

2019 Comprehensive Annual **Financial Report**



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WICHITA
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KANSAS

Fiscal Year Ended December 31, 2019

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Comprehensive Annual Financial Report

For the Year Ended December 31, 2019



CITY COUNCIL

Brandon Whipple, Mayor

Cindy Claycomb, Vice Mayor (VI)

Brandon Johnson, Council Member (I)

Becky Tuttle, Council Member (II)

James Clendenin, Council Member (III)

Jeff Blubaugh, Council Member (IV)

Bryan Frye, Council Member (V)

City Manager

Robert Layton, City Manager

Department of Finance

Shawn Henning, Director of Finance

Prepared by the Controller's Office

Department of Finance

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CITY OF WICHITA, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2019

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INTRODUCTORY SECTION



INTRODUCTORY SECTION



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

June 26, 2020

To the Honorable Mayor, City Council and Citizens of the City of Wichita, Kansas:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Wichita for the year ended December 31, 2019. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City and its blended component unit.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that management has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Kansas statutes require an annual audit of all funds of the City by independent certified public accountants. The certified public accounting firm of Allen, Gibbs & Houlik L.C. issued an unmodified opinion on the City of Wichita's financial statements for the year ended December 31, 2019. The independent auditor's report is located on page A-1 in the Financial Section of this report.

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

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides an introduction, overview and analysis of the basic financial statements. MD&A complements this transmittal letter and should be read in conjunction with it.

THE REPORTING ENTITY AND ITS SERVICES

With a population of 389,255¹, Wichita is the largest city in Kansas and is the county seat of Sedgwick County. Major highways, including the Kansas Turnpike and Interstate I-135, link the city with a large trade area that encompasses a population of more than one million² people within a 100-mile radius. The nearest large cities are Denver to the west, Kansas City to the northeast, Oklahoma City to the south and Tulsa to the southeast.

¹Source: 2018 U.S. Census Bureau population estimate.

²Source: Estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University, based on Nielsen 2013 population estimates. Estimate excludes population within the 100-mile radius located in Oklahoma.

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

In 1917, Wichita became one of the first municipalities in the United States to adopt the Commission-Manager form of government. Effective April 14, 1987, the title "City Commission" was changed to "City Council" and instead of being elected at-large, five council members were nominated by district and elected at-large. In November 1988, Wichita voters approved a referendum to elect a five-member City Council by pure district elections and a full-time Mayor by city-at-large elections. On February 10, 1989, Charter Ordinance 115 was adopted and provided for the five council member seats to be increased to six by subdividing the City into six districts based on the 1990 census. The six Council members and the Mayor serve four-year terms, with the Council members' terms being overlapping. The City Manager is appointed by the City Council and is responsible to them for the management of all City employees and administration of all City affairs.

The City of Wichita and its blended component unit provide a full range of municipal services, including police and fire protection, parks and recreation programs, libraries, cultural arts, public housing and community services, infrastructure improvements, public transportation, airports, water and sewer utilities, planning and zoning, cemetery maintenance, internal support services and general administration.

The Budget Process – The budget process is impacted by Kansas statutes, organizational policies, accounting standards and budgeting practices. In addition, other planning processes are integrated into the budget process. Annually, a long-range financial plan is developed as part of the budget process. This financial planning process includes the development of three operating budgets each year. The current year adopted budget is revised based on updated data and assumptions. A proposed budget for the next year is also prepared and will become the adopted budget upon the City Council's approval. Finally, a projected budget is also prepared, which becomes the basis for the proposed budget next year. The impact of operating costs associated with projects in the City's Capital Improvement Program (CIP) is also considered each year.

The City's vision is to be a leading-edge organization serving a dynamic and inclusive community. Based on this vision, formulation of the Budget is developed based on the strategic priorities established by the City Council, which are clearly defined by the City's mission statement:

As an exceptionally well-run city, we will:

- *Keep Wichita safe,*
 - *Grow our economy,*
 - *Build dependable infrastructure and*
 - *Provide conditions for living well.*
-

As the City strives to reach service level excellence, the annual budget is developed based on three themes: (1) alignment to the City's mission and City Council goals; (2) review of business processes, from both a financial operations view and a customer-focused view; and (3) development of a financially sustainable and diversified revenue portfolio. Late in 2016, Zero-Based Budgeting was initiated with a service level approach. This process evaluated every service that departments provide, then reviewed the alignment of each service, not only to the City's mission statement and goals, but also to the departments' goals. This review process was implemented in 2017 with preparation of the 2018 Budget, but has continued in further depth in connection with development of the next years' budgets. In 2018, all activities were categorized as "touchable" or "untouchable". "Untouchable" activities are those that are legally required, intrinsic to what residents expect from the department, or are things peer departments in other cities typically provide. In 2019, residents had the ability to prioritize budget spending using an online Budget Simulator, which provided additional feedback to validate citizen priorities.

Senior staff and the City Manager conduct a review of revenue projections and departmental requests, balanced against current year priorities. The City Manager holds internal budget hearings, beginning in April and continuing through June. The City Council is briefed on the strategic and policy issues, the preliminary financial forecasts and the departmental performance levels. Based on the City Council's policy direction and the information from departments, a proposed budget is drafted and provided to the City Council for consideration in July. Throughout the process, presentations are made to citizens, including the District Advisory Board of each Council District and other neighborhood groups. Budget information is also communicated through various forms of social media, providing further opportunities for citizen engagement on the budget. The City Council holds public hearings on the proposed budget in July and August, prior to adopting the final budget. The budget is required by Kansas law to be finalized, adopted and filed no later than August 25. The annual budget serves as a policy document, a financial plan, an operations guide and as a communication device.

Budgetary Control - The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund. The City also maintains an encumbrance accounting system to enhance budgetary control. Unencumbered appropriations lapse at year end, while encumbered appropriations are carried over into the next year for liquidation. As demonstrated by statements and schedules included in the Financial Section of this report, the City continues to meet its responsibility for sound financial management. Budget-to-actual comparisons are provided for each individual governmental fund for which an appropriated annual budget has been certified with the State of Kansas. For the General Fund, this comparison is presented on page A-25 as part of the basic financial statements, as well as a more detailed presentation beginning on page B-20. For governmental funds (other than the General Fund) with appropriated annual budgets, these comparisons are presented in the Governmental Funds Section of this report beginning on page B-25.

THE LOCAL ECONOMY³

The Wichita metropolitan statistical area (MSA) has a diverse economic base, producing a wide variety of products and services with a focus in durable goods manufacturing. Approximately 46 percent of Wichita's employment is in service-providing industries; 24 percent is in goods-producing industries; 16 percent in trade, transportation and utilities; and 14 percent in government. The Wichita area is home to more than 15,000 business establishments, with approximately 93 percent of those employing fewer than 50 workers. Thirty-one employers in the Wichita area employ 500 or more workers. The service sector has consistently grown in recent years, adding 11,700 new workers to the local economy since 2012. While the production sectors have been more volatile, they added 4,000 employees in 2018 and 2019, their fastest growth since the 2008 recession.

Annual Average Wichita MSA Employment by Industry*						
	2017 (a)	2018 (a)	2019 (e)	2020 (f)	2019-2020 Forecasted Level Change	2019-2020 Forecasted % Change
Production sectors	67,900	70,200	71,900	70,200	(1,700)	(2.4%)
Trade, transportation and utilities	51,300	50,600	50,000	49,800	(200)	(0.4%)
Service sectors	135,100	136,200	138,700	138,900	200	0.1%
Government	40,800	41,600	41,800	42,000	200	0.2%
Total nonfarm employment	<u>295,100</u>	<u>298,600</u>	<u>302,400</u>	<u>300,900</u>	<u>(1,500)</u>	<u>(0.5%)</u>

*Annual values are derived from average quarterly observations and projections. Data was downloaded from the U.S. Bureau of Labor Statistics' Website on March 11, 2020. This forecast does not include estimates of the potential effect of shutdowns related to the COVID-19 pandemic on the local economy.

(a) actual (e) estimated (f) forecasted

Wichita's manufacturing sector is primarily concentrated in aerospace, which comprises more than 54 percent of total manufacturing employment in the area. Local aircraft companies produce a significant number of the world's general aviation aircraft and commercial aircraft parts. Wichita's manufacturing sector employment peaked in 2008 with 67,700 jobs; from 2008 to 2011, Wichita lost approximately 15,000 manufacturing jobs, with employment in the sector remaining relatively flat

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

from 2011 to 2017. In 2018, the manufacturing sector added 1,800 new jobs, followed by 1,400 new jobs in 2019, bringing the total manufacturing workers in the area to approximately 54,900.

The aerospace sector received a major setback with the suspension of production on the Boeing 737 Max, as Spirit AeroSystems, a major local aircraft parts manufacturer, is a major supplier of parts for the 737 Max. Spirit announced 2,800 layoffs in January 2020 in response to the suspension. Production on the 737 Max resumed at Spirit in May 2020, after Boeing and Spirit reached a production agreement to deliver the locally produced portion of 125 Max planes in 2020⁴. Although this is only one-fifth of the 2019 production level, production is expected to increase in 2021 and beyond, so many of those laid off are expected to be rehired as the company begins to resume a higher level of production. The company also plans to spend \$1 billion on capital improvements to its Wichita facilities from 2018 to 2023⁵.

Non-aerospace manufacturing in Wichita continues to diversify and expand, with both the machinery manufacturing and non-durable manufacturing sectors adding more than 1,000 jobs since 2010. While Wichita's manufacturing base has continued to become more diverse in recent years, the downturn in the aerospace market due to the suspension of the 737 Max is projected to substantially decrease manufacturing employment in Wichita in 2020, though the sector is poised to recover quickly once production resumes in full.

Construction employment increased by 200 workers in 2019, and the construction sector is projected to continue to expand in 2020 as both the residential and non-residential markets continue to grow. While new home construction slowed in 2018, growth is expected to resume in 2019 with a 0.2 percent expansion in the number of single-family permits issued. Through the third quarter of 2019, net absorption increased for retail, office, and industrial space, and vacancy rates declined in the office and industrial sectors.

The professional and business services sector is one of the largest and fastest-growing service sectors in the Wichita economy. This sector has added more than 6,000 new jobs since 2009, including 1,900 in 2019, the most of any Wichita service sector. The sector is expected to remain relatively flat in 2020, due to the manufacturing slowdown, but strong growth will likely resume when manufacturing production does. Wichita is also the home to the headquarters of several major companies, including Koch Industries.

The education and health care sector is the single largest sector in the Wichita economy. Health care and social assistance employ 39,300 workers locally. The Wichita MSA has more than 100 nursing and assisted living facilities, as well as 18 acute care and specialty hospitals, with other specialty clinics providing comprehensive patient care and same-day surgery services. The five-county MSA is home to almost 1,500 physicians and 300 dentists. In recent years, much of the employment growth in the sector has occurred in the non-hospital portion of the sector, such as physicians' offices. Policy uncertainty has likely dampened growth to a degree in the health care sector in recent years in Kansas, but as that resolves, continued expansion is expected for Wichita's health care sector.

Health care employment grew by 100 employees in the Wichita area in 2019, and that growth is expected to continue into 2020. In 2019, more than \$60 million in renovations were completed at Via Christi's St. Joseph campus and a new children's psychiatric hospital opened in Wichita after \$7 million in renovations. In addition, the Wesley Children's Hospital began a \$20 million expansion in 2019 to add 14 additional beds, and the Robert J. Dole VA Hospital has planned \$40 million in renovations for the facility to be completed by 2022, including a women's clinic, an expanded surgical center and a residential rehabilitation treatment facility.

The education sector employs about 12 percent of the total workforce in the education and health services sector and plays a significant role in the local economy, employing over 5,000 workers. Wichita is home to 12 colleges and universities, which provide a wide range of degrees and educational opportunities, including Wichita State University, Friends University, Newman University and the University of Kansas School of Medicine. In addition, eight unified public school districts serve the City of Wichita, the largest of which is Wichita USD 259 with an enrollment of 49,375 students and over 80 schools.

⁴ McCoy, Daniel. "Work on 737 MAX set to fire back up in Wichita," *Wichita Business Journal*, May 11th, 2020.

<https://www.bizjournals.com/wichita/news/2020/05/11/work-on-737-max-set-to-fire-back-up-in-wichita.html>

⁵ Swaim, Chance "Spirit Aerosystems to add 1,400 more jobs in Wichita, president says" *Wichita Eagle*, December 19, 2018.

Wichita's universities and colleges continue to grow and expand. Wichita State University Campus of Applied Sciences and Technology, formerly known as Wichita Area Technical College, officially became affiliated with Wichita State University in 2018. Wichita State University recorded its largest freshman class ever for the fourth consecutive year in 2019, with more than 16,000 students enrolled for the first time in school history. The university is continuing to expand its main campus with the Innovation Campus initiative. After adding six new buildings (including a new residence hall) to the campus in 2017 and 2018, the expansion continued in 2019 with the completion of a second residence hall, student wellness center, and Wesley Urgent Care Clinic. In early 2020, a YMCA location and the National Institute for Aviation Research (NIAR) Advanced Virtual Engineering and Testing labs were completed, and construction is underway on a Hyatt Place Hotel and a third partnership building. Groundbreaking is expected in mid-2020 on the \$50 million, 136,000 square-foot Woolsey Hall, which will be the new home for Wichita State's Barton School of Business when it is completed.

Economic and population growth in Wichita has also led to thriving support sectors, such as the expanding leisure and hospitality sector, which added almost 5,000 new jobs since 2010. In 2019, that growth continued as the sector expanded by 500 workers, with several new restaurants opening in the area, including Wichita's first Dave & Busters, Saltgrass Steak House, and Huddle House locations. The sector has strong fundamentals and will continue to expand strongly as growth resumes in the wider economy.

The unemployment rate declined in 2019 in the Wichita area, which was the ninth consecutive year unemployment either declined or held steady in the local economy after peaking in 2010. The Wichita MSA has had a lower unemployment rate than the city of Wichita during this period, with the gap remaining consistent for the last several years. In 2020, the unemployment rate is expected to increase, both due to the slowdown in the aerospace sector related to the Boeing 737 Max production suspension and national recession concerns. There is the potential for a substantial short-term increase in unemployment locally as the economy adjusts to these issues. The risk of national recession is currently elevated due to uncertainty around the novel coronavirus and its impact on economic activity, though the duration of the economic slowdown will depend both on the severity of the pandemic and how long social distancing measures will be necessary.

Average Annual Unemployment Rates			
Year	Wichita	Wichita MSA	U.S.
2015	5.0%	4.7%	5.3%
2016	4.8%	4.6%	4.9%
2017	4.4%	4.2%	4.4%
2018	3.9%	3.7%	3.9%
2019	3.7%	3.5%	3.7%

The Wichita economy has several positive indicators that suggest the Wichita economy may experience modest growth in 2020. However, the local economy's risk factors for the near future include the effects of the COVID-19 pandemic, a national-level economic recession, the heavy concentration of Wichita manufacturing in aerospace and business jet markets, and state and national policy uncertainty. Unless weighed down by these risk factors, modest growth is possible for Wichita in 2020.

CITY BUSINESS AND FINANCIAL PLAN

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

The City continues to align financial plans with strategic priorities and policies set forth by the City Council, modifying budgets to achieve desired outcomes with available financial resources. Following strategic priorities provides clarity and flexibility in adapting to both short-term and long-term opportunities and challenges and also provides an opportunity to balance needs and resources for the best mix of services for citizens.

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

financial markets in recent years, the City's Retirement Systems maintain funded ratios which are over 90%, well above many public pension systems.

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

With a combination of approaches to ensure relevant outcomes at the lowest possible cost, the City has focused on using technology to reduce operating costs, improve efficiency or enhance service levels; outsourced functions that have a varying degree of seasonal demand; and partnered with Sedgwick County to continue efforts centered around consolidation of certain services. Additionally, the City has and continues to restructure management hierarchies and realign organizational structures to meet service demands, as well as creating initiatives to manage rising health insurance costs through its wellness program.

Maintaining engagement with stakeholders – residents, the governing body, District Advisory Boards, neighborhood associations, community groups, the business community, employee bargaining units and City staff – helps the City continue its focus on the delivery of the right mix of services and careful use of resources in recognition of the community's priorities. Continuing social media town hall meetings for the last few years, the City again sought input on budget issues from citizens in this manner, in addition to seeking input through the traditional budget hearings and presentations. Furthering engagement efforts with citizens, the City of Wichita also partners with Nextdoor, a private social network connected with more than 200 Wichita neighborhoods. Nextdoor is used to improve city-wide and neighbor-to-neighbor communications, promotes safety and strengthen virtual neighborhood watch efforts.

In 2019, the City also implemented an online budget simulator which serves as a tool allowing residents to prioritize City services and provide feedback on the City's budget. For the 2020 budget, this tool allowed respondents to make changes to their estimated property tax bill and visualize the impact of desired service level changes. The community's feedback collected through these various engagement channels is valuable as the City reviews and updates its strategic priorities.

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

RELEVANT POLICY CHANGES

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

Three of the City's primary sources of general revenue are property, sales and franchise taxes. Property tax revenue reflected little change from 2010 through 2012, before increasing in 2013. However, these changes were largely due to a change in the General Fund mill levy rate, which was reduced approximately one mill in 2011 and was then increased approximately one mill between 2013 and 2014. Since 2014, property tax revenues have continued to grow at a slightly increasing pace. Sales and franchise tax revenue reflect some growth over the last 10 years. However, these revenues have softened due to internet sales, changes in technology and volatility in demand. Prior to COVID-19, investment earnings continued to increase as a result of rising interest rates and market conditions.

Despite signs of a stable economic environment throughout 2019, the City expects to face some challenges. The impact of the COVID-19 pandemic on the City's finances and operations will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are difficult to predict at this time. Aligning revenues and expenditures to meet established priorities of the community throughout changing economic cycles is essential. Innovative thinking and actions are continually pursued to manage wage costs and the associated health and pension benefits and to deliver services in the current economic and political environment. Technology will continue to be utilized to improve productivity and create opportunities for citizens to pay bills and receive information online. Exploration continues into

other technologies that could affordably improve efficiency. Meanwhile, the City continues to press forward with major initiatives and to position itself for sustainable growth in the future.

MAJOR INITIATIVES

The City of Wichita continues to invite private investment, striving for a diversified business and industry foundation. In December 2010, the City Council approved Project Downtown: The Master Plan for Wichita. This plan provides a blueprint that assists the private sector in making key investment decisions in Wichita's core and serves as a framework for the public sector to make strategic investments that foster private sector investment.

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

The WDDC was established to revitalize and energize downtown Wichita. Much of this transformation began in 2010 with the adoption of Project Downtown: The Master Plan for Wichita. The WDDC reported that since Project Downtown's adoption, Wichita has seen over \$655 million of private investment and a combined investment in downtown Wichita by the private and public sectors of \$853 million over the past 10 years. Individuals living in downtown Wichita continues to rise. In the past decade, 1,228 residential units have been completed and another 350 units are in development. A recent study projects market capacity for an additional 2,000 units to come online over the next five years. In addition, unique shops, restaurants and nightlife drive retail sales and provide an important employment base, with retail sales in excess of \$163 million in 2018.

The City led efforts to retain and expand Cargill, a major employer in downtown Wichita, which retained 700 jobs. The \$70 million headquarters building is located on the site of the former Wichita Eagle building on Douglas Avenue, directly adjacent to the Old Town entertainment district. Additionally, the \$54 million Union Station development has completed phase one of renovations (including a mixed-use public plaza area and office space), as well as phase two improvements which focused on the terminal building and the southern portion of the property. A Tax Increment Financing (TIF) District was approved for phase three of the Union Station development to renovate and expand the adjacent Ice House building. Other nearby projects that were completed in 2019 or are under construction include: a \$3.9 million complete makeover of Naftzger Park, including pedestrian friendly enhancements along Douglas, connecting Old Town and the Intrust Bank Arena entertainment districts; the Douglas Avenue railroad underpass; the Spaghetti Works mixed-use development; and the \$14 million renovation converting the Commerce Plaza office building into a Hilton Garden Inn. These projects further enhance downtown's connectivity and walkability and are positive additions in Wichita's urban core.

Work is underway to create a \$75 million Kansas Health Science Center by restoring the buildings formerly known as the Finney State Office Building, Henry's Building, Broadway Place and Sutton Place in downtown Wichita. The redevelopment project will include a new medical school complex, hotel, student housing and culinary school that is expected to create 300 new jobs and fund a \$1.3 million expansion and renovation of the historic Lewis Reflection Park.

Fidelity Bank announced a major expansion in downtown Wichita in 2019. The \$51 million project will include a 505-stall parking garage and a 10-story tall office tower. The parking garage is expected to be complete in late 2020 and the tower, which will include a large rooftop green space with grass and trees, is planned for completion in 2023.

Construction at the northwest corner of Douglas and Emporia was initiated in 2019 to transform the site into a mixed-use property with commercial space on the ground floor and offices on the upper three floors. The existing building has been razed and this area, along with adjacent lots will provide for the new 75,000 square-foot building.

In December 2016, the City Council took action to expand the East Bank redevelopment district, a necessary first step for the approval and implementation of the River District Phase II STAR Bond Project, and formally submitted a plan for approval in May 2017. The City received authorization from the Kansas Secretary of Commerce for the 2018 issuance of \$42 million in STAR bonds to finance a portion of the new baseball stadium and museum on the west bank of the river directly across from WaterWalk. Also in connection with the new baseball complex, the City announced in late 2018 that a Triple-A team and affiliate of the Miami Marlins, the Wichita Wind Surge (formerly the New Orleans Baby Cakes) would be relocating to Wichita for the 2020 baseball season. In addition to the Riverfront Stadium (completed in 2020) and

museum, the district will include hotels, retail/commercial buildings, multi-family housing and other entertainment venues. These new additions are critical components to improving the quality of life in Wichita.

The City Council approved a core area development project to develop the Delano Catalyst Site, located downtown on the west side of the Arkansas River. The \$40 million mixed-use Delano project will include 180 residential units, as well as a mixed-use hotel concept with commercial space. The site is located near the River Vista residential development and the new Advanced Learning Library.

The City of Wichita was named an All-America City (AAC) in 2019, claiming this recognition for the fifth time. Wichita competed against 19 other finalist cities in the National Civic League (NCL) competition. A total of 10 cities were named AAC winners. The City's presentation focused on League 42, the work of the Health and Wellness Coalition to address barriers to healthy foods and efforts of the Wichita Police Department to strengthen community bonds and build relationships. Wichita previously claimed the AAC honor in 1961, 1993, 1999 and 2009.

Construction was completed for the \$22 million rehabilitation and expansion of the Stryker Soccer Complex, which included the installation of turf on 10 outdoor multi-purpose fields, enhanced the championship Peckham field and constructed an 112,000 square-foot indoor field. This project serves to enhance the recreational opportunities available in Wichita.

The new \$200 million Dwight D. Eisenhower National Airport terminal building and 1,600-space parking garage opened in June 2015. Since opening, Allegiant Air began offering non-stop service from Wichita to Orlando and Southwest Airlines initiated non-stop service to St. Louis and Phoenix in 2016. Alaska Airlines also announced non-stop service between Wichita and Seattle that started on April 13, 2017. Frontier Airlines started non-stop service between Wichita and Denver in August 2018. In 2019, seasonal non-stop service was added by American Airlines to Phoenix and Allegiant Air also added seasonal non-stop service to Destin-Ft. Walton Beach, Florida. For the third consecutive year, Eisenhower National Airport set a new record in 2019 for the most airline passengers in the history of the Airport, with a five percent increase over the previous record year.

The City is continuing improvements with the East Kellogg freeway project, a joint effort between the City of Wichita, Kansas Department of Transportation and the Kansas Turnpike Authority (KTA). Construction began in 2015 with a redesigned Kellogg and Webb intersection and widening of Kellogg from Webb to Greenwich. A second project, started in 2016, continues with widening Kellogg to a six-lane freeway between Greenwich Road and K-96. In addition, new ramps will be constructed for the I-35/KTA and Kellogg interchanges. Both projects are expected to be fully complete in 2021.

The Kansas Department of Transportation completed a concept study in 2015 for the Wichita North Junction; where I-135, I-235, K-254 and K-96 meet in north Wichita. Plans were announced and the "Green Project", which is the first of three phases of the Wichita North Junction Project, has been initiated. This phase of the project will replace aging pavement, deficient bridges over the Little Arkansas River and obsolete bridges over Arkansas Avenue and Broadway Avenue. It will also add auxiliary lanes on I-235 and improve ramp geometry at the Broadway Avenue Interchange. The Seneca Street Bridge over I-235 will be removed and Meridian Avenue to Seneca Street will be connected via a new local roadway. The \$65 million project started in early 2019 and is expected to be complete in late 2021.

Public safety continues to be a priority. The Wichita Fire Department and Police Department worked with community partners on the Integrated Crisis Team (ICT-1) pilot program, which focused on providing targeted care for those in mental crisis situations. The pilot program began on July 31 and ended on October 31, 2019. Throughout the program, a total of 329 public safety resources were able to respond to other emergencies. The team was able to prevent over 100 visits to the COMCARE Crisis Center and more than 90 trips to the emergency room.

The Wichita Police Department (WPD) hired a recruit class of 10 officers and purchased equipment as part of the 2017 staffing study. In an effort to reduce violent crime, the WPD participated in Operation Triple Beam with the U.S. Marshals Service, the U.S. Attorney's Office and other partners, resulting in the arrest of more than 900 violent offenders, as well as the seizure of more than 80 guns, \$142,000 in cash and \$835,000 in illegal narcotics. The Volunteers in Policing program was launched in 2019, which uses volunteers from the Citizen's Police Academy Alumni Association to patrol and keep an eye on crime in the Riverside area and along the Arkansas River. Golf carts are used to monitor these areas and report illegal or criminal activity to the police.

The Wichita Fire Department aided in protecting over \$116 million in property through fire suppression efforts in 2019. Also serving the community, the Fire Department installed more than 100 smoke alarms, 79 carbon monoxide detectors and 130 child safety seats.

The National Association of Housing and Redevelopment Officials (NAHRO) honored the City of Wichita with the 2019 Award of Merit in Resident and Client Services for the Cities Combating Hunger Through Summer and Afterschool Meal Programs (CHAMPS). Since the program's inception in 2016, the Housing and Community Services Department has sponsored nine different meal sites and has served over 13,000 meals to area youth in need.

The City was one of 159 recipients of the 2019 AARP Community Challenge Grant. This funding helps close the digital divide that exists in lower socio-economic areas of the community by offering 20 Hot Spot devices at each of its three neighborhood resource centers, providing wireless internet to connected devices. Residents are able to check out a Hot Spot at no cost for a two-week period.

The City of Wichita was selected by the Environmental Protection Agency (EPA) to apply for a federal loan through the Water Infrastructure and Innovation Act (WIFIA). The City submitted its application to the EPA to secure financing of up to \$280.8 million which will be used for the construction of a new \$550 million water treatment facility located in northwest Wichita. Competing with 61 water systems across the nation, the City was one of 39 cities invited to apply after submitting its Letter of Interest in July 2018. The WIFIA loan offers a unique combination of low interest rates and a delayed repayment schedule. The new Northwest Water Treatment Facility will replace the existing 80-year old facility, which was identified as a critical project by the Integrated Local Water Supply Plan nearly 25 years ago and is the next important step on the path to a sustainable water future. Construction of the new facility is underway with completion expected in 2024.

Wichita Transit, the largest transit system in the state of Kansas, successfully obtained \$6.5 million in federal funding for the purchase of 11 electric buses. Transit received the first four battery-electric transit buses in the state of Kansas in 2019. The utilization of electric buses is expected to save costs on maintenance, improve air quality and reduce noise levels – all part of ongoing efforts toward transit improvements in Wichita. In 2019, Transit launched a partnership with Wichita State University to provide university-funded public accessible bus service between campus locations and connecting routes across the city. Transit has also partnered with the Wichita Unified School District 259 to provide bus transportation to over 800 students each day.

Access Wichita, a new online tool that connects residents with resources and services, was launched in 2019. The self-service portal allows residents to get information about the City, request services from various departments, or report problems, such as pot holes or bike path repairs. Access Wichita serves as another tool to provide accessibility to residents, as well as enabling efficient prioritization and management of work and resources of the City.

To develop a plan for the future of aquatics in Wichita, the Park and Recreation Department initiated an extensive citizen engagement process in 2011. The process led to approval by the City Council of the Aquatics Master Plan in early 2017. In 2019, the City Council finalized the \$22 million Aquatics Master Plan, which includes renovations of six pools, converting four pools to splash pads and creating two new splash pads. Completion of the improvements are expected in future years.

The City's Park and Recreation Department received national accreditation from the Commission for Accreditation of Park and Recreation Agencies (CAPRA). Wichita Park and Recreation is one of only 150 accredited agencies in the country. The City manages and maintains 144 public parks spread across over 5,000 acres of park land and 2,500 acres of right-of-way. There are also nine neighborhood recreation centers, eight swimming pools, the Riverside Tennis Center, O.J. Watson Park, the Great Plains Nature Center, Botanica and four 18-hole public golf courses. Wichita also expanded its commitment to the park system and the community with several new initiatives, including the dog park at Harrison Park, as well as the addition of bike paths and playground equipment at Pawnee Prairie Park.

The community continues to be successful in various tourism initiatives. In 2019, the Wichita Riverfest drew more than 440,000 attendees. More than 9,000 volunteers worked the event which included the Safelite® Autoglass Sundown Parade, Textron Aviation Opening Night Fireworks, Spirit AeroSystems Rockin' on the River concert, Fidelity Bank River Run and the Capitol Federal Fireworks Finale. Many other events are offered through the year, including the Automobilia's Moonlight Car Show and Street Party, the Wagonmasters' Downtown Chili Cook-off, the Midwest Winefest, the Great Plains Renaissance Festival, the Midwest Beerfest, Zoobilee and the Winter Illuminations at Botanica, The Wichita Gardens.

The third annual Open Streets event was held in downtown Wichita, which is designed to elevate the health and well-being of the community, as well as promote a positive quality of life for Wichitans through social engagement and healthy living.

The community also continues a rich tradition in performing arts. Every year since 2002, Theater League's "Broadway Wichita" presents shows like Jersey Boys, Cinderella, Evita, Beautiful: The Carole King Musical and CATS. In 2019, Music Theatre Wichita continued to present Broadway scale musicals such as The Sound of Music, An American in Paris, A Chorus Line, Chicago and In the Heights.

The Wichita area is also host to the Wichita Symphony Orchestra, summer outdoor concerts at Cowtown and WaterWalk, the Tallgrass Film Festival and many other performing arts events that enrich the community. Wichita also brings nationally recognized performing artists to venues like the INTRUST Bank Arena. In 2019, INTRUST Bank Arena hosted artists and shows, such as Miranda Lambert, Guns N' Roses, Godsmack, Carrie Underwood, Chris Stapleton, Jim Gaffigan, Alan Jackson, Cardi B, Kenny Chesney, PBR Pendleton Whisky Velocity Tour, Disney on Ice, Metallica, Kelly Clarkson, Dierks Bentley, Jeff Dunham, Luke Combs, Paw Patrol Live!, WWE Smackdown Live and the Harlem Globetrotters. According to the Arts & Economic Prosperity (AEP5) national economic impact study, the non-profit arts and cultural industry generates \$95 million annually in economic activity in Wichita⁶.

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

College athletics excite and unite the community. The Wichita State University (WSU) men's basketball team earned an at-large bid to the National Invitation Tournament (NIT). As a No. 6 seed, they made it to the semifinal matchup at Madison Square Garden and were defeated. The WSU men's team has earned spots in the NCAA⁷ Division I Basketball Tournaments, with the men's team making its seventh consecutive tournament appearance in 2018. The men's team went to the final four in 2013, the round of 32 in 2014, the sweet sixteen in 2015 and the round of 32 in 2016.

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

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wichita, Kansas for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending on December 31, 2018. The 2018 award represents the 46th consecutive year that the City earned this award.

The GFOA awarded an Award for Outstanding Achievement for Popular Reporting to the City of Wichita, Kansas for its Popular Annual Financial Report (PAFR) for the fiscal year ending on December 31, 2018. The 2018 award represents the City's tenth award, with the City earning the award in each year of participation.

The City also received the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the Wichita Retirement Systems CAFR for the fiscal year ending on December 31, 2018. The 2018 award represents the 20th consecutive year that the Wichita Retirement Systems earned this recognition.

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

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

⁶Arts and Economic Prosperity 5, Americans for the Arts, 2017. <https://www.AmericansForTheArts.org/EconomicImpact>

⁷National Collegiate Athletic Association.

For the 32nd consecutive year, the City earned the GFOA's Distinguished Budget Presentation Award for its 2020 budget document. The award is the highest form of recognition in governmental budgeting. To receive the award, a government must publish a budget document judged to be proficient as a policy document, a financial plan, an operations guide and a communications device. The City also received special capital recognition, as well as special performance measure recognition, for its 2020 budget document. The award is the budgetary counterpart to the Certificate of Achievement and is valid for one year only.

Appreciation is expressed to the elected members of the City's governing body for their continued interest and support in planning and conducting the financial operations of the City in a professional, responsible and progressive manner. Additionally, preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department, as well as other City staff who assisted and contributed to its preparation.

Respectfully submitted,



Robert Layton
City Manager



Shawn Henning
Director of Finance



Government Finance Officers Association

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

Presented to

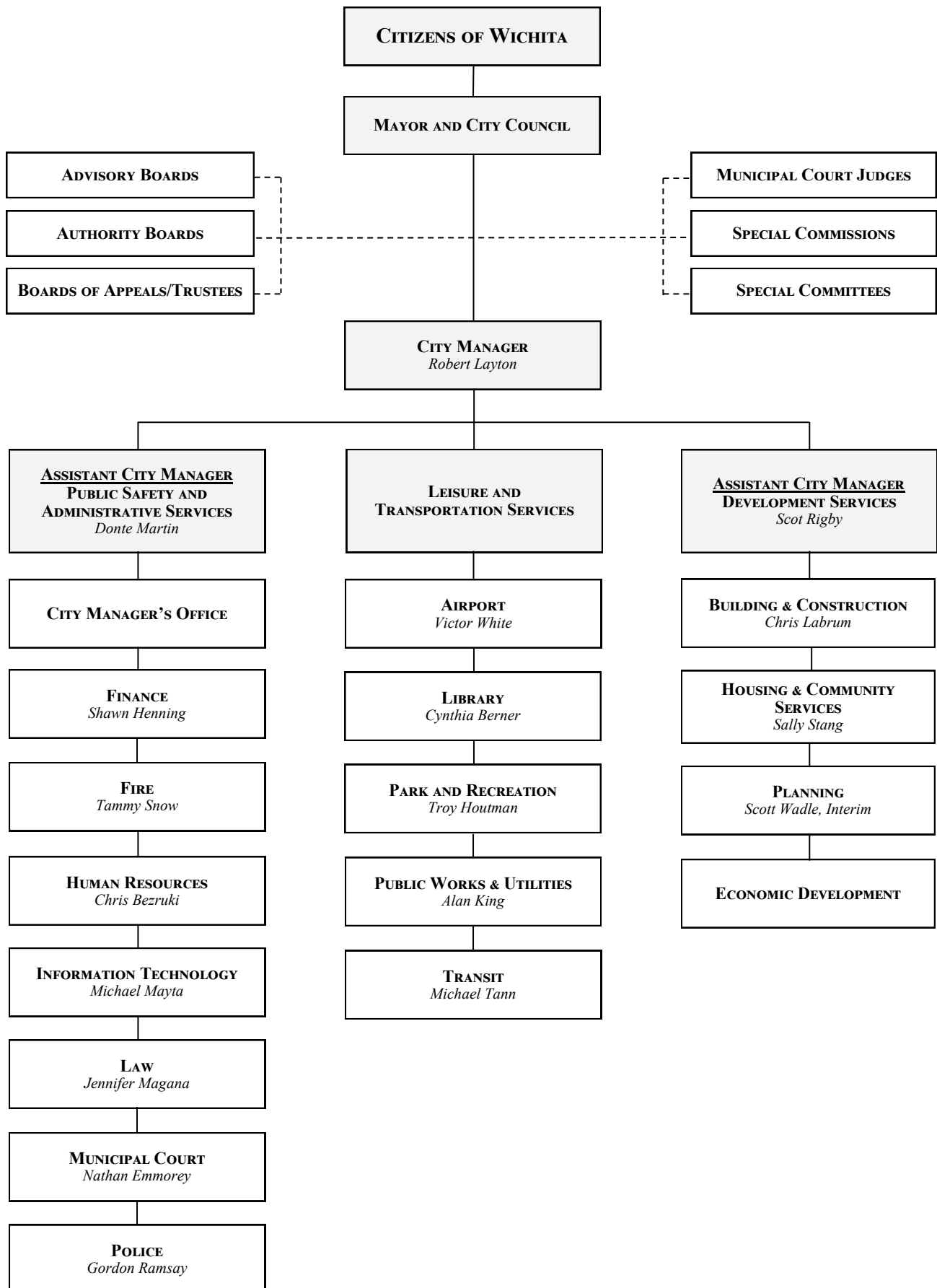
**City of Wichita
Kansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO



CITY COUNCIL MEMBERS

Brandon Whipple	Mayor	(316) 268-4331
Cindy Claycomb	Vice Mayor (VI)	(316) 268-4331
Brandon Johnson	Council Member (I)	(316) 268-4331
Becky Tuttle	Council Member (II)	(316) 268-4331
James Clendenin	Council Member (III)	(316) 268-4331
Jeff Blubaugh	Council Member (IV)	(316) 268-4331
Bryan Frye	Council Member (V)	(316) 268-4331

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

CITY OFFICES

City Manager	(316) 268-4351	Robert Layton, City Manager
Assistant City Manager	(316) 268-4351	Donte Martin, Assistant City Manager
Assistant City Manager	(316) 268-4351	Scot Rigby, Assistant City Manager
Airport	(316) 946-4700	Victor White, Director
Finance	(316) 268-4300	Shawn Henning, Director
Fire	(316) 268-4451	Tammy Snow, Fire Chief
Housing and Community Services	(316) 462-3795	Sally Stang, Director
Human Resources	(316) 268-4531	Chris Bezruki, Director
Information Technology	(316) 268-4318	Michael Mayta, Chief Information Officer
Law	(316) 268-4681	Jennifer Magana, Director and City Attorney
Library	(316) 261-8500	Cynthia Berner, Director
Municipal Court	(316) 268-4611	Nathan Emmorey, Municipal Court Administrator
Metropolitan Area Building and Construction	(316) 660-1840	Chris Labrum, Director
Park and Recreation	(316) 268-4398	Troy Houtman, Director
Planning	(316) 268-4421	Scott Wadle, Interim Director
Police	(316) 268-4158	Gordon Ramsay, Chief of Police
Public Works and Utilities	(316) 268-4497	Alan King, Director
Transit	(316) 352-4802	Michael Tann, Director

FINANCIAL SECTION



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members
City of Wichita, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wichita, Kansas (City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wichita, Kansas, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 21 to the financial statements, in 2019, the City adopted GASB Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

As discussed in Note 21 to the financial statements, adjustments were made to the beginning net positions of the Governmental Activities and Airport Authority Fund correct misstatements in the prior year financial statements. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, Additional Information section, Water Utilities section, Schedule of Expenditures of Federal Awards required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), Schedule of Passenger Facility Charges required by the *Passenger Facility Charge Audit Guide for Public Agencies*, and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, Additional Information section, Water Utilities section, Schedule of Expenditures of Federal Awards required by the Uniform Guidance, and Schedule of Passenger Facility Charges required by the *Passenger Facility Charge Audit Guide for Public Agencies* are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

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

June 26, 2020
Wichita, Kansas

This management discussion and analysis provides an overview of the City's financial activities and performance for the fiscal year ended December 31, 2019. The management discussion and analysis is presented in conjunction with the transmittal letter at the front of this report and the City of Wichita's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's net position increased \$12.1 million during 2019 (excluding prior period adjustments), with a \$35.3 million increase in business-type activities, offset by a \$23.2 million decrease in governmental activities. The most significant increases in net position for business-type activities occurred in the Water, Sewer and Stormwater Utility Funds.
- Approximately 78.5% of the City's total assets are held in capital assets, which is consistent with the prior year.
- The cost of governmental activities was \$421 million in 2019 compared to \$384.1 million in 2018, an increase of \$36.9 million or 9.6%. There were three functions that had significant changes in comparison with the prior year: public safety increased \$24.5 million or 16.7%; highways and streets increased \$16.5 million or 21.4%; and health and welfare decreased \$6.1 million or 14.4%.

The increase in public safety is attributable to a \$24.1 million increase in pension expense, primarily due to changes in assumptions and a net loss on pension investments. Highways and streets expenses increased due to a higher level of outlays for assets which will be maintained by other entities, such as freeways, which are reported in this function. The City had \$38.5 million in expenses on East Kellogg in 2019, as compared to \$22.8 million in 2018. The decline in health and welfare expenses is related to a large increase in the City's environmental remediation liability in 2018; whereas, there was no significant change in 2019.

- The cost of business-type activities was relatively consistent with the prior year, with an increase of \$6.5 million or 3.3%.
- Governmental activities' general revenues increased approximately \$15.3 million or 6.0%. Interest and investment earnings were a significant contributor, with a \$4.1 million or 56.2% increase from the prior year, due to rising interest rates.
- Property tax revenue increased \$4.7 million or 4.2% in 2019 from the prior year, primarily due to increased assessed valuation.
- In 2019, bonded debt increased by \$41.5 million, since the City issued more debt (\$196.5 million) than it retired (\$155 million).
- In governmental activities, capital grants and contributions are \$57.6 million lower than the prior year since: (1) the highways and streets function decreased \$18.7 million, due primarily to a decrease in special assessments receivable and a decrease in intergovernmental capital contributions related to freeways; and (2) the culture and recreation function was \$38.6 million lower as compared to the prior year due the issuance of \$42 million in STAR bonds, which are dedicated to the construction of a new baseball stadium, museum and other related improvements in downtown Wichita. Approximately \$40 million of the 2018 STAR bonds is expected to be paid by state sales tax, not City resources (See Note 10.C – Revenue Bonds for further information).
- On a budgetary basis, the General Fund reported \$1.5 million of revenue and other sources in excess of expenditures and other uses for 2019. On December 31, 2019, the General Fund reported a budgetary fund balance of 13.7% of the 2019 Adopted Budget, including appropriated reserves of \$21 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report consists of four major sections: the Introductory, Financial, Statistical and Single Audit Sections. The financial statements include government-wide financial statements, fund financial statements and notes to the financial statements. Other supplementary information, provided in addition to the basic financial statements, is located in the sections titled Additional Information, Statistical and Water Utilities. The Water Utilities Section provides specific information for water and sewer revenue bondholders.

The City presents two kinds of statements, each providing a different perspective of the City's finances. The reporting focus is on both the City as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The fund financial statements focus on the individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. Both perspectives allow the user to address relevant questions, broaden the basis of comparison and enhance the City's accountability.

Government-wide Financial Statements

The government-wide statements are prepared using accounting methods similar to those used by private-sector companies. The [Statement of Net Position](#) presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position will serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating, absent extraordinary events.

The [Statement of Activities](#) reports how the government's net position changed during the most recent fiscal year. All changes in net position (current year's revenues and expenses) are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in the [Statement of Activities](#) for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

The government-wide statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). Governmental activities of the City include general government, public safety, highways and streets, sanitation, health and welfare, and culture and recreation. Business-type activities include the Water Utility, Sewer Utility, Airport Authority, Stormwater Utility, Golf Course System and Transit.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Wichita, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more information about the City's individual funds - not the City as a whole. All of the funds of the City of Wichita can be segregated into three categories: governmental funds, proprietary funds and fiduciary funds.

- [Governmental funds](#) are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on cash flows and other financial assets that can be readily converted to cash and are available in the near future to finance the City's programs. The differences between the short-term view of governmental fund statements and the long-term view of the governmental activities on the entity-wide financial statements are provided in reconciliations on pages A-20 and A-24. Primary differences are the impact of accounting for capital assets and long-term obligations.

The City maintains 25 individual governmental funds. Information is presented separately on the governmental fund [Balance Sheet](#) and the governmental fund [Statement of Revenues, Expenditures, and Changes in Fund Balances](#) for the funds considered major funds. Information for 21 nonmajor governmental funds is combined into a single, aggregated presentation. Individual fund data for each nonmajor governmental fund is provided in the form of combining statements beginning on page B-1.

The City of Wichita adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund on page A-25, demonstrating compliance with the appropriated budget. For the purposes of this report, the General Fund consists of several separately appropriated subfunds. Budgetary compliance with the appropriated subfunds of the General Fund is provided in the Governmental Funds Section of this report, which begins on page B-1. A more detailed budgetary schedule of the General Fund, as appropriated, is also provided in the Governmental Funds Section, along with other supplementary budgetary governmental fund schedules.

- Proprietary funds, which include enterprise and internal service funds, account for services for which the City charges customers a fee. Enterprise funds account for water utility, sewer utility, airport authority, stormwater utility, golf course system, and transit operations. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. Internal service funds account for the City's information technology, fleet and self-insurance programs. Because internal services primarily benefit governmental rather than business-type functions, the assets and activities of the internal service funds have predominately been included with governmental activities in the government-wide financial statements.

Proprietary funds report the same types of information as the government-wide financial statements, but in greater detail. The proprietary fund financial statements provide separate information for the Water, Sewer and Stormwater Utilities and the Airport Authority Funds, all of which are considered to be major funds of the City. The nonmajor funds are consolidated into an aggregated presentation on the proprietary fund financial statements, as are the internal service funds. Individual fund data for proprietary funds (enterprise and internal service funds) is provided in the form of combining statements beginning on pages C-1 and D-1 of this report.

- Fiduciary funds are used to account for activities for which the City is the trustee or fiduciary, and like proprietary funds, present information based on the full accrual basis of accounting. Fiduciary funds include the City's pension plans and a private purpose trust fund.

The City is responsible for ensuring that the assets reported in fiduciary funds are used for the intended purposes only. Activities conducted in a fiduciary capacity are excluded from the City's government-wide financial statements because the City is prohibited from using fiduciary assets to finance its operations.

Other Financial Information

As mentioned previously, the Comprehensive Annual Financial Report provides other information in addition to the basic financial statements, including the following:

- The Notes to the Financial Statements provide information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow the basic financial statements.
- Required Supplementary Information is presented following the notes to the financial statements, and includes information concerning the City's pension plans and other post-employment benefits.
- Additional Information is presented beginning on page F-1 and includes supplementary schedules pertaining to long-term debt obligations and insurance policies in force as of December 31, 2019.
- The Statistical Section, presented beginning on page G-1, provides detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health. The Statistical Section provides information about financial trends, revenue capacity, debt capacity, demographic and economic indicators, as well as other operating information.
- The Single Audit Section of this report includes information about federal participation in various projects and programs of the City and relevant reports of the City's independent auditor.
- The Water Utilities Section provides for the specific informational needs of water and sewer revenue bondholders.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS**Net Position of the Primary Government**

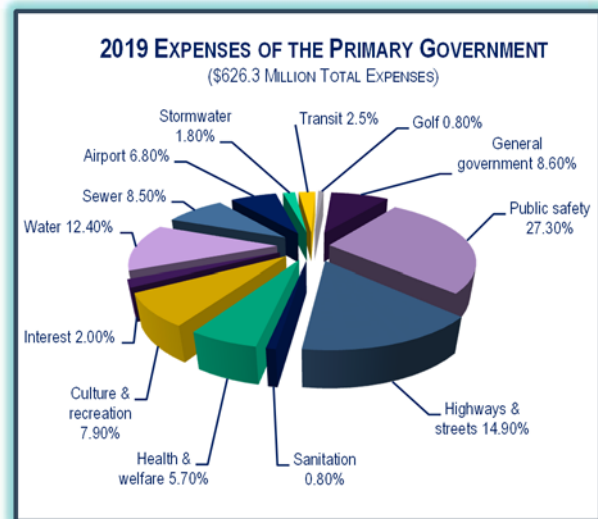
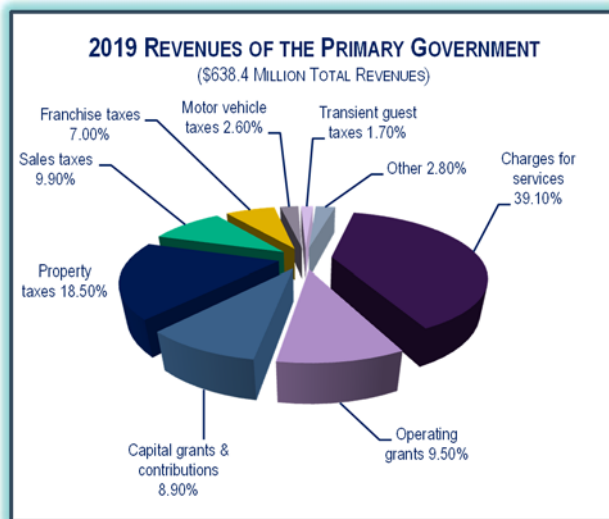
The net position of the primary government, which can serve as a useful indicator of a government's financial position over time, shows a decrease of \$9.2 million for 2019 (including prior period adjustments). Approximately 80% of the City's net position consists of its net investment in capital assets (e.g., land, buildings, improvements, equipment), net of related debt. The City uses capital assets to provide services to citizens; consequently, capital assets are not available for future spending. An additional portion of the net position represents resources with external restrictions dedicated to specific purposes. The restricted net position of the City increased \$12.9 million from the prior year, primarily due to proprietary fund bond covenant restrictions. The unrestricted portion of the net position that may be used for the government's ongoing operations is \$43.2 million, a decrease of \$37.7 million from the prior year. A major factor attributing to this decrease is the increase in net pension liability and related deferred outflows/inflows of \$40.1 million. The unrestricted net position of governmental activities and business-type activities declined \$29.6 million and \$8.1 million, respectively, from the prior year, primarily due to the increase in net pension liability and related deferred outflows/inflows of \$34 million and \$6.1 million, respectively.

Net Position – Primary Government As of December 31, (in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 544.7	\$ 570.3	\$ 295.9	\$ 260.1	\$ 840.6	\$ 830.4
Capital assets	1,356.5	1,312.8	1,716.2	1,705.4	3,072.7	3,018.2
Total assets	1,901.2	1,883.1	2,012.1	1,965.5	3,913.3	3,848.6
Total deferred outflows of resources	221.2	65.2	50.6	28.0	271.8	93.2
Non-current liabilities	694.3	450.9	776.5	730.6	1,470.8	1,181.5
Other liabilities	137.3	152.5	23.5	27.6	160.8	180.1
Total liabilities	831.6	603.4	800.0	758.2	1,631.6	1,361.6
Total deferred inflows of resources	184.7	200.4	13.7	15.5	198.4	215.9
Net position:						
Net investment in capital assets	893.1	878.0	1,006.5	1,006.0	1,899.6	1,884.0
Restricted	248.5	272.4	163.8	127.0	412.3	399.4
Unrestricted	(35.5)	(5.9)	78.7	86.8	43.2	80.9
Total net position	\$ 1,106.1	\$ 1,144.5	\$ 1,249.0	\$ 1,219.8	\$ 2,355.1	\$ 2,364.3

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The following table summarizes the revenues and expenses that contributed to the increase in the net position of the primary government. For the primary government, total revenues decreased by \$24.8 million, while expenses increased \$43.4 million from the prior year.

Changes in Net Position – Primary Government For the Year Ended December 31, (in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 47.6	\$ 45.5	\$ 201.8	\$ 200.5	\$ 249.4	\$ 246.0
Operating grants and contributions	53.9	45.9	6.9	7.0	60.8	52.9
Capital grants and contributions	40.6	98.2	16.0	11.0	56.6	109.2
General revenues:						
Property taxes	118.1	113.4	-	-	118.1	113.4
Sales taxes	63.0	59.6	-	-	63.0	59.6
Franchise taxes	44.8	47.3	-	-	44.8	47.3
Motor vehicle taxes	16.6	16.1	-	-	16.6	16.1
Transient guest taxes	11.0	7.4	-	-	11.0	7.4
Investment earnings	11.4	7.3	1.5	1.1	12.9	8.4
Miscellaneous	3.5	2.0	1.7	0.9	5.2	2.9
Total revenues	410.5	442.7	227.9	220.5	638.4	663.2
Expenses:						
General government	53.8	53.6	-	-	53.8	53.6
Public safety	171.0	146.5	-	-	171.0	146.5
Highways and streets	93.6	77.1	-	-	93.6	77.1
Sanitation	4.8	5.2	-	-	4.8	5.2
Health and welfare	36.0	42.1	-	-	36.0	42.1
Culture and recreation	49.5	49.0	-	-	49.5	49.0
Interest on long-term debt	12.3	10.6	-	-	12.3	10.6
Water Utility	-	-	77.8	77.0	77.8	77.0
Sewer Utility	-	-	53.3	51.2	53.3	51.2
Airport Authority	-	-	42.8	39.8	42.8	39.8
Stormwater Utility	-	-	11.0	10.0	11.0	10.0
Golf Course System	-	-	4.9	5.0	4.9	5.0
Transit	-	-	15.5	15.8	15.5	15.8
Total expenses	421.0	384.1	205.3	198.8	626.3	582.9
Excess (deficiency) before transfers and prior period adjustments	(10.5)	58.6	22.6	21.7	12.1	80.3
Transfers	(12.7)	(12.8)	12.7	12.8	-	-
Increase (decrease) in net position	(23.2)	45.8	35.3	34.5	12.1	80.3
Net position, beginning of year	1,144.5	1,108.8	1,219.8	1,192.5	2,364.3	2,301.3
Prior period adjustments	(15.2)	(10.1)	(6.1)	(7.2)	(21.3)	(17.3)
Net position, end of year	\$1,106.1	\$1,144.5	\$1,249.0	\$1,219.8	\$2,355.1	\$2,364.3



Governmental Activities

The net position of governmental activities decreased \$23.2 million in 2019 (excluding prior period adjustments). Governmental revenues, excluding transfers, were \$32.2 million lower in 2019 as compared to 2018. The most significant decrease in revenues was in capital grants and contributions, which recorded a \$57.6 million decrease from 2018. Under general revenues, various taxes experienced a moderate increase of \$9.7 million or 4% from the prior year. Interest earnings increased over the prior year by \$4.1 million or 56.2%, due to strengthening interest rates. The internal service funds reported an increase in net position of \$7.3 million in 2019 (excluding the prior period adjustments) compared to a decrease in net position of \$4.6 million in 2018.

The \$36.9 million increase in expenses from the prior year for governmental activities largely consists of an increase of \$24.5 million and \$16.5 million in public safety and highways and streets, respectively; offset by a \$6.1 million decrease in health and welfare expenses. The increase in public safety is attributable to a \$24.1 million increase in pension expense, primarily due to changes in assumptions and a net loss on pension investments. Highways and streets expenses increased due to a higher level of expenses not eligible for capitalization, including the City's contributions for infrastructure improvements which will be maintained by other entities, such as freeways. The decline in health and welfare expenses is related to a large increase in the City's environmental remediation liability related to the North Industrial Corridor (NIC) in 2018; whereas, there was no significant change in 2019.

The net investment in governmental capital assets increased \$15.1 million through a combination of capital additions, offset by reductions in long-term debt. Cash and cash equivalents were \$15.3 million higher at the close of 2019, primarily due to the issuance of \$16 million more in governmental activities bonded debt (general obligation and revenue bonds) than it retired.

Business-type Activities

A \$35.3 million increase in the net position of business-type activities (excluding prior period adjustments) was recorded in 2019. The greatest increase in net position resulted from activities in the Sewer Utility Fund, followed by activities in the Water Utility and Stormwater Utility Funds.

The Water and Sewer Utilities implemented rate increases in 2019, which contributed to the overall increase for charges for services of \$1.3 million for business-type activities. The total number of customers of the Utilities also increased slightly during 2019 (see the Water Utilities section). The Airport Authority's capital contributions increased \$5.4 million in 2019 over 2018.

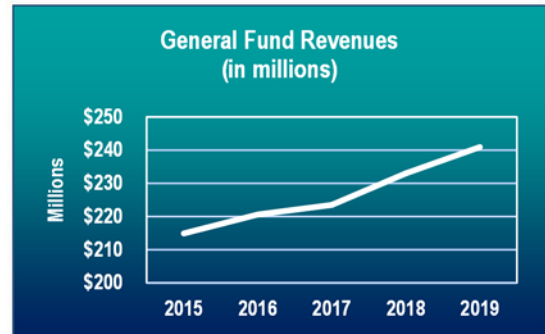
ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

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

The governmental funds reported a combined ending fund balance of \$75.6 million in 2019 as compared to \$90.9 million at the close of 2018. The \$15.3 million decline in fund balance largely results from a \$9.6 million decrease in the Debt Service Fund related to the retirement of long-term debt.

The General Fund is the major operating and taxing fund of the City of Wichita. At the close of 2019, the unassigned fund balance of the General Fund and its combined subfunds was \$37.2 million, compared to \$35.6 million last year. The General Fund also had \$5.5 million in committed fund balance for encumbrances and \$0.6 million in nonspendable fund balance for prepaid expenditures and long-term receivables as of December 31, 2019.



Revenue of the General Fund and its subfunds, excluding transfers, was \$7.9 million above last year, with expenditures also \$4.7 million higher than last year. The increase in revenues primarily resulted from a \$3.1 million increase in investment earnings due to changing market conditions, as well as a \$5 million increase in tax revenues.

Overall expenditures of the General Fund were relatively consistent with the prior year, increasing \$4.7 million or 2.1%, with the largest expenditures increase of \$3.4 million or 2.5% for public safety expenditures.

General Fund Expenditures by Function Fiscal years 2015 through 2019 (dollars in millions)						
	2015	2016	2017	2018	2019	2019 Percent of Total
General government	\$ 33.1	\$ 34.3	\$ 34.6	\$ 36.3	\$ 37.2	15.9%
Public safety	121.9	126.2	128.0	134.9	138.3	59.2%
Highways and streets	20.3	19.8	20.2	17.6	18.3	7.8%
Sanitation	2.7	2.7	2.7	2.6	2.5	1.1%
Health and welfare	3.7	4.0	4.0	4.2	3.5	1.5%
Culture and recreation	30.2	32.7	33.3	33.3	33.8	14.5%
Total expenditures	<u>\$ 211.9</u>	<u>\$ 219.7</u>	<u>\$ 222.8</u>	<u>\$ 228.9</u>	<u>\$ 233.6</u>	<u>100.0%</u>

The fund balance of the Debt Service Fund and its subfunds decreased \$9.6 million in 2019, primarily related to the retirement of long-term debt.

The fund balance of the Street Improvement Fund decreased \$23.7 million in 2019 due to the following factors: (1) a \$5.7 million decline in revenues, primarily due to a lower level of reimbursements available from intergovernmental revenues related to freeway projects; (2) increased capital expenditures of \$9.1 million predominantly due to increased expenditures on freeways and paving neighborhood improvements; and (3) \$13.9 million in transfers to other funds, primarily to reimburse the Local Sales Tax (LST) CIP Fund in conjunction with the issuance of \$23.4 million in LST bonds in 2019.

In the Public Improvement Construction Fund, fund balance decreased \$2.4 million during 2019. Capital expenditures totaled \$73.2 million, an increase of \$25.4 million as compared to 2018, including expenditures of \$39.4 million related to West Bank improvements (primarily the new baseball stadium) and \$6.8 million for a youth multi-sports complex. This increase in expenditures was offset by the issuance of general obligation bonds and transfers in from other funds, primarily the Debt Service Fund.

Fund balance in the nonmajor governmental funds increased \$16.4 million (excluding prior period adjustments) from 2018. This change is due to (1) an increase in fund balance of nonmajor special revenue funds of \$7.6 million, primarily due to the creation of a new special revenue fund for municipal court restricted funds of \$3.4 million; (2) an increase of \$2.8 million in the Environmental TIF Districts Fund; and (3) an increase in fund balance of nonmajor capital project funds of \$8.7 million, which was due to increased capital expenditures offset by additional funds transferred into the Local Sales Tax CIP Fund in conjunction the issuance of \$23.4 million in LST bonds in 2019.

Proprietary Funds

The increase in net position from operations of the Enterprise Funds totaled \$23.7 million in 2019, primarily due to operating income reported by the Water and Sewer Utility Funds.

The Water Utility, which accounts for the operation and maintenance of the water supply system, implemented a rate increase at the beginning of 2019 to ensure adequate resources for operations, capital maintenance and capital investments; however, due to a wet year, operating revenues actually decreased \$2.7 million. The increase in net position of \$12.1 million was primarily due to operating revenues exceeding expenses, which were relatively flat as compared to the prior year.

The Sewer Utility, which accounts for the wastewater treatment system, also implemented a 2019 rate increase which contributed to higher operating revenues of \$3.5 million. The operating income of \$19.8 million, combined with nonoperating expenses and capital contributions, yielded a \$17.3 million increase in the net position of the Sewer Utility, which is consistent with the 2018 increase in net position of \$16.9 million.

The Airport Authority Fund captures the financial activity for the Dwight D. Eisenhower National Airport, serving commercial airlines, as well as Jabara Airport which serves smaller aircraft. The net position of the Airport Authority Fund was relatively flat during 2019 (excluding prior period adjustments), compared to a decrease of \$3.6 million in 2018. This change was primarily due to an increase in capital contributions of \$5.4 million compared to 2018.

The Stormwater Utility is funded from fees paid by customers. The Utility operates eleven pump stations, which move excess surface water from heavy rains and also maintains the Wichita-Valley Center Floodway, a levee system that redirects excess river water around the city. The net position of the Stormwater Utility Fund increased \$5.4 million in 2019, as compared to \$7.3 million in 2018, primarily due to an increase in operating expenses of \$1.3 million; a decrease in capital contributions of \$1.4 million; and a transfer in of \$0.6 million from the Debt Service Fund to retire temporary notes.

In the nonmajor enterprise funds, the net position of the Golf Fund continued to decline by \$0.4 million resulting in a negative net position of \$3.2 million. To provide financial assistance to the fund, an interfund loan with a long-term repayment plan to the Debt Service Fund is recorded.

Also in the nonmajor enterprise funds, the Transit Fund has benefited from temporary loans to strengthen its financial position. A loss of \$6.3 million before capital contributions and operating transfers was recognized for 2019. With capital contributions of \$0.9 million, transfers from other funds of \$5.9 million and transfers to other funds of \$0.1 million, the net position of the Transit Fund increased \$0.4 million in 2019. On December 31, 2019, \$0.6 million in interfund loans were outstanding. Additionally, as cash needs fluctuate, operations are augmented with the City's pooled funds to address temporary cash deficiencies.

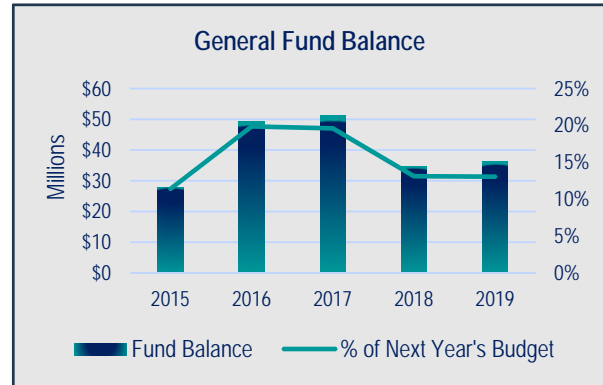
Net Position of Proprietary Funds (dollars in thousands)		
	2019	2018
Water Utility	\$ 496,330	\$ 484,262
Sewer Utility	353,098	335,794
Airport Authority	197,676	203,736
Stormwater Utility	176,656	171,278
Golf Course System	(3,248)	(2,808)
Transit	24,598	24,194
Total	<u>\$ 1,245,110</u>	<u>\$ 1,216,456</u>

General Fund Budgetary Highlights

Total revenues (excluding transfers) at year-end exceeded the projections in the original and final budgets and were \$7.5 million higher than 2018. Actual expenditures (excluding transfers) were \$0.5 million below the final budget and were 2.8% higher than 2018 expenditures. After transfers, the General Fund unencumbered fund balance increased \$1.5 million in 2019.

Expenditures of the General Fund increased \$6.3 million from 2019, with public safety expenditures increasing \$3.2 million and highways and streets increasing \$2.5 million. Police and Fire represent the bulk of public safety services and comprise the largest portion of General Fund expenditures. The higher cost of personnel services is the most significant reason for the increase in expenditures for most functions within the General Fund.

In 2016, the fund balance of the General Fund increased \$21.5 million, mostly due to the sale of the Hyatt Hotel for \$20 million. These proceeds were transferred out of the General Fund in 2017 and 2018, resulting in the General Fund balance decreasing closer to pre-Hyatt sale levels at the end of 2018. On a budgetary basis, the General Fund ended 2019 with a fund balance of \$36.4 million, or 13.1% of the 2020 Adopted Budget, including an appropriated reserve of \$24 million for emergency needs, which exceeds the City's fund balance policy requiring the General Fund to have a fund balance of at least 10% of the next year's budgeted expenditures.



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the City of Wichita reported \$3.1 billion in capital assets net of depreciation, which is comparable to the amount reported at the end of 2018. Assets are acquired through the City's direct investments, capital contributions, grants and from street and right-of-way dedications. The net investment in capital assets includes land, buildings, machinery, equipment, vehicles, parks, roads, water and sewer treatment facilities, airports, golf courses and many other assets. Additional information on changes in capital assets can be found in Note 6 to the financial statements.

Capital Assets – Primary Government As of December 31, (in millions)							
	Governmental Activities		Business-type Activities		Total Primary Government		
	2019	2018	2019	2018	2019	2018	Percent Change
Land	\$ 287.8	\$ 293.0	\$ 43.2	\$ 43.2	\$ 331.0	\$ 336.2	(1.5%)
Airfields	-	-	43.5	31.8	43.5	31.8	36.8%
Buildings and improvements	240.2	246.1	1,405.6	1,382.8	1,645.8	1,628.9	1.0%
Equipment	33.7	31.2	81.1	90.5	114.8	121.7	(5.7%)
Infrastructure	590.0	600.0	-	-	590.0	600.0	(1.7%)
Construction in progress	204.8	142.5	142.8	157.1	347.6	299.6	16.0%
Total capital assets	<u>\$1,356.5</u>	<u>\$ 1,312.8</u>	<u>\$ 1,716.2</u>	<u>\$ 1,705.4</u>	<u>\$ 3,072.7</u>	<u>\$ 3,018.2</u>	1.8%

Major capital outlays in the City's governmental activities during 2019 included the following projects:

- Major freeway and arterial streets totaling approximately \$30.1 million, including (1) \$8.6 million in pavement preservation; and (2) Greenwich, Pawnee to Harry improvements of \$3.8 million.
- Neighborhood paving projects totaling \$11.3 million.
- Construction of an additional multi-sports youth complex of \$6.8 million.
- Construction of West Bank improvements, including expenditures of \$39.4 million for the new baseball stadium project.
- Various improvements of parks totaling \$2.7 million.

