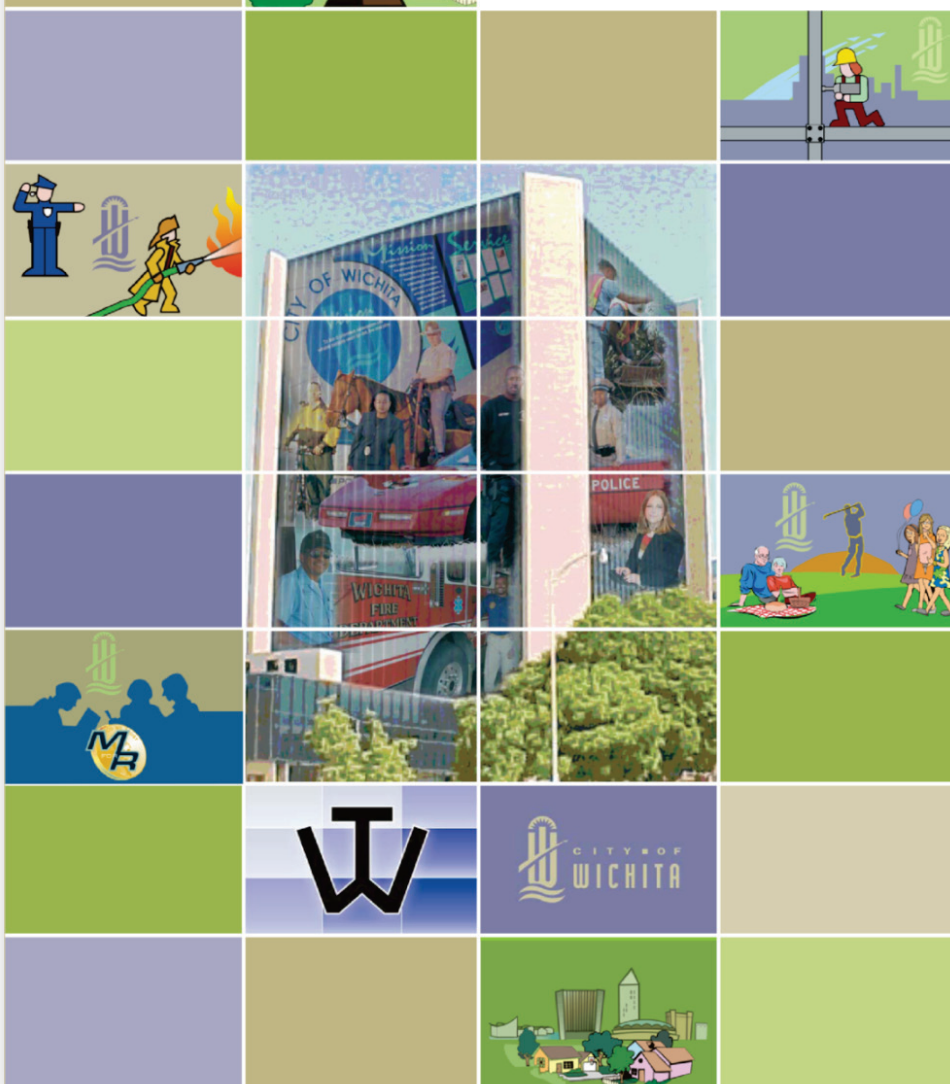
Pension Trust Funds of the City of Wichita, Kansas

Comprehensive Annual Financial Report

CITY OF WICHITA
www.wichita.gov

for the fiscal year ended
December 31, 2008



Wichita Retirement Systems

Police and Fire Retirement System of Wichita, KS	Wichita Employees' Retirement System	Wichita Employees' Retirement Plan 3


asset years
contribution
Chief
Wichita
single
material due
analysis page
principles
WERS
Systems
liability established
System
future
consecutive
employer
fiscal
benefits
members
elected
award
administration seven
found
Financial
reasonable
Funding
Comprehensive
Report
Achievement
information
ended
data
purposes surplus
Trustees
Board
Committee
officers
Inc
December Fire
contributions
software
City
accounting
WRS
statements
Employees
period
Public
standards
Additional
combined
independent
Council Manager
year
defined
unfunded
completion
Section
percent
application
policy
changes
return
investment
Callan
payroll provide
benefit
design
Retirement
end
Government
Fund
pension
staff
Boards
PFRS
Manager's
audit
Police
member
firm
Annual
normal
funded
present
actuarial
value
requirements
program
Plan
internal
Certificate
full

Comprehensive Annual Financial Report

for the fiscal year ended December 31, 2008

Pension Trust Funds of The City of Wichita, Kansas

Wichita Retirement Systems

Police and Fire Retirement System of Wichita, Kansas	Wichita Employees' Retirement System	Wichita Employees' Retirement Plan 3

Prepared by
City of Wichita
Pension Management Office
455 N. Main Street, 12th Floor
Wichita, KS 67202
316-268-4544
www.wichita.gov/CityOffices/Finance/Treasury/Pension

Table of Contents

Introductory Section

Financial Section

TABLE OF CONTENTS

Investment Section

Actuarial Section

TABLE OF CONTENTS

Statistical Section

Introductory Section

This page is intentionally left blank.

The Wichita Retirement Systems' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2007 was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). This was the ninth consecutive year that the Pension Trust Funds of the City of Wichita has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

The Wichita Retirement Systems also received the Public Pension Coordinating Council (PPCC), Public Pension Standards Award for the fiscal year ended December 31, 2007 in recognition of meeting the professional standards for plan design and administration as set forth in the Public Pension Standards. This was the sixth consecutive year that the Wichita Retirement Systems have achieved this important award. This award is presented by the PPCC, a confederation of the National Association of State Retirement Administrators (NASRA), the National Conference on Public Employee Retirement Systems (NCPERS), and the National Council on Teacher Retirement (NCTR).

Wichita Employees' Retirement System Board of Trustees

Member Name	
Don Boleski	Appointed by Council Member
Billy Breckenridge	Appointed by Council Member
Steve Coberley	Elected
Carolyn Conley, 1st V.P.	Appointed by Council Member
Bob Decker	Appointed by Council Member
Sandy Greeno	Elected
Mark Hall, 2nd V.P.	Elected
Shawn Henning	City Manager's Appointee
Mark Manning	Elected
Guy McCormick	Elected
Kathy Mikols	Appointed by Council Member
Russell Oliver	City Manager's Designee
Karen Walker	Elected
Melinda Walker, President	Elected
Robert Wine	Appointed by Council Member
Vacant	Appointed by Mayor

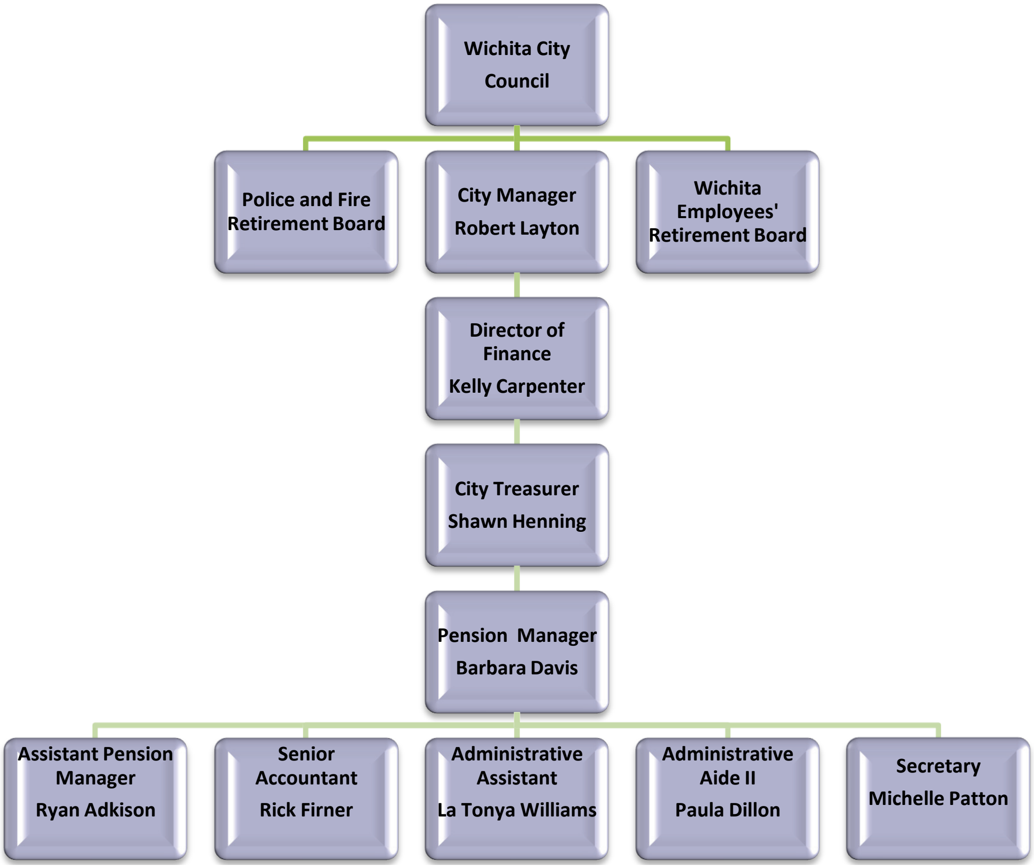
Introductory Section: Figure 1

Police and Fire Retirement System Board of Trustees

Member Name	
Hans Asmussen, 1st V.P.	Police-Elected
Ronald Blackwell	Fire Chief
Michael Crosby	Fire-Elected
Joe Dessenberger	Police-Elected
Marvin Fisher, 2nd V.P.	Appointed by Council Member
Mike Hastings	Appointed by Council Member
Shawn Henning	City Manager's Designee
Jason Jones	Fire-Elected
Troy Jordan	Appointed by Council Member
Mike Malter, President	Fire-Elected
David Moses	Appointed by Council Member
Chester Pinkston	Police-Elected
Norman Williams	Police Chief
William Wynne	Appointed by Council Member
Vacant	Appointed by Mayor
Vacant	Appointed by Council Member

Introductory Section: Figure 2

Organizational Chart



Introductory Section: Figure 3

Professional Consultants

Actuary Milliman, Inc. 1120 South 101st Street, Suite 400 Omaha, Nebraska 68124	**Legal Services** Law Department, City of Wichita 455 N. Main Street, 13th Floor Wichita, Kansas 67202
Financial Consultant Callan Associates, Inc. 1660 Wynkoop Street, Suite 950 Denver, Colorado 80202	**Legal Services** Ice Miller, L.L.P. One American Square, Suite 3100 Indianapolis, Indiana 46282
Custody Institution State Street Bank and Trust Company 200 Newport Avenue, 7th Floor North Quincy, Massachusetts 02171	**Defined Contribution Participant Accounting** Northeast Retirement Services 4A Gill Street Woburn, Massachusetts 01801
Independent Auditors Allen, Gibbs & Houlik, L.C. Epic Center, 301 N. Main Street, Suite 1700 Wichita, Kansas 67202	**Participant Education** NestEgg Consulting, Inc. 125 N. Market Street, Suite 1050 Wichita, Kansas 67202

Introductory Section: Figure 4

A list of professional investment managers may be found on pages 44 and 45.

June 22, 2009

The Honorable Mayor and City Council
Police and Fire Retirement System of Wichita Board of Trustees
Wichita Employees' Retirement System Board of Trustees

The Department of Finance of the City of Wichita is pleased to present the eleventh Comprehensive Annual Financial Report of the Wichita Retirement Systems ("WRS" or "System"); a single employer retirement system comprised of the Police and Fire Retirement System of Wichita, Kansas (PFRS), the Wichita Employees' Retirement System and the Wichita Employees' Plan 3 (WERS) for the year ended December 31, 2008.

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

Our operating results and financial position are presented in accordance with generally accepted accounting principles (GAAP). To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present our financial position and operating results.

An annual audit of the Systems' financial statements and an evaluation of the Systems' internal controls were conducted by the independent accounting firm of Allen, Gibbs & Houlik, L.C. An unqualified ("clean") opinion on the Systems' financial statements for the year ended December 31, 2008 has been issued. The independent auditors' report may be found on page 13 of the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report (beginning on page 14) and provides a narrative introduction, overview and analysis of the financial statements. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

Plan History

The Wichita Employees' Retirement System was established in 1948 to provide pension benefits to all civilian employees, their surviving spouses, and beneficiaries. The Police and Fire Retirement System of Wichita, Kansas was established in 1965 to provide pension benefits to commissioned police and fire officers, their surviving spouses, and beneficiaries. All full-time employees of the City of Wichita participate in one of these two Systems.

In October 1999, the assets of the Wichita Retirement Systems were combined into a single Fund for investment purposes. Then, in October 2000, assets of WERS Plan 3 (a defined contribution plan) were separated from the combined WERS and PFRS Funds for investment, custodial, and participant record keeping purposes. Finally, in January 2004, WERS Plan 3 assets were liquidated and the proceeds were reinvested with the other assets of the Wichita Retirement Systems, which resulted in a combined single Fund for investment purposes.

Department of Finance
City Treasurer's Division • Pension Management
City Hall • 12th Floor • 455 N. Main • Wichita, Kansas 67202
T 316.268.4544 • **F** 316.268.4656
www.wichita.gov

How We Are Structured

A sixteen member Board of Trustees oversees the Police and Fire Retirement System. The members include the City Manager or the City Manager's designee, the Police Chief, the Fire Chief, three fire officers and three police officers elected by PFRS members of their respective departments, and seven members appointed by the City Council. A separate sixteen member Board of Trustees oversees the Wichita Employees' Retirement System. The members include the City Manager or the City Manager's designee, the City Manager's appointee, seven members elected by WERS members, and seven members appointed by the City Council. The City Manager appoints a Pension Manager who manages staff to carry out the daily operations of the Retirement Systems.

System Funding and Financial Position

Funding is the process of setting aside resources for current and future use by the Systems. The funding objective of the Wichita Retirement Systems is to meet funding requirements through contributions, expressed as a percent of active member payroll, which will remain approximately level from year-to-year and will not require increases in contribution rates for future generations of citizens in the absence of plan benefit improvements.

The annual actuarial valuations, prepared by our actuary, Milliman, Inc., provide an indicator of the funding status of the Retirement Systems. As of December 31, 2008, the funded ratio of the Police and Fire Retirement System was 95.1 percent and the funded ratio of the Wichita Employees' Retirement System was 100.1 percent. The funded ratio is the ratio of actuarial assets to actuarial liabilities. The actuarial liability is that portion of the present value of future benefits that will not be paid by future employer normal costs or member contributions. The difference between this liability and the actuarial value of assets at the same date is referred to as the unfunded actuarial liability (UAL) or surplus if the asset value exceeds the actuarial liability. The Retirement Systems' ordinances require that this unfunded actuarial liability (or surplus) be amortized over a 20-year rolling period.

The extremely negative investment performance in 2008 has significantly reduced the funded ratios in the Systems. Without future investment returns above the investment return target of 7.75 percent, the funded ratios in the Systems will continue to deteriorate and the required employer contributions will increase significantly in future years. Employer contributions in the PFRS remained unchanged at the full normal cost rate of 17.5 percent of covered payroll during 2007 and 2008. The WERS employer contribution rates also remained unchanged at 4.7 percent of annual covered payroll during 2007 and 2008. Additional information regarding the financial condition of pension trust funds can be found in the Actuarial Section of this report.

Investments

The WERS Board of Trustees' investment authority is found in the City of Wichita's Municipal Code, Section 2.28.090. Investment authority for the PFRS Board of Trustees is contained in Section 12 of Charter Ordinance 205, which is found in Section 99.02.205 of the City of Wichita's Municipal Code.

Investment market conditions for 2008 were extremely unfavorable. As of December 31, 2008, investments at fair value totaled $887 million, a decrease from the December 31, 2007 fair value of $1.3 billion. The investment return for WRS' combined investment portfolio was -28.05 percent for the year ended December 31, 2008, which trailed the WRS' investment target benchmark return of -26.02 percent for the same period, and the Systems' long-term actuarial target of 7.75 percent.

The WERS and PFRS Boards of Trustees have established an overall strategic asset allocation policy based upon the financial needs of the joint fund and the Boards' tolerance for volatility, or risk. The Boards utilize external investment managers consisting of both passive and active strategies. The portfolio is broadly diversified among equities, debt securities, and real estate, with additional diversification achieved in equities through domestic and international investing. With the assistance of the Systems' financial consultant and staff, the Trustees continue to monitor the investment program and review the policy for future changes to the asset allocation, manager allocations and possible additional investment types. For more information on WRS' investment strategies and policies, safeguards on investments and a comparative analysis of investment results over time, please refer the Investment Section of this report, beginning on page 37.

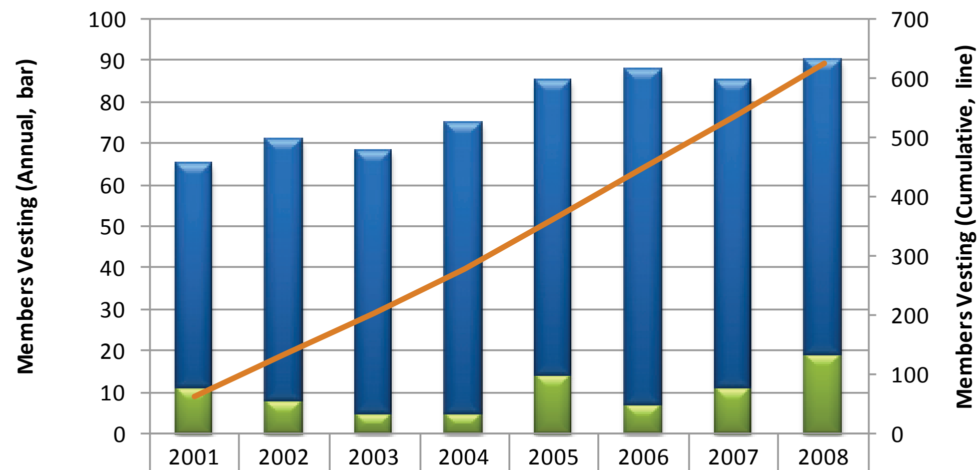
Major Initiatives

In 2005, WERS and PFRS purchased a pension administration system through Vitech Systems Group, Inc. The V3 Benefits Administration System software replaces the Systems' legacy software that was purchased in 1993. The software implementation project began in May 2005, and was initially scheduled for completion by year-end 2006. Delays were experienced in Phase II of the project, which included design specification development, data mapping, data conversion, and testing. The Line of Business application, which includes the functional capabilities necessary for staff to administer all pension benefits, was mostly "live" at the end of 2008. The disbursement file transmission between the software and the Systems' custodial bank was near completion at the end of 2008. Additionally, the Member Self Service web-based application is scheduled for completion in 2009. This application adds new functionality for members to access their pension information through a secure website and view member demographic information, account balances, and perform pension estimates.

In April, Callan Associates Inc. reviewed the asset allocation of the Fund and no changes were recommended. With the assistance of Callan Associates Inc., an investment manager search was completed in June 2008. Barrow, Hanley, Mewhinney & Strauss was selected as one of the Systems' Large Cap Value managers. This firm replaced Capital Guardian in August 2008.

