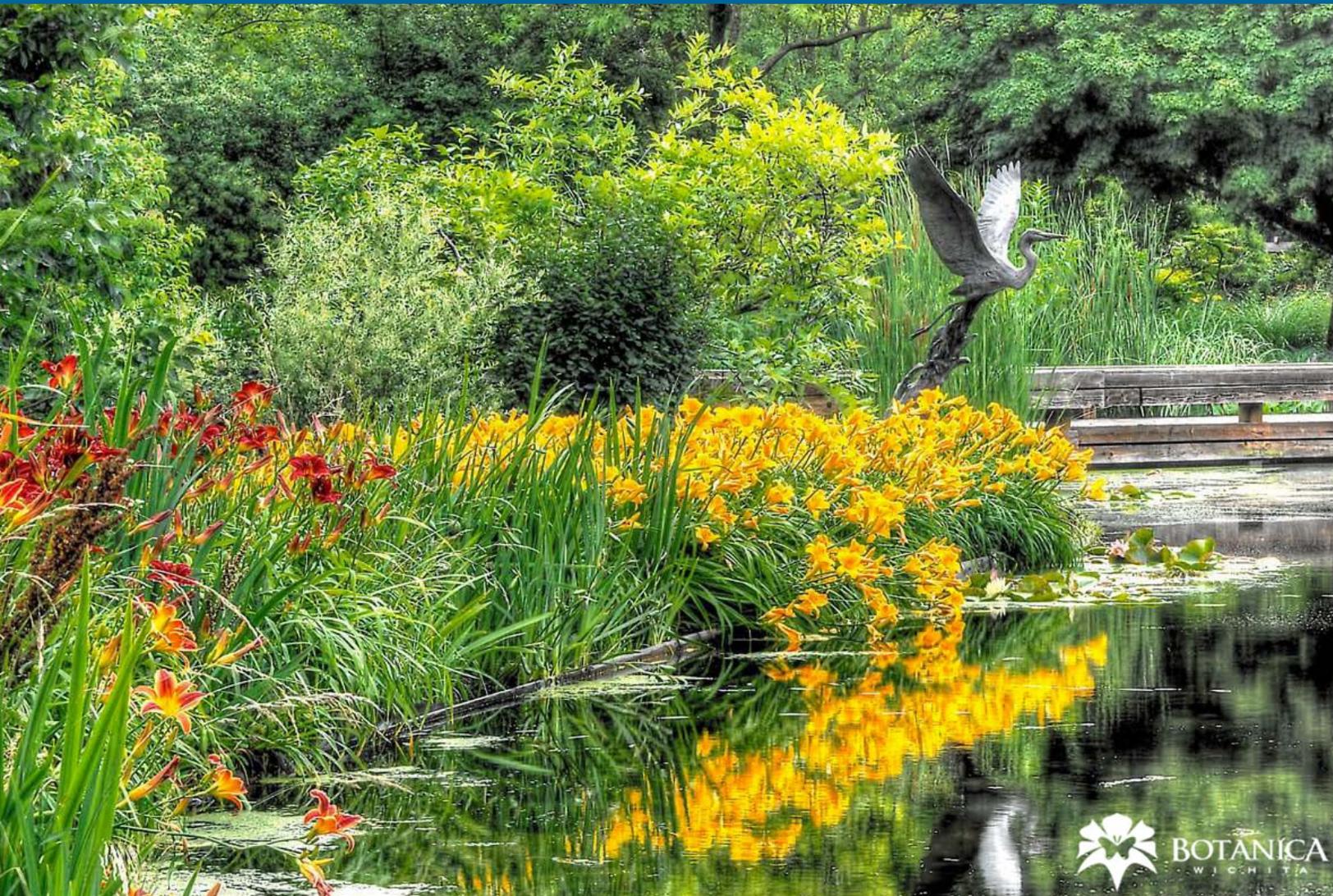




# 2015

## Comprehensive Annual Financial Report Fiscal Year Ended December 31, 2015

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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, 2015



## CITY COUNCIL

Jeff Longwell, Mayor

James Clendenin, Vice Mayor (III)

Lavonta Williams, Council Member (I)

Pete Meitzner, Council Member (II)

Jeff Blubaugh, Council Member (IV)

Bryan Frye, Council Member (V)

Janet Miller, Council Member (VI)

## City Manager

Robert Layton, City Manager

## Department of Finance

Shawn Henning, Director of Finance

Prepared by the Controller's Office

Department of Finance

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CITY OF WICHITA, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2015

TABLE OF CONTENTS

	Page
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal.....	i
Certificate of Achievement.....	xi
Organization Chart.....	xii
Principal Officials.....	xiii
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b> .....	A-1
<b>Management Discussion and Analysis</b> .....	A-3
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Position.....	A-13
Statement of Activities.....	A-14
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	A-16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	A-17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	A-18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities.....	A-19
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary Basis - General Fund.....	A-21
Statement of Net Position - Proprietary Funds.....	A-22
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	A-26
Statement of Cash Flows - Proprietary Funds.....	A-28
Statement of Fiduciary Net Position - Fiduciary Funds.....	A-32
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	A-33
Notes to the Financial Statements.....	A-34
<b>Required Supplementary Information</b>	
Schedule of Changes in the Employers' Net Pension Liability and Related Ratios:	
Wichita Employees' Retirement System.....	A-84
Police and Fire Retirement System.....	A-86
Schedule of Employer Contributions:	
Wichita Employees' Retirement System.....	A-88
Police and Fire Retirement System.....	A-90
Schedule of Funding Progress - Other Post Employment Benefits.....	A-92
<b>Combining and Individual Fund Financial Statements and Schedules:</b>	
<u>Governmental Funds:</u>	
Combining Balance Sheet:	
Nonmajor Governmental Fund Types.....	B-1
Nonmajor Special Revenue Funds.....	B-2
Nonmajor Capital Projects Funds.....	B-6
General Fund.....	B-8
Debt Service Fund.....	B-9
Combining Statement of Revenues, Expenditures and Changes in Fund Balances:	
Nonmajor Governmental Fund Types.....	B-11
Nonmajor Special Revenue Funds.....	B-12
Nonmajor Capital Projects Funds.....	B-16

CITY OF WICHITA, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2015

TABLE OF CONTENTS (CONTINUED)

	Page
<b>FINANCIAL SECTION (CONTINUED)</b>	
<b>Combining and Individual Fund Financial Statements and Schedules (Continued):</b>	
General Fund.....	B-18
Debt Service Fund.....	B-19
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary Basis:	
General Fund.....	B-20
General Fund - Economic Development Subfund.....	B-24
Homelessness Assistance Fund.....	B-25
Tourism and Convention Promotion Fund.....	B-26
Special Alcohol Program Fund.....	B-27
Special Parks and Recreation Fund.....	B-28
Landfill Fund.....	B-29
Landfill Post-Closure Fund.....	B-30
Metropolitan Area Building and Construction Department Fund.....	B-31
Downtown Parking Fund.....	B-32
State Office Building Fund.....	B-33
Gilbert and Mosley TIF District Fund.....	B-34
North Industrial Corridor TIF District Fund.....	B-35
Self-Supported Municipal Improvement District Fund.....	B-36
City/County Flood Control Fund.....	B-37
City/County Metropolitan Area Planning Department Fund.....	B-38
Sales Tax Construction Pledge Fund.....	B-39
Debt Service Fund.....	B-40
Debt Service Fund - East Bank TIF District Subfund.....	B-41
Debt Service Fund - 21st Street and Grove TIF District Subfund.....	B-42
Debt Service Fund - Old Town Cinema TIF District Subfund.....	B-43
Debt Service Fund - Northeast Redevelopment TIF District Subfund.....	B-44
Debt Service Fund - Center City TIF District Subfund.....	B-45
Debt Service Fund - Ken Mar TIF District Subfund.....	B-46
Debt Service Fund - Douglas and Hillside TIF District Subfund.....	B-47
Cemetery Fund.....	B-48
 <u>Enterprise Funds:</u>	
Combining Statement of Net Position - Nonmajor Enterprise Funds.....	C-1
Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds.....	C-2
Combining Statement of Cash Flows - Nonmajor Enterprise Funds.....	C-3
Schedule of Revenues, Expenditures and Changes in	
Unencumbered Cash - Budget and Actual - Budgetary Basis:	
Water Utility Fund.....	C-4
Sewer Utility Fund.....	C-5
Stormwater Utility Fund.....	C-6
 <u>Internal Service Funds:</u>	
Combining Statement of Net Position.....	D-1
Combining Statement of Revenues, Expenses and Changes in Net Position.....	D-2
Combining Statement of Cash Flows.....	D-3
Combining Statement of Revenues, Expenses and Changes in Net Position - Self Insurance Funds.....	D-4
Schedule of Revenues, Expenditures and Changes in	
Unencumbered Cash - Budget and Actual - Budgetary Basis:	
Information Technology Fund.....	D-5
Fleet Fund.....	D-6
Self Insurance Fund.....	D-7

CITY OF WICHITA, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2015

TABLE OF CONTENTS (CONTINUED)

	Page
<b>FINANCIAL SECTION (CONTINUED)</b>	
<b>Combining and Individual Fund Financial Statements and Schedules (Continued):</b>	
<u>Fiduciary Funds:</u>	
Combining Statement of Fiduciary Net Position - Pension Trust Funds.....	E-1
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds.....	E-2
Statement of Changes in Assets and Liabilities - Agency Funds.....	E-3
<u>Component Unit:</u>	
Statement of Cash Flows - Wichita Public Building Commission.....	F-1
<u>Additional Information:</u>	
Combined Schedule of Changes in Bonds Payable.....	G-1
Reconciliation of Bonds Payable.....	G-1
Summary of Debt Service Charges to Maturity:	
General Obligation Bonds Payable from Governmental Fund Revenues.....	G-2
General Obligation Bonds Payable from Proprietary Fund Revenues.....	G-3
Revenue Bonds Payable from Proprietary Fund Revenues.....	G-4
Revenue Bonds Payable from Governmental Fund Revenues.....	G-5
Schedule of Insurance in Force.....	G-6
<b>STATISTICAL SECTION</b>	
Net Position by Component.....	H-2
Changes in Net Position.....	H-4
Fund Balances of Governmental Funds.....	H-8
Changes in Fund Balances of Governmental Funds.....	H-10
Governmental Own Source Revenues by Source.....	H-12
Governmental Revenues by Source.....	H-14
Governmental Expenditures by Function.....	H-14
Assessed Value and Estimated Actual Value of Taxable Property.....	H-16
Property Tax Rates.....	H-17
Principal Property Taxpayers.....	H-18
Principal Employers, Wichita Area.....	H-18
Property Tax Levies and Collections.....	H-19
Special Assessments Levies and Collections.....	H-19
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita.....	H-20
Ratios of Outstanding Debt by Type.....	H-22
Ratios of General Obligation Bonded Debt Outstanding.....	H-23
Ratio of Annual Debt Service Expenditures for General Obligation Debt to Total Governmental Expenditures.....	H-23
Legal Debt Margin Information.....	H-24
Computation of Direct and Overlapping Debt.....	H-26
Demographic and Economic Statistics.....	H-27
Pledged Revenue Coverage.....	H-28
Capital Asset Statistics by Function.....	H-29
Operating Indicators by Function.....	H-30
City Government Employees by Function.....	H-31

**CITY OF WICHITA, KANSAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the year ended December 31, 2015

**TABLE OF CONTENTS (CONTINUED)**

	<b>Page</b>
<b>SINGLE AUDIT SECTION</b>	
Independent Auditor's 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.....	I-1
Independent Auditor's Report on Compliance for Each Major Federal Program and for the Passenger Facility Charge Program; Report on Internal Control Over Compliance.....	I-3
Schedule of Expenditures of Federal Awards.....	I-6
Notes to the Schedule of Expenditures of Federal Awards.....	I-8
Schedule of Findings and Questioned Costs.....	I-11
<b>WATER UTILITIES SECTION</b>	
Message to the Bondholders.....	J-1
Water Utilities Combined Statement of Net Position.....	J-3
Water Utilities Combined Statement of Revenues, Expenses and Changes in Net Position.....	J-4
Water Utilities Combined Statement of Cash Flows.....	J-5
Notes for the Water Utilities.....	J-6
Water Utilities Net Revenues Available for Debt Service and Capital Expenditures Made from Operating Revenues.....	J-13
Property Insurance.....	J-13
Water and Sewer Utility Statistics by Customer Class.....	J-14
Water and Sewer Utility Rates.....	J-15

## ***INTRODUCTORY SECTION***



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

June 10, 2016

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, 2015. 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 unmodified opinion on the City of Wichita's financial statements for the year ended December 31, 2015. 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 responses 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*

With a population of 388,413<sup>1</sup>, Wichita is the largest city in Kansas and is the county seat of Sedgwick County. Major highways, including the Kansas Turnpike and Interstate I-135, link the city with a large trade area that encompasses a

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<sup>1</sup>Source: 2014 Census population estimates. The Wichita MSA is comprised of Butler, Harvey, Kingman, Sedgwick and Sumner counties. This Metropolitan Statistical Area delineation was issued by The Office of Management and Budget in February 2013.

population of more than one million<sup>2</sup> people within a 100-mile radius. The nearest large cities are Denver to the west, Kansas City to the northeast and Oklahoma City and Tulsa to the south and southeast.

Wichita became a town in 1868, was incorporated in 1870 and has been a city of the first class since 1886. The original stimulus to the city's economic development was the extension of the Santa Fe Railway into Wichita in 1872. The city's early growth paralleled the expanding agricultural productivity of the Central Plains States, and by 1900 the city was an important regional center for the processing of agricultural products and the distribution of farm equipment. In 1914, the discovery of oil broadened the economic base, drawing to the city numerous services, distributive enterprises and metalworking industries. From the earliest days of the aircraft industry, Wichita has been a leading producer of general aviation and commercial aircraft. McConnell Air Force Base was activated in 1951 and has remained an important factor in the community.

In 1917, Wichita became one of the first municipalities in the United States to adopt the Commission-Manager form of government. Effective April 14, 1987, the title "City Commission" was changed to "City Council" and instead of being elected at-large, five council members were nominated by district and elected at-large. In November 1988, Wichita voters approved a referendum to elect a five-member City Council by pure district elections and a full-time Mayor by city-at-large elections. On February 10, 1989, Charter Ordinance 115 was adopted and provided for the five council member seats to be increased to six by subdividing the city into six districts based on the 1990 census. The six Council members and the Mayor serve four-year terms with the Council members' terms being overlapping. 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** - Budget formulation consists of a comprehensive approach guided by the long-term strategic planning process of the City. Aligned to overall organizational priorities, each City department develops a shorter term strategic operating plan (SOP) that outlines department operations and performance expectations. Costs are aligned to these strategies and those costs are compiled to develop the annual budget.

The budget process is impacted by Kansas Statutes, organizational policies, accounting standards and budgeting practices. In addition, other planning processes are integrated into the budget process. Annually, a long-range financial plan is developed as part of the budget process. This 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 impact of operating costs associated with projects in the City's Capital Improvement Program (CIP) is also considered each year.

Senior staff and the City Manager conduct a review of revenue projections and departmental requests, balanced against current year priorities. 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 departmental performance levels. Based on the City Council's policy direction and the information from departments, a proposed budget is drafted and 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 forms of social media, providing further 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, adopted and filed no later than August 25. The annual budget serves as a policy document, a financial plan, an operations guide and as a communication device.

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<sup>2</sup>Source: U.S. 2010 Census. Population represents only the Kansas portion of the 100-mile radius, not the Oklahoma portion.

**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. The City also maintains an encumbrance accounting system to enhance 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, this 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-20. For governmental funds (other than the General Fund) with appropriated annual budgets, these comparisons are presented in the governmental funds section of this report beginning on page B-25.

### *The Local Economy*<sup>3</sup>

The Wichita metropolitan statistical area (MSA) has a diverse economic base, producing a wide variety of products and services with a focus in manufacturing. Approximately 44 percent of Wichita's employment is in service-providing industries, 24 percent in goods-producing industries, 18 percent in trade, transportation, and utilities, and 14 percent in government. More than 93 percent of the area's businesses employ fewer than 50 workers, including 80 percent of the 685 manufacturing establishments. Only 30 employers in the Wichita area employ 500 or more workers. Growth in Wichita is typically driven by small firms, as well as local aircraft companies that produce a significant amount of the world's general aviation and commercial aircraft parts.

<b>Annual Average Wichita MSA Employment by Industry*</b>						
	2013 (a)	2014 (a)	2015 (a)	2016 (f)	2015-2016 Forecasted Level Change	2015-2016 Forecasted Percent Change
Production Sectors	68,400	68,600	69,500	70,000	500	0.7%
Trade, Transportation and Utilities	51,000	51,500	51,600	52,000	400	0.8%
Service Sectors	129,300	132,200	134,200	136,600	2,400	1.8%
Government	41,200	40,100	38,900	39,000	100	0.3%
Total Nonfarm Employment	<u>289,900</u>	<u>292,400</u>	<u>294,200</u>	<u>297,600</u>	<u>3,400</u>	<u>1.2%</u>

\*Annual values are derived from average quarterly observations and projections. Data was downloaded from the U.S. Bureau of Labor Statistics' Website on February 22, 2016.

(a) actual (f) forecasted

From 2008 to 2011, Wichita lost more than 15,000 manufacturing jobs. The manufacturing sector has yet to make a strong recovery. While small gains in manufacturing employment were registered in 2012 and 2013, 2014 saw layoffs at Beechcraft and Boeing, reducing Wichita's manufacturing employment to near its post-recession low. In 2015, manufacturing employment remained roughly flat. In spite of recession downsizing, aerospace manufacturing employs approximately 54 percent of Wichita manufacturing workers. Future growth in Wichita's manufacturing employment will continue to be strongly tied to the aerospace industry.

The construction and mining sector added 900 jobs in 2015. This sector has recovered over 2,300 jobs since the 2008 recession and is rapidly approaching its pre-recession peak. Over 1,800 new multifamily housing units have been announced or are currently under construction. Vacancy rates for Wichita apartments are near their 10 year lows<sup>4</sup>. Home sales increased in 2015 by 4.6 percent. Home prices also appreciated 3.6 percent as the housing market continues to strengthen. Home construction is forecasted for continued growth, with a projected increase in building

<sup>3</sup> Information in this section largely provided by the Center of Economic Development and Business Research, Frank Barton School of Business, Wichita State University.

<sup>4</sup> J.P. Weigand and Sons, Inc., <http://www.weigandforecast.com>.

permits of 4.9 percent and continued home price appreciation of 3 percent<sup>5</sup>. Because construction was so negatively affected during the recession, continued recovery of the industry has significant potential to aid in the recovery in Wichita's economy.

The education and health care sector has consistently been among the faster growing portions of the service sectors. More than 39,500 people are employed in health care and social assistance. The Wichita MSA has more than 100 nursing and assisted living facilities, as well as 14 acute care and specialty hospitals, with other specialty clinics providing comprehensive patient care and same-day surgery services. The MSA is home to almost 1,300 physicians and 300 dentists. Growth in the health care and education sector is projected to continue in 2016, with strong long-term growth prospects.

The health care sector continued to expand in 2015. Over 400 jobs were added and the sector is projected to continue expanding in 2016. Via Christi is currently renovating several of its hospitals, with updated public spaces in its buildings and the goal of providing patients with private rooms by 2017. Wesley Medical Center's \$28 million children's hospital is expected to open in fall 2016, giving Wichita its first dedicated children's hospital. In addition, the \$36 million Wesley Women's Medical Center was completed in January 2016.

The education sector, which plays a significant role in the local economy, employs about 14 percent of the total workforce in the education and health care sector. Wichita is home to 12 colleges and universities, including Wichita State University, Friends University, Newman University, and the University of Kansas School of Medicine.

Eight unified public school districts serve the Wichita area, the largest being Wichita USD 259. More than 80 schools make up Wichita USD 259, including elementary schools, K-8 schools, middle schools, and high schools. Wichita USD 259 also offers alternative, magnet, and special schools for students. Wichita USD 259 enrollment fell to 51,133 in fall 2015, a small decrease of 197 students since the previous year.

Wichita State University began construction in early 2015 on the \$30 million Experiential Engineering building as part of the Innovation Campus expansion. Construction on the second Innovation Campus building, the Partnership 1 building, began in the summer of 2015. The Partnership 1 building will provide a space for technology-based enterprises to work with the university. The Experiential Engineering building and the Partnership 1 building will be the first two of a series of buildings at the Innovation Campus. The business school will also be housed at the Innovation Campus. Airbus has agreed to become one of the first tenants in the Innovation Campus. Airbus will locate its North American Engineering Center in the Partnership 1 building, which is expected to open in 2016.

The Wichita area economy suffered less from the recent recession than the national economy and has recovered quicker than the national average. Both Wichita and the Wichita MSA have recently had unemployment rates consistently below the national average. The Wichita MSA has had a lower unemployment rate than the City of Wichita during the recovery from the recession. The unemployment rates for both are expected to experience small declines as the national economy approaches its potential output.

	Average Annual Unemployment Rate		
	Wichita	Wichita MSA	U.S.
2012	7.5%	6.7%	8.1%
2013	6.4%	6.0%	7.4%
2014	5.6%	5.2%	6.2%
2015	5.1%	4.8%	5.3%

As the economy has improved, the Wichita area has seen continued increases in housing demand. The number of new residential single-family permits in 2015 increased 3.2 percent compared to 2014. The number of permits is only about a third of the average level from the pre-recession years of 2004 to 2007, so there is continued room for growth potential in 2016. The value of total new residential building permits, including both single-family and multi-family dwellings, increased by 52 percent in 2015. Apartment vacancy rates slightly declined to 7.8 percent, a 0.1 percent decline compared to 2014, which is considerably below the ten-year average of 8.5 percent.

Nonresidential construction had a mixed year in 2015. The number of total new nonresidential permits grew 7.9 percent, but the value for new nonresidential permits fell by 6.2 percent compared to 2014. When including remodels and renovations, the overall value of all nonresidential permits increased by 23.3 percent compared to 2014. In the industrial sector, the vacancy rate fell by 6.8 percent to 14.7 percent in 2015. This vacancy rate is the lowest level since after the recession. Relatively low asking rates will continue to dampen demand for new construction in the industrial sector in

<sup>5</sup> Center for Real Estate, Wichita State University. *2016 Kansas Housing Market Forecast*.

2016. In the office market, both vacancies and lease rates remained fairly flat in 2015, which is projected to continue into 2016<sup>6</sup>. Wichita's downtown and Central Business District have seen increased activity with the renovations of several older buildings, including the former Merrill Lynch Building and the Union Station project.

With continued improvement in the unemployment rate and overall real estate market, Wichita is projected to continue growing in 2016. Risk factors include the Wichita area's reliance on the business jet market, exposure to changes in the national economy, and potential for a second dip in the real estate market. If these risk factors do not weigh down the local economy too heavily, Wichita is expected to continue modest, but steady growth.

### *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 strategic priorities, modifying budgets to achieve desired outcomes with available financial resources. With future revenue growth, the strategic priorities established in 2009 have been reviewed and updated to provide clarity and flexibility in adapting to both short-term and long-term opportunities and challenges. 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 recent years, the City's Retirement Systems maintain funded ratios near 94%, which are well above many public pension systems.

The City manages a pooled funds investment program for all cash, following a comprehensive investment policy. The program allows the City to invest its cash in permitted investments for terms up to four years while maintaining the primary objectives (in order of priority) of safety, liquidity and yield. The City's exposure to risk is managed through various insurance policies, as well as 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 of 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 its 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.

Repeating social media town hall meetings from the last few years, 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 another citizen engagement opportunity, ACT ICT, to obtain further citizen input regarding the community's future. The community's feedback collected through these various channels is valuable as the City reviews and updates its strategic priorities.

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<sup>6</sup> J.P. Weigand & Sons, Inc., [www.weigandforecast.com](http://www.weigandforecast.com).

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. These policies provide the foundation for the City's financial planning and budget allocation decisions in the current 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. Before slightly increasing in 2014, property tax revenue did not significantly change from 2010 through 2013. In 2015, sales and franchise tax revenue rose to the highest levels recorded in the last 10 years. Continued low investment earnings and reduced revenue from other service offerings challenge the City's revenue portfolio.

Despite signs of an improved economic environment, the City continues to face some challenges. The City's revenues have not fully 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 continue to 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 productivity and create 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 in the future for sustainable growth.

### *Major Initiatives*

Though the economic times remain somewhat 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 downtown Wichita. This plan provides a blueprint that assists the private sector in making key investment decisions in Wichita's core, as well as providing a framework for the public sector to make strategic investments that foster private sector investment.

In April 2015, a new alignment of economic organizations was created with the formation of the Greater Wichita Partnership. This new entity brought the Greater Wichita Economic Development Council (GWEDC) together with the Wichita Downtown Development Corporation (WDDC) to make the region competitive for job creation, talent attraction, capital investment, and long-term economic prosperity. The work of these collaborative economic organizations has led to numerous commercial, residential and retail projects that add to the economy and liveability of Wichita.

The WDDC, which was established to revitalize and energize downtown Wichita, reported that since Project Downtown's adoption, downtown Wichita has seen over \$321 million of private and public sector investment combined. Over the past decade, the combined investment in downtown Wichita by the private and public sectors totaled \$966 million. Individuals living in downtown continues to rise, with 1,319 existing units and 810 new units currently under construction or in the planning stages.

With the continued focus on economic development and job growth, a coalition from both the private and public sectors has also joined together to conduct a new study for the ten-county region called the Blueprint for Regional Economic Growth (BREG) to identify industries that have the potential to grow jobs and industry in the region. BREG has identified eight industry "clusters" that have the potential to grow jobs and industry in the region and is implementing growth strategies for each cluster. BREG also works towards regional initiatives and new partnerships for implementation.

In 2015, key infrastructure upgrades were constructed to serve the new Wichita State University Innovation Campus. The Innovation Campus is a creative approach to bring new products, technologies, and services to markets around the

In 2015, key infrastructure upgrades were constructed to serve the new Wichita State University Innovation Campus. The Innovation Campus is a creative approach to bring new products, technologies, and services to markets around the world. It is a new approach for public-private university partnerships. Through innovation, applied learning, and entrepreneurship, the University will continue to take advantage of opportunities to have a strong economic impact on Wichita and southcentral Kansas.

Renovation of one of downtown Wichita's most iconic buildings has been underway for the entirety of 2015, with an initial groundbreaking in December 2014. Representing a \$54 million investment, Union Station, the Rock Island depot, and the former Wichita Grand Hotel, are being redeveloped and expanded into a mix of retail, restaurant, office, commercial, and public space. Many tenants have already occupied spaces in the former Grand Hotel and the Rock Island depot.

The Douglas project, a revitalization of the Exchange Place Building and the Bitting Building, both located on corners of Douglas and Market, began renovations in 2015. This project involves the redevelopment of two historic downtown buildings into 230 residential units, as well as the addition of commercial and retail space on the ground floor. Furthermore, a new 273-space parking garage will be constructed adjacently on a non-developed area of Douglas Avenue.

The mixed-use River Vista project on the west bank of the Arkansas River broke ground in June 2015. Plans include a 204-unit apartment project, parking garage, and future commercial development. Utilizing sales tax revenue (STAR) bonds, the City will make improvements to the riverfront and the adjacent Delano Park. Improvements to this area will connect to the trail system along the river, allowing the public to continue to enjoy the Arkansas River.

The City has completed the renovation of the former Macy's Garage at 215 South Market Street. Through stabilization of the structure, repairs, and design improvements, a newly rehabilitated and brightly lit parking structure provides nine floors of 434 parking spaces to nearby businesses, residents, and visitors.

Interchange improvements at K-96 and Greenwich were also completed in 2015. These improvements support increased nearby development, such as the Wichita Sports Forum, which opened in December 2015. The Wichita Sports Forum is a 140,000 square-foot, multi-purpose facility that provides an area for both youth and adults to participate in recreational and competitive sports, such as basketball, volleyball, soccer, baseball, and football. It also hosts an extreme air sports trampoline park.

The new \$200 million Dwight D. Eisenhower National (formerly Mid-Continent) Airport terminal building and 1,600-space parking garage opened in June 2015. The new terminal provides a safe and efficient experience to air travelers into and out of Wichita. The garage, which increased airport parking capacity by 38%, is connected to the terminal with covered walkways providing convenient access to rental cars and parking. The two-story, 275,000 square-foot terminal is a state-of-the-art modern architectural design which expresses flight and Wichita's globally-prominent position in the aviation industry as Air Capital of the World. The new terminal includes aviation history exhibits, as well as a myriad of different restaurants, shops and amenities.

In February 2015, the City Council authorized solicitation of construction bids for the Advanced Learning Library. A \$33 million project, this new library, to be located at 2nd Street and McLean Boulevard, will provide a place for Wichitans to learn and continue to engage in the community. The Advanced Learning Library will house community meeting spaces and provide up-to-date technology for the public, including charging stations and computers.

Late in 2015, the 2015-2035 Community Investments Plan was adopted by the City Council, updating the 1993 joint comprehensive plan for Wichita and Sedgwick County. The new 2015-2035 joint comprehensive plan serves to guide the future growth, development and public infrastructure decisions over the next 20 years.

In 2015, Wichita became the first city in Kansas and the 41<sup>st</sup> in the nation to receive a 3-STAR Community Rating for sustainability leadership from STAR Communities, a national organization that evaluates the livability and sustainability

**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."*

of communities. Wichita officials worked with several civic partners to achieve the 3-STAR rating, including Workforce Alliance, United Way, Bike-Walk Wichita, and many others.

Tied to the Strategic Plan, maintaining a clean community is important to having a livable community. The City has developed a new strategy and increased funding to enhance enforcement of illegal dumping. Through coordinated efforts by the Metropolitan Area Building and Construction Department, a one-stop shop approach is underway for residents to report illegal dumping issues, whether on public property, private property or park land. This effort is expected to lead to faster cleanup after dumping incidents with continuing efforts to identify and prosecute violators.

In addition to increased funding for street maintenance, after a two year pilot, the City is implementing an innovative return on investment model to maximize the effectiveness of street maintenance efforts using new performance measures. This new approach is expected to stabilize street conditions in the long-term, whereas the traditional approaches would have resulted in a significant long-term degradation of street conditions.

Public safety continues to be a priority. The Wichita Police Department (WPD) developed and implemented a plan to purchase body cameras for all patrol officers. Wichita Police worked with other departments and an outside agency to support the purchase, installation, and use of 429 body worn cameras. Wichita Police also developed and implemented key recommendations from the WPD Organizational Assessment, resulting in 20 active projects focused on increasing transparency and community trust.

Throughout 2015, efforts were underway to create the Wichita Park, Recreation and Open Space (PROS) Plan. Developed over eighteen months with the participation of more than 2,900 residents, this Plan describes Wichita's park and recreation system for the next 10 to 20 years. The Plan was approved by the City Council in 2016 and recognizes the City's role in building community, supporting human development, preserving natural areas and enhancing quality of life and the local economy.

Wichita also expanded its commitment to the park system and the community with several new initiatives. In 2015, the City began developing a new 41-acre wetland park in west Wichita near Cadillac Lake. The project will include walking paths, boardwalks, and interpretive signing. Also in 2015, a new project was initiated to construct a new interactive water feature at Buffalo Park in west Wichita.

League 42, a baseball league founded to give disadvantaged youth a chance to play and learn the rules of the game, continued to expand in 2015 with 29 teams and more than 400 players. The City partnered with League 42 to add two new baseball fields, a concession area, a restroom facility, and parking improvements at McAdams Park.

The City of Wichita, the Kansas Department of Transportation (KDOT), and Kansas Turnpike Authority (KTA) are partnering to improve travel in east Wichita. The collaborative plan includes new intersections at Webb and Greenwich and improved access to the Turnpike. The Webb Road and Kellogg project is nearing the end of the first phase of construction, utility work. All construction is anticipated to be complete in 2020.

The City also constructed the Redbud Path from I-135 to Woodlawn. This 3.65 mile long project celebrates local history by repurposing a former railroad corridor and constructing a shared-use path for walking and bicycling. The project connects the I-135 Path and the Armour Street Bicycle Boulevard, enhancing transportation options for thousands of Wichita residents and providing improved active transportation access to Wichita State University, the Wesley Hospital campus, and multiple neighborhoods.

The City of Wichita and Spirit AeroSystems entered into a joint water conservation plan to save potable water and bolster Wichita's available water capacity for future growth. The plan provides for the sale of effluent water from the City to Spirit for reuse in its industrial manufacturing process. The project will decrease Spirit's potable water usage by 70 percent.

The City continues to be successful in various tourism initiatives. In 2015, the Wichita Riverfest drew about 400,000 attendees. 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 Festival, the Midwest Beerfest, Zoobilee, and the Winter Illuminations at Botanica, Wichita's gardens. Botanica's new \$1.5 million Chinese garden of Friendship opened in June 2015. The garden includes traditional Chinese architecture, art, and culture.

The community also continues a rich tradition in performing arts. In 2015, The Music Theatre continued to present Broadway-scale musicals such as Billy Elliot - The Musical, Big Fish, and Hello, Dolly! The Wichita area is also host to the Wichita Symphony Orchestra, summer outdoor concerts at Cowtown and WaterWalk, the Tallgrass Film Festival, and many other performing arts events that enrich the community. Wichita also brings nationally recognized performing artists to venues like the Intrust Bank Arena. In 2015, Intrust Bank Arena hosted artists such as the Avett Brothers, Miranda Lambert, Fleetwood Mac, Jason Aldean, Lady Antebellum, Foo Fighters, Ariana Grande, and Garth Brooks.

The Wichita community offers many sporting events, which provide both entertainment and participation opportunities for residents and visitors. The Prairie Fire Marathon draws runners from a wide region, offering a full marathon, a half marathon, and a fun run. The National Baseball Congress annually brings teams from across the nation to compete in the amateur national tournament. Wichita has a wide variety of professional sports teams, such as the Wichita Thunder (hockey), the Wichita Wingnuts (baseball), and the Wichita Force (indoor football).

College athletics excite and unite the community. The Wichita State University men's and women's basketball teams continue to earn spots in the NCAA<sup>7</sup> Division I Basketball Tournaments, with the men's team making it into the final four in 2013, the round of 32 in 2014, and the sweet sixteen in 2015. Wichita has been selected as one of eight sites to host preliminary rounds one and two of the 2018 NCAA Men's Basketball Tournament at the Intrust Bank Arena. The event is expected to bring \$10 million in direct economic benefit to the community.

The aforementioned attractions and events, as well as many more, create a tight-knit community for residents and visitors alike to enjoy all that Wichita has to offer.

### *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, 2014. The 2014 award represents the 42nd 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, 2014. The 2014 award represents the City's sixth 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, 2014. The 2014 award represents the 16th consecutive year that the Wichita Retirement Systems earned this recognition.

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

The City believes this current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements and it will be submitted to the GFOA to determine its eligibility for another certificate.

For the 27th consecutive year, the City earned the GFOA's Distinguished Budget Presentation Award for its 2016 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 also received special capital recognition for its 2015 budget document which was adopted in 2014.

Appreciation is expressed to the elected members of the City's governing body for their continued interest and support in planning and conducting the financial operations of the City in a professional, responsible and progressive manner.

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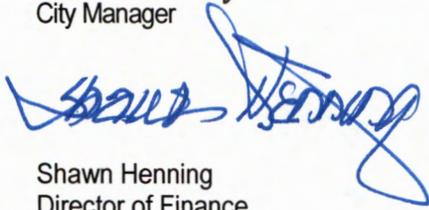
<sup>7</sup> National Collegiate Athletic Association.

Additionally, 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 as well as other City staff who assisted and contributed to its preparation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert Layton".

Robert Layton  
City Manager

A handwritten signature in blue ink, appearing to read "Shawn Henning".

Shawn Henning  
Director of Finance



Government Finance Officers Association

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

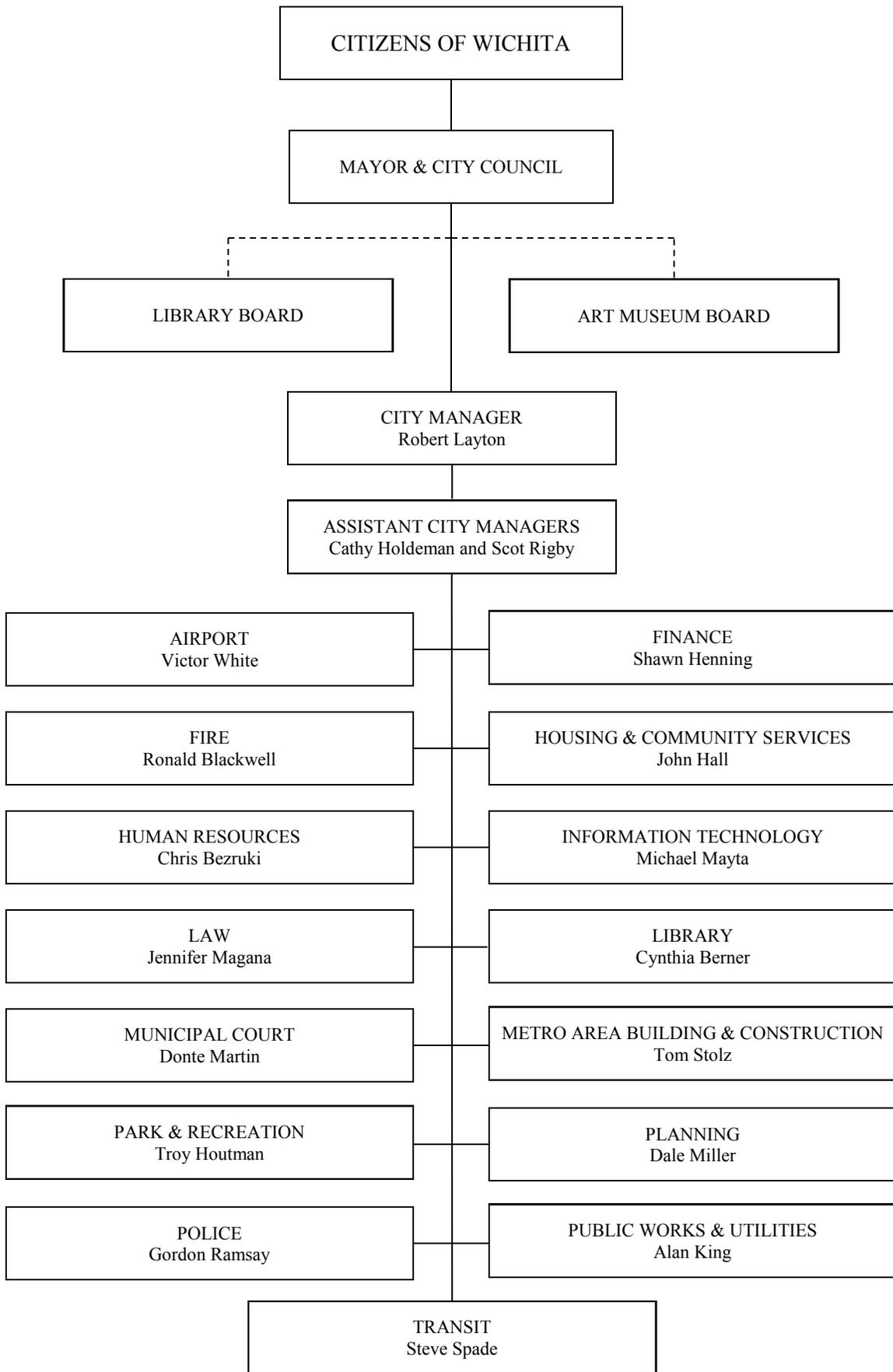
Presented to

**City of Wichita  
Kansas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO



**CITY COUNCIL MEMBERS**

Jeff Longwell	Mayor	(316)268-4331
James Clendenin	Vice Mayor (III)	(316)268-4331
Lavonta Williams	Council Member (I)	(316)268-4331
Pete Meitzner	Council Member (II)	(316)268-4331
Jeff Blubaugh	Council Member (IV)	(316)268-4331
Bryan Frye	Council Member (V)	(316)268-4331
Janet Miller	Council Member (VI)	(316)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 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	(316)268-4351	Robert Layton, City Manager
Assistant City Manager	(316)268-4351	Cathy Holdeman, Assistant City Manager
Assistant City Manager	(316)268-4351	Scot Rigby, Assistant City Manager
Airport	(316)946-4700	Victor White, Director
Finance	(316)268-4300	Shawn Henning, Director
Fire	(316)268-4451	Ronald Blackwell, Fire Chief
Housing and Community Services	(316)462-3795	John Hall, Director
Human Resources	(316)268-4531	Chris Bezruki, Director
Information Technology	(316)268-4318	Michael Mayta, Chief Information Officer
Law	(316)268-4681	Jennifer Magana, City Attorney and Director of Law
Library	(316)261-8500	Cynthia Berner, Director
Municipal Court	(316)268-4611	Donte Martin, Court Administrator
Metropolitan Area Building and Construction	(316)268-4460	Tom Stolz, Director
Park and Recreation	(316)268-4398	Troy Houtman, Director
Planning	(316)268-4421	Dale Miller, Director
Police	(316)268-4158	Gordon Ramsay, Chief of Police
Public Works and Utilities	(316)268-4497	Alan King, Director
Transit	(316)352-4802	Steve Spade, Director

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***FINANCIAL SECTION***

## 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, 2015, 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, 2015, 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.

### ***Emphasis of Matter***

As discussed in Notes 7 and 20 to the financial statements, on January 1, 2015, the City adopted Government Accounting Standards Board Statement No. 68: Accounting and Financial Reporting for Pensions and

Government Accounting Standards Board Statement No. 71: Pension Transition for Contributions Made Subsequent to the Measurement Date. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 Utilities section, Schedule of Expenditures of Federal Awards required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), 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 Utilities section, Schedule of Expenditures of Federal Awards required by the Uniform Guidance, 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 10, 2016 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.L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

June 10, 2016  
Wichita, Kansas



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, sanitation, health and welfare, and culture and recreation. Business-type activities include public water, sewer, airport, stormwater, transit services and golf.

**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 individual funds – not the City as a whole. All of the funds of the City of Wichita can be segregated 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 24 individual governmental funds. Information is presented separately on the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the funds considered major funds. Information for 21 nonmajor 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-21, 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. Enterprise funds account for water and sewer, airport, stormwater, golf, 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.



**Other Financial Information.** As mentioned previously, the Comprehensive Annual Financial Report includes other information in addition to the basic financial statements, as follows:

- *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.
- *Required Supplementary Information* is presented following the notes to the financial statements, and includes information concerning the City's pension liabilities, changes in pension liabilities and employer contributions, as well as the City's progress in funding its obligation to provide other post-employment healthcare benefits to its employees.
- *Additional Information* is presented beginning on page G-1 and includes supplementary schedules pertaining to long-term debt obligations and insurance policies in force as of December 31, 2015.
- The *Statistical Section*, presented beginning on page H-1, provides 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. The Statistical Section provides information about financial trends, revenue capacity, debt capacity, demographic and economic indicators, as well as other operating information.
- The *Single Audit Section* of this report includes schedules and exhibits reflecting Federal participation in various projects and programs of the City and relevant reports of the City's independent auditor.
- *The Water Utilities Section* provides for the specific informational needs of water and sewer revenue bondholders.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

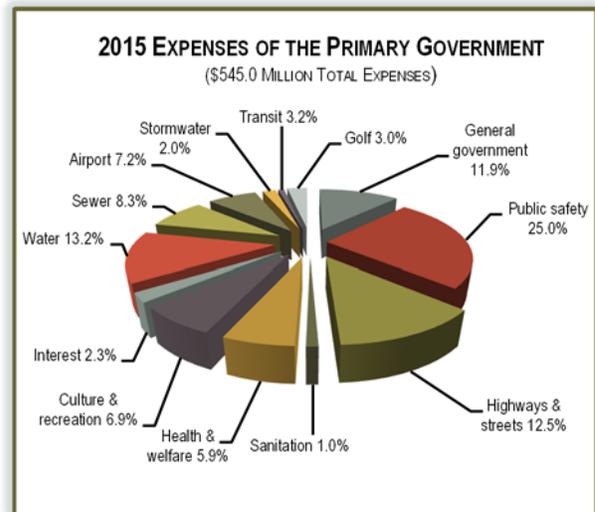
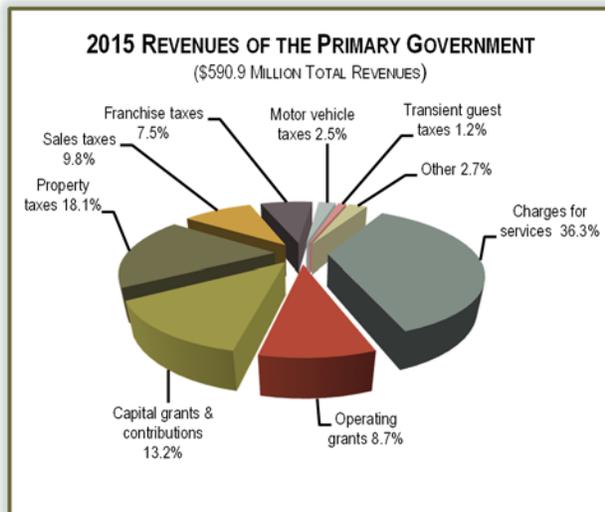
**Net Position of the Primary Government and Component Unit.** The net position of the primary government, which can serve as a useful indicator of a government's financial position over time, shows an increase of \$45.9 million for 2015. Approximately 80% of the City's net position consists of its net investment in capital assets (e.g., land, buildings, improvements, equipment), net of related debt. The City uses 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 purposes. The unrestricted portion of the net position that may be used for the government's ongoing operations is \$83.8 million.

Net Position – Primary Government						
As of December 31						
(in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 492.3	\$ 519.3	\$ 245.5	\$ 282.5	\$ 737.8	\$ 801.8
Capital assets	1,246.5	1,234.5	1,634.7	1,601.6	2,881.2	2,836.1
Total assets	<u>1,738.8</u>	<u>1,753.8</u>	<u>1,880.2</u>	<u>1,884.1</u>	<u>3,619.0</u>	<u>3,637.9</u>
Total deferred outflows of resources	<u>42.2</u>	<u>1.6</u>	<u>15.3</u>	<u>6.3</u>	<u>57.5</u>	<u>7.9</u>
Non-current liabilities	555.7	548.0	718.4	717.2	1,274.1	1,265.2
Other liabilities	69.8	80.9	55.4	64.5	125.2	145.4
Total liabilities	<u>625.5</u>	<u>628.9</u>	<u>773.8</u>	<u>781.7</u>	<u>1,399.3</u>	<u>1,410.6</u>
Total deferred inflows of resources	<u>111.0</u>	<u>96.7</u>	<u>1.8</u>	<u>-</u>	<u>112.8</u>	<u>96.7</u>
Net position:						
Net investment in capital assets	779.5	714.1	920.6	908.3	1,700.1	1,622.4
Restricted net position	237.5	267.2	143.0	138.6	380.5	405.8
Unrestricted net position	27.5	48.5	56.3	61.8	83.8	110.3
Total net position	<u>\$ 1,044.5</u>	<u>\$ 1,029.8</u>	<u>\$ 1,119.9</u>	<u>\$ 1,108.7</u>	<u>\$ 2,164.4</u>	<u>\$ 2,138.5</u>

The following table summarizes the revenues and expenses that contributed to the increase in the net position of the primary government. In 2015, total revenues increased by \$25.6 million. During the same period, expenses of the primary government increased \$66.9 million.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 44.4	\$ 36.7	\$ 170.0	\$ 165.8	\$ 214.4	\$ 202.5
Operating grants and contributions	46.7	45.1	4.6	9.0	51.3	54.1
Capital grants and contributions	50.3	38.8	27.8	22.9	78.1	61.7
General revenues						
Property taxes	106.7	106.0	-	-	106.7	106.0
Sales taxes	58.0	56.1	-	-	58.0	56.1
Franchise taxes	44.3	41.9	-	-	44.3	41.9
Motor vehicle taxes	14.7	14.3	-	-	14.7	14.3
Transient guest taxes	7.3	6.8	-	-	7.3	6.8
Investment earnings	1.7	1.4	0.4	-	2.1	1.4
Miscellaneous	12.0	15.3	2.0	5.2	14.0	20.5
Total revenues	<u>386.1</u>	<u>362.4</u>	<u>204.8</u>	<u>202.9</u>	<u>590.9</u>	<u>565.3</u>
<b>Expenses</b>						
General government	64.8	46.4	-	-	64.8	46.4
Public safety	136.2	132.6	-	-	136.2	132.6
Highways and streets	68.3	50.7	-	-	68.3	50.7
Sanitation	5.4	4.5	-	-	5.4	4.5
Health and welfare	32.0	29.7	-	-	32.0	29.7
Culture and recreation	37.7	35.6	-	-	37.7	35.6
Interest on long-term debt	12.3	13.7	-	-	12.3	13.7
Water Utility	-	-	72.2	60.7	72.2	60.7
Sewer Utility	-	-	44.9	46.8	44.9	46.8
Airport Authority	-	-	39.0	28.7	39.0	28.7
Stormwater Utility	-	-	10.9	8.5	10.9	8.5
Golf Course System	-	-	5.0	4.9	5.0	4.9
Transit	-	-	16.3	15.3	16.3	15.3
Total expenses	<u>356.7</u>	<u>313.2</u>	<u>188.3</u>	<u>164.9</u>	<u>545.0</u>	<u>478.1</u>
Excess before transfers and prior period adjustments	29.4	49.2	16.5	38.0	45.9	87.2
Transfers	(3.6)	(4.7)	3.6	4.7	-	-
Increase in net position	<u>25.8</u>	<u>44.5</u>	<u>20.1</u>	<u>42.7</u>	<u>45.9</u>	<u>87.2</u>
Net position, beginning of year	1,029.8	985.3	1,108.7	1,066.0	2,138.5	2,051.3
Prior period adjustments	(11.1)	-	(8.9)	-	(20.0)	-
Net position, end of year	<u>\$ 1,044.5</u>	<u>\$ 1,029.8</u>	<u>\$ 1,119.9</u>	<u>\$ 1,108.7</u>	<u>\$ 2,164.4</u>	<u>\$ 2,138.5</u>



*Governmental activities:* The net position of governmental activities increased \$25.8 million in 2015. During the current fiscal year, governmental revenues, excluding transfers, increased \$23.7 million over 2014 levels. The most significant increase in revenues was in capital grants and contributions, which recorded an \$11.5 million increase. Charges for services rose \$7.7 million and sales tax revenue increased \$1.9 million in 2015 from the prior year.

The \$43.5 million increase in expenses from the prior year for governmental activities largely consists of a \$17.6 million increase in highways and streets expenses and an \$18.4 million increase in general government expenses. These changes are related primarily to an increased level of non-capital repairs and maintenance expenses reported in those functions.

Net investment in governmental capital assets increased \$65.4 million through a combination of capital additions offset by reductions in long-term debt. Construction of freeways and arterial streets was the major focus of capital spending.

Cash and equivalents were \$23.3 million lower at the close of 2015 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 \$20.1 million increase in the net position of business-type activities was recorded in 2015. The greatest increase in net position resulted from activities in the Sewer Utility Fund, followed by activities in the Water Utility Fund.

The Water and Sewer Utilities implemented rate increases in 2015, which resulted in an overall increase in charges for services of \$1.7 million. Program revenues in excess of expenses for the Water Utility totaled \$6.6 million in 2015, as compared to \$19.3 million in 2014. Wet and mild weather conditions negatively affected revenues in 2015.