The most significant capital asset investments in 2019 for the business-type activities are listed below:

- Transit fare boxes for public transportation totaling \$0.7 million.
- Airport improvements totaling \$4.1 million, including \$1.8 million in runway, apron and airfield electric reconstruction and \$1.3 million in equipment replacements.
- Stormwater improvements totaling \$1.0 million.
- Improvements to the City's Water Utility infrastructure totaling approximately \$27.6 million, including replacement and rehabilitation of water mains of \$7.6 million.
- Improvements to the City's Sewer Utility infrastructure totaling approximately \$15.3 million, including sanitary sewer reconstruction and rehabilitation totaling \$2.9 million, improvements to the Four Mile Creek Wastewater Plant of \$4.5 million and force main rehabilitation and improvements of \$3.5 million.

Long-term Debt

The City primarily finances capital projects with general obligation bonds/notes, revenue bonds, grants, capital contributions and cash. The most significant of the financing tools are general obligation bonds based on the full faith and credit of the City and revenue bonds based on the future earnings of the business-type activities. Projects that rely most heavily upon property taxes for repayment of general obligation bonds include arterial streets, bridges, parks and other public improvements. General obligation bonds issued for neighborhood improvements are repaid from special assessments that are levied on properties benefiting from such improvements. Capital financing costs are also repaid from enterprise, internal service and capital project funds, using a combination of resources, including a dedicated portion of the county-wide local sales tax.

The City adopts a ten-year Capital Improvement Program (CIP) as a planning tool and each project must be brought before the City Council and approved before it can be initiated. The City of Wichita holds a rating of AA+ from Standard and Poor's and a rating of Aa1 from Moody's Investor Service. The Water and Sewer Utilities hold a rating of AA- from Standard and Poor's.

At year-end, the City had \$1.02 billion in outstanding bonds. Of this amount, outstanding general obligation bonds payable from governmental activities revenue sources totaled \$335.8 million. The City also held \$91.4 million in general obligation temporary notes, all of which were in governmental capital project funds. Bonded debt of the City of Wichita increased by \$41.5 million in 2019.

General Obligation and Revenue Bonds As of December 31, (in millions)						
Revenue Source	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Ad valorem property taxes	\$ 68.0	\$ 45.9	\$ -	\$ -	\$ 68.0	\$ 45.9
Special assessments	146.4	164.4	-	-	146.4	164.4
Tax increment financing	24.9	15.2	-	-	24.9	15.2
Transient guest tax	2.4	2.5	-	-	2.5	2.5
Local sales tax	98.3	86.6	-	-	98.3	86.6
Enterprise funds	-	-	678.0	661.9	678.0	661.9
Total bonds payable	<u>\$ 340.0</u>	<u>\$ 314.6</u>	<u>\$ 678.0</u>	<u>\$ 661.9</u>	<u>\$ 1,018.0</u>	<u>\$ 976.5</u>

Kansas state statutes limit the amount of general obligation bonds a City can issue to 30% of the equalized tangible valuation. The 2019 limitation for the City was \$1.2 billion, with a legal debt margin of \$875.6 million. More detailed information regarding long-term debt is located in Note 10 to the financial statements, the Additional Information Section, as well as the Statistical Section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET¹

The unemployment rate declined in 2019 in the Wichita area for the ninth consecutive year, reaching its lowest level since 1999 for both the City of Wichita and the Wichita metropolitan area. The Wichita MSA had a lower

unemployment rate than the City of Wichita throughout the expansion, though the gap has narrowed as the economy has improved.

In 2020, the unemployment rate is expected to increase, both due to the slowdown in the aerospace sector related to the Boeing 737 Max production suspension and national recession. There is the potential for a substantial short-term increase in unemployment locally as the economy adjusts to these issues. The risk of a national recession is currently elevated due to uncertainty around the coronavirus (COVID-19) pandemic and its impact on economic activity, though the duration of the economic slowdown will depend both on the severity of the pandemic and how long social distancing measures are needed to be kept in place.

	Average Annual Unemployment Rates ¹		
	Wichita	Wichita MSA	Nation
2016	4.8%	4.6%	4.9%
2017	4.4%	4.2%	4.4%
2018	3.9%	3.7%	3.9%
2019	3.7%	3.5%	3.7%

The real estate market in Wichita has been strong in recent years and the trend continued in 2019 with home sales prices increasing an estimated 7.1 percent in 2019. Further, the number of permits for single-family homes increased 9.8 percent in 2019. Office and retail space saw a decline in vacancy rates in the fourth quarter of 2019, relative to one year prior, with the largest drop in the office sector, from 17 percent to 14.7 percent vacant. Both sectors reported positive net absorption in the market, each adding more than 200,000 square feet of space in the past year, indicating growing demand in both sectors.

Despite the strong growth in 2019, the forecast for 2020 is more muted, due to both local and national factors. Spirit Aerosystems, Wichita's largest private employer and a major Boeing supplier, announced in January 2020 that it would be laying off 2,800 Wichita workers as a result of Boeing suspending production on the 737 Max aircraft. This will likely have ripple effects through the local aerospace supply chain as well, potentially leading to reduced growth or employment declines across Wichita's other aerospace part manufacturers. Production on the 737 Max resumed at Spirit in May 2020, after Boeing and Spirit reached a production agreement to deliver the locally produced portion of 125 Max planes in 2020². Although this is only one-fifth of the 2019 production level, production is expected to increase in 2021 and beyond, so many of those laid off are expected to be rehired as the company begins to resume a higher level of production.

Nationally, concerns about the economic effects of the coronavirus have led to a substantially increased likelihood of a recession in 2020 with effects across many economic sectors. The UCLA Anderson economic forecast predicts that economic growth would slow to near zero in the first quarter of 2020, followed by a 6.5 percent contraction in the second quarter and an approximate two percent contraction in the third quarter³. Even if a swift recovery follows, it is highly likely that overall economic activity will contract both nationally and locally, as the recession is likely to have broad-based geographic effects. As air travel demand is reduced, Boeing is considering production cuts, and, though they and Spirit would try to avoid layoffs, this could further reduce Wichita's economic growth in 2020 beyond the effects of the coronavirus shutdowns on local retail businesses.⁴ Other economic indicators suggest that Wichita's economy was in a very healthy place at the end of 2019, which should aid the local area in weathering the effects of both the aerospace slowdown and the impacts of COVID-19.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Wichita's finances for individuals with such an interest. Additional information is provided within the notes to the financial statements. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Wichita, Kansas, 455 North Main Street, 12th Floor, Wichita, KS 67202.

¹ Unemployment statistics reflect revisions made by the Kansas Department of Labor to the data as originally reported.

² McCoy, Daniel. "Work on 737 MAX set to fire back up in Wichita," Wichita Business Journal, May 11th, 2020.

<https://www.bizjournals.com/wichita/news/2020/05/11/work-on-737-max-set-to-fire-back-up-in-wichita.html>

³ Darmiento, Laurence. "U.S. economy is now in recession, UCLA Anderson Forecast says," Los Angeles Times, March 16th, 2020.

<https://www.latimes.com/business/story/2020-03-16/us-economic-recession-coronavirus-ucla-anderson-forecast>

⁴ McCoy, Daniel, "Commercial aerospace in Wichita braces for COVID-19 fallout," Wichita Business Journal, March 17th, 2020.

<https://www.bizjournals.com/wichita/news/2020/03/17/commercial-aerospace-in-wichita-braces-for-covid.html>

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CITY OF WICHITA, KANSAS

STATEMENT OF NET POSITION

December 31, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 209,037,875	\$ 88,642,679	\$ 297,680,554
Investments	6,405,397	-	6,405,397
Receivables, net:			
Due from other agencies	641,638	1,322,305	1,963,943
Accounts receivable	273,187,730	22,402,997	295,590,727
Notes receivable	1,737,821	-	1,737,821
Internal balances	2,416,916	(2,416,916)	-
Inventories	978,997	3,483,345	4,462,342
Prepaid items	8,837,467	756,819	9,594,286
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	40,405,667	170,178,436	210,584,103
Investments	737,953	-	737,953
Net investment in direct financing leases	-	11,549,563	11,549,563
Permanently restricted:			
Investments	235,437	-	235,437
Capital assets:			
Land and construction in progress	492,574,095	185,992,900	678,566,995
Other capital assets, net	863,970,636	1,530,179,308	2,394,149,944
Total capital assets	1,356,544,731	1,716,172,208	3,072,716,939
Total assets	1,901,167,629	2,012,091,436	3,913,259,065
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized refunding costs	566,907	13,715,321	14,282,228
Deferred outflows related to pensions	216,616,941	36,023,772	252,640,713
Deferred outflows related to OPEB	4,033,228	890,250	4,923,478
Total deferred outflows of resources	221,217,076	50,629,343	271,846,419
LIABILITIES			
Accounts payable and other liabilities	39,281,958	11,290,142	50,572,100
Accrued interest payable	2,633,457	4,882,622	7,516,079
Temporary notes payable	91,390,000	-	91,390,000
Deposits	993,147	4,376,290	5,369,437
Unearned revenue	2,754,102	2,925,492	5,679,594
Due to other agencies	258,697	-	258,697
Noncurrent liabilities, including claims payable:			
Due within one year	66,254,779	45,904,455	112,159,234
Due in more than one year	628,007,506	730,675,728	1,358,683,234
Total liabilities	831,573,646	800,054,729	1,631,628,375
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	111,313,598	-	111,313,598
Unamortized refunding costs	-	875,823	875,823
Deferred inflows related to pensions	68,354,721	11,232,460	79,587,181
Deferred inflows related to OPEB	5,067,157	1,577,132	6,644,289
Total deferred inflows of resources	184,735,476	13,685,415	198,420,891
NET POSITION			
Net investment in capital assets	893,089,418	1,006,493,077	1,899,582,495
Restricted for:			
Capital projects	29,333,656	18,057,849	47,391,505
Highways and streets	13,465,631	-	13,465,631
Debt service	171,034,430	-	171,034,430
Revenue bond covenants	-	145,733,482	145,733,482
Cemetery:			
Expendable	1,277,007	-	1,277,007
Nonexpendable	235,437	-	235,437
Other purposes	33,103,206	-	33,103,206
Unrestricted	(35,463,202)	78,696,227	43,233,025
Total net position	\$ 1,106,075,583	\$ 1,248,980,635	\$ 2,355,056,218

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

CITY OF WICHITA, KANSAS

STATEMENT OF ACTIVITIES

For the year ended December 31, 2019

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
General government	\$ 53,831,989	\$ 27,205,710	\$ 3,488,441	\$ -
Public safety	170,966,206	5,106,186	3,818,076	219,801
Highways and streets	93,555,148	3,791,865	15,565,071	38,852,956
Sanitation	4,781,077	2,863,924	-	-
Health and welfare	36,035,220	3,419,695	28,410,221	-
Culture and recreation	49,526,309	5,221,089	2,609,280	1,518,422
Interest on long-term debt	12,304,850	-	-	-
Total governmental activities	<u>421,000,799</u>	<u>47,608,469</u>	<u>53,891,089</u>	<u>40,591,179</u>
Business-type activities:				
Water Utility	77,826,520	85,197,316	-	2,807,324
Sewer Utility	53,290,192	65,697,011	-	1,517,718
Airport Authority	42,812,612	32,086,332	-	10,586,866
Stormwater Utility	11,050,409	12,799,451	-	209,923
Golf Course System	4,896,564	3,984,465	-	-
Transit	15,476,475	2,082,656	6,863,675	880,986
Total business-type activities	<u>205,352,772</u>	<u>201,847,231</u>	<u>6,863,675</u>	<u>16,002,817</u>
Total primary government	<u>\$ 626,353,571</u>	<u>\$ 249,455,700</u>	<u>\$ 60,754,764</u>	<u>\$ 56,593,996</u>

General revenues:

Property taxes
Sales taxes
Franchise taxes
Motor vehicle taxes
Transient guest taxes
Interest and investment earnings
Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning, as previously reported

Prior period adjustment

Net position - beginning, as restated

Net position - ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (23,137,838)	\$ -	\$ (23,137,838)
(161,822,143)	-	(161,822,143)
(35,345,256)	-	(35,345,256)
(1,917,153)	-	(1,917,153)
(4,205,304)	-	(4,205,304)
(40,177,518)	-	(40,177,518)
(12,304,850)	-	(12,304,850)
<u>(278,910,062)</u>	<u>-</u>	<u>(278,910,062)</u>
-	10,178,120	10,178,120
-	13,924,537	13,924,537
-	(139,414)	(139,414)
-	1,958,965	1,958,965
-	(912,099)	(912,099)
-	(5,649,158)	(5,649,158)
<u>-</u>	<u>19,360,951</u>	<u>19,360,951</u>
<u>(278,910,062)</u>	<u>19,360,951</u>	<u>(259,549,111)</u>
118,080,098	-	118,080,098
63,023,770	-	63,023,770
44,796,890	-	44,796,890
16,608,513	-	16,608,513
11,057,100	-	11,057,100
11,388,424	1,463,029	12,851,453
3,530,246	1,718,798	5,249,044
(12,740,600)	12,740,600	-
<u>255,744,441</u>	<u>15,922,427</u>	<u>271,666,868</u>
<u>(23,165,621)</u>	<u>35,283,378</u>	<u>12,117,757</u>
1,144,489,360	1,219,780,594	2,364,269,954
(15,248,156)	(6,083,337)	(21,331,493)
<u>1,129,241,204</u>	<u>1,213,697,257</u>	<u>2,342,938,461</u>
<u>\$ 1,106,075,583</u>	<u>\$ 1,248,980,635</u>	<u>\$ 2,355,056,218</u>

CITY OF WICHITA, KANSAS

BALANCE SHEET GOVERNMENTAL FUNDS

December 31, 2019

	General Fund	Debt Service Fund	Street Improvement Fund	Public Improvement Construction Fund
ASSETS				
Cash and cash equivalents	\$ 50,999,946	\$ 19,898,415	\$ -	\$ -
Cash with fiscal agent	-	8,212,746	-	31,653,867
Investments	-	-	-	-
Receivables, net:				
Property taxes	85,776,715	25,536,883	-	-
Special assessments	-	150,127,988	-	-
Due from other agencies	589,462	-	-	-
Accounts receivable	1,925,178	-	3,349,267	400,162
Notes receivable	-	762,821	-	200,000
Due from other funds	618,660	5,668,420	-	-
Inventories	-	-	-	-
Prepaid items	2,500	-	-	-
Total assets	<u>\$ 139,912,461</u>	<u>\$ 210,207,273</u>	<u>\$ 3,349,267</u>	<u>\$ 32,254,029</u>
LIABILITIES				
Accounts payable and other liabilities	\$ 10,598,768	\$ -	\$ 15,406,919	\$ 7,897,288
Accrued interest payable	-	-	109,490	98,488
Temporary notes payable	-	-	36,387,175	33,397,616
Deposits	48,958	430,890	-	-
Unearned revenue	168,503	2,580,778	-	-
Due to other agencies	-	-	-	-
Due to other funds	-	-	17,053,795	5,786,848
Total liabilities	<u>10,816,229</u>	<u>3,011,668</u>	<u>68,957,379</u>	<u>47,180,240</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Property taxes	85,776,715	25,536,883	-	-
Special assessments	-	150,127,988	-	-
Other	-	762,821	3,349,267	269,801
Total deferred inflows of resources	<u>85,776,715</u>	<u>176,427,692</u>	<u>3,349,267</u>	<u>269,801</u>
FUND BALANCES (DEFICITS)				
Nonspendable	621,160	-	-	-
Restricted	-	30,767,913	-	-
Committed	-	-	-	-
Assigned	5,472,900	-	-	-
Unassigned	37,225,457	-	(68,957,379)	(15,196,012)
Total fund balances (deficits)	<u>43,319,517</u>	<u>30,767,913</u>	<u>(68,957,379)</u>	<u>(15,196,012)</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 139,912,461</u>	<u>\$ 210,207,273</u>	<u>\$ 3,349,267</u>	<u>\$ 32,254,029</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 78,288,284	\$ 149,186,645
-	39,866,613
7,378,787	7,378,787
-	111,313,598
-	150,127,988
52,176	641,638
4,683,856	10,358,463
775,000	1,737,821
32,703,918	38,990,998
103,820	103,820
116,247	118,747
<u>\$ 124,102,088</u>	<u>\$ 509,825,118</u>

\$ 3,008,611	\$ 36,911,586
65,174	273,152
21,605,209	91,390,000
253,149	732,997
4,821	2,754,102
258,697	258,697
9,863,275	32,703,918
<u>35,058,936</u>	<u>165,024,452</u>

-	111,313,598
-	150,127,988
3,411,593	7,793,482
<u>3,411,593</u>	<u>269,235,068</u>

449,666	1,070,826
97,895,383	128,663,296
16,799,659	16,799,659
1,489,156	6,962,056
(31,002,305)	(77,930,239)
<u>85,631,559</u>	<u>75,565,598</u>

<u>\$ 124,102,088</u>	<u>\$ 509,825,118</u>
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CITY OF WICHITA, KANSAS

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

December 31, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balance - governmental funds		\$ 75,565,598
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.		
Cost	\$ 1,958,697,761	
Accumulated depreciation	<u>(613,229,404)</u>	1,345,468,357
Certain items, which result in a consumption of net position applicable to a future reporting period, are recognized as prepaid assets in the government-wide financial statements.		
Prepaid operating lease		8,589,820
Certain items, which result in a consumption of net position applicable to a future reporting period, are recognized as deferred outflows of resources in the government-wide financial statements.		
Unamortized deferred refunding costs	566,907	
Deferred outflows related to pensions	207,942,385	
Deferred outflows related to OPEB	<u>3,883,339</u>	212,392,631
Liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
General obligation bonds payable	189,300,006	
Special assessment bonds payable	146,406,374	
Sales tax revenue bonds payable	4,331,482	
Premium on bonds payable	32,267,151	
Accrued interest on bonds payable	2,360,305	
Compensated absences	10,575,359	
Net pension liability	209,934,971	
Total other post-employment benefits (OPEB) liability	27,435,467	
Environmental remediation liability	25,211,715	
Liability for future landfill closure and post-closure costs	10,671,197	
Legal liability	<u>1,106,187</u>	(659,600,214)
Certain items, which result in an acquisition of net position applicable to a future reporting period, are recognized as deferred inflows of resources in the government-wide financial statements.		
Deferred inflows related to pensions	(65,697,044)	
Deferred inflows related to OPEB	<u>(4,828,699)</u>	(70,525,743)
Accounts receivable not considered available to liquidate liabilities of the current period are deferred in the funds. They are recorded as revenue in the government-wide statements.		7,793,482
Special assessments are not considered available to liquidate liabilities of the current period and, therefore, are deferred in the funds. However, they are properly recognized as revenue in the government-wide statements as soon as the related improvement is completed.		150,127,988
Internal service funds are used to charge the cost of certain activities, such as insurance, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.		<u>36,263,664</u>
Total net position - governmental activities		<u>\$ 1,106,075,583</u>

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

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CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019

	General Fund	Debt Service Fund	Street Improvement Fund	Public Improvement Construction Fund
REVENUES				
Property taxes	\$ 85,412,586	\$ 28,149,897	\$ -	\$ -
Motor vehicle taxes	12,255,597	4,318,265	-	-
Transient guest taxes	-	-	-	-
Special assessments	-	25,084,727	453,381	-
Franchise taxes	44,796,890	-	-	-
Local sales tax	30,388,664	386,554	-	-
Intergovernmental	17,912,182	-	18,188,719	-
Licenses and permits	2,682,930	-	-	-
Fines and penalties	7,953,917	-	-	-
Rentals	2,592,862	-	-	-
Sale of property	1,078,577	-	-	-
Interest and investment earnings	10,005,068	462,364	22	732,711
Charges for services and sales	16,712,430	-	89,419	-
Other revenue	9,144,943	1,675,460	2,677,463	2,782,382
Total revenues	<u>240,936,646</u>	<u>60,077,267</u>	<u>21,409,004</u>	<u>3,515,093</u>
EXPENDITURES				
Current:				
General government	37,157,191	32,483	-	-
Public safety	138,346,492	-	-	-
Highways and streets	18,285,883	-	-	-
Sanitation	2,506,827	-	-	-
Health and welfare	3,548,461	-	-	-
Culture and recreation	33,778,041	-	-	-
Debt service:				
Principal retirement	-	55,601,404	-	-
Interest and fiscal charges	-	12,239,017	736,585	1,890,786
Other debt service	-	761,098	-	-
Capital outlay	-	-	78,130,535	71,317,792
Total expenditures	<u>233,622,895</u>	<u>68,634,002</u>	<u>78,867,120</u>	<u>73,208,578</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,313,751</u>	<u>(8,556,735)</u>	<u>(57,458,116)</u>	<u>(69,693,485)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of bonds	-	-	29,468,715	46,295,000
Premiums on bonds sold	-	244,677	2,715,872	5,903,674
Transfers from other funds	5,415,938	20,154,357	15,493,264	16,589,456
Transfers to other funds	(9,399,380)	(21,463,911)	(13,894,802)	(1,539,215)
Total other financing sources (uses)	<u>(3,983,442)</u>	<u>(1,064,877)</u>	<u>33,783,049</u>	<u>67,248,915</u>
Net change in fund balance	<u>3,330,309</u>	<u>(9,621,612)</u>	<u>(23,675,067)</u>	<u>(2,444,570)</u>
Fund balances (deficits) - beginning	39,989,208	40,389,525	(45,282,312)	(12,751,442)
Prior period adjustment	-	-	-	-
Fund balances (deficits) - beginning, restated	<u>39,989,208</u>	<u>40,389,525</u>	<u>(45,282,312)</u>	<u>(12,751,442)</u>
Fund balances (deficits) - ending	<u>\$ 43,319,517</u>	<u>\$ 30,767,913</u>	<u>\$ (68,957,379)</u>	<u>\$ (15,196,012)</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 4,517,615	\$ 118,080,098
34,651	16,608,513
11,057,100	11,057,100
355,848	25,893,956
-	44,796,890
32,248,552	63,023,770
38,987,720	75,088,621
31,713	2,714,643
2,661,895	10,615,812
1,248,077	3,840,939
2,146,882	3,225,459
188,259	11,388,424
4,311,747	21,113,596
3,890,944	20,171,192
<u>101,681,003</u>	<u>427,619,013</u>

4,972,881	42,162,555
8,753,923	147,100,415
-	18,285,883
1,872,278	4,379,105
33,287,103	36,835,564
6,685,331	40,463,372
-	55,601,404
366,304	15,232,692
-	761,098
<u>16,330,547</u>	<u>165,778,874</u>
<u>72,268,367</u>	<u>526,600,962</u>

<u>29,412,636</u>	<u>(98,981,949)</u>
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5,266,285	81,030,000
-	8,864,223
37,763,455	95,416,470
<u>(56,036,937)</u>	<u>(102,334,245)</u>
<u>(13,007,197)</u>	<u>82,976,448</u>

<u>16,405,439</u>	<u>(16,005,501)</u>
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68,591,939	90,936,918
634,181	634,181
<u>69,226,120</u>	<u>91,571,099</u>

<u>\$ 85,631,559</u>	<u>\$ 75,565,598</u>
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CITY OF WICHITA, KANSAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended December 31, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:

Net change in fund balance - governmental funds \$ (16,005,501)

Governmental funds report capital asset acquisitions, excluding non-cash donations, as expenditures. However, in the Statement of Activities, the cost of assets capitalized is allocated over their estimated useful lives and are reported as depreciation expense. This is the amount by which capital asset acquisitions exceeded depreciation in the current period.

Depreciation expense	\$ (36,066,170)	
Net capital asset acquisition	109,068,054	73,001,884

In the Statement of Activities, the gain or loss from the sale of capital assets is reported, whereas in the governmental funds, only cash proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of capital assets sold. (6,347,563)

In the Statement of Activities, transfers of capital assets from governmental activities to business-type activities are reported as transfers, whereas in the governmental funds, there is no event to report as there is no outward flow of current financial resources. (10,278,923)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.

Receivables not received within 60 days of fiscal year end	(6,517,464)	
Non-cash capital contributions	36,000	(6,481,464)

Debt proceeds provide current financial resources of governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.

General obligation bonds payable	(69,695,000)	
Special assessment bonds payable	(11,335,000)	
Premium on bonds payable	(8,864,223)	(89,894,223)

Repayment of bond principal is reported as an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position.

General obligation bonds payable	26,045,864	
Special assessment bonds payable	29,309,588	
Sales tax revenue bonds payable	245,952	55,601,404

The amortization of bond premiums and discounts affects long-term liabilities on the Statement of Net Position, but does not provide or consume current financial resources of the governmental funds. 4,132,587

Deferred refunding costs reduce current financial resources of governmental funds, but do not decrease long-term liabilities in the Statement of Net Position. (277,248)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest on bonds payable	(166,399)	
Compensated absences	(178,261)	
Net pension liability	5,467,079	
Total other post-employment benefits (OPEB) liability	(1,360,952)	
Environmental remediation liability	750,132	
Liability for future landfill closure and post-closure costs	(178,994)	
Legal liability	130,930	
Prepaid operating lease	(660,755)	3,802,780

Some long-term assets reported in the Statement of Net Position require the use of current financial resources when purchased and, therefore, are reported as expenditures in the governmental funds immediately. However, these long-term assets will be shown as an expense over the term of the agreement in the Statement of Activities.

Prepaid operating lease		602,659
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The amortization of collective deferred outflows and inflows of resources related to pensions and OPEB affect the change in net position, but does not provide or use current financial resources in the governmental funds.

Deferred outflows related to pensions	(62,716,218)	
Deferred outflows related to OPEB	(485,484)	
Deferred inflows related to pensions	24,791,301	
Deferred inflows related to OPEB	603,691	(37,806,710)

Internal service funds are used to charge the cost of certain activities, such as insurance, to the individual funds. Net revenue (expense) of certain internal service funds is reported within governmental activities.

		6,784,697
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Change in net position - governmental activities \$ (23,165,621)

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

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
General property taxes	\$ 84,303,187	\$ 84,304,658	\$ 85,412,586	\$ 1,107,928	\$ 79,220,412
Franchise taxes	47,661,298	48,596,328	44,796,890	(3,799,438)	47,282,423
Motor vehicle taxes	12,718,119	12,701,423	12,255,597	(445,826)	11,890,320
Local sales tax	29,124,388	30,357,494	30,388,664	31,170	29,447,036
Intergovernmental	17,637,410	17,667,601	17,912,182	244,581	17,617,638
Licenses and permits	3,100,406	3,111,017	2,682,930	(428,087)	2,902,936
Fines and penalties	9,654,885	8,353,269	7,953,917	(399,352)	8,186,561
Charges for services and sales	18,089,210	18,014,635	16,601,607	(1,413,028)	17,082,487
Rental income	2,362,321	2,447,771	2,214,933	(232,838)	2,371,619
Interest and investment earnings	4,500,000	10,000,000	10,005,068	5,068	6,903,511
Sale of property	292,762	470,750	550,139	79,389	337,453
Administrative charges	3,900,665	3,916,092	3,743,142	(172,950)	3,921,773
Other revenues	5,276,958	5,240,313	5,127,290	(113,023)	4,988,763
Revised budget adjustment	-	(6,286,355)	-	6,286,355	-
Total revenues	238,621,609	238,894,996	239,644,945	749,949	232,152,932
EXPENDITURES					
Current:					
General government	38,511,290	37,119,127	35,524,156	1,594,971	34,929,598
Public safety	135,039,171	139,180,010	138,726,983	453,027	135,568,532
Highways and streets	22,106,468	21,738,194	19,518,425	2,219,769	17,048,186
Sanitation	2,979,633	2,982,169	2,506,827	475,342	2,549,479
Health and welfare	4,041,429	4,115,821	3,568,984	546,837	4,187,017
Culture and recreation	34,830,294	35,718,157	34,178,944	1,539,213	33,455,668
Revised budget adjustment	-	(6,286,355)	-	(6,286,355)	-
Total expenditures	237,508,285	234,567,123	234,024,319	542,804	227,738,480
Excess of revenues over expenditures	1,113,324	4,327,873	5,620,626	1,292,753	4,414,452
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	5,591,719	5,318,332	5,315,938	(2,394)	5,874,962
Transfers to other funds	(6,705,043)	(9,646,205)	(9,399,380)	246,825	(7,788,151)
Total other financing uses	(1,113,324)	(4,327,873)	(4,083,442)	244,431	(1,913,189)
SPECIAL ITEM					
Transfers to other funds - Hyatt Hotel proceeds	-	-	-	-	(19,000,000)
Net change in fund balance	-	-	1,537,184	1,537,184	(16,498,737)
Unencumbered fund balance, beginning	32,322,910	32,322,910	34,824,173	2,501,263	51,322,910
Unencumbered fund balance, ending	\$ 32,322,910	\$ 32,322,910	\$ 36,361,357	\$ 4,038,447	\$ 34,824,173

The 2019 certified expenditure budget is \$265,213,328, including an appropriated reserve of \$21,000,000.

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

CITY OF WICHITA, KANSAS

STATEMENT OF NET POSITION PROPRIETARY FUNDS

December 31, 2019

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 36,322,547	\$ 18,076,597	\$ 17,797,815
Receivables, net:			
Due from other agencies	-	-	114,443
Accounts receivable	10,349,922	8,232,629	1,791,217
Inventories	2,984,153	95,839	-
Prepaid items	-	744,209	8,910
Restricted assets:			
Cash and cash equivalents	22,837,640	14,443,261	16,581,180
Net investment in direct financing lease	-	-	5,884,602
Total current assets	<u>72,494,262</u>	<u>41,592,535</u>	<u>42,178,167</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	76,661,945	39,654,410	-
Net investment in direct financing lease	-	-	5,664,961
Capital assets:			
Land	10,328,129	4,494,956	17,886,413
Airfield	-	-	184,053,505
Buildings	140,759,949	115,590,918	190,272,199
Improvements other than buildings	726,023,481	457,976,063	86,429,206
Machinery, equipment and other assets	118,213,669	62,530,733	45,473,192
Construction in progress	64,520,472	61,570,177	14,898,030
Less accumulated depreciation	(339,117,432)	(214,369,214)	(236,583,960)
Total capital assets, net	<u>720,728,268</u>	<u>487,793,633</u>	<u>302,428,585</u>
Total noncurrent assets	<u>797,390,213</u>	<u>527,448,043</u>	<u>308,093,546</u>
Total assets	<u>869,884,475</u>	<u>569,040,578</u>	<u>350,271,713</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized refunding costs	8,627,555	4,573,756	514,010
Deferred outflows related to pensions	9,713,247	8,709,349	10,584,139
Deferred outflows related to OPEB	211,207	188,497	199,852
Total deferred outflows of resources	<u>18,552,009</u>	<u>13,471,602</u>	<u>11,298,001</u>

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

Business-type Activities Enterprise Funds			Governmental Activities
Stormwater Utility	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 13,818,384	\$ 2,627,336	\$ 88,642,679	\$ 60,390,284
-	1,207,862	1,322,305	-
1,909,252	119,977	22,402,997	1,387,681
-	403,353	3,483,345	875,177
-	3,700	756,819	128,900
-	-	53,862,081	-
-	-	5,884,602	-
15,727,636	4,362,228	176,354,828	62,782,042
-	-	116,316,355	-
-	-	5,664,961	-
7,939,311	2,535,285	43,184,094	-
-	-	184,053,505	-
9,481,468	15,990,193	472,094,727	74,242
192,047,671	15,673,943	1,478,150,364	74,907
6,696,135	30,973,235	263,886,964	47,205,702
1,677,337	142,790	142,808,806	24,963
(40,188,666)	(37,746,980)	(868,006,252)	(36,303,440)
177,653,256	27,568,466	1,716,172,208	11,076,374
177,653,256	27,568,466	1,838,153,524	11,076,374
193,380,892	31,930,694	2,014,508,352	73,858,416
-	-	13,715,321	-
3,138,966	3,878,071	36,023,772	8,674,556
72,673	218,021	890,250	149,889
3,211,639	4,096,092	50,629,343	8,824,445

(Continued)

CITY OF WICHITA, KANSAS

**STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS**

December 31, 2019

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	\$ 4,681,921	\$ 3,365,467	\$ 2,397,707
Accrued interest payable	284,402	-	451,797
Deposits	4,360,747	-	14,211
Current portion of long-term liabilities:			
General obligation bonds payable	5,400,000	-	2,920,000
Claims payable	-	-	-
Capital lease payable	-	-	-
Compensated absences	444,952	263,945	529,503
Current liabilities payable from restricted assets:			
Accounts payable and other liabilities	-	-	51,895
Accrued interest payable	2,435,553	1,675,348	-
Revenue bonds payable	15,002,087	12,767,913	5,884,602
Total current liabilities	<u>32,609,662</u>	<u>18,072,673</u>	<u>12,249,715</u>
Noncurrent liabilities:			
Unearned revenue	-	-	2,919,700
Due to other funds	-	-	-
General obligation bonds payable	114,014,775	-	126,869,794
Revenue bonds payable	229,682,620	196,840,836	5,664,961
Claims payable	-	-	-
Capital lease payable	-	-	-
Net pension liability	10,435,321	9,310,555	10,948,307
Total other post-employment benefits (OPEB) liability	1,654,669	1,476,747	1,565,707
Compensated absences	69,233	41,069	87,005
Total noncurrent liabilities	<u>355,856,618</u>	<u>207,669,207</u>	<u>148,055,474</u>
Total liabilities	<u>388,466,280</u>	<u>225,741,880</u>	<u>160,305,189</u>
DEFERRED INFLOWS OF RESOURCES			
Unamortized refunding costs	314,198	561,625	-
Deferred inflows related to pensions	3,018,523	2,675,556	3,313,099
Deferred inflows related to OPEB	307,115	434,714	275,567
Total deferred inflows of resources	<u>3,639,836</u>	<u>3,671,895</u>	<u>3,588,666</u>
NET POSITION			
Net investment in capital assets	362,062,928	282,510,083	171,293,561
Restricted for:			
Capital projects	-	1,470,397	16,581,299
Revenue bond covenants	97,064,032	48,669,450	-
Unrestricted	37,203,408	20,448,475	9,800,999
Total net position	<u>\$ 496,330,368</u>	<u>\$ 353,098,405</u>	<u>\$ 197,675,859</u>

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

Business-type Activities Enterprise Funds			Governmental Activities
Stormwater Utility	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 239,588	\$ 553,564	\$ 11,238,247	\$ 2,370,372
35,522	-	771,721	-
-	1,332	4,376,290	260,150
2,273,090	-	10,593,090	-
-	-	-	11,364,701
-	-	-	115,802
84,875	333,488	1,656,763	416,604
-	-	51,895	-
-	-	4,110,901	-
-	-	33,654,602	-
<u>2,633,075</u>	<u>888,384</u>	<u>66,453,509</u>	<u>14,527,629</u>
-	5,792	2,925,492	-
-	6,287,080	6,287,080	-
12,174,097	-	253,058,666	-
-	-	432,188,417	-
-	-	-	14,218,308
-	-	-	412,041
3,374,295	4,124,139	38,192,617	9,248,068
569,348	1,708,045	6,974,516	1,174,280
13,848	50,357	261,512	72,572
<u>16,131,588</u>	<u>12,175,413</u>	<u>739,888,300</u>	<u>25,125,269</u>
<u>18,764,663</u>	<u>13,063,797</u>	<u>806,341,809</u>	<u>39,652,898</u>
-	-	875,823	-
1,008,339	1,216,943	11,232,460	2,657,677
163,771	395,965	1,577,132	238,458
<u>1,172,110</u>	<u>1,612,908</u>	<u>13,685,415</u>	<u>2,896,135</u>
163,142,168	27,484,337	1,006,493,077	10,523,568
-	6,153	18,057,849	-
-	-	145,733,482	-
13,513,590	(6,140,409)	74,826,063	29,610,260
<u>\$ 176,655,758</u>	<u>\$ 21,350,081</u>	<u>\$ 1,245,110,471</u>	<u>\$ 40,133,828</u>

Total net position \$ 1,245,110,471

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

3,870,164

Net position of business-type activities \$ 1,248,980,635

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
OPERATING REVENUES			
Charges for services and sales	\$ 84,384,137	\$ 65,679,001	\$ 3,053,411
Fees	770,561	-	4,399,247
Rentals	42,618	18,010	24,633,674
Employer contributions	-	-	-
Employee contributions	-	-	-
Other operating revenues	693,446	450,042	-
Total operating revenues	<u>85,890,762</u>	<u>66,147,053</u>	<u>32,086,332</u>
OPERATING EXPENSES			
Personnel services	12,236,883	13,675,447	12,591,540
Contractual services	13,406,333	9,686,941	5,173,714
Materials and supplies	4,421,370	4,342,275	5,009,578
Cost of materials used	-	-	-
Other operating expenses	5,233,650	3,278,956	990,929
Administrative charges	674,834	333,526	341,360
Payments in lieu of franchise taxes	4,307,812	3,092,328	-
Depreciation	24,551,094	12,018,211	13,131,509
Employee benefits	-	-	-
Insurance claims	-	-	-
Total operating expenses	<u>64,831,976</u>	<u>46,427,684</u>	<u>37,238,630</u>
Operating income (loss)	<u>21,058,786</u>	<u>19,719,369</u>	<u>(5,152,298)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment earnings	209,118	997,976	255,935
Intergovernmental grants	-	-	-
Other expenses	(1,222,235)	(547,072)	(272,129)
Interest expense	(14,170,067)	(8,023,799)	(5,624,065)
Gain (loss) on sale of assets	152,243	114,300	19,495
Bond premium amortization	2,178,673	1,457,873	209,623
Total non-operating revenues (expenses)	<u>(12,852,268)</u>	<u>(6,000,722)</u>	<u>(5,411,141)</u>
Income (loss) before capital contributions and transfers	<u>8,206,518</u>	<u>13,718,647</u>	<u>(10,563,439)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions	3,862,564	3,585,498	10,586,866
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Total capital contributions and transfers	<u>3,862,564</u>	<u>3,585,498</u>	<u>10,586,866</u>
Change in net position	<u>12,069,082</u>	<u>17,304,145</u>	<u>23,427</u>
Net position - beginning, as previously reported	484,261,286	335,794,260	203,735,769
Prior period adjustment	-	-	(6,083,337)
Net position - beginning, as restated	<u>484,261,286</u>	<u>335,794,260</u>	<u>197,652,432</u>
Net position - ending	<u>\$ 496,330,368</u>	<u>\$ 353,098,405</u>	<u>\$ 197,675,859</u>

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

Business-type Activities Enterprise Funds			Governmental Activities Internal Service Funds
Stormwater Utility	Other Enterprise Funds	Total Enterprise Funds	
\$ 12,799,451	\$ 2,416,158	\$ 168,332,158	\$ 17,107,025
-	2,642,210	7,812,018	9,304,795
-	1,008,753	25,703,055	-
-	-	-	43,284,992
-	-	-	12,582,034
143,743	431,567	1,718,798	3,040,165
<u>12,943,194</u>	<u>6,498,688</u>	<u>203,566,029</u>	<u>85,319,011</u>
3,218,765	11,481,879	53,204,514	11,275,722
2,922,717	3,024,632	34,214,337	9,328,447
289,370	2,457,231	16,519,824	6,256,465
-	-	-	114,681
953,948	142,005	10,599,488	-
229,308	583,880	2,162,908	897,631
-	-	7,400,140	-
3,206,493	2,858,048	55,765,355	4,293,474
-	-	-	43,119,034
-	-	-	7,486,387
<u>10,820,601</u>	<u>20,547,675</u>	<u>179,866,566</u>	<u>82,771,841</u>
<u>2,122,593</u>	<u>(14,048,987)</u>	<u>23,699,463</u>	<u>2,547,170</u>
-	-	1,463,029	-
-	6,863,675	6,863,675	-
(2,686)	-	(2,044,122)	-
(501,995)	(4,741)	(28,324,667)	(28,569)
58,100	(17,019)	327,119	355,177
164,117	-	4,010,286	-
<u>(282,464)</u>	<u>6,841,915</u>	<u>(17,704,680)</u>	<u>326,608</u>
<u>1,840,129</u>	<u>(7,207,072)</u>	<u>5,994,783</u>	<u>2,873,778</u>
2,981,550	880,986	21,897,464	4,384,275
555,735	6,390,218	6,945,953	1,734,283
-	(100,000)	(100,000)	(1,662,461)
<u>3,537,285</u>	<u>7,171,204</u>	<u>28,743,417</u>	<u>4,456,097</u>
<u>5,377,414</u>	<u>(35,868)</u>	<u>34,738,200</u>	<u>7,329,875</u>
171,278,344	21,385,949	1,216,455,608	32,803,953
-	-	(6,083,337)	-
<u>171,278,344</u>	<u>21,385,949</u>	<u>1,210,372,271</u>	<u>32,803,953</u>
<u>\$ 176,655,758</u>	<u>\$ 21,350,081</u>	<u>\$ 1,245,110,471</u>	<u>\$ 40,133,828</u>

Increase in net position per fund statements \$ 34,738,200

Some amounts reported as business-type activities in the Statement of Activities vary because a portion of the net revenue (expense) of the internal service funds is reported within business-type activities.

545,178

Change in net position of business-type activities \$ 35,283,378

CITY OF WICHITA, KANSAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the year ended December 31, 2019

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 96,952,991	\$ 57,521,933	\$ 32,165,115
Cash payments to suppliers for goods and services	(24,586,180)	(17,536,405)	(13,612,110)
Cash payments to employees for services	(10,414,085)	(12,138,282)	(10,717,356)
Payments in lieu of franchise taxes	(4,307,812)	(3,092,328)	-
Other operating revenues	693,446	450,042	-
Other operating expenses	-	-	-
Net cash provided by (used in) operating activities	<u>58,338,360</u>	<u>25,204,960</u>	<u>7,835,649</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants received	-	-	-
Interfund loans	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Issuance of temporary notes	-	-	-
Retirement of temporary notes	-	-	(3,630,000)
Issuance of capital debt	51,985,000	42,390,000	21,138,651
Premiums on bonds sold	2,927,108	1,871,079	122,498
Issuance of direct financing lease	-	-	2,684,088
Payments on direct financing lease	-	-	(8,773,651)
Accrued interest on bonds sold	3,031	5,288	-
Bond issuance costs paid	(572,192)	(495,703)	(272,129)
Debt service - principal refunded	(17,887,226)	(31,352,774)	(11,565,000)
Debt service - interest placed in escrow on refunded debt	(1,168,545)	(1,417,074)	(516,034)
Principal payments on long-term debt	(18,214,162)	(12,600,838)	(5,489,088)
Interest payments on long-term debt	(13,671,754)	(8,621,289)	(5,813,017)
Additions to property, plant and equipment	(32,186,899)	(18,045,086)	(9,274,739)
Proceeds from sale of capital assets	152,243	114,300	19,495
Capital contributions	2,620,226	1,144,816	10,472,423
Net cash used in capital and related financing activities	<u>(26,013,170)</u>	<u>(27,007,281)</u>	<u>(10,896,503)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	206,087	992,688	255,935
Net cash provided by investing activities	<u>206,087</u>	<u>992,688</u>	<u>255,935</u>
Net increase (decrease) in cash and temporary investments	32,531,277	(809,633)	(2,804,919)
Cash and temporary investments - beginning	103,290,855	72,983,901	37,183,914
Cash and temporary investments - ending	<u>\$ 135,822,132</u>	<u>\$ 72,174,268</u>	<u>\$ 34,378,995</u>

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

Business-type Activities Enterprise Funds			Governmental Activities
Stormwater Utility	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 10,890,199	\$ 6,065,238	\$ 203,595,476	\$ 82,849,177
(4,341,207)	(6,390,904)	(66,466,806)	(66,262,579)
(2,679,484)	(10,702,979)	(46,652,186)	(9,620,237)
-	-	(7,400,140)	-
143,743	437,218	1,724,449	3,040,165
-	(75,380)	(75,380)	-
<u>4,013,251</u>	<u>(10,666,807)</u>	<u>84,725,413</u>	<u>10,006,526</u>
-	6,824,960	6,824,960	-
-	(381,297)	(381,297)	265,325
555,735	6,390,218	6,945,953	1,734,283
-	(100,000)	(100,000)	(1,662,461)
<u>555,735</u>	<u>12,733,881</u>	<u>13,289,616</u>	<u>337,147</u>
555,735	1,172,405	1,728,140	-
(555,735)	(2,258,934)	(6,444,669)	-
-	-	115,513,651	-
-	-	4,920,685	-
-	-	2,684,088	-
-	-	(8,773,651)	-
-	-	8,319	-
-	-	(1,340,024)	-
-	-	(60,805,000)	-
-	-	(3,101,653)	-
(2,264,548)	-	(38,568,636)	(90,838)
(509,303)	(18,450)	(28,633,813)	(28,569)
(1,453,362)	(1,154,208)	(62,114,294)	(2,473,271)
58,100	20,170	364,308	371,265
<u>181,213</u>	<u>959,233</u>	<u>15,377,911</u>	<u>-</u>
<u>(3,987,900)</u>	<u>(1,279,784)</u>	<u>(69,184,638)</u>	<u>(2,221,413)</u>
-	-	1,454,710	-
-	-	1,454,710	-
581,086	787,290	30,285,101	8,122,260
13,237,298	1,840,046	228,536,014	52,268,024
<u>\$ 13,818,384</u>	<u>\$ 2,627,336</u>	<u>\$ 258,821,115</u>	<u>\$ 60,390,284</u>

(Continued)

CITY OF WICHITA, KANSAS

STATEMENT OF CASH FLOWS (CONTINUED) PROPRIETARY FUNDS

For the year ended December 31, 2019

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ 21,058,786	\$ 19,719,369	\$ (5,152,298)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	24,551,094	12,018,211	13,131,509
Other expenses	(126,076)	-	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
(Increase) decrease in accounts receivable	12,021,311	(8,175,078)	189,768
(Increase) decrease in inventory	(592,624)	10,581	-
Decrease in prepaid items	-	33,386	-
(Increase) in deferred outflows related to pensions	(6,842,697)	(6,181,025)	(7,460,154)
(Increase) in deferred outflows related to OPEB	(145,159)	(122,449)	(138,020)
Increase (decrease) in accounts payable	(200,195)	90,133	(2,033,902)
Increase (decrease) in accrued interest payable	(39,658)	-	-
Increase (decrease) in deposits	(99,902)	-	(1,000)
Increase in claims payable	-	-	-
Increase (decrease) in unearned revenues	-	-	(109,985)
Increase in net pension liability	9,532,572	8,525,324	10,319,167
Increase (decrease) in total OPEB liability	13,780	(164,142)	29,556
Increase (decrease) in compensated absences	16,737	(43,199)	4,836
(Decrease) in deferred inflows related to pensions	(1,011,078)	(835,219)	(1,120,493)
Increase in deferred inflows related to OPEB	201,469	329,068	176,665
Total adjustments	<u>37,279,574</u>	<u>5,485,591</u>	<u>12,987,947</u>
Net cash provided by (used in) operating activities	<u>\$ 58,338,360</u>	<u>\$ 25,204,960</u>	<u>\$ 7,835,649</u>

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

Contribution of capital assets	\$ 1,242,338	\$ 2,440,682	\$ -
Capital contribution receivables	-	-	-
Capital assets financed with capital lease	-	-	-
Capital assets in accounts payable	3,193,413	2,531,033	1,345,230

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

Business-type Activities Enterprise Funds			Governmental Activities
Stormwater Utility	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 2,122,593	\$ (14,048,987)	\$ 23,699,463	\$ 2,547,170
3,206,493	2,858,048	55,765,355	4,293,474
-	-	(126,076)	-
(1,909,252)	8,505	2,135,254	570,331
-	(46,941)	(628,984)	104,381
-	-	33,386	-
(2,156,819)	(2,627,955)	(25,268,650)	(6,186,918)
(47,379)	(146,352)	(599,359)	(102,111)
50,056	(195,107)	(2,289,015)	(191,371)
-	-	(39,658)	-
-	(10,529)	(111,431)	5,281
-	-	-	1,063,350
-	5,792	(104,193)	-
3,064,476	3,750,219	35,191,758	8,478,862
(59,077)	(72,494)	(252,377)	(12,745)
(6,195)	19,625	(8,196)	49,255
(374,956)	(441,959)	(3,783,705)	(774,467)
123,311	281,328	1,111,841	162,034
1,890,658	3,382,180	61,025,950	7,459,356
\$ 4,013,251	\$ (10,666,807)	\$ 84,725,413	\$ 10,006,526

\$ 2,800,337	\$ 880,986	\$ 7,364,343	\$ 4,384,275
-	78,247	78,247	-
-	-	-	618,681
63,901	84,129	7,217,706	24,963

CITY OF WICHITA, KANSAS

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

December 31, 2019

	Pension Trust Funds	WAMPO Private Purpose Trust Fund
ASSETS		
Cash and temporary investments	\$ 291,710	\$ -
Receivables:		
Investment sales pending	14,872,891	-
Interest and dividends	2,979,174	-
Other receivables	1,240,307	-
Total receivables	19,092,372	-
Investments, at fair value:		
Government short-term investment fund	32,083,134	-
Equity:		
Domestic equity	536,946,004	-
International equity	365,718,566	-
Fixed income	250,525,814	-
Real estate	90,057,532	-
Target date and money market funds	6,224,462	-
Timber	74,784,648	-
Derivative investments	52,808	-
Securities lending short-term collateral investment pool	2,753,663	-
Total investments	1,359,146,631	-
Capital assets:		
Pension software	1,282,828	-
Accumulated depreciation	(1,282,828)	-
Capital assets, net	-	-
Total assets	1,378,530,713	-
LIABILITIES		
Accounts payable and other liabilities	1,867,515	-
Investment purchases pending	15,153,907	-
Securities lending obligations	2,753,663	-
Total liabilities	19,775,085	-
NET POSITION		
Restricted for:		
Pensions	1,358,755,628	-
Total net position	\$ 1,358,755,628	\$ -

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

CITY OF WICHITA, KANSAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the year ended December 31, 2019

	Pension Trust Funds	WAMPO Private Purpose Trust Fund
ADDITIONS		
Contributions:		
Employer	\$ 23,847,310	\$ -
Employee	9,397,022	-
Intergovernmental	-	645,511
Other contributions	-	144,471
Total contributions	<u>33,244,332</u>	<u>789,982</u>
Investment income:		
From investing activities:		
Net appreciation in the fair value of investments	212,227,741	-
Interest	9,486,708	-
Dividends	9,688,377	-
Commission recapture	16,104	-
Total investing activity income	<u>231,418,930</u>	<u>-</u>
Less investment expense	6,500,109	-
Net income from investing activities	<u>224,918,821</u>	<u>-</u>
From securities lending activities:		
Securities lending income	193,828	-
Less securities lending expenses:		
Borrower rebates	37,548	-
Management fees	39,716	-
Total securities lending expenses	<u>77,264</u>	<u>-</u>
Net income from securities lending activities	<u>116,564</u>	<u>-</u>
Total net investment income	<u>225,035,385</u>	<u>-</u>
Reclassifications due to participant conversion	94,720	-
Total additions	<u>258,374,437</u>	<u>789,982</u>
DEDUCTIONS		
Pension benefits	85,309,833	-
Administrative expenses	1,240,831	5,341
Employee contributions refunded	1,824,444	-
Reclassifications due to participant conversion	94,720	-
Program outlays	-	1,091,179
Total deductions	<u>88,469,828</u>	<u>1,096,520</u>
Net increase (decrease) in net position	169,904,609	(306,538)
Net position - beginning	<u>1,188,851,019</u>	<u>306,538</u>
Net position - ending	<u>\$ 1,358,755,628</u>	<u>\$ -</u>

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Wichita is a municipal corporation governed by an elected mayor and six-member council. The accompanying financial statements present the government and its component units. Component units are legally separate entities for which the government is financially accountable or other entities whose nature and significant relationship with the government are such that exclusion would cause the government's financial statements to be misleading. A blended component unit, although a legally separate entity, is, in substance, part of the government's operations and so data from the blended component unit is combined with data of the primary government.

Blended Component Unit: The Airport Authority serves all citizens of the government and is governed by a board comprised of the government's elected council. Bond issuance authorizations are approved by the governing body of the primary government and the legal liability for the general obligation portion of the Authority's debt remains with the government. The Airport Authority is reported as an enterprise fund. Separate audited financial statements are not prepared by the Airport Authority.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position on page A-15 and the Statement of Activities on page A-16 and A-17) report information about all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from these financial statements. Exceptions to this rule are payments in lieu of taxes where amounts are reasonably equivalent in value to the interfund services provided and other charges between the enterprise funds and other various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items that do not meet the definition of program revenues are reported as general revenues.

Governmental fund financial statements distinguish revenues and expenditures from other financing sources and uses. Other financing resources and uses are increases or decreases in the fund balance of a governmental fund that are not considered revenues or expenditures. Only items identified as other financing sources and uses by authoritative standards may be classified as such (e.g. proceeds from the issuance of long-term debt and transfers between funds).

Proprietary fund financial statements distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Principal operating revenues of the proprietary funds are primarily comprised of charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these criteria are reported as non-operating revenues and expenses.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if collected within

60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to long-term obligations, such as, debt service on long-term debt, compensated absences and claims and judgments, are recorded only when the payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Special assessments receivable that are not due within the current fiscal period and not susceptible to accrual are recorded as unavailable revenue. All other revenue items are considered to be measurable and available only when cash is received.

The government reports the following major governmental funds:

The General Fund is the principal fund of the City that accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City, other than proprietary fund activities, are financed through revenues received by the General Fund. The Economic Development Fund is certified to the State of Kansas and reported as a subfund of the General Fund. Schedules for the certified fund and subfund are presented as supplemental information in the Governmental Funds Section of this report.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The Street Improvement Fund accounts for capital improvements related to street, arterial and freeway projects that are financed through the issuance of general obligation bonds, special assessments, local sales tax, grants and other City funds.

The Public Improvement Construction Fund accounts for capital improvements relating to projects that benefit the public that are financed through the issuance of general obligation bonds, special assessments, local sales tax, grants and other City funds.

The government reports the following major proprietary funds:

The Water Utility Fund accounts for the operation and maintenance of the water supply and distribution component of the combined utility.

The Sewer Utility Fund accounts for the operation and maintenance of the wastewater collection and treatment component of the combined utility, including wastewater treatment plants, sewer laterals and mains.

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

The Stormwater Utility Fund accounts for the acquisition, design, construction, maintenance and operation of the City's surface drainage system.

The government also reports the following non-major fund types:

Special revenue funds account for the proceeds from specific revenue sources that are restricted or committed to expenditures for specified purposes.

Capital project funds account for all resources received and used for the acquisition or development of capital improvements, except those financed primarily by proprietary funds. Financing for these capital improvements primarily come from the City's general obligation bond issues, special assessments, local sales tax and grants.

A permanent fund is used to report resources that are restricted for the maintenance and perpetual care of municipal cemeteries and mausoleums.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the City is that the costs required to provide these goods and services are financed from fees and charges from external users, issuance of bonds (revenue and general obligation), grants and other City funds.

Internal service funds are used to account for information technology services, fleet management and risk management services (including claims for worker's compensation, general liability and employee health insurance) provided by one department to other departments of the City on a cost reimbursement basis.

Pension trust funds account for the activities of the Wichita Employees' Retirement System, Wichita Police and Fire Retirement System and the Wichita Employees' Retirement System Plan 3b, all of which accumulate resources for pension benefits for qualified employees.

The WAMPO private purpose trust fund accounts for the City's trust arrangement with WAMPO (Wichita Area Metropolitan Planning Organization) in which the City's collects, holds and remits payments as directed by its management. The City also provides use of its accounting and information technology systems. WAMPO's trust arrangement with the City ended September 2019.

D. Pooled Cash and Temporary Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments, which is managed by the Director of Finance (except for investments of the pension trust funds). The pool has the general characteristics of demand deposit accounts, in that each fund may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty. Investments of the pooled accounts consist primarily of certificates of deposits and U.S. government and agency securities. Interest income earned is allocated to contributing funds based on average daily cash balances and in accordance with the adopted budget, if greater than internal management fee.

E. Investments

Investments of the government are reported at fair value, which is based on quoted market prices in all instances in which they are available. For all investments other than those in the pension trust funds, level 2 fair value measurements are based on other observable inputs including benchmark curves, benchmarking of like securities, sector groupings and matrix pricing.

The pension trust funds invest in real estate through real estate investment trusts, timber through limited partnerships, commodities, Treasury strips and various asset backed securities, such as collateralized mortgage obligations and credit card trusts. Short-term investments are reported at cost plus accrued interest, which approximates fair value. Investments traded on national or international exchanges are valued at the last trade price of the day. If no close price exists, then a bid price is used. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar investments. The fair value of real estate and timber investments are estimated using the net asset value of the shares owned in each fund. Investments that do not have an established market are reported at their estimated fair value.

F. Property Taxes and Other Receivables

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed as of January 1 and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20th during the year levied, with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31st, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred inflows of resources on the balance sheet of the appropriate funds. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Recognized state-shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes. For revenue recognition purposes, amounts collected and held by the state on behalf of the City at year-end are not due and receivable until the ensuing year. Federal and state grant aid is reported as revenue when the related reimbursable expenditures are incurred. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

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G. Revenue Recognition for Proprietary Funds

The proprietary funds recognize revenue on sales when services are rendered. The Water, Sewer and Stormwater Utilities recognize revenues for unbilled services. All users, including other City departments, are charged for services provided by the respective proprietary fund. Accounts receivable represent uncollected charges (both billed and unbilled) as of December 31, net of amounts estimated to be uncollectible.

H. Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds, which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as revenue in the Debt Service Fund or a liability in a City of Wichita revocable escrow account for prepaid special assessments. The escrow is revocable and, therefore, not technically public funds. The amount of any interest earnings plus prepayment equals the amount of debt service paid on outstanding bonds.

State statutes allow levying additional ad valorem property taxes in the City's Debt Service Fund to finance delinquent special assessments receivable, if necessary. Special assessments receivable are accounted for within the Debt Service Fund. Special assessments are levied over a fifteen to twenty year period and the annual installments are due and payable with annual ad valorem property taxes. Delinquent assessments against property benefited by special assessments constitute a lien against such property. When assessments are two years in arrears, the assessments may be collected by foreclosure. On December 31st, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the debt service fund with a corresponding amount recorded as a deferred inflow of resources.

I. Inventories and Prepaid Expenses

Inventories and prepaid expenses that benefit future periods, other than those recorded in the proprietary funds, are recorded as expenditures during the year of purchase. There are the following exceptions (1) prepaid postage meter balance for entire City which is recognized in the appropriate fund when utilized (2) escrow deposits and (3) in relation to the grant assistance fund. In proprietary funds, the cost of inventories is recorded as expense when consumed. Inventories are valued utilizing the average unit cost method.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual minimum cost ranging from \$5,000 to \$100,000, depending on the type of asset. Capital assets are valued at acquisition value, or estimated acquisition value (if actual acquisition value is not available). Donated capital assets are valued at their estimated acquisition value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. For capital assets and improvements constructed by a proprietary fund, interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets. Additionally, in situations involving the acquisition of certain assets financed with the proceeds of tax-exempt borrowing, any interest earned on related interest-bearing investments from such proceeds are offset against the related interest costs in determining either capitalization rates or limitations on the amount of interest costs to be capitalized. Capital assets of the primary government and its component unit are depreciated using the straight-line method. Estimated useful lives of asset categories are listed in the accompanying table.

Asset Classifications	Estimated Useful Life
Buildings and improvements	1-100
Improvements other than buildings	1-85
Equipment	1-33
Vehicles	1-20
Public domain infrastructure	15-60
Airfields	1-20

K. Franchise Taxes

Franchise taxes are collected from utilities for the use of right-of-ways. Annually, the Water Utility and Sewer Utility pay to the General Fund of the City amounts in lieu of franchise taxes in an amount not to exceed 5% of gross revenues for the preceding year, which is appropriated by the City and included in the annual budget.

L. Compensated Absences

The City's policy permits employees to accumulate earned but unused vacation and sick pay benefits. The City does not have a policy to pay accumulated sick pay benefits upon termination of employment; consequently, there is no liability for unpaid accumulated sick leave. Vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for vacation pay is reported in governmental funds only if it has matured, for example, as a result of employee terminations and retirements.

M. Statement of Cash Flows

The reporting entity defines cash and cash equivalents used in the statement of cash flows as all cash and temporary investments (both restricted and unrestricted).

N. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred charges on refunding in the government-wide and proprietary fund statements of net position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports a collective deferred outflow of resources related to pensions, which is described in more detail in Note 7 - Retirement Funds and a collective deferred outflow of resources related to OPEB, which is described in more detail in Note 8 – Other Post-Employment Healthcare Benefits.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from several sources: long-term accounts receivable and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property taxes receivable. Property taxes are not recognized as revenue until the period for which they are levied. Additionally, the City reports deferred charges on refunding in the government-wide and proprietary fund statements of net position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Finally, the City reports a collective deferred inflow of resources related to pensions, which is described in more detail in Note 7 - Retirement Funds and a collective deferred inflow of resources related to OPEB, which is described in more detail in Note 8 – Other Post-Employment Healthcare Benefits.

O. Estimates

Preparation of financial statements in conformity with GAAP requires making estimates and assumptions that affect: (1) the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources; (2) disclosures, such as contingencies; and (3) the reported amounts of revenues and expenditures or expenses included in the financial statements. Actual results could differ from those estimates.

P. Net Position and Fund Balance

Net position in the government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvements of those assets or related debt also should be included in this component

of net position. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

Restricted Net Position represent constraints on resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments imposed by law through state statute.

Unrestricted Net Position consists of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the "restricted" or "net investment in capital assets" components of net position.

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how the fund balance can be spent. The governmental fund types classify fund balance as follows:

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

Restricted Fund Balance includes amounts that are restricted to specific purposes externally imposed by creditors, grantors, contributors or laws and regulations of other governments imposed by law through state statute.

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

Assigned Fund Balance is the portion of the fund balance which the City intends to use for a specified purpose as directed by the City Council. The portion of the fund balance that is appropriated by the City Council for the next year's budget that is not already restricted or committed is considered assigned. Encumbrances, which can be approved by the designated senior staff, are included in assigned fund balances. Additional information on encumbrance balances is provided in Note 20D - Encumbrances.

Unassigned Fund Balance represents the portion of fund balance that has not otherwise been restricted, committed or assigned to specific purposes. The General Fund is the only fund that may report a positive unassigned fund balance.

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

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

Q. Implementation of New Accounting Principles

In 2019, the City implemented the following accounting principles:

GASB Statement No. 83, Certain Asset Retirement Obligations, addresses accounting and financial reporting for certain asset retirement obligations (AROs). The implementation of GASB Statement No. 83 did not have a material impact on the City's financial statements.

GASB Statement No. 84, Fiduciary Activities, improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. In addition, Statement No. 84 replaced agency funds with custodial funds and noted custodial funds should present a statement of fiduciary net position and a statement of changes in fiduciary net position. Custodial funds report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. Accordingly, the City has reported the cumulative effect of applying GASB 84 as a restatement of net position as of January 1, 2019. This restatement increased previously reported net position for governmental activities by \$634,181 and eliminated the City's previously reported agency funds.

2. BUDGETARY CONTROL

Applicable Kansas statutes require that annual budgets be legally adopted for all funds (including proprietary funds) unless exempted by a specific statute. Specific funds exempted from legally adopted budgets are all Grant Assistance Fund, all capital projects funds (including capital projects of proprietary funds), the Airport Authority, Golf Course System, Transit and all trust funds. Controls over spending in funds and the component unit that are not subject to legal budgets are maintained by the use of internal spending limits established by management. K.S.A. 79-2926 et. seq. provides the following sequence and timetable for adoption of budgets:

1. Preparation of budget for the succeeding calendar year on or before August 1 of each year.
2. Publication of proposed budget on or before August 5 of each year. A minimum of ten days' notice of public hearing, published in local newspaper, on or before August 15 of each year.
3. Adoption of final budget on or before August 25 of each year.

K.S.A. 79-2927 requires that all money to be raised by taxation and from all other sources for the ensuing budget year be appropriated. The law does not permit an appropriation for sundry or miscellaneous purposes in excess of 10% of the total. The budget for each fund may include a non-appropriated balance not to exceed 5% of the total of each fund. The City of Wichita appropriates amounts for fund balance reserves in the various governmental funds on a budgetary basis. Appropriated fund balance reserves are not intended to finance routine expenditures and are reflected in the budgets only to the extent utilized.

Kansas statutes prohibit creating expenditures in excess of the total amount of the adopted expenditure budget of individual funds. In accordance with Kansas statutes, the legal level of control for the City is established at the individual fund level. Kansas statutes permit the transfer of budgeted amounts from one object or purpose to another and allow original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of hearing to amend the budget. Ten days after publication, a public hearing is held at which time the governing body may amend the budget.

3. BUDGETARY BASIS OF ACCOUNTING

Budgets are prepared on a budgetary basis, which is a basis that differs from generally accepted accounting principles (GAAP basis). For budgeting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, except for special assessments of the debt service fund that are recognized on the cash basis. The major difference between GAAP basis and budgetary basis is the reporting of encumbrances (purchase orders, contracts, and other commitments) as expenditures for budgetary purposes. Adjustments necessary to convert the net change in fund balances and the ending fund balances from GAAP basis to budgetary basis for the General Fund are provided in the table below.

	Net Change in Fund Balance	Fund Balances at End of Year
General Fund - GAAP basis	\$ 3,330,309	\$ 43,319,517
Increase (decrease) affecting basis:		
Expenditures due to prior year encumbrances	1,545,547	(7,012)
Cancellation of prior year encumbrances	58,137	58,137
Expenditures due to current year encumbrances	(3,517,358)	(3,517,358)
Less subfund balances included for GAAP		
Permanent Reserve Subfund*	-	(1,821,848)
Economic Development Subfund	120,549	(1,670,079)
General Fund - budgetary basis	\$ 1,537,184	\$ 36,361,357
*Budget authority was not established for the Permanent Reserve Subfund for 2019. Therefore, a budgetary comparison schedule is not presented.		

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4. FUND BALANCE AND NET POSITION DEFICITS

At December 31, 2019, fund balance net position deficits are shown in the accompanying table. The fund deficits for the Street Improvement Fund, Public Improvement Construction Fund, and other nonmajor governmental capital projects funds will primarily be financed through the sale of bonds authorized by the City Council but not yet sold as of December 31, 2019.