2008 was the eighth year since inception of WERS Plan 3, that participants became fully vested in the plan with the completion of seven years of service. When vested, Plan 3 members are required to make an election to remain in Plan 3 (a defined contribution plan) or transfer to Plan 2 (a defined benefit plan). Upon vesting, Plan 3 members attend an education program conducted by NestEgg Consulting, Inc. of Wichita, Kansas. The program provides participants with information regarding defined contribution and defined benefit plans, investment options, and asset allocation to assist them in making an informed decision regarding their pension plan selection. The following table reflects the Plan 3 members' vesting and their plan elections:

Plan 3 Members Vesting



	2001	2002	2003	2004	2005	2006	2007	2008
Total Vestings (Annual)	65	71	68	75	85	88	85	90
Transfer to Plan 2 (Annual)	54	63	63	70	71	81	74	71
Remain in Plan 3 (Annual)	11	8	5	5	14	7	11	19
Total Vestings (Cumulative)	65	136	204	279	364	452	537	627

Although a benefit enhancement study was conducted for the WERS, no benefit enhancements for members of either the WERS or PFRS were enacted during the fiscal year ended December 31, 2008, due principally to volatile market conditions. The WERS Board and the City Council adopted Ordinance revisions in 2008 related to the Deferred Retirement Option Plan (DROP). These new provisions encourage employees to terminate employment at the end of their DROP period, as they had elected, and specifically address administration of this benefit in the event an employee does not terminate employment as elected.

In 2007, WERS and PFRS contracted with Cheiron, Inc. to conduct an actuarial audit. An actuarial audit ensures the primary actuary's assumptions, methodologies, and conclusions are reasonable and the normal cost, funded ratio, and other significant information accurately summarize reality. The actuarial audit was completed in mid 2008 and concluded that the primary actuarial results for both systems were reasonable.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Wichita Retirement Systems for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2007. This marks the ninth consecutive year the Wichita Retirement Systems has received this prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Wichita Retirement Systems have received the Certificate of Achievement for each of the last nine consecutive fiscal years. We believe that our current report again conforms to the Certificate of Achievement program requirements, and we will submit it to the GFOA for consideration.

In addition, the Public Pension Coordinating Council (PPCC) awarded the Wichita Retirement Systems with their Public Pension Standards Award for the sixth consecutive year in 2008. This award is in recognition of meeting professional standards for pension plan design and administration, as set forth in the Public Pension Standards.

Acknowledgments

This report was made possible through the combined efforts of the Pension Management Staff, the Controller's Office, and the City Treasurer. The report is intended to provide complete and reliable information in accordance with the Finance Department's policy of full financial disclosure. The report was prepared using the principles of governmental accounting and reporting as developed by the Governmental Accounting Standards Board (GASB).

Respectfully submitted,

Kelly Carpenter	Shawn Henning	Barbara Davis
Director of Finance	City Treasurer	Pension Manager

This page is intentionally left blank.

Financial Section

This page is intentionally left blank.

Allen, Gibbs & Houlik, L.C.
CPAs & Advisors

INDEPENDENT AUDITORS' REPORT

The Boards of Trustees
Wichita Retirement Systems
Wichita, Kansas

We have audited the accompanying statement of plan net assets of the Wichita Retirement Systems of the City of Wichita, Kansas (Systems) as of December 31, 2008, and the related statement of changes in plan net assets for the year then ended. These financial statements are the responsibility of the Systems' management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Systems' 2007 financial statements and in our report dated June 17, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the Wichita Retirement Systems of the City of Wichita, Kansas as of December 31, 2008, and the changes in plan net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management discussion and analysis and required supplementary information as listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supporting schedules on pages 32 and 33, and the introductory, investment, actuarial, and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supporting schedules on pages 32 and 33 have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory, investment, actuarial, and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Allen, Gibbs & Houlik, L.C.

June 17, 2009

301 N. Main, Suite 1700 • Wichita, Kansas 67202-4868 • (316) **267-7231** • (316) **267-0339** fax • www.aghlc.com

Management Discussion and Analysis

Management is pleased to provide this overview and analysis of the financial activities of the Wichita Retirement Systems (WRS) for the year ended December 31, 2008. We encourage readers to consider this information in conjunction with the letter of transmittal, which begins on page 6 of this report.

Overview of the Financial Statements of the Fund

The two basic financial statements of the Fund are the *Statement of Plan Net Assets* and the *Statement of Changes in Plan Assets*. Statements are shown for the most recent and previous fiscal years for comparison and analysis in individual line items. The statements are prepared in conformity with accounting principles generally accepted in the United States.

The **Statement of Plan Net Assets** (see page 18) is presented for the pension trust funds at December 31, 2008, with combined total comparative information at December 31, 2007. The Statement of Plan Net Assets presents information on all of the Systems' assets and liabilities, with the difference between the two reported as net assets held in trust for future benefits. The statement is a snapshot of the financial position of the Systems at the close of the fiscal year.

The **Statement of Changes in Plan Net Assets** (see page 19) is presented for the pension trust funds for the year ended December 31, 2008, with combined total comparative information for the year ended December 31, 2007. The statement presents information showing how the Systems' net assets changed during the fiscal year.

The **Notes to the Financial Statements** (see page 20) provide additional information, which is not included in the statements themselves, but is essential to a full understanding of the financial statements. The *Notes to the Financial Statements* begin on page 21 of this report.

The **Required Supplementary Information and Supporting Schedules** (see page 29) consist of schedules and related notes concerning actuarial information, funded status and required contributions of the defined benefit systems. These schedules and notes emphasize the long-term nature of pension plans and show the Funds' progress in accumulating sufficient assets to pay future benefits.

The **Schedules of Funding Progress** (see page 29) shows actuarial trend data for the past six years. It includes the ratio of valuation assets to the actuarial liability, otherwise known as the funded ratio. The funded ratio increases or decreases over time based upon the relationships between contributions, investment performance, benefit changes, and actuarial assumption changes based upon participant information and characteristics. This schedule also shows the unfunded actuarial accrued liability as a percentage of member payroll.

The **Schedules of Employer Contributions** (see page 30) shows the amount of required employer contributions determined in accordance with parameters established by Governmental Accounting Standards Board (GASB) Statement No. 25 and the percentage actually contributed.

The **Notes to the Required Supplementary Information** (see page 31) include the actuarial methods and assumptions used to determine the data included in the Schedule of Funding Progress and the Schedule of Employer Contributions.

A **Schedule of Administrative Expenses** (see page 32) and a **Schedule of Investment Expenses** (see page 33) are included to show detail of the administrative and investment costs to operate the Systems.

Financial Statement Analysis

Plan Net Assets

The value of plan net assets decreased by $322.1 million during the 2008 fiscal year. This change primarily consisted of a $335.8 million decrease in cash and investments due to the depreciation of investments holdings, offset by a $20.4 million decrease in investment purchases pending. As a result of the financial crisis and related volatility across all markets, total investment return was -28.1% for the year ended December 31, 2008. All of the WRS' portfolios generated negative returns except one of the domestic fixed income portfolios. The Fund's domestic equities reported a -37.3% return and international stocks reported a -40.4% return. Real estate generated a return of -26.8%, and fixed income also posted a negative return of -0.87%.

As of December 31, 2008, total securities lending obligations decreased by $60.4 million, as compared to December 31, 2007. This decrease is due to a lower demand for loans due to fluctuations in the credit markets.

Comparative summary financial statements for fiscal years 2007 and 2008 are shown below (see Financial Section: Figure 1 and Financial Section: Figure 2)

Summary of Plan Net Assets

Assets	2008	2007	Increase (Decrease)
Total cash and investments	$ 778,501,066	$ 1,114,288,395	$ (335,787,329)
Total capital assets	1,186,548	1,276,039	(89,491)
Total receivables	17,024,106	17,918,115	(894,009)
Securities lending short-term collateral investment pool	108,888,775	169,331,570	(60,442,795)
Total assets	905,600,495	1,302,814,119	(397,213,624)
Liabilities			
Accounts payable and accrued expenses	7,815,769	2,057,866	5,757,903
Investment purchases pending	45,071,127	65,507,359	(20,436,232)
Securities lending obligations	108,888,775	169,331,570	(60,442,795)
Total liabilities	161,775,671	236,896,795	(75,121,124)
Plan Net Assets	$ 743,824,824	$ 1,065,917,324	$ (322,092,500)

Financial Section: Figure 1

Summary of Changes in Plan Net Assets

Additions	2008	2007	Increase (Decrease)
Contributions			
Employer	$ 14,493,642	$ 13,814,991	$ 678,651
Employee	8,392,402	8,028,271	364,131
Net investment income	(295,600,025)	104,785,650	(400,385,675)
Transfers from other funds	2,019,289	2,102,726	(83,437)
Total additions	(270,694,692)	128,731,638	(399,426,330)
Deductions			
Pension benefits	46,848,313	44,495,179	2,353,134
Pension administration	926,441	783,804	142,637
Depreciation	97,903	-	97,903
Employee contributions refunded	1,505,862	1,351,606	154,256
Transfers to other funds	2,019,289	2,102,726	(83,437)
Total deductions	51,397,808	48,733,315	2,664,493
Changes in Plan Net Assets	$ (322,092,500)	$ 79,998,323	$ (402,090,823)

Financial Section: Figure 2

Additions to Plan Net Assets

Additions to plan net assets that are needed to finance Plan benefit obligations come primarily from employer and employee contributions and net earnings on investments. For the year ended December 31, 2008, additions totaled $-270.7 million, which is a 310.3% decrease from 2007 additions of $128.7 million. Employer contributions increased by $0.7 million in 2008, while employee contributions increased by $0.4 million. Net investment income decreased significantly from the prior year due to the financial crisis and less favorable market conditions, especially during the fourth quarter of 2008.

Deductions from Plan Net Assets

Deductions from plan net assets are consistent with characteristics of an actuarially mature pension system. Pension benefits increased from $44.5 million in 2007 to $46.8 million in 2008, or approximately $2.3 million (5.3%), as new pensioners were added to the pension payroll, with benefits based on higher salaries. Of this amount, DROP payments increased from $3.7 million in 2007 to $3.8 million in 2008.

Requests for Information

Questions regarding any information provided in this report should be addressed to the Pension Management Office, City of Wichita, 455 N. Main St., 12th Floor, Wichita, KS 67202.

This page is intentionally left blank

Wichita Retirement Systems
Statement of Plan Net Assets

December 31, 2008

(with comparative totals as of December 31, 2007)

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3	Totals 2008	Totals 2007
ASSETS					
Cash and temporary investments	$ 200,705	$ 79,107	$ 20,704	$ 300,516	$ 1,037,463
Receivables:					
Investment sales pending	6,472,719	6,861,848	193,768	13,528,335	14,140,231
Interest and dividends	1,619,766	1,717,144	48,489	3,385,399	3,182,066
Other	61,876	30,261	18,235	110,372	595,818
Total receivables	8,154,361	8,609,253	260,492	17,024,106	17,918,115
Investments, at fair value:					
Government short-term investment fund	16,556,841	17,552,210	495,647	34,604,698	71,288,790
Government securities: long-term	12,412,729	13,111,001	388,189	25,911,919	34,412,582
Corporate debt instruments: long-term	47,723,392	50,408,045	1,492,477	99,623,914	92,555,611
Mortgage and asset-backed securities	61,657,880	65,126,410	1,928,257	128,712,547	120,529,096
Corporate stocks: domestic common	107,343,558	113,382,109	3,357,007	224,082,674	377,487,792
Corporate stocks: international common	60,532,657	63,937,887	1,893,067	126,363,611	214,217,451
Real estate	24,767,973	26,161,281	774,581	51,703,835	60,157,012
Pooled funds: domestic fixed income	-	-	278,559	278,559	220,634
Pooled funds: international fixed income	2,674,237	2,824,674	83,633	5,582,544	6,962,352
Pooled funds: high yield fixed income	2,584,380	2,729,763	80,822	5,394,965	8,102,272
Pooled funds: domestic equities	32,213,522	34,025,675	1,007,429	67,246,626	111,814,307
Pooled funds: international equities	4,064,261	4,308,597	221,800	8,594,658	15,503,033
Securities lending short-term collateral investment pool	52,098,536	55,230,613	1,559,626	108,888,775	169,331,570
Total investments	424,629,966	448,798,265	13,561,094	886,989,325	1,282,582,502
Capital assets:					
Pension software	449,558	449,558	385,335	1,284,451	1,276,039
Less accumulated depreciation	(34,266)	(34,266)	(29,371)	(97,903)	-
Total capital assets (net of depreciation)	415,292	415,292	355,964	1,186,548	1,276,039
Prepaid expenses	35,000	35,000	30,000	100,000	-
Total assets	433,435,324	457,936,917	14,228,254	905,600,495	1,302,814,119
LIABILITIES					
Accounts payable and accrued expenses	3,715,983	3,981,153	118,633	7,815,769	2,057,866
Investment purchases pending	21,564,571	22,860,997	645,559	45,071,127	65,507,359
Securities lending obligations	52,098,536	55,230,613	1,559,626	108,888,775	169,331,570
Total liabilities	77,379,090	82,072,763	2,323,818	161,775,671	236,896,795
NET ASSETS					
Held in trust for pension benefits	$356,056,234	$375,864,154	$11,904,436	$743,824,824	$1,065,917,324

Financial Section: Figure 3

A schedule of Funding Progress for each plan is presented on page 29.

The accompanying Notes to Financial Statements are an integral part of this statement

Wichita Retirement Systems
Statement of Changes in Plan Net Assets

For the year ended December 31, 2008

(with comparative totals for the year ended December 31, 2007)

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3	Totals 2008	Totals 2007
ADDITIONS					
Contributions:					
Employer	$10,549,401	$2,450,162	$1,494,079	$14,493,642	$ 13,814,991
Employee	4,277,247	2,621,076	1,494,079	8,392,402	8,028,271
Total contributions	14,826,648	5,071,238	2,988,158	22,886,044	21,843,262
Investment income (loss):					
From investment activities					
Net appreciation (depreciation) in fair value of investments	(154,488,930)	(165,321,684)	(4,794,590)	(324,605,204)	81,161,085
Interest and dividends	14,761,021	15,813,329	439,220	31,013,570	28,226,535
Commission recapture	15,788	16,915	471	33,174	81,998
Total investing activity income	(139,712,121)	(149,491,440)	(4,354,899)	(293,558,460)	109,469,618
Less investment expense	1,760,150	1,875,979	56,230	3,692,359	5,299,757
Net income (loss) from investing activities	(141,472,271)	(151,367,419)	(4,411,129)	(297,250,819)	104,169,861
From securities lending activities					
Securities lending income	3,095,741	3,663,757	93,140	6,852,638	8,736,793
Less securities lending activities expenses:					
Borrower rebates	1,968,230	2,457,125	59,426	4,484,781	7,870,656
Management fees	341,984	364,853	10,226	717,063	250,348
Total securities lending activities expenses	2,310,214	2,821,978	69,652	5,201,844	8,121,004
Net income from securities lending activities	785,527	841,779	23,488	1,650,794	615,789
Total net investment income (loss)	(140,686,744)	(150,525,640)	(4,387,641)	(295,600,025)	104,785,650
Transfers from other funds	-	2,019,289	-	2,019,289	2,102,726
Total additions	(125,860,096)	(143,435,113)	(1,399,483)	(270,694,692)	128,731,638
DEDUCTIONS					
Pension benefits	21,052,971	25,795,342	-	46,848,313	44,495,179
Pension administration	418,165	438,411	69,865	926,441	783,804
Depreciation	34,266	34,266	29,371	97,903	-
Employee contributions refunded	493,516	313,595	698,751	1,505,862	1,351,606
Transfers to other funds	-	-	2,019,289	2,019,289	2,102,726
Total deductions	21,998,918	26,581,614	2,817,276	51,397,808	48,733,315
Change in net assets	(147,859,014)	(170,016,727)	(4,216,759)	(322,092,500)	79,998,323
Net assets held in trust for pension benefits:					
Beginning of year	503,915,248	545,880,881	16,121,195	1,065,917,324	985,919,001
End of year	$356,056,234	$375,864,154	$11,904,436	$743,824,824	$1,065,917,324

Financial Section: Figure 4

The accompanying Notes to Financial Statements are an integral part of this statement

Notes to the Financial Statements for the Fiscal Year Ended December 31, 2008

The Wichita Employees' Retirement System, the Police & Fire Retirement System of Wichita, and the Wichita Employees' Retirement System Plan 3 are reported as pension trust funds of the City of Wichita and its component units (the reporting entity). The plans consist of 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 & Fire Retirement System (PFRS). A separate Board of Trustees administers each System. The defined contribution plan consists of the Wichita Employees' Retirement System Plan 3, which is also administered by the Wichita Employees' Retirement System Board of Trustees.

Summary of Significant Accounting Policies and Plan Asset Matters

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

Method Used to Value Investments: Investments are reported at fair value. Short-term investments are reported at cost plus accrued interest, which approximates market or 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. Investments that do not have an established market value are reported at their estimated fair value. The Systems invest in treasury strips and various asset-backed securities, such as collateralized mortgage obligations and credit card trusts.

Capital Assets: Capital assets include equipment and software. Capital assets are defined as assets with an initial individual minimum cost of $5,000 or more. Capital assets are valued at historical cost. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over useful lives of one to ten years.

Management of Plan Assets: The Boards of Trustees of the Systems have contractual arrangements with independent investment managers for management 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. The Boards of Trustees also have contractual arrangements with independent firms, which monitor the investment decisions of the Systems' investment advisors.

Estimates: Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires making estimates and assumptions that affect: 1) the reported amounts of assets and liabilities; 2) disclosures, such as contingencies; and 3) the reported amounts of revenues and expenses included in the financial statements. Actual results could differ from those estimates. Some of the more significant estimates include the valuation of certain investments described in the Notes and the actuarial data included in the Required Supplementary Information.

Prior Year Comparative Information: The basic financial statements include certain prior year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Systems' financial statements for the year ended December 31, 2007, from which the summarized information has been derived.

Reserves and Concentrations of Credit Risks: There are no assets legally reserved for purposes other than the payment of plan member benefits. The plans held no individual investments (other than U.S. Government and U.S. Government guaranteed obligations) where the market value exceeded five percent or more of net assets available for benefits. There are no long-term contracts for contributions.

Pending Governmental Accounting Standards Board Statements: GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" was issued June 2008, applying to the financial statements of the City beginning with fiscal year 2010. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

Insurance

The Wichita Retirement Systems participate in the City of Wichita's self-insurance fund programs of workers' compensation, group life insurance, employee liability, property damage, auto liability and general liability. Settled claims for the City of Wichita have not exceeded commercial coverage in any of the past three fiscal years. Additional information, including a general description of each program, can be found in the Comprehensive Annual Financial Report issued by the City of Wichita.

Cash, Investments and Securities Lending

Investments of the Pension Trust Funds: City Ordinance (44-812; section 2.28.090) authorizes the Wichita Employees' Retirement System and City Ordinance (Charter Ordinance 205) authorizes the Police and Fire Retirement System to invest trust fund assets in accordance with the prudent person rule, subject to the following limitations: 1) The proportion of funds invested in corporate preferred and common stock shall not exceed 70 percent; and (2) the proportion of funds invested in foreign securities shall not exceed 25 percent. Additionally, the Systems are not permitted to invest directly or indirectly in any:

1. Real estate, except in certain pooled arrangements with the amount of such investment not to exceed 10 percent;
2. Private equity, except in a commingled fund-of-funds vehicle with the amount of such investment not to exceed 10 percent;
3. Mortgages secured by real estate, except insured mortgages under Titles 203, 207, 220 and 221 of the Federal Housing Act;
4. Oil and gas leases or royalties;
5. Commodities;
6. Provided, however that the restrictions on investments set forth above shall not apply to funds which are invested in a mutual fund, separate account, or commingled fund operated by a qualified investment manager or insurance company for the purpose of making international investments.

All of the deposits and investments of the Wichita Employees' and Police and Fire Retirement Systems are held in a joint investment fund that is invested by outside money managers and are held under a custodial agreement. The pension funds follow an overall strategic allocation policy that includes investments in four asset types: domestic equities, international equities, domestic fixed income, and real estate.

