



CITY OF TOPEKA, KS

Comprehensive Annual Financial Report

For Year Ending December 31st, 2013



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF TOPEKA, KANSAS

For The Year Ending December 31, 2013

Prepared by the Administrative and Financial Services Department

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CITY OF TOPEKA, KANSAS

Comprehensive Annual Financial Report
For the year ending December 31, 2013

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INTRODUCTION AUDIT SECTION

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City of Topeka

Jim Colson, City Manager

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July 21, 2014

Honorable Mayor Larry Wolgast
Honorable Members of the City Council
City of Topeka
Topeka, Kansas

Ladies and Gentlemen:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Topeka, Kansas (the City) for the fiscal year ended December 31, 2013. The CAFR has been prepared by the Administrative and Financial Services Department in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. I believe that the data, as presented, is accurate in all material respects; that its presentation fairly shows the financial position and the results of the City's operations as measured by the financial activity of its various funds; and that the included disclosures will provide the reader with an understanding of the City's financial affairs.

Mize Houser and Company P.A., an independent firm of licensed certified public accountants, audited the City's financial statements and issued an unmodified opinion on the governmental and business-type activities of the City of Topeka's financial statements for the year ended December 31, 2013.

GASB Statement No. 34 requires that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of a Management's Discussion & Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

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 is prepared in accordance with the GASB 34 requirements by including the MD&A, the Basic Financial Statements including notes and the 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 Auditors' 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 TOPEKA

Topeka is the capital city of Kansas and the seat of Shawnee County. It is situated along the Kansas River in northeast Kansas. As of the 2010 census, the city population was 127,473 and has shown a modest population growth of 2.1 percent since 2000. The Topeka Metropolitan Statistical Area had a 2010 population of 233,870. Topeka is also the county seat of Shawnee County, Kansas which has a population of more than 171,000 and an area of 550 square miles. In addition to Topeka, Shawnee County includes three small incorporated towns and a variety of recreational facilities, lakes, golf courses and both suburban and "rural" housing options. Topeka was chartered as a city in February 1857 and chosen as the capital city of Kansas in 1861.

The City of Topeka operates under a council manager form of government. This system of local government combines the strong political leadership of elected officials with the managerial experience of a professional local government manager. The City is governed by a ten-member Governing Body, including a directly elected Mayor and a nine-member City Council, elected by district. Governing Body members serve 4-year staggered terms. A City Manager, appointed by the Governing Body, is responsible for the implementation of the Governing Body's policy and the day-to-day operations of the City. The City has 1,150 employees responsible for a wide range of services, including public safety, municipal court, construction and maintenance of the City's street and traffic infrastructure network, water utility, wastewater utility, stormwater utility, social services, planning and zoning, the zoo, and many others.

Topeka is located in the center of the United States, approximately equidistant between the east and west coasts and between Mexico and Canada. Topeka's transportation needs are served by a comprehensive transportation network, including Interstate Highway 70 / 470, Interstate Highway 35 (Kansas Turnpike), U. S. Highway 24, U. S. Highway 40, U. S. Highway 75, and Kansas Highway 4. Burlington Northern Santa Fe and Union Pacific serve the region's freight needs, while AMTRAK Passenger Rail Service is available to either Chicago or Los Angeles. Forbes Field Airport provides limited scheduled air service and Kansas City International, a 73 mile Interstate drive east of Topeka, is served by 13 major commercial airlines and their connection partners, offering over 200 daily departures with nonstop jet service to 43 destinations.

This CAFR includes the financial activities of the primary government, which encompasses several enterprise activities.

TOPEKA'S ECONOMY AND OUTLOOK

Topeka is the economic hub of northeast Kansas and a vital retail center. A 2012 Kansas Department of Revenue Study indicated the City captures more than 90% of sales tax generated in Shawnee County. This same study documented Topeka's pull factor as 1.37 (2012)—meaning that Topeka “exports” a significant share of its sales tax burden to non-Topeka residents. Moody's estimates that the cost of energy in Topeka is 18 percent less than the national average, contributing to an overall cost of doing business in Topeka that is 15 percent less than the national average. Topeka has a diverse business community ranging from federal and state government to distribution centers and manufacturing facilities, complimented by a full range of retail and service businesses. This employer mix presents both opportunities and challenges for Topeka currently and in the future. Payless ShoeSource, Hill's Pet Nutrition, Security Benefit Group, Western Resources, and Blue Cross and Blue Shield of Kansas are all headquartered in Topeka.

Washburn University, located in the center of the city, offers undergraduate degrees in more than 45 different areas and a wide variety of professional graduate programs including a law school. Washburn, which serves a student population of over 7,300, has new campus living centers and lifestyle amenities that have resulted in more traditional students finding Washburn a perfect fit for their college years. Topeka is also the home of the Washburn Institute of Technology and the Kaw Area Technical School both of which offer a wide variety of secondary, post-secondary and customized business training programs. In addition, the University of Kansas, Kansas State University, and Emporia State University are within an hour's drive bringing the total number of college students in the immediate area to more than 63,000.

Topeka and Shawnee County are served by five public school districts that offer a wide variety of quality educational programs to more than 26,000 students. Additionally, a number of private schools provide educational alternatives to both elementary and secondary students.

Topeka offers a quality of life that includes a zoo, parks, golf courses, community theatre, concerts and shows, festivals, sporting events, and myriad social services. Attractions include Heartland Park Topeka, the Brown vs. Board National Historic Site, the State Capitol complex and Governor's Mansion, the Kansas History Center, the Great Overland Station and a variety of museums. The community boasts two outstanding hospitals, five specialized medical facilities, and a wide variety of specialized health services that make it a major regional medical center for the state.

In 2008 and 2009, the United States economy experienced a significant economic downturn, with significant losses in the stock market, rising unemployment, and decreasing consumer confidence. Like most cities, Topeka, has been hit hard by the economic slowdown. While the softening of some sectors has stalled the local economy, some professional services categories that have long been critical to Topeka's economy have displayed stability or growth over the last three years. Health care, manufacturing, and even the public sector, after experiencing some job losses, have recovered and improved to the point where these industries together now employ more people than during the economic peak in 2000. Unemployment rates continue to decrease in Topeka. For example, last May the unemployment rate was 6.5% and it is currently at 4.9%. Building permits remain steady from the previous year, with new construction making a positive contribution towards property valuations.

Commercial growth remains steady with planned upcoming additions of a Walmart Neighborhood market, Academy Sports, CVS, Walgreens, and a Hilton Garden Inn. Median household income was up by 2.16% to \$48,464 in 2012.

The City's property tax revenue, one of the single largest sources of tax revenue for the City's general fund, has grown at a modest pace in recent years, reflecting the growth in property values and prices during the time period. The City's tax base remained relatively stable through the recession and total assessed valuation is trending toward pre-recession levels. Trends in other sources of local tax revenue—sales tax primarily—have also seen modest growth as the City experiences an overall growth in our economy. Increases in real property are driven primarily by new construction, which on average grows around \$11 million a year. Two tax exempted properties through IRB exemptions will come onto the tax rolls for the 2016 budget. State assessed valuations on average have grown approximately 6% a year over the last 5 years.

Topeka's economy is improving, but remains at risk. Government payrolls at all levels are still shedding jobs, but in the last quarter of 2013, the metro area regained some the lost jobs in the second and third quarters. The reliance on public sector for job gains is an economic weakness as is the relatively weak population growth. However, the good transportation infrastructure benefits manufacturing and distribution. This infrastructure, combined with the low costs of living and doing business, should attract business activity.

MAJOR INITIATIVES AND ACHIEVEMENTS

A number of significant initiatives, outlined below, are underway in Topeka that will have a positive effect on the City's economic health and its ability to provide services to residents and businesses.

Economic Development

The challenge of financing local public infrastructure improvements and operations has been met creatively by both government and citizens in the recent past. New funding has come in the form of a dedicated citywide sales tax, approved by both Topeka voters, to address existing infrastructure needs. The 10-year citywide ½ cent sales tax was approved in 2009 and expires October 2019 and was specifically dedicated to improving *existing* citywide infrastructure. To date, nearly \$50 million has been used to improve existing streets, curbs, and sidewalks. In addition to improved City infrastructure, we have seen a significant reduction in G.O. debt demanded for such projects.

In addition to a specific citywide sales tax, Topeka also receives funds from a county wide ½ cent sales tax. The tax was approved by the voters and speaks to the strong City/County relationship and commitment to community, economic, and infrastructure development. This sales tax generates approximately \$15 million annually – including \$5 million for countywide economic development. The tax expires in December 2016, but the City Council and County Commission are working collaboratively and will propose a 15-year extension for voter approval. If renewed by the voters in November 2014, the City will receive approximately \$118 million of the estimated total revenues of \$240 million. The primary focuses are renewed infrastructure and economic development.