In 2019, the Golf Course System implemented a new pass membership program which is anticipated to help stabilize and increase revenue throughout the year and closed its LW Clapp Course in August. It also implemented a new winter rotation schedule beginning November 2019 whereby a different course was closed each week through February 2020 to save costs. The City Finance Department is continuing to work with the City Council to evaluate options to address the deficit net position in the Golf Course System Fund.

Primary Government	Fund Balance/ Net Position Deficits
Governmental funds:	
Street Improvement Fund	\$ 68,957,379
Public Improvement Construction Fund	15,196,012
Water Main Extension Fund	3,392,432
Park Bond Construction Fund	3,451,716
Sewer Construction Fund	24,158,157
Business-type funds:	
Golf Course System Fund	3,248,349
Total reporting entity	\$ 118,404,045

5. CASH, INVESTMENTS AND SECURITIES LENDING

A. Cash Deposits with Financial Institutions

Custodial Credit Risk for deposits: In the case of deposits, custodial credit risk is the risk that in the event of a bank failure the City's deposits may not be returned to it. The City requires compliance with the provisions of state law for the collateralization of all deposits. Allowable securities and forms of collateral acceptable to the City are limited to the following:

1. Direct obligations of, or obligations insured as to principal and interest by, the United States of America or any agency thereof;
2. Obligations and securities of U.S. sponsored corporations, which under federal law, may be accepted as security for public funds;
3. Bonds of any Kansas municipality which have been refunded and are fully secured as to payment of principal and interest by direct obligations or obligations which are unconditionally guaranteed by the United States of America;
4. Bonds of the State of Kansas;
5. General obligation bonds of any Kansas municipality;
6. Revenue bonds of any Kansas municipality, if they meet approval by the Commissioner;
7. General obligation temporary notes of any Kansas municipality;
8. No-fund warrants of any Kansas municipality;
9. Certain Kansas municipality sponsored revenue bonds rated Aa or higher by Moody's Investor Service or AA by Standard & Poor's Corp.;
10. Commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm;
11. Corporate surety bonds approved by the Commissioner and in the standard format acceptable to the City of Wichita as follows:
 - a) The issuer of the surety bond shall be admitted and licensed to issue surety bonds in Kansas;
 - b) The City of Wichita shall be designated as the insured public depositor;
 - c) The issuer and depository bank are required to notify the City of Wichita by certified or registered mail no fewer than 90 days prior to non-renewal and no fewer than 45 days prior to a bond's cancellation;
 - d) The claims-paying ability of the issuer must be rated and remain in the highest rated rating category of one of the nationally recognized rating agencies ("A++" or "A+" from A.M. Best Company or "AAA" from Standard &

- Poor's). Within 48 hours of discovery of a downgrade by a rating agency or notice of financial regulatory action by any jurisdiction in which the issuer is licensed, notice must be given to the City Treasurer by the issuer in the form of certified or registered mail;
- e) No more than \$5 million per depository bank or an aggregate of \$20 million for all depository banks can be collateralized in the form of surety bonds; and
 - f) The issuer is required to send quarterly reports to the Office of the City Treasurer listing all depository banks that have purchased surety bonds for deposits, the insured amounts covering deposits of the City of Wichita and the total insured amount per depository bank in Sedgwick County.
12. A letter of credit (LOC) issued by a U.S. sponsored enterprise that under federal law may be accepted as security for public funds, subject to additional requirements.

Financial institutions are required to pledge or assign for the City's benefit sufficient securities, the market value of which is at least 105% of the total deposits. As of December 31, 2019, the City had deposits in five banks totaling \$35,236,047 with assets pledged by the banks as collateral with a fair value of \$44,029,248.

B. Pooled Investments of the Primary Government

The City of Wichita has adopted a formal investment policy. The primary objectives of the investment activities are, in priority order, safety of principal, liquidity and yield. The standard of care to be used by investment officials shall be the "prudent investor rule" as set forth in the Uniform Prudent Investors Act, K.S.A. 58-24a01 et seq. and amendments thereto and shall be applied in the context of managing an overall portfolio. In accordance with state law (K.S.A. 12-1675 and 12-1677b), the City's investment policy allows monies, not otherwise regulated by statute, to be invested in the following instruments:

United States Treasury and Agency Securities: The City may invest in direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of United States sponsored enterprises which under federal law may be accepted as security for public funds, except that such investments shall not be in mortgage-backed securities.

Repurchase Agreements (Repo): The City may invest in repurchase agreements with banks, savings and loan associations and savings banks which have main or branch offices located in the city of Wichita, or with a primary government securities dealer which reports to the market reports division of the Federal Reserve Bank of New York.

Collateralized Public Deposits (Certificates of Deposit): The City may invest in instruments issued by any bank, savings and loan association or savings bank which has main or branch offices located within the city of Wichita.

Temporary Notes or No-Fund Warrants: The City may invest in temporary notes or no-fund warrants issued by the City of Wichita.

Kansas Municipal Investment Pool: The City may invest in a pool of funds that is managed by and under the authority of the Pooled Money Investment Board established by K.S.A. 12-1677a and amendments thereto. The fair value of the City's position in the pool is the same as its shares.

Multiple Municipal Client Investment Pools: The City may invest with trust departments of banks which have main or branch offices located in Sedgwick County, or with trust companies incorporated under the laws of Kansas which have contracted to provide trust services under the provisions of K.S.A. 9-2107 and amendments thereto.

On December 31, 2019, the City's pooled funds were invested as follows:

Investment Type	Fair Value	Modified Duration (Years)	Percent of Total Pooled Funds
U.S. agency coupon securities	\$ 66,149,949	0.846	16.7%
U.S. agency callable securities	76,574,715	1.626	19.4%
U.S. agency discount securities	4,975,778	0.215	1.3%
U.S. Treasury	164,835,249	0.488	41.8%
U.S. Treasury discount	26,902,509	0.163	6.8%
Kansas Municipal Investment Pool	28,038,525	-	7.1%
Collateralized deposits	26,768,037	-	6.9%
Total value	\$ 394,244,762		100.0%
Modified duration of portfolio		0.698	

Interest Rate Risk: In accordance with its Pooled Funds Investment Policy, the City of Wichita manages its exposure to declines in fair value due to changes in general interest rates by:

1. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity;
2. Investing funds primarily in shorter-term securities; and
3. Diversifying investments by investing among a variety of securities offering independent returns.

The investment policy also requires that portfolio maturities be staggered in a way that avoids undue concentration of assets in a specific maturity range, and that the investment portfolio remain sufficiently liquid to enable the City to meet all operating requirements which might reasonably be anticipated. Additionally, the investment policy limits investments to a maximum stated maturity of four years and establishes a requirement that the weighted average maturity of the portfolio must range from 125 to 400 days and the modified duration of the portfolio must range from 0.3 to 1.4 years.

Credit Risk: As described earlier in this section, state law limits the types of investments that can be made by the City of Wichita. The City's investment policy further limits allowable investments by excluding municipal bonds. On December 31, 2019, the City's investments in U.S. agency obligations not directly guaranteed by the U.S. Government included only instruments rated Aaa by Moody's. The City also held a position in the Kansas Municipal Investment Pool (KMIP), which restricts its investments to those rated A1/P1 or better. The KMIP is no longer rated by S&P based on a cost-benefit decision by the Kansas Pooled Money Investment Board (KMIB).

Concentration of Credit Risk: The City's investment policy limits the concentration of investments that can be placed with a single U.S. agency issuer to 40% of the total portfolio. Maximum limits, by instrument, are also established for the City's investments of pooled funds and provided in the accompanying table.

To allow efficient and effective placement of bond proceeds, the limit of repurchase agreements and deposits with the Municipal Investment Pool may be exceeded up to 50% for a maximum of ten days following receipt of proceeds during adverse market conditions.

Additionally, to allow for investment maturity timing prior to bond payment dates, the limit on repurchase agreements and Municipal Investment Pool deposits may be exceeded up to the amount of the bond payment for a maximum of five days prior to a bond payment date.

Instrument	Maximum
Demand deposits/repurchase agreement	5%
Kansas Municipal Investment Pool	15%
Certificates of deposit	100%
Temporary notes	10%
U.S. Treasury securities	100%
U.S. agency obligations	95%
Bullet/ discount	95%
Agency callable	30%
Agency floater	10%

Custodial Credit Risk for Investments: For an investment, custodial credit risk is the risk that in the event of a failure of an investment counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City requires that all investment transactions be settled delivery versus payment with an independent third party safekeeping agent under contract with the City.

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Fair value measurement hierarchy information is not provided for the City's deposits in the Kansas Municipal Investment Pool or collateralized deposits, which include cash and certificates of deposit held in local financial institutions. The investments below are classified either as (1) Level 1 of the fair value hierarchy and are valued using quoted prices in active markets for identical securities or (2) Level 2 of the fair value hierarchy and are valued using benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The fair value measurements for the City's pooled investments on December 31, 2019 are listed in the table on the following page.

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Investment Type	Fair Value	Level 1 Inputs	Level 2 Inputs	Percent of Total Value
U.S. Treasury securities	\$ 164,835,249	\$ 164,835,249	\$ -	48.6%
U.S. Treasury discount	26,902,509	26,902,509	-	7.9%
Federal Farm Credit Bank (FFCB)	24,176,980	-	24,176,980	7.1%
Federal Home Loan Bank (FHLB)	35,989,471	-	35,989,471	10.6%
Federal Home Loan Mortgage Corp. (FHLMC)	50,056,879	-	50,056,879	14.8%
Federal National Mortgage Assoc. (FNMA)	37,477,112	-	37,477,112	11.0%
Total value	\$ 339,438,200	\$ 191,737,758	\$ 147,700,442	100.0%

C. Investments of the Primary Government Not Pooled

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

1. Investments authorized by K.S.A. 12-1675, and amendments thereto;
2. The municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto;
3. Direct obligations of the U.S. Government or any agency thereof;
4. Temporary notes of the City of Wichita issued pursuant to K.S.A. 10-123, and amendments thereto;
5. Interest bearing time deposits in commercial banks located in Sedgwick County;
6. Obligations of FNMA, FHLB, FHLMC and GNMA that are not derivatives;
7. Repurchase agreements for direct obligations of the U.S. Government or any agency thereof;
8. Investment agreements with, or other obligations, of a financial institution whose obligations are rated in one of the three highest rating categories by either Moody's investors service or Standard & Poor's;
9. Investments in shares of a money market fund or trust consisting entirely of obligations of the U.S. Government or any agency thereof; and/or
10. Certain Kansas municipal bonds.

Although individual bond covenants include certain restrictive provisions regarding the types of investments and their maturities, the City does not have a formal investment policy that addresses interest rate risk, credit risk or concentration of credit risk for the investment of bond proceeds.

On December 31, 2019, revenue bond proceeds for debt service reserve funds of the Water and Sewer Utility Funds were invested as follows:

Investment Type	Fair Value	Modified Duration (Years)	Percent of Bond Proceeds Investments
U.S. Treasury securities	\$ 15,123,758	0.079	100.0%
Total value	\$ 15,123,758		100.0%
Total weighted average maturity		0.079	

The fair value measurements for the Water and Sewer Utilities revenue bond reserve investments on December 31, 2019 are classified as Level 1 of the fair value hierarchy and are valued using quoted prices in active markets for identical securities.

The Series 2017A revenue bonds had advanced proceeds for two specific major sewer projects. As of December 31, 2019, \$41,440,005 is being held in an individual account in the Kansas Municipal Investment Pool. As of December 31, 2019, \$3,752,873 of these funds represent unspent proceeds and interest earnings on the unspent proceeds which are restricted by bond covenants to be spent on the two specific major sewer projects.

Additionally, proceeds related to Sales Tax Special Obligation Revenue Bonds (STAR bonds) issued to finance improvements within authorized STAR bond districts in the City of Wichita are held by an escrow agent on behalf of the City. Pursuant to issuance of the STAR bonds, the City and State of Kansas entered into a STAR Bond Tax Distribution Agreement. The agreement provides that the principal and interest on the STAR bonds will be paid proportionally by the City and the State of Kansas, based on each entity's respective share of sales tax generated within the District. The City's proportional share of the debt is approximately 4.27%. As a result, the City has only recorded its proportionate share of the balance in the escrow account for the developer project and has recorded 100% of the escrow for the City's

project. As of December 31, 2019, the proceeds from STAR bonds were invested in money market accounts and the total reported by the City amounted to \$31,839,069.

As of December 31, 2019, \$7,990,835 in proceeds from the issuance of Series 2017A general obligation refunding bonds are held by an escrow agent for the defeasance of the refunded bonds. At year-end, those proceeds were invested in U.S. Treasury notes which are classified as Level 1 securities and are valued using quoted prices in active markets for identical securities.

Economic Development Escrows: The City has entered into development agreements for which the eligible proceeds are held in escrow accounts at the specified trustee until the funds are approved for disbursement in accordance with the development agreement. The City has one escrow accounts related to development agreements as of December 31, 2019.

During 2018, the City entered into an Interlocal Cooperation Agreement with Sedgwick County to form a separate legal entity known as the Eclipse Investment Authority. The Interlocal Cooperation Agreement was made pursuant to a development agreement between the City, County and Spirit Aerosystems, Inc. and \$10 million was deposited into an escrow account at the specified trustee until the funds are approved for disbursement in accordance with the development agreement. As of December 31, 2019, the City's portion of the escrow account was \$33,852 and was held in a money market account under the Eclipse Investment Authority at the trustee.

Passenger Facility Charges: The City does not maintain a formal investment policy pertaining to investments held in the Airport Authority Fund. However, in accordance with the Code of Federal Regulations, unexpended Passenger Facility Charges (PFC) revenue of the Airport Authority is held in separate interest bearing instruments. As of December 31, 2019, \$15,996,965 was invested with the Kansas Municipal Investment Pool. The weighted average maturity of the Kansas Municipal Investment Pool was 47 days at December 31, 2019.

Group Life Insurance Fund: City Ordinance (47-721; section 2.52.100) authorizes the Group Life Insurance Fund to hold investments in the following categories:

1. U.S. Government securities;
2. Corporate bonds of A quality or better, as listed in Moody's or Standard & Poor's; and/or
3. Not more than 50% may be invested in equity mutual funds.

The City of Wichita uses a duration methodology to construct a portfolio of bonds to fund its future cash needs and utilizes a modified duration to disclose the portfolio's exposure to changes in interest rates. The City seeks to limit the modified duration of the Group Life Insurance portfolio to five years.

On December 31, 2019, no investments were held directly by the Group Life Insurance Fund and all cash was invested in the City's pooled investment portfolio.

Other Investments of the Primary Government Not Pooled: The City does not maintain a formal investment policy pertaining to investments held in the Cemetery Fund and the Grant Assistance Fund. The Grants Assistance Fund investments pertain to the Wichita Housing Authority (WHA) and the City's Community Development Block Grants (CDBG) program. A formal investment policy is not maintained for these investments and these investments are authorized to be prudently invested at the discretion of the City's Director of Finance. On December 31, 2019, these funds were invested as follows:

Investment Type	Fair Value	Modified Duration (Years)	Percent of Total
Equity securities (Cemetery)	\$ 973,390	-	11.7%
Collateralized deposits (WHA)	6,405,397	-	76.9%
Collateralized deposits (CDBG)	951,980	-	11.4%
Total value	\$ 8,330,767		100.0%
Portfolio weighted average maturity		-	

Equity securities held in the Cemetery Fund's portfolio, with a fair value of \$973,390 as of December 31, 2019, are classified as Level 1 of the fair value hierarchy and are valued using quoted prices in active markets for identical securities.

D. Investments of the Pension Trust Funds

City Ordinance (49-036; section 2.28.090) authorizes the Wichita Employees' Retirement System and City Charter Ordinance (215, section 12) authorizes the Police and Fire Retirement System to invest trust fund assets in accordance with the prudent person rule, subject to the following limitations: (1) the proportion of funds invested in corporate preferred and common stock shall not exceed 70% and (2) the proportion of funds invested in foreign securities shall not exceed 35%. Additionally, the Systems are not permitted to invest directly or indirectly in any:

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

With the exception of the \$291,710 held in the City's pooled funds, as of December 31, 2019, all of the deposits and investments of the Wichita Employees' and Police and Fire Retirement Systems are held in a joint investment fund that is invested by outside money managers and are held under a custodial agreement. The Pension Boards have adopted the Strategic Plan and Investment Policies which set forth in detail the asset allocation for the fund and restrictions applicable to specific investment types to mitigate risk. The policies permit investment in five asset types: domestic equities, international equities, fixed income, real estate and timber.

With the assistance of the Investment Consultant, the Joint Investment Committee (JIC) establishes the investment policies which are reviewed annually. In 2018, the JIC approved a seven year time frame to achieve an annualized real rate of return of four and three quarters of a percent (4.75%) above the price inflation assumption. Each manager's performance will also be compared to a relevant market index as outlined in the investment policy.

The investments of the Wichita Retirement Systems (WRS) on December 31, 2019 are listed in the table on the right.

The pension funds invest in various asset-backed securities such as collateralized mortgage obligations (CMOs) and credit card trusts to maximize yields and reduce the impact of interest rate changes. These securities are based on cash flows from principal and interest payments on the underlying assets. For example, CMOs break up the cash flows from mortgages into categories with defined risk and return characteristics called tranches. The tranches are differentiated by when the principal payments are received from the mortgage pool. Changes in interest and mortgage prepayment rates may affect the amount and timing of cash flows, which would also affect the reported estimated fair values. The pension funds utilize a combination of asset-backed securities, which vary in their degree of volatility. Although considerable variability is inherent in such estimates, management believes the estimated fair values are reasonable estimates.

The pension funds also invest in real estate through real estate investment trusts (REITs). The fair values of these investments are estimated using the net asset value of the Systems' shares owned in each trust. Market conditions have had an impact on the estimated fair value of real estate investments. Restrictions on the availability of real estate financing, as well as economic uncertainties, have affected the volume of purchase and sale transactions. As a result,

Type of Investment	Fair Value
Government short-term investment	\$ 32,083,134
Domestic equity	536,946,004
International equity	365,718,566
Fixed income, including CMOs	250,525,814
Real estate	90,057,532
Target date and money market	6,224,462
Timber	74,784,648
Derivative investments	52,808
Total investments	\$ 1,356,392,968

the estimates and assumptions used in determining the fair values of the real estate investments are inherently subject to uncertainty.

Fair Value Measurement: The Retirement Systems hold significant amounts of investments that are measured at fair value on a recurring basis. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets in active markets that can be assessed at the measurement date (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy under GASB Statement No. 72 are described as follows:

- **Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
- **Level 2:** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of assets or liabilities.
- **Level 3:** Unobservable inputs which are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Specific investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. Such investments are identified in the accompanying tables as being measured as Net Asset Value (NAV).

The plan categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles (GAAP). The fair value measurements for the investments of the Wichita Retirement Systems (WRS) on December 31, 2019 are listed in the table below.

	Fair Value	Level 1 Inputs	Level 2 Inputs
Investments by fair value level¹:			
Cash equivalents and cash investments:	\$ 5,814,350	\$ 5,497,012	\$ 317,338
Equity:			
Domestic equity	381,909,968	381,909,968	-
International equity	138,588,846	138,588,846	-
Fixed income	243,559,994	20,031,277	223,528,717
Money market funds	359,693	359,693	-
Derivative investments	52,808	(648,642)	701,450
Total investments by fair value level	770,285,659	\$ 545,738,154	\$ 224,547,505
Investments measured at the net asset value (NAV):			
Government short-term investment fund	26,268,784		
Equity:			
Domestic equity	155,036,036		
International equity	227,129,720		
Fixed income	6,965,820		
Real estate	90,057,532		
Target date funds	5,864,769		
Timber	74,784,648		
Total investments measured at NAV	586,107,309		
Total investments	\$ 1,356,392,968		

¹As of December 31, 2019, there were no investments valued using Level 3 inputs.

Debt, equity and other securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Equity securities classified as Level 2 of the fair value hierarchy are traded on inactive markets or valued by reference to similar instruments using (1) marked based-factors, such as credit, liquidity and interest rate conditions, and (2) issuer-specific factors, such as creditworthiness of the issuer and likelihood of full repayment at maturity. Fixed income

securities classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Derivative instruments classified as Level 1 of the fair value hierarchy include forwards and options which are traded on active exchanges. Derivative instruments classified as Level 2 of the fair value hierarchy are valued using a market approach. Options contracts derive their value from underlying asset prices, indices, reference rates and other inputs or a combination of these factors. These contracts are normally valued on the basis of pricing service providers or broker dealer quotations. Depending on the product and the terms of the transaction, the value of the financial derivative instruments can be estimated by a pricing service provider using a series of techniques, including simulation pricing models. The pricing models are inputs that are observed from actively quoted markets such as issuer details, indices, spreads, interest rates, yield curves and exchange rates. For centrally cleared credit default swaps, the clearing facility requires its members to provide actionable price levels across complete term structures. These levels along with external third party prices are used to produce daily settlement prices. Centrally cleared interest rate swaps are valued using a pricing model that references the underlying rates including the overnight index swap rate and London Interbank Offered Rate (LIBOR) forward rate to produce the daily settlement price.

Additional information relating to the investments measured at NAV for WRS on December 31, 2019 are listed in the table below.

Investments measured at Net Asset Value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period (Days)
Government short-term investment fund	\$ 26,268,784	\$ -	Daily	5
Domestic equity	155,036,036	-	Daily	1
International equity	227,129,720	-	Bi-monthly, monthly	15-30
Fixed income	6,965,820	-	Daily	1
Real estate	90,057,532	-	Quarterly	45-60
Target date funds	5,864,769	-	Daily	1
Timber	74,784,648	4,000,000	N/A	N/A
Total investments measured at NAV	\$ 586,107,309	\$ 4,000,000		

Net Asset Value: The Wichita Retirement Systems (WRS) reports the following types of investments valued at Net Asset Value (NAV).

Government short-term investment fund – The government short-term investment fund that is measured at the NAV is a collective trust that invests any cash balances from the actively managed fund managers of the Systems, as well as the Systems' cash fund. The investment objective of the Fund is to maintain liquidity to ensure cash availability for withdrawals while preserving the principal.

Domestic equity – The Systems have one domestic equity fund manager that is an S&P 500 securities lending index fund measured at the NAV. This Fund seeks an investment return that approximates the performance of the S&P 500 over the long term. NAV is calculated on a daily basis based upon the fair value of the underlying investments.

International equity – The Systems have three fund managers with commingled investments in international equities that are measured using NAV. These fund managers are structured as limited partnerships and a MSCI securities lending index fund. The limited partnerships calculate NAV through a capital account maintained for each partner. The MSCI securities lending index fund calculates NAV on a per unit basis of the Fund and is determined as of the last business day of each month and at least one other business day during the month.

Fixed Income – The Systems have one fund manager that invests in commingled fixed income funds. These investments are structured within three funds; Opportunistic US\$ High Yield Securities, Floating Rate High Income and Opportunistic Non-Dollar Hedged. The NAV for these funds is calculated daily on a per share value from the fair value of the underlying investments at the end of each day that the New York Stock Exchange is open as of the close of regular trading.

Real Estate – The Systems have two fund managers that invest in real estate measured at the NAV. These investments are in Real Estate Investment Trusts (REITs) and commingled real estate through a limited partnership. Both fund managers calculate NAV per unit from fair value estimates based on values from independent appraisals on a quarterly basis.

Target date funds – The Systems have various target date funds that are measured at the NAV. The NAV is determined each business day based on the value the underlying investments.

Timber – The Systems have one fund manager that invests in timber measured at the NAV. This fund manager is structured as a limited partnership and calculates NAV from independent appraisals in capital accounts maintained for each partner.

Custodial Credit Risk: The custodial credit risk for deposits is the risk that in the event of a bank failure, the WRS' deposits may not be recovered. On December 31, 2019, the WRS' cash deposits in the amount of \$291,710 were included in the City's pooled cash and temporary investments. The WRS' debt securities investments were registered in the name of WRS and were held in the possession of the WRS' custodial bank, The Bank of New York Mellon. Amounts held in the City's pooled cash and temporary investments were fully collateralized as of December 31, 2019.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk is managed using the modified duration methodology. Duration is a measure of fixed income cash flow using present values, weighted for cash flows as a percentage of the investment's full price. The modified duration methodology estimates the sensitivity of a bond's price to interest rate changes. The WRS manage their exposure to fair value loss arising from increasing interest rates by complying with the following policies:

1. Fixed income managers have full discretion over the issuers selected and may hold any mix of fixed income securities and cash equivalents.
2. Portfolio duration for nominal fixed income managers must not be less than 80% or more than 120% of the duration of the Barclays Capital Aggregate Bond (Index), unless the Joint Investment Committee prospectively grants a written exception. As of December 31, 2019, the duration of the Index was 5.87 years, which equated to a minimum and maximum range for each fixed income portfolio of 4.7 years and 7.04 years, respectively.

The modified duration of investments in debt securities on December 31, 2019 is as follows:

Investment Type	Fair Value	Percent of all Fixed Income Assets	Weighted Average Modified Duration (Years)
Government securities, long-term	\$ 28,625,815	10.1%	9.9
Corporate debt instruments, long-term	90,404,409	31.9%	5.5
Mortgage and asset-backed securities	75,642,379	26.7%	4.4
Global fixed income	49,379,794	17.5%	6.8
Actively managed investments	244,052,397	86.2%	5.9
Government short-term investment fund	32,083,134	11.3%	-
Pooled high-yield fixed income securities	6,961,753	2.5%	-
Pooled international fixed income securities	4,066	0.0%	1.2
Total investment in debt securities	\$ 283,101,350	100.0%	

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Credit Risk of Debt Securities: Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The WRS manages exposure to investment credit risk by adhering to the following policies: (1) for active core domestic fixed income investments, at the time of purchase, bonds and preferred stocks must be rated at least "A2/A/A" or higher using the middle rating of Moody's, Standard and Poor's and Fitch after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower ("more conservative") rating is used. When a rating from only one agency is available, that rating is used to determine credit quality; and (2) for core-plus domestic fixed income investments, the weighted average credit quality of the portfolio will not fall below "A2/A/A" or equivalent; when determining credit quality, the middle rating of Moody's, Standard and Poor's and Fitch is used after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower ("more conservative") rating is used. When a rating from only one agency is available, that rating is used to determine credit quality. Throughout 2019, no securities were purchased that were below the established credit quality minimum in the active core portfolio and the weighted average credit quality of the active core plus portfolio did not fall below the established credit quality rating. The accompanying table shows the debt investments held by the WRS on December 31, 2019 and their respective ratings by Standard and Poor's or an equivalent nationally recognized statistical rating organization.

Credit risk for investment derivative instruments results from counterparty risk assumed by the WRS.

This is essentially the risk that the counterparty to a WRS' transaction will be unable to meet its obligation. Information regarding the WRS' credit risk related to derivatives is found in the derivatives disclosure that follows.

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

Rate of Return: The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.77% for the year ended December 31, 2019. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Derivatives: Investment derivative instruments are financial contracts for which the value of the contract is dependent on the values of one or more underlying asset, reference rate or financial index. They include futures contracts, swap contracts, options contracts, rights and forward foreign currency exchanges. While the WRS has no formal policy specific to investment derivatives, the WRS, through its external investment managers, held a variety of these instruments as of December 31, 2019. The WRS enters into these investment derivative instruments primarily to enhance the performance, reduce the volatility of its investment portfolio and to manage interest rate risk. The investment derivative instruments held by the WRS on and during the year ended December 31, 2019 are shown on the table on the following pages. The notional values associated with these derivative instruments are generally not recorded in the financial statements; however, the exposure amounts on these instruments are included in the fair value of investments in the Statement of

Quality Rating	Total Debt Securities
AAA	\$ 36,363,612
AA+	65,733,463
AA	4,754,391
AA-	4,458,591
A+	9,786,614
A	15,196,995
A-	30,272,392
BBB+	21,922,378
BBB	16,172,478
BBB-	12,507,518
BB+	4,040,443
BB	918,497
BB-	3,511,371
B+	500,321
B	549,821
B-	921,540
CCC+	329,248
CCC	304,416
CCC-	12,327
CC	413,822
D	27,223
Not rated (NR)	21,912,419
Withdrawn Rating (WR)	135,336
Total credit risk debt securities	251,018,216
Government short-term investment	32,083,134
Total investment in debt securities	\$ 283,101,350
*The collective trust government short-term investment fund itself is not rated. Each holding within the fund is rated, but an average rating is not available.	

Fiduciary Net Position and the total changes in fair value for the year are included as investment income (loss) in the Statement of Changes in Fiduciary Net Position.

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

The WRS' investments in derivative instruments on December 31, 2019 are presented in the accompanying tables.

Derivative Investments Summary			
Classification and Type	Change in Fair Value	Notional Value	Exposure/ Fair Value
Foreign current forward (FFX) contracts	\$ (72,998)	\$ 36,694,675	\$ (209,046)
Futures contracts	(933,374)	57,890,118	(447,025)
Options	104,631	-	15,647
Swaps	716,381	85,764,000	693,232
Total derivative investments	\$ (185,360)	\$ 180,348,793	\$ 52,808

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Derivative Investments Detail				
Classification and Type	Change in Fair Value	Notional Value	Exposure/ Fair Value	Counterparty (Counterparty Rating)
FFX contracts:				
Australian dollar	\$ -	\$ 114,480	\$ (639,935)	N/A ¹
Brazilian real	-	475,564	495,053	N/A ¹
Canadian dollar	-	1,876,935	807,127	N/A ¹
Chilean peso	-	261,618	34,556	N/A ¹
Chinese r yu an hk	-	-	(347,374)	N/A ¹
Chinese yuan renminbi	-	-	(77,475)	N/A ¹
Colombian peso	-	-	(11,257)	N/A ¹
Egyptian pound	-	133,576	135,873	N/A ¹
Euro currency unit	-	654,149	(12,831,302)	N/A ¹
Hong Kong dollar	-	511,934	-	N/A ¹
Indian rupee	-	739,788	673,146	N/A ¹
Indonesian rupiah	-	588,769	612,140	N/A ¹
Japanese yen	-	513,587	(2,999,156)	N/A ¹
Malaysian ringgit	-	-	(1,656,269)	N/A ¹
Mexican peso	-	235,072	(852,124)	N/A ¹
New Taiwan dollar	-	6,131	6,310	N/A ¹
New Zealand dollar	-	-	(391,454)	N/A ¹
Nigerian Naira	-	130,258	131,173	N/A ¹
Norwegian krone	-	611,547	625,983	N/A ¹
Philippines peso	-	-	(374,990)	N/A ¹
Polish Zloty	-	130,010	132,023	N/A ¹
Pound sterling	-	98,721	(2,114,098)	N/A ¹
Russian ruble (new)	-	-	(1,607,899)	N/A ¹
Singapore dollar	-	-	(1,398,213)	N/A ¹
South Korean won	-	130,688	133,250	N/A ¹
Swedish krona	-	-	(573,371)	N/A ¹
Swiss franc	-	132,810	(124,164)	N/A ¹
U.S. dollar	-	29,349,038	22,003,401	N/A ¹
Aggregated	(72,998)	-	-	N/A ¹
Total FFX contracts	(72,998)	36,694,675	(209,046)	
Future contracts:				
3 month cash flows	(27,627)	10,286,843	(27,627)	Goldman Sachs & Co, NY (BBB+)
Currency futures	3,075	-	-	N/A
Eurodollar futures	140,686	3,061,239	177,961	Goldman Sachs & Co, NY (BBB+)
Eurodollar futures	(199,665)	-	-	N/A
International bond futures	(16,119)	1,459,165	(16,119)	Merrill Lynch Pierce Fenner Smith Inc. NY (A-)
International government bond	142,208	(6,543,139)	142,207	Goldman Sachs & Co, NY (BBB+)
International government bond	(22,657)	2,752,529	(22,657)	Merrill Lynch Pierce Fenner Smith Inc. NY (A-)
International government bond	67,003	-	-	N/A
International government bond	6,160	(514,718)	6,160	Goldman Sachs & Co, NY (BBB+)
International government bond	4,025	-	-	N/A
Treasury bonds	(360,463)	9,271,900	(360,463)	Goldman Sachs & Co, NY (BBB+)
Treasury bonds	(210,189)	-	-	N/A
Treasury notes	(346,487)	38,116,299	(346,487)	Goldman Sachs & Co, NY (BBB+)
Treasury notes	(113,324)	-	-	N/A
Total futures contracts	(933,374)	57,890,118	(447,025)	

¹ Counterparty ratings for FFX contracts is not available by currency. See table on the following page summarizing FFX contracts ratings by counterparty.

Investment Derivatives Detail (continued)

Classification and Type	Change in Fair Value	Notional Value	Exposure/ Fair Value	Counterparty (Counterparty Rating)
Options:				
Credit interest rate swaps	\$ 845	N/A	\$ (1,116)	Citigroup Global Markets, Inc. NY (BBB+)
Credit default swaps	953	N/A	-	N/A
Eurodollar futures	3,526	N/A	-	N/A
Foreign currency options	2,168	N/A	-	Goldman Sachs & Co, NY (BBB+)
Foreign currency options	(1,303)	N/A	(6,396)	Citibank, NY (BBB+)
Foreign currency options	358	N/A	5,407	UBS Securities LLC, Stamford (A-)
Foreign currency options	1,749	N/A	(372)	Citigroup Global Markets/ Salomon, NY (BBB+)
Foreign currency options	10,704	N/A	10,694	Morgan Stanley & Co Inc, NY (BBB+)
Foreign currency options	46,822	N/A	-	N/A
Treasury bonds	313	N/A	(2,969)	Goldman Sachs & Co, NY (BBB+)
Treasury bonds	(3,160)	N/A	-	N/A
Treasury notes	1,494	N/A	11,899	Goldman Sachs & Co, NY (BBB+)
Treasury notes	2,000	N/A	(1,500)	Merrill Lynch et al. NY (BBB+)
Treasury notes	38,162	N/A	-	N/A
Total options	104,631		15,647	
Swaps:				
Cleared credit default swaps	(41,537)	1,306,800	(125,890)	Credit Suisse Group AG (BBB+)
Cleared credit default swaps	8,465	1,385,000	35,908	JPMorgan Chase & Co (A-)
Cleared credit default swaps	(52,063)	-	-	N/A
Cleared interest rate swaps	444,613	55,848,200	527,516	CME Group Inc (AA-)
Cleared interest rate swaps	184,817	-	-	N/A
Cleared zero coupon swaps	1,547	6,505,000	5,591	CME Group Inc (AA-)
Cleared zero coupon swaps	23,980	-	-	N/A
Cleared default swaps	15,052	485,000	46,722	Bank of America Corp (A-)
Cleared default swaps	7,675	490,000	47,204	Morgan Stanley (BBB+)
Cleared default swaps	1,160	-	-	N/A
Interest rate swaps	(20,477)	1,650,000	(20,477)	Bank of America Corp (A-)
Interest rate swaps	78,616	16,344,000	171,469	Citigroup Inc (BBB+)
Interest rate swaps	(8,889)	850,000	(8,889)	Goldman Sachs Group Inc (BBB+)
Interest rate swaps	14,078	900,000	14,078	JPMorgan Chase & Co (A-)
Interest rate swaps	59,344	-	-	N/A
Total swaps	716,381	85,764,000	693,232	
Total derivative	\$ (185,360)	\$ 180,348,793	\$ 52,808	

FFX Contracts Rating by Counterparty¹

Counterparty (Counterparty Rating)	Exposure/ Fair Value
Bank of America (A-)	\$ (1,833)
Barclays PLC (BBB)	17,435
BNP Paribas SA (A+)	(4,243)
Citigroup Inc (BBB+)	62,700
Goldman Sachs Group Inc/The (BBB+)	(18,550)
HSBC Holdings PLC (A)	(31,062)
JP Morgan Chase & Co (A-)	(109,984)
Morgan Stanley (BBB+)	(74,527)
UBS Group AG (A-)	(48,982)
Total FFX counterparties	\$ (209,046)

¹Counterparty ratings for FFX contracts is not available by currency; thus, summarized by Counterparty.

Foreign Currency Risk: Currency risk arises due to foreign exchange rate fluctuations. The WRS' investment policies manage the exposure to foreign currency risk by allowing international securities investment managers to enter into forward exchange or future contracts on foreign currency provided such contracts have a maturity of less than one year. Currency contracts are only to be utilized for the settlement of securities transactions and defensive hedging of currency positions. The WRS' exposure to foreign currency risk on December 31, 2019 is presented in the accompanying table.

Currency	Cash and Cash Equivalents	Equities	Fixed Income	Derivatives
Argentine peso	\$ 2,316	\$ -	\$ 83,928	\$ -
Australian dollar	(628,596)	6,684,911	510,942	(6,727)
Brazilian real	579,223	-	1,190,785	185,548
Canadian dollar	840,006	-	1,036,082	(10,688)
Chilean peso	34,556	-	222,270	-
Chinese r y u a n h k	(347,374)	-	-	-
Chinese yuan renminbi	(59,640)	-	366,830	-
Colombian peso	(11,257)	-	-	-
Egyptian pound	135,873	-	-	-
Euro currency unit	(12,370,526)	50,909,113	11,297,878	101,778
Hong Kong dollar	-	11,209,853	-	-
Hungarian forint	(45,809)	-	-	-
Indian rupree	673,146	-	203,690	-
Indonesian rupiah	629,878	-	539,834	-
Japanese yen	(2,928,975)	32,030,057	3,826,732	(1,012)
Malaysian ringgit	(1,624,690)	-	1,700,095	-
Mexican peso	(832,331)	-	2,724,435	71,511
New Taiwan dollar	6,310	-	-	-
New Zealand dollar	(477,686)	620,160	162,883	(29,366)
Nigerian naira	131,173	-	-	-
Norwegian krone	626,207	2,168,465	-	-
Philippines peso	(374,990)	-	-	-
Polish zloty	132,023	-	-	-
Pound sterling	(2,070,790)	17,336,340	1,314,146	6,082
Russian ruble (new)	(1,607,899)	-	1,833,291	-
Singapore dollar	(1,380,888)	1,037,394	1,413,678	-
South African rand	11,701	-	-	-
South Korean won	133,250	-	-	-
Swedish krona	(540,121)	3,850,908	-	-
Swiss franc	(124,164)	10,698,281	-	-
Total subject to foreign currency	\$ (21,490,074)	\$ 136,545,482	\$ 28,427,499	\$ 317,126

All forward foreign currency contracts are carried at fair value by the WRS. As of December 31, 2019, the Systems held forward currency contracts with an unrealized loss of \$209,046. If held, forward foreign currency contracts are reported as derivative investments in the financial statements.

Securities Lending Transactions: Policies of the Board of Trustees for the Wichita Employees' Retirement and Police and Fire Retirement Systems permit the lending of securities to broker-dealers and other entities (borrowers) with a simultaneous agreement to return the collateral for the same securities in the future. The WRS' custodial bank, The Bank of New York Mellon, is the lending agent for the Systems' domestic securities for initial collateral of 102% of the fair value

of the loaned securities and international equity securities for initial collateral of 105% of the fair value of such securities. Collateral may consist of cash (U.S. currency only); securities issued or guaranteed by the U.S. government or its agencies or instrumentalities; and such other collateral as the parties may agree to in writing.

The collateral securities cannot be pledged or sold by the WRS unless the borrower defaults. The lending agent shall require additional collateral from the borrower whenever the value of loaned securities exceeds the value of the collateral in the agent's possession, so that collateral always equals or exceeds 100% of the fair value of the loaned securities. Contracts with the lending agent require them to indemnify the WRS, if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the WRS for income distributions by the securities' issuers while the securities are on loan.

At year-end, the WRS had no credit risk exposure to borrowers because the amounts the WRS owes the borrowers exceeded the amounts the borrowers owed the Systems. All securities loans, whether domestic or international, are open loans and can be terminated on demand by either the system or the borrower. At year-end, loaned securities were secured with cash collateral or securities collateral. The amount shown on the Statement of Fiduciary Net Position only reflects transactions where cash collateral was received. Cash collateral is invested in a separately managed cash collateral account. Also, since securities loans are terminable at will, the duration of the securities loans do not generally match the duration of the investments made with the cash collateral received from the borrower.

Custodial Credit Risk Related to Securities Lending: Custodial credit risk for lent securities is the risk that, in the event of the failure of the counterparty, the WRS will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Consistent with the WRS' securities lending policy, \$50,927,335 was held by the counterparty acting as the WRS' agent in securities lending transactions on December 31, 2019.

Other Risk Information: Recent market conditions have resulted in an unusually high degree of volatility and increased risks associated with certain investments held by the City, the Wichita Employees' Retirement System and the Police and Fire Retirement System. As a result, it is at least reasonably possible that changes in the fair values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements. In addition, declines in the fair values of the Systems' assets could ultimately affect the funded status of WRS. The ultimate impact on the funded status will be determined based upon market conditions in effect when the annual valuation is performed.

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6. CAPITAL ASSETS

Capital asset activity of the primary government for the year ended December 31, 2019 is presented in the following table (expressed in thousands of dollars):

	Beginning Balance	Restatement	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:						
Capital assets, not being depreciated:						
Land	\$ 292,971	\$ -	\$ 762	\$ (5,950)	\$ -	\$ 287,783
Construction in progress	142,501	(15,882)	108,543	(30,371)	-	204,791
Total capital assets, not being depreciated	435,472	(15,882)	109,305	(36,321)	-	492,574
Capital assets, being depreciated:						
Buildings	296,082	-	903	(425)	-	296,560
Improvements other than buildings	126,522	-	7,913	-	(5,824)	128,611
Machinery, equipment and other assets	123,151	-	11,341	(1,698)	(106)	132,688
Infrastructure	942,513	-	13,132	-	-	955,645
Total capital assets being depreciated	1,488,268	-	33,289	(2,123)	(5,930)	1,513,504
Less accumulated depreciation for:						
Buildings	(126,840)	-	(4,627)	27	-	(131,440)
Improvements other than buildings	(49,689)	-	(3,797)	-	-	(53,486)
Machinery, equipment and other assets	(91,894)	-	(8,795)	1,681	35	(98,973)
Infrastructure	(342,493)	-	(23,141)	-	-	(365,634)
Total accumulated depreciation	(610,916)	-	(40,360)	1,708	35	(649,533)
Total capital assets, being depreciated, net	877,352	-	(7,071)	(415)	(5,895)	863,971
Governmental activities capital assets, net	\$ 1,312,824	\$ (15,882)	\$ 102,234	\$ (36,736)	\$ (5,895)	\$ 1,356,545
Business-type Activities:						
Capital assets, not being depreciated:						
Land	\$ 43,157	\$ -	\$ 27	\$ -	\$ -	\$ 43,184
Construction in progress	157,157	(33,178)	61,187	(42,357)	-	142,809
Total capital assets, not being depreciated	200,314	(33,178)	61,214	(42,357)	-	185,993
Capital assets, being depreciated:						
Airfields	165,718	14,483	3,852	-	-	184,053
Buildings	456,312	2,907	13,104	(228)	-	472,095
Improvements other than buildings	1,436,810	12,588	22,931	(2)	5,823	1,478,150
Machinery, equipment and other assets	256,237	359	8,292	(1,108)	107	263,887
Total capital assets being depreciated	2,315,077	30,337	48,179	(1,338)	5,930	2,398,185
Less accumulated depreciation for:						
Airfields	(133,875)	(2,029)	(4,619)	-	-	(140,523)
Buildings	(126,322)	(194)	(8,487)	-	-	(135,003)
Improvements other than buildings	(384,050)	(851)	(24,808)	-	-	(409,709)
Machinery, equipment and other assets	(165,737)	(168)	(17,851)	1,020	(35)	(182,771)
Total accumulated depreciation	(809,984)	(3,242)	(55,765)	1,020	(35)	(868,006)
Total capital assets, being depreciated, net	1,505,093	27,095	(7,586)	(318)	5,895	1,530,179
Business-type activities capital assets, net	\$ 1,705,407	\$ (6,083)	\$ 53,628	\$ (42,675)	\$ 5,895	\$ 1,716,172

	Beginning Balance	Restatement	Increases	Decreases	Transfers	Ending Balance
Fiduciary Activities:						
Capital assets, being depreciated:						
Machinery, equipment and other assets	\$ 1,283	\$ -	\$ -	\$ -	\$ -	\$ 1,283
Less accumulated depreciation for:						
Machinery, equipment and other assets	(1,283)	-	-	-	-	(1,283)
Total capital assets, being depreciated, net	-	-	-	-	-	-
Fiduciary activities capital assets, net	-	-	-	-	-	-

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

	Current Year Depreciation
Governmental Activities:	
General government	\$ 2,465
Public safety	3,228
Highways and streets ¹	24,350
Sanitation	492
Health and welfare	636
Culture and recreation	4,895
Internal service funds ²	4,294
Total depreciation expense - governmental activities	\$ 40,360
Business-type Activities:	
Water Utility Fund	\$ 24,551
Sewer Utility Fund	12,018
Airport Authority Fund	13,132
Stormwater Utility Fund	3,206
Nonmajor enterprise funds	2,858
Total depreciation expense - business-type activities	\$ 55,765
Fiduciary Activities	
Pension trust funds	\$ -
¹ Includes the depreciation expense of general infrastructure assets. ² Capital assets held by the government's internal services are charged to the various functions based on their usage of the assets.	

Interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets for business-type funds. During 2019, the total interest cost of the Water and Sewer Utility Funds were \$14,170,067 and \$8,023,799, respectively, of which \$247,652 and \$754,320, respectively, were capitalized. There was no interest capitalized for any other the enterprise funds during 2019.

7. RETIREMENT FUNDS

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

The WERS Board of Trustees is comprised of 16 members including the City Manager or the City Manager's designee, one

employee appointed by the City Manager, seven members appointed by the City Council and seven employees elected by the WERS employee members. The single-employer defined contribution plan consists of the Wichita Employees' Retirement System Plan 3b which is also governed by the Wichita Employees' Retirement System Board of Trustees. The PFRS Board of Trustees is comprised of 16 members including the City Manager or the City Manager's designee, the Chief of the Police

Department, the Chief of the Fire Department, seven members appointed by the City Council, three fire officers elected by PFRS employee members in the fire department or the airport and three police officers elected by PFRS employee members in the police department.

The Wichita Retirement Systems (WRS) issue a publicly available Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for WERS, PFRS and Plan 3b. The financial report may be obtained by writing to the WRS, City Hall, 12th Floor, 455 N. Main, Wichita, KS 67202 or online at <http://www.wichita.gov/Finance/Pages/Pension.aspx>.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: The Wichita Employees' Retirement System, the Police and Fire Retirement System and the Wichita Employees' Retirement System Plan 3b are reported as pension trust funds in the City's financial statements and using the economic resources measurement focus and the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments: Investments are reported at fair value. Short-term investments are reported at cost plus accrued interest, which approximates fair value. Securities traded on national or international exchanges are valued at the last trade price of the day. If no close price exists, then a bid price is used. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar investments. The fair value of real estate and timber investments are estimated using the net asset value of the shares owned in each fund. Investments that do not have an established market are reported at their estimated fair value.

Management of Plan Assets: The Boards of Trustees of the Systems have contractual arrangements with independent money managers for investment of the assets of the Systems. The firms have been granted discretionary authority concerning purchases and sales of investments within guidelines established by City Ordinances and the Strategic Plan and Investment Policies adopted by the Boards of Trustees. The Boards of Trustees of the Systems also have contractual arrangements with independent firms which monitor the investment decisions of the Systems' investment managers.

Net Pension Liability, Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions: For the year ended December 31, 2019, the City had a total net pension liability of \$257,375,656 which was comprised of WERS and PFRS having net pension liabilities of \$124,973,899 and \$132,401,757, respectively. The City recognized a combined net pension expense of \$63,763,684 for the defined benefit plans it administers with \$29,904,515 for the Wichita Employees' Retirement System and \$33,859,169 for the Police and Fire Retirement System. As of December 31, 2019, the City reported total deferred outflows of resources and deferred inflows of resources related to pensions of \$252,640,713 and \$79,587,181, respectively.

A. Wichita Employees' Retirement System

Plan Description: The WERS was established to provide retirement and survivor annuities, disability benefits, death benefits and other benefits for all regular full-time civilian employees of the reporting entity and their dependents. Plan 1 was established by City Ordinance on January 1, 1948 and became closed to new entrants as of July 19, 1981. With the initiation of Plan 2, which was established by City Ordinance on July 18, 1981, all covered employees of Plan 1 were given the option of converting to the new plan. Plan 2 was closed to new entrants with the establishment of Plan 3 by City Ordinance, effective January 1, 1994.

Plan 3 was established by City Ordinance on April 9, 1993 and amended on February 8, 2000. The reporting entity's contributions and earnings for each employee are 25% vested after three years of service, 50% vested after five years and are fully vested after seven years of service. Upon completion of seven years of service, employees participating in Plan 3 automatically convert to participation in Plan 2 unless they make an irrevocable election to convert to Plan 3b, a defined contribution plan, within 90 days thereafter. Establishment of and amendments to the benefit provisions for the WERS are authorized by the City Council.

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

requirements to retire.

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

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

As of December 31, 2019, the WERS defined benefit plan membership consisted of the following:

Member Category	Plan 1	Plan 2	Plan 3	Total
Inactive employees or beneficiaries currently receiving benefits	611	819	-	1,430
Inactive employees entitled to, but not yet receiving benefits	-	140	-	140
Active employees	1	821	696	1,518
Total membership	612	1,780	696	3,088

Deferred Retirement Option Plan (DROP) Provision: The benefit structure of the Wichita Employees' Retirement System includes a Deferred Retirement Option Plan (DROP). Both Plan 1 and Plan 2 provide a DROP provision. Members must be eligible to receive a service retirement benefit as of the DROP retirement date to participate in the DROP. The DROP period is one to 60 months. The monthly benefit amount is computed as of the DROP election date based on the final average salary and years of service as of that date. The benefit is paid into the member's notional DROP account during the deferral or DROP period. The member and City both continue to make the required contributions during the deferral period. These contributions are not credited to the member's DROP account, but are credited to general Plan assets to improve the System's funding. Interest at an annual rate of 5.0%, compounded monthly, is credited to the notional DROP account. Voluntary termination of employment during the DROP period results in loss of accrued interest. When the member terminates employment, the balance of the DROP account is paid as a lump sum and future monthly benefits are paid to the member. The balance of the notional DROP accounts as of December 31, 2019 is \$5,520,335.

Funding Policy: The contribution requirements of plan members and the reporting entity are established by City Ordinance and may be amended by the governing body. Members of Plan 1 and 2 are required to contribute 6.4% and 4.7% of covered salaries, respectively. Members of Plan 3 are required to contribute 4.7% of covered salaries. From its various operating funds, the City is required to contribute at an actuarially determined rate; the rate for 2019 was 12.1% of annual covered payroll for Plans 1, 2 and 3 (excluding compensation attributable to members who have made an irrevocable election to remain in the defined contribution plan after fully vesting at seven years of service). The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded liability. The City may provide for pension expenses by levying ad valorem property taxes each year in the amount necessary to meet its obligation as determined by the WERS consulting actuary. For the year ended December 31, 2019, WRS received \$9,683,553 in contributions from the employer.

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Actuarial Assumptions: The total pension liability in the December 31, 2018 actuarial valuation was determined using the actuarial assumptions summarized in the accompanying table, applied to all periods included in the measurement. The actuarial assumptions used in the December 31, 2018 valuation were based on the results of the most recent experience study, which covered the three-year period ending December 31, 2016. The experience report is dated April 17, 2018.

Price inflation	2.75%
Wage inflation	3.25%
Salary increases, including wage inflation	3.50% - 6.50%
Long-term rate of return, net of investment expense, including price inflation	7.59%
Municipal bond index rate	4.13%
Year Fiduciary Net Position (FNP) is projected to be depleted	2067
Single Equivalent Interest Rate (SEIR), net of investment expense, including price inflation	7.31%
Pre-retirement mortality rates	Based on the RP-2000 Employee Table, projected generationally using Scale AA (ages set forward 2 years for males, 0 for females).
Post-retirement mortality rates	Based on the RP-2000 Healthy Annuitant Table, projected generationally using Scale AA (ages set forward 2 years for males, 0 for females).
Disabled mortality rates	Based on the RP-2000 Disabled Table for males and females, projected generationally using Scale AA.

Changes in Actuarial Assumptions: There were several changes in actuarial assumptions in the 2018 actuarial valuation, primarily due to a new experience study being available as of the measurement date.

Changes in Actuarial Assumptions
Price inflation assumption decreased from 3.25% to 2.75%
Investment return assumption decreased from 7.75% to 7.50%
SEIR discount rate decreased from 7.90% to 7.31%
General wage growth assumption decreased from 4.00% to 3.25%
Covered payroll growth assumption decreased from 4.00% to 3.25%
Decrease in the indexation of terminated vested benefits from 4.00% to 3.50%
Adjusted retirement rates to better reflect actual experience
Increased the probability of entering the DROP from 70% to 75%
Adjusted the termination of employment rates to better reflect actual experience
Decreased the merit component of the salary increase assumption
Decrease the sick leave load assumption from 2.50% to 1.75%

Actuarial Rate of Return Assumption: The long-term expected rate of return on pension plan investments is reviewed as part of the regular experience study prepared for the System. Several factors are considered in evaluating the long-term rate of return assumption, including long term historical data, estimates inherent in current market data and an analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by targeting the asset allocation percentage and then adding expected inflation. The long-term rate of

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Large cap equity	31%	5.25%
Small cap equity	8%	5.85%
International equity	26%	5.75%
Fixed Income	19%	1.75%
Real estate	7%	4.25%
Timber	5%	4.85%
Commodities	3%	0.95%
Cash	1%	0.55%
Total	100%	

*Geometric mean, net of investment expenses

return assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption or a fundamental change in the market that alters expected returns in future years. The target asset allocation and best estimates of geometric real rates of return (net of 2.25% inflation assumption) for each major asset class are summarized in the table on the previous page.

Discount Rate: The discount rate used to measure the total pension liability as of the December 31, 2018 valuation is 7.31%. The fiduciary net position was projected to become depleted in 2067; therefore, a Municipal Bond Index Rate (MBIR) was used in the determination of the Single Equivalent Interest Rate (SEIR) for the December 31, 2018 valuation. The monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate was used as the MBIR as of the current measurement date. The long-term assumed rate of return on investments, net of investment expenses, of 7.59% was applied to periods before December 31, 2067 and the Municipal Bond Index Rate of 4.13% was applied to periods after 2067. The Municipal Bond Index Rate was not used in the determination of the SEIR at the Prior Measurement Date as the fiduciary net position was not projected to be depleted.

The projection of cash flows used to determine the discount rate assumed the employee contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the employee rate. Projected future benefit payments for all current plan members were projected through 2118. The projections were based on the WER's financial status on the Measurement Date, the indicated set of methods and assumptions, and the requirements of GASB 68. As such, the projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the projections as of the current measurement date for GASB 68 don't necessarily indicate whether not the System will actually run out of money, the financial conditions of the System, or the System's ability to make benefit payments in future years.

Net Pension Liability: Detailed information about the pension plan's fiduciary net position used in calculating the net pension liability is available in the separately issued WRS financial report. The City's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The table below presents changes in the total pension liability, fiduciary net position and the net pension liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of December 31, 2017	\$ 625,461,450	\$ 614,778,032	\$ 10,683,418
Changes for the year:			
Service cost	10,067,053	-	10,067,053
Interest on total pension liability	47,789,825	-	47,789,825
Differences between expected and actual experience	(2,668,930)	-	(2,668,930)
Assumption changes	32,865,478	-	32,865,478
Employer contributions	-	10,099,027	(10,099,027)
Employee contributions	-	3,755,812	(3,755,812)
Reclassifications due to participant conversion	(179,012)	(179,012)	-
Net investment loss	-	(39,511,690)	39,511,690
Benefit payments, including member refunds	(41,670,299)	(41,670,299)	-
Administrative expenses	-	(580,204)	580,204
Net Changes	46,204,115	(68,086,366)	114,290,481
Balance as of December 31, 2018	\$ 671,665,565	\$ 546,691,666	\$ 124,973,899

Sensitivity Analysis: The accompanying table presents the net pension liability of the City using the discount rate of 7.31%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.31%) or 1% higher (8.31%) than the current rate.

	Rate	City's Net Pension Liability
1% decrease	6.31%	\$ 199,651,517
Current rate	7.31%	124,973,899
1% increase	8.31%	61,721,810

Deferred Inflows and Outflows: As of December 31, 2019, the City reported total deferred outflows of resources and deferred inflows of resources related to the WERS pension as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,416,645
Changes of assumptions	25,946,430	1,674,663
Net difference between projected and actual earnings on pension plan investments	80,627,967	29,627,173
City contributions subsequent to the measurement date	9,683,553	-
Changes in proportion of the total net pension liability since the prior measurement date		
Change in proportion - governmental activities	97,002	103,699
Change in proportion - business-type activities	145,135	138,440
Total	<u>\$ 116,500,087</u>	<u>\$ 35,960,620</u>
	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts reported in governmental activities	\$ 84,151,499	\$ 25,928,162
Deferred amounts reported in business-type activities	32,348,588	10,032,458
Total	<u>\$ 116,500,087</u>	<u>\$ 35,960,620</u>

The \$9,683,553 reported as deferred outflows of resources related to the WERS pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the WERS pension will be recognized as pension expense as follows:

Year Ending December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	\$ 34,311,658	\$ 13,294,057
2021	25,541,013	11,399,271
2022	24,361,080	10,826,763
2023	22,602,783	440,529
Totals	<u>\$ 106,816,534</u>	<u>\$ 35,960,620</u>

B. Police and Fire Retirement System

Plan Description: The PFRS consists of three plans: Plan A, Plan B and Plan C 79. The plans were established to provide retirement and survivor annuities, disability benefits, death benefits and other benefits for police and fire officers of the reporting entity and their dependents. All full-time active "commissioned" Police and Fire Department personnel are required to participate in the plans. Plans A and B were established by City Ordinance on January 1, 1965 and Plan C 79 was established January 1, 1979 by City Ordinance. Plan B was closed to new entrants as of January 1, 1965 and Plan A was closed to new entrants as of December 31, 1978. Establishment of and amendments to the benefit provisions for the PFRS are authorized by the City Council.

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

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

When a member has been retired for 36 months, they will receive an annual adjustment to their benefit of 2.0% of the original base amount of the benefit.

As of December 31, 2019, the PFRS defined benefit plan membership consisted of the following:

Member Category	Plan A	Plan B	Plan C-79	Total
Inactive employees or beneficiaries currently receiving benefits	432	165	447	1,044
Inactive employees entitled to, but not yet receiving benefits	-	-	38	38
Active employees	1	-	1,093	1,094
Total membership	433	165	1,578	2,176

Backward Deferred Retirement Option Plan (DROP) Provision: The benefit structure of the Wichita Police and Fire Retirement System includes a Backward Deferred Retirement Option Plan (DROP). The Backward DROP is available to plan C-79 members. Members must be eligible to receive a service retirement benefit as of the backward DROP retirement date. The DROP period is one to 60 months. The DROP period is the time between the backward DROP retirement date and the date the employee terminates service. The retirement benefit is calculated as of the day prior to the backward DROP retirement date. The employee's monthly retirement benefits (for the DROP period) plus applicable post retirement adjustments and interest at an annual rate of 5.0%, compounded monthly, is payable upon the employee's termination of service. When the member terminates employment, the balance of the DROP account is paid as a lump sum and the member begins to receive monthly retirement benefits on the month following termination of service.

Funding Policy: The contribution requirements of plan members and the reporting entity are established by City Ordinance and may be amended by the governing body. PFRS members are required to contribute 6% to 8% of covered salaries. From its various operating funds, the City is required to contribute at an actuarially determined rate; the rate for 2019 was 18.9% of annual covered payroll. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded liability. The City may provide for pension expenses by levying ad valorem property taxes each year in the amount necessary to meet its obligation as determined by the PFRS consulting actuary. For the year ended December 31, 2019, PFRS received \$13,965,415 in contributions from the employer.

Actuarial Assumptions: The total pension liability in the December 31, 2018 actuarial valuation was determined using the actuarial assumptions summarized in the table on the following page, applied to all periods included in the measurement. The actuarial assumptions used in the December 31, 2018 valuation were based on the results of the most recent experience study, which covered the three-year period ending December 31, 2016. The experience report is dated April 17, 2018.

Price inflation	2.75%
Wage inflation	3.25%
Salary increases, including wage inflation	4.00% - 5.75%
Long-term rate of return, net of investment expense, including price inflation	7.58%
Municipal bond index rate	4.13%
Year Fiduciary Net Position (FNP) is projected to be depleted	2078
Single Equivalent Interest Rate (SEIR), net of investment expense, including price	7.45%
Pre-retirement mortality rates	Based on the RP-2000 Employee Table, projected generationally using Scale AA.
Post-retirement mortality rates	Based on the RP-2000 Healthy Annuitant Table, projected generationally using Scale AA.
Disabled mortality rates	Based on the RP-2000 Disabled Table for males and females, projected generationally using Scale AA.

Changes in Actuarial Assumptions: There were several changes in actuarial assumptions in the 2018 actuarial valuation, primarily due to a new experience study being available as of the measurement date.

Changes in Actuarial Assumptions
Price inflation assumption decreased from 3.25% to 2.75%
Investment return assumption decreased from 7.75% to 7.50%
SEIR discount rate decreased from 7.90% to 7.45%
General wage growth assumption decreased from 4.00% to 3.25%
Payroll growth assumption decreased from 4.00% to 3.25%
Decrease in the indexation of terminated vested benefits from 4.00% to 3.50%
Modified retirement rates and created a separate assumption for members with more than 30 years of service to better reflect actual retirement and Backward DROP experience
Adjusted the termination of employment rates to better reflect actual experience
Adjusted the probability of refund assumptions to better reflect actual experience
Decreased the merit component of the salary increase assumption
Decrease the sick leave load assumption from 3.00% to 2.50%

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

Discount Rate: The discount rate used to measure the total pension liability as of the December 31, 2018 valuation is 7.45%. The fiduciary net position was projected to become depleted in 2078; therefore, a Municipal Bond Index Rate (MBIR) was used in the determination of the Single Equivalent Interest Rate (SEIR) for the December 31, 2018 valuation. The monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate was used as the MBIR as of the current measurement date. The long-term assumed rate of return on investments, net of investment expenses, of 7.58% was applied to periods before December 31, 2078 and the Municipal Bond Index Rate of 4.13% was applied to periods after 2078. The Municipal Bond Index Rate was not used in the determination of the SEIR at the Prior Measurement Date as the fiduciary net position was not projected to be depleted.

The projection of cash flows used to determine the discount rate assumed the employee contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the employee rate. Projected future benefit payments for all current plan members were projected through 2118. The projections were based on the PFRS's financial status on the Measurement Date, the indicated set of methods and assumptions, and the requirements of GASB 68. As such, the projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the projections as of the current measurement date for GASB 68 don't necessarily indicate whether not the System will actually run out of money, the financial conditions of the System, or the System's ability to make benefit payments in future years.

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Net Pension Liability: Detailed information about the pension plan's fiduciary net position used in calculating the net pension liability is available in the separately issued WRS financial report. The City's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The table below presents changes in the total pension liability, fiduciary net position and the net pension liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of December 31, 2017	\$ 698,423,311	\$ 698,083,949	\$ 339,362
Changes for the year:			
Service cost	15,754,976	-	15,754,976
Interest on total pension liability	53,649,438	-	53,649,438
Differences between expected and actual experience	11,768,665	-	11,768,665
Assumption changes	26,241,485	-	26,241,485
Employer contributions	-	14,331,422	(14,331,422)
Employee contributions	-	5,599,216	(5,599,216)
Net investment loss	-	(43,988,371)	43,988,371
Benefit payments, including member refunds	(39,381,501)	(39,381,501)	-
Administrative expenses	-	(590,098)	590,098
Net Changes	68,033,063	(64,029,332)	132,062,395
Balance as of December 31, 2018	\$ 766,456,374	\$ 634,054,617	\$ 132,401,757

Sensitivity Analysis: The accompanying table presents the net pension liability of the City using the discount rate of 7.45%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (6.45%) or 1% higher (8.45%) than the current rate.

	Rate	City's Net Pension Liability
1% decrease	6.45%	\$ 228,648,164
Current rate	7.45%	132,401,757
1% increase	8.45%	52,666,153

Deferred Inflows and Outflows: As of December 31, 2019, the City reported total deferred outflows of resources and deferred inflows of resources related to the PFRS pension as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,770,589	\$ 6,555,529
Changes of assumptions	21,842,135	3,765,777
Net difference between projected and actual earnings on pension plan investments	90,539,790	33,282,558
City contributions subsequent to the measurement date	13,965,415	-
Changes in proportion of the total net pension liability since the prior measurement date		
Change in proportion - governmental activities	22,697	-
Change in proportion - business-type activities	-	22,697
Total	\$ 136,140,626	\$ 43,626,561
	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts reported in governmental activities	\$ 132,465,442	\$ 42,426,559
Deferred amounts reported in business-type activities	3,675,184	1,200,002
Total	\$ 136,140,626	\$ 43,626,561

The \$13,965,415 reported as deferred outflows of resources related to the PFRS pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the PFRS pension will be recognized as pension expense as follows:

Year Ending December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	\$ 36,774,425	\$ 15,958,764
2021	27,394,729	15,305,986
2022	26,130,754	12,083,142
2023	26,128,819	275,650
2024	5,746,484	3,019
Totals	<u>\$ 122,175,211</u>	<u>\$ 43,626,561</u>

C. Wichita Employees' Retirement System Plan 3b

The City contributes to Wichita Employees' Retirement System Plan 3, a defined contribution pension plan, for all of its full-time civilian employees hired or rehired on or after January 1, 1994. Benefits depend solely on amounts contributed to the plan plus investment earnings. Plan 3, established by City Ordinance on April 9, 1993 and amended on February 8, 2000, requires that both the employee and the reporting entity contribute an amount equal to 4.7% covered salaries. The reporting entity's contributions and earnings for each employee are 25% vested after three years of service, 50% vested after five years and are fully vested after seven years of service.

Upon completion of seven years of service, employees participating in the Plan will be converted to WERS Plan 2, a defined benefit plan, unless they make an irrevocable election to remain in the defined contribution plan within 90 days thereafter. If an employee converts to Plan 2, the employee's Plan 3 account balance becomes part of WERS assets available to pay future benefits of WERS defined benefit plan members. For this reason, Plan 3 members who have not made an irrevocable election to remain in the defined contribution plan are reported with the WERS defined benefit plan. Further, any contributions of the reporting entity and any related earnings which are forfeited by employees who leave employment before becoming fully vested are used to reduce the reporting entity's contribution requirements related to the WERS defined benefit plan. Fully vested Plan 3 members who elect to remain in the defined contribution plan are referred to as Plan 3b members and are reported as a separate plan on the combining pension trust fund financial statements beginning on page E-1.

