2025 Annual Comprehensive Financial Report



Groundbreaking for the Wichita Biomedical Campus

Wichita Biomedical Campus Rendering

Fiscal Year Ended December 31, 2025

Building a Thriving Economy

CITY OF WICHITA KANSAS

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, 2025

City Council

Lily Wu, Mayor
Dalton Glasscock, Vice Mayor (IV)
Joseph Shepard, Council Member (I)
Becky Tuttle, Council Member (II)
Mike Hoheisel, Council Member (III)
J.V. Johnston, Council Member (V)
Maggie Ballard, Council Member (VI)

City Manager

Dennis E. Marstall, City Manager

Department of Finance

Mark L. 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, 2025

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Introductory Section



Wichita Flag and the Keeper of the Plains

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



Keeper of the Plains on the Arkansas River

Introductory Section

Our Vision

The City of Wichita is a leading-edge organization serving a dynamic 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**

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

June 26, 2026

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, 2025. 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; its discretely presented component unit, Wichita RAD Senior LP; and its fiduciary component unit, Wichita Retirement Systems.

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, 2025. 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 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 REPORT

This Annual Comprehensive Financial Report (Annual Report) includes all funds of the City and the City's component units. In addition to the financial audit, the single audit includes a schedule of expenditures of federal awards, and the independent auditor's reports on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The Annual Report is presented in six sections:

- The **Introductory Section** includes this Transmittal Letter, the City's certificate of achievement, organizational chart, and its principal officials.
- The **Financial Section** includes the Independent Auditor's Report; Management's Discussion and Analysis (MD&A); the basic financial statements; and required supplementary information. The basic financial statements include the following:
  - Government-wide financial statements comprised of the Statement of Net Position and the Statement of Activities, which includes the City's discretely presented component unit, Wichita RAD Senior LP;
  - Financial statements for governmental funds;
  - Reconciliations of the governmental funds' financial statements to governmental activities in the government-wide financial statements;
  - Financial statements for proprietary funds, including statements of cash flows;
  - Financial statements for the City's fiduciary funds;
  - Notes to the financial statements; and
  - Combining financial statements for the City's nonmajor funds in the Governmental Funds, Enterprise Funds, Internal Service Funds, and Fiduciary Funds Sections.
- The **Additional Information Section** includes various supplementary schedules pertaining to long-term debt obligations, combining financial schedules and insurance policies in force.
- The **Statistical Section** includes selected financial and demographic information, on a multi-year basis.
- The **Single Audit Section** includes the Independent Auditor's Reports and 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.
- The **Water Utilities Section** includes schedules and exhibits that fulfill the requirements of the Water and Sewer Utility revenue bond covenants.

CITY PROFILE

With a population of 397,945[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 1.2 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.

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

[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 population estimates, excluding the Oklahoma populations located within the 100-mile radius.*

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 the City's district map on the previous page). 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. See page xvii in this Section for a listing of the Council Members and City Manager.

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; municipal court; inspections; public transportation; airports; water, sewer and stormwater utilities; planning and zoning; cemetery maintenance; internal support services and general administration.

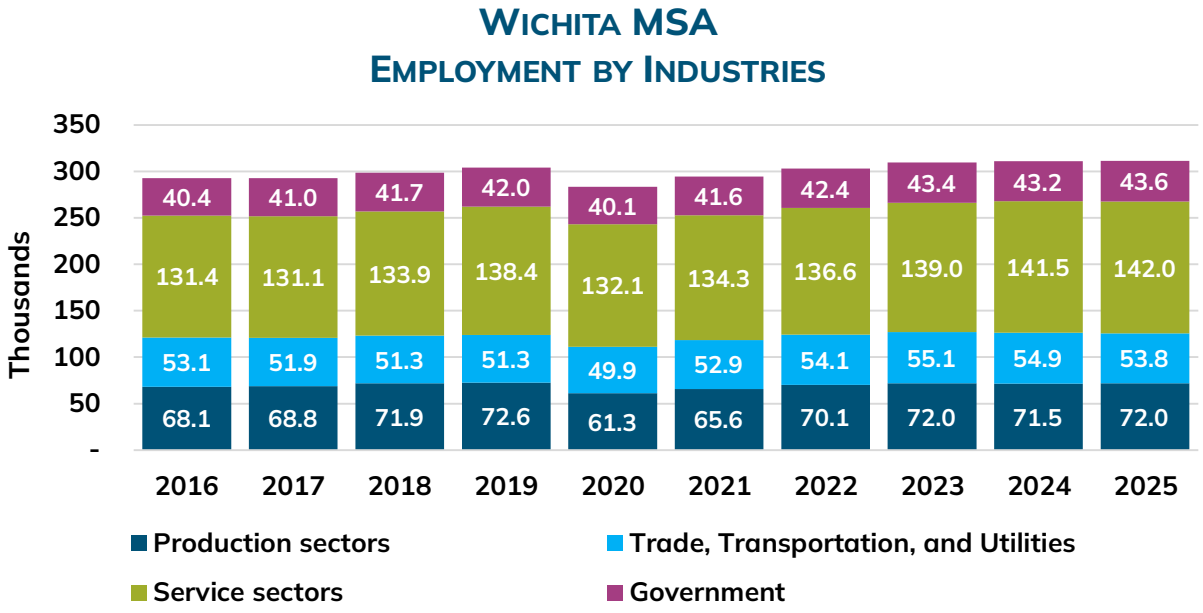
THE LOCAL ECONOMY[3]

LABOR MARKETS

The local economy includes several industries, and represents a convergence of advanced manufacturing, a highly skilled workforce, and global aerospace leadership. The aerospace sector is an important component of the local economy; as are agriculture, energy, healthcare and IT systems support. The population of Wichita is diverse and growing, as is the labor pool.

The Wichita Metropolitan Statistical Area (MSA) has a diverse economic base, producing a wide variety of products and services. Approximately 45.6% of Wichita's employment is in service-providing industries; 23.1% is in goods-producing industries; 17.3% is in trade, transportation and utilities; and 14.0% is in government. Service industries include the following sectors: information, financial activities, professional and business, private education and healthcare, leisure and hospitality, and other service industries. Goods-producing industries include natural resources and mining and goods manufacturing.

According to the Quarterly Census of Employment and Wages, the Wichita area is home to approximately 17,900 business establishments, with more than 95% of those employing fewer than 100 workers. Annual average employment increased slightly over the prior year.



[3] *Information in this section is largely provided by the CEDBR, Frank Barton School of Business, Wichita State University, and taken from the Bureau of Labor Statistics, Quarterly Census of Employment and Wages reports as of December.*

Goods Producing: Wichita's ***manufacturing sector*** continues to be anchored by its world-renowned aerospace industry, which comprises over 50% of the metro's total manufacturing employment. Wichita remains home to major aircraft producers including ***Textron Aviation*** and ***Bombardier***.

In a significant milestone for the local aerospace industry, ***Boeing*** completed its acquisition of Spirit AeroSystems on December 8, 2025. Approximately 20 years after the original spinoff, the deal, valued at $4.7 billion with an enterprise value of $8.3 billion including assumed debt, reintegrates Spirit's commercial and aftermarket operations, including those in Wichita, back into Boeing. Approximately 15,000 employees across the affected sites are now part of Boeing.[4] The reacquisition is expected to bring long-term stability and production growth to Wichita's aerospace sector. On May 11, 2026, Boeing announced that the plane manufacturer will invest $1 billion in its Wichita, Kansas facilities over the next three years.[5] Additionally, ***Boeing*** and ***Wichita State University Campus of Applied Sciences and Technology (WSU Tech)*** announced on May 8, 2026, their partnership on the new Boeing Workforce Training Center, a new facility, approximately 35,000-square-foot, to develop and sustain a highly-skilled aerospace workforce in Wichita through classroom instruction and hands-on training in a production environment.[6] The training center is expected to be open by the end of 2026, with the initial program starting spring 2027.



Boeing's 737 Max Family. (Photo Credit: Flight Pavilion Studios/ Boeing)

On April 27, 2026, ***Bell Textron Inc.***, a division of Textron, opened its facility for the assembly of the MV-75 Cheyenne fuselage. This 140,000-square-foot facility is projected to employ 300 people and will be an integral part of the supply chain for the next generation of military aircraft.[7]

For non-aerospace, in December 2025, ***Fagron Sterile Services*** announced a $39 million expansion to support additional capacity for sterile medication lines, supporting 40 jobs.[8]

Service Producing: Overall, Wichita's service producing industries increased slightly over the prior year, with some sectors contracting and others expanding.

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[4] *Boeing Completes $8.3B Spirit AeroSystems Acquisition Manufacturing Dive, December 9, 2025* https://www.manufacturingdive.com/news/boeing-completes-83b-spirit-aerosystems-acquisition/807298/

[5] *Boeing Plans $1B Investment in Kansas Facilities, May 13, 2026* https://www.manufacturingdive.com/news/boeing-1b-wichita-state-university-kansas-facilities-iam-daniel-lussier/819994/

[6] *Boeing Partners with WSU Tech on New Workforce Training Center in Wichita, May 8, 2026* https://wsutech.edu/news/boeing-partners-with-wsu-tech-on-new-workforce-training-center-in-wichita/#

[7] *Bell opens Wichita Assembly Center in east Wichita, Kake News, April 27, 2026* https://www.kake.com/home/bell-opens-wichita-assembly-center-in-east-wichita/article_50ddf8c5-93ac-4062-8eac-605343415dd4.html

[8] *Pharmaceutical Company Plans 40 New Jobs with $39M Expansion, Seeks Incentives, Wichita Business Journal, December 12, 2025* https://www.bizjournals.com/wichita/news/2025/12/12/fagron-sterile-services-pharmaceutical-seeks-bonds.html

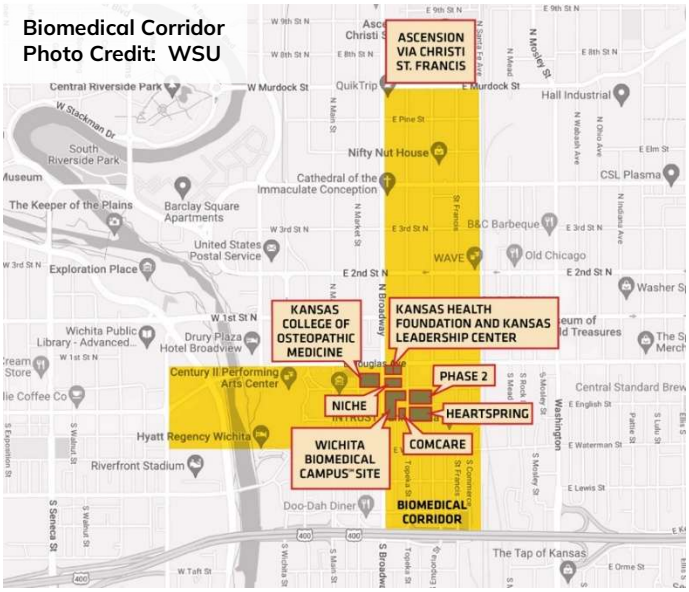
Professional and business services, traditionally one of Wichita's fastest growing sectors, continued to experience modest contraction. However, the long-term outlook remains positive with major employers like ***Koch Industries*** and ***Cargill***, as well as increasing demand for highly skilled business.

The ***private education and health services*** sector is the single largest sector in the Wichita economy and is forecasted to keep growing in the future. Key institutions driving this sector include ***Wichita State University***, which enrolled a record 18,458 students on its main campus in the fall of 2025, alongside ***WSU Tech***, ***Friends University***, ***Newman University*** and the ***University of Kansas School of Medicine***. ***Wichita Public Schools (USD 259)***, the largest school district in Kansas, serves more than 46,000 students across more than 85 schools, ensuring a continued pipeline of future workers into the region's education and healthcare economy.[9]

"The ***Wichita Biomedical Campus*** is a transformative $300 million healthcare corridor in downtown Wichita, Kansas. A joint venture between Wichita State University (WSU) and University of Kansas School of Medicine (KUSM), the 471,000-square-foot facilities will serve as a premier hub for high-tech medical education, research, and clinical training. By centralizing nursing, public health and biomedical engineering programs, the campus is designed to address the regional healthcare worker shortage while fueling economic growth and innovation in the heart of the Midwest."[10] The first phase accounts for $222 million of the total cost, with a 355,000-square-foot eight-story facility that is expected to open in spring 2027 that will house approximately 3,000 students and 200 faculty and staff.



Rendering of Phase I of Wichita Biomedical Campus
Photo Credit: Wichita State University (WSU)



Biomedical Corridor
Photo Credit: WSU

In August 2025, WSU announced the naming of the Ascension Via Christi – WSU School of Nursing, reflecting a decades-long partnership between the university and one of the state's leading healthcare providers. The naming of the school recognizes an investment from Via Christi in support of the Wichita Biomedical Campus.[11]

In August 2025, WSU and ***Fort Hays State University*** (FHSU) announced a partnership on a feasibility study to explore the creation of Kansas' first dental school. The study, to be completed by fall 2026, will evaluate the scope, scale and structure of a potential dental school. If found feasible, the proposed dental school would be part of Phase II of the Wichita Biomedical Campus.[12]

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[9] *Board of Education passed the 25-26 budget with 87% directly supporting students*
https://www.usd259.org/all-news/details/~board/wps-news-news-room-10650/post/board-of-education-passed-the-25-26-budget-with-87-directly-supporting-students
2025-2026 Budget At-A-Glance for Wichita Public Schools
https://resources.finalsite.net/images/v1762540179/usd259org/ohg2awbkfknmycxzysmo/FY26BudgetAtAGlance.pdf

[10] *Wichita Biomedical Campus https://www.wichita.edu/academics/wichita_biomedical_campus/*

[11] *Ascension Via Christi names School of Nursing at WSU; August 28, 2025*
https://www.wichita.edu/about/wsunews/news/2025/08-aug/AVCnursing_3.php

[12] *WSU Board of Trustees approves feasibility study for dental school in partnership with FHSU*
https://www.wichita.edu/about/wsunews/news/2025/08-aug/dental_2.php

Additionally, in March 2026, ***Heartspring*** announced plans for a new $25 million construction project. This construction will serve as a complement to the ***Wichita Biomedical Campus*** within the downtown corridor and will be home to the new Center for Pediatric Neurodevelopment.[13] Heartspring currently contributes $26 million to $36 million annually to the Kansas economy and employs more than 400 Kansans. Post-expansion, that economic impact is projected to grow to $44 million to $54 million annually.[14]



Rendering of Heartspring's new facility
Photo Credit: Helix Architecture & Design

Another important employer in this sector is the ***Phillips Fundamental Learning Center (PFLC)***, which opened its new 37,800-square-foot custom-built facility in fall of 2023. PFLC houses the Andeel Teacher Literacy Institute and operates the Rolph Literacy Academy for children in need of dedicated reading instruction.

Downtown Wichita is not the only area with improvements. In March 2026, ***Via Christi*** broke ground on Ascension Via Christi West ER, a free standing emergency department on the city's growing west side. The new 11,250-square-foot facility will be located on the northwest corner of West Kellogg and 119th Street and is expected to open to the public in 2027. Approximately 40 physicians and associates will staff the new emergency department, which is expected to service 10,000 patients annually.[15]

Wesley Medical Center began an approximately two-year $65 million construction project to replace its public parking at Central Ave and Hillside Street with a new and larger structure. The parking garage will offer 1,359 parking spaces, plus 20 motorcycle-specific parking spaces, an increase of 466 parking spaces. The project also includes the addition of a beautiful new atrium lobby and main hospital entrance that will provide easy access from both the parking garage and from its main entrance.[16]


WSU's NIAR HAMR
Photo Credit: Annelise Muret, WSU

In June 2026, ***WSU's National Institute for Aviation Research (NIAR)*** officially opened its new Hub for ***Advanced Manufacturing and Research (HAMR)***, a 170,000-square-foot facility. Located on WSU's Innovation Campus, HAMR unites applied research, emerging technologies, advanced materials, digital engineering, precision machining and smart automation under one roof – expanding NIAR's legacy as a global leader of innovation and workforce development.[17]

Also, at NIAR in 2026, Hexcel Corporation - a global leader in advanced composites technology - is expanding its long-standing partnership with WSU NIAR by establishing a ***Hexcel Application Center*** inside NIAR's Advanced Technologies Lab for Aerospace (ATLAS). The new center will serve as a hub for advanced composite materials

[13] *Heartspring Announces Plans for $25 million New Facility in Downtown Wichita, Nomer, Roger, March 26, 2026* https://www.kmuw.org/local-news/2026-03-26/heartspring-announces-plans-for-25-million-new-facility-in-downtown-wichita

[14] *Heartspring Unveils Rendering for Kansas' First Standalone Center for Pediatric Neurodevelopment, March 24, 2026* https://www.heartspring.org/resource/heartspring-unveils-rendering-for-kansas-first-standalone-center-for-pediatric-neurodevelopment-integrating-multi-clinic-outpatient-care-applied-research-and-clinical-training/

[15] *Via Christi Breaks Ground on New Facility to Expand Emergency Care in West Wichita, Ascension, March 26, 2026* https://about.ascension.org/news/2026/03/via-christi-breaks-ground-on-new-facility-to-expand-emergency-care-in-west-wichita

[16] *Wesley Medical Center to begin construction of $65 million parking garage, KWCH, December 31, 2025* https://www.kwch.com/2025/12/31/wesley-medical-center-begin-construction-65-million-parking-garage/

[17] *NIAR opens Hub for Advanced Manufacturing and Research at Wichita State* https://www.wichita.edu/about/wsunews/news/2026/06-jun/hamr_opening_3.php

development, manufacturing innovation and workforce training. Hexcel is contributing nearly $10 million in advanced manufacturing equipment and technology to support the effort. The collaboration is aimed at accelerating innovation and applied learning in composite materials used in commercial aviation, defense and space.[18]

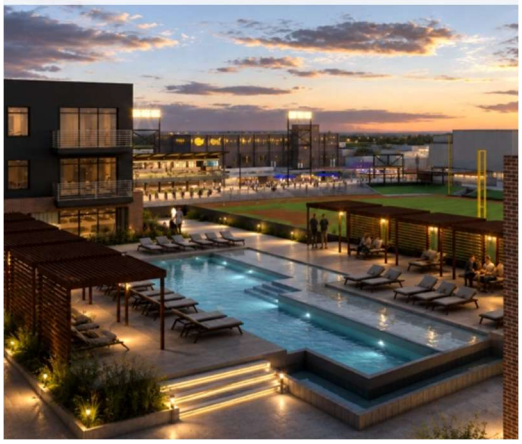
WSU also opened its new ATF Forensic Crime Intelligence Laboratory on its Innovation Campus in May 2026, expanding the University's role in applied learning and national public safety efforts. The lab, a partnership with the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), will process gun crime evidence, including firearms, bullets and cartridge casings and contribute data to the National Integrated Ballistic Information Network (NIBIN), which helps investigators link firearms to crimes.[19]

WSU's ATF Forensic Crime Intelligence Laboratory
Photo Credit: Marcus Wright, WSU



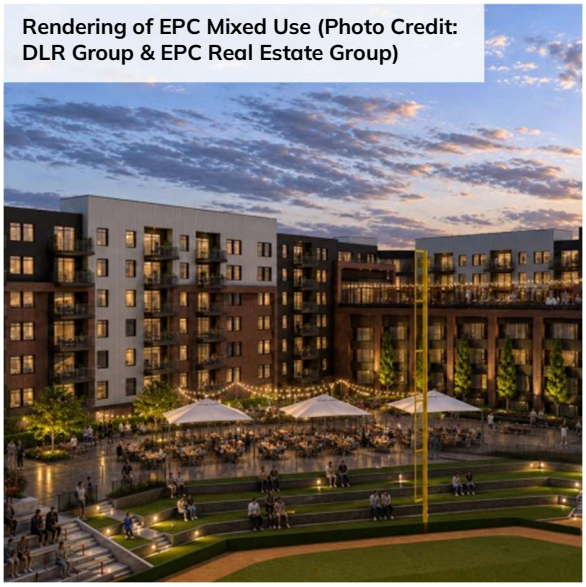
The ***leisure and hospitality sector*** in the Wichita MSA increased 2.2% over the prior year and is expected to continue to grow in the future. The ***Equity Bank Park*** stadium continues to serve as a valuable amenity to the Wichita community. In May 2026, the stadium hosted Banana Ball, selling out the stadium for a series of three games over a weekend.[20] The exhibition featured the Banana Ball Championship League's Loco Beach Coconuts playing against the Firefighters. Designed to eliminate downtime and keep crowds engaged, Banana Ball has a two-hour time limit, with no walks or bunts, and where a fan catching a foul ball counts as an out.

Rendering of EPC Hotel (Photo Credit: DLR Group & EPC Real Estate Group)



In addition, ***EPC Real Estate Group*** announced an update on its $110 million mixed-use project (apartments, retail and a hotel) in April 2026. The 160-room hotel will be a boutique hotel from Marriott's Tribute portfolio, situated between Equity Bank Park and the Arkansas River. The hotel will have a riverfront bar and a rooftop cocktail lounge with a light food menu, complete with skyline and ballpark views. The multi-family piece will wrap around the south and east edge of the ballpark across McLean from the hotel. It will have 192 rentals, three retail spaces across 10,000 square feet, and a parking garage with a rooftop pool overlooking the ballpark. The project is anticipated to be completed in the second quarter of 2028.[21]

Rendering of EPC Mixed Use (Photo Credit: DLR Group & EPC Real Estate Group)



[18] *Hexcel expands partnership with Wichita State's NIAR through new application center* https://www.wichita.edu/about/wsunews/news/2025/06-jun/hexcel_3.php

[19] *Wichita State, ATF mark opening of forensic crime gun intelligence laboratory* https://www.wichita.edu/about/wsunews/news/2026/05-may/ATFribboncutting_3.php

[20] *'Bringing the fun': Families Go Bananas at Sold-Out Banana Ball Game in Wichita. KSN News. May 7, 2026* https://www.ksn.com/top-stories/bringing-the-fun-families-go-bananas-at-sold%E2%80%91out-banana-ball-game-in-wichita/

[21] *Developer gives preview of Marriott Hotel at Wichita Ballpark District, Wichita Business Journal, April 29, 2026* https://www.bizjournals.com/wichita/news/2026/04/29/epc-ballpark-district-marriott-hotel-renderings.html

In March 2026, the City Council approved an expansion of the Sales Tax and Revenue Bond (STAR) district for the K-96 and Greenwich corridor with STAR bonds not to exceed $79.5 million. This 60-acre project, ***Ignite at K-96***, includes (1) a major multisport athletic complex featuring NCAA-grade tennis and immersive entertainment venues including synthetic ice skating, surfing, interactive baseball, mini-golf and go-kart racing; (2) WSU's future Tennis Center, with 12 outdoor courts and a 40,000-square-foot indoor facility, positioning Wichita to host major NCAA tournaments; and (3) a new resort hotel with chef-inspired dining, upscale amenities, and proximity to major sports and entertainment venues. The estimated cost of the project is $191.7 million with estimated completion in 2027. [22]



Rendering of new expansion at K-96
Photo Credit: CR Holland Real Estate

Exploration Place, the City's local science museum, opened their Adventure Playscape in March 2026. The playground includes 10 individual Kansas-themed playgrounds, a massive cascading water feature, an elevated outdoor concession stand and lots of towering playground equipment that will let kids imagine they are flying an airplane, driving a combine, blasting off in a rocket ship, or rolling down one of the Flint Hills on a foggy day. This $25 million, 6.5 acre outdoor playground is expected to be a regional attraction and elevate the current visitor base.[23]


Textron Aviation Flight Adventure
Photo Credit: Exploration Place


Foggy Flint Hills Playscape
Photo Credit: Exploration Place


Music Venue Rendering
Photo Credit: Movement Musik

Movement Musik, a Chase Koch non-profit, has announced plans to rehabilitate the Shirkmere Apartments in downtown Wichita and build a 3,000 person capacity music venue. The Shirkmere Apartments will include about 100 residential units, with 40 apartments exclusively dedicated to affordable housing – "making downtown living accessible for a variety of people such as graduate students, hospitality workers, first responders and artists." Construction has not started, but Movement Musik expects the Shirkmere Apartments to open in the second half of 2027, and the music venue to open in 2029.[24]


Shirkmere Apartments Rendering
Photo Credit: Movement Musik

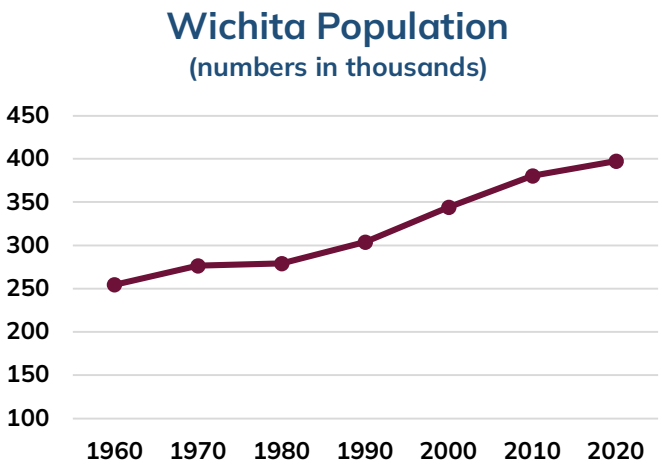
[22] *Ignite at K-96 Wichita, KS https://crholland.com/featured-project/ignite-at-k-96/*

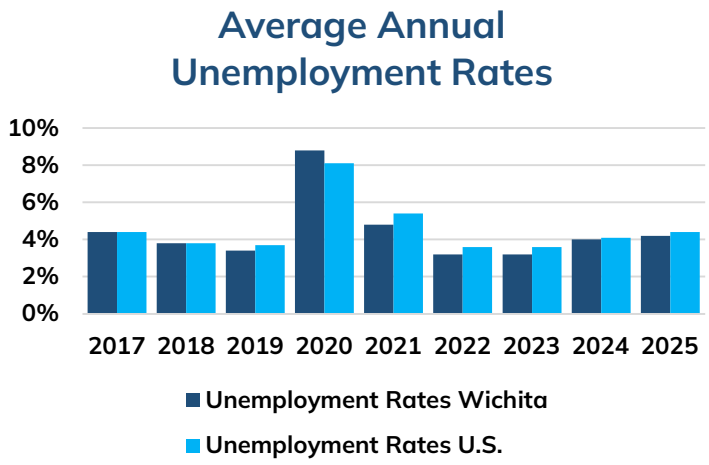
[23] *Exploration Place's $25 million playscape opens on Friday. What you need to know. The Wichita Eagle, March 9, 2026 https://www.kansas.com/news/local/article314928515.html*

[24] *Chase Koch-founded nonprofit plans downtown Wichita revitalization with apartment renovation, music venue; KWCH; April 21, 2026 Chase Koch-founded nonprofit plans downtown Wichita revitalization with apartment renovation, music venue*

POPULATION

Wichita has a steadily growing population, of almost 400,000 residents, with the MSA population of approximately 663,800. The population is expected to continue to grow modestly, with CEDBR's Population Forecast estimating Sedgwick County will grow 25.8% from 2022 to 2072. Unemployment has remained low in Wichita, usually slightly lower than the overall rate in the United States. Since the pandemic influenced peak in unemployment in April 2020, the rate has declined significantly, to 4.2% in 2025.





THE ANNUAL BUDGET PROCESS, FINANCIAL POLICIES AND FINANCIAL PLANNING

The City develops the budget each year based on a defined process, consistent with State statute. In addition, the City has well defined policies that guide financial management. This includes the Reserve Policy, the Debt Policy, and the Investment Policy. The City also produces quarterly financial reports and this Annual Report.

THE BUDGET PROCESS

The budget process is impacted by Kansas statutes, organizational policies, accounting standards and budgeting practices. 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. In addition, a Projected Budget is prepared, which is the year following the Adopted Budget.

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 a strategic plan established by the City Council. This plan is centered around five pillars: Keep Wichita Safe; Be a Well-run City; Create Conditions for Living Well; Build and Maintain Dependable Infrastructure; and Grow our Economy. Based on these foundational pillars, the City Council has approved a robust plan with defined goals and strategies to achieve those goals. Budget allocations are aligned towards those strategies, with outcome measures designed to show progress towards the goals.

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 fund for which an appropriated annual budget has been certified with the State of Kansas or approved by the City Council. For the General Fund, this comparison is presented on page A-37 as part of the basic financial statements, as well as a more detailed presentation beginning on page B-16. For funds (other than the General Fund) with appropriated annual budgets, these

comparisons are presented in the Governmental Funds, Enterprise Funds, and Internal Service Funds Sections of this report beginning on pages B-20, C-8, and D-12, respectively.

RESERVE BALANCE POLICIES

Reserve policies are established through several different ways. For the General Fund, the Stabilization Reserve Subfund, and the Pension Reserve Subfund, a reserve policy (City Council Policy 40), was approved on August 22, 2023. Policy 40 sets the minimum balance for the General Fund at 15% of the subsequent year's expenditures. Additionally, the reserve level for the Stabilization Reserve is set at 3% of General Fund expenditures, and the Pension Reserve at 2.5% of General Fund expenditures. Other reserves, particularly for the Water and Sewer Utility Funds, as well as the Local Sales Tax Construction Pledge Fund, are dictated by bond covenants.

Reserve requirements and the parameters for other funds are included in the annual budget. Generally, the target balance for other funds is 10% of expenditures. Higher reserve balances for other funds are typically due to City code requirements, bond covenants, liquidity needs or volatile/seasonal revenues.

REVENUE CASH MANAGEMENT

The City considers market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees and charges. The City directs its efforts to maintain a diversified and stable revenue framework to mitigate fluctuations in any one revenue source and the City follows an aggressive revenue collection policy. Where possible, the City establishes user charges and fees at a level related to the full cost (operating, direct, indirect and capital) of providing the service. The City reviews fees/charges regularly and designs and modifies revenue systems to include provisions that automatically allow charges to grow at a rate that keeps pace with the cost of providing services.

INVESTMENT POLICY

The Pooled Funds Investment Policy is annually approved by the City Council and is then submitted to the State of Kansas Pooled Money Investment Board (PMIB) for approval. It was most recently approved in November 2025. The policy specifies the primary objectives for the City's investment portfolio, in order of priority, are safety of principal, liquidity and earnings. Available investment options, diversification parameters, collateralization requirements and internal controls are also addressed in the policy.

DEBT MANAGEMENT POLICIES

The procedure for issuance of debt is outlined in City Council Policy 29. All bonds, except for refundings or advance refundings, are required to be sold competitively. The City confines long-term borrowing to capital improvements. In anticipation of bonding, the City uses short-term debt in the form of temporary notes. Revenue bonds are issued when practical for City enterprises to reduce the amount of the City's general obligation (G.O.) debt; particularly for debt issued by the Water Utility and Sewer Utility. The City uses special assessment general obligation debt to fund special benefit district improvements consistent with existing policies.

The City maintains an aggressive schedule for retirement of existing debt: 10 years for most city-at-large debt and 15 years for special assessment debt, with 20-year debt used in some cases. The Capital Improvement Program Administrative Regulation (A.R.) 2.8 outlines debt guidelines, including 10-year to 15-year G.O. debt; 10-year to 15-year double-barreled bonds for local sales tax financed projects; and up to 20-year revenue bonds for Sewer and Water Utility and Airport projects. The City also issues up to 40-year revenue bonds and loans for certain large infrastructure projects.

LONG-TERM FINANCIAL PLANNING

To facilitate long-term financial planning, a six-year Financial Plan is developed annually in conjunction with the annual budget. The primary purpose of the Financial Plan is to identify potential issues as early as possible and to address those challenges in a thoughtful and pragmatic manner. The City's two taxing funds (the General Fund and Debt Service Fund) are presented in far more detail than the other funds. However, each of the City's other funds are also examined to provide a broad overview of circumstances, issues and trends impacting revenues and expenditures. This analysis begins with the consideration of relevant legal conditions that influence revenues and expenditures. Major one-time and ongoing shifts in revenues, expenditures and fund balances are then reviewed to develop context for understanding the current and projected status of each fund. Finally, strategies are frequently recommended to improve or maintain the status of each fund.

THE CITY BUSINESS PLAN

The City's Annual Budget is strategically based around the City's mission and foundational pillars. Based on those pillars, a strategic plan has been approved outlining specific goals within each pillar. To achieve these goals, strategies have been developed. These strategies then drive tactics developed by departments, which are funded through the budget process. The progress made in achieving goals is measured by meaningful outcomes (Key Performance Indicators).

City Council Pillars

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

The City's strategic plan, coupled with resident engagement, facilitates the annual budget process. The City has a very robust engagement effort, involving residents through a variety of in-person and online channels to collect feedback. This process, including an online Budget Simulator, and an annual citizen survey, encourages feedback on the importance of selected areas of the City Budget.

STRATEGIC HIGHLIGHTS

The City's Annual Budget is based on the City's strategic plan. A discussion of the strategic plan, including current accomplishments, is included below:

KEEPING WICHITA SAFE

The City seeks opportunities for crime prevention partnerships through awareness and engagement; addresses the underlying causes of crime through programs focused on economic, housing and education outcomes; reduces risk by timely responses; and partners with other public entities to develop crime prevention strategies. The City continues to leverage predictive analytics software to evaluate Fire Department equipment, staffing and station needs to support data-driven deployment decisions. The Capital Improvement Plan (CIP) also includes funding for new fire stations based on data-driven decisions.

The ***Wichita Police Department (WPD)*** operates a Skydio based drone program in field operations and had one ***Skydio Drone First Responder (DFR) Hive*** located at Lincoln and Broadway. In December 2025, the ***QuikTrip Corporation*** committed to donating approximately $654,000 to the City so that the WPD could purchase a new DFR Hive that would be installed on top of the QuikTrip store at 1010 East Douglas. This DFR Hive was installed in April 2026. WPD's use of drones has demonstrated that unmanned aircraft can reach scenes far faster than ground units, providing real-time aerial intelligence that improves officer safety and decision-making. Increasing drone coverage means more rapid verification of 911 calls, quicker detection of emergencies, and faster assistance during critical incidents such as missing-person searches, traffic collisions, or large public events.



Patrol West Station Groundbreaking

The City broke ground on its new $11.2 million ***Patrol West Police Station*** in February 2026. The new location will be at 8165 W13th North, the northeast corner of Northwest High School. The City previously opened its new Patrol East Police Station in July 2024. These new facilities represent significant investments in Wichita's public safety and the future of our community.

WELL RUN CITY

The City uses financial best practices and resources efficiently in its operations; uses evidence-based best practices and a performance management framework; strengthens communications with internal and external stakeholders; and continues to expand the use of technology for services prioritized by stakeholders.

The City is launching an initiative to centralize financial services for the organization. This effort is aligned with best practices and will significantly enhance the efficiency of administrative functions. In addition, efforts to enhance cost recovery of city services based on a defined model will be pursued.

GROWING OUR ECONOMY

The City will target public support to encourage private capital investment and expanded job opportunities; invest in cultural, artistic and entertainment experiences that provide positive economic impacts; and encourage an abundant and affordable range of safe housing options. See 'The Local Economy' previously in this letter for discussion of non-City investments.

The Hub (Multi-Modal Facility): The City opened ***The Hub*** on June 6, 2026. Wichita residents and visitors can walk, bike, scooter, drive or take a bus to this facility and use Uber/Lyft drop-off areas. The facility provides access to Equity Bank Park and allows visitors another opportunity other than parking in pedestrian areas in the surrounding neighborhood. The center sits on a 1.5 acre square block and serves as the new terminal and transit hub for City buses and shuttles. It replaces the former terminal that operated in downtown Wichita at Topeka and William.


The Hub (Multi-modal Center) in Delano

Tax Abatements: The City of Wichita 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 City has three major programs: the Industrial Revenue Bonds (IRBs) Program, the Economic Development Exemptions (EDX) Program and the Community Improvement Districts (CID) Program. For more information about the City's incentive programs, see Note 21 to the financial statements.

BUILDING DEPENDABLE INFRASTRUCTURE

The City addresses deferred maintenance, as well as building sustainable assets for the future; prioritizes water resiliency; improves street conditions, accessibility, efficiency and safety; and invests in public safety infrastructure to enhance response times.

Several significant freeway improvements will enhance the transportation infrastructure in Wichita. The City is partnering with the Kansas Department of Transportation (KDOT) and Sedgwick County to improve the north junction, where two interstates and two state highways intersect. This $50 million project supplements other work completed recently at this junction. In addition, the City, County and KDOT are partnering to improve the K-96 freeway in northeast Wichita. The project will increase capacity and enhance safety. Construction is anticipated to begin as soon as 2027. Finally, two miles of the US 400 freeway on East Kellogg will be improved to a six-lane freeway. Construction is expected though 2027.

Biological Nutrient Removal Project: The City is progressing on a 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 sewage treatment facilities and some expansion to a lift station. Design work began in 2021 and construction started in 2023 with completion expected by the end of 2027. The project is included in the City's Capital Improvement Program (CIP) with an estimated project cost of approximately $390 million. The Sewer Utility entered into a WIFIA credit agreement to fund up to $191.5 million of the project and has entered into two SRF loans with KDHE, not to exceed $64 million at 2.13% and $65 million at 2.91%, with one additional loan anticipated. The total loans for the Project are not to exceed $185 million. See Note 10.G for further details.

PROVIDING CONDITIONS FOR LIVING WELL

The City cultivates safe neighborhoods, parks and public spaces; enhances cultural and recreational opportunities; improves literacy; and supports wrap-around services for those experiencing or at-risk of homelessness. The City manages and maintains 122 public parks spread across approximately 5,000 acres of park land and 2,500 acres of right-of-way. The system recently completed a $24 million Aquatics Master Plan project, upgrading swimming pools and splash pads. A Park and Recreation Master Planning process is currently underway, which is expected to guide future investment.

The ***Carl G Brewer Community Events Center*** reopened in December 2025. This modern 24,000 square foot community center represents an investment of over $10 million. The center provides areas for technology and educational services; opportunities for health and fitness, including three basketball courts; and space for community events. The Center is located in McAdams Park, an area in which the City has partnered with League 42 to enhance ball diamonds used for summer baseball activities. League 42 is named in honor of Jackie Robinson and serves children from age 5 to 14.


Renovated Rockwell Branch Library

The City maintains a network of ***Branch Libraries***. These facilities complement the $33 million Advanced Learning Library in downtown Wichita that opened in 2018. In recent years, the City has invested over $10.5 million in General Obligation bonds and ARPA funding for renovations to four branch libraries: Westlink, Alford, Rockwell and Angelou. This investment was supplemented by a generous pledge from the Wichita Public Library Foundation.

Affordable Housing*:** In 2022, following the allocation of HOME American Rescue Plan (HOME-ARP) funds intended to support homelessness assistance and related supportive services, the City of Wichita initiated a year-long community engagement and planning effort to assess and address challenges within the local homeless services system. This process included a community survey, three public meetings, and participation from twenty-four organizations. The planning effort identified key needs and service gaps and concluded that the City would benefit from establishing a centralized ***Multi-Agency Center, ran by the nonprofit Second Light, for homeless services. The envisioned center would provide access to information and services, congregate and non-congregate shelter options, and housing for individuals experiencing homelessness. Co-location of providers brings various support services for homeless individuals to access services in one place, reducing barriers, streamlining the support process, and diminishing the likelihood of current homeless individuals needing future services. Additionally, co-location allows for a more integrated approach to addressing the complex needs of individuals experiencing homelessness, as providers can work together to create enduring and personalized holistic solutions. It was further determined that $5.5 million in HOME-ARP funds should be dedicated to the development of this center.


Second Light Facility (Multi-Agency Center)

In 2024, the City of Wichita acquired Park Elementary School from Wichita Public Schools and committed $2.8 million in State and Local Fiscal Recovery (SLFRF) and local funds for renovations and operations of an emergency winter shelter at the site. The City subsequently allocated an additional $6.4 million in SLFRF funds to fully renovate the facility into the Multi-Agency Center and committed another $5 million to support operations through September 30, 2026.

In 2025, the City further dedicated $10 million in Public Housing sales proceeds toward constructing a new 75-unit apartment complex on the Multi-Agency Center campus, providing 25 units of non-congregate emergency shelter and 50 units of subsidized housing. Construction of the apartment complex commenced in May 2026.



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, 2024, which represents the 52nd 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, 2024. The 2024 award represents the City's 16th 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, 2024, representing the 26th 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 38th consecutive year, the City earned the GFOA's Distinguished Budget Presentation Award for its 2026 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,

Dennis E. Marstall, City Manager

Mark L. Manning, Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

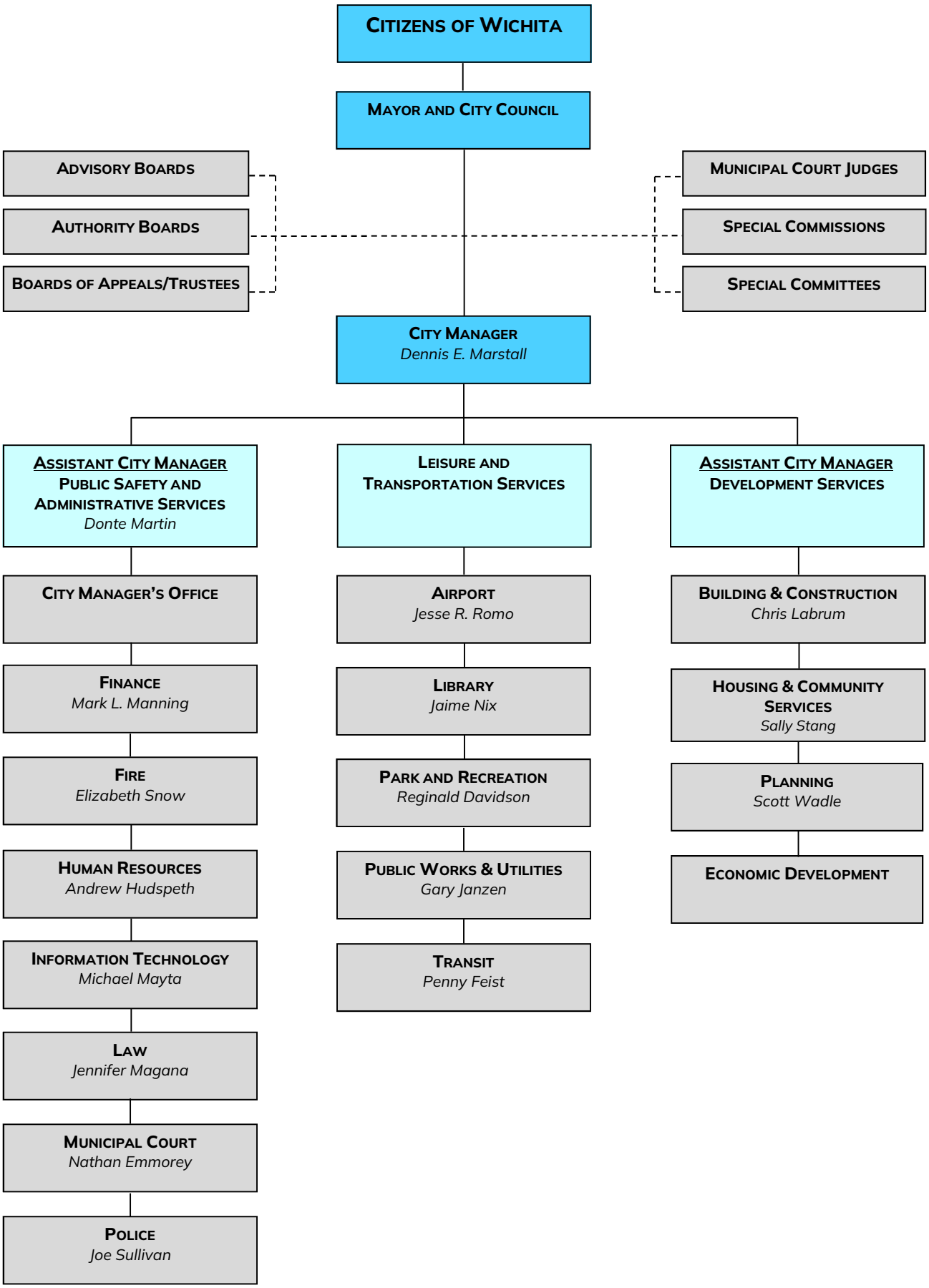
City of Wichita
Kansas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO



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

CITY COUNCIL MEMBERS AND CITY MANAGER[1]


Lily Wu
Mayor


Becky Tuttle
District 2


Dalton Glasscock
District 4
Vice Mayor


Maggie Ballard
District 6


Joseph Shepard
District 1


Mike Hoheisel
District 3


J.V. Johnston
District 5


Dennis E. Marstall
City Manager

The City Council members can be contacted at (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 the City's YouTube channel at 9:00 AM on Tuesdays. Previously recorded meetings can also be viewed upon demand on the City's YouTube channel. City Council meetings can also be viewed LIVE or archived video may also be viewed via the internet at the following link: https://www.wichita.gov/599/City-Council .

CITY OFFICES[1]

City Manager	(316) 268-4351	Dennis E. Marstall, City Manager
Assistant City Manager	(316) 268-4351	Donte Martin, Assistant City Manager
Assistant City Manager	(316) 268-4351	Vacant
Airport	(316) 946-4700	Jesse R. Romo, Director
Finance	(316) 268-4444	Mark L. Manning, Director
Fire	(316) 268-4451	Elizabeth Snow, Fire Chief
Housing and Community Services	(316) 462-3795	Sally Stang, Director
Human Resources	(316) 268-4531	Andrew Hudspeth, 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	Jaime 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	Reginald Davidson, 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	Penny Feist, 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



McAdams Park Basketball Courts

The Financial Section presents financial information about the City. 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



Advanced Learning Library

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 aggregate 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, 2025, 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 the 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 issuance 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 schedules of changes in the 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 combing and individual fund financial statements and schedules, budgetary comparison 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 combing and individual fund financial statements and schedules, budgetary comparison schedules, additional information section, water utilities section, schedule of expenditures of federal awards, and the 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 basic 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 25, 2026, 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, 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

Minneapolis, Minnesota
June 25, 2026

This management's discussion and analysis provides an overview of the City's financial activities and performance for the fiscal year ended December 31, 2025. It is presented in conjunction with the transmittal letter in the Introductory Section of this report and the City of Wichita's financial statements, which follow this analysis. **Please see pages A11-A12 for comparative charts supporting the financial highlights below.**

FINANCIAL HIGHLIGHTS

STATEMENT OF NET POSITION

- The City's **net position** increased $151.7 million during 2025, with a $83.1 million increase in governmental activities and a $68.6 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.

City's Net Position

$3,110.1M FY 2025 Up $151.7M over FY 2024

- **Capital assets** represented a significant portion of the City's assets at approximately 75 % of the City's total assets for 2025, as compared to 74.2% for 2024. The City's capital assets increased $258.7 million or 6.8%, with $179.7 million of that increase in business-type activities.
- The most notable fluctuations in the City's **current and other assets** for 2025 were as follows:

(1) **Receivables** grew $34.2 million or 7.4% over 2024, with an increase of $25.8 million in governmental activities and an increase of $8.4 million in business-type activities.

Property tax and special assessments receivables accounted for 94.1% of the receivables in governmental activities as of December 31, 2025, and grew $12.2 million (7.5%) and $12.5 million (6.2%), respectively. The growth in property taxes was primarily attributable to strong growth in the City's property tax base, as assessed valuation for the 2025 levy grew 8.6% to $5.43 billion. Special assessment revenues, and receivables, will vary based on the levels of activity resulting in special assessments being levied, primarily for neighborhood improvements, and the timing of those collections.



City's Assets

$5,402.5M FY 2025 Up $294.2M over FY 2024

The Airport Authority and Transit programs accounted for $7.5 million of the increase in business-type activities receivables. The Airport Authority's (1) lease receivables increased $2.2 million or 5.4% mostly from a new agreement with a current tenant and an amendment with a different tenant as construction of a building on Airport property was materially completed (See Note 12 for information on leases) and (2) an increase of $2.8 million in due from other agencies for federal funding on capital projects. Transit's receivables increased $2.5 million as a result of the timing of federal receipts from its operating and capital grants.


Downtown Wichita

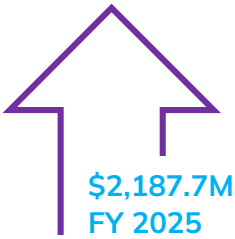
- The City's **deferred outflows of resources** decreased $26.4 million or 14.2% from the prior year. Deferred outflows related to pensions contributed $24.1 million of the decrease, primarily from market fluctuations in the City's pension plan investments. The difference between actual investment activity experienced versus the projection in its previous actuarial valuation is deferred and amortized over five years. Further details can be found in Note 7 – Retirement Funds.

$159.7M FY 2025 Down $26.4M from FY 2024

City's Deferred Outflows of Resources

- The City's **total liabilities** as of December 31, 2025 increased $84.7 million or 4% from the prior year. The City has analyzed these changes in two segments below: other liabilities and non-current liabilities.

City's Liabilities



$2,187.7M FY 2025

Up $84.7M from FY 2024

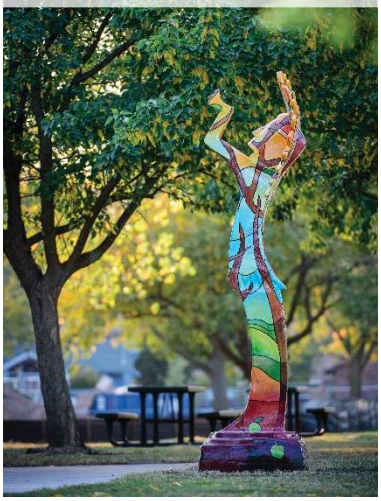
- The most notable changes in the City's **other liabilities** were as follows.

  (1) **Temporary notes payable** increased $14.1 million or 17.4% over the prior year. Temporary note balances will fluctuate depending on the number of in-progress projects that have not yet been permanently financed.

  (2) **Unearned revenue** decreased $25.3 million or 70.8% from 2024, almost entirely in governmental activities, as the City's ARPA projects continue to progress, with several additional projects being completed in 2025. For further information on the City's ARPA projects, please visit https://www.wichita.gov/311/American-Rescue-Plan-Act-ARPA-Funding.

- The most significant changes in **non-current liabilities, including claims payable**, are discussed below. Also, further information about the City's long-term liabilities can be found in Note 10 – Long-term Obligations.

Keeper of the Plains at Orchard Park



(1) The City issues debt to finance completed capital projects, so that the cost of the asset is spread over several years. **General obligation (G.O.) bonds, including premiums,** declined $15.7 million from 2024, with governmental activities and business-type activities decreasing $2.6 million and $13.1 million, respectively. Governmental activities decreased as more G.O. bonds were paid off ($37.2 million) than issued ($34.6 million). Business-type activities decreased as no new G.O. bonds were issued in 2025, and the Water Utility, Airport Authority and Stormwater Utility paid the 2025 required debt service.

(2) Business-type activities issue **revenue bonds** to finance capital projects, so that the cost of the asset is spread over several years. These bonds are backed by the revenues of the Water and Sewer Utilities (Utilities). Revenue bonds of the Utilities increased $61.9 million over the prior year, as more revenue bonds (specifically WIFIA) were added ($97.6 million) as compared to revenue bonds paid off ($35.7 million).

(3) **Loans payable**, by the Water and Sewer Utilities (business-type activities), increased $66.5 million over the prior year as additional loan proceeds were drawn, with majority for the Sewer Utility's BNR capital project.

(4) The City's **net pension liability** of $208.9 million as of December 31, 2025 decreased $23.1 million from the prior year, primarily because of income from the City's pension trust fund investments. Investment markets have experienced an unusually high degree of volatility in the last several years, which has caused wide fluctuations in the City's net pension asset (liability). Further details can be found in Note 7 – Retirement Funds and in the Required Supplementary Information (RSI).

- The City's **deferred inflows of resources** increased $31.4 million or 13.4% over 2024, and were deferred inflows related to deferred revenues, leases, pension, OPEB and unamortized refunding costs.

City's Deferred Inflows of Resources



$264.4M in FY 2025

Up $31.4M over FY 2024

  (1) **Deferred revenue** in governmental activities increased $13.6 million or 8.4% and was for property taxes and naming rights. The 2025 property tax levy accounted for $11.3 million of the growth, which is legally restricted for 2026 operations by Kansas statute. See further information in Note 1F. The increase is consistent with the growth in the City's assessed property tax valuation as the City's levy rate is consistent with 2024.

  (2) **Deferred inflows related to pensions** increased $15.4 million or 174.3% from 2024, as the net difference between projected and actual earnings on pension plan investments flipped from a deferred outflow to a deferred inflow as of December 31, 2025. See Note 7 for further information on the City's retirement funds.

STATEMENT OF ACTIVITIES

- The City's **total revenues** grew $32.3 million to $895.6 million, with governmental activities.
- Overall, **governmental activities revenue** in 2025 of $587.1 million increased $34.4 million or 6.2% over the prior year. The major fluctuations are discussed below.
  - (1) **Charges for services** of $49.5 million increased $8 million or 19.3% from the prior year, with gains on the sale of public housing contributing $5.9 million of the increase.
  - (2) **Property tax revenues** increased 9.3% in 2025 with $168.8 million recognized in 2025 versus $154.5 million in 2024. This increase was primarily due to assessed valuation growth of 7.9% for the 2024 levy (recognized in 2025) versus the 2023 levy.
- In 2025, the **business-type activities revenue** of $308.5 million decreased $2.1 million or 0.7% from prior year revenue of $310.6 million, excluding transfers. Two categories experienced significant fluctuations:
  - (1) **Charges for services** increased $8 million or 3% to $279.2 million in 2025. The Airport Authority contributed $2.3 million to this growth, as the Eisenhower Airport had another record-breaking year with more than 1.8 million total passengers. The Sewer Utility's charges for services increased $3.6 million or 4.4% primarily as a result of rate increases of 4.75%.
  - (2) **Capital grants and contributions** decreased $11.2 million or 38.6% to $17.8 million in 2025. The Water Utility program declined $13.4 million due to the recognition of $14.4 million in capital grants in 2024 related to a previously constructed capital asset. This was partially offset by increased capital grants for the Airport Authority (timing of projects).
- The City recognized **total expenses** of $743.9 million, which is an increase of $24.7 million or 3.4% over the prior year's total expenses of $719.2 million, with an increase of $20.7 million and $4 million in governmental activities and business-type activities, respectively.
- The overall cost of **governmental activities** increased $20.7 million or 4.4% to $487.2 million, as compared to $466.5 million in 2024. There were four main reasons for the net increase. (1) The net pension expense increased nearly $10 million over 2024. Further information about the City's net pension liability can be found in Note 7 and in the required supplementary information (RSI) immediately following the notes. (2) Public safety wages and benefits increased $13.7 million or 8% over the prior year, which are based upon the City's union agreements. (3) The governmental activities' portion of the internal service fund costs increased $7.5 million over the prior year. (4) Finally, there were lower costs for non-capitalizable projects in 2025. In 2024, the City paid $7.5 million to the Kansas Department of Transportation (KDOT) for its share of the Wichita North Junction project. The State of Kansas owns and maintains the freeways. There were no similar large non-capital expenses in 2025.
- The cost of **business-type activities** at $256.7 million increased $4 million or 1.6% over the prior year expenses of $252.7 million, primarily from increased in net pension expense of $3.9 million.
- On a budgetary basis, the **General Fund** realized an increase in fund balance of $2 million with a total fund balance of $51.4 million as of December 31, 2025. In accordance with City Council Policy 40, the fund balance was 15% of the 2026 Adopted Budget, excluding appropriated reserves of $34.7 million.







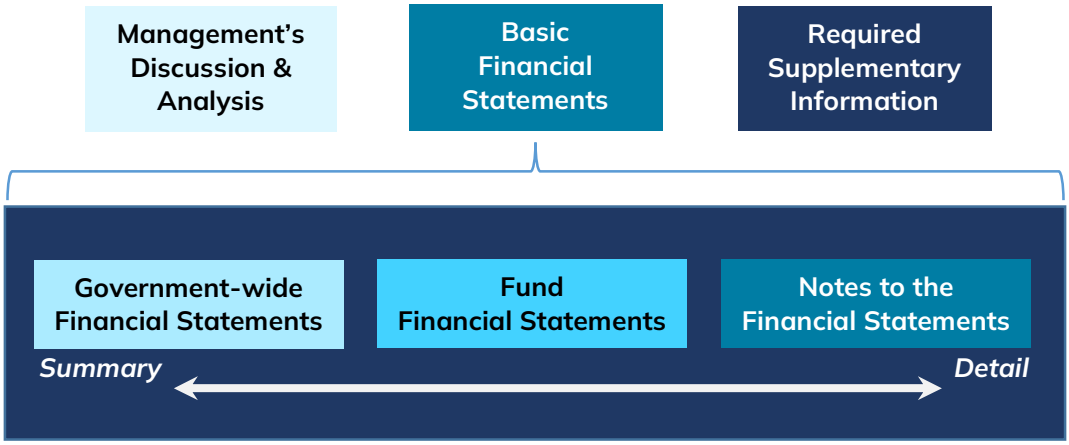
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OVERVIEW OF THE FINANCIAL STATEMENTS

The ***Annual Comprehensive Financial Report*** consists of four major sections: ***Introductory***, ***Financial***, ***Statistical*** and ***Single Audit*** sections. The ***Financial Section*** includes 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 on 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.

COMPONENTS OF THE FINANCIAL SECTION



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 RAD Senior 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 23 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 serve as a useful indicator of whether 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-33 and A-35 to A-36. Key differences include the impact of accounting for capital assets and long-term obligations.

The City maintains 27 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 24 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-37, demonstrating compliance with the appropriated budget at the fund level. 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 detailed budgetary schedule of the General Fund – showing compliance with City Council appropriation - is also provided in the Governmental Funds Section, along with other supplementary budgetary governmental fund schedules. A discussion of the differences between the budgetary basis and the modified accrual or accrual basis of accounting (GAAP) is disclosed in Note 3 – Budgetary Basis of Accounting. A reconciliation from the modified accrual basis (GAAP) fund financial statements to the budgetary statement for the General Fund is also presented in Note 3.

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 been predominately 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 Utility, Sewer Utility, Airport Authority and Stormwater Utility 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, 2025. This section also includes 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 the information in the financial statements, note disclosures and required supplementary information. This 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

NET POSITION OF THE PRIMARY GOVERNMENT

The **net position** of the primary government as of December 31, 2025, which can serve as a useful indicator of a government's financial position over time, showed an increase of $151.7 million or 5.1% over 2024.

As of December 31, 2025, approximately 72.5% of the City's net position consisted of its **net investment in capital assets** (e.g., land, construction in progress, buildings, improvements, equipment, infrastructure, lease assets and subscription assets, 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 2025 of approximately $2.25 billion increased $117.6 million or 5.5% over the prior year, as maintaining and replacing its assets continues to be a priority of the City.

An additional portion of net position represents resources with external restrictions dedicated to specific purposes. The overall **restricted net position** of the City of $752.6 million increased $46 million or 6.5%. The restricted net position of governmental activities, the majority of which was restricted for capital projects and debt service, increased approximately $30.9 million or 8.7%. The business-type activities restricted net position increased $15.1 million or 4.3% and is primarily restricted by Water and Sewer Utility bond covenants. The Water and Sewer Utility's (the "Utility") restricted net position accounted for $352.8 million of the business-type activities restricted net position and increased $13.1 million over 2024 due to transfers into its improvement funds which are restricted for specific uses, including capital asset acquisitions and operations for the Utility. For further information on the Utilities restricted cash, see 7.F in the Notes to the Financial Statements of the Water Utilities section.

The **unrestricted portion of the net position** that may be used for the government's ongoing operations is $103 million, which decreased $11.9 million from the 2024 unrestricted balance of $114.9 million. The unrestricted net position of governmental activities decreased $11.6 million and business-type activities decreased $0.3 million in 2025. While the City's governmental activities net position is in a deficit position, the City has plenty of liquidity with unrestricted cash and investments of $307.4 million and plenty of borrowing capacity, as the City has only used 17.61% of its legal debt limit of $1.78 billion.

NET POSITION OF THE PRIMARY GOVERNMENT

Net Position – Primary Government As of December 31, (dollars in millions)	Governmental Activities		Business-type Activities		Primary Government	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	$ 723.5	$ 709.7	$ 628.9	$ 607.2	$ 1,352.4	$ 1,316.9
Capital assets, net	1,542.6	1,463.6	2,507.5	2,327.8	4,050.1	3,791.4
Total assets	**2,266.1**	**2,173.3**	**3,136.4**	**2,935.0**	**5,402.5**	**5,108.3**
Deferred outflows of resources	**132.1**	**155.8**	**27.6**	**30.3**	**159.7**	**186.1**
Liabilities:						
Non-current liabilities	667.2	691.6	1,315.8	1,201.4	1,983.0	1,893.0
Other liabilities	151.9	168.9	52.8	41.1	204.7	210.0
Total liabilities	**819.1**	**860.5**	**1,368.6**	**1,242.5**	**2,187.7**	**2,103.0**
Deferred inflows of resources	**214.7**	**187.3**	**49.7**	**45.7**	**264.4**	**233.0**
Net position:						
Net investment in capital assets	1,050.9	987.1	1,203.6	1,149.8	2,254.5	2,136.9
Restricted	384.9	354.0	367.7	352.6	752.6	706.6
Unrestricted	(71.4)	(59.8)	174.4	174.7	103.0	114.9
Total net position	**$ 1,364.4**	**$ 1,281.3**	**$ 1,745.7**	**$ 1,677.1**	**$ 3,110.1**	**$ 2,958.4**



Wichita Flag & Keeper of the Plains

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 2025, total revenues and expenses increased by $32.3 million and $24.7 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	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 49.5	$ 41.5	$ 279.2	$ 271.2	$ 328.7	$ 312.7
Operating grants & contributions	85.2	83.5	10.2	9.1	95.4	92.6
Capital grants & contributions	69.3	66.7	17.8	29.0	87.1	95.7
General revenues:						
Property taxes	168.8	154.5	-	-	168.8	154.5
Sales taxes	86.8	83.3	-	-	86.8	83.3
Franchise taxes	56.0	54.6	-	-	56.0	54.6
Motor vehicle taxes	18.9	18.2	-	-	18.9	18.2
Transient guest taxes	9.8	9.8	-	-	9.8	9.8
Investment earnings	40.1	37.8	0.1	0.7	40.2	38.5
Miscellaneous	2.7	2.8	1.2	0.6	3.9	3.4
Total revenues	**587.1**	**552.7**	**308.5**	**310.6**	**895.6**	**863.3**
Expenses:						
General government	71.3	69.1	-	-	71.3	69.1
Public safety	240.6	216.0	-	-	240.6	216.0
Highways & streets	61.1	72.8	-	-	61.1	72.8
Sanitation	6.2	4.2	-	-	6.2	4.2
Health & welfare	38.0	35.2	-	-	38.0	35.2
Culture & recreation	60.1	59.9	-	-	60.1	59.9
Interest on long-term debt	9.9	9.3	-	-	9.9	9.3
Water Utility	-	-	105.2	114.4	105.2	114.4
Sewer Utility	-	-	65.7	56.0	65.7	56.0
Airport Authority	-	-	45.8	45.5	45.8	45.5
Stormwater Utility	-	-	11.1	10.2	11.1	10.2
Golf Course System	-	-	6.2	5.6	6.2	5.6
Transit	-	-	19.9	18.0	19.9	18.0
Landfill	-	-	2.8	3.0	2.8	3.0
Total expenses	**487.2**	**466.5**	**256.7**	**252.7**	**743.9**	**719.2**
Excess before transfers	**99.9**	**86.2**	**51.8**	**57.9**	**151.7**	**144.1**
Transfers	(16.8)	(30.2)	16.8	30.2	-	-
Increase in net position	**83.1**	**56.0**	**68.6**	**88.1**	**151.7**	**144.1**
Net position, beginning of year	**1,281.3**	**1,225.3**	**1,677.1**	**1,589.0**	**2,958.4**	**2,814.3**
Net position, end of year	**$ 1,364.4**	**$ 1,281.3**	**$ 1,745.7**	**$ 1,677.1**	**$ 3,110.1**	**$ 2,958.4**

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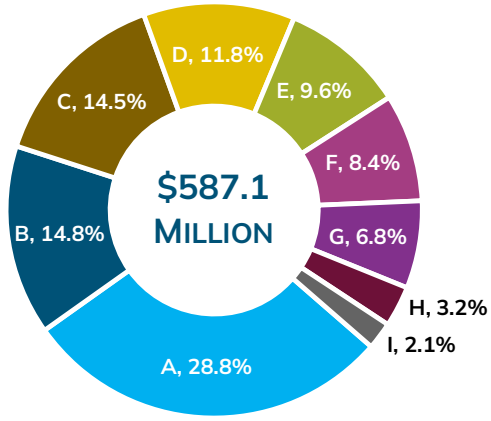
GOVERNMENTAL ACTIVITIES

The **net position** of governmental activities increased $83.1 million or 6.5% in 2025, as compared to an increase of $56 million or 4.6% in 2024.

Revenues: The governmental activities had total revenues of $587.1 million in 2025, an increase of $34.4 million or 6.2% over the prior year. The charts below show the various revenue streams for the City's governmental activities for 2025 and 2024.

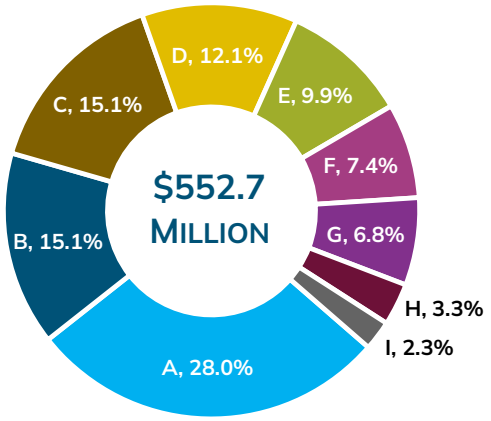
WHERE MONEY COMES FROM

2025 REVENUES



- (A) Property taxes
- (B) Sales taxes
- (C) Operating grants & contributions
- (D) Capital grants & contributions
- (E) Franchise taxes
- (F) Charges for services
- (G) Interest & investment earnings
- (H) Motor vehicle taxes
- (I) Other

2024 REVENUES



- (A) Property taxes
- (B) Sales taxes
- (C) Operating grants & contributions
- (D) Capital grants & contributions
- (E) Franchise taxes
- (F) Charges for services
- (G) Interest & investment earnings
- (H) Motor vehicle taxes
- (I) Other

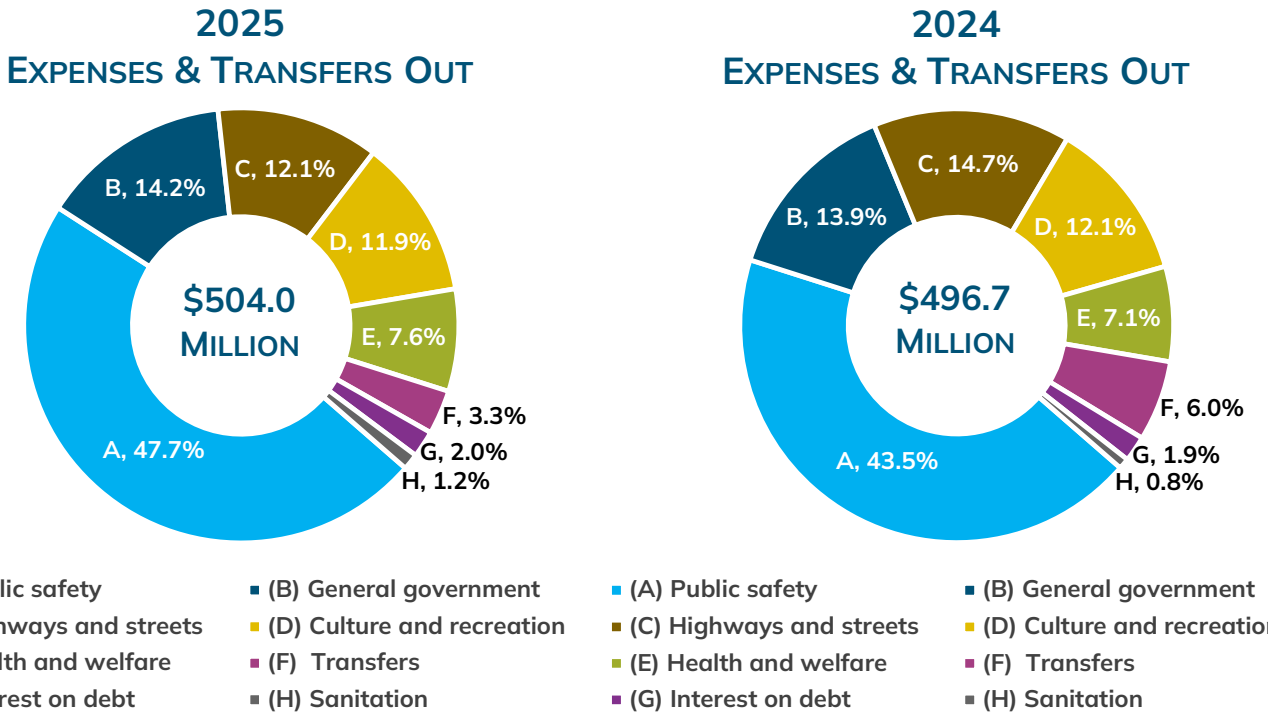
- **(A)** The City's property tax assessed valuation for the 2024 levy (recognized in 2025) increased approximately 7.9% over the 2023 levy (recognized in 2024) and is the primary factor for the growth to a total of $168.8 million in **property tax revenue**. Assessed valuation growth has been strong as the city continues to have a strong housing market with continued development.
- **(B)** **Sales tax revenue** of $86.8 million experienced moderate growth of $3.5 million or 4.2% over the prior year.
- **(C)** **Operating grants and contributions** of $85.2 million continued to be a large source of revenue for the City's governmental activities and were consistent with the prior year, with an increase of $1.7 million or 2%. The general government function revenues increased $2 million, with all other functions decreasing a combined $0.3 million. The $2 million increase was related to additional revenue recognized on the City's American Rescue Plan Act (ARPA) grant, specifically for its $2 million agreement with the Child Advocacy Center of Sedgwick County Kansas, Inc.
- **(D)** In 2025, the City recognized $69.3 million in **capital grants and contributions**, an increase of $2.6 million or 3.9% over the prior year. However, there were significant fluctuations within the **(1)** general government, **(2)** highways & streets, and **(3)** health and welfare functions. **(1)** The general government function increased $11.8 million, largely due to increased federal revenue of $10.2 million over the prior year for the construction of City's 'The Hub' transit center with 425 parking spaces. (2) Highways and streets decreased $6.8 million, chiefly due to fluctuation in special assessment revenue recognize (special assessment revenues will fluctuate year over year depending on the timing and activity levels of new developments in Wichita). **(3)** Health and welfare revenues were $3.9 million less than the prior year. In 2024, the City purchased the old Park Elementary property for less than its value, resulting in capital donation revenue of $4.1 million.

GOVERNMENTAL ACTIVITIES (CONTINUED)

- **(E) Franchise tax revenues** of $56 million, the fifth largest revenue source, grew $1.4 million or 2.6% from the prior year. These revenues are based on agreements between the City and utility providers (i.e. natural gas, electricity, water and sewer, telephone, video and cable television). Franchise tax revenues are affected by several significant factors which impact utility gross revenues, including weather conditions, economic activity, rate setting approvals and the price of natural gas.
- **(F) Charges for services** of $49.5 million, increased $8 million or 19.3% from the prior year. In 2025, the City realized $5.9 million in gains on the sale of public housing, which are restricted for housing purposes. Parking charges for services also increased in 2025 by approximately $0.75 million.
- **(G) Interest and investment earnings** continued to grow as the City's older lower-rate investments matured and were replaced with higher rate investments. In 2025, the City recognized $40.1 million in interest and investment earnings as compared to $37.8 million in the prior year, an increase of $2.3 million or 6.1%.

