2022 Annual Comprehensive Financial Report



Fiscal Year Ended December 31, 2022

Celebrating the new Riverfront Stadium

CITY OF WICHITA KANSAS

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CITY OF
WICHITA

CITY OF WICHITA, KANSAS

Incorporated: 1870
City of the 1st Class: 1886
Council-Manager Form of Government Adopted: 1917

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2022

City Council

Brandon Whipple, Mayor
Michael Hoheisel, Vice Mayor (III)
Brandon Johnson, Council Member (I)
Becky Tuttle, Council Member (II)
Jeff Blubaugh, Council Member (IV)
Bryan Frye, Council Member (V)
Maggie Ballard, Council Member (VI)

City Manager

Robert Layton, City Manager

Department of Finance

Mark Manning, Director of Finance

Prepared by the Controller's Office
Department of Finance

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CITY OF
WICHITA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2022

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Introductory Section



Photo Credit Selena Favela

The Introductory Section provides general information on the City's structure and personnel, as well as information useful in assessing the City's economic condition. The key element of this section is the Transmittal Letter.

CITY OF WICHITA

Introductory Section



Our Vision

The City of Wichita is a leading-edge organization serving a dynamic and inclusive community.

Our Mission

As an exceptionally well-run city, we will

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

Our Values

To accomplish our mission, we anchor our work in our core values of **trust** and **service**.

Trust Means:

- **Respect**
- **Empowerment**
- **Ethics**
- **Stewardship**
- **Integrity**
- **Engagement**
- **Family**

Service Means:

- **Professionalism**
- **Innovation**
- **Excellence**
- **Equity**

CITY OF WICHITA

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

June 28, 2023

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

We are pleased to submit the Annual Comprehensive Financial Report of the City of Wichita for the year ended December 31, 2022. 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; its blended component unit, the Airport Authority; and its discretely presented component unit Wichita RAD Senior LP.

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

Kansas statutes require an annual audit of all funds of the City by an independent certified public accountant or accounting firm. Eide Bailly, LLP, a certified public accounting firm, has issued an unmodified opinion on the City of Wichita's financial statements for the year ended December 31, 2022. 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. The City did not have any findings in its Single Audit for 2022.

The 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. The MD&A complements this transmittal letter and should be read concurrently.

THE REPORTING ENTITY AND ITS SERVICES

With a population of 394,574[1], 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 million[2] 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.

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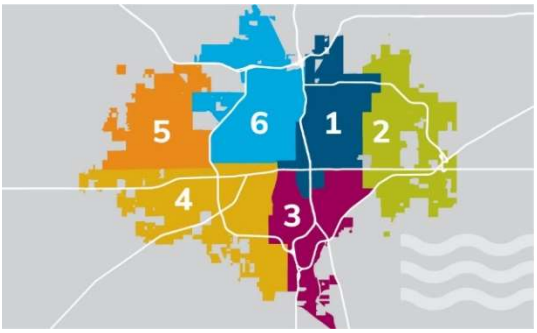
[1] *Source: Estimated by the Center for Economic Development and Business Research (CEDBR) - W. Frank Barton School of Business – Wichita State University (WSU)*

[2] *Source: Estimated by the CEDBR - W. Frank Barton School of Business – Wichita State University (WSU) and based on Nielsen 2013 population estimates, excluding the Oklahoma populations located within the 100-mile radius.*

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 1918, 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, nominations were held for each of the five district's Council Members and the members were 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 (see district map to left). The six Council Members and the Mayor serve four-year terms, with the Council Members' terms 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 provides 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, sewer and stormwater 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 City's vision is to be a leading-edge organization serving a dynamic and inclusive community. Based on this vision, the formulation of the Budget is developed based on 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 provide excellent service levels, the annual budget is developed based on three themes: (1) alignment to the City's mission and the City Council's goals; (2) a review of business processes, from both a financial operations view and a customer-focused view; and (3) the development of a financially sustainable and diversified revenue portfolio.

In the spring, senior staff and the City Manager conduct a review of revenue projections and departmental requests. These internal budget hearings begin in March and continue through May. Beginning in March, budget retreats are held with the City Council to provide updated financial forecasts and are broadcast on the City's public access channel, City7. As a continuation of conversations, presentations are made to citizens, including to District Advisory

Boards (one for each Council District) and other neighborhood groups. Budget information is further communicated through various forms of social media and online tools, providing additional opportunities for citizen engagement on the budget. The Online Budget Simulator, launched in June, provided residents, employees and community groups the opportunity to model increases or decreases of service levels in order to develop a balanced budget.

Throughout the budget process, the City Council is briefed on strategic and policy issues, preliminary financial forecasts and departmental performance levels. Based on the City Council's policy direction, as well as information provided by departments and the public, a Proposed Budget is drafted and provided to the City Council for consideration in July. 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 October 1. 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, or been approved by the City Council. For the General Fund, this comparison is presented on page A-29 as part of the basic financial statements, as well as a more detailed presentation beginning on page B-14. 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-19.

THE LOCAL ECONOMY[3]

The Wichita Metropolitan Statistical Area (MSA) has a diverse economic base, producing a wide variety of products and services. Approximately 46% of Wichita's employment is in service-providing industries; 22% is in goods-producing industries; 17% is in trade, transportation and utilities; and 14% is in government. The Wichita area is home to more than 15,000 business establishments, with approximately 97% of those employing fewer than 100 workers. Annual average employment increased in 2022 for the second consecutive year after the pandemic-driven decline in 2020. Following a 1.9% increase in 2021, annual average employment in 2022 was 2.3% higher than the previous year. Growth is expected to continue in 2023 at a rate of 1%.

Annual Average Wichita MSA Employment by Industry*

	2020 (a)	2021 (a)	2022 (a)	2023 (f)	2022-2023 Forecasted Level Change	2022-2023 Forecasted % Change
Service sectors	135,150	139,083	138,823	139,516	693	0.4%
Production sectors	63,333	62,775	67,015	68,470	1,455	2.2%
Trade, transportation and utilities	48,342	49,717	51,198	51,483	285	0.6%
Government	40,717	41,300	42,536	42,990	454	1.1%
Total nonfarm employment	**287,542**	**292,875**	**299,572**	**302,459**	**2,887**	**1.0%**

**Annual values are derived from average quarterly observations and projections. Data was downloaded from the U.S. Bureau of Labor Statistics' Website on May 18, 2022.*

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

Wichita's manufacturing sector includes a substantial concentration in aerospace. 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 from 2011 to 2017. The sector added 4,600 jobs in 2018 and 2019 after announcements of major expansions and hiring by the

[3] *Information in this section is largely provided by the CEDBR, Frank Barton School of Business, Wichita State University.*

area's largest aerospace firms. Spirit Aerospace was producing 52 737 Max fuselages per month with plans to increase production to 57 per month.

Late 2019 and 2020 introduced new challenges for area aviation manufacturers. Following two tragic aviation accidents involving the 737 Max (none of the work performed in Wichita was implicated in either crash), the aircraft was grounded in March 2019 and Boeing froze production of its airliner. The 737 Max (70% of which is manufactured in Wichita by Boeings largest supplier, Spirit Aerosystems) remained grounded until late in 2020. Also, during this period, the impact of the COVID-19 pandemic on air travel substantially reduced demand for commercial and general aviation products. While this period marked a temporary trough in aviation manufacturing, the extraordinary incidents that drove the declines have been weathered and the industry is currently resuming the growth trends in effect prior to these unfortunate events.

Annual orders and deliveries for both general aviation and commercial aircraft have experienced increases in both 2021 and 2022. Textron (parent company of both Cessna and Beechcraft) currently has an order backlog valued at $6.4 billion. The Boeing backlog for commercial airliners currently stands at 5,408 (4,271 of which are for 737's). Spirit initially resumed production of the 737 in early 2021 at a rate of 10 per month. Currently, the build rate is 31 per month and the company expects to be at 42 aircraft per month on the MAX by the end of the 2023.

Wichita's manufacturing sector has significantly diversified in recent years, adding 5,000 non-aerospace jobs since 2010, including 1,200 new non-aerospace manufacturing jobs in 2020. The manufacturing industry grew by 6.7 percent employment in 2022, mostly in durable goods manufacturing. Growth is expected to continue in 2023, with the manufacturing sector forecasted to grow another 2.4 percent. These expectations are supplemented by plans for Boeing to increase aircraft production.

Natural resources, mining and construction employment comprised 27.2 percent of production employment in Wichita in 2022, as well as 6.1 percent of all employment. This sector grew by 6.9 percent in 2022 and is expected to continue growing in 2023 and 2024, though more slowly, at 1.6 and 1.5 percent, respectively. The residential market built on fast growth in 2021 with solid growth in 2022 as housing demand spiked sharply and home prices soared. Wichita area existing home sales increased 6.1 percent in 2021, and new home construction grew by 4.2 percent. Home sales activity is forecast to decline in 2023 against the combined headwinds of higher interest rates and continuing supply issues.

The service sector as a whole contracted by 0.2 percent from 2021 to 2022, a total of 261 jobs. The service sector is comprised from a variety of employment areas, each with its own dynamics. The information sector grew by 108 jobs, or 3.3 percent. Financial activities employment remained relatively flat with 0.4 percent growth, or 41 jobs. The leisure and hospitality sector grew 1.6 percent, or 515 jobs. The "other services" portion grew 1.3 percent in 2022, creating about 151 additional jobs.

Also included within the service sector is the professional and business services sector, which is one of the largest and typically fastest-growing service sectors in the Wichita economy. Wichita is the home to several major companies' headquarters, including Koch Industries and the protein operations of Cargill. This sector added 5,100 new jobs from 2010 to 2019. Between 2020 and 2021, the sector grew by 1.3% and added 440 jobs. But this most recent year was not favorable to this sector, which experienced declined in 2022 1,047 jobs or 3.0 percent; however, the sector is expected to rebound in 2023 and 2024 with employment growth forecasts of 0.4% and 0.7%, respectively.

And finally, also within the service sector grouping, the education and health care services – Wichita's single largest individual employment sector with 46,104 jobs in 2022 – was stagnant, declining by 0.1 percent, amounting to 29 jobs. The Wichita MSA has more than 100 nursing and assisted living facilities and 18 acute care and specialty hospitals, with other specialty clinics providing comprehensive patient care and same-day surgery services. The four-county MSA is home to more than 1,300 physicians and more than 300 dentists. The construction of a new $75 million Kansas Health Science Center (KHSC) medical campus completed and opened to its first class in August 2022. KHSC is accredited through the Commission on Osteopathic College Accreditation (COCA) which accredits osteopathic medical schools granting the Doctor of Osteopathic Medicine (DO) degree across the United States. KHSC is an affiliate of TCS Educational System, a nonprofit system of colleges advancing student success and community impact.

The education sector employs more than 12% of the total workforce in the education and health care sector and plays a significant role in the local economy. The Wichita MSA 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 47,517 students at more than 80 schools for the 2022/2023 school year.

Wichita's universities and colleges continue to grow and expand. Wichita State University's Campus of Applied Sciences and Technology, formerly known as Wichita Area Technical College, officially became affiliated with Wichita State University in 2018. Wichita State's campus continued to expand with the completion of an on-campus YMCA location and the NIAR Advanced Virtual Engineering and Testing Labs in early 2020. Other campus expansions, specifically those affiliated with the "Innovation Campus" are discussed later in this letter.

Wichita's support sectors have flourished in recent years as the manufacturing base recovered and the service sectors expanded prior to the Coronavirus outbreak. The leisure and hospitality sector added almost 6,000 new jobs from 2010 to 2019 before contracting by 3,200 workers in 2020, the single largest contraction of any sector during the pandemic. In 2021, an estimated 3,130 of these jobs were gained back.

Unemployment Rates: After nine years of declining unemployment, the Coronavirus outbreak and recession caused the unemployment rate to more than double in both the city of Wichita and the Wichita Metropolitan Statistical Area, which can be seen in the table to the right (average annual unemployment rates for the last six years). Wichita was harder hit by the recession than the national average due to a sharp slowdown in the aerospace manufacturing sector caused by the Boeing 737 Max production freeze and the air traffic decline from the pandemic. Unemployment peaked in April 2020, followed by eight months of decline. At the end of 2020, the unemployment rate was 4.5% (though the annual average was 9.0%), which was only 1.2% higher than it had been one year prior and 4.7% lower than the 2020 annual average. Overall, recovery of the unemployment rate has continued through 2022, improving to an average annual unemployment rate of 3.4% in the city. Total employment is forecasted to grow an additional 1% in 2023.

Average Annual Unemployment Rates

Year	Wichita	Wichita MSA	U.S.
2017	4.4%	4.1%	4.4%
2018	3.8%	3.6%	3.9%
2019	3.5%	3.4%	3.7%
2020	9.0%	8.1%	8.1%
2021	4.9%	4.4%	5.4%
2022	3.4%	3.2%	3.6%

CITY BUSINESS AND FINANCIAL PLAN

The City of Wichita uses a comprehensive financial planning approach that includes:

- A detailed two-year budget, the statutorily required one-year budget and one subsequent year;
- A five-year financial plan aligned to the budget and focused on strategic issues; and
- A ten-year financial model projecting funding sources and financing plans for the Capital Improvement Program (CIP).

This financial planning process is aligned to the City's mission and goals, and integrates other planning processes, such as the information technology plan, the community investments plan, the aquatics master plan, the branch library plan, neighborhood plans and the future water supply plan. The planning process is designed to provide continuity in the level of City services and to align expenditures with strategic outcomes by providing an early awareness of opportunities and challenges that could impact the financing of City services.

City operations are managed around strategies that are effective (producing relevant outcomes) and efficient (producing them at the lowest cost). The performance of these strategies in producing meaningful outcomes is evaluated by performance measures linked to the City's performance management plan. Strategies the City has used to improve efficiency include (1) using and investing in technology; (2) outsourcing functions with varying or seasonal demand or which are not aligned to core competencies of the City; and (3) reviewing and adjusting management hierarchies and organizational structures.

The City's strategic management model, coupled with a resident engagement process, facilitates annual budget allocations and has been used when the City is faced with financial challenges. This strategic model is useful in distinguishing the most critical services from those that are important, but more discretionary. In addition, the City

has a very robust engagement effort, involving residents through a variety of in-person and on-line channels to collect feedback. This process, including an online Budget Simulator, encourages feedback on the importance of selected areas of the City Budget.

Adequate levels of reserves are an important and necessary component for the City's business operations and financial planning. The City policy requires General Fund reserves to be a minimum of 10% of the subsequent year's expenditure budget. The reserves of the General Fund demonstrate the City's financial stability and its ability to weather hardships without the need to incur debt for operating activities. Additionally, the General Fund reserve provides flexibility for cash flow and emergency needs. As of December 31, 2022, the fund balance of the City's General Fund, on a budgetary basis, was 15.5% of the 2023 Adopted Budget, including an appropriated reserve of $28.3 million. The City also maintains reserves equivalent to or in excess of 85% of the estimated landfill post-closure liability, a pension reserve in its Self Insurance Fund, and a Permanent Reserve Fund. In spite of the fluctuations in the financial markets, the City's Retirement Systems maintained funded ratios in excess of 90% as of December 31, 2022, which is well above many public pension systems.

The City manages a pooled funds investment program for all cash, guided by a comprehensive investment policy. Policy objectives (in order of priority) are safety, liquidity and yield. The investment policy is approved annually by the State of Kansas, and based on this review the City has long been authorized to utilize "expanded powers" in investing idle funds – which permits investment terms of up to four years.

The City's exposure to risk is managed through risk management strategies, including maintaining insurance policies and self-insurance. The City self-insures its health insurance and workers compensation, while maintaining stop-loss coverage on its self-insured risks to limit the City's potential exposure. To reduce workers compensation claims, the City utilizes staff to provide safety training and inspections.

RELEVANT POLICY CHANGES

Most of the City's key financial management policies remain unchanged, including a stable property tax rate, a balanced budget, 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.

The City has provided special assessment financing for new development, as a strategy to enhance the affordability of housing within Wichita. Past policy limited the term of special assessment bonds to 15 years (with a few exceptions). In June 2022, in response to higher construction costs and affordability challenges, the City Council approved a two-year pilot program to increase the term of Special Assessment debt for residential development to 20 years.

The City is in the process of reviewing reserve and revenue policies, both of which are expected to be considered for implementation in the near future. The proposals are expected to increase the recommended minimum reserve levels and include specific circumstances in which funds will be added to or withdrawn from reserves. The proposed revenue policy is expected to outline cost recovery metrics for setting fees. In addition, the policy will include methods for adjusting rates due to increasing costs of providing services.

MAJOR INITIATIVES

The City is utilizing American Rescue Plan Act (ARPA) revenues to fund several significant initiatives. The City has been allocated $72.4 million in ARPA funds and has allotted approximately $17.2 million to mitigate the impact of COVID, particularly in disadvantaged communities. This includes allocations for workforce development and small business assistance. These funds are being allocated based on an applicant's alignment to the objective of assisting those significantly impacted by the pandemic, particularly those in disadvantaged communities. Other allocations will address affordable housing ($5 million) and other community issues ($1 million). The remaining funds are expected to be used for administrative costs, non-recurring costs of capital improvements, and other expenditures based on City Council priorities.

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KEEPING WICHITA SAFE

The City is committed to keeping Wichita a safe place to live and work. Accordingly, Wichita continues to prioritize public safety in its budget process.



The ***Wichita Fire Department*** began the process of leveraging predictive analytics software to evaluate equipment, staffing and station needs to support data-driven deployment decisions. The Capital Improvement Plan (CIP) also includes funding for new fire stations based upon data-driven decision making.

The ***Wichita Fire and Police Departments*** continue to work with community partners – Sedgwick County Emergency Medical Service (EMS) and COMCARE – on the Integrated Care Team (ICT1) which was created in 2019. The ICT1 is a multidisciplinary, co-responder program aimed at providing resources to those in the community experiencing a mental health crisis and is comprised of three team members – a law enforcement officer, a paramedic and a mental health professional – who respond to mental health emergencies from a dedicated response vehicle. In 2022, the ICT1 unit responded to 1,070 calls for service and avoided 318 emergency visits. In 2023, as a result of the success of the ICT1 unit, the City and County have expanded the ICT program to create four additional ICT units (ICT2, 3, 4 and 5). This expansion includes embedding an additional four Crisis Mobile Clincians and four Integrated Care Specialists.



GROWING OUR ECONOMY

Wichita's economy has emerged from the pandemic-induced downturn and is moving forward. The following examples are a sampling of current projects and those that have been announced.

Wichita-based ***Integra Technologies*** plans to build a new 1 million square-foot semiconductor facility in the Wichita area. The project will be a $1.8 billion investment that will create 2,000 to 2,500 new jobs over five years. The state APEX program (Attracting Powerful Economic Expansion) is providing $304 million of incentives and $1.5 billion will be private investment. Integra was founded in Wichita 40 years ago and is considered the largest outsourced semiconductor assembly and test (OSAT) company in the U.S. It is an employee-owned company.

The Kansas Board of Regents has approved moving forward on a $302 Million ***Biomedical Medical Education Campus*** to be built in downtown Wichita. The institutions will begin to select an architect and begin design plans. The project will be a joint effort between the University of Kansas School of Medicine and Wichita State University and is expected to provide a 470,000 square foot medical campus to be completed in 2026. The complex will serve as the location for all of the programs and clinics of KUSM-Wichita, including the KU School of Pharmacy, WSU's College of Health Professions, and WSU Tech's health professions programs. It will bring 3,000 students to downtown and support 1,600 jobs. The WSU Center for Economic Development and Business Research (CEDBR) estimates the project will have an estimated economic impact of $279 million.

The City's new $75 million ***Riverfront Baseball Stadium*** and museum opened for the inaugural season in 2021. The stadium has a seating capacity of 7,000 and total capacity of 10,000, and hosts the Wichita Wind Surge – the Double-A affiliate of the Minnesota Twins. The City Council has approved a development agreement for a 7-acre site adjacent to the City's new Riverfront Baseball Stadium. ***Riverfront Village*** will be a $127-million development with 500,000 feet of commercial use, including a 100-room hotel, apartments, shops, restaurants, office space, a parking garage, and public plazas.



Riverfront Baseball Stadium

Wichita State University (WSU): Beginning in 2012, Wichita State University launched a master planning process to transform a 120-acre section of the campus that once housed the Braeburn Golf Course. Dubbed the "Innovation Campus," this new part of campus has become a catalyst for research, innovation and learning with new state-of-the-art research and lab facilities and industry partnerships. It is also home to new residential, retail and services developments to improve the quality of student life and enhance the University's education and research mission. The most recent addition to this area was the $60 million home for the W. Frank Barton School of Business, which welcomed students for the first time during the fall 2022 semester. Wayne and Kay Woolsey Hall provides three stories and 125,000 square feet of state-of-the-art technology and classrooms suited for learning and collaboration.

Multi-modal Center near Downtown: In 2019, the City's Department of Transportation received a $14.2 million federal grant, which along with City funds, will provide for the construction of a ***multi-modal center***. This center will handle regional connections from various commuter services to the downtown circulator and have transfer points to routes serving education and employment locations. The multi-modal center is key to the growth of the West Bank area of the Arkansas River. It will be home to approximately 500 parking spaces, Wichita's bike share program, charging areas for a portion of Wichita Transit's electric bus fleet and retail space. Groundwork has been started for this project with the goal of completion in 2025.



Rendering of Multi-modal Center

BUILDING DEPENDABLE INFRASTRUCTURE

Dependable infrastructure is crucial to a well-run city, as it impacts Wichita's ability to grow its economy, deliver prompt public safety services and provide conditions for living well.

Wichita North Junction: 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. The *Green Project*, which is the first of three phases, was completed in November 2021. This first phase of the project replaced aging pavement and deficient bridges over the Little Arkansas River and over Arkansas and Broadway Avenues. It also added auxiliary lanes on I-235 and improved ramp geometry at the Broadway Avenue Interchange. In November 2020, a joint effort between the City of Wichita, Sedgwick County and the Kansas Department of Transportation (KDOT) began for improvements to the North Junction interchange, or the *Accelerated Gold Project*. The project has an estimated cost of $50 million, for which the City has entered into a cost sharing agreement with KDOT. As a part of this agreement, KDOT will pay approximately 75% of the construction. This interchange is a vital transportation node for Wichita and Sedgwick County, providing a critical connection between two interstates and two state highways. This project is currently under construction and expected to be substantially completed by 2026.

East Kellogg: The City is continuing the East Kellogg freeway project, a cooperative effort between the City of Wichita, KDOT and the Kansas Turnpike Authority (KTA). Construction began in 2015 with the construction of two new interchanges and the widening of Kellogg to a six-lane freeway between Webb Road and K-96. In addition, new ramps were constructed for I-35/KTA and Kellogg. These improvements were fully complete in late 2021. Moving forward, the City is again partnering with KDOT, as well as Butler County, to continue the expansion of East Kellogg out to 159th St E. Construction is planned for 2024 through 2025.

Northwest Water Treatment Plant (NWWTP): The City has begun construction of its new $550 million Northwest Water Treatment Plant with substantial completion expected in 2024. This facility will replace the existing 80-year old facility, which was identified as a critical project nearly 25 years ago by the Integrated Local Water Supply Plan and is the next important step on the path to a sustainable water future. The City was able to secure very low-interest rate financing with the United States Environmental Protection Agency (EPA) and the Kansas Department of Health and Environment (KDHE) to fund the majority of this project, which has helped considerably to minimize ratepayer impacts and keep Wichita's utility services affordable. The City

Photo Credit Wichita Water Partners



Lime Residual Mix Tank at NWWTP

entered into a (1) Water Infrastructure Finance and Innovation Act (WIFIA) Bond with the EPA at 1.17% not to exceed $280.9 million in project costs and (2) a State Revolving Fund (SRF) loan with KHDE not to exceed $55 million at 1.48%, with the possibility of up to four additional loans for a total loan of $267.3 million.

Biological Nutrient Removal Project: The City is also in the early stages of a second major project, which is driven by regulatory changes in Biological Nutrient Removal (BNR) standards. In-depth planning for the BNR project took place throughout 2020 and the City Council approved a project approach in early 2021. This project includes improvements of two existing facilities and some expansion to a lift station. Design work began in 2021 and construction is anticipated to start in 2023 with completion by the end of 2027. The project is included in the City's Capital Improvement Program (CIP) and early estimates project the cost to be approximately $377 million. In early discussions with KDHE, the Utility learned that SRF financing is likely to be available for approximately half of the full project cost. The Utility entered into a WIFIA credit agreement to fund up to nearly $191.5 million of the project and is negotiating Kansas Public Water Supply Loan Fund (KPWSLF) loans for additional funding.

PROVIDING CONDITIONS FOR LIVING WELL

The City is dedicated to cultivating the well-being of its citizens through various avenues.

Wichita Department of Cultural Arts, Park and Recreation: The City's Cultural Arts, Park and Recreation Department received national accreditation from the Commission for Accreditation of Park and Recreation Agencies (CAPRA) in 2021. Wichita Park and Recreation is one of only 150 accredited agencies in the country. The City manages and maintains 114 public parks spread across over 5,000 acres of park land and 2,500 acres of right-of-way. As of summer 2022, there are seven neighborhood recreation centers, six swimming pools, 27 pickle ball courts, 68 tennis courts, 12 fishing ponds, 5 dog parks, 15 exercise/fitness trails, the Great Plains Nature Center, Botanica and four 18-hole public golf courses. Wichita also maintains more than 100 miles of bicycle paths, lanes and other bicycle facilities.


Naftzger Park

Design work began in 2021 for a pickleball facility at South Lakes Park. This $6 million project will construct up to twenty regulation courts, a clubhouse, stadium seating, restrooms, and a plaza. This facility will be capable of hosting regional tournaments that will bring tourism dollars into the community.

Wichita's Department of Housing and Community Services: While the department continued its normal programs in 2022, it also continued offering services aimed at improving the lives of those negatively impacted by the pandemic, which were implemented in 2020, using additional funds provided by the CARES Act and American Rescue Plan Act. These new initiatives included a food box program and the Wichita Emergency Rental Assistance Program (WERAP).

- The food box program, initially funded by a private grant and later continued with CARES Act funding, provided bi-weekly food boxes to senior residents in Wichita Housing Authority (WHA) properties. The goal of the program was to reduce exposure to COVID-19, while maintaining access to nutritious food.
- The WERAP, funded by the Department of Treasury, continued in 2022, and it helps those negatively impacted by the pandemic with utility and rent assistance, as well as other housing stability services.

Providing Affordable Housing: In April of 2022, the City allocated $5 million in American Rescue Plan Act funding to create an affordable housing fund. This fund will be made available to non-profit and for-profit developers in the form of grants or forgivable loans up to $50,000 that could be used for new construction, renovation or home repair. Housing units that benefit from this funding source will be made available to low- and moderate-income households.

Growing the Healthcare Sector: Wichita's health care sector has continued to grow, with some exciting developments. The Kansas Health Science Center (KHSC) opened the new Kansas College of Osteopathic Medicine (KHSC – KansasCOM) in August 2022 in downtown Wichita. The college was granted pre-accreditation status from the American Osteopathic Association's Commission on Osteopathic College Accreditation (COCA) and can receive full accreditation following the graduation of its first class, which it anticipates will occur in May 2026. In connection, Douglas Market Development (DMD) is redeveloping four buildings adjacent to and near the Chester I.

Lewis Reflection Park. This private development will include converting (1) the former State Office Building into the KHSC – KansasCOM, (2) the former Sutton Building into approximately 120 housing units, (3) the former Broadway Plaza into an AC Marriott hotel and (4) the former Henry's building into a commercial kitchen and culinary school. The KHSC college is projected to have 680 students and 324 staff once fully operational. Renovations to Chester I. Lewis Reflection Park were completed in 2022 prior to the opening of the medical school.

Wesley Medical Center, LLC (Wesley) was granted a seven-year letter of intent to issue Industrial Revenue Bonds not to exceed $100 million to remodel and equip portions of its facility near Central and Hillside. Planned improvements to its facility include updates to the parking garage, elevator units, roof replacements, the relocation of its pediatric support services, as well as the acquisition of new surgical and medical equipment and computers. As a part of this project, Wesley plans to hire an additional 66 employees.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wichita, Kansas for its Annual Comprehensive Financial Report for the fiscal year ending on December 31, 2021, which represents the 49th consecutive year that the City earned the 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, 2021. The 2021 award represents the City's 13th 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 Annual Comprehensive Financial Report for the fiscal year ending on December 31, 2021, representing the 23nd 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 annual comprehensive 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.



Keeper of the Plains Statue

The City believes this current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program requirements and it will be submitted to the GFOA to be considered for another award.

For the 35th consecutive year, the City earned the GFOA's Distinguished Budget Presentation Award for its 2023 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.

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

Mark Manning, Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

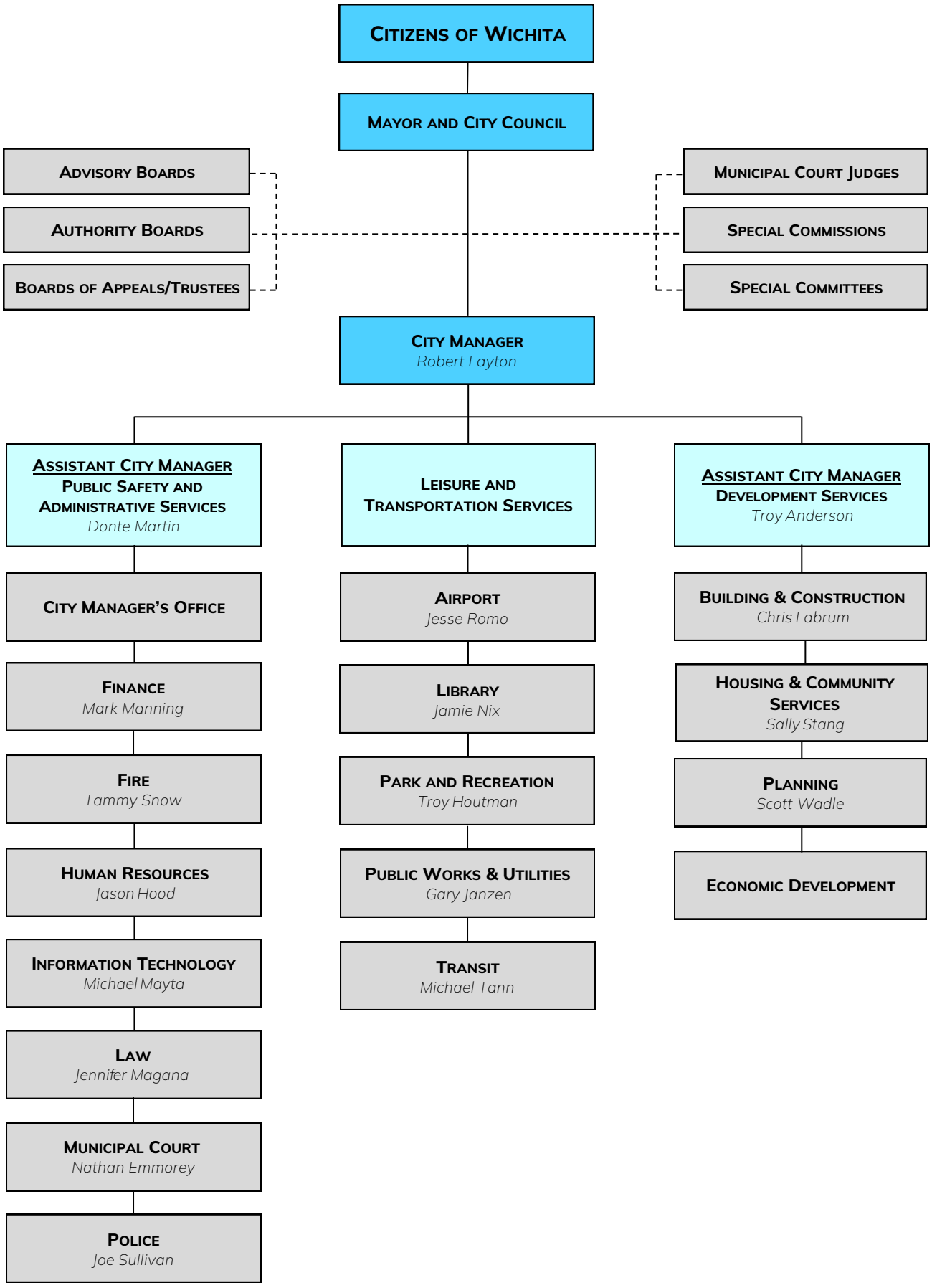
City of Wichita
Kansas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO


CITIZENS OF WICHITA
MAYOR AND CITY COUNCIL
ADVISORY BOARDS
AUTHORITY BOARDS
BOARDS OF APPEALS/TRUSTEES
MUNICIPAL COURT JUDGES
SPECIAL COMMISSIONS
SPECIAL COMMITTEES
CITY MANAGER
Robert Layton
ASSISTANT CITY MANAGER
PUBLIC SAFETY AND ADMINISTRATIVE SERVICES
Donte Martin
CITY MANAGER'S OFFICE
FINANCE
Mark Manning
FIRE
Tammy Snow
HUMAN RESOURCES
Jason Hood
INFORMATION TECHNOLOGY
Michael Mayta
LAW
Jennifer Magana
MUNICIPAL COURT
Nathan Emmorey
POLICE
Joe Sullivan
LEISURE AND TRANSPORTATION SERVICES
AIRPORT
Jesse Romo
LIBRARY
Jamie Nix
PARK AND RECREATION
Troy Houtman
PUBLIC WORKS & UTILITIES
Gary Janzen
TRANSIT
Michael Tann
ASSISTANT CITY MANAGER
DEVELOPMENT SERVICES
Troy Anderson
BUILDING & CONSTRUCTION
Chris Labrum
HOUSING & COMMUNITY SERVICES
Sally Stang
PLANNING
Scott Wadle
ECONOMIC DEVELOPMENT

CITY COUNCIL MEMBERS[1]

Brandon Whipple	Mayor	(316) 268-4331
Michael Hoheisel	Vice Mayor (III)	(316) 268-4331
Brandon Johnson	Council Member (I)	(316) 268-4331
Becky Tuttle	Council Member (II)	(316) 268-4331
Jeff Blubaugh	Council Member (IV)	(316) 268-4331
Bryan Frye	Council Member (V)	(316) 268-4331
Maggie Ballard	Council Member (VI)	(316) 268-4331

The Wichita City Council meets Tuesday mornings beginning at 9:00 AM at City Hall, 455 N. Main. On the fourth Tuesday of the month, to reserve time for workshop sessions, the City Council only addresses routine items that require its consent and meetings are generally not held on the fifth Tuesday of the month. The City Council meetings can be viewed live on local channel 7 at 9:00 AM on Tuesdays, or replays on Tuesday at 6:00 PM, Wednesday at 1:00 AM, Saturday at 10:00 AM, and Sunday at 2:00 PM. City Council meetings can also be viewed LIVE or archived video may also be viewed via the internet at the following link: http://www.wichita.gov/Council/Pages/default.aspx.

CITY OFFICES[1]

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	Troy Anderson, Assistant City Manager
Airport	(316) 946-4700	Jesse Romo, Director
Finance	(316) 268-4444	Mark Manning, Director
Fire	(316) 268-4451	Tammy Snow, Fire Chief
Housing and Community Services	(316) 462-3795	Sally Stang, Director
Human Resources	(316) 268-4531	Jason Hood, Director
Information Technology	(316) 268-4318	Michael Mayta, Chief Information Officer
Law	(316) 268-4681	Jennifer Magana, Director and City Attorney
Library	(316) 261-8520	Jamie Nix, Director
Metropolitan Area Building and Construction	(316) 660-1840	Chris Labrum, Director
Municipal Court	(316) 268-4611	Nathan Emmorey, Municipal Court Administrator
Park and Recreation	(316) 268-4398	Troy Houtman, Director
Planning	(316) 268-4421	Scott Wadle, Director
Police	(316) 268-4158	Joe Sullivan, Chief of Police
Public Works and Utilities	(316) 268-4497	Gary Janzen, Director
Transit	(316) 352-4802	Michael Tann, Director

[1] *Listings of City Council Members, City Manager, Assistant City Managers and Department Directors are as of report issuance date.*

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Financial Section



The Financial Section presents financial information about the City for 2022. Additionally, the Financial Section presents management's discussion and analysis, financial statements, notes to the financial statements and other supplementary information.

CITY OF WICHITA

Financial Section



The **Financial Section** presents financial information about the City for the year presented and includes the following components:

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information

Additionally, the **Financial Section** presents combining statements, individual fund statements and schedules and other supplementary information in the following subsections:

- Governmental Funds
- Enterprise Funds
- Internal Service Funds
- Fiduciary Funds
- Additional Information

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Wichita
Wichita, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wichita ("the City") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, 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.

We did not audit the financial statements of Wichita RAD Senior, L.P., a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Wichita RAD Senior, L.P., is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), 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 *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Notes 1.Q. and 12 to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended December 31, 2022. Accordingly, a restatement has been made to the governmental activities and Information Technology Fund net position as of January 1, 2022, to restate beginning net position. Our opinions are not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 21 to the financial statements, the City had a change in accounting principle for the landfill fund. The activity was previously reported in a special revenue fund. The landfill fund is now accounted for in an enterprise fund. Accordingly, the City, has restated the related fund balances and net position as of January 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in the employer's net pension liability (asset) and related ratios, schedules of employer contributions, and schedule of changes in total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 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 as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and the schedule of passenger facility charges required by the *Passenger Facility Charge Audit Guide for Public Agencies* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules, additional information section, water utilities section, schedule of expenditures of federal awards, and schedule of passenger facility charges are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023, 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 the City's internal control over financial reporting and compliance.

Eide Bailly LLP

Fargo, North Dakota
June 28, 2023

This management's discussion and analysis provides an overview of the City's financial activities and performance for the fiscal year ended December 31, 2022, and 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 analysis. Please see pages A10-A11 for comparative charts supporting the financial highlights below.

FINANCIAL HIGHLIGHTS

STATEMENT OF NET POSITION

- The City's **net position** increased $129.5 million during 2022, with a $36.1 million increase in governmental activities and a $93.1 million increase in business-type activities. The most significant increases in net position for business-type activities occurred in the Water and Sewer Utility functions.
- **Capital assets** represented approximately 74% of the City's total assets for 2022, as compared to 77.5% for 2021. While the City's capital assets increased $118.8 million or 3.6%, its current and other assets increased $243.5 million or 25.6%, which caused the City's concentration of its capital assets to decrease.
- The most notable fluctuations in the City's **current and other assets** over 2021 were as follows.
  - (1) **Cash and cash equivalents**, restricted and unrestricted combined, increased $138.3 million or 23.6% over 2021. The largest driver for the increase in cash and cash equivalents in governmental activities was due to the City receiving its second tranche of ARPA funds of $36.2 million in 2022. Business-type activities' increase in cash and cash equivalents was primarily driven by the Utilities, which are discussed in more depth later.
  - (2) **Accounts receivable** increased nearly $22 million or 6.8% over 2021, with an increase of $22.9 million in governmental activities. The growth in governmental activities receivables was almost entirely due to property tax and special assessments. Property tax valuation growth was particularly strong with the 2022 levy.
  - (3) **Leases receivable** was recorded in 2022 as a part of the City's implementation of GASB 87 (Leases) and accounted for $42.5 million of the additions in the City's assets, with the majority being recorded in business-type activities from the Airport Authority. See Note 12 – Leases and Direct Financing Arrangements for further information.
  - (4) The City's **net pension asset (liability)** is measured one year prior to the financial statement date, as allowed by accounting standards. The City's pension systems ended 2021 with very strong net positions due to strong market gains. As a result, the City recognized a **net pension asset** of $49.3 million in 2022 versus a **net pension liability** of $15.6 million in 2021. Further details can be found in the Note 7 – Retirement Funds.
- The City's **deferred outflows of resources** increased $22.1 million or 26.4% over the prior year. The deferred outflows related to pensions was the primary driver in this rise. Further details can be found in Note 7 – Retirement Funds.
- The most notable decreases in the City's **other liabilities** were as follows.
  - (1) **Accounts payable and other liabilities** increased $4.7 million for the City as a whole, while governmental activities declined $3.8 million versus the business-type activities growing by $8.5 million. Governmental activities payables decrease was primarily related to timing of capital project payables. The Water Utility's Northwest Water Treatment Plant (NWWTP) project and the Sewer Utility's Biological Nutrient Removal (BNR) project account for the majority of the increase in business-type activities, which is within expectations as these projects progress.
  - (2) **Temporary notes payable** declined approximately $7.1 million or 5.1% from 2021. Temporary note balances will fluctuate depending on the number of in-progress projects that have not yet been permanently financed.







(3) Unearned revenue grew $38.3 million or 91.6% from the prior year, with the primary driver being unearned grant proceeds in governmental activities.

- The most significant changes in non-current liabilities, including claims payable, were as follows. Further information about the City's long-term liabilities can be found in Note 10 – Long-term Obligations.

  (1) Revenue bonds, including related premiums, increased nearly $76.2 million, with governmental activities decreasing slightly and business-type activities increasing $76.7 million. The largest factor was the issuance of $112.6 million in WIFIA Revenue Bonds for the Water Utility's NWWTP, which was offset by principal and premium reductions.

  (2) Loans payable by the Water Utility (business-type activities) increased $68.8 million over 2021 as more loan proceeds were drawn down as NWWTP construction continues.

  (3) The City's net pension liability, as noted above, became a net pension asset, which resulted in a reduction of long-term liabilities of $15.6 million.

  (4) The City's other post employment benefits (OPEB) liability decreased $8.7 million due to a variety of factors, including assumption changes. See Note 8 - OPEB for further details.

- The City's deferred inflows of resources increased $112.1 million above 2021. The deferred inflows related to deferred revenues, leases, pension, OPEB and unamortized refunding costs.

  (1) Deferred revenue in governmental activities increased $15.2 million and was for the 2022 property tax levy, which is legally restricted for 2023 operations by Kansas statute. See further information in Note 1F.

  (2) Deferred inflows related to leases of $42.5 million was recorded in 2022 as part of the City's implementation of GASB 87 (Leases) and chiefly relates to the leases for the Airport Authority (see Note 12).

  (3) Deferred inflows related to pensions and OPEB increased almost $54.6 million over the prior year and represent an acquisition of net assets that relate to future periods. See Note 7 and 8 for further information on the City's retirement funds and other post employment benefits (OPEB), respectively.

STATEMENT OF ACTIVITIES

- The City's total revenues of $742.4 million increased $28.8 million, with all of the increase in business-type activities offset by a slight decrease in governmental activities.
- Overall, governmental activities revenue in 2022 of $450.6 million was very consistent with 2021 revenue of $453.3 million. However, there were some significant fluctuations within categories, which are discussed below.

  (1) Operating grants and contributions declined $7.2 million, primarily due to fluctuations in the recognition of pandemic related federal grants. The City's grant fund contributed approximately $6.9 million towards this decrease with two major fluctuations within its functions: (1) an increase in the general government function of $3.7 million, which was offset by (2) a decrease in the health and welfare function of nearly $11 million.

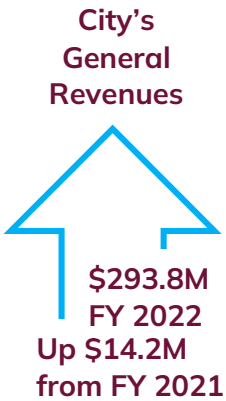
  (2) Capital grants and contributions at $34.5 million were down $8.5 million or nearly 20% over prior year due to a lower amount of special assessments levied and recognized in 2022 versus 2021.

  (3) Sales tax revenue of $79.9 continued to perform stronger than anticipated in 2022, increasing $7.7 million or 10.7%. The previous year also experienced a gain of $8.4 million. These increases were partially due to continued economic strength, as well as, inflation.

  (4) Franchise tax revenue grew $7.8 million or 16.4% above the prior year, with $7 million of this increase in electric and natural gas franchise fee revenue.

  (5) The City recognized an investment loss of $7.7 million in 2022 versus investment gain of $1.6 million in 2021. The investment loss is strictly due to unrealized losses on fair market value and will not be realized by the City as its pooled portfolio policy is buy and hold.





- In 2022, the **business-type activities revenue** of $291.8 million increased $31.5 million or 12.1% over 2021's revenue of $260.3 million, excluding transfers. The most significant growth was in charges for services and operating grants and contributions.

  (1) **Charges for services** accounted for $20.4 of the growth in revenue, with the Water Utility accounting for $13.4 million in this increase. The Airport Authority was the next highest contributor with an increase of $3.5 million. Finally, the Landfill Fund, which became an enterprise fund in 2022, had revenues of $2.2 million.

  (2) **Operating grants and contributions** increased $13.8 million with $13.7 million of the additional revenue recognized in the Airport Authority from pandemic related operating grants.

- The City's **total expenses** were $613.2 million, which is an increase of $24.9 million or 4.2% over the prior year's total expenses of $588.3 million. This is a modest increase considering inflationary pressures.



- The overall cost of **governmental activities** was very consistent at $392.1 million in 2022 as compared to $385.6 million in 2021, an increase of $6.5 million or 1.7%. However, there were noteworthy fluctuations within four functions: (1) general government increased $8.1 million or 15.2%, (2) public safety decreased $4.5 million or 2.9%, (3) health and welfare decreased $6.1 million or 9.8%; and (4) culture and recreation increased $4.5 million or 10.7%.

  (1) **General government expenses** increased due to a combination of increased expenditures for ARPA of $4.6 million and an increase in public improvements that didn't meet the capitalization threshold.

  (2) **Public Safety expenses** decreased slightly due to adjustments of the City's net pension expense as a result of the changes in its 2021 net pension liability to a net pension asset in 2022 and its related deferred outflows and inflows. In 2022, pension expense for public safety decreased $26.8 million as compared to a decline of $18.4 million in 2021. Further information about the City's net pension liability can be found in Note 7.

  (3) **Health and welfare expenses** decreased in the current year over the prior year due to a decline in expenses for housing related pandemic grants, including payments to assist citizens with rent and utilities.

  (4) **Culture and recreation expenses** increased as activities within this function regained momentum as effects of the pandemic have disappeared.

- The cost of **business-type activities** at $221.1 million increased $18.4 million or 9.1% over 2021's $202.7 million in expenditures. The Water Utility accounted for $11 million of the additional expenditures, followed by the Sewer Utility at $3.1 million. The Landfill became a business-type activity in 2022, incurring expenses of $2.7 million.

- On a budgetary basis, the **General Fund** realized an increase in fund balance of $4.6 million for 2022 with a fund balance of $47.2 million as of December 31, 2022, which is 15.5% of the 2023 Adopted Budget, including appropriated reserves of $28.3 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The City presents two kinds of statements, each providing a different perspective of the City's finances. One set of statements focuses on the City as a whole (***government-wide***) and the other set focuses on the individual funds (***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 broaden the basis of comparison and enhance the City's accountability.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements include not only the City itself, known as the primary government, but also the legally separate Wichita Senior RAD L.P. for which the City is considered financially accountable or for which the nature and significance of its relationship to the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. See Note 22 for further details.

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 10-year trend information for the City can be seen in the ***Statistical Section***.

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 considered 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, Transit and Landfill.

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, also known as modified accrual. 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-27 and A-29. Key differences include the impact of accounting for capital assets and long-term obligations.

The City maintains 26 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 that are considered major funds. Information for the 23 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 and schedules 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-31, 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. A reconciliation of the budgetary basis of accounting to the modified accrual basis presented in the fund financial statements is disclosed in Note 3 – Budgetary Basis of Accounting.

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, transit and landfill 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. The City has two fiduciary funds: a Pension Trust Fund and a custodial fund. Combining statements for its pension plans, which the Pension Trust Fund is comprised of, are found beginning on page E-1.

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 ***Annual Comprehensive Financial Report***, or ***Annual 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, 2022. This section also contains combining schedules for the City's funds which are broken out further into subfunds.
- The ***Statistical Section***, presented beginning on page G-1, provides detailed information as 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 Utility revenue bondholders.



Wichita Police Department

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 an increase of $129.5 million for 2022, including a restatement of $0.3 million for the implementation of GASB 87 (Leases). See Note 12 for further details.

Approximately 72.9% 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 its citizens; consequently, capital assets are not available for future spending. The City's net investment in capital assets for 2022 of nearly $1.96 billion was consistent with the prior year.

An additional portion of net position represents resources with external restrictions dedicated to specific purposes. The overall **restricted net position** of the City of $508.6 million declined $10 million or 1.9%. The restricted net position of governmental activities, the majority of which was restricted for capital projects and debt service, increased approximately $10.9 million or 3.7%. The business-type activities' restricted net position decreased $20.9 million or 9.5% and is primarily restricted by Water and Sewer Utility bond covenants. The Water and Sewer Utility's restricted net position accounted for $182.9 million of its total restricted net position of $199.9 million.

The **unrestricted portion of the net position** that may be used for the government's ongoing operations is $219.3 million, which grew $152.7 million over the 2021 unrestricted balance of $66.6 million. The unrestricted net position of governmental activities increased $22.1 million and business-type activities increased $130.6 million in 2022. A major factor attributing to the increase in unrestricted net position is due to the City's net pension liability of $15.6 million as of 2021 growing to a net pension asset of $49.3 million. The shift from a net pension liability to a net pension asset and change in related deferred outflows/inflows for governmental activities and business-type activities for 2022 was $35.9 million and $6 million, respectively. The remainder of the increase in unrestricted net position for the business-type activities is related to the Water and Sewer Utility having a more restrictive bond covenant end in 2022 when the debt was fully defeased.

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

	Governmental Activities		Business-type Activities		Primary Government	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	$ 693.5	$ 592.4	$ 500.2	$ 357.8	$ 1,193.7	$ 950.2
Capital assets	1,403.5	1,413.5	1,986.2	1,857.4	3,389.7	3,270.9
Total assets	**2,097.0**	**2,005.9**	**2,486.4**	**2,215.2**	**4,583.4**	**4,221.1**
Deferred outflows of resources	**82.3**	**61.6**	**23.6**	**22.2**	**105.9**	**83.8**
Liabilities:						
Non-current liabilities*	394.7	397.5	858.6	740.5	1,253.3	1,138.0
Other liabilities*	295.6	276.1	93.9	85.9	389.5	362.0
Total liabilities	**690.3**	**673.6**	**952.5**	**826.4**	**1,642.8**	**1,500.0**
Deferred inflows of resources	**292.0**	**228.8**	**70.0**	**21.1**	**362.0**	**249.9**
Net position:						
Net investment in capital assets	890.4	891.5	1,066.2	1,078.3	1,956.6	1,969.8
Restricted	308.7	297.8	199.9	220.8	508.6	518.6
Unrestricted	(2.1)	(24.2)	221.4	90.8	219.3	66.6
Total net position	**$1,197.0**	**$1,165.1**	**$1,487.5**	**$1,389.9**	**$2,684.5**	**$2,555.0**

Note: *2021 balances were not (1) restated for the implementation of GASB 87 – Leases, (2) restated for the implementation of GASB 91 – Conduit Debt, or (3) adjusted for the fund type reclassification of the Landfill Fund. See Notes 12, 13 and 21, respectively, for further information.*

** Non-current liabilities exclude the current portion of non-current liabilities, which are included in 'other liabilities.' The 2021 amounts have been adjusted for consistency.*

REVENUES AND EXPENSES OF THE PRIMARY GOVERNMENT

The following table summarizes the revenues and expenses that contributed to the increase in the net position of the primary government. In 2022, total revenues and expenses increased by $28.8 million and $24.9 million, respectively. An in-depth analysis is provided on the following pages.

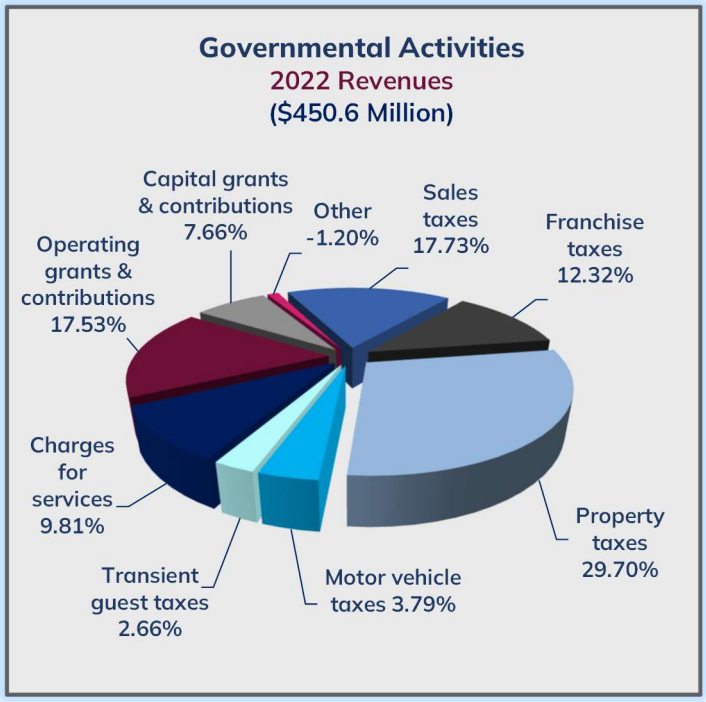
Changes in Net Position – Primary Government
For the Year Ended December 31,
(dollars in millions)

	Governmental Activities		Business-type Activities		Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	$ 44.2	$ 45.3	$ 256.6	$ 236.2	$ 300.8	$ 281.5
Operating grants & contributions	79.0	86.2	23.9	10.1	102.9	96.3
Capital grants & contributions	34.5	43.0	10.4	13.2	44.9	56.2
General revenues:						
Property taxes	133.8	130.3	-	-	133.8	130.3
Sales taxes	79.9	72.2	-	-	79.9	72.2
Franchise taxes	55.5	47.7	-	-	55.5	47.7
Motor vehicle taxes	17.1	17.4	-	-	17.1	17.4
Transient guest taxes	12.0	8.5	-	-	12.0	8.5
Investment earnings	(7.7)	1.6	0.1	0.1	(7.6)	1.7
Miscellaneous	2.3	1.1	0.8	0.7	3.1	1.8
Total revenues	**450.6**	**453.3**	**291.8**	**260.3**	**742.4**	**713.6**
Expenses:						
General government	61.4	53.3	-	-	61.4	53.3
Public safety	149.7	154.2	-	-	149.7	154.2
Highways & streets	62.0	57.7	-	-	62.0	57.7
Sanitation	6.3	8.9	-	-	6.3	8.9
Health & welfare	56.3	62.4	-	-	56.3	62.4
Culture & recreation	46.6	42.1	-	-	46.6	42.1
Interest on long-term debt	9.8	7.0	-	-	9.8	7.0
Water Utility	-	-	93.9	82.9	93.9	82.9
Sewer Utility	-	-	55.1	52.0	55.1	52.0
Airport Authority	-	-	38.8	37.5	38.8	37.5
Stormwater Utility	-	-	10.0	10.7	10.0	10.7
Golf Course System	-	-	4.4	4.0	4.4	4.0
Transit	-	-	16.2	15.6	16.2	15.6
Landfill	-	-	2.7	-	2.7	-
Total expenses	**392.1**	**385.6**	**221.1**	**202.7**	**613.2**	**588.3**
Excess before transfers	**58.5**	**67.7**	**70.7**	**57.6**	**129.2**	**125.3**
Transfers	(22.4)	(22.7)	22.4	22.7	-	-
Increase in net position	**36.1**	**45.0**	**93.1**	**80.3**	**129.2**	**125.3**
Net position, beginning of year	**1,165.1**	**1,120.1**	**1,389.9**	**1,309.6**	**2,555.0**	**2,429.7**
Restatement – GASB 87*	0.3	-	-	-	0.3	-
Landfill reclassification*	(4.5)	-	4.5	-	-	-
Net position, beginning of year, as restated	**1,160.9**	**1,120.1**	**1,394.4**	**1,309.6**	**2,555.3**	**2,429.7**
Net position, end of year	**$ 1,197.0**	**$ 1,165.1**	**$ 1,487.5**	**$ 1,389.9**	**$ 2,684.5**	**$2,555.0**

* *For 2022 only: Prior period adjustments are for the restatement due to implementation of GASB 87 – Leases and the Landfill Fund reclassification from Governmental Activities to Business-type Activities. See Note 12 and Note 21, respectively, for further information.*

GOVERNMENTAL ACTIVITIES

The **net position** of governmental activities increased $36.1 million or 3.1% in 2022 as compared to an increase of $45 million in 2021. The lessening of the increase in net position in 2022 as compared to 2021 was comprised of (1) a slight decline in governmental revenues of $2.7 million, (2) an increase in expenses of $6.5 million, and (3) a slight decrease in transfers out to business-type activities of $0.3 million.



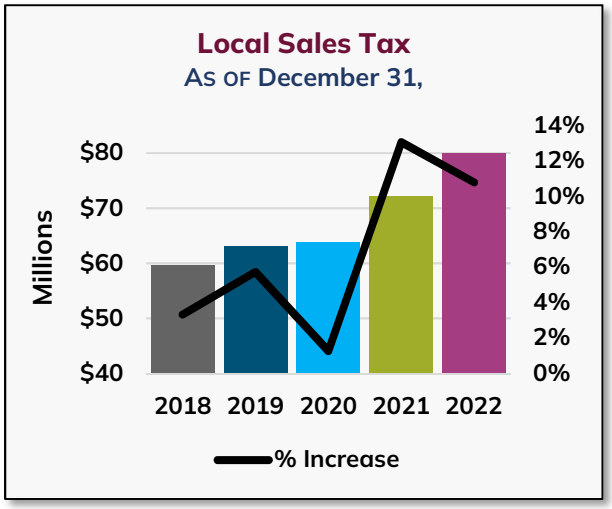
Revenues: The most significant fluctuations in governmental revenues, in order of magnitude, were: **(1)** a decrease in investment earnings (loss) of $9.3 million, **(2)** a decline in capital grants and contributions of $8.5 million, **(3)** a growth in franchise tax revenues of $7.8 million, **(4)** an increase of $7.7 million in sales taxes and **(5)** a decline in operating grants and contributions of $7.2 million. The remaining revenues accounted for a combined net increase of $6.9 million, with the most significant fluctuation being in property tax and transient guest tax revenues, each with an increase of $3.5 million.

The City experienced an **investment loss** of $7.7 million in 2022 due to market interest rates increasing faster than the average yield-to-maturity rate of its pooled funds' portfolio. The City's cash and investments portfolio is booked at fair market value on a GAAP basis, as required. Nonetheless, it is important to note that the City will never realize these losses as its investment policy is to buy and hold.

In 2022, the City recognized $34.5 million in **capital grants and contributions**, a decrease of $8.5 million from the 2021 capital grants and contributions of $43 million, as a result of fewer special assessments being charged to property tax payers in 2022. The amount of specials assessed will fluctuate year over year depending on timing and the activity levels of new developments in Wichita.

The City's **franchise tax revenues** are based on agreements between the City and utility providers (i.e., natural gas, electricity, water and sewer, telephone, video and cable TV). Franchise tax revenue grew $7.8 million or 16.4% over 2021, with $7 million of the increase in electric and natural gas franchise tax revenues. Several factors attributed to this growth, including weather conditions, economic activity, rate setting approvals and the price of natural gas.

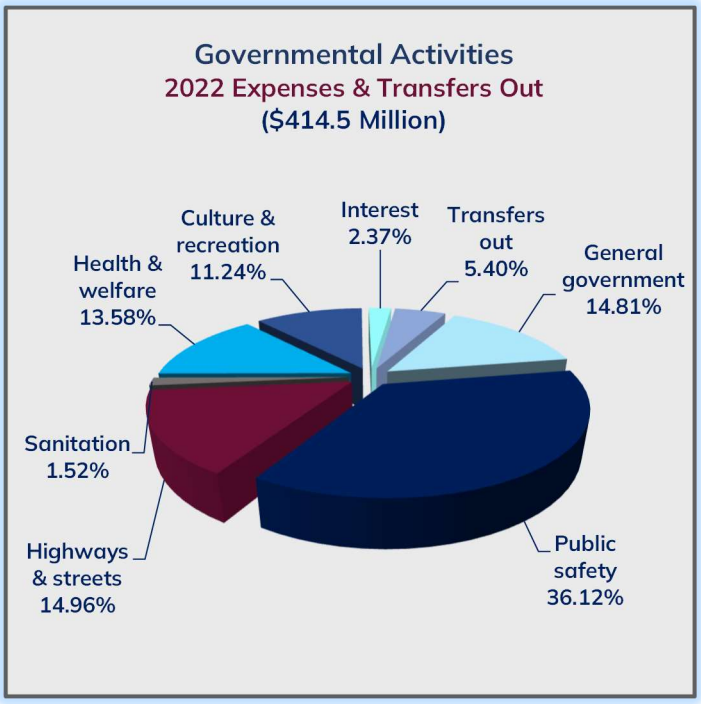
The City's **local sales tax revenues** are generated by the City's share, approximately 58.3%, of the county-wide one-cent sales tax. Revenue growth for sales tax in 2021 and 2022 have been uncharacteristically strong, as evidenced in the five-year chart to the right. The City's sales tax revenue increased $7.7 or 10.7% in 2022.



Operating grants and contributions declined $7.2 million, primarily due to fluctuations in the recognition of pandemic related federal grants in 2022. The City's grant fund contributed approximately $6.9 million towards this decrease with two major fluctuations within its functions: (1) an increase in the general government function of $3.7 million, which was offset by (2) a decrease in the health and welfare function of nearly $11 million.

- The general government function increased due to the City recognizing more ARPA revenue in 2022 than 2021.
- The decrease in the health and welfare function was primarily due to the recognition of housing related pandemic grants to assist citizens with rent and utility assistance.

Expenses: As a whole, the cost of governmental activities in 2022 was consistent with the prior year at $392.1 million in expenses versus $385.6 million in 2021, an increase of $6.5 million or 1.7%. However, there were noteworthy fluctuations within four functions, as discussed below.



(1) General government expenses were $61.4 million in 2022, an increase of $8.1 million or 15.2% over 2021 at $53.3 million. The increase was driven by an increase in ARPA expenditures of $4.6 million and public improvements that didn't meet the capitalization threshold.

(2) Public safety continues to be a priority for the City, and accordingly, it comprises the largest expense category at 38.2% of total of governmental activities expense (36.1% of total governmental activities expenses and transfers out). In 2022, public safety expenditures were $149.7 million as compared to 154.2 million in 2021, a decline of $4.5 million. However, this decrease is entirely related to a non-cash reduction in pension expense in accordance with generally accepted accounting principles (GAAP) as a result of the City's net pension liability becoming a net pension asset in 2022. See Note 7 for further information.

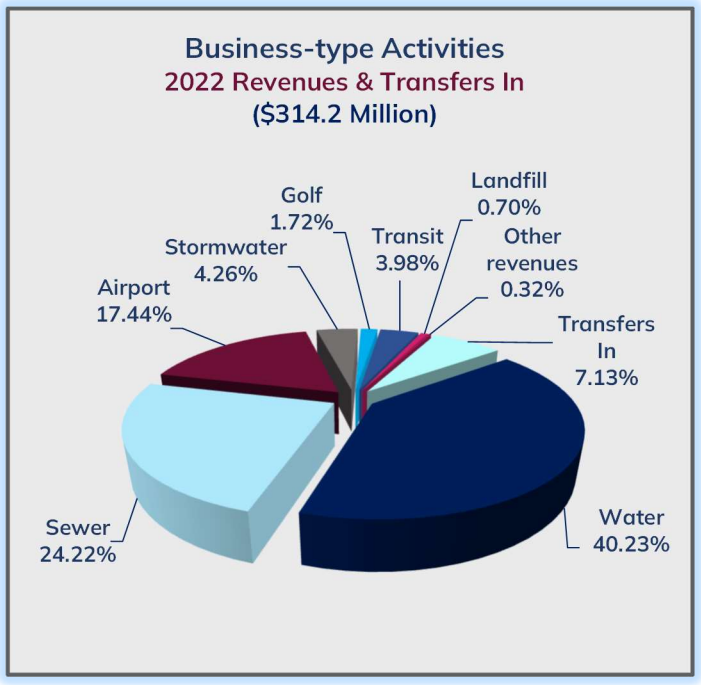
(3) In 2022, health and welfare expenses of $56.3 million were $6.1 million or 9.8% lower than 2021 at $62.4 million. The City's expenses for housing related pandemic grants, including payments to assist citizens with rent and utilities, declined in 2022 as these non-recurring grant funds were exhausted.

(4) In 2022, the City incurred $46.6 million in culture and recreation expenses, an increase of $4.5 million or 10.7% over the prior year. This increase is primarily due to increased activity levels following the pandemic.

Transfers out: Transfers to business-type activities of $22.4 million was very consistent with 2021. Governmental activities transferred funds to the Transit Fund to supplement its operations, as well as, completed infrastructure assets of the Utility and Landfill programs. The assets transferred to the Utilities are primarily for special assessment funded infrastructure (i.e., water, sewer and stormwater).

BUSINESS-TYPE ACTIVITIES

The net position of business-type activities grew $93.1 million in 2022 versus $80.3 million in 2021. The greatest increase in net position resulted from (1) activities in the Water Utility, Sewer Utility and Airport Authority programs with additions to net position of $32.5 million, $21 million and $16 million, respectively, and (2) transfers in from governmental activities of $18.1 million. These transfers in are to supplement Transit's operations and for contributions of completed capital assets to the Utilities and Landfill.



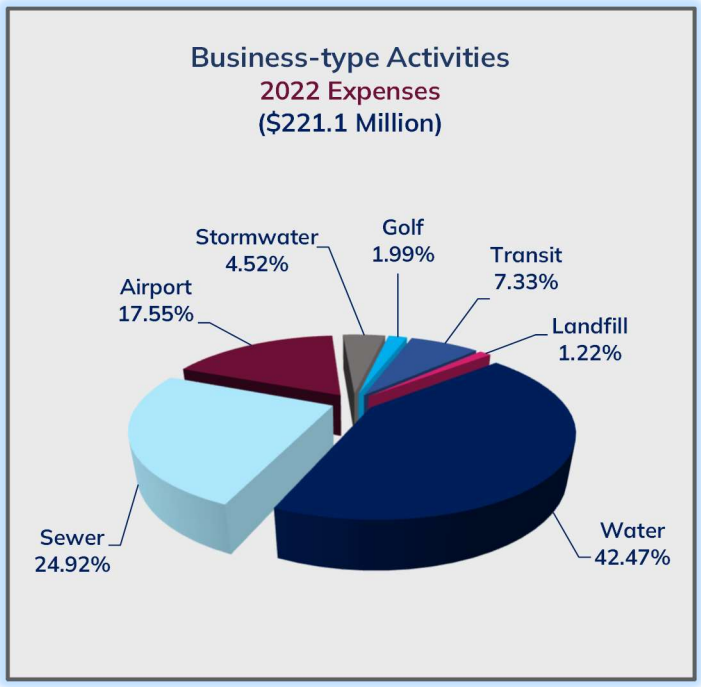
Revenues: Business-type activities revenue, excluding transfers of $22.4 million, totaled $291.8 million. This represents an increase of nearly $31.5 million over the 2021 revenues of $260.3 million.

Charges for services for business-type activities grew $20.4 million or just over 8.6% in 2022, with all but Transit and Landfill experiencing increases. The Water Utility charges for services increased $13.4 million or 11.9% due to a combination of increased water consumption and rate

increases. The Airport's charges for services experienced strong growth again in 2022, with an increase of nearly $3.5 million or 11.9% as a result of improved airline traffic and continued recovery in the travel and leisure sector. Finally, the Landfill Fund, with charges for services of $2.2 million, became an enterprise fund in 2022 (from a special revenue fund).

Operating grants and contributions increased $13.8 million in 2022. In 2022, the Airport recognized nearly $13.1 million in non-recurring pandemic related federal funding to supplement its operations.

In 2022, business-type activities had **capital grants and contributions revenues** of $10.4 million, a reduction of $2.8 million or 21.2% from the prior year, with decreases in the Utility and Airport programs. The Utilities receive private contributions annually for infrastructure built by the private sector. These additions become assets of the Utilities as they are responsible for the ongoing maintenance and contributions will fluctuate as projects are completed by the private sector. Annually, the Airport Authority receives federal funding for runway and other airport capital asset construction, which can fluctuate year over year depending on the timing of those projects. The Airport recognized $9 million in capital contributions in the current year, a decrease of $1 million over the prior year.



Expenses: The cost of business-type activities for 2022 at $221.1 million increased $18.4 million or 9.1% over 2021's expenses of $202.7 million. The Water and Sewer Utility account for 67.4% of the business-type activity expenses in 2022. The Water and Sewer Utility also had the largest increases in expenses for 2022 at $11 million and $3.1 million, respectively.

The Water Utility incurred approximately $6.1 million or 9.1% in additional operational expenses, which is consistent with its increased revenue in charges for services at 11.9%. The remainder of the increase for the Water and Sewer Utilities expense relates to increased costs for repairs and maintenance of the water and sewer systems that were not eligible for capitalization.

Finally, the Landfill, which became a business-type activity in 2022, incurred expenses of $2.7 million. These costs were included in governmental activities in 2021 and prior.

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.

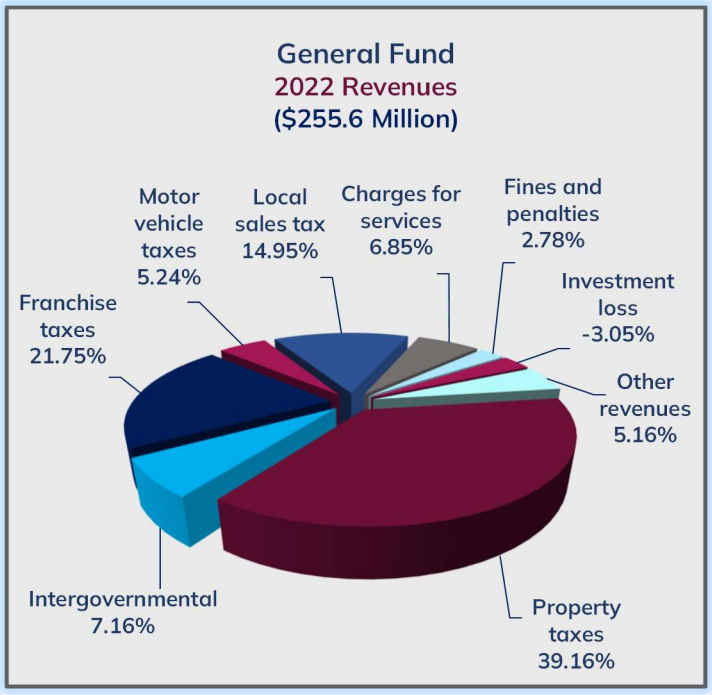
At December 31, 2022, the governmental funds had $225.4 million in cash and cash equivalents; $1.4 million in cash at escrows, primarily for specific capital projects; and $13.6 million in restricted investments. The governmental funds reported a combined ending fund balance of $22.4 million in 2022 as compared to $14.6 million at the close of 2021[1]. The $7.8 million increase in fund balance largely resulted from (1) a $4.3 million decrease in the General Fund, (2) a $2.6 million increase in the Debt Service Fund, (3) a $2.7 million decrease in the Grants and Other Assistance Fund and (4) a $12.2 million increase in nonmajor governmental funds.

