

ALL FUNDS REVENUE SUMMARY (BY SOURCE)

FINANCIAL PLAN SUMMARIES



SOURCES BY TYPE	2006 ACTUAL	2007 ADOPTED	2007 REVISED	2008 ADOPTED	2009 APPROVED
General property taxes	89,673,886	95,951,940	96,585,010	100,952,400	105,502,270
Motor vehicle tax	12,590,438	13,033,000	13,035,690	13,478,790	13,964,160
Local sales tax	47,704,611	48,405,920	49,024,980	50,495,720	52,010,600
Motor fuel tax	15,108,106	16,328,480	15,619,510	15,931,910	16,250,540
Franchise fees	31,850,527	32,630,930	32,626,130	33,349,720	34,265,940
Water/Sewer utility fees	76,510,520	76,582,360	78,938,340	83,915,840	87,727,240
Other enterprise fees	18,476,670	21,003,470	20,695,830	21,293,760	21,521,890
Internal service revenues	52,121,748	56,328,460	58,196,910	62,370,540	67,711,440
Special assessments	28,018,654	32,245,130	29,008,470	30,666,640	31,968,410
Operating grants / shared revenues	5,957,207	6,823,230	7,055,740	7,434,570	7,761,880
Transient guest tax	5,035,150	5,015,330	5,161,030	5,393,760	5,631,150
Fines and penalties	8,801,117	9,027,180	9,821,800	10,104,910	10,241,640
Licenses and permits	7,075,483	7,154,360	7,265,610	7,626,200	7,769,720
Interest earnings	11,811,970	11,008,650	11,483,200	12,252,170	12,790,890
Charges for services and sales	10,922,257	12,242,380	10,726,240	10,879,080	11,193,220
Rental income	18,734,338	18,331,115	20,154,160	20,173,390	20,737,560
Administrative charges	3,428,262	4,145,790	3,529,280	3,599,870	3,671,870
Other revenues and transfers in	41,579,098	36,752,170	40,700,190	47,019,790	46,767,170
Grand Total Sources	485,400,041	503,009,895	509,628,120	536,939,060	557,487,590
Interfund Transactions	89,745,612	90,397,320	93,927,860	102,549,200	107,615,420
Net Annual Budget Sources	395,654,429	412,612,575	415,700,260	434,389,860	449,872,170

Note: Totals exclude appropriated fund balance reserves. Trust Funds, Agency Funds and Capital Project Funds are also excluded.

ALL FUNDS EXPENDITURES SUMMARY (BY CATEGORY)

FINANCIAL PLAN SUMMARIES



EXPENDITURES BY CATEGORY		2006 ACTUAL	2007 ADOPTED	2007 REVISED	2008 ADOPTED	2009 PROJECTED
110	Regular Salaries	117,317,720	127,672,320	128,444,840	134,689,350	139,121,890
120	Special Salaries	4,027,631	4,033,600	3,782,700	3,870,280	3,974,650
130	Overtime	4,462,076	2,480,780	3,068,320	2,740,130	2,784,000
140	Employee Benefits	38,679,535	44,199,040	44,682,750	48,215,180	53,272,890
150	Planned Savings	0	(6,139,000)	(4,403,800)	(5,851,170)	(6,930,280)
Personal Services		164,486,962	172,246,740	175,574,810	183,663,770	192,223,150
210	Utilities	14,770,505	14,997,980	15,430,860	15,751,580	16,130,420
220	Communications	1,822,501	1,860,300	1,920,900	2,003,030	2,024,760
230	Transportation and Training	604,393	917,360	873,210	845,600	844,120
240	Insurance	1,844,614	1,942,720	2,085,140	2,120,960	2,148,390
250	Professional Services	26,886,876	32,071,250	30,060,310	30,015,650	29,227,130
260	Data Processing	5,774,779	6,366,130	5,767,640	6,215,090	6,219,940
270	Equipment Charges	9,229,357	10,077,280	10,423,230	10,803,750	11,030,380
280	Buildings and Grounds Charges	2,087,848	1,776,430	1,711,890	1,880,980	1,724,930
290	Other Contractuals	4,432,923	5,216,060	6,701,940	6,528,580	6,534,350
Contractuals		67,453,797	75,225,510	74,975,120	76,165,220	75,884,420
310	Office Supplies	489,739	524,980	582,830	567,020	559,220
320	Clothing and Towels	793,180	858,230	879,060	930,800	957,530
330	Chemicals	2,737,168	2,973,160	3,296,050	3,435,050	3,526,250
340	Equipment Parts and Supplies	5,116,604	4,674,900	4,810,930	4,789,660	4,795,920
350	Materials	2,102,032	2,375,830	2,719,550	2,327,240	2,327,180
370	Building Parts and Materials	234,282	529,570	477,810	498,150	496,150
380	Non-capitalizable Equipment	2,699,001	2,686,290	2,879,370	2,766,130	2,785,040
390	Other Commodities	(192,183)	737,590	837,660	813,740	817,340
Commodities		13,979,823	15,360,550	16,483,260	16,127,790	16,264,630
410	Land	192,002	0	265,000	1,865,000	265,000
420	Buildings	63,913	654,060	252,870	496,560	186,560
430	Improvements Other Than Bldgs.	0	0	5,000	0	0
440	Office Equipment	85,043	180,500	364,590	119,500	72,000
450	Vehicular Equipment	1,884,853	1,054,670	1,244,170	1,649,900	1,795,900
460	Operating Equipment	4,344,797	2,137,660	2,115,300	2,827,850	2,148,150
Capital Outlay		6,570,608	4,026,890	4,246,930	6,958,810	4,467,610
510	Interfund Transfers	20,062,116	16,857,880	26,325,740	28,446,430	23,163,310
520	Debt Service	109,083,025	140,434,700	120,289,310	129,566,780	124,271,550
530	Other Nonoperating Expenses	4,272,193	41,821,710	8,117,050	48,891,910	11,274,060
540	Inventory Accounts	3,569,384	4,999,200	6,389,200	5,799,200	5,799,200
Other		136,986,718	204,113,490	161,091,300	212,704,320	164,508,120
Total Expenditures		389,477,907	470,973,180	432,401,420	495,619,910	453,347,930

ALL FUNDS EXPENDITURES (BY FUND)

FINANCIAL PLAN SUMMARIES



EXPENDITURES BY FUND	2006 ACTUAL	2007 ADOPTED	2007 REVISED	2008 ADOPTED	2009 PROJECTED
General	178,020,997	185,626,760	188,948,250	195,354,740	202,119,060
Debt Service	87,033,734	108,589,540	94,513,320	100,108,650	93,571,660
Total Tax Levy Funds	265,054,732	294,216,300	283,461,570	295,463,390	295,690,720
Tourism & Convention Promotion	5,004,497	5,835,390	5,835,340	6,297,630	5,727,420
Downtown Trolley System	63,320	145,290	65,350	0	0
Special Alcohol Programs	1,519,802	1,669,410	1,698,500	2,047,310	1,872,310
Special Parks & Recreation	1,481,000	1,695,000	1,695,000	1,875,000	1,900,000
Ice Rink Management	740,288	1,087,620	923,000	923,000	923,000
Landfill	919,226	4,500,320	1,151,520	4,792,240	592,240
Landfill Post Closure	1,466,650	19,632,670	2,038,530	24,342,960	1,847,950
Central Inspection	5,684,196	6,060,050	6,154,990	6,293,330	6,493,590
Economic Development	2,303,760	2,845,590	2,833,680	2,996,450	2,860,810
Sales Tax Construction Pledge	24,593,887	26,002,540	26,002,540	30,230,000	26,350,000
Property Management Operations	1,351,790	1,638,950	1,633,250	1,453,070	1,176,720
State Office Building Complex	1,235,006	1,483,860	1,174,190	1,143,070	1,099,010
TIF Districts	5,590,652	15,480,450	7,766,910	19,257,740	8,835,670
SSMID	600,410	613,690	613,690	635,740	648,840
City/County Joint Operations	3,096,468	3,424,170	3,445,610	3,707,850	3,842,330
Art Museum Board	1,282,637	1,282,460	1,282,460	1,282,460	1,282,460
Cemetery Fund	17,826	29,400	29,400	29,400	29,400
Total Special Revenue Funds	56,951,414	93,426,860	64,343,960	107,307,250	65,481,750
Airport	15,044,116	16,908,560	17,113,610	17,605,610	17,841,570
Golf Course Operations	4,437,562	5,086,460	4,800,690	5,121,770	5,241,720
Transit	5,319,872	5,379,870	5,521,450	5,694,120	5,951,270
Sewer Utility Operations	32,294,011	35,032,680	35,589,140	40,329,920	41,017,920
Water Utility Operations	41,231,742	47,024,310	49,011,330	52,971,590	53,581,580
Storm Water Management	6,768,322	9,817,640	8,290,620	11,304,920	8,445,380
Total Enterprise Funds	105,095,625	119,249,520	120,326,840	133,027,930	132,079,440
Information Technology	7,927,633	8,929,210	8,928,610	10,135,460	10,030,550
Fleet	12,897,040	14,757,790	13,771,040	12,852,150	12,897,860
Stationery Stores	855,592	1,169,950	976,400	977,100	977,150
Self Insurance	26,513,742	36,588,500	37,060,870	40,296,110	43,388,210
Total Internal Service Funds	48,194,007	61,445,450	60,736,920	64,260,820	67,293,770
Gross expenditures	475,896,186	568,338,130	528,839,290	600,059,390	560,545,680
Interfund Transactions	85,817,871	97,364,950	96,467,870	104,439,480	107,197,750
Net Annual Budget Uses	389,477,907	470,973,180	432,371,420	495,619,910	453,347,930

Note: Totals do not include appropriated fund balance reserve. Trust Funds and Enterprise Construction Funds are also excluded.