Governmental activities' **expenses, excluding transfers,** totaled $487.2 million for 2025, an increase of $20.7 million or 4.4% from 2024 expenses, excluding transfers, of $466.5 million. The major functions and fluctuations are discussed below.

WHERE MONEY GOES



- **(A) Public safety** continues to be a priority for the City, representing the largest expense in governmental activities. In 2025, public safety expenses were $240.6 million as compared to $216 million in 2024, an increase of $24.6 million or 11.4% because of several factors. The City's pension expense related to public safety was $9 million in 2025 as compared to $5.6 million in 2024, an increase of $3.4 million. Public safety's allocation of the internal service funds' 2025 net activity was $5 million higher than the 2024 allocation. Finally, police and fire wages increased $13.7 million.
- **(B) General government** expenses were the second largest expense function in 2025 with expenses of $71.3 million, with a modest growth of $2.2 million or 3.2% over 2024 at $69.1 million.

GOVERNMENTAL ACTIVITIES (CONTINUED)

- **(C)** **Highways and streets**, the third largest expense function, totaled $61.1 million in 2025, a decrease of $11.7 million or 16.1%. This decline is attributable to lower costs for non-capitalizable projects, which include street and bridge repairs and construction costs for assets that will be owned and maintained by other governmental entities. In 2024, the City paid $7.5 million to the Kansas Department of Transportation (KDOT) for its share of the Wichita North Junction project (where I-135, I-235, K-254 and K-96 meet in north Wichita). There was no similar large expense in 2025. In 2024, there was also greater loss on the disposal of capital assets of $5 million. These decreases were partially offset by an increased allocation of the internal services funds of $0.4 million and an increased net pension expense of $0.8 million.
- **(D)** In 2025, the City incurred $60.1 million in **culture and recreation** expenses, which was very consistent with the 2024 expenses of $59.9 million.
- **(E)** **Health and welfare** expenses of $38 million increased $2.8 million or 8% from 2024 expenses of $35.2 million. In 2025, expenses for the City's housing grant programs increased $1.7 million, followed by an increase in pension expenses of $0.5 million and an increase in the allocation of the internal service funds net activity of $0.5 million.
- **(H)** **Sanitation** expenses of $6.2 million in 2025 increased $2 million over the prior year expenses of $4.2 million. The largest increase in expenses was because of a smaller decrease in the City's landfill closure and post-closure liability of $1.1 million in 2025, in comparison to a decrease of $2.2 million in 2024, for a net increase of $1.1 million.

(F) **Transfers out** totaled $16.8 million in 2025 and consisted of (1) $4 million in transfers to Transit, with $3.6 million to supplement operations and $0.4 million for capital projects and (2) the remainder to the Utilities for completed capital assets from special assessment funded projects (i.e., neighborhood improvements for water, sewer and stormwater). In 2024, transfers out totaled $30.2 million. The decrease in 2025 from 2024 relates to (1) a one-time $6.7 million transfer to the Golf Course System in 2024, with $1 million for irrigation projects and a $5.7 million release of an interfund loan (non-cash), and (2) there were less completed capital assets from special assessments were transferred to the Utilities in 2025. The amount of special assessment capital assets will vary based on timing and activity.



Aley Pool & Park

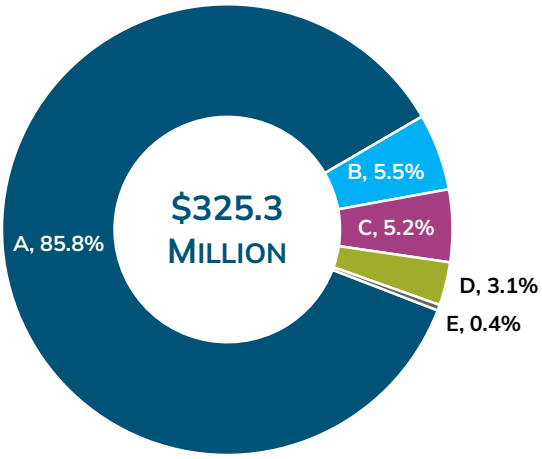
BUSINESS-TYPE ACTIVITIES

The **net position** of business-type activities grew $68.6 million in 2025. The greatest increase in net position resulted from (1) activities in the Water Utility and Sewer Utility programs with additions to net position of $24.9 million and $20.1 million, respectively, and (2) $16.8 million of **transfers in** from governmental activities (see *transfers out* in governmental activities on the preceding page for details).

Revenues: Business-type activities revenue in 2025 totaled $308.5 million, excluding transfers of $16.8 million.

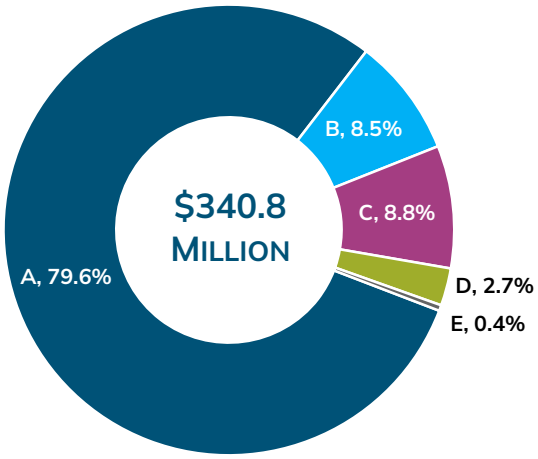
WHERE MONEY COMES FROM

2025 REVENUES & TRANSFERS IN



- (A) Charges for services
- (B) Capital grants & contributions
- (C) Transfers In
- (D) Operating grants & contributions
- (E) Other

2024 REVENUES & TRANSFERS IN



- (A) Charges for services
- (B) Capital grants & contributions
- (C) Transfers In
- (D) Operating grants & contributions
- (E) Other

Charges for services for business-type activities totaled $279.2 million for 2025, an increase of $8 million or 3%, over the prior year at $271.2 million. The Sewer Utility and Airport Authority experienced the largest increases of $3.6 million and $2.3 million, respectively. The Water Utility experienced slight growth of $1.1 million or 0.8% over the prior year. The City came out of a stage 2 drought in 2025 and implemented permanent water conservation measures. Landfill revenues will fluctuate based on materials dropped off at the landfill. In 2025, Landfill revenues increased nearly $1 million over the prior year.

Operating grants and contributions were $10.2 million in 2025, with slight growth of $1.1 million or 12.1% over 2024. In 2025, all operating grants and contributions were for the Transit program, whereas, the Airport had a very small amount in 2024 from pandemic related grants.

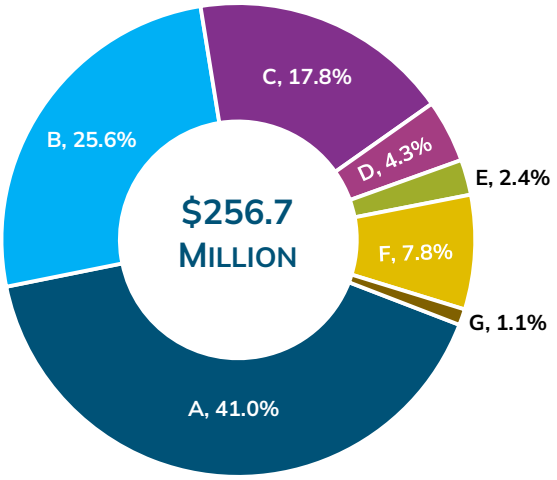
In 2025, business-type activities had **capital grants and contributions revenues** of approximately $17.8 million, a decline of $11.2 million from 2024. The Water Utility's 2025 capital grants and contributions of $1 million decreased $13.4 million, due to $14.4 million in capital grants in 2024, primarily for a previously constructed capital project. 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 $12.5 million in capital contributions in 2025, a growth of $5.1 million over 2024. Transit also receives federal and state funding for capital assets and recognized $1.4 million in 2025 as compared to $4.9 million in 2024. In 2024, Transit recognized $3.9 million of revenue for the purchase of paratransit vans.

BUSINESS-TYPE ACTIVITIES (CONTINUED)

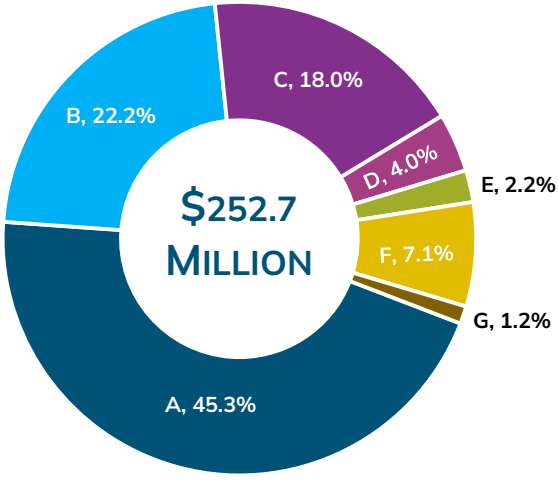
Expenses: The cost of business-type activities in 2025 totaled $256.7 million, growing $4 million or 1.6% over 2024's expenses of $252.7 million. A combination of factors contributed to the increase, including:

WHERE MONEY GOES

2025 EXPENSES



2024 EXPENSES



- (A) Water Utility
- (B) Sewer Utility
- (C) Airport Authority
- (D) Stormwater Utility
- (E) Golf Course System
- (F) Transit
- (G) Landfill

- an increase in net pension expense of $3.9 million;
- decreased depreciation/amortization of $7.6 million, with $5.5 million in the Water Utility program (depreciation will increase once the new water treatment plant is accepted from the contractor);
- non-capitalizable project expenses decreased $7.5 million, with Water Utility decreasing $10.8 million and the Sewer Utility increasing $4 million;
- an increase in the Sewer Utility's interest expense of $1.75 million due to payments on its loans for the BNR project.



Murals at The Hub (Transit Center)

ANALYSIS OF THE GOVERNMENT'S FUNDS

GOVERNMENTAL FUNDS

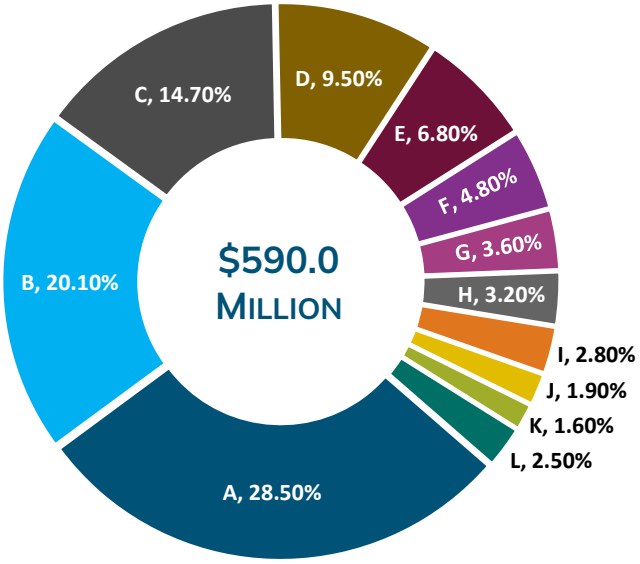
The City of Wichita uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and budgetary compliance. The focus of the governmental funds is to provide information on near-term inflows, outflows and spendable resources.

As of December 31, 2025, the governmental funds had $222.6 million in cash and cash equivalents and $28.5 million in investments. The governmental funds reported an ending fund balance of $89.7 million in 2025 as compared to $87.7 million in 2024. The $2 million increase in fund balance resulted from (1) an $11.2 million increase in the General Fund, (2) a $4.2 million increase in the Debt Service Fund, (3) an $11.1 million increase in the Grants and Other Assistance Fund and (4) a $24.5 million decrease in nonmajor governmental funds. The revenues and expenditures for each major fund and the nonmajor governmental funds are discussed on the following pages.

Governmental funds had **revenues** of nearly $590 million in 2025, an increase of $51.9 million or 9.6% over the prior year revenues of $538.1 million.

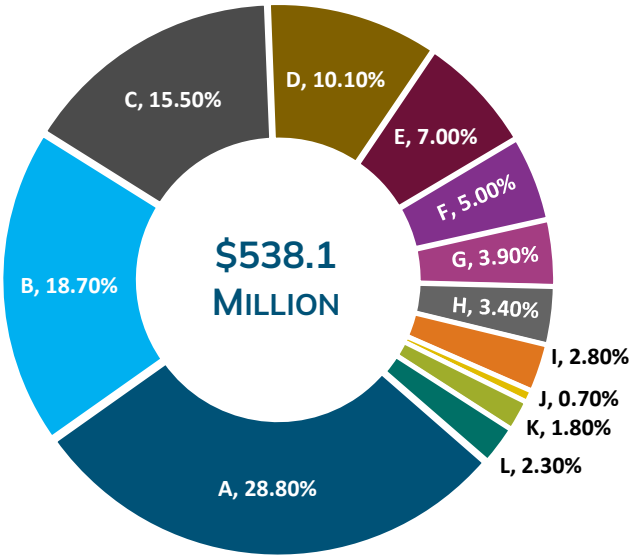
WHERE MONEY COMES FROM

2025 REVENUES



- (A) Property taxes
- (B) Intergovernmental
- (C) Sales taxes
- (D) Franchise taxes
- (E) Interest & investment earnings
- (F) Charges for services
- (G) Special assessments
- (H) Motor vehicle taxes
- (I) Other revenue
- (J) Sale of property
- (K) Transient guest taxes
- (L) All other revenues

2024 REVENUES

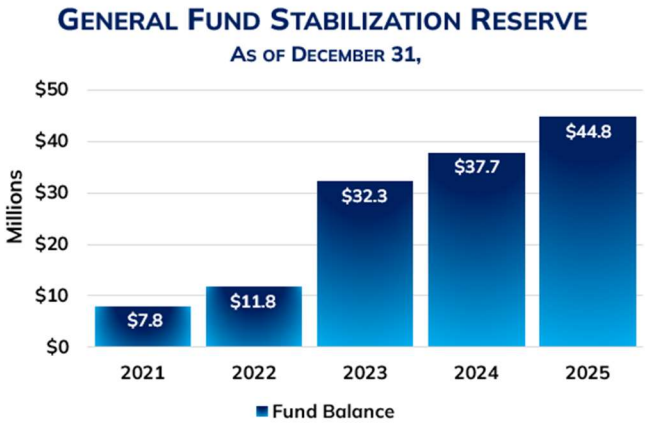


- (A) Property taxes
- (B) Intergovernmental
- (C) Sales taxes
- (D) Franchise taxes
- (E) Interest & investment earnings
- (F) Charges for services
- (G) Special assessments
- (H) Motor vehicle taxes
- (I) Other revenue
- (J) Sale of property
- (K) Transient guest taxes
- (L) All other revenues

GOVERNMENTAL FUNDS (CONTINUED)

GENERAL FUND

The General Fund is the major operating and taxing fund of the City of Wichita. At the close of 2025, the General Fund and its combined subfunds had a fund balance of $102.4 million dollars, an increase of $11.2 million or 12.3% over 2024 at $91.2 million. 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, 2025, approximately $98.4 million or 96.1% of the General Fund's fund balance was unassigned. The General Fund also had approximately $4 million in assigned fund balance for encumbrances and the activity of its economic development subfund, with the remaining fund balance being nonspendable in the form of prepaid expenditures.



One of the subfunds included in the General Fund is the stabilization reserve. The City has adopted a minimum fund balance policy, which requires the General Fund (on a budgetary basis) to have a minimum fund balance of 15% of the subsequent year's expenditures, with anything above that level transferred into the General Fund Stabilization Reserve. City Council Policy 40 also sets the minimum reserve level for the Stabilization Reserve at 3% of General Fund expenditures. Interest earnings, which are highly susceptible to economic conditions and thus, can be quite volatile, have been unusually large over the last three years. This has allowed the City to make large transfers into its Stabilization Reserve, as seen in the graph above. As of December 31, 2025, the Stabilization Reserve had a balance of $44.8 million.

Revenues of the General Fund and its subfunds of $332.3 million grew $14.4 million or 4.5% over the prior year. The majority of the General Fund's revenue streams experienced growth in 2025, with two exceptions: fines and penalties and sale of property. The most significant fluctuations in revenue are discussed below:

General Fund: Revenues by Category
2021 through 2025
(dollars in millions)

	2021	2022	2023	2024	2025	2025 % of Total
Property taxes	$ 96.2	$ 100.1	$ 106.5	$ 116.6	$ 122.4	36.8%
Franchise taxes	47.7	55.6	55.9	54.5	56.0	16.9%
Local sales tax	34.6	38.2	39.6	39.8	41.9	12.6%
Interest & investment earnings	1.4	(7.8)	37.1	37.6	39.8	12.0%
Charges for services	17.4	17.5	18.4	19.0	19.4	5.8%
Intergovernmental	18.8	18.3	18.6	18.6	18.7	5.6%
Motor vehicle taxes	13.4	13.4	13.9	14.3	14.9	4.5%
All other revenues	23.6	20.3	18.2	17.5	19.2	5.8%
Total revenues	**$ 253.1**	**$ 255.6**	**$ 308.2**	**$ 317.9**	**$ 332.3**	**100.0%**

(1) Property taxes represent the largest revenue source of the General Fund at 36.8% of total revenues. In 2025, property taxes totaled $122.4 million, experiencing growth of $5.8 million or 5% over 2024. This increase is due to (a) assessed valuation growth for the 2024 mill levy (fiscal year 2025) of 7.9%, (b) a decrease in the General Funds mill levy rate of 2.5% (see table below), and (c) variation in collection rates (current and delinquent).

Mill Levy	2020	2021	2022	2023	2024
Fiscal Year	2021	2022	2023	2024	2025
Mill Levy Rate	25.742	25.756	25.761	25.747	25.099
Rate Change	*0.528*	*0.014*	*0.005*	*(0.014)*	*(0.648)*
% Change	*2.09%*	*0.05%*	*0.02%*	*-0.05%*	*-2.52%*

GOVERNMENTAL FUNDS (CONTINUED)

GENERAL FUND (CONTINUED)

(2) **Interest and investment earnings** of $39.8 million increased by nearly $2.3 million or 6.1% from the prior year. The City's pooled investment portfolio continued to perform well as older, lower rate investments matured and new, higher rate investments were added. For further information on the City's pooled funds, please see Note 5.B.

(3) **Local sales tax** totaled $41.9 million in 2025, an increase of $2.2 million or 5.4% over 2024.

(4) **Franchise taxes** totaled $56 million in 2025, an increase of $1.4 million or 2.7% over 2024. The City's franchise taxes are comprised of electric (55.3%), natural gas(20.9%), water (11.3%), sewer (7.2%) and other taxes (5.3%). Electric franchise revenues were relatively flat, while natural gas franchise fees partially recovered from 2024 with an increase of $1.7 million (in 2024, there was a decrease of $3.1 million due to weakening natural gas prices).

The General Fund's **transfers in** of $7.2 million increased nearly $4 million, above the prior year transfers in of $3.2 million. In 2024, due to the General Fund's exceptional performance, the City decided to forgo certain transfers from the Tourism and Convention Promotion Fund, allowing the fund balance of the Tourism and Convention Promotion Fund to increase, with the additional funds to be used for maintenance projects and setting aside funds for a future debt balloon payment.

In 2025, the General Fund had **expenditures** of $320.6 million, an increase of $1.1 million or 0.4% over the prior year. However, there were notable fluctuations in three functions that are discussed below.

(1) **General government** expenditures represent the second largest function of the General Fund and include the general costs of government administration (e.g. human resources, finance, and legal), building operations and maintenance and municipal court. In 2025, general government costs were $45.1 million, an increase of $2.6 million or 6.1%. Jail fees increased $2 million over the prior year, primarily due to increased police enforcement, particularly in property crimes.

(2) **Public safety** expenditures in 2025 of $212.7 million decreased $3.4 million or 1.6% from the prior year. The decrease is due to a combination of factors.

- In 2024, the City entered into agreements with Axon Enterprise Inc. for body cameras, tasers, drones, software and digital storage for the Police Department which amounted to $17.1 million; whereas there were no similar agreements entered into in 2025 that were paid for by the General Fund.
- This decrease was offset by an increase of $13.7 million or 8% in personnel services (e.g. wages and benefits), with police increasing $10.2 million or 9.5% (74.2% of the total increase), fire increasing $3.5 million or 5.6% (25.5% of the total increase), and inspection making up the remainder (0.3% of the total increase).

(3) **Sanitation** expenditures in 2025 were $7 million, an increase of $0.9 million or 13.9% over 2024, primarily due to increased building and equipment charges and the purchase of machinery and equipment.

Public safety continued to be a priority for the City at 66.9% of the General Fund's total expenditures (includes 0.6% from debt service). The table below summarizes the General Fund expenditures by function for the last five years.

General Fund: Expenditures by Function
2021 through 2025
(dollars in millions)

	2021	2022	2023	2024*	2025	2025 % of Total
General government	$ 38.3	$ 40.1	$ 42.6	$ 42.5	$ 45.1	14.1%
Public safety	156.7	162.8	180.3	216.1	212.7	66.3%
Highways and streets	15.0	15.7	14.8	16.1	16.3	5.1%
Sanitation	5.1	5.9	6.2	6.1	7.0	2.2%
Health and welfare	1.3	1.7	1.9	1.9	1.9	0.6%
Culture and recreation	28.7	29.4	32.2	34.1	35.2	11.0%
Debt service	-	-	0.3	2.6	2.4	0.7%
Total expenditures	**$ 245.1**	**$ 255.6**	**$ 278.3**	**$ 319.4**	**$ 320.6**	**100.0%**

** Capital outlay for 2024 has been reclassified to the appropriate function for comparability.*

GOVERNMENTAL FUNDS (CONTINUED)

DEBT SERVICE FUND

The Debt Service Fund, and its subfunds, had an ending fund balance of $31.8 million for 2025, an increase of $4.2 million from 2024. The chart below shows the fund balance of the Debt Service Fund for the last five years.

The Debt Service Fund has three main revenue streams (property taxes, special assessments, and motor vehicle taxes) which accounted for 99.1% of its 2025 revenues.



(1) Property taxes increased $7.3 million or 19.9% over 2024 and were 63.1% of total revenues. This increase is attributed to (a) assessed valuation growth of 7.9%, (b) an increase in the mill levy rate of 10.3% and (c) variation in collection rates (current and delinquent).

Mill Levy Year	2020	2021	2022	2023	2024
Fiscal Year	2021	2022	2023	2024	2025
Mill Levy Rate	7.007	7.002	7.001	6.996	7.717
Rate Change	*-0.500*	*-0.005*	*-0.001*	*-0.005*	*0.721*
% Change	*-6.66%*	*-0.07%*	*-0.01%*	*-0.07%*	*10.31%*

(2) Special assessments fund capital improvement projects approved by the City Council, typically for new housing developments (e.g. water, sewer, stormwater, and paving). When a petition is approved, the cost of that project is assessed, and the assessments are collected from property owners benefiting from the improvements. In 2025, special assessment revenues were $21 million, an increase of $0.5 million, and were 30.2% of total revenues.

(3) Motor vehicle taxes were $4 million in 2025, an increase of $0.1 million over 2024 at $3.9 million and were 5.8% of total revenues.

A variety of debt services payments for general obligation (G.O.) debt are made from the Debt Service Fund and are reimbursed by other funds with transfers from other funds. The predominant transfers are from the Sales Tax Construction Pledge Fund. In 2025, transfers from other funds were $10.9 million, a decrease of $0.9 million from 2024.

The expenditures and transfers to other funds of the Debt Service Fund are for the retirement of debt and other related costs, which includes the retirement of temporary notes (transfers to other funds) and scheduled debt service (expenditures) for non-proprietary fund bonds issued by the City. In 2025, expenditures were $47.4 million and were comparable to 2024 at $48.6 million. Transfers to other funds of $29.1 million decreased slightly from the prior year at $30.8 million.

GRANTS AND OTHER ASSISTANCE FUND

The Grants and Other Assistance Fund accounts for the City's non-proprietary fund grants, donations and other contributions. The Grants and Other Assistance Fund became a major fund in 2020 due to increased grant activity related to the pandemic and has remained a major fund through 2025. In 2025, the Fund ended with a fund balance of $28.2 million, an increase of $11.1 million due to its revenues temporarily exceeding expenditures.

The Fund's largest source of revenue is intergovernmental, followed by sale of property, and other revenue. In 2025, the Fund had total revenues of $85.0 million, an increase of $13.4 million or 18.8% over the prior year.

(1) Intergovernmental revenues of $72.3 million in 2025 increased $6.4 million or 9.6% over the prior year. In 2025, the City recognized $23.2 million of its $72.4 million ARPA award, as compared to $18.3 million in 2024, an increase of $4.9 million.

(2) In 2025, the Fund had $9.6 million from sale of property, an increase of $6 million over 2024 at $3.6 million. In 2022, the City of Wichita Housing Authority (Housing Department) had 352 single family units in its holdings. The homes were approved for sale by the U.S. Department of Housing and Urban Development (HUD), and the City has been selling the homes to individuals and developers since 2023 to increase the supply of affordable housing in Wichita. In 2025, the City received $9.5 million from the sale of public housing, an increase of $6 million over 2024. More information about these units is available at https://www.wichita.gov/446/Public-Housing.

GOVERNMENTAL FUNDS (CONTINUED)

GRANTS AND OTHER ASSISTANCE FUND (CONTINUED)

The Grants and Other Assistance Fund had expenditures of $75 million in 2025, an increase of $10.9 million or 16.9% over 2024. The major expenditures and fluctuations by function are discussed below.

(1) General government expenditures of $27.4 million increased $6.1 million or 28.7% over the prior year (with 2024 capital outlay reclassed to appropriate function). Most of these expenditures, $23.2 million, are for the City's ARPA grant and accounted for $4.9 million of the increase. The City's quarterly ARPA Recovery Plan and quarterly US Treasury Expenditures reports are available at: https://www.wichita.gov/311/American-Rescue-Plan-Act-ARPA-Funding

(2) Health and welfare expenditures were $37.8 million in 2025, as compared to $36.1 million in 2024, an increase of $1.7 million or 4.8%. These expenditures are primarily for the City's various housing programs.

(3) In 2025, culture and recreation expenditures were $1.6 million, an increase of $1.3 million over 2024. The largest project expenditures were (a) approximately $0.41 million for the library, (b) $0.44 million for the Pracht Wetland Park development, and (c) $0.42 million for Chisholm Creek Park improvements.

Pracht Wetland Park (Photo Credit RDG)



NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Governmental Funds: As of December 31, 2025, the fund balance of the nonmajor governmental funds was a deficit of $72.7 million, an increase in the deficit of $24.5 million over the 2024 deficit of $48.2 million.

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

	2025	2024
Special revenue funds	$ 64.4	$ 71.2
Capital project funds	(138.7)	(121.0)
Permanent fund	1.6	1.6
Total fund deficit	**$ (72.7)**	**$ (48.2)**
Temporary notes payable	$ 95.4	$ 81.2

The special revenue funds decreased $6.8 million over 2024, with the Tourism and Convention Promotion Fund accounting for $6.9 million of the decrease. The Fund transferred $8.3 million to capital projects for maintenance and improvements to the City's cultural facilities, including Century II. The Cemetery (permanent) Fund was consistent with 2024.

The City's governmental capital project funds are normally at a deficit until projects are permanently financed, as they are funded through the issuance of temporary notes while in progress. Thus, their balances can fluctuate year over year depending on the timing of projects and the financing of those projects. Temporary notes, as they are short-term financing, do not have an effect on the fund balance. The City's capital project funds had $95.4 million in temporary notes outstanding as of December 31, 2025. For further information, see Note 4 – Fund Balance and Net Position Deficits and Note 11 - Temporary Notes Payable.

Revenues for the City's nonmajor governmental funds were $103.2 million in 2025, an increase of $16.7 million or 19.3% over 2024. Intergovernmental revenues of $27.5 million increased $11.6 million over the prior year, primarily due to an increase of $10.2 million in federal revenue over 2024 for the construction of 'The Hub' (transit center). The next largest increases were as follows: (1) sales tax revenue increased $2.1 million or 4.9%, (2) sale of property increased $1.2 million from the sale of public housing (Affordable Housing Fund) and (3) premiums on issuance of temporary notes increased $1.8 million.

Expenditures for the City's nonmajor governmental funds were $180.7 million in 2025, an increase of $29.4 million or 19.5% over 2024. Capital outlay expenditures increased $26.6 million in 2025. The Street Improvement Fund and the Public Improvement Construction Fund accounted for $6.7 million and $18.3 million, respectively, of the increase in capital outlay. The increase in expenditures for the Street Improvement Fund was for arterial streets and approximately $12 million of the increase in the Public Improvement Construction Fund was for 'The Hub' (transit center).

The last major change over the prior year was a decrease in issuance of debt of $22.9 million. The issuance of debt will fluctuate based on the timing of project completions.

ENTERPRISE FUNDS

The increase in net position from operations of the Enterprise Funds totaled $68.1 million in 2025, with the largest increases coming from the Water Utility, Sewer Utility, Stormwater Utility, and the Airport, respectively.

Net Position of Proprietary Funds (dollars in millions)	2025	2024	Change
Water Utility	$ 697.4	$ 669.0	$ 28.4
Sewer Utility	513.1	488.3	24.8
Airport Authority	242.6	234.8	7.8
Stormwater Utility	243.4	234.7	8.7
Golf Course System	8.3	7.6	0.7
Transit	28.0	30.9	(2.9)
Landfill	5.4	4.8	0.6
Total Net Position	**$ 1,738.2**	**$ 1,670.1**	**$ 68.1**

The **Water Utility** Fund, which accounts for the operation and maintenance of the water supply system, recognized an increase in net position of approximately $28.4 million in 2025 as compared to $31.1 million in the prior year. There were two non-operating items that drove the differences between 2025 and 2024. (1) The Water Utility was awarded grants for a previously constructed capital asset, recognizing $13.5 million in 2024, whereas only $0.2M in grants were recognized in 2025. (2) There was a $10.5 million decrease in projects constructed in 2025 that were not capitalizable versus 2024.

The **Sewer Utility** accounts for the operation and maintenance of the wastewater treatment system and increased its net position by $24.8 million in 2025, versus $32.7 million in 2024. This increase in net position is due to (1) revenues continuing to exceed expenses, as revenues and expenses were consistent with the prior year, (2) a decrease of $1.9 million in capital contributions, primarily from neighborhood improvements funded by special assessments and transferred from governmental activities upon completion, and (3) an increase of $4 million in projects constructed in 2025 that were not capitalizable versus 2024. The Sewer Utility has one very large capital project currently underway, its Biological Nutrient Removal (BNR) project, which has an estimated budget of $390 million.

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 Eisenhower Airport continued to perform well. The Airport Authority's net position grew by $7.8 million in 2025 as compared to $0.3 million in 2024. The larger increase in net position was predominantly from an increase of $5.1 million in federal grants (capital), due to the timing of capital projects. The Airport Authority's operating income also increased $1.8 million over 2024, with revenues increasing $2.3 million or 6.1% while expenses only increased $0.5 million or 1.4%. The increased personnel expenses were offset by a decrease in depreciation expense.

The **Stormwater Utility** operates seven pump stations, which move excess surface water from heavy rains. The addition to net position of the Stormwater Utility Fund was $8.7 million for 2025, as compared to $14.4 million in 2024. Capital contributions in 2025 were $6.2 million, mainly from neighborhood improvements funded by special assessments, as compared to $11.4 million in 2024, a decrease of $5.2 million.

In the **nonmajor enterprise funds**:

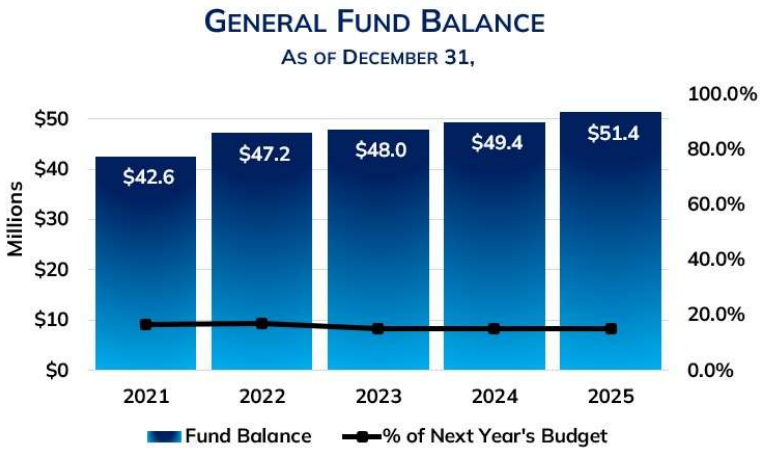
- The **Golf Course System Fund** continued to perform well, with an increase in net position of $0.7 million in 2025, nearly $7.1 million lower than the 2024 increase in net position of just $7.8 million. This decrease in the change in net position for 2025 was from non-recurring transfers from other funds of $6.7 million in 2024. In 2024, a $1 million transfer from the General Fund was made for irrigation improvements and (2) there was a release of an interfund loan of $5.7 million due to increased assessed valuation from development around the Auburn Hills Golf Course.
- The **Transit Fund's** net position decreased $2.9 million in 2025 versus an increase of $0.6 million in 2024. The Transit Fund's 2025 operating loss of $17.7 million was supplemented by $9.3 million in operating grants, $1.5 million in capital grants and a $4 million transfer from the General Fund (consistent with prior years). There was a $3.4 million decrease in capital grant contributions ($5.1 million in vans were purchased in 2024).
- The net position of the **Landfill Fund** increased by $0.6 million, primarily due to a $1 million increase in charges for services. Landfill revenues will fluctuate based on the amount of materials brought to the landfill each year.


Auburn Hills Golf Course


The Hub (new transit center)

GENERAL FUND BUDGETARY HIGHLIGHTS

The **budgetary fund balance** of the General Fund grew $2 million in 2025, keeping the fund balance at 15% of the 2026 Adopted Budget, with the remaining excess transferred to the City's General Fund Stabilization Reserve (in accordance with the City's fund balance policy - see page A-19 for a graph of the Stabilization Reserve fund balance for the last five years). General Fund **revenues and other sources** of approximately $336.2 million came in nearly $7.2 million above its Final Budget and its **expenditures and other uses** of $334.7 million were below the Final Budget by $1 million. See Note 3 for further information on the City's budgetary basis and a reconciliation between budgetary and GAAP.



In 2025, most **revenues** exceeded the prior year and were consistent with the Final Budget, with the notable differences discussed below.

(1) **Property tax revenues** grew $5.8 million or 5% over 2024 for a total of $122.4 million in 2025. Property taxes are the largest revenue of the General Fund at 36.4% of total revenues and other sources. See page A-19 for further information on the growth in property taxes.

(2) In 2025, **local sales taxes** of $41.9 million came in $1 million or 2.4% over the Final Budget and $2.2 million or 5.4% over the prior year. The City's sales tax revenue has typically grown by an average of 2.5%.

(3) **Charges for services** of $19.2 million in 2025 were nearly $1.1 million below the Final Budget. This decrease is primarily related to lower pavement cut repairs. Pavement cut repairs are necessary after sections of pavement are removed so that utilities can be reached for repairs, improvements or additions.

(4) **Interest earnings** were almost $37.8 million, an increase of $4.9 million over the Final Budget and $4 million more than 2024's interest earnings of $33.8 million. 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.

(5) **Administrative charges** are used to recover costs for specific centralized services in the General Fund (e.g. law, human resources, finance, etc.) that are used by other funds, including grants. The City's grant admin charges increased $0.5 million and will fluctuate based on the activity of non-capital grants and the City's indirect rate.

The City's budget is certified by the State of Kansas, with the legal level of expenditure control at the fund level. Additionally, the City controls expenditures by category (e.g. personnel services, contractual services, etc.) within each budgetary fund, with the General Fund budget further controlled by department. See Note 2 for further information.

Actual **expenditures (excluding transfers)** totaled $319.3 million, were just under the Final Budget, and grew $19.9 million over 2024. The largest expenditure of the General Fund was personnel services, which accounted for 77.2% of 2025 expenditures and increased nearly $16.2 million over the prior year with $13.6 million or 84.2% of that increase being in police and fire wages (public safety).

Public safety expenditures continued to be a priority for the City at $214.7 million or 67.3% of total expenditures and accounted for $14.2 million of the increase in General Fund expenditures. Personnel expenditures for public safety made up approximately $13.6 million of the increase with the rest in contractual services and material and supplies. The general government function was the next largest dollar increase of $3.4 million, primarily due to a $2 million increase in jail fees due to increased police enforcement, particularly in property crimes.

Transfers out are for many purposes, including funding specific city/county joint operations, projects as approved by the City Council, and the funding of reserves (stabilization and pension reserves – in accordance with City Council Policy 40). Transfers out of $15.4 million in 2025 were consistent with transfers out of $15.8 million in 2024. In 2025 and 2024, the City transferred $7.1 million and $5.4 million, respectively, into its stabilization reserve. In 2024, the City transferred $0.7 million into its pension reserve.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At the end of 2025, the City of Wichita reported $4.05 billion in capital assets, net of depreciation/amortization, which is an increase of $258.7 million over 2024. Assets are acquired through direct investments by the City, capital contributions, grants, leases, subscription agreements and from street and right-of-way dedications. The City's capital assets include land, construction in progress, buildings, machinery, equipment, vehicles, parks, roads, water and sewer treatment facilities, airports, golf courses and many other assets (which are summarized in the table below). Additional information on the City's capital assets can be found in Note 6 – Capital Assets. Also, see Note 22.C and 22.D for information on the City's outstanding construction and capital commitments.

Major capital outlays in the City's governmental activities during 2025 included the following projects:

- Arterial streets, bridges and bikeways improvements totaled $31 million, including $3.7 million for downtown street improvements and $8.1 million for the West Street, Harry to Pawnee street improvements. Both projects were still in CIP as of December 31, 2025.
- Neighborhood paving projects of $11.1 million.
- Investment of $3.1 million in snow and heavy fleet equipment.
- Century II Improvements of $2 million.
- Fire equipment and facility improvements of $3.4 million.
- Improvements of parks and recreation assets totaling $13 million, including $1 million for LW Clapp Park enhancements and $7.3 million for the construction of the Carl G Brewer Community Center.
- Library renovations of $2.4 million, fire equipment of $2.3 million, and $5.8 million of improvements to the Second Light facility which were funded by ARPA.
- Construction of the Delano Multimodal Facility (The Hub) of $13.7 million.

The most significant capital asset investments in 2025 for the business-type activities are listed below:

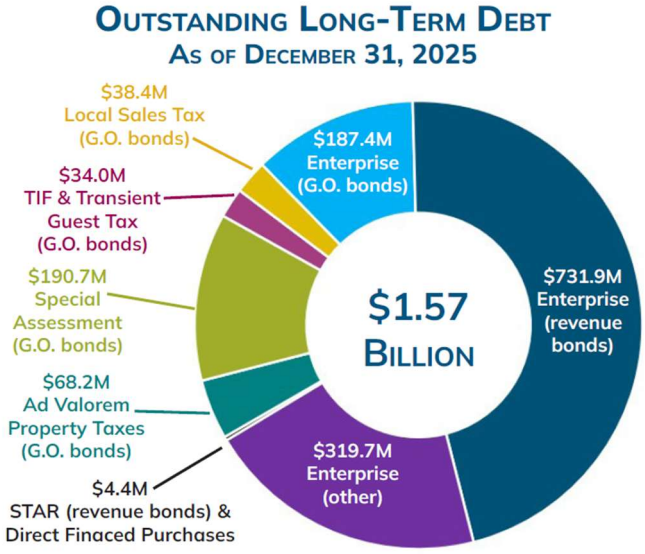
- Water Utility infrastructure improvements of $31.8 million, including $7 million for Cheney Dam improvements.
- Sewer Utility infrastructure improvements of $157.2 million, including $137.1 million for construction of the Biological Nutrient Removal (BNR) project and $12.4 million for a sewer relocation project at I-135.
- Airport improvements of $16.1 million, including $7 million in runway and apron reconstruction, $5 million in equipment, and $2 million in rehabilitation of the fuel farm.
- Golf course irrigation improvements of $1.5 million.
- The Utilities also received $13.2 million in capital contributions from governmental activities in 2025, primarily for completed neighborhood water, sewer and stormwater improvements.

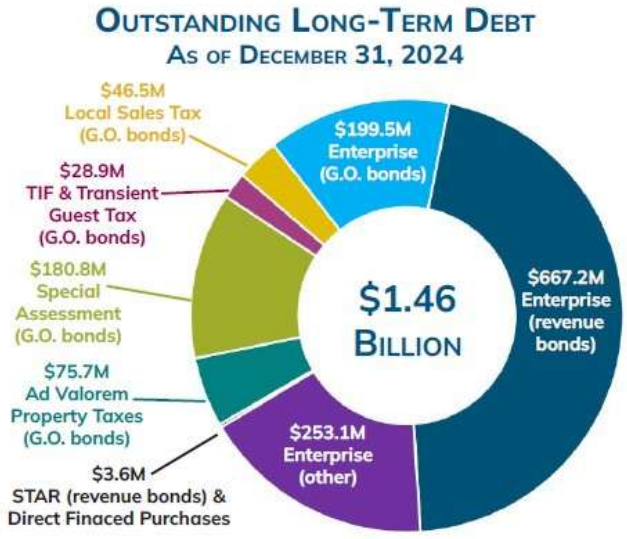
Primary Government
Capital Assets, Net of Accumulated Depreciation/Amortization
As of December 31,
(dollars in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		
	2025	2024	2025	2024	2025	2024	Percent Change
Land	$ 267.9	$ 268.6	$ 53.7	$ 51.8	$ 321.6	$ 320.4	0.4%
Airfields	-	-	62.3	63.9	62.3	63.9	(2.5%)
Buildings & improvements	381.1	362.8	1,513.4	1,510.9	1,894.5	1,873.7	1.1%
Equipment & other assets	76.5	67.3	71.7	70.1	148.2	137.4	7.9%
Infrastructure	607.8	621.8	-	-	607.8	621.8	(2.3%)
Construction in progress	209.3	143.1	806.4	631.1	1,015.7	774.2	31.2%
Total capital assets, net	**$1,542.6**	**$1,463.6**	**$2,507.5**	**$2,327.8**	**$4,050.1**	**$3,791.4**	**6.8%**

LONG-TERM DEBT

At year-end, the City had $1.57 billion in outstanding long-term debt (bonds, loans, and direct financed purchases). Of this amount, outstanding debt from governmental activities revenue sources totaled $335.7 million with only $68.2 million to be paid by property taxes. Long-term debt increased $119.3 million in 2025, with governmental activities debt increasing $0.2 million and business-type activities debt increasing $119.1 million. The Sewer Utility's bonds and loans increased $115.4 million as result of financing its BNR project.





The City primarily finances capital projects with general obligation bonds/notes, revenue bonds, revenue loans, 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. In 2025, the City of Wichita held a rating of AAA from Standard and Poor's and a rating of Aa2 from Moody's Investors Service. The City's rating with Standard and Poor's was upgraded to AAA in early 2025. 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 2025 limitation for the City was $1.78 billion, with a legal debt margin of $1.47 billion. More detailed information regarding long-term debt is 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

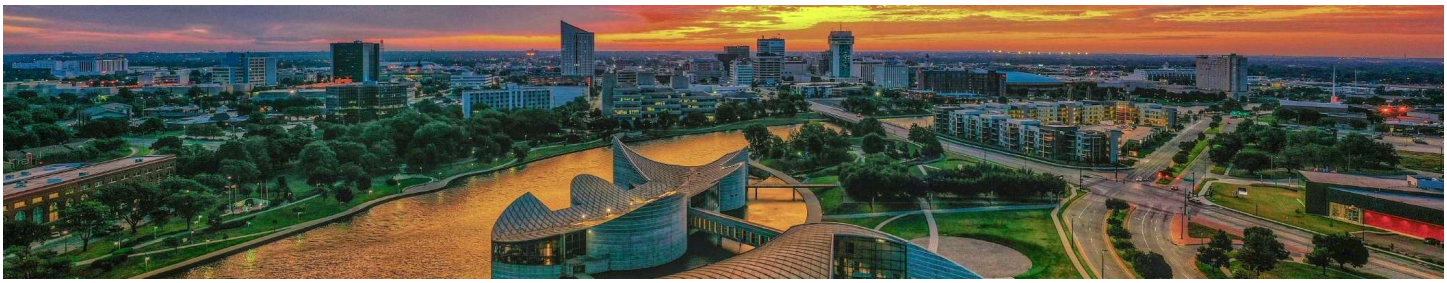
In 2025, unemployment increased slightly, with the Wichita MSA averaging an estimated 3.8% and the City of Wichita at 4.2%, slightly below the national rate at 4.4%. While these increases reflect broader macroeconomic pressures, including persistent inflation, elevated interest rates, uncertainty surrounding federal fiscal policy, and ongoing adjustments in the aerospace sector following Boeing's reacquisition of Spirit AeroSystems, the overall labor market remains relatively robust by historical standards. Although unemployment has moved slightly above the commonly cited 3.0% to 4.0% full-employment range, underlying economic fundamentals in the region remain stable. Continued growth in healthcare, construction, and financial services, along with sustained investment from major employers, supports a cautiously positive outlook as the Wichita economy works through near-term headwinds. See the City's Transmittal Letter in the Introductory Section for further information about the local economy and strategic initiatives.

Average Annual Unemployment Rates			
	Wichita	Wichita MSA	Nation
2019	3.4%	3.3%	3.7%
2020	8.8%	8.1%	8.1%
2021	4.8%	4.4%	5.4%
2022	3.2%	3.1%	3.6%
2023	3.2%	3.1%	3.6%
2024	4.0%	3.5%	4.1%
2025	4.2%	3.8%	4.4%

While the local economy has shown resiliency, economic uncertainty and recessionary risks remain due to both national and local factors. Geo-political concerns could impact Wichita, since aviation products built and serviced here are sold and used worldwide. In addition, federal fiscal or monetary policy could impact local economic conditions. The City's budget has been able to successfully navigate past challenges and is favorably positioned for anticipated future challenges because of strategies of utilizing American Rescue Plan Act (ARPA) funding for non-recurring purposes, building reserves due to favorable cyclical revenue growth, maintaining moderate debt levels by cash funding infrastructure projects, and investing funds to support small business, enhance job training, and address affordable housing issues.

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.



STATEMENT OF NET POSITION

December 31, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Wichita RAD Senior LP
ASSETS				
Cash and cash equivalents	$ 280,045,170	$ 118,041,211	$ 398,086,381	$ 201,011
Cash with fiscal agent	37,696	-	37,696	-
Investments	27,271,759	-	27,271,759	-
Receivables, net:				
Property taxes receivable	176,301,630	-	176,301,630	-
Special assessments receivable	213,634,802	-	213,634,802	-
Due from other agencies	9,134,845	8,156,813	17,291,658	-
Accounts receivable	4,153,197	34,571,935	38,725,132	90,540
Loans receivable	148,719	-	148,719	-
Naming rights receivables	2,317,865	-	2,317,865	-
Notes receivable	766,978	-	766,978	-
Pledges receivable	2,400,000	-	2,400,000	-
Leases receivable	5,598,703	42,690,658	48,289,361	-
Internal balances	(7,446,878)	7,446,878	-	-
Inventories	1,741,537	7,571,255	9,312,792	-
Prepaid items	5,676,169	568,786	6,244,955	34,297
Restricted assets:				
Cash and cash equivalents	395,702	409,935,397	410,331,099	540,026
Investments	1,244,596	-	1,244,596	-
Capital assets:				
Land and construction in progress	477,133,681	860,080,446	1,337,214,127	823,756
Other capital assets, net	1,065,475,643	1,647,376,338	2,712,851,981	32,713,648
Total capital assets, net	1,542,609,324	2,507,456,784	4,050,066,108	33,537,404
Total assets	2,266,031,814	3,136,439,717	5,402,471,531	34,403,278
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding	-	7,955,058	7,955,058	-
Deferred outflows related to pensions	127,571,645	17,170,661	144,742,306	-
Deferred outflows related to OPEB	4,549,078	2,530,733	7,079,811	-
Total deferred outflows of resources	132,120,723	27,656,452	159,777,175	-

(Continued)

STATEMENT OF NET POSITION (CONTINUED)

December 31, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Wichita RAD Senior LP
LIABILITIES				
Accounts payable and other liabilities	$ 40,628,211	$ 40,991,724	$ 81,619,935	$ 194,268
Accrued interest payable	3,111,159	6,183,129	9,294,288	24,707
Temporary notes payable	95,365,000	-	95,365,000	-
Deposits	4,522,473	3,085,505	7,607,978	54,538
Unearned revenue	7,966,988	2,468,559	10,435,547	25,049
Due to other agencies	312,278	98,270	410,548	14,113
Noncurrent liabilities, including claims payable:				
Due within one year	64,548,866	61,374,562	125,923,428	471,144
Due in more than one year	602,611,306	1,254,446,365	1,857,057,671	25,670,763
Total liabilities	819,066,281	1,368,648,114	2,187,714,395	26,454,582
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	174,624,947	-	174,624,947	-
Unamortized gain on refunding	16,819	601,720	618,539	-
Deferred inflows related to leases	5,554,132	42,189,854	47,743,986	-
Deferred inflows related to pensions	21,223,103	2,976,066	24,199,169	-
Deferred inflows related to OPEB	13,232,025	3,975,855	17,207,880	-
Total deferred inflows of resources	214,651,026	49,743,495	264,394,521	-
NET POSITION				
Net investment in capital assets	1,050,954,790	1,203,609,318	2,254,564,108	7,684,047
Restricted for:				
Alcohol and drug programs	6,241,883	-	6,241,883	-
Capital projects	48,525,869	4,856,593	53,382,462	-
Cemetery:				
Expendable	1,404,865	-	1,404,865	-
Nonexpendable	235,437	-	235,437	-
City-County joint operations	218,144	-	218,144	-
City facility operations	82,127	-	82,127	-
Debt service	242,700,143	-	242,700,143	-
Environmental remediation	9,554,232	-	9,554,232	-
Grant programs	29,581,188	-	29,581,188	-
Highways and streets	37,724,544	-	37,724,544	-
Housing operations	-	-	-	264,649
Municipal court	4,201,072	-	4,201,072	-
Operating projects	-	9,987,477	9,987,477	-
Park and recreation	177,043	-	177,043	-
Promotion and development	4,250,660	-	4,250,660	-
Revenue bond covenants	-	352,835,061	352,835,061	-
Unrestricted	(71,416,767)	174,416,111	102,999,344	-
Total net position	$ 1,364,435,230	$ 1,745,704,560	$ 3,110,139,790	$ 7,948,696

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

STATEMENT OF ACTIVITIES

For the year ended December 31, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 71,282,492	$ 24,043,701	$ 16,559,573	$ 26,008,508
Public safety	240,541,639	4,303,329	9,403,692	1,479,673
Highways and streets	61,077,419	3,476,684	15,819,621	39,459,148
Sanitation	6,235,700	-	532	-
Health and welfare	37,992,022	6,869,115	40,200,675	218,886
Culture and recreation	60,143,346	10,832,614	3,251,368	2,135,620
Interest on debt	9,877,193	-	-	-
Total governmental activities	487,149,811	49,525,443	85,235,461	69,301,835
Business-type activities:				
Water Utility	105,177,658	129,063,138	-	1,035,085
Sewer Utility	65,706,702	84,601,954	-	1,240,920
Airport Authority	45,772,187	40,378,505	-	12,478,887
Stormwater Utility	11,060,986	13,464,377	-	1,644,486
Golf Course System	6,245,261	6,819,771	-	-
Transit	19,907,781	1,452,342	10,183,947	1,434,463
Landfill	2,831,925	3,399,355	-	-
Total business-type activities	256,702,500	279,179,442	10,183,947	17,833,841
Total primary government	$ 743,852,311	$ 328,704,885	$ 95,419,408	$ 87,135,676
Component unit:				
Wichita RAD Senior LP	$ 3,208,486	$ 1,245,552	$ -	$ 2,995,564
General revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Motor vehicle taxes				
Transient guest taxes				
Interest and investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Wichita RAD Senior LP
$ (4,670,710)	$ -	$ (4,670,710)	$ -
(225,354,945)	-	(225,354,945)	-
(2,321,966)	-	(2,321,966)	-
(6,235,168)	-	(6,235,168)	-
9,296,654	-	9,296,654	-
(43,923,744)	-	(43,923,744)	-
(9,877,193)	-	(9,877,193)	-
(283,087,072)	-	(283,087,072)	-
-	24,920,565	24,920,565	-
-	20,136,172	20,136,172	-
-	7,085,205	7,085,205	-
-	4,047,877	4,047,877	-
-	574,510	574,510	-
-	(6,837,029)	(6,837,029)	-
-	567,430	567,430	-
-	50,494,730	50,494,730	-
(283,087,072)	50,494,730	(232,592,342)	-
-	-	-	1,032,630
168,784,950	-	168,784,950	-
86,828,492	-	86,828,492	-
56,000,008	-	56,000,008	-
18,917,348	-	18,917,348	-
9,790,173	-	9,790,173	-
40,090,237	135,437	40,225,674	730,461
2,655,121	1,185,523	3,840,644	11,949
(16,822,469)	16,822,469	-	-
366,243,860	18,143,429	384,387,289	742,410
83,156,788	68,638,159	151,794,947	1,775,040
1,281,278,442	1,677,066,401	2,958,344,843	6,173,656
$ 1,364,435,230	$ 1,745,704,560	$ 3,110,139,790	$ 7,948,696

BALANCE SHEET

December 31, 2025

	General Fund	Debt Service Fund	Grants and Other Assistance Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 112,174,990	$ 35,448,761	$ 7,108,387	$ 67,831,371	$ 222,563,509
Cash with fiscal agent	-	37,696	-	-	37,696
Investments	-	-	27,271,759	1,244,596	28,516,355
Receivables, net:					
Property taxes receivable	138,061,505	38,240,125	-	-	176,301,630
Special assessments receivable	-	213,634,802	-	-	213,634,802
Due from other agencies	45,782	-	3,098,886	5,990,177	9,134,845
Accounts receivable	1,898,199	-	844,251	1,295,439	4,037,889
Loans receivable	-	-	116,005	32,714	148,719
Naming rights receivable	-	-	-	2,317,865	2,317,865
Notes receivable	-	219,000	400,000	147,978	766,978
Pledges receivable	-	-	400,000	2,000,000	2,400,000
Leases receivable	1,530,666	-	-	4,068,037	5,598,703
Due from other funds	67,687	-	-	44,290,313	44,358,000
Inventories	-	-	42,174	88,898	131,072
Prepaid items	37,752	-	77,352	96,728	211,832
Total assets	$ 253,816,581	$ 287,580,384	$ 39,358,814	$ 129,404,116	$ 710,159,895
LIABILITIES					
Accounts payable and other liabilities	$ 11,996,884	$ -	$ 3,444,087	$ 21,302,352	$ 36,743,323
Accrued interest payable	-	-	-	993,386	993,386
Temporary notes payable	-	-	-	95,365,000	95,365,000
Deposits	732,141	1,962,914	1,005,238	345,345	4,045,638
Unearned revenue	218,880	2,537,160	5,072,136	138,812	7,966,988
Due to other agencies	-	-	256,165	56,113	312,278
Due to other funds	-	-	-	72,593,920	72,593,920
Total liabilities	12,947,905	4,500,074	9,777,626	190,794,928	218,020,533
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue:					
Property taxes	134,984,537	37,322,545	-	-	172,307,082
Naming rights	-	-	-	2,317,865	2,317,865
Unavailable revenue:					
Property taxes	1,798,742	536,818	-	-	2,335,560
Special assessments	-	213,405,022	-	-	213,405,022
Other	106,781	-	1,404,569	4,982,147	6,493,497
Deferred inflows related to leases	1,573,667	-	-	3,980,465	5,554,132
Total deferred inflows of resources	138,463,727	251,264,385	1,404,569	11,280,477	402,413,158
FUND BALANCES (DEFICITS)					
Nonspendable	37,752	-	119,526	421,063	578,341
Restricted	-	31,815,925	28,057,093	98,079,984	157,953,002
Committed	-	-	-	8,675,109	8,675,109
Assigned	3,954,826	-	-	3,291,368	7,246,194
Unassigned	98,412,371	-	-	(183,138,813)	(84,726,442)
Total fund balances (deficits)	102,404,949	31,815,925	28,176,619	(72,671,289)	89,726,204
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 253,816,581	$ 287,580,384	$ 39,358,814	$ 129,404,116	$ 710,159,895

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, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:		
TOTAL FUND BALANCE - GOVERNMENTAL FUNDS		**$ 89,726,204**
Capital assets, including right-to-use (lease and SBITA) assets, used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.		
Cost	$ 2,367,312,340	
Accumulated depreciation/amortization	(854,723,230)	1,512,589,110
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	4,885,095	4,885,095
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.		
Deferred outflows related to pensions	124,060,920	
Deferred outflows related to OPEB	4,279,699	128,340,619
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	(140,598,085)	
Special assessment bonds payable	(190,736,915)	
Sales tax revenue bonds payable	(1,286,852)	
Premiums on bonds payable	(22,732,045)	
Accrued interest on bonds payable	(1,539,325)	
Financed purchase debt	(3,078,740)	
Accrued interest on financed purchase debt	(63,426)	
Lease liability	(768,271)	
Accrued interest on lease liability	(12,684)	
SBITA liability	(14,177,867)	
Accrued interest on SBITA liability	(448,801)	
Compensated absences	(15,262,777)	
Net pension liability	(173,180,665)	
Total other post-employment benefits (OPEB) liability	(27,906,971)	
Environmental remediation liability	(28,481,575)	
Liability for future landfill closure and post-closure costs	(7,139,748)	(627,414,747)
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 gains on refunding	(16,819)	
Deferred inflows related to pensions	(20,474,700)	
Deferred inflows related to OPEB	(12,572,446)	(33,063,965)
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.		2,335,560
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.		213,405,022
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.		6,493,497
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.		67,138,835
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		**$ 1,364,435,230**

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, 2025

	General Fund	Debt Service Fund	Grants and Other Assistance Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	$ 122,429,895	$ 43,838,146	$ -	$ 2,017,546	$ 168,285,587
Motor vehicle taxes	14,843,495	4,038,042	-	35,811	18,917,348
Transient guest taxes	-	-	-	9,790,173	9,790,173
Special assessments	-	20,956,612	-	269,743	21,226,355
Franchise taxes	56,000,008	-	-	-	56,000,008
Local sales tax	41,911,731	347,965	-	44,568,796	86,828,492
Intergovernmental	18,650,703	-	72,297,668	27,511,698	118,460,069
Licenses and permits	3,030,385	-	-	92,265	3,122,650
Fines and penalties	4,612,169	-	1,095	309,485	4,922,749
Rentals	1,511,117	-	76,190	2,167,212	3,754,519
Sale of property	217,471	3,330	9,627,461	1,261,007	11,109,269
Interest and investment earnings	39,845,296	61,024	36,265	147,652	40,090,237
Charges for services and sales	19,369,316	-	-	8,932,828	28,302,144
Premiums from the issuance of temporary notes	-	-	-	2,752,880	2,752,880
Other revenue	9,835,441	223,692	2,975,161	3,355,236	16,389,530
Total revenues	332,257,027	69,468,811	85,013,840	103,212,332	589,952,010
EXPENDITURES					
Current:					
General government	45,048,572	486,135	27,441,272	8,514,593	81,490,572
Public safety	212,732,646	-	7,639,832	6,801,896	227,174,374
Highways and streets	16,320,175	-	206,124	-	16,526,299
Sanitation	6,979,214	-	715	389,838	7,369,767
Health and welfare	1,943,917	-	37,823,844	5,113,742	44,881,503
Culture and recreation	35,158,916	-	1,614,340	12,570,578	49,343,834
Debt service:					
Principal retirement - bonds	-	34,017,194	-	-	34,017,194
Interest and fiscal charges - bonds/notes	-	12,747,428	-	4,383,929	17,131,357
Principal retirement - financed purchase debt	158,726	-	-	154,101	312,827
Interest - financed purchase debt	65,942	-	-	19,669	85,611
Principal retirement - leases	166,102	-	9,295	-	175,397
Interest - leases	31,342	-	605	-	31,947
Principal retirement - SBITA	1,487,343	-	230,618	-	1,717,961
Interest - SBITA	480,507	-	12,578	-	493,085
Other debt service	-	127,541	-	-	127,541
Capital outlay	-	-	-	142,711,792	142,711,792
Total expenditures	320,573,402	47,378,298	74,979,223	180,660,138	623,591,061
Excess (deficiency) of revenues over (under) expenditures	11,683,625	22,090,513	10,034,617	(77,447,806)	(33,639,051)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	33,120,000	33,120,000
Premiums on issuance of debt	-	201,674	-	1,240,000	1,441,674
Issuance of financed purchase debt	-	-	-	1,435,981	1,435,981
Issuance of long-term lease	96,875	-	-	-	96,875
Issuance of SBITA	728,201	-	764,276	-	1,492,477
Transfers from other funds	7,181,964	10,943,787	298,289	105,180,611	123,604,651
Transfers to other funds	(8,486,568)	(29,073,211)	-	(87,993,658)	(125,553,437)
Total other financing sources (uses)	(479,528)	(17,927,750)	1,062,565	52,982,934	35,638,221
Net change in fund balance	11,204,097	4,162,763	11,097,182	(24,464,872)	1,999,170
Fund balances (deficits) - beginning	91,200,852	27,653,162	17,079,437	(48,206,417)	87,727,034
Fund balances (deficits) - ending	$ 102,404,949	$ 31,815,925	$ 28,176,619	$ (72,671,289)	$ 89,726,204

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, 2025

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

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS		**$ 1,999,170**
Governmental funds report capital asset and right-to-use (lease and SBITA) 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. This is the amount by which capital asset acquisitions exceeded depreciation/amortization expense in the current period.		
Depreciation/amortization expense	$ (48,551,049)	
Net capital asset acquisition	139,891,756	91,340,707
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.		(1,811,326)
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.		(18,295,317)
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 the availability period following fiscal year end		14,279,333
Debt proceeds provide current financial resources of governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.		
Lease liability	(96,875)	
SBITA liability	(1,492,477)	
Financed purchase debt	(1,435,981)	
General obligation bonds payable	(7,683,000)	
Special assessment bonds payable	(25,437,000)	
Premiums on bonds payable	(1,441,674)	(37,587,007)
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	175,397	
SBITA liability	1,717,961	
Financed purchase debt	312,827	
General obligation bonds payable	18,160,220	
Special assessment bonds payable	15,525,600	
Sales tax revenue bonds payable	331,374	36,223,379
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.		3,466,351
Deferred refunding costs reduce current financial resources of governmental funds, but do not decrease long-term liabilities in the Statement of Net Position.		(57,042)

(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, 2025

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	$ 183,624	
Accrued interest on financed purchase debt	2,516	
Accrued interest on lease liability	(12,684)	
Accrued interest on SBITA liability	25,655	
Compensated absences	(860,674)	
Net pension liability	3,099,687	
Total other post-employment benefits (OPEB) liability	(1,867,741)	
Environmental remediation liability	1,382,311	
Liability for future landfill closure and post-closure costs	1,077,042	
Prepaid operating lease	(623,640)	$ 2,406,096
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	(26,707,313)	
Deferred outflows related to OPEB	(1,197,941)	
Deferred inflows related to pensions	11,042,318	
Deferred inflows related to OPEB	2,276,258	(14,586,678)
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.		5,779,122
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		**$ 83,156,788**

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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
General property taxes	$ 120,101,440	$ 120,101,440	$ 122,429,895	$ 2,328,455	$ 116,582,382
Franchise taxes	54,738,963	56,065,412	56,000,008	(65,404)	54,550,700
Motor vehicle taxes	14,368,746	14,819,420	14,843,495	24,075	14,313,819
Local sales taxes	41,420,055	40,943,977	41,911,731	967,754	39,751,434
Intergovernmental	18,837,260	18,894,523	18,650,703	(243,820)	18,628,290
Licenses and permits	3,180,541	3,180,541	3,030,385	(150,156)	2,508,657
Fines and penalties	6,996,214	4,407,500	4,612,021	204,521	5,070,800
Charges for services and sales	20,357,176	20,273,994	19,194,344	(1,079,650)	18,783,612
Rental income	988,369	983,306	918,476	(64,830)	879,432
Interest earnings	32,000,000	32,900,000	37,762,893	4,862,893	33,803,752
Sale of property	100,000	100,000	166,912	66,912	188,193
Administrative charges	4,011,548	4,663,890	5,092,051	428,161	4,094,042
Other revenue	5,023,633	4,575,501	4,378,933	(196,568)	3,914,492
Total revenues	322,123,945	321,909,504	328,991,847	7,082,343	313,069,605
EXPENDITURES					
General government	48,101,872	39,120,925	44,186,098	(5,065,173)	40,796,955
Public safety	209,504,186	215,852,000	214,731,237	1,120,763	200,497,979
Highways and streets	18,007,756	18,950,364	16,743,527	2,206,837	16,004,203
Sanitation	7,230,244	6,910,731	6,728,921	181,810	6,435,084
Health and welfare	2,500,457	2,214,597	1,926,776	287,821	1,946,932
Culture and recreation	34,030,147	36,335,004	34,972,015	1,362,989	33,691,471
Total expenditures	319,374,662	319,383,621	319,288,574	95,047	299,372,624
Excess of revenues over expenditures	2,749,283	2,525,883	9,703,273	7,177,390	13,696,981
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	7,127,645	7,081,663	7,181,964	100,301	3,243,496
Transfers to other funds	(9,876,928)	(16,379,111)	(15,436,241)	942,870	(15,794,718)
Total other financing sources (uses)	(2,749,283)	(9,297,448)	(8,254,277)	1,043,171	(12,551,222)
Excess (deficiency) before other changes in unencumbered fund balance	-	(6,771,565)	1,448,996	8,220,561	1,145,759
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	586,265	586,265	291,132
Total other changes in unencumbered net position	-	-	586,265	586,265	291,132
Net change in unencumbered fund balance	-	(6,771,565)	2,035,261	8,806,826	1,436,891
Unencumbered fund balance, beginning	49,137,974	49,387,739	49,387,739	-	47,950,848
Unencumbered fund balance, ending	$ 49,137,974	$ 42,616,174	$ 51,423,000	$ 8,806,826	$ 49,387,739

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

The 2025 certified expenditure budget is $362,251,590, including an appropriated reserve of $33,000,000.

* 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 to the cancellation of prior year encumbrances.