Fully vested employees who elect to continue participation in Plan 3b may contribute additional amounts into the plan as permitted by the rules of the Internal Revenue Code in effect at the time of the contribution. Benefit terms, including contribution requirements, are established and may be amended by the City Council. For the year ending December 31, 2019, employee and employer contributions to Plan 3b totaled \$198,343 and \$198,342, respectively. As of December 31, 2019, there were 82 members covered under the defined contribution Plan 3b.

8. OTHER POST-EMPLOYMENT HEALTHCARE BENEFITS (OPEB)

Plan Description and Benefits Provided: Kansas statute provides that post employment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The City provides healthcare benefits for retired employees and their dependents through a single-employer defined benefit plan. The health insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The benefit is available for selection at retirement, the retirement age as defined in the appropriate pension plan, and is extended to retirees and their dependents until the individuals become eligible for Medicare at age 65. The accounting for the health insurance for retirees is included in the City's Self Insurance Fund, with the subsidy provided from the Self Insurance Fund. Separate audited financial statements are not prepared by the Plan.

As of December 31, 2019, the City's OPEB plan membership consisted of the following:

Member Category	Premium Plan		Select Plan		No Plan	Total Members
	Single	Family	Single	Family		
Retirees	174	34	3	24	-	235
Active employees	457	1,242	271	532	249	2,751
Total members	<u>631</u>	<u>1,276</u>	<u>274</u>	<u>556</u>	<u>249</u>	<u>2,986</u>

Funding Policy: The City provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statute, which may be amended by the state legislature, establishes that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125% of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 100% of the blended premium cost of active employees up to age 60 (including the employer and employee share). Participating retirees between the ages of 60 and 65 are required to contribute 75% of the blended premium cost of active employees (including the employer and employee share). Employees are eligible for non-line of duty disability health benefits once they have completed seven years of service. There is no age or service requirement for line of duty disability health benefits. Contributions for disabled retirees are the same as regular retirees.

The City appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis through the Self Insurance Fund; therefore, no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. In 2019, retired plan members receiving benefits contributed \$2,110,363 to the plan compared to City's contribution of \$1,929,879.

Actuarial Methods and Assumptions: The total other post-employment benefit (OPEB) liability in the December 31, 2019 actuarial valuation was determined using the actuarial assumptions summarized in the table below, applied to all periods included in the measurement. The demographic assumptions used in this valuation are based upon those used in the December 31, 2018 valuation disclosed in Note 7A - Wichita Employees' Retirement System.

Actuarial Methods and Assumptions			
Price inflation	2.75%		
Wage inflation	3.25%		
Municipal Bond Index Rate ¹	3.26%		
Salary increases, including wage inflation	3.50% - 6.50%		
Healthcare cost trend rate	8.0% for 2020, decreasing each year by 0.5% for an ultimate rate of 4.5% for 2027 forward.		
Cost sharing premiums	Retirees contribute 100% of the premiums until they turn 60, at which time retirees contribute 75% of the premiums and the City contributes 25%.		
	<u>Health Plan</u>	<u>Single</u>	<u>Family</u>
	Premium	\$645.99	\$1,928.93
	Select	546.30	1,629.79
Per Capita Costs	Annual per capita costs were calculated based on the City's medical claims projection effective on January 1, 2020 actuarially increased using health index factors and current enrollment.		
General mortality rates	Based on the SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019.		
Public safety mortality rates	Based on the SOA Pub-2010 Public Safety Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019.		
Surviving spouses mortality rates	Based on the SOA Pub-2010 Contingent Survivors Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019.		
¹ Rate is based on the S&P Municipal Bond 20-Year High Grade Rate Index, a tax exempt general obligations municipal bond index with an average rating of AA/Aa or higher (or equivalent quality on another rating)			

The remaining actuarial assumptions (experience study, retirement rates, disability rates, and turnover rates) are based on the Wichita Employees' Retirement System and the Police and Fire Retirement System actuarial valuations as of December 31, 2018.

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Changes in Actuarial Assumptions: The following assumptions have been updated for the actuarial valuation dated December 31, 2019:

Changes in Actuarial Assumptions	
- The discount rate has been updated to reflect market conditions as of the Measurement Date. The discount rate decreased from 4.11% to 3.26%.	
- The mortality table has been updated from SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 as follows:	
- <u>General employees and retirees:</u> SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019	
- <u>Public safety employees and retirees:</u> SOA Pub-2010 Public Safety Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019	
- <u>Surviving spouses:</u> SOA Pub-2010 Contingent Survivor Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019	
- Termination rate tables, retirement rate tables and payroll growth rates have been updated to follow the actuarial assumptions from the Wichita Employees' Retirement System and the Police and Fire Retirement System actuarial valuations as of December 31, 2018.	

Total OPEB Liability: The City's total OPEB liability as of December 31, 2019, and the accompanying table presents the changes in the total OPEB liability.

	Total OPEB Liability
Balance as of December 31, 2018	\$ 34,912,529
Changes for the year:	
Service cost	2,221,238
Interest on total OPEB liability	1,486,938
Changes in assumptions	3,726,542
Differences between expected and actual experience	(4,833,105)
Benefit payments	(1,929,879)
Net Changes	671,734
Balance as of December 31, 2019	\$ 35,584,263

Pension Expense and Deferred Outflows and Inflows of Resources Related to OPEB: The City recognized OPEB expense of \$3,479,909 for the year ended December 31, 2019. As of December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,229,609	\$ 4,296,093
Changes of assumptions	3,312,482	1,966,811
Changes in proportion of the total OPEB liability since the prior measurement date		
Change in proportion – governmental activities	381,387	31,783
Change in proportion – business-type activities	-	349,602
Total	\$ 4,923,478	\$ 6,644,289
	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts reported in governmental activities	\$ 4,033,228	\$ 5,067,157
Deferred amounts reported in business-type activities	890,250	1,577,132
Total	\$ 4,923,478	\$ 6,644,289

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	\$ 637,392	\$ 865,659
2021	637,392	865,659
2022	637,392	865,659
2023	637,392	865,659
2024	637,392	865,659
Thereafter	1,736,518	2,315,994
Totals	<u>\$ 4,923,478</u>	<u>\$ 6,644,289</u>

Sensitivity Analysis: The accompanying tables present the total OPEB liability as of December 31, 2019, using (1) the discount rate assumed and what the total OPEB liability would be if it were calculated using a discount rate that were 1% higher and 1% lower than the current discount rate; and (2) the current health care trend rates and what the OPEB liability would be if it were calculated using health care trend rates that were 1% higher and 1% lower than the current health care trend rates.

	Discount Rate	City's Total OPEB Liability		Healthcare Trend Rates ¹	City's Total OPEB Liability
1% decrease	2.26%	\$ 38,226,967	1% decrease	7.00% - 3.50%	\$ 31,904,950
Current rate	3.26%	35,584,263	Current trend rates	8.00% - 4.50%	35,584,263
1% increase	4.26%	33,073,648	1% increase	9.00% - 5.50%	39,905,586

¹ Health care trend rates start at the initial rate and decrease to the ultimate rate.

9. SELF INSURANCE FUND

The City established the Self Insurance Fund in 1987 to account for self-insurance programs of workers' compensation, group health insurance, group life insurance, employee liability, property damage, auto liability and general liability for the reporting entity. Since its original inception, the City uses this fund to cover costs associated with a fully-insured property policy and a special excess general liability insurance policy.

For funds paying insurance costs, the contributions are recorded as expenses in the paying fund and revenues in the Self Insurance Fund. The City records liabilities for known claims and estimated liabilities incurred but not reported at year-end which are reflected under accounts payable and other liabilities and claims payable, respectively, in the internal service funds. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

The City retains the services of independent actuaries annually to analyze the self-insured workers' compensation, automotive liability, general liability and property loss liability exposures and funding levels. The City uses this analysis to assist with its financial planning and management of the workers' compensation and general liability, which includes automotive and property loss liabilities, self-insurance programs. The claims liability is the actuarially estimated amount of claims based on an estimate of ultimate incurred and incurred but not reported losses as of that date and is calculated considering the effects of inflation; recent claim settlement trends, including frequency and amount of pay-outs; insurance industry data; and other legal, social and economic factors. The claims liability does not include amounts for unallocated loss adjustment expenses. These liabilities have been discounted using a 2% discount rate. The City has not purchased any annuity contracts in the 2019 fiscal year to resolve City of Wichita claims.

A. Health Insurance

The employee health insurance program is offered to all full-time, eligible employees of the reporting entity and their dependents. The health insurance program is open to retirees and dependents up to 65 years of age. The City self-insures health benefits up to \$450,000 per member, with a stop-loss secondary coverage for costs in excess of \$450,000 with the exception of one member for which the City self-insures up to \$750,000. The self-insured prescription drug plan and self-insured vision plan are included in the monthly premium. At December 31, 2019, the City recorded a liability of \$3,747,800 for estimated claims pending and net position totaled \$15,569,830.

B. Workers' Compensation

The workers' compensation program is a partially self-funded program covering substantially all full-time and part-time employees of the reporting entity. The annual requirements of the workers' compensation program are determined based on current claims outstanding and estimates of future liability based on pending claims, recorded at a confidence level of 85%. The City has reinsured for liabilities exceeding \$750,000 per occurrence with coverage provided through Safety National Casualty Corporation. The retention is taken into consideration in actuarial projections of the City's liability. The City maintains a reserve to meet state and actuarial requirements and to provide contingency funding. At December 31, 2019, the City recorded a liability of \$9,562,258 for estimated probable claims pending and net position totaled \$6,448,418.

C. Life Insurance

The life insurance program offered by the City is a fully insured program administered by Standard Insurance Company with benefit levels based on employee compensation. All full-time employees of the reporting entity are eligible to participate in the plans of the program. The program provides basic life, dependent life and accidental death and dismemberment with conversion privileges to participants.

The cost of basic employee life insurance is funded approximately one third by the employee and two thirds by the City. The City offers additional supplemental, voluntary accidental death and dismemberment insurance for employees and eligible dependents, the total cost of which is paid by the employee.

Contributions (employee and employer), plus interest earned on investments, are used for premium payments. Coverage is terminated if the participant fails to make contributions toward the cost of insurance, if the participant terminates employment with the City and does not elect the conversion or portability option, or if the plan is terminated. At December 31, 2019, net position totaled \$791,329.

D. General Liability

The City's general liability program provides for legal defense and claims against employees of the reporting entity when an incident arises out of City operations. The general liability program also includes vehicle and premises liability. The City maintains a property insurance policy for all City owned buildings and contents. The deductible portion of the building and content insurance coverage is paid from the Self Insurance Fund. The deductible is \$100,000 per occurrence for most covered losses, except wind and hail, which is \$500,000 per occurrence.

The City is self-insured for tort liability claims against the reporting entity. The Kansas Tort Claims Act provides a liability limitation of \$500,000 per occurrence. The City maintains an excess policy of insurance for federal actions because the limitations under the Kansas Tort Claims Act do not apply to federal actions. The policy provides coverage of \$20 million per occurrence limit and a \$2 million self-insured retention.

At December 31, 2019, the City recorded a liability of \$12,272,951 for pending tort claims at a confidence level of 85% and to provide for the loss of excess liability coverage and potential environmental liability exposure. At December 31, 2019, net position totaled \$2,977,696.

Changes in the balances of claims liabilities during the past two years are on the table on the following page:

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Claims Liability For Years Ended December 31,					
Fund	Beginning Balance	Claims Paid	New Claims and Changes in Actuarial Estimate	Ending Balance	Short-term Portion
Worker's Compensation					
2018	\$ 9,284,230	\$ (2,532,857)	\$ 4,087,009	\$ 10,838,382	\$ 2,473,985
2019	10,838,382	(1,924,091)	647,967	9,562,258	2,210,418
General Liability					
2018	\$ 7,036,805	\$ (4,765,373)	\$ 6,570,513	\$ 8,841,945	\$ 3,520,193
2019	8,841,945	(5,562,296)	8,993,302	12,272,951	5,406,483
Health Insurance					
2018	\$ 3,157,945	\$ (47,805,501)	\$ 49,486,888	\$ 4,839,332	\$ 4,839,332
2019	4,839,332	(42,298,367)	41,206,835	3,747,800	3,747,800

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10. LONG-TERM OBLIGATIONS**A. Long-Term Liabilities Activity**

The long-term liabilities activity for the year ended December 31, 2019, (expressed in thousands of dollars) is summarized in the following table:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 45,952	\$ 34,150	\$ (12,141)	\$ 67,961	\$ 11,333
With government commitment:					
Special assessment	164,381	11,335	(29,310)	146,406	18,338
Tax increment financing	15,229	12,145	(2,475)	24,899	2,636
Transient guest tax	2,475	-	(10)	2,465	15
Local sales tax	81,995	23,400	(11,420)	93,975	10,155
Unamortized premium	27,536	8,864	(4,133)	32,267	-
Revenue bonds:					
Sales tax special obligation	4,577	-	(246)	4,331	257
Total bonds payable	342,145	89,894	(59,735)	372,304	42,734
Capital lease	-	619	(91)	528	116
Compensated absences	10,837	18,091	(17,863)	11,065	9,491
Claims payable	24,520	50,848	(49,785)	25,583	11,365
Net pension liability	8,021	242,501	(31,339)	219,183	-
Total OPEB liability	27,686	6,361	(5,437)	28,610	-
Environmental remediation	25,962	498	(1,248)	25,212	915
Landfill closure/ post-closure care	10,492	782	(603)	10,671	528
Legal liability	1,237	-	(131)	1,106	1,106
Total long-term liabilities - governmental activities	\$ 450,900	\$ 409,594	\$ (166,232)	\$ 694,262	\$ 66,255
Business-type Activities					
Bonds payable:					
General obligation bonds	\$ 257,933	\$ 12,365	\$ (21,774)	\$ 248,524	\$ 10,593
Unamortized premium	15,983	122	(977)	15,128	-
Revenue bonds	403,960	103,149	(77,599)	429,510	33,655
Unamortized premium	40,615	4,798	(9,080)	36,333	-
Total bonds payable	718,491	120,434	(109,430)	729,495	44,248
Compensated absences	1,926	3,797	(3,805)	1,918	1,656
Net pension liability	3,001	40,340	(5,148)	38,193	-
Total OPEB liability	7,227	1,458	(1,710)	6,975	-
Total long-term liabilities - business-type activities	\$ 730,645	\$ 166,029	\$ (120,093)	\$ 776,581	\$ 45,904

B. General Obligation Bonds

General obligation bonds are issued to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the City and pledge the full faith and credit of the government. The bonds generally are issued as 10-year, 15-year or 20-year serial bonds. Annual debt service requirements to maturity for general obligation bonds are presented in the accompanying tables.

General Obligation Bonds Outstanding on December 31, 2019 (dollars in thousands)		
Payable From	Interest Rates	Amount
Governmental activities:		
Ad valorem property taxes	2.00% - 5.00%	\$ 67,961
Transient guest tax	3.00% - 5.00%	2,465
Tax increment financing	1.75% - 4.00%	24,899
Local sales tax	1.50% - 5.00%	93,975
Total governmental activities		189,300
Business-type activities:		
Airport Authority Fund	3.00% - 5.60%	124,395
Stormwater Utility Fund	1.50% - 5.00%	13,419
Water Utility Fund	3.00% - 5.00%	110,710
Total business-type activities		248,524
Total general obligation bonds		\$ 437,824

Annual Debt Service Requirements General Obligation Bonds (dollars in thousands)				
Year ending December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 24,139	\$ 7,135	\$ 10,593	\$ 9,807
2021	21,772	5,838	10,463	9,405
2022	22,595	5,014	10,992	8,919
2023	16,872	4,168	11,473	8,415
2024	16,252	3,521	11,969	7,878
2025 – 2029	69,463	9,667	60,374	32,415
2030 – 2034	18,207	1,439	66,880	21,163
2035 – 2039	-	-	28,095	11,682
2040 – 2044	-	-	34,790	4,893
2045 – 2047	-	-	2,895	226
Totals	\$ 189,300	\$ 36,782	\$ 248,524	\$ 114,803

The City of Wichita also issues special assessment bonds to provide funds for the construction of infrastructure in residential developments. Special assessment bonds will be repaid from amounts levied against the property owners benefited by the new infrastructure. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received. Annual debt service requirements to maturity for special assessment bonds are presented in the table to the right.

Annual Debt Service Requirements Special Assessment Bonds (dollars in thousands)		
Year ending December 31,	Governmental Activities	
	Principal	Interest
2020	\$ 18,338	\$ 5,826
2021	16,925	5,033
2022	14,973	4,288
2023	13,356	3,653
2024	12,144	3,069
2025 – 2029	48,252	8,611
2030 – 2034	18,998	1,656
2035 – 2039	3,420	208
Totals	\$ 146,406	\$ 32,344

C. Revenue Bonds

Revenue bonds are also issued by the City of Wichita, where income derived from the acquired or constructed assets is pledged to pay debt service. A summary of revenue bonds outstanding is presented in the following table.

Revenue Bonds Outstanding on December 31, 2019 (dollars in thousands)			
	Interest Rates	Final Maturity Date	Amount
Governmental activities			
2017 K-96 Greenwich STAR Bond Project	3.00% - 4.625%	2033	\$ 2,532
2018 Stadium STAR Bond Project	3.50% - 5.00%	2038	1,799
Total governmental activities			4,331
Business-type activities			
Water Utilities:			
2010B Water & Sewer	4.00% - 5.35%	2020*	795
2011A Water & Sewer Refunding	5.00%	2021*	15,590
2012A Water & Sewer	3.00% - 4.00%	2032	12,060
2014A Water & Sewer Refunding	3.00% - 5.00%	2030	22,620
2014B Water & Sewer	2.50% - 5.00%	2034	10,400
2015B Water & Sewer Refunding	2.38% - 5.00%	2031	28,625
2015C Water & Sewer	2.50% - 5.00%	2035	20,750
2015D Water & Sewer Refunding	2.50% - 5.00%	2032	19,165
2016A Water & Sewer	3.00% - 5.00%	2036	21,355
2016B Water & Sewer Refunding	3.00% - 5.00%	2039	91,755
2017A Water & Sewer	3.00% - 5.00%	2037	61,115
2017B Water & Sewer Refunding	3.00% - 5.00%	2030	19,355
2019A Water & Sewer	3.00% - 5.00%	2039	44,465
2019B Water & Sewer Refunding	3.00%	2030	49,910
Airport authority:			
Yingling Aircraft – Series 2001	7.50%	2021	1,300
Yingling Aircraft – Series A 2005	6.00%	2025	1,500
Yingling Aircraft – Series A 2019	2.90%	2039	2,978
Doc's Friends – Series B 2019	5.00%	2020	5,772
Total business-type activities			429,510
Total revenue bonds			\$ 433,841

* Represents final maturity date of non-refunded portion

Sales Tax Special Obligation Revenue (STAR) Bonds: In 2017, the City issued \$71,305,000 in Sales Tax Special Obligation Revenue Bonds (STAR bonds) in connection with the approved K-96 Greenwich STAR Bond Project District under K.S.A. 12-17, 160 et al., known as the STAR Bonds Act to (1) advance refund the remaining \$33,270,000 in outstanding principal of the 2013 STAR bonds, (2) fund a portion of the 2017 Project, (3) fund a deposit into the Debt Service Reserve Fund for the 2017 bonds and (4) pay certain costs related to the issuance of the 2017 bonds. The advance refunding of the 2013 bonds resulted in an in-substance defeasance.

In 2018, the City issued \$42,140,000 in STAR Bonds in connection with the approved River District Stadium STAR Bond Project to (1) pay a portion of the costs of the 2018 projects; (2) fund a deposit to the Capitalized Interest Fund established under the indenture for the Series 2018 Bonds to pay interest on the Series 2018 bonds through September 1, 2020; and (3) pay certain costs related to the issuance of the 2018 bonds.

Pursuant to issuance of the STAR bonds, the City and State of Kansas entered into a STAR Bond Tax Distribution Agreement. The agreement provides that the principal and interest on the STAR bonds will be paid proportionally by the City and the State of Kansas, based on each entity's respective share of sales tax generated within the District. As of December 31, 2019, the City's proportional share is approximately 4.27%. This proportional share may change in the future if the sales taxes assessed by the local or state governments are modified.

These bonds are special, limited obligations of the City payable solely from revenues generated within the specified STAR Districts for each bond series. The bonds do not constitute a pledge of the full faith and credit of the City, and do not obligate the City to levy any form of taxation or to make any appropriation for their payment. As such, the City has only recorded 4.27%, its proportional share of the outstanding obligation, for this bond issue. As of December 31, 2019, the City recorded STAR bonds outstanding in the amount of \$2,531,683 and \$1,799,799 for the 2017 and 2018 STAR bonds, respectively.

The 2018 STAR bonds has an additional clause in the Bond Trust Indenture (Indenture) to provide extra security to the bondholders in which the City has covenanted that a request for appropriations will be included in each annual budget commencing with the 2020 fiscal year sufficient to pay the debt service requirements on the 2018 STAR bonds due in that budgeted fiscal year; however, the Indenture does not require the City to do so. The City will only transfer funds to the Trustee in the event that such amount on deposit with the Trustee is insufficient to pay the scheduled debt service requirements for the upcoming payment in the current fiscal year. The City's obligations to pay debt service shall be year to year only and shall not constitute a mandatory payment obligation of the City in any ensuing fiscal year beyond the current year. The City will monitor the District's collections and balances at the Trustee, in comparison to the upcoming debt service requirements, to determine if the City should record any additional liability if there are anticipated shortfalls.

Pledged Revenue: The City has pledged specific revenue streams to secure the repayment of its revenue bonds. The following table lists those revenues and corresponding revenue bonds along with the amount and term of the pledge remaining, the current fiscal year debt service, the amount of pledged revenue recognized during the fiscal year and the percentage of the revenue stream that has been committed.

Pledged Revenue for Revenue Bond Debt Service Requirements (dollars in thousands)					
Amount of Pledge	Type of Pledged Revenue	Term of Commitment	Percent of Revenue Pledged	2019 Principal & Interest	2019 Pledged Revenues Recognized
<u>Water & Sewer Utility Revenue Bonds:</u>					
\$ 538,280	Utility revenues	Through 2039	100%	\$ 43,129	\$ 152,038
<u>Airport Authority Special Facility Revenue Bonds:</u>					
\$ 13,226	Direct financing leases	Through 2039	100%	\$ 2,898	\$ 2,898
<u>2017 Sales Tax Special Obligation Revenue (STAR) Bonds:</u>					
\$ 2,995	Sales tax revenues	Through 2033	100%	\$ 358	\$ 387
<u>2018 STAR Bonds:</u>					
\$ 2,791	Sales tax revenues	Through 2038	100%	\$ 62	\$ -

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

Annual Debt Service Requirements - Revenue Bonds (dollars in thousands)				
Year ending December 31,	Business-type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest
2020	\$ 33,655	\$ 16,160	\$ 257	\$ 183
2021	30,496	14,841	316	173
2022	30,450	13,403	330	161
2023	31,678	12,096	366	147
2024	27,427	10,769	383	131
2025 – 2029	140,029	36,284	1,431	392
2030 – 2034	95,007	15,057	636	206
2035 – 2039	40,768	3,387	612	62
Totals	\$ 429,510	\$ 121,997	\$ 4,331	\$ 1,455

D. Revenue Bond Ordinance Provisions and Reserve Requirements

Revenue bond ordinances related to the issuance of revenue bonds of the respective enterprise funds provide for specific deposits to debt service and other related bond reserve and maintenance accounts. At December 31, 2019, the City was in compliance with all significant reserve requirements of the respective Water and Sewer Utility revenue bond resolutions and ordinances.

E. Refunding of Long-Term Debt

Partial Advance Refundings: On December 1, 2019, the City issued Series 2019B Taxable Water and Sewer Utility Refunding Revenue Bonds in the amount of \$49,910,000 with a net interest cost of 2.41%. The bond proceeds were used to advance refund the callable portions of the Series 2010B Taxable Water and Sewer Utility Revenue Bonds of \$10,395,000 and Series 2011A Water and Sewer Utility Refunding Revenue Bonds of \$38,845,000, which are callable on October 1, 2020 and October 1, 2021, respectively. The net proceeds related to the advance refunding of the 2010B and 2011A bonds, along with the related debt service reserves of the refunded bonds totaling \$52,231,918 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Series 2010B and 2011A bonds. As a result, the advance refunded portion of the Series 2010B and 2011A bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position. The City completed the refunding to reduce its total debt service payments by \$3,425,025 and to obtain an economic gain (the difference between the present value of the old and new debt service payments) of \$3,150,605.

On December 1, 2019, the City issued Series 2019A Taxable General Obligation (GO) Airport Refunding Revenue Bonds in the amount of \$12,365,000 with a net interest cost of 2.99%. The bond proceeds were used to advance refund the callable portions of the Series 2011A GO Airport Bonds of \$3,885,000 and Series 2011B Taxable GO Airport Revenue Bonds of \$7,680,000, which are callable on March 1, 2021. The net proceeds related to the advance refunding of the 2011A and 2011B bonds of \$12,213,244 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Series 2011A and 2011B bonds. As a result, the advance refunded portion of the Series 2011A and 2011B bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position. The City completed the refunding to reduce its total debt service payments by \$2,266,174 and to obtain an economic gain (the difference between the present value of the old and new debt service payments) of \$1,771,391.

F. Outstanding Crossover Refundings and Defeasance of Debt

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

On December 1, 2017, the City issued Series 2017A general obligation refunding bonds in the amount of \$19,995,000. The 2017A bonds have multiple crossover dates resulting in crossover advance refundings for \$22,655,000 in principal for five previous issues.

The City defeased four of the five issues refunded by the 2017A bonds in the amount of \$10,365,000 in 2019 and \$4,430,000 in 2018. The following issue refunded by the 2017A bonds is still outstanding. The City has recorded both the outstanding debt of both the refunding issue and the refunded issue, which is not considered defeased as listed in the table below. In addition, the related funds in escrow have been recorded as cash with fiscal agent.

Refunding Issue	Issue Advance Refunded	Principal Refunded	Crossover Date
General Obligation, Series 2017A	General Obligation, Series 800A	\$ 7,860,000	6/1/2020
		<u>\$ 7,860,000</u>	

G. Capital Leases

The City entered into a five-year lease in 2019 with a principal total of \$618,680 to fund printers, copiers and related software at an interest rate of 5.929%. On December 31, 2019, debt service requirements to maturity consist of principal payments totaling \$527,843 and interest payments totaling \$69,183 due annually as disclosed in the table below:

Annual Debt Service Requirements – Capital Lease		
Year ending December 31,	Principal	Interest
2020	\$ 115,082	\$ 28,204
2021	122,095	21,192
2022	129,534	13,752
2023	137,427	5,859
2024	23,705	176
Totals	\$ 527,843	\$ 69,183

H. Other Long-Term Liabilities

The City's municipal solid waste facility, Brooks Landfill, closed operations October 9, 2001. Kansas and federal laws and regulations require the City to perform maintenance and monitoring functions at the site for thirty years after the regulatory closure date of July 25, 2003. Beginning July 1, 2017, the Kansas Department of Health and Environment (KDHE)'s policy concerning the post-closure and closure (PCC) estimate was revised, stating the PCC must be calculated using 30 years initially and then drop each year until 20 years. A rolling 20 years is then required until a demonstration can be made that the landfill conditions are moving towards either equilibrium or stabilization. Estimated post-closure costs for the remaining 20 years total \$8,558,583 or \$427,929 annually. Accordingly, a liability of \$8,558,583 for post-closure care has been reported as a long-term liability of governmental activities on the Statement of Net Position as of December 31, 2019.

The City's Chapin municipal solid waste facility closed operations December 19, 1980. Kansas and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the site for thirty years after the regulatory closure date of July 1, 1989. In June 2008, landfill gas was determined to have migrated off-site from the Chapin Landfill. The estimated additional post-closure care for the remaining five years is \$500,555. Accordingly, a liability of \$500,555 for post-closure care has been reported as a long-term liability of the governmental activities on the Statement of Net Position as of December 31, 2019.

Additionally, the City operates three limited landfills, all located at the Brooks Landfill site. Kansas and federal laws and regulations require the City to place a final cover when the landfills close and perform certain maintenance and monitoring functions for thirty years after regulatory closure. Beginning July 1, 2017, the Kansas Department of Health and Environment (KDHE)'s policy concerning the post-closure and closure (PCC) estimate was revised, stating the PCC must be calculated using 30 years initially and then drop each year until 20 years. A rolling 20 years is then required until a demonstration can be made that the landfill conditions are moving towards either equilibrium or stabilization. Based on the capacity used in each landfill, the accumulated closure and post-closure costs, as applicable, for each of the landfills is recorded as a long-term liability of the governmental activities on the Statement of Net Position as of December 31, 2019.

During 2001, the City was granted permission to operate a construction and demolition landfill. The landfill began operation on October 1, 2001. The City's construction and demolition landfill has cumulative closure costs of \$1,456,442 on December 31, 2019, based on the use of 86% of the estimated capacity. The City will recognize the remaining closure costs of \$237,095 as the remaining capacity is filled. Based on activity to date, the City expects the landfill to close in approximately 2024, or as capacity is reached.

In May 2002, the City began operation of an industrial monofill landfill for asbestos waste. The City's industrial monofill landfill for asbestos waste has cumulative closure and post-closure costs of \$155,617 on December 31, 2019, based on the use of 32.9% of the estimated capacity. The City will recognize the remaining closure and post-closure costs of \$317,384 as the remaining capacity is filled. Based on activity to date, the industrial monofill landfill is expected to close in approximately 2046, or as capacity is reached.

In March 2008, the City began operation of a composting facility for yard waste at the existing Brooks Landfill site for which the capacity used was too small to measure, as yard waste moves in and compost moves out. As of December

31, 2019, the capacity used was too small to estimate, thus the total estimated closure and post-closure care of \$41,577 will be recognized as capacity is filled.

As of December 31, 2019, the accumulated costs for the landfills are recorded as a long-term liability in the governmental activities on the Statement of Net Position. The costs will be liquidated from prior years' landfill fees accumulated in the Landfill Post-Closure Fund. Note 17 - Landfill Closure and Post-Closure Care provides further disclosure.

I. Environmental Remediation Obligations

Gilbert and Mosley Groundwater Contamination (Plumes ABE): In the late 1980s and early 1990s, under a Cooperative Agreement with the U.S. Environmental Protection Agency (EPA), the Kansas Department of Health and Environment (KDHE) conducted a preliminary assessment and investigation of an area near the City's downtown, known as the Gilbert and Mosley site. The studies identified contaminants of volatile organic compounds and the concentrations of the compounds. On March 26, 1991, the City and KDHE finalized a "Settlement Agreement for Remedial Investigation and Feasibility Study, and for Certain Remedial Actions to be Determined Following Opportunity for Public Involvement" (Settlement Agreement).

The City performed the Remedial Investigation (RI) and the Feasibility Study (FS) with final reports approved by KDHE in September 1994. In 1999, the City issued an RI/FS addendum and with subsequent investigations, identified the nature, extent and sources of contamination. In October 2000, KDHE approved the final design for a pump-and-treat alternative to address the site-wide groundwater contamination (Plumes ABE). In 2002, the City completed the installation of the extraction wells, piping and treatment facility. The system has been in continuous operation since December 30, 2002.

The City has ongoing costs associated with the operations, maintenance, monitoring and reporting activities for the groundwater remediation system for the Plumes ABE contamination. Accordingly, a liability of \$6,188,298 has been recorded in the government-wide financial statements, in addition to a receivable of \$2,282,426 for settlements from potentially responsible parties. The liability and recovery amounts are based on an engineering estimate which was defended in the United States District Court (United States District Court Case No. 98-1360-MLB), as well as based on actual costs incurred. The potential for change to the liability is relatively moderate, due to the potential of reducing the groundwater contamination plume to acceptable concentrations prior to the 70-year projection contained in the engineering estimate, offset with future inflationary cost increases. The probability of continued operation of the treatment system after 40 years of operations is estimated to be 30%.

Harcros/TriState Central Site: Within the Gilbert and Mosley District, some specific source areas have been identified as requiring source control measures. The Harcros/TriState Central site has been identified as contaminated by volatile organic compounds (VOCs) resulting from various industrial spills and processes, in addition to contamination from food grade chemicals. Some reported contaminant concentrations have exceeded KDHE standards. Based on the Gilbert and Mosley Settlement Agreement, the City is responsible for cleanup of the site. The City has performed a site investigation and is in the process of implementing the remediation which consists of two vapor mitigation systems which were installed in residential properties in September 2005. An additional vapor mitigation system was installed in a third residential property in 2006, in conjunction with offsite excavations of soil. An air sparge/soil vapor extraction system was installed in each of the sources in 2007 and those units are still in operation. Both systems operated until October of 2018 when they were shut down for a rebound assessment. The Tri-State Central system remains shut down and under assessment. If groundwater concentrations remain below action levels as of October 2020, the City will petition the KDHE to dismantle the remediation system and enter a monitoring only status. A portion of the Harcros system was restated in October 2019 and is still being assessed while in operation mode. Monitoring in 2020 will determine whether the Harcros system remains in operation or enters another round of rebound assessment.

The City has some ongoing costs associated with the remediation and monitoring of the Harcros/TriState Central site. The estimated liability is based on engineering estimates and actual costs incurred since the beginning of the project to the present. A liability of \$1,138,220 has been recorded in the government-wide financial statements for the ongoing remediation costs. The potential for changes in the liability is low as contamination levels are almost low enough to discontinue the remediation systems.

WaterWalk Site: Within the Gilbert & Mosley district, the WaterWalk site has been identified as contaminated by total petroleum hydrocarbons (TPH) and metals in soils and groundwater above KDHE standards. The contamination is being addressed under the Gilbert and Mosley Settlement Agreement. The City has submitted a draft Comprehensive Investigation Work Plan, which has been approved by KDHE, to delineate the horizontal and vertical extent of the

contamination. A utility corridor excavated on the site in 2006 resulted in excavated soils being screened and segregated based on contaminate and concentration. Lead-impacted soils were landfilled and petroleum-impacted soils were treated at a local asphalt plant until the soils reached residential contact standards for TPH. As of December 31, 2019, a liability of \$6,784 has been recorded in the government-wide financial statements. The potential for changes to the liability is moderate pending completion of the investigation.

South Washington and English Site (SWE): The SWE site has soil and groundwater contaminated by chlorinated solvents associated with dry cleaning and other industrial processes. The impacted areas have concentrations that exceed KDHE standards. The City is responsible for cleanup of the site based on the Gilbert and Mosley Settlement Agreement. The City performed a site investigation and selected a remediation plan consisting of excavation and offsite disposal of select soils, electrical resistance heating of subsurface soils and soil vapor extraction.

Remedial action was initiated in 2010 including excavation and disposal of contaminated soils, the initiation of the electrical resistance heating design and additional investigation. As a result of the need to secure the property for remediation, property was purchased which was initially planned to be sold after the remediation process was complete. Proceeds from the sale of the property were estimated to be approximately \$200,000.

In 2014, it was determined that the costs associated with the implementation of electrical resistance heating remedy for the entire area required by KDHE was not economically feasible. As a result, alternative remedial activities including injection of an oxidizing compound into the contaminated zone were evaluated by both the City and KDHE.

In late 2017, the City agreed to demolish the building purchased in 2010 to facilitate the installation of a driveway for a parking garage for a corporate building being constructed on the former Wichita Eagle property to the west/northwest of the SWE site. As a result the City had to temporarily halt remediation efforts which are expected to be resumed in 2020 and will coordinate efforts with KDHE. The City anticipates a revised remediation approach will be approved by KDHE in 2020 and implemented 2020-2021.

The City recorded a net liability for remediation and monitoring activities of \$659,139 in the government-wide financial statements, based on engineering estimates and actual costs incurred from the start of the project to the present. The potential for change is relatively high as the contractor originally selected to perform the ERH remediation is no longer on the project. Based on the results of the oxidation pilot test, the City will conduct an expanded pilot system consisting of chemical oxidant to address the contamination in the deep portion of the aquifer and the upper shales below the aquifer and a limited AS/SVE system to address the contamination in the deep unsaturated soils and upper and upper aquifer. The City will work with KDHE to change the CAD for the site. There is no new cost estimate for the remediation effort at this time.

APCO Chemical Company (APCO): The APCO site has been identified as contaminated by chlorinated volatile organic compounds (VOCs) and petroleum related hydrocarbons. Soil and groundwater concentrations exceed KDHE standards and require remediation efforts. The KDHE Underground Storage Tank Trust Fund (UST Trust) has installed an air sparging/soil vapor extraction system to address the petroleum hydrocarbon contamination. Based on the Settlement Agreement, KDHE identified the City as the responsible party for cleanup of the chlorinated VOCs associated with the site when the responsible party declared bankruptcy in 2005. As a result of the 2008 APCO Trust Bankruptcy Trial, the City of Wichita received a \$450,000 judgment against APCO Trust for remediation at this site. Payment of that judgment was received in early 2014.

The City has performed a site investigation and KDHE completed its remediation program of the petroleum contamination. Testing conducted by KDHE and the site-wide monitoring program indicated that the UST remediation program may have also remediated the chlorinated solvents related to the APCO release. In 2015, the City hired a consultant to conduct an updated investigation of the APCO site to determine whether any additional remediation efforts are necessary. A work plan to conduct the investigation was submitted and approved by KDHE in 2016 and the field investigation was conducted in 2017. The investigation revealed that very little groundwater contamination is present at the site. KDHE determined that the site contamination has been resolved as of November 27, 2018. No further action is required for this site.

The City has recorded a liability of \$4,073 for the cost to decommission any remaining monitoring wells. The potential for changes to the liability is low as the site is now resolved.

Automotive Fleet Services, Inc. (AFS): The AFS site, within the Gilbert and Mosley district, has been identified as contaminated by volatile organic compounds (VOCs) related to vehicle maintenance with reported contaminant concentrations in groundwater exceeding KDHE standards. Based on the Gilbert and Mosley Settlement Agreement,

the City is responsible for cleanup of the site. In 2015, the City hired a consultant to conduct a Comprehensive Investigation (CI) and Corrective Action Study (CAS) and a work plan was submitted and approved by KDHE in 2016. In 2017, the investigation was conducted and the findings indicated that no remedial activities are necessary. KDHE has determined that the site contamination has been resolved as of November 6, 2018. No further action is required for this site.

The City has ongoing costs for the decommissioning of the monitoring wells. A liability is recorded in the amount of \$1,018 in the government-wide financial statements. The potential for changes in the liability is relatively low as the site is now resolved.

Reid Supply, Inc. (RSI): The RSI site, within the Gilbert and Mosley district, has been identified as contaminated by chlorinated solvents with some contaminant concentrations exceeding KDHE soil and groundwater standards. RSI has been named as the responsible party for cleanup of the site; however, the City may be named as partially or fully responsible at a future date. The City has hired a consultant to conduct a CI/CAS program of the site to determine whether a remedial action is necessary. CI fieldwork was completed in 2018 and the CI report was approved by KDHE in 2019. The CAS report will be submitted in 2020. Data indicates that remediation efforts will likely be required.

An estimated liability, based on a 2002 engineering estimate and actual costs incurred from the start of the project to the present, has been recorded in the government-wide financial statements in the amount of \$1,045,279. The potential for change to the liability is moderate due to the need for remediation efforts. The 2020 CAS report will provide an updated cost estimate of the City's liabilities associated with this site.

LORAC Company (LORAC): The LORAC site, within the Gilbert and Mosley district, has been identified as contaminated by chlorinated solvents with some contaminant concentrations exceeding KDHE soil and groundwater standards. The property owners signed an agreement with KDHE in 2008 to conduct a site investigation which was subsequently completed in 2009. The current property owner has indicated to KDHE that they have limited capacity to pay for a full scale Comprehensive Investigation (CI) and Corrective Action Study (CAS). As a result, the City has agreed to conduct the CI/CAS program as part of the Gilbert and Mosley Settlement Agreement and in 2015, the City hired a consultant to conduct the program. A work plan to conduct the CI/CAS has been submitted to KDHE for review in 2018 and CI fieldwork was conducted in 2018 and 2019. The CI report was approved by KDHE in 2019 and the CAS report will be submitted to KDHE in 2020. Data indicates that remediation efforts will likely be required.

An estimated liability, based on contractual obligations for the CI/CAS and actual costs incurred from the start of the project to the present, has been recorded in the government-wide financial statements in the amount of \$3,759. The potential for change to the liability is relatively high due to the likely need for remediation activities. There is a strong likelihood that the City may have to take on the responsibility of implementing any required remedial actions. If LORAC is unable to pay the remediation costs, KDHE may hold the City liable for the remediation efforts. The 2020 CAS report will provide an updated cost estimate of the City's liabilities associated with this site.

North Industrial Corridor (NIC) Site-wide Groundwater Contamination: In the 1980s, the Environmental Protection Agency identified the presence of volatile organic compounds in groundwater produced from two industrial wells. Subsequent investigations revealed widespread contamination in the groundwater in what is known as the North Industrial Corridor. In 1987, the Wichita North Industrial District Group (WNID Group) organized with the City as a member. The WNID Group entered into a consent agreement with KDHE September 1989. A portion of the NIC site was listed on the National Priorities List by the EPA in February 1990. In 1994, the City petitioned for the removal of the site from the National Priorities List. The EPA published notice of removal in April 1996.

To restore economic viability to the area, the City signed a "Settlement Agreement for Remedial Investigation and Feasibility Study for Certain Remedial Actions to be Determined Following Opportunity for Public Involvement" (NIC Settlement Agreement) in 1995. In May 1996, the City entered into a participation agreement with potentially responsible parties for the NIC contamination. The remedial investigation report was completed in June 2004, with an addendum to the report completed in 2005. The reports were approved by KDHE in March 2007. KDHE approved the feasibility study in 2011 and in March 2012, issued a Final Corrective Action Decision for interim groundwater remediation. The North Industrial Corridor site has been divided into six groundwater units for evaluation and remedial actions. The Corrective Action Decision focuses on the remedial action alternatives within Groundwater Units 1 through 4. Groundwater Units 5 and 6 are being remediated by the responsible parties under separate consent orders with KDHE.

The Final Corrective Action Decision (CAD) includes pre-design data acquisition, long-term groundwater remediation and surface water monitoring, five-year reviews and institutional controls for each groundwater unit. Pre-design Data

Acquisition (PDA) was conducted to optimize the selected remedy and evaluate the need for contingency implementation. PDA activities were initiated in 2014 and completed in 2016 and additional studies required by the CAD were also completed in 2016. A Remedial Designs (RD) report was completed in 2018 which presented the final site-wide groundwater remediation program for the site. This was followed by an Engineer's Estimate in late 2018 and early 2019 for the cost of the remedial action construction and the long term site-wide remediation program. An updated Engineer's estimate will be obtained for the construction of the remediation system in 2020. A comprehensive groundwater and surface water monitoring plan has been developed to evaluate performance of the remedy applied and monitor contaminant migration. Five-year reviews will be conducted as long as contamination remains at the site at concentrations above levels which will permit unrestricted use. The reviews will provide an opportunity to review the overall effectiveness of the remedial strategy. Continued enforcement of City of Wichita ordinances which prohibit the installation of new water wells and use of pre-existing water wells for personal use in contaminated areas will help ensure protection of human health until the site cleanup is complete.

KDHE has approved the remedial actions for Groundwater Units 1 through 4, of which it was determined that no additional work was required at Groundwater Unit 1. The remedial actions for Groundwater Units 2 through 4 consist of source abatement and groundwater extraction and treatment of groundwater extraction wells from which contaminated groundwater will be pumped to the Gilbert and Mosley Wichita Area Treatment Education and Remediation (WATER) Center for treatment. There has been no preferred remedial alternative for Groundwater Units 5 and 6. A separate decision document will be developed based on completion of the FS for the groundwater unit.

The current obligation is estimated based upon the engineer's 2019 costs estimates for the construction of the remediation system and the operations and maintenance/ sampling costs. KDHE has approved the Remedial Design, the Site-wide Monitoring and Performance Evaluation Work Plan for the NIC Site.

A liability of \$16,157,143 has been recorded in the government-wide financial statements. The potential for changes to the liability is relatively high due to the required technical components, future bidding and potential value initiatives that may reduce project costs.

As of December 31, 2019, all of the financially significant participants have settled with the City and the City has settled with 18 responsible parties. There a receivable of \$729,167 has been recorded and is primarily due from one company which is making its settlement in installment payments. Additional settlements are also anticipated in 2020.

John's Sludge Pond: The John's Sludge Pond site was formerly used for disposal of waste oil and oily sludge generated in the recycling/reclamation process of an oil refinery. A portion of the site was purchased by the City in 1983 to provide drainage for the interstate highway. A private estate owns the remainder of the site. Investigations by the City of Wichita found the sludge and water in the pond to be very acidic and the sludge was found to contain elevated concentrations of lead, low levels of PCBs, other metals and organics.

The site was placed on the National Priorities List (NPL) by the EPA in 1983. Remedial actions consisted of stabilizing the sludge with pozzolanic material and capping the site in 1985. The site was removed from the NPL in 1992 but is still being monitored because the waste was capped in place. The EPA performs project reviews every five years. In 2017, the EPA review determined that the City could reduce its monitoring frequency to every five years instead of every year. The next scheduled sampling event is 2021.

The City has ongoing maintenance costs. A liability of \$500 has been recorded in the government-wide financial statements. The City does not currently have a contract in place to conduct the 2021 or 2026 sampling events and thus, there is no estimate for a revised monitoring liability at this point. The potential for change to the liability is relatively moderate.

Mid-town Bike Path: A portion of the City's Mid-town Bike Path was acquired from the abandoned Union Pacific Railroad line in north central Wichita. The City has converted a portion of the abandoned rail line into a bicycle pathway. The shallow soils along the proposed pathway are impacted by total petroleum hydrocarbons (TPH) and metals (lead and arsenic). As part of the remedial strategy, the impacted soils were capped with clean soils to prevent dermal contact and limit potential infiltration and leaching of the materials to the groundwater. KDHE requires an annual inspection of the conditions and maintenance of the site. The City has recorded a liability of \$2,500 for costs associated with monitoring and reporting.

Wichita Mid-Continent Airport Fuel and Fire Training Facility Site: Contaminates of petroleum related volatile organic compounds were found in solid samples collected between 1989 and 1993. Due to the low level of contaminants reported in the groundwater at the Fuel Farm and the absence of contaminants in the groundwater at the nearby Fire

Training Facility, KDHE requires monitoring of groundwater only. Annual monitoring of the site is completed in compliance with KDHE requirements. The City has recorded a liability of \$5,000 for costs associated with site monitoring and reporting.

J. Liquidation of Other Long-Term Liabilities

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities of the internal service funds are included as part of the totals for governmental activities as presented in the Long-Term Liabilities Activity at the beginning of this note (Note 10A - Long-Term Obligations). At year-end, compensated absences of \$489,176 related to internal service funds were included in the governmental amounts. Compensated absences for the governmental funds are generally liquidated by the General Fund.

Claims payable are liquidated from the Self Insurance Fund. Post-employment benefits other than pensions are recorded at the entity-wide level and are generally liquidated from the Self Insurance Fund. Net Pension Liability will ultimately be satisfied through charges related to payroll and such liabilities are generally liquidated using the resources of the funds from which the liabilities originated. Environmental remediation liabilities are recorded at the government-wide level and are generally liquidated from the Environmental TIF Funds.

K. Applicability of Federal Arbitrage Regulations

Debt issuances of the City issued after the Tax Reform Act of 1986 are subject to federal arbitrage rebate regulations. The arbitrage rebate regulations require that all earnings from the investment of gross proceeds of a bond issue in excess of the amount that could have been earned, had the yield on the investment been equal to the yield on the bonds, be remitted to the federal government. These rules carry strict penalties for noncompliance, including taxability of interest retroactive to the date of the issue. City management believes the City is in compliance with these rules and regulations.

11. TEMPORARY NOTES PAYABLE

Kansas Statutes permit the issuance of temporary notes to finance certain capital improvement projects that will be refinanced with general obligation bonds. Prior to the issuance of temporary notes, the governing body must take necessary legal steps to authorize the issuance of general obligation bonds. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance. During 2019, the City issued \$190,640,000 and retired \$216,315,000 in temporary notes for various capital improvements. Temporary notes outstanding at December 31, 2019 are payable as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities	\$ 112,348,471	\$ 188,911,860	\$ (209,870,331)	\$ 91,390,000
Business-type activities				
Airport Authority Fund	3,630,000	-	(3,630,000)	-
Transit Fund	1,086,529	1,172,405	(2,258,934)	-
Stormwater Utility Fund	-	555,735	(555,735)	-
Total business-type	4,716,529	1,728,140	(6,444,669)	-
Total temporary notes	\$ 117,065,000	\$ 190,640,000	\$ (216,315,000)	\$ 91,390,000

Temporary notes also replace operating cash which has been used to finance capital construction in other funds as provided in the table on the following page. Some construction costs may have occurred in prior periods.

	Series	Interest Rate	Amount Outstanding	Maturity Date
Governmental activities:				
Capital project funds:				
Street Improvement Fund	298	4.000%	\$ 36,387,175	10/13/20
Public Improvement Construction Fund	298	4.000%	33,397,616	10/13/20
Water Main Extension Fund	298	4.000%	2,157,260	10/13/20
Park Bond Construction Fund	298	4.000%	2,644,819	10/13/20
Sewer Construction Fund	298	4.000%	16,803,130	10/13/20
Total governmental activities			91,390,000	
Total temporary notes payable			\$ 91,390,000	

12. LEASES

Rents Receivable under Operating Leases: The Airport Authority leases facilities and land to airlines, concessionaires, commercial entities and others. The leases are for varying periods, from one month to 39 years, and require the payment of minimum annual rentals. The future minimum rentals of non-cancelable operating leases are reflected in the accompanying table. The future value of operating leases does not include contingent rentals that may be received under certain leases. Such contingent rentals totaled \$4,460,452 in 2019.

Direct Financing Leases: The Airport Authority has authorized the construction of buildings on Authority-owned land by 51 tenants, some of which the Airport Authority has assisted in financing through the issuance of Airport Facility Bonds. Tenants lease the land from the Airport Authority for periods ranging from one month to 39 years with renewal options ranging from one year to 27 years.

Year Ending December 31,	Minimum Rentals of Non-cancelable Operating Leases
2020	\$ 11,500,897
2021	6,931,264
2022	6,604,589
2023	6,207,004
2024	5,485,808
2025 – 2029	16,925,601
2030 – 2034	12,563,656
2035 – 2039	12,347,179
2040 – 2044	11,961,720
2045 – 2049	8,105,904
2050 – thereafter	3,330,022
Total minimum future	\$ 101,963,644

The financing of the facilities by the Airport Authority represents direct financing leases. Accordingly, the net investments of such leases are recorded on the enterprise fund balance sheet as restricted assets. The tables presented below provide the components of the net investment in direct financing leases as of December 31, 2019 and the future minimum lease rentals to be received under the leases.

Investments in Direct Financing Leases As of December 31, 2019	
	Airport Authority
Total minimum lease payments to be received	\$ 13,226,070
Less: unearned income	(1,676,507)
Net investment in direct financing leases	\$ 11,549,563

Future Minimum Lease Rentals Under Direct Financing Leases As of December 31, 2019	
Year ending December 31,	Airport Authority
2020	\$ 6,307,671
2021	1,607,773
2022	288,002
2023	288,002
2024	288,002
2025 – 2029	2,509,508
2030 – 2034	990,008
2035 – 2039	947,104
Total minimum future	\$ 13,226,070

Prepaid Long-term Operating Lease: The City entered into a development agreement with Cargill Meat Solutions Corporation related to the construction of a parking facility in the City's Old Town District. Under this agreement, the City has agreed to contribute funding of up to 50% of qualifying construction costs plus an additional \$3,000,000. In exchange, the parking facility will be available for public use during designated hours for a term of 15 years beginning November 2018, as the

parking garage was completed in October 2018. As of December 31, 2019, the City had reimbursed Cargill \$9,347,743 for the construction of the parking facility, and the balance of the prepaid lease as of December 31, 2019 was \$8,589,820.

Rentals Payable under Operating Leases: The City entered into a five-year lease agreement in 2019 in which the City is the lessee of printers, software and accessories. The operating lease is a component of the lease agreement that is disclosed in Note 10.G – Capital Leases. On December 31, 2019, the future minimum lease payments totaled \$309,871.

13. CONDUIT DEBT OBLIGATIONS

From time to time the City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The industrial revenue bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2019, 83 series of industrial revenue bonds were outstanding, with an aggregate principal amount payable of \$1,660,893,906.

Special facility revenue bonds have been issued by the Airport Authority to provide for the construction of buildings on Authority-owned land. The bonds are special limited obligations of the Authority, payable solely from and secured by a pledge of rentals to be received from lease agreements between the Authority and various tenants. The bonds do not constitute a debt or pledge of the faith and credit of the City or the Airport Authority. At December 31, 2019, four series of special facility revenue bonds totaling \$11,549,563 are reported as a long-term liability of the Airport Authority. Note 9C - Revenue Bonds provides additional disclosure on the long-term debt. Note 12 - Leases provides further disclosure on the direct financing leases.

14. INTERFUND TRANSFERS

Interfund transfers reflect the flow of resources from one fund to another fund, generally from the fund in which the resources are received or reside to the fund in which the resources will be expended. During the year ended December 31, 2019, transfer revenue and transfer expenditures each totaled \$104,096,706.

Of routine nature are the Debt Service Fund transfers of \$19.2 million to the Street Improvement Fund, Public Improvement Fund, Stormwater Fund and other capital project funds to retire temporary notes and cash fund projects. Also routine, were transfers from the Sales Tax Construction Pledge Fund to the Debt Service Fund of \$14.5 million and \$19.9 million to the Local Sales Tax CIP Fund to cash fund freeway and major arterial projects.

Summary of Interfund Transfers For Year Ended December 31, 2019		
Fund	Transfers Out	Transfers In
Major funds:		
General Fund	\$ 9,399,380	\$ 5,415,938
Debt Service Fund	21,463,911	20,154,357
Street Improvement Fund	13,894,802	15,493,264
Public Improvement Fund	1,539,215	16,589,456
Stormwater Fund	-	555,735
Nonmajor governmental funds	56,036,937	37,763,455
Nonmajor enterprise funds	100,000	6,390,218
Internal service funds	1,662,461	1,734,283
Total transfers	\$ 104,096,706	\$ 104,096,706

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15. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables result from the provision of products or services or loans between funds. As of December 31, 2019, interfund receivables and payables totaled \$38,990,998, including a long-term Golf Course System Fund payable to the Debt Service Fund to assist with the restructuring of long-term debt. In addition, a temporary loan from the General Fund-Permanent Reserve Subfund to the Transit Fund exists. Other interfund balances are used to offset temporary cash deficits. Individual fund receivable and payable balances at December 31, 2019 are presented in the tables below.

Interfund Receivables As of December 31, 2019	
Fund	Receivables
Major funds:	
General Fund	\$ 618,660
Debt Service Fund	5,668,420
Nonmajor governmental funds:	
Downtown Parking Fund	1,277,441
Local Sales Tax CIP Fund	31,426,477
Total interfund receivables	\$ 38,990,998

Interfund Payables As of December 31, 2019	
Fund	Payables
Major funds:	
Street Improvement Fund	\$ 17,053,795
Public Improvement Fund	5,786,848
Nonmajor governmental funds:	
Homelessness Assistance Fund	13,714
Grant Assistance Fund	1,263,727
Water Main Extension Fund	1,092,040
Park Bond Construction Fund	678,581
Sewer Construction Fund	6,815,213
Nonmajor Enterprise funds:	
Golf Course System Fund	5,668,420
Transit Fund	618,660
Total interfund payables	\$ 38,990,998

16. PASSENGER FACILITY CHARGES

In 1994, the Airport Authority first received approval from the Federal Aviation Administration to impose and use a passenger facility charge (PFC) of \$3 for each eligible passenger utilizing Mid-Continent Airport, effective December 1, 1994. The first funds were received by the Airport Authority in January 1995. On May 1, 2005 the PFC increased to \$4.50 for each eligible passenger.

The charge is collected by all carriers and remitted to the Airport Authority, less a \$0.08 per passenger handling fee prior to April 2004. Beginning May 1, 2004, the handling fee increased to \$0.11 per passenger. The proceeds from the PFC are restricted for certain FAA approved capital improvement projects. As of December 31, 2019 the Airport Authority has submitted and received approval on seven applications. The approved applications represent a total amended authorized amount of \$199,528,281. The charge expiration date for the current program is estimated to be May 1, 2046.

17. LANDFILL CLOSURE AND POST-CLOSURE CARE

Information about the landfills operated by the City and the related liabilities is provided in Note 9H - Other Long-Term Liabilities. The cost estimates used to develop the recorded liabilities are subject to change due to inflation, deflation, technology, laws, and regulations. Financial assurance for closure and post-closure care costs of the landfills has been demonstrated by the local government financial test, as specified in 40 CFR 258.74(f), adopted by reference for use in Kansas by K.A.R. 28-29-98. The Landfill Post-Closure Fund and landfill tipping fees will provide the primary source of funding for the City landfills' closure and post-closure costs. Additional financing needs beyond those met by the fund and user fees will potentially require the sale of bonds.

18. FUND BALANCE RESTRICTIONS AND OTHER RESERVATIONS

Governmental fund balance designations denote portions of the fund balance that are either (1) non-spendable due to form, legal or contractual constraints; (2) restricted under an externally imposed constraint; (3) committed to a specific purpose by the City Council; (4) assigned with intentions for a specific purpose; or (5) unassigned without any constraints.

The City maintains the Cemetery Fund, a permanent fund for the perpetual care of the Jamesburg, Highland and Pierpoint Cemeteries, as well as the Old Mission Mausoleum. The non-expendable portion of the fund balance is \$235,437. The remainder is expendable for care of the cemeteries. In the governmental funds, fund balance designations are reported in the table on the following page.

Governmental Fund Balance (Deficit) Designations As of December 31, 2019						
	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Street Improvement Fund	Public Improvement Fund		
Nonspendable:						
Inventories and prepaids	\$ 2,500	\$ -	\$ -	\$ -	\$ 214,229	\$ 216,729
Receivables, long-term	618,660	-	-	-	-	618,660
Permanent fund principal	-	-	-	-	235,437	235,437
Total Nonspendable	621,160	-	-	-	449,666	1,070,826
Restricted for:						
City manager	-	-	-	-	157,422	157,422
Finance	-	-	-	-	23,889	23,889
Municipal Court	-	-	-	-	2,642,199	2,642,199
Planning	-	-	-	-	28,510	28,510
Cemetery	-	-	-	-	1,277,007	1,277,007
Police	-	-	-	-	316,506	316,506
Flood control	-	-	-	-	200,710	200,710
Street maintenance	-	-	-	-	40,370,491	40,370,491
Community development	-	-	-	-	729,493	729,493
Housing services	-	-	-	-	4,182,376	4,182,376
Community health	-	-	-	-	36,918,226	36,918,226
Alcohol and drug programs	-	-	-	-	2,004,138	2,004,138
Tourism and convention	-	-	-	-	3,734,131	3,734,131
Libraries	-	-	-	-	152,919	152,919
Parks and recreation	-	-	-	-	193,741	193,741
Debt service	-	30,767,913	-	-	4,963,625	35,731,538
Total Restricted	-	30,767,913	-	-	97,895,383	128,663,296
Committed to:						
Municipal court	-	-	-	-	798,133	798,133
General government	-	-	-	-	1,982,671	1,982,671
Central inspection	-	-	-	-	1,250,520	1,250,520
Landfill	-	-	-	-	12,768,335	12,768,335
Total Committed	-	-	-	-	16,799,659	16,799,659
Assigned to:						
City manager	71,083	-	-	-	-	71,083
Economic development	1,670,079	-	-	-	-	1,670,079
Finance	119,212	-	-	-	-	119,212
Law	50,402	-	-	-	-	50,402
Municipal court	17,081	-	-	-	-	17,081
General government	41,892	-	-	-	-	41,892
Fire	92,360	-	-	-	-	92,360
Police	1,012,408	-	-	-	-	1,012,408
Traffic control maintenance	6,885	-	-	-	-	6,885
Street maintenance	1,705,623	-	-	-	-	1,705,623
Landfill	-	-	-	-	1,489,156	1,489,156
Community health	21,728	-	-	-	-	21,728
Libraries	7,942	-	-	-	-	7,942
Cultural arts facilities	63,426	-	-	-	-	63,426
Parks and recreation	592,779	-	-	-	-	592,779
Total Assigned	5,472,900	-	-	-	1,489,156	6,962,056
Unassigned:	37,225,457	-	(68,957,379)	(15,196,012)	(31,002,305)	(77,930,239)
Total Fund Balance (Deficit)	\$ 43,319,517	\$ 30,767,913	\$ (68,957,379)	\$ (15,196,012)	\$ 85,631,559	\$ 75,565,598

19. TAX ABATEMENTS

The City of Wichita's Office of Economic Development offers a variety of incentive programs designed to broaden and diversify the tax base, encourage capital investment, create employment opportunities and provide for the economic growth and welfare of the region. The Wichita City Council, in conjunction with Sedgwick County, has adopted an economic development policy which governs the use of these incentives. The policy defines eligibility criteria, including the required economic impact and return on investment; the implementation process; the types of incentives available; and compliance for the incentive programs. The policy is available online at <http://www.wichita.gov/Economic/Pages/Incentives.aspx>.

GASB Statement No. 77 defines a tax abatement as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or citizens of those governments. The City offers three economic development incentive programs that qualify as tax abatements under GASB Statement No. 77: (1) Industrial Revenue Bonds (IRB), (2) Economic Development Exemptions (EDX) and (3) Community Improvement Districts (CID).

Industrial Revenue Bonds (IRB) Program: The City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition, construction, improvement and equipping of industrial and commercial facilities deemed to be in the public interest. The industrial revenue bonds are purchased by investors (e.g. banks, private investors or the entity participating in the IRB Program) and the bonds are secured by the property financed and payable solely from payments received on the underlying mortgage loans. See further information on IRBs, including the amount outstanding at December 31, 2019, at Note 13 - Conduit Debt Obligations.

Through the IRB Program, entities can obtain lower interest rate financing and tax abatements (sales and/or property and ad valorem taxes). Under the Sales Tax Act (K.S.A. 79-3601 *et seq.*), the sales of tangible personal property or services purchased in connection with the construction of the projects financed by industrial revenue bonds are entitled to exemption from sales tax after a proper application for the exemption is made. Further, all or any property constructed or purchased with the proceeds of revenue bonds may be exempt from property and ad valorem taxation for up to a period of ten calendar years after the calendar year in which the bonds were issued (K.S.A. 79-201(a)).

The City Council approves all Letters of Intent (LOI), issuances and tax abatements related to the IRB Program. A Cost/Benefit Study is performed for each project that is to be funded by an IRB issuance to assist the City in determining whether or not to approve the requesting entity for the IRB Program for a particular project. To be eligible for a tax abatement, the project must have a cost/benefit ratio of 1.3 to 1 for the City. The property or ad valorem taxes abated affect other governments, such as Sedgwick County, the State of Kansas and various school districts. The percentage of property or ad valorem taxes abated is based on capital investment and job creation, for which the majority of the goods or services sold must be destined for customers outside of the Wichita Metropolitan Statistical Area (MSA). The property or ad valorem tax abatements can be up to 100% of the taxes on the property constructed, improved or purchased with the proceeds of the industrial revenue bonds for up to two five year periods, with a review by the City Council after the first five year period.

Typically, the entity participating in the program must meet its commitments by the end of the first five year period, unless extended by the City Council or otherwise stated in the agreement. These commitments are usually in the form of acquisition, construction, improvement or equipping of industrial or commercial facilities, job creation and sustained employment, including the new jobs created, in the Wichita MSA for the term of the agreement, which is typically ten years. The job creation commitment includes paying average wages equal to or greater than the average wages for the industry within the Wichita MSA. Further, pursuant to the City's economic development policy, clawback provisions relating to the repayment or cessation of incentives are to be included in all incentive agreements. These clawback provisions allow the City to require repayment of a portion or all of the abatement if the entity does not meet its commitments. For the year ended December 31, 2019, the City's property and sales tax revenues were reduced by approximately \$4.3 million and \$0.8 million, respectively, under agreements entered into pursuant to the City's IRB Program.

Economic Development Exemptions (EDX) Program: Economic Development Exemptions are used to encourage manufacturing, research and development and warehousing/distribution companies to grow in Wichita. Property or ad valorem taxes on improvements to land and buildings can be exempted for up to ten years pursuant to Article 11, Section 13, of the Kansas Constitution by the governing body of the City. Under the EDX Program, the percentage of taxes abated is based upon job creation and capital investment and is for up to two five year periods, with a review by the City Council after the first five-year period.

Typically, the entity participating in the program must meet its commitments by the end of the first five-year period, unless extended by the City Council or otherwise stated in the agreement. These commitments are usually in the form of job creation and sustained employment, including the new jobs created, in the Wichita MSA for the term of the agreement, which is typically ten years. The job creation commitment typically includes paying average wages equal to or greater than the average wages for the industry within the Wichita MSA. Also, pursuant to the City's economic development policy, clawback provisions relating to the repayment or cessation of incentives are to be included in all incentive agreements and can allow the City to recapture up to 100% of the abatement if all of the commitments are not fully met. For the year ended December 31, 2019, the City's property tax revenues were reduced by approximately \$235,000 under agreements entered into pursuant to the City's EDX Program.

Community Improvement Districts (CID) Program: In 2009, the Kansas Legislature enacted the Community Improvement District Act (the CID Act), pursuant to which municipalities may create districts in which certain special taxes are imposed and the revenue generated by these special taxes is used to fund certain public and private improvements, including certain ongoing operating costs, within the geographic bounds of the district. The City has a CID policy which outlines the local eligibility criteria, sources of funding, eligible CID costs, and the CID process, including creating and terminating a CID. The City Community Improvement Districts' policy is available online, under the Community Improvement Districts section at <http://www.wichita.gov/Economic/Pages/Incentives.aspx>. The CID must further the economic development of the City and support projects with total costs of not less than \$2 million for bonded projects or \$500,000 for pay-as-you-go projects. The City utilizes the provision of the CID Act to assist private developers by providing financing for commercial, industrial and mixed-use projects. The sources of the funding for the CID program are either through special assessments on all property within the district, or an additional retail sales tax up to 2%, which may be imposed for up to 22 years. For the year ended December 31, 2019, additional sales tax revenues of the City of approximately \$1,334,205 were reduced via the CID Program.

20. CONTINGENCIES AND COMMITMENTS

A. Legal Matters

The reporting entity generally follows the practice of recording liabilities resulting from claims and legal actions only when it is probable that a liability has been incurred and the amount can be reasonably estimated. The reporting entity is vigorously defending its interest in all of the various legal actions and claims against the reporting entity presently pending involving personal injury (including workers' compensation claims), property damages, civil rights complaints and other claims.