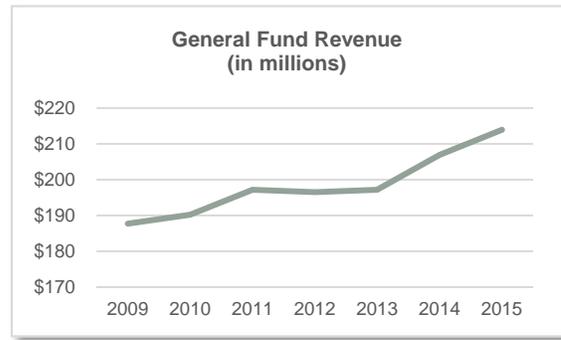
*Discretely presented component unit activities:* The Wichita Public Building Commission (WPBC) is a discretely presented component unit of the City of Wichita that acquires and finances assets for the City of Wichita or other governmental units. At December 31 2015, the PBC reported property held for sale at estimated fair market value.

**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 \$105.9 million compared to \$110 million at the close of 2014. The \$4.1 million decrease in fund balance largely results from the planned utilization of Debt Service Fund resources for the retirement of temporary notes in 2015, reducing the need for long-term capital debt. The reduction in fund balance from current year activity was offset by a prior period adjustment, which increased beginning fund balance in the Debt Service Fund by \$4.4 million. This adjustment is more fully described in the notes to the financial statements.

The General Fund is the major operating and taxing fund of the City of Wichita. At the close of 2015, the unassigned fund balance of the General Fund and its combined subfunds was \$28.8 million compared to \$27.9 million last year. Revenue of the General Fund and its subfunds, excluding transfers, was \$7 million above last year, with expenditures \$6.2 million higher than last year.



The increase in revenues primarily resulted from a \$2.4 million increase in franchise taxes derived from a renegotiated rate structure, as well as increases in property tax and local sales tax.

	2011	2012	2013	2014	2015	2015 Percent of Total
General government	\$ 30.9	\$ 30.5	\$ 32.0	\$ 32.3	\$ 33.1	15.6%
Public safety	114.5	117.3	119.6	120.8	121.9	57.5%
Highways and streets	22.4	18.1	16.7	18.4	20.3	9.6%
Sanitation	2.9	2.6	2.6	2.7	2.7	1.3%
Health and welfare	3.4	3.6	3.8	3.6	3.7	1.7%
Culture and recreation	28.0	28.3	27.5	27.9	30.2	14.3%
<b>Total expenditures</b>	<b>\$ 202.1</b>	<b>\$ 200.4</b>	<b>\$ 202.2</b>	<b>\$ 205.7</b>	<b>\$ 211.9</b>	<b>100.0%</b>

The fund balance of the Debt Service Fund and its subfunds decreased \$10.1 million in 2015, due primarily to the planned utilization of resources for the retirement of temporary notes in 2015, reducing the need for long-term capital debt. Revenue in the Debt Service Fund declined from 2014 levels, by \$1.7 million or 2.7%, mostly due to a lower level of special assessments.

In the Street Improvement Fund, ongoing expenditures for streets and arterials improvements contributed to the \$19.9 million decrease in fund balance. The fund balance will be restored when permanent financing for those projects is issued. Additionally, transfers were made from the Street Improvement Fund to the Local Sales Tax CIP Fund to provide resources for future capital improvements. Capital expenditures of \$55.8 million were recorded in the Street Improvement Fund in 2015, which is consistent with 2014 levels.

Fund balance in the nonmajor governmental funds increased \$23.9 million from 2014. The majority of the increase was related to transfers made from the Street Improvement Fund to the Local Sales Tax CIP Fund. Revenue, expenditures and fund balances of the nonmajor special revenue funds remained relatively stable in 2015.

**Proprietary Funds.** The combined net position of the proprietary funds increased \$11.8 million from 2015 operations, primarily from increases in the Sewer Utility and Transit Funds.

The Water Utility, which accounts for the operation and maintenance of the water supply system, implemented a rate increase at the beginning of 2015 to ensure adequate resources for operations, capital maintenance and capital investment. Volume in 2015 remained fairly consistent with 2014 levels. The Water Utility controlled expenses, resulting in an increase in net position of \$7 million, before prior period adjustments.

The Sewer Utility, which accounts for the wastewater treatment system, also implemented a 2015 rate increase, which resulted in \$1.9 million of additional revenue, which was offset by increased operating expenses. The operating income of \$15.2 million, combined with nonoperating expenses and capital contributions which were reasonably comparable to 2014 levels, yielded a \$10.8 million increase in the net position of the Sewer Utility, before prior period adjustments.

The Airport Authority Fund captures the financial activity for the Dwight D. Eisenhower National Airport, serving commercial airlines, as well as Jabara Airport, which serves smaller aircraft. The net position of the

Airport Authority Fund decreased approximately \$370,000 during 2015 compared to an increase of \$8.4 million in 2014. The newly constructed terminal and parking garage were completed and opened to the public in June 2015. With the opening of the new terminal building, the airport (formerly known as the Mid-Continent Airport) was renamed the Dwight D. Eisenhower National Airport.

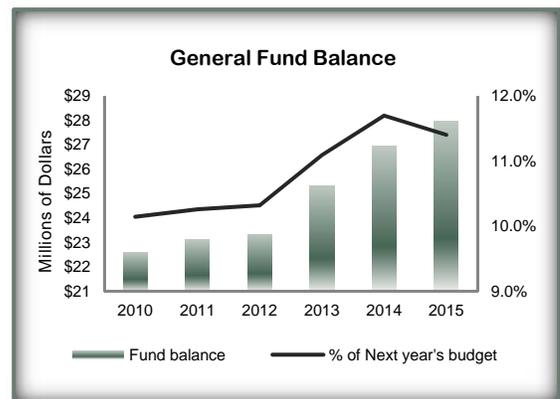
The Stormwater Utility is funded from fees paid by customers with the last rate increase in 2007. The Utility operates eleven pump stations, which move excess surface water from heavy rains. The Utility also maintains the Wichita-Valley Center Floodway, a levee system that redirects excess river water around the city. The net position of the Stormwater Utility Fund decreased approximately \$340,000 in 2015. Revenues of the Utility were stable in 2015, while expenditures increased by \$1.5 million, or 19.2% from 2014.

Net Position of Proprietary Funds (dollars in thousands)		
	2015	2014
Water Utility	\$ 455,969	\$ 455,075
Sewer Utility	295,092	285,678
Airport Authority	199,057	200,056
Stormwater Utility	145,559	146,403
Transit	22,585	18,779
Golf Course System	(551)	(128)
<b>Total</b>	<b>\$ 1,117,711</b>	<b>\$ 1,105,863</b>

In the nonmajor business-type funds, revenue and expenses of the Golf Fund were consistent with 2014, continuing to lower the fund's net position overall. At the end of 2015, the Golf Fund reported a negative net position of \$551,155. To provide financial assistance to the fund, an interfund loan with a long-term repayment plan is in place.

Also in the nonmajor business-type funds, the Transit Fund has benefited from temporary loans to strengthen the fund's financial position. A loss of \$8.6 million before capital contributions and operating transfers was recognized for 2015. With capital contributions and transfers of \$3.7 million from the General Fund, the fund's net position increased \$3.9 million in 2015. On December 31, 2015, \$1.2 million in interfund loans were outstanding. Additionally, as cash needs fluctuate, operations are augmented with the City's pooled funds to address temporary cash deficiencies.

**General Fund Budgetary Highlights.** Total revenue at year-end fell short of projections in the original and final budgets, but was \$6.7 million greater than in 2014. Expenditures were also below the projections of the adopted and final budgets, and were 3.4% above 2014 expenditures. After transfers, the General Fund unencumbered fund balance increased \$1 million in 2015.



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 was the rise in franchise and sales taxes.

Expenditures increased \$6.9 million from 2014. An increase of \$2.9 million in culture and recreation expenditures is due primarily to enhanced forestry services. Police and Fire represent the bulk of public safety services and comprise the largest portion of General Fund expenditures. The higher cost of personnel is the most significant reason for the increase in expenditures for most functions within the General Fund.

On a budgetary basis, the General Fund ended 2015 with a fund balance of \$28 million, which is 11.4% of the 2016 Adopted Budget, including an appropriated reserve of \$18 million for emergency needs.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At the end of 2015, the City of Wichita reported \$2.9 billion in capital assets net of depreciation, compared to \$2.8 billion at the end of 2014. Assets are acquired through the City's direct investments, capital contributions, 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



At year-end, the City had \$1.08 billion in outstanding bonds. Of this amount, outstanding general obligation bonds payable from governmental activities revenue sources totaled \$412.6 million. The City also held \$75.5 million in general obligation temporary notes. The most significant temporary notes outstanding were held as follows: \$31.8 million in the Airport Authority Fund and \$50 million in governmental capital project funds. Bonded debt of the City of Wichita increased by \$46.7 million in 2015.

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

Revenue source	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Ad valorem property taxes	\$ 74.0	\$ 76.9	\$ -	\$ -	\$ 74.0	\$ 76.9
Special assessments	181.7	192.6	-	-	181.7	192.6
Tax increment financing	22.8	25.3	-	-	22.8	25.3
Transient guest tax	2.5	2.5	-	-	2.5	2.5
Local sales tax	133.3	150.4	-	-	133.3	150.4
Enterprise funds	-	-	664.3	584.2	664.3	584.2
Total	\$ 414.3	\$ 447.7	\$ 664.3	\$ 584.2	\$ 1,078.6	\$ 1,031.9

Kansas state statutes limit the amount of general obligation bonds a City can issue to 30% of the equalized tangible valuation. The 2015 limitation for the City was \$1 billion, with a legal debt margin of \$762.3 million. More detailed information regarding long-term debt is located in Note 9 to the Financial Statements, in the Additional Information Section, as well as in the Statistical Section of this report.

### ECONOMIC FACTORS AND NEXT YEAR’S BUDGET<sup>1</sup>

Both the city of Wichita and the Wichita metropolitan Statistical Area (MSA) have had unemployment rates consistently below the national average during the recovery from the most recent recession. The Wichita MSA has had a lower unemployment rate than the city of Wichita during the recovery, and this trend is expected to continue in the coming year. The unemployment rates for both are expected to continue to experience small declines as the national economy approaches its potential output.

As the economy has continued to improve, the Wichita area has also seen continued increases in housing demand. The number of new residential single-family permits in 2015 increased 3.2% relative to 2014 levels. The number of permits is only just over a third of the level averaged in the pre-recession years of 2004 to 2007, so there is still plenty of growth potential in 2016. The value of total new residential building permits, including both single-family and multi-family dwellings, increased by 52% in 2015. Apartment vacancy rates declined slightly to 7.8%, a 0.1% decline relative to 2014, which is considerably below the ten-year average of 8.5%.

	Average Annual Unemployment Rates <sup>2</sup>		
	Wichita	Wichita MSA	Nation
2012	7.5%	6.7%	8.1%
2013	6.4%	6.0%	7.4%
2014	5.6%	5.2%	6.2%
2015	5.1%	4.8%	5.3%

Nonresidential construction had a mixed year in 2015. While the number of total new nonresidential permits grew 7.9%, the value of those permits fell by 6.2% compared to 2014. When including remodels and renovations, the overall value of all nonresidential permits increased by 23.3% relative to 2014. In the industrial sector, the vacancy rate fell by 6.8% to 14.7% in 2015, its lowest level following the 2008 recession. Relatively low asking rates will continue to dampen demand for new construction in the industrial sector in 2016. In the office market, both vacancies and lease rates remained fairly flat in 2015, which is projected to continue into 2016.<sup>3</sup> The central business district has seen increased activity with the renovations of several older buildings, including the former Merrill Lynch Building and the Union Station project.

<sup>1</sup> Economic information was compiled by Wichita State University, Center for Economic Development and Business Research.

<sup>2</sup> Unemployment statistics reflect revisions made by the Kansas Department of Labor to the data as originally reported.

<sup>3</sup> J.P. Weigand & Sons, Inc., [www.weigandforecast.com](http://www.weigandforecast.com).



**CITY OF WICHITA, KANSAS**

**STATEMENT OF NET POSITION**

December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wichita Public Building Commission
<b>ASSETS</b>				
Cash and cash equivalents	\$ 187,652,065	\$ 61,996,412	\$ 249,648,477	\$ -
Investments	3,488,315	-	3,488,315	-
Receivables, net:				
Due from other agencies	4,294,485	1,402,030	5,696,515	-
Accounts receivable	285,366,745	18,798,549	304,165,294	-
Notes receivable	4,367,266	-	4,367,266	-
Internal balances	5,599,940	(5,599,940)	-	-
Inventories	962,937	3,158,628	4,121,565	-
Prepaid items	275,997	887,230	1,163,227	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	159,479,250	159,479,250	-
Net investment in direct financing leases	-	5,460,000	5,460,000	-
Permanently restricted:				
Cash and cash equivalents	155,000	-	155,000	-
Investments	80,437	-	80,437	-
Assets held for sale	-	-	-	15,460,440
Capital assets:				
Land and construction in progress	381,221,492	119,930,023	501,151,515	-
Other capital assets, net of depreciation	865,311,378	1,514,750,611	2,380,061,989	-
Total capital assets	<u>1,246,532,870</u>	<u>1,634,680,634</u>	<u>2,881,213,504</u>	<u>-</u>
Total assets	<u>1,738,776,057</u>	<u>1,880,262,793</u>	<u>3,619,038,850</u>	<u>15,460,440</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized refunding costs	2,038,822	8,925,874	10,964,696	-
Deferred outflows related to pensions	<u>40,147,847</u>	<u>6,381,731</u>	<u>46,529,578</u>	<u>-</u>
Total deferred outflows of resources	<u>42,186,669</u>	<u>15,307,605</u>	<u>57,494,274</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable and other liabilities	25,008,537	7,128,539	32,137,076	-
Accrued interest payable	3,232,982	5,685,550	8,918,532	-
Temporary notes payable	40,968,075	34,511,925	75,480,000	-
Deposits	532,597	4,687,238	5,219,835	-
Unearned revenue	-	3,371,085	3,371,085	-
Due to other agencies	46,325	-	46,325	15,460,440
Noncurrent liabilities, including claims payable				
Due within one year	70,445,991	37,176,799	107,622,790	-
Due in more than one year	<u>485,209,183</u>	<u>681,261,450</u>	<u>1,166,470,633</u>	<u>-</u>
Total liabilities	<u>625,443,690</u>	<u>773,822,586</u>	<u>1,399,266,276</u>	<u>15,460,440</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	97,134,245	-	97,134,245	-
Deferred inflows related to pensions	<u>13,897,213</u>	<u>1,816,415</u>	<u>15,713,628</u>	<u>-</u>
Total deferred inflows of resources	<u>111,031,458</u>	<u>1,816,415</u>	<u>112,847,873</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	779,473,122	920,577,404	1,700,050,526	-
Restricted for:				
Capital projects	22,017,112	37,578,364	59,595,476	-
Debt service	191,171,765	-	191,171,765	-
Revenue bond covenants	-	105,443,226	105,443,226	-
Cemetery:				
Expendable	485,642	-	485,642	-
Nonexpendable	235,437	-	235,437	-
Other purposes	23,627,948	-	23,627,948	-
Unrestricted	<u>27,476,552</u>	<u>56,332,403</u>	<u>83,808,955</u>	<u>-</u>
Total net position	<u>\$ 1,044,487,578</u>	<u>\$ 1,119,931,397</u>	<u>\$ 2,164,418,975</u>	<u>\$ -</u>

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

**CITY OF WICHITA, KANSAS**

**STATEMENT OF ACTIVITIES**  
For the year ended December 31, 2015

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
<b>FUNCTIONS/PROGRAMS</b>			
Primary government:			
General government	\$ 64,843,871	\$ 22,388,581	\$ 3,672,763
Public safety	136,232,237	7,410,617	2,381,675
Highways and streets	68,326,265	5,195,616	14,616,934
Sanitation	5,383,889	1,084,944	-
Health and welfare	31,896,485	3,332,036	23,534,874
Culture and recreation	37,706,751	4,979,477	2,479,074
Interest on long-term debt	12,334,093	-	-
Total governmental activities	356,723,591	44,391,271	46,685,320
Business-type activities:			
Water	72,179,057	74,906,498	-
Sewer	44,942,689	53,236,237	-
Airport	38,966,826	25,751,979	-
Stormwater	10,904,754	9,352,590	-
Golf Course System	4,959,860	4,632,408	-
Transit	16,336,810	2,088,955	4,592,173
Total business-type activities	188,289,996	169,968,667	4,592,173
Total primary government	\$ 545,013,587	\$ 214,359,938	\$ 51,277,493
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, as previously reported  
 Prior period adjustment  
 Net position - beginning, restated

Net position - ending

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

Net (Expense) Revenue and Changes in Net Position

Capital Grants and Contributions	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Wichita Public Building Commission
\$ -	\$ (38,782,527)	\$ -	\$ (38,782,527)	\$ -
-	(126,439,945)	-	(126,439,945)	-
49,976,133	1,462,418	-	1,462,418	-
-	(4,298,945)	-	(4,298,945)	-
324,883	(4,704,692)	-	(4,704,692)	-
-	(30,248,200)	-	(30,248,200)	-
-	(12,334,093)	-	(12,334,093)	-
<u>50,301,016</u>	<u>(215,345,984)</u>	<u>-</u>	<u>(215,345,984)</u>	<u>-</u>
3,920,515	-	6,647,956	6,647,956	-
2,269,651	-	10,563,199	10,563,199	-
11,691,781	-	(1,523,066)	(1,523,066)	-
1,175,590	-	(376,574)	(376,574)	-
-	-	(327,452)	(327,452)	-
8,784,483	-	(871,199)	(871,199)	-
<u>27,842,020</u>	<u>-</u>	<u>14,112,864</u>	<u>14,112,864</u>	<u>-</u>
<u>\$ 78,143,036</u>	<u>(215,345,984)</u>	<u>14,112,864</u>	<u>(201,233,120)</u>	<u>-</u>
<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	106,705,602	-	106,705,602	-
	57,958,523	-	57,958,523	-
	44,304,262	-	44,304,262	-
	14,731,698	-	14,731,698	-
	7,255,040	-	7,255,040	-
	1,725,123	448,964	2,174,087	-
	11,952,478	2,013,256	13,965,734	-
	(3,539,170)	3,539,170	-	-
	<u>241,093,556</u>	<u>6,001,390</u>	<u>247,094,946</u>	<u>-</u>
	25,747,572	20,114,254	45,861,826	-
	1,029,758,513	1,108,695,595	2,138,454,108	-
	(11,018,507)	(8,878,452)	(19,896,959)	-
	<u>1,018,740,006</u>	<u>1,099,817,143</u>	<u>2,118,557,149</u>	<u>-</u>
	<u>\$ 1,044,487,578</u>	<u>\$ 1,119,931,397</u>	<u>\$ 2,164,418,975</u>	<u>\$ -</u>

**CITY OF WICHITA, KANSAS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2015**

	General Fund	Debt Service Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 47,728,144	\$ 5,992,286	\$ -	\$ 74,205,583	\$ 127,926,013
Cash with fiscal agent	-	15,696,929	-	-	15,696,929
Investments	-	-	-	3,568,752	3,568,752
Receivables, net:					
Property taxes	71,848,618	25,285,627	-	-	97,134,245
Special assessments	-	178,886,971	-	-	178,886,971
Due from other agencies	-	-	3,004,138	1,290,347	4,294,485
Accounts receivable	2,423,655	55,360	1,380,359	5,152,645	9,012,019
Notes receivable	-	4,067,266	-	300,000	4,367,266
Due from other funds	800,000	5,712,878	-	27,430,019	33,942,897
Inventories	76,435	-	-	35,000	111,435
Prepaid items	72,701	-	-	74,396	147,097
Total assets	<u>\$ 122,949,553</u>	<u>\$ 235,697,317</u>	<u>\$ 4,384,497</u>	<u>\$ 112,056,742</u>	<u>\$ 475,088,109</u>
<b>LIABILITIES</b>					
Accounts payable and other liabilities	\$ 14,922,152	\$ 39,109	\$ 2,833,220	\$ 3,885,125	\$ 21,679,606
Accrued interest payable	-	-	12,059	10,282	22,341
Temporary notes payable	-	-	20,997,241	19,970,834	40,968,075
Deposits	59,554	293,246	-	179,797	532,597
Due to other agencies	-	-	-	46,325	46,325
Due to other funds	-	-	15,485,551	11,056,010	26,541,561
Total liabilities	<u>14,981,706</u>	<u>332,355</u>	<u>39,328,071</u>	<u>35,148,373</u>	<u>89,790,505</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue					
Property taxes	71,848,618	25,285,627	-	-	97,134,245
Special assessments	-	178,886,971	-	-	178,886,971
Other	-	-	-	3,371,954	3,371,954
Total deferred inflows of resources	<u>71,848,618</u>	<u>204,172,598</u>	<u>-</u>	<u>3,371,954</u>	<u>279,393,170</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	949,136	4,067,266	-	395,570	5,411,972
Restricted	-	27,125,098	-	87,086,799	114,211,897
Committed	-	-	-	16,142,316	16,142,316
Assigned	6,346,582	-	-	2,084,333	8,430,915
Unassigned	28,823,511	-	(34,943,574)	(32,172,603)	(38,292,666)
Total fund balances (deficits)	<u>36,119,229</u>	<u>31,192,364</u>	<u>(34,943,574)</u>	<u>73,536,415</u>	<u>105,904,434</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 122,949,553</u>	<u>\$ 235,697,317</u>	<u>\$ 4,384,497</u>	<u>\$ 112,056,742</u>	<u>\$ 475,088,109</u>

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, 2015

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

<b>Total fund balance - governmental funds</b>		\$ 105,904,434
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Cost	\$ 1,735,481,810	
Accumulated depreciation	<u>(497,423,040)</u>	1,238,058,770
Certain items, which result in a consumption of net position applicable to a future reporting period, are recognized as deferred outflows of resources in the government-wide financial statements.		
Unamortized deferred refunding costs	2,038,822	
Deferred outflows related to pensions	<u>38,768,002</u>	40,806,824
Liabilities, including bonds payable, are not due and payable in the current period and therefore not reported as liabilities in the funds.		
General obligation bonds payable	230,835,475	
Special assessment bonds payable	181,733,151	
Sales tax revenue bonds payable	1,725,570	
Premium on bonds payable	29,289,169	
Discount on bonds payable	(28,152)	
Accrued interest on bonds payable	3,210,641	
Compensated absences	9,267,363	
Net pension liability	35,476,358	
Other post employment benefits	14,572,684	
Environmental remediation liability	18,179,949	
Liability for future landfill closure and post-closure costs	11,632,859	
Legal liability	2,284,557	
Liability for termination benefits	<u>216,019</u>	(538,395,643)
Certain items, which result in an acquisition of net position applicable to a future reporting period, are recognized as deferred inflows of resources in the government-wide financial statements.		
Deferred inflows related to pensions		(13,524,111)
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.		
		3,371,954
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.		
		178,886,971
Internal service funds are used to charge the cost 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.		
		<u>29,378,379</u>
<b>Total net position - governmental activities</b>		<u>\$ 1,044,487,578</u>

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, 2015

	General Fund	Debt Service Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 84,780,653	\$ 32,231,979	\$ -	\$ 11,679,708	\$ 128,692,340
Special assessments	-	29,785,983	-	11,369	29,797,352
Franchise taxes	44,304,262	-	-	-	44,304,262
Local sales tax	28,638,617	385,803	-	28,934,103	57,958,523
Intergovernmental	16,580,270	-	21,038,259	32,566,726	70,185,255
Licenses and permits	2,317,736	-	-	5,414,722	7,732,458
Fines and penalties	9,751,773	-	-	15,095	9,766,868
Rentals	2,790,766	21,672	-	3,414,955	6,227,393
Sale of property	-	236,469	-	-	236,469
Interest earnings	1,475,455	203,307	-	46,361	1,725,123
Charges for services and sales	17,999,654	-	-	3,947,735	21,947,389
Other revenue	6,265,035	351,921	981,119	5,905,423	13,503,498
Total revenues	<u>214,904,221</u>	<u>63,217,134</u>	<u>22,019,378</u>	<u>91,936,197</u>	<u>392,076,930</u>
<b>EXPENDITURES</b>					
Current:					
General government	33,133,833	-	-	4,467,342	37,601,175
Public safety	121,922,830	-	-	9,573,512	131,496,342
Highways and streets	20,301,460	-	-	-	20,301,460
Sanitation	2,667,876	-	-	2,308,678	4,976,554
Health and welfare	3,709,409	-	-	29,325,161	33,034,570
Culture and recreation	30,221,362	-	-	3,169,822	33,391,184
Debt service:					
Principal retirement	-	51,669,263	-	-	51,669,263
Interest and fiscal charges	-	18,509,455	77,010	76,029	18,662,494
Other debt service	-	36,841	-	-	36,841
Capital outlay	-	-	55,820,135	35,850,504	91,670,639
Total expenditures	<u>211,956,770</u>	<u>70,215,559</u>	<u>55,897,145</u>	<u>84,771,048</u>	<u>422,840,522</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,947,451</u>	<u>(6,998,425)</u>	<u>(33,877,767)</u>	<u>7,165,149</u>	<u>(30,763,592)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of long-term capital debt	-	37,375,310	8,892,656	4,291,594	50,559,560
Premiums on bonds sold	-	6,044,799	-	-	6,044,799
Payments on refunded bonds	-	(32,320,650)	-	-	(32,320,650)
Transfers from other funds	5,873,720	26,735,699	32,465,466	59,105,241	124,180,126
Transfers to other funds	(6,833,418)	(45,313,479)	(27,352,553)	(46,642,640)	(126,142,090)
Total other financing sources (uses)	<u>(959,698)</u>	<u>(7,478,321)</u>	<u>14,005,569</u>	<u>16,754,195</u>	<u>22,321,745</u>
Net change in fund balance	<u>1,987,753</u>	<u>(14,476,746)</u>	<u>(19,872,198)</u>	<u>23,919,344</u>	<u>(8,441,847)</u>
Fund balances (deficits) - beginning, as previously reported	34,131,476	41,315,343	(15,071,376)	49,617,071	109,992,514
Prior period adjustment	-	4,353,767	-	-	4,353,767
Fund balances (deficits) - beginning, restated	<u>34,131,476</u>	<u>45,669,110</u>	<u>(15,071,376)</u>	<u>49,617,071</u>	<u>114,346,281</u>
Fund balances (deficits) - ending	<u>\$ 36,119,229</u>	<u>\$ 31,192,364</u>	<u>\$ (34,943,574)</u>	<u>\$ 73,536,415</u>	<u>\$ 105,904,434</u>

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 THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**  
For the year ended December 31, 2015

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

<b>Net change in fund balance - governmental funds</b>		\$	(8,441,847)
<p>Governmental funds report capital asset acquisitions as expenditures. However, in the statement of activities, the cost of assets capitalized is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital asset acquisitions exceeded depreciation in the current period.</p>			
Depreciation expense	\$	(32,304,852)	
Net capital asset acquisition		<u>51,084,656</u>	18,779,804
<p>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 balance by the cost of capital assets sold.</p>			
			(7,230,043)
<p>In the statement of activities, transfers of capital assets from governmental activities to business-type activities are reported as transfers, where as in the governmental funds, there is no event to report as there was no outward flow of current financial resources.</p>			
			(37,712)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds</p>			
			(7,463,788)
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position:</p>			
General obligation bonds payable		(26,341,440)	
Special assessment bonds payable		(24,010,000)	
Sales tax revenue bonds payable		(208,120)	
Premium on bonds payable		<u>(6,044,799)</u>	(56,604,359)
<p>Repayment of bond principal is reported as an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position:</p>			
General obligation bonds payable		49,020,889	
Special assessment bonds payable		34,851,849	
Sales tax revenue bonds payable		<u>117,175</u>	83,989,913
<p>The amortization of bond premiums and discounts effects long-term liabilities on the statement of net position, but does not provide or consume current financial resources of the governmental funds.</p>			
			5,085,474
<p>Deferred refunding costs reduce current financial resources to governmental funds, but do not decrease long-term liabilities in the statement of net position.</p>			
			411,782
<p>Some expenses reported in the statement of activities do not require use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:</p>			
Accrued interest on bonds payable		867,986	
Compensated absences		(241,050)	
Net pension liability		2,262,842	
Other post employment benefits		(1,321,578)	
Environmental remediation liability		148,157	
Liability for future landfill closure and post-closure costs		925,598	
Liability for termination benefits		<u>71,459</u>	2,713,414
<p>The amortization of collective deferred outflows and inflows of resources related to pensions effects change in net position, but does not provide or use current financial resources of governmental funds:</p>			
Deferred outflows - pensions		(4,809,673)	
Deferred inflows - pensions		<u>2,737,272</u>	(2,072,401)
<p>Internal service funds are used to charge the cost of certain activities, such as insurance, to the individual funds. Net revenue (expense) of certain internal service funds is reported with the governmental activities.</p>			
			(3,382,665)
<b>Change in net position - governmental activities</b>		\$	<u><u>25,747,572</u></u>

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

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**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 72,982,960	\$ 72,981,814	\$ 73,908,585	\$ 926,771
Franchise taxes	43,645,727	47,645,071	44,304,262	(3,340,809)
Motor vehicle taxes	10,634,870	11,040,161	10,872,068	(168,093)
Local sales tax	28,830,534	28,690,269	28,638,617	(51,652)
Intergovernmental	16,135,883	16,425,647	16,580,270	154,623
Licenses and permits	2,786,444	2,762,894	2,317,736	(445,158)
Fines and penalties	12,211,808	10,212,100	9,751,773	(460,327)
Charges for services and sales	17,044,751	17,997,492	17,759,344	(238,148)
Rental income	2,336,197	2,403,167	2,375,230	(27,937)
Interest earnings	480,000	1,040,000	1,475,455	435,455
Other revenues	5,528,935	6,128,724	5,918,644	(210,080)
<b>Total revenues</b>	<b>212,618,109</b>	<b>217,327,339</b>	<b>213,901,984</b>	<b>(3,425,355)</b>
<b>EXPENDITURES</b>				
Current:				
General government	29,572,460	30,759,369	31,266,350	(506,981)
Public safety	125,089,267	124,759,822	122,278,963	2,480,859
Highways and streets	20,360,638	21,405,550	20,074,635	1,330,915
Sanitation	2,865,699	2,790,136	2,667,876	122,260
Health and welfare	3,878,272	3,925,484	3,717,716	207,768
Culture and recreation	29,406,069	32,103,462	31,124,759	978,703
<b>Total expenditures</b>	<b>211,172,405</b>	<b>215,743,823</b>	<b>211,130,299</b>	<b>4,613,524</b>
Excess of revenues over expenditures	1,445,704	1,583,516	2,771,685	1,188,169
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	5,554,100	5,282,220	4,983,720	(298,500)
Transfers to other funds	(6,999,804)	(6,865,736)	(6,729,738)	135,998
<b>Total other financing sources (uses)</b>	<b>(1,445,704)</b>	<b>(1,583,516)</b>	<b>(1,746,018)</b>	<b>(162,502)</b>
Net change in fund balance	-	-	1,025,667	1,025,667
Unencumbered fund balance, beginning	25,339,974	26,925,131	26,925,131	-
Unencumbered fund balance, ending	\$ 25,339,974	\$ 26,925,131	\$ 27,950,798	\$ 1,025,667

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

The 2015 certified expenditure budget is \$230,172,209, including an appropriated reserve of \$12,000,000. The final budget is \$230,172,209, including an appropriated reserve of \$7,562,650.

**CITY OF WICHITA, KANSAS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

December 31, 2015

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 17,181,226	\$ 19,010,805	\$ 11,603,645
Cash with fiscal agent	-	-	-
Receivables, net:			
Due from other agencies	-	-	-
Accounts receivable	16,299,862	59,190	1,136,278
Due from other funds	-	-	-
Inventories	2,582,192	148,395	-
Prepaid items	1,054	882,476	-
Restricted assets:			
Cash and cash equivalents	18,224,515	12,345,590	32,400,454
Total current assets	<u>54,288,849</u>	<u>32,446,456</u>	<u>45,140,377</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	77,801,543	18,707,148	-
Net investment in direct financing lease	-	-	5,460,000
Capital assets:			
Land	10,335,296	4,413,039	17,886,413
Airfield	-	-	165,717,588
Buildings	131,718,372	109,745,597	173,601,948
Improvements other than buildings	664,553,406	415,173,692	70,039,894
Machinery, equipment and other assets	117,308,447	50,309,634	42,207,651
Construction in progress	28,026,980	15,592,083	31,665,526
Less accumulated depreciation	(246,795,248)	(169,302,587)	(186,280,948)
Total capital assets, net	<u>705,147,253</u>	<u>425,931,458</u>	<u>314,838,072</u>
Due from other funds	-	-	-
Total noncurrent assets	<u>782,948,796</u>	<u>444,638,606</u>	<u>320,298,072</u>
Total assets	<u>837,237,645</u>	<u>477,085,062</u>	<u>365,438,449</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized refunding costs	4,707,952	4,217,922	-
Deferred outflows related to pensions	1,745,097	1,582,763	1,897,237
Total deferred outflows of resources	<u>6,453,049</u>	<u>5,800,685</u>	<u>1,897,237</u>

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	Total Enterprise Funds	Internal Service Funds
\$ 10,045,773	\$ 425,792	\$ 58,267,241	\$ 44,184,123
3,729,171	-	3,729,171	-
-	1,402,030	1,402,030	-
806	1,302,413	18,798,549	333,510
-	65,368	65,368	-
-	428,041	3,158,628	851,502
-	3,700	887,230	128,900
-	-	62,970,559	-
<u>13,775,750</u>	<u>3,627,344</u>	<u>149,278,776</u>	<u>45,498,035</u>
-	-	96,508,691	-
-	-	5,460,000	-
7,938,561	2,608,719	43,182,028	-
-	-	165,717,588	-
8,704,097	15,652,724	439,422,738	74,243
165,213,851	14,942,454	1,329,923,297	74,907
5,821,510	27,020,579	242,667,821	40,858,261
968,365	495,041	76,747,995	-
(28,221,040)	(32,381,010)	(662,980,833)	(32,533,311)
<u>160,425,344</u>	<u>28,338,507</u>	<u>1,634,680,634</u>	<u>8,474,100</u>
-	-	-	418,660
<u>160,425,344</u>	<u>28,338,507</u>	<u>1,736,649,325</u>	<u>8,892,760</u>
<u>174,201,094</u>	<u>31,965,851</u>	<u>1,885,928,101</u>	<u>54,390,795</u>
-	-	8,925,874	-
608,755	547,879	6,381,731	1,379,845
<u>608,755</u>	<u>547,879</u>	<u>15,307,605</u>	<u>1,379,845</u>

(Continued)

**CITY OF WICHITA, KANSAS**

**STATEMENT OF NET POSITION (CONTINUED)**  
**PROPRIETARY FUNDS**  
 December 31, 2015

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and other liabilities	\$ 1,680,252	\$ 1,837,087	\$ 2,339,791
Accrued interest payable	282,698	-	653,515
Temporary notes payable	-	-	31,752,624
Deposits	4,657,045	7,305	16,311
Due to other funds	-	-	-
Current portion of long-term obligations:			
General obligation bonds payable	4,440,000	-	2,275,000
Claims payable	-	-	-
Capital lease payable	-	-	-
Compensated absences	560,404	310,717	511,021
Current liabilities payable from restricted assets:			
Accounts payable and other liabilities	-	-	80,416
Accrued interest payable	2,797,216	1,867,889	-
Revenue bonds payable	15,427,299	10,477,701	-
Total current liabilities	<u>29,844,914</u>	<u>14,500,699</u>	<u>37,628,678</u>
Noncurrent liabilities:			
Unearned revenue	-	-	3,371,085
Due to other funds	-	-	-
General obligation bonds payable	125,410,000	-	113,685,000
General obligation bonds unamortized premium	10,768,898	-	5,583,925
Revenue bonds payable	204,585,218	158,254,782	5,460,000
Revenue bonds unamortized premium	14,596,737	12,770,504	-
Claims payable	-	-	-
Capital lease payable	-	-	-
Net pension liability	2,004,470	1,818,009	1,908,824
Compensated absences	39,603	21,958	37,156
Total noncurrent liabilities	<u>357,404,926</u>	<u>172,865,253</u>	<u>130,045,990</u>
Total liabilities	<u>387,249,840</u>	<u>187,365,952</u>	<u>167,674,668</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	471,863	427,968	603,838
Total deferred inflows of resources	<u>471,863</u>	<u>427,968</u>	<u>603,838</u>
<b>NET POSITION</b>			
Net investment in capital assets	341,073,879	251,265,819	164,221,710
Restricted for:			
Capital projects	7,592,876	235,994	29,720,267
Revenue bond covenants	79,133,983	26,309,243	-
Unrestricted	28,168,253	17,280,771	5,115,203
Total net position	<u>\$ 455,968,991</u>	<u>\$ 295,091,827</u>	<u>\$ 199,057,180</u>

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	Total Enterprise Funds	Internal Service Funds
\$ 435,887	\$ 755,106	\$ 7,048,123	\$ 3,328,931
83,931	301	1,020,445	-
2,043,129	716,172	34,511,925	-
-	6,577	4,687,238	-
-	953,826	953,826	-
2,744,284	-	9,459,284	-
-	-	-	8,860,406
-	-	-	94,029
99,497	330,876	1,812,515	395,536
-	-	80,416	-
-	-	4,665,105	-
-	-	25,905,000	-
<u>5,406,728</u>	<u>2,762,858</u>	<u>90,143,877</u>	<u>12,678,902</u>
-	-	3,371,085	-
-	6,931,538	6,931,538	-
21,502,090	-	260,597,090	-
1,471,351	-	17,824,174	-
-	-	368,300,000	-
-	-	27,367,241	-
-	-	-	9,326,166
-	-	-	178,182
699,235	629,310	7,059,848	1,584,931
6,569	7,811	113,097	30,922
<u>23,679,245</u>	<u>7,568,659</u>	<u>691,564,073</u>	<u>11,120,201</u>
<u>29,085,973</u>	<u>10,331,517</u>	<u>781,707,950</u>	<u>23,799,103</u>
<u>164,603</u>	<u>148,143</u>	<u>1,816,415</u>	<u>373,102</u>
<u>164,603</u>	<u>148,143</u>	<u>1,816,415</u>	<u>373,102</u>
136,393,661	27,622,335	920,577,404	8,201,889
-	29,227	37,578,364	-
-	-	105,443,226	-
9,165,612	(5,617,492)	54,112,347	23,396,546
<u>\$ 145,559,273</u>	<u>\$ 22,034,070</u>	<u>\$ 1,117,711,341</u>	<u>\$ 31,598,435</u>

Total net position \$ 1,117,711,341

Some amounts reported for business-type activities in the Statement of Net Position vary because certain internal service fund assets and liabilities are included with business-type activities

2,220,056

Net position of business-type activities \$ 1,119,931,397

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
<b>OPERATING REVENUES</b>			
Charges for services and sales	\$ 74,491,139	\$ 53,224,485	\$ 3,257,476
Fees	379,048	-	3,803,032
Rentals	36,311	11,752	18,691,471
Employer contributions	-	-	-
Employee contributions	-	-	-
Other operating revenues	191,213	150	629,968
Total operating revenues	<u>75,097,711</u>	<u>53,236,387</u>	<u>26,381,947</u>
<b>OPERATING EXPENSES</b>			
Personnel services	10,971,183	10,605,444	9,410,575
Contractual services	11,226,466	7,277,321	4,099,685
Materials and supplies	5,229,102	3,630,563	5,249,275
Cost of materials used	-	-	-
Other operating expenses	3,441,922	2,622,396	2,702,519
Administrative charges	741,288	338,084	298,577
Payments in lieu of franchise fees	3,758,544	2,559,404	-
Depreciation	24,240,058	10,969,432	10,073,695
Employee benefits	-	-	-
Insurance claims	-	-	-
Total operating expenses	<u>59,608,563</u>	<u>38,002,644</u>	<u>31,834,326</u>
Operating income (loss)	<u>15,489,148</u>	<u>15,233,743</u>	<u>(5,452,379)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Operating grants	-	-	-
Gain on investments	26,879	20,487	376,735
Other revenues (expenses)	1,701,256	218,484	(1,437,245)
Interest expense	(15,744,168)	(8,059,366)	(3,835,937)
Gain (loss) on sale of assets	133,814	97,018	(1,824,734)
Actuarial reserve adjustment	-	-	-
Bond premium amortization	1,723,345	1,015,089	112,931
Total non-operating revenues (expenses)	<u>(12,158,874)</u>	<u>(6,708,288)</u>	<u>(6,608,250)</u>
Income (loss) before contributions and transfers	<u>3,330,274</u>	<u>8,525,455</u>	<u>(12,060,629)</u>
Capital contributions and operating transfers			
Capital contributions - cash	3,920,515	1,294,413	11,691,781
Capital contributions - non cash	-	980,906	-
Transfers from other funds	-	-	-
Transfers to other funds	<u>(236,122)</u>	<u>(1,500)</u>	<u>-</u>
Change in net position	<u>7,014,667</u>	<u>10,799,274</u>	<u>(368,848)</u>
Net position - beginning, as previously reported	455,075,202	285,677,966	200,056,471
Prior period adjustment	<u>(6,120,878)</u>	<u>(1,385,413)</u>	<u>(630,443)</u>
Net position - beginning, restated	<u>448,954,324</u>	<u>284,292,553</u>	<u>199,426,028</u>
Net position - ending	<u>\$ 455,968,991</u>	<u>\$ 295,091,827</u>	<u>\$ 199,057,180</u>

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	Total Enterprise Funds	Internal Service Funds
\$ 9,352,590	\$ 2,568,110	\$ 142,893,800	\$ 14,627,178
-	3,039,257	7,221,337	-
-	1,113,996	19,853,530	8,790,956
-	-	-	36,203,869
-	-	-	11,124,346
3,854	851,997	1,677,182	3,124,239
<u>9,356,444</u>	<u>7,573,360</u>	<u>171,645,849</u>	<u>73,870,588</u>
2,339,289	10,158,873	43,485,364	8,261,543
2,952,254	5,586,998	31,142,724	8,501,037
282,337	2,315,780	16,707,057	6,821,286
-	-	-	147,464
617,054	136,268	9,520,159	-
194,626	572,803	2,145,378	812,660
-	-	6,317,948	-
2,811,181	2,403,239	50,497,605	3,045,842
-	-	-	42,431,896
-	-	-	4,450,786
<u>9,196,741</u>	<u>21,173,961</u>	<u>159,816,235</u>	<u>74,472,514</u>
<u>159,703</u>	<u>(13,600,601)</u>	<u>11,829,614</u>	<u>(601,926)</u>
-	4,592,173	4,592,173	-
24,863	-	448,964	-
(865,623)	58,487	(324,641)	-
(993,917)	(32,155)	(28,665,543)	(22,711)
-	46,755	(1,547,147)	322,682
-	-	-	(2,486,841)
160,627	-	3,011,992	-
<u>(1,674,050)</u>	<u>4,665,260</u>	<u>(22,484,202)</u>	<u>(2,186,870)</u>
<u>(1,514,347)</u>	<u>(8,935,341)</u>	<u>(10,654,588)</u>	<u>(2,788,796)</u>
53,907	8,784,483	25,745,099	-
1,121,683	32,044	2,134,633	333,277
-	3,739,080	3,739,080	250,000
-	-	(237,622)	(1,789,494)
<u>(338,757)</u>	<u>3,620,266</u>	<u>20,726,602</u>	<u>(3,995,013)</u>
146,403,260	18,650,292	1,105,863,191	36,189,049
<u>(505,230)</u>	<u>(236,488)</u>	<u>(8,878,452)</u>	<u>(595,601)</u>
<u>145,898,030</u>	<u>18,413,804</u>	<u>1,096,984,739</u>	<u>35,593,448</u>
<u>\$ 145,559,273</u>	<u>\$ 22,034,070</u>	<u>\$ 1,117,711,341</u>	<u>\$ 31,598,435</u>

Increase in net position per fund statements  
Some amounts reported for business-type  
activities in the Statement of Activities  
vary because the net revenue (expense)  
of internal service funds is reported with  
business-type activities

\$ 20,726,602

(612,348)

Change in net position of business-type activities

\$ 20,114,254

**CITY OF WICHITA, KANSAS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the year ended December 31, 2015

	Business-type Activities		
	Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 75,015,541	\$ 53,220,337	\$ 25,263,171
Cash payments to suppliers for goods and services	(16,998,182)	(10,489,664)	(17,693,262)
Cash payments to employees for services	(10,961,261)	(10,621,329)	(10,357,149)
Payments in lieu of franchise fees	(3,758,544)	(2,559,404)	-
Other operating revenues	-	-	-
Other operating expenses	(3,250,709)	(2,622,246)	(1,081,622)
Net cash provided by (used in) operating activities	<u>40,046,845</u>	<u>26,927,694</u>	<u>(3,868,862)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating grants received	-	-	-
Interfund loans	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(236,122)	(1,500)	-
Net cash provided by (used in) noncapital financing activities	<u>(236,122)</u>	<u>(1,500)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Issuance of temporary notes	-	-	31,752,624
Retirement of temporary notes	-	-	(130,628,306)
Issuance of capital debt	58,091,860	28,833,140	94,535,000
Premiums on bonds sold	5,250,877	2,709,015	5,677,035
Bond issuance costs paid	(1,519,737)	(1,237,427)	(1,359,578)
Debt service - principal refunded	(45,288,192)	(19,930,000)	-
Principal payments on long-term debt	(18,814,225)	(8,762,315)	(2,110,000)
Interest payments on long-term debt	(16,710,111)	(7,817,076)	(3,512,593)
Additions to property, plant and equipment	(24,132,241)	(15,036,335)	(45,296,183)
Proceeds from sale of capital assets	531,226	1,296	688,201
Capital contributions	3,920,515	1,294,413	20,182,251
Net cash provided by (used in) capital and related financing activities	<u>(38,670,028)</u>	<u>(19,945,289)</u>	<u>(30,071,549)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	26,879	20,487	299,068
Net cash provided by investing activities	<u>26,879</u>	<u>20,487</u>	<u>299,068</u>
Net increase (decrease) in cash and temporary investments	1,167,574	7,001,392	(33,641,343)
Cash and temporary investments - beginning	112,039,710	43,062,151	77,645,442
Cash and temporary investments - ending	<u>\$ 113,207,284</u>	<u>\$ 50,063,543</u>	<u>\$ 44,004,099</u>

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	Total Enterprise Funds	Internal Service Funds
\$ 9,351,784	\$ 5,398,161	\$ 168,248,994	\$ 70,712,235
(3,080,948)	(6,631,195)	(54,893,251)	(62,664,333)
(2,350,964)	(10,138,646)	(44,429,349)	(8,226,839)
-	-	(6,317,948)	-
-	783,385	783,385	3,124,239
(613,200)	(67,656)	(7,635,433)	-
<u>3,306,672</u>	<u>(10,655,951)</u>	<u>55,756,398</u>	<u>2,945,302</u>
-	4,434,998	4,434,998	-
-	(181,854)	(181,854)	(11,500)
-	3,739,080	3,739,080	250,000
-	-	(237,622)	(1,789,494)
-	<u>7,992,224</u>	<u>7,754,602</u>	<u>(1,550,994)</u>
2,113,522	716,172	34,582,318	-
(2,190,734)	-	(132,819,040)	-
8,593,560	-	190,053,560	31,150
1,916,819	-	15,553,746	-
(1,481,187)	-	(5,597,929)	-
(5,719,350)	-	(70,937,542)	-
(2,777,912)	(695,000)	(33,159,452)	(100,049)
(1,114,290)	(34,753)	(29,188,823)	(22,711)
(549,700)	(5,730,654)	(90,745,113)	(3,435,372)
65,762	131,760	1,418,245	475,105
53,907	8,260,123	33,711,209	-
<u>(1,089,603)</u>	<u>2,647,648</u>	<u>(87,128,821)</u>	<u>(3,051,877)</u>
24,863	-	371,297	-
<u>24,863</u>	<u>-</u>	<u>371,297</u>	<u>-</u>
2,241,932	(16,079)	(23,246,524)	(1,657,569)
11,533,012	441,871	244,722,186	45,841,692
<u>\$ 13,774,944</u>	<u>\$ 425,792</u>	<u>\$ 221,475,662</u>	<u>\$ 44,184,123</u>

(Continued)

**CITY OF WICHITA, KANSAS**

**STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS**

For the year ended December 31, 2015

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 15,489,148	\$ 15,233,743	\$ (5,452,379)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	24,240,058	10,969,432	10,073,695
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(128,911)	(15,900)	(370,446)
(Increase) decrease in inventory	(90,008)	(40,221)	-
(Increase) decrease in prepaid items	-	37,198	-
Increase (decrease) in accounts payable	266,659	739,353	(8,060,743)
Increase (decrease) in deposits	237,954	-	-
Increase (decrease) in deferred revenues	-	-	(118,362)
Increase (decrease) in compensated absences	31,945	4,089	59,373
Total adjustments	24,557,697	11,693,951	1,583,517
Net cash provided by (used in) operating activities	\$ 40,046,845	\$ 26,927,694	\$ (3,868,862)
<b>SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	\$ 4,264	\$ 982,309	\$ -
Decrease in net investment in direct financing lease	-	-	(5,850,000)
Decrease in revenue bonds payable	-	-	5,850,000
Interest income on investment in direct financing lease	-	-	372,887
Interest expense on revenue bonds payable	-	-	(372,887)

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	Total Enterprise Funds	Internal Service Funds
\$ 159,703	\$ (13,600,601)	\$ 11,829,614	\$ (601,926)
2,811,181	2,403,239	50,497,605	3,045,842
(806)	403,332	(112,731)	(34,114)
-	(91,811)	(222,040)	97,275
-	(3,700)	33,498	-
340,587	287,983	(6,426,161)	386,108
-	(81,534)	156,420	-
-	-	(118,362)	-
(3,993)	27,141	118,555	52,117
<u>3,146,969</u>	<u>2,944,650</u>	<u>43,926,784</u>	<u>3,547,228</u>
<u>\$ 3,306,672</u>	<u>\$ (10,655,951)</u>	<u>\$ 55,756,398</u>	<u>\$ 2,945,302</u>
\$ 1,121,683	\$ 32,044	\$ 2,140,300	\$ 333,277
-	-	(5,850,000)	-
-	-	5,850,000	-
-	-	372,887	-
-	-	(372,887)	-

**CITY OF WICHITA, KANSAS**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
December 31, 2015**

	Pension Trust Funds	Agency Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and temporary investments	\$ 683,585	\$ 5,344,669
Receivables:		
Investment sales pending	44,116,121	-
Interest and dividends	2,541,316	-
Other receivables	<u>387,026</u>	<u>1,217,089</u>
Total receivables	<u>47,044,463</u>	<u>1,217,089</u>
Investments, at fair value:		
Government short-term investment fund	22,752,778	-
Government securities: long-term	41,202,155	193,062
Corporate debt instruments	95,191,316	-
Mortgage and asset-backed securities	68,046,268	-
Global fixed income	48,382,199	-
Corporate stocks:		
Domestic equities	348,082,249	-
International equities	104,020,735	-
Real estate	66,912,041	-
Timber	40,436,396	-
Value of interest in pooled funds:		
Target date funds	3,444,100	-
Commodities	30,027,430	-
International fixed income	6,189,284	-
High yield fixed income	8,822,957	-
U.S. TIPS	33,110,153	-
Domestic equities	88,966,126	-
International equities	138,669,842	-
Securities lending short-term collateral investment pool	<u>90,116,534</u>	<u>-</u>
Total investments	<u>1,234,372,563</u>	<u>193,062</u>
Capital assets:		
Pension software	1,295,837	-
Accumulated depreciation	<u>(1,295,837)</u>	<u>-</u>
Capital assets net of depreciation	<u>-</u>	<u>-</u>
Total assets	<u>1,282,100,611</u>	<u>6,754,820</u>
<b>LIABILITIES</b>		
Accounts payable and accrued payroll	1,316,731	1,642,904
Investment purchases pending	49,927,856	-
Securities lending obligations	90,116,534	-
Deposits	<u>-</u>	<u>5,111,916</u>
Total liabilities	<u>141,361,121</u>	<u>6,754,820</u>
<b>NET POSITION</b>		
Restricted for pensions	<u>1,140,739,490</u>	<u>-</u>
Total net position	<u>\$ 1,140,739,490</u>	<u>\$ -</u>

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, 2015

	Pension Trust Funds
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 23,185,891
Employee	8,367,406
Total contributions	<u>31,553,297</u>
Investment income:	
From investing activities:	
Net depreciation in the fair value of investments	(20,027,763)
Interest	8,960,146
Dividends	16,612,039
Commission recapture	25,193
Total investing activity income	<u>5,569,615</u>
Less investment expense	<u>6,104,738</u>
Net loss from investing activities	<u>(535,123)</u>
From securities lending activities:	
Securities lending income	<u>302,802</u>
Less securities lending expense:	
Borrower rebates	(112,387)
Management fees	<u>111,137</u>
Total securities lending expenses	<u>(1,250)</u>
Net income from securities lending activities	<u>304,052</u>
Total net investment loss	<u>(231,071)</u>
Reclassifications due to participant conversion	<u>465,171</u>
Total additions	<u>31,787,397</u>
<b>DEDUCTIONS</b>	
Pension benefits	71,865,169
Pension administration	1,042,093
Depreciation	108,066
Employee contributions refunded	2,048,179
Reclassifications due to participant conversion	<u>465,171</u>
Total deductions	<u>75,528,678</u>
Net decrease in net position	(43,741,281)
Net position - beginning	<u>1,184,480,771</u>
Net position - ending	<u>\$ 1,140,739,490</u>

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



**Table of Contents**

1. Summary of Significant Accounting Policies .....	A-35
2. Budgetary Control .....	A-42
3. Budgetary Basis of Accounting .....	A-43
4. Fund Balance Deficits .....	A-43
5. Cash, Investments and Securities Lending .....	A-43
6. Capital Assets .....	A-54
7. Retirement Funds.....	A-55
8. Self-Insurance Fund.....	A-63
9. Long-term Debt .....	A-66
10. Defeasance of Debt .....	A-76
11. Temporary Notes Payable .....	A-76
12. Leases .....	A-77
13. Conduit Debt Obligations .....	A-78
14. Interfund Transfers.....	A-79
15. Interfund Receivables and Payables .....	A-79
16. Fund Balance Restrictions and Other Reservations.....	A-80
17. Passenger Facility Charges .....	A-81
18. Landfill Closure and Post-closure Care.....	A-81
19. Contingencies and Commitments .....	A-82
20. Prior Period Adjustments .....	A-83
21. Subsequent Events.....	A-83

## 1. Summary of Significant Accounting Policies

### A. Reporting Entity

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

Blended Component Unit – The 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 assets 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. The WPBC is presented as a proprietary fund type. Additional information related to the current status of the State Office Building is provided in Note 12 - Leases. 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-13 and the Statement of Activities on page A-14) report information about all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from these financial statements. Exceptions to this rule are payments in lieu of taxes where amounts are reasonably equivalent in value to the interfund services provided and other charges between the enterprise funds and other various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

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.