The investments of the Wichita Retirement Systems on December 31, 2008 are listed in the table below (see Financial Section: Figure 5):

The pension funds invest in various asset-backed securities such as collateralized mortgage obligations (CMO's) 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, CMO's 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

Wichita Retirement Systems' Investments

Type of Investment	Fair Value
Government short-term investment fund	$ 34,604,698
Government securities, long-term	25,911,919
Corporate debt instruments, long-term	99,623,914
Mortgage-backed securities	128,712,547
Corporate stocks, domestic common	224,082,674
Corporate stocks, international common	126,363,611
Real estate	51,703,835
Value of interest in pooled funds, domestic fixed income	278,559
Value of interest in pooled funds, international fixed	5,582,544
Value of interest in pooled funds, high yield fixed income	5,394,965
Value of interest in pooled funds, domestic equities	67,246,626
Value of interest in pooled funds, international equities	8,594,658
Securities lending short-term collateral investment pool	108,888,775
Total investments	$ 886,989,325

Financial Section: Figure 5

and timing of cash flows, which would also affect the reported estimated fair values. The pension funds utilize a combination of asset-backed securities, which vary in their degree of volatility. Although considerable variability is inherent in such estimates, management believes the estimated fair values are reasonable estimates.

Custodial Credit Risk: The custodial credit risk for deposits is the risk that in the event of a bank failure, the Wichita Retirement Systems' (WRS) deposits may not be recovered. On December 31, 2008, the WRS's cash deposits in the amount of $300,516 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, State Street.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The interest rate risk is managed using the modified duration methodology. Duration is a measure of a fixed income's cash flow using present values, weighted for cash flows as a percentage of the investment's full price. Modified duration estimates the sensitivity of a bond's price to interest rate changes.

The Wichita Retirement Systems manage their exposure to fair value loss arising from increasing interest rates by complying with the following policy:

1. Fixed income managers have full discretion over the issues selected and may hold any mix of fixed income securities and cash equivalents.

2. Portfolio duration must not be less than 80 percent nor more than 120 percent of the duration of the Barclays Capital Aggregate Bond Index, unless the Joint Investment Committee prospectively grants a written exception. The minimum and maximum of the index range on December 31, 2008 was 2.97 and 4.45, respectively.

The modified duration of investments on December 31, 2008 is shown as follows (see Financial Section: Figure 6 below):

Modified Duration of Investments

Investment Type	Fair Value	Modified Duration (years)
Government securities, long-term	$ 25,911,919	3.66
Corporate debt	99,623,914	4.79
Mortgage-backed securities	128,712,547	1.71
Actively managed investment totals	$ 254,248,380	4.10
Government short-term investment fund	34,604,698	0.08
Pooled international and high yield fixed income securities	10,977,509	1.62
Pooled fixed income securities	278,559	3.70
Total investment in debt securities	$ 300,109,146	

Financial Section: Figure 6

Credit Risk of Debt Securities: Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The Wichita Retirement Systems manage exposure to investment credit risk by adhering to the following policies: (1) For active core domestic fixed income investments, bonds and preferred stocks must be rated at least "A" by Moody's or Standard and Poor's at the time of purchase; and (2) For core-plus domestic fixed income investments, the weighted average credit quality of the portfolio will not fall below AA- or equivalent. On December 31, 2008, no securities in the investment managers' portfolios were outside of the policy guidelines.

On December 31, 2008, debt investments held by the Wichita Retirement System as rated by Standard and Poor's or an equivalent nationally recognized statistical rating organization are shown in Financial Section: Figure 7.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment with a single issuer. The Wichita Retirement Systems' investment in debt securities had no single issuer of investments that represented five percent or more of the plan assets, with exception of investments issued or implicitly guaranteed by the U.S. government and investments in mutual funds.

Foreign Currency Risk: Currency risk arises due to foreign exchange rate fluctuations. The Wichita Retirement Systems manage the exposure to foreign currency risk by allowing the 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.

All forward foreign currency contracts are carried at fair value by the Retirement Systems. As of December 31, 2008, the Systems held no forward currency contracts. If held, sales of forward currency contracts are receivables and are reported as investment sales pending in the financial statements.

The Wichita Retirement Systems' exposure to foreign currency risk on December 31, 2008 is as follows (see Financial Section: Figure 8 below):

Standard and Poor's Investment Ratings

Quality Rating		Total Debt Securities
AAA	$	155,439,079
AA+		3,286,929
AA		9,015,448
AA-		5,888,315
A+		12,900,440
A		39,788,624
A2		807,535
A-		12,218,456
BBB+		5,289,776
BBB		3,920,466
BBB-		2,357,319
BB+		536,468
BB		1,037,664
BB-		4,429,188
B+		2,554,080
B		1,317,503
B-		664,331
CCC+		1,618,137
CCC		216,237
CCC-		41,795
CC		1,812,187
C		85,822
DD		90
Total credit risk debt securities		265,225,889
Pooled domestic fixed income securities*		278,559
Government Short Term Investment Fund**		34,604,698
Total investment in debt securities	$	300,109,146

* Pooled domestic fixed income securities funds report no ratings

** The Fund is not rated. However, the average quality of the holdings of the Government Short Term Investment Fund on December 31, 2008 was A1+.

Financial Section: Figure 7

Exposure to Foreign Currency Risk

Currency	Cash and cash equivalents	Debt Securities	Equities
Australian dollar	$ 4,419	$ -	$ 10,801,310
Danish krone	-	-	640,129
Euro	37,775	-	45,456,264
Hong Kong dollar	-	-	3,080,407
Japanese yen	344,744	-	31,820,604
New Zealand dollar	-	-	419,289
Norwegian krone	8,500	-	274,879
Pound sterling	76,984	-	20,874,164
Singapore dollar	24,544	-	3,482,784
Swedish krona	-	-	424,504
Swiss franc	21,152	-	9,089,277
International mutual funds (various currencies)	-	5,582,544	8,594,658
Total subject to foreign currency risk	$ 518,118	$ 5,582,544	$ 134,958,269

Financial Section: Figure 8

Other Risk Information: Recent market conditions have resulted in an unusually high degree of volatility and increased risks associated with certain investments held by the City and 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 that such changes could materially affect the amounts reported in the financial statements. In addition, for the pensions systems, declines in the fair values of Plan assets could ultimately affect the funded status of the Plans. The ultimate impact on the funded status will be determined based upon market conditions in effect when the annual valuation is performed. While it is unknown at this time, the future net pension obligations and pension costs recorded by the Systems could be negatively impacted by the current market conditions.

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 custodian of the City's pension plans is an agent in lending the plans' domestic securities for initial collateral of 102 percent of the market value of the loaned securities, international equity securities for initial collateral of 105 percent of the market value of such securities, and the initial collateral received for loans of United Kingdom (UK) Gilts shall have a value of at least 102.5 percent of the market value of such UK Gilts. Collateral may consist of cash (U.S. and foreign currency), securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, irrevocable bank letters of credit issued by a person other than the securities borrower or affiliate, if determined appropriate by the agent under the securities lending programs it administers and such other collateral as the parties may agree to in writing.

The collateral securities cannot be pledged or sold by the City unless the borrower defaults. The 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 percent of the market value of the loaned securities. Contracts with the lending agent require them to indemnify the Systems, if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the Systems for income distributions by the securities' issuers while the securities are on loan.

At year-end, the Systems had no credit risk exposure to borrowers because the amounts the Systems owe the borrowers exceeded the amounts the borrowers owed the Systems. Securities loaned can be terminated on demand by the Systems or the borrower.

At year-end, loans were secured with cash collateral, securities collateral or letters of credit. Cash collateral is invested in the lending agent's short-term investment pool, which at year-end had a weighted average maturity of 36 days. The relationship between the maturities of the investment pool and the Systems' loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Systems cannot determine.

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 Systems 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 System's securities lending policy, $108,888,775 was held by the counterparty acting as the Systems' agent in securities lending transactions on December 31, 2008.

Capital Assets

Capital asset activity for the year ended December 31, 2008 is displayed below (see Financial Section: Figure 9):

Capital Assets

	Beginning Balance	Increases	Decreases	Ending Balance
Pension administration software	$ 1,276,039	$ 8,412	$ 97,903	$ 1,186,548
Capital assets, net	$ 1,276,039	$ 8,412	$ 97,903	$ 1,186,548

Financial Section: Figure 9

Wichita Employees' Retirement System

Plan Description: The Wichita Employees' Retirement System (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. However, upon completion of seven years of service, employees participating in Plan 3 may convert to participation in Plan 2. Establishment of, and amendments to the benefit provisions for the WERS are authorized by the City Council.

On December 31, 2008, the WERS defined benefit plan membership (Plan 1 and Plan 2) consisted of (see Financial Section: Figure 10 below):

Defined Benefit Plan Membership

	Plan 1	Plan 2	Total
Employees Vested	92	958	1050
Subtotal	92	958	1050
Retirees and beneficiaries receiving benefits	867	300	1167
Terminated employees entitled to benefits but not receiving them	6	125	131
Subtotal	873	425	1,298
Total membership	965	1,383	2,348

Financial Section: Figure 10

Eligibility Factors and Benefit Provisions

	Plan 1	Plan 2
Eligibility for benefits	30 years credited service regardless of age; or 7 years credited service and age 60	7 years credited service and age 62
Early retirement benefits	Early retirement between age 55 and 60 on a reduced basis	Early retirement between age 55 and 62 on a reduced basis
Minimum vesting	7 years of credited service	7 years of credited service
Maximum benefit	2.5% of final average salary per year of service up to a maximum of 75%	2.25% of final average salary per year of service up to a maximum of 75%
Service-connected disability	60% of final salary	50% of final salary
Non-service connected disability	Benefit formula based on credited service with a maximum of 50% of final average salary	25% of final salary
Pre-retirement survivor benefits	Benefit formula based on credited service and number of survivors with a maximum of 75% of final average salary	Benefit formula based on credited service and number of survivors with a maximum of 75% of final average salary
Post-retirement survivor benefits	Benefit formula based on credited service and number of survivors with a maximum of 75% of final average salary	Benefit formula based on credited service and number of survivors with a maximum of 75% of final average salary
Annual post-retirement benefit increases	3% of original benefit after 12 months of retirement, not compounded	2% of original benefit after 12 months of retirement, not compounded

Financial Section: Figure 11

Funding Policy: The contribution requirements of plan members and the reporting entity are established by City Ordinance and may be amended by the governing body. Members of Plan 1 and 2 are required to contribute 6.4 and 4.7 percent of covered salaries, respectively. The City is required to contribute at an actuarially determined rate; the rate for 2008 was 4.7 percent of annual covered payroll for both Plans 1 and 2. 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.

Annual Pension Cost and Net Pension Obligation: The net pension obligation (NPO) is defined as the cumulative difference between the employer's annual pension cost and the employer's annual required contributions to the plan. For 2008, the City's annual pension cost of $2,450,162 was equal to the required and actual contributions.

The employer's annual required contribution for the current year was determined as part of the December 31, 2006 actuarial valuation using the Entry Age Normal actuarial cost method. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.75 percent per year compounded annually, (b) projected salary increases of 4.5 percent per year compounded annually (4.0 percent attributable to inflation and 0.5 percent attributable to productivity), (c) additional projected salary increases ranging from 0 percent to 5.5 percent per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 3.0 percent per year (non-compounded) after retirement for Plan 1 and 2.0 percent per year (non-compounded) for Plan 2.

The actuarial accrued liability, as determined by the Entry Age Normal actuarial cost method, is the portion of the actuarial present value of pension plan benefits and expenses not provided for by future normal costs. An asset valuation method is used to smooth the effect of market fluctuations. The actuarial value of assets is equal to the Expected Value (calculated using the actuarial assumed rate of 7.75 percent) plus 25 percent of the difference between the market and expected value. This is the seventh year this smoothing method has been used. As of December 31, 2008, the actuarial liability was fully covered by the valuation assets. The City's funding policy is to amortize the surplus over a rolling 20 year period. The amortization of the existing surplus results in a temporary amortization credit.

The schedule of funding progress, presented as required supplementary information (following the notes to the financial statements), reflects multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits (see Financial Section: Figure 12).

Wichita Employees' Retirement System Funded Status

(as of December 31, 2008, the most recent actuarial valuation date)

Actuarial Valuation Date	Actuarial Value of Assets*	Actuarial Liability (AL)	Unfunded AL (UAL)	Funded Ratio	Active Member Covered Payroll	UAL as a Percentage of Active Member Covered Payroll
	(a)	(b)	(b)-(a)	(a)/(b)	(c)	((b-a)/c)
12/31/08	$ 512,853	$ 512,373	$ (480)	100.1%	$ 81,580	(0.6)%

Rounded dollar amounts are in thousands
* Includes Plan 3 members who are not vested
Financial Section: Figure 12

Schedule of Employer Contributions

(Three Year Trend Information)

Fiscal Year Ending	Employees' Retirement System Annual Required Contribution	Employees' Retirement Plan 3 Annual Required Contribution	Percentage Contributed
12/31/06	$ 2,264,339	$ 1,369,009	100%
12/31/07	2,357,052	1,428,686	100
12/31/08	2,450,162	1,494,079	100

Financial Section: Figure 13

Wichita Employees' Retirement System Plan 3

Plan Description: The reporting entity provides pension benefits for all of its full-time civilian employees hired or rehired on or after January 1, 1994. This is a defined contribution plan; therefore, benefits depend solely on amounts contributed to the plan plus investment earnings. At December 31, 2008, current membership totaled 913.

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 percent of covered salaries. The reporting entity's contributions and earnings for each employee are 25 percent vested after three years of service, 50 percent vested after five years and are fully vested after seven years of continuous service.

Upon completion of seven years of service, employees participating in the plan will be converted to the WERS Plan 2, a defined benefit plan, unless they make an irrevocable election in Plan 3 within 90 days thereafter. If an employee converts to Plan 2, the employee's account on the date of election shall become part of Plan 2. These transactions are reflected as transfers out of Plan 3 and transfers into the Wichita Employees' Retirement System. Fully vested employees who elect to continue participation in Plan 3 beyond seven years, 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. Contributions of the reporting entity and earnings forfeited by employees who leave employment before seven years of service are used to reduce the reporting entity's contribution requirements.

For the year ending December 31, 2008, employee and employer contributions to Plan 3 totaled $1,494,079 and $1,494,079, respectively. On December 31, 2008, the WERS defined contribution Plan 3 membership consisted of (see Financial Section: Figure 14 below):

Defined Contribution Plan Membership

Years of Service	Employer Contribution Vesting Schedule	Number of Employees
7 years or more	100%	61
5 to 7 years	50	166
3 to 5 years	25	199
0 to 3 years	0	487
Total Membership		913

Financial Section: Figure 14

Eligibility Factors and Benefit Provisions

	Less than 7 years of service	7 or more years of service
Service-connected disability	50% of final salary; or refund of vested Plan 3 account balance	50% of final salary; or refund of vested Plan 3 account balance
Non-service connected disability	Refund of vested Plan 3 account balance	25% of final salary; or refund of vested Plan 3 account balance

Financial Section: Figure 15

Police and Fire Retirement System

Plan Description: The Police and Fire Retirement System (PFRS) is divided into 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. On December 31, 2008, the PFRS membership consisted of (see Financial Section: Figure 16):

Defined Benefit Plan Membership

	Plan A	Plan B	Plan C-79	Total
Employees				
Vested	47	-	630	677
Non-vested	-	-	399	399
Subtotal	47	-	1,029	1,076
Retirees and beneficiaries receiving benefits	434	292	114	840
Terminated employees entitled to benefits but not receiving them	-	-	38	38
Subtotal	434	292	152	878
Total membership	481	292	1,181	1,954

Financial Section: Figure 16

Eligibility Factors and Benefit Provisions

	Plans A and B	Plan C-79
Eligibility for benefits	20 years credited service regardless of age	30 years credited service regardless of age; or 20 years of credited service and age 50; or 10 years of credited service and age 55
Minimum vesting	10 years of credited service	10 years of credited service
Maximum benefit	2.5% of final average salary per year of service up to a maximum of 75%	2.5% of final average salary per year of service up to a maximum of 75%
Service-connected disability, injury	75% of final salary	75% of final salary
Service-connected disability, disease	50% of final salary	50% of final salary
Non-service connected disability	With 7 years of service, benefit formula based on credited service with a maximum of 50% final average salary	With 7 years of service, benefit formula based on credited service with a maximum of 50% final average salary
Service-connected death	Benefit formula based on number of survivors with a maximum of 75% final salary	Benefit formula based on number of survivors with a maximum of 75% final salary
Non-service connected death	Benefit formula based on credited service and number of survivors with a maximum of 66 2/3% of final average salary (Plan A); 50% of final salary (Plan B)	Benefit formula based on credited service and number of survivors with a maximum of 66 2/3% of final average salary with 3 years of service
Post-retirement survivor benefits	Benefit formula based on credited service and number of survivors with a maximum of 66 2/3% of final average salary (Plan A); 50% of final salary (Plan B)	Benefit formula based on credited service and number of survivors with a maximum of 66 2/3% of final average salary
Annual post-retirement benefit increases	2% of original benefit after 36 months of retirement, not compounded	2% of original benefit after 36 months of retirement, not compounded

Financial Section: Figure 17

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 percent of covered salaries. The City is required to contribute at an actuarially determined rate; the rate for 2008 was 17.5 percent of annual covered payroll. 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 consulting actuary.

Annual Pension Cost and Net Pension Obligation: The net pension obligation (NPO) is defined as the cumulative difference between the employer's annual pension cost and the employer's annual required contributions to the plan. For 2008, the City's annual pension cost of $10,549,401 was equal to the required and actual contributions.

The employer's annual required contribution was determined as part of the December 31, 2006 actuarial valuation using the Entry Age Normal actuarial cost method. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.75 percent per year compounded annually, (b) projected salary increases of 4.5 percent per year compounded annually (4.0 percent attributable to inflation and 0.5 percent attributable to productivity), (c) additional projected salary increases ranging from 0 percent to 2.5 percent per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.0 percent per year (non-compounded) commencing 36 months after retirement.

The actuarial accrued liability, as determined by the Entry Age Normal actuarial cost method, is the portion of the actuarial present value of pension plan benefits and expenses not provided for by future normal costs. An asset valuation method is used to smooth the effect of market fluctuations. The actuarial value of assets is equal to the Expected Value (calculated using the actuarial assumed rate of 7.75 percent) plus 25 percent of the difference between the market and expected value. This is the seventh year this smoothing method has been used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. At December 31, 2008, the amortization period was 20 years.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, reflects multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to actuarial accrued liability for benefits (see Financial Section: Figure 18).

