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, 2013

CITY COUNCIL

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

City Manager

Robert Layton, City Manager

Department of Finance

Shawn Henning, Director of Finance

Prepared by Controller's Office
Department of Finance

CITY OF WICHITA, KANSAS

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INTRODUCTORY SECTION

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

June 20, 2014

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, 2013. 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 blended and discretely presented component units.

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.

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, 2013. 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 2013 population of 385,577. Wichita 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 163 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[1].

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 units 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, public transportation, airports, water and sewer utilities, planning and zoning, cemetery maintenance, internal support services, and general administration.

The Budget Process: The City's financial planning process includes the development of three operating budgets each year. The current year adopted budget is revised based on updated data and assumptions. A proposed budget for the next year is also prepared and will become the adopted budget upon the City Council's approval. Finally, a projected budget is also prepared, which becomes the basis for the proposed budget next year. The 2013 budget was formulated around four strategic priorities identified by the City Council in 2009. The 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 services and providing outcomes in areas of strategic priority.

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 provided with preliminary financial forecasts. The City Manager holds internal budget hearings, beginning in April and continuing through June. The City Council is briefed on the strategic and policy issues, the preliminary financial forecasts and the past departmental performance levels. Based on the City Council's policy direction and the information from departments, a proposed budget is drafted and is provided to the City Council for consideration in July. Throughout the process, presentations are made to citizens, including the District Advisory Board of each Council District and other neighborhood groups. Budget information is also communicated through various social media, providing opportunities for citizen engagement on the budget.

The City Council holds public hearings on the proposed budget in July and August, prior to adopting the final budget. The budget is required by Kansas law to be finalized and adopted no later than August 25. The annual budget serves as a policy document, a financial plan, an operations guide and as a communication device.

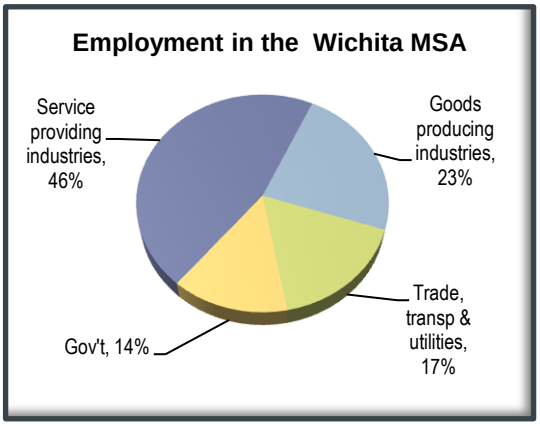
Budgetary Control: The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level, but is monitored by function and activity within an individual fund. The government also maintains an encumbrance

[1] Nielson 2010 population estimates and mapping. Population represents only the Kansas population in the 100-mile radius and excludes Oklahoma population within the 100-mile radius.

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-21 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 starting on page B-24.

THE LOCAL ECONOMY[2]

The Wichita metropolitan statistical area (MSA) has a diverse economic base, producing a wide variety of products and services. More than 94% of the area's business establishments employ fewer than 50 workers, including a large percentage of the area's manufacturing companies. 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.



The average unemployment rate of the metropolitan statistical area has been at least a full percentage point lower than the national rate for the past three years. Throughout the economic recovery, Wichita has consistently maintained an unemployment rate below the national average, with expectations that Wichita's unemployment rate will continue to decline in the coming year.

Annual Average Wichita MSA Employment by Sector*

	2011 (a)	2012 (a)	2013 (a)	2014 (f)	2013-2014 Forecasted Change	2013-2014 Forecasted Percent Change
Production sectors	65,700	67,500	67,000	67,300	300	0.4%
Trade, transportation and utilities	49,500	49,500	49,600	49,900	300	0.6%
Service sectors	127,300	131,800	130,100	132,600	2,500	1.9%
Government	40,300	37,700	40,000	39,800	-200	(0.5%)
Total Non-farm employment	282,800	286,500	286,700	289,600	2,900	1.0%

*Annual values, rounded to the nearest 100, are derived from average quarterly observations and projections and may not include all subsequent adjustments. (a) actual (f) forecasted

In the production sector, the manufacturing jobs lost between 2008 and 2011 are slowly being regained. In 2012 and 2013, Wichita added a net of 1,300 jobs, despite the closing of Boeing's facilities in Wichita. Beechcraft increased deliveries substantially in 2013, while Cessna and Bombardier Learjet reported small declines in aircraft deliveries. Major aerospace manufacturers are projecting aircraft sales to rise in 2014. Offsetting some of the gain in manufacturing employment, construction and mining lost approximately 800 jobs in 2013, with current employment at levels of the mid-1990s. In early 2014 Cessna parent, Textron, completed the acquisition of Beechcraft Corp. Some reductions in jobs have been announced as the parent Textron integrates the two business operations.

[2] Information in this section largely provided by the Center of Economic Development and Business Research, Frank Barton School of Business, Wichita State University.

Local banks continue to report a low demand for commercial loans, however, home sales and home construction increased in 2013 and both are expected to continue to grow in 2014. Construction starts on single-family housing increased by 27% in 2013 and new home sales increased by 13%. The construction industry was one of the most severely affected industries by the recession, so this increase is an encouraging sign of a strengthening economy, with benefits spilling over to other industries.

Bolstering the construction industry, Koch Industries began construction of a 210,000 square-foot building at its Wichita headquarters in late 2013. The new building, which is projected to be completed in mid-2015, will accommodate 745 employees, making it possible for Koch to hire or relocate hundreds of additional employees. Also underway at Wichita State University is a five-story campus residence hall that will house 782 students and provide a 400-seat dining hall and coffee shop. The new residence hall is expected to be completed and ready for students by the start of the 2014 fall semester.

Though employment in education and health care has slowed in 2012 and 2013, employment growth is projected to increase in 2014 to pre-recession levels. The education and health care sector is the largest sector among the service industries and is an important contributor to Wichita's long-term economic well-being.

More than 37,500 people continue to be employed in health care and social assistance, working at more than 100 nursing and assisted living facilities, as well as 15 acute care and specialty hospitals. In addition, Wichita is home to many specialty clinics providing comprehensive care and same-day surgery services. The four-county metropolitan statistical area is home to more than 1,250 physicians and 275 dentists. In recent years, the community has seen substantial expansion in assisted and senior living units to increase capacity and respond to this growing demographic demand. In the hospital sector, Via Christi is currently renovating several hospitals, with the goal of providing private rooms for all patients by 2017, as well as updating public spaces for its patients and visitors. Wesley Medical Center recently added its third robotic surgery machine and completed the first phase of a $36 million renovation of its women's care facility.

Ten Largest Private Industries in the Wichita Metro Area

Industry	Employment 2011	Employment 2012	Percent of 2012 Total
Total employment	236,874	239,429	100.0%
Major business sectors:			
Transportation equipment	30,257	Not available	-
Food services and drinking places	21,586	21,865	9.1%
Administrative and support services	16,924	16,919	7.1%
Ambulatory health care services	13,476	13,862	5.8%
Hospitals	10,243	10,052	4.2%
Professional and technical services	9,249	9,229	3.9%
Specialty trade contractors	8,329	8,641	3.6%
Nursing and residential care facilities	7,515	7,677	3.2%
Merchant wholesalers – durable goods	5,824	5,820	2.4%
Food and beverage stores	5,521	5,769	2.4%

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wage as currently published, provided by the Center for Economic Development and Business Research, Wichita State University.

Education also plays a significant role in the local economy. Wichita is home to 12 colleges and universities, which provide a wide range of degrees and educational opportunities. Among the universities with a local campus are Wichita State University, Friends University, Newman University and the University of Kansas School of Medicine.

Eight unified public school districts serve the City of Wichita. The largest is Wichita Unified School District 259 (USD 259), which operates about 85 schools from elementary through high school, offering alternative, magnet and special schools. Wichita USD 259 is not only the largest school district

in the City, but also the largest school district in Kansas with a 2013 fall enrollment of 51,169 students, an increase of 350 students since the fall of 2012.

Expansion and renovation continues at schools and universities in Wichita. Noted earlier, the $60 million residence hall on the campus of Wichita State University is scheduled to be completed this summer. In addition, Wichita State plans to begin construction in late 2014 on a $30 million building as part of the University's Innovation Campus expansion. The building will be the first of four buildings, which will eventually house the business school and provide a space for technology-based enterprises to work with the University. Work continues on the $33 million renovation of the Rhatigan Student Center on the Wichita State campus and is targeted for completion in August of 2014.

Newman University approved a $30 million science building in late 2013 and has announced receipt of its first financial gift toward the project. Newman University has recorded five consecutive years of increased enrollment and currently has a record-high student enrollment. The $370 million bond issue approved by Wichita USD 259 voters in 2008 has been used to build six new schools and update more than half of the existing schools in the Wichita USD 259. As of January 2014, 82% of all school sites had a completed storm shelter. Two middle schools and one high school are scheduled to have safe room construction completed this spring, with additional classrooms, cafeterias, kitchens, restrooms, office space and controlled access to school facilities approved and pending construction.

Economic recovery in terms of employment remains challenging, however, Wichita is expected to continue the slow but steady growth experienced since the last recession. Diversified industry, combined with a skilled labor force and the City's central location continue to contribute to the ongoing growth and recovery in the area.

CITY BUSINESS AND FINANCIAL PLAN

The City of Wichita uses a comprehensive planning approach that incorporates a long-term strategic process (five-year financial plan) and a short-term strategic process (two-year budget). In addition, the City maintains a 10-year capital expenditure and financing plan. The financial planning process integrates the City's debt capacity and operational plans, such as the technology plan, the pavement management plan, the park master plan, the pedestrian master plan and the future water supply plan.

The City continues to align financial plans with the strategic priorities, modifying budgets to achieve desired outcomes with fewer financial resources. With the reality of slower future revenue growth, the strategic priorities established in 2009 are being reviewed and updated to provide clarity and flexibility in adapting to short-term, as well as long-term, opportunities. Services of lessor importance may be reduced, retooled or eliminated. Rather than focusing on services that can no longer be provided, the review is an opportunity to balance needs and resources for the best mix of services for citizens.

Adequate levels of reserves are an important foundation to the City's business and financial planning. The City maintains a policy that General Fund reserves are a minimum of 10% of the subsequent year's expenditure budget. The reserves of the General Fund assure rating agencies of the City's financial stability, translating into lower costs of financing for capital investments. Additionally, the General Fund reserve provides flexibility for cash flow and emergency needs. The City also maintains reserves equivalent to 85% of the estimated landfill post-closure liability and maintains reserves at a 90% confidence level of actuarially estimated potential claims in the Self Insurance Fund. In spite of the fluctuations in the financial markets in the recent years, the City's Retirement Systems maintain funded ratios over 90%, which is well above many public pension systems.

The City manages a pooled funds investment program for all cash, applying a comprehensive 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. The City's exposure to risk is managed through various insurance policies and self insurance programs.

With a combination of approaches to ensure relevant outcomes at the lowest possible cost, the City has focused on using technology to reduce operating costs or enhance service levels, has outsourced functions that have a varying degree or seasonal demand, and has partnered with Sedgwick County

to consolidate construction permit and inspection services. Additionally, the City has and continues to restructure management hierarchies and realign organizational structures to meet service demands, as well as creating initiatives to manage rising health insurance costs through the wellness program.

Maintaining engagement with stakeholders – residents, the governing body, District Advisory Boards, neighborhood associations, community groups, the business community, employee bargaining units and City staff – helps the City continue its focus on the delivery of the right mix of services and careful use of resources in recognition of the community's priorities.

To improve the ability of residents to provide meaningful input, the City created the Office of Community Engagement. Following the community survey of 2012, Activate Wichita was launched, utilizing social media to have online conversations about current topics and the City's future. Repeating last year's online town hall meeting, the City again sought input on budget issues from citizens in this manner, in addition to seeking input through the traditional budget hearings and presentations. The City also initiated ACT ICT, a process that provides opportunities for any group in the community to host a meeting where individuals can provide input into the community's future. The community's feedback collected through these new channels is valuable as the City reviews and updates its strategic plan.

The traditional lines of communication with the citizens and all of the new community engagement efforts have been utilized to identify strategic priorities in connection with a planned local sales tax proposal. Through community feedback, the use of a proposed one cent sales tax was narrowed from a long list of projects to four areas: securing a long-term water supply, job development, improved public bus service, and improved street maintenance.

In summary, positioning the City favorably for long-term economic health remains a key objective, based on a diversified foundation of business and industry. Downtown revitalization remains a major initiative toward developing that diversified base. Collaborating with all levels of government and community partners, the City continues to incentivize job growth to attract business and industry to the area.

RELEVANT POLICY CHANGES

Most of the City's key financial management policies remain unchanged, including a stable property tax rate, a balanced budget, maintenance of a General Fund balance of at least 10% of budgeted expenditures, and budget decisions driven by the strategic priorities adopted by the City Council. The policies provide the foundation for City financial planning and budget allocation decisions in a challenging economic environment.

Three of the City's primary sources of general revenue are property, sales and franchise taxes. In recent years, the lack of significant growth in property values and the changes in tax exemptions have restricted the growth of property tax revenue. The property tax revenue has not significantly changed since 2009. In 2013, sales and franchise tax revenue rose to the highest levels recorded in the last 10 years, without a change in the tax rate. Low investment earnings and reduced revenue from other service offerings challenge the City's revenue portfolio.

Temporary policy changes to adjust to the economic downturn included shifting a portion of the mill levy for capital investment and debt service to general operations in 2009. In 2013 and 2014, the mill levy began a shift back to the Debt Service Fund in one-half mill increments to meet infrastructure planned in the capital improvement program. Other changes have been guided by citizen feedback. Street maintenance funding was preserved. Fire call volume and response times were evaluated and resulted in a redeployment of fire services, providing cost savings, but more importantly, no reduction in response time. Additional changes will close low volume library facilities and improve cost recovery of park services. Evaluation of outsourcing selected services will continue.

Despite signs of an improved economic environment, the City continues to face many challenges. The City's revenues have not rebounded to pre-recession levels. Financial pressure is added with the slow growth of local revenue coupled with the declining availability of grant funds. Innovative thinking and

actions will be needed to manage wage costs and the associated health and pension benefits and to deliver services in the current economic and political environment. Technology will continue to be utilized to improve the opportunities for citizens to pay bills and receive information online. Exploration continues into other technologies that could affordably improve efficiency. Meanwhile, the City continues to press forward with major initiatives and to position itself for future and sustainable growth.

MAJOR INITIATIVES

Though the economic times remain challenging, the City continues to invite private investment, striving for a diversified business and industry foundation. 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. In recent years, numerous commercial, residential and retail projects were completed that add to the downtown nucleus and encourage new development. The Wichita Downtown Development Corporation, which was established to revitalize and energize the City's center, reported that investments in downtown Wichita have totaled $291 million since 2010, with 86% from private investment.

Elements of the plan focused on making Douglas Avenue a distinctive walking corridor and one that encourages public transit. Towards that goal, the Douglas Avenue Corridor Transit Oriented Development Study developed concepts and guidelines for future transportation. In 2012, the City received a Bus Livability Initiative Grant of $1.35 million that will fund the first phase of improvements, which include attractive bus shelters and streetscaping improvements to encourage use of public transportation. The improvements are targeted for completion in late 2014.

The development of an entire city block (Block One) was initiated in 2011, marking the first new construction along the core of Douglas Avenue in more than 38 years. Completing its first year of operations are the Ambassador Hotel and the 270-space parking garage, constructed to accommodate the parking needs of the new Ambassador Hotel, the Kansas Leadership Center and the general public. Improvements surrounding the historic hotel include an urban plaza connecting to the new parking garage. The plaza enhances pedestrian traffic with mosaic public art.

Vision Statement Guiding the Downtown Master Plan

"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."

The WaterWalk and River Corridor districts, which include sculptures, ponds, fountains, walking paths and plantings, surround WaterWalk Place, a mixed-use building with 46 upper-end residential units, a parking garage, commercial space and building lots ready for construction. A 150-foot feature fountain was installed in 2012 providing shows of lights, water, and music. In 2013, the district was complemented with a floating stage for performing arts, adding to the attractions of this downtown destination.

The new $10 million WaterWalk Apartments will provide 133 one, two or three bedroom apartments with flexible living choices, including all utilities paid, short leases, furnished or unfurnished units. The apartments will be located on the west bank of Arkansas River, adjacent to the Wichita Ice Center. Construction is now underway and the project is scheduled for completion in 2014.

Currently in the planning stages are the River Vista apartments on the west bank of the Arkansas River. Phase one of the project, located in the downtown area and directly adjacent to the Museum District, will offer approximately 125 upscale apartments. Infrastructure improvements for the complex will begin in 2014.

In 2010, the Kansas Legislature authorized the use of community improvement districts, which add a district sales tax to finance the improvements. Five districts have been authorized at this time, one of which was utilized to attract the 80,000 square-foot Cabella's store to northeast Wichita. Cabella's, which opened in 2012, 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. A freeway interchange is currently under construction to provide citizens and visitors easier access to the Cabella's location.

Near the Cabella's store in northeast Wichita, infrastructure improvements are underway for developer GoodSports to build a $50 million multi-sport athletic and retail complex. The project is anchored by a 65,000 square foot sports complex called the GoodSports Fieldhouse. The development will include indoor and outdoor facilities, as well as retail and restaurant opportunities. A mixed package of financing will be used to fund the project, including private investment, special assessments, sales tax from a community improvement district, general obligation bonds and state authorized sales tax revenue bonds (STAR bonds). The complex is projected to attract regional and national sports competitions.

In southeast Wichita, plans for the Southfork Redevelopment Project continue, with the special assessment financed infrastructure underway. Tax increment financing has also been approved to address drainage and flood problems that have hampered development of the 70-acre tract. With the TIF financed infrastructure, the developer is planning a $16.5 million mixed-use commercial development.

Further development of the Aquifer Storage and Recharge Project is being evaluated in the long-range strategic planning process for regional water quality and an adequate long-term water supply. Due to drought conditions that have prevailed for the last two years, the City is considering measures to extend the City's water supply, including reusing waste water, evaluating testing methods of fire hydrants, evaluating waterless street sweepers, reviewing operational hours of interactive fountains, in addition to developing and implementing community-wide water conservation plans.

Construction of the new $160 million terminal building at Mid-Continent Airport progressed during 2013. Concurrent with the construction of the new terminal is the construction of a $40 million, 1,600-space parking garage, increasing airport parking capacity by 38%. The parking garage will provide more convenient parking and access to rental cars, connecting to the terminal with a covered walkway. The new terminal is expected to open in 2015.

Southwest Airlines provided more good news for Wichita air travelers when it committed to serving the Wichita market with five daily flights beginning in June 2013. The Southwest Airlines schedule includes two flights daily to Dallas, two flights daily to Chicago and one flight daily to Las Vegas. United Airlines also serves west-bound passengers, providing daily nonstop flights to Los Angeles beginning in May 2013. The positive developments at Wichita's airport have the potential to attract more visitors and more business to the Wichita area.

The quality of life in the community has also remained a priority. The City continues to encourage citizens to maintain safe and attractive neighborhoods through the Neighborhood Cleanup Program. Training is offered to neighborhood volunteers on how to organize a neighborhood cleanup event. In addition, the City provides financial assistance in low and moderate income neighborhoods. Neighborhoods engage their own volunteers, distribute information to neighbors and organize the cleanup event. Marketing efforts of golf, park and recreational services continue to build awareness of the offerings within the community. The retooled recreation programs provide some fresh, new offerings each quarter, while working to keep the community's favorite programs.

The City continues to be successful in various tourism initiatives. Each year, the Wichita River Festival draws approximately 300,000 citizens and visitors during the 10-day event. Also drawing visitors from across the region is the two-day Wichita Flight Festival, offering world-class air shows, family-friendly displays, children's activities, food and music. Many other attractions are offered including the Automobilia's Moonlight Car Show and Street Party, the Wagonmasters' Downtown Chili Cook-off, the

Midwest Winefest, the Great Plains Renaissance Festivals, the Midwest Beerfest, Zoobilee, and Winter Illuminations at Botanica, Wichita's gardens.

The community also continues a rich tradition in performing arts. Music Theatre offered a 25-show, five-production line-up of shows, in addition to the eight-show line-up offered by the Wichita Grand Opera, including one outdoor opera. Wichita is also host to the Wichita Symphony, Chamber Music at the Barn, summer outdoor concerts at Cowtown and WaterWalk, the Tallgrass Film Festival, and many other performing arts events that enrich the community.

The Wichita community offers many sporting events, which provide both entertainment and participation opportunities. The Prairie Fire Marathon draws runners from a wide region, offering a full marathon, a half marathon, and a fun run. The Kansas Special Olympics brings spectators and athletes from across the state for a weekend of fun competition. The National Baseball Congress annually brings teams from across the nation to compete in the amateur national tournament. Wichita Thunder, the City's professional hockey team, the Wichita Wingnuts professional baseball team, and the Wichita Wild professional indoor football team have a fan base, as well as the college sports teams that call Wichita home.

College athletics excite and unite the community. Wichita State University men's and women's basketball teams again earned a spot in the NCAA[3] Division I Basketball Tournament with the men's team making it into the final four in 2013 and the final 32 in 2014. Friends University men's and women's basketball teams both participated in post season NAIA[4] Conference Tournament again this year. The Newman University women's basketball team closed a successful year, earning a spot in the semi-final game of the NCAA Division II Heartland Conference Tournament. Newman University athletic programs also win big when it comes to grade point average. For the sixth year in the last seven years, Newman athletes claimed the highest grade point average among all athletic programs in the Heartland Division II Conference.

For the animal lovers, the Wichita area offers many attractions such as Equifest, a premier horse show and exposition. The two-day Wichita Cat Fancy show offers judged competitions in multiple categories and appeals to lovers of exotic breeds and common household felines. The Sunflower Cluster Dog Show, sponsored by the Wichita, Hutchinson and Salina Kennel Clubs, and the Wichita Dog Training Club, offered judged shows over a period of five days, attracting visitors from many states. The ever popular outdoor celebration of dogs, Woofstock, celebrates the friendship we have with our dogs and serves as a fundraiser for the Kansas Humane Society.

Many additional attractions mix fun, fellowship and fund raising to knit the community together and bring guests from across the region into the city.

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, 2012. The 2012 award represents the 40th consecutive year that the City 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, 2012. The 2012 award represents the City's fourth award, with the City earning the award in each year of participation.

The City also received the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the Wichita Retirement Systems CAFR for the fiscal year ending on December 31, 2012. The 2012 award represents the 14th consecutive year that the Wichita Retirement Systems earned this recognition.

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[3] National Collegiate Athletic Association

[4] National Association of Intercollegiate Activities

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 the Certificate of Achievement Program requirements and it will be submitted to the GFOA to determine its eligibility for another certificate.

For the 25th consecutive year, the City earned the GFOA's Distinguished Budget Presentation Award for its 2014 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. In addition, the City of Wichita was one of six municipalities to receive special capital recognition and one of 18 municipalities to receive special performance measure recognition in 2014.

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 also deserve 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

Shawn Henning
Director of Finance

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CITY OF WICHITA

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

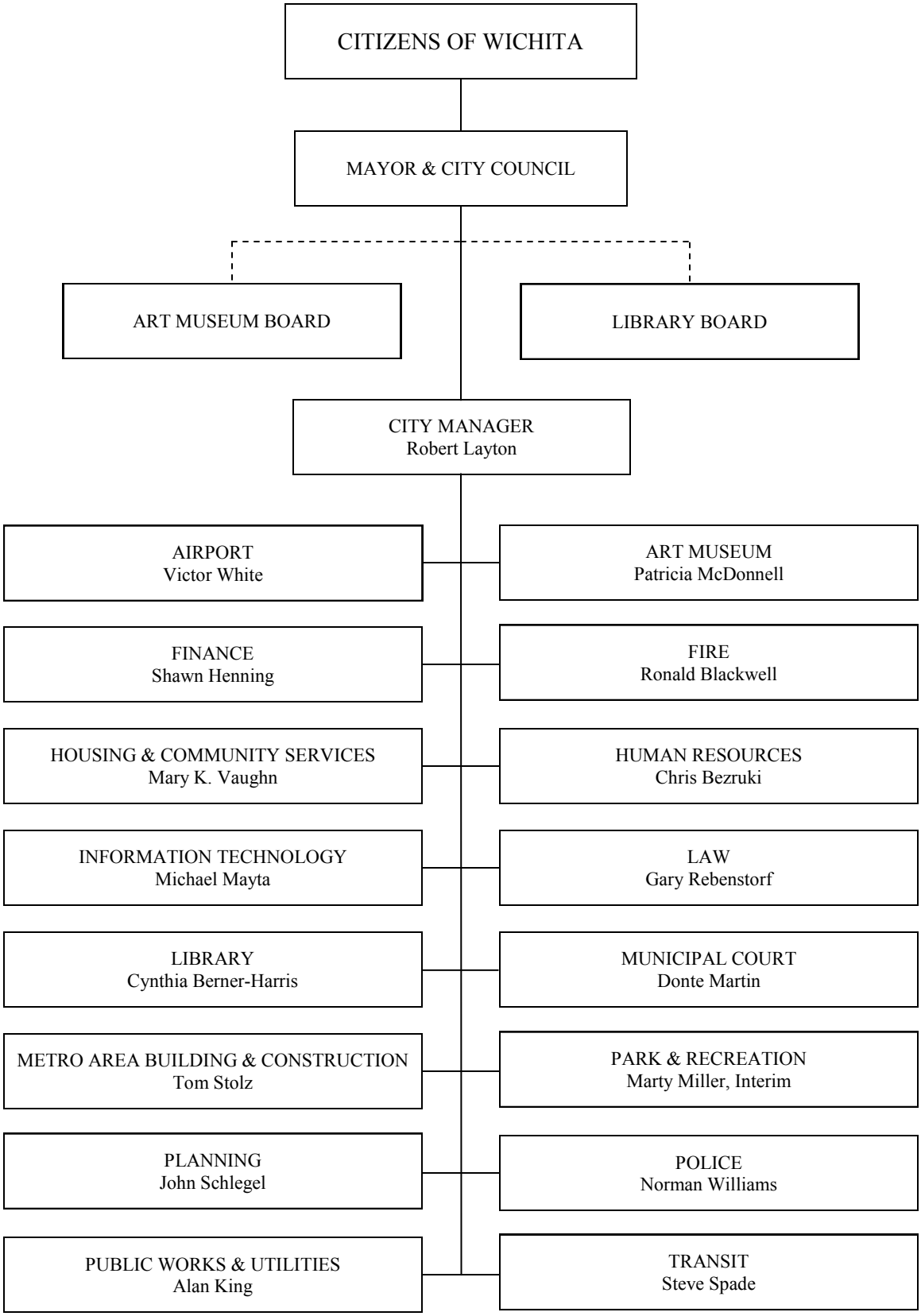
City of Wichita

Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO


CITIZENS OF WICHITA
MAYOR & CITY COUNCIL
ART MUSEUM BOARD
LIBRARY BOARD
CITY MANAGER
Robert Layton
AIRPORT
Victor White
ART MUSEUM
Patricia McDonnell
FINANCE
Shawn Henning
FIRE
Ronald Blackwell
HOUSING & COMMUNITY SERVICES
Mary K. Vaughn
HUMAN RESOURCES
Chris Bezruki
INFORMATION TECHNOLOGY
Michael Mayta
LAW
Gary Rebenstorf
LIBRARY
Cynthia Berner-Harris
MUNICIPAL COURT
Donte Martin
METRO AREA BUILDING & CONSTRUCTION
Tom Stolz
PARK & RECREATION
Marty Miller, Interim
PLANNING
John Schlegel
POLICE
Norman Williams
PUBLIC WORKS & UTILITIES
Alan King
TRANSIT
Steve Spade

CITY COUNCIL MEMBERS

Carl Brewer	Mayor	268-4331
Jeff Blubaugh	Vice Mayor (IV)	268-4331
Lavonta Williams	Council Member (I)	268-4331
Pete Meitzner	Council Member (II)	268-4331
James Clendenin	Council Member (III)	268-4331
Jeff Longwell	Council Member (V)	268-4331
Janet Miller	Council Member (VI)	268-4331

The Wichita City Council meets Tuesday mornings beginning at 9:00 AM at City Hall, 455 N. Main. On the fourth Tuesday of the month, to reserve time for workshop sessions, the Council only addresses routine items that require their consent. Meetings are usually not held on the Tuesday following a Monday holiday or on the fifth Tuesday of the month. The City Council meetings can be viewed live on local channel 7 or archived video may also be viewed via the internet at: http://www.wichita.gov/Government/Council/Pages/default.aspx.

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	Patricia McDonnell, Director
Finance	268-4300	Shawn Henning, Director
Fire	268-4451	Ronald Blackwell, Fire Chief
Housing & Community Services	462-3795	Mary K. Vaughn, Director
Human Resources	268-4531	Chris Bezruki, 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
Metro Area Building & Construction	268-4460	Tom Stolz, Director
Park & Recreation	268-4398	Marty Miller, Interim 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	Steve Spade, Director

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members
City of Wichita, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wichita, Kansas (City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wichita, Kansas, as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

301 N. Main, Suite 1700 ● Wichita, Kansas 67202-4868 ● (316) **267-7231** ● (316) **267-0339** fax ● www.aghlc.com

Other Matters

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

Supplementary and Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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*, Schedule of Passenger Facility Charges required by the *Passenger Facility Charge Audit Guide for Public Agencies*, and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

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

June 16, 2014
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, 2013. 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 position increased $53.9 million from current operations and $39.4 million after prior period adjustments. The most significant increases in net position occurred in the Water Utilities and the Airport Authority Funds.
- Approximately 77% of the City's total assets are held in capital assets.
- The cost of governmental activities was $319.8 million in 2013 compared to $333.4 million in 2012.
- Sales tax revenue increased $4.4 million in 2013.
- In 2013, the City reduced its bonded debt by $111.6 million.
- In governmental activities, capital grants and contributions decreased $22.8 million, or 67.2%, from 2012 levels, of which $22.5 million was for highways and streets.
- In business-type activities, capital grants and contributions increased $17.7 million in 2013 with the majority of the increase recorded in the airport function.
- The cost of the business-type activities was comparable to 2012; however, the cost of governmental activities decreased $13.6 million.
- The General Fund, on a budgetary basis, reported $2 million of revenue and other sources in excess of expenditures and other uses.
- On December 31, 2013, the General Fund reported a budgetary fund balance of 11.1% of the 2014 appropriated budget, which includes a $14 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 bondholders.

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 position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position (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 discretely presented component unit, the Wichita Public Building Commission. Governmental activities of the City include general government, public safety, highways and streets, culture and recreation, health and welfare, and sanitation. Business-type activities include public water, sewer, airport, stormwater, golf, and transportation services.

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-17 and A-19. Primary differences are the impact of accounting for capital assets and their long-term financing.

  The City maintains 25 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 22 governmental funds is combined into a single, aggregated presentation. Individual fund data for each nonmajor governmental fund is provided in the form of combining statements 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,* which include enterprise and internal service funds, account for services for which the City charges customers a fee. 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 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 Authority Funds, all of which are considered to be major funds of the City. The nonmajor funds are consolidated into an aggregated presentation on the proprietary fund financial statements, as are the internal service funds. Individual fund data for proprietary funds (enterprise and internal service funds) begin on pages C-1 and D-1 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* is presented in addition to the basic financial statements and accompanying notes, including 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 Position of the Primary Government and Component Unit. In 2013, the City implemented *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*, which resulted in some items being classified as deferred outflows of funds that were previously reported as assets, and some items being classified as deferred inflows of funds that were previously reported as liabilities. The table below restates the 2012 information for comparison purposes.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012*	2013	2012*	2013	2012*
Current and other assets	$ 515.0	$ 637.6	$ 291.1	$ 253.4	$ 806.1	$ 891.0
Capital assets	1,207.4	1,156.7	1,522.5	1,456.2	2,729.9	2,612.9
Total assets	1,722.4	1,794.3	1,813.6	1,709.6	3,536.0	3,503.9
Total deferred outflows of resources	2.1	2.7	6.5	7.2	8.6	9.9
Non-current liabilities	534.8	629.5	487.6	509.4	1,022.4	1,138.9
Other liabilities	107.9	77.1	266.5	184.7	374.4	261.8
Total liabilities	642.7	706.6	754.1	694.1	1,396.8	1,400.7
Total deferred inflows of resources	96.5	101.2	-	-	96.5	101.2
Net position:						
Net investment in capital assets	730.4	659.1	854.2	820.1	1,584.6	1,479.2
Restricted assets	266.2	328.2	171.4	164.2	437.6	492.4
Unrestricted assets	(11.3)	1.9	40.4	38.4	29.1	40.3
Total net position	$ 985.3	$ 989.2	$ 1,066.0	$ 1,022.7	$ 2,051.3	$ 2,011.9

*2012 restated for implementation of GASB 65.

The net position of the primary government, which can serve as a useful indicator of a government's financial position over time, shows an increase of $39.4 million during 2013. Approximately 77% of the City's net position consists of its net investment in capital assets (e.g., land, buildings, improvements, equipment), net of related debt. The City uses the capital assets to provide services to citizens; consequently, capital assets are not available for future spending. An additional portion of the net position represents resources with external restrictions dedicated to specific to purposes. The unrestricted portion of the net position may be used to meet other obligations of the government. Furthermore, the unrestricted and restricted portion of net position for governmental activities declined from the prior year due to the

defeasance of refunding bonds and capital spending, which has not yet been financed through the issuance of debt.

The following table summarizes the revenues and expenses that contributed to the increase in the net position of the primary government. In 2013, total revenues decreased by $10.6 million. During the same period, expenses of the primary government decreased $13.4 million.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	$ 34.4	$ 36.4	$ 151.9	$ 164.1	$ 186.3	$ 200.5
Operating grants and contributions	47.0	47.4	7.1	6.7	54.1	54.1
Capital grants and contributions	11.1	33.9	33.1	15.4	44.2	49.3
General revenues						
Property taxes	106.3	105.9	-	-	106.3	105.9
Sales taxes	58.5	54.1	-	-	58.5	54.1
Franchise taxes	39.3	37.4	-	-	39.3	37.4
Motor vehicle taxes	13.4	13.1	-	-	13.4	13.1
Transient guest taxes	6.4	6.1	-	-	6.4	6.1
Investment earnings	0.8	0.5	0.5	3.8	1.3	4.3
Miscellaneous	7.8	5.7	4.5	2.1	12.3	7.8
Total revenues	325.0	340.5	197.1	192.1	522.1	532.6
Expenses						
General government	44.5	52.5	-	-	44.5	52.5
Public safety	129.6	129.7	-	-	129.6	129.7
Highways and streets	60.8	62.5	-	-	60.8	62.5
Sanitation	4.7	3.5	-	-	4.7	3.5
Health and welfare	29.9	35.4	-	-	29.9	35.4
Culture and recreation	34.6	36.1	-	-	34.6	36.1
Interest on long-term debt	15.7	13.7	-	-	15.7	13.7
Water	-	-	50.1	48.6	50.1	48.6
Sewer	-	-	43.7	38.6	43.7	38.6
Airport	-	-	26.8	32.6	26.8	32.6
Stormwater	-	-	7.9	8.5	7.9	8.5
Transit	-	-	15.1	15.2	15.1	15.2
Golf	-	-	4.8	4.6	4.8	4.6
Total expenses	319.8	333.4	148.4	148.1	468.2	481.5
Excess before transfers and prior period adjustments	5.2	7.1	48.7	44.0	53.9	51.1
Transfers	2.4	2.6	(2.4)	(2.6)	-	-
Prior period adjustments	(11.5)	-	(3.0)	-	(14.5)	-
Increase in net position	$ (3.9)	$ 9.7	$ 43.3	$ 41.4	$ 39.4	$ 51.1

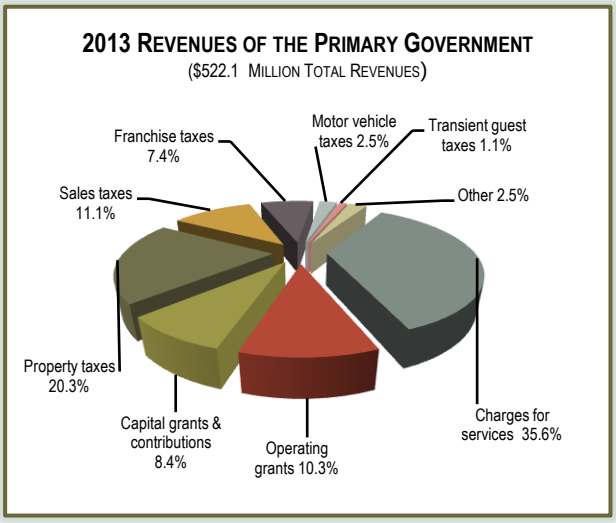
Governmental activities: The net position from governmental activities decreased $3.9 million in 2013. The results of current year operations increased net position by $7.6 million, offset by prior period adjustments that reduced the net position from governmental activities. The prior period adjustments resulted from the

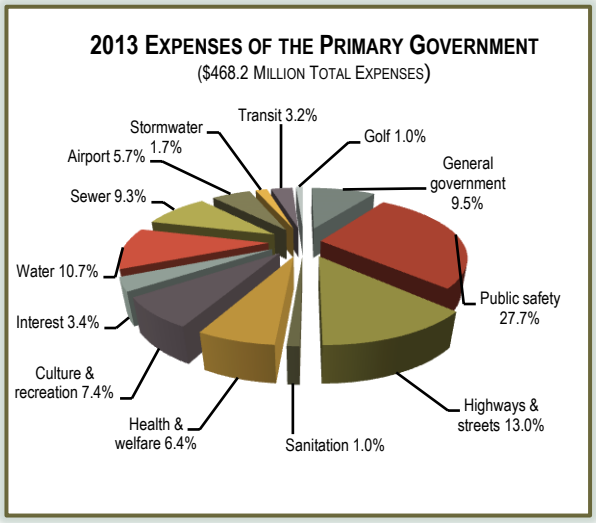
implementation of Government Accounting Standard No. 65 and other corrections. Additional information about the prior period adjustments is provided in Note 20 to the financial statements.

During the current fiscal year, governmental revenues, excluding transfers, decreased $15.5 million. Nonetheless, revenues exceeded expenses by $5.2 million. Increases in sales and franchise taxes were offset by a reduction in capital grants and contributions. Continuing the trend of declining capital grants and contributions, the 2013 decline of $22.8 million followed a $26.4 million decline last year. The 2013 decline in capital grants and contributions primarily resulted from fewer federal and state funds and fewer construction projects funded with special assessments.

In light of reduced resources, management took actions to reduce expenses. The $13.6 million decrease in expenses largely consists of an $8 million reduction in general government and a $5.5 million reduction in health and welfare expenses. The reduction in general government reflects fewer capital related maintenance and equipment expenses, while the reduction in health and welfare largely reflects a lower level of environmental remediation costs in 2013.

Despite the challenge of delivering essential services with fewer resources, capital investment continued. Net investment in governmental capital assets increased $71.3 million through a combination of acquisitions and reductions in long-term debt. Construction of freeways and arterial streets was the major focus of capital spending, in addition to replacement of fire apparatus and fleet equipment.





Cash and equivalents were $68.1 million lower at the close of 2013 due to the timing of long-term debt issuance. With some exceptions, improvements are customarily financed with available cash and cash is then later replenished with the issuance of temporary notes and long-term debt.

Business-type activities: A $43.3 million increase in net position of business-type activities was recorded, resulting from control of expenses, combined with increases in revenue. The greatest increase in net position resulted from activities in the Water Utility Fund, followed by activities in the Airport Authority Fund.

The Water Utility implemented a rate increase in 2013, but due to an unusually wet summer and a community focus on conservation, water sales were substantially lower, resulting in lower overall revenue. Nonetheless, program revenues in the Water Utility exceeded expenses by $19.9 million. The Airport Authority Fund recorded increased federal revenue for the continued construction of a new terminal building, which is scheduled to be completed in 2015. Program revenues from Airport activities exceeded expenses by $13.3 million. The Sewer Utility also implemented a rate increase, which increased its annual revenue. Program revenue in excess of expenses in the Sewer Utility totaled $9.7 million.

The business-type activities reduced long-term debt in 2013 by $28 million, with no new long-term debt issued. However, temporary notes totaling $78.5 million and $7.9 million in bond anticipation notes were issued in 2013 for the airport terminal and parking garage project. Outstanding temporary notes and bond anticipation notes at the close of the year totaled $247.7 million for the business-type activities.

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 direct financing leases that correspond to the retirement of debt. In addition to the scheduled debt service, two bond issues totaling $6.7 million were also refunded in 2013.

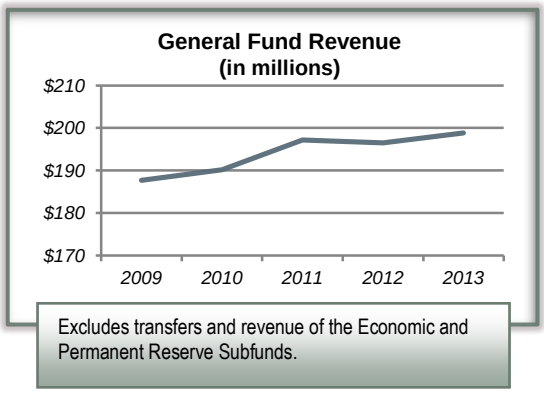
ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds. The City of Wichita uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and budgetary compliance. The focus of the governmental funds is to provide information on near-term inflows, outflows, and spendable resources.

The governmental funds reported a combined ending fund balance of $68.6 million compared to $154 million at the close of 2012. Three elements are the primary cause of change in net position. In 2013, $35.5 million in crossover refunded bonds were defeased, reducing cash with the fiscal agent. This has a significant effect on net position as the corresponding reduction in debt is not reflected on governmental fund statements. Additionally, the City's capital expenses exceeded the amount of short-term borrowing with temporary notes, drawing on cash reserves for the remainder of the capital expenses. And last, in addition to using temporary notes to finance capital investment, the City also uses available cash and issues long-term debt on a reimbursement basis. The fiscal year closed with the City preparing to issue long-term debt to reimburse cash resources.