STATEMENT OF FUND NET POSITION

December 31, 2025

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
ASSETS			
Current assets:			
Cash and cash equivalents	$ 26,822,822	$ 15,832,214	$ 38,426,620
Receivables, net:			
Due from other agencies	11,454	-	4,668,271
Accounts receivable	17,059,730	12,013,794	2,164,141
Lease receivables	29,557	-	3,688,974
Due from other funds	-	54,986	52,918
Inventories	6,797,360	141,217	-
Prepaid items	-	565,086	-
Restricted assets:			
Cash and cash equivalents	26,808,701	15,679,067	14,612,568
Total current assets	77,529,624	44,286,364	63,613,492
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	241,244,239	111,590,822	-
Lease receivables	122,016	-	38,582,423
Capital assets:			
Lease assets:			
Machinery, equipment and other assets	-	-	-
Less: accumulated amortization	-	-	-
SBITA assets:			
Software subscriptions	100,464	-	381,307
Less: accumulated amortization	(5,023)	-	(212,631)
Non-depreciable capital assets:			
Land	17,529,483	4,377,345	19,491,938
Construction in progress	551,257,797	237,732,864	11,216,883
Depreciable capital assets:			
Airfield	-	-	231,716,909
Buildings	159,067,092	139,072,921	200,885,635
Improvements other than buildings	850,256,045	543,930,172	105,364,454
Machinery, equipment and other assets	135,402,664	83,503,295	42,935,032
Less accumulated depreciation	(491,847,618)	(288,888,809)	(298,953,415)
Total capital assets, net	1,221,760,904	719,727,788	312,826,112
Total noncurrent assets	1,463,127,159	831,318,610	351,408,535
Total assets	1,540,656,783	875,604,974	415,022,027
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	5,327,352	2,259,399	368,307
Deferred outflows related to pensions	5,685,117	3,469,602	5,285,571
Deferred outflows related to OPEB	801,313	524,455	373,587
Total deferred outflows of resources	11,813,782	6,253,456	6,027,465

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
$ 25,954,651	$ 11,004,904	$ 118,041,211	$ 57,877,363
16,979	3,460,109	8,156,813	-
2,953,264	381,006	34,571,935	115,308
-	21,088	3,739,619	-
463	4,108	112,475	28,309,197
-	632,678	7,571,255	1,610,465
-	3,700	568,786	579,242
-	-	57,100,336	-
28,925,357	15,507,593	229,862,430	88,491,575
-	-	352,835,061	-
-	246,600	38,951,039	-
-	2,559,706	2,559,706	781,766
-	(985,066)	(985,066)	(281,001)
-	587,027	1,068,798	7,479,224
-	(371,800)	(589,454)	(2,521,210)
7,891,012	4,412,174	53,701,952	-
6,026,826	144,124	806,378,494	194,343
-	-	231,716,909	-
11,017,568	17,078,247	527,121,463	74,242
245,240,595	17,702,123	1,762,493,389	184,132
9,022,563	44,773,622	315,637,176	70,063,497
(59,717,751)	(52,238,990)	(1,191,646,583)	(45,954,779)
219,480,813	33,661,167	2,507,456,784	30,020,214
219,480,813	33,907,767	2,899,242,884	30,020,214
248,406,170	49,415,360	3,129,105,314	118,511,789
-	-	7,955,058	-
987,293	1,743,078	17,170,661	3,510,725
149,284	682,094	2,530,733	269,379
1,136,577	2,425,172	27,656,452	3,780,104

(Continued)

STATEMENT OF FUND NET POSITION (CONTINUED)

December 31, 2025

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	$ 6,169,211	$ 26,794,034	$ 6,182,063
Accrued interest payable	2,383,549	404,177	452,165
Deposits	3,071,294	-	14,211
Due to other agencies	28,026	70,244	-
Due to other funds	174,847	-	-
Current portion of long-term liabilities:			
General obligation bonds payable	7,235,000	-	4,145,000
Loans payable	11,184,811	2,648,870	-
Claims payable	-	-	-
Lease liability	-	-	-
SBITA liability	17,999	-	57,683
Total OPEB liability	115,529	95,261	87,154
Compensated absences	628,504	322,939	512,743
Current liabilities payable from restricted assets:			
Accounts payable and other liabilities	-	-	51,895
Accrued interest payable	1,752,855	1,184,913	-
Revenue bonds payable	17,820,846	14,494,154	-
Total current liabilities	50,582,471	46,014,592	11,502,914
Noncurrent liabilities:			
Unearned revenue	-	-	2,303,594
General obligation bonds payable	71,836,978	-	111,308,833
Revenue bonds payable	470,542,032	254,610,850	-
Loans payable	247,763,081	58,073,037	-
Claims payable	-	-	-
Lease liability	-	-	-
SBITA liability	63,270	-	62,230
Net pension liability	9,857,707	6,378,517	8,208,028
Total other post-employment benefits (OPEB) liability	1,980,251	1,632,839	1,493,873
Compensated absences	187,006	96,088	152,562
Total noncurrent liabilities	802,230,325	320,791,331	123,529,120
Total liabilities	852,812,796	366,805,923	135,032,034
DEFERRED INFLOWS OF RESOURCES			
Unamortized gain on refunding	216,750	355,761	-
Deferred inflows related to leases	142,160	-	41,783,981
Deferred inflows related to pensions	905,822	659,041	923,122
Deferred inflows related to OPEB	990,477	899,046	737,014
Total deferred inflows of resources	2,255,209	1,913,848	43,444,117
NET POSITION			
Net investment in capital assets	397,103,215	365,913,967	192,577,278
Restricted for:			
Capital projects	-	-	4,856,593
Operating projects	-	-	9,987,477
Revenue bond covenants	241,244,239	111,590,822	-
Unrestricted	59,055,106	35,633,870	35,151,993
Total net position	$ 697,402,560	$ 513,138,659	$ 242,573,341

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
$ 680,489	$ 1,114,032	$ 40,939,829	$ 3,884,888
5,470	-	3,245,361	53,537
-	-	3,085,505	476,835
-	-	98,270	-
10,905	-	185,752	-
910,000	-	12,290,000	-
-	-	13,833,681	-
-	-	-	9,711,715
-	393,922	393,922	155,611
-	95,057	170,739	1,884,729
24,322	105,395	427,661	60,805
125,585	353,788	1,943,559	561,603
-	-	51,895	-
-	-	2,937,768	-
-	-	32,315,000	-
1,756,771	2,062,194	111,918,942	16,789,723
-	164,965	2,468,559	-
1,649,797	-	184,795,608	-
-	-	725,152,882	-
-	-	305,836,118	-
-	-	-	19,558,000
-	1,244,328	1,244,328	380,887
-	51,549	177,049	1,908,458
1,739,596	3,147,841	29,331,689	6,378,516
416,895	1,806,544	7,330,402	1,042,238
37,367	105,266	578,289	167,099
3,843,655	6,520,493	1,256,914,924	29,435,198
5,600,426	8,582,687	1,368,833,866	46,224,921
29,209	-	601,720	-
-	263,713	42,189,854	-
198,829	289,252	2,976,066	748,403
357,274	992,044	3,975,855	659,579
585,312	1,545,009	49,743,495	1,407,982
216,361,821	31,653,037	1,203,609,318	25,690,529
-			
-	-	4,856,593	-
-	-	9,987,477	-
-	-	352,835,061	-
26,995,188	10,059,799	166,895,956	48,968,461
$ 243,357,009	$ 41,712,836	1,738,184,405	$ 74,658,990
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.		7,520,155	
Net position of business-type activities		$ 1,745,704,560	

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the year ended December 31, 2025

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
OPERATING REVENUES			
Charges for services and sales	$ 127,538,823	$ 84,031,301	$ 21,657,289
Fees	1,314,343	393,644	261,984
Rentals	39,977	26,259	18,289,882
Employer contributions	-	-	-
Employee contributions	-	-	-
Other operating revenues	233,255	84,915	586,037
Total operating revenues	129,126,398	84,536,119	40,795,192
OPERATING EXPENSES			
Personnel services	18,845,996	14,926,434	14,531,910
Contractual services	21,301,816	10,916,698	6,150,493
Materials and supplies	7,139,199	5,919,479	5,964,380
Other operating expenses	5,994,352	3,478,158	990,929
Administrative charges	868,281	462,599	545,185
Payments in lieu of franchise taxes	6,329,340	4,029,150	-
Depreciation/amortization	21,649,455	13,323,937	12,061,359
Employee/insurance claims	-	-	-
Total operating expenses	82,128,439	53,056,455	40,244,256
Operating income (loss)	46,997,959	31,479,664	550,936
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment earnings	3,299	937	131,201
Intergovernmental grants	-	-	-
Other revenues (expenses)	(7,650,530)	(5,379,679)	(954,032)
Interest expense, net of bond amortization	(15,595,174)	(7,415,006)	(4,578,624)
Gain on sale of assets	169,995	150,750	169,350
Total non-operating revenues (expenses)	(23,072,410)	(12,642,998)	(5,232,105)
Income (loss) before capital contributions and transfers	23,925,549	18,836,666	(4,681,169)
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions	4,529,337	6,211,753	12,478,887
Transfers from other funds	13,909	-	-
Transfers to other funds	(74,885)	(206,014)	-
Total capital contributions and transfers	4,468,361	6,005,739	12,478,887
Change in net position	28,393,910	24,842,405	7,797,718
Net position - beginning	669,008,650	488,296,254	234,775,623
Net position - ending	$ 697,402,560	$ 513,138,659	$ 242,573,341

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
$ 13,261,921	$ 9,991,144	$ 256,480,478	$ 21,468,618
142,256	-	2,112,227	-
-	1,642,482	19,998,600	11,570,874
-	-	-	55,388,789
-	-	-	12,239,896
32,019	1,112,773	2,048,999	955,557
13,436,196	12,746,399	280,640,304	101,623,734
3,391,350	15,015,973	66,711,663	12,807,207
2,437,710	4,922,877	45,729,594	17,673,002
268,749	3,462,673	22,754,480	9,087,589
1,153,610	276,373	11,893,422	513,334
118,715	913,666	2,908,446	944,506
-	-	10,358,490	-
3,725,616	4,561,237	55,321,604	5,814,143
-	-	-	52,692,808
11,095,750	29,152,799	215,677,699	99,532,589
2,340,446	(16,406,400)	64,962,605	2,091,145
-	-	135,437	-
-	9,320,471	9,320,471	-
(110,477)	62,937	(14,031,781)	309,562
110,653	(77,379)	(27,555,530)	(120,478)
60,200	37,842	588,137	639,770
60,376	9,343,871	(31,543,266)	828,854
2,400,822	(7,062,529)	33,419,339	2,919,999
6,185,686	1,459,043	30,864,706	5,264,451
12,768	4,045,826	4,072,503	-
-	-	(280,899)	(1,842,818)
6,198,454	5,504,869	34,656,310	3,421,633
8,599,276	(1,557,660)	68,075,649	6,341,632
234,757,733	43,270,496	1,670,108,756	68,317,358
$ 243,357,009	$ 41,712,836	$ 1,738,184,405	$ 74,658,990

Increase in net position per fund statements	$ 68,075,649
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.	562,510
Change in net position of business-type activities	$ 68,638,159

STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Business-type Activities Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 127,654,807	$ 85,775,143	$ 39,131,767
Cash payments to suppliers for goods and services	(35,687,757)	(21,275,757)	(13,504,874)
Cash payments to employees for services	(17,290,737)	(14,153,098)	(13,717,618)
Payments in lieu of franchise taxes	(6,329,340)	(4,029,150)	-
Other operating revenues	233,255	84,915	586,037
Other operating expenses	(7,650,530)	(5,379,679)	(954,032)
Net cash provided by (used in) operating activities	60,929,698	41,022,374	11,541,280
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants received	-	-	-
Interfund loans	(64,254)	16,539	18,776
Transfers from other funds	13,909	-	-
Transfers to other funds	(74,885)	(206,014)	-
Net cash provided by (used in) noncapital financing activities	(125,230)	(189,475)	18,776
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Retirement of temporary notes	-	-	-
Interest payment on temporary notes	-	-	-
Issuance of capital debt	39,645,236	133,391,165	-
Principal payments on long-term debt	(30,803,427)	(17,964,391)	(3,980,000)
Interest payments on long-term debt	(15,539,451)	(8,276,435)	(4,810,039)
Principal payments on leases	-	-	-
Interest payments on leases	-	-	-
Principal payments on SBITAs	(19,195)	-	(133,540)
Interest payments on SBITAs	-	-	(1,298)
Capital asset additions	(37,082,229)	(148,880,773)	(13,508,258)
Sale of capital assets	169,995	150,750	169,350
Capital contributions	1,168,486	1,240,920	9,637,688
Net cash used in capital and related financing activities	(42,460,585)	(40,338,764)	(12,626,097)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	3,299	937	131,201
Net cash provided by investing activities	3,299	937	131,201
Net increase (decrease) in cash and temporary investments	18,347,182	495,072	(934,840)
Cash and temporary investments - beginning	276,528,580	142,607,031	53,974,028
Cash and temporary investments - ending	$ 294,875,762	$ 143,102,103	$ 53,039,188

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
$ 13,259,273	$ 11,474,094	$ 277,295,084	$ 100,573,480
(4,002,228)	(9,654,560)	(84,125,176)	(80,046,382)
(3,239,149)	(14,510,212)	(62,910,814)	(12,030,793)
-	-	(10,358,490)	-
32,019	1,175,710	2,111,936	1,265,119
(110,477)	-	(14,094,718)	-
5,939,438	(11,514,968)	107,917,822	9,761,424
-	6,904,211	6,904,211	-
(5,410)	1,882	(32,467)	(11,437,859)
12,768	4,045,826	4,072,503	-
-	-	(280,899)	(1,842,818)
7,358	10,951,919	10,663,348	(13,280,677)
-	(84,276)	(84,276)	-
-	(5,859)	(5,859)	-
-	-	173,036,401	-
(1,199,180)	-	(53,946,998)	-
(86,678)	-	(28,712,603)	-
-	(380,877)	(380,877)	(144,157)
-	(65,912)	(65,912)	(47,208)
-	(165,091)	(317,826)	(2,421,767)
-	(6,097)	(7,395)	(19,733)
(8,239,435)	(3,681,222)	(211,391,917)	(2,791,991)
60,200	44,175	594,470	714,335
1,697,571	1,391,977	15,136,642	-
(7,767,522)	(2,953,182)	(106,146,150)	(4,710,521)
-	-	135,437	-
-	-	135,437	-
(1,820,726)	(3,516,231)	12,570,457	(8,229,774)
27,775,377	14,521,135	515,406,151	66,107,137
$ 25,954,651	$ 11,004,904	$ 527,976,608	$ 57,877,363

(Continued)

STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended December 31, 2025

	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)	$ 46,997,959	$ 31,479,664	$ 550,936
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation/amortization	21,649,455	13,323,937	12,061,359
Other revenues (expenses)	(7,650,530)	(5,379,679)	(954,032)
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
(Increase) decrease in receivables	(1,267,755)	1,311,838	(448,626)
(Increase) in lease receivables	(151,573)	-	(2,181,586)
(Increase) decrease in inventory	(167,083)	(35,999)	-
(Increase) in prepaid items	-	27,702	-
(Increase) decrease in deferred outflows related to pensions	376,647	448,189	737,843
(Increase) decrease in deferred outflows related to OPEB	18,788	90,581	(77,558)
Increase (decrease) in accounts payable	(102,431)	(445,524)	232,571
Increase in accrued interest payable	51,022	-	-
Increase in due to other agencies	12,131	12,101	-
Increase (decrease) in deposits	(24,321)	-	-
Increase in claims payable	-	-	-
(Decrease) in unearned revenues	-	-	(97,876)
Increase (decrease) in net pension liability	164,816	(170,734)	(619,331)
Increase (decrease) in total OPEB liability	4,541	(56,168)	46,172
Increase (decrease) in compensated absences	84,379	21,599	(9,478)
Increase in deferred inflows related to leases	142,160	-	1,650,700
Increase in deferred inflows related to pensions	709,762	377,132	576,048
Increase (decrease) in deferred inflows related to OPEB	81,731	17,735	74,138
Total adjustments	13,931,739	9,542,710	10,990,344
Net cash provided by (used in) operating activities	$ 60,929,698	$ 41,022,374	$ 11,541,280
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Contribution of capital assets	$ 3,494,252	$ 4,970,833	$ -
Capital contribution receivables	144,855	-	4,668,271
Capital assets in accounts payable	3,304,274	25,890,548	5,043,395
Capital asset additions via SBITA liability	-	-	-

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

Business-type Activities Enterprise Funds			Governmental Activities
Stormwater Utility	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
$ 2,340,446	$ (16,406,400)	$ 64,962,605	$ 2,091,145
3,725,616	4,561,237	55,321,604	5,814,143
(110,477)	62,937	(14,031,781)	309,562
(144,904)	(142,026)	(691,473)	(115,308)
-	(243,798)	(2,576,957)	-
-	(64,840)	(267,922)	270,084
-	-	27,702	129,114
(6,349)	250,389	1,806,719	685,098
(22,017)	79,361	89,155	72,875
1,791	16,446	(297,147)	197,152
-	-	51,022	-
-	-	24,232	-
-	(600)	(24,921)	20,611
-	-	-	308,297
-	(13,214)	(111,090)	-
80,453	(83,125)	(627,921)	(520,028)
19,132	(45,000)	(31,323)	(124,841)
18,580	35,888	150,968	59,979
-	240,106	2,032,966	-
45,454	208,787	1,917,183	497,202
(8,287)	28,884	194,201	66,339
3,598,992	4,891,432	42,955,217	7,670,279
$ 5,939,438	$ (11,514,968)	$ 107,917,822	$ 9,761,424
$ 4,541,200	$ 24,580	$ 13,030,865	$ 4,443,444
16,979	-	4,830,105	-
529,986	223,274	34,991,477	-
-	74,612	74,612	5,272,887

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2025

	Pension Trust Funds	Property & Evidence Custodial Fund
ASSETS		
Cash and temporary investments	$ 115,911	$ 2,074,643
Receivables:		
Investment sales pending	798,555	-
Interest and dividends	3,047,521	-
Other receivables	1,865,916	-
Total receivables	5,711,992	-
Investments, at fair value:		
Government short-term investment fund	64,000,784	-
Equity:		
Domestic equity	756,243,528	-
International equity	514,787,293	-
Fixed income	328,481,917	-
Real estate	75,668,880	-
Target date and money market funds	8,735,006	-
Timber	110,705,442	-
Securities lending short-term collateral investment pool	1,132,619	-
Total investments	1,859,755,469	-
Capital assets:		
SBITA assets:		
Software	1,282,828	-
Less: accumulated amortization	(1,282,828)	-
Other capital assets:		
Pension software	6,823,324	-
Less: accumulated depreciation	(1,905,654)	-
Total capital assets, net	4,917,670	-
Total assets	1,870,501,042	2,074,643
LIABILITIES		
Accounts payable and other liabilities	1,864,290	2,662
Investment purchases pending	1,052,408	-
Securities lending obligations	1,132,619	-
Accrued interest - SBITA	59,694	-
SBITA liability - current	665,306	-
SBITA liability - noncurrent	1,462,822	-
Total liabilities	6,237,139	2,662
NET POSITION		
Restricted for:		
Pensions	1,864,263,903	-
Property and evidence	-	2,071,981
Total net position	$ 1,864,263,903	$ 2,071,981

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, 2025

	Pension Trust Funds	Property & Evidence Custodial Fund
ADDITIONS		
Contributions:		
Employer	$ 43,747,882	$ -
Employee	12,332,901	-
Property and evidence collections	-	1,010,057
Total contributions	56,080,783	1,010,057
Investment income:		
From investing activities:		
Net appreciation in the fair value of investments	284,215,217	-
Interest	7,089,067	-
Dividends	5,126,076	-
Commission recapture	36,231	-
Total investing activity income	296,466,591	-
Less investment expense	7,298,681	-
Net income from investing activities	289,167,910	-
From securities lending activities:		
Securities lending income	311,912	-
Less securities lending expense, net:		
Borrower rebates	106,955	-
Management fees	61,450	-
Total securities lending expenses	168,405	-
Net income from securities lending activities	143,507	-
Total net investment income	289,311,417	-
Reclassifications due to participant conversion	93,409	-
Total additions	345,485,609	1,010,057
DEDUCTIONS		
Pension benefits	105,449,172	-
Pension administration	1,302,920	-
Depreciation/amortization	1,235,460	-
Interest - SBITAs	59,694	-
Employee contribution refunded	1,802,655	-
Reclassifications due to participant conversion	93,409	-
Property and evidence released	-	1,138,435
Total deductions	109,943,310	1,138,435
Change in net position	235,542,299	(128,378)
Net position - beginning	1,628,721,604	2,200,359
Net position - ending	$ 1,864,263,903	$ 2,071,981

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. There can also be fiduciary component units which are presented in the fiduciary financial statements of the basic financial statements.

Blended Component Unit*:** The ***Airport Authority is reported as a blended component unit as it meets all four component unit criteria: legally separate, voting majority, financial burden and imposition of will. The Airport Authority serves all citizens of the primary government and is governed by a board comprised of the government's elected Mayor and City 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. Finally, the Airport Authority is operated as a department of the City, with its Director hired by the City Manager and its budget approved by the Mayor and City Council. Therefore, the Airport Authority is reported as an enterprise fund of the City. 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: 4% Low Income Housing Tax Credits (LIHTC); CDBG, HOME and Capital Funds; and 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 23.

Fiduciary Component Unit: The ***Wichita Retirement Systems*** is comprised of two single-employer defined benefit pension plans and a single-employer defined contribution plan, covering the City's 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 https://www.wichita.gov/422/Pension-Documents. Further details of each plan can be found in Note 7 – Retirement Funds.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position on pages A-28 and A-29 and the Statement of Activities on pages A-30 and A-31) 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 Subfund 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.

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 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, 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. As of 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 year-end 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 year-end is considered to be susceptible to accrual as revenue of the current period, with the amount not collected within 60 days of year-end 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 year-end.

***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 year-end. 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. RECEIVABLES

***Accounts receivable*:** The City's accounts receivables are primarily for services provided by the City to other entities and are recorded net of any allowance for doubtful accounts.

Due from other agencies are typically receipts due from other governmental agencies for services provided or operating and capital grants.

***Pledge receivable*:** The City has a pledge receivable recorded for an agreement with the Wichita Public Library Foundation in the amount of $2,000,000 for capital improvements primarily at the Westlink Branch, Alford Branch, Maya Angelou Branch and the Rockwell Branch of the Wichita Public Library. The City also has a pledge receivable for an agreement with a private developer for capital improvements for Crystal Prairie Park.

***Loans receivable*:** The City has loans receivable recorded for various purposes, including the City's Propel loan

programs. The long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending focus. Recognition of governmental fund type revenues represented by long-term receivables have unavailable revenues recorded unless received within 60 days of year end.

***Naming rights receivable*:** The City has naming rights receivables recorded for two separate agreements for Equity Bank Park (baseball stadium) and Scheels (Stryker Sports Complex). The long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending focus. Recognition of governmental fund type revenues represented by long-term receivables have deferred revenues recorded for future year receipts per the agreements, which will be recognized in future years.

***Notes receivable*:** The City has notes receivables recorded for various purposes, including housing programs. The long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending focus. Recognition of governmental fund type revenues represented by long-term receivables have unavailable revenues recorded unless received within 60 days of year end.

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.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

I. INVENTORIES AND PREPAID ITEMS

Inventories and prepaid items 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

Lease Assets: The City has right-to-use assets, including buildings, vehicles and equipment recorded for lease assets. Lease (right-to-use) assets are recognized at the lease commencement date and represent the City's right-to-use an underlying asset for the lease term. These lease 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. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Useful lives for each major class of lease assets are the same as those for other capital assets (see table on next page). The City recognizes lease liabilities and intangible right-to-use lease assets for any lease with an initial value of $5,000 or greater.

Subscription Assets: The City is a subscriber of noncancelable subscription-based information technology arrangements (SBITAs). The City recognizes subscription liabilities and intangible right-to-use subscription assets for any subscription with an initial value of $100,000 or greater.

The subscription assets are recognized at the subscription commencement date and represent the City's right to use the underlying IT asset for the subscription term. Subscription assets are measured at the initial value of the subscription liability plus any payments made to the vendor at or before the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Subscription assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. Useful lives for each major class of subscription assets are the same as those for other capital assets (see table on next page).

Other 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 historical acquisition value, or estimated historical acquisition value (if actual historical acquisition value is not available). Donated capital assets are valued at their estimated acquisition value on the date donated. The donated acquisition value is the price that would have been paid to acquire an asset with equivalent service potential on the date of donation. Federally funded assets have a capitalization threshold of $10,000 for grant agreements executed after October 1, 2024, and $5,000 prior to that date. 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 expensed.

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. Land and construction in progress are not depreciated.

K. 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.

L. 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.

Financed purchases debt represents the City's obligation to make payments arising from long-term financing agreements, direct borrowings/placements, for certain capital assets that are not SBITA or lease assets.

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 two-year average of the City's bonded debt.

SBITA (Subscription) liabilities represent the City's obligation to make subscription payments arising from the subscription contract. SBITA liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of the subscription payments is discounted based on a two-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's Fraternal Order of (FOP) members are also eligible for up to 8 weeks of paid parental leave for a qualifying event. The City's International Association of Firefighters (IAFF) members are eligible for up to 8 weeks of paid maternity leave for a qualifying event. A qualifying event for both FOP and IAFF members is defined as the birth of a child, adoption, foster care placement, or miscarriage.

Vacation, comp time pay, paid parental leave, and maternity leave are 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, because of employee terminations and retirements. Paternity and maternity leave are recognized as awarded and used in the governmental funds.

The City does not have a policy to pay accumulated sick pay benefits upon termination of employment. However, employees in the Wichita Employees' Retirement System (WERS) or Police and Fire Retirement System (PFRS) can convert unused sick leave at retirement for additional service time (up to the maximum service credit allowed) to increase their defined retirement benefit, and thus, the probability and estimated amounts are included in the City's net pension liability. Based on the City's analysis of this and the City employees' history of usage, it is unlikely that sick leave accumulated for services already rendered would be paid out in cash or settled through other noncash means. Thus, a liability for sick leave has not been recorded as of December 31, 2025.

The City does not provide paid military leave and there was no material jury duty leave that had commenced as of December 31, 2025.

M. 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/amortization, reduced by the outstanding balances of any bonds, mortgages, notes, lease liabilities, SBITA liabilities 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 represents 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 22.D - 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 or expense is incurred for purposes for which both restricted and unrestricted fund balance or net position is available, the City of Wichita considers restricted funds spent 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 15% of the subsequent year’s expenditures. Further, City Council Policy 40 sets the reserve level for the Stabilization Reserve, a subfund of the General Fund, at 3% of General Fund expenditures, and the Pension Reserve, a subfund of the Self Insurance Fund, at 2.5% of General Fund expenditures.

N. 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).

O. ESTIMATES

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

P. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

In 2025, the City implemented the following accounting principle.

GASB Statement No. 102, Certain Risk Disclosures, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit, or other reporting units that report a liability for revenue debt, vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, this Statement governs the required disclosures. 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 79-2925 et. seq, K.S.A 79-2988, and K.S.A 79-2989 outline the sequence and timetable for adoption of the budgets. A "Revenue Neutral Rate" (RNR) calculated by the County Clerk dictates the appropriate timeline. The RNR is the mill levy rate that would be required, based on the estimated assessed valuation, to maintain the exact same level of total taxes levied as included in the previous year's Adopted Budget. The relevant timeline is dependent on whether there is an intent to exceed the RNR.

If the RNR is not exceeded in the Adopted Budget, the publication of notice for the Budget Hearing must occur by August 4. The publication of notice of the Budget hearing date must be published at least 10 days prior to the Budget hearing date, and the Budget hearing must be held by August 15. The Adopted Budget must be submitted to the County Clerk by August 25.

The timeline is different if exceeding the RNR is being considered. The County Clerk must be notified by July 20 if there is an intent to exceed the RNR. The Budget hearing must be held no sooner than August 20 and not later than September 20. Publication of notice of the Budget hearing must occur at least 10 days prior to the scheduled Budget hearing date. The Adopted Budget must be submitted to the County Clerk no later than October 1.

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 expenditures 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 three deviations from 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 an adjustment to rental income for the divergence of the lease payments received versus the lease revenue amortized from the related deferred inflow of resources.
3. In accordance with GASB 87 and 96, an other financing source is recognized on the GAAP basis and is not booked for budgetary purposes, as it is a non-cash transaction and doesn't provide current financial resources.

Expenditures: For expenditures on a budgetary basis there are three differences between the City's budgetary accounting basis and GAAP, as follow:

1. The major difference 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.
2. In accordance with GASB 87 and 96, expenditures for lease and subscription-based information technology arrangements (SBITAs) payments are recorded as principal and interest payments on long-term obligations. On a budgetary basis these expenditures are recorded by expenditure category and function, if applicable.
3. In accordance with GASB 87 and 96, the recognition of a capital outlay expenditure, which is booked on the GAAP basis, is not booked for budgetary purposes, as it is a non-cash transaction and doesn't consume current financial resources.

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 a fund's unencumbered net position or fund balance, primarily through 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.

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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, 2025, 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	**$ 11,204,097**	**$ 102,404,949**
Increase (decrease) affecting basis:		
Expenditures due to prior year encumbrances	1,578,512	-
Expenditures accrued that are already encumbered	(61,831)	60,889
Cancellation of prior year encumbrances	586,265	-
Expenditures due to current year encumbrances	(1,842,117)	(2,055,772)
Investment fair market value adjustment	(2,082,403)	(2,269,401)
Less subfund balances included for GAAP:		
Stabilization Reserve Subfund*	(7,099,174)	(44,818,611)
Economic Development Subfund**	(248,088)	(1,899,054)
General Fund - budgetary basis	**$ 2,035,261**	**$ 51,423,000**

* *Budget expenditure authority was not established for the Stabilization Reserve Subfund for 2025. 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

As of December 31, 2025, the City's fund balance and net position deficits are shown in the table below.

The deficits for the governmental funds, which are nonmajor capital project funds, will be primarily financed through the sale of bonds authorized by the City Council which have not been issued as of December 31, 2025. 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 24 – Subsequent Events for information on any General Obligation Bonds issued after December 31, 2025, but before the date of this report.

Fund Balance/ Net Position Deficits As of December 31, 2025		
Primary Government		**Deficits**
Governmental funds:		
Street Improvement Fund	$	53,050,782
Park Bond Construction Fund		19,801,625
Neighborhood Improvements Fund		99,232,784
Public Improvement Construction Fund		10,943,335
Total reporting entity	**$**	**183,028,526**

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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, 2025, the City had deposits in six banks totaling $130,033,859 with assets pledged by the banks as collateral with a fair value of $161,015,342.

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.

On December 31, 2025, the City's pooled funds were invested as follows:

Pooled Funds
As of December 31, 2025

Investment Type	Fair Value	Modified Duration (Years)	Percent of Total Pooled Funds
U.S. agency coupon securities	$ 110,413,682	0.594	13.8%
U.S. agency callable securities	162,318,184	0.869	20.3%
U.S. agency discount securities	9,950,204	0.749	1.2%
U.S. Treasury	360,930,881	0.815	45.2%
U.S. Treasury discount	19,785,518	0.749	2.5%
Kansas Municipal Investment Pool	35,600,553	-	4.5%
Collateralized certificates of deposit	64,252,982	0.449	8.0%
Collateralized deposits	35,868,631	-	4.5%
Total value	**$ 799,120,635**		**100.0%**
Modified duration of portfolio		**0.691**	

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, 2025, the City's investments in U.S. agency obligations not directly guaranteed by the U.S. Government included only instruments rated Aa1 by Moody's and AA+ Standard & Poor'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	
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%

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 above).

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.

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The fair value measurements for the City's pooled investments on December 31, 2025, are listed in the table below.

Pooled Funds Fair Value Measurements As of December 31, 2025				
Investment Type	Fair Value	Level 1 Inputs	Level 2 Inputs	Percent of Total Value
U.S. Treasury	$380,716,399	$380,716,399	$ -	57.4%
Federal Farm Credit Bank (FFCB)	76,301,302	-	76,301,302	11.5%
Federal Home Loan Bank (FHLB)	116,334,594	-	116,334,594	17.5%
Federal Home Loan Mortgage Corp. (FHLMC)	43,136,767	-	43,136,767	6.5%
Federal National Mortgage Assoc. (FNMA)	46,909,407	-	46,909,407	7.1%
Total value	**$663,398,469**	**$380,716,399**	**$282,682,070**	**100.0%**

C. INVESTMENTS OF THE PRIMARY GOVERNMENT NOT POOLED

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

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

Although individual bond covenants include certain restrictive provisions regarding the types of investments and their maturities, the City does not have a formal investment policy that addresses interest rate risk, credit risk or concentration of credit risk for the investment of bond proceeds. On December 31, 2025, revenue bond proceeds for debt service reserve funds of the Water and Sewer Utility Funds were invested in the City's Pooled Funds.

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, 2025, all bond proceeds for the projects were spent. The City has recorded its proportion of the other (non-debt proceeds) escrow accounts totaling $37,696 as of December 31, 2025.

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, 2025, the City had $5,094,458 invested with the Kansas Municipal Investment Pool and the weighted average maturity of the Kansas Municipal Investment Pool was 64 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. As of December 31, 2025, these funds were invested as follows:

Other Non-Pooled Investments
As of December 31, 2025

Investment Type	Fair Value	Modified Duration (Years)	Percent of Total
Equity securities (Cemetery)	$ 1,244,596	-	4.3%
Collateralized deposits (RAD)	1,000,000	-	3.4%
Collateralized deposits (WHA)	26,271,759	-	90.5%
Collateralized deposits (CDBG)	531,533	-	1.8%
Total value	**$ 29,047,888**		**100.0%**
Portfolio weighted average maturity		**-**	

Equity securities held in the Cemetery Fund, with a fair value of $1,244,596 as of December 31, 2025, 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; City Code 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. Unless otherwise approved in writing by the Boards, no investment shall be made in:

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 $115,911 held in the City's pooled funds, as of December 31, 2025, 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, Callan LLC, 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, 2025, are listed in the accompanying table.

Wichita Retirement Systems Investments[1]
As of December 31, 2025

Type of Investment		Fair Value
Government short-term investment fund	$	64,000,784
Domestic equity		756,243,528
International equity		514,787,293
Fixed income		328,481,917
Real estate		75,668,880
Target date and money market funds		8,735,006
Timber		110,705,442
Total Investments	**$**	**1,858,622,850**

[1] *Excludes securities lending short-term collateral investment pool (see pages A-73 and A-74 for further information).*

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 in turn affects the reported estimated fair values. The pension funds utilize a combination of asset-backed securities, which vary in their degree of volatility. Although considerable variability is inherent in such estimates, management believes the estimated fair values are reasonable estimates.

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

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).

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, 2025, are listed in the accompanying table.

Wichita Retirement Systems
Fair Value Measurements[1]
As of December 31, 2025

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments by fair value level:				
Cash and cash equivalents (GSTIF)[2]	$ (8,310,320)	$ (8,403,120)	$ 92,800	$ -
Equity:				
Domestic equity	745,607,312	525,186,906	-	220,420,406
International equity	210,338,781	192,975,754	-	17,363,027
Fixed income	324,449,760	95,671,770	108,313,051	120,464,939
Total investments by fair value	**$ 1,272,085,533**	**$ 805,431,310**	**$ 108,405,851**	**$358,248,372**
Investments measured at the net asset value (NAV):				
Cash and cash equivalents (GSTIF)[2]	$ 72,311,104			
Equity:				
Domestic equity	10,636,216			
International equity	304,448,512			
Fixed income	4,032,157			
Real estate	75,668,880			
Target date funds	8,735,006			
Timber	110,705,442			
Total investments measured at NAV	**586,537,317**			
Total investments	**$ 1,858,622,850**			

[1] Excludes securities lending short-term collateral investment pool (see pages A-73 to A-74 for disclosures related to the Wichita Retirement System's security lending transactions).

[2] Government short-term investment fund (GSTIF)

Short-term investments, equity, fixed income and money market funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Equity securities, if any, 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. On December 31, 2025, WRS had no investments in derivative instruments.

Additional information relating to the investments measured at the NAV for WRS on December 31, 2025, are listed in the table below.

Wichita Retirement Systems
Investments Measured at Net Asset Value (NAV)
As of December 31, 2025

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period (Days)
Cash and cash equivalents (GSTIF)[1]	$ 72,311,104	$ -	Daily	5
Domestic equity	10,636,216	-	Daily	1
International equity	304,448,512	-	Daily, bi-monthly, monthly	1, 15, 30
Fixed income	4,032,157	-	Daily	1
Real estate	75,668,880	-	Quarterly	45-60
Target date funds	8,735,006	-	Daily	1
Timber	110,705,442	-	N/A	N/A
Total investments measured at NAV	**$ 586,537,317**	**$ -**		

[1] *Government short-term investment fund (GSTIF)*

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

- ***Government short-term investment fund (GSTIF)*** – 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 two funds; Opportunistic US$ High Yield Securities and Floating Rate High Income. 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, 2025, the WRS' cash deposits in the amount of $115,911 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, 2025.

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 policy:

- Fixed income managers have full discretion over the issuers selected and must manage portfolios to their guidelines.

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

Interest Rate Risk
As of December 31, 2025

Investment Type		Fair Value	Percent of all Fixed Income Assets	Weighted Average Modified Duration (% value change)[1]
Corporate debt instruments, long-term	$	45,574,295	11.6%	1.1%
Government securities, long-term		28,796,408	7.4%	1.8%
Mortgage and asset-backed securities		55,380,655	14.1%	0.9%
Actively managed investments		**129,751,358**	**33.1%**	**1.2%**
Government short-term investment fund[2]		64,000,784	16.3%	-
Global fixed income[2]		74,233,463	18.9%	-
BPAS NAV Plan 3 and Plan 3b[2]		4,032,157	1.0%	-
Passive core bond index[2]		120,464,939	30.7%	-
Non-actively managed investments		**262,731,343**	66.9%	
Total investment in debt securities	**$**	**392,482,701**	**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.

[2] Non-actively managed investments are part of an index or collective investment fund that does not report duration information.

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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 Bloomberg methodology at the time of purchase. The methodology selects the middle rating (if three agencies rate the security); or, the lower rating if two agencies rate the bond; 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 2025, no securities were purchased that were below the established credit quality minimum in the active core portfolio and the weighted average credit quality of the active core plus portfolio did not fall below the established credit quality rating. The accompanying table shows the debt investments held by the WRS on December 31, 2025, and their respective ratings by Standard and Poor's or an equivalent nationally recognized statistical rating organization.

Credit Risk of Debt Securities
As of December 31, 2025

Quality Rating		Total Debt Securities
AAA	$	3,128,565
AA		905,339
AA-		1,757,980
A+		1,200,232
A		7,134,321
A-		14,935,752
BBB+		12,272,518
BBB		7,929,719
BBB-		232,947
Not rated (NR)		80,253,985
Total credit risk debt securities		**129,751,358**
Government short-term investment fund*		64,000,784
Global fixed income*		74,233,463
BPAS NAV Plan 3 and Plan 3b*		4,032,157
Passive core bond index*		120,464,939
Total investment in debt securities	**$**	**392,482,701**

** Non-actively managed investments are part of an index or collective investment fund that does not report duration information.*

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. On December 31, 2025, WRS had no investments in derivative instruments.

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 18.13% for the year ended December 31, 2025. 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, can hold a variety of these instruments. 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 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. As of December 31, 2025, WRS held no derivative instruments.

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, 2025, is presented in the accompanying table.

Foreign Currency Risk
As of December 31, 2025

Currency	Cash and Cash Equivalents	Equities	Fixed Income
Danish krone	$ 4,544	$ 18,270	$ -
Euro currency unit	-	763,046	-
Japanese yen	-	327,508	-
Norwegian krone	-	9,887	-
Pound sterling	-	8,590	-
Swedish krona	-	131,159	-
Swiss franc	-	236,327	441
Total subject to foreign currency risk	**$ 4,544**	**$ 1,494,787**	**$ 441**

All forward foreign currency contracts are carried at fair value by the WRS. As of December 31, 2025, the Systems did not hold any forward currency contracts. 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, $139,527,464 was held by the counterparty acting as the WRS' agent in securities lending transactions on December 31, 2025. The collateral held at BNY totaled $151,868,319 with $1,132,619 in cash as listed on the Statement of Fiduciary Net Position.

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.

E. INVESTMENTS OF THE PROPERTY AND EVIDENCE CUSTODIAL FUND

The City does not maintain a formal investment policy pertaining to investments held in the Property & Evidence Custodial Fund. As of December 31, 2025, these funds were invested as follows:

Property and Evidence Custodial Fund
As of December 31, 2025

Investment Type	Fair Value	Modified Duration (Years)	Percent of Total
Collateralized deposits	$ 2,105,440	-	100.0%
Total value	**$ 2,105,440**		**100.0%**
Portfolio weighted average maturity		**-**	

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6. CAPITAL ASSETS

Capital asset activity of the primary government for 2025 is presented in the table below, which is continued on the following page.

Capital Assets
For the Year Ended December 31, 2025
(dollars in thousands)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 268,639	$ 339	$ (1,096)	$ -	$ 267,882
Construction in progress	143,122	135,845	(69,715)	-	209,252
Total capital assets, not being depreciated	**411,761**	**136,184**	**(70,811)**	**-**	**477,134**
Capital and right-to-use assets, being depreciated/amortized:					
Capital assets, being depreciated:					
Buildings	402,247	22,640	(6,965)	(14)	417,908
Improvements other than buildings	205,824	23,566	(114)	(13,006)	216,270
Machinery, equipment and other assets	169,695	16,358	(5,042)	(52)	180,959
Infrastructure	1,114,115	12,056	-	-	1,126,171
Lease assets, being amortized:					
Buildings	1,056	80	-	-	1,136
Machinery, equipment and other assets	920	17	-	-	937
Subscription assets, being amortized:					
Software subscriptions	21,372	7,084	(2,881)	-	25,575
Total capital and right-to-use assets being depreciated/amortized	**1,915,229**	**81,801**	**(15,002)**	**(13,072)**	**1,968,956**
Less accumulated depreciation/amortization for:					
Capital assets:					
Buildings	(161,553)	(7,580)	6,250	-	(162,883)
Improvements other than buildings	(84,471)	(6,443)	114	-	(90,800)
Machinery, equipment and other assets	(119,248)	(9,893)	4,968	41	(124,132)
Infrastructure	(492,325)	(26,014)	-	-	(518,339)
Lease assets:					
Buildings	(350)	(125)	-	-	(475)
Machinery, equipment and other assets	(181)	(210)	-	-	(391)
Subscription assets:					
Software subscriptions	(5,240)	(4,102)	2,881	-	(6,461)
Total accumulated depreciation/amortization for capital and right-to-use assets	**(863,368)**	**(54,367)**	**14,213**	**41**	**(903,481)**
Total capital and right-to-use assets, being depreciated/amortized, net	**1,051,861**	**27,434**	**(789)**	**(13,031)**	**1,065,475**
Governmental activities: capital and right-to-use assets, net	**$ 1,463,622**	**$ 163,618**	**$ (71,600)**	**$ (13,031)**	**$ 1,542,609**

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Capital Assets (Continued)
For the Year Ended December 31, 2025
(dollars in thousands)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 51,779	$ 1,923	$ -	$ -	$ 53,702
Construction in progress	631,056	209,100	(33,777)	-	806,379
Total capital assets, not being depreciated	**682,835**	**211,023**	**(33,777)**	**-**	**860,081**
Capital and right-to-use assets, being depreciated/amortized:					
Capital assets, being depreciated:					
Airfields	227,360	4,357	-	-	231,717
Buildings	524,931	2,176	-	14	527,121
Improvements other than buildings	1,723,866	25,662	(41)	13,006	1,762,493
Machinery, equipment and other assets	306,764	12,333	(3,511)	52	315,638
Lease assets, being amortized:					
Machinery, equipment and other assets	2,560	-	-	-	2,560
Subscription assets, being amortized:					
Software subscriptions	847	297	(75)	-	1,069
Total capital and right-to-use assets being depreciated/amortized	**2,786,328**	**44,825**	**(3,627)**	**13,072**	**2,840,598**
Less accumulated depreciation/amortization for:					
Capital assets:					
Airfields	(163,441)	(6,001)	-	-	(169,442)
Buildings	(180,794)	(9,377)	-	-	(190,171)
Improvements other than buildings	(557,131)	(28,974)	41	-	(586,064)
Machinery, equipment and other assets	(239,222)	(10,211)	3,504	(41)	(245,970)
Lease assets:					
Machinery, equipment and other assets	(586)	(399)	-	-	(985)
Subscription assets:					
Software subscriptions	(230)	(360)	-	-	(590)
Total accumulated depreciation/amortization for capital and right-to-use assets	**(1,141,404)**	**(55,322)**	**3,545**	**(41)**	**(1,193,222)**
Total capital and right-to-use assets, being depreciated/amortized, net	**1,644,924**	**(10,497)**	**(82)**	**13,031**	**1,647,376**
Business-type activities: capital and right-to-use assets, net	**$ 2,327,759**	**$ 200,526**	**$ (33,859)**	**$ 13,031**	**$ 2,507,457**

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Capital Assets (Continued) For the Year Ended December 31, 2025 (dollars in thousands)	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Fiduciary Activities:					
Capital assets, not being amortized:					
Construction in progress (software)	$ 2,374	$ 1,098	$ (3,472)	$ -	$ -
Total capital assets, not being amortized:	**2,374**	**1,098**	**(3,472)**	**-**	**-**
Capital and right-to-use assets, being depreciated/amortized:					
Capital assets, being depreciated:					
Machinery, equipment and other assets	1,283	-	-	-	1,283
Subscription assets, being amortized:					
Software subscriptions	3,351	3,472	-	-	6,823
Total capital and right-to-use assets being depreciated/amortized	**4,634**	**3,472**	**-**	**-**	**8,106**
Less accumulated depreciation/amortization for:					
Capital assets:	(1,283)	-	-	-	(1,283)
Machinery, equipment and other assets					
Subscription assets:					
Software subscriptions	(670)	(1,236)	-	-	(1,906)
Total accumulated depreciation/amortization for capital and right-to-use assets	**(1,953)**	**(1,236)**	**-**	**-**	**(3,189)**
Total capital and right-to-use assets, being depreciated/amortized, net	**2,681**	**2,236**	**-**	**-**	**4,917**
Fiduciary activities capital assets, net	**$ 5,055**	**$ 3,334**	**$ (3,472)**	**$ -**	**$ 4,917**

Depreciation/amortization expense was charged to function/programs of the primary government as follows for the year ended December 31, 2025 (in thousands of dollars):

	Depreciation/ Amortization
Governmental Activities:	
General government	$ 3,407
Public safety	6,682
Highways and streets[1]	28,049
Sanitation	11
Health and welfare	539
Culture and recreation	9,865
Internal service funds[2]	5,814
Total depreciation/amortization expense - governmental activities	**$ 54,367**
Business-type Activities:	
Water Utility Fund	$ 21,649
Sewer Utility Fund	13,324
Airport Authority Fund	12,062
Stormwater Utility Fund	3,726
Nonmajor enterprise funds	4,561
Total depreciation/amortization expense - business-type activities	**$ 55,322**

[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.

Capital Outlay Reconciliation: The **capital outlay** amount in the fund financial statements of nearly $142.7 million differs from the $139.9 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 two items: (1) capital outlay for non-capital project funds are recorded in the appropriate function and (2) 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 https://www.wichita.gov/422/Pension-Documents.

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. The Systems invest in real estate through real estate investment trusts, timber through limited partnerships, 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. 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.

***Changes in Proportion Since the Prior Measurement Date*:** The City allocates the net pension liability (asset), deferred inflows and outflows, and net pension expense for the City's two defined pension plans. This allocation is calculated each year based upon each fund's (or function's for governmental funds in governmental activities) percentage of employer contributions as a percentage of the total employer contributions for each defined pension plan. This percentage by fund (or function) can fluctuate each year and the current year's change in percentage is applied to the beginning net pension liability (asset) and the related deferred inflows and outflows to recalculate what the beginning balances would have been under the current year percentage. The difference between the current year's allocated beginning balances less the prior year's ending net pension liability (asset) and deferred inflows and outflows is the current year's change in proportionate share. This deferred inflow or outflow is amortized over the average remaining service life of the defined benefit plan members.

Net Pension Liability, Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions: For the year ended December 31, 2025, the City had a total net pension liability of $208,890,870 which was comprised of WERS and PFRS having net pension liabilities of $82,837,882 and $126,052,988, respectively. The City recognized a combined net pension expense of $59,840,553 for the defined benefit plans it administers with $22,659,223 for the Wichita Employees' Retirement System and $37,181,330 for the Police and Fire Retirement System. As of December 31, 2025, the City reported total deferred outflows of resources and deferred inflows of resources related to pensions of $144,742,306 and $24,199,169, 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. Plans 1, 2 and 3 are considered sub-plans of WERS.

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 were 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 were 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, 2025, the WERS plan membership consisted of the following:

Wichita Employees' Retirement System Membership As of December 31, 2025				
Member Category	Plan 1	Plan 2	Plan 3	Total
Inactive employees or beneficiaries currently receiving benefits	450	1,095	-	1,545
Inactive employees entitled to, but not yet receiving benefits	-	166	-	166
Active employees	-	738	777	1,515
Total membership	**450**	**1,999**	**777**	**3,226**

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, 2025, is $4,558,591.

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 Plans 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 2025 was 15.6% 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, 2025, WERS received $14,394,865 in contributions from the employer for Plans 2 and 3.

Actuarial Assumptions: A summary of the actuarial assumptions and other inputs used in measuring the total pension liability are presented in the accompanying table. The actuarial assumptions used in the December 31, 2024 valuation were based on the results of the most recent demographic experience study dated February 19, 2025, which covered the four-year period ending December 31, 2023. An economic experience study was adopted by the Boards, effective with the December 31, 2024 valuation.

Wichita Employees' Retirement System Actuarial Assumptions for the December 31, 2024 Actuarial Valuation	
Price inflation	2.75%
Wage inflation	3.25%
Salary increases, including wage inflation	For 2025 and 2026: 6.00% to 9.00% varying for years of service For 2027 and thereafter: 3.50% - 6.50%, varying for years of service
Long-term rate of return, net of investment expense, including price inflation	7.40%
Municipal bond index rate	4.08%

Wichita Employees' Retirement System	
Actuarial Assumptions for the December 31, 2024 Actuarial Valuation (continued)	
Year Fiduciary Net Position (FNP) is projected to be depleted	N/A
Single Equivalent Interest Rate (SEIR), net of investment expense, including price inflation	7.40%
Pre-retirement mortality rates (active members)	Based on the PUB-2010 General Employee Below-Median Income mortality tables [*PubG-2010(B)*] as published by the Society of Actuaries (SOA), unadjusted with future improvement from the base year 2010 on a generational basis using the SOA's Scale MP-2021.
Post-retirement mortality rates (healthy retirees and beneficiaries)	Based on the PUB-2010 General Healthy Retiree Below-Median Income mortality tables [*PubG-2010(B)*] as published by the SOA, with a 103.3% adjustment for males and 109.2% adjustment for females, and with future improvement from the base year 2010 on a generational basis using the SOA's Scale MP-2021.
Disabled mortality rates (disabled retirees)	Based on the PUB-2010 Non-Safety Disabled Retiree mortality tables [*PubNS-2010 Disabled Retiree*] as published by the SOA, unadjusted, with future improvement from the base year of 2010 on a generational basis using the SOA's Scale MP-2021.

Changes in Actuarial Assumptions: The following assumptions have been updated for the actuarial valuation dated December 31, 2024.

Changes in Actuarial Assumptions
- The discount rate has been updated to 7.40% as of December 31, 2024, from 7.35% as of December 31, 2023.
- Retirement, DROP, termination, and family composition were updated based on recent experience.
- Mortality assumptions were updated from the RP-2000 tables using projection scale AA to the PUBG-2010 tables with generational mortality improvement using the projection scale MP-2021.
- Individual salary increase assumption was updated for greater salary increases during 2025 and 2026 with minor changes to the long-term assumption.

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 2.42% 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%	4.04%
Small cap equity	8%	4.65%
International equity	27%	4.78%
Fixed Income	20%	2.74%
Real estate	7%	3.64%
Timber	5%	2.5%
Cash	1%	1.26%
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, 2024 valuation is 7.40%. 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, 2024 valuation and the SEIR is 7.40%.

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 2129. 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, 2024, 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).

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, 2023	**$ 734,582,898**	**$ 647,259,557**	**$ 87,323,341**
Changes for the year:			
Service cost	11,011,292	-	11,011,292
Interest on total pension liability	52,109,871	-	52,109,871
Differences between expected and actual experience	9,295,088	-	9,295,088
Assumption changes	21,817,472	-	21,817,472
Employer contributions	-	13,697,091	(13,697,091)
Employee contributions	-	4,232,466	(4,232,466)
Reclassifications due to participant conversion	(125,535)	(125,535)	-
Net investment income	-	81,795,355	(81,795,355)
Benefit payments, including member refunds	(52,008,903)	(52,008,903)	-
Administrative expenses	-	(1,005,730)	1,005,730
Net Changes	**42,099,285**	**46,584,744**	**(4,485,459)**
Balance as of December 31, 2024	**$ 776,682,183**	**$ 693,844,301**	**$ 82,837,882**

Sensitivity Analysis: The accompanying table presents the net pension liability of the City using the discount rate of 7.40%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.40%) or 1% higher (8.40%) than the current rate.

Wichita Employees' Retirement System
Sensitivity Analysis

	Rate	City's Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
1% decrease	6.40%	$ 167,759,168	80.5%
Current rate	7.40%	82,837,882	89.3%
1% increase	8.40%	11,028,726	98.4%

Deferred Outflows and Inflows: As of December 31, 2025, 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, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,764,458	$ -
Changes of assumptions	19,832,571	932,043
Net difference between projected and actual earnings on pension plan investments	-	6,679,907
City contributions subsequent to the measurement date	14,394,865	-
Changes in proportion of the total net pension liability (asset) since the prior measurement date:		
Change in proportion - governmental activities	139,243	656,296
Change in proportion - business-type activities	675,113	158,060
Total	**$ 44,806,250**	**$ 8,426,306**

Wichita Employees' Retirement System Deferred Outflows and Inflows (continued) As of December 31, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts reported - governmental activities	$ 30,361,681	$ 5,885,707
Deferred amounts reported - business-type activities	14,444,569	2,540,599
Total	**$ 44,806,250**	**$ 8,426,306**

The $14,394,865 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 City's fiscal year ended December 31, 2026 (actuarial valuation as of December 31, 2025). 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
2026	$ 10,887,992	$ (3,083,912)
2027	8,735,026	(12,703,695
2028	7,716,504	17,063,440
2029	3,071,863	7,150,473
Totals	**$ 30,411,385**	**$ 8,426,306**

** Negative due to all deferred inflows and outflows reported together for the 'net difference between projected and actual earnings on pension plan investments.'*

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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, 2025, the PFRS defined benefit plan membership consisted of the following:

Police and Fire Retirement System Membership
As of December 31, 2025

Member Category	Plan A	Plan B	Plan C-79	Total
Inactive employees or beneficiaries currently receiving benefits	379	97	669	1,145
Inactive employees entitled to, but not yet receiving benefits	-	-	52	52
Active employees	-	-	1,120	1,120
Total membership	**379**	**97**	**1,841**	**2,317**

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 2025 was 27.9% 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, 2025, PFRS received $29,122,127 in contributions from the employer.

Actuarial Assumptions: The total pension liability in the December 31, 2024 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, 2024 valuation were based on the results of the most recent experience study, which covered the five-year period ending December 31, 2023.

Police and Fire Retirement System	
Actuarial Assumptions for the December 31, 2024 Actuarial Valuation	
Price inflation	2.75%
Wage inflation	3.25%
Salary increases, including wage inflation	4.00% - 6.00%, varying by years of service
Long-term rate of return, net of investment expense, including price inflation	7.35%
Municipal bond index rate	4.08%
Year Fiduciary Net Position (FNP) is projected to be depleted	N/A
Single Equivalent Interest Rate (SEIR), net of investment expense, including price inflation	7.35%
Pre-retirement mortality rates (active members)	Based on the PUB-2010 General Employee Below-Median Income mortality tables [*PubG-2010(B)*] as published by the Society of Actuaries (SOA), unadjusted with future improvement from the base year 2010 on a generational basis using the SOA's Scale MP-2021.
Post-retirement mortality rates (healthy retirees and beneficiaries)	Based on the PUB-2010 General Healthy Retiree Below-Median Income mortality tables [*PubG-2010(B)*] as published by the SOA, with a 103.3% adjustment for males and 109.2% adjustment for females, and with future improvement from the base year 2010 on a generational basis using the SOA's Scale MP-2021.
Disabled mortality rates (disabled retirees)	Based on the PUB-2010 Non-Safety Disabled Retiree mortality tables [*PubNS-2010 Disabled Retiree*] as published by the SOA, unadjusted, with future improvement from the base year of 2010 on a generational basis using the SOA's Scale MP-2021.

Changes in Actuarial Assumptions: The following assumptions have been updated for the actuarial valuation dated December 31, 2024.

Changes in Actuarial Assumptions
- The discount rate has been updated to 7.35% as of December 31, 2024, from 7.32% as of December 31, 2023.
- Retirement, DROP, termination, and family composition were updated based on recent experience.
- Mortality assumptions were updated from the RP-2000 tables using projection scale AA to the PUBG-2010 tables with generational mortality improvement using the projection scale MP-2021.
- Individual salary increase assumption was updated for greater salary increases during 2025 and 2026 with minor changes to the long-term assumption.

Actuarial Rate of Return Assumption: Information about the actuarial rate of return assumption is disclosed in Note 7B - 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, 2024 valuation is 7.35%. 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, 2024 valuation and the SEIR is 7.35%.

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 2129. 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, 2024, 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).

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, 2023	**$ 979,092,674**	**$ 834,377,119**	**$ 144,715,555**
Changes for the year:			
Service cost	23,486,800	-	23,486,800
Interest on total pension liability	69,805,688	-	69,805,688
Differences between expected and actual experience	4,811,142	-	4,811,142
Assumption changes	23,051,068	-	23,051,068
Employer contributions	-	24,761,884	(24,761,884)
Employee contributions	-	6,946,264	(6,946,264)
Net investment income	-	109,035,810	(109,035,810)
Benefit payments, including member refunds	(51,841,611)	(51,841,611)	-
Administrative expenses	-	(926,693)	926,693
Net Changes	**69,313,087**	**87,975,654**	**(18,662,567)**
Balance as of December 31, 2024	**$ 1,048,405,761**	**$ 922,352,773**	**$ 126,052,988**

Sensitivity Analysis: The accompanying table presents the net pension liability (asset) of the City using the discount rate of 7.35%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (6.35%) or 1% higher (8.35%) than the current rate.

Police and Fire Retirement System
Sensitivity Analysis

	Rate	City's Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
1% decrease	6.35%	$ 256,337,808	78.3%
Current rate	7.35%	126,052,988	88.0%
1% increase	8.35%	17,864,887	98.1%

Deferred Outflows and Inflows: As of December 31, 2025, 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, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 35,293,754	$ 744,440
Changes of assumptions	35,480,623	1,686,867
Net difference between projected and actual earnings on pension plan investments	-	13,302,004
City contributions subsequent to the measurement date	29,122,127	-
Changes in proportion of the total net pension liability (asset) since the prior measurement date:		
Change in proportion - governmental activities	10,667	28,885
Change in proportion - business-type activities	28,885	10,667
Total	**$ 99,936,056**	**$ 15,772,863**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts reported - governmental activities	$ 97,209,965	$ 15,337,397
Deferred amounts reported - business-type activities	2,726,091	435,466
Total	**$ 99,936,056**	**$ 15,772,863**

The $29,122,127 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 City's fiscal year ended December 31, 2026 (actuarial valuation as of December 31, 2025). 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*
2026	$ 18,877,271	$ (2,432,859)
2027	18,609,719	(14,425,737)
2028	14,656,310	22,783,642
2029	11,699,746	9,841,009
2030	5,812,261	5,404
Thereafter	1,158,622	1,404
Totals	**$ 70,813,929**	**$ 15,772,863**

** Negative as all deferred inflows and outflows are reported together for the 'net difference between projected and actual earnings on pension plan investments.'*

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, 2025, employee and employer contributions to Plan 3b totaled $230,890 and $230,890, respectively. As of December 31, 2025, there were 70 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, 2025, the City's OPEB plan membership consisted of the following (rollforward procedures were applied to the December 31, 2024 actuarial valuation):

OPEB Membership As of December 31, 2024						
	Premium Plan		Select Plan		No	Total
Member Category	Single	Family	Single	Family	Plan	Members
Retirees	105	19	46	13	-	183
Active employees	404	923	453	733	253	2,766
Total members	**509**	**942**	**499**	**746**	**253**	**2,949**

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 2025, retired plan members

receiving benefits contributed $2,100,226 to the plan compared to City's contribution of $1,889,796.

Changes in Proportion Since the Prior Measurement Date: The City allocates the total OPEB liability, deferred inflows and outflows, and OPEB expense for the City's OPEB plan. This allocation is calculated each year based upon each fund's (or function's for governmental funds in governmental activities) percentage of that fund's employees as a percentage of the total employees eligible to participate in the OPEB plan. This percentage by fund (or function) can fluctuate each year and the current year's change in percentage is applied to the beginning total OPEB liability and the related deferred inflows and outflows to recalculate what the beginning balances would have been under the current year's percentage. The difference between the current year's allocated beginning balances less the prior year's ending total OPEB liability and deferred inflows and outflows is the current year's change in proportionate share. This deferred inflow or outflow is amortized over the average remaining service life of the OPEB plan members.

Actuarial Methods and Assumptions: The total OPEB liability in the December 31, 2024 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, 2022 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]	4.83%
Salary increases	A general rate increase of 3.25%, plus merit increases.
Healthcare cost trend rate	6.28% for 2024, decreasing each year for an ultimate rate of 4.04% 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	$764.50	$2,282.78
Select	646.50	1,928.78

Per Capita Costs	Annual per capita costs were calculated based on the City's 2024 actual medical claims, actuarially increased using health index factors; plan enrollment and coverage elections.
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 the Bond Buyer 20-Bond GO Index as of December 31, 2024, 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, 2023 as rollforward procedures were performed for the 2025 OPEB actuarial valuation from the December 31, 2024 valuation.

Changes in Actuarial Assumptions: The discount rate has been updated to 4.83% as of December 31, 2025, from 4.08% as of December 31, 2024.

Total OPEB Liability: The City's total OPEB liability as of December 31, 2025 was $36,768,077 and the accompanying table below presents the changes in the total OPEB liability.

Changes in Total OPEB Liability	
	Amounts
Balance as of December 31, 2024	**$ 38,371,364**
Changes for the year:	
Service cost	3,046,482
Interest - total OPEB liability	1,644,355
Changes in assumptions	(4,064,082)
Differences between expected and actual experience	-
Benefit payments	(2,230,042)
Net Changes	**(1,603,287)**
Balance as of December 31, 2025	**$ 36,768,077**

Pension Expense and Deferred Outflows and Inflows of Resources Related to OPEB: The City recognized OPEB expense of $3,285,872 for the year ended December 31, 2025. As of December 31, 2025, 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 31, 2025		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 207,731	$ 8,331,592
Changes of assumptions	4,767,627	6,771,835
Changes in proportion of the total OPEB liability since the prior measurement date		
Change in proportion – governmental activities	623,521	1,315,419
Change in proportion – business-type activities	1,480,932	789,034
Total	**$ 7,079,811**	**$ 17,207,880**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts reported - governmental activities	$ 4,549,078	$ 13,232,025
Deferred amounts reported - business-type activities	2,530,733	3,975,855
Total	**$ 7,079,811**	**$ 17,207,880**

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
2026	$ 1,765,041	$ 3,170,003
2027	1,589,377	2,889,022
2028	1,127,648	2,304,345
2029	601,280	2,271,184
2030	601,272	2,271,175
Thereafter	1,395,193	4,302,151
Totals	**$ 7,079,811**	**$ 17,207,880**

Sensitivity Analysis: The accompanying tables present the total OPEB liability as of December 31, 2025 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	3.83%	$ 39,671,682
Current rate	4.83%	36,768,077
1% increase	5.83%	34,048,155

OPEB Healthcare Trend Rates: Sensitivity Analysis		
	Healthcare Trend Rates[1]	City's Total OPEB Liability
1% decrease	5.28% - 3.04%	$ 32,539,979
Current trend rates	6.28% - 4.04%	36,768,077
1% increase	7.28% - 5.04%	41,784,807

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

9. SELF INSURANCE FUND

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

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

The City retains the services of independent actuaries annually to analyze the self-insured workers' compensation, auto 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 auto and property loss liabilities, self-insurance programs. The claims liability is the actuarially estimated amount of claims based on an estimate of 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 2025 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. As of December 31, 2025, the City recorded a liability of $4,039,715 for estimated claims pending and net position totaled $34,240,926.

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 $850,000 per occurrence, $1,000,000 for law enforcement, with coverage provided through Safety National Casualty Corporation. 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. As of December 31, 2025, the City recorded a liability of $11,035,000 for estimated probable claims pending and net position totaled $13,700,100.

C. LIFE INSURANCE

The life insurance program offered by the City is a fully insured program administered by Met Life 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. As of December 31, 2025, net position totaled $676,137.

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 arises 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 3% of total insured value along with a minimum deductible of $500,000 per location and $1,000,000 for the City's Water Reclamation Facility. 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 $10 million per occurrence limit and a $2 million self-insured retention.

As of December 31, 2025, the City recorded a liability of $14,195,000 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. As of December 31, 2025, the general liability subfund had a deficit net position of $9,302,433.

Changes in the claim liabilities during the past two years are presented in the table below:

Claims Liability Activity: For Years Ended December 31, (In Thousands)

Fund/ Year	Beginning Balance	Claims Paid	New Claims and Changes in Actuarial Estimate	Ending Balance	Short-term Portion
Worker's Compensation					
2024	$ 13,995	$ (1,250)	$ (1,400)	$ 11,345	$ 2,304
2025	11,345	(2,462)	2,152	11,035	2,262
General Liability					
2024	$ 14,194	$ (1,401)	$ 1,551	$ 14,344	$ 3,231
2025	14,344	(1,617)	1,468	14,195	3,410
Health Insurance					
2024	$ 3,590	$ (49,497)	$ 49,179	$ 3,272	$ 3,272
2025	3,272	(51,703)	52,471	4,040	4,040

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10. LONG-TERM OBLIGATIONS

A. LONG-TERM LIABILITIES ACTIVITY

Long-Term Liabilities Activity
For the Year Ended December 31, 2025
(dollars in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 75,664	$ 560	$ (8,000)	$ 68,224	$ 8,170
With government commitment:					
Special assessment	180,826	25,437	(15,526)	190,737	15,561
Tax increment financing	26,526	7,123	(1,925)	31,724	2,364
Transient guest tax	2,340	-	(40)	2,300	50
Local sales tax	46,545	-	(8,195)	38,350	8,405
Unamortized premium	24,757	1,441	(3,466)	22,732	-
Revenue bonds:					
Sales tax special obligation (STAR)	1,618	-	(331)	1,287	97
Total bonds payable	**358,276**	**34,561**	**(37,483)**	**355,354**	**34,647**
Direct borrowings/placements:					
Financed purchase debt	1,956	1,436	(313)	3,079	457
Lease liability	1,527	97	(320)	1,304	293
SBITA liability	15,033	7,078	(4,140)	17,971	3,672
Compensated absences	15,071	14,154	(13,234)	15,991	12,405
Claims payable	28,961	56,091	(55,782)	29,270	9,712
Net pension liability	202,079	182,935	(205,455)	179,559	-
Total OPEB liability	30,582	3,700	(5,272)	29,010	1,599
Environmental remediation obligations	29,864	12	(1,394)	28,482	1,326
Landfill closure/ post-closure care	8,217	256	(1,333)	7,140	438
Total long-term liabilities - governmental activities	**$ 691,566**	**$ 300,320**	**$ (324,726)**	**$ 667,160**	**$ 64,549**
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 199,479	$ -	$ (12,069)	$ 187,410	$ 12,290
Unamortized premium	10,694	-	(1,018)	9,676	-
Revenue bonds	356,730	-	(32,965)	323,765	32,315
Unamortized premium	28,303	-	(2,710)	25,593	-
Direct borrowings/placements:					
Revenue bonds*	310,514	97,595	-	408,109	-
Total bonds payable	**905,720**	**97,595**	**(48,762)**	**954,553**	**44,605**
Direct borrowings/placements:					
Loans payable	253,142	75,441	(8,913)	319,670	13,834
Lease liability	2,019	-	(381)	1,638	394
SBITA liability	444	296	(392)	348	171
Compensated absences	2,371	3,042	(2,891)	2,522	1,943
Net pension liability	29,960	33,106	(33,734)	29,332	-
Total OPEB liability	7,789	1,297	(1,328)	7,758	428
Total long-term liabilities - business-type activities	**$ 1,201,445**	**$ 210,777**	**$ (96,401)**	**$ 1,315,821**	**$ 61,375**

Long-Term Liabilities Activity (Continued)
For the Year Ended December 31, 2025
(dollars in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Fiduciary activities:					
SBITA liability	$ 2,751	$ 77	$ (700)	$ 2,128	$ 665
Total long-term liabilities - fiduciary activities	**$ 2,751**	**$ 77**	**$ (700)**	**$ 2,128**	**$ 665**

** Water Infrastructure Finance and Innovation Act (WIFIA) bonds.*

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, 2025
(dollars in thousands)

Payable From	Interest Rates	Amount
Governmental activities:		
Ad valorem property taxes	2.00% - 5.00%	$ 68,224
Transient guest tax	3.00% - 5.00%	2,300
Tax increment financing (TIF)	1.00% - 5.00%	31,724
Local sales tax	1.50% - 5.00%	38,350
Total governmental activities		**140,598**
Business-type activities:		
Airport Authority Fund	2.00% - 5.00%	110,975
Stormwater Utility Fund	2.00% - 3.00%	2,445
Water Utility Fund	3.00% - 5.00%	73,990
Total business-type activities		**187,410**
Total general obligation bonds		**$ 328,008**

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

Year ending December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	$ 18,989	$ 5,353	$ 12,290	$ 7,014
2027	18,863	4,595	12,675	6,601
2028	18,101	3,872	12,280	6,189
2029	18,333	3,149	12,695	5,776
2030	9,637	2,420	13,115	5,349
2031 – 2035	41,160	6,804	61,040	19,066
2036 – 2040	15,515	1,534	32,350	10,567
2041 – 2045	-	-	28,990	3,468
2046 – 2047	-	-	1,975	115
Totals	**$ 140,598**	**$ 27,727**	**$ 187,410**	**$ 64,145**

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	Governmental Activities Interest
2026	$ 15,561	$ 7,369
2027	15,872	6,479
2028	15,404	5,780
2029	15,497	5,110
2030	13,873	4,477
2031 – 2035	58,365	15,453
2036 – 2040	39,885	6,625
2041 – 2045	16,280	1,246
Totals	**$ 190,737**	**$ 52,539**

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, 2025 (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:						
$ 735	2/1/2014	Series 809A	2.60% - 4.375%	2029	$ 212	6/1/2023
520	10/1/2015	Series 815	2.25% - 3.70%	2030	32	12/1/2024
1,680	10/1/2016	Series 817*	2.00% - 3.00%	2026	190	12/1/2024
2,861	10/1/2016	Series 819	2.00% - 3.00%	2026	325	12/1/2024
9,395	10/1/2018	Series 821	3.00% - 5.00%	2034	3,745	12/1/2026
34,150	10/1/2019	Series 823	4.00%	2029	15,380	12/1/2027
4,020	10/1/2020	Series 825*	2.00% - 3.00%	2033	2,300	12/1/2028
9,815	10/1/2022	Series 827	3.00% - 5.00%	2032	7,380	12/1/2029
15,930	10/1/2023	Series 831	4.00% - 5.00%	2033	13,405	12/1/2030
24,770	10/1/2024	Series 835	3.00% – 5.00%	2039	24,695	12/1/2031
560	10/1/2025	Series 837 (Taxable)	4.00% - 5.00%	2035	560	12/1/2032
		Total general obligation bonds			**68,224**	
Transient Guest Tax (G.O.) Bonds:						
$ 2,485	10/1/2014	Series 811*	3.00% -5.00%	2034	$ 2,300	6/1/2023
		Total transient guest tax bonds			**2,300**	
Tax Increment Financing (G.O.) Bonds:						
$ 6,605	10/1/2014	Series 813	2.50% - 3.85%	2030	$ 2,070	6/1/2023
537	10/1/2016	Series 819	2.00% - 3.00%	2026	61	12/1/2024
12,145	10/1/2019	Series 963	3.00% - 4.00%	2033	10,175	12/1/2027
2,625	10/1/2020	Series 964	1.00% - 2.00%	2033	1,690	12/1/2028
7,690	10/1/2022	Series 829	2.50% - 3.85%	2037	6,795	12/1/2030
4,220	10/1/2023	Series 965	4.00% - 5.00%	2038	3,810	12/1/2030
7,123	10/1/2025	Series 837 (Taxable)	4.00% - 5.00%	2040	7,123	12/1/2032
		Total tax increment financing bonds			**31,724**	

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

General Obligation and Special Assessment Bonds (continued)
Outstanding on December 31, 2025
(dollars in thousands)

Original Amount	Date Issued	Issuance Series	Interest Rates	Final Maturity Date	Outstanding Amount	Date Callable
Governmental activities (continued):						
Local Sales Tax (G.O.) Bonds:						
$ 17,700	11/1/2012	Series 2012D	2.125% - 3.00%	2027	$ 2,830	10/1/2021
64,785	9/1/2014	Series 2014	3.00% - 5.00%	2029	19,935	10/1/2023
23,400	9/1/2019	Series 2019A	1.50% - 4.00%	2034	14,875	10/1/2027
3,970	10/1/2020	Series 2020B	2.00%	2026	710	N/A
		Total local sales tax bonds			**38,350**	
Special Assessment (S.A. Bonds):						
$ 920	8/1/2006	Series 786A	4.30% - 5.75%	2026	$ 70	9/1/2016
4,985	2/1/2007	Series 788A	4.00% - 4.625%	2027	725	9/1/2017
2,575	8/1/2007	Series 790A	4.65% - 4.75%	2027	355	9/1/2017
1,630	3/1/2010	Series 800B (Taxable)	5.20% - 5.75%	2030	360	6/1/2020
5,870	8/1/2010	Series 802A	3.00% - 4.00%	2030	1,805	12/1/2020
1,260	8/1/2010	Series 802B (Taxable)	4.50% - 5.70%	2030	75	12/1/2020
1,965	2/1/2011	Series 804	3.20% - 4.25%	2026	170	6/1/2020
3,435	8/1/2011	Series 806	3.00% - 4.125%	2031	470	12/1/2020
5,615	2/1/2012	Series 808	2.00% - 3.25%	2032	990	6/1/2022
2,275	8/1/2012	Series 810	3.00% - 3.125%	2032	490	12/1/2020
3,375	2/1/2013	Series 812	3.00% - 4.00%	2033	950	6/1/2022
3,985	2/1/2014	Series 809A	2.60% - 4.375%	2029	1,148	6/1/2023
465	10/1/2014	Series 813	2.00% - 3.05%	2029	145	6/1/2023
10,610	10/1/2014	Series 814	2.25% - 5.00%	2034	4,235	6/1/2023
2,315	10/1/2015	Series 815	2.50% - 3.70%	2030	918	12/1/2024
10,145	10/1/2015	Series 816	2.00% - 5.00%	2035	4,330	12/1/2024
6,465	10/1/2016	Series 818	2.25% - 5.00%	2036	3,670	6/1/2026
162	10/1/2016	Series 819	2.00% - 3.00%	2026	19	12/1/2024
11,330	10/1/2017	Series 820	3.00% - 5.00%	2037	6,500	6/1/2027
19,995	12/1/2017	Series 2017A	5.00%	2030	9,600	6/1/2028
16,040	10/1/2018	Series 822	3.00% - 5.00%	2038	10,325	6/1/2027
11,335	10/1/2019	Series 824	2.00% - 4.50%	2039	7,990	6/1/2028
16,200	10/1/2020	Series 826	2.00% - 3.00%	2040	12,075	6/1/2028
1,250	10/1/2020	Series 964	1.00% - 2.00%	2035	870	12/1/2028
29,215	10/1/2021	Series 828	2.00% - 4.00%	2041	24,185	6/1/2029
4,540	10/1/2022	Series 829	4.00% - 5.00%	2037	3,890	12/1/2030
18,000	10/1/2022	Series 830	3.00% - 5.00%	2042	16,145	6/1/2030
22,445	10/1/2023	Series 832	4.00% - 5.00%	2043	20,550	6/1/2030
2,135	10/1/2023	Series 833	4.85% - 7.00%	2038	1,965	6/1/2030
31,200	10/1/2024	Series 834	4.00% - 6.00%	2044	30,280	6/1/2031
23,120	10/1/2025	Series 836	4.00% - 5.00%	2045	23,120	6/1/2032
2,317	10/1/2025	Series 837 (Taxable)	4.00% - 5.00%	2040	2,317	12/1/2032
		Total special assessment bonds			**190,737**	
		Total governmental activities G.O. and S.A. bonds			**331,335**	

General Obligation and Special Assessment Bonds (continued)
Outstanding on December 31, 2025
(dollars in thousands)

Original Amount	Date Issued	Issuance Series	Interest Rates	Final Maturity Date	Outstanding Amount	Date Callable
Business-type activities:						
Airport Authority G.O. Bonds:						
$ 8,010	2/1/2014	Series 2014A	3.00% - 4.30%	2044	$ 5,700	6/1/2023
18,235	6/1/2015	Series 2015A	3.00% - 5.00%	2044	13,870	12/1/2025
8,685	6/1/2015	Series 2015B	3.375% - 4.20%	2044	6,515	12/1/2025
67,615	6/1/2015	Series 2015C	4.25% - 5.00%	2044	54,315	12/1/2025
10,555	4/1/2017	Series 2017A	3.00% - 5.00%	2047	8,780	12/1/2027
7,180	4/1/2017	Series 2017B	3.125% - 5.00%	2047	5,995	12/1/2027
12,365	12/1/2019	Series 2019A (Taxable)	4.00% - 5.60%	2041	9,530	3/1/2028
7,845	10/1/2020	Series 825*	2.00% - 3.00%	2040	6,270	12/1/2028
		Total Airport Authority G.O. bonds			**110,975**	
Stormwater G.O. Bonds:						
$ 710	8/1/2012	Series 805*	3.00%	2027	$ 115	10/1/2020
1,990	10/1/2016	Series 817*	2.00% - 3.00%	2031	885	12/1/2024
4,835	10/1/2020	Series 2020A	3.00%	2027	1,445	N/A
		Total Stormwater G.O. bonds			**2,445**	
Water Utility G.O. Bonds:						
$ 135,905	10/1/2014	Series 811*	3.00% -5.00%	2034	$ 73,990	6/1/2023
		Total Water Utility G.O. bonds			**73,990**	
		Total business-type activities			**187,410**	
		Total G.O. and S.A. bonds			$ **518,745**	

* 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, 2025
(dollars in thousands)

Payable From	Interest Rates	Amount
Governmental activities:		
Local sales tax	3.00% - 5.00%	$ 1,287
Total governmental activities		**1,287**
Business-type activities:		
Water Utility	2.00% - 5.00%	$ 182,677
Sewer Utility	2.00% - 5.00%	141,088
From direct placements and borrowings:		
Water Utility – WIFIA	1.17%	290,764
Sewer Utility – WIFIA	3.77%	117,345
Total business-type activities		**731,874**
Total revenue bonds		$ **733,161**

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

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

Year ending December 31,	Governmental Activities – Revenue Bonds Principal	Governmental Activities – Revenue Bonds Interest	Business-type Activities – Revenue Bonds Principal	Business-type Activities – Revenue Bonds Interest	Business-type Activities – Direct Borrowings and Placements Principal	Business-type Activities – Direct Borrowings and Placements Interest
2026	$ 97	$ 57	$ 32,315	$ 10,892	$ -	$ -
2027	101	52	32,165	9,635	-	-
2028	107	47	33,200	8,413	-	-
2029	112	42	29,500	7,307	8,091	3,513
2030	117	37	29,650	6,302	8,185	3,418
2031 – 2035	591	102	106,050	19,420	53,781	36,925
2036 – 2040	162	19	56,640	5,277	61,756	37,120
2041 – 2045	-	-	4,245	257	67,869	31,009
2046 – 2050	-	-	-	-	74,838	24,040
2051 – 2055	-	-	-	-	82,814	16,063
2056 – 2060	-	-	-	-	80,374	6,900
2061 – 2061	-	-	-	-	7,875	297
Totals	**$ 1,287**	**$ 356**	**$ 323,765**	**$ 67,503**	**$ 445,583**	**$ 159,285**
			Less: interest rolled into principal*		(37,474)	
			Totals		**$ 408,109**	

*Estimated interest rolled into principal during construction phase. See Note 10.G 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, 2025
(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:						
$ 1,779	11/1/2018	2018 Stadium STAR Bond	3.50% - 5.00%	2038	$ 1,287	9/1/2027
		Total STAR bonds			**1,287**	
		Total governmental activities			**1,287**	
Business-type activities:						
Water and Sewer Utility Revenue Bonds:						
$ 41,405	8/1/2014	2014A Water & Sewer Refunding	3.00% - 5.00%	2030	$ 7,500	10/1/2024
12,785	12/1/2014	2014B Water & Sewer	2.50% - 5.00%	2034	6,875	10/1/2024
38,380	4/1/2015	2015B Water & Sewer Refunding	2.38% - 5.00%	2031	12,820	10/1/2024
25,150	11/1/2015	2015C Water & Sewer	2.50% - 5.00%	2035	12,675	10/1/2025
23,395	11/1/2015	2015D Water & Sewer Refunding	2.50% - 5.00%	2032	11,395	10/1/2025
23,810	8/1/2016	2016A Water & Sewer	3.00% - 5.00%	2036	14,925	10/1/2026
101,445	8/1/2016	2016B Water & Sewer Refunding	3.00% - 5.00%	2039	61,930	10/1/2026
65,500	6/1/2017	2017A Water & Sewer	3.00% - 5.00%	2037	45,125	10/1/2027
22,140	12/1/2017	2017B Water & Sewer Refunding	3.00% - 5.00%	2030	10,100	4/1/2028
44,465	3/1/2019	2019A Water & Sewer	3.00% - 5.00%	2039	34,425	10/1/2027
49,910	12/1/2019	2019B Water & Sewer Refunding	3.00%	2030	18,405	10/1/2028
32,400	5/1/2020	2020A Water & Sewer	3.00%	2039	24,880	10/1/2028
10,395	10/1/2020	2020C Water & Sewer Refunding	2.00% - 3.50%	2032	6,500	10/1/2028
36,715	6/1/2021	2021A Water & Sewer	2.00% - 4.00%	2040	30,075	10/1/2029
28,060	3/1/2023	2023A Water & Sewer	4.00% - 5.00%	2042	26,135	10/1/2031
		Total Water and Sewer Utilities revenue bonds			**323,765**	

Revenue Bonds (continued)
Outstanding on December 31, 2025
(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	$ 290,764	N/A
Sewer Utility Revenue Bonds:*						
250,000	5/3/2023	2023B (WIFIA) Taxable Water & Sewer	3.77%	2061	117,345	N/A
		Total Water & Sewer Utilities WIFIA revenue bonds			**408,109**	
		Total direct borrowings and placements			**408,109**	
		Total business-type activities			**731,874**	
		Total revenue bonds			**$ 733,161**	

* Original amount represents the total amount that can be funded by WIFIA bonds. See Note 10.G for further details.