The **General Fund** is the major operating and taxing fund of the City of Wichita. At the close of 2022, the General Fund and its combined subfunds had a fund balance of $49.4 million dollars, a decrease of $4.3 million from the prior year. The unassigned fund balance represents the portion of the General Fund's fund balance that has not otherwise been restricted, committed or assigned to specific purposes and can be an important indicator in the health and flexibility of the City's General Fund. As of December 31, 2022, approximately $44.2 million or 89.4% of the General Fund's fund

[1] The 2021 figure excludes the Landfill's fund balance of $4.55 million, as the Landfill was reclassified as an enterprise fund in 2022. See Note 21.

balance was unassigned. The General Fund also had approximately $5.2 million in assigned fund balance for encumbrances and the activity of its economic development subfund, with the remaining $14,000 of its fund balance being nonspendable in the form of prepaid expenditures.

Revenue of the General Fund and its subfunds, excluding transfers, grew $2.6 million over the prior year. Nearly all revenues of the General Fund experienced recovery or growth in 2022, with some even returning to or exceeding pre-pandemic levels. The most significant fluctuations in revenue were as follows:



(1) The General Fund recorded an investment loss of $7.8 million on a modified accrual basis (GAAP) in 2022 versus investment earnings of $1.4 million in 2021, a decrease of $9.2 million. The investment loss is a combination of the City's realized investment income of $6.7 million which was offset by a $14.5 million unrealized loss on its pooled investments. This loss is strictly due to interest rates in the market rising faster than the average yield-to-maturity of its portfolio. It is important to note that the unrealized losses will not be realized as the City's investment policy is to buy and hold.

(2) Franchise taxes at $55.6 million grew just over $7.8 million in 2022 over 2021, with the majority in electric and natural gas franchise taxes. Several factors attributed to the growth in franchise tax revenues, including weather conditions, economic activity, rate setting approvals and the price of natural gas.

(3) Sales tax revenues of $38.2 million continued to perform well again in 2022, increasing $3.6 million or 10.5% over 2021, due to a combination of inflation and economic strength.

(4) Property taxes were $100.1 million for 2022, an increase of $3.9 million over 2021 property tax revenue of $96.2 million due to continued growth in assessed valuation, as the levy and collection rates were consistent with 2021.

(5) Fines and penalties came in at $7.1 million, down $2.3 million from 2021 revenues of $9.4 million. This decrease is due to a combination of lower levels of enforcement activity and a decline in delinquent collections, which were particularly strong in 2021.

In 2022, the General Fund had expenditures of nearly $255.6 million, an increase of $10.5 million or 4.3% over the prior year. The general government and public safety functions had the largest dollar increases of $1.8 million (4.7%) and $6.1 million (3.9%), respectively. The increases in expenditures are primarily related to wage growth, as personnel costs comprised just over 70% of the expenditures in the General Fund for 2022. Public safety continued to be a priority for the City at 63.7% of the General Fund's expenditures.

General Fund Expenditures by Function
Fiscal years 2018 through 2022
(dollars in millions)

	2018	2019	2020	2021	2022	2022 Percent of Total
General government	$ 36.3	$ 37.2	$ 38.9	$ 38.3	$ 40.1	15.7%
Public safety	142.0	145.3	138.8	156.7	162.8	63.7%
Highways and streets	12.8	13.5	15.8	15.0	15.7	6.1%
Sanitation	5.7	5.7	5.0	5.1	5.9	2.3%
Health and welfare	1.9	1.3	1.4	1.3	1.7	0.7%
Culture and recreation	30.2	30.6	28.9	28.7	29.4	11.5%
Total expenditures	**$ 228.9**	**$ 233.6**	**$ 228.8**	**$ 245.1**	**$255.6**	**100.0%**

The fund balance of the **Debt Service Fund** and its subfunds ended at $29.7 million for 2022, an increase of $2.6 million or 9.7% over 2021. Revenues increased slightly over the prior year, while debt service expenditures stayed very consistent, to produce revenues in excess of expenditures of $6.7 million. Transfers in from other funds, primarily for debt service reimbursements for LST and TIF bonds, increased $2.7 million; which was offset by increased transfers out to other funds, to cash fund capital projects, of $7.4 million.

The **Grants and Other Assistance Fund** became a major fund in 2020 due to increased grant activity related to the pandemic and was still a major fund in 2021 and 2022. The Grants and Other Assistance Fund experienced a $2.7 million decrease in fund balance due to expenditures temporarily exceeding revenues.

Revenues and **transfers in** of $56.4 million were down $8.4 million or 12.9% from 2021 revenues and transfers in of $64.8 million. The change in revenue recognized is primarily due to an increase in revenues of the general government function for ARPA related grants, followed by a decrease in the health and welfare function related to less (non-recurring) pandemic related grant revenues being recognized.

Conversely, **expenditures** of $59.2 million increased $2.8 million or 5% over the prior year. The majority of this increase was seen in the general government function for the City's ARPA grant.

Nonmajor Governmental Funds: The Street Improvement Fund and the Public Improvement Construction Fund became nonmajor funds in 2022, after being considered major funds for several years. This change is due to decreased activity levels as the main East Kellogg expansion and several large public improvement projects, including the Riverfront Baseball Stadium, have been completed.

Fund Balance (Deficit) and Temporary Notes
Nonmajor Governmental Funds
(dollars in millions)

	2022	2021*
Special revenue funds*	$ 64.4	$ 62.1
Capital project funds	(133.8)	(143.7)
Permanent fund	1.6	1.6
Total fund deficit	**$ (67.8)**	**$ (80.0)**
Temporary notes payable	$131	$136.1

** Landfill Fund removed from 2021 for comparison. See Note 21 Fund Type Reclassification for further information.*

As of December 31, 2022, the fund balance of the nonmajor governmental funds was a deficit of $67.8 million, an improvement of $12.2 million over the 2021 deficit of $80 million. The special revenue funds and permanent fund were consistent with the prior year, with the majority of the improvement in the capital project funds. The City's governmental fund capital projects are normally at a deficit until they are permanently financed, as they are funded through the issuance of temporary notes while in progress. Temporary notes, as they are short-term financing, do not have an effect on the fund balance. For further information, see Note 4 – Fund Balance Deficits and Note 11 - Temporary Notes Payable.

ENTERPRISE FUNDS

The increase in net position from operations of the Enterprise Funds totaled $93.3 million in 2022, with the largest increases coming from the Water Utility, Sewer Utility, Airport Authority, and Stormwater Utility, respectively.

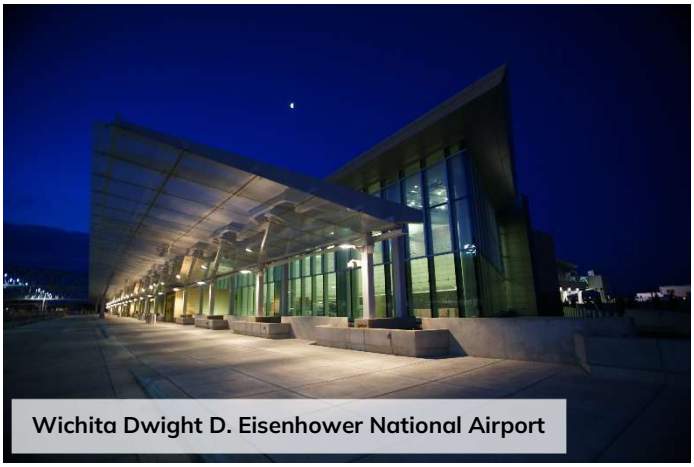
Net Position of Proprietary Funds
(dollars in millions)

	2022	2021*
Water Utility	$ 589.8	$ 555.4
Sewer Utility	427.5	401.5
Airport Authority	223.0	206.2
Stormwater Utility	210.3	198.7
Golf Course System	(1.3)	(2.3)
Transit	29.7	29.0
Landfill	7.3	4.5
Total Net Position	**$ 1,486.3**	**$ 1,393.0**

** See Note 21 Fund Type Reclassification for further information.*

The **Water Utility** Fund, which accounts for the operation and maintenance of the water supply system, recognized an increase in net position of nearly $34.5 million in 2022 as compared to $33.9 million in the prior year. Operating revenues surpassed operating expenses by nearly $53.2 million and increased $7.1 million or 15.4% over 2021. Two major factors contributed to the growth in the Water Utility's revenues in 2022: (1) an increase in water consumption as a result of weather and (2) scheduled rate increases to ensure adequate resources for operations, capital maintenance and capital investments. The Water Utility is currently constructing its $550 million Northwest Water Treatment Plant (NWWTP), which is being funded by revenue bonds and loans.

The **Sewer Utility**, which accounts for the wastewater treatment system, increased its net position by $26 million. This increase is primarily due to revenues continuing to exceed expenses, as revenues and expenses were consistent with the prior year. The Sewer Utility has one very large capital project currently underway, its Biological Nutrient Removal (BNR) project, which has an estimated budget of $377 million.


Wichita Dwight D. Eisenhower National Airport

The **Airport Authority Fund** captures the financial activity for the Dwight D. Eisenhower National Airport, serving commercial airlines, as well as the Jabara Airport which serves smaller aircraft. The Airport's net position grew by $16.8 million in 2022 as compared to $2.8 million in 2021. The Airport Authority's operating revenues of $33.1 million increased $3.8 million or 13% as air traffic continues to improve. Expenses at $33.4 million also grew, but by a lesser amount of $2.1 million or 6.8%. The increase in personnel costs due to wage growth was offset by the Airport's decrease in pension expense, with personnel expenses actually decreasing slightly. The largest driver for the Airport's increase in net position in 2022 was the recognition of $13.1 million in non-recurring pandemic related operating grants.

The **Stormwater Utility** is funded from fees paid by customers. The Utility operates seven pump stations, which move excess surface water from heavy rains. The addition to net position of the Stormwater Utility Fund was $11.6 million for 2022, a decline of $3.7 million from the 2021 increase in net position of $15.3 million. This decrease was largely due to a lower amount of capital contributions of $3.7 million. Operating revenues and expenses for 2022 were consistent with the prior year.

In the **nonmajor enterprise funds**:


Auburn Hills Golf Course

- The net position of the **Golf Fund** increased by $1 million which is only $0.2 million lower than 2021 at $1.2 million. This increase in net position changed its negative net position from $2.3 million to $1.3 million. The Golf Fund's negative fund position is affected by a long-term interfund loan from the Debt Service Fund. For further information about the Fund's deficit net position and the City's plans to address it, see Note 4.
- The **Transit Fund's** net position continued to increase slightly in 2022, up $0.7 million over 2021. The Transit Fund's operating loss of $14.1 million was supplemented by almost $10 million in operating grants and a $4.5 million transfer from other funds and was fairly consistent with the prior year.
- In 2022, the Landfill Fund's fund type was reclassified from a special revenue fund to an enterprise fund, and is considered nonmajor. The net position of the **Landfill Fund** increased by $2.7 million, primarily from capital contributions of $3.2 million from governmental activities, as a result of its fund type conversion.

GENERAL FUND BUDGETARY HIGHLIGHTS

The **budgetary fund balance** of the General Fund grew by $4.6 million in 2022. General Fund revenues and other sources of approximately $274.6 million exceeded its Final Budget by $7.6 million; while its expenditures and other uses of $270.2 million were below the revised budget by $0.9 million.

In 2022, almost all **revenues** exceeded the prior year and were fairly consistent with the revised budget, with three notable differences.

(1) **Franchise tax revenues** exceeded the Final Budget by $6.3 million and 2021 by $7.8 million. Electric and natural gas franchise taxes accounted for $7 million of this increase. Franchise taxes can fluctuate based on weather conditions, economic activity, rate setting approvals and the price of natural gas. The City does not anticipate the growth in 2022 will be sustained in the future.

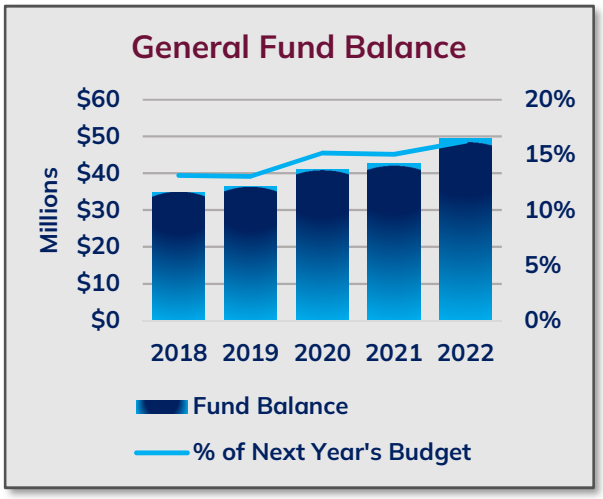
(2) **Intergovernmental revenues**, while fairly consistent with the prior year, were almost $3.8 million less than the Final Budget. The City had budgeted for the use of ARPA funds to supplement rehiring to pre-pandemic levels; however, this funding was not needed due to the strong performance of other revenues in the General Fund and was reallocated to other uses.

(3) **Interest earnings** of $6.7 million exceeded the budget and the prior year by $4.1 million and $5.3 million, respectively. Interest earnings on a budgetary basis are recognized based on amortized cost and not fair market

value (a difference with its GAAP financial statements) as this more closely shows the revenue the City will realize as its investment policy for its pooled funds is to buy and hold.

Property taxes and local sales tax also performed well in 2022 and exceeded the prior year, but to a lesser degree. Property taxes benefited from continued assessed valuation growth, while local sales taxes were increased due to inflation and continued economic strength.

Actual **expenditures** (excluding transfers) were approximately $0.9 million or 0.4% below the final budget and were $12.1 million or 4.9% above 2021 expenditures, with the largest increase in the public safety function. Public safety expenditures continued to be a priority for the City at $163.3 million or 63.7% of total expenditures and accounted for $6.6 million of the increase in General Fund expenditures. Personnel expenditures in public safety made up approximately half of the increase, with the rest in contractual services and material and supplies. General government and highways and streets were the functions with the next largest dollar increases at $2.2 and $1.1 million respectively.



Fund Balance Analysis: On a budgetary basis, the General Fund ended 2022 with a fund balance of $47.2 million, or 15.5% of the 2023 Adopted Budget, including an appropriated reserve of $28.3 million. This 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 AND RIGHT-TO-USE ASSETS

At the end of 2022, the City of Wichita reported nearly $3.4 billion in capital assets and right-to-use assets net of depreciation/amortization, which is comparable to the amount reported at the end of 2021. Assets are acquired through direct investments by the City, capital contributions, grants and from street and right-of-way dedications. The City's capital assets include land, buildings, machinery, equipment, vehicles, parks, roads, water and sewer treatment facilities, airports, golf courses and many other assets (which are summarized in a table on the following page). Additional information on capital and right-to-use assets can be found in Note 6 – Capital and Right-to-Use Assets. Also, see Note 20C and 20D for information on the City's outstanding construction and capital commitments.

Major capital outlays in the City's governmental activities during 2022 included the following projects:

- Arterial streets and bridges totaling almost $9.4 million, including $3.3 million for Pawnee Street, Webb to Greenwich and $2.3 million for the North Amidon Bridge over the Arkansas River.
- Neighborhood paving projects totaling $12 million.
- Investment of $3 million in snow and heavy fleet equipment replacements.
- Improvements of parks and recreation assets totaling $8.3 million, including $1.5 million for Chester I. Lewis Reflection Park and $2.4 million in pool rehabilitations and $2.4 million in splash pad construction as a part of the City's aquatics master plan.

The most significant capital asset investments in 2022 for the business-type activities are listed below:

- Water Utility infrastructure improvements of approximately $139.9 million, including nearly $127.4 million for construction of the Northwest Water Treatment Facility.
- Sewer Utility infrastructure improvements totaling $16.2 million, including $10.7 million for construction of the Biological Nutrient Removal (BNR) project.
- Airport improvements totaling $11.7 million, including $5 million in runway and apron reconstruction, $2.6 million in fuel farm rehabilitation, and $2.9 million in side street paving and asphalt.

- The Utilities and Landfill also received $18.1 million in capital contributions from governmental activities in 2022.

Primary Government
Capital and Right-to-Use Assets, Net of Accumulated Depreciation/Amortization
As of December 31,
(dollars in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		
	2022	2021	2022	2021	2022	2021	Percent Change
Land	$ 272.0	$ 274.4	$ 51.6	$ 49.9	$ 323.6	$ 324.3	(0.2%)
Airfields	-	-	52.8	57.5	52.8	57.5	(8.2%)
Buildings & improvements	351.6	336.6	1,504.3	1,455.2	1,855.9	1,791.8	3.6%
Equipment	44.3	43.7	70.8	72.9	115.1	116.6	(1.3%)
Infrastructure	632.7	599.9	-	-	632.7	599.9	5.5%
Construction in progress	102.9	158.9	306.7	221.9	409.6	380.8	7.6%
Total capital assets, net	**$1,403.5**	**$1,413.5**	**$1,986.2**	**$1,857.4**	**$3,389.7**	**$3,270.9**	**3.6%**

Note: The 2022 balances include a restatement for the implementation of GASB 87 – Leases. See Note 12 for further information.

LONG-TERM BONDED DEBT

At year-end, the City had nearly $1.1 billion in outstanding bonds. Of this amount, outstanding general obligation bonds payable from governmental activities revenue sources totaled $303.4 million. The City also held $131 million in general obligation temporary notes, all held by governmental capital project funds. Bonded debt of the City of Wichita increased by $68.2 million in 2022, with governmental activities and business-type activities debt increasing $0.4 and $67.8 million, respectively. The largest increase for business-type activities was in the Water Utility, which issued $112.6 million in 2022. A majority of the Water Utility's debt issued was to fund the Northwest Water Treatment Plant.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
Revenue Source	2022	2021	2022	2021	2022	2021
Ad valorem property taxes	$ 51.9	$ 51.5	$ -	$ -	$ 51.9	$ 51.5
Special assessments	156.5	150.0	-	-	156.5	150.0
Tax increment financing	27.1	22.3	-	-	27.1	22.3
Transient guest tax	2.4	2.4	-	-	2.4	2.4
Local sales tax	65.5	76.8	-	-	65.5	76.8
Enterprise funds	-	-	760.7	700.1	760.7	700.1
Total bonds payable	**$ 303.4**	**$ 303.0**	**$ 760.7**	**$ 700.1**	**$ 1,064.1**	**$ 1,003.1**

Note: The 2021 balances include Special Facility Revenue Bonds (SFRBs) which were removed from the 2022 financial statements due to implementation of GASB 91 – Conduit 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 Aa2 from Moody's Investors Service. The Water and Sewer Utilities hold a rating of AA- from Standard and Poor's.

Kansas state statutes limit the amount of general obligation bonds a City can issue to 30% of the equalized tangible valuation. The 2022 limitation for the City was slightly above $1.4 billion, with a legal debt margin of $1.05 billion. More detailed information regarding long-term debt is located in Note 10 – Long-term Obligations, the Additional Information Section, as well as the Statistical Section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

After increased unemployment due to the pandemic, employment numbers rebounded in 2021 with total employment in the Wichita Metropolitan Statistical Area (MSA) growing by an estimated 1.7%. This represented a job gain of 5,333 (compared to the pandemic downturn). Employment increased an additional 2.3% in 2022, representing an additional 6,697 jobs. This measure is expected to grow an additional 1.0% in 2023.

Average Annual Unemployment Rates			
	Wichita	Wichita MSA	Nation
2018	3.8%	3.6%	3.9%
2019	3.5%	3.4%	3.7%
2020	9.0%	8.1%	8.1%
2021	4.9%	4.4%	5.4%
2022	3.4%	3.2%	3.6%

Economic indicators continued to illustrate Wichita's recovery throughout 2021 with inflation-adjusted retail sales growing 20% from March 2020 to March 2021. Similarly, in April 2020, the CEDBR's Wichita Current Conditions Index declined to its lowest recorded level ever but had recovered substantially by the end of 2021. Continued growth in this measure occurred in 2022.

Wichita's real estate market provides another indication of the underlying strength of the Wichita economy. Home prices continued to grow in 2022. Downtown Wichita has also benefited from significant investment. In 2022, the $75 million Kansas Health Science Center campus opened in downtown Wichita. This campus revitalized several historic buildings in the downtown core. Across the river from downtown in the Delano neighborhood, a significant amount of investment has been made in the past few years, including the construction of a $40 million apartment building development, 225 Sycamore, and the new $83 million Riverfront Stadium. Plans call for continued investment around Riverfront Stadium, including a new riverfront hotel, restaurants and office space that will be built immediately east of the stadium.

Wichita's retail sector grew significantly in 2021, and this growth continued in 2022. Further growth is forecasted in 2023, although at a slower pace, as excess liquidity eventually decreases. Growth in the manufacturing sector in 2022 resulted in job gains, and additional growth is anticipated in 2023. Local production on the Boeing 737 Max resumed in the spring of 2020 at Spirit AeroSystems, Wichita's largest private employer, but production is not expected to reach 2019 levels until 2023.

While uncertainty has declined, economic uncertainty and recessionary risks remain elevated due to both national and local factors. Nationally, international issues such as the Russian Federation's invasion of Ukraine and the associated concern over the trade of commodities such as petrochemical products, food, etc. are expected to impact portions of the United States, but it is not anticipated to greatly impact the Kansas economy. However, inflation and the anticipated monetary policy strategies to combat inflation could impact local economic conditions.

The City's budget has been able to successfully navigate pandemic-related revenue losses due to the federal stimulus provided by the American Rescue Plan Act (ARPA). The City received over $72 million in federal funding from ARPA which has been used to support small business, enhance job training, address affordable housing issues and cash fund infrastructure projects. This funding is expected to buffer any adverse impacts on the General Fund Budget through 2024.

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.

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STATEMENT OF NET POSITION

December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Wichita RAD Senior LP
ASSETS				
Cash and cash equivalents	$ 300,461,337	$ 216,948,416	$ 517,409,753	$ 703,925
Investments	12,530,437	-	12,530,437	-
Receivables, net:				
Due from other agencies	3,312,955	1,513,504	4,826,459	-
Accounts receivable	314,304,653	30,046,272	344,350,925	28,595
Notes receivable	1,262,140	-	1,262,140	-
Leases receivable	2,132,640	40,365,489	42,498,129	-
Internal balances	4,721,797	(4,721,797)	-	-
Inventories	1,659,726	5,394,146	7,053,872	-
Prepaid items	7,084,316	655,260	7,739,576	33,052
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	1,949,496	203,672,190	205,621,686	16,477,836
Investments	836,650	-	836,650	-
Permanently restricted:				
Investments	235,437	-	235,437	-
Net pension asset	43,004,490	6,323,845	49,328,335	-
Capital and lease assets:				
Land and construction in progress	374,889,909	358,286,225	733,176,134	11,311,080
Other capital and lease assets, net	1,028,680,209	1,627,891,953	2,656,572,162	11,970,457
Total capital and lease assets, net	1,403,570,118	1,986,178,178	3,389,748,296	23,281,537
Total assets	2,097,066,192	2,486,375,503	4,583,441,695	40,524,945
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized refunding costs	155,538	10,322,682	10,478,220	-
Deferred outflows related to pensions	76,592,894	11,878,444	88,471,338	-
Deferred outflows related to OPEB	5,554,980	1,397,441	6,952,421	-
Total deferred outflows of resources	82,303,412	23,598,567	105,901,979	-

(Continued)

STATEMENT OF NET POSITION (CONTINUED)

December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Wichita RAD Senior LP
LIABILITIES				
Accounts payable and other liabilities	$ 22,760,282	$ 35,445,186	$ 58,205,468	$ 1,588,969
Accrued interest payable	2,714,464	4,405,534	7,119,998	31,107
Temporary notes payable	130,955,000	-	130,955,000	-
Deposits	2,412,355	3,272,977	5,685,332	8,657
Unearned revenue	77,330,314	2,744,351	80,074,665	12,366
Due to other agencies	429,348	74,056	503,404	-
Noncurrent liabilities, including claims payable:				
Due within one year	59,035,532	47,886,399	106,921,931	-
Due in more than one year	394,743,568	858,635,118	1,253,378,686	36,782,794
Total liabilities	690,380,863	952,463,621	1,642,844,484	38,423,893
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	136,642,689	-	136,642,689	-
Unamortized refunding costs	148,841	990,443	1,139,284	-
Deferred inflows related to leases	2,109,923	40,383,985	42,493,908	-
Deferred inflows related to pensions	141,477,678	24,991,521	166,469,199	-
Deferred inflows related to OPEB	11,578,562	3,676,999	15,255,561	-
Total deferred inflows of resources	291,957,693	70,042,948	362,000,641	-
NET POSITION				
Net investment in capital assets	890,452,836	1,066,165,316	1,956,618,152	1,392,945
Restricted for:				
Capital projects	48,767,140	8,951,317	57,718,457	-
Operating projects	-	8,112,467	8,112,467	-
Highways and streets	24,887,978	-	24,887,978	-
Debt service	198,169,234	-	198,169,234	-
Revenue bond covenants	-	182,876,622	182,876,622	-
Cemetery:				
Expendable	1,383,939	-	1,383,939	-
Nonexpendable	235,437	-	235,437	-
Other purposes	35,282,740	-	35,282,740	708,107
Unrestricted	(2,148,256)	221,361,779	219,213,523	-
Total net position	$ 1,197,031,048	$ 1,487,467,501	$ 2,684,498,549	$ 2,101,052

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

STATEMENT OF ACTIVITIES

For the year ended December 31, 2022

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 61,435,850	$ 25,294,884	$ 7,837,285	$ 1,611,493
Public safety	149,733,749	4,895,220	4,977,509	38,192
Highways and streets	62,033,519	5,671,507	15,511,301	31,924,866
Sanitation	6,271,119	-	-	-
Health and welfare	56,333,902	1,702,062	46,529,862	19,883
Culture and recreation	46,585,621	6,641,040	4,160,324	874,000
Interest on debt	9,748,033	-	-	-
Total governmental activities	392,141,793	44,204,713	79,016,281	34,468,434
Business-type activities:				
Water Utility	93,902,389	126,164,734	-	281,470
Sewer Utility	55,140,271	75,654,056	-	492,818
Airport Authority	38,785,420	32,706,177	13,072,165	9,002,497
Stormwater Utility	9,996,480	13,082,366	-	340,000
Golf Course System	4,431,014	5,414,625	-	-
Transit	16,241,264	1,341,090	10,795,165	322,172
Landfill	2,675,179	2,198,996	-	-
Total business-type activities	221,172,017	256,562,044	23,867,330	10,438,957
Total primary government	$ 613,313,810	$ 300,766,757	$ 102,883,611	$ 44,907,391
Component unit:				
Wichita RAD Senior, L.P.	$ 843,165	$ 1,442,668	$ -	$ -

General revenues:	
Property taxes	
Sales taxes	
Franchise taxes	
Motor vehicle taxes	
Transient guest taxes	
Interest and investment earnings (loss)	
Miscellaneous	
Transfers	
Total general revenues and transfers	
Change in net position	
Net position - beginning, as previously stated	
Prior period adjustment [1, 2]	
Net position - beginning, as adjusted	
Net position - ending	

[1] The Landfill Fund was reclassified from a special revenue fund to an enterprise fund in 2022. See Note 21 (Reclassification of Fund Type) in the Notes to the Financial Statements for further information.

[2] See Note 12 (Leases) in the Notes to the Financial Statements for further information.

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Wichita RAD Senior LP
$ (26,692,188)	$ -	$ (26,692,188)	$ -
(139,822,828)	-	(139,822,828)	-
(8,925,845)	-	(8,925,845)	-
(6,271,119)	-	(6,271,119)	-
(8,082,095)	-	(8,082,095)	-
(34,910,257)	-	(34,910,257)	-
(9,748,033)	-	(9,748,033)	-
(234,452,365)	-	(234,452,365)	-
-	32,543,815	32,543,815	-
-	21,006,603	21,006,603	-
-	15,995,419	15,995,419	-
-	3,425,886	3,425,886	-
-	983,611	983,611	-
-	(3,782,837)	(3,782,837)	-
-	(476,183)	(476,183)	-
-	69,696,314	69,696,314	-
(234,452,365)	69,696,314	(164,756,051)	-
-	-	-	599,503
133,833,672	-	133,833,672	-
79,945,247	-	79,945,247	-
55,552,327	-	55,552,327	-
17,072,345	-	17,072,345	-
11,965,088	-	11,965,088	-
(7,686,603)	103,896	(7,582,707)	(885,280)
2,351,721	866,690	3,218,411	14,145
(22,374,994)	22,374,994	-	-
270,658,803	23,345,580	294,004,383	(871,135)
36,206,438	93,041,894	129,248,332	(271,632)
1,165,087,283	1,389,872,268	2,554,959,551	2,372,684
(4,262,673)	4,553,339	290,666	-
1,160,824,610	1,394,425,607	2,555,250,217	2,372,684
$ 1,197,031,048	$ 1,487,467,501	$ 2,684,498,549	$ 2,101,052

BALANCE SHEET

December 31, 2022

	General Fund	Debt Service Fund	Grants and Other Assistance Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 54,529,091	$ 26,738,409	$ 72,033,582	$ 72,135,696	$ 225,436,778
Cash with fiscal agent	-	113,266	-	1,288,955	1,402,221
Investments	-	-	12,530,437	1,072,087	13,602,524
Receivables, net:					
Property taxes	108,433,135	29,468,747	-	-	137,901,882
Special assessments	-	171,674,691	-	-	171,674,691
Due from other agencies	-	-	1,104,960	2,207,995	3,312,955
Accounts receivable	1,591,856	-	59,992	3,017,974	4,669,822
Notes receivable	-	424,492	467,892	369,756	1,262,140
Leases receivable	2,132,640	-	-	-	2,132,640
Due from other funds	165,072	5,668,420	-	45,725,401	51,558,893
Inventories	-	-	93,257	19,266	112,523
Prepaid items	13,828	-	86,389	99,184	199,401
Total assets	$ 166,865,622	$ 234,088,025	$ 86,376,509	$ 125,936,314	$ 613,266,470
LIABILITIES					
Accounts payable and other liabilities	$ 6,771,525	$ 16,582	$ 1,563,253	$ 11,172,354	$ 19,523,714
Accrued interest payable	-	-	-	1,085,847	1,085,847
Temporary notes payable	-	-	-	130,955,000	130,955,000
Deposits	487,330	461,514	1,049,002	31,080	2,028,926
Unearned revenue	148,761	3,301,034	71,932,741	1,947,778	77,330,314
Due to other agencies	-	-	259,620	169,728	429,348
Due to other funds	-	-	-	45,712,728	45,712,728
Total liabilities	7,407,616	3,779,130	74,804,616	191,074,515	277,065,877
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue:					
Property taxes	107,330,758	29,311,931	-	-	136,642,689
Unavailable revenue:					
Property taxes	538,670	-	-	-	538,670
Special assessments	-	170,884,603	-	-	170,884,603
Other	75,000	424,492	476,197	2,660,144	3,635,833
Deferred inflows related to leases	2,109,923	-	-	-	2,109,923
Total deferred inflows of resources	110,054,351	200,621,026	476,197	2,660,144	313,811,718
FUND BALANCES (DEFICITS)					
Nonspendable	13,828	-	179,646	353,887	547,361
Restricted	-	29,687,869	10,916,050	103,947,890	144,551,809
Committed	-	-	-	10,933,005	10,933,005
Assigned	5,210,179	-	-	147,297	5,357,476
Unassigned	44,179,648	-	-	(183,180,424)	(139,000,776)
Total fund balances (deficits)	49,403,655	29,687,869	11,095,696	(67,798,345)	22,388,875
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 166,865,622	$ 234,088,025	$ 86,376,509	$ 125,936,314	$ 613,266,470

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

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

December 31, 2022

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS		**$ 22,388,875**
Capital assets and right-to-use (lease) assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.		
Cost	$ 2,120,886,484	
Accumulated depreciation/amortization	(728,499,366)	1,392,387,118
Certain items, which result in a consumption of net position applicable to a future reporting period, are recognized as assets in the government-wide financial statements.		
Prepaid operating lease	6,756,015	
Net pension asset	41,586,104	48,342,119
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	155,538	
Deferred outflows related to pensions	74,019,737	
Deferred outflows related to OPEB	5,346,678	79,521,953
Long-term 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	(143,798,974)	
Special assessment bonds payable	(156,489,836)	
Sales tax revenue bonds payable	(3,170,255)	
Premiums on bonds payable	(25,971,594)	
Accrued interest on bonds payable	(1,628,617)	
Lease liability	(973,269)	
Compensated absences	(11,884,370)	
Total other post-employment benefits (OPEB) liability	(28,028,088)	
Environmental remediation liability	(32,267,676)	
Liability for future landfill closure and post-closure costs	(10,094,861)	(414,307,540)
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.		
Unamortized deferred refunding costs	(148,841)	
Deferred inflows related to pensions	(135,731,467)	
Deferred inflows related to OPEB	(11,059,828)	(146,940,136)
Accounts receivable which are not considered available to liquidate liabilities of the current period are deferred as unavailable in the funds. They are recorded as revenue in the government-wide statements.		3,635,833
Property tax receivables, from recognized levy years, which are not considered available to liquidate liabilities of the current period are deferred as unavailable in the funds. They are recorded as revenue in the government-wide statements.		538,670
Special assessment receivables are not considered available to liquidate liabilities of the current period and, therefore, are deferred as unavailable in the funds. However, they are recognized as revenue in the government-wide statements as soon as the related improvement is completed.		170,884,603
Internal service funds are used to charge the cost of certain activities, such as insurance, to individual funds. The assets, deferred inflows/outflows and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		40,579,553
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		**$ 1,197,031,048**

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2022

	General Fund	Debt Service Fund	Grants and Other Assistance Fund	Other Governmental Funds*	Total Governmental Funds
REVENUES					
Property taxes	$ 100,127,095	$ 31,307,375	$ -	$ 1,860,532	$ 133,295,002
Motor vehicle taxes	13,382,367	3,655,902	-	34,076	17,072,345
Transient guest taxes	-	-	-	11,965,088	11,965,088
Special assessments	-	21,588,425	-	559,336	22,147,761
Franchise taxes	55,552,327	-	-	-	55,552,327
Local sales tax	38,246,593	726,902	-	40,971,752	79,945,247
Intergovernmental	18,340,570	-	53,049,623	13,131,554	84,521,747
Licenses and permits	2,394,040	-	-	2,415	2,396,455
Fines and penalties	7,102,060	-	3,956	317,639	7,423,655
Rentals	1,392,459	-	310,091	1,778,653	3,481,203
Sale of property	365,992	-	61,906	701,745	1,129,643
Interest and investment earnings (loss)	(7,810,451)	1,458	14,935	107,455	(7,686,603)
Charges for services and sales	17,523,290	-	-	6,298,043	23,821,333
Premiums from the issuance of temporary notes	-	-	-	3,417,127	3,417,127
Other revenue	9,027,526	549,741	2,271,353	4,604,087	16,452,707
Total revenues	255,643,868	57,829,803	55,711,864	85,749,502	454,935,037
EXPENDITURES					
Current:					
General government	40,112,942	402,371	4,835,486	5,742,237	51,093,036
Public safety	162,806,805	-	3,812,341	6,268,187	172,887,333
Highways and streets	15,704,501	-	-	-	15,704,501
Sanitation	5,898,859	-	-	435,654	6,334,513
Health and welfare	1,698,984	-	49,084,101	3,430,892	54,213,977
Culture and recreation	29,390,159	-	1,429,738	10,639,366	41,459,263
Debt service:					
Principal retirement	-	39,613,454	-	-	39,613,454
Interest and fiscal charges	-	10,708,156	-	5,957,072	16,665,228
Other debt service	-	383,838	-	-	383,838
Capital outlay	-	-	-	87,863,162	87,863,162
Total expenditures	255,612,250	51,107,819	59,161,666	120,336,570	486,218,305
Excess (deficiency) of revenues over (under) expenditures	31,618	6,721,984	(3,449,802)	(34,587,068)	(31,283,268)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	40,045,000	40,045,000
Premiums on issuance of debt	-	432,940	-	1,150,000	1,582,940
Repayments on long-term note receivables	-	-	-	23,704	23,704
Issuance of long-term note receivables	-	-	-	(192,960)	(192,960)
Issuance of long-term lease	33,219	-	-	-	33,219
Payments on long-term lease	(116,338)	-	-	-	(116,338)
Transfers from other funds	5,627,388	16,411,817	737,550	76,723,718	99,500,473
Transfers to other funds	(9,920,795)	(20,931,327)	-	(70,923,901)	(101,776,023)
Total other financing sources (uses)	(4,376,526)	(4,086,570)	737,550	46,825,561	39,100,015
Net change in fund balance	(4,344,908)	2,635,414	(2,712,252)	12,238,493	7,816,747
Fund balances (deficits) - beginning, as previously stated	53,748,563	27,052,455	13,807,948	(75,483,499)	19,125,467
Prior period adjustment*	-	-	-	(4,553,339)	(4,553,339)
Fund balances (deficits) - beginning, as adjusted	53,748,563	27,052,455	13,807,948	(80,036,838)	14,572,128
Fund balances (deficits) - ending	$ 49,403,655	$ 29,687,869	$ 11,095,696	$ (67,798,345)	$ 22,388,875

* The Landfill Fund was reclassified from a special revenue fund to an enterprise fund in 2022. See Note 21 (Reclassification of Fund Type) in the Notes to the Financial Statements for further information.

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

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

For the year ended December 31, 2022

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS		**$ 7,816,747**
Governmental funds report capital asset and right-to-use (lease) 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 or amortization expense, respectively. This is the amount by which capital asset acquisitions exceeded depreciation in the current period.		
Depreciation/amortization expense	$ (47,404,220)	
Net capital and lease asset acquisition	56,437,380	9,033,160
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.		(798,915)
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.		(20,152,863)
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		6,512,481
Debt proceeds provide current financial resources of governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.		
Lease liability	(33,219)	
General obligation bonds payable	(17,505,000)	
Special assessment bonds payable	(22,540,000)	
Premiums on bonds payable	(1,582,940)	(41,661,159)
Repayment of debt principal is reported as an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position.		
Lease liability	116,338	
General obligation bonds payable	23,056,516	
Special assessment bonds payable	16,053,504	
Sales tax revenue bonds payable	503,434	39,729,792
The amortization of debt premiums affects long-term liabilities on the Statement of Net Position, but does not provide or consume current financial resources of the governmental funds.		3,891,785
Deferred refunding costs reduce current financial resources of governmental funds, but do not decrease long-term liabilities in the Statement of Net Position.		22,869
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	(44,645)	
Compensated absences	91,144	
Net pension (asset) liability	7,328,617	
Total other post-employment benefits (OPEB) liability	(1,781,159)	
Environmental remediation liability	(3,700,752)	
Liability for future landfill closure and post-closure costs	(550,476)	
Prepaid operating lease	(623,640)	719,089

(Continued)

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

For the year ended December 31, 2022

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

Deferred outflows related to pensions	$ (19,733,937)	
Deferred outflows related to OPEB	(1,011,044)	
Deferred inflows related to pensions	48,329,264	
Deferred inflows related to OPEB	1,644,511	$ 29,228,794

Internal service funds are used to charge the cost of certain activities, such as insurance, to the individual funds. A portion of the net revenue (expense) of certain internal service funds is allocated and reported within governmental activities. 1,864,658

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES **$ 36,206,438**

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

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts		2022	Variance with Final Budget	2021
	Original	Final*	Actual Amounts	Positive (Negative)	Actual Amounts
REVENUES					
General property taxes	$ 97,773,293	$ 97,748,293	$ 100,127,095	$ 2,378,802	$ 96,238,598
Franchise taxes	47,548,966	49,250,094	55,552,327	6,302,233	47,715,217
Motor vehicle taxes	13,547,928	13,686,897	13,382,367	(304,530)	13,388,291
Local sales taxes	33,167,410	39,218,613	38,246,593	(972,020)	34,600,874
Intergovernmental	17,816,658	22,110,326	18,340,570	(3,769,756)	18,768,626
Licenses and permits	2,647,495	2,700,541	2,394,040	(306,501)	2,177,531
Fines and penalties	8,212,188	6,603,620	7,102,060	498,440	9,362,457
Charges for services and sales	17,772,859	17,894,023	17,397,940	(496,083)	16,465,484
Rental income	821,873	796,953	833,171	36,218	1,088,101
Interest earnings	1,000,000	2,600,000	6,716,124	4,116,124	1,366,585
Sale of property	225,008	100,000	251,857	151,857	103,781
Administrative charges	4,522,087	4,762,654	4,840,606	77,952	4,882,234
Other revenue	4,200,758	4,031,423	3,882,107	(149,316)	5,252,070
Total revenues	249,256,523	261,503,437	269,066,857	7,563,420	251,409,849
EXPENDITURES					
General government	38,434,512	41,273,337	38,932,627	2,340,710	36,777,847
Public safety	163,480,891	166,156,226	163,332,827	2,823,399	156,715,676
Highways and streets	16,831,554	18,790,115	16,146,925	2,643,190	15,020,158
Sanitation	5,645,683	6,054,185	5,898,858	155,327	5,140,523
Health and welfare	1,683,724	1,761,261	1,699,204	62,057	1,356,451
Culture and recreation	30,942,284	32,634,446	30,438,924	2,195,522	29,379,742
Planned savings**	(8,187,850)	(9,311,852)	-	(9,311,852)	-
Total expenditures	248,830,798	257,357,718	256,449,365	908,353	244,390,397
Excess of revenues over expenditures	425,725	4,145,719	12,617,492	8,471,773	7,019,452
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	5,457,744	5,575,576	5,567,388	(8,188)	4,555,071
Transfers to other funds	(5,883,469)	(13,721,295)	(13,721,295)	-	(10,248,254)
Total other financing uses	(425,725)	(8,145,719)	(8,153,907)	(8,188)	(5,693,183)
Excess (deficiency) before other changes in unencumbered fund balance	-	(4,000,000)	4,463,585	8,463,585	1,326,269
OTHER CHANGES IN UNENCUMBERED FUND BALANCE					
Cancelled encumbrances	-	-	163,673	163,673	138,103
Total other changes in unencumbered fund balance	-	-	163,673	163,673	138,103
Net change in unencumbered fund balance	-	(4,000,000)	4,627,258	8,627,258	1,464,372
Unencumbered fund balance, beginning	41,092,854	41,092,854	42,557,226	1,464,372	41,092,854
Unencumbered fund balance, ending	$ 41,092,854	$ 37,092,854	$ 47,184,484	$ 10,091,630	$ 42,557,226

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

The 2022 certified expenditure budget was $283,014,267, including an appropriated reserve of $28,300,000. The adoption of the Revised Budget and subsequent adjustments included an appropriated reserve of $11,935,254.

* The final budget column reflects the certified budget (original) plus any subsequent adjustments authorized by the City Council.

** Planned savings represent the expenditure savings that each department was responsible for ensuring were met within the overall department budget.

STATEMENT OF FUND NET POSITION

December 31, 2022

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
ASSETS			
Current assets:			
Cash and cash equivalents	$ 99,707,977	$ 45,970,281	$ 35,119,628
Receivables, net:			
Due from other agencies	-	-	939,608
Accounts receivable	14,704,816	10,422,854	1,956,916
Lease receivables	-	-	5,641,784
Due from other funds	-	85,846	88,428
Inventories	4,810,122	130,387	-
Prepaid items	-	651,560	-
Restricted assets:			
Cash and cash equivalents	26,820,628	17,781,156	17,063,784
Total current assets	146,043,543	75,042,084	60,810,148
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	92,736,979	49,269,643	-
Lease receviables	-	-	34,652,636
Net pension asset	1,860,481	1,492,069	1,921,323
Capital and lease assets:			
Land	17,106,451	4,343,065	17,886,413
Airfield	-	-	207,995,132
Buildings	155,211,640	138,921,502	195,019,275
Improvements other than buildings	795,390,551	514,604,675	101,444,700
Machinery, equipment and other assets	129,650,889	71,760,355	42,568,613
Construction in progress	273,920,891	24,837,458	6,045,329
Less accumulated depreciation	(418,579,937)	(250,665,045)	(266,930,679)
Total capital and lease assets, net	952,700,485	503,802,010	304,028,783
Total noncurrent assets	1,047,297,945	554,563,722	340,602,742
Total assets	1,193,341,488	629,605,806	401,412,890
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized refunding costs	6,779,579	3,101,944	441,159
Deferred outflows related to pensions	3,625,533	2,816,100	3,401,470
Deferred outflows related to OPEB	328,264	341,201	229,287
Total deferred outflows of resources	10,733,376	6,259,245	4,071,916

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
$ 22,472,680	$ 13,677,850	$ 216,948,416	$ 75,571,834
-	573,896	1,513,504	-
2,486,458	475,228	30,046,272	58,258
-	23,490	5,665,274	-
995	9,506	184,775	-
-	453,637	5,394,146	1,547,203
-	3,700	655,260	128,900
-	-	61,665,568	-
24,960,133	15,217,307	322,073,215	77,306,195
-	-	142,006,622	-
-	47,579	34,700,215	-
405,253	644,719	6,323,845	1,418,386
7,891,012	4,412,174	51,639,115	-
-	-	207,995,132	-
9,481,468	15,794,928	514,428,813	74,242
219,048,385	15,673,943	1,646,162,254	74,907
7,561,152	37,082,418	288,623,427	47,205,954
1,405,176	438,256	306,647,110	-
(49,790,529)	(43,351,483)	(1,029,317,673)	(36,172,103)
195,596,664	30,050,236	1,986,178,178	11,183,000
196,001,917	30,742,534	2,169,208,860	12,601,386
220,962,050	45,959,841	2,491,282,075	89,907,581
-	-	10,322,682	-
748,939	1,286,402	11,878,444	2,573,157
87,923	410,766	1,397,441	208,302
836,862	1,697,168	23,598,567	2,781,459

(Continued)

STATEMENT OF FUND NET POSITION (CONTINUED)

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	$ 25,998,286	$ 6,490,250	$ 1,796,568
Accrued interest payable	150,684	-	504,916
Deposits	3,256,781	-	14,211
Due to other agencies	9,541	64,515	-
Due to other funds	335,250	-	-
Current portion of long-term liabilities:			
General obligation bonds payable	6,250,000	-	3,675,000
Claims payable	-	-	-
Lease payable	-	-	-
Compensated absences	415,480	253,896	468,576
Current liabilities payable from restricted assets:			
Accounts payable and other liabilities	-	-	51,895
Accrued interest payable	2,186,278	1,545,506	-
Revenue bonds payable	18,384,350	16,235,650	-
Total current liabilities	56,986,650	24,589,817	6,511,166
Noncurrent liabilities:			
Unearned revenue	-	-	2,603,734
Due to other funds	-	-	-
General obligation bonds payable	94,333,376	-	123,980,787
Revenue bonds payable	358,868,206	174,704,724	-
Loans payable	93,712,523	-	-
Claims payable	-	-	-
Lease payable	-	-	-
Total other post-employment benefits (OPEB) liability	1,565,020	1,422,745	1,422,745
Compensated absences	122,648	74,949	138,322
Total noncurrent liabilities	548,601,773	176,202,418	128,145,588
Total liabilities	605,588,423	200,792,235	134,656,754
DEFERRED INFLOWS OF RESOURCES			
Unamortized refunding costs	339,064	560,317	-
Deferred inflows related to leases	-	-	40,313,165
Deferred inflows related to pensions	7,455,447	6,108,546	6,873,599
Deferred inflows related to OPEB	818,511	893,496	667,828
Total deferred inflows of resources	8,613,022	7,562,359	47,854,592
NET POSITION			
Net investment in capital assets	363,404,648	309,553,394	176,001,807
Restricted for:			
Capital projects	-	-	8,951,317
Operating projects	-	-	8,112,467
Revenue bond covenants	117,371,329	65,505,293	-
Unrestricted	109,097,442	52,451,770	29,907,869
Total net position	$ 589,873,419	$ 427,510,457	$ 222,973,460

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
$ 607,187	$ 501,000	$ 35,393,291	$ 3,236,568
18,150	-	673,750	-
-	1,985	3,272,977	383,429
-	-	74,056	-
-	-	335,250	-
1,807,830	-	11,732,830	-
-	-	-	12,768,279
-	-	-	176,282
93,771	301,846	1,533,569	458,559
-	-	51,895	-
-	-	3,731,784	-
-	-	34,620,000	-
2,526,938	804,831	91,419,402	17,023,117
-	140,617	2,744,351	-
27,270	5,668,420	5,695,690	-
6,180,446	-	224,494,609	-
-	-	533,572,930	-
-	-	93,712,523	-
-	-	-	26,393,454
-	-	-	30,043
391,255	1,600,587	6,402,352	1,138,195
27,681	89,104	452,704	135,365
6,626,652	7,498,728	867,075,159	27,697,057
9,153,590	8,303,559	958,494,561	44,720,174
91,062	-	990,443	-
-	70,820	40,383,985	-
1,871,669	2,682,260	24,991,521	5,746,211
397,751	899,413	3,676,999	518,734
2,360,482	3,652,493	70,042,948	6,264,945
187,199,772	30,005,695	1,066,165,316	10,976,675
-	-	8,951,317	-
-	-	8,112,467	-
-	-	182,876,622	-
23,085,068	5,695,262	220,237,411	30,727,246
$ 210,284,840	$ 35,700,957	1,486,343,133	$ 41,703,921
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.		1,124,368	
Net position of business-type activities		$ 1,487,467,501	

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the year ended December 31, 2022

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
OPERATING REVENUES			
Charges for services and sales	$ 124,757,593	$ 75,047,170	$ 16,826,328
Fees	1,360,024	585,170	154,561
Rentals	47,117	21,716	15,725,288
Employer contributions	-	-	-
Employee contributions	-	-	-
Other operating revenues	-	344,713	350,606
Total operating revenues	126,164,734	75,998,769	33,056,783
OPERATING EXPENSES			
Personnel services	10,404,593	11,022,088	9,611,767
Contractual services	17,194,343	10,108,058	5,642,979
Materials and supplies	6,290,281	4,755,258	4,641,209
Other operating expenses	4,934,176	2,868,230	990,929
Administrative charges	732,261	439,780	426,508
Payments in lieu of franchise taxes	5,582,006	3,687,736	-
Depreciation/amortization	27,874,171	13,213,086	12,134,333
Employee benefits	-	-	-
Total operating expenses	73,011,831	46,094,236	33,447,725
Operating income (loss)	53,152,903	29,904,533	(390,942)
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment earnings	50,839	42,747	10,310
Intergovernmental grants	-	-	13,072,165
Other revenues (expenses)	(8,473,911)	(3,387,488)	59,011
Interest expense	(13,874,764)	(6,657,614)	(5,237,263)
Gain (loss) on sale of assets	49,515	(43,108)	8,623
Bond premium amortization	1,582,034	935,954	216,368
Total non-operating revenues (expenses)	(20,666,287)	(9,109,509)	8,129,214
Income (loss) before capital contributions and transfers	32,486,616	20,795,024	7,738,272
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions	2,085,773	5,421,635	9,002,497
Transfers from other funds	142	-	-
Transfers to other funds	(74,885)	(154,792)	-
Total capital contributions and transfers	2,011,030	5,266,843	9,002,497
Change in net position	34,497,646	26,061,867	16,740,769
Net position - beginning, as previously stated [1]	555,375,773	401,448,590	206,232,691
Prior period adjustment [2]	-	-	-
Net position - beginning, as adjusted	555,375,773	401,448,590	206,232,691
Net position - ending	$ 589,873,419	$ 427,510,457	$ 222,973,460

[1] The Landfill Fund was reclassified from a special revenue fund to an enterprise fund in 2022. See Note 21 (Reclassification of Fund Type) in the Notes to the Financial Statements for further information.

[2] See Note 12 (Leases) in the Notes to the Financial Statements for further information.

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
$ 12,889,458	$ 7,460,647	$ 236,981,196	$ 19,980,779
192,908	-	2,292,663	-
-	1,494,064	17,288,185	9,541,812
-	-	-	46,819,346
-	-	-	12,233,425
51,036	938,554	1,684,909	1,806,216
13,133,402	9,893,265	258,246,953	90,381,578
2,341,040	10,825,366	44,204,854	9,004,305
2,391,821	5,408,096	40,745,297	18,196,799
421,922	3,375,376	19,484,046	8,550,247
1,034,353	196,056	10,023,744	595,883
306,516	701,876	2,606,941	1,163,882
-	-	9,269,742	-
3,430,527	2,918,204	59,570,321	3,825,885
-	-	-	46,275,810
9,926,179	23,424,974	185,904,945	87,612,811
3,207,223	(13,531,709)	72,342,008	2,768,767
-	-	103,896	-
-	9,976,946	23,049,111	-
(99,670)	19,107	(11,882,951)	(1,847,358)
(272,139)	(63,617)	(26,105,397)	(10,800)
21,051	14,360	50,441	397,044
217,763	-	2,952,119	-
(132,995)	9,946,796	(11,832,781)	(1,461,114)
3,074,228	(3,584,913)	60,509,227	1,307,653
8,562,241	3,488,920	28,561,066	2,253,056
9,463	4,532,957	4,542,562	-
(60,000)	-	(289,677)	(1,977,335)
8,511,704	8,021,877	32,813,951	275,721
11,585,932	4,436,964	93,323,178	1,583,374
198,698,908	26,710,654	1,388,466,616	39,829,881
-	4,553,339	4,553,339	290,666
198,698,908	31,263,993	1,393,019,955	40,120,547
$ 210,284,840	$ 35,700,957	$ 1,486,343,133	$ 41,703,921

Increase in net position per fund statements	$ 93,323,178
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.	(281,284)
Change in net position of business-type activities	$ 93,041,894

STATEMENT OF CASH FLOWS

For the year ended December 31, 2022

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 127,147,950	$ 76,982,145	$ 31,945,510
Cash payments to suppliers for goods and services	(29,866,554)	(18,051,408)	(11,609,202)
Cash payments to employees for services	(12,079,061)	(12,434,882)	(11,258,369)
Payments in lieu of franchise taxes	(5,582,006)	(3,687,736)	-
Other operating revenues	51,406	344,713	409,617
Other operating expenses	(8,525,317)	(3,387,488)	-
Net cash provided by (used in) operating activities	71,146,418	39,765,344	9,487,556
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants received	-	-	13,072,165
Interfund loans	23,555	2,612	11,558
Transfers from other funds	142	-	-
Transfers to other funds	(74,885)	(154,792)	-
Net cash provided by (used in) noncapital financing activities	(51,188)	(152,180)	13,083,723
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Retirement of temporary notes	-	-	-
Issuance of capital debt	181,338,096	-	-
Principal payments on long-term debt	(23,640,011)	(15,584,989)	(3,545,000)
Interest payments on long-term debt	(14,088,178)	(6,816,143)	(5,253,825)
Additions to property, plant and equipment	(136,492,975)	(10,882,232)	(12,399,318)
Sale of capital assets	49,515	65,700	8,623
Capital contributions	160,470	321,969	9,219,887
Net cash provided by (used in) capital and related financing activities	7,326,917	(32,895,695)	(11,969,633)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	50,839	42,747	10,310
Net cash provided by investing activities	50,839	42,747	10,310
Net increase in cash and temporary investments	78,472,986	6,760,216	10,611,956
Cash and temporary investments - beginning*	140,792,598	106,260,864	41,571,456
Cash and temporary investments - ending	$ 219,265,584	$ 113,021,080	$ 52,183,412

* The Landfill Fund was reclassified from a special revenue fund to an enterprise fund in 2022. See Note 21 (Reclassification of Fund Type) in the Notes to the Financial Statements for further information.

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
$ 13,362,354	$ 8,992,115	$ 258,430,074	$ 88,517,104
(4,064,057)	(9,697,297)	(73,288,518)	(72,046,900)
(2,841,972)	(11,340,380)	(49,954,664)	(10,249,982)
-	-	(9,269,742)	-
51,036	957,661	1,814,433	1,941,886
(99,670)	-	(12,012,475)	(1,983,028)
6,407,691	(11,087,901)	115,719,108	6,179,080
-	10,498,339	23,570,504	-
27,086	(1,112)	63,699	5,656,555
9,463	4,532,957	4,542,562	-
(60,000)	-	(289,677)	(1,977,335)
(23,451)	15,030,184	27,887,088	3,679,220
-	(1,893,013)	(1,893,013)	-
-	-	181,338,096	-
(1,774,980)	-	(44,544,980)	(170,328)
(278,004)	(76,331)	(26,512,481)	(10,800)
(1,246,500)	(1,140,310)	(162,161,335)	(2,198,915)
69,350	14,360	207,548	506,705
-	322,172	10,024,498	-
(3,230,134)	(2,773,122)	(43,541,667)	(1,873,338)
-	-	103,896	-
-	-	103,896	-
3,154,106	1,169,161	100,168,425	7,984,962
19,318,574	12,508,689	320,452,181	67,586,872
$ 22,472,680	$ 13,677,850	$ 420,620,606	$ 75,571,834

(Continued)

STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended December 31, 2022

	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)	$ 53,152,903	$ 29,904,533	$ (390,942)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation/amortization	27,874,171	13,213,086	12,134,333
Other revenues (expenses)	(8,479,518)	(3,387,488)	59,011
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
(Increase) decrease in receivables	701,034	1,328,089	(8,540,194)
(Increase) in inventory	(749,798)	(28,442)	-
Decrease in prepaid items	-	29,680	9,629
(Increase) in net pension asset	(1,860,481)	(1,492,069)	(1,921,323)
(Increase) in deferred outflows related to pensions	(586,066)	(223,627)	(787,394)
(Increase) decrease in deferred outflows related to OPEB	91,749	96,045	43,317
Increase (decrease) in accounts payable	91,639	127,890	122,200
(Decrease) in accrued interest payable	(18,992)	-	-
Increase in due to other agencies	323	10,372	-
Increase in deposits	301,174	-	-
Increase in claims payable	-	-	-
Increase (decrease) in unearned revenues	-	-	(103,033)
(Decrease) in net pension liability	(1,351,528)	(1,172,243)	(862,553)
(Decrease) in total OPEB liability	(601,675)	(567,077)	(345,986)
Increase (decrease) in compensated absences	(83,949)	(53,037)	26,813
Increase in deferred inflows related to leases	-	-	7,882,560
Increase in deferred inflows related to pensions	2,111,829	1,485,357	1,822,636
Increase in deferred inflows related to OPEB	553,603	494,275	338,482
Total adjustments	17,993,515	9,860,811	9,878,498
Net cash provided by (used in) operating activities	$ 71,146,418	$ 39,765,344	$ 9,487,556
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Contribution of capital assets	$ 1,925,303	$ 5,099,666	$ -
Operating grant receivables	-	-	-
Capital contribution receivables	-	-	939,608
Capital assets in accounts payable	24,187,897	5,849,869	812,348

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
$ 3,207,223	$ (13,531,709)	$ 72,342,008	$ 2,768,767
3,430,527	2,918,204	59,570,321	3,825,885
(99,670)	19,107	(11,888,558)	(1,847,377)
279,988	(41,536)	(6,272,619)	(58,239)
-	(737)	(778,977)	(335,156)
-	-	39,309	-
(405,253)	(644,719)	(6,323,845)	(1,418,386)
(163,278)	(548,134)	(2,308,499)	(466,413)
29,687	(124,532)	136,266	38,798
97,634	29,206	468,569	951,446
-	-	(18,992)	-
-	-	10,695	-
-	1,485	302,659	1,085
-	-	-	2,154,817
-	6,635	(96,398)	-
(289,613)	(399,943)	(4,075,880)	(1,048,123)
(183,582)	(256,580)	(1,954,900)	(276,789)
(16,310)	44,607	(81,876)	60,068
-	70,820	7,953,380	-
380,510	953,260	6,753,592	1,557,048
139,828	416,665	1,942,853	271,649
3,200,468	2,443,808	43,377,100	3,410,313
$ 6,407,691	$ (11,087,901)	$ 115,719,108	$ 6,179,080
$ 8,562,241	$ 3,166,748	$ 18,753,958	$ 2,253,056
-	573,896	573,896	-
298,535	-	1,238,143	-
317,554	44,541	31,212,209	-

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2022

	Pension Trust Funds	Property & Evidence Custodial Fund
ASSETS		
Cash and temporary investments	$ 64,031	$ 120,713
Receivables:		
Investment sales pending	9,638,639	-
Interest and dividends	3,563,277	-
Other receivables	876,518	-
Total receivables	14,078,434	-
Investments, at fair value:		
Government short-term investment fund	42,431,999	-
Equity:		
Domestic equity	498,912,819	-
International equity	364,058,198	-
Fixed income	242,849,704	-
Real estate	108,037,344	-
Target date and money market funds	5,974,974	-
Timber	91,995,089	-
Derivative investments	1,421,912	-
Securities lending short-term collateral investment pool	13,141,922	-
Total investments	1,368,823,961	-
Capital assets:		
Pension software	1,282,828	-
Less accumulated depreciation	(1,282,828)	-
Total capital assets, net	-	-
Total assets	1,382,966,426	120,713
LIABILITIES		
Accounts payable and other liabilities	2,969,476	-
Investment purchases pending	17,453,167	-
Securities lending obligations	13,141,922	-
Total liabilities	33,564,565	-
NET POSITION		
Restricted for:		
Pensions	1,349,401,861	-
Property and evidence	-	120,713
Total net position	$ 1,349,401,861	$ 120,713

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the year ended December 31, 2022

	Pension Trust Funds	Property & Evidence Custodial Fund
ADDITIONS		
Contributions:		
Employer	$ 27,804,463	$ -
Employee	10,542,012	-
Property and evidence collections	-	120,713
Total contributions	38,346,475	120,713
Investment income (loss):		
From investing activities:		
Net depreciation in the fair value of investments	(233,920,123)	-
Interest	8,477,096	-
Dividends	9,767,539	-
Commission recapture	30,355	-
Total investing activity loss	(215,645,133)	-
Less investment expense	6,804,567	-
Net loss from investing activities	(222,449,700)	-
From securities lending activities:		
Securities lending income	283,419	-
Less securities lending expense, net:		
Borrower rebates	111,481	-
Management fees	47,677	-
Total securities lending expenses	159,158	-
Net income from securities lending activities	124,261	-
Total net investment loss	(222,325,439)	-
Reclassifications due to participant conversion	295,038	-
Total additions	(183,683,926)	120,713
DEDUCTIONS		
Pension benefits	101,756,648	-
Pension administration	1,315,862	-
Administration charges	75,656	-
Employee contribution refunded	2,621,146	-
Reclassifications due to participant conversion	295,038	
Total deductions	106,064,350	-
Change in net position	(289,748,276)	120,713
Net position - beginning	1,639,150,137	-
Net position - ending	$ 1,349,401,861	$ 120,713

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 with a governing body comprised of an elected mayor and six-district based council members. 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. A discretely presented component unit is an entity for which the City is considered to be financially accountable, has the ability to impose its will, or for which the nature and significance of the relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

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 and separately audited financial statements are not available.

Discretely Presented Component Unit*:** The ***Wichita RAD Senior, LP was formed in August 2018 for the purpose of acquiring, rehabilitating and operating four separate apartment communities under the Rental Assistance Demonstration (RAD) pilot initiative – which is a voluntary program under the Department of Housing and Urban Development (HUD). This program provides Public Housing Authorities (PHAs) with access to long-term funding so that needed improvements to low-income housing can be completed. The Wichita Housing Authority (WHA) was successful in securing financing to continue its HUD approved RAD project for the four multi-family senior housing properties as one singe project called Wichita RAD Senior LP.

The project utilizes the following funding: a 4% Low Income Housing Tax Credits (LIHTC), CDBG, HOME, Capital Funds and a HUD FHA 22(d)4 loan. The use of these tax credits required the creation of two new business entities. The Wichita Senior LP is comprised of (1) the project tenant/ownership entity limited partner, or investor partner, and (2) the general partnership limited liability company. The investor partner is Affordable Housing Partners (AHP) and the general partner, Wichita RAD AMP 1 LLC, is comprised of the City of Wichita and KBK Enterprises.

The four properties in this project were owned and operated by the Wichita Housing Authority, a department of the City, until October 2021, when the RAD project commenced. Mennonite Housing was contracted with by the general partnership to manage the properties, as they have experience managing tax credit properties.

Once the construction is complete and the project reaches stabilization, the developer partner KBK Enterprises will step out of the general partnership, leaving only the City. The use of the tax credits required that the property and buildings be leased to the tenant/ownership entity (investor) for a period of 99 years. However, the lease can be terminated per the Restated and Amended Partnership Agreement for $10 over the outstanding debt of the project after the 15-year tax credit compliance.

The City has presented Wichita RAD Senior LP as a discretely presented component unit as the City has a financial/benefit burden to Wichita RAD Senior LP and the limited partnership is fiscally dependent on the City. The City has a financial benefit burden due to the following reasons: (1) it is legally entitled to a portion of the resources of the partnership; (2) the City has provided several guaranties, including an operating deficit loan of up to $850,000; and (3) the HUD FHA loan is secured by a mortgage on the four properties, which are still technically owned by the City, as the properties will revert back to the City when the lease ends. Finally, the Wichita RAD Senior LP is fiscally dependent upon the City as it cannot issue bonds or other debt without the City's consent and the Wichita RAD Senior LP issued bonds in 2021. Further, the City has also entered into CDBG, HOME and Capital Fund loan agreements and entered into several loans with Wichita RAD Senior LP. For further details about Wichita RAD Senior LP, please see Note 22.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position on pages A-22 and A-23 and the Statement of Activities on pages A-24 and A-25) 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 sources and uses are increases or decreases, respectively, 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are 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 and available for expenditures of the current fiscal period, with a few exceptions discussed Note 1F. 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.

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 and temporary notes of governmental funds. The Debt Service Fund: Tax Increment Financing (TIF) Subfund is comprised of several TIF districts, which have individually certified budgets.

The ***Grants and Other Assistance Fund*** accounts for the resources accumulated and payments made related to grants, bequests and other donations or contributions received by the City of Wichita which are either restricted, committed or assigned for specific purposes, excluding those related to capital projects.

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 and 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 ***nonmajor fund types***:

Special revenue funds account for the proceeds from specific revenue sources that are restricted, committed or assigned 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 typically comes 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 businesses. 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.

A ***custodial fund*** accounts for the activities of the Property and Evidence Custodial Fund which was created in 2022 to account for the cash collected and held as a result of law enforcement activities.

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 was allocated to the General Fund in accordance with the Adopted Budget.

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. REVENUE RECOGNITION FOR GOVERNMENTAL FUNDS

For governmental funds, the City considers earned revenues to be available if collected within 60 days of the end of the current fiscal period and available for expenditures of the current fiscal period, with a few exceptions noted below.

Property Taxes: 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 1st 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 1st 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 with a corresponding amount recorded as deferred inflows of resources (deferred revenues) on the balance sheet of the appropriate funds. Both the taxes receivable and deferred revenues are recorded net of an allowance for uncollectible taxes. Also included in taxes receivable is an estimated amount for uncollected property taxes from prior year levies, which are expected to be collected in future years, with the amount not collected within 60 days of yearend deferred.

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 receivables 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. Only the portion of special assessments due within the current fiscal period and collected within days of yearend is considered to be susceptible to accrual as revenue of the current period, with the amount not collected within 60 days of yearend deferred as unavailable. Special assessments receivables that are not due within the current fiscal period and not susceptible to revenue accrual are recorded as unavailable revenue.

Franchise Taxes: Franchise taxes are collected from utilities doing business in the City for the use of right-of-ways. Annually, the Water Utility and Sewer Utility pay 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. Franchise fees are susceptible to accrual and are available if received within 60 days of yearend.

Other Revenues: 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 aid is reported as revenue based on the type of grant or shared revenue. Revenue for expenditure-driven grants is recognized as related reimbursable expenditures are incurred and are considered available if collected within 90 days of the yearend. Revenue for entitlements, shared revenues and formulary grants are recognized when all the relevant eligibility criteria are met, even though restrictions may exist on how those funds are spent. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

G. REVENUE RECOGNITION FOR PROPRIETARY FUNDS

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

H. LEASE RECEIVABLES

Lease receivables are recorded by the City at the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based off a three-year average earning percentage from the City's pooled cash and investments.

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) escrow deposits and (2) in relation to the Grants and Other 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, as well as, in the proprietary fund 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.

Capital Assets	
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

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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 above.

K. RIGHT-TO-USE (LEASE) ASSETS

The City has right-to-use assets, including buildings, vehicles and equipment recorded for leased assets. Right-to-use lased assets are recognized at the leased commencement date and present the City's right to use an underlying asset for the lease term. These leased assets are recorded at the initial value of the lease liability, plus any lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement date of the lease, and plus any initial indirect costs that are ancillary to place the asset into service. Leased assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

L. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred Outflows of Resources: In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

The City recognizes the following types of deferred outflows of resources:

- ***Unamortized refunding costs***, which are only recorded in the government-wide and proprietary fund statements of net position, represent deferred charges on refundings which resulted 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.
- ***Deferred outflows related to pensions and OPEB*** are collective deferred outflows of resources related to pensions and OPEB, which are described in more detail in Note 7 - Retirement Funds and in Note 8 – Other Post-Employment Healthcare Benefits, respectively.

Deferred Inflows of Resources: 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 assets that applies to future periods which will not be recognized as an inflow of resources (revenue or decrease in related expenditure) until that time.

The City recognizes the following types of deferred inflows of resources:

- ***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 revenue*** is 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.
- ***Unamortized refunding costs***, which are only recorded in the government-wide and proprietary fund statements of net position, represent deferred charges on refundings which resulted 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.
- ***Deferred inflows related to pensions and OPEB*** are collective deferred inflows of resources related to pensions and OPEB, which are described in more detail in Note 7 - Retirement Funds and in Note 8 – Other Post-Employment Healthcare Benefits, respectively.
- ***Deferred inflows related to leases*** are recorded for the initial measurement of the lease receivables plus any lease payments received at or before the commencement dates of the lease terms that relate to future periods. These inflows are then amortized over the terms of the leases. For further information, please see Note 12 – Leases.

M. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized

over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Lease Liabilities represent the City's obligation to make lease payments arising from the lease and are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a three-year average of the City's bonded debt.

The City's ***compensated absences*** policy permits employees to accumulate earned but unused vacation and sick pay benefits and allows the City's Fraternal Order of Police (FOP) members to accumulate comp time hours up to policy and contractual limits. 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 and comp time pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for vacation and comp time pay is reported in governmental funds only if it has matured, for example, as a result of employee terminations and retirements.

N. 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 are 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 and inflows of resources, and liabilities 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 encumbered 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 annual expenditures.

O. 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).

P. 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.

Q. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLE

In 2022, the City implemented the following accounting principles.

GASB Statement No. 87, Leases, required governments to recognize certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This standard established a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. As a result, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about a government's leasing activities.

The implementation of this standard required a restatement of $290,666 for the City's Information Technology Fund's beginning net position for its fiscal year 2022. The Information Technology Fund is an internal service fund of the City. No other restatements of beginning fund balance/net position were required as a part of the implementation of this standard. See Note 12 – Leases for further information about the City's leases.