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 collected 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 unavailable revenue. All other revenue items are considered to be measurable and available only when cash is received.

The government reports the following major governmental funds:

The General Fund is the principal fund of the City that accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City, other than proprietary fund activities, are financed through revenues received by the General Fund. The Economic Development Fund is certified to the State of Kansas and reported as a subfund of the General Fund. Schedules for the certified fund and subfund 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 information technology services, fleet management and risk management services (including claims for worker's compensation, general liability and employee health insurance) provided by one department to other departments of the City on a cost reimbursement basis.

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 3b, all of which accumulate resources for pension benefits for qualified employees.

Agency funds are used to report resources held by the City in a custodial capacity for remittance of fiduciary resources to individuals, private organizations or other governments. Agency funds account for payroll liabilities, prepayments of special assessments, special neighborhood revitalization funds, community improvement districts, special assessments letters of credit, Wichita Area Metropolitan Planning Organization funds held on behalf of other local jurisdictions and the Tourism Business Improvement District.

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). The pool has the general characteristics of demand deposit accounts, in that each fund may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty. Investments of the pooled accounts consist primarily of certificates of deposits and U.S. government and agency securities. 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, commodities, 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. 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 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 amount of any interest earnings 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. In proprietary funds, the cost of inventories is recorded as expense when consumed. 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 the use of right-of-ways. Annually, the Water Utility and Sewer Utility pay to the General Fund of the City amounts in lieu of 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 reports 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. The City also reports a collective deferred outflow of resources related to pensions, which is described in more detail in Note 7 - Retirement Funds.

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. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from several sources: long-term accounts receivable, property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property tax receivable. Property taxes are not recognized as revenue until the period for which they are levied. Additionally, the City reports a collective deferred inflow of resources related to pensions, which is described in more detail in Note 7 - Retirement Funds.

**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.

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 includes 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 includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Committed Fund Balance includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance is the portion of the fund balance 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 19D - Encumbrances.

Unassigned Fund Balance represents the portion of fund balance that 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 such 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 72, Fair Value Measurement and Application, provides guidance for determining a fair value measurement for financial reporting purposes. This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). The requirements of this Statement are effective for financial statements for the City's fiscal year ending December 31, 2016.

GASB Statement 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, replaces the requirements of GASB Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, and requires governments to report a liability on the face of the financial statements for the Other Post-Employment Benefits (OPEB) that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. The requirements of this statement are effective for financial statements for the City's fiscal year ending December 31, 2018.



**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 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 accompanying table.

	Net Change in Fund Balance from Prior Year	Fund Balances at End of Year
General Fund - GAAP basis	\$ 1,987,753	\$ 36,119,229
Increase (decrease) affecting basis:		
Expenditures due to prior year encumbrances	1,408,381	(45,146)
Cancellation of prior year encumbrances	29,366	-
Expenditures due to current year encumbrances	(2,720,890)	(2,720,890)
Less subfund balances included for GAAP		
Permanent Reserve Subfund*	-	(1,821,848)
Economic Development Subfund	321,057	(3,580,547)
General Fund - budgetary basis	<u>\$ 1,025,667</u>	<u>\$ 27,950,798</u>

\*Budget authority was not established for the Permanent Reserve Subfund for 2015. Therefore, a budgetary comparison schedule is not presented.

**4. Fund Balance Deficits**

At December 31, 2015, 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, 2015.

In April 2016, the City Council approved a rate increase for golf cart rentals and season passes in order to enhance revenues and reduce or eliminate the deficit fund balance in the Golf Course System fund.

Primary Government	Fund Balance Deficits
Governmental Funds:	
Street Improvement	\$ 34,943,574
Water Main Extension	2,148,066
Park Bond Construction	628,049
Public Improvement Construction	23,412,657
Sewer Construction	5,983,831
Business-type funds:	
Golf Course System	551,155
Total Reporting Entity	<u>\$ 67,667,332</u>

**5. Cash, Investments and Securities Lending**

The City of Wichita has adopted a formal investment policy. The primary objectives of the investment activities are, in priority order, safety of principal, 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;
5. General obligation bonds of any municipality within the State of Kansas;
6. Approved Kansas municipality revenue bonds;
7. General obligation temporary notes of any Kansas municipality;
8. Warrants of any Kansas municipality payable from a mandatory tax levy;
9. Certain Kansas municipality sponsored revenue bonds rated Aa or higher by Moody's Investor Service or AA by Standard & Poor's Corporation;
10. 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;
11. 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;
12. Personal bond in double the amount which is on deposit;
13. A letter of credit (LOC) issued by a U.S. sponsored enterprise that under federal law may be accepted as security for public funds, subject to additional requirements.

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, 2015, the City had deposits in five banks totaling \$28,195,678 with assets pledged by the banks as collateral with a fair value of \$58,424,744.

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. The municipal investment pool fund is operated by the Kansas Treasurer. This pool is not an SEC registered pool. The Pooled Money Investment Board (PMIB) provides the regulatory oversight for this pool. The fair value of the PMIB investments approximates the value of pool shares; and
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, 2015, the City's pooled funds were invested as follows:

Investment type	Book Value	Modified Duration (years)	Percent of Total Pooled Funds
U.S. agency coupon securities	\$ 135,229,777	0.701	38.1%
U.S. agency callable securities	15,000,000	2.074	4.2%
U.S. agency discount securities	159,647,414	0.583	45.0%
Municipal Investment Pool-Overnight*	23,956,849	-	6.8%
Collateralized deposits	21,061,134	-	5.9%
Total value	<u>\$ 354,895,174</u>		<u>100.0%</u>
Portfolio modified duration		<u>0.707</u>	

\*The weighted average maturity of the Municipal Investment Pool was 175 days at December 31, 2015.

**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, 2015, 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, 2015, 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
Federal Farm Credit Bank	\$ 59,100,492	16.7%
Federal Home Loan Bank	99,983,694	28.1%
Federal Home Loan Mortgage Corp.	62,895,856	17.7%
Federal National Mortgage Assoc.	87,897,149	24.8%
Municipal Investment Pool	23,956,849	6.8%
Collateralized deposits	21,061,134	5.9%
Total value	<u>\$ 354,895,174</u>	<u>100.0%</u>

**B. Investments of the Primary Government Not Pooled**

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

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

- 9. Mutual funds with portfolios consisting entirely of obligations of the U.S. Government, U.S. Government agencies, FNMA, FHLB or FHLMC;
- 10. Certain Kansas municipal bonds.

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, 2015, 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	\$ 18,144,554	0.016	100.0%
Total value	<u>\$ 18,144,554</u>		<u>100.0%</u>
Total modified duration		<u>0.016</u>	

As of December 31, 2015, \$19,426,120 in proceeds from the issuance of Series 2015A general obligation refunding bonds are held by an escrow agent for the defeasance debt. At year-end, those proceeds were invested in U.S. Treasury notes.

Additionally, proceeds related to Sales Tax Special Obligation Revenue Bonds (STAR bonds) issued to finance improvements within authorized STAR bond districts in the City of Wichita are held by an escrow agent on behalf of the City. Pursuant to issuance of the STAR bonds, the City and State of Kansas entered into a STAR Bond Tax Distribution Agreement. The agreement provides that the principal and interest on the STAR bonds will be paid proportionally by the City and the State of Kansas, based on each entity's respective share of sales tax generated within the District. The City's proportional share is approximately 4.3%. As a result, the City has only recorded its proportionate share of the balance in the escrow account. As of December 31, 2015, the proceeds from STAR bonds were invested in money market accounts and the total reported by the City amounted to \$681,662.

General obligation temporary note proceeds for the Airport Authority's construction of a new airport terminal and parking garage were invested as follows:

Investment	Book Value	Modified Duration (years)	Percent of Note Proceeds Investments
Municipal Investment Pool-Overnight*	\$ 5,110,088	-	100.0%
Total value	<u>\$ 5,110,088</u>		<u>100.0%</u>
Total modified duration		<u>-</u>	

\*The weighted average maturity of the Municipal Investment Pool was 175 days at December 31, 2015.

The City does not maintain a formal investment policy pertaining to investments held in the Airport Authority Fund. However, 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, 2015, \$15,195,577 was invested with the Municipal Investment Pool-Overnight. The weighted average maturity of the Municipal Investment Pool was 175 days at December 31, 2015.

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.

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% may be invested in equity mutual funds.

On December 31, 2015 no investments were held directly by the Group Life Insurance Fund and all cash was invested in the City's pooled investment portfolio.

The City does not maintain a formal investment policy pertaining to investments held in the Special Assessment Advance Prepayments Fund, the Cemetery Fund or the Grant 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, 2015, these funds were invested as follows:

Investment type	Book Value	Modified Duration (years)	Percent of Total Pooled Funds
U.S. Treasury	\$ 193,062	0.870	4.3%
Equity securities	80,437	-	1.8%
Collateralized deposits	4,254,240	-	93.9%
Total value	<u>\$ 4,527,739</u>		<u>100.0%</u>
Portfolio modified duration		<u>0.870</u>	

C. 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, fixed income, real estate, timber and commodities.

The investments of the Wichita Retirement Systems (WRS) on December 31, 2015 are listed in the accompanying table.

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

Type of Investment	Fair Value
Government short-term investment fund	\$ 22,752,778
Government securities, long-term	41,202,155
Corporate debt instruments	95,191,316
Mortgage and asset-backed securities	68,046,268
Global fixed income	48,382,199
Corporate stocks: domestic common	348,082,249
Corporate stocks: international common	104,020,735
Real estate	66,912,041
Timber	40,436,396
Value of interest in pooled funds: target date funds	3,444,100
Value of interest in pooled funds: commodities	30,027,430
Value of interest in pooled funds: international fixed income	6,189,284
Value of interest in pooled funds: high yield fixed income	8,822,957
Value of interest in pooled funds: U.S. TIPS	33,110,153
Value of interest in pooled funds: domestic equities	88,966,126
Value of interest in pooled funds: international equities	138,669,842
Securities lending short-term collateral investment pool	90,116,534
Total investments	\$ 1,234,372,563

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, 2015, the WRS' cash deposits in the amount of \$683,585 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, 2015, the duration of the Index was 5.68 years, which equated to a minimum and maximum range for each fixed income portfolio of 4.54 years and 6.81 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, 2015, the duration of the Index was 4.86 years, which equated to a minimum and maximum range for each TIPS portfolio of 3.89 years and 5.83 years, respectively. The modified duration of investments on December 31, 2015 is as follows:

Investment Type	Fair Value	Percent of all Fixed Income	Weighted Average Modified Duration
Government securities, long-term	\$ 41,202,155	12.9%	9.5
Corporate debt instruments, long-term	95,191,316	29.4	5.6
Mortgage and asset-backed securities	68,046,268	21.0	2.9
Global fixed income	48,382,199	14.9	5.8
Actively managed investments	252,821,938	78.2	5.5
Government short-term investment fund	22,752,778	7.0	0.1
Pooled U.S. TIPS fund	33,110,153	10.2	7.6
Pooled international fixed income securities	6,189,284	1.9	4.6
Pooled high yield fixed income securities	8,822,957	2.7	2.7
Total investment in debt securities	\$ 323,697,108	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 2015, 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 accompanying table shows the debt investments held by the WRS on December 31, 2015 and their respective ratings by Standard and Poor's or an equivalent nationally recognized statistical rating organization .

Quality Rating	Total Debt Securities
AAA	\$ 49,107,713
AA+	91,013,806
AA	12,028,696
AA-	11,078,895
A+	10,056,530
A	22,547,280
A-	23,416,034
BBB+	28,846,608
BBB	10,392,034
BBB-	11,826,514
BB+	4,615,787
BB	2,281,547
BB-	5,399,184
B+	4,512,249
B	1,743,856
B-	1,705,395
CCC+	355,405
CCC	1,516,994
CCC-	855,320
D	2,039,408
Not rated	5,605,077
Total credit risk debt securities	300,944,332
Government short-term investment fund*	22,752,776
Total investment in debt securities	\$ 323,697,108

\* While the government short-term investment fund itself is not rated, the average quality of the holdings of the Government Short-Term Investment Fund on December 31, 2015 was A1P1.

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 that follow.

**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.

**Rate of Return:** The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.63% for the year ended December 31, 2015. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

*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, 2015. 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, 2015 are shown in the accompanying 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 Fiduciary Net Position and the total changes in fair value for the year are included as investment income in the Statement of Changes in Fiduciary 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 Fiduciary 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 Value	Counterparty (Counterparty Rating)
Investment revenue:				
Fixed income futures long	\$ 231,265	\$ 30,112,584	\$ -	
Fixed income futures short	124,243	(62,647,420)	-	
Foreign currency futures short	48,319	(375,000)	-	
Foreign currency options written	57,388	-	-	
Futures options written	425,500	(610,500)	(37,297)	
FX forwards	211,257	6,271,933	115,655	Citibank N.A. (A)
FX forwards	81,911	3,906,931	99,742	Barclays Bank PLC Wholesale (A)
FX forwards	749,999	12,389,124	122,970	Deutsche Bank AG (A)
Pay fixed interest rate swaps	259,989	12,168,000	36,001	Goldman Sachs CME (A-)
Investment loss:				
Credit default swap written	(2,932)	560,000	(1,060)	
Fixed income options bought	(5,029)	2,210,000	643	
Foreign currency options bought	(15,652)	-	-	
Futures options bought	(194,889)	604,500	105,461	
FX forwards	(84,310)	626,732	(3,146)	Bank of America N.A. (A)
FX forwards	(15,851)	16,065,484	(10,880)	Goldman Sachs Bank USA (A)
FX forwards	(49,999)	1,262,248	(22,180)	JP Morgan Chase Bank (A+)
FX forwards	(17,156)	245,275	(17,156)	Credit Suisse International (A)
FX forwards	(11,378)	-	-	Standard Chartered Bank (A+)
Rights	(49)	-	-	
	\$1,792,626	\$22,789,891	\$ 388,753	

**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, 2015 is presented in the accompanying table.

Currency	Cash and cash equivalents	Debt Securities	Equities
Australian dollar	\$ 3,065	\$ 3,764,423	\$ 6,337,629
Canadian dollar	4,316	3,441,967	-
Danish krone	-	-	1,830,259
Euro	228,088	16,715,515	33,089,730
Hong Kong dollar	6	-	3,772,189
Japanese yen	16,884	-	24,178,831
Mexican peso	63,556	1,845,056	-
New Zealand dollar	-	200,164	825,056
Norwegian krone	-	-	1,129,436
Polish zloty	18,024	-	-
Pound sterling	-	2,034,097	20,798,532
Singapore dollar	-	644,579	1,041,558
Swedish krona	13,204	327,756	954,438
Swiss franc	59,813	-	10,003,512
Yuan renminbi	-	378,638	-
International mutual funds (various currencies)	-	6,189,284	-
Total subject to foreign currency risk	\$ 406,956	\$35,541,479	\$ 103,961,170

All forward foreign currency contracts are carried at fair value by the WRS. As of December 31, 2015, the Systems held forward currency contracts with an unrealized gain of \$388,753. 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 fair value of the loaned securities, international equity securities for initial collateral of 105% of the fair 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 fair 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 fair 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 Fiduciary 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 31.46 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, \$90,116,535 was held by the counterparty acting as the WRS' agent in securities lending transactions on December 31, 2015.

**6. Capital Assets**

Capital asset activity of the primary government for the year ended December 31, 2015 presented in the following table (expressed in thousands of dollars).

	<u>Beginning Balance</u>	<u>Prior Period Adjustment</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>						
Capital assets, not being depreciated:						
Land	\$ 297,400	\$ -	\$ 5,372	\$ (7,195)	\$ -	\$ 295,577
Construction in progress	67,435	-	38,263	(20,054)	-	85,644
Total capital assets, not being depreciated	<u>364,835</u>	<u>-</u>	<u>43,635</u>	<u>(27,249)</u>	<u>-</u>	<u>381,221</u>
Capital assets, being depreciated:						
Buildings	288,806	-	3,333	(345)	-	291,794
Improvements other than buildings	94,694	-	9,503	-	-	104,197
Machinery, equipment and other assets	115,409	-	9,090	(6,074)	(38)	118,387
Infrastructure	871,545	-	9,344	-	-	880,889
Total capital assets being depreciated	<u>1,370,454</u>	<u>-</u>	<u>31,270</u>	<u>(6,419)</u>	<u>(38)</u>	<u>1,395,267</u>
Less accumulated depreciation for:						
Buildings	(129,392)	-	(3,292)	332	-	(132,352)
Improvements other than buildings	(36,599)	-	(3,176)	-	-	(39,775)
Machinery, equipment and other assets	(80,309)	-	(7,802)	5,899	-	(82,212)
Infrastructure	(254,537)	-	(21,080)	-	-	(275,617)
Total accumulated depreciation	<u>(500,837)</u>	<u>-</u>	<u>(35,350)</u>	<u>6,231</u>	<u>-</u>	<u>(529,956)</u>
Total capital assets, being depreciated, net	<u>869,617</u>	<u>-</u>	<u>(4,080)</u>	<u>(188)</u>	<u>(38)</u>	<u>865,311</u>
Governmental activities capital assets, net	<u>\$ 1,234,452</u>	<u>\$ -</u>	<u>\$ 39,555</u>	<u>\$ (27,437)</u>	<u>\$ (38)</u>	<u>\$ 1,246,532</u>
<b>Business-type activities:</b>						
Capital assets, not being depreciated:						
Land	\$ 42,949	\$ 12	\$ 221	\$ -	\$ -	\$ 43,182
Construction in progress	285,347	(82,237)	164,940	(291,302)	-	76,748
Total capital assets, not being depreciated	<u>328,296</u>	<u>(82,225)</u>	<u>165,161</u>	<u>(291,302)</u>	<u>-</u>	<u>119,930</u>
Capital assets, being depreciated:						
Airfields	150,951	-	14,767	-	-	165,718
Buildings	312,697	4,502	150,216	(27,992)	-	439,423
Improvements other than buildings	1,239,182	67,520	23,539	(318)	-	1,329,923
Machinery, equipment and other assets	208,173	9,616	30,954	(6,113)	38	242,668
Total capital assets being depreciated	<u>1,911,003</u>	<u>81,638</u>	<u>219,476</u>	<u>(34,423)</u>	<u>38</u>	<u>2,177,732</u>
Less accumulated depreciation for:						
Airfields	(116,344)	-	(4,820)	-	-	(121,164)
Buildings	(117,420)	(521)	(7,395)	23,589	-	(101,747)
Improvements other than buildings	(291,288)	(2,674)	(21,517)	1,546	-	(313,933)
Machinery, equipment and other assets	(112,671)	(2,530)	(16,766)	5,830	-	(126,137)
Total accumulated depreciation	<u>(637,723)</u>	<u>(5,725)</u>	<u>(50,498)</u>	<u>30,965</u>	<u>-</u>	<u>(662,981)</u>
Total capital assets, being depreciated, net	<u>1,273,280</u>	<u>75,913</u>	<u>168,978</u>	<u>(3,548)</u>	<u>38</u>	<u>1,514,751</u>
Business-type activities capital assets, net	<u>\$ 1,601,576</u>	<u>\$ (6,312)</u>	<u>\$ 334,139</u>	<u>\$ (294,760)</u>	<u>\$ 38</u>	<u>\$ 1,634,681</u>



	<u>Beginning Balance</u>	<u>Prior Period Adjustment</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Fiduciary Activities:</b>						
Capital assets, being depreciated:						
Machinery, equipment and other assets	\$ 1,296	\$ -	\$ -	\$ -	\$ -	\$ 1,296
Less accumulated depreciation for:						
Machinery, equipment and other assets	<u>(1,188)</u>	<u>-</u>	<u>(108)</u>	<u>-</u>	<u>-</u>	<u>(1,296)</u>
Total capital assets, being depreciated, net	<u>108</u>	<u>-</u>	<u>(108)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary activities capital assets, net	<u>\$ 108</u>	<u>\$ -</u>	<u>\$ (108)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>Current Year Depreciation</u>
<b>Governmental activities:</b>	
General government	\$ 2,333
Public safety	3,201
Highways and streets, including depreciation of general infrastructure assets	21,944
Sanitation	177
Health and welfare	709
Culture and recreation	3,940
Capital assets held by the government's internal services funds are charged to the various functions based on their usage of the assets	<u>3,046</u>
Total depreciation expense-governmental activities	<u>\$ 35,350</u>
<b>Business-type activities:</b>	
Water Utility	\$ 24,240
Sewer Utility	10,969
Airport Authority	10,074
Stormwater Utility	2,811
Nonmajor enterprise funds	<u>2,404</u>
Total depreciation expense-business-type activities	<u>\$ 50,498</u>
<b>Fiduciary activities</b>	
Pension Trust Funds	<u>\$ 108</u>

**7. Retirement Funds**

The reporting entity contributes to two single-employer defined benefit pension plans and a single-employer defined contribution plan, covering all full-time employees. The defined benefit plans include the Wichita Employees' Retirement System (WERS) and the Police and Fire Retirement System of Wichita (PFRS). Each system is governed by a separate Board of Trustees. Benefit and contribution provisions for the City's retirement plans are established by City Ordinance. Establishment of, and amendments to, benefit provisions are authorized by the City Council.

The WERS Board of Trustees is comprised of 16 members including the City Manager or the City Manager's designee, one employee appointed by the City Manager, seven members appointed by the City Council, and seven employees elected by the WER employee members. The single-employer defined contribution plan

consists of the Wichita Employees' Retirement System Plan 3b that is also governed by the Wichita Employees' Retirement System Board of Trustees. The PFRS Board of Trustees is comprised of 16 members including the City Manager or the City Manager's designee, the Chief of the Police Department, the Chief of the Fire Department, seven members appointed by the City Council, three fire officers elected by PFRS employee members in the fire department or the airport and three police officers elected by PFRS employee members in the police department.

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 3b 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 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.

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions: For the year ended December 31, 2015, the City recognized pension expense of \$22,716,373 for the defined benefit plans it administers, the Wichita Employees' Retirement System and the Police and Fire Retirement System. As of December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 12,921,790
Changes of assumptions	192,283	2,791,838
Net difference between projected and actual earnings on pension plan investments	23,341,453	-
City contributions subsequent to the measurement date	22,995,842	-
Total	\$ 46,529,578	\$ 15,713,628

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts reported in Governmental Activities	\$ 40,147,847	\$ 13,897,213
Deferred amounts reported in Business-type Activities	6,381,731	1,816,415
Total	<u>\$ 46,529,578</u>	<u>\$ 15,713,628</u>

The \$22,995,842 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 5,869,456	\$ 3,304,242
2017	5,869,456	3,304,242
2018	5,869,456	3,304,242
2019	5,869,456	2,827,136
2020	34,093	1,813,272
Thereafter	21,819	1,160,494
Totals	<u>\$ 23,533,736</u>	<u>\$ 15,713,628</u>

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.

Plan 3 was established by City Ordinance on April 9, 1993 and amended on February 8, 2000. 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 Plan 3 automatically convert to participation in Plan 2 unless they make an irrevocable election to convert to Plan 3b, a defined contribution plan, within 90 days thereafter. Establishment of and amendments to the benefit provisions for the WERS are authorized by the City Council.

**Benefits Provided:** The primary benefits provided are retirement benefits. However, the system also provides ancillary benefits in the event of pre-retirement death, disability or termination of employment prior to meeting the eligibility requirements to retire.

Plan 1 members are eligible to retire at age 60 with 7 years of service or at any age with 30 years of service. Plan 2 members may retire at age 62 with 7 years of service. Benefits for Plan 1 members are calculated using Final Average Salary (FAS), which is the member's compensation for the three highest consecutive years of service within the last 10 years, multiplied by the total years of creditable service and a factor of 2.5%, subject to a maximum of 75% of the FAS. Benefits for Plan 2 members are the same as Plan 1 except they are calculated using a factor of 2.25% instead of 2.5%. Benefits vest with 7 years of service. The calculation varies with early retirement.

When a Plan 1 member has been retired for 12 months, they will receive an annual adjustment to their benefit of 3% of the original base amount of the benefit. The annual post-retirement adjustment for Plan 2 members is 2%.

As of December 31, 2015, the WERS defined benefit plan membership consisted of the following:

Member Category	Plan 1	Plan 2	Plan 3	Total
Inactive employees or beneficiaries currently receiving benefits	750	630	-	1,380
Inactive employees entitled to but not yet receiving benefits	-	142	-	142
Active employees	5	988	539	1,532
Total membership	755	1,760	539	3,054

Deferred Retirement Option Plan (DROP) Provision: The benefit structure of the Wichita Employees' Retirement System includes a Deferred Retirement Option Plan (DROP). Both Plan 1 and Plan 2 provide a DROP provision. Members must be eligible to retire early under early reduced or normal age and/or service requirements to participate in the DROP. The maximum DROP period is five years. The monthly benefit amount is computed as of the DROP election date based on the final average salary and years of service as of that date. The benefit is paid into the member's notional DROP account during the deferral or DROP period. The member and City both continue to make the required contributions during the deferral period. These contributions are not credited to the member's DROP account, but are credited to general Plan assets to improve the System's funding. Interest at an annual rate of 5.0%, compounded monthly, is credited to the notional DROP account. Voluntary termination of employment during the DROP period results in loss of accrued interest. When the member terminates employment, the balance of the DROP account is paid as a lump sum and future monthly benefits are paid to the member. The balance of the notional DROP accounts as of December 31, 2015 is \$3,658,156.

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. Members of Plan 3 are required to contribute 4.7% of covered salaries. From its various operating funds, the City is required to contribute at an actuarially determined rate; the rate for 2015 was 12.2% of annual covered payroll for Plans 1, 2 and 3 (excluding compensation attributable to members who have made an irrevocable election to remain in the defined contribution plan after fully vesting at 7 years of service). The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded liability. 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. For the year ended December 31, 2015, WRS received \$9,031,463 in contributions from the employer.

Actuarial Assumptions: The total pension liability in the December 31, 2014 actuarial valuation was determined using the actuarial assumptions summarized in the accompanying table, applied to all periods included in the measurement. The actuarial assumptions used in the December 31, 2014 valuation were based on the results of the most recent experience study, which covered the five-year period ending December 31, 2013. The experience report is dated July 15, 2014.

Price inflation	3.25%
Wage inflation	4.00%
Salary increases, including wage inflation	4.25% - 7.20%
Long-term rate of return, net of investment expense, including price inflation	7.75%
Pre-retirement mortality rates	Based on the RP-2000 Employee Table (ages set forward 2 years for males, 0 for females) with adjustments for mortality improvements based on Scale AA.
Post-retirement mortality rates	Based on the RP-2000 Healthy Annuitant Table (ages set forward 2 years for males, 0 for females) with adjustments for mortality improvements based on Scale AA.
Disabled mortality rates	Based on the RP-2000 Disabled Table for males and females, as appropriate, with adjustments for mortality improvements based on Scale AA.

Changes in Actuarial Assumptions: For the actuarial valuation performed as of the year ended December 31, 2014, changes in actuarial assumptions included the following:

- Decrease in the price inflation assumption from 3.50% to 3.25%.
- Modify the Plan 2 retirement assumptions to partially reflect experience. The changes increased rates at some ages and decreased them at others.
- Eliminate the disability assumption.
- Change the termination of employment assumption to a pure service based assumption.
- Reduce the sick leave load from 4.0% to 2.5%.
- A 20% corridor was added to the actuarial value of assets calculation.

Actuarial Rate of Return Assumption:

The long-term expected rate of return on pension plan investments is reviewed as part of the regular experience study prepared for the system. Several factors are considered in evaluating the long-term rate of return assumption, including long term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad US equity	40%	5.35%
Broad international	22%	5.25%
Broad US fixed income	22%	0.75%
TIPS	3%	0.75%
Real estate	5%	3.90%
Timber	5%	4.65%
Commodities	3%	0.80%
Total	100%	

\*Geometric mean, net of investment expenses

real rates of return (expected return, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by targeting the asset allocation percentage and then adding expected inflation. The long-term rate of return assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The target asset allocation and best estimates of geometric real rates of return (net of 2.25% inflation assumption) for each major asset class as summarized in the accompanying table.

Discount Rate: The discount rate used to measure the total pension liability was 7.75%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that the employee contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the employee rate. Projected future benefit payments for all current plan members were projected through 2114. Based on those assumptions the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability: Detailed information about the pension plan's fiduciary net position used in calculating the net pension liability is available in the separately issued WRS financial report. The City's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The accompanying table presents changes in the total pension liability, fiduciary net position and the net pension liability.



	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of December 31, 2013	\$ 582,385,829	\$ 564,203,362	\$ 18,182,467
<b>Changes for the year:</b>			
Service cost	9,278,998	-	9,278,998
Interest on total pension liability	43,680,283	-	43,680,283
Differences between expected and actual experience	(3,427,255)	-	(3,427,255)
Assumption changes	(3,550,489)	-	(3,550,489)
Employer contributions	-	9,423,640	(9,423,640)
Employee contributions	-	3,394,544	(3,394,544)
Reclassifications due to participant conversion	(571,242)	(571,242)	-
Net investment income	-	28,659,491	(28,659,491)
Benefit payments, including member refunds	(37,681,042)	(37,681,042)	-
Administrative expenses	-	(621,460)	621,460
<b>Net Changes</b>	<u>7,729,253</u>	<u>2,603,931</u>	<u>5,125,322</u>
Balance as of December 31, 2014	<u>\$ 590,115,082</u>	<u>\$ 566,807,293</u>	<u>\$ 23,307,789</u>

**Sensitivity Analysis:** The accompanying table presents the net pension liability of the City using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.0% lower (6.75%) or 1.0% higher (8.75%) than the current rate.

	Rate	City's Net Pension Liability
1.0% decrease	6.75%	\$ 90,648,959
Current rate	7.75%	23,307,789
1.0% increase	8.75%	(33,624,491)

**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.

**Benefits Provided:** The primary benefits provided are retirement benefits. However, the system also provides ancillary benefits in the event of pre-retirement death, disability or termination of employment prior to meeting the eligibility requirements to retire.

Plan A and Plan B members are eligible to retire at 20 years of service regardless of age. Plan C members are eligible to retire at 30 years of service regardless of age, 20 years of service at age 50, or 10 years of service at age 55. Benefits are calculated using Final Average Salary (FAS), which is the member's compensation for the three highest consecutive years of service within the last 10 years, multiplied by the total years of creditable service and a factor of 2.5%, subject to a maximum of 75% of the FAS. Benefits vest after 10 years of service.

When a member has been retired for 36 months, they will receive an annual adjustment to their benefit of 2% of the original base amount of the benefit.

As of December 31, 2015, the PFRS defined benefit plan membership consisted of the following:

Member Category	Plan A	Plan B	Plan C-79	Total
Inactive employees or beneficiaries currently receiving benefits	448	221	320	989
Inactive employees entitled to but not yet receiving benefits	-	-	37	37
Active employees	<u>5</u>	<u>-</u>	<u>1,045</u>	<u>1,050</u>
Total membership	<u>453</u>	<u>221</u>	<u>1,402</u>	<u>2,076</u>

Backward Deferred Retirement Option Plan (DROP) Provision: The benefit structure of the Wichita Police and Fire Retirement System includes a Backward Deferred Retirement Option Plan (DROP). The Backward DROP is available to plan C-79 members. Members must be eligible to receive a service retirement benefit as of the backward DROP retirement date. The DROP period is one to sixty months. The DROP period is the time between the backward DROP retirement date and the date the employee terminates service. The retirement benefit is calculated as of the day prior to the backward DROP retirement date. The employee's monthly retirement benefits (for the DROP period) plus applicable post retirement adjustments and interest at an annual rate of 5.0%, compounded monthly, is payable upon the employee's termination of service. When the member terminates employment, the balance of the DROP account is paid as a lump sum and the member begins to receive monthly retirement benefits on the month following termination of service.

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 6% to 8% of covered salaries. From its various operating funds, the City is required to contribute at an actuarially determined rate; the rate for 2015 was 21.3% of annual covered payroll. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded liability. 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. For the year ended December 31, 2015, WRS received \$13,964,379 in contributions from the employer.

Actuarial Assumptions: The total pension liability in the December 31, 2014 actuarial valuation was determined using the actuarial assumptions summarized in the accompanying table, applied to all periods included in the measurement. The actuarial assumptions used in the December 31, 2014 valuation were based on the results of the most recent experience study, which covered the five-year period ending December 31, 2013. The experience report is dated July 15, 2014

Price inflation	3.25%
Wage inflation	4.00%
Salary increases, including wage inflation	5.00% - 6.75%
Long-term rate of return, net of investment expense, including price inflation	7.75%
Pre-retirement mortality rates	Based on the RP-2000 Employee Table for males and females, as appropriate, with adjustments for mortality improvements based on Scale AA.
Post-retirement mortality rates	Based on the RP-2000 Healthy Annuitant Table for males and females, as appropriate, with adjustments for mortality improvements based on Scale AA.
Disabled mortality rates	Based on the RP-2000 Disabled Table for males and females, as appropriate, with adjustments for mortality improvements based on Scale AA.

Changes in Actuarial Assumptions: For the actuarial valuation performed as of the year ended December 31, 2014, changes in actuarial assumptions included the following:

- Decrease in the price inflation assumption from 3.50% to 3.25%.
- Modify the Plan C retirement assumptions to partially reflect experience. Created separate rates for less than or more than 30 years of service.
- Lower assumed disability rates.
- Change the termination of employment assumption to a pure service based assumption.
- Modify the probability of electing a refund to partially reflect actual, observed experience.
- Reduce the sick leave load from 4.0% to 3.0%.
- A 20% corridor was added to the actuarial value of assets calculation.

Actuarial Rate of Return Assumption and Discount Rate: Information about the actuarial rate of return assumption and the discount rate is disclosed in Note 7A - Wichita Employees' Retirement System. Because the assets of the plans are pooled for investment purposes, the assumptions for the Police and Fire Retirement System are identical to those of the Wichita Employees' Retirement System.

**Net Pension Liability:** Detailed information about the pension plan's fiduciary net position used in calculating the net pension liability is available in the separately issued WRS financial report. The City's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The accompanying table presents changes in the total pension liability, fiduciary net position and the net pension liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of December 31, 2013	\$ 617,748,283	\$ 598,458,276	\$ 19,290,007
Changes for the year:			
Service cost	15,894,290	-	15,894,290
Interest on total pension liability	46,490,734	-	46,490,734
Differences between expected and actual experience	(12,040,126)	-	(12,040,126)
Assumption changes	226,376	-	226,376
Employer contributions	-	14,464,181	(14,464,181)
Employee contributions	-	4,529,895	(4,529,895)
Net investment income	-	30,596,067	(30,596,067)
Benefit payments, including member refunds	(36,415,156)	(36,415,156)	-
Administrative expenses	-	(542,207)	542,207
<b>Net Changes</b>	<u>14,156,118</u>	<u>12,632,780</u>	<u>1,523,338</u>
Balance as of December 31, 2014	<u>\$ 631,904,401</u>	<u>\$ 611,091,056</u>	<u>\$ 20,813,345</u>

**Sensitivity Analysis:** The accompanying table presents the net pension liability of the City using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.0% lower (6.75%) or 1.0% higher (8.75%) than the current rate.

	Rate	City's Net Pension Liability
1.0% decrease	6.75%	\$ 94,979,630
Current rate	7.75%	20,813,345
1.0% increase	8.75%	(48,039,875)

C. Wichita Employees' Retirement System Plan 3b

The City contributes to Wichita Employees' Retirement System Plan 3, a defined contribution pension plan, for all of its full-time civilian employees hired or rehired on or after January 1, 1994. Benefits depend solely on amounts contributed to the plan plus investment earnings.

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 WERS Plan 2, a defined benefit plan, unless they make an irrevocable election to remain in the defined contribution plan within 90 days thereafter. If an employee converts to Plan 2, the employee's Plan 3 account balance becomes part of WERS assets available to pay future benefits of WERS defined benefit plan members. For this reason, Plan 3 members who have not made an irrevocable election to remain in the defined contribution plan are reported with the WERS defined benefit plan. Fully vested Plan 3 members who elect to remain in the defined contribution plan are referred to as Plan 3b members and are reported as a separate plan on the combining financial statements beginning on page E-1.

Fully vested employees who elect to continue participation in Plan 3b 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. Benefit terms, including contribution requirements, are established and may be amended by the City Council.

For the year ending December 31, 2015, employee and employer contributions to Plan 3b totaled \$190,049 and \$190,049, 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. Since its original inception, the City uses this fund to cover costs associated with a fully-insured property policy and a special excess general liability insurance policy.

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. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

**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, 2015, the City recorded a liability of \$4,566,905 for estimated claims pending and net position totaled \$6,537,368.

**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, 2015, the City recorded a liability of \$8,092,880 for estimated probable claims pending and net position totaled \$7,288,637.

**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, 2015, net position totaled \$726,216.

**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 City maintains a property insurance policy for all City owned buildings and contents. 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 \$750,000 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 \$20 million per occurrence limit and a \$2 million self-insured retention.

At December 31, 2015, the City recorded a liability of \$5,355,477 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, 2015, net position totaled \$4,787,461.

Changes in the balances of claims liabilities during the past two years are as follows:

Fund	Claims Paid	Beginning Balance	Changes in Actuarial Estimate	Ending Balance	Short-term Portion
<b>Worker's Compensation</b>					
2014	\$ 2,805,498	\$ 10,180,581	\$ (2,301,709)	\$ 7,878,872	\$ 2,080,760
2015	2,518,066	7,878,872	214,008	8,092,880	2,128,811
<b>General Liability</b>					
2014	1,989,643	4,871,484	(1,484,542)	3,386,942	1,260,561
2015	1,906,932	3,386,942	1,968,535	5,355,477	1,993,380
<b>Health Insurance</b>					
2014	38,706,103	3,287,329	975,278	4,262,607	4,262,608
2015	41,608,793	4,262,607	304,298	4,566,905	4,566,905

**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. Separate audited financial statements are not prepared by the Plan.

*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 2015, retired plan members receiving benefits contributed \$2,029,714 to the plan compared to City's contribution of \$2,458,687.

***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

OPEB Component	Amount
Annual required contribution-amortized liability	\$ 4,016,534
Interest on net OPEB obligation	530,044
Adjustment to annual required contribution	(766,313)
Annual OPEB cost (expense)	3,780,265
Contributions made	(2,458,687)
Increase in net OPEB obligation	1,321,578
Net OPEB obligation January 1, 2015	13,251,106
Net OPEB obligation December 31, 2015	<u>\$ 14,572,684</u>



liabilities over a period of not to exceed thirty years. The accompanying 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. 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, 2015, the actuarial accrued liability for benefits was \$34,959,138. On December 31, 2015, the covered payroll (annual payroll of active employees covered by the plan) was \$143.9 million, and the ratio of the UAAL to the covered payroll was 24.3%. 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 \$34,959,138 on December 31, 2015.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 3,851,687	52.8%	\$ 12,462,497
2014	3,851,687	79.5%	13,251,106
2015	3,780,265	65.0%	14,572,684

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, 2015 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 2015 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 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 2015, \$71,459 of the

liability associated with termination benefits was amortized, leaving an unamortized liability in the governmental funds of \$216,019. Liabilities for termination benefits are liquidated by the funds in which they originated.

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

General Obligation Bonds Outstanding on December 31, 2015 (dollars in thousands)		
Payable From	Interest Rates	Amount
Governmental activities:		
Ad valorem property taxes	1.00% - 5.75%	\$ 73,961
Transient guest tax	3.00 - 3.85%	2,485
Tax increment financing	1.00% - 5.00%	22,830
Local sales tax	2.25% - 5.00%	131,560
Subtotal governmental activities		230,836
Business-type activities:		
Stormwater Utility	2.00% - 5.00%	24,246
Airport Authority	2.25% - 5.00%	115,960
Water Utility	2.00% - 3.85%	129,850
Subtotal business-type activities		270,056
Total general obligation bonds		\$ 500,892

Annual Debt Service Requirements General Obligation Bonds (dollars in thousands)				
Year ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 30,654	\$ 8,358	\$ 9,459	\$ 11,277
2017	33,067	7,267	9,939	10,854
2018	30,099	6,051	10,330	10,397
2019	27,398	4,847	10,783	9,923
2020	19,311	3,902	10,232	9,425
2021 – 2025	62,172	10,254	53,994	39,845
2026 – 2030	26,154	2,458	57,830	28,531
2031 – 2035	1,981	239	55,250	17,093
2036 - 2040	-	-	26,655	9,074
2041 - 2045	-	-	25,584	2,594
Totals	\$ 230,836	\$ 43,376	\$ 270,056	\$ 149,013

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
2016	\$ 20,131	\$ 7,170
2017	20,084	6,338
2018	19,821	5,510
2019	18,325	4,707
2020	17,372	3,932
2021 – 2025	58,219	10,874
2026 – 2030	25,776	2,686
2031 – 2035	2,005	149
Totals	\$ 181,733	\$ 41,366

#### B. Revenue Bonds

Revenue bonds are also issued by the City of Wichita, 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, 2015 (dollars in thousands)			
	Interest Rates	Final Maturity Date	Amount
Governmental Activities			
2013 K-96 Greenwich STAR Bond Project	5.77%	2028	\$ 1,635
2015 West Bank STAR Bond Project	5.00%	2025	91
Subtotal governmental activities			<u>1,726</u>
Business-type Activities			
Water Utilities:			
2005B Water & Sewer Refunding	5.00%	2016	3,270
2009A Water & Sewer	3.50% - 5.00%	2039	104,235
2009B Water & Sewer	4.27% - 5.36%	2019	5,940
2010A Water & Sewer	3.00% - 4.00%	2030	25,670
2010B Water & Sewer	3.00% - 5.35%	2030	14,040
2011A Water & Sewer Refunding	4.00% - 5.00%	2028	86,075
2012A Water & Sewer	2.00% - 4.00%	2032	15,055
2014A Water & Sewer	3.00% - 5.00%	2030	35,425
2014B Water & Sewer	2.00% - 5.00%	2034	12,275
2015B Water & Sewer Refunding	2.38% - 5.00%	2031	38,215
2015C Water & Sewer	2.50% - 5.00%	2035	25,150
2015D Water & Sewer Refunding	2.50% - 5.00%	2032	23,395
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
Subtotal business-type activities			<u>394,205</u>
Total Revenue Bonds			<u>\$ 395,931</u>

\*The FlightSafety – Series A, 2003 bonds have a variable interest rate, adjustable weekly based on the rate at which the bonds can be remarketed at par, as determined by a remarketing agent, with an interest rate ceiling of 15%. The interest rate utilized to calculate the debt service requirements was the effective rate on December 31, 2015 of 0.02%.

In 2013, the City issued \$36,325,000 of Sales Tax Special Obligation Revenue Bonds (STAR bonds) in connection with an approved STAR Bond District under K.S.A. 12-17, 160 et al., known as the STAR Bonds Financing Act. In 2015, an additional \$4,840,000 in STAR bonds was issued. Pursuant to issuance of the STAR bonds, the City and State of Kansas entered into a STAR Bond Tax Distribution Agreement. The agreement provides that the principal and interest on the STAR bonds will be paid proportionally by the City and the State of Kansas, based on each entity's respective share of sales tax generated within the District. As of December 31, 2015, the City's proportional share is approximately 4.3%. This proportional share may change in the future if the sales taxes assessed by the local or state governments are modified.

These bonds are special, limited obligations of the City, payable solely from revenues generated within the STAR Bond District. The bonds do not constitute a pledge of the full faith and credit of the City, and do not obligate the City to levy any form of taxation or to make any appropriation for their payment. As such, the City has only recorded 4.3% of its proportional share of the outstanding obligation for this bond issue. At December 31, 2015, STAR bonds outstanding, recorded by the City, amounted to \$1,725,570.

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	2015 Principal & Interest	2015 Pledged Revenues Recognized
Water & Sewer Utility Revenue Bonds:					
\$ 543,838	Utility revenues	Through 2039	100%	\$ 39,627	\$ 39,627
Airport Authority Special Facility Revenue Bonds:					
\$ 6,805	Direct financing leases	Through 2031	100%	\$ 6,331	\$ 6,331
Sales Tax Special Obligation Revenue Bonds:					
\$ 2,726	Sales tax revenues	Through 2028	100%	\$ 244	\$ 244

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

Annual Debt Service Requirements- Revenue Bonds				
(dollars in thousands)				
Year ending December 31	Business-type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest
2016	\$ 25,905	\$ 17,526	\$ 95	\$ 128
2017	23,870	16,510	102	121
2018	25,055	15,396	109	114
2019	22,450	14,191	117	106
2020	22,875	13,140	123	98
2021 - 2025	119,825	48,192	655	353
2026 - 2030	99,760	23,423	525	81
2031 - 2035	45,805	6,978	-	-
2036 - 2040	8,660	1,083	-	-
Totals	\$ 394,205	\$ 156,439	\$ 1,726	\$ 1,001

#### 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 at an interest rate of 3.963%. An additional three-year lease was entered into in 2015 with a principal total of \$21,482 at an interest rate of 6.753%. On December 31, 2015, debt service requirements to maturity consist of principal payments totaling \$272,211 and interest payments totaling \$15,393. 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 17.56 years total \$9,356,284 or \$532,818 annually. Accordingly, a liability of \$9,356,284 for post-closure care has been reported as a long-term liability of governmental activities on the Statement of Net Position as of December 31, 2015.

The City's Chapin municipal solid waste facility closed operations December 19, 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 3.48 years is \$323,452 or \$92,946 annually. Accordingly, a liability of \$323,452 for post-closure care has been reported as a long-term liability of the governmental activities on the Statement of Net Position as of December 31, 2015.

Additionally, the City operates 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, 2015.

During 2001, the City was granted permission to operate a construction and demolition landfill. The landfill began operation on October 1, 2001. The City's construction and demolition landfill has cumulative closure costs of \$1,667,755 on December 31, 2015, based on the use of 82.3% of the estimated capacity. The City will recognize the remaining closure costs of \$358,679 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. The industrial monofill landfill for asbestos waste has cumulative closure costs of \$238,712, based on the use of 26.5% of the estimated capacity. The City will recognize the remaining closure costs of \$662,088 as the remaining capacity is filled. Based on activity to date, the industrial monofill landfill is expected to close in approximately 2063, or as capacity is reached. Estimated post closure costs recognized based on the capacity used to date totaling \$46,656 have been reported as a long-term liability of governmental activities on the Statement of Net Position as of December 31, 2015.

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, 2015, the capacity used was too small to estimate, thus the total estimated closure and post-closure care of \$93,492 will be recognized as capacity is filled.

As of December 31, 2015, 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. Note 18 - Landfill Closure and Post-closure Care provides further disclosure.

E. Refunding of Long-Term Debt

Crossover Advance Refunding: 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.

On April 1, 2015, the City issued Series 2015A general obligation refunding bonds in the amount of \$45,965,000 with a net interest cost of 1.69% due December 1, 2015. Issuance of the refunding bonds resulted in a crossover advance refunding of \$12,925,000 of Series 787 general obligation bonds, \$7,130,000 of Series 792 general obligation bonds, \$5,965,000 of Series 796 general obligation bonds, \$12,215,000 of Series 799 general obligation bonds and \$12,605,000 of Series 801 bonds. For series 792, 799 and 801, the crossover date occurred prior to December 31, 2015. Therefore, those amounts are considered defeased, as disclosed in Note 10 – Defeasance of Debt. The City completed the refunding to reduce its total debt service payments by \$3,094,000 and to obtain an economic gain (the difference between the present value of the old and new debt service payments) of \$3,060,582.

For the refunded debt for which the crossover date has not yet occurred, 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 2015A	Series 787	\$ 12,925,000	June 1, 2016
General Obligation Refunding Series 2015A	Series 796	5,965,000	September 1, 2016

Current and Advance Refunding: On April 1, 2015, the City issued Series 2015B Water and Sewer Utility refunding revenue bonds in the amount of \$38,380,000 with a net interest cost of 2.64% due October 1, 2031. The bond proceeds were used to refund \$3,093,192 of Series 2000 Water and Sewer Utility revenue bonds (KDHE Loan) on a current basis and to advance refund \$38,870,000 of Series 2006 Water and Sewer Utility revenue bonds. The net proceeds related to the advance refunding of the Series 2006 bonds of \$41,581,091 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Series 2006 bonds. As a result, a portion of the Series 2006 bonds is considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position. The City completed the refunding to reduce its total debt service payments by \$6,629,652 and to obtain an economic gain (the difference between the present value of the old and new debt service payments) of \$5,874,015.

On November 1, 2015, the City issued Series 2015D Water and Sewer Utility refunding revenue bonds in the amount of \$23,395,000 with a net interest cost of 2.76% due October 1, 2032. The bond proceeds were used to advance refund \$23,255,000 of Series 2008 Water and Sewer Utility revenue bonds. The net proceeds related to the advance refunding of the 2008 bonds of \$25,349,686 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Series 2008 bonds. As a result, a portion of the Series 2008 bonds is considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position. The City completed the refunding to reduce its total debt service payments by \$2,855,005 and to obtain an economic gain (the difference between the present value of the old and new debt service payments) of \$2,357,808.