Sales Tax Special Obligation Revenue (STAR) Bonds: 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, 2025, 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, 2025, the 2018 STAR bonds had outstanding principal balances of $30,130,000. The City has recorded its proportional share of the STAR bonds outstanding in the amount of $1,286,852 for the 2018 STAR bonds.

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	2025 Principal and Interest	2025 Pledged Revenues Recognized
Water & Sewer Utility Revenue Bonds:*					
$ 958,662	Utility revenues	Through 2061	100%	$ 44,875	$ 213,663
2018 STAR Bonds:					
1,642	Sales tax revenues	Through 2038	100%	398	153

** 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, 2025, the City was in compliance with all significant reserve requirements of the respective Water and Sewer Utility revenue bond resolutions and ordinances. See further information at Note 7.F in the Water Utilities Section on pages I-21 and I-22.

E. LONG-TERM LOANS

The Water and Sewer Utilities have entered into 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 loan outstanding as of December 31, 2025.

Long-term Loans Outstanding on December 31, 2025 (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 & Sewer Utility:*						
$ 55,000	06/22/2020	2020 KPWSLF Loan-2979.1	1.48%	2045	$ 53,814	N/A
60,000	03/01/2022	2021 KPWSLF Loan-2979.2	1.34%	2045	58,687	N/A
75,000	02/17/2023	2023 KPWSLF Loan-2979.3	2.20%	2045	73,497	N/A
76,342	03/07/2024	2024 KPWSLF Loan-2979.4	2.05%	2045	72,950	
		Total Water Utility long-term loans			**258,948**	
$ 64,000	04/10/2023	2023 KPWSLF Loan-3049.1	2.13%	2044	$ 60,722	N/A
65,000	06/20/2025	2025 KPWSLF Loan-3049.2**	2.91%	2046	-	N/A
		Total Sewer Utility long-term loans			**60,722**	
		Total Water & Sewer Utility long-term loans			$ **319,670**	

* Original amount represents the total amount available to be funded by 2020 Kansas Public Water Supply Loan Fund (KPWSLF) loan. See Note 10.G (KPWSLF section) on the following pages for details.

** This loan was entered into in 2025; however, no funds were drawn yet as of December 31, 2025. See Note 10.G (KPWSLF section) on the following pages for details.

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
2026	$ 13,834	$ 5,897
2027	14,065	5,666
2028	14,329	5,402
2029	14,598	5,134
2030	14,871	4,860
2031 – 2035	78,654	20,002
2036 – 2040	86,343	12,312
2041 – 2045	82,976	3,863
Totals	**$ 319,670**	**$ 63,136**

Pledged Revenue: The City has pledged specific revenue streams to secure the repayment of its long-term loans. The following table lists those revenues and the corresponding loans, 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 loans.

Pledged Revenue for Long-term Loans Debt Service Requirements (dollars in thousands)					
Amount of Pledge	Type of Pledged Revenue	Term of Commitment	Percent of Revenue Pledged	2025 Principal and Interest	2025 Pledged Revenue Recognized
Water & Sewer Utility Long-term Loans:*					
$ 382,806	Utility revenues	Through 2045	100%	$ 14,081	$ 213,663

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

F. FINANCED PURCHASE DEBT

The City has entered into agreements with (1) Axon for the financed purchase of body cameras, tasers and drones and (2) Car Park LLC for parking meters, pay stations and equipment in a parking garage. The table below presents the financed purchase debt outstanding as of December 31, 2025.

Financed Purchase Debt Outstanding on December 31, 2025 (dollars in thousands)					
Original Amount*	Agreement Effective Date	Description	Internal Borrowing Rate	Final Payment Date	Outstanding Amount
Governmental activities:					
From Direct Borrowings and Placements:					
$ 2,139	1/1/2024	Axon Body Cameras & Tasers	3.372%	1/1/2033	$ 1,768
113	1/15/2024	Axon Drones	3.372%	1/15/2028	29
1,311	5/20/2025	Car Park Meters & Pay Stations	2.655%	7/31/2030	1,188
157	1/1/2025	Car Park Market Garage	2.655%	12/31/2028	94
		Total financed purchase debt			**$ 3,079**

* *Original amount represents the estimated portion of the agreement that has been attributed to the financed purchase of capital assets throughout the term of the agreement.*

Debt service requirements to maturity for the financed purchase debt outstanding is presented in the table below.

Annual Debt Service Requirements Financed Purchase Debt (dollars in thousands)		
Year ending December 31,	Governmental Activities Principal	Interest
2026	$ 457	$ 91
2027	479	78
2028	500	64
2029	483	49
2030	366	35
2031 – 2033	794	55
Totals	**$ 3,079**	**$ 372**

G. DIRECT BORROWINGS AND PLACEMENTS: BONDS, LONG-TERM LOANS AND FINANCED PURCHASE DEBT

***Water Infrastructure Finance and Innovation Act (WIFIA) Bonds*:**

***Wichita Water Works Project (WWW Project)*:** 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 WWW Project to construct a new water treatment plant, which is expected to cost approximately $570 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 draws down 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, 2025, the City has a balance outstanding of $290,763,778, which includes $9,903,064 of interest rolled into that balance. There will be an additional $9,478,030 of interest that will be rolled into the bond principal, based upon the principal balance outstanding as of yearend, before any debt service payments begin. The City made the final drawdown on this loan in 2024 and will recognize the additional interest rolled into principal as it is realized.

***Wastewater Reclamation Facilities Biological Nutrient Removal Improvements Program (BNR Project)*:** On April 13, 2023, the City entered into a Water Infrastructure Finance and Innovation Act (WIFIA) credit agreement, effective May 2, 2023, at 3.77% for up to $191,481,121 with the United States Environmental Protection Agency (EPA), a direct borrowing/placement, to fund part of the City's Wastewater Reclamation Facilities Biological Nutrient Removal Improvements Program (BNR), which is expected to cost approximately $390 million. The WIFIA Bond will be due in semi-annual installments of interest and annual payments of principal, with a final maturity date the earliest of (a) October 1, 2061, (b) the principal payment date immediately preceding the date that is 35 years following the substantial completion date of the Project or (c) the principal payment date immediately preceding the date that is 40 years following the effective date of the agreement. Interest only accrues as the City draws down 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 $250,000,000. As of December 31, 2025, the City has a balance outstanding of $117,345,448, which includes $2,931,587 of interest rolled into that balance. The City has projected an additional $27,996,209 of interest will be rolled into the bond principal, based upon the principal balance outstanding as of year-end, before any debt service payments begin.

***WIFIA Bonds*:** The Water and Sewer Utility has pledged the net revenues of the Water and Sewer Utility as security for the WIFIA Bonds 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):

***WWW* Project:** As of December 31, 2025, the City has four KPWSLF loans outstanding that funded a part of the City's new WWW Project, which is expected to cost approximately $570 million. On June 22, 2020, the City entered into its first (2020-2979.1) 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 (2022-2979.2) direct borrowing KPWSLF loan with KDHE in an amount not to exceed $60,000,000 at an interest rate of 1.34%. On February 17, 2023, the City entered into its third (2023-2979.3) direct borrowing KPWSLF loan with the KDHE in an amount not to exceed $76,000,000 at an interest rate of 2.20% with up to $1,000,000 in principal forgiveness, for a net principal of $75,000,000. The project will be awarded principal forgiveness because the municipality is designated as a Disadvantaged Community by KDHE. The principal forgiveness of $1,000,000 was awarded on the date of the last disbursement of this loan in 2024 and recognized in the Water Utility Fund's financial statements. The City was responsible for paying interest and service fee costs semiannually for any accrual that was calculated before the forgiveness was awarded. On March 7, 2024, the City entered into the fourth and final (2024-2079.4) direct borrowing KPWSLF loan agreement with KDHE in amount not to exceed $76,342,000 with an interest rate of 2.05%, which would bring the total KPWSLF authorized loans to $267,342,000 with $1,000,000 of principal forgiven.

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. The first principal payment came due on all four of the 2079 loans on September 1, 2025. As of December 31, 2025, the City the 2020, 2022, 2023 and 2024 KPWSLF loans were all finalized with an outstanding principal balance of $258,947,892.

***BNR Project*:** As of December 31, 2025, the City has two KPWSLF loans outstanding that is to fund a part of the City's BNR Project, which is expected to cost approximately $390 million. On April 10, 2023, the City entered into its first (2023-3049.1) direct borrowing KPWSLF loan agreement with the Kansas Department of Health and Environment (KDHE) in an amount not to exceed $65,000,000 with an interest rate of 2.13% with up to $1,000,000 in principal forgiveness, for a net principal of $64,000,000. The project will be awarded principal forgiveness because the municipality is designated as a Disadvantaged Community by KDHE. The principal forgiveness of $1,000,000 will be awarded on the date of the last disbursement of this loan. The City will be responsible for paying interest and service fee costs semiannually for any accrual that is calculated before the forgiveness is awarded. On August 26, 2025, the City entered into its second (2025-3049.2) direct borrowing KPWSLF loan agreement, dated June 20, 2025, with KDHE in an amount not to

exceed $65,000,000 with an interest rate of 2.91%. The City and KDHE anticipate one additional loan will be executed for the Project up to an aggregate total loan amount of $185,000,000.

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. The City may choose to roll interest and fees into the principal balance of the loan until the first payment date. 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 and the final principal payment under the Loan shall be fully repaid no later than 21 years after the Project completion.

As of December 31, 2025, the 2023 KPWSLF Loan (3049.1) has a principal balance of $60,721,907, which includes $229,102 of interest rolled into that balance. The first principal payment came due on the 2023-3049.1 loan on March 1, 2025; therefore, no further interest will be rolled into the 3049.1 loan. As of December 31, 2025, no funds have been drawn on the 2025-3049.2 KPWSLF loan.

***KPWSLF Loans*:** The Water and Sewer 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, of 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) an 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.

***Financed Purchase Debt*:**

***Financed Purchase Agreements for Body Cameras, Tasers and Drones*:** The City entered into two agreements with Axon Enterprise Inc. in late 2023, which commenced in January 2024, with all equipment delivered in January 2024, for body-worn cameras, tasers, drones, software and other expense items. The agreement terms are for five and ten years. The portion of these agreements related to capital assets in the amount of $2,252,203 have been recorded as financed purchased debt. The five-year agreement provides all equipment at the beginning of the agreement, whereas the ten-year agreement has equipment refreshed halfway through the agreement. As such, the capital assets related to the ten-year purchase agreement will be recorded at the beginning of the agreement and halfway through the agreement. The software portion has been recorded as a SBITA asset and liability – see Note 12 for further information. The other expense items will be recognized as expense in the year incurred.

Financed Purchase Agreements for Parking Meters, Pay Stations, and Parking Garage Equipment : In 2025, the City entered into an agreement with Car Park LLC for parking management services, which also included the purchase and installation of parking meters, pay stations, and parking garage equipment with repayment over five years. The $1.4 million of the agreement relates to capital assets, which will be capitalized and depreciated over their useful lives.

H. LEASES

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.

I. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

Note 13 – Subscription-Based Information Technology Arrangements (SBITA) provides information about the City's subscription activity for subscription contracts that fall under GASB 96.

J. LANDFILL CLOSURE AND POST-CLOSURE LIABILITIES

The table below summarizes the City's various closure and post-closure liabilities for its landfills.

Landfill Closure and Post-Closure Liabilities
For the Year Ended December 31, 2025
(dollars in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Closed Landfills:					
Brooks Landfill	$ 5,186	$ -	$ (1,298)	$ 3,888	$ 194
Chapin Landfill	1,182	35	-	1,217	244
Operational Landfills:					
C&D Landfill	1,605	-	(35)	1,570	-
Industrial Landfill	244	7	-	251	-
Composting Landfill	-	214	-	214	-
Total Landfill Closure and Post-Closure Liabilities	**$ 8,217**	**$ 256**	**$ (1,333)**	**$ 7,140**	**$ 438**

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 $3,888,319 or $194,416 annually. Accordingly, a liability of $3,888,319 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, 2025.

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 $1,217,004. Accordingly, a liability of $1,217,004 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, 2025.

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, 2025.

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 $1,570,006 on December 31, 2025, based on the use of 98.5% of the estimated capacity of Phase II. The City will recognize the remaining closure costs of $23,909 as the remaining capacity is filled. Based on activity to date, the City expects the Phase II portion of the landfill to close in 2027, 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 $250,227 on December 31, 2025, based on the use of 39.4% of the estimated capacity. The City will recognize the remaining closure and post-closure costs of $384,868 as the remaining capacity is filled. Based on activity to date, the industrial monofill landfill is expected to close in approximately 2046, or as capacity is reached.

In March 2008, the City began operation of a ***composting facility*** for yard waste at the existing Brooks Landfill site. KDHE policy requires the City to recognize the full potential closure liability of composting facility. There is no post-closure liability with a composting facility. As of December 31, 2025, the City has recognized $214,192 in closure liability.

As of December 31, 2025, 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 19 – Landfill Closure and Post-Closure Care provides further disclosure.

K. ENVIRONMENTAL REMEDIATION OBLIGATIONS

The table below summarizes the City's various environmental remediation obligations.

Environmental Remediation Obligations
For the Year Ended December 31, 2025
(dollars in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Gilbert & Mosley Site:					
Site-Wide	$ 13,411	$ -	$ (705)	$ 12,706	$ 668
Source areas within site	1,291	5	(28)	1,268	25
Gilbert & Mosely Site	**14,702**	**5**	**(733)**	**13,974**	**693**
North Industrial Corridor Site:					
Site-Wide	14,390	-	(637)	13,753	608
Source areas within Site	764	-	(17)	747	17
North Industrial Corridor Site	**15,154**	**-**	**(654)**	**14,500**	**625**
Miscellaneous Sites:					
John's Sludge Pond	1	-	-	1	1
Midtown Bike Path	2	2	(2)	2	2
Wichita ICT Airport Fuel and Fire Training Facility Site	5	5	(5)	5	5
Total Environmental Remediation Obligations	**$ 29,864**	**$ 12**	**$ (1,394)**	**$ 28,482**	**$ 1,326**

GILBERT AND MOSELY (GILMO) SITES:

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 $12,706,116 has been recorded in the government-wide financial statements as of December 31, 2025, in addition to a receivable of $2.3 million 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. The City will continue to try resolve the Coleman funding situation in 2025.

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. The City anticipates that the GM Site will be issued a "Resolved" or "No Further Action" determination by 2042.

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 2022 through 2024 at the Harcos site indicated that the Harcros system should still stay in an assessment phase. The City has requested permission to decommission the AS/SVE system. KDHE is evaluating the request. Monitoring in 2026 may determine whether the Harcos system remains in place for possible operation or enters a monitoring only phase. The City anticipates that the GM Site will be issued a "Resolved" or "No Further Action" determination by 2037.

As of December 31, 2025, a liability of $65,378 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.

Tri-State North: Within the Gilbert and Mosley District, some specific source areas have been identified as requiring source control measures. The Tri-State North site has been identified as contaminated by volatile organic compounds (VOCs), including laundry and dry-cleaning supplies and chemicals. Based on the Gilbert

and Mosley Settlement Agreement, the City is responsible for cleanup of the site. An AS/SVE system was installed in the fall of 2007 and upgraded in March 2008 with additional SVE wells. The system was operated until March 2009 and the remaining soil contamination removed by excavation so that the arena construction could proceed in that area. The final remediation efforts were completed in April – May 2009 with the offsite disposal of the impacted soil. The City will apply for a "No Further Action" determination from KDHE in 2026. KHDE has been charging the City for oversight efforts for the Tri-State North site. KHDE will also charge the City for the No Further Action determination. As a result, the City is implementing a remeasurement adjustment to account for these charges.

As of December 31, 2025, a liability of $3,850 has been recorded in the government-wide financial statements for the determination and oversight costs. The potential for changes in the liability is low.

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. In 2019, the City hired a contractor to compile all of the previous work into a single document and identify remaining work to be completed.

As of December 31, 2025, a liability of $3,576 has been recorded in the government-wide financial statements. The estimated liability is based on the estimated amount to completed the investigations. The City plans to conduct a limited site investigation in 2026. The results of the investigation may provide information to determine whether any additional work needs to be conducted at the site. 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.

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. There is uncertainty as to whether the property will be sold at this time.

The City halted remediation efforts which are expected to be resumed in 2026 or 2027 and will coordinate efforts with KDHE and the 157 S. Washington property owner (access). The City anticipates a revised remediation approach will be approved by KDHE in 2026 and implemented in the 2027-2028 timeframe.

As of December 31, 2025, the City recorded a net liability for remediation and monitoring activities of $546,541 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 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.

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 and approved by KDHE in 2024. Monitoring wells were installed at the site in 2024 and 2025. KDHE is reviewing the reports associated with the investigation efforts.

The City has not yet been named partially or fully responsible for the site and a remediation option has not yet been selected. While no remediation alternative has been selected, City staff have assumed that the soil excavation remedial option presented in the CAS report will be selected for this site. Accordingly, an estimated liability has been recorded in the government-wide financial statements in the amount of $256,599 as of December 31, 2025. 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. City staff have assumed that monitoring will be necessary through 2033. The potential for change to the liability is relatively moderate due to: (1) the KDHE determined action may differ from the City's assumption; (2) the City is currently disputing KDHE's assessment that the City is responsible for remediating the orphan sites, of which RSI seems to qualify, within GM; and (3) data collected in 2024 and 2025 indicates that soil excavation may not be necessary and that monitoring only.

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.

On June 2, 2025, KDHE sent a letter to the City stating that KDHE has determined that the LORAC Company is not financially viable to address the contamination at the site. KDHE stated that they expect the City to address any outstanding contamination at the site. The City is evaluating its options with respect to the remediation of the LORAC site and has not made a final decision to proceed with remediation efforts.

While no remediation alternative has been selected, 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. The City anticipates that the LORAC Site will achieve a "No Further Action" or "Resolved" status by 2033 if remedial actions are implemented.

Accordingly, an estimated liability of $391,378 has been recorded in the government-wide financial statements as of December 31, 2025. 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.

NORTH INDUSTRIAL CORRIDOR (NIC) SITES:

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(GWU1). 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 KDHE CAD has been finalized. The 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 (2036) added as a conservative measure. Monitoring activities are projected to continue through 2039 for GWU2, GWU3, and GWU4 and GWU1 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 $13,753,118 has been recorded in the government-wide financial statements as of December 31, 2025. 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, 2025, all but one of the financially significant participants have settled with the City. The City is assessing whether to pursue a settlement. Therefore, no receivable has been recorded as of December 31, 2025.

APEX/11th State: The APEX/11th State site, within the North Industrial Corridor (NIC) district, has been identified as contaminated by chlorinated solvents, with some reported contaminant concentrations exceeding KDHE standards. The previous occupant, APEX Engineering, was issued a certificate of release from environmental conditions (related to the VOCs) by the City and therefore, is not a responsible part for this contamination. In 2018, KDHE required the City to conduct a CI/CAS on the property, which the City completed and was approved by KDHE. In 2010, a vapor intrusion study was required by KDHE, was completed, and no additional mitigation was required. KDHE required the City to conduct a full-scale pilot study of the CAS-recommended AS/SVE remediation technologies at APEX. Selection and contracting occurred in 2015, with construction of the full-scale pilot test initiated in February 2019. The pilot test ran for two years, and the system was shut down in July 2021. The final pilot study report was provided to KDHE in January 2022. The City purchased the property in 2014 after APEX Engineering relocated to a different facility.

In 2022, the City hired a contractor to provide an updated CAS for the APEX Site. The updated CAS was approved by KDHE on October 6, 2022. The City met with KDHE in 2024 to discuss future remediation responsibilities for the APEX Site (an orphan site of NIC). The City has elected to proceed with source area remediation as a proactive measure to reduce the long-term operation of the downgradient groundwater extraction well. The remediation effort will consist of focused excavation. Preliminary work for the investigation effort was conducted in 2025 and included soil characterization efforts and delineation of the planned excavation extent. After soil excavation, there may also be a potential short-term AS/SVE effort to address any significant groundwater contamination at the source area. The City anticipates that the excavation remediation efforts will occur in 2026.

A liability of $431,708 has been recorded in the government-wide financial statements as of December 31, 2025. The potential for changes to the liability is moderate. The analytical data from the pilot study demonstrates that the level of contamination in the groundwater had been significantly reduced at the site. However, data collected in 2023 through 2025 demonstrated that a rebound in groundwater contamination has occurred. The City anticipates the site will be issued a 'Resolved' or 'No further action' determination by late 2029.

VIM Trailer: The former VIM Trailer site, within the North Industrial Corridor (NIC) district, has been identified as contaminated by chlorinated solvents, with groundwater concentrations exceeding KDHE standards. Based on the settlement agreement, KDHE required the City to conduct a comprehensive investigation (CI) and corrective action study (CAS) in a letter dated January 26, 2009. The CI was completed and approved by KDHE. Based upon the draft CAS, KDHE required the City to conduct a pilot study of the recommended AS/SVE remediation technologies at VIM. Selection and contracting of the full-scale pilot study occurred in 2015. Aa work plan to conduct the study was developed and approved by KDHE in 2019, which was installed in 2020 and operated until 2022. An updated CAS was approved by KDHE on November 28, 2023, with a statement that the City is responsible for remedial activities at the VIM Site due to its orphan status. The City is disputing this statement; however, the City may elect to conduct additional remediation efforts to minimize the operational time frame of the site-wide grounding monitoring program for the NIC Site.

A liability of $200,411 has been recorded in the government-wide financial statements as of December 31, 2025. The potential for changes to the liability is moderate to high. The analytical data from the pilot study demonstrates that the level of contamination in the groundwater had been significantly reduced at the site. Current data shows that excavation efforts will not be necessary. The City has decided to continue remediation at this site. The current cost projection is conservative and may be significantly lower depending upon whether the City has to complete the remediation and monitoring efforts associated with the site. City staff has assumed that monitoring efforts will be necessary through 2029.

Kansas Plating, Inc.: The former Kansas Plating, Inc. (KPI) site, within the North Industrial Corridor (NIC) district, has been identified as contaminated by chlorinated solvents associated with the operations of a former machine shop on the site. The operating company filed and completed its bankruptcy proceedings. The City entered into a settlement agreement with KPI, which included the City getting an initial deposit of $25,000, KPI transferring the building and land the building is located at on the southern end of the property

to the City; and KPI paid a portion of auction proceeds on the remaining property to the City. By issuing a waiver and release to KPI, the City assumed responsibility of completing the CI/CAS process at the KPI site and implementing any remediation efforts associated with the VOC contamination.

The City contracted a consultant to complete the CI/CAS in 2015, which was completed in 2020. KDHE issued an Agency Decision in 2021 that determined that only monitoring activities were required. The liability currently estimated for the property is the 10-year monitoring value for the site as stated in the KDHE approved CAS.

A liability of $114,400 has been recorded in the government-wide financial statements as of December 31, 2025. The potential for changes to the liability is moderate as City staff are performing the monitoring and reporting efforts and not contracting the work to an outside entity. The monitoring data appear to demonstrate that it is unlikely that active remediation efforts will be necessary at this site, as monitoring shows decreasing concentrations of groundwater contamination linked to the site. The City anticipates the site will be issued a 'Resolved' or 'No further action' determination by the end of 2031.

MISCELLANEOUS SITES:

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 for the three monitoring wells is in 2026. The Site was registered with the KDHE Long-Term Care Program under EUC instruments; the restrictions previously required by the EPA were registered on the Deed of the property with the Sedgwick County Clerk. The site continues to be inspected annually by City staff to ensure that the deed restrictions are still being followed.

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. CDM assumed a monitoring period of 30 years for the previous 2008 estimate; however, the current EPA confirmed in a 2023 meeting that monitoring will be required if the materials remain on site. 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 ICT Airport Fuel and Fire Training Facility Site: While updating the Fuel Farm and Fire Training Facility, soil samples were collected and found to be contaminated with petroleum related volatile organic compounds (VOCs) between 1989 and 1993 timeframe. 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 status of the site is dependent upon the KDHE review of the annual monitoring.

At the end of 2024, the City-owned underground storage tanks (USTs) at the airport were eight tanks at the Wichita Airport (WAA) Authority Fuel Farm and no issues have been identified with these tanks to date. The

City also has a 1,900-gallon impact resistant above-ground storage tank (AST) at the fuel farm that is used to collect off-spec Jet-A fuel which is emptied by a recycler as needed.

Improvements to the WAA-ICT Fuel Farm were completed in June 2025. All eight USTs have been internally re-lined and upgraded to meet current Jet-A storage standards (aviation fuel (100-LL) is no longer stored at this facility). The WAA has placed the choice of 100-LL fuel sales/storage onto the Fixed Base Operator (FBO) entities (AST only). Additionally, the upgrades included modifications to fuel dispensing and PLC/HMI computing operations. The City has recorded a liability of $5,000 for the annual costs associated with site monitoring and reporting.

The City has worked its tenants to convert their USTs to ASTs and this effort is complete except for one tenant. The WAA encourages the conversion effort of USTs to ASTs and now discourages UST installations. Currently, Tenant USTs do not represent a liability to the City.

L. LIQUIDATION OF OTHER LONG-TERM LIABILITIES

Internal service funds predominantly serve 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.

- The ***Lease liabilities*** for copiers recorded in the Information Technology Fund is included in governmental activities and will be liquidated from the Information Technology Fund.
- The ***SBITA liabilities*** for IT subscriptions recorded in the Information Technology Fund and Fleet Fund are included in governmental activities and will be liquidated from the Information Technology Fund and Fleet Fund, respectively.
- ***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 Fund, with a separate subfund for the GILMO and NIC sites.
- ***Landfill closure/post-closure care liabilities*** are recorded at the government-wide level and is generally liquidated from the Landfill Post-Closure Fund.

M. 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.

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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 2025, the City issued $138,405,000 and retired $124,305,000 in temporary notes for various capital improvements. Temporary notes outstanding as of December 31, 2025 are payable as follows:

Temporary Notes Payable
For the Year Ended December 31, 2025

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities	$ 81,265,000	$ 138,405,000	$ (124,305,000)	$ 95,365,000
Total temporary notes	**$ 81,265,000**	**$ 138,405,000**	**$ (124,305,000)**	**$ 95,365,000**

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.

Temporary Notes Payable
As of December 31, 2025

	Series	Interest Rate	Amount Outstanding	Maturity Date
Governmental activities:				
Nonmajor capital project funds:				
Street Improvement Fund	322	5.00%	$ 9,653,818	10/15/26
Park Bond Construction Fund	322	5.00%	7,255,113	10/15/26
Neighborhood Improvements Fund	322	5.00%	13,568,006	10/15/26
Public Improvement Construction Fund	322	5.00%	64,888,063	10/15/26
Total governmental activities			**95,365,000**	
Total temporary notes payable			**$ 95,365,000**	

12. LEASES

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 2025 incremental borrowing rate of 2.6550% is based on the two-year year average of the City's bonded debt. This incremental borrowing rate was used to determine the net present value of the new lease liabilities entered into in 2025. The City's incremental borrowing interest rates for all governmental activities leases range from 2.6550% to 3.7875%, with one lease having a stated interest rate of 7.67%. As of December 31, 2025, the City had lease assets, net of accumulated amortization, of $1,207,401 and corresponding lease liabilities of $1,304,769.

The City's lease assets by category are shown in the table on the following page:

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Governmental Activities Lease (Right-to-Use) Assets For the Year Ended December 31, 2025	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Lease assets, being amortized:				
Buildings	$ 1,056,389	$ 79,250	$ -	$ 1,135,639
Machinery, equipment and other assets	919,841	17,625	-	937,466
Total lease assets, being amortized	**1,976,230**	**96,875**	**-**	**2,073,105**
Less accumulated amortization for:				
Buildings	(350,986)	(124,201)	-	(475,187)
Machinery, equipment and other assets	(180,342)	(210,175)	-	(390,517)
Total lease assets, accumulated amortization	**(531,328)**	**(334,376)**	**-**	**(865,704)**
Governmental activities lease assets, net	**$ 1,444,902**	**$ (237,501)**	**$ -**	**$ 1,207,401**

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

	Current Year Amortization
Governmental Activities:	
Public safety	$ 131,299
Culture and recreation	46,723
Internal service funds[1]	156,353
Total amortization expense - governmental activities	**$ 334,375**

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

The future minimum lease payments are as follows:

Governmental Activities Future Minimum Lease Payments		
Year ending December 31,	Governmental Activities	
	Principal	Interest
2026	$ 293,430	$ 63,434
2027	261,815	46,910
2028	275,388	30,036
2029	129,298	16,655
2030	101,487	12,572
2031 – 2035	243,351	24,676
Totals	**$ 1,304,769**	**$ 194,283**

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Business-type Activities: The business-type lessee activities are in the following enterprise funds: Transit Fund and Golf Course System Fund, each of which are discussed separately below.

The ***Transit Fund*** has one lease for four electric bus batteries with an incremental borrowing rate of 3.3720%. As of December 31, 2025, the Transit Fund had lease assets, net of accumulated amortization, of $761,922 and corresponding lease liabilities of $797,379.

The Transit Fund's lease assets by category are as follows:

Transit Fund
Lease (Right-to-Use) Assets
For the Year Ended December 31, 2025

	Beginning Balance	Increases	Decreases	Ending Balance
Lease assets, being amortized:				
Machinery, equipment and other assets	$ 1,122,833	$ -	$ -	$ 1,122,833
Total lease assets, being amortized	**1,122,833**	**-**	**-**	**1,122,833**
Less accumulated amortization for:				
Machinery, equipment and other assets	(240,607)	(120,304)	-	(360,911)
Total lease assets, accumulated amortization	**(240,607)**	**(120,304)**	**-**	**(360,911)**
Transit Fund lease assets, net	**$ 882,226**	**$ (120,304)**	**$ -**	**$ 761,922**

The future minimum lease payments are as follows:

Transit Fund
Future Minimum Lease Payments

Year ending December 31,	Business-type Activities Principal	Interest
2026	$ 114,877	$ 25,123
2027	118,811	21,189
2028	122,880	17,120
2029	127,088	12,912
2030	131,440	8,560
2031 – 2032	182,283	4,384
Totals	**$ 797,379**	**$ 89,288**

The ***Golf Course System Fund*** has four golf cart leases, one for each City owned golf course with an incremental borrowing rate of 3.3720%. As of December 31, 2025, the Golf Course System Fund had lease assets, net of accumulated amortization, of $812,718 and corresponding lease liabilities of $840,870.

The Golf Fund's lease assets by category are as follows:

Golf Course System Fund
Lease (Right-to-Use) Assets
For the Year Ended December 31, 2025

	Beginning Balance	Increases	Decreases	Ending Balance
Lease assets, being amortized:				
Machinery, equipment and other assets	$ 1,436,873	$ -	$ -	$ 1,436,873
Total lease assets, being amortized	**1,436,873**	**-**	**-**	**1,436,873**
Less accumulated amortization for:				
Machinery, equipment and other assets	(345,508)	(278,647)	-	(624,155)
Total lease assets, accumulated amortization	**(345,508)**	**(278,647)**	**-**	**(624,155)**
Golf Course System Fund lease assets, net	**$ 1,091,365**	**$ (278,647)**	**$ -**	**$ 812,718**

The future minimum lease payments are as shown in the table on the following page:

Golf Course System Fund Future Minimum Lease Payments		
Year ending December 31,	Business-type Activities Principal	Interest
2026	$ 279,045	$ 24,068
2027	288,601	14,512
2028	273,224	4,628
Totals	**$ 840,870**	**$ 43,208**

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 entered into in 2025, if any, is 4.0349% and is based off the three-year average earning percentage from the City's pooled cash and investments. The City's interest rates for governmental activities lease receivables range from 0.8462% to 4.0349%. For these leases, City has lease receivables of $5,596,650 and deferred inflow of resources of $5,554,132 as of December 31, 2025 reported for its governmental activities in the Statement of Net Position.

Two of these leases are public-private partnership (PPPs) agreements. For further information about these two PPPs, see Note 14 – Public Private Partnerships (PPPs).

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. For 2025, these variable lease payment amounts were immaterial.

In 2025, the City recognized approximately $585,000 and $150,000 in lease revenues and interest income, respectively. 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
2026	$ 464,613	S 156,781
2027	478,653	144,456
2028	358,438	130,702
2029	348,560	121,986
2030	347,998	113,119
2031 – 2035	1,640,173	426,808
2036 – 2040	1,730,541	176,858
2041 – 2045	85,060	7,743
2046 – 2050	81,441	4,479
2051 – 2055	40,304	1,638
2056 – 2060	11,594	554
2061 – 2065	1,126	374
2066 – 2070	1,175	325
2071 – 2075	1,225	275
2076 – 2080	1,278	222
2081 – 2085	1,333	167
2086 – 2090	1,391	109
2091 – 2095	1,450	50
2096	297	3
Totals	**$ 5,596,650**	**$ 1,286,649**

Business-type Activities: The business-type lessor activities are in the following enterprise funds: Transit Fund, Golf Fund, Water 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 was remeasured at 4.0349% in 2025 due to an extension on the lease and is based off the 3-year average earning percentage from the City's pooled cash and investments. The lease receivable is then reduced over the life of the lease as payments are received and applied in the appropriate period. For this lease, the Transit Fund is reporting lease receivables of $11,860 and deferred inflow of resources of $11,837 as of December 31, 2025.

In 2025, the Transit Fund recognized approximately $23,800 and $400 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
2026	$ 11,860	$ 140
Totals	**$ 11,860**	**$ 140**

The ***Golf Course System Fund (Golf Fund)*** has one lease for land. As a lessor, the Golf 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 was 0.8462% and was based off the 3-year average earning percentage from the City's pooled cash and investments. The lease receivable is then reduced over the life of the lease as payments are received and applied in the appropriate period. For this lease, the Golf Fund is reporting lease receivables of $255,829 and deferred inflow of resources of $251,876 as of December 31, 2025.

In 2025, the Golf Fund recognized approximately $9,100 and $2,000 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 Golf Fund for its lease are as follows:

Golf Course System Fund Nonregulated Leases Future Minimum Lease Payments		
Year ending December 31,	Business-type Activities	
	Principal	Interest
2026	$ 9,228	$ 2,129
2027	9,307	2,051
2028	9,386	1,972
2029	9,465	1,892
2030	9,546	1,812
2031 – 2035	48,959	7,827
2036 – 2040	51,074	5,712
2041 - 2045	53,281	3,506
2046 - 2050	55,583	1,204
Totals	**$ 255,829**	**$ 28,105**

The ***Water Utility Fund*** has one lease for building space. As a lessor, the Water 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 was 0.8462% and was based off the 3-year average earning percentage from the City's pooled cash and investments. The lease receivable is then reduced over the life of the lease as payments are received and applied in the appropriate period. For this lease, the Water Fund is reporting lease receivables of $151,573 and deferred inflow of resources of $142,160 as of December 31, 2025.

In 2025, the Water Fund recognized approximately $26,000 and $8,000 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 Water Fund for its lease are as follows:

Water Utility Fund Nonregulated Leases Future Minimum Lease Payments		
Year ending December 31,	Business-type Activities	
	Principal	Interest
2026	$ 29,557	$ 1,169
2027	30,118	916
2028	30,374	660
2029	30,632	402
2030	30,892	142
Totals	**$ 151,573**	**$ 3,289**

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. The Airport Authority leases are categorized as nonregulated and regulated for financial reporting purposes and these lease agreements typically do not contain any termination clauses, except for default.

A majority of the Authority's lease agreements contain provisions allowing the lessee to extend the term of the agreement for specific renewal periods. Based on historical experience and current facts and circumstances, the Airport Authority management has evaluated these renewal periods and included them within the lease term, for purposes of determination of the lease receivable, where appropriate.

- ***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 fixed lease payments, including option periods that are expected to be exercised. The interest rate used for new 2025 lease receivables is 4.0349% 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 $42,271,398 and deferred inflow of resources of $41,783,984 as of December 31, 2025.

  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 recorded as rental revenue in the year received. Certain agreements have annual updates to the MAG, where a new floor is created, and as such, if the MAG is adjusted upwards, the lease receivables and deferred revenues are adjusted as appropriate. Finally, certain concession agreements contain abatement of the MAG language. In these instances, the concession revenue MAGs that can be abated are not recorded as a lease receivable or deferred inflow, as they are not certain.

In 2025, the Airport Authority recognized approximately $3.9 million in lease revenues and $583,000 in interest income for the fixed payments and approximately $6.1 million 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*.

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

Airport Authority
Nonregulated Leases
Future Minimum Lease Payments

Year ending December 31,	Business-type Activities	
	Principal	Interest
2026	$ 3,688,974	$ 602,966
2027	3,684,550	547,082
2028	3,348,330	491,308
2029	2,655,400	439,446
2030	1,757,118	402,969
2031 – 2035	8,383,427	1,637,514
2036 – 2040	8,020,607	969,457
2041 – 2045	4,214,229	485,912
2046 – 2050	1,916,271	332,634
2051 – 2055	2,014,430	232,799
2056 – 2060	1,039,887	145,521
2061 – 2065	726,910	90,166
2066 – 2070	577,214	43,081
2071 – 2072	244,051	4,067
Totals	**$ 42,271,398**	**$ 6,424,922**

- ***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, of 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.

  Under the agreements with Delta Airlines, Southwest Airlines, United Airlines, and American Airlines, the airlines have exclusive and preferential use of certain space and facilities of the terminal and preferential use of certain apron areas. These agreements are long-term; however, the annual rental rates are determined annually and thus, receivables and deferred outflows are only recorded for the year immediately following the City's fiscal year-end.

  In 2025, the Airport Authority recognized approximately $8.5 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 shown in the table on the following page:

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Airport Authority Regulated Leases Future Minimum Lease Payments		
Year ending December 31,	Business-type Activities	
2026	$	8,926,819
2027		5,012,226
2028		4,888,657
2029		4,652,485
2030		4,656,901
2031 – 2035		17,497,996
2036 – 2040		18,971,585
2041 – 2045		18,531,345
2046 – 2050		17,155,974
2051 – 2055		13,608,368
2056 – 2060		10,508,731
2061 – 2065		3,504,570
2066 – 2070		1,547,827
2071 – 2074		959,620
Totals	**$**	**130,423,104**

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, 2025 was $4,885,095, which will be amortized and recognized as expense through October 31, 2033.

Governmental Activities Cargill Parking Garage Prepaid Lease		
Year ending December 31,	Governmental Activities	
2026	$	623,640
2027		623,640
2028		623,640
2029		623,640
2030		623,640
2031 – 2033		1,766,895
Totals	**$**	**4,885,095**

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
2026	$ 26,636	$ 69,143	$ 95,779
2027	25,612	68,128	93,740
2028	25,861	67,162	93,023
2029	24,867	66,205	91,072
2030	23,910	65,256	89,166
2031 – 2035	109,500	312,387	421,887
2036 – 2040	94,485	290,470	384,955
2041 – 2045	81,541	270,084	351,625
2046 – 2050	70,369	251,222	321,591
2051 – 2055	60,723	233,707	294,430
2056 – 2058	24,250	44,745	68,995
Totals	**$ 567,754**	**$ 1,738,509**	**$ 2,306,263**

13. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS)

The Information Technology Fund and Fleet Fund, both internal service funds, predominantly serve governmental funds. Accordingly, the long-term assets and long-term liabilities of these funds are included as a part of the totals for governmental activities.

Governmental Activities: The City is obligated for certain SBITA agreements, for the use of software as a service, that expire at various dates through 2033. The incremental borrowing rate of 2.6550% was used for all SBITAs entered into in 2025 and is based on the two-year year average of the City's bonded debt. This incremental borrowing rate was used to determine the net present value of the City's SBITA liabilities, as the implicit interest rate in the City's agreements are not readily determinable. As of December 31, 2025, the City had SBITA assets, net of accumulated amortization, of $19,113,760 and corresponding SBITA liabilities of $17,971,055. There were no material variable payments under these SBITA agreements in 2025.

The City's SBITA assets by category are as follows:

Governmental Activities SBITA (Right-to-Use) Assets For the Year Ended December 31, 2025					
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
SBITA assets, being amortized:					
Software subscriptions	$ 21,371,688	$ 7,084,401	$ (2,880,858)	$ -	$ 25,575,231
Total SBITA assets, being amortized	**21,371,688**	**7,084,401**	**(2,880,858**	**-**	**25,575,231**
Less accumulated amortization for:					
Software subscriptions	(5,240,157)	(4,102,172)	2.880.858	-	(6,461,471)
Total SBITA assets, accumulated amortization	**(5,240,157)**	(4,102,172)	2.880.858	**-**	**(6,461,471)**
Governmental activities SBITA assets, net	**$ 16,131,531**	**$ 2,982,229**	**$ -**	**$ -**	**$ 19,113,760**

Amortization expense was charged to function/programs to governmental activities of the primary government as shown on the following page for the City's SBITA assets:

	Current Year Amortization
Governmental Activities:	
General government	$ 49,364
Public safety	2,009,668
Health and welfare	448
Highways and streets	22,949
Internal service funds[1]	2,019,743
Total amortization expense - governmental activities	**$ 4,102,172**

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

The future minimum SBITA payments are as follows:

Governmental Activities Future Minimum SBITA Payments		
Year ending December 31,	Governmental Activities	
	Principal	Interest
2026	$ 3,672,180	$ 569,328
2027	3,409,347	461,881
2028	1,728,934	363,101
2029	1,782,939	306,987
2030	1,640,546	248,775
2031 - 2033	5,737,109	396,503
Totals	**$ 17,971,055**	**$ 2,346,575**

Business-type Activities: The City is obligated for certain subscription agreements, for the use of software as a service, that expire at various dates through 2029 for the Airport Authority Fund, the Water Fund, and the Transit Fund. The 2025 incremental borrowing rate of 2.6550% is based on the two-year year average of the City's bonded debt and was used for any new SBITAs added in 2025. This incremental borrowing rate was used to determine the net present value of the City's SBITA liabilities, as the implicit interest rate in the City's agreements are not readily determinable. As of December 31, 2025, the City had SBITA assets, net of accumulated amortization, of $479,344 and corresponding SBITA liabilities of $347,787. There were no material variable payments under these SBITA agreements in 2025.

The City's SBITA assets by category are as follows:

Business-Type Activities SBITA (Right-to-Use) Assets For the Year Ended December 31, 2025					
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
SBITA assets, being amortized:					
Software subscriptions	$ 847,052	$ 296,358	$ (74,612)	$ -	$ 1,068,798
Total SBITA assets, being amortized	**847,052**	296,358	**(74,612)**	**-**	1,068,798
Less accumulated amortization for:					
Software subscriptions	(230,143)	(359,311)	-	-	(589,454)
Total SBITA assets, accumulated amortization	**(230,143)**	(359,311)	**-**	**-**	(589,454)
Business-Type activities SBITA assets, net	**$ 616,909**	**$ (62,953)**	**$ (74,612)**	**$ -**	**$ 479,344**

The future minimum SBITA payments are as shown on the following page:

Business-type Activities Future Minimum SBITA Payments		
Year ending December 31,	Business-type Activities Principal	Interest
2026	$ 170,739	$ 10,258
2027	133,263	5,070
2028	21,059	1,162
2029	22,726	603
Totals	**$ 347,787**	**$ 17,093**

Fiduciary Activities: Pension Trust Funds: The Wichita Retirement System (System) is obligated for a subscription agreement, for the use of software as a service, that expires in 2028. The 2024 incremental borrowing rate of 2.8050% is based on the two-year year average of the City's bonded debt and was used for the System's new SBITA in 2024. This incremental borrowing rate was used to determine the net present value of the City's SBITA liabilities, as the implicit interest rate in the System's agreements are not readily determinable. As of December 31, 2025, the System had a SBITA asset, net of accumulated amortization, of $4,917,670 and a corresponding SBITA liability of $2,128,128. There were no material variable payments under this SBITA agreement in 2025.

Fiduciary Activities SBITA (Right-to-Use) Assets For the Year Ended December 31, 2025					
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Fiduciary Activities:					
SBITA assets, being amortized:					
Software subscriptions	$ 3,351	$ 3,472	$ -	$ -	$ 6,823
Total SBITA assets, being amortized	**3,351**	**3,472**	**-**	**-**	**6,823**
Less accumulated amortization for:					
Software subscriptions	(670)	(1,235)	-	-	(1,905)
Total SBITA assets, accumulated amortization	**(670)**	**(1,235)**	**-**	**-**	**(1,905)**
Fiduciary activities SBITA assets, net	**$ 2,681**	**$ 2,237**	**$ -**	**$ -**	**$ 4,918**

The future minimum SBITA payments are as shown below (expressed in thousands of dollars):

Fiduciary Activities Future Minimum SBITA Payments		
Year ending December 31,	Fiduciary Activities Principal	Interest
2026	$ 665	$ 60
2027	709	41
2028	754	21
Totals	**$ 2,128**	**$ 122**

14. PUBLIC-PRIVATE PARTNERSHIPS (PPPS)

Governmental Activities: The City has two PPP arrangements as of December 31, 2025, for the City's Riverfront Stadium and the Stryker Sports Complex in which the operators will operate and maintain the City's assets while providing a public use. At the end of the agreements, operations will be transferred back to the City.

The Riverfront Stadium lease has an initial term of 20-years through 2040, with the option to renew for two additional five-year extensions. The City has recorded the initial 20-year term as the renewals are not certain. The Stryker Sports Complex lease has an initial term of ten years with three optional five-year renewals; however, the agreement can be cancelled by either party without cause with 24 months prior written notice after the 60th month of the term. Thus, as of December 31, 2025, the City has a lease for two-years recorded (equal to the noncancelable term).

These two agreements meet the definition of a lease under GASB 87 and the operators (lessees) are not required to improve the City's assets as part of the PPP arrangement; thus, in accordance with GASB 94 (PPPs), the City has recorded these two agreements as leases.

The PPP 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 for the Riverfront Stadium was 3.3720% and the interest rate used for the Stryker Sport Complex was 4.0349% based off the three-year average earning percentage from the City's pooled cash and investments at the time each agreement was entered or amended. For these PPP leases, the City has lease receivables of $4,323,496 and deferred inflow of resources of $4,331,019 as of December 31, 2025 reported for its governmental activities in the Statement of Net Position. These amounts are included in the total Governmental Activities lease receivables of $5,596,650 and deferred inflow of resources of $5,554,132 as of December 31, 2025 in Note 12 - Leases.

In 2025, the City recognized approximately $355,000 and $149,000 in lease revenues and interest income, respectively, for its two PPP arrangements. 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:

Governmental Activities
Public-Private Partnerships
Future Minimum Lease Payments

Year ending December 31,	Governmental Activities	
	Principal	Interest
2026	$ 338,521	$ 146,479
2027	349,766	135,234
2028	227,421	122,579
2029	235,089	114,911
2030	243,017	106,983
2031 – 2035	1,343,669	406,331
2036 – 2040	1,586,013	163,987
Totals	**$ 4,323,496**	**$ 1,196,504**

15. CONDUIT DEBT OBLIGATIONS

Industrial Revenue Bonds: From time to time the City issues 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. As of December 31, 2025, there were 100 series of industrial revenue bonds were outstanding, with an aggregate principal amount payable of approximately $1.85 billion.

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. As of December 31, 2025, there were two series of special facility revenue bonds totaling approximately $4.9 million.

16. 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, 2025, transfer revenue and transfer expenditures/expenses each totaled $127,677,154.

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, 2025, is shown below.

Summary of Interfund Transfers
For Year Ended December 31, 2025

Fund Type/ Fund	Transfers Out	Transfers In
Governmental funds:		
Major funds:		
General Fund	$ 8,486,568	$ 7,181,964
Debt Service Fund	29,073,211	10,943,787
Grants and Other Assistance Fund	-	298,289
Nonmajor special revenue funds	17,235,215	3,902,061
Nonmajor capital project funds	70,758,443	101,278,550
Total governmental funds	**125,553,437**	**123,604,651**
Enterprise funds:		
Major funds:		
Water Utility Fund	74,885	13,909
Sewer Utility Fund	206,014	-
Stormwater Utility Fund	-	12,768
Nonmajor enterprise funds	-	4,045,826
Total enterprise funds	**280,899**	**4,072,503**
Internal service funds	1,842,818	-
Total transfers	**$ 127,677,154**	**$ 127,677,154**

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17. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables result from the provision of products or services or loans between funds. As of December 31, 2025, interfund receivables and payables totaled $72,779,672. Interfund balances are primarily used to offset temporary cash deficits or the distribution of the City's participation in an energy rebate program which is allocated proportionately amongst the funds but received directly by one department. Individual fund receivable and payable balances as of December 31, 2025 are presented in the tables below.

Interfund Receivables As of December 31, 2025

Fund Type/ Fund	Receivables
Governmental funds:	
Major:	
General Fund	$ 67,687
Nonmajor:	
Landfill Post-Closure Fund	21
Downtown Parking Fund	1,938
Environmental TIF Districts Fund	2,651
City-County Joint Operations Fund	972
Public Improvement Fund	5
Local Sales Tax CIP Fund	31,153,180
Sales Tax Construction Pledge Fund	13,131,542
Cemetery Fund	4
Total governmental fund receivables	44,358,000
Enterprise funds:	
Major:	
Sewer Utility Fund	54,986
Airport Fund	52,918
Stormwater Utility Fund	463
Nonmajor:	
Golf Course System Fund	1,711
Transit Fund	2,348
Landfill Fund	49
Total enterprise fund payables	112,475
Internal service funds:	
Self Insurance Fund	28,309,197
Total internal service fund payables	**28,309,197**
Total interfund receivables	**$ 72,779,672**

Interfund Payables As of December 31, 2025

Fund Type/ Fund	Payables
Governmental funds:	
Nonmajor:	
Street Improvement Fund	$ 38,911,499
Public Improvement Construction Fund	353,640
Park Bond Construction Fund	4,017,448
Neighborhood Improvement Fund	29,311,333
Total governmental fund payables	**72,593,920**
Enterprise funds:	
Major:	
Water Utility Fund	174,847
Stormwater Utility Fund	10,905
Total enterprise fund payables	**185,752**
Total interfund payables	**$ 72,779,672**

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18. 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, 2025, 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.

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, 2025	PFC Collected	PFC Expended	Unliquidated PFC Balance Dec. 31, 2025
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	(755,313)	-	-	(755,313)
10-07-C-00-ICT	(7,436,520)	3,792,110	3,059,911	(6,704,321)
Total	**$ 3,889,801**	**$ 3,792,110**	**$ 3,059,911**	**$ 4,622,000**

19. LANDFILL CLOSURE AND POST-CLOSURE CARE

Information about the landfills operated by the City and the related liabilities is provided in Note 10.J – 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.

20. FUND BALANCE RESTRICTIONS AND OTHER RESERVATIONS

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

The City maintains the Cemetery Fund, a permanent fund for the perpetual care of the Jamesburg, Highland and Pierpoint Cemeteries, as well as the Old Mission Mausoleum. The non-expendable portion of the fund balance is $235,437. The remainder is expendable for care of the cemeteries.

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

Governmental Fund Balance (Deficit) Designations As of December 31, 2025 (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	$ 38	$ -	$ 120	$ 186	$ 344
Permanent fund principal	-	-	-	235	235
Total Nonspendable	**38**	**-**	**120**	**421**	**579**
Restricted for:					
Administration & support	-	-	267	-	267
Municipal Court	-	-	-	4,201	4,201
Planning	-	-	5	174	179
Cemetery	-	-	-	1,405	1,405
Police & Fire	-	-	4,004	-	4,004
Flood control	-	-	-	44	44
Street maintenance	-	-	-	41,139	41,139
Environmental health	-	-	206	37,295	37,501
Housing & community services	-	-	22,503	79	22,582
Alcohol and drug programs	-	-	-	6,242	6,242
Tourism and convention	-	-	-	4,172	4,172
Libraries	-	-	442	-	442
Park maintenance & forestry	-	-	630	177	807
Recreation	-	-	-	7	7
Debt service	-	31,816	-	3,146	34,962
Total Restricted	**-**	**31,816**	**28,057**	**98,081**	**157,954**
Committed to:					
Parking	-	-	-	105	105
Regulation & inspection	-	-	-	1,250	1,250
Housing & community services	-	-	-	1,251	1,251
Landfill	-	-	-	6,069	6,069
Total Committed	**-**	**-**	**-**	**8,675**	**8,675**
Assigned to:					
Administration & support	256	-	-	-	256
Economic development	1,899	-	-	-	1,899
Municipal court	4	-	-	-	4
Police & Fire	594	-	-	-	594
Street maintenance	827	-	-	-	827
Waste disposal	56	-	-	-	56
Landfill	-	-	-	3,291	3,291
Environmental health	3	-	-	-	3
Libraries	25	-	-	-	25
Park maintenance & forestry	291	-	-	-	291
Total Assigned	**3,955**	**-**	**-**	**3,291**	**7,246**
Unassigned:	98,412	-	-	(183,139)	(84,727)
Total Fund Balance (Deficit)	**$ 102,405**	**$ 31,816**	**$ 28,177**	**$ (72,671)**	**$ 89,727**

21. 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:

https://www.wichita.gov/213/Incentive-Programs

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, 2025, in Note 15 - 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 incentNotives 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, 2025, the City's property and sales tax revenues were impacted by approximately $6.8 million and $0.5 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, 2025, the City's property tax revenues were impacted 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 https://www.wichita.gov/213/Incentive-Programs. 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, 2025, additional sales tax revenues of the City of approximately $1.6 million were paid to developers through the CID Program. In the Additional Information Section, the City has provided a schedule showing the CID Fund by subfund (or by district).

22. 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, 2025.

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 $132.2 million in governmental funds, $262.4 million in 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, 2025:

Encumbrances As of December 31, 2025 (in thousands)			
Fund Type/ Fund	**Operating Encumbrances**	**Capital Encumbrances**	**Total Encumbrances**
Governmental Funds:			
Major:			
General Fund	$ 2,024	$ -	$ 2,024
Grants and Other Assistance Fund	6,844	16,389	23,233
Nonmajor governmental funds	1,866	115,763	117,629
Total governmental funds	**10,734**	**132,152**	**142,886**
Enterprise funds:			
Major:			
Water Utility Fund	4,092	42,251	46,343
Sewer Utility Fund	3,353	183,362	186,715
Airport Authority Fund	339	31,055	31,394
Stormwater Utility Fund	1,104	3,622	4,726
Nonmajor enterprise funds	239	2,078	2.317
Total enterprise funds	**9,127**	**262,368**	**271.495**
Internal service funds	1,405	-	1.405
Total encumbrances	**$ 21,266**	**$ 394,520**	**$ 415.786**

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 $31.7 million are outstanding as of December 31, 2025.

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 10.B – General Obligation and Special Assessment Bonds.

23. DISCRETELY PRESENTED COMPONENT UNIT: WICHITA RAD SENIOR LP

The Wichita RAD Senior, L.P. 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 single project named Wichita RAD Senior L.P.

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, 2025. 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 has contracted with Mennonite Housing Rehabilitation Services, Inc. for management of the Projects. 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).

Leases: The Partnership has a land and building lease with an inception date of October 1, 2021, which is accounted for as an operating lease. Management used the practical expedient in the year of adoption of ASU 2016-02, *Leases (Topic 842)* to use the previous classification of the lease in the current application of the standard.

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. Management used the practical expedient in the year of adoption of ASU 2016-02, *Leases (Topic 842)* to use the previous classification of the lease in the current application of the standard.

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. There were no cash equivalents as of December 31, 2025 and 2024.

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Cash, and restricted cash as of December 31, 2025 and 2024 consisted of the following:

Cash, Cash Equivalents and Restricted Cash As of December 31,		
	2025	2024
Cash	$ 201,011	$ 584,412
Restricted deposits and funded reserves	540,026	419,874
Total cash and restricted cash shown on the Statements of Cash Flows	**$ 741,037**	**$ 1,004,286**

Supplemental Schedule of Non-Cash Investing and Financing Activity: In connection with the rehabilitation of the Project, the Partnership capitalized $99,629 and $140,971 of interest for the years ended December 31, 2025 and 2024, respectively. These amounts have been included in Rehabilitation of Rental Property - Net on the accompanying Statements of Cash Flows.

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 $-0- and $87 for the years ended December 31, 2025 and 2024, 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 Statements 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 have been expensed as incurred. Upon completion of the rehabilitation, all rehabilitation in progress has been 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, 2025 or 2024.

Capitalized Costs: Costs related to obtaining low-income housing tax credits are being amortized over the mandatory 15-year compliance period. Amortization expense for the years ended December 31, 2025 and 2024 was $8,992 and $8,186, respectively. As of December 31, 2025 and 2024, accumulated amortization totaled $23,197 and $14,205, respectively. The estimated amount of amortization expense for each of the next five years is $8,186.

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. Debt issuance costs related to the bond issuance of $332,501 are being amortized over the term of the bonds using the straight-line method. During 2025, $550,558 of debt issuance costs related to the rehabilitation to permanent loan were incurred and are being amortized over the term of the loan using the straight-line method. Amortization expense for the years ended December 31, 2025 and 2024 totaled $96,338 and $83,125, respectively. As of December 31, 2025 and 2024, accumulated amortization totaled $360,029 and $263,691, respectively. The bond issuance costs were fully amortized during 2025.

Bond Reserves – Debt Securities: To satisfy the terms of the Bond Indenture, accounts have been established which hold investments in United States Treasury Securities (USTs). The USTs serve as collateral for the bonds, and since they have maturities that coincide with the maturity date on the bonds, further described in Note 5, these USTs are classified as held-to-maturity and are carried at amortized cost in accordance with generally accepted accounting principles.

ASU 2016-13, Financial Instruments - Credit Losses (Topic 326), requires an assessment of management's expectation of credit losses to be realized for certain financial assets carried at amortized cost; however, management has determined that since USTs are backed by the U.S. government, the expectation of credit losses is negligible.

As of December 31, 2025 and 2024, the aggregate fair value of these securities was $-0- and $17,419,616, respectively. Interest income of $730,461 and $126,777 related to the USTs was recognized during the years ended December 31, 2025 and 2024, respectively.

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 operating leases and 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 passthrough 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 2022 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.

C. RESTRICTED DEPOSITS AND FUNDED RESERVES

Restricted deposits and funded reserves consist of tenant security deposits, a PILOT tax and insurance escrow, working capital reserve, and bond escrow. These accounts have been established in amounts considered by the partners to be adequate and in accordance with the Partnership Agreement and loan documents. A replacement reserve and operating reserve are also required by the Partnership Agreement from future capital contributions. Use of the accounts are restricted as defined in the Partnership Agreement

and by the lender, and therefore, have been excluded from cash in the accompanying Balance Sheets. Restricted cash is comprised of the following as of December 31, 2025 and 2024:

Restricted Cash As of December 31,	2025	2024
Tenant security deposits	$ 50,589	$ 34,534
Real estate tax and insurance escrow	39,565	45,247
Replacement reserve	140,062	79,328
Working capital reserve	-	106,964
Principal payments during construction reserve	309,810	152,800
Bond escrows - cash	-	1,001
Total	**$ 540,026**	**$ 419,874**

Summary Analysis of Replacement Reserve As of December 31,	2025	2024
Beginning balance	$ 79,328	$ -
Deposits	83,160	79,100
Withdrawals	(23,047)	-
Interest	621	228
Ending balance	**$ 140,062**	**$ 79,328**

Summary Analysis of Working Capital Reserve As of December 31,	2025	2024
Beginning balance	$ 106,964	$ 219,342
Deposits	276,063	546,442
Withdrawals	(383,266)	(659,820)
Interest	239	1,000
Ending balance	**$ -**	**$ 106,964**

Summary Analysis of Principal Payments During Construction Reserve As of December 31,	2025	2024
Beginning balance	$ 152,800	$ -
Deposits	157,010	152,800
Ending balance	**$ 309,810**	**$ 152,800**

Summary Analysis of Bond Escrows – Cash As of December 31,	2025	2024
Beginning balance	$ 1,001	$ 160,091
Deposits	21,911,262	17,229,640
Withdrawals	(21,912,263)	(17,388,730)
Ending balance	**$ -**	**$ 1,001**

D. BONDS PAYABLE

The MultiFamily 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 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, 2025 and 2024 totaled $-0- and $14,215. The bonds were paid in full during 2025.

E. REHABILITATION TO PERMANENT LOAN

The Partnership has entered into a building loan agreement with Lument Capital for a construction loan in an amount not to exceed $10,900,000. It is anticipated that this amount will be increased to $11,445,000. The loan bears interest at 2.72% per annum and requires monthly payments of interest only during the rehabilitation phase, commencing November 1, 2021 through December 1, 2023. Beginning on January 1, 2024 (Amortization Commencement Date), the loan agreement requires monthly payments of principal and interest of $37,282 through its maturity in December 2063. The loan will be amortized over a 40-year period and bear interest at 2.72%. This loan is collateralized by the real estate and assignment of rents and security. The loan will convert to a permanent HUD-insured Section 221(d)(4) mortgage upon final endorsement.

As of December 31, 2025, final endorsement to convert the loan to permanent financing has not taken place. Scheduled principal payments made by the Partnership beginning January 1, 2024 totaling $157,010 and $152,800 during 2025 and 2024, respectively, have been reserved by the lender and will be applied against the outstanding principal balance upon final endorsement. As of December 31, 2025 and 2024, the amount outstanding on the loan totaled $10,899,999. Accrued and unpaid interest as of December 31, 2025 and 2024 totaled $24,707. Estimated maturities of the rehabilitation to permanent loan over the next 5 years and thereafter are as follows:

Estimated Maturities of the Rehabilitation Loan Over the Next 5 Years and Thereafter	
	Amounts
2026	$ 471,144
2027	165,777
2028	170,342
2029	175,034
2030	179,855
Thereafter	9,737,847
Total	**$ 10,899,999**

F. 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, 2025 and 2024, the applicable federal rate was 3.58% and 3.38%, respectively. Payments will be determined annually from Net Cash Flow, as defined in the Partnership Agreement. As of December 31, 2025 and 2024, accrued and unpaid interest totaled $986,830 and $700,415, respectively. The note is collateralized by the real estate and an assignment of rents and security. As of December 31, 2025 and 2024, the outstanding principal balance of the note 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. During the year ended December 31, 2024, the borrowing capacity was increased to $1,000,000. 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, 2025 and 2024, $1,000,000 and $495,000, respectively, 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 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. 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. 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, 2025 and 2024:

Principal Amounts Due as of December 31,	2025	2024
Seller note	$ 7,300,000	$ 7,300,000
Housing trust funds	1,000,000	495,000
City of Wichita – CDBG	1,154,462	1,154,462
City of Wichita – HOME	1,113,950	1,113,950
City of Wichita – Capital Funds	1,409,696	1,409,696
Total	**$ 11,978,108**	**$ 11,473,108**

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.

G. MANAGEMENT AGENT

The Partnership has 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 $73,688 and $72,038 for the years ended December 31, 2025 and 2024, respectively. Amounts due to the Management Agent as of December 31, 2025 and 2024 related to management fees totaled $2,436 and $-0-, respectively, and are included in Accounts Payable – Trade on the accompanying Balance Sheets.

H. 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 2025 and 2024 totaled $8,196 and $7,957, respectively. There were no unpaid asset management fees as of December 31, 2025 and 2024.

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 2025 or 2024.

Development Fee 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, 2025 and 2024, $3,300,000 and $2,663,922, respectively, of the developer fee has been earned. As of December 31, 2025 and 2024 $2,800,000 and $2,163,922, respectively, remains payable. The remaining development fee will be paid as set forth in the Development and Partnership Agreements.

Limited Partner Receivable: The receivable from the Limited Partner in the amount of $3,948,368 and $6,448,872 as of December 31, 2025 and 2024, respectively, 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.

Building and Ground 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, 2025 and 2024 totaled $8,687. The accumulated land lease expense totaled $36,244 and $27,557, respectively as of December 31, 2025 and 2024, 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, 2025 and 2024 totaled $59,943 and $64,998, respectively. The accumulated building lease expense totaled $271,405 and $211,462 as of December 31, 2025 and 2024, respectively. The estimated amount of building lease expense for each of the next five years is $65,051. Due to the immaterial nature of the present value of $1 annual minimum lease payments, management has determined that the financial statements are not materially misstated by not presenting a lease liability for this operating lease.

I. 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, 2025 and 2024, commercial income earned by the Partnership totaled $77,742 and $73,911, respectively. Accounts receivable related to the leases totaled $27,787 and $24,058 as of December 31, 2025 and 2024, respectively. Effective May 13, 2026, revenue generated from the lease shall be deposited into a Cell Tower Income Reserve, as defined in the Operating Agreement.

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

Estimated Lease Payments		
Year		Amount
2026	$	75,283
2027		81,465
2028		83,120
2029		84,354
2030		85,625
	$	**409,847**

J. COMMITMENTS AND CONTINGENCIES

Rental Assistance Demonstration (RAD) Housing Assistance Payments, Project Based Rental Assistance (PBRA) Contract: The Partnership executed a PBRA Housing Assistance Payments Contract with The Department of Housing and Urban Development (HUD), through the Rental Assistance Demonstration (RAD) program. The contract provides for rental assistance payments for all units rented to qualified tenants. The contract expires in November 2041.

In addition, HUD is providing rehabilitation assistance funding while the Projects are undergoing rehabilitation. Rehabilitation assistance funding provided during 2025 and 2024 totaled $495,060 and $455,119, respectively.

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 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").

K. 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, 2025 or 2024.

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, 2025 or 2024.

L. 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 non-interest 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.

M. 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 Partnership also receives a material portion of its revenue from HUD in the form of PBRA. The details of this contract are provided in Note 23.J – Commitments and Contingencies.

N. 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.

O. 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 June 11, 2026, 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.

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24. SUBSEQUENT EVENTS

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

On May 21, 2026, the City issued $43,385,000 General Obligation Temporary Notes, Series 324 with a stated maturity of October 15, 2026 at 4.00% interest.