GASB Statement No. 91, Conduit Debt Obligations, provided a single method of reporting conduit debt obligations by issuers and eliminated diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosure. The implementation of this standard had no effect on the beginning net position of the government; however, the net investment in direct financing lease and the corresponding revenue bonds payable related to the Airport Authority's Special Facility Revenue Bonds (SFRBs) were removed. See Note 13 – Conduit Debt Obligations for further information about the City's conduit debt obligations.

GASB Statement No. 92, Omnibus 2020, enhanced comparability in accounting and financial reporting and improved the consistency of authoritative literature by addressing practice issues that had been identified during implementation and application of certain GASB Statements. The implementation of this standard did not have a material impact on the City's financial statements.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans, (1) increased consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential

component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigated costs associated with reporting certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhanced the relevance, consistency, and comparability of accounting for IRC Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The implementation of this standard did not have a material impact on the City's financial statements.

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 the Grants and Other 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). There are four main differences between the City's budgetary basis and GAAP basis: (1) recognition of revenues, (2) recognition of expenditures, (3) other changes in unencumbered net position/fund balance and (4) exclusion/inclusion of reserve subfunds.

Revenues: For budgeting, revenues of governmental funds 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 which are recognized on a cash basis. For proprietary funds, all revenues are recognized when measurable, unless they relate to a long-term asset (i.e. prepaid lease). For budgeting, there are two deviations for GASB pronouncements between the City's budgetary basis and GAAP, as follows:

1. The investment income (loss) recognized on the pooled investments of the City for its budgetary basis is based on amortized cost and not fair value as the City's investment policy and practice is to buy and hold; thus, the unrealized fair market value gain (loss) will not be realized.
2. The adjustment to revenues, in accordance with GASB 87, which are booked on the GAAP basis are not booked for the City's budgetary basis. The adjustment to revenues is due to reclassification of interest income from rental income and adjustment to rental income for the divergence of the lease payments received versus the lease revenue amortized from the related deferred inflow of resources.

Expenditures: For expenditures, the major difference between the GAAP basis and the budgetary basis is related to when expenses or expenditures, respectively, are recognized. On a budgetary basis, expenditures are recognized when encumbered (i.e. purchase orders and contracts) or incurred, if never encumbered. Expenditures related to principal payments of long-term obligations are considered incurred when paid.

Other Changes in Unencumbered Net Position/Fund Balance: The City's budgetary statements also include a section titled 'Other Changes in Unencumbered Net Position/Fund Balance' which accounts for non-operating items that are excluded from budgetary controls, but which affect the funds unencumbered net position or fund balance, primarily thru cash transactions. These non-operating transactions outside the normal budgeting process are related to long-term assets and liabilities or the cancellation of prior year encumbrances. The most common items include 1) transferring funds to and from debt service reserves and capital project funds, 2) the issuance or refunding of long-term debt related to capital assets and 3) prior year encumbrances cancelled in the current year.

Reserve Subfunds: The final difference between the budgetary basis and GAAP basis relates to certain reserves with internal restrictions that are excluded from the budgeting process as they are not considered available for the use of current expenditures.

Adjustments necessary to convert the net change in fund balance and the ending fund balance from the GAAP basis to the budgetary basis for the General Fund as of December 31, 2022 are provided in the table below.

General Fund
GAAP Basis to Budgetary Basis Reconciliations

	Net Change in Fund Balance	Fund Balances at End of Year
General Fund - GAAP basis	**$ (4,344,908)**	**$ 49,403,655**
Increase (decrease) affecting basis:		
Expenditures due to prior year encumbrances	920,335	-
Expenditures accrued that are already encumbered	150,506	308,998
Cancellation of prior year encumbrances	163,673	-
Expenditures due to current year encumbrances	(3,288,007)	(4,188,851)
Investment fair market value adjustment	14,526,575	14,526,575
Adjustments for GASB 87 – Leases	(22,717)	(22,717)
Less subfund balances included for GAAP:		
Permanent Reserve Subfund*	(4,000,000)	(11,821,848)
Economic Development Subfund**	521,801	(1,021,328)
General Fund - budgetary basis	**$ 4,627,258**	**$ 47,184,484**

* *Budget authority was not established for the Permanent Reserve Subfund for 2022. Therefore, a budgetary comparison schedule is not presented.*

** *The Economic Development Subfund is considered a separate fund for budgetary purposes and is certified as its own fund, separate from the main General Fund, with the State of Kansas.*

4. FUND BALANCE AND NET POSITION DEFICITS

At December 31, 2022, the City's fund balance and net position deficits are shown in the table below.

The deficits for the nonmajor governmental capital projects funds will be primarily financed through the sale of bonds authorized by the City Council which have not been issued as of December 31, 2022. The City's standard practice is to issue temporary notes throughout the life of the project, with permanent financing made when the project nears completion or is completed. See Note 23 – Subsequent Events for information on any General Obligation Bonds issued after December 31, 2022, but before the date of this report.

The Golf Division has undergone several changes and improvements to increase revenues and be more successful going forward. In June of 2022, a new Golf Division Director came on board to improve and streamline the operations. It is anticipated the pass membership program that was implemented in 2019 will see membership growth in 2023 and a rate increase of $12 will also be implemented July 1, 2023. The Golf Division also hired a

Food and Beverage Manager in the summer of 2022. As a result, food and beverage sales have seen an increase with clubhouse and kitchen renovations underway. Food and beverage sales are anticipated to continue to increase due to having additional options at the four courses. Additionally, the Golf Division is increasing the number of non-golf events (weddings, business meetings, parties, etc.) being held at its facilities, with a full schedule of events slated for the second half of 2023 and bookings through 2025. Further, the Golf Course System Fund has seen positive changes in net position in 2021 and 2022, resulting in the net position deficit continuing to improve. City staff continues to evaluate and monitor the effectiveness of its adjustments and will continue to work with the Wichita City Council to continue the Fund's positive trend.

Fund Balance/ Net Position Deficits As of December 31, 2022		
Primary Government		**Deficits**
Governmental funds:		
Street Improvement Fund	$	38,261,829
Park Bond Construction Fund		29,404,558
Neighborhood Improvements Fund		57,041,349
Public Improvement Construction Fund		58,472,688
Business-type funds:		
Golf Course System Fund		1,258,821
Total reporting entity	**$**	**184,439,245**

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, 2022, the City had deposits in five banks totaling $41,263,464 with assets pledged by the banks as collateral with a fair value of $72,647,377.

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 itself.

Kansas Municipal Investment Pool (KMIP): 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.

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On December 31, 2022, the City's pooled funds were invested as follows:

Pooled Funds As of December 31, 2022				
Investment Type		Fair Value	Modified Duration (Years)	Percent of Total Pooled Funds
U.S. agency coupon securities	$	230,517,821	0.895	32.6%
U.S. agency callable securities		148,272,698	1.647	21.0%
U.S. agency discount securities		72,193,859	0.247	10.2%
U.S. agency step rate securities		63,160,009	1.570	8.9%
U.S. Treasury		108,210,935	0.565	15.3%
Kansas Municipal Investment Pool		45,777,058	-	6.5%
Collateralized certificates of deposit		10,250,000	0.705	1.5%
Collateralized deposits		27,962,025	-	4.0%
Total value	**$**	**706,344,405**		**100.0%**
Modified duration of portfolio			**1.005**	

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, 2022, 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 (see table to right).

Concentration of Credit Risk	
Instrument	Maximum
Demand deposits/repurchase	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%

To allow efficient and effective placement of bond proceeds, the limit of repurchase agreements and deposits with the Municipal Investment Pool (MIP) may be exceeded up to 50% for a maximum of ten days following receipt of proceeds during adverse market conditions. Further, to allow for investment maturity timing prior to bond payment dates, the limit on repurchase agreements and MIP deposits may be exceeded up to the amount of the bond payment for a maximum of five days prior to a bond payment date.

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, 2022 are listed in the table below.

Pooled Funds
Fair Value Measurements
As of December 31, 2022

Investment Type	Fair Value	Level 1 Inputs	Level 2 Inputs	Percent of Total Value
U.S. Treasury	$108,210,935	$108,210,935	$ -	17.4%
Federal Farm Credit Bank (FFCB)	121,299,368	-	121,299,368	19.5%
Federal Home Loan Bank (FHLB)	267,190,511	-	267,190,511	42.9%
Federal Home Loan Mortgage Corp. (FHLMC)	98,406,723	-	98,406,723	15.8%
Federal National Mortgage Assoc. (FNMA)	27,247,785	-	27,247,785	4.4%
Total value	**$622,355,322**	**$108,210,935**	**$514,144,387**	**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.

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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, 2022, revenue bond proceeds for debt service reserve funds of the Water and Sewer Utility Funds were invested as follows:

Water and Sewer Utility Investments
As of December 31, 2022

Investment Type	Fair Value	Modified Duration (Years)	Percent of Bond Proceeds Investments
U.S. Treasury discount	$ 13,753,609	0.067	100.0%
Total value	**$ 13,753,609**		**100.0%**
Total weighted average maturity		**0.067**	

The fair value measurements for the Water and Sewer Utilities revenue bond reserve investments on December 31, 2022 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 issued advanced proceeds for two specific major sewer projects. As of December 31, 2022, $213 is being held in an individual account in the Kansas Municipal Investment Pool and all the proceeds and related interest earnings on those proceeds have been spent and thus, are not restricted.

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, 2022, the proceeds from STAR bonds were invested in money market accounts and the total reported by the City amounted to $1,365,499.

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 account related to its development agreements as of yearend.

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, 2022, 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, 2022, the City had $967,897 invested with the Kansas Municipal Investment Pool and the weighted average maturity of the Kansas Municipal Investment Pool was 91.1 days.

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 Grants and Other Assistance Fund. The Grants and Other 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, 2022, these funds were invested as follows:

Other Non-Pooled Investments As of December 31, 2022			
Investment Type	Fair Value	Modified Duration (Years)	Percent of Total
Equity securities (Cemetery)	$ 1,072,087	-	8.2%
Collateralized deposits (WHA)	11,530,437	-	88.0%
Collateralized deposits (CDBG)	498,117	-	3.8%
Total value	**$ 13,100,641**		**100.0%**
Portfolio weighted average maturity		-	

Equity securities held in the Cemetery Fund, with a fair value of $1,072,087 as of December 31, 2022, 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 (230, 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 pooled arrangements such as a mutual fund or commingled fund operated by a qualified investment counselor or an insurance company. The amount of such investment shall not 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. The amount of such investment shall 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 $64,031 held in the City's pooled funds, as of December 31, 2022, 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 Boards of Trustees 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 financial 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 a half percent (4.50%) 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), excluding the securities lending short term collateral investment pool, on December 31, 2022, are listed in the accompanying table.

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.

Wichita Retirement Systems Investments		
Type of Investment		**Fair Value**
Government short-term investment	$	42,431,999
Domestic equity		498,912,819
International equity		364,058,198
Fixed income		242,849,704
Real estate		108,037,344
Target date and money market funds		5,974,974
Timber		91,995,089
Derivative investments		1,421,912
Total Investments	**$**	**1,355,682,039**

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

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 for 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 Net Asset Value (NAV).

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The Wichita Retirement Systems (WRS) categorizes its fair value measurements within the fair value hierarchy established by GAAP. The fair value of measurements for the investments of the WRS on December 31, 2022, are listed in the accompanying table.

Wichita Retirement Systems Fair Value Measurements As of December 31, 2022	Fair Value	Level 1 Inputs	Level 2 Inputs
Investments by fair value level[1]:			
Cash and Cash equivalents	$ 9,583,155	$ 4,876,035	$ 4,707,120
Equity:			
Domestic equity	345,911,584	345,911,584	-
International equity	141,280,621	141,280,621	-
Fixed income	233,480,167	30,632,000	202,848,167
Money market funds	267,009	267,009	-
Derivative investments	1,421,912	69,120	1,352,792
Total investments by fair value level	**$ 731,944,448**	**$ 523,036,369**	**$ 208,908,079**
Investments measured at the net asset value (NAV):			
Government short-term investment fund	$ 32,848,844		
Equity:			
Domestic equity	153,001,235		
International equity	222,777,577		
Fixed income	9,369,537		
Real estate	108,037,344		
Target date funds	5,707,965		
Timber	91,995,089		
Total investments measured at NAV	**623,737,591**		
Total investments	**$ 1,355,682,039**		

[1]There were no investments valued using Level 3 inputs at December 31, 2022.

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 to produce the daily settlement price.

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Additional information relating to the investments measured at the NAV for WRS on December 31, 2022, are listed in the table below.

Wichita Retirement Systems
Investments Measured at Net Asset Value (NAV)
As of December 31, 2022

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period (Days)
Government short-term investment fund	$ 32,848,844	$ -	Daily	5
Domestic equity	153,001,235	-	Daily	1
International equity	222,777,577	-	Bi-monthly, monthly	15-30
Fixed income	9,369,537	-	Daily	1
Real estate	108,037,344	-	Quarterly	45-60
Target date funds	5,707,965	-	Daily	1
Timber	91,995,089	-	N/A	N/A
Total investments measured at NAV	**$ 623,737,591**	**$ -**		

Net Asset Value: 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, 2022, the WRS' cash deposits in the amount of $64,031 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, 2022.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the price of a bond. One way to evaluate interest rate risk is through the modified duration methodology. Duration is a measure of how much bond prices may change if interest rates move. The modified duration methodology estimates the sensitivity of a bond's price to interest rate changes and is measured in years. WRS manages interest rate risk by complying with the following policies:

1. Fixed income managers have full discretion over the issuers selected and must manage portfolios to their guidelines.
2. According to the Investment Policy Statement, the Active Core and Core Plus fixed income managers must not be less than 80% or more than 120% of the duration of the Bloomberg Barclays Capital Aggregate Index (Index), unless the Joint Investment Committee prospectively grants a written exception. As of December 31, 2022, the duration of the Index was 6.17 years, which equated to a minimum and maximum range for each fixed income portfolio of 4.94 years and 7.40 years, respectively. The Active Core portfolio duration was 6.15 years and the Active Core Plus portfolio was 6.93 years; both were within duration range.

   For global fixed income managers, portfolio duration must not be less than 60% or more than 140% of the duration of the Barclays Global Aggregate Bond index, which was 6.69 years ending December 31, 2022. The global fixed income portfolio duration was 5.62 years, which was between the stated parameters of 4.01 years to 9.37 years.

The table on the following page represents the interest rate risk based on the weighted average modified duration of the fixed income portfolio:

Interest Rate Risk
As of December 31, 2022

Investment Type		Fair Value	Percent of all Fixed Income Assets	Weighted Average Modified Duration (% value change)[1]
Corporate debt instruments, long-term	$	81,479,426	28.4%	6.0%
Government securities, long-term		31,138,188	10.9%	12.2%
Mortgage and asset-backed securities		72,538,690	25.3%	5.9%
Global fixed income		49,745,775	17.3%	7.9%
Actively managed investments		**234,902,079**	**81.9%**	**7.2%**
Government short-term investment fund		42,431,999	14.8%	-
Pooled high-yield fixed income securities		9,369,537	3.3%	1.9%
Total investment in debt securities	**$**	**286,703,615**	**100.0%**	

[1] *The modified duration equals the percentage change in price of the bond for a 100-basis point (1%) movement in interest rates. The calculation provides an additional measurement to evaluate interest rate risk with the relationship between changes in interest rates and changes in the price of the bond.*

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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 are 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 2022, no securities were purchased that were below the established credit quality minimum in the active core portfolio and the weighted average credit quality of the active core plus portfolio did not fall below the established credit quality rating. The table shows the debt investments held by the WRS on December 31, 2022 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 disclosures that follows.

Credit Risk of Debt Securities

Quality Rating		Total Debt Securities
AAA	$	18,154,290
AA+		93,953,087
AA		2,258,709
AA-		3,023,552
A+		4,836,857
A		14,494,806
A-		19,357,439
BBB+		27,159,264
BBB		15,485,656
BBB-		12,280,577
BB+		3,630,927
BB		1,237,699
BB-		1,893,066
B+		567,805
B		734,689
B-		15,743
CCC+		146,211
CCC		215,086
CCC-		61,782
CC		152,075
Not rated (NR)		24,550,254
Withdrawn Rating (WR)		62,042
Total credit risk debt securities		**244,271,616**
Government short-term investment*		**42,431,999**
Total investment in debt securities	**$**	**286,703,615**

** 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.*

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 13.73% for the year ended December 31, 2022. 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, 2022. 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, 2022 are shown below, continuing 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 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, 2022 are presented in the accompanying tables.

Derivative Investments Summary
As of December 31, 2022

Classification and Type	Change in Fair Value	Notional Value	Exposure/ Fair Value
Foreign currency forward (FFX) contracts	$ (138,254)	$ 40,434,185	$ (374,490)
Futures contracts	181,880	3,410,943	421,491
Options	(10,493)	-	(38,070)
Swaps	1,324,226	80,040,900	1,412,981
Total derivative investments	**$ 1,357,359**	**$ 123,886,028**	**$ 1,421,912**

FFX Contracts Rating by Counterparty[1]
As of December 31, 2022

Counterparty (Counterparty Rating)	Exposure/ Fair Value
Bank of America Corp (A-)	$ (123,606)
Barclays PLC (BBB)	(103,790)
Citigroup Inc (BBB+)	(16,432)
The Goldman Sachs Group Inc	(31,165)
HSBC Holdings PLC (A-)	(126,560)
JP Morgan Chase & Co (A-)	39,932
Morgan Stanley (A-)	(12,869)
Total FFX counterparties	**$ (374,490)**

[1] *Counterparty ratings for FFX contracts is not available by currency; and thus, are summarized by Counterparty.*

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Derivative Investments Detail
As of December 31, 2022

Classification and Type	Change in Fair Value	Notional Value	Exposure/ Fair Value	Counterparty (Counterparty Rating)
FFX contracts:				
Australian dollar	$ -	$ 84,729	$ (518,476)	N/A[1]
Brazil real	-	-	(182,588)	N/A[1]
Canadian dollar	-	1,326,402	(373,633)	N/A[1]
Chinese r yuan hk	-	-	(797,514)	N/A[1]
Chinese yuan renminbi	-	66,532	1,593	N/A[1]
Czech koruna	-	380,003	126,703	N/A[1]
Euro currency unit	-	1,076,399	(15,572,653	N/A[1]
Indian rupee	-	241,647	137,955	N/A[1]
Indonesian rupiah	-	-	(488,980)	N/A[1]
Japanese yen	-	613,108	(2,794,129)	N/A[1]
Malaysian ringgit	-	-	(188,715)	N/A[1]
Mexican peso	-	1,554,064	(2,848,720)	N/A[1]
New Taiwan dollar	-	331,585	-	N/A[1]
New Zealand dollar	-	265,000	(472,848)	N/A[1]
Norwegian krone	-	431,316	469,671	N/A[1]
Pound sterling	-	76,391	(2,197,043)	N/A[1]
Singapore dollar	-	-	(2,187,775)	N/A[1]
South African rand	-	-	(451,370)	N/A[1]
South Korean won	-	187,357	(53,440)	N/A[1]
Swedish krona	-	-	(94,906)	N/A[1]
Swiss franc	-	395,697	64,841	N/A[1]
U.S. dollar	-	33,403,955	28,047,537	N/A[1]
Aggregated	(138,254)	-	-	N/A[1]
Total FFX contracts	**(138,254)**	**40,434,185**	**(374,490)**	
Future contracts:				
3-month cash futures	109,711	(12,827,961)	109,711	Goldman Sachs & Co, NY (BBB+)
Eurodollar futures	(3,253)	2,139,065	(3,253)	Goldman Sachs & Co, NY (BBB+)
Futures contracts	(239,612)	-	-	N/A
International bond futures	(41,964)	574,492	(41,964)	Goldman Sachs & Co, NY (BBB+)
Intl. govt. bond futures	359,591	(9,707,956)	359,591	Goldman Sachs & Co, NY (BBB+)
Intl. govt. bond futures	(27,941)	2,780,339	(27,941)	JP Morgan Chase & Co (A-)
Intl. govt. bond futures-UK	(33,176)	635,948	(33,176)	Goldman Sachs & Co, NY (BBB+)
Treasury bonds	142,267	(373,923)	142,266	Goldman Sachs & Co, NY (BBB+)
Treasury notes	(83,743)	20,190,939	(83,743)	Goldman Sachs & Co, NY (BBB+)
Total futures contracts	**181,880**	**3,410,943**	**421,491**	
Options:				
Credit default swaps	2,428	N/A	(62,915)	Citigroup Inc (BBB+)
Credit default swaps	5,014	N/A	7,010	N/A
Foreign currency options	-	N/A	(4,284)	N/A
Futures contracts	(2,336)	N/A	-	N/A
Interest rate futures	(11,085)	N/A	19,619	Goldman Sachs & Co, NY (BBB+)
Treasury notes	(4,514)	N/A	2,500	Goldman Sachs & Co, NY (BBB+)
Total options	**(10,493)**		**(38,070)**	
Swaps:				
Cleared credit default	142,451	4,300,000	(746)	Citigroup Inc (BBB+)
Cleared credit default	(26,307)	26,378,900	(52,623)	JP Morgan Chase & Co (A-)
Cleared credit default	-	-	-	N/A
Cleared interest rate	(92,432)	28,580,000	(94,474)	CME Group Inc (AA-)
Cleared zero coupon	1,309,248	20,782,000	1,560,824	CME Group Inc (AA-)
Fixed income securities	(8,734)	-	-	N/A
Total swaps	**1,324,226**	**80,040,900**	**1,412,981**	
Total derivative investments	**$ 1,357,359**	**$ 123,886,028**	**$ 1,421,912**	

[1] *Counterparty ratings for FFX contracts are not available by currency. See table on the following page summarizing FXX contracts ratings 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, 2022 is presented in the accompanying table.

Foreign Currency Risk
As December 31, 2022

Currency	Cash and Cash Equivalents	Equities	Fixed Income	Derivatives
Argentine peso	$ 274	$ -	$ -	$ -
Australian dollar	129,737	8,528,842	504,174	(564,375)
Brazil real	-	-	178,121	(182,588)
Canadian dollar	254,792	-	1,091,206	(373,292)
Chinese r yuan hk	-	-	-	(797,514)
Chinese yuan renminbi	48,886	-	219,113	1,593
Czech koruna	-	-	-	126,703
Danish krone	-	1,701,252	-	-
Euro currency unit	351,640	55,227,161	13,893,859	(15,328,919)
Hong Kong dollar	-	5,248,692	-	-
Hungarian forint	(45,809)	-	-	-
Indian rupee	-	-	-	137,955
Indonesian rupiah	163,191	-	1,057,744	(488,980)
Japanese yen	116,710	32,842,681	2,935,695	(2,740,599)
Malaysian ringgit	-	-	185,156	(188,715)
Mexican peso	133,907	-	4,284,008	(2,943,194)
New Taiwan dollar	-	-	-	-
New Zealand dollar	(1,869)	44,084	477,552	(472,848)
Norwegian krone	(1,524)	591,883	-	469,671
Pound sterling	181,550	18,172,699	1,913,503	(2,230,219)
Russian ruble (new)	-	-	145,356	-
Singapore dollar	35	2,620,899	2,177,570	(2,187,776)
South African rand	-	-	436,563	(451,370)
South Korean won	-	-	-	(53,440)
Swedish krona	(4,399)	3,498,665	87,951	(94,906)
Swiss franc	-	11,679,042	195,799	64,841
Total subject to foreign currency risk	**$ 1,327,121**	**$ 140,155,900**	**$ 29,783,370**	**$ (28,297,972)**

All forward foreign currency contracts are carried at fair value by the WRS. As of December 31, 2022, the Systems held forward currency contracts with an unrealized loss of $374,490. 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; sovereign debt, corporate bonds and equities. Additional forms of collateral may be acceptable 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, $63,146,501 was held by the counterparty acting as the WRS' agent in securities lending transactions on December 31, 2022.

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 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 AND RIGHT-TO-USE (LEASE) ASSETS

Capital and right-to-use asset activity of the primary government for 2022 is presented in the following table:

For the Year Ended December 31, 2022 (dollars in thousands)	Beginning Balance*	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated/amortized:					
Land	$ 274,465	$ 28	$ (668)	$ (1,877)	$ 271,948
Construction in progress	158,886	56,168	(112,112)	-	102,942
Total capital assets, not being depreciated/amortized	**433,351**	**56,196**	**(112,780)**	**(1,877)**	**374,890**
Capital assets, being depreciated/amortized:					
Buildings*	383,273	11,733	(573)	(449)	393,984
Improvements other than buildings	158,949	31,047	-	(15,061)	174,935
Machinery, equipment and other assets*	144,919	12,251	(3,890)	(2,757)	150,523
Infrastructure	1,013,960	59,844	-	106	1,073,910
Total capital assets being depreciated/amortized	**1,701,101**	**114,875**	**(4,463)**	**(18,161)**	**1,793,352**
Less accumulated depreciation/amortization for:					
Buildings*	(143,011)	(7,576)	443	300	(149,844)
Improvements other than buildings	(61,583)	(5,921)	-	-	(67,504)
Machinery, equipment and other assets*	(100,854)	(10,624)	3,679	1,616	(106,183)
Infrastructure	(414,032)	(27,109)	-	-	(441,141)
Total accumulated depreciation/amortization	**(719,480)**	**(51,230)**	**4,122**	**1,916**	**(764,672)**
Total capital assets, being depreciated/amortized, net	**981,621**	**63,645**	**(341)**	**(16,245)**	**1,028,680**
Governmental activities capital assets, net	**$ 1,414,972**	**$ 119,841**	**$ (113,121)**	**$ (18,122)**	**$ 1,403,570**
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 49,846	$ 65	$ (149)	$ 1,877	$ 51,639
Construction in progress	221,898	167,198	(82,449)	-	306,647
Total capital assets, not being depreciated	**271,744**	**167,263**	**(82,598)**	**1,877**	**358,286**
Capital assets, being depreciated:					
Airfields	207,100	895	-	-	207,995
Buildings	501,396	14,893	(2,309)	449	514,429
Improvements other than buildings	1,572,588	58,619	-	14,955	1,646,162
Machinery, equipment and other assets	280,580	11,210	(5,924)	2,757	288,623
Total capital assets being depreciated	**2,561,664**	**85,617**	**(8,233)**	**18,161**	**2,657,209**
Less accumulated depreciation for:					
Airfields	(149,563)	(5,608)	-	-	(155,171)
Buildings	(152,231)	(9,891)	2,309	(300)	(160,113)
Improvements other than buildings	(466,595)	(29,558)	-	-	(496,153)
Machinery, equipment and other assets	(207,663)	(14,513)	5,912	(1,616)	(217,880)
Total accumulated depreciation	**(976,052)**	**(59,570)**	**8,221**	**(1,916)**	**(1,029,317)**
Total capital assets, being depreciated, net	**1,585,612**	**26,047**	**(12)**	**16,245**	**1,627,892**
Business-type activities capital assets, net	**$ 1,857,356**	**$ 193,310**	**$ (82,610)**	**$ 18,122**	**$ 1,986,178**

** See Note 12 – Leases for detailed information on beginning balance restatements related to the implementation of GASB 87.*

Capital Assets (continued) For the Year Ended December 31, 2022 (dollars in thousands	Beginning Balance	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/amortization expense was charged to function/programs of the primary government as follows for the year ended December 31, 2022 (in thousands of dollars):

	Depreciation/ Amortization
Governmental Activities:	
General government	$ 6,616
Public safety	4,580
Highways and streets[1]	29,135
Sanitation	276
Health and welfare	638
Culture and recreation	6,159
Internal service funds[2]	3,826
Total depreciation/amortization expense - governmental activities	**$ 51,230**
Business-type Activities:	
Water Utility Fund	$ 27,874
Sewer Utility Fund	13,213
Airport Authority Fund	12,134
Stormwater Utility Fund	3,431
Nonmajor enterprise funds	2,918
Total depreciation expense - business-type activities	**$ 59,570**
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 the usage of the assets.*

For more detailed information on the City's leased right-to-use assets, which are included in the totals of this Note, please see *Note 12 – Leases*.

Capital Outlay Reconciliation: The capital outlay amount in the fund financial statements of nearly $87.9 million differs from the $56.4 million listed as net capital asset acquisitions in the *Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities*. This difference relates to projects accounted for in the capital project funds, of which all or a portion of those projects are not capitalizable under accounting standards. One example is the construction of freeways, for which the State of Kansas records capital assets as it is responsible for the future maintenance. Another example is the maintenance of arterial streets and other public improvements which do not increase the lives or the efficiency of the assets but preserve it and provide benefit for several years.

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 Annual Comprehensive Financial Report that includes financial statements and required supplementary information for WERS, PFRS and Plan 3b. The financial report may be obtained online at http://www.wichita.gov/Finance/Pages/Pension.aspx.

A. 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 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 Asset, Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions: For the year ended December 31, 2022, the City had a total net pension asset of $49,328,335 which was comprised of WERS and PFRS having net pension assets of $18,420,603 and $30,907,732, respectively. The City recognized a combined reduction in net pension expense of $15,662,896 for the defined benefit plans it administers with $8,034,580 for the Wichita Employees' Retirement System and $7,628,316 for the Police and Fire Retirement System. As of December 31, 2022, the City reported total deferred outflows of resources and deferred inflows of resources related to pensions of $88,471,338 and $166,469,199, respectively.

B. 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, 2022, the WERS plan membership consisted of the following:

Wichita Employees' Retirement System Membership
As of December 31, 2022

Member Category	Plan 1	Plan 2	Plan 3	Total
Inactive employees or beneficiaries currently receiving benefits	524	984	-	1,508
Inactive employees entitled to, but not yet receiving benefits	-	146	-	146
Active employees	-	768	641	1,409
Total membership	**524**	**1,898**	**641**	**3,063**

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, 2022 is $4,286,095.

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 2 and 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 2022 was 12.9% of annual covered payroll for Plans 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, 2022, WERS received $10,407,635 in contributions from the employer for Plans 2 and 3.

Actuarial Assumptions: The total pension liability in the December 31, 2021 actuarial valuation was determined using the actuarial assumptions summarized in the table below, applied to all periods included in the measurement. The actuarial assumptions used in the December 31, 2021 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.

Wichita Employees' Retirement System	
Actuarial Assumptions for the December 31, 2021 Actuarial Valuation	
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	7.34%
Municipal bond index rate	2.06%
Year Fiduciary Net Position (FNP) is projected to be depleted	N/A
Single Equivalent Interest Rate (SEIR), net of investment expense, including price inflation	7.34%
Pre-retirement mortality rates	Based on the RP-2000 Non-Annuitant Healthy Mortality Table, set forward two years for males, projected on a generational basis using Scale AA.
Post-retirement mortality rates	Based on the RP-2000 Annuitant Healthy Mortality Table, set forward two years for males, projected on a generational basis using Scale AA.
Disabled mortality rates	Based on the RP-2000 Disabled Mortality, projected on a generational basis using Scale AA.

Changes in Actuarial Assumptions: There was one change in actuarial assumptions in the 2021 actuarial valuation to decrease the SEIR from 7.59% to 7.34%.

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 the target asset allocation percentage and then adding expected inflation. The long-term rate of return assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The target asset allocation and best estimates of geometric real rates of return (net of 2.24% inflation assumption) for each major asset class are summarized in the table above.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Large cap equity	32%	4.49%
Small cap equity	8%	4.95%
International equity	27%	5.22%
Fixed Income	20%	1.51%
Real estate	7%	4.00%
Timber	5%	1.82%
Cash	1%	0.17%
Total	**100%**	

** Geometric mean, net of investment expenses.*

Discount Rate: The discount rate used to measure the total pension liability as of the December 31, 2021 valuation is 7.34%. The fiduciary net position was projected to be available to make all projected future benefit payments of current members for all future years; therefore, a Municipal Bond Index Rate (MBIR) was not used in the determination of the Single Equivalent Interest Rate (SEIR) for the December 31, 2021 valuation and the SEIR is 7.34%.

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 2127. 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 or 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 (Asset): Detailed information about the pension plan's fiduciary net position used in calculating the net pension liability (asset) is available in the separately issued WRS financial report. The City's net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) 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 (asset).

Wichita Employees' Retirement System
Changes in Pension Liabilities and Fiduciary Net Position

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance as of December 31, 2020	**$ 680,820,204**	**$ 667,029,106**	**$ 13,791,098**
Changes for the year:			
Service cost	9,220,703	-	9,220,703
Interest on total pension liability	49,907,671	-	49,907,671
Differences between expected and actual experience	478,629	-	478,629
Assumption changes	17,287,512	-	17,287,512
Employer contributions	-	10,722,494	(10,722,494)
Employee contributions	-	3,632,713	(3,632,713)
Reclassifications due to participant conversion	(417,138)	(417,138)	-
Net investment income	-	95,356,927	(95,356,927)
Benefit payments, including member refunds	(47,000,275)	(47,000,275)	-
Administrative expenses	-	(605,918)	605,918
Net Changes	29,477,102	61,688,803	**(32,211,701)**
Balance as of December 31, 2021	$ 710,297,306	$ 728,717,909	$ (18,420,603)

Sensitivity Analysis: The accompanying table presents the net pension liability of the City using the discount rate of 7.34%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (6.34%) or 1% higher (8.34%) than the current rate.

Wichita Employees' Retirement System
Sensitivity Analysis

	Rate	City's Net Pension Liability (Asset)
1% decrease	6.34%	$ 58,438,840
Current rate	7.34%	(18,420,603)
1% increase	8.34%	(83,541,644)

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Deferred Outflows and Inflows: As of December 31, 2022, the City reported total deferred outflows of resources and deferred inflows of resources related to the WERS pension as presented in the table below:

Wichita Employees' Retirement System Deferred Outflows and Inflows As of December 31, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,693,550	$ 1,201,991
Changes of assumptions	18,974,855	7,143,476
Net difference between projected and actual earnings on pension plan investments	-	65,432,991
City contributions subsequent to the measurement date	10,407,635	-
Changes in proportion of the total net pension liability (asset) since the prior measurement date:		
Change in proportion - governmental activities	184,123	766,911
Change in proportion - business-type activities	1,083,732	500,944
Total	**$ 32,343,895**	**$ 75,046,313**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts reported in governmental activities	$ 21,999,502	$ 52,559,393
Deferred amounts reported in business-type activities	10,344,393	22,486,920
Total	**$ 32,343,895**	**$ 75,046,313**

The $10,407,635 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, 2023. 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:

Wichita Employees' Retirement System		
Year Ending December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2023	$ 10,583,640	$ 16,718,690
2024	5,119,168	32,389,240
2025	4,385,033	16,689,788
2026	1,848,419	9,248,595
Totals	**$ 21,936,260**	**$ 75,046,313**

C. 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, 2022, the PFRS defined benefit plan membership consisted of the following:

Police and Fire Retirement System Membership As of December 31, 2022				
Member Category	Plan A	Plan B	Plan C-79	Total
Inactive employees or beneficiaries currently receiving benefits	408	130	583	1,121
Inactive employees entitled to, but not yet receiving benefits	-	-	43	43
Active employees	1	-	1,115	1,116
Total membership	**409**	**130**	**1,741**	**2,280**

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 A and 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%, 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 2022 was 20.9% 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, 2022, PFRS received $17,183,919 in contributions from the employer.

Actuarial Assumptions: The total pension liability in the December 31, 2021 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, 2021 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.

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Police and Fire Retirement System	
Actuarial Assumptions for the December 31, 2021 Actuarial Valuation	
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	7.31%
Municipal bond index rate	2.06%
Year Fiduciary Net Position (FNP) is projected to be depleted	N/A
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.
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 was one change in actuarial assumptions in the 2021 actuarial valuation to decrease the SEIR from 7.57% to 7.31%.

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, 2021 valuation is 7.31%. The fiduciary net position was projected to be available to make all projected future benefit payments of current members for all future years; therefore, a Municipal Bond Index Rate (MBIR) was not used in the determination of the Single Equivalent Interest Rate (SEIR) for the December 31, 2021 valuation and the SEIR is 7.31%.

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 2127. 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.

Net Pension Liability (Asset): Detailed information about the pension plan's fiduciary net position used in calculating the net pension liability (asset) is available in the separately issued WRS financial report. The City's net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The table on the following page presents changes in the total pension liability, fiduciary net position and the net pension liability (asset).

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Police and Fire Retirement System Changes in Pension Liabilities and Fiduciary Net Position	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance as of December 31, 2020	**$ 807,559,534**	**$ 805,749,251**	**$ 1,810,283**
Changes for the year:			
Service cost	17,772,976	-	17,772,976
Interest on total pension liability	59,373,364	-	59,373,364
Differences between expected and actual experience	6,094,423	-	6,094,423
Assumption changes	24,321,745	-	24,321,745
Employer contributions	-	17,889,908	(17,889,908)
Employee contributions	-	6,682,182	(6,682,182)
Net investment income	-	116,265,367	(116,265,367)
Benefit payments, including member refunds	(47,333,495)	(47,333,495)	-
Administrative expenses	-	(556,934)	556,934
Net Changes	**60,229,013**	**92,947,028**	**(32,718,015)**
Balance as of December 31, 2021	**$ 867,788,547**	**$ 898,696,279**	**$ (30,907,732)**

Sensitivity Analysis: The accompanying table presents the net pension liability (asset) of the City using the discount rate of 7.31%, as well as what the net pension liability (asset) 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.

Police and Fire Retirement System Sensitivity Analysis		
	Rate	City's Net Pension Liability (Asset)
1% decrease	6.31%	$ 74,243,223
Current rate	7.31%	(30,907,732)
1% increase	8.31%	(118,616,704)

Deferred Outflows and Inflows: As of December 31, 2022, the City reported total deferred outflows of resources and deferred inflows of resources related to the PFRS pension as follows below:

Police and Fire Retirement System Deferred Outflows and Inflows As of December 31, 2022		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,887,813	$ 4,794,979
Changes of assumptions	29,997,790	6,125,839
Net difference between projected and actual earnings on pension plan investments	-	80,444,147
City contributions subsequent to the measurement date	17,183,919	-
Changes in proportion of the total net pension liability (asset) since the prior measurement date:		
Change in proportion - governmental activities	37,747	20,174
Change in proportion - business-type activities	20,174	37,747
Total	**$ 56,127,443**	**$ 91,422,886**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts reported in governmental activities	$ 54,593,392	$ 88,918,285
Deferred amounts reported in business-type activities	1,534,051	2,504,601
Total	**$ 56,127,443**	**$ 91,422,886**

The $17,183,919 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 (asset) for the year ended December 31, 2023. 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:

Police and Fire Retirement System		
Year Ending December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2023	$ 11,664,208	$ 18,379,340
2024	10,953,960	37,778,794
2025	5,207,476	23,144,441
2026	5,202,131	12,056,594
2027	4,934,579	63,717
Thereafter	981,170	-
Totals	**$ 38,943,524**	**$ 91,422,886**

D. 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, 2022, employee and employer contributions to Plan 3b totaled $212,909 and $212,909, respectively. As of December 31, 2022, there were 80 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, 2022, the City's OPEB plan membership consisted of the following:

OPEB Membership As of December 31, 2022						
	Premium Plan		Select Plan		No	Total
Member Category	Single	Family	Single	Family	Plan	Members
Retirees	137	21	42	10	-	210
Active employees	433	1,056	339	602	275	2,705
Total members	**570**	**1,077**	**381**	**612**	**275**	**2,915**

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 2022, retired plan members receiving benefits contributed $2,382,375 to the plan compared to City's contribution of $1,588,337.

Actuarial Methods and Assumptions: The total OPEB liability in the December 31, 2022 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, 2021 valuation disclosed in Note 7A - Wichita Employees' Retirement System.

Other Post-Employment Benefit (OPEB) Liability	
Actuarial Methods and Assumptions	
Price inflation	2.75%
Municipal Bond Index Rate[1]	3.72%
Salary increases	General rate increase of 3.25%, plus merit increases
Healthcare cost trend rate	7.00% for 2023, decreasing each year for an ultimate rate of 4.0% for 2075 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%.
	Health Plan / **Single** / **Family** Premium / $713.82 / $2,131.46 Select / 603.66 / 1,800.92
Per Capita Costs	Annual per capita costs were calculated based on the City's medical claims projection effective on January 1, 2022, 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-2021.
Public safety mortality rates	Based on the SOA Pub-2010 Public Safety Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021.
Surviving spouses' mortality rates	Based on the SOA Pub-2010 Contingent Survivors Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021.

[1] *Rate is based on 20-Bond GO 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, 2022.

Changes in Actuarial Assumptions: The following assumptions have been updated for the actuarial valuation dated December 31, 2022:

Changes in Actuarial Assumptions
- The discount rate has been updated to reflect market conditions as of the Measurement Date. This is based on the yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent on another rating scale). The current full valuation uses a discount rate of 2.25% as of December 31, 2021 and 3.72% as of December 31, 2022.
- The initial Per Capita Claims cost tables for medical and prescription drug coverage have been updated to reflect the latest age distribution, plan election and dependent coverage data available.
- The prescription cost and medical cost increase trends have been updated based on short and long-term expectations.
- The premium rates have been updated to reflect the 2023 premiums.
- The plan participation rate for active employees has been reduced, based on retiree experience between 2017 and 2022.
- The family coverage election assumption has been reduced from 30% to 15%, based on retiree experience between 2017 and 2022.

Total OPEB Liability: The City's total OPEB liability as of December 31, 2022, and the accompanying table below presents the changes in the total OPEB liability.

Changes in Total OPEB Liability		
		Amounts
Balance as of December 31, 2021	$	**44,218,268**
Changes for the year:		
Service cost		3,231,889
Interest on total OPEB liability		1,044,546
Changes in assumptions		(4,459,411)
Differences between expected and actual		(6,403,414)
Benefit payments		(2,063,243)
Net Changes		**(8,649,633)**
Balance as of December 31, 2022	$	**35,568,635**

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Pension Expense and Deferred Outflows and Inflows of Resources Related to OPEB: The City recognized OPEB expense of $3,368,812 for the year ended December 31, 2022. As of December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

OPEB Deferred Outflows and Inflows As of December 21, 2022		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 766,778	$ 8,586,017
Changes of assumptions	4,965,396	5,449,297
Changes in proportion of the total OPEB liability since the prior measurement date		
Change in proportion – governmental activities	854,598	69,605
Change in proportion – business-type activities	365,649	1,150,642
Total	**$ 6,952,421**	**$ 15,255,561**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts reported in governmental activities	$ 5,554,980	$ 11,578,562
Deferred amounts reported in business-type activities	1,397,441	3,676,999
Total	**$ 6,952,421**	**$ 15,255,561**

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

OPEB Deferred Outflows and Inflows		
Year Ending December 31,	Deferred Outflows of	Deferred Inflows of
2023	$ 1,256,238	$ 2,163,861
2024	1,256,238	2,163,861
2025	1,256,238	2,163,861
2026	1,256,241	2,163,861
2027	1,080,577	1,882,880
Thereafter	846,889	4,717,237
Totals	**$ 6,952,421**	**$ 15,255,561**

Sensitivity Analysis: The accompanying tables present the total OPEB liability as of December 31, 2022, 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.

OPEB Discount Rate: Sensitivity Analysis		
	Discount Rate	City's Total OPEB Liability
1% decrease	2.72%	$ 38,296,789
Current rate	3.72%	35,568,635
1% increase	4.72%	32,994,723

OPEB Healthcare Trend Rates: Sensitivity Analysis		
	Healthcare Trend Rates[1]	City's Total OPEB Liability
1% decrease	6.00% - 3.00%	$ 31,913,689
Current trend rates	7.00% - 4.00%	35,568,635
1% increase	8.00% - 5.00%	39,871,975

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

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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 2022 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-funds health benefits up to $450,000 per member, with a stop-loss secondary coverage for costs in excess of $450,000. The self-insured prescription drug plan and self-insured vision plan are included in the monthly premium. At December 31, 2022, the City recorded a liability of $3,214,586 for estimated claims pending and net position totaled $27,749,851.

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, 2022, the City recorded a liability of $10,862,966 for estimated probable claims pending and net position totaled $6,785,606.

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, 2022, net position totaled $705,760.

D. GENERAL LIABILITY

The City's general and auto liability programs provide a legal defense for claims against the reporting entity and its employees when an incident arise from City operations. The general liability program also includes 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 $250,000 per occurrence for most covered losses, except wind and hail, which is 2% of total insured value along with a minimum deductible of $500,000 per location. The City is self-insured and self-funded for general and auto-liability claims presented 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, 2022, the City recorded a liability of $25,084,181 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, 2022, the general liability subfund had a net position deficit of $15,598,133.

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

Claims Liability Activity: For Years Ended December 31,					
Fund/ Year	Beginning Balance	Claims Paid	New Claims and Changes in Actuarial Estimate	Ending Balance	Short-term Portion
Worker's Compensation					
2021	$ 10,227,146	$ (3,059,331)	$ 3,893,057	$ 11,060,872	$ 2,379,799
2022	11,060,872	(2,892,730)	2,694,824	10,862,966	2,180,963
General Liability					
2021	$ 15,878,340	$ (8,728,378)	$ 15,013,682	$ 22,163,644	$ 8,049,496
2022	22,163,644	(2,291,685)	5,212,222	25,084,181	7,372,730
Health Insurance					
2021	$ 3,565,200	$ (43,926,412)	$ 44,143,612	$ 3,782,400	$ 3,782,400
2022	3,782,400	(43,843,624)	43,275,810	3,214,586	3,214,586

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10. LONG-TERM OBLIGATIONS

A. LONG-TERM LIABILITIES ACTIVITY

The long-term liabilities activity for 2022 is summarized in the following table:

For the Year Ended December 31, 2022 (dollars in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 51,525	$ 9,815	$ (9,381)	$ 51,959	$ 8,260
With government commitment:					
Special assessment	150,003	22,540	(16,053)	156,490	15,556
Tax increment financing	22,266	7,690	(2,841)	27,115	2,292
Transient guest tax	2,430	-	(25)	2,405	30
Local sales tax	73,130	-	(10,810)	62,320	7,775
Unamortized premium	28,280	1,583	(3,891)	25,972	-
Revenue bonds:					
Sales tax special obligation (STAR)	3,674	-	(504)	3,170	109
Total bonds payable	**331,308**	**41,628**	**(43,505)**	**329,431**	**34,022**
Lease liability**	1,433	33	(287)	1,179	283
Compensated absences	12,509	9,375	(9,406)	12,478	9,761
Claims payable	37,007	51,183	(49,028)	39,162	12,768
Net pension liability	11,526	202,527	(214,053)	-	-
Total OPEB liability	35,861	3,904	(10,599)	29,166	-
Environmental remediation obligations	28,567	5,015	(1,314)	32,268	1,613
Landfill closure/ post-closure care	9,544	718	(167)	10,095	589
Total long-term liabilities - governmental activities	**$ 467,755**	**$ 314,383**	**$ (328,359)**	**$ 453,779**	**$ 59,036**
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 234,721	$ -	$ (11,270)	$ 223,451	$ 11,733
Unamortized premium	13,818	-	(1,042)	12,776	-
Revenue bonds	428,000	-	(33,275)	394,725	34,620
Unamortized premium	33,537	-	(2,570)	30,967	-
Direct borrowings/placements:					
Revenue bonds*	29,921	112,580	-	142,501	-
Total bonds payable	**739,997**	**112,580**	**(48,157)**	**804,420**	**46,353**
Direct borrowings/placements:					
Loans payable	24,955	68,758	-	93,713	-
Compensated absences	2,068	1,816	(1,898)	1,986	1,533
Net pension liability	4,076	32,338	(36,414)	-	-
Total OPEB liability	8,357	770	(2,725)	6,402	-
Total long-term liabilities - business-type activities	**$ 779,453**	**$ 216,262**	**$ (89,194)**	**$ 906,521**	**$ 47,886**

* *Water Infrastructure Finance and Innovation Act (WIFIA) bonds. See Note 1Q for implementation of GASB 91 – Conduit Debt Obligations. SFRBs (Special Facility Revenue Bonds) were removed from beginning balance as a result of implementation.*

** *See Note 12 (Leases) and 10G (Leases) for restatement discussions relating to GASB 87 - Leases.*

B. GENERAL OBLIGATION AND SPECIAL ASSESSMENT 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. All of the City's bonds have interest due semi-annually.

General Obligation Bonds
Outstanding on December 31, 2022
(dollars in thousands)

Payable From	Interest Rates	Amount
Governmental activities:		
Ad valorem property taxes	2.00% - 5.00%	$ 51,959
Transient guest tax	3.00% - 5.00%	2,405
Tax increment financing (TIF)	1.00% - 4.00%	27,115
Local sales tax	1.50% - 5.00%	62,320
Total governmental activities		**143,799**
Business-type activities:		
Airport Authority Fund	2.00% - 5.60%	122,455
Stormwater Utility Fund	1.50% - 5.00%	7,306
Water Utility Fund	3.00% - 5.00%	93,690
Total business-type activities		**223,451**
Total general obligation bonds		**$ 367,250**

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

Year ending December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	$ 18,357	$ 5,193	$ 11,733	$ 8,592
2024	17,912	4,359	12,239	8,042
2025	16,525	3,687	12,069	7,494
2026	16,786	3,155	12,290	7,014
2027	16,128	2,565	12,675	6,601
2028 – 2032	46,751	5,453	65,180	26,507
2033 – 2037	11,340	764	45,580	14,912
2038 – 2042	-	-	34,440	7,773
2043 – 2047	-	-	17,245	1,339
Totals	**$ 143,799**	**$ 25,176**	**$ 223,451**	**$ 88,274**

The City of Wichita also issues special assessment bonds to provide funds for the construction of infrastructure (paving, water, sewer and stormwater) 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
2023	$ 15,555	$ 5,740
2024	14,724	4,899
2025	13,706	4,304
2026	12,609	3,741
2027	12,607	3,210
2028 – 2032	50,139	9,293
2033 – 2037	28,120	3,157
2038 – 2042	9,030	602
Totals	**$ 156,490**	**$ 34,946**

Long-term General Obligation bonded debt of the City is comprised of the following types and individual issuances (series).

General Obligation and Special Assessment Bonds
Outstanding on December 31, 2022
(dollars in thousands)

Original Amount	Date Issued	Issuance Series	Interest Rates	Final Maturity Date	Outstanding Amount	Date Callable
Governmental activities:						
General Obligation (G.O.) Bonds:						
$ 9,450	2/1/2013	Series 807	2.00%	2023	$ 1,055	6/1/2021
3,550	2/1/2014	Series 809	2.00% - 3.00%	2024	790	6/1/2022
735	2/1/2014	Series 809A	2.6% - 4.375%	2029	373	6/1/2023
5,595	10/1/2014	Series 811*	3.00% - 5.00%	2024	1,330	6/1/2023
1,020	10/1/2014	Series 813	2.50% - 3.05%	2024	235	6/1/2023
25,201	4/1/2015	Series 2015A*	2.00% - 5.00%	2025	1,084	12/1/2023
520	10/1/2015	Series 815	2.25% - 3.70%	2030	48	12/1/2024
1,680	10/1/2016	Series 817*	2.00% - 3.00%	2026	730	12/1/2024
2,861	10/1/2016	Series 819	2.00% - 3.00%	2026	1,254	12/1/2024
9,395	10/1/2018	Series 821	3.00% - 5.00%	2034	6,435	12/1/2026
34,150	10/1/2019	Series 823	4.00%	2029	25,435	12/1/2027
4,020	10/1/2020	Series 825*	2.00% - 3.00%	2033	3,375	12/1/2028
9,815	10/1/2022	Series 827	3.00% - 5.00%	2032	9,815	12/1/2029
		Total general obligation bonds			**51,959**	
Transient Guest Tax (G.O.) Bonds:						
$ 2,485	10/1/2014	Series 811*	3.00% -5.00%	2034	$ 2,405	6/1/2023
		Total transient guest tax bonds			**2,405**	
Tax Increment Financing (G.O.) Bonds:						
$ 1,610	8/1/2012	Series 961 (Taxable)	1.95% - 2.70%	2023	$ 175	N/A
6,605	10/1/2014	Series 813	2.50% - 3.85%	2030	3,625	6/1/2023
6,890	10/1/2014	Series 962	2.00% - 3.00%	2024	1,520	6/1/2022
537	10/1/2016	Series 819	2.00% - 3.00%	2026	235	12/1/2024
12,145	10/1/2019	Series 963	3.00% - 4.00%	2033	11,605	12/1/2027
2,625	10/1/2020	Series 964	1.00% - 2.00%	2033	2,265	12/1/2028
7,690	101/2022	Series 829	2.50% - 3.85%	2037	7,690	12/1/2030
		Total tax increment financing bonds			**27,115**	
Local Sales Tax (G.O.) Bonds:						
$ 17,700	11/1/2012	Series 2012D	2.125% - 3.00%	2027	$ 6,785	10/1/2021
64,785	9/1/2014	Series 2014	3.00% - 5.00%	2029	33,545	10/1/2023
23,400	9/1/2019	Series 2019A	1.50% - 4.00%	2034	19,270	10/1/2027
3,970	10/1/2020	Series 2020A*	2.00%	2026	2,720	N/A
		Total local sales tax bonds			**62,320**	
Special Assessment (S.A.) Bonds:						
$ 565	8/1/2004	Series 778A	4.00% - 4.75%	2024	$ 70	91/2014
1,610	8/1/2005	Series 782A	4.00% - 4.25%	2025	345	9/1/2015
920	8/1/2006	Series 786A	4.30% - 5.75%	2026	255	9/1/2016
4,985	2/1/2007	Series 788A	4.00% - 4.625%	2027	1,700	9/1/2017
2,575	8/1/2007	Series 790A	4.00% - 4.75%	2027	840	9/1/2017
1,630	3/1/2010	Series 800B (Taxable)	1.25% - 5.75%	2030	710	6/1/2020

General Obligation and Special Assessment Bonds (continued)
Outstanding on December 31, 2022
(dollars in thousands)

Original Amount	Date Issued	Issuance Series	Interest Rates	Final Maturity Date	Outstanding Amount	Date Callable
Governmental activities (continued):						
Special Assessment (S.A.) Bonds (continued):						
$ 6,085	8/1/2010	Series 802	2.00% - 3.50%	2025	$ 1,440	12/1/2017
5,870	8/1/2010	Series 802A	3.00% - 4.00%	2030	2,765	12/1/2020
1,260	8/1/2010	Series 802B (Taxable)	4.50% - 5.70%	2030	355	12/1/2020
1,965	2/1/2011	Series 804	3.20% - 4.25%	2026	640	6/1/2018
3,435	8/1/2011	Series 806	3.00% - 4.125%	2031	1,215	12/1/2020
5,615	2/1/2012	Series 808	2.00% - 3.25%	2032	2,180	6/1/2022
2,275	8/1/2012	Series 810	3.00% - 3.125%	2032	960	12/1/2020
21,250	11/1/2012	Series 2012A	4.00% - 5.00%	2023	820	N/A
3,375	2/1/2013	Series 812	3.00% - 4.00%	2033	1,630	6/1/2022
3,985	2/1/2014	Series 809A	2.60% - 4.375%	2029	2,022	6/1/2023
465	10/1/2014	Series 813	2.00% - 3.05%	2029	245	6/1/2023
10,610	10/1/2014	Series 814	2.25% - 5.00%	2034	6,270	6/1/2023
11,550	4/1/2015	Series 2015A*	2.00% - 5.00%	2024	2,505	12/1/2023
2,315	10/1/2015	Series 815	2.50% - 3.70%	2030	1,397	12/1/2024
10,145	10/1/2015	Series 816	2.00% - 5.00%	2035	6,265	12/1/2024
6,465	10/1/2016	Series 818	2.25% - 5.00%	2036	4,705	6/1/2026
162	10/1/2016	Series 819	2.00% - 3.00%	2026	71	12/1/2024
10,290	10/1/2016	Series 2016A*	1.50% - 5.00%	2025	3,620	N/A
11,330	10/1/2017	Series 820	3.00% - 5.00%	2037	8,470	6/1/2027
19,995	12/1/2017	Series 2017A	5.00%	2030	15,420	6/1/2028
16,040	10/1/2018	Series 822	3.00% - 5.00%	2038	12,920	6/1/2027
11,335	10/1/2019	Series 824	2.00% - 4.50%	2039	9,810	6/1/2028
16,200	10/1/2020	Series 826	2.00% - 3.00%	2040	14,810	6/1/2028
1,250	10/1/2020	Series 964	1.00% - 2.00%	2035	1,105	12/1/2028
29,215	10/1/2021	Series 828	2.00% - 4.00%	2041	28,390	6/1/2029
4,540	10/1/2022	Series 829	4.00% - 5.00%	2037	4,540	12/1/2030
18,000	10/1/2022	Series 830	3.00% - 5.00%	2042	18,000	6/1/2030
		Total special assessment bonds			**156,490**	
		Total governmental activities G.O. and S.A. bonds			**300,829**	
Business-type activities:						
Airport Authority G.O. Bonds:						
$ 8,010	2/1/2014	Series 2014A	3.00% - 4.30%	2044	$ 6,460	6/1/2023
18,235	6/1/2015	Series 2015A	3.00% - 5.00%	2044	15,315	12/1/2025
8,685	6/1/2015	Series 2015B	3.375% - 4.20%	2044	7,295	12/1/2025
67,615	6/1/2015	Series 2015C	4.25% - 5.00%	2044	58,480	12/1/2025
10,555	4/1/2017	Series 2017A	3.00% - 5.00%	2047	9,495	12/1/2027
7,180	4/1/2017	Series 2017B	3.125% - 5.00%	2047	6,475	12/1/2027
12,365	12/1/2019	Series 2019A (Taxable)	4.00% - 5.60%	2041	11,675	3/1/2028
7,845	10/1/2020	Series 825*	2.00% - 3.00%	2040	7,260	12/1/2028
		Total Airport Authority G.O. bonds			**122,455**	

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General Obligation and Special Assessment Bonds (continued)
Outstanding on December 31, 2022
(dollars in thousands)

Original Amount	Date Issued	Issuance Series	Interest Rates	Final Maturity Date	Outstanding Amount	Date Callable
Business-type activities (continued):						
Stormwater G.O. Bonds:						
$ 710	8/1/2012	Series 805*	3.00%	2027	$ 270	10/1/2020
9,214	4/1/2015	Series 2015A*	2.00% - 5.00%	2025	1,976	12/1/2023
1,990	10/1/2016	Series 817*	2.00% - 3.00%	2031	1,290	12/1/2024
1,050	10/1/2016	Series 2016A*	1.50% - 5.00%	2025	280	N/A
4,835	10/1/2020	Series 2020A*	3.00%	2027	3,490	N/A
		Total Stormwater G.O. bonds			**7,306**	
Water Utility G.O. Bonds:						
$ 135,905	10/1/2014	Series 811*	3.00% -5.00%	2034	$ 93,690	6/1/2023
		Total Water Utility G.O. bonds			**93,690**	
		Total business-type activities			**223,451**	
		Total G.O. and S.A. bonds			$ **523,740**	

* Bonds were split between governmental activities and business-type activities.

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 table below.

Revenue Bonds
Outstanding on December 31, 2022
(dollars in thousands)

Payable From	Interest Rates	Amount
Governmental activities:		
Local sales tax	3.00% - 5.00%	$ 3,170
Total governmental activities		**3,170**
Business-type activities:		
Water Utility	2.00% - 5.60%	217,202
Sewer Utility	2.00% - 5.00%	177,523
From direct placements and borrowings:		
Water Utility – WIFIA	1.17%	142,501
Total business-type activities		**537,226**
Total general obligation bonds		$ **540,396**

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

Annual Debt Service Requirements – Revenue Bonds
(dollars in thousands)

Year ending December 31,	Governmental Activities		Business-type Activities			
	Revenue Bonds		Revenue Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 109	$ 142	$ 34,620	$ 13,756	$ -	$ -
2024	383	131	30,495	12,319	-	-
2025	470	113	31,980	10,992	-	-
2026	493	91	31,280	9,684	-	-
2027	248	70	31,075	8,479	-	-
2028 – 2032	583	258	134,140	27,025	16,714	6,840
2033 – 2037	722	121	80,795	9,715	22,017	7,427
2038 – 2042	162	6	20,340	919	23,335	6,108
2043 – 2047	-	-	-	-	24,732	4,711
2048 – 2052	-	-	-	-	26,214	3,229
2053 – 2057	-	-	-	-	27,783	1,660
2058 – 2059	-	-	-	-	11,574	204
Totals	**$ 3,170**	**$ 932**	**$ 394,725**	**$ 92,889**	152,369	**$ 30,179**
				Less: interest rolled into principal*	**(9,868)**	
				Totals	**$ 142,501**	

*Estimated interest rolled into principal during construction phase. See Note 10.F for further details.

Long-term revenue bonds of the City are comprised of the following types and individual issuances (series).

Revenue Bonds
Outstanding on December 31, 2022
(dollars in thousands)

Original Amount	Issued	Issuance Series	Interest Rates	Final Maturity Date	Outstanding Amount	Date Callable
Governmental activities:						
Sales Tax Special Obligation Revenue (STAR) Bonds:						
$ 71,305	8/9/2017	2017 K-96 Greenwich STAR Bond	3.00% - 4.625%	2033	$ 1,370	9/1/2022
42,140	11/1/2018	2018 Stadium STAR Bond	3.50% - 5.00%	2038	1,800	9/1/2027
		Total STAR bonds			**3,170**	
		Total governmental activities			**3,170**	
Business-type activities:						
Water and Sewer Utilities Revenue Bonds:						
$ 41,405	8/1/2014	2014A Water & Sewer Refunding	3.00% - 5.00%	2030	$ 15,625	10/1/2024
12,785	12/1/2014	2014B Water & Sewer	2.50% - 5.00%	2034	8,770	10/1/2024
38,380	4/1/2015	2015B Water & Sewer Refunding	2.38% - 5.00%	2031	20,735	10/1/2024
25,150	11/1/2015	2015C Water & Sewer	2.50% - 5.00%	2035	16,970	10/1/2025
23,395	11/1/2015	2015D Water & Sewer Refunding	2.50% - 5.00%	2032	15,535	10/1/2025
23,810	8/1/2016	2016A Water & Sewer	3.00% - 5.00%	2036	18,375	10/1/2026
101,445	8/1/2016	2016B Water & Sewer Refunding	3.00% - 5.00%	2039	77,455	10/1/2026
65,500	6/1/2017	2017A Water & Sewer	3.00% - 5.00%	2037	53,705	10/1/2027
22,140	12/1/2017	2017B Water & Sewer Refunding	3.00% - 5.00%	2030	15,075	4/1/2028
44,465	3/1/2019	2019A Water & Sewer	3.00% - 5.00%	2039	39,740	10/1/2027
49,910	12/1/2019	2019B Water & Sewer Refunding	3.00%	2030	39,140	10/1/2028
32,400	5/1/2020	2020A Water & Sewer	3.00%	2039	29,555	10/1/2028
10,395	10/1/2020	2020C Water & Sewer Refunding	2.00% - 3.50%	2032	8,895	10/1/2028
36,715	6/1/2021	2021A Water & Sewer	2.00% - 4.00%	2040	35,150	10/1/2029
		Total Water and Sewer Utilities revenue bonds			**394,725**	

Revenue Bonds (continued)
Outstanding on December 31, 2022
(dollars in thousands)

Original Amount	Issued	Issuance Series	Interest Rates	Final Maturity Date	Outstanding Amount	Date Callable
From Direct Borrowings and Placements:						
Water Utility Revenue Bonds:*						
$ 331,000	10/1/2021	2020B (WIFIA) Taxable Water & Sewer	1.17%	2059	$ 142,501	N/A
		Total Water Utility WIFIA revenue bonds			**142,501**	
		Total direct borrowings and placements			**142,501**	
		Total business-type activities			**537,226**	
		Total revenue bonds			**$ 540,396**	

* Original amount represents the total amount that can we funded by WIFIA bonds. See Note 10.F below for further details.

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, 2021, 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, 2022, the 2017 and 2018 STAR bonds had outstanding principal balances of $32,095,000 and $42,140,000, respectively. The City has recorded its proportional share of the STAR bonds outstanding in the amount of $1,370,456 and $1,799,799 for the 2017 and 2018 STAR bonds, respectively.

The 2018 STAR bonds have 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 Revenues: 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 revenues recognized during the fiscal year and the percentage of the revenue stream that has been committed. The remaining amount of the pledge is equal to the remaining principal and interest payments on the respective bonds.

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

Amount of Pledge	Type of Pledged Revenues	Term of Commitment	Percent of Revenues Pledged	2022 Principal and Interest	2022 Pledged Revenues Recognized
Water & Sewer Utility Revenue Bonds:*					
$ 660,294	Utility revenues	Through 2059	100%	$ 48,089	$ 202,164
2017 Sales Tax Special Obligation Revenue (STAR) Bonds:					
$ 1,546	Sales tax revenues	Through 2027	100%	583	647
2018 STAR Bonds:					
$ 2,556	Sales tax revenues	Through 2038	100%	78	80

** Includes direct borrowing and placement bonds.*

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, 2022, the City was in compliance with all significant reserve requirements of the respective Water and Sewer Utility revenue bond resolutions and ordinances.

E. LONG-TERM LOANS

The Water Utility has entered into a long-term loan, where income derived from the acquired or constructed assets is pledged to pay debt service. The table below presents the long-term loan outstanding as of December 31, 2022.

Long-term Loan Outstanding on December 31, 2022 (dollars in thousands)

Original Amount	Issued	Issuance Series	Interest Rates	Final Maturity Date	Outstanding Amount	Date Callable
Business-type activities:						
From Direct Borrowings and Placements:						
Water Utility:*						
$ 55,000	06/22/2020	2020 KPWSLF Loan	1.48%	2045	$ 55,000	N/A
60,000	03/01/2022	2022 KPWSLF Loan	1.34%	2045	38,713	
		Total Water Utility long-term loan			$ **93,713**	

* Original amount represents the total amount available to be funded by 2020 Kansas Public Water Supply Loan Fund (KPWSLF) loan. See Note 10.F below for further details.

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Debt service requirements to maturity for the long-term loan outstanding is presented in the table below.

Annual Debt Service Requirements Long-term Loan (dollars in thousands)		
Year ending December 31,	Business-type Activities Principal	Interest
2023	$ -	$ -
2024	-	-
2025	2,063	675
2026	4,169	1,306
2027	4,228	1,247
2028 – 2032	22,064	5,313
2033 – 2037	23,682	3,694
2038 – 2042	25,420	1,957
2043 – 2045	13,401	287
Totals	**$ 95,027**	**$ 14,479**
Less: interest rolled into principal	(1,314)	
	$ 93,713	

** Estimated interest rolled into principal during construction phase. See Note 10.F for further details.*

Pledged Revenue: The City has pledged specific revenue streams to secure the repayment of its long-term loan. The following table lists those revenues and the corresponding loan, 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. The remaining amount of the pledge is equal to the remaining principal and interest payments on the long-term loan.

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	2022 Principal and Interest	2022 Pledged Revenue Recognized
Water Utility Long-term Loans:*					
$ 109,503	Utility revenues	Through 2045	100%	$ -	$ 126,165

** Loans are direct borrowing and placement loans and have a pledged revenue source.*

F. DIRECT BORROWINGS AND PLACEMENTS: BONDS AND LONG-TERM LOANS

Water Infrastructure Finance and Innovation Act (WIFIA) Bond: 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 United States Environmental Protection Agency (EPA), a direct borrowing/placement, to fund part of the City's new Northwest Water Treatment Facility (NWWTF) Project, which is expected to cost approximately $550 million. The WIFIA Bond 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. Interest only accrues as the City makes its first drawdown of funds from the WIFIA Bond. No interest will be due until after the substantial completion date of the project and such interest accrued through that date will be rolled into the WIFIA credit balance for up to a maximum principal amount of $331,000,000. As of December 31, 2022, the City has a balance outstanding of $142,501,162, which includes $1,364,835 of interest rolled into that balance. The City has projected an additional $9,867,788 of interest would be rolled into the bond principal, based upon the principal balance outstanding as of yearend, before any debt service payments begin.

The Water Utility has pledged the net revenues of the Water and Sewer Utility as security for the WIFIA Bond for the duration of the bond on parity to its revenue bonds. The City has also agreed to comply with various covenants, including a rate covenant similar to that of its revenue bonds.

An event of default will exist if any of the following occurs: 1) a payment default, 2) a covenant default not cured within specified parameters of the agreement, 3) a misrepresentation default, 4) acceleration of Utility indebtedness, 5) cross default on Utility indebtedness documents, 6) material adverse judgment, 7) occurrence of bankruptcy related event, 8) invalidity of WIFIA credit documents, 9) development default, 10) default under principal project contracts, or 11) cessation of System operations.

Upon the occurrence of any bankruptcy related event, all obligations of the WIFIA Credit Provider with respect to disbursement of any undisbursed amounts shall terminate and the outstanding WIFIA credit balance, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under the agreement shall become immediately due and payable. Upon the occurrence of any event of default, the WIFIA Credit Provider, by written notice to the City, may exercise any or all of the following remedies: 1) suspend or terminate all of its obligations with respect to disbursement of undisbursed amounts; 2) may cease permitting interest to be capitalized (i.e. deferred and rolled into principal of the bond); 3) may apply the default rate provisions (interest rate); 4) suspend or debar the City from further participation in any Government program administered by the WIFIA Credit Provider and notify other departments and agencies of such default; 5) institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid; 6) have all the rights and remedies of a creditor and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable; or 7) may accelerate the WIFIA bond and declare that the outstanding WIFIA credit balance, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under the agreement shall become immediately due.

Kansas Public Water Supply Loan Fund (KPWSLF or Revolving Fund): As of December 31, 2022, the City has two KPWSLF loans outstanding, which are to fund a part of the City's new Northwest Water Treatment Facility (NWWTF) Project, which is expected to cost approximately $550 million. On June 22, 2020, the City entered into its first (2020) direct borrowing KPWSLF loan agreement with the Kansas Department of Health and Environment (KDHE) in an amount not to exceed $55,000,000 with an interest rate of 1.48%. On March 1, 2022, the City entered into its second (2022) direct borrowing KPWSLF loan with KDHE in an amount not to exceed $60,000,000 at an interest rate of 1.34%. The loans are subject to the availability of KDHE's State and Federal funds and proceeds from KDFA (Kansas Development Finance Authority) Bonds. No interest accrues until the City makes its first drawdown of funds from the KPWSLF loans and no principal payments are due until the earlier of August 1, 2025 or one year after Project completion. The City may not prepay the outstanding principal of the loans, except as may be consented in writing by KDHE in advance of such prepayment. As of December 31, 2022, the City has fully drawn down the 2020 KPWSLF loan with an outstanding principal balance of $55,000,000. The 2022 KPWSLF Loan, as of December 31, 2022, has a principal balance of $38,712,523, which includes $888,363 of interest rolled into that balance. The City has projected an additional $1,314,364 of interest would be rolled into the bond principal, based upon the principal balance outstanding as of yearend, before any debt service payments begin.

The Water Utility has pledged the net revenues of the Water and Sewer Utility as security for the KPWSLF loans for the duration of the loans on parity to its revenue bonds. The City has also agreed to comply with various covenants, including a rate covenant similar to that of its revenue bonds. The City will also purchase a municipal bond insurance policy, which the cost can be included in the principal amount of the loans, as further security for repayment of the loans.