The General Fund is the major operating and taxing fund of the City of Wichita. At the close of 2013, the unassigned fund balance of the General Fund and its combined subfunds was $26.3 million compared to $24.3 million last year. Revenue of the General Fund and its subfunds, excluding transfers, was $0.9 million above last year, with expenditures $1.8 million higher than last year. The excess expenditures above revenue resulted from planned expenditures in the Economic Development Subfund.

An important note is that in 2010 and 2011, a portion of the mill levy for debt service was redirected to the General Fund to maintain services following the economic downturn. In 2013, a portion of that property tax was restored for debt service and capital investment purposes. Increases were recorded in sales and franchise taxes while other revenue remained relatively flat. Management took measures to control expenditures, with expenditures increasing for public safety and general government only, while expenditures in other functions remained flat or had small decreases.



General Fund Expenditures by Function
Fiscal years 2009 through 2013*
(dollars in millions)

	2009	2010	2011	2012	2013	2013 Percent of Total
General government	$ 28.0	$ 28.8	$ 30.9	$ 30.5	$ 32.0	15.8%
Public safety	108.5	112.3	114.5	117.3	119.6	59.1%
Highways and streets	20.9	19.1	22.4	18.1	16.7	8.3%
Sanitation	2.7	3.0	2.9	2.6	2.6	1.3%
Health and welfare	4.0	4.0	3.4	3.6	3.8	1.9%
Culture and recreation	29.1	28.7	28.0	28.3	27.5	13.6%
Total expenses	$ 193.2	$ 195.9	$ 202.1	$ 200.4	$ 202.2	100.0%

*Information for 2009 through 2010 restated to reflect GASB 54 fund consolidations implemented in 2011.

The fund balance of the Debt Service Fund and its subfunds decreased $26.1 million in 2013, due primarily to the retirement of $35.5 million of refunded debt. Revenue in the Debt Service Fund increased $2 million, reflecting the planned shift in property tax from the General Fund, with a slight increase in special assessments. Due to the timing of financing activities in 2013, cash was used to fund improvements totaling $8.9 million, as compared to $22.8 million in 2012. A prior period adjustment related to the implementation of GASB 65 increased the fund balance by an additional $4.6 million.

In the Street Improvement Fund and other governmental funds, which includes the non-major capital improvement funds, the timing of debt issuance also resulted in decreased fund balances. The fund balance of the Street Improvement Fund declined $40.5 million from 2012, with capital expenditures of $87.6 million, which were slightly above 2012 levels. The proceeds from debt, however, were $30.7 million lower than in 2012 resulting in a decrease in the fund balance. In other governmental funds, the $20.2 million decrease in fund balances was also related to the timing of debt issuance. In 2013, proceeds from issuance of long-term debt were $10.3 million less than in the prior year. Revenue, expenditures and fund balances of the non-major special revenue funds remained relatively stable in 2013.

Proprietary Funds. The combined net position of the proprietary funds increased $45.1 million from 2013 operations, substantially from increases in the Water Utility, Airport Authority, and Sewer Utility Funds.

The Water Utility, which accounts for the operation and maintenance of the water supply system, implemented a rate increase at the beginning of 2013 to ensure adequate resources for operations, capital maintenance and capital investment. The unusually wet summer and a community focus on conservation resulted in a lower volume of water sales and a corresponding lower level of revenue. Despite the decreased revenue, the Water Utility controlled expenses and increased net position by $18.2 million before prior period adjustments.

The Airport Authority Fund captures the financial activity for Mid-Continent Airport, serving commercial airlines, and Jabara Airport, serving smaller aircraft. The net position of the Airport Authority Fund increased $14.6 million during 2013 compared to $3.4 million in 2012. Increased revenue from customer facility charges, combined with capital contributions from federal grants were the major reasons for the growth in net position. Also contributing, were the reduced level of operating expenses in 2013.

The Sewer Utility, which accounts for the waste water treatment system, also implemented a 2013 rate increase, which resulted in $3.8 million of additional revenue, offset with increased operating expenses. The operating income of $13.6 million, combined with lower non-operating expenses and increased capital contributions yielded an $8.4 million increase in the net position of the Sewer Utility.

Net Position of Proprietary Funds
(dollars in thousands)

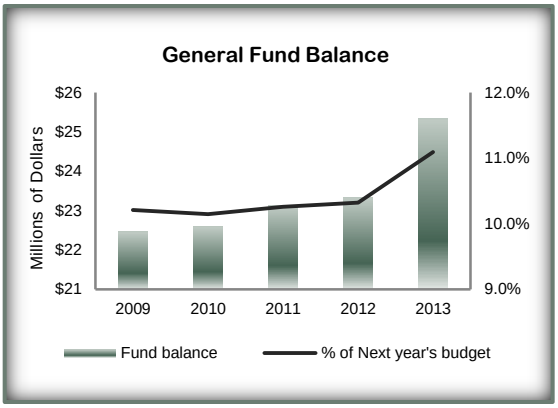
	2013	2012
Water Utility	$ 434,900	$ 418,538
Sewer Utility	278,171	270,806
Airport	191,617	177,040
Stormwater Utility	144,087	138,461
Transit	15,069	16,144
Golf Course System	340	1,006
Total	$ 1,064,184	$ 1,021,995

The Stormwater Utility is funded from fees paid by customers with the last rate increase in 2007. The Utility operates eleven pump stations, which move excess surface water from heavy rains. The Utility also maintains the Wichita-Valley Center Floodway, a levee system that redirects excess river water around the City. The net position of the Stormwater Utility Fund increased $5.7 million with 88% of the increase from capital contributions. Revenue and expenditures of the Utility were stable in 2013 and yielded an operating income of $2.1 million, compared to $1.5 million in 2012.

In the non-major business-type funds, the Golf Fund recorded a decrease of 10.7% in revenue and an increase in expenses of 5.4%, lowering the Fund's net position overall. The lower revenue was the result of fewer rounds played in 2013, a year with significantly more days of rain and snow. To provide financial assistance to the fund, an interfund loan with a long-term repayment plan is in place.

Also in the non-major business-type funds, the Transit Fund generated less revenue from fares in 2013 due to lower ridership, with operating costs increasing slightly. A 6.7% decline in net position resulted from operations. Operating revenues and transfers provided approximately 38% of the revenue for 2013, with the balance of funding from Federal and State grants.

General Fund Budgetary Highlights. Total revenue at year end fell short of projections in the original and final budgets, but was slightly above revenue in 2012. Expenditures were also below the projections of the adopted and final budgets, but 1.7% above expenditures in 2012. After transfers, the General Fund unencumbered fund balance increased $2 million in 2013.



Beginning in 2010, property tax was shifted from the Debt Service Fund to the General Fund to maintain vital services while the City adapted operations to a lower level of resources. The 2013 Adopted Budget restored a portion of the mill levy back to the Debt Service Fund for capital purposes, resulting in $1.5 million less in property tax revenue for the General Fund in 2013. Also key to the increased fund balance were the increases in franchise and sales taxes.

Expenditures remained relatively flat in all areas except public safety and general government functions. Within general government, public works administration and building services comprised 70% of the $1.7 million increase. Police and fire services represent the bulk of public safety services and consume the largest portion of General Fund expenditures. The higher cost of personnel is the most significant reason for the increase in public safety expenditures.

On a budgetary basis, the General Fund ended 2013 with a fund balance of $25.3 million, which is 11.1% of the 2014 Adopted Budget and includes an appropriated reserve of $14 million for emergency needs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of 2013, the City of Wichita reported $2.7 billion in capital assets net of depreciation, compared to $2.6 billion at the end of 2012. Assets are acquired through the City's direct investments, grants and from street and right-of-way dedications. The net investment in capital assets includes land, buildings, machinery, equipment, vehicles, parks, roads, water and sewer treatment facilities, airports, golf courses and many other assets. 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		
	2013	2012	2013	2012	2013	2012	Percent Change
Land	$ 294	$ 261	$ 43	$ 41	$ 337	$ 302	11.6%
Airfield	-	-	39	43	39	43	(9.3%)
Buildings & improvements	219	219	966	921	1,185	1,140	3.9%
Equipment	35	30	45	47	80	77	3.9%
Infrastructure	586	555	-	-	586	555	5.6%
Construction in progress	73	92	430	404	503	496	1.4%
Total	$ 1,207	$ 1,157	$ 1,523	$ 1,456	$ 2,730	$ 2,613	4.5%

The most significant capital asset investments of 2013 in the business-type activities are listed below:

- Automated water meter project totaling $8.1 million.
- Repairs and rehabilitation of water mains totaling $5.9 million.
- Phase II of the aquifer storage and recharge project with additions totaling $2 million.
- Sanitary sewer reconstruction and rehabilitation totaling $4.7 million.

- Airport terminal construction totaling $42.5 million.
- Airport parking facility construction totaling $6.6 million.
- Stormwater Utility Meridian Drainage Outfall construction totaling $1.6 million.

Major asset additions in 2013 in governmental activities included the following projects:

- Major arterial streets, including freeway expansion and interchange improvements totaling $73.2 million.
- Bridge improvements totaling $7.5 million.
- Neighborhood paving projects totaling $3.5 million.
- Continued improvements at Botanica, the Wichita Gardens totaling $1 million.
- Various improvements of park facilities and playgrounds totaling $1.1 million.
- Replacement of fire apparatus totaling $7.9 million.
- Replacement of heavy fleet equipment totaling $2.1 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. Projects that rely most heavily upon property taxes for repayment of general obligation bonds include arterial streets, bridges, parks and other public improvements. Capital financing costs are also repaid from 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). The first two years of the plan serve as a capital budget for purposes of project initiation and the remaining period is a planning tool. The City of Wichita holds a AA+ rating from Standard and Poor's and a rating of Aa1 from Moody's Investor Service. The Water and Sewer Utilities hold a AA- rating from Standard and Poor's.

At year-end, the City had $893.8 million in outstanding bonds. The City also held $326.3 million in general obligation temporary notes. The most significant temporary notes outstanding were held as follows: $160 million in the Water Utility Fund, $86.5 million in the Airport Authority Fund, and $78.6 million in governmental capital project funds. Bonded debt of the City of Wichita decreased by $111.6 million in 2013.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
Revenue source	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Ad valorem property taxes	$ 75.9	$ 77.8	$ -	$ -	$ 75.9	$ 77.8
Special assessments	216.6	254.9	-	-	216.6	254.9
Tax increment	20.8	23.5	-	-	20.8	23.5
Transient guest tax	0.2	1.1	-	-	0.2	1.1
Local sales tax	122.2	152.4	-	-	122.2	152.4
G.O. and revenue	-	-	456.5	484.5	456.5	484.5
Wichita Public Building Commission	-	-	1.6	11.2	1.6	11.2
Total	$ 435.7	$ 509.7	$ 458.1	$ 495.7	$ 893.8	$ 1,005.4

Kansas State Statutes limit the amount of general obligation bonds a City can issue to 30% of the equalized tangible valuation. The 2013 limitation for the City was $1 billion, with a legal debt margin of $918.7 million. More detailed information regarding long-term debt 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 continues to perform better than the national economy. Wichita's unemployment rate averaged 7% in 2013 compared to the national rate of 7.4%. The Wichita metropolitan statistical area fared even better averaging 6.3% in 2013.

The demand for new housing increased with new residential single-family permits rising more than 25% in 2013. Despite the rise in new home construction, the new permits are about a third of the level in the pre-recession year. The industrial and retail sectors reported improvement in 2013, with vacancy rates slightly above 2012 levels. Additionally, hotel occupancy rates rose by 1.8% in 2013, with several large new hotels scheduled to open in 2014. Construction of new apartments led the construction industry in 2013, but overall, the construction and mining sectors continued to shrink.

Important to the community is the continued revitalization of downtown, along with improving the walkability of the area. Many downtown projects have been completed in recent years and more are underway. Additional good news in 2013 was that Wichita's Historic Union Station was under new ownership, with plans to renovate the 57,000 square foot building to include retail, restaurants, hospitality and office space, yet keeping the historic significance of the building in consideration. Each new project adds strength to the economic base of the City's core area.

Average Annual Unemployment Rate[2]

	Wichita	Wichita MSA	Nation
2008	4.8%	4.3%	5.8%
2009	8.9%	8.1%	9.3%
2010	9.6%	8.8%	9.6%
2011	8.7%	7.9%	8.9%
2012	7.5%	6.8%	8.1%
2013	7.0%	6.3%	7.4%

Retail trade activity in the Wichita area generated increased general sales tax for the third consecutive year, indicating improved consumer confidence and an improved local economy. Under construction now is the GoodSports complex, a 65,000 square-foot multi-sports facility. The GoodSports facility is targeting national and regional tournaments, which will bring players and guests to the city. New retailers and restaurants continue to be attracted to the Wichita market, keeping the offerings fresh for residents and visitors alike.

The Wichita City Council decided in June 2011 to move forward with the construction of a new terminal at Wichita's Mid-Continent Airport. The state-of-the-art facility, which won the "Gold Award in the Unbuilt Category" from the International Interior Design Association, will be capable of accommodating two million passengers annually with the potential for an easy expansion to accommodate 2.4 million passengers annually. The $160 million terminal is currently under construction and is scheduled to open in early 2015.

Southwest Airlines committed to serving the Wichita market with five daily flights beginning in June 2013. Two flights daily are to Dallas Love Field, two to Chicago Midway and one to Las Vegas. Serving west-bound passengers is United Airlines, providing daily nonstop flights to Los Angeles beginning in May 2013. The positive developments at Wichita's airport have the potential to attract more visitors and business to the Wichita area.

Increased home sales, retail expansion and a declining unemployment rate are indicators pointing to recovery from the recent recession. Change and uncertainty are always components of an economy, but at this time in Wichita, slow and steady growth continues.

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 such an interest. Additional information is provided within the Notes to the Financial Statements. 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 Street, 12th Floor, Wichita, KS 67202.

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

[2] Unemployment statistics reflect revisions made by the Kansas Department of Labor to the data as originally reported.

CITY OF WICHITA, KANSAS

STATEMENT OF NET POSITION
December 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wichita Public Building Commission
ASSETS				
Cash and cash equivalents	$ 193,245,375	$ 50,467,248	$ 243,712,623	$ -
Investments	4,219,458	-	4,219,458	-
Receivables (net of allowances for uncollectibles)	303,087,096	16,154,748	319,241,844	-
Internal balances	5,916,738	(5,916,738)	-	-
Prepaid items	189,451	959,414	1,148,865	-
Inventories	1,041,734	2,915,768	3,957,502	-
Due from other agencies	2,064,142	3,718,345	5,782,487	-
Notes receivable	4,936,730	-	4,936,730	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	211,462,245	211,462,245	-
Investments	-	-	-	235,911
Receivables	-	-	-	15,519
Net investment in direct financing leases	-	11,310,000	11,310,000	1,595,000
Permanently restricted:				
Cash and cash equivalents	181,570	-	181,570	-
Investments	53,867	-	53,867	-
Capital assets :				
Land and construction in progress	366,566,842	472,859,329	839,426,171	-
Other capital assets, net of depreciation	840,855,667	1,049,668,970	1,890,524,637	-
Total capital assets	1,207,422,509	1,522,528,299	2,729,950,808	-
Total assets	1,722,358,670	1,813,599,329	3,535,957,999	1,846,430
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized refunding costs	2,053,696	6,587,119	8,640,815	-
Total deferred outflows of resources	2,053,696	6,587,119	8,640,815	-
LIABILITIES				
Accounts payable and other current liabilities	26,689,348	13,201,967	39,891,315	-
Accrued interest payable	3,950,099	5,675,567	9,625,666	15,519
Temporary notes payable	75,147,191	239,729,916	314,877,107	-
Deposits	2,116,627	4,308,238	6,424,865	-
Unearned revenue	-	3,610,506	3,610,506	-
Due to other agencies	14,493	-	14,493	235,911
Noncurrent liabilities, including claims payable:				
Due within one year	72,616,930	36,086,012	108,702,942	1,595,000
Due in more than one year	462,205,651	451,517,535	913,723,186	-
Total liabilities	642,740,339	754,129,741	1,396,870,080	1,846,430
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	96,404,119	-	96,404,119	-
Total deferred inflows of resources	96,404,119	-	96,404,119	-
NET POSITION				
Net investment in capital assets	730,438,788	854,194,947	1,584,633,735	-
Restricted for:				
Capital projects	23,033,560	53,652,462	76,686,022	-
Debt service	226,947,251	-	226,947,251	-
Revenue bond covenants	-	117,762,729	117,762,729	-
Cemetery:				
Expendable	526,347	-	526,347	-
Nonexpendable	235,437	-	235,437	-
Other purposes	15,371,644	-	15,371,644	-
Unrestricted	(11,285,119)	40,446,569	29,161,450	-
Total net position	$ 985,267,908	$ 1,066,056,707	$ 2,051,324,615	$ -

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

CITY OF WICHITA, KANSAS

STATEMENT OF ACTIVITIES

For the year ended December 31, 2013

		Program Revenues	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Primary government:			
General government	$ 44,509,733	$ 12,431,912	$ 2,306,737
Public safety	129,626,865	6,635,837	3,279,654
Highways and streets	60,735,095	4,313,548	14,060,435
Sanitation	4,699,419	1,264,799	-
Health and welfare	29,919,373	5,138,357	23,187,193
Culture and recreation	34,624,247	4,633,699	4,115,942
Interest on long-term debt	15,656,198	-	-
Total governmental activities	319,770,930	34,418,152	46,949,961
Business-type activities:			
Water	50,066,025	64,789,466	-
Sewer	43,743,229	49,753,720	-
Airport	26,780,791	21,964,371	-
Stormwater	7,932,853	9,170,163	-
Transit	15,139,100	2,050,064	7,139,144
Golf Course System	4,764,861	4,182,180	-
Total business-type activities	148,426,859	151,909,964	7,139,144
Total primary government	$ 468,197,789	$ 186,328,116	$ 54,089,105
Component unit:			
Wichita Public Building Commission	$ -	$ -	$ -

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

Transfers

Total general revenues and transfers

Change in net position from operations

Net position, beginning of year

Prior period adjustments

Net position, end of year

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

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Wichita Public Building Commission
$ 843,838	$ (28,927,246)	$ -	$ (28,927,246)	$ -
280,220	(119,431,154)	-	(119,431,154)	-
10,008,731	(32,352,381)	-	(32,352,381)	-
-	(3,434,620)	-	(3,434,620)	-
-	(1,593,823)	-	(1,593,823)	-
-	(25,874,606)	-	(25,874,606)	-
-	(15,656,198)	-	(15,656,198)	-
11,132,789	(227,270,028)	-	(227,270,028)	-
5,152,945	-	19,876,386	19,876,386	-
3,676,047	-	9,686,538	9,686,538	-
18,084,277	-	13,267,857	13,267,857	-
4,961,237	-	6,198,547	6,198,547	-
1,227,926	-	(4,721,966)	(4,721,966)	-
-	-	(582,681)	(582,681)	-
33,102,432	-	43,724,681	43,724,681	-
$ 44,235,221	(227,270,028)	43,724,681	(183,545,347)	-
$ -	-	-	-	-
	106,347,180	-	106,347,180	-
	58,519,220	-	58,519,220	-
	39,282,857	-	39,282,857	-
	13,398,168	-	13,398,168	-
	6,360,256	-	6,360,256	-
	827,489	486,563	1,314,052	-
	7,754,920	4,463,830	12,218,750	-
	2,405,568	(2,405,568)	-	-
	234,895,658	2,544,825	237,440,483	-
	7,625,630	46,269,506	53,895,136	-
	989,169,761	1,022,747,083	2,011,916,844	-
	(11,527,483)	(2,959,882)	(14,487,365)	-
	$ 985,267,908	$ 1,066,056,707	$ 2,051,324,615	$ -

CITY OF WICHITA, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	General Fund	Debt Service Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 26,108,040	$ 26,142,120	$ 45,160	$ 36,332,461	$ 88,627,781
Cash with fiscal agent	-	57,519,924	-	-	57,519,924
Investments	-	-	-	4,273,325	4,273,325
Receivables, net:					
Property taxes	70,447,851	24,980,465	-	-	95,428,316
Due from other agencies	-	-	-	2,064,142	2,064,142
Special assessments	-	195,375,000	-	-	195,375,000
Accounts	3,155,314	-	3,547,957	6,375,650	13,078,921
Due from other funds	19,611,960	4,924,179	-	41,712,983	66,249,122
Notes receivable	-	4,636,730	-	300,000	4,936,730
Inventories	47,423	-	-	48,976	96,399
Prepaid items	-	-	-	60,551	60,551
Total assets	$ 119,370,588	$ 313,578,418	$ 3,593,117	$ 91,168,088	$ 527,710,211
LIABILITIES					
Accounts payable and other liabilities	$ 13,683,267	$ -	$ 4,926,292	$ 3,014,434	$ 21,623,993
Accrued interest payable	-	-	35,392	77,175	112,567
Temporary notes payable	-	-	30,650,948	44,496,243	75,147,191
Deposits	1,572,876	293,246	62,876	187,629	2,116,627
Due to other agencies	-	-	-	14,493	14,493
Due to other funds	-	-	47,141,281	11,712,983	58,854,264
Total liabilities	15,256,143	293,246	82,816,789	59,502,957	157,869,135
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	70,447,851	24,980,465	-	-	95,428,316
Unavailable revenue-special assessments	-	195,375,000	-	-	195,375,000
Unavailable revenue-forgivable loans	1,112,820	-	-	-	1,112,820
Unavailable revenue-other	-	4,636,730	-	4,663,249	9,299,979
Total deferred inflows of resources	71,560,671	224,992,195	-	4,663,249	301,216,115
FUND BALANCES (DEFICITS)					
Nonspendable	847,423	-	-	344,964	1,192,387
Restricted	-	88,292,977	-	54,353,565	142,646,542
Committed	-	-	-	15,590,339	15,590,339
Assigned	5,391,950	-	-	8,901,203	14,293,153
Unassigned	26,314,401	-	(79,223,672)	(52,188,189)	(105,097,460)
Total fund balances (deficits)	32,553,774	88,292,977	(79,223,672)	27,001,882	68,624,961
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 119,370,588	$ 313,578,418	$ 3,593,117	$ 91,168,088	$ 527,710,211

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 Position

December 31, 2013

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

Total fund balance - governmental funds		$ 68,624,961
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	$ 1,638,746,429	
Accumulated depreciation	(438,998,342)	1,199,748,087
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	219,094,639	
Special assessment bonds payable	216,625,000	
Premium on bonds payable	22,225,211	
Accrued interest payable on the bonds	3,837,532	
Bond anticipation notes	3,465,300	
Compensated absences	8,940,623	
Other post employment benefits	12,462,497	
Environmental remediation liability	19,569,714	
Liability for landfill closure and post-closure costs	12,818,780	
Legal liability	2,284,557	
Liability for termination benefits	449,017	(521,772,870)
Deferred refunding resulting from issuance of refunding bonds are recognized as deferred outflows of resources in the government-wide financial statements.		2,053,696
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.		8,324,176
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.		195,375,000
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 position.		32,914,858
Total net position - governmental activities		$ 985,267,908

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, 2013

	General Fund	Debt Service Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 85,162,836	$ 30,100,160	$ -	$ 10,842,609	$ 126,105,605
Special assessments	-	33,055,594	11,965	601,161	33,668,720
Franchise taxes	39,282,857	-	-	-	39,282,857
Local sales tax	27,071,126	77,325	3,107,270	28,263,499	58,519,220
Intergovernmental	15,922,483	-	11,773,883	32,126,619	59,822,985
Licenses and permits	2,511,065	-	-	4,957,390	7,468,455
Fines and penalties	9,385,629	-	-	5,513	9,391,142
Rentals	2,787,441	99,323	-	1,513,390	4,400,154
Interest earnings	562,029	229,159	-	59,358	850,546
Charges for services and sales	8,233,095	-	-	2,819,116	11,052,211
Other	7,655,467	481,554	681,393	4,535,883	13,354,297
Total revenues	198,574,028	64,043,115	15,574,511	85,724,538	363,916,192
EXPENDITURES					
Current:					
General government	32,017,682	-	-	4,396,533	36,414,215
Public safety	119,604,914	-	-	9,968,737	129,573,651
Highways and streets	16,675,979	-	-	-	16,675,979
Sanitation	2,586,180	-	-	1,187,567	3,773,747
Health and welfare	3,803,344	-	-	28,050,598	31,853,942
Culture and recreation	27,490,261	-	-	2,888,467	30,378,728
Debt service:					
Principal retirement	-	51,671,665	8,251,509	2,213,673	62,136,847
Interest and fiscal charges	-	20,285,022	48,992	104,083	20,438,097
Capital outlay	-	-	87,648,499	20,731,592	108,380,091
Total expenditures	202,178,360	71,956,687	95,949,000	69,541,250	439,625,297
Excess (deficiency) of revenues over (under) expenditures	(3,604,332)	(7,913,572)	(80,374,489)	16,183,288	(75,709,105)
OTHER FINANCING SOURCES (USES)					
Issuance of long-term capital debt	-	-	14,066,723	2,223,577	16,290,300
Premiums on bonds sold	-	646,440	-	-	646,440
Payments on refunded bonds	-	(35,460,000)	-	-	(35,460,000)
Transfers from other funds	11,677,891	23,170,180	25,870,728	21,316,113	82,034,912
Transfers to other funds	(6,686,607)	(11,108,561)	(66,012)	(59,965,141)	(77,826,321)
Total other financing sources (uses)	4,991,284	(22,751,941)	39,871,439	(36,425,451)	(14,314,669)
Net change in fund balances	1,386,952	(30,665,513)	(40,503,050)	(20,242,163)	(90,023,774)
Fund balances (deficits) - beginning as previously reported	31,166,822	114,344,250	(38,720,622)	47,244,045	154,034,495
Prior period adjustment	-	4,614,240	-	-	4,614,240
Fund balances (deficits)- beginning as restated	31,166,822	118,958,490	(38,720,622)	47,244,045	158,648,735
Fund balances (deficits) - ending	$ 32,553,774	$ 88,292,977	$ (79,223,672)	$ 27,001,882	$ 68,624,961

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, 2013

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

Net change in position in total governmental funds		$ (90,023,774)
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	$ (29,954,258)	
Net capital asset acquisition	81,584,250	51,629,992
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 position differs from the change in fund balances by the cost of capital assets sold.		(1,198,294)
In the statement of activites, transfers of capital assets to governmental activities from business-type activities are reported as transfers, whereas in the governmental funds, there is no event to report as there was no inward flow of current financial resources.		(77,382)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		(16,290,300)
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 position.		(646,440)
The amortization of bond premiums decrease the long term liabilities in the statement of net position but does not provide current financial resources to governmental funds.		4,011,425
The amortization of refunding costs reduces deferred outflows in the statement of net position but does not provide current financial resources to governmental funds.		(683,327)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General obligation bonds	45,076,665	
Special assessment bonds	41,705,000	
Bond anticipation notes	10,465,182	
Section 108 Housing & Urban Development loan	350,000	97,596,847
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due.		740,186
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.		(43,819)
Internal service funds are used to charge the costs of certain activities, such as insurance, to the individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		1,585,614
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.		(38,330,000)
In the statement of activities, interest is accreted on outstanding bonds, whereas in governmental funds, interest is accreted when interest payments are due.		713,615
In the statement of activities, an expense is recorded for post employment benefits other than pensions when earned. In the governmental funds an expense is recorded when the benefits are paid.		(1,818,249)
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.		(279,470)
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.		(101,242)
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.		504,378
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.		335,870
Change in net position of governmental activities		$ 7,625,630

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

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CITY OF WICHITA

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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	$ 83,750,616	$ 83,750,616	$ 85,162,836	$ 1,412,220
Franchise taxes	39,495,365	39,495,365	39,282,857	(212,508)
Local sales tax	27,155,660	27,155,660	27,071,126	(84,534)
Intergovernmental	16,714,440	16,714,440	15,922,483	(791,957)
Licenses and permits	2,858,768	2,858,768	2,511,065	(347,703)
Fines and penalties	11,822,188	11,822,188	9,385,629	(2,436,559)
Rentals	2,516,665	2,516,665	2,267,190	(249,475)
Interest earnings	480,000	480,000	562,029	82,029
Charges for services and sales	10,192,896	10,192,896	7,894,592	(2,298,304)
Other	7,770,423	7,770,423	7,171,673	(598,750)
Total revenues	202,757,021	202,757,021	197,231,480	(5,525,541)
EXPENDITURES				
Current:				
General government	28,163,861	28,163,861	28,614,138	(450,277)
Public safety	119,991,140	119,991,140	119,649,984	341,156
Highways and streets	21,152,073	21,152,073	17,211,054	3,941,019
Sanitation	3,012,237	3,012,237	2,587,711	424,526
Health and welfare	5,508,884	5,508,884	3,778,499	1,730,385
Culture and recreation	29,257,013	29,257,013	27,452,547	1,804,466
Total expenditures	207,085,208	207,085,208	199,293,933	7,791,275
Deficiency of revenues under expenditures	(4,328,187)	(4,328,187)	(2,062,453)	2,265,734
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	11,195,815	11,195,815	10,637,891	(557,924)
Transfers to other funds	(6,867,628)	(6,867,628)	(6,572,427)	295,201
Total other financing sources (uses)	4,328,187	4,328,187	4,065,464	(262,723)
Net change in fund balances	-	-	2,003,011	2,003,011
Fund balance - beginning	23,124,934	23,124,934	23,336,963	212,029
Fund balance - ending	$ 23,124,934	$ 23,124,934	$ 25,339,974	$ 2,215,040

The accompanying notes to the financial statements are an integral part of this statement.
The 2013 certified expenditure budget is $226,147,836, including an appropriated reserve of $12,195,000.

CITY OF WICHITA, KANSAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
ASSETS			
Current assets:			
Cash and temporary investments	$ 6,561,503	$ 4,502,541	$ 28,084,769
Receivables, net	15,510,747	38,890	382,857
Due from other funds	-	-	-
Due from other agencies	-	-	2,029,692
Inventories	2,488,901	119,666	-
Prepaid items	1,054	958,360	-
Restricted assets:			
Cash and temporary investments	16,716,163	11,763,645	65,576,420
Total current assets	41,278,368	17,383,102	96,073,738
Noncurrent assets:			
Restricted assets:			
Cash and temporary investments	98,741,858	18,664,159	-
Net investment in direct financing leases	-	-	11,310,000
Capital assets:			
Land	10,104,517	4,170,074	17,676,746
Airfield	-	-	150,951,326
Buildings	65,246,940	107,988,816	55,951,082
Improvements other than buildings	498,045,615	385,986,968	50,478,286
Machinery, equipment and other assets	51,402,042	49,317,184	21,742,765
Construction in progress	281,465,650	25,802,983	108,784,494
Less accumulated depreciation	(202,903,497)	(149,890,888)	(194,703,787)
Total capital assets (net of accumulated depreciation)	703,361,267	423,375,137	210,880,912
Due from other funds	-	-	-
Total noncurrent assets	802,103,125	442,039,296	222,190,912
Total assets	843,381,493	459,422,398	318,264,650
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized refunding costs	2,670,867	3,916,252	-
Total deferred outflows of resources	2,670,867	3,916,252	-

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

Business-type Activities - Enterprise Funds			Governmental Activities
Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
$ 10,721,642	$ 596,793	$ 50,467,248	$ 47,279,240
-	222,254	16,154,748	317,679
-	141,281	141,281	-
-	1,688,653	3,718,345	-
-	307,201	2,915,768	945,335
-	-	959,414	128,900
-	-	94,056,228	-
10,721,642	2,956,182	168,413,032	48,671,154
-	-	117,406,017	-
-	-	11,310,000	-
7,938,561	2,608,718	42,498,616	-
-	-	150,951,326	-
8,704,097	15,437,228	253,328,163	74,242
148,886,402	14,942,454	1,098,339,725	74,907
5,415,655	24,069,630	151,947,276	40,468,239
14,305,286	2,300	430,360,713	-
(22,744,193)	(34,655,155)	(604,897,520)	(32,942,966)
162,505,808	22,405,175	1,522,528,299	7,674,422
-	-	-	394,500
162,505,808	22,405,175	1,651,244,316	8,068,922
173,227,450	25,361,357	1,819,657,348	56,740,076
-	-	6,587,119	-
-	-	6,587,119	-

(Continued)

CITY OF WICHITA, KANSAS

STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	$ 3,159,150	$ 976,616	$ 8,296,028
Accrued interest payable	319,447	-	327,525
Temporary notes payable	160,000,000	-	78,520,470
Deposits	4,282,612	7,305	16,161
Current portion of long-term obligations:			
General obligation bonds payable	-	-	8,472,593
Claims payable	-	-	-
Capital lease payable	-	-	-
Compensated absences	564,998	311,466	482,846
Current liabilities payable from restricted assets:			
Accounts payable and accrued expenses	-	-	80,416
Accrued interest payable	2,938,079	1,989,428	-
Revenue bonds payable	13,165,521	9,323,815	-
Total current liabilities	184,429,807	12,608,630	96,196,039
Noncurrent liabilities:			
Unearned revenue	-	-	3,610,506
Due to other funds	-	-	-
General obligation bonds payable	-	-	15,525,000
General obligation bonds unamortized premium	-	-	-
Revenue bonds payable	216,785,189	161,634,545	11,310,000
Revenue bonds unamortized premium	9,931,846	10,921,377	-
Claims payable	-	-	-
Capital lease payable	-	-	-
Compensated absences	5,471	3,016	5,607
Total noncurrent liabilities	226,722,506	172,558,938	30,451,113
Total liabilities	411,152,313	185,167,568	126,647,152
NET POSITION			
Net investment in capital assets	313,460,341	247,742,607	138,060,312
Restricted for:			
Capital projects	17,620,014	125,352	35,878,957
Revenue bond covenants	91,780,661	25,982,068	-
Unrestricted	12,039,031	4,321,055	17,678,229
Total net position	$ 434,900,047	$ 278,171,082	$ 191,617,498

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

Business-type Activities - Enterprise Funds			Governmental Activities
Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
$ 308,674	$ 381,083	$ 13,121,551	$ 2,780,798
95,439	5,649	748,060	-
1,209,446	-	239,729,916	-
-	2,160	4,308,238	-
2,715,284	660,000	11,847,877	-
-	-	-	7,815,084
-	-	-	161,624
111,028	278,461	1,748,799	366,463
-	-	80,416	-
-	-	4,927,507	-
-	-	22,489,336	-
4,439,871	1,327,353	299,001,700	11,123,969
-	-	3,610,506	-
-	7,930,639	7,930,639	-
24,150,076	695,000	40,370,076	-
549,490	-	549,490	-
-	-	389,729,734	-
-	-	20,853,223	-
-	-	-	10,549,310
-	-	-	273,446
588	330	15,012	5,873
24,700,154	8,625,969	463,058,680	10,828,629
29,140,025	9,953,322	762,060,380	21,952,598
133,881,512	21,050,175	854,194,947	7,239,352
-	28,139	53,652,462	-
-	-	117,762,729	-
10,205,913	(5,670,279)	38,573,949	27,548,126
$ 144,087,425	$ 15,408,035	$ 1,064,184,087	$ 34,787,478

Total net position	$ 1,064,184,087
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities	1,872,620
Net position of business-type activities	$ 1,066,056,707

CITY OF WICHITA, KANSAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the year ended December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
OPERATING REVENUES			
Charges for services and sales	$ 64,618,096	$ 49,730,731	$ 2,924,467
Fees	135,901	-	3,442,445
Rentals	35,469	22,989	15,597,459
Employer contributions	-	-	-
Employee contributions	-	-	-
Other	177,085	8,797	2,034,974
Total operating revenues	64,966,551	49,762,517	23,999,345
OPERATING EXPENSES			
Personnel services	9,549,396	9,585,333	8,496,196
Contractual services	12,646,777	7,269,935	3,559,920
Materials and supplies	4,726,101	3,440,703	4,557,408
Cost of materials used	-	-	-
Other	761,172	459,994	174,844
Administrative charges	738,797	279,057	275,227
Franchise taxes and payments in lieu of delinquent specials	4,099,364	2,353,603	-
Depreciation	10,753,615	12,794,177	8,593,178
Employee benefits	-	-	-
Insurance claims	-	-	-
Total operating expenses	43,275,222	36,182,802	25,656,773
Operating income (loss)	21,691,329	13,579,715	(1,657,428)
NONOPERATING REVENUES (EXPENSES)			
Operating grants	-	-	-
Gain on investments	-	-	486,563
Other revenues (expenses)	180,709	11,706	-
Interest expense	(7,255,587)	(7,795,783)	(1,291,854)
Gain (loss) from sale of assets	(19)	-	(86,542)
Actuarial reserve adjustment	-	-	-
Bond premium amortization	859,176	847,116	-
Total nonoperating revenues (expenses)	(6,215,721)	(6,936,961)	(891,833)
Income (loss) before contributions and transfers	15,475,608	6,642,754	(2,549,261)
Capital contributions and operating transfers:			
Capital contributions - cash	3,348,811	1,452,999	18,084,277
Capital contributions - non cash	1,804,134	2,223,048	-
Transfers from other funds	-	-	-
Transfers to other funds	(2,427,898)	(1,872,215)	(957,793)
Change in net position	18,200,655	8,446,586	14,577,223
Net position - beginning as previously reported	418,537,878	270,806,003	177,040,275
Prior period adjustment	(1,838,486)	(1,081,507)	-
Net position - beginning as restated	416,699,392	269,724,496	177,040,275
Net position - ending	$ 434,900,047	$ 278,171,082	$ 191,617,498

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

	Business-type Activities - Enterprise Funds			Governmental Activities
	Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
	$ 9,170,163	$ 2,526,299	$ 128,969,756	$ 16,351,388
	-	2,816,398	6,394,744	-
	-	889,547	16,545,464	8,570,524
	-	-	-	32,723,684
	-	-	-	8,579,414
	29,404	257,640	2,507,900	1,292,466
	9,199,567	6,489,884	154,417,864	67,517,476
	2,251,091	9,205,597	39,087,613	7,190,850
	2,033,539	3,890,064	29,400,235	6,637,253
	338,858	3,069,624	16,132,694	8,723,470
	-	-	-	(272,736)
	39,638	-	1,435,648	-
	92,560	406,493	1,792,134	589,519
	-	-	6,452,967	-
	2,383,405	3,367,329	37,891,704	2,726,550
	-	-	-	33,188,562
	-	-	-	5,468,261
	7,139,091	19,939,107	132,192,995	64,251,729
	2,060,476	(13,449,223)	22,224,869	3,265,747
	-	7,139,144	7,139,144	-
	-	-	486,563	-
	-	(60,366)	132,049	(2,976)
	(854,071)	(97,303)	(17,294,598)	(13,363)
	(50,680)	(16,943)	(154,184)	252,987
	-	-	-	929,960
	70,126	-	1,776,418	-
	(834,625)	6,964,532	(7,914,608)	1,166,608
	1,225,851	(6,484,691)	14,310,261	4,432,355
	151,615	1,369,207	24,406,909	-
	4,809,622	-	8,836,804	77,382
	-	3,489,080	3,489,080	250,000
	(520,972)	(115,770)	(5,894,648)	(2,053,023)
	5,666,116	(1,742,174)	45,148,406	2,706,714
	138,461,198	17,150,209	1,021,995,563	32,080,764
	(39,889)	-	(2,959,882)	-
	138,421,309	17,150,209	1,019,035,681	32,080,764
	$ 144,087,425	$ 15,408,035	$ 1,064,184,087	$ 34,787,478

Increase in net position per fund statements	$ 45,148,406
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	1,121,100
Change in net position of business-type activities	$ 46,269,506

CITY OF WICHITA, KANSAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 66,809,952	$ 49,758,174	$ 19,812,197
Cash payments to suppliers for goods and services	(19,346,455)	(12,428,058)	(5,103,032)
Cash payments to employees for services	(9,505,707)	(9,576,496)	(8,501,656)
Franchise taxes and payments in lieu of delinquent specials	(4,099,364)	(2,353,603)	-
Other operating revenues	177,085	8,797	2,034,974
Other operating expenses	-	-	-
Net cash provided by (used in) operating activities	34,035,511	25,408,814	8,242,483
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants received	-	-	-
Interfund loans	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(2,427,898)	(1,872,215)	(957,793)
Net cash provided by (used in) noncapital financing activities	(2,427,898)	(1,872,215)	(957,793)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Issuance of temporary notes	160,000,000	-	78,520,470
Issuance of bond anticipation notes	-	-	7,932,593
Retirement of temporary notes	(160,000,000)	-	-
Additions to property, plant and equipment	(22,028,704)	(8,000,634)	(56,422,066)
Principal payment on long-term debt and capital lease	(13,546,404)	(10,290,294)	(520,000)
Interest payment on long-term debt and capital lease	(11,274,290)	(8,332,723)	(742,250)
Debt service - other expenses	-	-	-
Proceeds from sale of assets	-	-	11,066
Capital contributions	3,348,811	1,277,121	18,704,367
Net cash provided by (used in) capital and related financing activities	(43,500,587)	(25,346,530)	47,484,180
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	-	-	1,902
Net cash provided by investing activities	-	-	1,902
Net increase (decrease) in cash and temporary investments	(11,892,974)	(1,809,931)	54,770,772
Cash and temporary investments - January 1	133,912,498	36,740,276	38,890,417
Cash and temporary investments - December 31	$ 122,019,524	$ 34,930,345	$ 93,661,189