The economic development focus of the region paid dividends in 2013 when Mars Chocolate North America began construction on a new \$300 million, 500,000 sq. ft. plant located in Topeka. The plant will be operational in early 2014, with an initial job creation of approximately 200 new jobs. Upcoming opportunities include a number of existing business expansions, the continued growth of financial and insurance companies, the proposed expansion of Heartland Park STAR District, and a planned Downtown Redevelopment.

The Topeka Regional Airport and United Airlines announced twice-daily jet service between Topeka and Chicago in 2013. United Express carrier ExpressJet Airlines will fly the route with a 50-seat regional jet, featuring six seats in Economy Plus, and 44 seats in Economy. The flight schedule allows for quick connections to more than 130 cities around the world, from New York to Los Angeles, and from London to Tokyo.

The portfolio of New Business Attraction projects, at the end of the fourth quarter 2013, included 30 Projects, capturing potential for 4,702 new direct jobs and \$270,900,000 in new capital investment. Leading food manufacturers, educational partners, and economic development staff finalized the core skills requirements for the newly created Food Manufacturers (M-TECH) class. An RFP has been released to all Kansas technical schools, with the award scheduled in the first quarter of 2014. This course will provide area food manufacturers with a trained and ready workforce that can immediately work on the manufacturing floor with little training by the company and should continue to solidify Topeka's role as a food and manufacturing headquarters.

The downtown redevelopment project is proposed to be a two-year, \$5.8 million restoration project spanning four blocks. Expected to be completed in late 2015, the project will include street, sidewalk and lighting improvements, as well as new water mains and storm sewers and the addition of hi-speed fiber internet infrastructure. An influx of private capital – over \$2.5 million – makes this project a unique public/private partnership. The private contributions are pledged to enhance aesthetics, including decorative arches and eight new pocket parks.

OTHER FINANCIAL INFORMATION

Internal Controls

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Process

The City's budget is a detailed operating plan, which identifies estimated costs and results in relation to estimated revenues. The budget includes: (1) the programs, projects, services, and activities to be carried on during the fiscal year; (2) the estimated revenue available to finance the operating plan; and (3) the estimated spending requirements of the operating plan. The budget represents a process where policy decisions by the Governing Body are made, implemented, and controlled.

The annual budget process begins 15 months before the start of each fiscal year, when the Administrative and Financial Services Department prepares a revised five-year financial forecast. The financial forecast serves as the foundation for planning and control, projecting revenues and expenditures for the next five years and comparing the prior year's projections with actual results. The Administrative and Financial Services Department also reviews and coordinates the annual Capital Improvement Program and budget. The resulting proposed budget is submitted to the City Manager. The City Manager reviews and, as appropriate, revises the proposed budget and then, six months before the new year, submits a recommended budget to the Governing Body. The Governing Body holds public hearings to receive input from citizens. The budget is adopted approximately four months before the start of the new fiscal year and is submitted to the State of Kansas in compliance with State statutes.

The legal level of budgetary control is at the individual fund level, and City policy provides authority for intra-fund modifications of the budget. The budget is prepared by fund, function, cost center and superior commitment item. Legal appropriated annual budgets are statutorily required for most, but not all, operations. City practice is to adopt budgets for all funds. Budget to actual comparisons are provided in this report for each individual governmental fund for which a legal appropriated annual budget has been adopted.

In addition to the five-year financial forecast, the City develops a Capital Improvement Program (CIP) with the goal of facilitating area-wide economic development by updating the City's roads, bridges and drainage systems, as well as maintaining its facilities. Capital spending for 2013 totaled \$55,469,427 including projects for road improvements, levee repairs, infrastructure, and continued upgrades to City owned and leased buildings. Planned capital spending for 2015 totals \$40,257,777, and total projected spending in the five year capital improvement program that extends through 2019 is \$269,400,526. The CIP is funded on a year-by-year basis from various funding sources, including annual operating revenues from property tax and sales tax, or by issuing bonds and making debt service payments over a period of years.

Topeka is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. Single audits are intended to eliminate duplication of audit effort by providing for only one audit entity-wide, specifically designed to meet the needs of all interested parties. Although individual federal grantor agencies may still arrange for additional audit work if they consider it necessary for their purposes, the law requires that any additional work be built upon the single audit.

Cash Management

The City's investment priorities seek the preservation of capital, liquidity and yield. A priority is placed on the soundness of financial institutions holding our assets and the types of investments permitted by the State of Kansas Statutes. During 2013, idle funds were invested in certificates of deposit, obligations of the U.S. Treasury, government agency securities, repurchase agreements, money market funds, and the State of Kansas Municipal Investment Pool. The weighted average maturity was 591 days and the average yield to maturity was 0.53%. The fair value of investments totaled \$112,233,425 at December 31, 2013. The Employees' Retirement System deposits and investments are maintained by the State of Kansas, outside the City Treasury, and follow policies established by their respective governing boards.

Risk Management

It is the policy of the City to purchase commercial insurance against property or liability risks. The City is self-insured for workers' compensation claims. Claims payment history (experience) and payroll costs (exposure) are considered when calculating the claims liabilities and workers' compensation outstanding liabilities for each department. The City's insurance/self-insurance program is reviewed annually in the budget process. The claims liabilities and workers' compensation liabilities reported on the statement of net assets have been actuarially determined and include an estimate of incurred but not reported losses.

INDEPENDENT AUDIT

The City's Charter requires an annual audit of the Controller's records. These records, represented in the Comprehensive Annual Financial Report, have been audited by the nationally recognized certified public accounting firm, Mize Houser & Company P.A. The Independent Auditors' Report on our current financial statements is presented in the Financial Section. As a recipient of Federal and State financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to assure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. As a part of the City's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal financial assistance programs, and to evaluate the City's compliance with applicable laws and regulations.

ACKNOWLEDGMENTS

I would like to express my appreciation to the entire staff of the Administrative and Financial Services Department whose professionalism, dedication and efficiency are responsible for the preparation of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report. Finally, I want to thank the Mayor and the City Council for their interest and support in planning and conducting the City's financial operations.

Respectfully submitted,

Jim Colson



City Manager

Doug Gerber



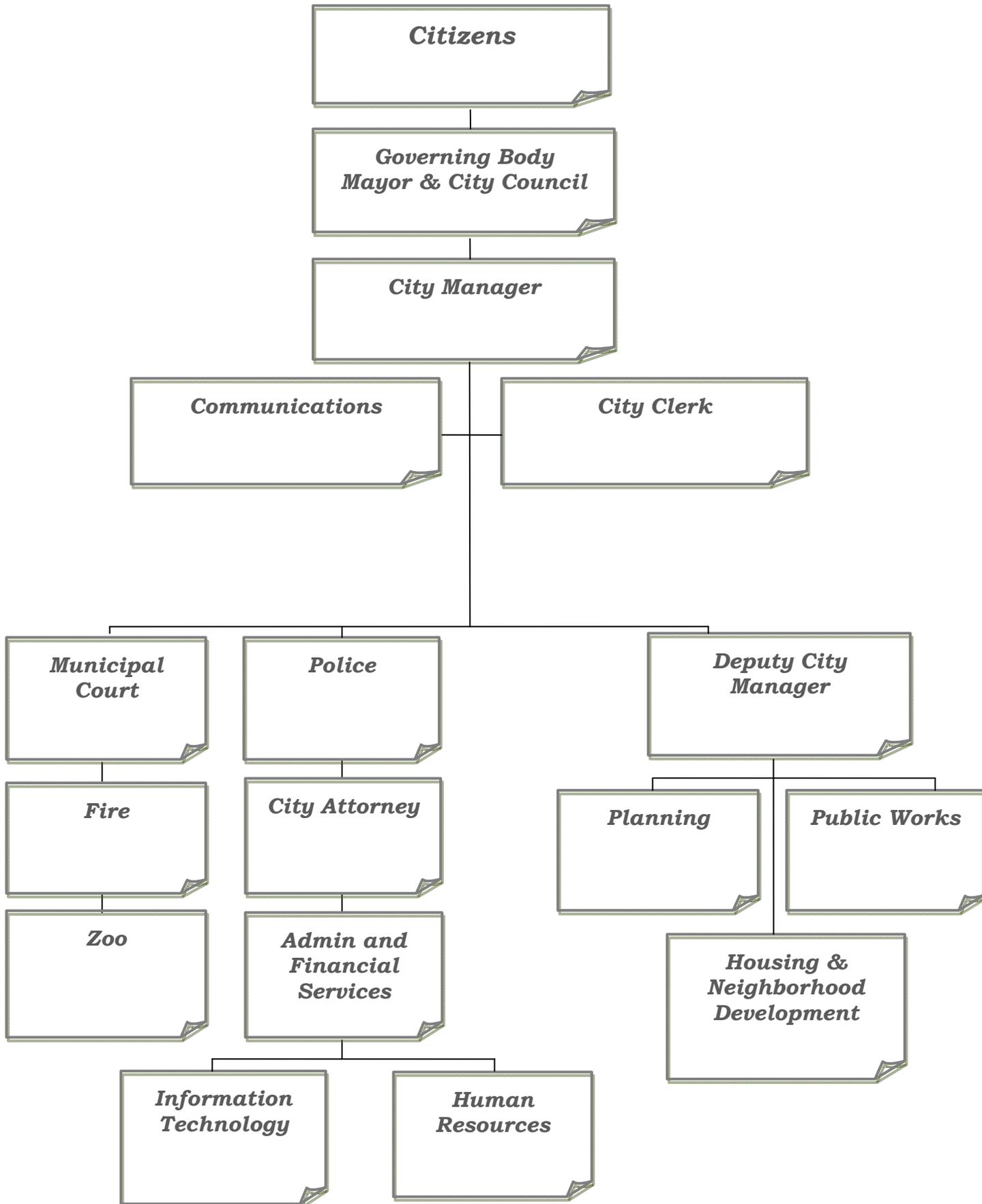
Director of Administrative and Financial Services