An event of default will exist if any of the following occurs: 1) a payment default, 2) a covenant default by either party not cured within specified parameters of the agreement, 3) a misrepresentation default, 4) occurrence of bankruptcy related event, 5) failure of KDHE to promptly pay any Project Costs when reasonably requested to do so by the City, or 6) any event of default under any Utility indebtedness of the City.

Upon the occurrence of any event of default, KDHE, the Insurer or the City shall have the right to take whatever action at law, or in equity, may appear necessary or desirable to collect the amounts then due and to become due or to enforce performance and observance of any obligation or agreement of KDHE or the City (including withholding the remaining loan disbursements and cancellation of the loan agreements) or such other remedies provided to the Secretary of KDHE in the Loan Act and Regulations, provided that:

1) Remedies for any event of default resulting solely from noncompliance by the City with respect to its *Obligation to Provide Information if Notified by KDHE* of these loans shall be limited to such actions as may

be necessary and appropriate to cause the City to comply with its obligations under such section; and

2) If KDHE has a right to accelerate the loans (KDHE has the right if the City enters into or modifies any Utility indebtedness to contain specific *Additional Rights* language, as defined in the loan agreements, in its contractual obligations), KDHE may declare the outstanding balance of the loans to be immediately due and payable, together with the interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under the loan agreements.

G. LEASES

The Governmental Activities lease liability was restated from $290,666 to $1,433,041 as a result of the retroactive implementation of GASB 87 as of January 1, 2022. Note 12 – Leases provides information about the City's leasing activity, both as a lessee and lessor, for leases that fall under GASB 87, leases that would fall under GASB 87 if not regulated and its prepaid leases.

H. LANDFILL CLOSURE AND POST-CLOSURE 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 $7,317,335 or $365,867 annually. Accordingly, a liability of $7,317,335 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, 2022.

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 $1,116,075. Accordingly, a liability of $1,116,075 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, 2022.

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, 2022.

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 $1,436,277 on December 31, 2022, based on the use of 84.7% of the estimated capacity. The City will recognize the remaining closure costs of $259,446 as the remaining capacity is filled. Based on activity to date, the City expects the landfill to close in approximately 2026, 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 $225,174 on December 31, 2022, based on the use of 35.5% of the estimated capacity. The City will recognize the remaining closure and post-closure costs of $409,119 as the remaining capacity is filled. Based on activity to date, the industrial monofill landfill is expected to close in approximately 2066, 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, 2022, the capacity used was too small to estimate, thus the total estimated closure and post-closure care of $39,842 will be recognized as capacity is filled.

As of December 31, 2022, 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 contaminates of volatile organic compounds and the concentrations of the compounds. On March 26, 1991, the City and KDHE finalized a "Settlement Agreement for Remedial Investigation and Feasibility Study, and for Certain Remedial Actions to be Determined Following Opportunity for Public Involvement" (Settlement Agreement).

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

The City has ongoing costs associated with the operations, maintenance, monitoring and reporting activities for the groundwater remediation system for the Plumes ABE contamination. Accordingly, a liability of $14,530,871 has been recorded in the government-wide financial statements, in addition to a receivable of $2,282,426 for a settlement from a responsible party. The City has recorded an estimated allowance of approximately $1.5 million as the responsible party is withholding payments until their liability is reassessed, which the City anticipates will be resolved in 2023.

The original liability and recovery amounts were 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. In 2022, the City completed a revised cost estimate based on updated cost evaluations, after the City had commissioned a contractor to update the groundwater model for the site in 2019. The potential for change to the liability is relatively low based upon the groundwater modeling and the operating and maintenance cost trends available.

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 City received permission from KDHE in January 2021 to decommission the AS/SVE system at Tri-State Central in 2021. All wells were properly abandoned and the treatment trailer removed from the site in 2021. A portion of the Harcros system was restarted in October 2019 and was shut down in June 2020. Monitoring in 2021 and 2022 at the Harcos site indicated that the Harcros system should still stay in an assessment phase. Monitoring in 2023 may determine whether the Harcos system remains in place for possible operation or enters a monitoring only phase.

The AS/SVE remediation system at the Harcros facility is anticipated to be decommissioned in 2024. Monitoring for both sites is projected to end in 2037 based upon the current levels of remaining contamination. A liability of $87,982 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 appear to be low enough to proceed with monitoring only efforts at both sites.

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, 2022, a liability of $5,821 has been recorded in the government-wide financial statements. The potential for changes to the liability is moderate until the investigations are complete.

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 2023 and will coordinate efforts with KDHE. The City anticipates a revised remediation approach will be approved by KDHE in 2023 and implemented 2023-2024.

The City recorded a net liability for remediation and monitoring activities of $549,296 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 is not planning to use the original contractor for the remainder of the remediation effort and will work with KDHE to change the CAD for the site. Adjustments will be made when the CAD is revised and an updated cost estimate is generated based upon the revised remediation program.

APCO Chemical Company (APCO): Within the Gilbert & Mosley district, 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 acquired KDHE's permission to decommission the remaining wells in 2021 and decommissioned the wells in 2022. The site is now considered resolved and thus, no liability has been recorded.

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 acquired KDHE's permission to decommission the remaining wells; however, KDHE asked the City to retain the monitoring well and the City transferred the responsibility to KDHE in 2022. Therefore, the City has no further liability associated with this site and no liability has been recorded.

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 was submitted in 2022. Data indicates that remediation efforts will likely be required. The report has still not been reviewed by KDHE.

City staff have assumed that the AS/SVE remedial option presented in the CAS report will be selected for the site. Accordingly, an estimated liability has been recorded in the government-wide financial statements in the amount of $292,179. This estimate was developed using the AS/SVE remediation costs, along with the monitoring costs provided in the CAS and estimated KDHE oversight costs, with an overall inflation rate of three percent. The potential for change to the liability is relatively moderate due to the KDHE determined action may differ from the City's assumption and the City is currently disputing KDHE's assessment that the City is responsible for remediating the orphan sites within RSI.

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. The CAS report was submitted to KDHE in 2020 and approved on February 9, 2021. Data indicates that remediation efforts will likely be required.

City staff have assumed that the AS/SVE remedial option presented in the CAS report will be selected for the site. City staff have utilized the AS/SVE remediation costs, along with the monitoring costs provided in the CAS report, estimated KDHE oversight costs and an overall inflation rate of three percent to derive an estimated liability for the site. Accordingly, an estimated liability of $395,199 has been recorded in the government-wide financial statements. The potential for change to the liability is relatively high due to the City's current contention that this is not an orphan site and the City is not responsible for the remediation effort. If LORAC is unable to pay the remediation costs, KDHE may hold the City liable for the remediation

efforts. No agency decision has been made.

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. The construction costs for the site-wide remediation system are based upon the contracts awarded in 2020 and early 2021. 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 alterative for Groundwater Units 5 and 6. A separate decision document will be developed based on completion of the FS for the groundwater unit.

KDHE has approved the Remedial Design, the Site-wide Monitoring and Performance Evaluation Work Plan for the NIC Site. The new estimated liability for the NIC site-wide groundwater cleanup has been derived from the updated cost evaluations. The City commissioned a contractor to update the groundwater model for the NIC site in 2021, which was completed in early 2022. The results of the updated model were used to assess the remaining pumping durations of the groundwater extraction wells and to project when the groundwater concentrations would be less than drinking water standards in the aquifer. The modeling effort projected that all four NIC wells could be shut down by end of 2031 with an additional five years of operations added as a conservative measure. Monitoring activities are projected to continue through 2048. Operational cost trends and KDHE oversight charges in 2022 were evaluated and projected for the duration of the program, with an average inflation rate of three percent.

A liability of $16,397,828 has been recorded in the government-wide financial statements. This includes a combined liability of $805,650 for the following subsites within the NIC site: APEX/11th State, VIM Trailer, and Kansas Plating, Inc. The potential for changes to the liability is relatively low based upon the groundwater modeling and the operation and maintenance costs trends available. The City anticipates the site will be issued a 'Resolved' or 'No further action' determination by late 2048.

As of December 31, 2022, all but one of the financially significant participants have settled with the City (the City has settled with 20 responsible parties). The City is assessing whether to pursue a settlement. Therefore, no receivable has been recorded as of December 31, 2022.

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 2026.

The City has ongoing maintenance costs related to groundwater, surface water and lake sediment. A liability of $1,000 has been recorded in the government-wide financial statements. The City does not currently have a contract in place to conduct the 2026 sampling events and thus, there is no estimate for a revised monitoring liability at this point. Maintenance of the cap and fencing is on an as needed basis and those costs are covered in the same year they are incurred. The potential for change to the liability is relatively low.

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 contaminates reported in the groundwater at the Fuel Farm and the absence of contaminates in the groundwater at the nearby Fire Training Facility, KDHE only requires annual monitoring of the groundwater in accordance with KDHE requirements. The City has recorded a liability of $5,000 for the annual 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 table at the beginning of this note (Note 10A – Long-Term Liabilities Activity).

The governmental activities of the City had the following other long-term liabilities.

- ***Compensated Absences*** related to internal service funds are included in the governmental activities amounts and will be liquidated by the internal service fund that holds the liability. Compensated absences for governmental funds are primarily liquidated by the General Fund.
- The ***Lease payable*** for copiers recorded in the Information Technology Fund is included in governmental activities and will be liquidated from the Information Technology Fund.
- ***Claims payable*** are liquidated from the Self Insurance Fund.
- ***Post-employment benefits*** other than pensions will be ultimately liquidated via health insurance

expenditures which are paid by the Self Insurance Fund, which receives funding in the form of employer contributions via payroll and from the retirees' payment of premiums. These employer contributions for governmental funds are primarily funded by the General Fund.

- The ***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. The governmental funds' portion of the liability are generally paid by the General Fund.
- ***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 2022, the City issued $158,865,000 and retired $165,950,000 in temporary notes for various capital improvements. Temporary notes outstanding at December 31, 2022 are payable as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities	**$ 136,146,987**	**$ 158,865,000**	**$ (164,056,987)**	**$ 130,955,000**
Business-type activities:				
Transit Fund	1,893,013	-	(1,893,013)	-
Total business-type activities	**1,893,013**	-	(1,893,013)	-
Total temporary notes	**$ 138,040,000**	**$ 158,865,000**	**$ (165,950,000)**	**$ 130,955,000**

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

	Series	Interest Rate	Amount Outstanding	Maturity Date
Governmental activities:				
Nonmajor capital project funds:				
Street Improvement Fund	310	5.00%	$ 13,238,196	10/13/23
Park Bond Construction Fund	310	5.00%	22,806,537	10/13/23
Park Bond Construction Fund	307	4.50%	810,973	10/13/23
Neighborhood Improvements Fund	310	5.00%	38,108,263	10/13/23
Public Improvement Construction Fund	310	5.00%	53,897,004	10/13/23
Public Improvement Construction Fund	307	4.50%	2,094,027	10/13/23
Total governmental activities			**130,955,000**	
Total temporary notes payable			**$130,955,000**	

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12. LEASES

On January 1, 2022, the City implemented GASB 87 (Leases), which resulted in a restatement of the beginning net position for its Information Technology Fund of $290,666. The Information Technology (IT) Fund, an internal service fund, predominantly serves governmental funds. Accordingly, the long-term assets and long-term liabilities of the IT Fund are included as part of the totals for governmental activities.

As a lessee, the City's governmental activities recognized $1,433,041 in right-to-use assets and associated lease liabilities, including the Information Technology Fund's equipment (copiers) lease.

As a lessor, the City recognized lease receivables and associated deferred inflows of resources of $1,851,771 and $32,525,032 for governmental activities and business-type activities, respectively.

A. CITY AS A LESSEE

Governmental Activities: The City is a lessee for leases of vehicles, buildings, office space and equipment for periods through 2035. The incremental borrowing rate of 3.84% is based on the three-year year average of the City's bonded debt. This incremental borrowing rate was used to determine the net present value of the lease liabilities. As of December 31, 2022, the City had right-to-use assets, net of accumulated amortization, of $1,169,907 and corresponding lease liabilities of $1,179,595.

The City's leased right-to-use assets by category are as follows:

Leased Right-to-Use Assets
For the Year Ended December 31, 2022

	Restated Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Right-to-use assets, being amortized:					
Buildings	$ 1,056,388	$ -	$ -	$ -	$ 1,056,388
Machinery, equipment and other assets	376,653	33,219	-	-	409,872
Total right-to-use assets, being amortized	**1,443,041**	**33,219**	**-**	**-**	**1,466,260**
Less accumulated amortized for:					
Machinery, equipment and other assets	-	(296,353)	-	-	(296,353)
Total right-to-use assets, being amortized, net	**1,433,041**	**(263,134)**	**-**	**-**	**1,169,907**
Governmental activities right-to-use assets, net	**$ 1,433,041**	**$ (263,134)**	**$ -**	**$ -**	**$ 1,169,907**

Amortization expense was charged to function/programs of the primary government as follows for the City's leased assets:

	Current Year Amortization
Governmental Activities:	
General government	$ 23,415
Public safety	70,263
Culture and recreation	31,685
Internal service funds[1]	170,990
Total depreciation expense - governmental activities	**$ 296,353**

[1] *Capital assets held by the government's internal services are charged to the various functions based on the usage of the assets.*

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The future minimum lease payments are as follows:

Future Minimum Lease Payments		
Year ending December 31,	Governmental Activities	
	Principal	Interest
2023	$ 283,338	$ 41,217
2024	133,410	32,469
2025	101,350	28,450
2026	93,705	24,595
2027	80,816	21,385
2028 – 2032	332,792	59,740
2033 – 2035	154,184	9,704
Totals	**$ 1,179,595**	**$ 217,560**

B. CITY AS A LESSOR

Governmental Activities: The City leases retail space, land, parking spaces, buildings and offices for several leases as the lessor. Lease receivables are recorded by the City at the present value of the future lease payments expected to be received from the lessee during the lease terms. Lease receivables are then reduced over the life of the lease as payments are received and applied in the appropriate period. The interest rate used for lease receivables is 0.846% and is based off the three-year average earning percentage from the City's pooled cash and investments. For these leases, City has lease receivables of $2,132,640 and deferred inflow of resources of $2,109,923 as of December 31, 2022 reported for its governmental activities in the Statement of Net Position.

Some leases are comprised of both fixed and variable payments. The variable payments are based off of the performance of the business with a minimum payment guarantee. These leases were recognized at the minimum payment amount for the length of the lease.

In 2022, the City recognized approximately $300,000 and $15,000 in lease revenues and interest income, respectively, for fixed payments and just under $4,500 for the variable component above the minimum. These revenues are included in *charges for services* and *other operating revenues* in the *Statement of Revenues, Expenses and Changes in Fund Balance* and *charges for services* and *miscellaneous general revenues* in the *Statement of Activities*.

The future minimum lease payments to be received by the City are as follows:

Future Minimum Lease Payments		
Year ending December 31,	Governmental Activities	
	Principal	Interest
2023	$ 284,002	$ 16,954
2024	248,762	14,641
2025	226,772	12,663
2026	123,972	11,155
2027	126,605	10,095
2028 – 2032	461,381	36,344
2033 – 2037	205,083	23,486
2038 – 2042	181,264	15,319
2043 – 2047	129,410	9,054
2048 – 2052	108,450	3,552
2053 – 2057	27,010	1,110
2058 – 2062	1,098	401
2063 – 2067	1,145	354
2068 – 2072	1,195	305
2073 – 2077	1,246	254
2078 – 2082	1,300	200
2083 – 2087	1,356	144
2088 – 2092	1,414	86
2093 – 2096	1,175	25
Totals	**$ 2,132,640**	**$ 156,142**

Business-type Activities: The business-type lessor activities are in the following enterprise funds: Transit Fund and Airport Authority Fund, each of which are discussed separately below.

The ***Transit Fund*** has one lease for building space. As a lessor, the Transit Fund recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable is recorded at the present value of the overall lease payments. The interest rate used for the lease receivable is 0.846% and is based off the 3-year average earning percentage from the City's pooled cash and investments. The lease receivables receivable is then reduced over the life of the lease as payments are received and applied in the appropriate period. For these leases, the Transit Fund is reporting lease receivables of $71,069 and deferred inflow of resources of $70,820 as of December 31, 2022.

In 2022, the Transit Fund recognized approximately $23,600 and $600 in lease revenues and interest income, respectively, which are considered *rental income* and *other operating revenues* in the *Statement of Revenues, Expenses and Changes in Net Position* and *charges for services* and *miscellaneous general revenues* in the *Statement of Activities*.

The future minimum lease payments to be received by the Transit Fund for its lease are as follows:

Transit Fund
Nonregulated Leases
Future Minimum Lease Payments

Year ending December 31,	Business-type Activities	
	Principal	Interest
2023	$ 23,490	$ 510
2024	23,689	311
2025	23,890	110
Totals	**$ 71,069**	**$ 931**

The ***Airport Authority*** has two airports where they lease terminal space, hangars, land, cargo facilities, and other facilities to various tenants under various operating leases. The Airport Authority as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term with exceptions for certain regulated leases and short-term leases. For purposes of the GASB No. 87 implementation, the Airport Authority leases have been categorized as nonregulated and regulated.

- ***Nonregulated leases*:** The Airport Authority leases space for car rental business, advertising, land, farming use and facilities. Upon commencement these leases are recorded at the present value of the overall lease payments, including option periods that are expected to be exercised. The interest rate used for lease receivables is 0.846% and is based off the 3-year average earning percentage from the City's pooled cash and investments. The lease receivable is then reduced as payments are received. For these leases, the Airport Authority is reporting lease receivables of $40,294,420 and deferred inflow of resources of $40,313,165 as of December 31, 2022.

  Some of these leases are comprised of fixed and variable payments. Concession lease agreement revenues are based on the greater of an aggregated percentage of gross receipts or a Minimum Annual Guarantee (MAG). Concession agreements are recorded as receivables using the MAG amount, with any additional amounts over the MAG are recorded as rental revenue in the year received.

  In 2022, the Airport Authority recognized approximately $5.6 million in lease revenues and $300,000 in interest income for the fixed payments and $1,073,094 in lease revenues from the variable components above the MAG amounts. These amounts are included in *rental income* and *other operating revenues* in the *Statement of Revenues, Expenses and Changes in Net Position* and *charges for services* and *miscellaneous general revenues* in the *Statement of Activities*.

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The future minimum lease payments to be received by the Airport Authority for nonregulated leases are as follows:

Airport Authority – Nonregulated Leases Future Minimum Lease Payments		
Year ending December 31,	Business-type Activities	
	Principal	Interest
2023	$ 5,641,784	$ 319,209
2024	5,659,292	271,424
2025	4,140,757	226,225
2026	2,468,995	200,837
2027	2,477,941	179,800
2028 – 2032	6,753,457	682,148
2033 – 2037	4,977,921	449,793
2038 – 2042	4,010,243	258,108
2043 – 2047	1,817,949	133,968
2048 – 2052	1,285,117	75,248
2053 – 2057	1,060,964	22,134
Totals	**$ 40,294,420**	**$ 2,818,894**

- ***Regulated leases:*** The Airport Authority leases hangars, buildings, office space, terminal space and land that are considered regulated leases that are subject to external laws, regulation or legal rulings, the U.S. Department of Transportation and Federal Aviation Administration (FAA), between airports, air carriers and other aeronautical users. In accordance with GASB No. 87, the Airport Authority does not recognize a lease receivable and deferred inflow of resources for regulated leases.

  In 2022, the Airport Authority recognized approximately $6.7 million in lease revenues for the fixed payments for regulated leases. These amounts are included in *rental income* and *other operating revenues* in the *Statement of Revenues, Expenses and Changes in Net Position* and *charges for services* in the *Statement of Activities*.

  The future minimum lease payments to be received by the Airport Authority for regulated leases are as follows:

Airport Authority – Regulated Leases Future Minimum Lease Payments	
Year ending December 31,	Business-type Activities
2023	$ 7,187,770
2024	3,965,207
2025	3,780,205
2026	3,705,990
2027	2,522,072
2028 – 2032	12,167,157
2033 – 2037	13,146,851
2038 – 2042	13,420,134
2043 – 2047	11,241,154
2048 – 2052	5,493,432
2053 – 2057	249,929
2058 – 2062	8,344
Totals	**$ 76,888,245**

C. PREPAID LONG-TERM LEASES

Governmental Activities: 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 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. The balance of the prepaid lease as of December 31, 2022 was $6,756,015, which will be amortized and recognized as expense through October 31, 2033.

Cargill Parking Garage Prepaid Lease	
Year ending December 31,	Governmental Activities
2023	$ 623,640
2024	623,640
2025	623,640
2026	623,640
2027	623,640
2028 – 2032	3,118,200
2033	519,615
Totals	**$ 6,756,015**

Business-type Activities: The Airport Authority has two prepaid long-term leases, one with the Sewer Utility Fund of the City and another with a non-City tenant. Lease and interest revenue will be recognized by the Airport Authority as noted in the table below. The Sewer Utility will correspondingly recognize lease and interest expense for their lease with the Airport Authority according to the same schedule.

The Sewer Utility's prepaid lease expense is recognized as *prepaid items* in the *Statement of Net Position* and the Airport Authority's prepaid lease revenue is recognized as *unearned revenue* in the *Statement of Net Position*.

Business-type Activities Airport Authority Prepaid Leases			
Year ending December 31,	Sewer Utility	External Tenant	Total
2023	$ 29,961	$ 72,277	$ 102,238
2024	28,810	71,216	100,026
2025	27,702	70,172	97,874
2026	26,636	69,143	95,779
2027	25,612	68,128	93,740
2028 – 2032	119,736	326,319	446,055
2033 – 2037	103,317	303,422	406,739
2038 – 2042	89,150	282,121	371,271
2043 – 2047	76,945	262,385	339,330
2048 – 2052	66,396	244,051	310,447
2053 – 2057	57,295	182,940	240,235
Totals	**$ 651,560**	**$ 1,952,174**	**$ 2,603,734**

13. CONDUIT DEBT OBLIGATIONS

Industrial Revenue Bonds: 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, 2022, there were 99 series of industrial revenue bonds were outstanding, with an aggregate principal amount payable of $1,740,672,279.

Special facility revenue bonds (SFRBs) 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, 2022, there were three series of special facility revenue bonds totaling $7,189,769.

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, 2022, transfer revenue and transfer expenditures/expenses each totaled $104,043,035.

Of routine nature are 1) the Debt Service Fund transfers to the Street Improvement Fund, Public Improvement Fund, and other capital project funds to retire temporary notes and cash fund projects; 2) transfers from the Sales Tax Construction Pledge Fund to the Debt Service Fund and the Local Sales Tax CIP Fund to reserve cash to fund freeway and major arterial projects; 3) transfers from the Local Sales Tax CIP Fund to the Street Improvement Fund to cash fund freeway and major arterial projects; and 4) transfers from the General Fund to various other funds, including the Transit Fund, to assist in funding operations.

A summary of interfund transfers for the year ended December 31, 2022, is shown on the following page.

Summary of Interfund Transfers
For Year Ended December 31, 2022

Fund Type/ Fund	Transfers Out	Transfers In
Governmental funds:		
Major funds:		
General Fund	$ 9,920,795	$ 5,627,388
Debt Service Fund	20,931,327	16,411,817
Grants and Other Assistance Fund	-	737,550
Nonmajor special revenue funds	7,425,188	3,302,601
Nonmajor capital project funds	63,498,713	73,421,117
Total governmental funds	**101,776,023**	**99,500,473**
Enterprise funds:		
Major funds:		
Water Utility Fund	74,885	142
Sewer Utility Fund	154,792	-
Stormwater Utility Fund	60,000	9,463
Nonmajor enterprise funds	-	4,532,957
Total enterprise funds	**289,677**	**4,542,562**
Internal service funds	1,977,335	-
Total transfers	**$ 104,043,035**	**$ 104,043,035**

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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, 2022, interfund receivables and payables totaled $51,743,668, including a long-term Golf Course System Fund payable to the Debt Service Fund to assist with the restructuring of long-term debt. Other interfund balances are used to offset temporary cash deficits. Individual fund receivable and payable balances at December 31, 2022 are presented in the tables below.

Interfund Receivables As of December 31, 2022

Fund Type/ Fund	Receivables
Governmental funds:	
Major:	
General Fund	$ 165,072
Debt Service Fund	5,668,420
Nonmajor:	
Landfill Post-Closure Fund	995
Downtown Parking Fund	456,185
Environmental TIF Districts Fund	5,171
City-County Joint Operations Fund	1,953
Street Improvement Fund	7
Local Sales Tax CIP Fund	37,656,745
Sales Tax Construction Pledge Fund	7,604,331
Cemetery Fund	14
Total governmental fund receivables	**51,558,893**
Enterprise funds:	
Major:	
Sewer Utility Fund	85,846
Airport Fund	88,428
Stormwater Utility Fund	995
Nonmajor:	
Golf Course System Fund	4,480
Transit Fund	4,874
Landfill Fund	152
Total enterprise fund payables	**184,775**
Total interfund receivables	**$ 51,743,668**

Interfund Payables As of December 31, 2022

Fund Type/ Fund	Payables
Governmental funds:	
Nonmajor:	
Homelessness Assistance	$ 14,538
Metro Area Building and Const Fund	437,114
Street Improvement Fund	21,448,502
Park Bond Construction Fund	5,638,155
Neighborhood Improvement Fund	16,553,588
Public Improvement Const. Fund	1,620,831
Total governmental fund payables	**45,712,728**
Enterprise funds:	
Major:	
Water Utility Fund	335,250
Stormwater Utility Fund	27,270
Nonmajor:	
Golf Course System Fund	5,668,420
Total enterprise fund payables	**6,030,940**
Total interfund payables	**$ 51,743,668**

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, 2022, 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.

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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 Balance Jan. 1, 2022	PFC Collected	PFC Expended	Unliquidated PFC Balance Dec. 31, 2022
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	(755,312)	-	-	(755,312)
10-07-C-00-ICT	(5,518,371)	3,142,907	-	(2,375,464)
Total	$ 5,807,951	$ 3,142,907	$ -	$ 8,950,858

17. LANDFILL CLOSURE AND POST-CLOSURE CARE

Information about the landfills operated by the City and the related liabilities is provided in Note 10.H – Landfill Closure and Post-Closure 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 could 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.

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In the governmental funds, fund balance designations are reported in the table below.

Governmental Fund Balance (Deficit) Designations As of December 31, 2022 (dollars in thousands)	Major Governmental Funds				
	General Fund	Debt Service Fund	Grants and Other Assistance Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventories & prepaids	$ 14	$ -	$ 180	$ 119	$ 313
Permanent fund principal	-	-	-	235	235
Total Nonspendable	**14**	**-**	**180**	**354**	**548**
Restricted for:					
City Manager	-	-	91	-	91
Municipal Court	-	-	-	3,531	3,531
Planning	-	-	104	21	125
Cemetery	-	-	-	1,384	1,384
Police & Fire	-	-	630	-	630
Flood control	-	-	-	159	159
Street maintenance	-	-	-	46,119	46,119
Community development	-	-	22	1,547	1,569
Community health	-	-	62	37,932	37,994
Housing services	-	-	9,225	-	9,225
Alcohol and drug programs	-	-	-	2,619	2,619
Tourism and convention	-	-	-	6,607	6,607
Libraries	-	-	195	-	195
Parks and recreation	-	-	587	827	1,414
Debt service	-	29,688	-	3,202	32,890
Total Restricted	**-**	**29,688**	**10,916**	**103,948**	**144,552**
Committed to:					
Parking	-	-	-	1,102	1,102
Central inspection	-	-	-	1,250	1,250
Landfill	-	-	-	8,581	8,581
Total Committed	**-**	**-**	**-**	**10,933**	**10,933**
Assigned to:					
Economic development	1,021	-	-	-	1,021
Municipal court	63	-	-	-	63
General government	469	-	-	-	469
Police & Fire	1,005	-	-	-	1,005
Street maintenance	758	-	-	-	758
Landfill	-	-	-	147	147
Community health	1	-	-	-	1
Libraries	79	-	-	-	79
Cultural arts facilities	32	-	-	-	32
Parks and recreation	1,782	-	-	-	1,782
Total Assigned	**5,210**	**-**	**-**	**147**	**5,357**
Unassigned:	44,179	-	-	(183,180)	(139,001)
Total Fund Balance (Deficit)	**$ 49,403**	**$ 29,688**	**$ 11,096**	**$ (67,798)**	**$ 22,389**

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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 economic development guidelines which govern these incentives. These guidelines define eligibility criteria, including (1) the required economic impact and return on investment; (2) the implementation process; (3) the types of incentives available; and (4) required compliance for the incentive programs. The City of Wichita and Sedgwick County Economic Development Guidelines, as well as more information about each of its incentive programs, are available online at the following link:

http://www.wichita.gov/Economic/Pages/IncentivePrograms.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 the 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 may be purchased by investors (e.g. banks, private investors or the entity participating in the IRB Program), but are most frequently purchased by the entity participating in the IRB Program. These IRB bonds, if purchased by investors other than the entity participating in the program, are typically secured by the property financed and do not represent an obligation of the City. See further information on IRBs, including the amount outstanding as of December 31, 2022, in Note 13 - Conduit Debt Obligations.

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 period up to 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 at least 1 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 Sedgwick County. These property or ad valorem tax abatements can be up to 100% of the taxes on the property constructed, improved or purchased, excluding land, 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 (1) the acquisition, construction, improvement or equipping of industrial or commercial facilities and (2) the creation of jobs in Wichita with sustained employment, including the new jobs created, for the term of the agreement. The term of the agreement is typically ten years. The job creation commitment includes paying the new employees at least 120% of the Sedgwick County median wage, as defined in the Kansas Wage Survey and reported by the Kansas Department of Labor. Further, pursuant to the City's economic development guidelines, 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, 2022, the City's property and sales tax revenues were reduced by approximately $5 million and $1.1 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 real property improvements 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 in Wichita with sustained employment, including the new jobs created, for the term of the agreement. The term of the agreement is normally ten years. The term of the agreement is typically ten years. The job creation commitment includes paying the new employees at least 120% of the Sedgwick County median wage, as defined in the Kansas Wage Survey and reported by the Kansas Department of Labor. Also, pursuant to the City's economic development guidelines, 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, 2022, the City's property tax revenues were reduced by approximately $0.5 million 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, contained within its economic development guidelines, 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/IncentivePrograms.aspx. The CID must further the economic development of the City and support projects with total costs of not less than $5 million for project where bonds are issued up front. 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, 2022, additional sales tax revenues of the City of approximately $2.25 million were reduced through the CID Program. In the Additional Information Section, the City has provided a schedule showing the CID Fund by subfund (or by district).

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, 2022.

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 $63.1 million in the governmental funds, $346.5 million in the enterprise funds and none in the internal service funds. See the table below for further details.

D. ENCUMBRANCES

The City had the following encumbrances outstanding as of December 31, 2022:

Encumbrances As of December 31, 2022 (in thousands)			
Fund Type/ Fund	Operating Encumbrances	Capital Encumbrances	Total Encumbrances
Governmental Funds:			
Major:			
General Fund	$ 3,966	$ -	$ 3,966
Grants and Other Assistance Fund	5,700	-	5,700
Nonmajor governmental funds	1,478	63.109	64,587
Total governmental funds	**11,144**	**63,109**	**74,253**
Enterprise funds:			
Major:			
Water Utility Fund	4,778	277,311	282,089
Sewer Utility Fund	2,674	47,069	49,743
Airport Authority Fund	576	19,232	19,808
Stormwater Utility Fund	680	905	1,585
Nonmajor enterprise funds	774	2,003	2,777
Total enterprise funds	**9,482**	**346,520**	**356,002**
Internal service funds	2,289	-	2,289
Total encumbrances	**$ 22,915**	**$ 409,629**	**$ 432,544**

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 $27.1 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. For further information, please see Note 10B – General Obligation and Special Assessment Bonds.

21. RECLASSIFICATION OF FUND TYPE

In 2022, the City reclassified its Landfill Fund from a special revenue fund (governmental fund) to an enterprise fund (proprietary fund) to better track its operations in a manner more similar to a business enterprise. The fund type reclassification for accounting purposes, switching from a modified accrual basis of accounting to a full-accrual basis of accounting, was done prospectively, with the reclassification of the fund balance/net position done retrospectively. This reclassification of fund type, increased the beginning net position of the enterprise funds by $4,553,339 and decreased the beginning fund balance of the governmental funds by $4,553,339. This fund type reclassification had no impact on the primary government's beginning net position.

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22. DISCRETELY PRESENTED COMPONENT UNIT: WICHITA RAD SENIOR LP

The Wichita RAD Senior, LP was formed in August 2018 for the purpose of acquiring, rehabilitating and operating four separate apartment communities under the Rental Assistance Demonstration (RAD) pilot initiative – which is a voluntary program under the Department of Housing and Urban Development (HUD). This program provides Public Housing Authorities (PHAs) with access to long-term funding so that needed improvements to low-income housing can be completed. The Wichita Housing Authority (WHA) was successful in securing financing to continue its HUD approved RAD project for the four multi-family senior housing properties as one singe project called Wichita RAD Senior LP.

The project utilizes the following funding: a 4% Low Income Housing Tax Credits (LIHTC), CDBG, HOME, Capital Funds and a HUD FHA 22(d)4 loan. The use of these tax credits required the creation of two new business entities. The Wichita Senior LP is comprised of (1) the project tenant/ ownership entity limited partner, or investor partner, and (2) the general partnership limited liability company. The investor partner is Affordable Housing Partners (AHP) and the general partner, Wichita RAD AMP 1 LLC, is comprised of the City of Wichita and KBK Enterprises.

The four properties in this project were owned and operated by the Wichita Housing Authority, a department of the City, until October 2021, when the RAD project commenced. Mennonite Housing was contracted with by the general partnership to manage the properties, as they have experience managing tax credit properties.

Once the construction is complete and the project reaches stabilization, the developer partner KBK Enterprises will step out of the general partnership, leaving only the City. The use of the tax credits required that the property and buildings be leased to the tenant/ownership entity (investor) for a period of 99 years. However, the lease can be terminated per the Restated and Amended Partnership Agreement for $10 over the outstanding debt of the project after the 15-year tax credit compliance.

Separately Audited Financial Statements: The Wichita RAD Senior LP has separately audited financial statements for the year ended December 31, 2022. The City provided the notes to those audited financial statements below. A copy of the audited financial statements can be made available upon request of the City's Finance Department.

A. ORGANIZATION AND NATURE OF OPERATIONS

Wichita RAD Senior, L.P. (the Partnership) was formed in August 2018, under the laws of the State of Kansas, for the purpose of acquiring, rehabilitating, and operating four separate apartment communities: Bernice Hutcherson Apartments, Greenway Manor Apartments, McLean Manor Apartments, and Rosa Gragg Apartments (collectively the Projects) totaling 226-units located in Wichita, Kansas. The apartment communities were acquired and began operations in October 2021.

The management of the Partnership and the ongoing management of the Projects are vested in the General Partner. The Partnership contracted with Mennonite Housing Rehabilitation Services, Inc. for management of the property. Compensation for such services is as determined under the Partnership and Management Agreements.

Profit and loss is to be allocated to Wichita RAD AMP 1, LLC (.01%) (General Partner) and AHP Housing Fund 249, LLC (99.99%) (Limited Partner) other than special allocations (as defined by the Partnership Agreement) and certain other items which would be specifically allocated to the partners in accordance with the Partnership Agreement.

B. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The Partnership prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America (GAAP).

Adoption of New Accounting Principle: As discussed in Notes 22I – Related Party Transactions and 22J – Lease Agreements to the financial statements, the Financial Accounting Standards Board has issued ASU 2016-02, Leases (Topic 842), which supersedes other accounting for leases and requires companies to account for leases as either finances leases or operating leases and to recognize right-of-use lease assets and corresponding lease liabilities on the balance sheet for all leases other than leases with terms of 12 months or less. For finances leases, lessees would recognize interest expense and amortization of the right-of-use asset, and for operating leases, lessees would recognize straight-line total rent expense. ASU 2016-

02 also requires additional disclosures about the amount, timing, and uncertainty of cash flows arising from leases. As amended, ASU 2016-02 is effective for fiscal years beginning after December 31, 2021, and interim periods within fiscal years beginning after December 15, 2022.

Leases: The Partnership has a land lease with an inception date of October 1, 2021, which was previously accounted for as an operating lease. As further discussed above and in Note 22I – Related Party Transactions, management has adopted ASU 2016-02, *Leases (Topic 842)* during the year ended December 31, 2022. As part of the adoption, management has elected to use the available practical expedient to use the previous classification of the asset in the current application of the new lease standard. At the inception of the lease, the lease amount was paid in its entirety, as such the adoption of the new accounting principle does not result in any change in accounting for the lease in the accompanying financial statements.

The Partnership has agreements with inception dates in March 2000 and June 2005 to lease commercial space within the Project. The leases were assumed by the Partnership upon the acquisition of the Projects in October 2021. As further discussed above and in Note 22J – Lease Agreements, management has adopted ASU 2016-02, *Leases (Topic 842)* during the year ended December 31, 2022. As part of the adoption, management has elected to use the available practical expedient to use the previous classification of the asset in the current application of the new lease standard. The adoption of the new accounting principle does not result in any change in accounting for the lease in the accompanying financial statements.

Cash, Cash Equivalents and Restricted Cash: For the purpose of reporting cash flows, the Partnership considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

Cash, cash equivalents, and restricted cash as of December 31, 2022 and 2021 consisted of the following:

Cash, Cash Equivalents and Restricted Cash As of December 31,		
	2022	2021
Cash	$ 703,925	$ 45,946
Restricted deposits and funded reserves	16,477,836	17,442,796
Total cash, cash equivalents, and restricted cash shown on the Statements of Cash Flows	$ 17,181,761	$ 17,488,742

In connection with the rehabilitation of the Project, the Partnership capitalized $33,426 of interest for the year ended December 31, 2022. This amount has been included in Acquisition and Rehabilitation of Rental Property – Net on the accompanying Statements of Cash Flows.

Supplemental Schedules of Non-Cash Investing and Financing Activities: The Partnership acquired the Projects from the City of Wichita, an affiliate of the General Partner, in October 2021. In connection with the acquisition, the Partnership assumed various assets and liabilities as well as a seller note. The summary of the assets acquired and liabilities assumed are as follows:

Assets Acquired and Liabilities Assumed As of December 31, 2022	
	Amount
Fair value of assets acquired	$ 7,300,000
Cash paid for the assets	-
Seller note	**$ 7,300,000**
Fair value of assets transferred	$ 15,897
Liabilities transferred	(10,621)
Net assets transferred	**$ 5,276**

Accounts Receivable and Bad Debts: Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move out are charged with any damages or cleaning fees, if applicable. Tenant receivable consists of amounts due for rental income, security deposit or the charges for damages and cleaning fees. The Partnership does not accrue interest on the tenant receivable balances.

The Partnership has not established an allowance for doubtful accounts and does not use the reserve method for recognizing bad debts. GAAP requires that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. Bad debts are treated as direct write-offs in the period management determines that collection is not probable. Included in administrative expenses are bad debts of $2,952 and $31 for the years ended December 31, 2022 and 2021, respectively.

Rental Property: Rental property is recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the Statement of Operations. The rental property is depreciated over estimated service lives as follows:

Asset Classifications	Estimated Useful Life	Depreciation Method
Buildings	30 years	Straight-line
Land improvements	15 years	Straight-line
Furnishings	5 years	Straight-line

Capitalization of Rental Property: Rehabilitation costs incurred for the rehabilitation of the Projects have been capitalized. Interest, property taxes and insurance are capitalized only during the rehabilitation period. Costs incurred for such items after the Projects are substantially completed will be expensed as incurred. Upon completion of the rehabilitation, all rehabilitation in progress will be classified as rental property and will be depreciated over the estimated useful lives.

Impairment of Long-Lived Assets: The Partnership reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment losses have been recognized during the years ended December 31, 2022 or 2021.

Capitalized Costs: Costs related to obtaining low-income housing tax credits are amortized over the mandatory 15-year compliance period. During 2022, the Partnership paid for and capitalized $38,273 of tax credit fees. Amortization expense for the year ended December 31, 2022 was $1,276. As of December 31, 2022, accumulated amortization was $1,276. The estimated amount of amortization expense for each of the next five years is $2,552.

Debt Issuance Costs: In accordance with GAAP, the debt issuance costs are presented as an offset of the related debt instruments within the liabilities section of the Balance Sheets. Debt issuance costs are being amortized using the straight-line method over the term of the mortgage and amortization expense will be included in Interest Expense - Bonds on the accompanying Statements of Operations.

GAAP requires that the effective interest method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective interest method. During 2022, The Partnership capitalized $332,501 of debt issuance costs. Debt issuance costs are amortized over the term of the mortgage using the straight-line method. Amortization expense for the year ended December 31, 2022 totaled $97,441. As of December 31, 2022, accumulated amortization totaled $97,441. The estimated amount of amortization expense for each of the next two years is $83,125 and $68,810 in year three.

Fair Value Measurements: GAAP defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuations techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a

principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- ***Level 1 –*** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Partnership has the ability to access.
- ***Level 2 –*** Inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- ***Level 3 –*** Are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The Partnership utilized a Level 1 input for the valuation of its fixed income securities. The input is based on a quoted prices in active markets for identical assets; and therefore, the Partnership has determined the cost of those assets approximates the fair value.

Rental Income: Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and the tenants are typically one year or less.

Advertising Costs: The Partnership's policy is to expense advertising costs when incurred.

Income Taxes: The Partnership has elected to be treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a partnership. Accordingly, the Partnership is not required to take any tax positions in order to qualify as a pass- through entity. The Partnership is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure. Generally, income tax returns filed by the Partnership are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2019 remain open.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications: Reclassifications have been made to the 2021 financial statements to conform to the 2022 financial statement presentation. Such reclassifications had no effect on net income as previously reported.

C. RESTRICTED CASH

Restricted cash has been established in amounts considered by the members to be adequate and in accordance with the Partnership Agreement and loan documents. A replacement reserve and operating reserve is also required by the Partnership Agreement. Use of the accounts is restricted as defined in the Partnership Agreement and by the lender, and therefore, has been excluded from cash in the accompanying Balance Sheets.

Restricted cash is comprised of the following as of December 31, 2022 and 2021:

Restricted Cash As of December 31,		
Type	**2022**	**2021**
Working capital reserve	$ 218,253	$ 218,000
Bond escrows	16,250,796	17,224,796
Total restricted cash	**$ 16,469,049**	**$ 17,442,796**

Summary Analysis of Working Capital Reserve	2022	2021
Beginning balance	$ 218,000	$ -
Deposits	-	218,000
Interest	253	-
Ending balance	**$ 218,253**	**$ 218,000**

Summary Analysis of Bond Escrows	2022	2021
Beginning balance	$ 17,224,796	$ -
Deposits	5,146,300	19,893,243
Withdrawals	(5,235,020)	(2,597,387)
Interest	107,756	-
Investment loss	(993,036)	(71,060)
Ending balance	**$ 16,250,796**	**$ 17,224,796**

D. FAIR VALUE MEASUREMENTS

The fair value of assets measured on a recurring basis as of December 31, 2022 are as follows in the table below. There were no assets measured at Level 2 or Level 3.

Fair Value Measurements As of December 31, 2022		
Asset Category	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Recurring basis:		
Fixed income securities: U.S. Treasuries	$ 16,250,796	$ 16,250,796
Total value	**$ 16,250,796**	**$ 16,250,796**

The fair value of assets measured on a recurring basis as of December 31, 2021 are as follows in the table below. There were no assets measured at Level 2 or Level 3.

Fair Value Measurements As of December 31, 2021		
Asset Category	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Recurring basis:		
Fixed income securities: U.S. Treasuries	$ 17,224,796	$ 17,224,796
Total value	**$ 17,224,796**	**$ 17,224,796**

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E. BONDS PAYABLE

The Multi-Family Housing Revenue Bonds, Series IV, 2021 were issued by the City of Wichita, Kansas and are held by Zions Bancorporation, National Association originally totaling $17,300,000 and bearing interest at 0.51% per annum from the date the bonds were issued. During the term of the bonds, interest payments are to be made each May and November, commencing in May 2022. The principal amount of the bonds outstanding together with accrued interest thereon have an Initial Mandatory Tender Date of November 2024, and a Maturity Date of November 2025, as defined in the Trust Indenture. The bonds are collateralized by the bond escrows. Accrued and unpaid interest as of December 31, 2022 and 2021 totaled $14,215 and $14,705 respectively.

F. REHABILITATION LOAN

The Partnership has entered into a construction loan payable totaling $10,900,000 with Lument Capital. The note bears interest at 2.72% per annum and the rehabilitation loan portion will mature in November 2023. This note is collateralized by the real estate and assignment of rents and security. The loan will convert to a permanent HUD-insured 221(d)(4) mortgage upon completion of the rehabilitation. The monthly principal and interest installments of the permanent loan will be determined at the conversion date. The permanent mortgage will mature in December 2063. As of December 31, 2022 and 2021, the amount outstanding on the loan totaled $7,739,262 and $2,261,628, respectively. Accrued and unpaid interest as of December 31, 2022 and 2021 totaled $16,892 and $4,792, respectively.

G. NOTES PAYABLE

Seller Note: The Partnership entered into a seller note payable originally totaling $7,300,000 with the City of Wichita, Kansas, an affiliate of the General Partner, in connection with the acquisition of the Projects. Interest will accrue at the applicable federal rate, compounded annually, for a term of 55 years, with a maturity date of October 2076. As of December 31, 2022 and 2021, the applicable federal rate was 2.60% and 1.31% respectively. Payments will be determined annually from Net Cash Flow, as defined in the Partnership Agreement. As of December 31, 2022 and 2021, accrued and unpaid interest totaled $206,151 and $15,938 respectively. The mortgage is collateralized by the real estate and an assignment of rents and security. As of December 31, 2022 and 2021, the outstanding principal balance of the mortgage totaled $7,300,000.

Housing Trust Funds: The Partnership entered into a non-interest bearing note payable originally totaling $500,000 with the Kansas Housing Resources Corporation. The funds provided to the Partnership represent Housing Trust Funds (HTF). Annual payments of principal shall be deferred for a period of 55 years, with all outstanding principal due and payable in October 2076. As of December 31, 2022, $400,000 has been drawn on the note. The note is collateralized by the real estate and an assignment of rents and security.

City of Wichita - CDBG: The Partnership entered into a non-interest bearing note payable originally totaling $1,154,462 with the City of Wichita. The funds provided to the Partnership were under the Community Development Block Grant (CDBG). Annual payments of principal shall be paid from Net Cash Flow, as defined in the Partnership Agreement, with all outstanding principal due and payable in October 2076. The note is collateralized by the real estate and an assignment of rents and security.

City of Wichita - HOME: The Partnership entered into a non-interest bearing note payable originally totaling $1,113,950 with the City of Wichita Housing and Community Services Department. The funds provided to the Partnership were under the Home Investment Partnerships (HOME) Program. Annual payments of principal shall be paid from Net Cash Flow, as defined in the Partnership Agreement, with all outstanding principal due and payable in October 2076. As of December 31, 2022, $601,533 has been drawn on the note. The note is collateralized by the real estate and an assignment of rents and security.

City of Wichita – Capital Funds: The Partnership entered into a non-interest bearing note payable originally totaling $1,409,696 with the City of Wichita. Annual payments of principal shall be paid from Net Cash Flow, as defined in the Partnership Agreement, with all outstanding principal due and payable in October 2076. As of December 31, 2022, $925,284 has been drawn on the note. The note is collateralized by the real estate and an assignment of rents and security.

The following principal amounts were due as of December 31, 2022 and 2021:

Principal Amounts Due as of December 31,	2022	2021
Seller note	$ 7,300,000	$ 7,300,000
Housing trust funds	400,000	-
City of Wichita – CDBG	1,154,462	-
City of Wichita – HOME	601,533	-
City of Wichita – Capital Funds	925,284	-
Total	**$ 10,381,279**	**$ 7,300,000**

Payments of principal and interest on the notes payable are determined annually from the financial performance of the apartment communities. Therefore, estimated maturities are not provided in these financial statements as they could be misleading.

H. MANAGEMENT AGENT

Effective October 29, 2021, the Partnership entered into a Management Agreement with Mennonite Housing Rehabilitation Services, Inc. (Management Agent) to manage the rental operations of the apartment communities. The management fee calculation is based on 6% of rents charged and/or collected as defined in the Management Agreement. Property management fees charged to the Projects totaled $41,085 and $7,910 for the years ended December 31, 2022 and 2021, respectively. Amounts due to the Management Agent as of December 31, 2022 and 2021 related to management fees totaled $2,720 and $6,807, respectively, and are included in Accounts Payable – Trade on the accompanying Balance Sheet.

I. RELATED PARTY TRANSACTIONS

Asset Management Fee: The Partnership shall pay an affiliate of the Limited Partner an asset management fee of $7,500 per year for its services in monitoring the Partnership's operations. The fee shall be increased annually by 3%. The fee is cumulative and payable from Net Cash Flow, as defined in the Partnership Agreement, and should be accrued if available cash flow is insufficient. Deferred asset management fees shall accrue interest at a rate of 8%, compounded annually. Asset management fees earned and paid during 2022 and 2021 totaled $8,750 and $-0-, respectively. There was no unpaid asset management fee as of December 31, 2022 and 2021.

Incentive Partnership Management Fee: The Partnership shall pay to the General Partner a noncumulative incentive partnership management fee for managing the Partnership's operations and assets. The fee shall be payable to the extent of Net Cash Flow, as defined in the Partnership Agreement. There were no incentive management fees paid during 2022 or 2021.

Developer Note Payable: The Development Agreement provides that a development fee of $3,300,000 be paid to the Developer, an affiliate of the General Partner, for providing certain development services and guarantees for the completion of the development of the apartment communities. The total development fee will be capitalized as a depreciable cost of the rental property. As of December 31, 2022 and 2021, $1,891,162 and $500,000, respectively, of the developer fee was earned and $1,391,162 and $-0-, respectively, remained payable. The remaining development fee will be earned and paid as set forth in the Development and Partnership Agreements.

Limited Partner Receivable: The note receivable from the Limited Partner in the amount of $9,310,512 as of December 31, 2022 and 2021 is for the subscribed capital contributions and is secured by the Limited Partner's interest in the Partnership. The balance is due and payable upon the satisfaction of certain conditions specified in the Partnership Agreement.

Acquisition: The Partnership purchased the land and existing buildings from City of Wichita, Kansas, an affiliate of the General Partner, on October 28, 2021, in the amount of $7,300,000.

Lease Agreement: The Partnership has entered into a Ground Lease with the City of Wichita, Kansas (the City), an affiliate of the General Partner, for a term of 99 years. The Lease Agreement expires in October 2120

and required an initial lease payment of $7,300,000 and annual lease payments of $1. The Partnership is required to pay all expenses related to the property, including insurance, utility expenses, and tax assessments. Upon expiration of the lease, the Partnership shall deliver the property to the City.

Of the $7,300,000 lease payment, $860,000 is related to the land while the remaining $6,440,000 is related to building acquisition. These payments will be amortized over the 99-year term of the lease. Land lease expense for the years ended December 31, 2022 and 2021 totaled $8,687 and $1,496, respectively. The accumulated land lease expense totaled $10,183 and $1,496, respectively as of December 31, 2022 and 2021, respectively. The estimated amount of land lease expense for each of the next five years is $8,687. Building lease expense for the years ended December 31, 2022 and 2021 totaled $39,251 and $36,940, respectively. The accumulated building lease expense totaled $76,191 and $36,940 as of December 31, 2022 and 2021, respectively. The estimated amount of building lease expense for each of the next five years is $64,997.

Rehab Assistance Funding: The Department of Housing and Urban Development (HUD) is providing rehab assistance funding for vacant units while the Projects are undergoing rehabilitation. Rehab assistance funding provided during 2022 and 2021 totaled $715,730 and $116,375, respectively. Rehab assistance funding in the amount of $0 and $116,375 was accrued as of December 31, 2022 and 2021, respectively, and is included in Accounts Receivable – Rehab Assistance Funding on the accompanying Balance Sheets.

J. LEASE AGREEMENTS:

The Partnership entered into lease agreements with third parties to lease rooftop space for cell towers and broadcasting equipment with commencement dates in March 2000 and June 2005. The initial term of both agreements was for a five-year period with monthly rental payments of $833 and $2,000, increasing periodically, as defined in the respective lease agreements. The lease agreements shall automatically renew for five additional terms of five years each with expiration dates in April 2030 and February 2031, respectively, unless the Partnership receives notification from the operators of the towers. For the years ended December 31, 2022 and 2021, commercial income earned by the Partnership totaled $63,314 and $17,505, respectively. Deferred revenue related to the leases totaled $8,938 and $0 as of December 31, 2022 and 2021, respectively.

The estimated commercial lease income in each of the next five years is as follows:

Estimated Commercial Lease Income		
Year		Amount
2023	$	73,056
2024		74,153
2025		75,283
2026		81,465
2027		83,120
	$	387,077

K. COMMITMENTS AND CONTINGENCIES

Rental Assistance Demonstration (RAD) Housing Assistance Payments Contract – Project Based Voucher Program: The Partnership executed a PBV Housing Assistance Payments Contract with the Wichita Housing Authority, through the Rental Assistance Demonstration (RAD) program with HUD. The contract provides for rental assistance payments for all units rented to qualified tenants. The contract expires in November 2041.

Housing Tax Credits (Unaudited): As incentive for investment equity, the Partnership applied for and received an allocation certificate for housing tax credits established by the Tax Reform Act of 1986. To qualify for the tax credits, the Partnership must meet certain requirements, including attaining a qualified basis sufficient to support the credit allocation. In addition, tenant eligibility and rental charges are restricted in accordance with Internal Revenue Code (IRC) Section 42. Management has certified that each tax credit unit has met these qualifications to allow the credits allocated to each unit to be claimed.

Compliance with these regulations must be maintained in each of the fifteen consecutive years of the compliance period. Failure to maintain compliance with occupant eligibility, unit gross rent, or to correct noncompliance within a reasonable time period could result in recapture of the previously claimed tax credits

plus interest.

Restrictive Covenant: The Partnership is bound by a restrictive covenant. The covenant states that 100% of the Projects' property must be maintained as low-income housing for an initial compliance period of 15 years, and for the extended use period of an additional 15 years, unless terminated after the end of the initial 15-year period.

In addition, the covenant requires rent restrictions so that the units can be rented at a level that is affordable to persons with income at or below specific percentages of the area median gross income ("AMGI").

L. CONCENTRATION OF CREDIT RISK

The Partnership maintains its fixed income securities with financial institutions. The account balances are insured by the Securities Investor Protection Corporation (SIPC) up to $500,000 at each bank. At times, these balances may exceed the federal insurance limits; however, the Partnership has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these bank balances at December 31, 2022 or 2021. As of December 31, 2022 and 2021, the fixed income securities balances of the Partnership exceeded the SIPC insured limit by $15,750,796 and $16,795,856, respectively.

The Partnership maintains its cash and investment balances in several accounts. The bank balances are insured by the Federal Deposit Insurance Corporation up to $250,000 at each bank. At times, these balances may exceed the federal insurance limits; however, the Partnership has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash and investment balances at December 31, 2022 or 2021. As of December 31, 2022 and 2021, the cash and investment balances of the Partnership exceeded the federal insurance limit by $474,071 and $-0-, respectively.

M. GUARANTEES

Completion Guaranty: The Partnership Agreement provides for a construction completion guarantee, whereby the General Partner guarantees that the Projects will be constructed in accordance with defined plans and specifications. The guaranty includes funding all amounts incurred to complete construction in excess of existing sources of financing. Such funding shall be treated as an unsecured noninterest-bearing loan to the Partnership, payable from Net Cash Flow, as defined in the Partnership Agreement. The General Partner does not receive a fee for providing this guarantee.

Operating Deficit Guaranty: The Partnership Agreement also provides for an operating deficit guaranty, whereby the General Partner shall be obligated to provide up to $850,000 (as defined in the Partnership Agreement) to satisfy any operating deficits over a defined period commencing on the achievement of Stabilization (as defined in the Partnership Agreement) to permit the Partnership to meet all reasonable costs of operations. Such funding shall be treated as a non-interest bearing loan and be payable from Net Cash Flow, as defined in the Partnership Agreement. The General Partner does not receive a fee for providing this guaranty. The General Partner has not advanced any funds to the Partnership pursuant to this agreement.

Tax Credit Guaranty: The Partnership is allocated Federal Low-Income Housing Tax Credits under the program described by IRC Section 42. The tax credits are not reflected in the accompanying financial statements of the Partnership and, therefore, have not been audited. However, the Partnership Agreement provides for a credit reduction payment if the total amount of credits obtained is less than the total amount projected, there is a timing difference in the tax credits made available to the Limited Partner when compared to what was projected, or the Limited Partner is at any time obligated to recapture credits previously claimed. The Limited Partner shall reduce its required capital contribution by the amount of the shortfall (as defined in the Partnership Agreement). In the event that the Limited Partner's capital contributions cannot be reduced, the General Partner will pay the Limited Partner for any credits lost. Amount paid by the General Partner pursuant to this guaranty will be treated as a capital contribution to the Partnership. The General Partner does not receive a fee for providing this guaranty.

N. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Partnership's primary asset is the Projects. The Partnership's operations are concentrated in the multifamily real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, the Internal Revenue Service and the State Housing Agency. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change mandated by the Internal Revenue Service or the State Housing Agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

The Company also receives a material portion of its revenue from the City of Wichita in the form of a RAD Housing Assistance Payments Contract, Project Based Voucher Program. The details of this contract are provided in Note 22K – Commitments and Contingencies.

O. PAYMENT IN LIEU OF TAXES (PILOT)

The property is currently exempt from property tax through a City of Wichita Tax Exemption Ordinance. The payment in lieu of real estate taxes is calculated as 10% of the total rent collected by the Projects less utility charges. The manifest purpose of the exemption is to facilitate and encourage the development of housing for its low-income persons and families by providing tax exempt status for such properties.

P. SUBSEQUENT EVENTS

Events that occur after the Balance Sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Balance Sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Balance Sheet date require disclosure in the accompanying notes. Management evaluated the activity of Wichita RAD Senior, L.P. through May 31, 2023, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

23. SUBSEQUENT EVENTS

A. LONG-TERM DEBT ISSUANCES AND BOND/ LOAN DRAWS

On April 14, 2023, the City issued $2,890,000 Taxable General Obligation Temporary Notes, Series 309 with a stated maturity of October 13, 2023 at 4.75% interest and $30,130,000 General Obligation Temporary Notes, Series 312 with a stated maturity of October 13, 2023 at 2.65% interest.

On March 1, 2023, the City issued $28,060,000 Water and Sewer Utility Revenue Bonds Series 2023A with maturities starting in 2024 through 2042 at 5% interest.

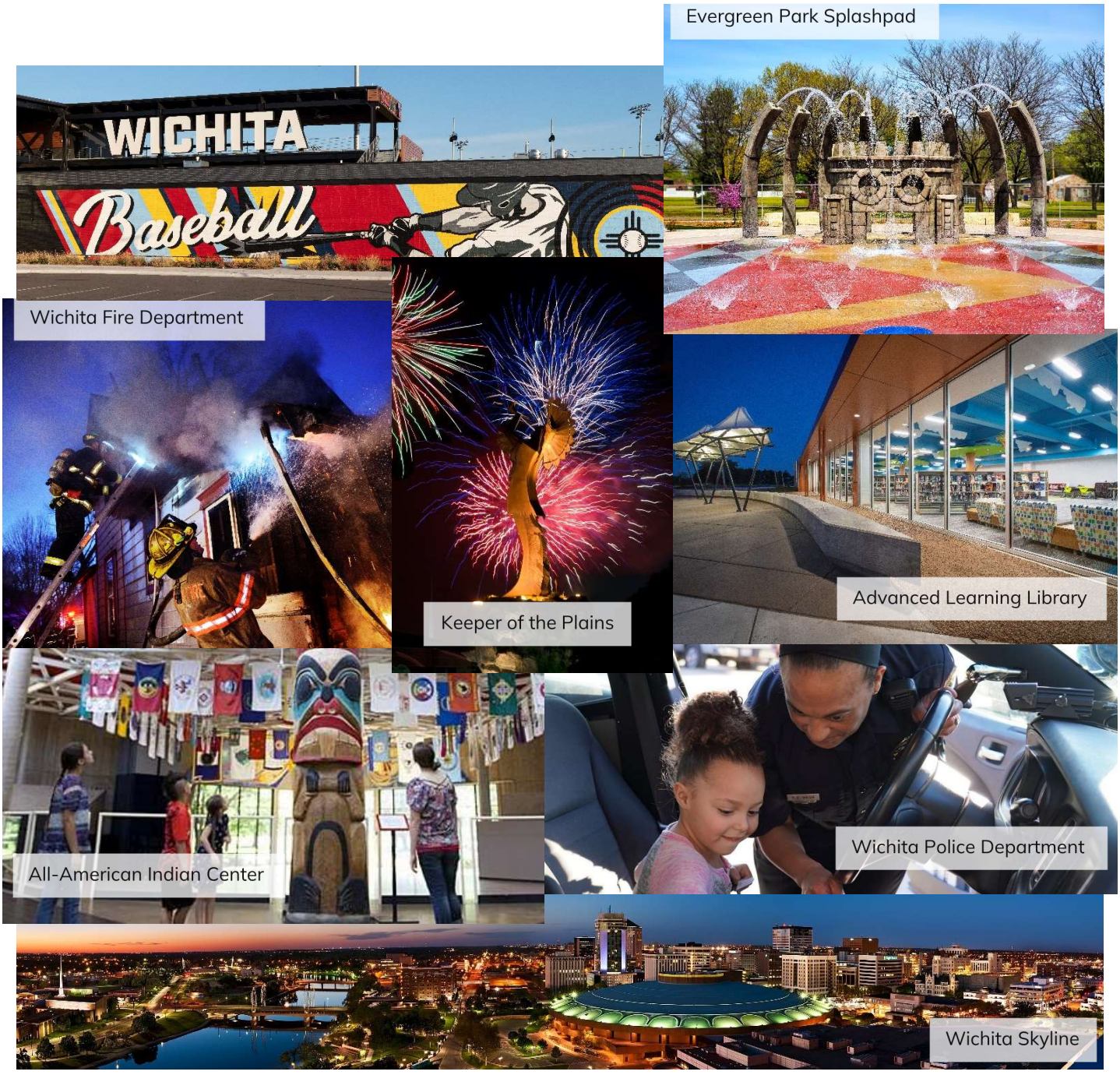
The City made and received four additional draws totaling $31,429,393 subsequent to December 31, 2022 on its Water Infrastructure Finance Innovation Act (WIFIA) Bond and has started accruing interest upon those draws at 1.17%. Additional information on the bond can be found in Note 10F – Direct Borrowings and Placements: Bonds and Long-Term Loans.

The City made and received four additional draws totaling $21,287,477 subsequent to December 31, 2022 on its second KPWSLF loan with KDHE. These draws, along with capitalized interest of $888,363, bring the total loan to $60,000,000, the max principal amount. Additional information on the loan can be found in Note 10F – Direct Borrowings and Placements: Bonds and Long-Term Loans.

On February 17, 2023, the City entered into its third KPWSLF loan with KDHE in an amount not to exceed $76 million at 2.20% interest. This direct borrowing and placement loan is to help fund the construction of the City's Northwest Water Treatment Facility. The City has made and received two draws on this loan in the amount of $13,712,523. Debt service payments are expected to start in 2025 with payments through 2045.

On April 14, 2023, the entered into a WIFIA credit agreement for the issuance of WIFIA Bonds with a principal not to exceed $191,481,121 for its Wastewater Reclamation Facilities Biological Nutrient Removal Improvements (NBR) Program at 3.77% interest. As of the date of this report, no funds have been drawn on these bonds.

End of Notes to the Financial Statements.



PENSION REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

For the years ended December 31, 2015 through December 31, 2022[1]

	2022 [2]	2021 [2]	2020 [2]	2019 [2]
TOTAL PENSION LIABILITY				
Service cost	$ 9,220,703	$ 9,639,316	$ 10,132,953	$ 10,067,053
Interest	49,907,671	49,106,352	47,499,432	47,789,825
Differences between expected and actuarial experience	478,629	(1,365,285)	3,656,262	(2,668,930)
Assumption changes	17,287,512	669,701	(19,749,611)	32,865,478
Reclassification due to conversion of members to Plan 3b	(417,138)	(63,361)	(94,720)	(179,012)
Benefit payments, including member refunds	(47,000,275)	(45,828,504)	(44,447,896)	(41,670,299)
Net change in total pension liability	29,477,102	12,158,219	(3,003,580)	46,204,115
Total pension liability - beginning	680,820,204	668,661,985	671,665,565	625,461,450
Total pension liability - ending (a)	$ 710,297,306	$ 680,820,204	$ 668,661,985	$ 671,665,565
PLAN FIDUCIARY NET POSITION				
Employer contributions	$ 10,722,494	$ 11,010,091	$ 9,683,553	$ 10,099,027
Employee contributions	3,632,713	3,809,288	3,770,224	3,755,812
Reclassification due to conversion of members to Plan 3b	(417,138)	(63,361)	(94,720)	(179,012)
Net investment income (loss)	95,356,927	80,782,297	102,909,003	(39,511,690)
Benefit payments, including member refunds	(47,000,275)	(45,828,504)	(44,447,896)	(41,670,299)
Administrative expenses	(605,918)	(573,137)	(619,398)	(580,204)
Net change in Plan fiduciary net position	$ 61,688,803	$ 49,136,674	$ 71,200,766	$ (68,086,366)
Plan fiduciary net position - beginning	667,029,106	617,892,432	546,691,666	614,778,032
Plan fiduciary net position - ending (b)	$ 728,717,909	$ 667,029,106	$ 617,892,432	$ 546,691,666
Net pension liability (asset) - ending (a) - (b)	**$ (18,420,603)**	**$ 13,791,098**	**$ 50,769,553**	**$ 124,973,899**
Fiduciary net position as a percentage of total pension liability	102.59%	97.97%	92.41%	81.39%
Covered payroll	$ 77,140,245	$ 80,365,628	$ 80,029,364	$ 78,898,648
Employer's net pension liability (asset) as a percentage of covered payroll	-23.88%	17.16%	63.44%	158.40%

Note: See Notes to the Required Supplementary Information immediately following these schedules.

[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 (asset) is presented as of a measurement date one year prior to the fiscal yearend date. For example, the net pension asset reported as of December 31, 2022 is reported based on a measurement date as of December 31, 2021.

2018 [2]	2017 [2]	2016 [2]	2015 [2]
$ 10,049,029	$ 9,679,684	$ 9,644,456	$ 9,278,998
46,669,189	45,634,881	44,305,832	43,680,283
(1,893,808)	(2,791,029)	(656,102)	(3,427,255)
-	-	(8,877,507)	(3,550,489)
(191,292)	(244,793)	(465,171)	(571,242)
(39,282,815)	(39,144,783)	(37,089,403)	(37,681,042)
15,350,303	13,133,960	6,862,105	7,729,253
610,111,147	596,977,187	590,115,082	582,385,829
$ 625,461,450	$ 610,111,147	$ 596,977,187	$ 590,115,082
$ 9,642,540	$ 8,946,064	$ 9,031,463	$ 9,423,640
3,682,056	3,642,007	3,574,026	3,394,544
(191,292)	(244,793)	(465,171)	(571,242)
91,773,973	35,956,780	13,380	28,659,491
(39,282,815)	(39,144,783)	(37,089,403)	(37,681,042)
(633,379)	(615,829)	(624,085)	(621,460)
$ 64,991,083	$ 8,539,446	$ (25,559,790)	$ 2,603,931
549,786,949	541,247,503	566,807,293	564,203,362
$ 614,778,032	$ 549,786,949	$ 541,247,503	$ 566,807,293
$ 10,683,418	**$ 60,324,198**	**$ 55,729,684**	**$ 23,307,789**
98.29%	90.11%	90.66%	96.05%
$ 78,394,634	$ 77,121,241	$ 74,028,385	$ 71,391,212
13.63%	78.22%	75.28%	32.65%

PENSION REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

For the years ended December 31, 2015 through December 31, 2022[1]

	2022 [2]	2021 [2]	2020 [2]	2019 [2]
TOTAL PENSION LIABILITY				
Service cost	$ 17,772,976	$ 17,070,149	$ 16,230,358	$ 15,754,976
Interest	59,373,364	57,538,167	55,560,527	53,649,438
Differences between expected and actual experience	6,094,423	(3,886,707)	(3,777,136)	11,768,665
Assumption changes	24,321,745	1,753,326	(12,112,003)	26,241,485
Benefit payments, including member refunds	(47,333,495)	(45,162,140)	(42,111,381)	(39,381,501)
Net change in total pension liability	60,229,013	27,312,795	13,790,365	68,033,063
Total pension liability - beginning	807,559,534	780,246,739	766,456,374	698,423,311
Total pension liability - ending (a)	$ 867,788,547	$ 807,559,534	$ 780,246,739	$ 766,456,374
PLAN FIDUCIARY NET POSITION				
Employer contributions	$ 17,889,908	$ 16,617,743	$ 13,965,415	$ 14,331,422
Employee contributions	6,682,182	5,927,784	5,428,455	5,599,216
Net investment income (loss)	116,265,367	97,865,002	120,349,987	(43,988,371)
Benefit payments, including member refunds	(47,333,495)	(45,162,140)	(42,111,381)	(39,381,501)
Administrative expenses	(556,934)	(574,182)	(612,049)	(590,098)
Net change in Plan fiduciary net position	$ 92,947,028	$ 74,674,207	$ 97,020,427	$ (64,029,332)
Plan fiduciary net position - beginning	805,749,251	731,075,044	634,054,617	698,083,949
Plan fiduciary net position - ending (b)	$ 898,696,279	$ 805,749,251	$ 731,075,044	$ 634,054,617
Net pension liability (asset) - ending (a) - (b)	**$ (30,907,732)**	**$ 1,810,283**	**$ 49,171,695**	**$ 132,401,757**
Fiduciary net position as a percentage of total pension liability	103.56%	99.78%	93.70%	82.73%
Covered payroll	$ 79,158,885	$ 75,880,105	$ 73,891,085	$ 72,017,196
Employer's net pension (asset) liability as a percentage of covered payroll	-39.05%	2.39%	66.55%	183.85%

Note: See Notes to the Required Supplementary Information immediately following these schedules.

[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 (asset) is presented as of a measurement date one year prior to the fiscal yearend date. For example, the net pension asset reported as of December 31, 2022 is reported based on a measurement date as of December 31, 2021.

