)
Total capital assets (net of accumulated depreciation)	7,485,258	19,583,502	27,068,760
Total noncurrent assets	7,485,258	19,583,502	27,068,760
Total assets	$ 8,059,924	$ 20,864,999	$ 28,924,923
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	$ 140,593	$ 1,750,129	$ 1,890,722
Accrued interest payable	10,855	-	10,855
Deposits	3,418	-	3,418
Current portion of long-term obligations:			
General obligation bonds payable	590,000	-	590,000
Compensated absences	113,193	179,540	292,733
Total current liabilities	858,059	1,929,669	2,787,728
Noncurrent liabilities:			
Due to other funds	4,266,064	1,069,500	5,335,564
General obligation bonds payable	1,975,000	-	1,975,000
Compensated absences	6,892	5,697	12,589
Total noncurrent liabilities	6,247,956	1,075,197	7,323,153
Total liabilities	7,106,015	3,004,866	10,110,881
NET ASSETS			
Invested in capital assets, net of related debt	4,920,258	19,583,502	24,503,760
Restricted for capital projects	-	36,004	36,004
Unrestricted	(3,966,349)	(1,759,373)	(5,725,722)
Total net assets	953,909	17,860,133	18,814,042
Total liabilities and net assets	$ 8,059,924	$ 20,864,999	$ 28,924,923

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2011

	Golf Course System	Transit	Total
OPERATING REVENUES			
Charges for services and sales	$ 499,454	$ 1,921,612	$ 2,421,066
Fees	2,640,588	-	2,640,588
Rentals	877,380	50,415	927,795
Other	34,624	48,854	83,478
Total operating revenues	4,052,046	2,020,881	6,072,927
OPERATING EXPENSES			
Personal services	2,061,613	7,001,513	9,063,126
Contractual services	946,524	3,708,307	4,654,831
Materials and supplies	629,520	2,223,739	2,853,259
Administrative charges	122,170	447,860	570,030
Depreciation	698,184	1,474,859	2,173,043
Total operating expenses	4,458,011	14,856,278	19,314,289
Operating income (loss)	(405,965)	(12,835,397)	(13,241,362)
NONOPERATING REVENUES (EXPENSES)			
Operating grants	-	7,182,998	7,182,998
Interest on investments	-	(4)	(4)
Other revenues (expenses)	-	(410,631)	(410,631)
Interest expense	(155,919)	(2,964)	(158,883)
Gain (loss) from sale of assets	-	23,649	23,649
Total nonoperating revenues (expenses)	(155,919)	6,793,048	6,637,129
Income (loss) before contributions and transfers	(561,884)	(6,042,349)	(6,604,233)
Capital contributions and operating transfers:			
Capital contributions - cash	-	2,094,929	2,094,929
Capital contributions - non cash	-	182,341	182,341
Transfers from other funds	-	3,955,080	3,955,080
Transfers to other funds	(72,060)	(94,690)	(166,750)
Change in net assets	(633,944)	95,311	(538,633)
Net assets - beginning, as restated	1,587,853	17,764,822	19,352,675
Total net assets - ending	$ 953,909	$ 17,860,133	$ 18,814,042

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the year ended December 31, 2011

	Golf Course System	Transit	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 4,019,449	$ 2,530,736	$ 6,550,185
Cash payments to suppliers for goods and services	(1,662,049)	(6,421,537)	(8,083,586)
Cash payments to employees for services	(2,068,975)	(6,988,155)	(9,057,130)
Other operating revenues (uses)	34,624	48,854	83,478
Net cash provided (used) by operating activities	323,049	(10,830,102)	(10,507,053)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grant received	-	7,154,043	7,154,043
Interfund loan	-	(1,649,998)	(1,649,998)
Transfers from other funds	-	3,955,080	3,955,080
Transfers to other funds	(72,060)	(94,690)	(166,750)
Net cash provided (used) by noncapital financing activities	(72,060)	9,364,435	9,292,375
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Additions to property, plant and equipment	-	(2,398,630)	(2,398,630)
Debt service - principal	(128,296)	-	(128,296)
Debt service - interest	(158,255)	-	(158,255)
Proceeds from sale of assets	-	129,955	129,955
Capital contributions	-	3,737,310	3,737,310
Net cash provided (used) by capital and related financing activities	(286,551)	1,468,635	1,182,084
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	-	(2,968)	(2,968)
Net cash provided by investing activities	-	(2,968)	(2,968)
Net increase (decrease) in cash and temporary investments	(35,562)	-	(35,562)
Cash and temporary investments - January 1	609,565	-	609,565
Cash and temporary investments - December 31	$ 574,003	$ -	$ 574,003
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	$ (405,965)	$ (12,835,397)	$ (13,241,362)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	698,184	1,474,859	2,173,043
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	150	558,709	558,859
Increase (decrease) in accounts payable/accrued expenses	36,166	(41,631)	(5,465)
Increase (decrease) in deposits	1,876	-	1,876
Increase (decrease) in compensated absences	(7,362)	13,358	5,996
Total adjustments	729,014	2,005,295	2,734,309
Net cash provided (used) by operating activities	$ 323,049	$ (10,830,102)	$ (10,507,053)
Noncash, investing, capital and financing activities:			
Contribution of capital asset	$ -	$ 182,341	$ 182,341

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 65,505,758	$ 69,455,758	$ 81,457,410	$ 12,001,652	$ 67,515,343
Rental/lease income	24,840	24,840	31,695	6,855	34,785
Interest earnings	150,000	-	-	-	(77,182)
Other revenue	1,000	1,000	(20,252)	(21,252)	5,369,797
Total revenues	65,681,598	69,481,598	81,468,853	11,987,255	72,842,743
EXPENDITURES					
Personnel services	7,776,508	8,693,006	8,773,550	(80,544)	8,760,198
Contractual services	9,670,343	9,813,495	10,647,601	(834,106)	8,903,691
Materials and supplies	4,380,306	4,247,366	4,377,010	(129,644)	3,148,308
Capital Outlay	3,709,693	3,729,693	781,922	2,947,771	404,844
Other operating expenses	964,161	1,047,352	1,000,520	46,832	494,768
Interest - Deferred refunding rev bonds	171,025	171,025	171,195	(170)	174,516
City administrative charges	1,047,269	1,062,181	1,062,181	-	1,042,691
Debt service	28,261,989	25,389,473	25,456,737	(67,264)	23,836,700
Other non-operating expenses	6,750	6,750	31,610	(24,860)	48,821
Cost of materials used	2,046,200	2,046,200	(95,935)	2,142,135	45,813
Bond amortization expense	(280,430)	(307,916)	(365,498)	57,582	(311,026)
Contingency	1,000,000	1,000,000	-	1,000,000	-
Franchise taxes	2,927,643	3,299,061	3,299,061	-	2,689,746
Total expenditures	61,681,457	60,197,686	55,139,954	5,057,732	49,239,070
Excess (deficiency) of revenues over (under) expenditures	4,000,141	9,283,912	26,328,899	17,044,987	23,603,673
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(2,372,720)	(2,372,720)	(2,378,720)	(6,000)	(2,076,733)
Total other financing sources (uses)	(2,372,720)	(2,372,720)	(2,378,720)	(6,000)	(2,076,733)
Net change in unencumbered cash balances	1,627,421	6,911,192	23,950,179	17,038,987	21,526,940
Unencumbered cash - beginning	33,205,682	71,756,772	71,756,772	-	45,665,281
(Increase)/decrease in assets and liabilities	-	-	(22,290,930)	(22,290,930)	4,564,551
Unencumbered cash - ending	$ 34,833,103	$ 78,667,964	$ 73,416,021	$ (5,251,943)	$ 71,756,772

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 42,975,589	$ 43,125,467	$ 44,455,161	$ 1,329,694	$ 38,261,338
Interest earnings	90,000	-	5,175	5,175	(16,667)
Other revenue	10,100	10,100	7,150	(2,950)	32,480
Total revenues	43,075,689	43,135,567	44,467,486	1,331,919	38,277,151
EXPENDITURES					
Personnel services	8,955,476	9,378,679	9,240,876	137,803	9,455,926
Contractual services	6,989,238	7,012,412	6,567,688	444,724	6,165,847
Materials and supplies	3,637,954	3,732,727	2,758,049	974,678	2,432,216
Capital outlay	1,494,000	1,690,160	1,093,501	596,659	1,006,883
Other operating expenses	932,644	977,866	944,584	33,282	453,790
Interest - Deferred refunding rev bonds	109,340	109,340	104,724	4,616	109,860
City administrative charges	317,290	317,290	317,290	-	317,290
Debt service	18,554,452	18,590,156	18,590,155	1	16,724,280
Other non-operating expenses	1,500	1,500	3,541	(2,041)	1,342
Bond amortization expense	(232,720)	(248,532)	(276,738)	28,206	(251,042)
Contingency	250,000	250,000	-	250,000	-
Franchise taxes	1,884,306	1,853,992	1,853,992	-	1,825,710
Total expenditures	42,893,480	43,665,590	41,197,662	2,467,928	38,242,102
Excess (deficiency) of revenues over (under) expenditures	182,209	(530,023)	3,269,824	3,799,847	35,049
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(1,809,630)	(1,809,630)	(1,811,130)	(1,500)	(1,604,010)
Total other financing sources (uses)	(1,809,630)	(1,809,630)	(1,811,130)	(1,500)	(1,604,010)
Net change in unencumbered cash balances	(1,627,421)	(2,339,653)	1,458,694	3,798,347	(1,568,961)
Unencumbered cash - beginning	22,651,941	33,141,282	33,141,282	-	19,955,556
(Increase)/decrease in assets and liabilities	-	-	(19,567,234)	(19,567,234)	14,754,687
Unencumbered cash - ending	$ 21,024,520	$ 30,801,629	$ 15,032,742	$ (15,768,887)	$ 33,141,282

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 8,597,820	$ 8,597,820	$ 9,281,544	$ 683,724	$ 8,514,656
Interest earnings	40,000	40,000	-	(40,000)	(14,215)
Other revenue	-	-	9,430	9,430	975,943
Total revenues	8,637,820	8,637,820	9,290,974	653,154	9,476,385
EXPENDITURES					
Personnel services	2,275,834	2,275,834	2,314,075	(38,241)	2,016,870
Contractual services	1,792,258	1,792,258	1,606,642	185,616	1,935,905
Materials and supplies	274,738	274,738	349,829	(75,091)	354,531
Capital outlay	520,000	520,000	552,909	(32,909)	430,295
Other operating expenses	11,731	11,731	11,731	-	435,640
City administrative charges	131,040	131,040	131,040	-	131,040
Debt service	2,512,929	2,512,929	2,949,126	(436,197)	2,376,263
Bond amortization expense	-	-	19,563	(19,563)	15,100
Other non-operating expenses	-	-	(20,319)	20,319	-
Contingency	8,200,000	8,200,000	-	8,200,000	-
Total expenditures	15,718,530	15,718,530	7,914,596	7,803,934	7,695,644
Excess (deficiency) of revenues over (under) expenditures	(7,080,710)	(7,080,710)	1,376,378	8,457,088	1,780,740
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(502,090)	(502,090)	(577,090)	(75,000)	(454,410)
Total other financing sources (uses)	(502,090)	(502,090)	(577,090)	(75,000)	(454,410)
Net change in unencumbered cash balances	(7,582,800)	(7,582,800)	799,288	8,382,088	1,326,331
Unencumbered cash - beginning	8,174,312	8,174,312	8,371,426	197,114	7,533,938
(Increase)/decrease in assets and liabilities	-	-	1,684	1,684	(488,842)
Unencumbered cash - ending	$ 591,512	$ 591,512	$ 9,172,398	$ 8,580,886	$ 8,371,426

INTERNAL SERVICE 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 Fund is responsible for coordination of 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.

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

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

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
December 31, 2011

	Information Technology	Fleet	Self Insurance	Total
ASSETS				
Current assets:				
Cash and temporary investments	$ 355,237	$ 2,213,606	$ 37,536,958	$ 40,105,801
Receivables, net	919	4,561	38,686	44,166
Inventories	-	743,223	-	743,223
Prepaid items	-	-	16,000	16,000
Total current assets	356,156	2,961,390	37,591,644	40,909,190
Noncurrent assets:				
Capital assets:				
Buildings	53,364	29,955	-	83,319
Machinery, equipment and other assets	15,162,246	27,302,319	269,600	42,734,165
Less accumulated depreciation	(12,880,150)	(19,499,946)	(251,626)	(32,631,722)
Total capital assets (net of accumulated depreciation)	2,335,460	7,832,328	17,974	10,185,762
Due from other funds	-	-	394,500	394,500
Total noncurrent assets	2,335,460	7,832,328	412,474	10,580,262
Total assets	$ 2,691,616	$ 10,793,718	$ 38,004,118	$ 51,489,452
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	$ 93,338	$ 359,226	$ 643,616	$ 1,096,180
Current portion of long-term obligations:				
Claims payable	-	-	6,904,890	6,904,890
Capital leases payable	356,429	-	-	356,429
Compensated absences	173,094	181,514	22,064	376,672
Total current liabilities	622,861	540,740	7,570,570	8,734,171
Noncurrent liabilities:				
Claims payable	-	-	8,466,016	8,466,016
Capital leases payable	153,151	-	-	153,151
Compensated absences	12,148	8,498	1,550	22,196
Total noncurrent liabilities	165,299	8,498	8,467,566	8,641,363
Total liabilities	788,160	549,238	16,038,136	17,375,534
NET ASSETS				
Invested in capital assets, net of related debt	1,825,880	7,832,328	17,974	9,676,182
Unrestricted	77,576	2,412,152	21,948,008	24,437,736
Total net assets	1,903,456	10,244,480	21,965,982	34,113,918
Total liabilities and net assets	$ 2,691,616	$ 10,793,718	$ 38,004,118	$ 51,489,452

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2011

	Information Technology	Fleet	Self Insurance	Total
OPERATING REVENUES				
Charges for services and sales	$ 8,413,818	$ 5,532,110	$ 69	$ 13,945,997
Rentals	-	7,828,238	-	7,828,238
Employer contributions	-	-	31,837,380	31,837,380
Employee contributions	-	-	8,496,796	8,496,796
Other	703,593	90,528	1,245,308	2,039,429
Total operating revenues	9,117,411	13,450,876	41,579,553	64,147,840
OPERATING EXPENSES				
Personal services	3,823,840	3,275,297	523,012	7,622,149
Contractual services	3,217,169	900,285	2,290,848	6,408,302
Materials and supplies	111,351	7,178,379	40,370	7,330,100
Cost of materials used	-	(102,590)	-	(102,590)
Administrative charges	330,350	170,850	56,520	557,720
Depreciation	674,475	3,718,532	26,960	4,419,967
Employee benefits	-	-	31,107,470	31,107,470
Insurance claims	-	-	5,018,826	5,018,826
Total operating expenses	8,157,185	15,140,752	39,064,006	62,361,943
Operating income (loss)	960,226	(1,689,877)	2,515,547	1,785,896
NONOPERATING REVENUES (EXPENSES)				
Other revenues (expenses)	(6,639)	-	-	(6,639)
Interest expense	(37,251)	-	-	(37,251)
Gain (loss) on sale of assets	(3,492)	29,585	-	26,093
Actuarial loss reserve adjustment	-	-	(672,054)	(672,054)
Total nonoperating revenues (expenses)	(47,382)	29,585	(672,054)	(689,851)
Income (loss) before contributions and transfers	912,844	(1,660,291)	1,843,493	1,096,046
Capital Contributions - non cash	719,739	1,479,626	-	2,199,365
Transfers from other funds	-	-	250,000	250,000
Transfers to other funds	(1,028,897)	-	(2,050,000)	(3,078,897)
Change in net assets	603,686	(180,665)	43,493	466,514
Total net assets - beginning	1,299,770	10,425,145	21,922,489	33,647,404
Total net assets - ending	$ 1,903,456	$ 10,244,480	$ 21,965,982	$ 34,113,918

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended December 31, 2011

	Information Technology	Fleet	Self Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 8,413,405	$ 13,417,394	$ 40,088,933	$ 61,919,732
Cash payments to suppliers for goods and services	(3,687,572)	(8,168,397)	(39,197,799)	(51,053,768)
Cash payments to employees for services	(3,800,109)	(3,267,796)	(522,505)	(7,590,410)
Other operating revenues	703,593	90,528	1,245,308	2,039,429
Net cash provided by (used in) operating activities	1,629,317	2,071,729	1,613,937	5,314,983
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	250,000	250,000
Transfers to other funds	(1,028,897)	-	(2,050,000)	(3,078,897)
Net cash provided by (used in) noncapital financing activities	(1,028,897)	-	(1,800,000)	(2,828,897)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Additions (deductions) to property, plant and equipment	-	(2,773,175)	-	(2,773,175)
Debt service - principal	(341,258)	-	-	(341,258)
Debt service - interest	(37,251)	-	-	(37,251)
Proceeds from sale of assets	-	502,671	-	502,671
Net cash used in capital and related financing activities	(378,509)	(2,270,504)	-	(2,649,013)
Net increase (decrease) in cash and temporary investments	221,911	(198,775)	(186,063)	(162,927)
Cash and temporary investments - January 1	133,326	$ 2,412,381	$ 37,723,021	40,268,728
Cash and temporary investments - December 31	$ 355,237	$ 2,213,606	$ 37,536,958	$ 40,105,801
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ 960,226	$ (1,689,877)	$ 2,515,547	$ 1,785,896
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	674,475	3,718,532	26,960	4,419,967
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(413)	57,046	149,189	205,822
(Increase) decrease in inventory	-	(161,928)	-	(161,928)
(Increase) decrease in prepaid items	-	-	(12,465)	(12,465)
(Increase) decrease in due from other funds	-	-	(394,500)	(394,500)
Increase (decrease) in accounts payable and accrued expenses	(28,702)	140,455	(671,301)	(559,548)
Increase (decrease) in compensated absences	23,731	7,501	507	31,739
Total adjustments	669,091	3,761,606	(901,610)	3,529,087
Net cash provided by (used in) operating activities	$ 1,629,317	$ 2,071,729	$ 1,613,937	$ 5,314,983
Supplemental Schedule of Non-Cash Investing and Financing Activities				
Contribution of capital assets, increase (decrease)	$ 717,826	$ 1,099,654	$ -	$ 1,817,480