Brandon Kauffman



Chief Fiscal Officer

2013 City's Organizational Chart



City of Topeka, Kansas
Comprehensive Annual Financial Report
Principal Officials for the Year Ended December 31, 2013

Mayor

Larry Wolgast, Mayor

City Council Members

<u>Name</u>	<u>District #</u>	<u>Current Term Expires</u>
Karen Hiller	1	April 2017
TJ Brown	2	April 2015
Sylvia Ortiz	3	April 2017
Denise Everhart	4	April 2015
Michelle De La Isla	5	April 2017
Chad Manspeaker	6	April 2015
Elaine Schwartz	7	April 2017
Nathan Schmidt	8	April 2015
Richard Harmon	9	April 2017

City Manager

Jim Colson, City Manager

Department Heads

Administrative and Financial Services, Doug Gerber
Chief of Fire, Gregory T. Bailey
Housing & Neighborhood Development, Acting Bradley S. Reiff
Human Resources, Jacque M. Russell
Information Technology, Mark M. Biswell
City Attorney, Chad Sublet
Municipal Court, Administrative Judge Victor W. Miller
Planning, William Fiander
Chief of Police, Ronald Miller
Public Works, Doug Whitacre
Zoo, Brendan M. Wiley

Prepared by Administrative and Financial Services Department

Doug Gerber, Director of Administration and Financial Services
Brandon Kauffman, Chief Fiscal Officer
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

FINANCIAL AUDIT SECTION

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Topeka, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Topeka, Kansas, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the "Kansas Municipal Accounting and Audit Guide." These 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Topeka, Kansas, as of December 31, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 3 – 15, and the schedule of funding progress on page 60 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 basic financial statements.

The combining and individual nonmajor fund financial statements and 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 account 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 combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mike Houser: Company PA

Certified Public Accountants

Lawrence, Kansas
July 30, 2014

CITY OF TOPEKA, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS Fiscal Year Ended December 31, 2013

As management of the City of Topeka, KS, we offer you this discussion and analysis, which is an overview and analysis of the City of Topeka's (the "City") financial statements, a narrative overview and analysis of the financial activities of the City for the year ended December 31, 2013. We present all amounts as whole dollars, except as otherwise indicated. The information contained here, as well as the information contained in the letter of transmittal, are intended to provide the reader of the financial statements with a well-rounded picture of the City's financial condition.

FINANCIAL HIGHLIGHTS

- The net position of the City at the close of the most recent fiscal year was \$464.1 million. Of this amount, \$36.9 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased slightly from \$461.5 million in 2012 as restated. The change is comprised of an increase in net position in governmental activities of \$.9 million, and an increase in net position of the City's business type activities of \$1.7 million.
- At the close of 2013, the City's governmental funds reported combined ending fund balances of \$33.8 million, an increase of \$13.0 million in comparison with the prior year as restated. At the end of 2013, unassigned fund balance for the General Fund was \$9.3 million or 12.2% of General Fund revenues, and 12.1% of General Fund expenditures. To see more details on the makeup of the fund balance, see the table in the *Notes* to the financial statements.
- For the General Fund, actual resources available for appropriation in 2013 (inflows) was over budget by \$2.5 million for those resources, while actual appropriations (outflows) were \$9.5 million less than budgeted for the year, using the total budgeted amount, which includes the amount budgeted for the fund balance and special item for parks and recreation.
- The City's total bonded debt saw a net decrease of \$.2 million during 2013. See the *Notes* to the financial statements for more detailed information about the City's indebtedness.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report consists of four major sections: introductory, financial, statistical and single audit. The financial statements included are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves. 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.

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

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a format similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference being reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 result in cash flows in future fiscal periods. For example, uncollected taxes are reported as assets, despite the fact that the City has not received the actual cash from those levies.

Both of the government-wide financial statements distinguish functions of the City 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, public works, parks and recreation, public housing, social services and interest. Property taxes, sales taxes, franchise fees, motor fuel taxes and transient guest taxes finance most of these activities. The City's business-type activities include a combined water, water pollution control, and storm water utility and public parking facilities.

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, but not about the City 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 the City 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 Position* and the *Statement of Activities*) and governmental *funds* (reported in the fund financial statements) in a reconciliation document following the fund financial statements.

The City maintains twenty-four individual governmental funds. Even though the Parkland Acquisition Fund is part of the consolidation, the City will be using it to track permit revenues collected for Shawnee County.

The City categorizes its governmental funds as *special revenue funds* or *capital project funds*, which are aggregated for presentation. The City uses special revenue funds and capital projects funds to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes. Individual fund data for each of these *non-major funds* are provided in the form of *combining statements* in the *Other Fund Statements & Schedules* section of this report.

The City adopts annual, appropriated budgets for its major funds; we present budgetary comparison statements to demonstrate compliance with these budgets. Readers may find the basic governmental fund financial statements in the *Fund Financial Statements* and the *Other Fund Statements & Schedules* section 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 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 two enterprise funds: the combined Water, Water Pollution Control, and Stormwater Utility Fund, a major fund; and the Public Parking Facilities Fund, which is a non-major fund shown in the *Proprietary Funds* statements presented in the *Fund Financial Statements* section.

Internal service funds are the second type of proprietary funds maintained by the City. An internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City's internal service funds include: Information Technology; Fleet Services; Facility Operations, newly created in 2013, and Risk Management funds, which include employees' health insurance, workers' compensation, vehicle self-insurance, unemployment compensation, and risk management reserve activities. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining and individual fund statements and schedules section of the report.

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'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 Assets and Liabilities*, at the end of the *Fund Financial Statements* and after the budget basis schedules in the *Other Fund Statements & Schedules*.

Notes to the financial statements

The notes provide additional information that is essential to a reader's complete understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information about the City's progress in funding its obligation to provide OPEB benefits to its employees and the combining and individual fund statements and budgetary schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. Assets of the primary government exceed liabilities by \$464.1 million at the end of 2013.

Table 1
City of Topeka
Condensed Statement of Net Position
December 31, 2013

	Governmental Activities		Business-Type Activities		Total	
	Restated		Restated		Restated	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 149,671,496	\$ 116,958,779	\$ 73,983,601	\$ 77,187,708	\$ 223,655,097	\$ 194,146,487
Capital assets, non-depreciable	35,292,182	40,083,963	20,093,340	11,258,148	55,385,522	51,342,111
Capital assets, net of depreciation	332,132,647	346,224,224	332,045,848	343,440,853	664,178,495	689,665,077
Total assets	517,096,325	503,266,966	426,122,789	431,886,709	943,219,114	935,153,675
Deferred outflows of resources	4,159,282	4,488,025	3,684,111	1,166,812	7,843,393	5,654,837
Long-term liabilities outstanding	188,264,923	190,687,836	204,295,183	210,388,229	392,560,106	401,076,065
Other liabilities	40,447,309	30,398,374	10,247,818	9,125,364	50,695,127	39,523,738
Total liabilities	228,712,232	221,086,210	214,543,001	219,513,593	443,255,233	440,599,803
Deferred inflows of resources	43,655,225	38,675,873	-	-	43,655,225	38,675,873
Net position						
Net investments in capital assets	216,765,361	219,947,253	152,845,663	146,726,445	369,611,024	366,673,698
Restricted	29,642,960	25,442,488	27,985,312	26,886,821	57,628,272	52,329,309
Unrestricted	2,479,829	2,603,167	34,432,924	39,926,662	36,912,753	42,529,829
Total net position	\$ 248,888,150	\$ 247,992,908	\$ 215,263,899	\$ 213,539,928	\$ 464,152,049	\$ 461,532,836

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The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$464.1 million at the close of 2013. By far the largest portion of the City's net position 79.6% was its net 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 net investment in its capital assets is reported net of related debt, readers should note 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 total net position of the City saw an increase of \$2.6 million from 2012, as restated. The composition of the net position changed due to an increase of restricted net position by \$5.3 million, an increase in net investment in capital assets of \$2.9 million and a decrease of unrestricted net position of \$5.6 million.

