

THE CITY OF TOPEKA, KANSAS

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Comprehensive Annual Financial Report



DECEMBER 31, 2009

**City of Topeka, Kansas
Comprehensive Annual Financial Report
For the Year Ended December 31, 2009**

Mayor

William W. Bunten, Mayor

City Council Members

<u>Name</u>	<u>District #</u>	<u>Current Term Expires</u>
John Alcala	2	April 2011
Deborah Swank	6	April 2011
Larry Wolgast	5	April 2013
Sylvia Ortiz	3	April 2013
Jack Woelfel	4	April 2011
Karen Hiller	1	April 2013
Jeff Preisner	8	April 2011
Richard Harmon	9	April 2013
Robert Archer	7	April 2013

Operations Administration

Norton N. Bonaparte Jr., City Manager

Prepared by Financial Services Department

James F. Langford, Director of Budget and Financial Services
Pamela S. Simecka, City Controller
Curtis R. Cox, City Treasurer
Tina M. Loyd, Accounting Manager
Amy S. Vail, Grant and General Accountant II
Kristin E. Ready, Accountant II
Deidre E. Chinn, Accounts Receivable and Utility Billings Specialist

**City of Topeka, Kansas
Comprehensive Annual Financial Report
For the Year Ended December 31, 2009**

Table of Contents

INTRODUCTORY SECTION

Table of Contents	i-iii
Letter of Transmittal	1-6
Mission Statement	7
Organization Chart	8
List of Principal Officials	9-10

FINANCIAL SECTION

Independent Auditors' Report	11-13
Management's Discussion and Analysis	15-27
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	29
Statement of Activities	30
Fund Financial Statements:	
Balance Sheet - Governmental Funds	31
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets	32
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Major Funds:	
General Fund	35
Parks and Recreation Fund	36
Special Street Repairs Fund	37
Statement of Net Assets - Proprietary Funds	38
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	39
Statement of Cash Flows - Proprietary Funds	40
Statement of Fiduciary Net Assets - Fiduciary Funds	41
Notes to the Financial Statements	43-68
Required Supplementary Information:	
Schedule of Funding Progress – for the Retirees Health Plan	69
Other Fund Statements and Schedules:	
Combining Balance Sheet - Non-major Governmental Funds	74-76
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-major Governmental Funds	77-79
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Debt Service Fund	80
Special Alcohol Program Fund	81
General Improvement Fund	82
Special Liability Expense Fund	83

Table of Contents - (continued)

Zoo Fund	84
Transient Guest Tax Fund	85
Unsafe Structure Removal Fund	86
Retirement Reserve Fund	87
KP & F Equalization Fund	88
Neighborhood Revitalization Fund	89
Historic Asset Tourism Fund	90
½ % Sales Tax Fund	91
Street Repairs-Sales Tax Fund	92
Park Land Acquisition Fund	93
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual, From Inception:	
Bridges	94
Public Buildings and Facilities	95
Sanitary Sewers and Water Mains	96
Park Improvements	97
Streets and Trafficways	98
Combining Statement of Fiduciary Net Assets	101-102
Combining Statement of Changes in Assets and Liabilities – Agency Funds	103-105
Combining Statement of Net Assets – Non-major Enterprise Funds	108
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Non-major Enterprise Funds	109
Combining Statement of Cash Flows - Non-major Enterprise Funds	110
Combining Statement of Net Assets - Internal Service Funds	112
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Internal Service Funds	113
Combining Statement of Cash Flows - Internal Service Funds	114
Combining Statement of Net Assets - Risk Management Funds	115
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Risk Management Funds	116
Combining Statement of Cash Flows - Risk Management Funds	117
Capital Assets Used in the Operation of Governmental Funds with Prior year comparatives:	
Schedule by Source	118
Schedule by Function and Activity	119
Schedule of Changes by Function and Activity	120
STATISTICAL SECTION	
Summary	121
Net Assets by Component	122
Changes in Net Assets	123-125
Fund Balances, Governmental Funds	126
Changes in Fund Balances, Governmental Funds	127
Tax Revenues by Source, Governmental Funds	128
Assessed Value and Estimated Actual Value of Taxable Property	129
Property Tax Levies and Collections	129
Direct and Overlapping Property Tax Rates	130
Principal Property Taxpayers	131
Ratios of Outstanding Debt by Type	132
Ratios of General Bonded Debt Outstanding	133
Direct and Overlapping Governmental Activities Debt	134
Legal Debt Margin Information	135
Pledged-Revenue Coverage	136

Table of Contents - (continued)

Schedule of Bonded Indebtedness by Category	137-138
Schedule of Temporary Notes Outstanding by Project	139
Debt Service Payments to Final Maturity - Revenue Bonds	140
Schedule of Industrial Revenue Bonds by Obligee	141
Demographic and Economic Statistics	142
Property Value, Construction, and Bank Deposits	142
Employment and Unemployment Statistics	143
Principal Employers	144
Full-time Equivalent City Government Employees by Function/Program	145
Operating Indicators by Function/Program	146
Capital Asset Statistics by Function/Program	147
OTHER INFORMATION	149-170
SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal Awards	171-173
Notes to the Schedule of Expenditures of Federal Awards	174
Report on Internal Control over Financial Reporting and on Compliance And other matters based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards	175-176
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	177-178
Schedule of Findings and Questioned Costs	179-180
Follow-Up on Prior Year Findings and Questioned Costs	181

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CITY OF TOPEKA

Norton N. Bonaparte, Jr., City Manager

FINANCIAL SERVICES DEPARTMENT
CENTRAL ACCOUNTING DIVISION
215 SE 7th Street, Room 358
Topeka, KS 66603-3914
Website: <http://www.topeka.org>

Jim Langford, Director
E-mail: jlangford@topeka.org
Telephone: 785-368-3970
Fax: 785-368-3975

August 2010

Mayor Bill Bunten
Members of the Topeka City Council
Citizens of Topeka
City of Topeka, Kansas

Honorable Mayor, City Council Members, and Citizens of Topeka:

The City Manager and the Department of Financial Services are pleased to submit the *Comprehensive Annual Financial Report* (the "CAFR") for the City of Topeka, Kansas, for the year ended December 31, 2009. This report is issued pursuant to State law, which requires publication of a complete set of annual financial statements presented in conformity with generally accepted accounting principles ("GAAP") and independently audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This CAFR is also published to provide the Mayor and City Council members, Topeka citizens, other City staff, City bondholders, and other interested parties with detailed information concerning the financial condition and activities of City government for the year ended December 31, 2009.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the costs of internal controls 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.

Wendling Noe Nelson & Johnson, LLC, an independent firm of licensed certified public accountants, audited the City's financial statements and issued an unqualified opinion on the governmental and business-type activities of the City of Topeka's financial statements for the year ended December 31, 2009.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the *Management's Discussion and Analysis* ("MD&A") document. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Topeka's MD&A can be found immediately following the report of the independent auditors in the *Financial Section* of this CAFR.

Our CAFR is divided into the following sections:

The Introductory Section includes information about the organizational structure of the City, the City's economy, major initiatives, status of City services and cash management.

The Financial Section includes the MD&A, Basic Financial Statements, Notes to the Basic Financial Statements, and required supplementary information. The Basic Financial statements include the government-wide financial statements that present an overview of the City's entire financial operations and the fund financial statements that present the financial information of each of the City's major funds, as well as non-major governmental, fiduciary and other funds. Also included in this section is the independent auditor's report on the basic financial statements.

The Statistical Section includes tables containing historical financial data, debt statistics, and miscellaneous social and economic data of the City that are of interest to potential investors in our bonds and to other readers. The data includes ten-year revenue and expenditure information on an inflation-adjusted basis.

PROFILE OF THE CITY

The City of Topeka, Kansas, founded in 1854 and incorporated in 1857, is located in the northeastern part of the State and is the capital of Kansas and the county seat of Shawnee County. With a population of around 124,331, the City is the fourth largest city in Kansas. The land within the City covers slightly more than 60 square miles. The total population of the Topeka Metropolitan Statistical Area ("Topeka MSA") exceeds 175,000. The State Capitol Complex, including the Capitol Building, the Kansas Judicial Center, and several State office buildings, are located within the City. The State of Kansas is the largest employer in the Topeka MSA, employing approximately 8,100 employees. The Shawnee County Courthouse Complex, containing most of the Shawnee County offices, is also located within the City.

The City is served largely by Unified School District No. 501 of Shawnee County, Kansas. With approximately 2,500 administrative and faculty employees, the district operates 21 elementary, 6 middle, and 5 high school facilities. The District serves an enrollment of nearly 13,600 students. There are also 6 parochial schools (5 elementary and 1 high school), 7 private schools, a modern vocational/technical school and one special school located in the City. Washburn University, including the Washburn University School of Law, is a municipal university located in Topeka, which has an enrollment of 6,652, with about 2,100 employees.

The City is served by Interstate 70 and the Kansas Turnpike, as well as other Federal and State highways. The Kansas Turnpike provides ready access to the Kansas City metropolitan area approximately 60 miles to the east. The Kansas Turnpike also travels southwest, providing Topeka with a direct four-lane connection with Wichita, Kansas, a distance of approximately 150 miles. Interstate 70 provides Topeka four-lane service with all points west through central Kansas and with Denver, Colorado. U.S. 75 highway transverses the City north to south.

The City is served by two major railroads: the Burlington Northern & Santa Fe and the Union Pacific, two air taxi services, and 22 truck carrier companies. Topeka has two FAA controlled municipal airports, one of which has a primary runway 12,500 feet long, which can accommodate any size aircraft currently in operation.

The City has eight hospitals and medical center complexes, including Stormont-Vail Regional Medical Center and St. Francis Hospital & Medical Center, the second and fifth largest employers in the City respectively (see “Principal Employers”.) St. Francis Hospital and Medical Center is operated by the Sisters of Charity of Leavenworth.

The City is served by a number of commercial banks, including at least one national bank with offices in the City. Capitol Federal Savings & Loan Association, which is headquartered in the City and has 45 branches throughout the State, has total assets of \$8.4 billion and total deposits of approximately \$4.2 billion, making it the largest savings and loan association in the State of Kansas (source: Capitol Federal 2009 Annual Report unaudited). The Tenth District of the Federal Home Loan Bank Board, which serves Kansas, Colorado, Nebraska, and Oklahoma is also headquartered in the City.

The City is empowered to levy property tax on both real and personal properties located within its boundaries. It is also empowered by State statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body. In 2009, the City annexed 62.05 acres of real estate.

The City of Topeka operates under a City Manager form of government. Under this form, policy-making and legislative authority are vested in a governing body consisting of the Mayor and nine other Council members, all elected on a non-partisan basis. The City at large elects the Mayor, and the nine Council members are elected by district to four-year, staggered terms, with four or five Council members elected bi-annually. The Council is responsible, among other things, for adopting ordinances and resolutions, adopting an annual budget, appointing certain officials of boards and committees, and selecting a City Manager.

As the chief executive officer of Topeka, the City Manager is responsible to execute and enforce all laws, ordinances, and policies of the Council and is charged with administering the day-to-day operations of the City. The City Manager has the power to appoint, assign, reassign, discipline, and remove all directors of City departments and all employees under his jurisdiction, subject to the provisions of the City’s personnel regulations. He also controls and administers the financial affairs of the City, and he is required to develop and present an annual proposed budget to the Council.

The City of Topeka provides its citizens with those services proven to be necessary and meaningful, and which can be provided by the City most cost effectively. Major services provided under general governmental and enterprise functions are: police and fire protection, with additional police protection available through the Shawnee County Sheriff’s Department, the Kansas Highway Patrol, and the Kansas Bureau of Investigation; provision of safe drinking water; wastewater treatment and disposal services; public parking facilities; parks and recreational activities, including a zoo; street improvements and maintenance; economic development support; housing and neighborhood development programs; and general administrative services.

Internal services of the City, accounted for on a cost reimbursement basis, include: fleet services operations; information technology services; risk management activities; and employees’ health insurance administration.

The annually adopted budget serves as the foundation for the City of Topeka’s financial planning and control. The Council is required by State law to publish a proposed budget and notice of public hearing. Following the public hearing and consideration of amendments

decreasing the proposed budget, the law requires the final, Council-adopted budget to be certified to the county clerk by August 25 of each year, for the purpose of levying taxes to fund the following year's authorized budget.

The appropriated budget is prepared by fund (e.g., General), function (e.g., public safety), and department (e.g., police). Department Directors may transfer appropriations only within a department. Transfers of appropriations from one fund to another require the approval of the Council.

The Kansas statutes provide for government expenditure controls under what are commonly known as the "cash basis law" and the "budget basis law." Simply put, the cash basis body of law provides that government entities must have sufficient cash to pay for their operating expenditures. The simple explanation of the budget basis law is that government entities cannot spend more in appropriated funds than provided in the published, adopted budget. The City has in place certain internal budgetary controls, designed to ensure compliance with legal provisions of the annually appropriated budget adopted by the City's governing body.

FACTORS AFFECTING THE CITY'S FINANCIAL CONDITION

The information presented in the financial statements is better understood when considered from the broader perspective of the specific environment within which the City of Topeka operates. Following are some comments about that environment.

Local Economy

The City of Topeka currently enjoys a relatively stable economy, in comparison to the nation. Topeka has so far avoided any major foreclosures. The real estate market did slow in 2009, but housing values have not dropped significantly. The strength of our local economy is attributed in large part to the fact that Topeka is the hub of a Metropolitan Statistical Area. The U.S. Bureau of the Census defines a Metropolitan Statistical Area as "...a core area containing a substantial population nucleus, together with adjacent communities having a high degree of social and economic integration with that core." The Topeka Metropolitan Statistical Area (the "Topeka MSA") includes not only all of Shawnee County, but also all of the adjacent counties of Jackson, Jefferson, Osage, and Wabaunsee. Well over half of Topeka MSA employers are service organizations, including state, local and federal government entities, but there are also a significant number of manufacturing and wholesale and retail trade employers.

Go Topeka, the City's economic development partner through JEDO, secured 1,018 acres in South topeka for the new Kanza Fire Commerce Park. They also matched funds with the City of Topeka and Kansas Department of Transportation for a new downtown entryway enhancement including landscaping, signage and fencing.

Topeka was the biggest gainer in the Milken Institute's 2009 Best Performing Cities Smallest Metros List, rising 69 positions to number 37 out of 124 cities. Milken Institute ranks U.S. metropolitan areas by how well they are creating and sustaining jobs and economic growth. The components include job, wage and salary and technology growth.

Long-Term Financial Plans

As indicated in the City's long-term capital budget, Topeka intends to spend significant amounts for infrastructure improvements over the next several years. In the four-year period from 2010 through 2014, almost \$44 million worth of additions and improvements to the City's Combined Utility systems are anticipated in the Council-adopted Capital Improvement Program (the CIP). Those projects are expected to be financed by a combination of revenue bonds and operating dollars.

The City Council placed a question on the April 2009 ballot to create a special sales tax of ½ % to be used exclusively for the maintenance and improvements of existing city streets, gutters, curbs sidewalks, alleys and street lighting. It passed and will be expected to raise \$12 million a year. The tax will "sunset" after 10 years.

Relevant Financial Policies

Community Goals established by the City Council are

1. Develop a vigorous, strong economy and stimulate growth in the city.
2. Provide safe, stable and vibrant neighborhood environments for Topeka citizens.
3. Provide excellent cultural and recreational opportunities for the region.
4. Provide the highest quality municipal services at a reasonable cost.
5. Encourage progressive community development by both the public and private sectors.
6. Value diversity and ensure fair treatment for all.

The Governing Body adopted five areas of concern and outlined specific programs and initiatives to address those goals.

The areas of concern were:

- City Cleanliness
- Citizen Safety
- Business Development and Expansion
- Continued High-Level Parks Maintenance and Improvements
- Continued Zoo Maintenance and Operations at or above accreditation standards

Another relevant budget policy includes maintaining a 10% ending fund balance in the General Fund. This policy is designed to provide a cushion against revenue loss, to insure that the General Fund does not rely on one time revenues, and to maintain a good rating for the issuance of City-backed bonds. Unfortunately, in 2009, 2010 and 2011 the City does not expect to be able to hold a 10% ending fund balance in the General Fund.

The City has also implemented an investment policy, debt management policy, and capital improvement policy, which all can be viewed online at <http://www.topeka.org>.

Major Initiatives The City of Topeka and Shawnee County entered into a revised interlocal agreement in 2004, reaffirming the establishment of a Joint Economic Development Organization (JEDO), which has been designated to receive funds from both the City and the County to use in efforts to attract and retain businesses and jobs to the Topeka area. Some money from the City's portion of the county-wide ½ % sales tax is being provided to the JEDO to assist in the mission. The JEDO Board has entered into a contract with the Greater Topeka Chamber of Commerce's economic development entity GO Topeka to provide \$5 million

annually from sales tax revenues of the City and the County for this effort. This contract with GO Topeka and the funding for the Topeka Boulevard Bridge are being funded by dedicated county-wide sales tax of ½ %, passed in 2004 by Shawnee County voters. Another initiative was both a private and public venture resulting in the City putting forth a ballot question in April 2009 asking the voters to approve a special purpose half-cent sales tax for ten years to improve and repair existing streets, sidewalks, curbs and gutters, and streetlights. The ballot question passed and the tax went into effect on October 1, 2009. It is expected to generate about \$14.0 million annually.

AWARDS AND ACKNOWLEDGEMENTS

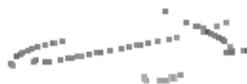
The City received the GFOA's *Distinguished Budget Presentation Award* for its annual budget document for the fiscal year beginning January 1, 2009. In order to qualify for this award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device. A copy of the 2010 Budget is available on the City's website at <http://www.topeka.org>.

The preparation of this *Comprehensive Annual Financial Report* is made possible by the efficient, dedicated, and professional work of the entire staff of the Financial Services Department. Appreciation is expressed to City employees throughout the organization for their assistance and cooperation in the successful completion of this report. Certain staff members made an extraordinary effort to ensure the accuracy of data in this CAFR, to achieve continued conformance to the prescribed reporting format, and to ensure completion of this CAFR. We would like to acknowledge and thank them for their work.

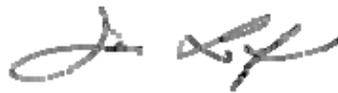
In closing, we thank the members of the City Council for their interest and effort in establishing and overseeing the financial policies of the City of Topeka in a responsible manner.

Without the leadership and support of the governing body, preparation of this *Comprehensive Annual Financial Report* would not be possible.

Respectfully submitted,



Norton N. Bonaparte, Jr., City Manager



Jim Langford, Director of Budget and Finance



Pam Simecka, CPA, CGFM,
Asst. Finance Director/Controller

City of Topeka
Quality Public Service is Our Business

Mission Statement

(Adopted February 19, 2002)

To provide excellent city services so that our citizens may thrive in a safe and healthy community.

Vision Statement

(Adopted February 19, 2002)

The City of Topeka will serve as the regional center for economic development, recreation, health care, and education while providing a highly livable City for all.

Community Wide Goals

(Adopted March 26, 2002)

1. Develop a vigorous, strong economy and stimulate growth in the city.
2. Provide safe, stable, and vibrant neighborhood environments for Topeka citizens.
3. Provide excellent cultural and recreational opportunities for the region.
4. Provide the highest quality municipal services at a reasonable cost.
5. Encourage progressive community development by both the public and private sectors.
6. Value diversity and ensure fair treatment for all.

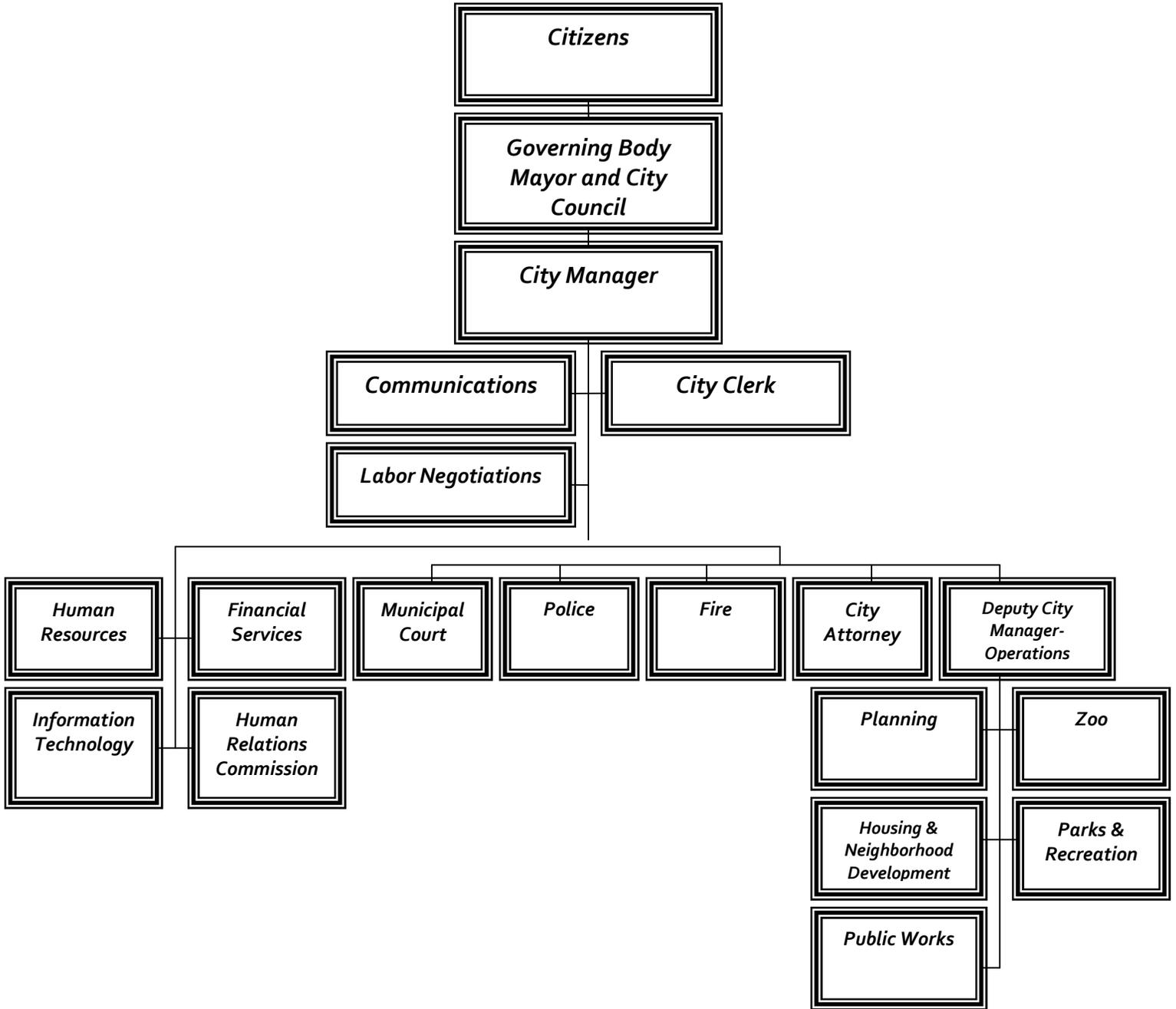
Areas of Concern

(Adopted December 4, 2007)

1. City Cleanliness
2. Citizen Safety
3. Business Development and Expansion
4. Continued High-Level Parks Maintenance and Improvements
5. Continued Zoo Maintenance and Operations at or above accreditation standards

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2009 City's Organizational Chart



City of Topeka, Kansas
Principal Officials at December 31, 2009

Mayor

William W. Bunten, Mayor

City Council Members

District 1	Karen Hiller
District 2	John Alcala
District 3	Sylvia Ortiz
District 4	Jack Woelfel
District 5	Larry Wolgast
District 6	Deborah Swank
District 7	Robert Archer
District 8	Jeff Preisner
District 9	Richard Harmon, Deputy Mayor

City Manager

Norton N. Bonaparte Jr.
Randy L. Speaker, Deputy City Manager

Department Heads

Budget and Financial Services, James F. Langford
Chief of Fire, Allen Bradshaw
Housing and Neighborhood Development, Randy Speaker
Human Resources, Jacque Russell
Human Relations Commission, Rio Cervantes-Reed
Information Technology, Mark Biswell
City Attorney, Jackie Williams
Municipal Court, Administrative Judge Steven Ebberts
Parks and Recreation, Terry Bertels
Planning, David Thurbon
Chief of Police, Ronald Miller
Public Works, Michael Teply
Zoo, Dennis Taylor Interim

Division Directors

Administration:

City Clerk, Brenda Younger

Financial Services:

Cash Management, Curtis Cox, City Treasurer

Central Accounting and Reporting, Pam Simecka, Asst. Finance Director/Controller

Contracts and Procurement, Jay Oyler

Fleet Services, Ron Raines

Fire:

Chief of Training, Jack Collie

Chief of Fire Prevention / Fire Marshall, Greg Bailey

Deputy Chief of Operations, George V. Rocha

City of Topeka, Kansas
Principal Officials at December 31, 2009

Division Directors (continued)

Legal:

Deputy City Attorney, Braxton Copley
Risk Manager, Ken Benjamin
Chief of Prosecution, Craig Spomer

Municipal Court:

Court Administrator, Gail Lewis

Parks & Recreation:

Accounting, Quail Lowe
Administration, Teri Simpson
Athletics, Bruce Andrews
Centers & Day Camps, Betty Kirchner and Lynn Bishop
Forestry, Adam Moser
Golf, Doug Reynolds
Helen Hocker Theatre, Jo Huseman
Media, Doug Stillings
Management, Doug Reynolds
Parks, Jon Carney
Planning and Development, Bill Riphahn
Special Services, Karen Meyer
Ward Meade, Sara Leeth

Planning:

Deputy Director, Bill Fiander
Transportation & Long-Range Planning, Carlton Scroggins
Planner III, Bill Hoover

Police:

Deputy Chief-Support and CID, Colonel Walt Wywadis
Deputy Chief-Uniform and Special Operations, Colonel Gerald Herman
Community and Support Services, Major Tony Kirk
Criminal Investigation Division, Major Warren Wilson
Special Operations, Major Kris Kramer
Uniform Division, Major Mike Haugen

Public Works:

Administration, Mike McGee, Deputy Public Works Director
Development Services, Miriam Berke
Engineering, Shawn Bruns
Facility Management, Mike McGee
Transportation Operations, Ed Winton
Water Pollution Control, Bob Sample
Water, Don Rankin



Certified Public Accountants
and Management Consultants

Brian J. Florea, CPA
Derek H. Hart, CPA
John R. Helms, CPA
Darrell D. Loyd, CPA
Eric L. Otting, CPA
John E. Wendling, CPA

Roger L. Johnson, CPA
Jere Noe, CPA
Gary D. Knoll, CPA
Adam C. Crouch, CPA
Heather R. Eicheim, CPA

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the City Council
City of Topeka, Kansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Topeka, Kansas, as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Topeka's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial and summarized comparative information has been derived from the City of Topeka's 2008 financial statements and, in our report dated July 6, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business type activities, each major fund, except the Water, Water Pollution Control, and Stormwater Utility fund and the aggregate remaining fund information. A qualified opinion was issued in regard to the Water, Water Pollution Control, and Stormwater Utility fund.

The financial statements include partial and summarized prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2008, from which such partial and summarized information was derived.

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

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Topeka, Kansas, as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Parks and Recreation, and Special Street Repairs funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 15 through 27 and page 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Topeka's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary schedules, capital asset schedules, statistical section, and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Topeka, Kansas. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, budget schedules, capital asset schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections and other information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Wendling Neal Nelson & Johnson LLC

Topeka, Kansas
September 2, 2010

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Topeka, Kansas, we offer readers of the City of Topeka's financial statements this narrative overview and analysis of the financial activities of the City of Topeka for the year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 - 6 of this report. Numbers are presented as whole dollars, except as otherwise indicated.

FINANCIAL HIGHLIGHTS

- The assets of the City of Topeka exceeded its liabilities at the close of the most recent fiscal year by \$542,421,031 (*net assets*). Of this amount, \$53,967,043 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets decreased \$12.8 million to \$542.4 million in 2009. The \$12.8 million decrease is comprised of a decrease in net assets of the governmental activities of \$17.4 million, and an increase in net assets of the City's business type activities of \$4.6 million.
- At the close of 2009, the City of Topeka's governmental funds reported combined ending fund balances of \$15.7 million, a decrease of \$7.3 million in comparison with the prior year. About 40% of \$15.7 million, is *available for spending* at the government's discretion (*unreserved fund balances*).
- At the end of 2009, unreserved, undesignated fund balance for the General Fund was \$4.9 million or 7.37% of total General Fund revenues, and 7.12% of General Fund expenditures.
- For the General Fund, actual resources available for appropriation in 2009 (revenue inflows and fund balance) were \$1.2 million less than the final budget, while actual appropriations (outflows) were \$5.8 million less than budgeted for the year.
- The City of Topeka's total bonded debt had a net decrease of \$11.7 million (3.6%) during 2009. This net decrease includes \$2.47 million in general obligation bonds issued for streets and trafficway improvements, \$2.58 million in building improvements, and \$1.06 million in park improvements. A summary of all 2009 changes in the City's long-term debt and liabilities can be found in the notes on pages 62 - 63 and in the *Schedule of Bonded Indebtedness* on pages 137 - 138.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Topeka's comprehensive annual financial report, which includes the basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Other statements included provide financial information about activities for which the City acts solely as an agent for the benefit of entities outside of the government. This report also contains other supplementary statistical and other financial information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* (pages 29 and 30 of this CAFR) are designed to provide readers with a broad overview of the City of Topeka's finances, in a format similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the City of Topeka's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. So, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods; for example, uncollected taxes or earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the City of Topeka that are principally supported by taxes and intergovernmental activities (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The City's governmental activities include general government, public safety, highways and streets, community and economic development, and parks and recreation. Property taxes, transient guest taxes, sales taxes, and franchise fees finance most of these activities. The City's business-type activities include a combined water, water pollution control and storm water utility, public parking facilities, and a municipally owned and operated public golf course. The City of Topeka has one component unit—the City of Topeka/Shawnee County Joint Economic Development Organization (JEDO). Component units are entities that are legally separate, but for which the City is financially accountable. For more information about the component unit, please refer to the *Notes to the Financial Statements, Summary of Significant Accounting Policies, Reporting Entity* section, page 43.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide detailed information about the most significant funds, not about the City of Topeka as a whole. Some funds are required to be established by State law or by bond covenants. In addition, the City Council establishes other funds to help control and manage money for particular purposes, or to demonstrate that Topeka is complying with legal requirements for using certain taxes, grants, and other money. The City has three types of funds—**governmental, proprietary, and fiduciary**—which use different accounting approaches.

Governmental funds—Most of the City's basic services are reported in its governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for future spending. These funds are reported using an accounting method called the *modified accrual* basis of accounting, which measures cash and all other *financial* assets that can readily be converted to cash. With this method, the governmental fund statements provide a detailed, *short-term view* of the City's general government operations and the basic services it provides.

Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental *funds* (reported in the fund financial statements) in a reconciliation document following the fund financial statements, on pages 32 and 34.

The City of Topeka maintains twenty-eight individual governmental funds. Information is presented separately in the *governmental funds balance sheet* and in the *governmental funds statement of revenues, expenditures, and changes in fund balance* for the General Fund, the Parks and Recreation Fund, the Debt Service Fund, and the Special Street Fund, all of which are considered to be *major funds*.

Data from the remaining governmental funds, which the City categorizes as *special revenue funds and capital project funds*, are aggregated for presentation. Special revenue funds and

capital projects funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Individual fund data for each of these *non-major funds* is provided in the form of *combining statements* on pages 74 - 79 of this report.

The City of Topeka adopts annual, appropriated budgets for its major funds, and budgetary comparison statements are presented to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 35 - 37 and 80 of this report.

Proprietary funds— Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City of Topeka maintains two different types of proprietary funds.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City has three enterprise funds: the combined Water, Water Pollution Control, and Stormwater Utility Fund, a major fund; and the Public Parking Facilities which is a non-major fund shown in the aggregate in the *Proprietary Funds* statements presented on pages 38 - 40. Individual data for these non-major enterprise funds in the form of *combining statements* can be found on pages 108 - 110 of this report.

The City is adding a section which will give more detail information on the utilities including descriptions, conditions, future capital expenditures, customers, and rate schedules. This section can be found after the *statistical section* on pages 149 - 170.

Internal service funds are the second type of proprietary funds maintained by the City of Topeka. An internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Topeka uses three internal service funds: Information Technology; Fleet Services; and Combined Risk Management, which includes employees' health insurance, workers' compensation and vehicle self-insurance, unemployment compensation, and risk management reserve activities.

Because internal services generally benefit governmental rather than business-type functions, they are included within *governmental activities* in the government-wide financial statements. The three internal service funds, which are all considered non-major funds, are combined into a single, aggregated presentation in the *Proprietary Funds* statements on pages 38 - 40. Individual data for the internal service funds in the form of *combining statements* is on pages 112 - 117.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the City of Topeka's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The City's fiduciary activities are reported in the *Statement of Fiduciary Net Assets*, which can be found on page 41 and pages 101 - 105.

Notes to the financial statements

The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43 - 68 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents the combining and individual fund statements for non-major funds and fixed asset schedules. Those statements and schedules can be found on pages 74 - 120.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Topeka, assets exceeded liabilities by \$542,421,031 at the close of 2009, the most recent fiscal year.

By far the largest portion of the City of Topeka's net assets (85.0%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related outstanding debt used to construct or acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The table below summarizes net assets:

Table 1
City of Topeka
Condensed Statement of Net Assets
December 31, 2009

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$117,926,241	\$122,174,366	\$52,069,356	\$45,571,372	\$169,995,597	\$167,745,738
Capital assets, non-depreciable	146,390,322	151,341,341	23,296,097	28,695,122	169,686,419	180,036,463
Capital assets, net of depreciation	368,601,341	379,074,143	351,661,544	349,164,396	720,262,885	728,238,539
Total assets	632,917,904	652,589,850	427,026,997	423,430,890	1,059,944,901	1,076,020,740
Long-term liabilities outstanding	258,663,387	260,589,385	221,930,690	225,041,653	480,594,077	485,631,038
Other liabilities	29,591,226	29,875,623	7,338,567	5,263,577	36,929,793	35,139,200
Total liabilities	288,254,613	290,465,008	229,269,257	230,305,230	517,523,870	520,770,238
Net assets:						
Invested in capital assets,						
net of related debt	308,783,199	321,190,223	152,554,765	156,909,635	461,337,964	478,099,858
Restricted	6,854,045	5,095,538	20,261,979	18,913,636	27,116,024	24,009,174
Unrestricted	29,026,047	35,839,081	24,940,996	17,302,389	53,967,043	53,141,470
Total net assets	\$344,663,291	\$362,124,842	\$197,757,740	\$193,125,660	\$542,421,031	\$555,250,502

A portion of the City's net assets (5.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$53,967,043 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the governmental and business-type activities. The same situation also occurred in the prior fiscal year.

The City's net assets from governmental activities decreased 17.4%, from \$362.1 million to \$344.7 million, in 2009. The \$362.1 million was restated for 2008 by \$68,886,874 to account for the implementation of GASB No. 51, Intangible Assets. There was a \$4.2 decrease in the governmental activities' current assets, which consisted of a decrease in cash of \$4.5 million, an increase in receivables of \$3.3 million, and a decrease in internal balances of \$3.5 million.

Non-depreciable capital assets decreased \$4.9 million from governmental activities. This was a result of capitalizing construction projects of \$13.0 million consisting of bridge work for \$1.5 million, street repairs for \$7.0 million, improvements to local zoo and park facilities for \$2.1 million, and other miscellaneous projects for \$2.4 million. While the City completed many projects, it also began new ones of \$11.8 million. This consisted of mainly street projects of \$9.1 million, building improvements for \$2.9 million, miscellaneous other projects for \$2.3 million, and \$(2.5) million for a refund on the construction cost of a major City bridge.

The value of depreciable capital assets decreased \$10.5 million in 2009. The long-term debt decreased \$1.9 million, and other liabilities decreased about \$.3 million in 2009. The decrease in liabilities of \$2.2 million, consisted of an increase in salaries and wages payable of \$2.5 million, a decrease in long-term debt (includes bonds and leases) of \$5.0 million, an increase in temporary notes of \$3.7 million, an increase of \$3.2 million of deferred revenues, a decrease of \$1.6 million, in amounts owed to others and estimated insurance claims.

The City of Topeka's total net assets reported in connection with its business-type activities increased by \$4.6 million or 2.4% in 2009. Assets increased overall due to an increase in current assets and a decrease of internal balances. The utilities also had a rate increase effective May 1, 2008, that would increase each year through 2011. The slight decrease in liabilities was attributable to the reduction of outstanding debt, increasing of temporary notes and a decrease in amounts owed to others.

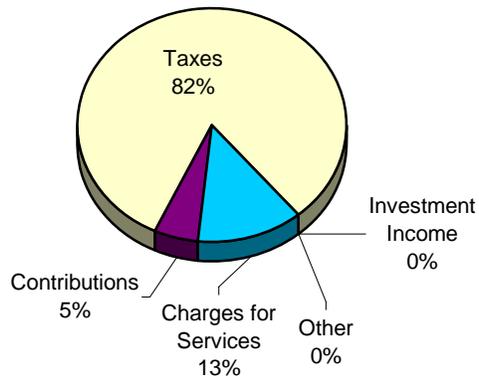
Governmental activities

Governmental activities decreased the City of Topeka's total net assets by \$17,461,551, while the total decrease of both governmental and business-type total net assets was \$12,829,471. The charts on the next page depict the elements of the 2009 governmental activities, and *Table 2* on page 21 shows key elements of the total decrease in net assets.

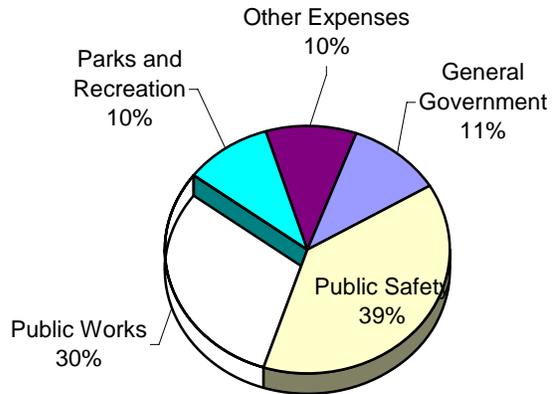
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**Fiscal Year 2009 Government Activities
(Also see Table 2 on next page)**

Sources of Revenue



Functional Expenses



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Table 2
City of Topeka
Statement of Activities and Changes in Net Assets
Amounts Expressed in
thousands

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
<u>Program revenues</u>						
Charges for services	\$ 15,325	\$ 16,526	\$ 60,097	\$ 60,195	\$ 75,422	\$ 76,722
Operating grants and contributions	5,601	5,472	-	30	5,601	5,502
Capital grants and contributions	869	1,345	3,783	2,168	4,652	3,513
<u>General revenues</u>						
Property taxes	41,412	41,454	-	-	41,412	41,454
Sales taxes	35,620	35,683	-	-	35,620	35,683
Franchise taxes	11,917	11,790	-	-	11,917	11,790
Motor fuel taxes	6,648	4,772	-	-	6,648	4,772
Alcoholic beverage taxes	1,618	1,602	-	-	1,618	1,602
Transient guest taxes	1,720	2,070	-	-	1,720	2,070
Gain on sale of capital assets	-	-	36	2	36	2
Grants and contributions not restricted to specific programs	137	131	-	-	137	131
Unrestricted investment earnings	-	-	966	1,107	966	1,107
Total revenues	120,867	120,845	64,882	63,504	185,749	184,348
Expenses						
General government	14,993	(50,453)	-	-	14,993	(50,453)
Public safety	53,609	52,156	-	-	53,609	52,156
Public works	41,692	42,770	-	-	41,692	42,770
Metropolitan Planning	897	908	-	-	897	908
Miscellaneous	207	(1,104)	-	-	207	(1,104)
Parks and Recreation	13,815	12,646	-	-	13,815	12,646
Public Housing	3,537	2,387	-	-	3,537	2,387
Social Services	1,077	964	-	-	1,077	964
Capital leases	(94)	(90)	-	-	(94)	(90)
Interest	8,646	7,801	-	-	8,646	7,801
Water, Water Pollution Control, & Stormwater Utility	-	-	56,248	59,605	56,248	59,605
Combined Public Parking	-	-	3,939	3,538	3,939	3,538
Public Golf Course	-	-	12	912	12	912
Total expenses	138,379	67,985	60,199	64,055	198,578	132,039
Increase in net assets before transfers	(17,512)	52,860	4,683	(551)	(12,829)	52,309
Transfers in (out)	52	-	(52)	-	-	-
Increase (Decrease) in Net Assets	(17,460)	52,860	4,631	(551)	(12,829)	52,309
Net Assets - Beginning	362,125	309,263	193,126	193,677	555,251	502,941
Net Assets - Ending	\$ 344,665	\$ 362,124	\$ 197,757	\$ 193,126	\$ 542,422	\$ 555,250

Note: General Government for 2008 was restated to comply with GASB No. 51 for Intangible assets by \$68,887.

The following table summarizes the costs of the City's four largest governmental activities—general government, public safety, public works' highways and streets, and parks and recreation—as well as each activity's *net* cost (total cost to provide the services, less any revenues generated by the activity and excluding the general revenues). The net cost shows the financial burden that was placed on the City's taxpayers by each of these governmental functions.

Table 3
Net Cost of Governmental Activities (in millions)

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General government	\$ 15.0	\$5.1
Public Safety	53.6	52.3
Public works, highways & streets	41.7	38.6
Parks & recreation	<u>13.8</u>	<u>10.5</u>
Totals	<u>\$124.1</u>	<u>\$106.5</u>

The total governmental expenses increased by \$1.9 million, while program revenues decreased by \$1.5 million. The net cost of operations for the four major areas increased by \$.6 million from 2008, as detailed below:

- The total cost of services for Public Safety increased by \$1.4 million, while the net costs of operations in 2009 increased by \$1.1 million. The increase in cost of services was due mainly to the increase in Police salaries and wages of \$.7 million and an increase in Police contractual services of \$.3 million. The grants received came in slightly more than 2008 by \$.3 million.
- The General Government expenses were restated for 2008 to account for the retroactive treatment of GASB No. 51, Intangible assets of \$68,9 million. This brought the net cost of services to \$(62.2) million. Without the adjustment the total cost of services for General Government decreased by \$3.4 million, while the net cost of service increased by \$1.6 million. This was attributable to all departments included in the general government having lower expenses in 2009 versus 2008. The area with the largest decrease occurred in the contributions to agencies area of \$.7 million. The change in the compensated absences was lower from the prior year by \$1.0 million, while the cost to manage the City's fleet increased \$1.3 million. There were decreases in the net change from the OPEB liability and the capital related items. While the revenues came in lower for charges for services of \$1.2 million and a decrease in capital grants of \$.5 million.
- Parks and Recreation increased in total cost by \$1.2 million, while the net cost increased by \$1.2 million also. The charge for services went up, while the amount of grants was on the decrease.
- Interest expense for the governmental activities had a slight decrease of \$.1 million.
- For General Revenues, most remained steady, but Motor fuel taxes increased the from 2008 by \$1.9 million, and transient guest taxes decreased by \$.4 million,

Business-type activities

The change in net assets of the City's business-type activities increased by \$4.6 million during 2009. Table 4 presents the net revenue from, or cost of, the City's two largest business-type activities – the combined Water, Water Pollution Control and Stormwater Utility and the Public Parking Fund – as well as each activity's net cost or proceeds (total cost to provide the services, less any revenues generated by the activity and excluding the general revenues).

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Table 4
Net Cost of Business-Type Activities (in millions)

	Total Cost of Services	Net Cost(Proceeds) of Services
Water, Water Pollution Control, & Stormwater Utility	\$56.2	\$(4.5)
Public Parking	3.9	0.8
Totals	<u>\$60.1</u>	<u>\$(3.7)</u>

The total cost of services for the combined utilities decreased by \$3.4 million, while the net cost of services decreased by \$5.5 million, compared to 2008. The City approved utility rate increases effective May 1, 2008 and increases each year through 2011, this accounted for \$.5 million decrease in net cost. Capital grants and contributions increased by \$1.6 million. The combined utility had the largest decrease in other payments of \$3.5 million. This was attributable to an inventory adjustment done in 2008 for \$4.2 million. The utilities also had an increase in the amount of bad expense of \$.4 million. Meanwhile the grants and contributions came in higher by \$1.6 million. Public Parking had an increase in total cost of services of \$.4 million and an increase in net cost of services of \$.4 million, compared to 2008. This increase was seen mostly in the outside services category.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted before, the City of Topeka uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Following is an analysis of our funds.

Governmental Funds

The focus of the City of Topeka's *governmental funds* is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing our financing requirements. In particular, *unreserved fund balance* serves as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2009, the City's governmental funds reported combined, ending fund balances of \$15.7 million, which is a decrease of \$7.3 million from the prior year. The General Fund and the Parks and Recreation Fund both had decreases in fund balance, while Special Street Repair Fund and Debt Service Fund had increases in fund balance. The largest decrease of \$2.2 million, occurred in the General fund. The Streets and Trafficways fund was also moved from a major fund to a non-major fund.

Approximately 40%, \$6.2 million, of this total amount is unreserved fund balance, which is available for spending at the City's discretion. The remaining fund balance is reserved to indicate that it has already been committed to liquidate contracts and purchase orders (\$2.7 million) or for payment of debt service (\$6.7 million).

The General Fund is the chief operating fund of the City of Topeka. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$4,912,469, and total fund balance was \$5,791,591. As a measure of the general fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund

balance represents 7.1% of total general fund expenditures, and total fund balance is 8.4% of expenditures.