2018 [2]	2017 [2]	2016 [2]	2015 [2]
$ 15,178,226	$ 14,772,379	$ 14,981,100	$ 15,894,290
51,532,754	49,519,284	47,600,166	46,490,734
(1,784,785)	(2,576,401)	(3,259,180)	(12,040,126)
-	-	(10,871,013)	226,376
(36,930,533)	(35,552,267)	(36,090,820)	(36,415,156)
27,995,662	26,162,995	12,360,253	14,156,118
670,427,649	644,264,654	631,904,401	617,748,283
$ 698,423,311	$ 670,427,649	$ 644,264,654	$ 631,904,401
$ 13,369,785	$ 12,585,895	$ 13,964,379	$ 14,464,181
4,915,378	4,776,958	4,603,331	4,529,895
103,236,679	39,901,640	(163,702)	30,596,067
(36,930,533)	(35,552,267)	(36,090,820)	(36,415,156)
(554,641)	(548,171)	(521,018)	(542,207)
$ 84,036,668	$ 21,164,055	$ (18,207,830)	$ 12,632,780
614,047,281	592,883,226	611,091,056	598,458,276
$ 698,083,949	$ 614,047,281	$ 592,883,226	$ 611,091,056
$ 339,362	**$ 56,380,368**	**$ 51,381,428**	**$ 20,813,345**
99.95%	91.59%	92.02%	96.71%
$ 69,634,297	$ 66,946,250	$ 65,560,465	$ 64,572,237
0.49%	84.22%	78.37%	32.23%

PENSION REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the years ended December 31, 2013 through December 31, 2022

(dollars expressed in thousands)

	2022	2021	2020	2019	2018
Actuarially determined employer contributions	$ 10,408	$ 10,722	$ 11,010	$ 9,684	$ 10,099
Actual employer contributions	10,408	10,722	11,010	9,684	10,099
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 80,679	$ 77,140	$ 80,366	$ 80,029	$ 78,899
Contributions as a percentage of covered payroll	12.90%	13.90%	13.70%	12.10%	12.80%

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, 2022.

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Amortization growth rate	3.25%
Remaining amortization period	20 years
Asset valuation method	Expected + 25% of (Market - Expected Values), 20% corridor on market value applied, if applicable
Price inflation	2.75%
Salary increases, including wage inflation	3.50% to 6.50%, varying by years of service
Long-term rate of return, net of investment expense, and including inflation	7.50%
Mortality	*Pre-Retirement Healthy Lives:* Based on the RP-2000 Non-Annuitant Healthy Mortality Table, projected generationally using Scale AA (ages set forward 2 years for males, 0 for females). *Post-Retirement Healthy Lives*: Based on the RP-2000 Annuitant Healthy Mortality Table, projected generationally using Scale AA (ages set forward 2 years for males, 0 for females). *Disabled Lives*: Based on the RP-2000 Disabled Mortality Table for males and females, projected generationally using Scale AA.

2017	2016	2015	2014	2013
$ 9,643	$ 8,946	$ 9,031	$ 9,424	$ 8,940
9,643	8,946	9,031	9,424	8,940
$ -	$ -	$ -	$ -	$ -
$ 78,395	$ 77,121	$ 74,028	$ 71,391	$ 70,953
12.30%	11.60%	12.20%	13.20%	12.60%

PENSION REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the years ended December 31, 2013 through December 31, 2022

(dollars expressed in thousands)

	2022	2021	2020	2019	2018
Actuarially determined employer contributions	$ 17,184	$ 17,890	$ 16,618	$ 13,965	$ 14,331
Actual employer contributions	17,184	17,890	16,618	13,965	14,331
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 82,220	$ 79,159	$ 75,880	$ 73,891	$ 72,017
Contributions as a percentage of covered payroll	20.90%	22.60%	21.90%	18.90%	19.90%

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, 2022.

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Amortization growth rate	3.25%
Remaining amortization period	20 years
Asset valuation method	Expected + 25% of (Market - Expected Values), 20% corridor on market value applied, if applicable
Price inflation	2.75%
Salary increases, including wage inflation	4.00% - 5.75%, varying by years of service
Long-term rate of return, net of investment expense, and including inflation	7.50%
Mortality	*Pre-Retirement Healthy Lives* : RP-2000 Non-Annuitant Healthy Mortality Table, projected on a generational basis *Post-Retirement Healthy Lives* : RP-2000 Annuitant Healthy Mortality Table, projected on a generational basis *Disabled Lives* : RP-2000 Disabled Mortality Table, projected on a generational basis using Scale AA

2017	2016	2015	2014	2013
$ 13,370	$ 12,586	$ 13,964	$ 14,464	$ 14,890
13,370	12,586	13,964	14,464	14,890
$ -	$ -	$ -	$ -	$ -
$ 69,634	$ 66,946	$ 65,560	$ 64,572	$ 65,306
19.20%	18.80%	21.30%	22.40%	22.80%

OPEB REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

For the years ended December 31, 2018 through December 31, 2022[1]

	2022	2021	2020	2019	2018
TOTAL OPEB LIABILITY					
Service cost	$ 3,231,889	$ 3,231,584	$ 2,355,707	$ 2,221,238	$ 2,393,138
Interest	1,044,546	946,776	1,214,499	1,486,938	1,242,504
Differences between expected and actual experience	(6,403,414)	(192,042)	96,216	(4,833,105)	1,580,925
Assumption changes	(4,459,411)	(403,627)	4,342,639	3,726,542	(2,528,757)
Benefit payments	(2,063,243)	(1,575,905)	(1,381,842)	(1,929,879)	(2,977,740)
Net change in total OPEB liability	(8,649,633)	2,006,786	6,627,219	671,734	(289,930)
Total OPEB liability - beginning	44,218,268	42,211,482	35,584,263	34,912,529	35,202,459
Total OPEB liability - ending	$ 35,568,635	$ 44,218,268	$ 42,211,482	$ 35,584,263	$ 34,912,529
Covered employee payroll	$ 165,747,827	$ 161,201,360	$ 155,603,100	$ 153,938,076	$ 155,777,106
Employer's total OPEB liability as a percentage of covered payroll	21.46%	27.43%	27.13%	23.12%	22.41%

Note: See Notes to the Required Supplementary Information immediately following these schedules.

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

1. SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

A. WICHITA EMPLOYEES' RETIREMENT SYSTEM

These notes should be read in conjunction with the *Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios* on pages A-126 and A-127.

Benefit Changes: There have been no changes to the plan provisions in the last eight years.

Changes in Actuarial Assumptions: The changes in actuarial assumptions by valuation year are as follows.

December 31, 2021 Valuation:
- Decrease in the SEIR from 7.59% to 7.34%.

December 31, 2020 Valuation:
- Decrease in the SEIR from 7.60% to 7.59%.

December 31, 2019 Valuation:
- Increase in the SEIR from 7.31% to 7.60%.

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.

Annual money-weighted rate of return on pension plan investments: The Wichita Retirement Systems (WRS) issue a publicly available Annual Comprehensive Financial Report 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 online at: www.wichita.gov/Finance/Pages/Pension.aspx.

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B. POLICE AND FIRE RETIREMENT SYSTEM

These notes should be read in conjunction with the *Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios* on pages A-128 and A-129.

Benefit Changes: There have been no changes to the plan provisions in the last eight years.

Changes in Actuarial Assumptions: The changes in actuarial assumptions by valuation year are as follows.

December 31, 2021 Valuation:
- Decrease in the SEIR from 7.57% to 7.31%.

December 31, 2020 Valuation:
- Decrease in the SEIR from 7.59% to 7.57%.

December 31, 2019 Valuation:
- Increase in the SEIR from 7.45% to 7.59%.

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.

Annual money-weighted rate of return on pension plan investments: The Wichita Retirement Systems (WRS) issue a publicly available Annual Comprehensive Financial Report 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 online at: www.wichita.gov/Finance/Pages/Pension.aspx.

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2. SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

These notes should be read in conjunction with the *Schedule of Changes in the Total Other Post-Employment Benefits (OPEB) Liability and Related Ratios* on page A-134.

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

Benefit Changes: There have been no substantive changes to the plan provisions since the December 31, 2017 valuation.

Changes in Actuarial Assumptions: The changes in actuarial assumptions by valuation year are as follows.

December 31, 2022 Valuation:

- The discount rate has been updated to reflect market conditions as of the Measurement Date. The discount rate increased from 2.25% to 3.72%.
- The initial Per Capita Claims cost tables for medical and prescription drug coverage have been updated to reflect the latest age distribution, plan election and dependent coverage data available.
- The prescription cost and medical cost increase trends have been updated based on short and long-term expectations.
- The premium rates have been updated to reflect the 2023 premiums.
- The plan participation rate for active employees has been reduced, based on retiree experience between 2017 and 2022.
- The family coverage election assumption has been reduced from 30% to 15%, based on retiree experience between 2017 and 2022.

December 31, 2021 Valuation:

- The discount rate has been updated to reflect market conditions as of the Measurement Date. The discount rate increased from 2.12% to 2.25% which caused an increase in liabilities.
- The mortality table has been updated from SOA RPH-2010 Total Dataset Mortality Table fully generational using Scale MP-2020 as follows, which caused a slight increase in liabilities:
  - General employees and retirees: SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021
  - Public safety employees and retirees: SOA Pub-2010 Public Safety Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021
  - Surviving spouses: SOA Pub-2010 Contingent Survivor Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021

December 31, 2020 Valuation:

- The discount rate has been updated to reflect market conditions as of the Measurement Date. The discount rate decreased from 3.26% to 2.12% which caused an increase in liabilities.
- The mortality table has been updated from SOA RPH-2010 Total Dataset Mortality Table fully generational using Scale MP-2019 as follows, which caused a slight increase in liabilities:
  - General employees and retirees: SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2020
  - Public safety employees and retirees: SOA Pub-2010 Public Safety Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2020
  - Surviving spouses: SOA Pub-2010 Contingent Survivor Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2020

December 31, 2019 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-2010 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, 2018 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.

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Governmental Funds

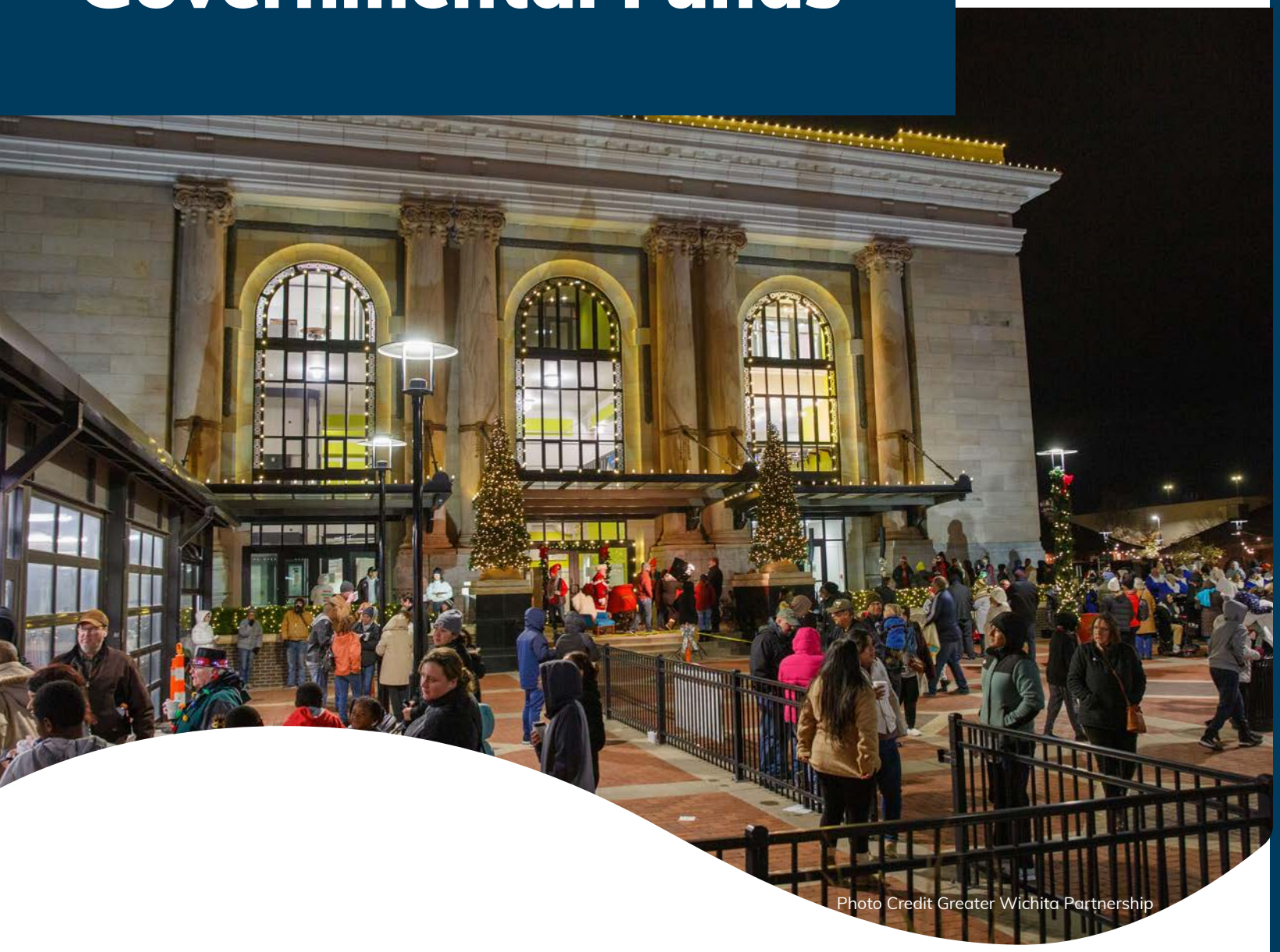

Photo Credit Greater Wichita Partnership

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 that are not considered revenues or expenditures.

CITY OF WICHITA

Governmental Funds



Nonmajor Special Revenue Funds

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

- Homelessness Assistance
- Special Alcohol Program
- Special Parks and Recreation
- Metropolitan Area Building and Construction
- Environmental TIF (Tax Increment Financing) Districts
- City-County Joint Operations
- Century II
- Community Improvement Districts
- Tourism and Convention Promotion
- Addiction Settlement Recovery
- Landfill Post-Closure
- Downtown Parking
- Self-Supported Municipal Improvement District
- Municipal Court Restricted
- Wichita Ice Center
- 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:

- Street Improvement
- Neighborhood Improvements
- Local Sales Tax CIP (Construction in Progress)
- Park Bond Construction
- Public Improvement Construction
- 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 City.

Other Supplementary Information

Budgetary schedules for each fund with either (1) a legally adopted budget (i.e., fund is certified with the State of Kansas) or (2) a budget adopted by the City Council are presented in this section.

COMBINING BALANCE SHEET

December 31, 2022

	Governmental Fund Types			
	Special Revenue Funds	Capital Projects Funds	Cemetery Permanent Fund	Total
ASSETS				
Cash and cash equivalents	$ 67,460,738	$ 4,127,683	$ 547,275	$ 72,135,696
Cash with fiscal agent	-	1,288,955	-	1,288,955
Investments	-	-	1,072,087	1,072,087
Receivables, net:				
Due from other agencies	1,766,735	441,260	-	2,207,995
Accounts receivable	1,377,438	1,640,536	-	3,017,974
Notes receivable	-	369,756	-	369,756
Due from other funds	464,304	45,261,083	14	45,725,401
Inventories	19,266	-	-	19,266
Prepaid items	99,184	-	-	99,184
Total assets	$ 71,187,665	$ 53,129,273	$ 1,619,376	$ 125,936,314
LIABILITIES				
Accounts payable and other liabilities	$ 3,404,296	$ 7,768,058	$ -	$ 11,172,354
Accrued interest payable	-	1,085,847	-	1,085,847
Temporary notes payable	-	130,955,000	-	130,955,000
Deposits	31,080	-	-	31,080
Unearned revenue	1,947,778	-	-	1,947,778
Due to other agencies	169,728	-	-	169,728
Due to other funds	451,652	45,261,076	-	45,712,728
Total liabilities	6,004,534	185,069,981	-	191,074,515
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Other	741,000	1,919,144	-	2,660,144
Total deferred inflows of resources	741,000	1,919,144	-	2,660,144
FUND BALANCES (DEFICITS)				
Nonspendable	118,450	-	235,437	353,887
Restricted	53,243,379	49,320,572	1,383,939	103,947,890
Committed	10,933,005	-	-	10,933,005
Assigned	147,297	-	-	147,297
Unassigned	-	(183,180,424)	-	(183,180,424)
Total fund balances (deficits)	64,442,131	(133,859,852)	1,619,376	(67,798,345)
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 71,187,665	$ 53,129,273	$ 1,619,376	$ 125,936,314

COMBINING BALANCE SHEET

December 31, 2022

	Homelessness Assistance	Tourism and Convention Promotion	Special Alcohol Program	Addiction Settlement Recovery
ASSETS				
Cash and cash equivalents	$ -	$ 6,447,195	$ 2,648,325	$ 96,267
Receivables, net:				
Due from other agencies	-	-	-	-
Accounts receivable	16,866	90,143	-	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Total assets	$ 16,866	$ 6,537,338	$ 2,648,325	$ 96,267
LIABILITIES				
Accounts payable and other liabilities	$ 2,328	$ 166,450	$ 91,990	$ 33,333
Deposits	-	-	-	-
Unearned revenue	-	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	14,538	-	-	-
Total liabilities	16,866	166,450	91,990	33,333
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Other	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	6,370,888	2,556,335	62,934
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	-	6,370,888	2,556,335	62,934
Total liabilities, deferred inflows of resources and fund balances	$ 16,866	$ 6,537,338	$ 2,648,325	$ 96,267

Special Parks and Recreation	Landfill Post-Closure	Metropolitan Area Building and Construction	Downtown Parking	Environmental TIF Districts	Self-Supported Municipal Improvement District
$ 801,598	$ 8,732,506	$ -	$ 705,356	$ 37,942,951	$ 10,320
-	-	1,766,735	-	-	-
-	-	-	75,902	741,000	-
-	995	-	456,185	5,171	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 801,598	$ 8,733,501	$ 1,766,735	$ 1,237,443	$ 38,689,122	$ 10,320
$ -	$ 5,572	$ 48,541	$ 135,070	$ 16,496	$ -
-	-	31,080	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	437,114	-	-	-
-	5,572	516,735	135,070	16,496	-
-	-	-	-	741,000	-
-	-	-	-	741,000	-
-	-	-	-	-	-
801,598	-	-	-	37,931,626	10,320
-	8,580,632	1,250,000	1,102,373	-	-
-	147,297	-	-	-	-
801,598	8,727,929	1,250,000	1,102,373	37,931,626	10,320
$ 801,598	$ 8,733,501	$ 1,766,735	$ 1,237,443	$ 38,689,122	$ 10,320

(Continued)

COMBINING BALANCE SHEET (CONTINUED)

December 31, 2022

	City - County Joint Operations	Municipal Court Restricted	Century II	Wichita Ice Center
ASSETS				
Cash and cash equivalents	$ 325,244	$ 4,182,283	$ 2,716,562	$ 126,003
Receivables, net:				
Due from other agencies	-	-	-	-
Accounts receivable	42,246	-	371,262	40,019
Due from other funds	1,953	-	-	-
Inventories	-	-	15,366	3,900
Prepaid items	-	-	66,325	32,859
Total assets	$ 369,443	$ 4,182,283	$ 3,169,515	$ 202,781
LIABILITIES				
Accounts payable and other liabilities	$ 189,762	$ 481,692	$ 1,006,046	$ 58,564
Deposits	-	-	-	-
Unearned revenue	-	-	1,866,234	81,544
Due to other agencies	-	169,728	-	-
Due to other funds	-	-	-	-
Total liabilities	189,762	651,420	2,872,280	140,108
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Other	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	81,691	36,759
Restricted	179,681	3,530,863	215,544	25,914
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	179,681	3,530,863	297,235	62,673
Total liabilities, deferred inflows of resources and fund balances	$ 369,443	$ 4,182,283	$ 3,169,515	$ 202,781

Community Improvement Districts	Tourism Business Improvement District	Total
$ 2,216,813	$ 509,315	$ 67,460,738
-	-	1,766,735
-	-	1,377,438
-	-	464,304
-	-	19,266
-	-	99,184
$ 2,216,813	$ 509,315	$ 71,187,665
$ 680,212	$ 488,240	$ 3,404,296
-	-	31,080
-	-	1,947,778
-	-	169,728
-	-	451,652
680,212	488,240	6,004,534
-	-	741,000
-	-	741,000
-	-	118,450
1,536,601	21,075	53,243,379
-	-	10,933,005
-	-	147,297
1,536,601	21,075	64,442,131
$ 2,216,813	$ 509,315	$ 71,187,665

COMBINING BALANCE SHEET

December 31, 2022

	Street Improvement	Park Bond Construction	Neighborhood Improvements	Public Improvement Construction
ASSETS				
Cash and cash equivalents	$ -	$ -	$ -	$ -
Cash with fiscal agent	13	-	-	1,288,942
Receivables, net:				
Due from other agencies	441,260	-	-	-
Accounts receivable	1,640,536	-	-	-
Notes receivable	-	-	-	369,756
Due from other funds	7	-	-	-
Total assets	$ 2,081,816	$ -	$ -	$ 1,658,698
LIABILITIES				
Accounts payable and other liabilities	$ 3,552,102	$ 41,579	$ 2,209,792	$ 1,896,398
Accrued interest payable	554,957	107,314	169,706	253,870
Temporary notes payable	13,238,196	23,617,510	38,108,263	55,991,031
Due to other funds	21,448,502	5,638,155	16,553,588	1,620,831
Total liabilities	38,793,757	29,404,558	57,041,349	59,762,130
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Other	1,549,888	-	-	369,256
Total deferred inflows of resources	1,549,888	-	-	369,256
FUND BALANCES (DEFICITS)				
Restricted	-	-	-	-
Unassigned	(38,261,829)	(29,404,558)	(57,041,349)	(58,472,688)
Total fund balances (deficits)	(38,261,829)	(29,404,558)	(57,041,349)	(58,472,688)
Total liabilities and fund balances (deficits)	$ 2,081,816	$ -	$ -	$ 1,658,698

Local Sales Tax CIP	Sales Tax Construction Pledge	Total
$ -	$ 4,127,683	$ 4,127,683
-	-	1,288,955
-	-	441,260
-	-	1,640,536
-	-	369,756
37,656,745	7,604,331	45,261,083
$ 37,656,745	$ 11,732,014	$ 53,129,273
$ -	$ 68,187	$ 7,768,058
-	-	1,085,847
-	-	130,955,000
-	-	45,261,076
-	68,187	185,069,981
		1,919,144
-	-	1,919,144
37,656,745	11,663,827	49,320,572
-	-	(183,180,424)
37,656,745	11,663,827	(133,859,852)
$ 37,656,745	$ 11,732,014	$ 53,129,273

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COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2022

	Governmental Fund Types			
	Special Revenue Funds*	Capital Projects Funds	Cemetery Permanent Fund	Total*
REVENUES				
Property taxes	$ 1,860,532	$ -	$ -	$ 1,860,532
Motor vehicle taxes	34,076	-	-	34,076
Transient guest taxes	11,965,088	-	-	11,965,088
Special assessments	-	559,336	-	559,336
Local sales tax	2,245,571	38,726,181	-	40,971,752
Intergovernmental	8,057,637	5,073,917	-	13,131,554
Licenses and permits	-	-	2,415	2,415
Fines and penalties	317,639	-	-	317,639
Rentals	1,404,436	374,217	-	1,778,653
Sale of property	135,000	566,745	-	701,745
Interest and investment earnings	-	3,216	104,239	107,455
Charges for services and sales	5,888,391	409,652	-	6,298,043
Premiums on the issuance of temporary notes	-	3,417,127	-	3,417,127
Other revenue	1,032,133	3,571,954	-	4,604,087
Total revenues	32,940,503	52,702,345	106,654	85,749,502
EXPENDITURES				
Current:				
General government	5,670,468	-	71,769	5,742,237
Public safety	6,268,187	-	-	6,268,187
Sanitation	435,654	-	-	435,654
Health and welfare	3,430,892	-	-	3,430,892
Culture and recreation	10,639,366	-	-	10,639,366
Debt service:				
Interest and fiscal charges	-	5,957,072	-	5,957,072
Capital outlay	-	87,863,162	-	87,863,162
Total expenditures	26,444,567	93,820,234	71,769	120,336,570
Excess (deficiency) of revenues over (under) expenditures	6,495,936	(41,117,889)	34,885	(34,587,068)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	40,045,000	-	40,045,000
Premiums on issuance of debt	-	1,150,000	-	1,150,000
Repayments on long-term notes receivables	-	23,704	-	23,704
Issuance of long-term note receivables	-	(192,960)	-	(192,960)
Transfers from other funds	3,302,601	73,421,117	-	76,723,718
Transfers to other funds	(7,425,188)	(63,498,713)	-	(70,923,901)
Total other financing sources (uses)	(4,122,587)	50,948,148	-	46,825,561
Net change in fund balance	2,373,349	9,830,259	34,885	12,238,493
Fund balances (deficits) - beginning, as previously reported	66,622,121	(143,690,111)	1,584,491	(75,483,499)
Prior period adjustment*	(4,553,339)	-	-	(4,553,339)
Fund balances (deficits) - beginning, as adjusted	62,068,782	(143,690,111)	1,584,491	(80,036,838)
Fund balances (deficits) - ending	$ 64,442,131	$ (133,859,852)	$ 1,619,376	$ (67,798,345)

* The Landfill Fund was reclassified from a special revenue fund to an enterprise fund in 2022. See Note 21 (Reclassification of Fund Type) in the Notes to the Financial Statements for further information.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2022

	Homelessness Assistance	Tourism and Convention Promotion	Special Alcohol Program	Addiction Settlement Recovery
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Motor vehicle taxes	-	-	-	-
Transient guest taxes	-	8,295,476	-	-
Local sales tax	-	-	-	-
Intergovernmental	131,964	-	2,664,548	-
Fines and penalties	-	-	-	-
Rentals	-	-	-	-
Sale of property	-	-	-	-
Charges for services and sales	-	-	-	-
Other revenue	-	-	-	96,267
Total revenues	131,964	8,295,476	2,664,548	96,267
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation	-	-	-	-
Health and welfare	270,974	-	1,849,086	33,333
Culture and recreation	-	2,407,775	-	-
Total expenditures	270,974	2,407,775	1,849,086	33,333
Excess (deficiency) of revenues over (under) expenditures	(139,010)	5,887,701	815,462	62,934
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	139,010	-	-	-
Transfers to other funds	-	(4,870,608)	-	-
Total other financing sources (uses)	139,010	(4,870,608)	-	-
Net change in fund balance	-	1,017,093	815,462	62,934
Fund balances - beginning	-	5,353,795	1,740,873	-
Fund balances - ending	$ -	$ 6,370,888	$ 2,556,335	$ 62,934

Special Parks and Recreation	Landfill Post-Closure	Metropolitan Area Building and Construction	Downtown Parking	Environmental TIF Districts	Self-Supported Municipal Improvement District
$ -	$ -	$ -	$ -	$ 1,165,300	$ 695,232
-	-	-	-	-	34,076
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,652,274	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	135,000	-
2,664,548	-	7,800	1,257,538	-	-
-	-	22	100,216	-	-
2,664,548	-	3,660,096	1,357,754	1,300,300	729,308
-	-	-	1,487,958	-	725,727
-	-	3,660,129	-	-	-
-	435,654	-	-	-	-
-	-	-	-	1,277,499	-
-	-	-	-	-	-
-	435,654	3,660,129	1,487,958	1,277,499	725,727
2,664,548	(435,654)	(33)	(130,204)	22,801	3,581
-	-	-	-	-	-
(2,327,608)	(150,000)	-	(70,000)	-	-
(2,327,608)	(150,000)	-	(70,000)	-	-
336,940	(585,654)	(33)	(200,204)	22,801	3,581
464,658	9,313,583	1,250,033	1,302,577	37,908,825	6,739
$ 801,598	$ 8,727,929	$ 1,250,000	$ 1,102,373	$ 37,931,626	$ 10,320

(Continued)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)

For the year ended December 31, 2022

	City - County Joint Operations	Municipal Court Restricted	Century II	Wichita Ice Center
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Motor vehicle taxes	-	-	-	-
Transient guest taxes	-	-	-	-
Local sales tax	-	-	-	-
Intergovernmental	1,608,851	-	-	-
Fines and penalties	-	317,639	-	-
Rentals	-	-	1,255,982	148,454
Sale of property	-	-	-	-
Charges for services and sales	367,871	-	1,103,521	487,113
Other revenue	477,369	-	336,942	21,317
Total revenues	2,454,091	317,639	2,696,445	656,884
EXPENDITURES				
Current:				
General government	1,560,746	8,206	-	-
Public safety	2,608,058	-	-	-
Sanitation	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	3,521,403	1,061,651
Total expenditures	4,168,804	8,206	3,521,403	1,061,651
Excess (deficiency) of revenues over (under) expenditures	(1,714,713)	309,433	(824,958)	(404,767)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	1,608,851	-	1,122,193	432,547
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	1,608,851	-	1,122,193	432,547
Net change in fund balance	(105,862)	309,433	297,235	27,780
Fund balances - beginning*	285,543	3,221,430	-	34,893
Fund balances - ending	$ 179,681	$ 3,530,863	$ 297,235	$ 62,673

* The Landfill Fund was reclassified from a special revenue fund to an enterprise fund in 2022. See Note 21 (Reclassification of Fund Type) in the Notes to the Financial Statements for further information.

Community Improvement Districts	Tourism Business Improvement District	Total*
$ -	$ -	$ 1,860,532
-	-	34,076
-	3,669,612	11,965,088
2,245,571	-	2,245,571
-	-	8,057,637
-	-	317,639
-	-	1,404,436
-	-	135,000
-	-	5,888,391
-	-	1,032,133
2,245,571	3,669,612	32,940,503
1,887,831	-	5,670,468
-	-	6,268,187
-	-	435,654
-	-	3,430,892
-	3,648,537	10,639,366
1,887,831	3,648,537	26,444,567
357,740	21,075	6,495,936
-	-	3,302,601
(6,972)	-	(7,425,188)
(6,972)	-	(4,122,587)
350,768	21,075	2,373,349
1,185,833	-	62,068,782
$ 1,536,601	$ 21,075	$ 64,442,131

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2022

	Street Improvement	Park Bond Construction	Neighborhood Improvements	Public Improvement Construction
REVENUES				
Special assessments	$ -	$ -	$ 559,336	$ -
Local sales tax	-	-	-	-
Intergovernmental	3,864,122	-	-	1,209,795
Rentals	-	24,217	-	350,000
Sale of property	566,745	-	-	-
Interest and investment earnings	-	-	-	3,216
Charges for services and sales	278,711	-	-	130,941
Premiums on issuance of temporary notes	3,417,127	-	-	-
Other revenue	2,557,245	159,000	-	855,709
Total revenues	10,683,950	183,217	559,336	2,549,661
EXPENDITURES				
Interest and fiscal charges	1,510,593	642,513	1,275,947	2,528,019
Capital outlay	29,472,758	8,813,235	31,838,113	17,739,056
Total expenditures	30,983,351	9,455,748	33,114,060	20,267,075
Excess (deficiency) of revenues over (under) expenditures	(20,299,401)	(9,272,531)	(32,554,724)	(17,717,414)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	4,973	-	22,535,574	17,504,453
Premiums on issuance of debt	-	-	580,000	570,000
Repayments on long-term note receivables	-	-	-	23,704
Issuance of long-term note receivables	-	-	-	(192,960)
Transfers from other funds	31,413,637	504,735	501,609	17,001,136
Transfers to other funds	(2,088,698)	-	-	(118,165)
Total other financing sources (uses)	29,329,912	504,735	23,617,183	34,788,168
Net change in fund balance	9,030,511	(8,767,796)	(8,937,541)	17,070,754
Fund balances (deficits) - beginning	(47,292,340)	(20,636,762)	(48,103,808)	(75,543,442)
Fund balances (deficits) - ending	$ (38,261,829)	$ (29,404,558)	$ (57,041,349)	$ (58,472,688)

Local Sales Tax CIP	Sales Tax Construction Pledge	Total
$ -	$ -	$ 559,336
-	38,726,181	38,726,181
-	-	5,073,917
-	-	374,217
-	-	566,745
-	-	3,216
-	-	409,652
-	-	3,417,127
-	-	3,571,954
-	38,726,181	52,702,345
-	-	5,957,072
-	-	87,863,162
-	-	93,820,234
-	38,726,181	(41,117,889)
-	-	40,045,000
-	-	1,150,000
-	-	23,704
-	-	(192,960)
24,000,000	-	73,421,117
(24,000,000)	(37,291,850)	(63,498,713)
-	(37,291,850)	50,948,148
-	1,434,331	9,830,259
37,656,745	10,229,496	(143,690,111)
$ 37,656,745	$ 11,663,827	$ (133,859,852)

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final*			
REVENUES					
Local government taxes:					
General property taxes:					
Property taxes	$ 95,473,293	$ 95,473,293	$ 98,219,715	$ 2,746,422	$ 94,998,435
Delinquent property taxes	2,200,000	2,200,000	1,848,456	(351,544)	1,191,920
Payments in lieu of taxes	100,000	75,000	58,924	(16,076)	48,243
Franchise taxes	47,548,966	49,250,094	55,552,327	6,302,233	47,715,217
Motor vehicle taxes	13,547,928	13,686,897	13,382,367	(304,530)	13,388,291
Local sales tax	33,167,410	39,218,613	38,246,593	(972,020)	34,600,874
Total local government taxes	192,037,597	199,903,897	207,308,382	7,404,485	191,942,980
Intergovernmental:					
Gas tax	15,356,225	14,772,379	15,373,261	600,882	16,262,783
Other intergovernmental	2,460,433	7,337,947	2,967,309	(4,370,638)	2,505,843
Licenses and permits	2,647,495	2,700,541	2,394,040	(306,501)	2,177,531
Fines and penalties:					
Municipal court	7,549,390	6,069,620	6,455,584	385,964	8,715,265
Other fines and penalties	662,798	534,000	646,476	112,476	647,192
Charges for services and sales	17,772,859	17,894,023	17,397,940	(496,083)	16,465,484
Rental income	821,873	796,953	833,171	36,218	1,088,101
Interest earnings	1,000,000	2,600,000	6,716,124	4,116,124	1,366,585
Sale of property	225,008	100,000	251,857	151,857	103,781
Administrative charges	4,522,087	4,762,654	4,840,606	77,952	4,882,234
Other revenue	4,200,758	4,031,423	3,882,107	(149,316)	5,252,070
Total revenues	249,256,523	261,503,437	269,066,857	7,563,420	251,409,849
EXPENDITURES					
City Council:					
Personnel services	856,739	849,518	794,494	55,024	737,763
Contractual services	114,025	131,947	128,400	3,547	67,731
Materials and supplies	19,890	24,461	23,679	782	11,907
Total City Council	990,654	1,005,926	946,573	59,353	817,401
City Manager's Office (CMO):					
Personnel services	2,919,060	3,023,948	2,999,099	24,849	4,232,294
Contractual services	556,163	971,400	731,209	240,191	2,325,795
Materials and supplies	35,390	35,390	23,108	12,282	60,463
Total City Manager's Office	3,510,613	4,030,738	3,753,416	277,322	6,618,552
Department of Finance:					
Personnel services	5,184,741	5,153,149	4,871,862	281,287	4,647,980
Contractual services	1,194,071	1,304,354	1,098,602	205,752	973,292
Materials and supplies	37,839	38,339	33,419	4,920	21,834
Capital outlay	-	-	-	-	11,145
Other operating expenditures	150,000	150,000	511	149,489	2,540
Total Department of Finance	6,566,651	6,645,842	6,004,394	641,448	5,656,791

(Continued)

* The final budget column reflects the certified budget (original) plus any subsequent adjustments authorized by the City Council.

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final*			
EXPENDITURES (CONTINUED)					
Law Department:					
Personnel services	$ 2,911,948	$ 3,025,706	$ 2,812,936	$ 212,770	$ 2,769,437
Contractual services	233,309	218,155	210,762	7,393	210,620
Materials and supplies	12,720	37,720	27,365	10,355	26,030
Other operating expenditures	28,226	-	-	-	-
Total Law Department	3,186,203	3,281,581	3,051,063	230,518	3,006,087
Municipal Court:					
Personnel services	6,104,012	6,292,520	5,572,914	719,606	5,420,209
Contractual services	1,978,861	1,969,337	1,672,742	296,595	1,499,875
Materials and supplies	65,213	74,423	71,864	2,559	60,431
Capital outlay	-	16,000	15,447	553	-
Total Municipal Court	8,148,086	8,352,280	7,332,967	1,019,313	6,980,515
Fire Department:					
Personnel services	48,665,512	48,497,108	48,338,530	158,578	47,538,098
Contractual services	3,626,506	3,648,110	3,629,349	18,761	3,379,470
Materials and supplies	912,297	1,447,747	1,447,747	-	984,444
Planned savings**	-	(158,572)	-	(158,572)	-
Total Fire Department	53,204,315	53,434,393	53,415,626	18,767	51,902,012
Police Department:					
Personnel services	90,490,750	91,863,310	89,434,228	2,429,082	86,968,747
Contractual services	10,384,809	11,006,977	10,979,672	27,305	9,412,052
Materials and supplies	2,611,938	3,430,009	3,248,462	181,547	2,561,645
Capital outlay	7,500	-	-	-	-
Other operating expenditures	419,232	-	-	-	-
Contingency	110,000	-	-	-	-
Planned savings**	(3,310,612)	(2,462,674)	-	(2,462,674)	-
Total Police Department	100,713,617	103,837,622	103,662,362	175,260	98,942,444
Housing & Community Services:					
Personnel services	240,908	282,994	282,994	-	-
Contractual services	7,685	7,685	7,685	-	-
Materials and supplies	700	700	700	-	-
Total Housing & Community Services	249,293	291,379	291,379	-	-
Library:					
Personnel services	7,388,582	7,569,478	7,200,898	368,580	6,583,058
Contractual services	1,980,609	1,863,085	1,847,532	15,553	1,812,775
Materials and supplies	806,106	1,062,244	1,025,378	36,866	781,908
Planned savings**	(936,264)	(360,752)	-	(360,752)	-
Total Library	9,239,033	10,134,055	10,073,808	60,247	9,177,741

(Continued)

* The final budget column reflects the certified budget (original) plus any subsequent adjustments authorized by the City Council.

** Planned savings represent expenditure savings that each department was responsible for ensuring were met within the overall department budget.

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final*			
EXPENDITURES (CONTINUED)					
Public Works & Utilities:					
Personnel services	$ 6,962,187	$ 7,135,418	$ 7,084,586	$ 50,832	$ 6,856,830
Contractual services	9,392,409	9,749,285	9,679,552	69,733	9,349,372
Materials and supplies	869,879	915,902	698,657	217,245	641,231
Other operating expenditures	100,000	100,000	-	100,000	-
Planned savings**	(342,842)	-	-	-	-
Total Public Works & Utilities	16,981,633	17,900,605	17,462,795	437,810	16,847,433
Cultural Arts, Park & Recreation:					
Personnel services	13,534,879	12,812,046	11,503,097	1,308,949	10,753,430
Contractual services	9,160,558	10,709,986	10,663,230	46,756	8,847,105
Materials and supplies	1,045,339	1,304,739	1,240,549	64,190	1,116,643
Capital outlay	30,000	418,000	402,377	15,623	244,608
Other operating expenditures	163,231	162,934	162,922	12	133,638
Contingency	174,695	174,695	-	174,695	-
Planned Savings**	(798,443)	(1,306,510)	-	(1,306,510)	-
Total Cultural Arts, Park & Recreation	23,310,259	24,275,890	23,972,175	303,715	21,095,424
Non Departmental:					
Personnel services	(499,953)	-	-	-	-
Contractual services	3,300,706	3,951,257	3,951,257	-	3,530,994
Materials and supplies	61,800	11,970	9,972	1,998	2,420
Other operating expenditures	-	1,350,216	1,350,216	-	311,366
Contingency	800,000	-	-	-	-
Planned savings**	(1,929,486)	(3,055,018)	-	(3,055,018)	-
Total Non Departmental	1,733,067	2,258,425	5,311,445	(3,053,020)	3,844,780
Metropolitian Area Building & Construction:					
Personnel services	875,824	675,813	675,813	-	673,689
Contractual services	253,447	625,302	622,461	2,841	399,385
Materials and supplies	43,817	14,860	14,859	1	17,137
Total Metropolitian Area Building & Construction	1,173,088	1,315,975	1,313,133	2,842	1,090,211
Human Resources:					
Personnel services	1,568,517	1,660,219	1,656,234	3,985	1,523,577
Contractual services	196,977	206,415	199,371	7,044	183,261
Materials and supplies	67,997	67,997	28,111	39,886	29,509
Total Human Resources	1,833,491	1,934,631	1,883,716	50,915	1,736,347

(Continued)

* The final budget column reflects the certified budget (original) plus any subsequent adjustments authorized by the City Council.

** Planned savings represent expenditure savings that each department was responsible for ensuring were met within the overall department budget.

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final*			
EXPENDITURES (CONTINUED)					
Public Works & Utilities - Gas Tax:					
Personnel services	$ 11,242,870	$ 11,779,869	$ 9,330,534	$ 2,449,335	$ 9,048,802
Contractual services	5,312,598	6,267,069	5,942,079	324,990	5,401,252
Materials and supplies	2,170,530	2,694,764	2,633,143	61,621	2,210,108
Capital outlay	135,000	135,000	68,757	66,243	14,497
Planned savings**	(870,203)	(2,218,326)	-	(2,218,326)	-
Total Public Works & Utilities - Gas Tax	17,990,795	18,658,376	17,974,513	683,863	16,674,659
Total expenditures	248,830,798	257,357,718	256,449,365	908,353	244,390,397
Excess of revenues over expenditures	425,725	4,145,719	12,617,492	8,471,773	7,019,452
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	5,457,744	5,575,576	5,567,388	(8,188)	4,555,071
Transfers to other funds	(5,883,469)	(13,721,295)	(13,721,295)	-	(10,248,254)
Total other financing uses	(425,725)	(8,145,719)	(8,153,907)	(8,188)	(5,693,183)
Excess (deficiency) before other changes in unencumbered fund balance	-	(4,000,000)	4,463,585	8,463,585	1,326,269
OTHER CHANGES IN UNENCUMBERED FUND BALANCE					
Cancelled encumbrances	-	-	163,673	163,673	138,103
Total other changes in unencumbered fund balance	-	-	163,673	163,673	138,103
Net change in unencumbered fund balance	-	(4,000,000)	4,627,258	8,627,258	1,464,372
Unencumbered fund balance, beginning	41,092,854	41,092,854	42,557,226	1,464,372	41,092,854
Unencumbered fund balance, ending	$ 41,092,854	$ 37,092,854	$ 47,184,484	$ 10,091,630	$ 42,557,226

The 2022 certified expenditure budget was $283,014,267, including an appropriated reserve of $28,300,000. The adoption of the Revised Budget and subsequent adjustments included an appropriated reserve of $11,935,254.

* The final budget column reflects the certified budget (original) plus any subsequent adjustments authorized by the City Council.

** Planned savings represent expenditure savings that each department was responsible for ensuring were met within the overall department budget.

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 180,000	$ 180,000	$ 117,950	$ (62,050)	$ 936,760
Rental income	493,500	365,000	559,288	194,288	358,971
Sale of property	352,250	352,250	114,135	(238,115)	31,016
Administrative charges	350,000	580,000	387,262	(192,738)	359,169
Other revenue	130,000	142,000	12,014	(129,986)	98,977
Revised budget adjustment	-	(113,500)	-	113,500	-
Total revenues	1,505,750	1,505,750	1,190,649	(315,101)	1,784,893
EXPENDITURES					
General government:					
Personnel services	470,653	514,303	511,032	3,271	486,988
Contractual services	1,043,335	1,099,018	813,955	285,063	933,635
Materials and supplies	16,450	16,450	6,595	9,855	7,029
Other expenditures	213,162	241,367	241,367	-	213,449
Contingency	1,275,000	75,000	-	75,000	-
Revised budget adjustment	-	872,962	-	872,962	
Total expenditures	3,018,600	2,819,100	1,572,949	1,246,151	1,641,101
Excess (deficiency) of revenues over (under) expenditures	(1,512,850)	(1,313,350)	(382,300)	931,050	143,792
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	32,730	32,730	-
Transfers to other funds	-	(199,500)	(199,500)	-	-
Total other financing uses	-	(199,500)	(166,770)	32,730	-
Net change in unencumbered fund balance	(1,512,850)	(1,512,850)	(549,070)	963,780	143,792
Unencumbered fund balance, beginning	1,656,992	1,656,992	1,523,321	(133,671)	1,379,529
Unencumbered fund balance, ending	$ 144,142	$ 144,142	$ 974,251	$ 830,109	$ 1,523,321

* The Original column represents the budget certified with the State of Kansas and adopted by the City Council. The Final column is the Adopted Budget (i.e. Original) plus any subsequent adjustments authorized by the City Council.

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Local government taxes:					
General property taxes:					
Property taxes	$ 25,952,153	$ 25,954,710	$ 26,712,725	$ 758,015	$ 25,810,730
Delinquent property taxes	900,000	900,000	530,170	(369,830)	458,308
Special assessments	21,873,893	20,456,474	20,529,358	72,884	21,624,241
Delinquent special assessments	1,286,483	1,286,483	1,059,067	(227,416)	678,749
Motor vehicle taxes	3,687,533	3,629,128	3,655,902	26,774	3,986,284
Local sales tax	500,000	500,000	726,902	226,902	580,551
Total local government taxes	54,200,062	52,726,795	53,214,124	487,329	53,138,863
Investment earnings	-	-	1,458	1,458	50
Other revenue	-	-	486,154	486,154	34,469
Revised budget adjustment	-	3,337,484	-	(3,337,484)	-
Total revenues	54,200,062	56,064,279	53,701,736	(2,362,543)	53,173,382
EXPENDITURES					
Interest on general obligation bonds	6,154,540	5,127,214	5,127,214	-	6,001,864
Interest on special assessment bonds	5,811,446	5,423,718	5,423,718	-	5,219,018
Interest on STAR bonds	-	-	157,225	(157,225)	173,565
Retirement of general obligation bonds	27,417,241	23,650,758	23,056,516	594,242	22,205,343
Retirement of special assessment bonds	16,720,032	16,053,504	16,053,504	-	16,870,497
Retirement of STAR bonds	-	-	503,433	(503,433)	376,186
Other expenditures	1,129,768	985,783	383,840	601,943	203,906
Revised budget adjustment	-	19,992,050	-	19,992,050	-
Total expenditures	57,233,027	71,233,027	50,705,450	20,527,577	51,050,379
Excess (deficiency) of revenues over (under) expenditures	(3,032,965)	(15,168,748)	2,996,286	18,165,034	2,123,003
OTHER FINANCING SOURCES (USES)					
Issuance of bonds - premiums	500,000	-	432,940	432,940	166,363
Transfers from other funds	18,898,550	17,534,333	19,269,706	1,735,373	16,013,332
Transfers to other funds	(36,000,000)	(22,000,000)	(20,337,815)	1,662,185	(13,716,262)
Total other financing sources (uses)	(16,601,450)	(4,465,667)	(635,169)	3,830,498	2,463,433
Net change in unencumbered fund balance	(19,634,415)	(19,634,415)	2,361,117	21,995,532	4,586,436
Unencumbered fund balance, beginning	21,728,461	21,728,461	26,124,001	4,395,540	21,537,565
Unencumbered fund balance, ending	$ 2,094,046	$ 2,094,046	$ 28,485,118	$ 26,391,072	$ 26,124,001

* The Original column represents the budget certified with the State of Kansas and adopted by the City Council. The Final column is the Adopted Budget (i.e., Original) plus any subsequent adjustments authorized by the City Council.

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022	Variance with Final Budget	2021
	Original	Final	Actual Amounts	Positive (Negative)	Actual Amounts
REVENUES					
Property taxes	$ 1,502,254	$ 1,790,000	$ 1,800,770	$ 10,770	$ 1,238,735
Revised budget adjustment	-	(287,746)	-	287,746	-
Total revenues	1,502,254	1,502,254	1,800,770	298,516	1,238,735
OTHER FINANCING USES					
Transfers to other funds	(1,502,254)	(1,502,254)	(1,502,254)	-	(1,238,735)
Total other financing uses	(1,502,254)	(1,502,254)	(1,502,254)	-	(1,238,735)
Net change in unencumbered fund balance	-	-	298,516	298,516	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	$ -	$ -	$ 298,516	$ 298,516	$ -

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 563,279	$ 321,000	$ 305,248	$ (15,752)	$ 218,142
Revised budget adjustment	-	242,279	-	(242,279)	-
Total revenues	563,279	563,279	305,248	(258,031)	218,142
EXPENDITURES					
General government:					
Revised budget adjustment	-	174,137	-	174,137	-
Total expenditures	-	174,137	-	174,137	-
Excess of revenues over expenditures	563,279	389,142	305,248	(83,894)	218,142
OTHER FINANCING USES					
Transfers to other funds	(656,521)	(482,384)	(466,632)	15,752	(67,860)
Total other financing uses	(656,521)	(482,384)	(466,632)	15,752	(67,860)
Net change in unencumbered fund balance	(93,242)	(93,242)	(161,384)	(68,142)	150,282
Unencumbered fund balance, beginning	93,242	93,242	161,384	68,142	11,102
Unencumbered fund balance, ending	$ -	$ -	$ -	$ -	$ 161,384

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 591,600	$ 591,600	$ 482,698	$ (108,902)	$ 649,435
Total revenues	591,600	591,600	482,698	(108,902)	649,435
OTHER FINANCING USES					
Transfers to other funds	(632,979)	(632,979)	(593,512)	39,467	(538,621)
Total other financing uses	(632,979)	(632,979)	(593,512)	39,467	(538,621)
Net change in unencumbered fund balance	(41,379)	(41,379)	(110,814)	(69,435)	110,814
Unencumbered fund balance, beginning	41,379	41,379	110,814	69,435	-
Unencumbered fund balance, ending	$ -	$ -	$ -	$ -	$ 110,814

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 220,000	$ 195,821	$ 101,101	$ (94,720)	$ 137,928
Revised budget adjustment	-	24,179	-	(24,179)	-
Total revenues	220,000	220,000	101,101	(118,899)	137,928
EXPENDITURES					
General government:					
Contractual services	220,000	220,000	101,121	118,879	136,839
Total expenditures	220,000	220,000	101,121	118,879	136,839
Net change in unencumbered fund balance	-	-	(20)	(20)	1,089
Unencumbered fund balance, beginning	-	-	24,179	24,179	23,090
Unencumbered fund balance, ending	$ -	$ -	$ 24,159	$ 24,159	$ 24,179

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 712,759	$ 835,000	$ 928,715	$ 93,715	$ 622,390
Other revenue	-	-	63,588	63,588	-
Revised budget adjustment	-	(122,241)	-	122,241	-
Total revenues	712,759	712,759	992,303	279,544	622,390
OTHER FINANCING USES					
Transfers to other funds	(744,868)	(744,868)	(744,868)	-	(654,499)
Total other financing uses	(744,868)	(744,868)	(744,868)	-	(654,499)
Net change in unencumbered fund balance	(32,109)	(32,109)	247,435	279,544	(32,109)
Unencumbered fund balance, beginning	32,109	32,109	-	(32,109)	32,109
Unencumbered fund balance, ending	$ -	$ -	$ 247,435	$ 247,435	$ -

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022	Variance with Final Budget	2021
	Original	Final	Actual Amounts	Positive (Negative)	Actual Amounts
REVENUES					
Property taxes	$ 35,700	$ 35,700	$ 30,108	$ (5,592)	$ 50,231
Other revenue	164,600	618,285	-	(618,285)	-
Revised budget adjustment	-	(453,685)	-	453,685	-
Total revenues	200,300	200,300	30,108	(170,192)	50,231
OTHER FINANCING USES					
Transfers to other funds	(506,636)	(506,636)	(30,108)	476,528	(50,231)
Total other financing uses	(506,636)	(506,636)	(30,108)	476,528	(50,231)
Net change in unencumbered fund balance	(306,336)	(306,336)	-	306,336	-
Unencumbered fund balance, beginning	306,336	306,336	-	(306,336)	-
Unencumbered fund balance, ending	$ -	$ -	$ -	$ -	$ -

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 371,991	$ 122,685	$ 114,026	$ (8,659)	$ 119,693
Revised budget adjustment	-	249,306	-	(249,306)	-
Total revenues	371,991	371,991	114,026	(257,965)	119,693
EXPENDITURES					
General government:					
Revised budget adjustment	-	249,306	-	249,306	-
Total expenditures	-	249,306	-	249,306	-
Excess of revenues over expenditures	371,991	122,685	114,026	(8,659)	119,693
OTHER FINANCING USES					
Transfers to other funds	(371,991)	(122,685)	(114,026)	8,659	(145,877)
Total other financing uses	(371,991)	(122,685)	(114,026)	8,659	(145,877)
Net change in unencumbered fund balance	-	-	-	-	(26,184)
Unencumbered fund balance, beginning	-	-	-	-	26,184
Unencumbered fund balance, ending	$ -	$ -	$ -	$ -	$ -

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 320,000	$ 320,000	$ 301,814	$ (18,186)	$ 211,159
Total revenues	320,000	320,000	301,814	(18,186)	211,159
EXPENDITURES					
General government:					
Contractual services	320,000	320,000	301,250	18,750	188,272
Total expenditures	320,000	320,000	301,250	18,750	188,272
Net change in unencumbered fund balance	-	-	564	564	22,887
Unencumbered fund balance, beginning	-	-	22,887	22,887	-
Unencumbered fund balance, ending	$ -	$ -	$ 23,451	$ 23,451	$ 22,887

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Intergovernmental	$ 191,368	$ 191,368	$ 131,964	$ (59,404)	$ 171,656
Total revenues	191,368	191,368	131,964	(59,404)	171,656
EXPENDITURES					
Health and welfare:					
Contractual services	380,519	380,085	268,323	111,762	341,095
Other expenditures	2,217	2,651	2,651	-	2,217
Total expenditures	382,736	382,736	270,974	111,762	343,312
Deficiency of revenues under expenditures	(191,368)	(191,368)	(139,010)	52,358	(171,656)
OTHER FINANCING SOURCES					
Transfers from other funds	191,368	191,368	139,010	(52,358)	171,656
Total other financing sources	191,368	191,368	139,010	(52,358)	171,656
Net change in unencumbered fund balance	-	-	-	-	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	$ -	$ -	$ -	$ -	$ -

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022	Variance with Final Budget	2021
	Original	Final	Actual Amounts	Positive (Negative)	Actual Amounts
REVENUES					
Transient guest taxes	$ 6,555,361	$ 7,379,592	$ 8,295,476	$ 915,884	$ 5,695,696
Revised budget adjustment	-	(824,231)	-	824,231	-
Total revenues	6,555,361	6,555,361	8,295,476	1,740,115	5,695,696
EXPENDITURES					
Culture and recreation:					
Contractual services	3,182,000	2,532,000	2,469,660	62,340	2,354,177
Other expenditures	3,995	2,120	2,120	-	3,995
Contingency	163,000	-	-	-	-
Revised budget adjustment	-	538,770	-	538,770	-
Total expenditures	3,348,995	3,072,890	2,471,780	601,110	2,358,172
Excess of revenues over expenditures	3,206,366	3,482,471	5,823,696	2,341,225	3,337,524
OTHER FINANCING USES					
Transfers to other funds	(5,978,472)	(6,254,577)	(4,870,608)	1,383,969	(3,652,425)
Total other financing uses	(5,978,472)	(6,254,577)	(4,870,608)	1,383,969	(3,652,425)
Excess (deficiency) before other changes in unencumbered fund balance	(2,772,106)	(2,772,106)	953,088	3,725,194	(314,901)
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	153,752	153,752	232,550
Total other changes in unencumbered fund balance	-	-	153,752	153,752	232,550
Net change in unencumbered fund balance	(2,772,106)	(2,772,106)	1,106,840	3,878,946	(82,351)
Unencumbered fund balance, beginning	3,200,031	3,200,031	5,198,839	1,998,808	5,281,190
Unencumbered fund balance, ending	$ 427,925	$ 427,925	$ 6,305,679	$ 5,877,754	$ 5,198,839

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** These non-operating transactions were excluded from budgetary controls as they related directly to long-term assets and liabilities or the cancellation of prior year encumbrances.

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Intergovernmental	$ 2,175,666	$ 2,464,987	$ 2,664,548	$ 199,561	$ 2,168,572
Revised budget adjustment	-	(289,321)	-	289,321	-
Total revenues	2,175,666	2,175,666	2,664,548	488,882	2,168,572
EXPENDITURES					
Health and welfare:					
Contractual services	1,755,082	1,976,877	1,816,775	160,102	1,786,085
Other expenditures	1,340,244	187,818	187,818	-	435,871
Contingency	100,000	100,000	-	100,000	-
Revised budget adjustment	-	930,631	-	930,631	-
Total expenditures	3,195,326	3,195,326	2,004,593	1,190,733	2,221,956
Excess (deficiency) before other changes in unencumbered fund balance	(1,019,660)	(1,019,660)	659,955	1,679,615	(53,384)
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	172,363	172,363	-
Total other changes in unencumbered fund balance	-	-	172,363	172,363	-
Net change in unencumbered fund balance	(1,019,660)	(1,019,660)	832,318	1,851,978	(53,384)
Unencumbered fund balance, beginning	1,177,698	1,177,698	1,559,411	381,713	1,612,795
Unencumbered fund balance, ending	$ 158,038	$ 158,038	$ 2,391,729	$ 2,233,691	$ 1,559,411

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Other revenue	$ -	$ 475,000	$ 96,267	$ (378,733)	$ -
Total revenues	-	475,000	96,267	(378,733)	-
EXPENDITURES					
Health and welfare:					
Contractual services	-	110,000	33,333	76,667	-
Other expenditures	-	345,000	-	345,000	-
Total expenditures	-	455,000	33,333	421,667	-
Net change in unencumbered fund balance	-	20,000	62,934	42,934	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	$ -	$ 20,000	$ 62,934	$ 42,934	$ -

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Intergovernmental	$ 2,175,666	$ 2,462,987	$ 2,664,548	$ 201,561	$ 2,168,572
Revised budget adjustment	-	(287,321)	-	287,321	-
Total revenues	2,175,666	2,175,666	2,664,548	488,882	2,168,572
OTHER FINANCING USES					
Transfers to other funds	(2,327,608)	(2,327,608)	(2,327,608)	-	(1,703,914)
Total other financing uses	(2,327,608)	(2,327,608)	(2,327,608)	-	(1,703,914)
Net change in unencumbered fund balance	(151,942)	(151,942)	336,940	488,882	464,658
Unencumbered fund balance, beginning	151,942	151,942	464,658	312,716	-
Unencumbered fund balance, ending	$ -	$ -	$ 801,598	$ 801,598	$ 464,658

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Other revenue	$ -	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-	-
EXPENDITURES					
Sanitation:					
Personnel services	301,506	307,530	295,171	12,359	285,443
Contractual services	745,936	794,867	125,448	669,419	155,113
Materials and supplies	563,621	565,624	10,145	555,479	9,914
Capital outlay	-	-	-	-	14,628
Other expenditures	6,506,461	4,245	-	4,245	-
Revised budget adjustment	-	6,445,258	-	6,445,258	-
Total expenditures	8,117,524	8,117,524	430,764	7,686,760	465,098
Deficiency of revenues under expenditures	(8,117,524)	(8,117,524)	(430,764)	7,686,760	(465,098)
OTHER FINANCING USES					
Transfers to other funds	(150,000)	(150,000)	(150,000)	-	(150,000)
Total other financing uses	(150,000)	(150,000)	(150,000)	-	(150,000)
Deficiency before other changes in unencumbered fund balance	(8,267,524)	(8,267,524)	(580,764)	7,686,760	(615,098)
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	213	213	-
Total other changes in unencumbered fund balance	-	-	213	213	-
Net change in unencumbered fund balance	(8,267,524)	(8,267,524)	(580,551)	7,686,973	(615,098)
Unencumbered fund balance, beginning	8,577,285	8,577,285	9,307,380	730,095	9,922,478
Unencumbered fund balance, ending	$ 309,761	$ 309,761	$ 8,726,829	$ 8,417,068	$ 9,307,380

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022	Variance with Final Budget	2021
	Original	Final	Actual Amounts	Positive (Negative)	Actual Amounts
REVENUES					
Intergovernmental	$ 4,127,064	$ 3,942,187	$ 3,652,274	$ (289,913)	$ 3,685,361
Charges for services and sales	-	-	7,800	7,800	-
Other revenue	-	-	22	22	-
Revised budget adjustment	-	184,877	-	(184,877)	-
Total revenues	4,127,064	4,127,064	3,660,096	(466,968)	3,685,361
EXPENDITURES					
Public safety:					
Personnel services	2,861,244	2,860,438	2,687,999	172,439	2,768,411
Contractual services	223,025	241,117	234,565	6,552	216,923
Materials and supplies	41,784	56,142	37,664	18,478	28,672
Other expenditures	816,134	784,490	699,901	84,589	671,355
Contingency	1,200,000	-	-	-	-
Revised budget adjustment	-	1,200,000	-	1,200,000	-
Total expenditures	5,142,187	5,142,187	3,660,129	1,482,058	3,685,361
Deficiency before other changes in unencumbered fund balance	(1,015,123)	(1,015,123)	(33)	1,015,090	-
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	33	33	-
Total other changes in unencumbered fund balance	-	-	33	33	-
Net change in unencumbered fund balance	(1,015,123)	(1,015,123)	-	1,015,123	-
Unencumbered fund balance, beginning	1,250,000	1,250,000	1,250,000	-	1,250,000
Unencumbered fund balance, ending	$ 234,877	$ 234,877	$ 1,250,000	$ 1,015,123	$ 1,250,000

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 994,199	$ 982,113	$ 1,257,538	$ 275,425	$ 962,856
Rental income	14,400	14,400	-	(14,400)	-
Other revenue	100,485	100,216	100,216	-	74,216
Revised budget adjustment	-	12,355	-	(12,355)	-
Total revenues	1,109,084	1,109,084	1,357,754	248,670	1,037,072
EXPENDITURES					
General government:					
Personnel services	335,368	264,631	261,820	2,811	275,328
Contractual services	1,369,417	1,232,492	1,232,492	-	1,076,448
Materials and supplies	92,700	17,500	12,475	5,025	23,817
Other expenditures	66,766	58,245	53,245	5,000	61,766
Revised budget adjustment	-	291,383	-	291,383	-
Total expenditures	1,864,251	1,864,251	1,560,032	304,219	1,437,359
Deficiency of revenues under expenditures	(755,167)	(755,167)	(202,278)	552,889	(400,287)
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)
Deficiency before other changes in unencumbered fund balance	(825,167)	(825,167)	(272,278)	552,889	(470,287)
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	4,756	4,756	26,712
Total other changes in unencumbered fund balance	-	-	4,756	4,756	26,712
Net change in unencumbered fund balance	(825,167)	(825,167)	(267,522)	557,645	(443,575)
Unencumbered fund balance, beginning	829,615	829,615	1,287,412	457,797	1,730,987
Unencumbered fund balance, ending	$ 4,448	$ 4,448	$ 1,019,890	$ 1,015,442	$ 1,287,412

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ -	$ -	$ -	$ -	$ 2,670,041
Sale of property	-	-	135,000	135,000	-
Other revenue	110,000	-	-	-	102
Revised budget adjustment	-	110,000	-	(110,000)	-
Total revenues	110,000	110,000	135,000	25,000	2,670,143
EXPENDITURES					
Health and welfare:					
Contractual services	1,324,607	1,325,423	365,134	960,289	508,924
Materials and supplies	197,202	197,489	24,865	172,624	15,486
Capital outlay	-	-	-	-	25,548
Other expenditures	14,758,093	266,208	266,208	-	257,383
Revised budget adjustment	-	14,490,782	-	14,490,782	-
Total expenditures	16,279,902	16,279,902	656,207	15,623,695	807,341
Excess (deficiency) before other changes in unencumbered fund balance	(16,169,902)	(16,169,902)	(521,207)	15,648,695	1,862,802
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	968	968	-
Total other changes in unencumbered fund balance	-	-	968	968	-
Net change in unencumbered fund balance	(16,169,902)	(16,169,902)	(520,239)	15,649,663	1,862,802
Unencumbered fund balance, beginning	16,898,496	16,898,496	23,004,751	6,106,255	21,141,949
Unencumbered fund balance, ending	$ 728,594	$ 728,594	$ 22,484,512	$ 21,755,918	$ 23,004,751

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 1,165,300	$ 1,165,300	$ 1,165,300	$ -	$ 1,165,300
Sale of property	-	-	-	-	20,451
Other revenue	-	-	-	-	312,500
Total revenues	1,165,300	1,165,300	1,165,300	-	1,498,251
EXPENDITURES					
Health and welfare:					
Contractual services	1,395,072	1,395,072	108,808	1,286,264	691,627
Materials and supplies	121,246	121,377	17,814	103,563	1,662
Other expenditures	7,545,314	254,497	254,497	-	244,604
Revised budget adjustment	-	7,290,686	-	7,290,686	-
Total expenditures	9,061,632	9,061,632	381,119	8,680,513	937,893
Excess (deficiency) before other changes in unencumbered fund balance	(7,896,332)	(7,896,332)	784,181	8,680,513	560,358
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	83,183	83,183	-
Total other changes in unencumbered fund balance	-	-	83,183	83,183	-
Net change in unencumbered fund balance	(7,896,332)	(7,896,332)	867,364	8,763,696	560,358
Unencumbered fund balance, beginning	8,281,165	8,281,165	13,845,965	5,564,800	13,285,607
Unencumbered fund balance, ending	$ 384,833	$ 384,833	$ 14,713,329	$ 14,328,496	$ 13,845,965

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** These non-operating transactions were excluded from budgetary controls as they related directly to long-term assets and liabilities or the cancellation of prior year encumbrances.

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 658,480	$ 658,480	$ 685,254	$ 26,774	$ 683,626
Delinquent property taxes	26,500	26,500	9,978	(16,522)	1,385
Motor vehicle taxes	26,381	35,885	34,076	(1,809)	35,885
Revised budget adjustment	-	(9,504)	-	9,504	-
Total revenues	711,361	711,361	729,308	17,947	720,896
EXPENDITURES					
General government:					
Contractual services	725,727	725,727	725,727	-	752,416
Total expenditures	725,727	725,727	725,727	-	752,416
Net change in unencumbered fund balance	(14,366)	(14,366)	3,581	17,947	(31,520)
Unencumbered fund balance, beginning	14,366	14,366	6,739	(7,627)	38,259
Unencumbered fund balance, ending	$ -	$ -	$ 10,320	$ 10,320	$ 6,739

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022	Variance with Final Budget	2021
	Original	Final	Actual Amounts	Positive (Negative)	Actual Amounts
REVENUES					
Intergovernmental	$ 1,080,327	$ 1,080,327	$ 1,045,109	$ (35,218)	$ 899,832
Total revenues	1,080,327	1,080,327	1,045,109	(35,218)	899,832
EXPENDITURES					
Public safety:					
Personnel services	1,297,379	1,343,533	1,253,209	90,324	1,065,771
Contractual services	647,717	837,380	702,659	134,721	419,965
Materials and supplies	327,550	258,550	136,406	122,144	313,928
Other expenditures	8,741	-	-	-	-
Planned savings***	(120,733)	(278,809)	-	(278,809)	-
Total expenditures	2,160,654	2,160,654	2,092,274	68,380	1,799,664
Deficiency of revenues under expenditures	(1,080,327)	(1,080,327)	(1,047,165)	33,162	(899,832)
OTHER FINANCING SOURCES					
Transfers from other funds	1,080,327	1,080,327	1,045,109	(35,218)	899,832
Total other financing sources	1,080,327	1,080,327	1,045,109	(35,218)	899,832
Deficiency before other changes in unencumbered fund balance	-	-	(2,056)	(2,056)	-
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	2,056	2,056	-
Total other changes in unencumbered fund balance	-	-	2,056	2,056	-
Net change in unencumbered fund balance	-	-	-	-	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	$ -	$ -	$ -	$ -	$ -

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** These non-operating transactions were excluded from budgetary controls as they related directly to long-term assets and liabilities or the cancellation of prior year encumbrances.

*** Planned savings represented the expenditure savings that the department was responsible for ensuring were met within the overall Fund's budget.

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022	Variance with Final Budget	2021
	Original	Final	Actual Amounts	Positive (Negative)	Actual Amounts
REVENUES					
Intergovernmental	$ 692,018	$ 692,018	$ 563,742	$ (128,276)	$ 537,089
Charges for services and sales	288,553	288,553	367,871	79,318	315,822
Other revenue	501,439	501,439	477,369	(24,070)	455,651
Total revenues	1,482,010	1,482,010	1,408,982	(73,028)	1,308,562
EXPENDITURES					
General government:					
Personnel services	1,876,612	1,918,236	1,755,258	162,978	1,599,275
Contractual services	179,456	203,231	190,756	12,475	187,102
Materials and supplies	24,619	45,919	43,637	2,282	59,274
Other expenditures	93,341	6,642	-	6,642	-
Total expenditures	2,174,028	2,174,028	1,989,651	184,377	1,845,651
Deficiency of revenues under expenditures	(692,018)	(692,018)	(580,669)	111,349	(537,089)
OTHER FINANCING SOURCES					
Transfers from other funds	692,018	692,018	563,742	(128,276)	537,089
Total other financing sources	692,018	692,018	563,742	(128,276)	537,089
Deficiency before other changes in unencumbered fund balance	-	-	(16,927)	(16,927)	-
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	16,927	16,927	-
Total other changes in unencumbered fund balance	-	-	16,927	16,927	-
Net change in unencumbered fund balance	-	-	-	-	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	$ -	$ -	$ -	$ -	$ -

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** These non-operating transactions were excluded from budgetary controls as they related directly to long-term assets and liabilities or the cancellation of prior year encumbrances.