A portion of the City's total net position (12.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$36.9 million or 8.0% may be used to meet the government's ongoing obligations to citizens and creditors.

Non-depreciable governmental capital assets decreased by \$4.8 million. This was a result of capitalizing construction projects of \$13.8 million consisting of public works improvements of \$11.7 million and improvements to park facilities for \$2.1 million. While the City completed many projects, it also began new ones and continued improvements totaling \$9.0 million. This consisted of: infrastructure projects of \$7.6 million, park and recreation improvements for \$.3 million, public safety related improvements of \$0.9 million, and miscellaneous general improvements of \$0.2 million. The City also remained the same on easements.

The value of governmental activities depreciable capital assets decreased \$14.1 million in 2013. The main decrease was in building improvements and infrastructure of \$13.2 million.

During 2013, total governmental deferred outflows of resources remained about the same as 2012.

During 2013 governmental activities long-term liabilities saw a decrease of \$2.4 million and other liabilities increased \$10.0 million in 2013. The City has a policy that approved projects for debt financing will be scheduled in the capital improvements plan to stay under \$9.0 million per year. The City issued new governmental long-term debt in 2013, with series 2013B and 2013C and refunded outstanding notes with 2013A. See the Notes to the financial statements for more details on the refundings. The City experienced increases in the other post-employment benefit (OPEB) liability, compensated absences and claims and judgements.

Deferred inflows of resources represent revenues unavailable to the City. For the City, deferred inflows of resources totaling \$43.7 million reflect estimated property and motor vehicle taxes to be collected during 2014.

The City's business-type activities net position increased by \$1.7 million, or .8%, in 2013. Current assets decreased by \$3.2 million, resulting from decreases in restricted cash and other assets. Non-depreciable assets increased by \$8.8 million, due to an increase in easements of \$.7 million and an increase in construction projects of \$8.1 million. Depreciable business-type activities assets decreased by \$11.4 million with the majority occurring in buildings and improvements.

Deferred outflows of resources saw an increase of \$2.5 million. The City refunded \$35.9 million of debt for the benefit of proprietary funds with Series 2013A. Business-type activities reflect increases in compensated absences and the OPEB liability.

Statement of Activities

Figure 1 below depicts the elements of 2013 governmental activities.

Sources of Revenue			Functional Expenses		
Taxes	\$ 112,588,971	76.91%	General Government	\$ 11,156,000	7.67%
Charges for Services	10,699,997	7.31%	Public Safety	58,713,711	40.35%
Grants/Contributions	20,853,509	14.24%	Public Works	61,257,941	42.10%
Investment Income	131,892	0.09%	Parks and Recreation	2,979,990	2.05%
Other	2,119,539	1.45%	Other Expenses	11,391,024	7.83%
			Transfers	-	0.00%
Totals	\$ 146,393,908	100.00%	Totals	\$ 145,498,666	100.00%

Table 2 below shows the revenues and expenses of both the governmental activities and business-type activities changes in net position.

Table 2
City of Topeka, Kansas
Statement of Activities and Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
Revenues						
<u>Program revenues</u>						
Charges for services	\$ 10,699,997	\$ 10,958,211	\$ 58,460,057	\$ 68,075,504	\$ 69,160,054	\$ 79,033,715
Operating grants and contributions	4,397,512	11,016,057	-	-	4,397,512	11,016,057
Capital grants and contributions	16,455,997	13,143,206	2,909,290	2,240,638	19,365,287	15,383,844
<u>General revenues</u>						
Property taxes	35,163,854	35,038,165	-	-	35,163,854	35,038,165
Sales taxes	50,278,644	49,071,293	-	-	50,278,644	49,071,293
Franchise taxes	12,517,785	11,542,112	-	-	12,517,785	11,542,112
Motor fuel taxes	3,313,921	5,807,499	-	-	3,313,921	5,807,499
Payment in lieu of taxes	7,063,853	5,436,000	-	-	7,063,853	5,436,000
Service assessments	365,948	295,511	-	-	365,948	295,511
Alcoholic beverage taxes	1,570,185	1,579,658	-	-	1,570,185	1,579,658
Transient guest taxes	2,314,781	1,950,933	-	-	2,314,781	1,950,933
Miscellaneous	2,036,806	13,939	2,253,454	-	4,290,260	13,939
Unrestricted investment earnings	131,892	66,989	474,340	607,677	606,232	674,666
Gain on sale of capital assets	82,733	-	90,132	95,715	172,865	95,715
Total general revenues	146,393,908	145,919,573	64,187,273	71,019,534	210,581,181	216,939,107
Expenses						
General government	11,156,000	10,552,948	-	-	11,156,000	10,552,948
Public safety	58,713,711	55,805,618	-	-	58,713,711	55,805,618
Public works	61,257,941	57,800,789	-	-	61,257,941	57,800,789
Miscellaneous	2,295,172	3,260,507	-	-	2,295,172	3,260,507
Parks and Recreation	2,979,990	2,866,108	-	-	2,979,990	2,866,108
Public Housing	4,065,479	5,244,401	-	-	4,065,479	5,244,401
Social Services	580,973	677,925	-	-	580,973	677,925
Capital lease	-	870,000	-	-	-	870,000
Interest and fiscal charges	4,449,400	5,830,386	-	-	4,449,400	5,830,386
Water, Water Pollution Control, & Stormwater Utility	-	-	59,356,712	58,978,600	59,356,712	58,978,600
Public Parking	-	-	3,106,590	3,045,521	3,106,590	3,045,521
Total expenses	145,498,666	142,908,682	62,463,302	62,024,121	207,961,968	204,932,803
Increase (decrease) in net position before transfers and special item	895,242	3,010,891	1,723,971	8,995,413	2,619,213	12,006,304
Transfers in (out)	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-
Special item - park and rec transfer	-	(33,460,801)	-	-	-	(33,460,801)
Change in Net Position	895,242	(30,449,910)	1,723,971	8,995,413	2,619,213	(21,454,497)
Net Position - Beginning restated	247,992,908	278,442,818	213,539,928	204,544,515	461,532,836	482,987,333
Net Position - Ending	\$ 248,888,150	\$ 247,992,908	\$ 215,263,899	\$ 213,539,928	\$ 464,152,049	\$ 461,532,836

Table 3 below summarizes the cost of the top three governmental activities—general government, public safety, and public works—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. Since the Parks and Recreation department was transferred to Shawnee County, this activity has been removed from this chart.

Table 3
Net Cost of Governmental Activities (in millions)

	Total Cost of Services	Net Cost of Services
General government	\$ 11.2	\$ 3.3
Public Safety	58.7	58.0
Public works	61.3	43.0
Totals	\$ 131.1	\$ 104.3

The net cost of services for the above governmental activities increased by \$3.7 million from 2012 as restated, while the total cost of services increased by \$6.9 million, as detailed below:

- The total cost of services for Public Safety increased by \$2.9 million. The increase was due to rising personnel costs, such as the increase in Kansas Police and Fire (KP&F) retirement rates.
- The total cost of services for Public Works increased by \$3.5 million. The majority of the increase was due a higher amount of projects conducted in 2013 in the special street repairs and sales tax street repair funds, resulting in higher expenditures of \$3.5 million.
- The total cost of services for general government increased \$.6 million, while the net cost of services increased \$.1 million. Starting in 2013 parks & recreation was left off of this chart since it is no longer one of the largest expenses of the City.

Business-type activities

The change in net cost of the City’s business-type activities was a decrease of \$1.1 million. Table 4 presents the net revenue from, or cost of, the City’s two business-type activities—the Combined Utility (Water, Water Pollution Control and Stormwater Systems) and the Public Parking Fund—as well as each activity’s net cost or proceeds (the total cost to provide the services, less any revenues generated by the activity and excluding the general revenues).