The fund balance of the City's General Fund decreased by \$2,179,230 during 2009. Factors in the net decrease of General Fund balance include:

- Revenues decreased \$1.7 million with the largest decrease in the area of sales taxes of \$1.4 million. The other revenues remained steady with slight increases in fines and forfeitures and investment income.
- Operating expenditures in the Public Safety area increased by \$.7 million, mainly attributable to increases in Police wages and salaries and contractual services.
- Transfers in, increased by \$207,438, receiving \$53,000 from the Transient Guest Tax Fund and \$214,438 from excess capital project funding.
- Miscellaneous Non-departmental expenditures increased by \$1.2 million, due to increases in caring for prisoners, vacancy credits being phased out and the City Council voted in to reduce fund balance in order to cover certain expenses.

The Parks and Recreation Fund had an ending fund balance of \$172,002 in 2009. This was a decrease of \$561,092. This was a result of bringing the golf course operations back into the fund, representing \$834,554 of increased expenses. Management entered into a contract to have the golf course run fully by an outside company in 2009. Operating revenues increased slightly due to increases in fees for services and taxes.

The Special Street Repairs Fund ended 2009 with a fund balance of \$2,162,926, an increase over the 2008 ending fund balance of \$939,997. This was attributable to receiving a refund from the County of \$1.6 million due to incorrect rates used by the Kansas State Treasurer in calculations of prior years motor fuel tax.

The Debt Service Fund had a total fund balance of \$6,749,235 at December 31, 2009, all of which is reserved for the payment of debt service. The fund balance increased by \$236,231 from 2008. See the *Notes to the Financial Statements*, on pages 60 - 63 for a more complete description of activity in the Debt Service Fund.

In the non-major governmental funds, the fund balances decreased by \$6,058,908, taking the ending balance to \$808,407. In 2008 Streets and Trafficways met the test as a major fund, but in 2009 did not qualify as a major fund. The largest increases occurred in Bridges and the newly established Street Repairs Sales Tax fund. Bridges increased \$2,354,195 due to receiving funds back from the State Department of Transportation that were excess in the replacement of the Topeka Boulevard bridge. The Street Repairs Sales Tax fund increased \$1,143,728. This fund was approved by the voters in April 2009, taking effect October 1, 2009. The largest decreases were in the Capital Projects Funds of Streets and Trafficways of \$6,321,933, Public Buildings and Facilities of \$1,520,008 and Park Improvements of \$1,440,186. Permanent financing had not been completed to cover the construction costs

Proprietary funds

The City of Topeka's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail. See the *Basic Financial Statements* on pages 38 – 40 for more information. Unrestricted net assets of the combined Water, Water Pollution Control, and Stormwater Utility Fund at December 31, 2009, were \$24,308,049. The increase of \$7,610,928 over the 2008 amount is partly due to a decrease in the restriction for capital projects, since some projects have been completed. We also had decreases in long term debt of revenue bonds and state revolving loans.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were two budget amendments taken before Council, one was to increase the spending authority in the Special Street Repairs Fund of \$1,600,040 to allow for increased spending for

back motor fuel taxes collected. This amendment also increased the spending authority in the Street Repairs Sales Tax Fund of \$200,000 and revenues of \$1,100,000. Lastly this amendment increased the spending authority in the Zoo Improvement Fund in order to reduce the fund balance to zero, so the fund could be closed out. The City Council authorized a reclassification of budget authority from the Police Department of \$100,000 to be used for a grant to the Topeka Performing Arts Center. The City Manager also authorized a reclassification of budget authority from the Police Department of \$12,000 to Municipal Court to help fund an Administrative Hearing Officer. Lastly, there was a General Fund budget reduction \$353,000 authorized by the City Council, which resulted in reductions in the areas of Unsafe Structures, Salary compression pool, summer intern program and cutting of weeds.

General Fund revenues came in \$1.5 million lower than anticipated, and expenditures were \$5.7 million less than budgeted in 2009. Key factors of the difference include:

- Sales tax revenues were \$1.5 million lower than budgeted.
- Most other revenues came in according to close to budget, but the City did see favorable results in franchise fees and Municipal Court fees.
- Unfavorable areas of revenues were in property taxes, permits, and investment interest.
- Most of the spending variances were favorable with only a few unfavorable areas of expenditures, which were in contributions to agencies, Fire department and Public Works-Technical Services.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009, the City had \$898.5 million invested in a broad range of capital assets, including police and fire equipment, buildings, improvements, land, park facilities, water and wastewater treatment facilities, and roads and bridges (see Table 5 below). This amount represents a net increase (including additions and deductions) of \$59.1 million, or 6.6%, during the year. To find more information on capital assets, refer to the *Notes to the Financial Statements* on pages 55 - 57 and to the *Other Fund Statements and Schedules* section of this report on pages 118 - 120. Capital asset transactions during the current fiscal year included:

- The City was able to capitalize and close several construction projects, increasing the amount of governmental assets. The capitalized amount totaled about \$85.1 million.
- The Combined Utility Fund replaced and installed new water main extensions and installed sanitary sewers and drain improvements. The combined utilities were able to complete and capitalize existing projects for around \$11.2 million.

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Table 5
City of Topeka's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 75,374,525	\$ 75,206,735	\$ 1,547,573	\$ 1,595,573	\$ 76,922,098	\$ 76,802,308
Buildings, Improvements, Infrastructure	357,931,384	371,508,693	349,175,547	346,816,551	707,106,931	718,325,244
Furniture and Fixtures	483,906	974,791	58,617	58,605	542,523	1,033,396
Vehicles	4,732,952	3,535,675	1,693,637	1,357,005	6,426,589	4,892,680
Machinery and Equipment	2,939,788	3,054,984	733,743	932,235	3,673,531	3,987,219
Construction in Progress	71,015,797	76,134,606	21,748,524	27,099,549	92,764,321	103,234,155
Software	2,513,308	-	-	-	2,513,308	-
Total Capital Assets	\$ 514,991,660	\$ 530,415,484	\$ 374,957,641	\$ 377,859,518	\$ 889,949,301	\$ 908,275,002

Governmental assets have been increased by the addition of easements to comply with GASB No. 51. Easements added for years prior to 2009 totaled \$68,886,874 and easements for 2009 totaled \$119,790.

The City's five-year Capital Improvement Plan reflects appropriations for construction, improvements to, or acquisition of about \$232.4 million worth of capital assets for fiscal 2010 through 2014. Funding is budgeted to come from projected enterprise fund revenues (\$33.0 million), general obligation bonds (\$40.5 million), utility revenue bonds (\$72.7 million), state revolving fund loans (\$11.0 million), and other sources (\$75.2 million) over the next five years. The most significant projects include continued upgrades to interceptor and distribution control systems, improvements to the storm sewer system, repairs to the river levee's, rehabilitation to the water treatment plant, increasing water service to the south part of Topeka, construction of various streets and trafficways, traffic signal replacements, fleet replacements for fire and police, addition of a new fire station, neighborhood improvements, and shelter house renovations.

Debt

At December 31, 2009, the City's total outstanding bonded indebtedness was \$311,130,000. Of this amount, \$156,370,000 is general obligation debt, backed by the full faith and credit of the government. There are \$115,275,000 in revenue bonds, secured by a pledge of the revenues derived from user fees for the specific enterprise fund or funds that benefited from the bond issue. The remainder of the bonded indebtedness consists of tax increment and sales tax revenue bonds in the amount of \$39,485,000. In addition, the City is obligated for \$89,619,673 of Kansas State Revolving Loan Program loans, which are secured solely by specified revenue sources from the Combined Utility Fund, and for \$24,890,000 in general obligation temporary notes, issued to fund construction in progress on capital projects.

Moody's Investors Service has assigned the City's general obligation bonds ratings of "Aa3" and "A2" for the revenue bonds upon their issuance. The City's stable service area, satisfactory compliance with legal covenants of outstanding debt issues, and satisfactory debt service coverage levels have kept the City's revenue bonds in the "A" category. The City's utility revenue bonds are subordinate to the lien of the State Revolving Fund loans.

At the time of issuance, various series of bonds were insured by either Financial Guaranty Insurance Company ("FGIC") or XL Capital Assurance, Inc. ("XLCA") and were assigned ratings

by Moody's Investors Service, Inc. ("Moody's"). In 2008, Moody's downgraded both FGIC and XLCA below Aaa in correspondence with Moody's financial strength and financial enhancement ratings of FGIC and XLCA.

In November, 2008, Moody's also downgraded the credit ratings of Financial Security Assurance, Inc. ("FSA") to "Aa3", and MBIA, Inc. to "Baa1". FSA and MBIA, Inc. are bond insurers for various City revenue bond issues.

All material event notices were registered with DisclosureUSA who then disseminated that information to the Nationally Recognized Municipal Securities Information Repositories.

Additional information on the City of Topeka's long-term debt can be found in *Note IV, Section F* on pages 60 – 63 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The average unemployment rate for the City of Topeka in 2009 was 6.7%, which is an increase from the rate of 5.7% in 2008. This is steady with the state's average unemployment rate of 6.7%, but favorable to the national average rate of 9.3%. The City's average unemployment rate is currently 6.7%. See pages 142 – 143 for more unemployment information. These and other factors were considered in preparing the City of Topeka's budget for the 2010 fiscal year.

During 2009, unreserved fund balance in the general fund decreased to \$4,912,469. The City anticipated an unreserved fund balance of \$6,599,111, when it adopted its 2010 operating budget.

The City's Water, Wastewater, and Stormwater rates were increased effective May 1, 2008 covering the years 2008 - 2011. Water's minimum rate increased from \$8.82 to \$15.00 and flow increased around 4%, Wastewater's minimum rate increased from \$11.31 to \$14.85 and flow increased around 4% and stormwater's rate increased single family charge from \$3.62 to \$4.25 for 2008. The minimum rates will remain steady through 2011. These rate increases are planned to help pay debt service on revenue bonds and State Revolving Fund loans to finance infrastructure improvements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Topeka's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report, or requests for additional financial information, should be addressed to the City's Financial Services Department, City of Topeka, 215 SE 7th Street, Room 358, Topeka, Kansas 66603-3914.

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City of Topeka, Kansas
Statement of Net Assets
December 31, 2009

With comparative totals for December 31, 2008

	Primary Government		Totals		Component Unit
	Governmental Activities	Business-Type Activities	2009	2008	JEDO
	Assets				
Cash and cash equivalents	\$ 37,657,237	\$ 11,391,970	\$ 49,049,207	51,103,969	7,276,936
Receivables (net of allowance for uncollectibles)	68,927,173	9,310,588	78,237,761	75,522,208	-
Due from component unit	4,599,017	-	4,599,017	4,860,145	-
Due from other governments	431,998	-	431,998	395,022	-
Internal balances	278,259	(278,259)	-	-	-
Inventories	125,935	1,918,491	2,044,426	2,655,771	-
Prepaid Costs	596,078	4,828	600,906	82,854	-
Restricted assets:					
Cash and equity in Treasurer's Fund	5,212,759	20,261,979	25,474,738	24,009,174	-
Other restricted assets	-	9,083,711	9,083,711	8,693,837	-
Capital assets:					
Land and infrastructure	146,390,322	23,296,097	169,686,419	180,036,463	-
Depreciable buildings, property, and equipment, net of depreciation	368,601,341	351,661,544	720,262,885	728,238,539	-
Other assets	97,785	376,048	473,833	422,758	-
Total assets	632,917,904	427,026,997	1,059,944,901	1,076,020,740	7,276,936
Liabilities					
Accounts payable and other current liabilities	4,166,968	1,597,355	5,764,323	8,844,182	-
Accrued interest payable	2,369,935	652,380	3,022,315	3,243,669	-
Salaries & wages payable	2,486,937	218,832	2,705,769	5,684,798	-
Due to other governments	-	51,139	51,139	60,143	2,677,919
Due to primary government	-	-	-	-	4,599,017
Due to others	255	-	255	90	-
Estimated insurance claims	500,000	-	500,000	956,318	-
Temporary notes payable	20,071,139	4,818,861	24,890,000	16,350,000	-
Liabilities payable from restricted assets	-	2,948,081	2,948,081	2,946,071	-
Unearned revenue	64,716,088	390,387	65,106,475	62,108,051	-
Non-current liabilities:					
Due within one year	16,336,592	7,263,647	23,600,239	20,854,253	-
Due within one year, payable from restricted assets	-	2,050,001	2,050,001	1,980,000	-
Due in more than one year	177,606,699	209,278,574	386,885,273	397,742,663	-
Total liabilities	288,254,613	229,269,257	517,523,870	520,770,238	7,276,936
Net assets					
Invested in capital assets, net of related debt	308,783,199	152,554,765	461,337,964	478,099,858	-
Restricted for debt service	6,749,235	8,319,619	15,068,854	13,310,482	-
Restricted for capital projects	104,810	7,976,673	8,081,483	6,853,703	-
Restricted for sinking funds	-	3,329,836	3,329,836	3,242,703	-
Restricted for deposits	-	635,851	635,851	602,286	-
Unrestricted	29,026,047	24,940,996	53,967,043	53,141,470	-
Total net assets	\$ 344,663,291	\$ 197,757,740	\$ 542,421,031	\$ 555,250,502	\$ -

The notes to the financial statements are an integral part of these statements.

JEDO is the Joint Economic Development Organization

*Governmental Capital Assets for 2008 were restated to reflect the retroactive treatment of GASB No. 51 for Intangible Assets, accounting for \$68,886,874.

City of Topeka, Kansas
Statement of Activities
For the Year Ended December 31, 2009
With comparative totals for December 31, 2008

	Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues			Primary Government			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Functions/Programs	Expenses					2009	2008
Primary Government:							
Governmental Activities:							
General Government	\$ (14,992,967)	\$ 9,437,917	\$ 480,508	\$ (5,074,542)	\$ -	\$ (5,074,542)	\$ 62,182,909
Public Safety	(53,609,315)	431,755	841,432	(52,336,128)	-	(52,336,128)	(51,164,211)
Public Works	(41,691,731)	1,808,343	406,886	(38,643,854)	-	(38,643,854)	(38,653,941)
Metropolitan Planning	(897,258)	-	-	(897,258)	-	(897,258)	(908,365)
Miscellaneous	(206,630)	390,075	-	183,445	-	183,445	1,540,263
Parks and Recreation	(13,814,599)	3,256,677	19,482	(10,501,623)	-	(10,501,623)	(9,273,095)
Public Housing	(3,537,403)	-	3,231,569	(305,834)	-	(305,834)	(22,469)
Social Services	(1,077,479)	-	620,849	(456,630)	-	(456,630)	(631,619)
Capital Leases	93,704	-	-	93,704	-	93,704	90,415
Construction	-	-	-	-	-	-	-
Engineering and Others	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-
Interest	(8,645,912)	-	-	(8,645,912)	-	(8,645,912)	(7,800,518)
Total Governmental Activities	(138,379,590)	15,324,767	5,600,726	(116,584,632)	-	(116,584,632)	(44,640,631)
Business-Type Activities:							
Water, Water Pollution Control, & Stormwater Utility	(56,248,119)	56,918,079	-	3,782,949	-	4,452,909	4,452,909
Public Parking	(3,939,077)	3,178,471	-	-	(760,606)	(760,606)	(411,389)
Public Golf Course	(11,669)	877	-	-	(10,792)	(10,792)	(278,719)
Total Business-Type Activities	(60,198,865)	60,097,427	-	3,782,949	-	3,681,511	(1,660,192)
Total Primary Government	(198,578,455)	75,422,194	5,600,726	(116,584,632)	3,681,511	(112,903,121)	(46,300,823)
General revenues:							
Property taxes				41,411,812		41,411,812	41,454,387
Sales taxes				35,620,402		35,620,402	35,682,826
Franchise taxes				11,916,523		11,916,523	11,790,003
Motor fuel taxes				6,648,136		6,648,136	4,771,522
Alcoholic beverage taxes				1,617,758		1,617,758	1,601,574
Transient guest taxes				1,719,807		1,719,807	2,070,271
Grants and contributions not restricted to specific programs				136,764		136,764	131,352
Unrestricted investment earnings				-	966,083	966,083	1,107,202
Gain on sale of capital assets				-	36,365	36,365	1,793
Transfers				51,879	(51,879)	-	-
Total general revenues and transfers				99,123,081	950,569	100,073,650	98,610,930
Change in net assets				(17,461,551)	4,632,080	(12,829,471)	52,310,107
Net assets - beginning				362,124,842	193,125,660	555,250,502	502,940,395
Net assets - ending				\$ 344,663,291	\$ 197,757,740	\$ 542,421,031	\$ 555,250,502

The notes to the financial statements are an integral part of these statements.
 *Governmental Net Assets for 2008 were restated to reflect the retroactive treatment of GASB No. 51 for Intangible Assets, accounting for \$68,866,874.

City of Topeka, Kansas
Balance Sheet
Governmental Funds
December 31, 2009
With comparative totals for December 31, 2008

	Special Revenue Funds				Other Governmental Funds	Totals	
	General	Parks and Recreation	Special Street Repairs	Debt Service Fund		2009	2008
Assets							
Cash and equity in Treasurer's Fund	\$ 4,506,388	\$ 413,053	\$ 1,583,188	\$ 1,631,566	\$ 16,675,647	\$ 24,809,842	\$ 28,103,067
Receivables (net of allowance for uncollectibles):							
Accounts receivable	2,984,170	-	38,841	-	771,444	3,794,455	469,982
General property taxes	23,715,488	-	847,342	14,934,550	749,444	40,246,824	40,943,218
Notes	-	-	-	-	-	-	24,322
Other	-	-	-	24,834,413	-	24,834,413	24,170,513
Prepaid costs	9,030	4,380	-	-	2,596	16,006	15,026
Due from other funds	655,587	-	-	9,720	-	665,307	4,627,330
Due from other governments	55,882	-	-	-	375,682	431,564	395,022
Due from component unit	-	-	-	-	4,599,017	4,599,017	4,860,145
Inventory	-	36,690	-	-	-	36,690	-
Restricted assets:							
Cash and equity in Treasurer's Fund	-	-	-	5,107,949	104,810	5,212,759	5,095,538
Other assets	-	-	-	-	97,785	97,785	-
Total assets	\$ 31,926,545	\$ 454,123	\$ 2,469,371	\$ 46,518,198	\$ 23,376,425	\$ 104,744,662	\$ 108,704,163
Liabilities and fund balances							
Liabilities:							
Accounts and contracts payable	\$ 868,383	\$ 127,755	\$ 224,298	\$ -	\$ 743,011	\$ 1,963,447	\$ 2,346,620
Salaries & wages payable	2,147,286	139,125	82,147	-	59,904	2,428,462	4,857,687
Accrued interest	-	-	-	-	71,365	71,365	128,757
Due to other funds	-	-	-	-	387,515	387,515	895,240
Due to other governments	-	255	-	-	-	255	-
Temporary notes payable	-	-	-	-	20,071,139	20,071,139	16,350,000
Other	(39)	14,312	-	-	-	14,273	10,384
Unearned Revenue	23,119,324	674	-	39,768,963	1,235,084	64,124,045	61,091,244
Total liabilities	26,134,954	282,121	306,445	39,768,963	22,568,018	89,060,501	85,679,932
Fund Balances							
Reserved for:							
Encumbrances	879,122	23,243	926,752	-	930,996	2,760,113	2,373,667
Debt service	-	-	-	6,749,235	-	6,749,235	6,513,004
Unreserved, reported in:							
General Fund	4,912,469	-	-	-	-	4,912,469	6,752,087
Special Revenue Funds	-	148,759	1,236,174	-	11,036,852	12,421,785	11,315,365
Capital Projects Funds	-	-	-	-	(11,159,441)	(11,159,441)	(3,929,892)
Total fund balances	5,791,591	172,002	2,162,926	6,749,235	808,407	15,684,161	23,024,231
Total liabilities and fund balances	\$ 31,926,545	\$ 454,123	\$ 2,469,371	\$ 46,518,198	\$ 23,376,425	\$ 104,744,662	\$ 108,704,163

*The notes to the financial statements are an integral part of these statements.
Streets and Trafficways did not qualify as a major fund in 2009.*

City of Topeka, Kansas
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
December 31, 2009

Amounts reported for governmental activities in the statement of net assets differ from the fund balances of governmental funds on the preceding balance sheet as shown in the following reconciliation:

Fund balances of governmental funds from the balance sheet	\$ 15,684,161
--	---------------

Capital assets, net of depreciation, used in governmental activities are not financial resources, and so have not been reported on the balance sheet.

Land	75,374,525
Construction in progress	71,015,797
Buildings, improvements, and infrastructure, net: accumulated depreciation \$575,645,940	357,864,450
Furniture and fixtures, net: accumulated depreciation \$2,200,081	118,047
Vehicles, net: accumulated depreciation \$14,035,764	4,710,207
Machinery and equipment, net: accumulated depreciation \$4,901,129	2,881,035
Software, net accumulated depreciation \$6,503	58,533

Long term liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Bonds payable	(182,765,686)
Compensated absences	(4,602,173)
OPEB liability	(3,083,303)
Estimated insurance claims	(500,000)
Accrued interest payable on bonds	(2,298,570)
Leases Payable	(97,113)

Internal service funds are used by management to charge the costs of certain activities, such as fleet service, to individual funds. The assets and liabilities of the internal service funds have not been included in the balance sheet, but are included in the governmental activities on the statement of net assets.

10,303,381

Net assets of governmental activities as reported on the statement of net assets	<u><u>\$344,663,291</u></u>
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The notes to the financial statements are an integral part of these statements.

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds
For the Year Ended December 31, 2009
With comparative totals for December 31, 2008

	Special Revenue Funds				Other Governmental Funds	Totals
	General	Parks and Recreation	Special Street Repairs	Debt Service Fund		
Revenues:						
Taxes and assessments	\$ 45,137,588	\$ 6,008,849	\$ -	\$ 15,512,243	\$ 14,021,804	\$ 80,680,484
Licenses and permits	13,235,440	-	-	-	9,411	13,244,851
Intergovernmental	730,020	600,948	6,664,529	144,253	6,260,213	14,399,963
Fees for service	4,480,725	2,553,090	7,192	-	1,157,072	8,198,079
Investment income	235,336	-	-	245,610	27	480,973
Fines and forfeitures	2,384,358	-	-	-	-	2,384,358
Rents and interest	-	-	-	-	-	-
Other	456,455	141,334	75,614	5,715	468,108	2,066,654
Total revenues	66,659,922	9,304,221	6,747,335	15,907,821	21,916,635	120,535,934
Expenditures:						
Current:						
General government	8,484,054	-	-	-	6,251,481	14,735,535
Public safety	49,496,895	-	-	-	1,403,232	50,900,127
Public works	9,936,608	-	5,524,585	-	219,872	15,681,065
Metropolitan Planning	887,258	-	-	-	-	887,258
Miscellaneous	206,630	-	-	-	-	206,630
Parks and recreation	-	9,994,313	-	-	2,426,254	12,420,567
Public housing	-	-	-	-	3,537,403	2,386,622
Social services	-	-	-	-	1,077,479	964,006
Construction	-	-	-	-	8,688,795	17,423,213
Engineering and others	-	-	-	-	2,456,666	4,391,813
Debt service:						
Principal retirement	-	-	-	12,505,000	-	12,505,000
Interest	-	-	-	7,985,797	691,247	8,677,044
Refunding bond issuance costs	-	-	-	862,502	-	862,502
Total expenditures	69,021,445	9,994,313	5,524,585	21,353,299	26,752,429	132,646,071
Excess (deficiency) of revenues over expenditures	(2,361,523)	(690,092)	1,222,750	(5,445,478)	(4,835,794)	(19,194,287)
Other financing sources (uses):						
Original issuance of debt	-	-	-	-	3,345,000	3,345,000
Original issue premium on bonds	-	-	-	1,960,512	40,425	2,000,937
Original issue discount on bonds	-	-	-	-	660	(78,847)
Refunding bonds issued	-	-	-	50,940,686	-	50,940,686
Payment to refunded bond escrow agent	267,438	129,000	51,879	(51,613,950)	-	(4,522,500)
Transfers in	(130,000)	-	(51,700)	4,394,461	1,656,812	6,499,590
Transfers out	44,855	-	-	-	(6,266,011)	(7,281,374)
Sale of property	-	-	-	-	-	59,868
Total other financing sources (uses)	182,293	129,000	179	5,681,709	(1,223,114)	20,028,419
Net change in fund balances	(2,179,230)	(561,092)	1,222,929	236,231	(6,058,908)	834,132
Fund balances - beginning of year	7,970,821	733,094	939,997	6,513,004	6,867,315	23,024,231
Fund balances - end of year	\$ 5,791,591	\$ 172,002	\$ 2,162,926	\$ 6,749,235	\$ 808,407	\$ 15,684,161

The notes to the financial statements are an integral part of these statements.

**Streets and Trafficways did not qualify as a major fund in 2008. The other governmental beginning fund balances were restated to reflect the change.

City of Topeka, Kansas
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2009

Amounts reported for governmental activities in the statement of revenues, expenditures, and changes in fund balances of governmental funds differs from the amounts reported in the government-wide statement of activities as shown in the following reconciliation:

Net change in fund balances - total from the preceding *Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds* \$ (7,340,070)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (17,564,708)

Issuance of long-term debt, such as bonds and leases, provides current financial resources to governmental funds, and the repayment of long-term debt uses those resources; however, neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and discounts when debt is issued, whereas in the statement of activities, those amounts are deferred and estimated. The City issued \$54,285,686, of bonds, retired \$12,505,000 and refunded \$51,210,000 bonds and had a change in interest of \$289,502. The effect of the capital lease was \$93,704. The net effect of these differences is this amount. 9,812,520

Compensated absences, such as vacation time and estimated insurance claims of \$8,102, along with the OPEB liability of \$1,166,916 are reported in the statement of activities, but do not require the use of current financial resources and therefore are not reported in the (1,162,822)

Internal service funds are used by management to charge the costs of certain activities, such as fleet service, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities, but not included in governmental funds. (1,206,471)

Change in net assets of governmental activities as shown on the government-wide *Statement of Activities* \$ (17,461,551)

The notes to financial statements are an integral part of these statements.

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property tax	\$ 11,898,483	\$ 11,898,483	\$ 11,733,799	\$ (164,684)
Auto ad volorem tax	1,270,225	1,270,225	1,303,182	32,957
Local retail sales tax	28,050,000	28,050,000	26,566,267	(1,483,733)
Payment in lieu of debt service	200,000	200,000	200,000	-
Payment in lieu of taxes	5,193,017	5,193,017	5,222,135	29,118
Licenses	294,400	294,400	348,835	54,435
Permits	1,396,700	1,396,700	1,137,663	(259,037)
Franchise fees	11,249,430	11,249,430	11,748,942	499,512
Intergovernmental	858,908	858,908	730,020	(128,888)
Fees for services	4,471,700	4,471,700	4,480,725	9,025
Municipal court	2,267,200	2,267,200	2,384,358	117,158
Special assessments	107,000	107,000	112,205	5,205
Interest	570,000	570,000	235,336	(334,664)
Other	376,500	376,500	456,455	79,955
Total revenues	<u>68,203,563</u>	<u>68,203,563</u>	<u>66,659,922</u>	<u>(1,543,641)</u>
Expenditures				
General government:				
City Council	286,080	286,080	273,093	12,987
Executive	1,104,455	1,104,455	1,071,735	32,720
Legal Services	1,454,820	1,454,820	1,473,369	(18,549)
Administrative and Financial Services	1,908,316	1,908,316	1,888,126	20,190
Municipal Court	1,837,206	1,837,206	1,737,288	99,918
Human Resources	826,594	826,594	805,882	20,712
Human Relations Commission	269,758	269,758	256,345	13,413
Contributions to Agencies	894,083	894,083	994,084	(100,001)
Public Safety:				
Police	29,665,369	29,665,369	29,330,662	334,707
Fire	19,870,200	19,870,200	20,128,240	(258,040)
Public Works:				
General	6,948,718	6,948,718	6,797,190	151,528
Transportation	1,559,396	1,559,396	1,511,943	47,453
Technical Services	1,210,700	1,210,700	1,349,683	(138,983)
Bridges	328,555	328,555	42,136	286,419
Planning	916,435	916,435	883,610	32,825
Miscellaneous Non-Departmental	5,363,746	5,363,746	138,447	5,225,299
Total expenditures	<u>74,444,431</u>	<u>74,444,431</u>	<u>68,681,833</u>	<u>5,762,598</u>
Excess (deficit) of revenues over expenditures	<u>(6,240,868)</u>	<u>(6,240,868)</u>	<u>(2,021,911)</u>	<u>4,218,957</u>
Other financing sources (uses)				
Transfers in	53,000	53,000	267,438	214,438.00
Transfers out	(200,000)	(200,000)	(130,000)	70,000
Sale of property	-	-	44,855	44,855
Total other financing sources (uses)	<u>(147,000)</u>	<u>(147,000)</u>	<u>182,293</u>	<u>329,293</u>
Net change in fund balance	(6,387,868)	(6,387,868)	(1,839,618)	4,548,250
Beginning fund balance	<u>6,387,868</u>	<u>6,387,868</u>	<u>6,752,087</u>	<u>364,219</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,912,469</u>	<u>\$ 4,912,469</u>

The notes to the financial statements are an integral part of these statements.

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Parks and Recreation Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Taxes & assessments	\$ 6,757,507	\$ 6,757,507	\$ 6,008,849	\$ (748,658)
Intergovernmental revenue	-	-	600,948	600,948
Fees for service	2,691,925	2,691,925	2,553,090	(138,835)
Miscellaneous	131,000	131,000	-	(131,000)
Other	36,000	36,000	141,334	105,334
Total revenues	<u>9,616,432</u>	<u>9,616,432</u>	<u>9,304,221</u>	<u>(312,211)</u>
Expenditures				
Parks:				
General Administration	506,857	506,857	679,202	(172,345)
Park Administration	602,833	602,833	565,700	37,133
Maintenance	2,083,735	2,083,735	2,035,874	47,861
Forestry	756,544	756,544	708,499	48,045
Horticulture	733,074	733,074	637,791	95,283
Concessions	144,002	144,002	128,132	15,870
Recreation:				
Administration	388,544	388,544	388,756	(212)
Community Arts	-	-	16,938	(16,938)
Special Services	464,998	464,998	446,187	18,811
Recreation Centers	1,358,721	1,358,721	1,285,050	73,671
Day Camps	200,984	200,984	193,033	7,951
Athletics	497,543	497,543	477,799	19,744
Aquatics	531,961	531,961	629,079	(97,118)
Mini Train and Carousel	84,573	84,573	92,482	(7,909)
Helen Hocker Theatre	362,837	362,837	363,198	(361)
Ward Meade Park	350,179	350,179	374,802	(24,623)
Golf Course	795,079	795,079	834,554	(39,475)
Total expenditures	<u>9,862,464</u>	<u>9,862,464</u>	<u>9,857,076</u>	<u>5,388</u>
Excess (deficit) of revenues over expenditures	<u>(246,032)</u>	<u>(246,032)</u>	<u>(552,855)</u>	<u>(306,823)</u>
Other financing sources				
Transfers in	<u>129,000</u>	<u>129,000</u>	<u>129,000</u>	<u>-</u>
Total other financing sources	<u>129,000</u>	<u>129,000</u>	<u>129,000</u>	<u>-</u>
Net change in fund balance	(117,032)	(117,032)	(423,855)	(306,823)
Beginning fund balance	<u>492,032</u>	<u>492,032</u>	<u>572,614</u>	<u>80,582</u>
Ending fund balance	<u>\$ 375,000</u>	<u>\$ 375,000</u>	<u>\$ 148,759</u>	<u>\$ (226,241)</u>

The notes to the financial statements are an integral part of these statements.

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Street Repairs Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ 5,782,164	\$ 7,385,284	\$ 6,664,529	\$ (720,755)
Fees for service	-	-	7,192	7,192
Miscellaneous	136,356	136,356	75,614	(60,742)
Total revenues	<u>5,918,520</u>	<u>7,521,640</u>	<u>6,747,335</u>	<u>(774,305)</u>
Expenditures				
Transportation:				
Repair in-house	3,616,282	4,044,229	3,424,666	619,563
Administration	1,526,807	1,526,807	1,542,642	(15,835)
Contractual services	925,906	2,097,999	1,003,847	1,094,152
Total expenditures	<u>6,068,995</u>	<u>7,669,035</u>	<u>5,971,155</u>	<u>1,697,880</u>
Excess (deficit) of revenues over (under) expenditures	<u>(150,475)</u>	<u>(147,395)</u>	<u>776,180</u>	<u>923,575</u>
Other financing sources (uses)				
Transfers in	200,000	200,000	51,879	148,121
Transfers out	-	-	(51,700)	51,700
Sale of property	110,840	110,840	-	110,840
Total other financing sources (uses)	<u>310,840</u>	<u>310,840</u>	<u>179</u>	<u>310,661</u>
Net change in fund balance	160,365	163,445	776,359	612,914
Beginning fund balance	<u>801,271</u>	<u>459,815</u>	<u>459,815</u>	<u>-</u>
Ending fund balance	<u>\$ 961,636</u>	<u>\$ 623,260</u>	<u>\$ 1,236,174</u>	<u>\$ 612,914</u>

The notes to the financial statements are an integral part of these statements.

Ordinance 19309 increases spending authority due to receiving back revenues for Highway Tax from County.

City of Topeka, Kansas
Statement of Net Assets
Proprietary Funds
December 31, 2009

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water, Water Pollution Control, and Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
Assets				
Current assets:				
Cash and equity in Treasurer's Fund	\$ 10,204,382	\$ 1,187,588	\$ 11,391,970	\$ 12,847,395
Receivables (net of allowance for uncollectibles):				
Accounts receivable	9,298,724	11,864	9,310,588	51,481
Prepaid costs	2,110	2,718	4,828	580,072
Due from other funds	190,965	73	191,038	467
Due from other governments	-	-	-	434
Inventory	1,918,491	-	1,918,491	89,245
Restricted assets:				
Cash and equity in Treasurer's Fund	4,998,082	-	4,998,082	-
Total current assets	26,612,754	1,202,243	27,814,997	13,569,094
Non-current assets:				
Restricted assets:				
Cash and equity in Treasurer's Fund	14,943,027	320,870	15,263,897	-
Other restricted assets	9,083,711	-	9,083,711	-
Capital assets:				
Land and infrastructure	22,237,766	1,058,331	23,296,097	-
Depreciable buildings, property, and equipment, net of depreciation	332,861,307	18,800,237	351,661,544	2,969,069
Other assets	376,048	-	376,048	-
Total non-current assets	379,501,859	20,179,438	399,681,297	2,969,069
Total assets	406,114,613	21,381,681	427,496,294	16,538,163
Liabilities				
Current liabilities:				
Accounts and contracts payable	1,557,851	29,838	1,587,689	238,210
Salaries & wages payable	204,796	14,036	218,832	58,475
Accrued interest	652,380	-	652,380	-
Due to other funds	-	469,297	469,297	-
Due to other governments	51,139	-	51,139	-
Current portion of State revolving loan	6,741,002	-	6,741,002	-
Temporary notes payable	4,818,861	-	4,818,861	-
Estimated insurance claims	-	-	-	1,941,607
Other	-	9,666	9,666	722,239
Liabilities payable from restricted assets:				
Revenue bonds payable	2,050,001	-	2,050,001	-
Accrued interest on revenue bonds	2,174,349	-	2,174,349	-
Customer deposits	773,732	-	773,732	-
Unearned Revenue	390,387	-	390,387	592,043
Total current liabilities	19,414,498	522,837	19,937,335	3,552,574
Non-current liabilities:				
Revenue bonds payable	113,224,999	-	113,224,999	-
Premium (loss) on redemption of bonds	(454,576)	-	(454,576)	-
Discount on issuance of bonds	1,825,793	-	1,825,793	-
Premium on issuance of bonds	-	221,681	221,681	-
Costs of issuance to be amortized	(1,380,329)	(99,861)	(1,480,190)	-
Deferred Loss on Bond Redemption/Amortized	(512,680)	-	(512,680)	-
State revolving loan payable	82,878,671	-	82,878,671	-
General obligation bonds payable	-	13,089,314	13,089,314	-
Accrued liabilities	484,694	37,951	522,645	120,490
Other	477,054	8,508	485,562	2,561,718
Total non-current liabilities	196,543,626	13,257,593	209,801,219	2,682,208
Total liabilities	215,958,124	13,780,430	229,738,554	6,234,782
Net assets				
Invested in capital assets, net of related debt	145,907,331	6,647,434	152,554,765	(305,457)
Restricted for debt service	8,319,619	-	8,319,619	-
Restricted for capital projects	7,956,673	20,000	7,976,673	-
Restricted for sinking funds	3,028,966	300,870	3,329,836	-
Restricted for deposits	635,851	-	635,851	-
Unrestricted	24,308,049	632,947	24,940,996	10,608,838
Total net assets	\$ 190,156,489	\$ 7,601,251	\$ 197,757,740	\$ 10,303,381

City of Topeka, Kansas
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2009

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water, Water Pollution Control, and Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
Operating revenues:				
Metered water	\$ 26,051,729	\$ -	\$ 26,051,729	\$ -
Sewer service charges	28,952,781	-	28,952,781	-
Parking fees	-	2,958,526	2,958,526	-
Meter fines	-	209,355	209,355	-
Fees for services	-	-	-	16,093,629
Other	1,913,569	11,467	1,925,036	236,510
Total operating revenues	<u>56,918,079</u>	<u>3,179,348</u>	<u>60,097,427</u>	<u>16,330,139</u>
Operating expenses:				
Salaries, wages, and benefits	11,209,496	783,050	11,992,546	2,293,154
Purchased services	12,917,336	1,150,092	14,067,428	4,399,435
Commodities	5,967,740	89,437	6,057,177	302,729
Insurance claims	-	-	-	9,677,295
Other payments	1,548,898	59,049	1,607,947	72
Depreciation	11,680,662	843,551	12,524,213	694,498
Payments in lieu of debt service	-	200,000	200,000	-
Payments in lieu of taxes	4,932,000	155,000	5,087,000	-
Total operating expenses	<u>48,256,132</u>	<u>3,280,179</u>	<u>51,536,311</u>	<u>17,367,183</u>
Operating income (loss)	<u>8,661,947</u>	<u>(100,831)</u>	<u>8,561,116</u>	<u>(1,037,044)</u>
Non-operating revenues (expenses)				
Interest income	949,517	16,566	966,083	88,943
Interest expense	(7,757,897)	(670,567)	(8,428,464)	(258,370)
Other income	3,782,949	-	3,782,949	-
Miscellaneous expenses	(234,090)	-	(234,090)	-
Gain on disposal of capital assets	36,365	-	36,365	-
Total non-operating revenues (expenses)	<u>(3,223,156)</u>	<u>(654,001)</u>	<u>(3,877,157)</u>	<u>(169,427)</u>
Transfers out	(51,879)	-	(51,879)	-
Change in Net Assets	5,386,912	(754,832)	4,632,080	(1,206,471)
Total Net Assets Beginning of Year	<u>184,769,577</u>	<u>8,356,083</u>	<u>193,125,660</u>	<u>11,509,852</u>
Total Net Assets End of Year	<u>\$ 190,156,489</u>	<u>\$ 7,601,251</u>	<u>\$ 197,757,740</u>	<u>\$ 10,303,381</u>

The notes to the financial statements are an integral part of these statements.

City of Topeka, Kansas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water, Water Pollution Control, and Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 57,271,600	\$ 3,231,417	\$ 60,503,017	\$ 16,330,139
Payments to suppliers	(24,170,879)	(1,280,492)	(25,451,371)	(12,506,778)
Payments to employees	(11,209,496)	(783,050)	(11,992,546)	(2,293,154)
Payments for interfund services used	(2,802,000)	(520,958)	(3,322,958)	3,809
Other	(130,039)	(58,172)	(188,211)	151,609
Net cash provided by operating activities	<u>18,959,186</u>	<u>588,745</u>	<u>19,547,931</u>	<u>1,685,625</u>
Cash flows from non-capital financing activities				
Transfer to other funds	(51,879)	-	(51,879)	-
Net cash used by non-capital financing activities	<u>(51,879)</u>	<u>-</u>	<u>(51,879)</u>	<u>-</u>
Cash flows from capital and related financing activities				
Payment on capital debt	(1,980,000)	(315,686)	(2,295,686)	-
Amortization of revenue bond discount	52,344	-	52,344	-
Deposit with fiscal agent	(389,874)	-	(389,874)	-
Amortization of bond issuance cost	-	19,973	19,973	-
Amortization of general obligation bond premium	-	243,987	243,987	-
Payment of state revolving loan	(6,809,461)	-	(6,809,461)	-
Proceeds from state revolving loan	5,818,150	-	5,818,150	-
Proceeds from temporary notes	4,818,861	-	4,818,861	-
Purchases of capital assets	-	-	-	(2,835,385)
Acquisition and construction of capital assets	(9,562,323)	(214,638)	(9,776,961)	-
Interest paid on capital debt	(7,757,897)	(670,567)	(8,428,464)	(258,370)
Proceeds from sales of capital assets	36,365	154,624	190,989	-
Net cash provided (used) by capital and related financing activities	<u>(15,773,835)</u>	<u>(782,307)</u>	<u>(16,556,142)</u>	<u>(3,093,755)</u>
Cash flows from investing activities				
Interest and dividends received	949,517	16,566	966,083	88,943
Net cash provided by investing activities	<u>949,517</u>	<u>16,566</u>	<u>966,083</u>	<u>88,943</u>
Net increase (decrease) in cash and cash equivalents	4,082,989	(176,996)	3,905,993	(1,319,187)
Cash and cash equivalents, January 1	26,062,502	1,685,454	27,747,956	14,166,582
Cash and cash equivalents, December 31	<u>\$ 30,145,491</u>	<u>\$ 1,508,458</u>	<u>\$ 31,653,949</u>	<u>\$ 12,847,395</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 8,661,947	\$ (100,831)	\$ 8,561,116	\$ (1,037,044)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	11,680,662	843,551	12,524,213	694,498
Other non operating income	3,548,859	-	3,548,859	-
Changes in assets and liabilities:				
Accounts receivable	492,211	52,332	544,543	-
Intergovernmental receivables	-	614	614	-
Due from other funds	3,969	-	3,969	3,809
Due from other governments	-	-	-	-
Allowance for uncollectible accounts	-	-	-	-
Inventories	661,737	-	661,737	(13,702)
Prepaid items	46,710	3,001	49,711	(512,511)
Customer deposits	43,761	-	43,761	-
Accounts payable	(2,379,855)	(4,230)	(2,384,085)	(317,758)
Accrued liabilities	(308,569)	(39,734)	(348,303)	2,716,724
Due to other funds	(3,296,822)	(165,958)	(3,462,780)	-
Due to other governments	(9,004)	-	(9,004)	-
Deferred revenue	(186,420)	-	(186,420)	151,609
Total adjustments	<u>10,297,239</u>	<u>689,576</u>	<u>10,986,815</u>	<u>2,722,669</u>
Net cash provided by operating activities	<u>\$ 18,959,186</u>	<u>\$ 588,745</u>	<u>\$ 19,547,931</u>	<u>\$ 1,685,625</u>

The notes to the financial statements are an integral part of these statements.

City of Topeka, Kansas
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2009

With comparative totals for December 31, 2008

	Combined Agency Funds Totals	
	2009	2008
Assets		
Cash and equity in Treasurer's Fund	\$ 1,465,741	\$ 1,291,473
Accounts receivable	939	732
	Total Assets	1,292,205
	1,466,680	1,292,205
Liabilities		
Accounts and contracts payable	\$ 41,083	\$ 38,143
Salaries & wages payable	744	2,496
Due to others	1,424,853	1,251,566
	Total Liabilities	\$ 1,292,205
	\$ 1,466,680	\$ 1,292,205

The notes to the financial statements are an integral part of these statements.

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City of Topeka, Kansas
Notes to the Financial Statements
December 31, 2009

I. Summary of significant accounting policies

A. Reporting entity

The City of Topeka is a municipal corporation governed by a Council consisting of the Mayor, who is a non-voting member, and nine other members, all elected on a non-partisan basis. The City at large elects the Mayor, and the nine Council members are elected by district. The accompanying financial statements present the financial position of the City and its component unit at December 31, 2009. The City's financial statements include the accounts of all City operations. The financial information of the discretely presented component unit is reported in a separate column in the government-wide financial statements, to emphasize that it is legally separate from the City.

The accounting and reporting policies of the City of Topeka, Kansas, relating to the funds included in the accompanying financial statements, conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governments (GASB 34 Edition), and by the Financial Accounting Standards Board, when applicable. Certain significant accounting policies of the City are described below.

Discretely presented component unit

The criteria for including other organizations as component units within the City's reporting entity, as set forth in section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in its own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on this criterion, the City of Topeka has one component unit, which is the Topeka-Shawnee County Joint Economic Development Organization (JEDO). JEDO was created under a 2004 interlocal agreement between the City and Shawnee County, Kansas (the County). The City appoints a voting majority of JEDO's Board. Both the City and the County have apportioned specific sales tax revenues to JEDO for the purpose of fostering economic growth throughout the County. For additional information about JEDO, please refer to the *Notes to the Financial Statements, Other Information, Jointly Governed Organizations* section on page 65. JEDO Financial Statements can be obtained from the City Clerk's office @ 215 SE 7th, Topeka, Ks. 66603.

B. Government-wide and fund financial statements

The government-wide financial statements (*i.e.*, the *Statement of Net Assets* and the *Statement of Activities*) report information on all of the non-fiduciary activities of the City of Topeka. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The *primary government* is reported separately from its legally separate *component unit*, for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable

Notes to the Financial Statements (continued)

with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. While agency funds do not have a measurement focus and will only report assets and liabilities. Agency funds do use the accrual basis of accounting. The operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are sales taxes, franchise taxes, special assessments, investment earnings, and certain Federal and State grants and entitlements. Only sales taxes collected and paid to the State at year-end on behalf of the City are recognized as revenue. Licenses, permits, fees for services, fines, and parking meter revenues are not susceptible to accrual, because generally they are not measurable until received in cash. While property taxes and special assessments are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year-end, because statutory provisions prohibit their use until the year for which they were levied and budgeted. Instead, they are offset by deferred revenue accounts.