ALL FUNDS BALANCE SUMMARY

FINANCIAL PLAN SUMMARIES



Fund	Description	2004	2005	2006	2007
100	General	22,000	22,867	23,026	23,026
215	Tourism and Convention	606	1,236	1,393	812
216	Trolley	22	13	7	-
220	Special Alcohol and Drug Programs	461	369	434	397
225	Special Park and Recreation	115	153	251	212
226	Ice Rink	102	16	1	2
230	Landfill Construction and Demolition	4,915	4,725	4,813	4,303
231	Land-Fill Post Closure Maintenance	28,923	25,716	25,141	24,091
235	Building Construction Code Review/ Enforcement	1,076	1,268	1,520	1,499
236	Economic Development	820	2,195	2,486	1,363
237	Sales Tax and Construction	6,445	6,518	5,974	4,701
240	Property Management	1,426	1,515	1,249	563
245	State Office Building	734	743	338	172
255	Environmental (Decremental) TIFs	5,365	8,710	9,812	9,818
255	Economic Development (Incremental) TIFs	1,296	1,288	1,673	2,010
260	Self Supporting Municipal Improvement District	28	13	15	7
265	City/County Operations	0	0	0	0
270	Wichita Art Museum Operations	51	13	11	11
350	Cemeteries	828	838	831	831
500	Airport	14,892	19,231	24,015	28,136
515	Golf	228	486	357	404
520	Transit	1,096	1,039	852	714
530	Sewer	30,642	30,942	31,830	31,084
540	Water	45,318	47,040	50,367	49,537
560	Storm Water Utility	2,815	2,727	3,620	3,429
600	Information Technology	1,492	2,087	2,551	1,580
605	Fleet Maintenance	3,904	3,277	1,576	213
615	Stationary Stores	298	318	418	417
620	Self Insurance (All)	15,146	12,035	17,192	17,537

ALL FUNDS BALANCE SUMMARY

FINANCIAL PLAN SUMMARIES



2008	2009	2010	2011	Notes
23,026	22,078	19,750	14,985	Without correction action, balance will erode based on assessed valuation growth estimates
2	2	2	2	Capacity to continue transfers to capital projects will be limited
-	-	-	-	Discontinuing trolley leasing - fund will be abolished
369	427	576	821	Fund has additional programming capacity, based on projected strong revenue growth
76	2	2	2	Negligible fund balance is acceptable; revenues are swept into the General Fund.
3	4	5	6	
4,361	4,419	4,479	4,539	
23,386	22,763	22,178	21,633	Fund balance is anticipated to decline annually, concurrent with the declining post-closure liability.
1,493	1,463	1,463	1,463	By resolution, balance is maintained at 3-4 months of expenditures
138	4	(840)	(1,684)	Projections assume \$1 m in incentive payments. Historical payments have been much less; the budget amount is non-sustainable long term.
9	27	27	27	Negligible fund balance is acceptable; balances are transferred to capital projects.
357	308	220	93	Non-recurring GF transfers of \$470k in 2006 and \$500k in 2007 reduced fund balances.
47	1	(48)	(84)	Lease payments / maintenance efforts will require out-year adjustments.
672	12	12	12	Projections assume one-time spend down of balances in 2007.
62	823	1,475	2,011	Projections assume one-time spend down of balances in 2007.
7	7	7	7	
0	0	0	0	
11	11	11	11	
831	831	831	831	
31,702	35,408	38,833	41,953	Balance projected to increase, pending financing for the new terminal project.
518	564	504	447	Debt restructuring should stabilize fund balance.
542	226	(318)	(1,054)	Current operations without adjustments are projected to be unsustainable in the long term.
28,118	26,351	23,928	21,452	Accumulating cash to fund capital projects.
47,603	46,983	46,803	47,119	Accumulating cash to fund capital projects.
4,830	6,204	6,972	7,472	Accumulating cash to fund capital projects.
499	23	23	23	Enhancing cost model to reduce fund balance as close as reasonable to zero.
28	58	8	(17)	Low fund balance will limit flexibility to replace fleet equipment, without restructuring long term.
415	413	411	409	
17,465	18,880	19,079	19,118	Balances used as reserves against adverse loss experience.



GENERAL FUND

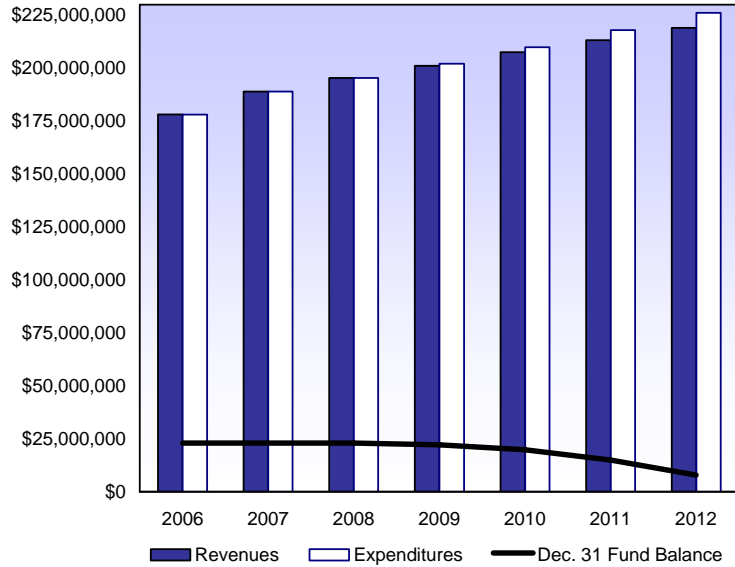
MULTI-YEAR FUND OVERVIEW

Budgeted operating revenue:	2006 ACTUAL	2007 ADOPTED	2007 REVISED	2008 ADOPTED	2009 APPROVED
General property taxes	56,443,174	60,428,370	60,436,370	63,787,270	66,878,720
Franchise fees	31,850,592	32,630,930	32,626,130	33,349,720	34,265,940
Motor vehicle tax	8,627,146	8,923,050	8,923,050	9,235,360	9,558,600
Local sales tax	23,852,273	24,207,000	24,512,490	25,247,860	26,005,300
Intergovernmental					
Gasoline tax	15,388,676	16,328,480	15,619,510	15,931,910	16,250,540
State-shared revenues	1,702,095	1,857,920	1,931,850	3,407,630	4,117,800
Licenses and permits	1,916,765	2,121,910	1,996,370	2,214,370	2,214,370
Fines and penalties					
Court	8,382,941	8,541,870	9,354,950	9,636,060	9,770,790
Other	418,286	485,310	458,850	460,850	462,850
Rental income	2,088,815	2,651,310	2,699,150	2,779,920	2,780,380
Interest earnings	4,182,203	4,750,000	4,500,000	4,500,000	4,500,000
Charges for services and sales	7,632,004	8,537,140	8,242,600	8,351,770	8,437,690
Administrative charges	3,428,262	4,145,790	3,529,280	3,599,870	3,671,870
Transfers from other funds	8,447,508	8,185,520	11,036,710	9,423,210	8,831,560
Reimbursed expenditures	3,818,630	1,832,160	3,081,040	3,428,940	3,425,070
Total budgeted operating revenues	178,179,371	185,626,760	188,948,350	195,354,740	201,171,480
Budgeted operating expenditures:					
Personal services	125,464,951	129,794,860	133,201,740	139,177,360	145,672,550
Contractuals	35,927,924	39,051,430	38,972,400	39,216,790	39,452,620
Commodities	5,640,145	6,086,170	6,687,210	6,193,100	6,218,040
Capital outlay	1,329,439	658,440	673,440	656,800	458,900
Other	9,658,539	10,035,860	9,413,560	10,110,690	10,316,950
Total budgeted operating expenditures	178,020,998	185,626,760	188,948,350	195,354,740	202,119,060
Subtotal budgeted operating revenues over (under) budgeted operating expenditures	158,372	0	0	0	(947,580)
Unencumbered cash/fund balance as of January 1	22,867,515	22,867,521	23,025,888	23,025,888	23,025,888
Total unencumbered cash/fund balance as of December 31	23,025,887	22,867,521	23,025,888	23,025,888	22,078,308
Appropriated reserve	11,595,357	12,939,222	9,617,632	12,626,810	11,402,243
Unappropriated reserve	11,430,532	9,928,299	13,408,256	10,399,078	10,676,065
Unencumbered cash as a percentage of expenditures	12.9%	12.3%	12.2%	11.8%	10.9%
Assessed Valuation (thousands)	2,688,035	2,838,612	2,833,712	2,994,789	3,144,600
Increase in assessed valuation (%)	6.20%	5.60%	5.42%	5.68%	5.00%
General Fund mill levy	21.876	21.898	21.936	21.953	21.953
Debt Service Fund mill levy	<u>10.022</u>	<u>10.000</u>	<u>10.017</u>	<u>10.000</u>	<u>10.000</u>
Total mill levy	31.898	31.898	31.953	31.953	31.953