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2011

	Life Insurance	Health Insurance	Workers' Compensation	General Liability	Total
OPERATING REVENUES					
Charges for services and sales	$ -	$ -	$ 69	$ -	$ 69
Employer contributions	363,710	25,330,294	4,056,269	2,087,107	31,837,380
Employee contributions	539,297	7,957,499	-	-	8,496,796
Other	-	567,599	141,485	536,224	1,245,308
Total operating revenues	903,007	33,855,392	4,197,823	2,623,331	41,579,553
OPERATING EXPENSES					
Personnel services	-	150,972	65,759	306,281	523,012
Contractual services	-	1,706,287	424,899	159,662	2,290,848
Materials and supplies	-	927	883	38,560	40,370
Administrative charges	780	6,040	41,030	8,670	56,520
Depreciation	-	-	-	26,960	26,960
Employee benefits	902,599	30,204,871	-	-	31,107,470
Insurance claims	-	-	2,640,481	2,378,345	5,018,826
Total operating expenses	903,379	32,069,097	3,173,052	2,918,478	39,064,006
Operating income (loss)	(372)	1,786,295	1,024,771	(295,147)	2,515,547
NONOPERATING REVENUES AND EXPENSES					
Actuarial loss reserve adjustment	-	(184,358)	706,698	(1,194,394)	(672,054)
Total nonoperating revenues (expenses)	-	(184,358)	706,698	(1,194,394)	(672,054)
Net income (loss) before operating transfers	(372)	1,601,937	1,731,469	(1,489,541)	1,843,493
Operating transfers:					
Transfers from other funds	-	-	-	250,000	250,000
Transfers to other funds	-	-	-	(2,050,000)	(2,050,000)
Increase (decrease) in net assets	(372)	1,601,937	1,731,469	(3,289,541)	43,493
Total net assets - beginning	703,958	6,564,950	3,057,216	11,596,365	21,922,489
Total net assets - ending	$ 703,586	$ 8,166,887	$ 4,788,685	$ 8,306,824	$ 21,965,982

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 9,349,765	$ 9,381,224	$ 8,413,818	$ (967,406)	$ 8,103,893
Rental/lease income	-	-	-	-	403
Other revenue	738,028	633,076	703,596	70,520	633,509
Total revenues	10,087,793	10,014,300	9,117,414	(896,886)	8,737,805
EXPENDITURES					
Personnel services	3,897,385	3,846,666	3,823,840	22,826	3,728,409
Contractual services	4,401,144	4,326,819	3,217,497	1,109,322	3,152,609
Materials and supplies	243,340	220,100	110,030	110,070	146,068
Capital outlay	45,000	55,000	-	55,000	6,390
City administrative charges	330,350	330,350	330,350	-	330,350
Other non-operating expenses	72,100	78,600	378,509	(299,909)	6,361
Debt service	-	-	6,639	(6,639)	381,834
Cost of materials used	40,000	40,000	-	40,000	-
Total expenditures	9,029,319	8,897,535	7,866,865	1,030,670	7,752,021
Excess (deficiency) of revenues over (under) expenditures	1,058,474	1,116,765	1,250,549	133,784	985,784
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(1,028,897)	(1,028,897)	(1,028,897)	-	(1,795,551)
Total other financing sources (uses)	(1,028,897)	(1,028,897)	(1,028,897)	-	(1,795,551)
Net change in unencumbered cash balances	29,577	87,868	221,652	133,784	(809,767)
Unencumbered cash - beginning	20,344	14,616	14,616	-	833,626
(Increase)/decrease in assets and liabilities	-	-	23,318	23,318	(9,243)
Unencumbered cash - ending	$ 49,921	$ 102,484	$ 259,586	$ 157,102	$ 14,616

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 3,708,740	$ 4,207,883	$ 6,034,780	$ 1,826,897	$ 4,064,363
Rental/lease income	9,079,281	8,621,900	7,828,238	(793,662)	8,945,800
Other revenue	50,000	114,000	97,556	(16,444)	127,331
Total revenues	12,838,021	12,943,783	13,960,574	1,016,791	13,137,494
EXPENDITURES					
Personnel services	3,250,111	3,129,360	3,275,296	(145,936)	3,164,577
Contractual services	926,927	997,617	879,067	118,550	1,026,457
Materials and supplies	5,226,310	6,574,373	7,176,658	(602,285)	5,071,970
Capital outlay	2,850,000	2,544,000	2,150,091	393,909	2,750,208
City administrative charges	170,850	170,850	170,850	-	170,850
Cost of materials used	400,000	450,000	(104,028)	554,028	390,311
Total expenditures	12,824,198	13,866,200	13,547,934	318,266	12,574,373
Excess (deficiency) of revenues over (under) expenditures	13,823	(922,417)	412,640	1,335,057	563,121
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(383,000)	-	-	-	(376,000)
Total other financing sources (uses)	(383,000)	-	-	-	(376,000)
Net change in unencumbered cash balances	(369,177)	(922,417)	412,640	1,335,057	187,121
Unencumbered cash - beginning	382,354	1,535,556	1,535,556	-	1,281,513
(Increase)/decrease in assets and liabilities	-	-	(100,201)	(100,201)	66,922
Unencumbered cash - ending	$ 13,177	$ 613,139	$ 1,847,995	$ 1,234,856	$ 1,535,556

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, 2011
(with comparative totals for the year ended December 31, 2010)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2010 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ -	$ -	$ 69	$ 69	$ -
Interest earnings	260,000	235,000	-	(235,000)	(63,594)
Contributions	-	-	1,691,102	1,691,102	1,276,720
Employer contributions	33,139,685	33,969,369	30,281,085	(3,688,284)	28,512,423
Employee contributions	16,730,993	9,203,671	8,368,635	(835,036)	7,662,603
Other revenue	279,247	3,183,734	1,271,425	(1,912,309)	666,936
Total revenues	50,409,925	46,591,774	41,612,316	(4,979,458)	38,055,088
EXPENDITURES					
Personnel services	1,707,949	1,659,254	1,409,456	249,798	1,386,393
Contractual services	46,364,901	42,356,598	36,666,035	5,690,563	34,291,220
Materials and supplies	113,900	114,300	25,194	89,106	51,903
Capital outlay	10,000	10,000	-	10,000	(3,415)
Other operating expenses	205,746	224,331	192,821	31,510	87,328
City administrative charges	56,520	56,520	56,520	-	56,520
Other non-operating expenses	708,160	1,283,160	1,201,042	82,118	1,684,762
Contingency	3,500,000	2,925,000	116,682	2,808,318	-
Total expenditures	52,667,176	48,629,163	39,667,750	8,961,413	37,554,711
Excess (deficiency) of revenues over (under) expenditures	(2,257,251)	(2,037,389)	1,944,566	3,981,955	500,377
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	250,000	250,000	250,000	-	250,000
Transfers to other funds	(900,000)	(1,275,000)	(2,050,000)	(775,000)	(1,225,000)
Total other financing sources (uses)	(650,000)	(1,025,000)	(1,800,000)	(775,000)	(975,000)
Net change in unencumbered cash balances	(2,907,251)	(3,062,389)	144,566	3,206,955	(474,623)
Unencumbered cash - beginning	21,330,737	24,293,883	22,971,113	(1,322,770)	24,782,411
(Increase)/decrease in assets and liabilities	-	-	1,249,860	1,249,860	(1,336,675)
Unencumbered cash - ending	$ 18,423,486	$ 21,231,494	$ 24,365,539	$ 3,134,045	$ 22,971,113

This page intentionally left blank.

CITY OF WICHITA

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 as agent.

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

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF NET ASSETS
PENSION TRUST FUNDS
December 31, 2011

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3	Total
ASSETS				
Cash and temporary investments	$ 353,469	$ 154,632	$ 26,556	$ 534,657
Receivables:				
Investment sales pending	11,704,690	11,350,622	413,915	23,469,227
Interest and dividends	1,529,473	1,483,206	54,087	3,066,766
Other	524,488	517,470	39,439	1,081,397
Total receivables	13,758,651	13,351,298	507,441	27,617,390
Investments, at fair value:				
Government short term investment fund	15,557,908	15,087,280	550,177	31,195,365
Government securities: long-term	15,356,843	14,892,058	574,756	30,823,657
Corporate debt instruments: long-term	46,725,170	45,310,999	1,748,769	93,784,938
Mortgage and asset-backed securities	43,351,720	42,039,648	1,622,512	87,013,880
Corporate stocks: domestic common	158,555,083	153,756,301	5,934,192	318,245,576
Corporate stocks: international common	71,570,093	69,403,973	2,678,633	143,652,699
Real estate	16,213,201	15,722,497	606,807	32,542,505
Timber	4,895,156	4,747,001	183,209	9,825,366
Commodities	6,000,187	5,818,588	224,567	12,043,342
Value of interest in pooled funds: domestic fixed income	-	-	451,921	451,921
Value of interest in pooled funds: international fixed income	3,618,920	3,509,391	135,444	7,263,755
Value of interest in pooled funds: high yield fixed income	3,734,695	3,621,662	139,777	7,496,134
Value of interest in pooled funds: U.S. TIPS	6,404,104	6,210,278	239,685	12,854,067
Value of interest in pooled funds: domestic equities	55,842,327	54,152,218	2,089,992	112,084,537
Value of interest in pooled funds: international equities	18,615,151	18,052,041	839,789	37,506,981
Securities lending short-term collateral investment pool	44,199,259	42,862,229	1,563,026	88,624,514
Total investments	510,639,817	495,186,164	19,583,256	1,025,409,237
Capital assets:				
Pension software	449,558	449,558	385,335	1,284,451
Less accumulated depreciation	(225,374)	(225,374)	(193,180)	(643,928)
Total capital assets (net of depreciation)	224,184	224,184	192,155	640,523
Total assets	524,976,121	508,916,278	20,309,408	1,054,201,807
LIABILITIES				
Accounts payable and accrued expenses	1,142,528	3,234,556	22,272	4,399,356
Investment purchases pending	18,793,589	18,225,082	664,601	37,683,272
Securities lending obligations	44,199,259	42,862,229	1,563,026	88,624,514
Total liabilities	64,135,376	64,321,867	2,249,899	130,707,142
NET ASSETS				
Held in trust for pension benefits	$ 460,840,745	$ 444,594,411	$ 18,059,509	$ 923,494,665

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CHANGES IN NET ASSETS
PENSION TRUST FUNDS
For the year ended December 31, 2011

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3	Total
ADDITIONS				
Contributions:				
Employer	$ 13,806,880	$ 6,596,124	$ 1,244,150	$ 21,647,154
Employee	4,403,425	2,537,440	1,244,150	8,185,015
Total contributions	18,210,305	9,133,564	2,488,300	29,832,169
Investment income:				
From investment activities				
Net appreciation (depreciation) in fair value of investments	(8,880,404)	(8,540,380)	(229,000)	(17,649,784)
Interest and dividends	13,196,725	12,990,112	471,524	26,658,361
Commission recapture	27,574	27,311	1,012	55,897
Total investing activity income	4,343,895	4,477,043	243,536	9,064,474
Less investment expense	2,138,317	2,102,027	80,058	4,320,402
Net income (loss) from investing activities	2,205,578	2,375,016	163,478	4,744,072
From securities lending activities				
Securities lending income	216,512	213,314	7,940	437,766
Securities lending activities expenses:				
Borrower rebates	(59,470)	(58,371)	(1,867)	(119,708)
Management fees	77,461	76,278	2,754	156,493
Total securities lending activities expenses	17,991	17,907	887	36,785
Net income from securities lending activities	198,521	195,407	7,053	400,981
Total net investment income (loss)	2,404,099	2,570,423	170,531	5,145,053
Transfers from other funds	-	2,680,431	-	2,680,431
Total additions	20,614,404	14,384,418	2,658,831	37,657,653
DEDUCTIONS				
Pension benefits	26,116,346	34,183,074	-	60,299,420
Pension administration	445,898	444,630	76,217	966,745
Depreciation	63,016	63,016	54,017	180,049
Employee contributions refunded	636,120	449,266	709,739	1,795,125
Transfers to other funds	-	-	2,680,431	2,680,431
Total deductions	27,261,380	35,139,986	3,520,404	65,921,770
Change in net assets	(6,646,976)	(20,755,568)	(861,573)	(28,264,117)
Net assets - beginning	467,487,721	465,349,979	18,921,082	951,758,782
Net assets - ending	$ 460,840,745	$ 444,594,411	$ 18,059,509	$ 923,494,665

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the year ended December 31, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
Payroll Liability Fund				
ASSETS				
Cash and temporary investments	$ 1,263,370	$ 123,518,797	$ 123,534,616	$ 1,247,551
Accounts receivable	592,207	81,350	-	673,557
Total assets	$ 1,855,577	$ 123,600,147	$ 123,534,616	$ 1,921,108
LIABILITIES				
Accounts payable	$ 1,855,577	$ 180,983,903	$ 180,918,372	$ 1,921,108
Total liabilities	$ 1,855,577	$ 180,983,903	$ 180,918,372	$ 1,921,108
Special Assessment Advance Payments Fund				
ASSETS				
Cash and temporary investments	$ 2,480,763	$ 4,611,722	$ 2,993,881	$ 4,098,604
Investments	2,820,292	1,719,785	3,745,031	795,046
Accounts receivable	12,221	-	12,221	-
Total assets	$ 5,313,276	$ 6,331,507	$ 6,751,133	$ 4,893,650
LIABILITIES				
Accounts payable	$ 74	$ 3,444	$ 3,518	$ -
Deposits	5,313,202	866,692	1,286,244	4,893,650
Total liabilities	$ 5,313,276	$ 870,136	$ 1,289,762	$ 4,893,650
Neighborhood Revitalization Fund				
ASSETS				
Cash and temporary investments	$ 53,569	$ 289,917	$ 253,764	$ 89,722
Total assets	$ 53,569	$ 289,917	$ 253,764	$ 89,722
LIABILITIES				
Accounts payable	$ 25,893	$ 232,261	$ 258,154	$ -
Deposits	27,676	289,917	227,871	89,722
Total liabilities	$ 53,569	$ 522,178	$ 486,025	$ 89,722

(Continued)

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
CID-Community Improvement Districts				
ASSETS				
Cash and temporary investments	$ -	$ 59,499	$ 46,605	$ 12,894
Accounts receivable	-	15,000	2,119	12,881
Total assets	$ -	$ 74,499	$ 48,724	$ 25,775
LIABILITIES				
Accounts payable	$ -	$ 57,380	$ 31,605	$ 25,775
Total liabilities	$ -	$ 57,380	$ 31,605	$ 25,775
IRB, PILOT Fund				
ASSETS				
Cash and temporary investments	$ -	$ 176,226	$ 176,226	$ -
Accounts receivable	8,224	-	8,224	-
Total assets	$ 8,224	$ -	$ 8,224	$ -
LIABILITIES				
Deposits	$ 8,224	$ 352,453	$ 360,677	$ -
Total liabilities	$ 8,224	$ 352,453	$ 360,677	$ -
Special Assesment Letters of Credit				
ASSETS				
Cash and temporary investments	$ 178,880	$ -	$ -	$ 178,880
Total assets	$ 178,880	$ -	$ -	$ 178,880
LIABILITIES				
Deposits	$ 178,880	$ -	$ -	$ 178,880
Total liabilities	$ 178,880	$ -	$ -	$ 178,880
Totals - All Agency Funds				
ASSETS				
Cash and temporary investments	$ 3,976,582	$ 128,656,161	$ 127,005,092	$ 5,627,651
Investments	2,820,292	1,719,785	3,745,031	795,046
Accounts receivable	612,652	96,350	22,564	686,438
Total assets	$ 7,409,526	$ 130,472,296	$ 130,772,687	$ 7,109,135
LIABILITIES				
Accounts payable	$ 1,881,544	$ 181,276,988	$ 181,211,649	$ 1,946,883
Deposits	5,527,982	1,509,062	1,874,792	5,162,252
Total liabilities	$ 7,409,526	$ 182,786,050	$ 183,086,441	$ 7,109,135

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 equipment, facilities and improvements for the City of Wichita, other local, state or federal agencies and the Wichita State University Board of Trustees.

CITY OF WICHITA, KANSAS

STATEMENT OF CASH FLOWS
COMPONENT UNIT - WICHITA PUBLIC BUILDING COMMISSION
For the year ended December 31, 2011

	2011	2010
CASH FLOWS PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Received on direct financing lease	$ 2,695,000	$ 2,595,000
Debt service - principal	(2,695,000)	(2,595,000)
Debt service - interest	(677,553)	(773,228)
Net cash provided by (used in) capital and related financing activities	(677,553)	(773,228)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on lease investment	381,055	2,572,552
Net cash provided by (used in) investment activities	381,055	2,572,552
Net increase in cash and temporary investments	(296,497)	1,799,324
Cash and temporary investments - January 1	3,157,172	1,357,848
Cash and temporary investments - December 31	$ 2,860,675	$ 3,157,172

This page intentionally left blank.