Police and Fire Retirement System Funded Status

(as of December 31, 2008, the most recent actuarial valuation date)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AL)	Unfunded AL (UAL)	Funded Ratio	Active Member Covered Payroll	UAL as a Percentage of Active Member Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
12/31/08	$ 472,345	$ 496,561	$ 24,216	95.1%	$ 60,282	40.2%

Rounded dollar amounts are in thousands

Financial Section: Figure 18

Schedule of Employer Contributions

(Three Year Trend Information)

Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
12/31/06	$ 9,849,536	100%
12/31/07	10,029,253	100
12/31/08	10,549,401	100

Financial Section: Figure 19

Required Supplementary Information

Schedules of Funding Progress

Wichita Employees' Retirement System

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets*	Actuarial Liability (AL)	Unfunded AL (UAL)	Funded Ratio	Active Member Covered Payroll	UAL as a Percentage of Active Member Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
12/31/03	$ 446,794	$ 387,037	$ (59,757)	115.4%	$ 69,161	(86.4) %
12/31/04	462,994	413,159	(49,835)	112.1	72,154	(69.1)
12/31/05	479,275	433,297	(45,978)	110.6	72,367	(63.5)
12/31/06	505,756	459,062	(46,694)	110.2	75,881	(61.5)
12/31/07	533,911	483,387	(50,524)	110.5	78,736	(64.2)
12/31/08	512,853	512,373	(480)	100.1	81,580	(0.6)

Rounded dollar amounts are in thousands

* Includes Plan 3 members who are not vested

Financial Section: Figure 20

Police and Fire Retirement System

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AL)	Unfunded AL (UAL)	Funded Ratio	Active Member Covered Payroll	UAL as a Percentage of Active Member Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
12/31/03	$ 374,171	$ 350,444	$ (23,726)	106.8%	$ 45,876	51.7 %
12/31/04	392,485	393,387	902	99.8	50,414	1.8
12/31/05	412,823	414,027	1,204	99.7	52,207	2.3
12/31/06	444,498	439,179	(5,319)	101.2	53,530	(9.9)
12/31/07	480,820	468,115	(12,705)	102.7	57,310	(22.2)
12/31/08	472,345	496,561	24,216	95.1	60,282	40.2

Rounded dollar amounts are in thousands

Financial Section: Figure 21

Schedules of Employer Contributions

Wichita Employees' Retirement System

Fiscal Year Ending	Employees' Retirement System Annual Required Contribution	Employees' Retirement Plan 3 Annual Required Contribution	Percentage Contributed
12/31/03	$ 2,007,656	$ 1,214,823	100%
12/31/04	2,084,558	1,219,589	100
12/31/05	2,170,650	1,281,156	100
12/31/06	2,264,339	1,369,009	100
12/31/07	2,357,052	1,428,686	100
12/31/08	2,450,162	1,494,079	100

Financial Section: Figure 22

Police and Fire Retirement System

Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
12/31/03	$ 5,043,505	100%
12/31/04	6,925,467	100
12/31/05	7,308,916	100
12/31/06	9,849,536	100
12/31/07	10,029,253	100
12/31/08	10,549,401	100

Financial Section: Figure 23

Notes to the Required Supplementary Information

Summary of Actuarial Methods and Assumptions

Wichita Employees Retirement System	
Valuation date	December 31, 2008
Actuarial cost method	Entry age normal
Amortization method	Level percentage of projected payroll
Amortization approach	Open
Remaining amortization period	Rolling 20 years
Asset valuation method	Expected Value: assumes 7.75% rate of return plus 25% of the difference between the market value and the expected value of assets
Actuarial assumptions:	
Investment rate of return	7.75% per year
Projected salary increases	4.5% per year; 4% attributable to inflation, 0.5% attributable to productivity Additional salary increases ranging from 0% to 5.5% per year attributable to seniority/merit
Inflation rate	4% per year
Post-retirement benefit increases	Plan 1: 3% per year (non-compounded), commencing 12 months after retirement Plan 2: 2% per year (non-compounded), commencing 12 months after retirement

Financial Section: Figure 24

Summary of Actuarial Methods and Assumptions

Police and Fire Retirement System	
Valuation date	December 31, 2008
Actuarial cost method	Entry age normal
Amortization method	Level percentage of projected payroll
Amortization approach	Open
Remaining amortization period	Rolling 20 years
Asset valuation method	Expected Value: assumes 7.75% rate of return plus 25% of the difference between the market value and the expected value of assets
Actuarial assumptions:	
Investment rate of return	7.75% per year
Projected salary increases	4.5% per year; 4% attributable to inflation, 0.5% attributable to productivity Additional salary increases ranging from 0% to 2.5% per year attributable to seniority/merit
Inflation rate	4% per year
Post-retirement benefit increases	2% per year (non-compounded), commencing 36 months after retirement

Financial Section: Figure 25

Supporting Schedules

Administrative Expenses

Year ended December 31, 2008
(with comparative totals for the year ended December 31, 2007)

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3	Totals 2008	Totals 2008
Personal services:					
Wages	$ 220,532	$ 220,532	$ -	$ 441,064	$ 450,586
Benefits	50,766	50,766	-	101,532	98,222
Total personal services	271,298	271,298	-	542,596	548,808
Contractuals:					
Telephone	1,454	1,454	-	2,908	2,910
Postage	1,613	1,530	4	3,147	3,574
Transportation and travel	3,460	2,849	-	6,309	2,768
Data center charges	21,378	21,378	-	42,756	30,734
City administrative charges	14,080	14,080	-	28,160	23,730
Actuarial fees	39,189	49,481	1,255	89,925	107,619
Audit fees	5,630	5,630	-	11,260	10,700
Legal services	3,923	3,521	89	7,533	5,507
Advertising	13	13	-	26	2,207
Periodicals and manuals	96	96	-	192	192
Membership dues	270	1,520	-	1,790	1,984
Printing and photocopying	4,124	5,086	-	9,210	7,697
Plan 3 participant administration	-	-	29,950	29,950	30,900
Pension software expense	43,466	52,465	35,106	131,037	-
Depreciation	34,266	34,266	29,371	97,903	-
Other	1,731	1,570	-	3,301	2,196
Total contractuals	174,693	194,939	95,775	465,407	232,718
Commodities:					
Office equipment and supplies	1,628	1,628	-	3,256	2,128
Data processing equipment	4,725	4,725	3,461	12,911	-
Other	87	87	-	174	150
Total commodities	6,440	6,440	3,461	16,341	2,278
Total administrative expenses	$ 452,431	$ 472,677	$ 99,236	$ 1,024,344	$ 783,804

Financial Section: Figure 26

Investment Expenses

Year ended December 31, 2008
(with comparative totals for the year ended December 31, 2007)

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3	Totals 2008	Totals 2007
Investment expenses:					
Financial consulting	$ 96,076	$ 93,435	$ 6,289	$ 195,800	$ 212,816
Custodial bank	134,053	147,629	3,788	285,470	263,701
Investment management fees	1,530,021	1,634,915	46,153	3,211,089	4,823,240
Total investment expenses	$ 1,760,150	$ 1,875,979	$ 56,230	$ 3,692,359	$ 5,299,757

Financial Section: Figure 27

Payments to Consultants other than Investment Advisors

Year ended December 31, 2008
(with comparative totals for the year ended December 31, 2007)

Firm	Services	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3	Totals 2008	Totals 2007
Ice Miller, LLP	Legal services	$ 3,923	$ 3,521	$ 89	$ 7,533	$ 5,507
Milliman, Inc.	Actuarial services	29,689	37,290	946	67,925	85,619
Cheiron, Inc.	Actuarial services	9,500	12,191	309	22,000	22,000
Allen, Gibbs & Houlik, L.C.	Auditing services	5,630	5,630	-	11,260	10,700
Northeast Retirement Services	Participant accounting	-	-	29,950	29,950	30,900
Total payments		$ 48,742	$ 58,632	$ 31,294	$ 138,668	$ 154,726

Financial Section: Figure 28

This page is intentionally left blank.

Investment Section

This page is intentionally left blank.

CALLAN ASSOCIATES INC

SAN FRANCISCO
NEW YORK
CHICAGO
ATLANTA
DENVER

March 16, 2009

The Retirement Boards
Wichita Employees' Retirement System and Police & Fire Retirement System of Wichita
455 North Main Street, 12th Floor
Wichita, Kansas 67202

RE: Report on 2008 Investment Activities

Dear Board Members:

The Boards of Trustees of the Wichita Retirement Systems have created a Trust Fund that makes investments for the sole interest of the participants and beneficiaries of the Fund. The primary purpose of the investments is to generate rates of return at a reasonable and controlled level of risk that enable the Fund to pay all pension benefit and expense obligations when due. Accordingly, the assets of the Fund are invested in accordance with these investment objectives: (1) to fulfill current benefit obligations; (2) to maximize return within reasonable and prudent levels of risk; and (3) to maintain sufficient liquidity to meet benefit payment obligations when due.

Preservation of capital is of primary concern. The Fund seeks preservation of capital by pursuing a policy of broad diversification with the long-term objective of achieving a consistent, positive return on Fund assets. Although speculation is avoided, the Boards understand that an above-average return is associated with a certain degree of risk. Risk to be assumed must be considered appropriate for the return anticipated and consistent with the total diversification of Fund assets.

Trust Fund assets are to be invested with the care, skill, and diligence that a prudent person acting in a like capacity would undertake. The Boards acknowledge that, in the process, they have the objective of controlling the costs involved with administering and managing the investments of the Fund.

In establishing its risk tolerance, the Boards considered their ability to withstand short and intermediate-term volatility in market conditions. The Boards also reviewed the long-term characteristics of various asset classes, focusing on balancing risk with expected return. Accordingly, the Boards selected these five asset classes as allowable asset classes: large to mid-capitalization U.S. equities; small to mid-capitalization U.S. equities; U.S. fixed-income securities; non-U.S. equities (developed and emerging markets); and real estate. The "Asset Allocation" discussion that appears later in this section provides details about the Trust Fund percentages that are invested in the five asset classes.

The Boards, with information provided by their Financial Consultant, closely monitor the Fund's asset mix to assure compliance with the adopted Investment Policy Statement and appropriate City ordinances that regulate the investment process.

On an ongoing basis, the Boards implement a performance measurement and evaluation process that examines rates of return for the Trust Fund in total, the five major asset classes, and individual managers. The Boards compare returns to broad market indices and relevant "peer groups" of investment managers with similar investment styles. The schedule on the following page depicts the Fund's various rates of return. All returns are time-weighted rates of return calculated by the Fund's Financial Consultant on the basis of market value and cash flow data provided by the Fund's bank custodian.

The Retirement Boards
March 16, 2009
Page 2

After five consecutive years of positive performance for institutional investors with diversified portfolios, 2008 was one of the worst years on record with the average portfolio declining 25%. Equity markets—domestic and international—declined throughout the calendar year, but the largest losses occurred in September, October, and November as problems in the sub-prime mortgage market eventually led to a full-blown financial crisis marked by historic bankruptcies, mergers, and government interventions. The S&P 500 Index, a proxy for U.S. large-cap stocks, fell 37.00%. U.S. small-cap stocks, as measured by the Russell 2000 Index, declined 33.79%. Non-U.S. equities fared even worse than domestic equities in 2008, in part due to a stronger U.S. dollar; the MSCI EAFE Index lost 43.38%. Helped by falling interest rates and enormous demand for U.S. Treasuries, bonds gained 5.24%, as measured by the BC Aggregate Index. The private real estate market was not immune to the financial crisis and slowing economy, as the NCREIF Property Index declined 6.46% in 2008.

As noted in the Schedule of Investment Results, the Fund generated a total return of -28.05% for the year ended December 31, 2008, which under-performed the -26.02% return of the Fund's target benchmark (the Weighted Index). In aggregate, the Fund's U.S. large cap equity, U.S. fixed income, and real estate managers generated returns that trailed their respective benchmarks. The U.S. small cap equity and non-U.S. equity managers, in aggregate, out-performed their respective benchmarks.

To help defray the expenses associated with the administration and investment of Trust Fund assets, the Boards have created a commission recapture program whereby the Fund's large-cap equity managers direct up to 25 percent of their trades through a large broker-dealer firm selected by the Boards.

Yours truly,

William C. Howard, CFA
Vice President

Investment Policy Summary

Strategic Plan
Assets of the Wichita Employees' and Police and Fire Retirement Systems (Fund) are invested in a diversified mix of domestic and international equities, domestic and international fixed income securities, real estate, and cash equivalents. The Fund is overseen by the Joint Investment Committee, comprised of the President of each Board, trustee representatives elected from both Boards and a City Manager's designee.

Investment Policies
The assets of the Fund are managed solely in the interest of each System's participants and beneficiaries.

The duties of the Boards include, but are not limited to, approving the asset allocation plan and investment policy contained in the Strategic Plan, annual performance review of the investment portfolio, and the hiring of a common financial consultant and actuary.

The duties of the Joint Investment Committee include, but are not limited to, making recommendations to the Boards on an asset allocation plan, an investment policy and the hiring of a common financial consultant and actuary; quarterly performance review of the investment portfolio; and the retention and termination of the Fund's investment managers and the custodial bank.

Fund assets are allocated to professional investment managers who are given full investment discretion with respect to assets under their management, subject to the mandated investment guidelines.

The following minimum standards are set for investment managers:

1. The investment firm must have $500 million or more under management;

2. The investment management firm must have five years of performance history;

3. The Fund's portfolio with the investment manager shall not constitute more than ten percent of the investment manager's total portfolio.

Investment Objectives
The Boards endeavor to earn the maximum total return on assets consistent with maintaining a prudent level of risk. In investing and reinvesting monies in the Fund, there shall be exercised the judgment and care under the circumstances then prevailing which people of prudence, discretion, and intelligence exercised in the management of their own affairs.

Total Fund returns are compared to a blended target index composed of market indices weighted to the applicable asset class median.

The blended target consists of:

- **38%** Standard & Poor's (S&P) 500 Stock Index
- **9%** Russell 2000 Index
- **20%** Morgan Stanley Capital International, Europe Australia and Far East (MSCI EAFE) Index
- **28%** Barclays Capital Aggregate Bond Index
- **5%** National Council of Real Estate Investment Fiduciaries (NCREIF) Total Index

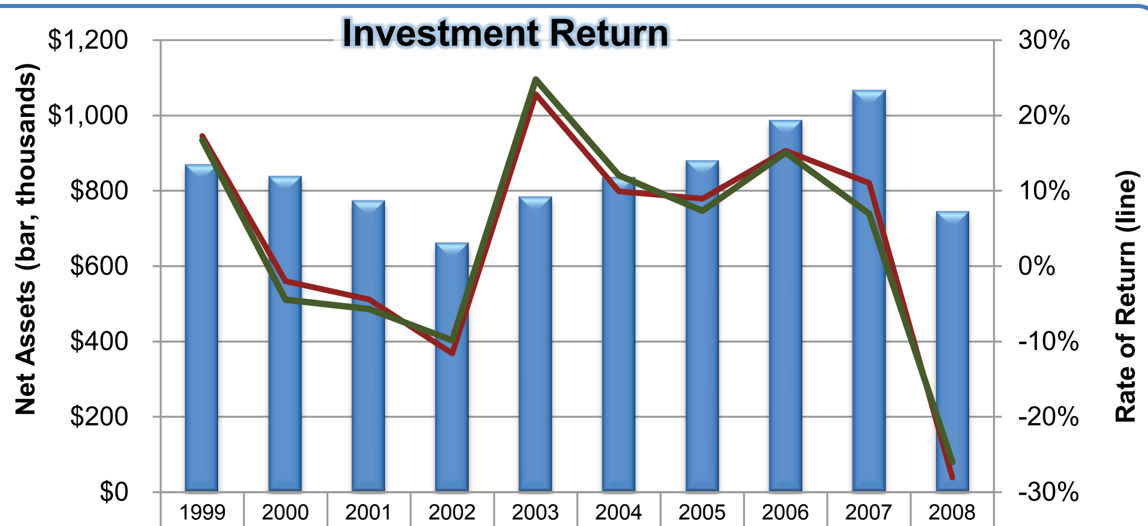
The goal of the Fund is to ensure sufficient resources to meet or exceed benefit obligations. The related investment objectives are, first, to preserve and, second, to increase the capital value of the Fund. In pursuing these objectives, the Boards will endeavor to earn the maximum total return on assets consistent with maintaining a prudent level of risk.

The Boards expect the Fund's overall returns to be less volatile than the relevant market indices. The Fund's long-term objective is to achieve an annualized rate of return that is 4.5% higher than the Consumer Price Index of Urban Wage Earners and Clerical Workers (CPI-U).

Each equity and fixed income manager's total fund return on a time-weighted basis is compared to a universe of managers employing a similar investment style. Performance relative to a manager's style group is expected to be above median in three of five calendar years, and above the 40th percentile over rolling five-year periods.

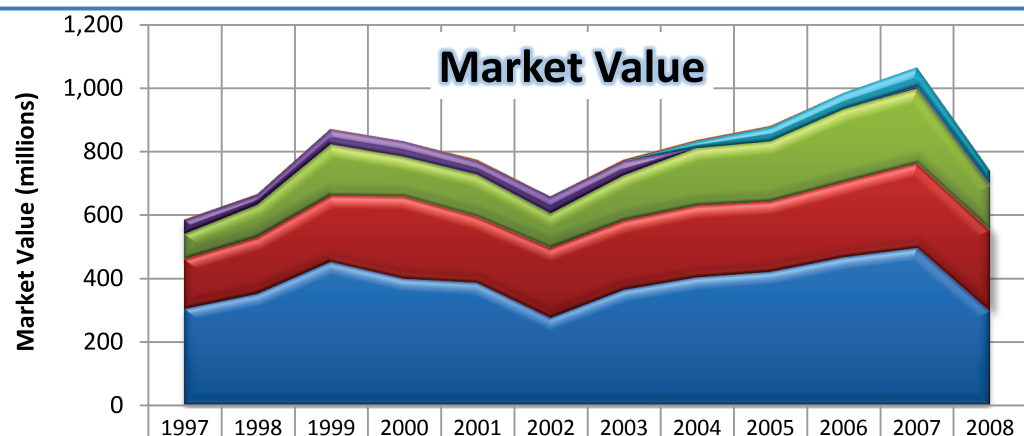
Investment Performance

The charts below (Investment Section: Figure 1 and Investment Section: Figure 2) illustrate annual portfolio investment performance compared to the benchmark and changes in the Fund's net assets based on asset class allocations at year-end. Positive returns, beginning in 2003 and continuing through 2007, are responsible for increasing the Fund's market value until 2008, where a -28.1% return reduced the Fund's net assets to 2001 levels.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net Assets	$868	$837	$773	$661	$783	$835	$879	$986	$1,066	$744
System Return	17.3%	-2.0%	-4.4%	-11.6%	22.8%	10.0%	9.0%	15.3%	11.1%	-28.1%
Benchmark Return	16.7%	-4.5%	-5.7%	-9.9%	24.8%	12.0%	7.4%	15.1%	7.0%	-26.0%

Investment Section: Figure 1



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Cash	2	3	3	1	5	1	6	5	4	1	1	1
Real Estate	0	0	0	0	0	0	0	23	45	52	61	45
International Fixed Income	45	32	48	49	44	54	46	0	0	0	7	6
International Equity	79	102	160	124	132	109	142	180	189	229	233	138
Domestic Fixed Income	156	178	208	258	207	219	218	226	221	236	266	255
Domestic Equity	306	353	453	400	387	277	365	404	421	467	496	297

Investment Section: Figure 2

The Investment Performance table below (see Investment Section: Figure 3) illustrates the Wichita Retirement Systems' (WRS) Fund performance compared with plan target and appropriate index comparisons. The calculations were prepared using a time weighted rate of return based on the market rate of return.

The Wichita Employees' Retirement System (WERS) and Police and Fire Retirement System (PFRS) funds are combined for investment purposes. The WERS consists of defined benefit Plans 1 and 2 and defined contribution Plan 3. The PFRS consists of defined benefit Plans A, B, and C.

In 2000, funds for the WERS Defined Contribution Plan 3 were separated from the combined Fund for investment and management purposes. Although separately invested, these funds continued to be managed in accordance with the Investment Strategies and Policies adopted for the WRS Funds. In January 2004, the Plan 3 funds were returned to the combined Fund for investment and management.

Investment Performance

	Annualized Returns			
	1 year	3 years	5 years	7 years
Total portfolio:				
Fund performance*	(28.05%)	(2.69%)	2.02%	2.64%
Fund Target performance	(26.02%)	(3.08%)	1.83%	3.12%
Domestic equities:				
Large-Cap equity	(38.53%)	(7.16%)	(0.97%)	(1.00%)
S&P 500 Index	(37.00%)	(8.36%)	(2.19%)	(1.53%)
Small-Cap equity	(32.24%)	(7.41%)	(0.19%)	1.41%
Russell 2000 Index	(33.79%)	(8.29%)	(0.93%)	1.60%
International equities:				
International equity	(40.39%)	(4.08%)	3.55%	3.70%
MSCI EAFE Index	(43.38%)	(7.35%)	1.66%	3.41%
MSCI ACWI Index	(45.24%)	(6.57%)	3.00%	4.91%
Domestic fixed income:				
Domestic fixed income	(0.87%)	3.40%	3.42%	4.44%
Barclays Capital Aggregate Index	5.24%	5.51%	4.65%	5.36%
Real estate:				
Real estate**	(26.82%)	(0.29%)	n/a	n/a
NCREIF Total Index	(6.46%)	8.11%	n/a	n/a

* Performance does not include WERS Plan 3 assets prior to January 2004.
** Real estate investments were funded in 2004, therefore, 5 year annual return data is not available.