2010 PROJECTED	2011 PROJECTED	2012 PROJECTED
69,870,150	72,866,710	76,263,760
35,214,830	36,207,130	37,244,560
9,893,150	10,239,410	10,597,790
26,785,460	27,589,020	28,416,690
16,575,550	16,907,060	17,245,200
4,592,140	3,987,720	3,088,080
2,236,510	2,258,870	2,281,470
9,966,210	10,165,530	10,368,840
467,480	472,150	476,870
2,808,180	2,836,260	2,864,620
4,500,000	4,500,000	4,500,000
8,502,660	8,568,290	8,634,570
3,599,870	3,671,880	3,745,320
9,035,890	9,246,400	9,463,270
3,561,060	3,691,300	3,828,160
207,609,140	213,207,730	219,019,200
152,507,490	159,681,290	167,249,970
40,231,250	40,837,720	41,226,020
6,410,270	6,561,760	6,717,680
468,080	477,440	486,990
10,320,190	10,414,810	10,512,490
209,937,280	217,973,020	226,193,150
(2,328,140)	(4,765,290)	(7,173,950)
22,078,308	19,750,168	14,984,878
19,750,168	14,984,878	7,810,928
8,812,670	3,891,644	-
10,937,498	11,093,233	7,810,928
9.4%	6.9%	3.5%
3,289,561	3,434,773	3,599,392
4.61%	4.41%	4.79%
21.953	21.953	21.953
<u>10.000</u>	<u>10.000</u>	<u>10.000</u>
31.953	31.953	31.953

General Fund Revenues and Expenditures
2006 - 2012





GENERAL FUND

The General Fund is the principal fund of the City that accounts for all financial transactions not accounted for in other funds. The General Fund is one of two “taxing” funds (the other is the Debt Service Fund); property tax revenue accounts for approximately 37% of revenues. Other revenues to the General Fund are typically those that are not specifically designated for a unique purpose: hence those revenues are available for “general” purposes and deposited into the General Fund. The General Fund is authorized by KSA 79-1973.

REVENUE ESTIMATING PROCESS

A variety of both qualitative and quantitative methods are used to estimate revenues for the General Fund. The Wichita State University’s Center for Economic Development and Business Research provides data that is used for several revenue streams, primarily sales tax. In addition, a consensus approach is used in revenue streams that are specific to a department. In those cases Finance staff typically will consult with departmental staff to develop a reasonable estimate of future revenues.

For many other revenue items, qualitative professional judgment is often combined with quantitative methods such as trend analysis and time-series forecasting. For many revenues, time series analysis will provide a reasonable range, with judgment applied to develop the most appropriate estimate. For many of the major revenue sources noted below, time series data is provided, as well addition details impacting the estimate.

BASIC ASSUMPTIONS

The 2008-2009 budget is based on a variety of assumptions. Many of those are presented below. The economic projections are based largely on data provided in the Economic profile section of this volume. Generally, an economic slowdown is forecasted during the planning period—one time in the 2010 time frame.

GENERAL FUND REVENUES

General Fund revenues are forecasted to grow 6.0% in 2007 (over 2006 Actual); 3.4% in 2008 and 3.0% in 2009. Past annual revenue growth rates are shown below:

CITY GENERAL FUND (Dollars in Millions)				
Fiscal Year	Revenue	Percent Change	Expend.	Percent Change
2009	201.2	3.0	202.2	3.5
2008	195.4	3.4	195.4	3.4
2007	188.9	6.0	188.9	6.1
2006	178.2	5.0	178.0	5.5
2005	169.7	4.5	168.8	4.8
2004	162.4	8.1	161.1	7.0
2003	150.2	0.3	150.5	(1.0)
2002	149.8	(0.9)	152.0	2.7
2001	151.1	3.6	148.0	1.4
2000	145.9	5.5	145.9	5.0
1999	138.3	1.6	139.0	2.1
1998	136.1	6.8	136.1	5.7
1997	127.4	4.1	128.7	4.6
1996	122.4	1.6	123.0	1.1
1995	120.5	0.7	121.7	8.8
1994	119.8	3.8	111.9	2.8
1993	115.3	11.8	108.8	4.4
1992	103.1		104.2	

ECONOMICS INDICATORS					
	2007	2008	2009	2010	2011
Retail Sales Growth	4.20%	3.00%	3.00%	2.30%	2.90%
Inflation rates					
Health Insurance	10.0%	2.0%	12.0%	10.0%	10.0%
Other items	3.0%	3.0%	2.0%	2.0%	2.0%
Interest Rate Idle Funds	4.5%	4.5%	4.5%	4.5%	4.5%
Wichita Assessed Valuation Growth	5.4%	5.7%	5.0%	4.6%	4.1%
Fleet Rates (annual rate increase)	0%	0%	0%	0%	0%



In the long term, General Fund revenues will be impacted significantly by 2006 HB 2619, which increased property tax exemptions for new Machinery and Equipment. This impact is estimated at \$7.7 million by 2012. Concurrently, the so called “slider” amendment restores Local Ad Valorem Tax Reduction Fund monies to the City to partially offset the impact of the M&E exemption. The combined impact of this legislation is shown below:

CITY GENERAL FUND REVENUES IMPACT <i>(Dollars in Millions)</i>			
Year	M & E	LAVTR	Net Impact
2008	(1.6)	1.4	(0.2)
2009	(3.1)	2.0	(1.1)
2010	(4.8)	2.4	(2.4)
2011	(5.8)	1.7	(4.1)
2012	(6.8)	.7	(6.1)
2013	(7.7)	0	(7.7)

The primary growth in General Fund revenues is summarized for each year below.

CITY GENERAL FUND REVENUES GROWTH <i>(Dollars in Millions)</i>	
2007 Adopted	\$185.6
Fines and Penalties	0.8
Interest Earnings	(0.3)
Gas Tax	(0.6)
Transfers	2.8
Reimbursements	1.2
Administrative charges	(0.6)
2007 Revised	\$188.9
Assessed valuation growth	3.4
Sales tax growth	0.7
LAVTR	1.4
License fees	0.2
Other	0.8
2008 Proposed	\$195.4
2008 Approved	\$191.4

GENERAL FUND EXPENDITURES

General Fund expenditures are projected to grow 6.1% in 2007 (over 2006 Actual), primarily due to one time snow and ice removal costs (\$.8 million), a reduction in budgeted shrinkage or “planned savings” and wage settlement cost for FOP (\$1.2 million). Expenditures growth is budgeted at 3.4% in 2008 and 3.5% in 2009. Growth is expected to moderate as fire response enhancements are fully implemented. General Fund expenditures are categorized into five areas:

- Personal Services, which includes wages and benefits for over 2,200 full and part time City employees
- Contractuals, which includes utilities, contractor payments, IT/IS charges, fleet and vehicle charges, contracted maintenance costs and travel and training expenditures
- Commodities, which includes office supplies, chemicals, fuel, parts, materials, small tools and equipment
- Capital outlay, which includes equipment purchases that are capitalized under City policy
- Other, which is usually contingency amounts, transfers to other funds, or cost of goods for re-sale.

Over two thirds of the General Fund is spent on personal services; this area has been the fastest growing expenditure category, as wage and benefit increases have generally exceeded the growth rate in other areas. In addition, new staff has been added as the demand for City services has grown. Significant changes in General Fund expenditures are shown in the graphic below:

CITY GENERAL FUND EXPENDITURES GROWTH <i>(Dollars in Millions)</i>	
2007 Adopted	\$185.6
Snow and Ice removal	0.8
Wage settlement cost	1.2
Reduction in planned savings	2.0
Other Adjustments	(0.7)
2007 Revised	\$188.9
Wage settlement cost	1.0
Other wages costs	2.8
Fire response improvements	1.9
Other Adjustments	0.8
2008 Proposed	\$195.4



GENERAL FUND BALANCE

The fund balance of the General Fund has historically fluctuated between 10% and 15%. City Council policy has been established that the General Fund reserve should be in excess of 10% of expenditures. The projected balance in 2008 is 11.8%, within City Council policy. However, based on projected revenue and expenditures trends, the balance is forecast to decline to 3.5% by 2012.

- Real property used by non-profit organization, 12 percent,
- Public utilities, 33 percent,
- Commercial, 25 percent,
- All other, 30 percent.

The assessed value is then multiplied by the tax rate (expressed in terms of “mills” per \$1) to derive property tax revenue.

CITY GENERAL FUND BALANCE (Dollars in Millions)		
Year	Balance	Percent of Expenditures
2009	\$22.1	10.9%
2008	23.0	11.8
2007	23.0	12.2
2006	23.0	13.0
2005	22.9	13.6
2004	22.0	13.7
2003	20.8	13.8
2002	21.1	13.9
2001	23.2	15.7
2000	18.9	13.0
1999	18.9	13.6
1998	19.7	14.5
1997	19.7	15.3
1996	21.0	17.1
1995	21.5	17.7
1994	22.5	20.1
1993	14.6	13.4
1992	8.1	7.8

Property taxes account for over one third of the revenues to the General Fund. Receipts are directly impacted by assessed valuation, the mill levy and the delinquency rate. The base assessed valuation of property within the City of Wichita is projected to grow by 5.7% in 2008, slowing to 5% for future years. Annual increases in assessed valuation are affected by several factors, including reappraisal of property by the County Appraiser, annexation of new property by the City of Wichita, and new construction or changing classification of property. The table below shows the total growth in assessed valuation, with the growth associated with valuation (re-appraisal) highlighted.

