

ALL FUNDS SUMMARY



REVENUES BY TYPE 2000 - 2003

	2000 Actual	2001 Adopted	2001 Revised	2002 Adopted	2003 Approved
General property taxes	60,257,939	67,766,600	67,733,500	71,825,380	74,542,090
Motor vehicle tax	11,233,488	9,225,840	10,270,970	10,681,810	11,002,270
Local sales tax	37,778,881	41,755,440	41,755,440	43,008,100	44,298,340
Gas tax	15,522,676	14,383,520	14,929,680	15,078,970	15,229,770
Franchise fees	29,088,392	29,663,850	31,762,780	32,024,230	32,998,770
Water/Sewer utility fees	61,121,800	57,191,720	57,205,010	62,280,940	67,192,860
Other enterprise fees	14,724,685	14,286,510	14,599,140	15,321,760	15,516,540
Internal service revenues	39,385,743	38,157,570	40,340,050	42,466,010	44,567,580
Special assessments	24,625,147	24,254,680	25,965,830	25,179,500	24,718,170
Operating grants / shared revenues	10,627,379	12,116,870	11,978,760	12,503,460	12,848,940
Transient guest tax	4,125,596	4,347,410	4,618,280	5,011,820	4,305,050
Fines and penalties	7,399,708	7,900,330	6,732,410	6,980,940	7,063,350
Licenses and permits	5,292,656	5,835,210	5,851,720	5,857,120	6,087,760
Interest earnings	12,363,113	10,318,580	12,086,320	11,684,190	10,553,360
Charges for services and sales	18,345,363	18,328,980	18,711,980	11,970,660	12,068,890
Rental income	14,117,261	13,665,250	14,003,610	14,714,100	14,914,030
Administrative charges	2,710,642	2,735,040	2,819,270	2,828,120	2,836,160
Other revenues and transfers in	41,037,893	35,578,520	36,766,500	33,093,090	28,798,400
Grand total sources	409,758,362	407,511,920	418,131,250	422,510,200	429,542,330
Interfund transactions	71,446,469	64,116,570	64,222,390	64,427,710	64,417,890
Net annual budget sources	338,311,893	343,395,350	353,908,860	358,082,490	365,124,440

As a result of GASB 34 several trust funds have been reassigned as special revenue funds, beginning in 2002. Revenue for these reassigned funds are presented here with the financial information for years prior to 2002 for reference and comparative purposes.

Note: Totals exclude appropriated fund balance reserves. Trust Funds and Enterprise Construction Funds are also excluded.