Plan Target**:**

- From 01/01/02 - 03/31/04; 40% S&P 500; 9% Russell 2000; 17% Morgan Stanley Capital International All Country Ex US (MSCI ACWI); 28% Barclays Capital Aggregate Bond; 6% Salomon Non-US$ World Govt. Bond Index.
- From 04/01/04 until 12/31/06; 38% S&P 500; 9% Russell 2000; 20% Morgan Stanley Capital International All Country Ex US (MSCI ACWI); 28% Barclays Capital Aggregate Bond; 5% NCREIF Total Index.
- From 01/01/07 until the present; 38% S&P 500; 9% Russell 2000; 20% Morgan Stanley Capital International EAFE Index; 28% Barclays Capital Aggregate Bond; 5% NCREIF Total Index.

Investment Section: Figure 3

Asset Allocation

The Wichita Employees' and the Police and Fire Retirement Boards believe that a diversified portfolio aids in the preservation of investment principal. Growth with limited risk is the Fund's objective.

The Boards established the Joint Investment Committee to manage the assets of both Retirement Systems. Asset allocation, in conjunction with investment manager selection, has a great impact on investment performance. The Committee is responsible for recommending an Asset Allocation Plan developed with the assistance of Callan Associates, Inc., the Boards' financial consultant.

The Boards review their adopted Asset Allocation Plan at least every three years. An Asset Allocation-Only Study was completed and, as a result, changes were implemented in 2007. The Boards' commitment to the adopted Asset Allocation Plan, which ensures a diversified portfolio, is especially important to minimize the Fund's exposure to market volatility and to help preserve sufficient funding for future generations. At the end of fiscal year 2008, 58.6% of the Fund's assets were invested in equities, 35.2% in fixed income, and 6.0% in real estate. Due to an extremely volatile fourth quarter, the Fund's domestic equity allocation, 40.0%, was below the minimum allocation of 47.0% and the Fund's fixed income allocation, 35.2%, was outside the maximum policy range of 34.0%. The table below (Investment Section: Figure 4) displays the System's actual asset allocation on December 31, 2008.

Asset Allocation Policy

Asset Class	Low	Target	High	Actual
Domestic Equity				
Large-Cap	18.00%	25.00%	30.00%	22.64%
Small-Cap	6.00%	9.40%	16.00%	8.38%
Index	9.00%	12.60%	15.00%	9.01%
Total Domestic Equity	33.00%	47.00%	61.00%	40.03%
Domestic Fixed Income				
Active Core	11.00%	14.00%	17.00%	18.47%
Active Core Plus	11.00%	14.00%	17.00%	16.70%
Total Domestic Fixed Income	22.00%	28.00%	34.00%	35.17%
International Equity				
Active Core	6.00%	8.00%	10.00%	7.44%
Active Core Plus	10.00%	12.00%	14.00%	11.13%
Total International Equity	16.00%	20.00%	24.00%	18.57%
Real Estate				
Core	2.00%	3.00%	5.00%	3.89%
Value Added	1.00%	2.00%	3.00%	2.14%
Total Real Estate	3.00%	5.00%	8.00%	6.03%
Cash	0.00%	0.00%	2.00%	0.20%

Investment Section: Figure 4

Largest Equity and Fixed Income Holdings

Ten Largest Equity Holdings As of December 31, 2008			
No. of Shares	Security	Fair Value	% of Total Portfolio
154,053	ROYAL DUTCH SHELL	$ 4,015,148	0.54 %
95,100	WYETH	3,567,201	0.48
123,450	CVS CAREMARK CORP	3,547,953	0.47
68,654	NOVARTIS AG	3,399,320	0.45
60,800	TAKEDA PHARMACEUTICAL CO LTD	3,112,101	0.42
81,050	HEWLETT PACKARD CO	2,941,305	0.39
128,236	TELEFONICA SA	2,825,331	0.38
30,944	RWE AG (NEU)	2,739,972	0.37
90,000	KAO CORP	2,690,568	0.36
177,915	DEUTSCHE TELEKOM	2,658,589	0.35
1,010,202	Total	$ 31,497,488	4.21 %

Investment Section: Figure 5

Ten Largest Fixed Income Holdings As of December 31, 2008			
Par Value	Security	Fair Value	% of Total Portfolio
$ 20,600,000	FNMA TBA JAN 30 SINGLE FAM	$ 21,050,625	2.81%
11,783,145	FNMA POOL 983998	12,101,198	1.62
5,932,690	FED HM LN PC POOL G03696	6,079,385	0.81
3,250,000	UNITED STATES TREAS BDS	4,395,625	0.59
2,760,000	UNITED STATES TREAS BDS	3,848,475	0.51
4,060,014	0WP128390 CDS USD R F 3.50000	3,680,080	0.49
3,521,959	FNMA POOL 938440	3,632,708	0.48
3,110,000	UNITED STATES TREAS NTS	3,482,471	0.46
3,316,726	FED HM LN PC POOL A47371	3,386,429	0.45
3,206,431	FED HM LN PC POOL G03695	3,285,715	0.44
$ 61,540,965	Total	$ 64,942,712	8.67%

Investment Section: Figure 6

A complete list of portfolio holdings is available upon request from the Pension Management Office.

Investment Manager Summary

Year ended December 31, 2008

Asset Category	Fair Value
Domestic Fixed Income	
Richmond Capital Management	$ 133,475,593
Western Asset Management	126,167,752
SSGA* Government Short Term Investment Fund	34,604,698
SSGA* Securities Lending Short Term Investment Pool	108,888,775
International Fixed Income	
Western Asset Management	5,582,544
Domestic Equity	
Barrow, Hanley, Mewhinney, & Strauss, Inc.	42,765,195
Boston Partners Asset Management	28,478,262
Fred Alger Capital Management	39,917,265
ING Investment Management	32,714,733
Institutional Capital Management	41,692,029
Rainier Investment Management	38,515,190
State Street Global Advisors S&P 500 Index	66,787,875
International Equity	
Mondrian Investment Partners Limited	80,795,093
Pyramis Global Advisors	54,063,044
Real Estate	
RREEF America II	28,806,811
RREEF America III	22,897,024
Defined Contribution Pooled Funds	
SSGA* Strategic Balanced Funds	837,442
Total	$ 886,989,325

* State Street Global Advisors

Investment Section: Figure 7

Investment Fees

Year ended December 31, 2008

	Fees
Investment Management Fees:	
Domestic Fixed Income Managers	
Richmond Capital Management	$ 254,950
Western Asset Management	348,056
International Fixed Income Manager	
Western Asset Management	14,860
Domestic Equity Managers	
Barrow, Hanley, Mewhinney, & Strauss, Inc.	91,077
Boston Partners Asset Management	382,371
Capital Guardian Trust Company	144,149
Fred Alger Capital Management	272,818
ING Investment Management	370,821
Institutional Capital Management	293,830
Rainier Investment Management, Inc.	272,227
State Street Global Advisors S&P 500 Index	36,097
International Equity Managers	
Mondrian Investment Partners, Limited	564,956
Pryamis Global Advisors Trust Company	465,628
Real Estate Managers	
RREEF America II	(246,978)
RREEF America III	(53,773)
Subtotal investment management fees	3,211,089
Other Investment Service Fees:	
Custodian Fees	
State Street Bank and Trust Company	285,470
Investment Consultant and Performance Measurement Fees	
Callan Associates, Inc.	192,132
NestEgg Consulting, Inc.	3,668
Subtotal Other Investment Service Fees	481,270
Total Investment Management Fees	$ 3,692,359

Investment Section: Figure 8

Investment Summary

Year ended December 31, 2008

Type of Investment	Fair Value	% of Total Portfolio
Domestic equities:		
Consumer discretionary	$ 26,824,048	3.02
Consumer staples	21,030,321	2.37
Energy	19,024,010	2.14
Financial services	34,017,454	3.84
Health care	37,564,338	4.23
Industrials	29,518,854	3.33
Information technology	35,631,840	4.02
Materials	7,346,281	0.83
Telecommunications services	5,715,438	0.64
Utilities	7,410,090	0.84
Total domestic equities	224,082,674	25.26
Domestic equities - commingled funds	67,246,626	7.58
International equities:		
Consumer discretionary	9,033,953	1.02
Consumer staples	16,266,082	1.83
Energy	14,050,998	1.58
Financial services	25,025,782	2.82
Health care	16,465,533	1.86
Industrials	9,755,594	1.10
Information technology	3,911,037	0.44
Materials	5,755,737	0.65
Telecommunications services	17,436,224	1.97
Utilities	8,662,671	0.98
Total international equities	126,363,611	14.25
International equities - commingled funds	8,594,658	0.97
Domestic fixed income:		
Government securities: long-term	25,911,919	2.92
Corporate debt instruments: long-term	99,623,914	11.23
Mortgage-backed securities	128,712,547	14.51
Total domestic fixed income	254,248,380	28.66
Domestic high yield fixed income - commingled funds	5,394,965	0.61
International fixed income - commingled funds	5,582,544	0.63
Domestic fixed income - commingled funds	109,167,334	12.31
Real estate - commingled funds	51,703,835	5.83
Short term investments	34,604,698	3.90
Total invested assets*	$ 886,989,325	100.00

*Amounts do not include the City's cash deposits of $300,516.

s

Investment Section: Figure 9

Brokerage Commissions for the year ended December 31, 2008

(Continued on next page)

Brokerage Firm	Number of Shares Traded	Total Commissions	Commissions Per Share
Abel Noser Corporation	1,046,239	$15,694	$0.01500
ABN Amro Bank NV	190,318	4,319	0.02269
ABN Amro Equities Australia Ltd.	58,076	1,205	0.02075
Baird, Robert W., & Company Inc.	139,938	5,647	0.04036
Banc Of America Securities LLC	23,540,664	2,425	0.00010
Bank Of America Securities LLC	98,709,457	5,057	0.00005
Baypoint Trading LLC	205,818	6,183	0.03004
Bear Stearns & Co Inc.	45,750	1,430	0.03126
Bloombergtradebook LLC	74,100	1,112	0.01500
BNY Brokerage Inc.	65,453	2,660	0.04063
BNY Convergex LJR	1,008,912	47,978	0.04755
Broadcortcapital (Thru Ml)	815,350	32,711	0.04012
Cantor Fitz Eur 2	230,100	1,052	0.00457
Cantor Fitzgerald & Co.	578,703	14,226	0.02458
Capital Institutional Svcs. Inc. Equities	132,725	6,636	0.05000
Cazenove & Co.	118,000	1,320	0.01119
Citation Group	130,715	3,887	0.02974
Citigroupglobal Markets Australia Pty	130,548	2,977	0.02280
Citigroupglobal Markets Inc.	752,426	11,480	0.01526
Citigroupglobal Markets Inc.	676,291	4,204	0.00622
Citigroupglobal Markets Ltd.	598,807	4,019	0.00671
Citigroupglobal Markets Uk Equity Ltd	153,200	2,724	0.01778
Cowen Andcompany, LLC	130,278	5,536	0.04249
Credit Agricole Indosuez Cheuvreux	62,785	2,087	0.03323
Credit Lyonnais Securities	71,178	1,076	0.01511
Credit Suisse Securities (Europe) Ltd.	637,847	7,458	0.01169
Credit Suisse Securities (USA) LLC	121,553,023	18,505	0.00015
Csfb Australia Equities Ltd.	153,961	1,846	0.01199
Cuttone & Co Inc.	211,607	2,402	0.01135
Deutsche Bank Ag London	137,654	4,556	0.03310
Deutsche Bank Securities Inc.	53,561,725	8,649	0.00016
Fox Pitt Kelton Inc.	84,767	3,358	0.03962
Friedman Billings & Ramsey	185,675	6,520	0.03511
Goldman Sachs & Co.	38,249,457	34,006	0.00089
Goldman Sachs Execution & Clearing	368,555	7,724	0.02096
Goldman Sachs International	1,563,692	25,162	0.01609
Guzman & Co	38,900	1,637	0.04207
Heflin & Co LLC	40,887	1,215	0.02972
HBSC Bankplc	18,716	942	0.05036
HBSC Securities (USA), Inc./Stock Loan	100,591	1,804	0.01793
ING Bank NV	47,500	2,083	0.04385
Instinet	315,971	5,311	0.01681
Investment Technology Group Inc..	694,622	11,604	0.01671
ISI Group Inc.	43,350	1,836	0.04236
J P Morgan Securities Inc.	698,896	19,418	0.02778
Jefferies & Company Inc.	272,211	10,796	0.03966
JMP Securities	67,064	2,681	0.03998
Jonestrading Institutional Services LLC	115,729	3,757	0.03247
JP Morgansecurities Australia Ltd	33,264	1,162	0.03494
JP Morgansecurities Limited	270,030	7,995	0.02961
Keefe Bruyette & Woods Inc.	105,261	4,023	0.03822
Keybanc Capital Markets Inc.	22,950	917	0.03997

Brokerage Commissions for the year ended December 31, 2008

(Continued from previous page)

Brokerage Firm	Number of Shares Traded	Total Commissions	Commissions Per Share
Kleinwortbenson Securities Ltd.	58,186	1,920	0.03299
Knight Securities	118,529	3,192	0.02693
Leerink Swann And Company	133,719	5,514	0.04123
Lehman Brothers Inc.	451,182,487	3,386	0.00001
Lehman Brothers International (Europe)	556,025	9,622	0.01730
Lehman Brothers Secs (Asia)	110,926	1,287	0.01160
LEK Securities Corp	199,409	6,979	0.03500
Liquidnet Inc.	717,607	15,704	0.02188
Lynch Jones Ryan	26,525	1,155	0.04354
Macquariesecurities Limited	754,304	3,207	0.00425
Merrill Lynch International	781,166	8,959	0.01147
Merrill Lynch Peirce Fenner and S	722,479	6,275	0.00868
Merrill Lynch Professional Clearing Corp	29,145	1,214	0.04166
Merrill Lynch, Pierce, Fenner & Smith, Inc..	152,238,291	12,213	0.00008
Midwest Research Securities	23,025	982	0.04263
Morgan Stanley And Co. International	256,153	2,509	0.00979
Morgan Stanley Co Inc.	65,490,047	17,333	0.00026
Needham & Company	169,856	6,890	0.04057
Nomura Securities International Inc.	180,177	2,435	0.01351
Oppenheimer & Co. Inc.	63,086	1,104	0.01749
Oppenheimer & Co Inc.	56,508	2,239	0.03962
Pershing Securities Ltd.	58,368	1,028	0.01761
Pipeline Trading Systems LLC	135,831	3,039	0.02237
Piper Jaffray	122,240	3,939	0.03222
Pulse Trading LLC	356,612	6,921	0.01941
Raymond James And Associates Inc.	109,885	4,462	0.04060
RBC Capital Markets	204,092	2,245	0.01100
Ridge Clearing & Outsourcing Solutions	2,941,055	37,718	0.01282
Rosenblatt Securities LLC	344,036	6,881	0.02000
Sanford C. Bernstein Ltd.	169,457	986	0.00582
Sanford Cbernstein Co LLC	516,852	12,209	0.02362
Sg Americas Securities, LLC	75,200	1,504	0.02000
Sidoti & Company LLC	120,075	4,687	0.03903
Simmons &Company International	29,200	1,200	0.04110
Stanford Group Company	38,509	1,555	0.04038
Stifel Nicolaus & Co Inc.	95,883	3,982	0.04153
Svenska Handelsbanken London Branch	46,400	909	0.01958
The Benchmark Company, LLC	73,460	1,844	0.02510
Thomas Weisel Partners LLC	88,595	3,243	0.03660
UBS Ag	460,714	5,389	0.01170
UBS Securities Asia Ltd	390,609	4,217	0.01080
UBS Securities LLC	28,394,362	9,755	0.00034
Wachovia Capital Markets, LLC	851,146	4,309	0.00506
WDR Warburg Dillon Read LLC	44,939,582	7,111	0.00016
Wedbush Morgan Securities Inc.	22,450	968	0.04311
Weeden & Co.	389,727	14,419	0.03700
William Blair & Company, LLC	52,097	2,169	0.04163
Remaining 182 Firms	1,706,966,314	36,715	-
Total	2,811,120,137	$682,532	$0.00024

Investment Section: Figure 10

Actuarial Section

This page is intentionally left blank.

Milliman

1120 South 101st Street
Suite 400
Omaha, NE 68124
USA

Tel +1 402 393 9400
Fax +1 402 393 1037

milliman.com

June 12, 2009

The Retirement Boards
Wichita Employees' Retirement System and
Police and Fire Retirement System of Wichita, Kansas
455 North Main Street, 12th Floor
Wichita, Kansas 67202

Subject: Certification of December 31, 2008 Actuarial Valuations

Dear Board Members:

We certify that the information included herein and contained in the 2008 Actuarial Valuation Reports is accurate and fairly presents the actuarial position of the Wichita Employees' Retirement System (WER) and the Police and Fire Retirement System of Wichita, Kansas (WPF) as of December 31, 2008.

All calculations have been made in conformity with generally recognized and accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, the results presented comply with the requirements of the City ordinances and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board. The undersigned are independent actuaries who are experienced in performing valuations for public retirement systems. They are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Actuarial Valuations

The primary purpose of the valuation report is to determine the City's contribution rate to fund each System on an actuarial basis, to describe the current financial condition of the System, and to analyze changes in the System's condition. In addition, the reports provide information required by the System in connection with Governmental Accounting Standards Board Statement No. 25 (GASB No. 25), and they provide various summaries of the underlying data.

Valuations are prepared for each System annually, as of December 31 of each year, the last day of the System's plan and fiscal year.

Financing Objective of the Systems

The funding objective of each Retirement System is to establish and receive contributions which:

- when expressed as percents of active member payroll, will remain approximately level from generation to generation of Wichita citizens, and
- when combined with present assets and future investment return will be sufficient to meet the financial obligations of the Systems to present and future retirees and beneficiaries.

Offices in Principal Cities Worldwide

Milliman

June 12, 2009
Page 2

The financial objective is addressed within the annual actuarial valuations. The valuation process develops contribution rates that are sufficient to fund the plan's current normal cost (i.e. the costs assigned by the valuation method to the year of service about to be rendered), as well as to fund unfunded actuarial liabilities as level percents of active member payroll. The most recent annual actuarial valuations were completed based upon population data, asset data and plan provisions as of December 31, 2008. For the Wichita Employees' Retirement System valuation assets were slightly larger than actuarial liabilities as of December 31, 2008. The excess was amortized as a level percent of payroll over 20 years. For the Police and Fire Retirement System of Wichita, Kansas actuarial liabilities exceeded valuation assets by $24.2 million. This difference, called the unfunded actuarial liability, was amortized as a level percent of payroll over 20 years.

The rate of return on the actuarial value of assets for 2008 was less than the assumed rate, which generated an experience loss on assets for both Systems. The net experience in both Systems from all sources during 2008 was an actuarial loss. The actuarial value of assets in both Systems exceeds the market value by over 30%. Due to the asset smoothing method, there are significant deferred investment losses from prior years that have not yet been fully recognized. If there are not significantly higher investment returns over the next few years, the deferred investment loss will be recognized and contribution rates can be expected to increase dramatically.

On the basis of the 2008 valuations, it is our opinion that the Retirement Systems are meeting their basic financial objectives and continue in sound condition in accordance with the actuarial principles of the level percent of payroll financing.

Plan Provisions

The plan provisions used in the actuarial valuations are described on pages 57 to 59 and pages 65 to 67.

Data

In preparing the December 31, 2008 actuarial valuations, we have relied upon member and asset data provided by the Retirement Program Administrator. We have not subjected this data to any auditing procedures, but have examined the data for reasonableness and for consistency with prior year's data. If the underlying data or information is inaccurate or incomplete, our calculations may need to be revised.