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

Business-type Activities - Enterprise Funds			Governmental Activities
Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
$ 9,170,163	$ 6,102,321	$ 151,652,807	$ 66,378,979
(2,288,793)	(8,087,633)	(47,253,971)	(53,559,283)
(2,253,646)	(9,229,145)	(39,066,650)	(7,195,369)
-	-	(6,452,967)	-
29,404	41,050	2,291,310	1,292,466
(39,638)	-	(39,638)	-
4,617,490	(11,173,407)	61,130,891	6,916,793
-	5,940,190	5,940,190	-
-	1,826,960	1,826,960	-
-	3,489,080	3,489,080	250,000
(520,972)	(115,770)	(5,894,648)	(2,053,023)
(520,972)	11,140,460	5,361,582	(1,803,023)
1,209,446	-	239,729,916	-
-	-	7,932,593	-
(183,950)	-	(160,183,950)	-
(2,179,097)	(1,629,440)	(90,259,941)	(2,633,228)
(2,935,030)	(310,061)	(27,601,789)	(181,261)
(895,688)	(99,990)	(21,344,941)	(13,363)
-	-	-	(2,976)
-	-	11,066	374,749
151,615	1,624,717	25,106,631	-
(4,832,704)	(414,774)	(26,610,415)	(2,456,079)
-	-	1,902	-
-	-	1,902	-
(736,186)	(447,721)	39,883,960	2,657,691
11,457,828	1,044,514	222,045,533	44,621,549
$ 10,721,642	$ 596,793	$ 261,929,493	$ 47,279,240

(Continued)

CITY OF WICHITA, KANSAS

STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
For the year ended December 31, 2013

	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)	$ 21,691,329	$ 13,579,715	$ (1,657,428)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	10,753,615	12,794,177	8,593,178
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	1,795,590	4,454	(2,028,540)
Increase in inventory	(471,697)	(19,356)	-
Increase (decrease) in prepaid items	-	(414,767)	22,304
Increase (decrease) in accounts payable/accrued expenses	(1,911)	(544,246)	3,442,063
Increase (decrease) in deposits	224,896	-	149
(Decrease) in deferred revenue	-	-	(123,782)
Increase (decrease) in compensated absences	43,689	8,837	(5,461)
Total adjustments	12,344,182	11,829,099	9,899,911
Net cash provided by (used in) operating activities	$ 34,035,511	$ 25,408,814	$ 8,242,483
Supplemental Schedule of Non-Cash Investing and Financing Activities			
Assets contributed by benefit districts	$ 1,196,506	$ 2,223,048	$ -
Contribution of capital assets	-	-	-
Capital contributed for capital purposes	607,628	-	-
Increase in net investment in direct financing leases	-	-	60,000
Decrease in revenue bonds payable	-	-	(60,000)
Increase in interest receivable on direct financing leases	-	-	(60,000)
Decrease in accrued interest payable on revenue bonds	-	-	60,000
Interest income on investment in direct financing leases	-	-	807,193
Interest expense on revenue bonds payable	-	-	(807,193)

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

Business-type Activities - Enterprise Funds			Governmental Activities
Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
$ 2,060,476	$ (13,449,223)	$ 22,224,869	$ 3,265,747
2,383,405	3,367,329	37,891,704	2,726,550
-	(344,286)	(572,782)	153,969
-	-	(491,053)	(182,793)
-	-	(392,463)	(100,622)
176,164	(723,466)	2,348,604	1,058,461
-	(214)	224,831	-
-	-	(123,782)	-
(2,555)	(23,547)	20,963	(4,519)
2,557,014	2,275,816	38,906,022	3,651,046
$ 4,617,490	$ (11,173,407)	$ 61,130,891	$ 6,916,793
$ -	$ -	$ 3,419,554	$ -
4,809,622	-	4,809,622	77,382
-	-	607,628	-
-	-	60,000	-
-	-	(60,000)	-
-	-	(60,000)	-
-	-	60,000	-
-	-	807,193	-
-	-	(807,193)	-

CITY OF WICHITA, KANSAS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2013

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and temporary investments	$ 806,493	$ 2,673,427
Receivables:		
Investment sales pending	20,684,984	-
Interest and dividends	2,788,710	-
Accounts	1,030,540	990,342
Total receivables	24,504,234	990,342
Investments, at fair value:		
Government short-term investment fund	28,810,870	-
Government securities: long-term	41,769,993	2,369,564
Corporate debt instruments: long-term	86,308,355	-
Mortgage and asset-backed securities	73,863,160	-
Corporate stocks: domestic common	438,046,582	-
Corporate stocks: international common	204,117,335	-
Real estate	62,009,396	-
Timber	24,854,838	-
Value of interest in pooled funds: target date funds	2,756,523	-
Value of interest in pooled funds: international fixed income	6,970,523	-
Value of interest in pooled funds: high yield fixed income	8,953,804	-
Value of interest in pooled funds: U.S. TIPS	24,676,427	-
Value of interest in pooled funds: domestic equities	131,201,951	-
Value of interest in pooled funds: international equities	44,928,301	-
Securities lending short-term collateral investment pool	81,956,461	-
Total investments	1,261,224,519	2,369,564
Capital assets:		
Pension software	1,295,837	-
Accumulated depreciation	(1,005,226)	-
Capital assets net of depreciation	290,611	-
Total assets	1,286,825,857	6,033,333
LIABILITIES		
Accounts payable and accrued expenses	1,235,509	1,039,144
Compensated absences	-	-
Investment purchases pending	35,069,489	-
Security lending obligations	81,956,461	-
Deposits	-	4,994,189
Total liabilities	118,261,459	6,033,333
NET POSITION		
Held in trust for:		
Employees' pension benefits	1,168,564,398	-
Total net position	$ 1,168,564,398	$ -

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

CITY OF WICHITA, KANSAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the year ended December 31, 2013

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	$ 23,996,680
Employee	8,028,412
Total contributions	32,025,092
Investment income:	
From investment activities	
Net appreciation in fair value of investments	171,885,510
Interest and dividends	28,434,475
Commission recapture	32,688
Total investment earnings	200,352,673
Less investment expense	5,294,099
Net income from investing activities	195,058,574
From securities lending activities	
Securities lending income	251,167
Securities lending activities expenses:	
Borrower rebates	(106,127)
Management fees	98,784
Total securities lending activities expenses	(7,343)
Net income from securities lending activities	258,510
Total net investment income	195,317,084
Transfers from other funds	2,465,600
Total additions	229,807,776
DEDUCTIONS	
Pension benefits	66,531,806
Pension administration	879,766
Depreciation	182,543
Employee contributions refunded	1,982,959
Transfers to other funds	2,465,600
Total deductions	72,042,674
Change in net position	157,765,102
Net position - beginning	1,010,799,296
Net position - ending	$ 1,168,564,398

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

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1. Summary of Significant Accounting Policies

A. Reporting Entity

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

Blended Component Units - The Airport Authority 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 Airport Authority is reported as an enterprise fund. Separate audited financial statements are not prepared by the Airport Authority.

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 Public Building Commission.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position 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 government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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 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 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, sewer laterals and mains.

The *Airport Authority Fund* accounts for the provision of air transportation services for the public, business and industry.

The *Stormwater 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, community improvement districts, special neighborhood revitalization funds, and payments in lieu of taxes related to industrial revenue bonds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's enterprise funds and various other functions of the government. Eliminations of these transactions 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, timber through limited partnerships, 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 and timber investments are estimated using the net asset value of the shares owned in each fund. 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 deferred inflows of resources 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 Stormwater 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, the assessments may be collected by foreclosure. On 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 a deferred inflow of resources.

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. 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 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. Deferred outflows and inflows of resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City is reporting the deferred charges on refunding in the business-type and government-wide statements of net position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Arising from the use of the modified accrual basis of accounting, unavailable revenue is reported in the governmental funds balance sheet and in government-wide statement of net position. The City is reporting unavailable revenue from several sources: long-term accounts and notes receivable, forgivable loans, property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

O. 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.

P. Net Positions and Fund Balances

Net positions in the government-wide and proprietary fund financial statements are classified as net investment in capital asset; restricted and unrestricted. Restricted net position 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 the specific purpose imposed with a majority vote by quorum of the governing body of the City of Wichita. Any changes or removal of specific purposes requires a majority vote by a quorum of 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 as directed by the City Council. The portion of the fund balance that is appropriated by the City Council for the next year's budget that is not already restricted or committed is considered assigned. Encumbrances, which can be approved by the designated senior staff, are included in assigned fund balances. Additional information on encumbrance balances is provided in Note 19.D to the financial statements.

Unassigned Fund Balance – The unassigned fund balance represents that portion 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.

Q. Pending Governmental Accounting Standards Board Statements

GASB Statement No. 67, Financial Reporting for Pension Plans, was issued in 2012. GASB Statement 67 revises existing guidance for the financial reports of most pension plans. The Statement enhances reporting requiring additional note disclosures and required supplementary information (RSI) for both defined benefit and defined contribution pension plans. Statement 67 also requires presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in ten-year RSI schedules. The provisions of Statement 67 are effective for financial statements for the City's fiscal year ending December 31, 2014.

GASB Statement 68, Accounting and Financial Reporting for Pensions, revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. Implementation of GASB Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability, and to more comprehensively measure the annual costs of pension benefits. The Statement enhances disclosure requirements in the notes and in required supplementary information by including the amount expected to be the equivalent of the unfunded actuarial accrued liabilities for the Retirement Systems as disclosed in Note 7 to the financial statements. The provisions of GASB Statement 68 are effective for financial statements for the City's fiscal year ending December 31, 2015.

GASB Statement 69, Government Combinations and Disposals of Government Operations, provides new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold. GASB 69 may apply to transfers of operations that do not constitute entire legally separate entities in which no significant consideration is exchanged, including shared service arrangements, reorganizations, redistricting, or arrangements in which an operation is transferred to a new government created to provide those services. This statement requires disclosure to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of GASB Statement 69 are effective for government combinations and disposals occurring in reporting periods beginning after December 15, 2013 and should be applied on a prospective basis.

GASB Statement 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, provides accounting and financial reporting guidance to governments that offer or receive nonexchange financial guarantees, which are commitments to ensure payments on an obligation of a legally separate entity or individual. The provisions of GASB Statement 70 are effective for reporting periods beginning after June 15, 2013.

GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date, provides guidance related to accounting and reporting for contributions made by a state or local government employer to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The guidance amends GASB Statement 68 and is required to be applied simultaneously with the provisions of GASB Statement 68, which is effective for financial statement for the City's fiscal year ending December 31, 2015.

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 Airport Authority, Golf Course System, Transit 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 expenditure budget of individual funds. In accordance with Kansas statutes, the legal level of control for the City is established at the individual fund level. Kansas statutes permit the transfer of budgeted amounts from one object or purpose to another and allow 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

	Net Change in Fund Balance from Prior Year	Fund Balances at End of Year
General Fund - GAAP basis	$ 1,386,952	$ 32,553,774
Increase (decrease) affecting basis:		
Expenditures due to prior year encumbrances	458,900	(15,959)
Cancellation of prior year encumbrances	30,494	-
Expenditures due to current year encumbrances	(981,239)	(981,239)
Less subfund balances included for GAAP		
Permanent Reserve Subfund	-	(1,821,848)
Economic Development Subfund	1,107,904	(4,394,754)
General Fund - budgetary basis	$ 2,003,011	$ 25,339,974

between GAAP basis 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.

4. Fund Balance Deficits

At December 31, 2013, fund balance deficits are shown in the accompanying table. The Street Improvement Fund balance deficit and the deficit fund balances in other nonmajor governmental capital project funds will be financed through the sale of bonds authorized by the City Council but not yet sold on December 31, 2013.

Primary Government	Fund Balance Deficits
Street Improvement fund	$ 79,223,672
Nonmajor governmental funds	
WAMPO *	28,339
Water Main Extension	1,616,594
Park Bond Construction	3,030,397
Public Improvement Construction	33,468,344
Sewer Construction	11,547,788
ARRA Projects	2,496,727
Total Reporting Entity	$ 131,411,861

*Wichita Area Metropolitan Area Planning Organization

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 investor rule" as set forth in the Uniform Prudent Investors Act, K.S.A. 58-24a01 *et seq.* and amendments thereto 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 municipalities 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.

Financial institutions are required to pledge or assign for the City's benefit sufficient securities, the market value of which is at least 105% of the total deposits.

As of December 31, 2013, the City had deposits in five banks totaling $29,601,492 with assets pledged by the banks as collateral with a fair value of $47,288,594.

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, 2013, the City's pooled funds were invested as follows:

Investment type	Book Value	Modified Duration (years)	Percent of Total Pooled Funds
U.S. Treasury coupon securities	$ 6,004,471	0.742	2.0%
U.S. agency coupon securities	51,991,490	1.354	17.6%
U.S. agency callable securities	3,993,651	1.620	1.4%
U.S. agency discount securities	176,586,649	0.449	59.6%
Municipal Investment Pool-Overnight*	32,264,281	-	10.9%
Collateralized deposits	25,185,087	-	8.5%
Total value	$ 296,025,629		100.0%
Portfolio modified duration		0.679	

*The weighted average maturity of the Municipal Investment Pool was 60.1 days at December 31, 2013.

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, 2013, 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 accompanying table.

Instrument	Maximum
Demand deposits/repurchase agreement	5%
Municipal Investment Pool	15%
Certificates of deposit	100%
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, 2013, the City's investments in pooled funds by issuer are shown in the table at the right.

Investment Type	Book Value	Percent of Total Pooled Funds
U.S. Treasury	$ 6,004,471	2.0%
Federal Farm Credit Bank	17,999,481	6.1%
Federal Home Loan Bank	66,156,662	22.4%
Federal Home Loan Mortgage Corp.	110,426,058	37.3%
Federal National Mortgage Assoc.	37,989,589	12.8%
Municipal Investment Pool	32,264,281	10.9%
Collateralized deposits	25,185,087	8.5%
Total value	$296,025,629	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, 2013, 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 (years)	Percent of Bond Proceeds Investments
U.S. Treasury	$ 18,644,689	0.041	100.0%
Total value	$ 18,644,689		100.0%
Total modified duration		0.041	

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

Investment	Book Value	Modified Duration (years)	Percent of Note Proceeds Investments
Municipal Investment Pool-Overnight*	$ 40,105,655	-	100.0%
Total value	$ 40,105,655		100.0%
Total modified duration		-	

*The weighted average maturity of the Municipal Investment Pool was 60.1 days at December 31, 2013.

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, 2013, $17,211,177 was invested with the Municipal Investment Pool – Overnight. The weighted average maturity of the Municipal Investment Pool was 60.1 days at December 31, 2013.

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, 2013 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, 2013, 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 $235,911 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, 2013, $235,911 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 Boards have adopted the Strategic Plan and Investment Policies which set forth in detail the asset allocation for the fund and restrictions applicable to specific investment types to mitigate risk. The policies permit investment in six asset types: domestic equities, international equities, domestic fixed income, real estate, and timber.

The investments of the Wichita Retirement Systems (WRS) on December 31, 2013 are listed in the accompanying table.

Type of Investment	Fair Value
Government short-term investment fund	$ 28,810,870
Government securities, long-term	41,769,993
Corporate debt instruments, long-term	86,308,355
Mortgage and asset-backed securities	73,863,160
Corporate stocks, domestic common	438,046,582
Corporate stocks, international common	204,117,335
Real estate	62,009,396
Timber	24,854,838
Value of interest in pooled funds, target date funds	2,756,523
Value of interest in pooled funds, international fixed income	6,970,523
Value of interest in pooled funds, high yield fixed income	8,953,804
Value of interest in pooled funds, U.S. TIPS	24,676,427
Value of interest in pooled funds, domestic equities	131,201,951
Value of interest in pooled funds, international equities	44,928,301
Securities lending short-term collateral investment pool	81,956,461
Total investments	$ 1,261,224,519

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 an impact on the estimated fair value of real estate investments. Restrictions on the availability of real estate financing, as well as economic uncertainties, have affected the 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 WRS' deposits may not be recovered. On December 31, 2013, the WRS' cash deposits in the amount of

$806,493 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. The modified duration methodology estimates the sensitivity of a bond's price to interest rate changes.

The WRS manage their exposure to fair value loss arising from increasing interest rates by complying with the following policies:

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 for nominal fixed income managers must not be less than 80% or 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, 2013, the duration of the Index was 5.39 years, which equated to a minimum and maximum range for each fixed income portfolio of 4.31 years and 6.46 years, respectively.

   Portfolio duration for Treasury Inflation Protected Securities (TIPS) fixed income managers must not be less than 80% or more than 120% of the duration of the Barclays Capital US TIPS Index. As of December 31, 2013, the duration of the Index was 6.83 years, which equated to a minimum and maximum range for each TIPS portfolio of 5.46 years and 8.20 years, respectively.

   The modified duration of investments on December 31, 2013 is as follows:

Investment Type	Fair Value	Percent of all Fixed Income Assets	Weighted Average Modified Duration (years)
Government securities, long-term	$ 41,769,993	15.4%	5.1
Corporate debt instruments, long-term	86,308,355	31.8	3.6
Mortgage and asset-backed securities	73,863,160	27.2	2.9
Actively managed investments	201,941,508	74.4	3.6
Government short-term investment fund	28,810,870	10.6	.1
Pooled U.S. TIPS fund	24,676,427	9.1	7.4
Pooled high yield fixed income securities	8,953,804	3.3	2.7
Pooled international fixed income securities	6,970,523	2.6	6.0
Total investment in debt securities	$271,353,132	100.0%	

Credit Risk of Debt Securities: Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The WRS manages 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 "A2/A/A" 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 2013, no securities were purchased that were below the established credit quality minimum in the active core portfolio and the weighted average credit quality of the active core plus portfolio did not fall below the established credit quality rating.

The table at the right shows the debt investments held by the WRS on December 31, 2013 and their respective ratings by Standard and Poor's, or an equivalent nationally recognized statistical rating organization.

Quality Rating	Total Debt Securities
AAA	$ 54,104,139
AA+	73,463,539
AA	5,590,258
AA-	3,044,520
A+	8,784,269
A	23,793,999
A-	27,097,829
BBB+	12,778,254
BBB	9,922,196
BBB-	3,985,290
BB+	3,408,511
BB	455,702
BB-	9,427,393
B+	14,040
B	607,056
B-	512,382
CCC+	23,850
CCC	2,070,150
CCC-	223,503
CC	933,140
D	2,300,546
Not rated	1,696
Total credit risk debt securities	242,542,262
Government short-term investment fund*	28,810,870
Total investment in debt securities	$ 271,353,132

* The average quality of the holdings of the Government Short-Term Investment Fund on December 31, 2013 was A-1+P1.

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

Concentration of 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 WRS' 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, as delineated in the WRS' investment policy.

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 WRS has no formal policy specific to investment derivatives, the WRS, through its external investment managers, held a variety of these instruments as of December 31, 2013. The WRS 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 WRS on and during the year ended December 31, 2013 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 Position and the total changes in fair value for the year are included as investment income in the Statement of Changes in Plan Net Position.

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 Position. 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.

Classification and Type	Change in Fair Value	Notional Value	Exposure/ Fair Market Value	Counterparty (Counterparty Rating)
Investment revenue:				
Credit default swap written	$ 7,813	$ 270,000	$ 4,241	
Fixed income futures short	482,511	(4,400,000)	-	
Fixed income options written	6,031	-	-	
Futures options bought	10,116	13,000	31,453	
Futures options written	70,623	(24,000)	(10,719)	
FX forwards	29,842	567,673	35,408	Barclays Bank PLC Wholesale (A)
FX forwards	413,509	3,914,431	136,361	State Street Bank London (A+)
Pay fixed interest rate swaps	2,871	-	-	
Total return bond swap	30,659	-	-	
Rights	71,051	-	-	
Investment loss:				
Credit default swap bought	(50,571)	1,060,000	(90,364)	Goldman Sachs & Co (A-)
Fixed income futures long	(419,367)	3,300,000	-	
Fixed income options bought	(5,200)	-	-	
Foreign currency options bought	(20,630)	30,300	9,858	
FX forwards	(104,296)	8,451,399	(35,800)	Citibank N.A. Total (A)
	$ 524,962	$13,182,803	$ 80,438	

Foreign Currency Risk: Currency risk arises due to foreign exchange rate fluctuations. The WRS' investment policies manage the exposure to foreign currency risk by allowing 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. The WRS' exposure to foreign currency risk on December 31, 2013 is presented in the accompanying table.

Currency	Cash and cash equivalents	Debt Securities	Equities
Australian dollar	$ 5,882	$ -	$ 10,016,190
Canadian dollar	16,666	-	1,332,807
Danish krone	-	-	1,322,257
Euro	97,320	-	73,376,339
Hong Kong dollar	6	-	3,243,676
Japanese yen	-	-	40,470,598
New Zealand dollar	-	-	45,825
Norwegian krone	9,781	-	380,580
Pound sterling	85,468	-	47,206,099
Singapore dollar	79,195	-	4,438,026
Swedish krona	-	-	1,597,518
Swiss franc	43,580	-	18,531,738
International mutual funds (various currencies)	-	6,970,523	44,928,301
Total subject to foreign currency risk	$ 337,898	$ 6,970,523	$ 246,889,954

All forward foreign currency contracts are carried at fair value by the WRS. As of December 31, 2013, the Systems held forward currency contracts with an unrealized gain of $136,763. If held, sales of forward currency contracts are receivables and are reported as investment sales pending in the financial statements.

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 WRS' 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 WRS unless the borrower defaults. The lending 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 WRS, if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the WRS for income distributions by the securities' issuers while the securities are on loan.

At year-end, the WRS had no credit risk exposure to borrowers because the amounts the WRS owe the borrowers exceeded the amounts the borrowers owed the Systems. All securities loans, whether domestic or international, are open loans and can be terminated on demand by either the system or the borrower. At year-end, loaned securities were secured with cash collateral, securities collateral or letters of credit. The amount shown on the Statement of Plan Net Position only reflects transactions where cash collateral was received. Cash collateral is invested in the lending agent's short-term investment pool, which at year-end had a weighted average maturity of 41 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. Also, since securities loans are terminable at will, the duration of the securities loans do not generally match the duration of the investments made with the cash collateral received from the borrower.

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 WRS 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 WRS' securities lending policy, $81,956,461 was held by the counterparty acting as the WRS' agent in securities lending transactions on December 31, 2013.

6. Capital Assets

Capital asset activity of the primary government for the year ended December 31, 2013 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	$ 260,521	$ 34,276	$ (1,174)	$ -	$ 293,623
Construction in progress	91,735	37,331	(56,122)	-	72,944
Total capital assets, not being depreciated	352,256	71,607	(57,296)	-	366,567
Capital assets, being depreciated:					
Buildings	286,903	2,234	(612)	-	288,525
Improvements other than buildings	85,405	4,778	-	-	90,183
Machinery, equipment and other assets	106,178	12,613	(6,269)	-	112,522
Infrastructure	771,907	49,660	-	-	821,567
Total capital assets being depreciated	1,250,393	69,285	(6,881)	-	1,312,797
Less accumulated depreciation for:					
Buildings	(123,114)	(3,382)	602	-	(125,894)
Improvements other than buildings	(30,281)	(3,155)	-	-	(33,436)
Machinery, equipment and other assets	(76,034)	(7,412)	6,042	-	(77,404)
Infrastructure	(216,477)	(18,731)	-	-	(235,208)
Total accumulated depreciation	(445,906)	(32,680)	6,644	-	(471,942)
Total capital assets, being depreciated, net	804,487	36,605	(237)	-	840,855
Governmental activities capital assets, net	$ 1,156,743	$ 108,212	$ (57,533)	$ -	$ 1,207,422
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 40,943	$ 1,555	$ -	$ -	$ 42,498
Construction in progress	403,556	89,247	(62,442)	-	430,361
Total capital assets, not being depreciated	444,499	90,802	(62,442)	-	472,859
Capital assets, being depreciated:					
Airfields	150,077	874	-	-	150,951
Buildings	246,373	6,966	(11)	-	253,328
Improvements other than buildings	1,038,440	60,395	(495)	-	1,098,340
Machinery, equipment and other assets	146,591	8,313	(2,957)	-	151,947
Total capital assets being depreciated	1,581,481	76,548	(3,463)	-	1,654,566
Less accumulated depreciation for:					
Airfields	(107,281)	(4,663)	-	-	(111,944)
Buildings	(107,902)	(4,987)	-	-	(112,889)
Improvements other than buildings	(255,506)	(17,527)	28	-	(273,005)
Machinery, equipment and other assets	(99,109)	(10,714)	2,764	-	(107,059)
Total accumulated depreciation	(569,798)	(37,891)	2,792	-	(604,897)
Total capital assets, being depreciated, net	1,011,683	38,657	(671)	-	1,049,669
Business-type activities capital assets, net	$ 1,456,182	$ 129,459	$ (63,113)	$ -	$ 1,522,528

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Fiduciary Activities					
Capital assets, being depreciated:					
Machinery, equipment and other assets	$ 1,296	$ -	$ -	$ -	$ 1,296
Less accumulated depreciation for:					
Machinery, equipment and other assets	(822)	(183)	-	-	(1,005)
Total capital assets, being depreciated, net	474	(183)	-	-	291
Fiduciary activities capital assets, net	$ 474	$ (183)	$ -	$ -	$ 291

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

	Current Year Depreciation
Governmental activities:	
General government	$ 2,512
Public safety	2,310
Highways and streets, including depreciation of general infrastructure assets	20,045
Sanitation	127
Health and welfare	767
Culture and recreation	4,192
Capital assets held by the government's internal services funds are charged to the various functions based on their usage of the assets	2,727
Total depreciation expense-governmental activities	$ 32,680
Business-type activities:	
Water Utility	$ 10,754
Sewer Utility	12,794
Airport Authority	8,593
Stormwater Utility	2,383
Nonmajor enterprise funds	3,367
Total depreciation expense-business-type activities	$ 37,891
Fiduciary activities	
Pension Trust Funds	$ 183

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 Police and Fire Retirement System of Wichita (PFRS). 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 (WRS) issue a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for WERS and PFRS. The financial report may be obtained by writing to the WRS, 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, the Police and Fire Retirement System of Wichita, 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 and timber 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 and the Strategic Plan and Investment Policies adopted by the Boards of Trustees. 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 2013 was 12.6% 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 2013, the City's annual pension cost of $7,990,502 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, 2011 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 (3.5% attributable to inflation and 4.25% real rate of return over price inflation), (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.

With the smoothing method, portions of investment gains are deferred and currently represent about 4% of the market value of assets. Unless offset by future investment losses or other unfavorable experience, the recognition of the $22 million gain is expected to have a positive impact on the future funded ratio and actuarial contribution requirements. If the deferred gain was recognized immediately in the actuarial value of assets, the funded percentage would increase from 93% to 97% and the actuarially determined contribution rate would decrease from 12.2% to 10.1%.

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, 2013, the amortization period was 20 years.

The funded status for the WERS as of December 31, 2013, 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)
$ 542,157	$ 582,386	$ 40,229	93.1%	$ 70,953	56.7%

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
12/31/11	$ 6,596,124	100%	$ -
12/31/12	6,471,423	100%	-
12/31/13	7,990,502	100%	-

B. Police and Fire Retirement System of Wichita

Plan Description: The PFRS 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 established by City Ordinance on January 1, 1965 and Plan C 79 was established January 1, 1979 by City Ordinance. Plan B was closed to new entrants as of January 1, 1965 and Plan A was closed to new entrants as of December 31, 1978. Establishment of and amendments to the benefit provisions for the PFRS 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. PFRS members are required to contribute 7% to 8% of covered salaries. From its various operating funds, the City is required to contribute at an

actuarially determined rate; the rate for 2013 was 22.8% 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 PFRS 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 2013, the City's annual pension cost of $14,889,714 was equal to the required and actual contributions.

The employer's annual required contribution was determined as part of the December 31, 2011 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 (3.5% attributable to inflation and 4.25% real rate of return over price inflation), (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.

With the smoothing method, portions of investment gains are deferred and currently represent about 5% of the market value of assets. Unless offset by future investment losses or other unfavorable experience, the recognition of the $27 million gain is expected to have a positive impact on the future funded ratio and actuarial contribution requirements. If the deferred gain was recognized immediately in the actuarial value of assets, the funded percentage would increase from 92% to 97% and the actuarially determined contribution rate would decrease from 21.3% to 18.5%.

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 payrolls on an open basis. At December 31, 2013, the amortization period was 20 years.

The funded status of WPFRS as of December 31, 2013, 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)
$ 571,262	$ 617,748	$ 46,486	92.5%	$ 65,306	71.2%

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
12/31/11	$ 13,806,880	100%	$ -
12/31/12	14,113,014	100%	-
12/31/13	14,889,714	100%	-

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, 2013, membership totaled 601. 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 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 Plan 3 account becomes 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, 2013, employee and employer contributions to Plan 3 totaled $1,116,240 and $1,116,464, 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.

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 dependents. The health insurance program is open to retirees and dependents up to 65 years of age. With the exception of one member that the City self insures up to $1 million, 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. At December 31, 2013, the City recorded a liability of $3,287,329 for estimated claims pending. Net position on December 31, 2013 was $10,495,067.

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 Casualty 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, 2013, the City recorded a liability of $10,180,581 for estimated probable claims pending. Net position at December 31, 2013 was $3,608,750.

C. Life Insurance

The life insurance program offered by the City is a fully insured program administered by Standard 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, 2013, net position totaled $698,731.

D. General Liability

The City's general liability program provides for legal defense and claims against employees of the reporting entity when an incident arises out of City operations. 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, 2013, the City recorded a liability of $4,871,484 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, 2013, net position totaled $6,198,850.

Fund	Claims Paid	Beginning Balance	Changes in Actuarial Estimate	Ending Balance	Short-term Portion
Worker's Compensation					
2012	$ 3,110,121	$ 9,168,509	$ 1,524,721	$10,693,230	$ 2,988,963
2013	2,963,958	10,693,230	(512,649)	10,180,581	2,883,308
General Liability					
2012	1,625,933	3,203,250	2,188,058	5,391,308	1,770,186
2013	2,504,303	5,391,308	(519,824)	4,871,484	1,619,448
Health Insurance					
2012	32,396,476	2,974,147	210,669	3,184,816	3,184,816
2013	32,515,764	3,184,816	102,513	3,287,329	3,287,329

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 dependents as for active employees and their dependents. The benefit is available for selection at retirement and is extended to retirees and their dependents 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 dependents 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 2013, retired plan

members receiving benefits contributed $1,840,072 to the plan compared to City's contribution of $2,035,238.

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.

OPEB Component	Amount
Annual required contribution-amortized liability	$ 4,041,507
Interest on net OPEB obligation	425,842
Adjustment to annual required contribution	(615,662)
Annual OPEB cost (expense)	3,851,687
Contributions made	(2,035,238)
Increase in net OPEB obligation	1,816,449
Net OPEB obligation January 1, 2013	10,646,048
Net OPEB obligation December 31, 2013	$ 12,462,497

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

Funded Status and Funding Progress. As of the actuarial valuation date January 1, 2013, the actuarial accrued liability for benefits was $33,936,474. On December 31, 2013, the covered payroll (annual payroll of active employees covered by the plan) was $140.8 million, and the ratio of the UAAL to the covered payroll was 24.1%. 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 $33,936,474 on December 31, 2013.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	$ 4,285,819	41.5%	$ 9,014,462
2012	4,261,091	61.7%	10,646,048
2013	3,851,687	52.8%	12,462,497

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.

The December 31, 2013 actuarial valuation applied the projected unit credit method with linear proration to decrement. The actuarial assumptions included a 3.0% inflation rate implicitly included in the 4.0% 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 9.0%, declining to 7.0% in the first five years and 6.5%, declining to a rate of 5.0% 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 2013 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) The 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 dependents on a pay-as-you-go basis.

The December 31, 2013 actuarial valuation assumed annual healthcare cost trend rates of 9% declining to 8%, 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 was $1,080,822. In 2011, the City recorded one-time termination expenses totaling $1,175,000. In 2013, $335,870 of the liability associated with termination benefits was amortized, leaving an unamortized liability in the governmental funds of $449,017.

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 10-year, 15-year or 20-year serial bonds, all with equal amounts of principal maturing each year.

General Obligation Bonds
Outstanding on December 31, 2013
(dollars in thousands)

Payable From	Interest Rates	Amount
Government activities:		
Ad valorem property taxes	2.00% - 5.00%	$ 75,935
Transient guest tax	5.00%	167
Tax increment financing	1.00% - 6.25%	20,798
Local sales tax	2.00% - 5.00%	122,195
Subtotal governmental activities		219,095
Business-type activities:		
Stormwater Utility	2.00% - 5.00%	26,865
Golf Course System	3.00% - 3.25%	1,355
Airport Authority	2.50% - 5.50%	16,065
Subtotal business-type activities		44,285
Total general obligation bonds		$ 263,380

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

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

Year ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	$ 25,175	$ 7,336	$ 3,915	$ 1,574
2015	27,962	6,526	4,033	1,450
2016	28,691	5,604	3,429	1,311
2017	29,313	4,643	2,717	1,187
2018	26,217	3,657	2,798	1,092
2019 - 2023	73,101	7,264	12,369	4,191
2024 - 2028	8,636	539	7,744	2,569
2029 - 2033	-	-	2,795	1,483
2034 - 2038	-	-	2,405	805
2039 - 2043	-	-	2,080	142
Totals	$ 219,095	$ 35,569	$ 44,285	$ 15,804

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 the new infrastructure. 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	Interest
2014	$ 22,285	$ 8,538
2015	22,645	7,739
2016	21,515	6,850
2017	20,935	6,028
2018	20,690	5,160
2019 - 2023	77,875	14,303
2024 - 2028	25,990	3,482
2029 - 2033	4,690	235
Totals	$ 216,625	$ 52,335

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, 2013
(dollars in thousands)

	Interest Rates	Final Maturity Date	Amount
Primary Government-Enterprise Funds			
Water Utilities:			
2000A Water	4.69%	2021	$ 1,354
2000B Water	4.69%	2021	2,330
2005A Water & Sewer Refunding	3.71% -3.86%	2016	14,595
2005B Water & Sewer Refunding	5.00%	2016	9,360
2005C Water & Sewer Refunding	4.375% - 5.125%	2030	35,720
2006 Water & Sewer	4.00% - 5.00%	2031	40,635
2008A Water & Sewer	3.50% - 5.00%	2032	25,015
2009A Water & Sewer	3.50% - 5.00%	2039	109,880
2009B Water & Sewer	4.27% - 5.36%	2019	8,490
2010A Water & Sewer	1.75% - 4.00%	2030	28,195
2010B Water & Sewer	3.00% - 5.35%	2030	15,315
2011A Water & Sewer	4.00% - 5.00%	2028	93,515
2012A Water & Sewer	2.00% - 4.00%	2032	16,505
Airport Authority:			
Yingling Aircraft – Series 2001	7.50%	2021	1,300
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			412,219
Component Unit – Wichita Public Building Commission			
State Office Building, Refunding Series N 2003	4.00%	2014	1,595
Total Component Unit			1,595
Total Revenue Bonds			$ 413,814

*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, 2013 of 0.06%.

Pledged Revenue for Revenue Bond Debt Service Requirements
(dollars in thousands)

Amount of Pledge	Type of Pledged Revenue	Term of Commitment	Percent of Revenue Pledged	2013 Principal & Interest	2013 Pledged Revenues Recognized
Water & Sewer Utility Revenue Bonds:					
$ 587,451	Utility revenues	Through 2039	100%	$ 43,444	$ 43,444
Airport Authority Special Facility Revenue Bonds:					
$ 16,457	Direct financing leases	Through 2031	100%	$ 60	$ 60
Wichita Public Building Commission Revenue Bonds:					
$ 1,657	Direct financing leases	Through 2014	100%	$ 10,115	$ 1,657

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
2014	$ 22,489	$ 19,134	$ 1,595	$ 62
2015	23,558	18,207	-	-
2016	24,767	17,195	-	-
2017	22,503	16,113	-	-
2018	23,624	15,063	-	-
2019 - 2023	111,798	59,370	-	-
2024 - 2028	104,535	32,541	-	-
2029 - 2033	61,485	11,569	-	-
2034 - 2038	15,295	2,389	-	-
2039 - 2043	2,165	108	-	-
Totals	$ 412,219	$ 191,689	$ 1,595	$ 62

*Wichita Public Building Commission

C. Capital Leases

The City entered into a five-year lease in 2013 with a principal total of $463,180 to fund printers, copiers and related software. The interest rate on the lease for the capital acquisitions is 3.963%. On December 31, 2013, debt service requirements to maturity consist of principal payments totaling $435,070 and interest payments totaling $42,190. Additional information on the operating portion of the lease is reported in Note 12 – Leases.

D. 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 post-closure costs for the remaining 19.56 years total $10,452,727 or $534,393 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 post-closure care for the remaining 5.48 years is $494,017 or $90,149 annually.

Additionally, the City operates three limited landfills. The City's construction and demolition landfill has cumulative closure costs of $1,639,399 on December 31, 2013, based on the use of 79.2% of the estimated capacity. The industrial monofill landfill for asbestos waste has cumulative closure costs of $232,637, based on the use of 24.9% 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, 2013 the accumulated costs for the landfills are recorded as a long-term liability in the governmental activities on the Statement of Net Position. The costs will be liquidated from prior years' landfill fees accumulated in the Landfill Post-closure Fund. Footnote 18.-Landfill Closure and Post-closure Care provides further disclosure. In 2013, a prior period adjustment was recorded in 2013 on the government-wide financial statements to reflect a change in the liability, in accordance with the new guidance issued by the Kansas Department of Health and Environment. Additional information is provided in Note 20.

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 $372,336 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.

E. Refunding of Long-Term Debt

For reporting purposes of a crossover advance refunding bond issue, the original issue is not considered defeased until the bonds are retired. As with advance refunding bond issues, the proceeds from the crossover advance refunding bonds are placed into an escrow account. However, unlike other types of advance refundings, the escrowed funds in a crossover advance refunding are not immediately dedicated to debt service principal and interest payments on the refunded debt. Instead the resources in the escrow account are temporarily used to meet debt service requirements on the refunding bonds. At a later date, known as the "crossover date", the resources in the escrow account are dedicated exclusively for the payment of principal and interest on the refunded debt. Crossover refundings do not result in the defeasance of debt prior to the crossover date.

Related to crossover refundings in prior years, the City has recorded the outstanding debt of both the refunding issues and the refunded issues, which are not considered defeased. In addition, the related funds in escrow have been recorded as " cash with fiscal agent."

Refunding Issue	Refunded Issue	Refunded Principal	Call Date
General Obligation Refunding Series 2012A	Series 788, 790, 794	$ 22,915,000	September 1, 2014
General Obligation Refunding Series 2012B	Series 959	2,730,000	September 1, 2014
General Obligation Refunding Series 2012C	Series 960	4,485,000	September 1, 2014
General Obligation Refunding Series 2012E	Series 2007	24,865,000	October 1, 2014

F. 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 $9,057,758 has been recorded in the government-wide financial statements, in addition to a receivable of $3,687,446 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), as well as based on actual 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 into 2016.

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 costs incurred since the beginning of the project to the present. A liability of $1,215,865 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 $4,765 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 through 2013 into 2015. 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. Proceeds from the sale of the property are estimated to be approximately $210,000.

The City recorded a net liability for remediation and monitoring activities of $957,054 in the government-wide financial statements, based on engineering estimates and actual costs incurred from the start of the project to the present. The potential for change is moderate. Changes resulting from adjustments as the remediation project nears completion are expected to be immaterial.

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. As a result of the 2008 APCO Trust Bankruptcy Trial, the City of Wichita received a $450,000 judgment against APCO Trust for remediation at this site. Payment of that judgment was received in early 2014.

The City has performed a site investigation and is in the process of evaluating whether additional remediation is needed. The potential for reductions in the liability is high based on the level of remediation being conducted by KDHE. The City has recorded a liability of $1,457,975 for future costs based on an engineering estimate and actual costs incurred.

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 $388,802 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 named either partially or fully responsible for the site, a remediation option has not been selected.

An estimated liability, based on a 2002 engineering estimate and actual costs incurred from the start of the project to the present, has recorded in the government-wide financial statements in the amount of $982,012. 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 in March 2012, issued a Final Corrective Action Decision for interim groundwater remediation. The North Industrial Corridor site has been divided into six groundwater units for evaluation and remedial actions. The Corrective Action Decision focuses on the remedial action alternatives within Groundwater Units 1 through 4.

The Corrective Action Decision includes pre-design data acquisition, long-term groundwater remediation and surface water monitoring, five-year reviews and institutional controls for each groundwater unit. Pre-design data acquisition will be conducted to optimize the selected remedy and evaluate the need for contingency implementation. A comprehensive groundwater and surface water monitoring plan will be developed to evaluate performance of the remedy applied and monitor contaminant migration. Five-year reviews will be conducted as long as contamination remains at the site at concentrations above levels which will permit unrestricted use. The reviews will provide an opportunity to review the overall effectiveness of the remedial strategy. Continued enforcement of City of Wichita ordinances which prohibit the installation of new water wells and use of pre-existing water wells for personal use in contaminated areas will help ensure protection of human health until the site cleanup is complete.

The pre-design data acquisition is underway, in addition to continued source control efforts and site-wide pre-design acquisition activities. The KDHE approved remedial action provides multiple alternatives to be implemented in each groundwater unit. The alternative actions delineated in the KDHE Final Corrective Action Decision may be effected individually or multiple alternatives may be required to achieve acceptable results. Cost estimates for each remediation alternative were developed based on standardized engineering practices and expected cash flows. For each approved remediation alternative, the expected cash flow technique method was applied.

Based on current cost commitments and cost estimates of the preferred remediation action, the net present value of the liability for site-wide costs and the site specific remediation preferred remediation has been estimated at $57.6 million. The liability could change over time due to changes in costs of goods and services, changes in remediation technology or changes in laws and regulations. Estimated recoveries from potentially responsible parties are estimated at $52.1 million, resulting in a net liability of $5.5 million on the entity-wide financial statements. Actual costs of remedial actions and anticipated recoveries are expected to be within a range of minus 30% and plus 50% over a period of 70 years.

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 need for ongoing site monitoring will be re-evaluated with the next review.

The City has ongoing costs associated with monitoring of the site. A liability of $5,483 has been recorded in the government-wide financial statements with low potential for changes in the liability.