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

	Total Cost of Services	Net Cost of Services
Water, Water Pollution Control, & Stormwater Utility	\$ 59.4	\$ 0.9
Public Parking	3.1	0.2
Totals	\$ 62.5	\$ 1.1

The total cost of services for the Combined Utility decreased by \$.4 million, while the net cost of services decreased by \$8.2 million during 2013, using restated 2012 numbers. Public Parking saw an increase in its total cost of services \$.1 million, while its net cost of services decreased by \$.4 million, compared to 2012 restated amount.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The focus of the City'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, *unassigned fund balance* serves as a useful measure of a government's net resources available for spending at the end of the fiscal year. In 2011 the City implemented GASB 54, which changed the structure of the fund balance from Reserved and Unreserved to presenting fund balances of nonspendable, restricted, committed, assigned, and unassigned. The nonspendable portion of fund balance is what cannot be spent due to the fund's form or the requirement that it be maintained intact. Examples would be inventories or prepaid items. The restricted portion of fund balance includes limitations imposed by creditors, grantors, contributors, or laws. The committed portion of fund balance includes limitations imposed by the City Council. The assigned portion of fund balance includes amounts designated by the City Council and City Manager intended to be used for a designated purpose. Examples of this would be encumbrances or purchase orders to suppliers. Lastly, the unassigned portion of fund balance includes moneys not falling into the other categories.

At December 31, 2013, the City's governmental funds reported combined, ending fund balances of \$33.8 million, an increase of \$11.9 million from the prior year as restated. Of the major funds, the General Fund and the Capital Improvement Fund had net increases in fund balances. The Special Street Repair, Sales Tax Street Repairs and Debt Service had net decreases in fund balances. The overall fund balance for nonmajor funds increased by \$4.2 million.

Table 5
Change in Governmental Fund Balance

Fund	Beginning Fund Balance	Ending Fund Balance	Change in Fund Balance
General	\$ 6,108,338	\$ 10,057,258	\$ 3,948,920
Special Street Repairs	2,894,205	2,865,131	(29,074)
Sales Tax Street Repair	15,077,970	14,096,529	(981,441)
Debt Service	4,939,942	3,896,624	(1,043,318)
Capital Projects Funds	(13,506,746)	(7,681,426)	5,825,320
Other Governmental Funds	5,231,269	10,552,979	5,321,710
Total Governmental Funds	\$ 20,744,978	\$ 33,787,095	\$ 13,042,117

The General Fund is the primary operating fund of the City. At the end of 2013, unassigned fund balance of the General Fund totaled \$9.3 million, while total fund balance was \$10.0 million, an increase of \$3.9 million from 2012.

As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represented 12.0% of total general fund expenditures, and total fund balance represented 12.9% of expenditures. The city manager has expressed a goal of increasing General Fund total fund balance to an amount equivalent to 15% of total General Fund revenues, a sum that would have equaled \$11.6 million at the end of 2013.

The Special Street Repairs Fund ended 2013 with a fund balance of \$2.9 million, the same as 2012 ending fund balance. Expenditures in this fund are to be used to repair City streets and are funded solely by motor fuel taxes collected by the State. Special Street was able to maintain a positive fund balance due to a mild winter, which saves in overtime and materials. Expenditures increased by \$1.0 million from 2012, while revenues increased slightly.

The Sales Tax Street Repairs Fund ended 2013 with a fund balance of \$14.1 million, a decrease under 2012 ending fund balance of \$15.1 million. The sole revenue of this fund is a dedicated sales tax authorized by Topeka voters for collection through 2019. Revenues increased by \$.3 million in 2013 to \$14.0 million from \$13.7 in 2012. Expenditures increased for 2013 at \$15.0 million, compared to \$9.8 million in 2012. The proceeds of the sales tax are dedicated to repairs and improvements to existing streets, curbs and gutters, alleys, sidewalks, and streetlights.

The Debt Service Fund had a total fund balance of \$3.9 million at December 31, 2013, all of which is restricted for the payment of debt service. The fund balance decreased \$1.0 million from 2012. The City issued a bond refunding to minimize the reduction of the fund balance. See the *Notes to the Financial Statements*, for a more complete description of activity in the Debt Service Fund.

Capital Projects Funds balances saw an increase in fund balance of \$5.8 million, ending with a negative balance of \$7.7 million. This negative balance is not surprising as the City issues temporary notes to fund projects during their construction, then later issues bonds for the retirement of temporary notes and the permanent financing of the projects.

Proprietary funds

The 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* section for more information. The total net position of the Combined Utility Fund at December 31, 2013, was \$209.6 million, an increase from 2012, as restated, of \$1.1 million. This change consisted mostly of increases in personnel and

contractual services and decrease in interest expense. Revenues actually saw decreases, since there has not been a rate increase since 2011 and currently being reviewed.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following discussion highlights the outcome of the General Fund budget.

General Fund revenues ended the year \$2.5 million higher than originally anticipated; General Fund expenditures were \$3.0 million less than the adopted operating budget. These numbers, including other financing sources, resulted in an increase in the fund balance of \$4.1 million.

Key factors of the differences in budget-to-actual included:

- The Franchise Fee rate for Westar Energy increased from 5% to 6%, contributing to \$.2 million in additional franchise fee revenue.
- Payments in Lieu of Taxes (PILOTS) paid from the utility funds were increased to reflect the increased franchise fee percentage, resulting in an addition of \$1.4 million more to the General Fund than originally budgeted.
- Municipal Court Fees and Licenses and Permits were favorable to the budget, resulting in combined \$.7 million in combined additional revenue. Development services building permits were up \$.2 million over budget.
- General government expenditures were significantly lower than budgeted due to the City appropriating, but not spending, its fund balance. The City adjusted the operating budget mid-year, which resulted in \$2.8 million less spending than originally budgeted for operations. A majority of the expenditure reductions occurred in the Police Department budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2013, the City had \$719.6 million, (net of accumulated depreciation) invested in a broad range of capital assets, including police and fire equipment, buildings, improvements, land, zoo facilities, water and wastewater treatment facilities, and roads and bridges (see Table 6 below). To find more information on capital assets, refer to the *Notes to the Financial Statements* and to the *Other Fund Statements and Schedules* section of this report. Capital asset transactions during the current fiscal year included:

- Capitalization of \$13.9 million in governmental construction projects. This included street upgrades, signal replacements, zoo exhibits and infrastructure improvements, city-wide trail extensions, and renovations to a fire station.
- Replacement and installation of new water lines, sanitary sewers and drain improvements. The Combined Utility was able to complete and capitalize existing projects totaling \$2.0 million.

Table 6
City of Topeka's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012 restated	2013	2012 restated	2013	2012 restated
Land	\$ 3,689,642	\$ 3,689,642	\$ 1,675,360	\$ 1,675,360	\$ 5,365,002	\$ 5,365,002
Construction in Progress	29,503,927	34,349,368	14,389,331	6,193,763	43,893,258	40,543,131
Easements	2,098,613	2,044,953	4,028,649	3,307,003	6,127,262	5,351,956
Buildings, Improvements, Infrastructure	324,559,833	337,758,921	329,429,286	340,543,848	653,989,119	678,302,769
Furniture and Fixtures	77,442	91,613	27,161	30,914	104,603	122,527
Vehicles	5,446,952	5,697,788	2,112,755	2,314,552	7,559,707	8,012,340
Software	272,753	818,258	-	-	272,753	818,258
Tools and Equipment	1,775,667	2,121,075	476,646	591,258	2,252,313	2,712,333
Total Capital Assets	\$ 367,424,829	\$ 386,571,618	\$ 352,139,188	\$ 354,656,698	\$ 719,564,017	\$ 741,228,316

The City's five-year Capital Improvement Plan reflects appropriations for construction, improvements to, and acquisition of about \$184.9 million worth of capital assets for fiscal 2013 through 2017. Funding is budgeted to come from utility revenue bonds (\$47.7 million), other sources (\$89.1 million), general obligation bonds (\$41.8 million), and enterprise fund revenues (\$6.3 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 levees, rehabilitation of the water treatment plant, increased water service to the south part of the community, construction of various streets and trafficways, traffic signal replacements, fleet replacements for fire and police, the addition of a new fire station, and neighborhood improvements.