Under Kansas Statutes, should the courts sustain any litigation against the reporting entity, the City may issue no-fund warrants to cover any resulting over-expenditures not anticipated in the current year budget. The City is then required to levy sufficient ad valorem property taxes in the first levying period following issuance to retire such warrants. This tax levy is without limitation.

B. Grant Programs

The City participates in a number of federal and state assisted grant programs, which are subject to financial and compliance requirements with each applicable grant. Any disallowed costs resulting from financial and compliance audits could become a liability of the City. In the opinion of management, any such disallowed costs will not have a material effect on the basic financial statements of the City at December 31, 2019.

C. Construction and Capital Commitments

The City has outstanding construction and capital commitments for freeway and arterial street construction and other capital purchases and improvements of \$79.8 million in the governmental funds, \$49.5 million in the enterprise funds and \$1.5 million in the internal service funds.

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D. Encumbrances

Encumbrances included in fund balances as of December 31, 2019 are reported in the accompanying table:

Fund	Encumbrances
Major funds:	
General Fund	\$ 4,185,880
Street Improvement Fund	68,474,906
Public Improvement Fund	28,228,267
Water Utility Fund	17,363,222
Sewer Utility Fund	10,807,064
Airport Authority Fund	26,122,830
Stormwater Utility Fund	981,770
Nonmajor governmental funds	7,538,400
Nonmajor enterprise funds	8,430,401
Internal service funds	2,118,551
Total Reporting Entity	\$ 174,251,291

E. Economic Development Activities

The City has established tax increment financing districts to support economic development activities. The City's contributions to these projects include streets, stormwater drainage, public art, water features and public parking, which are financed through the issuance of bonds of which \$24.9 million are outstanding.

In the event that property and guest tax revenues generated by the tax increment financing districts and other revenue sources are not available, under Kansas State Law, the City would be required to levy additional property tax on all taxable tangible property in the City to meet debt service requirements for these projects.

21. PRIOR PERIOD ADJUSTMENTS

Implementation of *GASB Statement No. 84, Fiduciary Activities*, resulted in a prior period adjustment in the amount of \$634,181 to governmental activities for the reclassification of certain funds previously reported as agency funds as governmental funds.

In 2019, management determined a restatement of capital assets for the governmental activities and the Airport Authority was necessary. This restatement primarily related to the following: (1) determination that certain governmental activities and Airport Authority capital project expenses were improperly included in construction in progress when they should have been expensed in the prior period; and (2) capitalization of construction in progress with an effective date prior to January 1, 2019, for certain Airport Authority projects.

The following restatements were made to beginning net position/ fund balance:

Financial Statements/ Fund	Net Position		
	As Previously Stated	Prior Period Adjustment	Restated
Government-wide Financial Statements:			
Governmental Activities	\$ 1,144,489,360	\$ (15,248,156)	\$ 1,129,241,204
Business-type Activities	1,219,780,594	(6,083,337)	1,213,697,257
Total Government-wide	\$ 2,364,269,954	\$ (21,331,493)	\$ 2,342,938,461
Fund Financial Statements:			
Nonmajor governmental funds	\$ 68,591,939	\$ 634,181	\$ 69,226,120
Enterprise Fund:			
Airport Authority	\$ 203,735,769	\$ (6,083,337)	\$ 197,652,432

22. SUBSEQUENT EVENTS**A. COVID-19 Pandemic**

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended worldwide mitigation measures. The extent of COVID-19's effect on the City's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the operations. However, if the pandemic continues to evolve, this could have a material adverse effect on the operations, statement of net position, statement of activities and cash flows.

The City has received several federal grants in 2020 related to the COVID-19 pandemic and has applied for additional grants for which the amount of funding to be awarded is unknown.

B. Long-Term Debt Issuances

On May 1, 2020, the City issued Series 2020A Water and Sewer Utility Revenue Bonds (2020A Bonds) in the amount of \$32,400,000 to (1) permanently finance multiple improvements, extensions, enlargements, repairs, alterations and reconstructions of various facilities of the Utility; (2) to make a deposit to the Series 2020A Bond Reserve Subaccount; and (3) to pay costs of issuance of the 2020A Bonds. The 2020A Bonds have stated interest rates of 3% for serial bonds due starting in 2021 and ending in 2039, with a term bond due 2036.

On April 15, 2020, the City issued \$26,875,000 General Obligation Temporary Notes, Series 300 with a stated maturity of October 15, 2020 at 2.25% interest.

C. Upcoming Major Capital Projects and Related Financing

On April 27, 2020, the City entered into a Water Infrastructure Finance and Innovation Act (WIFIA) credit agreement at 1.17% for up to \$280,860,714 with the Environmental Protection Agency (EPA) to fund part of the City's new Northwest Water Treatment Facility (NWWTF) Project, which is expected to cost approximately \$550 million. The WIFIA loan will be due in semi-annual installments of interest and annual payments of principal, with a final maturity date of 35 years following the substantial completion date of the Project. No interest accrues until the City makes its first drawdown of funds from the WIFIA Loan, which is expected to be in 2021.

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CITY OF WICHITA, KANSAS

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

For the years ended December 31, 2015 through December 31, 2019¹

	2019 ²	2018 ²	2017 ²	2016 ²	2015 ²
TOTAL PENSION LIABILITY					
Service cost	\$ 10,067,053	\$ 10,049,029	\$ 9,679,684	\$ 9,644,456	\$ 9,278,998
Interest	47,789,825	46,669,189	45,634,881	44,305,832	43,680,283
Differences between expected and actual experience	(2,668,930)	(1,893,808)	(2,791,029)	(656,102)	(3,427,255)
Assumption changes	32,865,478	-	-	(8,877,507)	(3,550,489)
Reclassification due to conversion of members to Plan 3b	(179,012)	(191,292)	(244,793)	(465,171)	(571,242)
Benefit payments, including member refunds	<u>(41,670,299)</u>	<u>(39,282,815)</u>	<u>(39,144,783)</u>	<u>(37,089,403)</u>	<u>(37,681,042)</u>
Net change in total pension liability	46,204,115	15,350,303	13,133,960	6,862,105	7,729,253
Total pension liability - beginning	<u>625,461,450</u>	<u>610,111,147</u>	<u>596,977,187</u>	<u>590,115,082</u>	<u>582,385,829</u>
Total pension liability - ending (a)	<u><u>\$ 671,665,565</u></u>	<u><u>\$ 625,461,450</u></u>	<u><u>\$ 610,111,147</u></u>	<u><u>\$ 596,977,187</u></u>	<u><u>\$ 590,115,082</u></u>
PLAN FIDUCIARY NET POSITION					
Employer contributions	\$ 10,099,027	\$ 9,642,540	\$ 8,946,064	\$ 9,031,463	\$ 9,423,640
Employee contributions	3,755,812	3,682,056	3,642,007	3,574,026	3,394,544
Reclassification due to conversion of members to Plan 3b	(179,012)	(191,292)	(244,793)	(465,171)	(571,242)
Net investment income (loss)	(39,511,690)	91,773,973	35,956,780	13,380	28,659,491
Benefit payments, including member refunds	(41,670,299)	(39,282,815)	(39,144,783)	(37,089,403)	(37,681,042)
Administrative expenses	<u>(580,204)</u>	<u>(633,379)</u>	<u>(615,829)</u>	<u>(624,085)</u>	<u>(621,460)</u>
Net change in Plan fiduciary net position	\$ (68,086,366)	\$ 64,991,083	\$ 8,539,446	\$ (25,559,790)	\$ 2,603,931
Plan fiduciary net position - beginning	<u>614,778,032</u>	<u>549,786,949</u>	<u>541,247,503</u>	<u>566,807,293</u>	<u>564,203,362</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 546,691,666</u></u>	<u><u>\$ 614,778,032</u></u>	<u><u>\$ 549,786,949</u></u>	<u><u>\$ 541,247,503</u></u>	<u><u>\$ 566,807,293</u></u>
Net pension liability - ending (a) - (b)	\$ 124,973,899	\$ 10,683,418	\$ 60,324,198	\$ 55,729,684	\$ 23,307,789
Fiduciary net position as a percentage of total pension liability	81.39%	98.29%	90.11%	90.66%	96.05%
Covered payroll	\$ 78,898,648	\$ 78,394,634	\$ 77,121,241	\$ 74,028,385	\$ 71,391,212
Employer's net pension liability as a percentage of covered payroll	158.40%	13.63%	78.22%	75.28%	32.65%

NOTES TO SCHEDULE:

Benefit changes:

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

Changes in actuarial assumptions:

December 31, 2018 valuation:

- Decrease in the price inflation assumption from 3.25% to 2.75%.
- Decrease in the investment return assumption from 7.75% to 7.50%.
- Decrease in the SEIR from 7.90% to 7.31%.
- Decrease in the general wage growth assumption from 4.00% to 3.25%.
- Decrease in the covered payroll growth assumption from 4.00% to 3.25%.
- Decrease in the indexation of terminated vested benefits from 4.00% to 3.50%.
- Adjusted the retirement rates to better reflect the actual experience.
- Increased the probability of entering DROP from 70% to 75%.
- Adjusted the termination of employment rates to better reflect the actual experience.
- Decrease the merit component of the salary increase assumption.
- Decrease the sick leave load assumption from 2.50% to 1.75%.

December 31, 2015 valuation:

- There were no changes to the assumptions used for the funding valuation even though the SEIR at the Measurement Date was changed for the GASB 68 valuation.

December 31, 2014 valuation:

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

December 31, 2009 valuation:

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

Annual money-weighted rate of return on pension plan investments:

The Wichita Retirement Systems (WRS) issue a publicly available Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information (including the annual money-weighted annual rate of return on plan investments) for WERS, PFRS and Plan 3b. The financial report may be obtained by writing to the WRS, City Hall, 12th Floor, 455 N. Main, Wichita, KS 67202 or online at <http://www.wichita.gov/Finance/Pages/Pension.aspx>.

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

² Information about the employer's net pension liability is presented as of a measurement date one year prior to the fiscal year end date. For example, the net pension liability reported as of December 31, 2019 is reported based on a measurement date of December 31, 2018.

CITY OF WICHITA, KANSAS

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

For the years ended December 31, 2015 through December 31, 2019¹

	2019 ²	2018 ²	2017 ²	2016 ²	2015 ²
TOTAL PENSION LIABILITY					
Service cost	\$ 15,754,976	\$ 15,178,226	\$ 14,772,379	\$ 14,981,100	\$ 15,894,290
Interest	53,649,438	51,532,754	49,519,284	47,600,166	46,490,734
Differences between expected and actual experience	11,768,665	(1,784,785)	(2,576,401)	(3,259,180)	(12,040,126)
Assumption changes	26,241,485	-	-	(10,871,013)	226,376
Benefit payments, including member refunds	(39,381,501)	(36,930,533)	(35,552,267)	(36,090,820)	(36,415,156)
Net change in total pension liability	68,033,063	27,995,662	26,162,995	12,360,253	14,156,118
Total pension liability - beginning	698,423,311	670,427,649	644,264,654	631,904,401	617,748,283
Total pension liability - ending (a)	<u>\$ 766,456,374</u>	<u>\$ 698,423,311</u>	<u>\$ 670,427,649</u>	<u>\$ 644,264,654</u>	<u>\$ 631,904,401</u>
PLAN FIDUCIARY NET POSITION					
Employer contributions	\$ 14,331,422	\$ 13,369,785	\$ 12,585,895	\$ 13,964,379	\$ 14,464,181
Employee contributions	5,599,216	4,915,378	4,776,958	4,603,331	4,529,895
Net investment income (loss)	(43,988,371)	103,236,679	39,901,640	(163,702)	30,596,067
Benefit payments, including member refunds	(39,381,501)	(36,930,533)	(35,552,267)	(36,090,820)	(36,415,156)
Administrative expenses	(590,098)	(554,641)	(548,171)	(521,018)	(542,207)
Net change in Plan fiduciary net position	\$ (64,029,332)	\$ 84,036,668	\$ 21,164,055	\$ (18,207,830)	\$ 12,632,780
Plan fiduciary net position - beginning	698,083,949	614,047,281	592,883,226	611,091,056	598,458,276
Plan fiduciary net position - ending (b)	<u>\$ 634,054,617</u>	<u>\$ 698,083,949</u>	<u>\$ 614,047,281</u>	<u>\$ 592,883,226</u>	<u>\$ 611,091,056</u>
Net pension liability - ending (a) - (b)	\$ 132,401,757	\$ 339,362	\$ 56,380,368	\$ 51,381,428	\$ 20,813,345
Fiduciary net position as a percentage of total pension liability	82.73%	99.95%	91.59%	92.02%	96.71%
Covered payroll	\$ 72,017,196	\$ 69,634,297	\$ 66,946,250	\$ 65,560,465	\$ 64,572,237
Employer's net pension liability as a percentage of covered payroll	183.85%	0.49%	84.22%	78.37%	32.23%

NOTES TO SCHEDULE:

Benefit changes:

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

Changes in actuarial assumptions:

December 31, 2018 valuation:

- Decrease in the price inflation assumption from 3.25% to 2.75%.
- Decrease in the investment return assumption from 7.75% to 7.50%.
- Decrease in the SEIR from 7.90% to 7.45%.
- Decrease in the general wage growth assumption from 4.00% to 3.25%.
- Decrease in the payroll growth assumption from 4.00% to 3.25%.
- Decrease in the indexation of terminated vested benefits from 4.00% to 3.50%.
- Modified the retirement rates and created a separate assumption for members with more than 30 years of service to better reflect the actual retirement and Back Drop experience.
- Adjusted the termination of employment rates to better reflect the actual experience.
- Adjusted the probability of refund assumptions to better reflect the actuarial experience.
- Decrease the merit component of the salary increase assumption.
- Decrease the sick leave load assumption from 3.00% to 2.50%.

December 31, 2015 valuation:

- There were no changes to the assumptions used for the funding valuation even though the SEIR at the Measurement Date was changed for the GASB 68 valuation.

December 31, 2014 valuation:

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

December 31, 2009 valuation:

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

Annual money-weighted rate of return on pension plan investments:

- The Wichita Retirement Systems (WRS) issue a publicly available Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information (including the annual money-weighted annual rate of return on plan investments) for WERS, PFRS and Plan 3b. The financial report may be obtained by writing to the WRS, City Hall, 12th Floor, 455 N. Main, Wichita, KS 67202 or online at <http://www.wichita.gov/Finance/Pages/Pension.aspx>.

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

² Information about the employer's net pension liability is presented as of a measurement date one year prior to the fiscal year end date. For example, the net pension liability reported as of December 31, 2019 is reported based on a measurement date of December 31, 2018.

CITY OF WICHITA, KANSAS

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

For the years ended December 31, 2015 through December 31, 2019¹
(dollars expressed in thousands)

	2019	2018	2017	2016	2015
Actuarially determined employer contributions	\$ 9,684	\$ 10,099	\$ 9,643	\$ 8,946	\$ 9,031
Actual employer contributions	9,684	10,099	9,643	8,946	9,031
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 80,029	\$ 78,899	\$ 78,395	\$ 77,121	\$ 74,028
Contributions as a percentage of covered payroll	12.10%	12.80%	12.30%	11.60%	12.20%

NOTES TO SCHEDULE:

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

The following actuarial methods and assumptions were used to determine the Actuarially Determined Contribution reported as of December 31, 2019.

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	20 years
Asset valuation method	Expected + 25% of (Market - Expected Values)
Price inflation	3.25%
Salary increases, including wage inflation	4.25% to 7.20%
Long-term rate of return, net of investment expense, and including inflation	7.75%

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 9,424	\$ 8,940	\$ 7,503	\$ 7,695	\$ 6,689
<u>9,424</u>	<u>8,940</u>	<u>7,503</u>	<u>7,695</u>	<u>6,689</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
\$ 71,391	\$ 70,953	\$ 70,783	\$ 75,444	\$ 79,636
13.20%	12.60%	10.60%	10.20%	8.40%

CITY OF WICHITA, KANSAS

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

For the years ended December 31, 2015 through December 31, 2019¹
(dollars expressed in thousands)

	2019	2018	2017	2016	2015
Actuarially determined employer contributions	\$ 13,965	\$ 14,331	\$ 13,370	\$ 12,586	\$ 13,964
Actual employer contributions	<u>13,965</u>	<u>14,331</u>	<u>13,370</u>	<u>12,586</u>	<u>13,964</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 73,891	\$ 72,017	\$ 69,634	\$ 66,946	\$ 65,560
Contributions as a percentage of covered payroll	18.90%	19.90%	19.20%	18.80%	21.30%

NOTES TO SCHEDULE:

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

The following actuarial methods and assumptions were used to determine the Actuarially Determined Contribution reported as of December 31, 2019.

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 14,464	\$ 14,890	\$ 14,113	\$ 13,807	\$ 13,120
<u>14,464</u>	<u>14,890</u>	<u>14,113</u>	<u>13,807</u>	<u>13,120</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
\$ 64,572	\$ 65,306	\$ 64,150	\$ 62,759	\$ 63,077
22.40%	22.80%	22.00%	22.00%	20.80%

CITY OF WICHITA, KANSAS

OTHER POST-EMPLOYMENT BENEFITS (OPEB - REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

For the years ended December 31, 2015 through December 31, 2019¹

	2019	2018
TOTAL OPEB LIABILITY		
Service cost	\$ 2,221,238	\$ 2,393,138
Interest	1,486,938	1,242,504
Differences between expected and actual experience	(4,833,105)	1,580,925
Assumption changes	3,726,542	(2,528,757)
Benefit payments	(1,929,879)	(2,977,740)
Net change in total OPEB liability	671,734	(289,930)
Total OPEB liability - beginning	34,912,529	35,202,459
Total OPEB liability - ending	<u>\$ 35,584,263</u>	<u>\$ 34,912,529</u>
Covered employee payroll	\$ 153,938,076	\$ 155,777,106
Employer's total OPEB liability as a percentage of covered payroll	23.12%	22.41%

NOTES TO SCHEDULE:

The City of Wichita has no accumulated assets held in a trust to pay OPEB related benefits.

Benefit changes :

- There have been no substantive plan provision changes since the December 31, 2017 valuation.

Changes in actuarial assumptions :

December 31, 2018 valuation:

- The discount rate has been updated to reflect market conditions as of the Measurement Date. The discount rate decreased from 4.11% to 3.26%. The mortality table has been updated from SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 as follows:
 - General employees and retirees: SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019
 - Public safety employees and retirees: SOA Pub-2010 Public Safety Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019
 - Surviving spouses: SOA Pub-2010 Contingent Survivor Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019
- Termination rate tables, retirement rate tables and payroll growth rates have been updated to follow the actuarial assumptions from the Wichita Employees' Retirement System and the Police and Fire Retirement System actuarial valuations as of December 31, 2018.

December 31, 2017 valuation:

The previous valuation was performed under GASB 45 and the following assumptions have been updated in accordance with GASB 75:

- The actuarial cost method has been updated from the Projected Unit Credit with linear proration to decrement to Entry Age Normal Level Percent Salary. In conjunction with this change, the payroll growth assumption has been updated based on the most recent WRS and PRFS actuarial valuations as of December 31, 2017. The net impact of these changes is a decrease in liabilities.
- The discount rate as of the measurement date, December 31, 2018, has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality of another rating scale). The prior valuation used a discount rate of 4.00%. The current valuation uses a discount rate of 3.44% as the January 1, 2018 and 4.11% as of December 31, 2018. This change caused an increase in the liabilities as of the beginning of the year and a decrease in liabilities during the year.

Additionally, the following assumptions have also been updated.

- The mortality table was updated from SAO RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 to SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018. The impact of this change was a slight decrease in liabilities.
- The health care trend rates were updated to an initial rate of 8.50% decreasing by 0.50% annually to an ultimate rate of 4.50%. This change caused a decrease in liabilities.

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

GOVERNMENTAL FUNDS



GOVERNMENTAL FUNDS

Governmental fund financial statements distinguish revenues and expenditures from other financing sources and uses. Other financing sources and uses are increases or decreases in the fund balance of a governmental fund that are not considered revenues or expenditures.

Nonmajor Special Revenue Funds

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

Homelessness Assistance	Tourism and Convention
Special Alcohol Program	Special Parks and Recreation
Landfill	Landfill Post-closure
Metropolitan Area Building and Construction	Downtown Parking
Environmental TIF (Tax Increment Financing) Districts	Self-Supported Municipal Improvement District
City – County Joint Operations	Grant Assistance
Municipal Court Restricted	Community Improvement District
Tourism Business Improvement District	

Nonmajor Capital Projects Funds

The purpose of the capital projects funds is to account for capital improvements (except those financed by proprietary funds) that are financed from the proceeds of general obligation bonds, special assessment bonds, local sales tax, grants and other City funds. The following nonmajor capital project funds are reported:

Water Main Extension	Park Bond Construction
Sewer Construction	Local Sales Tax CIP
Sales Tax Construction Pledge	

Permanent Fund

The Cemetery Fund is reported as a permanent fund and receives earnings from investments that are used for the perpetual care of three cemeteries and a mausoleum maintained by the municipality.

Other Supplementary Information

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

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUND TYPES

December 31, 2019

	Governmental Fund Types			
	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery	Total
ASSETS				
Cash and cash equivalents	\$ 63,841,591	\$ 13,907,639	\$ 539,054	\$ 78,288,284
Investments	6,405,397	-	973,390	7,378,787
Receivables, net:				
Due from other agencies	52,176	-	-	52,176
Accounts receivable	4,683,856	-	-	4,683,856
Notes receivable	775,000	-	-	775,000
Due from other funds	1,277,441	31,426,477	-	32,703,918
Inventories	103,820	-	-	103,820
Prepaid items	116,247	-	-	116,247
Total assets	<u>\$ 77,255,528</u>	<u>\$ 45,334,116</u>	<u>\$ 1,512,444</u>	<u>\$ 124,102,088</u>
LIABILITIES				
Accounts payable and other liabilities	\$ 2,262,523	\$ 746,088	\$ -	\$ 3,008,611
Accrued interest payable	-	65,174	-	65,174
Temporary notes payable	-	21,605,209	-	21,605,209
Deposits	253,149	-	-	253,149
Unearned revenue	4,821	-	-	4,821
Due to other agencies	258,697	-	-	258,697
Due to other funds	1,277,441	8,585,834	-	9,863,275
Total liabilities	<u>4,056,631</u>	<u>31,002,305</u>	<u>-</u>	<u>35,058,936</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Other	3,411,593	-	-	3,411,593
Total deferred inflows of resources	<u>3,411,593</u>	<u>-</u>	<u>-</u>	<u>3,411,593</u>
FUND BALANCES				
Nonspendable	214,229	-	235,437	449,666
Restricted	51,284,260	45,334,116	1,277,007	97,895,383
Committed	16,799,659	-	-	16,799,659
Assigned	1,489,156	-	-	1,489,156
Unassigned	-	(31,002,305)	-	(31,002,305)
Total fund balances	<u>69,787,304</u>	<u>14,331,811</u>	<u>1,512,444</u>	<u>85,631,559</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 77,255,528</u>	<u>\$ 45,334,116</u>	<u>\$ 1,512,444</u>	<u>\$ 124,102,088</u>

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2019

	Homelessness Assistance	Tourism and Convention	Special Alcohol Program	Special Parks and Recreation
ASSETS				
Cash and cash equivalents	\$ -	\$ 3,543,273	\$ 2,041,421	\$ 193,741
Investments	-	-	-	-
Receivables, net:				
Due from other agencies	-	-	-	-
Accounts receivable	13,714	-	-	-
Notes receivable	-	75,000	-	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 13,714</u>	<u>\$ 3,618,273</u>	<u>\$ 2,041,421</u>	<u>\$ 193,741</u>
LIABILITIES				
Accounts payable and other liabilities	\$ -	\$ 215,725	\$ 37,283	\$ -
Deposits	-	-	-	-
Unearned revenue	-	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	13,714	-	-	-
Total liabilities	<u>13,714</u>	<u>215,725</u>	<u>37,283</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Other	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	3,402,548	2,004,138	193,741
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>-</u>	<u>3,402,548</u>	<u>2,004,138</u>	<u>193,741</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,714</u>	<u>\$ 3,618,273</u>	<u>\$ 2,041,421</u>	<u>\$ 193,741</u>

Landfill	Landfill Post-Closure	Metropolitan Area Building and Construction	Downtown Parking
\$ 3,579,425	\$ 10,569,853	\$ 284,784	\$ 869,429
-	-	-	-
-	-	-	-
140,607	-	1,109,976	92,187
-	-	-	-
-	-	-	1,277,441
-	-	-	-
-	-	-	-
<u>\$ 3,720,032</u>	<u>\$ 10,569,853</u>	<u>\$ 1,394,760</u>	<u>\$ 2,239,057</u>
\$ 17,393	\$ 10,180	\$ 113,160	\$ 256,386
-	-	31,080	-
4,821	-	-	-
-	-	-	-
-	-	-	-
<u>22,214</u>	<u>10,180</u>	<u>144,240</u>	<u>256,386</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,697,818	9,070,517	1,250,520	1,982,671
-	1,489,156	-	-
<u>3,697,818</u>	<u>10,559,673</u>	<u>1,250,520</u>	<u>1,982,671</u>
\$ 3,720,032	\$ 10,569,853	\$ 1,394,760	\$ 2,239,057

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

December 31, 2019

	Environmental TIF Districts	Self-Supported Municipal Improvement District	City - County Joint Operations	Grant Assistance
ASSETS				
Cash and cash equivalents	\$ 36,918,226	\$ 23,889	\$ 767,986	\$ -
Investments	-	-	-	6,405,397
Receivables, net:				
Due from other agencies	-	-	-	52,176
Accounts receivable	3,011,593	-	-	315,779
Notes receivable	-	-	-	700,000
Due from other funds	-	-	-	-
Inventories	-	-	-	103,820
Prepaid items	-	-	-	110,409
Total assets	<u>\$ 39,929,819</u>	<u>\$ 23,889</u>	<u>\$ 767,986</u>	<u>\$ 7,687,581</u>
LIABILITIES				
Accounts payable and other liabilities	\$ -	\$ -	\$ 566,871	\$ 491,531
Deposits	-	-	-	222,069
Unearned revenue	-	-	-	-
Due to other agencies	-	-	-	258,697
Due to other funds	-	-	-	1,263,727
Total liabilities	<u>-</u>	<u>-</u>	<u>566,871</u>	<u>2,236,024</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Other	3,011,593	-	-	400,000
Total deferred inflows of resources	<u>3,011,593</u>	<u>-</u>	<u>-</u>	<u>400,000</u>
FUND BALANCES				
Nonspendable	-	-	-	214,229
Restricted	36,918,226	23,889	201,115	4,837,328
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>36,918,226</u>	<u>23,889</u>	<u>201,115</u>	<u>5,051,557</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 39,929,819</u>	<u>\$ 23,889</u>	<u>\$ 767,986</u>	<u>\$ 7,687,581</u>

Municipal Court Restricted	Community Improvement Districts	Tourism Business Improvement District	Total
\$ 3,988,488	\$ 729,493	\$ 331,583	\$ 63,841,591
-	-	-	6,405,397
-	-	-	52,176
-	-	-	4,683,856
-	-	-	775,000
-	-	-	1,277,441
-	-	-	103,820
-	5,838	-	116,247
<u>\$ 3,988,488</u>	<u>\$ 735,331</u>	<u>\$ 331,583</u>	<u>\$ 77,255,528</u>
\$ 548,156	\$ 5,838	\$ -	\$ 2,262,523
-	-	-	253,149
-	-	-	4,821
-	-	-	258,697
-	-	-	1,277,441
<u>548,156</u>	<u>5,838</u>	<u>-</u>	<u>4,056,631</u>
-	-	-	3,411,593
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,411,593</u>
-	-	-	214,229
2,642,199	729,493	331,583	51,284,260
798,133	-	-	16,799,659
-	-	-	1,489,156
<u>3,440,332</u>	<u>729,493</u>	<u>331,583</u>	<u>69,787,304</u>
<u>\$ 3,988,488</u>	<u>\$ 735,331</u>	<u>\$ 331,583</u>	<u>\$ 77,255,528</u>

CITY OF WICHITA, KANSAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

December 31, 2019

	Water Main Extension	Park Bond Construction	Sewer Construction	Local Sales Tax CIP
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 8,944,014
Due from other funds	-	-	-	31,426,477
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,370,491</u>
LIABILITIES				
Accounts payable and other liabilities	\$ 136,624	\$ 120,338	\$ 489,126	\$ -
Accrued interest payable	6,508	7,978	50,688	-
Temporary notes payable	2,157,260	2,644,819	16,803,130	-
Due to other funds	1,092,040	678,581	6,815,213	-
Total liabilities	<u>3,392,432</u>	<u>3,451,716</u>	<u>24,158,157</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted	-	-	-	40,370,491
Unassigned	<u>(3,392,432)</u>	<u>(3,451,716)</u>	<u>(24,158,157)</u>	<u>-</u>
Total fund balances (deficits)	<u>(3,392,432)</u>	<u>(3,451,716)</u>	<u>(24,158,157)</u>	<u>40,370,491</u>
 Total liabilities and fund balances (deficits)	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 40,370,491</u>

Sales Tax Construction Pledge	Total
\$ 4,963,625	\$ 13,907,639
-	31,426,477
<u>\$ 4,963,625</u>	<u>\$ 45,334,116</u>
\$ -	\$ 746,088
-	65,174
-	21,605,209
-	8,585,834
<u>-</u>	<u>31,002,305</u>
4,963,625	45,334,116
-	(31,002,305)
<u>4,963,625</u>	<u>14,331,811</u>
<u>\$ 4,963,625</u>	<u>\$ 45,334,116</u>

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET GENERAL FUND

December 31, 2019

	Economic Development	General Fund	Combined General Fund
ASSETS			
Cash and cash equivalents	\$ 1,834,514	\$ 49,165,432	\$ 50,999,946
Receivables, net:			
Property taxes	-	85,776,715	85,776,715
Due from other agencies	-	589,462	589,462
Accounts receivable	214,500	1,710,678	1,925,178
Due from other funds	-	618,660	618,660
Prepaid items	-	2,500	2,500
Total assets	<u>\$ 2,049,014</u>	<u>\$ 137,863,447</u>	<u>\$ 139,912,461</u>
LIABILITIES			
Accounts payable and other liabilities	\$ 329,977	\$ 10,268,791	\$ 10,598,768
Deposits	48,958	-	48,958
Unearned revenue	-	168,503	168,503
Total liabilities	<u>378,935</u>	<u>10,437,294</u>	<u>10,816,229</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue:			
Property taxes	-	85,776,715	85,776,715
Total deferred inflows of resources	<u>-</u>	<u>85,776,715</u>	<u>85,776,715</u>
FUND BALANCES			
Nonspendable	-	621,160	621,160
Assigned	1,670,079	3,802,821	5,472,900
Unassigned	-	37,225,457	37,225,457
Total fund balances	<u>1,670,079</u>	<u>41,649,438</u>	<u>43,319,517</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,049,014</u>	<u>\$ 137,863,447</u>	<u>\$ 139,912,461</u>

CITY OF WICHITA, KANSAS

COMBINING BALANCE SHEET DEBT SERVICE FUND

December 31, 2019

	Economic Development TIF Districts	Debt Service Fund	Combined Debt Service Fund
ASSETS			
Cash and cash equivalents	\$ 653,742	\$ 19,244,673	\$ 19,898,415
Cash with fiscal agent	-	8,212,746	8,212,746
Receivables, net:			
Property taxes	-	25,536,883	25,536,883
Special assessments	-	150,127,988	150,127,988
Notes receivable	-	762,821	762,821
Due from other funds	-	5,668,420	5,668,420
Total assets	<u>\$ 653,742</u>	<u>\$ 209,553,531</u>	<u>\$ 210,207,273</u>
LIABILITIES			
Deposits	\$ -	\$ 430,890	\$ 430,890
Unearned revenue	-	2,580,778	2,580,778
Total liabilities	<u>-</u>	<u>3,011,668</u>	<u>3,011,668</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue:			
Property taxes	-	25,536,883	25,536,883
Special assessments	-	150,127,988	150,127,988
Other	-	762,821	762,821
Total deferred inflows of resources	<u>-</u>	<u>176,427,692</u>	<u>176,427,692</u>
FUND BALANCES			
Restricted	653,742	30,114,171	30,767,913
Total fund balances	<u>653,742</u>	<u>30,114,171</u>	<u>30,767,913</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 653,742</u>	<u>\$ 209,553,531</u>	<u>\$ 210,207,273</u>

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CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019

	Governmental Fund Types			
	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery	Total
REVENUES				
Property taxes	\$ 4,517,615	\$ -	\$ -	\$ 4,517,615
Motor vehicle taxes	34,651	-	-	34,651
Transient guest taxes	11,057,100	-	-	11,057,100
Special assessments	-	355,848	-	355,848
Local sales tax	1,334,205	30,914,347	-	32,248,552
Intergovernmental	38,987,720	-	-	38,987,720
Licenses and permits	31,113	-	600	31,713
Fines and penalties	2,661,895	-	-	2,661,895
Rentals	1,114,967	133,110	-	1,248,077
Sale of property	30,374	2,116,508	-	2,146,882
Interest and investment earnings	17,284	-	170,975	188,259
Charges for services and sales	4,311,747	-	-	4,311,747
Other revenue	3,888,535	2,409	-	3,890,944
Total revenues	<u>67,987,206</u>	<u>33,522,222</u>	<u>171,575</u>	<u>101,681,003</u>
EXPENDITURES				
Current:				
General government	4,927,862	-	45,019	4,972,881
Public safety	8,753,923	-	-	8,753,923
Sanitation	1,872,278	-	-	1,872,278
Health and welfare	33,287,103	-	-	33,287,103
Culture and recreation	6,685,331	-	-	6,685,331
Debt service:				
Interest and fiscal charges	-	366,304	-	366,304
Capital outlay	-	16,330,547	-	16,330,547
Total expenditures	<u>55,526,497</u>	<u>16,696,851</u>	<u>45,019</u>	<u>72,268,367</u>
Excess of revenues over expenditures	<u>12,460,709</u>	<u>16,825,371</u>	<u>126,556</u>	<u>29,412,636</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of bonds	-	5,266,285	-	5,266,285
Transfers from other funds	3,763,301	34,000,154	-	37,763,455
Transfers to other funds	(8,595,617)	(47,441,320)	-	(56,036,937)
Total other financing uses	<u>(4,832,316)</u>	<u>(8,174,881)</u>	<u>-</u>	<u>(13,007,197)</u>
Net change in fund balance	<u>7,628,393</u>	<u>8,650,490</u>	<u>126,556</u>	<u>16,405,439</u>
Fund balances - beginning, as previously reported	61,524,730	5,681,321	1,385,888	68,591,939
Prior period adjustment	634,181	-	-	634,181
Fund balances - beginning	<u>62,158,911</u>	<u>5,681,321</u>	<u>1,385,888</u>	<u>69,226,120</u>
Fund balances - ending	<u>\$ 69,787,304</u>	<u>\$ 14,331,811</u>	<u>\$ 1,512,444</u>	<u>\$ 85,631,559</u>

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019

	Homelessness Assistance	Tourism and Convention	Special Alcohol Program	Special Parks and Recreation
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Motor vehicle taxes	-	-	-	-
Transient guest taxes	-	7,768,418	-	-
Local sales tax	-	-	-	-
Intergovernmental	159,423	-	2,347,112	2,347,111
Licenses and permits	-	-	-	-
Fines and penalties	-	-	-	-
Rentals	-	-	-	-
Sale of property	-	-	-	-
Interest and investment earnings	-	-	-	-
Charges for services and sales	-	-	-	-
Other revenue	-	-	-	-
Total revenues	<u>159,423</u>	<u>7,768,418</u>	<u>2,347,112</u>	<u>2,347,111</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation	-	-	-	-
Health and welfare	318,846	-	1,912,772	-
Culture and recreation	-	3,109,110	-	-
Total expenditures	<u>318,846</u>	<u>3,109,110</u>	<u>1,912,772</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(159,423)</u>	<u>4,659,308</u>	<u>434,340</u>	<u>2,347,111</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	159,423	-	-	-
Transfers to other funds	-	(4,971,069)	-	(2,205,548)
Total other financing sources (uses)	<u>159,423</u>	<u>(4,971,069)</u>	<u>-</u>	<u>(2,205,548)</u>
Net change in fund balance	<u>-</u>	<u>(311,761)</u>	<u>434,340</u>	<u>141,563</u>
Fund balances - beginning, as previously reported	-	3,714,309	1,569,798	52,178
Prior period adjustment	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>3,714,309</u>	<u>1,569,798</u>	<u>52,178</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 3,402,548</u>	<u>\$ 2,004,138</u>	<u>\$ 193,741</u>

Landfill	Landfill Post-Closure	Metropolitan Area Building and Construction	Downtown Parking
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	3,684,873	-
-	-	31,113	-
-	-	-	-
986	-	-	169,694
-	-	-	-
-	-	-	-
2,758,719	-	-	1,246,561
3,759	-	-	190,639
<u>2,763,464</u>	<u>-</u>	<u>3,715,986</u>	<u>1,606,894</u>
-	-	-	1,538,018
-	-	3,716,221	-
1,440,373	431,905	-	-
-	-	-	-
-	-	-	-
<u>1,440,373</u>	<u>431,905</u>	<u>3,716,221</u>	<u>1,538,018</u>
<u>1,323,091</u>	<u>(431,905)</u>	<u>(235)</u>	<u>68,876</u>
-	1,000,000	-	-
<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>(70,000)</u>
<u>(1,000,000)</u>	<u>1,000,000</u>	<u>-</u>	<u>(70,000)</u>
<u>323,091</u>	<u>568,095</u>	<u>(235)</u>	<u>(1,124)</u>
3,374,727	9,991,578	1,250,755	1,983,795
-	-	-	-
<u>3,374,727</u>	<u>9,991,578</u>	<u>1,250,755</u>	<u>1,983,795</u>
<u>\$ 3,697,818</u>	<u>\$ 10,559,673</u>	<u>\$ 1,250,520</u>	<u>\$ 1,982,671</u>

(Continued)

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019

	Environmental TIF Districts	Self-Supported Municipal Improvement District	City - County Joint Operations	Grant Assistance
REVENUES				
Property taxes	\$ 3,835,396	\$ 682,219	\$ -	\$ -
Motor vehicle taxes	-	34,651	-	-
Transient guest taxes	-	-	-	-
Local sales tax	-	-	-	-
Intergovernmental	-	-	1,554,106	28,895,095
Licenses and permits	-	-	-	-
Fines and penalties	-	-	-	-
Rentals	-	-	-	944,287
Sale of property	-	-	8,300	22,074
Interest and investment earnings	-	-	-	17,284
Charges for services and sales	-	-	302,276	4,191
Other revenue	585,873	-	494,335	2,613,929
Total revenues	<u>4,421,269</u>	<u>716,870</u>	<u>2,359,017</u>	<u>32,496,860</u>
EXPENDITURES				
Current:				
General government	-	695,468	1,957,600	717,034
Public safety	-	-	1,778,513	3,259,189
Sanitation	-	-	-	-
Health and welfare	1,247,830	-	-	28,795,170
Culture and recreation	-	-	-	392,714
Total expenditures	<u>1,247,830</u>	<u>695,468</u>	<u>3,736,113</u>	<u>33,164,107</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,173,439</u>	<u>21,402</u>	<u>(1,377,096)</u>	<u>(667,247)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	1,554,106	251,593
Transfers to other funds	(349,000)	-	-	-
Total other financing sources (uses)	<u>(349,000)</u>	<u>-</u>	<u>1,554,106</u>	<u>251,593</u>
Net change in fund balance	<u>2,824,439</u>	<u>21,402</u>	<u>177,010</u>	<u>(415,654)</u>
Fund balances - beginning, as previously reported	34,093,787	2,487	24,105	5,467,211
Prior period adjustment	-	-	-	-
Fund balances - beginning	<u>34,093,787</u>	<u>2,487</u>	<u>24,105</u>	<u>5,467,211</u>
Fund balances - ending	<u>\$ 36,918,226</u>	<u>\$ 23,889</u>	<u>\$ 201,115</u>	<u>\$ 5,051,557</u>

Municipal Court Restricted	Community Improvement Districts	Tourism Business Improvement District	Total
\$ -	\$ -	\$ -	\$ 4,517,615
-	-	-	34,651
-	-	3,288,682	11,057,100
-	1,334,205	-	1,334,205
-	-	-	38,987,720
-	-	-	31,113
2,661,895	-	-	2,661,895
-	-	-	1,114,967
-	-	-	30,374
-	-	-	17,284
-	-	-	4,311,747
-	-	-	3,888,535
<u>2,661,895</u>	<u>1,334,205</u>	<u>3,288,682</u>	<u>67,987,206</u>
19,742	-	-	4,927,862
-	-	-	8,753,923
-	-	-	1,872,278
-	1,012,485	-	33,287,103
-	-	3,183,507	6,685,331
<u>19,742</u>	<u>1,012,485</u>	<u>3,183,507</u>	<u>55,526,497</u>
<u>2,642,153</u>	<u>321,720</u>	<u>105,175</u>	<u>12,460,709</u>
798,179	-	-	3,763,301
-	-	-	(8,595,617)
<u>798,179</u>	<u>-</u>	<u>-</u>	<u>(4,832,316)</u>
<u>3,440,332</u>	<u>321,720</u>	<u>105,175</u>	<u>7,628,393</u>
-	-	-	61,524,730
-	407,773	226,408	634,181
-	407,773	226,408	62,158,911
<u>\$ 3,440,332</u>	<u>\$ 729,493</u>	<u>\$ 331,583</u>	<u>\$ 69,787,304</u>

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019

	Water Main Extension	Park Bond Construction	Sewer Construction	Local Sales Tax CIP
REVENUES				
Special assessments	\$ 26,110	\$ -	\$ 329,738	\$ -
Local sales tax	-	-	-	-
Rentals	-	133,110	-	-
Sale of property	-	-	-	2,116,508
Other revenue	-	-	2,409	-
Total revenues	<u>26,110</u>	<u>133,110</u>	<u>332,147</u>	<u>2,116,508</u>
EXPENDITURES				
Debt service:				
Interest and fiscal charges	40,453	64,420	261,431	-
Capital outlay	1,683,806	2,593,157	12,053,584	-
Total expenditures	<u>1,724,259</u>	<u>2,657,577</u>	<u>12,315,015</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,698,149)</u>	<u>(2,524,467)</u>	<u>(11,982,868)</u>	<u>2,116,508</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of bonds	970,654	-	4,295,631	-
Transfers from other funds	-	2,498,970	-	31,501,184
Transfers to other funds	-	(22,826)	-	(13,000,000)
Total other financing sources (uses)	<u>970,654</u>	<u>2,476,144</u>	<u>4,295,631</u>	<u>18,501,184</u>
Net change in fund balance	(727,495)	(48,323)	(7,687,237)	20,617,692
Fund balances (deficits) - beginning	<u>(2,664,937)</u>	<u>(3,403,393)</u>	<u>(16,470,920)</u>	<u>19,752,799</u>
Fund balances (deficits) - ending	<u>\$ (3,392,432)</u>	<u>\$ (3,451,716)</u>	<u>\$ (24,158,157)</u>	<u>\$ 40,370,491</u>

Sales Tax Construction Pledge	Total
\$ -	\$ 355,848
30,914,347	30,914,347
-	133,110
-	2,116,508
-	2,409
<u>30,914,347</u>	<u>33,522,222</u>
-	366,304
-	16,330,547
<u>-</u>	<u>16,696,851</u>
<u>30,914,347</u>	<u>16,825,371</u>
-	5,266,285
-	34,000,154
<u>(34,418,494)</u>	<u>(47,441,320)</u>
<u>(34,418,494)</u>	<u>(8,174,881)</u>
(3,504,147)	8,650,490
<u>8,467,772</u>	<u>5,681,321</u>
<u>\$ 4,963,625</u>	<u>\$ 14,331,811</u>

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019

	Economic Development	General Fund	Combined General Fund
REVENUES			
Property taxes	\$ -	\$ 85,412,586	\$ 85,412,586
Motor vehicle taxes	-	12,255,597	12,255,597
Franchise taxes	-	44,796,890	44,796,890
Local sales tax	-	30,388,664	30,388,664
Intergovernmental	-	17,912,182	17,912,182
Licenses and permits	-	2,682,930	2,682,930
Fines and penalties	-	7,953,917	7,953,917
Rentals	377,929	2,214,933	2,592,862
Sale of property	528,438	550,139	1,078,577
Interest and investment earnings	-	10,005,068	10,005,068
Charges for services and sales	110,823	16,601,607	16,712,430
Other revenue	332,649	8,812,294	9,144,943
Total revenues	<u>1,349,839</u>	<u>239,586,807</u>	<u>240,936,646</u>
EXPENDITURES			
Current:			
General government	1,570,388	35,586,803	37,157,191
Public safety	-	138,346,492	138,346,492
Highways and streets	-	18,285,883	18,285,883
Sanitation	-	2,506,827	2,506,827
Health and welfare	-	3,548,461	3,548,461
Culture and recreation	-	33,778,041	33,778,041
Total expenditures	<u>1,570,388</u>	<u>232,052,507</u>	<u>233,622,895</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(220,549)</u>	<u>7,534,300</u>	<u>7,313,751</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	100,000	5,315,938	5,415,938
Transfers to other funds	-	(9,399,380)	(9,399,380)
Total other financing sources (uses)	<u>100,000</u>	<u>(4,083,442)</u>	<u>(3,983,442)</u>
Net change in fund balance	(120,549)	3,450,858	3,330,309
Fund balances - beginning	<u>1,790,628</u>	<u>38,198,580</u>	<u>39,989,208</u>
Fund balances - ending	<u>\$ 1,670,079</u>	<u>\$ 41,649,438</u>	<u>\$ 43,319,517</u>

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019

	Economic Development TIF Districts	Debt Service Fund	Combined Debt Service Fund
REVENUES			
Property taxes	\$ 2,612,972	\$ 25,536,925	\$ 28,149,897
Motor vehicle taxes	-	4,318,265	4,318,265
Special assessments	-	25,084,727	25,084,727
Local sales tax	-	386,554	386,554
Interest and investment earnings	-	462,364	462,364
Other revenue	156,610	1,518,850	1,675,460
Total revenues	<u>2,769,582</u>	<u>57,307,685</u>	<u>60,077,267</u>
EXPENDITURES			
Current:			
General government	32,483	-	32,483
Debt service:			
Principal retirement	-	55,601,404	55,601,404
Interest and fiscal charges	-	12,239,017	12,239,017
Other debt service	-	761,098	761,098
Total expenditures	<u>32,483</u>	<u>68,601,519</u>	<u>68,634,002</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,737,099</u>	<u>(11,293,834)</u>	<u>(8,556,735)</u>
OTHER FINANCING SOURCES (USES)			
Premiums on bonds sold	-	244,677	244,677
Transfers from other funds	-	20,154,357	20,154,357
Transfers to other funds	(2,312,437)	(19,151,474)	(21,463,911)
Total other financing sources (uses)	<u>(2,312,437)</u>	<u>1,247,560</u>	<u>(1,064,877)</u>
Net change in fund balance	424,662	(10,046,274)	(9,621,612)
Fund balances - beginning	<u>229,080</u>	<u>40,160,445</u>	<u>40,389,525</u>
Fund balances - ending	<u>\$ 653,742</u>	<u>\$ 30,114,171</u>	<u>\$ 30,767,913</u>

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Local government taxes:					
General property taxes:					
Property taxes	\$ 82,003,187	\$ 82,004,658	\$ 83,407,765	\$ 1,403,107	\$ 77,193,543
Delinquent property taxes	2,200,000	2,200,000	1,900,826	(299,174)	1,943,990
Payments In-lieu-of-taxes	100,000	100,000	103,995	3,995	82,879
Franchise taxes	47,661,298	48,596,328	44,796,890	(3,799,438)	47,282,423
Motor vehicle taxes	12,718,119	12,701,423	12,255,597	(445,826)	11,890,320
Local sales tax	29,124,388	30,357,494	30,388,664	31,170	29,447,036
Total local government taxes	173,806,992	175,959,903	172,853,737	(3,106,166)	167,840,191
Intergovernmental	17,637,410	17,667,601	17,912,182	244,581	17,617,638
Licenses and permits	3,100,406	3,111,017	2,682,930	(428,087)	2,902,936
Fines and penalties	9,654,885	8,353,269	7,953,917	(399,352)	8,186,561
Charges for services and sales	18,089,210	18,014,635	16,601,607	(1,413,028)	17,082,487
Rental income	2,362,321	2,447,771	2,214,933	(232,838)	2,371,619
Interest and investment earnings	4,500,000	10,000,000	10,005,068	5,068	6,903,511
Sale of property	292,762	470,750	550,139	79,389	337,453
Other revenue	5,276,958	5,240,313	5,127,290	(113,023)	4,988,763
Administrative charges	3,900,665	3,916,092	3,743,142	(172,950)	3,921,773
Revised budget adjustment	-	(6,286,355)	-	6,286,355	-
Total revenues	238,621,609	238,894,996	239,644,945	749,949	232,152,932
EXPENDITURES					
City Council:					
Personnel services	708,419	728,584	676,372	52,212	678,901
Contractual services	111,602	110,193	105,566	4,627	104,994
Materials and supplies	23,050	23,050	12,827	10,223	19,344
Contingency	200,000	200,000	-	200,000	-
Total City Council	1,043,071	1,061,827	794,765	267,062	803,239
City Manager:					
Personnel services	3,931,493	3,820,831	3,637,468	183,363	3,662,548
Contractual services	760,337	875,684	656,448	219,236	573,573
Materials and supplies	91,260	90,860	12,253	78,607	30,809
Contingency	50,000	50,000	-	50,000	-
Total City Manager	4,833,090	4,837,375	4,306,169	531,206	4,266,930
Department of Finance:					
Personnel services	4,818,677	4,929,513	4,412,377	517,136	4,234,573
Contractual services	813,499	1,208,753	1,172,329	36,424	802,129
Materials and supplies	38,043	40,175	26,452	13,723	18,563
Capital outlay	-	-	-	-	5,450
Other expenditures	150,000	150,000	32,362	117,638	-
Total Department of Finance	5,820,219	6,328,441	5,643,520	684,921	5,060,715

(Continued)

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
Law Department:					
Personnel services	\$ 2,677,381	\$ 2,676,413	\$ 2,640,457	\$ 35,956	\$ 2,520,620
Contractual services	275,019	254,694	185,585	69,109	233,848
Materials and supplies	18,270	18,270	7,956	10,314	10,242
Other expenditures	-	27,027	27,027	-	-
Total Law Department	2,970,670	2,976,404	2,861,025	115,379	2,764,710
Municipal Court:					
Personnel services	5,826,420	5,298,322	5,202,731	95,591	5,047,158
Contractual services	1,817,181	1,638,089	1,561,932	76,157	1,557,114
Materials and supplies	65,166	65,166	49,036	16,130	42,242
Total Municipal Court	7,708,767	7,001,577	6,813,699	187,878	6,646,514
Fire Department:					
Personnel services	43,636,242	44,027,488	43,828,051	199,437	43,779,119
Contractual services	3,069,836	3,226,005	3,204,977	21,028	3,017,877
Materials and supplies	857,739	865,739	780,615	85,124	913,906
Other expenditures	-	230,000	230,000	-	69,907
Contingency	(174,999)	-	-	-	-
Total Fire Department	47,388,818	48,349,232	48,043,643	305,589	47,780,809
Police Department:					
Personnel services	79,239,363	80,439,707	78,775,572	1,664,135	76,797,297
Contractual services	7,995,165	8,981,096	8,925,465	55,631	8,234,725
Materials and supplies	2,046,726	2,540,126	2,530,474	9,652	2,437,630
Capital outlay	7,500	605,195	539,433	65,762	457,177
Other expenditures	35,830	35,830	-	35,830	35,830
Contingency	80,000	110,000	-	110,000	-
Planned savings	(2,268,000)	(2,067,988)	-	(2,067,988)	-
Total Police Department	87,136,584	90,643,966	90,770,944	(126,978)	87,962,659
Housing and Community Services:					
Personnel services	200,416	201,134	159,075	42,059	225,445
Contractual services	8,074	7,357	6,584	773	8,100
Materials and supplies	1,000	1,000	309	691	153
Total Housing and Community Services	209,490	209,491	165,968	43,523	233,698
Library:					
Personnel services	7,248,190	7,084,512	6,976,310	108,202	6,815,995
Contractual services	1,666,979	1,765,416	1,755,733	9,683	1,379,866
Materials and supplies	755,710	755,710	734,334	21,376	770,141
Contingency	(430,379)	(143,313)	-	(143,313)	-
Total Library	9,240,500	9,462,325	9,466,377	(4,052)	8,966,002

(Continued)

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
CMO - Cultural Arts Division:					
Personnel services	\$ 4,823,594	\$ 4,595,070	\$ 4,364,865	\$ 230,205	\$ 4,309,360
Contractual services	3,817,162	3,993,171	3,663,191	329,980	3,698,350
Materials and supplies	168,972	174,578	164,333	10,245	172,885
Other expenditures	93,000	93,000	65,947	27,053	81,522
Total CMO - Cultural Arts Division	8,902,728	8,855,819	8,258,336	597,483	8,262,117
Public Works and Utilities:					
Personnel services	7,375,117	7,272,555	6,333,858	938,697	6,499,486
Contractual services	8,724,801	8,849,848	8,463,649	386,199	8,735,662
Materials and supplies	980,024	1,019,676	833,883	185,793	989,526
Other expenditures	-	42,843	42,842	1	-
Planned savings	(692,844)	(242,844)	-	(242,844)	-
Total Public Works and Utilities	16,387,098	16,942,078	15,674,232	1,267,846	16,224,674
Park:					
Personnel services	9,975,459	10,029,405	8,892,142	1,137,263	8,980,779
Contractual services	6,700,464	6,744,345	6,274,733	469,612	6,137,365
Materials and supplies	1,019,876	1,030,905	940,398	90,507	1,025,595
Capital outlay	30,000	300,000	275,685	24,315	18,980
Other expenditures	47,710	72,710	71,274	1,436	55,910
Contingency	25,000	25,000	-	25,000	-
Planned savings	(1,111,443)	(802,352)	-	(802,352)	-
Total Park	16,687,066	17,400,013	16,454,232	945,781	16,218,629
Non Departmental:					
Personnel services	5,770,706	905,320	-	905,320	-
Contractual services	3,759,033	3,687,703	3,480,618	207,085	3,801,162
Materials and supplies	48,544	48,544	19,770	28,774	15,324
Other expenditures	189,772	144,507	144,507	-	183,480
Contingency	800,000	105,761	43,500	62,261	44,321
Planned savings	(4,876,099)	(1,776,418)	-	(1,776,418)	-
Revised budget adjustment	-	(6,286,357)	-	(6,286,357)	-
Total Non Departmental	5,691,956	(3,170,940)	3,688,395	(6,859,335)	4,044,287
Metropolitan Area Building and Construction:					
Personnel services	725,130	807,315	766,842	40,473	682,802
Contractual services	307,924	263,654	263,631	23	288,357
Materials and supplies	4,585	40,685	5,211	35,474	8,692
Total Metropolitan Area Building and Construction	1,037,639	1,111,654	1,035,684	75,970	979,851

(Continued)

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
Human Resources:					
Personnel services	\$ 1,459,279	\$ 1,475,833	\$ 1,462,395	\$ 13,438	\$ 1,426,759
Contractual services	244,101	238,033	191,940	46,093	186,283
Materials and supplies	73,747	73,747	47,443	26,304	42,684
Capital outlay	-	-	-	-	2,549
Total Human Resources	1,777,127	1,787,613	1,701,778	85,835	1,658,275
Public Works - Gas Tax:					
Personnel services	11,415,137	11,175,451	8,769,588	2,405,863	8,694,889
Contractual services	8,017,705	8,210,961	7,335,710	875,251	5,168,879
Materials and supplies	2,069,825	2,144,041	2,133,101	10,940	1,977,192
Capital outlay	110,000	110,000	107,153	2,847	24,411
Contingency	-	69,000	-	69,000	-
Planned savings	(939,205)	(939,205)	-	(939,205)	-
Total Public Works - Gas Tax	20,673,462	20,770,248	18,345,552	2,424,696	15,865,371
Total expenditures	237,508,285	234,567,123	234,024,319	542,804	227,738,480
Excess of revenues over expenditures	1,113,324	4,327,873	5,620,626	1,292,753	4,414,452
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	5,591,719	5,318,332	5,315,938	(2,394)	5,874,962
Transfers to other funds	(6,705,043)	(9,646,205)	(9,399,380)	246,825	(7,788,151)
Total other financing uses	(1,113,324)	(4,327,873)	(4,083,442)	244,431	(1,913,189)
SPECIAL ITEM					
Transfers to other funds - Hyatt Hotel proceeds	-	-	-	-	(19,000,000)
Net change in fund balance	-	-	1,537,184	1,537,184	(16,498,737)
Unencumbered fund balance, beginning	32,322,910	32,322,910	34,824,173	2,501,263	51,322,910
Unencumbered fund balance, ending	\$ 32,322,910	\$ 32,322,910	\$ 36,361,357	\$ 4,038,447	\$ 34,824,173

The 2019 certified expenditure budget is \$265,213,328, including an appropriated reserve of \$21,000,000.