On May 21, 2026, the City issued $53,105,000 Sales Tax Special Obligation Revenue Bonds for the K-96 Greenwich STAR bond project – Phase III, Series 2026A with stated maturities of September 1, 2026 in the amount of $15,750,000 at 3.20% interest and September 1, 2033 in the amount of $37,355,000 at 4.125% interest. The City will record a liability for the portion of the STAR bonds that it will be responsible for.

The City made and received five additional draws totaling $21,056,359 after December 31, 2025 on its Water Infrastructure Finance Innovation Act (WIFIA) Bond for the BNR Project and has started accruing interest upon those draws at 3.77%. Additional information on the bond can be found in Note 10.G – Direct Borrowings and Placements: Bonds, Long-Term Loans and Financed Purchase Debt.

The City made and received the first four draws totaling $24,488,915 after December 31, 2025 on its second KPWSLF loan with KDHE (3049.2) for the City's BNR Project and has started accruing interest upon those draws at 2.91%. Additional information on the loan can be found in Note 10.G – Direct Borrowings and Placements: Bonds, Long-Term Loans and Financed Purchase Debt.



Wichita Skyline

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

For the years ended December 31, 2016 through December 31, 2025

	2025 [1]	2024 [1]	2023 [1]	2022 [1]
TOTAL PENSION LIABILITY				
Service cost	$ 11,011,292	$ 10,262,772	$ 9,796,265	$ 9,220,703
Interest	52,109,871	51,210,585	50,309,417	49,907,671
Differences between expected and actuarial experience	9,295,088	3,221,911	2,296,782	478,629
Assumption changes	21,817,472	2,172,816	(2,847,201)	17,287,512
Reclassification due to conversion of members to Plan 3b	(125,535)	(2,880)	(295,038)	(417,138)
Benefit payments, including member refunds	(52,008,903)	(51,472,032)	(50,367,805)	(47,000,275)
Net change in total pension liability	42,099,285	15,393,172	8,892,420	29,477,102
Total pension liability - beginning	734,582,898	719,189,726	710,297,306	680,820,204
Total pension liability - ending (a)	$ 776,682,183	$ 734,582,898	$ 719,189,726	$ 710,297,306
PLAN FIDUCIARY NET POSITION				
Employer contributions	$ 13,697,091	$ 10,962,943	$ 10,407,635	$ 10,722,494
Employee contributions	4,232,466	4,078,808	3,823,411	3,632,713
Reclassification due to conversion of members to Plan 3b	(125,535)	(2,880)	(295,038)	(417,138)
Net investment income (loss)	81,795,355	91,391,881	(98,593,403)	95,356,927
Benefit payments, including member refunds	(52,008,903)	(51,472,032)	(50,367,805)	(47,000,275)
Administrative expenses	(1,005,730)	(658,339)	(733,533)	(605,918)
Net change in Plan fiduciary net position	$ 46,584,744	$ 54,300,381	$ (135,758,733)	$ 61,688,803
Plan fiduciary net position - beginning	647,259,557	592,959,176	728,717,909	667,029,106
Plan fiduciary net position - ending (b)	$ 693,844,301	$ 647,259,557	$ 592,959,176	$ 728,717,909
Net pension liability (asset) - ending (a) - (b)	**$ 82,837,882**	**$ 87,323,341**	**$ 126,230,550**	**$ (18,420,603)**
Fiduciary net position as a percentage of total pension liability	89.33%	88.11%	82.45%	102.59%
Covered payroll	$ 90,112,441	$ 84,330,331	$ 80,679,341	$ 77,140,245
Employer's net pension (asset) liability as a percentage of covered payroll	91.93%	103.55%	156.46%	-23.88%

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

[1] Information about the employer's net pension liability (asset) is presented as of a measurement date one year prior to the fiscal year end date. For example, the net pension asset reported as of December 31, 2025 is reported based on a measurement date as of December 31, 2024.

2021 [1]	2020 [1]	2019 [1]	2018 [1]	2017 [1]	2016 [1]
$ 9,639,316	$ 10,132,953	$ 10,067,053	$ 10,049,029	$ 9,679,684	$ 9,644,456
49,106,352	47,499,432	47,789,825	46,669,189	45,634,881	44,305,832
(1,365,285)	3,656,262	(2,668,930)	(1,893,808)	(2,791,029)	(656,102)
669,701	(19,749,611)	32,865,478	-	-	(8,877,507)
(63,361)	(94,720)	(179,012)	(191,292)	(244,793)	(465,171)
(45,828,504)	(44,447,896)	(41,670,299)	(39,282,815)	(39,144,783)	(37,089,403)
12,158,219	(3,003,580)	46,204,115	15,350,303	13,133,960	6,862,105
668,661,985	671,665,565	625,461,450	610,111,147	596,977,187	590,115,082
$ 680,820,204	$ 668,661,985	$ 671,665,565	$ 625,461,450	$ 610,111,147	$ 596,977,187
$ 11,010,091	$ 9,683,553	$ 10,099,027	$ 9,642,540	$ 8,946,064	$ 9,031,463
3,809,288	3,770,224	3,755,812	3,682,056	3,642,007	3,574,026
(63,361)	(94,720)	(179,012)	(191,292)	(244,793)	(465,171)
80,782,297	102,909,003	(39,511,690)	91,773,973	35,956,780	13,380
(45,828,504)	(44,447,896)	(41,670,299)	(39,282,815)	(39,144,783)	(37,089,403)
(573,137)	(619,398)	(580,204)	(633,379)	(615,829)	(624,085)
$ 49,136,674	$ 71,200,766	$ (68,086,366)	$ 64,991,083	$ 8,539,446	$ (25,559,790)
617,892,432	546,691,666	614,778,032	549,786,949	541,247,503	566,807,293
$ 667,029,106	$ 617,892,432	$ 546,691,666	$ 614,778,032	$ 549,786,949	$ 541,247,503
$ 13,791,098	**$ 50,769,553**	**$ 124,973,899**	**$ 10,683,418**	**$ 60,324,198**	**$ 55,729,684**
97.97%	92.41%	81.39%	98.29%	90.11%	90.66%
$ 80,365,628	$ 80,029,364	$ 78,898,648	$ 78,394,634	$ 77,121,241	$ 74,028,385
17.16%	63.44%	158.40%	13.63%	78.22%	75.28%

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

For the years ended December 31, 2016 through December 31, 2025

	2025 [1]	2024 [1]	2023 [1]	2022 [1]
TOTAL PENSION LIABILITY				
Service cost	$ 23,486,800	$ 19,953,902	$ 19,320,826	$ 17,772,976
Interest	69,805,688	64,628,340	61,525,792	59,373,364
Differences between expected and actual experience	4,811,142	31,459,462	15,091,525	6,094,423
Assumption changes	23,051,068	10,577,439	(3,002,231)	24,321,745
Benefit payments, including member refunds	(51,841,611)	(55,068,086)	(53,182,842)	(47,333,495)
Net change in total pension liability	69,313,087	71,551,057	39,753,070	60,229,013
Total pension liability - beginning	979,092,674	907,541,617	867,788,547	807,559,534
Total pension liability - ending (a)	$ 1,048,405,761	$ 979,092,674	$ 907,541,617	$ 867,788,547
PLAN FIDUCIARY NET POSITION				
Employer contributions	$ 24,761,884	$ 19,816,462	$ 17,183,919	$ 17,889,908
Employee contributions	6,946,264	6,908,792	6,505,692	6,682,182
Net investment income (loss)	109,035,810	116,517,485	(121,753,365)	116,265,367
Benefit payments, including member refunds	(51,841,611)	(55,068,086)	(53,182,842)	(47,333,495)
Administrative expenses	(926,693)	(589,232)	(657,985)	(556,934)
Net change in Plan fiduciary net position	$ 87,975,654	$ 87,585,421	$ (151,904,581)	$ 92,947,028
Plan fiduciary net position - beginning	834,377,119	746,791,698	898,696,279	805,749,251
Plan fiduciary net position - ending (b)	$ 922,352,773	$ 834,377,119	$ 746,791,698	$ 898,696,279
Net pension liability (asset) - ending (a) - (b)	**$ 126,052,988**	**$ 144,715,555**	**$ 160,749,919**	**$ (30,907,732)**
Fiduciary net position as a percentage of total pension liability	87.98%	85.22%	82.29%	103.56%
Covered payroll	$ 98,261,444	$ 90,486,128	$ 82,219,708	$ 79,158,885
Employer's net pension (asset) liability as a percentage of covered payroll	128.28%	159.93%	195.51%	-39.05%

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

[1] Information about the employer's net pension liability (asset) is presented as of a measurement date one year prior to the fiscal year end date. For example, the net pension asset reported as of December 31, 2025 is reported based on a measurement date as of December 31, 2024.

2021 [1]	2020 [1]	2019 [1]	2018 [1]	2017 [1]	2016 [1]
$ 17,070,149	$ 16,230,358	$ 15,754,976	$ 15,178,226	$ 14,772,379	$ 14,981,100
57,538,167	55,560,527	53,649,438	51,532,754	49,519,284	47,600,166
(3,886,707)	(3,777,136)	11,768,665	(1,784,785)	(2,576,401)	(3,259,180)
1,753,326	(12,112,003)	26,241,485	-	-	(10,871,013)
(45,162,140)	(42,111,381)	(39,381,501)	(36,930,533)	(35,552,267)	(36,090,820)
27,312,795	13,790,365	68,033,063	27,995,662	26,162,995	12,360,253
780,246,739	766,456,374	698,423,311	670,427,649	644,264,654	631,904,401
$ 807,559,534	$ 780,246,739	$ 766,456,374	$ 698,423,311	$ 670,427,649	$ 644,264,654
$ 16,617,743	$ 13,965,415	$ 14,331,422	$ 13,369,785	$ 12,585,895	$ 13,964,379
5,927,784	5,428,455	5,599,216	4,915,378	4,776,958	4,603,331
97,865,002	120,349,987	(43,988,371)	103,236,679	39,901,640	(163,702)
(45,162,140)	(42,111,381)	(39,381,501)	(36,930,533)	(35,552,267)	(36,090,820)
(574,182)	(612,049)	(590,098)	(554,641)	(548,171)	(521,018)
$ 74,674,207	$ 97,020,427	$ (64,029,332)	$ 84,036,668	$ 21,164,055	$ (18,207,830)
731,075,044	634,054,617	698,083,949	614,047,281	592,883,226	611,091,056
$ 805,749,251	$ 731,075,044	$ 634,054,617	$ 698,083,949	$ 614,047,281	$ 592,883,226
$ 1,810,283	**$ 49,171,695**	**$ 132,401,757**	**$ 339,362**	**$ 56,380,368**	**$ 51,381,428**
99.78%	93.70%	82.73%	99.95%	91.59%	92.02%
$ 75,880,105	$ 73,891,085	$ 72,017,196	$ 69,634,297	$ 66,946,250	$ 65,560,465
2.39%	66.55%	183.85%	0.49%	84.22%	78.37%

PENSION REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the years ended December 31, 2016 through December 31, 2025

(dollars expressed in thousands)

	2025	2024	2023	2022	2021
Actuarially determined employer contributions	$ 15,055	$ 13,697	$ 10,963	$ 10,408	$ 10,722
Actual employer contributions	15,055	13,697	10,963	10,408	10,722
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 96,505	$ 90,112	$ 84,330	$ 80,679	$ 77,140
Contributions as a percentage of covered payroll	15.60%	15.20%	13.00%	12.90%	13.90%

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, 2025.

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Amortization growth rate	3.25%
Remaining amortization period	Rolling 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	7.25%
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.

2020	2019	2018	2017	2016
$ 11,010	$ 9,684	$ 10,099	$ 9,643	$ 8,946
11,010	9,684	10,099	9,643	8,946
$ -	$ -	$ -	$ -	$ -
$ 80,366	$ 80,029	$ 78,899	$ 78,395	$ 77,121
13.70%	12.10%	12.80%	12.30%	11.60%

PENSION REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the years ended December 31, 2016 through December 31, 2025

(dollars expressed in thousands)

	2025	2024	2023	2022	2021
Actuarially determined employer contributions	$ 29,122	$ 24,762	$ 19,816	$ 17,184	$ 17,890
Actual employer contributions	29,122	24,762	19,816	17,184	17,890
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 104,380	$ 98,261	$ 90,486	$ 82,220	$ 79,159
Contributions as a percentage of covered payroll	27.90%	25.20%	21.90%	20.90%	22.60%

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, 2025.

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Amortization growth rate	3.25%
Remaining amortization period	Rolling 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, except for 2024 only, 15.77% for all police officers, detectives, and sergeants.
Long-term rate of return, net of investment expense, and including inflation	7.25%
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

2020	2019	2018	2017	2016
$ 16,618	$ 13,965	$ 14,331	$ 13,370	$ 12,586
16,618	13,965	14,331	13,370	12,586
$ -	$ -	$ -	$ -	$ -
$ 75,880	$ 73,891	$ 72,017	$ 69,634	$ 66,946
21.90%	18.90%	19.90%	19.20%	18.80%

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, 2025[1]

	2025	2024	2023	2022	2021
TOTAL OPEB LIABILITY					
Service cost	$ 3,046,482	$ 2,616,731	$ 2,321,645	$ 3,231,889	$ 3,231,584
Interest	1,644,355	1,313,934	1,373,841	1,044,546	946,776
Differences between expected and actual experience	-	(4,229,167)	-	(6,403,414)	(192,042)
Assumption changes	(4,064,082)	1,966,679	1,326,851	(4,459,411)	(403,627)
Benefit payments	(2,230,042)	(1,969,629)	(1,918,156)	(2,063,243)	(1,575,905)
Net change in total OPEB liability	(1,603,287)	(301,452)	3,104,181	(8,649,633)	2,006,786
Total OPEB liability - beginning	38,371,364	38,672,816	35,568,635	44,218,268	42,211,482
Total OPEB liability - ending	$ 36,768,077	$ 38,371,364	$ 38,672,816	$ 35,568,635	$ 44,218,268
Covered-employee payroll	$ 211,988,696	$ 202,913,836	$ 185,298,599	$ 165,747,827	$ 161,201,360
Employer's total OPEB liability as a percentage of covered-employee payroll	17.34%	18.91%	20.87%	21.46%	27.43%

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.

2020	2019	2018
$ 2,355,707	$ 2,221,238	$ 2,393,138
1,214,499	1,486,938	1,242,504
96,216	(4,833,105)	1,580,925
4,342,639	3,726,542	(2,528,757)
(1,381,842)	(1,929,879)	(2,977,740)
6,627,219	671,734	(289,930)
35,584,263	34,912,529	35,202,459
$ 42,211,482	$ 35,584,263	$ 34,912,529
$ 155,603,100	$ 153,938,076	$ 155,777,106
27.13%	23.12%	22.41%

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-144 and A-145.

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

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

December 31, 2024 Valuation:
- Increase in the SEIR from 7.35% to 7.40%.

December 31, 2023 Valuation:
- Decrease in the SEIR from 7.38% to 7.35%.

December 31, 2022 Valuation:
- Decrease in the SEIR from 7.34% to 7.38%.

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 employee-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.

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: https://www.wichita.gov/297/Pension-Management.

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-146 and A-147.

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

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

December 31, 2024 Valuation:
- Increase in the SEIR from 7.32% to 7.35%.

December 31, 2023 Valuation:
- Decrease in the SEIR from 7.34% to 7.32%.

December 31, 2022 Valuation:
- Decrease in the SEIR from 7.31% to 7.34%.

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.

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: https://www.wichita.gov/297/Pension-Management.

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-152 and A-153.

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, 2025 Valuation:

- Rollforward procedures were applied to the December 31, 2024 valuation for the December 31, 2025 valuation. A new full evaluation will be completed for December 31, 2026.
- The discount rate has been updated to reflect market conditions as of the Measurement Date. The discount rate increased from 4.08% to 4.83%.

December 31, 2024 Valuation:

- The discount rate has been updated to reflect market conditions as of the Measurement Date. The discount rate decreased from 3.26% to 4.08%.
- The plan participation rate for active employees and inactives has been updated.
- The premium rates have been updated to reflect actual 2025 premiums.
- The healthcare cost trend rates have been updated based on short and long-term expectations.
- 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 retirement rates for General/Teamsters employees have been updated.

December 31, 2023 Valuation:

- Rollforward procedures were applied to the December 31, 2022 valuation for the December 31, 2023 valuation. A new full evaluation will be completed for December 31, 2024.
- The discount rate has been updated to reflect market conditions as of the Measurement Date. The discount rate decreased from 3.72% to 3.26%.

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 SOA 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



Equity Bank Park

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
- 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
- Affordable Housing Fund
- 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

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, 2025

	Governmental Fund Types			
	Special Revenue Funds	Capital Projects Funds	Cemetery Permanent Fund	Total
ASSETS				
Cash and cash equivalents	$ 67,416,674	$ 18,995	$ 395,702	$ 67,831,371
Investments	-	-	1,244,596	1,244,596
Receivables, net:				
Due from other agencies	937,856	5,052,321	-	5,990,177
Accounts receivable	1,197,893	97,546	-	1,295,439
Loans receivable	-	32,714	-	32,714
Naming rights receivable	-	2,317,865	-	2,317,865
Notes receivable	-	147,978	-	147,978
Pledge receivable	-	2,000,000	-	2,000,000
Lease receivable	-	4,068,037	-	4,068,037
Due from other funds	5,582	44,284,727	4	44,290,313
Inventories	88,898	-	-	88,898
Prepaid items	96,728	-	-	96,728
Total assets	$ 69,743,631	$ 58,020,183	$ 1,640,302	$ 129,404,116
LIABILITIES				
Accounts payable and other liabilities	$ 4,030,148	$ 17,272,204	$ -	$ 21,302,352
Accrued interest payable	-	993,386	-	993,386
Temporary notes payable	-	95,365,000	-	95,365,000
Deposits	345,345	-	-	345,345
Unearned revenue	138,812	-	-	138,812
Due to other agencies	56,113	-	-	56,113
Due to other funds	-	72,593,920	-	72,593,920
Total liabilities	4,570,418	186,224,510	-	190,794,928
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue:				
Naming rights	-	2,317,865	-	2,317,865
Unavailable revenue:				
Other	741,000	4,241,147	-	4,982,147
Deferred inflows related to leases	-	3,980,465	-	3,980,465
Total deferred inflows of resources	741,000	10,539,477	-	11,280,477
FUND BALANCES (DEFICITS)				
Nonspendable	185,626	-	235,437	421,063
Restricted	52,390,397	44,284,722	1,404,865	98,079,984
Committed	8,675,109	-	-	8,675,109
Assigned	3,291,368	-	-	3,291,368
Unassigned	(110,287)	(183,028,526)	-	(183,138,813)
Total fund balances (deficits)	64,432,213	(138,743,804)	1,640,302	(72,671,289)
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 69,743,631	$ 58,020,183	$ 1,640,302	$ 129,404,116

COMBINING BALANCE SHEET

December 31, 2025

	Homelessness Assistance	Affordable Housing	Tourism and Convention Promotion	Special Alcohol Program
ASSETS				
Cash and cash equivalents	$ 866	$ 1,250,702	$ 4,282,091	$ 3,276,730
Receivables, net:				
Due from other agencies	-	-	-	-
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Total assets	$ 866	$ 1,250,702	$ 4,282,091	$ 3,276,730
LIABILITIES				
Accounts payable and other liabilities	$ 866	$ -	$ 130,000	$ 325,967
Deposits	-	-	-	-
Unearned revenue	-	-	-	-
Due to other agencies	-	-	-	-
Total liabilities	866	-	130,000	325,967
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Other	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	4,152,091	2,950,763
Committed	-	1,250,702	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	-	1,250,702	4,152,091	2,950,763
Total liabilities, deferred inflows of resources and fund balances	$ 866	$ 1,250,702	$ 4,282,091	$ 3,276,730

Addiction Settlement Recovery	Special Parks and Recreation	Landfill Post-Closure	Metropolitan Area Building and Construction	Downtown Parking	Environmental TIF Districts
$ 3,291,120	$ 177,043	$ 9,390,045	$ 438,202	$ 524,134	$ 37,341,737
-	-	-	937,856	-	-
-	-	-	-	174,469	741,000
-	-	21	-	1,938	2,651
-	-	-	-	-	-
-	-	-	-	-	-
$ 3,291,120	$ 177,043	$ 9,390,066	$ 1,376,058	$ 700,541	$ 38,085,388
$ -	$ -	$ 29,912	$ 125,591	$ 594,209	$ 49,581
-	-	-	-	-	-
-	-	-	-	1,178	-
-	-	-	-	-	-
-	-	29,912	125,591	595,387	49,581
-	-	-	-	-	741,000
-	-	-	-	-	741,000
-	-	-	-	-	-
3,291,120	177,043	-	-	-	37,294,807
-	-	6,068,786	1,250,467	105,154	-
-	-	3,291,368	-	-	-
-	-	-	-	-	-
3,291,120	177,043	9,360,154	1,250,467	105,154	37,294,807
$ 3,291,120	$ 177,043	$ 9,390,066	$ 1,376,058	$ 700,541	$ 38,085,388

(Continued)

COMBINING BALANCE SHEET (CONTINUED)

December 31, 2025

	Self-Supported Municipal Improvement District	City - County Joint Operations	Municipal Court Restricted	Century II
ASSETS				
Cash and cash equivalents	$ 5,061	$ 692,057	$ 4,772,710	$ 989,273
Receivables, net:				
Due from other agencies	-	-	-	-
Accounts receivable	-	-	-	253,234
Due from other funds	-	972	-	-
Inventories	-	-	-	47,539
Prepaid items	-	-	-	63,789
Total assets	$ 5,061	$ 693,029	$ 4,772,710	$ 1,353,835
LIABILITIES				
Accounts payable and other liabilities	$ 5,061	$ 474,885	$ 515,525	$ 986,023
Deposits	-	-	-	345,345
Unearned revenue	-	-	-	21,426
Due to other agencies	-	-	56,113	-
Total liabilities	5,061	474,885	571,638	1,352,794
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Other	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	111,328
Restricted	-	218,144	4,201,072	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(110,287)
Total fund balances	-	218,144	4,201,072	1,041
Total liabilities, deferred inflows of resources and fund balances	$ 5,061	$ 693,029	$ 4,772,710	$ 1,353,835

Wichita Ice Center	Community Improvement Districts	Tourism Business Improvement District	Total
$ 137,800	$ 219,933	$ 627,170	$ 67,416,674
-	-	-	937,856
29,190	-	-	1,197,893
-	-	-	5,582
41,359	-	-	88,898
32,939	-	-	96,728
$ 241,288	$ 219,933	$ 627,170	$ 69,743,631
$ 43,994	$ 141,413	$ 607,121	$ 4,030,148
-	-	-	345,345
116,208	-	-	138,812
-	-	-	56,113
160,202	141,413	607,121	4,570,418
-	-	-	741,000
-	-	-	741,000
74,298	-	-	185,626
6,788	78,520	20,049	52,390,397
-	-	-	8,675,109
-	-	-	3,291,368
-	-	-	(110,287)
81,086	78,520	20,049	64,432,213
$ 241,288	$ 219,933	$ 627,170	$ 69,743,631

COMBINING BALANCE SHEET

December 31, 2025

	Street Improvement	Park Bond Construction	Neighborhood Improvements	Public Improvement Construction
ASSETS				
Cash and cash equivalents	$ -	$ -	$ -	$ 18,995
Receivables, net:				
Due from other agencies	1,719,520	-	-	3,332,801
Accounts receivable	-	-	-	97,546
Loans receivable	-	-	-	32,714
Naming rights receivable	-	-	-	2,317,865
Notes receivable	-	-	-	147,978
Pledge receivable	-	-	-	2,000,000
Lease receivable	-	-	-	4,068,037
Due from other funds	-	5	-	-
Total assets	$ 1,719,520	$ 5	$ -	$ 12,015,936
LIABILITIES				
Accounts payable and other liabilities	$ 5,136,632	$ 2,150,388	$ 4,718,916	$ 5,266,268
Accrued interest payable	577,897	65,788	314,472	35,229
Temporary notes payable	9,653,818	13,568,006	64,888,063	7,255,113
Due to other funds	38,911,499	4,017,448	29,311,333	353,640
Total liabilities	54,279,846	19,801,630	99,232,784	12,910,250
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue:				
Naming rights	-	-	-	2,317,865
Unavailable revenue:				
Other	490,456	-	-	3,750,691
Deferred inflows related to leases	-	-	-	3,980,465
Total deferred inflows of resources	490,456	-	-	10,049,021
FUND BALANCES (DEFICITS)				
Restricted	-	-	-	-
Unassigned	(53,050,782)	(19,801,625)	(99,232,784)	(10,943,335)
Total fund balances (deficits)	(53,050,782)	(19,801,625)	(99,232,784)	(10,943,335)
Total liabilities and fund balances (deficits)	$ 1,719,520	$ 5	$ -	$ 12,015,936

Local Sales Tax CIP	Sales Tax Construction Pledge	Total
$ -	$ -	$ 18,995
-	-	5,052,321
-	-	97,546
-	-	32,714
-	-	2,317,865
-	-	147,978
-	-	2,000,000
-	-	4,068,037
31,153,180	13,131,542	44,284,727
$ 31,153,180	$ 13,131,542	$ 58,020,183
$ -	$ -	$ 17,272,204
-	-	993,386
-	-	95,365,000
-	-	72,593,920
-	-	186,224,510
-	-	2,317,865
-	-	4,241,147
-	-	3,980,465
-	-	10,539,477
31,153,180	13,131,542	44,284,722
-	-	(183,028,526)
31,153,180	13,131,542	(138,743,804)
$ 31,153,180	$ 13,131,542	$ 58,020,183

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COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2025

	Governmental Fund Types			
	Special Revenue Funds	Capital Projects Funds	Cemetery Permanent Fund	Total
REVENUES				
Property taxes	$ 2,017,546	$ -	$ -	$ 2,017,546
Motor vehicle taxes	35,811	-	-	35,811
Transient guest taxes	9,790,173	-	-	9,790,173
Special assessments	-	269,743	-	269,743
Local sales tax	1,941,921	42,626,875	-	44,568,796
Intergovernmental	11,459,880	16,051,818	-	27,511,698
Licenses and permits	89,550	-	2,715	92,265
Fines and penalties	309,485	-	-	309,485
Rentals	1,896,911	270,301	-	2,167,212
Sale of property	1,261,007	-	-	1,261,007
Interest and investment earnings	9,868	-	137,784	147,652
Charges for services and sales	8,317,019	615,809	-	8,932,828
Premiums on the issuance of temporary notes	-	2,752,880	-	2,752,880
Other revenue	1,500,763	1,854,473	-	3,355,236
Total revenues	38,629,934	64,441,899	140,499	103,212,332
EXPENDITURES				
Current:				
General government	8,429,943	-	84,650	8,514,593
Public safety	6,801,896	-	-	6,801,896
Sanitation	389,838	-	-	389,838
Health and welfare	5,113,742	-	-	5,113,742
Culture and recreation	12,570,578	-	-	12,570,578
Debt service:				
Interest and fiscal charges - bonds/notes	-	4,383,929	-	4,383,929
Principal retirement - financed purchase debt	154,101	-	-	154,101
Interest - financed purchase debt	19,669	-	-	19,669
Capital outlay	-	142,711,792	-	142,711,792
Total expenditures	33,479,767	147,095,721	84,650	180,660,138
Excess (deficiency) of revenues over (under) expenditures	5,150,167	(82,653,822)	55,849	(77,447,806)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	33,120,000	-	33,120,000
Premiums on issuance of debt	-	1,240,000	-	1,240,000
Issuance of financed purchase debt	1,435,981	-	-	1,435,981
Transfers from other funds	3,902,061	101,278,550	-	105,180,611
Transfers to other funds	(17,235,215)	(70,758,443)	-	(87,993,658)
Total other financing sources (uses)	(11,897,173)	64,880,107	-	52,982,934
Net change in fund balance (deficit)	(6,747,006)	(17,773,715)	55,849	(24,464,872)
Fund balances (deficits) - beginning	71,179,219	(120,970,089)	1,584,453	(48,206,417)
Fund balances (deficits) - ending	$ 64,432,213	$ (138,743,804)	$ 1,640,302	$ (72,671,289)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2025

	Homelessness Assistance	Affordable Housing	Tourism and Convention Promotion	Special Alcohol Program
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Motor vehicle taxes	-	-	-	-
Transient guest taxes	-	-	9,790,173	-
Local sales tax	-	-	-	-
Intergovernmental	131,964	-	-	2,880,180
Licenses and permits	-	-	-	-
Fines and penalties	-	-	-	-
Rentals	-	-	-	-
Sale of property	-	1,250,702	-	-
Interest and investment earnings	-	-	-	-
Charges for services and sales	-	-	-	-
Other revenue	59,404	-	-	-
Total revenues	191,368	1,250,702	9,790,173	2,880,180
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation	-	-	-	-
Health and welfare	382,736	-	-	3,089,727
Culture and recreation	-	-	3,040,516	-
Principal retirement - financed purchase debt	-	-	-	-
Interest - financed purchase debt	-	-	-	-
Total expenditures	382,736	-	3,040,516	3,089,727
Excess (deficiency) of revenues over (under) expenditures	(191,368)	1,250,702	6,749,657	(209,547)
OTHER FINANCING SOURCES (USES)				
Issuance of financed purchase debt	-	-	-	-
Transfers from other funds	191,368	-	-	-
Transfers to other funds	-	-	(13,683,837)	-
Total other financing sources (uses)	191,368	-	(13,683,837)	-
Net change in fund balance	-	1,250,702	(6,934,180)	(209,547)
Fund balances - beginning, as previously reported	-	-	11,086,271	3,160,310
Fund balances - beginning	-	-	11,086,271	3,160,310
Fund balances - ending	$ -	$ 1,250,702	$ 4,152,091	$ 2,950,763

Addiction Settlement Recovery	Special Parks and Recreation	Landfill Post-Closure	Metropolitan Area Building and Construction	Downtown Parking	Environmental TIF Districts
$ -	$ -	$ -	$ -	$ -	$ 1,165,327
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,880,180	-	3,475,464	-	-
-	-	-	-	-	-
-	-	-	-	41,589	-
-	-	-	-	523,778	-
-	-	-	-	5,625	-
-	-	-	-	-	-
-	-	-	7,805	1,449,052	-
821,607	-	-	169	4,500	3,600
821,607	2,880,180	-	3,483,438	2,024,544	1,168,927
-	-	-	-	4,001,717	-
-	-	-	3,483,440	-	-
-	-	389,838	-	-	-
143,302	-	-	-	-	1,497,977
-	-	-	-	-	-
-	-	-	-	154,101	-
-	-	-	-	19,669	-
143,302	-	389,838	3,483,440	4,175,487	1,497,977
678,305	2,880,180	(389,838)	(2)	(2,150,943)	(329,050)
-	-	-	-	1,435,981	-
-	-	-	-	-	-
-	(3,297,179)	-	-	-	-
-	(3,297,179)	-	-	1,435,981	-
678,305	(416,999)	(389,838)	(2)	(714,962)	(329,050)
2,612,815	594,042	9,749,992	1,250,469	820,116	37,623,857
2,612,815	594,042	9,749,992	1,250,469	820,116	37,623,857
$ 3,291,120	$ 177,043	$ 9,360,154	$ 1,250,467	$ 105,154	$ 37,294,807

(Continued)

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

For the year ended December 31, 2025

	Self-Supported Municipal Improvement District	City - County Joint Operations	Municipal Court Restricted	Century II
REVENUES				
Property taxes	$ 852,219	$ -	$ -	$ -
Motor vehicle taxes	35,811	-	-	-
Transient guest taxes	-	-	-	-
Local sales tax	-	-	-	-
Intergovernmental	-	2,092,092	-	-
Licenses and permits	-	89,550	-	-
Fines and penalties	-	-	267,896	-
Rentals	-	-	-	1,177,958
Sale of property	-	4,680	-	-
Interest and investment earnings	-	-	-	9,868
Charges for services and sales	-	465,865	-	2,035,091
Other revenue	-	524,926	3,374	13,197
Total revenues	888,030	3,177,113	271,270	3,236,114
EXPENDITURES				
Current:				
General government	895,827	1,827,254	10,969	-
Public safety	-	3,318,456	-	-
Sanitation	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	4,756,620
Principal retirement - financed purchase debt	-	-	-	-
Interest - financed purchase debt	-	-	-	-
Total expenditures	895,827	5,145,710	10,969	4,756,620
Excess (deficiency) of revenues over (under) expenditures	(7,797)	(1,968,597)	260,301	(1,520,506)
OTHER FINANCING SOURCES (USES)				
Issuance of financed purchase debt	-	-	-	-
Transfers from other funds	-	2,092,092	-	1,494,351
Transfers to other funds	-	(32,551)	-	-
Total other financing sources (uses)	-	2,059,541	-	1,494,351
Net change in fund balance	(7,797)	90,944	260,301	(26,155)
Fund balances - beginning, as previously reported	7,797	127,200	3,940,771	27,196
Fund balances - beginning	7,797	127,200	3,940,771	27,196
Fund balances - ending	$ -	$ 218,144	$ 4,201,072	$ 1,041

Wichita Ice Center	Community Improvement Districts	Tourism Business Improvement District	Total
$ -	$ -	$ -	$ 2,017,546
-	-	-	35,811
-	-	-	9,790,173
-	1,941,921	-	1,941,921
-	-	-	11,459,880
-	-	-	89,550
-	-	-	309,485
195,175	-	-	1,896,911
-	-	-	1,261,007
-	-	-	9,868
718,049	-	3,641,157	8,317,019
69,986	-	-	1,500,763
983,210	1,941,921	3,641,157	38,629,934
-	1,694,176	-	8,429,943
-	-	-	6,801,896
-	-	-	389,838
-	-	-	5,113,742
1,132,285	-	3,641,157	12,570,578
-	-	-	154,101
-	-	-	19,669
1,132,285	1,694,176	3,641,157	33,479,767
(149,075)	247,745	-	5,150,167
-	-	-	1,435,981
124,250	-	-	3,902,061
-	(221,648)	-	(17,235,215)
124,250	(221,648)	-	(11,897,173)
(24,825)	26,097	-	(6,747,006)
105,911	52,423	20,049	71,179,219
105,911	52,423	20,049	71,179,219
$ 81,086	$ 78,520	$ 20,049	$ 64,432,213

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2025

	Street Improvement	Park Bond Construction	Neighborhood Improvements	Public Improvement Construction
REVENUES				
Special assessments	$ 10,564	$ -	$ 259,179	$ -
Local sales tax	-	-	-	-
Intergovernmental	5,401,684	-	-	10,650,134
Rentals	-	-	-	270,301
Charges for services and sales	134,179	-	-	481,630
Premiums on issuance of temporary notes	2,752,880	-	-	-
Other revenue	1,152,451	100,000	-	602,022
Total revenues	9,451,758	100,000	259,179	12,004,087
EXPENDITURES				
Debt service:				
Interest and fiscal charges - bonds/notes	1,807,818	490,336	1,741,404	344,371
Capital outlay	49,942,536	13,108,012	44,413,170	35,248,074
Total expenditures	51,750,354	13,598,348	46,154,574	35,592,445
Excess (deficiency) of revenues over (under) expenditures	(42,298,596)	(13,498,348)	(45,895,395)	(23,588,358)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	223,232	2,230,038	25,415,253	5,251,477
Premiums on issuance of debt	-	-	1,240,000	-
Transfers from other funds	35,430,102	16,496,256	517,449	18,834,743
Transfers to other funds	(1,023,150)	(151,655)	-	-
Total other financing sources (uses)	34,630,184	18,574,639	27,172,702	24,086,220
Net change in fund balance (deficits)	(7,668,412)	5,076,291	(18,722,693)	497,862
Fund balances (deficits) - beginning	(45,382,370)	(24,877,916)	(80,510,091)	(11,441,197)
Fund balances (deficits) - ending	$ (53,050,782)	$ (19,801,625)	$ (99,232,784)	$ (10,943,335)

Local Sales Tax CIP	Sales Tax Construction Pledge	Total
$ -	$ -	$ 269,743
-	42,626,875	42,626,875
-	-	16,051,818
-	-	270,301
-	-	615,809
-	-	2,752,880
-	-	1,854,473
-	42,626,875	64,441,899
-	-	$ 4,383,929
-	-	142,711,792
-	-	147,095,721
-	42,626,875	(82,653,822)
-	-	33,120,000
-	-	1,240,000
30,000,000	-	101,278,550
(30,000,000)	(39,583,638)	(70,758,443)
-	(39,583,638)	64,880,107
-	3,043,237	(17,773,715)
31,153,180	10,088,305	(120,970,089)
$ 31,153,180	$ 13,131,542	$ (138,743,804)

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

For the Year Ended December 31, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Local government taxes:					
General property taxes:					
Property taxes	$ 117,887,365	$ 117,887,365	$ 120,610,138	$ 2,722,773	$ 114,411,254
Delinquent property taxes	2,164,075	2,164,075	1,777,394	(386,681)	2,128,698
Payments in lieu of taxes	50,000	50,000	42,363	(7,637)	42,430
Franchise taxes	54,738,963	56,065,412	56,000,008	(65,404)	54,550,700
Motor vehicle taxes	14,368,746	14,819,420	14,843,495	24,075	14,313,819
Local sales tax	41,420,055	40,943,977	41,911,731	967,754	39,751,434
Total local government taxes	230,629,204	231,930,249	235,185,129	3,254,880	225,198,335
Intergovernmental:					
Gas tax	15,424,838	15,482,101	15,558,264	76,163	15,482,101
Other intergovernmental	3,412,422	3,412,422	3,092,439	(319,983)	3,146,189
Licenses and permits	3,180,541	3,180,541	3,030,385	(150,156)	2,508,657
Fines and penalties:					
Municipal court	6,367,214	4,081,000	4,337,171	256,171	4,755,144
Other fines and penalties	629,000	326,500	274,850	(51,650)	315,656
Charges for services and sales	20,357,176	20,273,994	19,194,344	(1,079,650)	18,783,612
Rental income	988,369	983,306	918,476	(64,830)	879,432
Interest earnings	32,000,000	32,900,000	37,762,893	4,862,893	33,803,752
Sale of property	100,000	100,000	166,912	66,912	188,193
Administrative charges	4,011,548	4,663,890	5,092,051	428,161	4,094,042
Other revenue	5,023,633	4,575,501	4,378,933	(196,568)	3,914,492
Total revenues	322,123,945	321,909,504	328,991,847	7,082,343	313,069,605
EXPENDITURES					
City Council:					
Personnel services	947,241	958,386	916,336	42,050	809,708
Contractual services	149,344	149,344	147,312	2,032	139,117
Materials and supplies	19,890	19,890	19,756	134	22,988
Total City Council	1,116,475	1,127,620	1,083,404	44,216	971,813
City Manager's Office (CMO):					
Personnel services	6,727,432	6,955,068	6,732,387	222,681	6,452,367
Contractual services	3,842,669	4,193,689	4,062,391	131,298	3,804,388
Materials and supplies	141,913	136,094	118,858	17,236	135,173
Other expenditures	100,000	110,000	105,095	4,905	80,354
Contingency	219,328	-	-	-	-
Total City Manager's Office	11,031,342	11,394,851	11,018,731	376,120	10,472,282
Department of Finance:					
Personnel services	6,323,786	6,596,608	6,125,799	470,809	5,861,997
Contractual services	1,576,516	1,478,626	1,474,102	4,524	1,163,414
Materials and supplies	41,514	46,385	22,489	23,896	22,010
Other expenditures	150,000	150,000	-	150,000	476
Total Department of Finance	8,091,816	8,271,619	7,622,390	649,229	7,047,897

The 2024 actuals have been reclassified to include Culutural Arts in the City Manager's Office (previously in Park & Recreation).

* 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 (CONTINUED) BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended December 31, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
Law Department:					
Personnel services	$ 3,367,858	$ 3,509,500	$ 3,402,088	$ 107,412	$ 3,423,247
Contractual services	309,655	358,055	353,460	4,595	341,585
Materials and supplies	12,920	12,920	9,790	3,130	9,773
Total Law Department	3,690,433	3,880,475	3,765,338	115,137	3,774,605
Municipal Court:					
Personnel services	6,619,898	6,569,525	6,204,295	365,230	6,147,512
Contractual services	2,135,092	1,586,844	1,526,206	60,638	1,533,582
Materials and supplies	65,760	65,760	50,302	15,458	59,296
Total Municipal Court	8,820,750	8,222,129	7,780,803	441,326	7,740,390
Fire Department:					
Personnel services	65,419,019	66,152,620	65,972,842	179,778	62,487,081
Contractual services	4,908,694	4,789,613	4,483,309	306,304	4,614,876
Materials and supplies	1,661,463	1,536,463	1,247,896	288,567	1,549,194
Total Fire Department	71,989,176	72,478,696	71,704,047	774,649	68,651,151
Police Department:					
Personnel services	113,073,564	117,304,335	117,301,218	3,117	107,158,821
Contractual services	15,700,751	15,531,353	15,420,284	111,069	14,835,875
Materials and supplies	3,698,635	3,755,492	3,692,768	62,724	3,316,085
Capital outlay	7,500	122,843	121,638	1,205	104,761
Contingency	30,000	30,000	-	30,000	-
Planned savings**	(1,717,827)	-	-	-	-
Total Police Department	130,792,623	136,744,023	136,535,908	208,115	125,415,542
Housing & Community Services:					
Personnel services	311,272	301,678	197,044	104,634	278,959
Contractual services	504,300	195,511	189,959	5,552	85,595
Materials and supplies	700	1,200	735	465	214
Capital outlay	-	-	-	-	8,660
Total Housing & Community Services	816,272	498,389	387,738	110,651	373,428
Library:					
Personnel services	8,760,238	9,149,584	9,139,225	10,359	8,610,526
Contractual services	2,586,408	2,632,844	2,591,885	40,959	2,624,889
Materials and supplies	548,245	542,673	521,660	21,013	528,703
Planned savings**	(2,051,398)	(59,980)	-	(59,980)	-
Total Library	9,843,493	12,265,121	12,252,770	12,351	11,764,118
Public Works & Utilities:					
Personnel services	7,997,007	8,021,347	7,249,664	771,683	7,057,294
Contractual services	10,201,207	10,018,153	9,802,507	215,646	10,177,277
Materials and supplies	905,052	941,178	808,307	132,871	956,593
Other expenditures	100,000	100,000	-	100,000	-
Planned savings**	-	(118,954)	-	(118,954)	-
Total Public Works & Utilities	19,203,266	18,961,724	17,860,478	1,101,246	18,191,164

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** Planned savings represents the expenditure savings that the Department is responsible for ensuring is 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
Park & Recreation:					
Personnel services	$ 11,806,813	$ 12,039,480	$ 10,955,048	$ 1,084,432	$ 10,315,301
Contractual services	9,345,578	8,388,410	8,308,327	80,083	8,258,322
Materials and supplies	1,855,714	1,775,714	1,277,391	498,323	1,236,855
Capital outlay	130,000	130,000	127,273	2,727	279,680
Other expenditures	93,800	93,800	42,766	51,034	61,774
Planned Savings**	(700,888)	(765,888)	-	(765,888)	-
Total Park & Recreation	22,531,017	21,661,516	20,710,805	950,711	20,151,932
Non Departmental:					
Personnel services	6,089,599	1,294,110	-	1,294,110	-
Contractual services	4,535,846	5,892,837	5,695,262	197,575	3,215,825
Materials and supplies	269,800	222,969	10,027	212,942	9,519
Capital outlay	-	15,840	15,840	-	-
Other expenditures	250,000	250,000	250,000	-	303,340
Contingency	425,000	675,500	-	675,500	-
Planned savings**	(3,873,077)	(9,549,799)	-	(9,549,799)	-
Total Non Departmental	7,697,168	(1,198,543)	5,971,129	(7,169,672)	3,528,684
Metropolitian Area Building & Construction:					
Personnel services	892,074	965,059	887,911	77,148	845,702
Contractual services	708,219	702,128	696,627	5,501	616,480
Materials and supplies	22,093	22,093	18,161	3,932	24,099
Total Metropolitian Area Building & Construction	1,622,386	1,689,280	1,602,699	86,581	1,486,281
Human Resources:					
Personnel services	1,803,777	1,971,657	1,971,656	1	1,814,259
Contractual services	255,635	229,871	212,843	17,028	196,394
Materials and supplies	78,447	75,797	51,745	24,052	47,774
Total Human Resources	2,137,859	2,277,325	2,236,244	41,081	2,058,427
Public Works & Utilities - Gas Tax:					
Personnel services	11,760,048	11,652,873	9,486,934	2,165,939	9,086,971
Contractual services	6,570,143	7,398,263	6,441,402	956,861	6,480,301
Materials and supplies	2,432,031	2,829,896	2,786,133	43,763	2,007,832
Capital outlay	135,000	135,000	41,621	93,379	169,806
Planned savings**	(906,636)	(906,636)	-	(906,636)	-
Total Public Works & Utilities - Gas Tax	19,990,586	21,109,396	18,756,090	2,353,306	17,744,910
Total expenditures	319,374,662	319,383,621	319,288,574	95,047	299,372,624
Excess of revenues over expenditures	2,749,283	2,525,883	9,703,273	7,177,390	13,696,981

The 2024 actuals have been reclassified to include Culutural Arts in the City Manager's Office (previously in Park & Recreation).

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** Planned savings represents the expenditure savings that the Department is responsible for ensuring is 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	$ 7,127,645	$ 7,081,663	$ 7,181,964	$ 100,301	$ 3,243,496
Transfers to other funds	(9,876,928)	(16,379,111)	(15,436,241)	942,870	(15,794,718)
Total other financing sources (uses)	(2,749,283)	(9,297,448)	(8,254,277)	1,043,171	(12,551,222)
Excess (deficiency) before other changes in unencumbered fund balance	-	(6,771,565)	1,448,996	8,220,561	1,145,759
OTHER CHANGES IN UNENCUMBERED FUND BALANCE* **					
Cancelled encumbrances	-	-	586,265	586,265	291,132
Total other changes in unencumbered fund balance	-	-	586,265	586,265	291,132
Net change in unencumbered fund balance	-	(6,771,565)	2,035,261	8,806,826	1,436,891
Unencumbered fund balance, beginning	49,137,974	49,387,739	49,387,739	-	47,950,848
Unencumbered fund balance, ending	$ 49,137,974	$ 42,616,174	$ 51,423,000	$ 8,806,826	$ 49,387,739

The 2025 certified expenditure budget is $362,251,590, including an appropriated reserve of $33,000,000.

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** Planned savings represents the expenditure savings that the Department is responsible for ensuring is met within the overall department budget.

*** These non-operating transactions were excluded from budgetary controls as they related to 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 150,000	$ 180,000	$ 174,972	$ (5,028)	$ 180,632
Rental income	576,000	576,000	622,111	46,111	503,052
Sale of property	50,000	50,000	50,559	559	45,166
Administrative charges	490,000	415,000	454,811	39,811	403,112
Other revenue	142,000	5,455	17,190	11,735	5,793
Total revenues	1,408,000	1,226,455	1,319,643	93,188	1,137,755
EXPENDITURES					
General government:					
Personnel services	556,947	563,680	373,162	190,518	522,064
Contractual services	1,214,885	789,885	398,694	391,191	958,953
Materials and supplies	16,450	26,450	23,695	2,755	6,364
Capital outlay	-	25,000	18,665	6,335	28,595
Other expenditures	119,514	117,863	117,863	-	119,514
Total expenditures	1,907,796	1,522,878	932,079	590,799	1,635,490
Excess (deficiency) of revenues over (under) expenditures	(499,796)	(296,423)	387,564	683,987	(497,735)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	-	-	1,000,000
Transfers to other funds	(149,500)	(149,500)	(149,500)	-	(149,500)
Total other financing sources (uses)	(149,500)	(149,500)	(149,500)	-	850,500
Excess (deficiency) before other changes in unencumbered fund balance	(649,296)	(445,923)	238,064	683,987	352,765
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	24,000	24,000	3,932
Total other changes in unencumbered fund balance	-	-	24,000	24,000	3,932
Net change in unencumbered fund balance	(649,296)	(445,923)	262,064	707,987	356,697
Unencumbered fund balance, beginning	1,489,068	1,640,057	1,640,057	-	1,283,360
Unencumbered fund balance, ending	$ 839,772	$ 1,194,134	$ 1,902,121	$ 707,987	$ 1,640,057

The 2025 certified expenditure budget is $2,897,068, including an appropriated reserve of $839,772.

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** These non-operating transactions are excluded from budgetary controls as they relate directly to 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Local government taxes:					
General property taxes:					
Property taxes	$ 36,273,852	$ 37,100,857	$ 37,094,390	$ (6,467)	$ 31,121,846
Delinquent property taxes	910,000	900,000	483,656	(416,344)	580,000
Special assessments	22,321,321	19,665,715	20,448,572	782,857	20,016,101
Delinquent special assessments	661,098	661,098	508,040	(153,058)	484,108
Motor vehicle taxes	4,297,164	4,026,704	4,038,042	11,338	3,894,996
Local sales tax	500,000	-	347,965	347,965	1,086,491
Total local government taxes	64,963,435	62,354,374	62,920,665	566,291	57,183,542
Investment earnings	-	-	61,024	61,024	102,331
Sale of property	-	-	3,330	3,330	-
Other revenue	-	-	223,698	223,698	6,917
Total revenues	64,963,435	62,354,374	63,208,717	854,343	57,292,790
EXPENDITURES					
Interest on general obligation bonds	2,339,396	4,466,814	5,719,818	(1,253,004)	5,438,667
Interest on special assessment bonds	5,698,935	5,230,723	6,960,814	(1,730,091)	6,147,974
Interest on STAR bonds	-	-	66,796	(66,796)	99,789
Retirement of general obligation bonds	22,144,635	21,199,834	18,160,220	3,039,614	19,287,185
Retirement of special assessment bonds	15,995,305	15,525,600	15,525,600	-	15,888,633
Retirement of STAR bonds	-	-	331,374	(331,374)	931,167
Other expenditures	500,000	500,000	127,541	372,459	354,954
Total expenditures	46,678,271	46,922,971	46,892,163	30,808	48,148,369
Excess of revenues over expenditures	18,285,164	15,431,403	16,316,554	885,151	9,144,421
OTHER FINANCING SOURCES (USES)					
Issuance of bonds - premiums	-	-	201,674	201,674	368,469
Transfers from other funds	14,903,434	14,969,749	16,401,378	1,431,629	15,396,049
Transfers to other funds	(32,000,000)	(29,073,212)	(29,073,211)	1	(30,781,976)
Total other financing sources (uses)	(17,096,566)	(14,103,463)	(12,470,159)	1,633,304	(15,017,458)
Net change in unencumbered fund balance	1,188,598	1,327,940	3,846,395	2,518,455	(5,873,037)
Unencumbered fund balance, beginning	28,837,375	23,301,877	23,301,877	-	29,174,914
Unencumbered fund balance, ending	$ 30,025,973	$ 24,629,817	$ 27,148,272	$ 2,518,455	$ 23,301,877

The 2025 certified expenditure budget is $105,678,271 including an appropriated reserve of $27,000,000.

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 1,927,800	$ 2,113,480	$ 2,049,407	$ (64,073)	$ 1,956,927
Total revenues	1,927,800	2,113,480	2,049,407	(64,073)	1,956,927
OTHER FINANCING USES					
Transfers to other funds	(1,972,578)	(1,972,578)	(1,972,578)	-	(2,160,322)
Total other financing uses	(1,972,578)	(1,972,578)	(1,972,578)	-	(2,160,322)
Net change in unencumbered fund balance	(44,778)	140,902	76,829	(64,073)	(203,395)
Unencumbered fund balance, beginning	44,778	111,705	111,705	-	315,100
Unencumbered fund balance, ending	$ -	$ 252,607	$ 188,534	$ (64,073)	$ 111,705

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 969,000	$ 1,515,010	$ 1,629,808	$ 114,798	$ 868,563
Total revenues	969,000	1,515,010	1,629,808	114,798	868,563
OTHER FINANCING USES					
Transfers to other funds	(1,143,937)	(1,143,937)	(1,143,937)	-	(1,120,910)
Total other financing uses	(1,143,937)	(1,143,937)	(1,143,937)	-	(1,120,910)
Net change in unencumbered fund balance	(174,937)	371,073	485,871	114,798	(252,347)
Unencumbered fund balance, beginning	174,937	142,500	142,500	-	394,847
Unencumbered fund balance, ending	$ -	$ 513,573	$ 628,371	$ 114,798	$ 142,500

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 275,500	$ 274,436	$ 118,350	$ (156,086)	$ 101,058
Total revenues	275,500	274,436	118,350	(156,086)	101,058
EXPENDITURES					
General government:					
Contractual services	275,500	275,500	117,797	157,703	108,367
Total expenditures	275,500	275,500	117,797	157,703	108,367
Net change in unencumbered fund balance	-	(1,064)	553	1,617	(7,309)
Unencumbered fund balance, beginning	-	1,064	1,064	-	8,373
Unencumbered fund balance, ending	$ -	$ -	$ 1,617	$ 1,617	$ 1,064

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 1,163,270	$ 1,500,000	$ 1,617,539	$ 117,539	$ 1,295,537
Other revenue	-	-	-	-	16,828
Total revenues	1,163,270	1,500,000	1,617,539	117,539	1,312,365
OTHER FINANCING USES					
Transfers to other funds	(1,184,572)	(1,184,572)	(1,184,572)	-	(1,366,015)
Total other financing uses	(1,184,572)	(1,184,572)	(1,184,572)	-	(1,366,015)
Net change in unencumbered fund balance	(21,302)	315,428	432,967	117,539	(53,650)
Unencumbered fund balance, beginning	21,302	204,277	204,277	-	257,927
Unencumbered fund balance, ending	$ -	$ 519,705	$ 637,244	$ 117,539	$ 204,277

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 31,804	$ 31,237	$ 37,247	$ 6,010	$ 31,747
Total revenues	31,804	31,237	37,247	6,010	31,747
OTHER FINANCING USES					
Transfers to other funds	(31,804)	(31,804)	(31,804)	-	(31,180)
Total other financing uses	(31,804)	(31,804)	(31,804)	-	(31,180)
Net change in unencumbered fund balance	-	(567)	5,443	6,010	567
Unencumbered fund balance, beginning	-	567	567	-	-
Unencumbered fund balance, ending	$ -	$ -	$ 6,010	$ 6,010	$ 567

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 400,000	$ 398,898	$ 259,030	$ (139,868)	$ 186,102
Total revenues	400,000	398,898	259,030	(139,868)	186,102
OTHER FINANCING USES					
Transfers to other funds	(433,870)	(433,870)	(294,002)	139,868	(151,130)
Total other financing uses	(433,870)	(433,870)	(294,002)	139,868	(151,130)
Net change in unencumbered fund balance	(33,870)	(34,972)	(34,972)	-	34,972
Unencumbered fund balance, beginning	33,870	34,972	34,972	-	-
Unencumbered fund balance, ending	$ -	$ -	$ -	$ -	$ 34,972

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 786,651	$ 786,590	$ 368,277	$ (418,313)	$ 341,351
Total revenues	786,651	786,590	368,277	(418,313)	341,351
EXPENDITURES					
General government:					
Contractual services	786,651	786,651	368,338	418,313	341,348
Total expenditures	786,651	786,651	368,338	418,313	341,348
Net change in unencumbered fund balance	-	(61)	(61)	-	3
Unencumbered fund balance, beginning	-	61	61	-	58
Unencumbered fund balance, ending	$ -	$ -	$ -	$ -	$ 61

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 94,248	$ 94,248	$ 76,831	$ (17,417)	$ 37,737
Total revenues	94,248	94,248	76,831	(17,417)	37,737
OTHER FINANCING USES					
Transfers to other funds	(94,248)	(94,248)	(76,831)	17,417	(47,088)
Total other financing uses	(94,248)	(94,248)	(76,831)	17,417	(47,088)
Net change in unencumbered fund balance	-	-	-	-	(9,351)
Unencumbered fund balance, beginning	-	-	-	-	9,351
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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 98,876	$ 98,876	$ 103,611	$ 4,735	$ 33,911
Total revenues	98,876	98,876	103,611	4,735	33,911
OTHER FINANCING USES					
Transfers to other funds	(98,876)	(98,876)	(98,876)	-	(33,911)
Total other financing uses	(98,876)	(98,876)	(98,876)	-	(33,911)
Net change in unencumbered fund balance	-	-	4,735	4,735	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	$ -	$ -	$ 4,735	$ 4,735	$ -

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Intergovernmental	$ 191,368	$ 131,329	$ 131,964	$ 635	$ 131,326
Other revenue	-	60,039	59,404	(635)	60,039
Total revenues	191,368	191,368	191,368	-	191,365
EXPENDITURES					
Health and welfare:					
Contractual services	380,081	320,727	320,727	-	320,036
Other expenditures	2,655	62,009	62,009	-	62,694
Total expenditures	382,736	382,736	382,736	-	382,730
Deficiency of revenues under expenditures	(191,368)	(191,368)	(191,368)	-	(191,365)
OTHER FINANCING SOURCES					
Transfers from other funds	191,368	191,368	191,368	-	191,365
Total other financing sources	191,368	191,368	191,368	-	191,365
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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Sale of property	$ -	$ 3,700,000	$ 1,250,702	$ (2,449,298)	$ -
Total revenues	-	3,700,000	1,250,702	(2,449,298)	-
EXPENDITURES					
Health and welfare:					
Contractual services	-	3,700,000	-	3,700,000	-
Total expenditures	-	3,700,000	-	3,700,000	-
Net change in unencumbered fund balance	-	-	1,250,702	1,250,702	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	$ -	$ -	$ 1,250,702	$ 1,250,702	$ -

Note: This fund was recertified with the State of Kansas.

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Transient guest taxes	$ 10,339,517	$ 9,990,685	$ 9,790,173	$ (200,512)	$ 9,842,914
Total revenues	10,339,517	9,990,685	9,790,173	(200,512)	9,842,914
EXPENDITURES					
Culture and recreation:					
Contractual services	3,150,594	3,150,594	3,032,146	118,448	2,886,028
Other expenditures	6,807	8,468	8,468	-	6,807
Total expenditures	3,157,401	3,159,062	3,040,614	118,448	2,892,835
Excess of revenues over expenditures	7,182,116	6,831,623	6,749,559	(82,064)	6,950,079
OTHER FINANCING USES					
Transfers to other funds	(10,151,847)	(13,683,837)	(13,683,837)	-	(5,515,040)
Total other financing uses	(10,151,847)	(13,683,837)	(13,683,837)	-	(5,515,040)
Excess (deficiency) before other changes in unencumbered fund balance	(2,969,731)	(6,852,214)	(6,934,278)	(82,064)	1,435,039
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	150,389	150,389	88
Total other changes in unencumbered fund balance	-	-	150,389	150,389	88
Net change in unencumbered fund balance	(2,969,731)	(6,852,214)	(6,783,889)	68,325	1,435,127
Unencumbered fund balance, beginning	8,491,145	10,933,928	10,933,928	-	9,498,801
Unencumbered fund balance, ending	$ 5,521,414	$ 4,081,714	$ 4,150,039	$ 68,325	$ 10,933,928

The 2025 certified expenditure budget is $18,109,248, including an appropriated reserve of $4,800,000.

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** These non-operating transactions were excluded from budgetary controls as they related directly to 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Intergovernmental	$ 3,074,382	$ 3,074,382	$ 2,880,180	$ (194,202)	$ 2,880,489
Total revenues	3,074,382	3,074,382	2,880,180	(194,202)	2,880,489
EXPENDITURES					
Health and welfare:					
Contractual services	3,092,126	3,092,126	3,047,176	44,950	2,908,825
Other expenditures	203,262	201,331	201,331	-	203,262
Contingency	100,000	100,000	-	100,000	-
Total expenditures	3,395,388	3,393,457	3,248,507	144,950	3,112,087
Deficiency of revenues under expenditures	(321,006)	(319,075)	(368,327)	(49,252)	(231,598)
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	707,775	707,775	-
Total other changes in unencumbered fund balance	-	-	707,775	707,775	-
Net change in unencumbered fund balance	(321,006)	(319,075)	339,448	658,523	(231,598)
Unencumbered fund balance, beginning	2,012,374	2,275,912	2,275,912	-	2,507,510
Unencumbered fund balance, ending	$ 1,691,368	$ 1,956,837	$ 2,615,360	$ 658,523	$ 2,275,912

The 2025 certified expenditure budget is $4,895,388, including an appropriated reserve of $1,500,000.

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** These non-operating transactions were excluded from budgetary controls as they related directly to 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Other revenue	$ 475,000	$ 458,244	$ 821,607	$ 363,363	$ 1,484,687
Total revenues	475,000	458,244	821,607	363,363	1,484,687
EXPENDITURES					
Health and welfare:					
Contractual services	110,000	110,000	68,765	41,235	105,613
Materials and supplies	100,000	100,000	16,632	83,368	-
Other expenditures	600,015	602,441	-	602,441	-
Total expenditures	810,015	812,441	85,397	727,044	105,613
Net change in unencumbered fund balance	(335,015)	(354,197)	736,210	1,090,407	1,379,074
Unencumbered fund balance, beginning	840,836	2,554,910	2,554,910	-	1,175,836
Unencumbered fund balance, ending	$ 505,821	$ 2,200,713	$ 3,291,120	$ 1,090,407	$ 2,554,910

The 2025 certified expenditure budget is $1,260,015, including an appropriated reserve of $450,000.

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Intergovernmental	$ 3,074,382	$ 3,074,382	$ 2,880,180	$ (194,202)	$ 2,880,489
Total revenues	3,074,382	3,074,382	2,880,180	(194,202)	2,880,489
OTHER FINANCING USES					
Transfers to other funds	(3,297,179)	(3,297,179)	(3,297,179)	-	(3,183,867)
Total other financing uses	(3,297,179)	(3,297,179)	(3,297,179)	-	(3,183,867)
Net change in unencumbered fund balance	(222,797)	(222,797)	(416,999)	(194,202)	(303,378)
Unencumbered fund balance, beginning	669,690	594,042	594,042	-	897,420
Unencumbered fund balance, ending	$ 446,893	$ 371,245	$ 177,043	$ (194,202)	$ 594,042

The 2025 certified expenditure budget is $3,597,179, including an appropriated reserve of $300,000.

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Other revenue	$ -	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-	-
EXPENDITURES					
Sanitation:					
Personnel services	267,186	253,561	189,214	64,347	189,627
Contractual services	1,041,432	1,057,958	194,457	863,501	134,601
Materials and supplies	165,624	165,624	5,472	160,152	4,972
Other expenditures	18,193	4,601	-	4,601	-
Total expenditures	1,492,435	1,481,744	389,143	1,092,601	329,200
Deficiency of revenues under expenditures	(1,492,435)	(1,481,744)	(389,143)	1,092,601	(329,200)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	500,000	-	-	-	500,000
Transfers to other funds	(150,000)	-	-	-	-
Total other financing sources	350,000	-	-	-	500,000
Excess (deficiency) before other changes in unencumbered fund balance	(1,142,435)	(1,481,744)	(389,143)	1,092,601	170,800
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	144	144	-
Total other changes in unencumbered fund balance	-	-	144	144	-
Net change in unencumbered fund balance	(1,142,435)	(1,481,744)	(388,999)	1,092,745	170,800
Unencumbered fund balance, beginning	8,253,127	9,747,903	9,747,903	-	9,577,103
Unencumbered fund balance, ending	$ 7,110,692	$ 8,266,159	$ 9,358,904	$ 1,092,745	$ 9,747,903

The 2025 certified expenditure budget is $8,392,435, including an appropriated reserve of $6,750,000.

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** These non-operating transactions were excluded from budgetary controls as they related directly to 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Intergovernmental	$ 3,902,388	$ 3,746,516	$ 3,475,464	$ (271,052)	$ 3,285,475
Charges for services and sales	-	-	7,805	7,805	6,770
Other revenue	-	-	169	169	31,179
Total revenues	3,902,388	3,746,516	3,483,438	(263,078)	3,323,424
EXPENDITURES					
Public safety:					
Personnel services	2,703,624	2,399,624	2,320,526	79,098	2,325,414
Contractual services	230,257	428,767	339,789	88,978	224,145
Materials and supplies	49,348	49,348	29,218	20,130	33,289
Other expenditures	919,159	868,777	793,905	74,872	740,576
Total expenditures	3,902,388	3,746,516	3,483,438	263,078	3,323,424
Net change in unencumbered fund balance	-	-	-	-	-
Unencumbered fund balance, beginning	1,250,000	1,250,000	1,250,000	-	1,250,000
Unencumbered fund balance, ending	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ -	$ 1,250,000

The 2025 certified expenditure budget is $5,002,388, including an appropriated reserve of $1,100,000.

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Fines and penalties	$ -	$ 335,316	$ 41,589	$ (293,727)	$ -
Charges for services and sales	3,402,078	2,123,238	1,449,052	(674,186)	914,746
Rental income	-	-	523,778	523,778	74,295
Sale of property	-	-	5,625	5,625	-
Other revenue	1,076,109	60,000	4,500	(55,500)	128,340
Total revenues	4,478,187	2,518,554	2,024,544	(494,010)	1,117,381
EXPENDITURES					
General government:					
Personnel services	225,657	177,467	148,727	28,740	131,403
Contractual services	2,933,373	2,561,568	2,208,580	352,988	1,173,005
Materials and supplies	25,000	25,000	19,430	5,570	24,829
Capital outlay	460,896	347,270	347,270	-	-
Other expenditures	37,012	28,620	23,821	4,799	20,966
Total expenditures	3,681,938	3,139,925	2,747,828	392,097	1,350,203
Excess (deficiency) before other changes in unencumbered fund balance	796,249	(621,371)	(723,284)	(101,913)	(232,822)
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	-	-	12,570
Total other changes in unencumbered fund balance	-	-	-	-	12,570
Net change in unencumbered fund balance	796,249	(621,371)	(723,284)	(101,913)	(220,252)
Unencumbered fund balance, beginning	1,071,109	791,697	791,697	-	1,011,949
Unencumbered fund balance, ending	$ 1,867,358	$ 170,326	$ 68,413	$ (101,913)	$ 791,697

The 2025 certified expenditure budget is $5,331,938, including an appropriated reserve of $1,650,000.

* 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 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Delinquent property taxes	$ -	$ -	$ 27	$ 27	$ -
Total revenues	-	-	27	27	-
EXPENDITURES					
Health and welfare:					
Contractual services	1,322,936	1,324,842	1,164,249	160,593	415,010
Materials and supplies	197,489	197,489	43,204	154,285	37,978
Other expenditures	288,875	328,991	328,991	-	286,051
Total expenditures	1,809,300	1,851,322	1,536,444	314,878	739,039
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	-	-	450
Total other changes in unencumbered fund balance	-	-	-	-	450
Net change in unencumbered fund balance	(1,809,300)	(1,851,322)	(1,536,417)	314,905	(738,589)
Unencumbered fund balance, beginning	20,028,826	21,096,711	21,096,711	-	21,835,300
Unencumbered fund balance, ending	$ 18,219,526	$ 19,245,389	$ 19,560,294	$ 314,905	$ 21,096,711

The 2025 certified expenditure budget is $19,109,300, including an appropriated reserve of $17,300,000.

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** These non-operating transactions were excluded from budgetary controls as they related directly to 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 1,165,300	$ 1,165,300	$ 1,165,300	$ -	$ 1,165,301
Other revenue	-	-	3,600	3,600	1,030
Total revenues	1,165,300	1,165,300	1,168,900	3,600	1,166,331
EXPENDITURES					
Health and welfare:					
Contractual services	1,395,072	1,394,703	377,859	1,016,844	263,366
Materials and supplies	121,377	121,377	20,360	101,017	13,396
Other expenditures	293,642	330,564	330,564	-	290,818
Total expenditures	1,810,091	1,846,644	728,783	1,117,861	567,580
Net change in unencumbered fund balance	(644,791)	(681,344)	440,117	1,121,461	598,751
Unencumbered fund balance, beginning	14,805,000	16,045,718	16,045,718	-	15,446,967
Unencumbered fund balance, ending	$ 14,160,209	$ 15,364,374	$ 16,485,835	$ 1,121,461	$ 16,045,718

The 2025 certified expenditure budget is $15,310,091, including an appropriated reserve of $13,500,000.

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Property taxes	$ 844,065	$ 844,065	$ 847,161	$ 3,096	$ 782,913
Delinquent property taxes	32,239	32,239	5,058	(27,181)	12,562
Motor vehicle taxes	31,834	35,788	35,811	23	34,578
Total revenues	908,138	912,092	888,030	(24,062)	830,053
EXPENDITURES					
General government:					
Contractual services	908,138	908,138	895,827	12,311	822,256
Total expenditures	908,138	908,138	895,827	12,311	822,256
Net change in unencumbered fund balance	-	3,954	(7,797)	(11,751)	7,797
Unencumbered fund balance, beginning	-	7,797	7,797	-	-
Unencumbered fund balance, ending	$ -	$ 11,751	$ -	$ (11,751)	$ 7,797

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Intergovernmental	$ 1,513,959	$ 1,513,959	$ 1,374,176	$ (139,783)	$ 1,190,535
Sale of property	-	-	4,680	4,680	10,645
Total revenues	1,513,959	1,513,959	1,378,856	(135,103)	1,201,180
EXPENDITURES					
Public Safety:					
Personnel services	1,537,501	1,609,125	1,602,119	7,006	1,515,059
Contractual services	1,051,270	1,012,449	900,910	111,539	734,322
Materials and supplies	308,121	308,121	250,003	58,118	142,843
Other expenditures	59,886	-	-	-	-
Contingency	71,140	98,223	-	98,223	-
Total expenditures	3,027,918	3,027,918	2,753,032	274,886	2,392,224
Deficiency of revenues under expenditures	(1,513,959)	(1,513,959)	(1,374,176)	139,783	(1,191,044)
OTHER FINANCING SOURCES					
Transfers from other funds	1,513,959	1,513,959	1,374,176	(139,783)	1,190,535
Total other financing sources	1,513,959	1,513,959	1,374,176	(139,783)	1,190,535
Deficiency before other changes in unencumbered fund balance	-	-	-	-	(509)
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	-	-	509
Total other changes in unencumbered fund balance	-	-	-	-	509
Net change in unencumbered fund balance	-	-	-	-	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	$ -	$ -	$ -	$ -	$ -

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** These non-operating transactions are excluded from budgetary controls as they relate directly to 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Intergovernmental	$ 859,372	$ 859,372	$ 717,916	$ (141,456)	$ 683,766
Charges for services and sales	426,782	426,782	465,865	39,083	406,734
Licenses and permits	135,000	112,771	89,550	(23,221)	65,650
Other revenue	557,172	579,401	524,926	(54,475)	481,372
Total revenues	1,978,326	1,978,326	1,798,257	(180,069)	1,637,522
EXPENDITURES					
General government:					
Personnel services	2,271,888	2,268,482	2,114,935	153,547	1,954,245
Contractual services	397,200	362,290	314,797	47,493	345,923
Materials and supplies	27,892	27,892	14,437	13,455	17,411
Capital outlay	-	44,351	44,350	1	-
Other expenditures	90,686	127,132	-	127,132	-
Contingency	50,032	-	-	-	-
Planned savings**	-	(25,000)	-	(25,000)	-
Total expenditures	2,837,698	2,805,147	2,488,519	316,628	2,317,579
Deficiency of revenues under expenditures	(859,372)	(826,821)	(690,262)	136,559	(680,057)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	859,372	859,372	717,916	(141,456)	683,766
Transfers to other funds	-	(32,551)	(32,551)	-	(3,889)
Total other financing sources	859,372	826,821	685,365	(141,456)	679,877
Deficiency before other changes in unencumbered fund balance	-	-	(4,897)	(4,897)	(180)
OTHER CHANGES IN UNENCUMBERED FUND BALANCE* **					
Cancelled encumbrances	-	-	4,897	4,897	180
Total other changes in unencumbered fund balance	-	-	4,897	4,897	180
Net change in unencumbered fund balance	-	-	-	-	-
Unencumbered fund balance, beginning	-	-	-	-	-
Unencumbered fund balance, ending	$ -	$ -	$ -	$ -	$ -

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** Planned savings represents the expenditure savings that the Department is responsible for ensuring is met within the overall Fund's budget.