ALL FUNDS

EXPENDITURES BY CATEGORY 2000 - 2003

	2000 Actual	2001 Adopted	2001 Revised	2002 Adopted	2003 Approved
110 Regular Salaries	90,710,874	103,357,602	100,969,234	107,533,440	113,290,550
120 Special Salaries	5,635,241	4,806,910	5,534,820	5,758,880	5,917,530
130 Overtime	4,287,153	2,596,600	2,838,080	2,697,150	2,699,480
140 Employee Benefits	27,591,244	30,750,218	29,125,506	31,640,000	33,667,750
150 Planned Savings	30,761	(4,131,400)	(1,264,887)	(1,910,340)	(2,718,090)
Personal Services	128,255,273	137,379,930	137,202,753	145,719,130	152,857,220
210 Utilities	13,195,146	14,230,110	15,097,963	15,432,450	15,801,810
220 Communications	1,611,062	1,667,200	1,674,092	1,737,990	1,750,500
230 Transportation and Training	511,089	530,860	525,700	592,040	582,440
240 Insurance	1,097,095	1,144,220	1,108,070	1,108,110	1,112,500
250 Professional Services	19,868,191	21,244,210	29,485,260	33,354,030	23,633,470
260 Data Processing	3,740,960	3,889,810	4,271,120	4,699,920	4,716,920
270 Equipment Charges	7,723,327	7,701,290	7,911,680	8,138,950	8,199,220
280 Buildings and Grounds Charges	1,861,871	1,705,480	1,652,771	1,686,730	1,707,740
290 Other Contractuals	2,993,629	3,590,300	4,172,317	3,060,490	3,059,380
Contractuals	52,602,371	55,703,480	65,898,973	69,810,710	60,563,980
310 Office Supplies	440,294	546,390	568,924	538,820	524,050
320 Clothing and Towels	473,761	527,630	654,370	684,330	684,640
330 Chemicals	1,997,605	2,561,630	2,470,460	2,445,540	2,518,480
340 Equipment Parts and Supplies	3,331,772	3,545,810	3,453,010	3,545,040	3,593,400
350 Materials	1,362,377	2,964,780	2,946,660	2,803,840	2,852,000
370 Building Parts and Materials	736,950	450,100	455,750	436,230	436,760
380 Non-capitalizable Equipment	2,306,071	1,802,170	1,885,970	1,931,550	1,917,200
390 Other Commodities	30,636	953,870	989,740	990,750	994,860
Commodities	10,679,467	13,352,380	13,424,884	13,376,100	13,521,390
410 Land	131,197	0	0	0	0
420 Buildings	121,548	780,400	3,489,900	1,678,220	125,710
430 Improvements Other Than Bldg	40,200	0	1,610,640	30,000	17,000
440 Office Equipment	215,153	263,920	288,480	412,850	184,700
450 Vehicular Equipment	740,179	731,180	1,398,090	839,090	1,076,000
460 Operating Equipment	2,895,953	5,747,870	2,362,890	3,068,500	1,865,590
Capital Outlay	4,144,230	7,523,370	9,150,000	6,028,660	3,269,000
510 Interfund Transfers	36,530,785	28,070,910	28,128,640	22,821,760	23,726,580
520 Debt Service	74,278,408	85,468,450	95,740,610	94,603,870	95,430,400
530 Other Nonoperating Expenses	8,127,430	7,126,200	7,066,560	9,731,410	7,763,870
540 Inventory Accounts	38,362	84,320	1,323,120	1,328,420	1,328,420
Other	118,974,985	120,749,880	132,258,930	128,485,460	128,249,270
	314,656,327	334,709,040	357,935,540	363,420,060	358,460,860

ALL FUNDS



EXPENDITURES BY FUND 2000 - 2003

	2000 Actual	2001 Adopted	2001 Revised	2002 Adopted	2003 Approved
General Fund	145,978,921	148,833,030	152,298,730	156,468,140	160,997,380
Debt Service	52,666,460	61,481,410	70,229,840	65,326,780	62,718,030
Total tax levy funds	198,645,381	210,314,440	222,528,570	221,794,920	223,715,410
Tourism & Convention Promotion	4,271,630	4,337,650	4,713,020	5,130,610	4,431,020
Downtown Trolley System *	135,801	153,720	169,810	168,700	163,760
Special Alcohol Programs	886,565	1,147,940	1,550,010	1,159,940	1,181,350
Special Parks & Recreation	1,137,530	1,142,500	1,142,500	1,165,350	1,188,660
Ice Rink Management *	1,404,896	1,900,000	1,900,000	2,500,000	2,500,000
Landfill	13,919,736	9,595,990	9,516,380	3,147,460	891,230
Landfill Post Closure *	0	100,000	100,000	8,852,000	869,040
Central Inspection	4,465,874	5,237,840	4,684,570	5,510,350	5,109,670
Economic Development *	588,667	1,130,750	1,198,500	591,750	605,310
Sales Tax Construction Pledge *	19,236,856	21,505,680	22,860,540	22,749,010	22,132,970
Property Management Operations	1,276,422	1,727,220	1,727,220	1,965,660	1,324,830
State Office Building Complex	1,013,251	1,386,970	1,496,890	1,299,870	1,205,340
Parking Services	208,145	596,790	151,530	0	0
TIF Districts	4,099,676	8,307,900	13,480,830	9,101,590	7,025,420
SSMID	0	0	0	484,690	494,390
City/County Joint Operations *	7,567,000	8,449,670	8,694,720	9,069,570	9,244,390
Art Museum Board *	1,226,616	1,296,480	1,536,890	1,467,460	1,720,040
Total special revenue funds	61,438,666	68,017,100	74,923,410	74,364,010	60,087,420
Airport	11,044,814	10,686,710	10,668,050	9,797,390	9,975,670
Golf Course Operations	2,955,877	3,737,980	4,275,860	4,276,450	4,320,230
Transit	4,350,255	5,172,870	4,926,620	5,249,430	5,327,280
Sewer Utility Operations	21,286,714	23,453,230	26,175,970	29,724,070	32,561,250
Water Utility Operations	28,164,644	30,459,180	31,892,900	34,696,840	37,422,500
Storm Water Management	10,008,198	6,435,940	6,430,820	6,975,470	6,517,780
Total enterprise funds	77,810,502	79,945,910	84,370,220	90,719,650	96,124,710
Information Technology	3,634,809	5,009,450	6,977,230	5,660,580	5,513,990
Equipment Motor Pool	9,038,102	8,187,580	9,377,220	9,169,330	9,277,670
Stationery Stores	1,493,479	1,571,410	1,753,640	1,761,310	1,768,370
Self Insurance	23,070,127	25,283,620	25,222,250	27,613,260	29,531,090
Total internal service funds	37,236,517	40,052,060	43,330,340	44,204,480	46,091,120
Gross expenditures	375,131,067	398,329,510	425,152,540	431,083,060	426,018,660
Interfund transactions	60,474,740	63,620,470	67,217,000	67,663,000	67,557,800
Net annual budget uses	314,656,327	334,709,040	357,935,540	363,420,060	358,460,860