ASSESSED VALUATION AND PROPERTY TAX (Dollars in Millions)			
Year	Assessed Value	Valuation Growth %	Property Tax Collections
2009	\$3,145	5.0%	\$105.5
2008	2,994	5.7	100.9
2007	2,833	6.2	96.6
2006	2,668	5.0	89.7
2005	2,545	3.5	85.4
2004	2,458	7.8	82.4
2003	2,281	4.2	75.1
2002	2,190	5.4	71.4
2001	2,078	9.5	66.3
2000	1,898	8.0	60.2
1999	1,759	4.9	54.2
1998	1,676	4.5	51.5
1997	1,604	3.8	49.4
1996	1,545	1.1	47.1
1995	1,528	2.5	46.5
1994	1,489	(1.5)	46.5
1993	1,512	2.1	44.7
1992	1,481	1.9	43.8

PROPERTY TAXES

Property tax revenues are based on the assessed valuation of taxable property within the city limits. The appraised valuation is determined by the County Appraiser. The assessment percentage, as prescribed by the State Constitution, is applied to derive the assessed valuation. The Kansas constitutional assessment percentages are:

- Residential, 11.5 percent,
- Land used for agricultural purposes, 30 percent,
- Vacant lots, 12 percent,



Based on historic trends, a delinquency of 6% is budgeted. The mill levy rate is estimated to be 31.953, equal to the rate in the 2007 Adopted. Since the actual mill levy is calculated by the County Clerk based on the final calculation of the assessed valuation for the City, subsequent to the adoption of the budget by the Governing body, the actual mill levy may fluctuate somewhat from the projected amount. Aside from these minor fluctuations, the mill levy rate for the City of Wichita has not materially changed for over 14 years.

FRANCHISE FEES

Franchise fee revenue is based on agreements between the City and utility providers. Generally, the agreements provide long term access to City easements in exchange for a portion of gross revenues and other considerations.

Year	Franchise Fees	Year to Year % Change
2009	\$34,265,940	2.7%
2008	33,394,720	2.2
2007	32,626,130	2.4
2006	31,850,592	3.7
2005	30,701,805	3.9
2004	29,555,657	1.0
2003	29,259,353	1.6
2002	28,792,310	(8.6)
2001	31,521,169	8.3

Forecasting electric and gas franchise fees is complicated by two significant factors affecting utility gross revenues: the weather and the price of natural gas. Projections assume normative behavior in pricing and consumption for electricity and gas, with an annual growth factor of 3% annually. Water and Sewer franchise fees are somewhat more predictable, although weather can significantly impact water consumption and gross revenues. Assuming typical consumption and based on projected utility rate increases, growth of 2.2% in 2008 and 2.7% in 2009 is forecasted.

AT&T (formerly SBC) franchise fees are based on a fixed rate per line. With the proliferation of non-land line communications the number of lines has constantly decreased in recent years, resulting in declining telephone franchise fees. Projection includes annual decreases of 7%. The decline is offset somewhat by new telecommunication companies entering the market.

Finally, Cable TV franchise fees, in the long term, could be significantly impacted by the Legislature's passage of 2006 SB 449. This new law will create statewide franchising of video service providers; hence terms and conditions will no longer be determined at the local level. Depending on the statewide agreement and the degree of competition, the law may considerably impact City revenues. Statewide franchising occurs at the expiration of the existing agreement, which is April 2009. The projection assumes 3% annual growth, assumes stable subscriber base, moderate price increases and no material discernable impact of statewide franchising.

MOTOR VEHICLE TAXES

This tax is based on KSA 79-5101 et seq., which provides for 20 classes in which all vehicles are valued. The taxable value of the vehicles is defined as 20% of the class value. The taxable value is taxed at the average countywide mill levy (defined by KSA 79-5105 as the total of all property taxes levied divided by the assessed value of the County). Distributions of this tax are made based on the situs (residency) of the vehicle owner, and the ratio of the taxes levied by that jurisdiction to the total taxes levied.

Motor vehicle tax revenues are difficult to forecast due to highly irregular and abnormal distribution patterns. Revenues are driven primarily from valuation, which in turn is based on the level and type of vehicle sales. Industry wide, there has been a reduction in sales of larger, more expensive SUV's due to higher gasoline prices. In addition, to the extent that higher gasoline prices diminish spending on durables, such as vehicles, Motor vehicle tax receipts could be impacted. Motor vehicle tax receipts have historically grown at 3.6% annually (1997 to 2006). The forecast assumes long term growth of 3.5% annually.

Year	Motor Vehicle Tax	Year to Year % Change
2009	\$9,558,600	3.5%
2008	9,235,360	3.5
2007	8,923,050	3.5
2006	8,627,146	3.6
2005	8,329,756	3.8
2004	8,024,548	6.6
2003	7,529,917	0.3
2002	7,510,446	3.5
2001	7,256,741	(5.0)



LOCAL SALES TAXES

The City of Wichita does not levy a citywide sales tax. However, based on a referendum approved by Sedgwick County voters in 1985, a one cent countywide sales tax is collected. Based on State statute, the City of Wichita receives a portion of the countywide sales tax. The statutory formula sets the distribution ratio at 50% of the ratio of the taxes levied by the City of Wichita as a ratio of total taxes levied in the County. In the past five years, the percentage distribution to the City of Wichita has averaged 59%. However, the percentage share is projected to decline to 58% in 2008, based on an increase in taxes levied by Sedgwick County for 2008. Since the introduction of the tax in 1985, the City's share of total county-wide receipts has decreased from 64% to 58% in 2008.

In 2006, \$81.2 million was distributed to Sedgwick County, of which the City received \$47.7 million. Of the sales tax received by the City, one half is credited to the General Fund and one half to the Sales Tax Construction Pledge Fund, consistent with pledges made in 1985. Sales tax receipts to the General Fund were up 5.6% in 2006 compared to 2005. In addition, in 2004, receipts grew by 12.6%, due to the significant increase in compensating use tax distributions.

Countywide sales tax collections are estimated to increase by 4.2% in 2007 and 3% in 2008 and 2009. The City's portion of the Countywide sales tax collections is projected to decline to 58%, due primarily to increased property taxes levied by Sedgwick County for 2007. This reduces the City's projected sales tax growth to 2.8% in 2007.

Projected sales tax collections could be impacted by any legislative changes made to the statutory exemptions from sales taxes. In addition, unanticipated changes in economic activity could negatively impact sales tax collections. Sales tax collections are not expected to be materially affected by the higher gasoline prices.

STATE-SHARED REVENUES

The City receives state-shared revenue from three sources currently: KLINK and LINK payments state gasoline taxes and state liquor taxes. In addition, Local Ad Valorem Property Tax Reduction (LAVTR) Fund revenues are projected based on the Legislature's passage of 2006 HB 2583.

State Gas Tax collections are based on wholesale gallons sold, not the value or price of the gallons sold. Traditionally, revenues have been somewhat erratic. The significant increase in gas prices in 2006 reduced demand for gasoline and led to a slight decline in revenue. Growth of 1.5% is forecasted for 2007, increasing to 2% in 2008 and 2009, although the revenue will be the lower than the 2006 base. However, further significant increases in the price of gasoline could further reduce consumption and reduce revenues.

Year	Sales Tax Collections	Year to Year % Change
2009	\$26,005,300	3.0%
2008	25,247,860	3.0
2007	24,512,490	2.8
2006	23,852,273	5.6
2005	22,590,513	1.0
2004*	22,369,484	12.6
2003	19,867,702	(3.0)
2002	20,476,052	1.9
2001	20,093,593	6.4
2000	18,889,441	(1.2)
1999	19,118,787	(2.3)
1998	19,564,907	10.7
1997	17,679,705	5.6
1996	16,746,120	0.9
1995	16,591,795	1.5
1994	16,345,810	3.4
1993	15,813,633	10.0
1992	14,381,910	7.6
1991	13,371,455	1.7
1990	13,152,268	4.3
1989	12,613,518	1.2
1988	12,460,318	5.2
1987	11,842,915	4.3
1986	11,355,343	n/m
1985	385,122	n/a

* 2004 increased significantly due to the inclusion of compensating use tax distributions.

Year	Gas Tax Receipts	Year to Year % Change
2009	\$16,250,540	2.0%
2008	15,931,910	2.0
2007	15,619,510	1.5
2006	15,388,676	0.0
2005	15,391,164	3.5
2004	14,876,758	3.5
2003	14,376,760	(5.6)
2002	15,222,590	1.1
2001	15,049,973	(3.0)



State liquor tax receipts are based on KSA 79-41a04. Per statute, 70% of the liquor excise taxes collected in Wichita are re-distributed back to the City. One third of the re-distributed amount is credited to the City's General Fund (with equal thirds credited to the Special Alcohol Fund and the Special Park and Recreation Fund). Liquor tax receipts are projected to increase by 5% each year, based on past growth trends and projected increases in total State liquor excise taxes.

Per KSA 68-416, the City receives \$3,000 per lane mile of streets and highways designated by the State as connecting links for maintenance activities. KLINK payments are projected to be stable at \$150,000 annually. Occasionally, additional funds are received from the State as reimbursements for previously agreed- to maintenance activities.

LAVTR payments are included in legislation passed in 2006 (HB 2583). Until funding is included in an appropriations bill, the certainty of these distributions is unknown. The forecast assumes that the Legislature will appropriate funding for the LAVTR payments. Based on the provisions of 2006 HB 2583, LATVR transfers to the City of Wichita are budgeted to begin in 2009 at \$1.4 million increasing to \$2.0 million in 2010 and \$2.4 million in 2011 (See graphic on Page 23).

FINES AND PENALTIES

Revenues are generated from two sources: the collection of Court assessed fines and penalties and the collection of Library fines and fees. Court revenues can vary considerably, depending on enforcement activity, judicial disposition of cases, participation of defendants in diversion programs, and the collection rate of court ordered assessments. With increased enforcement activity, an increase in court fine revenue (to \$9.3 million) is projected in 2007. Assuming a continuation of current enforcement activity and no change in court fines or charges, growth of 2% annually is projected.