*** These non-operating transactions were excluded from budgetary controls as they related directly to 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Fines and penalties	$ 400,000	$ 225,000	$ 267,896	$ 42,896	$ 239,414
Other revenue	-	-	3,374	3,374	-
Total revenues	400,000	225,000	271,270	46,270	239,414
EXPENDITURES					
General government:					
Contractual services	445,000	426,287	12,190	414,097	6,019
Materials and supplies	120,000	138,713	18,713	120,000	8,924
Contingency	100,000	100,000	-	100,000	-
Total expenditures	665,000	665,000	30,903	634,097	14,943
Excess (deficiency) of revenues over (under) expenditures	(265,000)	(440,000)	240,367	680,367	224,471
OTHER FINANCING USES					
Transfers to other funds	-	-	-	-	(64,509)
Total other financing uses	-	-	-	-	(64,509)
Excess (deficiency) before other changes in unencumbered fund balance	(265,000)	(440,000)	240,367	680,367	159,962
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	664	664	-
Total other changes in unencumbered fund balance	-	-	664	664	-
Net change in unencumbered fund balance	(265,000)	(440,000)	241,031	681,031	159,962
Unencumbered fund balance, beginning	3,465,146	3,940,108	3,940,108	-	3,780,146
Unencumbered fund balance, ending	$ 3,200,146	$ 3,500,108	$ 4,181,139	$ 681,031	$ 3,940,108

The 2025 certified expenditure budget is $3,715,000, including an appropriated reserve of $3,050,000.

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** These non-operating transactions were excluded from budgetary controls as they related directly to 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 1,478,513	$ 1,889,010	$ 2,035,091	$ 146,081	$ 1,916,530
Rental income	1,127,834	1,214,594	1,177,958	(36,636)	1,155,128
Interest and investment earnings (loss)	-	-	9,868	9,868	11,108
Other revenue	374,055	285,000	13,197	(271,803)	72,996
Total revenues	2,980,402	3,388,604	3,236,114	(152,490)	3,155,762
EXPENDITURES					
Culture and recreation:					
Personnel services	2,147,827	2,396,004	2,396,004	-	2,139,962
Contractual services	2,119,028	2,210,127	2,187,929	22,198	2,328,820
Materials and supplies	124,592	151,748	129,863	21,885	183,467
Other expenditures	1,501	35,069	35,069	-	5,612
Contingency	200,000	-	-	-	-
Total expenditures	4,592,948	4,792,948	4,748,865	44,083	4,657,861
Deficiency of revenues under expenditures	(1,612,546)	(1,404,344)	(1,512,751)	(108,407)	(1,502,099)
OTHER FINANCING SOURCES					
Transfers from other funds	1,612,546	1,404,344	1,494,351	90,007	1,454,975
Total other financing sources	1,612,546	1,404,344	1,494,351	90,007	1,454,975
OTHER CHANGES IN UNENCUMBERED FUND BALANCE**					
Cancelled encumbrances	-	-	18,400	18,400	-
Total other changes in unencumbered fund balance	-	-	18,400	18,400	-
Net change in unencumbered fund balance	-	-	-	-	(47,124)
Unencumbered fund balance, beginning	-	-	-	-	47,124
Unencumbered fund balance, ending	$ -	$ -	$ -	$ -	$ -

Note: This fund was recertified with the State of Kansas.

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** These non-operating transactions were excluded from budgetary controls as they related directly to 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 634,832	$ 712,630	$ 718,049	$ 5,419	$ 659,854
Rental income	184,959	223,050	195,175	(27,875)	213,788
Other revenue	22,733	37,900	69,986	32,086	40,337
Total revenues	842,524	973,580	983,210	9,630	913,979
EXPENDITURES					
Culture and recreation:					
Personnel services	296,796	423,526	402,229	21,297	437,819
Contractual services	612,911	691,006	672,638	18,368	670,981
Materials and supplies	28,634	53,400	46,892	6,508	39,761
Other expenditures	834	2,651	2,651	-	834
Contingency	93,918	118,308	-	118,308	-
Total expenditures	1,033,093	1,288,891	1,124,410	164,481	1,149,395
Deficiency of revenues under expenditures	(190,569)	(315,311)	(141,200)	174,111	(235,416)
OTHER FINANCING SOURCES					
Transfers from other funds	190,569	315,311	124,250	(191,061)	321,331
Total other financing sources	190,569	315,311	124,250	(191,061)	321,331
Net change in unencumbered fund balance	-	-	(16,950)	(16,950)	85,915
Unencumbered fund balance, beginning	-	98,036	98,036	-	12,121
Unencumbered fund balance, ending	$ -	$ 98,036	$ 81,086	$ (16,950)	$ 98,036

The 2025 re-certified expenditure budget is $1,386,891, including an appropriated reserve of $98,000.

* 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Local sales tax	$ 2,807,106	$ 2,273,501	$ 1,941,921	$ (331,580)	$ 1,988,823
Total revenues	2,807,106	2,273,501	1,941,921	(331,580)	1,988,823
EXPENDITURES					
General government:					
Contractual services	1,844,501	1,948,316	1,597,807	350,509	1,611,568
Other expenditures	140,355	113,677	96,369	17,308	128,537
Total expenditures	1,984,856	2,061,993	1,694,176	367,817	1,740,105
Excess of revenues over expenditures	822,250	211,508	247,745	36,237	248,718
OTHER FINANCING USES					
Transfers to other funds	(822,250)	(263,931)	(221,648)	42,283	(511,337)
Total other financing uses	(822,250)	(263,931)	(221,648)	42,283	(511,337)
Net change in unencumbered fund balance	-	(52,423)	26,097	78,520	(262,619)
Unencumbered fund balance, beginning	-	52,423	52,423	-	315,042
Unencumbered fund balance, ending	$ -	$ -	$ 78,520	$ 78,520	$ 52,423

* 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 4,443,924	$ 3,996,274	$ 3,641,157	$ (355,117)	$ 3,706,693
Total revenues	4,443,924	3,996,274	3,641,157	(355,117)	3,706,693
EXPENDITURES					
Culture and recreation:					
Contractual services	4,100,000	3,800,000	3,550,128	249,872	3,716,948
Other expenditures	111,098	99,907	91,029	8,878	92,667
Contingency	232,826	116,416	-	116,416	-
Total expenditures	4,443,924	4,016,323	3,641,157	375,166	3,809,615
Net change in unencumbered fund balance	-	(20,049)	-	20,049	(102,922)
Unencumbered fund balance, beginning	-	20,049	20,049	-	122,971
Unencumbered fund balance, ending	$ -	$ -	$ 20,049	$ 20,049	$ 20,049

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Local sales tax	$ 41,420,055	$ 41,732,318	$ 42,626,875	$ 894,557	$ 40,516,814
Total revenues	41,420,055	41,732,318	42,626,875	894,557	40,516,814
OTHER FINANCING USES					
Transfers to other funds	(41,494,353)	(39,583,638)	(39,583,638)	-	(42,550,683)
Total other financing uses	(41,494,353)	(39,583,638)	(39,583,638)	-	(42,550,683)
Net change in unencumbered fund balance	(74,298)	2,148,680	3,043,237	894,557	(2,033,869)
Unencumbered fund balance, beginning	9,528,179	10,088,305	10,088,305	-	12,122,174
Unencumbered fund balance, ending	$ 9,453,881	$ 12,236,985	$ 13,131,542	$ 894,557	$ 10,088,305

The 2025 certified expenditure budget is $48,994,353, including an appropriated reserve of $7,500,000.

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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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Licenses and permits	$ 2,650	$ 2,650	$ 2,715	$ 65	$ 3,600
Interest and investment earnings	30,000	30,000	137,783	107,783	106,983
Total revenues	32,650	32,650	140,498	107,848	110,583
EXPENDITURES					
General government:					
Personnel services	3,813	-	-	-	-
Contractual services	97,548	94,861	84,649	10,212	84,938
Materials and supplies	3,500	10,000	-	10,000	4,872
Contingency	20,000	20,000	-	20,000	-
Total expenditures	124,861	124,861	84,649	40,212	89,810
Net change in unencumbered fund balance	(92,211)	(92,211)	55,849	148,060	20,773
Unencumbered fund balance, beginning	1,471,469	1,584,453	1,584,453	-	1,563,680
Unencumbered fund balance, ending	$ 1,379,258	$ 1,492,242	$ 1,640,302	$ 148,060	$ 1,584,453

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Enterprise Funds



New Multi-Modal Facility, The Hub

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


Tex Consolver Golf Course

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.
- 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.

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COMBINING STATEMENT OF FUND NET POSITION

December 31, 2025

	Golf Course System Fund	Transit Fund	Landfill Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 3,953,798	$ 3,844,321	$ 3,206,785	$ 11,004,904
Receivables, net:				
Due from other agencies	-	3,460,109	-	3,460,109
Accounts receivable	90,224	101,765	189,017	381,006
Lease receivable	9,228	11,860	-	21,088
Due from other funds	1,711	2,348	49	4,108
Inventories	-	632,678	-	632,678
Prepaid items	3,700	-	-	3,700
Total current assets	4,058,661	8,053,081	3,395,851	15,507,593
Noncurrent assets:				
Lease receivable	246,600	-	-	246,600
Capital assets:				
Lease assets:				
Machinery, equipment and other assets	1,436,873	1,122,833	-	2,559,706
Less: accumulated amortization	(624,155)	(360,911)	-	(985,066)
SBITA assets:				
Subscription software	-	587,027	-	587,027
Less: accumulated amortization	-	(371,800)	-	(371,800)
Non-depreciable capital assets:				
Land	654,534	1,880,751	1,876,889	4,412,174
Construction in progress	144,068	56	-	144,124
Depreciable capital assets:				
Buildings	3,499,072	13,118,400	460,775	17,078,247
Improvements other than buildings	16,789,410	912,713	-	17,702,123
Machinery, equipment and other assets	2,985,500	38,980,126	2,807,996	44,773,622
Less: accumulated depreciation	(18,162,997)	(31,257,340)	(2,818,653)	(52,238,990)
Total capital assets, net	6,722,305	24,611,855	2,327,007	33,661,167
Total noncurrent assets	6,968,905	24,611,855	2,327,007	33,907,767
Total assets	11,027,566	32,664,936	5,722,858	49,415,360
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	709,669	840,163	193,246	1,743,078
Deferred outflows related to OPEB	120,965	465,575	95,554	682,094
Total deferred outflows of resources	830,634	1,305,738	288,800	2,425,172

(Continued)

COMBINING STATEMENT OF FUND NET POSITION (CONTINUED)

December 31, 2025

	Golf Course System Fund	Transit Fund	Landfill Fund	Total
LIABILITIES				
Current liabilities:				
Accounts payable and other liabilities	$ 364,449	$ 658,005	$ 91,578	$ 1,114,032
Current portion of long-term obligations:				
Lease liability	279,045	114,877	-	393,922
SBITA liability	-	95,057	-	95,057
Total OPEB liability	14,188	85,127	6,080	105,395
Compensated absences	105,242	230,356	18,190	353,788
Total current liabilities	762,924	1,183,422	115,848	2,062,194
Noncurrent liabilities:				
Unearned revenue	164,965	-	-	164,965
Lease liability	561,826	682,502	-	1,244,328
SBITA liability	-	51,549	-	51,549
Net pension liability	1,242,568	1,573,921	331,352	3,147,841
Total other post-employment benefits (OPEB) liability	243,189	1,459,132	104,223	1,806,544
Compensated absences	31,314	68,540	5,412	105,266
Total noncurrent liabilities	2,243,862	3,835,644	440,987	6,520,493
Total liabilities	3,006,786	5,019,066	556,835	8,582,687
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to leases	251,876	11,837	-	263,713
Deferred inflows related to pensions	114,179	144,626	30,447	289,252
Deferred inflows related to OPEB	191,752	754,981	45,311	992,044
Total deferred inflows of resources	557,807	911,444	75,758	1,545,009
NET POSITION				
Net investment in capital assets	5,658,160	23,667,870	2,327,007	31,653,037
Unrestricted	2,635,447	4,372,294	3,052,058	10,059,799
Total net position	$ 8,293,607	$ 28,040,164	$ 5,379,065	$ 41,712,836

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the year ended December 31, 2025

	Golf Course System Fund	Transit Fund	Landfill Fund	Total
OPERATING REVENUES				
Charges for services and sales	$ 5,321,676	$ 1,281,248	$ 3,388,220	$ 9,991,144
Rentals	1,488,478	154,004	-	1,642,482
Other operating revenues	124,390	960,174	28,209	1,112,773
Total operating revenues	6,934,544	2,395,426	3,416,429	12,746,399
OPERATING EXPENSES				
Personnel services	3,464,536	10,817,760	733,677	15,015,973
Contractual services	989,208	2,339,322	1,594,347	4,922,877
Materials and supplies	913,618	2,405,961	143,094	3,462,673
Other operating expenses	91,948	173,040	11,385	276,373
Administrative charges	163,253	655,588	94,825	913,666
Depreciation/amortization	628,489	3,683,729	249,019	4,561,237
Total operating expenses	6,251,052	20,075,400	2,826,347	29,152,799
Operating income (loss)	683,492	(17,679,974)	590,082	(16,406,400)
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental grants	-	9,320,471	-	9,320,471
Other revenues (expenses)	2,207	60,730	-	62,937
Interest expense	(33,307)	(44,072)	-	(77,379)
Gain on sale of assets	9,617	17,090	11,135	37,842
Total non-operating revenues (expenses)	(21,483)	9,354,219	11,135	9,343,871
Income (loss) before capital contributions and transfers	662,009	(8,325,755)	601,217	(7,062,529)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	-	1,459,043	-	1,459,043
Transfers from other funds	-	4,045,826	-	4,045,826
Total capital contributions and transfers	-	5,504,869	-	5,504,869
Change in net position	662,009	(2,820,886)	601,217	(1,557,660)
Net position - beginning	7,631,598	30,861,050	4,777,848	43,270,496
Net position - ending	$ 8,293,607	$ 28,040,164	$ 5,379,065	$ 41,712,836

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COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Golf Course System Fund	Transit Fund	Landfill Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 6,756,463	$ 1,437,169	$ 3,280,462	$ 11,474,094
Cash payments to suppliers for goods and services	(2,197,519)	(5,656,886)	(1,800,155)	(9,654,560)
Cash payments to employees for services	(3,276,137)	(10,603,973)	(630,102)	(14,510,212)
Other operating revenues	126,597	1,020,904	28,209	1,175,710
Net cash provided by (used in) operating activities	1,409,404	(13,802,786)	878,414	(11,514,968)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental grants received	-	6,904,211	-	6,904,211
Interfund loans	1,085	779	18	1,882
Transfers from other funds	-	4,045,826	-	4,045,826
Net cash provided by noncapital financing activities	1,085	10,950,816	18	10,951,919
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Retirement of temporary notes	-	(84,276)	-	(84,276)
Interest on temporary notes	-	(5,859)	-	(5,859)
Principal payments on leases	(269,804)	(111,073)	-	(380,877)
Interest payments on leases	(33,307)	(32,605)	-	(65,912)
Principal payments on SBITAs	-	(165,091)	-	(165,091)
Interest payments on SBITAs	-	(6,097)	-	(6,097)
Capital asset additions	(1,848,654)	(1,832,568)	-	(3,681,222)
Sale of capital assets	15,950	17,090	11,135	44,175
Capital contributions	-	1,391,977	-	1,391,977
Net cash provided by (used in) capital and related financing activities	(2,135,815)	(828,502)	11,135	(2,953,182)
Net increase (decrease) in cash and cash equivalents	(725,326)	(3,680,472)	889,567	(3,516,231)
Cash and cash equivalents - beginning	4,679,124	7,524,793	2,317,218	14,521,135
Cash and cash equivalents - ending	$ 3,953,798	$ 3,844,321	$ 3,206,785	$ 11,004,904

(Continued)

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended December 31, 2025

	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)	$ 683,492	$ (17,679,974)	$ 590,082	$ (16,406,400)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation/amortization	628,489	3,683,729	249,019	4,561,237
Other revenues (expenses)	2,207	60,730	-	62,937
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in receivables	(35,925)	1,657	(107,758)	(142,026)
(Increase) decrease in lease receivables	(255,828)	12,030	-	(243,798)
(Increase) in inventory	-	(64,840)	-	(64,840)
Decrease in deferred outflows related to pensions	43,585	140,781	66,023	250,389
Decrease in deferred outflows related to OPEB	23,124	38,772	17,465	79,361
Increase (decrease) in accounts payable	(13,487)	(18,135)	48,068	16,446
(Decrease) in deposits	(600)	-	-	(600)
(Decrease) in unearned revenues	(13,214)	-	-	(13,214)
Increase (decrease) in net pension liability	20,041	(85,224)	(17,942)	(83,125)
(Decrease) in total OPEB liability	(11,223)	(28,967)	(4,810)	(45,000)
Increase in compensated absences	24,217	516	11,155	35,888
Increase (decrease) in deferred inflows related to leases	251,876	(11,770)	-	240,106
Increase in deferred inflows related to pensions	74,339	111,067	23,381	208,787
Increase (decrease) in deferred inflows related to OPEB	(11,689)	36,842	3,731	28,884
Total adjustments	725,912	3,877,188	288,332	4,891,432
Net cash provided by (used in) operating activities	$ 1,409,404	$ (13,802,786)	$ 878,414	$ (11,514,968)
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES				
Contribution of capital assets	$ -	$ 24,580	$ -	$ 24,580
Capital assets in accounts payable	223,274	-	-	223,274
Capital asset additions via SBITA liability	-	74,612	-	74,612

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNENCUMBERED NET POSITION BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended December 31, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 132,996,032	$ 125,898,969	$ 127,538,823	$ 1,639,854	$ 126,859,018
Fees	937,537	1,002,895	1,314,343	311,448	997,291
Rental income	-	40,238	31,967	(8,271)	33,879
Sale of property	-	-	169,995	169,995	92,500
Intergovernmental	-	-	-	-	13,309,511
Other revenue	815,044	201,446	553,682	352,236	294,295
Total revenues	134,748,613	127,143,548	129,608,810	2,465,262	141,586,494
EXPENDITURES					
Personnel services	17,261,633	18,809,071	17,405,333	1,403,738	15,587,843
Contractual services	26,389,941	24,091,482	18,277,866	5,813,616	23,555,792
Materials and supplies	9,791,155	10,010,849	6,629,420	3,381,429	7,575,307
Capital outlay	2,850,000	6,170,294	6,168,440	1,854	5,685,663
Other operating expenditures	5,968,616	5,994,352	5,994,352	-	5,646,754
Cost of materials used	2,050,000	2,000,000	418,248	1,581,752	-
City administrative charges	519,962	868,281	868,281	-	519,962
Payments in lieu of franchise taxes	6,815,462	6,329,340	6,329,340	-	6,414,552
Other non-operating expenditures	300,000	300,000	129,935	170,065	173,950
Debt service	47,802,923	44,670,631	44,448,207	222,424	34,614,025
Contingency	2,238,803	2,238,803	-	2,238,803	-
Total expenditures	121,988,495	121,483,103	106,669,422	14,813,681	99,773,848
Excess of revenues over expenditures	12,760,118	5,660,445	22,939,388	17,278,943	41,812,646
OTHER FINANCING USES					
Transfers to other funds	(74,885)	(74,885)	(74,885)	-	(74,885)
Total other financing uses	(74,885)	(74,885)	(74,885)	-	(74,885)
Excess before other changes in unencumbered net position	12,685,233	5,585,560	22,864,503	17,278,943	41,737,761
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Proceeds from issuance of bonds	-	-	-	-	23,989,499
Proceeds from long-term loans	-	-	36,145,505	36,145,505	60,245,326
Transfers to capital project funds	-	-	(64,767,566)	(64,767,566)	(107,022,649)
Transfers from debt service reserve	-	-	774,424	774,424	1,096,010
Cancelled encumbrances	-	-	75,092	75,092	329,380
Total other changes in unencumbered net position	-	-	(27,772,545)	(27,772,545)	(21,362,434)
Net change in unencumbered net position	12,685,233	5,585,560	(4,908,042)	(10,493,602)	20,375,327
Unencumbered net position, beginning	296,537,570	303,891,902	303,891,902	-	283,516,575
Unencumbered net position, ending	$ 309,222,803	$ 309,477,462	$ 298,983,860	$ (10,493,602)	$ 303,891,902

* 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 are excluded from budgetary controls as they relate 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 79,553,875	$ 81,969,661	$ 84,031,301	$ 2,061,640	$ 80,531,820
Fees	345,744	359,543	393,644	34,101	475,339
Rental income	16,414	-	-	-	-
Sale of property	-	-	150,750	150,750	7,515
Other revenue	604,654	638,984	468,101	(170,883)	564,837
Total revenues	80,520,687	82,968,188	85,043,796	2,075,608	81,579,511
EXPENDITURES					
Personnel services	14,662,981	14,826,966	14,198,101	628,865	12,848,916
Contractual services	12,718,628	13,006,329	10,876,691	2,129,638	10,314,053
Materials and supplies	7,408,730	7,858,095	5,966,936	1,891,159	5,903,584
Capital outlay	3,258,340	3,258,340	2,537,293	721,047	2,217,490
Other operating expenditures	3,478,158	3,478,158	3,478,158	-	3,302,660
Cost of materials used	-	500,000	65,267	434,733	-
City administrative charges	401,359	462,599	462,599	-	401,359
Payments in lieu of franchise taxes	4,034,765	4,029,150	4,029,150	-	3,917,247
Debt service	27,626,608	26,683,880	24,070,589	2,613,291	19,816,778
Contingency	1,000,000	1,000,000	-	1,000,000	-
Total expenditures	74,589,569	75,103,517	65,684,784	9,418,733	58,722,087
Excess of revenues over expenditures	5,931,118	7,864,671	19,359,012	11,494,341	22,857,424
OTHER FINANCING USES					
Transfers to other funds	(154,792)	(206,014)	(206,014)	-	(201,272)
Total other financing uses	(154,792)	(206,014)	(206,014)	-	(201,272)
Excess before other changes in unencumbered net position	5,776,326	7,658,657	19,152,998	11,494,341	22,656,152
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Proceeds from issuance of bonds	-	-	91,958,060	91,958,060	9,634,309
Proceeds from long-term loans	-	-	40,146,577	40,146,577	11,431,348
Transfers to capital project funds	-	-	(153,835,570)	(153,835,570)	(35,485,849)
Transfers from debt service reserve	-	-	587,601	587,601	836,096
Cancelled encumbrances	-	-	87,011	87,011	8,189
Total other changes in unencumbered net position	-	-	(21,056,321)	(21,056,321)	(13,575,907)
Net change in unencumbered net position	5,776,326	7,658,657	(1,903,323)	(9,561,980)	9,080,245
Unencumbered net position, beginning	157,989,130	155,026,180	155,026,180	-	145,945,935
Unencumbered net position, ending	$ 163,765,456	$ 162,684,837	$ 153,122,857	$ (9,561,980)	$ 155,026,180

Note: This Fund's 2025 budget was recertified with the State of Kansas.

* 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 are excluded from budgetary controls as they relate 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 20,216,832	$ 19,458,804	$ 19,473,661	$ 14,857	$ 18,653,151
Licenses and permits	232,707	232,707	261,984	29,277	231,623
Rental income	19,149,159	19,582,314	18,884,107	(698,207)	17,933,176
Sale of property	25,000	25,000	169,350	144,350	66,415
Intergovernmental	-	-	-	-	5,595
Other revenue	35,000	35,000	2,960	(32,040)	2,191
Total revenues	39,658,698	39,333,825	38,792,062	(541,763)	36,892,151
EXPENDITURES					
Personnel services	14,177,845	14,130,200	13,804,076	326,124	12,868,120
Contractual services	6,509,351	6,591,474	6,246,677	344,797	6,224,478
Materials and supplies	1,391,742	1,849,442	1,829,593	19,849	1,406,922
Capital outlay	332,300	336,300	240,672	95,628	302,278
Other operating expenditures	990,929	1,013,445	990,929	22,516	991,929
Cost of materials used	4,013,529	4,294,029	4,162,175	131,854	3,935,646
City administrative charges	476,394	545,185	545,185	-	476,394
Debt service	8,686,111	8,686,111	8,667,111	19,000	8,675,072
Total expenditures	36,578,201	37,446,186	36,486,418	959,768	34,880,839
Excess before other changes in unencumbered net position	3,080,497	1,887,639	2,305,644	418,005	2,011,312
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Transfers from restricted funds	3,514,270	3,514,270	3,514,271	1	3,508,614
Transfers to capital project funds	(5,782,300)	(16,318,411)	(8,027,181)	8,291,230	(9,571,407)
Cancelled encumbrances	-	-	-	-	19,061
Total other changes in unencumbered net position	(2,268,030)	(12,804,141)	(4,512,910)	8,291,231	(6,043,732)
Net change in unencumbered net position	812,467	(10,916,502)	(2,207,266)	8,709,236	(4,032,420)
Unencumbered net position, beginning	26,606,890	40,337,539	40,337,539	-	44,369,959
Unencumbered net position, ending	$ 27,419,357	$ 29,421,037	$ 38,130,273	$ 8,709,236	$ 40,337,539

* 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 and was not certified with the State of Kansas.

** These non-operating transactions are excluded from budgetary controls as they relate 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 14,057,006	$ 12,931,073	$ 13,261,921	$ 330,848	$ 13,253,476
Fees	-	117,431	142,256	24,825	141,264
Sale of property	-	-	60,200	60,200	6,500
Other revenue	-	80,327	60,562	(19,765)	19,119
Total revenues	14,057,006	13,128,831	13,524,939	396,108	13,420,359
EXPENDITURES					
Personnel services	3,445,085	3,533,874	3,264,384	269,490	2,881,497
Contractual services	3,252,915	3,265,473	2,552,731	712,742	2,562,593
Materials and supplies	672,519	672,042	354,189	317,853	312,070
Capital outlay	1,100,000	1,144,000	1,143,406	594	1,223,596
Other operating expenditures	1,031,708	1,170,809	1,153,610	17,199	1,153,610
City administrative charges	124,421	118,715	118,715	-	124,421
Debt service	1,285,858	1,285,858	1,283,230	2,628	1,985,647
Contingency	250,000	250,000	-	250,000	-
Total expenditures	11,162,506	11,440,771	9,870,265	1,570,506	10,243,434
Excess of revenues over expenditures	2,894,500	1,688,060	3,654,674	1,966,614	3,176,925
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	12,768	12,768	12,768	-	9,835
Transfers to other funds	-	(5,455)	(5,455)	-	(5,455)
Total other financing sources	12,768	7,313	7,313	-	4,380
Excess before other changes in unencumbered net position	2,907,268	1,695,373	3,661,987	1,966,614	3,181,305
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Transfers to capital project funds	(5,000,000)	(9,825,341)	(5,028,799)	4,796,542	(1,029,202)
Cancelled encumbrances	-	-	217,705	217,705	22,560
Total other changes in unencumbered net position	(5,000,000)	(9,825,341)	(4,811,094)	5,014,247	(1,006,642)
Net change in unencumbered net position	(2,092,732)	(8,129,968)	(1,149,107)	6,980,861	2,174,663
Unencumbered net position, beginning	25,712,259	29,134,978	29,134,978	-	26,960,315
Unencumbered net position, ending	$ 23,619,527	$ 21,005,010	$ 27,985,871	$ 6,980,861	$ 29,134,978

The 2025 certified expenditure budget is $33,662,506, including an appropriated reserve of $22,500,000.

* 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 are excluded from budgetary controls as they relate 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 4,875,826	$ 4,875,826	$ 5,150,153	$ 274,327	$ 4,531,932
Rental income	1,388,930	1,388,930	1,244,962	(143,968)	1,282,526
Sale of property	-	-	15,950	15,950	28,125
Other revenue	-	-	130,422	130,422	-
Total revenues	6,264,756	6,264,756	6,541,487	276,731	5,842,583
EXPENDITURES					
Personnel services	3,146,057	3,324,089	3,302,142	21,947	2,827,373
Contractual services	1,259,050	1,149,777	951,864	197,913	956,388
Materials and supplies	606,603	606,603	539,605	66,998	515,334
Capital outlay	175,000	175,000	78,434	96,566	197,009
Other operating expenditures	202,666	102,866	97,981	4,885	92,487
Cost of materials used	340,781	415,781	355,140	60,641	426,009
City administrative charges	138,689	163,253	163,253	-	138,689
Total expenditures	5,868,846	5,937,369	5,488,419	448,950	5,153,289
Excess before other changes in unencumbered net position	395,910	327,387	1,053,068	725,681	689,294
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Transfers to capital project funds	(395,910)	(327,387)	(1,053,068)	(725,681)	(689,294)
Total other changes in unencumbered net position	(395,910)	(327,387)	(1,053,068)	(725,681)	(689,294)
Net change in unencumbered net position	-	-	-	-	-
Unencumbered net position, beginning	1,000,000	1,000,000	1,000,000	-	1,000,000
Unencumbered net position, ending	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ -	$ 1,000,000

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** These non-operating transactions are excluded from budgetary controls as they relate 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 1,792,104	$ 1,506,271	$ 1,281,248	$ (225,023)	$ 1,255,226
Rental income	196,000	196,000	154,432	(41,568)	193,088
Other revenue	844,776	828,528	972,280	143,752	969,496
Total revenues	2,832,880	2,530,799	2,407,960	(122,839)	2,417,810
EXPENDITURES					
Personnel services	1,736,983	1,825,120	1,825,119	1	1,623,102
Contractual services	1,165,503	1,030,348	1,028,010	2,338	1,054,884
Materials and supplies	63,236	26,618	26,618	-	31,166
Other operating expenditures	304,357	173,040	173,040	-	173,040
City administrative charges	185,109	191,186	191,186	-	185,109
Total expenditures	3,455,188	3,246,312	3,243,973	2,339	3,067,301
Deficiency of revenues under expenditures	(622,308)	(715,513)	(836,013)	(120,500)	(649,491)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	3,586,326	3,586,326	3,586,326	-	3,586,326
Transfers to other funds	(3,799,724)	(4,068,972)	(4,068,972)	-	(3,778,819)
Total other financing uses	(213,398)	(482,646)	(482,646)	-	(192,493)
Deficiency before other changes in unencumbered net position	(835,706)	(1,198,159)	(1,318,659)	(120,500)	(841,984)
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Cancelled encumbrances	-	-	-	-	64
Total other changes in unencumbered net position	-	-	-	-	64
Net change in unencumbered net position	(835,706)	(1,198,159)	(1,318,659)	(120,500)	(841,920)
Unencumbered net position, beginning	9,420,719	9,562,084	9,562,084	-	10,404,004
Unencumbered net position, ending	$ 8,585,013	$ 8,363,925	$ 8,243,425	$ (120,500)	$ 9,562,084

* 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 and was not certified with the State of Kansas.

** These non-operating transactions are excluded from budgetary controls as they relate 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 2,840,255	$ 2,488,964	$ 3,388,220	$ 899,256	$ 2,404,472
Sale of property	-	-	11,135	11,135	-
Other revenue	73,000	40,656	28,209	(12,447)	39,016
Total revenues	2,913,255	2,529,620	3,427,564	897,944	2,443,488
EXPENDITURES					
Personnel services	750,217	772,108	634,674	137,434	679,060
Contractual services	1,595,450	2,027,627	1,591,045	436,582	1,722,363
Materials and supplies	139,865	789,865	143,094	646,771	188,648
Capital outlay	1,122,180	122,180	-	122,180	33,922
Other operating expenditures	15,309	13,011	11,385	1,626	11,130
City administrative charges	170,929	94,825	94,825	-	170,929
Total expenditures	3,793,950	3,819,616	2,475,023	1,344,593	2,806,052
Excess (deficiency) of revenues over (under) expenditures	(880,695)	(1,289,996)	952,541	2,242,537	(362,564)
OTHER FINANCING USES					
Transfers to other funds	(500,000)	-	-	-	(500,000)
Total other financing uses	(500,000)	-	-	-	(500,000)
Excess (deficiency) before other changes in unencumbered net position	(1,380,695)	(1,289,996)	952,541	2,242,537	(862,564)
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Cancelled encumbrances	-	-	145	145	29
Total other changes in unencumbered net position	-	-	145	145	29
Net change in unencumbered net position	(1,380,695)	(1,289,996)	952,686	2,242,682	(862,535)
Unencumbered net position, beginning	2,542,164	2,321,098	2,321,098	-	3,183,633
Unencumbered net position, ending	$ 1,161,469	$ 1,031,102	$ 3,273,784	$ 2,242,682	$ 2,321,098

The 2025 certified expenditure budget is $5,243,950, including an appropriated reserve of $950,000.

* 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.

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Internal Service Funds



Public Works & Utilities employee with Street Sweeper

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



Wichita-Sedgwick County Law Enforcement Memorial Ceremony

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 the 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.

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COMBINING STATEMENT OF FUND NET POSITION

December 31, 2025

	Information Technology	Fleet	Self Insurance	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 3,021,044	$ 2,246,212	$ 52,610,107	$ 57,877,363
Receivables, net:				
Accounts receivable	-	51,840	63,468	115,308
Due from other funds	-	-	28,309,197	28,309,197
Inventories	-	1,610,465	-	1,610,465
Prepaid items	450,342	-	128,900	579,242
Total current assets	3,471,386	3,908,517	81,111,672	88,491,575
Noncurrent assets:				
Capital assets:				
Lease assets:				
Machinery, equipment and other assets	781,766	-	-	781,766
Less: accumulated amortization	(281,001)	-	-	(281,001)
SBITA assets:				
Subscription software	6,958,528	520,696	-	7,479,224
Less: accumulated amortization	(2,269,204)	(252,006)	-	(2,521,210)
Non-depreciable capital assets:				
Construction in progress	-	194,343	-	194,343
Depreciable capital assets:				
Buildings	44,287	29,955	-	74,242
Improvements other than buildings	184,132	-	-	184,132
Machinery, equipment and other assets	10,984,572	59,078,925	-	70,063,497
Less accumulated depreciation/amortization	(10,127,492)	(35,827,287)	-	(45,954,779)
Total capital assets, net	6,275,588	23,744,626	-	30,020,214
Total noncurrent assets	6,275,588	23,744,626	-	30,020,214
Total assets	9,746,974	27,653,143	81,111,672	118,511,789
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	2,381,358	997,392	131,975	3,510,725
Deferred outflows related to OPEB	173,778	90,623	4,978	269,379
Total deferred outflows of resources	2,555,136	1,088,015	136,953	3,780,104

(Continued)

COMBINING STATEMENT OF FUND NET POSITION (CONTINUED)

December 31, 2025

	Information Technology	Fleet	Self Insurance	Total
LIABILITIES				
Current liabilities:				
Accounts payable and other liabilities	$ 886,872	$ 430,509	$ 2,567,507	$ 3,884,888
Accrued interest payable	46,749	6,788	-	53,537
Deposits	-	-	476,835	476,835
Current portion of long-term obligations:				
Claims payable	-	-	9,711,715	9,711,715
Lease liability	155,611	-	-	155,611
SBITA liability	1,823,297	61,432	-	1,884,729
Total OPEB liability	36,483	22,295	2,027	60,805
Compensated absences	366,640	153,613	41,350	561,603
Total current liabilities	3,315,652	674,637	12,799,434	16,789,723
Noncurrent liabilities:				
Claims payable	-	-	19,558,000	19,558,000
Lease liability	380,887	-	-	380,887
SBITA liability	1,714,203	194,255	-	1,908,458
Net pension liability	4,307,570	1,822,433	248,513	6,378,516
Total other post-employment benefits (OPEB) liability	625,342	382,154	34,742	1,042,238
Compensated absences	109,090	45,706	12,303	167,099
Total noncurrent liabilities	7,137,092	2,444,548	19,853,558	29,435,198
Total liabilities	10,452,744	3,119,185	32,652,992	46,224,921
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	484,537	241,028	22,838	748,403
Deferred inflows related to OPEB	351,441	293,033	15,105	659,579
Total deferred inflows of resources	835,978	534,061	37,943	1,407,982
NET POSITION				
Net investment in capital assets	2,201,590	23,488,939	-	25,690,529
Unrestricted	(1,188,202)	1,598,973	48,557,690	48,968,461
Total net position	$ 1,013,388	$ 25,087,912	$ 48,557,690	$ 74,658,990

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the year ended December 31, 2025

	Information Technology	Fleet	Self Insurance	Total
OPERATING REVENUES				
Charges for services and sales	$ 17,240,102	$ 4,228,516	$ -	$ 21,468,618
Rentals	-	11,570,874	-	11,570,874
Employer contributions	-	-	55,388,789	55,388,789
Employee contributions	-	-	12,239,896	12,239,896
Other operating revenues	-	9,900	945,657	955,557
Total operating revenues	17,240,102	15,809,290	68,574,342	101,623,734
OPERATING EXPENSES				
Personnel services	7,902,781	3,852,573	1,051,853	12,807,207
Contractual services	5,074,988	2,147,856	10,450,158	17,673,002
Materials and supplies	39,555	8,995,407	52,627	9,087,589
Other operating expenses	231,090	-	282,244	513,334
Administrative charges	610,471	217,776	116,259	944,506
Depreciation/amortization	2,342,142	3,472,001	-	5,814,143
Employee/insurance claims	-	-	52,692,808	52,692,808
Total operating expenses	16,201,027	18,685,613	64,645,949	99,532,589
Operating income (loss)	1,039,075	(2,876,323)	3,928,393	2,091,145
NON-OPERATING REVENUES (EXPENSES)				
Other revenues (expenses)	83	309,479	-	309,562
Interest expense	(111,493)	(8,985)	-	(120,478)
Gain on sale of assets	-	639,770	-	639,770
Total non-operating revenues (expenses)	(111,410)	940,264	-	828,854
Income (loss) before capital contributions and transfers	927,665	(1,936,059)	3,928,393	2,919,999
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	821,007	4,443,444	-	5,264,451
Transfers to other funds	(1,842,818)	-	-	(1,842,818)
Total capital contributions and transfers	(1,021,811)	4,443,444	-	3,421,633
Change in net position	(94,146)	2,507,385	3,928,393	6,341,632
Net position - beginning	1,107,534	22,580,527	44,629,297	68,317,358
Net position - ending	$ 1,013,388	$ 25,087,912	$ 48,557,690	$ 74,658,990

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COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Information Technology	Fleet	Self Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 17,240,102	$ 15,747,550	$ 67,585,828	$ 100,573,480
Cash payments to suppliers for goods and services	(5,539,274)	(11,379,896)	(63,127,212)	(80,046,382)
Cash payments to employees for services	(7,337,998)	(3,669,797)	(1,022,998)	(12,030,793)
Other operating revenues	83	319,379	945,657	1,265,119
Net cash provided by operating activities	4,362,913	1,017,236	4,381,275	9,761,424
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund loans	-	-	(11,437,859)	(11,437,859)
Transfers to other funds	(1,842,818)	-	-	(1,842,818)
Net cash used in noncapital financing activities	(1,842,818)	-	(11,437,859)	(13,280,677)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payments on lease	(144,157)	-	-	(144,157)
Interest payments on leases	(47,208)	-	-	(47,208)
Principal payments on SBITAs	(2,299,778)	(121,989)	-	(2,421,767)
Interest payments on SBITAs	(17,536)	(2,197)	-	(19,733)
Capital asset additions	-	(2,791,991)	-	(2,791,991)
Sale of capital assets	-	714,335	-	714,335
Net cash used in capital and related financing activities	(2,508,679)	(2,201,842)	-	(4,710,521)
Net increase (decrease) in cash and temporary investments	11,416	(1,184,606)	(7,056,584)	(8,229,774)
Cash and temporary investments - beginning	3,009,628	3,430,818	59,666,691	66,107,137
Cash and temporary investments - ending	$ 3,021,044	$ 2,246,212	$ 52,610,107	$ 57,877,363

(Continued)

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended December 31, 2025

	Information Technology	Fleet	Self Insurance	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	$ 1,039,075	$ (2,876,323)	$ 3,928,393	$ 2,091,145
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation/amortization	2,342,142	3,472,001	-	5,814,143
Other revenues (expenses)	83	309,479	-	309,562
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) in accounts receivable	-	(51,840)	(63,468)	(115,308)
Decrease in inventory	-	270,084	-	270,084
Decrease in prepaid items	129,114	-	-	129,114
Decrease in deferred outflows related to pensions	585,403	78,983	20,712	685,098
Decrease in deferred outflows related to OPEB	45,004	26,456	1,415	72,875
Increase (decrease) in accounts payable	313,668	(277,248)	160,732	197,152
Increase in deposits	-	-	20,611	20,611
Increase in claims payable	-	-	308,297	308,297
(Decrease) in net pension liability	(495,214)	(11,358)	(13,456)	(520,028)
(Decrease) in total OPEB liability	(67,231)	(56,007)	(1,603)	(124,841)
Increase in compensated absences	42,174	16,944	861	59,979
Increase in deferred inflows related to pensions	387,390	92,275	17,537	497,202
Increase in deferred inflows related to OPEB	41,305	23,790	1,244	66,339
Total adjustments	3,323,838	3,893,559	452,882	7,670,279
Net cash provided by operating activities	$ 4,362,913	$ 1,017,236	$ 4,381,275	$ 9,761,424
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES				
Contribution of capital assets	$	$ 4,443,444	$ -	$ 4,443,444
Capital asset additions via SBITA liability	5,272,887	-	-	5,272,887

COMBINING SCHEDULE OF FUND NET POSITION

December 31, 2025

	Life Insurance	Health Insurance	Workers' Compensation	General Liability	Pension Reserve
ASSETS					
Current assets:					
Cash and cash equivalents	$ 769,336	$ 12,116,376	$ 25,315,417	$ 5,229,486	$ 9,179,492
Receivables, net:					
Accounts receivable	-	-	-	-	63,468
Due from other funds	-	28,309,197	-	-	-
Prepaid items	-	128,900	-	-	-
Total current assets	769,336	40,554,473	25,315,417	5,229,486	9,242,960
Total assets	769,336	40,554,473	25,315,417	5,229,486	9,242,960
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	-	-	131,975	-	-
Deferred outflows related to OPEB	-	-	4,978	-	-
Total deferred outflows of resources	-	-	136,953	-	-
LIABILITIES					
Current liabilities:					
Accounts payable and other liabilities	93,199	1,796,997	378,361	298,950	-
Deposits	-	476,835	-	-	-
Current portion of long-term obligations:					
Claims payable	-	4,039,715	2,262,000	3,410,000	-
Total OPEB liability	-	-	2,027	-	-
Compensated absences	-	-	12,087	29,263	-
Total current liabilities	93,199	6,313,547	2,654,475	3,738,213	-
Noncurrent liabilities:					
Claims payable	-	-	8,773,000	10,785,000	-
Net pension liability	-	-	248,513	-	-
Total OPEB liability	-	-	34,742	-	-
Compensated absences	-	-	3,597	8,706	-
Total noncurrent liabilities	-	-	9,059,852	10,793,706	-
Total liabilities	93,199	6,313,547	11,714,327	14,531,919	-
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	-	-	22,838	-	-
Deferred inflows related to OPEB	-	-	15,105	-	-
Total deferred inflows of resources	-	-	37,943	-	-
NET POSITION					
Unrestricted	676,137	34,240,926	13,700,100	(9,302,433)	9,242,960
Total net position	$ 676,137	$ 34,240,926	$ 13,700,100	$ (9,302,433)	$ 9,242,960

Intrafund Elimination	Total
$ -	$ 52,610,107
-	63,468
-	28,309,197
-	128,900
-	81,111,672
-	81,111,672
-	131,975
-	4,978
-	136,953
-	2,567,507
-	476,835
-	9,711,715
-	2,027
-	41,350
-	12,799,434
-	19,558,000
-	248,513
-	34,742
-	12,303
-	19,853,558
-	32,652,992
-	22,838
-	15,105
-	37,943
-	48,557,690
$ -	$ 48,557,690

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the year ended December 31, 2025

	Life Insurance	Health Insurance	Workers' Compensation	General Liability	Pension Reserve
OPERATING REVENUES					
Employer contributions	$ 325,982	$ 43,585,209	$ 6,409,776	$ 4,402,000	$ 665,822
Employee contributions	825,550	11,414,346	-	-	-
Other operating revenues	-	-	77,566	1,016,566	-
Total operating revenues	1,151,532	54,999,555	6,487,342	5,418,566	665,822
OPERATING EXPENSES					
Personnel services	-	-	722,913	328,940	-
Contractual services	1,139,272	1,860,990	2,724,046	4,725,850	-
Materials and supplies	-	-	-	52,627	-
Other operating expenses	-	296,614	-	134,105	-
Administrative charges	1,085	36,716	39,040	39,418	-
Employee/insurance claims	-	51,147,899	35,004	1,509,905	-
Total operating expenses	1,140,357	53,342,219	3,521,003	6,790,845	-
Change in net position	11,175	1,657,336	2,966,339	(1,372,279)	665,822
Net position - beginning	664,962	32,583,590	10,733,761	(7,930,154)	8,577,138
Net position - ending	$ 676,137	$ 34,240,926	$ 13,700,100	$ (9,302,433)	$ 9,242,960

Intrafund Elimination	Total
$ -	$ 55,388,789
-	12,239,896
(148,475)	945,657
(148,475)	68,574,342
-	1,051,853
-	10,450,158
-	52,627
(148,475)	282,244
-	116,259
-	52,692,808
(148,475)	64,645,949
-	3,928,393
-	44,629,297
$ -	$ 48,557,690

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNENCUMBERED NET POSITION BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended December 31, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 17,365,929	$ 17,335,420	$ 17,240,102	$ (95,318)	$ 16,817,152
Other revenue	-	-	83	83	25
Total revenues	17,365,929	17,335,420	17,240,185	(95,235)	16,817,177
EXPENDITURES					
Personnel services	7,410,745	7,596,307	7,363,949	232,358	7,184,608
Contractual services	7,609,915	8,190,436	7,553,564	636,872	6,750,784
Materials and supplies	172,129	170,629	39,555	131,074	77,932
Capital outlay	40,000	40,000	-	40,000	9,290
Other operating expenditures	314,868	231,240	231,090	150	103,258
Cost of materials used	20,000	20,000	-	20,000	-
City administrative charges	599,203	610,471	610,471	-	599,203
Planned savings**	(514,638)	(514,638)	-	(514,638)	-
Total expenditures	15,652,222	16,344,445	15,798,629	545,816	14,725,075
Excess of revenues over expenditures	1,713,707	990,975	1,441,556	450,581	2,092,102
OTHER FINANCING USES					
Transfers to other funds	(2,058,118)	(1,842,818)	(1,842,818)	-	(1,894,730)
Total other financing uses	(2,058,118)	(1,842,818)	(1,842,818)	-	(1,894,730)
Excess (deficiency) before other changes in unencumbered net position	(344,411)	(851,843)	(401,262)	450,581	197,372
OTHER CHANGES IN UNENCUMBERED NET POSITION* **					
Cancelled encumbrances	-	-	14,952	14,952	536
Total other changes in unencumbered net position	-	-	14,952	14,952	536
Net change in unencumbered net position	(344,411)	(851,843)	(386,310)	465,533	197,908
Unencumbered net position, beginning	2,026,165	2,728,601	2,728,601	-	2,530,693
Unencumbered net position, ending	$ 1,681,754	$ 1,876,758	$ 2,342,291	$ 465,533	$ 2,728,601

The 2025 certified expenditure budget is $19,110,340, including an appropriated reserve of $1,400,000.

* 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.

** Planned savings represents the expenditure savings that the Department is responsible for ensuring is met within the overall Fund's budget.

*** These non-operating transactions are excluded from budgetary controls as they relate 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Charges for services and sales	$ 6,304,630	$ 6,035,314	$ 4,227,516	$ (1,807,798)	$ 5,548,821
Licenses and permits	1,000	1,000	1,000	-	1,000
Rental income	9,888,095	11,551,548	11,570,874	19,326	9,739,521
Sale of property	300,000	270,000	714,335	444,335	242,850
Other revenue	280,000	130,000	319,379	189,379	152,756
Total revenues	16,773,725	17,987,862	16,833,104	(1,154,758)	15,684,948
EXPENDITURES					
Personnel services	4,390,909	4,289,536	3,681,490	608,046	3,579,948
Contractual services	2,210,386	2,298,645	2,298,645	-	2,370,595
Materials and supplies	8,262,591	8,476,317	8,461,080	15,237	8,057,923
Capital outlay	2,678,100	2,478,100	2,437,250	40,850	2,660,793
Other operating expenditures	71,629	113,236	-	113,236	-
Cost of materials used	700,000	670,000	540,980	129,020	-
City administrative charges	171,038	217,776	217,776	-	171,038
Planned savings**	(750,000)	(750,000)	-	(750,000)	-
Total expenditures	17,734,653	17,793,610	17,637,221	156,389	16,840,297
Excess (deficiency) before other changes in unencumbered net position	(960,928)	194,252	(804,117)	(998,369)	(1,155,349)
OTHER CHANGES IN UNENCUMBERED NET POSITION* **					
Cancelled encumbrances	-	-	280,488	280,488	194
Total other changes in unencumbered net position	-	-	280,488	280,488	194
Net change in unencumbered net position	(960,928)	194,252	(523,629)	(717,881)	(1,155,155)
Unencumbered net position, beginning	2,461,495	2,864,845	2,864,845	-	4,020,000
Unencumbered net position, ending	$ 1,500,567	$ 3,059,097	$ 2,341,216	$ (717,881)	$ 2,864,845

The 2025 certified expenditure budget is $18,734,653, including an appropriated reserve of $1,000,000.

* 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.

** Planned savings represents the expenditure savings that the Department is responsible for ensuring is met within the overall Fund's budget.

*** These non-operating transactions are excluded from budgetary controls as they relate 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, 2025
(with comparative totals for the year ended December 31, 2024)

	Budgeted Amounts*		2025 Actual Amounts	Variance with Final Budget	2024 Actual Amounts
	Original	Final			
REVENUES					
Employer contributions	$ 58,807,421	$ 55,454,706	$ 55,388,789	$ (65,917)	$ 51,752,809
Employee contributions	16,898,902	15,994,914	12,239,896	(3,755,018)	12,017,431
Other revenue	2,779,955	2,587,274	1,094,132	(1,493,142)	942,085
Total revenues	78,486,278	74,036,894	68,722,817	(5,314,077)	64,712,325
EXPENDITURES					
Personnel services	1,668,611	1,679,269	1,025,144	654,125	1,143,408
Contractual services	13,126,169	12,582,749	10,897,227	1,685,522	9,956,773
Materials and supplies	185,657	166,972	52,627	114,345	28,499
Capital outlay	10,000	10,000	-	10,000	-
Other operating expenditures	405,045	430,719	430,719	-	401,561
City administrative charges	90,844	116,259	116,259	-	90,844
Other non-operating expenditures	2,750,000	2,750,000	1,546,357	1,203,643	1,899,603
Employee/insurance claims	63,114,194	55,909,934	50,380,602	5,529,332	42,498,366
Contingency	1,000,000	1,000,000	-	1,000,000	-
Total expenditures	82,350,520	74,645,902	64,448,935	10,196,967	56,019,054
Excess (deficiency) of revenues over (under) expenditures	(3,864,242)	(609,008)	4,273,882	4,882,890	8,693,271
OTHER FINANCING SOURCES					
Transfers from other funds	-	-	-	-	700,000
Total other financing sources	-	-	-	-	700,000
Excess (deficiency) before other changes in unencumbered net position	(3,864,242)	(609,008)	4,273,882	4,882,890	9,393,271
OTHER CHANGES IN UNENCUMBERED NET POSITION**					
Cancelled encumbrances	-	-	48,424	48,424	43,301
Total other changes in unencumbered net position	-	-	48,424	48,424	43,301
Net change in unencumbered net position	(3,864,242)	(609,008)	4,322,306	4,931,314	9,436,572
Unencumbered net position, beginning	60,700,736	73,718,742	73,718,742	-	64,282,170
Unencumbered net position, ending	$ 56,836,494	$ 73,109,734	$ 78,041,048	$ 4,931,314	$ 73,718,742

* 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.

** These non-operating transactions are excluded from budgetary controls as they relate directly to long-term assets and liabilities or the cancellation of prior year encumbrances.

Fiduciary Funds



U.S. Navy Blue Angels

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:



WPD Mounted Unit

Pension Trust 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

The 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.**

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COMBINING STATEMENT OF FIDUCIARY NET POSITION

December 31, 2025

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3b	Pension Trust Funds
ASSETS				
Cash and temporary investments	$ 46,114	$ 69,412	$ 385	$ 115,911
Receivables:				
Investment sales pending	464,188	334,367	-	798,555
Interest and dividends	1,772,830	1,274,691	-	3,047,521
Other receivables	1,245,381	605,973	14,562	1,865,916
Total receivables	3,482,399	2,215,031	14,562	5,711,992
Investments, at fair value:				
Government short-term investment fund	38,075,731	25,925,053	-	64,000,784
Equity:				
Domestic equity	433,425,318	317,992,118	4,826,092	756,243,528
International equity	296,513,709	217,546,621	726,963	514,787,293
Fixed income	188,590,455	139,357,254	534,208	328,481,917
Real estate	43,981,879	31,687,001	-	75,668,880
Target date and money market funds	-	324,278	8,410,728	8,735,006
Timber	64,346,869	46,358,573	-	110,705,442
Securities lending short-term collateral investment pool	658,411	474,208	-	1,132,619
Total investments	1,065,592,372	779,665,106	14,497,991	1,859,755,469
Capital assets:				
SBITA assets:				
Software	448,990	833,838	-	1,282,828
Less: accumulated amortization	(448,990)	(833,838)	-	(1,282,828)
Other capital assets:				
Software	3,411,662	3,411,662	-	6,823,324
Less: accumulated depreciation	(952,827)	(952,827)	-	(1,905,654)
Capital assets, net	2,458,835	2,458,835	-	4,917,670
Total assets	1,071,579,720	784,408,384	14,512,938	1,870,501,042
LIABILITIES				
Accounts payable and other liabilities	941,082	923,208	-	1,864,290
Investment purchases pending	611,745	440,663	-	1,052,408
Securities lending obligations	658,411	474,208	-	1,132,619
Accrued interest - SBITA	29,847	29,847	-	59,694
SBITA liability - current	332,653	332,653	-	665,306
SBITA liability - noncurrent	731,411	731,411	-	1,462,822
Total liabilities	3,305,149	2,931,990	-	6,237,139
NET POSITION				
Restricted for pensions	1,068,274,571	781,476,394	14,512,938	1,864,263,903
Total net position	$ 1,068,274,571	$ 781,476,394	$ 14,512,938	$ 1,864,263,903

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the year ended December 31, 2025

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3b	Pension Trust Funds
ADDITIONS				
Contributions:				
Employer	$ 29,122,127	$ 14,394,865	$ 230,890	$ 43,747,882
Employee	7,455,798	4,646,213	230,890	12,332,901
Total contributions	36,577,925	19,041,078	461,780	56,080,783
Investment income:				
From investing activities:				
Net appreciation in the fair value of investments	162,215,348	119,807,131	2,192,738	284,215,217
Interest	4,112,741	2,976,326	-	7,089,067
Dividends	2,941,720	2,167,184	17,172	5,126,076
Commission recapture	20,922	15,309	-	36,231
Total investing activity income	169,290,731	124,965,950	2,209,910	296,466,591
Less: investment expense	4,164,240	3,134,441	-	7,298,681
Net income from investing activities	165,126,491	121,831,509	2,209,910	289,167,910
From securities lending activities:				
Securities lending income	180,730	131,182	-	311,912
Less: securities lending expense, net:				
Borrower rebates	61,991	44,964	-	106,955
Management fees	35,600	25,850	-	61,450
Total securities lending expenses	97,591	70,814	-	168,405
Net income from securities lending activities	83,139	60,368	-	143,507
Total net investment income	165,209,630	121,891,877	2,209,910	289,311,417
Reclassifications due to participant conversion	-	-	93,409	93,409
Total additions	201,787,555	140,932,955	2,765,099	345,485,609
DEDUCTIONS				
Pension benefits	54,300,187	51,148,985	-	105,449,172
Pension administration	605,291	697,471	158	1,302,920
Depreciation and amortization	617,730	617,730	-	1,235,460
Interest - SBITAs	29,847	29,847	-	59,694
Employee contributions refunded	312,702	713,420	776,533	1,802,655
Reclassifications due to participant conversion	-	93,409	-	93,409
Total deductions	55,865,757	53,300,862	776,691	109,943,310
Change in net position	145,921,798	87,632,093	1,988,408	235,542,299
Net position - beginning	922,352,773	693,844,301	12,524,530	1,628,721,604
Net position - ending	$ 1,068,274,571	$ 781,476,394	$ 14,512,938	$ 1,864,263,903

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Additional Information



Exchange at Kellogg and Greenwich Road

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 subfunds:

- 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



2026 Riverfest Sundown Parade

COMBINED SCHEDULE OF CHANGES IN BONDS PAYABLE

For the year ended December 31, 2025

	Balance December 31, 2024	Issued	Retired	Balance December 31, 2025
General obligation bonds payable from:				
Ad valorem property taxes	$ 75,664,656	$ 560,000	$ 8,000,654	$ 68,224,002
Special assessments	180,825,515	25,437,000	15,525,600	190,736,915
Tax increment financing	26,525,649	7,123,000	1,924,566	31,724,083
Transient guest tax	2,340,000	-	40,000	2,300,000
Airport Authority	114,955,000	-	3,980,000	110,975,000
Golf course system	-	-	-	-
Local sales tax	46,545,000	-	8,195,000	38,350,000
Stormwater Utility	3,644,180	-	1,199,180	2,445,000
Water Utility	80,880,000	-	6,890,000	73,990,000
Revenue bonds payable from:		-		
Water Utility	488,368,171	3,351,091	18,278,702	473,440,560
Sewer Utility	178,875,375	94,244,588	14,686,298	258,433,665
Airport special facilities	-	-	-	-
Local sales tax	1,618,226	-	331,374	1,286,852
	$ 1,200,241,772	$ 130,715,679	$ 79,051,374	$ 1,251,906,077

RECONCILIATION OF BONDS PAYABLE

As of December 31, 2025

	Balance December 31, 2025
General obligation bonds	$ 518,745,000
Revenue bonds	733,161,077
Total bonds payable	$ 1,251,906,077
Serial bonds payable	$ 332,621,852
Bonds payable from proprietary funds	919,284,225
Total bonds payable	$ 1,251,906,077

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

Based on bonded debt as of December 31, 2025

	PAYABLE FROM PROPERTY TAXES			PAYABLE FROM TRANSIENT GUEST TAX		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2026	$ 8,170,394	$ 2,798,137	$ 10,968,531	$ 50,000	$ 83,538	$ 133,538
2027	8,287,568	2,444,725	10,732,293	55,000	81,962	136,962
2028	8,930,852	2,097,013	11,027,865	65,000	80,163	145,163
2029	8,473,348	1,719,511	10,192,859	70,000	78,137	148,137
2030	4,671,840	1,348,577	6,020,417	80,000	75,888	155,888
2031	4,840,000	1,136,774	5,976,774	80,000	73,087	153,087
2032	5,105,000	939,380	6,044,380	95,000	69,587	164,587
2033	4,185,000	728,705	4,913,705	105,000	65,719	170,719
2034	2,305,000	564,311	2,869,311	1,700,000	31,875	1,731,875
2035	2,345,000	494,303	2,839,303	-	-	-
2036	2,455,000	400,363	2,855,363	-	-	-
2037	2,625,000	320,575	2,945,575	-	-	-
2038	2,820,000	215,575	3,035,575	-	-	-
2039	3,010,000	120,400	3,130,400	-	-	-
	$ 68,224,002	$ 15,328,349	$ 83,552,351	$ 2,300,000	$ 639,956	$ 2,939,956

	PAYABLE FROM TAX INCREMENT FINANCING			PAYABLE FROM LOCAL SALES TAX		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2026	$ 2,364,083	$ 1,290,149	$ 3,654,232	$ 8,405,000	$ 1,181,400	$ 9,586,400
2027	2,620,000	1,139,855	3,759,855	7,900,000	928,175	8,828,175
2028	2,480,000	1,036,995	3,516,995	6,625,000	658,300	7,283,300
2029	3,005,000	933,060	3,938,060	6,785,000	418,550	7,203,550
2030	3,245,000	806,805	4,051,805	1,640,000	189,100	1,829,100
2031	3,140,000	690,765	3,830,765	1,680,000	139,900	1,819,900
2032	3,375,000	580,487	3,955,487	1,725,000	106,300	1,831,300
2033	3,625,000	461,211	4,086,211	1,770,000	71,800	1,841,800
2034	1,590,000	338,966	1,928,966	1,820,000	36,400	1,856,400
2035	1,675,000	273,116	1,948,116	-	-	-
2036	1,440,000	202,200	1,642,200	-	-	-
2037	1,525,000	139,795	1,664,795	-	-	-
2038	765,000	73,300	838,300	-	-	-
2039	425,000	40,700	465,700	-	-	-
2040	450,000	21,150	471,150	-	-	-
	$ 31,724,083	$ 8,028,554	$ 39,752,637	$ 38,350,000	$ 3,729,925	$ 42,079,925

(Continued)

SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES TO MATURITY
PAYABLE FROM GOVERNMENTAL FUND REVENUES (CONTINUED)

Based on bonded debt as of December 31, 2025

	TOTAL PAYABLE FROM TAXES			PAYABLE FROM SPECIAL ASSESSMENTS		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2026	$ 18,989,477	$ 5,353,224	$ 24,342,701	$ 15,560,523	$ 7,368,813	$ 22,929,336
2027	18,862,568	4,594,717	23,457,285	15,872,432	6,478,506	22,350,938
2028	18,100,852	3,872,471	21,973,323	15,404,148	5,779,756	21,183,904
2029	18,333,348	3,149,258	21,482,606	15,496,652	5,109,772	20,606,424
2030	9,636,840	2,420,370	12,057,210	13,873,160	4,477,400	18,350,560
2031	9,740,000	2,040,526	11,780,526	12,215,000	3,930,761	16,145,761
2032	10,300,000	1,695,754	11,995,754	12,320,000	3,481,951	15,801,951
2033	9,685,000	1,327,435	11,012,435	11,865,000	3,062,875	14,927,875
2034	7,415,000	971,552	8,386,552	11,255,000	2,674,721	13,929,721
2035	4,020,000	767,419	4,787,419	10,710,000	2,302,345	13,012,345
2036	3,895,000	602,563	4,497,563	9,860,000	1,943,185	11,803,185
2037	4,150,000	460,370	4,610,370	8,645,000	1,610,014	10,255,014
2038	3,585,000	288,875	3,873,875	7,870,000	1,293,031	9,163,031
2039	3,435,000	161,100	3,596,100	7,250,000	1,013,644	8,263,644
2040	450,000	21,150	471,150	6,260,000	765,434	7,025,434
2041	-	-	-	5,045,000	553,144	5,598,144
2042	-	-	-	4,330,000	373,629	4,703,629
2043	-	-	-	3,595,000	211,568	3,806,568
2044	-	-	-	2,380,000	88,244	2,468,244
2045	-	-	-	930,000	19,763	949,763
	$ 140,598,085	$ 27,726,784	$ 168,324,869	$ 190,736,915	$ 52,538,556	$ 243,275,471

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

Based on bonded debt as of December 31, 2025

	Airport Authority			Stormwater Utility		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
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	-	-	-
	$ 110,975,000	$ 51,417,053	$ 162,392,053	$ 2,445,000	$ 117,838	$ 2,562,838

(Continued)

SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES TO MATURITY PAYABLE FROM PROPRIETARY FUND REVENUES (CONTINUED)

Based on bonded debt as of December 31, 2025

	Water Utility			Totals		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
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	176,437	9,586,437	14,645,000	3,236,727	17,881,727
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
	$ 73,990,000	$ 12,610,600	$ 86,600,600	$ 187,410,000	$ 64,145,491	$ 251,555,491

SUMMARY OF REVENUE BOND DEBT SERVICE CHARGES TO MATURITY
PAYABLE FROM PROPRIETARY FUND REVENUES

Based on bonded debt as of December 31, 2025

	Water Utility*			Sewer Utility*		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2026	$ 17,820,846	$ 6,156,805	$ 23,977,651	$ 14,494,154	$ 4,734,732	$ 19,228,886
2027	17,692,662	5,461,289	23,153,951	14,472,338	4,173,988	18,646,326
2028	18,211,579	4,786,431	22,998,010	14,988,421	3,626,588	18,615,009
2029	24,910,303	7,684,279	32,594,582	12,680,381	3,135,139	15,815,520
2030	25,306,793	7,007,808	32,314,601	12,528,553	2,712,661	15,241,214
2031	22,058,758	6,360,324	28,419,082	11,247,357	2,313,517	13,560,874
2032	20,860,990	5,817,193	26,678,183	13,274,622	7,446,970	20,721,592
2033	18,881,026	5,327,959	24,208,985	12,899,120	7,001,465	19,900,585
2034	19,195,195	4,904,727	24,099,922	13,309,459	6,582,380	19,891,839
2035	17,615,525	4,465,945	22,081,470	10,488,768	6,124,246	16,613,014
2036	17,577,029	4,076,385	21,653,414	10,172,199	5,749,966	15,922,165
2037	17,299,720	3,691,087	20,990,807	9,634,906	5,405,327	15,040,233
2038	16,863,613	3,314,964	20,178,577	6,212,050	5,075,189	11,287,239
2039	17,118,721	2,964,993	20,083,714	6,433,800	4,864,496	11,298,296
2040	11,875,059	2,608,655	14,483,714	5,210,327	4,646,062	9,856,389
2041	10,752,641	2,419,873	13,172,514	4,376,814	4,465,976	8,842,790
2042	10,936,482	2,253,032	13,189,514	4,548,445	4,299,544	8,847,989
2043	9,521,596	2,081,917	11,603,513	4,045,417	4,126,573	8,171,990
2044	9,632,999	1,970,515	11,603,514	4,197,929	3,974,060	8,171,989
2045	9,745,705	1,857,808	11,603,513	4,356,191	3,815,798	8,171,989
2046	9,859,730	1,743,784	11,603,514	4,520,419	3,651,570	8,171,989
2047	9,975,089	1,628,425	11,603,514	4,690,839	3,481,150	8,171,989
2048	10,091,797	1,511,716	11,603,513	4,867,684	3,304,306	8,171,990
2049	10,209,871	1,393,642	11,603,513	5,051,196	3,120,794	8,171,990
2050	10,329,327	1,274,187	11,603,514	5,241,626	2,930,364	8,171,990
2051	10,450,180	1,153,334	11,603,514	5,439,235	2,732,755	8,171,990
2052	10,572,447	1,031,067	11,603,514	5,644,294	2,527,695	8,171,989
2053	10,696,145	907,369	11,603,514	5,857,084	2,314,906	8,171,990
2054	10,821,290	782,224	11,603,514	6,077,896	2,094,093	8,171,989
2055	10,947,899	655,615	11,603,514	6,307,033	1,864,957	8,171,990
2056	11,075,988	527,525	11,603,513	6,544,808	1,627,182	8,171,990
2057	11,205,578	397,935	11,603,513	6,791,547	1,380,442	8,171,989
2058	11,336,684	266,830	11,603,514	7,047,588	1,124,401	8,171,989
2059	11,469,323	134,191	11,603,514	7,313,283	858,707	8,171,990
2060	-	-	-	7,588,993	582,996	8,171,989
2061	-	-	-	7,875,098	296,892	8,171,990
	482,918,590	$ 98,619,833	$ 581,538,423	286,429,874	$ 128,167,887	$ 414,597,761
	(9,478,030) **			(27,996,209) **		
	$ 473,440,560			$ 258,433,665		

* 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
2026	$ 32,315,000	$ 10,891,537	$ 43,206,537
2027	32,165,000	9,635,277	41,800,277
2028	33,200,000	8,413,019	41,613,019
2029	37,590,684	10,819,418	48,410,102
2030	37,835,346	9,720,469	47,555,815
2031	33,306,115	8,673,841	41,979,956
2032	34,135,612	13,264,163	47,399,775
2033	31,780,146	12,329,424	44,109,570
2034	32,504,654	11,487,107	43,991,761
2035	28,104,293	10,590,191	38,694,484
2036	27,749,228	9,826,351	37,575,579
2037	26,934,626	9,096,414	36,031,040
2038	23,075,663	8,390,153	31,465,816
2039	23,552,521	7,829,489	31,382,010
2040	17,085,386	7,254,717	24,340,103
2041	15,129,455	6,885,849	22,015,304
2042	15,484,927	6,552,576	22,037,503
2043	13,567,013	6,208,490	19,775,503
2044	13,830,928	5,944,575	19,775,503
2045	14,101,896	5,673,606	19,775,502
2046	14,380,149	5,395,354	19,775,503
2047	14,665,928	5,109,575	19,775,503
2048	14,959,481	4,816,022	19,775,503
2049	15,261,067	4,514,436	19,775,503
2050	15,570,953	4,204,551	19,775,504
2051	15,889,415	3,886,089	19,775,504
2052	16,216,741	3,558,762	19,775,503
2053	16,553,229	3,222,275	19,775,504
2054	16,899,186	2,876,317	19,775,503
2055	17,254,932	2,520,572	19,775,504
2056	17,620,796	2,154,707	19,775,503
2057	17,997,125	1,778,377	19,775,502
2058	18,384,272	1,391,231	19,775,503
2059	18,782,606	992,898	19,775,504
2060	7,588,993	582,996	8,171,989
2061	7,875,098	296,892	8,171,990
	769,348,464	$ 226,787,720	$ 996,136,184
	(37,474,239) **		
	$ 731,874,225		

SUMMARY OF REVENUE BOND DEBT SERVICE CHARGES TO MATURITY
PAYABLE FROM GOVERNMENTAL FUND REVENUES

Based on bonded debt as of December 31, 2025

	Sales Tax Special Obligation			Total		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2026	$ 96,738	$ 56,659	$ 153,397	$ 96,738	$ 56,659	$ 153,397
2027	101,436	51,822	153,258	101,436	51,822	153,258
2028	106,562	46,751	153,313	106,562	46,751	153,313
2029	111,687	41,593	153,280	111,687	41,593	153,280
2030	116,598	36,707	153,305	116,598	36,707	153,305
2031	121,723	31,552	153,275	121,723	31,552	153,275
2032	126,849	26,553	153,402	126,849	26,553	153,402
2033	133,042	20,210	153,252	133,042	20,210	153,252
2034	138,380	14,889	153,269	138,380	14,889	153,269
2035	71,966	9,353	81,319	71,966	9,353	81,319
2036	-	6,475	6,475	-	6,475	6,475
2037	-	6,475	6,475	-	6,475	6,475
2038	161,871	6,475	168,346	161,871	6,475	168,346
	$ 1,286,852	$ 355,514	$ 1,642,366	$ 1,286,852	$ 355,514	$ 1,642,366

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SUMMARY OF REVENUE LOAN PAYABLE DEBT SERVICE CHARGES TO MATURITY
PAYABLE FROM PROPRIETARY FUND REVENUES

Based on outstanding loans payable as of December 31, 2025

	Water Utility*			Sewer Utility*		
Year	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2026	$ 11,184,810	$ 4,645,158	$ 15,829,968	$ 2,648,870	$ 1,252,254	$ 3,901,124
2027	11,387,117	4,442,851	15,829,968	2,678,355	1,222,769	3,901,124
2028	11,593,233	4,236,735	15,829,968	2,735,708	1,165,416	3,901,124
2029	11,803,235	4,026,733	15,829,968	2,794,289	1,106,835	3,901,124
2030	12,017,198	3,812,770	15,829,968	2,854,124	1,047,000	3,901,124
2031	12,235,197	3,594,771	15,829,968	2,915,241	985,883	3,901,124
2032	12,457,316	3,372,652	15,829,968	2,977,666	923,458	3,901,124
2033	12,683,630	3,146,338	15,829,968	3,041,428	859,696	3,901,124
2034	12,914,224	2,915,744	15,829,968	3,106,555	794,569	3,901,124
2035	13,149,182	2,680,786	15,829,968	3,173,077	728,047	3,901,124
2036	13,388,588	2,441,380	15,829,968	3,241,024	660,101	3,901,125
2037	13,632,531	2,197,437	15,829,968	3,310,425	590,699	3,901,124
2038	13,881,097	1,948,871	15,829,968	3,381,312	519,812	3,901,124
2039	14,134,379	1,695,589	15,829,968	3,453,718	447,406	3,901,124
2040	14,392,469	1,437,499	15,829,968	3,527,674	373,450	3,901,124
2041	14,655,460	1,174,508	15,829,968	3,603,214	297,911	3,901,125
2042	14,923,450	906,518	15,829,968	3,680,370	220,754	3,901,124
2043	15,196,537	633,431	15,829,968	3,759,180	141,944	3,901,124
2044	15,474,820	355,148	15,829,968	3,839,677	61,447	3,901,124
2045	7,843,419	71,566	7,914,985	-	-	-
	258,947,892	$ 49,736,485	$ 308,684,377	60,721,907	$ 13,399,451	$ 74,121,358

* Revenue loans payable by the Water Utility and Sewer Utility are comprised of Kansas Public Water Supply Loan Fund (KPWSLF) loans, which are direct borrowing and placement loans.