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 contaminates 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 Authority Fund financial statements for costs associated with site monitoring and reporting.

G. 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, 2013, the City was in compliance with all significant reserve requirements of the respective Water and Sewer Utility revenue bond resolutions and ordinances. Additional information on the reserve funds is provided in Note 16. – Fund Balance Restrictions and Other Reservations.

Long-term liability activity for the year ended December 31, 2013, follows (expressed in thousands of dollars) is summarized in the following table:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable:					
General obligation bonds	$ 7,801	$ 9,450	$ (11,316)	$ 75,935	$ 9,930
With government commitment					
Special assessment	254,955	3,375	(41,705)	216,625	22,285
Tax increment financing	23,466	-	(2,668)	20,798	1,733
Transient guest tax	1,064	-	(897)	167	167
Local sales tax	152,390	-	(30,195)	122,195	13,345
Unamortized premium	25,590	646	(4,011)	22,225	-
Total bonds payable	535,266	13,471	(90,792)	457,945	47,460
Bond anticipation notes	10,465	3,465	(10,465)	3,465	3,465
Section 108 loan	350	-	(350)	-	-
Accreted interest	714	-	(714)	-	-
Capital lease	153	463	(181)	435	161
Compensated absences	9,274	9,053	(9,014)	9,313	9,216
Claims payable	19,294	37,054	(37,984)	18,364	7,815
Other post-employment benefits	10,644	3,852	(2,034)	12,462	-
Termination benefits	785	-	(336)	449	186
Environmental remediation	20,074	613	(1,117)	19,570	3,689
Landfill closure-post-closure care	22,541	809	(10,531)	12,819	624
Total long-term liabilities – Governmental activities	$ 629,560	$ 68,780	$ (163,518)	$ 534,822	$ 72,616

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Bonds payable:					
General obligation bonds	$ 48,360	$ -	$	$ 44,285	$ 3,915
Unamortized premium	645	-	(96)	549	-
Bond anticipation notes	-	7,933	-	7,933	7,933
Revenue bonds	436,116	-	(23,897)	412,219	22,489
Unamortized premium	22,560	-	(1,707)	20,853	-
Total bonds payable	507,681	7,933	(29,775)	485,839	34,337
Environmental remediation	5	5	(5)	5	5
Compensated absences	1,743	1,728	(1,707)	1,764	1,748
Total long-term liabilities – Business-type activities	$ 509,429	$ 9,666	$ (31,487)	$ 487,608	$ 36,090
Wichita Public Building Commission					
Bonds payable:					
Revenue bonds	$ 11,220	$ -	$ (9,625)	$ 1,595	$ 1,595
Unamortized premium	162	-	(162)	-	-
Total long-term liabilities-WPBC	$ 1,382	$ -	$ (9,787)	$ 1,595	$ 1,595

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, 2013, bonds totaling $755,000 from the Wichita Public Building Commission were considered defeased.

11. Temporary Notes Payable

Kansas Statutes permit the issuance of temporary notes to finance certain capital improvement projects that will be refinanced with general obligation bonds. Prior to the issuance of temporary notes, the governing body must take necessary legal steps to authorize the issuance of general obligation bonds. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing, and have a maturity date not later than four years from the date of issuance. During 2013, the City issued $ 326,275,000, retired $221,245,000 and reclassified $11,397,893 of temporary notes for various capital improvements as bond anticipation notes. Temporary notes outstanding at December 31, 2013 are payable as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities	$ 61,061,050	$ 78,612,491	$ 61,061,050	$ 78,612,491
Business-type Activities				
Water Utility Fund	160,000,000	160,000,000	160,000,000	160,000,000
Airport Authority Fund	-	86,453,063	-	86,453,063
Stormwater Utility	183,950	1,209,446	183,950	1,209,446
Total Business-type Activities	160,183,950	247,662,509	160,183,950	247,662,509
Total temporary notes	$ 221,245,000	$ 326,275,000	$ 221,245,000	$ 326,275,000

On December 31, 2013, the Water Utility held proceeds of $3,956,372 from the issuance of general obligation temporary notes for future capital construction and the Airport Authority held proceeds of $29,697,463. Temporary notes also replace operating cash which has been used to finance capital construction in other funds as provided in the following table. Some construction costs may have occurred in prior periods.

Primary Government	Interest Rate	Amount Outstanding	Maturity Date
Governmental-Capital Project Funds:			
Street and Bridge Improvements - Series 247	0.55%	$ 3,289	02/11/14
Street and Bridge Improvements - Series 249 BAN	0.50%	3,465,300	10/15/14
Street and Bridge Improvements - Series 249	0.50%	4,900	10/15/14
Street and Bridge Improvements - Series 254	0.25%	18,147,719	02/11/14
Street and Bridge Improvements - Series 256	0.25%	2,000	02/11/14
Street and Bridge Improvements - Series 260	0.19%	12,488,340	10/15/14
Street and Bridge Improvements - Series 260	0.25%	4,700	10/15/14
Water Main Construction - Series 254	0.25%	586,526	02/11/14
Water Main Construction - Series 260	0.19%	248,700	02/11/14
Park Bond Construction - Series 254	0.25%	1,259,710	02/11/14
Park Bond Construction - Series 260	0.19%	251,300	10/15/14
Public Improvement Construction - Series 247	0.55%	3,778,054	02/11/14
Public Improvement Construction - Series 249	0.50%	1,528,600	10/15/14
Public Improvement Construction - Series 254	0.25%	24,090,384	02/11/14
Public Improvement Construction - Series 260	0.19%	1,679,200	02/11/14
Sewer Construction - Series 254	0.25%	9,888,369	02/11/14
Sewer Construction - Series 260	0.19%	1,185,400	10/15/14

Primary Government (continued)	Interest Rate	Amount Outstanding	Maturity Date
Enterprise Funds:			
Water Utility - Series 258	0.50%	$ 160,000,000	10/15/14
Airport Authority - Series 247	0.25%	653,657	02/11/14
Airport Authority - Series 254	0.25%	8,185,546	02/11/14
Airport Authority - Series 256	0.25%	15,063,000	02/11/14
Airport Authority - Series 249	0.50%	4,681,200	10/15/14
Airport Authority - Series 260	0.19%	5,741,767	10/15/14
Airport Authority - Series 260 BAN	0.19%	7,932,593	10/15/14
Airport Authority - Series 262	0.25%	44,195,300	10/15/14
Stormwater Utility - Series 254	0.25%	1,071,746	02/11/14
Stormwater Utility - Series 260	0.19%	137,700	10/15/14
Total Reporting Entity		$ 326,275,000	

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 45 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. Summarized in the following table, the future value of operating leases does not include contingent rentals that may be received under certain leases. Such contingent rentals totaled $2,391,859 in 2013.

The Airport Authority has authorized the construction of buildings on Authority-owned land by 40 tenants. Tenants lease the land from the Airport Authority for periods ranging from one month to 44 years with renewal options ranging from five years to 27 years. The Airport Authority has assisted in the financing of certain of these buildings through the issuance of Airport Facility Revenue Bonds.

Year Ending December 31	Minimum Rentals of Non-cancelable Operating Leases
2014	$ 7,647,581
2015	4,063,256
2016	3,959,741
2017	3,353,914
2018	3,136,318
2019 - 2023	11,849,685
2024 - 2028	7,604,062
2029 - 2033	4,490,447
2034 - 2038	3,411,078
2039- 2043	3,173,526
2044 - thereafter	5,380,644
Total minimum future rentals	$ 58,070,252

The Wichita Public Building Commission (WPBC) has assisted in the financing of buildings and facilities for other public entities through the issuance of revenue bonds and by entering into lease agreements. 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 financed by the WPBC, 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, which occurred in 2013. Additional information about the principal and interest payments is provided in Note 9 to the financial statements.

Additionally, lease payments for Wichita State University were secured by a pledge of the surplus on an ad valorem tax levy in amounts sufficient to guarantee the rentals under a lease agreement. In 2013, outstanding principal of $6,735,000 was refunded and the lease agreement terminated.

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 Airport Authority and the WPBC represent direct financing leases.

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, 2013 and the future minimum lease rentals to be received under the leases.

Investments in Direct Financing Leases
As of December 31, 2013

	Airport Authority	Wichita Public Building Commission	Total
Total minimum lease payments to be received	$ 16,457,341	$ 1,657,075	$ 18,114,416
Less: unearned income	5,147,341	62,075	5,209,416
Net investment in direct financing leases	$ 11,310,000	$ 1,595,000	$ 12,905,000

Future Minimum Lease Rentals
Under Direct Financing Leases
As of December 31, 2013

Year ending December 31	Airport Authority	Wichita Public Building Commission	Total
2014	$ 483,990	$ 1,657,075	$ 2,141,065
2015	483,990	-	483,990
2016	483,990	-	483,990
2017	483,990	-	483,990
2018	483,990	-	483,990
2019 - 2023	3,447,221	-	3,447,221
2024 - 2028	7,918,200	-	7,918,200
2029 - 2031	2,671,970	-	2,671,970
Total minimum future rentals	$ 16,457,341	$ 1,657,075	$ 18,114,416

Rentals Payable Under Operating Leases: The City entered into a five-year lease agreement in 2013 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. On December 31, 2013 the future minimum lease payments totaled $397,933, with the lease expiring in 2018.

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, 2013, 104 series of industrial revenue bonds were outstanding, with an aggregate principal amount payable of $1,971,994,172.

Special facility revenue bonds have been issued by the 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, 2013, four series of special facility revenue bonds were outstanding totaling $11,310,000 but are reported as a long-term liability of the 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 revenue bonds, secured by the property financed and are payable from payments received on underlying lease agreements. Two series of bonds were retired in 2013 and as of December 31, 2013, the aggregate principal remaining was $1,595,000. Note 12 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, 2013, transfer revenue and transfer expenditures each totaled $85,773,992.

Non-routine transfers to the General Fund consisted primarily of $300,000 from the Landfill Post-closure Fund and $700,000 from the pension reserves held in the Self Insurance Fund to offset higher pension contribution rates.

Of routine nature are the Debt Service Fund transfers of $8.9 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 Sales Tax Construction Pledge Fund to the Debt Service Fund of $18.4 million and $9.6 million to the Local Sales Tax CIP fund to cash fund freeway and major arterial projects.

Summary of Interfund Transfers
For Year Ended December 31, 2013

Fund	Transfers Out	Transfers In
Major Funds:		
General Fund	$ 6,686,607	$ 11,677,891
Debt Service Fund	11,108,561	23,170,180
Street Improvement Fund	66,012	25,870,728
Airport Fund	957,793	-
Water Utility Fund	2,427,898	-
Sewer Utility Fund	1,872,215	-
Stormwater Utility Fund	520,972	-
Nonmajor governmental funds	59,965,141	21,316,113
Nonmajor enterprise funds	115,770	3,489,080
Internal service funds	2,053,023	250,000
Total transfers	$ 85,773,992	$ 85,773,992

15. Interfund Receivables and Payables

Interfund receivables and payables result from product or services provided to other funds or loans between funds. Individual fund receivable and payable balances at December 31, 2013 are presented in the following tables.

Interfund receivables and payables at the end of December 2013 totaled $66,784,903, including a Golf Fund payable to the Debt Service Fund to assist with the restructuring of long-term debt. In addition, temporary loans from the General Fund-Permanent Reserve Subfund and Self Insurance Fund to the Transit Fund have been extended until transit operations recover from the recent years of capital replacement and expansion. Most significant are the payables in the Street Improvement Fund from loans until projects are completed and permanent financing is secured, as well as until the time that grant funds have been received.

Interfund Receivables
As of December 31, 2013

Fund	Receivables
Major funds:	
General Fund	$ 19,611,960
Debt Service Fund	4,924,179
Nonmajor governmental funds:	
Landfill Post-Closure Fund	15,467,079
Environmental TIF District	15,000,000
Local Sales Tax CIP Fund	11,245,904
Enterprise funds:	
Transit Fund	141,281
Internal service funds:	
Self Insurance Fund	394,500
Total interfund receivables	$ 66,784,903

Interfund Payables
As of December 31, 2013

Fund	Payables
Major funds:	
Street Improvement Fund	$ 47,141,281
Nonmajor governmental funds:	
Homelessness Assistance Fund	26,250
City – County	230,340
WAMPO*	210,489
Water Main Extension Fund	759,692
Park Bond Construction Fund	1,362,708
Public Improvement Construction Fund	6,180,147
Sewer Construction Fund	446,630
ARRA Projects	2,496,727
Nonmajor enterprise funds:	
Golf Course System Fund	4,924,179
Transit Fund	3,006,460
Total interfund payables	$ 66,784,903

*Wichita Area Metropolitan Planning Organization

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 (5) 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, 2013

	Major Governmental Funds				
	General Fund	Debt Service Fund	Street Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventories & prepaids	$ 47,423	$ -	$ -	$ 109,527	$ 156,950
Receivables, long-term	800,000	-	-	-	800,000
Permanent fund	-	-	-	235,437	235,437
Restricted for:					
General government	-	-	-	3,836,549	3,836,549
Public safety	-	-	-	1,695,965	1,695,965
Highways and streets	-	-	-	24,952,817	24,952,817
Health and welfare	-	-	-	20,625,447	20,625,447
Culture and recreation	-	-	-	3,242,787	3,242,787
Debt service	-	88,292,977	-	-	88,292,977
Committed to:					
General government	-	-	-	88,024	88,024
Public safety	-	-	-	963,628	963,628
Sanitation	-	-	-	14,538,687	14,538,687
Assigned to:					
Economic development	4,394,754	-	-	-	4,394,754
General government	206,704	-	-	-	206,704
Public safety	118,809	-	-	-	118,809
Highways and streets	628,684	-	-	-	628,684
Sanitation	-	-	-	8,901,203	8,901,203
Health and welfare	1,886	-	-	-	1,886
Culture and recreation	41,113	-	-	-	41,113
Unassigned:	26,314,401	-	(79,223,672)	(52,188,189)	(105,097,460)
Total	$32,553,774	$ 88,292,977	$(79,223,672)	$ 27,001,882	$ 68,624,961

17. Passenger Facility Charges

In 1994, the 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 Mid-Continent Airport, effective December 1, 1994. The first funds were received by the 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 since 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, 2013 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 $10,452,727 for post-closure care for the remaining 19.56 years has been reported as a long-term liability of governmental activities on the Statement of Net Position as of December 31, 2013.

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 $494,017 for post-closure care for the remaining 5.48 years has been reported as a long-term liability of the governmental activities on the Statement of Net Position as of December 31, 2013.

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 Position as of December 31, 2013.

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, 2013, a long-term liability of $1,639,399 is recorded representing the cumulative liability based on 79.2% usage of the estimated capacity. The City will recognize the remaining closure costs of $430,549 as the remaining capacity is filled. Based on activity to date, the City expects the landfill to close in approximately 2018, or as capacity is reached.

In May 2002, the City began operation of an industrial monofill landfill for asbestos waste. As of December 31, 2013, a long-term liability of $232,637 is recorded, based on 24.9% usage of the estimated capacity. The City will recognize the remaining closure costs of $700,900 as the remaining capacity is filled. Based on activity to date, the industrial monofill landfill is expected to close in approximately 2043, 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, 2013, the capacity used was too small to estimate, thus the total estimated closure and post-closure care of $92,123 will be recognized as capacity is filled. The composting facility is expected to close in 2044, 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, 2013.

C. Construction and Capital Commitments

The City has outstanding construction and capital commitments for freeway and arterial street construction and other capital purchases and improvements of $30.1 million in the governmental funds and $98.0 million in the enterprise funds. This amount is reflected as reserve for encumbrances in capital projects funds.

D. Encumbrances

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

Primary Government	Encumbrances
General Fund	$ 2,083,571
Street Improvement Fund	24,964,178
Water Utility Funds	11,510,632
Sewer Utility Funds	3,506,402
Airport Authority Funds	81,756,827
Stormwater Utility Funds	639,871
Nonmajor governmental funds	8,787,782
Nonmajor enterprise funds	4,378,973
Internal service funds	2,053,747
Total Reporting Entity	$ 139,681,983

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 2013, 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, stormwater drainage, public art, water features and public parking, which are financed through the issuance of bonds of which $20.8 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 Adjustments

Implementation of Government Accounting Standard 65, *Items Previously Reported as Assets and Liabilities*, resulted in prior period adjustments. A prior period adjustment in the amount of $4,614,240 was recorded in the Debt Service Fund to eliminate deferred revenues related to interfund transactions. Because the deferred revenue for interfund transactions was previously eliminated at the entity-wide level, this prior period adjustment is not reflected on entity-wide Statement of Activities for the governmental activities.

In the Water, Sewer and Stormwater Utility Funds, prior period adjustments were recorded to eliminate the unamortized cost of issuance of long-term debt. The cost of issuance liquidated in the Water Utility Fund totaled $1,838,486, in the Sewer Utility Fund the cost of issuance liquidated totaled $1,081,507, and in the Stormwater Utility Fund the total cost of issuance liquidated was $39,889. The prior period adjustments are also reported on the entity-wide Statement of Activities for the business-type activities.

A prior period adjustment has been recorded on the entity-wide Statement of Activities for the governmental activities, reducing the net position by $21,250,000 to reflect a change in the beginning balance of the special assessments receivable. The adjustment was made due to amounts being improperly recognized as revenue in a prior year related to the issuance of crossover refunding bonds for special assessment improvements. Additional information about the special assessment debt is reported in Note 9 to the Financial Statements.

Additionally, a prior period adjustment has been recorded on the Statement of Activities for the governmental activities to increase net position by $9,722,517. The adjustment has been made to reflect a change in calculation of the landfill post-closure liability, resulting from new guidelines issued by the Kansas Department of Health and Environment in 2013.

21. Subsequent Events

On February 1, 2014, the City issued $3,550,000 of 10-year general obligation serial bonds (Series 809) with a total interest cost of 2.11%, $4,720,000 of 15-year general obligation serial bonds (Series 809A) with a total interest cost of 3.57%, and $8,010,000 of 30-year general obligation airport bonds (Series 2014A) with a total interest cost of 3.86%.

Accordingly, temporary notes payable as of December 31, 2013 totaling $3,465,300 were reclassified as bond anticipation notes and recorded as long-term liabilities in the governmental funds. The notes were refinanced through the issuance of general obligation bonds on February 1, 2014 (Series 809A). Additionally, temporary notes payable as of December 31, 2013 totaling $7,932,593 were refinanced through the issuance of general obligation airport bonds on February 1, 2014 (Series 2014A). The temporary notes were reclassified as bond anticipation notes and were recorded as long-term liabilities in the proprietary funds.

On February 1, 2014, the City also issued $7,540,000 Series 251 general obligation temporary notes with an interest rate of 0.40%, $85,785,000 Series 264 general obligation temporary notes with an interest rate of 0.50%, and $40,410,000 Series 266 general obligation temporary notes, subject to alternative minimum tax under Federal law, with an interest rate of 0.50%.

CITY OF WICHITA, KANSAS

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						
12/31/11	$ 513,298	$ 555,174	$ 41,876	92.5	$ 75,444	55.5 %
12/31/12	520,320	571,805	51,485	91.0	70,783	72.7
12/31/13	542,157	582,386	40,229	93.1	70,953	56.7
Wichita Police and Fire Retirement System						
12/31/11	$ 510,946	$ 562,488	$ 51,542	90.8	$ 62,759	82.1 %
12/31/12	533,381	589,074	55,693	90.5	64,150	86.8
12/31/13	571,262	617,748	46,486	92.5	65,306	71.2

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) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	12/31/2011	$ -	$ 39,121	$ 39,121	-	$ 137,304	28.5 %
12/31/12	12/31/2011	-	39,121	39,121	-	137,304	28.5
12/31/13	12/31/2013	-	33,936	33,936	-	140,810	24.1

[1] Assumptions in the 2013 valuation follow.

The amortization method changed from a closed 30-year period 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, 2013.

Disability incidence was not explicitly stated in the prior actuarial report. For the 2013 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 valuation 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 of the past and current valuation:

Year 1	9.0%
Year 2	8.5%
Year 3	8.0%
Year 4	7.5%
Year 5	7.0%
Year 6	6.5%
Year 7	6.0%
Year 8	5.5%
Beyond	5.0%

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CITY OF WICHITA

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 Post-closure
Metro Area Building & Construction
Downtown Parking
State Office Building
Environmental TIF (Tax Increment Financing) Districts
Self-supported Municipal Improvement District
City - County
Grant Assistance
Wichita Area Metropolitan Planning Organization

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.

Other Supplementary Information

Combining statements of the General Fund and the Debt Service Fund, including their respective subfunds, are provided in this section, including additional information related to compliance with legal budgets.

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
December 31, 2013

	Governmental Fund Types			
	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery	Total
ASSETS				
Cash and cash equivalents	$ 21,144,405	$ 15,006,486	$ 181,570	$ 36,332,461
Investments	3,693,111	-	580,214	4,273,325
Receivables, net:				
Due from other agencies	2,064,142	-	-	2,064,142
Accounts	5,382,920	992,730	-	6,375,650
Due from other funds	30,467,079	11,245,904	-	41,712,983
Notes receivable	300,000	-	-	300,000
Inventories	48,976	-	-	48,976
Prepaid items	60,551	-	-	60,551
Total assets	$ 63,161,184	$ 27,245,120	$ 761,784	$ 91,168,088
LIABILITIES				
Accounts payable and other liabilities	$ 2,462,346	$ 552,088	$ -	$ 3,014,434
Accrued interest payable	-	77,175	-	77,175
Temporary notes payable	-	44,496,243	-	44,496,243
Deposits	187,629	-	-	187,629
Due to other agencies	14,493	-	-	14,493
Due to other funds	467,079	11,245,904	-	11,712,983
Total liabilities	3,131,547	56,371,410	-	59,502,957
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	4,663,249	-	-	4,663,249
Total deferred inflows of resources	4,663,249	-	-	4,663,249
FUND BALANCES (DEFICITS)				
Nonspendable	109,527	-	235,437	344,964
Restricted	30,793,658	23,033,560	526,347	54,353,565
Committed	15,590,339	-	-	15,590,339
Assigned	8,901,203	-	-	8,901,203
Unassigned	(28,339)	(52,159,850)	-	(52,188,189)
Total fund balances (deficits)	55,366,388	(29,126,290)	761,784	27,001,882
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 63,161,184	$ 27,245,120	$ 761,784	$ 91,168,088

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2013

	Homelessness Assistance	Tourism and Convention	Special Alcohol Program
ASSETS			
Cash and cash equivalents	$ -	$ 2,926,012	$ 723,824
Investments	-	-	-
Receivables, net:			
Due from other agencies	-	-	-
Accounts	28,391	-	-
Due from other funds	-	-	-
Notes receivable	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Total assets	$ 28,391	$ 2,926,012	$ 723,824
LIABILITIES			
Liabilities:			
Accounts payable and other liabilities	$ 2,074	$ -	$ 30,348
Deposits	-	-	-
Due to other agencies	-	-	-
Due to other funds	26,250	-	-
Total liabilities	28,324	-	30,348
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted	67	2,926,012	693,476
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	67	2,926,012	693,476
Total liabilties, deferred inflows of resources and fund balances (deficits)	$ 28,391	$ 2,926,012	$ 723,824

Special Parks and Recreation	Landfill	Landfill Post-closure	Metro Area Building & Construction
$ 43,331	$ 3,649,821	$ 4,346,585	$ 1,263,996
-	-	-	-
-	-	-	-
-	-	933	-
-	-	15,467,079	-
-	-	-	-
-	-	-	-
-	-	-	-
$ 43,331	$ 3,649,821	$ 19,814,597	$ 1,263,996
$ -	$ 7,097	$ 17,431	$ 251,868
-	-	-	48,500
-	-	-	-
-	-	-	-
-	7,097	17,431	300,368
-	-	-	-
-	-	-	-
-	-	-	-
43,331	-	-	-
-	3,642,724	10,895,963	963,628
-	-	8,901,203	-
-	-	-	-
43,331	3,642,724	19,797,166	963,628
$ 43,331	$ 3,649,821	$ 19,814,597	$ 1,263,996

(Continued)

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2013

	Downtown Parking	State Office Building	Environmental TIF Districts
ASSETS			
Cash and cash equivalents	$ 105,815	$ 1,767,685	$ 4,524,166
Investments	-	-	-
Receivables, net:			
Due from other agencies	-	-	-
Accounts	-	2,721	3,713,256
Due from other funds	-	-	15,000,000
Notes receivable	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Total assets	$ 105,815	$ 1,770,406	$ 23,237,422
LIABILITIES			
Liabilities:			
Accounts payable and other liabilities	$ 17,791	$ 1,295,017	$ 47,953
Deposits	-	-	-
Due to other agencies	-	-	-
Due to other funds	-	-	-
Total liabilities	17,791	1,295,017	47,953
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	3,687,446
Total deferred inflows of resources	-	-	3,687,446
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted	-	475,389	19,502,023
Committed	88,024	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	88,024	475,389	19,502,023
Total liabilties, deferred inflows of resources and fund balances (deficits)	$ 105,815	$ 1,770,406	$ 23,237,422

Self-Supported Municipal Improvement District	City - County	Grant Assistance	Wichita Area Metropolitan Planning Organization	Total
$ 8,060	$ 91,380	$ 1,693,730	$ -	$ 21,144,405
-	-	3,693,111	-	3,693,111
-	-	1,851,724	212,418	2,064,142
-	478,900	1,158,719	-	5,382,920
-	-	-	-	30,467,079
-	-	300,000	-	300,000
-	-	48,976	-	48,976
-	-	60,551	-	60,551
$ 8,060	$ 570,280	$ 8,806,811	$ 212,418	$ 63,161,184
$ 8,060	$ 210,245	$ 544,194	$ 30,268	$ 2,462,346
-	-	139,129	-	187,629
-	-	14,493	-	14,493
-	230,340	-	210,489	467,079
8,060	440,585	697,816	240,757	3,131,547
-	-	975,803	-	4,663,249
-	-	975,803	-	4,663,249
-	-	109,527	-	109,527
-	129,695	7,023,665	-	30,793,658
-	-	-	-	15,590,339
-	-	-	-	8,901,203
-	-	-	(28,339)	(28,339)
-	129,695	7,133,192	(28,339)	55,366,388
$ 8,060	$ 570,280	$ 8,806,811	$ 212,418	$ 63,161,184

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2013

	Water Main Extension	Park Bond Construction	Public Improvement Construction	Sewer Construction
ASSETS				
Cash and cash equivalents	$ -	$ -	$ 3,073,845	$ 144,985
Accounts receivable, net	-	-	992,730	-
Due from other funds	-	-	-	-
Total assets	$ -	$ -	$ 4,066,575	$ 144,985
LIABILITIES				
Accounts payable and other liabilities	$ 20,597	$ 155,037	$ 219,824	$ 156,630
Accrued interest payable	1,079	1,642	58,710	15,744
Temporary notes payable	835,226	1,511,010	31,076,238	11,073,769
Due to other funds	759,692	1,362,708	6,180,147	446,630
Total liabilities	1,616,594	3,030,397	37,534,919	11,692,773
FUND BALANCES (DEFICITS)				
Restricted	-	-	-	-
Unassigned	(1,616,594)	(3,030,397)	(33,468,344)	(11,547,788)
Total fund balances (deficits)	(1,616,594)	(3,030,397)	(33,468,344)	(11,547,788)
Total liabilities and fund balances (deficits)	$ -	$ -	$ 4,066,575	$ 144,985

Local Sales Tax CIP	Sales Tax Pledge	ARRA Projects	Total
$ 3,519,919	$ 8,267,737	$ -	$ 15,006,486
-	-	-	992,730
11,245,904	-	-	11,245,904
$ 14,765,823	$ 8,267,737	$ -	$ 27,245,120
$ -	$ -	$ -	$ 552,088
-	-	-	77,175
-	-	-	44,496,243
-	-	2,496,727	11,245,904
-	-	2,496,727	56,371,410
14,765,823	8,267,737	-	23,033,560
-	-	(2,496,727)	(52,159,850)
14,765,823	8,267,737	(2,496,727)	(29,126,290)
$ 14,765,823	$ 8,267,737	$ -	$ 27,245,120

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET
GENERAL FUND
December 31, 2013

	Economic Development	General Fund	Combined General Fund
ASSETS			
Cash and cash equivalents	$ 4,334,398	$ 21,773,642	$ 26,108,040
Receivables, net:			
Property taxes	-	70,447,851	70,447,851
Accounts	1,476,312	1,679,002	3,155,314
Due from other funds	-	19,611,960	19,611,960
Inventories	-	47,423	47,423
Total assets	$ 5,810,710	$ 113,559,878	$ 119,370,588
LIABILITIES			
Accounts payable and other liabilities	$ 303,136	$ 13,380,131	$ 13,683,267
Deposits	-	1,572,876	1,572,876
Total liabilities	303,136	14,953,007	15,256,143
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-forgivable loans	1,112,820	-	1,112,820
Unavailable revenue-property taxes	-	70,447,851	70,447,851
Total deferred inflows of resources	1,112,820	70,447,851	71,560,671
FUND BALANCES			
Nonspendable	-	847,423	847,423
Assigned	4,394,754	997,196	5,391,950
Unassigned	-	26,314,401	26,314,401
Total fund balances	4,394,754	28,159,020	32,553,774
Total liabilities, deferred inflows of resources and fund balances	$ 5,810,710	$ 113,559,878	$ 119,370,588

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET
DEBT SERVICE FUND
December 31, 2013

	Economic Development TIF Districts	Debt Service Fund	Combined Debt Service Fund
ASSETS			
Cash and cash equivalents	$ 523,999	$ 25,618,121	$ 26,142,120
Cash with fiscal agent	-	57,519,924	57,519,924
Receivables, net:			
Property taxes	-	24,980,465	24,980,465
Special assessments	-	195,375,000	195,375,000
Due from other funds	-	4,924,179	4,924,179
Notes receivable	-	4,636,730	4,636,730
Total assets	$ 523,999	$ 313,054,419	$ 313,578,418
LIABILITIES			
Deposits	$ -	$ 293,246	$ 293,246
Total liabilities	-	293,246	293,246
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	4,636,730	4,636,730
Unavailable revenue-property taxes	-	24,980,465	24,980,465
Unavailable revenue-special assessments	-	195,375,000	195,375,000
Total deferred inflows of resources	-	224,992,195	224,992,195
FUND BALANCES			
Restricted	523,999	87,768,978	88,292,977
Total fund balances	523,999	87,768,978	88,292,977
Total deferred inflows of resources, liabilities and fund balances	$ 523,999	$ 313,054,419	$ 313,578,418

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2013

	Governmental Fund Types			
	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery	Total
REVENUES				
Taxes	$ 10,842,609	$ -	$ -	$ 10,842,609
Special assessments	-	601,161	-	601,161
Local sales tax	-	28,263,499	-	28,263,499
Intergovernmental	31,282,781	843,838	-	32,126,619
Licenses and permits	4,955,530	-	1,860	4,957,390
Fines and penalties	5,513	-	-	5,513
Rentals	1,513,390	-	-	1,513,390
Interest earnings	36,301	-	23,057	59,358
Charges for services and sales	2,819,116	-	-	2,819,116
Other	3,284,453	1,251,430	-	4,535,883
Total revenues	54,739,693	30,959,928	24,917	85,724,538
EXPENDITURES				
Current:				
General government	4,343,502	-	53,031	4,396,533
Public safety	9,968,737	-	-	9,968,737
Sanitation	1,187,567	-	-	1,187,567
Health and welfare	28,050,598	-	-	28,050,598
Culture and recreation	2,888,467	-	-	2,888,467
Debt service:				
Principal retirement	-	2,213,673	-	2,213,673
Interest and fiscal charges	-	104,083	-	104,083
Capital outlay	-	20,731,592	-	20,731,592
Total expenditures	46,438,871	23,049,348	53,031	69,541,250
Excess (deficiency) of revenues over (under) expenditures	8,300,822	7,910,580	(28,114)	16,183,288
OTHER FINANCING SOURCES (USES)				
Issuance of long-term capital debt	-	2,223,577	-	2,223,577
Transfers from other funds	1,982,034	19,334,079	-	21,316,113
Transfers to other funds	(7,154,460)	(52,810,681)	-	(59,965,141)
Total other financing sources (uses)	(5,172,426)	(31,253,025)	-	(36,425,451)
Net change in fund balances	3,128,396	(23,342,445)	(28,114)	(20,242,163)
Fund balances (deficits) - beginning	52,237,992	(5,783,845)	789,898	47,244,045
Fund balances (deficits) - ending	$ 55,366,388	$ (29,126,290)	$ 761,784	$ 27,001,882

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended December 31, 2013

	Homelessness Assistance	Tourism and Convention	Special Alcohol Program	Special Parks and Recreation
REVENUES				
Taxes	$ -	$ 6,360,256	$ -	$ -
Intergovernmental	169,846	-	1,862,049	1,862,049
Licenses and permits	-	-	-	-
Fines and penalties	-	-	-	-
Rentals	-	-	-	-
Interest earnings	-	-	-	-
Charges for services and sales	-	-	-	-
Other	-	-	-	-
Total revenues	169,846	6,360,256	1,862,049	1,862,049
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation	-	-	-	-
Health and welfare	340,139	-	1,840,436	-
Culture and recreation	-	2,524,022	-	-
Total expenditures	340,139	2,524,022	1,840,436	-
Excess (deficiency) of revenues over (under) expenditures	(170,293)	3,836,234	21,613	1,862,049
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	170,269	-	-	-
Transfers to other funds	-	(3,838,572)	-	(1,818,718)
Total other financing sources (uses)	170,269	(3,838,572)	-	(1,818,718)
Net change in fund balances	(24)	(2,338)	21,613	43,331
Fund balances (deficits), beginning	91	2,928,350	671,863	-
Fund balances (deficits), ending	$ 67	$ 2,926,012	$ 693,476	$ 43,331

(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, 2013

	Landfill	Landfill Post-closure	Metro Area Building & Construction	Downtown Parking	State Office Building
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-
Licenses and permits	-	-	4,955,530	-	-
Fines and penalties	-	-	5,513	-	-
Rentals	13,122	-	-	644	130,171
Interest earnings	-	-	-	-	-
Charges for services and sales	1,143,761	-	908,863	274,110	40,215
Other	1,792	-	-	-	-
Total revenues	1,158,675	-	5,869,906	274,754	170,386
EXPENDITURES					
Current:					
General government	-	-	-	264,599	299,853
Public safety	-	-	5,965,179	-	-
Sanitation	594,435	593,132	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	594,435	593,132	5,965,179	264,599	299,853
Excess (deficiency) of revenues over (under) expenditures	564,240	(593,132)	(95,273)	10,155	(129,467)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	(300,000)	(300,000)	-	-	-
Total other financing sources (uses)	(300,000)	(300,000)	-	-	-
Net change in fund balances	264,240	(893,132)	(95,273)	10,155	(129,467)
Fund balances (deficits), beginning	3,378,484	20,690,298	1,058,901	77,869	604,856
Fund balances (deficits), ending	$ 3,642,724	$ 19,797,166	$ 963,628	$ 88,024	$ 475,389

Environmental TIF Districts	Self-Supported Municipal Improvement District	City - County	Grant Assistance	Wichita Area Metropolitan Planning Organization	Total
$ 3,898,182	$ 584,171	$ -	$ -	$ -	$ 10,842,609
-	-	1,584,371	24,527,454	1,277,012	31,282,781
-	-	-	-	-	4,955,530
-	-	-	-	-	5,513
-	-	-	1,369,453	-	1,513,390
-	-	-	36,301	-	36,301
-	-	168,794	283,373	-	2,819,116
261,326	-	194	3,021,141	-	3,284,453
4,159,508	584,171	1,753,359	29,237,722	1,277,012	54,739,693
-	584,171	1,525,622	371,657	1,297,600	4,343,502
-	-	1,683,693	2,319,865	-	9,968,737
-	-	-	-	-	1,187,567
1,215,007	-	-	24,655,016	-	28,050,598
-	-	-	364,445	-	2,888,467
1,215,007	584,171	3,209,315	27,710,983	1,297,600	46,438,871
2,944,501	-	(1,455,956)	1,526,739	(20,588)	8,300,822
-	-	1,584,371	227,394	-	1,982,034
(366,910)	-	(14,000)	(516,260)	-	(7,154,460)
(366,910)	-	1,570,371	(288,866)	-	(5,172,426)
2,577,591	-	114,415	1,237,873	(20,588)	3,128,396
16,924,432	-	15,280	5,895,319	(7,751)	52,237,992
$ 19,502,023	$ -	$ 129,695	$ 7,133,192	$ (28,339)	$ 55,366,388

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the year ended December 31, 2013

	Water Main Extension	Park Bond Construction	Public Improvement Construction
REVENUES			
Special assessments	$ 1,740	$ -	$ -
Local sales tax	-	-	992,730
Intergovernmental	-	-	484,355
Other	38,391	-	1,185,620
Total revenues	40,131	-	2,662,705
EXPENDITURES			
Debt service:			
Principal retirement	386,650	-	-
Interest and fiscal charges	1,330	2,671	78,491
Capital outlay	789,073	2,175,766	14,630,383
Total expenditures	1,177,053	2,178,437	14,708,874
Excess (deficiency) of revenues over (under) expenditures	(1,136,922)	(2,178,437)	(12,046,169)
OTHER FINANCING SOURCES (USES)			
Issuance of long-term capital debt	349,034	-	-
Transfers from other funds	-	915,188	8,832,891
Transfers to other funds	-	-	-
Total other financing sources (uses)	349,034	915,188	8,832,891
Net change in fund balances	(787,888)	(1,263,249)	(3,213,278)
Fund balances (deficits) - beginning	(828,706)	(1,767,148)	(30,255,066)
Fund balances (deficits) - ending	$ (1,616,594)	$ (3,030,397)	$ (33,468,344)

Sewer Construction	Local Sales Tax CIP	Sales Tax Pledge	ARRA Projects	Total
$ 599,421	$ -	$ -	$ -	$ 601,161
-	-	27,270,769	-	28,263,499
-	-	-	359,483	843,838
-	1,153	-	26,266	1,251,430
599,421	1,153	27,270,769	385,749	30,959,928
1,827,023	-	-	-	2,213,673
21,591	-	-	-	104,083
2,787,576	-	-	348,794	20,731,592
4,636,190	-	-	348,794	23,049,348
(4,036,769)	1,153	27,270,769	36,955	7,910,580
1,874,543	-	-	-	2,223,577
-	9,586,000	-	-	19,334,079
-	(24,806,828)	(28,003,853)	-	(52,810,681)
1,874,543	(15,220,828)	(28,003,853)	-	(31,253,025)
(2,162,226)	(15,219,675)	(733,084)	36,955	(23,342,445)
(9,385,562)	29,985,498	9,000,821	(2,533,682)	(5,783,845)
$ (11,547,788)	$ 14,765,823	$ 8,267,737	$ (2,496,727)	$ (29,126,290)

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2013

	Economic Development	General Fund	Combined General Fund
REVENUES			
Taxes	$ -	$ 85,162,836	$ 85,162,836
Franchise taxes	-	39,282,857	39,282,857
Local sales tax	-	27,071,126	27,071,126
Intergovernmental	-	15,922,483	15,922,483
Licenses and permits	-	2,511,065	2,511,065
Fines and penalties	-	9,385,629	9,385,629
Rentals	520,251	2,267,190	2,787,441
Interest earnings	-	562,029	562,029
Charges for services and sales	338,503	7,894,592	8,233,095
Other	514,288	7,141,179	7,655,467
Total revenues	1,373,042	197,200,986	198,574,028
EXPENDITURES			
General government	3,406,766	28,610,916	32,017,682
Public safety	-	119,604,914	119,604,914
Highways and streets	-	16,675,979	16,675,979
Sanitation	-	2,586,180	2,586,180
Health and welfare	-	3,803,344	3,803,344
Culture and recreation	-	27,490,261	27,490,261
Total expenditures	3,406,766	198,771,594	202,178,360
Excess (deficiency) of revenues over (under) expenditures	(2,033,724)	(1,570,608)	(3,604,332)
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	1,040,000	10,637,891	11,677,891
Transfers to other funds	(114,180)	(6,572,427)	(6,686,607)
Total other financing sources (uses)	925,820	4,065,464	4,991,284
Net change in fund balances	(1,107,904)	2,494,856	1,386,952
Fund balances - beginning	5,502,658	25,664,164	31,166,822
Fund balances - ending	$ 4,394,754	$ 28,159,020	$ 32,553,774

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND

For the year ended December 31, 2013

	Economic Development TIF Districts	Debt Service Fund	Combined Debt Service Fund
REVENUES			
Taxes	$ 2,146,586	$ 27,953,574	$ 30,100,160
Special assessments	-	33,055,594	33,055,594
Local sales tax	-	77,325	77,325
Rentals	99,323	-	99,323
Interest earnings	-	229,159	229,159
Other	205,600	275,954	481,554
Total revenues	2,451,509	61,591,606	64,043,115
EXPENDITURES			
Debt service:			
Principal retirement	-	51,671,665	51,671,665
Interest and fiscal charges	-	20,285,022	20,285,022
Total expenditures	-	71,956,687	71,956,687
Excess (deficiency) of revenues over (under) expenditures	2,451,509	(10,365,081)	(7,913,572)
OTHER FINANCING SOURCES (USES)			
Premiums on bonds sold	-	646,440	646,440
Payments on refunded bonds	-	(35,460,000)	(35,460,000)
Transfers from other funds	-	23,170,180	23,170,180
Transfers to other funds	(2,160,113)	(8,948,448)	(11,108,561)
Total other financing sources (uses)	(2,160,113)	(20,591,828)	(22,751,941)
Net change in fund balances	291,396	(30,956,909)	(30,665,513)
Fund balances - beginning as previously reported	232,603	114,111,647	114,344,250
Prior period adjustment	-	4,614,240	4,614,240
Fund balances - beginning as restated	232,603	118,725,887	118,958,490
Fund balances - ending	$ 523,999	$ 87,768,978	$ 88,292,977