Debt

At December 31, 2013, the City's total outstanding bonded indebtedness was \$298,600,000. Of this amount, \$151,505,000 was general obligation debt, backed by the full faith and credit of the government. Revenue bonds outstanding totaled \$123,790,000 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 consisted of tax increment and sales tax revenue bonds in the amount of \$23,305,000. In addition, the City is obligated for \$64,071,878 of Kansas State Revolving Loan Program loans, which are secured solely by specified revenue sources from the Combined Water, Water Pollution Control and Stormwater Utility fund. The City is also responsible for \$24,585,000 in general obligation temporary notes, issued to fund construction in progress for both governmental activities and business-type capital projects, in the amounts of \$22,720,257 and \$1,864,743 respectively. The City anticipates refunding these temporary notes with general obligation bonds or other resources in 2014. See the *Notes to the Financial Statements*, for a more complete description of debt activity.

The City continues to be assigned the Moody's Investors Service ("Moody's") rating of 'Aa3'—its fourth highest—to the City's general obligation bonds

Moody's has also assigned the rating of 'Aa3' to the City's Combined Utility revenue bonds. Moody's cites the City's stable service area, satisfactory compliance with legal covenants of outstanding debt issues, and satisfactory debt service coverage levels as key factors in its rating. The City's combined utility revenue bonds are subordinate to the lien of the Kansas State Revolving Loan Program loans.

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

CONTACTING CITY FINANCIAL MANAGEMENT

The City designed this financial report to provide a general overview of the City of Topeka's finances for all those with an interest in the government's finances. Readers may contact the City's Administrative and Financial Services Department, City of Topeka, 215 SE 7th Street, Room 358, Topeka, Kansas 66603-3914, with any questions regarding the information presented herein.

CITY OF TOPEKA, KANSAS

STATEMENT OF NET POSITION
December 31, 2013

	Primary Government		
	Total Governmental Activities	Total Business-type Activities	Total Primary Government
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash and equity in Treasurer's fund	\$ 61,798,458	\$ 26,051,352	\$ 87,849,810
Receivables (net of allowance for uncollectibles)	82,634,377	9,667,046	92,301,423
Internal Balances	1,240,763	[1,240,763]	-
Due from other governments	1,254,377	-	1,254,377
Inventory	134,014	1,502,459	1,636,473
Prepaid costs	234,355	200,253	434,608
Restricted assets:			
Cash and equity in Treasurer's fund	2,375,152	29,600,087	31,975,239
Other restricted assets	-	8,203,167	8,203,167
Total current assets	<u>149,671,496</u>	<u>73,983,601</u>	<u>223,655,097</u>
Noncurrent assets:			
Capital assets, nondepreciable			
Not being depreciated	35,292,182	20,093,340	55,385,522
Being depreciated, net of depreciation	<u>332,132,647</u>	<u>332,045,848</u>	<u>664,178,495</u>
Total noncurrent assets	<u>367,424,829</u>	<u>352,139,188</u>	<u>719,564,017</u>
Total assets	<u>517,096,325</u>	<u>426,122,789</u>	<u>943,219,114</u>
Deferred outflows of resources:			
Deferred amount on refunding	4,159,282	3,684,111	7,843,393
Total deferred outflows of resources	<u>4,159,282</u>	<u>3,684,111</u>	<u>7,843,393</u>
Total assets and deferred outflows of resources	<u>\$ 521,255,607</u>	<u>\$ 429,806,900</u>	<u>\$ 951,062,507</u>
Liabilities:			
Current liabilities:			
Accounts payable and other current liabilities	\$ 7,746,126	\$ 3,609,478	\$ 11,355,604
Salaries and wages payable	2,277,960	414,434	2,692,394
Accrued interest payable	1,962,466	419,302	2,381,768
Due to other government	-	149,214	149,214
Due to others	1,608,352	636	1,608,988
Temporary notes payable	22,720,257	1,864,743	24,585,000
Liabilities payable from restricted assets	-	3,061,466	3,061,466
Estimated insurance claims	4,076,987	-	4,076,987
Unearned revenue	55,161	728,545	783,706
Total current liabilities	<u>40,447,309</u>	<u>10,247,818</u>	<u>50,695,127</u>
Noncurrent liabilities:			
Due within one year	25,999,938	9,813,525	35,813,463
Due in more than one year	<u>162,264,985</u>	<u>194,481,658</u>	<u>356,746,643</u>
Total noncurrent liabilities	<u>188,264,923</u>	<u>204,295,183</u>	<u>392,560,106</u>
Total liabilities	<u>228,712,232</u>	<u>214,543,001</u>	<u>443,255,233</u>
Deferred inflows of resources:			
Unavailable revenues-property taxes	43,655,225	-	43,655,225
Total deferred inflows of resources	<u>43,655,225</u>	<u>-</u>	<u>43,655,225</u>
Total liabilities and deferred inflows of resources	<u>\$ 272,367,457</u>	<u>\$ 214,543,001</u>	<u>\$ 486,910,458</u>
Net Position			
Net investment in capital assets	\$ 216,765,361	\$ 152,845,663	\$ 369,611,024
Restricted for debt service	3,896,624	8,150,943	12,047,567
Restricted for capital projects	-	16,078,575	16,078,575
Restricted for sinking funds	-	3,755,794	3,755,794
Restricted for public safety	1,564,357	-	1,564,357
Restricted for public works	16,961,660	-	16,961,660
Restricted for other purposes	7,220,319	-	7,220,319
Unrestricted	<u>2,479,829</u>	<u>34,432,924</u>	<u>36,912,753</u>
Total net position	<u>\$ 248,888,150</u>	<u>\$ 215,263,899</u>	<u>\$ 464,152,049</u>

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

CITY OF TOPEKA, KANSAS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

	Program Revenues				Net [Expenses] Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Total Governmental Activities	Total Business-type Activities	Total Primary Government
Governmental activities:							
General government	\$ 11,156,000	\$ 7,612,602	\$ 221,019	\$ -	\$ [3,322,379]	\$ -	\$ [3,322,379]
Public safety	58,713,711	741,919	11,636	-	[57,960,156]	-	[57,960,156]
Public works	61,257,941	1,821,039	-	16,455,997	[42,980,905]	-	[42,980,905]
Miscellaneous	2,295,172	-	-	-	[2,295,172]	-	[2,295,172]
Parks and recreation	2,979,990	524,437	-	-	[2,455,553]	-	[2,455,553]
Public housing	4,065,479	-	4,164,857	-	99,378	-	99,378
Social services	580,973	-	-	-	[580,973]	-	[580,973]
Interest and fiscal charges	4,449,400	-	-	-	[4,449,400]	-	[4,449,400]
Total governmental activities	<u>145,498,666</u>	<u>10,699,997</u>	<u>4,397,512</u>	<u>16,455,997</u>	<u>[113,945,160]</u>	<u>-</u>	<u>[113,945,160]</u>
Business-type activities:							
Water, Water Pollution Control, & Stormwater Utility	59,356,712	58,460,057	-	-	-	[896,655]	[896,655]
Public Parking	3,106,590	2,909,290	-	-	-	[197,300]	[197,300]
Total business-type activities	<u>62,463,302</u>	<u>61,369,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[1,093,955]</u>	<u>[1,093,955]</u>
Total primary government	<u>\$ 207,961,968</u>	<u>\$ 72,069,344</u>	<u>\$ 4,397,512</u>	<u>\$ 16,455,997</u>	<u>[113,945,160]</u>	<u>[1,093,955]</u>	<u>[115,039,115]</u>
General Revenues:							
Property taxes					35,163,854	-	35,163,854
Sales taxes					50,278,644	-	50,278,644
Franchise taxes					12,517,785	-	12,517,785
Motor fuel taxes					3,313,921	-	3,313,921
Payment in lieu of taxes					7,063,853	-	7,063,853
Service assessments					365,948	-	365,948
Alcoholic beverage taxes					1,570,185	-	1,570,185
Transient guest taxes					2,314,781	-	2,314,781
Miscellaneous					2,036,806	2,253,454	4,290,260
Unrestricted investment earnings					131,892	474,340	606,232
Gain on sales of capital assets					82,733	90,132	172,865
Subtotal general revenues					<u>114,840,402</u>	<u>2,817,926</u>	<u>117,658,328</u>
Change in net position					<u>895,242</u>	<u>1,723,971</u>	<u>2,619,213</u>
Net position - beginning					249,987,976	213,591,795	463,579,771
Prior period adjustment					<u>[1,995,068]</u>	<u>[51,867]</u>	<u>[2,046,935]</u>
Net position - beginning, restated					<u>247,992,908</u>	<u>213,539,928</u>	<u>461,532,836</u>
Net position - ending					<u>\$ 248,888,150</u>	<u>\$ 215,263,899</u>	<u>\$ 464,152,049</u>