* These funds were formerly trust funds. As a result of GASB 34 they have been reassigned as special revenue funds,

Note: Totals exclude appropriated fund balance reserve. Trust Funds and Enterprise Construction Funds are also excluded.



GENERAL FUND ASSUMPTIONS

Revenue Assumptions:

Revenues overall...

- ◆ were negatively impacted by a number of factors in 1999, many of which will carry forward into the current year and even into 2001. These factors are referenced in the appropriate sections below.
- ◆ will grow at 2.7% annually through the planning period (2002-2006). Through the decade of the 90s, on an actual basis, revenues increased an average 2.5% annually.

Current property taxes ...

- ◆ in 2001 and 2002 will grow at 6.5% and 4% annually, slowing to 3% annually in 2002 and beyond. No change in the taxing rate is assumed.
- ◆ are heavily affected in the current year (and in 1999) by annexation activity.

- ◆ relate directly to assessed valuation and historical budget year growth rates:

- ◆ Two noteworthy facts are that countywide growth historically is greater than the growth of Wichita (especially if annexation growth is excluded), and growth has exceeded 4% only three times throughout the 90s decade ñ the most recent three years.

This recent growth, reflecting strong demand for housing, has been the product of low mortgage rates and strong growth in the job market, particularly the manufacturing segment, in 1996, 1997 and 1998. In 1999, however, employment fell three-tenths of a percent (0.9% in manufacturing) and fixed rate mortgage rates increased from 6.5% to 8.1%. It is unlikely that assessed values, exclusive of annexation activity, will continue to increase at these extraordinary rates.

Assessed Valuation Growth Rates		
Year	City	County
1991	3.70%	2.40%
1992	0.30%	2.60%
1993	2.10%	2.80%
1994	-1.50%	-0.50%
1995	2.70%	2.70%
1996	1.10%	2.70%
1997	3.80%	4.10%
1998	4.50%	6.00%
1999	4.90%	5.10%
2000	7.90%	6.00%
10 yr avg	3.00%	3.40%

Franchise fees ...

- ◆ for utilities as a group are projected to increase at an annual average rate of 2.2% through the planning period. The actual annual growth rate since 1996 has been 1.9%.
- ◆ assume normal climate and weather patterns.
- ◆ reflect a sharp decrease (9.6%) for water fees in 2000 due the unusually wet climate in 1999, resulting in reduced water usage/sales (water and sewer franchise fees are based upon activity from the previous year).
- ◆ have been significantly impacted by the phased-in 11.4% electricity rate reduction that was fully implemented in 1999. Western Resources electric utility franchise fees represent 49% of the total franchise fee revenue.

Motor vehicle property taxes ...