The City of Topeka reports the following major governmental funds:

The *general fund* is the main operating fund of the City. This fund is used to account for all financial resources of the City, except those required to be accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the general fund.

The *parks and recreation fund* is the fiscal and accounting entity used to record financial transactions and balances related to the operation and maintenance of the City's parks and recreation programs, horticulture, performing arts center, and for care of trees on public property.

The *special street repairs fund* accounts for resources and expenditures for repair, minor reconstruction, alteration, and maintenance - including snow removal and sweeping - of all streets and thoroughfares.

Notes to the Financial Statements (continued)

The *debt service fund* is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the debt service fund is reserved, to signify that amounts are restricted exclusively for debt service expenditures.

The City of Topeka reports the following major proprietary funds:

The combined *water, water pollution control, and stormwater utility fund* provides accountability for all phases of operation and maintenance of the City's public water supply, water pollution control functions (*i.e.*, wastewater treatment), and storm-water utility systems.

The City reports the following types of non-major governmental funds:

Special revenue funds are used to account for the proceeds of specific revenue resources that are legally restricted to expenditure for specified purposes.

Capital projects funds are used to account for the acquisition or construction of major capital assets, other than those financed by the proprietary funds, which are expected to be financed from borrowing or contributions.

The City of Topeka reports the following types of non-major proprietary funds:

Enterprise funds are used for activities which are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal service funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the City, or to other governments, on a cost-reimbursement basis. The City's internal service funds include *information technology, fleet services, and risk management*. The statements for the internal service funds can be found in the *Other Fund Statements and Schedules* section, beginning on page 112.

Additionally, the City reports the following fund type:

Fiduciary funds are used to account for resources that are held by the government as a trustee or as agent for parties outside the government and that cannot be used to support the City's own programs. The City of Topeka has no fiduciary trust funds, but maintains fourteen fiduciary agency funds. Agency funds are custodial in nature (assets equal liabilities), and do not involve measurement of results of operations. The City's agency funds consist of state mandated collections through the Municipal Court and payroll taxes and deductions. A more detailed list of these funds and their purposes can be found in the *Other Fund Financial Statements* section, beginning on page 101.

Private-sector standards of accounting and financial reporting issued before December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements, to the extent that those standards do not conflict with or contradict the guidance of the Governmental Accounting Standards Board. Governments have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected *not* to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, where the amounts are reasonably equivalent in value to the interfund services provided, and other charges between the City's water and wastewater function and various other functions of the City. Elimination

Notes to the Financial Statements (continued)

of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The City of Topeka considers *cash and cash equivalents* to be cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition.

The City's Financial Services Department, Cash Management Division, maintains and administers a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the combined balance sheet or statement of net assets as *Cash and equity in treasurer's fund*.

Kansas statutes authorize the City, with certain restrictions, to deposit or invest directly in temporary notes, no-fund warrants, open accounts, time deposits, certificates of deposit, repurchase agreements, U.S. Treasury bills and notes, and the State's Municipal Investment Pool (MIP). The MIP operates in accordance with applicable State laws and regulations. The reported value of the City's investment in the MIP is the same as the fair value of its pool shares. Other investments of the City are also reported at fair value.

Statutes require that collateral, which has a fair value equal to 100% of the investment (less Federally insured amounts), be assigned for the benefit of the City to secure an investment of City funds. The statutes provide for an exception for peak deposit periods during taxpaying time where, for a period of 60 days, the amount of required collateral may be reduced by one-half.

2. Receivables and payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Property tax receivables are shown at 100% of budget. Property taxes are levied November 1 on property values assessed at the previous January 1, as certified by the County Appraiser on June 15 of each year. The tax levy can be paid by property owners in two installment payments. The first half is due on December 20 of the year levied, and the second half is due on the following May 10. The payment is considered past due on the day after the due date.

Notes to the Financial Statements (continued)

3. Inventories and prepaid items

Inventories are valued at cost, which approximates market value, using the first in, first out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

In both government-wide and fund financial statements, payments made to vendors for goods or services that will benefit periods beyond the current fiscal year, are recorded as prepaid items when they are deemed material, and it is considered appropriate.

4. Restricted assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the *statement of net assets*, because their use is limited by applicable bond covenants. The "revenue bond operations and maintenance" account is used to report resources set aside to subsidize potential deficiencies from the enterprise fund's operation that could adversely affect debt service payments. The "revenue bond reserve for replacement" account is used to report resources set aside to meet unexpected contingencies, or to fund asset renewals and replacements. These accounts are included in the *Restricted assets: Cash and equity in treasurer's fund* account on the Combined Water, Water Pollution Control, and Stormwater Utility *statement of net assets*.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets, other than infrastructure assets, as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. All such capital assets that are purchased or constructed are valued at historical cost where records are available and at an estimated historical cost where no such records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The City reports its infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements, regardless of their amount.

Capital assets of proprietary funds are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation of the City's capital assets is computed using the straight-line method and the following useful life ranges:

Buildings and improvements	5	to	50	years
Furniture and office equipment	3	to	20	years
Motor vehicles	3	to	6	years
Tools and equipment	5	to	20	years
Infrastructure	20	to	100	years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed when those projects are debt financed. The amount of interest to be capitalized is calculated by netting any investment earnings from unexpended debt proceeds against the related interest expense incurred from the date of debt issuance until completion of the project.

Notes to the Financial Statements (continued)

6. Compensated absences

It is the City's policy to permit benefit-eligible employees to accumulate earned, but unused annual leave benefits. Accumulated and vested annual leave (comp time and personal leave) that can be estimated with reasonable accuracy, and which is expected to be liquidated with current, available financial resources, is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested and accumulated annual leave (vacation) in governmental funds that have not matured by either resignation or retirement are only reported on the government-wide financial statement. Vested or accumulated annual leave of proprietary funds is recorded as an expense and a liability of those funds at the time the benefits accrue to employees.

The City does not recognize a liability for payment of accumulated sick leave, because the City policy is to pay only a portion of such leave in excess of a minimum number of hours, which varies according to the various employee bargaining units' contracts, making the dollar amount unsusceptible to estimate.

7. Long-term obligations

In the government-wide financial statements and in the fund financial statements for proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the related bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

8. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or those that are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans, which are subject to change.

9. Comparative data/reclassifications

Comparative totals for the prior year are presented in the accompanying financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. The comparative totals appear in the government-wide financial statements and any combining fund level statements.

The 2008 totals on the *Combining Balance Sheet Non-major Governmental Funds* were restated to reflect the change of the Capital Project Fund for Streets and Trafficways to a non-major fund. This increased the assets and liability and fund balance to \$29,602,916. On the *Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Non-major Governmental Funds*, this increased the net change in fund balances by \$1,283,205.

The 2008 capital assets were restated for retroactive treatment of GASB No. 51 for Intangible assets. This increased non-depreciable assets by \$68,886,874. The following items for 2008 have been restated. The Statement of Net Assets, Statement of Activities, and the schedules of Capital Assets Used in the Operation of Governmental Funds by Schedule of Source, Schedule by Function and Activity and Schedule of Changes by Function and Activity. See pages 29 – 30, and 118 – 120.

Notes to the Financial Statements (continued)

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net assets

The governmental funds balance sheet includes a reconciliation (on page 32) between *fund balance—total governmental funds* in the amount of \$15,684,161, and *net assets—governmental activities* as reported in the government-wide statement of net assets in the amount of \$344,663,291. This difference results primarily from the difference in measurement focus between those statements. The government-wide statement of net assets has a long-term economic focus, versus the current financial resources focus of the governmental funds balance sheet. Elements of the reconciliation are explained below.

Capital asset differences

When capital assets (property, plant, equipment) to be used in governmental activities are acquired or constructed, the costs of those assets are reported as expenditures in governmental funds and not as capitalized assets net of related accumulated depreciation on the governmental fund balance sheet. However, the government-wide statement of net assets includes the value of those capital assets, net of accumulated depreciation, among the assets of the City as a whole. Using the GASB Statement 34 format, this represents a difference of \$512,022,594, to be added to the *fund balance—total governmental funds* amount of \$15,684,161.

Long-term liabilities

Long-term liabilities, including bonds payable, which are applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities on the governmental fund balance sheet. All liabilities, both current and long-term, are reported in the government-wide statement of net assets. The net difference, which includes bonds payable and compensated absences payable, is a deduction of \$182,765,686 and \$4,602,173, respectively, from the *fund balance—total governmental funds* amount. Also, accrued liabilities in the government-wide statement of net assets differ from the amount reported in the governmental funds balance sheet, because accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds. This represents a deduction of \$2,298,570 from the *fund balance—total governmental funds* amount. The City acquired some fire equipment through a capital lease for a deduction of \$97,113. The remaining difference in the area of the long-term liability is estimated insurance claims for a deduction of \$500,000 and for the OPEB liability of \$3,083,303. 2007 was the first year for the City to report this liability as per GASB 45.

Internal service funds

Internal service funds are used by management to charge the costs of certain activities, such as fleet services, to the individual funds deriving a benefit from such services. The net of assets and liabilities of these internal service funds are included in governmental activities in the government-wide statement of net assets, because they primarily serve governmental activities of the City, so these assets and liabilities, in the amount of \$10,303,381, are added to the *fund balance—total governmental funds* amount.

B. Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

A reconciliation of the \$(7,340,070) *net changes in fund balances* reported in the governmental funds *Statement of Revenues, Expenditures, and Changes in Fund Balances*, to the \$(17,461,551) *changes in net assets* for governmental activities reported in the government-wide *Statement of Activities* is included with the financial statements on page 34. The differences arise primarily from the long-term economic focus of the government-wide statement of activities versus the current financial resources focus of the governmental funds statement of revenues, expenditures, and changes in fund balances. The details of the differences are discussed in the following paragraphs.

Notes to the Financial Statements (continued)

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decrease only by the amount of depreciation expense charged for the year. Also, in the statement of activities, only the gain on the sale of capital assets is reported, but in the governmental funds, the gross sales proceeds increase fund balances. These differences in capital asset transactions result in a net decrease to governmental funds of \$(17,564,708), as follows:

Capitalized construction	\$ 8,688,795
Capitalized fees on construction	2,456,666
Capital project adjustments (excluding internal service funds)	828,577
Sales of capital assets	(44,855)
Depreciation expense	<u>(29,493,891)</u>
Net adjustment to fund balances	<u>\$ (17,564,708)</u>

Long-term debt transactions

The issuance of long-term debt, including bonds payable and leases, provides current financial resources to governmental funds, and the repayment of long-term debt uses current financial resources of governmental funds. However, neither issuance nor payment of long-term debt has any effect on net assets. Also, governmental funds report the effects of original issue premiums and discounts and certain other related costs at the time debt is issued, whereas in the statement of activities, those amounts are deferred and amortized. The net effect of these transactions is to increase the net change in fund balances by \$9,812,520, as follows:

- Proceeds from the issuance of long-term bonds are included in *other financing sources* of the governmental funds, but have the effect of increasing long-term liabilities as reported in the statement of activities, a decrease from the net change in fund balances in the amount of \$3,075,686.
- Repayment of bond principal is reported in *other financing uses* in the governmental funds, thus having the effect of reducing fund balance, because current financial resources have been used. However, for the City as a whole, the principal payments reduce the liabilities in the government-wide statement of net assets and do not result in an expense in the government-wide statement of activities, an increase to net change in fund balances of \$12,505,000.
- The existence of a capital lease, results in an increase to net change in fund balances of \$93,704,
- The net change in accrued interest on general obligation bonds is included in the statement of activities, but is not a current source or use of financial resources, and so is an increase to the governmental funds of \$289,502.

Accrued liabilities

Some expenses, such as accrued compensated absences, reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in

Notes to the Financial Statements (continued)

Accrued liabilities (continued)

governmental funds, a net increase of \$1,162,822. Consisting of the following:

Change in compensated absences	\$ 448,216
Change in OPEB liability	1,170,924
Change in tort claims	(456,318)
Net adjustment to fund balances	<u>\$1,162,822</u>

Starting in 2007, the City was required to report an OPEB liability, per GASB 45.

Internal service funds

Internal service funds are used by management to charge the costs of certain activities, such as fleet services, to the individual funds deriving a benefit from such services. The adjustments for internal service funds "closes" those funds by charging additional amounts to participating governmental activities to completely cover the internal service funds' costs for the year, a net increase of \$1,206,471.

Reclassification and eliminations

Interfund balances must generally be eliminated in the government-wide financial statements, except for net residual amounts due between governmental activities. The governmental transfers in of \$6,499,590, will net against the governmental transfers out of \$6,447,711, leaving a balance of \$51,879 offset with a business-type activity. Amounts involving fiduciary funds should be reported as external transactions and are not reported in the governmental funds. Any interfund charges must be eliminated, so that expenses are reported only once - in the governmental funds. This accounts for \$16,088,856.

III. Stewardship, compliance, and accountability

A. Budgetary information

Kansas state statutes require that an annual operating budget be legally adopted for all governmental fund types, unless specifically exempted by statute. The statutes provide for the following sequence and timetable in the adoption of the City's legal annual operating budget:

1. Preparation of the proposed budget for the succeeding calendar year, on or before August 1st.
2. Publication in the entity's official, local newspaper of the proposed budget and of the notice of public hearing on the budget, on or before August 5th.
3. Public hearing on or before August 15th, but no sooner than ten days after publication of the notice of hearing.
4. Adoption of the final budget and certification to the office of the relevant County Clerk, on or before August 25th.

The statutes allow the governing body to increase the originally adopted budget only for previously unanticipated increases in revenue, other than those attributed to *ad valorem* property taxes. To do this, a notice of public hearing to amend the budget must be published in the official, local newspaper. No sooner than ten days after publication, the hearing may be held, and the governing body may amend the budget at that time.

In 2009, the City had two amendments to the originally adopted budget which effected the Zoo Improvement Fund, Golf Improvement Fund, Transient Guest Tax Fund, Special Street Fund, and Street Repairs - Sales Tax Fund. The first amendment was passed in September 2009. This amendment approved on Ordinance 19309 allowed the increase in the amount of expenditures from the Zoo Improvement Fund of \$6,934, to be covered by its fund balance. The Zoo Improvement Fund was closed out in 2009. The Special Street Fund was given \$1,600,000 of additional expenditure authority, due to increased revenues from Shawnee County for back highway taxes received. Lastly, the Street Repairs - Sales Tax Fund, new in 2009, was given expenditure authority of \$200,000.

Notes to the Financial Statements (continued)

The second amendment was passed in December 2009, increasing the spending level for capital outlay by \$19,054 in the Golf Course Improvement Fund. It also decreased spending in the Transient Guest Tax Fund by \$20,000

Under Kansas statutes, management cannot amend the budget without approval of the governing body. The level of budgetary control or expenditure limit is at the fund level, except for the General Fund, which also has established expenditure limits for each Department financed. The statutes permit transferring budgeted amounts within a General Fund department or other funds, line item by line item, to be made administratively.

Budget comparison statements are presented for each budgeted fund, showing actual revenues and expenditures compared to legally budgeted revenues and expenditures.

The City's legal, annual, operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Normally, revenues are recognized when cash is received, if not susceptible to accruals. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments, which are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute liabilities, because the commitments will be honored during subsequent years.

The funds with legally adopted, annual budgets consist of the General Fund, General Improvement Fund, Special Liability Fund, Parks and Recreation Fund, Zoo Fund, General Bond and Interest Fund, Special Alcohol Fund, Transient Guest Tax Fund, Unsafe Structure Fund, Retirement Reserve Fund, KP & F Equalization Fund, Neighborhood Revitalization Fund, Historic Asset Tourism Fund, Special Street Repair Fund, 1/2 % Sales Tax Fund, Street Repairs – Sales Tax, and Park Land Acquisition Fund, which are all Special Revenue funds. A legal annual operating budget is not required for capital projects funds (such as bridges, streets and trafficways), but each project is taken before the governing body for approval, trust funds, proprietary funds, and certain special revenue funds. Spending in funds that are not subject to legal, annual, operating budget requirements is controlled by Federal regulations, other statutes, Council approved budgets or by the use of internal spending limits established by the governing body.

The following table provides reconciliation between the legally adopted basis of budgeting and the GAAP prescribed basis of accounting presented in the financial statements for the City's major governmental funds:

Fund	Expenditures & Transfer Out per Fund Statement	Less Beginning Encumbrances	Plus Ending Encumbrances	Expenditures & Transfers Out per Budget Basis
General Fund	\$ 69,151,445	\$ 1,218,734	\$ 879,122	\$ 68,811,833
Parks and Recreation Fund	9,994,313	160,480	23,243	9,857,076
Special Street Repairs Fund	5,576,285	480,182	926,752	6,022,855
Debt Service Fund	21,353,299	-	-	21,353,299

B. Excess of expenditures over appropriations

The Zoo Fund had excess expenditures over appropriations in 2009, by \$31,023. This was due to a combination of staff layoffs and unanticipated year end costs.

C. Deficit fund equity

Streets and Trafficways, was reclassified as a non-major special revenue fund and closed out the year with a fund deficit of \$11,101,217. The City anticipates funding such deficits through the

Notes to the Financial Statements (continued)

issuance of debt in subsequent accounting periods, when the construction projects are completed and the associated assets are capitalized.

Sanitary Sewers and Water Mains is considered a non-major special revenue fund and closed out the year with a cash deficit of \$184,785 (violating K.S.A. 10-1113 and 10-1121) and a fund deficit of \$4,100,865. The City anticipates funding such deficits through the issuance of debt in subsequent accounting periods, when the construction projects are completed and the associated assets are capitalized.

The Public Golf Course Fund ended 2009 with a deficit in cash of \$469,267 (violating K.S.A. 10-1113 and 10-1121) and a deficit net assets of \$378,164. Golf Course operations was placed under the Parks and Recreation fund in 2009, while under full management by an outside firm. Cash increased due to the transfer of assets to Parks and Recreation in 2009 of \$154,624 and a slight increase in revenues.

IV. Detailed notes on all funds

A. Deposits and investments At December 31, 2009, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (in Years)</u>
State Treasurer's Municipal Investment Pool	\$ 20,901,595	0.027
U.S. government and agency securities	29,500,000	0.69
Bond Investment contracts, govts. & agencies	<u>13,424,610</u>	3.273
Total fair value of investments	<u>\$ 63,829,205</u>	
Weighted average maturity of portfolio		<u>3.990 years</u>

Interest rate risk—In accordance with the investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than ten months, not including the investments held in accordance with specific bond covenants.

Credit risk—Kansas state law (K.S.A. 10-301 and K.S.A. 12-1675 to 12-1677) specifies the types of investments in which a municipality may invest. State law also provides for investment of City funds in the Municipal Investment Pool (MIP) within the State Treasury. At December 31, 2009, the City's investment in the MIP and Federal Home Loan Bank was rated AAAs/S1+ and AAA by Standard & Poor's, respectively.

Concentration of credit risk—The City's Investment Policy limits investment of idle funds to 30% with any single financial institution, except for investments in U.S. Treasury or Agency obligations. Investments are made in consideration of safety, liquidity, rate of return, and diversification.

Custodial credit risk on deposits—In the case of deposits of cash and cash equivalents, custodial credit risk is the risk that in the event of failure of a financial institution, the City's deposits may not be returned. State law (K.S.A. 9-1402) mandates that a bank must pledge collateral equal to 100% of the market value of the City's deposits, using those types of collateral allowed by the law. At December 31, 2009, the City had deposits totaling \$11,937,576 in financial institutions, with collateral assets pledged to the City by the institutions having a fair market value of \$18,006,099.

State law (K.S.A. 12-1675 to 12-1677) allows monies not otherwise regulated by statute, to be invested in the following types of securities:

1. Temporary notes of the City of Topeka;
2. Time deposits, open accounts or certificates of deposits with maturities of not more than two years;
3. Repurchase agreements with commercial banks and state or federally chartered savings and loan associations, which have offices located in Topeka;
4. United States Treasury bills or notes with maturities not exceeding two years;
5. U.S. Government Agency securities with a maturity of not more than two years that do not have any more interest rate risk than U.S. Government obligations or similar maturities;
6. The municipal investment pool fund operated by the Kansas State Treasurer;

Notes to the Financial Statements (continued)

A. Deposits and investments (continued)

7. A municipal investment pool established through the trust department of commercial banks, which have offices located in Topeka.

State law (K.S.A. 10-131) allows investment of proceeds of bonds and temporary notes in the following instruments, in addition to those listed above:

1. U.S. Government and Agency obligations;
2. Time deposits with banks and trust companies located in Shawnee County;
3. FNMA, FHLB and FHLMC obligations;
4. Collateralized repurchase agreements;
5. Investment agreements with financial institutions including brokers/dealers whose obligations are rated in one of the three highest rating categories by either Moody's or Standard & Poor's;
6. Mutual funds with portfolios consisting entirely of obligations of the U.S. Government, U.S. Government agencies, FNMA, FHLB and FHLMC;
7. Certain Kansas municipal bonds.

The City has a formal Investment Policy that adheres to Kansas State Statutes.

B. Receivables

Receivables as of year end for the government's individual major and nonmajor funds, and internal service funds in the aggregate, are as follows:

	General	Special Street Repairs	Debt Service	Business- type Activities	Non-major and Other Funds	Total
Receivables:						
Taxes	\$ 23,716	\$ 847	\$ 14,935	\$ -	\$ 749	\$ 40,247
Accounts	2,984	39	-	9,311	823	13,157
Sp. assessments	-	-	24,834	-	-	24,834
Intergovernmental	56	-	-	-	376	432
Component Unit	-	-	-	-	4,599	4,599
Gross receivables	\$ 26,756	\$ 886	\$ 39,769	\$ 9,311	\$ 6,547	\$ 83,269

(Amounts Expressed in Thousands)

Revenues of the enterprise funds are reduced by uncollectible amounts when written off.

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Notes to the Financial Statements (continued)

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
<u>Current Property Taxes Receivable:</u>	
General Fund	18,120,452
Debt service fund	13,589,905
Parks & Recreation Fund	-
Special Street Repairs	-
Other, non-major funds	265,883
<u>Special Assessments, Debt Service Fund:</u>	
Not yet due	24,834,413
<u>Motor Vehicle <i>ad valorem</i> Taxes Receivable:</u>	
General Fund	2,104,850
Debt service fund	1,344,645
Parks & Recreation Fund	-
Other, non-major funds	53,302
Grants, other, non-major funds	915,899
Other Deferred Revenues, general fund	2,894,022
Other Deferred Revenues, parks and recreation	674
Total deferred revenue for governmental funds	<u><u>\$ 64,124,045</u></u>

Depreciation expense was charged to activities as follows:

Governmental activities:	
General Government	\$ 355,120
Public Safety	1,734,073
Public Works	26,010,666
Parks and Recreation	1,394,032
Internal Service	694,498
Total depreciation expense - Governmental	<u><u>\$ 30,188,389</u></u>
Business-type activities:	
Parking Garages	\$ 831,882
Water, WPC, & Stormwater Utility	11,680,662
Other business-type activities	11,669
Total depreciation expense - Business-type	<u><u>\$ 12,524,213</u></u>

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Notes to the Financial Statements (continued)

Construction commitments

The City had open, active construction projects on December 31, 2009. The projects include bridge repairs, building and facility updates, repairs of existing streets and traffic signals, new zoo exhibits and facilities, bike trails, water mains, and the construction of additional wastewater facilities. At year-end, the City's open project expenditures and remaining commitments with contractors, by category were as follows:

	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
General Government	\$ 2,937,840	\$ 910,539
Public Safety - Fire	150,021	2,005,995
Public Safety - Police	91,075	-
Public Works - Traffic	10,378,407	7,944,171
Public Works - Transportation	27,047,388	25,192,834
Public Works - Bridges	27,464,788	8,776,084
Parks and Recreation	2,946,278	4,427,823
Total	<u>\$ 71,015,797</u>	<u>\$ 49,257,446</u>

In order to fund some of the expenditures above, the City has issued \$24,890,000 worth of temporary notes, which will be paid off in November 2010. See a complete listing of projects on the *Schedule of Temporary Notes* on page 139.

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Notes to the Financial Statements (continued)

Capital asset activity for the year ended December 31, 2009, including Internal Service Funds, was as follows:

Primary Government

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Non-depreciable capital assets:				
Land	\$ 75,206,735	\$ 167,790 *	\$ -	\$ 75,374,525
Construction in progress	76,134,606	11,831,403	(16,950,212)	71,015,797
Total non-depreciable capital assets	<u>151,341,341</u>	<u>11,999,193</u>	<u>(16,950,212)</u>	<u>146,390,322</u>
Depreciable capital assets:				
Buildings, improvements, infrastructure	920,047,965	13,987,734	(288,060)	933,747,639
Furniture and fixtures	7,100,558	94,551	(466,126)	6,728,983
Vehicles	16,572,672	2,639,844	(264,369)	18,948,147
Machinery and equipment	7,614,731	670,907	(383,343)	7,902,295
Software	-	2,792,564	-	2,792,564
Total depreciable capital assets	<u>951,335,926</u>	<u>20,185,600</u>	<u>(1,401,898)</u>	<u>970,119,628</u>
Less accumulated depreciation for:				
Buildings, improvements, infrastructure	(548,539,272)	(27,234,238)	(42,745)	(575,816,255)
Furniture and fixtures	(6,125,767)	(577,563)	458,253	(6,245,077)
Vehicles	(13,036,997)	(1,396,710)	218,512	(14,215,195)
Machinery and equipment	(4,559,747)	(700,622)	297,862	(4,962,507)
Software	-	(279,256)	-	(279,256)
Less accumulated depreciation	<u>(572,261,783)</u>	<u>(30,188,389)</u>	<u>931,882</u>	<u>(601,518,290)</u>
Depreciable capital assets, net of accumulated depreciation	<u>379,074,143</u>	<u>(10,002,789)</u>	<u>(470,016)</u>	<u>368,601,338</u>
Governmental activities capital assets, net of accumulated depreciation	<u>\$ 530,415,484</u>	<u>\$ 1,996,404</u>	<u>\$ (17,420,228)</u>	<u>\$ 514,991,660</u>
Business-type activities:				
Non-depreciable capital assets:				
Land	\$ 1,595,573	-	(48,000)	\$ 1,547,573
Construction in progress	27,099,549	5,888,569	(11,239,594)	21,748,524
Total non-depreciable capital assets	<u>28,695,122</u>	<u>5,888,569</u>	<u>(11,287,594)</u>	<u>23,296,097</u>
Depreciable capital assets:				
Buildings and improvements	486,439,965	14,300,954	(550,441)	500,190,478
Furniture and fixtures	930,232	29,454	(135,293)	824,393
Vehicles	6,800,059	794,789	(309,092)	7,285,756
Machinery and equipment	4,865,802	10,790	(431,897)	4,444,695
Total depreciable capital assets:	<u>499,036,058</u>	<u>15,135,987</u>	<u>(1,426,723)</u>	<u>512,745,322</u>
Less accumulated depreciation for:				
Buildings and Improvements	(139,623,414)	(11,888,465)	496,948	(151,014,931)
Furniture and Fixtures	(871,627)	(27,867)	133,718	(765,776)
Vehicles	(5,443,054)	(452,040)	302,975	(5,592,119)
Machinery and Equipment	(3,933,567)	(155,841)	378,456	(3,710,952)
Less accumulated depreciation	<u>(149,871,662)</u>	<u>(12,524,213)</u>	<u>1,312,097</u>	<u>(161,083,778)</u>
Depreciable capital assets, net of accumulated depreciation	<u>349,164,396</u>	<u>2,611,774</u>	<u>(114,626)</u>	<u>351,661,544</u>
Business-type activities capital assets, net of accumulated depreciation	<u>\$ 377,859,518</u>	<u>\$ 8,500,343</u>	<u>\$ (11,402,220)</u>	<u>\$ 374,957,641</u>

** Governmental assets for 2008 have been increased by the addition of easements to comply with GASB Statement 51.

Easements added for years prior to 2009 totaled \$68,886,874 and easements for 2009 totaled \$119,790.

Notes to the Financial Statements (continued)

D. Interfund receivables and transfers

The composition of interfund balances as of December 31, 2009, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Undistributed Investment Earnings	Distribute investment interest	\$ 1,505
General	Golf Course	Operating Subsidy	469,297
General	Sanitary Sewers and Water Mains	Operating Subsidy	184,785
Debt Service	Undistributed Investment Earnings	Distribute investment interest	9,720
Total Governmental Funds			665,307
Public Parking Facilities	Undistributed Investment Earnings	Distribute investment interest	73
Water, WPC, & Stormwater Utility	Undistributed Investment Earnings	Distribute investment interest	190,965
Total Proprietary Funds: Business-Type			191,038
Employee Health Insurance	Undistributed Investment Earnings	Distribute investment interest	313
Self-Insurance	Undistributed Investment Earnings	Distribute investment interest	73
Risk Management	Undistributed Investment Earnings	Distribute investment interest	81
Total Proprietary Funds: Governmental-Internal Service Funds			467
Grand Total			\$ 856,812

The outstanding balances between funds result mainly from the time lags between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

	<u>Transfer In:</u>					<u>Total Transfers out</u>
	<u>General Fund</u>	<u>Parks and Recreation</u>	<u>Special Street Repairs</u>	<u>Debt Service Fund</u>	<u>Non-major Governmental</u>	
Transfer out:						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 130,000	\$ 130,000
Special Street Repairs	-	-	-	-	51,700	51,700
Nonmajor Governmental	267,438	129,000	-	4,394,461	1,475,112	6,266,011
Enterprise Fund	-	-	51,879	-	-	51,879
Total transfers in	\$ 267,438	\$ 129,000	\$ 51,879	\$ 4,394,461	\$ 1,656,812	\$ 6,499,590

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Notes to the Financial Statements (continued)

Transfers in consisted of the following:

General Fund received from Transient Guest Tax for operating expenses	\$ 53,000
General Fund received from Capital project fund for street improvement excess	214,438
General Improvement Fund received from Property Acquisition Fund	5,379
General Improvement Fund received from Park Improvement Fund for closed projects	2,721
General Improvement Fund received from Capital project fund for bridge repair	269
Parks and Recreation received from Transient Guest Tax for operating expenses	129,000
Zoo received from Transient Guest Tax for operating expenses	48,500
Unsafe Structures received from the General Fund for demolitions	75,000
Historic Asset Tourism received from Transient Guest Tax	131,243
Street Fund received from stormwater utilities	51,879
Debt Service received from JEDO Sales Tax	3,571,006
Debt Service received from Capital Projects for closed projects	823,455
Capital Projects received from General Fund	55,000
Capital Projects received from General Improvement Fund	85,000
Capital Projects received from Transient Guest Tax	200,000
Capital Projects received from Special Street Repair fund	51,700
Capital Projects received from 1/2 % sales tax for street projects	1,002,000
	<u>\$ 6,499,590</u>

E. Leases

Operating Leases

The City has operating leases for computers and Microsoft licenses. The expenditures for these operating leases for the year ended December 31, 2009, were \$635,086. The future minimum lease payments for these leases are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2010	\$ 267,302
2011	254,006
2012	-
2013 and thereafter	-
Total	<u>\$ 521,308</u>

Capital Leases

The City has entered into capital lease agreements, as lessee, for financing the acquisition of a storage area network, software and server equipment, telecommunications equipment, fire equipment, and an enterprise resource planning software. These capital leases have been recorded at the present value of their future minimum lease payments as of the inception date, in accordance with generally accepted accounting principles.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities - Internal Service & Other Gov Funds</u>	<u>Business Activities - Enterprise Funds</u>
Asset information:		
Machinery and equipment	\$ 1,639,418	\$ -
Less accumulated depreciation	(1,382,071)	-
Total	<u>\$ 257,347</u>	<u>\$ -</u>

Notes to the Financial Statements (continued)

There are currently no capital leases attributable to business-type activities.. The future minimum lease obligations for governmental activities, and the net present value of these minimum lease payments at December 31, 2009, were as follows:

Year Ending December 31	Governmental Activities - Internal Service & Other Gov Funds
2010	\$ 900,177
2011	801,171
2012	708,831
2013	642,873
2014	642,873
2015 and thereafter	-
Total minimum lease payments	<u>3,695,925</u>
Less: amount representing interest	<u>(324,286)</u>
Net present value of minimum lease payments	<u><u>\$ 3,371,639</u></u>

F. Long-term debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction or improvement of major capital assets. General obligation bonds have been issued for both governmental and business-type activities. The principal amount of general obligation bonds outstanding at January 1, 2009, was \$163,250,000. During the year, general obligation bonds totaling \$9,925,000 were retired, \$57,045,000 were refunded, and \$60,090,000 of general obligation bonds were issued, bringing the December 31, 2009, outstanding balance to \$156,370,000.

General obligation bonds are direct obligations of the government, and the full faith and credit of the City are pledged to their repayment. These bonds generally are issued as 20-year serial bonds with nearly level debt service payments due each year. General obligation bonds currently outstanding, by purpose and type, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.70 - 5.60%	\$ 78,536,606
Governmental activities – refunding	1.80 - 5.60%	64,744,080
	4.00 –	
Business-type activities	4.38%	<u>13,089,314</u>
		<u><u>\$156,370,000</u></u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 10,800,000	\$ 5,989,723
2011	11,205,000	6,044,220
2012	12,505,000	5,577,311
2013	12,840,000	5,055,644
2014	12,195,000	4,519,056
2015-2019	40,965,000	16,893,928
2020-2024	32,060,000	9,842,479
2025-2036	23,800,000	4,164,719
Total	<u><u>\$156,370,000</u></u>	<u><u>\$58,087,080</u></u>

Notes to the Financial Statements (continued)

Revenue bonds

The City also issues revenue bonds. The City pledges income derived from the fees and charges to users of the related assets to pay debt service on revenue bonds. The principal amount of revenue bonds outstanding at January 1, 2009, was \$117,255,000. In 2009, the City did not issue revenue bonds while \$1,980,000 of revenue bonds were retired. Revenue bonds outstanding at year-end are \$115,275,000, as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Water, Water Pollution Control & Stormwater	2.00 - 7.50%	\$115,275,000

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending December 31 *</u>	<u>Principal</u>	<u>Interest</u>
2010	\$2,050,000	\$5,219,517
2011	2,105,000	5,115,918
2012	2,175,000	5,009,417
2013	2,275,000	4,922,468
2014	3,400,000	4,820,713
2015-2019	21,685,000	21,473,270
2020-2024	27,640,000	16,371,569
2025-2037	53,945,000	12,028,731
Total	\$115,275,000	\$74,961,603

* See note V. section C regarding subsequent events

Advance and current refundings

General Obligation Bonds – On October 28, 2009, the City issued its General Obligation Improvement and Refunding Bonds, Series 2009-B in the principal amount of \$60,090,000. Series 2009-B currently refunded the City's Series 2001-A General Obligation Bonds, 2003-A General Obligation and Refunding Bonds, 2003-B General Obligation and Refunding Bonds, 2003-C General Obligation Bonds, 2004-B General Obligation and Refunding Bonds and 2004-C General Obligation Bonds. The interest rates on the bonds range from 2.50% to 4.00% and the final maturity date is August 15, 2031. The City realized a net present value savings of \$2,945,522.35

Revenue Bonds – No refunding revenue bonds were issued in 2009.

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Notes to the Financial Statements (continued)

Changes in long-term liabilities

The following paragraphs are a summary of long-term liability activity for 2009.

	Balance 12/31/08	Additions	Reductions	Balance 12/31/09	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 149,845,000	\$ 54,285,686	\$ (60,850,000)	\$ 143,280,686	\$ 10,800,000
Tax increment and other bonds	42,350,000	-	(2,865,000)	39,485,000	-
Capital leases	680,260	2,918,438	(227,059)	3,371,639	813,929
OPEB liability	1,912,379	1,170,924	-	3,083,303	-
Compensated absences	4,270,502	467,916	(15,755)	4,722,663	4,722,663
Governmental activity					
Long-term liabilities	\$ 199,058,141	\$ 58,842,964	\$ (63,957,814)	\$ 193,943,291	\$ 16,336,592
Business-type activities:					
Bonds payable:					
General obligation bonds	13,405,000	5,804,314	(6,120,000)	13,089,314	304,211
Revenue bonds	117,255,000	-	(1,980,000)	115,275,000	2,050,000
Less deferred amounts:					
For issuance prem/discounts	1,392,385	223,386	(22,873)	1,592,898	-
Cost of issuance amortized	(1,564,318)	(97,956)	182,084	(1,480,190)	-
Defer. gain(loss) bond redemp	(544,344)	-	31,664	(512,680)	-
Total bonds payable	129,943,723	5,929,744	(7,909,125)	127,964,342	2,354,211
State revolving loan	90,610,985	5,818,150	(6,809,462)	89,619,673	6,741,002
Other liabilities	440,000	-	(89,294)	350,706	-
OPEB liability	18,622	117,528	(1,294)	134,856	-
Compensated absences	505,445	17,509	(309)	522,645	522,645
Business-type activity					
Long-term liabilities	\$ 221,518,775	\$ 11,882,931	\$ (14,809,484)	\$ 218,592,222	\$ 9,617,858

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included in the preceding table, as part of the totals for *governmental activities*. At year-end, there were no general obligation bonds, \$120,490 of the compensated absences, and \$3,274,526 of capital leases are attributable to internal service funds. For the governmental activities, compensated absences are generally liquidated by the general fund.

With the issuance of GASB 45, the City has determined a liability for the governmental funds of \$3,083,303. Of the amount \$473,285 is attributable to the general government and \$2,610,018 for public safety.

The government-wide statement of net assets includes \$2,050,000 of the long-term liabilities due within one year for *business-type activities* in current *liabilities payable from restricted assets*. The remaining amount of \$113,225,000 is categorized as *non-current liabilities, due in more than one year* on that same statement.

The City has issued revenue bonds and has also entered into long-term agreements with the Kansas Department of Health and Environment for loans from its Water Pollution Control and Public Water Supply State Revolving Loan Funds. Proceeds from both types of long-term debt are used to finance the City's water, water pollution control, and stormwater utilities, which are responsible for all phases of operation and maintenance of the City's public water supply, wastewater treatment, and stormwater activities. The water, water pollution control, and stormwater debt transactions are reported in separate funds for internal accounting purposes. However, the revenue generated by the Combined Water, Water Pollution Control, and Stormwater Utility Fund is pledged in loan agreements and in bond covenants for repayment of debt.

At January 1, 2009, the City owed \$69,478,548 to the Kansas Water Pollution Control State Revolving Loan Fund (WPC-SRF); during the year, the City borrowed an additional \$5,055,397, from the WPC-SRF and repaid loan principal of \$5,598,624. The total balance owed for the WPC-SRF at December 31, 2009, was \$68,935,321.

Notes to the Financial Statements (continued)

At January 1, 2009, the City owed \$21,132,436 to the Kansas Public Water Supply State Revolving Loan Fund (PWS-SRF); during the year, the City borrowed an additional \$762,753 from PWS-SRF and repaid loan principal of \$1,210,837. The total balance owed for the WPS-SRF at December 31, 2009 was \$20,684,352.

The City has entered into agreements to receive loans up to \$121,124,667 from WPC-SRF and up to \$24,019,966 from PWS-SRF. The City's procedure was to back the SRF loans through bond insurance instead of full faith and credit of the City. At this point with the upheaval in the bond insurance market the City has not been able to find a bond insurer that meets the State's requirements to back any further loans. Currently the City is not willing to change its policy regarding the use of full faith and credit of the City for SRF loans.

G. Restricted assets

The balances of the restricted asset accounts in the enterprise funds are as follows:

Bond reserve - Water	\$ 5,358,882
Bond reserve - Water Pollution Control	2,080,176
Bond reserve - Stormwater	880,561
Renewal & replacement - Water	1,500,000
Construction proceeds - Water	2,013,678
Construction proceeds - Water Pollution Control	302,341
Construction proceeds - Parking	20,000
Sinking fund - Parking	300,870
Sinking fund - Water	1,824,950
Sinking fund - Water Pollution Control	851,262
Sinking fund - Stormwater	352,754
Water consumer deposits - Water	551,471
Water consumer deposits flushing meters - Water	84,380
Internal restriction principal on SRF loans – Water	1,127,045
Internal restriction principal on SRF loans – Water Pollution Control	3,013,609
Deposits with fiscal agent - Water	2,389,434
Deposits with fiscal agent - Water Pollution Control	6,694,277
Total restricted assets	<u>\$ 29,345,690</u>

H. Short-term Debt – Tax Anticipation Notes

The City issues tax anticipation notes in advance of property tax collections, depositing the proceeds in its capital improvement funds. These notes are necessary because the City receives the biggest part of its mill levy twice each year – January and July.

Short-term debt activity for the year ended December 31, 2009, was as follows (amounts in 000s):

	Beginning			Ending
	<u>Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance</u>
Tax anticipation notes	\$16,350	\$25,710	\$17,170	\$24,890

V. Other information

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Under the Kansas Tort Claims Act, K.S.A. 75-6105, general liability claims against the City are limited within the scope of the act to \$500,000. The City self-insures for general liability claims up to this statutory dollar limit.

The City purchases commercial insurance coverage for physical damage to City property. For each of the past three years, settlements have not exceeded coverage.

Notes to the Financial Statements (continued)

The City is also self-insured for several other categories of potential loss. As part of its self-insurance program, the City has established internal self-insurance funds for employee health insurance, workers' compensation, and unemployment compensation (jointly, the internal self-insurance funds). There has been no significant reduction in commercial or self-insurance coverage from the prior year.

The internal self-insurance funds accrue the required amounts for the payment of anticipated claims by imposing rate charges to various City departments. Rates are based on historical and expected future expenses. These rate charges are reported as expenditures in the applicable funds. Risks attributable to the workers' compensation self-insurance fund have excess reinsurance coverage. The health self-insurance fund has catastrophic stop-loss reinsurance for all claims, except those for prescription drugs, to help protect the City against extraordinary losses.

A reconciliation of changes in liabilities for claims, including claims incurred but not reported, for the past two years follows:

	<u>2009</u>	<u>2008</u>
Claims liabilities at beginning of the year	\$ 2,201,457	\$ 2,765,798
Claims incurred during the year	9,677,295	9,092,626
Claims paid during the year	(9,937,145)	(9,656,967)
Claims liabilities at end of the year	<u>\$ 1,941,607</u>	<u>\$ 2,201,457</u>

B. Related party transactions

There were no significant related party transactions in 2009.

Subsequent events

As many cities across the United States, the City of Topeka is also dealing with a decrease in revenues for it's budget year 2010 and expected shortfalls for 2011. In May 2010 the City offered a retirement incentive to those employees (not including Police and Fire staff) 55 or over who qualify for retirement . Bascially, the City agreed to pay the premium for basic health insurance for 5 years. The City also agreed to increase the sick leave payout from 35% to 50%. Forty-four staff positions were either eliminated or left unfilled. We estimate a \$1.2 million savings in 2010 and \$2.5 million in 2011. Of that, the 27 eliminated General Fund positions, save \$0.6 million in 2010 and \$1.4 million in 2011.

The City also eliminated 24 FTE positions through a RIF and generated an estimated savings of \$76,000 for 2010 and \$1.1 million for 2011. The reduction of another 14 FTE positions that were vacant saves another \$330,000 in 2010 and \$675,000 in 2011.

The City has evaluated subsequent events through September 2, 2010, the date the financial statements were available to be issued.

D. Contingent liabilities

The following is a list prepared by the Office of the City Attorney of completed, pending or threatened litigation involving the City, in which the City has a financial exposure of \$100,000 or more which, either individually or in the aggregate, could materially affect the City's General Fund financial position.

With regard to all other pending litigation, it is the opinion of the City Attorney that the final determination of such litigation, either individually or in the aggregate, would not materially affect the City's General Fund financial position.

1. *Bryant v. City of Topeka et al* is a wrongful death suit in which heirs of Mr. Bryant are seeking damages for his drowning in the Kansas River near the City's low water weir. Prior to filing suit, Plaintiff filed a claim with the City seeking \$1.5 million of unspecified or substantiated damages.

Notes to the Financial Statements (continued)

2. *Tiffany v. City of Topeka* is a discrimination suit in Federal District Court in which Plaintiff is seeking damages for termination of employment allegedly based on disability. Plaintiff sought \$1.2 million in unsubstantiated or unspecified damages in a claim filed prior to suit.

3. *Llamas v. City of Topeka et al* is a suit in Federal District Court based on 42 U.S.C. 1983 for damages arising from the injuries sustained by the Plaintiff's who were shot during an altercation involving the injury of two individuals by off duty police department officers. Plaintiff's sought \$24 million in unspecified or unsubstantiated damages in a claim filed with the City prior to filing of suit. City is filing appropriate pleadings seeking dismissal of itself and its elected and appointed officials. In the unlikely event that judgement is taken against the City, the amount of judgement should be substantially less than claimed.

4. A claim has been filed by Jesse Dimmick against the City for personal injury in connection with his being accidentally injured by gunshot in the course of an arrest. The hospital and other medical care providers are seeking to be paid by the City as well. The medical bills are \$160,000, and the claim seeks \$1.5 million. The claim was denied and will be defended under the Kansas Tort Claims Act and qualified immunity. In the unlikely event that any judgment is taken against the City, the City's actual liability should be only for the medical bills and not punitive damages.

The City has issued industrial revenue bonds to finance the purchase of land and construction of facilities leased to local businesses. The lease agreements provide for rentals sufficient to service the debt repayment of the related bonds. The bonds and related interest costs are payable solely from lessee rentals and do not constitute general liabilities of the City. The lessees have the option of purchasing the leased properties at any time during the lease periods for amounts sufficient to retire the related outstanding bonds. At the end of the lease periods, which conform to bond maturity schedules, the lessees may either purchase the property for a nominal amount or renew the leases annually at nominal amounts. Industrial revenue bonds outstanding at December 31, 2009, totaled \$59,618,257.

Costs to complete construction contracts to which the City was committed at December 31, 2009 are estimated at \$49,257,447 for the governmental funds and \$31,845,494 for Enterprise Funds.