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Fines and penalties	$ 452,010	$ 452,010	$ 317,639	$ (134,371)	$ 449,199
Total revenues	452,010	452,010	317,639	(134,371)	449,199
EXPENDITURES					
General government:					
Contractual services	440,000	445,000	8,707	436,293	18,691
Materials and supplies	125,000	184,509	-	184,509	-
Capital outlay	-	85,000	84,575	425	-
Contingency	2,436,000	-	-	-	-
Revised budget adjustment	-	2,286,491	-	2,286,491	-
Total expenditures	3,001,000	3,001,000	93,282	2,907,718	18,691
expenditures	(2,548,990)	(2,548,990)	224,357	2,773,347	430,508
OTHER FINANCING USES					
Transfers to other funds	-	-	-	-	(895,911)
Total other financing uses	-	-	-	-	(895,911)
Net change in unencumbered fund balance	(2,548,990)	(2,548,990)	224,357	2,773,347	(465,403)
Unencumbered fund balance, beginning	2,698,843	2,698,843	3,221,430	522,587	3,686,833
Unencumbered fund balance, ending	$ 149,853	$ 149,853	$ 3,445,787	$ 3,295,934	$ 3,221,430

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Revised*			
REVENUES					
Charges for services and sales	$ -	$ 1,465,621	$ 1,103,521	$ (362,100)	$ -
Rental income	-	1,033,136	1,255,982	222,846	-
Other revenue	-	1,096,300	336,942	(759,358)	-
Total revenues	-	3,595,057	2,696,445	(898,612)	-
EXPENDITURES					
Culture and recreation:					
Personnel services	-	1,493,650	1,493,650	-	-
Contractual services	-	2,024,276	1,950,622	73,654	-
Materials and supplies	-	77,131	77,131	-	-
Total expenditures	-	3,595,057	3,521,403	73,654	-
Deficiency of revenues under expenditures	-	-	(824,958)	(824,958)	-
OTHER FINANCING SOURCES					
Transfers from other funds	-	-	1,122,193	1,122,193	-
Total other financing sources	-	-	1,122,193	1,122,193	-
Net change in unencumbered fund balance	-	-	297,235	297,235	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	$ -	$ -	$ 297,235	$ 297,235	$ -

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ -	$ 640,400	$ 487,113	$ (153,287)	$ 686,175
Rental income	-	268,850	148,454	(120,396)	341,748
Other revenue	-	93,150	21,317	(71,833)	42,292
Total revenues	-	1,002,400	656,884	(345,516)	1,070,215
EXPENDITURES					
Culture and recreation:					
Personnel services	-	394,867	324,338	70,529	503,613
Contractual services	-	691,036	684,704	6,332	539,473
Materials and supplies	-	69,000	52,609	16,391	20,508
Other expenditures	-	-	-	-	8
Contingency	-	132,390	-	132,390	-
Total expenditures	-	1,287,293	1,061,651	225,642	1,063,602
Excess (deficiency) or revenues over (under) expenditures	-	(284,893)	(404,767)	(119,874)	6,613
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	250,000	432,547	182,547	-
Total other financing sources (uses)	-	250,000	432,547	182,547	-
Net change in unencumbered fund balance	-	(34,893)	27,780	62,673	6,613
Unencumbered fund balance, beginning	-	-	34,893	34,893	28,280
Unencumbered fund balance, ending	$ -	$ (34,893)	$ 62,673	$ 97,566	$ 34,893

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022	Variance with Final Budget Positive	2021
	Original	Final	Actual Amounts	(Negative)	Actual Amounts
REVENUES					
Local sales tax	$ 2,172,380	$ 2,312,397	$ 2,245,571	$ (66,826)	$ 1,882,219
Total revenues	2,172,380	2,312,397	2,245,571	(66,826)	1,882,219
EXPENDITURES					
General government:					
Contractual services	1,748,165	3,192,586	1,806,245	1,386,341	1,558,704
Other expenditures	463,030	124,644	81,586	43,058	95,708
Total expenditures	2,211,195	3,317,230	1,887,831	1,429,399	1,654,412
Excess (deficiency) of revenues over (under) expenditures	(38,815)	(1,004,833)	357,740	1,362,573	227,807
OTHER FINANCING USES					
Transfers to other funds	(561,363)	(15,000)	(6,972)	8,028	(5,841)
Total other financing uses	(561,363)	(15,000)	(6,972)	8,028	(5,841)
Net change in unencumbered fund balance	(600,178)	(1,019,833)	350,768	1,370,601	221,966
Unencumbered fund balance, beginning	729,522	1,185,833	1,185,833	-	963,867
Unencumbered fund balance, ending	$ 129,344	$ 166,000	$ 1,536,601	$ 1,370,601	$ 1,185,833

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022	Variance with Final Budget	2021
	Original	Final	Actual Amounts	Positive (Negative)	Actual Amounts
REVENUES					
Transient guest taxes	$ 2,817,494	$ 3,171,749	$ 3,669,612	$ 497,863	$ 2,811,317
Total revenues	2,817,494	3,171,749	3,669,612	497,863	2,811,317
EXPENDITURES					
Culture and recreation:					
Contractual services	70,437	79,294	79,294	-	70,577
Other expenditures	2,747,057	3,443,100	3,443,100	-	2,401,841
Total expenditures	2,817,494	3,522,394	3,522,394	-	2,472,418
Net change in unencumbered fund balance	-	(350,645)	147,218	497,863	338,899
Unencumbered fund balance, beginning	-	350,645	350,645	-	11,746
Unencumbered fund balance, ending	$ -	$ -	$ 497,863	$ 497,863	$ 350,645

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Note: The Tourism Business Improvement District (TBID) Fund was recertified with the State of Kansas for 2022.

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Local sales tax	$ 33,167,410	$ 39,218,613	$ 38,726,181	$ (492,432)	$ 35,092,223
Revised budget adjustment	-	(6,051,203)	-	6,051,203	-
Total revenues	33,167,410	33,167,410	38,726,181	5,558,771	35,092,223
EXPENDITURES					
General government:					
Revised budget adjustment	-	2,069,372	-	2,069,372	-
Total expenditures	-	2,069,372	-	2,069,372	-
Excess of revenues over expenditures	33,167,410	31,098,038	38,726,181	7,628,143	35,092,223
OTHER FINANCING USES					
Transfers to other funds	(39,361,222)	(37,291,850)	(37,291,850)	-	(32,498,954)
Total other financing uses	(39,361,222)	(37,291,850)	(37,291,850)	-	(32,498,954)
Net change in unencumbered fund balance	(6,193,812)	(6,193,812)	1,434,331	7,628,143	2,593,269
Unencumbered fund balance, beginning	7,667,845	7,667,845	10,229,496	2,561,651	7,636,227
Unencumbered fund balance, ending	$ 1,474,033	$ 1,474,033	$ 11,663,827	$ 10,189,794	$ 10,229,496

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

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Licenses and permits	$ 2,650	$ 2,650	$ 2,415	$ (235)	$ 4,375
Interest and investment earnings	30,000	30,000	104,239	74,239	198,998
Total revenues	32,650	32,650	106,654	74,004	203,373
EXPENDITURES					
General government:					
Personnel services	3,813	3,813	-	3,813	-
Contractual services	88,047	88,448	70,851	17,597	20,453
Materials and supplies	3,500	3,500	918	2,582	-
Contingency	20,000	19,599	-	19,599	-
Total expenditures	115,360	115,360	71,769	43,591	20,453
Net change in unencumbered fund balance	(82,710)	(82,710)	34,885	117,595	182,920
Unencumbered fund balance, beginning	1,318,873	1,318,873	1,584,491	265,618	1,401,571
Unencumbered fund balance, ending	$ 1,236,163	$ 1,236,163	$ 1,619,376	$ 383,213	$ 1,584,491

* The Original column represents the budget certified with the State of Kansas and adopted by the City Council. The Final column is the Adopted Budget (i.e., Original) plus any subsequent adjustments authorized by the City Council.

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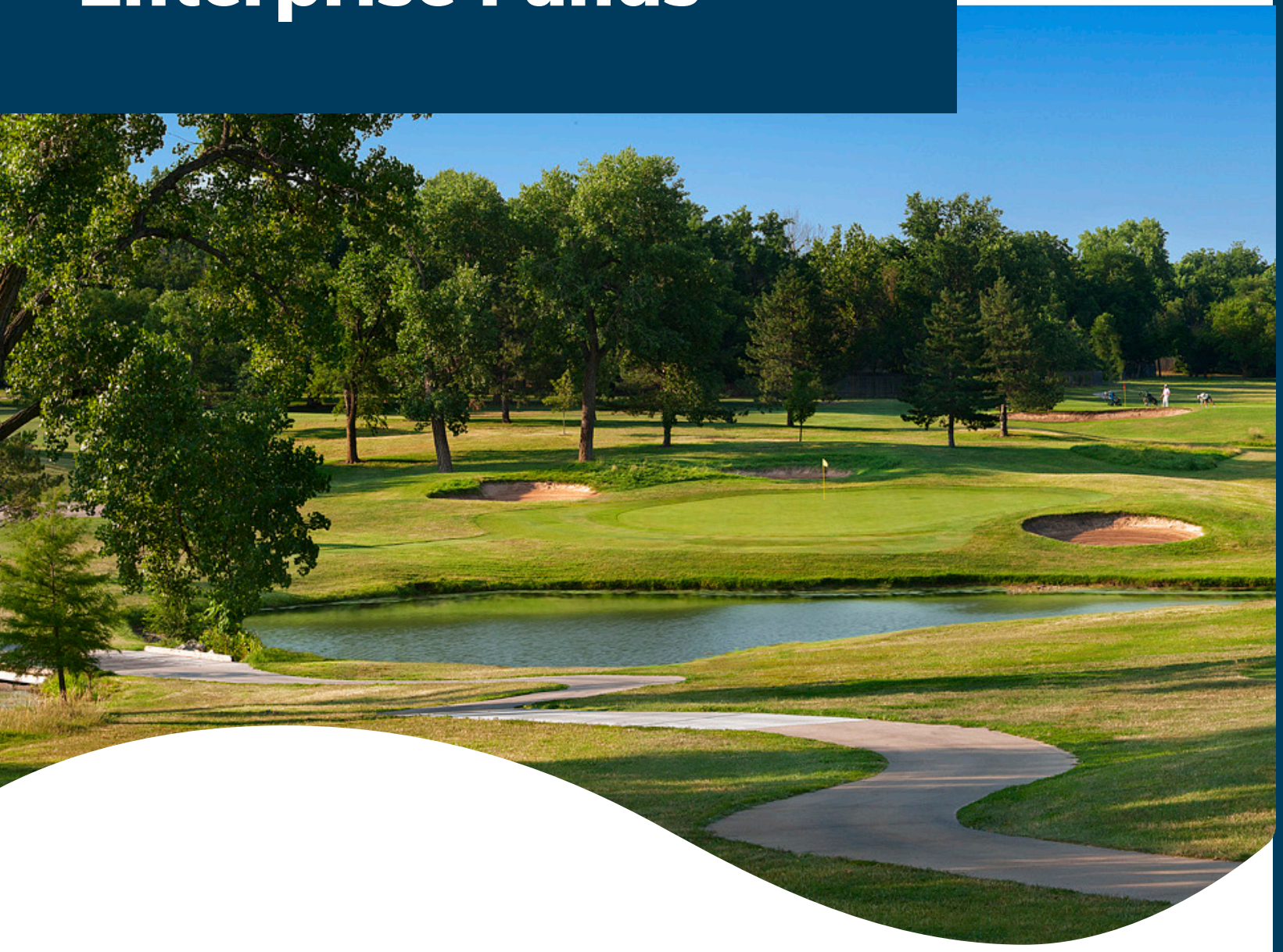
Enterprise Funds



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.

CITY OF WICHITA

Enterprise Funds



Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises 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 Annual Comprehensive Financial Report. 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 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.

The **Landfill Fund** operates the City's construction and demolition landfill.

COMBINING STATEMENT OF FUND NET POSITION

December 31, 2022

	Golf Course System Fund	Transit Fund	Landfill Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 2,378,666	$ 7,443,814	$ 3,855,370	$ 13,677,850
Receivables, net:				
Due from other agencies	-	573,896	-	573,896
Accounts receivable	36,857	65,858	372,513	475,228
Lease receivable	-	23,490	-	23,490
Due from other funds	4,480	4,874	152	9,506
Inventories	-	453,637	-	453,637
Prepaid items	3,700	-	-	3,700
Total current assets	2,423,703	8,565,569	4,228,035	15,217,307
Noncurrent assets:				
Lease receivable	-	47,579	-	47,579
Net pension asset	221,047	349,990	73,682	644,719
Capital assets:				
Land	654,534	1,880,751	1,876,889	4,412,174
Buildings	2,871,776	12,474,225	448,927	15,794,928
Improvements other than buildings	14,761,230	912,713	-	15,673,943
Machinery, equipment and other assets	2,160,903	32,164,124	2,757,391	37,082,418
Construction in progress	438,256	-	-	438,256
Less accumulated depreciation	(17,758,958)	(23,601,287)	(1,991,238)	(43,351,483)
Total capital assets, net	3,127,741	23,830,526	3,091,969	30,050,236
Total noncurrent assets	3,348,788	24,228,095	3,165,651	30,742,534
Total assets	5,772,491	32,793,664	7,393,686	45,959,841
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	406,036	623,568	256,798	1,286,402
Deferred outflows related to OPEB	116,535	206,358	87,873	410,766
Total deferred outflows of resources	522,571	829,926	344,671	1,697,168
LIABILITIES				
Current liabilities:				
Accounts payable and other liabilities	186,709	270,131	44,160	501,000
Deposits	1,985	-	-	1,985
Current portion of long-term obligations:				
Compensated absences	95,480	195,059	11,307	301,846
Total current liabilities	284,174	465,190	55,467	804,831
Noncurrent liabilities:				
Unearned revenue	137,183	692	2,742	140,617
Due to other funds	5,668,420	-	-	5,668,420
Total other post-employment benefits (OPEB) liability	248,980	1,280,471	71,136	1,600,587
Compensated absences	28,185	57,581	3,338	89,104
Total noncurrent liabilities	6,082,768	1,338,744	77,216	7,498,728
Total liabilities	6,366,942	1,803,934	132,683	8,303,559
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to leases	-	70,820	-	70,820
Deferred inflows related to pensions	985,356	1,401,790	295,114	2,682,260
Deferred inflows related to OPEB	201,585	669,757	28,071	899,413
Total deferred inflows of resources	1,186,941	2,142,367	323,185	3,652,493
NET POSITION				
Net investment in capital assets	3,083,200	23,830,526	3,091,969	30,005,695
Unrestricted	(4,342,021)	5,846,763	4,190,520	5,695,262
Total net position	$ (1,258,821)	$ 29,677,289	$ 7,282,489	$ 35,700,957

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the year ended December 31, 2022

	Golf Course System Fund	Transit Fund	Landfill Fund*	Total*
OPERATING REVENUES				
Charges for services and sales	$ 4,126,294	$ 1,135,357	$ 2,198,996	$ 7,460,647
Rentals	1,288,331	205,733	-	1,494,064
Other operating revenues	22,475	869,547	46,532	938,554
Total operating revenues	5,437,100	2,210,637	2,245,528	9,893,265
OPERATING EXPENSES				
Personnel services	2,019,353	8,272,992	533,021	10,825,366
Contractual services	1,134,876	2,411,524	1,861,696	5,408,096
Materials and supplies	1,013,243	2,210,123	152,010	3,375,376
Other operating expenses	23,630	172,426	-	196,056
Administrative charges	174,754	465,502	61,620	701,876
Depreciation	102,231	2,741,194	74,779	2,918,204
Total operating expenses	4,468,087	16,273,761	2,683,126	23,424,974
Operating income (loss)	969,013	(14,063,124)	(437,598)	(13,531,709)
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental grants	-	9,976,946	-	9,976,946
Other revenues	-	19,107	-	19,107
Interest expense	-	(63,617)	-	(63,617)
Gain on sale of assets	11,210	3,150	-	14,360
Total non-operating revenues	11,210	9,935,586	-	9,946,796
Income (loss) before capital contributions and transfers	980,223	(4,127,538)	(437,598)	(3,584,913)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	-	322,172	3,166,748	3,488,920
Transfers from other funds	62,000	4,470,957	-	4,532,957
Total capital contributions and transfers	62,000	4,793,129	3,166,748	8,021,877
Change in net position	1,042,223	665,591	2,729,150	4,436,964
Net position - beginning, as previously reported	(2,301,044)	29,011,698	-	26,710,654
Prior period adjustment*	-	-	4,553,339	4,553,339
Net position - beginning, as adjusted	(2,301,044)	29,011,698	4,553,339	31,263,993
Net position - ending	$ (1,258,821)	$ 29,677,289	$ 7,282,489	$ 35,700,957

* The Landfill Fund was reclassified from a special revenue fund to an enterprise fund in 2022. See Note 21 (Reclassification of Fund Type) in the Notes to the Financial Statements for further information.

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COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2022

	Golf Course System Fund	Transit Fund	Landfill Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 5,393,413	$ 1,358,540	$ 2,240,162	$ 8,992,115
Cash payments to suppliers for goods and services	(2,296,405)	(5,261,237)	(2,139,655)	(9,697,297)
Cash payments to employees for services	(2,259,521)	(8,544,509)	(536,350)	(11,340,380)
Other operating revenues	22,475	888,654	46,532	957,661
Net cash provided by (used in) operating activities	859,962	(11,558,552)	(389,311)	(11,087,901)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental grants received	-	10,498,339	-	10,498,339
Interfund loans	(1,047)	(20)	(45)	(1,112)
Transfers from other funds	62,000	4,470,957	-	4,532,957
Net cash provided by (used in) noncapital financing activities	60,953	14,969,276	(45)	15,030,184
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Retirement of temporary notes	-	(1,893,013)	-	(1,893,013)
Interest payments on long-term debt	-	(76,331)	-	(76,331)
Additions to property, plant and equipment	(715,559)	(424,751)	-	(1,140,310)
Sale of capital assets	11,210	3,150	-	14,360
Capital contributions	-	322,172	-	322,172
Net cash provided by (used in) capital and related financing activities	(704,349)	(2,068,773)	-	(2,773,122)
Net increase (decrease) in cash and cash equivalents	216,566	1,341,951	(389,356)	1,169,161
Cash and cash equivalents - beginning*	2,162,100	6,101,863	4,244,726	12,508,689
Cash and cash equivalents - ending	$ 2,378,666	$ 7,443,814	$ 3,855,370	$ 13,677,850

(Continued)

* The Landfill Fund was reclassified from a special revenue fund to an enterprise fund in 2022. See Note 21 (Reclassification of Fund Type) in the Notes to the Financial Statements for further information.

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended December 31, 2022

	Golf Course System Fund	Transit Fund	Landfill Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ 969,013	$ (14,063,124)	$ (437,598)	$ (13,531,709)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	102,231	2,741,194	74,779	2,918,204
Other revenues	-	19,107	-	19,107
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in receivables	(33,638)	(53,496)	45,598	(41,536)
(Increase) in inventory	-	(737)	-	(737)
(Increase) in net pension asset	(221,047)	(349,990)	(73,682)	(644,719)
(Increase) in deferred outflows related to pensions	(126,003)	(165,333)	(256,798)	(548,134)
(Increase) decrease in deferred outflows related to OPEB	(82,460)	45,801	(87,873)	(124,532)
Increase (decrease) in accounts payable	68,265	19,212	(58,271)	29,206
Increase in deposits	1,485	-	-	1,485
Increase (decrease) in unearned revenues	10,941	126	(4,432)	6,635
(Decrease) in net pension liability	(151,702)	(248,241)	-	(399,943)
Increase (decrease) in total OPEB liability	27,889	(355,605)	71,136	(256,580)
Increase in compensated absences	3,069	26,893	14,645	44,607
Increase in deferred inflows related to leases	-	70,820	-	70,820
Increase in deferred inflows related to pensions	235,385	422,761	295,114	953,260
Increase in deferred inflows related to OPEB	56,534	332,060	28,071	416,665
Total adjustments	(109,051)	2,504,572	48,287	2,443,808
Net cash provided by (used in) operating activities	$ 859,962	$ (11,558,552)	$ (389,311)	$ (11,087,901)
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES				
Contribution of capital assets	$ -	$ -	$ 3,166,748	$ 3,166,748
Operating grant receivables	-	573,896	-	573,896
Capital assets in accounts payable	44,541	-	-	44,541

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNENCUMBERED NET POSITION BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022	Variance with Final Budget Positive	2021
	Original	Final	Actual Amounts	(Negative)	Actual Amounts
REVENUES					
Charges for services and sales	$ 115,816,482	$ 117,424,490	$ 124,757,593	$ 7,333,103	$ 111,640,123
Fees	937,537	937,537	1,360,024	422,487	1,084,941
Rental income	41,600	-	47,117	47,117	46,533
Interest earnings	-	-	-	-	14,840
Sale of property	-	-	49,515	49,515	11,700
Other revenue	815,044	815,044	205,234	(609,810)	406,023
Revised budget adjustment	-	(1,566,408)	-	1,566,408	-
Total revenues	117,610,663	117,610,663	126,419,483	8,808,820	113,204,160
EXPENDITURES					
Personnel services	13,148,435	12,433,907	12,131,111	302,796	11,600,868
Contractual services	16,367,674	18,401,494	17,990,369	411,125	13,787,875
Materials and supplies	8,097,242	7,623,965	6,474,137	1,149,828	3,972,314
Capital outlay	2,470,000	5,224,108	5,219,196	4,912	6,294,416
Other operating expenditures	4,925,775	4,927,535	4,927,535	-	5,446,720
Cost of materials used	2,050,000	2,050,000	-	2,050,000	-
City administrative charges	766,716	732,261	732,261	-	766,716
Payments in lieu of franchise taxes	5,307,413	5,582,006	5,582,006	-	4,983,486
Other non-operating expenditures	71,000	71,000	5,067	65,933	5,109
Debt service	41,239,207	39,390,146	35,434,670	3,955,476	35,232,543
Contingency	2,000,000	-	-	-	-
Total expenditures	96,443,462	96,436,422	88,496,352	7,940,070	82,090,047
Excess of revenues over expenditures	21,167,201	21,174,241	37,923,131	16,748,890	31,114,113
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	142	142	-
Transfers to other funds	(67,845)	(74,885)	(74,885)	-	(67,845)
Total other financing uses	(67,845)	(74,885)	(74,743)	142	(67,845)
Excess before other changes in unencumbered net position	21,099,356	21,099,356	37,848,388	16,749,032	31,046,268
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Proceeds from issuance of bonds - principal	-	-	111,433,338	111,433,338	50,462,988
Proceeds from issuance of bonds - premium	-	-	-	-	1,607,488
Proceeds from long-term loans	-	-	67,829,719	67,829,719	24,847,166
Transfers to capital project funds	-	-	(194,747,959)	(194,747,959)	(37,655,169)
Transfers from debt service reserve	-	-	1,618,327	1,618,327	12,902
Transfers to debt service reserve	-	-	-	-	(593,600)
Cancelled encumbrances	-	-	215,143	215,143	37,575
Total other changes in unencumbered net position	-	-	(13,651,432)	(13,651,432)	38,719,350
Net change in unencumbered net position	21,099,356	21,099,356	24,196,956	3,097,600	69,765,618
Unencumbered net position, beginning	156,333,261	156,333,261	206,890,988	50,557,727	137,125,370
Unencumbered net position, ending	$ 177,432,617	$ 177,432,617	$ 231,087,944	$ 53,655,327	$ 206,890,988

* The Original column represents the budget certified with the State of Kansas and adopted by the City Council. The Final column is the Adopted Budget (i.e., Original) plus any subsequent adjustments authorized by the City Council.

** These non-operating transactions were excluded from budgetary controls as they related directly to long-term assets and liabilities or the cancellation of prior year encumbrances.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNENCUMBERED NET POSITION BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022	Variance with Final Budget Positive	2021
	Original	Final	Actual Amounts	(Negative)	Actual Amounts
REVENUES					
Charges for services and sales	$ 75,722,217	$ 74,615,399	$ 75,047,170	$ 431,771	$ 73,754,718
Fees	345,744	345,744	585,170	239,426	606,811
Rental income	16,414	16,414	-	(16,414)	-
Interest earnings	-	-	-	-	11,406
Sale of property	-	-	65,700	65,700	104,998
Other revenue	604,654	604,654	782,319	177,665	533,729
Total revenues	76,689,029	75,582,211	76,480,359	898,148	75,011,662
EXPENDITURES					
Personnel services	13,835,684	13,538,132	12,454,465	1,083,667	12,278,390
Contractual services	10,692,858	11,325,667	10,481,418	844,249	10,096,124
Materials and supplies	4,396,840	5,436,851	4,862,947	573,904	4,414,431
Capital outlay	2,858,340	2,858,340	1,482,579	1,375,761	1,985,563
Other operating expenditures	2,868,230	2,868,230	2,868,230	-	3,196,857
City administrative charges	412,219	439,780	439,780	-	412,219
Payments in lieu of franchise taxes	3,430,713	3,687,736	3,687,736	-	3,330,789
Debt service	27,674,046	27,593,216	22,242,603	5,350,613	21,350,338
Contingency	250,000	250,000	-	250,000	-
Total expenditures	66,418,930	67,997,952	58,519,758	9,478,194	57,064,711
Excess of revenues over expenditures	10,270,099	7,584,259	17,960,601	10,376,342	17,946,951
OTHER FINANCING USES					
Transfers to other funds	(149,596)	(154,792)	(154,792)	-	(149,596)
Total other financing uses	(149,596)	(154,792)	(154,792)	-	(149,596)
Excess before other changes in unencumbered net position	10,120,503	7,429,467	17,805,809	10,376,342	17,797,355
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Proceeds from issuance of bonds - principal	-	-	-	-	15,955,000
Proceeds from issuance of bonds - premium	-	-	-	-	1,236,033
Transfers to capital project funds	-	-	(11,840,703)	(11,840,703)	(6,490,325)
Transfers from debt service reserve	-	-	1,336,008	1,336,008	10,837
Transfers to debt service reserve	-	-	-	-	(456,250)
Cancelled encumbrances	-	-	126,032	126,032	13,496
Total other changes in unencumbered net position	-	-	(10,378,663)	(10,378,663)	10,268,791
Net change in unencumbered net position	10,120,503	7,429,467	7,427,146	(2,321)	28,066,146
Unencumbered net position, beginning	92,158,880	106,904,291	106,904,291	-	78,838,145
Unencumbered net position, ending	$ 102,279,383	$ 114,333,758	$ 114,331,437	$ (2,321)	$ 106,904,291

* The Original column represents the budget certified with the State of Kansas and adopted by the City Council. The Final column is the Adopted Budget (i.e., Original) plus any subsequent adjustments authorized by the City Council. The Sewer Fund was recertified for 2022.

** These non-operating transactions were excluded from budgetary controls as they related directly to long-term assets and liabilities or the cancellation of prior year encumbrances.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNENCUMBERED NET POSITION BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022	Variance with Final Budget Positive	2021
	Original	Final	Actual Amounts	(Negative)	Actual Amounts
REVENUES					
Charges for services and sales	$ 13,110,577	$ 14,444,329	$ 14,973,508	$ 529,179	$ 12,905,318
Licenses and permits	150,247	148,843	154,561	5,718	115,789
Rental income	16,534,198	16,018,468	16,438,503	420,035	15,146,659
Sale of property	-	25,000	8,623	(16,377)	44,745
Intergovernmental	3,709,483	5,070,285	13,072,165	8,001,880	-
Other revenue	3,568,426	3,084,529	120,859	(2,963,670)	51,673
Total revenues	37,072,931	38,791,454	44,768,219	5,976,765	28,264,184
EXPENDITURES					
Personnel services	12,137,036	12,110,905	11,297,778	813,127	10,833,333
Contractual services	5,377,493	5,974,422	5,808,464	165,958	4,786,571
Materials and supplies	1,253,750	1,342,942	1,095,069	247,873	1,006,904
Capital outlay	231,000	450,000	333,877	116,123	159,272
Other operating expenditures	990,929	990,929	990,929	-	990,929
Cost of materials used	3,725,289	3,662,859	3,566,327	96,532	2,935,068
City administrative charges	436,435	426,508	426,508	-	436,435
Debt service	8,713,074	8,713,074	8,632,477	80,597	8,609,588
Total expenditures	32,865,006	33,671,639	32,151,429	1,520,210	29,758,100
Excess (deficiency) before other changes in unencumbered net position	4,207,925	5,119,815	12,616,790	7,496,975	(1,493,916)
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Transfers from restricted funds	-	-	-	-	15,080,760
Transfers to capital project funds	(7,102,867)	(7,132,132)	(6,286,288)	845,844	(4,086,618)
Cancelled encumbrances	-	-	169,995	169,995	-
Total other changes in unencumbered net position	(7,102,867)	(7,132,132)	(6,116,293)	1,015,839	10,994,142
Net change in unencumbered net position	(2,894,942)	(2,012,317)	6,500,497	8,512,814	9,500,226
Unencumbered net position, beginning	29,921,881	28,974,720	28,974,720	-	19,474,494
Unencumbered net position, ending	$ 27,026,939	$ 26,962,403	$ 35,475,217	$ 8,512,814	$ 28,974,720

* The Original column represents the budget adopted by the City Council. The Final column is the Adopted Budget (i.e. Original) plus any subsequent adjustments authorized by the City Council. This fund was not required to be certified with the State of Kansas and was not certified for 2022.

** These non-operating transactions were excluded from budgetary controls as they related directly to long-term assets and liabilities or the cancellation of prior year encumbrances.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNENCUMBERED NET POSITION BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022	Variance with Final Budget Positive	2021
	Original	Final	Actual Amounts	(Negative)	Actual Amounts
REVENUES					
Charges for services and sales	$ 13,061,098	$ 13,061,098	$ 12,889,458	$ (171,640)	$ 13,367,483
Fees	-	-	192,908	192,908	166,637
Sale of property	-	-	69,350	69,350	-
Other revenue	-	-	206,189	206,189	98,481
Revised budget adjustment	-	(9,463)	-	9,463	-
Total revenues	13,061,098	13,051,635	13,357,905	306,270	13,632,601
EXPENDITURES					
Personnel services	3,252,147	3,181,539	2,849,049	332,490	2,691,909
Contractual services	3,536,012	3,403,816	2,472,930	930,886	3,053,055
Materials and supplies	373,949	452,106	450,491	1,615	584,084
Capital outlay	428,000	428,000	80,523	347,477	381,882
Other operating expenditures	19,070,182	1,059,631	1,034,353	25,278	1,113,672
City administrative charges	289,304	306,516	306,516	-	289,304
Debt service	2,077,045	2,052,984	2,047,119	5,865	2,055,580
Contingency	100,000	-	-	-	-
Total expenditures	29,126,639	26,890,681	9,240,981	17,649,700	10,169,486
Excess (deficiency) of revenues over (under) expenditures	(16,065,541)	(13,839,046)	4,116,924	17,955,970	3,463,115
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	9,463	9,463	-	41,138
Transfers to other funds	-	(32,730)	(32,730)	-	-
Total other financing sources (uses)	-	(23,267)	(23,267)	-	41,138
Excess (deficiency) before other changes in unencumbered net position	(16,065,541)	(13,862,313)	4,093,657	17,955,970	3,504,253
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Transfers from capital project funds	-	-	-	-	423,191
Transfers to capital project funds	-	(2,203,228)	(1,089,647)	1,113,581	-
Cancelled encumbrances	-	-	110,273	110,273	23,495
Total other changes in unencumbered net position	-	(2,203,228)	(979,374)	1,223,854	446,686
Net change in unencumbered net position	(16,065,541)	(16,065,541)	3,114,283	19,179,824	3,950,939
Unencumbered net position, beginning	17,258,598	17,258,598	21,891,421	4,632,823	17,940,482
Unencumbered net position, ending	$ 1,193,057	$ 1,193,057	$ 25,005,704	$ 23,812,647	$ 21,891,421

* The Original column represents the budget certified with the State of Kansas and adopted by the City Council. The Final column is the Adopted Budget (i.e., Original) plus any subsequent adjustments authorized by the City Council.

** These non-operating transactions were excluded from budgetary controls as they related directly to long-term assets and liabilities or the cancellation of prior year encumbrances.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNENCUMBERED NET POSITION BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022	Variance with Final Budget Positive	2021
	Original	Final	Actual Amounts	(Negative)	Actual Amounts
REVENUES					
Charges for services and sales	$ 2,971,837	$ 3,775,000	$ 3,989,993	$ 214,993	$ 3,765,278
Rental income	1,022,586	1,285,000	1,288,331	3,331	1,277,010
Sale of property	-	-	11,210	11,210	-
Other revenue	25,218	15,000	22,475	7,475	13,515
Total revenues	4,019,641	5,075,000	5,312,009	237,009	5,055,803
EXPENDITURES					
Personnel services	2,319,195	2,494,482	2,277,688	216,794	2,074,465
Contractual services	785,744	1,243,715	1,179,412	64,303	904,437
Materials and supplies	413,324	689,959	666,679	23,280	480,339
Capital outlay	-	120,758	120,756	2	-
Other operating expenditures	88,482	44,889	23,630	21,259	23,633
Cost of materials used	162,842	261,000	246,823	14,177	201,137
City administrative charges	223,680	174,754	174,754	-	223,680
Total expenditures	3,993,267	5,029,557	4,689,742	339,815	3,907,691
Excess before other changes in unencumbered net position	26,374	45,443	622,267	576,824	1,148,112
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Transfers to capital project funds	-	(957,734)	(945,879)	11,855	(350,000)
Cancelled encumbrances	-	-	21	21	-
Total other changes in unencumbered net position	-	(957,734)	(945,858)	11,876	(350,000)
Net change in unencumbered net position	26,374	(912,291)	(323,591)	588,700	798,112
Unencumbered net position, beginning	615,280	1,323,591	1,323,591	-	525,479
Unencumbered net position, ending	$ 641,654	$ 411,300	$ 1,000,000	$ 588,700	$ 1,323,591

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** These non-operating transactions were excluded from budgetary controls as they related directly to long-term assets and liabilities or the cancellation of prior year encumbrances.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNENCUMBERED NET POSITION BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 1,702,165	$ 1,196,592	$ 1,135,297	$ (61,295)	$ 997,160
Rental income	85,000	110,000	196,805	86,805	141,036
Sale of property	-	-	3,150	3,150	27,145
Other revenue	731,098	731,098	832,698	101,600	530,376
Total revenues	2,518,263	2,037,690	2,167,950	130,260	1,695,717
EXPENDITURES					
Personnel services	1,223,508	1,521,216	1,521,215	1	1,336,507
Contractual services	1,002,266	951,910	886,278	65,632	807,893
Materials and supplies	78,236	60,236	28,575	31,661	14,940
Other operating expenditures	1,134,838	172,426	172,426	-	172,430
Inventory remeasurement	-	-	-	-	(38,923)
City administrative charges	210,512	170,091	170,091	-	210,512
Total expenditures	3,649,360	2,875,879	2,778,585	97,294	2,503,359
Deficiency of revenues under expenditures	(1,131,097)	(838,189)	(610,635)	227,554	(807,642)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	3,586,326	3,586,326	3,586,326	-	3,586,326
Transfers to other funds	-	(1,578,019)	(871,269)	706,750	(887,931)
Total other financing sources	3,586,326	2,008,307	2,715,057	706,750	2,698,395
Excess before other changes in unencumbered net position	2,455,229	1,170,118	2,104,422	934,304	1,890,753
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Repayment of long-term internal loan	-	-	-	-	(418,660)
Cancelled encumbrances	-	-	13,194	13,194	-
Total other changes in unencumbered net position	-	-	13,194	13,194	(418,660)
Net change in unencumbered net position	2,455,229	1,170,118	2,117,616	947,498	1,472,093
Unencumbered net position, beginning	6,894,005	6,652,151	6,652,151	-	5,180,058
Unencumbered net position, ending	$ 9,349,234	$ 7,822,269	$ 8,769,767	$ 947,498	$ 6,652,151

* The Original column represents the budget adopted by the City Council. The Final column is the Adopted Budget (i.e. Original) plus any subsequent adjustments authorized by the City Council. This fund was not required to be certified with the State of Kansas and was not certified for 2022.

** These non-operating transactions were excluded from budgetary controls as they related directly to long-term assets and liabilities or the cancellation of prior year encumbrances.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNENCUMBERED NET POSITION BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 2,663,124	$ 3,208,514	$ 2,198,996	$ (1,009,518)	$ 2,536,712
Other revenue	73,008	73,008	46,532	(26,476)	117,497
Revised budget adjustment	-	(545,390)	-	545,390	-
Total revenues	2,736,132	2,736,132	2,245,528	(490,604)	2,654,209
EXPENDITURES					
Personnel services	540,884	613,958	542,408	71,550	512,027
Contractual services	3,237,202	3,127,471	1,910,797	1,216,674	1,294,934
Materials and supplies	115,312	154,585	152,010	2,575	87,087
Capital outlay	700,000	230,000	-	230,000	790,155
Other operating expenditures	1,451,503	1,272	-	1,272	-
City administrative charges	71,494	61,620	61,620	-	71,494
Revised budget adjustment	-	1,927,489	-	1,927,489	-
Total expenditures	6,116,395	6,116,395	2,666,835	3,449,560	2,755,697
Deficiency before other changes in unencumbered net position	(3,380,263)	(3,380,263)	(421,307)	2,958,956	(101,488)
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Cancelled encumbrances	-	-	54,087	54,087	-
Total other changes in unencumbered net position	-	-	54,087	54,087	-
Net change in unencumbered net position	(3,380,263)	(3,380,263)	(367,220)	3,013,043	(101,488)
Unencumbered net position, beginning	3,676,657	3,676,657	4,497,713	821,056	4,599,201
Unencumbered net position, ending	$ 296,394	$ 296,394	$ 4,130,493	$ 3,834,099	$ 4,497,713

Note: The Landfill Fund was changed to a proprietary fund with the 2022 Revised Budget, from a Special Revenue Fund.

* The Original column represents the budget certified with the State of Kansas and adopted by the City Council. The Final column is the Adopted Budget (i.e., Original) plus any subsequent adjustments authorized by the City Council.

** These non-operating transactions were excluded from budgetary controls as they related directly to long-term assets and liabilities or the cancellation of prior year encumbrances.

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.

CITY OF WICHITA

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 the City's self-insurance programs of health insurance, workers' compensation, group life insurance, auto liability and general liability.

Other Supplementary Information
Budgetary schedules for each fund with either (1) a legally adopted budget (i.e. fund is certified with the State of Kansas) or (2) a budget adopted by the City Council are presented in this section.

COMBINING STATEMENT OF FUND NET POSITION

December 31, 2022

	Information Technology	Fleet	Self Insurance	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 2,212,770	$ 5,782,424	$ 67,576,640	$ 75,571,834
Receivables, net:				
Accounts receivable	-	798	57,460	58,258
Inventories	-	1,547,203	-	1,547,203
Prepaid items	-	-	128,900	128,900
Total current assets	2,212,770	7,330,425	67,763,000	77,306,195
Noncurrent assets:				
Net pension asset	921,030	442,094	55,262	1,418,386
Capital and lease assets:				
Buildings	44,287	29,955	-	74,242
Improvements other than buildings	74,907	-	-	74,907
Machinery, equipment and other assets	8,887,010	38,318,944	-	47,205,954
Less accumulated depreciation/amortization	(7,941,426)	(28,230,677)	-	(36,172,103)
Total capital and lease assets, net	1,064,778	10,118,222	-	11,183,000
Total noncurrent assets	1,985,808	10,560,316	55,262	12,601,386
Total assets	4,198,578	17,890,741	67,818,262	89,907,581
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	1,703,992	775,936	93,229	2,573,157
Deferred outflows related to OPEB	128,052	74,517	5,733	208,302
Total deferred outflows of resources	1,832,044	850,453	98,962	2,781,459
LIABILITIES				
Current liabilities:				
Accounts payable and other liabilities	241,248	450,161	2,545,159	3,236,568
Deposits	-	-	383,429	383,429
Current portion of long-term obligations:				
Claims payable	-	-	12,768,279	12,768,279
Lease payable	176,282	-	-	176,282
Compensated absences	293,787	137,178	27,594	458,559
Total current liabilities	711,317	587,339	15,724,461	17,023,117
Noncurrent liabilities:				
Claims payable	-	-	26,393,454	26,393,454
Lease payable	30,043	-	-	30,043
Total other post-employment benefits (OPEB) liability	640,235	462,391	35,569	1,138,195
Compensated absences	86,725	40,494	8,146	135,365
Total noncurrent liabilities	757,003	502,885	26,437,169	27,697,057
Total liabilities	1,468,320	1,090,224	42,161,630	44,720,174
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	3,688,923	1,835,952	221,336	5,746,211
Deferred inflows related to OPEB	272,499	232,199	14,036	518,734
Total deferred inflows of resources	3,961,422	2,068,151	235,372	6,264,945
NET POSITION				
Net investment in capital assets	858,453	10,118,222	-	10,976,675
Unrestricted	(257,573)	5,464,597	25,520,222	30,727,246
Total net position	$ 600,880	$ 15,582,819	$ 25,520,222	$ 41,703,921

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the year ended December 31, 2022

	Information Technology	Fleet	Self Insurance	Total
OPERATING REVENUES				
Charges for services and sales	$ 13,254,970	$ 6,725,809	$ -	$ 19,980,779
Rentals	-	9,541,812	-	9,541,812
Employer contributions	-	-	46,819,346	46,819,346
Employee contributions	-	-	12,233,425	12,233,425
Other operating revenues	-	9,776	1,796,440	1,806,216
Total operating revenues	13,254,970	16,277,397	60,849,211	90,381,578
OPERATING EXPENSES				
Personnel services	5,168,043	2,825,692	1,010,570	9,004,305
Contractual services	5,847,496	1,833,477	10,515,826	18,196,799
Materials and supplies	67,459	8,407,737	75,051	8,550,247
Other operating expenses	92,176	-	503,707	595,883
Administrative charges	575,043	490,508	98,331	1,163,882
Depreciation/amortization	1,160,281	2,665,604	-	3,825,885
Employee benefits	-	-	46,275,810	46,275,810
Total operating expenses	12,910,498	16,223,018	58,479,295	87,612,811
Operating income	344,472	54,379	2,369,916	2,768,767
NON-OPERATING REVENUES (EXPENSES)				
Other revenues (expenses)	19	135,651	(1,983,028)	(1,847,358)
Interest expense	(10,800)	-	-	(10,800)
Gain on sale of assets	-	397,044	-	397,044
Total non-operating revenues (expenses)	(10,781)	532,695	(1,983,028)	(1,461,114)
Income before capital contributions and transfers	333,691	587,074	386,888	1,307,653
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	977,354	1,275,702	-	2,253,056
Transfers to other funds	(1,915,335)	-	(62,000)	(1,977,335)
Total capital contributions and transfers	(937,981)	1,275,702	(62,000)	275,721
Change in net position	(604,290)	1,862,776	324,888	1,583,374
Net position - beginning, as previously stated	914,504	13,720,043	25,195,334	39,829,881
Prior period adjustment	290,666	-	-	290,666
Net position - beginning, as adjusted	1,205,170	13,720,043	25,195,334	40,120,547
Net position - ending	$ 600,880	$ 15,582,819	$ 25,520,222	$ 41,703,921

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COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2022

	Information Technology	Fleet	Self Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 13,254,970	$ 16,266,823	$ 58,995,311	$ 88,517,104
Cash payments to suppliers for goods and services	(6,629,807)	(10,839,842)	(54,577,251)	(72,046,900)
Cash payments to employees for services	(5,929,574)	(3,267,595)	(1,052,813)	(10,249,982)
Other operating revenues	19	145,427	1,796,440	1,941,886
Other operating expenses	-	-	(1,983,028)	(1,983,028)
Net cash provided by operating activities	695,608	2,304,813	3,178,659	6,179,080
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund loans	-	-	5,656,555	5,656,555
Transfers to other funds	(1,915,335)	-	(62,000)	(1,977,335)
Net cash provided by (used in) noncapital financing activities	(1,915,335)	-	5,594,555	3,679,220
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payments on long-term debt	(170,328)	-	-	(170,328)
Interest payments on long-term debt	(10,800)	-	-	(10,800)
Additions to property, plant and equipment	(45,132)	(2,153,783)	-	(2,198,915)
Sale of capital assets	-	506,705	-	506,705
Net cash used in capital and related financing activities	(226,260)	(1,647,078)	-	(1,873,338)
Net increase (decrease) in cash and temporary investments	(1,445,987)	657,735	8,773,214	7,984,962
Cash and temporary investments - beginning	3,658,757	5,124,689	58,803,426	67,586,872
Cash and temporary investments - ending	$ 2,212,770	$ 5,782,424	$ 67,576,640	$ 75,571,834

(Continued)

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended December 31, 2022

	Information Technology	Fleet	Self Insurance	Total
RECONCILIATION OF OPERATING INCOME TO NET PROVIDED BY OPERATING ACTIVITIES				
Operating income	$ 344,472	$ 54,379	$ 2,369,916	$ 2,768,767
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation/amortization	1,160,281	2,665,604	-	3,825,885
Other revenues (expenses)	-	135,651	(1,983,028)	(1,847,377)
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in accounts receivable	19	(798)	(57,460)	(58,239)
(Increase) in inventory	-	(335,156)	-	(335,156)
(Increase) in net pension asset	(921,030)	(442,094)	(55,262)	(1,418,386)
(Increase) in deferred outflows related to pensions	(355,882)	(98,108)	(12,423)	(466,413)
Decrease in deferred outflows related to OPEB	23,637	14,078	1,083	38,798
Increase (decrease) in accounts payable	(18,100)	235,351	734,195	951,446
Increase in deposits	-	-	1,085	1,085
Increase in claims payable	-	-	2,154,817	2,154,817
(Decrease) in net pension liability	(661,973)	(344,777)	(41,373)	(1,048,123)
(Decrease) in total OPEB liability	(155,694)	(112,446)	(8,649)	(276,789)
Increase in compensated absences	50,402	944	8,722	60,068
Increase in deferred inflows related to pensions	1,073,748	425,136	58,164	1,557,048
Increase in deferred inflows related to OPEB	155,728	107,049	8,872	271,649
Total adjustments	351,136	2,250,434	808,743	3,410,313
Net cash provided by operating activities	$ 695,608	$ 2,304,813	$ 3,178,659	$ 6,179,080
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES				
Contribution of capital assets	$ 977,354	$ 1,275,702	$ -	$ 2,253,056

COMBINING SCHEDULE OF FUND NET POSITION

December 31, 2022

	Life Insurance	Health Insurance	Workers' Compensation	General Liability	Pension Reserve	Total
ASSETS						
Current assets:						
Cash and cash equivalents	$ 778,148	$ 32,715,609	$ 17,756,221	$ 10,449,524	$ 5,877,138	$ 67,576,640
Receivables, net:						
Accounts receivable	-	-	57,460	-	-	57,460
Prepaid items	-	128,900	-	-	-	128,900
Total current assets	778,148	32,844,509	17,813,681	10,449,524	5,877,138	67,763,000
Net pension asset	-	-	55,262	-	-	55,262
Total assets	778,148	32,844,509	17,868,943	10,449,524	5,877,138	67,818,262
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	-	-	93,229	-	-	93,229
Deferred outflows related to OPEB	-	-	5,733	-	-	5,733
Total deferred outflows of resources	-	-	98,962	-	-	98,962
LIABILITIES						
Current liabilities:						
Accounts payable and other liabilities	72,388	1,496,643	34,610	941,518	-	2,545,159
Deposits	-	383,429	-	-	-	383,429
Current portion of long-term obligations:						
Claims payable	-	3,214,586	2,180,963	7,372,730	-	12,768,279
Compensated absences	-	-	10,641	16,953	-	27,594
Total current liabilities	72,388	5,094,658	2,226,214	8,331,201	-	15,724,461
Noncurrent liabilities:						
Claims payable	-	-	8,682,003	17,711,451	-	26,393,454
Total OPEB liability	-	-	35,569	-	-	35,569
Compensated absences	-	-	3,141	5,005	-	8,146
Total noncurrent liabilities	-	-	8,720,713	17,716,456	-	26,437,169
Total liabilities	72,388	5,094,658	10,946,927	26,047,657	-	42,161,630
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	-	-	221,336	-	-	221,336
Deferred inflows related to OPEB	-	-	14,036	-	-	14,036
Total deferred inflows of resources	-	-	235,372	-	-	235,372
NET POSITION						
Unrestricted	705,760	27,749,851	6,785,606	(15,598,133)	5,877,138	25,520,222
Total net position	$ 705,760	$ 27,749,851	$ 6,785,606	$ (15,598,133)	$ 5,877,138	$ 25,520,222

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the year ended December 31, 2022

	Life Insurance	Health Insurance	Workers' Compensation	General Liability	Pension Reserve	Total
OPERATING REVENUES						
Employer contributions	$ 264,948	$ 39,224,016	$ 4,469,572	$ 2,860,810	$ -	$ 46,819,346
Employee contributions	607,332	11,626,093	-	-	-	12,233,425
Other operating revenues	-	-	49,070	1,747,370	-	1,796,440
Total operating revenues	872,280	50,850,109	4,518,642	4,608,180	-	60,849,211
OPERATING EXPENSES						
Personnel services	-	1,353	814,759	194,458	-	1,010,570
Contractual services	878,912	1,382,560	2,473,013	5,781,341	-	10,515,826
Materials and supplies	-	-	-	75,051	-	75,051
Other operating expenses	-	272,770	-	230,937	-	503,707
Administrative charges	726	25,747	37,754	34,104	-	98,331
Employee benefits	-	46,275,810	-	-	-	46,275,810
Total operating expenses	879,638	47,958,240	3,325,526	6,315,891	-	58,479,295
Operating income (loss)	(7,358)	2,891,869	1,193,116	(1,707,711)	-	2,369,916
NON-OPERATING EXPENSES						
Other expenses	-	-	(117,037)	(1,865,991)	-	(1,983,028)
Total non-operating expenses	-	-	(117,037)	(1,865,991)	-	(1,983,028)
Income (loss) before transfers	(7,358)	2,891,869	1,076,079	(3,573,702)	-	386,888
TRANSFERS						
Transfers to other funds	-	-	-	(62,000)	-	(62,000)
Total transfers	-	-	-	(62,000)	-	(62,000)
Change in net position	(7,358)	2,891,869	1,076,079	(3,635,702)	-	324,888
Net position - beginning	713,118	24,857,982	5,709,527	(11,962,431)	5,877,138	25,195,334
Net position - ending	$ 705,760	$ 27,749,851	$ 6,785,606	$ (15,598,133)	$ 5,877,138	$ 25,520,222

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNENCUMBERED NET POSITION BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 14,302,529	$ 14,267,348	$ 13,254,970	$ (1,012,378)	$ 12,472,583
Other revenue	-	-	19	19	-
Revised budget adjustment	-	35,181	-	(35,181)	-
Total revenues	14,302,529	14,302,529	13,254,989	(1,047,540)	12,472,583
EXPENDITURES					
Personnel services	5,944,878	6,241,492	5,959,107	282,385	5,538,107
Contractual services	6,060,517	6,077,739	5,943,052	134,687	4,853,946
Materials and supplies	192,479	175,848	67,459	108,389	28,656
Capital outlay	-	16,631	16,630	1	28,503
Other operating expenditures	441,557	250,162	92,176	157,986	129,220
Cost of materials used	20,000	20,000	-	20,000	-
City administrative charges	505,223	575,043	575,043	-	505,223
Debt service	143,286	217,475	181,127	36,348	142,686
Contingency	1,800,000	-	-	-	-
Revised budget adjustment	-	1,101,348	-	1,101,348	-
Total expenditures	15,107,940	14,675,738	12,834,594	1,841,144	11,226,341
Excess (deficiency) of revenues over (under) expenditures	(805,411)	(373,209)	420,395	793,604	1,246,242
OTHER FINANCING USES					
Transfers to other funds	(1,483,133)	(1,915,335)	(1,915,335)	-	(1,443,655)
Total other financing uses	(1,483,133)	(1,915,335)	(1,915,335)	-	(1,443,655)
Deficiency before other changes in unencumbered net position	(2,288,544)	(2,288,544)	(1,494,940)	793,604	(197,413)
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Cancelled encumbrances	-	-	6,737	6,737	10
Total other changes in unencumbered net position	-	-	6,737	6,737	10
Net change in unencumbered net position	(2,288,544)	(2,288,544)	(1,488,203)	800,341	(197,403)
Unencumbered net position, beginning	2,903,465	2,903,465	3,315,033	411,568	3,512,436
Unencumbered net position, ending	$ 614,921	$ 614,921	$ 1,826,830	$ 1,211,909	$ 3,315,033

* The Original column represents the budget certified with the State of Kansas and adopted by the City Council. The Final column is the Adopted Budget (i.e., Original) plus any subsequent adjustments authorized by the City Council.

** These non-operating transactions were excluded from budgetary controls as they related directly to long-term assets and liabilities or the cancellation of prior year encumbrances.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNENCUMBERED NET POSITION BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022 Actual Amounts	Variance with Final Budget Positive (Negative)	2021 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 4,487,675	$ 6,704,020	$ 6,725,809	$ 21,789	$ 4,976,249
Rental income	10,015,476	10,015,476	9,541,812	(473,664)	9,506,133
Sale of property	250,000	250,000	506,705	256,705	327,410
Other revenue	1,230,000	1,230,000	98,464	(1,131,536)	110,379
Revised budget adjustment	-	(2,216,345)	-	2,216,345	-
Total revenues	15,983,151	15,983,151	16,872,790	889,639	14,920,171
EXPENDITURES					
Personnel services	3,368,193	3,313,807	3,275,911	37,896	3,278,760
Contractual services	1,404,078	1,886,086	1,839,260	46,826	1,748,590
Materials and supplies	6,971,266	9,066,755	8,212,870	853,885	6,128,845
Capital outlay	3,178,100	3,178,100	3,070,459	107,641	2,657,588
Other operating expenditures	35,052	22,609	-	22,609	-
Cost of materials used	1,000,000	1,000,000	359,835	640,165	73,852
City administrative charges	491,176	490,508	490,508	-	491,176
Contingency	2,510,000	-	-	-	-
Total expenditures	18,957,865	18,957,865	17,248,843	1,709,022	14,378,811
Excess (deficiency) before other changes in unencumbered net position	(2,974,714)	(2,974,714)	(376,053)	2,598,661	541,360
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Cancelled encumbrances	-	-	4,195	4,195	-
Total other changes in unencumbered net position	-	-	4,195	4,195	-
Net change in unencumbered net position	(2,974,714)	(2,974,714)	(371,858)	2,602,856	541,360
Unencumbered net position, beginning	3,914,500	3,914,500	5,588,535	1,674,035	5,047,175
Unencumbered net position, ending	$ 939,786	$ 939,786	$ 5,216,677	$ 4,276,891	$ 5,588,535

* The Original column represents the budget certified with the State of Kansas and adopted by the City Council. The Final column is the Adopted Budget (i.e., Original) plus any subsequent adjustments authorized by the City Council.

** These non-operating transactions were excluded from budgetary controls as they related directly to long-term assets and liabilities or the cancellation of prior year encumbrances.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNENCUMBERED NET POSITION BUDGET AND ACTUAL - BUDGETARY BASIS

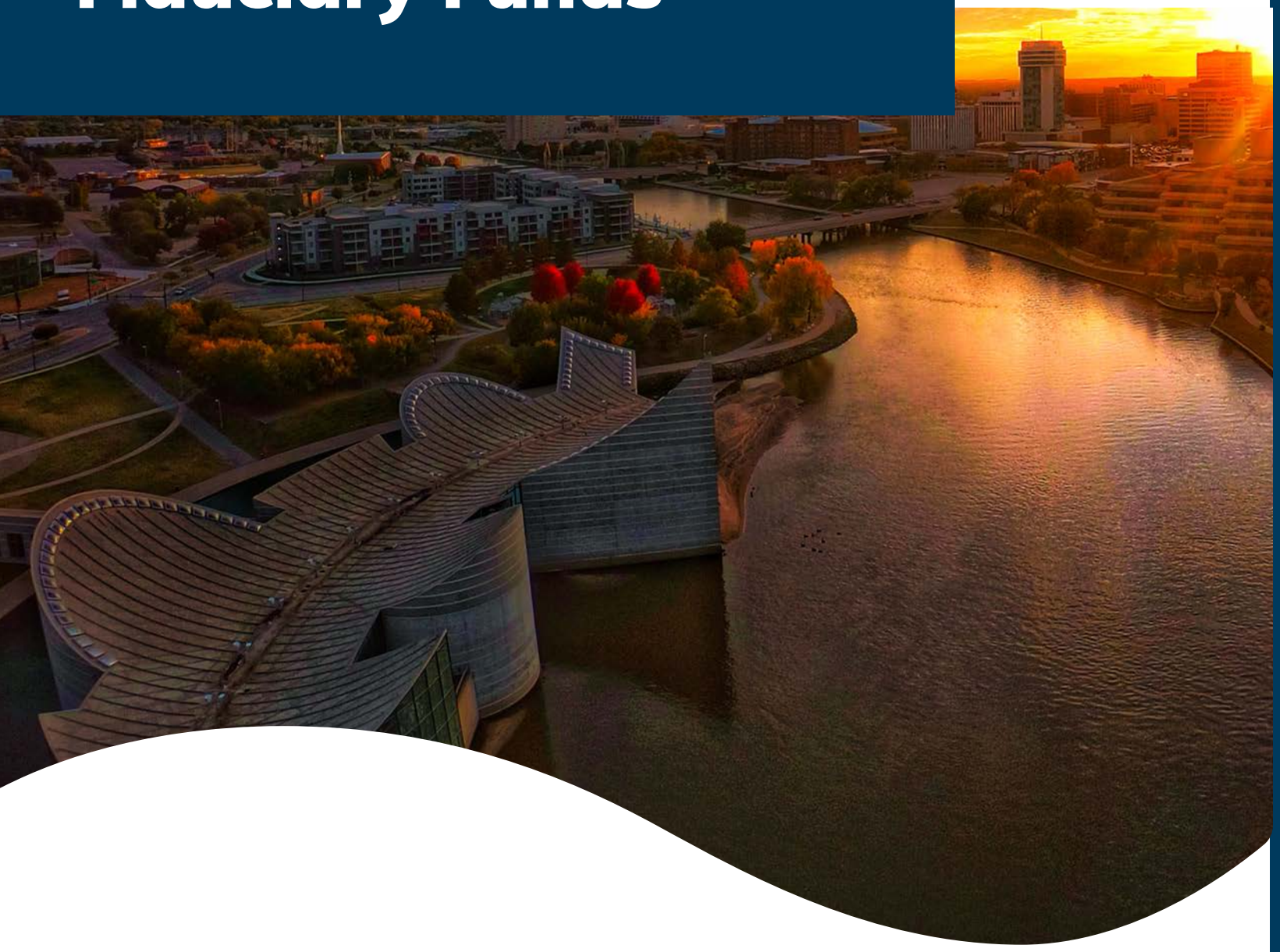
For the Year Ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	Budgeted Amounts*		2022	Variance with Final Budget	2021
	Original	Final	Actual Amounts	Positive (Negative)	Actual Amounts
REVENUES					
Employer contributions	$ 49,729,093	$ 50,488,929	$ 46,819,346	$ (3,669,583)	$ 47,034,413
Employee contributions	15,350,733	13,036,259	12,233,425	(802,834)	12,022,922
Other revenue	2,451,793	2,730,934	1,796,440	(934,494)	895,870
Revised budget adjustment	-	1,932,644	-	(1,932,644)	-
Total revenues	67,531,619	68,188,766	60,849,211	(7,339,555)	59,953,205
EXPENDITURES					
Personnel services	2,244,526	2,300,008	1,051,435	1,248,573	1,652,854
Contractual services	9,324,917	10,216,152	8,115,689	2,100,463	7,370,326
Materials and supplies	135,478	135,657	51,579	84,078	80,798
Capital outlay	10,000	10,000	-	10,000	-
Other operating expenditures	486,360	503,707	503,707	-	450,495
City administrative charges	105,404	98,331	98,331	-	105,404
Other non-operating expenditures	880,000	1,620,000	1,101,271	518,729	2,001,466
Employee/insurance claims	56,355,122	53,165,209	46,843,624	6,321,585	43,709,212
Contingency	1,000,000	221,021	-	221,021	-
Revised budget adjustment	-	2,209,722	-	2,209,722	-
Total expenditures	70,541,807	70,479,807	57,765,636	12,714,171	55,370,555
Excess (deficiency) of revenues over (under) expenditures	(3,010,188)	(2,291,041)	3,083,575	5,374,616	4,582,650
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	657,147	-	-	-	-
Transfers to other funds	-	(62,000)	(62,000)	-	-
Total other financing sources (uses)	657,147	(62,000)	(62,000)	-	-
Excess (deficiency) before other changes in unencumbered net position	(2,353,041)	(2,353,041)	3,021,575	5,374,616	4,582,650
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Cancelled encumbrances	-	-	39,633	39,633	224
Total other changes in unencumbered net position	-	-	39,633	39,633	224
Net change in unencumbered net position	(2,353,041)	(2,353,041)	3,061,208	5,414,249	4,582,874
Unencumbered net position, beginning	56,365,724	56,365,724	62,221,095	5,855,371	57,638,221
Unencumbered net position, ending	$ 54,012,683	$ 54,012,683	$ 65,282,303	$ 11,269,620	$ 62,221,095

* The Original column represents the budget certified with the State of Kansas and adopted by the City Council. The Final column is the Adopted Budget (i.e., Original) plus any subsequent adjustments authorized by the City Council.

** These non-operating transactions were excluded from budgetary controls as they related directly to long-term assets and liabilities or the cancellation of prior year encumbrances.

Fiduciary Funds



Fiduciary funds are used to report fiduciary activities including pension trust funds, investment trust funds, private purpose trust funds and custodial funds.

CITY OF WICHITA

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

Property and Evidence Custodial Fund securely accounts for the collection, holding and distribution of cash seized by the Wichita Police Department. Financial statements for this Fund can be found in the **Financial Section**.

COMBINING STATEMENT OF FIDUCIARY NET POSITION

December 31, 2022

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3b	Pension Trust Funds
ASSETS				
Cash and temporary investments	$ 44,142	$ 19,889	$ -	$ 64,031
Receivables:				
Investment sales pending	5,353,928	4,262,930	21,781	9,638,639
Interest and dividends	1,983,568	1,572,785	6,924	3,563,277
Other receivables	574,083	294,113	8,322	876,518
Total receivables	7,911,579	6,129,828	37,027	14,078,434
Investments, at fair value:				
Government short-term investment fund	24,580,400	17,767,502	84,097	42,431,999
Equity:				
Domestic equity	276,212,956	219,916,565	2,783,298	498,912,819
International equity	202,450,991	161,196,335	410,872	364,058,198
Fixed income	134,978,962	107,474,387	396,355	242,849,704
Real estate	60,145,922	47,891,422	-	108,037,344
Target date and money market funds	-	-	5,974,974	5,974,974
Timber	51,216,412	40,778,677	-	91,995,089
Derivative investments	790,317	629,274	2,321	1,421,912
Securities lending short-term collateral investment pool	7,303,190	5,814,994	23,738	13,141,922
Total investments	757,679,150	601,469,156	9,675,655	1,368,823,961
Capital assets:				
Pension software	448,990	833,838	-	1,282,828
Accumulated depreciation	(448,990)	(833,838)	-	(1,282,828)
Capital assets, net	-	-	-	-
Total assets	765,634,871	607,618,873	9,712,682	1,382,966,426
LIABILITIES				
Accounts payable and other liabilities	1,843,258	1,123,908	2,310	2,969,476
Investment purchases pending	9,696,725	7,720,795	35,647	17,453,167
Securities lending obligations	7,303,190	5,814,994	23,738	13,141,922
Total liabilities	18,843,173	14,659,697	61,695	33,564,565
NET POSITION				
Restricted for pensions	746,791,698	592,959,176	9,650,987	1,349,401,861
Total net position	$ 746,791,698	$ 592,959,176	$ 9,650,987	$ 1,349,401,861

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the year ended December 31, 2022

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3b	Pension Trust Funds
ADDITIONS				
Contributions:				
Employer	$ 17,183,919	$ 10,407,635	$ 212,909	$ 27,804,463
Employee	6,505,692	3,823,411	212,909	10,542,012
Total contributions	23,689,611	14,231,046	425,818	38,346,475
Investment income (loss):				
From investing activities:				
Net depreciation in the fair value of investments	(128,215,163)	(103,687,253)	(2,017,707)	(233,920,123)
Interest	4,704,710	3,757,127	15,259	8,477,096
Dividends	5,390,261	4,336,753	40,525	9,767,539
Commission recapture	16,747	13,472	136	30,355
Total investing activity loss	(118,103,445)	(95,579,901)	(1,961,787)	(215,645,133)
Less investment expense	3,718,592	3,068,757	17,218	6,804,567
Net loss from investing activities	(121,822,037)	(98,648,658)	(1,979,005)	(222,449,700)
From securities lending activities:				
Securities lending income	156,893	125,846	680	283,419
Less securities lending expense, net:				
Borrower rebates	61,876	49,392	213	111,481
Management fees	26,345	21,199	133	47,677
Total securities lending expenses	88,221	70,591	346	159,158
Net income from securities lending activities	68,672	55,255	334	124,261
Total net investment loss	(121,753,365)	(98,593,403)	(1,978,671)	(222,325,439)
Reclassifications due to participant conversion	-	-	295,038	295,038
Total additions	(98,063,754)	(84,362,357)	(1,257,815)	(183,683,926)
DEDUCTIONS				
Pension benefits	52,379,530	49,377,118	-	101,756,648
Pension administration	620,157	695,705	-	1,315,862
Administrative charges	37,828	37,828	-	75,656
Employee contributions refunded	803,311	990,688	827,147	2,621,146
Reclassifications due to participant conversion	-	295,038	-	295,038
Total deductions	53,840,826	51,396,377	827,147	106,064,350
Change in net position	(151,904,580)	(135,758,734)	(2,084,962)	(289,748,276)
Net position - beginning	898,696,278	728,717,910	11,735,949	1,639,150,137
Net position - ending	$ 746,791,698	$ 592,959,176	$ 9,650,987	$ 1,349,401,861

Additional Information



Photo Credit Visit Wichita

Additional Information includes various supplementary schedules pertaining to long-term debt obligations, combining financial schedules and insurance policies in force.

CITY OF WICHITA

Additional Information



Additional Information includes various supplementary schedules pertaining to long-term debt obligations, combining financial schedules and insurance policies in force.

Combining financial schedules are shown for the following funds and subfund:

General Fund
Debt Service Fund
Debt Service Fund - Economic Development TIF Districts Subfund
Environmental TIF Districts Fund
City-County Joint Operations Fund
Community Improvement Districts Fund

COMBINED SCHEDULE OF CHANGES IN BONDS PAYABLE

For the year ended December 31, 2022

	Restated Balance* December 31, 2021	Issued	Retired	Balance December 31, 2022
General obligation bonds payable from:				
Ad valorem property taxes	$ 51,525,191	$ 9,815,000	$ 9,381,474	$ 51,958,717
Special assessments	150,003,340	22,540,000	16,053,504	156,489,836
Tax increment financing	22,265,299	7,690,000	2,840,042	27,115,257
Transient guest tax	2,430,000	-	25,000	2,405,000
Airport Authority	126,000,000	-	3,545,000	122,455,000
Local sales tax	73,130,000	-	10,810,000	62,320,000
Stormwater Utility	9,081,170	-	1,774,980	7,306,190
Water Utility	99,640,000	-	5,950,000	93,690,000
Revenue bonds payable from:		-		
Water Utility	264,812,829	112,580,590	17,690,011	359,703,408
Sewer Utility	193,107,743	-	15,584,989	177,522,754
Local sales tax	3,673,689	-	503,434	3,170,255
	$ 995,669,261	$ 152,625,590	$ 84,158,434	$ 1,064,136,417

RECONCILIATION OF BONDS PAYABLE

As of December 31, 2022

	Balance December 31, 2022
General obligation bonds	$ 523,740,000
Revenue bonds	540,396,417
Total bonds payable	$ 1,064,136,417
Serial bonds payable	$ 303,459,065
Bonds payable from proprietary funds	760,677,352
Total bonds payable	$ 1,064,136,417

* The 2021 ending balance has been restated to exclude the Airport Authority Special Facility Revenue Bonds (SFRBs) with the implementation of GASB 91 - Conduit Debt Obligations.