CITY OF WICHITA

ADDITIONAL INFORMATION

Additional schedules represent 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, 2011

	Beginning Balance	Issued	Retired	Ending Balance
General obligation bonds payable from:				
Ad valorem property taxes	$ 80,844,344	$ 2,935,000	$ 14,261,876	$ 69,517,468
Special assessments	255,270,000	54,145,000	39,785,000	269,630,000
Tax increment financing	21,774,850	4,810,000	6,029,849	20,555,001
Transient guest tax	2,847,155	-	891,552	1,955,603
Airport Authority	80,000	17,080,000	80,000	17,080,000
Golf Course System	3,120,000	-	555,000	2,565,000
Local sales tax	130,730,000	24,995,000	32,270,000	123,455,000
Storm Water Utility	23,523,006	3,450,000	5,936,579	21,036,427
Revenue bonds payable from:				
Water Utility	266,444,125	42,867,644	58,961,524	250,350,245
Sewer Utility	195,165,288	62,457,356	75,652,261	181,970,383
Airport Special Facilities	62,700,000	-	680,000	62,020,000
Wichita Public Building Commission	16,705,000	-	2,695,000	14,010,000
	$ 1,059,203,768	$ 212,740,000	$ 237,798,641	$ 1,034,145,127

RECONCILIATION OF BONDS PAYABLE
December 31, 2011

General obligation bonds	$ 525,794,499
Revenue bonds	508,350,628
Total bonds payable	$ 1,034,145,127
Serial bonds payable exclusive of bond anticipation notes	$ 485,113,072
Bonds payable from component unit	14,010,000
Bonds payable from proprietary funds	535,022,055
Total bonds payable	$ 1,034,145,127

CITY OF WICHITA, KANSAS

SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES
BASED ON BONDED DEBT AS OF DECEMBER 31, 2011

	PAYABLE FROM PROPERTY TAXES			PAYABLE FROM TRANSIENT GUEST TAX		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2012	$ 11,331,413	$ 2,197,004	$ 13,528,417	$ 891,265	$ 824,992	$ 1,716,257
2013	9,566,414	1,899,275	11,465,689	896,914	829,966	1,726,880
2014	7,289,716	1,632,675	8,922,391	167,424	8,371	175,795
2015	6,532,088	1,406,325	7,938,413	-	-	-
2016	6,801,289	1,216,828	8,018,117	-	-	-
2017	7,028,222	995,246	8,023,468	-	-	-
2018	7,252,424	751,792	8,004,216	-	-	-
2019	7,484,357	492,216	7,976,573	-	-	-
2020	3,792,250	263,502	4,055,752	-	-	-
2021	484,863	156,118	640,981	-	-	-
2022	499,886	122,840	622,726	-	-	-
2023	519,009	85,360	604,369	-	-	-
2024	534,033	46,435	580,468	-	-	-
2025	401,504	16,060	417,564	-	-	-
	$ 69,517,468	$ 11,281,675	$ 80,799,142	$ 1,955,603	$ 1,663,329	$ 3,618,932

	PAYABLE FROM TAX INCREMENT FINANCING			PAYABLE FROM LOCAL SALES TAX		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2012	$ 3,384,091	$ 939,371	$ 4,323,462	$ 11,630,000	$ 4,573,404	$ 16,203,404
2013	2,818,334	804,166	3,622,501	12,035,000	4,122,704	16,157,704
2014	1,892,576	679,510	2,572,086	15,520,000	3,675,754	19,195,754
2015	1,685,000	593,859	2,278,858	15,960,000	3,110,829	19,070,829
2016	1,760,000	513,694	2,273,693	16,465,000	2,508,697	18,973,697
2017	1,845,000	429,689	2,274,689	16,770,000	1,929,704	18,699,704
2018	1,900,000	341,379	2,241,379	13,435,000	1,330,279	14,765,279
2019	1,585,000	251,379	1,836,378	6,550,000	773,788	7,323,788
2020	1,640,000	176,604	1,816,604	3,895,000	590,390	4,485,390
2021	1,005,000	102,044	1,107,044	4,075,000	432,290	4,507,290
2022	1,040,000	52,300	1,092,300	4,260,000	265,125	4,525,125
2023	-	-	-	675,000	87,688	762,688
2024	-	-	-	700,000	67,438	767,438
2025	-	-	-	730,000	46,438	776,438
2026	-	-	-	755,000	24,538	779,538
	$ 20,555,001	$ 4,883,993	$ 25,438,994	$ 123,455,000	$ 23,539,066	$ 146,994,066

	TOTAL PAYABLE FROM TAXES			PAYABLE FROM SPECIAL ASSESSMENTS		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2012	$ 27,236,769	$ 8,534,771	$ 35,771,540	$ 23,850,000	$ 10,576,054	$ 34,426,053
2013	25,316,663	7,656,112	32,972,774	25,185,000	9,791,533	34,976,533
2014	24,869,717	5,996,310	30,866,027	25,875,000	8,895,107	34,770,108
2015	24,177,088	5,111,012	29,288,100	24,630,000	7,944,324	32,574,324
2016	25,026,289	4,239,218	29,265,506	22,975,000	6,969,333	29,944,333
2017	25,643,222	3,354,638	28,997,860	22,485,000	6,055,451	28,540,451
2018	22,587,424	2,423,450	25,010,874	22,345,000	5,116,233	27,461,233
2019	15,619,357	1,517,382	17,136,739	21,115,000	4,167,067	25,282,067
2020	9,327,250	1,030,495	10,357,746	20,270,000	3,257,467	23,527,467
2021	5,564,863	690,452	6,255,314	15,340,000	2,435,001	17,775,001
2022	5,799,886	440,265	6,240,151	10,500,000	1,830,934	12,330,934
2023	1,194,009	173,048	1,367,057	8,385,000	1,397,897	9,782,897
2024	1,234,033	113,873	1,347,906	6,740,000	1,062,334	7,802,334
2025	1,131,504	62,498	1,194,002	5,360,000	791,375	6,151,375
2026	755,000	24,538	779,538	3,850,000	592,151	4,442,151
2027	-	-	-	3,475,000	433,629	3,908,629
2028	-	-	-	3,030,000	285,944	3,315,944
2029	-	-	-	2,730,000	156,939	2,886,939
2030	-	-	-	1,410,000	40,455	1,450,455
2031	-	-	-	80,000	3,300	83,300
	$ 215,483,072	$ 41,368,062	$ 256,851,135	$ 269,630,000	$ 71,802,527	$ 341,432,527

CITY OF WICHITA, KANSAS

SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES
PAYABLE FROM PROPRIETARY FUND REVENUES
BASED ON BONDED DEBT AS OF DECEMBER 31, 2011

	PROPRIETARY FUNDS					
	Airport Authority		Golf Course System		Storm Water Utility	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2012	495,000	791,951	590,000	74,530	2,251,037	625,557
2013	520,000	778,346	620,000	56,851	2,300,033	573,939
2014	540,000	759,721	660,000	39,023	2,065,284	513,787
2015	560,000	740,909	695,000	20,601	2,117,912	445,641
2016	585,000	720,746	-	-	2,168,711	367,960
2017	520,000	700,496	-	-	1,506,778	284,854
2018	540,000	680,771	-	-	1,552,576	230,614
2019	565,000	659,315	-	-	1,600,643	169,627
2020	585,000	635,159	-	-	1,442,750	118,654
2021	605,000	608,678	-	-	880,137	84,238
2022	545,000	581,765	-	-	910,113	68,398
2023	565,000	554,909	-	-	940,991	49,677
2024	585,000	526,946	-	-	965,966	30,328
2025	610,000	497,646	-	-	333,495	13,340
2026	635,000	467,389	-	-	-	-
2027	660,000	435,959	-	-	-	-
2028	685,000	402,639	-	-	-	-
2029	715,000	367,469	-	-	-	-
2030	745,000	330,060	-	-	-	-
2031	775,000	290,400	-	-	-	-
2032	275,000	259,065	-	-	-	-
2033	285,000	236,499	-	-	-	-
2034	300,000	212,733	-	-	-	-
2035	310,000	187,755	-	-	-	-
2036	1,110,000	161,898	-	-	-	-
2037	335,000	135,096	-	-	-	-
2038	350,000	107,088	-	-	-	-
2039	360,000	77,920	-	-	-	-
2040	375,000	47,590	-	-	-	-
2041	1,345,000	16,045	-	-	-	-
	$ 17,080,000	$ 12,972,963	$ 2,565,000	$ 191,005	$ 21,036,427	$ 3,576,615

	Totals		
Year	Principal	Interest	Debt Service Charges
2012	3,336,037	1,492,038	4,828,075
2013	3,440,033	1,409,136	4,849,170
2014	3,265,284	1,312,531	4,577,815
2015	3,372,912	1,207,151	4,580,064
2016	2,753,711	1,088,706	3,842,417
2017	2,026,778	985,349	3,012,127
2018	2,092,576	911,384	3,003,961
2019	2,165,643	828,942	2,994,586
2020	2,027,750	753,813	2,781,563
2021	1,485,137	692,916	2,178,053
2022	1,455,113	650,163	2,105,276
2023	1,505,991	604,586	2,110,577
2024	1,550,966	557,274	2,108,240
2025	943,495	510,986	1,454,481
2026	635,000	467,389	1,102,389
2027	660,000	435,959	1,095,959
2028	685,000	402,639	1,087,639
2029	715,000	367,469	1,082,469
2030	745,000	330,060	1,075,060
2031	775,000	290,400	1,065,400
2032	275,000	259,065	534,065
2033	285,000	236,499	521,499
2034	300,000	212,733	512,733
2035	310,000	187,755	497,755
2036	1,110,000	161,898	1,271,898
2037	335,000	135,096	470,096
2038	350,000	107,088	457,088
2039	360,000	77,920	437,920
2040	375,000	47,590	422,590
2041	1,345,000	16,045	1,361,045
	$ 40,681,427	$ 16,740,583	$ 57,422,010

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, 2011

	PROPRIETARY FUNDS					
	Water Utility		Sewer Utility		Wichita Airport Authority	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2012	$ 14,087,630	$ 11,255,222	$ 10,712,231	$ 8,047,283	$ 505,000	$ 3,656,344
2013	13,244,005	10,973,425	9,872,694	8,027,485	470,000	3,622,617
2014	12,861,021	10,460,869	8,903,315	7,660,677	435,000	3,593,007
2015	13,479,093	9,921,470	9,353,717	7,287,727	-	3,563,644
2016	14,169,146	9,334,152	9,868,014	6,884,814	-	3,563,644
2017	11,506,229	8,705,107	10,251,200	6,453,434	-	3,563,644
2018	12,059,767	8,168,205	10,808,893	5,963,533	-	3,563,644
2019	11,062,058	7,594,707	9,108,840	5,439,746	-	3,563,644
2020	11,347,865	7,080,257	9,166,325	5,005,113	-	3,563,644
2021	11,816,213	6,548,139	9,567,375	4,568,177	1,300,000	3,485,915
2022	11,730,649	6,010,970	9,999,351	4,115,340	-	3,466,144
2023	12,233,096	5,449,697	10,456,904	3,628,536	-	3,466,144
2024	10,547,881	4,855,985	7,702,119	3,117,020	-	3,466,144
2025	11,104,556	4,342,614	8,225,444	2,740,016	7,350,000	3,249,394
2026	10,477,528	3,805,445	7,882,472	2,339,223	-	3,083,644
2027	10,541,602	3,306,019	7,398,398	1,958,246	-	3,083,644
2028	10,981,061	2,806,721	7,738,939	1,599,514	-	3,083,644
2029	9,430,744	2,285,125	5,164,256	1,222,562	-	3,083,644
2030	9,824,166	1,838,659	5,380,834	972,434	-	3,083,644
2031	6,993,577	1,380,481	3,241,423	714,456	2,660,000	3,083,644
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	-	-
2034	4,234,712	557,181	2,400,288	315,819	-	-
2035	1,381,786	345,446	783,214	195,804	-	-
2036	1,381,786	276,356	783,214	156,644	-	-
2037	1,381,786	207,267	783,213	117,483	-	-
2038	1,381,786	138,178	783,213	78,322	-	-
2039	1,381,786	69,089	783,213	39,161	-	-
	$ 250,350,245	$ 129,521,775	$ 181,970,383	$ 89,639,080	$ 62,020,000	$ 69,430,062

COMPONENT UNIT				
Wichita Public Building Commission		Totals		
Principal	Interest	Principal	Interest	Charges
$ 2,790,000	$ 581,495	$ 28,094,861	$ 23,540,344	$ 51,635,205
2,890,000	473,695	26,476,699	23,097,222	49,573,921
3,010,000	354,263	25,209,336	22,068,816	47,278,152
1,480,000	220,960	24,312,810	20,993,801	45,306,611
1,555,000	146,315	25,592,160	19,928,925	45,521,085
1,630,000	69,196	23,387,429	18,791,381	42,178,810
100,000	28,420	22,968,660	17,723,802	40,692,462
100,000	24,420	20,270,898	16,622,517	36,893,415
105,000	20,020	20,619,190	15,669,034	36,288,224
110,000	15,400	22,793,588	14,617,631	37,411,219
115,000	10,560	21,845,000	13,603,014	35,448,014
125,000	5,500	22,815,000	12,549,877	35,364,877
-	-	18,250,000	11,439,149	29,689,149
-	-	26,680,000	10,332,024	37,012,024
-	-	18,360,000	9,228,312	27,588,312
-	-	17,940,000	8,347,909	26,287,909
-	-	18,720,000	7,489,879	26,209,879
-	-	14,595,000	6,591,331	21,186,331
-	-	15,205,000	5,894,737	21,099,737
-	-	12,895,000	5,178,581	18,073,581
-	-	57,430,000	3,141,625	60,571,625
-	-	6,430,000	1,194,500	7,624,500
-	-	6,635,000	873,000	7,508,000
-	-	2,165,000	541,250	2,706,250
-	-	2,165,000	433,000	2,598,000
-	-	2,164,999	324,750	2,489,749
-	-	2,164,999	216,500	2,381,499
-	-	2,164,999	108,250	2,273,249
$ 14,010,000	$ 1,950,244	$ 508,350,628	$ 290,541,161	$ 798,891,789

CITY OF WICHITA, KANSAS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2011

From Verl

Company	Policy Period From	Policy Period To	Details of Coverage	Terms	Deductible	Value Limits
Travelers	01-11	01-12	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 Total Insured Values = $726,233,012	$ 100,000 Property, $2,000,000 wind and hail	$ 200,000,000
Travelers	01-11	01-12	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	01-11	01-12	Data processing property protection	Hardware	100,000	10,000,000
Hartford Fire	01-11	01-12	Burglary and/or theft coverage for monies and securities	Per occurrence	10,000	1,000,000
Housing Authority	06-11	06-12	WHA general liability	Per occurrence	10,000	5,000,000
Housing Authority Insurance Group	06-11	06-12	WHA fire insurance on owned units	Per occurrence	5,000	$69,520,648 combined limit based on
Philadelphia Indemnity Insurance	12-11	12-12	WHA flood insurance on owned units-30 units	Per occurrence	5,000	$48,000 per unit
Safety National Casualty Corporation	01-11	01-12	Excess workers' compensation	Per occurrence -liability imposed by law	750,000	Statutory
			Employers' liability	Per occurrence	-	1,000,000
Zurich	01-11	01-12	Travel accident insurance	Per person / occurrence	-	100,000
				Aggregate	-	500,000
ACE American Ins. Co.	01-11	01-12	Foreign package-General liability	Per occurrence	-	1,000,000
Old Republic Ins. Co.	01-11	01-12	Helicopter liability cargo coverage	Per occurrence	-	250,000
Old Republic Ins. Co.	01-11	01-12	Helicopter hull coverage-in motion	Per occurrence	24,000	1,000,000
Old Republic Ins. Co.	01-11	01-12	Helicopter hull coverage-not in motion	Per occurrence	500	1,000,000
Ins. Co. of State of PA	01-11	01-12	Special liabiltiy	Per occurrence	2,000,000	10,000,000
WICHITA AIRPORT						
National Union Fire Ins.	01-11	01-12	Comprehensive general liability	Per occurrence	1,000	100,000,000
				Aggregate	10,000	
Great American Alliance Insurance Company	01-11	01-12	Underground storage tank liability	Per occurrence	10,000	1,000,000
WICHITA ART MUSEUM						
American Insurance Corp.	01-11	01-12	All risk coverage for fine arts collections, on premises, worldwide transit coverage	Per occurrence at	1,000	75,000,000
AXA Art Insurance Corp.				Per occurrence not at	1,000	25,000,000
				Per disaster not at insured's premises	1,000	75,000,000
WICHITA PUBLIC BUILDING COMMISSION - STATE OFFICE BUILDING						
Travelers	01-11	01-12	Property - buildings and earnings State office building and parking facility $38,772,274 insured value.	Per occurrence as scheduled	5,000	34,512,957
Travelers	01-11	01-12	Comprehensive general liability	Per occurrence	-	2,000,000
Travelers	01-11	01-12	Umbrella	Per occurrence	-	1,000,000
CAREER DEVELOPMENT						
AM Trust NA	04-11	04-12	Employers Liability: Bodily injury by accident	Per occurrence	-	100,000
	04-11	04-12	Bodily injury by disease - Policy Limit		-	500,000
	04-11	04-12	Bodily injury by disease - Each Employee	Per occurrence	-	100,000

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 property and sales tax.

Debt capacity schedules present information to help the reader assess the affordability of the City's current 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 is provided to help the reader understand how the City's financial information relates to the services provided and the activities the City performed.