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 contaminants of volatile organic compounds and the concentrations of the compounds. On March 26, 1991, the City and KDHE finalized a “Settlement Agreement for Remedial Investigation and Feasibility Study, and for Certain Remedial Actions to be Determined Following Opportunity for Public Involvement” (Settlement Agreement).

The City performed the Remedial Investigation (RI) and the Feasibility Study (FS) with final reports approved by KDHE in September 1994. In 1999, the City issued an RI/FS addendum and with subsequent investigations, identified the nature, extent and sources of contamination. In October 2000, KDHE approved

the final design for a pump-and-treat alternative to address the site-wide groundwater contamination (Plumes ABE). In 2002, the City completed the installation of the extraction wells, piping and treatment facility. The system has been in continuous operation since December 30, 2002.

The City has ongoing costs associated with the operations, maintenance, monitoring and reporting activities for the groundwater remediation system for the ABE plume contamination. Accordingly, a liability of \$8,236,480 has been recorded in the government-wide financial statements, in addition to a receivable of \$3,371,954 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 properties 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 each sources in 2007 and those units are still in operation. Remediation operations are expected to continue into 2016 or 2017.

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 \$1,139,899 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 \$4,914 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. 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.

In 2014, it was determined that the costs associated with the implementation of electrical resistance heating remedy for the entire area required by KDHE was not economically feasible. As a result, alternative remedial activities including injection of an oxidizing compound into the contaminated zone, are currently under evaluation by both the City and KDHE. The City anticipates that the revised remediation approach will be approved by KDHE in 2016 and implemented either in late 2016 or early 2017.

The City recorded a net liability for remediation and monitoring activities of \$831,459 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. 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. Recent testing conducted by KDHE and the site-wide monitoring program indicates that the UST remediation program may have also remediated the chlorinated solvents related to the APCO release. The potential for reductions in the liability is high based on the level of remediation being conducted by KDHE. In 2015, the City hired a consultant to conduct an updated investigation of the APCO site to determine whether any additional remediation efforts are necessary. The City has recorded a liability of \$1,047,261 for future costs based on an engineering estimate and actual costs incurred. The potential for changes to the liability is relatively moderate, pending the results of investigations.

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 of investigating and evaluating remediation alternatives. In 2015, the City hired a consultant to conduct a Comprehensive Investigation (CI) and Corrective Action Study (CAS). The investigation findings are expected to be complete in 2016 with the CAS expected to be complete in 2017.

The City has ongoing costs for investigation, remediation and monitoring. A liability is recorded in the amount of \$400,912 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 been recorded in the government-wide financial statements in the amount of \$1,012,598. The potential for change to the liability is moderate due to the need for additional investigation.

LORAC Company (LORAC): The LORAC 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. The property owners signed an agreement with KDHE in 2008 to conduct a site investigation which was subsequently completed in 2009. The current property owner has indicated to KDHE that they have limited capacity to pay for a full scale CI/CAS. As a result, the City has agreed to conduct the CI/CAS program as part of the Gilbert and Mosley Settlement Agreement. In 2015, the City hired a consultant to conduct a Comprehensive Investigation (CI) and Corrective Action Study (CAS). Results of the investigation and CAS are anticipated to be available in 2017. 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 contractual obligations for the CI/CAS and actual costs incurred from the start of the project to the present, has been recorded in the government-wide financial statements in the amount of \$39,000. The potential for change to the liability is moderate due to the need for additional investigation and the likelihood that the City may have to take on the responsibility of implementing required remedial actions.

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. 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. 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 \$52.2 million, resulting in a net liability of \$5,441,977 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 the 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 EPA performs project reviews every five years. 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 \$22,949 has been recorded in the government-wide financial statements with low potential for changes in the liability.

Mid-town Bike Path: A portion of the City's Mid-town Bike Path was acquired from the abandoned Union Pacific Railroad line in north central Wichita. The City has converted a portion of the abandoned rail line into a bicycle pathway. The shallow soils along the proposed pathway are impacted by total petroleum hydrocarbons (TPH) and metals. As part of the remedial strategy, the impacted soils were capped with clean soils to prevent dermal contact and limit potential infiltration and leaching of the materials to the groundwater.

KDHE requires an annual inspection of the conditions and maintenance of the site. The City has recorded a liability of \$2,500 for costs associated with monitoring and reporting.

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 contaminants reported in the groundwater at the Fuel Farm and the absence of contaminants 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, 2015, the City was in compliance with all significant reserve requirements of the respective Water and Sewer Utility revenue bond resolutions and ordinances.

H. Liquidation of Other Long-Term Obligations

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 \$426,458 were included in the governmental amounts below. Compensated absences for the governmental funds are generally liquidated by the General Fund.

Claims payable are liquidated from the Self-Insurance Fund. Post-employment benefits other than pensions are recorded at the entity-wide level and are generally liquidated from the Self-Insurance Fund. Environmental remediation liabilities are recorded at the entity wide level and are generally liquidated from the Environmental TIF Funds.

Long-term liability activity for the year ended December 31, 2015, follows (expressed in thousands of dollars) is summarized in the following table:

	<u>Beginning Balance</u>	<u>Prior Period Adjustment</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>						
Bonds Payable:						
General obligation bonds	\$ 76,915	\$ -	\$ 26,341	\$ (29,296)	\$ 73,960	\$ 10,514
With government commitment						
Special assessment	192,575	-	24,010	(34,852)	181,733	20,131
Tax increment financing	25,345	-	-	(2,515)	22,830	2,615
Transient guest tax	2,485	-	-	-	2,485	-
Local sales tax	148,770	-	-	(17,210)	131,560	17,525
Unamortized premium	28,332	-	6,045	(5,088)	29,289	-
Revenue bonds						
Local sales tax	1,635	-	208	(117)	1,726	95
Unamortized discount	(31)	-	-	3	(28)	-
Total bonds payable	476,026	-	56,604	(89,075)	443,555	50,880
Capital lease	341	-	21	(90)	272	94
Compensated absences	9,401	-	9,225	(8,933)	9,693	9,046
Claims payable	15,553	-	49,491	(46,857)	18,187	8,860
Net pension liability	-	31,877	100,061	(94,876)	37,062	-
Other post-employment benefits	13,251	-	3,780	(2,458)	14,573	-
Termination benefits	287	-	-	(71)	216	216
Environmental remediation	18,328	-	2,055	(2,203)	18,180	724
Landfill closure-post-closure care	12,559	-	46	(972)	11,633	626
Legal liability	2,285	-	-	-	2,285	-
Total long-term liabilities – Governmental activities	<u>\$ 548,031</u>	<u>\$ 31,877</u>	<u>\$ 221,283</u>	<u>\$ (245,535)</u>	<u>\$ 555,656</u>	<u>\$ 70,446</u>
<b>Business-type activities</b>						
Bonds payable:						
General obligation bonds	\$ 184,285	\$ -	\$ 103,129	\$ (17,358)	\$ 270,056	\$ 9,459
Unamortized premium	11,797	-	6,874	(847)	17,824	-
Bond anticipation notes	96,565	-	-	(96,565)	-	-
Revenue bonds	399,870	-	86,925	(92,590)	394,205	25,905
Unamortized premium	22,886	-	7,960	(3,479)	27,367	-
Total bonds payable	715,403	-	204,888	(210,839)	709,452	35,364
Compensated absences	1,807	-	1,894	(1,775)	1,926	1,813
Net pension liability	-	5,596	16,673	(15,209)	7,060	-
Environmental remediation	5	-	5	(5)	5	5
Total long-term liabilities – Business-type activities	<u>\$ 717,215</u>	<u>\$ 5,596</u>	<u>\$ 223,460</u>	<u>\$ (227,828)</u>	<u>\$ 718,443</u>	<u>\$ 37,182</u>

**10. Defeasance of Debt**

In 2015, the City defeased general obligation 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, 2015, bonds totaling \$31,950,000 were considered defeased. Additionally, \$6,090,000 in refunded bonds related to crossover advanced refunding bonds that were issued in prior years were defeased during 2015.

**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 2015, the City issued \$85,250,000 and retired \$195,040,000 in temporary notes for various capital improvements. Temporary notes outstanding at December 31, 2015 are payable as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities	\$ 52,521,353	\$ 50,667,682	\$ 62,220,960	\$ 40,968,075
Business-type Activities				
Airport Authority Fund	130,628,306	31,752,624	130,628,306	31,752,624
Stormwater Utility	2,120,341	2,113,522	2,190,734	2,043,129
Transit	-	716,172	-	716,172
Total Business-type Activities	132,748,647	34,582,318	132,819,040	34,511,925
Total temporary notes	\$ 185,270,000	\$ 85,250,000	\$ 195,040,000	\$ 75,480,000

On December 31, 2015, the Airport Authority Fund held proceeds totaling \$2,680,187 from the issuance of general obligation temporary notes for future capital construction. Temporary notes also replace operating cash which has been used to finance capital construction in other funds 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 272	2.00%	\$ 2,693,083	04/15/16
Street and Bridge Improvements - Series 274	1.00%	18,304,158	10/15/16
Water Main Construction - Series 272	2.00%	679,146	04/15/16
Water Main Construction - Series 274	1.00%	817,192	10/15/16
Park Bond Construction - Series 272	0.25%	885,835	04/15/16
Public Improvement Construction - Series 272	2.00%	890,097	04/15/16
Public Improvement Construction - Series 274	1.00%	11,901,978	10/15/16
Sewer Construction - Series 272	2.00%	2,117,674	04/15/16
Sewer Construction - Series 274	1.00%	2,678,912	10/15/16
Subtotal governmental activities		40,968,075	
Enterprise Funds:			
Airport Authority - Series 274	1.00%	7,052,624	10/15/16
Airport Authority - Series 276	1.25%	24,700,000	10/15/16
Stormwater Utility - Series 274	1.00%	2,043,129	10/15/16
Transit Authority - Series 274	1.00%	716,172	10/15/16
Subtotal business-type activities		34,511,925	
Total Reporting Entity		\$ 75,480,000	

**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. The future value of operating leases does not include contingent rentals that may be received under certain leases. Such contingent rentals totaled \$3,498,904 in 2015.

Direct Financing Leases: The Airport Authority has authorized the construction of buildings on Authority-owned land by 45 tenants. Tenants lease the land from the Airport Authority for periods ranging from one month to 43 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.

The financing of the facilities by the Airport Authority represents direct financing leases. Accordingly, the net investments of such leases are recorded on the enterprise fund balance sheet as restricted assets. The following tables provide the components of the net investment in direct financing leases as of December 31, 2015 and the future minimum lease rentals to be received under the leases.

Year Ending December 31	Minimum Rentals of Non-cancelable Operating Leases
2016	\$ 9,489,519
2017	5,354,799
2018	4,980,747
2019	4,315,859
2020	3,741,189
2021 – 2025	14,612,279
2026 – 2030	7,748,980
2031 – 2035	5,188,451
2036 – 2040	4,315,684
2041 – 2045	2,778,231
2046 – thereafter	4,198,169
Total minimum future rentals	\$ 66,723,907

Investments in Direct Financing Leases As of December 31, 2015		Future Minimum Lease Rentals Under Direct Financing Leases As of December 31, 2015	
	Airport Authority	Year ending December 31	Airport Authority
Total minimum lease payments to be received	\$ 6,805,283	2016	\$ 188,032
Less: unearned income	1,345,283	2017	188,032
Net investment in direct financing leases	<u>\$ 5,460,000</u>	2018	188,032
		2019	188,032
		2020	188,032
		2021 – 2025	3,201,931
		2026 – 2030	2,660
		2031 – 2035	<u>2,660,532</u>
		Total minimum future rentals	<u>\$ 6,805,283</u>

**Public Building Commission:** 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. As of December 31, 2015, the WPBC owns the State Office Building, which was leased by the State of Kansas through August 2015. At the inception of the lease, the arrangement was identified as a direct financing lease. Therefore, a net investment in direct financing lease was recognized as an asset and amortized over the lease term. When the original lease expired in 2014, the State did not exercise its purchase option as anticipated. Therefore, the WPBC has recognized an asset for the property held for sale at estimated fair market value. In the event that the building is sold, proceeds will be transferred to the City. Therefore, a payable in the amount of the estimated fair market value of the property has also been recognized.

**Rentals Payable Under Operating Leases:** The City entered into a five-year lease agreement in 2013 and an additional three year lease in 2015 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, 2015 the future minimum lease payments totaled \$230,189, 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, 2015, 98 series of industrial revenue bonds were outstanding, with an aggregate principal amount payable of \$1,905,583,925.

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, 2015, three series of special facility revenue bonds were outstanding totaling \$5,460,000 but are reported as a long-term liability of the Airport Authority. Note 9 - Long-Term Debt provides additional disclosure on the long-term debt. Note 12 - Leases provides further disclosure on the direct financing leases.

**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, 2015, transfer revenue and transfer expenditures each totaled \$128,169,206. Included in that amount was the reduction of the excess reserve in the Landfill Post-closure Fund with a \$150,000 transfer to the Debt Service Fund.

Of routine nature are the Debt Service Fund transfers of \$42 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 \$23 million and \$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, 2015		
Fund	Transfers Out	Transfers In
<b>Major Funds:</b>		
General Fund	\$ 6,833,418	\$ 5,873,720
Debt Service Fund	45,313,479	26,735,699
Street Improvement Fund	27,352,553	32,465,466
Water Utility Fund	236,122	-
Sewer Utility Fund	1,500	-
Nonmajor governmental funds	46,642,640	59,105,241
Nonmajor enterprise funds	-	3,739,080
Internal service funds	1,789,494	250,000
Total transfers	<u>\$ 128,169,206</u>	<u>\$ 128,169,206</u>

**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, 2015 are presented in the following tables.

Interfund receivables and payables at the end of December 2015 totaled \$34,426,925, including a long-term 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. Other interfund balances are used to offset temporary cash deficits.

Interfund Receivables As of December 31, 2015		Interfund Payables As of December 31, 2015	
Fund	Receivables	Fund	Payables
<b>Major funds:</b>		<b>Major funds:</b>	
General Fund	\$ 800,000	Street Improvement Fund	\$ 15,485,551
Debt Service Fund	5,712,878	<b>Nonmajor governmental funds:</b>	
<b>Nonmajor governmental funds:</b>		Homelessness Assistance Fund	26,551
Landfill Post-Closure Fund	208,664	WAMPO*	182,113
Local Sales Tax CIP Fund	27,221,355	Water Main Extension Fund	614,712
<b>Enterprise funds:</b>		Public Improvement Construction Fund	9,335,670
Transit Fund	65,368	Sewer Construction Fund	896,964
<b>Internal service funds:</b>		<b>Nonmajor Enterprise funds:</b>	
Self-Insurance Fund	418,660	Golf Course System Fund	5,712,878
Total interfund receivables	<u>\$ 34,426,925</u>	Transit Fund	2,172,486
		Total interfund payables	<u>\$ 34,426,925</u>

\*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, Highland and Pierpoint 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, 2015					
	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Street Improvement Fund		
<b>Nonspendable:</b>					
Inventories and prepaids	\$ 149,136	\$ -	\$ -	\$ 109,396	\$ 258,532
Receivables, long-term	800,000	4,067,266	-	50,737	4,918,003
Permanent fund principal	-	-	-	235,437	235,437
<b>Restricted for:</b>					
City manager	-	-	-	22,799	22,799
Planning	-	-	-	70,411	70,411
Cemetery	-	-	-	485,642	485,642
Building services	-	-	-	1,834,763	1,834,763
Police	-	-	-	1,561,883	1,561,883
Flood control	-	-	-	135,388	135,388
Street maintenance	-	-	-	37,889,275	37,889,275
Housing services	-	-	-	4,818,085	4,818,085
Community health	-	-	-	24,575,292	24,575,292
Career development	-	-	-	47,821	47,821
Alcohol and drug programs	-	-	-	979,684	979,684
Tourism and convention	-	-	-	3,937,183	3,937,183
Libraries	-	-	-	355,829	355,829
Parks	-	-	-	96,805	96,805
Debt service	-	27,125,098	-	10,275,939	37,401,037
<b>Committed to:</b>					
City manager	-	-	-	1,508,673	1,508,673
Central inspection	-	-	-	2,314,431	2,314,431
Landfill	-	-	-	12,319,212	12,319,212



	Major Governmental Funds				Total Governmental Funds
	General Fund	Debt Service Fund	Street Improvement Fund	Nonmajor Governmental Funds	
<b>Assigned to:</b>					
City manager	123,958	-	-	-	123,958
Economic development	3,580,547	-	-	-	3,580,547
Finance	81,579	-	-	-	81,579
Law	26,649	-	-	-	26,649
Municipal court	44,817	-	-	-	44,817
General government	128,271	-	-	-	128,271
Public works administration	5,109	-	-	-	5,109
Building services	29,875	-	-	-	29,875
Fire	125,070	-	-	-	125,070
Police	260,927	-	-	-	260,927
Traffic control maintenance	11,818	-	-	-	11,818
Engineering	6,186	-	-	-	6,186
Street maintenance	703,568	-	-	-	703,568
Weed control	1,557	-	-	-	1,557
Landfill	-	-	-	2,084,333	2,084,333
Housing services	12,180	-	-	-	12,180
Community health	5,240	-	-	-	5,240
Libraries	76,382	-	-	-	76,382
Cultural arts facilities	13,286	-	-	-	13,286
Parks	1,109,563	-	-	-	1,109,563
<b>Unassigned:</b>	<u>28,823,511</u>	<u>-</u>	<u>(34,943,574)</u>	<u>(32,172,603)</u>	<u>(38,292,666)</u>
<b>Total</b>	<u>\$36,119,229</u>	<u>\$ 31,192,364</u>	<u>\$(34,943,574)</u>	<u>\$ 73,536,415</u>	<u>\$ 105,904,434</u>

**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 a \$.08 per passenger handling fee prior to 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, 2015 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**

Information about the landfills operated by the City and the related liabilities is provided in Note 9D - Other Long-Term Obligations. The cost estimates used to develop the recorded liabilities 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, 2015.

**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 \$136.9 million in the governmental funds and \$51.4 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	\$ 2,772,430
Street Improvement Fund	130,501,536
Water Utility Funds	18,191,403
Sewer Utility Funds	11,573,525
Airport Authority Funds	20,613,996
Stormwater Utility Funds	1,788,671
Nonmajor governmental funds	11,165,290
Nonmajor enterprise funds	5,102,492
Internal service funds	2,007,332
Total Reporting Entity	<u>\$ 203,716,675</u>

**E. Economic Development Activities**

The City has established tax increment financing districts to support economic development activities. The City's contributions to these projects include streets, stormwater drainage, public art, water features and public parking, which are financed through the issuance of bonds of which \$22.8 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 Governmental Accounting Standard 68, *Accounting and Financial Reporting for Pensions*, resulted in prior period adjustments. The reporting entity recognized beginning balances as of December 31, 2014 of \$37,472,474 in net pension liability, \$23,887,821 in deferred outflows related to pensions and a negative adjustment of \$13,584,653 to beginning net position. Each of the City's proprietary funds recognized a proportionate share of this adjustment.

Additionally, evaluation of Governmental Accounting Standard 68 resulted in the reclassification of beginning net position attributable to members of Plan 3 who have not made an irrevocable election to remain in the defined contribution plan. Non-vested Plan 3 members were previously considered to be members of the defined contribution plan (Plan 3/3b). However, because those members have the opportunity to move into the defined benefit plan (Plan 2) upon vesting at seven years of service, contributions and earnings accumulated for those members will be available to pay the benefits of any of the defined benefit members. Therefore, a prior period adjustment of \$14,574,469 was made to reclassify the net position attributable to Plan 3 members from the defined contribution plan (Plan 3b) to the Wichita Employees' Retirement System.

In the Debt Service Fund, revenue related to notes receivable of \$4,353,767 had previously been deferred. A prior period adjustment was made to reclassify the amounts previously reported as deferred revenues to nonspendable fund balance, increasing fund balance by the same amount.

Additionally, certain self-constructed capital assets in the enterprise funds were reclassified out of construction in progress and placed in service with an effective date prior to January 1, 2015. As a result, a prior period adjustment of \$6,312,308 was recorded for catch-up depreciation on those assets, decreasing net position by the same amount.

**21. Subsequent Events**

On April 15, 2016, the City issued \$40,076,000 Series 278 general obligation temporary notes with a true interest cost of 0.68%.

**CITY OF WICHITA, KANSAS**

**PENSION REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS  
WICHITA EMPLOYEES' RETIREMENT SYSTEM**

For the year ended December 31, 2015<sup>1</sup>

	2015 <sup>2</sup>
<b>TOTAL PENSION LIABILITY</b>	
Service cost	\$ 9,278,998
Interest	43,680,283
Benefit term changes	-
Differences between expected and actual experience	(3,427,255)
Assumption changes	(3,550,489)
Reclassification due to conversion of members to Plan 3b	(571,242)
Benefit payments, including member refunds	(37,681,042)
Net change in total pension liability	7,729,253
Total pension liability - beginning	582,385,829
Total pension liability - ending (a)	\$ 590,115,082
<b>PLAN FIDUCIARY NET POSITION</b>	
Employer contributions	\$ 9,423,640
Employee contributions	3,394,544
Reclassification due to conversion of members to Plan 3b	(571,242)
Net investment income	28,659,491
Benefit payments, including member refunds	(37,681,042)
Administrative expenses	(621,460)
Net change in Plan fiduciary net position	\$ 2,603,931
Plan fiduciary net position - beginning	564,203,362
Plan fiduciary net position - ending (b)	\$ 566,807,293
Net pension liability - ending (a) - (b)	\$ 23,307,789
Fiduciary net position as a percentage of total pension liability	96.05%
Covered payroll	\$ 71,391,212
Employers' net pension liability as a percentage of covered payroll	32.65%

## NOTES TO SCHEDULE

### Benefit changes:

There have been no changes to the plan provisions in the last ten years.

### Changes in actuarial assumptions:

December 31, 2014 valuation

- Decrease in the price inflation rate from 3.50% to 3.25%.
- Modify Plan 2 retirement assumption to partially reflect experience. The changes increased rates at some ages and decreased them at others.
- Eliminate the disability assumption.
- Change the termination of employment assumption to a pure service-based assumption.
- Reduce the sick leave load from 4.0% to 2.5%.
- A 20% corridor was added to the actuarial value of assets calculation.

December 31, 2009 valuation

- Decrease in the price inflation rate from 4.0% to 3.5%.
- Decrease in the general wage growth assumption from 4.5% to 4.0%
- Modification of the retirement rates for both Plans 1 and 2 to better reflect actual experience. The changes increased rates at some ages and decreased them at others.
- Increase in the rates of termination of benefits for terminated vested members from 4.5% to 4.0% to be consistent with the general wage growth assumption.
- Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.

December 31, 2006 valuation

- Retirement rates were adjusted for Plan 1 and Plan 2 members. For Plan 1 members, the ultimate rates changed from age 70 to age 65.
- Explicit assumptions were added for members to participate in DROP. For Plan 1, 70% of members with 30 or more years of service were assumed to elect DROP for a period of 48 months. For Plan 2, 70% of members with 33.33 years of service and age 62 are assumed to elect DROP for a period of 36 months.

<sup>1</sup> Schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

<sup>2</sup> Information about the employers' net pension liability is presented as of a measurement date one year prior to the fiscal year end date. For example, the net pension liability reported as of December 31, 2015 is reported based on a measurement date of December 31, 2014.

**CITY OF WICHITA, KANSAS**

**PENSION REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS  
POLICE AND FIRE RETIREMENT SYSTEM**

For the year ended December 31, 2015<sup>1</sup>

	<u>2015<sup>2</sup></u>
<b>TOTAL PENSION LIABILITY</b>	
Service cost	\$ 15,894,290
Interest	46,490,734
Benefit term changes	-
Differences between expected and actual experience	(12,040,126)
Assumption changes	226,376
Benefit payments, including member refunds	<u>(36,415,156)</u>
Net change in total pension liability	14,156,118
Total pension liability - beginning	<u>617,748,283</u>
Total pension liability - ending (a)	<u><u>\$ 631,904,401</u></u>
 <b>PLAN FIDUCIARY NET POSITION</b>	
Employer contributions	\$ 14,464,181
Employee contributions	4,529,895
Net investment income	30,596,067
Benefit payments, including member refunds	(36,415,156)
Administrative expenses	<u>(542,207)</u>
Net change in Plan fiduciary net position	\$ 12,632,780
Plan fiduciary net position - beginning	<u>598,458,276</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 611,091,056</u></u>
Net pension liability - ending (a) - (b)	\$ 20,813,345
Fiduciary net position as a percentage of total pension liability	96.71%
Covered payroll	\$ 64,572,237
Employers' net pension liability as a percentage of covered payroll	32.23%

## NOTES TO SCHEDULE

### Benefit changes:

There have been no changes to the plan provisions in the last ten years.

### Changes in actuarial assumptions:

December 31, 2014 valuation

- Decrease in the price inflation rate from 3.50% to 3.25%.
- Modify Plan C retirement assumption to partially reflect experience. Created separate rates for less than or more than 30 years of service.
- Lower assumed disability rates.
- Change the termination of employment assumption to a pure service-based assumption.
- Modify the probability of electing a refund to partially reflect actual, observed experience.
- Reduce the sick leave load from 4.0% to 3.0%.
- A 20% corridor was added to the actuarial value of assets calculation.

December 31, 2009 valuation

- Decrease in the price inflation rate from 4.0% to 3.5%.
- Decrease in the general wage growth assumption from 4.5% to 4.0%.
- Lower the retirement rates for Plan A and extend them to 35 years of service.
- Lower the retirement rates for Plan C members at ages before 53 and ages 58 to 60 and increase rates at ages 56 and 57.
- Increase the rates of termination of employment for ages under 44 and decrease rates at ages over 44.
- Lower assumption for indexation of benefits for terminated vested members from 4.5% to 4.0% to be consistent with the general wage growth assumption.

<sup>1</sup> Schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

<sup>2</sup> Information about the employers' net pension liability is presented as of a measurement date one year prior to the fiscal year end date. For example, the net pension liability reported as of December 31, 2015 is reported based on a measurement date of December 31, 2014.

## CITY OF WICHITA, KANSAS

### PENSION REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS WICHITA EMPLOYEES' RETIREMENT SYSTEM

For the years ended December 31, 2006 through December 31, 2015  
(dollars expressed in thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined employer contributions	\$ 9,031	\$ 9,424	\$ 8,940	\$ 7,503	\$ 7,695
Actual employer contributions	<u>9,031</u>	<u>9,424</u>	<u>8,940</u>	<u>7,503</u>	<u>7,695</u>
Annual contribution deficiency (excess)	<u>\$ -</u>				
Covered employee payroll	\$ 74,028	\$ 71,391	\$ 70,953	\$ 70,783	\$ 75,444
Contributions as a percentage of covered employee payroll	12.20%	13.20%	12.60%	10.60%	10.20%

#### NOTES TO SCHEDULE

The system is funded with fixed contribution rates for members and actuarially determined amounts for the City of Wichita. The Actuarially Determined Contributions in the Schedule of Employer Contributions are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine the Actuarially Determined Contribution reported as of, December 31, 2015.

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	20 years
Asset valuation method	Expected + 25% of (Market - Expected Values)
Price inflation	3.25%
Salary increases, including wage inflation	4.00%
Long-term rate of return, net of investment expense, and including inflation	7.75%

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 6,689	\$ 3,887	\$ 3,834	\$ 3,701	\$ 3,566
<u>6,689</u>	<u>3,887</u>	<u>3,834</u>	<u>3,701</u>	<u>3,566</u>
<u>\$ -</u>				
\$ 79,636	\$ 82,704	\$ 81,580	\$ 78,736	\$ 75,881
8.40%	4.70%	4.70%	4.70%	4.70%

## CITY OF WICHITA, KANSAS

### PENSION REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS POLICE AND FIRE RETIREMENT SYSTEM

For the years ended December 31, 2006 through December 31, 2015  
(dollars expressed in thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined employer contributions	\$ 13,964	\$ 14,464	\$ 14,890	\$ 14,113	\$ 13,807
Actual employer contributions	<u>13,964</u>	<u>14,464</u>	<u>14,890</u>	<u>14,113</u>	<u>13,807</u>
Annual contribution deficiency (excess)	<u>\$ -</u>				
Covered employee payroll	\$ 65,560	\$ 64,572	\$ 65,306	\$ 64,150	\$ 62,759
Contributions as a percentage of covered employee payroll	21.30%	22.40%	22.80%	22.00%	22.00%

#### NOTES TO SCHEDULE

The system is funded with fixed contribution rates for members and actuarially determined amounts for the City of Wichita. The Actuarially Determined Contributions in the Schedule of Employer Contributions are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine the Actuarially Determined Contribution reported as of, December 31, 2015.

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	20 years
Asset valuation method	Expected + 25% of (Market - Expected Values)
Price inflation	3.25%
Salary increases, including wage inflation	5.00% - 6.75%
Long-term rate of return, net of investment expense, and including inflation	7.75%

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 13,120	\$ 11,035	\$ 10,549	\$ 10,029	\$ 9,850
<u>13,120</u>	<u>11,035</u>	<u>10,549</u>	<u>10,029</u>	<u>9,850</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 63,077	\$ 63,055	\$ 60,282	\$ 57,310	\$ 53,530
20.80%	17.50%	17.50%	17.50%	18.40%

**CITY OF WICHITA, KANSAS**

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

(dollars expressed in thousands)

Fiscal Year Ending	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)
12/31/2015	12/31/2015	\$ -	\$ 34,959	\$ 34,959	- %	\$ 143,904	24.3 %
12/31/2013	12/31/2013	-	33,936	33,936	-	140,810	24.1
12/31/2011	12/31/2011	-	39,121	39,121	-	137,304	28.5

**NOTES TO SCHEDULE**

Mortality assumptions have been updated for the December 31, 2015 valuation as follows:

Active employees	RPH-2015 Total Dataset Mortality table fully generational using scale MP-2015
Healthy retirees	RPH-2015 Total Dataset Mortality table fully generational using scale MP-2015
Disabled retirees	RPH-2015 Disabled Retiree Mortality table fully generational using scale MP-2015

Termination and retirement rates have been 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, 2014.

No disability decrement is assumed for civilian employees. The disability assumption for Police and Fire has been updated to be consistent with the assumptions used in the Police and Fire Retirement System actuarial valuation for the year ended December 31, 2014.

Health care trend rates have been reset to the same initial trend used in the last full valuation, starting at 9.0% decreasing by 0.5% annually to an ultimate rate of 5.0%.

## ***GOVERNMENTAL FUNDS***

### **Nonmajor Special Revenue Funds**

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

Homelessness Assistance  
Tourism and Convention  
Special Alcohol Program  
Special Parks and Recreation  
Landfill  
Landfill Post-closure  
Metropolitan Area Building and 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 Construction Pledge

### **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, 2015

	Governmental Fund Types			Total
	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 52,184,078	\$ 21,380,863	\$ 640,642	\$ 74,205,583
Investments	3,488,315	-	80,437	3,568,752
Receivables, net:				
Due from other agencies	1,290,347	-	-	1,290,347
Accounts receivable	5,152,645	-	-	5,152,645
Notes receivable	300,000	-	-	300,000
Due from other funds	208,664	27,221,355	-	27,430,019
Inventories	35,000	-	-	35,000
Prepaid items	74,396	-	-	74,396
Total assets	<u>\$ 62,733,445</u>	<u>\$ 48,602,218</u>	<u>\$ 721,079</u>	<u>\$ 112,056,742</u>
<b>LIABILITIES</b>				
Accounts payable and other liabilities	\$ 2,103,980	\$ 1,781,145	\$ -	\$ 3,885,125
Accrued interest payable	-	10,282	-	10,282
Temporary notes payable	-	19,970,834	-	19,970,834
Deposits	179,797	-	-	179,797
Due to other agencies	46,325	-	-	46,325
Due to other funds	208,664	10,847,346	-	11,056,010
Total liabilities	<u>2,538,766</u>	<u>32,609,607</u>	<u>-</u>	<u>35,148,373</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue				
Other	3,371,954	-	-	3,371,954
Total deferred inflows of resources	<u>3,371,954</u>	<u>-</u>	<u>-</u>	<u>3,371,954</u>
<b>FUND BALANCES</b>				
Nonspendable	160,133	-	235,437	395,570
Restricted	38,435,943	48,165,214	485,642	87,086,799
Committed	16,142,316	-	-	16,142,316
Assigned	2,084,333	-	-	2,084,333
Unassigned	-	(32,172,603)	-	(32,172,603)
Total fund balances	<u>56,822,725</u>	<u>15,992,611</u>	<u>721,079</u>	<u>73,536,415</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 62,733,445</u>	<u>\$ 48,602,218</u>	<u>\$ 721,079</u>	<u>\$ 112,056,742</u>

**CITY OF WICHITA, KANSAS**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2015

	<u>Homelessness Assistance</u>	<u>Tourism and Convention</u>	<u>Special Alcohol Program</u>	<u>Special Parks and Recreation</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 3,787,183	\$ 982,744	\$ 96,805
Investments	-	-	-	-
Receivables, net:				
Due from other agencies	-	-	-	-
Accounts receivable	27,774	150,000	-	-
Notes receivable	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 27,774</u>	<u>\$ 3,937,183</u>	<u>\$ 982,744</u>	<u>\$ 96,805</u>
<b>LIABILITIES</b>				
Accounts payable and other liabilities	\$ 1,223	\$ -	\$ 3,060	\$ -
Deposits	-	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	26,551	-	-	-
Total liabilities	<u>27,774</u>	<u>-</u>	<u>3,060</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue				
Other	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	3,937,183	979,684	96,805
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>-</u>	<u>3,937,183</u>	<u>979,684</u>	<u>96,805</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,774</u>	<u>\$ 3,937,183</u>	<u>\$ 982,744</u>	<u>\$ 96,805</u>

Landfill	Landfill Post-closure	Metropolitan Area Building and Construction	Downtown Parking
\$ 2,394,019	\$ 11,769,986	\$ 3,043,490	\$ 1,540,123
-	-	-	-
-	-	-	-
62,892	934	-	1,042
-	-	-	-
-	208,664	-	-
-	-	-	-
-	-	-	-
<u>\$ 2,456,911</u>	<u>\$ 11,979,584</u>	<u>\$ 3,043,490</u>	<u>\$ 1,541,165</u>
\$ 25,629	\$ 7,321	\$ 683,559	\$ 32,492
-	-	45,500	-
-	-	-	-
-	-	-	-
<u>25,629</u>	<u>7,321</u>	<u>729,059</u>	<u>32,492</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,431,282	9,887,930	2,314,431	1,508,673
-	2,084,333	-	-
<u>2,431,282</u>	<u>11,972,263</u>	<u>2,314,431</u>	<u>1,508,673</u>
<u>\$ 2,456,911</u>	<u>\$ 11,979,584</u>	<u>\$ 3,043,490</u>	<u>\$ 1,541,165</u>

(Continued)

**CITY OF WICHITA, KANSAS**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

December 31, 2015

	State Office Building	Environmental TIF Districts	Self-Supported Municipal Improvement District	City - County
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,206,828	\$ 24,579,908	\$ 20,919	\$ 344,852
Investments	-	-	-	-
Receivables, net:				
Due from other agencies	-	-	-	-
Accounts receivable	-	3,371,954	-	-
Notes receivable	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 2,206,828</u>	<u>\$ 27,951,862</u>	<u>\$ 20,919</u>	<u>\$ 344,852</u>
<b>LIABILITIES</b>				
Accounts payable and other liabilities	\$ 372,065	\$ 4,616	\$ 20,919	\$ 206,763
Deposits	-	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>372,065</u>	<u>4,616</u>	<u>20,919</u>	<u>206,763</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue				
Other	-	3,371,954	-	-
Total deferred inflows of resources	<u>-</u>	<u>3,371,954</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	1,834,763	24,575,292	-	138,089
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>1,834,763</u>	<u>24,575,292</u>	<u>-</u>	<u>138,089</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,206,828</u>	<u>\$ 27,951,862</u>	<u>\$ 20,919</u>	<u>\$ 344,852</u>

Grant Assistance	Wichita Area Metropolitan Planning Organization	Total
\$ 1,417,221	\$ -	\$ 52,184,078
3,488,315	-	3,488,315
1,084,169	206,178	1,290,347
1,538,049	-	5,152,645
300,000	-	300,000
-	-	208,664
35,000	-	35,000
74,396	-	74,396
<u>\$ 7,937,150</u>	<u>\$ 206,178</u>	<u>\$ 62,733,445</u>
\$ 722,268	\$ 24,065	\$ 2,103,980
134,297	-	179,797
46,325	-	46,325
-	182,113	208,664
<u>902,890</u>	<u>206,178</u>	<u>2,538,766</u>
-	-	3,371,954
<u>-</u>	<u>-</u>	<u>3,371,954</u>
160,133	-	160,133
6,874,127	-	38,435,943
-	-	16,142,316
-	-	2,084,333
<u>7,034,260</u>	<u>-</u>	<u>56,822,725</u>
<u>\$ 7,937,150</u>	<u>\$ 206,178</u>	<u>\$ 62,733,445</u>

**CITY OF WICHITA, KANSAS**

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS**

December 31, 2015

	<u>Water Main Extension</u>	<u>Park Bond Construction</u>	<u>Public Improvement Construction</u>	<u>Sewer Construction</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 437,004	\$ -	\$ -
Due from other funds	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 437,004</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable and other liabilities	\$ 35,213	\$ 178,846	\$ 1,280,431	\$ 286,655
Accrued interest payable	1,803	372	4,481	3,626
Temporary notes payable	1,496,338	885,835	12,792,075	4,796,586
Due to other funds	614,712	-	9,335,670	896,964
Total liabilities	<u>2,148,066</u>	<u>1,065,053</u>	<u>23,412,657</u>	<u>5,983,831</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	-	-	-	-
Unassigned	<u>(2,148,066)</u>	<u>(628,049)</u>	<u>(23,412,657)</u>	<u>(5,983,831)</u>
Total fund balances (deficits)	<u>(2,148,066)</u>	<u>(628,049)</u>	<u>(23,412,657)</u>	<u>(5,983,831)</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ -</u>	<u>\$ 437,004</u>	<u>\$ -</u>	<u>\$ -</u>

Local Sales Tax CIP	Sales Tax Construction Pledge	Total
\$ 10,667,920	\$ 10,275,939	\$ 21,380,863
27,221,355	-	27,221,355
<u>\$ 37,889,275</u>	<u>\$ 10,275,939</u>	<u>\$ 48,602,218</u>
\$ -	\$ -	\$ 1,781,145
-	-	10,282
-	-	19,970,834
-	-	10,847,346
<u>-</u>	<u>-</u>	<u>32,609,607</u>
37,889,275	10,275,939	48,165,214
-	-	(32,172,603)
<u>37,889,275</u>	<u>10,275,939</u>	<u>15,992,611</u>
<u>\$ 37,889,275</u>	<u>\$ 10,275,939</u>	<u>\$ 48,602,218</u>

**CITY OF WICHITA, KANSAS**

**COMBINING BALANCE SHEET  
GENERAL FUND**

December 31, 2015

	<u>Economic Development</u>	<u>General Fund</u>	<u>Combined General Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,387,764	\$ 44,340,380	\$ 47,728,144
Receivables, net:			
Property taxes	-	71,848,618	71,848,618
Accounts receivable	465,991	1,957,664	2,423,655
Due from other funds	-	800,000	800,000
Inventories	-	76,435	76,435
Prepaid items	-	72,701	72,701
Total assets	<u>\$ 3,853,755</u>	<u>\$ 119,095,798</u>	<u>\$ 122,949,553</u>
<b>LIABILITIES</b>			
Accounts payable and other liabilities	\$ 273,208	\$ 14,648,944	\$ 14,922,152
Deposits	-	59,554	59,554
Total liabilities	<u>273,208</u>	<u>14,708,498</u>	<u>14,981,706</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue			
Property taxes	-	71,848,618	71,848,618
Total deferred inflows of resources	<u>-</u>	<u>71,848,618</u>	<u>71,848,618</u>
<b>FUND BALANCES</b>			
Nonspendable	-	949,136	949,136
Assigned	3,580,547	2,766,035	6,346,582
Unassigned	-	28,823,511	28,823,511
Total fund balances	<u>3,580,547</u>	<u>32,538,682</u>	<u>36,119,229</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,853,755</u>	<u>\$ 119,095,798</u>	<u>\$ 122,949,553</u>

**CITY OF WICHITA, KANSAS**

**COMBINING BALANCE SHEET  
DEBT SERVICE FUND**

December 31, 2015

	Economic Development TIF Districts	Debt Service Fund	Combined Debt Service Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 704,456	\$ 5,287,830	\$ 5,992,286
Cash with fiscal agent	-	15,696,929	15,696,929
Receivables, net:			
Property taxes	-	25,285,627	25,285,627
Special assessments	-	178,886,971	178,886,971
Accounts receivable	55,360	-	55,360
Notes receivable	-	4,067,266	4,067,266
Due from other funds	-	5,712,878	5,712,878
Total assets	<u>\$ 759,816</u>	<u>\$ 234,937,501</u>	<u>\$ 235,697,317</u>
<b>LIABILITIES</b>			
Accounts payable and other liabilities	\$ -	\$ 39,109	\$ 39,109
Deposits	-	293,246	293,246
Total liabilities	<u>-</u>	<u>332,355</u>	<u>332,355</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue			
Property taxes	-	25,285,627	25,285,627
Special assessments	-	178,886,971	178,886,971
Total deferred inflows of resources	<u>-</u>	<u>204,172,598</u>	<u>204,172,598</u>
<b>FUND BALANCES</b>			
Nonspendable	-	4,067,266	4,067,266
Restricted	759,816	26,365,282	27,125,098
Total fund balances	<u>759,816</u>	<u>30,432,548</u>	<u>31,192,364</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 759,816</u>	<u>\$ 234,937,501</u>	<u>\$ 235,697,317</u>

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**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015

	Governmental Fund Types			
	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery	Total
<b>REVENUES</b>				
Taxes	\$ 11,679,708	\$ -	\$ -	\$ 11,679,708
Special assessments	-	11,369	-	11,369
Local sales tax	-	28,934,103	-	28,934,103
Intergovernmental	30,410,104	2,156,622	-	32,566,726
Licenses and permits	5,413,282	-	1,440	5,414,722
Fines and penalties	15,095	-	-	15,095
Rentals	3,414,955	-	-	3,414,955
Interest earnings	15,836	-	30,525	46,361
Charges for services and sales	3,947,735	-	-	3,947,735
Other revenue	3,831,887	2,073,376	160	5,905,423
Total revenues	<u>58,728,602</u>	<u>33,175,470</u>	<u>32,125</u>	<u>91,936,197</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,406,859	-	60,483	4,467,342
Public safety	9,573,512	-	-	9,573,512
Sanitation	2,308,678	-	-	2,308,678
Health and welfare	29,325,161	-	-	29,325,161
Culture and recreation	3,169,822	-	-	3,169,822
Debt service:				
Interest and fiscal charges	-	76,029	-	76,029
Capital outlay	-	35,850,504	-	35,850,504
Total expenditures	<u>48,784,032</u>	<u>35,926,533</u>	<u>60,483</u>	<u>84,771,048</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,944,570</u>	<u>(2,751,063)</u>	<u>(28,358)</u>	<u>7,165,149</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term capital debt	-	4,291,594	-	4,291,594
Transfers from other funds	2,097,959	57,007,282	-	59,105,241
Transfers to other funds	(7,571,926)	(39,070,714)	-	(46,642,640)
Total other financing sources (uses)	<u>(5,473,967)</u>	<u>22,228,162</u>	<u>-</u>	<u>16,754,195</u>
Net change in fund balance	<u>4,470,603</u>	<u>19,477,099</u>	<u>(28,358)</u>	<u>23,919,344</u>
Fund balances (deficits) - beginning	<u>52,352,122</u>	<u>(3,484,488)</u>	<u>749,437</u>	<u>49,617,071</u>
Fund balances - ending	<u>\$ 56,822,725</u>	<u>\$ 15,992,611</u>	<u>\$ 721,079</u>	<u>\$ 73,536,415</u>

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015

	<u>Homelessness Assistance</u>	<u>Tourism and Convention</u>	<u>Special Alcohol Program</u>	<u>Special Parks and Recreation</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ 7,255,040	\$ -	\$ -
Intergovernmental	153,578	-	1,963,336	1,963,336
Licenses and permits	-	-	-	-
Fines and penalties	-	-	-	-
Rentals	-	-	-	-
Interest earnings	-	-	-	-
Charges for services and sales	-	-	-	-
Other revenue	-	-	-	-
Total revenues	<u>153,578</u>	<u>7,255,040</u>	<u>1,963,336</u>	<u>1,963,336</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation	-	-	-	-
Health and welfare	307,521	-	1,741,389	-
Culture and recreation	-	2,652,642	-	-
Total expenditures	<u>307,521</u>	<u>2,652,642</u>	<u>1,741,389</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(153,943)</u>	<u>4,602,398</u>	<u>221,947</u>	<u>1,963,336</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	153,943	-	-	-
Transfers to other funds	-	(4,858,153)	-	(1,910,000)
Total other financing sources (uses)	<u>153,943</u>	<u>(4,858,153)</u>	<u>-</u>	<u>(1,910,000)</u>
Net change in fund balance	<u>-</u>	<u>(255,755)</u>	<u>221,947</u>	<u>53,336</u>
Fund balances - beginning	<u>-</u>	<u>4,192,938</u>	<u>757,737</u>	<u>43,469</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 3,937,183</u>	<u>\$ 979,684</u>	<u>\$ 96,805</u>

Landfill	Landfill Post-closure	Metropolitan Area Building and Construction	Downtown Parking
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	5,413,282	-
-	-	15,095	-
5,796	-	-	145,614
-	-	-	-
926,042	-	1,152,542	1,076,348
1,854	-	1,002	98,269
<u>933,692</u>	<u>-</u>	<u>6,581,921</u>	<u>1,320,231</u>
-	-	-	890,320
-	-	5,573,758	-
1,903,292	405,386	-	-
-	-	-	-
-	-	-	-
<u>1,903,292</u>	<u>405,386</u>	<u>5,573,758</u>	<u>890,320</u>
<u>(969,600)</u>	<u>(405,386)</u>	<u>1,008,163</u>	<u>429,911</u>
-	-	-	-
-	(150,000)	-	(65,972)
-	(150,000)	-	(65,972)
<u>(969,600)</u>	<u>(555,386)</u>	<u>1,008,163</u>	<u>363,939</u>
<u>3,400,882</u>	<u>12,527,649</u>	<u>1,306,268</u>	<u>1,144,734</u>
<u>\$ 2,431,282</u>	<u>\$ 11,972,263</u>	<u>\$ 2,314,431</u>	<u>\$ 1,508,673</u>

(Continued)

**CITY OF WICHITA, KANSAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

For the year ended December 31, 2015

	State Office Building	Environmental TIF Districts	Self-Supported Municipal Improvement District	City - County
<b>REVENUES</b>				
Taxes	\$ -	\$ 3,835,979	\$ 588,689	\$ -
Intergovernmental	-	-	-	1,676,835
Licenses and permits	-	-	-	-
Fines and penalties	-	-	-	-
Rentals	1,609,787	-	-	-
Interest earnings	-	-	-	-
Charges for services and sales	181,124	-	-	209,479
Other revenue	25,318	106,904	-	-
<b>Total revenues</b>	<b>1,816,229</b>	<b>3,942,883</b>	<b>588,689</b>	<b>1,886,314</b>
<b>EXPENDITURES</b>				
Current:				
General government	310,277	-	588,689	1,526,252
Public safety	-	-	-	1,954,181
Sanitation	-	-	-	-
Health and welfare	-	1,232,711	-	-
Culture and recreation	-	-	-	-
<b>Total expenditures</b>	<b>310,277</b>	<b>1,232,711</b>	<b>588,689</b>	<b>3,480,433</b>
Excess (deficiency) of revenues over (under) expenditures	1,505,952	2,710,172	-	(1,594,119)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	-	1,676,835
Transfers to other funds	-	(340,500)	-	(14,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(340,500)</b>	<b>-</b>	<b>1,662,835</b>
<b>Net change in fund balance</b>	<b>1,505,952</b>	<b>2,369,672</b>	<b>-</b>	<b>68,716</b>
Fund balances - beginning	328,811	22,205,620	-	69,373
Fund balances - ending	\$ 1,834,763	\$ 24,575,292	\$ -	\$ 138,089

Grant Assistance	Wichita Area Metropolitan Planning Organization	Total
\$ -	\$ -	\$ 11,679,708
23,677,491	975,528	30,410,104
-	-	5,413,282
-	-	15,095
1,653,758	-	3,414,955
15,836	-	15,836
402,200	-	3,947,735
3,598,540	-	3,831,887
<u>29,347,825</u>	<u>975,528</u>	<u>58,728,602</u>
115,793	975,528	4,406,859
2,045,573	-	9,573,512
-	-	2,308,678
26,043,540	-	29,325,161
517,180	-	3,169,822
<u>28,722,086</u>	<u>975,528</u>	<u>48,784,032</u>
<u>625,739</u>	<u>-</u>	<u>9,944,570</u>
267,181	-	2,097,959
(233,301)	-	(7,571,926)
<u>33,880</u>	<u>-</u>	<u>(5,473,967)</u>
<u>659,619</u>	<u>-</u>	<u>4,470,603</u>
<u>6,374,641</u>	<u>-</u>	<u>52,352,122</u>
<u>\$ 7,034,260</u>	<u>\$ -</u>	<u>\$ 56,822,725</u>

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015

	<u>Water Main Extension</u>	<u>Park Bond Construction</u>	<u>Public Improvement Construction</u>	<u>Sewer Construction</u>
<b>REVENUES</b>				
Special assessments	\$ 1,856	\$ -	\$ -	\$ 9,513
Local sales tax	-	-	-	-
Intergovernmental	-	-	2,156,622	-
Other revenue	14,695	537,602	767,142	740,794
Total revenues	<u>16,551</u>	<u>537,602</u>	<u>2,923,764</u>	<u>750,307</u>
<b>EXPENDITURES</b>				
Debt service:				
Interest and fiscal charges	3,709	3,396	54,446	14,478
Capital outlay	1,137,546	1,595,982	29,460,265	3,656,711
Total expenditures	<u>1,141,255</u>	<u>1,599,378</u>	<u>29,514,711</u>	<u>3,671,189</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,124,704)</u>	<u>(1,061,776)</u>	<u>(26,590,947)</u>	<u>(2,920,882)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term capital debt	946,743	-	-	3,344,851
Transfers from other funds	-	1,239,529	20,091,608	2,296,592
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>946,743</u>	<u>1,239,529</u>	<u>20,091,608</u>	<u>5,641,443</u>
Net change in fund balance	<u>(177,961)</u>	<u>177,753</u>	<u>(6,499,339)</u>	<u>2,720,561</u>
Fund balances (deficits) - beginning	<u>(1,970,105)</u>	<u>(805,802)</u>	<u>(16,913,318)</u>	<u>(8,704,392)</u>
Fund balances (deficits) - ending	<u>\$ (2,148,066)</u>	<u>\$ (628,049)</u>	<u>\$ (23,412,657)</u>	<u>\$ (5,983,831)</u>