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Local government taxes					
Property taxes	$ 71,493,820	$ 71,493,820	$ 72,629,055	$ 1,135,235	$ 74,094,479
Delinquent property taxes	1,850,000	1,850,000	2,369,036	519,036	1,992,339
IRBs, in-lieu-of-taxes	8,000	8,000	48,016	40,016	(3,397)
WHA, in-lieu-of-taxes	50,000	50,000	45,858	(4,142)	46,208
Motor vehicle tax	10,348,796	10,348,796	10,070,871	(277,925)	10,024,987
Local sales tax	27,155,660	27,155,660	27,071,126	(84,534)	26,174,792
Franchise taxes	39,495,365	39,495,365	39,282,857	(212,508)	37,406,752
Total local government taxes	150,401,641	150,401,641	151,516,819	1,115,178	149,736,160
Licenses and permits	2,858,768	2,858,768	2,511,065	(347,703)	2,546,327
Fines and penalties	11,822,188	11,822,188	9,385,629	(2,436,559)	10,469,494
Intergovernmental	16,714,440	16,714,440	15,922,483	(791,957)	16,192,511
Charges for services and sales	10,192,896	10,192,896	7,894,592	(2,298,304)	8,040,194
Rental/lease income	2,516,665	2,516,665	2,267,190	(249,475)	2,243,685
Interest earnings	480,000	480,000	562,029	82,029	300,882
Reimbursed expenditures	3,781,384	3,781,384	3,831,237	49,853	2,985,799
Administrative fees	3,989,039	3,989,039	3,340,436	(648,603)	4,009,388
Total revenues	202,757,021	202,757,021	197,231,480	(5,525,541)	196,524,440
EXPENDITURES					
City Council:					
Personnel services	614,549	614,549	597,853	16,696	576,771
Contractual services	105,576	105,576	107,233	(1,657)	118,601
Materials and supplies	18,100	18,100	21,027	(2,927)	20,116
Total City Council	738,225	738,225	726,113	12,112	715,488
City Manager:					
Personnel services	1,809,762	1,809,762	1,781,053	28,709	1,745,582
Contractual services	595,985	595,985	263,861	332,124	263,792
Materials and supplies	17,110	17,110	14,057	3,053	12,699
Contingency	-	-	-	-	-
Total City Manager	2,422,857	2,422,857	2,058,971	363,886	2,022,073
Department of Finance:					
Personnel services	3,789,563	3,789,563	3,333,597	455,966	3,317,928
Contractual services	889,242	889,242	654,791	234,451	734,507
Materials and supplies	27,480	27,480	19,669	7,811	17,933
Other expenditures	150,000	150,000	-	150,000	-
Total Department of Finance	4,856,285	4,856,285	4,008,057	848,228	4,070,368
Law Department:					
Personnel services	2,341,984	2,341,984	2,024,755	317,229	2,022,118
Contractual services	277,175	277,175	320,551	(43,376)	254,963
Materials and supplies	6,520	6,520	6,054	466	5,365
Contingency	-	-	-	-	-
Total Law Department	2,625,679	2,625,679	2,351,360	274,319	2,282,446

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
Municipal Court:					
Personnel services	$ 4,769,894	$ 4,769,894	$ 4,304,783	$ 465,111	$ 4,146,545
Contractual services	1,612,245	1,612,245	1,514,845	97,400	1,465,294
Materials and supplies	63,329	63,329	33,971	29,358	39,424
Total Municipal Court	6,445,468	6,445,468	5,853,599	591,869	5,651,263
Fire Department:					
Personnel services	40,429,054	40,429,054	39,335,115	1,093,939	38,533,993
Contractual services	2,003,984	2,003,984	2,460,219	(456,235)	2,024,001
Materials and supplies	988,396	988,396	987,903	493	961,336
Other expenditures	67,495	67,495	-	67,495	64,978
Contingency	(296,735)	(296,735)	-	(296,735)	-
Total Fire Department	43,192,194	43,192,194	42,783,237	408,957	41,584,308
Police Department:					
Personnel services	69,749,445	69,749,445	67,154,999	2,594,446	65,899,134
Contractual services	6,982,200	6,982,200	6,954,883	27,317	6,872,889
Materials and supplies	2,617,785	2,617,785	2,468,287	149,498	2,363,996
Other expenditures	35,430	35,430	10,000	25,430	25,500
Contingency	(1,808,668)	(1,808,668)	-	(1,808,668)	-
Total Police Department	77,576,192	77,576,192	76,588,169	988,023	75,161,519
Housing & Community Services:					
Personnel services	27,107	27,107	38,886	(11,779)	29,618
Contractual services	3,590	3,590	-	3,590	75
Total Housing & Community Services	30,697	30,697	38,886	(8,189)	29,693
Library:					
Personnel services	6,296,442	6,296,442	5,578,703	717,739	5,548,956
Contractual services	1,052,311	1,052,311	1,081,934	(29,623)	988,760
Materials and supplies	755,243	755,243	758,418	(3,175)	756,501
Other expenditures	178,075	178,075	-	178,075	174,102
Contingency	(321,585)	(321,585)	-	(321,585)	-
Engineering overhead	-	-	3,119	(3,119)	-
Total Library	7,960,486	7,960,486	7,422,174	538,312	7,468,319
CMO - Cultural Arts Division:					
Personnel services	4,852,993	4,852,993	4,007,646	845,347	4,121,677
Contractual services	2,941,776	2,941,776	3,263,863	(322,087)	3,142,311
Materials and supplies	214,500	214,500	176,337	38,163	162,408
Other expenditures	55,000	55,000	58,018	(3,018)	45,967
Contingency	(99,328)	(99,328)	-	(99,328)	-
Total CMO - Cultural Arts Division	7,964,941	7,964,941	7,505,864	459,077	7,472,363

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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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
Public Works & Utilities:					
Personnel services	$ 7,295,250	$ 7,295,250	$ 6,580,566	$ 714,684	$ 6,008,456
Contractual services	7,170,342	7,170,342	7,120,758	49,584	6,704,208
Materials and supplies	784,521	784,521	925,003	(140,482)	825,743
Capital outlay	192,000	192,000	14,833	177,167	7,390
Contingency	(207,268)	(207,268)	-	(207,268)	-
Total Public Works & Utilities	15,234,845	15,234,845	14,641,160	593,685	13,545,797
Park:					
Personnel services	8,463,292	8,463,292	7,697,502	765,790	7,852,834
Contractual services	4,248,814	4,248,814	4,094,802	154,012	4,376,803
Materials and supplies	850,323	850,323	699,425	150,898	723,181
Capital outlay	20,000	20,000	5,595	14,405	-
Other expenditures	56,740	56,740	27,089	29,651	61,213
Contingency	(307,583)	(307,583)	-	(307,583)	-
Engineering overhead	-	-	97	(97)	-
Total Park	13,331,586	13,331,586	12,524,510	807,076	13,014,031
Non Departmental:					
Personnel services	-	-	-	-	46,206
Contractual services	3,245,642	3,245,642	3,253,237	(7,595)	2,917,526
Materials and supplies	46,485	46,485	30,410	16,075	19,793
Contingency	(2,613,439)	(2,613,439)	44,223	(2,657,662)	49,336
Total Non Departmental	678,688	678,688	3,327,870	(2,649,182)	3,032,861
Metro Area Building & Construction:					
Personnel services	541,610	541,610	455,436	86,174	363,005
Contractual services	322,029	322,029	317,533	4,496	273,530
Materials and supplies	14,796	14,796	11,578	3,218	11,227
Total Metro Area Building & Construction	878,435	878,435	784,547	93,888	647,762
Human Resources:					
Personnel services	1,172,578	1,172,578	1,006,874	165,704	1,020,222
Contractual services	223,037	223,037	126,810	96,227	200,206
Materials and supplies	11,000	11,000	9,191	1,809	8,048
Contingency	-	-	-	-	-
Total Human Resources	1,406,615	1,406,615	1,142,875	263,740	1,228,476

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
Public Works-Gas Tax:					
Personnel services	$ 10,599,183	$ 10,599,183	$ 8,562,879	$ 2,036,304	$ 8,580,289
Contractual services	8,069,002	8,069,002	6,458,305	1,610,697	7,009,143
Materials and supplies	3,017,303	3,017,303	2,285,641	731,662	2,194,283
Capital outlay	60,000	60,000	86,188	(26,188)	21,958
Other expenditures	108,727	108,727	26,266	82,461	104,736
Contingency	(340,200)	(340,200)	-	(340,200)	-
Engineering overhead	228,000	228,000	117,262	110,738	146,186
Total Public Works-Gas Tax	21,742,015	21,742,015	17,536,541	4,205,474	18,056,595
Total expenditures	207,085,208	207,085,208	199,293,933	7,791,275	195,983,362
Excess (deficiency) of revenues over (under) expenditures	(4,328,187)	(4,328,187)	(2,062,453)	2,265,734	541,078
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	11,195,815	11,195,815	10,637,891	(557,924)	10,181,762
Transfers to other funds	(6,867,628)	(6,867,628)	(6,572,427)	295,201	(10,510,811)
Total other financing sources (uses)	4,328,187	4,328,187	4,065,464	(262,723)	(329,049)
Net change in fund balances	-	-	2,003,011	2,003,011	212,029
Unencumbered fund balances - beginning	23,124,934	23,124,934	23,336,963	212,029	23,124,934
Unencumbered fund balances - ending	$ 23,124,934	$ 23,124,934	$ 25,339,974	$ 2,215,040	$ 23,336,963

The 2013 certified expenditure budget is $226,147,836 including an appropriated reserve of $12,195,000.

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Other revenue	$ -	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-	-
EXPENDITURES					
General Government:					
Other operating expenditures	1,146,848	1,146,848	-	1,146,848	-
Total expenditures	1,146,848	1,146,848	-	1,146,848	-
Excess (deficiency) of revenues over (under) expenditures	(1,146,848)	(1,146,848)	-	1,146,848	-
Net change in fund balances	(1,146,848)	(1,146,848)	-	1,146,848	-
Unencumbered fund balances - beginning	1,146,848	1,146,848	1,821,848	675,000	1,821,848
Unencumbered fund balances - ending	$ -	$ -	$ 1,821,848	$ 1,821,848	$ 1,821,848

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 400,500	$ 400,500	$ 338,503	$ (61,997)	$ 311,561
Rental/lease income	424,060	424,060	520,251	96,191	489,208
Other revenue	103,625	103,625	177,313	73,688	124,740
Administrative fees	238,500	238,500	336,975	98,475	270,511
Total revenues	1,166,685	1,166,685	1,373,042	206,357	1,196,020
EXPENDITURES					
General Government:					
Personnel services	453,318	453,318	449,996	3,322	438,204
Contractual services	1,907,074	1,907,074	1,913,958	(6,884)	1,999,383
Materials and supplies	30,250	30,250	14,979	15,271	3,198
Capital outlay	-	-	907	(907)	-
Other operating expenditures	1,786,188	1,786,188	612,873	1,173,315	608,323
Total expenditures	4,176,830	4,176,830	2,992,713	1,184,117	3,049,108
Excess (deficiency) of revenues over (under) expenditures	(3,010,145)	(3,010,145)	(1,619,671)	1,390,474	(1,853,088)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	1,150,000	1,150,000	1,040,000	(110,000)	3,650,000
Transfers to other funds	(114,180)	(114,180)	(114,180)	-	(114,180)
Total other financing sources (uses)	1,035,820	1,035,820	925,820	(110,000)	3,535,820
Net change in fund balances	(1,974,325)	(1,974,325)	(693,851)	1,280,474	1,682,732
Unencumbered fund balances - beginning	2,150,679	2,150,679	4,002,230	1,851,551	2,319,498
Unencumbered fund balances - ending	$ 176,354	$ 176,354	$ 3,308,379	$ 3,132,025	$ 4,002,230

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental	$ 191,368	$ 191,368	$ 169,846	$ (21,522)	$ 160,598
Total revenues	191,368	191,368	169,846	(21,522)	160,598
EXPENDITURES					
Health and Welfare:					
Contractual services	382,736	382,736	340,115	42,621	321,452
Total expenditures	382,736	382,736	340,115	42,621	321,452
Excess (deficiency) of revenues over (under) expenditures	(191,368)	(191,368)	(170,269)	21,099	(160,854)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	191,368	191,368	170,269	(21,099)	160,854
Total other financing sources (uses)	191,368	191,368	170,269	(21,099)	160,854
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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 6,346,376	$ 6,346,376	$ 6,360,256	$ 13,880	$ 6,099,845
Other revenue	-	-	59,175	59,175	111,625
Total revenues	6,346,376	6,346,376	6,419,431	73,055	6,211,470
EXPENDITURES					
Culture and Recreation:					
Contractual services	2,674,357	2,674,357	2,582,537	91,820	2,477,600
Total expenditures	2,674,357	2,674,357	2,582,537	91,820	2,477,600
Excess (deficiency) of revenues over (under) expenditures	3,672,019	3,672,019	3,836,894	164,875	3,733,870
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(5,031,225)	(5,031,225)	(3,838,572)	1,192,653	(3,659,292)
Total other financing sources (uses)	(5,031,225)	(5,031,225)	(3,838,572)	1,192,653	(3,659,292)
Net change in fund balances	(1,359,206)	(1,359,206)	(1,678)	1,357,528	74,578
Unencumbered fund balances - beginning	1,742,177	1,742,177	2,696,510	954,333	2,621,932
Unencumbered fund balances - ending	$ 382,971	$ 382,971	$ 2,694,832	$ 2,311,861	$ 2,696,510

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental	$ 1,872,600	$ 1,872,600	$ 1,862,049	$ (10,551)	$ 1,773,776
Other revenue	-	-	207,763	207,763	65,635
Total revenues	1,872,600	1,872,600	2,069,812	197,212	1,839,411
EXPENDITURES					
Health and Welfare:					
Contractual services	1,855,619	1,855,619	1,829,763	25,856	1,639,942
Other operating expenditures	145,000	145,000	125,000	20,000	125,000
Total expenditures	2,000,619	2,000,619	1,954,763	45,856	1,764,942
Excess (deficiency) of revenues over (under) expenditures	(128,019)	(128,019)	115,049	243,068	74,469
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	-	-	-	-	(40,000)
Total other financing sources (uses)	-	-	-	-	(40,000)
Net change in fund balances	(128,019)	(128,019)	115,049	243,068	34,469
Unencumbered fund balances - beginning	215,616	215,616	279,681	64,065	245,212
Unencumbered fund balances - ending	$ 87,597	$ 87,597	$ 394,730	$ 307,133	$ 279,681

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental	$ 1,872,599	$ 1,872,599	$ 1,862,049	$ (10,550)	$ 1,773,776
Total revenues	1,872,599	1,872,599	1,862,049	(10,550)	1,773,776
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(1,872,599)	(1,872,599)	(1,818,718)	53,881	(1,773,776)
Total other financing sources (uses)	(1,872,599)	(1,872,599)	(1,818,718)	53,881	(1,773,776)
Net change in fund balances	-	-	43,331	43,331	-
Unencumbered fund balances - beginning	-	-	-	-	-
Unencumbered fund balances - ending	$ -	$ -	$ 43,331	$ 43,331	$ -

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 1,154,483	$ 1,154,483	$ 1,143,761	$ (10,722)	$ 977,835
Rental/lease income	64,000	64,000	13,122	(50,878)	11,169
Other revenue	-	-	7,743	7,743	24,200
Total revenues	1,218,483	1,218,483	1,164,626	(53,857)	1,013,204
EXPENDITURES					
Sanitation:					
Personnel services	-	-	47,498	(47,498)	87,713
Contractual services	914,213	914,213	539,038	375,175	620,288
Materials and supplies	11,012	11,012	7,888	3,124	7,960
Other operating expenditures	3,050,000	3,050,000	-	3,050,000	-
Total expenditures	3,975,225	3,975,225	594,424	3,380,801	715,961
Excess (deficiency) of revenues over (under) expenditures	(2,756,742)	(2,756,742)	570,202	3,326,944	297,243
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(300,000)	(300,000)	(300,000)	-	(125,000)
Total other financing sources (uses)	(300,000)	(300,000)	(300,000)	-	(125,000)
Net change in fund balances	(3,056,742)	(3,056,742)	270,202	3,326,944	172,243
Unencumbered fund balances - beginning	3,268,899	3,268,899	3,371,419	102,520	3,199,176
Unencumbered fund balances - ending	$ 212,157	$ 212,157	$ 3,641,621	$ 3,429,464	$ 3,371,419

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Other revenue	$ -	$ -	$ -	$ -	$ 934
Total revenues	-	-	-	-	934
EXPENDITURES					
Sanitation:					
Personnel services	276,503	276,503	202,221	74,282	239,935
Contractual services	701,151	701,151	186,512	514,639	360,658
Materials and supplies	19,953	19,953	20,027	(74)	6,211
Other operating expenditures	17,525,000	17,525,000	-	17,525,000	-
Total expenditures	18,522,607	18,522,607	408,760	18,113,847	606,804
Excess (deficiency) of revenues over (under) expenditures	(18,522,607)	(18,522,607)	(408,760)	18,113,847	(605,870)
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(300,000)	(300,000)	(300,000)	-	(50,000)
Total other financing sources (uses)	(300,000)	(300,000)	(300,000)	-	(50,000)
Net change in fund balances	(18,822,607)	(18,822,607)	(708,760)	18,113,847	(655,870)
Unencumbered fund balances - beginning	19,757,809	19,757,809	20,416,522	658,713	21,072,392
Unencumbered fund balances - ending	$ 935,202	$ 935,202	$ 19,707,762	$ 18,772,560	$ 20,416,522

CITY OF WICHITA, KANSAS

METRO AREA BUILDING & CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 586	$ 586	$ -	$ (586)	$ -
Licenses	496,523	496,523	583,596	87,073	597,529
Permits	5,606,436	5,606,436	4,371,934	(1,234,502)	4,279,846
Fines and penalties	11,988	11,988	5,513	(6,475)	6,326
Charges for services and sales	918,198	918,198	908,863	(9,335)	769,399
Fees	-	-	-	-	72
Other revenue	1,000	1,000	-	(1,000)	442
Total revenues	7,034,731	7,034,731	5,869,906	(1,164,825)	5,653,614
EXPENDITURES					
Public Safety:					
Personnel services	4,131,177	4,131,177	3,917,287	213,890	3,857,728
Contractual services	1,009,613	1,009,613	1,205,269	(195,656)	938,342
Materials and supplies	111,407	111,407	80,002	31,405	86,710
Other operating expenditures	2,181,671	2,181,671	762,431	1,419,240	66,994
Total expenditures	7,433,868	7,433,868	5,964,989	1,468,879	4,949,774
Excess (deficiency) of revenues over (under) expenditures	(399,137)	(399,137)	(95,083)	304,054	703,840
Net change in fund balances	(399,137)	(399,137)	(95,083)	304,054	703,840
Unencumbered fund balances - beginning	549,581	549,581	1,057,530	507,949	353,690
Unencumbered fund balances - ending	$ 150,444	$ 150,444	$ 962,447	$ 812,003	$ 1,057,530

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 461,600	$ 461,600	$ 274,110	$ (187,490)	$ 247,616
Rental/lease income	-	-	644	644	-
Total revenues	461,600	461,600	274,754	(186,846)	247,616
EXPENDITURES					
General Government:					
Contractual services	417,975	417,975	197,800	220,175	165,960
Materials and supplies	5,000	5,000	-	5,000	1,077
Other operating expenditures	58,625	58,625	66,841	(8,216)	37,026
Total expenditures	481,600	481,600	264,641	216,959	204,063
Excess (deficiency) of revenues over (under) expenditures	(20,000)	(20,000)	10,113	30,113	43,553
Net change in fund balances	(20,000)	(20,000)	10,113	30,113	43,553
Unencumbered fund balances - beginning	34,310	34,310	77,863	43,553	34,310
Unencumbered fund balances - ending	$ 14,310	$ 14,310	$ 87,976	$ 73,666	$ 77,863

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 18,000	$ 18,000	$ 40,215	$ 22,215	$ 41,438
Rental/lease income	245,000	245,000	130,171	(114,829)	455,523
Other revenue	-	-	-	-	489
Total revenues	263,000	263,000	170,386	(92,614)	497,450
EXPENDITURES					
General Government:					
Personnel services	-	-	155	(155)	880
Contractual services	255,013	255,013	292,708	(37,695)	240,561
Materials and supplies	6,420	6,420	6,980	(560)	4,132
Other operating expenditures	325,000	325,000	-	325,000	-
Total expenditures	586,433	586,433	299,843	286,590	245,573
Excess (deficiency) of revenues over (under) expenditures	(323,433)	(323,433)	(129,457)	193,976	251,877
Net change in fund balances	(323,433)	(323,433)	(129,457)	193,976	251,877
Unencumbered fund balances - beginning	350,774	350,774	604,812	254,038	352,935
Unencumbered fund balances - ending	$ 27,341	$ 27,341	$ 475,355	$ 448,014	$ 604,812

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 2,670,440	$ 2,670,440	$ 2,721,226	$ 50,786	$ 2,755,346
Intergovernmental	130,000	130,000	-	(130,000)	-
Other revenue	110,000	110,000	261,326	151,326	183,848
Total revenues	2,910,440	2,910,440	2,982,552	72,112	2,939,194
EXPENDITURES					
Health and Welfare:					
Contractual services	1,200,122	1,200,122	335,151	864,971	344,819
Materials and supplies	49,124	49,124	27,170	21,954	42,729
Other operating expenditures	6,128,253	6,128,253	189,837	5,938,416	184,475
Total expenditures	7,377,499	7,377,499	552,158	6,825,341	572,023
Excess (deficiency) of revenues over (under) expenditures	(4,467,059)	(4,467,059)	2,430,394	6,897,453	2,367,171
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(348,050)	(348,050)	(366,910)	(18,860)	(1,383,710)
Total other financing sources (uses)	(348,050)	(348,050)	(366,910)	(18,860)	(1,383,710)
Net change in fund balances	(4,815,109)	(4,815,109)	2,063,484	6,878,593	983,461
Unencumbered fund balances - beginning	5,107,626	5,107,626	6,491,157	1,383,531	5,507,696
Unencumbered fund balances - ending	$ 292,517	$ 292,517	$ 8,554,641	$ 8,262,124	$ 6,491,157

CITY OF WICHITA, KANSAS

NORTH INDUSTRIAL CORRIDOR TIF DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 1,165,500	$ 1,165,500	$ 1,176,956	$ 11,456	$ 1,185,183
Total revenues	1,165,500	1,165,500	1,176,956	11,456	1,185,183
EXPENDITURES					
Health and Welfare:					
Contractual services	1,437,307	1,437,307	500,728	936,579	42,065
Materials and supplies	4,500	4,500	-	4,500	128
Capital outlay	23,000	23,000	-	23,000	-
Other operating expenditures	7,019,489	7,019,489	189,837	6,829,652	183,115
Total expenditures	8,484,296	8,484,296	690,565	7,793,731	225,308
Excess (deficiency) of revenues over (under) expenditures	(7,318,796)	(7,318,796)	486,391	7,805,187	959,875
Net change in fund balances	(7,318,796)	(7,318,796)	486,391	7,805,187	959,875
Unencumbered fund balances - beginning	7,722,097	7,722,097	9,162,546	1,440,449	8,202,671
Unencumbered fund balances - ending	$ 403,301	$ 403,301	$ 9,648,937	$ 9,245,636	$ 9,162,546

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 571,206	$ 571,206	$ 584,171	$ 12,965	$ 573,269
Other revenue	51,604	51,604	-	(51,604)	-
Total revenues	622,810	622,810	584,171	(38,639)	573,269
EXPENDITURES					
General Government:					
Contractual services	622,810	622,810	584,171	38,639	587,928
Total expenditures	622,810	622,810	584,171	38,639	587,928
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	(14,659)
Net change in fund balances	-	-	-	-	(14,659)
Unencumbered fund balances - beginning	-	-	-	-	14,659
Unencumbered fund balances - ending	$ -	$ -	$ -	$ -	$ -

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental	$ 1,017,890	$ 1,017,890	$ 898,967	$ (118,923)	$ 862,055
Charges for services and sales	-	-	-	-	202
Other revenue	-	-	173	173	-
Total revenues	1,017,890	1,017,890	899,140	(118,750)	862,257
EXPENDITURES					
Public Safety:					
Personnel services	1,191,077	1,191,077	1,075,391	115,686	1,000,287
Contractual services	521,178	521,178	483,401	37,777	432,538
Materials and supplies	320,871	320,871	239,315	81,556	290,212
Other operating expenditures	2,654	2,654	-	2,654	1,275
Total expenditures	2,035,780	2,035,780	1,798,107	237,673	1,724,312
Excess (deficiency) of revenues over (under) expenditures	(1,017,890)	(1,017,890)	(898,967)	118,923	(862,055)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	1,017,890	1,017,890	898,967	(118,923)	862,055
Total other financing sources (uses)	1,017,890	1,017,890	898,967	(118,923)	862,055
Net change in fund balances	-	-	-	-	-
Unencumbered fund balances - beginning	-	-	-	-	-
Unencumbered fund balances - ending	$ -	$ -	$ -	$ -	$ -

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental	$ 740,341	$ 740,341	$ 685,404	$ (54,937)	$ 763,674
Charges for services and sales	197,427	197,427	168,794	(28,633)	162,623
Other revenue	-	-	20	20	4,168
Total revenues	937,768	937,768	854,218	(83,550)	930,465
EXPENDITURES					
General Government:					
Personnel services	1,469,380	1,469,380	1,408,231	61,149	1,531,491
Contractual services	179,299	179,299	100,627	78,672	144,016
Materials and supplies	16,930	16,930	16,764	166	6,132
Total expenditures	1,665,609	1,665,609	1,525,622	139,987	1,681,639
Excess (deficiency) of revenues over (under) expenditures	(727,841)	(727,841)	(671,404)	56,437	(751,174)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	740,341	740,341	685,404	(54,937)	763,674
Transfers to other funds	(12,500)	(12,500)	(14,000)	(1,500)	(12,500)
Total other financing sources (uses)	727,841	727,841	671,404	(56,437)	751,174
Net change in fund balances	-	-	-	-	-
Unencumbered fund balances - beginning	-	-	-	-	-
Unencumbered fund balances - ending	$ -	$ -	$ -	$ -	$ -

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 27,155,660	$ 27,155,660	$ 27,270,769	$ 115,109	$ 26,273,117
Total revenues	27,155,660	27,155,660	27,270,769	115,109	26,273,117
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(35,216,002)	(35,216,002)	(28,003,853)	7,212,149	(27,462,387)
Total other financing sources (uses)	(35,216,002)	(35,216,002)	(28,003,853)	7,212,149	(27,462,387)
Net change in fund balances	(8,060,342)	(8,060,342)	(733,084)	7,327,258	(1,189,270)
Unencumbered fund balances - beginning	9,023,332	9,023,332	9,000,821	(22,511)	10,190,091
Unencumbered fund balances - ending	$ 962,990	$ 962,990	$ 8,267,737	$ 7,304,747	$ 9,000,821

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Property taxes	$ 23,490,051	$ 23,490,051	$ 23,868,654	$ 378,603	$ 22,425,179
Delinquent property taxes	900,000	900,000	777,267	(122,733)	698,271
Special assessments	34,370,961	34,370,961	30,309,890	(4,061,071)	30,643,098
Delinquent special assessments	2,057,415	2,057,415	2,745,704	688,289	2,156,842
Motor vehicle tax	3,398,759	3,398,759	3,307,653	(91,106)	3,070,457
Local sales tax	-	-	77,325	77,325	20,587
Sale of property	-	-	-	-	184,600
Interest earnings	100,000	100,000	10,785	(89,215)	41,892
Other revenue	765,922	765,922	275,954	(489,968)	375,444
Total revenues	65,083,108	65,083,108	61,373,232	(3,709,876)	59,616,370
EXPENDITURES					
Interest on general obligation bonds	-	-	8,016,062	8,016,062	7,951,088
Interest on special assessment bonds	-	-	8,578,057	8,578,057	9,050,088
Interest on HUD Section 108 loan	-	-	22,155	22,155	42,813
Commission, postage and refunds	-	-	1,000	1,000	1,750
Retirement of general obligation bonds	63,394,649	63,394,649	27,871,665	(35,522,984)	27,584,944
Retirement of special assessment bonds	17,323,839	17,323,839	23,450,000	6,126,161	23,850,000
Retirement of HUD Section 108 loan	-	-	350,000	350,000	330,000
Reimbursements-interfund & interdepart	-	-	112,705	112,705	37,658
Other expenditures	-	-	4,542	4,542	16,186
Total expenditures	80,718,488	80,718,488	68,406,186	(12,312,302)	68,864,527
Excess (deficiency) of revenues over (under) expenditures	(15,635,380)	(15,635,380)	(7,032,954)	8,602,426	(9,248,157)
OTHER FINANCING SOURCES (USES)					
Premiums on bonds sold	-	-	646,440	646,440	2,104,958
Transfers from other funds	28,710,277	28,710,277	23,170,180	(5,540,097)	21,983,833
Transfers to other funds - retirement of temporary notes	(16,200,000)	(16,200,000)	(8,948,448)	7,251,552	(20,403,885)
Total other financing sources (uses)	12,510,277	12,510,277	14,868,172	2,357,895	3,684,906
Net change in unencumbered cash balances	(3,125,103)	(3,125,103)	7,835,218	10,960,321	(5,563,251)
Unencumbered fund balances - as previously reported	7,711,180	7,711,180	17,799,596	10,088,416	23,362,847
Prior period adjustment	-	-	4,614,240	4,614,240	-
Unencumbered fund balances - beginning as restated	7,711,180	7,711,180	22,413,836	14,702,656	23,362,847
Unencumbered fund balances - ending	$ 4,586,077	$ 4,586,077	$ 30,249,054	$ 25,662,977	$ 17,799,596

CITY OF WICHITA, KANSAS

DEBT SERVICE FUND - EAST BANK TIF DISTRICT SUBFUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 1,951,988	$ 1,951,988	$ 1,639,473	$ (312,515)	$ 1,577,399
Rental/lease income	25,000	25,000	50,027	25,027	21,874
Total revenues	1,976,988	1,976,988	1,689,500	(287,488)	1,599,273
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(2,145,000)	(2,145,000)	(1,580,000)	565,000	(1,806,647)
Total other financing sources (uses)	(2,145,000)	(2,145,000)	(1,580,000)	565,000	(1,806,647)
Net change in fund balances	(168,012)	(168,012)	109,500	277,512	(207,374)
Unencumbered fund balances - beginning	204,409	204,409	47	(204,362)	207,421
Unencumbered fund balances - ending	$ 36,397	$ 36,397	$ 109,547	$ 73,150	$ 47

CITY OF WICHITA, KANSAS

DEBT SERVICE FUND - 21ST STREET & GROVE TIF DISTRICT SUBFUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 167,236	$ 167,236	$ 142,587	$ (24,649)	$ 208,056
Interest earnings	1,000	1,000	-	(1,000)	-
Total revenues	168,236	168,236	142,587	(25,649)	208,056
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(165,000)	(165,000)	(165,000)	-	(165,000)
Total other financing sources (uses)	(165,000)	(165,000)	(165,000)	-	(165,000)
Net change in fund balances	3,236	3,236	(22,413)	(25,649)	43,056
Unencumbered fund balances - beginning	811	811	43,056	42,245	-
Unencumbered fund balances - ending	$ 4,047	$ 4,047	$ 20,643	$ 16,596	$ 43,056

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 400,000	$ 400,000	$ 289,217	$ (110,783)	$ 182,782
Rental/lease income	50,000	50,000	49,296	(704)	100,409
Other revenue	-	-	45,000	45,000	-
Total revenues	450,000	450,000	383,513	(66,487)	283,191
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(550,000)	(550,000)	(383,513)	166,487	(348,868)
Total other financing sources (uses)	(550,000)	(550,000)	(383,513)	166,487	(348,868)
Net change in fund balances	(100,000)	(100,000)	-	100,000	(65,677)
Unencumbered fund balances - beginning	110,677	110,677	-	(110,677)	65,677
Unencumbered fund balances - ending	$ 10,677	$ 10,677	$ -	$ (10,677)	$ -

CITY OF WICHITA, KANSAS

DEBT SERVICE FUND - NORTHEAST REDEVELOPMENT TIF DISTRICT SUBFUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 36,468	$ 36,468	$ 31,694	$ (4,774)	$ 31,615
Total revenues	36,468	36,468	31,694	(4,774)	31,615
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(36,000)	(36,000)	(31,600)	4,400	(31,615)
Total other financing sources (uses)	(36,000)	(36,000)	(31,600)	4,400	(31,615)
Net change in fund balances	468	468	94	(374)	-
Unencumbered fund balances - beginning	468	468	-	(468)	-
Unencumbered fund balances - ending	$ 936	$ 936	$ 94	$ (842)	$ -

CITY OF WICHITA, KANSAS

DEBT SERVICE FUND - KEN MAR TIF DISTRICT SUBFUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Taxes and levies	$ 160,600	$ 160,600	$ -	$ (160,600)	$ -
Other revenue	-	-	160,600	160,600	-
Total revenues	160,600	160,600	160,600	-	-
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(160,600)	(160,600)	-	160,600	-
Total other financing sources (uses)	(160,600)	(160,600)	-	160,600	-
Net change in fund balances	-	-	160,600	160,600	-
Unencumbered fund balances - beginning	-	-	2,930	2,930	2,930
Unencumbered fund balances - ending	$ -	$ -	$ 163,530	$ 163,530	$ 2,930

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012
	Original	Final	Actual Amounts		Actual Amounts
REVENUES					
Licenses	$ 2,650	$ 2,650	$ 1,860	$ (790)	$ 3,640
Interest earnings	12,000	12,000	23,057	11,057	21,210
Other revenue	-	-	-	-	248
Total revenues	14,650	14,650	24,917	10,267	25,098
EXPENDITURES					
General Government:					
Personnel services	4,292	4,292	-	4,292	-
Contractual services	78,050	78,050	53,031	25,019	48,699
Materials and supplies	3,500	3,500	-	3,500	8
Total expenditures	85,842	85,842	53,031	32,811	48,707
Excess (deficiency) of revenues over (under) expenditures	(71,192)	(71,192)	(28,114)	43,078	(23,609)
Net change in fund balances	(71,192)	(71,192)	(28,114)	43,078	(23,609)
Unencumbered fund balances - beginning	743,045	743,045	789,898	46,853	813,507
Unencumbered fund balances - ending	$ 671,853	$ 671,853	$ 761,784	$ 89,931	$ 789,898

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CITY OF WICHITA

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 major enterprise funds are reported in the Financial Section of this CAFR. Budgetary schedules for funds that have a legal budget compliance component are contained in this section. The major enterprise funds are as follows:

The **Water Utility** operates and maintains the potable water supply system.

The **Sewer Utility** operates and maintains the wastewater disposal system and wastewater treatment plants.

The **Airport Authority** operates and maintains the facilities for commercial, commuter and pleasure air transportation.

The **Stormwater Utility** operates and maintains the assets that comprise the surface water drainage and control system.

The following nonmajor enterprise funds are reported in this section:

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

The **Transit Fund** operates the public bus service through fixed route and para-transit services.

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2013

	Golf Course System	Transit	Total
ASSETS			
Current assets:			
Cash and temporary investments	$ 596,793	$ -	$ 596,793
Receivables, net	1,763	220,491	222,254
Due from other funds	-	141,281	141,281
Due from other agencies	-	1,688,653	1,688,653
Inventories	-	307,201	307,201
Total current assets	598,556	2,357,626	2,956,182
Noncurrent assets:			
Capital assets:			
Land	727,968	1,880,750	2,608,718
Buildings	2,820,781	12,616,447	15,437,228
Improvements other than buildings	14,316,362	626,092	14,942,454
Machinery, equipment and other assets	1,728,933	22,340,697	24,069,630
Construction in progress	-	2,300	2,300
Less accumulated depreciation	(13,353,707)	(21,301,448)	(34,655,155)
Total noncurrent assets	6,240,337	16,164,838	22,405,175
Total assets	6,838,893	18,522,464	25,361,357
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	106,439	274,644	381,083
Accrued interest payable	5,649	-	5,649
Deposits	2,160	-	2,160
Current portion of long-term obligations:			
General obligation bonds payable	660,000	-	660,000
Compensated absences	105,564	172,897	278,461
Total current liabilities	879,812	447,541	1,327,353
Noncurrent liabilities:			
Due to other funds	4,924,179	3,006,460	7,930,639
General obligation bonds payable	695,000	-	695,000
Compensated absences	330	-	330
Total noncurrent liabilities	5,619,509	3,006,460	8,625,969
Total liabilities	6,499,321	3,454,001	9,953,322
NET POSITION			
Net investment in capital assets	4,885,337	16,164,838	21,050,175
Restricted for capital projects	-	28,139	28,139
Unrestricted	(4,545,765)	(1,124,514)	(5,670,279)
Total net position	$ 339,572	$ 15,068,463	$ 15,408,035

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2013

	Golf Course System	Transit	Total
OPERATING REVENUES			
Charges for services and sales	$ 544,875	$ 1,981,424	$ 2,526,299
Fees	2,816,398	-	2,816,398
Rentals	820,907	68,640	889,547
Other	41,049	216,591	257,640
Total operating revenues	4,223,229	2,266,655	6,489,884
OPERATING EXPENSES			
Personnel services	2,303,822	6,901,775	9,205,597
Contractual services	768,577	3,121,487	3,890,064
Materials and supplies	797,411	2,272,213	3,069,624
Administrative charges	198,353	208,140	406,493
Depreciation	653,121	2,714,208	3,367,329
Total operating expenses	4,721,284	15,217,823	19,939,107
Operating loss	(498,055)	(12,951,168)	(13,449,223)
NONOPERATING REVENUES (EXPENSES)			
Operating grants	-	7,139,144	7,139,144
Other expenses	-	(60,366)	(60,366)
Interest expense	(97,303)	-	(97,303)
Loss from sale of assets	-	(16,943)	(16,943)
Total nonoperating revenues (expenses)	(97,303)	7,061,835	6,964,532
Loss before contributions and transfers	(595,358)	(5,889,333)	(6,484,691)
Capital contributions and operating transfers:			
Capital contributions - cash	-	1,369,207	1,369,207
Transfers from other funds	-	3,489,080	3,489,080
Transfers to other funds	(71,232)	(44,538)	(115,770)
Change in net position	(666,590)	(1,075,584)	(1,742,174)
Net position - beginning	1,006,162	16,144,047	17,150,209
Net position - ending	$ 339,572	$ 15,068,463	$ 15,408,035

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the year ended December 31, 2013

	Golf Course System	Transit	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 4,180,866	$ 1,921,455	$ 6,102,321
Cash payments to suppliers for goods and services	(1,793,573)	(6,294,060)	(8,087,633)
Cash payments to employees for services	(2,323,929)	(6,905,216)	(9,229,145)
Other operating revenues	41,050	-	41,050
Net cash provided (used) by operating activities	104,414	(11,277,821)	(11,173,407)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants received	-	5,940,190	5,940,190
Interfund loans	-	1,826,960	1,826,960
Transfers from other funds	-	3,489,080	3,489,080
Transfers to other funds	(71,232)	(44,538)	(115,770)
Net cash provided (used) by noncapital financing activities	(71,232)	11,211,692	11,140,460
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Additions to property, plant and equipment	(70,852)	(1,558,588)	(1,629,440)
Principal payment on long-term debt	(310,061)	-	(310,061)
Interest payment on long-term debt	(99,990)	-	(99,990)
Capital contributions	-	1,624,717	1,624,717
Net cash provided (used) by capital and related financing activities	(480,903)	66,129	(414,774)
Net decrease in cash and temporary investments	(447,721)	-	(447,721)
Cash and temporary investments - January 1	1,044,514	-	1,044,514
Cash and temporary investments - December 31	$ 596,793	$ -	$ 596,793
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating loss	$ (498,055)	$ (12,951,168)	$ (13,449,223)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	653,121	2,714,208	3,367,329
Changes in assets and liabilities:			
Increase in accounts receivable	(1,100)	(343,186)	(344,286)
Decrease in accounts payable/accrued expenses	(29,232)	(694,234)	(723,466)
Decrease in deposits	(214)	-	(214)
Decrease in compensated absences	(20,106)	(3,441)	(23,547)
Total adjustments	602,469	1,673,347	2,275,816
Net cash provided (used) by operating activities	$ 104,414	$ (11,277,821)	$ (11,173,407)
Noncash, investing, capital and financing activities:			
Contribution of capital assets	$ -	$ -	$ -

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 77,076,430	$ 77,186,700	$ 66,858,814	$ (10,327,886)	$ 81,987,283
Fees	-	-	135,901	135,901	-
Rental/lease income	28,560	28,560	35,469	6,909	26,636
Interest earnings	-	-	129,722	129,722	34,671
Other revenue	1,000	1,000	193,474	192,474	276,500
Total revenues	77,105,990	77,216,260	67,353,380	(9,862,880)	82,325,090
EXPENDITURES					
Personnel services	9,144,230	9,200,813	9,549,396	(348,583)	9,190,191
Contractual services	12,409,618	13,100,392	11,811,395	1,288,997	12,745,610
Materials and supplies	4,833,351	4,886,015	4,385,141	500,874	4,604,071
Capital outlay	3,512,280	3,550,870	708,656	2,842,214	1,239,140
Other operating expenses	587,001	761,172	761,172	-	554,363
Interest - deferred refunding revenue bonds	167,605	167,605	277,188	(109,583)	156,378
City administrative charges	1,160,546	738,797	738,797	-	1,095,996
Debt service	29,456,428	31,869,481	24,820,694	7,048,787	25,527,264
Other non-operating expenses	6,750	6,750	44,491	(37,741)	45,050
Cost of materials used	2,110,000	2,110,000	346,010	1,763,990	310,323
Bond amortization expense	(304,837)	(304,837)	(859,176)	554,339	(554,847)
Contingency	1,000,000	515,000	-	515,000	-
Franchise taxes	3,524,363	4,099,364	4,099,364	-	3,977,359
Total expenditures	67,607,335	70,701,422	56,683,128	14,018,294	58,890,898
Excess of revenues over expenditures	9,498,655	6,514,838	10,670,252	4,155,414	23,434,192
OTHER FINANCING USES					
Transfers to other funds	(2,432,680)	(2,482,680)	(2,427,898)	54,782	(2,322,457)
Total other financing uses	(2,432,680)	(2,482,680)	(2,427,898)	54,782	(2,322,457)
Net change in unencumbered cash balances	7,065,975	4,032,158	8,242,354	4,210,196	21,111,735
Unencumbered cash - beginning	77,886,434	90,900,904	90,900,904	-	73,416,021
Decrease in other cash flows	-	-	(16,467,105)	(16,467,105)	(3,626,852)
Unencumbered cash - ending	$ 84,952,409	$ 94,933,062	$ 82,676,153	$ (12,256,909)	$ 90,900,904