This page intentionally left blank.

CITY OF WICHITA

CITY OF WICHITA, KANSAS

NET ASSETS BY COMPONENT

For years ended December 31, 2002 through December 31, 2011
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities					
Invested in capital assets net of related debt	$ 386,100	$ 414,206	$ 370,193	$ 376,630	$ 457,432
Restricted for:					
Capital projects	13,565	23,340	40,741	34,397	25,275
Highways and streets	12,133	12,558	12,827	11,641	8,898
Debt service	162,623	180,799	266,105	261,354	252,783
Perpetual care	799	813	827	839	831
Other purposes	12,196	12,240	17,452	19,409	18,524
Unrestricted	39,995	15,015	14,643	28,625	(8,843)
Total governmental activities net assets	$ 627,411	$ 658,971	$ 722,788	$ 732,895	$ 754,900
Business-type activities					
Invested in capital assets net of related debt	$ 594,231	$ 575,074	$ 626,009	$ 664,564	$ 684,433
Restricted for:					
Capital projects	2,432	6,771	7,560	5,233	10,456
Debt service	1,630	2,978	2,840	3,206	3,660
Revenue bond covenants	28,664	65,389	40,613	48,145	55,714
Unrestricted	30,073	25,787	24,887	34,814	32,620
Total business-type activities net assets	$ 657,030	$ 675,999	$ 701,909	$ 755,962	$ 786,883
Primary government					
Invested in capital assets net of related debt	$ 980,331	$ 989,280	$ 996,202	$ 1,041,194	$ 1,141,865
Restricted for:					
Capital projects	15,997	30,111	48,301	39,630	35,731
Highways and streets	12,133	12,558	12,827	11,641	8,898
Debt service	164,253	183,777	268,945	264,560	256,443
Revenue bond covenants	28,664	65,389	40,613	48,145	55,714
Perpetual care	799	813	827	839	831
Other purposes	12,196	12,240	17,452	19,409	18,524
Unrestricted	70,068	40,802	39,530	63,439	23,777
Total primary government net assets	$ 1,284,441	$ 1,334,970	$ 1,424,697	$ 1,488,857	$ 1,541,783

	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental activities					
Invested in capital assets net of related debt	$ 488,829	$ 512,459	$ 521,613	$ 554,371	$ 615,404
Restricted for:					
Capital projects	69,899	57,352	43,927	40,177	48,939
Highways and streets	6,712	4,126	810	-	-
Debt service	228,627	234,767	264,080	309,669	296,468
Perpetual care	859	902	889	852	814
Other purposes	19,673	6,470	6,470	8,009	12,468
Unrestricted	(12,955)	(5,937)	43,898	17,248	5,386
Total governmental activities net assets	$ 801,644	$ 810,139	$ 881,687	$ 930,326	$ 979,479
Business-type activities					
Invested in capital assets net of related debt	$ 744,184	$ 777,044	$ 762,395	$ 792,751	$ 828,696
Restricted for:					
Capital projects	15,391	14,688	17,032	18,915	13,682
Debt service	3,523	3,704	-	-	-
Revenue bond covenants	30,186	23,401	74,822	90,814	95,954
Unrestricted	25,868	23,480	20,001	26,859	42,979
Total business-type activities net assets	$ 819,152	$ 842,317	$ 874,250	$ 929,339	$ 981,311
Primary government					
Invested in capital assets net of related debt	$ 1,233,013	$ 1,289,503	$ 1,284,008	$ 1,347,122	$ 1,444,100
Restricted for:					
Capital projects	85,290	72,040	60,959	59,092	62,621
Highways and streets	6,712	4,126	810	-	-
Debt service	232,150	238,471	264,080	309,669	296,468
Revenue bond covenants	30,186	23,401	74,822	90,814	95,954
Perpetual care	859	902	889	852	814
Other purposes	19,673	6,470	6,470	8,009	12,468
Unrestricted	12,913	17,543	63,899	44,107	48,365
Total primary government net assets	$ 1,620,796	$ 1,652,456	$ 1,755,937	$ 1,859,665	$ 1,960,790

CITY OF WICHITA, KANSAS

CHANGES IN NET ASSETS

For years ended December 31, 2002 through December 31, 2011

(accrual basis of accounting)

(dollars expressed in thousands)

	Fiscal Year				
	2002	2003	2004	2005	2006
Expenses					
Governmental activities:					
General government	$ 30,848	$ 30,888	$ 45,119	$ 36,835	$ 47,248
Public safety	84,756	88,369	94,029	97,962	104,819
Highways and streets	50,122	94,348	96,767	104,570	109,643
Sanitation	5,184	4,908	1,650	2,700	3,680
Health and welfare	37,372	38,790	35,914	33,833	34,561
Culture and recreation	30,442	29,205	32,102	33,814	33,242
Interest on long-term debt	15,856	16,037	19,104	20,901	20,605
Total governmental activities expenses	254,580	302,545	324,685	330,615	353,798
Business-type activities:					
Water	26,904	29,658	32,290	34,417	36,233
Sewer	21,909	26,133	26,984	29,328	31,001
Airport	23,793	24,606	25,355	24,324	25,619
Storm Water	4,010	4,217	4,030	4,078	5,270
Transit	9,777	9,959	10,810	11,923	12,185
Golf	3,947	4,049	4,357	4,589	5,017
Total business-type activities expenses	90,340	98,622	103,826	108,659	115,325
Total primary government expenses	$ 344,920	$ 401,167	$ 428,511	$ 439,274	$ 469,123
Program Revenues					
Governmental activities:					
Charges for services					
General government	$ 12,465	$ 14,282	$ 14,085	$ 15,137	$ 14,390
Public safety	6,381	5,207	4,813	5,565	5,949
Highways and streets	4,619	4,602	4,461	4,459	5,077
Sanitation	399	425	788	518	978
Health and welfare	1,139	1,438	1,456	3,179	1,767
Culture and recreation	5,601	5,009	5,311	4,874	4,876
Operating grants and contributions	53,962	50,671	48,862	50,659	50,167
Capital grants and contributions	39,269	78,060	116,377	67,817	86,328
Total governmental activities program revenues	123,835	159,694	196,153	152,208	169,532
Business-type activities:					
Charges for services					
Water	32,787	31,980	33,461	36,036	40,658
Sewer	25,490	25,714	25,881	28,669	28,868
Airport	16,601	15,153	18,280	18,856	20,321
Storm Water	4,959	5,326	5,513	5,868	7,063
Transit	1,594	1,619	1,633	1,754	1,708
Golf	3,359	3,479	3,551	3,574	4,365
Operating grants and contributions	4,277	3,138	3,156	4,075	4,849
Capital grants and contributions	33,869	27,622	31,850	47,139	31,209
Total business-type activities program revenues	122,936	114,031	123,325	145,971	139,041
Total primary government program revenues	$ 246,771	$ 273,725	$ 319,478	$ 298,179	$ 308,573
Net (Expense) Revenue					
Governmental activities	$ (130,745)	$ (142,851)	$ (128,532)	$ (178,407)	$ (184,266)
Business-type activities	32,596	15,409	19,499	37,312	23,716
Total primary government net expense	$ (98,149)	$ (127,442)	$ (109,033)	$ (141,095)	$ (160,550)

	Fiscal Year				
	2007	2008	2009	2010	2011
Expenses					
Governmental activities:					
General government	$ 36,810	$ 41,906	$ 37,210	$ 52,488	$ 55,191
Public safety	114,507	119,123	119,073	126,329	125,525
Highways and streets	94,502	123,526	74,460	49,482	54,168
Sanitation	3,729	5,441	3,648	4,156	3,643
Health and welfare	33,088	33,324	34,924	36,986	34,848
Culture and recreation	34,294	41,031	37,601	39,559	38,344
Interest on long-term debt	20,922	22,264	20,634	19,877	19,277
Total governmental activities expenses	337,852	386,615	327,550	328,877	330,996
Business-type activities:					
Water	38,130	41,670	44,994	43,408	47,621
Sewer	31,983	34,958	40,991	36,865	37,673
Airport	25,789	27,416	29,672	26,967	26,703
Storm Water	5,490	5,542	7,415	7,504	7,048
Transit	12,928	13,767	13,876	14,485	15,156
Golf	4,985	4,997	4,539	4,705	4,586
Total business-type activities expenses	119,305	128,350	141,487	133,934	138,787
Total primary government expenses	$ 457,157	$ 514,965	$ 469,037	$ 462,811	$ 469,783
Program Revenues					
Governmental activities:					
Charges for services					
General government	$ 16,258	$ 16,008	$ 13,166	$ 18,706	$ 22,011
Public safety	6,713	5,730	4,919	6,506	6,774
Highways and streets	4,940	5,784	5,231	4,151	5,199
Sanitation	817	744	1,026	1,005	875
Health and welfare	2,960	3,816	5,891	1,905	3,931
Culture and recreation	4,546	4,814	4,773	4,799	4,781
Operating grants and contributions	49,594	50,859	45,514	51,904	50,393
Capital grants and contributions	78,098	87,891	82,537	66,923	60,292
Total governmental activities program revenues	163,926	175,646	163,057	155,899	154,256
Business-type activities:					
Charges for services					
Water	37,486	38,356	51,022	65,003	79,547
Sewer	31,875	33,789	34,490	37,247	44,089
Airport	20,635	21,598	20,713	21,588	21,597
Storm Water	8,273	8,405	8,497	8,515	9,282
Transit	1,738	1,931	1,811	1,828	1,972
Golf	3,981	4,159	4,298	4,111	4,017
Operating grants and contributions	5,561	5,469	5,940	6,305	7,183
Capital grants and contributions	33,867	34,176	40,269	37,797	20,357
Total business-type activities program revenues	143,416	147,883	167,040	182,394	188,044
Total primary government program revenues	$ 307,342	$ 323,529	$ 330,097	$ 338,293	$ 342,300
Net (Expense) Revenue					
Governmental activities	$ (173,926)	$ (210,969)	$ (164,493)	$ (172,978)	$ (176,740)
Business-type activities	24,111	19,533	25,553	48,460	49,257
Total primary government net expense	$ (149,815)	$ (191,436)	$ (138,940)	$ (124,518)	$ (127,483)

(Continued)

CITY OF WICHITA, KANSAS

CHANGES IN NET ASSETS
For years ended December 31, 2002 through December 31, 2011
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2002	2003	2004	2005	2006
General Revenues and Other Charges in Net Assets					
Governmental activities:					
Taxes					
Property taxes	$ 71,447	$ 75,287	$ 82,582	$ 85,573	$ 89,682
Sales taxes	40,952	39,735	44,739	45,181	47,705
Franchise fees	28,792	29,259	29,556	30,702	31,851
Motor vehicle taxes	11,107	11,068	11,780	12,168	12,590
Transient guest taxes	4,361	4,488	4,926	5,064	5,035
Investment earnings	8,652	5,472	5,668	8,296	10,866
Miscellaneous	10,409	11,404	13,311	12,263	7,747
Special item	-	-	-	-	-
Transfers	(3,671)	(2,302)	(607)	(9,976)	545
Prior period adjustments	-	-	394	(758)	251
Total governmental activities	172,049	174,411	192,349	188,513	206,272
Business-type activities:					
Investment earnings	5,724	6,258	5,615	6,199	7,277
Miscellaneous	292	145	189	566	856
Special item	44	-	-	-	-
Transfers	3,671	2,302	607	9,976	(545)
Prior period adjustments	-	-	-	-	(383)
Total business-type activities	9,731	8,705	6,411	16,741	7,205
Total primary government	$ 181,780	$ 183,116	$ 198,760	$ 205,254	$ 213,477
Change in Net Assets					
Governmental activities	41,304	31,560	63,817	10,106	22,005
Business-type activities	42,327	24,114	25,910	54,053	30,921
Total primary government	$ 83,631	$ 55,674	$ 89,727	$ 64,159	$ 52,926

	Fiscal Year				
	2007	2008	2009	2010	2011
General Revenues and Other Charges in Net Assets					
Governmental activities:					
Taxes					
Property taxes	$ 94,959	$ 101,311	$ 106,500	$ 105,113	$ 105,089
Sales taxes	49,256	51,255	49,444	48,240	54,919
Franchise taxes	32,157	34,272	33,720	36,923	36,779
Motor vehicle taxes	13,060	13,287	13,309	13,094	12,898
Transient guest taxes	5,709	6,325	6,015	5,689	6,041
Investment earnings	11,535	8,874	3,703	2,001	1,003
Miscellaneous	12,329	16,928	23,843	17,498	7,397
Special item	-	-	-	(5,704)	-
Transfers	1,101	557	(493)	(1,237)	1,766
Prior period adjustments	564	(13,345)	-	-	-
Total governmental activities	220,670	219,464	236,041	221,617	225,892
Business-type activities:					
Investment earnings	8,466	6,710	4,912	3,692	3,803
Miscellaneous	793	825	974	1,700	679
Special item	-	-	-	-	-
Transfers	(1,101)	(557)	494	1,236	(1,766)
Prior period adjustments	-	(3,346)	-	-	-
Total business-type activities	8,158	3,632	6,380	6,628	2,716
Total primary government	$ 228,828	$ 223,096	$ 242,421	$ 228,245	$ 228,608
Change in Net Assets					
Governmental activities	46,744	8,495	71,548	48,639	49,152
Business-type activities	32,269	23,165	31,933	55,088	51,973
Total primary government	$ 79,013	$ 31,660	$ 103,481	$ 103,727	$ 101,125

CITY OF WICHITA, KANSAS

FUND BALANCES OF GOVERNMENTAL FUNDS

For years ended December 31, 2002 through December 31, 2011
(modified accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2002	2003	2004	2005	2006
General fund					
Reserved	$ 2,258	$ 2,683	$ 3,675	$ 3,887	$ 2,767
Unreserved	21,126	20,769	22,000	22,867	23,026
Nonspendable	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	$ 23,384	$ 23,452	$ 25,675	$ 26,754	$ 25,793
Debt Service fund					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved	20,079	26,286	65,958	57,287	40,945
Restricted	-	-	-	-	-
Total Debt Fund	$ 20,079	$ 26,286	$ 65,958	$ 57,287	$ 40,945
All other governmental funds					
Reserved	$ 144,172	$ 99,036	$ 57,962	$ 115,661	$ 137,531
Unreserved reported in:					
Special revenue funds	54,434	53,352	59,468	60,404	57,387
Capital projects funds	(150,469)	(105,664)	(49,344)	(137,842)	(207,404)
Permanent funds	798	814	827	603	594
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 48,935	$ 47,538	$ 68,913	$ 38,826	$ (11,892)

[1] Prior year amounts have not been restated for the implementation of GASB Statement 54, implemented in 2011.

	Fiscal Year				
	2007	2008	2009	2010	2011 [1]
General fund					
Reserved	$ 3,485	$ 2,462	$ 2,175	$ 1,993	$ -
Unreserved	23,051	22,451	22,447	22,514	-
Nonspendable	-	-	-	-	882
Assigned	-	-	-	-	5,761
Unassigned	-	-	-	-	24,091
Total General Fund	$ 26,536	$ 24,913	$ 24,622	$ 24,507	$ 30,734
Debt Service fund					
Reserved	$ -	$ -	$ 699	$ -	$ -
Unreserved	16,107	6,231	21,522	51,730	-
Restricted	-	-	-	-	85,545
Total Debt Fund	$ 16,107	$ 6,231	$ 22,221	$ 51,730	$ 85,545
All other governmental funds					
Reserved	$ 112,903	$ 101,176	$ 66,458	$ 55,616	$ -
Unreserved reported in:					
Special revenue funds	60,417	57,993	56,712	58,322	-
Capital projects funds	(152,103)	(158,110)	(100,612)	(87,391)	-
Permanent funds	623	666	650	605	-
Nonspendable	-	-	-	-	310
Restricted	-	-	-	-	73,986
Committed	-	-	-	-	24,740
Unassigned	-	-	-	-	(76,125)
Total all other governmental funds	$ 21,840	$ 1,725	$ 23,208	$ 27,152	$ 22,911

CITY OF WICHITA, KANSAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
For years ended December 31, 2002 through December 31, 2011
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2002	2003	2004	2005	2006
Revenues					
Taxes	$ 127,867	$ 130,579	$ 144,028	$ 147,986	$ 155,011
Special assessments	27,557	25,875	26,371	27,099	29,102
Franchise fees	28,792	29,259	29,556	30,702	31,851
Intergovernmental	66,353	90,492	96,078	87,953	98,988
Charges for services	9,951	9,842	10,414	10,310	10,398
Licenses and permits	6,331	5,614	6,069	6,494	7,048
Fines and penalties	8,139	8,454	7,933	8,666	8,801
Rents	4,602	4,175	4,061	3,848	3,956
Investment earnings	7,827	5,053	5,396	7,699	9,944
Other revenue	12,925	15,341	18,053	18,036	12,179
Total revenues	300,344	324,684	347,959	348,793	367,278
Expenditures					
General government	29,644	25,343	29,836	30,524	34,193
Public safety	84,887	86,742	91,576	94,353	103,315
Highways and streets	18,658	17,726	18,796	21,569	22,833
Sanitation	4,466	3,590	3,592	3,082	3,304
Health and welfare	36,822	38,100	34,741	32,900	33,482
Culture and recreation	27,271	25,987	27,883	29,256	29,650
Capital outlay	123,828	171,333	146,568	126,314	170,129
Debt service:					
Principal	93,993	55,207	61,745	65,492	59,867
Interest	14,854	15,681	18,341	20,517	20,418
Total expenditures	434,423	439,709	433,078	424,007	477,191
Excess of revenues over (under) expenditures	(134,079)	(115,025)	(85,119)	(75,214)	(109,913)
Other financing sources (uses)					
Transfers in	50,546	44,645	71,432	67,897	94,789
Transfers out	(54,521)	(44,444)	(70,941)	(68,088)	(92,973)
Refunding bonds issued	-	18,230	71,980	-	-
Bonds issued	102,596	119,307	100,466	57,172	48,879
Premium on bonds issued	-	4,045	5,532	83	159
Discount on bonds issued	-	-	(225)	-	-
Payments on refunded bonds	-	(21,880)	(30,250)	(19,175)	(8,845)
Total other financing sources (uses)	98,621	119,903	147,994	37,889	42,009
Prior period adjustment	-	-	-	(354)	(117)
Net changes in fund balances	$ (35,458)	$ 4,878	$ 62,875	$ (37,679)	$ (68,021)
Debt service as a percentage of noncapital expenditures	32.5%	21.0%	22.4%	23.2%	21.0%