Local Sales Tax CIP	Sales Tax Construction Pledge	Total
\$ -	\$ -	\$ 11,369
-	28,934,103	28,934,103
-	-	2,156,622
13,143	-	2,073,376
<u>13,143</u>	<u>28,934,103</u>	<u>33,175,470</u>
-	-	76,029
-	-	35,850,504
-	-	<u>35,926,533</u>
<u>13,143</u>	<u>28,934,103</u>	<u>(2,751,063)</u>
-	-	4,291,594
33,379,553	-	57,007,282
(10,000,000)	(29,070,714)	(39,070,714)
<u>23,379,553</u>	<u>(29,070,714)</u>	<u>22,228,162</u>
<u>23,392,696</u>	<u>(136,611)</u>	<u>19,477,099</u>
<u>14,496,579</u>	<u>10,412,550</u>	<u>(3,484,488)</u>
<u>\$ 37,889,275</u>	<u>\$ 10,275,939</u>	<u>\$ 15,992,611</u>

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015

	<u>Economic Development</u>	<u>General Fund</u>	<u>Combined General Fund</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ 84,780,653	\$ 84,780,653
Franchise taxes	-	44,304,262	44,304,262
Local sales tax	-	28,638,617	28,638,617
Intergovernmental	-	16,580,270	16,580,270
Licenses and permits	-	2,317,736	2,317,736
Fines and penalties	-	9,751,773	9,751,773
Rentals	415,536	2,375,230	2,790,766
Interest earnings	-	1,475,455	1,475,455
Charges for services and sales	240,310	17,759,344	17,999,654
Other revenue	375,755	5,889,280	6,265,035
Total revenues	<u>1,031,601</u>	<u>213,872,620</u>	<u>214,904,221</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,138,978	30,994,855	33,133,833
Public safety	-	121,922,830	121,922,830
Highways and streets	-	20,301,460	20,301,460
Sanitation	-	2,667,876	2,667,876
Health and welfare	-	3,709,409	3,709,409
Culture and recreation	-	30,221,362	30,221,362
Total expenditures	<u>2,138,978</u>	<u>209,817,792</u>	<u>211,956,770</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,107,377)</u>	<u>4,054,828</u>	<u>2,947,451</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	890,000	4,983,720	5,873,720
Transfers to other funds	(103,680)	(6,729,738)	(6,833,418)
Total other financing sources (uses)	<u>786,320</u>	<u>(1,746,018)</u>	<u>(959,698)</u>
Net change in fund balance	<u>(321,057)</u>	<u>2,308,810</u>	<u>1,987,753</u>
Fund balances - beginning	<u>3,901,604</u>	<u>30,229,872</u>	<u>34,131,476</u>
Fund balances - ending	<u>\$ 3,580,547</u>	<u>\$ 32,538,682</u>	<u>\$ 36,119,229</u>

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015

	Economic Development TIF Districts	Debt Service Fund	Combined Debt Service Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>REVENUES</b>			
Taxes	\$ 2,277,035	\$ 29,954,944	\$ 32,231,979
Special assessments	-	29,785,983	29,785,983
Local sales tax	-	385,803	385,803
Rentals	21,672	-	21,672
Sale of property	236,469	-	236,469
Interest earnings	-	203,307	203,307
Other revenue	274,542	77,379	351,921
Total revenues	<u>2,809,718</u>	<u>60,407,416</u>	<u>63,217,134</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal retirement	-	51,669,263	51,669,263
Interest and fiscal charges	-	18,509,455	18,509,455
Other debt service	-	36,841	36,841
Total expenditures	<u>-</u>	<u>70,215,559</u>	<u>70,215,559</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,809,718</u>	<u>(9,808,143)</u>	<u>(6,998,425)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of long-term capital debt	-	37,375,310	37,375,310
Premiums on bonds sold	-	6,044,799	6,044,799
Payments on refunded bonds	-	(32,320,650)	(32,320,650)
Transfers from other funds	-	26,735,699	26,735,699
Transfers to other funds	(3,072,705)	(42,240,774)	(45,313,479)
Total other financing sources (uses)	<u>(3,072,705)</u>	<u>(4,405,616)</u>	<u>(7,478,321)</u>
Net change in fund balance	<u>(262,987)</u>	<u>(14,213,759)</u>	<u>(14,476,746)</u>
Fund balances - beginning, as previously reported	1,022,803	40,292,540	41,315,343
Prior period adjustment	-	4,353,767	4,353,767
Fund balances - beginning, restated	<u>1,022,803</u>	<u>44,646,307</u>	<u>45,669,110</u>
Fund balances - ending	<u>\$ 759,816</u>	<u>\$ 30,432,548</u>	<u>\$ 31,192,364</u>

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014 Actual Amounts
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Local government taxes					
General property taxes					
Property taxes	\$ 70,782,960	\$ 70,781,814	\$ 71,926,606	\$ 1,144,792	\$ 71,249,459
Delinquent property taxes	2,100,000	2,100,000	1,902,735	(197,265)	1,898,051
Payments in lieu of taxes	100,000	100,000	79,244	(20,756)	94,937
Franchise taxes	43,645,727	47,645,071	44,304,262	(3,340,809)	41,863,247
Motor vehicle taxes	10,634,870	11,040,161	10,872,068	(168,093)	10,828,581
Local sales tax	28,830,534	28,690,269	28,638,617	(51,652)	27,839,177
Total local government taxes	156,094,091	160,357,315	157,723,532	(2,633,783)	153,773,452
Intergovernmental	16,135,883	16,425,647	16,580,270	154,623	16,302,277
Licenses and permits	2,786,444	2,762,894	2,317,736	(445,158)	2,504,438
Fines and penalties	12,211,808	10,212,100	9,751,773	(460,327)	9,850,624
Charges for services and sales	17,044,751	17,997,492	17,759,344	(238,148)	8,060,216
Rental income	2,336,197	2,403,167	2,375,230	(27,937)	2,129,515
Interest earnings	480,000	1,040,000	1,475,455	435,455	846,114
Other revenue	5,528,935	6,128,724	5,918,644	(210,080)	13,757,588
Total revenues	212,618,109	217,327,339	213,901,984	(3,425,355)	207,224,224
<b>EXPENDITURES</b>					
City Council:					
Personnel services	651,585	660,651	601,086	59,565	618,931
Contractual services	115,700	106,604	105,679	925	91,678
Materials and supplies	24,100	40,350	26,423	13,927	29,171
Total City Council	791,385	807,605	733,188	74,417	739,780
City Manager:					
Personnel services	1,950,141	2,285,235	2,172,976	112,259	1,858,139
Contractual services	516,057	534,269	370,039	164,230	245,070
Materials and supplies	69,960	74,560	11,329	63,231	17,005
Contingency	50,000	28,000	-	28,000	-
Total City Manager	2,586,158	2,922,064	2,554,344	367,720	2,120,214

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014
	Original	Final		Final Budget Positive (Negative)	
Department of Finance:					
Personnel services	\$ 3,988,758	\$ 4,142,170	\$ 3,558,952	\$ 583,218	\$ 3,465,797
Contractual services	753,820	764,737	687,517	77,220	634,033
Materials and supplies	27,480	38,055	27,069	10,986	22,912
Other expenditures	150,000	150,000	-	150,000	-
<b>Total Department of Finance</b>	<b>4,920,058</b>	<b>5,094,962</b>	<b>4,273,538</b>	<b>821,424</b>	<b>4,122,742</b>
Law Department:					
Personnel services	2,308,980	2,470,562	2,003,393	467,169	1,998,743
Contractual services	284,870	331,318	237,646	93,672	327,753
Materials and supplies	16,520	17,395	6,829	10,566	6,136
<b>Total Law Department</b>	<b>2,610,370</b>	<b>2,819,275</b>	<b>2,247,868</b>	<b>571,407</b>	<b>2,332,632</b>
Municipal Court:					
Personnel services	5,147,164	5,131,213	4,819,808	311,405	4,537,216
Contractual services	1,787,198	1,785,862	1,609,863	175,999	1,524,130
Materials and supplies	63,130	62,966	38,468	24,498	44,945
<b>Total Municipal Court</b>	<b>6,997,492</b>	<b>6,980,041</b>	<b>6,468,139</b>	<b>511,902</b>	<b>6,106,291</b>
Fire Department:					
Personnel services	40,669,535	40,979,242	39,969,501	1,009,741	39,223,443
Contractual services	2,483,401	2,616,679	2,576,565	40,114	2,510,809
Materials and supplies	1,011,650	910,602	884,475	26,127	919,159
<b>Total Fire Department</b>	<b>44,164,586</b>	<b>44,506,523</b>	<b>43,430,541</b>	<b>1,075,982</b>	<b>42,653,411</b>
Police Department:					
Personnel services	72,267,298	72,825,029	69,104,508	3,720,521	68,226,197
Contractual services	7,548,593	7,628,999	7,383,735	245,264	7,287,408
Materials and supplies	2,552,972	2,292,399	1,934,053	358,346	2,271,048
Capital outlay	-	38,000	36,849	1,151	-
Other expenditures	35,430	35,430	35,430	-	36,781
Contingency	(1,880,534)	(2,941,687)	-	(2,941,687)	-
<b>Total Police Department</b>	<b>80,523,759</b>	<b>79,878,170</b>	<b>78,494,575</b>	<b>1,383,595</b>	<b>77,821,434</b>
Housing and Community Services:					
Personnel services	105,383	81,683	59,574	22,109	78,965
Contractual services	3,590	7,675	4,145	3,530	51
Materials and supplies	-	21,000	21,000	-	-
<b>Total Housing and Community Services</b>	<b>108,973</b>	<b>110,358</b>	<b>84,719</b>	<b>25,639</b>	<b>79,016</b>

(Continued)

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014
	Original	Final		Final Budget Positive (Negative)	
Library:					
Personnel services	\$ 6,187,020	\$ 6,194,937	\$ 5,969,300	\$ 225,637	\$ 5,688,650
Contractual services	1,220,285	1,259,610	1,204,523	55,087	1,156,518
Materials and supplies	757,482	786,345	781,136	5,209	757,461
Contingency	(45,685)	(123,613)	-	(123,613)	-
<b>Total Library</b>	<b>8,119,102</b>	<b>8,117,279</b>	<b>7,954,959</b>	<b>162,320</b>	<b>7,602,629</b>
CMO - Cultural Arts Division:					
Personnel services	4,786,750	4,651,170	4,567,778	83,392	4,177,327
Contractual services	2,816,640	3,164,996	3,156,514	8,482	3,231,847
Materials and supplies	187,500	205,282	177,165	28,117	163,593
Other expenditures	60,000	72,500	61,008	11,492	52,544
Contingency	(75,617)	(130,804)	-	(130,804)	-
<b>Total CMO - Cultural Arts Division</b>	<b>7,775,273</b>	<b>7,963,144</b>	<b>7,962,465</b>	<b>679</b>	<b>7,625,311</b>
Public Works and Utilities:					
Personnel services	7,046,405	7,140,583	6,645,403	495,180	6,591,190
Contractual services	7,112,602	7,801,367	7,481,859	319,508	7,388,817
Materials and supplies	825,330	1,025,683	992,324	33,359	903,108
Other expenditures	-	1,000	825	175	-
Contingency	(160,131)	(351,820)	-	(351,820)	-
<b>Total Public Works and Utilities</b>	<b>14,824,206</b>	<b>15,616,813</b>	<b>15,120,411</b>	<b>496,402</b>	<b>14,883,115</b>
Park:					
Personnel services	8,521,031	8,751,329	7,987,461	763,868	7,617,189
Contractual services	4,675,815	5,014,663	4,791,564	223,099	4,554,858
Materials and supplies	854,487	1,007,721	915,699	92,022	742,727
Capital outlay	20,000	968,000	935,631	32,369	30,174
Other expenditures	49,070	1,030,070	576,980	453,090	34,322
Contingency	(608,709)	(748,744)	-	(748,744)	-
<b>Total Park</b>	<b>13,511,694</b>	<b>16,023,039</b>	<b>15,207,335</b>	<b>815,704</b>	<b>12,979,270</b>
Non Departmental:					
Personnel services	1,269,178	-	-	-	1,328
Contractual services	3,250,985	4,289,002	3,905,739	383,263	3,738,822
Materials and supplies	46,485	76,640	55,218	21,422	23,072
Contingency	(2,950,527)	(3,243,376)	47,204	(3,290,580)	45,440
<b>Total Non Departmental</b>	<b>1,616,121</b>	<b>1,122,266</b>	<b>4,008,161</b>	<b>(2,885,895)</b>	<b>3,808,662</b>

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2014 Actual Amounts
	Original	Final			
Metropolitan Area Building and Construction:					
Personnel services	\$ 547,496	\$ 518,137	\$ 517,874	\$ 263	\$ 524,450
Contractual services	309,379	381,464	379,508	1,956	317,353
Materials and supplies	12,784	8,381	6,994	1,387	7,010
<b>Total Metropolitan Area Building and Construction</b>	<b>869,659</b>	<b>907,982</b>	<b>904,376</b>	<b>3,606</b>	<b>848,813</b>
Human Resources:					
Personnel services	1,303,483	1,403,352	1,402,526	826	1,200,061
Contractual services	128,765	114,041	113,541	500	115,236
Materials and supplies	11,000	13,000	12,990	10	8,537
<b>Total Human Resources</b>	<b>1,443,248</b>	<b>1,530,393</b>	<b>1,529,057</b>	<b>1,336</b>	<b>1,323,834</b>
Public Works - Gas Tax:					
Personnel services	10,250,634	10,653,658	9,086,550	1,567,108	8,938,048
Contractual services	7,408,779	8,596,814	8,248,850	347,964	7,336,065
Materials and supplies	2,796,801	3,214,308	2,624,823	589,485	2,827,718
Capital outlay	120,000	68,500	59,897	8,603	50,000
Other expenditures	234,000	154,500	136,503	17,997	-
Contingency	(499,893)	(1,343,871)	-	(1,343,871)	-
<b>Total Public Works - Gas Tax</b>	<b>20,310,321</b>	<b>21,343,909</b>	<b>20,156,623</b>	<b>1,187,286</b>	<b>19,151,831</b>
<b>Total expenditures</b>	<b>211,172,405</b>	<b>215,743,823</b>	<b>211,130,299</b>	<b>4,613,524</b>	<b>204,198,985</b>
Excess of revenues over expenditures	1,445,704	1,583,516	2,771,685	1,188,169	3,025,239
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	5,554,100	5,282,220	4,983,720	(298,500)	5,227,338
Transfers to other funds	(6,999,804)	(6,865,736)	(6,729,738)	135,998	(6,667,420)
<b>Total other financing sources (uses)</b>	<b>(1,445,704)</b>	<b>(1,583,516)</b>	<b>(1,746,018)</b>	<b>(162,502)</b>	<b>(1,440,082)</b>
Net change in fund balance	-	-	1,025,667	1,025,667	1,585,157
Unencumbered fund balance, beginning	25,339,974	26,925,131	26,925,131	-	25,339,974
Unencumbered fund balance, ending	<u>\$ 25,339,974</u>	<u>\$ 26,925,131</u>	<u>\$ 27,950,798</u>	<u>\$ 1,025,667</u>	<u>\$ 26,925,131</u>

The 2015 certified expenditure budget is \$230,172,209, including an appropriated reserve of \$12,000,000. The final budget is \$230,172,209, including an appropriated reserve of \$7,562,650.

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014 Actual Amounts
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Charges for services and sales	\$ 192,500	\$ 192,500	\$ 240,310	\$ 47,810	\$ 204,930
Rental income	394,416	394,416	415,536	21,120	387,811
Administrative charges	336,000	336,000	247,714	(88,286)	287,601
Other revenue	206,228	206,228	778,167	571,939	138,316
<b>Total revenues</b>	<b>1,129,144</b>	<b>1,129,144</b>	<b>1,681,727</b>	<b>552,583</b>	<b>1,018,658</b>
<b>EXPENDITURES</b>					
General government:					
Personnel services	459,094	459,094	318,374	140,720	435,682
Contractual services	1,800,009	1,800,009	1,632,826	167,183	1,475,008
Materials and supplies	22,450	22,450	3,018	19,432	3,691
Capital outlay	-	-	49,471	(49,471)	-
Other expenditures	878,241	878,241	121,790	756,451	117,391
<b>Total expenditures</b>	<b>3,159,794</b>	<b>3,159,794</b>	<b>2,125,479</b>	<b>1,034,315</b>	<b>2,031,772</b>
Deficiency of revenues under expenditures	(2,030,650)	(2,030,650)	(443,752)	1,586,898	(1,013,114)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	1,040,000	1,040,000	890,000	(150,000)	1,040,000
Transfers to other funds	(103,680)	(103,680)	(103,680)	-	(103,680)
<b>Total other financing sources (uses)</b>	<b>936,320</b>	<b>936,320</b>	<b>786,320</b>	<b>(150,000)</b>	<b>936,320</b>
Net change in fund balance	(1,094,330)	(1,094,330)	342,568	1,436,898	(76,794)
Unencumbered fund balance, beginning	1,212,772	1,212,772	3,231,585	2,018,813	3,308,379
Unencumbered fund balance, ending	\$ 118,442	\$ 118,442	\$ 3,574,153	\$ 3,455,711	\$ 3,231,585

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2014 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Intergovernmental	\$ 191,368	\$ 191,368	\$ 153,578	\$ (37,790)	\$ 162,005
Total revenues	191,368	191,368	153,578	(37,790)	162,005
<b>EXPENDITURES</b>					
Health and welfare:					
Contractual services	382,736	382,736	307,521	75,215	324,355
Total expenditures	382,736	382,736	307,521	75,215	324,355
Deficiency of revenues under expenditures	(191,368)	(191,368)	(153,943)	37,425	(162,350)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	191,368	191,368	153,943	(37,425)	162,350
Total other financing sources (uses)	191,368	191,368	153,943	(37,425)	162,350
Net change in fund balance	-	-	-	-	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, 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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2014 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Transient guest taxes	\$ 6,682,085	\$ 6,682,085	\$ 7,255,040	\$ 572,955	\$ 6,754,302
Other revenue	-	-	-	-	63,283
Total revenues	<u>6,682,085</u>	<u>6,682,085</u>	<u>7,255,040</u>	<u>572,955</u>	<u>6,817,585</u>
<b>EXPENDITURES</b>					
Culture and recreation:					
Contractual services	<u>2,769,739</u>	<u>2,769,739</u>	<u>2,688,204</u>	<u>81,535</u>	<u>3,155,214</u>
Total expenditures	<u>2,769,739</u>	<u>2,769,739</u>	<u>2,688,204</u>	<u>81,535</u>	<u>3,155,214</u>
Excess of revenues over expenditures	<u>3,912,346</u>	<u>3,912,346</u>	<u>4,566,836</u>	<u>654,490</u>	<u>3,662,371</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	<u>(6,142,530)</u>	<u>(6,142,530)</u>	<u>(4,858,153)</u>	<u>1,284,377</u>	<u>(2,845,366)</u>
Total other financing sources (uses)	<u>(6,142,530)</u>	<u>(6,142,530)</u>	<u>(4,858,153)</u>	<u>1,284,377</u>	<u>(2,845,366)</u>
Net change in fund balance	(2,230,184)	(2,230,184)	(291,317)	1,938,867	817,005
Unencumbered fund balance, beginning	<u>2,511,415</u>	<u>2,511,415</u>	<u>3,511,837</u>	<u>1,000,422</u>	<u>2,694,832</u>
Unencumbered fund balance, ending	<u>\$ 281,231</u>	<u>\$ 281,231</u>	<u>\$ 3,220,520</u>	<u>\$ 2,939,289</u>	<u>\$ 3,511,837</u>

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2014 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Intergovernmental	\$ 1,975,448	\$ 1,975,448	\$ 1,963,336	\$ (12,112)	\$ 1,867,486
Other revenue	-	-	127,029	127,029	-
Total revenues	<u>1,975,448</u>	<u>1,975,448</u>	<u>2,090,365</u>	<u>114,917</u>	<u>1,867,486</u>
<b>EXPENDITURES</b>					
Health and welfare:					
Contractual services	1,889,829	1,889,829	1,652,756	237,073	1,627,073
Other expenditures	<u>325,000</u>	<u>325,000</u>	<u>175,000</u>	<u>150,000</u>	<u>175,000</u>
Total expenditures	<u>2,214,829</u>	<u>2,214,829</u>	<u>1,827,756</u>	<u>387,073</u>	<u>1,802,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(239,381)</u>	<u>(239,381)</u>	<u>262,609</u>	<u>501,990</u>	<u>65,413</u>
Net change in fund balance	(239,381)	(239,381)	262,609	501,990	65,413
Unencumbered fund balance, beginning	<u>347,811</u>	<u>347,811</u>	<u>460,143</u>	<u>112,332</u>	<u>394,730</u>
Unencumbered fund balance, ending	<u>\$ 108,430</u>	<u>\$ 108,430</u>	<u>\$ 722,752</u>	<u>\$ 614,322</u>	<u>\$ 460,143</u>

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014 Actual Amounts
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Intergovernmental	\$ 1,975,448	\$ 1,975,448	\$ 1,963,336	\$ (12,112)	\$ 1,867,486
Total revenues	<u>1,975,448</u>	<u>1,975,448</u>	<u>1,963,336</u>	<u>(12,112)</u>	<u>1,867,486</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(1,975,448)	(1,975,448)	(1,910,000)	65,448	(1,867,348)
Total other financing sources (uses)	<u>(1,975,448)</u>	<u>(1,975,448)</u>	<u>(1,910,000)</u>	<u>65,448</u>	<u>(1,867,348)</u>
Net change in fund balance	-	-	53,336	53,336	138
Unencumbered fund balance, beginning	<u>93,893</u>	<u>93,893</u>	<u>43,469</u>	<u>(50,424)</u>	<u>43,331</u>
Unencumbered fund balance, ending	<u>\$ 93,893</u>	<u>\$ 93,893</u>	<u>\$ 96,805</u>	<u>\$ 2,912</u>	<u>\$ 43,469</u>

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014 Actual Amounts
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Charges for services and sales	\$ 1,235,000	\$ 1,235,000	\$ 926,042	\$ (308,958)	\$ 1,001,230
Rental income	50,000	50,000	5,796	(44,204)	4,032
Other revenue	-	-	1,854	1,854	2,010
Total revenues	<u>1,285,000</u>	<u>1,285,000</u>	<u>933,692</u>	<u>(351,308)</u>	<u>1,007,272</u>
<b>EXPENDITURES</b>					
Sanitation:					
Personnel services	-	-	34,071	(34,071)	5,469
Contractual services	1,002,925	1,002,925	438,542	564,383	890,000
Materials and supplies	12,353	12,353	11,793	560	3,608
Capital outlay	-	-	1,119,009	(1,119,009)	-
Other expenditures	<u>3,600,000</u>	<u>3,600,000</u>	<u>300,000</u>	<u>3,300,000</u>	<u>350,000</u>
Total expenditures	<u>4,615,278</u>	<u>4,615,278</u>	<u>1,903,415</u>	<u>2,711,863</u>	<u>1,249,077</u>
Deficiency of revenues under expenditures	<u>(3,330,278)</u>	<u>(3,330,278)</u>	<u>(969,723)</u>	<u>2,360,555</u>	<u>(241,805)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	(3,380,278)	(3,380,278)	(969,723)	2,410,555	(241,805)
Unencumbered fund balance, beginning	<u>3,514,804</u>	<u>3,514,804</u>	<u>3,399,816</u>	<u>(114,988)</u>	<u>3,641,621</u>
Unencumbered fund balance, ending	<u>\$ 134,526</u>	<u>\$ 134,526</u>	<u>\$ 2,430,093</u>	<u>\$ 2,295,567</u>	<u>\$ 3,399,816</u>

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Interest earnings	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)	\$ -
Other revenue	-	-	9,004	9,004	1,136,066
Total revenues	200,000	200,000	9,004	(190,996)	1,136,066
<b>EXPENDITURES</b>					
Sanitation:					
Personnel services	230,119	230,119	186,565	43,554	213,533
Contractual services	605,034	605,034	173,940	431,094	192,319
Materials and supplies	118,523	118,523	10,309	108,214	11,817
Capital outlay	-	-	-	-	15,999
Other expenditures	9,175,000	9,175,000	-	9,175,000	-
Total expenditures	10,128,676	10,128,676	370,814	9,757,862	433,668
Excess (deficiency) of revenues over (under) expenditures	(9,928,676)	(9,928,676)	(361,810)	9,566,866	702,398
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(450,000)	(450,000)	(150,000)	300,000	(8,000,000)
Total other financing sources (uses)	(450,000)	(450,000)	(150,000)	300,000	(8,000,000)
Net change in fund balance	(10,378,676)	(10,378,676)	(511,810)	9,866,866	(7,297,602)
Unencumbered fund balance, beginning	10,756,712	10,756,712	12,410,160	1,653,448	19,707,762
Unencumbered fund balance, ending	\$ 378,036	\$ 378,036	\$ 11,898,350	\$ 11,520,314	\$ 12,410,160

**CITY OF WICHITA, KANSAS**

**METROPOLITAN AREA BUILDING AND CONSTRUCTION DEPARTMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Licenses and permits	\$ 4,911,970	\$ 4,911,970	\$ 5,413,282	\$ 501,312	\$ 4,734,416
Fines and penalties	5,775	5,775	15,095	9,320	6,870
Charges for services and sales	904,630	904,630	1,152,542	247,912	868,575
Other revenue	1,000	1,000	1,002	2	98,286
Total revenues	5,823,375	5,823,375	6,581,921	758,546	5,708,147
<b>EXPENDITURES</b>					
Public safety:					
Personnel services	3,650,003	3,650,003	3,477,003	173,000	3,641,236
Contractual services	1,661,178	1,661,178	1,970,405	(309,227)	1,586,503
Materials and supplies	86,198	86,198	40,963	45,235	67,735
Capital outlay	25,000	25,000	-	25,000	-
Other expenditures	674,560	674,560	81,598	592,962	73,989
Total expenditures	6,096,939	6,096,939	5,569,969	526,970	5,369,463
Excess (deficiency) of revenues over (under) expenditures	(273,564)	(273,564)	1,011,952	1,285,516	338,684
Net change in fund balance	(273,564)	(273,564)	1,011,952	1,285,516	338,684
Unencumbered fund balance, beginning	533,251	533,251	1,301,131	767,880	962,447
Unencumbered fund balance, ending	\$ 259,687	\$ 259,687	\$ 2,313,083	\$ 2,053,396	\$ 1,301,131

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014 Actual Amounts
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Charges for services and sales	\$ 1,354,527	\$ 1,354,527	\$ 1,076,348	\$ (278,179)	\$ 1,533,980
Rental income	359,000	359,000	145,614	(213,386)	117,583
Other revenue	-	-	98,269	98,269	102,981
Total revenues	<u>1,713,527</u>	<u>1,713,527</u>	<u>1,320,231</u>	<u>(393,296)</u>	<u>1,754,544</u>
<b>EXPENDITURES</b>					
General government:					
Personnel services	-	-	31,621	(31,621)	1,618
Contractual services	1,250,054	1,250,054	758,938	491,116	597,463
Materials and supplies	47,100	47,100	27,564	19,536	10,736
Capital outlay	10,000	10,000	-	10,000	-
Other expenditures	<u>879,114</u>	<u>879,114</u>	<u>72,200</u>	<u>806,914</u>	<u>77,725</u>
Total expenditures	<u>2,186,268</u>	<u>2,186,268</u>	<u>890,323</u>	<u>1,295,945</u>	<u>687,542</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(472,741)</u>	<u>(472,741)</u>	<u>429,908</u>	<u>902,649</u>	<u>1,067,002</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	<u>(10,500)</u>	<u>(10,500)</u>	<u>(65,972)</u>	<u>(55,472)</u>	<u>(10,500)</u>
Total other financing sources (uses)	<u>(10,500)</u>	<u>(10,500)</u>	<u>(65,972)</u>	<u>(55,472)</u>	<u>(10,500)</u>
Net change in fund balance	(483,241)	(483,241)	363,936	847,177	1,056,502
Unencumbered fund balance, beginning	<u>557,368</u>	<u>557,368</u>	<u>1,144,478</u>	<u>587,110</u>	<u>87,976</u>
Unencumbered fund balance, ending	<u>\$ 74,127</u>	<u>\$ 74,127</u>	<u>\$ 1,508,414</u>	<u>\$ 1,434,287</u>	<u>\$ 1,144,478</u>

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2014 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Charges for services and sales	\$ -	\$ -	\$ 181,124	\$ 181,124	\$ 37,954
Rental income	870,453	870,453	1,635,105	764,652	84,952
Total revenues	870,453	870,453	1,816,229	945,776	122,906
<b>EXPENDITURES</b>					
General government:					
Personnel services	-	-	9,504	(9,504)	-
Contractual services	322,801	322,801	286,744	36,057	268,077
Materials and supplies	15,626	15,626	14,010	1,616	1,032
Other expenditures	905,150	905,150	-	905,150	360
Total expenditures	1,243,577	1,243,577	310,258	933,319	269,469
Excess (deficiency) of revenues over (under) expenditures	(373,124)	(373,124)	1,505,971	1,879,095	(146,563)
Net change in fund balance	(373,124)	(373,124)	1,505,971	1,879,095	(146,563)
Unencumbered fund balance, beginning	373,124	373,124	328,792	(44,332)	475,355
Unencumbered fund balance, ending	\$ -	\$ -	\$ 1,834,763	\$ 1,834,763	\$ 328,792

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Property taxes	\$ 2,670,440	\$ 2,670,440	\$ 2,670,041	\$ (399)	\$ 2,681,555
Other revenue	110,000	110,000	173,818	63,818	513,807
Total revenues	2,780,440	2,780,440	2,843,859	63,419	3,195,362
<b>EXPENDITURES</b>					
Health and welfare:					
Contractual services	1,425,490	1,425,490	1,214,799	210,691	423,786
Materials and supplies	148,124	148,124	70,033	78,091	28,995
Other expenditures	7,623,568	7,623,568	197,744	7,425,824	192,470
Total expenditures	9,197,182	9,197,182	1,482,576	7,714,606	645,251
Excess (deficiency) of revenues over (under) expenditures	(6,416,742)	(6,416,742)	1,361,283	7,778,025	2,550,111
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(340,500)	(340,500)	(340,500)	-	(350,700)
Total other financing sources (uses)	(340,500)	(340,500)	(340,500)	-	(350,700)
Net change in fund balance	(6,757,242)	(6,757,242)	1,020,783	7,778,025	2,199,411
Unencumbered fund balance, beginning	7,142,186	7,142,186	10,754,052	3,611,866	8,554,641
Unencumbered fund balance, ending	\$ 384,944	\$ 384,944	\$ 11,774,835	\$ 11,389,891	\$ 10,754,052

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014 Actual Amounts
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Property taxes	\$ 1,165,500	\$ 1,165,500	\$ 1,165,938	\$ 438	\$ 1,170,937
Other revenue	-	-	1,386	1,386	7,683
Total revenues	<u>1,165,500</u>	<u>1,165,500</u>	<u>1,167,324</u>	<u>1,824</u>	<u>1,178,620</u>
<b>EXPENDITURES</b>					
Health and welfare:					
Contractual services	2,158,034	2,158,034	544,701	1,613,333	447,622
Materials and supplies	304,000	304,000	3,765	300,235	7,409
Capital outlay	-	-	-	-	200,652
Other expenditures	<u>4,993,568</u>	<u>4,993,568</u>	<u>197,744</u>	<u>4,795,824</u>	<u>192,470</u>
Total expenditures	<u>7,455,602</u>	<u>7,455,602</u>	<u>746,210</u>	<u>6,709,392</u>	<u>848,153</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,290,102)</u>	<u>(6,290,102)</u>	<u>421,114</u>	<u>6,711,216</u>	<u>330,467</u>
Net change in fund balance	(6,290,102)	(6,290,102)	421,114	6,711,216	330,467
Unencumbered fund balance, beginning	<u>6,592,552</u>	<u>6,592,552</u>	<u>9,979,404</u>	<u>3,386,852</u>	<u>9,648,937</u>
Unencumbered fund balance, ending	<u>\$ 302,450</u>	<u>\$ 302,450</u>	<u>\$ 10,400,518</u>	<u>\$ 10,098,068</u>	<u>\$ 9,979,404</u>

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014 Actual Amounts
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Property taxes	\$ 562,403	\$ 562,403	\$ 563,258	\$ 855	\$ 551,225
Motor vehicle taxes	21,138	21,138	25,431	4,293	23,091
Other revenue	39,269	39,269	-	(39,269)	-
Total revenues	622,810	622,810	588,689	(34,121)	574,316
<b>EXPENDITURES</b>					
General government:					
Contractual services	622,810	622,810	588,689	34,121	574,316
Total expenditures	622,810	622,810	588,689	34,121	574,316
Excess of revenues over expenditures	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, 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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2014 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Intergovernmental	\$ 1,035,066	\$ 1,035,066	\$ 1,010,359	\$ (24,707)	\$ 978,215
Charges for services and sales	-	-	-	-	5,959
Other revenue	-	-	-	-	37,078
<b>Total revenues</b>	<b>1,035,066</b>	<b>1,035,066</b>	<b>1,010,359</b>	<b>(24,707)</b>	<b>1,021,252</b>
<b>EXPENDITURES</b>					
Public safety:					
Personnel services	1,225,659	1,225,659	1,216,391	9,268	1,170,729
Contractual services	531,816	531,816	572,919	(41,103)	617,906
Materials and supplies	312,657	312,657	231,408	81,249	210,832
<b>Total expenditures</b>	<b>2,070,132</b>	<b>2,070,132</b>	<b>2,020,718</b>	<b>49,414</b>	<b>1,999,467</b>
Deficiency of revenues under expenditures	(1,035,066)	(1,035,066)	(1,010,359)	24,707	(978,215)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	1,035,066	1,035,066	1,010,359	(24,707)	978,215
<b>Total other financing sources (uses)</b>	<b>1,035,066</b>	<b>1,035,066</b>	<b>1,010,359</b>	<b>(24,707)</b>	<b>978,215</b>
Net change in fund balance	-	-	-	-	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014
	Original	Final		Final Budget	
				Positive (Negative)	
<b>REVENUES</b>					
Intergovernmental	\$ 740,341	\$ 740,341	\$ 666,476	\$ (73,865)	\$ 717,936
Charges for services and sales	187,801	187,801	209,479	21,678	156,585
Total revenues	928,142	928,142	875,955	(52,187)	874,521
<b>EXPENDITURES</b>					
General government:					
Personnel services	1,479,482	1,479,482	1,414,273	65,209	1,467,068
Contractual services	122,754	122,754	99,777	22,977	103,163
Materials and supplies	15,260	15,260	14,381	879	8,226
Other expenditures	36,987	36,987	-	36,987	-
Total expenditures	1,654,483	1,654,483	1,528,431	126,052	1,578,457
Deficiency of revenues under expenditures	(726,341)	(726,341)	(652,476)	73,865	(703,936)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	740,341	740,341	666,476	(73,865)	717,936
Transfers to other funds	(14,000)	(14,000)	(14,000)	-	(14,000)
Total other financing sources (uses)	726,341	726,341	652,476	(73,865)	703,936
Net change in fund balance	-	-	-	-	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, 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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014
	Original	Final		Final Budget	Actual Amounts
				Positive (Negative)	
<b>REVENUES</b>					
Local sales tax	\$ 28,830,534	\$ 28,830,534	\$ 28,934,103	\$ 103,569	\$ 28,144,716
Total revenues	28,830,534	28,830,534	28,934,103	103,569	28,144,716
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(36,884,290)	(36,884,290)	(29,070,714)	7,813,576	(25,999,903)
Total other financing sources (uses)	(36,884,290)	(36,884,290)	(29,070,714)	7,813,576	(25,999,903)
Net change in fund balance	(8,053,756)	(8,053,756)	(136,611)	7,917,145	2,144,813
Unencumbered fund balance, beginning	9,808,577	9,808,577	10,412,550	603,973	8,267,737
Unencumbered fund balance, ending	\$ 1,754,821	\$ 1,754,821	\$ 10,275,939	\$ 8,521,118	\$ 10,412,550

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014 Actual Amounts
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Local government taxes					
General property taxes					
Property taxes	\$ 25,069,371	\$ 25,069,371	\$ 25,476,136	\$ 406,765	\$ 25,266,668
Delinquent property taxes	900,000	900,000	644,611	(255,389)	617,662
Special assessments	34,926,223	34,926,223	27,725,862	(7,200,361)	29,034,879
Delinquent special assessments	2,140,161	2,140,161	2,060,121	(80,040)	2,372,208
Motor vehicle taxes	3,765,104	3,765,104	3,834,197	69,093	3,545,144
Local sales tax	-	-	385,803	385,803	159,088
Total local government taxes	<u>66,800,859</u>	<u>66,800,859</u>	<u>60,126,730</u>	<u>(6,674,129)</u>	<u>60,995,649</u>
Interest earnings	-	-	14,798	14,798	347,549
Sale of property	-	-	18,972	18,972	82,197
Other revenue	<u>1,286,500</u>	<u>1,286,500</u>	<u>344,908</u>	<u>(941,592)</u>	<u>732,925</u>
Total revenues	<u>68,087,359</u>	<u>68,087,359</u>	<u>60,505,408</u>	<u>(7,581,951)</u>	<u>62,158,320</u>
<b>EXPENDITURES</b>					
Interest on general obligation bonds	-	-	9,230,263	(9,230,263)	6,250,891
Interest on special assessment bonds	-	-	7,595,411	(7,595,411)	7,818,064
Interest on STAR bonds	-	-	126,941	(126,941)	119,643
Retirement of general obligation bonds	74,430,523	74,430,523	29,920,239	44,510,284	25,174,716
Retirement of special assessment bonds	-	-	21,631,849	(21,631,849)	22,285,000
Retirement of STAR bonds	-	-	117,175	(117,175)	-
Other expenditures	-	-	139,267	(139,267)	338,337
Total expenditures	<u>74,430,523</u>	<u>74,430,523</u>	<u>68,761,145</u>	<u>5,669,378</u>	<u>61,986,651</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,343,164)</u>	<u>(6,343,164)</u>	<u>(8,255,737)</u>	<u>(1,912,573)</u>	<u>171,669</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from issuance of long-term debt	-	-	3,870	3,870	304,140
Premiums on bonds sold	-	-	487,220	487,220	146,419
Transfers from other funds	28,193,879	28,193,879	26,735,699	(1,458,180)	28,318,320
Transfers to other funds	<u>(45,000,000)</u>	<u>(45,000,000)</u>	<u>(42,240,774)</u>	<u>2,759,226</u>	<u>(25,251,527)</u>
Total other financing sources (uses)	<u>(16,806,121)</u>	<u>(16,806,121)</u>	<u>(15,013,985)</u>	<u>1,792,136</u>	<u>3,517,352</u>
Net change in fund balance	(23,149,285)	(23,149,285)	(23,269,722)	(120,437)	3,689,021
Unencumbered fund balance, beginning	<u>28,232,487</u>	<u>28,232,487</u>	<u>33,938,075</u>	<u>5,705,588</u>	<u>30,249,054</u>
Unencumbered fund balance, ending	<u>\$ 5,083,202</u>	<u>\$ 5,083,202</u>	<u>\$ 10,668,353</u>	<u>\$ 5,585,151</u>	<u>\$ 33,938,075</u>

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014 Actual Amounts
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Property taxes	\$ 1,709,037	\$ 1,709,037	\$ 1,580,658	\$ (128,379)	\$ 1,625,019
Rental income	50,000	50,000	21,672	(28,328)	17,572
Total revenues	1,759,037	1,759,037	1,602,330	(156,707)	1,642,591
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(2,000,000)	(2,000,000)	(1,763,246)	236,754	(1,580,000)
Total other financing sources (uses)	(2,000,000)	(2,000,000)	(1,763,246)	236,754	(1,580,000)
Net change in fund balance	(240,963)	(240,963)	(160,916)	80,047	62,591
Unencumbered fund balance, beginning	244,980	244,980	172,138	(72,842)	109,547
Unencumbered fund balance, ending	\$ 4,017	\$ 4,017	\$ 11,222	\$ 7,205	\$ 172,138

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2014 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 153,320	\$ 153,320	\$ 104,236	\$ (49,084)	\$ 135,244
Sale of property	-	-	236,469	236,469	-
Total revenues	<u>153,320</u>	<u>153,320</u>	<u>340,705</u>	<u>187,385</u>	<u>135,244</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	<u>(153,320)</u>	<u>(153,320)</u>	<u>(130,000)</u>	<u>23,320</u>	<u>(155,887)</u>
Total other financing sources (uses)	<u>(153,320)</u>	<u>(153,320)</u>	<u>(130,000)</u>	<u>23,320</u>	<u>(155,887)</u>
Net change in fund balance	-	-	210,705	210,705	(20,643)
Unencumbered fund balance, beginning	<u>7,643</u>	<u>7,643</u>	<u>-</u>	<u>(7,643)</u>	<u>20,643</u>
Unencumbered fund balance, ending	<u>\$ 7,643</u>	<u>\$ 7,643</u>	<u>\$ 210,705</u>	<u>\$ 203,062</u>	<u>\$ -</u>

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2014 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 297,894	\$ 297,894	\$ 281,640	\$ (16,254)	\$ 291,982
Other revenue	95,000	95,000	90,000	(5,000)	45,000
Total revenues	392,894	392,894	371,640	(21,254)	336,982
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(402,111)	(402,111)	(371,640)	30,471	(336,982)
Total other financing sources (uses)	(402,111)	(402,111)	(371,640)	30,471	(336,982)
Net change in fund balance	(9,217)	(9,217)	-	9,217	-
Unencumbered fund balance, beginning	9,217	9,217	-	(9,217)	-
Unencumbered fund balance, ending	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2014 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 31,600	\$ 31,600	\$ 26,403	\$ (5,197)	\$ 14,779
Total revenues	31,600	31,600	26,403	(5,197)	14,779
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(31,600)	(31,600)	(26,403)	5,197	(14,873)
Total other financing sources (uses)	(31,600)	(31,600)	(26,403)	5,197	(14,873)
Net change in fund balance	-	-	-	-	(94)
Unencumbered fund balance, beginning	94	94	-	(94)	94
Unencumbered fund balance, ending	\$ 94	\$ 94	\$ -	\$ (94)	\$ -

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014
	Original	Final		Final Budget	
				Positive (Negative)	
<b>REVENUES</b>					
Property taxes	\$ 291,299	\$ 291,299	\$ 178,263	\$ (113,036)	\$ 273,828
Other revenue	-	-	30,828	30,828	22,294
Total revenues	291,299	291,299	209,091	(82,208)	296,122
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(652,271)	(652,271)	(400,000)	252,271	-
Total other financing sources (uses)	(652,271)	(652,271)	(400,000)	252,271	-
Net change in fund balance	(360,972)	(360,972)	(190,909)	170,063	296,122
Unencumbered fund balance, beginning	360,972	360,972	402,217	41,245	106,095
Unencumbered fund balance, ending	\$ -	\$ -	\$ 211,308	\$ 211,308	\$ 402,217

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014 Actual Amounts
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Property taxes	\$ 165,350	\$ 165,350	\$ 54,631	\$ (110,719)	\$ 77,061
Other revenue	-	-	153,714	153,714	42,995
Total revenues	<u>165,350</u>	<u>165,350</u>	<u>208,345</u>	<u>42,995</u>	<u>120,056</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(491,930)	(491,930)	(165,350)	326,580	-
Total other financing sources (uses)	<u>(491,930)</u>	<u>(491,930)</u>	<u>(165,350)</u>	<u>326,580</u>	<u>-</u>
Net change in fund balance	(326,580)	(326,580)	42,995	369,575	120,056
Unencumbered fund balance, beginning	<u>326,580</u>	<u>326,580</u>	<u>283,586</u>	<u>(42,994)</u>	<u>163,530</u>
Unencumbered fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,581</u>	<u>\$ 326,581</u>	<u>\$ 283,586</u>

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Property taxes	\$ 183,851	\$ 183,851	\$ 51,204	\$ (132,647)	\$ 40,772
Total revenues	183,851	183,851	51,204	(132,647)	40,772
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(343,538)	(343,538)	(216,066)	127,472	-
Total other financing sources (uses)	(343,538)	(343,538)	(216,066)	127,472	-
Net change in fund balance	(159,687)	(159,687)	(164,862)	(5,175)	40,772
Unencumbered fund balance, beginning	159,687	159,687	164,862	5,175	124,090
Unencumbered fund balance, ending	\$ -	\$ -	\$ -	\$ -	\$ 164,862

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2014 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Licenses and permits	\$ 2,650	\$ 2,650	\$ 1,440	\$ (1,210)	\$ 2,350
Interest earnings	18,000	18,000	30,525	12,525	33,718
Other revenue	-	-	160	160	350
<b>Total revenues</b>	<b>20,650</b>	<b>20,650</b>	<b>32,125</b>	<b>11,475</b>	<b>36,418</b>
<b>EXPENDITURES</b>					
General government:					
Personnel services	4,312	4,312	-	4,312	-
Contractual services	79,920	79,920	60,437	19,483	48,668
Materials and supplies	3,500	3,500	46	3,454	97
<b>Total expenditures</b>	<b>87,732</b>	<b>87,732</b>	<b>60,483</b>	<b>27,249</b>	<b>48,765</b>
Deficiency of revenues under expenditures	(67,082)	(67,082)	(28,358)	38,724	(12,347)
Net change in fund balance	(67,082)	(67,082)	(28,358)	38,724	(12,347)
Unencumbered fund balance, beginning	696,592	696,592	749,437	52,845	761,784
Unencumbered fund balance, ending	<u>\$ 629,510</u>	<u>\$ 629,510</u>	<u>\$ 721,079</u>	<u>\$ 91,569</u>	<u>\$ 749,437</u>

## ***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 five public 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, 2015

	Golf Course System	Transit	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 425,792	\$ -	\$ 425,792
Receivables, net:			
Due from other agencies	-	1,402,030	1,402,030
Accounts receivable	6,575	1,295,838	1,302,413
Due from other funds	-	65,368	65,368
Inventories	-	428,041	428,041
Prepaid items	3,700	-	3,700
Total current assets	<u>436,067</u>	<u>3,191,277</u>	<u>3,627,344</u>
Noncurrent assets:			
Capital assets:			
Land	727,968	1,880,751	2,608,719
Buildings	2,820,781	12,831,943	15,652,724
Improvements other than buildings	14,316,362	626,092	14,942,454
Machinery, equipment and other assets	1,808,553	25,212,026	27,020,579
Construction in progress	-	495,041	495,041
Less accumulated depreciation	<u>(14,493,630)</u>	<u>(17,887,380)</u>	<u>(32,381,010)</u>
Total capital assets, net	<u>5,180,034</u>	<u>23,158,473</u>	<u>28,338,507</u>
Total noncurrent assets	<u>5,180,034</u>	<u>23,158,473</u>	<u>28,338,507</u>
 Total assets	 <u>5,616,101</u>	 <u>26,349,750</u>	 <u>31,965,851</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	324,669	223,210	547,879
Total deferred outflows of resources	<u>324,669</u>	<u>223,210</u>	<u>547,879</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and other liabilities	181,362	573,744	755,106
Accrued interest payable	-	301	301
Temporary notes payable	-	716,172	716,172
Deposits	6,577	-	6,577
Due to other funds	-	953,826	953,826
Current portion of long-term obligations:			
Compensated absences	122,584	208,292	330,876
Total current liabilities	<u>310,523</u>	<u>2,452,335</u>	<u>2,762,858</u>
Noncurrent liabilities:			
Due to other funds	5,712,878	1,218,660	6,931,538
Net pension liability	372,924	256,386	629,310
Compensated absences	7,811	-	7,811
Total noncurrent liabilities	<u>6,093,613</u>	<u>1,475,046</u>	<u>7,568,659</u>
 Total liabilities	 <u>6,404,136</u>	 <u>3,927,381</u>	 <u>10,331,517</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	87,789	60,354	148,143
Total deferred inflows of resources	<u>87,789</u>	<u>60,354</u>	<u>148,143</u>
<b>NET POSITION</b>			
Net investment in capital assets	5,180,034	22,442,301	27,622,335
Restricted for:			
Capital projects	-	29,227	29,227
Unrestricted	(5,731,189)	113,697	(5,617,492)
Total net position	<u>\$ (551,155)</u>	<u>\$ 22,585,225</u>	<u>\$ 22,034,070</u>

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015

	Golf Course System	Transit	Total
<b>OPERATING REVENUES</b>			
Charges for services and sales	\$ 555,450	\$ 2,012,660	\$ 2,568,110
Fees	3,039,257	-	3,039,257
Rentals	1,037,701	76,295	1,113,996
Other operating revenues	3,320	848,677	851,997
Total operating revenues	<u>4,635,728</u>	<u>2,937,632</u>	<u>7,573,360</u>
<b>OPERATING EXPENSES</b>			
Personnel services	2,561,456	7,597,417	10,158,873
Contractual services	815,272	4,771,726	5,586,998
Materials and supplies	661,731	1,654,049	2,315,780
Other operating expenses	70,976	65,292	136,268
Administrative charges	171,651	401,152	572,803
Depreciation	637,405	1,765,834	2,403,239
Total operating expenses	<u>4,918,491</u>	<u>16,255,470</u>	<u>21,173,961</u>
Operating loss	<u>(282,763)</u>	<u>(13,317,838)</u>	<u>(13,600,601)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Operating grants	-	4,592,173	4,592,173
Other revenues	-	58,487	58,487
Interest expense	(31,854)	(301)	(32,155)
Gain on sale of assets	-	46,755	46,755
Total non-operating revenues (expenses)	<u>(31,854)</u>	<u>4,697,114</u>	<u>4,665,260</u>
Loss before contributions and transfers	<u>(314,617)</u>	<u>(8,620,724)</u>	<u>(8,935,341)</u>
Capital contributions and operating transfers			
Capital contributions - cash	-	8,784,483	8,784,483
Capital contributions - non cash	32,044	-	32,044
Transfers from other funds	-	3,739,080	3,739,080
Change in net position	<u>(282,573)</u>	<u>3,902,839</u>	<u>3,620,266</u>
Net position - beginning, as previously reported	(128,441)	18,778,733	18,650,292
Prior period adjustment	<u>(140,141)</u>	<u>(96,347)</u>	<u>(236,488)</u>
Net position - beginning, restated	<u>(268,582)</u>	<u>18,682,386</u>	<u>18,413,804</u>
Net position - ending	<u>\$ (551,155)</u>	<u>\$ 22,585,225</u>	<u>\$ 22,034,070</u>

**CITY OF WICHITA, KANSAS**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS**

For the year ended December 31, 2015

	Golf Course System	Transit	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 4,548,662	\$ 849,499	\$ 5,398,161
Cash payments to suppliers for goods and services	(1,544,524)	(5,086,671)	(6,631,195)
Cash payments to employees for services	(2,549,553)	(7,589,093)	(10,138,646)
Other operating revenues	-	783,385	783,385
Other operating expenses	<u>(67,656)</u>	<u>-</u>	<u>(67,656)</u>
Net cash provided by (used in) operating activities	<u>386,929</u>	<u>(11,042,880)</u>	<u>(10,655,951)</u>
Operating grants received	-	4,434,998	4,434,998
Interfund loans	347,500	(529,354)	(181,854)
Transfers from other funds	-	3,739,080	3,739,080
Net cash provided by (used in) noncapital financing activities	<u>347,500</u>	<u>7,644,724</u>	<u>7,992,224</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Issuance of temporary notes	-	716,172	716,172
Principal payments on long-term debt	(695,000)	-	(695,000)
Interest payments on long-term debt	(34,753)	-	(34,753)
Additions to property, plant and equipment	(20,755)	(5,709,899)	(5,730,654)
Proceeds from sale of capital assets	-	131,760	131,760
Capital contributions	-	8,260,123	8,260,123
Net cash provided by (used in) capital and related financing activities	<u>(750,508)</u>	<u>3,398,156</u>	<u>2,647,648</u>
Net increase (decrease) in cash and temporary investments	(16,079)	-	(16,079)
Cash and temporary investments - beginning	441,871	-	441,871
Cash and temporary investments - ending	<u>\$ 425,792</u>	<u>\$ -</u>	<u>\$ 425,792</u>
 <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (282,763)	\$ (13,317,838)	\$ (13,600,601)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	637,405	1,765,834	2,403,239
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(2,212)	405,544	403,332
(Increase) decrease in inventory	-	(91,811)	(91,811)
(Increase) decrease in prepaid items	(3,700)	-	(3,700)
Increase (decrease) in accounts payable	103,733	184,250	287,983
Increase (decrease) in deposits	(81,534)	-	(81,534)
Increase (decrease) in compensated absences	16,000	11,141	27,141
Total adjustments	<u>669,692</u>	<u>2,274,958</u>	<u>2,944,650</u>
Net cash provided by (used in) operating activities	<u>\$ 386,929</u>	<u>\$ (11,042,880)</u>	<u>\$ (10,655,951)</u>
 <b>SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	32,044	-	32,044