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 49,392,931	$ 49,482,130	$ 50,273,026	$ 790,896	$ 47,072,065
Rental/lease income	-	-	8,717	8,717	6,769
Interest earnings	-	-	8,667	8,667	-
Other revenue	10,000	160,000	102,443	(57,557)	17,609
Total revenues	49,402,931	49,642,130	50,392,853	750,723	47,096,443
EXPENDITURES					
Personnel services	10,290,864	9,981,659	9,585,333	396,326	9,028,684
Contractual services	6,640,937	7,502,604	7,461,545	41,059	7,149,195
Materials and supplies	4,232,938	4,037,836	3,550,573	487,263	3,530,557
Capital outlay	1,868,500	2,133,000	1,843,702	289,298	890,616
Other operating expenses	489,878	459,994	459,994	-	468,170
Interest - deferred refunding revenue bonds	108,825	108,825	315,372	(206,547)	95,090
City administrative charges	279,057	279,057	279,057	-	290,213
Debt service	22,041,979	23,820,263	18,623,017	5,197,246	18,881,005
Other non-operating expenses	1,500	1,500	1,500	-	245,160
Bond amortization expense	(246,047)	(246,047)	(847,116)	601,069	(510,090)
Contingency	250,000	250,000	-	250,000	-
Franchise taxes	2,202,048	2,353,603	2,353,603	-	2,204,451
Total expenditures	48,160,479	50,682,294	43,626,580	7,055,714	42,273,051
Excess (deficiency) of revenues over (under) expenditures	1,242,452	(1,040,164)	6,766,273	7,806,437	4,823,392
OTHER FINANCING USES					
Transfers to other funds	(1,872,215)	(1,872,215)	(1,872,215)	-	(1,786,153)
Total other financing uses	(1,872,215)	(1,872,215)	(1,872,215)	-	(1,786,153)
Net change in unencumbered cash balances	(629,763)	(2,912,379)	4,894,058	7,806,437	3,037,239
Unencumbered cash - beginning	12,344,470	26,199,964	26,199,964	-	15,032,742
Decrease in other cash flows	-	-	(6,741,171)	(6,741,171)	8,129,983
Unencumbered cash - ending	$ 11,714,707	$ 23,287,585	$ 24,352,851	$ 1,065,266	$ 26,199,964

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 8,902,479	$ 9,044,161	$ 9,170,164	$ 126,003	$ 9,050,055
Other revenue	-	(141,682)	31,462	173,144	113,059
Total revenues	8,902,479	8,902,479	9,201,626	299,147	9,163,114
EXPENDITURES					
Personnel services	2,391,249	2,400,943	2,251,091	149,852	2,113,433
Contractual services	1,836,782	1,872,026	1,877,704	(5,678)	2,702,161
Materials and supplies	409,851	361,784	341,368	20,416	401,868
Capital outlay	225,000	225,000	183,135	41,865	209,194
Other operating expenses	10,615	635,000	-	635,000	10,188
City administrative charges	92,560	92,560	92,560	-	136,136
Debt service	3,957,350	4,241,971	3,832,484	409,487	3,491,040
Other non-operating expenses	-	-	39,638	(39,638)	29,341
Bond amortization expense	-	-	(70,126)	70,126	(64,152)
Contingency	7,625,000	6,719,123	-	6,719,123	-
Total expenditures	16,548,407	16,548,407	8,547,854	8,000,553	9,029,209
Excess (deficiency) of revenues over (under) expenditures	(7,645,928)	(7,645,928)	653,772	8,299,700	133,905
OTHER FINANCING USES					
Transfers to other funds	(520,972)	(520,972)	(520,972)	-	(630,421)
Total other financing uses	(520,972)	(520,972)	(520,972)	-	(630,421)
Net change in unencumbered cash balances	(8,166,900)	(8,166,900)	132,800	8,299,700	(496,516)
Unencumbered cash - beginning	8,930,967	8,930,967	9,636,518	705,551	9,172,397
Decrease in other cash flows	-	-	(101,342)	(101,342)	960,637
Unencumbered cash - ending	$ 764,067	$ 764,067	$ 9,667,976	$ 8,903,909	$ 9,636,518

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 STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2013

	Information Technology	Fleet	Self Insurance	Total
ASSETS				
Current assets:				
Cash and temporary investments	$ 1,893,453	$ 4,514,360	$ 40,871,427	$ 47,279,240
Receivables, net	253	16,164	301,262	317,679
Inventories	-	945,335	-	945,335
Prepaid items	-	-	128,900	128,900
Total current assets	1,893,706	5,475,859	41,301,589	48,671,154
Noncurrent assets:				
Capital assets:				
Buildings	44,287	29,955	-	74,242
Improvements other than buildings	74,907	-	-	74,907
Machinery, equipment and other assets	13,562,437	26,636,202	269,600	40,468,239
Less accumulated depreciation	(12,037,666)	(20,635,700)	(269,600)	(32,942,966)
Total capital assets (net of accumulated depreciation)	1,643,965	6,030,457	-	7,674,422
Due from other funds	-	-	394,500	394,500
Total noncurrent assets	1,643,965	6,030,457	394,500	8,068,922
Total assets	3,537,671	11,506,316	41,696,089	56,740,076
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	258,630	220,911	2,301,257	2,780,798
Current portion of long-term obligations:				
Claims payable	-	-	7,815,084	7,815,084
Capital leases payable	161,624	-	-	161,624
Compensated absences	161,757	176,401	28,305	366,463
Total current liabilities	582,011	397,312	10,144,646	11,123,969
Noncurrent liabilities:				
Claims payable	-	-	10,549,310	10,549,310
Capital leases payable	273,446	-	-	273,446
Compensated absences	4,203	935	735	5,873
Total noncurrent liabilities	277,649	935	10,550,045	10,828,629
Total liabilities	859,660	398,247	20,694,691	21,952,598
NET POSITION				
Net investment in capital assets	1,208,895	6,030,457	-	7,239,352
Unrestricted	1,469,116	5,077,612	21,001,398	27,548,126
Total net position	$ 2,678,011	$ 11,108,069	$ 21,001,398	$ 34,787,478

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2013

	Information Technology	Fleet	Self Insurance	Total
OPERATING REVENUES				
Charges for services and sales	$ 9,750,909	$ 6,600,479	$ -	$ 16,351,388
Rentals	-	8,570,524	-	8,570,524
Employer contributions	-	-	32,723,684	32,723,684
Employee contributions	-	-	8,579,414	8,579,414
Other	20	53,997	1,238,449	1,292,466
Total operating revenues	9,750,929	15,225,000	42,541,547	67,517,476
OPERATING EXPENSES				
Personnel services	3,618,347	2,965,950	606,553	7,190,850
Contractual services	3,507,229	791,872	2,338,152	6,637,253
Materials and supplies	237,573	8,440,752	45,145	8,723,470
Cost of materials used	-	(272,736)	-	(272,736)
Administrative charges	347,781	213,214	28,524	589,519
Depreciation	530,468	2,196,082	-	2,726,550
Employee benefits	-	-	33,188,562	33,188,562
Insurance claims	-	-	5,468,261	5,468,261
Total operating expenses	8,241,398	14,335,134	41,675,197	64,251,729
Operating income	1,509,531	889,866	866,350	3,265,747
NONOPERATING REVENUES (EXPENSES)				
Other expenses	(2,976)	-	-	(2,976)
Interest expense	(13,363)	-	-	(13,363)
Gain (loss) on sale of assets	(112,315)	365,302	-	252,987
Actuarial reserve adjustment	-	-	929,960	929,960
Total nonoperating revenues (expenses)	(128,654)	365,302	929,960	1,166,608
Income before contributions and transfers	1,380,877	1,255,168	1,796,310	4,432,355
Capital contributions - non cash	77,382	-	-	77,382
Transfers from other funds	-	-	250,000	250,000
Transfers to other funds	(1,353,023)	-	(700,000)	(2,053,023)
Change in net position	105,236	1,255,168	1,346,310	2,706,714
Net position - beginning	2,572,775	9,852,901	19,655,088	32,080,764
Net position - ending	$ 2,678,011	$ 11,108,069	$ 21,001,398	$ 34,787,478

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended December 31, 2013

	Information Technology	Fleet	Self Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 9,750,761	$ 15,325,120	$ 41,303,098	$ 66,378,979
Cash payments to suppliers for goods and services	(3,975,344)	(9,384,944)	(40,198,995)	(53,559,283)
Cash payments to employees for services	(3,636,302)	(2,957,193)	(601,874)	(7,195,369)
Other operating revenues	20	53,997	1,238,449	1,292,466
Net cash provided by operating activities	2,139,135	3,036,980	1,740,678	6,916,793
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	250,000	250,000
Transfers to other funds	(1,353,023)	-	(700,000)	(2,053,023)
Net cash used in noncapital financing activities	(1,353,023)	-	(450,000)	(1,803,023)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Deductions to property, plant and equipment	-	(2,633,228)	-	(2,633,228)
Principal payment on capital lease	(181,261)	-	-	(181,261)
Interest payment on capital lease	(13,363)	-	-	(13,363)
Debt service - other expenses	(2,976)	-	-	(2,976)
Proceeds from sale of assets	-	374,749	-	374,749
Net cash (provided by) used in capital and related financing activities	(197,600)	(2,258,479)	-	(2,456,079)
Net increase in cash and temporary investments	588,512	778,501	1,290,678	2,657,691
Cash and temporary investments - January 1	1,304,941	3,735,859	39,580,749	44,621,549
Cash and temporary investments - December 31	$ 1,893,453	$ 4,514,360	$ 40,871,427	$ 47,279,240
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income	$ 1,509,531	$ 889,866	$ 866,350	$ 3,265,747
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation	530,468	2,196,082	-	2,726,550
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(148)	154,117	-	153,969
(Increase) in inventory	-	(182,793)	-	(182,793)
(Increase) in prepaid items	-	-	(100,622)	(100,622)
Increase (decrease) in accounts payable and accrued expenses	117,239	(29,049)	970,271	1,058,461
Increase (decrease) in compensated absences	(17,955)	8,757	4,679	(4,519)
Total adjustments	629,604	2,147,114	874,328	3,651,046
Net cash provided by operating activities	$ 2,139,135	$ 3,036,980	$ 1,740,678	$ 6,916,793
Supplemental Schedule of Non-Cash Investing and Financing Activities				
Contribution of capital assets	$ 77,382	$ -	$ -	$ 77,382

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2013

	Life Insurance	Health Insurance	Workers' Compensation	General Liability	Total
OPERATING REVENUES					
Employer contributions	$ 202,452	$ 26,579,704	$ 3,425,472	$ 2,516,056	$ 32,723,684
Employee contributions	471,230	8,108,184	-	-	8,579,414
Other	387	887,609	187,000	163,453	1,238,449
Total operating revenues	674,069	35,575,497	3,612,472	2,679,509	42,541,547
OPERATING EXPENSES					
Personnel services	-	166,808	68,750	370,995	606,553
Contractual services	-	1,710,891	574,260	53,001	2,338,152
Materials and supplies	-	12,270	-	32,875	45,145
Administrative charges	1,016	-	18,082	9,426	28,524
Employee benefits	672,798	32,515,764	-	-	33,188,562
Insurance claims	-	-	2,963,958	2,504,303	5,468,261
Total operating expenses	673,814	34,405,733	3,625,050	2,970,600	41,675,197
Operating income (loss)	255	1,169,764	(12,578)	(291,091)	866,350
NONOPERATING REVENUES AND (EXPENSES)					
Actuarial reserve adjustment	-	(102,513)	512,649	519,824	929,960
Total nonoperating revnues and expenses	-	(102,513)	512,649	519,824	929,960
Income before operating transfers	255	1,067,251	500,071	228,733	1,796,310
Operating transfers:					
Transfers from other funds	-	-	-	250,000	250,000
Transfers to other funds	-	-	-	(700,000)	(700,000)
Change in net position	255	1,067,251	500,071	(221,267)	1,346,310
Net position - beginning	698,476	9,427,816	3,108,679	6,420,117	19,655,088
Net position - ending	$ 698,731	$ 10,495,067	$ 3,608,750	$ 6,198,850	$ 21,001,398

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 9,171,360	$ 9,861,492	$ 9,750,909	$ (110,583)	$ 9,563,199
Other revenue	852,225	162,093	2,291	(159,802)	782,707
Total revenues	10,023,585	10,023,585	9,753,200	(270,385)	10,345,906
EXPENDITURES					
Personnel services	4,157,810	4,171,811	3,618,347	553,464	3,805,022
Contractual services	3,755,849	3,733,049	3,565,000	168,049	3,129,833
Materials and supplies	223,350	223,350	216,525	6,825	205,880
Capital outlay	-	-	-	-	22,525
City administrative charges	347,781	347,781	347,781	-	375,723
Debt service	381,718	288,008	194,624	93,384	375,147
Other operating expense	-	-	2,976	(2,976)	6,930
Cost of materials used	40,000	40,000	-	40,000	-
Contingency	-	102,509	-	102,509	-
Total expenditures	8,906,508	8,906,508	7,945,253	961,255	7,921,060
Excess of revenues over expenditures	1,117,077	1,117,077	1,807,947	690,870	2,424,846
OTHER FINANCING USES					
Transfers to other funds	(1,160,898)	(1,160,898)	(1,353,023)	(192,125)	(1,545,848)
Total other financing uses	(1,160,898)	(1,160,898)	(1,353,023)	(192,125)	(1,545,848)
Net change in unencumbered cash balances	(43,821)	(43,821)	454,924	498,745	878,998
Unencumbered cash - beginning	438,060	438,060	1,138,069	700,009	259,586
Decrease in other cash flows	-	-	(18,102)	(18,102)	(515)
Unencumbered cash - ending	$ 394,239	$ 394,239	$ 1,574,891	$ 1,180,652	$ 1,138,069

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ 6,640,299	$ 6,570,799	$ 6,975,228	$ 404,429	$ 6,838,683
Rental/lease income	8,921,900	8,921,900	8,570,524	(351,376)	8,508,164
Other revenue	549,171	618,671	76,902	(541,769)	102,084
Total revenues	16,111,370	16,111,370	15,622,654	(488,716)	15,448,931
EXPENDITURES					
Personnel services	3,404,682	3,027,731	2,965,950	61,781	2,950,547
Contractual services	1,001,612	910,420	794,580	115,840	944,303
Materials and supplies	7,488,200	8,489,933	8,438,752	51,181	8,142,435
Capital outlay	3,342,000	2,942,000	2,895,642	46,358	2,583,475
City administrative charges	213,214	213,214	213,214	-	281,196
Cost of materials used	450,000	-	(280,407)	280,407	248,186
Contingency	565,209	881,619	-	881,619	-
Total expenditures	16,464,917	16,464,917	15,027,731	1,437,186	15,150,142
Excess (deficiency) of revenues over (under) expenditures	(353,547)	(353,547)	594,923	948,470	298,789
Net change in unencumbered cash balances	(353,547)	(353,547)	594,923	948,470	298,789
Unencumbered cash - beginning	785,263	785,263	1,940,311	1,155,048	1,847,995
Decrease in other cash flows	-	-	(19,919)	(19,919)	(206,473)
Unencumbered cash - ending	$ 431,716	$ 431,716	$ 2,515,315	$ 2,083,599	$ 1,940,311

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, 2013
(with comparative totals for the year ended December 31, 2012)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	2012 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	$ -	$ -	$ -	$ -	$ 22
Contributions	-	-	2,504,628	2,504,628	2,102,787
Employer contributions	39,653,126	35,627,964	30,408,831	(5,219,133)	31,059,849
Employee contributions	11,857,332	10,427,968	8,389,639	(2,038,329)	8,842,301
Other revenue	619,897	6,074,423	1,268,450	(4,805,973)	976,467
Total revenues	52,130,355	52,130,355	42,571,548	(9,558,807)	42,981,426
EXPENDITURES					
Personnel services	1,712,367	1,674,763	1,532,708	142,055	1,594,594
Contractual services	51,088,780	44,728,443	38,902,895	5,825,548	38,599,220
Materials and supplies	114,747	114,402	45,146	69,256	31,759
Capital outlay	10,000	10,000	-	10,000	-
Other operating expenses	257,146	243,398	243,398	-	203,302
City administrative charges	28,524	28,524	28,524	-	34,037
Other non-operating expenses	708,160	958,160	849,541	108,619	485,686
Contingency	1,000,000	7,162,034	-	7,162,034	-
Total expenditures	54,919,724	54,919,724	41,602,212	13,317,512	40,948,598
Excess (deficiency) of revenues over (under) expenditures	(2,789,369)	(2,789,369)	969,336	3,758,705	2,032,828
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	250,000	250,000	250,000	-	250,000
Transfers to other funds	(1,000,000)	(1,000,000)	(700,000)	300,000	(725,000)
Total other financing sources (uses)	(750,000)	(750,000)	(450,000)	300,000	(475,000)
Net change in unencumbered cash balances	(3,539,369)	(3,539,369)	519,336	4,058,705	1,557,828
Unencumbered cash - beginning	18,516,575	18,516,575	25,649,262	7,132,687	24,365,539
Decrease in other cash flows	-	-	(3,808,721)	(3,808,721)	(274,105)
Unencumbered cash - ending	$ 14,977,206	$ 14,977,206	$ 22,359,877	$ 7,382,671	$ 25,649,262

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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 POSITION
PENSION TRUST FUNDS
December 31, 2013

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3	Total
ASSETS				
Cash and temporary investments	$ 503,348	$ 270,401	$ 32,744	$ 806,493
Receivables:				
Investment sales pending	10,621,169	9,729,586	334,229	20,684,984
Interest and dividends	1,431,926	1,311,724	45,060	2,788,710
Other	547,076	439,831	43,633	1,030,540
Total receivables	12,600,171	11,481,141	422,922	24,504,234
Investments, at fair value:				
Government short-term investment fund	14,793,588	13,551,755	465,527	28,810,870
Government securities: long-term	21,443,832	19,643,424	682,737	41,769,993
Corporate debt instruments: long-term	44,308,887	40,588,744	1,410,724	86,308,355
Mortgage and asset-backed securities	37,919,786	34,736,069	1,207,305	73,863,160
Corporate stocks: domestic common	224,883,863	206,002,778	7,159,941	438,046,582
Corporate stocks: international common	104,789,529	95,991,476	3,336,330	204,117,335
Real estate	31,834,314	29,161,528	1,013,554	62,009,396
Timber	12,759,949	11,688,633	406,256	24,854,838
Value of interest in pooled funds:				
Target date funds	-	-	2,756,523	2,756,523
International fixed income	3,578,519	3,278,069	113,935	6,970,523
High yield fixed income	4,596,694	4,210,759	146,351	8,953,804
U.S. TIPS	12,668,356	11,604,731	403,340	24,676,427
Domestic equities	67,356,311	61,701,123	2,144,517	131,201,951
International equities	23,069,445	21,132,903	725,953	44,928,301
Securities lending short-term collateral investment pool	42,082,385	38,549,820	1,324,256	81,956,461
Total investments	646,085,458	591,841,812	23,297,249	1,261,224,519
Capital assets:				
Pension software	453,543	453,543	388,751	1,295,837
Less accumulated depreciation	(351,829)	(351,829)	(301,568)	(1,005,226)
Total capital assets (net of depreciation)	101,714	101,714	87,183	290,611
Total assets	659,290,691	603,695,068	23,840,098	1,286,825,857
LIABILITIES				
Accounts payable and accrued expenses	742,813	470,045	22,651	1,235,509
Investment purchases pending	18,007,217	16,495,618	566,654	35,069,489
Securities lending obligations	42,082,385	38,549,820	1,324,256	81,956,461
Total liabilities	60,832,415	55,515,483	1,913,561	118,261,459
NET POSITION				
Held in trust for pension benefits	$ 598,458,276	$ 548,179,585	$ 21,926,537	$ 1,168,564,398

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS

For the year ended December 31, 2013

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3	Total
ADDITIONS				
Contributions:				
Employer	$ 14,889,714	$ 7,990,502	$ 1,116,464	$ 23,996,680
Employee	4,607,691	2,304,481	1,116,240	8,028,412
Total contributions	19,497,405	10,294,983	2,232,704	32,025,092
Investment income:				
From investment activities				
Net appreciation in fair value of investments	87,528,935	81,093,307	3,263,268	171,885,510
Interest and dividends	14,511,288	13,442,278	480,909	28,434,475
Commission recapture	16,705	15,430	553	32,688
Total investing activity income	102,056,928	94,551,015	3,744,730	200,352,673
Less investment expense	2,694,548	2,506,414	93,137	5,294,099
Net income from investing activities	99,362,380	92,044,601	3,651,593	195,058,574
From securities lending activities				
Securities lending income	134,603	112,387	4,177	251,167
Securities lending activities expenses:				
Borrower rebates	(47,637)	(56,607)	(1,883)	(106,127)
Management fees	50,388	46,721	1,675	98,784
Total securities lending activities expenses	2,751	(9,886)	(208)	(7,343)
Net income from securities lending activities	131,852	122,273	4,385	258,510
Total net investment income	99,494,232	92,166,874	3,655,978	195,317,084
Transfers from other funds	-	2,465,600	-	2,465,600
Total additions	118,991,637	104,927,457	5,888,682	229,807,776
DEDUCTIONS				
Pension benefits	31,158,006	35,373,800	-	66,531,806
Pension administration	401,901	404,514	73,351	879,766
Depreciation	63,890	63,890	54,763	182,543
Employee contributions refunded	402,003	570,712	1,010,244	1,982,959
Transfers to other funds	-	-	2,465,600	2,465,600
Total deductions	32,025,800	36,412,916	3,603,958	72,042,674
Change in net position	86,965,837	68,514,541	2,284,724	157,765,102
Net position - beginning	511,492,439	479,665,044	19,641,813	1,010,799,296
Net position - ending	$ 598,458,276	$ 548,179,585	$ 21,926,537	$ 1,168,564,398

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the year ended December 31, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
Payroll Liability Fund				
ASSETS				
Cash and temporary investments	$ -	$ 123,844,762	$ 123,844,762	$ -
Accounts receivable	828,271	719,463	563,649	984,085
Total assets	$ 828,271	$ 124,564,225	$ 124,408,411	$ 984,085
LIABILITIES				
Accounts payable	$ 828,271	$ 179,510,329	$ 179,354,515	$ 984,085
Total liabilities	$ 828,271	$ 179,510,329	$ 179,354,515	$ 984,085
Special Assessment Advance Payments Fund				
ASSETS				
Cash and temporary investments	$ 2,879,451	$ 2,854,912	$ 3,330,642	$ 2,403,721
Investments	2,054,331	2,015,233	1,700,000	2,369,564
Total assets	$ 4,933,782	$ 4,870,145	$ 5,030,642	$ 4,773,285
LIABILITIES				
Accounts payable	$ 6,979	$ 13,053	$ 19,588	$ 444
Deposits	4,926,803	1,154,912	1,308,874	4,772,841
Total liabilities	$ 4,933,782	$ 1,167,965	$ 1,328,462	$ 4,773,285
Neighborhood Revitalization Fund				
ASSETS				
Cash and temporary investments	$ 118,301	$ 674,743	$ 741,960	$ 51,084
Total assets	$ 118,301	$ 674,743	$ 741,960	$ 51,084
LIABILITIES				
Accounts payable	$ -	$ 277,860	$ 277,860	$ -
Deposits	118,301	674,742	741,959	51,084
Total liabilities	$ 118,301	$ 952,602	$ 1,019,819	$ 51,084
CID-Community Improvement Districts				
ASSETS				
Cash and temporary investments	$ 42,179	$ 628,154	$ 621,975	$ 48,358
Accounts receivable	10,479	-	4,222	6,257
Total assets	$ 52,658	$ 628,154	$ 626,197	$ 54,615
LIABILITIES				
Accounts payable	$ 52,658	$ 596,958	$ 595,001	$ 54,615
Total liabilities	$ 52,658	$ 596,958	$ 595,001	$ 54,615

(Continued)

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
Special Assesment Letters of Credit				
ASSETS				
Cash and temporary investments	$ 3,595	$ -	$ -	$ 3,595
Total assets	$ 3,595	$ -	$ -	$ 3,595
LIABILITIES				
Deposits	$ 3,595	$ -	$ -	$ 3,595
Total liabilities	$ 3,595	$ -	$ -	$ 3,595
WAMPO - Funding from Local Jurisdictions				
ASSETS				
Cash and temporary investments	$ -	$ 166,669	$ -	$ 166,669
Accounts receivable	-	122,174	122,174	-
Total assets	$ -	$ 288,843	$ 122,174	$ 166,669
LIABILITIES				
Deposits	$ -	$ 167,698	$ 1,029	$ 166,669
Total liabilities	$ -	$ 167,698	$ 1,029	$ 166,669
Totals - All Agency Funds				
ASSETS				
Cash and temporary investments	$ 3,043,526	$ 128,169,240	$ 128,539,339	$ 2,673,427
Investments	2,054,331	2,015,233	1,700,000	2,369,564
Accounts receivable	838,750	841,637	690,045	990,342
Total assets	$ 5,936,607	$ 131,026,110	$ 130,929,384	$ 6,033,333
LIABILITIES				
Accounts payable	$ 887,908	$ 180,398,200	$ 180,246,964	$ 1,039,144
Deposits	5,048,699	1,997,352	2,051,862	4,994,189
Total liabilities	$ 5,936,607	$ 182,395,552	$ 182,298,826	$ 6,033,333

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 and other public entities.

CITY OF WICHITA, KANSAS

STATEMENT OF CASH FLOWS
COMPONENT UNIT - WICHITA PUBLIC BUILDING COMMISSION
For the year ended December 31, 2013

	2013	2012
CASH FLOWS PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Received on direct financing lease	$ 2,890,000	$ 2,790,000
Received for refunding debt	5,725,006	-
Debt service - principal	(2,890,000)	(2,790,000)
Debt service - refunded principal	(6,735,000)	-
Debt service - interest	(490,246)	(500,285)
Disbursement of excess on direct financing lease	(799,017)	-
Net cash provided by (used in) capital and related financing activities	(2,299,257)	(500,285)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on lease investments	10,856	163,922
Net cash provided by investing activities	10,856	163,922
Net decrease in cash and temporary investments	(2,288,401)	(336,363)
Cash and temporary investments - January 1	2,524,312	2,860,675
Cash and temporary investments - December 31	$ 235,911	$ 2,524,312

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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, 2013

	Balance December 31, 2012	Issued	Retired	Balance December 31, 2013
General obligation bonds payable from:				
Ad valorem property taxes	$ 77,801,055	$ 9,450,000	$ 11,316,417	$ 75,934,638
Special assessments	254,955,000	3,375,000	41,705,000	216,625,000
Tax increment financing	23,465,910	-	2,668,334	20,797,576
Transient guest tax	1,064,339	-	896,914	167,425
Airport Authority	16,585,000	-	520,000	16,065,000
Golf Course System	1,975,000	-	620,000	1,355,000
Local sales tax	152,390,000	-	30,195,000	122,195,000
Stormwater Utility	29,800,390	-	2,935,030	26,865,360
Revenue bonds payable from:				
Water Utility	243,497,114	-	13,546,404	229,950,710
Sewer Utility	181,248,654	-	10,290,294	170,958,360
Airport Special Facilities	11,370,000	-	60,000	11,310,000
Wichita Public Building Commission	11,220,000	-	9,625,000	1,595,000
	$ 1,005,372,462	$ 12,825,000	$ 124,378,393	$ 893,819,069

RECONCILIATION OF BONDS PAYABLE
December 31, 2013

General obligation bonds	$ 480,004,999
Revenue bonds	413,814,070
Total bonds payable	$ 893,819,069

Serial bonds payable exclusive of bond anticipation notes	$ 435,719,639
Bonds payable from component unit	1,595,000
Bonds payable from proprietary funds	456,504,430
Total bonds payable	$ 893,819,069

CITY OF WICHITA, KANSAS

SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES
BASED ON BONDED DEBT AS OF DECEMBER 31, 2013

	PAYABLE FROM PROPERTY TAXES			PAYABLE FROM TRANSIENT GUEST TAX		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2014	$ 9,929,716	$ 2,299,550	$ 12,229,266	$ 167,425	$ 8,371	$ 175,796
2015	9,232,088	2,011,625	11,243,713	-	-	-
2016	9,571,289	1,749,278	11,320,567	-	-	-
2017	9,868,222	1,452,971	11,321,193	-	-	-
2018	10,162,424	1,122,467	11,284,891	-	-	-
2019	10,469,357	789,016	11,258,373	-	-	-
2020	6,857,250	489,052	7,346,302	-	-	-
2021	3,619,863	308,518	3,928,381	-	-	-
2022	3,714,887	200,390	3,915,277	-	-	-
2023	1,574,009	95,910	1,669,919	-	-	-
2024	534,033	46,435	580,468	-	-	-
2025	401,500	16,060	417,560	-	-	-
	$ 75,934,638	$ 10,581,272	$ 86,515,910	$ 167,425	$ 8,371	$ 175,796

	PAYABLE FROM TAX INCREMENT FINANCING			PAYABLE FROM LOCAL SALES TAX		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2014	$ 1,732,576	$ 783,005	$ 2,515,581	$ 13,345,000	$ 4,244,904	$ 17,589,904
2015	2,405,000	705,739	3,110,739	16,325,000	3,808,429	20,133,429
2016	2,465,000	620,389	3,085,389	16,655,000	3,234,697	19,889,697
2017	2,535,000	532,039	3,067,039	16,910,000	2,658,454	19,568,454
2018	2,595,000	434,834	3,029,834	13,460,000	2,099,979	15,559,979
2019	2,280,000	335,634	2,615,634	10,630,000	1,564,138	12,194,138
2020	2,340,000	250,784	2,590,784	8,070,000	1,228,840	9,298,840
2021	2,110,000	165,311	2,275,311	8,425,000	915,490	9,340,490
2022	2,160,000	87,123	2,247,123	8,730,000	586,475	9,316,475
2023	175,000	4,725	179,725	1,945,000	242,588	2,187,588
2024	-	-	-	2,030,000	196,938	2,226,938
2025	-	-	-	2,085,000	147,675	2,232,675
2026	-	-	-	2,150,000	95,288	2,245,288
2027	-	-	-	1,435,000	35,875	1,470,875
	$ 20,797,576	$ 3,919,583	$ 24,717,159	$ 122,195,000	$ 21,059,770	$ 143,254,770

	TOTAL PAYABLE FROM TAXES			PAYABLE FROM SPECIAL ASSESSMENTS		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2014	$ 25,174,717	$ 7,335,830	$ 32,510,547	$ 22,285,000	$ 8,538,339	$ 30,823,339
2015	27,962,088	6,525,793	34,487,881	22,645,000	7,738,831	30,383,831
2016	28,691,289	5,604,364	34,295,653	21,515,000	6,850,476	28,365,476
2017	29,313,222	4,643,464	33,956,686	20,935,000	6,027,776	26,962,776
2018	26,217,424	3,657,280	29,874,704	20,690,000	5,159,658	25,849,658
2019	23,379,357	2,688,788	26,068,145	19,210,000	4,319,329	23,529,329
2020	17,267,250	1,968,676	19,235,926	18,280,000	3,504,569	21,784,569
2021	14,154,863	1,389,319	15,544,182	16,230,000	2,784,099	19,014,099
2022	14,604,887	873,988	15,478,875	14,185,000	2,133,371	16,318,371
2023	3,694,009	343,223	4,037,232	9,970,000	1,560,985	11,530,985
2024	2,564,033	243,373	2,807,406	7,520,000	1,170,434	8,690,434
2025	2,486,500	163,735	2,650,235	6,155,000	877,925	7,032,925
2026	2,150,000	95,288	2,245,288	4,665,000	655,639	5,320,639
2027	1,435,000	35,875	1,470,875	4,315,000	472,441	4,787,441
2028	-	-	-	3,335,000	305,406	3,640,406
2029	-	-	-	2,835,000	170,214	3,005,214
2030	-	-	-	1,515,000	50,543	1,565,543
2031	-	-	-	185,000	10,163	195,163
2032	-	-	-	105,000	3,600	108,600
2033	-	-	-	50,000	750	50,750
	$ 219,094,639	$ 35,568,996	$ 254,663,635	$ 216,625,000	$ 52,334,548	$ 268,959,548

CITY OF WICHITA, KANSAS

SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES
PAYABLE FROM PROPRIETARY FUND REVENUES
BASED ON BONDED DEBT AS OF DECEMBER 31, 2013

	PROPRIETARY FUNDS					
	Airport Authority		Golf Course System		Stormwater Utility	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2014	$ 540,000	$ 759,721	$ 660,000	$ 39,023	$ 2,715,284	$ 775,524
2015	560,000	740,909	695,000	20,601	2,777,912	688,129
2016	585,000	720,746	-	-	2,843,711	590,422
2017	520,000	700,496	-	-	2,196,778	486,917
2018	540,000	680,771	-	-	2,257,576	411,301
2019	565,000	659,315	-	-	2,315,643	332,365
2020	585,000	635,159	-	-	2,172,750	266,491
2021	605,000	608,678	-	-	1,630,137	216,876
2022	545,000	581,765	-	-	1,670,113	185,435
2023	565,000	554,909	-	-	1,715,991	149,958
2024	585,000	526,946	-	-	1,755,967	111,703
2025	610,000	497,646	-	-	1,143,498	74,527
2026	635,000	467,389	-	-	825,000	38,550
2027	660,000	435,959	-	-	845,000	13,575
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	-	-	-	-
	$ 16,065,000	$ 11,402,666	$ 1,355,000	$ 59,624	$ 26,865,360	$ 4,341,773

	Totals		
Year	Principal	Interest	Debt Service Charges
2014	$ 3,915,284	$ 1,574,268	$ 5,489,552
2015	4,032,912	1,449,639	5,482,551
2016	3,428,711	1,311,168	4,739,879
2017	2,716,778	1,187,413	3,904,191
2018	2,797,576	1,092,072	3,889,648
2019	2,880,643	991,680	3,872,323
2020	2,757,750	901,650	3,659,400
2021	2,235,137	825,554	3,060,691
2022	2,215,113	767,200	2,982,313
2023	2,280,991	704,867	2,985,858
2024	2,340,967	638,649	2,979,616
2025	1,753,498	572,173	2,325,671
2026	1,460,000	505,939	1,965,939
2027	1,505,000	449,534	1,954,534
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
	$ 44,285,360	$ 15,804,063	$ 60,089,423

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, 2013

	PROPRIETARY FUNDS					
	Water Utility		Sewer Utility		Wichita Airport Authority	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2014	$ 13,165,521	$ 10,682,742	$ 9,323,815	$ 7,967,073	$ -	$ 483,990
2015	13,783,593	10,137,253	9,774,217	7,585,713	-	483,990
2016	14,475,746	9,540,800	10,291,414	7,170,185	-	483,990
2017	11,819,129	8,902,557	10,683,300	6,726,103	-	483,990
2018	12,376,867	8,356,268	11,246,793	6,223,239	-	483,990
2019	11,383,358	7,770,086	9,552,540	5,681,936	-	483,990
2020	11,677,565	7,242,784	9,621,625	5,229,555	-	483,990
2021	12,152,213	6,697,478	10,031,375	4,774,407	1,300,000	406,261
2022	12,075,049	6,146,869	10,474,951	4,303,010	-	386,490
2023	12,585,896	5,575,263	10,944,104	3,801,938	-	386,490
2024	10,911,181	4,970,968	8,203,819	3,275,806	-	386,490
2025	11,478,356	4,446,698	8,741,644	2,883,751	7,350,000	169,740
2026	10,861,828	3,898,314	8,413,172	2,467,472	-	3,990
2027	10,938,502	3,387,360	7,946,498	2,070,574	-	3,990
2028	11,388,461	2,876,155	8,301,539	1,695,399	-	3,990
2029	9,852,844	2,342,337	5,747,156	1,301,569	-	3,990
2030	10,263,066	1,882,680	5,986,934	1,033,225	-	3,990
2031	7,442,977	1,410,238	3,862,023	755,549	2,660,000	3,990
2032	6,071,043	1,057,767	3,168,957	579,308	-	-
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	783,214	117,483	-	-
2038	1,381,786	138,178	783,214	78,322	-	-
2039	1,381,786	69,089	783,213	39,161	-	-
	$ 229,950,710	$ 109,680,508	$ 170,958,360	$ 76,861,171	$ 11,310,000	$ 5,147,341

COMPONENT UNIT				
Wichita Public Building Commission		Totals		
Principal	Interest	Principal	Interest	Debt Service Charges
$ 1,595,000	$ 62,075	$ 24,084,336	$ 19,195,880	$ 43,280,216
-	-	23,557,810	18,206,956	41,764,766
-	-	24,767,160	17,194,975	41,962,135
-	-	22,502,429	16,112,650	38,615,079
-	-	23,623,660	15,063,497	38,687,157
-	-	20,935,898	13,936,012	34,871,910
-	-	21,299,190	12,956,329	34,255,519
-	-	23,483,588	11,878,146	35,361,734
-	-	22,550,000	10,836,369	33,386,369
-	-	23,530,000	9,763,691	33,293,691
-	-	19,115,000	8,633,264	27,748,264
-	-	27,570,000	7,500,189	35,070,189
-	-	19,275,000	6,369,776	25,644,776
-	-	18,885,000	5,461,924	24,346,924
-	-	19,690,000	4,575,544	24,265,544
-	-	15,600,000	3,647,896	19,247,896
-	-	16,250,000	2,919,895	19,169,895
-	-	13,965,000	2,169,777	16,134,777
-	-	9,240,000	1,637,075	10,877,075
-	-	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
-	-	2,165,000	324,750	2,489,750
-	-	2,165,000	216,500	2,381,500
-	-	2,164,999	108,250	2,273,249
$ 1,595,000	$ 62,075	$ 413,814,070	$ 191,751,095	$ 605,565,165

CITY OF WICHITA, KANSAS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2013

Company	Policy Period From	Policy Period To	Details of Coverage	Terms	Deductible	Value Limits
Travelers	01-13	01-14	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 = $815,408,164	$ 100,000 Property, $2,000,000 wind and hail	$ 200,000,000
Travelers	01-13	01-14	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	01-13	01-14	Data processing property protection	Hardware	100,000	10,000,000
Hartford Fire	01-13	01-14	Burglary and/or theft coverage for monies and securities	Per occurrence	10,000	1,000,000
Housing Authority Risk Retention Group	06-13	06-14	WHA general liability	Per occurrence	10,000	5,000,000
Housing Insurance Services Inc.	06-13	06-14	WHA fire insurance on owned units	Per occurrence	5,000	$69,952,723 combined limit based on individual
Philadelphia Indemnity Insurance	12-13	12-14	WHA flood insurance on owned units-29 units	Per occurrence	5,000	$48,000 per unit
Safety National Casualty Corporation	01-13	01-14	Excess workers' compensation	Per occurrence -liability imposed by law	750,000	Statutory
			Employers' liability	Per occurrence	-	1,000,000
Zurich	01-13	01-14	Travel accident insurance	Per person / occurrence	-	100,000
				Aggregate	-	500,000
ACE American Ins. Co.	01-13	01-14	Foreign package-General liability	Per occurrence	-	1,000,000
Old Republic Ins. Co.	01-13	01-14	Helicopter liability cargo coverage	Per occurrence	-	250,000
Old Republic Ins. Co.	01-13	01-14	Helicopter hull coverage-in motion	Per occurrence	12,000	1,200,000
Old Republic Ins. Co.	01-13	01-14	Helicopter hull coverage-not in motion	Per occurrence	-	1,200,000
Ins. Co. of State of PA	01-13	01-14	Special liabiltiy	Per occurrence	2,000,000	10,000,000
WICHITA AIRPORT						
National Union Fire Ins.	01-13	01-14	Comprehensive general liability	Per occurrence	1,000	100,000,000
				Aggregate	10,000	
Great American Alliance Insurance Company	01-13	01-14	Underground storage tank liability	Per occurrence	10,000	1,000,000
WICHITA ART MUSEUM						
Ace American Insurance	01-13	01-14	All risk coverage for fine arts collections, on premises, worldwide transit coverage	Per occurrence at	1,000	100,000,000
				Per occurrence not at	1,000	50,000,000
				Per disaster not at insured's premises	1,000	50,000,000
WICHITA PUBLIC BUILDING COMMISSION - STATE OFFICE BUILDING						
Travelers	01-13	01-14	Property - buildings and earnings State office building and parking facility $39,314,191 insured value.	Per occurrence as scheduled	5,000 ;25,000 wind/hail	39,314,191
Travelers	01-13	01-14	Comprehensive general liability	Per occurrence	-	2,000,000
Travelers	01-13	01-14	Umbrella	Per occurrence	-	1,000,000
CAREER DEVELOPMENT						
AM Trust NA	04-13	04-14	Employers Liability: Bodily injury by accident	Per occurrence	-	100,000
	04-13	04-14	Bodily injury by disease - Policy Limit		-	500,000
	04-13	04-14	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.