Actuarial Methods and Assumptions

The actuarial methods and assumptions have been selected by the Board of Trustees of the Systems based upon the analysis and advice of the actuary and other professionals. These assumptions and methods are detailed on pages 52 – 54 and 60 – 62. The Board of Trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions are based on a study of actuarial experience for the five year period ending December 31, 2003.

In our opinion, the actuarial assumptions used are appropriate for purposes of the valuation and are individually reasonably related to the experience of the System and offer the best estimate of anticipated experience. We believe they comply with the requirements of Governmental Accounting Standards Board Statement No. 25. Nevertheless, the emerging costs will vary from those presented in this valuation to the extent actual experience differs from that projected by the actuarial assumptions.

Milliman

June 12, 2009
Page 3

The actuary prepared the following supporting schedules for the Comprehensive Annual Financial Report:

Actuarial Section

Summary of Actuarial Methods and Assumptions
Schedule of Active Member Valuation Data
Solvency Test
Derivation of Retirement Systems Experience Gain(Loss)

Financial Statements Section

Schedule of Employer Contributions
Schedule of Funding Progress

Retirement System staff prepared the schedules shown in the Statistical Section of the report, based in part upon the material prepared by the actuary.

I, Patrice A. Beckham, F.S.A. am a Member of the American Academy of Actuaries and a Fellow of the Society of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

I, Brent A. Banister, F.S.A. am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

MILLIMAN, INC.

Patrice Beckham

Patrice A. Beckham, F.S.A.
Consulting Actuary

Brent A. Banister

Brent A. Banister, F.S.A.
Consulting Actuary

Wichita Employees' Retirement System (WERS) Actuarial Information

Actuarial Cost Method

The actuarial cost method is a procedure for allocating the actuarial present value of pension plan benefits and expenses to time periods. The method used for the valuation is known as the Entry Age Normal actuarial cost method, and has the following characteristics:

- The annual normal costs for each individual active member are sufficient to accumulate the value of the member's pension at time of retirement;
- Each annual normal cost is a constant percentage of the member's year-by-year projected covered compensation.

The Entry Age Normal actuarial cost method allocates the actuarial present value of each member's projected benefits on a level basis over the member's assumed pensionable compensation rates between the entry age of the member and the assumed exit age.

The portion of the actuarial present value allocated to the valuation year is called the *normal cost*. The portion of the actuarial present value not provided for by the actuarial present value of future normal costs is called the *actuarial liability*. Deducting actuarial assets from the actuarial liability determines the *unfunded actuarial liability or (surplus)*. There was no unfunded actuarial liability as of December 31, 2008.

Actuarial Assumptions Used for Valuations

Retirement System contribution requirements and actuarial present values are calculated by applying experience assumptions to the benefit provisions and participant information of the Retirement System, using the actuarial cost method. These assumptions were proposed by the Fund's actuary following the completion of an experience study covering the period December 31, 1998 through December 31, 2003, and adopted by the Board July 21, 2004. An experience study is performed every five years.

The actuarial valuation of assets is based on the "Expected Value plus 25%" method, which smoothes the effect of market value fluctuations by recognizing 25% of the difference between the expected actuarial value and the market value of assets. The Board first adopted this methodology for the December 31, 2002 valuation. Actuarial gains and losses reduce or increase the unfunded actuarial liability or surplus, which is amortized over a rolling 20-year amortization period.

Net Investment Rate of Return

The investment return rate (net of administrative expenses) used for actuarial valuation calculations was 7.75% a year, compounded annually. This rate consists of 4.00% in recognition of long term price inflation and 3.75% in recognition of a real rate of return over price inflation. This assumption, used to equate the value of payments due at different points in time, was adopted by the Board and was first used for the December 31, 1981 valuation, although the allocation between inflation and real return has changed periodically, most recently in 2004.

Salary Projections

These assumptions are used to project current salaries to determine average annual compensation. They consist of the same inflation component used for the investment return assumption, a component reflecting productivity and the competition from other employers for personnel, and a years of service component to reflect promotion and longevity increments (see Actuarial Section: Figure 1 on page 55).

Salary increases are assumed to occur mid-year. The salary increase assumptions will produce 4.5% annual increases in active member payroll (the inflation and productivity base rate), given a constant active member group size. This is the same payroll growth assumption used to amortize the unfunded actuarial liability. The real rate of return over assumed wage growth is 3.25% per year. These assumptions were first used for the December 31, 2004 valuation.

Annual Rate of Salary Increases

Years of Service	Inflation Component	Productivity Component	Merit and Longevity	Total
1	4.00%	0.50%	5.50%	10.00%
2	4.00	0.50	4.50	9.00
3	4.00	0.50	3.50	8.00
4	4.00	0.50	3.50	8.00
5	4.00	0.50	3.00	7.50
6	4.00	0.50	2.64	7.14
7	4.00	0.50	2.28	6.78
8	4.00	0.50	1.92	6.42
9	4.00	0.50	1.56	6.06
10	4.00	0.50	1.20	5.70
11	4.00	0.50	1.10	5.60
12	4.00	0.50	1.00	5.50
13	4.00	0.50	0.90	5.40
14	4.00	0.50	0.80	5.30
15	4.00	0.50	0.70	5.20
16	4.00	0.50	0.56	5.06
17	4.00	0.50	0.42	4.92
18	4.00	0.50	0.28	4.78
19	4.00	0.50	0.14	4.64
20+	4.00	0.50	0.00	4.50

Actuarial Section: Figure 1

Rates of Retirement and Deferred Retirement Option Plan (DROP) Elections

The rates displayed in Actuarial Section: Figure 2 on page 56 are used to measure the probability of eligible members retiring under either the regular retirement provisions or from the Deferred Retirement Option Plan (DROP).

In addition, the following assumptions would apply to members in this category:

- Plan 1: 70% of members with 30 or more years of service will elect the DROP with an average DROP period of 48 months. The remaining 30% are assumed to retire immediately.
- Plan 2: 70% of members with 33.33 or more years of service and are at least 62 will elect the DROP with an average DROP period of 36 months.

All members of the Retirement System were assumed to retire on or before age 70. This assumption was first used for the December 31, 2006 valuation.

Marriage

Seventy percent of members were assumed to be married for purposes of death benefits. In each case, the male was assumed to be three years older than the female.

Sick Leave

Normal retirement benefits were increased by 4% to account for the inclusion of unused sick leave in the calculation of service credit. This assumption was last revised for the December 31, 2004 valuation.

Rates of Retirement

Retirement Age	Plan 1	Plan 2
<55	0%	0%
55	20	5
56	15	5
57	15	5
58	15	5
59	15	5
60	15	5
61	15	5
62	50	40
63	40	40
64	20	25
65	100	50
66	N/A	15
67	N/A	15
68	N/A	15
69	N/A	15
70	N/A	100

Actuarial Section: Figure 2

Forfeiture of Vested Benefits

A percentage of the actuarial present value of vested terminated benefits is assumed to be forfeited by a withdrawal of accumulated contributions. This percentage is applied individually based on years of service. The table below (Actuarial Section: Figure 3) was first used for the December 31, 2004 actuarial valuation.

Forfeiture of Vested Benefits

Years of Service	Percent Forfeiting
< 15	60%
15 - 19	40
20 - 24	20
>= 25	0

Actuarial Section: Figure 3

Plan 3 Transfer

Plan 3 (defined contribution plan) members are assumed to elect Plan 2 if they acquire seven years of service. An actuarial reserve is held for the difference between the market and actuarial value of assets. This assumption was last revised for the December 31, 2004 valuation.

Mortality Table

The RP-2000 mortality tables (RP-2000 Healthy Annuitant Tables, RP-2000 Disabled Table and RP-2000 Employee Table) were first used for the December 31, 2004 valuation (see Actuarial Section: Figure 4). The Healthy Annuitant and Employee Tables are set forward two years for males to fit the observed experience of the group. These tables measure the probabilities of members dying before retirement and the probabilities of each pension payment being made after retirement.

Life Expectancy (years)

Sample Ages*	Men	Women
50	30.4	34.6
55	25.7	29.7
60	21.2	25.1
65	16.9	20.7
70	13.0	16.7
75	9.7	13.0
80	6.9	9.8
85	4.8	7.1

*Ages in 2000

Actuarial Section: Figure 4

Separation from Active Membership

The table below (Actuarial Section: Figure 5) measures the probabilities used to determine if a member will terminate employment during the year. These rates do not apply to members who are eligible to retire. This assumption was last revised for the December 31, 2004 valuation.

Rates of Separation

Sample Ages	Years of Service	Annual Termination Probability
Any	0	25.00%
-	1	19.00
-	2	14.00
-	3	11.00
-	4	9.00
25	Over 4	7.50
30	-	6.50
35	-	5.25
40	-	4.00
45	-	3.50
50	-	2.50
55	-	1.50
60	-	1.50

Actuarial Section: Figure 5

Rates of Disability

This assumption measures the probabilities of a member becoming disabled (see Actuarial Section: Figure 6 below). Disabilities are assumed to be non-duty related. This assumption was first used for the December 31, 1999 valuation.

Rates of Disability

Sample Ages	% Becoming Disabled During the Next Year
25	0.03%
30	0.04
35	0.05
40	0.09
45	0.14
50	0.24
55	0.43
60	0.71

Actuarial Section: Figure 6

Wichita Employees Retirement System Actuarial Tables

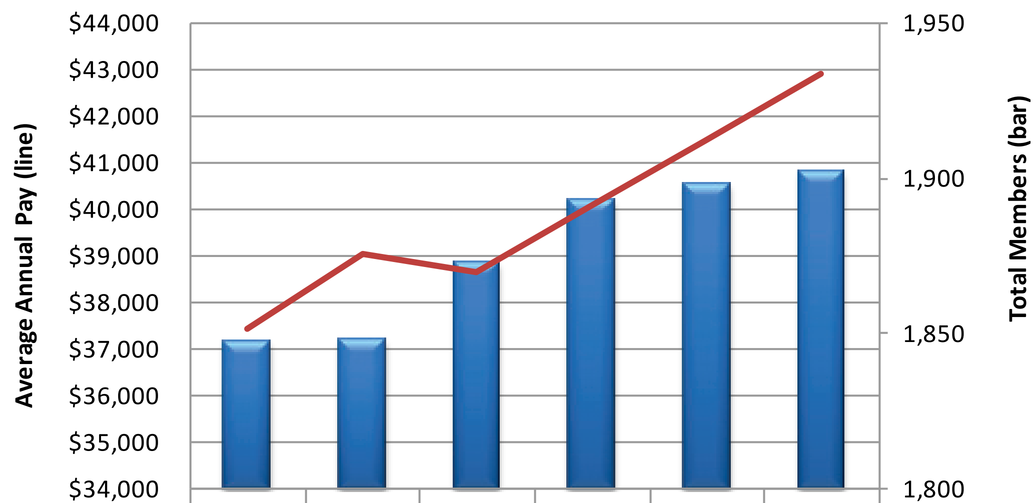
Active Member Valuation Data

	Number of Members				Annual		
Valuation Date	Plan 1	Plan 2	Plan 3 *	Total	Payroll ($000's)	Average Annual Pay	% Increase In Average Pay
12/31/2003	184	839	824	1,847	$69,161	$37,445	4.7%
12/31/2004	169	877	802	1,848	$72,154	$39,044	4.3
12/31/2005	151	900	822	1,873	$72,367	$38,637	(1.0)
12/31/2006	134	922	837	1,893	$75,881	$40,085	3.7
12/31/2007	113	947	838	1,898	$78,736	$41,484	3.5
12/31/2008	92	958	852	1,902	$81,580	$42,892	3.4

* Does not include vested Plan 3 Members

Actuarial Section: Figure 7

Average Annual Pay and Total Members



	2003	2004	2005	2006	2007	2008
Total Members	1,847	1,848	1,873	1,893	1,898	1,902
Average Annual Pay	$37,445	$39,044	$38,637	$40,085	$41,484	$42,892

Actuarial Section: Figure 8

Retirants and Beneficiaries Added to and Removed From Rolls

	Added to Rolls		Removed from Rolls		End of Year Rolls		Annual Pensions	
Year Ended	#	Annual Pensions*	#	Annual Pensions*	#	Annual Pensions	Average Pension	Average Increase
12/31/2003	57	$1,228,096	48	$507,978	1,061	$20,180,421	$19,020	6.5%
12/31/2004	54	1,113,513	53	892,130	1,062	21,301,439	20,058	5.5
12/31/2005	58	1,256,205	40	403,572	1,080	22,803,853	21,115	5.3
12/31/2006	63	1,205,241	41	580,114	1,102	24,146,982	21,912	3.8
12/31/2007	77	1,763,901	47	665,077	1,132	25,757,557	22,754	3.8
12/31/2008	79	1,879,045	44	693,343	1,167	27,520,308	23,582	3.6

*Values are estimated based on annualized pension amounts.

Actuarial Section: Figure 9

Solvency Test

	Aggregate Actuarial Liabilities for						
	(1)	(2)	(3)		Portion of Actuarial Liabilities Covered by Reported Assets		
Valuation Date	Active Member Contributions	Retirants and Beneficiaries*	Active Members (Employer Financed Portion)	Reported Valuation Assets	(1)	(2)	(3)
12/31/2003	$39,847,119	$205,799,341	$141,390,445	$446,794,052	100%	100%	142.3%
12/31/2004	41,852,724	218,518,676	152,632,267	462,994,047	100	100	132.8
12/31/2005	43,397,403	228,408,201	161,491,272	479,274,508	100	100	128.5
12/31/2006	45,475,389	237,860,848	175,725,905	505,755,995	100	100	126.6
12/31/2007	46,189,489	256,374,002	180,823,537	533,911,465	100	100	127.9
12/31/2008	46,541,280	272,176,420	193,655,822	512,853,345	100	100	100.2

* Includes vested terminated members.

Actuarial Section: Figure 10

System Experience

During the 12 months ended December 31, 2008, the City of Wichita Employees' Retirement System generated an actuarial loss of $51.5 million, or 10.6% of the beginning of the year actuarial liability (see Actuarial Section: Figure 11 below).

Derivation of System Experience Gain/(Loss)

			Year Ended 12/31/08 (in millions)
(1)		UAL* at start of year	$ (50.5)
(2)	+	Normal cost for year	9.8
(3)	+	Assumed investment return on (1) and (2)	(3.2)
(4)	-	Actual contributions (member + City)	7.8
(5)	-	Assumed investment return on (4)	0.3
(6)	=	Expected UAL at end of year	(52.0)
(7)	+	Increase (decrease) from amendments	0.0
(8)	+	Increase (decrease) from assumption changes	0.0
(9)	=	Expected UAL after changes	(52.0)
(10)	=	Actual UAL at year end	(0.5)
(11)	=	Experience gain (loss) (9) – (10)**	(51.5)
(12)	=	Percent of beginning of year AL	10.6%

* Unfunded Actuarial Liability/(Surplus)

** Of this amount, $42.4 million of the experience loss is due to an experience loss on the actuarial value of assets and $9.1 million represents an experience loss on liabilities.

Actuarial Section: Figure 11

Summary of Benefit Provisions for the Wichita Employees' Retirement System Defined Benefit Plans 1 and 2

Plan 1 is a closed plan, which is applicable to members employed prior to July 18, 1981 who did not elect to be covered by Plan 2. Plan 2 is applicable to members employed prior to July 18, 1981 who elected to be covered by Plan 2, those employed or re-employed on or after July 18, 1981 and before January 1, 1994, and Plan 3 members who, upon vesting, elect to become members of Plan 2.

Normal Retirement

- **Eligibility**
  - Plan 1: Age 60 with seven or more years of service, or any age with 30 or more years of service.
  - Plan 2: Age 62 with seven or more years of service.
- **Benefit**
  - Plan 1: Years of service times 2.5% of final average salary, to a maximum of 75%.
  - Plan 2: Years of service times 2.25% of final average salary, to a maximum of 75%.
- **Final Average Salary**
  - Average for the three consecutive years within the last 10 years of service that produce the highest average salary.

Early Retirement

- **Eligibility**
  - Age 55 with seven or more years of service.
- **Benefit**
  - An amount computed as for normal retirement, but reduced for each month retirement precedes age 60 under Plan 1 and age 62 under Plan 2. The amount of reduction per month of early retirement is:
    - Plan 1: A service graduated percentage for each month retirement precedes age 60. The percentage is .05 of 1% if service is 29 years but less than 30 years, increasing by .05 of 1% for each additional year service is less than 30 years to a maximum of .50 of 1% if service is less than 20 years.
    - Plan 2: An age graduated percentage for each month retirement precedes age 62. The percentage is 0.6% for each month that the member's age precedes age 62, up to a maximum of 50.4% at age 55.

Service-Connected Disability

- **Eligibility**
  - No age or service requirement. Disability must be permanent and total, and precludes performance of any duties for a City position commensurate with the employee's training, experience, and education.
- **Benefit**
  - Plan 1: 60% of final rate of salary.
  - Plan 2: 50% of final rate of salary.

Non-Service Connected Disability

- **Eligibility**
  - Seven or more years of service and under age 60, Plan 1, or age 62, Plan 2. Disability must be permanent and total, and precludes performance of any duties for a City position commensurate with the employee's training, experience, and education.
- **Benefit**
  - Plan 1: 30% of final average salary plus 1% of final average salary for each year of service in excess of seven years, to a maximum of 50%.
  - Plan 2: 25% of final rate of salary.

Deferred Retirement Option Plan (DROP)

- **Eligibility**
  - Must be eligible for retirement, and elect to participate in the DROP for 1 to 60 months.
- **DROP Benefit**
  - Benefit computed based on years of service, final average salary as of DROP election date, which is paid into member's notational DROP account during the deferral period. Member continues to make required employee

contributions during the deferral period. Interest at an annual rate of 5% is credited to the notational DROP account. Voluntary termination of employment during the DROP period results in a loss of accrued interest. Balance of DROP account is payable within 90 days of actual termination of employment.

Deferred Retirement

- **Eligibility**
    - Termination of service.
        - Plan 1: 7 or more years of service and under age 60.
        - Plan 2: 7 or more years of service and under age 62.
- **Deferred Benefit**
    - Deferred pensioner may apply for a reduced retirement benefit upon meeting the applicable age requirement for early retirement (55 years) or an unreduced pension upon meeting the applicable age requirement for normal retirement (60 years, Plan 1 or 62 years, Plan 2). A refund of employee contributions, plus 5% annual interest, may be elected in lieu of a retirement benefit.
    - Retirement benefit is computed as for normal retirement. Deferred pensions are adjusted during the deferral period based on changes in the National Average Earnings Index, up to 5.5% annually.

Pre-Retirement Survivor Benefit

- **Eligibility - Surviving spouse and minor child**
    - Death of employee with seven or more years of credited service.
- **Benefit**
    - 50% of the benefit earned by the deceased employee at the time of death, plus 10% of the deceased employee's final average salary for each minor child under age 18, to a maximum of 75% of final average salary. If no surviving spouse, benefit is 20% of final average salary on account of each child to a maximum of 60% of final average salary; terminates when child reaches age 18.
- **Designated Beneficiary**
    - When no spouse or minor child is eligible for a survivor's benefit, the beneficiary designated by the retiree.
- **Benefit**
    - Accumulated contributions plus 5% annual interest, and one month's salary for each full year of service, not to exceed six months of salary.

Post-Retirement Survivor Benefit

- **Eligibility**
    - Spouse must have been married to retired employee for one year or more, at time of death if retire after January 1, 2000. If retired prior to January 1, 2000, must have been married to retired employee at retirement.
    - Minor child must be must be under age 18.
- **Benefit**
    - 50% of benefit paid to retiree at time of death, plus 10 % of retiree's final average salary for each minor child under age 18, to a maximum of 75% of final average salary. If no surviving spouse, benefit is 20% of final average salary on account of each child to a maximum of 60% of final average salary; terminates when child reaches age 18.
    - Plan 1: $1,500 funeral benefit.
- **Designated Beneficiary**
    - When no spouse or minor child is eligible for a survivor's benefit, the beneficiary designated by the retiree.
- **Benefit**
    - Final partial benefit due retiree through date of death, plus balance, if any, of contributions and interest.
    - Plan 1: $1,500 funeral benefit.