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014 Actual Amounts
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Charges for services and sales	\$ 87,634,030	\$ 87,634,030	\$ 76,504,694	\$ (11,129,336)	\$ 77,055,290
Fees	312,000	312,000	379,048	67,048	347,177
Rental income	28,560	28,560	36,311	7,751	36,662
Interest earnings	-	-	99,463	99,463	14,777
Other revenue	1,000	1,000	109,220	108,220	269,472
<b>Total revenues</b>	<b>87,975,590</b>	<b>87,975,590</b>	<b>77,128,736</b>	<b>(10,846,854)</b>	<b>77,723,378</b>
<b>EXPENDITURES</b>					
Personnel services	10,091,242	10,091,242	10,971,183	(879,941)	10,488,045
Contractual services	12,631,310	12,631,310	12,560,820	70,490	12,129,117
Materials and supplies	5,000,462	5,000,462	5,431,158	(430,696)	4,883,165
Capital outlay	3,914,870	3,914,870	1,037,923	2,876,947	894,537
Other operating expenditures	3,429,904	3,429,904	3,441,922	(12,018)	3,333,853
Cost of materials used	2,110,000	2,110,000	211,372	1,898,628	-
City administrative charges	684,319	684,319	741,288	(56,969)	684,319
Payments in lieu of franchise taxes	3,999,507	3,999,507	3,758,544	240,963	3,230,905
Other non-operating expenditures	6,750	6,750	29,694	(22,944)	183,366
Debt service	40,029,849	40,029,849	35,524,336	4,505,513	23,857,630
Interest - deferred refunding bonds	167,605	167,605	320,468	(152,863)	273,915
Bond amortization cost	(304,837)	(304,837)	(1,723,345)	1,418,508	(1,074,943)
Contingency	1,000,000	1,000,000	-	1,000,000	-
<b>Total expenditures</b>	<b>82,760,981</b>	<b>82,760,981</b>	<b>72,305,363</b>	<b>10,455,618</b>	<b>58,883,909</b>
Excess of revenues over expenditures	5,214,609	5,214,609	4,823,373	(391,236)	18,839,469
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(236,122)	(236,122)	(236,122)	-	(223,419)
<b>Total other financing sources (uses)</b>	<b>(236,122)</b>	<b>(236,122)</b>	<b>(236,122)</b>	<b>-</b>	<b>(223,419)</b>
Net change in unencumbered cash balance	4,978,487	4,978,487	4,587,251	(391,236)	18,616,050
Unencumbered cash balance, beginning	90,805,146	90,805,146	86,634,238	(4,170,908)	82,676,153
Decrease in other cash flows	-	-	(5,032,602)	(5,032,602)	(14,657,965)
Unencumbered cash balance, ending	<u>\$ 95,783,633</u>	<u>\$ 95,783,633</u>	<u>\$ 86,188,887</u>	<u>\$ (9,594,746)</u>	<u>\$ 86,634,238</u>

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Charges for services and sales	\$ 54,591,230	\$ 54,591,230	\$ 54,633,263	\$ 42,033	\$ 52,305,654
Rental income	-	-	11,752	11,752	10,264
Interest earnings	-	-	55,586	55,586	19,900
Other revenue	185,000	185,000	54,270	(130,730)	14,890
<b>Total revenues</b>	<b>54,776,230</b>	<b>54,776,230</b>	<b>54,754,871</b>	<b>(21,359)</b>	<b>52,350,708</b>
<b>EXPENDITURES</b>					
Personnel services	10,346,922	10,346,922	10,605,444	(258,522)	10,037,544
Contractual services	7,744,530	7,744,530	8,066,929	(322,399)	8,608,191
Materials and supplies	4,110,725	4,110,725	3,869,816	240,909	4,130,924
Capital outlay	2,001,000	2,001,000	1,528,477	472,523	1,545,516
Other operating expenditures	2,622,396	2,622,396	2,622,396	-	2,466,942
City administrative charges	304,520	304,520	338,084	(33,564)	304,520
Payments in lieu of franchise taxes	2,539,041	2,539,041	2,559,404	(20,363)	2,486,537
Other non-operating expenditures	1,500	1,500	1,500	-	53,898
Debt service	24,805,366	24,805,366	16,579,391	8,225,975	17,281,522
Interest - deferred refunding bonds	108,825	108,825	334,896	(226,071)	314,845
Bond amortization cost	(246,047)	(246,047)	(1,015,089)	769,042	(886,925)
Contingency	250,000	250,000	-	250,000	-
<b>Total expenditures</b>	<b>54,588,778</b>	<b>54,588,778</b>	<b>45,491,248</b>	<b>9,097,530</b>	<b>46,343,514</b>
Excess of revenues over expenditures	187,452	187,452	9,263,623	9,076,171	6,007,194
Net change in unencumbered cash balance	187,452	187,452	9,263,623	9,076,171	6,007,194
Unencumbered cash balance, beginning	22,062,802	22,062,802	32,746,367	10,683,565	24,352,851
Increase (decrease) in other cash flows	-	-	(3,703,378)	(3,703,378)	2,386,322
Unencumbered cash balance, ending	<u>\$ 22,250,254</u>	<u>\$ 22,250,254</u>	<u>\$ 38,306,612</u>	<u>\$ 16,056,358</u>	<u>\$ 32,746,367</u>

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Charges for services and sales	\$ 9,081,715	\$ 9,081,715	\$ 9,352,590	\$ 270,875	\$ 9,315,446
Other revenue	-	-	60,888	60,888	89,736
Total revenues	<u>9,081,715</u>	<u>9,081,715</u>	<u>9,413,478</u>	<u>331,763</u>	<u>9,405,182</u>
<b>EXPENDITURES</b>					
Personnel services	2,521,859	2,521,859	2,339,289	182,570	2,378,423
Contractual services	1,895,834	1,895,834	3,147,738	(1,251,904)	1,804,541
Materials and supplies	363,688	363,688	332,809	30,879	346,809
Capital outlay	428,000	428,000	252,895	175,105	339,542
Other operating expenditures	617,056	617,056	617,056	-	587,688
City administrative charges	89,198	89,198	194,626	(105,428)	89,198
Other non-operating expenditures	-	-	10,847	(10,847)	31,225
Debt service	4,788,564	4,788,564	3,892,202	896,362	3,536,939
Bond amortization cost	-	-	(160,597)	160,597	(70,126)
Contingency	5,700,000	5,700,000	-	5,700,000	-
Total expenditures	<u>16,404,199</u>	<u>16,404,199</u>	<u>10,626,865</u>	<u>5,777,334</u>	<u>9,044,239</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,322,484)</u>	<u>(7,322,484)</u>	<u>(1,213,387)</u>	<u>6,109,097</u>	<u>360,943</u>
Net change in unencumbered cash balance	(7,322,484)	(7,322,484)	(1,213,387)	6,109,097	360,943
Unencumbered cash balance, beginning	8,117,224	8,117,224	8,808,274	691,050	9,667,976
Decrease in other cash flows	-	-	(48,012)	(48,012)	(1,220,645)
Unencumbered cash balance, ending	<u>\$ 794,740</u>	<u>\$ 794,740</u>	<u>\$ 7,546,875</u>	<u>\$ 6,752,135</u>	<u>\$ 8,808,274</u>

## ***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, 2015

	<u>Information Technology</u>	<u>Fleet</u>	<u>Self Insurance</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 951,237	\$ 3,579,276	\$ 39,653,610	\$ 44,184,123
Receivables, net:				
Accounts receivable	226	34,462	298,822	333,510
Inventories	-	851,502	-	851,502
Prepaid items	-	-	128,900	128,900
Total current assets	<u>951,463</u>	<u>4,465,240</u>	<u>40,081,332</u>	<u>45,498,035</u>
Noncurrent assets:				
Capital assets:				
Buildings	44,288	29,955	-	74,243
Improvements other than buildings	74,907	-	-	74,907
Machinery, equipment and other assets	12,402,526	28,186,135	269,600	40,858,261
Less accumulated depreciation	<u>(10,927,589)</u>	<u>(21,336,122)</u>	<u>(269,600)</u>	<u>(32,533,311)</u>
Total capital assets, net	<u>1,594,132</u>	<u>6,879,968</u>	<u>-</u>	<u>8,474,100</u>
Due from other funds	<u>-</u>	<u>-</u>	<u>418,660</u>	<u>418,660</u>
Total noncurrent assets	<u>1,594,132</u>	<u>6,879,968</u>	<u>418,660</u>	<u>8,892,760</u>
Total assets	<u>2,545,595</u>	<u>11,345,208</u>	<u>40,499,992</u>	<u>54,390,795</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	<u>811,673</u>	<u>527,588</u>	<u>40,584</u>	<u>1,379,845</u>
Total deferred outflows of resources	<u>811,673</u>	<u>527,588</u>	<u>40,584</u>	<u>1,379,845</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and other liabilities	233,968	169,723	2,925,240	3,328,931
Current portion of long-term obligations:				
Claims payable	-	-	8,860,406	8,860,406
Capital lease payable	94,029	-	-	94,029
Compensated absences	190,341	176,249	28,946	395,536
Total current liabilities	<u>518,338</u>	<u>345,972</u>	<u>11,814,592</u>	<u>12,678,902</u>
Noncurrent liabilities:				
Claims payable	-	-	9,326,166	9,326,166
Capital lease payable	178,182	-	-	178,182
Net pension liability	932,312	606,003	46,616	1,584,931
Compensated absences	16,739	11,637	2,546	30,922
Total noncurrent liabilities	<u>1,127,233</u>	<u>617,640</u>	<u>9,375,328</u>	<u>11,120,201</u>
Total liabilities	<u>1,645,571</u>	<u>963,612</u>	<u>21,189,920</u>	<u>23,799,103</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	<u>219,471</u>	<u>142,657</u>	<u>10,974</u>	<u>373,102</u>
Total deferred inflows of resources	<u>219,471</u>	<u>142,657</u>	<u>10,974</u>	<u>373,102</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,321,921	6,879,968	-	8,201,889
Unrestricted	170,305	3,886,559	19,339,682	23,396,546
Total net position	<u>\$ 1,492,226</u>	<u>\$ 10,766,527</u>	<u>\$ 19,339,682</u>	<u>\$ 31,598,435</u>

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015

	Information Technology	Fleet	Self Insurance	Total
<b>OPERATING REVENUES</b>				
Charges for services and sales	\$ 9,972,063	\$ 4,655,115	\$ -	\$ 14,627,178
Rentals	-	8,790,956	-	8,790,956
Employer contributions	-	-	36,203,869	36,203,869
Employee contributions	-	-	11,124,346	11,124,346
Other operating revenues	-	109,672	3,014,567	3,124,239
Total operating revenues	<u>9,972,063</u>	<u>13,555,743</u>	<u>50,342,782</u>	<u>73,870,588</u>
<b>OPERATING EXPENSES</b>				
Personnel services	4,495,661	3,024,681	741,201	8,261,543
Contractual services	4,077,024	1,230,311	3,193,702	8,501,037
Materials and supplies	200,763	6,556,876	63,647	6,821,286
Cost of materials used	-	147,464	-	147,464
Administrative charges	380,914	378,460	53,286	812,660
Depreciation	374,789	2,671,053	-	3,045,842
Employee benefits	-	-	42,431,896	42,431,896
Insurance claims	-	-	4,450,786	4,450,786
Total operating expenses	<u>9,529,151</u>	<u>14,008,845</u>	<u>50,934,518</u>	<u>74,472,514</u>
Operating income (loss)	<u>442,912</u>	<u>(453,102)</u>	<u>(591,736)</u>	<u>(601,926)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest expense	(22,711)	-	-	(22,711)
Gain on sale of assets	11,289	311,393	-	322,682
Actuarial reserve adjustment	-	-	(2,486,841)	(2,486,841)
Total non-operating revenues (expenses)	<u>(11,422)</u>	<u>311,393</u>	<u>(2,486,841)</u>	<u>(2,186,870)</u>
Income (loss) before contributions and transfers	<u>431,490</u>	<u>(141,709)</u>	<u>(3,078,577)</u>	<u>(2,788,796)</u>
Capital contributions and operating transfers				
Capital contributions - non cash	333,277	-	-	333,277
Transfers from other funds	-	-	250,000	250,000
Transfers to other funds	<u>(1,389,494)</u>	<u>-</u>	<u>(400,000)</u>	<u>(1,789,494)</u>
Change in net position	<u>(624,727)</u>	<u>(141,709)</u>	<u>(3,228,577)</u>	<u>(3,995,013)</u>
Net position - beginning, as previously reported	2,467,306	11,135,966	22,585,777	36,189,049
Prior period adjustment	<u>(350,353)</u>	<u>(227,730)</u>	<u>(17,518)</u>	<u>(595,601)</u>
Net position - beginning, restated	<u>2,116,953</u>	<u>10,908,236</u>	<u>22,568,259</u>	<u>35,593,448</u>
Net position - ending	<u>\$ 1,492,226</u>	<u>\$ 10,766,527</u>	<u>\$ 19,339,682</u>	<u>\$ 31,598,435</u>

**CITY OF WICHITA, KANSAS**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS**

For the year ended December 31, 2015

	Information Technology	Fleet	Self Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 9,972,071	\$ 13,411,609	\$ 47,328,555	\$ 70,712,235
Cash payments to suppliers for goods and services	(4,643,041)	(8,221,921)	(49,799,371)	(62,664,333)
Cash payments to employees for services	(4,483,619)	(3,002,938)	(740,282)	(8,226,839)
Other operating revenues	-	109,672	3,014,567	3,124,239
Net cash provided by (used in) operating activities	<u>845,411</u>	<u>2,296,422</u>	<u>(196,531)</u>	<u>2,945,302</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Interfund loans	-	-	(11,500)	(11,500)
Transfers from other funds	-	-	250,000	250,000
Transfers to other funds	(1,389,494)	-	(400,000)	(1,789,494)
Net cash provided by (used in) noncapital financing activities	<u>(1,389,494)</u>	<u>-</u>	<u>(161,500)</u>	<u>(1,550,994)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Issuance of capital debt	31,150	-	-	31,150
Principal payments on long-term debt	(100,049)	-	-	(100,049)
Interest payments on long-term debt	(22,711)	-	-	(22,711)
Additions to property, plant and equipment	(21,482)	(3,413,890)	-	(3,435,372)
Proceeds from sale of capital assets	11,290	463,815	-	475,105
Net cash provided by (used in) capital and related financing activities	<u>(101,802)</u>	<u>(2,950,075)</u>	<u>-</u>	<u>(3,051,877)</u>
 Net increase (decrease) in cash and temporary investments	 (645,885)	 (653,653)	 (358,031)	 (1,657,569)
Cash and temporary investments - beginning	1,597,122	4,232,929	40,011,641	45,841,692
Cash and temporary investments - ending	<u>\$ 951,237</u>	<u>\$ 3,579,276</u>	<u>\$ 39,653,610</u>	<u>\$ 44,184,123</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 442,912	\$ (453,102)	\$ (591,736)	\$ (601,926)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	374,789	2,671,053	-	3,045,842
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	8	(34,462)	340	(34,114)
(Increase) decrease in inventory	-	97,275	-	97,275
Increase (decrease) in accounts payable	5,417	(12,743)	393,434	386,108
Increase (decrease) in compensated absences	22,285	28,401	1,431	52,117
Total adjustments	<u>402,499</u>	<u>2,749,524</u>	<u>395,205</u>	<u>3,547,228</u>
Net cash provided by (used in) operating activities	<u>\$ 845,411</u>	<u>\$ 2,296,422</u>	<u>\$ (196,531)</u>	<u>\$ 2,945,302</u>
<b>SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES</b>				
Contribution of capital assets	333,277	-	-	333,277

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015

	Life Insurance	Health Insurance	Workers' Compensation	General Liability	Total
<b>OPERATING REVENUES</b>					
Employer contributions	\$ 282,499	\$ 29,745,483	\$ 3,552,700	\$ 2,623,187	\$ 36,203,869
Employee contributions	543,283	10,581,063	-	-	11,124,346
Other operating revenues	25,000	2,661,390	145,266	182,911	3,014,567
Total operating revenues	<u>850,782</u>	<u>42,987,936</u>	<u>3,697,966</u>	<u>2,806,098</u>	<u>50,342,782</u>
<b>OPERATING EXPENSES</b>					
Personnel services	-	190,012	146,950	404,239	741,201
Contractual services	-	2,247,992	744,985	200,725	3,193,702
Materials and supplies	-	596	1,193	61,858	63,647
Administrative charges	661	13,426	28,114	11,085	53,286
Employee benefits	823,103	41,608,793	-	-	42,431,896
Insurance claims	-	-	2,543,854	1,906,932	4,450,786
Total operating expenses	<u>823,764</u>	<u>44,060,819</u>	<u>3,465,096</u>	<u>2,584,839</u>	<u>50,934,518</u>
Operating income (loss)	<u>27,018</u>	<u>(1,072,883)</u>	<u>232,870</u>	<u>221,259</u>	<u>(591,736)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Actuarial reserve adjustment	-	(304,298)	(214,008)	(1,968,535)	(2,486,841)
Total non-operating revenues (expenses)	<u>-</u>	<u>(304,298)</u>	<u>(214,008)</u>	<u>(1,968,535)</u>	<u>(2,486,841)</u>
Income (loss) before contributions and transfers	<u>27,018</u>	<u>(1,377,181)</u>	<u>18,862</u>	<u>(1,747,276)</u>	<u>(3,078,577)</u>
Capital contributions and operating transfers					
Transfers from other funds	-	-	-	250,000	250,000
Transfers to other funds	-	-	-	(400,000)	(400,000)
Change in net position	<u>27,018</u>	<u>(1,377,181)</u>	<u>18,862</u>	<u>(1,897,276)</u>	<u>(3,228,577)</u>
Net position - beginning, as previously reported	699,198	7,914,549	7,287,293	6,684,737	22,585,777
Prior period adjustment	-	-	(17,518)	-	(17,518)
Net position - beginning, restated	<u>699,198</u>	<u>7,914,549</u>	<u>7,269,775</u>	<u>6,684,737</u>	<u>22,568,259</u>
Net position - ending	<u>\$ 726,216</u>	<u>\$ 6,537,368</u>	<u>\$ 7,288,637</u>	<u>\$ 4,787,461</u>	<u>\$ 19,339,682</u>

**CITY OF WICHITA, KANSAS**

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

For the year ended December 31, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Charges for services and sales	\$ 9,788,831	\$ 9,788,831	\$ 9,983,352	\$ 194,521	\$ 9,804,095
Other revenue	514,094	514,094	12,251	(501,843)	7,652
Total revenues	10,302,925	10,302,925	9,995,603	(307,322)	9,811,747
<b>EXPENDITURES</b>					
Personnel services	4,681,224	4,681,224	4,495,660	185,564	4,044,957
Contractual services	4,086,956	4,086,956	4,110,528	(23,572)	3,822,045
Materials and supplies	220,636	220,636	200,763	19,873	244,955
Capital outlay	-	-	-	-	7,025
Cost of materials used	40,000	40,000	-	40,000	-
City administrative charges	355,369	355,369	380,914	(25,545)	355,369
Debt service	120,100	120,100	113,093	7,007	125,974
Contingency	460,000	460,000	-	460,000	-
Total expenditures	9,964,285	9,964,285	9,300,958	663,327	8,600,325
Excess of revenues over expenditures	338,640	338,640	694,645	356,005	1,211,422
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(1,360,898)	(1,360,898)	(1,389,494)	(28,596)	(1,499,302)
Total other financing sources (uses)	(1,360,898)	(1,360,898)	(1,389,494)	(28,596)	(1,499,302)
Net change in unencumbered cash balance	(1,022,258)	(1,022,258)	(694,849)	327,409	(287,880)
Unencumbered cash balance, beginning	1,582,580	1,582,580	1,305,864	(276,716)	1,574,891
Increase in other cash flows	-	-	12,048	12,048	18,853
Unencumbered cash balance, ending	\$ 560,322	\$ 560,322	\$ 623,063	\$ 62,741	\$ 1,305,864

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014 Actual Amounts
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Charges for services and sales	\$ 6,748,874	\$ 6,748,874	\$ 5,128,805	\$ (1,620,069)	\$ 6,073,898
Rental income	8,921,900	8,921,900	8,790,956	(130,944)	8,613,779
Other revenue	549,171	549,171	115,157	(434,014)	190,241
<b>Total revenues</b>	<b>16,219,945</b>	<b>16,219,945</b>	<b>14,034,918</b>	<b>(2,185,027)</b>	<b>14,877,918</b>
<b>EXPENDITURES</b>					
Personnel services	3,673,113	3,673,113	3,024,680	648,433	2,948,889
Contractual services	947,286	947,286	1,240,841	(293,555)	837,600
Materials and supplies	8,268,984	8,268,984	6,560,941	1,708,043	7,710,936
Capital outlay	3,808,773	3,808,773	3,196,711	612,062	3,032,695
Other operating expenditures	-	-	-	-	248,915
Cost of materials used	-	-	151,309	(151,309)	301,381
City administrative charges	169,907	169,907	378,460	(208,553)	169,907
Contingency	322,111	322,111	-	322,111	-
<b>Total expenditures</b>	<b>17,190,174</b>	<b>17,190,174</b>	<b>14,552,942</b>	<b>2,637,232</b>	<b>15,250,323</b>
Deficiency of revenues under expenditures	(970,229)	(970,229)	(518,024)	452,205	(372,405)
Net change in unencumbered cash balance	(970,229)	(970,229)	(518,024)	452,205	(372,405)
Unencumbered cash balance, beginning	1,706,431	1,706,431	2,137,781	431,350	2,515,315
Increase (decrease) in other cash flows	-	-	84,557	84,557	(5,129)
Unencumbered cash balance, ending	\$ 736,202	\$ 736,202	\$ 1,704,314	\$ 968,112	\$ 2,137,781

**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, 2015  
(with comparative totals for the year ended December 31, 2014)

	Budgeted Amounts		Actual Amounts	Variance with	2014 Actual Amounts
	Original	Final		Final Budget Positive (Negative)	
<b>REVENUES</b>					
Employer contributions	\$ 39,367,706	\$ 39,367,706	\$ 36,203,869	\$ (3,163,837)	\$ 33,802,663
Employee contributions	13,923,661	13,923,661	11,124,346	(2,799,315)	10,857,543
Other revenue	831,874	831,874	3,020,986	2,189,112	2,861,102
<b>Total revenues</b>	<b>54,123,241</b>	<b>54,123,241</b>	<b>50,349,201</b>	<b>(3,774,040)</b>	<b>47,521,308</b>
<b>EXPENDITURES</b>					
Personnel services	1,857,467	1,857,467	1,635,961	221,506	1,594,502
Contractual services	50,355,660	50,355,660	50,636,902	(281,242)	45,467,009
Materials and supplies	130,100	130,100	63,648	66,452	32,212
Capital outlay	10,000	10,000	-	10,000	-
Other operating expenditures	242,781	242,781	269,257	(26,476)	241,644
City administrative charges	31,665	31,665	53,286	(21,621)	31,665
Other non-operating expenditures	658,160	658,160	775,040	(116,880)	731,686
Contingency	2,350,000	2,350,000	-	2,350,000	-
<b>Total expenditures</b>	<b>55,635,833</b>	<b>55,635,833</b>	<b>53,434,094</b>	<b>2,201,739</b>	<b>48,098,718</b>
Deficiency of revenues under expenditures	(1,512,592)	(1,512,592)	(3,084,893)	(1,572,301)	(577,410)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	250,000	250,000	250,000	-	250,000
Transfers to other funds	(400,000)	(400,000)	(400,000)	-	(1,000,000)
<b>Total other financing sources (uses)</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>-</b>	<b>(750,000)</b>
Net change in unencumbered cash balance	(1,662,592)	(1,662,592)	(3,234,893)	(1,572,301)	(1,327,410)
Unencumbered cash balance, beginning	19,155,613	19,155,613	22,055,402	2,899,789	22,359,877
Increase in other cash flows	-	-	6,434,160	6,434,160	1,022,935
<b>Unencumbered cash balance, ending</b>	<b>\$ 17,493,021</b>	<b>\$ 17,493,021</b>	<b>\$ 25,254,669</b>	<b>\$ 7,761,648</b>	<b>\$ 22,055,402</b>

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## ***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
- Special Assessment Letters of Credit
- WAMPO-Funding from Local Jurisdictions
- Tourism Business Improvement District

**CITY OF WICHITA, KANSAS**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS**

December 31, 2015

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3	Total
<b>ASSETS</b>				
Cash and temporary investments	\$ 423,343	\$ 252,776	\$ 7,466	\$ 683,585
Receivables:				
Investment sales pending	22,922,738	20,938,286	255,097	44,116,121
Interest and dividends	1,320,468	1,206,153	14,695	2,541,316
Other receivables	212,440	166,875	7,711	387,026
Total receivables	<u>24,455,646</u>	<u>22,311,314</u>	<u>277,503</u>	<u>47,044,463</u>
Investments, at fair value:				
Government short-term investment fund	11,822,344	10,798,868	131,566	22,752,778
Government securities: long-term	21,483,926	19,624,034	94,195	41,202,155
Corporate debt instruments	49,635,345	45,338,348	217,623	95,191,316
Mortgage and asset-backed securities	35,481,178	32,409,525	155,565	68,046,268
Global fixed income	25,227,797	23,043,793	110,609	48,382,199
Corporate stocks:				
Domestic equities	181,499,567	165,786,908	795,774	348,082,249
International equities	54,239,245	49,543,682	237,808	104,020,735
Real estate	34,889,761	31,869,308	152,972	66,912,041
Timber	21,084,638	19,259,313	92,445	40,436,396
Value of interest in pooled funds:				
Target date funds	-	-	3,444,100	3,444,100
Commodities	15,657,120	14,301,662	68,648	30,027,430
International fixed income	3,227,261	2,947,874	14,149	6,189,284
High yield fixed income	4,600,530	4,202,256	20,171	8,822,957
U.S. TIPS	17,264,536	15,769,921	75,696	33,110,153
Domestic equities	46,389,362	42,373,373	203,391	88,966,126
International equities	72,052,855	65,815,141	801,846	138,669,842
Securities lending short-term collateral investment pool	46,824,555	42,770,889	521,090	90,116,534
Total investments	<u>641,380,020</u>	<u>585,854,895</u>	<u>7,137,648</u>	<u>1,234,372,563</u>
Capital assets:				
Pension software	453,543	842,294	-	1,295,837
Accumulated depreciation	<u>(453,543)</u>	<u>(842,294)</u>	<u>-</u>	<u>(1,295,837)</u>
Capital assets net of depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>666,259,009</u>	<u>608,418,985</u>	<u>7,422,617</u>	<u>1,282,100,611</u>
<b>LIABILITIES</b>				
Accounts payable and accrued payroll	608,714	703,955	4,062	1,316,731
Investment purchases pending	25,942,514	23,696,638	288,704	49,927,856
Securities lending obligations	46,824,555	42,770,889	521,090	90,116,534
Total liabilities	<u>73,375,783</u>	<u>67,171,482</u>	<u>813,856</u>	<u>141,361,121</u>
<b>NET POSITION</b>				
Restricted for pensions	592,883,226	541,247,503	6,608,761	1,140,739,490
Total net position	<u>\$ 592,883,226</u>	<u>\$ 541,247,503</u>	<u>\$ 6,608,761</u>	<u>\$ 1,140,739,490</u>

**CITY OF WICHITA, KANSAS**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS**

For the year ended December 31, 2015

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3b	Pension Trust Funds
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 13,964,379	\$ 9,031,463	\$ 190,049	\$ 23,185,891
Employee	4,603,331	3,574,026	190,049	8,367,406
Total contributions	<u>18,567,710</u>	<u>12,605,489</u>	<u>380,098</u>	<u>31,553,297</u>
Investment income:				
From investing activities:				
Net depreciation in the fair value of investments	(10,461,785)	(9,436,315)	(129,663)	(20,027,763)
Interest	4,647,251	4,292,575	20,320	8,960,146
Dividends	8,630,297	7,944,467	37,275	16,612,039
Commission recapture	13,088	12,045	60	25,193
Total investing activity income (loss)	<u>2,828,851</u>	<u>2,812,772</u>	<u>(72,008)</u>	<u>5,569,615</u>
Less investment expense	<u>3,150,461</u>	<u>2,944,808</u>	<u>9,469</u>	<u>6,104,738</u>
Net loss from investing activities	<u>(321,610)</u>	<u>(132,036)</u>	<u>(81,477)</u>	<u>(535,123)</u>
From securities lending activities:				
Securities lending income	<u>157,369</u>	<u>144,758</u>	<u>675</u>	<u>302,802</u>
Less securities lending expense:				
Borrower rebates	(58,149)	(53,632)	(606)	(112,387)
Management fees	57,610	52,974	553	111,137
Total securities lending expenses	<u>(539)</u>	<u>(658)</u>	<u>(53)</u>	<u>(1,250)</u>
Net income from securities lending activities	<u>157,908</u>	<u>145,416</u>	<u>728</u>	<u>304,052</u>
Total net investment income (loss)	<u>(163,702)</u>	<u>13,380</u>	<u>(80,749)</u>	<u>(231,071)</u>
Reclassifications due to participant conversion	<u>-</u>	<u>-</u>	<u>465,171</u>	<u>465,171</u>
Total additions	<u>18,404,008</u>	<u>12,618,869</u>	<u>764,520</u>	<u>31,787,397</u>
<b>DEDUCTIONS</b>				
Pension benefits	35,642,640	36,222,529	-	71,865,169
Pension administration	483,193	553,844	5,056	1,042,093
Depreciation	37,825	70,241	-	108,066
Employee contributions refunded	448,180	866,874	733,125	2,048,179
Reclassifications due to participant conversion	<u>-</u>	<u>465,171</u>	<u>-</u>	<u>465,171</u>
Total deductions	<u>36,611,838</u>	<u>38,178,659</u>	<u>738,181</u>	<u>75,528,678</u>
Net decrease in net position	(18,207,830)	(25,559,790)	26,339	(43,741,281)
Net position - beginning, as previously reported	611,091,056	552,232,824	21,156,891	1,184,480,771
Prior period adjustment	<u>-</u>	<u>14,574,469</u>	<u>(14,574,469)</u>	<u>-</u>
Net position - beginning, restated	<u>611,091,056</u>	<u>566,807,293</u>	<u>6,582,422</u>	<u>1,184,480,771</u>
Net position - ending	<u>\$ 592,883,226</u>	<u>\$ 541,247,503</u>	<u>\$ 6,608,761</u>	<u>\$ 1,140,739,490</u>

**CITY OF WICHITA, KANSAS**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS**

For the year ended December 31, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Payroll Liability Fund</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ -	\$ 129,574,584	\$ 129,574,584	\$ -
Accounts receivable	2,131,131	-	916,396	1,214,735
Total assets	<u>\$ 2,131,131</u>	<u>\$ 129,574,584</u>	<u>\$ 130,490,980</u>	<u>\$ 1,214,735</u>
<b>LIABILITIES</b>				
Accounts payable	<u>\$ 2,131,131</u>	<u>\$ 183,748,128</u>	<u>\$ 184,664,524</u>	<u>\$ 1,214,735</u>
Total liabilities	<u>\$ 2,131,131</u>	<u>\$ 183,748,128</u>	<u>\$ 184,664,524</u>	<u>\$ 1,214,735</u>
<u>Special Assessment Advance Payments Fund</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 1,974,416	\$ 3,341,085	\$ 1,185,863	\$ 4,129,638
Investments	2,385,807	8,505	2,201,250	193,062
Total assets	<u>\$ 4,360,223</u>	<u>\$ 3,349,590</u>	<u>\$ 3,387,113</u>	<u>\$ 4,322,700</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 4,442	\$ 4,442	\$ -
Deposits	4,360,223	1,144,277	1,181,800	4,322,700
Total liabilities	<u>\$ 4,360,223</u>	<u>\$ 1,148,719</u>	<u>\$ 1,186,242</u>	<u>\$ 4,322,700</u>
<u>Neighborhood Revitalization Fund</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 147,443	\$ 878,677	\$ 887,043	\$ 139,077
Total assets	<u>\$ 147,443</u>	<u>\$ 878,677</u>	<u>\$ 887,043</u>	<u>\$ 139,077</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 51,084	\$ 883,414	\$ 887,956	\$ 46,542
Deposits	96,359	878,677	882,501	92,535
Total liabilities	<u>\$ 147,443</u>	<u>\$ 1,762,091</u>	<u>\$ 1,770,457</u>	<u>\$ 139,077</u>
<u>Community Improvement Districts</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 44,241	\$ 689,321	\$ 679,246	\$ 54,316
Accounts receivable	3,530	-	1,176	2,354
Total assets	<u>\$ 47,771</u>	<u>\$ 689,321</u>	<u>\$ 680,422</u>	<u>\$ 56,670</u>
<b>LIABILITIES</b>				
Accounts payable	<u>\$ 47,771</u>	<u>\$ 646,392</u>	<u>\$ 637,493</u>	<u>\$ 56,670</u>
Total liabilities	<u>\$ 47,771</u>	<u>\$ 646,392</u>	<u>\$ 637,493</u>	<u>\$ 56,670</u>

**CITY OF WICHITA, KANSAS**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS**

For the year ended December 31, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Special Assessment Letters of Credit</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 554,529	\$ -	\$ -	\$ 554,529
Total assets	<u>\$ 554,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 554,529</u>
<b>LIABILITIES</b>				
Deposits	\$ 554,529	\$ -	\$ -	\$ 554,529
Total liabilities	<u>\$ 554,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 554,529</u>
<u>WAMPO - Funding from Local Jurisdictions</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 207,930	\$ 202,879	\$ 268,657	\$ 142,152
Total assets	<u>\$ 207,930</u>	<u>\$ 202,879</u>	<u>\$ 268,657</u>	<u>\$ 142,152</u>
<b>LIABILITIES</b>				
Deposits	\$ 207,930	\$ 202,879	\$ 268,657	\$ 142,152
Total liabilities	<u>\$ 207,930</u>	<u>\$ 202,879</u>	<u>\$ 268,657</u>	<u>\$ 142,152</u>
<u>Tourism Business Improvement District</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ -	\$ 2,871,695	\$ 2,546,738	\$ 324,957
Total assets	<u>\$ -</u>	<u>\$ 2,871,695</u>	<u>\$ 2,546,738</u>	<u>\$ 324,957</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 2,799,902	\$ 2,474,945	\$ 324,957
Total liabilities	<u>\$ -</u>	<u>\$ 2,799,902</u>	<u>\$ 2,474,945</u>	<u>\$ 324,957</u>
<u>Total - All Agency Funds</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 2,928,559	\$ 137,558,241	\$ 135,142,131	\$ 5,344,669
Investments	2,385,807	8,505	2,201,250	193,062
Accounts receivable	2,134,661	-	917,572	1,217,089
Total assets	<u>\$ 7,449,027</u>	<u>\$ 137,566,746</u>	<u>\$ 138,260,953</u>	<u>\$ 6,754,820</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,229,986	\$ 188,082,278	\$ 188,669,360	\$ 1,642,904
Deposits	5,219,041	2,225,833	2,332,958	5,111,916
Total liabilities	<u>\$ 7,449,027</u>	<u>\$ 190,308,111</u>	<u>\$ 191,002,318</u>	<u>\$ 6,754,820</u>

## ***COMPONENT UNIT***

The Wichita Public Building Commission (WPBC) is reported as a discretely presented component unit within the financial statements of the City of Wichita (the reporting entity) to emphasize its separate legal status. The WPBC acquires and finances 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, 2015  
(with comparative totals for the year ended December 31, 2014)

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Other operating revenues (expenses)	\$ (51,749)	\$ -
Net cash provided by (used in) operating activities	(51,749)	-
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Payments received on direct financing lease	-	1,337,768
Principal payments on long-term debt	-	(1,595,000)
Interest payments on long-term debt	-	(62,075)
Reimbursed expenses	-	135,035
Net cash provided by (used in) capital and related financing activities	-	(184,272)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	-	3,427
Trustee fees	-	(3,317)
Net cash provided by investing activities	-	110
 Net decrease in cash and temporary investments	(51,749)	(184,162)
 Cash and temporary investments - beginning	51,749	235,911
Cash and temporary investments - ending	\$ -	\$ 51,749

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## ***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**

For the year ended December 31, 2015

	Balance December 31, 2014	Issued	Retired	Balance December 31, 2015
General obligation bonds payable from:				
Ad valorem property taxes	\$ 76,914,924	\$ 26,341,440	\$ 29,295,889	\$ 73,960,475
Special assessments	192,575,000	24,010,000	34,851,849	181,733,151
Tax increment financing	25,345,000	-	2,515,000	22,830,000
Transient guest tax	2,485,000	-	-	2,485,000
Airport authority	23,535,000	94,535,000	2,110,000	115,960,000
Golf course system	695,000	-	695,000	-
Local sales tax	148,770,000	-	17,210,000	131,560,000
Stormwater Utility	24,150,076	8,593,560	8,497,262	24,246,374
Water Utility	135,905,000	-	6,055,000	129,850,000
Revenue bonds payable from:				
Water Utility	219,968,074	58,091,860	58,047,417	220,012,517
Sewer Utility	168,591,658	28,833,140	28,692,315	168,732,483
Airport special facilities	11,310,000	-	5,850,000	5,460,000
Local sales tax	1,634,625	208,120	117,175	1,725,570
	<u>\$ 1,031,879,357</u>	<u>\$ 240,613,120</u>	<u>\$ 193,936,907</u>	<u>\$ 1,078,555,570</u>

**RECONCILIATION OF BONDS PAYABLE**

December 31, 2015

General obligation bonds	\$ 682,625,000
Revenue bonds	<u>395,930,570</u>
Total bonds payable	<u>\$ 1,078,555,570</u>
Serial bonds payable exclusive of bond anticipation notes	\$ 414,294,196
Bonds payable from proprietary funds	<u>664,261,374</u>
Total bonds payable	<u>\$ 1,078,555,570</u>

**CITY OF WICHITA, KANSAS**

**SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES  
PAYABLE FROM GOVERNMENTAL FUND REVENUES**

Based on bonded debt as of December 31, 2015

Year	PAYABLE FROM PROPERTY TAXES			PAYABLE FROM TRANSIENT GUEST TAX		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2016	\$ 10,514,435	\$ 2,673,416	\$ 13,187,851	\$ -	\$ 93,538	\$ 93,538
2017	12,617,439	2,297,117	14,914,556	5,000	93,412	98,412
2018	13,069,033	1,787,323	14,856,356	5,000	93,163	98,163
2019	13,542,659	1,269,345	14,812,004	10,000	92,787	102,787
2020	7,981,225	788,564	8,769,789	15,000	92,163	107,163
2021	5,048,849	483,549	5,532,398	20,000	91,287	111,287
2022	5,215,004	324,692	5,539,696	25,000	90,163	115,163
2023	3,144,525	169,118	3,313,643	30,000	88,787	118,787
2024	2,165,580	65,777	2,231,357	35,000	87,163	122,163
2025	418,216	18,276	436,492	40,000	85,287	125,287
2026	54,902	8,909	63,811	50,000	83,538	133,538
2027	57,568	6,702	64,270	55,000	81,962	136,962
2028	60,852	4,340	65,192	65,000	80,163	145,163
2029	63,348	1,737	65,085	70,000	78,137	148,137
2030	6,840	253	7,093	80,000	75,888	155,888
2031	-	-	-	80,000	73,087	153,087
2032	-	-	-	95,000	69,588	164,588
2033	-	-	-	105,000	65,718	170,718
2034	-	-	-	1,700,000	31,875	1,731,875
	<u>\$ 73,960,475</u>	<u>\$ 9,899,118</u>	<u>\$ 83,859,593</u>	<u>\$ 2,485,000</u>	<u>\$ 1,547,706</u>	<u>\$ 4,032,706</u>

Year	PAYABLE FROM TAX INCREMENT FINANCING			PAYABLE FROM LOCAL SALES TAX		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2016	\$ 2,615,000	\$ 637,365	\$ 3,252,365	\$ 17,525,000	\$ 4,953,975	\$ 22,478,975
2017	2,685,000	569,540	3,254,540	17,760,000	4,306,531	22,066,531
2018	2,745,000	493,715	3,238,715	14,280,000	3,676,607	17,956,607
2019	2,425,000	415,003	2,840,003	11,420,000	3,069,515	14,489,515
2020	2,485,000	351,340	2,836,340	8,830,000	2,669,437	11,499,437
2021	2,245,000	283,542	2,528,542	9,145,000	2,293,337	11,438,337
2022	2,310,000	220,148	2,530,148	9,410,000	1,904,137	11,314,137
2023	1,420,000	153,525	1,573,525	6,360,000	1,503,687	7,863,687
2024	1,290,000	110,645	1,400,645	6,565,000	1,237,289	7,802,289
2025	540,000	82,525	622,525	6,745,000	961,275	7,706,275
2026	570,000	64,337	634,337	6,935,000	769,088	7,704,088
2027	600,000	44,290	644,290	6,355,000	566,125	6,921,125
2028	280,000	28,680	308,680	5,050,000	358,050	5,408,050
2029	300,000	17,945	317,945	5,180,000	181,300	5,361,300
2030	320,000	6,160	326,160	-	-	-
	<u>\$ 22,830,000</u>	<u>\$ 3,478,760</u>	<u>\$ 26,308,760</u>	<u>\$ 131,560,000</u>	<u>\$ 28,450,353</u>	<u>\$ 160,010,353</u>

Year	TOTAL PAYABLE FROM TAXES			PAYABLE FROM SPECIAL ASSESSMENTS		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2016	\$ 30,654,435	\$ 8,358,294	\$ 39,012,729	\$ 20,131,281	\$ 7,170,487	\$ 27,301,768
2017	33,067,439	7,266,600	40,334,039	20,083,775	6,337,592	26,421,367
2018	30,099,033	6,050,808	36,149,841	19,821,280	5,510,068	25,331,348
2019	27,397,659	4,846,650	32,244,309	18,324,552	4,707,207	23,031,759
2020	19,311,225	3,901,504	23,212,729	17,372,047	3,931,811	21,303,858
2021	16,458,849	3,151,715	19,610,564	15,299,551	3,245,539	18,545,090
2022	16,960,004	2,539,140	19,499,144	13,231,875	2,634,117	15,865,992
2023	10,954,525	1,915,117	12,869,642	11,518,601	2,102,031	13,620,632
2024	10,055,580	1,500,874	11,556,454	10,186,095	1,633,114	11,819,209
2025	7,743,216	1,147,363	8,890,579	7,982,604	1,259,192	9,241,796
2026	7,609,902	925,872	8,535,774	6,545,098	982,157	7,527,255
2027	7,067,568	699,079	7,766,647	6,257,432	740,778	6,998,210
2028	5,455,852	471,233	5,927,085	5,339,148	512,336	5,851,484
2029	5,613,348	279,119	5,892,467	4,906,652	311,521	5,218,173
2030	406,840	82,301	489,141	2,728,160	139,363	2,867,523
2031	80,000	73,087	153,087	545,000	60,739	605,739
2032	95,000	69,588	164,588	480,000	42,524	522,524
2033	105,000	65,718	170,718	440,000	27,321	467,321
2034	1,700,000	31,875	1,731,875	400,000	13,584	413,584
2035	-	-	-	140,000	4,725	144,725
	<u>\$ 230,835,475</u>	<u>\$ 43,375,937</u>	<u>\$ 274,211,412</u>	<u>\$ 181,733,151</u>	<u>\$ 41,366,206</u>	<u>\$ 223,099,357</u>

**CITY OF WICHITA, KANSAS**

**SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES  
PAYABLE FROM PROPRIETARY FUND REVENUES**

Based on bonded debt as of December 31, 2015

Year	Airport Authority			Stormwater Utility		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2016	\$ 2,275,000	\$ 5,187,923	\$ 7,462,923	\$ 2,744,284	\$ 877,414	\$ 3,621,698
2017	2,320,000	5,105,648	7,425,648	2,953,786	765,071	3,718,857
2018	2,365,000	5,011,773	7,376,773	3,069,687	640,351	3,710,038
2019	2,465,000	4,915,291	7,380,291	3,177,789	513,700	3,691,489
2020	2,570,000	4,810,485	7,380,485	2,261,728	384,149	2,645,877
2021	2,680,000	4,698,479	7,378,479	1,736,600	297,936	2,034,536
2022	2,715,000	4,580,866	7,295,866	1,788,121	238,610	2,026,731
2023	2,835,000	4,458,910	7,293,910	1,841,874	176,194	2,018,068
2024	2,965,000	4,322,047	7,287,047	1,888,325	109,977	1,998,302
2025	3,110,000	4,180,023	7,290,023	1,114,180	67,271	1,181,451
2026	3,255,000	4,032,477	7,287,477	825,000	38,550	863,550
2027	3,395,000	3,887,891	7,282,891	845,000	13,575	858,575
2028	3,540,000	3,738,143	7,278,143	-	-	-
2029	3,695,000	3,577,627	7,272,627	-	-	-
2030	3,870,000	3,408,492	7,278,492	-	-	-
2031	4,040,000	3,227,565	7,267,565	-	-	-
2032	3,690,000	3,048,245	6,738,245	-	-	-
2033	3,870,000	2,870,111	6,740,111	-	-	-
2034	4,050,000	2,682,520	6,732,520	-	-	-
2035	4,015,000	2,488,373	6,503,373	-	-	-
2036	4,850,000	2,289,825	7,139,825	-	-	-
2037	5,080,000	2,087,830	7,167,830	-	-	-
2038	5,320,000	1,834,602	7,154,602	-	-	-
2039	5,570,000	1,569,627	7,139,627	-	-	-
2040	5,835,000	1,291,757	7,126,757	-	-	-
2041	7,030,000	1,030,320	8,060,320	-	-	-
2042	5,930,000	774,744	6,704,744	-	-	-
2043	6,180,000	524,883	6,704,883	-	-	-
2044	6,445,000	264,412	6,709,412	-	-	-
	<u>\$ 115,960,000</u>	<u>\$ 91,900,889</u>	<u>\$ 207,860,889</u>	<u>\$ 24,246,374</u>	<u>\$ 4,122,798</u>	<u>\$ 28,369,172</u>

Year	Water Utility			Totals		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2016	\$ 4,440,000	\$ 5,211,350	\$ 9,651,350	\$ 9,459,284	\$ 11,276,687	\$ 20,735,971
2017	4,665,000	4,983,725	9,648,725	9,938,786	10,854,444	20,793,230
2018	4,895,000	4,744,725	9,639,725	10,329,687	10,396,849	20,726,536
2019	5,140,000	4,493,850	9,633,850	10,782,789	9,922,841	20,705,630
2020	5,400,000	4,230,350	9,630,350	10,231,728	9,424,984	19,656,712
2021	5,670,000	3,953,600	9,623,600	10,086,600	8,950,015	19,036,615
2022	5,950,000	3,663,100	9,613,100	10,453,121	8,482,576	18,935,697
2023	6,250,000	3,358,100	9,608,100	10,926,874	7,993,204	18,920,078
2024	6,560,000	3,037,849	9,597,849	11,413,325	7,469,873	18,883,198
2025	6,890,000	2,701,600	9,591,600	11,114,180	6,948,894	18,063,074
2026	7,235,000	2,420,825	9,655,825	11,315,000	6,491,852	17,806,852
2027	7,450,000	2,200,550	9,650,550	11,690,000	6,102,016	17,792,016
2028	7,675,000	1,973,675	9,648,675	11,215,000	5,711,818	16,926,818
2029	7,905,000	1,739,975	9,644,975	11,600,000	5,317,602	16,917,602
2030	8,140,000	1,499,300	9,639,300	12,010,000	4,907,792	16,917,792
2031	8,385,000	1,209,500	9,594,500	12,425,000	4,437,065	16,862,065
2032	8,720,000	867,400	9,587,400	12,410,000	3,915,645	16,325,645
2033	9,070,000	522,938	9,592,938	12,940,000	3,393,049	16,333,049
2034	9,410,000	176,438	9,586,438	13,460,000	2,858,958	16,318,958
2035	-	-	-	4,015,000	2,488,373	6,503,373
2036	-	-	-	4,850,000	2,289,825	7,139,825
2037	-	-	-	5,080,000	2,087,830	7,167,830
2038	-	-	-	5,320,000	1,834,602	7,154,602
2039	-	-	-	5,570,000	1,569,627	7,139,627
2040	-	-	-	5,835,000	1,291,757	7,126,757
2041	-	-	-	7,030,000	1,030,320	8,060,320
2042	-	-	-	5,930,000	774,744	6,704,744
2043	-	-	-	6,180,000	524,883	6,704,883
2044	-	-	-	6,445,000	264,412	6,709,412
	<u>\$ 129,850,000</u>	<u>\$ 52,988,850</u>	<u>\$ 182,838,850</u>	<u>\$ 270,056,374</u>	<u>\$ 149,012,537</u>	<u>\$ 419,068,911</u>

**CITY OF WICHITA, KANSAS**

**SUMMARY OF REVENUE BOND DEBT SERVICE CHARGES  
PAYABLE FROM PROPRIETARY FUND REVENUES  
Based on bonded debt as of December 31, 2015**

Year	Water Utility			Sewer Utility		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2016	\$ 15,427,299	\$ 9,736,679	\$ 25,163,978	\$ 10,477,701	\$ 7,601,689	\$ 18,079,390
2017	12,616,259	9,140,107	21,756,366	11,253,741	7,181,868	18,435,609
2018	13,214,802	8,554,865	21,769,667	11,840,198	6,653,387	18,493,585
2019	12,280,783	7,918,591	20,199,374	10,169,217	6,083,914	16,253,131
2020	12,600,550	7,351,732	19,952,282	10,274,450	5,600,333	15,874,783
2021	13,118,696	6,764,045	19,882,741	10,721,304	5,110,970	15,832,274
2022	13,153,598	6,144,787	19,298,385	11,201,402	4,597,616	15,799,018
2023	13,741,481	5,507,400	19,248,881	11,713,519	4,056,563	15,770,082
2024	12,088,325	4,869,808	16,958,133	9,011,675	3,494,302	12,505,977
2025	12,699,762	4,170,514	16,870,276	9,575,238	3,073,730	12,648,968
2026	12,108,839	3,764,390	15,873,229	9,211,161	2,664,082	11,875,243
2027	11,888,445	3,266,213	15,154,658	9,021,555	2,267,509	11,289,064
2028	12,306,322	2,786,668	15,092,990	9,383,678	1,884,331	11,268,009
2029	10,753,547	2,282,865	13,036,412	6,836,453	1,479,218	8,315,671
2030	11,146,443	1,832,915	12,979,358	7,103,557	1,192,129	8,295,686
2031	7,546,921	1,397,185	8,944,106	5,053,079	903,606	5,956,685
2032	6,532,930	1,092,083	7,625,013	4,252,070	705,863	4,957,933
2033	4,708,873	812,601	5,521,474	3,471,127	529,516	4,000,643
2034	4,859,712	587,733	5,447,445	3,580,288	376,049	3,956,337
2035	1,691,786	355,521	2,047,307	1,448,214	217,417	1,665,631
2036	1,381,786	276,356	1,658,142	783,214	156,644	939,858
2037	1,381,786	207,267	1,589,053	783,214	117,483	900,697
2038	1,381,786	138,178	1,519,964	783,214	78,322	861,536
2039	1,381,786	69,089	1,450,875	783,214	39,161	822,375
	<u>\$ 220,012,517</u>	<u>\$ 89,027,592</u>	<u>\$ 309,040,109</u>	<u>\$ 168,732,483</u>	<u>\$ 66,065,702</u>	<u>\$ 234,798,185</u>