	Fiscal Year				
	2007	2008	2009	2010	2011
Revenues					
Taxes	$ 162,985	$ 172,176	$ 175,277	$ 172,374	$ 178,947
Special assessments	30,082	32,573	33,887	34,251	33,648
Franchise taxes	32,157	34,273	33,720	36,923	36,779
Intergovernmental	96,660	94,087	74,089	72,228	64,003
Charges for services	9,946	10,748	10,542	10,673	12,019
Licenses and permits	7,478	6,511	5,892	6,648	6,735
Fines and penalties	9,948	9,444	10,430	10,641	10,345
Rents	5,568	5,571	4,446	4,578	4,266
Investment earnings	10,375	8,160	3,594	2,160	1,022
Other revenue	16,242	19,566	35,209	23,219	21,283
Total revenues	381,441	393,109	387,086	373,695	369,047
Expenditures					
General government	31,576	36,065	32,855	34,659	36,587
Public safety	110,745	116,580	117,087	120,792	122,930
Highways and streets	22,784	22,838	20,937	19,125	22,450
Sanitation	3,609	3,872	4,372	5,243	4,264
Health and welfare	31,758	31,864	35,986	40,109	35,379
Culture and recreation	30,171	32,720	31,892	31,720	30,793
Capital outlay	150,383	165,767	121,256	83,658	82,901
Debt service:					
Principal	58,496	57,823	79,460	86,867	52,743
Interest	20,332	22,849	19,924	21,955	19,929
Total expenditures	459,854	490,378	463,769	444,128	407,976
Excess of revenues over (under) expenditures	(78,413)	(97,269)	(76,683)	(70,433)	(38,929)
Other financing sources (uses)					
Transfers in	109,209	111,156	82,417	72,657	73,059
Transfers out	(107,707)	(109,811)	(80,210)	(68,369)	(68,280)
Refunding bonds issued	-	-	43,715	48,805	72,730
Bonds issued	101,620	64,165	109,180	74,352	28,313
Premium on bonds issued	628	169	2,573	5,566	11,952
Discount on bonds issued	-	-	-	-	-
Payments on refunded bonds	(15,615)	-	(43,810)	(29,240)	(43,045)
Total other financing sources (uses)	88,135	65,679	113,865	103,771	74,729
Prior period adjustment	(86)	(24)	-	-	-
Net changes in fund balances	$ 9,636	$ (31,614)	$ 37,182	$ 33,338	$ 35,800
Debt service as a percentage of noncapital expenditures	21.5%	19.5%	26.1%	28.2%	21.0%

CITY OF WICHITA, KANSAS

GOVERNMENTAL OWN SOURCE REVENUES BY SOURCE

For years ended December 31, 2002 through December 31, 2011
(modified accrual basis of accounting)
(dolllars expressed in thousands)

Year	Property Taxes	Special Assessments	Franchise Taxes
2002	82,948	25,705	28,792
2003	86,349	25,042	29,259
2004	94,320	25,216	29,556
2005	97,740	26,452	30,702
2006	102,264	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
2010	118,207	33,723	36,923
2011	117,986	33,557	36,779

This page intentionally left blank.

CITY OF WICHITA

CITY OF WICHITA, KANSAS

GOVERNMENTAL REVENUES BY SOURCE
For fiscal years 2002 through 2011
(modified accrual basis of accounting)
(amounts expressed in thousands)

Year	Taxes	Special Assessments [1]	Franchise Taxes	Local Sales Tax	Intergovern-mental	Licenses and Permits
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
2010	124,135	34,251	36,923	48,240	72,228	6,647
2011	124,028	33,648	36,779	54,919	64,003	6,735

Note: All Governmental Fund types including Expendable Trust Funds are reported for 2001.
[1] Includes all collections through specials including nuisance collections.

GOVERNMENTAL EXPENDITURES BY FUNCTION
For fiscal years 2002 through 2011
(modified accrual basis of accounting)
(dollars expressed in thousands)

Year	General Government	Public Safety	Highways and Streets	Sanitation	Health and Welfare
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
2010	34,640	120,792	19,144	5,243	40,109
2011	36,588	122,930	22,450	4,264	35,379

Fines and Penalties	Rentals	Interest Earnings	Charges for Services and Sales	Other Revenues	Total	Year
$ 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
10,641	4,578	2,160	10,673	23,219	373,695	2010
10,345	4,266	1,022	12,019	21,283	369,047	2011

Culture and Recreation	Debt Service	Capital Outlay	Total	Year
$ 27,271	$ 108,847	$ 123,828	$ 434,424	2001
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
31,720	108,821	83,658	444,127	2010
30,793	72,672	82,901	407,977	2011

CITY OF WICHITA, KANSAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

For years ended December 31, 2002 through December 31, 2011
(dollars expressed in thousands of dollars)

	Real Property		Personal Property		State Assessed Property	
Year [1]	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
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	2,875,134	19,881,261	177,540	729,638	98,981	299,941
2010	2,904,055	20,011,382	147,887	612,183	98,206	297,594
2011	2,916,488	23,453,140	136,190	559,157	99,311	300,943

	Totals Assessed Property					
Year	Assessed Value	Estimated Actual Value	Assessed Value as a Percent of Actual Value	Total Direct Tax Rate [2]	Tangible Valuation of Motor Vehicles	Total Valuation for Bonded Debt Limitations
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	3,151,655	20,910,840	15.07%	5.16	396,701	3,548,356
2010	3,150,148	20,921,159	15.06%	5.14	387,036	3,537,184
2011	3,151,989	24,313,240	12.96%	4.37	381,608	3,533,597

[1] The assessed value and tax rate of the referenced year supports the budget of the subsequent year. For example, the assessed value of 2010 multiplied by the tax rate supports the budget of fiscal 2011. Excludes valuation of motor vehicles.

[2] Direct tax rates are per $1,000 of actual 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, 2002 through December 31, 2011

	City of Wichita			Overlapping Rates				
Year [1]	Operating Millage	Debt Millage	Total Millage	State Levy	Sedgwick County	Unified School District 259	Total Overlapping	Total Direct & Overlapping Rates
2002	21.727	10.118	31.845	1.500	28.776	51.839	82.115	113.960
2003	21.886	10.019	31.905	1.500	28.817	51.408	81.725	113.630
2004	21.852	9.976	31.828	1.500	28.763	51.296	81.559	113.387
2005	21.876	10.022	31.898	1.500	28.758	51.300	81.558	113.456
2006	21.936	10.017	31.953	1.500	31.315	51.296	84.111	116.064
2007	21.971	10.008	31.979	1.500	31.333	53.238	86.071	118.050
2008	23.034	9.022	32.056	1.500	30.377	53.309	85.186	117.242
2009	23.619	8.523	32.142	1.500	29.868	56.850	88.218	120.360
2010	24.742	7.530	32.272	1.500	29.359	56.928	87.787	120.059
2011	24.839	7.520	32.359	1.500	29.428	57.018	87.946	120.305

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

Source: Sedgwick County Clerk and Sedgwick County Appraiser

CITY OF WICHITA, KANSAS

PRINCIPAL PROPERTY TAXPAYERS

For years ended December 31, 2002 and December 31, 2011
(dollars expressed in thousands)

	2011			2002		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
City of Wichita:						
Kansas Gas & Electric-A Westar Energy Co	$ 34,815	1	1.10 %	39,822	2	1.75 %
Wesley Medical Center LLC (HCA)	26,276	2	0.83	23,924	4	1.05
Simon Property Group	23,790	3	0.75	30,344	3	1.33
Southwestern Bell Telephone	21,674	4	0.69	46,971	1	2.06
Kansas Gas Service-A Division of Oneok	20,550	5	0.65	9,981	6	0.44
Wal-Mart Real Estate Business Trust	7,369	6	0.23	-		-
Target Corporation	5,700	7	0.18	-		-
City of Wichita	5,659	8	0.18	-		-
New Market I LLC	5,538	9	0.18	-		-
Koch RE Holdings	5,248	10	0.17	-		-
Koch Industries	-		-	10,526	5	0.46
Builders, Inc.	-		-	5,734	7	0.25
Boeing Military Airplane	-		-	5,299	8	0.23
Bradley Fair One, LLC	-		-	4,947	9	0.22
DDR Eastgate Plaza, LLC			-	4,664	10	0.20
	$ 156,619		3.86 %	$ 182,212		7.99 %

PRINCIPAL EMPLOYERS, WICHITA AREA

For years ended December 31, 2002 and December 31, 2011

	2011			2002		
Employer	Total full-time Wichita-area Employees	Rank	Percentage of Total City Employment	Total full-time Wichita-area Employees	Rank	Percentage of Total City Employment
Spirit AeroSystems Inc.	10,500	1	3.41 %			- %
Via Christi Health System	8,136	2	2.64	3,415	7	1.12
USD 259 Wichita	5,315	3	1.73	5,011	5	1.78
Hawker Beechcraft Corporation	5,000	4	1.63			-
Cessna Aircraft Company	4,695	5	1.53	11,400	2	3.74
State of Kansas	3,893	6	1.27	5,007	6	1.64
City of Wichita	2,924	7	0.95	2,818	9	0.92
Sedgwick County	2,796	8	0.91	2,718	10	-
United States Government	2,752	9	0.89	5,542	4	-
Bombardier Learjet	2,700	10	0.88			-
Boeing Aircraft Co.	-		-	13,650	1	4.47
Raytheon Aircraft Co.	-		-	8,100	3	2.65
Bombardier Aerospace Learjet, Inc.	-		-	3,152	8	1.03
Percent of total employment			15.83 %			17.36 %
Total employment	307,648			305,128		

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, 2002 through December 31, 2011
(dollars expressed in thousands)

Year Ended December 31 [1]	Taxes Levied	Current Year Collections		Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage Levy		Amount	Percentage of Levy
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	3,068	79,522	98.14
2006	85,103	80,692	94.82	2,704	83,396	97.99
2007	90,546	86,525	95.56	2,910	89,435	98.77
2008	95,692	91,161	95.27	3,222	94,383	98.63
2009	100,840	95,255	94.46	2,026	97,281	96.47
2010	101,298	95,319	94.10	533	95,852	94.62
2011	100,319	95,890	95.59	78	95,968	95.66

PROPERTY TAX LEVIES AND COLLECTIONS
Tax Increment Financing Districts
For years ended December 31, 2002 through December 31, 2011
(dollars expressed in thousands)

Year Ended December 31 [1]	Taxes Levied [2]	Current Year Collections		Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage Levy		Amount	Percentage of Levy
2002	$ 4,467	$ 3,851	86.21 %	$ 209	$ 4,060	90.89 %
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	454	6,541	99.41
2008	7,038	5,752	81.73	609	6,361	90.38
2009	7,101	6,127	86.28	100	6,227	87.69
2010	6,196	6,372	102.84	2	6,374	102.87
2011	5,991	6,174	103.05	3	6,177	103.10

SPECIAL ASSESSMENT LEVIES AND COLLECTIONS
For years ended December 31, 2002 through December 31, 2011
(dollars expressed in thousands)

Year Ended December 31 [1]	Assessments Certified to County [3]	Current Year Collections		Collections in Subsequent Years	Total Assessment Collections	
		Amount	Percentage of Assessment		Amount	Percentage of Assessment
2002	$ 24,206	$ 22,926	94.71 %	$ 745	$ 24,126	99.67 %
2003	23,788	22,607	95.04	1,084	23,691	99.59
2004	24,659	23,335	94.63	1,111	24,446	99.14
2005	25,034	23,869	95.35	1,087	24,956	99.69
2006	27,137	25,889	95.40	1,216	27,105	99.88
2007	28,797	27,272	94.70	1,445	28,717	99.72
2008	30,871	29,097	94.25	1,201	30,298	98.14
2009	30,687	29,756	96.97	357	30,113	98.13
2010	33,314	30,934	92.86	800	31,734	95.26
2011	34,882	32,010	91.77	-	32,010	91.77

[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] The amount reported as Taxes Levied is the estimated tax revenue from the certified budgets. Economic development tax increment financing districts collect all property taxes paid above the base year.

[3] 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, 2002 through December 31, 2011

(dollars expressed thousands except per capita amounts)

Year	Assessed Value[1]	Gross Bonded Debt [2]	Less: Amounts available in Debt Service Fund	Debt Payable From Local Sales Tax	Debt Payable from Transient Guest Tax
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	2,906,803	458,232	65,958	122,180	10,110
2005	3,037,717	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
2010	3,537,184	518,189	51,730	130,730	2,847
2011	3,533,597	525,794	45,809	123,455	1,956

[1] Includes assessed value and motor vehicle valuations expressed in thousands

[2] Includes all long-term general obligation debt repayable from governmental and proprietary.

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
$ 18,689	$ 148,540	$ 71,821	0.027	$ 202.24	2002
11,345	160,865	78,485	0.028	221.32	2003
15,846	206,750	37,388	0.013	105.65	2004
12,771	210,370	30,286	0.010	85.35	2005
16,401	217,705	32,032	0.010	89.55	2006
14,484	218,545	55,562	0.016	153.73	2007
12,492	227,550	52,604	0.015	143.71	2008
20,101	241,420	59,092	0.017	158.77	2009
26,723	255,270	50,889	0.014	133.09	2010
40,681	269,630	44,263	0.013	115.76	2011

CITY OF WICHITA, KANSAS

RATIOS OF OUTSTANDING DEBT BY TYPE

For years ended December 31, 2002 through December 31, 2011

(dollars expressed in thousands except per capita amounts)

	Proprietary Activites					Governmental Activities
Fiscal Year	Water Utility Bonds	Sewer Utility Bonds	Airport Authority Bonds	General Obligation Bonds	Bond Anticipation Notes	General Obligation Bonds [1]
2002	$ 86,921	$ 54,585	$ 75,116	$ 18,689	$ -	$ 305,959
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	-	401,904
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	20,100	-	446,011
2010	266,444	195,165	62,700	26,723	12,624	491,466
2011	250,350	181,970	62,020	40,681	10,245	485,113

	Governmental						Component Unit
Fiscal Year	HUD Section 108 Loan	Capital Lease Debt	Bond Anticipation Notes	Total Debt Primary Government	Total Debt Per Capita[2]	Total Debt as a Percent of Personal Income	Wichita Public Building Commission
2002	$ 2,930	$ -	$ 14,771	$ 558,971	1,574	5.14 %	$ 41,620
2003	2,735	-	22,969	736,410	2,077	6.71	37,470
2004	5,530	-	23,160	803,591	2,271	6.85	33,505
2005	5,310	-	18,629	810,514	2,284	6.58	32,075
2006	2,075	-	18,057	829,277	2,318	6.05	29,315
2007	1,825	1,681	14,180	841,237	2,328	5.85	26,555
2008	1,565	1,472	34,990	860,102	2,350	5.99	24,230
2009	1,285	1,178	39,501	1,002,408	2,693	7.14	21,805
2010	990	851	1,813	1,046,152	2,736	7.09	16,705
2011	680	510	14,158	1,035,482	2,708	7.01	14,010

[1] The source of funding for 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, 2002 through December 31, 2011
(dollars expressed in thousands except per capita amounts)

Fiscal Year	General Obligation Bonds [1]	Less: Amounts Available in Debt Service Fund	Total	Percent of Estimated Actual Value of Taxable Property [2]	Per Capita [3]
2002	$ 327,649	$ 20,079	$ 307,570	2.10%	866.1
2003	380,223	26,286	353,937	2.24%	998.1
2004	458,232	65,958	353,937	2.15%	1,000.2
2005	433,104	57,287	375,817	2.17%	1,059.0
2006	418,200	40,945	377,255	2.05%	1,054.7
2007	448,457	16,107	432,350	2.21%	1,196.3
2008	432,681	6,231	426,450	2.06%	1,165.0
2009	466,111	22,221	443,890	2.12%	1,192.7
2010	518,189	51,730	466,459	2.23%	1,219.9
2011	525,794	85,545	440,249	1.81%	1,151.4

[1] Includes all general obligation debt.
[2] Excludes estimated actual value of motor vehicles.
[3] 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, 2002 through December 31, 2011
(dollars expressed in thousands)

Fiscal Year	Principal	Interest	Debt Service[1]	Total Government Expenditures[2]	Ratio of Debt Service to Government Expenditures
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
2010	47,070	20,870	67,940	444,128	15.30
2011	50,619	18,441	69,060	407,977	16.93

[1] Includes debt service related to all governmental activities except for that related to a Section 108 loan.
[2] Includes expenditures of all government fund types.