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	\$ 150,000	\$ 352,250	\$ 110,823	\$ (241,427)	\$ 78,621
Rental income	756,292	635,424	377,929	(257,495)	484,312
Sale of property	100,000	100,000	528,438	428,438	33,861
Administrative charges	453,500	453,500	149,203	(304,297)	244,216
Other revenue	83,000	83,000	183,446	100,446	83,157
Revised budget adjustment	-	(181,382)	-	181,382	-
Total revenues	1,542,792	1,442,792	1,349,839	(92,953)	924,167
EXPENDITURES					
General government:					
Personnel services	413,183	424,325	388,692	35,633	386,675
Contractual services	1,300,902	1,225,049	1,092,371	132,678	710,936
Materials and supplies	22,450	16,450	6,111	10,339	7,715
Other expenditures	1,526,874	108,520	108,520	-	243,095
Contingency	-	1,489,065	-	1,489,065	-
Total expenditures	3,263,409	3,263,409	1,595,694	1,667,715	1,348,421
Deficiency of revenues over expenditures	(1,720,617)	(1,820,617)	(245,855)	1,574,762	(424,254)
OTHER FINANCING SOURCES					
Transfers from other funds	-	100,000	100,000	-	-
Total other financing sources	-	100,000	100,000	-	-
Net change in fund balance	(1,720,617)	(1,720,617)	(145,855)	1,574,762	(424,254)
Unencumbered fund balance, beginning	1,873,954	1,873,954	1,772,079	(101,875)	2,196,333
Unencumbered fund balance, ending	\$ 153,337	\$ 153,337	\$ 1,626,224	\$ 1,472,887	\$ 1,772,079

CITY OF WICHITA, KANSAS

HOMELESSNESS ASSISTANCE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental	\$ 191,368	\$ 191,368	\$ 159,423	\$ (31,945)	\$ 177,931
Total revenues	191,368	191,368	159,423	(31,945)	177,931
EXPENDITURES					
Health and welfare:					
Contractual services	382,736	382,736	318,846	63,890	355,942
Total expenditures	382,736	382,736	318,846	63,890	355,942
Deficiency of revenues under expenditures	(191,368)	(191,368)	(159,423)	31,945	(178,011)
OTHER FINANCING SOURCES					
Transfers from other funds	191,368	191,368	159,423	(31,945)	178,011
Total other financing sources	191,368	191,368	159,423	(31,945)	178,011
Net change in fund balance	-	-	-	-	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WICHITA, KANSAS

TOURISM AND CONVENTION PROMOTION FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Transient guest taxes	\$ 7,385,580	\$ 7,484,902	\$ 7,768,418	\$ 283,516	\$ 7,410,794
Other revenue	-	-	80,137	80,137	5,300
Revised budget adjustment	-	(99,322)	-	99,322	-
Total revenues	7,385,580	7,385,580	7,848,555	462,975	7,416,094
EXPENDITURES					
Culture and recreation:					
Contractual services	2,950,265	3,019,088	2,958,629	60,459	3,098,022
Contingency	-	1,941,567	-	1,941,567	-
Total expenditures	2,950,265	4,960,655	2,958,629	2,002,026	3,098,022
Excess of revenues over expenditures	4,435,315	2,424,925	4,889,926	2,465,001	4,318,072
OTHER FINANCING USES					
Transfers to other funds	(6,981,459)	(4,971,069)	(4,971,069)	-	(4,106,877)
Total other financing uses	(6,981,459)	(4,971,069)	(4,971,069)	-	(4,106,877)
Net change in fund balance	(2,546,144)	(2,546,144)	(81,143)	2,465,001	211,195
Unencumbered fund balance, beginning	3,007,496	3,007,496	3,375,418	367,922	3,164,223
Unencumbered fund balance, ending	\$ 461,352	\$ 461,352	\$ 3,294,275	\$ 2,832,923	\$ 3,375,418

CITY OF WICHITA, KANSAS

SPECIAL ALCOHOL PROGRAM FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental	\$ 2,205,548	\$ 2,220,699	\$ 2,347,112	\$ 126,413	\$ 2,172,896
Other revenue	-	-	331	331	73,246
Revised budget adjustment	-	(15,151)	-	15,151	-
Total revenues	2,205,548	2,205,548	2,347,443	141,895	2,246,142
EXPENDITURES					
Health and welfare:					
Contractual services	1,760,268	1,758,655	1,679,326	79,329	1,731,868
Other expenditures	1,395,000	275,000	175,000	100,000	175,000
Contingency	-	1,121,613	-	1,121,613	-
Total expenditures	3,155,268	3,155,268	1,854,326	1,300,942	1,906,868
Net change in fund balance	(949,720)	(949,720)	493,117	1,442,837	339,274
Unencumbered fund balance, beginning	1,103,803	1,103,803	1,372,147	268,344	1,032,873
Unencumbered fund balance, ending	\$ 154,083	\$ 154,083	\$ 1,865,264	\$ 1,711,181	\$ 1,372,147

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental	\$ 2,205,548	\$ 2,220,699	\$ 2,347,112	\$ 126,413	\$ 2,172,896
Revised budget adjustment	-	(15,151)	-	15,151	-
Total revenues	2,205,548	2,205,548	2,347,112	141,564	2,172,896
OTHER FINANCING USES					
Transfers to other funds	(2,205,548)	(2,205,548)	(2,205,548)	-	(2,241,041)
Total other financing uses	(2,205,548)	(2,205,548)	(2,205,548)	-	(2,241,041)
Net change in fund balance	-	-	141,564	141,564	(68,145)
Unencumbered fund balance, beginning	-	-	52,177	52,177	120,322
Unencumbered fund balance, ending	\$ -	\$ -	\$ 193,741	\$ 193,741	\$ 52,177

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	\$ 2,100,000	\$ 2,307,000	\$ 2,758,719	\$ 451,719	\$ 2,365,757
Rental income	2,363	1,000	986	(14)	-
Other revenue	2,000	8,000	3,784	(4,216)	14,305
Revised budget adjustment	-	(211,637)	-	211,637	-
Total revenues	2,104,363	2,104,363	2,763,489	659,126	2,380,062
EXPENDITURES					
Sanitation:					
Personnel services	439,642	481,351	470,061	11,290	470,948
Contractual services	1,635,513	1,572,162	889,722	682,440	972,117
Materials and supplies	100,000	106,087	82,130	23,957	97,857
Capital outlay	-	200,000	43,474	156,526	192,786
Other expenditures	1,000,000	500,000	-	500,000	-
Contingency	-	315,555	-	315,555	-
Total expenditures	3,175,155	3,175,155	1,485,387	1,689,768	1,733,708
Excess (deficiency) of revenues over (under) expenditures	(1,070,792)	(1,070,792)	1,278,102	2,348,894	646,354
OTHER FINANCING USES					
Transfers to other funds	(1,000,000)	(1,000,000)	(1,000,000)	-	(967,857)
Total other financing uses	(1,000,000)	(1,000,000)	(1,000,000)	-	(967,857)
Net change in fund balance	(2,070,792)	(2,070,792)	278,102	2,348,894	(321,503)
Unencumbered fund balance, beginning	2,260,732	2,260,732	3,333,702	1,072,970	3,655,205
Unencumbered fund balance, ending	\$ 189,940	\$ 189,940	\$ 3,611,804	\$ 3,421,864	\$ 3,333,702

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Other revenue	\$ -	\$ -	\$ -	\$ -	\$ 37,279
Total revenues	-	-	-	-	37,279
EXPENDITURES					
Sanitation:					
Personnel services	263,817	256,995	252,259	4,736	244,442
Contractual services	813,569	814,420	161,284	653,136	176,788
Materials and supplies	113,136	113,460	21,869	91,591	92,845
Other expenditures	8,350,000	-	-	-	-
Contingency	-	8,505,647	-	8,505,647	-
Total expenditures	9,540,522	9,690,522	435,412	9,255,110	514,075
Deficiency of revenues under expenditures	(9,540,522)	(9,690,522)	(435,412)	9,255,110	(476,796)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	1,000,000	1,000,000	1,000,000	-	-
Transfers to other funds	(150,000)	-	-	-	-
Total other financing sources	850,000	1,000,000	1,000,000	-	-
Net change in fund balance	(8,690,522)	(8,690,522)	564,588	9,255,110	(476,796)
Unencumbered fund balance, beginning	9,138,630	9,138,630	9,990,585	851,955	10,467,381
Unencumbered fund balance, ending	\$ 448,108	\$ 448,108	\$ 10,555,173	\$ 10,107,065	\$ 9,990,585

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ 8,533
Intergovernmental	3,883,307	3,766,082	3,684,915	(81,167)	3,604,674
Licenses and permits	-	-	31,113	31,113	-
Revised budget adjustment	-	117,225	-	(117,225)	-
Total revenues	3,883,307	3,883,307	3,716,028	(167,279)	3,613,207
EXPENDITURES					
Public safety:					
Personnel services	3,032,342	2,753,968	2,728,468	25,500	2,834,997
Contractual services	344,228	341,288	341,215	73	345,279
Materials and supplies	41,784	41,784	34,095	7,689	32,736
Other expenditures	1,489,953	629,042	612,250	16,792	400,195
Contingency	-	1,142,225	-	1,142,225	-
Total expenditures	4,908,307	4,908,307	3,716,028	1,192,279	3,613,207
Net change in fund balance	(1,025,000)	(1,025,000)	-	1,025,000	-
Unencumbered fund balance, beginning	1,250,000	1,250,000	1,250,000	-	1,250,000
Unencumbered fund balance, ending	<u>\$ 225,000</u>	<u>\$ 225,000</u>	<u>\$ 1,250,000</u>	<u>\$ 1,025,000</u>	<u>\$ 1,250,000</u>

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	\$ 1,200,000	\$ 1,176,000	\$ 1,246,561	\$ 70,561	\$ 1,121,236
Rental income	205,000	215,000	169,694	(45,306)	187,959
Other revenue	232,264	145,507	191,004	45,497	234,948
Revised budget adjustment	-	100,757	-	(100,757)	-
Total revenues	1,637,264	1,637,264	1,607,259	(30,005)	1,544,143
EXPENDITURES					
General government:					
Personnel services	297,380	267,570	181,482	86,088	162,014
Contractual services	1,345,207	1,767,336	1,430,235	337,101	1,041,180
Materials and supplies	95,200	155,500	25,265	130,235	63,410
Capital outlay	-	420,000	-	420,000	-
Other expenditures	1,070,000	5,000	-	5,000	72,800
Contingency	-	192,381	-	192,381	-
Total expenditures	2,807,787	2,807,787	1,636,982	1,170,805	1,339,404
Excess (deficiency) of revenues over (under) expenditures	(1,170,523)	(1,170,523)	(29,723)	1,140,800	204,739
OTHER FINANCING USES					
Transfers to other funds	(70,000)	(70,000)	(70,000)	-	(70,000)
Total other financing uses	(70,000)	(70,000)	(70,000)	-	(70,000)
Net change in fund balance	(1,240,523)	(1,240,523)	(99,723)	1,140,800	134,739
Unencumbered fund balance, beginning	1,391,579	1,391,579	1,967,220	575,641	1,832,481
Unencumbered fund balance, ending	\$ 151,056	\$ 151,056	\$ 1,867,497	\$ 1,716,441	\$ 1,967,220

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Property taxes	\$ 2,670,040	\$ 2,670,040	\$ 2,670,040	\$ -	\$ 2,670,040
Other revenue	110,000	100,000	12,432	(87,568)	96,220
Revised budget adjustment	-	10,000	-	(10,000)	-
Total revenues	2,780,040	2,780,040	2,682,472	(97,568)	2,766,260
EXPENDITURES					
Health and welfare:					
Contractual services	1,691,033	1,704,655	463,364	1,241,291	425,184
Materials and supplies	197,447	197,477	38,858	158,619	34,448
Other expenditures	12,745,342	5,222,760	222,760	5,000,000	217,171
Contingency	-	7,508,930	-	7,508,930	-
Total expenditures	14,633,822	14,633,822	724,982	13,908,840	676,803
Excess (deficiency) of revenues over (under) expenditures	(11,853,782)	(11,853,782)	1,957,490	13,811,272	2,089,457
OTHER FINANCING USES					
Transfers to other funds	(349,000)	(349,000)	(349,000)	-	(344,000)
Total other financing uses	(349,000)	(349,000)	(349,000)	-	(344,000)
Net change in fund balance	(12,202,782)	(12,202,782)	1,608,490	13,811,272	1,745,457
Unencumbered fund balance, beginning	12,951,578	12,951,578	17,861,717	4,910,139	16,116,260
Unencumbered fund balance, ending	\$ 748,796	\$ 748,796	\$ 19,470,207	\$ 18,721,411	\$ 17,861,717

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Property taxes	\$ 1,165,300	\$ 1,165,300	\$ 1,165,356	\$ 56	\$ 1,165,312
Other revenue	-	-	585,902	585,902	598,373
Total revenues	1,165,300	1,165,300	1,751,258	585,958	1,763,685
EXPENDITURES					
Health and welfare:					
Contractual services	2,355,468	2,367,983	60,355	2,307,628	50,447
Materials and supplies	105,524	108,850	1,145	107,705	2,360
Other expenditures	6,970,342	3,822,760	222,760	3,600,000	217,171
Contingency	-	3,131,741	-	3,131,741	-
Total expenditures	9,431,334	9,431,334	284,260	9,147,074	269,978
Net change in fund balance	(8,266,034)	(8,266,034)	1,466,998	9,733,032	1,493,707
Unencumbered fund balance, beginning	8,703,087	8,703,087	15,309,564	6,606,477	13,815,857
Unencumbered fund balance, ending	\$ 437,053	\$ 437,053	\$ 16,776,562	\$ 16,339,509	\$ 15,309,564

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Property taxes	\$ 668,512	\$ 666,025	\$ 682,219	\$ 16,194	\$ 668,616
Motor vehicle taxes	26,956	26,956	34,651	7,695	31,826
Revised budget adjustment	-	2,487	-	(2,487)	-
Total revenues	695,468	695,468	716,870	21,402	700,442
EXPENDITURES					
General government:					
Contractual services	695,468	695,468	695,468	-	697,955
Total expenditures	695,468	695,468	695,468	-	697,955
Net change in fund balance	-	-	21,402	21,402	2,487
Unencumbered fund balance, beginning	-	-	2,487	2,487	-
Unencumbered fund balance, ending	\$ -	\$ -	\$ 23,889	\$ 23,889	\$ 2,487

CITY OF WICHITA, KANSAS

CITY/COUNTY FLOOD CONTROL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental	\$ 1,144,711	\$ 1,144,711	\$ 973,409	\$ (171,302)	\$ 934,382
Charges for services and sales	-	-	8,300	8,300	39,430
Other revenue	-	-	13,815	13,815	1,192
Total revenues	1,144,711	1,144,711	995,524	(149,187)	975,004
EXPENDITURES					
Public safety:					
Personnel services	1,368,522	1,351,657	1,213,302	138,355	1,249,703
Contractual services	597,074	613,565	439,671	173,894	431,153
Materials and supplies	323,826	324,200	315,960	8,240	228,530
Total expenditures	2,289,422	2,289,422	1,968,933	320,489	1,909,386
Deficiency of revenues under expenditures	(1,144,711)	(1,144,711)	(973,409)	171,302	(934,382)
OTHER FINANCING SOURCES					
Transfers from other funds	1,144,711	1,144,711	973,409	(171,302)	934,382
Total other financing sources	1,144,711	1,144,711	973,409	(171,302)	934,382
Net change in fund balance	-	-	-	-	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental	\$ 652,319	\$ 617,291	\$ 580,697	\$ (36,594)	\$ 630,256
Licenses and permits	117,733	-	-	-	33,009
Charges for services and sales	261,002	261,002	302,276	41,274	265,765
Other revenue	324,011	511,800	494,335	(17,465)	314,728
Total revenues	1,355,065	1,390,093	1,377,308	(12,785)	1,243,758
EXPENDITURES					
General government:					
Personnel services	1,783,825	1,812,167	1,812,114	53	1,721,742
Contractual services	171,584	157,456	132,491	24,965	142,274
Materials and supplies	19,146	19,596	13,400	6,196	9,998
Other expenditures	32,829	18,165	-	18,165	-
Total expenditures	2,007,384	2,007,384	1,958,005	49,379	1,874,014
Deficiency of revenues under expenditures	(652,319)	(617,291)	(580,697)	36,594	(630,256)
OTHER FINANCING SOURCES					
Transfers from other funds	652,319	617,291	580,697	(36,594)	630,256
Total other financing sources	652,319	617,291	580,697	(36,594)	630,256
Net change in fund balance	-	-	-	-	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF WICHITA, KANSAS

MUNICIPAL COURT RESTRICTED FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Fines and penalties	\$ -	\$ 452,010	\$ 2,661,895	\$ 2,209,885	\$ -
Total revenues	-	452,010	2,661,895	2,209,885	-
EXPENDITURES					
General government:					
Contractual services		2,625,925	18,442	2,607,483	-
Materials and supplies	-	754,328	1,300	753,028	-
Total expenditures	-	3,380,253	19,742	3,360,511	-
Excess (deficiency) of revenues over (under) expenditures	-	(2,928,243)	2,642,153	5,570,396	-
OTHER FINANCING SOURCES					
Transfers from other funds	-	3,066,449	798,179	(2,268,270)	-
Total other financing sources	-	3,066,449	798,179	(2,268,270)	-
Net change in fund balance	-	138,206	3,440,332	3,302,126	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	\$ -	\$ 138,206	\$ 3,440,332	\$ 3,302,126	\$ -

CITY OF WICHITA, KANSAS

SALES TAX CONSTRUCTION PLEDGE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Local sales tax	\$ 29,124,388	\$ 30,618,908	\$ 30,914,346	\$ 295,438	\$ 29,842,990
Revised budget adjustment	-	(1,494,520)	-	1,494,520	-
Total revenues	29,124,388	29,124,388	30,914,346	1,789,958	29,842,990
OTHER FINANCING USES					
Transfers to other funds	(35,439,980)	(35,439,980)	(34,418,493)	1,021,487	(28,686,441)
Total other financing uses	(35,439,980)	(35,439,980)	(34,418,493)	1,021,487	(28,686,441)
Net change in fund balance	(6,315,592)	(6,315,592)	(3,504,147)	2,811,445	1,156,549
Unencumbered fund balance, beginning	7,540,818	7,540,818	8,467,772	926,954	7,311,223
Unencumbered fund balance, ending	\$ 1,225,226	\$ 1,225,226	\$ 4,963,625	\$ 3,738,399	\$ 8,467,772

CITY OF WICHITA, KANSAS

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Local government taxes:					
General property taxes:					
Property taxes	\$ 24,437,712	\$ 24,467,346	\$ 24,867,291	\$ 399,945	\$ 27,209,214
Delinquent property taxes	910,000	900,000	669,634	(230,366)	684,236
Special assessments	26,283,564	24,918,214	23,694,375	(1,223,839)	25,422,757
Delinquent special assessments	-	1,289,531	1,390,352	100,821	1,778,951
Motor vehicle taxes	3,790,117	3,781,142	4,318,265	537,123	4,194,134
Local sales tax	450,000	450,000	386,554	(63,446)	312,630
Total local government taxes	55,871,393	55,806,233	55,326,471	(479,762)	59,601,922
Interest and investment earnings	500,000	500,000	121,830	(378,170)	43,291
Sale of property	-	-	-	-	740,582
Other revenue	-	-	1,518,850	1,518,850	7,385
Revised budget adjustment	-	4,157,152	-	(4,157,152)	-
Total revenues	56,371,393	60,463,385	56,967,151	(3,496,234)	60,393,180
EXPENDITURES					
Interest on general obligation bonds	-	-	5,357,062	(5,357,062)	5,987,369
Interest on special assessment bonds	-	-	6,026,037	(6,026,037)	6,217,769
Interest on STAR bonds	-	-	174,168	(174,168)	120,380
Retirement of general obligation bonds	63,068,576	57,054,206	26,045,865	31,008,341	28,154,351
Retirement of special assessment bonds	-	-	18,944,587	(18,944,587)	19,935,859
Retirement of STAR bonds	-	-	245,952	(245,952)	267,089
Other expenditures	801,096	801,086	657,446	143,640	359,111
Contingency	-	8,792,130	-	8,792,130	-
Total expenditures	63,869,672	66,647,422	57,451,117	9,196,305	61,041,928
Deficiency of revenues under expenditures	(7,498,279)	(6,184,037)	(483,966)	5,700,071	(648,748)
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of bonds	-	-	-	-	1,799,799
Premiums on bonds sold	500,000	1,250,000	244,677	(1,005,323)	74,058
Transfers from other funds	22,538,530	17,696,538	20,154,357	2,457,819	20,632,796
Transfers to other funds	(26,000,000)	(23,222,250)	(19,151,474)	4,070,776	(22,142,837)
Total other financing sources (uses)	(2,961,470)	(4,275,712)	1,247,560	5,523,272	363,816
Net change in fund balance	(10,459,749)	(10,459,749)	763,594	11,223,343	(284,932)
Unencumbered fund balance, beginning	14,449,551	14,449,551	21,359,742	6,910,191	21,644,674
Unencumbered fund balance, ending	\$ 3,989,802	\$ 3,989,802	\$ 22,123,336	\$ 18,133,534	\$ 21,359,742

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Property taxes	\$ 1,912,390	\$ 1,680,332	\$ 1,429,901	\$ (250,431)	\$ 789,633
Rental income	15,863	-	-	-	-
Revised budget adjustment	-	247,921	-	(247,921)	-
Total revenues	1,928,253	1,928,253	1,429,901	(498,352)	789,633
EXPENDITURES					
General government:					
Contingency	-	707,400	-	707,400	-
Total expenditures	-	707,400	-	707,400	-
Excess of revenues over expenditures	1,928,253	1,220,853	1,429,901	209,048	789,633
OTHER FINANCING USES					
Transfers to other funds	(2,387,732)	(1,680,332)	(1,429,901)	250,431	(1,029,899)
Total other financing uses	(2,387,732)	(1,680,332)	(1,429,901)	250,431	(1,029,899)
Net change in fund balance	(459,479)	(459,479)	-	459,479	(240,266)
Unencumbered fund balance, beginning	459,479	459,479	-	(459,479)	240,266
Unencumbered fund balance, ending	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF WICHITA, KANSAS

UNION STATION TIF DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Property taxes	\$ 1,912,390	\$ 153,000	\$ 64,965	\$ (88,035)	\$ 55,811
Total revenues	1,912,390	153,000	64,965	(88,035)	55,811
EXPENDITURES					
General government:					
Contractual services	153,000	153,000	32,483	120,517	55,811
Total expenditures	153,000	153,000	32,483	120,517	55,811
Net change in fund balance	1,759,390	-	32,482	32,482	-
Unencumbered fund balance, beginning	3,569,191	-	-	-	-
Unencumbered fund balance, ending	\$ 5,328,581	\$ -	\$ 32,482	\$ 32,482	\$ -

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Property taxes	\$ 575,117	\$ 575,117	\$ 507,702	\$ (67,415)	\$ 508,170
Total revenues	575,117	575,117	507,702	(67,415)	508,170
OTHER FINANCING USES					
Transfers to other funds	(575,117)	(575,117)	(507,702)	67,415	(508,170)
Total other financing uses	(575,117)	(575,117)	(507,702)	67,415	(508,170)
Net change in fund balance	-	-	-	-	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Property taxes	\$ 1,912,390	\$ 50,395	\$ 50,395	\$ -	\$ -
Revised budget adjustment	-	(25,209)	-	25,209	-
Total revenues	1,912,390	25,186	50,395	25,209	-
OTHER FINANCING USES					
Transfers to other funds	(25,186)	(25,186)	(25,186)	-	-
Total other financing uses	(25,186)	(25,186)	(25,186)	-	-
Net change in fund balance	1,887,204	-	25,209	25,209	-
Unencumbered fund balance, beginning	3,725,328	-	-	-	-
Unencumbered fund balance, ending	\$ 5,612,532	\$ -	\$ 25,209	\$ 25,209	\$ -

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Property taxes	\$ 154,032	\$ 458,279	\$ 434,744	\$ (23,535)	\$ 286,024
Revised budget adjustment	-	(304,247)	-	304,247	-
Total revenues	154,032	154,032	434,744	280,712	286,024
OTHER FINANCING USES					
Transfers to other funds	(154,032)	(154,032)	(154,032)	-	(156,430)
Total other financing uses	(154,032)	(154,032)	(154,032)	-	(156,430)
Net change in fund balance	-	-	280,712	280,712	129,594
Unencumbered fund balance, beginning	-	-	133,517	133,517	3,923
Unencumbered fund balance, ending	\$ -	\$ -	\$ 414,229	\$ 414,229	\$ 133,517

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Property taxes	\$ 1,912,390	\$ 63,872	\$ 14,427	\$ (49,445)	\$ 41,646
Other revenue	117,178	117,178	156,610	39,432	59,592
Total revenues	2,029,568	181,050	171,037	(10,013)	101,238
OTHER FINANCING USES					
Transfers to other funds	(225,577)	(225,577)	(171,037)	54,540	(145,765)
Total other financing uses	(225,577)	(225,577)	(171,037)	54,540	(145,765)
Net change in fund balance	1,803,991	(44,527)	-	44,527	(44,527)
Unencumbered fund balance, beginning	3,703,798	-	-	-	44,527
Unencumbered fund balance, ending	\$ 5,507,789	\$ (44,527)	\$ -	\$ 44,527	\$ -

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Property taxes	\$ 201,228	\$ 25,000	\$ 24,578	\$ (422)	\$ 15,873
Revised budget adjustment	-	176,228	-	(176,228)	-
Total revenues	201,228	201,228	24,578	(176,650)	15,873
EXPENDITURES					
General government:					
Contingency	-	184,118	-	184,118	-
Total expenditures	-	184,118	-	184,118	-
Excess of revenues over expenditures	201,228	17,110	24,578	7,468	15,873
OTHER FINANCING USES					
Transfers to other funds	(209,118)	(25,000)	(24,578)	422	(323,763)
Total other financing uses	(209,118)	(25,000)	(24,578)	422	(323,763)
Net change in fund balance	(7,890)	(7,890)	-	7,890	(307,890)
Unencumbered fund balance, beginning	7,890	7,890	-	(7,890)	307,890
Unencumbered fund balance, ending	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Property taxes	\$ 153,000	\$ 153,000	\$ 65,300	\$ (87,700)	\$ 50,820
Total revenues	153,000	153,000	65,300	(87,700)	50,820
EXPENDITURES					
General government:					
Contractual services	153,000	153,000	-	153,000	-
Total expenditures	153,000	153,000	-	153,000	-
Excess of revenues over expenditures	-	-	65,300	65,300	50,820
Net change in fund balance	-	-	65,300	65,300	50,820
Unencumbered fund balance, beginning	-	-	95,563	95,563	44,743
Unencumbered fund balance, ending	\$ -	\$ -	\$ 160,863	\$ 160,863	\$ 95,563

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Licenses and permits	\$ 2,650	\$ 2,650	\$ 600	\$ (2,050)	\$ 3,425
Interest and investment earnings (loss)	30,000	30,000	170,975	140,975	(58,496)
Total revenues	32,650	32,650	171,575	138,925	(55,071)
EXPENDITURES					
General government:					
Personnel services	4,292	4,233	-	4,233	-
Contractual services	87,419	87,419	44,839	42,580	59,545
Materials and supplies	3,500	3,500	180	3,320	652
Other expenditures	20,000	20,000	-	20,000	-
Contingency	-	59	-	59	-
Total expenditures	115,211	115,211	45,019	70,192	60,197
Net change in fund balance	(82,561)	(82,561)	126,556	209,117	(115,268)
Unencumbered fund balance, beginning	1,419,103	1,419,103	1,385,888	(33,215)	1,501,156
Unencumbered fund balance, ending	\$ 1,336,542	\$ 1,336,542	\$ 1,512,444	\$ 175,902	\$ 1,385,888

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ENTERPRISE FUNDS



ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises with a distinction between operating and non-operating revenues and expenditures. Key financial indicators for management are ending net position and change in net position.

Major Enterprise Funds

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

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

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

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

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

Nonmajor Enterprise Funds

The following nonmajor enterprise funds are reported in this section:

The **Golf Course System** operates and maintains the City's public golf facilities.

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

CITY OF WICHITA, KANSAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

December 31, 2019

	Golf Course System	Transit	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 343,836	\$ 2,283,500	\$ 2,627,336
Receivables, net:			
Due from other agencies	-	1,207,862	1,207,862
Accounts receivable	227	119,750	119,977
Inventories	-	403,353	403,353
Prepaid items	3,700	-	3,700
Total current assets	<u>347,763</u>	<u>4,014,465</u>	<u>4,362,228</u>
Noncurrent assets:			
Capital assets:			
Land	654,534	1,880,751	2,535,285
Buildings	2,830,768	13,159,425	15,990,193
Improvements other than buildings	14,761,230	912,713	15,673,943
Machinery, equipment and other assets	1,824,552	29,148,683	30,973,235
Construction in progress	58,700	84,090	142,790
Less accumulated depreciation	(16,763,567)	(20,983,413)	(37,746,980)
Total capital assets, net	<u>3,366,217</u>	<u>24,202,249</u>	<u>27,568,466</u>
Total noncurrent assets	<u>3,366,217</u>	<u>24,202,249</u>	<u>27,568,466</u>
Total assets	<u>3,713,980</u>	<u>28,216,714</u>	<u>31,930,694</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,749,576	2,128,495	3,878,071
Deferred outflows related to OPEB	31,795	186,226	218,021
Total deferred outflows of resources	<u>1,781,371</u>	<u>2,314,721</u>	<u>4,096,092</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	134,872	418,692	553,564
Deposits	1,332	-	1,332
Current portion of long-term obligations:			
Compensated absences	109,884	223,604	333,488
Total current liabilities	<u>246,088</u>	<u>642,296</u>	<u>888,384</u>
Noncurrent liabilities:			
Unearned revenue	5,792	-	5,792
Due to other funds	5,668,420	618,660	6,287,080
Net pension liability	1,874,608	2,249,531	4,124,139
Total other post-employment benefits (OPEB) liability	249,090	1,458,955	1,708,045
Compensated absences	18,288	32,069	50,357
Total noncurrent liabilities	<u>7,816,198</u>	<u>4,359,215</u>	<u>12,175,413</u>
Total liabilities	<u>8,062,286</u>	<u>5,001,511</u>	<u>13,063,797</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	574,010	642,933	1,216,943
Deferred inflows related to OPEB	107,404	288,561	395,965
Total deferred inflows of resources	<u>681,414</u>	<u>931,494</u>	<u>1,612,908</u>
NET POSITION			
Net investment in capital assets	3,366,217	24,118,120	27,484,337
Restricted for:			
Capital projects	-	6,153	6,153
Unrestricted	(6,614,566)	474,157	(6,140,409)
Total net position	<u>\$ (3,248,349)</u>	<u>\$ 24,598,430</u>	<u>\$ 21,350,081</u>

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019

	Golf Course System	Transit	Total
OPERATING REVENUES			
Charges for services and sales	\$ 417,052	\$ 1,999,106	\$ 2,416,158
Fees	2,642,210	-	2,642,210
Rentals	925,203	83,550	1,008,753
Other operating revenues	46,521	385,046	431,567
Total operating revenues	<u>4,030,986</u>	<u>2,467,702</u>	<u>6,498,688</u>
OPERATING EXPENSES			
Personnel services	2,699,097	8,782,782	11,481,879
Contractual services	842,214	2,182,418	3,024,632
Materials and supplies	551,527	1,905,704	2,457,231
Other operating expenses	75,380	66,625	142,005
Administrative charges	251,758	332,122	583,880
Depreciation	511,883	2,346,165	2,858,048
Total operating expenses	<u>4,931,859</u>	<u>15,615,816</u>	<u>20,547,675</u>
Operating loss	<u>(900,873)</u>	<u>(13,148,114)</u>	<u>(14,048,987)</u>
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental grants	-	6,863,675	6,863,675
Interest expense	-	(4,741)	(4,741)
Loss on sale of assets	-	(17,019)	(17,019)
Total non-operating revenues	<u>-</u>	<u>6,841,915</u>	<u>6,841,915</u>
Loss before capital contributions and transfers	<u>(900,873)</u>	<u>(6,306,199)</u>	<u>(7,207,072)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions	-	880,986	880,986
Transfers from other funds	461,000	5,929,218	6,390,218
Transfers to other funds	-	(100,000)	(100,000)
Total capital contributions and transfers	<u>461,000</u>	<u>6,710,204</u>	<u>7,171,204</u>
Change in net position	(439,873)	404,005	(35,868)
Net position - beginning, as restated	<u>(2,808,476)</u>	<u>24,194,425</u>	<u>21,385,949</u>
Net position - ending	<u><u>\$ (3,248,349)</u></u>	<u><u>\$ 24,598,430</u></u>	<u><u>\$ 21,350,081</u></u>

CITY OF WICHITA, KANSAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

For the year ended December 31, 2019

	Golf Course System	Transit	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 3,984,465	\$ 2,080,773	\$ 6,065,238
Cash payments to suppliers for goods and services	(1,710,637)	(4,680,267)	(6,390,904)
Cash payments to employees for services	(2,433,986)	(8,268,993)	(10,702,979)
Other operating revenues	52,172	385,046	437,218
Other operating expenses	(75,380)	-	(75,380)
Net cash used in operating activities	(183,366)	(10,483,441)	(10,666,807)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental grants received	-	6,824,960	6,824,960
Interfund loans	(246,665)	(134,632)	(381,297)
Transfers from other funds	461,000	5,929,218	6,390,218
Transfers to other funds	-	(100,000)	(100,000)
Net cash provided by noncapital financing activities	214,335	12,519,546	12,733,881
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Issuance of temporary notes	-	1,172,405	1,172,405
Retirement of temporary notes	-	(2,258,934)	(2,258,934)
Interest payments on long-term debt	-	(18,450)	(18,450)
Additions to property, plant and equipment	(58,700)	(1,095,508)	(1,154,208)
Proceeds from sale of capital assets	-	20,170	20,170
Capital contributions	-	959,233	959,233
Net cash used in capital and related financing activities	(58,700)	(1,221,084)	(1,279,784)
Net increase (decrease) in cash and temporary investments	(27,731)	815,021	787,290
Cash and temporary investments - beginning	371,567	1,468,479	1,840,046
Cash and temporary investments - ending	\$ 343,836	\$ 2,283,500	\$ 2,627,336
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES			
Operating loss	\$ (900,873)	\$ (13,148,114)	\$ (14,048,987)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	511,883	2,346,165	2,858,048
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
(Increase) decrease in receivables	10,388	(1,883)	8,505
Decrease in inventory	-	(46,941)	(46,941)
(Increase) in deferred outflows related to pensions	(1,165,059)	(1,462,896)	(2,627,955)
(Increase) in deferred outflows related to OPEB	(19,147)	(127,205)	(146,352)
(Decrease) in accounts payable	(89,491)	(105,616)	(195,107)
(Decrease) in deposits	(10,529)	-	(10,529)
Increase in unearned revenues	5,792	-	5,792
Increase in net pension liability	1,692,990	2,057,229	3,750,219
(Decrease) in total OPEB liability	(65,123)	(7,371)	(72,494)
Increase (decrease) in compensated absences	(9,628)	29,253	19,625
(Decrease) in deferred inflows related to pensions	(231,743)	(210,216)	(441,959)
Increase in deferred inflows related to OPEB	87,174	194,154	281,328
Total adjustments	717,507	2,664,673	3,382,180
Net cash used in operating activities	\$ (183,366)	\$ (10,483,441)	\$ (10,666,807)
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Contribution of capital assets	\$ -	\$ 880,986	\$ 880,986
Capital contribution receivables	-	78,247	78,247
Capital assets in accounts payable	-	84,129	84,129

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	\$ 100,513,220	\$ 100,583,220	\$ 86,926,036	\$ (13,657,184)	\$ 89,637,783
Fees	455,000	455,000	770,561	315,561	692,791
Rental income	38,000	38,000	42,618	4,618	41,086
Interest and investment earnings (loss)	50,000	50,000	3,031	(46,969)	(302)
Sale of property	55,000	55,000	152,243	97,243	200,880
Other revenue	482,500	462,500	994,772	532,272	901,557
Revised budget adjustment	-	(50,000)	-	50,000	-
Total revenues	101,593,720	101,593,720	88,889,261	(12,704,459)	91,473,795
EXPENDITURES					
Personnel services	11,524,322	11,571,245	10,471,259	1,099,986	9,944,876
Contractual services	14,272,353	15,852,807	12,983,621	2,869,186	13,464,652
Materials and supplies	6,303,537	6,529,715	6,199,529	330,186	4,481,262
Capital outlay	5,928,775	6,139,275	4,781,947	1,357,328	4,992,400
Other operating expenditures	5,299,428	5,233,650	5,233,650	-	5,188,357
Cost of materials used	2,050,000	2,050,000	-	2,050,000	-
City administrative charges	739,943	674,834	674,834	-	739,943
Payments in lieu of franchise taxes	4,798,857	4,481,889	4,307,812	174,077	4,071,497
Other non-operating expenditures	57,012	48,988	126,076	(77,088)	70,890
Debt service	36,450,611	33,321,530	32,200,175	1,121,355	32,266,700
Contingency	2,000,000	3,520,905	-	3,520,905	-
Total expenditures	89,424,838	89,424,838	76,978,903	12,445,935	75,220,577
Net change in unencumbered cash balance	12,168,882	12,168,882	11,910,358	(258,524)	16,253,218
Unencumbered cash balance, beginning	92,931,895	92,931,895	86,239,020	(6,692,875)	82,400,297
Change due to non-budgetary items	-	-	19,150,291	19,150,291	(12,414,495)
Unencumbered cash balance, ending	\$ 105,100,777	\$ 105,100,777	\$ 117,299,669	\$ 12,198,892	\$ 86,239,020

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	\$ 69,612,719	\$ 67,998,273	\$ 66,615,781	\$ (1,382,492)	\$ 63,695,857
Rental income	13,500	15,617	18,010	2,393	16,675
Interest and investment earnings	50,000	50,000	5,288	(44,712)	-
Sale of property	-	-	114,300	114,300	220,625
Other revenue	360,000	355,000	794,389	439,389	674,739
Revised budget adjustment	-	1,617,329	-	(1,617,329)	-
Total revenues	70,036,219	70,036,219	67,547,768	(2,488,451)	64,607,896
EXPENDITURES					
Personnel services	12,900,317	12,762,146	12,080,691	681,455	11,881,612
Contractual services	9,405,638	10,281,711	10,366,549	(84,838)	8,544,888
Materials and supplies	4,440,076	4,543,354	4,376,994	166,360	4,417,476
Capital outlay	2,600,000	2,600,000	2,394,347	205,653	2,370,101
Other operating expenditures	3,281,418	3,278,956	3,278,956	-	3,262,620
City administrative charges	302,174	333,526	333,526	-	302,174
Payments in lieu of franchise taxes	3,192,183	3,184,793	3,092,328	92,465	2,837,204
Other non-operating expenditures	13,207	-	-	-	-
Debt service	22,941,374	21,741,970	20,607,669	1,134,301	21,991,683
Contingency	250,000	599,931	-	599,931	-
Total expenditures	59,326,387	59,326,387	56,531,060	2,795,327	55,607,758
Net change in unencumbered cash balance	10,709,832	10,709,832	11,016,708	306,876	9,000,138
Unencumbered cash balance, beginning	53,205,239	53,205,239	20,908,462	(32,296,777)	46,429,847
Change due to non-budgetary items	-	-	(13,015,137)	(13,015,137)	(34,521,523)
Unencumbered cash balance, ending	\$ 63,915,071	\$ 63,915,071	\$ 18,910,033	\$ (45,005,038)	\$ 20,908,462

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	\$ 12,738,163	\$ 12,709,166	\$ 12,857,551	\$ 148,385	\$ 12,852,766
Sale of property	-	-	58,100	58,100	-
Other revenue	-	28,997	677,935	648,938	147,705
Total revenues	12,738,163	12,738,163	13,593,586	855,423	13,000,471
EXPENDITURES					
Personnel services	2,896,328	2,824,155	2,675,404	148,751	2,598,502
Contractual services	2,661,994	3,054,983	2,872,611	182,372	2,143,753
Materials and supplies	307,903	365,801	329,808	35,993	354,203
Capital outlay	428,000	428,000	424,689	3,311	186,555
Other operating expenditures	1,006,282	953,948	953,948	-	966,933
City administrative charges	253,997	229,308	229,308	-	253,997
Debt service	3,010,262	2,774,038	2,766,543	7,495	2,780,357
Contingency	10,600,000	10,534,533	-	10,534,533	-
Total expenditures	21,164,766	21,164,766	10,252,311	10,912,455	9,284,300
Net change in unencumbered cash balance	(8,426,603)	(8,426,603)	3,341,275	11,767,878	3,716,171
Unencumbered cash balance, beginning	8,990,317	8,990,317	13,390,565	4,400,248	9,706,918
Change due to non-budgetary items	-	-	(3,040,303)	(3,040,303)	(32,524)
Unencumbered cash balance, ending	\$ 563,714	\$ 563,714	\$ 13,691,537	\$ 13,127,823	\$ 13,390,565

INTERNAL SERVICE FUNDS



INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing and administration of general services rendered to the various departments of the City.

The **Information Technology Fund** is responsible for coordination of the City's technology and automation efforts and provides a City-owned telephone system to the organization. Information Technology also provides printing and photocopying services.

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

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

CITY OF WICHITA, KANSAS

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

December 31, 2019

	Information Technology	Fleet	Self Insurance	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,884,959	\$ 4,433,644	\$ 52,071,681	\$ 60,390,284
Receivables, net:				
Accounts receivable	-	276	1,387,405	1,387,681
Inventories	-	875,177	-	875,177
Prepaid items	-	-	128,900	128,900
Total current assets	<u>3,884,959</u>	<u>5,309,097</u>	<u>53,587,986</u>	<u>62,782,042</u>
Noncurrent assets:				
Capital assets:				
Buildings	44,287	29,955	-	74,242
Improvements other than buildings	74,907	-	-	74,907
Machinery, equipment and other assets	11,551,960	35,384,142	269,600	47,205,702
Construction in progress	-	24,963	-	24,963
Less accumulated depreciation	<u>(9,520,411)</u>	<u>(26,513,429)</u>	<u>(269,600)</u>	<u>(36,303,440)</u>
Total capital assets, net	<u>2,150,743</u>	<u>8,925,631</u>	<u>-</u>	<u>11,076,374</u>
Total noncurrent assets	<u>2,150,743</u>	<u>8,925,631</u>	<u>-</u>	<u>11,076,374</u>
Total assets	<u>6,035,702</u>	<u>14,234,728</u>	<u>53,587,986</u>	<u>73,858,416</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	5,288,566	3,022,708	363,282	8,674,556
Deferred outflows related to OPEB	<u>77,216</u>	<u>68,130</u>	<u>4,543</u>	<u>149,889</u>
Total deferred outflows of resources	<u>5,365,782</u>	<u>3,090,838</u>	<u>367,825</u>	<u>8,824,445</u>
LIABILITIES				
Current liabilities:				
Accounts payable and other liabilities	271,511	324,864	1,773,997	2,370,372
Deposits	-	-	260,150	260,150
Current portion of long-term obligations:				
Claims payable	-	-	11,364,701	11,364,701
Capital lease payable	115,802	-	-	115,802
Compensated absences	<u>221,819</u>	<u>171,553</u>	<u>23,232</u>	<u>416,604</u>
Total current liabilities	<u>609,132</u>	<u>496,417</u>	<u>13,422,080</u>	<u>14,527,629</u>
Noncurrent liabilities:				
Claims payable	-	-	14,218,308	14,218,308
Capital lease payable	412,041	-	-	412,041
Net pension liability	5,623,825	3,249,322	374,921	9,248,068
Total other post-employment benefits (OPEB) liability	604,932	533,764	35,584	1,174,280
Compensated absences	<u>40,357</u>	<u>27,989</u>	<u>4,226</u>	<u>72,572</u>
Total noncurrent liabilities	<u>6,681,155</u>	<u>3,811,075</u>	<u>14,633,039</u>	<u>25,125,269</u>
Total liabilities	<u>7,290,287</u>	<u>4,307,492</u>	<u>28,055,119</u>	<u>39,652,898</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	1,621,838	928,683	107,156	2,657,677
Deferred inflows related to OPEB	<u>138,252</u>	<u>93,943</u>	<u>6,263</u>	<u>238,458</u>
Total deferred inflows of resources	<u>1,760,090</u>	<u>1,022,626</u>	<u>113,419</u>	<u>2,896,135</u>
NET POSITION				
Net investment in capital assets	1,622,900	8,900,668	-	10,523,568
Unrestricted	<u>728,207</u>	<u>3,094,780</u>	<u>25,787,273</u>	<u>29,610,260</u>
Total net position	<u>\$ 2,351,107</u>	<u>\$ 11,995,448</u>	<u>\$ 25,787,273</u>	<u>\$ 40,133,828</u>

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019

	Information Technology	Fleet	Self Insurance	Total
OPERATING REVENUES				
Charges for services and sales	\$ 12,840,643	\$ 4,266,382	\$ -	\$ 17,107,025
Fees	-	9,304,795	-	9,304,795
Employer contributions	-	-	43,284,992	43,284,992
Employee contributions	-	-	12,582,034	12,582,034
Other operating revenues	32,063	92,124	2,915,978	3,040,165
Total operating revenues	<u>12,872,706</u>	<u>13,663,301</u>	<u>58,783,004</u>	<u>85,319,011</u>
OPERATING EXPENSES				
Personnel services	6,286,792	4,239,106	749,824	11,275,722
Contractual services	4,852,456	1,390,089	3,085,902	9,328,447
Materials and supplies	121,100	6,055,194	80,171	6,256,465
Cost of materials used	114,681	-	-	114,681
Administrative charges	437,213	388,938	71,480	897,631
Depreciation	1,405,633	2,887,841	-	4,293,474
Employee benefits	-	-	43,119,034	43,119,034
Insurance claims	-	-	7,486,387	7,486,387
Total operating expenses	<u>13,217,875</u>	<u>14,961,168</u>	<u>54,592,798</u>	<u>82,771,841</u>
Operating income (loss)	<u>(345,169)</u>	<u>(1,297,867)</u>	<u>4,190,206</u>	<u>2,547,170</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest expense	(28,569)	-	-	(28,569)
Gain (loss) on sale of assets	(7,161)	362,338	-	355,177
Total non-operating revenues (expenses)	<u>(35,730)</u>	<u>362,338</u>	<u>-</u>	<u>326,608</u>
Income (loss) before contributions and transfers	<u>(380,899)</u>	<u>(935,529)</u>	<u>4,190,206</u>	<u>2,873,778</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	2,173,716	2,210,559	-	4,384,275
Transfers from other funds	134,283	-	1,600,000	1,734,283
Transfers to other funds	(1,582,197)	-	(80,264)	(1,662,461)
Total capital contributions and transfers	<u>725,802</u>	<u>2,210,559</u>	<u>1,519,736</u>	<u>4,456,097</u>
Change in net position	<u>344,903</u>	<u>1,275,030</u>	<u>5,709,942</u>	<u>7,329,875</u>
Net position - beginning	<u>2,006,204</u>	<u>10,720,418</u>	<u>20,077,331</u>	<u>32,803,953</u>
Net position - ending	<u>\$ 2,351,107</u>	<u>\$ 11,995,448</u>	<u>\$ 25,787,273</u>	<u>\$ 40,133,828</u>

CITY OF WICHITA, KANSAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the year ended December 31, 2019

	Information Technology	Fleet	Self Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 12,840,767	\$ 13,598,144	\$ 56,410,266	\$ 82,849,177
Cash payments to suppliers for goods and services	(5,557,346)	(7,807,205)	(52,898,028)	(66,262,579)
Cash payments to employees for services	(5,282,589)	(3,654,854)	(682,794)	(9,620,237)
Other operating revenues	32,063	92,124	2,915,978	3,040,165
Net cash provided by operating activities	<u>2,032,895</u>	<u>2,228,209</u>	<u>5,745,422</u>	<u>10,006,526</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund loans	103,958	142,707	18,660	265,325
Transfers from other funds	134,283	-	1,600,000	1,734,283
Transfers to other funds	(1,582,197)	-	(80,264)	(1,662,461)
Net cash provided by (used in) noncapital financing activities	<u>(1,343,956)</u>	<u>142,707</u>	<u>1,538,396</u>	<u>337,147</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payments on long-term debt	(90,838)	-	-	(90,838)
Interest payments on long-term debt	(28,569)	-	-	(28,569)
Additions to property, plant and equipment	-	(2,473,271)	-	(2,473,271)
Proceeds from sale of capital assets	-	371,265	-	371,265
Net cash used in capital and related financing activities	<u>(119,407)</u>	<u>(2,102,006)</u>	<u>-</u>	<u>(2,221,413)</u>
Net increase in cash and temporary investments	569,532	268,910	7,283,818	8,122,260
Cash and temporary investments - beginning	3,315,427	4,164,734	44,787,863	52,268,024
Cash and temporary investments - ending	<u>\$ 3,884,959</u>	<u>\$ 4,433,644</u>	<u>\$ 52,071,681</u>	<u>\$ 60,390,284</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (345,169)	\$ (1,297,867)	\$ 4,190,206	\$ 2,547,170
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,405,633	2,887,841	-	4,293,474
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources				
Decrease in accounts receivable	124	26,967	543,240	570,331
Decrease in inventory	-	104,381	-	104,381
(Increase) in deferred outflows related to pensions	(3,802,621)	(2,142,161)	(242,136)	(6,186,918)
(Increase) in deferred outflows related to OPEB	(51,922)	(47,052)	(3,137)	(102,111)
(Decrease) in accounts payable	(12,975)	(50,393)	(128,003)	(191,371)
Increase in deposits	-	-	5,281	5,281
Increase in claims payable	-	-	1,063,350	1,063,350
Increase in net pension liability	5,164,438	2,971,553	342,871	8,478,862
Increase (decrease) in total OPEB liability	(23,493)	10,076	672	(12,745)
Increase in compensated absences	36,873	8,283	4,099	49,255
(Decrease) in deferred inflows related to pensions	(435,785)	(303,646)	(35,036)	(774,467)
Increase in deferred inflows related to OPEB	97,792	60,227	4,015	162,034
Total adjustments	<u>2,378,064</u>	<u>3,526,076</u>	<u>1,555,216</u>	<u>7,459,356</u>
Net cash provided by operating activities	<u>\$ 2,032,895</u>	<u>\$ 2,228,209</u>	<u>\$ 5,745,422</u>	<u>\$ 10,006,526</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES				
Contribution of capital assets	\$ 2,173,716	\$ 2,210,559	\$ -	\$ 4,384,275
Capital assets in accounts payable	-	24,963	-	24,963
Capital assets financed with capital lease	618,681	-	-	618,681

CITY OF WICHITA, KANSAS
COMBINING SCHEDULE OF NET POSITION
SELF INSURANCE FUND

December 31, 2019

	Life Insurance	Health Insurance	Workers' Compensation	General Liability	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 791,329	\$ 20,607,359	\$ 15,651,608	\$ 15,021,385	\$ 52,071,681
Receivables, net:					
Accounts receivable	-	579,697	532,361	275,347	1,387,405
Prepaid items	-	128,900	-	-	128,900
Total current assets	<u>791,329</u>	<u>21,315,956</u>	<u>16,183,969</u>	<u>15,296,732</u>	<u>53,587,986</u>
Noncurrent assets:					
Capital assets:					
Machinery, equipment and other assets	-	-	-	269,600	269,600
Less accumulated depreciation	-	-	-	(269,600)	(269,600)
Total capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>791,329</u>	<u>21,315,956</u>	<u>16,183,969</u>	<u>15,296,732</u>	<u>53,587,986</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	-	-	363,282	-	363,282
Deferred outflows related to OPEB	-	-	4,543	-	4,543
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>367,825</u>	<u>-</u>	<u>367,825</u>
LIABILITIES					
Current liabilities:					
Accounts payable and other liabilities	-	1,738,176	7,190	28,631	1,773,997
Deposits	-	260,150	-	-	260,150
Current portion of long-term obligations:					
Claims payable	-	3,747,800	2,210,418	5,406,483	11,364,701
Compensated absences	-	-	8,464	14,768	23,232
Total current liabilities	<u>-</u>	<u>5,746,126</u>	<u>2,226,072</u>	<u>5,449,882</u>	<u>13,422,080</u>
Noncurrent liabilities:					
Claims payable	-	-	7,351,840	6,866,468	14,218,308
Net pension liability	-	-	374,921	-	374,921
Total OPEB liability	-	-	35,584	-	35,584
Compensated absences	-	-	1,540	2,686	4,226
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>7,763,885</u>	<u>6,869,154</u>	<u>14,633,039</u>
Total liabilities	<u>-</u>	<u>5,746,126</u>	<u>9,989,957</u>	<u>12,319,036</u>	<u>28,055,119</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	-	-	107,156	-	107,156
Deferred inflows related to OPEB	-	-	6,263	-	6,263
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>113,419</u>	<u>-</u>	<u>113,419</u>
NET POSITION					
Unrestricted	791,329	15,569,830	6,448,418	2,977,696	25,787,273
Total net position	<u>\$ 791,329</u>	<u>\$ 15,569,830</u>	<u>\$ 6,448,418</u>	<u>\$ 2,977,696</u>	<u>\$ 25,787,273</u>

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019

	Life Insurance	Health Insurance	Workers' Compensation	General Liability	Total
OPERATING REVENUES					
Employer contributions	\$ 264,385	\$ 36,303,440	\$ 3,504,106	\$ 3,213,061	\$ 43,284,992
Employee contributions	621,372	11,946,680	13,982	-	12,582,034
Other operating revenues	-	1,123,561	98,535	1,693,882	2,915,978
Total operating revenues	<u>885,757</u>	<u>49,373,681</u>	<u>3,616,623</u>	<u>4,906,943</u>	<u>58,783,004</u>
OPERATING EXPENSES					
Personnel services	-	295,284	221,023	233,517	749,824
Contractual services	-	2,504,467	344,577	236,858	3,085,902
Materials and supplies	-	27	500	79,644	80,171
Administrative charges	659	17,665	29,725	23,431	71,480
Employee benefits	820,667	42,298,367	-	-	43,119,034
Insurance claims	-	-	1,924,091	5,562,296	7,486,387
Total operating expenses	<u>821,326</u>	<u>45,115,810</u>	<u>2,519,916</u>	<u>6,135,746</u>	<u>54,592,798</u>
Operating income (loss)	<u>64,431</u>	<u>4,257,871</u>	<u>1,096,707</u>	<u>(1,228,803)</u>	<u>4,190,206</u>
TRANSFERS					
Transfers from other funds	-	-	-	1,600,000	1,600,000
Transfers to other funds	-	-	-	(80,264)	(80,264)
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,519,736</u>	<u>1,519,736</u>
Change in net position	64,431	4,257,871	1,096,707	290,933	5,709,942
Net position - beginning	<u>726,898</u>	<u>11,311,959</u>	<u>5,351,711</u>	<u>2,686,763</u>	<u>20,077,331</u>
Net position - ending	<u>\$ 791,329</u>	<u>\$ 15,569,830</u>	<u>\$ 6,448,418</u>	<u>\$ 2,977,696</u>	<u>\$ 25,787,273</u>

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	\$ 12,508,900	\$ 12,880,417	\$ 12,840,643	\$ (39,774)	\$ 12,165,398
Other revenue	-	-	67,485	67,485	1,236
Revised budget adjustment	-	(371,517)	-	371,517	-
Total revenues	12,508,900	12,508,900	12,908,128	399,228	12,166,634
EXPENDITURES					
Personnel services	5,779,461	5,637,399	5,301,511	335,888	4,846,551
Contractual services	5,270,108	5,600,281	4,835,128	765,153	4,820,199
Materials and supplies	142,679	142,678	95,647	47,031	151,929
Other operating expenditures	115,046	114,681	114,681	-	113,745
Cost of materials used	20,000	20,000	-	20,000	53
City administrative charges	408,317	437,213	437,213	-	425,259
Debt service	140,768	140,768	119,406	21,362	65,905
Planned savings	(223,754)	(373,574)	-	(373,574)	-
Contingency	578,045	470,187	-	470,187	-
Total expenditures	12,230,670	12,189,633	10,903,586	1,286,047	10,423,641
Excess of revenues over expenditures	278,230	319,267	2,004,542	1,685,275	1,742,993
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	134,283	134,283	-
Transfers to other funds	(1,541,160)	(1,582,197)	(1,582,197)	-	(862,271)
Total other financing uses	(1,541,160)	(1,582,197)	(1,447,914)	134,283	(862,271)
Net change in unencumbered cash balance	(1,262,930)	(1,262,930)	556,628	1,819,558	880,722
Unencumbered cash balance, beginning	1,921,627	1,921,627	2,838,444	916,817	2,061,700
Change due to non-budgetary items	-	-	104,083	104,083	(103,978)
Unencumbered cash balance, ending	\$ 658,697	\$ 658,697	\$ 3,499,155	\$ 2,840,458	\$ 2,838,444

CITY OF WICHITA, KANSAS

FLEET FUND

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Charges for services and sales	\$ 4,494,366	\$ 4,656,557	\$ 4,266,382	\$ (390,175)	\$ 5,086,309
Rental income	9,546,646	9,551,565	9,304,795	(246,770)	9,405,242
Sale of property	512,000	500,000	371,265	(128,735)	353,097
Other revenue	1,180,000	1,180,000	106,654	(1,073,346)	124,912
Revised budget adjustment	-	(155,110)	-	155,110	-
Total revenues	15,733,012	15,733,012	14,049,096	(1,683,916)	14,969,560
EXPENDITURES					
Personnel services	4,189,302	3,887,308	3,681,826	205,482	3,607,373
Contractual services	1,146,276	1,395,656	1,383,755	11,901	1,134,431
Materials and supplies	6,721,901	6,906,235	6,028,820	877,415	6,832,086
Capital outlay	3,328,977	3,193,145	3,137,057	56,088	2,077,777
Cost of materials used	1,000,000	745,000	32,445	712,555	-
City administrative charges	381,468	388,938	388,938	-	381,468
Planned savings	(750,000)	(500,000)	-	(500,000)	-
Contingency	500,000	501,642	-	501,642	-
Total expenditures	16,517,924	16,517,924	14,652,841	1,865,083	14,033,135
Net change in unencumbered cash balance	(784,912)	(784,912)	(603,745)	181,167	936,425
Unencumbered cash balance, beginning	802,617	802,617	2,901,912	2,099,295	2,139,500
Change due to non-budgetary items	-	-	274,055	274,055	(174,013)
Unencumbered cash balance, ending	\$ 17,705	\$ 17,705	\$ 2,572,222	\$ 2,554,517	\$ 2,901,912

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Original	Final	Actual Amounts		
REVENUES					
Employer contributions	\$ 48,485,597	\$ 45,022,513	\$ 43,284,992	\$ (1,737,521)	\$ 41,233,056
Employee contributions	16,111,844	13,846,517	12,582,034	(1,264,483)	12,524,778
Other revenue	2,467,399	1,714,621	2,916,622	1,202,001	2,024,089
Revised budget adjustment	-	5,335,644	-	(5,335,644)	-
Total revenues	67,064,840	65,919,295	58,783,648	(7,135,647)	55,781,923
EXPENDITURES					
Personnel services	2,391,975	2,462,541	2,141,574	320,967	1,666,674
Contractual services	64,163,103	61,767,716	50,035,578	11,732,138	52,814,406
Materials and supplies	143,184	131,684	81,396	50,288	71,910
Capital outlay	10,000	10,000	-	10,000	-
Other operating expenditures	426,988	478,596	423,834	54,762	422,381
City administrative charges	71,773	71,480	71,480	-	71,773
Other non-operating expenditures	880,000	880,000	637,441	242,559	1,429,992
Contingency	750,000	3,035,006	-	3,035,006	-
Total expenditures	68,837,023	68,837,023	53,391,303	15,445,720	56,477,136
Excess (deficiency) of revenues over (under) expenditures	(1,772,183)	(2,917,728)	5,392,345	8,310,073	(695,213)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	866,055	2,011,600	1,600,000	(411,600)	250,000
Transfers to other funds	-	-	(80,264)	(80,264)	-
Total other financing sources	866,055	2,011,600	1,519,736	(491,864)	250,000
Net change in unencumbered cash balance	(906,128)	(906,128)	6,912,081	7,818,209	(445,213)
Unencumbered cash balance, beginning	25,243,688	25,243,688	22,753,508	(2,490,180)	4,424,456
Change due to non-budgetary items	-	-	(1,587,699)	(1,587,699)	18,774,265
Unencumbered cash balance, ending	\$ 24,337,560	\$ 24,337,560	\$ 28,077,890	\$ 3,740,330	\$ 22,753,508

FIDUCIARY FUNDS



FIDUCIARY FUNDS

Fiduciary funds are used to report fiduciary activities including pension trust funds, investment trust funds, private purpose trust funds and custodial funds. The City reports the following fiduciary funds:

Pension Trust Funds account for the receipt, investment and distribution of retirement contributions made for the benefit of police, fire and other City employees. The City has the following pension trust funds:

Police and Fire Retirement System

Employees' Retirement System

Employees' Retirement System Plan 3b

Private Purpose Trust Funds account for all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which the principal and income benefit individuals, private organizations or other governments. The City has the following private purpose trust fund:

WAMPO (Wichita Area Metropolitan Planning Organization)*

*The City and WAMPO ended their trust relationship as of September 2019. And thus, the City no longer has a private purpose trust fund as of December 31, 2019.

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS

December 31, 2019

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3b	Pension Trust Funds
ASSETS				
Cash and temporary investments	\$ 87,517	\$ 122,035	\$ 82,158	\$ 291,710
Receivables:				
Investment sales pending	8,034,291	6,807,918	30,682	14,872,891
Interest and dividends	1,608,808	1,363,370	6,996	2,979,174
Other receivables	802,413	421,186	16,708	1,240,307
Total receivables	<u>10,445,512</u>	<u>8,592,474</u>	<u>54,386</u>	<u>19,092,372</u>
Investments, at fair value:				
Government short-term investment fund	17,285,344	14,727,677	70,113	32,083,134
Equity:				
Domestic equity	289,357,359	245,185,721	2,402,924	536,946,004
International equity	197,707,226	167,529,652	481,688	365,718,566
Fixed income	135,335,335	114,677,294	513,185	250,525,814
Real estate	48,749,084	41,308,448	-	90,057,532
Target date and money market funds	-	-	6,224,462	6,224,462
Timber	41,239,324	33,545,324	-	74,784,648
Derivative investments	28,527	24,172	109	52,808
Securities lending short-term collateral investment pool	1,482,860	1,256,485	14,318	2,753,663
Total investments	<u>731,185,059</u>	<u>618,254,773</u>	<u>9,706,799</u>	<u>1,359,146,631</u>
Capital assets:				
Pension software	448,990	833,838	-	1,282,828
Accumulated depreciation	<u>(448,990)</u>	<u>(833,838)</u>	<u>-</u>	<u>(1,282,828)</u>
Capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>741,718,088</u>	<u>626,969,282</u>	<u>9,843,343</u>	<u>1,378,530,713</u>
LIABILITIES				
Accounts payable and other liabilities	977,019	886,320	4,176	1,867,515
Investment purchases pending	8,183,165	6,934,045	36,697	15,153,907
Securities lending obligations	1,482,860	1,256,485	14,318	2,753,663
Total liabilities	<u>10,643,044</u>	<u>9,076,850</u>	<u>55,191</u>	<u>19,775,085</u>
NET POSITION				
Restricted for pensions	731,075,044	617,892,432	9,788,152	1,358,755,628
Total net position	<u>\$ 731,075,044</u>	<u>\$ 617,892,432</u>	<u>\$ 9,788,152</u>	<u>\$ 1,358,755,628</u>

CITY OF WICHITA, KANSAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

For the year ended December 31, 2019

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3b	Pension Trust Funds
ADDITIONS				
Contributions:				
Employer	\$ 13,965,415	\$ 9,683,553	\$ 198,342	\$ 23,847,310
Employee	5,428,455	3,770,224	198,343	9,397,022
Total contributions	<u>19,393,870</u>	<u>13,453,777</u>	<u>396,685</u>	<u>33,244,332</u>
Investment income:				
From investing activities:				
Net appreciation in the fair value of investments	113,454,483	97,044,358	1,728,900	212,227,741
Interest	5,116,153	4,351,797	18,758	9,486,708
Dividends	5,199,525	4,446,847	42,005	9,688,377
Commission recapture	8,646	7,385	73	16,104
Total investing activity income	<u>123,778,807</u>	<u>105,850,387</u>	<u>1,789,736</u>	<u>231,418,930</u>
Less investment expense	<u>3,491,467</u>	<u>2,994,929</u>	<u>13,713</u>	<u>6,500,109</u>
Net income from investing activities	<u>120,287,340</u>	<u>102,855,458</u>	<u>1,776,023</u>	<u>224,918,821</u>
From securities lending activities:				
Securities lending income	<u>104,144</u>	<u>89,043</u>	<u>641</u>	<u>193,828</u>
Less securities lending expense:				
Borrower rebates	20,160	17,261	127	37,548
Management fees	21,337	18,237	142	39,716
Total securities lending expenses	<u>41,497</u>	<u>35,498</u>	<u>269</u>	<u>77,264</u>
Net income from securities lending activities	<u>62,647</u>	<u>53,545</u>	<u>372</u>	<u>116,564</u>
Total net investment income	<u>120,349,987</u>	<u>102,909,003</u>	<u>1,776,395</u>	<u>225,035,385</u>
Reclassifications due to participant conversion	-	-	94,720	94,720
Total additions	<u>139,743,857</u>	<u>116,362,780</u>	<u>2,267,800</u>	<u>258,374,437</u>
DEDUCTIONS				
Pension benefits	41,686,750	43,623,083	-	85,309,833
Pension administration	612,049	619,398	9,384	1,240,831
Employee contributions refunded	424,631	824,813	575,000	1,824,444
Reclassifications due to participant conversion	-	94,720	-	94,720
Total deductions	<u>42,723,430</u>	<u>45,162,014</u>	<u>584,384</u>	<u>88,469,828</u>
Net decrease in net position	97,020,427	71,200,766	1,683,416	169,904,609
Net position - beginning	<u>634,054,617</u>	<u>546,691,666</u>	<u>8,104,736</u>	<u>1,188,851,019</u>
Net position - ending	<u>\$ 731,075,044</u>	<u>\$ 617,892,432</u>	<u>\$ 9,788,152</u>	<u>\$ 1,358,755,628</u>

ADDITIONAL INFORMATION



ADDITIONAL INFORMATION

Additional information includes various supplementary schedules pertaining to long-term debt obligations and insurance policies in force.