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

Based on bonded debt as of December 31, 2022

	PAYABLE FROM PROPERTY TAXES			PAYABLE FROM TRANSIENT GUEST TAX		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2023	$ 8,259,934	$ 2,073,959	$ 10,333,893	$ 30,000	$ 88,787	$ 118,787
2024	7,549,126	1,688,972	9,238,098	35,000	87,163	122,163
2025	6,585,654	1,409,116	7,994,770	40,000	85,287	125,287
2026	6,470,395	1,148,701	7,619,096	50,000	83,538	133,538
2027	6,202,568	884,658	7,087,226	55,000	81,962	136,962
2028	6,455,852	641,196	7,097,048	65,000	80,163	145,163
2029	5,708,348	387,444	6,095,792	70,000	78,137	148,137
2030	1,646,840	154,759	1,801,599	80,000	75,888	155,888
2031	1,355,000	94,206	1,449,206	80,000	73,087	153,087
2032	1,395,000	53,063	1,448,063	95,000	69,588	164,588
2033	215,000	9,187	224,187	105,000	65,719	170,719
2034	115,000	3,594	118,594	1,700,000	31,875	1,731,875
	$ 51,958,717	$ 8,548,855	$ 60,507,572	$ 2,405,000	$ 901,194	$ 3,306,194

	PAYABLE FROM TAX INCREMENT FINANCING			PAYABLE FROM LOCAL SALES TAX		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2023	$ 2,291,550	$ 998,476	$ 3,290,026	$ 7,775,000	$ 2,031,600	$ 9,806,600
2024	2,328,058	867,641	3,195,699	8,000,000	1,714,850	9,714,850
2025	1,704,566	803,979	2,508,545	8,195,000	1,388,638	9,583,638
2026	1,861,083	740,850	2,601,933	8,405,000	1,181,400	9,586,400
2027	1,970,000	670,620	2,640,620	7,900,000	928,175	8,828,175
2028	1,770,000	600,260	2,370,260	6,625,000	658,300	7,283,300
2029	2,265,000	531,825	2,796,825	6,785,000	418,550	7,203,550
2030	2,465,000	442,570	2,907,570	1,640,000	189,100	1,829,100
2031	2,325,000	365,530	2,690,530	1,680,000	139,900	1,819,900
2032	2,520,000	293,202	2,813,202	1,725,000	106,300	1,831,300
2033	2,730,000	213,776	2,943,776	1,770,000	71,800	1,841,800
2034	650,000	127,331	777,331	1,820,000	36,400	1,856,400
2035	695,000	99,706	794,706	-	-	-
2036	745,000	69,300	814,300	-	-	-
2037	795,000	35,775		-	-	
	$ 27,115,257	$ 6,860,841	$ 33,145,323	$ 62,320,000	$ 8,865,013	$ 71,185,013

(Continued)

SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES TO MATURITY
PAYABLE FROM GOVERNMENTAL FUND REVENUES (CONTINUED)

Based on bonded debt as of December 31, 2022

	TOTAL PAYABLE FROM TAXES			PAYABLE FROM SPECIAL ASSESSMENTS		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2023	$ 18,356,484	$ 5,192,822	$ 23,549,306	$ 15,555,686	$ 5,739,764	$ 21,295,450
2024	17,912,184	4,358,626	22,270,810	14,723,636	4,898,698	19,622,334
2025	16,525,220	3,687,020	20,212,240	13,705,600	4,303,935	18,009,535
2026	16,786,478	3,154,489	19,940,967	12,608,522	3,740,796	16,349,318
2027	16,127,568	2,565,415	18,692,983	12,607,432	3,210,437	15,817,869
2028	14,915,852	1,979,919	16,895,771	11,959,148	2,693,287	14,652,435
2029	14,828,348	1,415,956	16,244,304	11,856,652	2,215,003	14,071,655
2030	5,831,840	862,317	6,694,157	10,043,160	1,777,556	11,820,716
2031	5,440,000	672,723	6,112,723	8,190,000	1,427,613	9,617,613
2032	5,735,000	522,153	6,257,153	8,090,000	1,179,273	9,269,273
2033	4,820,000	360,482	5,180,482	7,435,000	965,058	8,400,058
2034	4,285,000	199,200	4,484,200	6,620,000	780,981	7,400,981
2035	695,000	99,706	794,706	5,870,000	613,274	6,483,274
2036	745,000	69,300	814,300	4,805,000	461,081	5,266,081
2037	795,000	35,775	830,775	3,390,000	336,562	3,726,562
2038	-	-	-	2,390,000	237,062	2,627,062
2039	-	-	-	2,105,000	172,000	2,277,000
2040	-	-	-	1,925,000	114,450	2,039,450
2041	-	-	-	1,725,000	61,200	1,786,200
2042	-	-		885,000	17,770	902,770
	$ 143,798,974	$ 25,175,903	$ 168,974,877	$ 156,489,836	$ 34,945,800	$ 191,435,636

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

Based on bonded debt as of December 31, 2022

	Airport Authority			Stormwater Utility		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2023	$ 3,675,000	$ 5,025,811	$ 8,700,811	$ 1,807,830	$ 207,827	$ 2,015,657
2024	3,825,000	4,868,605	8,693,605	1,854,180	135,511	1,989,691
2025	3,980,000	4,706,111	8,686,111	1,199,180	86,677	1,285,857
2026	4,145,000	4,537,774	8,682,774	910,000	54,919	964,919
2027	4,290,000	4,372,105	8,662,105	935,000	28,794	963,794
2028	4,460,000	4,202,021	8,662,021	145,000	13,144	158,144
2029	4,640,000	4,026,182	8,666,182	150,000	10,244	160,244
2030	4,825,000	3,842,455	8,667,455	150,000	7,056	157,056
2031	5,015,000	3,651,734	8,666,734	155,000	3,681	158,681
2032	4,815,000	3,460,785	8,275,785	-	-	-
2033	5,015,000	3,265,665	8,280,665	-	-	-
2034	5,235,000	3,060,290	8,295,290	-	-	-
2035	5,220,000	2,847,971	8,067,971	-	-	-
2036	5,290,000	2,630,089	7,920,089	-	-	-
2037	6,340,000	2,408,306	8,748,306	-	-	-
2038	6,620,000	2,134,717	8,754,717	-	-	-
2039	6,900,000	1,847,253	8,747,253	-	-	-
2040	7,200,000	1,546,202	8,746,202	-	-	-
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	-	-	-
	$ 122,455,000	$ 66,017,580	$ 188,472,580	$ 7,306,190	$ 547,853	$ 7,854,043

(Continued)

SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES TO MATURITY PAYABLE FROM PROPRIETARY FUND REVENUES (CONTINUED)

Based on bonded debt as of December 31, 2022

	Water Utility			Totals		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2023	$ 6,250,000	$ 3,358,100	$ 9,608,100	$ 11,732,830	$ 8,591,738	$ 20,324,568
2024	6,560,000	3,037,849	9,597,849	12,239,180	8,041,965	20,281,145
2025	6,890,000	2,701,600	9,591,600	12,069,180	7,494,388	19,563,568
2026	7,235,000	2,420,825	9,655,825	12,290,000	7,013,518	19,303,518
2027	7,450,000	2,200,550	9,650,550	12,675,000	6,601,449	19,276,449
2028	7,675,000	1,973,675	9,648,675	12,280,000	6,188,840	18,468,840
2029	7,905,000	1,739,975	9,644,975	12,695,000	5,776,401	18,471,401
2030	8,140,000	1,499,300	9,639,300	13,115,000	5,348,811	18,463,811
2031	8,385,000	1,209,500	9,594,500	13,555,000	4,864,915	18,419,915
2032	8,720,000	867,400	9,587,400	13,535,000	4,328,185	17,863,185
2033	9,070,000	522,938	9,592,938	14,085,000	3,788,603	17,873,603
2034	9,410,000	176,438	9,586,438	14,645,000	3,236,728	17,881,728
2035	-	-	-	5,220,000	2,847,971	8,067,971
2036	-	-	-	5,290,000	2,630,089	7,920,089
2037	-	-	-	6,340,000	2,408,306	8,748,306
2038	-	-	-	6,620,000	2,134,717	8,754,717
2039	-	-	-	6,900,000	1,847,253	8,747,253
2040	-	-	-	7,200,000	1,546,202	8,746,202
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
	$ 93,690,000	$ 21,708,150	$ 115,398,150	$ 223,451,190	$ 88,273,583	$ 311,724,773

SUMMARY OF REVENUE BOND DEBT SERVICE CHARGES TO MATURITY
PAYABLE FROM PROPRIETARY FUND REVENUES

Based on bonded debt as of December 31, 2022

	Water Utility*			Sewer Utility		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2023	$ 18,384,350	$ 7,573,655	$ 25,958,005	$ 16,235,650	$ 6,182,019	$ 22,417,669
2024	16,867,412	6,794,484	23,661,896	13,627,588	5,524,990	19,152,578
2025	17,588,701	6,046,928	23,635,629	14,391,299	4,945,195	19,336,494
2026	17,095,846	5,310,305	22,406,151	14,184,154	4,373,282	18,557,436
2027	16,927,662	4,651,039	21,578,701	14,147,338	3,828,038	17,975,376
2028	17,411,579	4,014,431	21,426,010	14,648,421	3,296,888	17,945,309
2029	20,085,540	5,222,167	25,307,707	12,320,381	2,822,439	15,142,820
2030	20,390,407	4,634,317	25,024,724	12,148,553	2,417,961	14,566,514
2031	17,055,205	4,078,251	21,133,456	10,852,357	2,037,817	12,890,174
2032	15,769,718	3,629,088	19,398,806	10,172,013	1,711,639	11,883,652
2033	13,701,477	3,236,382	16,937,859	9,675,000	1,388,146	11,063,146
2034	13,926,804	2,912,243	16,839,047	9,960,000	1,095,899	11,055,899
2035	12,247,720	2,575,124	14,822,844	7,015,000	769,575	7,784,575
2036	12,109,232	2,290,306	14,399,538	6,560,000	531,975	7,091,975
2037	11,731,346	2,012,835	13,744,181	5,885,000	329,544	6,214,544
2038	11,184,071	1,747,630	12,931,701	2,315,000	147,050	2,462,050
2039	11,327,412	1,499,626	12,827,038	2,385,000	84,506	2,469,506
2040	5,966,377	1,248,261	7,214,638	1,000,000	20,000	1,020,000
2041	4,720,974	1,167,664	5,888,638	-	-	-
2042	4,776,209	1,112,429	5,888,638	-	-	-
2043	4,832,091	1,056,547	5,888,638	-	-	-
2044	4,888,626	1,000,011	5,888,637	-	-	-
2045	4,945,823	942,815	5,888,638	-	-	-
2046	5,003,689	884,948	5,888,637	-	-	-
2047	5,062,232	826,405	5,888,637	-	-	-
2048	5,121,461	767,177	5,888,638	-	-	-
2049	5,181,382	707,256	5,888,638	-	-	-
2050	5,242,004	646,634	5,888,638	-	-	-
2051	5,303,335	585,302	5,888,637	-	-	-
2052	5,365,384	523,253	5,888,637	-	-	-
2053	5,428,159	460,478	5,888,637	-	-	-
2054	5,491,669	396,969	5,888,638	-	-	-
2055	5,555,921	332,716	5,888,637	-	-	-
2056	5,620,926	267,712	5,888,638	-	-	-
2057	5,686,690	201,947	5,888,637	-	-	-
2058	5,753,225	135,413	5,888,638	-	-	-
2059	5,820,537	68,100	5,888,637	-	-	-
	369,571,196	$ 81,560,848	$ 451,132,044	$ 177,522,754	$ 41,506,963	$ 219,029,717
	(9,867,788) **					
	$ 359,703,408					

* Includes direct borrowing and placement bonds: Water Infrastructure Finance and Innovation Act (WIFIA) revenue bonds.

** Less estimated interest incurred during the construction phase of the WIFIA bonds that will be rolled into the principal balance.

Year	Totals* Principal	Interest	Debt Service Charges
2023	$ 34,620,000	$ 13,755,674	$ 48,375,674
2024	30,495,000	12,319,474	42,814,474
2025	31,980,000	10,992,123	42,972,123
2026	31,280,000	9,683,587	40,963,587
2027	31,075,000	8,479,077	39,554,077
2028	32,060,000	7,311,319	39,371,319
2029	32,405,921	8,044,606	40,450,527
2030	32,538,960	7,052,278	39,591,238
2031	27,907,562	6,116,068	34,023,630
2032	25,941,731	5,340,727	31,282,458
2033	23,376,477	4,624,528	28,001,005
2034	23,886,804	4,008,142	27,894,946
2035	19,262,720	3,344,699	22,607,419
2036	18,669,232	2,822,281	21,491,513
2037	17,616,346	2,342,379	19,958,725
2038	13,499,071	1,894,680	15,393,751
2039	13,712,412	1,584,132	15,296,544
2040	6,966,377	1,268,261	8,234,638
2041	4,720,974	1,167,664	5,888,638
2042	4,776,209	1,112,429	5,888,638
2043	4,832,091	1,056,547	5,888,638
2044	4,888,626	1,000,011	5,888,637
2045	4,945,823	942,815	5,888,638
2046	5,003,689	884,948	5,888,637
2047	5,062,232	826,405	5,888,637
2048	5,121,461	767,177	5,888,638
2049	5,181,382	707,256	5,888,638
2050	5,242,004	646,634	5,888,638
2051	5,303,335	585,302	5,888,637
2052	5,365,384	523,253	5,888,637
2053	5,428,159	460,478	5,888,637
2054	5,491,669	396,969	5,888,638
2055	5,555,921	332,716	5,888,637
2056	5,620,926	267,712	5,888,638
2057	5,686,690	201,947	5,888,637
2058	5,753,225	135,413	5,888,638
2059	5,820,537	68,100	5,888,637
	547,093,950	$ 123,067,811	$ 670,161,761
	(9,867,788) **		
	$ 537,226,162		

SUMMARY OF REVENUE BOND DEBT SERVICE CHARGES TO MATURITY
PAYABLE FROM GOVERNMENTAL FUND REVENUES

Based on bonded debt as of December 31, 2022

	Sales Tax Special Obligation			Total		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2023	$ 108,677	$ 141,537	$ 250,214	$ 108,677	$ 141,537	$ 250,214
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	161,870	6,475	168,345	161,870	6,475	168,345
	$ 3,170,255	$ 932,196	$ 4,102,451	$ 3,170,255	$ 932,196	$ 4,102,451

SUMMARY OF REVENUE LOAN PAYABLE DEBT SERVICE CHARGES TO MATURITY
PAYABLE FROM PROPRIETARY FUND REVENUES

Based on outstanding loan payable as of December 31, 2022

	Water Utility*			Total		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2025	$ 2,062,462	$ 675,180	$ 2,737,642	$ 2,062,462	$ 675,180	$ 2,737,642
2026	4,168,976	1,306,309	5,475,285	4,168,976	1,306,309	5,475,285
2027	4,228,410	1,246,874	5,475,284	4,228,410	1,246,874	5,475,284
2028	4,288,694	1,186,590	5,475,284	4,288,694	1,186,590	5,475,284
2029	4,349,839	1,125,445	5,475,284	4,349,839	1,125,445	5,475,284
2030	4,411,859	1,063,425	5,475,284	4,411,859	1,063,425	5,475,284
2031	4,474,764	1,000,520	5,475,284	4,474,764	1,000,520	5,475,284
2032	4,538,569	936,716	5,475,285	4,538,569	936,716	5,475,285
2033	4,603,286	872,000	5,475,286	4,603,286	872,000	5,475,286
2034	4,668,927	806,357	5,475,284	4,668,927	806,357	5,475,284
2035	4,735,507	739,778	5,475,285	4,735,507	739,778	5,475,285
2036	4,803,039	672,247	5,475,286	4,803,039	672,247	5,475,286
2037	4,871,535	603,750	5,475,285	4,871,535	603,750	5,475,285
2038	4,941,010	534,273	5,475,283	4,941,010	534,273	5,475,283
2039	5,011,480	463,804	5,475,284	5,011,480	463,804	5,475,284
2040	5,082,957	392,328	5,475,285	5,082,957	392,328	5,475,285
2041	5,155,455	319,829	5,475,284	5,155,455	319,829	5,475,284
2042	5,228,990	246,294	5,475,284	5,228,990	246,294	5,475,284
2043	5,303,576	171,707	5,475,283	5,303,576	171,707	5,475,283
2044	5,379,230	96,054	5,475,284	5,379,230	96,054	5,475,284
2045	2,718,322	19,320	2,737,642	2,718,322	19,320	2,737,642
	$ 95,026,887	$ 14,478,800	$ 109,505,687	$ 95,026,887	$ 14,478,800	$ 109,505,687
	(1,314,364) **					
	$ 93,712,523					

* Revenue loans payable by the Water Utility are comprised of two Kansas Public Water Supply Loan Fund (KPWSLF) loans, which are direct borrowing and placement loans.

** Less estimated interest incurred during the construction phase of the KPWSLF loan that will be rolled into the principal balance.

STATEMENT OF OUTSTANDING DEBT

As of December 31, 2022

OUTSTANDING DEBT:		
Bonded debt payable from:		
General obligation bonds:		
Ad valorem property taxes		**$ 51,958,717**
Other than ad valorem property taxes:		
Special assessments	$ 156,489,836	
Tax increment financing	27,115,257	
Transient guest tax	2,405,000	
Airport Authority	122,455,000	
Local sales tax	62,320,000	
Stormwater Utility	7,306,190	
Water Utility	93,690,000	**471,781,283**
Total bonded debt - general obligation		**523,740,000**
Revenue bonds - specified revenues:		
Water-Sewer Utility Revenue Bonds	394,725,000	
Water-Sewer Utility WIFIA Bond [2]	142,501,162	
Sales Tax Special Obligation Revenue Bonds - 2017 [1]	1,370,456	
Sales Tax Special Obligation Revenue Bonds - 2018 [1]	1,799,799	**540,396,417**
Gross City bonded debt		**1,064,136,417**
Loan from specific revenues:		
Water-Sewer Utility KPWSLF Loans [3]		**93,712,523**
Total outstanding debt		**$ 1,157,848,940**
Less: non-general obligation debt:		
Revenue bonds - specific revenues:		
Water-Sewer Utility Revenue Bonds	$ (394,725,000)	
Water-Sewer Utility WIFIA Bond [2]	(142,501,162)	
Sales Tax Special Obligation Revenue Bonds - 2017 [1]	(1,370,456)	
Sales Tax Special Obligation Revenue Bonds - 2018 [1]	(1,799,799)	**(540,396,417)**
Loan from specific revenues:		
Water-Sewer Utility KPWSLF Loans [3]		**(93,712,523)**
Add: General obligation temporary notes		
Internal Improvements - Series 310, Dated 10/13/22	128,050,000	
Internal Improvements - Taxable Series 307, Dated 10/13/22	2,905,000	**130,955,000**
Total general obligation outstanding debt		**$ 654,695,000**

[1] Portion of the bonds outstanding listed are based upon City's portion of the 1% Sedgwick County Sales Tax.

[2] The City entered into an agreement on May 14, 2020, for a Water and Sewer Utility Water Infrastructure Finance and Innovation Act (WIFIA) Bond ("WIFIA Bond") in an amount not to exceed $331,000,000 to fund a portion of the Northwest Water Treatment Plant.

[3] The City has two outstanding Water and Sewer Utility Kansas Public Water Supply Loan Fund (KPWSLF) loans as of December 31, 2022, to fund a portion of the Northwest Water Treatment Plant. The City entered into the 2020 loan agreement on June 22, 2020, for an amount not to exceed $55,000,000. As of December 31, 2022, this loan has been completely drawn down. The City entered into its second KPWSLF loan on March 1, 2022, for an amount not to exceed $60,000,000. As of December 31, 2022, the City has a loan liability of $38,712,523.

SCHEDULE OF INSURANCE IN FORCE

December 31, 2022

Company	Policy Period From	Policy Period To	Details of Coverage	Terms	Deductible	Value Limits
Zurich (primary) with RSUI, STARR, Chubb, & Insurisk providing secondary coverages up to the value limits.	01-22	01-23	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 $1 billion.	$ 250,000 (3% TIV, min. $500,000 per location wind and hail)	$ 350,000,000
Zurich	01-22	01-23	Comprehensive coverage for steam boilers, air conditioners, and electric motors on a repair or replacement cost basis.	Per occurrence	250,000	Included
Zurich	01-22	01-23	Data processing property protection	Hardware	250,000	Included
Hartford Fire	01-22	01-23	Burglary and/or theft coverage for monies and securities	Per occurrence	10,000	50,000 to 1,000,000
Housing Authority Risk Retention Group	06-22	06-23	Wichita Housing Authority (WHA) commercial liability coverage	Per occurrence	10,000	5,000,000
Housing Authority Property Insurance	06-22	06-23	WHA commercial property coverage	Per occurrence with combined limit based on individual property values.	10,000	31,015,614
Housing Specialty Insurance Company	06-22	06-23	WHA vacant property coverage	Per occurrence with combined limit based on individual actual cash values.	25,000	15,022,831
Philadelphia Indemnity Insurance	12-22	12-23	WHA flood insurance on 29 owned units	Per occurrence	5,000 to 1,000 per unit	53,000 to 55,000 per unit
Safety National Casualty Corporation	01-22	01-23	Excess workers' compensation	Per occurrence-liability imposed by law (higher amount is for public safety)	850,000 1,000,000	Statutory
			Employers' liability	Per occurrence	-	1,000,000
Zurich	01-22	01-23	Travel accident insurance	Per person/occurrence	-	100,000
				Aggregate	-	500,000
Chubb	01-22	01-23	Foreign package-General liability	Per occurrence	-	1,000,000
Safety National, Kinsale, and APR	01-22	01-23	Special liability - $2 million (self-insured retention), $10 million primary	Per occurrence	2,000,000	10,000,000
Travelers	01-22	01-23	Position bonding	Per occurrence	-	20,000
AXA-XL	01-22	01-23	Cyber insurance	Combined aggregate	500,000	5,000,000
WICHITA AIRPORT AUTHORITY						
AIG	01-22	01-23	Comprehensive general liability	Per occurrence	$ 1,000	$ 100,000,000
Ace American Insurance Co.	01-22	01-23	Drone Coverage	Per occurrence	-	1,000,000
Great American Alliance Ins. Co.	01-22	01-23	Underground storage tank liability (City-Wide)	Per occurrence	10,000	1,000,000
WICHITA ART MUSEUM						
AXA/Ironshore Indemnity Inc.	01-22	01-23	All risk coverage for fine arts collections, on premises; worldwide transit coverage; and other locations.	Per occurrence at insured's premises.	$ 1,000	$ 200,000,000
				Per occurrence not at insured's premises	1,000	100,000,000
				Art in transit	1,000	100,000,000

COMBINING BALANCE SHEET

December 31, 2022

	Economic Development Subfund	General Fund	Intrafund Elimination	Combined General Fund
ASSETS				
Cash and cash equivalents	$ 1,202,158	$ 53,326,933	$ -	$ 54,529,091
Receivables, net:				
Property taxes	-	108,433,135	-	108,433,135
Accounts receivable	215,000	1,376,856	-	1,591,856
Leases receivable	-	2,132,640	-	2,132,640
Due from other funds	27,344	137,728	-	165,072
Prepaid items	-	13,828	-	13,828
Total assets	$ 1,444,502	$ 165,421,120	$ -	$ 166,865,622
LIABILITIES				
Accounts payable and other liabilities	$ 289,216	$ 6,482,309	$ -	$ 6,771,525
Deposits	48,958	438,372	-	487,330
Unearned revenue	10,000	138,761	-	148,761
Total liabilities	348,174	7,059,442	-	7,407,616
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue:				
Property taxes	-	107,330,758	-	107,330,758
Unavailable revenue:				
Property taxes		538,670		538,670
Other	75,000	-	-	75,000
Deferred inflows related to leases	-	2,109,923	-	2,109,923
Total deferred inflows of resources	75,000	109,979,351	-	110,054,351
FUND BALANCES				
Nonspendable	-	13,828	-	13,828
Assigned	1,021,328	4,188,851	-	5,210,179
Unassigned	-	44,179,648	-	44,179,648
Total fund balances	1,021,328	48,382,327	-	49,403,655
Total liabilities, deferred inflows of resources and fund balances	$ 1,444,502	$ 165,421,120	$ -	$ 166,865,622

COMBINING BALANCE SHEET

December 31, 2022

	Economic Development TIF Districts Subfund	Debt Service Fund	Intrafund Elimination	Combined Debt Service Fund
ASSETS				
Cash and cash equivalents	$ 621,601	$ 26,116,808	$ -	$ 26,738,409
Cash with fiscal agent	-	113,266	-	113,266
Receivables, net:				
Property taxes	-	29,468,747	-	29,468,747
Special assessments	-	171,674,691	-	171,674,691
Notes receivable	-	424,492	-	424,492
Due from other funds	-	5,668,420	-	5,668,420
Total assets	$ 621,601	$ 233,466,424	$ -	$ 234,088,025
LIABILITIES				
Accounts payable and other liabilities	$ 16,582	$ -	$ -	$ 16,582
Deposits	11,458	450,056	-	461,514
Unearned revenue	-	3,301,034	-	3,301,034
Total liabilities	28,040	3,751,090	-	3,779,130
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue:				
Property taxes	-	29,311,931	-	29,311,931
Unavailable revenue:				
Special assessments	-	170,884,603	-	170,884,603
Other	-	424,492	-	424,492
Total deferred inflows of resources	-	200,621,026	-	200,621,026
FUND BALANCES				
Restricted	593,561	29,094,308	-	29,687,869
Total fund balances	593,561	29,094,308	-	29,687,869
Total liabilities, deferred inflows of resources and fund balances	$ 621,601	$ 233,466,424	$ -	$ 234,088,025

COMBINING BALANCE SHEET

December 31, 2022

	East Bank TIF District	West Bank TIF District	Old Town Cinema TIF District	Northeast Redevelopment TIF District
ASSETS				
Cash and cash equivalents	$ 298,516	$ -	$ -	$ 16,582
Total assets	$ 298,516	$ -	$ -	$ 16,582
LIABILITIES				
Accounts payable and other liabilities	$ -	$ -	$ -	$ 16,582
Deposits	-	-	-	-
Total liabilities	-	-	-	16,582
FUND BALANCES				
Restricted	298,516	-	-	-
Total fund balances	298,516	-	-	-
Total liabilities, deferred inflows of resources and fund balances	$ 298,516	$ -	$ -	$ 16,582

Southfork TIF District	Center City TIF District	Ken Mar TIF District	Douglas & Hillside TIF District	Union Station TIF District	Economic Development TIF Districts
$ 24,159	$ 247,435	$ -	$ -	$ 34,909	$ 621,601
$ 24,159	$ 247,435	$ -	$ -	$ 34,909	$ 621,601
$ -	$ -	$ -	$ -	$ -	$ 16,582
-	-	-	-	11,458	11,458
-	-	-	-	11,458	28,040
24,159	247,435	-	-	23,451	593,561
24,159	247,435	-	-	23,451	593,561
$ 24,159	$ 247,435	$ -	$ -	$ 34,909	$ 621,601

COMBINING BALANCE SHEET

December 31, 2022

	Gilbert & Mosely TIF District	North Industrial Corridor TIF District	Environmental TIF Districts
ASSETS			
Cash and cash equivalents	$ 22,502,148	$ 15,440,803	$ 37,942,951
Receivables, net:			
Accounts receivable	741,000	-	741,000
Due from other funds	5,162	9	5,171
Total assets	$ 23,248,310	$ 15,440,812	$ 38,689,122
LIABILITIES			
Accounts payable and other liabilities	$ 13,568	$ 2,928	$ 16,496
Total liabilities	13,568	2,928	16,496
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue:			
Other	741,000	-	741,000
Total deferred inflows of resources	741,000	-	741,000
FUND BALANCES			
Restricted	22,493,742	15,437,884	37,931,626
Total fund balances	22,493,742	15,437,884	37,931,626
Total liabilities, deferred inflows of resources and fund balances	$ 23,248,310	$ 15,440,812	$ 38,689,122

COMBINING BALANCE SHEET

December 31, 2022

	City-County Flood Control	City-County Metropolitan Planning	City-County Joint Operations
ASSETS			
Cash and cash equivalents	$ 140,131	$ 185,113	$ 325,244
Receivables, net:			
Accounts receivable	42,246		42,246
Due from other funds	1,953	-	1,953
Total assets	$ 184,330	$ 185,113	$ 369,443
LIABILITIES			
Accounts payable and other liabilities	$ 25,363	$ 164,399	$ 189,762
Total liabilities	25,363	164,399	189,762
FUND BALANCES			
Restricted	158,967	20,714	179,681
Total fund balances	158,967	20,714	179,681
Total liabilities and fund balances	$ 184,330	$ 185,113	$ 369,443

COMBINING BALANCE SHEET

December 31, 2022

	WaterWalk Hotel	Broadview Hotel	Central & Oliver	Greenwich & K-96 (Cabelas)
ASSETS				
Cash and cash equivalents	$ 9,343	$ 5,286	$ 3,104	$ 24,264
Total assets	$ 9,343	$ 5,286	$ 3,104	$ 24,264
LIABILITIES				
Accounts payable and other liabilities	$ 9,343	$ 5,286	$ 3,104	$ 24,264
Total liabilities	9,343	5,286	3,104	24,264
FUND BALANCES				
Restricted	-	-	-	-
Total fund balances	-	-	-	-
Total liabilities and fund balances	$ 9,343	$ 5,286	$ 3,104	$ 24,264

Douglas & Broadway	Kellogg & West	Greenwich & K-96 (STAR)	Wichita Downtown	Chicken & Pickle	Spaghetti Works	Multi-Sports Stadium
$ 13,384	$ 19,687	$ 1,447,550	$ 16,295	$ 61,508	$ 3,971	$ 590,070
$ 13,384	$ 19,687	$ 1,447,550	$ 16,295	$ 61,508	$ 3,971	$ 590,070
$ 13,384	$ 19,687	$ -	$ 11,735	$ 11,431	$ 1,604	$ 560,567
13,384	19,687	-	11,735	11,431	1,604	560,567
-	-	1,447,550	4,560	50,077	2,367	29,503
-	-	1,447,550	4,560	50,077	2,367	29,503
$ 13,384	$ 19,687	$ 1,447,550	$ 16,295	$ 61,508	$ 3,971	$ 590,070

(Continued)

COMBINING BALANCE SHEET (CONTINUED)

December 31, 2022

	Douglas & Emporia	Delano Catalyst	Douglas Market	Community Improvement Districts
ASSETS				
Cash and cash equivalents	$ 16,365	$ 5,138	$ 848	$ 2,216,813
Total assets	$ 16,365	$ 5,138	$ 848	$ 2,216,813
LIABILITIES				
Accounts payable and other liabilities	$ 13,910	$ 5,138	$ 759	$ 680,212
Total liabilities	13,910	5,138	759	680,212
FUND BALANCES				
Restricted	2,455	-	89	1,536,601
Total fund balances	2,455	-	89	1,536,601
Total liabilities and fund balances	$ 16,365	$ 5,138	$ 848	$ 2,216,813

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COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2022

	Economic Development Subfund	General Fund	Intrafund Elimination	Combined General Fund
REVENUES				
Property taxes	$ -	$ 100,127,095	$ -	$ 100,127,095
Motor vehicle taxes	-	13,382,367	-	13,382,367
Franchise taxes	-	55,552,327	-	55,552,327
Local sales tax	-	38,246,593	-	38,246,593
Intergovernmental	-	18,340,570	-	18,340,570
Licenses and permits	-	2,394,040	-	2,394,040
Fines and penalties	-	7,102,060	-	7,102,060
Rentals	559,288	833,171	-	1,392,459
Sale of property	114,135	251,857	-	365,992
Interest and investment loss	-	(7,810,451)	-	(7,810,451)
Charges for services and sales	117,950	17,405,340	-	17,523,290
Other revenue	399,276	8,738,030	(109,780)	9,027,526
Total revenues	1,190,649	254,562,999	(109,780)	255,643,868
EXPENDITURES				
Current:				
General government	1,572,950	38,649,772	(109,780)	40,112,942
Public safety	-	162,806,805	-	162,806,805
Highways and streets	-	15,704,501	-	15,704,501
Sanitation	-	5,898,859	-	5,898,859
Health and welfare	-	1,698,984	-	1,698,984
Culture and recreation	-	29,390,159	-	29,390,159
Total expenditures	1,572,950	254,149,080	(109,780)	255,612,250
Excess (deficiency) of revenues over (under) expenditures	(382,301)	413,919	-	31,618
OTHER FINANCING SOURCES (USES)				
Payments on refunded bonds	-	-	-	-
Issuance of long-term lease	-	33,219	-	33,219
Payments on long-term lease	-	(116,338)	-	(116,338)
Transfers from other funds	60,000	5,567,388	-	5,627,388
Transfers to other funds	(199,500)	(9,721,295)	-	(9,920,795)
Total other financing uses	(139,500)	(4,237,026)	-	(4,376,526)
Net change in fund balance	(521,801)	(3,823,107)	-	(4,344,908)
Fund balances - beginning	1,543,129	52,205,434	-	53,748,563
Fund balances - ending	$ 1,021,328	$ 48,382,327	$ -	$ 49,403,655

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2022

	Economic Development TIF Districts Subfund	Debt Service Fund	Intrafund Elimination	Combined Debt Service Fund
REVENUES				
Property taxes	$ 4,064,480	$ 27,242,895	$ -	$ 31,307,375
Motor vehicle taxes	-	3,655,902	-	3,655,902
Special assessments	-	21,588,425	-	21,588,425
Local sales tax	-	726,902	-	726,902
Interest and investment earnings	-	1,458	-	1,458
Other revenue	63,588	486,153	-	549,741
Total revenues	4,128,068	53,701,735	-	57,829,803
EXPENDITURES				
Current:				
General government	402,371	-	-	402,371
Debt service:				
Principal retirement	-	39,613,454	-	39,613,454
Interest and fiscal charges	-	10,708,156	-	10,708,156
Other debt service	-	383,838	-	383,838
Total expenditures	402,371	50,705,448	-	51,107,819
Excess of revenues over expenditures	3,725,697	2,996,287	-	6,721,984
OTHER FINANCING SOURCES (USES)				
Premiums on issuance of debt	-	432,940	-	432,940
Transfers from other funds	-	19,269,706	(2,857,889)	16,411,817
Transfers to other funds	(3,451,400)	(20,337,816)	2,857,889	(20,931,327)
Total other financing uses	(3,451,400)	(635,170)	-	(4,086,570)
Net change in fund balance	274,297	2,361,117	-	2,635,414
Fund balances - beginning	319,264	26,733,191	-	27,052,455
Fund balances - ending	$ 593,561	$ 29,094,308	$ -	$ 29,687,869

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND - ECONOMIC DEVELOPMENT TIF DISTRICTS SUBFUND

For the year ended December 31, 2022

	East Bank TIF District	West Bank TIF District	Old Town Cinema TIF District	Northeast Redevelopment TIF District
REVENUES				
Property taxes	$ 1,800,770	$ 305,248	$ 482,698	$ -
Other revenue	-	-	-	-
Total revenues	1,800,770	305,248	482,698	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	1,800,770	305,248	482,698	-
OTHER FINANCING USES				
Transfers to other funds	(1,502,254)	(466,632)	(593,512)	-
Total other financing uses	(1,502,254)	(466,632)	(593,512)	-
Net change in fund balance	298,516	(161,384)	(110,814)	-
Fund balances - beginning	-	161,384	110,814	-
Fund balances - ending	$ 298,516	$ -	$ -	$ -

Southfork TIF District	Center City TIF District	Ken Mar TIF District	Douglas & Hillside TIF District	Union Station TIF District	Economic Development TIF Districts
$ 101,101	$ 928,715	$ 30,108	$ 114,026	$ 301,814	$ 4,064,480
-	63,588	-	-	-	63,588
101,101	992,303	30,108	114,026	301,814	4,128,068
101,121	-	-	-	301,250	402,371
101,121	-	-	-	301,250	402,371
(20)	992,303	30,108	114,026	564	3,725,697
-	(744,868)	(30,108)	(114,026)	-	(3,451,400)
-	(744,868)	(30,108)	(114,026)	-	(3,451,400)
(20)	247,435	-	-	564	274,297
24,179	-	-	-	22,887	319,264
$ 24,159	$ 247,435	$ -	$ -	$ 23,451	$ 593,561

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2022

	Gilbert & Mosley TIF District	North Industrial Corridor TIF District	Environmental TIF Districts
REVENUES			
Property taxes	$ -	$ 1,165,300	$ 1,165,300
Sale of property	135,000	-	135,000
Total revenues	135,000	1,165,300	1,300,300
EXPENDITURES			
Current:			
Health and welfare	679,162	598,337	1,277,499
Total expenditures	679,162	598,337	1,277,499
Net change in fund balance	(544,162)	566,963	22,801
Fund balances - beginning	23,037,904	14,870,921	37,908,825
Fund balances - ending	$ 22,493,742	$ 15,437,884	$ 37,931,626

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2022

	City-County Flood Control	City-County Metropolitan Planning	City-County Joint Operations
REVENUES			
Intergovernmental	$ 1,045,109	$ 563,742	$ 1,608,851
Charges for services and sales	-	367,871	367,871
Other revenue	-	477,369	477,369
Total revenues	1,045,109	1,408,982	2,454,091
EXPENDITURES			
Current:			
General government	-	1,560,746	1,560,746
Public safety	2,130,689	477,369	2,608,058
Total expenditures	2,130,689	2,038,115	4,168,804
Deficiency of revenues under expenditures	(1,085,580)	(629,133)	(1,714,713)
OTHER FINANCING SOURCES			
Transfers from other funds	1,045,109	563,742	1,608,851
Total other financing sources	1,045,109	563,742	1,608,851
Net change in fund balance	(40,471)	(65,391)	(105,862)
Fund balances - beginning	199,438	86,105	285,543
Fund balances - ending	$ 158,967	$ 20,714	$ 179,681

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMMUNITY IMPROVEMENT DISTRICTS FUND

For the year ended December 31, 2022

	WaterWalk Hotel	Broadview Hotel	Central & Oliver	Greenwich & K-96 (Cabelas)
REVENUES				
Local sales tax	$ 102,505	$ 116,705	$ 27,710	$ 357,669
Total revenues	102,505	116,705	27,710	357,669
EXPENDITURES				
Current:				
General government	102,505	116,705	27,710	357,669
Total expenditures	102,505	116,705	27,710	357,669
Excess of revenues over expenditures	-	-	-	-
OTHER FINANCING USES				
Transfers to other funds	-	-	-	-
Total other financing uses	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

Douglas & Broadway	Kellogg & West	Greenwich & K-96 (STAR)	Wichita Downtown	Chicken & Pickle	Spaghetti Works	Multi-Sports Stadium
$ 147,125	$ 274,978	$ 450,904	$ 86,125	$ 192,631	$ 69,719	$ 292,737
147,125	274,978	450,904	86,125	192,631	69,719	292,737
147,125	274,978	157,548	81,565	173,319	60,380	263,234
147,125	274,978	157,548	81,565	173,319	60,380	263,234
-	-	293,356	4,560	19,312	9,339	29,503
-	-	-	-	-	(6,972)	-
-	-	-	-	-	(6,972)	-
-	-	293,356	4,560	19,312	2,367	29,503
-	-	1,154,194	-	30,765	-	-
$ -	$ -	$ 1,447,550	$ 4,560	$ 50,077	$ 2,367	$ 29,503

(Continued)

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMMUNITY IMPROVEMENT DISTRICTS FUND (CONTINUED)

For the year ended December 31, 2022

	Douglas & Emporia	Delano Catalyst	Douglas Market	Community Improvement Districts
REVENUES				
Local sales tax	$ 7,625	$ 118,245	$ 893	$ 2,245,571
Total revenues	7,625	118,245	893	2,245,571
EXPENDITURES				
Current:				
General government	6,044	118,245	804	1,887,831
Total expenditures	6,044	118,245	804	1,887,831
Excess of revenues over expenditures	1,581	-	89	357,740
OTHER FINANCING USES				
Transfers to other funds	-	-	-	(6,972)
Total other financing uses	-	-	-	(6,972)
Net change in fund balance	1,581	-	89	350,768
Fund balances - beginning	874	-	-	1,185,833
Fund balances - ending	$ 2,455	$ -	$ 89	$ 1,536,601

Statistical Section



Photo Credit Visit Wichita

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 over time.

CITY OF WICHITA

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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NET POSITION BY COMPONENT

For years ended December 31, 2013 through December 31, 2022
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2013	2014	2015	2016	2017
GOVERNMENTAL ACTIVITIES					
Net investment in capital assets	$ 730,439	$ 714,088	$ 779,473	$ 831,119	$ 860,155
Restricted for:					
Capital projects	23,033	24,909	22,017	30,743	14,594
Highways and streets	-	-	-	702	2,958
Debt service	226,947	221,877	191,172	183,820	180,661
Perpetual care	762	749	721	1,498	1,500
Other purposes	15,372	19,618	23,628	28,192	28,372
Unrestricted	(11,285)	48,517	27,477	38,389	20,546
Total governmental activities net position	$ 985,268	$ 1,029,758	$ 1,044,488	$ 1,114,463	$ 1,108,786
BUSINESS-TYPE ACTIVITIES					
Net investment in capital assets	$ 854,195	$ 908,335	$ 920,577	$ 956,424	$ 966,425
Restricted for:					
Capital projects	53,653	31,221	37,578	18,398	9,554
Operating projects	-	-	-	-	-
Revenue bond covenants	117,763	107,357	105,443	114,093	131,055
Unrestricted	40,446	61,782	56,332	72,483	85,514
Total business-type activities net position	$ 1,066,057	$ 1,108,695	$ 1,119,930	$ 1,161,398	$ 1,192,548
PRIMARY GOVERNMENT					
Net investment in capital assets	$ 1,584,634	$ 1,622,423	$ 1,700,050	$ 1,787,543	$ 1,826,580
Restricted for:					
Capital projects	76,686	56,130	59,595	49,141	24,148
Operating projects	-	-	-	-	-
Highways and streets	-	-	-	702	2,958
Debt service	226,947	221,877	191,172	183,820	180,661
Revenue bond covenants	117,763	107,357	105,443	114,093	131,055
Perpetual care	762	749	721	1,498	1,500
Other purposes	15,372	19,618	23,628	28,192	28,372
Unrestricted	29,161	110,299	83,809	110,872	106,060
Total primary government net position	$ 2,051,325	$ 2,138,453	$ 2,164,418	$ 2,275,861	$ 2,301,334

	Fiscal Year				
	2018	2019	2020	2021	2022
GOVERNMENTAL ACTIVITIES					
Net investment in capital assets	$ 877,975	$ 893,090	$ 929,603	$ 891,532	$ 890,453
Restricted for:					
Capital projects	59,996	29,334	11,485	46,703	48,767
Highways and streets	9,227	13,466	16,380	20,952	24,888
Debt service	176,757	171,034	170,604	190,954	198,169
Perpetual care	1,386	1,512	1,402	1,584	1,619
Other purposes	25,063	33,103	35,170	37,638	35,283
Unrestricted	(5,915)	(35,463)	(44,506)	(24,276)	(2,148)
Total governmental activities net position	$ 1,144,489	$ 1,106,076	$ 1,120,138	$ 1,165,087	$ 1,197,031
BUSINESS-TYPE ACTIVITIES					
Net investment in capital assets	$ 1,006,030	$ 1,006,493	$ 1,038,139	$ 1,078,289	$ 1,066,165
Restricted for:					
Capital projects	13,836	18,058	20,121	5,808	8,951
Operating projects	-	-	6,108	6,983	8,113
Revenue bond covenants	113,163	145,733	162,408	207,987	182,877
Unrestricted	86,752	78,696	82,781	90,805	221,362
Total business-type activities net position	$ 1,219,781	$ 1,248,980	$ 1,309,557	$ 1,389,872	$ 1,487,468
PRIMARY GOVERNMENT					
Net investment in capital assets	$ 1,884,005	$ 1,899,583	$ 1,967,742	$ 1,969,821	$ 1,956,618
Restricted for:					
Capital projects	73,832	47,392	31,606	52,511	57,718
Operating projects	-	-	6,108	6,983	8,113
Highways and streets	9,227	13,466	16,380	20,952	24,888
Debt service	176,757	171,034	170,604	190,954	198,169
Revenue bond covenants	113,163	145,733	162,408	207,987	182,877
Perpetual care	1,386	1,512	1,402	1,584	1,619
Other purposes	25,063	33,103	35,170	37,638	35,283
Unrestricted	80,837	43,233	38,275	66,529	219,214
Total primary government net position	$ 2,364,270	$ 2,355,056	$ 2,429,695	$ 2,554,959	$ 2,684,499

CHANGES IN NET POSITION

For years ended December 31, 2013 through December 31, 2022
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2013	2014	2015	2016	2017
EXPENSES					
Governmental activities:					
General government	$ 44,510	$ 46,350	$ 64,844	$ 47,613	$ 62,657
Public safety	129,627	132,601	136,232	151,445	150,548
Highways and streets	60,735	50,698	68,326	44,659	101,127
Sanitation	4,700	4,489	5,384	5,054	5,035
Health and welfare	29,919	29,668	31,896	34,973	33,392
Culture and recreation	34,624	35,629	37,707	43,908	45,189
Interest on long-term debt	15,656	13,729	12,334	14,874	11,258
Total governmental activities expenses	319,771	313,164	356,723	342,526	409,206
Business-type activities:					
Water Utility	50,066	60,654	72,179	75,308	77,795
Sewer Utility	43,743	46,801	44,943	48,510	49,942
Airport Authority	26,781	28,691	38,967	38,671	39,887
Stormwater Utility	7,933	8,476	10,905	10,111	9,937
Golf Course System	4,765	4,887	4,960	5,038	5,296
Transit	15,139	15,340	16,337	14,086	14,829
Landfill	-	-	-	-	-
Total business-type activities expenses	148,427	164,849	188,291	191,724	197,686
Total primary government expenses	$ 468,198	$ 478,013	$ 545,014	$ 534,250	$ 606,892
PROGRAM REVENUES					
Governmental activities:					
Charges for services:					
General government	$ 12,432	$ 15,778	$ 22,389	$ 32,111	$ 24,337
Public safety	6,636	6,588	7,411	7,566	3,244
Highways and streets	4,313	4,558	5,196	6,606	3,584
Sanitation	1,265	1,115	1,085	2,134	4,710
Health and welfare	5,138	3,821	3,332	4,271	2,590
Culture and recreation	4,634	4,798	4,979	5,921	3,707
Operating grants and contributions	46,950	45,088	46,685	49,012	49,218
Capital grants and contributions	11,133	38,795	50,301	51,006	76,791
Total governmental activities revenues	92,501	120,541	141,378	158,627	168,181
Business-type activities:					
Charges for services:					
Water Utility	64,790	75,173	74,906	77,241	81,026
Sewer Utility	49,754	51,291	53,236	54,626	57,409
Airport Authority	21,964	23,687	25,752	28,394	31,012
Stormwater Utility	9,170	9,315	9,353	9,198	11,897
Golf Course System	4,182	4,301	4,632	4,412	4,352
Transit	2,050	2,035	2,089	1,783	1,908
Landfill	-	-	-	-	-
Operating grants and contributions	7,139	8,859	4,592	7,406	6,781
Capital grants and contributions	33,102	22,871	27,842	33,555	22,290
Total business-type activities revenues	192,151	197,532	202,402	216,615	216,675
Total primary government revenues	$ 284,652	$ 318,073	$ 343,780	$ 375,242	$ 384,856
NET REVENUE (EXPENSE)					
Governmental activities	$ (227,270)	$ (192,623)	$ (215,345)	$ (183,899)	$ (241,025)
Business-type activities	43,724	32,683	14,111	24,891	18,989
Total primary government net expense	$ (183,546)	$ (159,940)	$ (201,234)	$ (159,008)	$ (222,036)

	Fiscal Year				
	2018	2019	2020	2021	2022
EXPENSES					
Governmental activities:					
General government	$ 53,601	$ 53,832	$ 50,481	$ 53,279	$ 61,436
Public safety	146,543	170,966	173,495	154,190	149,734
Highways and streets	77,138	93,555	67,712	57,704	62,033
Sanitation	5,198	4,781	7,536	8,882	6,271
Health and welfare	42,045	36,035	34,918	62,423	56,334
Culture and recreation	48,998	49,526	42,140	42,094	46,586
Interest on long-term debt	10,585	12,305	11,557	7,014	9,748
Total governmental activities expenses	384,108	421,000	387,839	385,586	392,142
Business-type activities:					
Water Utility	77,052	77,827	82,008	82,923	93,902
Sewer Utility	51,177	53,290	53,565	51,984	55,140
Airport Authority	39,852	42,813	42,755	37,457	38,786
Stormwater Utility	9,958	11,050	11,856	10,721	9,997
Golf Course System	5,016	4,897	4,281	4,024	4,431
Transit	15,780	15,476	16,038	15,570	16,241
Landfill	-	-	-	-	2,675
Total business-type activities expenses	198,835	205,353	210,503	202,679	221,172
Total primary government expenses	$ 582,943	$ 626,353	$ 598,342	$ 588,265	$ 613,314
PROGRAM REVENUES					
Governmental activities:					
Charges for services					
General government	$ 24,422	$ 27,206	$ 23,203	$ 28,464	$ 25,295
Public safety	5,020	5,106	6,114	3,878	4,895
Highways and streets	4,322	3,792	3,835	3,503	5,672
Sanitation	3,168	2,864	2,711	2,537	-
Health and welfare	3,486	3,420	4,322	2,447	1,702
Culture and recreation	5,063	5,221	2,527	4,501	6,641
Operating grants and contributions	45,880	53,891	65,495	86,167	79,016
Capital grants and contributions	98,229	40,591	42,664	42,949	34,469
Total governmental activities revenues	189,590	142,091	150,871	174,446	157,690
Business-type activities:					
Charges for services:					
Water Utility	88,015	85,197	103,244	112,772	126,165
Sewer Utility	62,665	65,697	68,116	74,382	75,654
Airport Authority	30,565	32,086	23,251	29,229	32,706
Stormwater Utility	12,853	12,799	13,009	13,534	13,082
Golf Course System	4,190	3,985	4,062	5,174	5,415
Transit	2,152	2,083	1,232	1,129	1,341
Landfill	-	-	-	-	2,199
Operating grants and contributions	7,036	6,864	19,166	10,081	23,868
Capital grants and contributions	11,037	16,003	23,180	13,214	10,439
Total business-type activities revenues	218,513	224,714	255,260	259,515	290,869
Total primary government revenues	$ 408,103	$ 366,805	$ 406,131	$ 433,961	$ 448,559
NET REVENUE (EXPENSE)					
Governmental activities	$ (194,518)	$ (278,909)	$ (236,968)	$ (211,140)	$ (234,452)
Business-type activities	19,678	19,361	44,757	56,836	69,697
Total primary government net expense	$ (174,840)	$ (259,548)	$ (192,211)	$ (154,304)	$ (164,755)

(Continued)

CHANGES IN NET POSITION (CONTINUED)

For years ended December 31, 2013 through December 31, 2022
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2013	2014	2015	2016	2017
GENERAL REVENUES					
Governmental activities:					
Taxes:					
Property taxes	$ 106,347	$ 105,989	$ 106,706	$ 108,266	$ 110,624
Sales taxes	58,519	56,143	57,959	58,660	57,683
Franchise taxes	39,283	41,864	44,304	44,766	45,564
Motor vehicle taxes	13,398	14,397	14,732	15,704	15,738
Transient guest taxes	6,360	6,754	7,255	7,178	7,065
Interest and investment earnings	828	1,422	1,725	2,255	3,921
Miscellaneous	7,755	15,289	11,952	12,585	5,720
Special item - loss on sale of Hyatt Hotel	-	-	-	(11,754)	-
Transfers	2,406	(4,744)	(3,539)	(4,114)	(11,017)
Total governmental activities general revenues	234,896	237,114	241,094	233,546	235,298
Business-type activities:					
Interest and investment earnings	487	42	449	103	428
Miscellaneous	4,464	5,170	2,013	1,286	714
Transfers	(2,406)	4,744	3,539	4,114	11,017
Total business-type activities general revenues	2,545	9,956	6,001	5,503	12,159
Total primary government general revenues	$ 237,441	$ 247,070	$ 247,095	$ 239,049	$ 247,457
CHANGE IN NET POSITION					
Governmental activities:					
Change in net position before prior period adjustment	$ 7,626	$ 44,491	$ 25,749	$ 49,647	$ (5,727)
Prior period adjustment	(11,527)	-	(11,019)	20,328	52
Total governmental activities change in net position	(3,901)	44,491	14,730	69,975	(5,675)
Business-type activities:					
Change in net position before prior period adjustment	46,269	42,639	20,112	30,394	31,148
Prior period adjustment	(2,960)	-	(8,878)	11,073	-
Total business-type activities change in net position	43,309	42,639	11,234	41,467	31,148
Primary Government:					
Change in net position before prior period adjustment	53,895	87,130	45,861	80,041	25,421
Prior period adjustment	(14,487)	-	(19,897)	31,401	52
Total primary government change in net position	$ 39,408	$ 87,130	$ 25,964	$ 111,442	$ 25,473

	Fiscal Year				
	2018	2019	2020	2021	2022
GENERAL REVENUES					
Governmental activities:					
Taxes:					
Property taxes	$ 113,366	$ 118,080	$ 123,116	$ 130,276	$ 133,834
Sales taxes	59,602	63,024	63,822	72,156	79,945
Franchise taxes	47,282	44,797	45,461	47,715	55,552
Motor vehicle taxes	16,116	16,609	16,685	17,410	17,072
Transient guest taxes	7,411	11,057	7,703	8,507	11,965
Interest and investment earnings	7,362	11,388	5,488	1,631	(7,687)
Miscellaneous	1,968	3,529	2,654	1,075	2,352
Special item - loss on sale of Hyatt Hotel	-	-	-	-	-
Transfers	(12,829)	(12,741)	(13,898)	(22,709)	(22,375)
Total governmental activities general revenues	240,278	255,743	251,031	256,061	270,658
Business-type activities:					
Interest and investment earnings	1,086	1,463	378	51	104
Miscellaneous	927	1,718	1,543	719	867
Transfers	12,829	12,741	13,898	22,709	22,375
Total business-type activities general revenues	14,842	15,922	15,819	23,479	23,346
Total primary government general revenues	$ 255,120	$ 271,665	$ 266,850	$ 279,540	$ 294,004
CHANGE IN NET POSITION					
Governmental activities:					
Change in net position before prior period adjustment	$ 45,760	$ (23,166)	$ 14,063	$ 44,921	$ 36,206
Prior period adjustment	(10,057)	(15,248)	-	28	(4,262)
Total governmental activities change in net position	35,703	(38,414)	14,063	44,949	31,944
Business-type activities:					
Change in net position before prior period adjustment	34,520	35,283	60,576	80,315	93,043
Prior period adjustment	(7,287)	(6,083)	-	-	4,553
Total business-type activities change in net position	27,233	29,200	60,576	80,315	97,596
Primary Government:					
Change in net position before prior period adjustment	80,280	12,117	74,639	125,236	129,249
Prior period adjustment	(17,344)	(21,331)	-	28	291
Total primary government change in net position	$ 62,936	$ (9,214)	$ 74,639	$ 125,264	$ 129,540

FUND BALANCES OF GOVERNMENTAL FUNDS

For years ended December 31, 2013 through December 31, 2022
(modified accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund					
Nonspendable	$ 847	$ 888	$ 949	$ 858	$ 850
Committed	-	-	-	14,000	19,000
Assigned	5,392	5,384	6,347	5,249	3,704
Unassigned	26,315	27,859	28,824	36,449	33,262
Total General Fund	$ 32,554	$ 34,131	$ 36,120	$ 56,556	$ 56,816
All other governmental funds					
Nonspendable	$ 345	$ 356	$ 4,463	$ 4,129	$ 369
Restricted	142,647	100,590	114,212	106,421	121,210
Committed	15,590	16,527	16,142	18,004	17,101
Assigned	8,901	1,853	2,084	796	850
Unassigned	(131,412)	(43,465)	(67,116)	(82,449)	(102,281)
Total all other governmental funds	$ 36,071	$ 75,861	$ 69,785	$ 46,901	$ 37,249

	Fiscal Year				
	2018	2019	2020	2021	2022
General Fund					
Nonspendable	$ 1,050	$ 621	$ 920	$ 265	$ 14
Committed	-	-	-	-	-
Assigned	3,376	5,473	2,507	3,367	5,210
Unassigned	35,563	37,225	45,032	50,117	44,180
Total General Fund	$ 39,989	$ 43,319	$ 48,459	$ 53,749	$ 49,404
All other governmental funds					
Nonspendable	$ 379	$ 450	$ 441	$ 339	$ 533
Restricted	114,541	128,663	120,839	140,194	144,552
Committed	15,528	16,800	16,704	15,219	10,933
Assigned	1,073	1,489	1,902	1,201	147
Unassigned	(80,573)	(115,156)	(184,590)	(191,576)	(183,180)
Total all other governmental funds	$ 50,948	$ 32,246	$ (44,704)	$ (34,623)	$ (27,015)

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

For years ended December 31, 2013 through December 31, 2022
(modified accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2013	2014	2015	2016	2017
REVENUES					
Taxes	$ 184,625	$ 183,283	$ 186,651	$ 189,808	$ 191,109
Special assessments	33,669	31,509	29,797	28,665	28,991
Franchise taxes	39,283	41,863	44,304	44,766	45,563
Intergovernmental	59,823	57,530	70,185	82,921	93,656
Licenses and permits	7,468	7,241	7,732	8,096	2,857
Fines and penalties	9,391	9,858	9,767	9,121	8,271
Rentals	4,400	4,203	6,227	4,328	4,216
Interest and investment earnings	851	1,456	1,725	2,255	3,921
Charges for services and sales	11,052	12,122	21,947	23,525	19,927
Other revenue	13,354	22,117	13,740	15,243	20,795
Total revenues	363,916	371,182	392,075	408,728	419,306
EXPENDITURES					
Current:					
General government	36,414	37,368	37,601	39,113	38,243
Public safety	129,573	129,934	131,496	136,049	136,336
Highways and streets	16,676	18,416	20,301	19,760	20,217
Sanitation	3,774	4,366	4,977	4,558	4,671
Health and welfare	31,854	31,656	33,035	36,431	35,388
Culture and recreation	30,379	31,044	33,391	36,591	37,018
Debt service:					
Principal	62,137	50,925	51,669	51,082	57,588
Interest and other debt service	20,438	17,132	18,699	16,480	16,035
Capital outlay	108,380	76,379	91,671	93,164	118,071
Total expenditures	439,625	397,220	422,840	433,228	463,567
Deficiency of revenues under expenditures	(75,709)	(26,038)	(30,765)	(24,500)	(44,261)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	16,290	108,370	50,560	11,731	34,370
Issuance of refunding debt	-	-	-	13,357	-
Premiums on issuance of debt	646	9,842	6,045	2,977	5,629
Discounts on issuance of debt	-	(33)	-	(349)	-
Payments on refunded debt	(35,460)	(48,905)	(32,321)	(24,267)	(1,406)
Repayments of long-term note receivables	-	-	-	-	-
Issuance of long-term note receivables	-	-	-	-	-
Issuance of long-term lease payable	-	-	-	-	-
Payments on long-term lease payable	-	-	-	-	-
Transfers from other funds	82,035	90,735	124,180	70,463	84,556
Transfers to other funds	(77,826)	(92,603)	(126,142)	(72,533)	(88,332)
Total other financing sources (uses)	(14,315)	67,406	22,322	1,379	34,817
Net change in fund balance before special items	(90,024)	41,368	(8,443)	(23,121)	(9,444)
SPECIAL ITEMS					
Sale of Hyatt Hotel	-	-	-	20,003	-
Transfers to other funds, Hyatt Hotel proceeds	-	-	-	-	-
Total special items	-	-	-	20,003	-
Net change in fund balance before prior period adjustment	(90,024)	41,368	(8,443)	(3,118)	(9,444)
Prior period adjustment	4,614	-	4,354	671	52
Total changes in fund balances	$ (85,410)	$ 41,368	$ (4,089)	$ (2,447)	$ (9,392)
Debt service as a percentage of noncapital expenditures	23.1%	20.3%	18.9%	19.8%	17.2%

	Fiscal Year				
	2018	2019	2020	2021	2022
REVENUES					
Taxes	$ 196,496	$ 208,769	$ 211,326	$ 228,349	$ 242,278
Special assessments	28,367	25,894	24,954	23,015	22,148
Franchise taxes	47,282	44,797	45,461	47,715	55,552
Intergovernmental	119,050	75,089	88,634	90,713	84,522
Licenses and permits	2,939	2,715	2,063	2,182	2,397
Fines and penalties	8,187	10,616	8,616	9,823	7,424
Rentals	4,237	3,841	2,389	2,875	3,481
Interest and investment earnings	7,362	11,388	5,488	1,631	(7,687)
Charges for services and sales	20,953	21,114	20,780	21,966	23,821
Other revenue	18,200	23,397	19,682	25,416	20,999
Total revenues	453,073	427,620	429,393	453,685	454,935
EXPENDITURES					
Current:					
General government	39,409	42,163	43,195	44,969	51,093
Public safety	144,224	147,100	162,077	166,195	172,887
Highways and streets	17,646	18,286	15,752	14,995	15,705
Sanitation	4,924	4,379	7,148	8,535	6,335
Health and welfare	35,896	36,836	39,125	59,234	54,214
Culture and recreation	37,042	40,463	32,959	35,443	41,459
Debt service:					
Principal	52,787	55,601	56,684	39,452	39,613
Interest and other debt service	15,202	15,994	16,126	18,215	17,049
Capital outlay	134,089	165,779	159,496	86,995	87,863
Total expenditures	481,219	526,601	532,562	474,033	486,218
Deficiency of revenues under expenditures	(28,146)	(98,981)	(103,169)	(20,348)	(31,283)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	27,235	81,030	24,095	29,215	40,045
Issuance of refunding debt	-	-	5,815	-	-
Premiums on issuance of debt	1,946	8,864	5,803	9,141	1,583
Discounts on issuance of debt	-	-	-	-	-
Payments on refunded debt	-	-	-	-	-
Repayments of long-term note receivables	-	-	-	-	24
Issuance of long-term note receivables	-	-	-	-	(193)
Issuance of long-term lease payable	-	-	-	-	33
Payments on long-term lease payable	-	-	-	-	(116)
Transfers from other funds	99,993	95,416	77,766	82,252	99,500
Transfers to other funds	(85,156)	(102,334)	(82,120)	(84,918)	(101,777)
Total other financing sources (uses)	44,018	82,976	31,359	35,690	39,099
Net change in fund balance before special items	15,872	(16,005)	(71,810)	15,342	7,816
SPECIAL ITEMS					
Sale of Hyatt Hotel	-	-	-	-	-
Transfers to other funds, Hyatt Hotel proceeds	(19,000)	-	-	-	-
Total special items	(19,000)	-	-	-	-
Net change in fund balance before prior period adjustment	(3,128)	(16,005)	(71,810)	15,342	7,816
Prior period adjustment	-	634	-	28	(4,553)
Total changes in fund balances	$ (3,128)	$ (15,371)	$ (71,810)	$ 15,370	$ 3,263
Debt service as a percentage of noncapital expenditures	16.7%	17.1%	18.0%	13.8%	13.2%

GOVERNMENTAL OWN SOURCE REVENUES BY SOURCE

For years ended December 31, 2013 through December 31, 2022
(modified accrual basis of accounting)
(dollars expressed in thousands)

Year	Property Taxes[1]	Special Assessments[2]	Franchise Taxes
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
2020	139,801	24,954	45,461
2021	147,686	23,015	47,715
2022	150,367	22,148	55,552

[1] Property taxes include motor vehicle taxes.

[2] Special assessments includes the assessments for improvements.

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GOVERNMENTAL REVENUES BY SOURCE

For years ended December 31, 2013 through December 31, 2022
(modified accrual basis of accounting)
(dollars expressed in thousands)

Year	Taxes[1]	Special Assessments[2]	Franchise Taxes	Local Sales Tax	Intergovern-mental	Licenses and Permits
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
2020	147,505	24,954	45,461	63,821	88,634	2,063
2021	156,193	23,015	47,715	72,156	90,713	2,182
2022	162,333	22,148	55,552	79,945	84,522	2,397

GOVERNMENTAL EXPENDITURES BY FUNCTION

For years ended December 31, 2013 through December 31, 2022
(modified accrual basis of accounting)
(dollars expressed in thousands)

Year	General Government	Public Safety	Highways and Streets	Sanitation	Health and Welfare	Culture and Recreation
2013	$ 34,643	$ 126,734	$ 18,186	$ 3,722	$ 32,134	$ 31,061
2014	36,414	129,574	16,676	3,774	31,854	30,379
2015	37,368	129,934	18,416	4,366	31,656	31,044
2016	37,601	131,496	20,301	4,977	33,035	33,391
2017	39,113	136,049	19,760	4,559	36,431	36,592
2018	38,243	136,336	20,217	4,671	35,388	37,018
2019	39,409	144,224	17,646	4,924	35,896	37,042
2020	43,195	162,077	15,752	7,148	39,125	32,959
2021	44,969	166,195	14,995	8,535	59,234	35,443
2022	51,093	172,887	15,705	6,335	54,214	41,459

[1] Includes all property taxes, motor vehicle taxes and transient guest taxes.

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

Fines and Penalties	Rentals	Interest Earnings	Charges for Services and Sales	Other Revenue	Total	Year
$ 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
8,616	2,389	5,488	20,780	19,682	429,393	2020
9,823	2,875	1,631	21,966	25,416	453,685	2021
7,424	3,481	(7,687)	23,821	20,999	454,935	2022

Debt Service	Capital Outlay	Total	Year
$ 85,949	$ 109,959	$ 442,388	2013
82,574	108,380	439,625	2014
68,057	76,412	397,253	2015
70,369	91,671	422,841	2016
67,561	93,163	433,228	2017
73,623	118,071	463,567	2018
67,989	134,089	481,219	2019
72,810	159,496	532,562	2020
57,667	86,995	474,033	2021
56,662	87,863	486,218	2022

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

For years ended December 31, 2013 through December 31, 2022
(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
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
2020	3,619,274	25,224,588	55,931	232,649	134,393	407,250
2021	3,754,447	26,374,201	50,120	213,058	138,398	419,388
2022	4,047,001	28,579,078	55,347	232,739	144,095	436,651

Year[1]	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
	Assessed Value	Estimated Actual Value				
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
2020	3,809,598	25,864,487	14.73	32.749	456,720	4,266,318
2021	3,942,965	27,006,647	14.60	32.758	473,947	4,416,912
2022	4,246,443	29,248,468	14.52	32.762	460,565	4,707,008

[1] The assessed value and tax rate of the referenced year supports the budget of the subsequent year. For example, the assessed value of 2022 multiplied by the tax rate supports the budget of fiscal 2023.

[2] Direct tax rates are per $1,000 of actual value.

Source: Sedgwick County Clerk and Sedgwick County Appraiser

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS

For years ended December 31, 2013 through December 31, 2022

	City of Wichita			Overlapping Rates				
Year[1]	Operating Millage	Debt Millage	Total Millage	State Levy	Sedgwick County	Unified School District 259	Total Overlapping	Total Direct & Overlapping Rates
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
2020	25.742	7.007	32.749	1.500	29.376	52.974	83.850	116.599
2021	25.756	7.002	32.758	1.500	29.370	52.514	83.384	116.142
2022	25.761	7.001	32.762	1.500	29.368	51.484	82.352	115.114

[1] Represents the year the taxes were levied, which provides support for the subsequent budget year (i.e., 2022 taxes are for the 2023 fiscal year).

Source: Sedgwick County Clerk and Sedgwick County Appraiser

PRINCIPAL PROPERTY TAXPAYERS

For years ended December 31, 2013 and December 31, 2022
(dollars expressed in thousands)

Taxpayer	2022 Assessed Value	2022 Rank	2022 Percentage of Total Taxable Assessed Value	2013 Assessed Value	2013 Rank	2013 Percentage of Total Taxable Assessed Value
Evergy Kansas South (formerly KGE/Westar)	$ 78,517	1	1.85 %	$ 39,006	1	1.25 %
Kansas Gas Service-A Division of One Gas	31,191	2	0.73	20,691	4	0.66
Wesley Medical Center LLC	25,112	3	0.59	26,754	2	0.86
Walmart/Sam's	22,620	4	0.53	13,551	6	0.43
Bradley Fair Properties LLC	14,811	5	0.35	6,059	9	0.19
Simon Property Group LP	12,260	6	0.29	23,787	3	0.76
City of Wichita	10,787	7	0.25	8,733	7	0.28
New Market Square I, LLC	9,779	8	0.23	6,445	8	0.21
Black Hills Corporation	9,426	9	0.22	5,710	10	0.18
Southwestern Bell Telephone Company	8,220	10	0.19	16,404	5	0.53
Totals	**$ 222,723**		**5.23 %**	**$ 167,140**		**5.35 %**

PRINCIPAL EMPLOYERS, WICHITA AREA

For years ended December 31, 2013 and December 31, 2022

Employer	2022 Total Full-time Wichita-area Employees	2022 Rank	2022 Percentage of Total Wichita-area Employment	2013 Total Full-time Wichita-area Employees	2013 Rank	2013 Percentage of Total Wichita-area Employment
Spirit AeroSystems, Inc.	10,000	1	3.29 %	11,000	1	3.65 %
Textron Aviation	9,500	2	3.12	-	-	-
USD 259 Wichita	5,620	3	1.85	5,482	4	1.82
McConnell Air Force Base	5,021	4	1.65	6,438	2	2.14
Ascension Via Christi Health	3,454	5	1.14	6,393	3	2.12
Steven Enterprises	3,352	6	1.10	-	-	-
Koch Industries	3,300	7	1.08	2,900	10	0.96
City of Wichita	2,755	8	0.91	2,950	9	0.98
Sedgwick County	2,460	9	0.81	-	-	-
Wichita State University	2,230	10	0.73	-	-	-
State of Kansas	-	-	-	3,969	6	1.32
Cessna Aircraft Co.	-	-	-	4,979	5	1.65
Bombardier Aerospace Learjet, Inc.	-	-	-	3,400	7	1.13
Hawker Beechcraft Corporation	-	-	-	3,372	8	1.12
Percent of total employment			**15.68 %**			**16.89 %**
Total employment	**304,300**			**301,192**		

Source: Wichita Business Journal; total employment is from U.S. Department of Labor - Bureau of Labor Statistics

PROPERTY TAX LEVIES AND COLLECTIONS
GENERAL AND DEBT SERVICE FUNDS

For years ended December 31, 2013 through December 31, 2022
(dollars expressed in thousands)

Year Ended December 31[1]	Taxes Levied [2]	Collections in Initial Year		Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	$ 101,036	$ 97,642	96.64 %	$ 2,314	$ 99,956	98.93 %
2014	101,569	98,154	96.64	2,257	100,411	98.86
2015	102,796	99,260	96.56	2,297	101,557	98.79
2016	104,322	101,015	96.83	2,228	103,243	98.97
2017	106,691	102,972	96.51	2,352	105,324	98.72
2018	109,931	106,115	96.53	2,400	108,515	98.71
2019	113,747	109,710	96.45	2,369	112,079	98.53
2020	118,591	114,624	96.65	2,069	116,693	98.40
2021	124,759	120,804	96.83	1,105	121,909	97.72
2022	129,165	124,813	96.63	-	124,813	96.63

TAX INCREMENT FINANCING (TIF) AND
SELF SUPPORTED MUNICIPAL IMPROVEMENT (SSMID) DISTRICTS

For years ended December 31, 2013 through December 31, 2022
(dollars expressed in thousands)

Year Ended December 31[1]	Taxes Levied [3]	Collections in Initial Year		Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy [3]
2013	$ 6,886	$ 5,726	83.15 %	$ 32	$ 5,758	83.62 %
2014	6,297	6,428	102.08	61	6,489	103.05
2015	6,879	6,373	92.64	48	6,421	93.34
2016	6,633	6,371	96.05	12	6,383	96.23
2017	6,839	6,776	99.08	8	6,784	99.20
2018	6,948	6,224	89.58	32	6,256	90.04
2019	7,508	7,098	94.54	53	7,151	95.25
2020	8,343	7,006	83.97	85	7,091	84.99
2021	7,978	7,717	96.73	13	7,730	96.89
2022	6,181	5,911	95.63	-	5,911	95.63

Note: City of Wichita performed a review of historical collections in 2022 and updated prior years accordingly.

[1] The year shown is the year in which the collections were received. The levy or assessment is certified to the County the previous year.

[2] Taxies levied obtained from Sedgwick County Clerks published Ad Valorem Tax Levies.

[3] The amount reported as Taxes Levied is the estimated tax revenue from the certified budgets. Economic development tax increment financing districts collect all property taxes paid above the base year and do not have a district levy. As a result, collections may exceed the budgeted amounts.

PROPERTY TAX LEVIES AND COLLECTIONS
SPECIAL ASSESSMENT LEVIES AND COLLECTIONS

For years ended December 31, 2013 through December 31, 2022
(dollars expressed in thousands)

Year Ended December 31[1]	Assessments Certified to County[2]	Collections in Initial Year		Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage of Assessment		Amount	Percentage of Assessment
2013	$ 31,857	$ 29,266	91.87 %	$ 1,641	$ 30,907	97.02 %
2014	29,982	27,839	92.85	1,540	29,379	97.99
2015	28,112	26,575	94.53	1,104	27,679	98.46
2016	26,819	25,294	94.31	1,175	26,469	98.69
2017	26,810	25,505	95.13	1,052	26,557	99.06
2018	25,439	24,528	96.42	798	25,326	99.56
2019	24,204	22,756	94.02	1,158	23,914	98.80
2020	23,558	22,563	95.78	465	23,028	97.75
2021	21,427	20,605	96.16	332	20,937	97.71
2022	20,052	19,437	96.93	-	19,437	96.93

Note: City of Wichita performed a review of historical collections in 2022 and updated prior years accordingly.

[1] The year shown is the year in which the collections were received. The levy or assessment is certified to the County the previous year.

[2] Special assessments of proprietary funds, advance payments and nuisance assessments are not included.

RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING

For years ended December 31, 2013 through December 31, 2022
(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 [4]	Net General Obligation Debt	Percent of Estimated Actual Value of Taxable Property[2]	Per Capita[3]
2013	$ 20,785,565	$ 480,005	$ 22,774	$ 88,293	$ 414,486	1.99 %	$ 1,070.4
2014	21,044,723	630,375	40,099	41,315	629,159	2.99	1,619.6
2015	21,320,751	682,625	47,114	31,192	698,547	3.28	1,793.7
2016	21,896,559	622,160	46,213	25,761	642,612	2.93	1,645.4
2017	22,620,860	604,835	46,904	46,053	605,686	2.68	1,551.8
2018	23,486,061	567,965	43,519	40,294	571,190	2.43	1,467.4
2019	24,494,987	584,230	47,395	30,575	601,050	2.45	1,541.4
2020	25,864,487	554,640	44,691	21,607	577,724	2.23	1,453.3
2021	27,006,647	534,075	42,098	26,895	549,278	2.03	1,392.1
2022	29,248,468	523,740	38,748	29,640	532,848	1.82	1,350.4

[1] Includes all general obligation bonded debt.
[2] Excludes estimated actual value of motor vehicles.
[3] Population figures provided on page G-29 on this section.
[4] Debt Service Fund fund balance, excluding Economic Development TIF Districts that are pay-as-you-go financing.