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

CITY OF TOPEKA, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	Special Revenue Funds				Capital Projects	Other Governmental Funds	Total Governmental Funds
	General	Special Street Repairs	Sales Tax Street Repair	Debt Service			
ASSETS							
Cash and equity in Treasurer's Fund	\$ 4,997,564	\$ 2,193,050	\$ 15,228,128	\$ 2,383,357	\$ 15,988,385	\$ 10,010,877	\$ 50,801,361
Receivables (net of allowance for uncollectibles):							
Accounts receivable	1,749,506	20,571	1,956	341	542,580	297,157	2,612,111
Taxes receivable	34,267,854	-	2,567,972	15,268,067	-	2,987,197	55,091,090
Special assessments with debt commitments	-	-	-	24,845,572	-	-	24,845,572
Due from others	1,720	-	-	-	-	-	1,720
Due from other governments	277	824,674	20,000	-	-	407,706	1,252,657
Prepaid costs	200,820	-	-	-	-	-	200,820
Restricted assets:							
Cash and investments	870,000	-	-	1,505,152	-	-	2,375,152
Total assets	\$ 42,087,741	\$ 3,038,295	\$ 17,818,056	\$ 44,002,489	\$ 16,530,965	\$ 13,702,937	\$ 137,180,483
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts and contracts payable	\$ 1,363,452	\$ 68,360	\$ 3,717,440	\$ -	\$ 1,434,702	\$ 688,036	\$ 7,271,990
Salaries and wages payable	2,036,710	103,897	4,087	-	-	8,282	2,152,976
Accrued interest	-	-	-	-	57,432	-	57,432
Due to others	14,504	907	-	-	-	8	15,419
Due to other governments	34,381	-	-	-	-	1,548,825	1,583,206
Due to others	6,891	-	-	-	-	-	6,891
Temporary notes payable	-	-	-	-	22,720,257	-	22,720,257
Total liabilities	3,455,938	173,164	3,721,527	-	24,212,391	2,245,151	33,808,171
Deferred inflows of resources							
Unavailable revenues - property taxes	27,556,401	-	-	15,253,820	-	844,664	43,654,885
Unavailable revenues - special assessments	-	-	-	24,845,572	-	-	24,845,572
Unavailable revenues - other	1,018,144	-	-	6,473	-	60,143	1,084,760
Total deferred inflows of resources	28,574,545	-	-	40,105,865	-	904,807	69,585,217
Fund balance:							
Nonspendable	200,820	-	-	-	-	-	200,820
Restricted	-	2,865,131	14,096,529	3,896,624	-	8,784,676	29,642,960
Committed	-	-	-	-	-	1,776,178	1,776,178
Assigned	502,828	-	-	-	-	-	502,828
Unassigned	9,353,610	-	-	-	[7,681,426]	[7,875]	1,664,309
Total fund balances	10,057,258	2,865,131	14,096,529	3,896,624	[7,681,426]	10,552,979	33,787,095
Total liabilities, deferred inflows of resources and fund balances	\$ 42,087,741	\$ 3,038,295	\$ 17,818,056	\$ 44,002,489	\$ 16,530,965	\$ 13,702,937	\$ 137,180,483

CITY OF TOPEKA, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2013

Total Governmental Fund Balances	\$ 33,787,095
Amounts reported for governmental activities in the statement of net position are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The assets of the internal service funds in the amount of \$569,317 are excluded from this amount and included in the internal service fund note amount.	366,855,512
Long-term liabilities for items such as bonds and certificates of participation are not current obligations and, therefore, not recorded in the governmental fund statements (excluding \$4,076,987 in self insurance claims and \$619,159 in capital lease obligations, accrued compensated absences, and other post employment benefit obligations which are included in total charges for internal service funds).	[189,275,197]
Certain revenues are not available to pay for current period expenditures and therefore are reported as unavailable in the governmental funds.	25,929,992
Deferred amounts on refunding are reported as deferred outflows of resources in the government-wide financial statements but are not reported in the governmental fund statements	4,159,282
An internal service fund is used by the City's management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities column in the statement of net position. A portion of the internal service fund activities are allocated to business type activities in the amount of \$1,240,763.	<u>7,431,466</u>
Net Position of Governmental Activities	<u>\$ 248,888,150</u>

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

CITY OF TOPEKA, KANSAS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	Special Revenue Funds					Other Governmental Funds	Total Governmental Funds
	General	Special Street Repairs	Sales Tax Street Repairs	Debt Service	Capital Project Fund		
REVENUES:							
Taxes and service assessments	\$ 53,535,749	\$ -	\$ 13,965,074	\$ 12,123,953	\$ -	\$ 11,812,371	\$ 91,437,147
Special assessments with debt commitments	-	-	-	1,860,171	15,388	-	1,875,559
Licenses and permits	1,199,462	-	-	-	-	54,124	1,253,586
Franchise fees	12,517,785	-	-	-	-	-	12,517,785
Intergovernmental	1,267,808	5,791,310	20,000	3,383,156	3,937,862	5,476,535	19,876,671
Fees for services	1,672,300	96,000	-	-	-	812,767	2,581,067
Administrative fees - interfund	3,483,956	-	-	-	-	-	3,483,956
Fines and forfeitures	2,715,767	-	-	-	-	307,053	3,022,820
Interest from investments	112,679	-	-	11,986	-	7,227	131,892
Miscellaneous	246,352	96,872	4,003	-	402,822	1,282,757	2,032,806
Total revenues	76,751,858	5,984,182	13,989,077	17,379,266	4,356,072	19,752,834	138,213,289
EXPENDITURES:							
Current:							
General government	7,092,733	-	-	-	-	3,563,358	10,656,091
Public safety	57,746,018	-	-	-	-	975,552	58,721,570
Public works	7,584,175	6,062,625	14,970,518	-	-	8,473,732	37,091,050
Miscellaneous	2,295,172	-	-	-	-	-	2,295,172
Parks and recreation	2,897,482	-	-	-	-	82,032	2,979,514
Economic development	-	-	-	-	-	-	-
Housing & neighborhood development	-	-	-	-	-	4,096,215	4,096,215
Social services	-	-	-	-	-	580,973	580,973
Construction	-	-	-	-	4,855,809	826,978	5,682,787
Engineering and others	-	-	-	-	3,143,332	-	3,143,332
Debt Service:							
Principal retirement	-	-	-	14,416,860	-	200,000	14,616,860
Interest and fiscal costs	-	-	-	5,705,937	236,481	199,705	6,142,123
Total expenditures	77,615,580	6,062,625	14,970,518	20,122,797	8,235,622	18,998,545	146,005,687
Excess [deficiency] of revenue and other sources over [under] expenditures and other [uses]	<u>[863,722]</u>	<u>[78,443]</u>	<u>[981,441]</u>	<u>[2,743,531]</u>	<u>[3,879,550]</u>	<u>754,289</u>	<u>[7,792,398]</u>
OTHER FINANCING SOURCES [USES]							
Issuance of debt	-	-	-	18,985,837	9,790,000	4,907,058	33,682,895
Issuance of debt premium	-	-	-	1,399,957	75,899	58,353	1,534,209
Payment for refunding bond escrow agent	-	-	-	[19,371,454]	-	-	[19,371,454]
Payment in lieu of taxes - interfund	7,063,853	-	-	-	-	-	7,063,853
Capital lease	870,000	-	-	-	-	-	870,000
Transfers in	200,000	-	-	685,873	524,844	115,000	1,525,717
Transfers [out]	[320,844]	-	-	-	[685,873]	[515,000]	[1,521,717]
Sale of property	31,354	49,369	-	-	-	2,010	82,733
Total other financing sources [uses]	7,844,363	49,369	-	1,700,213	9,704,870	4,567,421	23,866,236
Special item - park and recreation transfer	<u>[3,031,721]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[3,031,721]</u>
Net change in fund balance	3,948,920	[29,074]	[981,441]	[1,043,318]	5,825,320	5,321,710	13,042,117
Fund balance - Beginning of year	6,108,338	2,894,205	15,077,970	4,939,942	[13,506,746]	6,311,011	21,824,720
Prior period adjustment	-	-	-	-	-	[1,079,742]	[1,079,742]
Fund balance - Beginning of year, restated	6,108,338	2,894,205	15,077,970	4,939,942	[13,506,746]	5,231,269	20,744,978
Fund balance - End of year	\$ 10,057,258	\$ 2,865,131	\$ 14,096,529	\$ 3,896,624	\$ [7,681,426]	\$ 10,552,979	\$ 33,787,095