CITY OF WICHITA, KANSAS

COMBINED SCHEDULE OF CHANGES IN BONDS PAYABLE

For the year ended December 31, 2019

	Balance December 31, 2018	Issued	Retired	Balance December 31, 2019
General obligation bonds payable from:				
Ad valorem property taxes	\$ 45,951,755	\$ 34,150,000	\$ 12,141,100	\$ 67,960,655
Special assessments	164,380,962	11,335,000	29,309,588	146,406,374
Tax increment financing	15,229,115	12,145,000	2,474,764	24,899,351
Transient guest tax	2,475,000	-	10,000	2,465,000
Airport Authority	126,400,000	12,365,000	14,370,000	124,395,000
Local sales tax	81,995,000	23,400,000	11,420,000	93,975,000
Stormwater Utility	15,683,168	-	2,264,548	13,418,620
Water Utility	115,850,000	-	5,140,000	110,710,000
Revenue bonds payable from:				
Water Utility	203,528,076	51,985,000	30,961,388	224,551,688
Sewer Utility	194,971,924	42,390,000	43,953,612	193,408,312
Airport special facilities	5,460,000	8,773,651	2,684,088	11,549,563
Local sales tax	4,577,434	-	245,952	4,331,482
	<u>\$ 976,502,434</u>	<u>\$ 196,543,651</u>	<u>\$ 154,975,040</u>	<u>\$ 1,018,071,045</u>

RECONCILIATION OF BONDS PAYABLE

As of December 31, 2019

General obligation bonds	\$ 584,230,000
Revenue bonds	<u>433,841,045</u>
Total bonds payable	<u>\$ 1,018,071,045</u>
Serial bonds payable	\$ 340,037,862
Bonds payable from proprietary funds	<u>678,033,183</u>
Total bonds payable	<u>\$ 1,018,071,045</u>

CITY OF WICHITA, KANSAS

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

Based on bonded debt as of December 31, 2019

PAYABLE FROM PROPERTY TAXES				PAYABLE FROM TRANSIENT GUEST TAX		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2020	\$ 11,333,101	\$ 2,752,048	\$ 14,085,149	\$ 15,000	\$ 92,163	\$ 107,163
2021	8,768,863	2,084,735	10,853,598	20,000	91,287	111,287
2022	9,089,973	1,776,488	10,866,461	25,000	90,163	115,163
2023	7,174,934	1,465,579	8,640,513	30,000	88,787	118,787
2024	6,364,127	1,200,703	7,564,830	35,000	87,163	122,163
2025	5,345,654	972,997	6,318,651	40,000	85,287	125,287
2026	5,180,395	767,182	5,947,577	50,000	83,538	133,538
2027	4,857,568	560,039	5,417,607	55,000	81,962	136,962
2028	5,050,852	376,027	5,426,879	65,000	80,163	145,163
2029	4,238,348	184,525	4,422,873	70,000	78,137	148,137
2030	111,840	17,041	128,881	80,000	75,888	155,888
2031	105,000	13,638	118,638	80,000	73,087	153,087
2032	110,000	10,488	120,488	95,000	69,588	164,588
2033	115,000	7,187	122,187	105,000	65,718	170,718
2034	115,000	3,594	118,594	1,700,000	31,875	1,731,875
	<u>\$ 67,960,655</u>	<u>\$ 12,192,271</u>	<u>\$ 80,152,926</u>	<u>\$ 2,465,000</u>	<u>\$ 1,174,806</u>	<u>\$ 3,639,806</u>

PAYABLE FROM TAX INCREMENT FINANCING				PAYABLE FROM LOCAL SALES TAX		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2020	\$ 2,636,272	\$ 834,992	\$ 3,471,264	\$ 10,155,000	\$ 3,456,370	\$ 13,611,370
2021	2,447,780	695,090	3,142,870	10,535,000	2,966,737	13,501,737
2022	2,655,042	625,611	3,280,653	10,825,000	2,521,937	13,346,937
2023	1,866,550	548,637	2,415,187	7,800,000	2,064,887	9,864,887
2024	1,823,058	492,361	2,315,419	8,030,000	1,740,889	9,770,889
2025	1,164,566	448,249	1,612,815	8,235,000	1,406,275	9,641,275
2026	1,291,083	406,270	1,697,353	8,450,000	1,191,738	9,641,738
2027	1,360,000	358,540	1,718,540	7,900,000	928,175	8,828,175
2028	1,120,000	312,530	1,432,530	6,625,000	658,300	7,283,300
2029	1,580,000	268,195	1,848,195	6,785,000	418,550	7,203,550
2030	1,750,000	205,210	1,955,210	1,640,000	189,100	1,829,100
2031	1,575,000	156,150	1,731,150	1,680,000	139,900	1,819,900
2032	1,730,000	108,900	1,838,900	1,725,000	106,300	1,831,300
2033	1,900,000	57,000	1,957,000	1,770,000	71,800	1,841,800
2034	-	-	-	1,820,000	36,400	1,856,400
	<u>\$ 24,899,351</u>	<u>\$ 5,517,735</u>	<u>\$ 30,417,086</u>	<u>\$ 93,975,000</u>	<u>\$ 17,897,358</u>	<u>\$ 111,872,358</u>

TOTAL PAYABLE FROM TAXES				PAYABLE FROM SPECIAL ASSESSMENTS		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2020	\$ 24,139,373	\$ 7,135,573	\$ 31,274,946	\$ 18,337,537	\$ 5,826,068	\$ 24,163,605
2021	21,771,643	5,837,849	27,609,492	16,925,497	5,033,223	21,958,720
2022	22,595,015	5,014,199	27,609,214	14,973,505	4,288,023	19,261,528
2023	16,871,484	4,167,890	21,039,374	13,355,686	3,653,375	17,009,061
2024	16,252,185	3,521,116	19,773,301	12,143,635	3,068,641	15,212,276
2025	14,785,220	2,912,808	17,698,028	11,015,600	2,572,777	13,588,377
2026	14,971,478	2,448,728	17,420,206	9,833,522	2,112,788	11,946,310
2027	14,172,568	1,928,716	16,101,284	9,712,432	1,694,580	11,407,012
2028	12,860,852	1,427,020	14,287,872	8,959,148	1,294,205	10,253,353
2029	12,673,348	949,407	13,622,755	8,731,652	936,721	9,668,373
2030	3,581,840	487,239	4,069,079	6,803,160	617,294	7,420,454
2031	3,440,000	382,775	3,822,775	3,860,000	400,520	4,260,520
2032	3,660,000	295,276	3,955,276	3,615,000	295,574	3,910,574
2033	3,890,000	201,705	4,091,705	2,820,000	205,490	3,025,490
2034	3,635,000	71,869	3,706,869	1,900,000	136,909	2,036,909
2035	-	-	-	1,020,000	92,338	1,112,338
2036	-	-	-	910,000	60,556	970,556
2037	-	-	-	695,000	35,963	730,963
2038	-	-	-	565,000	16,012	581,012
2039	-	-	-	230,000	3,450	233,450
	<u>\$ 189,300,006</u>	<u>\$ 36,782,170</u>	<u>\$ 226,082,176</u>	<u>\$ 146,406,374</u>	<u>\$ 32,344,507</u>	<u>\$ 178,750,881</u>

CITY OF WICHITA, KANSAS

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

Based on bonded debt as of December 31, 2019

Year	Airport Authority			Stormwater Utility		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2020	\$ 2,920,000	\$ 5,157,209	\$ 8,077,209	\$ 2,273,090	\$ 419,411	\$ 2,692,501
2021	3,045,000	5,117,342	8,162,342	1,747,860	333,657	2,081,517
2022	3,235,000	4,985,174	8,220,174	1,806,480	270,564	2,077,044
2023	3,355,000	4,852,211	8,207,211	1,867,830	205,284	2,073,114
2024	3,495,000	4,704,605	8,199,605	1,914,180	135,736	2,049,916
2025	3,640,000	4,552,011	8,192,011	1,254,180	88,915	1,343,095
2026	3,795,000	4,393,874	8,188,874	965,000	57,394	1,022,394
2027	3,930,000	4,238,705	8,168,705	990,000	29,619	1,019,619
2028	4,090,000	4,079,421	8,169,421	145,000	13,144	158,144
2029	4,260,000	3,914,682	8,174,682	150,000	10,243	160,243
2030	4,435,000	3,742,355	8,177,355	150,000	7,056	157,056
2031	4,610,000	3,563,334	8,173,334	155,000	3,681	158,681
2032	4,405,000	3,380,485	7,785,485	-	-	-
2033	4,595,000	3,193,565	7,788,565	-	-	-
2034	4,805,000	2,996,590	7,801,590	-	-	-
2035	4,785,000	2,792,871	7,577,871	-	-	-
2036	4,845,000	2,583,689	7,428,689	-	-	-
2037	5,885,000	2,370,806	8,255,806	-	-	-
2038	6,155,000	2,106,317	8,261,317	-	-	-
2039	6,425,000	1,828,153	8,253,153	-	-	-
2040	6,720,000	1,536,602	8,256,602	-	-	-
2041	6,980,000	1,260,965	8,240,965	-	-	-
2042	6,740,000	983,319	7,723,319	-	-	-
2043	7,025,000	702,857	7,727,857	-	-	-
2044	7,325,000	409,837	7,734,837	-	-	-
2045	920,000	111,525	1,031,525	-	-	-
2046	965,000	76,088	1,041,088	-	-	-
2047	1,010,000	38,913	1,048,913	-	-	-
	<u>\$ 124,395,000</u>	<u>\$ 79,673,505</u>	<u>\$ 204,068,505</u>	<u>\$ 13,418,620</u>	<u>\$ 1,574,704</u>	<u>\$ 14,993,324</u>

Year	Water Utility			Totals		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2020	\$ 5,400,000	\$ 4,230,350	\$ 9,630,350	\$ 10,593,090	\$ 9,806,970	\$ 20,400,060
2021	5,670,000	3,953,600	9,623,600	10,462,860	9,404,599	19,867,459
2022	5,950,000	3,663,100	9,613,100	10,991,480	8,918,838	19,910,318
2023	6,250,000	3,358,100	9,608,100	11,472,830	8,415,595	19,888,425
2024	6,560,000	3,037,849	9,597,849	11,969,180	7,878,190	19,847,370
2025	6,890,000	2,701,600	9,591,600	11,784,180	7,342,526	19,126,706
2026	7,235,000	2,420,825	9,655,825	11,995,000	6,872,093	18,867,093
2027	7,450,000	2,200,550	9,650,550	12,370,000	6,468,874	18,838,874
2028	7,675,000	1,973,675	9,648,675	11,910,000	6,066,240	17,976,240
2029	7,905,000	1,739,975	9,644,975	12,315,000	5,664,900	17,979,900
2030	8,140,000	1,499,300	9,639,300	12,725,000	5,248,711	17,973,711
2031	8,385,000	1,209,500	9,594,500	13,150,000	4,776,515	17,926,515
2032	8,720,000	867,400	9,587,400	13,125,000	4,247,885	17,372,885
2033	9,070,000	522,938	9,592,938	13,665,000	3,716,503	17,381,503
2034	9,410,000	176,438	9,586,438	14,215,000	3,173,028	17,388,028
2035	-	-	-	4,785,000	2,792,871	7,577,871
2036	-	-	-	4,845,000	2,583,689	7,428,689
2037	-	-	-	5,885,000	2,370,806	8,255,806
2038	-	-	-	6,155,000	2,106,317	8,261,317
2039	-	-	-	6,425,000	1,828,153	8,253,153
2040	-	-	-	6,720,000	1,536,602	8,256,602
2041	-	-	-	6,980,000	1,260,965	8,240,965
2042	-	-	-	6,740,000	983,319	7,723,319
2043	-	-	-	7,025,000	702,857	7,727,857
2044	-	-	-	7,325,000	409,837	7,734,837
2045	-	-	-	920,000	111,525	1,031,525
2046	-	-	-	965,000	76,088	1,041,088
2047	-	-	-	1,010,000	38,913	1,048,913
	<u>\$ 110,710,000</u>	<u>\$ 33,555,200</u>	<u>\$ 144,265,200</u>	<u>\$ 248,523,620</u>	<u>\$ 114,803,409</u>	<u>\$ 363,327,029</u>

CITY OF WICHITA, KANSAS

**SUMMARY OF REVENUE BOND DEBT SERVICE CHARGES TO MATURITY
PAYABLE FROM PROPRIETARY FUND REVENUES**

Based on bonded debt as of December 31, 2019

Year	Water Utility			Sewer Utility		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2020	\$ 15,002,087	\$ 8,555,672	\$ 23,557,759	\$ 12,767,913	\$ 7,181,470	\$ 19,949,383
2021	15,613,744	7,926,172	23,539,916	13,466,256	6,723,770	20,190,026
2022	15,874,411	7,160,945	23,035,356	14,455,589	6,074,147	20,529,736
2023	16,493,750	6,448,913	22,942,663	15,061,250	5,482,880	20,544,130
2024	14,899,712	5,737,277	20,636,989	12,400,288	4,870,366	17,270,654
2025	15,566,001	5,059,982	20,625,983	13,123,999	4,337,060	17,461,059
2026	15,048,146	4,395,722	19,443,868	12,901,854	3,813,208	16,715,062
2027	14,857,862	3,809,722	18,667,584	12,852,138	3,316,648	16,168,786
2028	15,311,779	3,247,217	18,558,996	13,338,221	2,834,721	16,172,942
2029	13,849,819	2,745,530	16,595,349	10,985,181	2,407,478	13,392,659
2030	14,082,947	2,275,567	16,358,514	10,802,053	2,044,896	12,846,949
2031	10,668,343	1,827,536	12,495,879	9,491,657	1,698,006	11,189,663
2032	9,323,087	1,487,812	10,810,899	8,826,913	1,405,385	10,232,298
2033	7,100,000	1,194,521	8,294,521	8,210,000	1,106,646	9,316,646
2034	7,230,000	978,509	8,208,509	8,470,000	849,699	9,319,699
2035	5,455,000	751,206	6,206,206	5,495,000	559,275	6,054,275
2036	5,220,000	577,900	5,797,900	5,015,000	358,275	5,373,275
2037	4,740,000	413,644	5,153,644	4,305,000	193,044	4,498,044
2038	4,090,000	263,513	4,353,513	705,000	48,600	753,600
2039	4,125,000	132,450	4,257,450	735,000	24,806	759,806
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
	<u>\$ 224,551,688</u>	<u>\$ 64,989,810</u>	<u>\$ 289,541,498</u>	<u>\$ 193,408,312</u>	<u>\$ 55,330,380</u>	<u>\$ 248,738,692</u>

Year	Airport Authority			Totals		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2020	\$ 5,884,602	\$ 423,068	\$ 6,307,670	\$ 33,654,602	\$ 16,160,210	\$ 49,814,812
2021	1,416,458	191,315	1,607,773	30,496,458	14,841,257	45,337,715
2022	119,880	168,121	288,001	30,449,880	13,403,213	43,853,093
2023	123,403	164,598	288,001	31,678,403	12,096,391	43,774,794
2024	127,030	160,972	288,002	27,427,030	10,768,615	38,195,645
2025	1,630,763	86,738	1,717,501	30,320,763	9,483,780	39,804,543
2026	134,606	63,396	198,002	28,084,606	8,272,326	36,356,932
2027	138,562	59,440	198,002	27,848,562	7,185,810	35,034,372
2028	142,634	55,368	198,002	28,792,634	6,137,306	34,929,940
2029	146,826	51,176	198,002	24,981,826	5,204,184	30,186,010
2030	151,141	46,861	198,002	25,036,141	4,367,324	29,403,465
2031	155,583	42,419	198,002	20,315,583	3,567,961	23,883,544
2032	160,155	37,847	198,002	18,310,155	2,931,044	21,241,199
2033	164,862	33,140	198,002	15,474,862	2,334,307	17,809,169
2034	169,707	28,295	198,002	15,869,707	1,856,503	17,726,210
2035	174,694	23,307	198,001	11,124,694	1,333,788	12,458,482
2036	179,828	18,173	198,001	10,414,828	954,348	11,369,176
2037	185,113	12,888	198,001	9,230,113	619,576	9,849,689
2038	190,554	7,448	198,002	4,985,554	319,561	5,305,115
2039	153,162	1,936	155,098	5,013,162	159,192	5,172,354
	<u>\$ 11,549,563</u>	<u>\$ 1,676,506</u>	<u>\$ 13,226,069</u>	<u>\$ 429,509,563</u>	<u>\$ 121,996,696</u>	<u>\$ 551,506,259</u>

CITY OF WICHITA, KANSAS

**SUMMARY OF REVENUE BOND DEBT SERVICE CHARGES TO MATURITY
PAYABLE FROM GOVERNMENTAL FUND REVENUES**

Based on bonded debt as of December 31, 2019

Year	Sales Tax Special Obligation			Total		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2020	\$ 257,481	\$ 182,573	\$ 440,054	\$ 257,481	\$ 182,573	\$ 440,054
2021	316,194	173,509	489,703	316,194	173,509	489,703
2022	330,284	160,960	491,244	330,284	160,960	491,244
2023	365,944	146,940	512,884	365,944	146,940	512,884
2024	383,238	130,669	513,907	383,238	130,669	513,907
2025	470,576	112,885	583,461	470,576	112,885	583,461
2026	493,421	90,569	583,990	493,421	90,569	583,990
2027	248,324	70,313	318,637	248,324	70,313	318,637
2028	106,561	61,844	168,405	106,561	61,844	168,405
2029	111,687	56,686	168,373	111,687	56,686	168,373
2030	116,598	51,800	168,398	116,598	51,800	168,398
2031	121,723	46,646	168,369	121,723	46,646	168,369
2032	126,849	41,647	168,496	126,849	41,647	168,496
2033	133,042	35,304	168,346	133,042	35,304	168,346
2034	138,380	29,982	168,362	138,380	29,982	168,362
2035	143,933	24,447	168,380	143,933	24,447	168,380
2036	149,698	18,690	168,388	149,698	18,690	168,388
2037	155,678	12,702	168,380	155,678	12,702	168,380
2038	161,871	6,475	168,346	161,871	6,475	168,346
	<u>\$ 4,331,482</u>	<u>\$ 1,454,641</u>	<u>\$ 5,786,123</u>	<u>\$ 4,331,482</u>	<u>\$ 1,454,641</u>	<u>\$ 5,786,123</u>

CITY OF WICHITA, KANSAS

STATEMENT OF OUTSTANDING DEBT

As of December 31, 2019

Bonded debt payable from:

General obligation bonds:

Ad valorem property taxes		\$ 67,960,655
Other than ad valorem property taxes:		
Special assessments	\$ 146,406,374	
Tax increment financing	24,899,351	
Transient guest tax	2,465,000	
Airport Authority	124,395,000	
Local sales tax - freeway	93,975,000	
Stormwater Utility	13,418,620	
Water Utility	110,710,000	
	<hr/>	516,269,345
Total bonded debt - general obligation		584,230,000

Revenue bonds:

Specific revenues:		
Water-Sewer Utility Revenue Bonds - 2010B	795,000	
Water-Sewer Utility Refunding Revenue Bonds - 2011A	15,590,000	
Water-Sewer Utility Revenue Bonds - 2012A	12,060,000	
Water-Sewer Utility Refunding Revenue Bonds - 2014A	22,620,000	
Water-Sewer Utility Revenue Bonds - 2014B	10,400,000	
Water-Sewer Utility Refunding Revenue Bonds - 2015B	28,625,000	
Water-Sewer Utility Revenue Bonds - 2015C	20,750,000	
Water-Sewer Utility Refunding Revenue Bonds - 2015D	19,165,000	
Water-Sewer Utility Revenue Bonds - 2016A	21,355,000	
Water-Sewer Utility Refunding Revenue Bonds - 2016B	91,755,000	
Water-Sewer Utility Revenue Bonds - 2017A	61,115,000	
Water-Sewer Utility Refunding Revenue Bonds - 2017B	19,355,000	
Water-Sewer Utility Revenue Bonds - 2019A	44,465,000	
Water-Sewer Utility Refunding Revenue Bonds - 2019B	49,910,000	
Sales Tax Special Obligation Revenue Bonds - 2017 ¹	2,531,683	
Sales Tax Special Obligation Revenue Bonds - 2018 ¹	1,799,799	
Airport Facility Revenue Bonds	11,549,563	
	<hr/>	433,841,045
Total bonded debt - revenue		433,841,045

Gross City bonded debt

1,018,071,045

Less non-general obligation bonded debt:

Specific revenues:		
Water-Sewer Utility Revenue Bonds - 2010B	(795,000)	
Water-Sewer Utility Refunding Revenue Bonds - 2011A	(15,590,000)	
Water-Sewer Utility Revenue Bonds - 2012A	(12,060,000)	
Water-Sewer Utility Refunding Revenue Bonds - 2014A	(22,620,000)	
Water-Sewer Utility Revenue Bonds - 2014B	(10,400,000)	
Water-Sewer Utility Refunding Revenue Bonds - 2015B	(28,625,000)	
Water-Sewer Utility Revenue Bonds - 2015C	(20,750,000)	
Water-Sewer Utility Refunding Revenue Bonds - 2015D	(19,165,000)	
Water-Sewer Utility Revenue Bonds - 2016A	(21,355,000)	
Water-Sewer Utility Refunding Revenue Bonds - 2016B	(91,755,000)	
Water-Sewer Utility Revenue Bonds - 2017A	(61,115,000)	
Water-Sewer Utility Refunding Revenue Bonds - 2017B	(19,355,000)	
Water-Sewer Utility Revenue Bonds - 2019A	(44,465,000)	
Water-Sewer Utility Refunding Revenue Bonds - 2019B	(49,910,000)	
Sales Tax Special Obligation Revenue Bonds - 2017 ¹	(2,531,683)	
Sales Tax Special Obligation Revenue Bonds - 2018 ¹	(1,799,799)	
Airport Facility Revenue Bonds	(11,549,563)	
	<hr/>	(433,841,045)

General obligation temporary notes

Internal Improvements - Series 298, Dated 10/15/19	91,390,000
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91,390,000

Total general obligation outstanding debt

\$ 675,620,000

¹ Portion of bonds outstanding based on City's portion of the 1% Sedgwick County Sales Tax.

CITY OF WICHITA, KANSAS
SCHEDULE OF INSURANCE IN FORCE

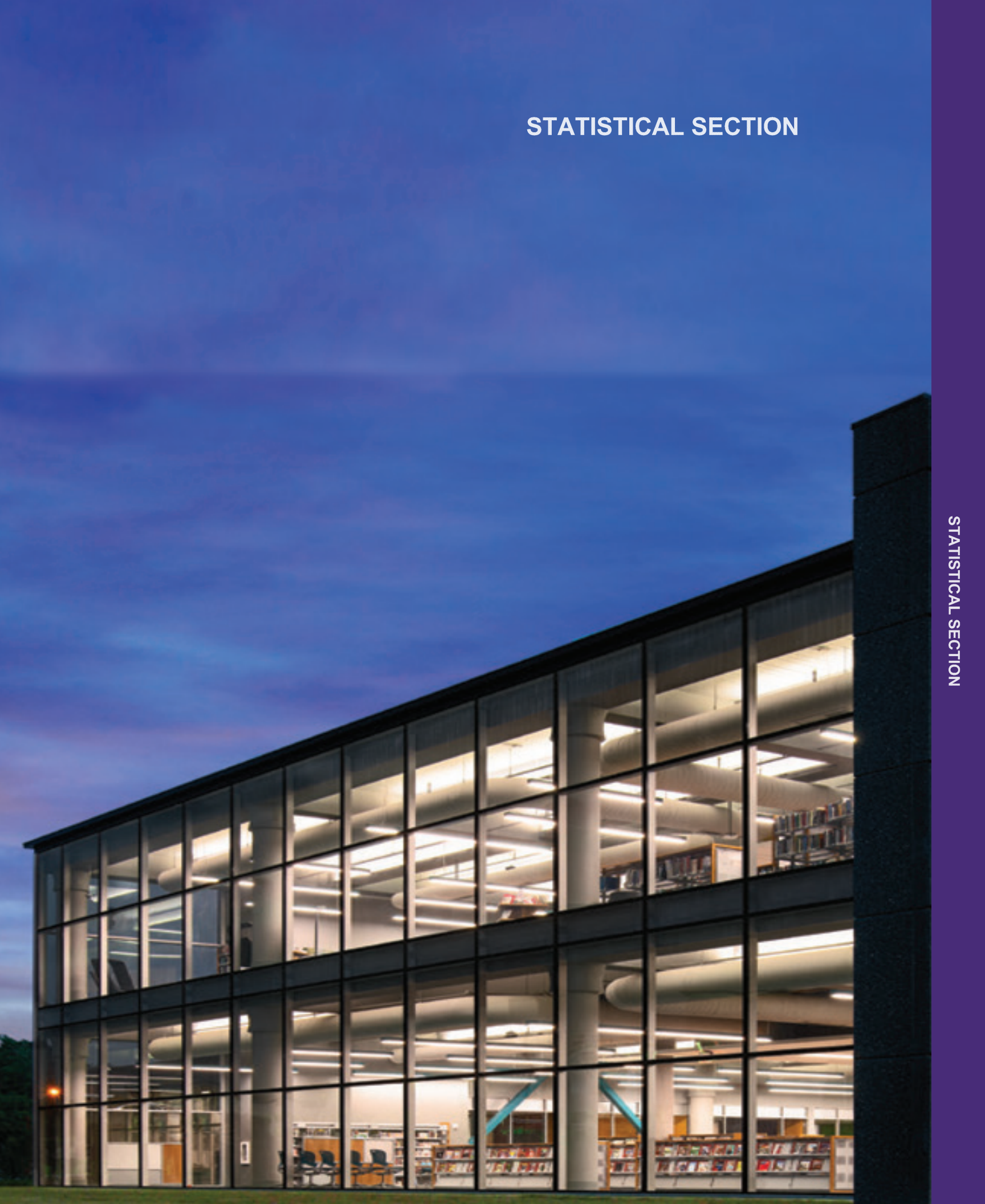
December 31, 2019

Company	Policy Period		Details of Coverage	Terms	Deductible	Value Limits
	From	To				
Zurich	01-19	01-20	All risk coverage on real and personal property for which the City is legally liable, per I.A.W. statement of values on replacement cost basis.	Per occurrence with total insured values of approximately \$856 million.	\$ 100,000 (500,000 wind and hail)	\$ 350,000,000
Zurich	01-19	01-20	Comprehensive coverage for steam boilers, air conditioners, and electric motor on a repair or replacement cost basis.	Per occurrence	100,000	Included
Zurich	01-19	01-20	Data processing property protection	Hardware	100,000	Included
Hartford Fire	01-19	01-20	Burglary and/or theft coverage for monies and securities	Per occurrence	10,000	1,000,000
Housing Authority Risk Retention Group	06-19	06-20	WHA commercial liability	Per occurrence	10,000	5,000,000
Housing Authority Property Insurance	06-19	06-20	WHA Commercial property coverage	Per occurrence with combined limit based on individual property values.	5,000	74,361,248
Philadelphia Indemnity Insurance	12-19	12-20	WHA flood insurance on 29 owned units	Per occurrence	5,000 to 1,000 per unit	48,000 to 50,000 per unit
Safety National Casualty	01-19	01-20	Excess workers' compensation Employers' liability	Per occurrence-liability Per occurrence	750,000 -	Statutory 1,000,000
Zurich	01-19	01-20	Travel accident insurance	Per person/occurrence Aggregate	- -	100,000 500,000
ACE American Ins. Co.	01-19	01-20	Foreign package-General liability-KE	Per occurrence	-	1,000,000
Ins. Co. of State of PA	01-19	01-20	Special liability	Per occurrence	2,000,000	20,000,000 40,000,000
Travelers	01-19	01-20	Position bonding	Per occurrence	-	20,000
AXA-XL	01-19	01-20	Cyber insurance	Combined aggregate	50,000	5,000,000
WICHITA AIRPORT AUTHORITY						
AIG	01-19	01-20	Comprehensive general liability	Per occurrence	1,000	100,000,000
Great American Alliance Ins.	01-19	01-20	Underground storage tank liability (City-	Per occurrence	10,000	1,000,000
WICHITA ART MUSEUM						
AXA/Ironshore Indemnity Inc.	01-19	01-20	All risk coverage for fine arts collections, on premises; worldwide transit coverage; and other locations.	Per occurrence at insured's Per occurrence not at Art in transit	1,000 1,000 1,000	200,000,000 100,000,000 100,000,000

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STATISTICAL SECTION



STATISTICAL SECTION

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Financial trends help the reader understand how the City's financial performance and well-being have changed over time.

Revenue capacity information is intended to help the reader assess the factors affecting the City's ability to generate property and sales tax.

Debt capacity schedules present information to help the reader assess the affordability of the City's current outstanding debt and the City's ability to issue additional debt in the future.

Demographic and economic indicators are offered to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time.

Operating information is provided to help the reader understand how the City's financial information relates to the services provided and the activities performed by the City.

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CITY OF WICHITA, KANSAS

NET POSITION BY COMPONENT

For years ended December 31, 2010 through December 31, 2019
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental activities					
Net investment in capital assets	\$ 554,371	\$ 615,404	\$ 659,114	\$ 730,439	\$ 714,088
Restricted for:					
Capital projects	40,177	48,939	38,986	23,033	24,909
Highways and streets	-	-	-	-	-
Debt service	309,669	296,468	277,226	226,947	221,877
Perpetual care	852	814	790	762	749
Other purposes	8,009	12,468	11,135	15,372	19,618
Unrestricted	17,248	5,386	1,918	(11,285)	48,517
Total governmental activities net position	<u>\$ 930,326</u>	<u>\$ 979,479</u>	<u>\$ 989,169</u>	<u>\$ 985,268</u>	<u>\$ 1,029,758</u>
Business-type activities					
Net investment in capital assets	\$ 792,751	\$ 828,696	\$ 820,105	\$ 854,195	\$ 908,335
Restricted for:					
Capital projects	18,915	13,682	32,308	53,653	31,221
Revenue bond covenants	90,814	95,954	131,943	117,763	107,357
Unrestricted	26,859	42,979	38,391	40,446	61,782
Total business-type activities net position	<u>\$ 929,339</u>	<u>\$ 981,311</u>	<u>\$ 1,022,747</u>	<u>\$ 1,066,057</u>	<u>\$ 1,108,695</u>
Primary government					
Net investment in capital assets	\$ 1,347,122	\$ 1,444,100	\$ 1,479,219	\$ 1,584,634	\$ 1,622,423
Restricted for:					
Capital projects	59,092	62,621	71,294	76,686	56,130
Highways and streets	-	-	-	-	-
Debt service	309,669	296,468	277,226	226,947	221,877
Revenue bond covenants	90,814	95,954	131,943	117,763	107,357
Perpetual care	852	814	790	762	749
Other purposes	8,009	12,468	11,135	15,372	19,618
Unrestricted	44,107	48,365	40,309	29,161	110,299
Total primary government net position	<u>\$ 1,859,665</u>	<u>\$ 1,960,790</u>	<u>\$ 2,011,916</u>	<u>\$ 2,051,325</u>	<u>\$ 2,138,453</u>

	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental activities					
Net investment in capital assets	\$ 779,473	\$ 831,119	\$ 860,155	\$ 877,975	\$ 893,090
Restricted for:					
Capital projects	22,017	30,743	14,594	59,996	29,334
Highways and streets	-	702	2,958	9,227	13,466
Debt service	191,172	183,820	180,661	176,757	171,034
Perpetual care	721	1,498	1,500	1,386	1,512
Other purposes	23,628	28,192	28,372	25,063	33,103
Unrestricted	27,477	38,389	20,546	(5,915)	(35,463)
Total governmental activities net position	<u>\$ 1,044,488</u>	<u>\$ 1,114,463</u>	<u>\$ 1,108,786</u>	<u>\$ 1,144,489</u>	<u>\$ 1,106,076</u>
Business-type activities					
Net investment in capital assets	\$ 920,577	\$ 956,424	\$ 966,425	\$ 1,006,030	\$ 1,006,493
Restricted for:					
Capital projects	37,578	18,398	9,554	13,836	18,058
Revenue bond covenants	105,443	114,093	131,055	113,163	145,733
Unrestricted	56,332	72,483	85,514	86,752	78,696
Total business-type activities net position	<u>\$ 1,119,930</u>	<u>\$ 1,161,398</u>	<u>\$ 1,192,548</u>	<u>\$ 1,219,781</u>	<u>\$ 1,248,980</u>
Primary government					
Net investment in capital assets	\$ 1,700,050	\$ 1,787,543	\$ 1,826,580	\$ 1,884,005	\$ 1,899,583
Restricted for:					
Capital projects	59,595	49,141	24,148	73,832	47,392
Highways and streets	-	702	2,958	9,227	13,466
Debt service	191,172	183,820	180,661	176,757	171,034
Revenue bond covenants	105,443	114,093	131,055	113,163	145,733
Perpetual care	721	1,498	1,500	1,386	1,512
Other purposes	23,628	28,192	28,372	25,063	33,103
Unrestricted	83,809	110,872	106,060	80,837	43,233
Total primary government net position	<u>\$ 2,164,418</u>	<u>\$ 2,275,861</u>	<u>\$ 2,301,334</u>	<u>\$ 2,364,270</u>	<u>\$ 2,355,056</u>

CITY OF WICHITA, KANSAS

CHANGES IN NET POSITION

For years ended December 31, 2010 through December 31, 2019
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2010	2011	2012	2013	2014
EXPENSES					
Governmental activities:					
General government	\$ 52,488	\$ 55,191	\$ 52,538	\$ 44,510	\$ 46,350
Public safety	126,329	125,525	129,684	129,627	132,601
Highways and streets	49,482	54,168	62,484	60,735	50,698
Sanitation	4,156	3,643	3,567	4,700	4,489
Health and welfare	36,986	34,848	35,358	29,919	29,668
Culture and recreation	39,559	38,344	36,090	34,624	35,629
Interest on long-term debt	19,877	19,277	13,676	15,656	13,729
Total governmental activities expenses	<u>328,877</u>	<u>330,996</u>	<u>333,397</u>	<u>319,771</u>	<u>313,164</u>
Business-type activities:					
Water Utility	43,408	47,621	48,613	50,066	60,654
Sewer Utility	36,865	37,673	38,577	43,743	46,801
Airport Authority	26,967	26,703	32,651	26,781	28,691
Stormwater Utility	7,504	7,048	8,540	7,933	8,476
Transit	14,485	15,156	15,152	15,139	15,340
Golf Course System	4,705	4,586	4,594	4,765	4,887
Total business-type activities expenses	<u>133,934</u>	<u>138,787</u>	<u>148,127</u>	<u>148,427</u>	<u>164,849</u>
Total primary government expenses	<u>\$ 462,811</u>	<u>\$ 469,783</u>	<u>\$ 481,524</u>	<u>\$ 468,198</u>	<u>\$ 478,013</u>
PROGRAM REVENUES					
Governmental activities:					
Charges for services:					
General government	\$ 18,706	\$ 22,011	\$ 14,210	\$ 12,432	\$ 15,778
Public safety	6,506	6,774	7,093	6,636	6,588
Highways and streets	4,151	5,199	4,423	4,313	4,558
Sanitation	1,005	875	1,103	1,265	1,115
Health and welfare	1,905	3,931	4,110	5,138	3,821
Culture and recreation	4,799	4,781	5,494	4,634	4,798
Operating grants and contributions	51,904	50,393	47,413	46,950	45,088
Capital grants and contributions	66,923	60,292	33,870	11,133	38,795
Total governmental activities revenues	<u>155,899</u>	<u>154,256</u>	<u>117,716</u>	<u>92,501</u>	<u>120,541</u>
Business-type activities:					
Charges for services:					
Water Utility	65,003	79,547	80,088	64,790	75,173
Sewer Utility	37,247	44,089	45,979	49,754	51,291
Airport Authority	21,588	21,597	22,112	21,964	23,687
Stormwater Utility	8,515	9,282	9,057	9,170	9,315
Transit	1,828	1,972	2,146	2,050	2,035
Golf Course System	4,111	4,017	4,726	4,182	4,301
Operating grants and contributions	6,305	7,183	6,689	7,139	8,859
Capital grants and contributions	37,797	20,357	15,381	33,102	22,871
Total business-type activities revenues	<u>182,394</u>	<u>188,044</u>	<u>186,178</u>	<u>192,151</u>	<u>197,532</u>
Total primary government revenues	<u>\$ 338,293</u>	<u>\$ 342,300</u>	<u>\$ 303,894</u>	<u>\$ 284,652</u>	<u>\$ 318,073</u>
NET REVENUE (EXPENSE)					
Governmental activities	\$ (172,978)	\$ (176,740)	\$ (215,681)	\$ (227,270)	\$ (192,623)
Business-type activities	48,460	49,257	38,051	43,724	32,683
Total primary government net expense	<u>\$ (124,518)</u>	<u>\$ (127,483)</u>	<u>\$ (177,630)</u>	<u>\$ (183,546)</u>	<u>\$ (159,940)</u>

	Fiscal Year				
	2015	2016	2017	2018	2019
EXPENSES					
Governmental activities:					
General government	\$ 64,844	\$ 47,613	\$ 62,657	\$ 53,601	\$ 53,832
Public safety	136,232	151,445	150,548	146,543	170,966
Highways and streets	68,326	44,659	101,127	77,138	93,555
Sanitation	5,384	5,054	5,035	5,198	4,781
Health and welfare	31,896	34,973	33,392	42,045	36,035
Culture and recreation	37,707	43,908	45,189	48,998	49,526
Interest on long-term debt	12,334	14,874	11,258	10,585	12,305
Total governmental activities expenses	<u>356,723</u>	<u>342,526</u>	<u>409,206</u>	<u>384,108</u>	<u>421,000</u>
Business-type activities:					
Water Utility	72,179	75,308	77,795	77,052	77,827
Sewer Utility	44,943	48,510	49,942	51,177	53,290
Airport Authority	38,967	38,671	39,887	39,852	42,813
Stormwater Utility	10,905	10,111	9,937	9,958	11,050
Transit	4,960	5,038	5,296	5,016	4,897
Golf Course System	16,337	14,086	14,829	15,780	15,476
Total business-type activities expenses	<u>188,291</u>	<u>191,724</u>	<u>197,686</u>	<u>198,835</u>	<u>205,353</u>
Total primary government expenses	<u>\$ 545,014</u>	<u>\$ 534,250</u>	<u>\$ 606,892</u>	<u>\$ 582,943</u>	<u>\$ 626,353</u>
PROGRAM REVENUES					
Governmental activities:					
Charges for services					
General government	\$ 22,389	\$ 32,111	\$ 24,337	\$ 24,422	\$ 27,206
Public safety	7,411	7,566	3,244	5,020	5,106
Highways and streets	5,196	6,606	3,584	4,322	3,792
Sanitation	1,085	2,134	4,710	3,168	2,864
Health and welfare	3,332	4,271	2,590	3,486	3,420
Culture and recreation	4,979	5,921	3,707	5,063	5,221
Operating grants and contributions	46,685	49,012	49,218	45,880	53,891
Capital grants and contributions	50,301	51,006	76,791	98,229	40,591
Total governmental activities revenues	<u>141,378</u>	<u>158,627</u>	<u>168,181</u>	<u>189,590</u>	<u>142,091</u>
Business-type activities:					
Charges for services:					
Water Utility	74,906	77,241	81,026	88,015	85,197
Sewer Utility	53,236	54,626	57,409	62,665	65,697
Airport Authority	25,752	28,394	31,012	30,565	32,086
Stormwater Utility	9,353	9,198	11,897	12,853	12,799
Transit	4,632	4,412	4,352	4,190	3,985
Golf Course System	2,089	1,783	1,908	2,152	2,083
Operating grants and contributions	4,592	7,406	6,781	7,036	6,864
Capital grants and contributions	27,842	33,555	22,290	11,037	16,003
Total business-type activities revenues	<u>202,402</u>	<u>216,615</u>	<u>216,675</u>	<u>218,513</u>	<u>224,714</u>
Total primary government revenues	<u>\$ 343,780</u>	<u>\$ 375,242</u>	<u>\$ 384,856</u>	<u>\$ 408,103</u>	<u>\$ 366,805</u>
NET REVENUE (EXPENSE)					
Governmental activities	\$ (215,345)	\$ (183,899)	\$ (241,025)	\$ (194,518)	\$ (278,909)
Business-type activities	14,111	24,891	18,989	19,678	19,361
Total primary government net expense	<u>\$ (201,234)</u>	<u>\$ (159,008)</u>	<u>\$ (222,036)</u>	<u>\$ (174,840)</u>	<u>\$ (259,548)</u>

(Continued)

CITY OF WICHITA, KANSAS

CHANGES IN NET POSITION (CONTINUED)

For years ended December 31, 2010 through December 31, 2019
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2010	2011	2012	2013	2014
GENERAL REVENUES AND OTHER					
CHANGES IN NET POSITION					
Governmental activities:					
Taxes:					
Property taxes	\$ 105,113	\$ 105,089	\$ 105,874	\$ 106,347	\$ 105,989
Sales taxes	48,240	54,919	54,095	58,519	56,143
Franchise taxes	36,923	36,779	37,407	39,283	41,864
Motor vehicle taxes	13,094	12,898	13,116	13,398	14,397
Transient guest taxes	5,689	6,041	6,100	6,360	6,754
Interest and investment earnings	2,001	1,003	530	828	1,422
Miscellaneous	17,498	7,397	5,683	7,755	15,289
Special Item - loss on sale of Hyatt Hotel	-	-	-	-	-
Transfers	(1,237)	1,766	2,566	2,406	(4,744)
Total governmental activities, as previously stated	227,321	225,892	225,371	234,896	237,114
Prior period adjustments	-	-	-	(11,527)	-
Total governmental activities, restated	227,321	225,892	225,371	223,369	237,114
Business-type activities:					
Interest and investment earnings	3,692	3,803	3,813	487	42
Miscellaneous	1,700	679	2,138	4,464	5,170
Transfers	1,236	(1,766)	(2,566)	(2,406)	4,744
Total business-type activities, as previously stated	6,628	2,716	3,385	2,545	9,956
Prior period adjustments	-	-	-	(2,960)	-
Total business-type activities, restated	6,628	2,716	3,385	(415)	9,956
Total primary government	\$ 233,949	\$ 228,608	\$ 228,756	\$ 222,954	\$ 247,070
CHANGE IN NET POSITION					
Governmental activities	\$ 54,343	\$ 49,152	\$ 9,690	\$ (3,901)	\$ 44,491
Business-type activities	55,088	51,973	41,436	43,309	42,639
Total primary government	\$ 109,431	\$ 101,125	\$ 51,126	\$ 39,408	\$ 87,130

	Fiscal Year				
	2015	2016	2017	2018	2019
GENERAL REVENUES AND OTHER					
CHANGES IN NET POSITION					
Governmental activities:					
Taxes:					
Property taxes	\$ 106,706	\$ 108,266	\$ 110,624	\$ 113,366	\$ 118,080
Sales taxes	57,959	58,660	57,683	59,602	63,024
Franchise taxes	44,304	44,766	45,564	47,282	44,797
Motor vehicle taxes	14,732	15,704	15,738	16,116	16,609
Transient guest taxes	7,255	7,178	7,065	7,411	11,057
Interest and investment earnings	1,725	2,255	3,921	7,362	11,388
Miscellaneous	11,952	12,585	5,720	1,968	3,529
Special Item - loss on sale of Hyatt Hotel	-	(11,754)	-	-	-
Transfers	(3,539)	(4,114)	(11,017)	(12,829)	(12,741)
Total governmental activities, as previously stated	241,094	233,546	235,298	240,278	255,743
Prior period adjustments	(11,019)	20,328	52	(10,057)	(15,248)
Total governmental activities, restated	230,075	253,874	235,350	230,221	240,495
Business-type activities:					
Interest and investment earnings	449	103	428	1,086	1,463
Miscellaneous	2,013	1,286	714	927	1,718
Transfers	3,539	4,114	11,017	12,829	12,741
Total business-type activities, as previously stated	6,001	5,503	12,159	14,842	15,922
Prior period adjustments	(8,878)	11,073	-	(7,287)	(6,083)
Total business-type activities, restated	(2,877)	16,576	12,159	7,555	9,839
Total primary government	<u>\$ 227,198</u>	<u>\$ 270,450</u>	<u>\$ 247,509</u>	<u>\$ 237,776</u>	<u>\$ 250,334</u>
CHANGE IN NET POSITION					
Governmental activities	\$ 14,730	\$ 69,975	\$ (5,675)	\$ 35,703	\$ (38,414)
Business-type activities	11,234	41,467	31,148	27,233	29,200
Total primary government	<u>\$ 25,964</u>	<u>\$ 111,442</u>	<u>\$ 25,473</u>	<u>\$ 62,936</u>	<u>\$ (9,214)</u>

CITY OF WICHITA, KANSAS

FUND BALANCES OF GOVERNMENTAL FUNDS

For years ended December 31, 2010 through December 31, 2019
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2010	2011	2012	2013	2014
General Fund					
Reserved	\$ 1,993	\$ -	\$ -	\$ -	\$ -
Unreserved	22,514	-	-	-	-
Nonspendable	-	882	841	847	888
Committed	-	-	-	-	-
Assigned	-	5,761	6,035	5,392	5,384
Unassigned	-	24,091	24,291	26,315	27,859
Total General Fund	<u>\$ 24,507</u>	<u>\$ 30,734</u>	<u>\$ 31,167</u>	<u>\$ 32,554</u>	<u>\$ 34,131</u>
Debt Service Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	51,730	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	-	85,545	114,344	88,293	41,315
Total Debt Service Fund	<u>\$ 51,730</u>	<u>\$ 85,545</u>	<u>\$ 114,344</u>	<u>\$ 88,293</u>	<u>\$ 41,315</u>
All other governmental funds					
Reserved	\$ 55,616	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:					
Special revenue funds	58,322	-	-	-	-
Capital projects funds	(87,391)	-	-	-	-
Permanent fund	605	-	-	-	-
Nonspendable	-	310	314	345	356
Restricted	-	73,986	66,502	54,354	59,275
Committed	-	24,740	25,206	15,590	16,527
Assigned	-	-	-	8,901	1,853
Unassigned	-	(76,125)	(83,499)	(131,412)	(43,465)
Total all other governmental funds	<u>\$ 27,152</u>	<u>\$ 22,911</u>	<u>\$ 8,523</u>	<u>\$ (52,222)</u>	<u>\$ 34,546</u>

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

	Fiscal Year				
	2015	2016	2017	2018	2019
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	949	858	850	1,050	621
Committed	-	14,000	19,000	-	-
Assigned	6,347	5,249	3,704	3,376	5,473
Unassigned	28,824	36,449	33,262	35,563	37,225
Total General Fund	<u>\$ 36,120</u>	<u>\$ 56,556</u>	<u>\$ 56,816</u>	<u>\$ 39,989</u>	<u>\$ 43,319</u>
Debt Service Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	4,067	3,777	-	-	-
Restricted	27,125	21,984	46,098	40,390	30,768
Total Debt Service Fund	<u>\$ 31,192</u>	<u>\$ 25,761</u>	<u>\$ 46,098</u>	<u>\$ 40,390</u>	<u>\$ 30,768</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Permanent fund	-	-	-	-	-
Nonspendable	396	352	369	379	450
Restricted	87,087	84,437	75,112	74,151	97,895
Committed	16,142	18,004	17,101	15,528	16,800
Assigned	2,084	796	850	1,073	1,489
Unassigned	(67,116)	(82,449)	(102,281)	(80,573)	(115,156)
Total all other governmental funds	<u>\$ 38,593</u>	<u>\$ 21,140</u>	<u>\$ (8,849)</u>	<u>\$ 10,558</u>	<u>\$ 1,478</u>

CITY OF WICHITA, KANSAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

For years ended December 31, 2010 through December 31, 2019

(accrual basis of accounting)

(dollars expressed in thousands)

	Fiscal Year				
	2010	2011	2012	2013	2014
REVENUES					
Taxes	\$ 172,374	\$ 178,947	\$ 179,185	\$ 184,625	\$ 183,283
Special assessments	34,251	33,648	33,327	33,669	31,509
Franchise taxes	36,923	36,779	37,407	39,283	41,863
Intergovernmental	72,228	64,003	61,057	59,823	57,530
Licenses and permits	6,648	6,735	7,427	7,468	7,241
Fines and penalties	10,641	10,345	10,476	9,391	9,858
Rentals	4,578	4,266	4,737	4,400	4,203
Interest and investment earnings	2,160	1,022	551	851	1,456
Charges for services and sales	10,673	12,019	10,647	11,052	12,122
Other revenue	23,219	21,283	12,986	13,354	22,117
Total revenues	<u>373,695</u>	<u>369,047</u>	<u>357,800</u>	<u>363,916</u>	<u>371,182</u>
EXPENDITURES					
Current:					
General government	34,659	36,587	34,643	36,414	37,368
Public safety	120,792	122,930	126,734	129,573	129,934
Highways and streets	19,125	22,450	18,185	16,676	18,416
Sanitation	5,243	4,264	3,722	3,774	4,366
Health and welfare	40,109	35,379	32,134	31,854	31,656
Culture and recreation	31,720	30,793	31,061	30,379	31,044
Debt service:					
Principal	86,867	52,743	65,923	62,137	50,925
Interest and other debt service	21,955	19,929	20,027	20,438	17,132
Capital outlay	83,658	82,901	109,959	108,380	76,379
Total expenditures	<u>444,128</u>	<u>407,976</u>	<u>442,388</u>	<u>439,625</u>	<u>397,220</u>
Deficiency of revenues under expenditures	<u>(70,433)</u>	<u>(38,929)</u>	<u>(84,588)</u>	<u>(75,709)</u>	<u>(26,038)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of long-term capital debt	123,157	101,043	108,605	16,290	108,370
Issuance of refunding debt	-	-	-	-	-
Premiums on bonds sold	5,566	11,952	10,003	646	9,842
Discounts on bonds sold	-	-	-	-	(33)
Payments on refunded bonds	(29,240)	(43,045)	(22,490)	(35,460)	(48,905)
Transfers from other funds	72,657	73,059	95,855	82,035	90,735
Transfers to other funds	(68,369)	(68,280)	(92,540)	(77,826)	(92,603)
Total other financing sources (uses)	<u>103,771</u>	<u>74,729</u>	<u>99,433</u>	<u>(14,315)</u>	<u>67,406</u>
SPECIAL ITEMS					
Sale of Hyatt Hotel	-	-	-	-	-
Transfers to other funds, Hyatt Hotel proceeds	-	-	-	-	-
Total special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,614</u>	<u>-</u>
Total changes in fund balances	<u>\$ 33,338</u>	<u>\$ 35,800</u>	<u>\$ 14,845</u>	<u>\$ (85,410)</u>	<u>\$ 41,368</u>
Debt service as a percentage of noncapital expenditures	28.2%	21.0%	23.0%	23.1%	20.3%

	Fiscal Year				
	2015	2016	2017	2018	2019
REVENUES					
Taxes	\$ 186,651	\$ 189,808	\$ 191,109	\$ 196,496	\$ 208,769
Special assessments	29,797	28,665	28,991	28,367	25,894
Franchise taxes	44,304	44,766	45,563	47,282	44,797
Intergovernmental	70,185	82,921	93,656	119,050	75,089
Licenses and permits	7,732	8,096	2,857	2,939	2,715
Fines and penalties	9,767	9,121	8,271	8,187	10,616
Rentals	6,227	4,328	4,216	4,237	3,841
Interest and investment earnings	1,725	2,255	3,921	7,362	11,388
Charges for services and sales	21,947	23,525	19,927	20,953	21,114
Other revenue	13,740	15,243	20,795	18,200	23,397
Total revenues	<u>392,075</u>	<u>408,728</u>	<u>419,306</u>	<u>453,073</u>	<u>427,620</u>
EXPENDITURES					
Current:					
General government	37,601	39,113	38,243	39,409	42,163
Public safety	131,496	136,049	136,336	144,224	147,100
Highways and streets	20,301	19,760	20,217	17,646	18,286
Sanitation	4,977	4,558	4,671	4,924	4,379
Health and welfare	33,035	36,431	35,388	35,896	36,836
Culture and recreation	33,391	36,591	37,018	37,042	40,463
Debt service:					
Principal	51,669	51,082	57,588	52,787	55,601
Interest and other debt service	18,699	16,480	16,035	15,202	15,994
Capital outlay	91,671	93,164	118,071	134,089	165,779
Total expenditures	<u>422,840</u>	<u>433,228</u>	<u>463,567</u>	<u>481,219</u>	<u>526,601</u>
Deficiency of revenues under expenditures	<u>(30,765)</u>	<u>(24,500)</u>	<u>(44,261)</u>	<u>(28,146)</u>	<u>(98,981)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of long-term capital debt	50,560	11,731	34,370	27,235	81,030
Issuance of refunding debt	-	13,357	-	-	-
Premiums on bonds sold	6,045	2,977	5,629	1,946	8,864
Discounts on bonds sold	-	(349)	-	-	-
Payments on refunded bonds	(32,321)	(24,267)	(1,406)	-	-
Transfers from other funds	124,180	70,463	84,556	99,993	95,416
Transfers to other funds	(126,142)	(72,533)	(88,332)	(85,156)	(102,334)
Total other financing sources (uses)	<u>22,322</u>	<u>1,379</u>	<u>34,817</u>	<u>44,018</u>	<u>82,976</u>
SPECIAL ITEMS					
Sale of Hyatt Hotel	-	20,003	-	-	-
Transfers to other funds, Hyatt Hotel proceeds	-	-	-	(19,000)	-
	<u>-</u>	<u>20,003</u>	<u>-</u>	<u>(19,000)</u>	<u>-</u>
Prior period adjustment	<u>4,354</u>	<u>671</u>	<u>52</u>	<u>-</u>	<u>634</u>
Total changes in fund balances	<u>\$ (4,089)</u>	<u>\$ (2,447)</u>	<u>\$ (9,392)</u>	<u>\$ (3,128)</u>	<u>\$ (15,371)</u>
Debt service as a percentage of noncapital expenditures	18.9%	19.8%	17.2%	16.7%	17.1%

CITY OF WICHITA, KANSAS

GOVERNMENTAL OWN SOURCE REVENUES BY SOURCE

For years ended December 31, 2010 through December 31, 2019
(modified accrual basis of accounting)
(dollars expressed in thousands)

Year	Property Taxes ¹	Special Assessments ²	Franchise Taxes
2010	\$ 118,207	\$ 33,723	\$ 36,923
2011	117,986	33,557	36,779
2012	118,990	32,800	37,407
2013	119,745	33,056	39,283
2014	120,385	31,407	41,863
2015	121,437	29,786	44,304
2016	123,970	28,539	44,766
2017	126,362	28,343	45,563
2018	129,482	28,367	47,282
2019	134,689	25,894	44,797

¹Property taxes include motor vehicle taxes.

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

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CITY OF WICHITA, KANSAS

GOVERNMENTAL REVENUES BY SOURCE

For years ended December 31, 2010 through December 31, 2019
(modified accrual basis of accounting)
(dollars expressed in thousands)

Year	Taxes	Special Assessments ¹	Franchise Taxes	Local Sales Tax	Intergovernmental	Licenses and Permits
2010	\$ 124,135	\$ 34,251	\$ 36,923	\$ 48,240	\$ 72,228	\$ 6,647
2011	124,028	33,648	36,779	54,919	64,003	6,735
2012	125,089	33,327	37,407	54,095	61,057	7,427
2013	126,106	33,669	39,283	58,519	59,823	7,468
2014	127,140	31,509	41,863	56,143	57,530	7,241
2015	128,692	29,797	44,304	57,959	70,185	7,732
2016	131,149	28,665	44,766	58,660	82,921	8,096
2017	133,426	28,991	45,563	57,683	93,656	2,857
2018	136,893	28,367	47,282	59,603	119,050	2,939
2019	145,746	25,894	44,797	63,024	75,089	2,715

¹Includes all collections through specials, including nuisance collections.

GOVERNMENTAL EXPENDITURES BY FUNCTION

For years ended December 31, 2010 through December 31, 2019
(modified accrual basis of accounting)
(dollars expressed in thousands)

Year	General Government	Public Safety	Highways and Streets	Sanitation	Health and Welfare	Culture and Recreation
2010	\$ 34,640	\$ 120,792	\$ 19,144	\$ 5,243	\$ 40,109	\$ 31,720
2011	36,588	122,930	22,450	4,264	35,379	30,793
2012	34,643	126,734	18,186	3,722	32,134	31,061
2013	36,414	129,574	16,676	3,774	31,854	30,379
2014	37,368	129,934	18,416	4,366	31,656	31,044
2015	37,601	131,496	20,301	4,977	33,035	33,391
2016	39,113	136,049	19,760	4,559	36,431	36,592
2017	38,243	136,336	20,217	4,671	35,388	37,018
2018	39,409	144,224	17,646	4,924	35,896	37,042
2019	42,163	147,100	18,286	4,379	36,836	40,463

	Fines and Penalties	Rentals	Interest Earnings	Charges for Services and Sales	Other Revenue	Total	Year
\$	10,641	\$ 4,578	\$ 2,160	\$ 10,673	\$ 23,219	\$ 373,695	2010
	10,345	4,266	1,022	12,019	21,283	369,047	2011
	10,476	4,737	551	10,647	12,987	357,800	2012
	9,391	4,400	851	11,052	13,354	363,916	2013
	9,857	4,203	1,456	12,122	22,118	371,182	2014
	9,767	6,227	1,725	21,947	13,742	392,077	2015
	9,121	4,328	2,255	23,525	15,242	408,728	2016
	8,271	4,216	3,921	19,927	20,795	419,306	2017
	8,187	4,237	7,362	20,953	18,200	453,073	2018
	10,616	3,841	11,388	21,114	23,395	427,619	2019

	Debt Service	Capital Outlay	Total	Year
\$	108,821	\$ 83,658	\$ 444,127	2010
	72,672	82,901	407,977	2011
	85,949	109,959	442,388	2012
	82,574	108,380	439,625	2013
	68,057	76,412	397,253	2014
	70,369	91,671	422,841	2015
	67,561	93,163	433,228	2016
	73,623	118,071	463,567	2017
	67,989	134,089	481,219	2018
	71,595	165,779	526,601	2019

CITY OF WICHITA, KANSAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

For years ended December 31, 2010 through December 31, 2019
(dollars expressed in thousands)

Year ¹	Real Property		Personal Property		State Assessed Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2010	\$ 2,904,055	\$ 20,011,382	\$ 147,887	\$ 612,183	\$ 98,206	\$ 297,594
2011	2,916,488	20,142,275	136,190	559,157	99,311	300,943
2012	2,889,209	19,908,386	125,492	518,004	96,872	293,550
2013	2,910,786	20,007,283	118,751	491,029	94,794	287,253
2014	2,963,148	20,364,338	93,990	404,245	91,126	276,140
2015	3,008,647	20,663,543	83,860	356,982	99,075	300,226
2016	3,091,273	21,259,793	76,025	324,973	102,892	311,793
2017	3,188,988	21,998,612	67,904	293,980	108,329	328,268
2018	3,301,681	22,866,442	61,731	268,000	116,034	351,619
2019	3,442,934	23,873,953	55,439	239,227	125,996	381,807

Totals Assessed Property			Assessed Value as a Percent of Actual Value	Total Direct Tax Rate ²	Tangible Valuation of Motor Vehicles	Total Valuation for Bonded Debt Limitations
Year	Assessed Value	Estimated Actual Value				
2010	\$ 3,150,148	\$ 20,921,159	15.06 %	32.272	\$ 387,036	\$ 3,537,184
2011	3,151,989	21,002,375	15.01	32.359	381,608	3,533,597
2012	3,111,573	20,719,940	15.02	32.471	385,358	3,496,931
2013	3,124,331	20,785,565	15.03	32.509	396,435	3,520,766
2014	3,148,264	21,044,723	14.96	32.651	404,427	3,552,691
2015	3,191,582	21,320,751	14.97	32.686	417,145	3,608,727
2016	3,270,190	21,896,559	14.93	32.685	428,945	3,699,135
2017	3,365,221	22,620,860	14.88	32.667	436,201	3,801,422
2018	3,479,446	23,486,061	14.81	32.692	443,772	3,923,218
2019	3,624,369	24,494,987	14.80	32.721	458,988	4,083,357

¹The assessed value and tax rate of the referenced year supports the budget of the subsequent year. For example, the assessed value of 2019 multiplied by the tax rate supports the budget of fiscal 2020. Excludes valuation of motor vehicles.

²Direct tax rates are per \$1,000 of actual value.

Source: Sedgwick County Clerk and Sedgwick County Appraiser

CITY OF WICHITA, KANSAS

PROPERTY TAX RATES

DIRECT AND OVERLAPPING GOVERNMENTS

For years ended December 31, 2010 through December 31, 2019

Year ¹	City of Wichita			Overlapping Rates				Total Direct & Overlapping Rates
	Operating Millage	Debt Millage	Total Millage	State Levy	Sedgwick County	Unified School District 259	Total Overlapping	
2010	24.742	7.530	32.272	1.500	29.359	56.928	87.787	120.059
2011	24.839	7.520	32.359	1.500	29.428	57.018	87.946	120.305
2012	24.443	8.028	32.471	1.500	29.447	57.184	88.131	120.602
2013	24.003	8.506	32.509	1.500	29.377	57.215	88.092	120.601
2014	24.114	8.537	32.651	1.500	29.478	53.735	84.713	117.364
2015	24.177	8.509	32.686	1.500	29.383	53.278	84.161	116.847
2016	24.177	8.508	32.685	1.500	29.393	53.683	84.576	117.261
2017	24.156	8.511	32.667	1.500	29.393	53.733	84.626	117.293
2018	25.186	7.506	32.692	1.500	29.383	53.638	84.521	117.213
2019	25.214	7.507	32.721	1.500	29.384	53.183	84.067	116.788

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

Source: Sedgwick County Clerk and Sedgwick County Appraiser

CITY OF WICHITA, KANSAS

PRINCIPAL PROPERTY TAXPAYERS

For years ended December 31, 2010 and December 31, 2019
(dollars expressed in thousands)

Taxpayer	2019			2010		
	Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Kansas Gas & Electric-A Westar Energy Co	\$ 67,527	1	1.86 %	\$ 32,562	1	1.03 %
Wesley Medical Center LLC	27,587	2	0.76	29,575	2	0.94
Kansas Gas Service-A Division of One Gas	23,351	3	0.64	20,126	5	0.65
Walmart/Sam's	20,342	4	0.56	13,793	6	0.44
Simon Property Group LP/Town West Mall Realty Holding LLC	17,400	5	0.48	26,101	3	0.83
Bradley Fair Properties LLC	13,939	6	0.38	-	-	-
City of Wichita	11,960	7	0.33	10,198	7	0.31
Southwestern Bell Telephone Company	10,699	8	0.30	25,395	4	0.75
Builders Inc.	7,585	9	0.21	-	-	-
New Market I LLC	7,497	10	0.21	-	-	-
Target Corporation	-	-	-	8,183	8	0.26
Sam's RE	-	-	-	7,445	9	0.24
Bradley Fair One LLC	-	-	-	5,666	10	0.18
Totals	<u>\$ 207,887</u>		<u>5.73 %</u>	<u>\$ 179,044</u>		<u>5.63 %</u>

PRINCIPAL EMPLOYERS, WICHITA AREA

For years ended December 31, 2010 and December 31, 2019

Employer	2019			2010		
	Total Full-time Wichita-area Employees	Rank	Percentage of Total City Employment	Total Full-time Wichita-area Employees	Rank	Percentage of Total City Employment
Spirit AeroSystems, Inc.	13,000	1	4.26 %	10,300	1	3.60 %
Textron Aviation	9,350	2	3.07	-	-	-
McConnell Air Force Base	5,679	3	1.86	-	-	-
USD 259 Wichita	5,614	4	1.84	5,420	3	1.90
Ascension Via Christi Health	4,413	5	1.45	5,276	4	1.02
Steven Enterprises	3,277	6	1.07	-	-	-
Koch Industries, Inc.	3,100	7	1.02	-	-	-
City of Wichita	2,886	8	0.95	3,184	7	1.11
U.S. Government	2,830	9	0.93	2,776	9	0.97
Sedgwick County	2,521	10	0.83	2,913	8	1.02
State of Kansas	-	-	-	3,759	6	-
Cessna Aircraft Co.	-	-	-	6,193	2	2.17
Hawker Beechcraft Corp.	-	-	-	5,000	5	1.75
Boeing Defense, Space, & Security	-	-	-	2,300	10	0.80
Bombardier Aerospace Learjet, Inc.	-	-	-	-	-	-
Percent of total employment	<u>52,670</u>		<u>17.28 %</u>	<u>47,121</u>		<u>14.34 %</u>
Total employment	<u>305,000</u>			<u>285,800</u>		

Source: Wichita Business Journal; total employment U.S. Department of Labor, Bureau of Labor Statistics

CITY OF WICHITA, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS

GENERAL AND DEBT SERVICE FUNDS

For years ended December 31, 2010 through December 31, 2019
(dollars expressed in thousands)

Year Ended December 31 ¹	Taxes Levied	Collections in Initial Year		Total Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage Levy		Amount	Percentage of Levy
2010	\$ 101,298	\$ 95,319	94.10 %	\$ 3,418	\$ 98,737	97.47 %
2011	100,319	95,890	95.59	2,887	98,777	98.46
2012	101,997	96,611	94.72	2,289	98,900	96.96
2013	101,036	96,596	95.61	2,211	98,807	97.79
2014	101,569	97,108	95.61	2,096	99,204	97.67
2015	102,796	97,403	94.75	1,852	99,255	96.56
2016	104,322	99,117	95.01	1,256	100,373	96.21
2017	106,691	101,733	95.35	1,295	103,028	96.57
2018	109,931	104,485	95.05	-	104,485	95.05
2019	113,747	108,626	95.50	-	108,626	95.50

TAX INCREMENT FINANCING (TIF) AND SELF SUPPORTED MUNICIPAL IMPROVEMENT (SSMID) DISTRICTS

For years ended December 31, 2010 through December 31, 2019
(dollars expressed in thousands)

Year Ended December 31 ¹	Taxes Levied ²	Collections in Initial Year		Total Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage Levy		Amount	Percentage of Levy ²
2010	\$ 6,797	\$ 6,372	93.75 %	\$ 111	\$ 6,483	95.38 %
2011	6,577	6,174	93.87	32	6,206	94.36
2012	6,589	5,820	88.33	190	6,010	91.21
2013	6,886	5,726	83.15	62	5,788	84.05
2014	6,297	5,921	94.03	51	5,972	94.84
2015	6,879	5,834	84.81	139	5,973	86.83
2016	6,875	5,830	84.80	1	5,831	84.81
2017	6,838	6,071	88.78	31	6,102	89.24
2018	6,948	6,224	89.58	-	6,224	89.58
2019	7,508	6,422	85.54	-	6,422	85.54

SPECIAL ASSESSMENT LEVIES AND COLLECTIONS

For years ended December 31, 2010 through December 31, 2019
(dollars expressed in thousands)

Year Ended December 31 ¹	Assessments Certified to County ³	Collections in Initial Year		Total Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage of Assessment		Amount	Percentage of Assessment
2010	\$ 33,314	\$ 30,934	92.86 %	\$ 2,104	\$ 33,038	99.17 %
2011	34,882	32,010	91.77	940	32,950	94.46
2012	33,088	29,296	88.54	1,625	30,921	93.45
2013	31,857	29,090	91.31	1,479	30,569	95.96
2014	29,982	27,839	92.85	999	28,838	96.18
2015	28,112	26,575	94.53	878	27,453	97.66
2016	26,819	25,341	94.49	554	25,895	96.55
2017	26,810	25,514	95.17	388	25,902	96.61
2018	25,439	24,528	96.42	-	24,528	96.42
2019	24,201	22,134	91.46	-	22,134	91.46

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

²The amount reported as Taxes Levied is the estimated tax revenue from the certified budgets. Economic development tax increment financing districts collect all property taxes paid above the base year and do not have a district levy. As a result, collections may exceed the budgeted amounts.

³Special assessments of proprietary funds, advance payments and nuisance assessments are not included.

CITY OF WICHITA, KANSAS

RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING

For years ended December 31, 2010 through December 31, 2019
(dollars expressed in thousands except per capita amounts)

Fiscal Year	Estimated Actual Value of Taxable Property ²	General Obligation (G.O.) Bonds ¹	Plus G.O. Premiums (Discounts)	Less: Amounts Available in Debt Service Fund	Net General Obligation Debt	Percent of Estimated Actual Value of Taxable Property ²	Per Capita ³
2010	\$ 20,921,159	\$ 518,189	\$ 11,800	\$ 51,730	\$ 478,259	2.29 %	\$ 1,249.6
2011	21,002,375	525,794	22,361	85,545	462,610	2.20	1,205.6
2012	20,719,940	558,037	26,235	114,344	469,928	2.27	1,218.2
2013	20,785,565	480,005	22,774	88,293	414,486	1.99	1,070.4
2014	21,044,723	630,375	40,129	41,315	629,189	2.99	1,619.7
2015	21,320,751	682,625	47,113	27,125	702,613	3.30	1,804.2
2016	21,896,559	622,160	46,213	21,984	646,389	2.95	1,655.1
2017	22,620,860	604,835	46,905	46,908	604,832	2.67	1,549.6
2018	23,486,061	567,965	43,519	40,390	571,094	2.43	1,467.1
2019	24,494,987	584,230	47,395	30,768	600,857	2.45	1,543.6

¹Includes all general obligation bonded debt.

²Excludes estimated actual value of motor vehicles.

³Population figures provided on page G-29 on this section.

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

For years ended December 31, 2010 through December 31, 2019
(dollars expressed in thousands)

Fiscal Year	Principal	Interest	Debt Service ¹	Total Governmental Expenditures ²	Ratio of Debt Service to Government Expenditures
2010	\$ 47,070	\$ 20,870	\$ 67,940	\$ 444,128	15.30 %
2011	50,619	18,441	69,060	407,977	16.93
2012	51,435	17,001	68,436	442,388	15.47
2013	51,322	16,594	67,916	439,625	15.45
2014	47,460	16,528	63,988	397,253	16.11
2015	51,552	18,383	69,935	422,841	16.54
2016	50,854	16,353	67,207	433,228	15.51
2017	57,305	13,789	71,094	463,567	15.34
2018	52,520	13,109	65,629	481,219	13.64
2019	55,355	12,127	67,482	526,601	12.81

¹For years 2009 through 2012, debt service related to a Section 108 loan is excluded.

²Includes expenditures of all governmental fund types.

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CITY OF WICHITA, KANSAS

RATIO OF NET GENERAL OBLIGATION (G.O.) BONDED DEBT EXPECTED TO BE PAID BY PROPERTY TAXES TO ASSESSED VALUE AND NET G.O. BONDED DEBT PER CAPITA

For years ended December 31, 2010 through December 31, 2019
(dollars expressed in thousands except per capita amounts)

Year	Assessed Value ¹	General Obligation Bonded Debt ²	Plus G.O. Premiums (Discounts)	Less: Amounts Available in Debt Service Fund	G.O. Debt Payable from Non-Property Tax Sources	
					Local Sales Tax	Transient Guest Tax
2010	\$ 3,537,184	\$ 518,189	\$ 11,800	\$ 51,730	\$ 130,730	\$ 2,847
2011	3,533,597	525,794	22,361	85,545	123,455	1,956
2012	3,496,931	558,037	26,235	114,344	152,390	1,064
2013	3,520,766	480,005	22,774	88,293	122,195	167
2014	3,552,691	630,375	40,129	41,315	148,770	2,485
2015	3,608,727	682,625	47,113	27,125	131,560	2,485
2016	3,699,135	622,160	46,213	21,984	114,035	2,485
2017	3,801,422	604,835	46,905	46,098	96,275	2,480
2018	3,923,218	567,965	43,519	40,390	81,995	2,475
2019	4,083,357	584,230	47,395	30,768	93,975	2,465

¹Includes assessed value and motor vehicle valuations expressed in thousands.

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

³Based on most recent population data reported on page G-29.

G.O. Debt Payable from Non-Property Tax Sources		Net G.O. Bonded Debt Expected to be Payable from Property Taxes	Ratio of Net GO Bonded Debt to Assessed Value	Net GO Bonded Debt Per Capita ³	Year
Proprietary Revenues	Special Assessments				
\$ 26,723	\$ 255,270	\$ 62,689	0.018	\$ 163.80	2010
41,036	269,630	26,533	0.008	69.15	2011
49,005	254,955	12,514	0.004	32.44	2012
44,834	216,625	30,665	0.009	79.19	2013
196,082	192,575	89,277	0.025	229.82	2014
287,880	181,733	98,955	0.027	254.10	2015
276,622	167,574	85,673	0.023	219.37	2016
284,853	172,707	49,327	0.013	126.38	2017
273,916	164,381	48,327	0.012	124.15	2018
263,652	146,406	94,359	0.023	242.41	2019

CITY OF WICHITA, KANSAS

RATIOS OF OUTSTANDING DEBT BY TYPE

For years ended December 31, 2010 through December 31, 2019
(dollars expressed in thousands, except per capita amounts)

Fiscal Year	Proprietary Activities					Governmental Activities	
	Water Utility Bonds	Sewer Utility Bonds	Airport Authority Bonds	General Obligation Bonds	Bond Anticipation Notes	General Obligation Bonds	Local Sales Tax Revenue Bonds
2010	\$ 266,444	\$ 195,165	\$ 62,700	\$ 26,723	\$ 12,624	\$ 503,266	\$ -
2011	250,350	181,970	62,020	41,036	10,245	507,119	-
2012	243,497	181,249	11,370	49,005	-	535,267	-
2013	239,883	181,879	11,310	44,834	7,933	457,945	-
2014	231,195	180,231	11,330	196,082	96,565	474,391	1,635
2015	234,609	181,503	5,460	287,881	-	441,858	1,698
2016	238,517	186,735	5,460	276,622	-	391,751	1,471
2017	239,815	229,615	5,460	284,852	-	366,887	3,045
2018	224,790	214,325	5,460	273,916	-	337,567	4,577
2019	244,685	209,609	11,550	263,652	-	335,706	4,331

Fiscal Year	Governmental Activities			Total Debt Primary Government	Total Debt Per Capita ¹	Total Debt as a Percent of Per Capita Income
	HUD Section 108 Loan	Capital Lease Debt	Bond Anticipation Notes			
2010	\$ 990	\$ 851	\$ 1,813	\$ 1,070,576	\$ 2,797	7.25 %
2011	680	510	14,158	1,068,088	2,783	6.45
2012	350	153	10,465	1,031,356	2,674	5.87
2013	-	435	3,465	947,684	2,447	5.30
2014	-	341	-	1,191,770	3,068	6.34
2015	-	272	-	1,153,281	2,961	6.28
2016	-	171	-	1,100,727	2,818	6.04
2017	-	64	-	1,129,738	2,894	5.93
2018	-	-	-	1,060,635	2,725	5.25
2019	-	528	-	1,070,061	2,749	5.30

Fiscal Year	Component Unit
	Wichita Public Building Commission
2010	\$ 16,705
2011	14,010
2012	11,220
2013	1,595
2014	-
2015	-
2016	-
2017	-
2018	-
2019	-

¹Expressed in dollars. Population figures are presented on page G-29 of this section.