CITY OF WICHITA, KANSAS

LEGAL DEBT MARGIN INFORMATION

For years ended December 31, 2002 through December 31, 2011
(dollars expressed in thousands)

	2002	2003	2004	2005
Debt limit	$ 787,279	$ 843,530	$ 872,044	$ 911,315
Total net debt applicable to limit	287,304	270,190	252,320	227,053
Legal debt margin	$ 499,975	$ 573,340	$ 619,724	$ 684,262
Total net debt applicable to limit as a percentage of debt limit	36.49%	32.03%	28.93%	24.91%

2006	2007	2008	2009	2010	2011
$ 964,087	$ 1,015,379	$1,064,291	$ 1,064,507	$ 1,061,156	$ 1,060,079
232,818	197,179	202,312	221,768	226,525	197,552
$ 731,269	$ 818,200	$ 861,979	$ 842,739	$ 834,631	$ 862,527
24.15%	19.42%	19.01%	20.83%	21.35%	18.64%

2011 Equalized assessed valuation of taxable tangible property	$ 3,151,989
Add: 2011 Estimated tangible valuation of motor vehicles	381,608
Total assessed value	$ 3,533,597
Debt limit (30% of equalized assessed value)	1,060,079
Total debt	1,034,145
Debt applicable to limit:	
General obligation bonds	259,408
Less: Amount set aside for repayment of general obligation debt	61,856
Total net debt applicable to limit	197,552
Legal debt margin	$ 862,527

CITY OF WICHITA, KANSAS

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT

As of December 31, 2009, 2010 and 2011

.

	December 31, 2009		December 31, 2010		December 31, 2011	
	Percent of debt applicable to City	City of Wichita share of debt	Percent of debt applicable to City	City of Wichita share of debt	Percent of debt applicable to City	City of Wichita share of debt
Direct Debt:						
General obligation bonded debt						
Payable from ad valorem taxes		$ 56,564,699		$ 80,844,343		$ 69,517,468
Temporary note debt		117,815,000		206,640,000		236,525,000
Total direct debt		174,379,699		287,484,343		306,042,468
Less - assets in debt service fund available for payment of principal		22,221,043		29,586,463		43,162,373
Total net direct debt		152,158,656		257,897,880		262,880,095
Overlapping debt:						
Sedgwick County	74.10	54,678,390	74.24	54,889,344	73.61	57,360,593
USD 259	61.96	281,948,980	61.87	340,059,175	61.46	280,189,285
Wichita Public Building Commission	100.00	10,490,000	100.00	9,375,000	100.00	8,205,000
Total overlapping debt		347,117,370		404,323,519		345,754,878
Total direct and overlapping debt		$ 499,276,026		$ 662,221,399		$ 608,634,973

Note: Percentage of overlapping debt based on assessed valuation.

CITY OF WICHITA, KANSAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

For years 2002 through 2011

Fiscal Year	Population of Wichita [1]	Population of Wichita MSA[2]	Personal Income of Wichita MSA (amounts expressed in thousands) [3]	Per Capita Personal Income[4]
2002	355,126	579,645	17,297,382	30,622
2003	354,617	581,330	17,534,899	30,950
2004	353,878	583,530	18,519,359	33,153
2005	354,865	586,933	19,762,665	34,703
2006	357,698	589,279	22,080,831	38,318
2007	361,420	596,452	22,642,335	39,811
2008	366,046	603,716	23,650,151	39,207
2009	372,186	646,317	23,112,300	37,723
2010	382,368	623,061	24,098,234	38,610
2011	NA	NA	NA	NA

			Average Annual Unemployment Rates[7]	
Fiscal Year	Median Age[5]	School Enrollment[6]	City of Wichita	Wichita MSA
2002	34.4	48,962	6.5%	6.7%
2003	33.2	49,065	7.4%	6.2%
2004	35.4	48,818	6.7%	5.5%
2005	34.2	48,865	6.0%	4.5%
2006	34.8	48,451	4.9%	4.0%
2007	35.0	48,705	4.4%	4.4%
2008	34.0	49,146	4.8%	4.3%
2009	34.3	50,042	8.9%	8.1%
2010	33.9	50,033	9.4%	8.6%
2011	NA	50,103	8.9%	8.1%

[1] 2002-2008 population as certified by the State of Kansas, as originally published; 2009-2010 estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University, as provided at time of publishing; 2011 not available at time of publishing

[2] 2002-2009 estimates, Bureau of Census, as originally published; 2010 estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University, as provided at time of publishing; 2011 not available at time of publishing

[3] 2002-2009 estimates, Bureau of Census, as originally published; 2010 estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University, as provided at time of publishing; 2011 personal income estimates not available at publishing

[4] 2002-2010 estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University, as originally published; 2011 not available at time of publishing

[5] 2002-2010 estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University, as provided at time of publishing; 2011 not available at time of publishing

[6] Wichita Public Schools, Unified School District 259

[7] State of Kansas, Department of Labor

CITY OF WICHITA, KANSAS

PLEDGED REVENUE COVERAGE

For years ended December 31, 2002 through December 31, 2011

(dollars expressed in thousands)

Water Revenue Bonds

Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expenses	Net Revenue Available for Debt Service	Principal	Interest	Coverage
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
2010	72,632	21,965	50,667	11,024	12,813	2.13
2011	81,368	29,136	52,232	13,119	12,337	2.05

Sewer Revenue Bonds

Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expenses	Net Revenue Available for Debt Service	Principal	Interest	Coverage
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
2010	38,545	20,563	17,982	7,450	9,274	1.08
2011	45,304	21,682	23,622	9,424	9,665	1.24

Combined Water and Sewer Revenue Bonds

Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expenses	Net Revenue Available for Debt Service	Principal	Interest	Coverage
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
2010	111,177	42,528	68,649	18,474	22,087	1.69
2011	126,672	50,818	75,854	22,543	22,002	1.70

Note: The City covenants and agrees to produce net revenues available for debt service of all revenue bond debt of the combined Water and Sewer Utilities of not less than 120% of the current year's debt service requirements.

CITY OF WICHITA, KANSAS

CAPITAL ASSET STATISTICS BY FUNCTION

For years ended December 31, 2002 through December 31, 2011

	Fiscal Year									
Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public safety										
Police stations	4	4	4	4	4	4	4	4	4	4
Police patrol units	175	175	175	175	175	175	175	175	175	173
Fire stations	18	18	18	18	18	19	19	22	22	22
Highways and streets										
Streets (miles)	1,710	1,725	1,745	1,760	1,795	1,830	1,859	1,882	1,884	1,898
Signalized intersections	518	523	526	541	547	553	562	562	562	584
Culture and recreation										
Parks acreage	4,273	4,273	4,273	4,327	4,458	5,281	5,281	4,892	4,892	4,886
Swimming pools	12	12	12	11	11	11	11	11	11	11
Interactive water features	2	2	3	5	5	6	6	6	6	5
Fishing ponds	11	11	11	12	13	13	13	13	13	13
Tennis courts	85	86	83	74	75	76	76	75	73	75
Exercise/fitness trails	13	13	12	12	12	12	12	16	16	13
Children's playgrounds	68	67	67	74	78	78	80	82	83	79
Community centers	10	10	10	10	10	10	10	10	10	9
Golf Courses	5	5	5	5	5	5	5	5	5	5
Libraries	12	10	9	9	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	2,357	2,361
Maximum daily capacity (million gallons per day) [1]	91	95	100	106	119	108	160	160	160	160
Sewer										
Sanitary sewers (miles) [2]	1,904	1,904	1,919	1,925	1,935	1,986	2,011	2,013	2,134	2,134
Storm sewers (miles)	400	400	400	400	400	420	420	420	750	750
Maximum daily treatment capacity (million gallons per day)	55	59	59	61	61	59	59	62	62	62
Airport	2	2	2	2	2	2	2	2	2	2
Transit										
Bus and trolley fleet	56	56	56	56	56	53	53	53	53	55
Para-transit vans	27	27	27	22	22	20	23	24	24	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, 2010

	Fiscal Year									
Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	286,507	226,047
Parking violations	20,250	25,365	20,915	19,816	20,500	30,885	23,922	22,011	21,234	17,105
Traffic violations	79,425	80,647	71,806	72,047	70,000	79,755	64,113	77,589	72,303	72,983
Fire										
Number of unit responses	50,263	53,999	52,971	60,830	60,012	67,170	68,818	69,332	69,680	72,226
Fires contained to room of origin	72%	73%	71%	41%	69%	68%	78%	73%	64%	62%
Inspections [2]	4,150	4,376	6,662	5,262	5,165	5,953	5,753	4,092	4,187	4,731
Highways and streets										
Street resurfacing (miles) [3]	48	66	62	36	36	33	18	11	11	14
Potholes repaired	40,000	55,000	70,000	55,000	42,000	96,731	93,880	51,241	70,306	54,075
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	161,179	156,130
Trees planted	4,724	4,119	3,897	4,764	3,907	2,498	2,189	2,090	1,624	702
Swim Lessons	2,245	1,910	1,829	1,732	1,560	1,134	1,490	1,379	1,377	1,721
Botanica Garden visitors	99,906	101,416	114,529	102,691	111,289	94,865	102,877	97,390	105,881	145,105
Regional, state, and national conventions	32	29	29	39	29	25	28	18	29	30
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	2,284,698	2,304,924
Library program attendance	45,198	42,921	64,602	77,038	65,169	68,296	69,597	70,030	70,528	68,507
Water										
Water customers [4]	135,552	137,592	138,626	141,249	144,780	144,336	141,622	142,196	144,529	144,710
Main breaks per 1,000 miles of mains	391	307	254	263	311	280	198	165	242	339
Average daily consumption (million gallons per day) [5]	50	53	55	57	61	58	54	54	57	61
Sanitary Sewer (wastewater)										
Sewer customers [6]	125,995	127,990	127,314	130,496	133,759	131,235	133,160	133,799	134,508	134,534
Average daily sewage treated (million gallons per day)	37	37	39	38	35	36	40	37	36	27
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	1,549,395	1,536,354
Passenger enplanements	670,833	717,741	749,416	742,363	726,619	795,535	805,286	746,283	772,608	764,622
Number of daily flights	49	53	45	44	47	50	43	41	38	35
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	2,210,177	2,073,725
Para-transit ridership	287,439	320,767	330,891	327,781	326,303	318,122	325,433	342,500	352,043	343,138

[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, 2002 through December 31, 2011

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
City Council & City Manager	17	15	15	16	16	15	15	15	15	15
General Government Services	25	24	19	19	17	16	28	25	24	23
Economic Development	3	3	3	3	3	4	4	9	8	2
Financial Services	75	74	70	71	73	73	73	73	71	71
Legal Services	28	26	24	24	25	25	25	26	26	26
Municipal Court	101	101	106	109	105	111	115	116	116	113
Information Technology	40	50	49	52	55	56	56	59	56	56
Metropolitan Planning	29	40	30	32	32	38	31	31	31	29
Human Resources	17	17	17	17	18	18	18	18	18	17
Public Safety										
Police	852	839	834	841	856	857	860	860	834	846
Fire	393	404	397	397	407	439	436	436	438	437
Central Inspection	73	73	74	73	72	78	81	83	101	78
Flood Control	19	19	18	18	18	18	18	18	18	18
Public Works										
Administration	6	6	6	5	5	5	5	5	5	56
Street Maintenance	142	142	141	128	127	127	129	123	123	119
Fleet Services	58	55	60	61	61	61	61	60	60	54
Building Services	106	108	117	115	109	108	111	111	111	69
Engineeriing	94	93	92	102	102	98	105	102	102	105
Sanitation										
Landfill Operations	4	4	4	2	2	3	2	2	2	2
Street Cleaning	31	31	28	22	22	22	21	26	26	26
Health and Welfare										
Public Health	147	0	0	0	0	0	0	0	0	0
Housing & Community Services	111	90	89	89	93	88	89	90	91	90
Environmental Services	80	75	65	69	69	71	67	68	49	31
Culture and recreation										
Libraries	139	154	148	148	153	153	155	155	155	155
Art Museum	19	19	26	26	26	30	24	26	26	26
Parks & Recreation	853	741	840	273	188	198	185	185	121	172
Golf Courses	89	86	86	90	34	38	38	38	33	
Community Facilities	40	39	39	37	34	29	46	58	51	51
Water	219	220	219	213	222	228	223	230	228	193
Sewer	152	157	159	159	159	159	163	163	161	155
Airport	96	114	114	116	116	115	114	115	115	119
Storm Water	37	37	37	37	37	33	33	38	38	37
Public Transportation	151	160	168	157	133	131	133	131	154	135
Total	4,246	4,016	4,094	3,521	3,389	3,445	3,464	3,495	3,407	3,326

Note: Numbers presented are authorized positions as reported in the Adopted Budget.

This page intentionally left blank.

CITY OF WICHITA

SINGLE AUDIT SECTION

The Single Audit Section contains reports of the Independent Auditors', 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, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 22, 2012. 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

Management of the City is responsible for establishing and maintaining effective 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 a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2011-1 that we consider to be a significant deficiency in internal control over financial reporting. 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*.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on the response.

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

June 22, 2012
Wichita, Kansas

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, THE PASSENGER FACILITY CHARGE PROGRAM, AND ON 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 City of Wichita, Kansas' (City) compliance with the types of compliance requirements described in the *OMB Circular A-133, Compliance Supplement* that could have a direct and material effect on each of the City's 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, 2011. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and to its passenger facility charge program for the year ended December 31, 2011. 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 2011-2 and 2011-3.

Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the 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 to determine the 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 reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will 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 identity 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 2011-2 and 2011-3. A *significant deficiency in internal control over compliance* is a deficiency, or a 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 the responses.

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

June 22, 2012
Wichita, Kansas

This page intentionally left blank.

CITY OF WICHITA

CITY OF WICHITA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2011

Federal Grant or Program Title	Federal CFDA Number	Revenue Recognized	Expenditures
U.S. Department of Defense			
Procurement Technical Assistance for Business Firms (8)	12.002	$ 5,802	$ 2,290
Total U.S. Department of Defense		$ 5,802	$ 2,290
U.S. Department of Housing and Urban Development			
Supportive Housing for Persons with Disabilities	14.181	$ 290,842	$ 261,566
Community Development Block Grants/Entitlement Grants (11)	14.218	2,657,763	2,848,428
Emergency Shelter Grants Program	14.231	97,859	123,294
Shelter Plus Care	14.238	247,306	249,451
HOME Investment Partnerships Program	14.239	1,464,229	1,588,346
CDBG/Brownsfields Economic Development Initiative	14.246	384,325	307,343
EDI Special Project Neighborhood Initiative	14.251	61,550	74,860
ARRA CDBG Entitlement Grants (11)	14.253	220,012	217,773
ARRA Homelessness Prevention & Rapid Re-Housing	14.257	557,205	516,742
Public and Indian Housing	14.850	1,791,449	1,856,310
Resident Opportunity and Supportive Services	14.870	66,175	39,068
Section 8 Housing Choice Vouchers	14.871	13,923,775	14,046,619
Public Housing Capital Fund	14.872	1,062,804	1,062,804
Total U.S. Department of Housing and Urban Development		$ 22,825,294	$ 23,192,604
U. S. Department of the Interior			
Historic Preservation Fund Grants-In-Aid (4)	15.904	24,999	34,695
Total U.S. Department of the Interior		$ 24,999	$ 34,695
U.S. Department of Justice			
Missing Children's Assistance	16.543	$ 99,651	$ 90,422
Crime Victim Assistance (5)	16.575	71,808	68,120
Bulletproof Vest Partnership Program	16.607	15,273	15,273
Project Safe Neighborhoods	16.609	-	(5,288)
Public Safety Partnership and Community Policing Grants	16.710	273,874	383,558
ARRA Public Safety Partnership and Community Policing Grants	16.710	170,371	185,800
Enforcing Underage Drinking Laws Program (3)	16.727	28,918	28,918
Edward Byrne Memorial Justice Assistance Grant Program (12)	16.738	146,715	83,340
Criminal & Juvenile Justice & Mental Health Collaboration Program	16.745	97,312	52,188
ARRA Edward Byrne Memorial JAG Program (12)	16.804	185,957	281,411
Total U.S. Department of Justice		$ 1,089,879	$ 1,183,742
U.S. Department of Transportation			
ARRA Airport Improvement Program	20.103	$ 329,673	$ 329,326
Airport Improvement Program	20.106	1,570,123	2,631,727
Highway Planning and Construction (3)	20.205	12,135,054	10,437,371
ARRA Highway Planning and Construction (3)	20.205	1,916,227	1,176,442
Metropolitan Transportation Planning (3)	20.505	1,623,312	967,797
Federal Transit - Formula Grants	20.507	6,544,552	5,736,355
ARRA Federal Transit - Formula Grants	20.507	365,066	365,065
Federal Transit Planning and Research Grant	20.515	-	43,626
Job Access - Reverse Commute (3)	20.516	33,206	37,276
State and Community Highway Safety (3) (10)	20.600	57,320	68,222
Incentive Grant Program to Prohibit Racial Profiling (3) (10)	20.611	5,772	8,641
Child Safety & Child Booster Seats Incentive (3) (10)	20.613	-	(11,464)
Total U.S. Department of Transportation		$ 24,580,305	$ 21,790,384

CITY OF WICHITA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2011

Federal Grant or Program Title	Federal CFDA Number	Revenue Recognized	Expenditures
Institute of Museum and Library Services			
Grants to States - State Library Program (6)	45.310	$ -	$ 47,485
Total Institute of Museum and Library Services		$ -	$ 47,485
U.S. Environmental Protection Agency			
Air Pollution Control Program Support (1)	66.001	$ 104,349	$ 63,156
Surveys, Studies, Research Clean Air Act (1)	66.034	36,380	39,474
Nonpoint Source Implementation Grants (1)	66.460	32,181	13,612
Brownfields Assessment and Cleanup Cooperative Agreements (1)	66.818	200,000	17,141
Total U.S. Environmental Protection Agency		$ 372,910	$ 133,383
U.S. Department of Energy			
Conservation Research and Development (9)	81.086	$ -	$ 590,131
ARRA Energy Efficiency and Conservation Block Grant	81.128	2,005,129	1,991,203
Total U.S. Department of Energy		$ 2,005,129	$ 2,581,334
U.S. Department of Health and Human Services			
Community Services Block Grant (2)	93.569	$ 1,259,509	$ 1,292,368
Child Care and Development Block Grant (1)	93.575	189,553	174,258
Total U.S. Department of Health and Human Services		$ 1,449,062	$ 1,466,626
Executive Office of the President			
High Intensity Drug Trafficking Areas Program (7)	95.001	$ 27,275	$ 27,437
Total Executive Office of the President		$ 27,275	$ 27,437
U.S. Department of Homeland Security			
Technical Assistance Program	97.007	$ 628,152	$ 730,783
Disaster Grants	97.036	-	13,108
Assistance to Firefighters Grants	97.044	-	1,262
Total U.S. Department of Homeland Security		$ 628,152	$ 745,153
Total revenue and expenditures of federal awards		$ 53,008,807	$ 51,205,133

(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 Historical Society.
(5) Federal assistance is passed through from the Kansas Governor's Grant Program.
(6) Federal assistance is passed through from the State Library of Kansas.
(7) Federal assistance is passed through from the Kansas Bureau of Investigation.
(8) Federal assistance is passed through from the Missouri Southern State University.
(9) Federal assistance is passed through from the Kansas City Regional Clean Cities Coalition.
(10) Included in the Highway Safety Grant cluster.
(11) Included in the Community Development Block Grant cluster.
(12) Included in the JAG Program cluster.