The City is party to various claims, legal actions, and complaints arising in the ordinary course of business. The City has insurance that covers some claims, up to statutory limits, and has set aside money in a special liability fund for payment of non-insured settlements and judgments.

E. Jointly governed organizations

The Topeka-Shawnee County Landmarks Commission, comprised of nine members, is jointly governed by the City and Shawnee County. The Topeka City Council appoints five members of the Commission, and four are appointed by the Shawnee County Commission. The Landmarks Commission is responsible to advise the city council or county commissioners on historic resources and to safeguard the architectural and cultural heritage of the community through the preservation of historic landmarks and historic districts. The Landmarks Commission may carry out these duties through the identification, documentation and designation of historic resources; development and implementation of a historic preservation plan; administration of ordinances/resolutions governing the designation, alteration and removal of historic resources; assistance with educational programs, economic development and tourism, and coordination of public and private historic preservation activities. The Landmarks Commission is an advisory entity with no financial activity.

On December 9, 2004, Shawnee County and the City entered into an interlocal agreement, pursuant to the provisions of *K.S.A. 12 2901 et seq.*, as amended. Pursuant to the terms of the interlocal agreement the County and the City agreed to continue the Joint Economic Development Organization (the "JEDO"), a separate legal entity, created by the County and the City in 2001, to provide the economic development program for the County and the City.

The JEDO is comprised of a seven (7)-member board, which includes three County Commissioners, the Mayor and Deputy Mayor of the City, and two City Council members. The Chair of the JEDO rotates between the County and the City on a yearly basis. Under the terms of the interlocal

Notes to the Financial Statements (continued)

agreement, the JEDO must remain in existence during the term of the one-half of one percent countywide sales tax approved by the voters to be imposed from January 1, 2005, through December 31, 2015, plus one year. The revenues derived from the sales tax are deposited with the JEDO, which administers the monies as directed by the vote and under the terms of the interlocal agreement. An annual audit of the JEDO is required to be provided to the City and the County and filed with the City Clerk, the County Clerk and at the Topeka-Shawnee County Public Library. The JEDO is considered a component unit of the City as explained in *Note A* on page 43.

F. Other post employment benefits

Other Post Employment Retirement Benefits (GASB 45) reporting requirements became effective for the City of Topeka on December 15, 2007.

Plan Description The City of Topeka’s health plan is self funded by the City. The City of Topeka has a single employer plan for retirees’ health benefit. The benefit plan is authorized by Personnel Code Article III, Section 4 Group Insurance B and K.S.A. 12-5040. Retirees have the option to continue with the city plan and pay the monthly premium. However once the retiree drops the coverage they forfeit their right to future coverage. The City offers major medical health insurance, dental coverage and prescription coverage.

Funding Policy The current plan is financed on a pay as you go basis. The retirees pay the same premium established for active employees. In 2009 the City had 257 retirees, contributing \$1,388,421. The total cost of health insurance claims and administrative fees for retirees was \$1,921,741 Resulting in the City supplementing the retirees health insurance plan by \$533,320 for 2009. See the chart below for costs paid by employees and retirees on a monthly basis.

	Employees Base Plan	Employees Buy-up Plan	Retirees Base Plan	Employees Buy-up Plan
Single	\$ -	\$ 34.67	\$ 336.00	\$ 368.00
With Children	179.83	247.00	572.00	681.00
With Spouse	247.00	331.50	646.00	770.00
Family	405.17	535.17	809.00	978.00

Annual OPEB Cost and Net OPEB Obligation The City’s annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years. This number was established by an independent actuarial study done by Milliman, Inc. The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligations.

Annual required contribution	\$ 1,796,546
Interest on net OPEB obligation	\$ 101,310
Adjustment to annual required contribution	\$ (76,083)
Annual OPEB cost (expense)	\$ 1,821,773
City's contribution to retiree's costs	(533,321)
Increase in net OPEB obligation	\$ 1,288,452
Net OPEB obligation - beginning of year	1,929,707
Net OPEB obligation - end of year	\$ 3,218,159

Funding Status and Funding Progress The funded status of the plan as of December 31, 2009 , was as follows:

Notes to the Financial Statements (continued)

Actual value of plan assets	-
Unfunded actuarial accrued liability	\$ 3,218,159
Funded ratio	0%
Covered payroll (active members)	\$ 66,152,204
Unfunded accrued liability as Percentage of covered payroll	4.86%

Actuarial Methods and Assumptions The cost of the plan is derived by making certain specific assumptions as to the rate of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the long term assumptions, the costs determined by the valuation must be regarded as estimates of the true cost of the Plan. The City used the following assumptions in their valuation:

Method Used: Unit Credit Actuarial Cost Method

Interest Rate: 5.25%

Amortization Factor: 25.36%

Mortality Rate: RP-2000 Mortality Table for Healthy Annuitants and Employees for Males and Females with generational projection, ages set forward one year.

Withdrawal Rates: Used City past history to establish rates

Retirement Rates: Used City past history to establish rates

Marriage and Family Assumptions: 45% of KP&F members and 40% of KPERS members will have spouses that will elect coverage.

Price Inflation: 3.5%

Payroll Growth: 4.0% per year

Health Care Cost Trend Rate: Medical and Drugs— 5.4% avg; Dental – 4.8% avg; other expenses 4.5 avg

Participation Rate: 65% of KP&F members and 50% of KPERS members

G. Employee retirement systems and pension plans

In 2004, the City entered into an agreement with ING Group to be the exclusive third-party provider under the City's *Internal Revenue Code Section 457* (deferred compensation) plan. Costs of the Section 457 Plan are borne by the participants. The deferred compensation plan administered by ING, which is available to all benefit eligible employees, permits employees to defer taxes on the portion of their salary designated for deposit with the third-party provider until future years. The deferred compensation is not subsequently available to employees until the occurrence of a defined "qualifying event," which includes separation from employment, retirement, death, or certain unforeseeable emergencies.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights "are held in trust for the exclusive benefit of [employee] participants and their beneficiaries". The City, which does not have access to those properties or rights, provides neither administrative services to nor investment advice for the plan, and therefore does not include the balances and activities of the plan in the City's financial statements.

The City of Topeka participates in the Kansas Public Employees Retirement System (KPERS) and in the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer, defined benefit pension plan, as defined by Federal regulations. As provided by K.S.A. 74-4901, *et seq.*, KPERS and KP&F provide retirement benefits, term life insurance, disability income benefits, and death benefits. Kansas state law establishes and amends all KPERS and KP&F benefit provisions. KPERS and KP&F issue a publicly available, combined, annual financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS, 611 S Kansas Avenue, Suite 100, Topeka, Kansas, 66603-3925, or by calling 1-800-228-0366.

Notes to the Financial Statements (continued)

Currently, K.S.A. 74-4919 establishes the KPERS member-employee contribution rate for Tier 1 members 4% and for Tier 2 (effective July 1, 2009) 6% of covered salary, and K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually, based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limit on annual increases in the employer contribution rates. The KPERS employer rate established by statute for calendar year 2009 was 5.4% for both Tier 1 and for Tier 2%. Tier 2 is for employees with a membership date on or after July 1, 2009. The City of Topeka employer contributions to KPERS for the years ending December 31, 2009, 2008, and 2007 were \$1,694,926, \$1,400,337, and \$1,217,923 respectively, equal to the statutorily required contributions for each year.

Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. Including such past service costs' amortization, the City's KP&F uniform participating employer rate for calendar year 2009 was 13.51%. The City's employer contributions to KP&F for the years ending December 31, 2009, 2008, and 2007 were \$4,328,631, \$4,268,558, and \$4,079,863, respectively, equal to the statutorily required contributions for each year.

H. Accounting Changes

The City of Topeka came under a new accounting and auditing standard in 2007. The new auditing standard dealt with documentation of internal controls. Basically, the governmental sector is being pushed towards coming into compliance with Sarbanes-Oxley standards. This will mean more documentation, auditing and testing of internal controls. While the City does have an extensive internal control system we do not have the documentation required to meet the new auditing standard. Our goal is to prepare the required documentation of our internal control system for our new Lawson Enterprise Resource System instead of spending valuable staff time to document the current system. Since the Lawson System is not scheduled to be fully implemented until December 2010, we will not be able to meet this new standard until then.

City of Topeka, Kansas
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress
For the Retirees Health Plan

All Municipal Retired Employees Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as Percentage of overed Payroll
1/1/2007	\$ -	\$ 17,441,930	\$ 17,441,930	0.00%	\$ 62,540,183	27.89%
1/1/2009	\$ -	\$ 18,737,527	\$ 18,737,527	0.00%	\$ 66,152,204	28.32%

Schedule of Employer Contributions

Fiscal Year End	Annual OPEB Cost	Percentage of Annual Cost Contributed	OPEB Net OPEB Obligation
12/31/2007	\$ 1,727,200	62.9%	\$ 640,807
12/31/2008	\$ 1,704,763	24.4%	\$ 1,929,707
12/31/2009	\$ 1,821,773	29.3%	\$ 3,218,159

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Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes.

National Council on Governmental Accounting,
Statement 1, Principle 3,
Governmental Accounting, Auditing, and Financial Reporting

<u>FUND NAME</u>	<u>STATUTORY OR OTHER AUTHORITY</u>	<u>PURPOSE</u>
Downtown Improvement District	Topeka Ordinance #15701	Accounts for assessments levied against property owners and tenants within the downtown business improvement district to provide for improvements and promotion of the downtown business area.
Special Alcohol Program	K.S.A. 79-41a04	Accountability and use of one-third of City's distributable portion of special tax on sales of alcoholic beverages in private clubs. The resources of this fund may be used only for services or programs for prevention, education, or treatment of alcohol or drug abuse.
General Improvement	Topeka Charter Ordinance #7	Controls and accounts for the proceeds of a property tax levy which is authorized to permit the City to pay cash in lieu of issuing bonds to pay the cost of public improvements.
Special Liability	K.S.A. 75-6110	Provides resources from a property tax levy to pay costs of defending the City and its officers and employees against tort or civil rights claims, and to pay judgments or settlements resulting from such claims.
Zoo Improvement	Administrative City Code 2-328	Accounts for revenues set aside from zoo admissions. The funds are used for capital improvements at the zoo.
Zoo	Administrative K.S.A. 12-1301	Administers the maintenance and operation of the City's zoological park. Accounts for revenues received from zoo admissions and concessions.
Golf Improvement	City Code 2-333 Topeka Ordinance #17783	Accounts for seven percent of golf course revenues to be used for capital improvements for the city golf course.
Transient Guest Tax	K.S.A. 12-1697 Topeka Resolution #4045 Topeka Charter Ordinance #69	Accounts for revenues received from a transient guest tax imposed on hotel and motel room rentals. Used for promotion of conventions and tourism in Topeka.

Special Revenue Funds (Continued...)

<u>FUND NAME</u>	<u>STATUTORY OR OTHER AUTHORITY</u>	<u>PURPOSE</u>
Unsafe Structures Removal	K.S.A 12-1750 & K.S.A. 12-4758 Topeka Ordinance #16918	Accounts for resources and expenditures for repair, alteration, removal or demolishing those structures determined to be unfit for habitation or endangering health and safety of the public.
Retirement Reserve	Administrative Action	Provides funding for and absorbs those accrued sick leave, vacation, and other related costs of City employees upon their retirement.
KP & F Equalization	Administrative Action Topeka Ordinance #18269 & #18290	Provides funding for retirement of the KP & F liabilities and a reserve fund for any future excess contribution liabilities.
Neighborhood Revitalization	Administrative Action Topeka Ordinance #18222	Provides funding for the redevelopment of designated revitalization areas and dilapidated structures.
Historic Asset Tourism	Administrative Action Topeka Ordinance #17238	Provides funding for acquisition, rehabilitation and preservation of historic landmarks or historic resources located within the City.
1/2 % Sales Tax	City (# 34790)/County (C334-2004) Interlocal Agreement & Approved by Voters on 08-03-04	Provides funding for economic development and countywide infrastructure development.
Governmental and Miscellaneous Grants	Public Law 93-838 City Code Chapter 42 Various Grant Contracts	Accounts for the receipts and expenditures of proceeds provided by various governmental departments for Community Development Block Grant Programs, various other grants related to health and social service programs, and law enforcement programs. Other grants Included are miscellaneous grants from all sources to provide for things such as community clean up, recreational equipment and public safety.
Street Repairs Sales Tax	Topeka Resolution # 8145. Approved by Voters on April 7, 2009 Effective October 1, 2009 through September 30, 2019	Provides funding for costs of maintenance and improvements of existing City streets, gutters, curbs, sidewalks, alleys and street lighting.
Park Land Acquisition	Administrative Topeka Ordinance #17226/18065	Reserves funds transferred from City departments and contributed by other entities for future land acquisitions for park improvements and developments.
Undistributed Investment Earnings	Administrative	Accounts for investment earnings on all pooled City funds before actual distribution to various recipient funds.
TCI/CEC	Administrative Contract with TCI Topeka Ordinance #16560	Receives and holds contributions by Topeka Cablevision Inc. for use in purchasing equipment for and operation of a public education and governmental access TV channel, run by City staff.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds.)

National Council on Governmental Accounting,
Statement 1, Principle 3,
Governmental Accounting, Auditing, and Financial Reporting

Capital Projects Funds are classified and grouped by the type of public improvement involved as follows:

- (1) Bridges
- (2) Public Buildings and Facilities
- (3) Sanitary Sewers & Water Mains
- (4) Park Improvements
- (5) Streets and Trafficways

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City of Topeka, Kansas
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2008
 With comparative totals for December 31, 2008

	Special Revenue Funds							
	Downtown Improvement District	Special Alcohol Program	General Improvement	Special Liability	Zoo Improvement	Zoo	Golf Improvement	Transient Guest Tax
Assets								
Cash and equity in Treasurer's Fund	\$ 34,051	\$ 533,735	\$ 588,265	\$ 1,081,261	\$ -	\$ 170,169	\$ 17,950	\$ 26,170
Receivables (net of allowance for uncollectibles):								
Accounts receivable	3,404	-	-	-	-	-	-	-
General property taxes	-	-	-	319,185	-	-	-	430,259
Notes	-	-	-	-	-	-	-	-
Component unit	-	-	-	-	-	-	-	-
Prepaid costs	-	-	-	-	-	2,596	-	-
Due from other governments	-	-	-	-	-	-	-	-
Restricted assets:								
Cash and equity in Treasurer's Fund	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	\$ 37,455	\$ 533,735	\$ 588,265	\$ 1,400,446	\$ -	\$ 172,765	\$ 17,950	\$ 456,429
Liabilities and fund balances								
Liabilities:								
Accounts and contracts payable	-	38,000	17,132	403	-	21,006	-	-
Salaries & wages payable	-	-	-	495	-	41,279	-	-
Accrued interest	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Temporary notes payable	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	319,185	-	-	-	-
Total liabilities	-	38,000	17,132	320,083	-	62,285	-	-
Fund Balances								
Reserved for:								
Encumbrances	-	-	165,352	32,777	-	245	-	391,625
Unreserved, reported in:								
Special Revenue Funds	37,455	495,735	405,781	1,047,586	-	110,235	17,950	64,804
Capital Projects Funds	-	-	-	-	-	-	-	-
Total fund balances	37,455	495,735	571,133	1,080,363	-	110,480	17,950	456,429
Total liabilities and fund balances	\$ 37,455	\$ 533,735	\$ 588,265	\$ 1,400,446	\$ -	\$ 172,765	\$ 17,950	\$ 456,429

continued...

City of Topeka, Kansas
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2009
 With comparative totals for December 31, 2008

	Special Revenue Funds									
	Unsafe Structure Removal	Retirement Reserve	KP & F Equalization	Neighborhood Revitalization	Historic Asset Tourism	1/2 % Sales Tax	Governmental & Miscellaneous Grants	Street Repairs	Sales Tax	Park Land Acquisition
Assets										
Cash and equity in Treasurer's Fund	\$ 200,916	\$ 1,032,463	\$ 1,436,251	\$ 99,025	\$ 396,659	\$ -	\$ 148,821	\$ 1,143,728	\$ 251,453	
Receivables (net of allowance for uncollectibles)										
Accounts receivable	533,250	-	-	-	-	-	-	-	25,500	
General property taxes	-	-	-	-	-	-	-	-	-	
Notes	-	-	-	-	-	4,599,017	-	-	-	
Component unit	-	-	-	-	-	-	-	-	-	
Prepaid costs	-	-	-	-	-	-	-	-	-	
Due from other governments	-	-	-	-	-	-	375,682	-	-	
Restricted assets:										
Cash and equity in Treasurer's Fund	-	-	-	-	-	-	-	-	-	
Other assets	-	-	-	-	-	-	97,785	-	-	
Total assets	\$ 734,166	\$ 1,032,463	\$ 1,436,251	\$ 99,025	\$ 396,659	\$ 4,599,017	\$ 622,288	\$ 1,143,728	\$ 276,953	
Liabilities and fund balances										
Liabilities:										
Accounts and contracts payable	-	-	-	-	-	-	214,846	-	-	
Salaries & wages payable	-	-	-	-	-	-	18,062	-	-	
Accrued interest	-	-	-	-	-	-	-	-	-	
Due to other funds	-	-	-	-	-	-	-	-	-	
Temporary notes payable	-	-	-	-	-	-	-	-	-	
Unearned Revenue	494,459	-	-	-	-	-	389,380	-	25,500	
Total liabilities	494,459	-	-	-	-	-	622,288	-	25,500	
Fund Balances										
Reserved for:										
Encumbrances	112,500	-	-	-	228,497	-	-	-	-	
Unreserved, reported in:										
Special Revenue Funds	127,207	1,032,463	1,436,251	99,025	168,162	4,599,017	-	1,143,728	251,453	
Capital Projects Funds	-	-	-	-	-	-	-	-	-	
Total fund balances	239,707	1,032,463	1,436,251	99,025	396,659	4,599,017	-	1,143,728	251,453	
Total liabilities and fund balances	\$ 734,166	\$ 1,032,463	\$ 1,436,251	\$ 99,025	\$ 396,659	\$ 4,599,017	\$ 622,288	\$ 1,143,728	\$ 276,953	

continued...

City of Topeka, Kansas
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2009
 With comparative totals for December 31, 2008

	Special Revenue Funds		Capital Project Funds						Totals	
	Undistributed Investment Earnings	TCI/CEC	Bridges	Public Buildings and Facilities	Sanitary Sewers & Water Mains	Park Improvements	Streets and Trafficways	2009	2008	
										2009
Assets										
Cash and equity in Treasurer's Fund	4	\$ -	\$ 1,895,001	\$ 2,893,945	\$ -	\$ 332,422	\$ 4,393,358	\$ 16,675,647	\$ 20,338,489	
Receivables (net of allowance for uncollectibles)										
Accounts receivable	202,730	-	-	6,560	-	-	-	771,444	310,377	
General property taxes	-	-	-	-	-	-	-	749,444	3,643,846	
Notes	-	-	-	-	-	-	-	-	24,322	
Component unit	-	-	-	-	-	-	-	4,599,017	4,860,145	
Prepaid costs	-	-	-	-	-	-	-	2,596	2,596	
Due from other governments	-	-	-	-	-	-	-	375,682	318,465	
Restricted assets:										
Cash and equity in Treasurer's Fund	-	-	-	-	-	-	104,810	104,810	104,676	
Other assets	-	-	-	-	-	-	-	97,785	-	
Total assets	202,734	\$ -	\$ 1,895,001	\$ 2,900,505	\$ -	\$ 332,422	\$ 4,498,168	\$ 23,376,425	\$ 29,602,916	

	Special Revenue Funds		Capital Project Funds						Totals	
	Undistributed Investment Earnings	TCI/CEC	Bridges	Public Buildings and Facilities	Sanitary Sewers & Water Mains	Park Improvements	Streets and Trafficways	2009	2008	
										2009
Liabilities and fund balances										
Liabilities:										
Accounts and contracts payable	4	-	23	1,742	60,468	86,994	302,393	743,011	1,417,159	
Salaries & wages payable	-	-	-	-	-	-	68	59,904	150,310	
Accrued interest	-	-	-	3,507	13,661	-	54,197	71,365	128,757	
Due to other funds	202,730	-	-	-	184,785	-	-	387,515	895,240	
Temporary notes payable	-	-	-	986,461	3,841,951	-	15,242,727	20,071,139	16,350,000	
Unearned Revenue	-	-	-	6,560	-	-	-	1,235,084	3,794,135	
Total liabilities	202,734	-	23	998,270	4,100,865	86,994	15,599,385	22,568,018	22,735,601	
Fund Balances										
Reserved for:										
Encumbrances	-	-	-	-	-	-	-	930,996	514,271	
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	11,036,852	10,282,936	
Capital Projects Funds	-	-	1,894,978	1,902,235	(4,100,865)	245,428	(11,101,217)	(11,159,441)	(3,929,892)	
Total fund balances	-	-	1,894,978	1,902,235	(4,100,865)	245,428	(11,101,217)	808,407	6,867,315	
Total liabilities and fund balances	202,734	\$ -	\$ 1,895,001	\$ 2,900,505	\$ -	\$ 332,422	\$ 4,498,168	\$ 23,376,425	\$ 29,602,916	

***Sheets and Trafficways did not qualify as a major fund in 2009. 2008 numbers were restated to reflect the change. Assets increased \$9,064,761, Liabilities increased \$13,844,045 therefore decreasing fund balance by \$4,779,284.

City of Topeka, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds

For the Year Ended December 31, 2009
With comparative totals for December 31, 2008

	Downtown Improvement District	Special Revenue Funds						Transient Guest Tax
		Special Alcohol Program	General Improvement	Special Liability	Zoo Improvement	Zoo	Golf Improvement	
Revenues:								
Taxes and assessments	\$ 168,666	\$ -	\$ 958,961	\$ 521,030	\$ -	\$ 1,626,201	\$ -	\$ 1,719,807
Intergovernmental	-	539,253	8,805	835	-	19,294	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	516,575	-	-
Interest from investments	27	-	-	-	-	-	-	-
Other	-	-	-	-	-	46,809	-	-
Total revenues	168,693	539,253	967,766	521,865	-	2,208,879	-	1,719,807
Expenditures:								
General government	-	-	-	164,481	-	-	-	1,583,452
Public safety	-	-	561,204	-	-	-	-	-
Public works	156,254	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	6,934	2,363,772	39,053	-
Public housing	-	-	230,071	-	-	-	-	-
Social services	-	524,792	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Interest	-	-	5,302	-	-	-	-	-
Engineering and others	-	-	-	-	-	-	-	-
Total expenditures	156,254	524,792	796,577	164,481	6,934	2,363,772	39,053	1,583,452
Excess (deficit) of revenues over (under) expenditures	12,439	14,461	171,189	357,384	(6,934)	(154,893)	(39,053)	136,355
Other financing sources (uses):								
Issuance of debt	-	-	-	-	-	-	-	-
Original issue premium on bonds	-	-	-	-	-	-	-	-
Original issue discount on bonds	-	-	-	-	-	-	-	-
Transfers in	-	-	8,369	-	-	48,500	-	-
Transfers out	-	-	(85,000)	-	-	-	-	(661,743)
Total other financing sources (uses)	-	-	(76,631)	-	-	48,500	-	(661,743)
Net change in fund balances	12,439	14,461	94,558	357,384	(6,934)	(106,393)	(39,053)	(425,388)
Fund balances (deficits) - beginning	25,016	481,274	476,575	722,979	6,934	216,873	57,003	881,817
Fund balances (deficits) - ending	\$ 37,455	\$ 495,735	\$ 571,133	\$ 1,080,363	\$ -	\$ 110,480	\$ 17,950	\$ 456,429

continued...

City of Topeka, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds

For the Year Ended December 31, 2009
 With comparative totals for December 31, 2008

...continued

	Special Revenue Funds									
	Unsafe Structure Removal	Retirement Reserve	KP & F Equalization	Neighborhood Revitalization	Historic Asset Tourism	1/2 % Sales Tax	Governmental & Miscellaneous Grants	Street Repairs Sales Tax	Park Land Acquisition	
Revenues:										
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,815,183	\$ -	\$ 1,143,728	\$ -	
Intergovernmental	-	-	-	37,185	-	-	5,040,727	-	-	
Licenses and permits	-	-	-	-	-	-	-	-	9,411	
Charges for services	-	640,497	-	-	-	-	-	-	-	
Interest from investments	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	235,307	-	-	
Total revenues		640,497		37,185		7,815,183	5,276,034	1,143,728		9,411
Expenditures:										
General government	145,677	350,587	-	-	-	3,503,305	502,476	-	-	
Public safety	-	-	8,602	-	-	-	833,426	-	-	
Public works	-	-	-	-	-	-	63,618	-	-	
Parks and recreation	-	-	-	-	-	-	16,495	-	-	
Public housing	-	-	-	-	-	-	3,307,332	-	-	
Social services	-	-	-	-	-	-	552,687	-	-	
Construction	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	
Engineering and others	-	-	-	-	-	-	-	-	-	
Total expenditures	145,677	350,587	8,602			3,503,305	5,276,034			
Excess (deficit) of revenues over (under) expenditures	(145,677)	289,910	(8,602)	37,185		4,311,878		1,143,728		9,411
Other financing sources (uses):										
Issuance of debt	-	-	-	-	-	-	-	-	-	
Original issue premium on bonds	-	-	-	-	-	-	-	-	-	
Original issue discount on bonds	-	-	-	-	-	-	-	-	-	
Transfers in	75,000	-	-	-	131,243	-	-	-	-	
Transfers out	-	-	-	-	-	(4,573,006)	-	-	-	
Total other financing sources (uses)	75,000				131,243	(4,573,006)				
Net change in fund balances	(70,677)	289,910	(8,602)	37,185		(261,128)		1,143,728		9,411
Fund balances (deficits) - beginning	310,384	742,553	1,444,853	61,840	265,416	4,860,145				242,042
Fund balances (deficits) - ending	\$ 239,707	\$ 1,032,463	\$ 1,436,251	\$ 99,025	\$ 396,659	\$ 4,599,017		\$ 1,143,728		\$ 251,453

continued...

City of Topeka, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds

For the Year Ended December 31, 2009

With comparative totals for December 31, 2008

...continued

	Special Revenue Funds		Capital Project Funds					2009	2008
	Undistributed Investments Earnings	TC/CEC	Bridges	Public Buildings and Facilities	Sanitary Sewers & Water Mains	Park Improvements	Streets and Trafficways		
Revenues:									
Taxes and assessments	\$ -	\$ -	\$ -	\$ 60,735	\$ 7,493	\$ -	\$ 14,021,804	12,773,713	
Intergovernmental	-	-	-	(1,865)	-	-	6,260,213	6,136,205	
Licenses and permits	-	-	-	-	-	36,817	9,411	68,730	
Charges for services	-	-	-	-	-	-	1,157,072	1,417,885	
Interest from investments	-	-	-	-	-	-	27	79,556	
Other	-	-	-	-	-	(1,131)	468,108	1,351,311	
Total revenues	-	-	-	58,870	7,493	35,686	21,916,635	21,827,400	
Expenditures:									
General government	-	1,503	-	-	-	-	6,251,481	6,887,413	
Public safety	-	-	-	-	-	-	1,403,232	823,880	
Public works	-	-	-	-	-	-	219,872	447,991	
Parks and recreation	-	-	-	-	-	-	2,426,254	2,286,783	
Public housing	-	-	-	-	-	-	3,537,403	2,386,622	
Social services	-	-	-	-	-	-	1,077,479	964,006	
Construction	-	-	(2,473,331)	2,364,442	703,989	1,191,063	8,688,795	17,423,213	
Interest	-	-	-	3,507	142,106	3,500	691,247	404,812	
Engineering and others	-	-	23	547,365	78,450	146,750	2,456,666	4,391,813	
Total expenditures	-	1,503	(2,473,308)	2,915,314	924,555	1,341,313	26,752,429	36,016,533	
Excess (deficit) of revenues over (under) expenditures	-	(1,503)	2,473,308	(2,856,444)	(917,062)	(1,305,627)	(4,835,794)	(14,189,133)	
Other financing sources (uses):									
Issuance of debt	-	-	-	1,102,609	610,081	-	3,345,000	20,039,890	
Original issue premium on bonds	-	-	-	13,361	7,493	-	40,425	(643)	
Original issue discount on bonds	-	-	-	183	-	-	660	(63,750)	
Transfers in	-	-	-	235,000	-	50,000	1,656,812	3,662,180	
Transfers out	-	-	(119,113)	(14,717)	(2,129)	(184,559)	(6,266,011)	(7,076,255)	
Total other financing sources (uses)	-	-	(119,113)	1,336,436	615,445	(134,559)	(1,223,114)	16,561,422	
Net change in fund balances	-	(1,503)	2,354,195	(1,520,008)	(301,617)	(1,440,186)	(6,058,908)	2,372,289	
Fund balances (deficits) - beginning	-	1,503	(459,217)	3,422,243	(3,799,248)	1,685,614	6,867,315	4,495,026	
Fund balances (deficits) - ending	\$ -	\$ -	\$ 1,894,978	\$ 1,902,235	\$ (4,100,865)	\$ 245,428	\$ 808,407	\$ 6,867,315	

City received a refund from the State on the building of the Topeka Blvd bridge of \$2.5 million.
 **Streets and Trafficways did not qualify as a major fund in 2009. 2008 numbers were restated for revenues of \$1,602,709, expenses of \$14,937,946, and beginning fund balance of (\$6,062,489).

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes & assessments:				
Property taxes - current	\$ 12,779,850	\$ 12,779,850	\$ 12,230,675	\$ (549,175)
Property taxes - delinquent	120,000	120,000	214,628	94,628
Neighborhood Revitalization Act rebates	(179,096)	(179,096)	-	179,096
Motor vehicle ad valorem tax	1,270,000	1,270,000	1,302,951	32,951
Sales Tax	295,673	295,673	95,224	(200,449)
Assessments - current	1,225,000	1,225,000	1,562,829	337,829
Assessments - delinquent	-	-	16,535	16,535
Payment in lieu of taxes	88,618	88,618	89,401	783
Intergovernmental	301,462	301,462	144,253	(157,209)
Interest from investments	165,000	165,000	245,610	80,610
Miscellaneous	-	-	5,715	5,715
Total revenues	<u>16,066,507</u>	<u>16,066,507</u>	<u>15,907,821</u>	<u>(158,686)</u>
Expenditures				
Principal retirement	12,490,000	12,490,000	12,505,000	(15,000)
Interest	7,993,606	7,993,606	7,594,924	398,682
Interest to refunded bond escrow agent	-	-	390,873	(390,873)
Fiscal agent fees	6,000	6,000	2,800	3,200
Refunding bond issuance costs	-	-	859,702	(859,702)
Contingency	1,000,000	1,000,000	-	1,000,000
Total expenditures	<u>21,489,606</u>	<u>21,489,606</u>	<u>21,353,299</u>	<u>136,307</u>
Excess (deficiency) of revenues over expenditures	(5,423,099)	(5,423,099)	(5,445,478)	(22,379)
Other financing sources				
Refunding bonds issued	-	-	50,940,686	50,940,686
Payment to refunded bond escrow agent	-	-	(51,613,950)	(51,613,950)
Original issue premium on bonds	-	-	1,960,512	1,960,512
Transfers in	3,571,006	3,571,006	4,394,461	823,455
Total other financing sources	<u>3,571,006</u>	<u>3,571,006</u>	<u>5,681,709</u>	<u>2,110,703</u>
Net change in fund balances	(1,852,093)	(1,852,093)	236,231	2,088,324
Beginning fund balance	<u>1,852,093</u>	<u>1,852,093</u>	<u>6,513,004</u>	<u>4,660,911</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,749,235</u>	<u>\$ 6,749,235</u>

Note: Debt Service's fund balance is restricted in the amount of \$5,107,949 for required bond reserves.

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Alcohol Program Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenue	\$ 518,628	\$ 518,628	\$ 539,253	\$ 20,625
Total revenues	<u>518,628</u>	<u>518,628</u>	<u>539,253</u>	<u>20,625</u>
Expenditures				
Social Services	620,000	620,000	475,299	144,701
Total Expenditures	<u>620,000</u>	<u>620,000</u>	<u>475,299</u>	<u>144,701</u>
Excess (deficit) of revenues over expenditures	<u>(101,372)</u>	<u>(101,372)</u>	<u>63,954</u>	<u>165,326</u>
Beginning fund balance	121,980	121,980	431,781	309,801
Ending fund balance	<u>\$ 20,608</u>	<u>\$ 20,608</u>	<u>\$ 495,735</u>	<u>\$ 475,127</u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Improvement Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes & Assessments	\$ 987,644	\$ 987,644	\$ 958,961	\$ (28,683)
Intergovernmental Revenue	-	-	8,805	8,805
Total revenues	<u>987,644</u>	<u>987,644</u>	<u>967,766</u>	<u>(19,878)</u>
Expenditures				
Public Safety	700,000	700,000	647,561	52,439
Public Housing	200,000	200,000	230,071	(30,071)
Miscellaneous interest	-	-	5,302	(5,302)
Total Expenditures	<u>900,000</u>	<u>900,000</u>	<u>882,934</u>	<u>17,066</u>
Other financing sources (uses)				
Transfer In	-	-	8,369	8,369
Transfer Out	(85,000)	(85,000)	(85,000)	-
Total other financing sources (uses)	<u>(85,000)</u>	<u>(85,000)</u>	<u>(76,631)</u>	<u>8,369</u>
Excess (deficit) of revenues over expenditures	<u>2,644</u>	<u>2,644</u>	<u>8,201</u>	<u>5,557</u>
Beginning fund balance	27,356	27,356	397,580	370,224
Ending fund balance	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 405,781</u>	<u>\$ 375,781</u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Liability Expense Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes & Assessments	\$ 527,106	\$ 527,106	\$ 521,030	\$ (6,076)
Intergovernmental Revenue	-	-	835	835
Total revenues	<u>527,106</u>	<u>527,106</u>	<u>521,865</u>	<u>(5,241)</u>
Expenditures				
General Government	766,410	766,410	167,152	599,258
Total Expenditures	<u>766,410</u>	<u>766,410</u>	<u>167,152</u>	<u>599,258</u>
Excess (deficit) of revenues over expenditures	<u>(239,304)</u>	<u>(239,304)</u>	<u>354,713</u>	<u>594,017</u>
Beginning fund balance	239,304	239,304	692,873	453,569
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,047,586</u></u>	<u><u>\$ 1,047,586</u></u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Zoo Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes & Assessments	\$ 1,676,498	\$ 1,676,498	\$ 1,626,201	\$ (50,297)
Intergovernmental Revenue	-	-	19,294	19,294
Fees For Service	404,500	404,500	516,575	112,075
Other Financing Sources	156,353	156,353	46,809	(109,544)
 Total revenues	<u>2,237,351</u>	<u>2,237,351</u>	<u>2,208,879</u>	<u>(28,472)</u>
 Expenditures				
Parks and recreation	2,332,994	2,332,994	2,364,017	(31,023)
 Total Expenditures	<u>2,332,994</u>	<u>2,332,994</u>	<u>2,364,017</u>	<u>(31,023)</u>
 Transfer In	48,500	48,500	48,500	-
 Excess (deficit) of revenues over expenditures and transfers	<u>(47,143)</u>	<u>(47,143)</u>	<u>(106,638)</u>	<u>(59,495)</u>
 Beginning fund balance	116,943	116,943	216,873	99,930
 Ending fund balance	<u><u>\$ 69,800</u></u>	<u><u>\$ 69,800</u></u>	<u><u>\$ 110,235</u></u>	<u><u>\$ 40,435</u></u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Transient Guest Tax Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes & Assessments	\$ 1,925,000	\$ 1,925,000	\$ 1,719,807	\$ (205,193)
Total revenues	<u>1,925,000</u>	<u>1,925,000</u>	<u>1,719,807</u>	<u>(205,193)</u>
Expenditures				
General Government	1,640,500	1,620,500	1,620,500	-
Total Expenditures	<u>1,640,500</u>	<u>1,620,500</u>	<u>1,620,500</u>	<u>-</u>
Other financing sources (uses)				
Transfer Out	<u>(540,500)</u>	<u>(561,743)</u>	<u>(561,743)</u>	<u>-</u>
Total other financing sources uses)	<u>(540,500)</u>	<u>(561,743)</u>	<u>(561,743)</u>	<u>-</u>
Excess (deficit) of revenues over expenditures and transfers	<u>(256,000)</u>	<u>(257,243)</u>	<u>(462,436)</u>	<u>(205,193)</u>
Beginning fund balance	364,175	527,240	527,240	-
Ending fund balance	<u>\$ 108,175</u>	<u>\$ 269,997</u>	<u>\$ 64,804</u>	<u>\$ (205,193)</u>

Ordinance 19343 authorized reclass of expenses for Historic Preservation Fund and recognizes a change in beginning fund balance.

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Unsafe Structure Removal Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes & Assessments	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
General Government	328,285	328,285	257,077	71,208
Total Expenditures	<u>328,285</u>	<u>328,285</u>	<u>257,077</u>	<u>71,208</u>
Other financing sources				
Transfer In	200,000	200,000	75,000	(125,000)
Total other financing sources	<u>200,000</u>	<u>200,000</u>	<u>75,000</u>	<u>(125,000)</u>
Excess (deficit) of revenues over expenditures and transfers	<u>(128,285)</u>	<u>(128,285)</u>	<u>(182,077)</u>	<u>(53,792)</u>
Beginning fund balance	128,285	128,285	309,284	180,999
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 127,207</u></u>	<u><u>\$ 127,207</u></u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Retirement Reserve Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees For Service	\$ 600,000	\$ 600,000	\$ 640,497	\$ 40,497
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>640,497</u>	<u>40,497</u>
Expenditures				
General Government	1,263,880	1,263,880	350,587	913,293
Total Expenditures	<u>1,263,880</u>	<u>1,263,880</u>	<u>350,587</u>	<u>913,293</u>
Excess (deficit) of revenues over expenditures	<u>(663,880)</u>	<u>(663,880)</u>	<u>289,910</u>	<u>953,790</u>
Beginning fund balance	663,880	663,880	742,553	78,673
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,032,463</u></u>	<u><u>\$ 1,032,463</u></u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
KP & F Equalization Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees For Service	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Public Safety	1,371,773	1,371,773	8,602	1,363,171
Total Expenditures	<u>1,371,773</u>	<u>1,371,773</u>	<u>8,602</u>	<u>1,363,171</u>
Excess (deficit) of revenues over expenditures	<u>(1,371,773)</u>	<u>(1,371,773)</u>	<u>(8,602)</u>	<u>1,363,171</u>
Beginning fund balance	1,371,773	1,371,773	1,444,853	73,080
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,436,251</u>	<u>\$ 1,436,251</u>

Note: Expenditures were reclassified to be Public Safety versus General Government, since this fund was created to provide funds Fire and Police retirements.

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Neighborhood Revitalization Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenue	\$ 45,000	\$ 45,000	\$ 37,185	\$ (7,815)
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>37,185</u>	<u>(7,815)</u>
Expenditures				
General Government	45,000	45,000	-	45,000
Total Expenditures	<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>45,000</u>
Excess (deficit) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>37,185</u>	<u>37,185</u>
Beginning fund balance	-	-	61,840	61,840
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 99,025</u></u>	<u><u>\$ 99,025</u></u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Historic Asset Tourism Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes & Assessments	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
General Government	228,497	228,497	228,497	-
Total Expenditures	228,497	228,497	228,497	-
Other financing sources				
Transfer In	110,000	110,000	131,243	21,243
Total other financing sources	110,000	110,000	131,243	21,243
Excess (deficit) of revenues over expenditures	(118,497)	(118,497)	(97,254)	21,243
Beginning fund balance	118,497	118,497	265,416	146,919
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,162</u>	<u>\$ 168,162</u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
1/2 % Sales Tax
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes & Assessments	\$ 9,047,400	\$ 9,047,400	\$ 7,815,183	\$ (1,232,217)
Total revenues	<u>9,047,400</u>	<u>9,047,400</u>	<u>7,815,183</u>	<u>(1,232,217)</u>
Expenditures				
General Government	9,157,286	6,514,146	3,503,305	3,010,841
Total Expenditures	<u>9,157,286</u>	<u>6,514,146</u>	<u>3,503,305</u>	<u>3,010,841</u>
Other financing sources (uses)				
Transfer Out	(3,571,006)	(6,214,146)	(4,573,006)	1,641,140
Total other financing sources (uses)	<u>(3,571,006)</u>	<u>(6,214,146)</u>	<u>(4,573,006)</u>	<u>1,641,140</u>
Excess (deficit) of revenues over expenditures	<u>(3,680,892)</u>	<u>(3,680,892)</u>	<u>(261,128)</u>	<u>3,419,764</u>
Beginning fund balance	3,680,892	3,680,892	4,860,145	1,179,253
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,599,017</u>	<u>\$ 4,599,017</u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Street Repairs - Sales Tax
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & Assessments	\$ -	\$ 1,100,000	\$ 1,143,728	\$ 43,728
Total revenues	-	1,100,000	1,143,728	43,728
Expenditures				
General Government	-	200,000	-	200,000
Total Expenditures	-	200,000	-	200,000
Excess (deficit) of revenues over expenditures	-	900,000	1,143,728	243,728
Beginning fund balance	-	-	-	-
Ending fund balance	\$ -	\$ 900,000	\$ 1,143,728	\$ 243,728

Budget was amended by Ordinance 19309 to set revenues and authorize spending.

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Park Land Acquisition Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses & Permits	\$ 65,000	\$ 65,000	\$ 9,411	\$ (55,589)
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>9,411</u>	<u>(55,589)</u>
Expenditures				
Parks	65,917	65,917	-	65,917
Total Expenditures	<u>65,917</u>	<u>65,917</u>	<u>-</u>	<u>65,917</u>
Other financing sources (uses)				
Transfer Out	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>(917)</u>	<u>(917)</u>	<u>9,411</u>	<u>10,328</u>
Beginning fund balance	917	917	242,042	241,125
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 251,453</u></u>	<u><u>\$ 251,453</u></u>

City of Topeka, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Bridges
From Inception and for the Year Ended December 31, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Intergovernmental revenue	\$ 99,465	\$ -	\$ 99,465	\$ 128,392
Miscellaneous income	1,009,690	-	1,009,690	-
Total revenues	<u>1,109,155</u>	<u>-</u>	<u>1,109,155</u>	<u>128,392</u>
Expenditures				
Construction	29,196,990	(2,473,331)	26,723,659	22,798,101
Interest	200,238	-	200,238	344,298
Engineering and others	2,017,074	23	2,017,097	14,856,373
Total expenditures	<u>31,414,302</u>	<u>(2,473,308)</u>	<u>28,940,994</u>	<u>37,998,772</u>
Excess (deficit) of revenues over (under) expenditures	<u>(30,305,147)</u>	<u>2,473,308</u>	<u>(27,831,839)</u>	<u>(37,870,380)</u>
Other financing sources (uses)				
Proceeds of general obligation bonds	32,720,256	-	32,720,256	37,691,730
Original issue premium on bonds	471,095	-	471,095	-
Original issue discount on bonds	(7,593)	-	(7,593)	-
Transfer in	1,115,737	-	1,115,737	178,650
Transfer out	(4,453,565)	(119,113)	(4,572,678)	-
Total other financing sources (uses)	<u>29,845,930</u>	<u>(119,113)</u>	<u>29,726,817</u>	<u>37,870,380</u>
Net change in fund balance	<u>\$ (459,217)</u>	2,354,195	<u>\$ 1,894,978</u>	<u>\$ -</u>
Fund balance (deficit) - beginning		(459,217)		
Fund balance - ending		<u>\$ 1,894,978</u>		

Note: Prior year amounts will be different from the prior year CAFR, due to lifting balances of closed projects.

City of Topeka, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Buildings and Facilities
From Inception and for the Year Ended December 31, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Taxes & assessments	\$ 419,375	\$ 60,735	\$ 480,110	\$ 796,825
Intergovernmental revenue	863,791	(1,865)	861,926	1,262,475
Miscellaneous income	-	-	-	239,108
Total revenues	<u>1,283,166</u>	<u>58,870</u>	<u>1,342,036</u>	<u>2,298,408</u>
Expenditures				
Construction	4,461,242	2,364,442	6,825,684	7,194,802
Interest	-	3,507	3,507	330,702
Engineering and others	<u>2,272,677</u>	<u>547,365</u>	<u>2,820,042</u>	<u>6,547,048</u>
Total expenditures	<u>6,733,919</u>	<u>2,915,314</u>	<u>9,649,233</u>	<u>14,072,552</u>
Excess (deficit) of revenues over (under) expenditures	<u>(5,450,753)</u>	<u>(2,856,444)</u>	<u>(8,307,197)</u>	<u>(11,774,144)</u>
Other financing sources (uses)				
Proceeds of general obligation bonds	6,402,807	1,102,609	7,505,416	10,444,444
Original issue premium on bonds	4,425	13,361	17,786	-
Original issue discount on bonds	(19,925)	183	(19,742)	-
Transfer in	2,491,989	235,000	2,726,989	1,329,700
Transfer out	<u>(6,300)</u>	<u>(14,717)</u>	<u>(21,017)</u>	<u>-</u>
Total other financing sources (uses)	<u>8,872,996</u>	<u>1,336,436</u>	<u>10,209,432</u>	<u>11,774,144</u>
Net change in fund balance	<u>\$ 3,422,243</u>	<u>(1,520,008)</u>	<u>\$ 1,902,235</u>	<u>\$ -</u>
Fund balance - beginning		<u>3,422,243</u>		
Fund balance - ending		<u>\$ 1,902,235</u>		

Note: Prior year amounts will be different from the prior year CAFR, due to lifting balances of closed projects.