- ◆ in 2000 are estimated based on the final year of a five year graduated reduction in assessed value that was approved by the State Legislature in April 1995. Beginning in 1996, the assessment ratio on motor vehicles was reduced from 30% to 20% by the following annual increments: 1.5%, 2%, 2%, 2%, and 2.5%. As the base becomes smaller each year the incremental reduction becomes



proportionally larger. In 1996 the reduction was 5% ($1.5\% \div 30\%$). In 2000 the reduction is more than 11% ($2.5\% \div 22.5\%$). Until recently, the reduction has generally been offset by growth in the appraised value of vehicles. The net impact on motor vehicle revenue in 2000 after growth (including annexations) and changes in assessment ratios is expected to be 4.3%.

Local sales taxes ...

- ◆ are expected to increase an average 3.4% annually through 2005. Actual annual growth since 1995 has been 3.7%.
- ◆ collected in 1999 were less than the amount collected in the previous year for the first time since the tax was initiated in Sedgwick County. Factors contributing to this are:
 - 1) 1999 was the first full year in which labor used in residential remodeling was exempted;
 - 2) utility consumption was significantly less due to moderate climate conditions during the winter and summer months; and
 - 3) internet sales are not subject to the sales tax.

Gas tax revenues ...

- ◆ are volume based on wholesale gallons sold. Recent high prices are expected to lower sales in the current year, but the long-term forecast assumes an average 3.3% annual growth, consistent with historical trends.
- ◆ will be partially muted in 2001 by the state's proposed demand transfer reduction of 7.5% on that portion of the gas tax (32%) that is received through the Special City and County Highway Fund.

State-shared revenues ...

- ◆ come primarily from state sales tax revenue, a portion of which is set aside for distribution to local governments (called demand transfers).
- ◆ will be severely impacted in 2001 by the state's proposed 6.5% reduction in demand transfers (7.5% for gas tax) and are not expected to be increased more than 3% annually thereafter.

Fines and penalties

- ◆ have been substantially reduced as a result of pending litigation (initiated in the fall of 1999) regarding fine collection procedures. Collections were down 1.7% in 1999 and are expected to decrease an additional 19% in 2000 (based upon collections to-date).

◆

Licenses and permits ...

- ◆ are budgeted to increase less than 3% annually.
- ◆ will be reviewed through the budget process to identify areas where increasing costs of enforcement and administration justify rate adjustments.

◆

Current sales and services ...

- ◆ are assumed to grow an average 2.1% annually through the planning period (2001-2005).

Administrative charges ...

- ◆ are reviewed by an external accounting firm and revised annually during budget development.



Transfers in ...

- ◆ are reviewed during the budget process and many items are adjusted to reflect changes in costs.
- ◆ are markedly higher on a budgetary basis (vs. actual) because many of the transfers are designed to exactly offset certain expenses. If the actual expenditures are less than budgeted, the offsetting revenue transfer is also less.

Interest earnings ...

- ◆ assume a 5% return rate in the General Fund.
- ◆ are calculated based on estimates of fund balance and cash flow, assuming cash flow equal to about one-third of all revenue.

Expenditure Assumptions:

Expenditures overall...

- ◆ will increase at a rate slightly greater than the rate of increase for revenues over the entire planning period.
- ◆ are significantly impacted by the expiration of federal grants. Grant support for the public safety initiative peaked in 1998 and has been declining sharply since. There is a significant shift in 2001 from a public safety transfer (for a grant match) to absorbing the full amount of the program as a regular public safety expenditure.

Personal services ...

- ◆ represent 64% of General Fund expenditures.
- ◆ will grow 5.1% annually between 2001 and 2005 (including base wages, employer benefit contributions for pension and health insurance, and absorption of previously grant-funded positions).
- ◆ assume a 15% increase in health insurance costs for 2001 and 10% annual increases in 2002.

Operating transfers out ...

- ◆ include contributions to the joint City-County operations, the Transit subsidy, Tort liability, and the local match for various grants (i.e., public safety).
- ◆ are generally expected to increase at 2% each year.

All other operating expenditures ...

- ◆ are projected to increase overall at an average annual rate of 2%, slightly less than the 2.4% inflation estimates from the WSU Center for Economic Development and Business Research (CEDBR) and the Congressional Budget Office.

Fund Balance (December 31) ...

- ◆ under the revenue and expenditure assumptions above, is shown to be at 13% of annual expenditures in 2000–2002, 12% (2003), 11% (2004), and 9% (2005).
- ◆ will completely sustain current operating expenses, subsidies, and pending initiatives for the entire trending period.