Refund of Contributions

- **Eligibility**
    - Termination of employment without eligibility for any other benefit.
- **Amount**
    - Accumulated contributions at the time of termination, plus 5% annual interest.

Post-Retirement Adjustment of Pension Benefit

- **Eligibility**
  - Plan 1: Completion of 12 months of retirement and annually thereafter.
  - Plan 2: Completion of 12 months of retirement and annually thereafter, for retirements on or after February 19, 2000.
- **Benefit**
  - Plan 1: 3% of base pension benefit (not compounded).
  - Plan 2: 2% of base pension benefit (not compounded).

Employee Contributions

- Plan 1: 6.4% of base salary, longevity and overtime pay.
- Plan 2: 4.7% of base salary and longevity pay.

Employer Contributions

- Actuarially determined amounts which, together with employee contributions and investment earnings, will fund the obligations of the Plan in accordance with accepted actuarial principles.

Unused Sick Leave

- Accumulated unused sick leave is converted to service credits for the purpose of computing annual benefits.

Summary of Benefit Provisions for the Wichita Employees' Retirement System Defined Contribution Plan 3

Plan 3 is applicable to members employed after January 1, 1994 who have not become covered by Plan 2. Plan 3 members automatically transfer to Plan 2 at the time they acquire 7 years of service, unless they file an irrevocable election to remain in Plan 3.

Employee Contributions

- 4.7% of compensation (effective February 19, 2000).

Employer Contributions

- 4.7% of compensation (effective February 19, 2000).

Vesting of Contributions

- Employee contributions and investment earnings thereon are 100% vested.
- Employer contributions and investment earnings thereon are 25% vested after three years of service, 50% vested after five years of service, and 100% vested after seven years of service.

Distribution of Vested Accounts

- Vested accounts are payable upon termination of City employment or death of employee.

Service-Connected Disability

- **Eligibility**
  - No age or service requirement. Disability must be permanent and total, and precludes the performance of any duties for a City position commensurate with the employee's training, experience, and education.
- **Benefit**
  - 50% of final salary; or distribution of vested Plan 3 account.

Non-Service Connected Disability

- **Eligibility**
  - Seven or more years of service and under age 62. Disability must be permanent and total, and precludes the performance of any duties for City position commensurate with the employee's training, experience, and education.

- **Benefit**
  - 25% of final salary; or distribution of vested Plan 3 account.

A more detailed description of Plan provisions is available upon request from the Pension Management Office.

Police and Fire Retirement System (PFRS) Actuarial Information

Actuarial Cost Method

The actuarial cost method is a procedure for allocating the actuarial present value of pension plan benefits and expenses to time periods. The method used for the valuation is known as the *Entry Age Normal actuarial cost method*, and has the following characteristics:

- The annual normal costs for each individual active member are sufficient to accumulate the value of the member's pension at time of retirement;
- Each annual normal cost is a constant percentage of the member's year-by-year projected covered compensation;
- Normal costs for Plans A and B (closed plans) were based on Plan C (open plan) assumptions and benefit conditions.

The Entry Age Normal actuarial cost method allocates the actuarial present value of each member's projected benefits on a level basis over the member's assumed pensionable compensation rates between the entry age of the member and the assumed exit age. By applying the Entry Age Normal cost method as described above, the ultimate normal cost will remain level as a percent of active member payroll (if actuarial assumptions are realized) as Plan A and Plan B members leave active status and are replaced by members entering Plan C.

The portion of the actuarial present value allocated to the valuation year is called the *normal cost*. The portion of the actuarial present value not provided for by the actuarial present value of future normal costs is called the *actuarial liability*. Deducting actuarial assets from the actuarial liability determines the *unfunded actuarial liability or (surplus)*. The System had an unfunded actuarial accrued liability of $24.2 million as of December 31, 2008.

Actuarial Assumptions Used for Valuations

Retirement System contribution requirements and actuarial present values are calculated by applying experience assumptions to the benefit provisions and participant information of the Retirement System, using the actuarial cost method. These assumptions were proposed by the Fund's actuary following the completion of an experience study covering the period December 31, 1998 through December 31, 2003, and adopted by the Board August 25, 2004. An experience study is performed every five years.

The actuarial valuation of assets is based on the "Expected Value plus 25%" method, which smoothes the effect of market value fluctuations by recognizing 25% of the difference between the expected actuarial value and the market value of assets. The Board first adopted this methodology for the December 31, 2002 valuation. Actuarial gains and losses reduce or increase the unfunded actuarial liability or surplus, which is amortized over a rolling 20-year amortization period.

Net Investment Rate of Return

The investment rate of return (net of administrative expenses) used for actuarial valuation calculations was 7.75% a year, compounded annually. This rate consists of 4.00% in recognition of long term price inflation and 3.75% in recognition of a real rate of return over price inflation. This assumption, used to equate the value of payments due at different points in time, was adopted by the Board and was first used for the December 31, 1980 valuation, although the allocation between inflation and real return has changed periodically, most recently in 2004.

Salary Projections

These assumptions are used to project current salaries to determine average annual compensation. They consist of the same inflation component used for the investment return assumption, a component reflecting productivity and the competition from other employers for personnel, and a years of service component to reflect promotion and longevity increments.

Salary increases are assumed to occur mid-year. The salary increase assumptions will produce 4.5% annual increases in active member payroll (the inflation and productivity base rate) given a constant active member group size. This is the same payroll growth assumption used to amortize the unfunded actuarial liability. The real rate of return over assumed wage growth is 3.25% per year. These assumptions were first used for the December 31, 2004 valuation (see Actuarial Section: Figure 12).

Annual Rate of Salary Increases

Years of Service	Inflation Component	Productivity Component	Merit & Longevity	Total
1	4.00%	0.50%	2.50%	7.00%
5	4.00	0.50	2.50	7.00
10	4.00	0.50	2.50	7.00
15	4.00	0.50	2.50	7.00
20	4.00	0.50	0.00	4.50
25	4.00	0.50	0.00	4.50
30	4.00	0.50	0.00	4.50

Actuarial Section: Figure 12

Forfeiture of Vested Benefits

The assumption is that a percentage of the actuarial present value of vested termination benefits will be forfeited by a withdrawal of accumulated contributions. This table (Actuarial Section: Figure 13 below) was first used for the December 31, 2004 valuation.

Years of Service	Percent Forfeiting
10 - 14	100%
>= 15	0

Actuarial Section: Figure 13

Rates of Retirement

These rates (see Actuarial Section: Figure 14 and Actuarial Section: Figure 15 below) are used to measure the probability of eligible members retiring. This assumption was first used for the December 31, 1999 valuation.

Rates of Retirement for Plans A & B

	% Retiring During Year	
Years of Service	Police	Fire
20	28%	20%
21	28	15
22	26	10
23	15	10
24	12	10
25	15	15
26	15	10
27	15	10
28	15	10
29	15	30
30	100	10
31	100	100

Actuarial Section: Figure 14

Rates of Retirement for Plan C

	% Retiring During Year	
Years of Service	Police	Fire
50	35%	20%
51	25	15
52	20	10
53	15	10
54	15	10
55	15	10
56	15	10
57	15	15
58	25	25
59	30	30
60	100	100
Over 60	100	100

Actuarial Section: Figure 15

Rates of Separation from Active Membership

This assumption measures the assumed probabilities of a member terminating employment. The rates (see Actuarial Section: Figure 16 below) do not apply to members who are eligible to retire. These rates were first used for the December 31, 1999 valuation.

Rates of Separation

		Annual Termination Probability	
Sample Ages	Years of Service	Police	Fire
All	0	10.0%	8.0%
-	1	8.0	6.0
-	2	6.0	4.5
-	3	4.0	3.0
-	4	3.0	2.0
25	Over 4	3.0	1.0
30	-	2.4	1.0
35	-	1.7	1.0
40	-	1.2	0.9
45	-	1.0	0.8
50	-	0.9	0.7
55	-	0.8	0.6

Actuarial Section: Figure 16

Rates of Disability

This assumption measures the assumed probabilities of a member receiving a disability retirement (see Actuarial Section: Figure 17 below). The rates do not apply to members who are eligible to retire. The rates of recovery from disability are assumed to be zero. These rates were first used for the December 31, 1999 valuation.

Rates of Disability

Sample Ages	Percent Disabled During the Year	
	Police	Fire
20	0.10%	0.09%
25	0.16	0.14
30	0.33	0.30
35	0.55	0.49
40	0.77	0.68
45	0.98	0.87
50	1.20	1.06
55	1.42	1.14

Actuarial Section: Figure 17

Mortality Table

The RP-2000 mortality tables (RP-2000 Healthy Annuitant Tables, RP-2000 Disabled Table and RP-2000 Employee Table) were first used for the December 31, 2004 valuation (see Actuarial Report: Figure 18 nearby). These tables measure the probabilities of members dying before retirement and the probabilities of each pension payment being made after retirement.

Life Expectancy (years)

Sample Ages*	Men	Women
50	32.3	34.6
55	27.6	29.7
60	23.0	25.1
65	18.5	20.7
70	14.5	16.7
75	10.9	13.0
80	7.9	9.8
85	5.6	7.1

*Ages in 2000

Actuarial Report: Figure 18

Marriage

Eighty percent of members were assumed to be married for purposes of death benefits. In each case, the male was assumed to be three years older than the female.

Sick Leave

Normal retirement benefits were increased by 4% to account for the inclusion of unused sick leave in the calculation of service credit. This assumption was last revised for the December 31, 2004 valuation.

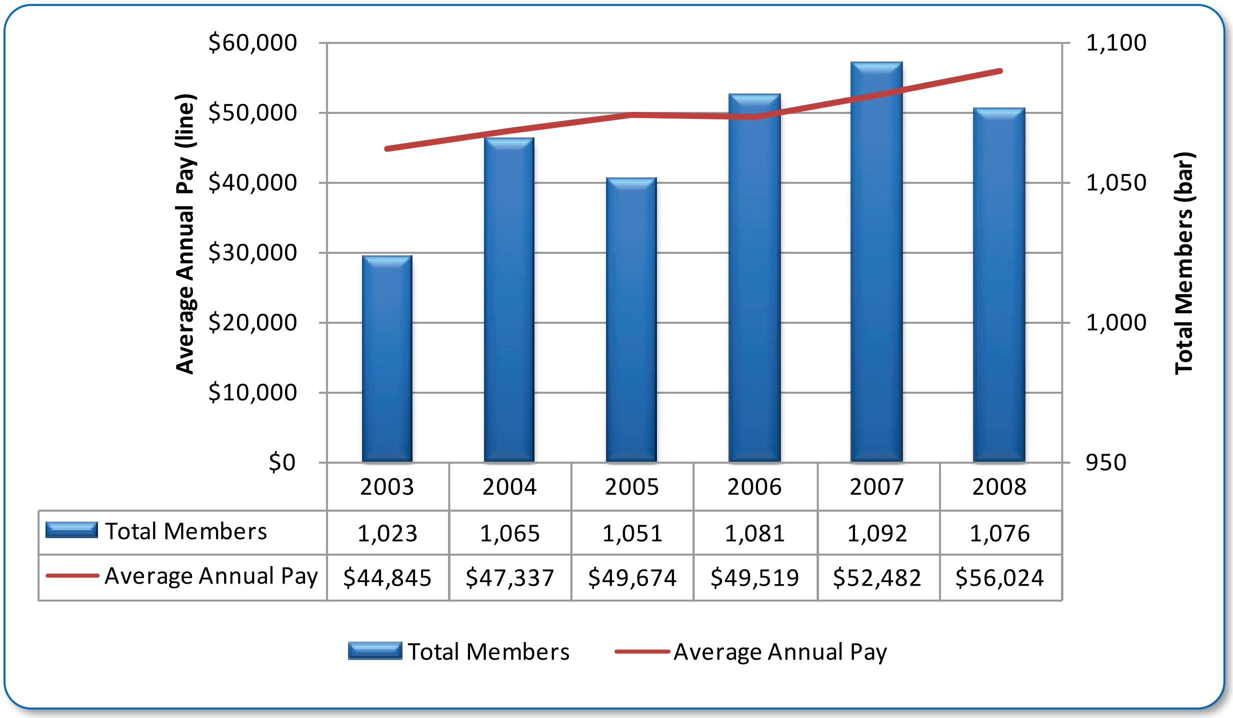
Police and Fire Retirement System Actuarial Tables

Active Member Valuation Data

Valuation Date	Number of Members				Annual Payroll ($000's)	Average Annual Pay	% Increase In Average Pay
	Plan A	Plan B	Plan C	Total Members			
12/31/2003	80	1	942	1,023	$ 45,876	$ 44,845	0.9%
12/31/2004	74	1	990	1,065	50,414	47,337	5.6
12/31/2005	62	1	988	1,051	52,207	49,674	4.9
12/31/2006	59	1	1,021	1,081	53,530	49,519	(0.3)
12/31/2007	57	0	1,035	1,092	57,310	52,482	6.0
12/31/2008	47	0	1,029	1,076	60,282	56,024	6.7

Actuarial Section: Figure 19

Average Annual Pay and Total Members



Actuarial Section: Figure 20

Retirants and Beneficiaries Added to and Removed from Rolls

Year Ended	Added to Rolls #	Added to Rolls Annual Pensions*	Removed from Rolls #	Removed from Rolls Annual Pensions*	End of Year Rolls #	End of Year Rolls Annual Pensions	Annual Pensions Average Pension	Annual Pensions Average Increase
12/31/2003	23	$ 494,457	20	$ 209,458	836	$ 16,540,808	$ 19,786	3.4%
12/31/2004	22	600,273	24	191,291	834	17,075,332	20,474	3.5
12/31/2005	24	704,201	21	213,529	837	17,829,449	21,302	4.0
12/31/2006	29	715,353	26	389,856	840	18,349,917	21,845	2.5
12/31/2007	21	548,513	28	452,202	833	18,777,464	22,542	3.2
12/31/2008	39	510,543	32	417,236	840	19,492,053	23,205	2.9

*Values are estimated on annualized pension amounts.

Actuarial Section: Figure 21

Solvency Test

Valuation Date	Aggregate Actuarial Liabilities for (1) Active Member Contributions	(2) Retirants and Beneficiaries*	(3) Active Members (Employer Financed Portion)	Reported Valuation Assets	Portion of Actuarial Liabilities Covered by Reported Assets (1)	(2)	(3)
12/31/2003	$ 37,027,041	$ 186,930,565	$126,486,746	$374,170,781	100%	100%	118.8%
12/31/2004	40,959,525	201,051,248	151,375,876	392,484,697	100	100	99.4
12/31/2005	44,057,922	201,560,068	159,408,592	412,822,760	100	100	99.2
12/31/2006	48,361,719	216,449,174	174,368,239	444,497,827	100	100	103.1
12/31/2007	53,686,866	230,893,426	183,534,348	480,820,001	100	100	106.9
12/31/2008	58,050,319	238,590,747	199,920,080	472,345,191	100	100	87.9

* Includes vested terminated members

Actuarial Section: Figure 22

System Experience

During the 12 months ended December 31. 2008 the Police and Fire Retirement System generated an actuarial loss of $37.9 million, or 8.1% of the beginning of the year actuarial liability (see Actuarial Section: Figure 23 below).

Derivation of System Experience Gain/(Loss)

			Year Ended 12/31/08 (in millions)
(1)		UAL* at start of year	$ (12.7)
(2)	+	Normal cost for year	13.9
(3)	+	Assumed investment return on (1) and (2)	0.5
(4)	-	Actual contributions (member + City)	14.8
(5)	-	Assumed investment return on (4)	0.6
(6)	=	Expected UAL at end of year	(13.7)
(7)	+	Increase (decrease) from amendments	0.0
(8)	+	Increase (decrease) from assumption changes	0.0
(9)	=	Expected UAL after changes	(13.7)
(10)	=	Actual UAL at year end	24.2
(11)	=	Experience gain (loss) (9) – (10)**	(37.9)
(12)	=	Percent of beginning of year AL	8.1%

* Unfunded Actuarial Liability/(Surplus)
** This amount reflects the net impact of about $38.8 million loss on the actuarial value of assets and a $0.9 million gain on liabilities.

Actuarial Section: Figure 23

Summary of Police and Fire Retirement System Benefit Provisions

Plan A is a closed plan which is applicable to members who entered the System between January 1, 1965 and December 31, 1978; and to members who entered prior to January 1, 1965 and elected Plan A coverage. Plan B is a closed plan which is applicable to members who entered the System prior to January 1, 1965 and elected Plan B coverage. Plan C is an open plan which is applicable to members entering the System after December 31, 1978.

Service Retirement

- **Eligibility**
  - Plan A and Plan B: Any age with 20 years of service.
  - Plan C: Age 55 with between 10 and 20 years of service, age 50 with 20 or more years of service, or any age with 30 years of service.
- **Benefit**
  - Years of service times 2.5% of final average salary, to a maximum of 75%.
- **Final Average Salary**
  - Average for the three consecutive years within the last 10 years of service that produce the highest average salary.

Deferred Retirement

- **Eligibility**
  - Any age with 10 or more years of service (does not include survivor benefits if service is less than 20 years).Deferred pensioner may apply for a normal retirement benefit upon attainment of age 55. A refund of employee contributions, plus 5% annual interest, may be elected in lieu of a retirement benefit.
- **Deferred Benefit**
  - Retirement benefit is computed as for normal retirement. Deferred pensions are adjusted during the deferral period based on changes in the National Average Earnings Index, up to 5.5% annually.

Backward Deferred Retirement Option Plan (Back DROP)

- **Eligibility**
  - Must be eligible for retirement and, prior to retirement, elect the Back DROP for a period of 1 to 60 months.
- **Benefit**
  - Under the Back DROP, the member may elect a benefit based on a retirement date up to 60 months prior to the current date. The monthly benefit is computed based on service, final average salary and benefit formula at the

selected prior date. The DROP account available to the retiring member is the computed benefit multiplied by the number of months of Back DROP plus applicable post-retirement adjustments and 5% annual compounded interest. Members are eligible to elect a five-year Back DROP beginning January 1, 2003.

Service-Connected Disability

- **Eligibility**
  - No age or service requirement. Disability must be permanent and preclude employee from performing the duties of their position.
- **Benefit**
  - 75% of final salary.
- **Conditions**
  - Benefit plus earnings from gainful employment cannot exceed current salary for rank held at time of disability. Benefit is recomputed at age 55 using service retirement formula, updated final average salary, and service credit for period of disability.

Non-Service Connected Disability

- **Eligibility**
  - Seven or more years of service if under age 55. Disability must be permanent and preclude employee from performing the duties of their position.
- **Benefit**
  - 30% of final average salary plus 1% of final average salary for each year of service in excess of seven years. Maximum is 50% of final average salary.
- **Conditions**
  - Benefit plus earnings from gainful employment cannot exceed current salary for rank held at the time of disability.

Pre-Retirement Survivor Benefits Service-Connected Death

- **Eligibility**
  - When death results from performance of duty as a fire fighter or police officer, there is no minimum service requirement. Spouse and minor children of member at the time of death are eligible for a survivor's benefit.
- **Benefit**
  - 50% of final salary plus 10% of final salary for each minor child under age 18, to a maximum of 75% of final salary. If no surviving spouse, benefit is 20% of final salary for each child to a maximum of 60% of final salary; terminates when child reaches age 18.