City of Topeka, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Sanitary Sewers and Water Mains
From Inception and for the Year Ended December 31, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Taxes & assessments	\$ 35,459	\$ 7,493	\$ 42,952	\$ 1,236,203
Intergovernmental revenue	77,546	-	77,546	-
Total revenues	<u>113,005</u>	<u>7,493</u>	<u>120,498</u>	<u>1,236,203</u>
Expenditures				
Construction	3,196,188	703,999	3,900,187	5,889,240
Interest	153,640	142,106	295,746	432,659
Engineering and others	803,241	78,450	881,691	1,545,740
Total expenditures	<u>4,153,069</u>	<u>924,555</u>	<u>5,077,624</u>	<u>7,867,639</u>
Excess (deficit) of revenues over (under) expenditures	<u>(4,040,064)</u>	<u>(917,062)</u>	<u>(4,957,126)</u>	<u>(6,631,436)</u>
Other financing sources (uses)				
Proceeds of general obligation bonds	241,592	610,081	851,673	6,631,436
Original issue premium on bonds	-	7,493	7,493	-
Original issue discount on bonds	(776)	-	(776)	-
Transfer out	-	(2,129)	(2,129)	-
Total other financing sources (uses)	<u>240,816</u>	<u>615,445</u>	<u>856,261</u>	<u>6,631,436</u>
Net change in fund balance	<u>\$ (3,799,248)</u>	(301,617)	<u>\$ (4,100,865)</u>	<u>\$ -</u>
Fund balance (deficit) - beginning		<u>(3,799,248)</u>		
Fund balance (deficit) - ending		<u>\$ (4,100,865)</u>		

Note: Prior year amounts will be different from the prior year CAFR, due to lifting balances of closed projects.

City of Topeka, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Park Improvements
From Inception and for the Year Ended December 31, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Intergovernmental revenue	\$ 1,030,990	\$ 36,817	\$ 1,067,807	\$ 2,320,400
Miscellaneous income	75,749	(1,131)	74,618	1,438,606
Total revenues	<u>1,106,739</u>	<u>35,686</u>	<u>1,142,425</u>	<u>3,759,006</u>
Expenditures				
Construction	3,162,689	1,191,063	4,353,752	7,616,676
Interest	-	3,500	3,500	281,973
Engineering and others	543,934	146,750	690,684	1,682,964
Total expenditures	<u>3,706,623</u>	<u>1,341,313</u>	<u>5,047,936</u>	<u>9,581,613</u>
Excess (deficit) of revenues over (under) expenditures	<u>(2,599,884)</u>	<u>(1,305,627)</u>	<u>(3,905,511)</u>	<u>(5,822,607)</u>
Other financing sources (uses)				
Proceeds of general obligation bonds	4,275,138	-	4,275,138	5,770,106
Original issue premium on bonds	18,798	-	18,798	-
Original issue discount on bonds	(8,438)	-	(8,438)	-
Transfer in	-	50,000	50,000	52,501
Transfer out	-	(184,559)	(184,559)	-
Total other financing sources (uses)	<u>4,285,498</u>	<u>(134,559)</u>	<u>4,150,939</u>	<u>5,822,607</u>
Net change in fund balance	<u>\$ 1,685,614</u>	(1,440,186)	<u>\$ 245,428</u>	<u>\$ -</u>
Fund balance - beginning		1,685,614		
Fund balance - ending		<u>\$ 245,428</u>		

Note: Prior year amounts will be different from the prior year CAFR, due to lifting balances of closed projects.

City of Topeka, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Streets and Trafficways
From Inception and for the Year Ended December 31, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Taxes & assessments	\$ -	\$ -	\$ -	\$ 2,857,836
Intergovernmental revenue	1,385,353	579,162	1,964,515	6,786,926
Miscellaneous income	608,423	187,123	795,546	75,000
Total revenues	<u>1,993,776</u>	<u>766,285</u>	<u>2,760,061</u>	<u>9,719,762</u>
Expenditures				
Construction	40,492,653	6,902,622	47,395,275	49,439,807
Interest	656,607	536,832	1,193,439	2,543,732
Engineering and others	8,361,885	1,684,078	10,045,963	17,282,280
Total expenditures	<u>49,511,145</u>	<u>9,123,532</u>	<u>58,634,677</u>	<u>69,265,819</u>
Excess (deficit) of revenues over (under) expenditures	<u>(47,517,369)</u>	<u>(8,357,247)</u>	<u>(55,874,616)</u>	<u>(59,546,057)</u>
Other financing sources (uses)				
Proceeds of general obligation bonds	39,838,182	1,632,310	41,470,492	53,803,650
Original issue premium on bonds	150,072	19,571	169,643	-
Original issue discount on bonds	(43,724)	477	(43,247)	-
Transfer in	3,786,045	1,108,700	4,894,745	5,742,407
Transfer out	(992,490)	(725,744)	(1,718,234)	-
Total other financing sources (uses)	<u>42,738,085</u>	<u>2,035,314</u>	<u>44,773,399</u>	<u>59,546,057</u>
Net change in fund balance	<u>\$ (4,779,284)</u>	<u>(6,321,933)</u>	<u>\$ (11,101,217)</u>	<u>\$ -</u>
Fund balance (deficit) - beginning		<u>(4,779,284)</u>		
Fund balance (deficit) - ending		<u>\$ (11,101,217)</u>		

Note: Prior year amounts will be different from the prior year CAFR, due to lifting balances of closed projects.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by governmental units in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. All City of Topeka fiduciary funds are Agency Funds.

National Council on Governmental Accounting,
Statement 1, Principle 3,
Governmental Accounting, Auditing, and Financial Reporting

<u>FUND NAME</u>	<u>STATUTORY AUTHORITY</u>	<u>PURPOSE</u>
Alcohol and Drug Safety	Contract with Grantee	Receives certain fees collected by the Municipal Court in connection with alcohol or drug related offenses pending their payment to the National Council on Alcoholism.
Court Bond	Administrative	Receives, holds, and disburses bonds posted by individuals at the Municipal Court.
Crime Prevention	Topeka Ordinance #17796 & #18676	Collects money from court costs and tobacco/novelty licenses to be used for crime prevention programs in the City.
Fire Insurance Proceeds	Topeka Ordinance #16276	Temporarily and partially restricts the payment of insurance proceeds on fire damaged buildings to the insured until certain health and building code conditions are met.
Judges Training	K.S.A. 12-4116 Topeka Ordinance #16635	Holds fees collected from cases filed in Municipal Court pending remittance to State Treasury for use by State in training, testing, and continuing judicial education of municipal judges.
Kansas Trauma Fund	K.S.A. 75-5670	Collects fees for purpose of financing the activities and expenses in the administration of the statewide trauma system.
Law Enforcement Trust	K.S.A. 28-172a	Receives, holds and accounts for the Municipal Court fees which, under the provisions of Kansas Law, are payable to the State to fund the Kansas Law Enforcement Training Center.
Local Law Enforcement Training Center	K.S.A. 74-5607 & K.S.A. 28-172a	Receives, holds, and disburses fees collected by the State for the purpose of training law enforcement personnel from various law enforcement agencies throughout the State.

FIDUCIARY FUNDS (Continued...)

<u>FUND NAME</u>	<u>STATUTORY AUTHORITY</u>	<u>PURPOSE</u>
Motor Vehicle Reinstatement	K.S.A. 12-4416	Receives and holds a portion of the diversion fees collected by the Municipal Court in DUI cases, pending payment to the State of Kansas.
Payroll Clearing	Administrative	Accounts for receipts and disbursements of the City payroll withholding amounts, such as income taxes.
Police Benefit	Topeka City Code Section 106: 226 - 229 (1981 code)	Receives, holds, and disburses fees collected by the Municipal Court. Disbursements are by order of the Police Benefit Association.
Softball Trust Fund	Topeka City Ordinance # 16269 repealed by Ordinance 19291 Resolution 7996	Collects a portion of softball league registration fees to be paid to Topeka Park & Recreation Foundation for future improvements to City softball facilities.
Topeka Metropolitan Transit Authority	Topeka City Code Section A9-2	Receives, holds, and pays to the TMTA the proceeds of a special tax collected by the City for the benefit of that entity.
Water Customer Round Up	Administrative	Utility mutual assistance fund that passes the money derived from customers who offer to round up their payments to assist others.

City of Topeka, Kansas
Combining Statement of Fiduciary Net Assets
December 31, 2009

With comparative totals for December 31, 2008

	Alcohol and Drug Safety	Court Bond	Crime Prevention	Fire Insurance Proceeds	Judges Training	Kansas Trauma Fund	Law Enforcement Trust	Local Law Enforcement Training Center
Assets								
Cash and equity in Treasurer's Fund	\$ 244,282	\$ 99,707	\$ 25,883	\$ 12,420	\$ 450	\$ 646	\$ 876,646	\$ 11,972
Receivables (net of allowance for uncollectibles):								
Accounts receivable	-	-	-	-	-	-	-	-
Total assets	<u>\$ 244,282</u>	<u>\$ 99,707</u>	<u>\$ 25,883</u>	<u>\$ 12,420</u>	<u>\$ 450</u>	<u>\$ 646</u>	<u>\$ 876,646</u>	<u>\$ 11,972</u>
Liabilities								
Accounts and contracts payable	\$ 238	\$ 118	\$ 86	\$ 12,420	\$ -	\$ -	\$ 24,184	\$ -
Salaries & wages payable	744	-	-	-	-	-	-	-
Due to others	243,300	99,589	25,797	-	450	646	852,462	11,972
Total liabilities	<u>\$ 244,282</u>	<u>\$ 99,707</u>	<u>\$ 25,883</u>	<u>\$ 12,420</u>	<u>\$ 450</u>	<u>\$ 646</u>	<u>\$ 876,646</u>	<u>\$ 11,972</u>

continued...

NET ASSETS
Held in trust for other purposes

Total net assets

City of Topeka, Kansas
Combining Statement of Fiduciary Net Assets
December 31, 2009

With comparative totals for December 31, 2008

...continued

	Motor Vehicle Reinstatement	Payroll Clearing	Police Benefit	Softball Trust Fund	Topeka			Totals	2008
					Metropolitan Transit Authority	Water Customer Round-Up	2009		
Assets									
Cash and equity in Treasurer's Fund	\$ 9,244	\$ 4,037	\$ 173,634	\$ -	\$ -	\$ -	\$ 6,820	\$ 1,465,741	\$ 1,291,473
Receivables (net of allowance for uncollectibles):									
Accounts receivable	-	-	-	-	-	-	939	939	732
Total assets	\$ 9,244	\$ 4,037	\$ 173,634	\$ -	\$ -	\$ -	\$ 7,759	\$ 1,466,680	\$ 1,292,205
Liabilities									
Accounts and contracts payable	\$ -	\$ 4,037	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,083	\$ 38,143
Salaries & wages payable	-	-	-	-	-	-	-	744	2,496
Due to others	9,244	-	173,634	-	-	-	7,759	1,424,853	1,251,566
Total liabilities	\$ 9,244	\$ 4,037	\$ 173,634	\$ -	\$ -	\$ -	\$ 7,759	\$ 1,466,680	\$ 1,292,205
NET ASSETS									
Held in trust for other purposes									
Total net assets									

City of Topeka, Kansas
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Year ended December 31, 2009

	Balance 31-Dec 2008	Additions	Deductions	Balance 31-Dec 2009
Alcohol and Drug Safety				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 250,274	\$ 54,737	\$ 60,729	\$ 244,282
Total Assets	<u>\$ 250,274</u>	<u>\$ 54,737</u>	<u>\$ 60,729</u>	<u>\$ 244,282</u>
LIABILITIES				
Accounts and contracts payable	\$ 162	\$ 9,315	\$ 9,391	\$ 238
Salaries & wages payable	2,496	16,399	14,647	744
Due to others	247,616	54,678	50,362	243,300
Total Liabilities	<u>\$ 250,274</u>	<u>\$ 80,392</u>	<u>\$ 74,400</u>	<u>\$ 244,282</u>
Court Bond				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 98,214	\$ 217,451	\$ 215,958	\$ 99,707
Total Assets	<u>\$ 98,214</u>	<u>\$ 217,451</u>	<u>\$ 215,958</u>	<u>\$ 99,707</u>
LIABILITIES				
Accounts and contracts payable	\$ 1,355	\$ 77,610	\$ 76,373	\$ 118
Due to others	96,859	75,339	78,069	99,589
Total Liabilities	<u>\$ 98,214</u>	<u>\$ 152,949</u>	<u>\$ 154,442</u>	<u>\$ 99,707</u>
Crime Prevention				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 19,406	\$ 63,729	\$ 57,252	\$ 25,883
Total Assets	<u>\$ 19,406</u>	<u>\$ 63,729</u>	<u>\$ 57,252</u>	<u>\$ 25,883</u>
LIABILITIES				
Accounts and contracts payable	\$ 21	\$ 56,834	\$ 56,899	\$ 86
Due to others	19,385	56,447	62,859	25,797
Total Liabilities	<u>\$ 19,406</u>	<u>\$ 113,281</u>	<u>\$ 119,758</u>	<u>\$ 25,883</u>
Fire Insurance Proceeds				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 56,004	\$ 83,792	\$ 127,376	\$ 12,420
Total Assets	<u>\$ 56,004</u>	<u>\$ 83,792</u>	<u>\$ 127,376</u>	<u>\$ 12,420</u>
LIABILITIES				
Accounts and contracts payable	\$ 29,714	\$ 127,376	\$ 110,082	\$ 12,420
Due to others	26,290	110,082	83,792	-
Total Liabilities	<u>\$ 56,004</u>	<u>\$ 237,458</u>	<u>\$ 193,874</u>	<u>\$ 12,420</u>
Judges Training				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 842	\$ 6,768	\$ 7,160	\$ 450
Total Assets	<u>\$ 842</u>	<u>\$ 6,768</u>	<u>\$ 7,160</u>	<u>\$ 450</u>
LIABILITIES				
Accounts and contracts payable	\$ -	\$ 7,101	\$ 7,101	\$ -
Due to others	842	7,127	6,735	450
Total Liabilities	<u>\$ 842</u>	<u>\$ 14,228</u>	<u>\$ 13,836</u>	<u>\$ 450</u>

continued...

City of Topeka, Kansas
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Year ended December 31, 2009

	Balance 31-Dec 2008	Additions	Deductions	Balance 31-Dec 2009
Kansas Trauma Fund				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 1,282	\$ 10,005	\$ 10,641	\$ 646
Total Assets	<u>\$ 1,282</u>	<u>\$ 10,005</u>	<u>\$ 10,641</u>	<u>\$ 646</u>
LIABILITIES				
Accounts and contracts payable	\$ -	\$ 10,559	\$ 10,559	\$ -
Due to others	1,282	10,587	9,951	646
Total Liabilities	<u>\$ 1,282</u>	<u>\$ 21,146</u>	<u>\$ 20,510</u>	<u>\$ 646</u>
Law Enforcement Trust				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 676,734	\$ 440,446	\$ 240,534	\$ 876,646
Total Assets	<u>\$ 676,734</u>	<u>\$ 440,446</u>	<u>\$ 240,534</u>	<u>\$ 876,646</u>
LIABILITIES				
Accounts and contracts payable	\$ 4,809	\$ 223,171	\$ 242,546	\$ 24,184
Due to others	671,925	266,760	447,297	852,462
Total Liabilities	<u>\$ 676,734</u>	<u>\$ 489,931</u>	<u>\$ 689,843</u>	<u>\$ 876,646</u>
Local Law Enforcement Training Center				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 18,648	\$ 185,516	\$ 192,192	\$ 11,972
Total Assets	<u>\$ 18,648</u>	<u>\$ 185,516</u>	<u>\$ 192,192</u>	<u>\$ 11,972</u>
LIABILITIES				
Accounts and contracts payable	\$ -	\$ 190,494	\$ 190,494	\$ -
Due to others	18,648	191,327	184,651	11,972
Total Liabilities	<u>\$ 18,648</u>	<u>\$ 381,821</u>	<u>\$ 375,145</u>	<u>\$ 11,972</u>
Motor Vehicle Reinstatement				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 15,925	\$ 126,705	\$ 133,386	\$ 9,244
Total Assets	<u>\$ 15,925</u>	<u>\$ 126,705</u>	<u>\$ 133,386</u>	<u>\$ 9,244</u>
LIABILITIES				
Accounts and contracts payable	\$ -	\$ 132,598	\$ 132,598	\$ -
Due to others	15,925	133,068	126,387	9,244
Total Liabilities	<u>\$ 15,925</u>	<u>\$ 265,666</u>	<u>\$ 258,985</u>	<u>\$ 9,244</u>
Payroll Clearing				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 2,025	\$ 28,043,293	\$ 28,041,281	\$ 4,037
Accounts receivable	57	496	553	-
Total Assets	<u>\$ 2,082</u>	<u>\$ 28,043,789</u>	<u>\$ 28,041,834</u>	<u>\$ 4,037</u>
LIABILITIES				
Accounts and contracts payable	\$ 2,082	\$ 28,043,789	\$ 28,045,744	\$ 4,037
Total Liabilities	<u>\$ 2,082</u>	<u>\$ 28,043,789</u>	<u>\$ 28,045,744</u>	<u>\$ 4,037</u>

continued...

City of Topeka, Kansas
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Year ended December 31, 2009

	Balance 31-Dec 2008	Additions	Deductions	Balance 31-Dec 2009
Police Benefit				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 146,889	\$ 72,732	\$ 45,987	\$ 173,634
Total Assets	<u>\$ 146,889</u>	<u>\$ 72,732</u>	<u>\$ 45,987</u>	<u>\$ 173,634</u>
LIABILITIES				
Accounts and contracts payable	\$ -	\$ 45,375	\$ 45,375	\$ -
Due to others	146,889	45,225	71,970	173,634
Total Liabilities	<u>\$ 146,889</u>	<u>\$ 90,600</u>	<u>\$ 117,345</u>	<u>\$ 173,634</u>
Softball Trust Fund				
ASSETS				
Cash and equity in Treasurer's Fund	\$ -	\$ 15,600	\$ 15,600	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 15,600</u>	<u>\$ 15,600</u>	<u>\$ -</u>
LIABILITIES				
Accounts and contracts payable	\$ -	\$ 15,600	\$ 15,600	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 15,600</u>	<u>\$ 15,600</u>	<u>\$ -</u>
<i>continued...</i>				
Topeka Metropolitan Transit Authority				
ASSETS				
Cash and equity in Treasurer's Fund	\$ -	\$ 3,302,351	\$ 3,302,351	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 3,302,351</u>	<u>\$ 3,302,351</u>	<u>\$ -</u>
LIABILITIES				
Accounts and contracts payable	\$ -	\$ 3,302,351	\$ 3,302,351	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 3,302,351</u>	<u>\$ 3,302,351</u>	<u>\$ -</u>
Water Customer Round-UP				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 5,230	\$ 16,854	\$ 15,264	\$ 6,820
Accounts receivable	675	17,285	17,021	939
Total Assets	<u>\$ 5,905</u>	<u>\$ 34,139</u>	<u>\$ 32,285</u>	<u>\$ 7,759</u>
LIABILITIES				
Due to others	\$ 5,905	\$ 15,134	\$ 16,988	\$ 7,759
Total Liabilities	<u>\$ 5,905</u>	<u>\$ 15,134</u>	<u>\$ 16,988</u>	<u>\$ 7,759</u>
Total Agency Funds				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 1,291,473	\$ 32,639,979	\$ 32,465,711	\$ 1,465,741
Accounts receivable	732	17,781	17,574	939
Total Assets	<u>\$ 1,292,205</u>	<u>\$ 32,657,760</u>	<u>\$ 32,483,285</u>	<u>\$ 1,466,680</u>
LIABILITIES				
Accounts and contracts payable	\$ 38,143	\$ 32,242,173	\$ 32,245,113	\$ 41,083
Salaries & wages payable	2,496	16,399	14,647	744
Due to others	1,251,566	965,774	1,139,061	1,424,853
Total Liabilities	<u>\$ 1,292,205</u>	<u>\$ 33,224,346</u>	<u>\$ 33,398,821</u>	<u>\$ 1,466,680</u>

The notes to the financial statements are an integral part of these statements.

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ENTERPRISE FUNDS

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

National Council on Governmental Accounting,
Statement 1, Principle 3,
Governmental Accounting, Auditing, and Financial Reporting

<u>FUND NAME</u>	<u>STATUTORY AUTHORITY</u>	<u>PURPOSE</u>
Water, Water Pollution Control, and Stormwater Utility	K.S.A. 13-1254 & K.S.A. 12-6311 Topeka Ordinance #17985	Accounts for assets, liabilities, revenues, and expenses in the operation and maintenance of the City's public water, water pollution control, and stormwater utility system. (The utility fund is considered a major enterprise fund and shown on pages 38 - 40)
Public Parking Facilities	K.S.A. 13-1379	Accounts for assets, liabilities, revenues, and expenses in the operation and maintenance of the City's public parking meters and facilities.
Public Golf Course	Topeka City Code Section 29-207	Accounts for assets, liabilities, revenues, and expenses in the operation and maintenance of the Public Golf Course.

City of Topeka, Kansas
Combining Statement of Net Assets
Non-major Enterprise Funds
December 31, 2009

With comparative totals for December 31, 2008

	Public Parking Facilities	Public Golf Course	Totals	
			2009	2008
Assets				
Current assets:				
Cash and equity in Treasurer's Fund	\$ 1,187,588	\$ -	\$ 1,187,588	\$ 1,313,885
Receivables (net of allowance for uncollectibles):				
Accounts receivable	11,864	-	11,864	64,196
Prepaid costs	2,718	-	2,718	5,718
Due from other funds	73	-	73	687
Inventory	-	-	-	-
Total current assets	<u>1,202,243</u>	<u>-</u>	<u>1,202,243</u>	<u>1,384,486</u>
Non-current assets:				
Restricted assets:				
Cash and equity in Treasurer's Fund	320,870	-	320,870	371,569
Capital assets:				
Land and infrastructure	1,058,331	-	1,058,331	1,106,331
Depreciable buildings, property, and equipment, net depreciation	18,709,104	91,133	18,800,237	19,535,775
Other assets	-	-	-	-
Total non-current assets	<u>20,088,305</u>	<u>91,133</u>	<u>20,179,438</u>	<u>21,013,675</u>
Total assets	<u>21,290,548</u>	<u>91,133</u>	<u>21,381,681</u>	<u>22,398,161</u>
Liabilities				
Current liabilities:				
Accounts and contracts payable	29,838	-	29,838	34,068
Salaries & wages payable	14,036	-	14,036	55,683
Due to other funds	-	469,297	469,297	635,165
Due to others	-	-	-	90
Other	9,666	-	9,666	20,384
Total current liabilities	<u>53,540</u>	<u>469,297</u>	<u>522,837</u>	<u>745,390</u>
Non-current liabilities:				
Premium on issuance of bonds	221,681	-	221,681	(22,306)
Costs of issuance to be amortized	(99,861)	-	(99,861)	(119,834)
General obligation bonds payable	13,089,314	-	13,089,314	13,405,000
Accrued liabilities	37,951	-	37,951	33,336
Other	8,508	-	8,508	492
Total non-current liabilities	<u>13,257,593</u>	<u>-</u>	<u>13,257,593</u>	<u>13,296,688</u>
Total liabilities	<u>13,311,133</u>	<u>469,297</u>	<u>13,780,430</u>	<u>14,042,078</u>
NET ASSETS				
Invested in capital assets, net of related	6,556,301	91,133	6,647,434	7,379,246
Restricted for capital projects	20,000	-	20,000	371,569
Restricted for sinking funds	300,870	-	300,870	-
Unrestricted	1,102,244	(469,297)	632,947	605,268
Total net assets	<u>\$ 7,979,415</u>	<u>\$ (378,164)</u>	<u>\$ 7,601,251</u>	<u>\$ 8,356,083</u>

The Public Golf Course was contracted out to Billy Casper Golf LLC for full management in 2009. The Golf Course will be merged into the Parks and Recreation fund in 2010.

City of Topeka, Kansas

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Non-major Enterprise Funds

For the Year Ended December 31, 2009

With comparative totals for December 31, 2008

	Public Parking Facilities	Public Golf Course	Totals	
			2009	2008
Operating revenues:				
Charges for services:				
Parking fees	\$ 2,958,526	\$ -	\$ 2,958,526	\$ 2,823,301
Meter fines	209,355	-	209,355	290,410
Green fees	-	-	-	617,433
Other	10,590	877	11,467	28,404
Total operating revenues	3,178,471	877	3,179,348	3,759,548
Operating expenses before depreciation and payments in lieu of taxes and debt service:				
Salaries, wages, and benefits	783,050	-	783,050	899,550
Purchased services	1,150,092	-	1,150,092	1,410,967
Commodities	89,437	-	89,437	243,611
Other	59,049	-	59,049	45,977
Total operating expenses before depreciation and payments in lieu of taxes and debt service	2,081,628	-	2,081,628	2,600,105
Operating income (loss) before depreciation and payments in lieu of taxes and debt service	1,096,843	877	1,097,720	1,159,443
Depreciation expense	831,882	11,669	843,551	765,398
Payments in lieu of debt service	200,000	-	200,000	300,000
Payments in lieu of taxes	155,000	-	155,000	163,660
Operating income (loss)	(90,039)	(10,792)	(100,831)	(69,615)
Other income (expense):				
Interest income	16,566	-	16,566	38,324
Interest expense	(670,567)	-	(670,567)	(620,493)
Gain on disposal of capital assets	-	-	-	698
Total non-operating revenues (expenses)	(654,001)	-	(654,001)	(581,471)
Income (loss)	(744,040)	(10,792)	(754,832)	(651,086)
Change in net assets	(744,040)	(10,792)	(754,832)	(651,086)
Net assets (deficits) beginning of year	8,723,455	(367,372)	8,356,083	9,007,169
Net assets (deficits) end of year	\$ 7,979,415	\$ (378,164)	\$ 7,601,251	\$ 8,356,083

The Public Golf Course was contracted out to Billy Casper Golf LLC for full management in 2009. The Golf Course will be merged into the Parks and Recreation fund in 2010.

City of Topeka, Kansas
Combining Statement of Cash Flows
Non-major Enterprise Funds
For the Year Ended December 31, 2009
With comparative totals for December 31, 2008

	Public Parking Facilities	Public Golf Course	Totals	
			2009	2008
Cash flows from operating activities				
Receipts from customers and users	\$ 3,202,651	\$ 28,766	\$ 3,231,417	3,773,812
Payments to suppliers	(1,262,093)	(18,399)	(1,280,492)	(1,406,549)
Payments to employees	(783,050)	-	(783,050)	(899,550)
Payments for interfund services used	(355,090)	(165,868)	(520,958)	(463,660)
Other	(59,049)	877	(58,172)	(45,977)
Net cash provided (used) by operating activities	<u>743,369</u>	<u>(154,624)</u>	<u>588,745</u>	<u>958,076</u>
Cash flows from capital and related financing activities				
Amortization of bond costs	19,973	-	19,973	-
Premium on issuance of bonds	243,987	-	243,987	-
Acquisition and construction of capital assets	(214,638)	-	(214,638)	(858,443)
Principal paid on capital debt	(315,686)	-	(315,686)	(275,000)
Interest paid on capital debt	(670,567)	-	(670,567)	(620,493)
Proceeds from sales of capital assets	-	154,624	154,624	698
Net cash provided (used) by capital and related financing activities	<u>(936,931)</u>	<u>154,624</u>	<u>(782,307)</u>	<u>(1,753,238)</u>
Cash flows from investing activities				
Interest and dividends received	16,566	-	16,566	38,324
Net cash provided by investing activities	<u>16,566</u>	<u>-</u>	<u>16,566</u>	<u>38,324</u>
Net increase (decrease) in cash and cash equivalents	(176,996)	-	(176,996)	(756,838)
Cash and cash equivalents, beginning	1,685,454	-	1,685,454	2,442,292
Cash and cash equivalents, ending	<u>\$ 1,508,458</u>	<u>\$ -</u>	<u>\$ 1,508,458</u>	<u>\$ 1,685,454</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (90,039)	\$ (10,792)	\$ (100,831)	\$ (69,615)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	831,882	11,669	843,551	765,398
Changes in assets and liabilities:				
Accounts receivable	23,566	28,766	52,332	8,422
Intergovernmental receivables	614	-	614	-
Due from other funds	-	-	-	5,842
Inventories	-	-	-	39,406
Prepaid items	-	3,001	3,001	2,136
Accounts payable	521	(4,751)	(4,230)	(19,265)
Accrued liabilities	(23,085)	(16,649)	(39,734)	17,911
Due to other funds	(90)	(165,868)	(165,958)	207,841
Total adjustments	<u>833,408</u>	<u>(143,832)</u>	<u>689,576</u>	<u>1,027,691</u>
Net cash provided (used) by operating activities	<u>\$ 743,369</u>	<u>\$ (154,624)</u>	<u>\$ 588,745</u>	<u>\$ 958,076</u>

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

National Council on Governmental Accounting,
Statement 1, Principle 3,
Governmental Accounting, Auditing, and Financial Reporting

<u>FUND NAME</u>	<u>STATUTORY AUTHORITY</u>	<u>PURPOSE</u>
Information Technology	Topeka City Code Section 2-144	Accounts for assets, liabilities, revenues, and expenses in the operation of the Information Technology Department.
Fleet Services	Topeka Ordinance #15665	Accounts for the assets, liabilities, revenues, and expenses of fleet services for Public Works Department vehicles and also for other City departments' vehicles as needed.
Combined Risk Management, including:		
Workers' Compensation	K.S.A. 12-2615	Administered by the Risk Management Division of the Legal Department, provides accountability for expenditures and revenues for workers compensation claims.
Vehicle Physical Damage - Self Insurance	K.S.A. 12-2615	Administered by the Risk Management Division, provides accountability of expenditures and revenues for physical damage to City vehicles and aircraft.
Employees Health Insurance	Administrative	Provides fiscal and accounting control for the City Employee Health Self-Insurance Plan.
Risk Management Reserve	K.S.A. 12-2615	Administered by the Risk Management Division of the Legal Department, provides moneys to reimburse the City from insurable losses not otherwise insured.
Unemployment Compensation	Administrative	Administered by the Risk Management Division of the Legal Department, established to account for assessments made against compensation paid to City employees, to be used only to reimburse the State for unemployment compensation payments.

City of Topeka, Kansas
Combining Statement of Net Assets
Internal Service Funds
December 31, 2009

With comparative totals for December 31, 2008

	Information Technology	Fleet Services	Combined Risk Management	Totals	
				2009	2008
Assets					
Current assets:					
Cash and equity in Treasurer's Fund	\$ 674,815	\$ 790,372	\$ 11,382,208	\$ 12,847,395	\$ 14,166,582
Receivables (net of allowance for uncollectibles):					
Accounts receivable	-	-	51,481	51,481	59,042
Prepaid costs	416,138	-	163,934	580,072	60,000
Due from other funds	-	-	467	467	4,276
Due from other governments	-	434	-	434	-
Inventory	-	89,245	-	89,245	75,543
Total current assets	<u>1,090,953</u>	<u>880,051</u>	<u>11,598,090</u>	<u>13,569,094</u>	<u>14,365,443</u>
Non-current assets:					
Capital assets:					
Depreciable buildings, property, and equipment, net of depreciation	2,834,144	134,925	-	2,969,069	828,182
Other assets	-	-	-	-	-
Total non-current assets	<u>2,834,144</u>	<u>134,925</u>	<u>-</u>	<u>2,969,069</u>	<u>828,182</u>
Total assets	<u>3,925,097</u>	<u>1,014,976</u>	<u>11,598,090</u>	<u>16,538,163</u>	<u>15,193,625</u>
Liabilities					
Current liabilities:					
Accounts and contracts payable	40,528	92,716	104,966	238,210	293,563
Salaries & wages payable	16,737	38,124	3,614	58,475	142,765
Estimated insurance claims	-	-	1,941,607	1,941,607	2,201,457
Other	716,816	-	5,423	722,239	133,357
Unearned Revenue	-	434	591,609	592,043	440,000
Total current liabilities	<u>774,081</u>	<u>131,274</u>	<u>2,647,219</u>	<u>3,552,574</u>	<u>3,211,142</u>
Non-current liabilities:					
Accrued liabilities	56,963	63,527	-	120,490	116,544
Other	2,561,718	-	-	2,561,718	356,087
Total non-current liabilities	<u>2,618,681</u>	<u>63,527</u>	<u>-</u>	<u>2,682,208</u>	<u>472,631</u>
Total liabilities	<u>3,392,762</u>	<u>194,801</u>	<u>2,647,219</u>	<u>6,234,782</u>	<u>3,683,773</u>
Net assets					
Invested in capital assets, net of related debt	(440,382)	134,925	-	(305,457)	338,738
Unrestricted	972,717	685,250	8,950,871	10,608,838	11,171,114
Total net assets	<u>\$ 532,335</u>	<u>\$ 820,175</u>	<u>\$ 8,950,871</u>	<u>\$ 10,303,381</u>	<u>\$ 11,509,852</u>

City of Topeka, Kansas
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2009
With comparative totals for December 31, 2008

	Information Technology	Fleet Services	Combined Risk Management	Totals	
				2009	2008
Operating revenues:					
Charges for services	\$ 3,878,700	\$ 1,413,647	\$ 10,801,282	\$ 16,093,629	\$ 15,153,180
Other	81,375	1,127	154,008	236,510	326,490
Total operating revenues	<u>3,960,075</u>	<u>1,414,774</u>	<u>10,955,290</u>	<u>16,330,139</u>	<u>15,479,670</u>
Operating expenses before depreciation:					
Salaries, wages, and benefits	1,083,201	1,156,379	53,574	2,293,154	2,213,343
Purchased services	1,996,974	156,311	2,246,150	4,399,435	3,446,189
Commodities	209,140	93,544	45	302,729	176,855
Insurance claims	-	-	9,677,295	9,677,295	9,092,626
Other payments	-	72	-	72	(3,466)
Total operating expenses before depreciation	<u>3,289,315</u>	<u>1,406,306</u>	<u>11,977,064</u>	<u>16,672,685</u>	<u>14,925,547</u>
Operating income (loss) before depreciation	670,760	8,468	(1,021,774)	(342,546)	554,123
Depreciation	641,224	53,274	-	694,498	431,914
Operating income (loss)	29,536	(44,806)	(1,021,774)	(1,037,044)	122,209
Interest income	818	-	88,125	88,943	247,428
Interest expense	(258,370)	-	-	(258,370)	(32,454)
Other income	-	-	-	-	380,196
Total non-operating income (expense) before transfers	(228,016)	(44,806)	(933,649)	(1,206,471)	717,379
Net income	(228,016)	(44,806)	(933,649)	(1,206,471)	717,379
Increase in net assets	(228,016)	(44,806)	(933,649)	(1,206,471)	717,379
Total Net Assets Beginning of Year	<u>760,351</u>	<u>864,981</u>	<u>9,884,520</u>	<u>11,509,852</u>	<u>10,792,473</u>
Total Net Assets End of Year	<u>\$ 532,335</u>	<u>\$ 820,175</u>	<u>\$ 8,950,871</u>	<u>\$ 10,303,381</u>	<u>\$ 11,509,852</u>

City of Topeka, Kansas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2009
With comparative totals for December 31, 2008

	Information Technology	Fleet Services	Combined Risk Management	Totals	
				2009	2008
Cash flows from operating activities					
Receipts from customers and users	\$ 3,960,075	\$ 1,414,774	\$ 10,955,290	\$ 16,330,139	\$ 15,479,670
Payments to suppliers	130,186	(313,081)	(12,323,883)	(12,506,778)	(13,178,882)
Payments to employees	(1,083,201)	(1,156,379)	(53,574)	(2,293,154)	(2,213,343)
Payments for interfund services used	-	-	3,809	3,809	5,932
Other	-	-	151,609	151,609	460,336
Net cash provided (used) by operating activities	<u>3,007,060</u>	<u>(54,686)</u>	<u>(1,266,749)</u>	<u>1,685,625</u>	<u>553,713</u>
Cash flows from capital and related financing activities					
Interest expense	(258,370)	-	-	(258,370)	(32,454)
Payment of capital lease	-	-	-	-	(125,843)
Purchases of capital assets	<u>(2,788,209)</u>	<u>(47,176)</u>	<u>-</u>	<u>(2,835,385)</u>	<u>(152,762)</u>
Net cash provided (used) by capital and related financing activities	<u>(3,046,579)</u>	<u>(47,176)</u>	<u>-</u>	<u>(3,093,755)</u>	<u>(311,059)</u>
Cash flows from investing activities					
Interest received	818	-	88,125	88,943	247,428
Net cash provided by investing activities	<u>818</u>	<u>-</u>	<u>88,125</u>	<u>88,943</u>	<u>247,428</u>
Net increase in cash and cash equivalents	(38,701)	(101,862)	(1,178,624)	(1,319,187)	490,082
Cash and cash equivalents, January 1	713,516	892,234	12,560,832	14,166,582	13,676,500
Cash and cash equivalents, December 31	<u>\$ 674,815</u>	<u>\$ 790,372</u>	<u>\$ 11,382,208</u>	<u>\$ 12,847,395</u>	<u>\$ 14,166,582</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 29,536	\$ (44,806)	\$ (1,021,774)	\$ (1,037,044)	\$ 122,209
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Other	-	-	-	-	380,196
Depreciation expense	641,224	53,274	-	694,498	431,914
Changes in assets and liabilities:					
Due from other funds	-	-	3,809	3,809	26,268
Inventories	-	(13,702)	-	(13,702)	(11,396)
Prepaid items	(416,138)	-	(96,373)	(512,511)	30,958
Accounts payable	11,736	(25,474)	(304,020)	(317,758)	(873,208)
Accrued liabilities	2,740,702	(23,978)	-	2,716,724	40,569
Deferred Revenue	-	-	151,609	151,609	406,203
Total adjustments	<u>2,977,524</u>	<u>(9,880)</u>	<u>(244,975)</u>	<u>2,722,669</u>	<u>431,504</u>
Net cash provided (used) by operating activities	<u>\$ 3,007,060</u>	<u>\$ (54,686)</u>	<u>\$ (1,266,749)</u>	<u>\$ 1,685,625</u>	<u>\$ 553,713</u>

City of Topeka, Kansas
Combining Statement of Net Assets
Risk Management Funds
December 31, 2009

With comparative totals for December 31, 2008

	Workers'		Vehicle		Employees		Risk		Totals	
	Compensation Self-Insurance	Physical Damage Self-Insurance	Health Insurance	Management Reserve	Unemployment Compensation	2009	2008			
Assets										
Current assets:										
Cash and equity in Treasurer's Fund	\$ 1,504,606	\$ 1,377,294	\$ 6,451,824	\$ 1,674,285	\$ 374,199	\$ 11,382,208	\$ 12,560,832			
Receivables (net of allowance for uncollectibles):										
Accounts receivable	-	-	51,481	-	-	51,481	59,042			
Prepaid costs	-	70,481	93,453	-	-	163,934	60,000			
Due from other funds	73	-	313	81	-	467	4,276			
Total current assets	1,504,679	1,447,775	6,597,071	1,674,366	374,199	11,598,090	12,684,150			
Total assets	1,504,679	1,447,775	6,597,071	1,674,366	374,199	11,598,090	12,684,150			
Liabilities										
Current liabilities:										
Accounts and contracts payable	-	-	104,966	-	-	104,966	146,581			
Salaries & wages payable	3,614	-	-	-	-	3,614	11,592			
Estimated insurance claims	1,141,607	-	800,000	-	-	1,941,607	2,201,457			
Other	-	-	5,423	-	-	5,423	-			
Unearned Revenue	-	591,609	-	-	-	591,609	440,000			
Total current liabilities	1,145,221	591,609	910,389	-	-	2,647,219	2,799,630			
Total liabilities	1,145,221	591,609	910,389	-	-	2,647,219	2,799,630			
Net assets										
Unrestricted	359,458	856,166	5,686,682	1,674,366	374,199	8,950,871	9,884,520			
Total net assets	\$ 359,458	\$ 856,166	\$ 5,686,682	\$ 1,674,366	\$ 374,199	\$ 8,950,871	\$ 9,884,520			

City of Topeka, Kansas
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Risk Management Funds
For the Year Ended December 31, 2009
With comparative totals for December 31, 2008

	Workers' Compensation Self-Insurance	Vehicle Physical Damage Self-Insurance	Employees Health Insurance	Risk Management Reserve	Unemployment Compensation	Totals
	2009	2009	2009	2009	2009	2008
Operating revenues:						
Fees for service	\$ 1,286,271	\$ 477,999	\$ 8,914,370	\$ -	\$ 122,642	\$ 10,801,282
Miscellaneous	94,263	41,421	18,324	-	-	181,136
Total operating revenues	1,380,534	519,420	8,932,694	-	122,642	10,955,290
Operating expenses						
Personnel	53,574	-	-	-	-	53,574
Purchased services	821,976	204,810	1,208,364	-	11,000	1,661,060
Commodities	45	-	-	-	-	1,135
Insurance claims	599,708	112,416	8,790,646	-	174,525	9,092,626
Total operating expenses	1,475,303	317,226	9,999,010	-	185,525	10,811,840
Operating income (loss)	(94,769)	202,194	(1,066,316)	-	(62,883)	(64,978)
Non-operating revenues						
Interest income	13,740	-	59,802	14,583	-	247,428
Other income	-	-	-	-	-	380,196
Total non-operating income	13,740	-	59,802	14,583	-	627,624
Income (loss) before transfers	(81,029)	202,194	(1,006,514)	14,583	(62,883)	562,646
Change in net assets	(81,029)	202,194	(1,006,514)	14,583	(62,883)	562,646
Beginning net assets	440,487	653,972	6,693,196	1,659,783	437,082	9,321,874
Ending net assets	\$ 359,458	\$ 856,166	\$ 5,686,682	\$ 1,674,366	\$ 374,199	\$ 9,884,520

City of Topeka, Kansas
Combining Statement of Cash Flows
Risk Management Funds
For the Year Ended December 31, 2009
With comparative totals for December 31, 2008

	Workers' Compensation Self-Insurance	Vehicle Physical Damage Self-Insurance	Employees Health Insurance	Risk Management Reserve	Unemployment Compensation	Totals
	2009	2009	2009	2009	2009	2008
Cash flows from operating activities						
Receipts from customers and users	\$ 1,380,534	\$ 519,420	\$ 8,932,694	\$ -	\$ 122,642	\$ 10,746,862
Payments to suppliers	(1,689,557)	(331,581)	(10,117,220)	-	(185,525)	(11,184,081)
Payments to employees	(53,574)	-	-	-	-	(57,019)
Payments for interfund services used	655	-	2,594	560	-	5,932
Other	-	151,609	-	-	-	460,336
Net cash provided (used) by operating activities	(361,942)	339,448	(1,181,932)	560	(62,883)	(27,970)
Cash flows from investing activities						
Interest received	13,740	-	59,802	14,583	-	247,428
Net cash provided by investing activities	13,740	-	59,802	14,583	-	247,428
Net increase (decrease) in cash and cash equivalents	(348,202)	339,448	(1,122,130)	15,143	(62,883)	219,458
Cash and cash equivalents, January 1	1,852,808	1,037,846	7,573,954	1,659,142	437,082	12,341,374
Cash and cash equivalents, December 31	\$ 1,504,606	\$ 1,377,294	\$ 6,451,824	\$ 1,674,285	\$ 374,199	\$ 12,560,832
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (94,769)	\$ 202,194	\$ (1,066,316)	\$ -	\$ (62,883)	\$ (64,978)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Other	-	-	-	-	-	380,196
Changes in assets and liabilities:						
Due from (to) other funds	655	-	2,594	560	-	26,268
Prepaid items	-	(10,481)	(85,892)	-	-	30,958
Accounts payable	(267,828)	(3,874)	(32,318)	-	-	(806,617)
Deferred Revenue	-	151,609	-	-	-	406,203
Total adjustments	(267,173)	137,254	(115,616)	560	-	37,008
Net cash provided (used) by operating activities	\$ (361,942)	\$ 339,448	\$ (1,181,932)	\$ 560	\$ (62,883)	\$ (27,970)

City of Topeka, Kansas
Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2009

With comparative totals for December 31, 2008

	2009	2008
Governmental funds capital assets by category:		
Land	\$ 75,374,525	\$ 75,206,735
Buildings, Improvements, Infrastructure	933,510,391	919,810,717
Furniture and Fixtures	2,318,128	2,589,302
Vehicles	18,745,971	16,391,371
Machinery and Equipment	7,782,164	7,489,702
Software	65,036	-
Construction in Progress	71,015,797	76,134,606
Total governmental funds capital assets	\$ 1,108,812,012	\$ 1,097,622,433

Investments in governmental funds capital assets by source:		
General fund	\$ 1,000,561,747	\$ 986,056,182
Special revenue funds	37,234,468	35,431,645
Capital projects funds	71,015,797	76,134,606
Total governmental funds capital assets	\$ 1,108,812,012	\$ 1,097,622,433

The notes to the financial statements are an integral part of these statements

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

The Governmental Land and Investments in governmental general fund 2008 assets were restated to account for the retroactive treatment of GASB No. 51 dealing with Intangible Assets, which accounted for \$68,886,874 of City easements.