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GENERAL FUND



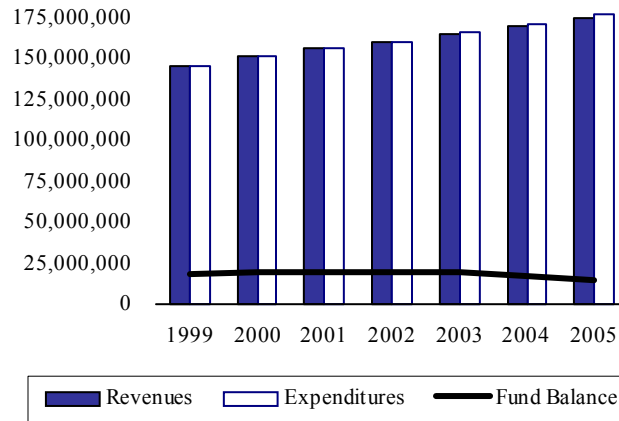
	2000 Actual	2001 Adopted	2001 Revised	2002 Adopted	2003 Approved
Budgeted operating revenue					
General property taxes	39,329,476	42,978,610	43,012,510	45,536,790	47,345,300
Special assessments	26,409	66,340	17,440	17,440	17,440
Franchise fees	29,088,392	29,663,850	31,762,780	32,024,230	32,998,770
Motor vehicle tax	7,635,280	6,249,760	6,983,890	7,275,510	7,493,780
Local sales tax	18,889,441	20,877,720	20,877,720	21,504,050	22,149,170
Intergovernmental					
Gasoline tax	15,522,676	14,383,520	14,929,680	15,078,970	15,229,770
State-shared revenues	7,522,775	7,431,220	7,211,910	7,574,350	7,793,170
Licenses and permits	1,631,665	1,661,700	1,582,730	1,731,310	1,922,380
Fines and penalties					
Court	7,101,536	7,558,690	6,569,840	6,817,240	6,899,740
Other	298,171	341,640	162,570	170,100	170,010
Rental income	2,212,216	2,157,990	2,149,590	2,162,080	2,177,010
Interest earnings	3,655,835	2,956,310	3,692,190	3,784,480	3,879,060
Charges for services and sales	6,336,610	5,739,740	6,064,160	5,678,120	5,744,930
Administrative charges	2,695,602	2,735,040	2,819,270	2,828,120	2,836,160
Transfers from other funds	2,400,180	2,847,940	3,403,640	2,602,130	2,656,120
Reimbursed expenditures	1,590,170	1,182,960	1,058,810	1,683,220	1,684,570
Total budgeted operating revenues	145,936,433	148,833,030	152,298,730	156,468,140	160,997,380
Budgeted operating expenditures					
Personal services	93,804,618	99,293,490	99,163,830	105,684,990	110,739,690
Contractuals	27,300,889	26,838,730	29,041,320	30,098,600	30,382,250
Commodities	4,834,437	5,919,460	5,895,400	5,801,950	5,837,720
Capital outlay	470,203	563,860	828,810	629,560	396,770
Other	19,568,770	16,217,490	17,369,370	14,253,040	13,640,950
Total budgeted operating expenditures	145,978,918	148,833,030	152,298,730	156,468,140	160,997,380
Subtotal budgeted operating revenues over (under) budgeted operating expenditures	(42,485)	0	0	0	0
Unencumbered cash/fund balance as of January 1	18,935,944	19,735,129	18,893,681	19,903,211	19,903,211
Residual equity transfer	222	0	1,009,530	0	0
Total unencumbered cash/fund balance					
Appropriated reserve	14,208,406	10,946,945	7,481,250	11,504,580	11,288,900
Unappropriated reserve	4,685,275	7,988,999	12,421,961	8,398,631	8,614,311
<i>Unencumbered cash as a percentage of expenditures</i>	<i>12.9%</i>	<i>12.7%</i>	<i>13.1%</i>	<i>12.7%</i>	<i>12.4%</i>
One mill of assessed value	1,898,996		2,078,568	2,198,255	2,286,185
Increase in value of mill (%)	7.95%		9.46%	5.76%	4.00%
General Fund mill levy	21.355		21.323	21.359	21.359
Debt Service Fund (DSF) mill levy	<u>10.051</u>		<u>10.036</u>	<u>10.000</u>	<u>10.000</u>
Total mill levy	31.406		31.359	31.359	31.359
General Fund (excluding 5% delinquency)	38,594,210		42,104,240	44,604,900	46,389,090
DSF (excluding 5% delinquency)	<u>18,117,920</u>		<u>19,866,560</u>	<u>20,883,420</u>	<u>21,718,760</u>
Total (excluding delinquency)	56,712,130		61,970,800	65,488,320	68,107,850