Library fines and fees have been relatively stable in the past. However, in 2006, the Library Board approved increasingly aggressive collections policies – including lowering the threshold amount – from \$40 to \$25 – that triggers when delinquent accounts are referred to the collection agency. The changes are expected to increase the Library fine and fee revenue. Increased revenues are forecasted in 2007, as small balances are initially transitioned to the collection process. Long-term, a more moderate 1% annual growth is assumed.

LICENSES AND PERMITS

City Ordinances require licenses and permits for a variety of activities. Generally, these revenues fall into four categories: dog licenses; alarm system licenses and fees; curb cut permits; and all other permits and licenses. Over the years, most of the fluctuations have occurred in alarm fees and curb cut permits.

False alarm revenue has decreased in the past, concurrent with a reduction in the number of false alarms. This trend is expected to continue. Animal license revenue is expected to increase in 2008, as dog license fee enhancements are proposed. The forecast assumes no material changes in activity levels and in the price of permits or licenses.

Permit/License by Type	2008 Adopted
Dog Licenses	842,000
Alarm fees	358,320
Curb Cut permits	389,900
Other	624,150
TOTAL	\$2,214,370

CURRENT SALES AND SERVICES

Revenue from this source are derived from a number of services provided for a fee to citizens. The revenues included in the 2008 Budget are summarized by source below:

Activity / Department	2008 Adopted
City Arts / City Manager's Office	155,390
Environmental Services	1,000,850
Park – Recreation	1,396,030
Park – Century II & Expo Hall	196,530
Public Works – Pavement Cuts	1,940,000
Public Works – Engineering Overhead	2,842,520
Other	820,450
TOTAL	\$8,351,770

Fluctuations in this revenue source are primarily from participation in recreation programs, changes in program fees, changes in the calculations of engineering overhead, and the number of pavement cuts required each year.

Engineering overhead is based on prior year expenditures for engineering services related to CIP activities; hence, fluctuations in this source is directly related to fluctuations in expenditures. Likewise, curb cut revenue is directly related to expenditures which Public Works' Engineering service to perform the curb cuts; this revenue tends to be the most volatile in sales and services; however, on a net basis volatility in the revenue is generally offset by volatility on the expenditures side.



ADMINISTRATIVE CHARGES

Revenues from this source are based mostly on the cost allocation plan performed annually by an outside consultant. This plan, required under OMB Circular 87, allocates overhead costs of administrative services to other funds, in order to facilitate full cost accounting. The charges are reviewed annually and updated or changed as necessary, based on the cost allocation plan. Revenues are presumed to increase 2% annually, based on the presumed growth in the underlying administrative expenditures.

TRANSFERS IN

Transfers to the General Fund are typically made to reimburse the General Fund for support provided to other services, or to facilitate full cost accounting. Transfers generally fall into five categories: Public safety fee charges; transfers from the Special Park and Recreation Fund to offset General Fund recreation costs; transfers from the Convention and Tourism Fund to offset losses of the City's convention center (Century II and Expo Hall); transfers from the Landfill Post Closure Fund, based on the diminishment of the post closure liability; and other miscellaneous transfers.

Public Safety Fee transfers are made from each utility operation and are calculated to reimburse the General Fund for the equivalent cost of providing public safety service to the utility. The fees generally increase slightly each year, based on the cost of providing public safety services in the General Fund, and based on the valuation of the utilities each year. Overall, growth of 3.7% and 3.9% is projected in 2008 and 2009, respectively.

The transfer from the Convention and Tourism Fund is budgeted to increase to \$1 million annually. The capacity of the Convention and Tourism Fund, and the reduction of the operating loss of the convention center below the current transfer amount could impact the amount of this transfer in the future.

The Landfill Post Closure transfer is expected to remain static. Future liability calculations could change the City's ability to transfer from this source into the General Fund.

The Special Park and Recreation transfer is calculated to transfer annually all but a minimal balance from the Special Park and Recreation Fund each year. Growth in this transfer is expected (forecasted at 5% annually from 2010 to 2011), based on the strong growth in underlying alcohol tax revenues that are receipted into the Special Park and Recreation Fund.

Transfers in 2006 were inflated due to two one-time non-recurring sources: the transfer from the Property Management Fund of \$473,820 to repay the General Fund for resources initially provided to establish the Property Management Fund, and a one-time transfer from the Pension Reserve Fund to offset the 2006 increased cost of Police and Fire pension costs.

In 2007 several supplemental transfers are budgeted, including an additional \$500,000 from the Property Management Fund, Pension Reserve Fund transfers of up to \$500,000, and an additional \$200,000 transferred from the Landfill Post Closure Fund.

INTEREST EARNINGS

This revenue stream is largely dependent upon market rates for investments, which are permitted under the City's Investment Policy, as well as the size of the pool of investment funds. Revenues improved dramatically in 2006, as a result of the 15% interest rate increases by the Federal Reserve over the prior 18 months. Revenues should increase slightly in 2007, as the investment portfolio is re-invested at higher rates than maturing securities. Given that revenues forecast is dependent on factors outside the City's control, such as the federal monetary policy interest earnings are forecasted relatively conservative during the planning period.

RENTAL INCOME

The City leases a variety of real estate, including office space, garage space and athletic fields. The majority of the rental income is derived from three sources: annual rental payments for space at the Central Maintenance Facility; rental payments from vendors at Century II and Expo Hall; and rentals offered by the Park Department, typically shelters, recreation center rooms and athletic fields. Rent income from these sources include in the 2008 budget is showed below:

Rental Income	2008 Adopted
Century II	1,580,900
Recreation Centers	440,480
Other	758,540
TOTAL	\$2,779,920

Rental income has been static for several years, due primarily to lack of growth in park and convention center activities. Revenues are projected to increase in the future, based on the inclusion of \$100,000 annually thereafter from a sand mining lease at Kingsbury, a property owned by the City adjacent to the former Brooks Landfill.



REIMBURSEMENTS

Reimbursement receipts are, as the name implies, intended to reimburse the General Fund for activity provided for non-General Fund financed or external services. The largest single reimbursable revenue is from the USD 259 for their share of the cost of 22 Police School Resource Officer positions, based on the Memorandum of Agreement. Estimated revenues from USD 259 reimbursement are \$690,090 in 2007, \$840,270 in 2008 and \$1,053,850 in 2009.

Another source is an approximate \$100,000 annual transfer from the City of Eastborough for fire response services. Additionally, \$1,389,700 is included in 2008 for reimbursements for positions. Other reimbursement amounts are for a variety of purposes, and most generally relatively small.

GENERAL FUND EXPENDITURES

General Fund expenditures increase 6.0% in the current year, 3.4% in 2007 and 3.0% in 2008. In 2009 the expenditures begin to grow at a rate greater than the increase in revenues. The greatest impacts on the expenditures are growth driven by service requirements and personal services increases for wages and employee benefits. One of the notable growth driven service requirements is three new fire stations, for which matching grant support is assumed for 14 new Firefighters in 2008. The assumptions are in line with approved capital projects in the Capital Improvement Program (CIP).

PERSONAL SERVICES

Personal Services reflects the largest single portion of the General Fund budget, at approximately 70%. Base wage rates are established by union contracts for approximately 2/3 of the General Fund employees. Currently, approximately 1,130 employees are under contract through 2007, with 630 under contract through 2009. For these employees, wage rates are based on union agreements.

CONTRACTUALS

Contractual expenditures include utilities, fleet and IT charges, and professional services. No rate increases are budgeted in gas and electric utilities, although water and sewer rates are budgeted to increase 6% annually. Postage costs are budgeted to increase by 8% in 2007, pursuant to the United States Postal Service's most recent rate increase. Insurance costs projected to remain stable, which are primarily for self insurance program for vehicle liability and buildings. Fleet charges are increasing in 2007 and 2008 as more accurate (and generally higher) fleet rates are instituted. IT charges are modified in 2007 to reflect more accurate cost for hardware and software. This has led to some fluctuation in IT charges, but overall the budgeted amounts should remain static. Other professional services are largely

based on existing contracts for service, with increased budgets based on those contracts. Any other contractual expenses are generally increased by the assumed inflation rate, if applicable.

COMMODITIES

Amounts budgeted in commodities are generally increased by the presumed inflation rate. However, several line items, particularly those that are more dependent on fuel and petrochemicals may increase at higher rates.

CAPITAL OUTLAY

Capital Outlay expenditures fluctuate annually based on the replacement schedule for specific equipment. In out years, the projected inflation rate is applied.

OTHER

Expenditures in this area are generally transfers out made for specific budgeted purposes, or amounts for contingency or costs of goods sold. Generally, no growth is budgeted.

GENERAL FUND BALANCE

Based on the foregoing assumptions, the General Fund balance will be at 12.2% of annual expenditures in 2007, 11.8% (2008), and 10.9% (2009). Council policy has established 10% as the minimum level of General Fund reserves. Remediation action will need to be taken in the future to avoid drawing down reserves below minimally acceptable levels, which are projected to be significantly reduced beginning in 2010. This anticipated decline is due primarily to the estimated fiscal impact of 2006 HB 2883, which will materially impact property tax revenues beginning in 2009.



FINANCIAL PLAN—OTHER FUNDS

For each fund, a five year financial forecast is presented. The forecasts include descriptions of each fund and the major revenue sources, as well as growth assumptions and potential issues. To present the most accurate view of the fund status, the financial plans do not include reserve amounts or contingency amounts included on fund multi-year overviews due to state certification requirements. All figures are shown in thousands of dollars.

TOURISM AND CONVENTION FUND (FUND 215)

(PAGE 394, VOLUME II)

State Statute 12-1693 allows cities to levy a Transient Guest Tax, and KSA 12-1694 requires that the proceeds be credited to the Tourism and Convention Promotion Fund. The City of Wichita has chartered out from the state statute, and with Charter Ordinance 83 has established the Tourism and Convention Fund. Revenues to the fund are derived primarily from the 6% guest tax levied by the City of Wichita.