City of Topeka, Kansas
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2009

With comparative totals for December 31, 2008

Function and activity	Land	Buildings and Improvements	Furniture and Fixtures	Motor Vehicles	Tools and Equipment	Software	Construction in Process	Totals	
								2009	2008
General Government:									
City Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,983
Mayor/CAO	72,094,662	2,135,111	55,382	-	6,791	-	2,937,840	77,229,786	79,094,417
Legal Services	-	58,212	30,000	-	-	-	-	88,212	101,383
Administrative and Financial Services	-	-	737,438	-	-	-	-	737,438	751,875
Human resources	-	-	25,341	-	-	-	-	25,341	35,312
Municipal court	-	75,094	137,559	27,868	-	-	-	240,521	221,388
Miscellaneous	-	-	-	-	-	65,036	-	65,036	-
Total General Government	72,094,662	2,268,417	985,720	27,868	6,791	65,036	2,937,840	78,386,334	80,208,358
Public Safety:									
Police	446,152	15,160,922	592,289	5,131,344	355,695	-	91,075	21,777,477	21,686,169
Fire	53,136	5,042,415	401,179	7,798,561	1,561,727	-	150,021	15,007,039	14,912,680
Total Public Safety	499,288	20,203,337	993,468	12,929,905	1,917,422	-	241,096	36,784,516	36,598,849
Public Works:									
Administration	-	18,490,789	121,961	286,284	181,377	-	-	19,080,411	19,152,101
Engineering	-	44,140	46,815	374,636	125,362	-	-	590,953	586,447
Building inspection	-	-	18,483	205,424	-	-	-	223,907	237,808
Trafficways	-	738,563,109	47,460	574,487	358,680	-	10,378,407	749,922,143	737,233,180
Transportation	88,985	8,848,017	6,243	2,581,302	3,074,610	-	27,047,388	41,646,545	38,471,869
Bridges	-	114,531,669	-	-	-	-	27,464,788	141,996,457	145,945,971
Total Public Works	88,985	880,477,724	240,962	4,022,133	3,740,029	-	64,890,583	953,460,416	941,627,376
Parks and Recreation:									
Parks	2,643,590	29,373,439	80,030	1,711,765	1,885,136	-	2,896,695	38,590,655	38,187,738
Recreation	48,000	1,187,474	17,948	54,300	232,786	-	49,583	1,590,091	1,000,112
Total Parks and Recreation	2,691,590	30,560,913	97,978	1,766,065	2,117,922	-	2,946,278	40,180,746	39,187,850
Total governmental funds capital assets	\$ 75,374,525	\$ 933,510,391	\$2,318,128	\$ 18,745,971	\$ 7,782,164	\$ 65,036	\$ 71,015,797	\$ 1,108,812,012	\$ 1,097,622,433

The notes to the financial statements are an integral part of these statements

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

The Mayor/CAO 2008 assets were restated to account for the retroactive treatment of GASB No. 51 dealing with Intangible Assets, which accounted for \$68,886,874 of City easements.

City of Topeka, Kansas
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the year ended December 31, 2009

Function and activity	Governmental Fund Capital Assets 12/31/08	Additions	Deductions	Governmental Fund Capital Assets 12/31/09
General Government:				
City Council	\$ 3,983	\$ -	\$ 3,983	\$ -
Mayor/CAO	74,210,936	119,790	38,780	74,291,946
Legal Services	101,383	-	13,171	88,212
Administrative and Financial Services	751,875	-	14,437	737,438
Human resources	35,312	-	9,971	25,341
Municipal court	221,388	24,422	5,289	240,521
Miscellaneous	-	65,036	-	65,036
Community Development	-	-	-	-
Total General Government	<u>75,324,877</u>	<u>209,248</u>	<u>85,631</u>	<u>75,448,494</u>
Public Safety:				
Police	20,886,169	949,084	148,851	21,686,402
Fire	13,950,466	1,066,470	159,918	14,857,018
Total Public Safety	<u>34,836,635</u>	<u>2,015,554</u>	<u>308,769</u>	<u>36,543,420</u>
Public Works:				
Administration	19,152,069	-	71,658	19,080,411
Engineering	586,447	28,427	23,921	590,953
Building inspection	237,808	16,575	30,476	223,907
Trafficways	728,793,443	10,980,955	230,662	739,543,736
Transportation	12,593,234	2,204,167	198,244	14,599,157
Bridges	114,531,669	-	-	114,531,669
Total Public Works	<u>875,894,670</u>	<u>13,230,124</u>	<u>554,961</u>	<u>888,569,833</u>
Parks and Recreation:				
Parks	34,576,308	1,319,166	201,514	35,693,960
Recreation	855,337	743,914	58,743	1,540,508
Total Parks and Recreation	<u>35,431,645</u>	<u>2,063,080</u>	<u>260,257</u>	<u>37,234,468</u>
Governmental funds capital assets excluding construction in process	1,021,487,827	17,518,006	1,209,618	1,037,796,215
Governmental funds construction in process	<u>76,134,606</u>	<u>11,831,403</u>	<u>16,950,212</u>	<u>71,015,797</u>
Total governmental funds capital assets	<u>\$ 1,097,622,433</u>	<u>\$ 29,349,409</u>	<u>\$ 18,159,830</u>	<u>\$ 1,108,812,012</u>

The notes to the financial statements are an integral part of these statements

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

The Mayor/CAO 2008 assets were restated to account for the retroactive treatment of GASB No. 51 dealing with Intangible Assets, which accounted for \$68,886,874 of City easements.

STATISTICAL SECTION

This part of the City of Topeka's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures say about the city's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	122
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	126
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	132
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	142
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	145

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.*

City of Topeka, Kansas
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental Activities								
Invested in capital assets, net of related debt	\$ 371,387,011	\$ 347,949,488	\$ 315,869,831	\$ 295,663,965	\$ 262,873,235	\$ 272,511,890	\$ 321,190,223	\$ 308,783,199
Restricted for debt service	1,612,599	1,756,004	1,202,328	2,812,438	4,436,969	5,320,200	4,990,862	6,749,235
Restricted for capital projects	-	-	-	-	40,853	1,014,474	104,676	104,810
Unrestricted	23,904,371	23,775,707	28,186,126	36,295,195	56,982,355	30,416,974	35,839,081	29,026,047
Total Governmental Activities Net Assets	396,903,981	373,481,199	345,258,285	334,771,598	324,333,412	309,263,538	362,124,842	344,663,291
Business-Type Activities								
Invested in capital assets, net of related debt	162,220,121	172,063,436	141,159,915	139,930,303	145,623,138	145,198,301	156,909,635	152,554,765
Restricted for debt service	4,661,853	4,661,853	7,613,165	8,630,840	8,290,825	8,398,593	8,319,620	8,319,619
Restricted for capital projects	1,500,000	1,500,000	1,500,000	1,500,000	15,845,404	11,276,138	6,749,027	7,976,673
Restricted for sinking funds	2,550,638	3,009,686	2,760,998	2,879,242	2,388,983	3,056,448	3,242,703	3,329,836
Restricted for deposits	472,846	472,046	472,393	467,588	524,529	569,686	602,286	635,851
Unrestricted	16,963,315	7,924,181	36,322,814	38,636,904	20,007,794	25,177,691	17,302,389	24,940,996
Total Business-Type Activities Net Assets	188,368,773	189,631,202	189,829,285	192,044,877	192,680,673	193,676,857	193,125,660	197,757,740
Primary Government								
Invested in capital assets, net of related debt	533,607,132	520,012,924	457,029,746	435,594,268	408,496,373	417,710,191	478,099,858	461,337,964
Restricted	10,797,936	11,399,589	13,548,884	16,290,108	31,527,563	29,635,539	24,009,174	27,116,024
Unrestricted	40,867,686	31,699,888	64,508,940	74,932,099	76,990,149	55,594,665	53,141,470	53,967,043
Total Primary Government Net Assets	\$ 585,272,754	\$ 563,112,401	\$ 535,087,570	\$ 526,816,475	\$ 517,014,085	\$ 502,940,395	\$ 555,250,502	\$ 542,421,031

*Governmental Activities for 2008 were restated to reflect the retroactive treatment of GASB No. 51 for Intangible Assets, accounting for \$68,866,874.

City of Topeka, Kansas
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses								
Governmental Activities:								
General Government	\$ 12,149,931	\$ 16,059,375	\$ 13,058,303	\$ 15,478,671	\$ 11,586,215	\$ 14,341,948	\$ (50,453,620)	\$ 14,992,967
Public Safety	41,093,527	42,357,922	44,851,230	44,301,857	46,180,001	50,236,176	52,155,982	53,609,315
Public Works	42,230,107	40,349,669	40,509,135	43,308,612	43,453,681	42,801,152	42,769,762	41,691,731
Metropolitan Planning	-	-	-	-	852,604	997,806	908,365	897,258
Miscellaneous	2,675,531	1,078,991	13,686,232	602,031	1,137,603	436,371	(1,103,867)	206,630
Parks and Recreation	9,636,719	10,273,609	11,139,756	11,730,162	12,048,277	12,526,539	12,646,036	13,814,599
Public Housing	4,267,288	3,813,103	3,902,156	4,044,289	3,515,342	4,864,393	2,386,622	3,537,403
Social Services	984,714	668,354	697,203	664,335	758,097	778,614	964,006	1,077,479
Capital Leases	-	-	-	-	-	281,232	(90,415)	(93,704)
Interest	4,996,178	5,050,028	5,005,900	5,161,643	7,014,492	7,738,193	7,800,518	8,645,912
Total Governmental Activities Expenses	118,033,995	119,651,051	132,849,915	125,291,600	126,546,312	135,002,424	67,983,389	138,379,590
Business-Type Activities:								
Water, Water Pollution Control, & Stormwater Utility	37,416,758	39,436,709	43,462,577	46,018,492	49,704,499	52,085,653	59,604,907	56,248,119
Public Parking	2,892,977	3,273,200	3,616,803	3,291,919	3,198,078	3,566,490	3,537,726	3,939,077
Public Golf Course	825,052	897,809	804,042	790,552	793,221	853,731	911,930	11,669
Concessions	185,662	203,799	-	-	-	-	-	-
Total Business-Type Activities Expenses	41,320,449	43,811,517	47,883,422	50,100,963	53,695,798	56,505,874	64,054,563	60,198,865
Total Primary Government Expenses	159,354,444	163,462,568	180,733,337	175,392,563	180,242,110	191,508,298	132,037,952	198,578,455
Program Revenues								
Governmental Activities								
Charges for Services:								
General Government	3,437,357	4,842,720	8,029,066	7,185,457	1,725,530	11,130,288	10,065,179	9,437,917
Public Safety	109,096	113,169	765,400	153,671	365,736	385,906	329,998	431,755
Public Works	2,258,205	2,720,868	3,639,149	3,363,923	2,365,324	2,297,648	2,924,831	1,808,343
Miscellaneous	241,068	145,301	208,456	107,600	202,150	5,727	436,396	390,075
Parks and Recreation	1,934,611	2,025,330	2,309,285	2,393,364	2,300,624	2,592,634	2,720,158	3,256,677
Public Housing	-	-	-	-	-	48,551	49,695	-
Operating Grants and Contributions	12,614,896	7,851,537	7,245,247	9,009,008	11,427,462	7,697,626	5,471,840	5,600,726
Capital Grants and Contributions	2,010,122	5,784,892	3,140,374	2,316,994	5,555,889	1,503,751	1,344,661	869,465
Total Gov. Activities Program Revenues	22,605,355	23,483,817	25,336,977	24,530,017	23,942,715	25,662,131	23,342,758	21,794,958

continued...

City of Topeka, Kansas
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
...continued								
Business-Type Activities:								
Charges for Services:								
Water, Water Pollution Control, & Stormwater Utility	39,510,788	41,080,327	43,419,997	47,291,010	48,614,312	51,209,242	56,435,887	56,918,079
Public Parking	2,823,329	2,847,252	2,736,464	2,695,983	2,655,614	2,822,807	3,126,337	3,178,471
Public Golf Course	828,181	802,887	647,178	644,859	652,507	626,005	633,211	877
Concessions	181,373	204,931	-	-	-	-	-	-
Operating Grants and Contributions	33,000	-	-	20,000	-	-	30,469	-
Capital Grants and Contributions	1,329,042	-	-	-	70,061	456,116	2,168,467	3,782,949
Total Business-Type Act. Program Revenues	44,705,713	44,935,397	46,803,639	50,651,852	51,992,494	55,114,170	62,394,371	63,880,376
Total Primary Government Program Revenues	\$ 67,311,068	\$ 68,419,214	\$ 72,140,616	\$ 75,181,869	\$ 75,935,209	\$ 80,776,301	\$ 85,737,129	\$ 85,675,334
			**					
Net (Expense) Revenue								
Governmental Activities	\$ (95,428,640)	\$ (96,167,234)	\$ (107,512,938)	\$ (100,761,583)	\$ (102,603,597)	\$ (109,340,293)	\$ (44,640,631)	\$ (116,584,632)
Business-Type Activities:	3,385,264	1,123,880	(1,079,783)	550,889	(1,703,304)	(1,391,704)	(1,660,192)	3,681,511
Total Primary Government Net Expense	\$ (92,043,376)	\$ (95,043,354)	\$ (108,592,721)	\$ (100,210,694)	\$ (104,306,901)	\$ (110,731,997)	\$ (46,300,823)	\$ (112,903,121)
General revenues:								
Governmental Activities:								
Taxes								
Property taxes	\$ 33,683,841	\$ 35,368,108	\$ 37,551,521	\$ 38,621,393	\$ 37,393,649	\$ 39,142,343	\$ 41,454,387	\$ 41,411,812
Sales taxes	27,393,994	23,532,671	27,195,771	33,697,145	35,075,497	35,080,416	35,682,826	35,620,402
Franchise taxes	5,986,826	5,904,563	6,938,644	10,057,929	10,757,159	11,482,483	11,790,003	11,916,523
Motor fuel taxes	5,697,432	4,873,724	4,976,669	5,123,815	5,379,423	5,194,698	4,771,522	6,648,136
Alcoholic beverage taxes	1,220,592	1,260,704	1,237,716	1,292,445	1,468,050	1,441,932	1,601,574	1,617,758
Transient guest taxes	1,276,153	1,458,615	1,789,703	1,612,169	1,766,633	1,913,492	2,070,271	1,719,807
Grants/contrib not restricted to specific programs	2,163,903	-	-	-	-	-	131,352	136,764
Gain on sale of capital assets	5,092	-	-	-	-	-	-	-
Transfers in (out)	2,000,000	346,067	(400,000)	(130,000)	325,000	-	-	51,879
Total governmental activities	79,427,833	72,744,452	79,290,024	90,274,896	92,165,411	94,255,364	97,501,935	99,123,081

continued...

City of Topeka, Kansas
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Business-Type Activities								
Unrestricted investment earnings	820,012	484,616	863,868	1,526,703	2,876,773	1,944,408	1,107,202	966,083
Gain (loss) on sale of capital assets	150,416	-	13,998	8,000	(212,673)	443,480	1,793	36,365
Transfers	(2,000,000)	(346,067)	400,000	130,000	(325,000)	-	-	(51,879)
Total Business-Type Activities	(1,029,572)	138,549	1,277,866	1,664,703	2,339,100	2,367,888	1,108,995	950,569
Total Primary Government	\$ 78,398,261	\$ 72,883,001	\$ 80,567,890	\$ 91,939,599	\$ 94,504,511	\$ 96,643,252	\$ 98,610,930	\$ 100,073,650
Change in Net Assets								
Governmental Activities:								
Business-Type Activities	\$ (16,000,807)	\$ (23,422,782)	\$ (28,222,914)	\$ (10,486,687)	\$ (10,438,186)	\$ (15,084,929)	\$ 52,861,304	\$ (17,461,551)
Total Primary Government	2,355,692	1,262,429	198,083	2,215,592	635,796	996,184	(551,197)	4,632,080
	\$ (13,645,115)	\$ (22,160,353)	\$ (28,024,831)	\$ (8,271,095)	\$ (9,802,390)	\$ (14,088,745)	\$ 52,310,107	\$ (12,829,471)

*Governmental Activities were restated to include the Regional Planning Commission.

**Concession fund(Business-Type) was closed into the Public Golf Course fund

The capital outlay expense was reclassified for all years into the General Government fiduciary funds were converted to special revenue funds in 2007.

*Governmental Activities for 2008 were restated to reflect the retroactive treatment of GASB No. 51 for Intangible Assets, accounting for \$68,866,874.

City of Topeka, Kansas
Fund Balances, Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
General Fund								
Reserved	\$ 562,459	\$ 897,170	\$ 788,765	\$ 1,063,692	\$ 689,185	\$ 1,082,050	\$ 1,218,734	\$ 879,122
Unreserved	8,226,144	4,192,045	9,139,605	10,872,739	8,087,568	7,065,321	6,752,087	4,912,469
Total General Fund	<u>\$ 8,788,603</u>	<u>\$ 5,089,215</u>	<u>\$ 9,928,370</u>	<u>\$ 11,936,431</u>	<u>\$ 8,776,753</u>	<u>\$ 8,147,371</u>	<u>\$ 7,970,821</u>	<u>\$ 5,791,591</u>
All Other Governmental Funds								
Reserved	\$ 2,771,567	\$ 2,792,770	\$ 2,906,380	\$ 4,191,997	\$ 8,780,502	\$ 8,656,439	\$ 7,667,937	\$ 8,630,226
Unreserved, reported in:								
Special Revenue Funds	5,230,847	5,576,823	6,556,675	9,953,325	12,778,211	12,380,181	11,315,365	12,421,785
Capital Projects Funds	(2,730,641)	(4,878,339)	(7,467,753)	(10,481,329)	14,944,597	(6,993,892)	(3,929,892)	(11,159,441)
Total all other governmental funds	<u>\$ 5,271,773</u>	<u>\$ 3,491,254</u>	<u>\$ 1,995,302</u>	<u>\$ 3,663,993</u>	<u>\$ 36,503,310</u>	<u>\$ 14,042,728</u>	<u>\$ 15,053,410</u>	<u>\$ 9,892,570</u>

Two fiduciary funds were moved from special revenue funds in 2007.

This report normally would disclose ten years of information, but will only report since GASB 34 was implemented in 2002.

City of Topeka, Kansas
Changes in Fund Balances, Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:								
Taxes and assessments	\$ 64,342,266	\$ 62,045,216	\$ 68,634,320	\$ 75,806,083	\$ 75,653,375	\$ 77,663,208	\$ 80,793,020	\$ 80,680,484
Licenses and permits	7,220,562	7,167,543	8,566,896	11,682,029	12,393,096	13,093,705	13,221,725	13,244,851
Intergovernmental	16,695,475	15,129,905	13,834,393	13,485,071	12,448,639	14,895,471	12,853,091	14,399,963
Fees for service	5,682,954	6,139,352	7,593,706	7,697,417	7,530,038	7,710,858	7,875,082	8,198,079
Investment income	916,562	481,801	550,925	494,401	1,930,675	1,324,487	881,505	480,973
Fines and forfeitures	2,810,433	2,605,243	2,945,019	3,006,858	3,067,462	2,355,577	2,194,196	2,384,358
Rents	647	98,640	103,851	-	3,952	12,071	-	-
Other	1,462,123	1,972,288	1,730,312	2,246,069	1,830,075	1,920,956	2,066,654	1,147,226
Total revenues	99,131,022	95,639,988	104,959,422	114,417,928	114,857,312	118,976,333	119,885,273	120,535,934
Expenditures:								
Current:								
General government	13,862,851	14,336,221	14,491,502	16,107,096	16,461,418	15,980,267	16,229,447	14,735,535
Public safety	40,776,542	41,073,164	43,470,025	42,872,366	44,636,855	47,763,234	49,523,130	50,900,127
Public works	13,929,884	13,029,386	13,339,505	16,319,117	16,905,882	16,564,361	16,685,997	15,681,065
Metropolitan Planning	-	-	-	-	852,604	997,806	908,365	897,258
Miscellaneous	2,706,328	1,078,991	13,686,232	602,031	536,830	(28,610)	(1,103,867)	206,630
Parks and recreation	9,254,347	9,739,990	10,328,095	10,764,049	10,934,118	11,302,320	11,386,851	12,420,567
Public housing	4,267,288	3,813,103	3,902,156	4,044,289	3,515,342	4,864,393	2,386,622	3,537,403
Social services	984,714	688,354	697,203	664,335	758,097	778,614	964,006	1,077,479
Construction	3,903,533	12,087,729	7,158,585	17,590,173	30,654,057	34,415,024	17,423,213	8,688,795
Engineering and others	2,505,394	5,029,601	4,374,173	7,460,891	5,041,172	4,588,189	4,391,813	2,456,666
Capital leases	-	-	82,041	-	-	-	-	-
Underwriter's discount on bonds	-	-	332,250	-	-	-	-	-
Other costs of bond issuance	-	-	122,254	-	2,800	33,737	-	-
Refunding bond issuance costs	-	-	-	-	-	219,196	-	862,502
Debt service:								
Principal retirement	7,205,000	7,365,000	6,160,000	9,850,000	10,095,000	12,880,000	12,690,000	12,505,000
Interest	5,147,811	5,099,041	4,974,054	4,803,074	6,673,762	7,638,762	7,548,982	8,677,044
Administrative charges	-	-	-	-	-	-	-	-
Total expenditures	104,543,692	113,320,580	123,118,075	131,077,421	147,067,937	157,997,293	139,079,560	132,646,071
Excess (deficiency) of revenues over expenditures	(5,412,670)	(17,680,612)	(18,158,653)	(16,659,493)	(32,210,625)	(39,020,960)	(19,194,287)	(12,110,137)
Other financing sources (uses):								
Proceeds of general obligation bonds	-	42,335,000	59,385,000	20,115,000	60,540,000	15,085,000	20,039,890	3,345,000
Original issue premium on bonds	-	277,033	684,114	226,193	618,618	106,117	(102)	2,000,937
Original issue discount on bonds	-	-	(138,195)	-	-	(42,899)	(78,847)	660
Defeasance of bonds	-	(30,300,000)	(38,130,000)	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	14,135,000	4,530,110	50,940,686
Payment to refunded bond escrow agent	-	-	-	-	-	(13,965,000)	(4,522,500)	(51,613,950)
Redemption premium on defeased bonds	-	(520,956)	(379,200)	-	-	-	-	-
Transfers in	4,777,124	3,408,289	2,168,745	3,356,680	10,476,733	8,829,459	7,281,374	6,499,590
Transfers out	(3,709,668)	(3,062,222)	(2,609,501)	(3,492,247)	(10,406,930)	(8,329,459)	(7,281,374)	(6,447,711)
Capital leases	-	-	82,041	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-
Sale of property	64,754	63,561	420,852	130,619	661,843	97,723	59,868	44,855
Total other financing sources (uses)	1,132,210	12,200,705	21,501,856	20,336,245	61,890,264	15,915,941	20,028,419	4,770,067
Net change in fund balances	\$ (4,280,460)	\$ (5,479,907)	\$ 3,343,203	\$ 3,676,752	\$ 29,679,639	\$ (23,105,019)	\$ 834,132	\$ (7,340,070)
Debt service as a percentage of noncapital expenditures	12.59%	12.96%	9.98%	13.82%	15.06%	17.28%	17.27%	17.56%

See breakdown of taxes and assessments on page 128.
All years have been adjusted to reduce expenditures by Construction and Engineering and other amounts
Two fiduciary funds were moved into special revenue funds in 2007.
Starting in 2007 numbers have been restated to account properly for refunding of debt.
This report normally would disclose ten years of information, but will only report since GASB 34 was implemented in 2002.
2007-2008 debt was restated to reflect proper disclosure of premiums and discounts on bonds.

City of Topeka, Kansas
Tax Revenues by Source, Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Auto Ad Valorem	Sales Tax	Transient Guest Tax	Payments in Lieu of Taxes	Special Assessments	Total
2002	25,680,271	3,245,558	27,393,994	1,276,153	4,843,557	1,902,733	64,342,266
2003	27,242,985	3,297,687	23,532,671	1,458,615	4,925,748	1,587,510	62,045,216
2004	28,501,243	3,679,898	27,470,539	1,789,703	5,424,022	1,768,915	68,634,320
2005	29,392,422	3,509,857	33,697,144	1,612,169	5,671,862	1,922,629	75,806,083
2006	28,595,710	3,458,719	35,075,497	1,766,633	5,339,220	1,417,596	75,653,375
2007	29,989,259	3,343,126	35,080,416	1,913,492	5,737,447	1,599,468	77,663,208
2008	32,469,562	3,326,312	35,682,826	2,070,271	5,637,762	1,606,287	80,793,020
2009	32,373,062	3,470,239	35,614,413	1,719,807	5,570,911	1,932,052	80,680,484
Change 2002-2009	26.1%	6.9%	30.0%	34.8%	15.0%	1.5%	25.4%

**

***Payments in lieu of taxes are payments to the General Fund by proprietary funds to compensate the General Fund for the cost of services provided. The charge is based on property values.*

This report normally would disclose ten years of information, but will only report since GASB 34 was implemented in 2002.

City of Topeka, Kansas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Levy Year	Real Property	Personal Property	Motor Vehicle	Corporation	Total	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2000	598,880,284	100,095,765	103,112,439	82,107,765	884,196,253	31.785	5,133,131,762	17.23%
2001	639,811,794	104,293,494	102,761,506	90,808,628	937,675,422	32.574	5,504,254,827	17.04%
2002	663,952,786	99,512,426	106,771,595	90,583,484	960,820,291	32.447	5,680,535,365	16.91%
2003	697,585,301	101,802,554	108,022,653	91,086,096	998,496,604	33.129	5,948,006,923	16.79%
2004	743,500,077	102,142,306	111,107,944	96,183,658	1,052,933,985	33.224	6,273,558,359	16.78%
**			**		**		**	
2005	773,082,310	109,805,201	112,163,923	99,068,092	1,094,119,526	32.391	6,562,713,094	16.67%
2006	827,861,828	110,281,801	113,410,393	89,655,115	1,141,209,137	30.653	6,918,477,613	16.50%
2007	857,081,725	96,052,967	114,535,722	90,217,874	1,157,888,288	30.747	7,054,496,697	16.41%
2008	886,363,813	78,412,836	114,698,618	77,189,717	1,156,664,984	32.457	7,130,711,029	16.22%
2009	884,798,784	63,042,385	112,056,673	70,043,766	1,129,941,608	32.682	7,050,481,650	16.03%

Source: Shawnee County Clerk

The assessed value of each class is calculated by varying percentages of appraised or market value. The range varies from 11.5% for residential to 33% for public utilities.

**Note the 2004 valuation for motor vehicles was revised in June 2006

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2000	23,468,092	22,364,918	95.30%	30,848	22,395,766	95.43%
2001	24,710,652	24,285,629	98.28%	378,877	24,664,506	99.81%
2002	26,255,858	25,336,447	96.50%	343,824	25,680,271	97.81%
2003	27,343,275	26,780,238	97.94%	462,748	27,242,985	99.63%
2004	28,597,845	28,048,577	98.08%	452,666	28,501,243	99.66%
2005	29,449,181	28,984,901	98.42%	407,521	29,392,422	99.81%
2006	29,062,534	28,117,469	96.75%	478,241	28,595,710	98.39%
2007	30,513,054	29,650,544	97.17%	338,715	29,989,259	98.28%
2008	32,661,974	31,891,458	97.64%	578,104	32,469,562	99.41%
2009	32,394,897	31,637,962	97.66%	735,100	32,373,062	99.93%

(1) As computed and certified by Shawnee County Clerk on November 1 of levy year.

City of Topeka, Kansas
Direct and Overlapping Property Tax Rates
(Per \$1,000 of assessed value)
Last Ten Fiscal Years

Fiscal Year	City of Topeka					Other Overlapping Governments					Grand Total
	General Fund	Debt Service Fund	Parks and Recreation Fund	Others	Total	State of Kansas	Shawnee County	School District No 501	Washburn University	Others	
2001	11.231	12.181	7.475	1.687	32.574	1.500	35.971	49.610	3.311	13.819	136.785
2002	13.222	10.246	8.013	0.966	32.447	1.500	40.592	52.563	3.312	12.848	143.262
2003	13.278	11.236	8.193	0.422	33.129	1.500	40.734	47.769	3.314	13.384	139.830
2004	17.220	7.680	6.105	2.219	33.224	1.500	43.043	46.198	3.308	13.967	141.240
2005	10.508	13.931	5.930	2.022	32.391	1.500	42.091	54.007	3.313	14.195	147.497
2006	10.855	12.060	5.763	1.975	30.653	1.500	41.850	53.295	3.313	13.118	143.729
2007	11.044	11.600	5.257	2.846	30.747	1.500	41.919	53.367	3.314	13.707	144.554
2008	11.944	12.598	5.388	2.527	32.457	1.500	41.662	53.423	3.315	13.272	145.629
2009	11.805	12.545	5.501	2.831	32.682	1.500	40.117	54.740	3.316	13.289	145.644
2010*	18.469	13.852	-	0.271	32.592	1.500	40.965	54.429	3.316	14.715	147.517

Note: The city's property tax rates may be changed until August 25th of each year. A notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, a hearing may be held and the City Council may amend the budget. Once the rates have been certified to the State the rates can no longer be changed.

*Parks & Recreation, Zoo, General Improvement and Unsafe Structure funds amounts have been consolidated to the General fund.

City of Topeka, Kansas
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Westar Energy***	55,452,031	1	4.91%	59,521,884	1	6.73%
Southwestern Bell/Utility***	18,195,262	2	1.61%	31,458,627	2	3.56%
Goodyear Tire & Rubber/Manufacturing	13,222,530	3	1.17%	-	-	-
Kansas Gas Service/Utility***	13,089,200	4	1.16%	6,382,348	5	0.72%
Burlington Northern/Santa Fe/Utility***	12,516,561	5	1.11%	11,311,367	4	1.28%
Westridge Mall LLC/Retail (Simon Property Group)	10,910,237	6	0.97%	12,861,165	3	1.45%
Walmart Properties/Hypermart/Retail	7,969,899	7	0.71%	-	-	-
Payless Shoe Source/Manufacturing	6,849,295	8	0.61%	-	-	-
Frito Lay/Manufacturing	6,539,210	9	0.58%	59,946,442	6	6.78%
Union Pacific/Utility ***	5,700,053	10	0.50%	-	-	-
*Atrium Finance V LLC/Hotel	-	-	-	5,341,251	8	-
Hallmark Cards/Manufacturing	-	-	-	4,865,965	9	0.55%
Blue Cross & Blue Shield	-	-	-	5,728,210	7	0.65%
Star-Kist	-	-	-	3,905,470	10	0.44%
Total	\$ 150,444,278		13.31%	\$ 201,322,729		22.17%
Total Assessed Value	\$ 1,129,941,608			\$ 884,196,253		

Source: Shawnee County Clerk 2007 tax roll
 In 2008 Atrium Finance took over John Q. Hammons Hotels.

*Included in the NRA
 ***State Assessed

City of Topeka, Kansas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Temporary Notes	Other Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds	Temporary Notes	Department of Health & Environment Loans	Capital Leases				
										General Obligation Bonds			
2000	108,726,200	11,530,000	-	-	428,800	41,740,000	2,000,000	27,788,362	-	192,213,362	3.19%	1,563	
2001	109,163,400	4,065,000	-	2,484,618	6,256,600	66,380,000	9,500,000	27,633,083	71,446	225,554,147	3.61%	1,838	
2002	101,958,400	9,815,070	-	2,745,704	6,256,600	65,190,000	2,034,930	37,592,045	48,952	225,641,701	3.54%	1,847	
2003	106,636,500	14,456,414	-	2,216,017	6,248,500	63,960,000	2,543,586	64,454,297	25,162	260,540,475	4.03%	2,132	
2004	121,740,000	20,559,075	-	1,718,967	6,240,000	100,750,000	2,580,925	77,905,586	-	331,494,553	5.00%	2,724	
2005	132,005,000	19,413,136	-	1,220,560	6,240,000	114,235,000	6,011,864	85,969,205	-	365,094,765	5.35%	2,994	
2006	135,580,000	10,572,369	46,870,000	746,539	13,810,000	113,800,000	897,631	93,678,715	-	415,955,254	5.79%	3,406	
2007	140,160,000	6,379,336	44,665,000	896,518	13,680,000	119,140,000	2,820,664	93,762,685	-	421,504,203	5.35%	3,437	
2008	149,845,000	16,350,000	42,350,000	680,260	13,405,000	117,255,000	-	90,610,984	-	430,496,244	5.27%	3,487	
2009	143,280,686	20,071,139	39,485,000	3,371,639	13,089,314	115,275,000	4,818,861	89,619,673	-	429,011,312	5.06%	3,451	

Note: Information regarding other bonds issued, for example tax increment or special revenue bonds, but backed by the full faith and credit of the City have been added. The temporary notes have been left in due to the anticipation of them becoming long term debt in the following year. The Governmental General Obligation bonds include bonds issued for special improvement districts also. Details regarding the City's outstanding debt can be found in the notes on pages 60-63 and in the statistical section on pages 132-141. See page 142 for personal income and population data.

City of Topeka, Kansas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	Total Primary Government	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	General Obligation Bonds			
2000	108,726,200	428,800	109,155,000	2.13%	887.87
2001	109,163,400	6,256,600	115,420,000	2.10%	940.78
2002	101,958,400	6,256,600	108,215,000	1.91%	885.58
2003	106,636,500	6,248,500	112,885,000	1.90%	923.57
2004	121,740,000	6,240,000	127,980,000	2.04%	1,051.68
2005	132,005,000	6,240,000	138,245,000	2.11%	1,133.66
2006	135,580,000	13,810,000	149,390,000	2.16%	1,223.38
2007	140,160,000	13,680,000	153,840,000	2.18%	1,254.38
2008	149,845,000	13,405,000	163,250,000	2.29%	1,322.44
2009	143,280,686	13,089,314	156,370,000	2.22%	1,257.69

Note: Details regarding the city's outstanding debt can be found on pages 132-141.

See page 129 for property value data, and population data can be found on page 142.

Note: Per capita amounts changed due to update in personal income figures on Demographic and Economic Statistics page 142.

City of Topeka, Kansas
Direct and Overlapping Governmental Activities Debt
December 31, 2009

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Shawnee County	\$ 53,845,000	70.84%	\$ 38,143,798
Unified School District No. 345	16,655,000	29.39%	4,894,905
Unified School District No. 437	56,220,000	62.68%	35,238,696
Unified School District No. 450	24,995,000	22.16%	5,538,892
Unified School District No. 501	40,900,000	100.00%	40,900,000
Washburn University	27,500,000	100.00%	27,500,000
Topeka Shawnee Co. Library	<u>15,760,000</u>	70.84%	<u>11,164,384</u>
	235,875,000		163,380,675
Direct debt, City of Topeka:			
General obligation bonds	156,370,000		156,370,000
Temporary notes	24,890,000		24,890,000
Capital leases	<u>3,371,639</u>		<u>3,371,639</u>
Total direct and overlapping debt	<u>\$ 420,506,639</u>		<u>\$ 348,012,314</u>

Source: The debt outstanding was provided by the Shawnee County Clerk

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments.

City of Topeka, Kansas
Legal Debt Margin Information
Last Ten Fiscal years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 265,258,876	\$ 281,302,627	\$ 288,246,087	\$ 299,548,981	\$ 335,444,774	\$ 328,235,858	\$ 342,362,741	\$ 347,366,486	\$ 346,999,495	\$ 338,982,482
Total net debt applicable to limit	110,743,959	118,631,535	113,017,753	120,841,801	142,729,341	155,727,186	74,795,038	85,780,252	95,537,544	67,744,435
Legal debt margin	<u>\$ 154,514,917</u>	<u>\$ 162,671,092</u>	<u>\$ 175,228,334</u>	<u>\$ 178,707,180</u>	<u>\$ 192,715,433</u>	<u>\$ 172,508,672</u>	<u>\$ 267,567,703</u>	<u>\$ 261,586,234</u>	<u>\$ 261,586,234</u>	<u>\$ 271,238,048</u>
Total net debt applicable to the limit as a percentage of debt limit	41.75%	42.17%	39.21%	40.34%	42.55%	47.44%	21.85%	24.69%	27.53%	19.98%

As permitted by Kansas statutes, for 2009 the City has excluded certain types of debt from this computation as follows:

\$ 70,548,394	K.S.A. 10-427a
36,217,936	K.S.A. 10-309
23,675,000	K.S.A. 12-195(8)
15,810,000	K.S.A. 12-1774
<u>Total excluded in 2009</u>	<u>\$ 146,251,330</u>

In 2005 and prior years, the City did not exclude refunding debt from this computation as provided in KSA 10-427a.

Legal Debt Margin Calculation for Fiscal Year 2009

Total assessed value	<u>\$ 1,129,941,608</u>
Debt limit (30% of total assessed value)	<u>338,982,482</u>
Debt applicable to limit:	
General obligation bonds	74,493,670
Less: Amount set aside for repayment of general obligation debt	(6,749,236)
Total net debt applicable to limit	<u>67,744,435</u>
Legal debt margin	<u>\$ 271,238,048</u>

Note: Per Kansas Statutes Annotated ("K.S.A.") Section 10-308, "The authorized and outstanding bonded indebtedness of any city shall not exceed 30% of the assessed valuation of the city." K.S.A. Section 10-309 allows for certain exceptions to calculating the legal debt limit.

City of Topeka, Kansas
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Revenues ⁴	Less: Expenses ¹	Net Available Revenue		Debt Service on KDHE Loans (Next Fiscal Year)		Debt Service on Revenue Bonds (Next Fiscal Year)		KDHE Loan Coverage ³
			Revenue	Available	Principal	Interest	Principal	Interest	
2000	\$36,864,259	\$21,972,611	\$14,891,648	\$2,269,953	\$1,060,178	\$725,000	\$2,033,485	2.45	
2001	\$34,378,085	\$24,052,622	\$10,325,463	\$2,346,908	\$988,661	\$1,190,000	\$2,920,130	1.39	
2002	\$37,397,613	\$26,852,463	\$10,545,150	\$2,336,290	\$1,049,072	\$1,230,000	\$3,321,653	1.33	
2003	\$41,536,887	\$27,127,247	\$14,409,640	\$3,517,054	\$2,048,195	\$1,280,000	\$3,262,553	1.43	
2004	\$44,485,360	\$29,862,012	\$14,623,348	\$3,638,050	\$1,936,067	\$1,390,000	\$4,907,439	1.23	
2005	\$48,832,060	\$31,416,570	\$17,415,490	\$4,985,751	\$2,643,644	\$1,905,000	\$5,387,707	1.17	
2006	\$51,324,679	\$32,890,029	\$18,434,650	\$5,551,824	\$2,863,855	\$2,010,000	\$4,656,037	1.22	
2007	\$53,433,665	\$34,710,687	\$18,722,978	\$6,033,276	\$2,930,765	\$1,885,000	\$5,435,949	1.15	
2008	\$57,625,194	\$34,710,687	\$22,914,507	\$6,638,050	\$3,028,657	\$1,980,000	\$5,319,718	1.35	
2009	\$58,153,086	\$35,341,106	\$22,811,980	\$6,884,878	\$2,726,323	\$2,050,000	\$5,219,518	1.35	

Fiscal Year	Gross Revenues ⁴	Less: Expenses ²	Net Available Revenue		Debt Service on Revenue Bonds (Next Fiscal Year)		Revenue Bond Coverage ³
			Revenue	Available	Principal	Interest	
2000	\$36,864,259	\$21,044,759	\$15,819,500	\$725,000	\$2,033,485	5.73	
2001	\$34,378,085	\$24,124,446	\$10,253,639	\$1,190,000	\$2,920,130	2.49	
2002	\$37,397,613	\$26,847,219	\$10,550,394	\$1,230,000	\$3,321,653	2.32	
2003	\$41,536,887	\$27,094,743	\$14,442,144	\$1,280,000	\$3,262,553	3.18	
2004	\$44,595,860	\$31,217,897	\$13,377,963	\$1,390,000	\$4,907,439	2.12	
2005	\$49,032,060	\$32,388,584	\$16,643,476	\$1,905,000	\$5,387,707	2.28	
2006	\$51,324,679	\$36,001,171	\$15,323,508	\$2,010,000	\$4,656,037	2.30	
2007	\$53,433,668	\$39,284,253	\$14,149,416	\$1,885,000	\$5,568,118	1.90	
2008	\$57,625,194	\$39,780,560	\$17,844,633	\$1,980,000	\$5,319,718	2.44	
2009	\$58,153,086	\$39,284,253	\$18,868,833	\$2,050,000	\$5,219,518	2.60	

City of Topeka, Kansas
Schedule of Bonded Indebtedness by Category
December 31, 2009

Bond Series	Interest rates	Issue Date	Final maturity	Original Principal Amount	Principal Outstanding 01/01/2009	Issued	Retired	Refunded	Principal Outstanding 12/31/2009
General obligation bonds (A)									
Building Improvements									
2001A	4.05%-5.00%	03/01/01	08/15/21	\$ 6,240,000	\$ 5,975,000	\$ -	\$ 140,000	\$ 5,835,000	\$ -
2003A	1.80%-4.125%	03/01/03	08/15/17	523,019	330,019	-	38,733	291,286	-
2003B	2.375%-5.00%	08/14/03	08/15/18	7,090,315	3,449,258	-	944,610	2,504,648	-
2003C	2.70%-5.50%	11/24/03	08/15/23	4,331,205	3,571,073	-	179,422	3,391,651	-
2004B	3.10%-4.25%	10/07/04	08/15/20	9,388,630	7,136,030	-	558,680	6,577,350	-
2004C	3.10%-5.00%	11/23/04	08/15/24	118,531	99,738	-	4,655	95,083	-
2005A	3.30%-5.50%	02/17/05	08/15/25	5,635,000	5,005,000	-	220,000	-	4,785,000
2005B	3.50%-5.00%	11/29/05	08/15/25	1,127,949	1,127,949	-	5,993	-	1,121,956
2005C	4.88%-5.50%	11/29/05	08/15/15	5,070,000	3,675,000	-	470,000	-	3,205,000
2006A	4.00%-4.25%	11/28/06	08/15/26	13,670,000	1,317,654	-	51,262	-	1,266,392
2006B	4.00%-4.375	11/28/06	08/15/36	7,570,000	7,430,000	-	145,000	-	7,285,000
2007A	3.50% - 4.25%	02/28/07	08/15/21	4,453,563	4,089,653	-	20,480	-	4,069,173
2007D	4.00% - 4.50%	11/28/07	08/15/27	1,369,871	1,338,088	-	48,129	-	1,289,959
2008A	3.50% - 5.60%	10/29/08	08/15/30	1,601,828	1,601,828	-	17,277	-	1,584,551
2009A	2.50% - 4.00%	10/28/09	08/15/29	311,220	-	311,220	-	-	311,220
2009B	2.50% - 4.00%	10/28/09	08/15/31	18,596,777	-	18,596,777	-	-	18,596,777
				87,097,908	46,146,290	18,907,997	2,844,241	18,695,018	43,515,028
Drainage Improvements									
2007A	3.50% - 4.25%	02/28/07	08/15/21	313,773	288,134	-	1,443	-	286,691
2008A	3.50% - 5.60%	10/29/08	08/15/30	160,715	160,715	-	1,733	-	158,982
				474,488	448,849	-	3,176	-	445,673
Sanitary and Storm Sewer									
2003A	1.80%-4.125%	03/01/03	08/15/17	161,037	91,037	-	16,600	74,437	-
2003B	2.375%-5.00%	08/14/03	08/15/18	1,502,500	27,084	-	27,084	-	-
2003C	2.70%-5.50%	11/24/03	08/15/23	68,895	56,803	-	2,854	53,949	-
2004C	3.10%-5.00%	11/23/04	08/15/24	216,295	182,002	-	8,494	173,508	-
2005B	3.50%-5.00%	11/29/05	08/15/25	475,154	475,154	-	2,525	-	472,629
2006A	4.00%-4.25%	11/28/06	08/15/26	695,209	640,538	-	24,920	-	615,618
2007A	3.50% - 4.25%	02/28/07	08/15/21	263,165	241,661	-	1,210	-	240,451
2007D	4.00% - 4.50%	11/28/07	08/15/27	400,077	390,794	-	14,056	-	376,738
2008A	3.50% - 5.60%	10/29/08	08/15/30	2,487,965	2,487,965	-	26,834	-	2,461,131
2009A	2.50% - 4.00%	10/28/09	08/15/29	610,081	-	610,081	-	-	610,081
2009B	2.50% - 4.00%	10/28/09	08/15/31	300,306	-	300,306	-	-	300,306
				7,180,684	4,593,038	910,387	124,577	301,894	5,076,954
Street Improvements									
2003A	1.80%-4.125%	03/01/03	08/15/17	1,167,529	600,279	-	110,667	489,612	-
2003B	2.375%-5.00%	08/14/03	08/15/18	793,050	78,144	-	78,144	-	-
2003C	2.70%-5.50%	11/24/03	08/15/23	890,554	734,262	-	36,892	697,370	-
2004B	3.10%-4.25%	10/07/04	08/15/20	2,264,270	682,710	-	218,540	464,170	-
2004C	3.10%-5.00%	11/23/04	08/15/24	560,307	471,474	-	22,005	449,469	-
2005B	3.50%-5.00%	11/29/05	08/15/25	3,464,719	3,464,719	-	18,410	-	3,446,309
2006A	4.00%-4.25%	11/28/06	08/15/26	3,907,178	3,599,920	-	140,053	-	3,459,867
2007A	3.50% - 4.25%	02/28/07	08/15/21	693,340	636,686	-	3,188	-	633,498
2007D	4.00% - 4.50%	11/28/07	08/15/27	10,643,834	10,396,878	-	373,964	-	10,022,914
2008A	3.50% - 5.60%	10/29/08	08/15/30	16,204,903	16,204,903	-	174,778	-	16,030,125
2009A	2.50% - 4.00%	10/28/09	08/15/29	1,464,683	-	1,464,683	-	-	1,464,683
2009B	2.50% - 4.00%	10/28/09	08/15/31	2,089,575	-	2,089,575	-	-	2,089,575
				44,143,942	36,869,975	3,554,258	1,176,641	2,100,621	37,146,971
Trafficway Improvements									
2003A	1.80%-4.125%	03/01/03	08/15/17	3,598,403	2,791,902	-	193,667	2,598,235	-
2003B	2.375%-5.00%	08/14/03	08/15/18	14,633,860	7,615,514	-	1,170,162	6,445,352	-
2003C	2.70%-5.50%	11/24/03	08/15/23	4,820,346	3,974,368	-	199,685	3,774,683	-
2004B	3.10%-4.25%	10/07/04	08/15/20	21,002,980	14,900,260	-	1,787,780	13,112,480	-
2004C	3.10%-5.00%	11/23/04	08/15/24	1,546,660	1,301,444	-	60,742	1,240,702	-
2005B	3.50%-5.00%	11/29/05	08/15/25	2,224,255	2,224,255	-	11,819	-	2,212,436
2006A	4.00%-4.25%	11/28/06	08/15/26	3,193,094	2,941,992	-	114,456	-	2,827,536
2007A	3.50% - 4.25%	02/28/07	08/15/21	7,404,046	6,799,047	-	34,048	-	6,764,999
2007D	4.00% - 4.50%	11/28/07	08/15/27	349,554	341,444	-	12,281	-	329,163
2008A	3.50% - 5.60%	10/29/08	08/15/30	3,503,719	3,503,719	-	37,789	-	3,465,930
2009A	2.50% - 4.00%	10/28/09	08/15/29	959,016	-	959,016	-	-	959,016
2009B	2.50% - 4.00%	10/28/09	08/15/31	27,028,483	-	27,028,483	-	-	27,028,483
				90,264,416	46,393,945	27,987,499	3,622,429	27,171,452	43,587,563

continued...