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CITY OF WICHITA, KANSAS

NET POSITION BY COMPONENT

For years ended December 31, 2004 through December 31, 2013

(accrual basis of accounting)

(dollars expressed in thousands)

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental activities					
Net investment in capital assets	$ 370,193	$ 376,630	$ 457,432	$ 488,829	$ 512,459
Restricted for:					
Capital projects	40,741	34,397	25,275	69,899	57,352
Highways and streets	12,827	11,641	8,898	6,712	4,126
Debt service	266,105	261,354	252,783	228,627	234,767
Perpetual care	827	839	831	859	902
Other purposes	17,452	19,409	18,524	19,673	6,470
Unrestricted	14,643	28,625	(8,843)	(12,955)	(5,937)
Total governmental activities net position	$ 722,788	$ 732,895	$ 754,900	$ 801,644	$ 810,139
Business-type activities					
Net investment in capital assets	$ 626,009	$ 664,564	$ 684,433	$ 744,184	$ 777,044
Restricted for:					
Capital projects	7,560	5,233	10,456	15,391	14,688
Debt service	2,840	3,206	3,660	3,523	3,704
Revenue bond covenants	40,613	48,145	55,714	30,186	23,401
Unrestricted	24,887	34,814	32,620	25,868	23,480
Total business-type activities net position	$ 701,909	$ 755,962	$ 786,883	$ 819,152	$ 842,317
Primary government					
Net investment in capital assets	$ 996,202	$ 1,041,194	$ 1,141,865	$ 1,233,013	$ 1,289,503
Restricted for:					
Capital projects	48,301	39,630	35,731	85,290	72,040
Highways and streets	12,827	11,641	8,898	6,712	4,126
Debt service	268,945	264,560	256,443	232,150	238,471
Revenue bond covenants	40,613	48,145	55,714	30,186	23,401
Perpetual care	827	839	831	859	902
Other purposes	17,452	19,409	18,524	19,673	6,470
Unrestricted	39,530	63,439	23,777	12,913	17,543
Total primary government net position	$ 1,424,697	$ 1,488,857	$ 1,541,783	$ 1,620,796	$ 1,652,456

	Fiscal Year				
	2009	2010	2011	2012	2013
Governmental activities					
Net investment in capital assets	$ 521,613	$ 554,371	$ 615,404	$ 659,114	$ 730,439
Restricted for:					
Capital projects	43,927	40,177	48,939	38,986	23,033
Highways and streets	810	-	-	-	-
Debt service	264,080	309,669	296,468	277,226	226,947
Perpetual care	889	852	814	790	762
Other purposes	6,470	8,009	12,468	11,135	15,372
Unrestricted	43,898	17,248	5,386	1,918	(11,285)
Total governmental activities net position	$ 881,687	$ 930,326	$ 979,479	$ 989,169	$ 985,268
Business-type activities					
Net investment in capital assets	$ 762,395	$ 792,751	$ 828,696	$ 820,105	$ 854,195
Restricted for:					
Capital projects	17,032	18,915	13,682	32,308	53,653
Debt service	-	-	-	-	-
Revenue bond covenants	74,822	90,814	95,954	131,943	117,763
Unrestricted	20,001	26,859	42,979	38,391	40,446
Total business-type activities net position	$ 874,250	$ 929,339	$ 981,311	$ 1,022,747	$ 1,066,057
Primary government					
Net investment in capital assets	$ 1,284,008	$ 1,347,122	$ 1,444,100	$ 1,479,219	$ 1,584,634
Restricted for:					
Capital projects	60,959	59,092	62,621	71,294	76,686
Highways and streets	810	-	-	-	-
Debt service	264,080	309,669	296,468	277,226	226,947
Revenue bond covenants	74,822	90,814	95,954	131,943	117,763
Perpetual care	889	852	814	790	762
Other purposes	6,470	8,009	12,468	11,135	15,372
Unrestricted	63,899	44,107	48,365	40,309	29,161
Total primary government net position	$ 1,755,937	$ 1,859,665	$ 1,960,790	$ 2,011,916	$ 2,051,325

CITY OF WICHITA, KANSAS

CHANGES IN NET POSITION

For years ended December 31, 2004 through December 31, 2013
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2004	2005	2006	2007	2008
Expenses					
Governmental activities:					
General government	$ 45,119	$ 36,835	$ 47,248	$ 36,810	$ 41,906
Public safety	94,029	97,962	104,819	114,507	119,123
Highways and streets	96,767	104,570	109,643	94,502	123,526
Sanitation	1,650	2,700	3,680	3,729	5,441
Health and welfare	35,914	33,833	34,561	33,088	33,324
Culture and recreation	32,102	33,814	33,242	34,294	41,031
Interest on long-term debt	19,104	20,901	20,605	20,922	22,264
Total governmental activities expenses	324,685	330,615	353,798	337,852	386,615
Business-type activities:					
Water	32,290	34,417	36,233	38,130	41,670
Sewer	26,984	29,328	31,001	31,983	34,958
Airport	25,355	24,324	25,619	25,789	27,416
Stormwater	4,030	4,078	5,270	5,490	5,542
Transit	10,810	11,923	12,185	12,928	13,767
Golf	4,357	4,589	5,017	4,985	4,997
Total business-type activities expenses	103,826	108,659	115,325	119,305	128,350
Total primary government expenses	$ 428,511	$ 439,274	$ 469,123	$ 457,157	$ 514,965
Program Revenues					
Governmental activities:					
Charges for services					
General government	$ 14,085	$ 15,137	$ 14,390	$ 16,258	$ 16,008
Public safety	4,813	5,565	5,949	6,713	5,730
Highways and streets	4,461	4,459	5,077	4,940	5,784
Sanitation	788	518	978	817	744
Health and welfare	1,456	3,179	1,767	2,960	3,816
Culture and recreation	5,311	4,874	4,876	4,546	4,814
Operating grants and contributions	48,862	50,659	50,167	49,594	50,859
Capital grants and contributions	116,377	67,817	86,328	78,098	87,891
Total governmental activities program revenues	196,153	152,208	169,532	163,926	175,646
Business-type activities:					
Charges for services					
Water	33,461	36,036	40,658	37,486	38,356
Sewer	25,881	28,669	28,868	31,875	33,789
Airport	18,280	18,856	20,321	20,635	21,598
Stormwater	5,513	5,868	7,063	8,273	8,405
Transit	1,633	1,754	1,708	1,738	1,931
Golf	3,551	3,574	4,365	3,981	4,159
Operating grants and contributions	3,156	4,075	4,849	5,561	5,469
Capital grants and contributions	31,850	47,139	31,209	33,867	34,176
Total business-type activities program revenues	123,325	145,971	139,041	143,416	147,883
Total primary government program revenues	$ 319,478	$ 298,179	$ 308,573	$ 307,342	$ 323,529
Net (Expense) Revenue					
Governmental activities	$ (128,532)	$ (178,407)	$ (184,266)	$ (173,926)	$ (210,969)
Business-type activities	19,499	37,312	23,716	24,111	19,533
Total primary government net expense	$ (109,033)	$ (141,095)	$ (160,550)	$ (149,815)	$ (191,436)

	Fiscal Year				
	2009	2010	2011	2012	2013
Expenses					
Governmental activities:					
General government	$ 37,210	$ 52,488	$ 55,191	$ 52,538	$ 44,510
Public safety	119,073	126,329	125,525	129,684	129,627
Highways and streets	74,460	49,482	54,168	62,484	60,735
Sanitation	3,648	4,156	3,643	3,567	4,700
Health and welfare	34,924	36,986	34,848	35,358	29,919
Culture and recreation	37,601	39,559	38,344	36,090	34,624
Interest on long-term debt	20,634	19,877	19,277	13,676	15,656
Total governmental activities expenses	327,550	328,877	330,996	333,397	319,771
Business-type activities:					
Water	44,994	43,408	47,621	48,613	50,066
Sewer	40,991	36,865	37,673	38,577	43,743
Airport	29,672	26,967	26,703	32,651	26,781
Stormwater	7,415	7,504	7,048	8,540	7,933
Transit	13,876	14,485	15,156	15,152	15,139
Golf	4,539	4,705	4,586	4,594	4,765
Total business-type activities expenses	141,487	133,934	138,787	148,127	148,427
Total primary government expenses	$ 469,037	$ 462,811	$ 469,783	$ 481,524	$ 468,198
Program Revenues					
Governmental activities:					
Charges for services					
General government	$ 13,166	$ 18,706	$ 22,011	$ 14,210	$ 12,432
Public safety	4,919	6,506	6,774	7,093	6,636
Highways and streets	5,231	4,151	5,199	4,423	4,313
Sanitation	1,026	1,005	875	1,103	1,265
Health and welfare	5,891	1,905	3,931	4,110	5,138
Culture and recreation	4,773	4,799	4,781	5,494	4,634
Operating grants and contributions	45,514	51,904	50,393	47,413	46,950
Capital grants and contributions	82,537	66,923	60,292	33,870	11,133
Total governmental activities program revenues	163,057	155,899	154,256	117,716	92,501
Business-type activities:					
Charges for services					
Water	51,022	65,003	79,547	80,088	64,790
Sewer	34,490	37,247	44,089	45,979	49,754
Airport	20,713	21,588	21,597	22,112	21,964
Stormwater	8,497	8,515	9,282	9,057	9,170
Transit	1,811	1,828	1,972	2,146	2,050
Golf	4,298	4,111	4,017	4,726	4,182
Operating grants and contributions	5,940	6,305	7,183	6,689	7,139
Capital grants and contributions	40,269	37,797	20,357	15,381	33,102
Total business-type activities program revenues	167,040	182,394	188,044	186,178	192,151
Total primary government program revenues	$ 330,097	$ 338,293	$ 342,300	$ 303,894	$ 284,652
Net (Expense) Revenue					
Governmental activities	$ (164,493)	$ (172,978)	$ (176,740)	$ (215,681)	$ (227,270)
Business-type activities	25,553	48,460	49,257	38,051	43,724
Total primary government net expense	$ (138,940)	$ (124,518)	$ (127,483)	$ (177,630)	$ (183,546)

(Continued)

CITY OF WICHITA, KANSAS

CHANGES IN NET POSITION
For years ended December 31, 2004 through December 31, 2013
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2004	2005	2006	2007	2008
General Revenues and Other Charges in Net Position					
Governmental activities:					
Taxes					
Property taxes	$ 82,582	$ 85,573	$ 89,682	$ 94,959	$ 101,311
Sales taxes	44,739	45,181	47,705	49,256	51,255
Franchise taxes	29,556	30,702	31,851	32,157	34,272
Motor vehicle taxes	11,780	12,168	12,590	13,060	13,287
Transient guest taxes	4,926	5,064	5,035	5,709	6,325
Investment earnings	5,668	8,296	10,866	11,535	8,874
Miscellaneous	13,311	12,263	7,747	12,329	16,928
Transfers	(607)	(9,976)	545	1,101	557
Prior period adjustments	394	(758)	251	564	(13,345)
Total governmental activities	192,349	188,513	206,272	220,670	219,464
Business-type activities:					
Investment earnings	5,615	6,199	7,277	8,466	6,710
Miscellaneous	189	566	856	793	825
Transfers	607	9,976	(545)	(1,101)	(557)
Prior period adjustments	-	-	(383)	-	(3,346)
Total business-type activities	6,411	16,741	7,205	8,158	3,632
Total primary government	$ 198,760	$ 205,254	$ 213,477	$ 228,828	$ 223,096
Change in Net Position					
Governmental activities	63,817	10,106	22,005	46,744	8,495
Business-type activities	25,910	54,053	30,921	32,269	23,165
Total primary government	$ 89,727	$ 64,159	$ 52,926	$ 79,013	$ 31,660

	Fiscal Year				
	2009	2010	2011	2012	2013
General Revenues and Other Charges in Net Position					
Governmental activities:					
Taxes					
Property taxes	$ 106,500	$ 105,113	$ 105,089	$ 105,874	$ 106,347
Sales taxes	49,444	48,240	54,919	54,095	58,519
Franchise taxes	33,720	36,923	36,779	37,407	39,283
Motor vehicle taxes	13,309	13,094	12,898	13,116	13,398
Transient guest taxes	6,015	5,689	6,041	6,100	6,360
Investment earnings	3,703	2,001	1,003	530	828
Miscellaneous	23,843	17,498	7,397	5,683	7,755
Transfers	(493)	(1,237)	1,766	2,566	2,406
Prior period adjustments	-	-	-	-	(11,527)
Total governmental activities	236,041	221,617	225,892	225,371	223,369
Business-type activities:					
Investment earnings	4,912	3,692	3,803	3,813	487
Miscellaneous	974	1,700	679	2,138	4,464
Transfers	494	1,236	(1,766)	(2,566)	(2,406)
Prior period adjustments	-	-	-	-	(2,960)
Total business-type activities	6,380	6,628	2,716	3,385	(415)
Total primary government	$ 242,421	$ 228,245	$ 228,608	$ 228,756	$ 222,954
Change in Net Position					
Governmental activities	71,548	48,639	49,152	9,690	(3,901)
Business-type activities	31,933	55,088	51,973	41,436	43,309
Total primary government	$ 103,481	$ 103,727	$ 101,125	$ 51,126	$ 39,408

CITY OF WICHITA, KANSAS

FUND BALANCES OF GOVERNMENTAL FUNDS

For years ended December 31, 2004 through December 31, 2013

(modified accrual basis of accounting)

(dollars expressed in thousands)

	Fiscal Year				
	2004	2005	2006	2007	2008
General Fund					
Reserved	$ 3,675	$ 3,887	$ 2,767	$ 3,485	$ 2,462
Unreserved	22,000	22,867	23,026	23,051	22,451
Nonspendable	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	$ 25,675	$ 26,754	$ 25,793	$ 26,536	$ 24,913
Debt Service Fund					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved	65,958	57,287	40,945	16,107	6,231
Restricted	-	-	-	-	-
Total Debt Service Fund	$ 65,958	$ 57,287	$ 40,945	$ 16,107	$ 6,231
All other governmental funds					
Reserved	$ 57,962	$ 115,661	$ 137,531	$ 112,903	$ 101,176
Unreserved reported in:					
Special revenue funds	59,468	60,404	57,387	60,417	57,993
Capital projects funds	(49,344)	(137,842)	(207,404)	(152,103)	(158,110)
Permanent fund	827	603	594	623	666
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 68,913	$ 38,826	$ (11,892)	$ 21,840	$ 1,725

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

	Fiscal Year				
	2009	2010	2011 [1]	2012	2013
General Fund					
Reserved	$ 2,175	$ 1,993	$ -	$ -	$ -
Unreserved	22,447	22,514	-	-	-
Nonspendable	-	-	882	841	847
Assigned	-	-	5,761	6,035	5,392
Unassigned	-	-	24,091	24,291	26,315
Total General Fund	$ 24,622	$ 24,507	$ 30,734	$ 31,167	$ 32,554
Debt Service Fund					
Reserved	$ 699	$ -	$ -	$ -	$ -
Unreserved	21,522	51,730	-	-	-
Restricted	-	-	85,545	114,344	88,293
Total Debt Service Fund	$ 22,221	$ 51,730	$ 85,545	$ 114,344	$ 88,293
All other governmental funds					
Reserved	$ 66,458	$ 55,616	$ -	$ -	$ -
Unreserved reported in:					
Special revenue funds	56,712	58,322	-	-	-
Capital projects funds	(100,612)	(87,391)	-	-	-
Permanent fund	650	605	-	-	-
Nonspendable	-	-	310	314	345
Restricted	-	-	73,986	66,502	54,354
Committed	-	-	24,740	25,206	15,590
Assigned	-	-	-	-	8,901
Unassigned	-	-	(76,125)	(83,499)	(131,412)
Total all other governmental funds	$ 23,208	$ 27,152	$ 22,911	$ 8,523	$ (52,222)

CITY OF WICHITA, KANSAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

For years ended December 31, 2004 through December 31, 2013

(accrual basis of accounting)

(dollars expressed in thousands)

	Fiscal Year				
	2004	2005	2006	2007	2008
Revenues					
Taxes	$ 144,028	$ 147,986	$ 155,011	$ 162,985	$ 172,176
Special assessments	26,371	27,099	29,102	30,082	32,573
Franchise taxes	29,556	30,702	31,851	32,157	34,273
Intergovernmental	96,078	87,953	98,988	96,660	94,087
Charges for services	10,414	10,310	10,398	9,946	10,748
Licenses and permits	6,069	6,494	7,048	7,478	6,511
Fines and penalties	7,933	8,666	8,801	9,948	9,444
Rentals	4,061	3,848	3,956	5,568	5,571
Interest earnings	5,396	7,699	9,944	10,375	8,160
Other revenue	18,053	18,036	12,179	16,242	19,566
Total revenues	347,959	348,793	367,278	381,441	393,109
Expenditures					
General government	29,836	30,524	34,193	31,576	36,065
Public safety	91,576	94,353	103,315	110,745	116,580
Highways and streets	18,796	21,569	22,833	22,784	22,838
Sanitation	3,592	3,082	3,304	3,609	3,872
Health and welfare	34,741	32,900	33,482	31,758	31,864
Culture and recreation	27,883	29,256	29,650	30,171	32,720
Capital outlay	146,568	126,314	170,129	150,383	165,767
Debt service:					
Principal	61,745	65,492	59,867	58,496	57,823
Interest	18,341	20,517	20,418	20,332	22,849
Total expenditures	433,078	424,007	477,191	459,854	490,378
Excess of revenues over (under) expenditures	(85,119)	(75,214)	(109,913)	(78,413)	(97,269)
Other financing sources (uses)					
Transfers from other funds	71,432	67,897	94,789	109,209	111,156
Transfers to other funds	(70,941)	(68,088)	(92,973)	(107,707)	(109,811)
Refunding bonds issued	71,980	-	-	-	-
Bonds issued	100,466	57,172	48,879	101,620	64,165
Premiums on bonds issued	5,532	83	159	628	169
Discount on bonds issued	(225)	-	-	-	-
Payments on refunded bonds	(30,250)	(19,175)	(8,845)	(15,615)	-
Total other financing sources (uses)	147,994	37,889	42,009	88,135	65,679
Prior period adjustment	-	(354)	(117)	(86)	(24)
Net changes in fund balances	$ 62,875	$ (37,679)	$ (68,021)	$ 9,636	$ (31,614)
Debt service as a percentage of noncapital expenditures	22.4%	23.2%	21.0%	21.5%	19.5%

	Fiscal Year				
	2009	2010	2011	2012	2013
Revenues					
Taxes	$ 175,277	$ 172,374	$ 178,947	$ 179,185	$ 184,625
Special assessments	33,887	34,251	33,648	33,327	33,669
Franchise taxes	33,720	36,923	36,779	37,407	39,283
Intergovernmental	74,089	72,228	64,003	61,057	59,823
Charges for services	10,542	10,673	12,019	10,647	11,052
Licenses and permits	5,892	6,648	6,735	7,427	7,468
Fines and penalties	10,430	10,641	10,345	10,476	9,391
Rentals	4,446	4,578	4,266	4,737	4,400
Interest earnings	3,594	2,160	1,022	551	851
Other revenue	35,209	23,219	21,283	12,986	13,354
Total revenues	387,086	373,695	369,047	357,800	363,916
Expenditures					
General government	32,855	34,659	36,587	34,643	36,414
Public safety	117,087	120,792	122,930	126,734	129,573
Highways and streets	20,937	19,125	22,450	18,185	16,676
Sanitation	4,372	5,243	4,264	3,722	3,774
Health and welfare	35,986	40,109	35,379	32,134	31,854
Culture and recreation	31,892	31,720	30,793	31,061	30,379
Capital outlay	121,256	83,658	82,901	109,959	108,380
Debt service:					
Principal	79,460	86,867	52,743	65,923	62,137
Interest	19,924	21,955	19,929	20,027	20,438
Total expenditures	463,769	444,128	407,976	442,388	439,625
Excess of revenues over (under) expenditures	(76,683)	(70,433)	(38,929)	(84,588)	(75,709)
Other financing sources (uses)					
Transfers from other funds	82,417	72,657	73,059	95,855	82,035
Transfers to other funds	(80,210)	(68,369)	(68,280)	(92,540)	(77,826)
Refunding bonds issued	43,715	48,805	72,730	51,325	-
Bonds issued	109,180	74,352	28,313	57,280	16,290
Premiums on bonds issued	2,573	5,566	11,952	10,003	646
Discount on bonds issued	-	-	-	-	-
Payments on refunded bonds	(43,810)	(29,240)	(43,045)	(22,490)	(35,460)
Total other financing sources (uses)	113,865	103,771	74,729	99,433	(14,315)
Prior period adjustment	-	-	-	-	4,614
Net changes in fund balances	$ 37,182	$ 33,338	$ 35,800	$ 14,845	$ (85,410)
Debt service as a percentage of noncapital expenditures	26.1%	28.2%	21.0%	23.0%	23.1%

CITY OF WICHITA, KANSAS

GOVERNMENTAL OWN SOURCE REVENUES BY SOURCE

For years ended December 31, 2004 through December 31, 2013
(modified accrual basis of accounting)
(dolllars expressed in thousands)

Year	Property Taxes[1]	Special Assessments[2]	Franchise Taxes
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
2012	118,990	32,800	37,407
2013	119,745	33,056	39,283

[1]Property taxes include motor vehicle taxes.

[2]Special assessment includes the assessments for improvements.
Nuisance assessments are not included above.

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CITY OF WICHITA, KANSAS

GOVERNMENTAL REVENUES BY SOURCE
For fiscal years 2004 through 2013
(modified accrual basis of accounting)
(amounts expressed in thousands)

Year	Taxes	Special Assessments[1]	Franchise Taxes	Local Sales Tax	Intergovern-mental	Licenses and Permits
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
2012	125,089	33,327	37,407	54,095	61,057	7,427
2013	126,106	33,669	39,283	58,519	59,823	7,468

[1]Includes all collections through specials, including nuisance collections.

GOVERNMENTAL EXPENDITURES BY FUNCTION
For fiscal years 2004 through 2013
(modified accrual basis of accounting)
(dollars expressed in thousands)

Year	General Government	Public Safety	Highways and Streets	Sanitation	Health and Welfare	Culture and Recreation
2004	$ 29,836	$ 91,576	$ 18,796	$ 3,592	$ 34,741	$ 27,883
2005	30,524	94,352	21,569	3,082	32,900	29,256
2006	34,193	103,315	22,833	3,305	33,482	29,650
2007	31,576	110,745	22,783	3,609	31,758	30,171
2008	36,064	116,580	22,838	3,872	31,864	32,720
2009	32,855	117,087	20,937	4,372	35,986	31,892
2010	34,640	120,792	19,144	5,243	40,109	31,720
2011	36,588	122,930	22,450	4,264	35,379	30,793
2012	34,643	126,734	18,186	3,722	32,134	31,061
2013	36,414	129,574	16,676	3,774	31,854	30,379

Fines and Penalties	Rentals	Interest Earnings	Charges for Services and Sales	Other Revenues	Total	Year
$ 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
10,476	4,737	551	10,647	12,987	357,800	2012
9,391	4,400	851	11,052	13,354	363,916	2013

Debt Service	Capital Outlay	Total	Year
$ 80,086	$ 146,568	$ 433,078	2004
86,009	126,314	424,006	2005
80,284	170,129	477,191	2006
78,828	150,383	459,853	2007
80,673	165,767	490,378	2008
98,454	122,187	463,770	2009
108,821	83,658	444,127	2010
72,672	82,901	407,977	2011
85,949	109,959	442,388	2012
82,574	108,380	439,625	2013

CITY OF WICHITA, KANSAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

For years ended December 31, 2004 through December 31, 2013

(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
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	20,142,275	136,190	559,157	99,311	300,943
2012	2,889,209	19,908,386	125,492	518,004	96,872	293,550
2013	2,910,786	20,007,283	118,751	491,029	94,794	287,253

	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
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	21,002,375	15.01%	5.06	381,608	3,533,597
2012	3,111,573	20,719,940	15.02%	5.21	385,358	3,496,931
2013	3,124,331	20,785,565	15.03%	5.16	396,435	3,520,766

[1]The assessed value and tax rate of the referenced year supports the budget of the subsequent year. For example, the assessed value of 2011 multiplied by the tax rate supports the budget of fiscal 2012. 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, 2004 through December 31, 2013

	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
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
2012	24.443	8.028	32.471	1.500	29.447	57.184	88.131	120.602
2013	24.003	8.506	32.509	1.500	29.377	57.215	88.092	120.601

[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, 2004 and December 31, 2013
(dollars expressed in thousands)

	2013			2004		
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	$ 39,006	1	1.25 %	$ 43,471	2	1.71 %
Wesley Medical Center LLC (HCA)	26,754	2	0.86	23,519	4	0.92
Simon Property Group	23,787	3	0.76	27,754	3	1.09
Kansas Gas Service-A Division of Oneok	20,691	4	0.66	14,613	6	0.57
Southwestern Bell Telephone	16,404	5	0.53	46,483	1	1.83
Wal-Mart Real Estate Business Trust	13,551	6	0.43	-		-
City of Wichita	8,733	7	0.28	-		-
New Market I LLC	6,445	8	0.21	-		-
Bradley Fair One, LLC	6,059	9	0.19	-		-
Black Hills Corporation	5,710	10	0.18	-		-
Koch Industries, Inc.	-		-	14,861	5	0.58
Boeing Military Airplane	-		-	8,344	7	0.33
AT&T	-		-	6,387	8	0.25
Builders, Inc.	-		-	5,489	9	0.22
Learjet, Inc.	-		-	5,147	10	0.20
	$ 167,140		5.35 %	$ 196,068		7.70 %

PRINCIPAL EMPLOYERS, WICHITA AREA

For years ended December 31, 2004 and December 31, 2013

	2013			2004		
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.	11,000	1	3.65 %	-		- %
McConnell Air Force Base	6,438	2	2.14	-		-
Via Christi Health System	6,393	3	2.12	4,795	7	1.57
USD 259 Wichita	5,482	4	1.82	4,955	5	1.62
Cessna Aircraft Company	4,979	5	1.65	8,000	2	2.62
State of Kansas	3,969	6	1.32	4,800	6	1.57
Bombardier Learjet	3,400	7	1.13	2,500	10	0.82
Beechcraft Corporation	3,372	8	1.12	-		-
City of Wichita	2,950	9	0.98	3,200	8	1.05
Koch Industries	2,900	10	0.96	-		-
Boeing Aircraft Co.	-		-	12,300	1	4.03
Raytheon Aircraft Co.	-		-	7,000	3	2.29
US Government	-		-	5,186	4	1.70
Sedgwick County	-		-	2,695	9	0.88
Percent of total employment			16.89 %			18.15 %
Total employment	301,192			305,190		

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, 2004 through December 31, 2013
(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
2004	$ 78,450	$ 74,180	94.56 %	$ 2,875	$ 77,055	98.22 %
2005	81,030	76,454	94.35	3,096	79,550	98.17
2006	85,103	80,692	94.82	2,770	83,462	98.07
2007	90,546	86,525	95.56	3,102	89,627	98.99
2008	95,692	91,161	95.27	3,970	95,131	99.41
2009	100,840	95,255	94.46	3,346	98,601	97.78
2010	101,298	95,319	94.10	2,558	97,877	96.62
2011	100,319	95,890	95.59	1,512	97,402	97.09
2012	101,997	96,611	94.72	-	96,611	94.72
2013	101,036	96,596	95.61	-	96,596	95.61

PROPERTY TAX LEVIES AND COLLECTIONS
Tax Increment Financing Districts
For years ended December 31, 2004 through December 31, 2013
(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[2]
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	354	6,120	99.21
2007	6,580	6,087	92.51	469	6,556	99.63
2008	7,038	5,752	81.73	51	5,803	82.45
2009	7,101	6,127	86.28	200	6,327	89.11
2010	6,196	6,372	102.84	96	6,468	104.39
2011	5,991	6,174	103.05	10	6,184	103.23
2012	6,021	5,820	96.66	-	5,820	96.66
2013	6,317	5,726	90.64	-	5,726	90.64

SPECIAL ASSESSMENT LEVIES AND COLLECTIONS
For years ended December 31, 2004 through December 31, 2013
(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
2004	$ 24,659	$ 23,335	94.63 %	$ 1,122	$ 24,457	99.18 %
2005	25,034	23,869	95.35	1,097	24,966	99.73
2006	27,137	25,889	95.40	1,226	27,115	99.92
2007	28,797	27,272	94.70	1,515	28,787	99.97
2008	30,871	29,097	94.25	1,417	30,514	98.84
2009	30,687	29,756	96.97	675	30,431	99.17
2010	33,314	30,934	92.86	1,672	32,606	97.87
2011	34,882	32,010	91.77	-	32,010	91.77
2012	33,088	29,296	88.54	-	29,296	88.54
2013	31,857	29,090	91.31	-	29,090	91.31

[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 and do not have a district levy. As a result, collections may exceed the budgeted amounts.

[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, 2004 through December 31, 2013
(dollars expressed in 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
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	29,587	130,730	2,847
2011	3,533,597	525,794	23,648	123,455	1,956
2012	3,496,931	558,037	25,857	152,390	1,064
2013	3,520,766	480,005	26,142	122,195	167

[1] Includes assessed value and motor vehicle valuations expressed in thousands.
[2] Includes all long-term general obligation debt repayable from governmental and proprietary funds.
[3] Based on most recent population data reported on page H-27.

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[3]	Year
$ 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	73,032	0.021	189.97	2010
40,681	269,630	66,424	0.019	172.27	2011
48,360	254,955	75,411	0.022	195.58	2012
44,285	216,625	70,591	0.020	183.08	2013

CITY OF WICHITA, KANSAS

RATIOS OF OUTSTANDING DEBT BY TYPE

For years ended December 31, 2004 through December 31, 2013

(dollars expressed in thousands except per capita amounts)

	Proprietary Activities					Governmental Activities
Fiscal Year	Water Utility Bonds[1]	Sewer Utility Bonds[2]	Airport Authority Bonds	General Obligation Bonds	Bond Anticipation Notes	General Obligation Bonds[3]
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
2012	243,497	181,249	11,370	48,360	-	509,676
2013	229,951	170,958	11,310	44,285	7,933	435,720

	Governmental					
Fiscal Year	HUD Section 108 Loan	Capital Lease Debt	Bond Anticipation Notes	Total Debt Primary Government	Total Debt Per Capita[4]	Total Debt as a Percent of Per Capita Income
2004	$ 5,530	$ -	$ 23,160	$ 803,591	$ 2,271	6.85 %
2005	5,310	-	18,629	816,737	2,302	6.63
2006	2,075	-	18,057	829,277	2,318	6.05
2007	1,825	1,681	14,180	841,237	2,328	5.85
2008	1,565	1,472	34,990	864,272	2,361	6.02
2009	1,285	1,178	39,501	1,002,408	2,693	7.14
2010	990	851	1,813	1,058,776	2,769	7.17
2011	680	510	14,158	1,045,727	2,720	7.05
2012	350	153	10,465	1,005,120	2,607	6.76
2013	-	435	3,465	904,057	2,345	5.70

	Component Unit
Fiscal Year	Wichita Public Building Commission
2004	$ 33,505
2005	32,075
2006	29,315
2007	26,555
2008	24,230
2009	21,805
2010	16,705
2011	14,010
2012	11,220
2013	1,595

[1]The unamortized premium associated with the outstanding bonded debt of the Water Utility is $9,931,846 on December 31, 2013.

[2]The unamortized premium associated with the outstanding bonded debt of the Sewer Utility is $10,921,377 on December 31, 2013.

[3]The source of funding for general obligation debt is presented on page G-2 and G-3 in the Additional Information Section. The unamortized premium associated with the outstanding bonded debt being repaid from all sources is $22,225,211 on December 31, 2013.

[4]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, 2004 through December 31, 2013
(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]
2004	$ 458,232	$ 65,958	$ 392,274	2.38 %	$ 1,108.5
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	2.10	1,145.2
2012	558,036	114,344	443,692	2.14	1,150.7
2013	480,005	88,293	391,712	1.88	1,015.9

[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, 2004 through December 31, 2013
(dollars expressed in thousands)

Fiscal Year	Principal	Interest	Debt Service[1]	Total Government Expenditures[2]	Ratio of Debt Service to Government Expenditures
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
2012	51,435	17,001	68,436	442,388	15.47
2013	51,322	16,594	67,916	439,625	15.45

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

CITY OF WICHITA, KANSAS

LEGAL DEBT MARGIN INFORMATION

For years ended December 31, 2004 through December 31, 2013

(dollars expressed in thousands)

	2004	2005	2006	2007
Debt limit	$ 872,044	$ 911,315	$ 964,087	$ 1,015,379
Total net debt applicable to limit	252,320	227,053	232,818	197,179
Legal debt margin	$ 619,724	$ 684,262	$ 731,269	$ 818,200
Total net debt applicable to limit as a percentage of debt limit	28.93%	24.91%	24.15%	19.42%

2008	2009	2010	2011	2012	2013
$ 1,064,291	$ 1,064,507	$ 1,061,156	$ 1,060,079	$ 1,049,079	$ 1,056,230
202,312	221,768	226,525	197,552	169,407	137,511
$ 861,979	$ 842,739	$ 834,631	$ 862,527	$ 879,672	$ 918,719
19.01%	20.83%	21.35%	18.64%	16.15%	13.02%

Total debt	$ 893,819
2013 Equalized assessed valuation of taxable tangible property	$ 3,124,331
Add: 2013 Estimated tangible valuation of motor vehicles	396,435
Total assessed value	$ 3,520,766
Debt limit (30% of equalized assessed value)	$ 1,056,230
Debt applicable to limit:	
General obligation bonds	$ 207,553
Less: Amount set aside for repayment of general obligation debt	70,042
Total net debt applicable to limit	$ 137,511
Legal debt margin	$ 918,719

CITY OF WICHITA, KANSAS

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
As of December 31, 2011 through December 31, 2013

	December 31, 2011		December 31, 2012		December 31, 2013	
	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		$ 69,517,468		$ 77,801,054		$ 75,934,638
Temporary note debt		236,525,000		221,245,000		326,275,000
Total direct debt		306,042,468		299,046,054		402,209,638
Less - assets in debt service fund available for payment of principal		23,647,787		18,325,399		26,142,120
Total net direct debt		282,394,681		280,720,655		376,067,518
Overlapping debt:						
Sedgwick County	73.3%	116,493,699	72.8%	108,881,019	72.6%	109,419,500
USD 259	61.5%	280,189,285	67.4%	295,788,093	67.4%	295,788,093
Wichita Public Building Commission	73.3%	8,205,000	72.8%	6,990,000	72.6%	-
Total overlapping debt		404,887,984		411,659,112		405,207,593
Total direct and overlapping debt		$ 687,282,665		$ 692,379,767		$ 781,275,111

Note: Percentage of overlapping debt based on assessed valuation.

CITY OF WICHITA, KANSAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

For years 2004 through 2013

Fiscal Year	Population of Wichita	Population of Wichita MSA[1]	Personal Income of Wichita MSA (amounts expressed in thousands)	Per Capita Personal Income
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	384,445	625,526	24,125,385	38,568
2012	385,577	636,105	26,176,679	41,152
2013	385,577	636,105	26,176,679	41,152

Fiscal Year	Median Age	School Enrollment	Average Annual Unemployment Rates	
			City of Wichita	Wichita MSA
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	9.6%	8.8%
2011	34.3	50,103	8.7%	7.9%
2012	35.1	50,639	7.5%	6.8%
2013	35.1	51,169	7.0%	6.3%

Data provided by the Center of Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University. The statistical information may reflect revisions made to data originally reported. All data for the current year may not be available.

[1] Wichita Metropolitan Statistical Area

CITY OF WICHITA, KANSAS

PLEDGED REVENUE COVERAGE

For years ended December 31, 2004 through December 31, 2013
(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
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
2012	83,737	31,246	52,491	14,087	11,127	2.08
2013	69,355	32,522	36,833	13,546	11,274	1.48

Sewer Revenue Bonds

Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expenses	Net Revenue Available for Debt Service	Principal	Interest	Coverage
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
2012	47,713	22,509	25,204	10,712	7,670	1.37
2013	52,074	23,389	28,685	10,290	8,333	1.54

Combined Water and Sewer Revenue Bonds

Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expenses	Net Revenue Available for Debt Service	Principal	Interest	Coverage
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
2012	131,450	53,755	77,695	24,799	18,797	1.78
2013	121,429	55,911	65,518	23,836	19,607	1.51

Note: The covenants of the revenue bonds require the combined Utilities to produce net revenues for the debt service of the Utilities' revenue bonds 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, 2004 through December 31, 2013

	Fiscal Year									
Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police stations	4	4	4	4	4	4	4	4	4	4
Police patrol units	175	175	175	175	175	175	175	173	183	175
Fire stations	18	18	18	19	19	22	22	22	22	22
Highways and Streets										
Streets (miles)	1,745	1,760	1,795	1,830	1,859	1,882	1,884	1,898	1,902	1,904
Signalized intersections	526	541	547	553	562	562	562	584	585	584
Culture and Recreation										
Parks acreage	4,273	4,327	4,458	5,281	5,281	4,892	4,892	4,886	4,903	4,905
Swimming pools	12	11	11	11	11	11	11	11	9	9
Interactive water features	3	5	5	6	6	6	6	5	5	5
Fishing ponds	11	12	13	13	13	13	13	13	13	13
Tennis courts	83	74	75	76	76	75	73	75	75	77
Exercise/fitness trails	12	12	12	12	12	16	16	13	13	13
Children's playgrounds	67	74	78	78	80	82	83	79	79	81
Community centers	10	10	10	10	10	10	10	9	9	9
Golf Courses	5	5	5	5	5	5	5	5	5	5
Libraries	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (miles)	2,006	2,031	2,244	2,280	2,298	2,314	2,357	2,361	2,387	2,407
Maximum daily capacity (million gallons per day)[1]	100	106	119	108	160	160	160	160	160	160
Sewer										
Sanitary sewers (miles)[2]	1,919	1,925	1,935	1,986	2,011	2,013	2,134	2,134	2,016	2,016
Storm sewers (miles)	400	400	400	420	420	420	750	750	750	925
Maximum daily treatment capacity (million gallons per day)	59	61	61	59	59	62	62	62	62	62
Airport	2	2	2	2	2	2	2	2	2	2
Transit										
Bus fleet	56	56	56	53	53	53	53	55	54	56
Para-transit vans	27	22	22	20	23	24	24	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, 2004 through December 31, 2013

	Fiscal Year									
Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Dispatched calls for 911 service	247,233	243,166	245,200	206,453	234,578	238,766	286,507	226,047	227,787	231,290
Parking violations	20,915	19,816	20,500	30,885	23,922	22,011	21,234	17,105	14,917	14,276
Traffic violations	71,806	72,047	70,000	79,755	64,113	77,589	72,303	72,983	64,437	54,820
Fire										
Number of unit responses	52,971	60,830	60,012	67,170	68,818	69,332	69,680	72,226	73,389	73,184
Fires contained to room of origin	71%	41%	69%	68%	78%	73%	64%	62%	71%	72%
Inspections	6,662	5,262	5,165	5,953	5,753	4,092	4,187	4,731	12,969	15,225
Highways and Streets										
Street resurfacing (miles)	62	36	36	33	18	11	11	14	22	14
Potholes repaired	70,000	55,000	42,000	96,731	93,880	51,241	70,306	54,075	47,851	54,661
Culture and Recreation										
Golf rounds played	180,214	181,934	188,883	164,013	164,140	172,096	161,179	158,124	178,886	155,460
Trees planted	3,897	4,764	3,907	2,498	2,189	2,090	1,624	702	1,944	291
Swim lessons	1,829	1,732	1,560	1,134	1,490	1,379	1,377	1,721	1,531	1,394
Botanica visitors	114,529	102,691	111,289	94,865	102,877	97,390	105,881	145,105	166,390	154,509
Convention & Performance Center[1]										
Conventions	29	39	29	25	28	18	29	30	29	26
Consumer shows	na	na	na	na	na	na	29	27	33	30
Performances	na	na	na	na	na	na	65	67	63	52
Other events	na	na	na	na	na	na	173	210	207	171
Library circulation	1,905,435	1,949,241	1,992,052	2,057,722	2,248,824	2,237,881	2,284,698	2,304,924	2,218,997	2,137,656
Library program attendance	64,602	77,038	65,169	68,296	69,597	70,030	70,528	68,507	71,714	62,291
Water										
Water customers[2]	138,626	141,249	144,780	144,336	141,622	142,196	144,529	144,710	144,190	144,261
Main breaks (per 1,000 miles of mains)	254	263	311	280	198	165	242	339	340	233
Average daily consumption[3] (million gallons per day)	55	57	61	58	54	54	57	61	60	51
Sewer (wastewater)										
Sewer customers[2]	127,314	130,496	133,759	131,235	133,160	133,799	134,508	134,534	134,491	133,952
Average daily sewage treated (million gallons per day)	39	38	35	36	40	37	36	27	29	38
Airport										
Number of passengers	1,498,749	1,486,590	1,460,331	1,596,229	1,619,075	1,505,607	1,549,395	1,536,354	1,509,206	1,512,507
Passenger enplanements	749,416	742,363	726,619	795,535	805,286	746,283	772,608	764,622	752,108	757,401
Number of daily flights	45	44	47	50	43	41	38	35	33	34
Transit										
Fixed route ridership	1,948,838	2,070,153	1,868,673	1,972,981	2,255,051	2,170,346	2,210,177	2,073,725	1,940,461	1,851,654
Para-transit ridership	330,891	327,781	326,303	318,122	325,433	342,500	352,043	343,138	309,872	301,465

[1]Convention and Performance Center event records not available in earliest years.

[2]Water and Sewer customers estimated.

[3]Average daily consumption estimated for 2004.