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CITY OF WICHITA, KANSAS

LEGAL DEBT MARGIN INFORMATION

For years ended December 31, 2010 through December 31, 2019
(dollars expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 1,061,156	\$ 1,060,079	\$ 1,049,079	\$ 1,056,230	\$ 1,065,807
Total net debt applicable to limit	<u>226,525</u>	<u>197,552</u>	<u>169,407</u>	<u>137,511</u>	<u>244,903</u>
Legal debt margin	<u>\$ 834,631</u>	<u>\$ 862,527</u>	<u>\$ 879,672</u>	<u>\$ 918,719</u>	<u>\$ 820,904</u>
Total net debt applicable to limit as a percentage of debt limit	21.35%	18.64%	16.15%	13.02%	22.98%

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 1,082,618	\$ 1,109,740	\$ 1,140,427	\$ 1,176,965	\$ 1,225,007
320,290	323,362	306,658	322,923	340,728
<u>\$ 762,328</u>	<u>\$ 786,378</u>	<u>\$ 833,769</u>	<u>\$ 854,042</u>	<u>\$ 884,279</u>
29.58%	29.14%	26.89%	27.44%	27.81%

Total debt \$ 1,109,461

2019 Equalized assessed valuation of taxable tangible property \$ 3,624,369
Add: 2019 Estimated tangible valuation of motor vehicles 458,988
Total assessed value \$ 4,083,357

Debt limit (30% of equalized assessed value) \$ 1,225,007

Debt applicable to limit:

General obligation bonds and temporary notes \$ 371,496
Less: Amount set aside for repayment of general obligation debt 30,768
Total net debt applicable to limit \$ 340,728

Legal debt margin \$ 884,279

CITY OF WICHITA, KANSAS

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

For years ended December 31, 2017 through December 31, 2019

	December 31, 2017		December 31, 2018		December 31, 2019	
	Percent of Debt Applicable to City	City of Wichita Share of Debt	Percent of Debt Applicable to City	City of Wichita Share of Debt	Percent of Debt Applicable to City	City of Wichita Share of Debt
Direct Debt:						
General obligation bonded debt, payable from:						
Ad valorem taxes		\$ 47,632,851		\$ 45,951,756		\$ 67,960,655
Special assessments		172,706,820		164,380,961		146,406,374
Tax increment financing		18,022,371		15,229,115		24,899,351
Transient guest taxes		2,480,000		2,475,000		2,465,000
Local sales tax		96,275,000		81,995,000		93,975,000
Premiums (discounts)		29,770,288		27,535,515		32,267,151
Revenue bonds payable from:						
Local sales tax		3,044,724		4,577,434		4,331,482
Capital lease		64,219		-		527,843
Total direct debt		<u>369,996,273</u>		<u>342,144,781</u>		<u>372,832,856</u>
Overlapping debt:						
Sedgwick County	81.3%	142,035,165	80.8%	119,127,480	80.8%	141,532,140
USD 259	58.5%	<u>216,373,950</u>	57.8%	<u>198,230,880</u>	57.8%	<u>237,966,050</u>
Total overlapping debt		<u>358,409,115</u>		<u>317,358,360</u>		<u>379,498,190</u>
Total direct and overlapping debt		<u>\$ 728,405,388</u>		<u>\$ 659,503,141</u>		<u>\$ 752,331,046</u>

Note: Percentage of overlapping debt based on assessed valuation.

CITY OF WICHITA, KANSAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

For years 2010 through 2019

Fiscal Year	Population of Wichita ²	Population of Wichita MSA ^{1, 2}	Personal Income of Wichita MSA (amounts expressed in thousands) ²	Per Capita Personal Income ²
2010	382,726	631,746	\$ 24,384,200	\$ 38,595
2011	383,729	633,179	27,335,200	43,176
2012	385,753	636,019	28,960,000	45,533
2013	387,240	638,248	29,447,300	46,143
2014	388,465	640,604	30,988,200	48,387
2015	389,437	642,257	30,295,600	47,132
2016	390,549	645,129	30,103,400	46,695
2017	390,307	644,949	30,801,300	48,818
2018	389,255	644,888	33,060,860	51,854
2019	389,255	644,888	33,060,860	51,854

Fiscal Year	Median Age ²	School Enrollment	Average Annual Unemployment Rates	
			City of Wichita	Wichita MSA
2010	33.9	50,033	9.5 %	8.6 %
2011	34.3	50,103	8.6	7.7
2012	35.1	50,639	7.4	6.7
2013	34.0	51,169	6.4	6.0
2014	34.0	51,330	5.6	5.2
2015	34.6	51,133	5.0	4.7
2016	34.7	50,566	5.0	4.6
2017	35.9	50,416	4.4	4.2
2018	35.3	49,953	3.9	3.7
2019	35.3	79,375	3.7	3.5

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

¹ Wichita Metropolitan Statistical Area

² Current year Information is not available at time of publishing, thus prior year numbers are repeated in the current year.

CITY OF WICHITA, KANSAS

PLEDGED REVENUE COVERAGE

For years ended December 31, 2010 through December 31, 2019
(dollars expressed in thousands)

Water Revenue Bonds						
Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expense	Net Revenue Available for Debt Service	Principal	Interest	Coverage
2010	\$ 72,632	\$ 21,965	\$ 50,667	\$ 11,024	\$ 12,813	2.13
2011	81,368	29,136	52,232	13,119	12,337	2.05
2012	83,737	31,246	52,491	14,087	11,127	2.08
2013	69,355	32,522	36,833	13,546	11,274	1.48
2014	80,476	29,182	51,294	13,166	10,746	2.15
2015	82,604	28,982	53,622	12,759	10,289	2.33
2016	83,383	32,030	51,353	15,427	10,120	2.01
2017	87,683	31,588	56,095	12,859	8,975	2.57
2018	93,096	29,710	63,386	14,088	8,768	2.77
2019	91,051	32,319	58,732	13,074	9,032	2.66

Sewer Revenue Bonds						
Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expense	Net Revenue Available for Debt Service	Principal	Interest	Coverage
2010	\$ 38,545	\$ 20,563	\$ 17,982	\$ 7,450	\$ 9,274	1.08
2011	45,304	21,682	23,622	9,424	9,665	1.24
2012	47,713	22,509	25,204	10,712	7,670	1.37
2013	52,074	23,389	28,685	10,290	8,333	1.54
2014	53,402	23,314	30,088	9,324	7,958	1.74
2015	55,882	22,217	33,665	8,762	7,817	2.03
2016	57,355	25,004	32,351	10,478	7,915	1.76
2017	60,865	25,041	35,824	11,815	8,220	1.79
2018	66,193	26,632	39,561	14,167	8,646	1.73
2019	69,862	28,909	40,953	12,601	8,365	1.95

Combined Water and Sewer Revenue Bonds						
Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expense	Net Revenue Available for Debt Service	Principal	Interest	Coverage
2010	\$ 111,177	\$ 42,528	\$ 68,649	\$ 18,474	\$ 22,087	1.69
2011	126,672	50,818	75,854	22,543	22,002	1.70
2012	131,450	53,755	77,695	24,799	18,797	1.78
2013	121,429	55,911	65,518	23,836	19,607	1.51
2014	133,878	52,496	81,382	22,490	18,704	1.98
2015	138,486	51,199	87,287	21,521	18,106	2.20
2016	140,738	57,034	83,704	25,905	18,035	1.90
2017	148,548	56,629	91,919	24,674	17,195	2.20
2018	159,289	56,342	102,947	28,255	17,414	2.25
2019	160,913	61,228	99,685	25,675	17,397	2.31

Note: The covenants of the revenue bonds require the combined Utilities to produce net revenues for the debt service of the Utilities' revenue bonds of not less than 120% of the current year's debt service requirements.

CITY OF WICHITA, KANSAS

CAPITAL ASSET STATISTICS BY FUNCTION

For years ended December 31, 2010 through December 31, 2019

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police stations ⁴	4	4	4	4	4	4	4	4	4	5
Police patrol units	175	173	183	175	171	180	175	174	197	220
Fire stations	22	22	22	22	22	22	22	22	22	22
Highways and Streets										
Streets (miles)	1,884	1,898	1,902	1,904	1,906	1,909	1,921	1,917	1,924	1,926
Signalized intersections	562	584	585	584	592	594	601	604	608	610
Culture and Recreation										
Parks acreage	4,892	4,886	4,903	4,905	4,904	4,996	5,008	5,004	5,004	5,002
Swimming pools	11	11	9	9	9	9	9	8	7	9
Interactive water features	6	5	5	5	5	5	5	5	6	6
Fishing ponds	13	13	13	13	13	13	13	12	12	12
Tennis courts	73	75	75	77	77	73	77	76	76	69
Exercise/fitness trails	16	13	13	13	13	14	14	14	14	15
Children's playgrounds	83	79	79	81	81	80	81	83	84	86
Community centers	10	9	9	9	9	9	9	9	7	7
Golf courses ³	5	5	5	5	5	5	5	5	5	4
Libraries	9	9	9	9	9	8	8	8	7	7
Water										
Water mains (miles)	2,357	2,361	2,387	2,407	2,422	2,416	2,413	2,383	2,487	2,419
Maximum daily capacity (million gallons per day) ¹	125	125	125	125	125	125	125	125	125	120
Sewer										
Sanitary sewers (miles) ²	2,134	2,134	2,016	2,016	2,022	2,030	2,033	2,046	2,185	2,198
Storm sewers (miles)	750	750	750	925	925	1,091	1,395	1,459	1,481	1,240
Maximum daily treatment capacity (million gallons per day)	62	62	62	62	62	62	62	62	65	87
Airport	2	2	2	2	2	2	2	2	2	2
Transit										
Bus fleet	53	55	54	56	56	52	53	55	55	54
Para-transit vans	24	24	24	24	22	25	24	24	27	27

¹ Estimated daily average

² Miles of sanitary sewers are estimates

³ LW Clapp golf course closed August 2019, leaving only 4 open golf courses

⁴ Police Traffic Section moved back to City Hall, therefore creating additional station

Source: City of Wichita Operating Departments

CITY OF WICHITA, KANSAS

OPERATING INDICATORS BY FUNCTION

For years ended December 31, 2010 through December 31, 2019

Function	Fiscal Year				
	2010	2011	2012	2013	2014
<u>Public Safety</u>					
Police:					
Dispatched calls for 911 service	286,507	226,047	227,787	231,290	218,614
Parking violations	21,234	17,105	14,917	14,276	16,012
Traffic violations	72,303	72,983	64,437	54,820	58,824
Fire:					
Number of unit responses	69,680	72,226	73,389	73,184	76,539
Fires contained to room of origin	64%	62%	71%	72%	69%
Inspections ²	4,187	4,731	12,969	15,225	7,342
<u>Highways and Streets</u>					
Street resurfacing (miles)	11	14	22	14	22
Potholes repaired	70,306	54,075	47,851	54,661	56,558
<u>Culture and Recreation</u>					
Golf rounds played	161,179	158,124	178,886	155,460	155,611
Trees planted	1,624	702	1,944	291	909
Swim lessons (total registered)	1,377	1,721	1,531	1,394	1,433
Botanica visitors	105,881	145,105	166,390	154,509	206,193
Convention & Performance Center:					
Conventions	29	30	29	26	28
Consumer shows	29	27	33	30	30
Performances	65	67	63	52	66
Other events	173	210	207	171	139
Library circulation	2,284,698	2,304,924	2,218,997	2,137,656	2,102,505
Library program attendance	70,528	68,507	71,714	62,291	56,944
<u>Water</u>					
Water customers ¹	144,529	144,710	144,190	144,261	144,106
Main breaks	242	339	340	233	214
(per 1,000 miles of mains)					
Average daily consumption	57	61	60	51	52
(million gallons per day)					
<u>Sewer (wastewater)</u>					
Sewer customers ¹	134,508	134,534	134,491	133,952	136,019
Average daily sewage treated	36	27	29	38	37
(million gallons per day)					
<u>Airport</u>					
Number of passengers	1,549,395	1,536,354	1,509,206	1,512,507	1,533,669
Passenger enplanements	772,608	764,622	752,108	757,401	763,597
Number of daily flights	38	35	33	34	34
<u>Transit</u>					
Bus rides	2,210,177	2,073,725	1,940,461	1,851,654	1,864,279
Para-transit van rides	352,043	343,138	309,872	301,465	260,906

¹ Water and Sewer customers estimated.

² Fire Department increased enforcement efforts related code administration inspections beginning in 2012.

Source: City of Wichita Operating Departments

Function	2015	2016	2017	2018	2019
<u>Public Safety</u>					
Police:					
Dispatched calls for 911 service	218,160	221,529	219,955	211,781	212,670
Parking violations	16,372	12,156	9,369	7,423	5,811
Traffic violations	53,184	48,170	37,531	38,178	35,425
Fire:					
Number of unit responses	76,962	76,328	78,160	68,072	70,252
Fires contained to room of origin	76%	64%	65%	58%	74%
Inspections ²	7,873	9,320	7,508	6,657	6,479
<u>Highways and Streets</u>					
Street resurfacing (miles)	22	12	16	30	36
Potholes repaired	73,275	66,488	78,333	68,695	81,256
<u>Culture and Recreation</u>					
Golf rounds played ³	166,536	157,572	151,716	138,443	135,180
Trees planted	1,422	1,647	1,825	1,682	1,870
Swim lessons (total registered)	1,126	1,073	1,321	1,216	1,262
Botanica visitors	220,041	220,716	231,542	217,925	270,489
Convention & Performance Center:					
Conventions	27	23	25	24	26
Consumer shows	33	35	36	36	41
Performances	57	60	54	55	61
Other events	324	265	195	175	169
Library circulation	2,104,230	1,983,642	1,942,851	2,125,915	2,003,591
Library program attendance	70,035	66,915	74,748	71,031	77,913
<u>Water</u>					
Water customers ¹	146,717	147,876	152,758	152,825	154,071
Main Breaks ⁴	296	371	391	746	659
(per 1,000 miles of mains)					
Average daily consumption	50	50	50	50	50
(million gallons per day)					
<u>Sewer (wastewater)</u>					
Sewer customers ¹	137,058	138,126	138,189	139,154	140,517
Average daily sewage treated	35	35	34	32	34
(million gallons per day)					
<u>Airport</u>					
Number of passengers	1,571,348	1,602,311	1,620,240	1,665,116	1,749,906
Passenger enplanements	782,725	798,804	810,246	832,831	876,864
Number of daily flights	34	32	33	34	33
<u>Transit</u>					
Bus rides	1,886,495	1,233,899	1,262,552	1,411,363	1,286,807
Para-transit van rides	237,441	69,191	71,713	81,032	80,153

¹Water and Sewer customers estimated.

²Fire Department increased enforcement efforts related code administration inspections beginning in 2012.

³Golf rounds includes rounds played at LW Clapp golf course prior to closure August 2019.

⁴2018 was incorrectly reported and should have been 746 main breaks instead of 193.

Source: City of Wichita Operating Departments

CITY OF WICHITA, KANSAS

CITY GOVERNMENT EMPLOYEES BY FUNCTION

For years ended December 31, 2010 through December 31, 2019

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
City council and city manager	15	15	15	15	15	20	21	21	22	22
General government	24	23	36	24	19	22	21	17	41	40
Economic development	8	2	4	4	4	3	4	4	4	4
Financial services	71	71	70	68	67	68	68	73	72	72
Legal services	26	26	27	26	26	26	27	27	27	26
Building services	111	69	92	95	101	101	101	100	100	99
Fleet services	60	54	54	55	57	57	57	57	57	57
Municipal court	116	113	120	116	116	115	115	115	115	115
Information technology	56	56	56	56	57	59	59	59	57	60
Metropolitan planning	31	29	28	28	18	18	17	13	17	17
Human resources	18	17	17	17	17	17	19	14	15	15
Public Safety										
Police	834	846	854	843	840	838	846	845	842	842
Fire	438	437	453	453	452	453	453	453	453	443
Metropolitan area building and construction	101	78	78	63	53	50	49	47	43	43
Flood control	18	18	18	18	18	18	18	18	18	18
Highways and Streets										
Administration	5	56	43	9	9	9	9	9	9	9
Street maintenance	123	119	119	121	121	121	121	121	121	121
Engineering and architecture	102	105	104	93	88	88	87	87	87	89
Sanitation										
Landfill operations	2	2	3	3	3	3	12	12	12	12
Street cleaning	26	26	24	24	24	24	24	24	24	24
Health and Welfare										
Housing and community services	91	90	89	88	82	82	81	81	81	61
Environmental services	49	31	30	36	29	29	29	28	28	28
Culture and Recreation										
Libraries	155	155	151	149	139	138	135	134	148	143
Art museum	26	26	26	26	26	22	18	13	13	13
Parks and recreation	121	139	122	158	124	129	140	136	136	133
Golf courses	33	33	33	33	33	33	33	33	33	31
Community facilities	51	51	51	51	52	49	46	50	50	46
Water Utility	228	193	186	214	214	215	207	208	189	196
Sewer Utility	161	155	155	154	154	154	154	154	154	154
Airport Authority	115	119	126	118	134	136	136	140	140	141
Stormwater Utility	38	37	37	38	39	39	39	39	39	39
Transit	154	135	135	135	139	138	136	145	145	154
Total	<u>3,407</u>	<u>3,326</u>	<u>3,356</u>	<u>3,331</u>	<u>3,270</u>	<u>3,274</u>	<u>3,282</u>	<u>3,277</u>	<u>3,292</u>	<u>3,267</u>

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

SINGLE AUDIT SECTION



SINGLE AUDIT SECTION

The Single Audit Section includes the Independent Auditor's reports, schedules and exhibits reflecting federal, state and local matching participation for various projects and programs of the City.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members
City of Wichita, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wichita, Kansas (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2020.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

June 26, 2020
Wichita, Kansas

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members
City of Wichita, Kansas

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

We have audited City of Wichita, Kansas' (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and in the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration (Guide) for the City's passenger facility charge program for the year ended December 31, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs and to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and its passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Guide. Those standards, the Uniform Guidance and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and the passenger facility charge program. However, our audit does not provide a legal determination of the City's compliance.

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

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and its passenger facility charge program for the year ended December 31, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002. Our opinion on each major federal program and the passenger facility charge program are not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002, that we consider to be significant deficiencies.

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

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

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

June 26, 2020
Wichita, KS

CITY OF WICHITA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2019

Federal Grant or Program Title	Cluster	Federal CFDA Number	Revenue Recognized	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>						
<i>Direct Funding:</i>						
Community Development Block Grants/Entitlement Grants	1	14.218	2,465,590		\$ 434,349	\$ 2,920,988
Emergency Solutions Grant Program		14.231	221,931		163,830	251,802
HOME Investment Partnerships Program		14.239	889,746		-	1,138,421
Public and Indian Housing		14.850	2,084,502		-	1,511,989
Resident Opportunity and Supportive Services		14.870	71,456		57,164	57,164
Section 8 Housing Choice Vouchers	2	14.871	18,189,083		-	17,854,836
Public Housing Capital Fund		14.872	51,243		-	51,243
Mainstream Vouchers	2	14.879	372,871		-	318,063
Family Self-Sufficiency Program		14.896	154,283		-	149,504
Lead-Based Paint Hazard Control in Privately-Owned Housing		14.900	10,216		-	10,916
Total U.S. Department of Housing and Urban Development			24,510,920		655,343	24,264,926
<u>U.S. Department of Justice:</u>						
<i>Direct Funding:</i>						
Joint Law Enforcement Operations		16.111	89,944		-	89,944
Adult Drug Court Discretionary Grant		16.585	54,985		-	49,648
Public Safety Partnership and Community Policing Grants		16.710	198,102		-	278,990
Body Worn Camera Policy and Implementation		16.835	-		-	51,016
Equitable Sharing Program		16.922	140,728		-	218,527
<i>Passed Through Sedgwick County:</i>						
Missing Children's Assistance		16.543	95,440	2016-MC-FX-K005	-	105,539
Edward Byrne Memorial Justice Assistance Grant Program		16.738	59,373	2016-H3013-KS-DJ	-	28,881
Edward Byrne Memorial Justice Assistance Grant Program		16.738	52,337	2017-H2273-KS-DJ	-	58,304
Edward Byrne Memorial Justice Assistance Grant Program		16.738	72,110	2018-H3031-KS-DJ	-	72,570
Edward Byrne Memorial Justice Assistance Grant Program		16.738	-	2018-DG-BX-0013	-	86,244
Edward Byrne Memorial Justice Assistance Grant Program		16.738	217,864	19-JAG-33	-	217,861
Edward Byrne Memorial Justice Assistance Grant Program		16.738	-	2019-H3726-KS-DJ	-	197
<i>Passed Through Kansas Governor's Grant Program:</i>						
Crime Victim Assistance		16.575	-	18-VOCA-45	-	(520)
Crime Victim Assistance		16.575	81,398	19-VOCA-46	-	74,601
Crime Victim Assistance		16.575	116,182	19-VOCA-45	-	109,056
Crime Victim Assistance		16.575	-	20-VOCA-47	-	18,990
Project Safe Neighborhoods		16.609	-	19-PSN-02	-	35,900
<i>Passed Through Kansas Bureau of Investigation Program:</i>						
National Sexual Assault Kit Initiative		16.833	4,882	2015-AK-BX-K001	-	4,882
Total U.S. Department of Justice			1,183,345		-	1,500,630
<u>U.S. Department of Transportation:</u>						
<i>Direct Funding:</i>						
Airport Improvement Program		20.106	5,686,436		-	5,686,436
Federal Transit - Capital Investment Grants	3	20.500	-		-	484
Federal Transit - Formula Grants	3	20.507	6,020,843		97,111	6,086,615
Bus and Bus Facilities Formula Program	3	20.526	82,798		-	84,200
Bus and Bus Facilities Formula Program	3	20.526	106,133		-	119,300
Bus and Bus Facilities Formula Program	3	20.526	130,280		-	132,560
Bus and Bus Facilities Formula Program	3	20.526	53,111		-	52,599
<i>Passed Through Kansas Department of Transportation:</i>						
Highway Planning and Construction	4	20.205	40,260	N-0597-01	-	27,914
Highway Planning and Construction	4	20.205	100,744	N-0613-01	-	46,977
Highway Planning and Construction	4	20.205	1,675,930	N-0615-01	-	1,186,930
Highway Planning and Construction	4	20.205	48,762	N-0614-01	-	100,106
Highway Planning and Construction	4	20.205	804,494	N-0616-01	-	837,083
Highway Planning and Construction	4	20.205	30,189	N-0639-01	-	8,963
Highway Planning and Construction	4	20.205	-	U-0407-01	-	8,413
Highway Planning and Construction	4	20.205	211,780	N-0673-01	-	51,331
Highway Planning and Construction	4	20.205	2,034,418	N-0663-01 17196003	-	2,596,623
Highway Planning and Construction	4	20.205	17,315,929	KA-2382-01	-	11,473,391
Highway Planning and Construction	4	20.205	-	N-0662-01	-	195,937
Highway Planning and Construction	4	20.205	-	N-0660-01	-	111,593
Highway Planning and Construction	4	20.205	-	TE-0451-01	-	159,052
Highway Planning and Construction	4	20.205	-	54-87 N -0684-01	-	187,843
State and Community Highway Safety	5	20.600	33,993		-	(14,776)

CITY OF WICHITA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the year ended December 31, 2019

Federal Grant or Program Title	Cluster	Federal CFDA Number	Revenue Recognized	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Transportation (continued):</u>						
<i>Passed Through Kansas Department of Transportation (continued):</i>						
State and Community Highway Safety	5	20.600	1,014	PT-1049-18	\$ -	\$ 1,097
State and Community Highway Safety	5	20.600	71,066	PT-1049-19	-	66,042
State and Community Highway Safety	5	20.600	-	-	-	20,944
National Priority Safety Programs	5	20.616	-	SP-4704-18	-	160
National Priority Safety Programs	5	20.616	13,526	SP-4704-19	-	13,526
Total U.S. Department of Transportation			<u>34,460,307</u>		<u>97,111</u>	<u>29,241,343</u>
<u>U.S. Environmental Protection Agency</u>						
<i>Passed Through Kansas Department of Health and Environment:</i>						
Air Pollution Control Program Support		66.001	-	00796209	-	17,784
Air Pollution Control Program Support		66.001	-	KSA 75-6401	-	233
Air Pollution Control Program Support		66.001	79,994	KSA 75-6401	-	79,994
Surveys, Studies, Research Clean Air Act		66.034	-	97754601	-	5,451
Surveys, Studies, Research Clean Air Act		66.034	6,422	97754601	-	(79)
Total U.S. Environmental Protection Agency			<u>86,416</u>		<u>-</u>	<u>103,383</u>
<u>U.S. Department of Health and Human Services</u>						
<i>Passed Through Kansas Housing Resources Corporation:</i>						
Community Services Block Grant		93.569	624,939	18-CSBG-01	375,466	745,409
Community Services Block Grant		93.569	156,824	19-CSBG-01	-	168,832
Community Services Block Grant		93.569	40,000	18 DISC 01B	-	40,000
<i>Passed Through Kansas Department of Health and Environment:</i>						
Child Care and Development Block Grant	6	93.575	124,338	3028/2643450H	-	174,220
Child Care and Development Block Grant	6	93.575	107,916	3028-2643450J	-	111,704
Total U.S. Department of Health and Human Services			<u>1,054,017</u>		<u>375,466</u>	<u>1,240,165</u>
<u>Executive Office of the President</u>						
<i>Passed Through Kansas Bureau of Investigation:</i>						
High Intensity Drug Trafficking Areas Program		95.001	89,984	G18MW0003A	-	125,239
Total Executive Office of the President			<u>89,984</u>		<u>-</u>	<u>125,239</u>
<u>U.S. Department of Homeland Security</u>						
<i>Direct Funding:</i>						
Staffing for Adequate Fire and Emergency Response		97.083	441,857		-	394,092
Total U.S. Department of Homeland Security			<u>441,857</u>		<u>-</u>	<u>394,092</u>
Total expenditures of federal awards			<u>\$ 61,826,847</u>		<u>\$ 1,127,920</u>	<u>\$ 56,869,778</u>

Federal Expenditures by Cluster:

(1) CDBG-Entitlement Grants Cluster	\$ 2,920,988
(2) Housing Voucher Cluster	18,172,899
(3) Federal Transit Cluster	6,475,274
(4) Highway Planning and Construction Cluster	16,992,156
(5) Highway Safety Cluster	86,993
(6) Child Care and Development Fund Cluster	285,924

1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City of Wichita and is presented on the modified accrual basis of accounting. The information in the SEFA is presented in accordance with the Uniform Guidance in 2 CFR Section 200. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

2. INDIRECT COST RATE

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

3. FEDERAL FORFEITED PROPERTY PROGRAM

In 2019, the Narcotic Seizure program acquired \$371,734 in federal forfeited property and expended \$218,527 on the qualified program expenditures.

4. COMMUNITY SERVICES BLOCK GRANT

The Community Services Block Grant (CSBG) is passed to the City of Wichita through the Kansas Housing Resources Corporation. Expenditures for the grant program years ending September 30, 2019 and September 30, 2020 are summarized in the following tables.

CSBG Grant Program Year Ended September 30, 2019					
	Budget	Actual			Variance
	Apr 1, 2018 to Sept 30, 2019	Apr 1, 2018 to Dec 31, 2018	Jan 1, 2019 to Sept 30, 2019	Total	
Revenue	\$ 937,411	\$ 312,472	\$ 624,939	\$ 937,411	\$ -
Expenditures:					
Personnel	\$ 572,232	\$ 151,394	\$ 424,979	\$ 576,373	\$ (4,141)
Contractuals	292,033	35,327	253,185	288,512	3,521
Commodities	19,396	5,281	13,495	18,776	620
Other	53,750	-	53,750	53,750	-
Total expenditures	\$ 937,411	\$ 192,002	\$ 745,409	\$ 937,411	\$ -

CSBG Grant Program Year Ending September 30, 2020		
	Budget	Actual
	Apr 1, 2019 to Sept 30, 2020	Apr 1, 2019 to Dec 31, 2019
Revenue	\$ 862,482	\$ 156,824
Expenditures:		
Personnel	\$ 471,511	\$ 97,078
Contractuals	381,094	65,687
Commodities	9,877	3,817
Other	-	-
Total expenditures	\$ 862,482	\$ 166,582

5. PASSENGER FACILITY CHARGES

The accompanying schedule of Passenger Facility Charges is presented on the cash basis of accounting. The information in the schedule is presented in accordance with the requirements of the Passenger Facility Charge Audit Guide for Public Agencies. Therefore, some amounts presented in the schedule may differ from amounts included or used in the preparation of the basic financial statements.

Wichita Airport Authority Passenger Facility Charges (PFC)				
Approved Application Project Number	Unliquidated PFC Beginning Balance	PFC Collected	PFC Expended	Unliquidated PFC Ending Balance
96-02-C-00-ICT	\$ 1,247,191	\$ -	\$ -	\$ 1,247,191
98-03-C-00-ICT	2,180,053	-	-	2,180,053
03-04-C-00-ICT	7,444,058	-	-	7,444,058
07-05-C-00-ICT	1,210,332	-	-	1,210,332
08-06-C-00-ICT	143,220	-	-	143,220
10-07-C-00-ICT	852,632	3,503,475	-	4,356,107
Total	<u>\$ 13,077,486</u>	<u>\$ 3,503,475</u>	<u>\$ -</u>	<u>\$ 16,580,961</u>

CITY OF WICHITA, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2019

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

Unmodified

Internal control over financial reporting:

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

FEDERAL AWARDS

Internal control over major federal programs:

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

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

See below

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

 X Yes _____ No

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

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM</u>	<u>OPINION</u>
14.850	Public and Indian Housing	Unmodified
14.871/14.879	Housing Voucher Cluster	Unmodified
20.106	Airport Improvement Program	Unmodified

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

\$ 1,706,093

Auditee qualified as low-risk auditee?

 X Yes _____ No

CITY OF WICHITA, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

CITY OF WICHITA, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2019

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2019-001 (Significant Deficiency), repeat finding 2018-002:

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

Criteria: Under 24 CFR 982 Section 517(d), the PHA must use the appropriate utility allowance for the lesser of the size of dwelling unit actually leased by the family or the family unit size as determined under the PHA subsidy standards. In cases where the unit size leased exceeds the family unit size as determined under the PHA subsidy standards as a result of a reasonable accommodation, the PHA must use the appropriate utility allowance for the size of the dwelling unit actually leased by the family.

Condition: There were five instances of participants utility allowance calculations being miscalculated during recertification.

Questioned Costs: None were noted.

Context: Out of sixty participants selected for testing, five participants' utility allowance was miscalculated for the following reasons: two were due to the number of bedrooms being entered incorrectly in the City's system, one was due to the tenant utility responsibility being entered incorrectly and two had no supporting document for what was entered into the City's system.

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

Cause: Review of the utility allowance is automatically calculated based on the information that that the Housing Department enters for each participant and this information was not properly being reviewed.

Effect: Not properly reviewing data entry into the City's system may allow for participants to receive an incorrect amount of utility allowance payments and/or housing assistance payments.

Recommendations: We recommend the City implement controls to ensure proper review of participant information entered it into the City's system that calculates the utility allowance payments and housing assistance payments.

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

Utility allowance and housing assistance computations and payments should be in accordance with HUD regulations. A comprehensive review of participant utility responsibilities, per HAP contracts will occur. Utility responsibilities will be re-entered into the housing system to match the new categories and breakout of account fees for electric and gas contained in the new annual utility allowance schedule which was prepared by a national service provider. WHA also plans to develop a quality control process that will increase review of participant information to help ensure on-going accuracy and compliance. A software update was installed in October 2019 allowing utility allowances to be applied in compliance with HUD regulations without manual intervention. HUD changed the regulation for the determination of participant to using the utility allowance of the lessor of the bedroom size of the unit or the bedroom size of the voucher. Prior, the housing system had not been updated to accommodate the change and manual system adjustment was required for proper application in certain situations. Additionally, a new process has been implemented that will ensure that the Request for Tenancy Approval (RFTA) submitted at the time of a participant's initial lease up, unless a change has been submitted, will be used to populate the housing system. This will alleviate housing system updates using incomplete or inconsistent information.

CITY OF WICHITA, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2019

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

Finding 2019-002 (Significant Deficiency):

CFDA #14.850: Public and Indian Housing, U.S. Department of Housing and Urban Development, all open grant awards

Criteria: Under 24 CFR 990 Section 280(b)(1), Financial information to be budgeted and accounted for at a project level shall include all data needed to complete project-based financial statements in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP), including revenues, expenses, assets, liabilities, and equity data. The PHA shall also maintain all records to support those financial transactions.

Condition: There were three instances of where centralized service fees did not agree to the underlying accounting records.

Questioned Costs: None were noted.

Context: Out of fifteen transactions selected for testing for fees for centralized services, three transactions did not agree to the underlying accounting records. Two of the transactions overcharged based on the hours on the underlying accounting records and one transaction undercharged based on the hours on the underlying accounting records. These instances represented 20% of our population subjected to testing but was overall immaterial to the grant as a whole.

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

Cause: Review of the monthly transactions for fees for centralized services was not being completed.

Effect: Not properly reviewing the monthly transactions for centralized services can cause the City to either under or over charge the grant for Maintenance, Electrical, HVAC, Made Ready, etc. fees, which could cause the City to not comply with the fee reasonable guidelines set by HUD.

Recommendations: We recommend the City implement controls to ensure that the monthly transactions for centralized services fees are being properly reviewed with the underlying accounting records prior to charging them to the grant.

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

Project charges for centralized services should be reasonable, reflective of actual services received and reconcile with underlying employee time records. WHA reviewed the entire population of 2019 centralized service fee transactions noting that overall services were undercharged to the projects. A secondary review of the monthly computation for centralized service charges by project has been implemented to ensure monthly fee transactions are reflective of actual services supported by employee time records.

CITY OF WICHITA, KANSAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2018

Fiscal Year	Finding Number	Finding	CFDA	Comments
2018	2018-001	Under 24 CFR 982 Section 201, the Public Housing Agency (PHA) may admit only eligible families to the program. To be eligible, an applicant must be a "family;" must be income-eligible in accordance with paragraph (b) of 24 CFR 982 Section 201 and 24 CFR part 5, subpart F; and must be a citizen or a noncitizen who has eligible immigration status as determined in accordance with 24 CFR part 5, subpart E.	14.871/14.879	Errors were due to insufficient training of new employees. Additional training has since been provided and a Lease-Up Checklist was developed. The housing software was also updated to validate income eligibility upon completion of a certification for new admission to the Housing Choice Voucher Program.
2018	2018-002	Under 24 CFR 982 Section 517(c)(1), the PHA must review its schedule of utility allowances each year, and must review its allowance for a utility category if there has been a change of 10 percent or more in the utility rate since the last time the utility allowance schedule was revised. The PHA must maintain information supporting its annual review of utility allowances and any revisions made in its utility allowance schedule.	14.871/14.879	<p>Controls were implemented to ensure proper review of the annual utility allowance schedule back to supporting documentation to ensure adjustments are made when necessary. Additionally, a national service provider was solicited to provide future annual utility allowance schedules.</p> <p>HUD changed the regulation for the determination of utility allowances from using the utility allowance for the bedroom size of the unit occupied by the participant to using the utility allowance of the lessor of the bedroom size of the unit or the bedroom size of the voucher. Manual system adjustment was required for proper application of utility allowances in certain situations. The software update applying the new regulation was installed in October 2019 and the housing system now applies the utility allowance in compliance with HUD regulations without manual intervention.</p>

WATER UTILITIES SECTION



WATER UTILITIES SECTION

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



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

June 26, 2020

To our Water and Sewer Bondholders:

Please review and accept the 2019 Annual Report, presented on behalf of the City of Wichita and the Water and Sewer Utilities.

The City of Wichita is committed to providing top-quality, reliable water and sewer service to residents of Wichita and the surrounding communities. More than 450,000 citizens of southcentral Kansas are served by the Wichita Water Utility. Wichita's utility system is comprised of over 4,400 miles of water and sewer mains, 67 sanitary sewer lift stations, four wastewater treatment plants, one drinking water treatment plant, one surface water treatment plant, about 150,000 water meters and numerous other assets. Through efficient operations and strategic financial management, the Utilities will continue to provide high value services to all customers.

In 2018, the Utility was invited to apply for Water Infrastructure Finance and Innovation Act (WIFIA) and State Revolving Fund (SRF) financing for a new water treatment plant. Design work and application development progressed throughout 2019. Final design and site preparations began in January 2020 and are expected to continue through fall 2020. The City's WIFIA credit agreement was approved in April 2020, after which negotiations of the SRF credit terms began. The SRF loan is expected to close by the end of September 2020. The City expects construction of the new plant to begin in fall 2020 and be completed approximately four years later. While incremental rate adjustments are expected over the next several years to pay for the new treatment plant, the favorable financing terms of the WIFIA and SRF programs will help minimize the impact to ratepayers and keep Wichita's utility services affordable.

The City also has a second major project on the horizon driven by regulatory changes in Biological Nutrient Removal (BNR) standards. In-depth planning for the BNR project is currently underway. Preliminary design work and work on a WIFIA letter of intent is expected to begin in summer 2020. The project is included in the City's Capital Improvement Program.

While capital improvements, especially the new treatment plant, dominated the spotlight this year, the Utilities also achieved a number of operational successes throughout 2019. The Utilities Optimization Program completed a comprehensive analysis and revision of over 100 incidental user fees to ensure full cost recovery. The Utilities were made more accessible to customers through an overhauled web portal

for utility billing and the City's launching of an online engagement tool known as AccessWichita. The Cross-connection Control and Backflow Prevention Program transitioned to an automated notification process that is fully integrated with the City's utility billing system. This significant gain in efficiency not only opened the door to additional Backflow Program improvements, which are planned for 2020, it also raised the compliance rate (regarding periodic testing and maintenance requirements) among irrigation customers 30% in the first two months. The Utility is continuously increasing the value of its services by engaging in planning and improvement efforts such as these.

Finally, it is important to address the impact of the COVID-19 pandemic in 2020. The City temporarily suspended shut-offs of delinquent water services in late March and will resume these shut-offs in early July. Revenue and expenses are being carefully monitored through the lens of responsible financial and operational management practices. The Utility is prepared to adjust plans as needed in order to manage the influence of the pandemic.



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

CITY OF WICHITA, KANSAS

WATER UTILITIES COMBINED STATEMENT OF NET POSITION

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 54,399,144	\$ 51,329,898
Receivables, net:		
Accounts receivable	18,582,551	22,428,784
Inventories	3,079,992	2,497,949
Prepaid items	744,209	777,595
Restricted assets:		
Cash and cash equivalents	37,280,901	35,292,023
Total current assets	<u>114,086,797</u>	<u>112,326,249</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	116,316,355	89,652,835
Capital assets:		
Land	14,823,085	14,796,039
Buildings	256,350,867	256,196,268
Improvements other than buildings	1,183,999,544	1,164,622,354
Machinery, equipment and other assets	180,744,402	177,019,705
Construction in progress	126,090,649	92,695,082
Less accumulated depreciation	<u>(553,486,646)</u>	<u>(517,000,311)</u>
Total capital assets, net	<u>1,208,521,901</u>	<u>1,188,329,137</u>
Total noncurrent assets	<u>1,324,838,256</u>	<u>1,277,981,972</u>
Total assets	<u>1,438,925,053</u>	<u>1,390,308,221</u>
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized refunding costs	13,201,311	16,929,259
Deferred outflows related to pensions	18,422,596	5,398,874
Deferred outflows related to OPEB	399,704	132,096
Total deferred outflows of resources	<u>32,023,611</u>	<u>22,460,229</u>

(Continued)

CITY OF WICHITA, KANSAS

WATER UTILITIES COMBINED STATEMENT OF NET POSITION (CONTINUED)

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	2019	2018
LIABILITIES		
Current liabilities:		
Accounts payable and other liabilities	\$ 8,047,388	\$ 5,610,944
Accrued interest payable	284,402	324,060
Deposits	4,360,747	4,460,649
Current portion of long-term obligations:		
General obligation bonds payable	5,400,000	5,140,000
Compensated absences	708,897	734,969
Current liabilities payable from restricted assets:		
Accrued interest payable	4,110,901	4,477,023
Revenue bonds payable	27,770,000	25,675,000
Total current liabilities	<u>50,682,335</u>	<u>46,422,645</u>
Noncurrent liabilities:		
General obligation bonds payable	114,014,775	120,018,574
Revenue bonds payable	426,523,456	413,439,567
Net pension liability	19,745,876	1,687,980
Total other post-employment benefits (OPEB) liability	3,131,416	3,281,778
Compensated absences	110,302	110,692
Total noncurrent liabilities	<u>563,525,825</u>	<u>538,538,591</u>
Total liabilities	<u>614,208,160</u>	<u>584,961,236</u>
DEFERRED INFLOWS OF RESOURCES		
Unamortized refunding costs	875,823	-
Deferred inflows related to pensions	5,694,079	7,540,376
Deferred inflows related to OPEB	741,829	211,292
Total deferred inflows of resources	<u>7,311,731</u>	<u>7,751,668</u>
NET POSITION		
Net investment in capital assets	644,573,011	644,373,306
Restricted for:		
Capital projects	1,470,397	739,229
Revenue bond covenants	145,733,482	113,162,615
Unrestricted	57,651,883	61,780,396
Total net position	<u>\$ 849,428,773</u>	<u>\$ 820,055,546</u>

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	2019	2018
OPERATING REVENUES		
Charges for services and sales	\$ 150,063,138	\$ 149,598,945
Fees	770,561	692,791
Rentals	60,628	57,761
Other operating revenues	1,143,488	902,299
Total operating revenues	<u>152,037,815</u>	<u>151,251,796</u>
OPERATING EXPENSES		
Personnel services	25,912,330	21,816,715
Contractual services	23,093,274	21,783,892
Materials and supplies	8,763,645	9,208,204
Other operating expenses	8,512,606	8,450,977
Administrative charges	1,008,360	1,042,117
Payments in lieu of franchise taxes	7,400,140	6,908,701
Depreciation	36,569,305	38,088,283
Total operating expenses	<u>111,259,660</u>	<u>107,298,889</u>
Operating income	<u>40,778,155</u>	<u>43,952,907</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest and investment earnings	1,207,094	928,825
Other expenses	(1,769,307)	(966,515)
Interest expense	(22,193,866)	(22,223,917)
Gain on sale of assets	266,543	212,349
Bond premium amortization	3,636,546	2,810,013
Total non-operating expenses	<u>(18,852,990)</u>	<u>(19,239,245)</u>
Income before contributions and transfers	<u>21,925,165</u>	<u>24,713,662</u>
Capital contributions and transfers		
Capital contributions	7,448,062	8,303,923
Total capital contributions and transfers	<u>7,448,062</u>	<u>8,303,923</u>
Change in net position	29,373,227	33,017,585
Net position - beginning	<u>820,055,546</u>	<u>787,037,961</u>
Net position - ending	<u><u>\$ 849,428,773</u></u>	<u><u>\$ 820,055,546</u></u>

CITY OF WICHITA, KANSAS

WATER UTILITIES COMBINED STATEMENT OF CASH FLOWS

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 154,474,924	\$ 150,823,936
Cash payments to suppliers for goods and services	(42,122,585)	(41,252,235)
Cash payments to employees for services	(22,552,367)	(21,760,749)
Payments in lieu of franchise taxes	(7,400,140)	(6,908,701)
Other operating revenues	1,143,488	902,299
Net cash provided by operating activities	<u>83,543,320</u>	<u>81,804,550</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Issuance of capital debt	94,375,000	-
Premiums on bonds sold	4,798,187	-
Accrued interest on bonds sold	8,319	-
Bond issuance costs paid	(1,067,895)	-
Debt service - principal refunded	(49,240,000)	-
Debt service - interest placed in escrow on refunded debt	(2,585,619)	-
Principal payments on long-term debt	(30,815,000)	(33,150,000)
Interest payments on long-term debt	(22,293,043)	(22,351,272)
Additions to property, plant and equipment	(50,231,985)	(61,527,784)
Proceeds from sale of capital assets	266,543	421,505
Capital contributions	3,765,042	4,081,844
Net cash used in capital and related financing activities	<u>(53,020,451)</u>	<u>(112,525,707)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	1,198,775	928,825
Net cash provided by investing activities	<u>1,198,775</u>	<u>928,825</u>
Net increase (decrease) in cash and temporary investments	31,721,644	(29,792,332)
Cash and temporary investments - beginning	176,274,756	206,067,088
Cash and temporary investments - ending	<u>\$ 207,996,400</u>	<u>\$ 176,274,756</u>

CITY OF WICHITA, KANSAS

WATER UTILITIES COMBINED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	2019	2018
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 40,778,155	\$ 43,952,907
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	36,569,305	38,088,283
Other revenues (expenses)	(126,076)	(70,918)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	3,846,233	516,637
(Increase) decrease in inventory	(582,043)	(239,742)
(Increase) decrease in prepaid items	33,386	35,776
(Increase) decrease in deferred outflows related to pensions	(13,023,722)	1,855,116
(Increase) decrease in deferred outflows related to OPEB	(267,608)	(132,096)
Increase (decrease) in accounts payable	(110,062)	(497,341)
Increase (decrease) in accrued interest payable	(39,658)	32,152
Increase (decrease) in deposits	(99,902)	(3,432)
Increase (decrease) in net pension liability	18,057,896	(7,782,919)
Increase (decrease) in total OPEB liability	(150,362)	(27,254)
Increase (decrease) in compensated absences	(26,462)	3,787
Increase (decrease) in deferred inflows related to pensions	(1,846,297)	5,862,302
Increase (decrease) in deferred inflows related to OPEB	530,537	211,292
Total adjustments	<u>42,765,165</u>	<u>37,851,643</u>
Net cash provided by operating activities	<u>\$ 83,543,320</u>	<u>\$ 81,804,550</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Contribution of capital assets	\$ 3,683,020	\$ 4,222,079
Capital assets in accounts payable	5,724,446	-

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. Reporting Entity**

The City of Wichita is a municipal corporation governed by an elected mayor and six-member council. The accompanying combined financial statements represent the proprietary Water Utility and Sewer Utility Funds of the municipal government. The Water Utility Fund accounts for the operation and maintenance of the water supply component of the combined Utility. The Sewer Utility Fund accounts for the operation and maintenance of the sewer component of the combined Utility, including wastewater treatment plants and the sewer mains and laterals.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Utilities' principal ongoing operations. Principal operating revenues of the Utilities are charges to customers for sales and services and the portion of tap fees intended for recovery of connecting new customers to the system. Operating expenses of the Utilities include the cost of sales and services, administration expenses and depreciation on capital assets.

Revenues and expenses not meeting these criteria are reported as non-operating revenues and expenses. Consistent with GASB Statement 33, Accounting and Financial Reporting for Nonexchange Transactions, capital contributions resulting from non-exchange transactions are included in non-operating revenues.

C. Cash and Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments, which is managed by the Director of Finance (except for investments of the pension trust funds). Information on the pooled cash and investments of the City is provided in Note 5 - Cash, Investments and Securities Lending of the Notes to the Financial Statements in the Financial Section of this publication.

D. Revenue Recognition

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

E. Inventories

Inventories are stated at the lower of cost or market, cost being determined by the average unit cost method for both the Water Utility and Sewer Utility.

F. Capital Assets

Capital assets are valued at historical cost or estimated historical cost (if actual historical cost is not available). Donated capital assets are valued at their estimated acquisition value on the date donated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

Depreciation of all exhaustible capital assets, including the depreciation of capital leased assets, is charged as an expense against operations. Accumulated depreciation is reported on the funds' statement of net position. Capital assets of the Utilities are depreciated using the straight line method over the estimated useful lives shown in the chart above.

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

G. Payments In Lieu of Franchise Taxes

Annually, the Water Utility and Sewer Utility pay to the General Fund of the City amounts in lieu of franchise taxes in an amount not to exceed 5% of gross revenues for the preceding year, which is appropriated by the City and included in the annual budget. The combined Utilities payments in lieu of franchise taxes totaled \$7,400,140 in 2019 and \$6,908,701 in 2018. These payments are treated as an operating expense and passed through to the Utilities' customers.

H. Compensated Absences

The City's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is accrued and accumulated vacation is recorded as a liability in the financial statements. The City does not have a policy to pay accumulated sick pay benefits upon termination of employment; consequently, there is no liability for unpaid accumulated sick leave.

I. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The Utilities report deferred charges on refunding in the statement of net position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Utilities also report a collective deferred outflow of resources related to pensions, which is described in more detail in Note 7 - Retirement Funds and a collective deferred outflow of resources related to OPEB, which is described in more detail in Note 8 – Other Post-Employment Healthcare Benefits.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Utilities report deferred charges on refunding in the statement of net position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Utilities report a collective deferred inflow of resources related to pensions, which is described in more detail in Note 7 - Retirement Funds and a collective deferred inflow of resources related to OPEB, which is described in more detail in Note 8 – Other Post-Employment Healthcare Benefits.

2. CASH AND INVESTMENTS

At December 31, 2019 and 2018, the combined cash and temporary investments in the amounts of \$207,996,400 and \$176,274,756 respectively, are included in the City's pooled cash and temporary investments.

The City of Wichita has adopted a formal investment policy. The primary objectives of the investment activities are, in priority order: safety, liquidity and yield. The standard of care to be used by investment officials shall be the "prudent investor rule" as set forth in the Uniform Prudent Investors Act K.S.A. 58-24a01 et seq. and shall be applied in the context of managing an overall portfolio. Additional information on the City's investment policy and the pooled investments of the City is located in Note 5 - Cash, Investments and Securities Lending of the Notes to the Financial Statements in the Financial Section of this publication.

On December 31, 2019, revenue bond proceeds for debt service reserve funds of the Water and Sewer Utility were invested as follows:

Investment Type	Fair Value	Modified Duration (years)	Percent of Bond Proceeds Investments
U.S. Treasury securities	\$ 15,123,758	0.079	100.0%
Total value	\$ 15,123,758		100.0%
Total weighted average maturity		0.079	

The fair value measurements for the Water and Sewer Utilities revenue bond reserve investments on December 31, 2019 are classified as Level 1 of the fair value hierarchy and are valued using quoted prices in active markets for identical securities.

The Series 2017A revenue refunding bonds also had advanced proceeds for two specific major sewer projects. As of December 31, 2019, \$41,440,005 is being held in an individual account in the Kansas Municipal Investment Pool. As of December 31, 2019, \$3,752,873 of these funds are unspent proceeds and interest earnings on the unspent proceeds which are restricted by bond covenants to be spent on the two specific major sewer projects.

3. CAPITAL ASSETS

Capital asset activity of the Water Utility and Sewer Utility for the year ended December 31, 2019 is shown as follows (expressed in thousands of dollars):

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 14,796	\$ 27	\$ -	\$ -	\$ 14,823
Construction in progress	92,695	48,573	(15,177)	-	126,091
Total capital assets, not being depreciated	107,491	48,600	(15,177)	-	140,914
Capital assets, being depreciated:					
Buildings	256,196	156	(1)	-	256,351
Improvements other than buildings	1,164,622	16,327	(1)	3,052	1,184,000
Machinery, equipment and other assets	177,020	3,772	(154)	106	180,744
Total capital assets being depreciated	1,597,838	20,255	(156)	3,158	1,621,095
Less accumulated depreciation for:					
Buildings	(97,243)	(5,577)	-	-	(102,820)
Improvements other than buildings	(304,826)	(19,868)	-	-	(324,694)
Machinery, equipment and other assets	(114,931)	(11,124)	117	(35)	(125,973)
Total accumulated depreciation	(517,000)	(36,569)	117	(35)	(553,487)
Total capital assets, being depreciated, net	1,080,838	(16,314)	(39)	3,123	1,067,608
Water and Sewer Utility capital assets, net	\$ 1,188,329	\$ 32,286	\$ (15,216)	\$ 3,123	\$ 1,208,522

Interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets. During 2019 and 2018, total interest cost of the combined Water and Sewer Utility Fund was \$22,193,866 and \$22,223,917, respectively, of which \$1,001,972 and \$1,075,308, respectively, were capitalized.

4. RETIREMENT FUNDS

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

Additional information on the retirement systems is reported in Note 7 - Retirement Funds of the Notes to the Financial Statements located in the Financial Section of this publication. The Wichita Retirement Systems also issue a publicly available Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for WERS. The financial report may be obtained by writing to the Wichita Retirement System, City Hall, 12th Floor, 455 N. Main, Wichita, KS 67202 or online at <https://www.wichita.gov/Finance/Pages/Pension.aspx>.

The Utilities are required to contribute at an actuarially determined rate for WERS. The rate for 2019 was 12.1% of annual covered payroll. As of December 31, 2019, the Utilities reported a net pension liability of \$19,745,876 and also recorded the related deferred outflows of resources and inflows of resources related to their portion of the net pension liability.

5. OTHER POST-EMPLOYMENT HEALTHCARE BENEFITS (OPEB)

Kansas statute provides that post employment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The health insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The benefit is available for selection at retirement and is extended to retirees and their dependents until the individuals become eligible for Medicare at age 65. The accounting for the health insurance for retirees is included in the City's Self Insurance Fund, with the subsidy provided from the Self Insurance Fund. Separate audited financial statements are not prepared by the Plan. Additional information on the other post employment health care benefits is reported in Note 8 – Other Post-Employment Healthcare Benefits, located in the Financial Section, Notes to the Financial Statements of this publication.

As of December 31, 2019, the Utilities reported a total OPEB liability of \$3,131,416 and have recorded the related deferred outflows of resources and inflows of resources related to their portion of the total OPEB liability.

6. SELF INSURANCE FUND AND INSURANCE COVERAGE

The City established a Self Insurance Fund in 1987 to account for self insurance programs of workers' compensation, group life insurance, employee liability, property damage, auto liability and general liability for the reporting entity. The Utilities participate in the self insurance programs of workers' compensation, group life insurance, group health insurance, employee liability, property damage, auto liability and general liability. Property insurance for the Utilities is included in the City's coverage with limits established for the entire City.

Information on the insurance programs is located in Note 9 - Self Insurance Fund of the Notes to the Financial Statements located in the Financial Section of this publication. Details of purchased insurance coverage are provided within the Additional Information Section of this report on page F-7 of this publication.

7. LONG-TERM DEBT**A. Revenue Bonds**

Revenue bonds are issued by the City of Wichita where income derived from the acquired or constructed assets is pledged to pay debt service. The bonds are payable solely from net revenues of the Utilities. Revenue bonds of the combined Utilities outstanding at December 31, 2019 are as follows (expressed in thousands of dollars):

Outstanding issue	Interest Rate	Dated Date	Final Maturity Date	Amount Outstanding
2010B Water & Sewer	4.00% - 5.35%	10/15/2010	2020*	\$ 795
2011A Water & Sewer Refunding	5.00%	11/01/2011	2021*	15,590
2012A Water & Sewer	3.00% - 4.00%	05/01/2012	2032	12,060
2014A Water & Sewer Refunding	3.00% - 5.00%	08/01/2014	2030	22,620
2014B Water & Sewer	2.50% - 5.00%	12/01/2014	2034	10,400
2015B Water & Sewer Refunding	2.38% - 5.00%	04/01/2015	2031	28,625
2015C Water & Sewer	2.50% - 5.00%	11/01/2015	2035	20,750
2015D Water & Sewer Refunding	2.50% - 5.00%	11/01/2015	2032	19,165
2016A Water & Sewer	3.00% - 5.00%	08/01/2016	2036	21,355
2016B Water & Sewer Refunding	3.00% - 5.00%	08/01/2016	2039	91,755
2017A Water & Sewer	3.00% - 5.00%	06/01/2017	2037	61,115
2017B Water & Sewer Refunding	3.00% - 5.00%	12/01/2017	2030	19,355
2019A Water & Sewer	3.00% - 5.00%	03/01/2019	2039	44,465
2019B Water & Sewer Refunding	3.00%	12/01/2019	2030	49,910
Total Water & Sewer Utility				\$ 417,960

* Represents final maturity date of non-refunded portion of issuance.

Changes in the long-term liability of the Water and Sewer Utility for the combined Utilities for the year ended December 31, 2019 are summarized in the following table (expressed in thousands of dollars):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 115,850	\$ -	\$ (5,140)	\$ 110,710	\$ 5,400
Unamortized premium	9,309	-	(604)	8,705	-
Revenue bonds	398,500	94,375	(74,915)	417,960	27,770
Unamortized premium	40,614	4,798	(9,079)	36,333	-
Total bonds payable	564,273	99,173	(89,738)	573,708	33,170
Compensated absences	846	2,052	(2,079)	819	709
Total long-term liabilities	\$ 565,119	\$ 101,225	\$ (91,817)	\$ 574,527	\$ 33,879

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

Annual Debt Service Requirements Water and Sewer Utility Bonds (dollars in thousands)				
Year Ending December 31	Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2020	\$ 27,770	\$ 15,737	\$ 5,400	\$ 4,230
2021	29,080	14,650	5,670	3,954
2022	30,330	13,235	5,950	3,663
2023	31,555	11,932	6,250	3,358
2024	27,300	10,608	6,560	3,038
2025 – 2029	137,835	35,967	37,155	11,037
2030 – 2034	94,205	14,868	43,725	4,275
2035 – 2039	39,885	3,323	-	-
Total debt service	\$ 417,960	\$ 120,320	\$ 110,710	\$ 33,555

B. Revenue Bond Ordinance Provisions and Reserve Requirements

Revenue bond ordinances related to the issuance of revenue bonds provide for specific deposits to debt service and other related bond reserve and maintenance accounts. At December 31, 2019 and 2018, unrestricted cash available in accordance with the revenue requirements of the bond covenants was \$54,399,144 and \$51,329,897, respectively.

Water and Sewer Utility Restricted Cash		
	2019	2018
Principal and interest	\$ 15,283,492	\$ 14,857,097
Bond reserve	15,986,694	16,367,304
Depreciation and replacement	14,869,786	13,332,752
Payment to the City	7,991,040	637,613
Improvements	95,713,371	72,444,872
Unspent bond proceeds	3,752,873	7,305,220
Total restricted cash	\$ 153,597,256	\$ 124,944,858

At December 31, 2019, the City was in compliance with the reserve requirements of the respective Water and Sewer Utility revenue bond covenants. Significant requirements are listed on the next page.

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

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

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

Depreciation and replacement: 15% of the operating revenues of the preceding year are accumulated for the purpose of extraordinary maintenance and repairs, capital improvements and if other funds are not available, for the cost of operating and maintaining the Utilities.

Improvements: The amount remaining in the Revenue Fund on each January 1, which shall not be required for the operation and maintenance of the Utility or for the transfers required to the above accounts for a period of 90 days, shall be credited to the account. Funds may be used for (1) operational and maintenance expenses of the Utility; (2) increase amounts in any of the other accounts to cover potential deficiencies; (3) improvements, repairs or extensions of the utility; (4) redemption of bonds issued under provisions of the ordinance prior to maturity; or (5) to make transfers to the Revenue Fund.

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

8. LEASES

The Sewer Utility and the Airport Authority entered into a 50-year operating lease for land which requires an annual rent payment. The following table provides future minimum rentals of the non-cancelable operating lease.

Year Ending December 31	Minimum Rentals of Non-cancelable Operating Lease
2020	\$ 51,396
2021	51,396
2022	51,396
2023	53,960
2024	53,960
2025 – 2029	275,212
2030 – 2034	288,973
2035 – 2039	303,368
2040 – 2044	318,517
2045 -- 2049	334,441
2050 -- thereafter	586,949
Total minimum future	\$ 2,369,568

9. SEGMENT INFORMATION

The Utility maintains separate funds for water and sewer services. Segment information for the year ended December 31, 2019 is located in the Financial Section of this publication.

CITY OF WICHITA, KANSAS

UNAUDITED

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

For the year ended December 31, 2019

	Water Utility	Sewer Utility	Combined
REVENUES			
Charges for services and sales	\$ 85,197,316	\$ 65,697,011	\$ 150,894,327
Capital contributions - cash	2,620,226	1,144,816	3,765,042
Bond premium amortization	2,178,673	1,457,873	3,636,546
Other revenues (expenses)	693,446	450,042	1,143,488
Gain on capital assets	152,243	114,300	266,543
Interest and investment earnings	209,118	997,976	1,207,094
Total gross earnings	<u>91,051,022</u>	<u>69,862,018</u>	<u>160,913,040</u>
OPERATIONS AND MAINTENANCE			
Personnel services	12,236,883	13,675,447	25,912,330
Contractual services	13,406,333	9,686,941	23,093,274
Materials and supplies	4,421,370	4,342,275	8,763,645
Other operating expenses	1,579,530	871,296	2,450,826
Administrative charges	674,834	333,526	1,008,360
Total operating expenses	<u>32,318,950</u>	<u>28,909,485</u>	<u>61,228,435</u>
Net revenues available for debt service	<u>\$ 58,732,072</u>	<u>\$ 40,952,533</u>	<u>\$ 99,684,605</u>
REVENUE BOND DEBT SERVICE	\$ 22,106,202	\$ 20,965,379	\$ 43,071,581
DEBT SERVICE COVERAGE RATIO	2.66	1.95	2.31
Gross earnings	\$ 91,051,022	\$ 69,862,018	\$ 160,913,040
Less: capital contributions - cash	2,620,226	1,144,816	3,765,042
Less: bond discount amortization	2,178,673	1,457,873	3,636,546
Less: gain on capital assets	152,243	114,300	266,543
Less: interest and investment earnings	209,118	997,976	1,207,094
Total operating revenues	<u>\$ 85,890,762</u>	<u>\$ 66,147,053</u>	<u>\$ 152,037,815</u>
CAPITAL EXPENDITURES FROM OPERATING REVENUES	\$ 4,781,947	\$ 2,394,347	\$ 7,176,294

PROPERTY INSURANCE

As of December 31, 2019

Insurance Company	Coverage Details	Deductible	Coverage Period
Zurich	*All risk coverage on real and personal property on a replacement cost basis, with a value limitation of \$350 million.	Per occurrence. Property: \$100,000; Wind and Hail: \$500,000	01-19 to 01-20
Zurich	*Comprehensive coverage for steam boilers, air conditioners, and electric motors on a repair or replacement cost basis.	Per occurrence - \$100,000	01-19 to 01-20

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

CITY OF WICHITA, KANSAS
WATER AND SEWER UTILITY STATISTICS BY CUSTOMER CLASS

For year ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

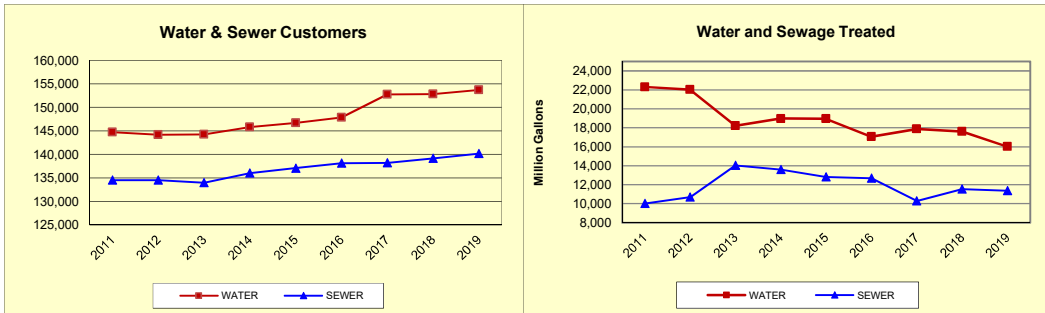
UNAUDITED

WATER UTILITY STATISTICS BY CUSTOMER CLASS

CUSTOMER CLASS	Number of Customers		Water Revenues		Water Consumed (Thousand Gallons)	
	2019	2018	2019	2018	2019	2018
Residential	135,309	134,438	\$ 49,747,195	\$ 50,854,113	7,239	7,735
Commercial / Industrial	13,727	13,598	25,355,680	26,938,608	6,035	6,263
Wholesale	14	13	5,043,229	5,420,698	1,412	1,549
Lawn Services	2,997	2,815	N/A	N/A	N/A	N/A
Fire Protection	1,650	1,591	773,322	717,961	N/A	N/A
Contract	342	341	793,956	937,217	131	159
Backflow Charges	N/A	N/A	256,518	261,165	N/A	N/A
Other Sales	N/A	N/A	430,754	459,082	29	30
Estimated Leaks	N/A	N/A	N/A	N/A	12	103
Water Utility Uses	32	29	N/A	N/A	253	239
Unaccounted for Water	N/A	N/A	N/A	N/A	898	1,526
	<u>154,071</u>	<u>152,825</u>	<u>\$ 82,400,654</u>	<u>\$ 85,588,844</u>	<u>16,009</u>	<u>17,604</u>

SEWER UTILITY STATISTICS BY CUSTOMER CLASS

CUSTOMER CLASS	Number of Customers		Sewer Revenues	
	2019	2018	2019	2018
Residential	127,831	126,879	\$ 35,454,401	\$ 35,302,348
Commercial	11,530	11,481	24,469,969	22,192,410
Industrial	7	9	5,573,170	1,230,945
Institutional	772	769	1,085,475	1,128,092
Wholesale	1	1	464,823	363,692
Extra Strength	16	15	2,969,606	2,093,788
	<u>140,157</u>	<u>139,154</u>	<u>\$ 70,017,444</u>	<u>\$ 62,311,275</u>



REPORT IN BRIEF

	2019	2018	Change
Number of Water Customers	154,071	152,825	0.82%
Number of Sewer Customers	140,157	139,154	0.72%
Miles of Water Line	2,397	2,386	0.46%
Miles of Sanitary Sewer Line	2,068	2,057	0.53%
Water Produced (Million Gallons)	16,009	17,604	-9.06%
Wastewater Treated (Million Gallons)	11,376	11,528	-1.32%
Cost of Treated, Pressurized Water per 1000 gal.	\$ 0.92	\$ 0.83	10.84%
Cost of Treated, Wastewater per 1000 gal.	\$ 1.18	\$ 1.30	-9.23%

CITY OF WICHITA, KANSAS

WATER AND SEWER UTILITY RATES

For year ended December 31, 2019

Customers of the Utility are billed monthly with rates structured to encourage water conservation. The rates provided in the table below are those in effect on February 1, 2019.

Water and Sewer Utility Rates - 2019					
Water			Sewer		
Meter Size (inches)	Inside City	Outside City and Wholesale	Inside City	Outside City	
5/8	\$ 14.50	\$ 23.22	\$ 9.80	\$ 15.71	
3/4	14.50	23.22	9.80	15.71	
1	14.50	23.22	9.80	15.71	
1.5	18.86	30.17	15.83	25.34	
2	24.00	38.43	23.70	37.78	
3	40.41	64.69	68.52	109.62	
4	53.68	85.93	87.15	139.42	
6	81.28	130.12	164.84	263.74	
8	108.65	173.94	234.94	375.87	
10	139.02	222.57	362.33	579.73	
12	193.03	309.02	528.83	846.12	
16	-	698.99	-	-	

The average monthly residential water and sewer bill in 2019 for a customer with a water and sewer Average Winter Consumption (AWC) of 6,000 gallons per month, using approximately 7,500 gallons of water, would be \$69.96, excluding applicable fees.

Rates for consumption charges in 2019 per 1,000 gallons are in the table below:

Consumption Charges	Inside City	Outside City	Wholesale
Water:			
< 110% of AWC*	\$ 2.31	\$ 3.70	\$ 2.67
111% - 310% of AWC*	8.05	12.89	13.84
>310% of AWC*	11.78	18.86	20.73
Sewer	3.86	6.18	3.06

*Average Winter Consumption (AWC)