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

For years ended December 31, 2013 through December 31, 2022
(dollars expressed in thousands)

Fiscal Year	Principal	Interest	Debt Service	Total Governmental Expenditures[5]	Ratio of Debt Service to Government Expenditures
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
2020	56,402	12,841	69,243	532,562	13.00
2021	39,076	11,221	50,297	474,034	10.61
2022	39,110	10,551	49,661	486,301	10.21

[5] Includes expenditures of all governmental fund types.

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, 2013 through December 31, 2022
(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[4]	G.O. Debt Payable from Non-Property Tax Sources: Local Sales Tax	G.O. Debt Payable from Non-Property Tax Sources: Transient Guest Tax
2013	$ 3,520,766	$ 480,005	$ 22,774	$ 88,293	$ 122,195	$ 167
2014	3,552,691	630,375	40,099	41,315	148,770	2,485
2015	3,608,727	682,625	47,114	31,192	131,560	2,485
2016	3,699,135	622,160	46,213	25,761	114,035	2,485
2017	3,801,422	604,835	46,904	46,053	96,275	2,480
2018	3,923,218	567,965	43,519	40,294	81,995	2,475
2019	4,083,357	584,230	47,395	30,575	93,975	2,465
2020	4,266,318	554,640	44,691	21,607	83,660	2,450
2021	4,416,912	534,075	42,098	26,895	73,130	2,430
2022	4,707,008	523,740	38,748	29,640	62,320	2,405

[1] Includes assessed value and motor vehicle valuations expressed in thousands.
[2] Includes all long-term general obligation debt repayable from governmental and proprietary funds.
[3] Based on most recent population data reported on page G-29.
[4] Debt Service Fund fund balance, excluding Economic Development TIF Districts that are pay-as-you-go financing.

G.O. Debt Payable from Non-Property Tax Sources		Net G.O. Bonded Debt Expected to be Payable from Property Taxes	Ratio of Net G.O. to Bonded Debt Assessed Value	Net G.O. Bonded Debt Per Capita[3]	Year
Proprietary Revenues	Special Assessments				
$ 44,834	$ 216,625	$ 30,665	0.009	$ 79.19	2013
196,082	192,575	89,247	0.025	229.74	2014
287,881	181,733	94,888	0.026	243.65	2015
276,622	167,574	81,896	0.022	209.69	2016
284,852	172,707	49,372	0.013	126.50	2017
273,916	164,381	48,423	0.012	124.40	2018
263,652	146,406	94,552	0.023	242.48	2019
260,285	137,659	93,670	0.022	235.63	2020
248,539	150,003	75,176	0.017	190.52	2021
236,227	156,489	75,407	0.016	191.11	2022

RATIOS OF OUTSTANDING DEBT BY TYPE

For years ended December 31, 2013 through December 31, 2022
(dollars expressed in thousands, except per capita amounts)

	Proprietary Activities					
Fiscal Year	Water Utility Bonds	Sewer Utility Bonds	Airport Authority Bonds[1]	General Obligation Bonds	Water Utility Loans	Bond Anticipation Notes
2013	$ 239,883	$ 181,879	$ 11,310	$ 44,834	$ -	$ 7,933
2014	231,195	180,231	11,330	196,082	-	96,565
2015	234,609	181,503	5,460	287,881	-	-
2016	238,517	186,735	5,460	276,622	-	-
2017	239,815	229,615	5,460	284,852	-	-
2018	224,790	214,325	5,460	273,916	-	-
2019	244,685	209,609	11,550	263,652	-	-
2020	249,842	206,143	8,978	260,285	-	-
2021	283,783	207,674	7,438	248,539	24,955	-
2022	377,253	190,940	-	236,227	93,713	-

	Component Unit	
Fiscal Year	Wichita Public Building Commission	Wichita Senior RAD LP
2013	$ 1,595	$ -
2014	-	-
2015	-	-
2016	-	-
2017	-	-
2018	-	-
2019	-	-
2020	-	-
2021	-	26,878
2022	-	36,783

[1] The City of Wichita removed the Airport Authority Revenue Bonds (Special Facility Revenue Bonds) from its financial statements for 2022 as a part of the implementation of GASB 91 - Conduit Debt Obligations.

[2] The City of Wichita implemented GASB 87 - Leases in 2022. Prior years have not been restated.

[3] Expressed in dollars. Population figures are presented on page G-29 of this section.

Governmental Activities							
General Obligation Bonds	Local Sales Tax Revenue Bonds	Lease Payable[2]	Bond Anticipation Notes	Total Debt Primary Government	Total Debt Per Capita[3]	Total Debt as a Percent of Per Capita Income	Fiscal Year
$ 457,945	$ -	$ 435	$ 3,465	$ 947,684	$ 2,447	5.37 %	2013
474,392	1,635	341	-	1,191,771	3,068	6.65	2014
441,858	1,698	272	-	1,153,281	2,961	6.12	2015
391,751	1,471	171	-	1,100,727	2,818	5.98	2016
366,887	3,045	64	-	1,129,738	2,894	6.20	2017
337,568	4,577	-	-	1,060,636	2,725	5.58	2018
367,973	4,331	528	-	1,102,328	2,827	5.45	2019
339,046	4,050	413	-	1,068,757	2,688	4.98	2020
327,634	3,674	291	-	1,103,988	2,798	4.97	2021
325,591	3,170	1,179	-	1,228,073	3,112	5.52	2022

LEGAL DEBT MARGIN INFORMATION

For years ended December 31, 2013 through December 31, 2022
(dollars expressed in thousands)

	2013	2014	2015	2016	2017
Debt limit	$ 1,056,230	$ 1,065,807	$ 1,082,618	$ 1,109,740	$ 1,140,427
Total net debt applicable to limit	137,511	244,903	320,920	323,362	306,658
Legal debt margin	$ 918,719	$ 820,904	$ 761,698	$ 786,378	$ 833,769
Total net debt applicable to limit as a percentage of debt limit	13.02%	22.98%	29.64%	29.14%	26.89%

[1] Total debt is comprised of total bonded debt, temporary notes payable and the KPWSLF (Kansas Public Water Supply Loan Fund) loan.

[2] Debt Service Fund fund balance, excluding Economic Development TIF Districts that are pay-as-you-go financing.

2018	2019	2020	2021	2022
$ 1,176,965	$ 1,225,007	$ 1,279,895	$ 1,325,074	$ 1,412,102
322,923	340,728	339,537	367,841	329,973
$ 854,042	$ 884,279	$ 940,358	$ 957,233	$ 1,082,129
27.44%	27.81%	26.53%	27.76%	23.37%

Total debt[1]	**$ 1,288,804**
2021 Equalized assessed valuation of taxable tangible property	$ 4,246,443
Add: 2021 Estimated tangible valuation of motor vehicles	460,565
Total assessed value	**$ 4,707,008**
Debt limit (30% of equalized assessed value)	**$ 1,412,102**
Debt applicable to limit:	
General obligation bonds and temporary notes	$ 359,613
Less: Amount set aside for repayment of general obligation debt[2]	29,640
Total net debt applicable to limit	**$ 329,973**
Legal debt margin	**$ 1,082,129**

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

For years ended December 31, 2020 through December 31, 2022

	December 31, 2020		December 31, 2021		December 31, 2022	
	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		$ 60,557,754		$ 51,525,191		$ 51,958,717
Special assessments		137,658,837		150,003,340		156,489,836
Tax increment financing		24,888,079		22,265,299		27,115,257
Transient guest taxes		2,450,000		2,430,000		2,405,000
Local sales tax		83,660,000		73,130,000		62,320,000
Premiums (discounts)		29,830,979		28,280,439		25,971,594
Revenue bonds payable from:						
Local sales tax		4,049,875		3,673,689		3,170,255
Capital lease		412,761		290,666		206,325
Total direct debt		**343,508,285**		**331,598,624**		**329,636,984**
Overlapping debt:						
Sedgwick County	71.7%	123,819,831	71.8%	88,212,404	72.0%	80,974,800
USD 259	57.1%	164,133,950	56.6%	135,602,280	56.1%	128,331,555
Total overlapping debt		**287,953,781**		**223,814,684**		**209,306,355**
Total direct and overlapping debt		**$ 631,462,066**		**$ 555,413,308**		**$ 538,943,339**

Note 1: Percentage of overlapping debt based on assessed valuation.

Note 2: Sedgwick County and USD 259 assessed valuation was adjusted to include motor vehicle assessed value, to be consistent with the City, and thus, the overlapping debt percentages and the City's share of the overlapping debt, has been updated accordingly.

DEMOGRAPHIC AND ECONOMIC STATISTICS

For years 2013 through 2022

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]
2013	387,240	638,248	$ 29,447,300	$ 45,533
2014	388,465	640,604	30,988,200	46,143
2015	389,437	642,257	30,295,600	48,387
2016	390,549	645,129	30,103,400	47,132
2017	390,307	644,949	30,801,300	46,695
2018	389,255	644,888	33,060,860	48,818
2019	389,938	640,218	33,281,653	51,854
2020	397,532	643,768	34,765,136	54,003
2021	394,574	644,480	36,311,937	56,343
2022	394,574 [2]	644,480 [2]	36,311,937 [2]	56,343 [2]

DEMOGRAPHIC AND ECONOMIC STATISTICS (CONTINUED)

For years 2013 through 2022

Fiscal Year	Median Age[2]	School Enrollment[2]	Average Annual Unemployment Rates	
			City of Wichita	Wichita MSA
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	51,416	4.4	4.2
2018	35.3	49,953	3.8	3.6
2019	35.3	49,375	3.5	3.4
2020	35.3	46,987	9.0	8.1
2021	35.4	47,517	4.9	4.4
2022	35.4 [2]	47,517 [2]	3.4	3.2

Note: 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.

PLEDGED REVENUE COVERAGE

For years ended December 31, 2013 through December 31, 2022
(dollars expressed in thousands)

	Water General Obligation and Revenue Bonds					
Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expense	Net Revenue Available for Debt Service	Principal[1]	Interest[1]	Coverage
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	18,814	16,660	1.51
2016	83,383	32,030	51,353	19,867	15,331	1.46
2017	87,683	31,588	56,095	17,524	13,940	1.78
2018	93,096	29,710	63,386	18,983	13,492	1.95
2019	91,051	32,319	58,732	18,214	13,661	1.84
2020	106,171	35,293	70,878	20,402	13,097	2.12
2021	115,009	31,009	84,000	22,188	12,626	2.41
2022	128,008	35,400	92,607	23,640	11,795	2.61

	Sewer Revenue Bonds					
Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expense	Net Revenue Available for Debt Service	Principal	Interest	Coverage
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
2020	70,430	28,370	42,060	12,768	7,398	2.09
2021	76,196	27,322	48,874	13,907	7,122	2.32
2022	77,299	26,418	50,882	15,585	6,658	2.29

	Combined Water and Sewer General Obligation and Revenue Bonds					
Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expense	Net Revenue Available for Debt Service	Principal[1]	Interest[1]	Coverage
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	27,576	24,477	1.68
2016	140,738	57,034	83,704	30,345	23,246	1.56
2017	148,548	56,629	91,919	29,339	22,160	1.78
2018	159,289	56,342	102,947	33,150	22,138	1.86
2019	160,913	61,228	99,685	30,815	22,026	1.89
2020	176,601	63,663	112,938	33,170	20,495	2.10
2021	191,205	58,330	132,875	36,095	19,748	2.38
2022	205,307	61,818	143,489	39,225	18,452	2.49

[1] Principal and interest for years 2014 through 2022 were updated to include payments for Water general obligation bond debt service.

Note: The covenants of the revenue bonds require the combined Utilities to produce net revenues for the debt service of the Utilities' general obligation and revenue bonds of not less than 120% of the current year's debt service requirements.

CAPITAL ASSET STATISTICS BY FUNCTION

For years ended December 31, 2013 through December 31, 2022

	Fiscal Year									
FUNCTION	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Public Safety:										
Police stations[4]	4	4	4	4	4	4	5	5	5	5
Police patrol units	175	171	180	175	174	197	220	220	222	224
Fire stations	22	22	22	22	22	22	22	22	22	22
Highways and Streets:										
Streets (miles)	1,904	1,906	1,909	1,921	1,917	1,924	1,926	1,931	1,949	1,978
Signalized intersections	584	592	594	601	604	608	610	612	609	613
Culture and Recreation:										
Parks acreage	4,905	4,904	4,996	5,008	5,004	5,004	5,002	5,007	5,007	5,007
Swimming pools	9	9	9	9	8	7	9	6	6	6
Interactive water features	5	5	5	5	5	6	6	6	10	12
Fishing ponds	13	13	13	13	12	12	12	12	12	12
Tennis courts	77	77	73	77	76	76	69	68	68	68
Pickle Ball[5]	-	-	-	-	-	-	-	13	13	23
Exercise/fitness trails	13	13	14	14	14	14	15	15	15	15
Children's playgrounds	81	81	80	81	83	84	86	86	86	86
Community centers	9	9	9	9	9	7	7	7	7	7
Golf courses[3]	5	5	5	5	5	5	4	4	4	4
Libraries	9	9	8	8	8	7	7	7	7	7
Water:										
Water mains (miles)	2,407	2,422	2,416	2,413	2,383	2,487	2,419	2,524	2,530	2,535
Maximum daily capacity (million gallons per day)[1]	125	125	125	125	125	125	120	120	120	120
Sewer:										
Sanitary sewers (miles)[2]	2,016	2,022	2,030	2,033	2,046	2,185	2,198	2,083	2,096	2,113
Storm sewers (miles)	925	925	1,091	1,395	1,459	1,481	1,240	1,607	1,157	1,158
Maximum daily treatment capacity (million gallons per day)[1]	62	62	62	62	62	65	87	51	49	51
Airport:										
Public airports	2	2	2	2	2	2	2	2	2	2
Transit:										
Bus fleet	56	56	52	53	55	55	54	54	50	50
Para-transit vans	24	22	25	24	24	27	27	27	26	26

Source: City of Wichita Operating Departments

[1] Estimated daily average.

[2] Miles of sanitary sewers are estimates.

[3] LW Clapp golf course closed in August 2019, leaving 4 remaining golf courses.

[4] Police Traffic Section moved back to City Hall, therefore creating an additional station.

[5] Pickle Ball courts were first operational in 2020.

OPERATING INDICATORS BY FUNCTION

For years ended December 31, 2013 through December 31, 2022

	Fiscal Year				
FUNCTION	**2013**	**2014**	**2015**	**2016**	**2017**
Public Safety:					
Police:					
Dispatched calls for 911 service	231,290	218,614	218,160	221,529	219,955
Parking violations	14,276	16,012	16,372	12,156	9,369
Traffic violations	54,820	58,824	53,184	48,170	37,531
Fire:					
Number of unit responses	73,184	76,539	76,962	76,328	78,160
Fires contained to room of origin	72%	69%	76%	64%	65%
Inspections[2]	15,225	7,342	7,873	9,320	7,508
Highways and Streets:					
Street resurfacing (miles)	14	22	22	12	16
Potholes repaired	54,661	56,558	73,275	66,488	78,333
Culture and Recreation:					
Golf rounds played[3]	155,460	155,611	166,536	157,572	151,716
Trees planted	291	909	1,422	1,647	1,825
Swim lessons (total registered)	1,394	1,433	1,126	1,073	1,321
Botanica visitors	154,509	206,193	220,041	220,716	231,542
Convention & Performance Center:					
Conventions	26	28	27	23	25
Consumer shows	30	30	33	35	36
Performances	52	66	57	60	54
Other events	171	139	324	265	195
Library circulation	2,137,656	2,102,505	2,104,230	1,983,642	1,942,851
Library program attendance	62,291	56,944	70,035	66,915	74,748
Water:					
Water customers[1]	144,261	144,106	146,717	147,876	152,758
Main Breaks[4]	233	214	296	371	391
(per 1,000 miles of mains)					
Average daily consumption	51	52	50	50	50
(million gallons per day)					
Sewer (wastewater):					
Sewer customers[1]	133,952	136,019	137,058	138,126	138,189
Average daily sewage treated	38	37	35	35	34
(million gallons per day)					
Airport:					
Number of passengers	1,512,507	1,533,669	1,571,348	1,602,311	1,620,240
Passenger enplanements	757,401	763,597	782,725	798,804	810,246
Number of daily flights	34	34	34	32	33
Transit:					
Bus rides	1,851,654	1,864,279	1,886,495	1,233,899	1,262,552
Para-transit van rides	301,465	260,906	237,441	69,191	71,713

Source: City of Wichita Operating Departments

[1] Water and Sewer customers estimated.

[2] Fire Department increased enforcement efforts related code administration inspections beginning in 2012.

[3] Golf rounds include rounds played at LW Clapp golf course prior to closure August 2019.

[4] 2018 was incorrectly reported and should have been 746 main breaks instead of 193.

[5] Many operating indicators for 2020 and 2021 in this category were affected by the COVID-19 pandemic (i.e. closures, reduced travel).

FUNCTION	Fiscal Year 2018	2019	2020	2021	2022
Public Safety:					
Police:					
Dispatched calls for 911 service	211,781	212,670	201,595	202,361	221,387
Parking violations	7,423	5,811	6,289	6,856	5,104
Traffic violations	38,178	35,425	35,390	27,711	25,213
Fire:					
Number of unit responses	68,072	70,252	74,095	86,961	85,897
Fires contained to room of origin	58%	74%	63%	66%	37%
Inspections[2]	6,657	6,479	6,562	5,924	4,946
Highways and Streets:					
Street resurfacing (miles)	30	36	38	115	140
Potholes repaired	68,695	81,256	71,879	83,485	83,487
Culture and Recreation:[5]					
Golf rounds played[3]	138,443	135,180	145,231	177,214	174,261
Trees planted	1,682	1,870	1,875	467	2,219
Swim lessons (total registered)	1,216	1,262	-	1,191	980
Botanica visitors	217,925	270,489	145,389	300,412	279,488
Convention & Performance Center:					
Conventions	24	26	3	8	8
Consumer shows	36	41	34	18	68
Performances	55	61	16	25	54
Other events	175	169	94	71	68
Library circulation	2,125,915	2,003,591	2,125,915	1,738,681	1,639,105
Library program attendance	71,031	77,913	15,308	12,107	26,710
Water:					
Water customers[1]	152,825	154,071	154,684	152,306	160,767
Main Breaks[4] (per 1,000 miles of mains)	746	659	730	1,019	719
Average daily consumption (million gallons per day)	50	50	43	43	46
Sewer (wastewater):					
Sewer customers[1]	139,154	140,517	148,663	145,752	146,875
Average daily sewage treated (million gallons per day)	32	34	32	29	30
Airport:[5]					
Number of passengers	1,665,116	1,749,906	789,856	1,285,070	1,534,965
Passenger enplanements	832,831	876,864	394,706	645,352	768,837
Number of daily flights	34	33	21	28	28
Transit:[5]					
Bus rides	1,411,363	1,286,807	756,328	768,859	1,011,541
Para-transit van rides	81,032	80,153	59,832	73,683	75,568

CITY GOVERNMENT EMPLOYEES BY FUNCTION

For years ended December 31, 2013 through December 31, 2022

FUNCTION	Fiscal Year 2013	2014	2015	2016	2017
General Government:					
City council and city manager	15	15	20	21	21
General government	24	19	22	21	17
Economic development	4	4	3	4	4
Financial services	68	67	68	68	73
Legal services	26	26	26	27	27
Building services	95	101	101	101	100
Fleet services	55	57	57	57	57
Municipal court	116	116	115	115	115
Information technology	56	57	59	59	59
Metropolitan planning	28	18	18	17	13
Human resources	17	17	17	19	14
Public Safety:					
Police	843	840	838	846	845
Fire	453	452	453	453	453
Metropolitan area building and construction	63	53	50	49	47
Flood control	18	18	18	18	18
Highways and Streets:					
Administration	9	9	9	9	9
Street maintenance	121	121	121	121	121
Engineering and architecture	93	88	88	87	87
Sanitation:					
Landfill operations	3	3	3	12	12
Street cleaning	24	24	24	24	24
Health and Welfare:					
Housing and community services	88	82	82	81	81
Environmental services	36	29	29	29	28
Culture and Recreation:					
Libraries	149	139	138	135	134
Art museum	26	26	22	18	13
Parks and recreation	158	124	129	140	136
Golf courses	33	33	33	33	33
Community facilities	51	52	49	46	50
Water Utility	214	214	215	207	208
Sewer Utility	154	154	154	154	154
Airport Authority	118	134	136	136	140
Stormwater Utility	38	39	39	39	39
Transit	135	139	138	136	145
Total	**3,331**	**3,270**	**3,274**	**3,282**	**3,277**

Note: Numbers presented are authorized positions as reported in the Adopted Budget and includes part-time and seasonal employees.

FUNCTION	Fiscal Year 2018	2019	2020	2021	2022
General Government:					
City council and city manager	22	22	25	25	25
General government	41	40	37	35	39
Economic development	4	4	4	4	4
Financial services	72	72	72	72	72
Legal services	27	26	27	28	29
Building services	100	99	85	84	79
Fleet services	57	57	48	48	48
Municipal court	115	115	115	115	115
Information technology	57	60	60	61	63
Metropolitan planning	17	17	17	18	20
Human resources	15	15	18	17	17
Public Safety:					
Police	842	842	893	905	910
Fire	453	443	484	484	484
Metropolitan area building and construction	43	43	40	41	39
Flood control	18	18	18	18	18
Highways and Streets:					
Administration	9	9	9	9	10
Street maintenance	121	121	95	95	95
Engineering and architecture	87	89	75	75	77
Sanitation:					
Landfill operations	12	12	13	13	15
Street cleaning	24	24	22	22	22
Health and Welfare:					
Housing and community services	81	61	58	70	65
Environmental services	28	28	21	21	21
Culture and Recreation:					
Libraries	148	143	141	141	142
Art museum	13	13	11	9	1
Parks and recreation	136	133	133	134	134
Golf courses	33	31	21	21	21
Community facilities	50	46	44	28	28
Water Utility	189	196	187	187	188
Sewer Utility	154	154	154	155	153
Airport Authority	140	141	141	141	141
Stormwater Utility	39	39	37	37	37
Transit	145	154	153	153	152
Total	**3,292**	**3,267**	**3,258**	**3,266**	**3,264**

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Single Audit Section



Photo Credit
Downtown Wichita

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 which are funded by federal funds.

CITY OF WICHITA

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 that are fully or partially funded by federal funds (directly or indirectly).

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Mayor and Members of the City Council
City of Wichita
Wichita, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wichita ("the City"), as of and for the year ended December 31, 2022, 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 28, 2023. Our report includes a reference to other auditors who audited the financial statements of Wichita RAD Senior, L.P., a discretely presented component unit, as described in our report on the City's financial statements. The financial statements of Wichita RAD Senior, L.P. audited by other auditors were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on 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 financial statements. 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.

Eide Bailly LLP

Fargo, North Dakota
June 28, 2023

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Honorable Mayor and Members of the City Council
City of Wichita
Wichita, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Wichita's ("the City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2022. 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.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Fargo, North Dakota
June 28, 2023

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for the Passenger Facility Charge Program; Report on Internal Control Over Compliance Required by the Facility Charge Audit Guide for Public Agencies

To the Honorable Mayor and Members of the City Council
City of Wichita
Wichita, Kansas

Report on Compliance for the Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited the City of Wichita's ("the City") compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies,* issued by the Federal Aviation Administration (Guide) that could have a direct and material effect on its passenger facility charge program for the year ended December 31, 2022.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended December 31, 2022.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Guide. Our responsibilities under those standards and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the passenger facility charge program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's passenger facility charge program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 the passenger facility charge program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 the passenger facility charge 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 the passenger facility charge 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Guide. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Fargo, North Dakota
June 28, 2023

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2022

Federal Grantor, Pass-Through Grantor, Program or Cluster Title	Cluster	Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture Food and Nutrition Services					
Passed Through Kansas State Department of Education:					
Child and Adult Care Food Program		10.558	M0709-CAP	$ -	$ 621
Total U.S. Department of Agriculture Food and Nutrition Services				-	621
U.S. Department of Housing and Urban Development					
Direct Funding:					
Community Development Block Grants/Entitlement Grants	1	14.218		597,032	3,404,554
COVID-19 Community Development Block Grants/ Entitlement Grants	1	14.218		161,129	161,129
Emergency Solutions Grant Program		14.231		198,083	285,796
COVID-19 Emergency Solutions Grant Program		14.231		1,478,885	1,747,554
HOME Investment Partnerships Program		14.239		-	1,623,758
COVID-19 HOME Investment Partnerships Program		14.239		-	60,389
Public and Indian Housing		14.850		-	998,998
COVID-19 Public and Indian Housing		14.850		-	913
Section 8 Housing Choice Vouchers	2	14.871		-	19,713,209
Public Housing Capital Fund		14.872		-	151,783
Mainstream Vouchers	2	14.879		-	419,727
Family Self-Sufficiency Program		14.896		-	200,795
Lead-Based Paint Hazard Control in Privately-Owned Housing		14.900		-	78,019
Total U.S. Department of Housing and Urban Development				2,435,129	28,846,624
U.S. Department of Justice					
Direct Funding:					
COVID-19 Coronavirus Emergency Supplemental Funding Program		16.034		-	141,079
Joint Law Enforcement Operations		16.111		-	7,785
Drug Court Discretionary Grant Program		16.585		-	138,627
Public Safety Partnership and Community Policing Grants		16.710		-	220,610
Byrne Criminal Justice Innovation Program		16.817		4,144	75,995
Equitable Sharing Program		16.922		-	19,982
Passed Through Sedgwick County:					
Missing Children's Assistance		16.543	70-22-000123	-	118,108
Missing Children's Assistance		16.543	17-22-000642	-	32,462
Edward Byrne Memorial Justice Assistance Grant Program		16.738	2018-DG-BX-0013	15,277	97,402
Edward Byrne Memorial Justice Assistance Grant Program		16.738	2019-DG-BX-0006	49,769	204,126
Edward Byrne Memorial Justice Assistance Grant Program		16.738	2019-H3726-KS-DJ	-	22,466
Edward Byrne Memorial Justice Assistance Grant Program		16.738	2020-DJ-BX-0927	-	77,223
Edward Byrne Memorial Justice Assistance Grant Program		16.738	13406701	-	55,464
Passed Through Kansas Governor's Grant Program:					
Crime Victim Assistance		16.575	22-VOCA-47	-	83,461
Crime Victim Assistance		16.575	23-VOCA-47	-	27,682
Crime Victim Assistance		16.575	22-VOCA-46	-	124,133
Crime Victim Assistance		16.575	23-VOCA-46	-	38,824
Violence Against Women Formula Grant		16.588	21-VAWA-20	-	111,181
Project Safe Neighborhoods		16.609	20-PSN-02	-	9,883
Project Safe Neighborhoods		16.609	21-PSN-02	-	81,794
Passed Through Wichita State University:					
Project Safe Neighborhoods		16.609	WSU#22-01602	-	10,335
Total U.S. Department of Justice				69,190	1,698,622

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the year ended December 31, 2022

Federal Grantor, Pass-Through Grantor, Program or Cluster Title	Cluster	Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation					
Direct Funding:					
Airport Improvement Program		20.106		$ -	$ 5,289,877
COVID-19 Airport Improvement Program		20.106		-	12,851,820
Federal Transit - Capital Investment Grants	3	20.500		-	1,288
Federal Transit - Formula Grants	3	20.507		101,286	2,554,899
COVID-19 Federal Transit - Formula Grants	3	20.507		-	5,314,841
Enhance Mobility for Seniors and Individuals with Disabilities	4	20.513		351,313	374,499
Bus and Bus Facilities Formula Program	3	20.526		-	558,847
Passed Through Kansas Department of Transportation:					
Highway Planning and Construction	5	20.205	87 N-0673-01	-	6,897
Highway Planning and Construction	5	20.205	54-87 KA-2382-01	-	461,864
Highway Planning and Construction	5	20.205	87 N-0662-01	-	329,041
Highway Planning and Construction	5	20.205	87 N-0663-01	-	81
Highway Planning and Construction	5	20.205	87 N-0660-01	-	62,313
Highway Planning and Construction	5	20.205	87 N-0684-01	-	80,826
Highway Planning and Construction	5	20.205	87 TE-0451-01	-	152,087
Highway Planning and Construction	5	20.205	87 N-0615-01	-	11,500
Highway Planning and Construction	5	20.205	87 N-0616-01	-	3,746
Highway Planning and Construction	5	20.205	87 N-0639-01	-	75
Highway Planning and Construction	5	20.205	87 N-0696-01	-	2,321,413
State and Community Highway Safety	6	20.600	PT-1049-22	-	34,985
State and Community Highway Safety	6	20.600	PT-1049-23	-	6,160
National Priority Safety Programs	6	20.616	SP-4704-22	-	1,979
National Priority Safety Programs	6	20.616	SP-4704-23	-	474
Total U.S. Department of Transportation				452,599	30,419,512
U.S. Department of Treasury					
Direct Funding:					
COVID-19 Emergency Rental Assistance Program		21.023		20,622	14,519,626
COVID-19 Coronavirus State and Local Fiscal Recovery Funds		21.027		1,507,932	2,963,782
Total U.S. Department of Treasury				1,528,554	17,483,408
National Endowment for the Humanities					
Direct Funding:					
COVID-19 Promotion of the Arts Grants to Organizations and Individuals		45.024		-	18,705
COVID-19 IMLS National Leadership Grant		45.312		-	5,195
Passed Through State Library of Kansas					
COVID-19 Library Services and Technology		45.310	21-LSTA-ARPA-036	-	6,281
Total National Endowment for the Humanities				-	30,181
U.S. Small Business Administration					
Direct Funding:					
COVID-19 Shuttered Venue Operators Grant		59.075		-	6,888
Total U.S. Small Business Administration				-	6,888
U.S. Environmental Protection Agency					
Direct Funding:					
Water Infrastructure Finance and Innovation Act (WIFIA)		66.958		-	112,580,590
Passed Through Kansas Department of Health and Environment:					
Air Pollution Control Program Support		66.001	2021-00796211	-	39,163
Air Pollution Control Program Support		66.001	2022-00796211	-	10,129
Total U.S. Environmental Protection Agency				-	112,629,882

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the year ended December 31, 2022

Federal Grantor, Pass-Through Grantor, Program or Cluster Title	Cluster	Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services					
Direct Funding:					
Community Programs to Improve Minority Health Grant Program		93.137		$ 1,110,007	$ 1,110,007
Passed Through Kansas Housing Resources Corporation:					
Community Services Block Grant		93.569	21 CSBG 01	-	844,107
Community Services Block Grant		93.569	22 CSBG 01	-	264,754
COVID-19 Community Services Block Grant		93.569	20 CARES 01	-	1,003,351
COVID-19 Community Services Block Grant		93.569	20CARES ADMIN DISC01	-	75,000
Passed Through Kansas Department of Health and Environment:					
Child Care and Development Block Grant	7	93.575	3028/2643450M	-	155,279
Child Care and Development Block Grant	7	93.575	3028/2643450N	-	100,664
Passed Through Kansas Department for Children and Families:					
COVID-19 Child Care and Development Block Grant	7	93.575	2101KSCCCS	-	45,532
COVID-19 Child Care and Development Block Grant	7	93.575	51743	-	562,584
COVID-19 Child Care and Development Block Grant	7	93.575	2101KSCDC6	-	333,344
Total U.S. Department of Health and Human Services				1,110,007	4,494,622
Executive Office of the President					
Passed Through Kansas Bureau of Investigation:					
High Intensity Drug Trafficking Areas Program		95.001	G21MW0003A	-	7,777
High Intensity Drug Trafficking Areas Program		95.001	G22MW0003A	-	97,801
Total Executive Office of the President				-	105,578
U.S. Department of Homeland Security					
Direct Funding:					
Assistance to Firefighters Grant		97.044		-	1,066,688
COVID-19 Assistance to Firefighters Grant		97.044		-	63,206
Staffing for Adequate Fire and Emergency Response		97.083		-	84,718
Total U.S. Department of Homeland Security				-	1,214,612
Total Federal Financial Assistance				$ 5,595,479	$ 196,930,550

Federal Grant/Program Clusters

CDBG-Entitlement Grants Cluster	1	$ 3,565,683
Housing Voucher Cluster	2	20,132,936
Federal Transit Cluster	3	8,429,875
Transit Services Programs Cluster	4	374,499
Highway Planning and Construction Cluster	5	3,429,843
Highway Safety Cluster	6	43,598
CCDF Cluster	7	1,197,403

1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City of Wichita under programs of the federal government for the year ended December 31, 2022 and is presented on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. The information in the SEFA is presented in accordance with the 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). 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 of Wichita has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance. Instead of the de minimus rate, the City of Wichita works with a consultant to prepare an indirect cost rate plan (ICAP) that is submitted to the cognizant agency on an annual basis for review and approval. The City's indirect cost rates used in the 2022 financial statements and for reimbursement for 2022 federal expenditures were approved by the cognizant agency.

3. FEDERAL FORFEITED PROPERTY PROGRAM

In 2022, the Narcotic Seizure program acquired $3,979 in federal forfeited property and expended zero on the qualified program.

4. COMMUNITY SERVICES BLOCK GRANT

The Community Services Block Grant (CSBG) is passed to the City of Wichita through the Kansas Housing Resources Corporation. Expenditures for the grant program years ending September 30, 2022 and September 30, 2023 are summarized in the following tables.

CSBG Grant Program Year Ended September 30, 2022

	Budget	Actual			Variance
	Apr 1, 2021 to Sept 30, 2022	Apr 1, 2021 to Dec 31, 2021	Jan 1, 2022 to Sept 30, 2022	Total	
Revenue	**$ 1,020,802**	**$ 174,673**	**$ 846,129**	**$ 1,020,802**	**$ -**
Expenditures:					
Personnel	$ 491,153	$ 101,172	$ 324,052	$ 425,224	$ 65,929
Contractuals	483,802	62,931	478,503	541,434	(57,632)
Commodities	15,858	10,599	22,777	33,376	(17,518)
Other	29,989	1,992	18,776	20,768	9,221
Total expenditures	**$ 1,020,802**	**$ 176,694**	**$ 844,108**	**$ 1,020,802**	**$ -**

CSBG Grant Program Year Ending September 30, 2023

	Budget	Actual
	Apr 1, 2022 to Sept 30, 2023	Apr 1, 2022 to Dec 31, 2022
Revenue	**$ 930,716**	**$ 259,138**
Expenditures:		
Personnel	$ 510,670	$ 147,855
Contractuals	386,254	107,600
Commodities	10,647	3,195
Other	23,145	6,104
Total	**$ 930,716**	**$ 264,754**

Section I – Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing
Housing Voucher Cluster	
Section 8 Housing Choice Vouchers	14.871
Mainstream Vouchers	14.879
Airport Improvement Program	20.106
COVID-19 Airport Improvement Program	20.106
Federal Transit Cluster	
Federal Transit - Capital Investment Grants	20.500
Federal Transit - Formula Grants	20.507
COVID-19 Federal Transit - Formula Grants	20.507
Bus and Bus Facilities Formula Program	20.526
COVID-19 Emergency Rental Assistance Program	21.023
Water Infrastructure Finance and Innovation Act (WIFIA)	66.958

Dollar threshold used to distinguish between type A and type B programs:	$ 3,000,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None Reported

Section III – Federal Award Findings and Questioned Costs

None Reported

Year Ended December 31, 2021

Fiscal Year	Finding Number	Finding	Assistance Listing Number	Comments
2021	2021-001	In accordance with the WIFIA Credit Agreement with the U.S. Environmental Protection Agency (EPA) dated April 23, 2020, the City's Public Works & Utilities Department is to submit quarterly construction reports for the duration of the construction of the Northwest Water Treatment Facility, which is being partially financed by the WIFIA Credit Agreement. The quarterly construction reporting for the quarters ended March 31, 2021 and June 30, 2021 were not completed. The quarterly construction reports submitted for the quarters ended September 30, 2021 and December 31, 2021, both had amounts reported that did not agree to the general ledger system of the City.	66.958	The City's Public Works & Utilities Department worked with the EPA to correct the amounts reported on the third and fourth quarter reports that were submitted in 2021. In addition to correcting the reports, Public Works & Utilities staff now send the quarterly reports to Finance staff for review to ensure accuracy before submission to the EPA.

Water Utilities Section



Photo Credit
Wichita Water Partners

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

CITY OF WICHITA

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 28, 2023

To our Water and Sewer Bondholders:

Please review and accept this 2022 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 4,600 miles of water and sewer mains, 62 sanitary sewer lift stations, four wastewater treatment plants, one drinking water treatment plant, one surface water treatment plant, approximately 150,000 water meters, and numerous other assets. Through efficient operations and strategic financial management, the Utility will continue to provide high value services to all customers.

Like many other states, Kansas spent all of 2022 in a significant drought. Drought conditions in the Wichita area were noticeable, but not as severe as in the western portions of the state. The Utility has had an official Drought Response Plan in place since 2013 and is prepared for the expected continuation of the drought conditions in 2023.

The lack of precipitation drove higher reliance on the Wichita Water Utility, boosting revenues above projections. This was a welcome offset to the impact of record cost inflation experienced in 2022. Thanks to conservative budgeting practices, the Utility was able to stay within forecasted expense levels despite the significant cost increases. As a result, the projected rate adjustments are not expected to change.

The Utility's two largest projects are the construction of a new water treatment plant, called the Northwest Water Facility (NWWF), and upgrades to wastewater treatment facilities that are needed to meet new regulatory standards regarding Biological Nutrient Removal (BNR). Significant progress was made on both projects throughout 2022. Construction of the NWWF is on schedule and is still expected to be substantially complete by September 2024. In October 2021, the City was invited to apply for a Water Infrastructure Finance and Investment Act (WIFIA) loan for nearly half the cost of the BNR project. The application was submitted in October 2022 and the loan was closed in April 2023. Also, on January 31, 2022, the Kansas Department of Health and Environment (KDHE) officially added the City's BNR project to the State's Intended Use Plan, which is the second step in securing a Water Pollution Control State Revolving Fund


NWWF Site

(SRF) loan for the other half of the project. The SRF loan is expected to close in August 2023. A similar mix of financing is in place for the NWWF project, which is expected to provide significant cost savings and ease ratepayer burdens.

Finally, it is important to recognize the hundreds of employees dedicated to providing safe, clean, and reliable services. Senior management routinely engages in succession planning efforts to ensure the same qualified, dedicated staff will be available to provide these essential services now and into the future. The City of Wichita is committed to continuing responsible financial and operational management practices necessary to provide the excellent service levels that customers expect.



Gary Janzen, PE
Director of Public Works & Utilities
for the Water & Sewer Utilities
City of Wichita, Kansas

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WATER UTILITIES COMBINED STATEMENT OF NET POSITION

For the year ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 145,678,258	$ 34,957,372
Receivables, net:		
Accounts receivable	25,127,670	27,156,793
Due from other funds	85,846	88,458
Inventories	4,940,509	4,162,269
Prepaid items	651,560	681,240
Restricted assets:		
Cash and cash equivalents	44,601,784	43,334,334
Total current assets	221,085,627	110,380,466
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	142,006,622	168,761,756
Net pension asset	3,352,550	-
Capital assets:		
Land	21,449,516	21,485,379
Buildings	294,133,142	279,667,408
Improvements other than buildings	1,309,995,226	1,253,773,232
Machinery, equipment and other assets	201,411,244	193,062,396
Construction in progress	298,758,349	216,024,686
Less accumulated depreciation	(669,244,982)	(629,120,503)
Total capital assets, net	1,456,502,495	1,334,892,598
Total noncurrent assets	1,601,861,667	1,503,654,354
Total assets	1,822,947,294	1,614,034,820
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized refunding costs	9,881,523	10,646,446
Deferred outflows related to pensions	6,441,633	5,631,940
Deferred outflows related to OPEB	669,465	857,259
Total deferred outflows of resources	16,992,621	17,135,645

(Continued)

WATER UTILITIES COMBINED STATEMENT OF NET POSITION (CONTINUED)

For the year ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	2022	2021
Current liabilities:		
Accounts payable and other liabilities	$ 32,488,536	$ 23,863,221
Accrued interest payable	150,684	169,676
Deposits	3,256,781	2,955,607
Due to other agencies	74,056	63,361
Due to other funds	335,250	311,695
Current portion of long-term obligations:		
General obligation bonds payable	6,250,000	5,950,000
Compensated absences	669,376	766,670
Current liabilities payable from restricted assets:		
Accrued interest payable	3,731,784	4,109,334
Revenue bonds payable	34,620,000	33,275,000
Total current liabilities	81,576,467	71,464,564
Noncurrent liabilities:		
General obligation bonds payable	94,333,376	101,187,176
Revenue bonds payable	533,572,930	458,182,495
Loans payable	93,712,523	24,955,017
Net pension liability	-	2,523,771
Total other post-employment benefits (OPEB) liability	2,987,765	4,156,517
Compensated absences	197,597	237,289
Total noncurrent liabilities	724,804,191	591,242,265
Total liabilities	806,380,658	662,706,829
DEFERRED INFLOWS OF RESOURCES		
Unamortized refunding costs	899,381	1,008,337
Deferred inflows related to pensions	13,563,993	9,966,807
Deferred inflows related to OPEB	1,712,007	664,129
Total deferred inflows of resources	16,175,381	11,639,273
NET POSITION		
Net investment in capital assets	672,958,042	699,349,039
Restricted for:		
Revenue bond covenants	182,876,622	207,986,756
Unrestricted	161,549,212	49,488,568
Total net position	$ 1,017,383,876	$ 956,824,363

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COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	2022	2021
OPERATING REVENUES		
Charges for services and sales	$ 199,804,763	$ 185,394,841
Fees	1,945,194	1,691,752
Rentals	68,833	67,062
Other operating revenues	344,713	384,308
Total operating revenues	202,163,503	187,537,963
OPERATING EXPENSES		
Personnel services	21,426,681	22,702,722
Contractual services	27,302,401	24,075,189
Materials and supplies	11,045,539	8,525,245
Other operating expenses	7,802,406	8,643,576
Administrative charges	1,172,041	1,178,935
Payments in lieu of franchise taxes	9,269,742	8,314,275
Depreciation	41,087,257	39,158,227
Total operating expenses	119,106,067	112,598,169
Operating income	83,057,436	74,939,794
NON-OPERATING REVENUES (EXPENSES)		
Interest and investment earnings	93,586	50,069
Other expenses	(11,861,399)	(4,381,923)
Interest expense	(20,532,378)	(20,078,016)
Gain (loss) on sale of assets	6,407	(175,688)
Bond premium amortization	2,517,988	3,068,770
Total non-operating expenses	(29,775,796)	(21,516,788)
Income before capital contributions and transfers	53,281,640	53,423,006
Capital contributions and transfers		
Capital contributions	7,507,408	9,374,141
Transfers from other funds	142	-
Transfers to other funds	(229,677)	(217,441)
Total capital contributions and transfers	7,277,873	9,156,700
Change in net position	60,559,513	62,579,706
Net position - beginning	956,824,363	894,244,657
Net position - ending	$ 1,017,383,876	$ 956,824,363

COMBINED STATEMENT OF CASH FLOWS

For the year ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 204,130,095	$ 178,988,255
Cash payments to suppliers for goods and services	(47,917,962)	(43,743,051)
Cash payments to employees for services	(24,513,943)	(23,780,223)
Payments in lieu of franchise taxes	(9,269,742)	(8,314,275)
Other operating revenues	396,119	392,083
Other operating expenses	(11,912,805)	(3,654,398)
Net cash provided by operating activities	110,911,762	99,888,391
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund loans	26,167	223,237
Transfers from other funds	142	-
Transfers to other funds	(229,677)	(217,441)
Net cash provided by (used in) noncapital financing activities	(203,368)	5,796
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Retirement of temporary notes	-	15,955,000
Issuance of capital debt	181,338,096	76,871,622
Premiums on issuance of capital debt	-	1,607,488
Accrued interest on issuance of capital debt	-	26,246
Debt issuance costs paid	-	(740,409)
Principal payments on long-term debt	(39,225,000)	(36,095,000)
Interest payments on long-term debt	(20,904,321)	(20,196,809)
Additions to property, plant and equipment	(147,375,207)	(115,432,754)
Sale of capital assets	115,215	116,700
Capital contributions	482,439	547,671
Net cash used in capital and related financing activities	(25,568,778)	(77,340,245)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	93,586	23,823
Net cash provided by investing activities	93,586	23,823
Net increase in cash and temporary investments	85,233,202	22,577,765
Cash and temporary investments - beginning	247,053,462	224,475,697
Cash and temporary investments - ending	$ 332,286,664	$ 247,053,462

(Continued)

COMBINED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)

	2022	2021
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 83,057,436	$ 74,939,794
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	41,087,257	39,158,227
Other expenses	(11,867,006)	(3,646,623)
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
(Increase) decrease in accounts receivable	2,029,123	(7,223,385)
(Increase) in inventory	(778,240)	(1,090,671)
Decrease in prepaid items	29,680	30,867
(Increase) in net pension asset	(3,352,550)	-
(Increase) in deferred outflows related to pensions	(809,693)	(56,165)
Decrease in deferred outflows related to OPEB	187,794	43,058
Increase (decrease) in accounts payable	219,529	(224,626)
(Decrease) in accrued interest payable	(18,992)	(83,338)
Increase in due to other agencies	10,695	63,361
Increase (decrease) in deposits	301,174	(858,677)
(Decrease) in net pension liability	(2,523,771)	(5,751,666)
Increase (decrease) in total OPEB liability	(1,168,752)	230,848
Increase (decrease) in compensated absences	(136,986)	100,453
Increase in deferred inflows related to pensions	3,597,186	4,266,038
Increase (decrease) in deferred inflows related to OPEB	1,047,878	(9,104)
Total adjustments	27,854,326	24,948,597
Net cash provided by operating activities	$ 110,911,762	$ 99,888,391
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Contribution of capital assets	$ 7,024,969	$ 8,826,470
Capital assets in accounts payable	30,037,766	21,631,980

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 are 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, which include property, plant and equipment assets, are defined as assets with a minimum initial cost ranging from $5,000 to $100,000, depending on the type of the asset. Capital assets are valued at historical cost or estimated historical cost (if actual historical cost is not available). Donated capital assets are valued at their estimated 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.

	Estimated
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

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.

G. PAYMENTS IN LIEU OF FRANCHISE TAXES

Annually, the Water Utility and Sewer Utility pay the City's General Fund 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 $9,269,742 in 2022 and $8,314,275 in 2021. 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 (reduction of expense) 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, 2022 and 2021, the Utilities had combined cash and temporary investments in the amounts of $332,286,664 and $247,053,462 respectively, which are included in the City's pooled cash and temporary investments, with the exception of the separate investments Utilities bond reserves. As of December 31, 2022 and 2021, the Utilities had non-pooled investments of $13,753,609 and $14,119,746, respectively.

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. Additional information on the City's investment policy and the cash and 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.

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On December 31, 2022, revenue bond proceeds for debt service reserve funds of the Water and Sewer Utility were invested as follows:

Water and Sewer Utility Investments As of December 31, 2022			
Investment Type	Fair Value	Modified Duration (years)	Percent of Bond Proceeds Investments
U.S. Treasury securities	$ 13,753,609	0.067	100.0%
Total value	**$ 13,753,609**		**100.0%**
Total weighted average maturity		**0.067**	

The fair value measurements for the Water and Sewer Utilities revenue bond reserve investments on December 31, 2022 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 had advanced proceeds for two specific major sewer projects. As of December 31, 2022, $213 is being held in an individual account in the Kansas Municipal Investment Pool and all of the proceeds and related interest earnings on those proceeds have been spent and thus, are not restricted.

3. CAPITAL ASSETS

Capital asset activity of the Water Utility and Sewer Utility for the year ended December 31, 2022 is shown as follows:

Capital Assets Activity For the Year Ended December 31, 2022 (dollars in thousands)					
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 21,485	$ 65	$ (101)	$ -	$ 21,449
Construction in progress	216,025	153,599	(70,866)	-	298,758
Total capital assets, not being	**237,510**	**153,664**	**(70,967)**	**-**	**320,207**
Capital assets, being depreciated:					
Buildings	279,667	14,466	-	-	294,133
Improvements other than buildings	1,253,773	49,489	-	6,733	1,309,995
Machinery, equipment and other assets	193,063	9,321	(973)	-	201,411
Total capital assets being depreciated	**1,726,503**	**73,276**	**(973)**	**6,733**	**1,805,539**
Less accumulated depreciation for:					
Buildings	(113,863)	(6,727)	-	-	(120,590)
Improvements other than buildings	(371,054)	(24,355)	-	-	(395,409)
Machinery, equipment and other assets	(144,203)	(10,005)	963	-	(153,245)
Total accumulated depreciation	**(629,120)**	**(41,087)**	**963**	**-**	**(669,244)**
Total capital assets, being depreciated,	**1,097,383**	**32,189**	**(10)**	**6,733**	**1,136,295**
Water and Sewer Utility capital assets,	**$ 1,334,893**	**$ 185,853**	**$ (70,977)**	**$ 6,733**	**$ 1,456,502**

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 Financials Statements located in the Financial Section of this publication. The Wichita Retirement Systems also issue a publicly available Annual Comprehensive Financial Report that includes financial statements and required supplementary information for WERS. The financial report may be obtained online at: www.wichita.gov/Finance/Pages/Pension.aspx.

The Utilities are required to contribute at an actuarially determined rate for WERS. The rate for 2022 and 2021 was 12.9% and 13.9% of annual covered payroll, respectively. In 2022, the net pension liability changed to a net pension asset. The Utilities reported a net pension asset of $3,352,550 and a net pension liability of $2,523,771 as of December 31, 2022 and 2021, respectively. The Utilities have also recorded their proportionate share of the related deferred inflows and outflows of resources to the pension. See Note 7 - Retirement Funds of the Notes to the Financial Statements located in the Financial Section of this publication for more information.

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 of the Notes to the Financial Statements located in the Financial Section of this publication for more information.

As of December 31, 2022 and 2021, the Utilities reported a total OPEB liability of $2,987,765 and $4,156,517, respectively, 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 health and 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 subsection of this report on page F-11 of this publication.

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7. LONG-TERM DEBT

A. LONG-TERM OBLIGATIONS

Changes in the long-term obligations of the Water and Sewer Utility for the combined Utilities for the year ended December 31, 2022 are summarized in the following table:

Long-Term Obligations Activity
For the Year Ended December 31, 2022
(dollars in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	$ 99,640	$ -	$ (5,950)	$ 93,690	$ 6,250
Unamortized premium	7,497	-	(604)	6,893	-
Revenue bonds	428,000	-	(33,275)	394,725	34,620
Unamortized premium	33,537	-	(2,570)	30,967	-
Direct borrowing and placement:					
Revenue bonds*	29,921	112,580	-	142,501	-
Total bonds payable	**598,595**	**112,580**	**(42,399)**	**668,776**	**40,870**
Direct borrowing and placement:					
Loans payable**	24,955	68,758	-	93,713	-
Compensated absences	1,004	860	(997)	867	669
Net pension liability***	2,524	-	(2,524)	-	-
Total OPEB liability	4,157	359	(1,528)	2,988	-
Total long-term liabilities	**$ 631,235**	**$ 182,557**	**$ (47,448)**	**$ 766,344**	**$ 41,539**

* *Water Infrastructure Finance and Innovation Act (WIFIA) bonds.*

** *Kansas Public Water Supply Loan Fund (KPWSLF) loan.*

****Net Pension Liability went to a Net Pension Asset in 2022, see Note 7 in the Financial Section for more information.*

B. GENERAL OBLIGATION BONDS

General obligation bonds are issued by the City of Wichita 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 combined Utilities had the following general obligation bond outstanding as of December 31, 2022.

General Obligation Bonds
Outstanding on December 31, 2022
(dollars in thousands)

Outstanding issue	Interest Rate	Dated Date	Final Maturity Date	Amount Outstanding
Series 811	3.00% - 5.00%	10/01/2014	2034	$ 93,690
Total Water & Sewer Utility General Obligation				**$ 93,690**

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Annual debt service requirements to maturity for the combined Utilities general obligation bonds are as follows:

Annual Debt Service Requirements General Obligation Bonds (dollars in thousands)		
Year Ending December 31,	Principal	Interest
2023	$ 6,250	$ 3,358
2024	6,560	3,038
2025	6,890	2,702
2026	7,235	2,421
2027	7,450	2,201
2028 – 2032	40,825	7,290
2033 – 2034	18,480	699
Totals	**$ 93,690**	**$ 21,709**

C. 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. The combined Utilities had the following revenue bonds outstanding at December 31, 2022.

Revenue Bonds Outstanding on December 31, 2022 (dollars in thousands)				
Outstanding issue	Interest Rate	Issued Date	Final Maturity Date	Amount Outstanding
2014A Water & Sewer Refunding	3.00% - 5.00%	8/1/2014	2030	$ 15,625
2014B Water & Sewer	2.50% - 5.00%	12/1/2014	2034	8,770
2015B Water & Sewer Refunding	2.38% - 5.00%	4/1/2015	2031	20,735
2015C Water & Sewer	2.50% - 5.00%	11/1/2015	2035	16,970
2015D Water & Sewer Refunding	2.50% - 5.00%	11/1/2015	2032	15,535
2016A Water & Sewer	3.00% - 5.00%	8/1/2016	2036	18,375
2016B Water & Sewer Refunding	3.00% - 5.00%	8/1/2016	2039	77,455
2017A Water & Sewer	3.00% - 5.00%	6/1/2017	2037	53,705
2017B Water & Sewer Refunding	3.00% - 5.00%	12/1/2017	2030	15,075
2019A Water & Sewer	3.00% - 5.00%	3/1/2019	2039	39,740
2019B Water & Sewer Refunding	3.00%	12/1/2019	2030	39,140
2020A Water & Sewer	3.00%	5/1/2020	2039	29,555
2020C Water & Sewer Refunding	2.00% - 3.50%	10/1/2020	2032	8,895
2021A Water & Sewer	2.00% - 4.00%	6/1/2021	2040	35,150
Total Water and Sewer Utilities revenue bonds				**$ 394,725**
From Direct Borrowings and Placements:				
2020B (WIFIA) Taxable Water &	1.17%	10/1/2021	2059	$ 142,501
Total Water Utility WIFIA revenue bonds				**$ 142,501**

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Annual debt service requirements to maturity for the combined Utilities revenue bonds are as follows:

Annual Debt Service Requirements Revenue Bonds (dollars in thousands)				
	Revenue Bonds		Direct Borrowing and Placement Revenue Bonds	
Year Ending December 31,	Principal	Interest	Principal	Interest
2023	$ 34,620	$ 13,756	$ -	$ -
2024	30,495	12,319	-	-
2025	31,980	10,992	-	-
2026	31,280	9,684	-	-
2027	31,075	8,479	-	-
2028 – 2032	134,140	27,025	16,714	6,840
2033 – 2037	80,795	9,715	22,017	7,427
2038 – 2042	20,340	919	23,335	6,108
2043 – 2047	-	-	24,732	4,711
2048 – 2052	-	-	26,214	3,229
2053 – 2057	-	-	27,783	1,660
2058 – 2059	-	-	11,574	204
Total debt service	**$ 394,725**	**$ 92,889**	**$ 152,369**	**$ 30,179**
	Less: interest rolled into principal*		(9,868)	
		Total	**$142,501**	

* Estimated interest rolled into principal during construction phase. See Note 7E on the following page.

D. LONG-TERM LOANS

The Water Utility has entered into two long-term loans, where income derived from the acquired or constructed assets is pledged to pay debt service. The table below presents the long-term loans outstanding as of December 31, 2022.

Long-term Loans Outstanding on December 31, 2022 (dollars in thousands)				
Outstanding issue	Interest Rate	Issued Date	Final Maturity Date	Amount Outstanding
From Direct Borrowings and Placements:				
2020 KPWSLF Loan*	1.48%	6/22/2020	2045	$ 55,000
2022 KPWSLF Loan*	1.34%	3/1/2022	2045	38,713
Total Water Utility long-term loan				**$ 93,713**

* Kansas Public Water Supply Loan Fund (KPWSLF) loan. See Note 7E on the following page for further details.

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Debt service requirements to maturity for the long-term loans outstanding is presented in the table below.

Annual Debt Service Requirements Long-term Loans (dollars in thousands)		
Year ending December 31,	Business-type Activities	
	Principal	Interest
2023	$ -	$ -
2024	-	-
2025	2,063	675
2026	4,169	1,306
2027	4,228	1,247
2028 – 2032	22,064	5,313
2033 – 2037	23,682	3,694
2038 – 2042	25,420	1,957
2043 – 2045	13,401	287
Totals	**$ 95,027**	**$ 14,479**
Less: interest rolled into principal*	(1,314)	
Total	**$ 93,713**	

*Estimated interest rolled into principal during construction phase. See Note 7E below for further details.

E. DIRECT BORROWINGS AND PLACEMENTS: BONDS AND LONG-TERM LOANS

***Water Infrastructure Finance and Innovation Act (WIFIA) Bond*:** 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 United States Environmental Protection Agency (EPA), a direct borrowing/placement, to fund part of the City's new Northwest Water Treatment Facility (NWWTF) Project, which is expected to cost approximately $550 million. The WIFIA Bond 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 was accrued until the City made its first drawdown of funds from the WIFIA Bond. No interest will be due during construction until after the substantial completion date of the project and such interest accrued will be rolled into the WIFIA credit balance up to a maximum principal amount of $331,000,000. As of December 31, 2022, the City has an outstanding balance of $142,501,162, which includes $1,364,835 of interest rolled into the balance. The City has projected an additional $9,867,788 of interest would be rolled into the bond principal, based upon the principal balance outstanding as of yearend, before any debt service payments begin.

Kansas Public Water Supply Loan Fund (KPWSLF or Revolving Fund): On June 22, 2020, the City entered into the first of several direct borrowing loan agreements with the Kansas Department of Health and Environment (KDHE) to fund part of the City's new Northwest Water Treatment Facility (NWWTF) Project, which is expected to cost approximately $550 million. The first KPWSLF loan is not to exceed $55,000,000 and carries an interest rate of 1.48%. The City has drawn all available funds from the first loan with KDHE and on March 1, 2022, entered into the second of several direct borrowing loan agreements with KDHE for an amount not to exceed $60,000,000 with an interest rate of 1.34%. These loans are subject to the availability of KDHE's State and Federal funds and proceeds from KDFA (Kansas Development Finance Authority) Bonds. No principal payments are due until the earlier of August 1, 2025 or one year after Project completion. The City may not prepay the outstanding principal of the loan, except as may be consented in writing by KDHE in advance of such prepayment. As of December 31, 2022, the City has fully drawn down the 2020 KPWSLF Loan with an outstanding principal balance of $55,000,000. The 2022 KPWSLF Loan, as of December 31, 2022, has a principal balance of $38,712,523, which includes $888,363 of interest rolled into that balance. The City has projected an additional $1,314,364 of interest would be rolled into the bond principal of the second loan, based upon the principal balance outstanding as of yearend, before any debt service payments begin.

For additional information about these direct borrowings and placements, please see Note 10F – Direct Borrowings and Placements: Bonds and Long-Term Loans in the Notes to the Financial Statements in the Financial Section of this publication.

F. 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, 2022 and 2021, unrestricted cash available in accordance with the revenue requirements of the bond covenants was $145,678,258 and $34,957,372, respectively.

Water and Sewer Utility Restricted Cash		
	2022	2021
Principal and interest	$ 16,898,183	$ 16,839,488
Bond reserve	13,755,674	15,166,724
Depreciation and replacement	19,352,210	16,292,876
Payment to the City	810,771	728,177
Improvements	135,165,630	162,491,234
Public Safety Fees	625,938	577,589
Unspent bond proceeds	-	-
Total restricted cash	**$ 186,608,406**	**$ 212,096,090**

At December 31, 2022 and 2021, the City was in compliance with the reserve requirements of the respective Water and Sewer Utility revenue bond covenants. Significant requirements are listed below.

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

Principal and interest: Principal and interest, an equal prorated portion of the next annual principal payment and semi-annual interest payment of various revenue bond series on the first day of each month, which is sufficient to meet the maturing bond and interest requirements.

Bond reserve: A sum equal to 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.

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8. LEASES

The Sewer Utility and the Airport Authority entered into a 50-year lease for land, for which the Sewer Utility prepaid the net present value of the entire lease to the Airport Authority. Lease and interest expense for the 50-year lease will be recognized annually over the term of the lease. The Sewer Utility's prepaid lease is recognized as *prepaid items* in the *Statement of Net Position* and will be recognized as expense per the schedule below.

Year Ending December 31,	Prepaid Lease Expense
2023	$ 29,961
2024	28,810
2025	27,702
2026	26,636
2027	25,612
2028 – 2032	119,736
2033 – 2037	103,317
2038 – 2042	89,150
2043 – 2047	76,945
2048 – 2052	66,396
2053 – 2057	57,295
Total	**$ 651,560**

9. SEGMENT INFORMATION

The Utility maintains separate funds for water and sewer services. Segment information for the year ended December 31, 2022 is located in the Financial Section of this publication.

10. SUBSEQUENT EVENTS

See Note 23 – Subsequent Events in the Notes to the Financial Statements in the Financial Section in this publication for information regarding the Utilities debt issued or drawn down subsequent to December 31, 2022, but before the date of this report.

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NET REVENUES AVAILABLE FOR DEBT SERVICE AND CAPITAL EXPENDITURES MADE FROM OPERATING REVENUES (UNAUDITED)

For the year ended December 31, 2022

	Water Utility	Sewer Utility	Combined
GROSS EARNINGS			
Charges for services and sales	$ 126,164,734	$ 75,654,056	$ 201,818,790
Capital contributions - cash	160,470	321,969	482,439
Bond premium amortization	1,582,034	935,954	2,517,988
Other revenues	-	344,713	344,713
Gain on capital assets	49,515	-	49,515
Interest and investment earnings	50,839	42,747	93,586
Total gross earnings	128,007,592	77,299,439	205,307,031
OPERATIONS AND MAINTENANCE EXPENSES			
Personnel services	10,404,593	11,022,088	21,426,681
Contractual services	17,194,343	10,108,058	27,302,401
Materials and supplies	6,290,281	4,755,258	11,045,539
Other operating expenses	778,739	92,600	871,339
Administrative charges	732,261	439,780	1,172,041
Total operations and maintenance	35,400,217	26,417,784	61,818,001
Net revenues available for debt service	$ 92,607,375	$ 50,881,655	$ 143,489,030
BONDED DEBT SERVICE	$ 35,434,670	$ 22,242,603	$ 57,677,273
DEBT SERVICE COVERAGE RATIO	2.61	2.29	2.49
RECONCILIATION OF GROSS EARNINGS TO OPERATING REVENUES			
Gross earnings	$ 128,007,592	$ 77,299,439	$ 205,307,031
Less: capital contributions - cash	(160,470)	(321,969)	(482,439)
Less: bond premium amortization	(1,582,034)	(935,954)	(2,517,988)
Less: gain on capital assets	(49,515)	-	(49,515)
Less: interest and investment earnings	(50,839)	(42,747)	(93,586)
Operating revenues	$ 126,164,734	$ 75,998,769	$ 202,163,503
CAPITAL EXPENDITURES FROM OPERATING REVENUES	$ 5,219,196	$ 1,482,579	$ 6,701,775

PROPERTY INSURANCE

As of December 31, 2022

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: $250,000; 2% TIV; Wind and Hail: $500,000	01-22 to 01-23
Zurich	*Comprehensive coverage for steam boilers, air conditioners, and electric motors on a repair or replacement cost basis.	Per occurrence - $250,000	01-22 to 01-23

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

WATER UTILITY STATISTICS BY CUSTOMER CLASS (UNAUDITED)

For year ended December 31, 2022

(with comparative totals for the year ended December 31, 2021)

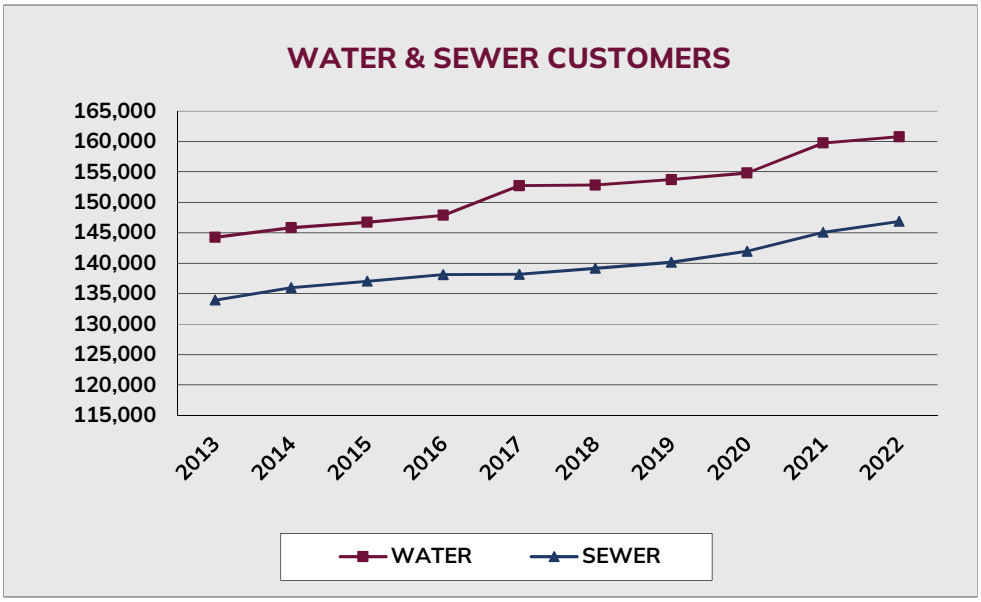
Customer Class	Number of Customers 2022	Number of Customers 2021	Water Revenues 2022	Water Revenues 2021	Water Consumed (Thousands of Gallons) 2022	Water Consumed (Thousands of Gallons) 2021
Residential	142,248	141,054	$ 72,329,924	$ 63,483,702	8,375	7,830
Commercial / Industrial	13,333	13,509	$35,781,047	31,528,707	6,376	5,760
Wholesale	14	16	$8,036,075	6,653,677	1,832	1,572
Lawn Services	3,070	3,193	N/A	N/A	N/A	N/A
Fire Protection	1,835	1,689	$1,047,434	928,109	N/A	N/A
Contract	267	268	$1,592,863	1,049,895	218	154
Backflow Charges	N/A	N/A	$280,463	285,291	N/A	N/A
Other Sales	N/A	N/A	$520,863	458,892	26	23
Estimated Leaks	N/A	N/A	N/A	N/A	23	35
Water Utility Uses	31	32	N/A	N/A	269	221
Unaccounted for Water	N/A	N/A	N/A	N/A	2,065	2,622
	160,798	159,761	$ 119,588,669	$ 104,388,273	19,184	18,217

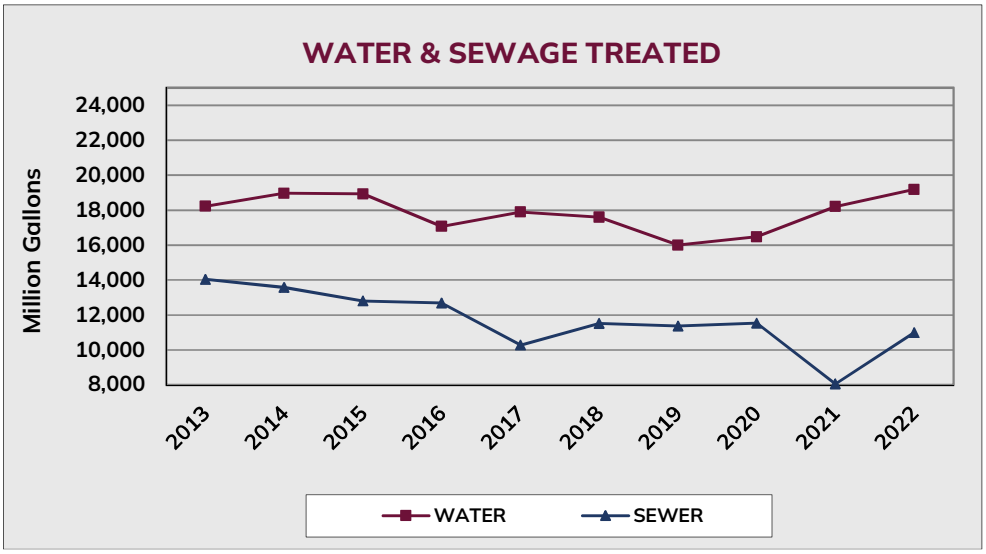
SEWER UTILITY STATISTICS BY CUSTOMER CLASS (UNAUDITED)

Customer Class	Number of Customers 2022	Number of Customers 2021	Sewer Revenues 2022	Sewer Revenues 2021
Residential	134,213	132,466	$ 40,897,193	$ 39,010,217
Commercial	11,871	11,801	27,801,169	26,763,758
Industrial	7	7	5,925,200	2,501,779
Institutional	759	784	1,206,177	1,075,728
Wholesale	3	1	364,460	367,518
Extra Strength	24	16	3,577,322	2,010,697
	146,877	145,075	$ 79,771,521	$ 71,729,697

WATER AND SEWER CUSTOMERS: 2013 - 2022 (UNAUDITED)

For year ended December 31, 2022
(with comparative totals for the year ended December 31, 2021)





REPORT IN BRIEF

	2022	2021	Change
Number of Water Customers	160,798	159,761	0.65%
Number of Sewer Customers	146,877	145,075	1.24%
Miles of Water Line	2,415	2,413	0.08%
Miles of Sanitary Sewer Line	2,105	2,096	0.43%
Water Produced (Million Gallons)	19,184	18,217	5.31%
Wastewater Treated (Million Gallons)	10,998	10,605	3.71%
Cost of Treated, Pressurized Water per 1000 gal.	$ 1.52	$ 1.16	31.43%
Cost of Treated Wastewater per 1000 gal.	$ 1.87	$ 1.41	32.41%

WATER AND SEWER UTILITY RATES

For year ended December 31, 2022

Meter Size (inches)	Water		Sewer	
	Inside City	Outside City and Wholesale	Inside City	Outside City
5/8	$ 17.47	$ 27.98	$ 10.73	$ 17.21
3/4	17.47	27.98	10.73	17.21
1	17.47	27.98	10.73	17.21
1.5	22.73	36.35	17.34	27.75
2	28.93	46.31	25.96	41.38
3	48.70	77.96	75.05	120.08
4	64.69	103.56	95.46	152.72
6	97.95	156.80	180.56	288.90
8	130.94	209.62	257.35	411.72
10	167.53	268.22	396.89	635.02
12	232.63	372.40	579.27	926.83
16	-	842.36	-	-

Customers of the Utility are billed monthly with rates structured to encourage water conservation. The rates provided in the table above are those in effect on January 1, 2022.

The average monthly residential water and sewer bill in 2022 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 $80.70, excluding applicable fees.

VOLUME CHARGE RATES

Volume Charges	Inside City	Outside City	Wholesale
Water:			
< 110% of AWC*	$ 2.78	$ 4.45	$ 3.21
111% - 310% of AWC*	9.71	15.54	16.68
>310% of AWC*	14.20	22.73	24.98
Sewer	4.23	6.77	3.35

*Average Winter Consumption (AWC)

Rates for volume charges in 2022 per 1,000 gallons are in the table above.

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