City of Topeka, Kansas
Schedule of Bonded Indebtedness by Category
December 31, 2009

Bond Series	Interest rates	Issue Date	Final maturity	Original Principal Amount	Principal Outstanding 01/01/2009	Issued	Retired	Refunded	Principal Outstanding 12/31/2009
<i>...continued</i>									
Park Improvements									
2003A	1.80%-4.125%	03/01/03	08/15/17	755,012	491,763	-	55,333	436,430	-
2003C	2.70%-5.50%	11/24/03	08/15/23	1,114,000	918,494	-	46,147	872,347	-
2004B	3.10%-4.25%	10/07/04	08/15/20	6,111,940	4,391,000	-	480,000	3,911,000	-
2004C	3.10%-5.00%	11/23/04	08/15/24	4,433,207	3,730,342	-	174,104	3,556,238	-
2005B	3.50%-5.00%	11/29/05	08/15/25	2,117,923	2,117,923	-	11,253	-	2,106,670
2006A	4.00%-4.25%	11/28/06	08/15/26	4,444,402	4,094,896	-	159,309	-	3,935,587
2007A	3.50% - 4.25%	02/28/07	08/15/21	1,007,113	924,819	-	4,631	-	920,188
2007D	4.00% - 4.50%	11/28/07	08/15/27	2,321,663	2,267,796	-	81,570	-	2,186,226
2008A	3.50% - 5.60%	10/29/08	08/15/30	610,870	610,870	-	6,589	-	604,281
2009B	2.50% - 4.00%	10/28/09	08/15/31	8,729,859	-	8,729,859	-	-	8,729,859
				<u>31,645,989</u>	<u>19,547,903</u>	<u>8,729,859</u>	<u>1,018,936</u>	<u>8,776,015</u>	<u>18,482,811</u>
Taxable Pension Obligation									
2004A	4.00%-5.00%	08/12/04	08/15/15	13,385,000	9,250,000	-	1,135,000	-	8,115,000
				<u>13,385,000</u>	<u>9,250,000</u>	<u>-</u>	<u>1,135,000</u>	<u>-</u>	<u>8,115,000</u>
Total all general obligation bonds (A)				\$ 274,192,428	\$ 163,250,000	\$ 60,090,000	\$ 9,925,000	\$ 57,045,000	\$ 156,370,000
Other Bonds (B):									
2006A	4.00 - 5.50	03/30/06		\$ 10,405,000	\$ 10,405,000	\$ -	\$ 250,000	\$ -	\$ 10,155,000
2006	4.00 - 5.00	06/15/06		30,625,000	26,105,000	-	2,430,000	-	23,675,000
2006A	4.125 - 5.75	07/27/06		5,840,000	5,840,000	-	185,000	-	5,655,000
Total Other Bonds				\$ 46,870,000	\$ 42,350,000	\$ -	\$ 2,865,000	\$ -	\$ 39,485,000
Revenue Bonds (C):									
2004A	2.00%-6.00%	02/19/04	08/01/33	46,180,000	41,470,000	-	1,005,000	-	40,465,000
2005A	4.00%-7.50%	12/09/05	08/01/35	14,875,000	13,975,000	-	225,000	-	13,750,000
2006A	4.25%-4.375	10/18/06	08/01/31	32,375,000	32,375,000	-	-	-	32,375,000
2006B	4.00%-5.00%	10/18/06	08/01/21	22,600,000	22,095,000	-	705,000	-	21,390,000
2007B	4.625% - 4.75%	07/17/07	08/01/37	5,210,000	5,210,000	-	-	-	5,210,000
2007C	6.00%	07/17/07	08/01/25	2,140,000	2,130,000	-	45,000	-	2,085,000
Total all revenue bonds				\$ 123,380,000	\$ 117,255,000	\$ -	\$ 1,980,000	\$ -	\$ 115,275,000
Total all bonded indebtedness				\$ 444,442,428	\$ 322,855,000	\$ 60,090,000	\$ 14,770,000	\$ 57,045,000	\$ 311,130,000

Notes:

(A) Payable from general property tax, special assessments and other revenue.

(B) These include STAR, Tax Increment Financing and Sales Tax Revenue Bonds

(C) Payable from combined Water, Water Pollution Control, and Stormwater Utility Fund revenues or general property tax.

See independent auditors' report.

City of Topeka, Kansas
Schedule of Temporary Notes Outstanding by Project
December 31, 2009

Project Purpose/Description	Project Number	Project Amount Financed
Rehab Water Treatment Plant	286383	\$ 823,694.66
South Kansas River Pump Station	291050	1,282,398.87
N. Topeka WWTR SCADA	291110	641,199.44
Northland Pump Station	291120	690,522.47
Southwest Interceptor	409650	1,381,044.94
Renovate Fire Stat #5	13153	986,460.67
Traffic Study SW 29th & I470	701231	493,230.34
Retention Pond - Laurens	150790	98,646.07
Water Main Lauren Bay	286270	118,948.09
Water Ext Laurens Bay #1	286420	394,584.27
San Sewer Capricorn Woods #3	408743	218,994.27
Huntoon Sewer Main & Lateral	408981	118,988.45
San Swr Horseshoe Bend	409360	217,084.65
San Swr Lauren's Bay Villas	409450	461,072.57
San Swr Lauren Bay 2	409510	393,613.44
San Swr Lauren Bay 1	409511	1,676,983.14
San Sewer Cedar Crest Office	409700	143,036.80
Street Capricorn Woods #3	606102	591,876.40
Alexander Place	606114	388,434.32
St Improvement Horseshoe Bend	606190	1,066,856.23
St Improvement Lauren's Bay Villa	606250	677,553.07
Lauren Bay Villa 2 Street	606320	725,039.31
Lauren Bay Estate Street	606321	4,140,578.89
St Improv Legends Ridge	606351	295,938.20
Frazier St 3rd and 4th	606380	310,747.45
St Improvement Lauren Blk M & E	606410	1,035,824.83
St Improvement SW Kingsrow Rd	606450	98,646.07
St Improvement Cedar Crest Office	606550	394,584.27
MacVicar Sw 6th - I70	701962	3,790,342.00
SE 45th & Croco	702030	1,233,075.84
Total aggregate principal outstanding		<u><u>\$ 24,890,000</u></u>

Note: On October 30, 2009, the City issued its Series 2009-B Temporary Notes in the principal amount of \$24,890,000. The 2009-B Notes were purchased by Barclays Capital, Inc., bear interest at 2.00%, and are scheduled to mature on November 1, 2010.

See independent auditor's report.

City of Topeka, Kansas
Debt Service Payments to Final Maturity
Revenue Bonds
December 31, 2009

SCHEDULED DEBT SERVICE					
Year Ending	Principal Amount Due	Interest	Total Annual Debt Service	Bonds Outstanding at End of Year	Percent Paid off
2010	\$ 2,050,000	\$ 5,219,518	\$ 7,269,518	113,225,000	1.78%
2011	2,105,000	5,115,917	7,220,917	111,120,000	3.60%
2012	2,175,000	5,009,418	7,184,418	108,945,000	5.49%
2013	2,275,000	4,922,467	7,197,467	106,670,000	7.46%
2014	3,400,000	4,820,713	8,220,713	103,270,000	10.41%
2015	3,965,000	4,661,075	8,626,075	99,305,000	13.85%
2016	4,150,000	4,470,770	8,620,770	95,155,000	17.45%
2017	4,340,000	4,294,275	8,634,275	90,815,000	21.22%
2018	4,515,000	4,118,374	8,633,374	86,300,000	25.14%
2019	4,715,000	3,928,775	8,643,775	81,585,000	29.23%
2020	4,935,000	3,728,794	8,663,794	76,650,000	33.51%
2021	5,145,000	3,517,469	8,662,469	71,505,000	37.97%
2022	5,370,000	3,289,356	8,659,356	66,135,000	42.63%
2023	5,630,000	3,047,106	8,677,106	60,505,000	47.51%
2024	6,560,000	2,788,844	9,348,844	53,945,000	53.20%
2025	6,855,000	2,478,263	9,333,263	47,090,000	59.15%
2026	6,985,000	2,160,513	9,145,513	40,105,000	65.21%
2027	7,255,000	1,841,106	9,096,106	32,850,000	71.50%
2028	7,570,000	1,514,225	9,084,225	25,280,000	78.07%
2029	4,775,000	1,177,275	5,952,275	20,505,000	82.21%
2030	4,795,000	959,488	5,754,488	15,710,000	86.37%
2031	5,025,000	741,137	5,766,137	10,685,000	90.73%
2032	3,670,000	512,275	4,182,275	7,015,000	93.91%
2033	3,855,000	340,238	4,195,238	3,160,000	97.26%
2034	1,220,000	159,500	1,379,500	1,940,000	98.32%
2035	1,275,000	96,975	1,371,975	665,000	99.42%
2036	325,000	31,587	356,587	340,000	99.71%
2037	340,000	16,150	356,150	-	100.00%
Totals	\$ 115,275,000	\$ 74,961,603	\$ 190,236,603		

*Source: City of Topeka Financial Services Department; totals may not add due to rounding
This table includes the effects of bonds, but not the debt service requirements of outstanding permitted loans.
See independent auditor's report.*

City of Topeka, Kansas
Schedule of Industrial Revenue Bonds by Obligee (1)
December 31, 2009

Obligated Entity or Purpose	Interest Rates	Issue Date	Final Maturity	Original Principal Amount	Principal Outstanding 01/01/2009	Issued	Retired	Principal Outstanding 12/31/2009
Brewster Place	3.75 - 6.00%	08/15/02	08/01/22	\$ 2,225,000	\$ 1,830,000	\$ -	\$ 90,000	\$ 1,740,000
Brewster Place	2.50 - 5.50%	05/15/04	06/01/24	12,000,000	10,380,000	-	440,000	9,940,000
Fairlawn Green Acquisition	7.25%	11/01/96	12/15/21	2,275,000	1,716,162	-	72,905	1,643,257
Fairlawn Green Acquisition	9.00%	11/01/96	12/15/21	525,000	525,000	-	-	525,000
Fleming Court Apts.	Var. Rate	12/01/00	12/01/28	3,880,000	3,575,000	-	70,000	3,505,000
Great Plains Hotel	Var. Rate	12/01/88	10/01/13	4,300,000	1,745,000	-	290,000	1,455,000
Hill's Pet Nutrition	5.45%	06/18/02	08/01/12	15,000,000	6,965,000	-	1,605,000	5,360,000
Oakbrook Apartments	N/A	11/01/95	07/01/26	3,225,000	3,225,000	-	-	3,225,000
Oakbrook Apartments	8.75%	11/01/95	07/01/26	675,000	675,000	-	-	675,000
Presbyterian Manor	6.80% - 8.625%	06/01/88	06/01/10	8,320,000	6,120,000	-	-	6,120,000
Security Benefit	5.75%	03/01/02	03/01/12	50,000,000	20,000,000	-	5,000,000	15,000,000
Sunwest Hospital	Variable	05/01/88	07/09/05	5,500,000	3,145,000	-	280,000	2,865,000
YMCA	5.50 - 7.50%	08/01/00	09/01/25	8,500,000	7,725,000	-	160,000	7,565,000
				<u>\$ 116,425,000</u>	<u>\$ 67,626,162</u>	<u>\$ -</u>	<u>\$ 8,007,905</u>	<u>\$ 59,618,257</u>

(1) Issuance of these industrial revenue bonds is authorized by KSA 12 - 1740 et seq. KSA 12 - 1743 states in pertinent part "...The principal and interest of said bonds shall be payable solely and only from the special fund herein provided for such payments, and said bonds shall not in any respect be a general obligation of such city, nor shall they be payable in any manner by taxation..."

City of Topeka, Kansas
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (thousands of dollars) (2)	Per Capita Personal Income (2)	501 School District Enrollment (3)
2000	122,940	6,022,592	\$26,792	14,144
2001	122,685	6,253,618	\$27,808	14,018
2002	122,197	6,375,524	\$28,339	13,876
2003	122,227	6,471,266	\$28,697	14,058
2004	121,691	6,634,878	\$29,324	14,300
2005	121,946	6,824,808	\$30,062	13,870
2006	122,113	7,186,616	\$31,617	13,387
2007	122,642	7,883,883	\$34,478	13,142
* 2008	123,446	8,175,587	\$35,581	13,469
** 2009	124,331	8,478,084	\$36,720	13,846

Sources:

(1) Population estimates, are taken from the Kansas Division of the Budget. Previous years data were updated to reflect changes made by the state. 2009 figures based upon the State of Kansas Population as of 07-01-2009.

(2) Bureau of Economic Analysis. 2007 and 2008 data of per capita personal income and personal income were updated to reflect changes made by the Bureau.

(3) School District 501 only. Private schools and school districts 437, 345, and 450, which partially overlap the city boundaries, are not included. Source of information for 2007 is the State of Kansas Organization Statistics.

Unemployment has been moved to next page.

* 2009 used a 3.7% increase for Personal Income based on the Bureau of Economic Analysis report.

** 2009 used a 3.2% increase for per Capita Personal Income based on the Bureau of Economic Analysis.

Revised 2001-2004 unemployment rates per the Kansas Labor Force History.

Property Value, Construction, and Bank Deposits
Last Ten Fiscal Years
(Dollar Values Expressed in Thousands)

Fiscal Year	Number of Residential Units (1)	Value	Number of Commercial Units (1)	Value	Bank Deposits (2)	Estimated True Value of Property (3)		
						Commercial	Residential	Nontaxable
2000	530	44,871	304	106,751	1,140,819	1,014,060	2,998,422	903,813
2001	408	38,116	308	73,902	1,355,112	1,103,793	3,123,916	863,884
2002	824	54,901	341	105,008	1,266,667	1,218,862	3,503,170	1,134,147
2003	594	55,513	287	93,932	2,017,264	1,257,186	3,717,880	1,281,949
2004	584	83,773	294	102,115	3,709,800	1,298,449	3,929,537	1,341,684
2005	571	90,124	296	79,675	2,165,088	1,344,588	4,137,524	1,285,172
2006	566	64,331	242	87,123	2,380,227	1,438,150	4,337,871	1,397,942
2007	481	64,554	242	87,016	2,765,297	1,467,379	4,461,737	1,449,351
2008	380	34,046	197	85,538	3,083,569	1,407,965	4,454,512	1,492,738
2009	355	37,803	190	74,547	2,956,528	1,411,297	4,505,829	1,501,653

Sources:

(1) City Development Coordination Office

(2) FDIC - Summary of Deposits market share report, changed in 2008, figures are as of 06-30-09

(3) Shawnee County Real Property Abstract

City of Topeka, Kansas
Employment and Unemployment Statistics
Last Ten Fiscal Years

Average Annual Non-Farm Employment Distribution										
Topeka MSA										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Non-Farm	114,200	115,500	115,700	112,200	111,900	110,700	109,900	110,500	112,500	110,000
Goods-Producing	14,000	14,300	14,700	14,300	14,300	14,800	12,800	13,300	13,600	12,200
Service-Providing	100,300	101,200	101,000	97,900	97,600	95,900	97,100	97,200	98,900	97,800
Private Service-Providing	73,600	74,100	73,500	70,400	68,900	67,800	67,900	68,800	69,700	68,700
Government	26,600	27,100	27,500	27,500	27,900	28,300	27,900	28,400	29,200	29,100

Source: Kansas Department of Labor, Division of Employment, Research and Analysis Section. Data is not seasonally-adjusted.

The major employment sectors within the Topeka Metropolitan Statistical Area ("Topeka MSA") include manufacturing, mining and construction, transportation and public utilities, wholesale and retail trade, finance related industries, service related industries, and government.

Unemployment rates										
Topeka MSA										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Topeka MSA	4.10%	4.20%	4.70%	5.30%	6.10%	5.60%	4.80%	4.60%	4.90%	6.70%
Kansas	3.80%	4.30%	5.10%	5.60%	5.50%	5.10%	4.40%	4.10%	4.40%	6.70%
United States	3.90%	5.70%	6.00%	5.70%	5.40%	5.10%	4.60%	4.60%	5.80%	9.30%

Source: Kansas Department of Labor, Division of Employment, Research and Analysis Section, Kansas Labor Market Information, and the U.S. Bureau of Labor and Statistics.

Note: Prior years unemployment rates were updated to reflect information provided by the Bureau of Labor Statistics.

**Principal Employers,
Current Year and Nine Years Ago**

Employer	2009			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of Kansas	8,074	1	7.73%	8,833	1	9.12%
Stormont-Vail Health Care	3,666	2	3.51%	2,400	2	2.48%
Unified School District # 501	2,269	3	2.17%	2,200	4	2.27%
Washburn University	2,100	4	2.01%	-		-
St. Francis Hospital & Medical Center	1,978	5	1.89%	1,647	7	1.70%
Goodyear Tire and Rubber Co.	1,600	6	1.53%	1,700	6	1.76%
City of Topeka	1,500	7	1.44%	1,500	9	1.55%
Blue Cross Blue Shield of Kansas	1,362	8	1.30%	2,084	5	2.15%
US Government	1,192	9	1.14%	1,447	10	1.49%
Dillon Stores Division	1,170	10	1.12%	-		-
Collective Brands (Payless Shoe Source)	-		-	1,555	8	1.61%
Burlington Northern/Santa Fe/Utility	-		-	2,385	3	2.46%
Total	24,911		23.84%	25,751		26.60%
Total Employment	104,496			96,815		

Source:

Topeka Chamber of Commerce, December 2009, for number of employees

State Department of Labor, 3rd Quarter 2009 and 2000 City of Topeka Budget book for total employment

2007 Collective Brands bought out Payless Shoe Source.

City of Topeka, Kansas
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of December 31									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
City Council	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Executive	22.75	20.00	19.00	19.00	17.00	18.00	16.00	12.00	13.00	13.00
Legal	17.00	22.00	22.50	23.50	21.50	21.50	22.50	21.50	21.50	21.50
Financial Services	26.00	28.00	24.75	24.75	25.00	24.00	25.00	25.00	26.00	26.00
Fleet Services	22.00	22.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	23.00
Municipal Court	28.00	24.00	28.00	27.00	27.00	27.00	27.00	28.00	28.00	28.00
Human Relations Commission	-	-	-	-	-	-	-	6.00	5.00	5.00
Human Resources	11.00	10.00	10.00	11.00	10.00	10.00	9.00	8.00	8.00	9.00
Information Technology	14.00	14.15	14.00	14.00	14.00	14.00	16.00	16.00	17.00	17.00
Public Safety										
Fire	248.00	249.00	249.00	249.00	242.00	241.00	249.00	249.00	249.00	249.00
Police	350.00	347.00	351.00	356.50	357.50	355.00	357.00	355.00	357.00	374.00
Public Works										
Administration	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	11.00	10.00
Development Services	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	37.00	21.00
Engineering	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	39.00	39.00
Transportation Operations	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	14.00	14.00
Special Street Repair	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	53.00	49.00
Facility Operations	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	14.25	15.00
Public Parking	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	18.00	18.00
Water	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	116.00	116.00
Water Pollution Control	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	76.00	75.00
Stormwater Utility	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	15.00	19.00
Housing & Neighborhood Development	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	15.00	16.00
Planning	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	14.00	14.00
Parks and Recreation	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	92.75	93.00
Public Golf Course	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	3.00	-
Concessions	1.00	1.00	8.00	1.00	-	-	-	-	-	-
Zoo	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	32.50	32.50
Total	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00	1,293.00	1,298.00	1,299.00

Source: City Budget Office

*Elected City Council members are not considered full time equivalents, so are not included

*Code Services was enacted January 1, 1996, and was under Housing and Neighborhood Development until 1999. In 2000, it was moved under Public Works/Development Services.

*Fleet Services was budgeted under Financial Services from 1995-1999 and later moved under Executive from 2000-2005. In 2006, moved under Financial Services.

*Concessions was combined with the Public Golf Course in 2004.

*Zoo was considered part of Parks and Recreation until 2004.

*Human Relations Commission was part of the Executive Department through 2006.

*Golf Course no FTE's due to contracting out the Grounds Maintenance.

City of Topeka, Kansas
Operating Indicators by Function/Program
 Last Ten Fiscal Years

Function/Program	Fiscal Year as of December 31									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Fire										
Total number of incidents	11,897	12,088	12,091	11,920	12,286	13,153	13,525	14,144	14,504	14,544
Fire calls	1,030	1,023	1,035	890	767	2,767	982	695	740	674
Rescue & Emergency Medical calls	8,018	8,205	7,903	8,093	8,133	9,599	9,610	10,195	10,850	11,046
Police										
Citations issued	48,276	51,565	43,766	42,114	42,967	43,060	37,362	22,276	31,505	34,873
Driving under the influence citations	891	777	833	833	819	553	629	463	547	523
Development Services										
Residential building permits	530	408	824	594	584	571	566	481	380	355
Commercial building permits	304	308	341	287	294	296	242	242	197	190
Street Operations										
Streets swept (curb miles)	n/a	n/a	n/a	n/a	15,408	15,822	17,971	14,000	17,971	21,471
Pot hole patching material used (tonnage)	1,200	1,200	1,230	1,000	1,250	2,024	2,050	3,409	2,192	2,725
Traffic Operations										
Cross walks maintained (miles)	670	670	675	675	675	655	558	927	927	903
Streets painted (miles)	350	345	350	350	350	340	148	300	310	323
Number of signs replaced	3,913	3,800	3,950	2,583	3,579	3,721	3,683	3,800	4,200	838
Public Parking violations issued	45,690	47,552	44,895	37,898	33,052	26,877	30,728	24,251	21,853	24,025
Parks and Recreation										
Mini-Train & Carousel attendance	67,966	59,393	82,520	88,449	148,750	137,032	144,747	140,952	152,482	164,700
Swimming pool attendance	99,841	108,946	99,613	98,107	80,161	101,500	126,280	118,668	107,313	105,316
Summer youth camp attendance	4,357	4,304	4,295	4,301	4,007	4,236	3,822	4,018	4,012	4,129
Youth basketball teams	99	92	88	83	73	71	55	46	57	41
Youth volleyball teams	65	63	87	91	58	87	87	91	81	80
Adult summer softball teams	366	371	404	396	420	515	544	418	369	390
Adult volleyball teams	454	438	450	447	473	465	482	473	434	557
Adult basketball teams	212	193	164	157	155	129	129	121	110	135
Zoo attendance	185,121	157,347	151,855	151,669	182,058	163,421	166,732	178,512	176,500	137,441
Housing & Neighborhood Development										
CDBG disbursed per year (thousands of \$)	1,702	3,621	3,851	2,646	2,586	2,526	2,496	3,020	1,805	2,094
CDBG rehab activity of single residential units	199	149	245	152	170	151	181	313	237	188
Water										
New Connections	443	438	592	530	636	611	460	582	279	131
Number of accounts	49,949	50,490	50,886	51,400	51,400	52,890	53,332	53,422	53,744	53,727
Annual Volume Net Finished (millions of gallons)	7,553	7,117	7,460	7,287	6,548	7,990	8,215	8,156	6,772	6,309
Valve routine maintenance	2,564	1,682	1,295	343	786	1,234	2,306	5,492	2,965	2,992
Water Pollution Control										
Number of accounts	45,092	45,683	45,421	44,680	47,193	47,157	46,954	47,744	48,198	48,243
Volume (millions of gallons)	5,475	5,221	5,094	4,989	4,952	6,197	4,458	4,979	5,372	5,864
Number of service calls	702	694	640	733	880	1,109	1,004	904	574	755
Stormwater Utility										
Number of service calls	247	344	153	177	281	340	272	307	381	474
Public Golf Course rounds	47,021	46,403	42,903	40,146	31,131	27,626	26,462	25,808	22,444	26,535

Source: Various city departments
Note: Indicators are not available for general government and administration functions.
 Parks and Recreation: Starting in 2002 the attendance figures included free rides. The summer youth camp is for twelve weeks. In 2002 a spring session for youth volleyball was created.
 Water Dept implemented a valve and hydrant program in 2007 which caused the number to increase for valve routine maintenance.
 Traffic Operations reduction in force which decreased number of signs replaced.
 n/a = not available

City of Topeka, Kansas
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year as of December 31									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Square miles of City	56.6	56.6	56.6	58.5	59.8	60.1	60.5	60.9	60.9	61.0
Fire										
Stations	12	12	12	12	12	12	12	12	12	12
Firefighters	244	248	239	236	218	218	248	248	249	238
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Police officers	293	289	277	274	290	293	294	294	293	300
Street Operations										
Miles of City streets	671	671	671	671	671	671	673	* 2000	1,621	1,624
Traffic Operations										
Traffic signals	180	181	181	184	184	182	182	184	179	178
Traffic signs (number of signs)	n/a	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Parks and Recreation										
Mini-Train & Carousel	2	2	2	2	2	2	2	2	2	2
Swimming pools	5	5	5	5	5	5	5	5	5	5
Community Centers	7	7	7	6	6	7	7	7	7	7
Softball diamonds	15	15	14	14	14	12	12	14	14	14
Water										
Water mains (miles)	800	800	808	808	808	815	859	864	846	846
Storage capacity (millions of gallons)	25	25	25	25	25	25	25	25	25	25
Water Pollution Control										
Sanitary sewers (miles)	800	800	750	750	750	854	867	906	910	910
Stormwater Utility										
Storm sewers (miles)	250	250	220	200	200	316	330	330	330	330
Public Parking										
Parking garages	6	6	7	7	7	7	7	8	8	8
Parking meters	1,620	1,620	1,620	1,620	1,745	1,758	1,741	1,872	1,760	1,760
Public Golf Course	1	1	1	1	1	1	1	1	1	1

Source: Various city departments

Note: Indicators are not available for the general government, administration and zoo functions.

* Street Operations for miles of streets will be reporting lane miles versus the center lane miles for the year 2007 and future. Traffic Operations updated to reflect number of traffic signs throughout the city versus number of replaced signs.

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City of Topeka, Kansas
Other Information
December 31, 2009

Combined Utility

The City of Topeka provides potable water service to approximately 57,000 retail accounts, six rural water districts and the Metropolitan Topeka Airport Authority. The estimated service area population, including the population served via the rural water districts, is approximately 165,000. The Water Division is responsible for planning, constructing, operating, and maintaining all water supply, treatment, and distribution facilities within its service area. The Division also administers the billing for the water, wastewater, stormwater utilities and Shawnee County Refuse.

The City provides wastewater service to a population of about 155,000 within a 60 square mile area. The Water Pollution Control Division ("WPCD") is responsible for planning, constructing, operating, and maintaining all facilities related to the collecting, transporting, treating, and disposing of sanitary and industrial wastewater discharged to sewers within its service area. Flow from the majority of the service area south of the Kansas River discharges to the Oakland Wastewater Treatment Plant. Flow from North Topeka and from a portion of the northwestern service areas south of the Kansas River discharges to the North Topeka Wastewater Treatment Plant.

In 1992 the City adopted an ordinance to create a Stormwater Utility as a stand-alone enterprise fund. The Stormwater Utility was developed to comply with provisions of both Federal and State statutes and regulations requiring certain political entities, such as the City, to implement stormwater management programs to encourage proper management of stormwater runoff and water quality. The Stormwater Utility, managed by the WPCD, is responsible for operating and maintaining all of the facilities related to the collection and transportation of stormwater generated within its service area. The Stormwater Utility is also responsible for planning stormwater systems and reviewing development plans for compliance with stormwater management codes. The City funds the management of the Stormwater Utility by charging a fee to residents based on factors that influence runoff, including land use and the amount of impervious surface on the property. The fee is applied consistently to all property owners regardless of whether or not they are a government, non-profit, commercial or private landowner and is implemented as an alternative to an *ad valorem* tax. In 1999, the Kansas Supreme Court upheld the City's ordinance validating the City's ability to charge fees for the Stormwater Utility.

Since that time, The City Council authorized the combination of the three utilities discussed above into a single utility. It is currently operating as the Water, Water Pollution Control and Stormwater utility of the City of Topeka, under the enterprise fund.

Dedicated sources of revenues for the combined utilities

In connection with the Permitted Loans by KDHE for the Combined Utility, the City has agreed to fix, establish, maintain, and collect such rates, fees, and charges for the use of and services furnished by or through the Combined Utility, including all improvements and additions thereto as constructed or acquired by the City, as will provide revenues sufficient to (i) pay the cost of the operation and maintenance of the Combined Utility and maintenance of the System, (ii) pay all other amounts due at any time under the Permitted Loan agreements; provided, however, the lien of KDHE on the Net Revenues of the Combined Utility shall be at least on a parity with the lien on such revenues of any Combined Utility revenue bonds hereafter issued. The Permitted Loans shall not be nor constitute a general obligation of the City, shall not be payable from *ad valorem* taxation, nor shall the Permitted Loans constitute an indebtedness of the City within the meaning of any constitutional, statutory, or charter provision, limitation, or restriction. The obligation of the City to make Permitted Loan repayments is additionally secured by a municipal bond insurance policy issued by MBIA, a "AAA" rated municipal bond insurer acceptable to KDHE. The municipal bond insurance policy so issued insures only the Permitted Loan obligations of the City of Topeka, and does not provide any insurance for the Bonds.

Other Information (continued)

Permitted Loans

Any Kansas revolving fund loans for Water, Wastewater or Stormwater improvements are permitted loans (“Permitted Loans”) under the Resolution. Permitted Loans may be issued superior in lien and security to the Bonds and to any other revenue bonds or other form of indebtedness issued on a parity with the Bonds. Presently, the City has 13 outstanding Permitted Loans, as summarized below.

Outstanding Permitted Loans			
	Loan Inception	Amount	Maximum
	Date	Outstanding †	Authorized ††
North Topeka Plant	09/14/92	\$ 8,757,188	\$ 29,835,125
Halfday Creek	04/23/96	691,281	1,209,404
West Branch	08/27/96	2,093,299	4,828,002
Oakland Disinfection	05/13/98	2,549,143	4,330,136
Water Plant Sludge Handling	05/13/98	6,389,449	11,605,000
Oakland Ammonia Phase I & II	05/15/02	48,078,353	60,000,000
Oakley/Arvonnia Water Mains	11/30/04	6,785,591	9,440,167
Topeka Blvd Bridge Approaches	05/31/05	1,824,503	2,055,933
Water Main – 21 st to 25 th	03/31/06	2,833,074	3,127,352
Water Main – 12 th Street	03/31/06	1,483,652	2,382,061
Water Main – Indian Hills Rd	03/31/06	-	3,619,010
Water Main – Hwy 75	03/31/06	1,775,154	3,395,443
Oakland Plant & Force Mains	02/09/07	6,358,985	9,317,000
TOTALS		\$ 89,619,672	\$ 145,144,633

Source: City of Topeka Financial Services Department.

† At December 31, 2009

†† Includes capitalized interest paid during construction

The outstanding Permitted Loans will be superior in lien and security to the Bonds. Due to the bond insurance market and the State’s requirement for the City to have bond insurance from a “AAA” insurer. The City does not anticipate any additional SRF loans in the foreseeable future.

The table below reflects the proposed revenue bonds for the next five years. These figures are used in revenue projections for the Combined Utility, to anticipate future rate requirements. The projected new proceeds from revenue bonds are dependent on several factors, including project schedules, and achieving revenue and expense expectations.

Projected Net Proceeds From Permitted Loans and Revenue Bonds For the Years 2010-2014					
	2010	2011	2012	2013	2014
Permitted Loans	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bonds	10,635,054	15,582,500	18,792,500	15,399,000	20,954,000
Total	\$ 10,635,054	\$ 15,582,500	\$ 18,792,500	\$ 15,399,000	\$ 20,954,000

Source: City of Topeka, Department of Public Works.

The City has covenanted and agreed except as hereinafter provided, that so long as any of the Bonds remain outstanding and unpaid, it will not issue any additional Permitted Loans payable out of the revenues of the Combined Utility that are superior in lien and security to the Bonds unless each of the following conditions are met:

- (a) The City shall not be in default in making any of the payments at the time required to be made in connection with any outstanding Permitted Loans or into the respective funds or accounts created or

Other Information (continued)

referred to in the Resolution, or in the performance of any covenant contained therein.

(b) The annual Net Revenues derived by the City from the operation of the Combined Utility, for the fiscal year next preceding the issuance of additional Permitted Loans, shall have been equal to 125% of the maximum amount required to be paid out of the Net Revenues in any succeeding fiscal year on account of both principal and interest becoming due with respect to the Bonds, including any additional revenue bonds previously issued on a parity with the Bonds.

(c) In addition, projected annual Net Revenues (adjusted as provided in the last sentence of this section (c)) expected to be derived by the City from the operation of the Combined Utility, for the fiscal year following the issuance of any additional Permitted Loans, shall equal or exceed 125% of the maximum amount required to be paid out of the Net Revenues in any succeeding fiscal year on account of both principal and interest becoming due with respect to the Bonds, including any additional revenue bonds previously issued on a parity with the Bonds, based on a detailed investigation and report of an engineering firm or an independent public accountant as to the amount of annual Net Revenues expected in such fiscal year, and said amount as defined and certified by said engineer or accountant shall govern in determining the right of the City to issue additional Permitted Loans payable out of the revenues of the Combined Utility that are superior in lien and security to the Bonds under the Resolution. No investigation or report of an engineer or accountant shall be required pursuant to the Resolution in the event that the annual Adjusted Net Revenue derived by the City from the operation of the Combined Utility, for the fiscal year next preceding the issuance of any additional Permitted Loan, would have been equal to 125% of the maximum amount required to be paid out of the Net Revenues in any succeeding fiscal year on account of both principal and interest becoming due with respect to the Bonds, including any additional revenue bonds previously issued on a parity with the Bonds. For purposes of determining Net Revenues as required for this section (c), the maximum amount payable in any succeeding fiscal year on the additional Permitted Loan shall be treated as an Expense in the fiscal year for which the Net Revenues are being computed.

In connection with the Permitted Loans by KDHE for the Combined Utility, the City has agreed to fix, establish, maintain, and collect such rates, fees, and charges for the use of and services furnished by or through the Combined Utility, including all improvements and additions thereto as constructed or acquired by the City, as will provide revenues sufficient to (i) pay the cost of the operation and maintenance of the Combined Utility and maintenance of the System, (ii) pay all other amounts due at any time under the Permitted Loan agreements; provided, however, the lien of KDHE on the Net Revenues of the Combined Utility shall be at least on a parity with the lien on such revenues of any Combined Utility revenue bonds hereafter issued. The Permitted Loans shall not be nor constitute a general obligation of the City, shall not be payable from *ad valorem* taxation, nor shall the Permitted Loans constitute an indebtedness of the City within the meaning of any constitutional, statutory, or charter provision, limitation, or restriction. The obligation of the City to make Permitted Loan repayments is additionally secured by a municipal bond insurance policy issued by MBIA, a "AAA" rated municipal bond insurer acceptable to KDHE. The municipal bond insurance policy so issued insures only the Permitted Loan obligations of the City of Topeka, and does not provide any insurance for the Bonds.

The City has pledged a first lien on certain State transfers (the "Transfer Payments") to local units of government as security for its outstanding SRF Loans and future Permitted Loans. If the City fails to make a scheduled debt service payment on its then-outstanding SRF Loans, the State will impound and redirect the Transfer Payments to the retirement of these obligations. Due to gubernatorial and legislative action in 2003 and 2004, however, the Transfer Payments were eliminated from State budgets. The City does not expect the Transfer Payments to be replaced until at least 2012.

Water System

The Topeka water system was owned and operated by private water companies until 1905, when the City purchased the treatment facilities and water mains. The water system is now owned and operated through the City of Topeka. The City Council approves budgets and policies and the City Manager carries out the

Other Information (continued)

policies established by the City Council through City departments, including the Public Works Department, which is responsible for the Water Division, the Water Pollution Control Division, and a number of other City Public Works divisions.

The Water Division staff of 110 employees is managed by the Water Division Superintendent. Managers for the Customer Service, Operations, Infrastructure, Administration and Technical Services sections report directly to the Superintendent. Employees of the City Engineers' staff are also assigned to the Water Division to handle design and construction projects. Additionally, employees of the Public Works Administration's Technical Support Group are assigned to the Division to assist with GIS mapping and complex technical reporting. Mr. Don Rankin, the current Water Division Superintendent, has been in his present position since 1995. Prior to assuming the duties of managing the Water Division, he managed large projects and professional staffs, and was responsible for controlling costs and improving quality in manufacturing. His management background includes the extensive use of management information systems. The experience and qualifications of the various section managers are also commensurate with their duties and responsibilities. All have extensive experience in their respective fields, either with the City of Topeka or with other similar organizations.

The source of water supply for Topeka is the Kansas River. The water supply facilities are constructed on the south bank of the Kansas River, adjacent to the water treatment plant, approximately 2.5 miles northwest of the City's central business district. The supply facilities consist of two intake structures and an infiltration gallery.

Topeka's original rights to divert water from the Kansas River date to the early 1920s. Since then, the City has obtained rights to additional water as demands have increased. The City has perfected water rights and a permit to appropriate water at a maximum diversion rate of 60.48 millions gallons per day with a total annual diversion of 15,431.6 million gallons. In addition, The City owns storage in Kansas River basin reservoirs through the Kansas River Water Assurance District No. 1. The Assurance District has an agreement with the Kansas Water Office to operate the Kansas River basin reservoirs to maintain municipal and industrial water supplies and the flows of the Kansas River during drought conditions, using storage rights available to the members of the District. By 2035 the District is anticipated to have a storage yield equal to 252 million gallons per day.

Topeka has significant excess source water and treatment capacity. According to records of the Water Division, the average daily water produced over the last 20 years has been 22.6 millions gallons and the peak daily usage over that time was 45.6 gallons. The mechanical capacity of the water plant is 63 million gallons per day. The water treatment plant facilities are located near the Kansas River, adjacent to the water supply facilities and consists of 3 separate water treatment trains with common support facilities supplying chemicals to each treatment train. Topeka's water supply is distributed from the Layne and the East High Service Pumping Stations, located on the water treatment plant site. The distribution system serves a 70 square mile area and consists of a network of more than 800 miles of water mains varying from 2 to 48 inches in diameter. The large arterial mains, which consist of 18-inch and larger pipe, connect the high service pumping stations at the water treatment plant with the Burnett's Mound reservoirs to the southwest and the central business district southeast of the plant. The water distribution system contains seven active booster pumping stations, two inactive booster pumping stations, eight elevated tanks, and two ground storage reservoirs. The distribution system also included 13,479 control valves and 4,863 fire hydrants.

The water treatment plants as well as the distribution system pumping and storage facilities are operated as a system from the Operations Center at the water treatment facilities. A Supervisory Control and Data Acquisition (SCADA) System provides the ability to control pumps and chemical flows as well as provide tower levels and treatment flow monitoring ability. Monitoring trigger points provide alarms to the operator to adjust water flows or chemical levels. Intrusion alarms at the water treatment facilities and remote pump stations are also provided and monitored from this location. All monitored and control signal data are retained electronically for reporting and trend analysis.

Other Information (continued)

Condition of Water System

The City completed an extensive program of modifications to the water treatment plant in 2003. This program was implemented to replace equipment and process systems that were either obsolete or had served the majority of their useful life, and in order to maintain finished water quality, meet anticipated future regulations, and improve the reliability of the facilities. The existing treatment plant facilities are well maintained and capable of continuing to meet existing water quality standards well into the future. Maintenance employees are assigned to the water treatment plant site to perform preventative maintenance and make repairs as necessary.

The major distribution grid is considered to include mains from 12 to 48 inches in diameter. Local distribution is provided by 10-inch and smaller water mains. The mains are principally cast iron pipe. Cast iron pipe installed after about 1950 has an interior lining of cement mortar for corrosion protection. Starting in 1996, all replacement water mains are installed using plastic. Starting in 2002, all new water mains 12-inch and smaller are installed using plastic water mains.

In 2001, a Water Distribution System Master Plan was completed. This plan developed a calibrated hydraulic model of the distribution system and identified system deficiencies and improvements required to provide water service over the next 30 years to current and future service areas. Since that time, improvements have been made to the distribution system to correct hydraulic deficiencies and satisfy water distribution requirements for the next several years. Overall, the distribution mains are in good condition. Regular improvements and preventative maintenance programs ensure the future adequacy of the distribution network of water mains. The distribution system is maintained using employees assigned to a separate facility at 19th Street and Western Avenue. Maintenance and repair crews are assigned to this facility along with associated distribution system inventories, equipment, and construction vehicles. These crews perform preventative maintenance on valves and hydrants throughout the water system as well as make repairs to broken water mains, valves and hydrants.

The water storage reservoirs and active booster pumping stations are, on average, less than 25 years old. Under a preventive maintenance program, each pumping station and tower is inspected regularly and equipment is lubricated and maintained according to an established schedule. Status and alarm conditions at each pumping station and storage reservoir, and flow signals from pumping stations, are transmitted to the Operation Center at the water treatment plant for monitoring and operational adjustment through the City's Supervisory Control and Data Acquisition System. The storage reservoirs and pumping stations are well maintained and in good condition.

The City has replaced or rehabilitated all water meters in the System since 2002. All meters are now electronically read to ensure accurate readings on the approximately 57,000 readings taken each month. The City's largest water customers, some business areas, and residential neighborhoods are equipped with meters that are read by a computer as the technician drives down a nearby street. Electronically read meters reduce the time required to read the meters and increase revenue by more accurately registering consumption at low flows when compared to the old meters. The new meters also eliminate the cost of re-reading meters due to uncertainty of a manually read high meter reading. Electronic style meters are required for all new construction. The City's largest water customers are a part of an annual large meter testing program to ensure the accuracy of the meters. Meter employees read meters monthly and perform light maintenance on the meter electronics.

Source: Topeka Public Works Department

Additional Capital Expenditures for Water Utility

Projected capital needs for the Water Utility are set forth in the capital improvement schedule below.

Other Information (continued)

Water Utility Projected Capital Expenditures			
	Major Capital	Routine Capital	Total Capital
Year	Expenditures	Expenditures	Expenditures
2010	\$ 1,875,000	\$ 1,000,000	\$ 2,875,000
2011	5,432,500	1,000,000	6,432,500
2012	2,792,500	1,000,000	3,792,500
2013	7,149,000	1,550,000	8,699,000
2014	9,254,000	1,000,000	10,254,000
Totals	<u>\$ 26,503,000</u>	<u>\$ 5,550,000</u>	<u>\$ 32,053,000</u>

Source: City of Topeka

Wastewater System

The Superintendent of the Water Pollution Control Division, directs a staff of 86 full-time employees. The employees are divided among four separate sections: Field Services, Plant Operations, Laboratory Services, and Environmental and Administrative Services. The experience and qualifications of the Superintendent and section managers are commensurate with their duties and responsibilities. All have extensive experience in their respective fields, either with the City or with other similar organizations. The Superintendent manages the activities and resources of both the Wastewater Utility and the Stormwater Utility.

The Oakland Wastewater Treatment Plant was constructed in 1928. It was expanded in 1937, 1957, and 1967, and currently has a maximum hydraulic capacity of 100 million gallons per day and an average treatment capacity of 16 million gallons per day. It uses an activated sludge treatment process. The process includes influent screening, grit removal, primary sedimentation, oxidation aeration ditches, and secondary sedimentation. Solids removed from the liquid processes are thickened, anaerobically digested, dewatered and composted for land application. Odors from the headworks, primary clarifiers, and solids dewatering facilities are reduced by the use of a biological filter.

The North Topeka Wastewater Treatment Plant was constructed in 1996 to treat flows from areas north of the Kansas River and flows diverted from the Oakland Wastewater Treatment Plant. The treatment plant is a high-rate activated sludge facility that can treat an average flow of 12 million gallons per day and a peak flow of 24 million gallons per day, using two treatment trains with interchangeable unit processes. The plant includes two vortex grit removal basins, two primary clarifiers, two aeration basins, two secondary clarifiers, and disinfection (chlorination-dechlorination) facilities. Solids removed in the treatment processes are thickened and dewatered for land disposal.

Condition of Wastewater System

The majority of the sewers in the collection system are constructed of vitrified clay pipe. Many large diameter sewers are constructed of corrugated metal pipe coated with thixotropic coal tar. City personnel have televised portions of the sewer system where problems have been suspected. The City is taking steps to rehabilitate or replace those sewers found to be in poor condition.

Selected lift stations were inspected in July 2001, including these major stations: Ash Street, South Kansas River, Shunga, Potwin, Central Park, Grant-Jefferson, Deer Creek and Wanamaker. Following those inspections, the City has completed upgrades to the Central Park Station, the Deer Creek Station, the Wanamaker Station; and the Ash Street Pump Station. Upgrades to the Potwin Station and South Kansas River Station have been grouped together and construction is planned to commence in 2010. The City plans to spend about \$2 million annually to update the remaining pump stations.

The City, as the owner and operator of the wastewater treatment plants, is required to meet the effluent requirements of its Kansas Water Pollution Control Permit under the National Pollutant Discharge Elimination System. Working with the Kansas Department of Health and Environment ("KDHE"), the City

Other Information (continued)

is investing nearly \$60 million dollars in the reconstruction of the Oakland Wastewater Treatment Plant to provide more effective processing of wastewater. This will allow the City to meet current and future federal and state regulations at a lower cost per unit of wastewater treated. Phase I of this project was completed in April 2001. Phase II of the reconstruction should be finished by the end of 2010.

Source: Topeka Public Works Department

Additional Capital Expenditures for Wastewater Utility

The City's long-range capital improvement program for the Wastewater Utility is summarized in the table below.