Year	Airport Authority			Totals		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2016	\$ -	\$ 188,032	\$ 188,032	\$ 25,905,000	\$ 17,526,400	\$ 43,431,400
2017	-	188,032	188,032	23,870,000	16,510,007	40,380,007
2018	-	188,032	188,032	25,055,000	15,396,284	40,451,284
2019	-	188,032	188,032	22,450,000	14,190,537	36,640,537
2020	-	188,032	188,032	22,875,000	13,140,097	36,015,097
2021	1,300,000	110,303	1,410,303	25,140,000	11,985,318	37,125,318
2022	-	90,532	90,532	24,355,000	10,832,935	35,187,935
2023	-	90,532	90,532	25,455,000	9,654,495	35,109,495
2024	-	90,532	90,532	21,100,000	8,454,642	29,554,642
2025	1,500,000	20,032	1,520,032	23,775,000	7,264,276	31,039,276
2026	-	532	532	21,320,000	6,429,004	27,749,004
2027	-	532	532	20,910,000	5,534,254	26,444,254
2028	-	532	532	21,690,000	4,671,531	26,361,531
2029	-	532	532	17,590,000	3,762,615	21,352,615
2030	-	532	532	18,250,000	3,025,576	21,275,576
2031	2,660,000	532	2,660,532	15,260,000	2,301,323	17,561,323
2032	-	-	-	10,785,000	1,797,946	12,582,946
2033	-	-	-	8,180,000	1,342,117	9,522,117
2034	-	-	-	8,440,000	963,782	9,403,782
2035	-	-	-	3,140,000	572,938	3,712,938
2036	-	-	-	2,165,000	433,000	2,598,000
2037	-	-	-	2,165,000	324,750	2,489,750
2038	-	-	-	2,165,000	216,500	2,381,500
2039	-	-	-	2,165,000	108,250	2,273,250
	<u>\$ 5,460,000</u>	<u>\$ 1,345,283</u>	<u>\$ 6,805,283</u>	<u>\$ 394,205,000</u>	<u>\$ 156,438,577</u>	<u>\$ 550,643,577</u>

**CITY OF WICHITA, KANSAS**

**SUMMARY OF REVENUE BOND DEBT SERVICE CHARGES  
PAYABLE FROM GOVERNMENTAL FUND REVENUES**  
Based on bonded debt as of December 31, 2015

Year	Sales Tax Special Obligation			Total		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2016	\$ 95,070	\$ 127,752	\$ 222,822	\$ 95,070	\$ 127,752	\$ 222,822
2017	101,655	120,996	222,651	101,655	120,996	222,651
2018	109,290	113,749	223,039	109,290	113,749	223,039
2019	116,990	105,964	222,954	116,990	105,964	222,954
2020	123,250	97,620	220,870	123,250	97,620	220,870
2021	112,680	89,038	201,718	112,680	89,038	201,718
2022	121,185	80,531	201,716	121,185	80,531	201,716
2023	130,365	71,381	201,746	130,365	71,381	201,746
2024	140,175	61,539	201,714	140,175	61,539	201,714
2025	150,750	50,956	201,706	150,750	50,956	201,706
2026	162,135	39,574	201,709	162,135	39,574	201,709
2027	174,420	27,333	201,753	174,420	27,333	201,753
2028	187,605	14,164	201,769	187,605	14,164	201,769
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
	<u>\$ 1,725,570</u>	<u>\$ 1,000,597</u>	<u>\$ 2,726,167</u>	<u>\$ 1,725,570</u>	<u>\$ 1,000,597</u>	<u>\$ 2,726,167</u>

**CITY OF WICHITA, KANSAS**  
**SCHEDULE OF INSURANCE IN FORCE**  
December 31, 2015

Company	Policy Period		Details of Coverage	Terms	Deductible	Value Limits
	From	To				
Zurich	01-15	01-16	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 Total insured values of \$900,224,436	\$ 100,000; (\$750,000 wind and hail)	\$ 200,000,000
Zurich	01-15	01-16	Comprehensive coverage for steam boilers, air conditioners and electric motors. On repair or replacement cost basis.	Per occurrence	10,000	Included
Zurich	01-15	01-16	Data processing property protection	Hardware	100,000	Included
Hartford Fire	01-15	01-16	Burglary and/or theft coverage for monies and securities	Per occurrence	10,000	1,000,000
Housing Authority Risk Retention Group	06-15	06-16	WHA commercial liability	Per occurrence	10,000	5,000,000
Housing Authority Property Insurance	06-15	06-16	Commercial property coverage	Per occurrence	5,000	\$71,795,532 combined limit based on individual property values
Philadelphia Indemnity Insurance	12-14	12-15	WHA flood insurance on owned units - 29 units	Per occurrence	5,000	\$48,000 per unit
Safety National Casualty Corporation	01-15	01-16	Excess workers' compensation	Per occurrence-liability imposed by law	750,000	Statutory
			Employers' liability	Per occurrence	-	1,000,000
Zurich	01-15	01-16	Travel accident insurance	Per person/occurrence	-	100,000
			Aggregate		-	500,000
ACE American Ins. Co.	01-15	01-16	Foreign package-General liability	Per occurrence	-	1,000,000
Old Republic Ins. Co.	01-15	01-16	Helicopter liability cargo coverage	Per occurrence	-	1,000,000
Old Republic Ins. Co.	01-15	01-16	Helicopter hull coverage-in motion	Per occurrence	12,000	1,200,000
Old Republic Ins. Co.	01-15	01-16	Helicopter hull coverage-not in motion	Per occurrence	-	1,200,000
Ins. Co. of State of PA	01-15	01-16	Special liability	Per occurrence	2,000,000	20,000,000
<b>WICHITA AIRPORT AUTHORITY</b>						
National Union Fire Ins.	01-15	01-16	Comprehensive general liability	Per occurrence	1,000	100,000,000
Great American Alliance Insurance Company	01-15	01-16	Underground storage tank liability	Per occurrence	10,000	1,000,000
<b>WICHITA ART MUSEUM</b>						
Ace American Insurance and AXA Art Insurance	01-15	01-16	All risk coverage for fine arts collections, on premises, worldwide transit coverage and other locations	Per occurrence at insured's premises	1,000	200,000,000
				Per occurrence not at insured's premises	1,000	100,000,000
				Art in transit	1,000	100,000,000
<b>WICHITA PUBLIC BUILDING COMMISSION - STATE OFFICE BUILDING</b>						
Travelers	01-15	01-16	Property - buildings and earnings State office building and parking facility \$39,548,345 insured value	Per occurrence as scheduled	5,000; (\$25,000 wind, hail, earthquake)	39,548,345
Travelers	01-15	01-16	Comprehensive general liability	Per occurrence	-	1,000,000
				General aggregate	-	2,000,000
Travelers	01-15	01-16	Umbrella	Aggregate limits	-	1,000,000

## ***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, 2006 through December 31, 2015  
(accrual basis of accounting)  
(dollars expressed in thousands)

	Fiscal Year				
	2006	2007	2008	2009	2010
<b>Governmental activities</b>					
Net investment in capital assets	\$ 457,432	\$ 488,829	\$ 512,459	\$ 521,613	\$ 554,371
Restricted for:					
Capital projects	25,275	69,899	57,352	43,927	40,177
Highways and streets	8,898	6,712	4,126	810	-
Debt service	252,783	228,627	234,767	264,080	309,669
Perpetual care	831	859	902	889	852
Other purposes	18,524	19,673	6,470	6,470	8,009
Unrestricted	(8,843)	(12,955)	(5,937)	43,898	17,248
<b>Total governmental activities net position</b>	<b>\$ 754,900</b>	<b>\$ 801,644</b>	<b>\$ 810,139</b>	<b>\$ 881,687</b>	<b>\$ 930,326</b>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 684,433	\$ 744,184	\$ 777,044	\$ 762,395	\$ 792,751
Restricted for:					
Capital projects	10,456	15,391	14,688	17,032	18,915
Debt service	3,660	3,523	3,704	-	-
Revenue bond covenants	55,714	30,186	23,401	74,822	90,814
Unrestricted	32,620	25,868	23,480	20,001	26,859
<b>Total business-type activities net position</b>	<b>\$ 786,883</b>	<b>\$ 819,152</b>	<b>\$ 842,317</b>	<b>\$ 874,250</b>	<b>\$ 929,339</b>
<b>Primary government</b>					
Net investment in capital assets	\$ 1,141,865	\$ 1,233,013	\$ 1,289,503	\$ 1,284,008	\$ 1,347,122
Restricted for:					
Capital projects	35,731	85,290	72,040	60,959	59,092
Highways and streets	8,898	6,712	4,126	810	-
Debt service	256,443	232,150	238,471	264,080	309,669
Revenue bond covenants	55,714	30,186	23,401	74,822	90,814
Perpetual care	831	859	902	889	852
Other purposes	18,524	19,673	6,470	6,470	8,009
Unrestricted	23,777	12,913	17,543	63,899	44,107
<b>Total primary government net position</b>	<b>\$ 1,541,783</b>	<b>\$ 1,620,796</b>	<b>\$ 1,652,456</b>	<b>\$ 1,755,937</b>	<b>\$ 1,859,665</b>

	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental activities					
Net investment in capital assets	\$ 615,404	\$ 659,114	\$ 730,439	\$ 714,088	\$ 779,473
Restricted for:					
Capital projects	48,939	38,986	23,033	24,909	22,017
Highways and streets	-	-	-	-	-
Debt service	296,468	277,226	226,947	221,877	191,172
Perpetual care	814	790	762	749	721
Other purposes	12,468	11,135	15,372	19,618	23,628
Unrestricted	5,386	1,918	(11,285)	48,517	27,477
Total governmental activities net position	<u>\$ 979,479</u>	<u>\$ 989,169</u>	<u>\$ 985,268</u>	<u>\$ 1,029,758</u>	<u>\$ 1,044,488</u>
Business-type activities					
Net investment in capital assets	\$ 828,696	\$ 820,105	\$ 854,195	\$ 908,335	\$ 920,577
Restricted for:					
Capital projects	13,682	32,308	53,653	31,221	37,578
Debt service	-	-	-	-	-
Revenue bond covenants	95,954	131,943	117,763	107,357	105,443
Unrestricted	42,979	38,391	40,446	61,782	56,332
Total business-type activities net position	<u>\$ 981,311</u>	<u>\$ 1,022,747</u>	<u>\$ 1,066,057</u>	<u>\$ 1,108,695</u>	<u>\$ 1,119,930</u>
Primary government					
Net investment in capital assets	\$ 1,444,100	\$ 1,479,219	\$ 1,584,634	\$ 1,622,423	\$ 1,700,050
Restricted for:					
Capital projects	62,621	71,294	76,686	56,130	59,595
Highways and streets	-	-	-	-	-
Debt service	296,468	277,226	226,947	221,877	191,172
Revenue bond covenants	95,954	131,943	117,763	107,357	105,443
Perpetual care	814	790	762	749	721
Other purposes	12,468	11,135	15,372	19,618	23,628
Unrestricted	48,365	40,309	29,161	110,299	83,809
Total primary government net position	<u>\$ 1,960,790</u>	<u>\$ 2,011,916</u>	<u>\$ 2,051,325</u>	<u>\$ 2,138,453</u>	<u>\$ 2,164,418</u>

# CITY OF WICHITA, KANSAS

## CHANGES IN NET POSITION

For years ended December 31, 2006 through December 31, 2015  
(accrual basis of accounting)  
(dollars expressed in thousands)

	Fiscal Year				
	2006	2007	2008	2009	2010
<b>EXPENSES</b>					
Governmental activities:					
General government	\$ 47,248	\$ 36,810	\$ 41,906	\$ 37,210	\$ 52,488
Public safety	104,819	114,507	119,123	119,073	126,329
Highways and streets	109,643	94,502	123,526	74,460	49,482
Sanitation	3,680	3,729	5,441	3,648	4,156
Health and welfare	34,561	33,088	33,324	34,924	36,986
Culture and recreation	33,242	34,294	41,031	37,601	39,559
Interest on long-term debt	20,605	20,922	22,264	20,634	19,877
Total governmental activities expenses	<u>353,798</u>	<u>337,852</u>	<u>386,615</u>	<u>327,550</u>	<u>328,877</u>
Business-type activities:					
Water	\$ 36,233	\$ 38,130	\$ 41,670	\$ 44,994	\$ 43,408
Sewer	31,001	31,983	34,958	40,991	36,865
Airport	25,619	25,789	27,416	29,672	26,967
Stormwater	5,270	5,490	5,542	7,415	7,504
Transit	12,185	12,928	13,767	13,876	14,485
Golf	5,017	4,985	4,997	4,539	4,705
Total business-type activities expenses	<u>115,325</u>	<u>119,305</u>	<u>128,350</u>	<u>141,487</u>	<u>133,934</u>
Total primary government expenses	<u>\$ 469,123</u>	<u>\$ 457,157</u>	<u>\$ 514,965</u>	<u>\$ 469,037</u>	<u>\$ 462,811</u>
<b>PROGRAM REVENUES</b>					
Governmental activities:					
Charges for services					
General government	\$ 14,390	\$ 16,258	\$ 16,008	\$ 13,166	\$ 18,706
Public safety	5,949	6,713	5,730	4,919	6,506
Highways and streets	5,077	4,940	5,784	5,231	4,151
Sanitation	978	817	744	1,026	1,005
Health and welfare	1,767	2,960	3,816	5,891	1,905
Culture and recreation	4,876	4,546	4,814	4,773	4,799
Operating grants and contributions	50,167	49,594	50,859	45,514	51,904
Capital grants and contributions	86,328	78,098	87,891	82,537	66,923
Total governmental activities revenues	<u>169,532</u>	<u>163,926</u>	<u>175,646</u>	<u>163,057</u>	<u>155,899</u>
Business-type activities:					
Charges for services					
Water	\$ 40,658	\$ 37,486	\$ 38,356	\$ 51,022	\$ 65,003
Sewer	28,868	31,875	33,789	34,490	37,247
Airport	20,321	20,635	21,598	20,713	21,588
Stormwater	7,063	8,273	8,405	8,497	8,515
Transit	1,708	1,738	1,931	1,811	1,828
Golf	4,365	3,981	4,159	4,298	4,111
Operating grants and contributions	4,849	5,561	5,469	5,940	6,305
Capital grants and contributions	31,209	33,867	34,176	40,269	37,797
Total business-type activities revenues	<u>139,041</u>	<u>143,416</u>	<u>147,883</u>	<u>167,040</u>	<u>182,394</u>
Total primary government revenues	<u>\$ 308,573</u>	<u>\$ 307,342</u>	<u>\$ 323,529</u>	<u>\$ 330,097</u>	<u>\$ 338,293</u>
Net revenue (expense)					
Governmental activities	\$ (184,266)	\$ (173,926)	\$ (210,969)	\$ (164,493)	\$ (172,978)
Business-type activities	23,716	24,111	19,533	25,553	48,460
Total primary government net expense	<u>\$ (160,550)</u>	<u>\$ (149,815)</u>	<u>\$ (191,436)</u>	<u>\$ (138,940)</u>	<u>\$ (124,518)</u>

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>EXPENSES</b>					
Governmental activities:					
General government	\$ 55,191	\$ 52,538	\$ 44,510	\$ 46,350	\$ 64,844
Public safety	125,525	129,684	129,627	132,601	136,232
Highways and streets	54,168	62,484	60,735	50,698	68,326
Sanitation	3,643	3,567	4,700	4,489	5,384
Health and welfare	34,848	35,358	29,919	29,668	31,896
Culture and recreation	38,344	36,090	34,624	35,629	37,707
Interest on long-term debt	19,277	13,676	15,656	13,729	12,334
Total governmental activities expenses	<u>330,996</u>	<u>333,397</u>	<u>319,771</u>	<u>313,164</u>	<u>356,723</u>
Business-type activities:					
Water	\$ 47,621	\$ 48,613	\$ 50,066	\$ 60,654	\$ 72,179
Sewer	37,673	38,577	43,743	46,801	44,943
Airport	26,703	32,651	26,781	28,691	38,967
Stormwater	7,048	8,540	7,933	8,476	10,905
Transit	15,156	15,152	15,139	15,340	4,960
Golf	4,586	4,594	4,765	4,887	16,337
Total business-type activities expenses	<u>138,787</u>	<u>148,127</u>	<u>148,427</u>	<u>164,849</u>	<u>188,291</u>
Total primary government expenses	<u>\$ 469,783</u>	<u>\$ 481,524</u>	<u>\$ 468,198</u>	<u>\$ 478,013</u>	<u>\$ 545,014</u>
<b>PROGRAM REVENUES</b>					
Governmental activities:					
Charges for services					
General government	\$ 22,011	\$ 14,210	\$ 12,432	\$ 15,778	\$ 22,389
Public safety	6,774	7,093	6,636	6,588	7,411
Highways and streets	5,199	4,423	4,313	4,558	5,196
Sanitation	875	1,103	1,265	1,115	1,085
Health and welfare	3,931	4,110	5,138	3,821	3,332
Culture and recreation	4,781	5,494	4,634	4,798	4,979
Operating grants and contributions	50,393	47,413	46,950	45,088	46,685
Capital grants and contributions	60,292	33,870	11,133	38,795	50,301
Total governmental activities revenues	<u>154,256</u>	<u>117,716</u>	<u>92,501</u>	<u>120,541</u>	<u>141,378</u>
Business-type activities:					
Charges for services					
Water	\$ 79,547	\$ 80,088	\$ 64,790	\$ 75,173	\$ 74,906
Sewer	44,089	45,979	49,754	51,291	53,236
Airport	21,597	22,112	21,964	23,687	25,752
Stormwater	9,282	9,057	9,170	9,315	9,353
Transit	1,972	2,146	2,050	2,035	4,632
Golf	4,017	4,726	4,182	4,301	2,089
Operating grants and contributions	7,183	6,689	7,139	8,859	4,592
Capital grants and contributions	20,357	15,381	33,102	22,871	27,842
Total business-type activities revenues	<u>188,044</u>	<u>186,178</u>	<u>192,151</u>	<u>197,532</u>	<u>202,402</u>
Total primary government revenues	<u>\$ 342,300</u>	<u>\$ 303,894</u>	<u>\$ 284,652</u>	<u>\$ 318,073</u>	<u>\$ 343,780</u>
Net revenue (expense)					
Governmental activities	\$ (176,740)	\$ (215,681)	\$ (227,270)	\$ (192,623)	\$ (215,345)
Business-type activities	49,257	38,051	43,724	32,683	14,111
Total primary government net expense	<u>\$ (127,483)</u>	<u>\$ (177,630)</u>	<u>\$ (183,546)</u>	<u>\$ (159,940)</u>	<u>\$ (201,234)</u>

(Continued)

**CITY OF WICHITA, KANSAS**

**CHANGES IN NET POSITION (CONTINUED)**

For years ended December 31, 2006 through December 31, 2015  
(accrual basis of accounting)  
(dollars expressed in thousands)

	Fiscal Year				
	2006	2007	2008	2009	2010
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 89,682	\$ 94,959	\$ 101,311	\$ 106,500	\$ 105,113
Sales taxes	47,705	49,256	51,255	49,444	48,240
Franchise taxes	31,851	32,157	34,272	33,720	36,923
Motor vehicle taxes	12,590	13,060	13,287	13,309	13,094
Transient guest taxes	5,035	5,709	6,325	6,015	5,689
Investment earnings	10,866	11,535	8,874	3,703	2,001
Miscellaneous	7,747	12,329	16,928	23,843	17,498
Transfers	545	1,101	557	(493)	(1,237)
Prior period adjustments	251	564	(13,345)	-	-
Total governmental activities	<u>206,272</u>	<u>220,670</u>	<u>219,464</u>	<u>236,041</u>	<u>227,321</u>
Business-type activities:					
Investment earnings	7,277	8,466	6,710	4,912	3,692
Miscellaneous	856	793	825	974	1,700
Transfers	(545)	(1,101)	(557)	494	1,236
Prior period adjustments	(383)	-	(3,346)	-	-
Total business-type activities	<u>7,205</u>	<u>8,158</u>	<u>3,632</u>	<u>6,380</u>	<u>6,628</u>
Total primary government	<u>\$ 213,477</u>	<u>\$ 228,828</u>	<u>\$ 223,096</u>	<u>\$ 242,421</u>	<u>\$ 233,949</u>
<b>CHANGE IN NET POSITION</b>					
Governmental activities	22,006	46,744	8,495	71,548	54,343
Business-type activities	30,921	32,269	23,165	31,933	55,088
Total primary government	<u>\$ 52,927</u>	<u>\$ 79,013</u>	<u>\$ 31,660</u>	<u>\$ 103,481</u>	<u>\$ 109,431</u>

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 105,089	\$ 105,874	\$ 106,347	\$ 105,989	\$ 106,706
Sales taxes	54,919	54,095	58,519	56,143	57,959
Franchise taxes	36,779	37,407	39,283	41,864	44,304
Motor vehicle taxes	12,898	13,116	13,398	14,397	14,732
Transient guest taxes	6,041	6,100	6,360	6,754	7,255
Investment earnings	1,003	530	828	1,422	1,725
Miscellaneous	7,397	5,683	7,755	15,289	11,952
Transfers	1,766	2,566	2,406	(4,744)	(3,539)
Prior period adjustments	-	-	(11,527)	-	(11,019)
Total governmental activities	<u>225,892</u>	<u>225,371</u>	<u>223,369</u>	<u>237,114</u>	<u>230,075</u>
Business-type activities:					
Investment earnings	3,803	3,813	487	42	449
Miscellaneous	679	2,138	4,464	5,170	2,013
Transfers	(1,766)	(2,566)	(2,406)	4,744	3,539
Prior period adjustments	-	-	(2,960)	-	(8,878)
Total business-type activities	<u>2,716</u>	<u>3,385</u>	<u>(415)</u>	<u>9,956</u>	<u>(2,877)</u>
Total primary government	<u>\$ 228,608</u>	<u>\$ 228,756</u>	<u>\$ 222,954</u>	<u>\$ 247,070</u>	<u>\$ 227,198</u>
<b>CHANGE IN NET POSITION</b>					
Governmental activities	49,152	9,690	(3,901)	44,491	14,730
Business-type activities	51,973	41,436	43,309	42,639	11,234
Total primary government	<u>\$ 101,125</u>	<u>\$ 51,126</u>	<u>\$ 39,408</u>	<u>\$ 87,130</u>	<u>\$ 25,964</u>

**CITY OF WICHITA, KANSAS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

For years ended December 31, 2006 through December 31, 2015  
(accrual basis of accounting)  
(dollars expressed in thousands)

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 2,767	\$ 3,485	\$ 2,462	\$ 2,175	\$ 1,993
Unreserved	23,026	23,051	22,451	22,447	22,514
Nonspendable	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 25,793</u>	<u>\$ 26,536</u>	<u>\$ 24,913</u>	<u>\$ 24,622</u>	<u>\$ 24,507</u>
Debt Service Fund					
Reserved	\$ -	\$ -	\$ -	\$ 699	\$ -
Unreserved	40,945	16,107	6,231	21,522	51,730
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Total Debt Service Fund	<u>\$ 40,945</u>	<u>\$ 16,107</u>	<u>\$ 6,231</u>	<u>\$ 22,221</u>	<u>\$ 51,730</u>
All other governmental funds					
Reserved	\$ 137,531	\$ 112,903	\$ 101,176	\$ 66,458	\$ 55,616
Unreserved reported in:					
Special revenue funds	57,387	60,417	57,993	56,712	58,322
Capital projects funds	(207,404)	(152,103)	(158,110)	(100,612)	(87,391)
Permanent fund	594	623	666	650	605
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ (11,892)</u>	<u>\$ 21,840</u>	<u>\$ 1,725</u>	<u>\$ 23,208</u>	<u>\$ 27,152</u>

<sup>1</sup>Amounts reported for periods prior to 2011 have not been restated for the implementation of GASB Statement 54.

	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	882	841	847	888	949
Assigned	5,761	6,035	5,392	5,384	6,347
Unassigned	24,091	24,291	26,315	27,859	28,824
Total General Fund	<u>\$ 30,734</u>	<u>\$ 31,167</u>	<u>\$ 32,554</u>	<u>\$ 34,131</u>	<u>\$ 36,120</u>
Debt Service Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	85,545	114,344	88,293	41,315	27,125
Total Debt Service Fund	<u>\$ 85,545</u>	<u>\$ 114,344</u>	<u>\$ 88,293</u>	<u>\$ 41,315</u>	<u>\$ 31,192</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Permanent fund	-	-	-	-	-
Nonspendable	310	314	345	356	396
Restricted	73,986	66,502	54,354	59,275	87,087
Committed	24,740	25,206	15,590	16,527	16,142
Assigned	-	-	8,901	1,853	2,084
Unassigned	(76,125)	(83,499)	(131,412)	(43,465)	(67,116)
Total all other governmental funds	<u>\$ 22,911</u>	<u>\$ 8,523</u>	<u>\$ (52,222)</u>	<u>\$ 34,546</u>	<u>\$ 38,593</u>

## CITY OF WICHITA, KANSAS

### CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

For years ended December 31, 2006 through December 31, 2015  
(accrual basis of accounting)  
(dollars expressed in thousands)

	Fiscal Year				
	2006	2007	2008	2009	2010
<b>REVENUES</b>					
Taxes	\$ 155,011	\$ 162,985	\$ 172,176	\$ 175,277	\$ 172,374
Special assessments	29,102	30,082	32,573	33,887	34,251
Franchise taxes	31,851	32,157	34,273	33,720	36,923
Intergovernmental	98,988	96,660	94,087	74,089	72,228
Licenses and permits	7,048	7,478	6,511	5,892	6,648
Fines and penalties	8,801	9,948	9,444	10,430	10,641
Rentals	3,956	5,568	5,571	4,446	4,578
Interest earnings	9,944	10,375	8,160	3,594	2,160
Charges for services and sales	10,398	9,946	10,748	10,542	10,673
Other revenue	12,179	16,242	19,566	35,209	23,219
Total revenues	<u>367,278</u>	<u>381,441</u>	<u>393,109</u>	<u>387,086</u>	<u>373,695</u>
<b>EXPENDITURES</b>					
Current:					
General government	34,193	31,576	36,065	32,855	34,659
Public safety	103,315	110,745	116,580	117,087	120,792
Highways and streets	22,833	22,784	22,838	20,937	19,125
Sanitation	3,304	3,609	3,872	4,372	5,243
Health and welfare	33,482	31,758	31,864	35,986	40,109
Culture and recreation	29,650	30,171	32,720	31,892	31,720
Debt service:					
Principal	59,867	58,496	57,823	79,460	86,867
Interest	20,418	20,332	22,849	19,924	21,955
Capital outlay	170,129	150,383	165,767	121,256	83,658
Total expenditures	<u>477,191</u>	<u>459,854</u>	<u>490,378</u>	<u>463,769</u>	<u>444,128</u>
Deficiency of revenues under expenditures	<u>(109,913)</u>	<u>(78,413)</u>	<u>(97,269)</u>	<u>(76,683)</u>	<u>(70,433)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of long-term capital debt	48,879	101,620	64,165	152,895	123,157
Premiums on bonds sold	159	628	169	2,573	5,566
Discounts on bonds sold	-	-	-	-	-
Payments on refunded bonds	(8,845)	(15,615)	-	(43,810)	(29,240)
Transfers from other funds	94,789	109,209	111,156	82,417	72,657
Transfers to other funds	<u>(92,973)</u>	<u>(107,707)</u>	<u>(109,811)</u>	<u>(80,210)</u>	<u>(68,369)</u>
Total other financing sources (uses)	<u>42,009</u>	<u>88,135</u>	<u>65,679</u>	<u>113,865</u>	<u>103,771</u>
Prior period adjustment	<u>(117)</u>	<u>(86)</u>	<u>(24)</u>	<u>-</u>	<u>-</u>
Total changes in fund balances	<u>\$ (68,021)</u>	<u>\$ 9,636</u>	<u>\$ (31,614)</u>	<u>\$ 37,182</u>	<u>\$ 33,338</u>
Debt service as a percentage of noncapital expenditures	21.0%	21.5%	19.5%	26.1%	28.2%

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>REVENUES</b>					
Taxes	\$ 178,947	\$ 179,185	\$ 184,625	\$ 183,283	\$ 186,651
Special assessments	33,648	33,327	33,669	31,509	29,797
Franchise taxes	36,779	37,407	39,283	41,863	44,304
Intergovernmental	64,003	61,057	59,823	57,530	70,185
Licenses and permits	6,735	7,427	7,468	7,241	7,732
Fines and penalties	10,345	10,476	9,391	9,858	9,767
Rentals	4,266	4,737	4,400	4,203	6,227
Interest earnings	1,022	551	851	1,456	1,725
Charges for services and sales	12,019	10,647	11,052	12,122	21,947
Other revenue	21,283	12,986	13,354	22,117	13,740
Total revenues	<u>369,047</u>	<u>357,800</u>	<u>363,916</u>	<u>371,182</u>	<u>392,075</u>
<b>EXPENDITURES</b>					
Current:					
General government	36,587	34,643	36,414	37,368	37,601
Public safety	122,930	126,734	129,573	129,934	131,496
Highways and streets	22,450	18,185	16,676	18,416	20,301
Sanitation	4,264	3,722	3,774	4,366	4,977
Health and welfare	35,379	32,134	31,854	31,656	33,035
Culture and recreation	30,793	31,061	30,379	31,044	33,391
Debt service:					
Principal	52,743	65,923	62,137	50,925	51,669
Interest	19,929	20,027	20,438	17,132	18,699
Capital outlay	82,901	109,959	108,380	76,379	91,671
Total expenditures	<u>407,976</u>	<u>442,388</u>	<u>439,625</u>	<u>397,220</u>	<u>422,840</u>
Deficiency of revenues under expenditures	<u>(38,929)</u>	<u>(84,588)</u>	<u>(75,709)</u>	<u>(26,038)</u>	<u>(30,765)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of long-term capital debt	101,043	108,605	16,290	108,370	50,560
Premiums on bonds sold	11,952	10,003	646	9,842	6,045
Discounts on bonds sold	-	-	-	(33)	-
Payments on refunded bonds	(43,045)	(22,490)	(35,460)	(48,905)	(32,321)
Transfers from other funds	73,059	95,855	82,035	90,735	124,180
Transfers to other funds	<u>(68,280)</u>	<u>(92,540)</u>	<u>(77,826)</u>	<u>(92,603)</u>	<u>(126,142)</u>
Total other financing sources (uses)	<u>74,729</u>	<u>99,433</u>	<u>(14,315)</u>	<u>67,406</u>	<u>22,322</u>
Prior period adjustment	-	-	4,614	-	4,354
Total changes in fund balances	<u>\$ 35,800</u>	<u>\$ 14,845</u>	<u>\$ (85,410)</u>	<u>\$ 41,368</u>	<u>\$ (4,089)</u>
Debt service as a percentage of noncapital expenditures	21.0%	23.0%	23.1%	20.3%	18.9%

## CITY OF WICHITA, KANSAS

### GOVERNMENTAL OWN SOURCE REVENUES BY SOURCE

For years ended December 31, 2006 through December 31, 2015  
(modified accrual basis of accounting)  
(dollars expressed in thousands)

<u>Year</u>	<u>Property Taxes<sup>1</sup></u>	<u>Special Assessments<sup>2</sup></u>	<u>Franchise Taxes</u>
2006	102,264	28,013	31,851
2007	108,018	29,529	32,157
2008	114,598	31,789	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
2014	120,385	31,407	41,863
2015	121,437	29,786	44,304

<sup>1</sup>Property taxes include motor vehicle taxes.

<sup>2</sup>Special assessments includes the assessments for improvements.  
Nuisance assessments are not included above.

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## CITY OF WICHITA, KANSAS

### GOVERNMENTAL REVENUES BY SOURCE

For years ended December 31, 2006 through December 31, 2015  
(modified accrual basis of accounting)  
(dollars expressed in thousands)

Year	Taxes	Special Assessments <sup>1</sup>	Franchise Taxes	Local Sales Tax	Intergovernmental	Licenses and Permits
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
2014	127,140	31,509	41,863	56,143	57,530	7,241
2015	128,692	29,797	44,304	57,959	70,185	7,732

<sup>1</sup>Includes all collections through specials, including nuisance collections.

### GOVERNMENTAL EXPENDITURES BY FUNCTION

For years ended December 31, 2006 through December 31, 2015  
(modified accrual basis of accounting)  
(dollars expressed in thousands)

Year	General Government	Public Safety	Highways and Streets	Sanitation	Health and Welfare	Culture and Recreation
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
2014	37,368	129,934	18,416	4,366	31,656	31,044
2015	37,601	131,496	20,301	4,977	33,035	33,391

	Fines and Penalties	Rentals	Interest Earnings	Charges for Services and Sales	Other Revenue	Total	Year
\$	8,801	\$ 3,956	\$ 9,944	\$ 10,398	\$ 12,179	\$ 367,278	2006
	9,948	5,568	10,375	9,946	16,241	381,439	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
	9,857	4,203	1,456	12,122	22,118	371,182	2014
	9,767	6,227	1,725	21,947	13,742	392,077	2015

	Debt Service	Capital Outlay	Total	Year
\$	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
	68,057	76,412	397,253	2014
	70,369	91,671	422,841	2015

## CITY OF WICHITA, KANSAS

### ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

For years ended December 31, 2006 through December 31, 2015  
(dollars expressed in thousands)

Year <sup>1</sup>	Real Property		Personal Property		State Assessed Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
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
2014	2,963,148	20,364,338	93,990	404,245	91,126	276,140
2015	3,008,647	20,663,543	83,860	356,982	99,075	300,226

Year	Totals Assessed Property		Assessed Value as a Percent of Actual Value	Total Direct Tax Rate <sup>2</sup>	Tangible Valuation of Motor Vehicles	Total Valuation for Bonded Debt Limitations
	Assessed Value	Estimated Actual Value				
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
2014	3,148,264	21,044,723	14.96%	5.10	404,427	3,552,691
2015	3,191,582	21,320,751	14.97%	5.12	417,145	3,608,727

<sup>1</sup>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.

<sup>2</sup>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, 2006 through December 31, 2015

Year <sup>1</sup>	City of Wichita			Overlapping Rates				Total Direct & Overlapping Rates
	Operating Millage	Debt Millage	Total Millage	State Levy	Sedgwick County	Unified School District 259	Total Overlapping	
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
2014	24.114	8.537	32.651	1.500	29.478	53.735	84.713	117.364
2015	24.177	8.509	32.686	1.500	29.383	56.278	87.161	119.847

<sup>1</sup>Represents the year the 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, 2006 and December 31, 2015  
(dollars expressed in thousands)

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Kansas Gas & Electric (Westar Energy Co.)	\$ 47,583	1	1.49 %	\$ 40,418	1	1.43 %
City of Wichita	27,854	2	0.87	-	-	-
Simon Property Group	25,631	3	0.80	30,097	4	1.06
Wal-Mart	23,137	4	0.72	9,439	8	0.33
Kansas Gas Service (Division of Oneok)	19,646	5	0.62	11,835	5	0.42
Southwestern Bell Telephone	13,001	6	0.41	39,395	2	1.39
Wesley Medical Center LLC (HCA)	10,628	7	0.33	35,673	3	1.26
Bradley Fair One LLC	7,942	8	0.25	8,070	10	0.28
Target Corporation	6,977	9	0.22	11,249	6	0.40
New Market I LLC	6,842	10	0.21	-	-	-
Builders, Inc	-	-	-	10,471	7	0.37
Koch Real Estate Holdings	-	-	-	9,231	9	0.33
	<u>\$ 189,241</u>		<u>5.92 %</u>	<u>\$ 205,878</u>		<u>7.27 %</u>

### PRINCIPAL EMPLOYERS, WICHITA AREA

For years ended December 31, 2006 and December 31, 2015

Employer	2015			2006		
	Total Full-time Wichita-area Employees	Rank	Percentage of Total City Employment	Total Full-time Wichita-area Employees	Rank	Percentage of Total City Employment
Spirit AeroSystems, Inc.	10,900	1	3.68 %	9,400	2	3.33 %
Via Christi Health System	6,027	2	2.04	4,762	6	1.69
USD 259 Wichita	5,620	3	1.90	5,206	5	1.84
State of Kansas	4,803	4	1.62	4,029	7	1.43
McConnell Air Force Base	4,576	5	1.55	-	-	-
Koch Industries	3,600	6	1.22	-	-	-
City of Wichita	2,752	7	0.93	3,095	9	1.10
US Government	2,658	8	0.90	5,435	4	1.93
Sedgwick County	2,542	9	0.86	-	-	-
Wesley Healthcare	2,072	10	0.70	-	-	-
Cessna Aircraft Co.	-	-	-	10,258	1	3.64
Raytheon Aircraft	-	-	-	6,300	3	2.23
Boeing Aircraft Co.	-	-	-	3,133	8	1.11
Bombardier Learjet	-	-	-	2,571	10	0.91
Percent of total employment			<u>15.40 %</u>			<u>19.21 %</u>
Total employment	296,100			282,200		

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, 2006 through December 31, 2015  
(dollars expressed in thousands)

Year Ended December 31 <sup>1</sup>	Taxes Levied	Current Year Collections		Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage Levy		Amount	Percentage of Levy
2006	\$ 85,103	\$ 80,692	94.82 %	\$ 2,778	\$ 83,470	98.08 %
2007	90,546	86,525	95.56	3,278	89,803	99.18
2008	95,692	91,161	95.27	4,222	95,383	99.68
2009	100,840	95,255	94.46	3,458	98,713	97.89
2010	101,298	95,319	94.10	3,257	98,576	97.31
2011	100,319	95,890	95.59	2,663	98,553	98.24
2012	101,997	96,611	94.72	1,678	98,289	96.36
2013	101,036	96,596	95.61	1,134	97,730	96.73
2014	101,569	97,108	95.61	4	97,112	95.61
2015	102,796	97,403	94.75	-	97,403	94.75

**TAX INCREMENT FINANCING DISTRICTS**

For years ended December 31, 2006 through December 31, 2015  
(dollars expressed in thousands)

Year Ended December 31 <sup>1</sup>	Taxes Levied <sup>2</sup>	Current Year Collections		Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage Levy		Amount	Percentage of Levy <sup>2</sup>
2006	\$ 6,169	\$ 5,766	93.47 %	\$ 354	\$ 6,120	99.21 %
2007	6,580	6,087	92.51	469	6,556	99.64
2008	7,038	5,752	81.73	51	5,803	82.45
2009	7,101	6,127	86.28	219	6,346	89.37
2010	6,196	6,372	102.84	103	6,475	104.50
2011	5,991	6,174	103.05	17	6,191	103.34
2012	6,021	5,820	96.66	172	5,992	99.52
2013	6,317	5,726	90.64	37	5,763	91.23
2014	5,732	5,921	103.30	-	5,921	103.30
2015	6,309	5,834	92.47	-	5,834	92.47

**SPECIAL ASSESSMENT LEVIES AND COLLECTIONS**

For years ended December 31, 2006 through December 31, 2015  
(dollars expressed in thousands)

Year Ended December 31 <sup>1</sup>	Assessments Certified to County <sup>3</sup>	Current Year Collections		Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage of Assessment		Amount	Percentage of Assessment
2006	\$ 27,137	\$ 25,889	95.40 %	\$ 1,227	\$ 27,116	99.92 %
2007	28,797	27,272	94.70	1,517	28,789	99.97
2008	30,871	29,097	94.25	1,421	30,518	98.86
2009	30,687	29,756	96.97	789	30,545	99.54
2010	33,314	30,934	92.86	2,063	32,997	99.05
2011	34,882	32,010	91.77	857	32,867	94.22
2012	33,088	29,296	88.54	1,347	30,643	92.61
2013	31,857	29,090	91.31	858	29,948	94.01
2014	29,982	27,839	92.85	-	27,839	92.85
2015	28,112	26,575	94.53	-	26,575	94.53

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

<sup>2</sup>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.

<sup>3</sup>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 ended December 31, 2006 through December 31, 2015  
(dollars expressed in thousands except per capita amounts)

Year	Assessed Value <sup>1</sup>	Gross Bonded Debt <sup>2</sup>	Less: Amounts Available in Debt Service Fund	Debt Payable From Local Sales Tax	Debt Payable from Transient Guest Tax
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
2014	3,552,691	630,375	29,685	148,770	2,485
2015	3,608,727	682,625	5,992	131,560	2,485

<sup>1</sup>Includes assessed value and motor vehicle valuations expressed in thousands.

<sup>2</sup>Includes all long-term general obligation debt repayable from governmental and proprietary funds.

<sup>3</sup>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 <sup>3</sup>	Year
\$ 16,401	\$ 217,705	\$ 32,032	\$ 0.010	\$ 89.83	2006
14,484	218,545	55,562	0.016	153.96	2007
12,492	227,550	52,604	0.015	143.79	2008
20,101	241,420	59,092	0.017	158.77	2009
26,723	255,270	73,032	0.021	191.00	2010
40,681	269,630	66,424	0.019	173.12	2011
48,360	254,955	75,411	0.022	195.58	2012
44,285	216,625	70,591	0.020	182.38	2013
184,285	192,575	72,575	0.020	186.85	2014
270,056	181,733	90,799	0.025	233.77	2015

**CITY OF WICHITA, KANSAS**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

For years ended December 31, 2006 through December 31, 2015  
(dollars expressed in thousands)

Fiscal Year	Proprietary Activities					Governmental Activities	
	Water Utility Bonds	Sewer Utility Bonds	Airport Authority Bonds	General Obligation Bonds	Bond Anticipation Notes	General Obligation Bonds	Local Sales Tax Revenue Bonds
2006	\$ 167,473	\$ 146,810	\$ 79,557	\$ 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	239,883	181,879	11,310	44,834	7,933	435,720	-
2014	231,195	180,231	11,330	196,102	96,565	474,391	1,635
2015	234,609	181,503	5,460	287,881	-	441,858	1,698

Fiscal Year	Governmental Activities				Total Debt as a Percent of Per Capita Income
	HUD Section 108 Loan	Capital Lease Debt	Bond Anticipation Notes	Total Debt Primary Government	
2006	\$ 2,075	\$ -	\$ 18,057	\$ 832,277	5.98 %
2007	1,825	1,681	14,180	841,237	5.77
2008	1,565	1,472	34,990	864,272	5.42
2009	1,285	1,178	39,501	1,002,408	6.72
2010	990	851	1,813	1,058,776	7.21
2011	680	510	14,158	1,045,727	6.46
2012	350	153	10,465	1,005,120	5.87
2013	-	435	3,465	925,459	5.38
2014	-	341	-	1,191,790	6.77
2015	-	272	-	1,153,281	6.55

Fiscal Year	Component Unit
	Wichita Public Building Commission
2006	\$ 29,315
2007	26,555
2008	24,230
2009	21,805
2010	16,705
2011	14,010
2012	11,220
2013	1,595
2014	-
2015	-

<sup>1</sup>Expressed in dollars. Population figures are presented on page H-27 of this section.

**CITY OF WICHITA, KANSAS**

**RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING**

For years ended December 31, 2006 through December 31, 2015  
(dollars expressed in thousands except per capita amounts)

<u>Fiscal Year</u>	<u>General Obligation Bonds<sup>1</sup></u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percent of Estimated Actual Value of Taxable Property<sup>2</sup></u>	<u>Per Capita<sup>3</sup></u>
2006	\$ 418,305	\$ 40,945	\$ 377,360	2.05 %	\$ 1,058.2
2007	448,457	16,107	432,350	2.21	1,198.0
2008	432,681	6,231	426,450	2.06	1,165.7
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	85,454	440,340	2.10	1,147.6
2012	558,037	114,344	443,693	2.14	1,150.7
2013	480,005	88,293	391,712	1.88	1,012.0
2014	630,375	41,315	589,060	2.80	1,516.6
2015	682,625	31,192	651,433	3.06	1,677.2

<sup>1</sup>Includes all general obligation debt.

<sup>2</sup>Excludes estimated actual value of motor vehicles.

<sup>3</sup>Population figures provided on page H-27 on this section.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL OBLIGATION BONDED DEBT  
TO TOTAL GOVERNMENT EXPENDITURES**

For years ended December 31, 2006 through December 31, 2015  
(dollars expressed in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service<sup>1</sup></u>	<u>Total Governmental Expenditures<sup>2</sup></u>	<u>Ratio of Debt Service to Government Expenditures</u>
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
2014	47,460	16,648	64,108	397,253	16.14
2015	51,669	18,510	70,179	422,841	16.60

<sup>1</sup>Includes debt service related to all governmental activities except for that related to a Section 108 loan.

<sup>2</sup>Includes expenditures of all governmental fund types.

## CITY OF WICHITA, KANSAS

### LEGAL DEBT MARGIN INFORMATION

For years ended December 31, 2006 through December 31, 2015  
(dollars expressed in thousands)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$ 964,087	\$ 1,015,379	\$ 1,064,291	\$ 1,064,507	\$ 1,061,156
Total net debt applicable to limit	<u>232,818</u>	<u>197,179</u>	<u>202,312</u>	<u>221,768</u>	<u>226,525</u>
Legal debt margin	<u>\$ 731,269</u>	<u>\$ 818,200</u>	<u>\$ 861,979</u>	<u>\$ 842,739</u>	<u>\$ 834,631</u>
Total net debt applicable to limit as a percentage of debt limit	24.15%	19.42%	19.01%	20.83%	21.35%

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 1,060,079	\$ 1,049,079	\$ 1,056,230	\$ 1,065,807	\$ 1,082,618
<u>197,552</u>	<u>169,407</u>	<u>137,511</u>	<u>244,903</u>	<u>320,290</u>
<u>\$ 862,527</u>	<u>\$ 879,672</u>	<u>\$ 918,719</u>	<u>\$ 820,904</u>	<u>\$ 762,328</u>
18.64%	16.15%	13.02%	22.98%	29.58%

Total debt \$ 1,154,036

2015 Equalized assessed valuation of taxable tangible property \$ 3,191,582  
Add: 2015 Estimated tangible valuation of motor vehicles 417,145  
Total assessed value \$ 3,608,727

Debt limit (30% of equalized assessed value) \$ 1,082,618

Debt applicable to limit:

General obligation bonds and temporary notes \$ 342,977  
Less: Amount set aside for repayment of general obligation debt 22,687  
Total net debt applicable to limit \$ 320,290

Legal debt margin \$ 762,328

**CITY OF WICHITA, KANSAS**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

For years ended December 31, 2013 through December 31, 2015

	December 31, 2013		December 31, 2014		December 31, 2015	
	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
<b>Direct Debt:</b>						
General obligation bonded debt						
Payable from ad valorem taxes		\$ 75,934,638		\$ 76,914,924		\$ 73,960,475
Capital lease		435,070		341,110		272,211
Bond anticipation notes		3,465,300		-		-
Temporary note debt		75,147,191		52,521,353		40,968,075
Total direct debt		<u>154,982,199</u>		<u>129,777,387</u>		<u>115,200,761</u>
<b>Overlapping debt:</b>						
Sedgwick County	72.6%	109,419,500	81.7%	152,043,700	81.7%	184,548,980
USD 259	60.6%	280,899,220	59.7%	265,760,520	59.7%	252,155,050
Total overlapping debt		<u>390,318,720</u>		<u>417,804,220</u>		<u>436,704,030</u>
Total direct and overlapping debt		<u>\$ 545,300,919</u>		<u>\$ 547,581,607</u>		<u>\$ 551,904,791</u>

Note: Percentage of overlapping debt based on assessed valuation.

## CITY OF WICHITA, KANSAS

### DEMOGRAPHIC AND ECONOMIC STATISTICS

For years 2006 through 2015

Fiscal Year	Population of Wichita	Population of Wichita MSA <sup>1</sup>	Personal Income of Wichita MSA (amounts expressed in thousands)	Per Capita Personal Income
2006	356,592	588,228	23,457,702	38,999
2007	360,897	595,342	24,597,376	40,402
2008	365,838	603,205	26,922,221	43,624
2009	372,186	612,683	25,148,075	40,095
2010	382,368	630,919	24,264,964	38,398
2011	383,696	633,266	26,703,571	42,168
2012	385,577	635,942	28,235,474	44,399
2013	387,052	638,259	28,391,579	44,483
2014	388,413	641,076	29,038,525	45,297
2015	388,413	644,610	29,038,525	45,297

Fiscal Year	Median Age	School Enrollment	Average Annual Unemployment Rates	
			City of Wichita	Wichita MSA
2006	34.8	48,770	5.0%	4.6%
2007	35.0	48,705	4.6%	4.2%
2008	34.0	49,146	4.9%	4.5%
2009	34.3	49,658	9.1%	8.2%
2010	33.9	50,033	9.5%	8.6%
2011	34.3	50,103	8.6%	7.7%
2012	35.1	50,639	7.5%	6.7%
2013	34.0	51,169	6.4%	6.0%
2014	34.0	51,330	5.6%	5.3%
2015	34.0	51,133	5.0%	4.7%

Data provided by the Center of Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University, as provided at time of publishing. The statistical information may reflect revisions made to data originally reported.