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	$ 550,947
Emergency Shelter Grants Program	14.231	117,584
ARRA Homelessness Prevention & Rapid Re-Housing	14.257	496,695
Federal Transit – Formula Grants	20.507	103,223

3. Federal Forfeited Property Program

In 2011, the Narcotic Seizure program acquired $333,361 in federal forfeited property and expended $205,462 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 September 30, 2011 and September 30, 2012 are summarized in the following tables.

CSBG Grant Program Year Ended September 30, 2011

	Budget	Actual			Variance
	April 1, 2010 to Sept 30, 2011	April 1, 2010 to Dec 31, 2010	January 1, 2011 to Sept 30, 2011	Total	
Revenue:	$ 1,098,498	$ 154,454	$ 944,044	$ 1,098,498	$ -
Expenditures:					
Personnel	456,356	137,303	332,343	469,646	(13,290)
Contractual	583,418	49,542	507,454	556,996	26,422
Commodities	58,724	6,979	23,074	30,053	28,671
Capital outlay	-	-	-	-	-
Other	-	-	41,803	41,803	(41,803)
Total expenditures	$ 1,098,498	$ 193,824	$ 904,674	$ 1,098,498	$ -

4. Community Services Block Grant (continued)

CSBG Grant Program Year Ended September 30, 2012		
	Budget	Actual
	April 1, 2011 to Sept 30, 2012	April 1, 2011 to December 31, 2011
Revenue:	$ 1,098,072	$ 243,498
Expenditures:		
Personnel	422,568	219,560
Contractual	587,240	162,050
Commodities	38,264	10,380
Other	50,000	-
Total expenditures	$ 1,098,072	$ 391,990

5. 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 Change 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	2,180,052	-	-	2,180,052
03-04-C-00	7,444,058	-	-	7,444,058
07-05-C-00	1,210,332	-	-	1,210,332
08-06-C-00	3,630,000	-	-	3,630,000
10-07-C-00	422,043	3,121,240	6,483,310	(2,940,027)
Total	$ 16,133,676	$ 3,121,240	$ 6,483,310	$ 12,771,606

This page intentionally left blank.

CITY OF WICHITA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2011

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB *Circular A-133*? X yes ____ no

Type of auditors' report issued on compliance for major programs: See Below

Identification of major programs:

CFDA NUMBER	NAME OF FEDERAL PROGRAM	OPINION
14.218 / 14.253	*Community Development Block Grants – Entitlement Grants Cluster*	*Unqualified*
14.257	*Homelessness Prevention and Rapid Re-Housing Program*	*Unqualified*
14.850	*Public and Indian Housing*	*Unqualified*
16.710	*Public Safety Partnership and Community Policing Grants*	*Unqualified*
20.106	*Airport Improvement Program*	*Unqualified*
20.205	*Highway Planning and Construction*	*Unqualified*
20.500 / 20.507	*Federal Transit – Formula Grants*	*Unqualified*
81.128	*Energy Efficiency and Conservation Block Grant*	*Unqualified*

SECTION I – SUMMARY OF INDEPENDENT AUDITORS' RESULTS (Continued)

Dollar threshold used to distinguish between type A and type B programs:	$ 1,536,154
Auditee qualified as low-risk auditee?	_____ yes __X__ no

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2011-1: Computer Software User Access (Significant Deficiency)

Condition: During our review of access controls within the Banner software system used for water and sewer utility billings, we noted that all users of the software have the ability to adjust customer billings and meter readings. In addition, we noted that anyone with access to the Banner software has access to adjust customer meter readings, and there is no review of these adjustments.

Customer service representatives are allowed to submit a request for billing adjustments up to $50. Adjustments in excess of $50 require supervisory approval. All adjustments are supposed to be calculated by certain employees, and are then entered into the system by an employee that did not make the initial request or calculation. The system provides an audit trail, which indicates who calculated, who entered, and who approved the adjustment. While a process is in place for review of such adjustments, we observed that customer service representatives still have access to make such changes within the system. We also noted that a user report showing adjustments is reviewed periodically; however, such reports are not retained so we were unable to observe this was actually being completed. Additionally, the personnel involved indicated this was an infrequently performed process.

Criteria or Specific Requirement: Internal controls should be designed to provide adequate control over the use of financial software systems.

Cause: It was noted that the Banner software had been recently updated and a review of the user access controls to the system to ensure proper access controls were in place, was not performed after the update.

Effect: A lack of proper access controls could result in incompatible functions being performed in the system by the same user.

Recommendation: We recommend management implement controls and procedures to ensure proper software user access controls are in place as well as procedures to ensure a review of adjustments is occurring on a regular basis.

Management Response (unaudited): Reports have been developed to monitor monetary adjustments. Reports to monitor meter reading adjustments are being developed. A process is being designed to have the night processor review both reports for unauthorized activity. Implementation of the process for reviewing both reports by the night processor will be completed by the end of July. Copies of the reports with the reviewer's signature will be maintained in a centralized location in the Public Works and Utilities Business Operations office.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2011-2 (Significant Deficiency):
#14.128 / 14.253 Community Development Block Grants, Award # B-10-MC-200004 (2011), U.S. Department of Housing and Urban Development

#20.500 / 20.507 Federal Transit Cluster, Award # KS-90-X134-00, U.S. Department of Transportation

Condition: The City did not register and file the required subaward data through the Federal Funding Accountability and Transparency Act (FFATA) Sub-award Reporting System for sub-award payments greater than $25,000.

Criteria: 2 CFR part 170 requires prime grant recipients to register in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS) and report non-Recovery Act subaward data through the FSRS if the value of a first tier subaward agreement is $65,000 in Federal funds and the subaward is funded in a transaction greater than $25,000 by the end of the month following the month in which the subaward or obligation was made.

Questioned Costs: None were noted.

Context: This requirement became effective for subawards made after October 1, 2010 under a federal award agreement entered into on or after that date. For CFDA #14.128/14.253, the City did not file the required FFATA report for one qualifying subaward payment of $34,136. For CFDA #20.500/20.507, the City did not file the required FFATA report for one qualifying subaward of $39,304.

Cause: The City was not aware of the required FFATA reporting.

Effect: Failure to file required Federal reports could result in noncompliance with reporting requirements noted above.

Recommendation: We recommend the City review the requirements of the Federal Funding Accountability and Transparency Act Subaward Reporting System and implement internal controls and processes to ensure the required reports are submitted.

Response and corrective action plan (unaudited): In the last two years, several City staff members have attended training specifically targeted to managing grants under OMB guidance. This particular new requirement was not a component of those trainings and City staff were unaware of the new requirement. Alternatives are being evaluated for developing a systematic, effective and efficient method of capturing the information as well as insuring timely notification of changes in relevant OMB guidance.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
(Continued)

Finding 2011-3 (Significant Deficiency): #20.500 / 507 Federal Transit Cluster, Award # KS-90-X134-00, U.S. Department of Transportation

Condition: The City of Wichita's (City) Transit Department could not provide evidence that a required suspension and debarment verification check had been performed on the contracted vendors.

Criteria: Regulations contained in 2 CFR part 180 restrict grantees from contracting with certain parties that are suspended or debarred, or whose principals are suspended or debarred. For covered transactions, the City must verify the vendor is not suspended or debarred. This verification check can be performed by checking the EPLS (Excluding Parties List System), collecting a certification from the vendor, or adding a clause or condition to the covered transaction with the vendor that is expected to equal or exceed $25,000.

Questioned Costs: None noted. A subsequently performed verification check of the vendors on the EPLS website noted that none were suspended or debarred.

Context: The City could not provide support that a verification procedure had been performed to ensure that six contractors / vendors were not suspended or debarred from receiving federal funds.

Cause: The absence of adequate internal controls and instance of noncompliance appears to be the result of inadequate formal procedures, combined with a lack of awareness of the suspension and debarment requirements by personnel involved in this program.

Effect: Failure to perform verification checks on covered transactions could result in expenditures to potentially ineligible vendors.

Recommendation: We recommend that the City inform and train all personnel on the policies and procedures for performing required verification checks for suspended or debarred parties as a required step in the formal procurement process. We also recommend that any new federal grant awards made to the City be provided to the Purchasing Department, so that they can ensure proper suspension and debarment procedures can be applied as appropriate.

Response and corrective action plan (unaudited): Staff managing grants are responsible for grant compliance and compliance with purchasing policies. Incidences of non-compliance are reviewed for the most efficient corrective action. Transit staff are taking action to correct this oversight.

This page intentionally left blank.

WATER UTILITIES SECTION

The Water Utilities Section contains schedules and exhibits that fulfill the requirements of the Water and Sewer bond covenants.

Department of Public Works & Utilities
Office of the Director
City Hall – Eighth Floor
455 North Main
Wichita, Kansas 67202

June 22, 2012

To our Water and Sewer Bondholders:

On behalf of the City of Wichita and the Water & Sewer Utilities, we are pleased to present our 2011 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 water and sewer services that represent extraordinary value. That mission is achieved by ensuring effectiveness, efficiency, fiscal responsibility, accountability, responsiveness, customer friendliness, and accessibility, all while increasing productivity.

The Water and Sewer Utilities of the Department of Public Works & Utilities treats and distributed 61.4 million gallons per day of potable water and collects and processes 24.5 million gallons per day of wastewater, for about 386,000 people in south central Kansas. Services include maintenance of 4,400 miles of sewer and water mains, with related facilities, and working with business, industry and developers to provide infrastructure for their continued success.

In January 2011, the Customer Service Division was split into Business Operations and a City-Wide Call Center to enhance customer service and improve financial accountability. In addition, a Cost of Service Analysis was completed in 2011 that indentified an inequity in rates between residential and commercial customers. The analysis recommended a cost-based structure that would realign customer rates based on the costs they create. The new cost-based rate model was implemented in 2012.

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 and to create a hydraulic barrier against salt water contamination that threatens the portion of the aquifer that supplies water to the City of Wichita as well as countless irrigators and domestic users. Since its commissioning in 2007, the ASR Phase I facilities have used excess flow in the Little Arkansas River to recharge over 927 million gallons of water back into the Equus Beds Aquifer. ASR recharge totals remain at 927 million gallons through 2011 with drought and Phase II construction being the driving factors.

Construction of Phase II of the ASR project is nearly complete with the anticipated completion date in the spring 2012. A MacroTech copper-ion feed system to protect the Cheney Reservoir intake, pipeline and pump station from Zebra Mussel infestation was constructed in 2011 to protect this vital component of Wichita's water supply. Additionally, in 2011 a Design-Build project was implemented for the rehabilitation of the Sims Local Well Field in the heart of Wichita. The wells provide additional, flexible water capacity during the summer months when peak water use and demand in the system rapidly changes.

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. The City also aims to exercise all valves at least once every five years. The Meter Reading and Service section was consolidated with Water Distribution in 2011 in an effort to gain operational efficiencies. The Backflow Prevention Program continues to meet its core mission of safeguarding the water supply from contamination.

At the Lower Arkansas River Water Quality Reclamation Facility, the second phase of the intermediate pump station rehabilitation project began in late 2011. The rehabilitation project is on track for an April 2012 completion date and provides more efficient pumps with variable frequency drives. The intermediate pump station improvements will provide reliable and flexible pumping from primary treatment to secondary treatment. The construction phase for a parallel force main from the Main Pump Station to the Cowskin Creek Water Quality Reclamation Facility will begin in 2012. The additional force main provides increased pumping capacity during high flow events and greater reliability and redundancy during normal flows. Planning and design phases for plant improvements at the Four Mile Creek Water Quality Reclamation Facility are slated for the coming year, as well. The improvements will address solids handling, disinfection, and future capacity demands, providing better and more efficient processing.

In 2011, Sewer Maintenance assisted with the completion of the replacement of the 60 inch sewer which lies beneath Canal Route Interstate. Work continued on the cleaning, televising, monitoring, investigating, rehabilitating, and repairing the collection system, as well as continuing our responsiveness to customer issues and emergencies. Extensive training for customer service training was completed in addition to technical training leading to more staff achieving Wastewater Collection System Certifications.

We want to express our gratitude to our employees for making our operation successful. Without their continuous efforts the Water and Sewer Utilities would be unable to provide our customers with quality, reliable water and sewer service.

Alan King
Director of Public Works & Utilities
For the Water & Sewer Utilities
The City of Wichita, Kansas

CITY OF WICHITA, KANSAS

WATER UTILITIES COMBINED BALANCE SHEET

For the year ended December 31, 2011
(with comparative totals for the year ended December 31, 2010)

	2011	2010
ASSETS		
Current assets:		
Cash and temporary investments	$ 9,950,356	$ 9,627,597
Receivables, net	14,688,254	12,177,293
Due from other agencies	-	1,089,087
Inventories	2,370,502	2,370,502
Prepaid items	1,039,499	1,080,945
Restricted assets:		
Cash and temporary investments	29,305,076	27,970,623
Total current assets	57,353,687	54,316,047
Noncurrent assets:		
Restricted assets:		
Cash and temporary investments	121,347,142	183,608,840
Capital assets:		
Land	14,180,675	14,108,093
Buildings	159,844,100	159,669,897
Improvements other than buildings	818,724,445	808,911,498
Machinery, equipment and other assets	87,723,744	86,736,358
Construction in progress	323,808,912	226,364,652
Less accumulated depreciation	(311,004,921)	(292,572,004)
Total capital assets (net of accumulated depreciation)	1,093,276,955	1,003,218,494
Other assets	3,072,796	4,685,972
Total noncurrent assets	1,217,696,893	1,191,513,306
Total assets	$ 1,275,050,580	$ 1,245,829,353
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	$ 8,021,341	$ 13,648,563
Accrued interest payable	380,042	397,975
Temporary notes payable	160,000,000	140,000,000
Deposits	3,773,648	3,435,257
Current portion of long-term obligations:		
Compensated absences	757,011	776,115
Current liabilities payable from restricted assets:		
Accrued interest payable	4,505,216	5,426,837
Revenue bonds payable	24,799,860	22,543,785
Total current liabilities	202,237,118	186,228,532
Noncurrent liabilities:		
Revenue bonds payable (net of unamortized deferred refunding and premium)	422,541,045	449,941,410
Compensated absences	40,694	69,926
Total noncurrent liabilities	422,581,739	450,011,336
Total liabilities	624,818,857	636,239,868
NET ASSETS		
Invested in capital assets, net of related debt	532,817,700	506,198,418
Restricted for:		
Capital projects	125,352	-
Revenue bond covenants	95,954,077	90,814,465
Unrestricted	21,334,594	12,576,602
Total net assets	650,231,723	609,589,485
Total liabilities and net assets	$ 1,275,050,580	$ 1,245,829,353

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, 2011

(with comparative totals for the year ended December 31, 2010)

	2011	2010
OPERATING REVENUES		
Charges for services and sales	$ 123,604,557	$ 102,214,845
Rentals	31,695	34,785
Other	6,123	95,681
Total operating revenues	123,642,375	102,345,311
OPERATING EXPENSES		
Personnel services	18,033,451	18,216,124
Contractual services	17,942,181	15,184,110
Materials and supplies	7,109,715	5,514,888
Other	1,200,889	402,458
Administrative charges	1,379,471	1,359,981
Payments in lieu of franchise fees	5,153,053	4,849,956
Depreciation	19,647,716	20,279,039
Total operating expenses	70,466,476	65,806,556
Operating income (loss)	53,175,899	36,538,755
NONOPERATING REVENUES (EXPENSES)		
Gain(Loss) on investments	88,020	(74,823)
Other revenues (expenses)	-	(17,092)
Interest expense	(14,974,565)	(14,235,646)
Gain (Loss) from sale of assets	(148,833)	(178,635)
Bond discount amortization	642,236	562,068
Total nonoperating revenues (expenses)	(14,393,142)	(13,944,128)
Income (loss) before contributions and transfers	38,782,757	22,594,627
CAPITAL CONTRIBUTIONS AND OPERATING TRANSFERS		
Capital contributions - cash	2,298,995	8,249,893
Capital contributions - non cash	3,750,336	16,142,539
Transfers to other funds	(4,189,850)	(3,680,743)
Change in net assets	40,642,238	43,306,316
Net assets - beginning	609,589,485	566,283,169
Total net assets - ending	$ 650,231,723	$ 609,589,485