Year	Wastewater Utility Projected Capital Expenditures		
	Major Capital Expenditures	Routine Capital Expenditures	Total Capital Expenditures
2010	\$ 7,665,000	\$ 1,200,000	\$ 8,865,000
2011	15,150,000	1,200,000	16,350,000
2012	16,750,000	2,700,000	19,450,000
2013	12,500,000	2,700,000	15,200,000
2014	11,700,000	2,700,000	14,400,000
Totals	\$ 63,765,000	\$ 10,500,000	\$ 74,265,000

Source: City of Topeka

Stormwater System

The Water Pollution Control Division of the Department of Public Works (WPCD) is responsible for operating and maintaining all of the facilities related to the collection and transportation of the stormwater generated within its service area. The Stormwater Utility currently serves a population of about 155,000 within a land area of about 60 square miles.

The Topeka stormwater infrastructure consists of a configuration of buried pipes, concrete box outlets and open channels. Buried pipes vary in size from 15 inches to 96 inches in diameter and are made of three types of material—concrete, steel and PVC. The current estimated replacement cost of the entire pipe system is approximately \$160 million. The table below gives the approximate length, diameter, and footage of storm sewers by material type.

Type	Length (in Feet)	Pipe Diameter
Concrete	525,000	15" to 24"
	140,000	30" to 48"
	35,000	60" to 96"
Steel	160,000	15" to 24"
	220,000	30" to 48"
	20,000	60" to 96"
PVC	< 20,000	15" to 24"

In addition to the approximately 1.1 million feet of culverts and parallel storm drains, the City of Topeka maintains 11,600 catch basins with an average depth of 5 feet. Approximately 5,000 are made of brick, and the remaining 6,600 are made of concrete. The current estimated replacement cost of all catch basins is \$25 million.

Topeka also maintains ten detention basins with a combined area of 50.44 acres. Replacement cost of the detention basins is unknown at this time. An extensive levy system comprised of 22 miles of levees,

Other Information (continued)

10 stormwater pumping stations, 79 drainage gate structures, 76 pressure relief wells, and 5 miles of improved channel are maintained to protect the City from flooding events on the Kansas River. No replacement cost has been estimated for this levy system. The pumping stations' capacities range from 4,900 gallons per minute (gpm) to 149,450 gpm, or from 7.1 million gallons per day to 215 million gallons per day.

Portions of the collection system date to the late 1800s; the first lift station was constructed in 1927. The levees, floodwalls, relief wells, and a majority of the pumping stations were built by the Army Corps of Engineers between 1960 and 1970 under the Topeka Flood Protection Project. Gated outlets for surface drainage, sandbag gaps, stop log gaps, detention and retention pond areas, and river water gauges were also included in the project.

In 2000 the City initiated a partnership called "Green Topeka" that includes the US Department of Agriculture's National Agroforestry Center, State agencies, Kansas State University, local government, nonprofit organizations and other stakeholders. Green Topeka's focus is to design and implement innovative stormwater management systems. As part of this project, the City developed a master plan using natural techniques to address existing stormwater concerns and also considering expansion of the system to avoid retrofitting stormwater infrastructure once growth of an area has occurred. The City recently completed renovations to the Old Soldier Creek Watershed and Belle Pond area as a pilot planning project in North and South Topeka incorporating innovative practices such as vegetated swales and a wetland system to serve as a stormwater retention and treatment facility.

Condition of Stormwater System

The City had a detailed structural inspection conducted on all stormwater pump stations in July 2001 and determined that the stations constructed during the late 1960s are generally in good condition, with the pumping equipment functioning properly. Stations constructed before 1965 are generally in adequate to poor condition, with the pumps functioning properly however there are a few electrical feed issues that are being addressed. The Oakland Pump Station, constructed in 1961, is in good condition. The Old Soldier Channel pump station has issues with adequate heat ventilation, but not to the point that the pumps have been affected. Several of the stations have pit gauges that do not work properly, but they are obsolete and have been abandoned due to design flaws. New procedures have been adopted to replace the function of these gauges which have not hindered operations. Some station walls need waterproofing and repainting. Under a preventive maintenance program, each pump station is inspected once per month and equipment is lubricated on a regularly scheduled basis. Stormwater pump stations are operated manually.

Relief wells are used to handle excess groundwater flow along the levee system during storm events and high river stage conditions. Groundwater flow enters the wells and is drained by gravity or pumped to the nearest pump station and then discharged to the river on the other side of the levee. The relief wells are visually inspected quarterly, and mechanically pumped and tested every three years. Other equipment is lubricated on a regularly scheduled basis. Three specially designed relief wells, located approximately 210 feet south of the City Park Pump Station, underwent a detailed inspection inspected on July 10, 2001. These wells were deemed to be functioning properly. The purpose of these particular relief wells is to lower the groundwater level during high river stages in order to prevent the 300-foot storm sewer inlet on the north side of Crane Street from becoming dislodged.

The levees and floodwalls are inspected once per year by the U.S. Army Corps of Engineers (Corps). WPCD adds gravel to the top of the levees and grades the levees as required. The levees are mowed and sprayed for weeds approximately three times per year. The floodwalls are also maintained by the WPCD. A current study of the levees by the Corps preliminarily indicates that the levee system meets the required protection for Federal Emergency Management Agency certification (100-year flood protection with three feet of freeboard). The Corps continues to look at geotechnical considerations, including underseepage and stability.

The Corps is working on the completion of a Feasibility Study, which began in 1998, to review the reliability level of flood protection for the Topeka levee system. A briefing in April 2007 indicated that

Other Information (continued)

recommendations will be made for repair work at four levee units. No increase in the height of any levee unit is required. Repairs include the installation of earth berms, the replacement of existing floodwalls, and the installation of relief wells. The Corps is currently doing some of the initial preparatory work associated with the geotechnical analysis for the proposed Oakland Levee Unit modifications. The Corps used knowledge it gained from recent events in other parts of the country in reviewing the Topeka levee system. A draft report was received in Aug. 2008, but the City is still awaiting the final report. The final report is expected to show that approximately \$24 million will be required for the design and construction of the necessary work to the Topeka levee system. The City's share of costs will be 35%, or \$8,250,000, with the remaining 65% paid by the Federal government. The timeframe for design and construction of the work is expected to be four to six years.

Source: Topeka Public Works Department

Additional Capital Expenditures for Stormwater Utility

The City's long-range capital improvement program for the Stormwater Utility is summarized in the table below.

Stormwater Utility Projected Capital Expenditures

Year	Major Capital Expenditures	Routine Capital Expenditures	Total Capital Expenditures
2010	3,561,000	500,000	4,061,000
2011	4,604,000	500,000	5,104,000
2012	3,101,000	750,000	3,851,000
2013	3,101,000	750,000	3,851,000
2014	3,102,000	750,000	3,852,000
Totals	<u>\$ 17,469,000</u>	<u>\$ 3,250,000</u>	<u>\$ 20,719,000</u>

Source: City of Topeka

Billing and Collections

The Water Division bills customers monthly on an individual basis for all three components of the Combined Utility. If a bill remains unpaid for 20 days, water service may be discontinued at the discretion of the Water Superintendent. Water service is not discontinued or shut off until the consumer has been mailed a notice giving five days in which to make full settlement or otherwise resolve the unpaid bill, except in case of fraud or evidence that the customer has left Topeka without notice. If consumers permit their utility bill to remain unpaid for 40 days following the date of mailing or delivery of the notice, the Water Division may, at its discretion, require deposits to be posted or require existing deposits to be increased to an amount determined by the Water Superintendent as sufficient to secure the City against loss.

Utility Rates

Water Rates

The City Council approved Ordinance 19074 in April 2008, providing for increases in the water rates of 24.3% in 2008, 1.8% in 2009, 1.7% in 2010, and 1.8% in 2011. The new rates went into effect May 1, 2008. Ordinance 19074 also established new monthly wholesale water rates which went into effect May 1, 2008. The ordinance also allowed for a change in the minimum charge/month from cubic feet to gallons. The following tables represent the rate increases for inside the City, outside the City, rural water districts and other contractual rates.

Other Information (continued)

Water Utility Rates - Inside the City
(effective beginning on dates shown)

Type of Use	5/1/2008	1/1/2009	1/1/2010	1/1/2011
Minimum (for first 1,500 gallons)	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00
Then for each additional 1,000 gallons:				
Single Family	\$ 3.28	\$ 3.38	\$ 3.48	\$ 3.58
Multifamily	\$ 2.67	\$ 2.75	\$ 2.83	\$ 2.91
Commercial	\$ 2.42	\$ 2.49	\$ 2.56	\$ 2.64
Industrial	\$ 2.06	\$ 2.12	\$ 2.18	\$ 2.25

Water Utility Rates - Outside the City
(effective beginning on dates shown)

Type of Use	5/1/2008	1/1/2009	1/1/2010	1/1/2011
Minimum (for first 3,000 gallons)	\$ 26.25	\$ 26.25	\$ 26.25	\$ 26.25
Then for each additional 1,000 gallons				
Single Family	\$ 5.74	\$ 5.91	\$ 6.09	\$ 6.27
Multifamily	\$ 4.67	\$ 4.81	\$ 4.95	\$ 5.10
Commercial	\$ 4.23	\$ 4.36	\$ 4.49	\$ 4.62
Industrial	\$ 3.61	\$ 3.72	\$ 3.83	\$ 3.94

Source: City of Topeka, Ordinance 19074

Water Utility Rates for Rural Water Districts
PRICE PER 100 CUBIC FEET/MONTH
(effective beginning on dates shown)

	5/1/2008	1/1/2009	1/1/2010	1/1/2011
Jackson Co. #1:				
First 2,748,000 gallons				
Minimum charge/month	\$9,508.00	\$9,783.00	\$10,058.00	\$10,387.00
Over 2,748,000 gallons	\$2.13	\$2.27	\$2.40	\$2.51
Rural Water Dist.#1 & 2:				
Consolidated Shawnee Co.				
First 2,992,000 gallons				
Minimum charge/month	\$10,352.00	\$10,652.00	\$10,951.00	\$11,310.00
Over 2,992,000 gallons	\$3.46	\$3.56	\$3.66	\$3.78
Shawnee Co. #3:				
First 1,820,000 gallons				
Minimum charge/month	\$6,297.00	\$6,479.00	\$6,661.00	\$6,880.00
Over 1,820,000 gallons	\$3.46	\$3.56	\$3.66	\$3.78
Shawnee Co. #4:				
First 995,000 gallons				
Minimum charge/month	\$3,443.00	\$3,542.00	\$3,642.00	\$3,761.00
Over 995,000 gallons	\$3.46	\$3.56	\$3.66	\$3.78
Shawnee Co. #8:				
First 5,402,000 gallons				
Minimum charge/month	\$18,691.00	\$19,231.00	\$19,771.00	\$20,420.00
Over 5,402,000 gallons	\$3.46	\$3.56	\$3.66	\$3.78
Douglas Co. #3:				
First 623,000 gallons				
Minimum charge/month	\$2,156.00	\$2,218.00	\$2,280.00	\$2,355.00
Over 83,300 cubic feet	\$3.46	\$3.56	\$3.66	\$3.78

Source: City of Topeka, Ordinances 19074

Other Information (continued)

**Water Utility - Other Contractual Rates
PRICE PER 100 CUBIC FEET/MONTH
(effective beginning on dates shown)**

	5/1/2008	1/1/2009	1/1/2010	1/1/2011
Metro Topeka Airport Authority				
First 1,139,000 gallons				
Service charge/month	\$25.00	\$25.00	\$25.00	\$25.00
Min. charge/month				
Including service charge	\$3,966.00	\$4,080.00	\$4,194.00	\$4,330.00
Over 1,139,000 gallons	\$3.46	\$3.56	\$3.66	\$3.78
Private Fire Protection (per month)				
Inside City (connection size)				
4 inches or less	\$8.52	\$8.78	\$9.04	\$9.31
6 inches	\$24.70	\$25.44	\$26.20	\$26.99
8 inches	\$52.53	\$54.11	\$55.73	\$57.40
10 inches	\$94.35	\$97.18	\$100.10	\$103.10
12 inches	\$153.49	\$158.09	\$162.83	\$167.71
Outside City (connection size)				
4 inches or less	\$14.92	\$15.37	\$15.83	\$16.30
6 inches	\$43.37	\$44.67	\$46.01	\$47.39
8 inches	\$92.95	\$95.74	\$98.61	\$101.57
10 inches	\$166.16	\$171.14	\$176.27	\$181.56
12 inches	\$268.96	\$277.03	\$285.34	\$293.90
Outside City Fire Hydrant Maintenance Fee				
	\$4.51	\$4.65	\$4.79	\$4.93

Source: City of Topeka, Ordinance 19074

Wastewater Rates

The City Council approved an ordinance in April 2008, providing for increases in the wastewater rates of 4% in each of the years 2008, 2009, 2010 and 2011. The ordinance also provides for a one time increase in the minimum service charge, which includes the first 1,500 gallons of usage, taking effect May 1, 2008. Rates for the wastewater service are shown in the following tables for inside the City and outside the City .

**Wastewater Utility Rates - Inside the City
PRICE PER 1,000 GALLONS
(effective beginning on dates shown)**

	5/1/2008	1/1/2009	1/1/2010	1/1/2011
Domestic Strength Wastewater				
First 1,500 Gallons	\$14.85	\$14.85	\$14.85	\$14.85
Over 1,500 Gallons (per 1,000)	\$3.43	\$3.57	\$3.71	\$3.86
Excess Strength Charges				
BOD, per mg/1 per 1,000 gallons	\$0.001921	\$0.001988	\$0.002078	\$0.002161
Suspended Solids, per mg/1 per 1,000 gallons	\$0.001219	\$0.001268	\$0.001318	\$0.001371

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Other Information (continued)

**Wastewater Utility Rates - Outside the City
PRICE PER 1,000 GALLONS
(effective beginning on dates shown)**

	<u>5/1/2008</u>	<u>1/1/2009</u>	<u>1/1/2010</u>	<u>1/1/2011</u>
Domestic Strength Wastewater				
First 1,500 Gallons	\$26.00	\$26.00	\$26.00	\$26.00
Over 1,500 Gallons (per 1,000)	\$6.00	\$6.25	\$6.50	\$5.78
Excess Strength Charges				
BOD, per mg/1 per 1,000 gallons	\$0.003362	\$0.003497	\$0.003637	\$0.003782
Suspended Solids, per mg/1 per 1,000 gallons	\$0.002133	\$0.002190	\$0.002307	\$0.002399

Source: City of Topeka, Ordinance 19074

Residential: Charges are based on a calculated average water volume for water used in the months of December, January, and February. This average is then in effect for the following twelve-month period.

Commercial: Charges are based on the lesser of: (1) water volumes or (2) actual metered sewer discharges.

MTAA: Charges in the form of a monthly user fee are based on the volume of wastewater delivered at a rate of 10% of the inside City rate. If annexation of the area occurs, MTAA is charged 75% of the inside City rate or the wholesale rate, whichever is less

Source: City of Topeka, Ordinance 19074

Stormwater Rates

The City Council approved an ordinance in April of 2008, providing for a one time increase in the stormwater rates of 17% in 2008. Rates for stormwater services are shown in the following tables for inside the City, Soldier township and North Topeka.

**Stormwater Utility Rates – Inside the City and Soldier Township
(effective beginning on dates shown)**

	<u>5/1/2008</u>	<u>1/1/2009</u>	<u>1/1/2010</u>	<u>1/1/2011</u>
Single Family Residential				
Under 1,500 sq. ft. -\$/month	\$2.75	\$2.75	\$2.75	\$2.75
1,500 – 3,500 sq. ft. -\$/month	\$4.25	\$4.25	\$4.25	\$4.25
Over 3,500 sq. ft. -\$/month	\$6.65	\$6.65	\$6.65	\$6.65
All Other Residential				
\$/each living unit/month	\$4.25	\$4.25	\$4.25	\$4.25
Non-Residential	\$4.25	\$4.25	\$4.25	\$4.25
\$/ERU**/month				

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Other Information (continued)

**Stormwater Utility Rates - North Topeka
(effective beginning on dates shown)**

	<u>5/1/2008</u>	<u>1/1/2009</u>	<u>1/1/2010</u>	<u>1/1/2011</u>
Single Family Residential				
Under 1,500 sq. ft. -\$/month	\$2.21	\$2.21	\$2.21	\$2.21
1,500 – 3,500 sq. ft. -\$/month	\$3.42	\$3.42	\$3.42	\$3.42
Over 3,500 sq. ft. -\$/month	\$5.35	\$5.35	\$5.35	\$5.35
All Other Residential				
\$/each living unit/month	\$3.42	\$3.42	\$3.42	\$3.42
Non-Residential				
\$/ERU/month	\$3.42	\$3.42	\$3.42	\$3.42

* sq ft : Square feet of impervious area.

** 1 ERU : Equivalent Residential Unit, which is equal to 2,018 square feet of impervious area.

Source: City of Topeka, Ordinance 19074.

Revenues

Customer Classification

The billed volume and revenues for the Water Utility and Wastewater Utility, and billed revenues for the Stormwater Utility, by customer classification for 2009 are shown in the following tables:

**Water Utility Billed Volume and Revenues
Billed Volume**

Customer Class	Gallons	Billed Revenue
Residential	3,089,522,000	\$ 17,090,060
Commercial	1,366,194,000	4,129,359
Industrial	655,356,000	1,650,772
Wholesale †	507,171,000	1,850,612
TOTAL	5,618,243,000	\$ 24,720,803

† Rural water districts and Metro Topeka Airport Authority.

**Wastewater Utility Billed Volume and Revenues
Billed Volume**

Customer Class	Gallons	Billed Revenue
Residential	2,656,099,000	\$ 15,534,530
Commercial	1,113,332,000	4,074,270
Industrial	928,821,000	2,661,653
TOTAL	4,698,252,000	\$ 22,270,453

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Other Information (continued)

Stormwater Utility Billed Revenues

Customer Class	Billed Revenue
Residential	\$ 2,951,959
Commercial	3,170,879
Industrial	300,524
TOTAL	\$ 6,423,362

Largest Users

The following is a list of the City's largest Industrial customers for Water, Wastewater, and Stormwater Utilities for 2009:

Water Utility – Largest Industrial Customers by Consumption			
	Customer	Annual Water Usage (Gallons)	Annual Revenues
1	Frito Lay	160,614,200	\$ 340,606
2	Goodyear Tire & Rubber Co.	149,910,000	556,789
3	Reser's Fine Foods, Inc.	111,100,950	236,289
4	Hill's Pet Nutrition	90,400,700	212,979
5	DLM Foods LLC (Del Monte Food)	87,666,900	185,968
Wastewater Utility – Largest Industrial Customers			
	Customer		Annual
1	DLM Foods LLC (Del Monte Food)		\$ 583,965
2	Reser's Fine Foods, Inc.		493,242
3	Frito Lay		457,326
4	Hill's Pet Nutrition		175,872
5	Burlington Northern Sante Fe Railway(AT&SF)		139,273
Stormwater Utility – Largest Industrial Customers			
	Customer		Annual
1	Burlington Northern Sante Fe Railway(AT&SF)		\$ 61,539
2	Frito Lay		37,379
3	DLM Foods LLC (Del Monte Food)		32,079
4	Reser's Fine Foods, Inc.		23,718
5	Hill's Pet Nutrition		9,832

Revenues are only for the minimum and basic consumption usage amounts and do not include special charges that apply to different customers.

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Other Information (continued)

The following is a list of the City's largest Wholesale customers for Water Utility for 2009:

Water Utility – Wholesale Customers by Consumption			
	Customer	Annual Water Usage (Gallons)	Annual Revenues
1	Shawnee County Consolidated # 6	144,307,000	\$ 512,872
2	Shawnee County Consolidated #1 & #2	111,161,000	395,150
3	Shawnee County # 8	99,753,000	359,964
4	Jackson County #1	88,400,000	314,089
5	Metropolitan Transit Authority (MTAA)	23,169,000	82,599

Revenues are only for the minimum and basic consumption usage amounts and do not include special charges that apply to different customers.

The following is a list of the City's largest Commercial customers for Water, Wastewater, and Stormwater Utilities for 2009:

Water Utility – Largest Commercial Customers by Consumption			
	Customer	Annual Water Usage (Gallons)	Annual Revenues
1	Stormont Vail Regional Hospital	46,839,600	\$ 119,670
2	St. Francis Hospital	44,690,000	113,852
3	Topeka Country Club	17,637,445	44,464
4	Topeka Mall Co	15,906,050	39,867
5	Jefferson Street Hotel LLC	12,011,000	29,992
Wastewater Utility – Largest Commercial Customers			
	Customer		Annual Revenues
1	Stormont Vail Regional Hospital		\$ 165,362
2	St. Francis Hospital		152,147
3	Topeka Mall Co.		56,790
4	Jefferson Street Hotel LLC		44,826
5	Capital City Plaza		41,112
Stormwater Utility – Largest Commercial Customers			
	Customer		Annual Revenues
1	Target Stores		\$ 89,519
2	Wal-Mart		49,708
3	Stormont Vail Hospital		36,897
4	Topeka Mall Co		19,416
5	St. Francis Hospital		17,549

Revenues are only for the minimum and basic consumption usage amounts and do not include special charges that apply to different customers.

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Other Information (continued)

The following is a list of the City's largest Government/School customers for Water, Wastewater, and Stormwater Utilities for 2009:

Water Utility – Largest Gov./School Customers by Consumption			
	Customer	Annual Water Usage (Gallons)	Annual Revenues
1	State Offices	85,148,860	\$ 214,040
2	Veterans' Admin. Medical Center (VA)	73,652,550	184,392
3	Unified School District 501 (K-12)	40,134,352	116,648
4	Washburn University	23,464,080	69,031
5	Topeka Correctional Facility	17,375,950	43,327
Wastewater Utility – Largest Gov./School Customers			
	Customer		Annual
1	Unified School District 501 (K-12)		\$ 90,864
2	State Offices		73,930
3	Washburn University		69,426
4	Topeka Correctional Facility		61,998
5	Veterans' Admin. Medical Center (VA)		61,381
Stormwater Utility – Largest Gov./School Customers			
	Customer		Annual
1	Unified School District 501 (K-12)		\$ 112,052
2	State Offices		96,236
3	Washburn University		59,819
4	Veterans' Admin. Medical Center (VA)		34,467
5	Topeka Correctional Facility		23,070

Revenues are only for the minimum and basic consumption usage amounts and do not include special charges that apply to different customers. In 2009 changed State office bldg to include all State offices.

Utility Operations

Water Utility Operations

The following table shows historical and projected Water Utility revenues, operating expenses, and net revenues available for debt service payments on revenue bonds.

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Other Information (continued)

Year Ending December 31	Water Utility Operations			Net Revenues Available for Bond Debt Service
	Gross Revenues (1)	Operating Expenses (2)	SRF Payments (3)	
Historical Information				
2005	24,726,740	14,881,105	737,652	9,107,983
2006	25,443,851	15,872,018	738,824	8,833,009
2007	25,958,747	15,990,022	1,495,017	8,473,708
2008	28,064,582	22,017,756	1,766,421	4,280,405
2009	29,267,487	18,606,827	1,826,137	8,834,523
Projected				
2010	31,418,846	17,892,726	2,489,341	11,036,779
2011	31,940,146	18,429,507	2,253,380	11,257,259
2012	31,940,146	18,982,392	2,578,599	10,379,155
2013	32,419,248	19,551,864	2,187,552	10,679,832

(1) Includes revenues from water sales, other operating revenue, other income and interest income.

(2) Excluding depreciation, payments in lieu of taxes, SRF Loan payments, and interest expense.

(3) SRF principal and interest payments per Division of Accounts and Reports.

Source: City of Topeka Financial Services Department

Since the beginning of 2007, the City has been working to raise the combined utilities cash balance, specifically the Water Division. The City has restructured their revenue bonds to redistribute debt service and conserve cash and increased the utility rates for all three utilities in the summer of 2008. At the end 2009 the combined utilities cash balance was a positive \$10,204,382. However, the water utility still has a negative cash balance of \$1,717,411 as of the end of 2009. It is anticipated that the Water Division's cash deficit will be replenished within two years. Until that time, the cash needs of the Combined Utility will be met through interfund borrowing within the City.

The following information is a schedule of revenues, expenses, and changes in retained earnings of the Water Utility for the years ended December 31, 2005 through 2009. Although separate, monthly financial statements are prepared for the Water Utility, in the City's Comprehensive Annual Financial Report ("CAFR") operating results of the Water, Wastewater, and Stormwater Utilities are combined. This combined, audited information is on pages 38 – 40 in the section entitled "FINANCIAL SECTION-Combining Statement of Net Assets – Proprietary Funds." No separate audit report is prepared for the Water Utility.

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Other Information (continued)

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
Water Utility
For the Year Ended December 31, 2009**

	2005	2006	2007	2008	2009
Operating revenues:					
Metered water	\$ 21,867,456	\$ 22,327,431	\$ 23,486,962	\$ 25,780,705	\$ 26,051,729
Merchandise and service sales,	746,886	735,844	659,407	662,363	879,311
Intergovernmental revenues	-	-	-	10,892	-
Other	1,241,100	1,751,503	834,984	834,984	861,824
Total operating revenue	\$ 23,855,442	\$ 24,814,778	\$ 24,981,353	\$ 27,288,944	\$ 27,792,864
Operating expenses before depreciation and payments in lieu of taxes:					
Salaries, wages and benefits	\$ 4,936,536	\$ 5,055,060	\$ 5,413,123	\$ 6,511,261	\$ 6,289,291
Purchased services	5,387,881	5,762,251	5,392,068	5,788,060	6,295,981
Commodities	3,997,405	4,712,856	4,336,388	4,895,948	4,807,384
Other	559,283	341,851	848,443	4,822,487	1,214,171
Total operating expenses	\$ 14,881,105	\$ 15,872,018	\$ 15,990,022	\$ 22,017,756	\$ 18,606,827
Operating income before depreciation and payments in lieu of taxes:	\$ 8,974,337	\$ 8,942,760	\$ 8,991,331	\$ 5,271,188	\$ 9,186,037
Depreciation expense	4,010,302	4,437,117	4,625,184	4,537,614	4,560,240
Payments in lieu of taxes	2,125,000	2,127,000	2,200,000	2,284,000	2,130,000
Payments in lieu of debt service	-	(2,080,974)	-	-	-
Operating Income	\$ 2,839,035	\$ 4,459,617	\$ 2,166,147	\$ (1,550,426)	\$ 2,495,797
Non-operating revenues (expenses):					
Interest income	\$ 541,298	\$ 629,073	\$ 532,733	\$ 390,580	\$ 401,730
Interest expense	(3,552,019)	(3,913,264)	(3,639,002)	(4,047,627)	(3,877,131)
Other Income	-	-	444,661	385,058	1,072,893
Miscellaneous expenses	-	-	-	(90,826)	(96,664)
Operating transfers in	330,000	-	-	-	-
Gain (loss) on asset disposals	-	(277,783)	442,430	1,095	5,550
Total non-operating	\$ (2,680,721)	\$ (3,561,974)	\$ (2,219,178)	\$ (3,361,720)	\$ (2,493,622)
Change in Net assets	\$ 158,314	\$ 897,643	\$ (53,031)	\$ (4,912,146)	\$ 2,175
Total Net Assets Beginning of Year	66,838,772	66,997,086	67,894,729	67,841,698	62,929,552
Total Net Assets End of Year	\$ 66,997,086	\$ 67,894,729	\$ 67,841,698	\$ 62,929,552	\$ 62,931,727

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Other Information (continued)

Wastewater Utility Operations

The following table shows historical and projected Wastewater Utility revenues, operating expenses, and net revenues available for debt service payments on revenue bonds.

Year Ending December 31	Gross Revenues (1)	Operating Expenses (2)	SRF Payments (3)	Net Revenues Available for Bond Debt Service
Historical Information				
2005	19,371,892	9,674,440	4,789,363	4,908,089
2006	20,635,664	10,045,828	6,891,760	3,698,076
2007	21,902,412	9,825,123	6,924,076	5,153,213
2008	25,129,647	10,104,344	6,975,470	8,049,833
2009	25,717,125	9,939,784	7,688,657	8,088,684
Projected				
2010	26,017,000	11,479,600	7,551,400	6,986,000
2011	26,647,000	11,828,100	7,565,340	7,253,560
2012	26,683,000	12,186,800	7,579,745	6,916,455
2013	26,728,000	12,556,700	7,594,632	6,576,668

(1) Includes revenues from water sales, other operating revenue, other income and interest income.

(2) Excluding depreciation, payments in lieu of taxes, SRF Loan payments, and interest expense.

(3) SRF principal and interest payments per Division of Accounts and Reports.

Source: City of Topeka Financial Services Department

The following information is a statement of revenues, expenses, and changes in net assets of the Wastewater Utility for the years ending December 31, 2005 through 2009. Although separate, monthly financial statements are prepared for the Water Utility, in the City's Comprehensive Annual Financial Report ("CAFR") operating results of the Water, Wastewater, and Stormwater Utilities are combined. This combined, audited information is on pages 38 – 40 in the section entitled "FINANCIAL SECTION-Combining Statement of Net Assets – Proprietary Funds." No separate audit report is prepared for the Wastewater Utility.

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Other Information (continued)

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
Wastewater Utility
For the Year Ended December 31, 2009**

	2005	2006	2007	2008	2009
Operating revenues:					
Sewer service charges	\$ 17,893,443	\$ 17,907,993	\$ 20,122,014	\$ 22,348,629	\$ 22,504,791
Intergovernmental revenues	-	-	-	19,577	-
Other	775,220	851,122	246,317	276,365	171,384
Total operating revenues	\$ 18,668,663	\$ 18,759,115	\$ 20,368,331	\$ 22,644,571	\$ 22,676,175
Operating expenses before depreciation and payments in lieu of taxes:					
Salaries, wages and benefits	\$ 3,662,214	\$ 3,781,375	\$ 3,550,287	\$ 3,613,664	\$ 3,536,663
Purchased services	4,852,974	4,919,698	4,956,139	5,311,161	5,105,723
Commodities	1,023,436	973,330	872,037	982,385	1,007,570
Other payments	135,816	371,425	446,660	197,134	289,828
Total operating expenses	\$ 9,674,440	\$ 10,045,828	\$ 9,825,123	\$ 10,104,344	\$ 9,939,784
Operating income before depreciation and payments in lieu of taxes	\$ 8,994,223	\$ 8,713,287	\$ 10,543,208	\$ 12,540,227	\$ 12,736,391
Depreciation expense	4,013,133	4,408,395	5,206,865	5,858,481	6,116,290
Payments in lieu of debt service	-	2,080,974	-	-	-
Payments in lieu of taxes	2,150,000	1,969,315	2,065,000	2,065,000	2,325,000
Operating income	\$ 2,831,090	\$ 254,603	\$ 3,271,343	\$ 4,616,746	\$ 4,295,101
Non-operating revenues (expenses):					
Interest income	\$ 703,229	\$ 1,876,549	\$ 1,046,511	\$ 549,982	\$ 447,903
Interest expense	(1,773,865)	(3,025,238)	(3,045,117)	(3,683,649)	(3,331,204)
Operating transfers in (out)	-	(125,000)	-	-	-
Other income	-	-	487,570	1,935,094	2,593,047
Miscellaneous expenses	-	-	-	(148,465)	(136,312)
Gain (loss) on asset disposals	-	50,983	-	-	30,815
Total non-operating revenues (expenses):	\$ (1,070,636)	\$ (1,222,706)	\$ (1,511,036)	\$ (1,347,038)	\$ (395,751)
Change in Net Assets	\$ 1,760,454	\$ (968,103)	\$ 1,760,307	\$ 3,269,708	\$ 3,899,350
Total Net Assets Beginning of Year	91,091,005	92,851,459	\$91,883,356	\$93,643,663	\$96,913,371
Total Net Assets End of Year	\$ 92,851,459	\$ 91,883,356	\$ 93,643,663	\$ 96,913,371	\$ 100,812,721

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Other Information (continued)

Stormwater Utility Operations

The following table shows historical and projected Stormwater Utility revenues, operating expenses, and net revenues available for debt service payments.

Year Ending December 31	Stormwater Utility Operations			Net Revenues Available for Bond Debt Service
	Gross Revenues (1)	Operating Expenses (2)	SRF Payments (3)	
Historical Information				
2005	4,993,428	2,106,025	-	2,887,403
2006	5,245,164	2,127,741	-	3,117,423
2007	5,572,506	3,524,705	-	2,047,801
2008	6,509,472	2,732,636	-	3,776,836
2009	6,665,933	3,096,859	-	3,569,074
Projected				
2010	6,658,900	3,319,700	-	3,339,200
2011	6,584,400	3,694,300	-	2,890,100
2012	6,564,700	3,763,100	-	2,801,600
2013	6,587,300	3,833,500	-	2,753,800

(1) Includes revenues from water sales, other operating revenue, other income and interest income.

(2) Excluding depreciation, payments in lieu of taxes, SRF Loan payments, and interest expense.

(3) SRF principal and interest payments per Division of Accounts and Reports.

Source: City of Topeka Financial Services Department

The following information is a schedule of revenues, expenses, and changes in retained earnings of the Stormwater Utility for the years ending December 31, 2005 through 2009. Although separate, monthly financial statements are prepared for the Water Utility, in the City's Comprehensive Annual Financial Report ("CAFR") operating results of the Water, Wastewater, and Stormwater Utilities are combined. This combined, audited information is on pages 38 – 40 in the section entitled "FINANCIAL SECTION-Combining Statement of Net Assets – Proprietary Funds." No separate audit report is prepared for the Stormwater Utility.

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Other Information (continued)

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
Stormwater Utility
For the Year Ended December 31, 2009**

	2005	2006	2007	2008	2009
Operating revenues:					
Sewer service charges	\$ 4,760,626	\$ 5,090,481	\$ 5,379,084	\$ 6,106,291	\$ 6,447,990
Other	25,979	19,999	-	-	1,050
Total operating revenues	\$ 4,786,605	\$ 5,110,480	\$ 5,379,084	\$ 6,106,291	\$ 6,449,040
Operating expenses before depreciation and payments in lieu of taxes:					
Salaries, wages and benefits	\$ 804,547	\$ 802,095	\$ 1,054,548	\$ 1,198,571	\$ 1,383,542
Purchased services	1,154,098	1,104,274	2,284,829	1,324,168	1,515,632
Commodities	140,232	151,597	124,425	180,561	152,786
Other payments	7,148	69,775	60,903	29,336	44,899
Total operating expenses	\$ 2,106,025	\$ 2,127,741	\$ 3,524,705	\$ 2,732,636	\$ 3,096,859
Operating income before depreciation and payments in lieu of taxes	\$ 2,680,580	\$ 2,982,739	\$ 1,854,379	\$ 3,373,655	\$ 3,352,181
Depreciation expense	571,216	768,665	928,196	1,006,082	1,004,132
Payments in lieu of debt service	30,000	-	-	-	-
Payments in lieu of taxes	450,000	423,127	460,000	460,000	477,000
Operating income	\$ 1,629,364	\$ 1,790,947	\$ 466,183	\$ 1,907,573	\$ 1,871,049
Non-operating revenues (expenses):					
Interest income	\$ 146,823	\$ 134,684	\$ 189,063	\$ 128,316	\$ 99,884
Interest expense	(681,387)	(586,791)	(576,439)	(567,312)	(549,562)
Other revenues	-	-	4,359	274,865	117,009
Miscellaneous expenses	-	-	-	(1,115)	(1,114)
Operating transfers in (out)	(200,000)	(200,000)	-	-	(51,879)
Gain (loss) on asset disposals	8,000	9,531	-	-	-
Total non-operating revenues (expenses):	\$ (726,564)	\$ (642,576)	\$ (383,017)	\$ (165,246)	\$ (385,662)
Change in Net Assets	\$ 902,800	\$ 1,148,371	\$ 83,166	\$ 1,742,327	\$ 1,485,387
Total Net Assets Beginning of Year	21,049,990	21,952,790	23,101,161	23,184,327	24,926,654
Total Net Assets End of Year	\$ 21,952,790	\$ 23,101,161	\$ 23,184,327	\$ 24,926,654	\$ 26,412,041

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City of Topeka, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2009

Federal CFDA Number	Pass - Through Grantor's Number	Program or Award Amount	New Award or Unexpended Grant Amount at 1/1/2009	Expenditures	Unexpended Grant Amount at 12/31/2009
Federal Grantor/Pass - Through Grantor/Program Title					
U.S. Department of Housing and Urban Development					
Passed through KS Housing Resources Corporation:					
14.231	ESG-FFY2008	46,465	43,260	43,260	-
14.231	ESG-FFY2009	25,625	25,625	625	25,000
		72,090	68,885	43,885	25,000
Passed through KS Department of Commerce:					
14.228	09-NSP-019	1,644,670	1,644,670	12,757	1,631,913
Neighborhood Stabilization Program					
14.231	S-08-MC-20-0003	87,994	39,080	39,080	-
14.231	S-09-MC-20-0003	87,552	87,552	61,902	25,650
14.218	B-06-MC-20-0003	2,497,448	5,802	-	5,802
14.218	B-07-MC-20-0003	2,940,600	53,948	15,765	38,183
14.218	B-08-MC-20-0003	1,754,575	136,373	95,156	41,217
14.218	B-09-MC-20-0003	3,142,688	3,142,688	1,948,995	1,193,693
14.238	KS01C70-3003	1,266,876	393,287	391,142	2,145
14.238	KS0022C7P030801	1,320,144	1,320,144	816,443	503,701
14.239	M-07-MC-20-0203	1,112,975	21,369	21,369	-
14.239	M-08-MC-20-0203	747,665	405,807	135,296	270,511
14.239	M-09-MC-20-0203	1,343,007	1,343,007	438,991	904,016
14.246	B-03-SP-KS-0251	715,320	4,030	4,030	-
14.246	B-05-SP-KS-0486	198,400	5,810	5,810	-
14.246	B-05-SP-KS-0084	496,000	90,600	83,600	7,000
14.401	FF207K087016	30,140	2,423	2,423	-
14.401	FF207K097016	37,640	37,640	17,682	19,958
		19,495,784	8,803,115	4,134,326	4,668,789
Total U.S. Department of Housing and Urban Development					
U.S. Department of Justice					
16.738	2006-DJ-BX-0187	108,301	2,467	2,467	-
16.738	2009-DJ-BX-0372	134,065	134,065	48,768	85,297
16.580	2007-DD-BX-0668	60,550	28,552	22,816	5,736
16.575	09-VOCA-42	37,139	28,304	28,304	-
16.575	10-VOCA-43	40,609	40,609	10,877	29,732
16.595	2008-WS-QX-0061	150,000	115,194	103,175	12,019
16.737	2007-JV-FX-0294	122,006	71,353	71,353	-
16.607		2,420	2,420	2,420	-
16.607		3,088	3,088	3,088	-
16.607		5,547	5,547	5,547	-
16.607		3,021	3,021	3,021	-
16.607		2,878	2,878	-	2,878
16.710	2008CKWX0430	65,471	65,471	65,435	36
Passed through Kansas Attorney General:					
Project Safe Neighborhood					
16.744	2006-PG-BX-0078	59,416	104	-	104
		794,511	503,073	367,271	135,802
Total U.S. Department of Justice					

...continued

Federal Grantor/Pass - Through Grantor/Program Title	Federal CFDA Number	Pass - Through Grantor's Number	Program or Award Amount	New Award or Unexpended Grant Amount at 1/1/2009	Expenditures	Unexpended Grant Amount at 12/31/2009
<i>...continued</i>						
Small Business Administration						
Heartland Park Topeka Infrastructure Improvement	59.000	SBAHQ-08-I-0136	1,000,000	990,118	487,456	502,662
Total Small Business Administration			1,000,000	990,118	487,456	502,662
National Park Service						
Passed through KS State Historical Society:						
Historic Preservation Fund Program	15.904	20-08-21721-011	24,000	24,000	24,000	-
Historic Preservation Fund Program	15.904	20-08-21721-012	520	520	520	-
Total National Park Service			24,520	24,520	24,520	-
Environmental Protection Agency						
Passed through Kansas Department of Health and Environment:						
Capitalization Grants for State Revolving Funds	66.458	C20 1270 01	143,398,271	13,564,981	5,674,810	7,890,171
Total Environmental Protection Agency			143,398,271	13,564,981	5,674,810	7,890,171
U.S. Department of Transportation						
Passed through Kansas Department of Transportation:						
Consolidated Planning Grant-Federal Highway Administration portion	20.205		313,350	313,350		
Consolidated Planning Grant-Federal Transit Administration portion	20.505		78,337	78,337		
Total			391,687	391,687	134,669	299,987
State and Community Highway Safety	20.600	OP-0993-09	30,400	25,167	25,156	11
State and Community Highway Safety	20.600	OP-0993-10	30,000	30,000	5,931	24,069
Safety Incentives to Prevent Operation of Motor Vehicles By Intoxicated Persons	20.600	AL-9082-09	7,399	6,760	6,004	756
Safety Incentives to Prevent Operation of Motor Vehicles By Intoxicated Persons	20.601	AL-9082-10	9,627	9,627	570	9,057
Total U.S. Department of Transportation			469,113	463,241	172,330	333,880
U.S. Department of Health and Human Services						
Passed through Safe Streets through State of Kansas SRS:						
Substance Abuse and Mental Health Services	93.243		27,993	27,993	8,519	19,474
Total U.S. Department of Health and Human Services			27,993	27,993	8,519	19,474
U.S. Department of Homeland Security						
Passed through Northeast Kansas Regional Homeland Security Council						
Homeland Security Grant Program	97.067		225,000	225,000	225,000	-
Passed through State of Kansas Adjutant General Department						
Homeland Security Grant Program	97.073		8,519	8,519	8,519	-
FEIMA Public Assistance Grant	97.036		6,215	6,215	6,215	-
Total U.S. Department of Homeland Security			239,734	239,734	239,734	-
Executive Office of the President-Office of National Drug Control Policy						
Passed through Kansas Bureau of Investigation						
Topeka Regional Task Force for High Intensity Drug Trafficking Area		I7PMWV566Z	62,328	1,565	-	1,565
Topeka Regional Task Force for High Intensity Drug Trafficking Area		I8PMWV566Z	51,101	51,101	51,101	-
Topeka Regional Task Force for High Intensity Drug Trafficking Area		G09MMW003A	47,010	47,010	21,366	25,644
Total Executive Office of the President-Office of National Drug Control Policy			160,439	99,676	72,467	27,209

...continued

Federal CFDA Number	Pass - Through Grantor's Number	Program or Award Amount	New Award or Unexpended Grant Amount at 1/1/2009	Expenditures	Unexpended Grant Amount at 12/31/2009
Federal Grantor/Pass - Through Grantor/Program Title					
...continued					
American Recovery and Reinvestment Act Grants					
<i>Department of Justice:</i>					
16.804	2009-SB-B9-1610	551,310	551,310	156,680	394,630
16.710	2009RKWX0362	1,120,539	1,120,539	-	1,120,539
<i>Department of Housing and Urban Development:</i>					
14.257	S-09-MY-20-0003	816,686	816,686	8,902	807,784
14.253	B-09-MS-20-0003	533,736	533,736	19,928	513,808
<i>Department of Energy:</i>					
81.128	DE-SC0002657	1,240,200	1,240,200	313	1,239,887
Total American Recovery and Reinvestment Act Grants					
		4,262,471	4,262,471	185,823	4,076,648
Total Federal Awards		\$ 169,872,836	\$ 28,978,922	\$ 11,367,256	\$ 17,654,635

Transfers of Program Income were made

^ Transfers of uncommitted funds were made

* Major Program

City of Topeka, Kansas
Notes to the Schedule of Expenditures of Federal Awards
December 31, 2009

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Topeka, Kansas and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non Profit Organizations*. Therefore, amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the general purpose financial statements.

Note 2: Loans

The City of Topeka has the following federal subsidized loan:

EPA Capitalization Grant from the State Revolving Loan Fund CFDA #66.458. The balance at December 31, 2009 was \$89,619,673.

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and Management Consultants

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and Members
of the City Council
City of Topeka, Kansas

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Topeka, Kansas, as of and for the year ended December 31, 2009, which collectively comprise the City of Topeka, Kansas, basic financial statements and have issued our report thereon dated September 2, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal control over financial reporting

In planning and performing our audit, we considered the City of Topeka, Kansas, internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Topeka, Kansas, internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Topeka, Kansas, internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (2009-1). A *significant* deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and other matters

As part of obtaining reasonable assurance about whether the City of Topeka, Kansas, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Wunderly Nae Nelson & Tack LLC

Topeka, Kansas
September 2, 2010



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and Management Consultants

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Mayor and Members
of the City Council
City of Topeka, Kansas

Compliance

We have audited the compliance of the City of Topeka, Kansas, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Topeka, Kansas, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal control over compliance

The management of the City of Topeka, Kansas, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Wendling Nae Nelson & Johnson LLC

Topeka, Kansas
September 2, 2010

CITY OF TOPEKA, KANSAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the year ended December 31, 2009

Section I - Summary of Auditor's Results

Financial statements --

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes _____ None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal awards --

Internal control over major programs:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ Yes X No

Identification of major programs:

<u>CFDA number</u>	<u>Program name</u>
16.595	Weed and Seed Program
59.000	Heartland Park Infrastructure Improvement
66.458	Capitalization Grant - State Revolving Loan Fund

Dollar threshold used to distinguish between type A and type B programs \$341,000

Auditee qualified as low risk auditee? X Yes _____ No

Section II - Financial Statement Findings

2009-1 A significant control deficiency exists in the design and operation of
2008-1 internal control due to a lack of adequate documentation of accounting
procedures and the components of internal control.

Management response

Management concurs with the finding. The City is installing a new
accounting software system and will adequately document the necessary
accounting procedures and controls of the new system.

Section III - Federal Award Findings and Questioned Costs

None

CITY OF TOPEKA, KANSAS
FOLLOW-UP ON PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2009

Findings - Federal Award Findings and Questioned Costs

No findings in the preceding year.