Pre-retirement Benefits Non-Service Connected Death

- **Eligibility:** Spouse and minor children of member at the time of death.
  - Plan A and Plan C: Three or more years of service.
  - Plan B: Twenty or more years of service.
- **Benefit**
  - Plan A and Plan C: 35% of final average salary plus 1% of final average salary for each year of service over three years to a maximum of 50% of final average salary, plus 10% of final average salary on account of each minor child under age 18 to a maximum of 66 2/3% of final average salary. If no surviving spouse, benefit is 15% of final average salary on account of each child to a maximum of 50% of final average salary; terminates when child reaches age 18.
  - Plan B: 50% of final salary.
- **Designated Beneficiary**
  - The beneficiary designated by an unmarried member or by a married member who fails to meet the service requirements for the surviving spouse benefit.
- **Benefit**
  - Member's accumulated contributions plus 5% annual interest, beginning January 1, 2000.

Post-Retirement Survivor Benefit

- **Eligibility**
    - Twenty or more years of service. If retired prior to January 1, 2000, surviving spouse must have been married to retired member at date of retirement. Effective January 1, 2000, surviving spouse must have been married to retired member for a minimum of 12 months at time of death.
- **Benefit**
    - Plan A and Plan C: 35% of final average salary plus 1% of final average salary for each year of service over three years to a maximum of 50% of final average salary, plus 10% of final average salary for each minor child under age 18 to a maximum of 66 2/3%. If no surviving spouse, 15% for each child to a maximum of 50%.
    - Plan B: 50% of final salary to surviving spouse or children under age 18.

Refund of Contributions

- **Eligibility**
    - Termination of employment without eligibility for any other benefit.
- **Amount**
    - Accumulated contributions at the time of termination plus 5% annual interest, beginning January 1, 2000.

Funeral Benefit

- **Eligibility**
    - Member who retired after November 21, 1973
- **Amount**
    - $750

Post-Retirement Adjustment of Annual Benefit

- **Eligibility**
    - Annually after completion of 36 months of retirement.
- **Amount**
    - 2% of base pension amount (not compounded).

Employee Contributions

- **Plan A:**
    - 8% of salary.
- **Plan B:**
    - 6% of salary.
- **Plan C:**
    - 7% of salary

Employer Contributions

- Actuarially determined amounts which, together with employee contributions and investment earnings, fund the obligations of the Plan in accordance with accepted actuarial principles.

Unused Sick Leave

- Accumulated unused sick leave is converted to service credits for the purpose of computing annual benefits.

A more detailed description of Plan provisions is available upon request from the Pension Management Office.

This page is intentionally left blank.

Statistical Section

This page is intentionally left blank.

Statistical Section Overview

This section presents detailed schedules showing trends regarding changes in net assets including deductions from net assets for benefits and refunds beginning on page 74, average benefit payments beginning on page 78, and retired members by benefit type beginning on page 80. These schedules may be considered useful in evaluating the condition of the Systems and understanding the information presented in the financial statements, note disclosures and required supplementary information.

The Schedule of Changes in Plan Net assets, including deductions from net assets for benefits and refunds, is derived from the Comprehensive Annual Financial Reports for the relevant fiscal year. All other information is derived from internal sources of the Systems, except for information that is derived from the actuarial valuations of the plans.

Changes in Plan Net Assets (Last Ten Fiscal Years)

Wichita Employees' Retirement System (continued on next page)

	2008	2007	2006	2005
ADDITIONS				
Employer contributions	$ 2,450,162	$ 2,357,052	$ 2,264,339	$ 2,170,650
Employee contributions	2,621,076	2,543,563	2,445,103	2,358,466
Net investment income (loss)	(150,525,640)	54,108,853	67,028,887	36,074,046
Transfers from other funds[1]	2,019,289	2,102,726	1,983,067	1,562,135
Total additions to plan net assets	(143,435,113)	61,112,194	73,721,396	42,165,297
DEDUCTIONS				
Benefits				
Service retirement	21,107,131	19,618,444	18,731,065	17,647,226
Survivors benefit	2,369,917	2,174,019	2,069,030	1,940,571
DROP[2] lump sum	1,820,599	2,809,284	947,843	2,168,410
Qualified domestic relations order	63,516	60,617	59,079	56,532
Disability (service)	76,736	100,921	110,817	124,673
Disability (non-service)	286,251	218,443	210,243	199,428
Funeral	71,192	70,929	73,779	59,210
Contribution refunds (separation)	313,595	232,417	287,379	251,710
Pension administration	438,411	384,528	355,954	296,883
Depreciation	34,266	0	0	0
Total deductions from plan net assets	26,581,614	25,669,602	22,845,189	22,744,643
Change in net assets	(170,016,727)	35,442,592	50,876,207	19,420,654
Net assets held in trust for pension benefits				
Beginning of year	545,880,881	510,438,289	459,562,082	440,141,428
End of year	$ 375,864,154	$ 545,880,881	$ 510,438,289	$ 459,562,082

1. Transfers from Employees' Retirement Plan 3 as a result of full vesting option of converting to Plan 2
2. Deferred Retirement Option Plan became effective January 1, 2000.

Statistical Section: Figure 1

Police and Fire Retirement System (continued on next page)

	2008	2007	2006	2005
ADDITIONS				
Employer contributions	$ 10,549,401	$ 10,029,253	$ 9,849,536	$ 7,308,916
Employee contributions	4,277,247	4,056,022	3,789,743	3,652,348
Net investment income (loss)	(140,686,744)	49,134,414	59,897,041	31,745,327
Total additions to plan net assets	(125,860,096)	63,219,689	73,536,320	42,706,591
DEDUCTIONS				
Benefits				
Service retirement	15,124,453	14,767,792	14,350,119	13,820,287
Survivors benefit	2,293,653	2,175,191	2,080,107	2,007,215
Back DROP[1] lump sum	2,013,670	873,050	641,517	977,977
Qualified domestic relations order	80,179	72,056	64,614	66,348
Disability (service)	1,459,306	1,476,513	1,558,438	1,414,202
Disability (non-service)	63,359	62,342	69,970	68,801
Funeral	18,351	15,578	18,655	51,950
Contribution refunds (separation)	493,516	254,190	384,672	313,219
Pension administration	418,165	366,637	354,904	315,068
Depreciation	34,266	0	0	0
Total deductions from plan net assets	21,998,918	20,063,349	19,522,996	19,035,067
Change in net assets	(147,859,014)	43,156,340	54,013,324	23,671,524
Net assets held in trust for pension benefits				
Beginning of year	503,915,248	460,758,908	406,745,584	383,074,060
End of year	$ 356,056,234	$ 503,915,248	$ 460,758,908	$ 406,745,584

1. Backward Deferred Retirement Option Plan became effective January 1, 2001

Statistical Section: Figure 2

Changes in Plan Net Assets (Last Ten Fiscal Years)

Wichita Employees' Retirement System (continued from previous page)

2004	2003	2002	2001	2000	1999
$ 2,084,558	$ 2,007,656	$ 1,957,922	$ 1,843,213	$ 2,751,084	$ 4,134,826
2,279,422	2,397,597	2,236,973	2,066,480	2,026,021	1,920,760
38,840,471	76,871,558	(49,114,617)	(21,590,153)	(11,149,067)	66,070,347
1,528,790	1,138,869	1,328,831	1,023,882	0	0
44,733,241	82,415,680	(43,590,891)	(16,656,578)	(6,371,962)	72,125,933
16,589,983	15,796,197	14,809,378	14,154,115	13,632,880	13,097,960
1,807,897	1,697,975	1,601,217	1,504,236	1,434,071	1,297,086
879,053	622,675	391,801	127,652	0	0
55,836	59,640	60,443	35,074	27,138	25,436
141,872	155,315	152,542	148,335	144,324	143,563
222,810	166,783	165,928	202,639	176,844	148,566
63,852	78,124	55,102	57,791	70,595	108,624
387,089	276,261	255,091	330,726	432,269	576,855
271,128	264,853	270,292	247,111	248,698	285,094
0	0	0	0	0	0
20,419,520	19,117,823	17,761,794	16,807,679	16,166,819	15,683,184
24,313,721	63,297,857	(61,352,685)	(33,464,257)	(22,538,781)	56,442,749
415,827,707	352,529,850	413,882,535	447,346,792	469,885,573	413,442,824
$ 440,141,428	$415,827,707	$352,529,850	$413,882,535	$447,346,792	$469,885,573

Police and Fire Retirement System (continued from previous page)

2004	2003	2002	2001	2000	1999
$ 6,925,467	$ 5,043,505	$ 4,746,504	$ 4,796,863	$ 5,540,575	$ 6,043,455
3,482,237	3,296,499	3,104,036	2,926,844	2,899,385	2,935,486
33,716,897	65,824,556	(41,805,821)	(18,244,453)	(9,376,292)	58,430,577
44,124,601	74,164,560	(33,955,281)	(10,520,746)	(936,332)	67,409,518
13,253,231	12,785,027	12,244,565	11,777,516	11,308,103	10,604,877
1,910,236	1,875,774	1,821,252	1,746,985	1,657,550	1,514,163
635,674	1,240,509	79,407	63,161	0	0
57,753	62,615	61,975	59,943	62,466	64,823
1,447,143	1,528,118	1,430,210	1,382,186	1,404,367	1,266,570
72,761	77,412	65,294	64,124	77,109	46,827
18,657	6,086	7,469	14,431	10,337	3,200
283,197	192,808	415,274	419,984	327,817	282,150
262,061	264,386	261,074	240,802	231,101	256,326
0	0	0	0	0	0
17,940,713	18,032,735	16,386,520	15,769,132	15,078,850	14,038,936
26,183,888	56,131,825	(50,341,801)	(26,289,878)	(16,015,182)	53,370,582
356,890,172	300,758,347	351,100,148	377,390,026	393,405,208	340,034,626
$ 383,074,060	$ 356,890,172	$ 300,758,347	$ 351,100,148	$ 377,390,026	$ 393,405,208

Changes in Plan Net Assets (Last Ten Fiscal Years)

Wichita Employees' Retirement Plan 3 (continued on next page)

	2008	2007	2006	2005
ADDITIONS				
Employer contributions	$ 1,494,079	$ 1,428,686	$ 1,369,009	$ 1,281,156
Employee contributions	1,494,079	1,428,686	1,369,009	1,281,156
Net investment income (loss)	(4,387,641)	1,542,383	1,876,517	978,703
Transfers from other funds	0	0	0	0
Total additions to plan net assets	(1,399,483)	4,399,755	4,614,535	3,541,015
DEDUCTIONS				
Contribution refunds	698,751	864,999	786,140	628,696
Pension administration	69,865	32,639	31,374	29,512
Depreciation	29,371	0	0	0
Transfers to other funds[1]	2,019,289	2,102,726	1,983,067	1,562,135
Total deductions from plan net assets	2,817,276	3,000,364	2,800,581	2,220,343
Change in net assets	(4,216,759)	1,399,391	1,813,954	1,320,672
Net assets held in trust for pension benefits				
Beginning of year	16,121,195	14,721,804	12,907,850	11,587,178
End of year	$ 11,904,436	$ 16,121,195	$ 14,721,804	$ 12,907,850

1. Transfers to Employees' Retirement System upon full vesting in WERS Plan 3

Statistical Section: Figure 3

Changes in Plan Net Assets (Last Ten Fiscal Years)

Wichita Employees' Retirement Plan 3 (continued from previous page)

2004	2003	2002	2001	2000	1999
$ 1,219,589	$ 1,214,823	$ 1,203,471	$ 1,214,229	$ 1,020,209	$ 751,608
1,219,589	1,214,823	1,203,471	1,214,229	1,020,209	751,608
1,107,359	1,602,631	(797,704)	(449,836)	(110,047)	756,271
0	0	0	560	0	0
3,546,537	4,032,277	1,609,238	1,979,182	1,930,371	2,259,487
400,787	384,769	526,655	472,505	428,883	343,448
33,056	33,395	34,860	45,569	28,851	25,657
0	0	0	0	0	0
1,528,790	1,138,869	1,328,831	1,024,442	0	0
1,962,633	1,557,033	1,890,346	1,542,516	457,734	369,105
1,583,904	2,475,244	(281,108)	436,666	1,472,637	1,890,382
10,003,274	7,528,030	7,809,138	7,372,472	5,899,835	4,009,453
$ 11,587,178	$ 10,003,274	$ 7,528,030	$ 7,809,138	$ 7,372,472	$ 5,899,835

Average Benefit Payments (Last Ten Fiscal Years)

Wichita Employees' Retirement System (continued on next page)

Average monthly pension	2008	2007	2006	2005
0 - 5 Years of Service	$ -	$ -	$ -	$ -
5 - 10 Years of Service	528	554	436	532
10 - 15 Years of Service	821	894	692	712
15 - 20 Years of Service	1,547	1,180	1,129	1,288
20 - 25 Years of Service	2,250	1,895	2,038	1,567
25 - 30 Years of Service	3,137	3,015	3,342	3,251
30+ Years of Service	3,670	3,443	2,265	2,460
Average for All Years of Service	$ 1,992	$ 1,830	$ 1,650	$ 1,635
Average final average salary				
0 - 5 Years of Service	$ -	$ -	$ -	$ -
5 - 10 Years of Service	2,660	4,493	2,538	2,532
10 - 15 Years of Service	3,089	3,414	2,708	2,692
15 - 20 Years of Service	3,901	3,239	2,932	3,399
20 - 25 Years of Service	4,133	3,432	3,720	3,545
25 - 30 Years of Service	4,371	4,215	4,520	4,465
30+ Years of Service	4,977	4,591	3,020	3,815
Average for All Years of Service	$ 3,855	$ 3,897	$ 3,240	$ 3,408
Number of members retiring				
0 - 5 Years of Service	-	-	-	-
5 - 10 Years of Service	4	2	5	5
10 - 15 Years of Service	16	9	4	1
15 - 20 Years of Service	9	7	5	11
20 - 25 Years of Service	6	9	9	6
25 - 30 Years of Service	25	29	25	25
30+ Years of Service	17	1	1	4
Total for All Years of Service	77	57	49	52

Statistical Section: Figure 4

Police and Fire Retirement System (continued on next page)

Average monthly pension	2008	2007	2006	2005
0-5 Years of Service	$ -	$ -	$ -	$ -
5 - 10 Years of Service	-	-	4,549	2,629
10 - 15 Years of Service	2,539	-	2,249	3,277
15 - 20 Years of Service	-	-	3,393	-
20 - 25 Years of Service	2,817	2,510	2,482	2,365
25 - 30 Years of Service	4,173	-	3,532	3,219
30+ Years of Service	-	-	3,437	-
Average for All Years of Service	$ 3,304	$ 2,510	$ 3,274	$ 2,873
Average final average salary				
0-5 Years of Service	$ -	$ -	$ -	$ -
5 - 10 Years of Service	-	-	4,221	2,919
10 - 15 Years of Service	4,257	-	4,559	3,912
15 - 20 Years of Service	-	-	3,023	-
20 - 25 Years of Service	4,723	3,963	3,865	3,917
25 - 30 Years of Service	5,720	-	5,014	4,292
30+ Years of Service	-	-	4,746	-
Average for All Years of Service	$ 5,028	$ 3,963	$ 4,238	$ 3,760
Number of members retiring				
0-5 Years of Service	-	-	-	-
5 - 10 Years of Service	-	-	1	1
10 - 15 Years of Service	2	-	4	1
15 - 20 Years of Service	-	-	1	-
20 - 25 Years of Service	4	6	5	3
25 - 30 Years of Service	4	-	1	1
30+ Years of Service	0	-	1	-
Total for All Years of Service	10	6	13	6

Statistical Section: Figure 5

Average Benefit Payments (Last Ten Fiscal Years)

Wichita Employees' Retirement System (continued from previous page)

2004	2003	2002	2001	2000	1999
$ -	$ -	$ -	$ -	$ -	$ -
420	424	547	428	523	486
859	968	882	845	617	549
1,118	1,313	1,598	1,585	1,016	982
1,627	1,797	1,875	1,896	1,640	1,540
3,467	2,889	3,254	2,831	3,072	2,864
2,062	3,087	2,308	2,547	3,532	3,323
$ 1,592	$ 1,746	$ 1,729	$ 1,689	$ 1,733	$ 1,624
$ -	$ -	$ -	$ -	$ -	$ -
2,426	2,669	2,830	2,394	2,386	2,389
2,826	3,083	3,052	2,719	2,295	1,964
2,964	3,303	4,453	3,030	2,722	2,549
3,462	3,158	3,390	3,520	3,093	3,255
4,686	4,034	4,511	3,917	4,217	3,852
2,878	4,116	3,266	3,426	4,710	4,430
$ 3,207	$ 3,394	$ 3,550	$ 3,168	$ 3,237	$ 3,073
-	-	-	-	-	-
3	3	4	5	3	4
5	4	3	3	6	10
6	7	8	3	7	6
6	9	5	6	8	7
18	27	24	19	23	9
3	2	3	4	4	3
41	52	47	40	51	39

Police and Fire Retirement System (continued from previous page)

2004	2003	2002	2001	2000	1999
$ -	$ -	$ 1,112	$ -	$ -	$ 2,049
2,484	612	-	1,526	-	-
-	2,045	3,006	1,171	1,718	-
3,194	3,427	2,739	2,465	2,248	2,468
2,210	1,956	2,791	2,396	2,302	2,028
2,949	2,968	2,970	2,748	2,658	2,717
-	3,163	6,143	2,948	3,064	2,635
$ 2,709	$ 2,362	$ 3,127	$ 2,209	$ 2,398	$ 2,379
$ -	$ -	$ 2,448	$ -	$ -	$ 2,240
2,983	3,582	-	3,227	-	-
-	2,996	3,543	3,387	2,759	-
4,179	3,798	3,355	3,767	3,216	2,914
3,876	3,816	3,815	4,481	3,922	3,418
4,293	4,057	4,323	3,939	3,784	3,814
-	4,217	8,190	3,930	4,086	3,513
$ 3,833	$ 3,744	$ 4,279	$ 3,789	$ 3,553	$ 3,180
-	-	2	-	-	1
2	2	-	2	-	-
-	2	1	1	2	-
3	1	1	3	3	2
2	1	3	3	9	15
7	6	7	4	15	10
-	7	1	1	3	5
14	19	15	14	32	33

Retired Members by Type and Benefit

Wichita Employees' Retirement System (as of December 31, 2008)

Amount of Monthly Benefit	Service	DROP	Service Disability	Non-Service Disability	Survivor	QDRO*	Total
$ 0-500	89	0	0	4	98	2	193
500-1000	158	3	2	10	84	1	258
1000-1500	112	4	3	7	48	0	174
1500-2000	109	4	1	2	23	1	140
2000-2500	94	6	0	0	5	1	106
2500-3000	105	22	0	0	1	0	128
3000-3500	72	11	0	0	0	0	83
3500-4000	55	9	0	0	0	0	64
4000-4500	34	5	0	0	0	0	39
4500-5000	16	4	0	0	0	0	20
>5000	30	7	0	0	0	0	37
Total	874	75	6	23	259	5	1,242

* Qualified Domestic Relations Order

Statistical Section: Figure 6

Retired Members by Type and Benefit

Police and Fire Retirement System (as of December 31, 2008)

Amount of Monthly Benefit	Service	Service Disability	Non-Service Disability	Survivor	QDRO*	Total
$ 0-500	5	0	0	11	1	17
500-1000	48	4	5	63	6	126
1000-1500	99	0	1	32	3	135
1500-2000	181	1	0	33	0	215
2000-2500	110	7	0	19	0	136
2500-3000	81	19	0	0	0	100
3000-3500	59	8	0	0	0	67
3500-4000	26	5	0	0	0	31
4000-4500	8	0	0	0	0	8
4500-5000	3	1	0	0	0	4
>5000	1	0	0	0	0	1
Total	621	45	6	158	10	840

* Qualified Domestic Relations Order

Statistical Section: Figure 7

This page is intentionally left blank.

CITY OF

WICHITA

www.wichita.gov