Revenue growth of 3% is forecasted in the long term. Expenditures are made under the stipulations of Charter Ordinance 83. Approximately 40% of expenditures fund a contract with the Convention and Tourism Bureau. Expenditures are assumed to grow with inflationary increases. Debt Service payments are based on existing debt service schedules. The amount transferred to the General Fund to offset convention center losses is projected to continue to increase to \$1 million in 2007 and to remain at that level during the planning period. Finally, amounts available to transfer to Convention Center renovations are expected to decrease beginning in 2009.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	5,162	5,254	5,488	5,727	5,899	6,076
Expenditures	5,005	5,835	6,298	5,727	5,899	6,076
Net Margin	157	(581)	(810)	0	0	0
Beginning Balance	1,236	1,393	812	2	2	2
Ending Balance	1,393	812	2	2	2	2

TROLLEY FUND (FUND 216)

(PAGE 369, VOLUME II)

The Trolley Fund was established to account for the charter and special route service provided by rubber tired trolleys operated by Wichita Transit. This fund is being eliminated in 2007, as other service providers now offer charter trolley service in Wichita.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	57	58	0	0	0	0
Expenditures	63	65	0	0	0	0
Net Margin	(6)	(7)	0	0	0	0
Beginning Balance	13	7	0	0	0	0
Ending Balance	7	0	0	0	0	0

Note: This fund will be eliminated in 2007.



SPECIAL ALCOHOL FUND (FUND 220)

(PAGE 54, VOLUME II)

This fund is created pursuant to KSA 79-41a04. In 1979, the State Legislature imposed a 10% tax on the sale of liquor in clubs. Seventy percent of the taxes collected from the tax are distributed to local units of government, based on the status of the club selling the liquor. Of the taxes distributed, one third is credited to the Special Alcohol Fund, with the proceeds to be used for the purchase, establishment, maintenance or expansion of services or programs whose principal purpose is alcoholism and drug abuse prevention and education, alcohol and drug detoxification, intervention in alcohol and drug abuse or treatment of persons who are alcoholics or drug abusers or are in danger of becoming alcoholics or drug abusers.

Receipts to the fund are typically somewhat volatile. For the planning period, annual increases of 5% are assumed, consistent with average growth in the past, and State revenue estimates. Programming amounts are projected to be sustainable at the current levels. In addition, if revenue growth occurs as forecasted, the fund should have additional capacity for on-going programming by 2008.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	1,585	1,661	1,744	1,830	1,921	2,017
Expenditures	1,520	1,698	1,772	1,772	1,772	1,772
Net Margin	65	(37)	(28)	58	149	245
Beginning Balance	369	434	397	369	427	576
Ending Balance	434	397	369	427	576	821

SPECIAL PARK AND RECREATION FUND (FUND 225)

(PAGE 244, VOLUME II)

This fund is created pursuant to KSA 79-41a04. In 1979, the State Legislature imposed a 10% tax on the sale of liquor in clubs. Seventy percent of the taxes collected from the tax are distributed to local units of government, based on the situs of the club selling the liquor. Of the taxes distributed, one third is credited to the Special Park and Recreation Fund. The proceeds in this fund are to be used for the purchase, establishment, maintenance or expansion of park and recreational services. The City transfers amounts received in this fund to the General Fund, to partially offset recreational and park services costs.

Receipts to the fund are typically somewhat volatile. For the planning period, annual increases of 5% are assumed, consistent with average growth in the past, and State revenue estimates. Transfers to the General Fund are expected to be sustainable at current levels.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	1,579	1,656	1,739	1,826	1,917	2,012
Expenditures	1,481	1,695	1,875	1,900	1,917	2,012
Net Margin	98	(39)	(136)	(74)	0	0
Beginning Balance	153	251	212	76	2	2
Ending Balance	251	212	76	2	2	2



ICE RINK MANAGEMENT FUND (FUND 226)

(PAGE 240, VOLUME II)

The Ice Rink Management Fund was created to separately record expenditures and revenues associated with Ice Sports. Revenues to the fund are derived from fees generated from the facility. Management of the facility is based on a contractual relationship. The condition of the fund is difficult to accurately forecast, however, with effective Park Department oversight of the contracted management service, the fund is presumed to operate on a break even basis in the future. To the extent that professional management company operates the Ice Rink at a loss, this fund could require supplemental resources.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	725	924	924	924	924	924
Expenditures	740	923	923	923	923	923
Net Margin	(15)	1	1	1	1	1
Beginning Balance	16	1	2	3	4	5
Ending Balance	1	2	3	4	5	6

LANDFILL FUND (FUND 230)

(PAGE 325, VOLUME II)

The City is authorized by KSA 12-2104 to establish a fund for the collection of refuse. Currently, this fund is used to finance the operations of the City's construction and demolition landfill, which is operated by contractor. Revenues to the fund are dependant primarily on tipping fees received from customers. Long term, the fund is projected to remain in balance. The fund maintains a sizable balance, exclusively to serve as a reserve against any future potential pollution liability costs for this facility. The balance spent down in 2007 is for budgeted non-recurring costs.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	1,007	642	650	650	660	670
Expenditures	919	1,152	592	592	600	610
Net Margin	87	(510)	58	58	60	60
Beginning Balance	4,725	4,813	4,303	4,361	4,419	4,419
Ending Balance	4,813	4,303	4,361	4,419	4,479	4,539



LANDFILL POSTCLOSURE FUND (FUND 231)

(PAGE 329, VOLUME II)

This fund serves to finance any potential pollution liability costs of the Brooks Landfill. The landfill was closed in 2001; however, the City is required to maintain resources to fund the legal liability for environmental remediation that could occur. This liability is certified annually to the State. In 2007 the liability is \$24,089,176 with resources to fund this liability. Annual transfers of \$845,520 are made to the General Fund and reflect a diminishing need for reserves as the remediation liability declines. At this time, based on projected interest earnings balances should be adequate to address fund any pollution liability.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	892	988	1,138	1,225	1,275	1,325
Expenditures	1,467	2,038	1,843	1,848	1,860	1,870
Net Margin	(575)	(1,050)	(705)	(623)	(585)	(545)
Beginning Balance	25,716	25,141	24,091	23,386	22,763	22,178
Ending Balance	25,141	24,091	23,386	22,763	22,178	21,633

CENTRAL INSPECTION (FUND 235)

(PAGE 214, VOLUME II)

KSA 12-3009 empowers the City to incorporate in ordinance any standard or model code. Based on Resolution 95-560, the operations of the Office of Central Inspection are accounted for in a separate fund. The resolution also sets reserve levels as approximately four months of operating expenditures. Revenues to the fund are based on permit pricing and activity. The fund is projected to be stable, as fees can be reduced or increased to provide revenue sufficient for operating expenditures while maintaining reserves at the prescribed level.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	5,936	6,134	6,299	6,463	6,643	6,830
Expenditures	5,684	6,155	6,293	6,493	6,643	6,820
Net Margin	252	(21)	(6)	(30)	0	0
Beginning Balance	1,268	1,520	1,499	1,493	1,463	1,463
Ending Balance	1,520	1,499	1,493	1,463	1,463	1,463



ECONOMIC DEVELOPMENT FUND (FUND 236)

(PAGE 55, VOLUME II)

This fund was created to segregate expenditures made for economic development purposes, and to ensure that IRB fees and charges are expended appropriately. Additionally, low airfare initiatives have been funded from this fund. Revenues are derived from General Fund transfers for affordable airfare (budgeted at \$953,010 annually) and general economic activities (\$250,000 beginning in 2007). In addition, administrative fees and a proposed origination fee provide receipts to the fund.

As a response to a healthy fund balance, revenues are projected to decrease and the annual General Fund support is reduced from \$1 million in 2006 to \$250,000 in 2007. However, proposed IRB origination fees will provide an additional \$200,000 annually. The fund is well-positioned to continue the affordable airfare initiative, and to provide up to \$1 million annually in potential economic incentives through 2009. However, increased General Fund transfers or additional administrative charges will need to be restored beginning in late 2009 in order to sustain currently projected expenditures. However, given past experience, it is unlikely that \$1 million will be spent for incentives annually.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	2,595	1,711	1,771	2,727	2,056	2,106
Expenditures	2,304	2,834	2,996	2,861	2,900	2,950
Net Margin	291	(1,123)	(1,225)	(134)	(844)	(844)
Beginning Balance	2,195	2,486	1,363	138	4	(840)
Ending Balance	2,486	1,363	138	4	(840)	(1,684)

SALES TAX CONSTRUCTION PLEDGE FUND (FUND 237)

(PAGE 395, VOLUME II)

This fund is used to account for one half of the proceeds of the City's distributions from the County-wide one cent sales tax. The other half of the sales tax is credited to the General Fund for property tax reduction. In 1985, Sedgwick County voters approved a one cent sales tax. Based on state distribution formulas, the City of Wichita receives around 58% of the revenue generated. Ordinance 39-196, adopted by the City Council on June 11, 1985, pledges one half of the city's share of sales tax revenue for "road, highway and bridge projects." This fund is used to show receipts and expenditures consistent with this pledge.