Source: City of Wichita Operating Departments

CITY OF WICHITA, KANSAS

CITY GOVERNMENT EMPLOYEES BY FUNCTION

For years ended December 31, 2004 through December 31, 2013

	Fiscal Year									
Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
City council & city manager	15	16	16	15	15	15	15	15	15	15
General government	19	19	17	16	28	25	24	23	36	24
Economic development	3	3	3	4	4	9	8	2	4	4
Financial services	70	71	73	73	73	73	71	71	70	68
Legal services	24	24	25	25	25	26	26	26	27	26
Building services	117	115	109	108	111	111	111	69	92	95
Fleet services	60	61	61	61	61	60	60	54	54	55
Municipal court	106	109	105	111	115	116	116	113	120	116
Information technology	49	52	55	56	56	59	56	56	56	56
Metropolitan planning	30	32	32	38	31	31	31	29	28	28
Human resources	17	17	18	18	18	18	18	17	17	17
Public Safety										
Police	834	841	856	857	860	860	834	846	854	843
Fire	397	397	407	439	436	436	438	437	453	453
Metro area building & construction	74	73	72	78	81	83	101	78	78	63
Flood control	18	18	18	18	18	18	18	18	18	18
Highways & Streets										
Administration	6	5	5	5	5	5	5	56	43	9
Street maintenance	141	128	127	127	129	123	123	119	119	121
Engineering & architecture	92	102	102	98	105	102	102	105	104	93
Sanitation										
Landfill operations	4	2	2	3	2	2	2	2	3	3
Street cleaning	28	22	22	22	21	26	26	26	24	24
Health and Welfare										
Housing & community services	89	89	93	88	89	90	91	90	89	88
Environmental services	65	69	69	71	67	68	49	31	30	36
Culture and Recreation										
Libraries	148	148	153	153	155	155	155	155	151	149
Art museum	26	26	26	30	24	26	26	26	26	26
Parks & recreation	840	273	188	198	185	185	121	139	122	158
Golf courses	86	90	34	38	38	38	33	33	33	33
Community facilities	39	37	34	29	46	58	51	51	51	51
Water	219	213	222	228	223	230	228	193	186	214
Sewer	159	159	159	159	163	163	161	155	155	154
Airport	114	116	116	115	114	115	115	119	126	118
Stormwater	37	37	37	33	33	38	38	37	37	38
Transit	168	157	133	131	133	131	154	135	135	135
Total	4,094	3,521	3,389	3,445	3,464	3,495	3,407	3,326	3,356	3,331

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

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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

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*

Independent Auditor's Report

Honorable Mayor and City Council Members
City of Wichita, Kansas

We have audited, in accordance with the 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, 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 (City) as of and for the year ended December 31, 2013 , and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 16, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 a 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 Audit Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

June 16, 2014
Wichita, Kansas

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND FOR THE PASSENGER FACILITY CHARGE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Independent Auditor's Report

Honorable Mayor and City Council Members
City of Wichita, Kansas

Report on Compliance for Each Major Federal Program and for the Passenger Facility Charge Program

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 City's passenger facility charge program for the year ended December 31, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and its passenger facility charge program based on our audit of the types of compliance requirements referred to above. 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 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 on compliance for each major federal program and the passenger facility charge program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and the Passenger Facility Charge Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and its passenger facility charge program for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2013-001. Our opinion on each major federal program is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and the passenger facility charge program, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be

material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-001, that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the Guide. Accordingly, this report is not suitable for any other purpose.

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

June 16, 2014
Wichita, Kansas

CITY OF WICHITA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2013

Federal Grant or Program Title	Federal CFDA Number	Revenue Recognized	Expenditures
U.S. Department of Agriculture			
Cooperative Forestry Assistance (16)	10.664	$ 8,118	$ 4,070
Total U.S. Department of Agriculture		$ 8,118	$ 4,070
U.S. Department of Commerce			
Investments for Public Works and Economic Development Facilities	11.300	$ -	$ 90,097
Total U.S. Department of Commerce		$ -	$ 90,097
U.S. Department of Defense			
Procurement Technical Assistance for Business Firms (8)	12.002	$ 12,619	$ 2,678
Total U.S. Department of Defense		$ 12,619	$ 2,678
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants	14.218	$ 2,355,136	$ 2,302,113
CDBG Special Purpose Grants/Insular Areas	14.225	247,500	247,500
Emergency Shelter Grants Program	14.231	307,478	307,042
HOME Investment Partnerships Program	14.239	887,151	997,430
CDBG/Brownsfields Economic Development Initiative	14.246	97,602	97,602
Public and Indian Housing	14.850	1,608,601	1,541,255
Resident Opportunity and Supportive Services	14.870	80,000	47,229
Section 8 Housing Choice Vouchers (15)	14.871	12,889,414	13,250,947
Public Housing Capital Fund	14.872	786,051	786,051
Mainstream Vouchers (15)	14.879	293,792	250,876
Total U.S. Department of Housing and Urban Development		$ 19,552,725	$ 19,828,045
U. S. Department of the Interior			
Historic Preservation Fund Grants-In-Aid (4)	15.904	$ 20,000	$ 9,214
Total U.S. Department of the Interior		$ 20,000	$ 9,214
U.S. Department of Justice			
Missing Children's Assistance (18)	16.543	$ 118,061	$ 107,199
Crime Victim Assistance (5)	16.575	82,145	66,333
Bulletproof Vest Partnership Program	16.607	2,495	-
Public Safety Partnership and Community Policing Grants	16.710	564,456	448,264
ARRA Public Safety Partnership and Community Policing Grants	16.710	190,089	138,259
Edward Byrne Memorial Justice Assistance Grant Program (6) (12) (18)	16.738	657,586	577,641
ARRA Edward Byrne Memorial JAG Program (12)	16.804	437,939	172,014
Equitable Sharing Program	16.922	109,006	39,602
Total U.S. Department of Justice		$ 2,161,777	$ 1,549,312
U.S. Department of Transportation			
Airport Improvement Program	20.106	$ 13,397,680	$ 13,397,680
Highway Planning and Construction (3)	20.205	10,780,613	8,016,162
ARRA Highway Planning and Construction (3)	20.205	(53,019)	61,983
Federal Transit - Capital Investment Grants (11)	20.500	105,559	105,559
Metropolitan Transportation Planning (3)	20.505	695,927	667,832
Federal Transit - Formula Grants (11)	20.507	6,468,196	6,599,855
Job Access - Reverse Commute (3) (14)	20.516	204,391	213,545
New Freedom Program (14)	20.521	257,458	268,113
State and Community Highway Safety (3) (10)	20.600	55,235	20,237
Alcohol Impaired Driving Countermeasures Incentives Grants I (3) (10)	20.601	3,278	(980)
Occupant Protection Incentive Grants (3) (10)	20.602	6,788	3,829
Incentive Grant Program to Prohibit Racial Profiling (3) (10)	20.611	-	5
Total U.S. Department of Transportation		$ 31,922,106	$ 29,353,820

CITY OF WICHITA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2013

Federal Grant or Program Title	Federal CFDA Number	Revenue Recognized	Expenditures
U.S. Environmental Protection Agency			
Air Pollution Control Program Support (1)	66.001	$ 146,783	$ 142,117
Surveys, Studies, Research Clean Air Act (1)	66.034	49,599	29,274
National Clean Diesel Emissions Reduction Program	66.039	73,311	81,124
Congressionally Mandated Projects	66.202	123,000	123,000
Nonpoint Source Implementation Grants (1)	66.460	20,846	44,618
Brownfields Assessment and Cleanup Cooperative Agreements (1)	66.818	-	3,884
Total U.S. Environmental Protection Agency		$ 413,539	$ 424,017
U.S. Department of Energy			
Conservation Research and Development (9)	81.086	$ 163,544	$ 63,001
ARRA Energy Efficiency and Conservation Block Grant	81.128	412,503	295,337
Total U.S. Department of Energy		$ 576,047	$ 358,338
U.S. Department of Education			
Twenty-First Century Community Learning Centers (17)	84.287	$ 63,600	$ 63,600
Total U.S. Department of Education		$ 63,600	$ 63,600
U.S. Department of Health and Human Services			
Community Services Block Grant (2)	93.569	$ 1,135,495	$ 1,022,477
Child Care and Development Block Grant (1)	93.575	338,536	226,216
Community Transformation Grants-Small Communities Program (13)	93.737	87,864	105,812
Total U.S. Department of Health and Human Services		$ 1,561,895	$ 1,354,505
Executive Office of the President			
High Intensity Drug Trafficking Areas Program (7)	95.001	$ 25,956	$ 23,340
Total Executive Office of the President		$ 25,956	$ 23,340
U.S. Department of Homeland Security			
Assistance to Firefighters Grant	97.044	$ 221,817	$ 167,462
Airport Checked Baggage Screening Program	97.100	605,007	605,007
Total U.S. Department of Homeland Security		$ 826,824	$ 772,469
Total revenue and expenditures of federal awards		$ 57,145,206	$ 53,833,504

(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 Kansas Criminal Justice Coordinating Council for $201,204.
(7) Federal assistance is passed through from the Kansas Bureau of Investigation.
(8) Federal assistance is passed through from Missouri Southern State University and Wichita 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 Federal Transit Cluster.
(12) Included in the JAG Program cluster.
(13) Federal assistance to the Health & Wellness Coalition of Wichita is passed through from the Greater Wichita YMCA.
(14) Included in the Transit Services Programs cluster.
(15) Included in the Housing Voucher cluster.
(16) Federal assistance is passed through from the Kansas Forest Service.
(17) Federal assistance to the Kansas State Department of Education is passed through from Unified School District 259.
(18) Federal assistance is passed through from Sedgwick County. CFDA 16.738 received $456,382.

1. Basis of Presentation

The Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City of Wichita and is presented on the modified accrual basis of accounting. The information in the SEFA 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 reported in the following table:

Program Title	Federal CFDA Number	Amount Provided to Subrecipient
Community Development Block Grants/Entitlement Grants	14.218	$ 410,358
Emergency Shelter Grants Program	14.231	221,650
Federal Transit – Formula Grants	20.507	155,680
Job Access-Reverse Commute	20.516	188,082
New Freedom Program	20.521	251,084

3. Federal Forfeited Property Program

In 2013, the Narcotic Seizure program acquired $109,006 in federal forfeited property and expended $317,346 on the qualified program expenditures. The IRS Asset Seizure and Forfeiture program expended $5,051 in 2013 on the program.

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, 2013 and September 30, 2014 are summarized in the following tables.

CSBG Grant Program Year Ended September 30, 2013

	Budget	Actual			Variance
	April 1, 2012 to Sept 30, 2013	April 1, 2012 to Dec 31, 2012	January 1, 2013 to Sept 30, 2013	Total	
Revenue:	$ 1,084,872	$ 270,769	$ 803,860	$ 1,074,629	$ 10,243
Expenditures:					
Personnel	446,422	193,367	273,736	467,103	(20,681)
Contractual	555,593	181,625	371,237	552,862	2,731
Commodities	43,253	8,653	6,407	15,060	28,193
Other	39,604	-	39,604	39,604	-
Total expenditures	$ 1,084,872	$ 383,645	$ 690,984	$ 1,074,629	$ 10,243

CSBG Grant Program Year Ended September 30, 2014		
	Budget	Actual
	April 1, 2013 to Sept 30, 2014	April 1, 2013 to December 31, 2013
Revenue:	$ 998,259	$ 331,635
Expenditures:		
Personnel	669,812	228,716
Contractual	257,840	98,656
Commodities	70,607	4,263
Total expenditures	$ 998,259	$ 331,635

5. Passenger Facility Charges

The accompanying schedule of Passenger Facility Charges is presented on the cash basis of accounting. The information in the schedule is presented in accordance with the requirements of the Passenger Facility Charge Audit Guide for Public Agencies. Therefore, some amounts presented in the 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	(1,400,109)	2,964,024	-	1,563,915
Total	$ 14,311,524	$ 2,964,024	$ -	$ 17,275,548

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CITY OF WICHITA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013

SECTION I – SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? ____ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? ____ yes X 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 auditor's report issued on compliance for major programs: See Below

Identification of major programs:

CFDA NUMBER	NAME OF FEDERAL PROGRAM	OPINION
14.850	*Public and Indian Housing*	*Unmodified*
14.871/14.879	*Housing Voucher Cluster*	*Unmodified*
16.710	*Public Safety Partnership and Community Policing Grants*	*Unmodified*
16.738 / 16.804	*JAG Program Cluster*	*Unmodified*
20.106	*Airport Improvement Program*	*Unmodified*
20.507	*Federal Transit – Formula Grants*	*Unmodified*
81.128	*Energy Efficiency and Conservation Block Grant Program*	*Unmodified*

SECTION I – SUMMARY OF INDEPENDENT AUDITOR'S RESULTS (Continued)

Dollar threshold used to distinguish between type A and type B programs:	$ 1,615,005
Auditee qualified as low-risk auditee?	X yes ____ no

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2013-001 (Significant Deficiency):
CFDA #14.871: Section 8 Housing Choice Vouchers, U.S. Department of Housing and Urban Development, All Open Grant Awards

Condition: Housing Quality Standards (HQS) reinspections were not performed on failed annual HQS inspections within the mandated thirty calendar days of the initial inspection.

Criteria: Under CFR 982 Section 404(a)(3), a Public Housing Authority must not make any housing assistance payments for a dwelling unit that fails to meet the Housing Quality Standards, unless the owner corrects the defects found within no more than 30 calendar days.

Questioned Costs: None noted.

Context: Out of the 40 tenant files selected for testing of HQS reinspections, 5 files had reinspections performed later than 30 days from the initial failed HQS inspections. The days between the required correction date and the reinspection ranged from 2 to 10 days.

Cause: Our understanding is that the Housing Department was understaffed during 2013 due to the retirement of two employees and mandatory furlough days. Therefore, the Department prioritized reinspections of life threatening HQS deficiencies and initial HQS inspections.

Effect: Failure to conduct HQS reinspections within 30 days could result in a landlord receiving payments for substandard dwelling units and possible loss of funding for the program.

Recommendation: We recommend the City implement controls to insure HQS reinspections are performed within 30 days of the initial inspection.

Views of Responsible Officials / Planned Corrective Actions (Unaudited):

The Wichita Housing Authority is aware of its responsibilities regarding administration of the Section 8 Housing Choice Voucher program, as prescribed by the U.S. Department of Housing and Urban Development (HUD). However the reduced Congressional appropriations has resulted in reduced funding for local program administration. Until that dynamic changes, the staff shortage will continue and it will be difficult to achieve all performance expectations.

As a short term measure the City Manager has authorized payment of overtime from City general funds for the existing inspection staff (2 filled positions out of 4 authorized) to perform initial inspections in the next six weeks. Following those inspections it is anticipated that the current level of staff will be able to meet re-inspection deadlines barring unanticipated staff vacancies or an abundance of re-inspections required.

WATER UTILITIES SECTION

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

CITY OF
WICHITA

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

June 20, 2014

To our Water and Sewer Bondholders:

Please review and accept the 2013 Annual Report, presented on behalf of the City of Wichita and the Water & Sewer Utilities.

The Utilities strive to provide high-quality, reliable water and sewer service to residents of Wichita and customers in the surrounding community. The Utilities' services need to represent a good value to the customer base, which is achieved by ensuring effective and efficient operations, positive customer service, and strategic financial management.

On average, the Water and Sewer Utilities treat and distribute about 51 million gallons of potable per day. The sewer system collects and processes about 38 million gallons of wastewater per day. The Utilities serve approximately 386,000 citizens of south-central Kansas. Services include maintenance of more than 4,400 miles of sewer and water mains, operation of 57 sewer lift stations and sewage treatment plants, nearly 150,000 water meters, and an array of water treatment facilities. The Utilities also coordinate their efforts with business, industry, and developers to provide infrastructure critical to the continued success and well-being of our customers.

The Utilities continue to focus on reinvesting in the water distribution and sewer collection systems that have been aging. In 2013 fewer overall main breaks were experienced due to the increased repair and replacement efforts. The new utility rates, effective in January 2014, maintain support for the enhanced maintenance, repair and replacement focus of the aging systems.

The five-year meter replacement program that began in 2012 completed its second year. The program focused on replacing the meters that had a higher potential to result in lower accuracy based on age. A sample of the replaced meters was randomly tested, resulting in approximately 29 percent reporting lower than expected accuracy. Based on the meter testing, the meter replacement project is estimated to enhance revenues by $1.8 million for water and $2.8 million for sewer annually, once the project is completed.

The City negotiated with Kansas Department of Health and Environment (KDHE) to make improvements to the wastewater treatment and collection system in response to a May 2012 breach. The enhancements being made under the agreement with KDHE are targeted at rehabilitating critical parts of the primary wastewater treatment facility, which was built in 1957. Additional work is being conducted to assess the condition of other system assets.

The Aquifer Storage & Recovery (ASR) project completed testing in 2013 and is now operational. The project is creating an additional water supply by treating excess flows in the Little Arkansas River and injecting the treated water into the underground aquifer. The underground aquifer that provides 40 percent of the Utility's water supply and will also provide a hydraulic barrier to slow salt intrusion into the aquifer, while insuring water for the City's use.

The Wichita region received relief from the drought with an unusual amount of rain received in July and August 2013. Concern for protecting the Utility from future droughts prompted the Utility to develop a drought response plan, which was approved by City Council in October 2013. The plan established four drought response stages based on the level of water in Cheney Reservoir that provides 60 percent of the Utility's water supply. Response measures to the various stages include voluntary conservation, restricting outside water usage and/or a reduction of customers' base usage.

In concert with the drought response plan, the Utility continues to evaluate new water supply options to ensure an adequate long-term supply for our customers. Water supply options are being evaluated on three criteria: meeting long-term water needs, minimizing costs and reasonable conservation goals. In addition, the City is pursuing conservation options to reduce long-term water demand.

Finally, it is important to recognize the hundreds of employees that make it possible to provide clean water and reliable sewer service. The Utilities meet high standards for water and sewer reliability and engage in planning efforts to ensure that the high levels of services continue. The City of Wichita is committed to continuing its responsible financial and operational management to provide a long-term, high-quality value for customers.

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

CITY OF WICHITA, KANSAS

WATER UTILITIES COMBINED STATEMENT OF NET POSITION

For the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	2013	2012
ASSETS		
Current assets:		
Cash and temporary investments	$ 11,064,044	$ 10,781,821
Receivables, net	15,549,637	17,349,681
Inventories	2,608,567	2,117,514
Prepaid items	959,414	544,647
Restricted assets:		
Cash and temporary investments	28,479,808	28,889,376
Total current assets	58,661,470	59,683,039
Noncurrent assets:		
Restricted assets:		
Cash and temporary investments	117,406,017	130,981,577
Capital assets:		
Land	14,274,591	14,235,596
Buildings	173,235,756	171,729,057
Improvements other than buildings	884,032,583	849,995,576
Machinery, equipment and other assets	100,719,226	97,309,410
Construction in progress	307,268,633	307,818,800
Less accumulated depreciation	(352,794,385)	(330,227,183)
Total capital assets (net of accumulated depreciation)	1,126,736,404	1,110,861,256
Other assets	-	2,919,992
Total noncurrent assets	1,244,142,421	1,244,762,825
Total assets	1,302,803,891	1,304,445,864
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized refunding costs	6,587,119	7,179,679
Total deferred outflows of resources	6,587,119	7,179,679
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	4,135,766	4,681,923
Accrued interest payable	319,447	344,333
Temporary notes payable	160,000,000	160,000,000
Deposits	4,289,917	4,065,021
Current portion of long-term obligations:		
Compensated absences	876,464	824,829
Current liabilities payable from restricted assets:		
Accrued interest payable	4,927,507	5,052,677
Revenue bonds payable	22,489,336	23,836,699
Total current liabilities	197,038,437	198,805,482
Noncurrent liabilities:		
Revenue bonds payable	378,419,734	400,909,069
Unamortized revenue bond premium	20,853,223	22,559,515
Compensated absences	8,487	7,596
Total noncurrent liabilities	399,281,444	423,476,180
Total liabilities	596,319,881	622,281,662
NET POSITION		
Net investment in capital assets	561,202,948	523,328,689
Restricted for:		
Capital projects	17,745,366	16,990,443
Revenue bond covenants	117,762,729	131,942,499
Unrestricted	16,360,086	17,082,250
Total net position	$ 713,071,129	$ 689,343,881

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 NET POSITION

For the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	2013	2012
OPERATING REVENUES		
Charges for services and sales	$ 114,484,728	$ 126,033,130
Rentals	58,458	33,405
Other	185,882	87,100
Total operating revenues	114,729,068	126,153,635
OPERATING EXPENSES		
Personnel services	19,134,729	18,218,875
Contractual services	19,916,712	18,781,285
Materials and supplies	8,166,804	8,164,215
Other	1,221,166	1,022,533
Administrative charges	1,017,854	1,386,209
Franchise taxes	6,452,967	6,181,810
Depreciation	23,547,792	19,893,733
Total operating expenses	79,458,024	73,648,660
Operating income	35,271,044	52,504,975
NONOPERATING REVENUES (EXPENSES)		
Gain on investments	-	34,670
Other revenues	192,415	(221,020)
Interest expense	(15,051,370)	(13,352,637)
Loss from sale of assets	(19)	(1,285,640)
Bond discount amortization	1,706,292	1,064,937
Total nonoperating revenues (expenses)	(13,152,682)	(13,759,690)
Income before contributions and transfers	22,118,362	38,745,285
CAPITAL CONTRIBUTIONS AND OPERATING TRANSFERS		
Capital contributions - cash	4,801,810	3,882,311
Capital contributions - non cash	4,027,182	593,172
Transfers to other funds	(4,300,113)	(4,108,610)
Change in net position	26,647,241	39,112,158
Net position - beginning as previously reported	689,343,881	650,231,723
Prior period adjustment	(2,919,993)	-
Net position - beginning, as restated	686,423,888	650,231,723
Net position - ending	$ 713,071,129	$ 689,343,881

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, 2013
(with comparative totals for the year ended December 31, 2012)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 116,568,126	$ 123,696,480
Cash payments to suppliers for goods and services	(31,774,513)	(32,166,840)
Cash payments to employees for services	(19,082,203)	(18,184,155)
Franchise taxes and payments in lieu of delinquent specials	(6,452,967)	(6,181,810)
Other operating revenues	185,882	87,100
Net cash provided by operating activities	59,444,325	67,250,775
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer to other funds	(4,300,113)	(4,108,610)
Net cash used in noncapital financing activities	(4,300,113)	(4,108,610)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Issuance of temporary notes	160,000,000	-
Retirement of temporary notes	(160,000,000)	-
Issuance of capital debt	-	17,225,000
Premiums from the sale of bonds	-	576,650
Bond issuance costs paid	-	(62,525)
Additions to property, plant and equipment	(30,029,338)	(30,981,707)
Principal payment on long-term debt	(23,836,698)	(24,799,861)
Interest payment on long-term debt	(19,607,013)	(18,796,703)
Capital contributions	4,625,932	3,712,511
Net cash used in capital and related financing activities	(68,847,117)	(53,126,635)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	-	34,670
Net cash provided by investing activities	-	34,670
Net increase in cash and temporary investments	(13,702,905)	10,050,200
Cash and temporary investments - January 1	170,652,774	160,602,574
Cash and temporary investments - December 31	$ 156,949,869	$ 170,652,774
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income	$ 35,271,044	$ 52,504,975
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	23,547,792	19,893,733
Changes in assets and liabilities:		
Increase (decrease) in accounts receivable	1,800,044	(2,661,427)
Increase in inventory	(491,053)	252,988
Increase (decrease) in prepaid items	(414,767)	494,852
Decrease in accounts payable/accrued expenses	(546,157)	(3,560,439)
Increase in deposits	224,896	291,373
Decrease in compensated absences	52,526	34,720
Total adjustments	24,173,281	14,745,800
Net cash provided by operating activities	$ 59,444,325	$ 67,250,775
Supplemental Schedule of Non-Cash Investing and Financing Activities		
Assets contributed by benefit districts	$ 3,419,554	$ 3,011,399
Contribution of capital assets	-	299,710
Capital contributed for capital purposes	607,628	701,112

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

1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Wichita is a municipal corporation governed by an elected mayor and six-member council. The accompanying combined financial statements represent the proprietary Water Utility 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

The Water and Sewer Utility (Utilities) Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Operating revenues and expenses are distinguished from 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 and the portion of tap fees intended for recovery of connecting new customers to the system. Operating expenses of the utilities include the cost of sales and services, administration expenses, and depreciation on capital assets.

Revenues and expenses not meeting these criteria are reported as non-operating revenues and expenses. Consistent with Governmental Accounting Standards Board Statement Number 33, capital contributions resulting from non-exchange transactions are included in non-operating revenues.

C. Cash and Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments, which is managed by the Director of Finance (except for investments of the pension trust funds and those of the Wichita Public Building Commission). Information on the pooled cash and investments of the City is provided in Note 5 of the Notes to the Financial Statements.

D. Revenue Recognition

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

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 cost 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.

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

Depreciation of all exhaustible capital assets, including the depreciation of capital leased assets, is charged as an expense against the utility operations. Accumulated

depreciation is reported on the funds' balance sheet. Capital assets of the Utilities are depreciated using the straight line method over the estimated useful lives shown in the chart above.

G. Payment of Franchise Taxes

Annually, the Utilities pay franchise taxes to the General Fund of the City in an amount not to exceed five percent of gross revenues of the preceding year, which is included in the annual budget. The combined Utilities paid franchise taxes totaling $6,452,967 in 2013 and $6,181,810 in 2012. The payment of franchise taxes is an operating expense passed through to the Utilities' customers.

H. Compensated Absences

The City's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is accrued and accumulated vacation is recorded as a liability in the financial statements. A liability is not recorded for unpaid accumulated sick pay as the City does not have a policy to pay accumulated sick pay to employees at separation from service.

All permanent full-time and permanent part-time employees of the reporting entity within six months of continuous employment are eligible for vacation benefits in varying amounts. City policy provides that exempt employees may accumulate and carry forward each year, not more than 30 days of vacation leave. Non-exempt employees may accumulate and carry forward each year, not more than 240 hours of vacation leave. Sick leave benefits accrue to full-time employees at varying rates, depending on the employees' length of service to the City. A limitation has not been placed on the amount of unused sick leave that may accumulate. Upon retirement, employees may apply unused sick leave benefits to increase the employee's retirement benefit.

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, 2013 and 2012, the combined cash and temporary investments in the amounts of $156,949,869 and $170,652,774, respectively, are included in the City's pooled cash and temporary investments.

The City of Wichita has adopted a formal investment policy. The primary objectives of the investment activities are, in priority order, safety, liquidity and yield. The standard of care to be used by investment officials shall be the "prudent person" standard as contemplated by K.S.A. 17-5004(1), and shall be applied in the context of managing an overall portfolio. Additional information on the City's investment policy and the pooled investments of the City is located in the Note 5 – Cash, Investments and Securities Lending located in the Financial Section, Notes to the Financial Statements of this publication.

On December 31, 2013, revenue bond proceeds for reserve funds and future capital projects of the Water and Sewer Utility were invested as follows:

Investment	Book Value	Modified Duration (years)	Percent of Bond Proceeds Investments
U.S. agency discount securities:			
Federal Home Loan Mortgage Corporation	$ 18,644,689	0.041	100.0%
Total value	$ 18,644,689		100.0%
Total modified duration		0.041	

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

Investment	Book Value	Modified Duration (years)	Percent of Bond Proceeds Investments
Municipal Investment Pool-Overnight*	$ 40,105,655	-	100.0%
Total value	$ 40,105,655		100.0%
Total modified duration		-	

*The weighted average maturity of the Municipal Investment Pool was 60.1 days at December 31, 2013.

3. Capital Assets

Capital asset activity of the Water Utility and Sewer Utility for the year ended December 31, 2013 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	$ 14,235	$ 39	$ -	$ -	$ 14,274
Construction in progress	307,819	29,334	(29,884)	-	307,269
Total capital assets, not being depreciated	322,054	29,373	(29,884)	-	321,543
Capital assets, being depreciated:					
Buildings	171,729	1,517	(10)	-	173,236
Improvements other than buildings	849,996	34,486	(450)	-	884,032
Machinery, equipment and other assets	97,309	4,480	(1,070)	-	100,719
Total capital assets being depreciated	1,119,034	40,483	(1,530)	-	1,157,987
Less accumulated depreciation for:					
Buildings	(66,677)	(3,068)	-	-	(69,745)
Improvements other than buildings	(200,944)	(13,863)	-	-	(214,807)
Machinery, equipment and other assets	(62,606)	(6,616)	980	-	(68,242)
Total accumulated depreciation	(330,227)	(23,547)	980	-	(352,794)
Total capital assets, being depreciated, net	788,807	16,936	(550)	-	805,193
Total capital assets, net	$ 1,110,861	$ 46,309	$ (30,434)	$ -	$ 1,126,736

Interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets. During 2013 and 2012, total interest cost of the combined Water and Sewer Utility Fund was $19,982,686 and $20,419,242, respectively, of which $4,931,316 and $7,066,605, respectively, was capitalized.

4. Retirement Funds

The reporting entity contributes to a defined single-employer retirement benefit plan, the Wichita Employees' Retirement System (WERS) and a single-employer defined contribution plan, the Wichita Employees' Retirement System Plan 3. Both plans are governed by the Wichita Employees' Retirement System Board of Trustees. All full-time employees of the Utilities participate in one of the retirement plans. The payroll for the Utilities'

employees covered by the systems for the years ended December 31, 2013 and December 31, 2012 was $13,151,534 and $12,543,435, respectively, which was also the total payroll for the Utilities.

Additional information on the retirement systems is reported in the Notes to the Financial Statements for the City of Wichita, located in the Financial Section of this publication. The Wichita Retirement System also issues a publicly available financial report that includes financial statements and required supplementary information for WERS and Wichita Police and Fire Retirement System. The financial report may be obtained by writing to the Wichita Retirement System, City Hall, 12th Floor, 455 N. Main, Wichita, KS 67202 or by calling (316) 268-4544.

The Utilities are required to contribute at an actuarially determined rate. The rate for 2013 was 12.6% of annual covered payroll for both Plans 1 and 2. The net pension obligation (NPO) is defined as the cumulative difference between the employer's annual pension cost and the employer's annual required contributions to the plan. For 2013, the Utility's annual pension cost of $1,710,755 was equal to the required and actual contributions. For the year ending December 31, 2013, employee contributions to all pension plans for the Utilities totaled $531,118 compared to $514,872 in 2012.

5. Self Insurance Fund and Insurance Coverage

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 insurance programs of workers' compensation, group life insurance, group health insurance, employee liability, property damage, auto liability, and general liability. Property Insurance for the Utilities is included in the City's coverage with limits established for the entire City.

Information on the insurance programs is located in the Notes to the Comprehensive Annual Financial Report, located in the Financial Section of this report. Details of purchased insurance coverage are provided within the Additional Information Section of this 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 of the combined Utilities outstanding at December 31, 2013 are as follows (expressed in thousands of dollars):

Outstanding issue	Interest Rate	Dated Date	Final Maturity Date	Amount Outstanding
2000A Water	4.69%	6/01/2000	2021	$ 1,354
2000B Water	4.69%	6/01/2000	2021	2,330
2005A Water & Sewer Refunding	3.71% - 3.86%	5/12/2005	2016	14,595
2005B Water & Sewer Refunding	5.00%	8/17/2005	2016	9,360
2005C Water & Sewer Refunding	4.375% - 5.125%	10/01/2005	2030	35,720
2006 Water & Sewer	4.00% - 5.00%	12/01/2006	2031	40,635
2008A Water & Sewer	3.50% - 5.00%	4/01/2008	2032	25,015
2009A Water & Sewer	3.50% - 5.00%	6/30/2009	2039	109,880
2009B Water & Sewer	4.27% - 5.36%	6/30/2009	2019	8,490
2010A Water & Sewer	1.75% - 4.00%	10/15/2010	2030	28,195
2010B Water & Sewer	3.00% - 5.35%	10/15/2010	2030	15,315
2011A Water & Sewer	4.00% - 5.00%	11/01/2011	2028	93,515
2012A Water & Sewer	2.00% - 4.00%	5/01/2012	2032	16,505
Total Water and Sewer Utility				$ 400,909

Changes in the long-term liability of the Water and Sewer Utility for the combined Utilities for the year ended December 31, 2013 are summarized in the following table (expressed in thousands of dollars):

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	$ 424,746	$ -	$ (23,837)	$ 400,909	$ 23,558
Unamortized premium	22,560	-	(1,707)	20,853	-
Total bonds payable	447,306	-	(25,544)	421,762	23,558
Compensated absences	832	53	-	885	876
Total long-term liabilities	$ 448,138	$ 53	$ (25,544)	$ 422,647	$ 24,434

* Implementation of GASB 65 resulted in $7.1 million deferred refunding costs to be reclassified as deferred outflows of resources. Therefore, the beginning balances no longer reflect the refunding costs as a component of long-term liabilities in the table above.

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

Year Ending December 31	Principal	Interest
2014	$ 22,489	$ 18,650
2015	23,558	17,723
2016	24,767	16,711
2017	22,503	15,628
2018– 2022	110,592	62,426
2023 – 2027	101,025	36,778
2028 – 2032	72,085	14,934
2033 – 2037	19,560	3,367
Thereafter	4,330	325
Totals debt service	$ 400,909	$ 186,542

B. Revenue Bond Ordinance Provisions and Reserve Requirements

Revenue bond ordinances related to the issuance of revenue bonds provide for specific deposits to debt service and other related bond reserve and maintenance accounts. At December 31, 2013 and 2012, unrestricted cash available in accordance with the revenue requirements of the bond covenants was $11,064,044 and $10,781,821, respectively.

Water and Sewer Utility Restricted Cash

	2013	2012
Principal and interest	$ 10,377,730	$ 10,938,011
Bond reserve	18,649,815	19,543,579
Depreciation and replacement	11,690,870	11,927,278
Improvements	105,167,410	117,462,085
	$ 145,885,825	$ 159,870,953

At December 31, 2013, 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 cash: 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 Utilities.

Improvements: The 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 operating lease for land which requires an annual rent payment. The following table provides future minimum rentals of the non-cancelable operating lease.

Year Ending December 31	Minimum Rentals of Non-cancelable Operating Lease
2014	$ 48,950
2015	48,950
2016	48,950
2017	48,950
2018 – 2022	256,982
2023 – 2027	269,802
2028 – 2032	283,327
2033 – 2037	297,441
2038 – 2042	312,260
2043 – thereafter	1,052,551
Total minimum future rentals	$ 2,668,163

8. Segment Information

The Utility maintains separate funds for water and sewer services. Segment information for the year ended December 31, 2013 is located in the Financial Section of this publication.

CITY OF WICHITA, KANSAS

WATER UTILITIES
NET REVENUES AVAILABLE FOR DEBT SERVICE AND CAPITAL EXPENDITURES MADE FROM OPERATING REVENUES

For the year ended December 31, 2013

UNAUDITED

	Water	Sewer	Combined
REVENUES			
Charges for services	$ 64,789,466	$ 49,753,720	$ 114,543,186
Capital contributions - cash	3,348,811	1,452,999	4,801,810
Bond discount amortization	859,176	847,116	1,706,292
Other revenues	357,794	20,503	378,297
Gross earnings	69,355,247	52,074,338	121,429,585
OPERATIONS AND MAINTENANCE			
Personnel services	9,549,396	9,585,333	19,134,729
Contractual services	12,646,777	7,269,935	19,916,712
Materials and supplies	4,726,101	3,440,703	8,166,804
Other expenses	761,172	459,994	1,221,166
Administrative charges	738,797	279,057	1,017,854
Contributions to the city	4,099,364	2,353,603	6,452,967
Total operations and maintenance	32,521,607	23,388,625	55,910,232
Net revenues available for debt service	$ 36,833,640	$ 28,685,713	$ 65,519,353
REVENUE BONDS DEBT SERVICE	$ 24,820,694	$ 18,623,017	$ 43,443,711
DEBT SERVICE COVERAGE RATIO	1.48	1.54	1.51
Gross earnings	$ 69,355,247	$ 52,074,338	$ 121,429,585
Less: other non operating revenue	180,709	11,706	192,415
Less: capital contributions	3,348,811	1,452,999	4,801,810
Less: bond discount amortization	859,176	847,116	1,706,292
Operating revenues	$ 64,966,551	$ 49,762,517	$ 114,729,068
CAPITAL EXPENDITURES FROM OPERATING REVENUES	$ 2,805,936	$ 1,505,287	$ 4,311,223

Property Insurance

As of December 31, 2013

Insurance Company	Coverage details	Deductible	Coverage Period
Travelers	*All risk coverage on real and personal property on a replacement cost basis, with a value limitation of $200 million.	Per occurrence. Property- $100,000; Hail and wind-$2 million	01-13 to 01-14
Travelers	*Comprehensive coverage for steam boilers, air conditioners, and electric motors on a repair or replacement cost basis with a value limitation of $75 million.	Per occurrence	01-13 to 01-14

* Property insurance for the Utilities 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 the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

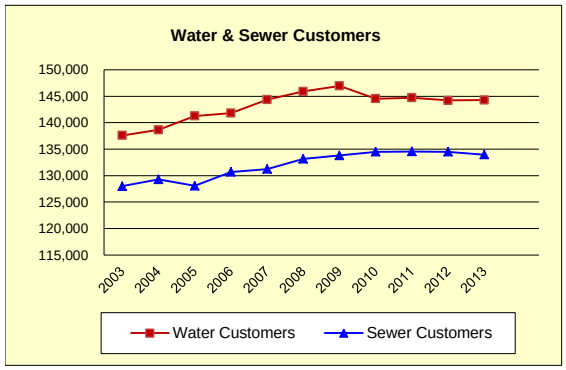
UNAUDITED

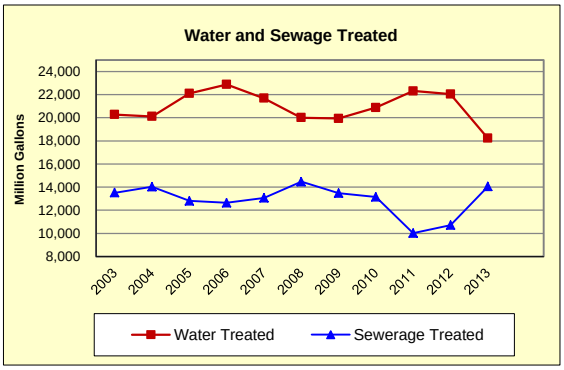
WATER UTILITY STATISTICS BY CUSTOMER CLASS

	Number of Customers		Water Revenues[1]		Water Sales[1] (thousand gallons)	
CUSTOMER CLASS	2013	2012	2013	2012	2013	2012
Residential	127,715	128,073	$ 38,674,358	$ 48,073,496	8,097	10,637
Commercial / Industrial	11,205	10,790	19,235,480	25,523,718	6,171	6,979
Wholesale	12	11	3,731,828	4,098,308	1,547	1,700
Lawn services	3,049	3,049	-	-	-	-
Fire protection	1,897	1,876	419,269	346,415	-	-
Contract	355	362	787,614	1,599,232	192	453
Backflow charges	-	-	241,202	238,876	-	-
Other sales	-	-	323,897	376,962	24	39
Estimated leaks	-	-	-	-	488	489
Water utility uses	28	29	-	-	322	296
Unaccounted for water	-	-	-	-	1,380	1,443
	144,261	144,190	$ 63,413,648	$ 80,257,007	18,221	22,036

SEWER UTILITY STATISTICS BY CUSTOMER CLASS

	Number of Customers		Sewer Revenues[1]	
CUSTOMER CLASS	2013	2012	2013	2012
Residential	122,228	122,656	$ 28,158,960	$ 25,470,226
Commercial	10,971	11,073	12,978,806	12,827,129
Industrial	17	16	4,542,044	4,073,295
Institutional	725	735	845,121	828,637
Wholesale	1	1	246,265	236,249
Other	-	-	21,417	21,394
Extra strength	10	10	2,132,156	1,607,617
	133,952	134,491	$ 48,924,769	$ 45,064,547





REPORT IN BRIEF

	2013	2012	Change
Number of water customers	144,261	144,190	0.05%
Number of sewer customers	133,952	134,491	-0.40%
Miles of water line	2,407	2,387	0.84%
Miles of sanitary sewer line	2,016	2,016	0.00%
Water produced (million gallons)	18,221	22,036	-17.31%
Wastewater treated (million gallons)	14,049	10,708	31.21%
Cost of treated, pressurized water per 1000 gal.	$0.68	$0.54	25.93%
Cost of treated wastewater per 1000 gal.	$0.79	$0.97	-18.56%

[1]Water and Sewer utility revenue and sales volume data is based on actual billing information and excludes year-end accrual entries.

CITY OF WICHITA, KANSAS

WATER AND SEWER UTILITY RATES

For year ended December 31, 2013

Customers of the Utility are billed monthly with rates structured to encourage water conservation. The rates provided below are those in effect on December 31, 2013.

The average monthly residential water and sewer bill in December 2013 for a customer using approximately 7,500 gallons of water per month would be $52.97, excluding applicable fees.

Water			Sewer	
Meter size (inches)	Inside the City	Outside the City and Wholesale	Inside the City	Outside the City
5/8	$ 11.62	$ 18.60	$ 7.52	$ 12.03
3/4	11.62	18.60	7.52	12.03
1	11.62	18.60	7.52	12.03
1.5	13.45	21.52	11.42	18.27
2	15.41	24.66	17.43	27.89
3	24.78	39.65	56.20	89.92
4	30.23	48.37	71.45	114.37
6	41.99	67.19	122.24	195.58
8	53.42	85.48	173.54	277.66
10	64.29	102.87	247.57	396.11
12	82.31	131.70	350.67	561.07

Rates for consumption charges in 2013 per 1,000 gallons are as follows:

Water Consumption*	Inside the City	Outside the City	Wholesale
< 110% of AWC	$ 1.63	$ 2.61	$ 1.86
111%-310% of AWC	5.87	9.40	9.67
>310% of AWC	8.56	13.70	14.47

* Average winter consumption

Sewer	$ 2.88	$ 4.61	$ 2.15