<sup>1</sup> Wichita Metropolitan Statistical Area

# CITY OF WICHITA, KANSAS

## PLEDGED REVENUE COVERAGE

For years ended December 31, 2006 through December 31, 2015  
(dollars expressed in thousands)

Water Revenue Bonds							
Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expense	Net Revenue Available for Debt Service	Principal	Interest	Coverage	
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	
2014	80,476	29,182	51,294	13,166	10,746	2.15	
2015	82,604	28,982	53,622	12,759	10,289	2.33	

Sewer Revenue Bonds							
Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expense	Net Revenue Available for Debt Service	Principal	Interest	Coverage	
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	
2014	53,402	23,314	30,088	9,324	7,958	1.74	
2015	55,882	22,217	33,665	8,762	7,817	2.03	

Combined Water and Sewer Revenue Bonds							
Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expense	Net Revenue Available for Debt Service	Principal	Interest	Coverage	
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	
2014	133,878	52,496	81,382	22,490	18,704	1.98	
2015	138,486	51,199	87,287	21,521	18,106	2.20	

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, 2006 through December 31, 2015

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Safety</b>										
Police stations	4	4	4	4	4	4	4	4	4	4
Police patrol units	175	175	175	175	175	173	183	175	171	180
Fire stations	18	19	19	22	22	22	22	22	22	22
<b>Highways and Streets</b>										
Streets (miles)	1,795	1,830	1,859	1,882	1,884	1,898	1,902	1,904	1,906	1,909
Signalized intersections	547	553	562	562	562	584	585	584	592	594
<b>Culture and Recreation</b>										
Parks acreage	4,458	5,281	5,281	4,892	4,892	4,886	4,903	4,905	4,904	4,996
Swimming pools	11	11	11	11	11	11	9	9	9	9
Interactive water features	5	6	6	6	6	5	5	5	5	5
Fishing ponds	13	13	13	13	13	13	13	13	13	13
Tennis courts	75	76	76	75	73	75	75	77	77	73
Exercise/fitness trails	12	12	12	16	16	13	13	13	13	14
Children's playgrounds	78	78	80	82	83	79	79	81	81	80
Community centers	10	10	10	10	10	9	9	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	8
<b>Water</b>										
Water mains (miles)	2,244	2,280	2,298	2,314	2,357	2,361	2,387	2,407	2,422	2,416
Maximum daily capacity (million gallons per day) <sup>1</sup>	119	108	125	125	125	125	125	125	125	125
<b>Sewer</b>										
Sanitary sewers (miles) <sup>2</sup>	1,935	1,986	2,011	2,013	2,134	2,134	2,016	2,016	2,022	2,030
Storm sewers (miles)	400	420	420	420	750	750	750	925	925	1,091
Maximum daily treatment capacity (million gallons per day)	61	59	59	62	62	62	62	62	62	62
<b>Airport</b>										
Airport	2	2	2	2	2	2	2	2	2	2
<b>Transit</b>										
Bus fleet	56	53	53	53	53	55	54	56	56	52
Para-transit vans	22	20	23	24	24	24	24	24	22	25

<sup>1</sup> Estimated daily average

<sup>2</sup> 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, 2006 through December 31, 2015

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Safety</b>										
Police										
Dispatched calls for 911 service	245,200	206,453	234,578	238,766	286,507	226,047	227,787	231,290	218,614	218,160
Parking violations	20,500	30,885	23,922	22,011	21,234	17,105	14,917	14,276	16,012	16,372
Traffic violations	70,000	79,755	64,113	77,589	72,303	72,983	64,437	54,820	58,824	53,184
Fire										
Number of unit responses	60,012	67,170	68,818	69,332	69,680	72,226	73,389	73,184	76,539	76,962
Fires contained to room of origin	69%	68%	78%	73%	64%	62%	71%	72%	69%	76%
Inspections <sup>3</sup>	5,165	5,953	5,753	4,092	4,187	4,731	12,969	15,225	7,342	7,873
<b>Highways and Streets</b>										
Street resurfacing (miles)	36	33	18	11	11	14	22	14	22	22
Potholes repaired	42,000	96,731	93,880	51,241	70,306	54,075	47,851	54,661	56,558	73,275
<b>Culture and Recreation</b>										
Golf rounds played	188,883	164,013	164,140	172,096	161,179	158,124	178,886	155,460	155,611	166,536
Trees planted	3,907	2,498	2,189	2,090	1,624	702	1,944	291	909	1,422
Swim lessons	1,560	1,134	1,490	1,379	1,377	1,721	1,531	1,394	1,433	1,126
Botanica visitors	111,289	94,865	102,877	97,390	105,881	145,105	166,390	154,509	206,193	220,041
Convention & Performance Center <sup>1</sup>										
Conventions	29	25	28	18	29	30	29	26	28	27
Consumer shows	na	na	na	na	29	27	33	30	30	33
Performances	na	na	na	na	65	67	63	52	66	57
Other events	na	na	na	na	173	210	207	171	139	324
Library circulation	1,992,052	2,057,722	2,248,824	2,237,881	2,284,698	2,304,924	2,218,997	2,137,656	2,102,505	2,104,230
Library program attendance	65,169	68,296	69,597	70,030	70,528	68,507	71,714	62,291	56,944	70,035
<b>Water</b>										
Water customers <sup>2</sup>	144,780	144,336	141,622	142,196	144,529	144,710	144,190	144,261	144,106	146,717
Main breaks	311	280	198	165	242	339	340	233	214	296
(per 1,000 miles of mains)										
Average daily consumption	61	58	54	54	57	61	60	51	52	50
(million gallons per day)										
<b>Sewer (wastewater)</b>										
Sewer customers <sup>2</sup>	133,759	131,235	133,160	133,799	134,508	134,534	134,491	133,952	136,019	137,058
Average daily sewage treated	35	36	40	37	36	27	29	38	37	35
(million gallons per day)										
<b>Airport</b>										
Number of passengers	1,460,331	1,596,229	1,619,075	1,505,607	1,549,395	1,536,354	15,069,206	1,512,507	1,533,669	1,571,348
Passenger enplanements	726,619	795,535	805,286	746,283	772,608	764,622	752,108	757,401	763,597	782,725
Number of daily flights	47	50	43	41	38	35	33	34	34	34
<b>Transit</b>										
Bus fleet	1,868,673	1,972,981	2,255,051	2,170,346	2,210,177	2,073,725	1,940,461	1,851,654	1,864,279	1,886,495
Para-transit vans	326,303	318,122	325,433	342,500	352,043	343,138	309,872	301,465	260,906	237,441

<sup>1</sup> Convention and Performance Center even records not available in earliest years.

<sup>2</sup> Water and Sewer customers estimated.

<sup>3</sup> Fire Department increased enforcement efforts related code administration inspections beginning in 2012.

Source: City of Wichita Operating Departments

**CITY OF WICHITA, KANSAS**

**CITY GOVERNMENT EMPLOYEES BY FUNCTION**

For years ended December 31, 2006 through December 31, 2015

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Government</b>										
City council and city manager	16	15	15	15	15	15	15	15	15	20
General government	17	16	28	25	24	23	36	24	19	22
Economic development	3	4	4	9	8	2	4	4	4	3
Financial services	73	73	73	73	71	71	70	68	67	68
Legal services	25	25	25	26	26	26	27	26	26	26
Building services	109	108	111	111	111	69	92	95	101	101
Fleet services	61	61	61	60	60	54	54	55	57	57
Municipal court	105	111	115	116	116	113	120	116	116	115
Information technology	55	56	56	59	56	56	56	56	57	59
Metropolitan planning	32	38	31	31	31	29	28	28	18	18
Human resources	18	18	18	18	18	17	17	17	17	17
<b>Public Safety</b>										
Police	856	857	860	860	834	846	854	843	840	838
Fire	407	439	436	436	438	437	453	453	452	453
Metropolitan area building and construction	72	78	81	83	101	78	78	63	53	50
Flood control	18	18	18	18	18	18	18	18	18	18
<b>Highways and Streets</b>										
Administration	5	5	5	5	5	56	43	9	9	9
Street maintenance	127	127	129	123	123	119	119	121	121	121
Engineering and architecture	102	98	105	102	102	105	104	93	88	88
<b>Sanitation</b>										
Landfill operations	2	3	2	2	2	2	3	3	3	3
Street cleaning	22	22	21	26	26	26	24	24	24	24
<b>Health and Welfare</b>										
Housing and community services	93	88	89	90	91	90	89	88	82	82
Environmental services	69	71	67	68	49	31	30	36	29	29
<b>Culture and Recreation</b>										
Libraries	153	153	155	155	155	155	151	149	139	138
Art museum	26	30	24	26	26	26	26	26	26	22
Parks and recreation	188	198	185	185	121	139	122	158	124	129
Golf courses	34	38	38	38	33	33	33	33	33	33
Community facilities	34	29	46	58	51	51	51	51	52	49
<b>Water Utility</b>	222	228	223	230	228	193	186	214	214	215
<b>Sewer Utility</b>	159	159	163	163	161	155	155	154	154	154
<b>Airport Authority</b>	116	115	114	115	115	119	126	118	134	136
<b>Stormwater Utility</b>	37	33	33	38	38	37	37	38	39	39
<b>Transit</b>	133	131	133	131	154	135	135	135	139	138
<b>Total</b>	<u>3389</u>	<u>3445</u>	<u>3464</u>	<u>3495</u>	<u>3407</u>	<u>3326</u>	<u>3356</u>	<u>3331</u>	<u>3270</u>	<u>3274</u>

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

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## ***SINGLE AUDIT SECTION***

The Single Audit Section contains reports of the Independent Auditor's, schedules and exhibits reflecting Federal, State and local matching participation in various projects and programs of the City.

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 City of Wichita, Kansas (City), as of and for the year ended December 31, 2015, 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 10, 2016.

**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 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 the 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 Auditing 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.L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

June 10, 2016  
Wichita, Kansas

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 City of Wichita, Kansas' (City) compliance with the types of compliance requirements described in the *OMB 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, 2015. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Guide. Those standards, the Uniform Guidance and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion 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, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2015-001, 2015-002 and 2015-003. Our opinion on each major federal program is not modified with respect to these matters.

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

### **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 the Uniform Guidance 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 certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-001, 2015-002 and 2015-003 that we consider to be significant deficiencies.

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

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 the Uniform Guidance and the Guide. Accordingly, this report is not suitable for any other purpose.

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

June 10, 2016  
Wichita, KS

**CITY OF WICHITA, KANSAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended December 31, 2015

Federal Grant or Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>				
<i>Passed Through Kansas Forest Service:</i>				
Cooperative Forestry Assistance	10.664	GXFS602201; BG2717	\$ -	\$ 1,581
Total U.S. Department of Agriculture			<u>\$ -</u>	<u>\$ 1,581</u>
<b><u>U.S. Department of Defense</u></b>				
<i>Passed Through Wichita State University:</i>				
Procurement Technical Assistance for Business Firms	12.002	SP480014214650002	\$ -	\$ 267
Procurement Technical Assistance for Business Firms	12.002	SP480015215650002	-	3,234
Total U.S. Department of Defense			<u>\$ -</u>	<u>\$ 3,501</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<i>Direct Funding:</i>				
Community Development Block Grants/Entitlement Grants	14.218		\$ 371,317	\$ 2,785,227
Emergency Shelter Grants Program	14.231		170,541	214,067
HOME Investment Partnerships Program	14.239		-	1,191,062
Public and Indian Housing	14.850		-	2,112,650
Resident Opportunity and Supportive Services	14.870		-	45,594
Section 8 Housing Choice Vouchers (1)	14.871		-	13,192,413
Public Housing Capital Fund	14.872		-	807,108
Mainstream Vouchers (1)	14.879		-	213,864
Family Self-Sufficiency Program	14.896		-	174,913
Total U.S. Department of Housing and Urban Development			<u>\$ 541,858</u>	<u>\$ 20,736,898</u>
<b><u>U. S. Department of the Interior</u></b>				
<i>Passed Through Kansas Historical Society:</i>				
Historic Preservation Fund Grants-In-Aid	15.904	P14AS00012-006	\$ -	\$ 8,083
<i>Passed Through Kansas Department of Wildlife, Parks and Tourism:</i>				
Outdoor Recreation Acquisition, Development and Planning	15.916	20-00757	-	39,004
Total U.S. Department of the Interior			<u>\$ -</u>	<u>\$ 47,087</u>
<b><u>U.S. Department of Justice</u></b>				
<i>Direct Funding:</i>				
Joint Law Enforcement Operations	16.111		\$ -	\$ 80,565
Equitable Sharing Program	16.922		-	172,634
<i>Passed Through Sedgwick County:</i>				
Missing Children's Assistance	16.543	2013-MC-FX-K021	-	120,979
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-H1833-KS-DJ	-	2,651
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-H4797-KS-DJ	-	9,942
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-H2865-KS-DJ	-	53,703
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-H2722-KS-DJ	-	130,457
<i>Passed Through Kansas Governor's Grant Program:</i>				
Crime Victim Assistance	16.575	15-VOCA-32	-	85,602
Total U.S. Department of Justice			<u>\$ -</u>	<u>\$ 656,533</u>
<b><u>U.S. Department of Transportation</u></b>				
<i>Direct Funding:</i>				
Airport Improvement Program	20.106		\$ -	\$ 5,735,125
Federal Transit - Capital Investment Grants (2)	20.500		-	124,434
Federal Transit - Formula Grants (2)	20.507		152,879	10,191,067
New Freedom Program (3)	20.521		6,298	6,955
Bus and Bus Facilities Formula Program (2)	20.526		-	876,800
<i>Passed Through Kansas Department of Transportation:</i>				
Highway Planning and Construction (5)	20.205	KA-2382-01	-	3,469,454
Highway Planning and Construction (5)	20.205	N-0243-01	-	56,264
Highway Planning and Construction (5)	20.205	N-0351-01	-	104,667
Highway Planning and Construction (5)	20.205	N-0361-01	-	54,587
Highway Planning and Construction (5)	20.205	N-0518-01	-	382
Highway Planning and Construction (5)	20.205	N-0548-01	-	279,712

**CITY OF WICHITA, KANSAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended December 31, 2015

Federal Grant or Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<i>Passed Through Kansas Department of Transportation (continued):</i>				
Highway Planning and Construction (5)	20.205	N-0566-01	-	10,485
Highway Planning and Construction (5)	20.205	N-0567-01	-	870,414
Highway Planning and Construction (5)	20.205	N-0609-01	-	100,016
Highway Planning and Construction (5)	20.205	N-0611-01	-	43,515
Highway Planning and Construction (5)	20.205	N-0612-01	-	48,142
Highway Planning and Construction (5)	20.205	TE-0353-01	-	1,279,685
Highway Planning and Construction (5)	20.205	TE-0396-01	-	221,954
Highway Planning and Construction (5)	20.205	TE-0397-01	-	294,926
Highway Planning and Construction (5)	20.205	TE-0399-01	-	161,694
Highway Planning and Construction (5)	20.205	TE-0617-01	-	34,088
Highway Planning and Construction (5)	20.205	TE-0619-01	-	7,465
Highway Planning and Construction (5)	20.205	TE-0620-01	-	78,464
Highway Planning and Construction (5)	20.205	TE-0622-01	-	35,903
Highway Planning and Construction (5)	20.205	TE-0623-01	-	253,399
Highway Planning and Construction (5)	20.205	N-0621-01 012150621	-	48,817
Metropolitan Transportation Planning	20.505	L-0133-14	-	347
Metropolitan Transportation Planning	20.505	L-0133-15	-	768,247
Job Access - Reverse Commute (3)	20.516	KS-37-X015-00	7,145	7,831
State and Community Highway Safety (4)	20.600	PT-1049-15	-	38,820
National Priority Safety Programs (4)	20.616	AL-9096-15/SP-4704-15	-	6,270
National Priority Safety Programs (4)	20.616	OP-1472-15/SP-4505-15	-	4,667
Total U.S. Department of Transportation			<u>\$ 166,322</u>	<u>\$ 25,214,596</u>
<u>U.S. Environmental Protection Agency</u>				
<i>Passed through the Kansas Department of Health and Environment:</i>				
Air Pollution Control Program Support	66.001	EPA 105	\$ -	\$ 104,815
Surveys, Studies, Research Clean Air Act	66.034	EPA 103	-	37,109
Nonpoint Source Implementation Grants	66.460	C900740518	-	8,411
Total U.S. Environmental Protection Agency			<u>\$ -</u>	<u>\$ 150,335</u>
<u>U.S. Department of Health and Human Services</u>				
<i>Passed Through Kansas Housing Resources Corporation:</i>				
Community Services Block Grant	93.569	14-CSBG-01	\$ -	\$ 709,147
Community Services Block Grant	93.569	15-CSBG-01	-	208,740
<i>Passed Through Kansas Department of Health and Environment:</i>				
Child Care and Development Block Grant (6)	93.575	3028-2643450D	-	130,750
Child Care and Development Block Grant (6)	93.575	3028-2643450E	-	124,550
<i>Passed Through Greater Wichita YMCA:</i>				
Community Transformation Grants-Small Communities Program	93.737	1H75DP004146-01	-	14,743
Total U.S. Department of Health and Human Services			<u>\$ -</u>	<u>\$ 1,187,930</u>
<u>Executive Office of the President</u>				
<i>Passed Through Kansas Bureau of Investigation:</i>				
High Intensity Drug Trafficking Areas Program	95.001	G14MW0003A	\$ -	\$ 11,574
High Intensity Drug Trafficking Areas Program	95.001	G15MW0003A	-	13,067
Total Executive Office of the President			<u>\$ -</u>	<u>\$ 24,641</u>
<u>U.S. Department of Homeland Security</u>				
<i>Direct Funding:</i>				
Disaster Grants-Public Assistance	97.036		\$ -	\$ 585,547
Assistance to Firefighters Grant	97.044		-	139,817
Staffing for Adequate Fire and Emergency Response	97.083		-	417,330
Airport Checked Baggage Screening Program	97.100		-	6,484,225
Total U.S. Department of Homeland Security			<u>\$ -</u>	<u>\$ 7,626,919</u>
Total expenditures of federal awards			<u>\$ 708,180</u>	<u>\$ 55,650,021</u>

- (1) Housing Voucher Cluster (\$13,406,277)
- (2) Federal Transit Cluster (\$11,192,301)
- (3) Transit Services Programs Cluster (\$14,786)
- (4) Highway Safety Grant Cluster (\$49,757)
- (5) Highway Planning and Construction Cluster (\$7,454,033)
- (6) CCDF Cluster (\$255,300)

**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 Uniform Guidance in 2 CFR Section 200. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**2. Indirect Cost Rate**

The City has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

**3. Federal Forfeited Property Program**

In 2015, the Narcotic Seizure program acquired \$154,360 in federal forfeited property and expended \$413,924 on the qualified program expenditures.

**4. Community Services Block Grant**

The Community Services Block Grant (CSBG) is passed to the City of Wichita through the Kansas Housing Resources Corporation. Expenditures for the grant program years ending September 30, 2015 and September 30, 2016 are summarized in the following tables.

CSBG Grant Program Year Ended September 30, 2015					
	Budget	Actual			Variance
	Apr 1, 2014 to Sept 30, 2015	Apr 1, 2014 to Dec 31, 2014	Jan 1, 2015 to Sept 30, 2015	Total	
Revenue:	\$ 907,355	\$ 197,597	\$ 709,758	\$ 907,355	\$ -
Expenditures:					
Personnel	632,172	149,827	521,468	671,295	(39,123)
Contractual	187,022	42,624	120,474	163,098	23,924
Commodities	38,161	5,757	17,205	22,962	15,199
Other	50,000	-	50,000	50,000	-
Total expenditures	\$ 907,355	\$ 198,208	\$ 709,147	\$ 907,355	\$ -



CSBG Grant Program Year Ending September 30, 2016		
	Budget	Actual
	Apr 1, 2015 to Sept 30, 2016	Apr 1, 2015 to Dec 31, 2015
Revenue:	\$ 898,831	\$ 208,740
Expenditures:		
Personnel	622,111	144,104
Contractual	197,047	56,441
Commodities	29,248	8,195
Other	50,425	-
Total expenditures	\$ 898,831	\$ 208,740

**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	143,220	-	-	143,220
10-07-C-00	(180,768)	3,167,630	-	2,986,862
Total	\$ 12,044,085	\$ 3,167,630	\$ -	\$ 15,211,715

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**CITY OF WICHITA, KANSAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year ended December 31, 2015

**SECTION I – SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ Yes   X   No
- Significant deficiencies identified? \_\_\_\_\_ Yes   X   none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

**FEDERAL AWARDS**

Internal control over major federal programs:

- Material weaknesses identified? \_\_\_\_\_ Yes   X   No
- Significant deficiencies identified?   X   Yes \_\_\_\_\_ none reported

Type of auditor's report issued on compliance for major federal programs:

See below

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

  X   Yes \_\_\_\_\_ No

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM</u>	<u>OPINION</u>
14.218	Community Development Block Grants / Entitlement Grants	Unmodified
14.871/14.879	Housing Voucher Cluster	Unmodified
20.205	Highway Planning and Construction	Unmodified
93.569	Community Services Block Grant	Unmodified
97.100	Airport Checked Baggage Screening Program	Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$ 1,669,501

Auditee qualified as low-risk auditee?

  X   Yes \_\_\_\_\_ No

**CITY OF WICHITA, KANSAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year ended December 31, 2015

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

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No matters were reported.

**CITY OF WICHITA, KANSAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year ended December 31, 2015

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**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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**Finding 2015-001 (Significant Deficiency):**

**CFDA #14.218: Community Development Block Grants / Entitlement Grants, U.S. Department of Housing and Urban Development, all open grant awards**

**Criteria:** Per 24 CFR 570.902(a)(1), sixty days prior to the end of the grantee's program year (which is as of each May 1 for the City), the amount of grant funds available to the recipient under grant agreements but not disbursed by the U.S. Treasury, should not be more than 1.5 times the grant amount for the current program year.

**Condition:** The undisbursed portion of grant agreements exceeded 1.5 times the grant amount for the current program year.

**Questioned Costs:** None were noted.

**Context:** On May 1, 2015, the grant funds available under grant agreements, but not disbursed exceeded the 2014 grant allocation by \$243,940 or was 1.59 times the 2014 grant allocation.

**Cause:** The City identified various causes contributing to this issue in their letter to the U.S. Department of Housing & Urban Development (HUD) dated June 16, 2015. This included issues such as the disposal of a property which had been purchased with CDBG funds, and with no subsequent plan in place for the expenditure of the program income generated by the sale. Additionally, funds designated for neighborhood stabilization projects and revolving loan programs have not been spent as quickly as intended.

**Effect:** Grant funding could be reduced the amount of unspent funds in excess of the 1.5 standard.

**Recommendations:** We recommend the City implement procedures to track this ratio and establish procedures to reduce the available grant funds.

**Views of Responsible Officials / Planned Corrective Actions (Unaudited):** The City had not reallocated CDBG program income receipts and recaptured funds in the amount necessary to assure the credit line balance remained below the threshold by the May 1, 2015 test date. In conjunction with representatives from HUD, a workout plan was developed and implemented which included a substantial amendment that allocated an additional \$2,046,455 for eligible expenditures. As a result, the City's credit line balance was 1.38 times the current year award on May 2, 2016, in full compliance with federal regulations. Total spending for all CDBG activities continues to be tracked monthly, and documentation concerning credit line balance for all CDBG funds is provided, reviewed, and approved as part of the monthly drawdown.

**CITY OF WICHITA, KANSAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year ended December 31, 2015

---

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**Finding 2015-002 (Significant Deficiency) – Repeat Finding:**

**CFDA #14.871/#14.879: Housing Voucher Cluster, U.S. Department of Housing and Urban Development, all open grant awards**

**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.

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

**Questioned Costs:** None were noted.

**Context:** Out of the 60 tenant files selected for testing for HQS, 1 file had the reinspection performed later than 30 days from the initial failed HQS inspection. The number of days between the required inspection and reinspection was 85 days.

The sample size was determined based upon guidelines provided by the AICPA which was not a statistically valid sample.

**Cause:** Our understanding is that the Wichita Housing Authority prioritized reinspections of life threatening HQS deficiencies and initial HQS inspections. The unit passed reinspection, therefore abatement of rent was not necessary.

**Effect:** Failure to conduct HQS reinspections within 30 days could result in a landlord receiving payments for substandard dwelling units.

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

**Views of Responsible Officials / Planned Corrective Actions (Unaudited):** The Wichita Housing Authority (WHA) acknowledges the finding regarding failure of staff to perform the reinspection within 30 days, as required by regulations. This is a repeat finding from the two most recent audits. As noted in the prior year responses, staff prioritized reinspections of health and safety hazards and no families were placed at risk as a result of the inspections made outside the 30 days. Notably, the occurrence of reinspections performed outside the prescribed timeframe has decreased substantially due to corrective action taken by the WHA. In 2013 there were five (5) files out of the 40 tenant files selected for testing with reinspections performed later than 30 days from the initial failed HQS inspections; in 2014 there were fourteen (14) exceptions out of the 60 tenant files selected for testing; and in 2015, there was only one (1) exception out of the 60 tenant files selected for testing. In August 2016, the WHA hired one new inspector with resources allocated from the general fund. The WHA believes that with the addition of this position, the staffing level is sufficient to manage the workload and complete all reinspections within the prescribed 30 day timeframe.

**CITY OF WICHITA, KANSAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year ended December 31, 2015

---

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

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**Finding 2015-003 (Significant Deficiency)**

**CFDA #14.871/#14.879: Housing Voucher Cluster, U.S. Department of Housing and Urban Development, all open grant awards**

**Criteria:** Under 24 CFR 982.303, the initial term of a housing voucher must be at least 60 calendar days. At its discretion, the Public Housing Authority may grant one or more extensions of the initial voucher term in accordance with its policies. Under Section 6.4 of the City of Wichita Housing Authority's Administrative Plan, the Housing Authority may issue one or more extensions of the voucher term up to an additional 60 days, if the family makes a request in writing prior to the voucher's expiration date.

**Condition:** The City provided rental assistance to an applicant who entered into a rental agreement after the expiration of her housing voucher without an extension being issued.

**Questioned Costs:** None were noted.

**Context:** Sixty new participants were selected for testing who had joined the program from the waiting list. Of the 60 tested, 17 were approved for tenancy after the expiration of the initial voucher term; for 1 of the 17 an extension of the initial voucher term had not been prepared.

**Cause:** The case manager overlooked extending the voucher.

**Effect:** The granting agency could refuse to pay the rent subsidy on this property or reduce or eliminate funding for the program.

**Recommendations:** We recommend the City implement procedures and controls to ensure vouchers are extended when required and rent subsidies not be paid on expired vouchers.

**Views of Responsible Officials / Planned Corrective Actions (Unaudited):** The Wichita Housing Authority (WHA) acknowledges the finding regarding one instance of rental assistance provided to an applicant who entered into a rental agreement after the expiration of the housing voucher without an extension being issued. WHA staff utilizes a checklist in each tenant file, which includes a number of items that must be verified and documented in the file prior to receiving assistance and periodically thereafter. One of the items included on this checklist is to verify the participant has an unexpired voucher at the time the rental contract is entered into. Management believes that the controls that are in place are adequate and this isolated incident is simply a matter of human error. However, in response to the identification of the error, management is providing additional training to staff on how the checklist should be utilized. Additionally, applicants will now receive an extension request with the issuance of their original voucher, which clearly indicates that a request for extension must be received prior to the expiration listed on the voucher.

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## ***WATER UTILITIES SECTION***

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



Wichita Water Utilities  
Director's Office  
City Hall – Eighth Floor  
455 North Main  
Wichita, Kansas 67202

June 10, 2016

To our Water and Sewer Bondholders:

Please review and accept the 2015 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 communities. 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 last year, the Water and Sewer Utilities treated and distributed about 50 million gallons per day (MGD) of potable water. The sewer system collects and processes about 37 MGD of wastewater. The Utilities serve more than 450,000 citizens of south-central Kansas. Services include maintenance of more than 4,400 miles of sewer and water mains, operation of approximately 60 sewer lift stations and five sewage treatment plants, pump stations, elevated storage tanks, nearly 150,000 water meters, and an array of water treatment assets. This includes a filtration plant through which all finished water is delivered, as well as a membrane plant at the City's Aquifer Storage & Recovery (ASR) water supply project. The Utilities also coordinate their efforts with the 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 aging water distribution and sewer collection systems. The investment in main replacements more than doubled in 2015, with more than \$18 million spent on rehabilitation projects for existing water and sewer mains. Additionally, the five-year meter replacement project that began in 2012 is almost complete. It is replacing meters to enhance billing accuracy and customer service, while also providing a full build-out of Automated Meter Reading (AMR) capabilities. The AMR system will provide for staff efficiencies.

The City remains in compliance with a consent order entered into with the Kansas Department of Health & Environment (KDHE) following a May 2012 discharge of partially treated sewage. Condition assessments have been completed, plant upgrades have been made, and two amendments have been passed by both jurisdictions. Remaining work include improvements to a critical force main tying two major plant assets. The Adopted Capital Improvement Program fully funds the anticipated work.

Water resource planning remains an important priority. The goal of the Utilities is to have a sufficient portfolio of water sources to survive a 1% design drought (similar in length and severity to the 1930s Dust Bowl) without having to implement harsh water bans. A Drought Response Plan was adopted in October 2013 and provides a staged response to different types of droughts.

However, new water supplies and enhanced conservation efforts are also a part of the strategy. In December 2015, the City began consideration of a phased water plan that would gradually build additional capacity at the existing ASR water source. The ASR site stores excess river water underground for use during droughts. Additionally, the City entered a landmark deal with its largest single water user to substitute wastewater effluent for 70% of its potable water usage. The deal will not impact water rates and will reduce the total potable water usage by about 2% every year.

Catching up on deferred maintenance also represents a major goal of the utilities. This led to the launch of the Utility Optimization project. The utilities have contracted with CH2Mon a 16-month first phase of the potential Utility Optimization project. Phase 1 will develop an asset management system and identify prioritized capital projects and optimization strategies. It will also include exploration of alternative financing to see what options are available to complete projects sooner. This would lead to lower total lifecycle costs and a decreased level of risk for the utility assets. If there is a clear economic benefit to the utilities to enter a long-term Utility Optimization project arrangement based on the Phase 1 analysis, the City could agree to a 10-year agreement to implement the plan. It's expected that such a decision would not be made until 2017.

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, 2015

(with comparative totals for the year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 36,192,031	\$ 24,541,793
Receivables, net:		
Accounts receivable	16,359,052	16,214,241
Inventories	2,730,587	2,600,358
Prepaid items	883,530	920,728
Restricted assets:		
Cash and cash equivalents	30,570,105	29,536,618
Total current assets	<u>86,735,305</u>	<u>73,813,738</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	96,508,691	101,023,450
Capital assets:		
Land	14,748,335	14,515,729
Buildings	241,463,969	232,745,886
Improvements other than buildings	1,079,727,098	1,023,565,541
Machinery, equipment and other assets	167,618,081	155,496,455
Construction in progress	43,619,063	83,145,551
Less accumulated depreciation	<u>(416,097,835)</u>	<u>(376,958,909)</u>
Total capital assets, net	<u>1,131,078,711</u>	<u>1,132,510,253</u>
Total noncurrent assets	<u>1,227,587,402</u>	<u>1,233,533,703</u>
 Total assets	 <u>1,314,322,707</u>	 <u>1,307,347,441</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized refunding costs	8,925,874	6,306,330
Deferred outflows related to pensions	3,327,860	-
Total deferred outflows of resources	<u>12,253,734</u>	<u>6,306,330</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and other liabilities	3,517,339	2,469,330
Accrued interest payable	282,698	295,388
Deposits	4,664,350	4,426,396
Current portion of long-term obligations:		
General obligation bonds payable	4,440,000	6,055,000
Compensated absences	871,121	870,692
Current liabilities payable from restricted assets:		
Accrued interest payable	4,665,105	6,138,808
Revenue bonds payable	25,905,000	23,397,810
Total current liabilities	<u>44,345,613</u>	<u>43,653,424</u>
Noncurrent liabilities:		
General obligation bonds payable	125,410,000	129,850,000
General obligation bonds unamortized premium	10,768,898	11,343,242
Revenue bonds payable	362,840,000	365,161,922
Revenue bonds unamortized premium	27,367,241	22,866,059
Net pension liability	3,822,479	-
Compensated absences	61,561	25,956
Total noncurrent liabilities	<u>530,270,179</u>	<u>529,247,179</u>
 Total liabilities	 <u>574,615,792</u>	 <u>572,900,603</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	899,831	-
Total deferred inflows of resources	<u>899,831</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	592,339,698	598,656,954
Restricted for:		
Capital projects	7,828,870	8,285,568
Revenue bond covenants	105,443,226	107,356,514
Unrestricted	45,449,024	26,454,132
Total net position	<u>\$ 751,060,818</u>	<u>\$ 740,753,168</u>

**CITY OF WICHITA, KANSAS**

**WATER UTILITIES COMBINED STATEMENT OF  
REVENUES, EXPENSES AND CHANGES IN NET POSITION**

For the year ended December 31, 2015  
(with comparative totals for the year ended December 31, 2014)

	2015	2014
<b>OPERATING REVENUES</b>		
Charges for services and sales	\$ 127,715,624	\$ 126,416,667
Fees	379,048	-
Rentals	48,063	46,926
Other operating revenues	191,363	268,499
Total operating revenues	128,334,098	126,732,092
<b>OPERATING EXPENSES</b>		
Personnel services	21,576,627	20,552,387
Contractual services	18,503,787	20,627,441
Materials and supplies	8,859,665	9,189,950
Other operating expenses	6,064,318	5,800,795
Administrative charges	1,079,372	988,839
Payments in lieu of franchise fees	6,317,948	5,717,442
Depreciation	35,209,490	26,914,227
Total operating expenses	97,611,207	89,791,081
Operating income	30,722,891	36,941,011
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Gain on investments	47,366	37,492
Other revenues (expenses)	1,919,740	(127,689)
Interest expense	(23,803,534)	(17,513,680)
Gain (loss) on sale of assets	230,832	(493,903)
Bond premium amortization	2,738,434	1,961,868
Total non-operating revenues (expenses)	(18,867,162)	(16,135,912)
Income before contributions and transfers	11,855,729	20,805,099
Capital contributions and operating transfers		
Capital contributions - cash	5,214,928	5,147,234
Capital contributions - non cash	980,906	1,953,125
Transfers to other funds	(237,622)	(223,419)
Change in net position	17,813,941	27,682,039
Net position - beginning, as previously reported	740,753,168	713,071,129
Prior period adjustment	(7,506,291)	-
Net position - beginning, restated	733,246,877	713,071,129
Net position - ending	\$ 751,060,818	\$ 740,753,168

**CITY OF WICHITA, KANSAS**

**WATER UTILITIES COMBINED STATEMENT OF CASH FLOWS**

For the year ended December 31, 2015

(with comparative totals for the year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 128,235,878	\$ 125,927,835
Cash payments to suppliers for goods and services	(27,487,846)	(38,226,566)
Cash payments to employees for services	(21,582,590)	(20,540,690)
Franchise tax payments in lieu of delinquent specials	(6,317,948)	(5,717,442)
Other operating revenues (expenses)	<u>(5,872,955)</u>	<u>276,132</u>
Net cash provided by (used in) operating activities	<u>66,974,539</u>	<u>61,719,269</u>
Transfers to other funds	<u>(237,622)</u>	<u>(223,419)</u>
Net cash provided by (used in) noncapital financing activities	<u>(237,622)</u>	<u>(223,419)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Retirement of temporary notes	-	(160,000,000)
Issuance of capital debt	86,925,000	190,095,000
Premiums on bonds sold	7,959,892	16,911,563
Bond issuance costs paid	(2,757,164)	(2,029,277)
Debt service - principal refunded	(65,218,192)	(44,050,000)
Principal payments on long-term debt	(27,576,540)	(22,489,335)
Interest payments on long-term debt	(24,527,187)	(18,703,250)
Additions to property, plant and equipment	(39,168,576)	(28,016,492)
Proceeds from sale of capital assets	532,522	-
Capital contributions	<u>5,214,928</u>	<u>4,900,441</u>
Net cash provided by (used in) capital and related financing activities	<u>(58,615,317)</u>	<u>(63,381,350)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	<u>47,366</u>	<u>37,492</u>
Net cash provided by investing activities	<u>47,366</u>	<u>37,492</u>
Net increase (decrease) in cash and temporary investments	8,168,966	(1,848,008)
Cash and temporary investments - beginning	155,101,861	156,949,869
Cash and temporary investments - ending	<u>\$ 163,270,827</u>	<u>\$ 155,101,861</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 30,722,891	\$ 36,941,011
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	35,209,490	26,914,227
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(144,811)	(664,604)
(Increase) decrease in inventory	(130,229)	8,209
(Increase) decrease in prepaid items	37,198	38,686
Increase (decrease) in accounts payable	1,006,012	(1,666,436)
Increase (decrease) in deposits	237,954	136,479
Increase (decrease) in compensated absences	36,034	11,697
Total adjustments	<u>36,251,648</u>	<u>24,778,258</u>
Net cash provided by (used in) operating activities	<u>\$ 66,974,539</u>	<u>\$ 61,719,269</u>
<b>SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES</b>		
Contribution of capital assets	986,573	2,316,770

**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 Utilities' principal ongoing operations. Principal operating revenues of the Utilities 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 GASB Statement 33, Accounting and Financial Reporting for Nonexchange Transactions, 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. 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.

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

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

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**G. Payment of Franchise Taxes**

Annually, the Water Utility and Sewer Utility pay to the General Fund of the City amounts in lieu of 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. The combined Utilities made payments in lieu of franchise taxes totaling \$6,317,948 in 2015 and \$5,717,442 in 2014. These payments are treated as an operating expense and 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. 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.

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. Deferred outflows 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 Utilities report deferred charges on refunding in the Statement 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. The Utilities also report a collective deferred inflow of resources related to pensions, which is described in more detail in Note 7 - Retirement Funds, located in the Financial Section, Notes to the Financial Statements of this publication.

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. The Utilities report a collective deferred inflow of resources related to pensions, which is described in more detail in Note 7 - Retirement Funds, located in the Financial Section, Notes to the Financial Statements of this publication.

**2. Cash and Investments**

At December 31, 2015 and 2014, the combined cash and temporary investments in the amounts of \$163,270,827 and \$155,101,861 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, 2015, 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. Treasury	\$ 18,144,554	0.016	100.0%
Total value	\$ 18,144,554		100.0%
Total modified duration		0.016	

### 3. Capital Assets

Capital asset activity of the Water Utility and Sewer Utility for the year ended December 31, 2015 is shown as follows (expressed in thousands of dollars):

	Beginning Balance	Prior Period Adjustment	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:						
Land	\$ 14,516	\$ 12	\$ 221	\$ -	\$ -	\$ 14,749
Construction in progress	83,146	(68,251)	100,120	(71,396)	-	43,619
Total capital assets, not being depreciated	97,662	(68,239)	100,341	(71,396)	-	58,368
Capital assets, being depreciated:						
Buildings	232,746	4,502	4,537	(321)	-	241,464
Improvements other than buildings	1,023,565	53,623	2,827	(288)	-	1,079,727
Machinery, equipment and other assets	155,496	9,526	4,328	(1,738)	6	167,618
Total capital assets being depreciated	1,411,807	67,651	11,692	(2,347)	6	1,488,809
Less accumulated depreciation for:						
Buildings	(73,161)	(521)	(5,456)	-	-	(79,138)
Improvements other than buildings	(229,197)	(2,467)	(17,158)	-	-	(248,822)
Machinery, equipment and other assets	(74,601)	(2,494)	(12,595)	1,553	-	(88,137)
Total accumulated depreciation	(376,959)	(5,482)	(35,209)	1,553	-	(416,097)
Total capital assets, being depreciated, net	1,034,848	62,169	(23,517)	(794)	6	1,072,712
Governmental activities capital assets, net	\$ 1,132,510	\$ (6,070)	\$ 76,824	\$ (72,190)	\$ 6	\$ 1,131,080

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 2015 and 2014, total interest cost of the combined Water and Sewer Utility Fund was \$23,803,534 and \$20,762,588, respectively, of which \$2,602,657 and \$3,248,908, respectively, was capitalized.

Additionally, certain self-constructed capital assets in the Enterprise funds were reclassified out of construction in progress and placed in service with an effective date prior to January 1, 2015. As a result, a prior period adjustment of \$6,069,844 was recorded for catch-up depreciation on those assets, decreasing net position by the same amount.

### 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, 2015 and December 31, 2014 was \$14,330,689 and \$13,631,951, respectively.

Additional information on the retirement systems is reported in Note 7 - Retirement Funds, located in the Financial Section, Notes to the Financial Statements 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, 12<sup>th</sup> 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 2015 was 12.2% of annual covered payroll for both Plans 1 and 2. For the year ended December 31, 2015, the City implemented Governmental Accounting Standards Board Statement 68, which requires the employer to recognize a net pension liability and related deferred inflows and outflows of resources. As of December 31, 2015, the Utilities reported a Net Pension Liability of \$3,822,479. Due to the implementation of Governmental Accounting Standards Board Statement 68 in 2015, the Utilities recognized beginning balances as of January 1, 2015 of \$2,981,925 in net pension liability, \$1,545,477 in deferred outflows related to pensions, and a negative adjustment of \$1,436,447 to beginning net position.

#### **5. Other Post Employment Healthcare Benefits**

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. Separate audited financial statements are not prepared by the Plan. Additional information on the other post-employment health care benefits is reported in the Notes to the Financial Statements for the City of Wichita, located in the Financial Section of this publication.

#### **6. 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 Financial Statements, located in the Financial Section of this report. Details of purchased insurance coverage are provided within the Additional Information Section of this report.

**7. 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, 2015 are as follows (expressed in thousands of dollars):

<u>Outstanding issue</u>	<u>Interest Rate</u>	<u>Dated Date</u>	<u>Final Maturity Date</u>	<u>Amount Outstanding</u>
2005B Water & Sewer Refunding	5.00%	08/17/2005	2016	\$ 3,270
2009A Water & Sewer	3.50% - 5.00%	06/30/2009	2039	104,235
2009B Water & Sewer	4.27% - 5.36%	06/30/2009	2019	5,940
2010A Water & Sewer	3.00% - 4.00%	10/15/2010	2030	25,670
2010B Water & Sewer	3.00% - 5.35%	10/15/2010	2030	14,040
2011A Water & Sewer Refunding	4.00% - 5.00%	11/01/2011	2028	86,075
2012A Water & Sewer	2.00% - 4.00%	05/01/2012	2032	15,055
2014A Water & Sewer	3.00% - 5.00%	08/01/2014	2030	35,425
2014B Water & Sewer	2.00% - 5.00%	12/01/2014	2034	12,275
2015B Water & Sewer Refunding	4.00% --5.00%	04/01/2015	2031	38,215
2015C Water & Sewer	3.00% --4.00%	11/01/2015	2035	25,150
2015D Water & Sewer Refunding	3.00% --4.00%	11/01/2015	2032	23,395
Total Water and Sewer Utility				<u>\$ 388,745</u>

Changes in the long-term liability of the Water and Sewer Utility for the combined Utilities for the year ended December 31, 2015 are summarized in the following table (expressed in thousands of dollars):

	<u>Beginning Balance*</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
General obligation bonds	\$ 135,905	\$ -	\$ (6,055)	\$ 129,850	\$ 4,440
Unamortized premium	11,343	-	(574)	10,769	-
Revenue bonds	388,560	86,925	(86,740)	388,745	25,905
Unamortized premium	22,866	10,285	(5,783)	27,368	-
Total bonds payable	558,674	97,210	(99,152)	556,732	30,345
Compensated absences	897	93	(57)	933	871
Total long-term liabilities	<u>\$ 559,571</u>	<u>\$ 97,303</u>	<u>\$ (99,209)</u>	<u>\$ 557,665</u>	<u>\$ 31,216</u>

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

Year Ending December 31	Annual Debt Service Requirements Water and Sewer Utility Bonds (dollars in thousands)			
	Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 25,905	\$ 17,338	\$ 4,440	\$ 5,211
2017	23,870	16,322	4,665	4,984
2018	25,055	15,208	4,895	4,745
2019	22,450	14,003	5,140	4,494
2020	22,875	12,952	5,400	4,231
2021– 2025	117,025	47,790	31,320	16,714
2026 – 2030	99,760	23,420	38,405	9,834
2031 – 2035	43,145	6,978	35,585	2,777
2036 – 2039	8,660	1,083	-	-
Total debt service	<u>\$ 388,745</u>	<u>\$ 155,094</u>	<u>\$ 129,850</u>	<u>\$ 52,990</u>

**B. Revenue Bond Ordinance Provisions and Reserve Requirements**

Revenue bond ordinances related to the issuance of revenue bonds provide for specific deposits to debt service and other related bond reserve and maintenance accounts. At December 31, 2015 and 2014, unrestricted cash available in accordance with the revenue requirements of the bond covenants was \$36,192,031 and \$24,541,793, respectively.

	Water and Sewer Utility Restricted Cash	
	2015	2014
Principal and interest	\$ 13,806,700	\$ 14,917,985
Bond reserve	17,383,558	18,293,337
Depreciation and replacement	12,546,972	11,371,063
Payment to the City	575,875	476,454
Improvements	82,765,691	85,501,229
	<u>\$ 127,078,796</u>	<u>\$ 130,560,068</u>

At December 31, 2015, 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:** In addition to any cash remaining after satisfying all other restriction requirements, the amount budgeted for ensuing 60 days operating expenses for utility operation, repairs, and maintenance.

**Principal and interest:** 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 the greater of the amount of interest which shall become due and payable on various revenue bond series during the 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.

Payment to the City: Proportionate monthly amounts equal to the next required payment to the City are deposited into the account.

**8. 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.

<u>Year Ending December 31</u>	<u>Minimum Rentals of Non-cancelable Operating Lease</u>
2016	\$ 48,950
2017	48,950
2018	51,396
2019	51,396
2020	51,396
2021 – 2025	264,674
2026 – 2030	277,917
2031 – 2035	291,795
2036 – 2040	306,332
2041 – 2045	321,645
2046 – thereafter	855,812
Total minimum future rentals	<u>\$ 2,570,263</u>

**9. Segment Information**

The Utility maintains separate funds for water and sewer services. Segment information for the year ended December 31, 2015 is located in the Financial Section of this publication, beginning on page A-22.

**CITY OF WICHITA, KANSAS**

UNAUDITED

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

For the year ended December 31, 2015

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Combined</u>
<b>REVENUES</b>			
Charges for services and sales	\$ 74,906,498	\$ 53,236,237	\$ 128,142,735
Capital contributions - cash	3,920,515	1,294,413	5,214,928
Bond premium amortization	1,723,345	1,015,089	2,738,434
Other revenues	2,026,283	315,652	2,341,935
Gain on investments	26,879	20,487	47,366
Total operating revenues	<u>82,603,520</u>	<u>55,881,878</u>	<u>138,485,398</u>
<b>OPERATIONS AND MAINTENANCE</b>			
Personnel services	10,971,183	10,605,444	21,576,627
Contractual services	11,226,466	7,277,321	18,503,787
Materials and supplies	5,229,102	3,630,563	8,859,665
Other operating expenses	814,025	365,310	1,179,335
Administrative charges	741,288	338,084	1,079,372
Total operating expenses	<u>28,982,064</u>	<u>22,216,722</u>	<u>51,198,786</u>
Net revenues available for debt service	<u>\$ 53,621,456</u>	<u>\$ 33,665,156</u>	<u>\$ 87,286,612</u>
<b>REVENUE BOND DEBT SERVICE</b>	\$ 23,047,950	\$ 16,579,391	\$ 39,627,341
<b>DEBT SERVICE COVERAGE RATIO</b>	2.33	2.03	2.20
Gross earnings	\$ 82,603,520	\$ 55,881,878	\$ 138,485,398
Less: capital contributions	3,920,515	1,294,413	5,214,928
Less: bond discount amortization	1,723,345	1,015,089	2,738,434
Less: gain on investments	26,879	20,487	47,366
Operating revenues	<u>\$ 76,932,781</u>	<u>\$ 53,551,889</u>	<u>\$ 130,484,670</u>
<b>CAPITAL EXPENDITURES FROM OPERATING REVENUES</b>	\$ 1,037,923	\$ 1,528,477	\$ 2,566,400

**PROPERTY INSURANCE**

As of December 31, 2015

<u>Insurance Company</u>	<u>Coverage Details</u>	<u>Deductible</u>	<u>Coverage Period</u>
Zurich	*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 - \$750,000	01-15 to 01-16
Zurich	*Comprehensive coverage for steam boilers, air conditioners, and electric motors on a repair or replacement cost basis.	Per occurrence - \$10,000	01-15 to 01-16

\* Property insurance for the Utilities is included in the City's coverage. Limits shown are for the entire City.

CITY OF WICHITA, KANSAS

UNAUDITED

WATER AND SEWER UTILITY STATISTICS BY CUSTOMER CLASS

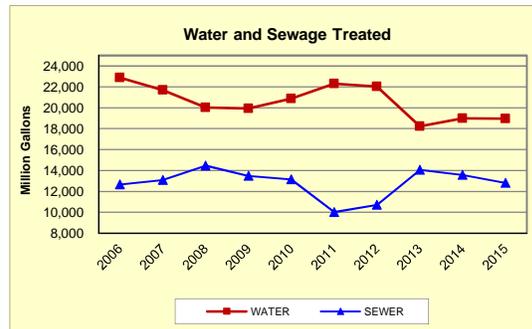
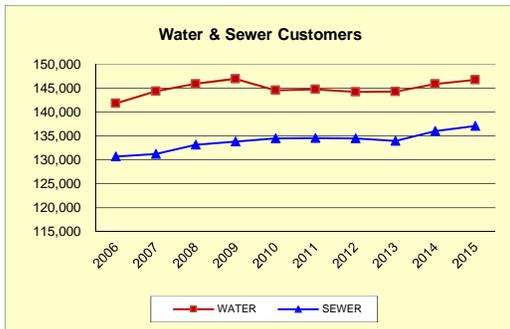
For year ended December 31, 2015  
(with comparative totals for the year ended December 31, 2014)

WATER UTILITY

CUSTOMER CLASS	Number of Customers		Water Revenues		Water Consumed <sup>1</sup> (thousand gallons)	
	2015	2014	2015	2014	2015	2014
Residential	130,106	129,296	\$ 43,025,719	\$ 44,050,733	8,038	8,539
Commercial / Industrial	11,158	11,140	23,913,689	23,175,487	6,415	6,447
Wholesale	11	12	4,217,753	4,156,196	1,481	1,577
Lawn Services	3,091	3,059	-	-	-	-
Fire Protection	1,967	1,941	561,414	483,235	-	-
Contract	356	357	1,009,956	1,227,858	197	307
Backflow Charges	-	-	249,422	249,843	-	-
Other Sales	-	-	390,619	406,871	25	29
Estimated Leaks	-	-	-	-	1,034	320
Water Utility Uses	28	28	-	-	325	264
Unaccounted for Water	-	-	-	-	1,427	1,490
	<u>146,717</u>	<u>145,833</u>	<u>\$ 73,368,572</u>	<u>\$ 73,750,223</u>	<u>18,942</u>	<u>18,973</u>

SEWER UTILITY

CUSTOMER CLASS	Number of Customers		Sewer Revenues	
	2015	2014	2015	2014
Residential	125,091	124,094	\$ 29,598,625	\$ 28,274,286
Commercial	11,220	11,172	14,286,884	13,730,940
Industrial	16	13	5,668,547	4,728,940
Institutional	722	731	847,285	835,677
Wholesale	1	1	295,155	269,549
Other	-	-	17,708	20,257
Extra Strength	9	9	1,660,630	1,891,883
	<u>137,059</u>	<u>136,020</u>	<u>\$ 52,374,834</u>	<u>\$ 49,751,532</u>



REPORT IN BRIEF

	2015	2014	Increase (decrease)	Percentage Change
Number of water customers	146,717	145,833	884	0.61%
Number of sewer customers	137,059	136,020	1,039	0.76%
Miles of water line	2,416	2,421	(5)	-0.21%
Miles of sanitary sewer line	2,030	2,022	8	0.40%
Water produced (million gallons)	18,942	18,973	(31)	-0.16%
Wastewater treated (million gallons)	12,811	13,582	(771)	-5.68%
Cost of treated, pressurized water per 1,000 gallons	\$ 0.72	\$ 0.69	0.03	4.94%
Cost of treated wastewater per 1,000 gallons	\$ 0.99	\$ 0.92	0.07	7.50%

<sup>1</sup> Water and Sewer Utility revenue and sales volume data is based on actual billing information and excludes year-end accrual information.

## CITY OF WICHITA, KANSAS

### WATER AND SEWER UTILITY RATES

For year ended December 31, 2015

Customers of the Utility are billed monthly with rates structured to encourage water conservation. The rates provided below are those in effect on January 1, 2015.

The average monthly residential water and sewer bill in December 2015 for a customer using approximately 7,500 gallons of water per month would be \$59.88, excluding applicable fees.

Meter Size (inches)	Water		Sewer	
	Inside City	Outside City and Wholesale	Inside City	Outside City
5/8	\$ 11.95	\$ 19.13	\$ 8.04	\$ 12.88
3/4	11.95	19.13	8.04	12.88
1	11.95	19.13	8.04	12.88
1.5	14.82	23.71	12.99	20.79
2	17.86	28.60	19.44	27.99
3	30.05	48.09	56.20	89.92
4	39.01	62.41	71.48	114.37
6	58.47	93.56	135.21	216.35
8	76.10	121.78	192.72	308.33
10	96.95	155.13	297.22	475.55
12	127.79	204.48	433.80	694.08
16	-	478.78	-	-

Rates for consumption charges in 2015 per 1,000 gallons are as follows:

Water Consumption*	Inside City	Outside City	Wholesale
< 110% of AWC	\$ 1.91	\$ 3.06	\$ 2.21
111% - 310% of AWC	6.68	10.69	11.47
>310% of AWC	9.76	15.62	17.18
Sewer	\$ 3.17	\$ 5.06	\$ 2.51

\*Average Winter Consumption (AWC)

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