Sales tax receipts are projected to increase by 2.8% in 2007 and 3.0% in 2008, consistent with General Fund revenue projections. Expenditures from the fund are for debt service obligations on debt for highway projects, with remaining amounts transferred to cash fund projects. The fund is adequately situated to fund existing debt service obligations, with funding remaining each year for other projects.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	24,051	24,730	25,538	26,368	26,800	27,470
Expenditures	24,594	26,003	30,230	26,350	26,800	27,470
Net Margin	(543)	(1,273)	(4,692)	18	0	0
Beginning Balance	6,517	5,974	4,701	9	27	27
Ending Balance	5,974	4,701	9	27	27	27



PROPERTY MANAGEMENT FUND (FUND 240)

(PAGE 59, VOLUME II)

The Property Management Fund was established to streamline the financing and operations of City real estate management functions. Expenditures from the fund include fees for managing City-owned properties, and costs associated with the acquisition and disposal of properties, as required. Revenues are derived from income generated from owned properties, as well as sales commissions charged on each sale. Revenues tend to fluctuate depending on CIP property needs. The US 54—Kellogg expansion has boosted revenues in recent years. Deficits incurred in 2006 and 2007 are reflective of transfers out of \$473,820 and \$500,000, respectively. Assuming average activity in management and sales fees, the fund appears adequately positioned to continued to fund the current level of operations.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	1,086	947	957	1,127	1,135	1,145
Expenditures	1,352	1,633	1,163	1,177	1,223	1,272
Net Margin	(266)	(686)	(206)	(49)	(88)	(127)
Beginning Balance	1,515	1,249	563	357	308	220
Ending Balance	1,249	563	357	308	220	93

STATE OFFICE BUILDING FUND (FUND 245)

(PAGE 333, VOLUME II)

Financial transactions related to the maintenance of Finney State Office Building in downtown Wichita are recorded in this fund. In 1993, through the City of Wichita the Public Building Commission renovated the former Macy's building and has in turn leased it to the State of Kansas. Revenues to the fund are based on a lease agreement with the State. Expenditures fund the City's maintenance efforts as the owner of the building. Annually, revenues and expenditures are reconciled to ensure that the lease payments fund the cost of maintenance performed by the City.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	1,035	1,008	1,018	1,053	1,058	1,079
Expenditures	1,235	1,174	1,143	1,099	1,106	1,115
Net Margin	(200)	(166)	(125)	(46)	(48)	(36)
Beginning Balance	538	338	172	47	1	(48)
Ending Balance	338	172	47	1	(48)	(84)



ENVIRONMENTAL (DECREMENTAL) TIFs (FUND 255)

(PAGES 90-91, VOLUME II)

Kansas State Law (K.S.A. 12-1771a) provides that the City can fund the cleanup of environmentally contaminated areas using decrement financing. The environmental TIFS involved the restoration of property values in a contaminated area to higher, pre-contamination levels and captures up to 20% of the increment to pay for environmental remediation. The TIF Fund is divided into seven sub-funds. Two of those sub-funds are environmental (decremental) TIFs. Those are:

- 255 / 1 GILBERT AND MOSLEY TIF DISTRICT
- 255 / 2 NORTH INDUSTRIAL CORRIDOR TIF DISTRICT

In the Gilbert & Mosley District, the TIF funds groundwater contamination remediation. In the North Industrial Corridor, the City is working with KDHE to determine the best course of action to improve the site for redevelopment. Significant non-recurring remediation expenses are budgeted in 2008 and 2009, reducing fund balances.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	4,398	4,463	4,474	4,474	4,474	4,474
Expenditures	3,296	4,457	13,620	5,134	4,474	4,474
Net Margin	1,102	6	(9,146)	(660)	0	0
Beginning Balance	8,710	9,812	9,818	672	12	12
Ending Balance	9,812	9,818	672	12	12	12

ECONOMIC DEVELOPMENT (INCREMENTAL) TIFs (FUND 255)

(PAGES 122-126; VOLUME II)

Kansas State Law (K.S.A. 12-1770) provides that all costs related to the redevelopment area designated as blighted or a conservation area may be recovered using Tax Increment Financing (TIF). The TIF mechanism dedicates the property tax revenue resulting from redevelopment toward repayment of the initial redevelopment cost. The TIF Fund is divided into seven sub-funds. Five of those sub-funds are economic development (incremental) TIFs. Those are:

- 255 / 3 EAST BANK TIF DISTRICT
- 255 / 4 OLD TOWN TIF DISTRICT
- 255 / 5 21ST AND GROVE TIF DISTRICT
- 255 / 6 CENTRAL AND HILLSIDE TIF DISTRICT
- 255 / 7 OLD TOWN CINEMA TIF DISTRICT

Economic development TIFs are used to make improvements to sidewalks, streets, curb and gutter, street lighting, and other public infrastructure improvements and public amenities. Significant, non-recurring improvement expenses are budgeted in 2008, reducing fund balances.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	2,679	3,648	3,689	3,713	3,750	3,790
Expenditures	2,294	3,311	5,637	2,952	3,098	3,254
Net Margin	385	337	(1,948)	761	652	536
Beginning Balance	1,288	1,673	2,010	62	823	1,475
Ending Balance	1,673	2,010	62	823	1,475	2,011



SELF-SUPPORTING MUNICIPAL IMPROVEMENT DISTRICT (FUND 260)

(PAGE 127, VOLUME II)

The SSMID is a special benefit district bounded by Washington Street, Kellogg Avenue (US-54), Central Avenue, and the Arkansas River. The purposed of the SSMID is to finance improvements and services in the downtown and Old Town Areas. The SSMID is funded by an additional levy of an estimated 5.987 mills. The City transfers revenues to the Wichita Downtown Development District to carry out economic development activities.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	602	606	636	648	661	674
Expenditures	600	614	636	648	661	674
Net Margin	2	(8)	0	0	0	0
Beginning Balance	13	15	7	7	7	7
Ending Balance	15	7	7	7	7	7

CITY/ COUNTY OPERATIONS FUND (FUND 265)

(PAGES 250,337; VOLUME II)

The City has two joint operations with Sedgwick County created under interlocal agreements, pursuant to KSA 12-2901. One of these operations is the Metropolitan Area Planning Department. Its expenditures and net of any revenues generated are split equally by the City and County. Expenditures for the Wichita/ Valley Center Flood Control Project are also split equally between the City and County. In both cases, employees are included in the City organization. A separate sub-fund is established for each joint operation. The table below aggregates sub-funds.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	3,096	3,446	3,708	3,842	3,781	3,925
Expenditures	3,096	3,446	3,708	3,842	3,781	3,925
Net Margin	0	0	0	0	0	0
Beginning Balance	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0



ART MUSEUM FUND (FUND 270)

(PAGE 63, VOLUME II)

The City of Wichita is responsible for maintaining a suitable location for displaying art acquired through the Murdock Trust. For this purpose, the City contributes \$1.2 million annually. The funds are transferred from the General Fund to the Art Museum Fund to be spent on that facility. Annual expenditures are generally equivalent to the amount transferred in from the General Fund. The projections assume no increase in the General Fund subsidy provided to this fund.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	1,282	1,282	1,282	1,282	1,282	1,282
Expenditures	1,283	1,282	1,282	1,282	1,282	1,282
Net Margin	(1)	0	0	0	0	0
Beginning Balance	12	11	11	11	11	11
Ending Balance	11	11	11	11	11	11

CEMETERY FUND (FUND 350)

(PAGE 242, VOLUME II)

The City of Wichita maintains two cemeteries in Wichita: Jamesburg and Highland Park. An endowment is used to fund maintenance at both locations, pursuant to KSA 12-1408. The endowment (fund balance) is sufficient to continue maintenance at the current level into the foreseeable future.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	10	29	29	29	29	29
Expenditures	18	29	29	29	29	29
Net Margin	(8)	0	0	0	0	0
Beginning Balance	839	831	831	831	831	831
Ending Balance	831	831	831	831	831	831



AIRPORT FUND (FUND 500)

(PAGE 27, VOLUME II)

The City of Wichita operates two airports: Wichita Mid-Continent Airport in west Wichita, and Colonel James Jabara Airport in northeast Wichita. Revenues and expenditures for airport operations are included in the Airport Fund, pursuant to KSA 3-147. All airport operations are financed completely by user fees.

It is anticipated that in the long term, the status of this fund will be significantly impacted by the proposed CIP project to rebuild the Mid-Continental terminal. This project has not yet been finalized. The projections below do not include the impact of any debt service requirements for a new terminal. The terminal project is anticipated to use a significant portion of the cash balance as part of any financing package

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	20,602	21,234	21,171	21,548	21,980	22,418
Expenditures	15,044	17,114	17,606	17,842	18,555	19,298
Net Margin	5,558	4,121	3,566	3,706	3,425	3,120
Beginning Balance	16,633	24,015	28,136	31,702	35,408	38,833
Ending Balance	24,015	28,136	31,702	35,408	38,833	41,953

GOLF FUND (FUND 515)

(PAGE 245, VOLUME II)

The Golf Fund was established to isolate revenues and expenditures supporting the City's five public courses. Course expenditures are completely financed with user fees through this fund. Revenues to the fund have increased in recent years, due primarily to modest increases in rounds played and a fee increase in 2007. With a mature system, expenditures are projected to grow moderately.