	Totals*		
Year	Principal	Interest	Debt Service Charges
2026	$ 13,833,680	$ 5,897,412	$ 19,731,092
2027	14,065,472	5,665,620	19,731,092
2028	14,328,941	5,402,151	19,731,092
2029	14,597,524	5,133,568	19,731,092
2030	14,871,322	4,859,770	19,731,092
2031	15,150,438	4,580,654	19,731,092
2032	15,434,982	4,296,110	19,731,092
2033	15,725,058	4,006,034	19,731,092
2034	16,020,779	3,710,313	19,731,092
2035	16,322,259	3,408,833	19,731,092
2036	16,629,612	3,101,481	19,731,093
2037	16,942,956	2,788,136	19,731,092
2038	17,262,409	2,468,683	19,731,092
2039	17,588,097	2,142,995	19,731,092
2040	17,920,143	1,810,949	19,731,092
2041	18,258,674	1,472,419	19,731,093
2042	18,603,820	1,127,272	19,731,092
2043	18,955,717	775,375	19,731,092
2044	19,314,497	416,595	19,731,092
2045	7,843,419	71,566	7,914,985
	319,669,799	$ 63,135,936	$ 382,805,735

STATEMENT OF OUTSTANDING DEBT

As of December 31, 2025

OUTSTANDING DEBT:		
Bonded debt payable from:		
General obligation bonds:		
Ad valorem property taxes		**$ 68,224,002**
Other than ad valorem property taxes:		
Special assessments	$ 190,736,915	
Tax increment financing	31,724,083	
Transient guest tax	2,300,000	
Airport Authority	110,975,000	
Local sales tax	38,350,000	
Stormwater Utility	2,445,000	
Water Utility	73,990,000	**450,520,998**
Total bonded debt - general obligation		**518,745,000**
Revenue bonds - specified revenues:		
Water-Sewer Utility Revenue Bonds	323,765,000	
Water-Sewer Utility WIFIA Bonds [2]	408,109,225	
Sales Tax Special Obligation Revenue Bonds - 2018 [1]	1,286,852	**733,161,077**
Gross City bonded debt		**1,251,906,077**
Other debt:		
Financed purchase debt	3,078,740	
Water-Sewer Utility KPWSLF Loans [3]	319,669,799	**322,748,539**
Total outstanding debt		**$ 1,574,654,616**
Less: non-general obligation debt:		
Revenue bonds - specific revenues:		
Water-Sewer Utility Revenue Bonds	$ (323,765,000)	
Water-Sewer Utility WIFIA Bonds [2]	(408,109,225)	
Sales Tax Special Obligation Revenue Bonds - 2018 [1]	(1,286,852)	**(733,161,077)**
Other debt:		
Financed purchase debt	(3,078,740)	
Water-Sewer Utility KPWSLF Loans [3]	(319,669,799)	**(322,748,539)**
Add: General obligation temporary notes		
Internal Improvements - Series 322, Dated 10/15/2025	95,365,000	**95,365,000**
Total general obligation outstanding debt		**$ 614,110,000**

[1] Portion of the bonds outstanding listed are based upon City's portion of the 1% Sedgwick County Sales Tax.

[2] See *Note 10.G - Direct Borrowings and Placements: Bonds and Long-term Loans, Water Infrastructure Finance and Innovation Act (WIFIA) Bonds* section for information on the City's two outstanding WIFIA Bonds for the Water and Sewer Utility.

[3] See *Note 10.G - Direct Borrowings and Placements: Bonds and Long-term Loans, Kansas Public Water Supply Loan Fund (KPWSLF or Revolving Fund)* section for information on the City's four outstanding KPWSLF loans for the Water and Sewer Utility.

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SCHEDULE OF INSURANCE IN FORCE

December 31, 2025

Company	Policy Period From	Policy Period To	Details of Coverage	Terms	Deductible	Value Limits
Traveler's (primary) with RSUI, STARR, and Chubb providing secondary coverages up to the value limits.	01-25	01-26	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. Damage to vehicles is not included. Water Reclamation Facility has a separate deductible.	Per occurrence with total insured values of approximately $1 billion.	$ 250,000 (3% TIV, min. $500,000 per location wind/ hail) 1,000,000 Water Reclamation Facility	$ 350,000,000
Traveler's	01-25	01-26	Comprehensive coverage for steam boilers, air conditioners, and electric motors on a repair or replacement cost basis.	Per occurrence	250,000	Included
Traveler's	01-25	01-26	Data processing property protection	Hardware	250,000	Included
Hartford Fire	01-25	01-26	Burglary and/or theft coverage for monies and securities	Per occurrence	10,000	50,000 to 1,000,000
Housing Authority Risk Retention Group	06-25	06-26	Wichita Housing Authority (WHA) commercial, pesticide, mold/other fungi/bacteria, third party discrimination liability coverage	Per occurrence	10,000 commercial, 2,500 pesticide, 25,000 mold, 10,000 discrimination	5,000,000 commercial, 50,000 pesticide, 100,000 mold, 50,000 fire damage, 500,000 discrimination
Housing Authority Property Insurance	06-25	06-26	WHA occupied commercial property coverage	Per occurrence with combined limit based on individual property values	10,000	14,497,324
Housing Specialty Insurance Company	06-25	06-26	WHA vacant commercial property coverage	Per occurrence with combined limit based on individual actual cash values	25,000	15,896,184
Philadelphia Indemnity Insurance	12-25	12-26	WHA flood insurance on 23 owned units	Per occurrence	1,000 to 5,000 per unit	48,000 to 55,000 per unit
Philadelphia Indemnity Insurance	05-25	05-26	WHA flood insurance on 5 owned units	Per occurrence	1,000 to 1,250 per unit	63,000 to 161,000 per unit
Safety National Casualty Corporation	01-25	01-26	Excess workers' compensation Employers' liability	Per occurrence- liability imposed by law (higher amount is Per occurrence	850,000 1,000,000 -	Statutory 1,000,000
Zurich	01-25	01-26	Travel accident insurance	Per person/occurrence Aggregate	- -	100,000 300,000

(Continued)

SCHEDULE OF INSURANCE IN FORCE (CONTINUED)

December 31, 2025

Company	Policy Period From	Policy Period To	Details of Coverage	Terms	Deductible	Value Limits
Chubb	01-25	01-26	Foreign package-General liability	Per occurrence	$ -	$ 1,000,000
Safety National and Obsidian	01-25	01-26	Special liability - $2 million (self-insured retention), $5 million primary	Per occurrence	2,000,000	10,000,000
Traveler's	01-25	01-26	Position bonding	Per occurrence	-	100,000
AmTrust	01-24	01-26	Cyber insurance	Combined aggregate	250,000	5,000,000
WICHITA AIRPORT AUTHORITY						
AIG	01-25	01-26	Comprehensive general liability	Per occurrence	$ 1,000	$ 100,000,000
Ace American Insurance Co.	01-24	01-26	Drone Coverage	Per occurrence	-	1,000,000
Great American Alliance Ins. Co.	01-24	01-26	Underground storage tank liability (City-Wide)	Per occurrence	10,000	1,000,000
WICHITA ART MUSEUM						
StarNet / XL Specialty	01-25	01-26	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, 2025

	Economic Development Subfund	Stabilization Reserve Subfund	General Fund	Intrafund Elimination	Combined General Fund
ASSETS					
Cash and cash equivalents	$ 1,970,785	$ 44,818,611	$ 65,385,594	$ -	$ 112,174,990
Receivables, net:					
Property taxes receivable	-	-	138,061,505	-	138,061,505
Due from other agencies	-	-	45,782	-	45,782
Accounts receivable	150,000	-	1,748,199	-	1,898,199
Leases receivable	1,530,666	-	-	-	1,530,666
Due from other funds	10,905	-	56,782	-	67,687
Prepaid items	-	-	37,752	-	37,752
Total assets	$ 3,662,356	$ 44,818,611	$ 205,335,614	$ -	$ 253,816,581
LIABILITIES					
Accounts payable and other liabilities	$ 95,677	$ -	$ 11,901,207	$ -	$ 11,996,884
Deposits	58,958	-	673,183	-	732,141
Unearned revenue	-	-	218,880	-	218,880
Total liabilities	154,635	-	12,793,270	-	12,947,905
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue:					
Property taxes	-	-	134,984,537	-	134,984,537
Unavailable revenue:					
Property taxes	-	-	1,798,742	-	1,798,742
Other	35,000	-	71,781	-	106,781
Deferred inflows related to leases	1,573,667	-	-	-	1,573,667
Total deferred inflows of resources	1,608,667	-	136,855,060	-	138,463,727
FUND BALANCES					
Nonspendable	-	-	37,752	-	37,752
Assigned	1,899,054	-	2,055,772	-	3,954,826
Unassigned	-	44,818,611	53,593,760	-	98,412,371
Total fund balances	1,899,054	44,818,611	55,687,284	-	102,404,949
Total liabilities, deferred inflows of resources and fund balances	$ 3,662,356	$ 44,818,611	$ 205,335,614	$ -	$ 253,816,581

COMBINING BALANCE SHEET

December 31, 2025

	Economic Development TIF Districts Subfund	Debt Service Reserves Subfund	Debt Service Fund	Intrafund Elimination	Combined Debt Service Fund
ASSETS					
Cash and cash equivalents	$ 1,477,969	$ 3,201,142	$ 30,769,650	$ -	$ 35,448,761
Cash with fiscal agent	-	-	37,696	-	37,696
Receivables, net:					
Property taxes receivable	-	-	38,240,125	-	38,240,125
Special assessments receivable	-	-	213,634,802	-	213,634,802
Notes receivable	-	-	219,000	-	219,000
Total assets	$ 1,477,969	$ 3,201,142	$ 282,901,273	$ -	$ 287,580,384
LIABILITIES					
Deposits	11,458	-	1,951,456	-	1,962,914
Unearned revenue	-	-	2,537,160	-	2,537,160
Total liabilities	11,458	-	4,488,616	-	4,500,074
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue:					
Property taxes	-	-	37,322,545	-	37,322,545
Unavailable revenue:					
Property taxes	-	-	536,818	-	536,818
Special assessments	-	-	213,405,022	-	213,405,022
Total deferred inflows of resources	-	-	251,264,385	-	251,264,385
FUND BALANCES					
Restricted	1,466,511	3,201,142	27,148,272	-	31,815,925
Total fund balances	1,466,511	3,201,142	27,148,272	-	31,815,925
Total liabilities, deferred inflows of resources and fund balances	$ 1,477,969	$ 3,201,142	$ 282,901,273	$ -	$ 287,580,384

COMBINING BALANCE SHEET

December 31, 2025

	East Bank TIF District	West Bank TIF District	Southfork TIF District	Center City TIF District
ASSETS				
Cash and cash equivalents	$ 188,534	$ 628,371	$ 1,617	$ 637,244
Total assets	$ 188,534	$ 628,371	$ 1,617	$ 637,244
LIABILITIES				
Deposits	-	-	-	-
Total liabilities	-	-	-	-
FUND BALANCES				
Restricted	188,534	628,371	1,617	637,244
Total fund balances	188,534	628,371	1,617	637,244
Total liabilities, deferred inflows of resources and fund balances	$ 188,534	$ 628,371	$ 1,617	$ 637,244

Ken Mar TIF District	Douglas & Hillside TIF District	Union Station TIF District	Riverside TIF District	ICT21 TIF District	Economic Development TIF Districts
$ 6,010	$ -	$ 11,458	$ -	4,735	$ 1,477,969
$ 6,010	$ -	$ 11,458	$ -	$ 4,735	$ 1,477,969
-	-	11,458	-	-	11,458
-	-	11,458	-	-	11,458
6,010	-	-	-	4,735	1,466,511
6,010	-	-	-	4,735	1,466,511
$ 6,010	$ -	$ 11,458	$ -	$ 4,735	$ 1,477,969

COMBINING BALANCE SHEET

December 31, 2025

	WaterWalk Hotel Debt Service Reserve	K-96 & Greenwich Debt Service Reserve	Multi-Sports Stadium Debt Service Reserve	Debt Service Reserves Subfund
ASSETS				
Cash and cash equivalents	$ 1,700,000	$ 1,042,567	$ 458,575	$ 3,201,142
Total assets	$ 1,700,000	$ 1,042,567	$ 458,575	$ 3,201,142
FUND BALANCES				
Restricted	$ 1,700,000	$ 1,042,567	$ 458,575	$ 3,201,142
Total fund balances	$ 1,700,000	$ 1,042,567	$ 458,575	$ 3,201,142

COMBINING BALANCE SHEET

December 31, 2025

	Gilbert & Mosely TIF District	North Industrial Corridor TIF District	Environmental TIF Districts
ASSETS			
Cash and cash equivalents	$ 20,274,724	$ 17,067,013	$ 37,341,737
Receivables, net:			
Accounts receivable	741,000	-	741,000
Due from other funds	2,357	294	2,651
Total assets	$ 21,018,081	$ 17,067,307	$ 38,085,388
LIABILITIES			
Accounts payable and other liabilities	$ 27,837	$ 21,744	$ 49,581
Total liabilities	27,837	21,744	49,581
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue:			
Other	741,000	-	741,000
Total deferred inflows of resources	741,000	-	741,000
FUND BALANCES			
Restricted	20,249,244	17,045,563	37,294,807
Total fund balances	20,249,244	17,045,563	37,294,807
Total liabilities, deferred inflows of resources and fund balances	$ 21,018,081	$ 17,067,307	$ 38,085,388

COMBINING BALANCE SHEET

December 31, 2025

	City-County Flood Control	City-County Metropolitan Planning	City-County Joint Operations
ASSETS			
Cash and cash equivalents	$ 263,011	$ 429,046	$ 692,057
Due from other funds	972	-	972
Total assets	$ 263,983	$ 429,046	$ 693,029
LIABILITIES			
Accounts payable and other liabilities	$ 219,626	$ 255,259	$ 474,885
Total liabilities	219,626	255,259	474,885
FUND BALANCES			
Restricted	44,357	173,787	218,144
Total fund balances	44,357	173,787	218,144
Total liabilities and fund balances	$ 263,983	$ 429,046	$ 693,029

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COMBINING BALANCE SHEET

December 31, 2025

	WaterWalk Hotel	Broadview Hotel	Central & Oliver	Greenwich & K-96 (Cabelas)
ASSETS				
Cash and cash equivalents	$ 9,247	$ 11,762	$ 2,327	$ 20,136
Receivables, net:				
Accounts receivable	-	-	-	-
Total assets	$ 9,247	$ 11,762	$ 2,327	$ 20,136
LIABILITIES				
Accounts payable and other liabilities	$ 9,247	$ 11,762	$ 2,327	$ 20,136
Due to other funds	-	-	-	-
Total liabilities	9,247	11,762	2,327	20,136
FUND BALANCES				
Restricted	-	-	-	-
Total fund balances	-	-	-	-
Total liabilities and fund balances	$ 9,247	$ 11,762	$ 2,327	$ 20,136

Douglas & Broadway	Kellogg & West	Wichita Downtown	Chicken & Pickle	Spaghetti Works	Multi-Sports Stadium	Douglas & Emporia
$ 15,280	$ 15,888	$ 10,469	$ 14,675	$ 6,116	$ 559	$ 42,556
-	-	-	-	-	-	-
$ 15,280	$ 15,888	$ 10,469	$ 14,675	$ 6,116	$ 559	$ 42,556
$ 15,280	$ 15,888	$ 10,469	$ 14,675	$ 6,116	$ 559	$ 13,910
-	-	-	-	-	-	-
15,280	15,888	10,469	14,675	6,116	559	13,910
-	-	-	-	-	-	28,646
-	-	-	-	-	-	28,646
$ 15,280	$ 15,888	$ 10,469	$ 14,675	$ 6,116	$ 559	$ 42,556

(Continued)

COMBINING BALANCE SHEET (CONTINUED)

December 31, 2025

	Delano Catalyst	Douglas Market	Saddle Creek	Community Improvement Districts
ASSETS				
Cash and cash equivalents	$ 11,269	$ 49,874	$ 9,775	$ 219,933
Receivables, net:				
Accounts receivable	-	-	-	-
Total assets	$ 11,269	$ 49,874	$ 9,775	$ 219,933
LIABILITIES				
Accounts payable and other liabilities	$ 11,269	$ -	$ 9,775	$ 141,413
Due to other funds	-	-	-	-
Total liabilities	11,269	-	9,775	141,413
FUND BALANCES				
Restricted	-	49,874	-	78,520
Total fund balances	-	49,874	-	78,520
Total liabilities and fund balances	$ 11,269	$ 49,874	$ 9,775	$ 219,933

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COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2025

	Economic Development Subfund	Stabilization Reserve Subfund	General Fund	Intrafund Elimination	Combined General Fund
REVENUES					
Property taxes	$ -	$ -	$ 122,429,895	$ -	$ 122,429,895
Motor vehicle taxes	-	-	14,843,495	-	14,843,495
Franchise taxes	-	-	56,000,008	-	56,000,008
Local sales tax	-	-	41,911,731	-	41,911,731
Intergovernmental	-	-	18,650,703	-	18,650,703
Licenses and permits	-	-	3,030,385	-	3,030,385
Fines and penalties	148	-	4,612,021	-	4,612,169
Rentals	592,641	-	918,476	-	1,511,117
Sale of property	50,559	-	166,912	-	217,471
Interest and investment earnings	-	-	39,845,296	-	39,845,296
Charges for services and sales	174,972	-	19,194,344	-	19,369,316
Other revenue	482,318	-	9,470,986	(117,863)	9,835,441
Total revenues	1,300,638	-	331,074,252	(117,863)	332,257,027
EXPENDITURES					
Current:					
General government	903,050	-	44,263,385	(117,863)	45,048,572
Public safety	-	-	212,732,646	-	212,732,646
Highways and streets	-	-	16,320,175	-	16,320,175
Sanitation	-	-	6,979,214	-	6,979,214
Health and welfare	-	-	1,943,917	-	1,943,917
Culture and recreation	-	-	35,158,916	-	35,158,916
Debt service:					
Principal retirement - financed purchase debt	-	-	158,726	-	158,726
Interest - financed purchase debt	-	-	65,942	-	65,942
Principal retirement - leases	-	-	166,102	-	166,102
Interest - leases	-	-	31,342	-	31,342
Principal retirement - SBITA	-	-	1,487,343	-	1,487,343
Interest - SBITA	-	-	480,507	-	480,507
Total expenditures	903,050	-	319,788,215	(117,863)	320,573,402
Excess of revenues under expenditures	397,588	-	11,286,037	-	11,683,625
OTHER FINANCING SOURCES (USES)					
Issuance of long-term lease	-	-	96,875	-	96,875
Issuance of SBITA	-	-	728,201	-	728,201
Transfers from other funds	-	7,099,174	7,181,964	(7,099,174)	7,181,964
Transfers to other funds	(149,500)	-	(15,436,242)	7,099,174	(8,486,568)
Total other financing sources (uses)	(149,500)	7,099,174	(7,429,202)	-	(479,528)
Net change in fund balance	248,088	7,099,174	3,856,835	-	11,204,097
Fund balances - beginning	1,650,966	37,719,437	51,830,449	-	91,200,852
Fund balances - ending	$ 1,899,054	$ 44,818,611	$ 55,687,284	$ -	$ 102,404,949

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2025

	Economic Development TIF Districts Subfund	Debt Service Reserves Subfund	Debt Service Fund	Intrafund Elimination	Combined Debt Service Fund
REVENUES					
Property taxes	$ 6,260,100	$ -	$ 37,578,046	$ -	$ 43,838,146
Motor vehicle taxes	-	-	4,038,042	-	4,038,042
Special assessments	-	-	20,956,612	-	20,956,612
Local sales tax	-	-	347,965	-	347,965
Sale of property	-	-	3,330	-	3,330
Interest and investment earnings	-	-	61,024	-	61,024
Other revenue	-	-	223,692	-	223,692
Total revenues	6,260,100	-	63,208,711	-	69,468,811
EXPENDITURES					
Current:					
General government	486,135	-	-	-	486,135
Debt service:					
Principal retirement	-	-	34,017,194	-	34,017,194
Interest and fiscal charges	-	-	12,747,428	-	12,747,428
Other debt service	-	-	127,541	-	127,541
Total expenditures	486,135	-	46,892,163	-	47,378,298
Excess of revenues over expenditures	5,773,965	-	16,316,548	-	22,090,513
OTHER FINANCING SOURCES (USES)					
Premiums on issuance of debt	-	-	201,674	-	201,674
Transfers from other funds	-	194,722	16,401,378	(5,652,313)	10,943,787
Transfers to other funds	(4,802,600)	(849,713)	(29,073,211)	5,652,313	(29,073,211)
Total other financing uses	(4,802,600)	(654,991)	(12,470,159)	-	(17,927,750)
Net change in fund balance	971,365	(654,991)	3,846,389	-	4,162,763
Fund balances - beginning	495,146	3,856,133	23,301,883	-	27,653,162
Fund balances - ending	$ 1,466,511	$ 3,201,142	$ 27,148,272	$ -	$ 31,815,925

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2025

	East Bank TIF District	West Bank TIF District	Southfork TIF District	Center City TIF District
REVENUES				
Property taxes	$ 2,049,407	$ 1,629,808	$ 118,350	$ 1,617,539
Total revenues	2,049,407	1,629,808	118,350	1,617,539
EXPENDITURES				
Current:				
General government	-	-	117,797	-
Total expenditures	-	-	117,797	-
Excess (deficiency) of revenues over (under) expenditures	2,049,407	1,629,808	553	1,617,539
OTHER FINANCING USES				
Transfers to other funds	(1,972,578)	(1,143,937)	-	(1,184,572)
Total other financing uses	(1,972,578)	(1,143,937)	-	(1,184,572)
Net change in fund balance	76,829	485,871	553	432,967
Fund balances - beginning	111,705	142,500	1,064	204,277
Fund balances - ending	$ 188,534	$ 628,371	$ 1,617	$ 637,244

Ken Mar TIF District	Douglas & Hillside TIF District	Union Station TIF District	Riverside TIF District	ICT21 TIF District	Economic Development TIF Districts
$ 37,247	$ 259,030	$ 368,277	$ 76,831	$ 103,611	$ 6,260,100
37,247	259,030	368,277	76,831	103,611	6,260,100
-	-	368,338	-	-	486,135
-	-	368,338	-	-	486,135
37,247	259,030	(61)	76,831	103,611	5,773,965
(31,804)	(294,002)	-	(76,831)	(98,876)	(4,802,600)
(31,804)	(294,002)	-	(76,831)	(98,876)	(4,802,600)
5,443	(34,972)	(61)	-	4,735	971,365
567	34,972	61	-	-	495,146
$ 6,010	$ -	$ -	$ -	$ 4,735	$ 1,466,511

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2025

	WaterWalk Hotel Debt Service Reserve	K-96 & Greenwich Debt Service Reserve	Multi-Sports Stadium Debt Service Reserve	Debt Service Reserves Subfund
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	$ -	$ -	$ 194,722	$ 194,722
Transfers to other funds	-	(134,997)	(714,716)	(849,713)
Total other financing uses	-	(134,997)	(519,994)	(654,991)
Net change in fund balance	-	(134,997)	(519,994)	(654,991)
Fund balances - beginning	1,700,000	1,177,564	978,569	3,856,133
Fund balances - ending	$ 1,700,000	$ 1,042,567	$ 458,575	$ 3,201,142

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2025

	Gilbert & Mosley TIF District	North Industrial Corridor TIF District	Environmental TIF Districts
REVENUES			
Property taxes	$ 27	$ 1,165,300	$ 1,165,327
Other revenue	-	3,600	3,600
Total revenues	27	1,168,900	1,168,927
EXPENDITURES			
Current:			
Health and welfare	853,592	644,385	1,497,977
Total expenditures	853,592	644,385	1,497,977
Net change in fund balance	(853,565)	524,515	(329,050)
Fund balances - beginning	21,102,809	16,521,048	37,623,857
Fund balances - ending	$ 20,249,244	$ 17,045,563	$ 37,294,807

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2025

	City-County Flood Control	City-County Metropolitan Planning	City-County Joint Operations
REVENUES			
Intergovernmental	$ 1,374,176	$ 717,916	$ 2,092,092
Licenses and permits		89,550	89,550
Sale of property	4,680	-	4,680
Charges for services and sales	-	465,865	465,865
Other revenue	-	524,926	524,926
Total revenues	1,378,856	1,798,257	3,177,113
EXPENDITURES			
Current:			
General government	-	1,827,254	1,827,254
Public safety	2,736,526	581,930	3,318,456
Total expenditures	2,736,526	2,409,184	5,145,710
Deficiency of revenues under expenditures	(1,357,670)	(610,927)	(1,968,597)
OTHER FINANCING SOURCES			
Transfers from other funds	1,374,176	717,916	2,092,092
Transfers to other funds	-	(32,551)	(32,551)
Total other financing sources	1,374,176	685,365	2,059,541
Net change in fund balance	16,506	74,438	90,944
Fund balances - beginning	27,851	99,349	127,200
Fund balances - ending	$ 44,357	$ 173,787	$ 218,144

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COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2025

	WaterWalk Hotel	Broadview Hotel	Central & Oliver	Greenwich & K-96 (Cabelas)
REVENUES				
Local sales tax	$ 104,534	$ 143,611	40,580	$ 302,269
Total revenues	104,534	143,611	40,580	302,269
EXPENDITURES				
Current:				
General government	104,534	143,611	40,580	302,269
Total expenditures	104,534	143,611	40,580	302,269
Excess (deficiency) of revenues over (under) 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	Wichita Downtown	Chicken & Pickle	Spaghetti Works	Multi-Sports Stadium	Douglas & Emporia
$ 182,107	$ 294,499	$ 123,811	$ 156,349	$ 83,071	$ 204,970	$ 14,544
182,107	294,499	123,811	156,349	83,071	204,970	14,544
182,107	294,499	123,811	140,714	74,764	10,249	-
182,107	294,499	123,811	140,714	74,764	10,249	-
-	-	-	15,635	8,307	194,721	14,544
-	-	-	(15,635)	(8,307)	(194,721)	(1,455)
-	-	-	(15,635)	(8,307)	(194,721)	(1,455)
-	-	-	-	-	-	13,089
-	-	-	-	-	-	15,557
$ -	$ -	$ -	$ -	$ -	$ -	$ 28,646

(Continued)

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended December 31, 2025

	Delano Catalyst	Douglas Market	Saddle Creek	Community Improvement Districts
REVENUES				
Local sales tax	$ 130,648	$ 15,303	$ 145,625	$ 1,941,921
Total revenues	130,648	15,303	145,625	1,941,921
EXPENDITURES				
Current:				
General government	130,648	765	145,625	1,694,176
Total expenditures	130,648	765	145,625	1,694,176
Excess (deficiency) of revenues over (under) expenditures	-	14,538	-	247,745
OTHER FINANCING USES				
Transfers to other funds	-	(1,530)	-	(221,648)
Total other financing uses	-	(1,530)	-	(221,648)
Net change in fund balance	-	13,008	-	26,097
Fund balances - beginning	-	36,866	-	52,423
Fund balances - ending	$ -	$ 49,874	$ -	$ 78,520

Statistical Section



League 42 Jackie Robinson Statue Unveiling

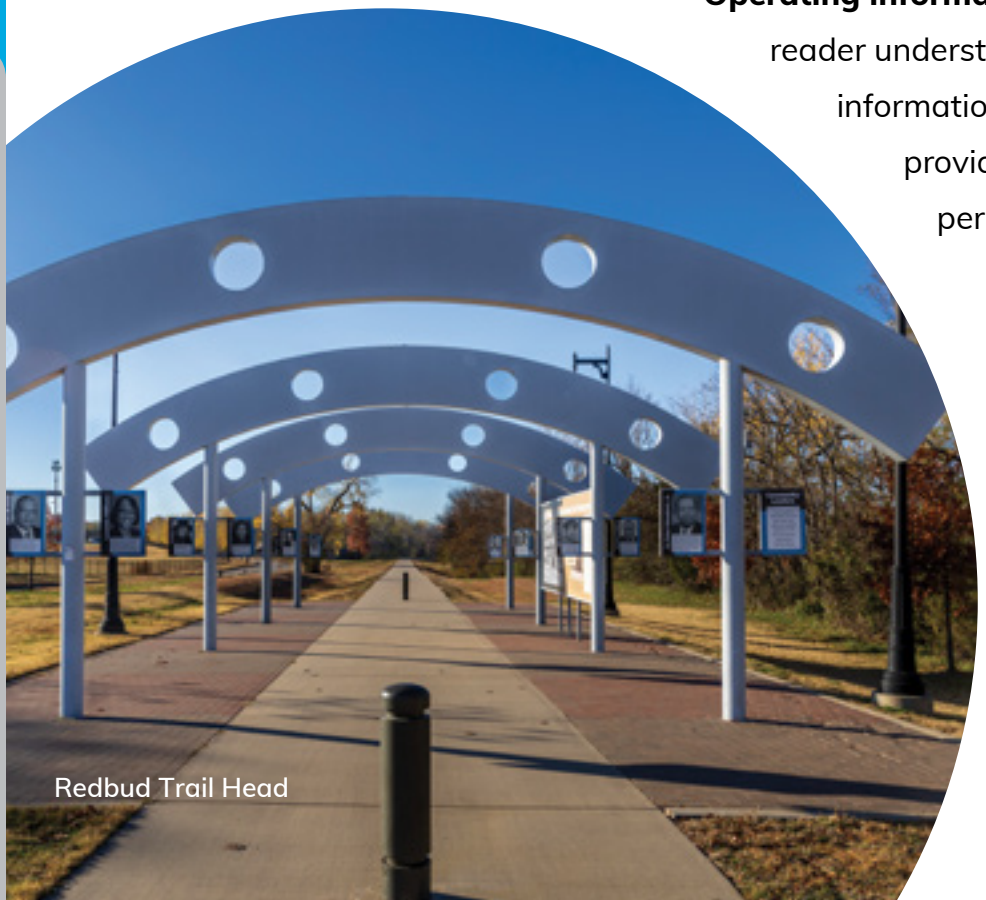
The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health over time.

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.



Redbud Trail Head

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NET POSITION BY COMPONENT

For years ended December 31, 2016 through December 31, 2025
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2016	2017	2018	2019	2020
GOVERNMENTAL ACTIVITIES					
Net investment in capital assets	$ 831,119	$ 860,155	$ 877,975	$ 893,090	$ 967,595
Restricted for:					
Alcohol and drug programs	-	-	-	-	-
Capital projects	30,743	14,594	28,221	45,334	42,417
Cemetery (perpetual care)	1,498	1,500	1,386	1,512	1,402
City-County joint operations	-	-	-	-	-
City facility operations	-	-	-	-	-
Debt service	183,820	180,661	176,757	171,034	170,604
Environmental remediation	-	-	-	-	-
Grant programs	-	-	-	-	-
Highways and streets	702	2,958	9,227	13,466	16,380
Municipal court	-	-	-	-	-
Other purposes	28,192	28,372	25,063	33,103	35,170
Park and recreation	-	-	-	-	-
Promotion and development	-	-	-	-	-
Unrestricted	38,389	20,546	25,860	(51,464)	(113,430)
Total governmental activities net position	$ 1,114,463	$ 1,108,786	$ 1,144,489	$ 1,106,075	$ 1,120,138
BUSINESS-TYPE ACTIVITIES					
Net investment in capital assets	$ 956,424	$ 966,425	$ 1,006,030	$ 1,006,493	$ 1,038,139
Restricted for:					
Capital projects	18,398	9,554	13,836	18,058	20,121
Operating projects	-	-	-	-	6,108
Revenue bond covenants	114,093	131,055	113,163	145,733	162,408
Unrestricted	72,483	85,514	86,752	78,696	82,781
Total business-type activities net position	$ 1,161,398	$ 1,192,548	$ 1,219,781	$ 1,248,980	$ 1,309,557
PRIMARY GOVERNMENT					
Net investment in capital assets	$ 1,787,543	$ 1,826,580	$ 1,884,005	$ 1,899,583	$ 2,005,734
Restricted for:					
Alcohol and drug programs	-	-	-	-	-
Capital projects	49,141	24,148	42,057	63,392	62,538
Cemetery (perpetual care)	1,498	1,500	1,386	1,512	1,402
City-County joint operations	-	-	-	-	-
City facility operations	-	-	-	-	-
Debt service	183,820	180,661	176,757	171,034	170,604
Environmental remediation	-	-	-	-	-
Grant programs	-	-	-	-	-
Highways and streets	702	2,958	9,227	13,466	16,380
Municipal court	-	-	-	-	-
Operating projects	-	-	-	-	6,108
Other purposes	28,192	28,372	25,063	33,103	35,170
Park and recreation	-	-	-	-	-
Promotion and development	-	-	-	-	-
Revenue bond covenants	114,093	131,055	113,163	145,733	162,408
Unrestricted	110,872	106,060	112,612	27,232	(30,649)
Total primary government net position	$ 2,275,861	$ 2,301,334	$ 2,364,270	$ 2,355,055	$ 2,429,695

	Fiscal Year				
	2021	2022	2023	2024	2025
GOVERNMENTAL ACTIVITIES					
Net investment in capital assets	$ 945,075	$ 935,714	$ 956,954	$ 987,117	$ 1,050,955
Restricted for:					
Alcohol and drug programs	-	-	4,160	5,773	6,242
Capital projects	47,886	49,321	44,403	44,585	48,526
Cemetery (perpetual care)	1,584	1,619	1,564	1,584	1,640
City-County joint operations	-	-	-	127	218
City facility operations	-	-	-	49	82
Debt service	190,954	198,169	213,033	226,201	242,700
Environmental remediation	-	-	6,318	8,501	9,554
Grant programs	-	-	10,566	17,710	29,581
Highways and streets	20,952	24,888	29,537	33,734	37,725
Municipal court	-	-	3,824	3,941	4,201
Other purposes	37,638	35,283	15	-	-
Park and recreation	-	-	897	594	177
Promotion and development	-	-	9,988	11,167	4,251
Unrestricted	(79,002)	(47,963)	(55,933)	(59,804)	(71,417)
Total governmental activities net position	$ 1,165,087	$ 1,197,031	$ 1,225,326	$ 1,281,279	$ 1,364,435
BUSINESS-TYPE ACTIVITIES					
Net investment in capital assets	$ 1,078,289	$ 1,066,165	$ 1,100,117	$ 1,149,752	$ 1,203,609
Restricted for:					
Capital projects	5,808	8,951	3,317	3,893	4,857
Operating projects	6,983	8,113	8,047	9,004	9,988
Revenue bond covenants	207,987	182,877	199,451	339,710	352,835
Unrestricted	90,805	221,362	278,011	174,707	174,416
Total business-type activities net position	$ 1,389,872	$ 1,487,468	$ 1,588,943	$ 1,677,066	$ 1,745,705
PRIMARY GOVERNMENT					
Net investment in capital assets	$ 2,023,364	$ 2,001,879	$ 2,057,071	$ 2,136,869	$ 2,254,564
Restricted for:					
Alcohol and drug programs	-	-	4,160	5,773	6,242
Capital projects	53,694	58,272	47,720	48,478	53,383
Cemetery (perpetual care)	1,584	1,619	1,564	1,584	1,640
City-County joint operations	-	-	-	127	218
City facility operations	-	-	-	49	82
Debt service	190,954	198,169	213,033	226,201	242,700
Environmental remediation	-	-	6,318	8,501	9,554
Grant programs	-	-	10,566	17,710	29,581
Highways and streets	20,952	24,888	29,537	33,734	37,725
Municipal court	-	-	3,824	3,941	4,201
Operating projects	6,983	8,113	8,047	9,004	9,988
Other purposes	37,638	35,283	15	-	-
Park and recreation	-	-	897	594	177
Promotion and development	-	-	9,988	11,167	4,251
Revenue bond covenants	207,987	182,877	199,451	339,710	352,835
Unrestricted	11,803	173,399	222,078	114,903	102,999
Total primary government net position	$ 2,554,959	$ 2,684,499	$ 2,814,269	$ 2,958,345	$ 3,110,140

CHANGES IN NET POSITION

For years ended December 31, 2016 through December 31, 2025
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2016	2017	2018	2019	2020
EXPENSES					
Governmental activities:					
General government	$ 47,613	$ 62,657	$ 53,601	$ 53,832	$ 50,481
Public safety	151,445	150,548	146,543	170,966	173,495
Highways and streets	44,659	101,127	77,138	93,555	67,712
Sanitation	5,054	5,035	5,198	4,781	7,536
Health and welfare	34,973	33,392	42,045	36,035	34,918
Culture and recreation	43,908	45,189	48,998	49,526	42,140
Interest on long-term debt	14,874	11,258	10,585	12,305	11,557
Total governmental activities expenses	342,526	409,206	384,108	421,000	387,839
Business-type activities:					
Water Utility	75,308	77,795	77,052	77,827	82,008
Sewer Utility	48,510	49,942	51,177	53,290	53,565
Airport Authority	38,671	39,887	39,852	42,813	42,755
Stormwater Utility	10,111	9,937	9,958	11,050	11,856
Golf Course System	5,038	5,296	5,016	4,897	4,281
Transit	14,086	14,829	15,780	15,476	16,038
Landfill	-	-	-	-	-
Total business-type activities expenses	191,724	197,686	198,835	205,353	210,503
Total primary government expenses	$ 534,250	$ 606,892	$ 582,943	$ 626,353	$ 598,342
PROGRAM REVENUES					
Governmental activities:					
Charges for services:					
General government	$ 32,111	$ 24,337	$ 24,422	$ 27,206	$ 23,203
Public safety	7,566	3,244	5,020	5,106	6,114
Highways and streets	6,606	3,584	4,322	3,792	3,835
Sanitation	2,134	4,710	3,168	2,864	2,711
Health and welfare	4,271	2,590	3,486	3,420	4,322
Culture and recreation	5,921	3,707	5,063	5,221	2,527
Operating grants and contributions	49,012	49,218	45,880	53,891	65,495
Capital grants and contributions	51,006	76,791	98,229	40,591	42,664
Total governmental activities revenues	158,627	168,181	189,590	142,091	150,871
Business-type activities:					
Charges for services:					
Water Utility	77,241	81,026	88,015	85,197	103,244
Sewer Utility	54,626	57,409	62,665	65,697	68,116
Airport Authority	28,394	31,012	30,565	32,086	23,251
Stormwater Utility	9,198	11,897	12,853	12,799	13,009
Golf Course System	4,412	4,352	4,190	3,985	4,062
Transit	1,783	1,908	2,152	2,083	1,232
Landfill	-	-	-	-	-
Operating grants and contributions	7,406	6,781	7,036	6,864	19,166
Capital grants and contributions	33,555	22,290	11,037	16,003	23,180
Total business-type activities revenues	216,615	216,675	218,513	224,714	255,260
Total primary government revenues	$ 375,242	$ 384,856	$ 408,103	$ 366,805	$ 406,131
NET REVENUE (EXPENSE)					
Governmental activities	$ (183,899)	$ (241,025)	$ (194,518)	$ (278,909)	$ (236,968)
Business-type activities	24,891	18,989	19,678	19,361	44,757
Total primary government net expense	$ (159,008)	$ (222,036)	$ (174,840)	$ (259,548)	$ (192,211)

Note: A reclassification between charges for services and transient guest taxes for governmental activities was made to prior years for consistency.

	Fiscal Year				
	2021	2022	2023	2024	2025
EXPENSES					
Governmental activities:					
General government	$ 53,279	$ 61,436	$ 75,646	$ 69,054	$ 71,282
Public safety	154,190	149,734	226,644	216,006	240,542
Highways and streets	57,704	62,033	66,200	72,830	61,078
Sanitation	8,882	6,271	7,342	4,174	6,236
Health and welfare	62,423	56,334	39,972	35,153	37,992
Culture and recreation	42,094	46,586	52,543	59,949	60,143
Interest on long-term debt	7,014	9,748	7,907	9,329	9,877
Total governmental activities expenses	385,586	392,142	476,254	466,495	487,150
Business-type activities:					
Water Utility	82,923	93,902	92,843	114,419	105,177
Sewer Utility	51,984	55,140	56,004	55,983	65,707
Airport Authority	37,457	38,786	42,202	45,460	45,772
Stormwater Utility	10,721	9,997	12,028	10,243	11,061
Golf Course System	4,024	4,431	5,505	5,576	6,245
Transit	15,570	16,241	17,700	18,026	19,908
Landfill	-	2,675	2,573	3,036	2,832
Total business-type activities expenses	202,679	221,172	228,855	252,743	256,702
Total primary government expenses	$ 588,265	$ 613,314	$ 705,109	$ 719,238	$ 743,852
PROGRAM REVENUES					
Governmental activities:					
Charges for services					
General government	$ 28,464	$ 25,295	$ 23,999	$ 22,516	$ 24,044
Public safety	3,878	4,895	3,953	4,122	4,303
Highways and streets	3,503	5,672	3,967	3,419	3,477
Sanitation	2,537	-	-	-	-
Health and welfare	2,447	1,702	1,424	911	6,869
Culture and recreation	4,501	6,641	10,625	10,514	10,833
Operating grants and contributions	86,167	79,016	85,143	83,498	85,235
Capital grants and contributions	42,949	34,469	44,002	66,698	69,302
Total governmental activities revenues	174,446	157,690	173,113	191,678	204,063
Business-type activities:					
Charges for services:					
Water Utility	112,772	126,165	129,734	127,983	129,063
Sewer Utility	74,382	75,654	78,958	81,040	84,602
Airport Authority	29,229	32,706	34,796	38,090	40,379
Stormwater Utility	13,534	13,082	13,300	13,401	13,464
Golf Course System	5,174	5,415	6,182	6,791	6,820
Transit	1,129	1,341	1,500	1,448	1,452
Landfill	-	2,199	2,454	2,404	3,399
Operating grants and contributions	10,081	23,868	12,296	9,150	10,184
Capital grants and contributions	13,214	10,439	30,812	28,990	17,834
Total business-type activities revenues	259,515	290,869	310,032	309,297	307,197
Total primary government revenues	$ 433,961	$ 448,559	$ 483,145	$ 500,975	$ 511,260
NET REVENUE (EXPENSE)					
Governmental activities	$ (211,140)	$ (234,452)	$ (303,141)	$ (274,817)	$ (283,087)
Business-type activities	56,836	69,697	81,177	56,554	50,495
Total primary government net expense	$ (154,304)	$ (164,755)	$ (221,964)	$ (218,263)	$ (232,592)

(Continued)

CHANGES IN NET POSITION (CONTINUED)

For years ended December 31, 2016 through December 31, 2025
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2016	2017	2018	2019	2020
GENERAL REVENUES					
Governmental activities:					
Taxes:					
Property taxes	$ 108,266	$ 110,624	$ 113,366	$ 118,080	$ 123,116
Sales taxes	58,660	57,683	59,602	63,024	63,822
Franchise taxes	44,766	45,564	47,282	44,797	45,461
Motor vehicle taxes	15,704	15,738	16,116	16,609	16,685
Transient guest taxes	7,178	7,065	7,411	11,057	7,703
Interest and investment earnings (loss)	2,255	3,921	7,362	11,388	5,488
Miscellaneous	12,585	5,720	1,968	3,529	2,654
Special item - loss on sale of Hyatt Hotel	(11,754)	-	-	-	-
Transfers	(4,114)	(11,017)	(12,829)	(12,741)	(13,898)
Total governmental activities general revenues	233,546	235,298	240,278	255,743	251,031
Business-type activities:					
Interest and investment earnings	103	428	1,086	1,463	378
Miscellaneous	1,286	714	927	1,718	1,543
Transfers	4,114	11,017	12,829	12,741	13,898
Total business-type activities general revenues	5,503	12,159	14,842	15,922	15,819
Total primary government general revenues	$ 239,049	$ 247,457	$ 255,120	$ 271,665	$ 266,850
CHANGE IN NET POSITION					
Governmental activities:					
Change in net position before prior period adjustment	$ 49,647	$ (5,727)	$ 45,760	$ (23,166)	$ 14,063
Prior period adjustment	20,328	52	(10,057)	(15,248)	-
Total governmental activities change in net position	69,975	(5,675)	35,703	(38,414)	14,063
Business-type activities:					
Change in net position before prior period adjustment	30,394	31,148	34,520	35,283	60,576
Prior period adjustment	11,073	-	(7,287)	(6,083)	-
Total business-type activities change in net position	41,467	31,148	27,233	29,200	60,576
Primary Government:					
Change in net position before prior period adjustment	80,041	25,421	80,280	12,117	74,639
Prior period adjustment	31,401	52	(17,344)	(21,331)	-
Total primary government change in net position	$ 111,442	$ 25,473	$ 62,936	$ (9,214)	$ 74,639

	Fiscal Year				
	2021	2022	2023	2024	2025
GENERAL REVENUES					
Governmental activities:					
Taxes:					
Property taxes	$ 130,276	$ 133,834	$ 144,055	$ 154,491	$ 168,785
Sales taxes	72,156	79,945	82,511	83,344	86,828
Franchise taxes	47,715	55,552	55,866	54,551	56,000
Motor vehicle taxes	17,410	17,072	17,702	18,243	18,917
Transient guest taxes	8,507	11,965	9,650	9,843	9,790
Interest and investment earnings (loss)	1,631	(7,687)	37,254	37,811	40,090
Miscellaneous	1,075	2,352	1,602	2,744	2,655
Special item - loss on sale of Hyatt Hotel	-	-	-	-	-
Transfers	(22,709)	(22,375)	(18,096)	(30,257)	(16,822)
Total governmental activities general revenues	256,061	270,658	330,544	330,770	366,243
Business-type activities:					
Interest and investment earnings	51	104	663	709	136
Miscellaneous	719	867	1,360	603	1,186
Transfers	22,709	22,375	18,096	30,257	16,822
Total business-type activities general revenues	23,479	23,346	20,119	31,569	18,144
Total primary government general revenues	$ 279,540	$ 294,004	$ 350,663	$ 362,339	$ 384,387
CHANGE IN NET POSITION					
Governmental activities:					
Change in net position before prior period adjustment	$ 44,921	$ 36,206	$ 27,403	$ 55,953	$ 83,156
Prior period adjustment	28	(4,262)	892	-	-
Total governmental activities change in net position	44,949	31,944	28,295	55,953	83,156
Business-type activities:					
Change in net position before prior period adjustment	80,315	93,043	101,296	88,123	68,639
Prior period adjustment	-	4,553	179	-	-
Total business-type activities change in net position	80,315	97,596	101,475	88,123	68,639
Primary Government:					
Change in net position before prior period adjustment	125,236	129,249	128,699	144,076	151,795
Prior period adjustment	28	291	1,071	-	-
Total primary government change in net position	$ 125,264	$ 129,540	$ 129,770	$ 144,076	$ 151,795

FUND BALANCES OF GOVERNMENTAL FUNDS

For years ended December 31, 2016 through December 31, 2025
(modified accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	$ 858	$ 850	$ 1,050	$ 621	$ 920
Committed	14,000	19,000	-	-	-
Assigned	5,249	3,704	3,376	5,473	2,507
Unassigned	36,449	33,262	35,563	37,225	45,032
Total General Fund	$ 56,556	$ 56,816	$ 39,989	$ 43,319	$ 48,459
All other governmental funds					
Nonspendable	$ 4,129	$ 369	$ 379	$ 450	$ 441
Restricted	106,421	121,210	114,541	128,663	120,839
Committed	18,004	17,101	15,528	16,800	16,704
Assigned	796	850	1,073	1,489	1,902
Unassigned	(82,449)	(102,281)	(80,573)	(115,156)	(184,590)
Total all other governmental funds	$ 46,901	$ 37,249	$ 50,948	$ 32,246	$ (44,704)

	Fiscal Year				
	2021	2022	2023	2024	2025
General Fund					
Nonspendable	$ 265	$ 14	$ 64	$ 89	$ 38
Committed	-	-	-	-	-
Assigned	3,367	5,210	4,229	4,029	3,955
Unassigned	50,117	44,180	76,573	87,082	98,412
Total General Fund	$ 53,749	$ 49,404	$ 80,866	$ 91,200	$ 102,405
All other governmental funds					
Nonspendable	$ 339	$ 533	$ 624	$ 550	$ 540
Restricted	140,194	144,552	142,690	146,459	157,953
Committed	15,219	10,933	11,162	9,055	8,675
Assigned	1,201	147	724	2,766	3,291
Unassigned	(191,576)	(183,180)	(172,571)	(162,303)	(183,138)
Total all other governmental funds	$ (34,623)	$ (27,015)	$ (17,371)	$ (3,473)	$ (12,679)

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

For years ended December 31, 2016 through December 31, 2025
(modified accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2016	2017	2018	2019	2020
REVENUES					
Taxes	$ 189,808	$ 191,109	$ 196,496	$ 205,480	$ 209,581
Special assessments	28,665	28,991	28,367	25,894	24,954
Franchise taxes	44,766	45,563	47,282	44,797	45,461
Intergovernmental	82,921	93,656	119,050	75,089	88,634
Licenses and permits	8,096	2,857	2,939	2,715	2,063
Fines and penalties	9,121	8,271	8,187	10,616	8,616
Rentals	4,328	4,216	4,237	3,841	2,389
Interest and investment earnings (loss)	2,255	3,921	7,362	11,388	5,488
Charges for services and sales	23,525	19,927	20,953	24,403	22,525
Other revenue	15,243	20,795	18,200	23,397	19,682
Total revenues	408,728	419,306	453,073	427,620	429,393
EXPENDITURES					
Current:					
General government	39,113	38,243	39,409	42,163	43,195
Public safety	136,049	136,336	144,224	147,100	162,077
Highways and streets	19,760	20,217	17,646	18,286	15,752
Sanitation	4,558	4,671	4,924	4,379	7,148
Health and welfare	36,431	35,388	35,896	36,836	39,125
Culture and recreation	36,591	37,018	37,042	40,463	32,959
Debt service:					
Principal	51,082	57,588	52,787	55,601	56,684
Interest and other debt service	16,480	16,035	15,202	15,994	16,126
Capital outlay	93,164	118,071	134,089	165,779	159,496
Total expenditures	433,228	463,567	481,219	526,601	532,562
Deficiency of revenues under expenditures	(24,500)	(44,261)	(28,146)	(98,981)	(103,169)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	11,731	34,370	27,235	81,030	24,095
Issuance of refunding debt	13,357	-	-	-	5,815
Premiums (discounts) on issuance of debt, net	2,628	5,629	1,946	8,864	5,803
Payments on refunded debt	(24,267)	(1,406)	-	-	-
Issuance of financed purchase debt	-	-	-	-	-
Issuance of long-term lease payable	-	-	-	-	-
Issuance of SBITA	-	-	-	-	-
Transfers from other funds	70,463	84,556	99,993	95,416	77,766
Transfers to other funds	(72,533)	(88,332)	(85,156)	(102,334)	(82,120)
Total other financing sources	1,379	34,817	44,018	82,976	31,359
Net change in fund balance before special items	(23,121)	(9,444)	15,872	(16,005)	(71,810)
SPECIAL ITEMS					
Sale of Hyatt Hotel	20,003	-	-	-	-
Transfers to other funds, Hyatt Hotel proceeds	-	-	(19,000)	-	-
Total special items	20,003	-	(19,000)	-	-
Net change in fund balance before prior period adjustment	(3,118)	(9,444)	(3,128)	(16,005)	(71,810)
Prior period adjustment	671	52	-	634	-
Total changes in fund balances	$ (2,447)	$ (9,392)	$ (3,128)	$ (15,371)	$ (71,810)
Debt service as a percentage of noncapital expenditures	19.8%	17.2%	16.7%	17.1%	18.0%

	Fiscal Year				
	2021	2022	2023	2024	2025
REVENUES					
Taxes	$ 225,538	$ 238,608	$ 252,014	$ 266,528	$ 283,822
Special assessments	23,015	22,148	20,556	20,898	21,226
Franchise taxes	47,715	55,552	55,866	54,551	56,000
Intergovernmental	90,713	84,522	96,277	100,533	118,460
Licenses and permits	2,182	2,397	2,354	2,578	3,123
Fines and penalties	9,823	7,424	6,869	5,313	4,923
Rentals	2,875	3,481	3,461	3,312	3,755
Interest and investment earnings (loss)	1,631	(7,687)	37,254	37,811	40,090
Charges for services and sales	24,777	27,515	26,409	26,760	28,302
Other revenue	25,416	20,999	18,516	19,827	30,251
Total revenues	453,685	454,959	519,576	538,111	589,952
EXPENDITURES					
Current:					
General government	44,969	51,286	63,907	57,764	81,491
Public safety	166,195	172,887	192,604	210,939	227,174
Highways and streets	14,995	15,705	14,813	15,938	16,526
Sanitation	8,535	6,335	6,670	6,457	7,370
Health and welfare	59,234	54,214	42,350	42,431	44,882
Culture and recreation	35,443	41,459	45,709	46,604	49,344
Debt service:					
Principal	39,452	39,729	34,987	38,806	36,223
Interest and other debt service	18,215	17,049	18,608	18,047	17,869
Capital outlay	86,995	87,863	103,880	146,374	142,712
Total expenditures	474,033	486,527	523,528	583,360	623,591
Deficiency of revenues under expenditures	(20,348)	(31,568)	(3,952)	(45,249)	(33,639)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	29,215	40,045	44,730	55,970	33,120
Issuance of refunding debt	-	-	-	-	-
Premiums on issuance of debt	9,141	1,583	2,037	3,573	1,441
Payments on refunded debt	-	-	-	-	-
Issuance of long-term note receivables	-	-	-	2,252	1,436
Issuance of long-term lease payable	-	33	312	29	97
Payments on long-term lease payable	-	-	246	15,951	1,492
Transfers from other funds	82,252	99,500	128,798	117,442	123,605
Transfers to other funds	(84,918)	(101,777)	(130,965)	(125,736)	(125,553)
Total other financing sources (uses)	35,690	39,384	45,158	69,481	35,638
Net change in fund balance before special items	15,342	7,816	41,206	24,232	1,999
SPECIAL ITEMS					
Sale of Hyatt Hotel	-	-	-	-	-
Transfers to other funds, Hyatt Hotel proceeds	-	-	-	-	-
Total special items	-	-	-	-	-
Net change in fund balance before prior period adjustment	15,342	7,816	41,206	24,232	1,999
Prior period adjustment	28	(4,553)	(100)	-	-
Total changes in fund balances	$ 15,370	$ 3,263	$ 41,106	$ 24,232	$ 1,999
Debt service as a percentage of noncapital expenditures	13.8%	13.2%	12.1%	12.3%	11.2%

GOVERNMENTAL OWN SOURCE REVENUES BY SOURCE

For years ended December 31, 2016 through December 31, 2025
(modified accrual basis of accounting)
(dollars expressed in thousands)

Year	Property Taxes[1]	Special Assessments[2]	Franchise Taxes
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
2023	159,853	20,556	55,866
2024	173,341	20,898	54,551
2025	187,203	21,226	56,000

[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, 2016 through December 31, 2025
(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
2016	$ 131,148	$ 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	142,456	25,894	44,797	63,024	75,089	2,715
2020	145,760	24,954	45,461	63,821	88,634	2,063
2021	153,382	23,015	47,715	72,156	90,713	2,182
2022	158,663	22,148	55,552	79,945	84,522	2,397
2023	169,503	20,556	55,866	82,511	96,277	2,354
2024	183,184	20,898	54,551	83,344	100,533	2,578
2025	196,993	21,226	56,000	86,829	118,460	3,123

GOVERNMENTAL EXPENDITURES BY FUNCTION

For years ended December 31, 2016 through December 31, 2025
(modified accrual basis of accounting)
(dollars expressed in thousands)

Year	General Government	Public Safety	Highways and Streets	Sanitation	Health and Welfare	Culture and Recreation
2016	$ 39,113	$ 136,049	$ 19,760	$ 4,558	$ 36,431	$ 36,591
2017	38,243	136,336	20,217	4,671	35,388	37,018
2018	39,409	144,224	17,646	4,924	35,896	37,042
2019	42,163	147,100	18,286	4,379	36,836	40,463
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	51,286	172,887	15,705	6,335	54,214	41,459
2023	63,907	192,604	14,813	6,670	42,350	45,709
2024	57,764	210,939	15,938	6,457	42,431	46,604
2025	81,491	227,174	16,526	7,370	44,882	49,344

[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
$ 9,121	$ 4,328	$ 2,255	$ 23,525	$ 15,243	$ 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	24,403	23,397	427,620	2019
8,616	2,389	5,488	22,525	19,682	429,393	2020
9,823	2,875	1,631	24,777	25,416	453,685	2021
7,424	3,481	(7,687)	27,515	20,999	454,959	2022
6,869	3,461	37,254	26,409	18,516	519,576	2023
5,313	3,312	37,811	26,760	19,827	538,111	2024
4,923	3,755	40,090	28,302	30,251	589,952	2025

Debt Service	Capital Outlay	Total	Year
$ 67,562	$ 93,164	$ 433,228	2016
73,623	118,071	463,567	2017
67,989	134,089	481,219	2018
71,595	165,779	526,601	2019
72,810	159,496	532,562	2020
57,667	86,995	474,033	2021
56,778	87,863	486,527	2022
53,595	103,880	523,528	2023
56,853	146,374	583,360	2024
54,092	142,712	623,591	2025

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

For years ended December 31, 2016 through December 31, 2025
(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
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
2023	4,431,856	31,550,749	63,464	264,699	138,939	421,028
2024	4,803,135	34,062,887	54,179	237,183	143,061	433,519
2025	5,228,477	37,224,201	47,690	216,353	153,675	465,683

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				
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
2023	4,634,259	32,236,476	14.38	32.743	474,345	5,108,604
2024	5,000,375	34,733,589	14.40	32.816	497,896	5,498,271
2025	5,429,842	37,906,237	14.32	32.340	519,075	5,948,917

[1] The assessed value and tax rate of the referenced year supports the budget of the subsequent year. For example, the assessed value of 2025 multiplied by the tax rate supports the budget of fiscal 2026.

[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, 2016 through December 31, 2025

	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
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
2023	25.747	6.996	32.743	1.500	28.988	51.484	81.972	114.715
2024	25.099	7.717	32.816	1.500	28.701	51.387	81.588	114.404
2025	25.335	7.005	32.340	1.500	27.567	51.402	80.469	112.809

[1] Represents the year the taxes were levied, which provides support for the subsequent budget year (i.e., 2025 taxes are for the 2026 fiscal year).

Source: Sedgwick County Clerk and Sedgwick County Appraiser

PRINCIPAL PROPERTY TAXPAYERS

For years ended December 31, 2025 and December 31, 2016
(dollars expressed in thousands)

Taxpayer	2025 Assessed Value	2025 Rank	2025 Percentage of Total Taxable Assessed Value	2016 Assessed Value	2016 Rank	2016 Percentage of Total Taxable Assessed Value
Evergy Kansas South Inc (Westar Energy Co.)	$ 84,635	1	1.56 %	$ 50,907	1	1.56 %
Kansas Gas Service-A Division of One Gas	33,782	2	0.62	19,793	5	0.61
Wesley Medical Center LLC	32,441	3	0.60	8,969	8	0.27
Walmart Stores Inc	20,554	4	0.38	23,149	4	0.71
Bradley Fair Properties LLC (Bradley Fair One LLC)	16,005	5	0.29	10,654	7	0.33
Simon Property Group LP	13,977	6	0.26	25,148	2	0.77
New Market Square Ltd (New Market I LLC)	11,426	7	0.21	7,526	10	0.23
Monarch Investment Group	9,954	8	0.18			
City of Wichita	9,807	9	0.18	24,340	3	0.74
Ruffin Epic/Riverfront Hotel/Hotel of Wichita	9,617	10	0.18	8,282	9	0.25
Southwestern Bell Telephone				13,992	6	0.43
Totals	**$ 242,198**		**4.46 %**	**$ 192,760**		**5.90 %**

PRINCIPAL EMPLOYERS, WICHITA AREA

For years ended December 31, 2025 and December 31, 2016

Employer	2025 Total Full-time Wichita-area Employees	2025 Rank	2025 Percentage of Total Wichita-area Employment	2016 Total Full-time Wichita-area Employees	2016 Rank	2016 Percentage of of Total Wichita-area Employment
Boeing (Spirit AeroSystems, Inc.)	12,502	1	3.99 %	10,800	1	3.63 %
Textron Aviation	10,761	2	3.43	9,500	2	3.20
McConnell Air Force Base	5,976	3	1.91	6,808	3	2.29
USD 259 (Wichita Public Schools)	5,433	4	1.73	5,583	4	1.88
Ascension Via Christi (Via Christi Health)	3,350	5	1.07	4,768	5	1.60
Weseley Healthcare	3,131	6	1.00			
Wichita State University	3,083	7	0.98			
Koch Industries	3,000	8	0.96	3,600	7	1.21
Sedgwick County	2,900	9	0.92	2,460	10	0.83
City of Wichita	2,854	10	0.91	3,121	8	1.05
State of Kansas				4,494	6	1.51
U.S. Government				2,629	9	0.88
Total principal employers	**52,990**		**16.90 %**	**53,763**		**18.08 %**
Total Wichita area employment	**313,600**			**297,300**		

Source: City of Wichita; Sedgwick County; Wichita Business Journal (all except City and County); total employment is from U.S. Department of Labor - Bureau of Labor Statistics

Note: Wichita Business Journal data is limited to only those businesses that answer their emailed survey.

PROPERTY TAX LEVIES AND COLLECTIONS
GENERAL AND DEBT SERVICE FUNDS

For years ended December 31, 2016 through December 31, 2025
(dollars expressed in thousands)

Year Ended December 31[1]	Taxes Levied [2]	Collections in Initial Year		Total Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage Levy		Amount	Percentage of Levy
2016	$ 104,322	$ 101,015	96.83 %	$ 2,231	$ 103,246	98.97 %
2017	106,691	102,972	96.51	2,355	105,327	98.72
2018	109,931	106,115	96.53	2,416	108,531	98.73
2019	113,747	109,710	96.45	2,463	112,173	98.62
2020	118,591	114,624	96.65	2,564	117,188	98.82
2021	124,759	120,804	96.83	2,004	122,808	98.44
2022	129,165	124,813	96.63	2,072	126,885	98.23
2023	139,122	133,525	95.98	2,232	135,757	97.58
2024	151,649	145,789	96.14	1,834	147,623	97.35
2025	164,092	156,830	95.57	-	156,830	95.57

TAX INCREMENT FINANCING (TIF) AND
SELF SUPPORTED MUNICIPAL IMPROVEMENT (SSMID) DISTRICTS

For years ended December 31, 2016 through December 31, 2025
(dollars expressed in thousands)

Year Ended December 31[1]	Taxes Levied [3]	Collections in Initial Year		Total Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage Levy		Amount	Percentage of Levy [3]
2016	$ 6,630	$ 6,371	96.09 %	$ 12	$ 6,383	96.27 %
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	87	7,093	85.02
2021	7,978	7,717	96.73	15	7,732	96.92
2022	6,181	5,911	95.63	(35)	5,876	95.07
2023	6,743	6,718	99.63	5	6,723	99.70
2024	6,711	6,797	101.28	(1)	6,796	101.27
2025	7,801	8,294	106.32	-	8,294	106.32

[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, 2016 through December 31, 2025
(dollars expressed in thousands)

Year Ended December 31[1]	Assessments Certified to County[2]	Collections in Initial Year		Total Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage of Assessment		Amount	Percentage of Assessment
2016	$ 26,819	$ 25,294	94.31 %	$ 1,178	$ 26,472	98.71 %
2017	26,810	25,505	95.13	1,067	26,572	99.11
2018	25,439	24,528	96.42	824	25,352	99.66
2019	24,204	22,756	94.02	1,369	24,125	99.67
2020	23,558	22,563	95.78	754	23,317	98.98
2021	21,427	20,605	96.16	748	21,353	99.66
2022	20,052	19,437	96.93	579	20,016	99.82
2023	20,400	19,491	95.54	348	19,839	97.25
2024	20,905	19,371	92.66	526	19,897	95.18
2025	21,723	20,097	92.51	-	20,097	92.51

[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, 2016 through December 31, 2025
(dollars expressed in thousands except per capita amounts)

Fiscal Year	Estimated Actual Value of Taxable Property[4]	(Long-term) General Obligation (G.O.) Bonds[1]	Plus: G.O. Premiums (Discounts)	Less: Amounts Available in Debt Service Fund [2]	Net General Obligation Debt	Percent of Estimated Actual Value of Taxable Property[3]	Per Capita[4]
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	1,345.7
2023	32,236,476	522,825	36,288	32,640	526,473	1.63	1,327.8
2024	34,733,589	531,380	35,451	27,652	539,179	1.55	1,354.9
2025	37,906,237	518,745	32,408	31,814	519,339	1.37	1,305.1

[1] Includes all general obligation long-term bonded debt.
[2] Includes all general obligation short-term bonded debt (notes payable).
[2] Debt Service Fund fund balance, excluding Economic Development TIF Districts that are pay-as-you-go financing.
[3] Excludes estimated actual value of motor vehicles.
[4] Population figures provided on page G-29 on this section.
Note: Schedule has been updated to exclude short-term bonded debt.

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

For years ended December 31, 2016 through December 31, 2025
(dollars expressed in thousands)

Fiscal Year	Principal	Interest	Debt Service	Total Governmental Expenditures[5]	Ratio of Debt Service to Government Expenditures
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	486,218	10.21
2023	33,912	10,933	44,845	523,503	8.57
2024	35,176	11,587	46,763	583,360	8.02
2025	33,686	12,681	46,367	623,591	7.44

[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, 2016 through December 31, 2025
(dollars expressed in thousands except per capita amounts)

Fiscal Year	Assessed Value[1]	General Obligation Bonded Debt[2]	Plus: G.O. Premiums (Discounts)	Less: Amounts Available in Debt Service Fund[3]	Less: G.O. Debt Payable from Non-Property Tax Sources	
					Local Sales Tax	Transient Guest Tax
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
2023	5,108,604	522,825	36,288	32,640	54,545	2,375
2024	5,498,271	531,380	35,451	27,652	46,545	2,340
2025	5,948,917	518,745	32,408	31,814	38,350	2,300

[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] Debt Service Fund fund balance, excluding Economic Development TIF Districts that are pay-as-you-go financing.

[4] Based on most recent population data reported on page G-29.

Note: Schedule has been updated to exclude short-term bonded debt.

Less: 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[4]	Fiscal Year
Proprietary Revenues	Special Assessments				
$ 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	190.45	2022
223,453	165,514	80,586	0.016	203.25	2023
210,173	180,826	99,295	0.018	249.52	2024
197,086	190,737	90,866	0.015	228.34	2025

RATIOS OF OUTSTANDING DEBT BY TYPE

For years ended December 31, 2016 through December 31, 2025
(dollars expressed in thousands, except per capita amounts)

Fiscal Year	Proprietary Activities							Governmental Activities
	Water & Sewer Utility Revenue Bonds	Airport Authority Bonds[1]	General Obligation Bonds	Water & Sewer Utility Revenue Bonds[4]	Water & Sewer Utility Loans[4]	Lease Liabilities[3]	SBITA Liabilities[2]	General Obligation Bonds
2016	$ 425,252	$ 5,460	$ 276,622	$ -	$ -	$ -	$ -	$ 391,751
2017	469,430	5,460	284,852	-	-	-	-	366,887
2018	439,115	5,460	273,916	-	-	-	-	337,568
2019	454,294	11,550	263,652	-	-	-	-	367,973
2020	455,985	8,978	260,285	-	-	-	-	339,046
2021	461,537	7,438	248,539	29,921	24,955	-	-	327,634
2022	425,692	-	236,227	142,501	93,713	-	-	325,591
2023	419,178	-	223,453	273,288	178,902	2,388	444	335,660
2024	385,033	-	210,173	310,514	253,142	2,019	444	356,658
2025	349,358	-	197,086	408,109	319,670	1,638	348	354,067

Fiscal Year	Component Unit
	Wichita Senior RAD LP
2016	$ -
2017	-
2018	-
2019	-
2020	-
2021	26,878
2022	36,783
2023	42,145
2024	42,469
2025	26,142

Note: Schedule has been updated to exclude short-term bonded debt.

[1] The City of Wichita removed the Airport Authority Revenue Bonds (Special Facility Revenue Bonds) from its financial statements for 2022 as a part the implementation of GASB 91 - Conduit Debt Obligations.

[2] The City of Wichita implemented GASB 96 - Subscription-Based Information Technology Arrangements (SBITAs) in 2023. Prior years have not been restated.

[3] The City of Wichita implemented GASB 87 - Leases in 2022. Prior years have not been restated.

[4] Debt is a direct borrowing/placement.

[5] Expressed in dollars. Population figures are presented on page G-29 of this section.

Governmental Activities (continued)						
Local Sales Tax Revenue Bonds	Financed Purchase Debt[4]	Lease Liabilities[3]	SBITA Liabilities[2]	Total Debt Primary Government	Total Debt Per Capita[5]	Total Debt as a Percent of Per Capita Income	Fiscal Year
$ 1,471	$ -	$ 171	$ -	$ 1,100,727	$ 2,818	6.04 %	2016
3,045	-	64	-	1,129,738	2,894	6.06	2017
4,577	-	-	-	1,060,636	2,725	5.31	2018
4,331	-	528	-	1,102,328	2,827	5.44	2019
4,050	-	413	-	1,068,757	2,688	4.98	2020
3,674	-	291	-	1,103,989	2,798	4.97	2021
3,170	-	1,179	-	1,228,073	3,102	5.31	2022
2,549	-	1,054	2,474	1,439,390	3,630	6.01	2023
1,618	1,956	1,527	15,033	1,538,117	3,865	6.33	2024
1,287	3,079	1,304	17,971	1,653,917	4,156	6.73	2025

LEGAL DEBT MARGIN INFORMATION

For years ended December 31, 2016 through December 31, 2025
(dollars expressed in thousands)

	2016	2017	2018	2019	2020
Debt limit	$ 1,109,740	$ 1,140,427	$ 1,176,965	$ 1,225,007	$ 1,279,895
Total net debt applicable to limit	323,362	306,658	322,923	340,728	339,537
Legal debt margin	$ 786,378	$ 833,769	$ 854,042	$ 884,279	$ 940,358
Total net debt applicable to limit as a percentage of debt limit	29.14%	26.89%	27.44%	27.81%	26.53%

[1] Total debt is comprised of total debt for the primary government per G-24 and G-25.

[2] Debt Service Fund fund balance, excluding Economic Development TIF Districts that are pay-as-you-go financing.