MULTI-YEAR OVERVIEW



2004 Projected	2005 Projected	2006 Projected
49,002,390	50,717,470	52,239,000
17,440	17,440	17,440
33,881,620	34,715,280	35,578,900
7,718,590	7,911,550	8,109,340
22,702,900	23,270,470	23,852,230
15,686,670	16,157,270	16,641,990
8,026,970	8,267,780	8,515,820
1,960,840	2,000,080	2,040,120
7,037,740	7,178,510	7,322,090
166,880	170,210	173,620
2,220,540	2,264,970	2,310,250
3,976,030	4,075,430	4,177,320
5,917,270	6,094,800	6,277,620
2,892,870	2,950,710	3,009,750
2,489,940	2,539,750	2,590,530
1,724,800	1,759,290	1,794,480
165,423,490	170,091,010	174,650,500
115,169,300	119,776,060	124,567,100
31,002,300	31,619,980	32,234,030
5,954,510	6,073,620	6,195,080
404,700	412,780	421,040
13,777,350	13,915,130	14,054,280
166,308,160	171,797,570	177,471,530
(884,670)	(1,706,560)	(2,821,030)
19,903,211	19,018,541	17,311,981
0	0	0
10,193,460	8,306,765	5,349,877
8,825,081	9,005,216	9,141,074
11.4%	10.1%	8.2%
2,366,201	2,449,018	2,522,489
3.50%	3.50%	3.00%
21.359	21.359	21.359
<u>10.000</u>	<u>10.000</u>	<u>10.000</u>
31.359	31.359	31.359
48,012,710	49,693,150	51,183,950
<u>22,478,910</u>	<u>23,265,670</u>	<u>23,963,640</u>
70,491,620	72,958,820	75,147,590

General Fund Revenues, Expenditures and Fund Balance



Many elements of the City's General Fund are affected by local economic conditions, most notably retail sales, real estate (as reflected in assessed valuation), motor vehicle taxes, franchise fees, and motor fuel taxes (gasoline tax). Together, these items account for more than 75% of the General Fund revenue base. The economy does not and is not expected to show any signs of decline; however, growth has been and is expected to be much more moderate. As a practical consideration, this means instead of the average General Fund revenue growth of 4.5% for the past four years and the residual growth of 4.4% in the current year, the average annual growth through the planning period is expected to be just under 3%, steady and slightly greater than inflation.

The City has very nearly completed its program to aggressively redeem the backlog of eligible annexation opportunities. Local economic variables, such as employment and earnings growth, have fallen off the record highs in 1996-1998, thus softening demand for residential and commercial property. The compound effect of these facts is manifested in a preliminary 2002 assessed valuation growth estimate of 5.8% and in the estimates going forward of 4% in 2003 down to 3% in 2006. Though these rates seem low in contrast to the growth of 7.9% and 9.5% of the past two years, they are healthy, sustainable, and markedly higher than the 1.4% average annual growth from 1990 to 1996.

State fiscal constraints will continue to mitigate growth in state aid through demand transfers. It is estimated that a decade of artificial growth limits and outright reductions have resulted in demand transfer revenue to the City of Wichita being more than \$2 million annually below the statutorily prescribed amounts. The state's 33% reduction of motor vehicle taxes (a combined \$3.5 million annually in the General Fund and Debt Service Fund) is now fully phased in and absorbed. Local sales tax receipts are at least \$1.1 million less annually due to exemptions approved by the Legislature.

Despite the many funding challenges, the City's primary operating fund is balanced through 2003 and will begin the 2002 fiscal year with a 13% cash balance. Operations are not only being sustained but numerous new initiatives and enhancements are detailed throughout the budget.



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