Based on a restructuring of Golf Debt, the amounts transferred to the Debt Service Fund for outstanding debt will be stretched to 30 years, solidifying the solvency of the fund. In addition, a fee increase of \$2 is included for 2008, with the proceeds used primarily to finance capital improvements. Barring significant, inclement weather and implementing the debt restructuring, the fund should be well positioned through the planning horizon. The projections include cash-funded CIP projects in addition to debt financed club house renovations. The pay-as-you-go projects will be moderate in the out years to maintain an adequate cash operating balance.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	4,389	4,848	5,236	5,288	5,340	5,393
Expenditures	4,438	4,801	5,122	5,242	5,400	5,450
Net Margin	(49)	47	114	46	(60)	(57)
Beginning Balance	406	357	404	518	564	504
Ending Balance	357	404	518	564	504	447



TRANSIT FUND (FUND 520)

(PAGE 350, VOLUME II)

The Transit Fund is used to finance the operations of Wichita Transit. The fund is created pursuant to KSA 13-3101 et seq. Revenues are derived from ridership fees, miscellaneous revenue, and a significant transfer from the General Fund. Expenditures are primarily for operating costs, although Transit Fund monies are used significantly to leverage federal grants to supplement Transit services. General Fund subsidies are expected to remain flat throughout the planning period. Total revenue growth of less than 1% annually is forecasted. However, expenditure growth is budgeted at 4%.

Long term, the condition of the fund is expected to continue to worsen. The fund balance is projected to continuously erode. The projections assume a continuation of the current service, subsidization, and fee levels. The condition of this fund is based on those assumptions is not acceptable. Increased General Fund subsidization or modifications to the user fee structure, or service levels are projected necessary by 2009.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	5,269	5,383	5,522	5,635	5,691	5,748
Expenditures	5,319	5,521	5,694	5,951	6,235	6,484
Net Margin	(50)	(138)	(172)	(316)	(544)	(736)
Beginning Balance	902	852	714	542	226	(318)
Ending Balance	852	714	542	226	(318)	(1,054)

SEWER UTILITY FUND (FUND 530)

(PAGE 386, VOLUME II)

KSA 12-630a allows the governing body of any city to provide for a system of treatment and disposal of sewage. All revenues derived from a sewer system are to be deposited into a separate fund per KSA 12-631i. The fund is well positioned to finance projected operating expenditures in the foreseeable future. However, to accommodate increasing debt service based on the proposed CIP, rate increases will be necessary. The projection includes a 6% rate increase in 2008, and 6% annual increases thereafter. Future rate increases will continue to be monitored annually, and will be adjusted based on actual debt service requirements.

The table below shows the revenues and expenditures resulting from operating activities. The cash balance cannot necessarily be calculated based on operations due to the intermingling of capital and operational efforts. The operational expenses do include debt service (principal and interest) payments. Finally, the cash balance is large in proportion to annual revenues and expenditures, but the cash balance includes cash that is restricted by bond covenants. The Utility is required to maintain cash on hand equal to or greater than the sum of the upcoming debt service payment, 15% of prior year operating revenues, and 60 days of operations and maintenance (O&M) budget. In 2007 the combined restricted cash requirement for the Water and Sewer Utilities is approximately \$33.5 million.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	32,000	34,593	37,114	39,001	41,341	43,821
Expenditures	32,294	35,339	40,080	40,768	42,408	44,540
Net Margin	(294)	(746)	(2,966)	(1,767)	(2,423)	(2,476)
Beginning Balance	20,916	31,830	31,084	28,118	26,351	23,928
Ending Balance	31,830	31,084	28,118	26,351	23,928	21,452



WATER UTILITY FUND (FUND 540)

(PAGE 374, VOLUME II)

KSA 12-825d requires that any revenue derived from the sale and consumption of water shall be disbursed only for the operation of the plant or distribution system. The fund is well positioned to finance projected operating expenditures in the foreseeable future. However, proposed CIP projects to enhance system reliability and to secure future water supplies will result in increasing debt service. The projections assume a 3% rate increase in 2007 and 6% rate increases thereafter. With those rate increases, the fund is well positioned to cover all projected operating and debt service expenditures. Future rate increases will continue to be monitored annually, and will be adjusted based on actual debt service requirements.

The table below shows the revenues and expenditures resulting from operating activities. The cash balance cannot necessarily be calculated based on operations due to the intermingling of capital and operational efforts. The operational expenses do include debt service (principal and interest) payments. Finally, the cash balance is large in proportion to annual revenues and expenditures, but the cash balance includes cash that is restricted by bond covenants. The Utility is required to maintain cash on hand equal to or greater than the sum of the upcoming debt service payment, 15% of prior year operating revenues, and 60 days of operations and maintenance (O&M) budget. In 2007 the combined restricted cash requirement for the Water and Sewer Utilities is approximately \$33.5 million.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	47,130	47,181	50,038	51,962	55,080	58,390
Expenditures	41,232	48,011	51,972	52,582	55,260	58,074
Net Margin	5,898	(830)	(1,934)	(620)	(180)	316
Beginning Balance	52,946	50,367	49,537	47,603	46,983	46,803
Ending Balance	50,367	49,537	47,603	46,983	46,803	47,119

STORM WATER UTILITY FUND (FUND 560)

(PAGE 341, VOLUME II)

The Water Pollution Act (KSA 12-3101 – 12-3107) allows cities to create a storm water system. The primary revenue to this fund is based on an equivalent residential unit (ERU) fee assessed to all water customers. The current ERU rate is \$2.00 and no change is forecasted during the planning period. The projections do not assume any new CIP projects. The fund currently has capacity to fund additional debt service for future projects. However, the total backlog of planned projects can not be accommodated based on the projected cash flow.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	7,357	8,099	8,206	8,319	8,433	8,548
Expenditures	6,768	8,290	6,805	6,945	7,665	8,048
Net Margin	589	(191)	1,401	1,374	768	500
Beginning Balance	3,031	3,620	3,429	4,830	6,204	6,972
Ending Balance	3,620	3,429	4,830	6,204	6,972	7,472



INFORMATION TECHNOLOGY FUND (FUND 600)

(PAGE 183, VOLUME II)

The information technology needs of the organization are funded through this internal service fund. Revenues are derived through a fully allocated cost model for each software application and hardware item having an itemized price. Departments are charged based on the application and hardware used. To reduce user charges in 2007, a rate holiday of one month is included in the projections.

Annually, amounts are transferred to the Equipment Replacement Reserve Fund to finance hardware replacements and future system upgrades. The fund is well positioned to finance the replacements and upgrades through 2009. In the out-years, system replacement transfers will be reduced to fall within expected user fees.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	8,392	7,958	9,054	9,554	9,650	9,747
Expenditures	7,928	8,929	10,135	10,030	9,650	9,747
Net Margin	464	(971)	(1,081)	(476)	0	0
Beginning Balance	2,087	2,551	1,580	499	23	23
Ending Balance	2,551	1,580	499	23	23	23

FLEET FUND (FUND 605)

(PAGE 345, VOLUME II)

The Fleet Fund finances the operation, maintenance and replacement expenses for the City's fleet of equipment. Over 3,000 pieces of equipment are maintained, including police patrol cars, fire engines, tractors, dump trucks, bull dozers and small equipment. Lease rates are charged to departmental budgets to fund Fleet Fund activities. The Fleet Fund has been stressed in recent years due to the significant impact of fuel prices, the increasing cost of replacement units, and the deteriorating age of City equipment.

In the past two years, fleet rental rates have been increased, enhancing revenue to the Fleet Fund. Additionally, efforts are being made to operate the maintenance activities more efficiently to reduce costs. However, assuming fuel prices and consumption remain at current levels, replacement funding will be curtailed beginning in 2008. To ensure adequate replacement funds based on industry standards, additional fleet rate adjustments, coupled with operational improvements, such as re-evaluating fleet size, equipment size, fleet usage policies and maintenance activities, are necessary.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	11,069	12,408	12,668	12,928	13,186	13,450
Expenditures	12,897	13,771	12,852	12,898	13,236	13,475
Net Margin	(1,828)	(1,363)	(185)	30	(50)	(25)
Beginning Balance	3,404	1,576	213	28	58	8
Ending Balance	1,576	213	28	58	8	(17)



STATIONERY STORES FUND (FUND 615)

(PAGE 119, VOLUME II)

To reduce cost for office supplies and postage, the City operates a centralized stationery stores service. Activity is funded through the Stationery Stores Fund, managed by the Finance Department. Revenues to the fund are charges to departments for office supplies ordered, and postage used. Since user fees are based on purchasing activities, the fund is well positioned to operate throughout the planning period.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	954	975	975	975	975	975
Expenditures	856	976	977	977	977	977
Net Margin	99	(1)	(2)	(2)	(2)	(2)
Beginning Balance	319	418	417	415	413	411
Ending Balance	418	417	415	413	411	409

SELF INSURANCE FUND (FUND 620)

(PAGE 129, VOLUME II)

The City of Wichita operates a Self Insurance Fund, pursuant to KSA 12-2615. The fund is divided into four sub-funds: Group Life; Workers Compensation; Risk Management; and Tort Liability. The City seeks to maintain reserves equal to a 90% confidence level regarding future claims potential. Revenues to the fund are based on charges to employees and the City (depending on the program). Health Insurance is funded 80% by the employer and 20% by the employee. Risk Management and Workers Compensation are entirely funded by the City.

The fund is in stable condition with reserves presently at the 90% confidence level. Long term, the fund should remain well positioned, although rate increases in health insurance will be required as health costs increase. Currently, increases in rates are budgeted at 2% in 2008, 12% in 2009 and 10% longer term. Workers Compensation and Risk Management rates are anticipated to be stable overall, although rates are usually adjusted internally annually, based on experience and exposure of various City operations.

<i>(Dollars in Thousands)</i>	2006	2007	2008	2009	2010	2011
Revenues	31,706	37,406	40,224	44,084	46,728	49,064
Expenditures	26,514	37,061	40,296	43,388	46,529	49,025
Net Margin	5,192	345	(72)	1,405	199	39
Beginning Balance	12,035	17,192	17,537	17,465	18,880	19,079
Ending Balance	17,192	17,537	17,465	18,880	19,079	19,118