2021	2022	2023	2024	2025
$ 1,325,074	$ 1,412,102	$ 1,532,581	$ 1,649,481	$ 1,784,675
367,841	329,973	339,254	326,295	314,369
$ 957,233	$ 1,082,129	$ 1,193,327	$ 1,323,186	$ 1,470,306
27.76%	23.37%	22.14%	19.78%	17.61%

Total long-term debt[1]	$	1,653,917
Add: General obligation temporary notes		95,365
Total debt	**$**	**1,749,282**
2025 Equalized assessed valuation of taxable tangible property	$	5,429,842
Add: 2025 Estimated tangible valuation of motor vehicles		519,075
Total assessed value	**$**	**5,948,917**
Debt limit (30% of equalized assessed value)	**$**	**1,784,675**
Debt applicable to limit:		
General obligation bonds and temporary notes	$	346,183
Less: Amount set aside for repayment of general obligation debt[2]		(31,814)
Total net debt applicable to limit	**$**	**314,369**
Legal debt margin	**$**	**1,470,306**

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

For years ended December 31, 2023 through December 31, 2025

	December 31, 2023		December 31, 2024		December 31, 2025	
	Percent of Debt Applicable to City[1, 2]	City of Wichita Share of Debt	Percent of Debt Applicable to City[1, 2]	City of Wichita Share of Debt	Percent of Debt Applicable to City[1, 2]	City of Wichita Share of Debt
Direct Debt:						
General obligation (G.O.) bonded debt payable from:						
Ad valorem taxes		$ 59,628,783		$ 75,664,656		$ 68,224,002
Special assessments		165,514,150		180,825,515		190,736,915
Tax increment financing		29,043,707		26,525,649		31,724,083
Transient guest taxes		2,375,000		2,340,000		2,300,000
Local sales tax		54,545,000		46,545,000		38,350,000
Premiums (discounts)		24,553,326		24,756,722		22,732,045
Revenue bonds payable from:						
Local sales tax		2,549,393		1,618,226		1,286,852
Financed purchase debt		-		1,955,586		3,078,740
Lease liabilities		1,053,636		1,527,448		1,304,769
SBITA liabilities		2,474,303		15,032,881		17,971,054
Total direct debt		**341,737,298**		**376,791,683**		**377,708,460**
Overlapping debt:						
Sedgwick County	72.1%	71,461,915	72.0%	76,525,200	72.0%	76,654,800
USD 259	55.5%	107,683,875	55.2%	86,832,360	54.9%	64,864,350
Total overlapping debt		**179,145,790**		**163,357,560**		**141,519,150**
Total direct and overlapping debt		**$ 520,883,088**		**$ 540,149,243**		**$ 519,227,610**

[1] Percentage of overlapping debt based on assessed valuation.

[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 2016 through 2025

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]
2016	390,549	645,129	$ 30,103,400	$ 46,663
2017	390,307	644,949	30,801,300	47,758
2018	389,255	644,888	33,060,860	51,266
2019	389,938	640,218	33,281,653	51,985
2020	397,532	643,768	34,765,136	54,003
2021	394,574	644,480	36,311,937	56,343
2022	395,951	646,794	37,809,727	58,457
2023	396,488	652,939	39,421,518	60,375
2024	397,945	652,622	40,277,052	61,019
2025	397,945 [2]	652,622 [2]	40,277,052 [2]	61,716 [2]

DEMOGRAPHIC AND ECONOMIC STATISTICS (CONTINUED)

For years 2016 through 2025

Fiscal Year	Median Age[2]	School Enrollment[2]	Average Annual Unemployment Rates	
			City of Wichita	Wichita MSA
2016	34.6	50,566	5.0 %	4.6 %
2017	34.7	51,416	4.4	4.2
2018	35.9	49,953	3.8	3.7
2019	35.3	49,375	3.4	3.3
2020	35.3	46,987	8.8	8.1
2021	35.3	47,517	4.8	4.4
2022	35.4	46,880	3.2	3.1
2023	36.8	46,414	3.2	3.1
2024	36.7	46,566	4.0	3.5
2025	36.7 [2]	46,566 [2]	4.2	3.8

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 may be repeated in the current year.

PLEDGED REVENUE COVERAGE

For years ended December 31, 2016 through December 31, 2025
(dollars expressed in thousands)

Water General Obligation and Revenue Bonds and Loans

Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expense	Net Revenue Available for Debt Service	Principal[1]	Interest[1]	Coverage
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	92,608	23,640	11,795	2.61
2023	131,964	40,788	91,176	24,634	11,473	2.53
2024	151,473	43,961	107,512	24,087	10,527	3.11
2025	130,468	49,063	81,405	30,803	13,645	1.83

Sewer Revenue Bonds and Loans

Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expense	Net Revenue Available for Debt Service	Principal	Interest	Coverage
2016	$ 57,355	$ 25,004	$ 32,351	$ 10,478	$ 7,817	1.77
2017	60,865	25,041	35,824	11,815	7,915	1.82
2018	66,193	26,632	39,561	14,167	8,220	1.77
2019	69,862	28,909	40,953	12,601	8,646	1.93
2020	70,430	28,370	42,060	12,768	8,365	1.99
2021	76,196	27,322	48,874	13,907	7,398	2.29
2022	77,299	26,418	50,881	15,585	7,122	2.24
2023	80,916	30,544	50,372	16,236	6,658	2.20
2024	82,805	29,193	53,612	13,908	5,768	2.72
2025	85,929	32,318	53,611	17,964	6,106	2.23

Combined Water and Sewer General Obligation and Revenue Bonds and Loans

Fiscal Year	Gross Earnings	Less: Operating and Maintenance Expense	Net Revenue Available for Debt Service	Principal[1]	Interest[1]	Coverage
2016	$ 140,738	$ 57,034	$ 83,704	$ 30,345	$ 23,148	1.56
2017	148,548	56,629	91,919	29,339	21,855	1.80
2018	159,289	56,342	102,947	33,150	21,712	1.88
2019	160,913	61,228	99,685	30,815	22,307	1.88
2020	176,601	63,663	112,938	33,170	21,462	2.07
2021	191,205	58,331	132,874	36,095	20,024	2.37
2022	205,307	61,818	143,489	39,225	18,917	2.47
2023	212,880	71,332	141,548	40,870	18,130	2.40
2024	234,278	73,154	161,124	37,995	16,295	2.97
2025	216,397	81,381	135,016	48,768	19,751	1.97

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 and loans of not less than 120% of the current year's debt service requirements.

CAPITAL ASSET STATISTICS BY FUNCTION

For years ended December 31, 2016 through December 31, 2025

	Fiscal Year									
FUNCTION	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Public Safety:										
Police stations[4]	4	4	4	5	5	5	5	5	5	5
Police patrol units	175	174	197	220	220	222	224	224	223	223
Fire stations	22	22	22	22	22	22	22	22	22	22
Highways and Streets:										
Streets (miles)	1,921	1,917	1,924	1,926	1,931	1,949	1,978	1,962	1,977	1,979
Signalized intersections	601	604	608	610	612	609	613	613	518	618
Culture and Recreation:										
Parks acreage	5,008	5,004	5,004	5,002	5,007	5,007	5,007	4,841	4,978	5,232
Swimming pools	9	8	7	9	6	6	6	6	6	6
Interactive water features	5	5	6	6	6	10	12	12	12	12
Fishing ponds	13	12	12	12	12	12	12	12	12	12
Tennis courts	77	76	76	69	68	68	68	66	58	58
Pickle Ball[5]	-	-	-	-	13	13	23	31	31	31
Exercise/fitness trails	14	14	14	15	15	15	15	17	8	8
Children's playgrounds	81	83	84	86	86	86	86	87	85	85
Community centers	9	9	7	7	7	7	7	7	7	7
Golf courses[3]	5	5	5	4	4	4	4	4	4	4
Libraries	8	8	7	7	7	7	7	7	7	7
Water:										
Water mains (miles)	2,413	2,383	2,487	2,419	2,524	2,530	2,535	2,535	2,535	2,371
Maximum daily capacity (million gallons per day)[1]	125	125	125	120	120	120	120	120	120	120
Sewer:										
Sanitary sewers (miles)[2]	2,033	2,046	2,185	2,198	2,083	2,096	2,113	2,147	2,171	2,185
Storm sewers (miles)	1,395	1,459	1,481	1,240	1,607	1,157	1,158	1,152	1,154	1,156
Maximum daily treatment capacity (million gallons per day)[1]	62	62	65	87	51	49	51	43	32	45
Airport:										
Public airports	2	2	2	2	2	2	2	2	2	2
Transit:										
Bus fleet	53	55	55	54	54	50	50	50	50	50
Para-transit vans	24	24	27	27	27	26	26	26	36	33

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, 2016 through December 31, 2025

	Fiscal Year				
FUNCTION	**2016**	**2017**	**2018**	**2019**	**2020**
Public Safety:					
Police:					
Dispatched calls for 911 service	221,529	219,955	211,781	212,670	201,595
Parking violations	12,156	9,369	7,423	5,811	6,289
Traffic violations	48,170	37,531	38,178	35,425	35,390
Fire:					
Number of unit responses	76,328	78,160	68,072	70,252	74,095
Fires contained to room of origin	64%	65%	58%	74%	63%
Inspections[2]	9,320	7,508	6,657	6,479	6,562
Highways and Streets:					
Street resurfacing (miles)	12	16	30	36	38
Potholes repaired	66,488	78,333	68,695	81,256	71,879
Culture and Recreation:					
Golf rounds played[3]	157,572	151,716	138,443	135,180	145,231
Trees planted	1,647	1,825	1,682	1,870	1,875
Swim lessons (total registered)	1,073	1,321	1,216	1,262	-
Botanica visitors	220,716	231,542	217,925	270,489	145,389
Convention & Performance Center:					
Conventions	23	25	24	26	3
Consumer shows	35	36	36	41	34
Performances	60	54	55	61	16
Other events	265	195	175	169	94
Library circulation	1,983,642	1,942,851	2,125,915	2,003,591	2,125,915
Library program attendance	66,915	74,748	71,031	77,913	15,308
Water:					
Water customers[1]	147,876	152,758	152,825	154,071	154,684
Main Breaks[4] (per 1,000 miles of mains)	371	391	746	659	730
Average daily consumption (million gallons per day)	50	50	50	50	43
Sewer (wastewater):					
Sewer customers[1]	138,126	138,189	139,154	140,517	148,663
Average daily sewage treated (million gallons per day)	35	34	32	34	32
Airport:					
Number of passengers	1,602,311	1,620,240	1,665,116	1,749,906	789,856
Passenger enplanements	798,804	810,246	832,831	876,864	394,706
Number of daily flights	32	33	34	33	21
Transit:					
Bus rides	1,233,899	1,262,552	1,411,363	1,286,807	756,328
Para-transit van rides	69,191	71,713	81,032	80,153	59,832

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 2021	2022	2023	2024	2025
Public Safety:					
Police:					
Dispatched calls for 911 service	202,361	221,387	221,387	223,079	235,724
Parking violations	6,856	5,104	5,463	3,104	1,883
Traffic violations	27,711	25,213	22,500	14,971	11,833
Fire:					
Number of unit responses	86,961	85,897	90,484	91,773	92,726
Fires contained to room of origin	66%	37%	46%	40%	66%
Inspections[2]	5,924	4,946	5,344	5,428	6,287
Highways and Streets:					
Street resurfacing (miles)	115	140	33	35	27
Potholes repaired	83,485	83,487	66,716	74,626	83,818
Culture and Recreation:[5]					
Golf rounds played[3]	177,214	174,261	188,743	180,737	182,948
Trees planted	467	2,219	2,243	965	385
Swim lessons (total registered)	1,191	980	669	718	1,002
Botanica visitors	300,412	279,488	307,571	352,852	307,510
Convention & Performance Center:					
Conventions	8	8	5	91	8
Consumer shows	18	68	48	40	42
Performances	25	54	53	90	80
Other events	71	68	99	58	82
Library circulation	1,738,681	1,639,105	1,601,438	1,711,516	1,996,381
Library program attendance	12,107	26,710	43,535	64,764	54,035
Water:					
Water customers[1]	152,306	160,767	154,587	156,105	144,137
Main Breaks[4] (per 1,000 miles of mains)	1,019	719	745	490	407
Average daily consumption (million gallons per day)	43	46	45	43	39
Sewer (wastewater):					
Sewer customers[1]	145,752	146,875	147,767	149,159	138,344
Average daily sewage treated (million gallons per day)	29	30	29	29	32
Airport:[5]					
Number of passengers	1,285,070	1,534,965	1,721,990	1,809,142	1,867,723
Passenger enplanements	645,352	768,837	863,141	907,086	935,512
Number of daily flights	28	28	29	33	35
Transit:[5]					
Bus rides	768,859	1,011,541	1,169,200	1,065,695	1,028,155
Para-transit van rides	73,683	75,568	80,431	70,036	75,038

CITY GOVERNMENT EMPLOYEES BY FUNCTION

For years ended December 31, 2016 through December 31, 2025

FUNCTION	Fiscal Year 2016	2017	2018	2019	2020
General Government:					
City council and city manager	21	21	22	22	25
General government	21	17	41	40	37
Economic development	4	4	4	4	4
Financial services	68	73	72	72	72
Legal services	27	27	27	26	27
Building services	101	100	100	99	85
Fleet services	57	57	57	57	48
Municipal court	115	115	115	115	115
Information technology	59	59	57	60	60
Metropolitan planning	17	13	17	17	17
Human resources	19	14	15	15	18
Public Safety:					
Police	846	845	842	842	893
Fire	453	453	453	443	484
Metropolitan area building and construction	49	47	43	43	40
Flood control	18	18	18	18	18
Highways and Streets:					
Administration	9	9	9	9	9
Street maintenance	121	121	121	121	95
Engineering and architecture	87	87	87	89	75
Sanitation:					
Landfill operations[1]	12	12	12	12	13
Street cleaning	24	24	24	24	22
Health and Welfare:					
Housing and community services	81	81	81	61	58
Environmental services	29	28	28	28	21
Culture and Recreation:					
Libraries	135	134	148	143	141
Art museum	18	13	13	13	11
Parks and recreation	140	136	136	133	133
Golf courses	33	33	33	31	21
Community facilities	46	50	50	46	44
Water Utility	207	208	189	196	187
Sewer Utility	154	154	154	154	154
Airport Authority	136	140	140	141	141
Stormwater Utility	39	39	39	39	37
Transit	136	145	145	154	153
Landfill[1]	-	-	-	-	-
Total	**3,282**	**3,277**	**3,292**	**3,267**	**3,258**

[1] The Landfill Fund was reclassified as an enterprise fund in 2022.

Note: Numbers presented are authorized positions as reported in the Adopted Budget and includes part-time and seasonal employees.

FUNCTION	Fiscal Year 2021	2022	2023	2024	2025
General Government:					
City council and city manager	25	25	25	26	26
General government	35	39	39	47	47
Economic development	4	4	4	4	4
Financial services	72	72	70	73	74
Legal services	28	29	29	28	28
Building services	84	79	76	76	72
Fleet services	48	48	48	48	47
Municipal court	115	115	112	112	103
Information technology	61	63	63	63	63
Metropolitan planning	18	20	23	23	23
Human resources	17	17	17	17	17
Public Safety:					
Police	905	910	915	917	916
Fire	484	484	527	526	526
Metropolitan area building and construction	41	39	36	36	35
Flood control	18	18	18	18	18
Highways and Streets:					
Administration	9	10	10	11	12
Street maintenance	95	95	95	94	89
Engineering and architecture	75	77	73	74	76
Sanitation:					
Landfill operations[1]	13	-	-	-	15
Street cleaning	22	22	22	21	17
Health and Welfare:					
Housing and community services	70	65	60	58	55
Environmental services	21	21	19	23	18
Culture and Recreation:					
Libraries	141	142	144	147	147
Art museum	9	1	-	-	-
Parks and recreation	134	134	120	115	117
Golf courses	21	21	22	24	24
Community facilities	28	28	28	28	27
Water Utility	187	188	191	207	211
Sewer Utility	155	153	153	154	154
Airport Authority	141	141	141	141	147
Stormwater Utility	37	37	37	38	38
Transit	153	152	148	148	148
Landfill[1]	-	15	15	15	-
Total	**3,266**	**3,264**	**3,280**	**3,312**	**3,294**

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Single Audit Section



Maya Angelou Northeast Branch Library

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



Wichita Patrol East Substation

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).

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 (*Government Auditing Standards*), 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, 2025, 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 25, 2026. 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 City'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 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.



Minneapolis, Minnesota
June 25, 2026

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, 2025. 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, 2025.

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002, and 2025-003 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Minneapolis, Minnesota
June 25, 2026

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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, 2025.

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, 2025.

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

Minneapolis, Minnesota
June 25, 2026

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2025

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 Housing and Urban Development					
Direct Funding:					
Community Development Block Grants/Entitlement Grants	1	14.218		$ 566,115	$ 3,938,405
COVID-19 Community Development Block Grants/Entitlement Grants	1	14.218		-	102,476
Emergency Solutions Grant Program		14.231		50,000	117,497
HOME Investment Partnerships Program		14.239		-	872,476
COVID-19 HOME Investment Partnerships Program		14.239		-	212,320
Continuum of Care Program		14.267		-	207,992
Public and Indian Housing		14.850		-	284,978
COVID-19 Public and Indian Housing		14.850		-	45,393
Section 8 Housing Choice Vouchers	2	14.871		-	23,104,586
COVID-19 Section 8 Housing Choice Vouchers	2	14.871		-	829,149
Public Housing Capital Fund		14.872		-	2,015,007
Mainstream Vouchers	2	14.879		-	522,233
Family Self-Sufficiency Program		14.896		-	270,872
Total U.S. Department of Housing and Urban Development				616,115	32,523,384
U. S. Department of the Interior					
Direct Funding:					
Equus Beds Division Aquifer Storage Recharge		15.539		-	238,527
Passed Through Kansas Department of Wildlife, Parks and Tourism:					
Outdoor Recreation Acquisition, Development and Planning		15.916	20-00803	-	221,905
Outdoor Recreation Acquisition, Development and Planning		15.916	20-00809	-	209,424
Total U.S. Department of the Interior				-	669,856
U.S. Department of Justice					
Direct Funding:					
Public Safety Partnership and Community Policing Grants		16.710		-	1,132,494
Edward Byrne Memorial Justice Assistance Grant Program		16.738		12,780	12,781
Byrne Criminal Justice Innovation Program		16.817		10,353	266,397
Equitable Sharing Program		16.922		-	50,000
Passed Through Sedgwick County:					
Missing Children's Assistance		16.543	15PJDP22GK04873MECP	-	33,167
Edward Byrne Memorial Justice Assistance Grant Program		16.738	15PBJA-22GG02077JAGX	-	44,896
Edward Byrne Memorial Justice Assistance Grant Program		16.738	15PBJA-23GG03412JAGX	-	66,700
Edward Byrne Memorial Justice Assistance Grant Program		16.738	4781-13	-	118,443
Passed Through Kansas Governor's Grant Program:					
Crime Victim Assistance		16.575	25-VOCA-46	-	98,575
Crime Victim Assistance		16.575	26-VOCA-46	-	19,467
Crime Victim Assistance		16.575	25-VOCA-45	-	117,378
Violence Against Women Formula Grant		16.588	24-VAWA-18	-	138
Violence Against Women Formula Grant		16.588	25-VAWA-16	-	62,157
Edward Byrne Memorial Justice Assistance Grant Program		16.738	25-SCIP-03	-	197,071
Passed Through Wichita State University:					
Project Safe Neighborhoods		16.609	15PBJA-22GG00759GUNP	-	13,411
Project Safe Neighborhoods		16.609	15PBJA-23GG02458GUNP	-	46,542
Total U.S. Department of Justice				23,133	2,279,617

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the year ended December 31, 2025

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		$ -	$ 6,001,774
Federal Transit - Formula Grants	3	20.507		-	8,555,672
Enhance Mobility for Seniors and Individuals with Disabilities	4	20.513		540,855	607,457
COVID-19 Enhance Mobility for Seniors and Individuals with Disabilities	4	20.513		-	58,786
Bus and Bus Facilities Formula Program	3	20.526		-	10,689,137
Reconnecting Communities Pilot (RCP) Discretionary Grant Program		20.940		-	164,900
Passed Through Kansas Department of Transportation:					
Highway Planning and Construction		20.205	87 N-0720-01	-	5,366,632
Highway Planning and Construction		20.205	87 N-0719-01	-	17,256
Highway Planning and Construction		20.205	87 N-0761-01	-	-
Highway Planning and Construction		20.205	87 N-0760-01	-	-
Highway Planning and Construction		20.205	87 N-0794-01	-	-
Highway Planning and Construction		20.205	87 N-0747-01	-	93,185
State and Community Highway Safety	5	20.600	PT-1049-25,SP-130025	-	155,950
State and Community Highway Safety	5	20.600	PT-1049-26,SP-130026	-	11,780
Total U.S. Department of Transportation				540,855	31,722,529
U.S. Department of Treasury					
Direct Funding:					
COVID-19 Emergency Rental Assistance Program		21.023		11,541	420,269
COVID-19 Coronavirus State and Local Fiscal Recovery Funds		21.027		697,676	23,226,165
Passed Through Kansas Department of Commerce:					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds		21.027	FY23-BASE-CW	-	3,532,951
Total U.S. Department of Treasury				709,217	27,179,385
National Endowment for the Arts					
Direct Funding:					
Promotion of the Arts Grants to Organizations and Individuals		45.024		45,000	57,500
COVID-19 Promotion of the Arts Grants to Organizations and Individuals		45.024		-	17,318
Passed Through Kansas Department of Commerce:					
Promotion of the Arts Partnership Agreements		45.025	25.GO.20.021	-	15,651
Promotion of the Arts Partnership Agreements		45.025	26.CI.16.001	-	10,500
Total National Endowment for the Arts				45,000	100,969
U.S. Environmental Protection Agency					
Direct Funding:					
Water Infrastructure Finance and Innovation Act (WIFIA)		66.958		-	408,109,226
Passed Through Kansas Department of Health and Environment:					
Air Pollution Control Program Support		66.001	00796213	-	39,000
Total U.S. Environmental Protection Agency				-	408,148,226
U.S. Department of Energy					
Direct Funding:					
Energy Efficiency and Conservation Block Grant Program (EECBG)		81.128		-	36,495
Total U.S. Department of Energy				-	36,495
U.S. Department of Education					
Passed Through Kansas Department of Health and Environment:					
COVID-19 Education Stabilization Fund		84.425	3028/2643450T	-	16,525
Total U.S. Department of Education				-	16,525

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the year ended December 31, 2025

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					
Passed Through Sedgwick County:					
Injury Prevention and Control Research and State and Community Based Programs		93.136	1NH28CE003546-01-00	$ -	$ 69,685
Passed Through Kansas Housing Resources Corporation:					
Community Services Block Grant		93.569	24 CSBG 01	176,850	595,858
Community Services Block Grant		93.569	25 CSBG 01	36,946	367,422
Passed Through Kansas Department of Health and Environment:					
Child Care and Development Block Grant	6	93.575	3028/2643450R	-	168,894
Child Care and Development Block Grant	6	93.575	3028/2643450T	-	157,781
COVID-19 Child Care and Development Block Grant	6	93.575	3028/2643450R	-	11,058
Passed Through Kansas Department for Children and Families:					
COVID-19 Child Care and Development Block Grant	6	93.575	EES-2024-KACCRRARR01	-	14,364
Total U.S. Department of Health and Human Services				213,796	1,385,062
Executive Office of the President					
Passed Through Kansas Bureau of Investigation:					
High Intensity Drug Trafficking Areas Program		95.001	G23MW0003A	-	34,845
High Intensity Drug Trafficking Areas Program		95.001	G24MW0003A	-	78,024
Total Executive Office of the President				-	112,869
U.S. Department of Homeland Security					
Direct Funding:					
Assistance to Firefighters Grant		97.044		-	330,581
Staffing for Adequate Fire and Emergency Response		97.083		-	3,683,870
Passed Through Kansas Information Security Office:					
State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program		97.137	SLCGP-FY22-00006	-	217,219
Total U.S. Department of Homeland Security				-	4,231,670
Total Federal Financial Assistance				$ 2,148,116	$ 508,406,587

Federal Grant/Program Clusters

CDBG-Entitlement Grants Cluster	1	$ 4,040,881
Housing Voucher Cluster	2	24,455,968
Federal Transit Cluster	3	19,244,809
Transit Services Programs Cluster	4	666,243
Highway Safety Cluster	5	167,730
CCDF Cluster	6	352,097

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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, 2025, 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 doesn't qualify for the de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance. Instead of the de minimis rate, the City of Wichita works with a consultant to prepare an indirect cost allocation 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 2025 financial statements and for reimbursement of 2025 federal expenditures were approved by the cognizant agency.

3. FEDERAL FORFEITED PROPERTY PROGRAM

In 2025, the Narcotic Seizure program acquired $866,247 in federal forfeited property and expended $50,000 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, 2025 and September 30, 2026 are summarized in the following tables.

CSBG Grant Program Year Ended September 30, 2025

	Budget	Actual			Variance
	Apr. 1, 2024 to Sept. 30, 2025	Apr. 1, 2024 to Dec. 31, 2024	Jan. 1, 2025 to Sept. 30, 2025	Total	
Revenue	**$ 1,070,147**	**$ 384,155**	**$ 685,992**	**$ 1,070,147**	**$ -**
Expenditures:					
Personnel	$ 671,309	$ 313,667	$ 363,640	$ 677,307	$ (5,998)
Contractuals	359,885	147,595	208,895	356,490	3,395
Commodities	13,551	2,765	5,758	8,523	5,028
Other	25,402	10,262	17,565	27,827	(2,425)
Total expenditures	**$ 1,070,147**	**$ 474,289**	**$ 595,858**	**$ 1,070,147**	**$ -**

CSBG Grant Program Year Ending September 30, 2026

	Budget	Actual
	Apr. 1, 2025 to Sept. 30, 2026	Apr. 1, 2025 to Dec. 31, 2025
Revenue	**$ 1,047,741**	**$ 386,001**
Expenditures:		
Personnel	$ 692,603	$ 283,381
Contractuals	306,035	70,750
Commodities	16,500	3,103
Other	32,603	10,188
Total	**$ 1,047,741**	**$ 367,422**

5. WIFIA BONDS (LOANS) PROGRAM

Expenditures reported in this schedule consist of the beginning year outstanding loan balances plus advances made on the loans during the year. The outstanding balance at December 31, 2025 was $408,109,226. For further information on the City's WIFIA Bonds (loans), see Note 10.G – Direct Borrowings and Placements: Bonds and Long-Term Loans.

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	Yes
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 (a):	Yes

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing
COVID-19 Community Development Block Grant Cluster Entitlement/Special Purpose Grants (CDBG)	14.218
COVID-19 Housing Voucher Center Cluster	14.871, 14.879
Airport Improvement Program	20.106
Federal Transit Cluster	20.507, 20.526
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

2025-001

Program: COVID-19 Community Development Block Grant Cluster Entitlement/Special Purpose Grants
Federal Financial Assistance Listing Number: 14.218
Federal Grantor: U.S. Department of Housing and Urban Development
Award No. and Year: B23-MC-20-0004 and 2023, B24-MC-20-0004 and 2024, B-25-MC-20-0004 and 2025

Program: COVID-19 Housing Voucher Center Cluster
Federal Financial Assistance Listing Number: 14.871, 14.879
Federal Grantor: U.S. Department of Housing and Urban Development
Award No. and Year: KS004VO0127 and 2025, EHV KS004 and 2025, KS004DV0001 and 2025

Compliance Requirements: Activities Allowable or Unallowed and Allowable Costs/Cost Principles
Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria: 2 CFR Section 200.303(a), Internal Controls, state that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and terms and conditions of the Federal award.

2 CFR Section 200.430, Compensation – Personal Services, states that charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal control that provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

Condition: During our testing, we identified the following instances where the timesheet was not reviewed and approved by the employee's supervisor:

- One (1) timesheet charged to the Community Development Block Grant (CDBG) program
- Two (2) timesheets charged to the Housing Voucher Center Cluster (HVC)

Cause: The City's internal control procedures permitted certain timesheets to be processed without documented supervisory approval.

Effect: Because the City's internal control procedures permitted an exception to documented supervisory approval for the timesheets tested, evidence of review and approval was not available. As a result, the operation of the review control could not be verified for those timesheets.

Questioned Costs: No questioned costs were identified as a result of our procedures.

Context/Sampling: A nonstatistical sampling of forty (40) timesheets were selected for testing for the CDBG program. A nonstatistical sampling or forty (40) timesheets were selected for testing for the HVC program. The condition above was identified during our procedures related to activities allowed or unallowed and allowable costs/cost principles.

Repeat Finding from Prior Years: No

Recommendation: We recommend that management strengthen controls over payroll processing by ensuring that all timesheets charged to federal programs are reviewed and approved by an independent supervisor prior to payroll processing. Management should also periodically monitor compliance to confirm that approval controls are operating as designed.

View of Responsible Officials: See separately issued Corrective Action Plan.

2025-002

Program: COVID-19 Community Development Block Grant Cluster Entitlement/Special Purpose Grants
Federal Financial Assistance Listing Number: 14.218
Federal Grantor: U.S. Department of Housing and Urban Development
Award No. and Year: B23-MC-20-0004 and 2023, B24-MC-20-0004 and 2024, B-25-MC-20-0004 and 2025

Compliance Requirements: Reporting
Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria: 2 CFR Section 200.303(a), Internal Controls, state that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and terms and conditions of the Federal award.

Condition: During our testing of the City's compliance with reporting requirements, we noted four (4) PR-29 reports, where there was no evidence of the Housing Finance Manager's review and approval prior to the report being submitted.

Cause: The City's control procedures did not require documentation to be retained evidencing management review and approval of PR29 reports prior to submission.

Effect: Although management indicated that an informal review occurred prior to submission, the control did not require retention of documentation evidencing the review. Consequently, the City could not demonstrate that supervisory review was performed for the reports tested.

Questioned Costs: No questioned costs were identified as a result of our procedures.

Context/Sampling: A nonstatistical sample of four (4) of eight (8) PR-29 reports were selected. The condition above was identified during our testwork of the City's internal controls over reporting.

Repeat Finding from Prior Years: No

Recommendation: We recommend the City adhere to their policies and ensure the review and approval of reports are documented.

View of Responsible Officials: See separately issued Corrective Action Plan.

2025-003

Program: COVID-19 Housing Voucher Center Cluster
Federal Financial Assistance Listing Number: 14.871, 14.879
Federal Grantor: U.S. Department of Housing and Urban Development
Award No. and Year: KS004VO0127 and 2025, EHV KS004 and 2025, KS004DV0001 and 2025

Compliance Requirements: Special Tests and Provisions – Housing Quality Standards Enforcement
Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria: Under the Housing Voucher Center Cluster (HVC) program, public housing authorities are required to enforce Housing Quality Standards (HQS) and take timely action to ensure identified deficiencies are corrected. Pursuant to 24 CFR 982.404 and 982.405, PHAs must inspect units, notify owners of deficiencies, ensure repairs are completed within required timeframes, and take appropriate enforcement actions when deficiencies are not remedied.

Pursuant to 24 CFR 982.404(d)(2), when a non-life-threatening HQS deficiency is identified, the PHA must abate the Housing Assistance Payment (HAP), including amounts that have been withheld, if the owner fails to make the repairs within the applicable cure period (within 24 hours of notification for life-threatening deficiencies and within 30 days of notification (or other reasonable period established by the PHA) for non-life-threatening deficiencies).

Condition: For one (1) unit that failed an HQS inspection due to non-life-threatening deficiencies, the City did not verify that the deficiencies were corrected within the required 30-day cure period. In addition, the City did not initiate abatement of Housing Assistance Payments after the unit remained noncompliant beyond the required timeframe.

Effect: Failure to timely abate Housing Assistance Payments for units that remain noncompliant with HQS increases the risk that federal funds are disbursed for units that do not meet minimum housing quality standards. This condition indicates noncompliance with program requirements and reduces the effectiveness of the City's enforcement of HQS standards.

Questioned Costs: No questioned costs were identified as a result of our procedures.

Context/Sampling: A nonstatistical sampling of forty (40) failed inspections were selected for testing. The condition above was identified during our procedures related to special tests and provisions.

Repeat Finding from Prior Years: No

Recommendation: We recommend the City strengthen oversight over HQS inspections performed by its third-party contractor by implementing procedures to track and enforce required correction timeframes, including timely follow-up, documentation of inspection results, and prompt initiation of HAP abatement when deficiencies are not corrected within the required cure period.

View of Responsible Officials: See separately issued Corrective Action Plan.

CITY OF WICHITA, KANSAS — SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2024

Fiscal Year	Finding Number	Finding	Assistance Listing Number	Comments

No findings reported.

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Water Utilities Section



Biological Nutrient Removal (BNR) site construction

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

CITY OF WICHITA



Keeper of the Plains

Water Utilities Section

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

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

June 26, 2026

To our Water and Sewer Bondholders:

Please review and accept this 2025 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, over 60 sanitary sewer lift stations, four wastewater treatment plants, two drinking water treatment plants, one surface water treatment plant, approximately 162,000 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.

Drought conditions that impacted the region throughout 2023 and 2024 improved considerably during 2025 due to increased precipitation and improved reservoir inflows. In response to ongoing drought conditions and declining water supply levels, Drought Stage 2 watering restrictions were implemented in August 2024, limiting customers to one day per week of outdoor discretionary watering. Conservation efforts and public awareness campaigns also encouraged residents and businesses to reduce unnecessary water use. Above-average rainfall throughout 2025 helped restore Cheney Reservoir to normal levels by the summer months. As water supply conditions stabilized, Stage 2 of the drought response plan was officially lifted on September 15, 2025.

To support long-term water conservation efforts, the City approved a permanent watering schedule effective September 15, 2025. Under the new policy, all sprinkler and spray irrigation systems are limited to outdoor watering no more than three days per week, with watering prohibited between 10:00 a.m. and 6:00 p.m. to reduce evaporation and improve water efficiency during peak daytime temperatures. Current projections do not indicate that these conservation measures will have a material impact on water and sewer revenues.


Aerial view of BNR construction at Wastewater Treatment Plant 2

The Utility's two largest projects are the construction of a new water treatment plant, called Wichita Water Works (WWW), and upgrades to wastewater treatment facilities that are needed to meet new regulatory standards regarding Biological Nutrient

Removal (BNR). WWW reached substantial completion in September 2024. In the fall of 2025, during Performance and Acceptance Testing, WWW experienced mechanical failures in the Solids Contact Clarifiers (SCC). The contracted design-builder, Wichita Water Partners (WWP), has been working with the manufacturer since that time to resolve the issues. It is anticipated that modifications and testing will be finished by September 2026 and that the City will assume ownership and take over operations by the end of 2026. Construction is underway and on schedule for the BNR project, which is expected to be substantially completed by November 2027. Both projects are being financed almost entirely with Water Infrastructure Finance and Investment Act (WIFIA) and State Revolving Fund (SRF) loans, which provide significant cost savings and help 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 that qualified, dedicated staff will be available to provide these essential services now and into the future. The City of Wichita is committed to continuing the 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, 2025
(with comparative totals for the year ended December 31, 2024)

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 42,655,036	$ 36,265,009
Receivables, net:		
Due from other agencies	11,454	144,855
Accounts receivable	29,073,524	29,117,607
Lease receivables	29,557	-
Due from other funds	54,986	71,525
Inventories	6,938,577	6,735,495
Prepaid items	565,086	592,788
Restricted assets:		
Cash and cash equivalents	42,487,768	43,160,736
Total current assets	121,815,988	116,088,015
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	352,835,061	339,709,866
Lease receivables	122,016	-
Capital assets:		
SBITA assets:		
Machinery, equipment and other assets	100,464	-
Less: accumulated amortization	(5,023)	-
Land	21,906,828	21,589,259
Buildings	298,140,013	297,933,084
Improvements other than buildings	1,394,186,217	1,367,057,762
Machinery, equipment and other assets	218,905,959	213,782,968
Construction in progress	788,990,661	621,695,922
Less accumulated depreciation/amortization	(780,736,427)	(747,723,196)
Total capital assets, net	1,941,488,692	1,774,335,799
Total noncurrent assets	2,294,445,769	2,114,045,665
Total assets	2,416,261,757	2,230,133,680
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized refunding costs	7,586,751	8,351,676
Deferred outflows related to pensions	9,154,719	9,979,555
Deferred outflows related to OPEB	1,325,768	1,435,137
Total deferred outflows of resources	18,067,238	19,766,368

(Continued)

WATER UTILITIES COMBINED STATEMENT OF NET POSITION (CONTINUED)

For the year ended December 31, 2025
(with comparative totals for the year ended December 31, 2024)

	2025	2024
LIABILITIES		
Current liabilities:		
Accounts payable and other liabilities	$ 32,963,245	$ 25,913,466
Accrued interest payable	2,787,726	516,912
Deposits	3,071,294	3,095,615
Due to other agencies	98,270	74,038
Due to other funds	174,847	239,101
Current portion of long-term obligations:		
General obligation bonds payable	7,235,000	6,890,000
Loans payable	13,833,681	8,631,415
SBITA liability	17,999	-
Total OPEB liability	210,790	225,234
Compensated absences	951,443	881,909
Current liabilities payable from restricted assets:		
Accrued interest payable	2,937,768	3,305,736
Revenue bonds payable	32,315,000	32,965,000
Total current liabilities	96,597,063	82,738,426
Noncurrent liabilities:		
General obligation bonds payable	71,836,978	79,675,777
Revenue bonds payable	725,152,882	662,581,901
Loans payable	305,836,118	244,510,481
SBITA liability	63,270	-
Net pension liability	16,236,224	16,242,142
Total other post-employment benefits (OPEB) liability	3,613,090	3,650,273
Compensated absences	283,094	246,650
Total noncurrent liabilities	1,123,021,656	1,006,907,224
Total liabilities	1,219,618,719	1,089,645,650
DEFERRED INFLOWS OF RESOURCES		
Unamortized refunding costs	572,511	681,468
Deferred inflows related to leases	142,160	-
Deferred inflows related to pensions	1,564,863	477,969
Deferred inflows related to OPEB	1,889,523	1,790,057
Total deferred inflows of resources	4,169,057	2,949,494
NET POSITION		
Net investment in capital assets	763,017,182	725,154,345
Restricted for:		
Revenue bond covenants	352,835,061	339,709,866
Unrestricted	94,688,976	92,440,693
Total net position	$ 1,210,541,219	$ 1,157,304,904

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended December 31, 2025
(with comparative totals for the year ended December 31, 2024)

	2025	2024
OPERATING REVENUES		
Charges for services and sales	$ 211,570,124	$ 207,390,838
Fees	1,707,987	1,472,630
Rentals	66,236	59,029
Other operating revenues	318,170	117,327
Total operating revenues	213,662,517	209,039,824
OPERATING EXPENSES		
Personnel services	33,772,430	28,279,392
Contractual services	32,218,514	28,883,568
Materials and supplies	13,058,678	14,098,607
Other operating expenses	9,472,510	8,949,414
Administrative charges	1,330,880	921,321
Payments in lieu of franchise taxes	10,358,490	10,331,799
Depreciation	34,973,392	41,066,182
Total operating expenses	135,184,894	132,530,283
Operating income	78,477,623	76,509,541
NON-OPERATING REVENUES (EXPENSES)		
Interest and investment earnings	4,236	557,762
Other expenses	(13,030,209)	(18,064,316)
Interest expense	(23,010,180)	(21,117,118)
Gain on sale of assets	320,745	100,015
Total non-operating expenses	(35,715,408)	(38,523,657)
Income before capital contributions and transfers	42,762,215	37,985,884
Capital contributions and transfers		
Capital contributions	10,741,090	26,127,036
Transfers from other funds	13,909	-
Transfers to other funds	(280,899)	(276,157)
Total capital contributions and transfers	10,474,100	25,850,879
Change in net position	53,236,315	63,836,763
Net position - beginning	1,157,304,904	1,093,468,141
Net position - ending	$ 1,210,541,219	$ 1,157,304,904

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COMBINED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025
(with comparative totals for the year ended December 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 213,429,950	$ 204,672,720
Cash payments to suppliers for goods and services	(56,963,514)	(54,533,391)
Cash payments to employees for services	(31,443,835)	(28,176,311)
Payments in lieu of franchise taxes	(10,358,490)	(10,331,799)
Other operating revenues	318,170	117,327
Other operating expenses	(13,030,209)	(18,064,316)
Net cash provided by operating activities	101,952,072	93,684,230
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund loans	(47,715)	(25,452)
Transfers from other funds	13,909	-
Transfers to other funds	(280,899)	(276,157)
Net cash used in noncapital financing activities	(314,705)	(301,609)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Issuance of capital debt	173,036,401	111,465,379
Accrued interest on issuance of capital debt	-	-
Principal payments on long-term debt	(48,767,818)	(37,995,000)
Interest payments on long-term debt	(23,815,886)	(24,000,371)
Principal payments on SBITAs	(19,195)	-
Capital asset additions	(185,963,002)	(133,520,938)
Sale of capital assets	320,745	100,015
Capital contributions	2,409,406	21,923,326
Net cash used in capital and related financing activities	(82,799,349)	(62,027,589)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	4,236	557,762
Net cash provided by investing activities	4,236	557,762
Net increase in cash and temporary investments	18,842,254	31,912,794
Cash and temporary investments - beginning	419,135,611	387,222,817
Cash and temporary investments - ending	$ 437,977,865	$ 419,135,611

(Continued)

COMBINED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended December 31, 2025
(with comparative totals for the year ended December 31, 2024)

	2025	2024
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 78,477,623	$ 76,509,541
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	34,973,392	41,066,182
Other income (expenses)	(13,030,209)	(18,064,316)
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
(Increase) decrease in accounts receivable	44,083	(4,070,152)
Increase in lease receivables	(151,573)	-
(Increase) in inventory	(203,082)	(686,833)
Decrease in prepaid items	27,702	28,810
Decrease in net pension asset	-	-
(Increase) in deferred outflows related to pensions	824,836	6,431,750
(Increase) in deferred outflows related to OPEB	109,369	(559,196)
Increase (decrease) in accounts payable	(547,955)	(762,010)
Increase (decrease) in accrued interest payable	51,022	244,439
Increase (decrease) in due to other agencies	24,232	35,656
Increase (decrease) in deposits	(24,321)	(459,720)
Increase (decrease) in net pension liability	(5,918)	(6,100,666)
Increase in total OPEB liability	(51,627)	433,627
Increase in compensated absences	105,978	126,653
Increase in deferred inflows related to leases	142,160	-
(Decrease) in deferred inflows related to pensions	1,086,894	(745,992)
Increase (decrease) in deferred inflows related to OPEB	99,466	256,457
Total adjustments	23,474,449	17,174,689
Net cash provided by operating activities	$ 101,952,072	$ 93,684,230
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Contribution of capital assets	$ 8,465,085	$ 11,978,855
Capital contribution receivables	144,855	144,855
Capital assets in accounts payable	29,194,822	21,597,088

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 represents uncollected charges (both billed and unbilled) as of December 31st, net of amounts estimated to be uncollectible.

E. 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.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

F. 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.

G. 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/amortization of all exhaustible capital assets, including the amortization of lease assets, is charged as an expense against operations. Accumulated depreciation/amortization is reported on the funds' statement of net position. Capital assets of the Utilities are depreciated/amortized using the straight-line method over the estimated useful lives shown in the chart above.

H. 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 $10,358,490 in 2025 and $10,331,799 in 2024. These payments are treated as an operating expense and passed through to the Utilities' customers.

I. 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 has not recorded a liability for other any other accrued leaves. See Note 1.L in the Notes to the Financial Statements in the Financial Section of this report.

J. 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, a collective deferred inflow of resources related to OPEB, which is described in more detail in Note 8 – Other Post-Employment Healthcare Benefits, and a collective deferred inflow of resources related to Leases, which is described in more detail in Note 12 – Leases.

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2. CASH AND INVESTMENTS

As of December 31, 2025 and 2024, the Utilities had combined cash and temporary investments in the amounts of $437,977,865 and $419,135,611, 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, 2024, the Utilities had non-pooled investments of $12,210,409. There were no non-pooled investments as of December 31, 2025. The Utilities bond reserves were part of the pooled investments as of December 31, 2025.

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 in Note 5 - Cash, Investments and Securities Lending of the Notes to the Financial Statements in the Financial Section of this publication.

3. CAPITAL ASSETS

Capital asset activity of the Water Utility and Sewer Utility for the year ended December 31, 2025 is shown as follows:

Capital Assets Activity
For the Year Ended December 31, 2025
(dollars in thousands)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 21,589	$ 318	$ -	$ -	$ 21,907
Construction in progress	621,696	183,840	(16,545)	-	788,991
Total capital assets, not being depreciated	**643,285**	**184,158**	**(16,545)**	**-**	**810,898**
Capital assets, being depreciated:					
Buildings	297,933	207	-	-	298,140
Improvements other than buildings	1,367,058	18,663	-	8,465	1,394,186
Machinery, equipment and other assets	213,783	7,078	(1,955)	-	218,906
Total capital assets being depreciated	**1,878,774**	**25,948**	**(1,955)**	**8,465**	**1,911,232**
Less accumulated depreciation for:					
Buildings	(133,914)	(6,100)	-	-	(140,014)
Improvements other than buildings	(445,545)	(23,426)	-	-	(468,971)
Machinery, equipment and other assets	(168,264)	(5,442)	1,955	-	(171,751)
Total accumulated depreciation	**(747,723)**	**(34,968)**	**1,955**	**-**	**(780,736)**
Total capital assets, being depreciated, net	**1,131,051**	**(9,020)**	**-**	**8,465**	**1,130,496**
Water and Sewer Utility capital assets, net	**$ 1,774,336**	**$ 175,138**	**$ (16,545)**	**$ 8,465**	**$ 1,941,394**

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 issued 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: https://www.wichita.gov/422/Pension-Documents.

The Utilities are required to contribute at an actuarially determined rate for WERS. The rate for 2025 and 2024

was 15.6% and 15.2% of annual covered payroll, respectively. As of December 31, 2025 and 2024, the Utilities reported a net pension liability of $16,236,224 and $16,242,142, 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, 2025 and 2024, the Utilities reported a total OPEB liability of $3,823,880 and $3,875,507, 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 pages F-14 and F-15 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, 2025 are summarized in the following table:

Long-Term Obligations Activity
For the Year Ended December 31, 2025
(dollars in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	$ 80,880	$ -	$ (6,890)	$ 73,990	$ 7,235
Unamortized premium	5,685	-	(603)	5,082	-
Revenue bonds	356,730	-	(32,965)	323,765	32,315
Unamortized premium	28,303	-	(2,710)	25,593	-
Direct borrowing and placement:					
Revenue bonds*	310,514	97,595	-	408,109	-
Total bonds payable	**782,112**	**97,595**	**(43,168)**	**836,539**	**39,550**
Direct borrowing and placement:					
Loans payable**	253,142	75,441	(8,913)	319,670	13,834
SBITA liability	-	100	(19)	81	18
Compensated absences	1,129	1,299	(1,193)	1,235	951
Net pension liability	16,242	19,540	(19,546)	16,236	-
Total OPEB liability	3,876	603	(655)	3,824	211
Total long-term liabilities	**$1,056,501**	**$ 194,578**	**$ (73,494)**	**$ 1,177,585**	**$ 54,564**

* *Water Infrastructure Finance and Innovation Act (WIFIA) bonds.*

** *Kansas Public Water Supply Loan Fund (KPWSLF) loans.*

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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, 2025.

General Obligation Bonds Outstanding on December 31, 2025 (dollars in thousands)

Outstanding issue	Interest Rate	Dated Date	Final Maturity Date	Amount Outstanding
Series 811	3.00% - 5.00%	10/01/2014	2034	$ 73,990
Total Water & Sewer Utility General Obligation				**$ 73,990**

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
2026	$ 7,235	$ 2,421
2027	7,450	2,201
2028	7,675	1,974
2029	7,905	1,740
2030	8,140	1,499
2031– 2034	35,585	2,776
Totals	**$ 73,990**	**$ 12,611**

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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 as of December 31, 2025.

Revenue Bonds
Outstanding on December 31, 2025
(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	$ 7,500
2014B Water & Sewer	2.50% - 5.00%	12/1/2014	2034	6,875
2015B Water & Sewer Refunding	2.38% - 5.00%	4/1/2015	2031	12,820
2015C Water & Sewer	2.50% - 5.00%	11/1/2015	2035	12,675
2015D Water & Sewer Refunding	2.50% - 5.00%	11/1/2015	2032	11,395
2016A Water & Sewer	3.00% - 5.00%	8/1/2016	2036	14,925
2016B Water & Sewer Refunding	3.00% - 5.00%	8/1/2016	2039	61,930
2017A Water & Sewer	3.00% - 5.00%	6/1/2017	2037	45,125
2017B Water & Sewer Refunding	3.00% - 5.00%	12/1/2017	2030	10,100
2019A Water & Sewer	3.00% - 5.00%	3/1/2019	2039	34,425
2019B Water & Sewer Refunding	3.00%	12/1/2019	2030	18,405
2020A Water & Sewer	3.00%	5/1/2020	2039	24,880
2020C Water & Sewer Refunding	2.00% - 3.50%	10/1/2020	2032	6,500
2021A Water & Sewer	2.00% - 4.00%	6/1/2021	2040	30,075
2023A Water & Sewer	4.00% - 5.00%	3/1/2023	2042	26,135
Total Water and Sewer Utilities revenue bonds				**$ 323,765**
From Direct Borrowings and Placements:				
2020B (WIFIA) Taxable Water & Sewer	1.17%	10/1/2021	2059	$ 290,764
2023B (WIFIA) Taxable Water & Sewer	3.77%	5/3/2023	2061	117,345
Total Water Utility WIFIA revenue bonds				**$ 408,109**

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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
2026	$ 32,315	$ 10,892	$ -	$ -
2027	32,165	9,635	-	-
2028	33,200	8,413	-	-
2029	29,500	7,307	8,091	3,513
2030	29,650	6,302	8,185	3,418
2031 – 2035	106,050	19,420	53,781	36,925
2036 – 2040	56,640	5,277	61,756	37,120
2041 – 2045	4,245	257	67,869	31,009
2046 – 2050	-	-	74,838	24,040
2051 – 2055	-	-	82,814	16,063
2056 – 2060	-	-	80,374	6,900
2061	-	-	7,875	297
Total debt service	**$ 323,765**	**$ 67,503**	**$ 445,583**	**$159,285**
	Less: interest rolled into principal*		(37,474)	
		Total	**$ 408,109**	

* Estimated interest rolled into principal during construction phase. See Note 7E.

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	2025 Principal and Interest	2025 Pledged Revenues Recognized
Water & Sewer Utility Revenue Bonds:*					
$ 958,662	Utility revenues	Through 2061	100%	$ 44,875	$ 213,663

** Includes direct borrowing and placement bonds.*

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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 on the following page presents the long-term loans outstanding as of December 31, 2025.

Long-term Loans
Outstanding on December 31, 2025
(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 & Sewer Utility:*						
$ 55,000	06/22/2020	2020 KPWSLF Loan-2979.1	1.48%	2045	$ 53,814	N/A
60,000	03/01/2022	2021 KPWSLF Loan-2979.2	1.34%	2045	58,687	N/A
75,000	02/17/2023	2023 KPWSLF Loan-2979.3	2.20%	2045	73,497	N/A
76,342	03/07/2024	2024 KPWSLF Loan-2979.4	2.05%	2045	72,950	N/A
		Total Water Utility long-term loans			**258,948**	
$ 64,000	04/10/2023	2023 KPWSLF Loan-3049.1	2.13%	2044	$ 60,722	N/A
65,000	06/20/2025	2025 KPWSLF Loan-3049.2	2.91%	2046	-	N/A
		Total Sewer Utility long-term loans			**60,722**	
		Total Water & Sewer Utility long-term loans			**$ 319,670**	

* Original amount represents the total amount available to be funded by 2020 Kansas Public Water Supply Loan Fund (KPWSLF) loan. See Note 7E on the following page for further details.

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

Annual Debt Service Requirements
Long-term Loans
(dollars in thousands)

Year ending December 31,	Business-type Activities Principal	Interest
2026	$ 13,834	$ 5,897
2027	14,065	5,666
2028	14,329	5,402
2029	14,598	5,134
2030	14,871	4,860
2031 – 2035	78,654	20,002
2036 – 2040	86,343	12,312
2041 – 2045	82,976	3,863
Totals	**$ 319,670**	**$ 63,136**

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Pledged Revenue: The City has pledged specific revenue streams to secure the repayment of its long-term loans. The table below lists those revenues and the corresponding loans, along with the amount and term of the remaining pledge, 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 loans.

Pledged Revenue for Long-term Loans Debt Service Requirements (dollars in thousands)					
Amount of Pledge	Type of Pledged Revenue	Term of Commitment	Percent of Revenue Pledged	2025 Principal and Interest	2025 Pledged Revenue Recognized
Water & Sewer Utility Long-term Loans:*					
$ 382,806	Utility revenues	Through 2045	100%	$ 14,081	$ 213,663
** Loans are direct borrowing and placement loans and have a pledged revenue source.*					

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

Water Infrastructure Finance and Innovation Act (WIFIA) Bonds:

Wichita Water Works Project (WWW Project): 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 WWW Project to construct a new water treatment plant, which is expected to cost approximately $570 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 draws down 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, 2025, the City has a balance outstanding of $290,763,778, which includes $9,903,064 of interest rolled into that balance. There will be an additional $9,478,030 of interest that will be rolled into the bond principal, based upon the principal balance outstanding as of year end, before any debt service payments begin. The City made the final drawdown on this loan in 2024 and will recognize the additional interest rolled into the principal as it is realized.

Wastewater Reclamation Facilities Biological Nutrient Removal Improvements Program (BNR Project): On April 13, 2023, the City entered into a Water Infrastructure Finance and Innovation Act (WIFIA) credit agreement, effective May 2, 2023, at 3.77% for up to $191,481,121 with the United States Environmental Protection Agency (EPA), a direct borrowing/placement, to fund part of the City's Wastewater Reclamation Facilities Biological Nutrient Removal Improvements Program (BNR), which is expected to cost approximately $390 million. The WIFIA Bond will be due in semi-annual installments of interest and annual payments of principal, with a final maturity date the earliest of (a) October 1, 2061, (b) the principal payment date immediately preceding the date that is 35 years following the substantial completion date of the Project or (c) the principal payment date immediately preceding the date that is 40 years following the effective date of the agreement. Interest only accrues as the City draws down 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 $250,000,000. As of December 31, 2025, the City has a balance outstanding of $117,345,448, which includes $2,931,587 of interest rolled into that balance. The City has projected an additional $27,996,209 of interest will be rolled into the bond principal, based upon the principal balance outstanding as of year-end, before any debt service payments begin.

WIFIA Bonds: The Water and Sewer Utility has pledged the net revenues of the Water and Sewer Utility as security for the WIFIA Bonds 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):

***WWW* Project:** As of December 31, 2025, the City has four KPWSLF loans outstanding that funded a part of the City's new WWW Project, which is expected to cost approximately $570 million. On June 22, 2020, the City entered into its first (2020-2979.1) 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 (2022-2979.2) direct borrowing KPWSLF loan with KDHE in an amount not to exceed $60,000,000 at an interest rate of 1.34%. On February 17, 2023, the City entered into its third (2023-2979.3) direct borrowing KPWSLF loan with the KDHE in an amount not to exceed $76,000,000, at an interest rate of 2.20% with up to $1,000,000 in principal forgiveness, for a net principal of $75,000,000. The project will be awarded principal forgiveness because the municipality is designated as a Disadvantaged Community by KDHE. The principal forgiveness of $1,000,000 was awarded on the date of the last disbursement of this loan in 2024 and recognized in the Water Utility Fund's financial statements. The City was responsible for paying interest and service fee costs semiannually for any accrual that was calculated before the forgiveness was awarded. On March 7, 2024, the City entered into the fourth and final (2024-2079.4) direct borrowing KPWSLF loan agreement with KDHE in amount not to exceed $76,342,000 with an interest rate of 2.05%, which would bring the total KPWSLF authorized loans to $267,342,000 with $1,000,000 of principal forgiven.

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. The first principal payment came due on all four of the 2079 loans on September 1, 2025. As of December 31, 2025, the City the 2020, 2022, 2023 and 2024 KPWSLF loans were all finalized with an outstanding principal balance of $258,947,892.

***BNR Project*:** As of December 31, 2025, the City has two KPWSLF loans outstanding that are to fund a part of the City's BNR Project, which is expected to cost approximately $390 million. On April 10, 2023, the City entered into its first (2023-3049.1) direct borrowing KPWSLF loan agreement with the Kansas Department of Health and Environment (KDHE) in an amount not to exceed $65,000,000 with an interest rate of 2.13% with up to $1,000,000 in principal forgiveness, for a net principal of $64,000,000. The project will be awarded principal forgiveness because the municipality is designated as a Disadvantaged Community by KDHE. The principal forgiveness of $1,000,000 will be awarded on the date of the last disbursement of this loan. The City will be responsible for paying interest and service fee costs semiannually for any accrual that is calculated before the forgiveness is awarded. On August 26, 2025, the City entered into its second (2025-3049.2) direct borrowing KPWSLF loan agreement, dated June 20, 2025, with KDHE in an amount not to exceed $65,000,000 with an interest rate of 2.91%. The City and KDHE anticipate one additional loan will be executed for the Project up to an aggregate total loan amount of $120,000,000.

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. The City may choose to roll interest and fees into the principal balance of the loan until the first payment date. 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 and the final principal payment under the Loan shall be fully repaid no later than 21 years after the Project completion.

As of December 31, 2025, the 2023 KPWSLF Loan (3049.1) has a principal balance of $60,721,907, which includes $229,102 of interest rolled into that balance. The first principal payment came due on the 2023-3049.1 loan on March 1, 2025; therefore, no further interest will be rolled into the 3049.1 loan. As of December 31, 2025, no funds have been drawn on the 2025-3049.2 KPWSLF loan.

KPWSLF Loans: The Water and Sewer 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, of 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) an 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.

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. As of December 31, 2025 and 2024, restricted cash and investments available in accordance with the revenue requirements of the bond covenants were $395,322,829 and $382,870,603, respectively.

Water and Sewer Utility Restricted Cash and Investments		
	2025	2024
Principal and interest	$ 23,752,324	$ 16,266,348
Bond reserve	10,891,537	12,249,326
Depreciation and replacement	23,686,370	20,721,746
Improvements	335,359,147	332,022,972
Payment to the City	1,633,451	1,610,211
Total restricted cash and investments	**$ 395,322,829**	**$ 382,870,603**

As of December 31, 2025 and 2024, 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 (Revenue Fund): 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 or semi-annual principal payment and semi-annual interest payment of various revenue bond series, general obligation bond series, and KPWSLF loans on the first day of each month, which is sufficient to meet the maturing bond or loan 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, which shall not be required for the operation and maintenance of the Utility or for the transfers required to the above accounts, except for payment to the City, 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. Includes Payment in Lieu of Taxes and Public Safety Fees.

8. LEASES

The Water Utility has one lease for building space. As a lessor, the Water Utility 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 was 0.8462% and was based off the 3-year average earning percentage from the City's pooled cash and investments. The lease receivable is then reduced over the life of the lease as payments are received and applied in the appropriate period. For this lease, the Water Utility is reporting lease receivables of $151,573 and deferred inflow of resources of $142,160 as of December 31, 2025.

In 2025, the Water Utility recognized approximately $26,000 and $8,000 in lease revenues and interest income, respectively.

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

Year ending December 31,	Principal	Interest
2026	$ 29,557	$ 1,169
2027	30,118	916
2028	30,374	660
2029	30,632	402
2030	30,892	142
Totals	**$ 151,573**	**$ 3,289**

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. (See Note 12. C. for further information)

Year Ending December 31,	Prepaid Lease Expense
2026	$ 26,636
2027	25,612
2028	25,861
2029	24,867
2030	23,910
2031 – 2035	109,500
2036 – 2040	94,485
2041 – 2045	81,541
2046 – 2050	70,369
2051 – 2055	60,723
2056 – 2058	24,250
Total	**$ 567,754**

9. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS)

The Water Utility has a subscription agreement obligation, for the use of software as a service, that expires September 30, 2030. The incremental borrowing rate of 2.6550% was used and is based on the two-year average of the City's bonded debt. This incremental borrowing rate was used to determine the net present value of the SBITA liability, as the implicit interest rate in the agreement was not readily determinable. As of December 31, 2025, the Water Utility had a SBITA asset, net of accumulated amortization, of $95,441 and a corresponding SBITA liability of $81,269. (See Note 13 for further information.)

10. SEGMENT INFORMATION

The Utility maintains separate funds for water and sewer services. Segment information for the year ended December 31, 2025, is located in the Financial Section of this publication.

11. SUBSEQUENT EVENTS

See Note 24 – 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 after December 31, 2025, but before the date of this report.

NET REVENUES AVAILABLE FOR DEBT SERVICE AND CAPITAL EXPENDITURES MADE FROM OPERATING REVENUES (UNAUDITED)

For the year ended December 31, 2025

	Water Utility	Sewer Utility	Combined
GROSS EARNINGS			
Charges for services and sales	$ 128,893,143	$ 84,451,204	$ 213,344,347
Capital contributions - cash	1,168,486	1,240,920	2,409,406
Other revenues	233,255	84,915	318,170
Gain on capital assets	169,995	150,750	320,745
Interest and investment earnings	3,299	937	4,236
Total gross earnings	130,468,178	85,928,726	216,396,904
OPERATIONS AND MAINTENANCE EXPENSES			
Personnel services	18,845,996	14,926,434	33,772,430
Contractual services	21,301,816	10,916,698	32,218,514
Materials and supplies	7,139,199	5,919,479	13,058,678
Other operating expenses	907,604	92,600	1,000,204
Administrative charges	868,281	462,599	1,330,880
Total operations and maintenance	49,062,896	32,317,810	81,380,706
Net revenues available for debt service	$ 81,405,282	$ 53,610,916	$ 135,016,198
BONDED DEBT SERVICE	$ 44,448,207	$ 24,070,589	$ 68,518,796
DEBT SERVICE COVERAGE RATIO	1.83	2.23	1.97
RECONCILIATION OF GROSS EARNINGS TO OPERATING REVENUES			
Gross earnings	$ 130,468,178	$ 85,928,726	$ 216,396,904
Less: capital contributions - cash	(1,168,486)	(1,240,920)	(2,409,406)
Less: gain on capital assets	(169,995)	(150,750)	(320,745)
Less: interest and investment earnings	(3,299)	(937)	(4,236)
Operating revenues	$ 129,126,398	$ 84,536,119	$ 213,662,517
CAPITAL EXPENDITURES FROM OPERATING REVENUES	$ 6,618,440	$ 2,537,293	$ 9,155,733

PROPERTY INSURANCE

As of December 31, 2025

Insurance Company	Coverage Details	Deductible	Coverage Period
Traveler's (primary) with RSUI, STARR, and Chubb providing secondary coverage up to the value limits.	All risk coverage on real and personal property for which the City is legally liable, per I.A.W. statement of values on a replacement cost basis, with a value limitation of $350 million.* Damage to vehicles is not included. Water Reclamation Facility have a separate deductible.	Per occurrence. Property: $250,000(3% TIV); $500,000 per location Wind and Hail: $1,000,000 Water Reclamation Facility	01-25 to 01-26
Traveler's	Comprehensive coverage for steam boilers, air conditioners, and electric motors on a repair or replacement cost basis.*	Per occurrence - $250,000	01-25 to 01-26

* 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, 2025

(with comparative totals for the year ended December 31, 2024)

	Number of Customers		Water Revenues		Water Consumed (Millions of Gallons)	
Customer Class	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Residential	144,137	144,062	$ 68,621,891	$ 70,887,832	7,134	7,802
Commercial / Industrial	14,087	13,819	$38,075,990	$37,384,612	6,031	6,261
Wholesale	13	13	$7,616,264	$8,275,810	1,440	1,512
Lawn Services	3,196	3,433	N/A	N/A	N/A	N/A
Fire Protection	1,899	1,819	$1,245,172	$1,182,338	N/A	N/A
Contract	197	209	$765,523	$1,191,114	83	139
Backflow Charges	N/A	N/A	$434,895	$231,309	N/A	N/A
Other Sales	N/A	N/A	$483,389	$605,845	18	49
Water Utility Uses	47	39	N/A	N/A	596	318
Non-Revenue Water Use[1]	N/A	N/A	N/A	N/A	1,410	1,659
	163,576	163,394	$ 117,243,124	$ 119,758,860	16,712	17,740

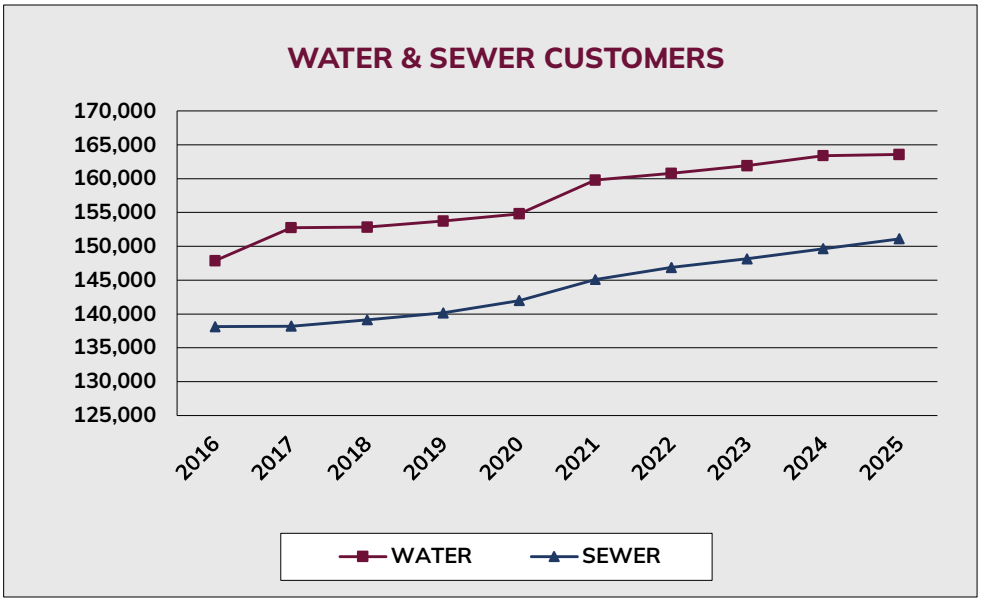
SEWER UTILITY STATISTICS BY CUSTOMER CLASS (UNAUDITED)

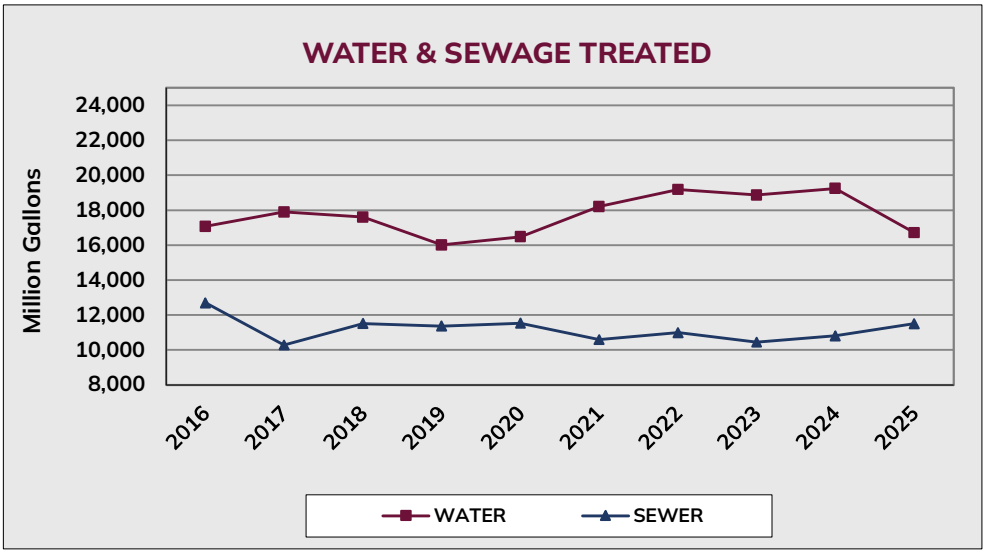
	Number of Customers		Sewer Revenues	
Customer Class	**2025**	**2024**	**2025**	**2024**
Residential	138,344	136,878	$ 44,416,833	$ 42,850,683
Commercial / Industrial	11,985	11,979	29,620,918	28,961,312
Institutional	755	755	1,126,081	1,221,000
Wholesale	4	3	376,574	362,245
Extra Strength	31	31	4,413,184	4,138,530
	151,119	149,646	$ 79,953,590	$ 77,533,770

[1] Customer Classes have been updated for 2025 reporting. Non-revenue water represents any treated water that is not billed. Examples of non-revenue water use may include water loss due to leaks, unauthorized water connections, authorized use for system flushing, authorized use for public safety, etc.

WATER AND SEWER CUSTOMERS: 2016 - 2025 (UNAUDITED)

For year ended December 31, 2025
(with comparative totals for the year ended December 31, 2024)





REPORT IN BRIEF

	2025	2024	Change
Number of Water Customers	163,576	163,394	0.11%
Number of Sewer Customers	151,119	149,646	0.98%
Miles of Active Water Line	2,351	2,321	1.29%
Miles of Sanitary Sewer Line	2,145	2,148	-0.14%
Water Produced (Million Gallons)	16,712	17,740	-5.80%
Wastewater Treated (Million Gallons)	11,499	10,907	5.42%
Cost of Treated, Pressurized Water per 1000 gal.[1]	$ 2.61	$ 2.71	-3.98%
Cost of Treated Wastewater per 1000 gal.[1]	$ 1.80	$ 1.75	3.27%

[1] Calculations have been updated to align with the performance measures presented in the annual Adopted Budget.

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WATER AND SEWER UTILITY RATES (UNAUDITED)

For year ended December 31, 2025

Meter Size (inches)	Water: Inside City Residential	Water: Outside City Residential	Water: Inside City Commercial	Water: Outside City Commercial	Wholesale
5/8	$ 20.57	$ 32.94	$ 21.85	$ 34.98	$ 34.58
3/4	20.57	32.94	21.85	34.98	34.58
1	20.57	32.94	21.85	34.98	34.58
1.5	26.75	42.79	28.42	45.46	44.93
2	34.05	54.52	36.18	57.91	57.24
3	57.33	91.77	60.90	97.49	96.36
4	76.14	121.90	80.89	129.49	127.99
6	115.30	184.58	122.49	196.09	193.81
8	154.14	246.75	163.74	262.13	259.08
10	197.20	315.72	209.50	335.41	331.51
12	273.83	438.36	290.90	465.68	460.27
16	-	-	-	-	1,041.12

Note 1: 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, 2025.

Note 2: The average monthly residential water and sewer bill in 2025 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 $92.63, excluding applicable fees.

VOLUME CHARGE RATES (UNAUDITED)

Volume Charges	Inside City Residential	Outside City Residential	Inside City Commercial	Outside City Commercial	Wholesale
Water:					
< 110% of AWC*	$ 3.27	$ 5.24	$ 3.48	$ 5.57	$ 3.98
111% - 310% of A	11.42	18.29	12.13	19.43	20.61
>310% of AWC*	16.71	26.75	17.75	28.42	30.87
Sewer	4.71	7.53	4.69	7.51	3.43

*Average Winter Consumption (AWC)

Note 1: Rates for volume charges in 2025 per 1,000 gallons are in the table above.

Sewer				
Inside City Residential	Outside City Residential	Inside City Commercial	Outside City Commercial	Wholesale
$ 11.94	$ 19.14	$ 11.90	$ 19.08	$ 17.64
11.94	19.14	11.90	19.08	17.64
11.94	19.14	11.90	19.08	17.64
19.30	30.88	19.24	30.78	28.45
28.89	46.05	28.80	45.90	42.42
83.51	133.62	83.25	133.20	123.10
106.22	169.94	105.89	169.41	156.56
200.93	321.48	200.30	320.47	296.16
286.37	458.15	285.47	456.71	422.06
441.65	706.64	440.27	704.42	650.97
644.61	1,031.36	642.58	1,028.12	950.12
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