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, 2011
(with comparative totals for the year ended December 31, 2010)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 121,495,315	$ 100,201,942
Cash payments to suppliers for goods and services	(33,233,783)	(16,648,908)
Cash payments to employees for services	(18,081,787)	(18,265,532)
Franchise taxes and payments in lieu of delinquent specials	(5,153,053)	(4,849,956)
Other operating revenues	(9,760)	95,681
Net cash provided by (used in) operating activities	65,016,932	60,533,227
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer to other funds	(4,189,850)	(3,677,743)
Net cash provided by (used in) noncapital financing activities	(4,189,850)	(3,677,743)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Issuance of temporary notes	160,000,000	140,000,000
Retirement of temporary notes	(140,000,000)	-
Issuance of capital debt	105,325,000	48,900,000
Premuims from the sale of bonds	16,199,245	1,995,046
Accrued interest from the sale of bonds	(922,843)	30,722
Bond issuance costs paid	(9,576,074)	(654,030)
Additions to property, plant and equipment	(99,056,044)	(88,276,302)
Debt service - principal refunded	(112,070,000)	-
Debt service - principal	(22,543,785)	(18,473,440)
Debt service - interest	(22,002,291)	(22,087,542)
Proceeds from sale of assets	(113,106)	233,929
Capital contributions	3,240,310	7,160,806
Net cash provided by (used in) capital and related financing activities	(121,519,588)	68,829,189
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	88,020	(74,823)
Net cash provided by investing activities	88,020	(74,823)
Net increase (decrease) in cash and temporary investments	(60,604,486)	125,609,850
Cash and temporary investments - January 1	221,210,061	95,600,211
Cash and temporary investments - December 31	$ 160,605,575	$ 221,210,061
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	$ 53,175,899	$ 36,538,755
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	19,647,716	20,279,039
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,510,961)	(1,625,587)
(Increase) decrease in inventory	-	(32,416)
(Increase) decrease in prepaid items	41,446	43,104
(Decrease) increase in accounts payable/accrued expenses	(5,627,223)	5,801,841
(Decrease) increase in deposits	338,391	(422,101)
(Increase) decrease in compensated absences	(48,336)	(49,408)
Total adjustments	11,841,033	23,994,472
Net cash provided by (used in) operating activities	$ 65,016,932	$ 60,533,227
Supplemental Schedule of Non-Cash Investing and Financing Activities		
Assets contributed by benefit districts	$ 3,188,292	$ 15,341,807
Contribution of capital assets	1,913	-
Capital contributed for capital purposes	709,816	800,732

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 business type 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, 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 apply 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 City's funds are combined to form a pool of cash and temporary investments, 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-38 of this document.

D. Revenue Recognition

Revenue for sales is recognized when services are rendered, which includes recognition of revenue for unbilled services. All users, including 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.

E. 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.

F. 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.

Depreciation of exhaustible capital assets, including the depreciation of leased capital assets, is charged as an expense against the utility operations with accumulated depreciation reported on the proprietary funds' balance sheet. Capital assets are depreciated using the straight line method over the following estimated useful lives:

Assets Classification	Year
Buildings and improvements	1-100
Improvements other than buildings	1-85
Equipment	1-33
Vehicles	1-20
Water/Sewer mains and drainage	75-85

G. 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 5.0% 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 $5,153,053 in 2011 and a total of $4,515,456 in 2010. The payment of franchise taxes is an operating expense passed through to the Utilities' customers.

H. Compensated Absences

Permanent full-time and permanent part-time employees with 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. Vacation pay is accrued and reported as a liability on the financial statements.

Sick leave benefits accrue to full time employees at varying rates, depending on the employee's length of service to the City. The City's policy is to permit employees to accumulate hours of earned but unused sick leave benefits. Accumulated sick leave is not paid to employees that separate from service, therefore accumulated sick leave does not represent a liability to the City. Upon retirement, employees may apply unused sick leave benefits to increase the employee's creditable service time.

I. Bond Issuance Costs

Bond issuance costs are amortized using the straight-line method of amortization over the life of the bonds.

2. Cash and Investments

At December 31, 2011 and 2010, the combined Utility's cash and temporary investments in the amount of $160,602,574 and $221,207,060 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 is located in the Note 5 located in the Financial Section, Notes to the Financial Statements of this publication.

On December 31, 2011, revenue bond proceeds for reserve funds and future capital projects of the Water and Sewer Utility Funds were invested as follows:

Investment	Book Value	Modified Duration (yrs)	Percent of Bond Proceeds Investments
U.S. agency discount securities:			
Federal Home Loan Mortgage Corporation	$ 18,499,926	0.027	93.7%
Federal Home Loan Bank	1,244,907	0.375	6.3%
Total value	$ 19,744,833		100.0%
Total modified duration		0.048	

Additionally, general obligation temporary note proceeds for future capital projects of the Water Utility were invested as follows:

Investment	Book Value	Modified Duration (yrs)	Percent of Bond Proceeds Investments
Municipal Investment Pool-Overnight*	40,090,051	-	100.0%
Total value	$ 40,090,051		100.0%
Total modified duration		-	

*The weighted average maturity of the Municipal Investment Pool was 36.9 days at December 31, 2011.

3. Capital Assets

Capital asset changes of the Water and Sewer Utilities for the year ended December 31, 2011 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	$ 14,108	$ 72	$ -	$ -	$ 14,180
Construction in progress	226,365	97,550	(105)	-	323,810
Total capital assets, not being depreciated	240,473	97,622	(105)	-	337,990
Capital assets, being depreciated:					
Buildings	159,670	174	-	-	159,844
Improvements other than buildings	808,911	9,813	-	-	818,724
Machinery, equipment and other assets	86,736	2,255	(1,318)	50	87,723
Total capital assets being depreciated	1,055,317	12,242	(1,318)	50	1,066,291
Less accumulated depreciation for:					
Buildings	(61,439)	(2,612)	-	-	(64,051)
Improvements other than buildings	(176,255)	(12,210)	-	-	(188,465)
Machinery, equipment and other assets	(54,878)	(4,826)	1,228	(13)	(58,489)
Total accumulated depreciation	(292,572)	(19,648)	1,228	(13)	(311,005)
Net depreciated capital assets	$ 762,745	$ (7,406)	$ (90)	$ 37	$ 755,286
Total capital assets, net	$ 1,003,218	90,216	(195)	37	1,093,276

Interest costs incurred to bring certain assets to the condition and location necessary for the intended use are capitalized as part of the historical cost of acquiring the assets. During 2010 and 2011, total interest cost of the combined Water and Sewer Utility Funds was $20,916,168 and $20,914,821 of which $6,680,522 and $6,679,175 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 covered by the retirement systems for the years ended December 31, 2011 and December 31, 2010 was $13,404,418 and $14,320,715 respectively.

Additional information on the retirement systems is reported in the Notes to the Financial Statements located in the Financial Section of this publication. The Wichita Retirement System also issues a publicly available financial report that 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 Utilities contribute to the pension plans at an actuarially determined rate. The rate for 2011 was 4.7%of annual covered payroll for both Plans 1 and 2. The Utilities' annual pension cost for 2011 was $1,162,521, equal to the required and actual contributions. Employee contributions to all pension plans for the Utilities totaled $553,474 in 2011 and $600,208 in 2010.

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 Utilities participate in the self insured 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.

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, 2011 are as follows (expressed in thousands of dollars):

Outstanding issue	Interest Rate	Final Maturity Date	Amount Outstanding
1998-Water & Sewer	4.70%	2012	$ 2,065
2000A-Water	4.69%	2021	1,621
2000B-Water	4.69%	2021	2,790
2005A-Water & Sewer Refunding	3.00 - 5.00%	2016	22,840
2005B Water & Sewer Refunding	5.00%	2016	14,880
2005C Water & Sewer	3.75 - 5.00%	2030	38,955
2006-Water & Sewer	4.00 - 5.00%	2031	43,955
2008A-Water & Sewer	3.50 - 5.00%	2032	26,630
2009A-Water & Sewer	3.00 - 5.00%	2039	115,305
2009B-Water & Sewer	4.27 - 5.36%	2019	10,840
2010A-Water & Sewer	1.75 – 4.00%	2030	30,605
2010B-Water & Sewer	3.00 – 5.35%	2030	16,510
2011A-Water & Sewer Refunding	3.00 – 5.00%	2028	105,325
Total Water and Sewer Utility			$ 432,321

Changes in the long-term liability for the year ended December 31, 2011 are summarized in the following table:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	$ 461,609	$ -	$(29,288)	$432,321	$24,800
Deferred amount on refunding	(1,243)	1,900	-	657	-
Unamortized premium	12,119	11,648	-	23,767	-
Total bonds payable	472,485	11,251	(26,991)	456,745	24,800
Compensated absences	846	-	(48)	798	757
Total long-term liabilities					
Water and Sewer Utility	$ 473,331	$ 11,251	$ (27,039)	$ 457,543	$ 25,557

Revenue bond debt service requirements to maturity are as follows (expressed in thousands of dollars):

Year Ending December 31	Principal	Interest
2012	$ 24,800	$ 19,302
2013	23,117	19,001
2014	21,764	18,122
2015	22,833	17,209
2016	24,037	16,219
2017– 2021	106,695	65,526
2022 – 2026	100,360	40,405
2027 – 2031	76,695	18,084
2032 – 2036	25,525	4,643
Thereafter	6,495	650
Totals	$ 432,321	$ 219,161

B. Revenue Bond Covenants and Reserve Requirements

Resolutions and ordinances related to the issuance of revenue bonds provide for specific deposits to debt service and other related reserve and maintenance accounts. At December 31, 2011 and 2010, unrestricted cash available in accordance with the revenue requirements of the bond covenants was $9,950,330 and $9,627,597.

Water and Sewer Utility Restricted Assets

	2011	2010
Principal and Interest	$ 10,411,090	$ 10,863,951
Bond Reserve	19,747,989	21,435,845
Depreciation and Replacement	12,268,840	9,029,873
Improvements	108,224,299	170,249,795
	$ 150,652,218	$ 211,579,464

At December 31, 2011, the City was in compliance with the reserve requirements of the respective Water and Sewer Utility revenue bond covenants. Significant requirements are listed below.

Unrestricted assets: Unrestricted revenue, amount budgeted for ensuing 60 days operating expenses for utility operation, repairs, and maintenance.

Restricted assets: Principal and interest, an equal prorated portion of the next annual principal payment and semi-annual interest payment of various revenue bond series on the first day of each month, which is sufficient to meet the maturing bond and interest requirements.

Bond reserve, a sum equal to greater of the amount of interest which shall become due and payable on various revenue bond series during next fiscal year or the maximum amount of interest which shall become due and payable on various revenue bond series in any subsequent year, shall be used solely for the payment of principal and interest on revenue bond series for which funds might not otherwise be available, or to pay a like amount of final maturing series.

Depreciation and replacement, 15% of the operating revenues of the preceding year are accumulated 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. Funds 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.

7. 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, 2011

Year Ending December 31	Minimum Rentals of Non-cancelable Operating Leases
2012	$ 46,621
2013	48,950
2014	48,950
2015	48,950
2016	48,950
2017 – 2021	254,536
2022 – 2026	267,238
2027 – 2031	280,622
2032 – 2036	294,618
2037 - 2041	309,296
Thereafter	1,115,003
Total minimum future rentals	$ 2,763,734

8. Segment Information

The Utility maintains separate funds for water and sewer services. Segment information for the year ended December 31, 2011 is located in the Financial Section of this publication.

This page intentionally left blank.

CITY OF WICHITA

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, 2011

UNAUDITED

	Water	Sewer	Combined
REVENUES			
Charges for services	$ 79,547,176	$ 44,089,014	$ 123,636,190
Investment earnings	46,354	41,666	88,020
Capital contributions - cash	1,408,947	890,048	2,298,995
Bond discount amortization	365,498	276,738	642,236
Other	62	6,123	6,185
Gross earnings	81,368,037	45,303,589	126,671,626
OPERATIONS AND MAINTENANCE			
Personal services	8,792,575	9,240,876	18,033,451
Contractual services	11,457,368	6,484,813	17,942,181
Materials and supplies	4,273,204	2,836,511	7,109,715
Other	252,764	948,125	1,200,889
Administrative charges	1,062,181	317,290	1,379,471
Contributions to the city	3,299,061	1,853,992	5,153,053
Total operations and maintenance	29,137,153	21,681,607	50,818,760
Net revenues available for debt service	$ 52,230,884	$ 23,621,982	$ 75,852,866
REVENUE BONDS DEBT SERVICE	$ 25,456,736	$ 18,590,155	$ 44,046,891
DEBT SERVICE COVERAGE RATIO	2.05	1.27	1.72
Gross earnings	$ 81,368,037	$ 45,303,589	$ 126,671,626
Less: investment earnings	46,354	41,666	88,020
Less: capital contributions	1,408,947	890,048	2,298,995
Less: bond discount amortization	365,498	276,738	642,236
Operating revenues	$ 79,547,238	$ 44,095,137	$ 123,642,375
CAPITAL EXPENDITURES FROM OPERATING REVENUES	$ 2,368,630	$ 1,062,485	$ 3,431,115

PROPERTY INSURANCE

Insurance Company	2010 Deductible	Period covered	Detail of Coverage
Travelers	$100,000 per occurrence	1-11 to 1-12	* All risk coverage on real and personal property.
	$2,000,000 per occurrence of wind and hail		
Travelers	$10,000 per occurrence	1-11 to 1-12	*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 AND SEWER UTILITY STATISTICS BY CUSTOMER CLASS

For year ended December 31, 2011

(with comparative totals for the year ended December 31, 2010)

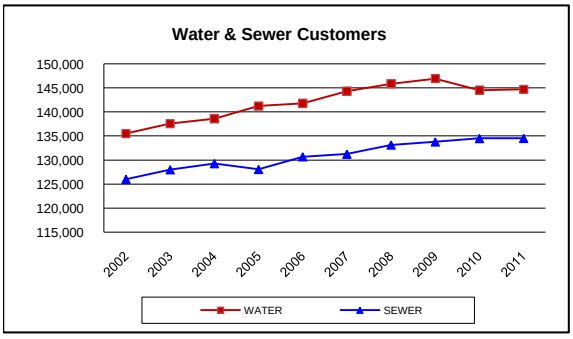
UNAUDITED

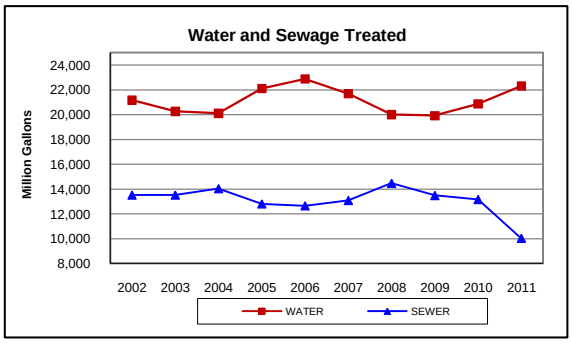
WATER UTILITY STATISTICS BY CUSTOMER CLASS

	Number of Customers		Water Revenues		Water Consumed (Thousand Gallons)	
CUSTOMER CLASS	2011	2010	2011	2010	2011	2010
Residential	128,032	127,902	$ 49,079,715	$ 39,259,697	10,438	9,765
Commercial / Industrial	11,415	11,454	22,683,249	18,747,282	7,092	6,845
Wholesale	12	11	3,740,208	2,840,097	1,776	1,495
Lawn Services	3,040	2,982	-	-	-	-
Fire Protection	1,823	1,773	290,341	239,319	-	-
Contract	359	378	1,422,871	965,090	476	360
Backflow Charges	-	-	233,716	228,972	-	-
Other Sales	-	-	385,854	301,822	41	38
Estimated Leaks	-	-	-	-	113	38
Water Utility Uses	29	29	-	-	296	304
Unaccounted for Water	-	-	-	-	2,076	2,023
	144,710	144,529	$ 77,835,954	$ 62,582,279	22,308	20,868

SEWER UTILITY STATISTICS BY CUSTOMER CLASS

	Number of Customers		Sewer Revenues	
CUSTOMER CLASS	2011	2010	2011	2010
Residential	122,635	122,608	$ 24,461,681	$ 20,898,366
Commercial	11,122	11,111	11,905,537	10,427,372
Industrial	18	21	3,595,247	2,972,934
Institutional	747	755	823,644	739,344
Wholesale	1	1	220,351	124,943
Other	-	-	21,712	25,055
Extra Strength	11	12	1,609,976	1,652,957
	134,534	134,508	$ 42,638,148	$ 36,840,971





Operational and Performance Statistics

	2011	2010	Percent Change
Number of Water Customers	144,710	144,529	0.13%
Number of Sewer Customers	134,534	134,508	0.02%
Miles of Water Line	2,361	2,357	0.17%
Miles of Sanitary Sewer Line	2,134	2,134	0.00%
Water Produced (Million Gallons)	22,308	20,868	6.90%
Wastewater Treated (Million Gallons)	10,024	13,158	-23.81%
Cost of Treated, Pressurized Water per 1000 gal.	$0.53	$0.50	6.21%
Cost of Treated Wastewater per 1000 gal.	$0.99	$0.71	39.66%