CITY OF TOPEKA, KANSAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Total Net Change In Fund Balances - Governmental Funds	\$ 13,042,117
Amounts reported for governmental activities in the statement of activities are different because	
Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.	
Loss on sale of assets	[1,237,266]
Capital outlays	10,629,775
Depreciation expense	<u>[27,919,109]</u> [18,526,600]
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds	1,030,031
An internal service fund is used by the city's management to charge the costs of certain activities to the individual funds. The revenues and expenses of certain internal service fund is reported with governmental activities.	2,870,278
Some expenses reported in the statement of activities, such as compensated absences and other post employment benefits, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Change in liability for lawsuits	352,500
Changes in compensated absences, OPEB, and termination benefits	[1,042,289]
Change in accrued interest	[17,981]
Bond and temporary note proceeds are other financing sources in the governmental funds, but they increase long-term liabilities in the statement of net position and do not affect the statement of activities. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	155,465
Special item - park and recreation transfer	<u>3,031,721</u>
Changes In Net Position of Governmental Activities	<u>\$ 895,242</u>

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

CITY OF TOPEKA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
GENERAL FUND

For the Year Ended December 31, 2013

	Actual	Budgeted Amounts		Variance with Final Budget Positive [Negative]
		Original	Final	
Revenues				
Taxes and service assessments	\$ 53,535,749	\$ 54,300,611	\$ 54,300,611	\$ (764,862)
Licenses and permits	1,199,462	1,115,600	1,115,600	83,862
Franchise fees	12,517,785	12,276,268	12,276,268	241,517
Intergovernmental	1,267,808	500,000	500,000	767,808
Fees for services	1,672,300	1,915,000	1,915,000	[242,700]
Administrative fees - interfund	3,483,956	3,600,500	3,600,500	[116,544]
Fines and forfeitures	2,715,767	2,054,500	2,054,500	661,267
Interest from investments	112,679	22,000	22,000	90,679
Miscellaneous	246,352	685,000	685,000	[438,648]
Total revenues	<u>76,751,858</u>	<u>76,469,479</u>	<u>76,469,479</u>	<u>282,379</u>
Expenditures				
General government	9,358,136	10,650,294	10,650,294	1,292,158
Public safety	57,686,099	59,819,953	59,819,953	2,133,854
Public works	7,558,455	7,991,930	7,991,930	433,475
Parks and recreation	2,896,816	5,467,597	5,467,597	2,570,781
Total expenditures	<u>77,499,506</u>	<u>83,929,774</u>	<u>83,929,774</u>	<u>6,430,268</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[747,648]</u>	<u>[7,460,295]</u>	<u>[7,460,295]</u>	<u>6,712,647</u>
Other financing sources [uses]				
Payment in lieu of taxes - interfund	7,063,853	5,635,295	5,635,295	1,428,558
Capital lease	870,000	-	-	870,000
Transfer in	200,000	210,000	210,000	[10,000]
Transfer [out]	[320,844]	[6,385,175]	[6,385,175]	6,064,331
Sale of property	31,354	115,000	115,000	[83,646]
Total other financing sources [uses]	<u>7,844,363</u>	<u>[424,880]</u>	<u>[424,880]</u>	<u>8,269,243</u>
Special item - park and recreation transfer	<u>[3,031,721]</u>	<u>-</u>	<u>-</u>	<u>[3,031,721]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	4,064,994	<u>\$ [7,885,175]</u>	<u>\$ [7,885,175]</u>	<u>\$ 11,950,169</u>
Unreserved fund balance, January 1	<u>5,489,436</u>			
Unreserved fund balance, December 31	9,554,430			
Reconciliation to GAAP				
Current year encumbrances	<u>502,828</u>			
GAAP Fund Balance, December 31	<u>\$ 10,057,258</u>			

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

CITY OF TOPEKA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
SPECIAL STREET REPAIRS FUND
For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Intergovernmental	\$ 5,791,310	\$ 5,661,700	\$ 5,661,700	\$ 129,610
Fees for services	96,000	-	-	96,000
Miscellaneous	96,872	-	-	96,872
Total revenues	<u>5,984,182</u>	<u>5,661,700</u>	<u>5,661,700</u>	<u>322,482</u>
Expenditures				
Public works	<u>5,506,676</u>	<u>5,981,941</u>	<u>5,981,941</u>	<u>475,265</u>
Total expenditures	<u>5,506,676</u>	<u>5,981,941</u>	<u>5,981,941</u>	<u>475,265</u>
Excess [deficiency] of revenues over [under] expenditures	<u>477,506</u>	<u>[320,241]</u>	<u>[320,241]</u>	<u>797,747</u>
Other financing sources [uses]				
Sale of property	<u>49,369</u>	<u>-</u>	<u>-</u>	<u>49,369</u>
Total other financing sources [uses]	<u>49,369</u>	<u>-</u>	<u>-</u>	<u>49,369</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	526,875	<u>\$ [320,241]</u>	<u>\$ [320,241]</u>	<u>\$ 847,116</u>
Unreserved fund balance, January 1	<u>2,305,774</u>			
Unreserved fund balance, December 31	2,832,649			
Reconciliation to GAAP				
Encumbrances	<u>32,482</u>			
GAAP Fund Balance, December 31	<u>\$ 2,865,131</u>			

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

CITY OF TOPEKA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 SALES TAX - STREET REPAIRS FUND
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes and service assessments	\$ 13,965,074	\$ 13,800,000	\$ 13,800,000	\$ 165,074
Intergovernmental	20,000	-	-	20,000
Miscellaneous	4,003	-	-	4,003
Total revenues	<u>13,989,077</u>	<u>13,800,000</u>	<u>13,800,000</u>	<u>189,077</u>
Expenditures				
Public works	<u>11,327,452</u>	<u>13,694,651</u>	<u>13,694,651</u>	<u>2,367,199</u>
Total expenditures	<u>11,327,452</u>	<u>13,694,651</u>	<u>13,694,651</u>	<u>2,367,199</u>
Excess [deficiency] of revenues over [under] expenditures	2,661,625	<u>\$ 105,349</u>	<u>\$ 105,349</u>	<u>\$ 2,556,276</u>
Unreserved fund balance, January 1	<u>11,344,950</u>			
Unreserved fund balance, December 31	14,006,575			
Reconciliation to GAAP				
Encumbrances	<u>89,954</u>			
GAAP Fund Balance, December 31	<u>\$ 14,096,529</u>			

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

CITY OF TOPEKA, KANSAS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2013

	Business-Type Activities:			
	Enterprise Funds			Internal Service Funds
	Water, Stormwater & Water Pollution Control Utility	Nonmajor Enterprise Fund	Total Enterprise Funds	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current assets:				
Cash and equity in Treasurer's Fund	\$ 24,242,953	\$ 1,808,399	\$ 26,051,352	\$ 10,997,097
Receivables (net of allowance for uncollectibles)				
Accounts receivable	9,243,254	57,203	9,300,457	85,604
Intergovernmental	366,589	-	366,589	-
Inventory	1,502,459	-	1,502,459	134,014
Prepays	196,404	3,849	200,253	33,535
Restricted cash and cash equivalents:				
Cash and equity in Treasurer's Fund	29,467,141	132,946	29,600,087	-
Restricted other	8,203,167	-	8,203,167	-
Total current assets	<u>73,221,967</u>	<u>2,002,397</u>	<u>75,224,364</u>	<u>11,250,250</u>
Capital assets:				
Not being depreciated	19,035,009	1,058,331	20,093,340	-
Depreciable capital assets:				
Being depreciated, net of depreciation	316,324,907	15,720,941	332,045,848	570,795
Total capital assets	<u>335,359,916</u>	<u>16,779,272</u>	<u>352,139,188</u>	<u>570,795</u>
Deferred outflows of resources:				
Deferred amounts on refunding	3,535,752	148,359	3,684,111	-
Total deferred outflows of resources	<u>3,535,752</u>	<u>148,359</u>	<u>3,684,111</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 412,117,635</u>	<u>\$ 18,930,028</u>	<u>\$ 431,047,663</u>	<u>\$ 11,821,045</u>
Liabilities:				
Current liabilities				
Accounts payable	\$ 3,563,366	\$ 46,112	\$ 3,609,478	\$ 474,136
Accrued payroll and benefits	388,863	25,571	414,434	124,984
Accrued interest	310,237	109,065	419,302	-
Due to others	18	618	636	2,836
Due to other governments	149,214	-	149,214	-
Current portion of state revolving loan	5,542,070	-	5,542,070	-
Temporary notes payable	1,864,743	-	1,864,743	-
Leases payable	75,103	-	75,103	619,159
Self insurance claims	-	-	-	4,076,987
Current liabilities (payable from restricted assets):				
General obligation bonds payable	-	348,302	348,302	-
Revenue bonds payable	3,555,000	-	3,555,000	-
Accrued interest	2,141,598	-	2,141,598	23,714
Deposits	919,868	-	919,868	-
Compensated absences and other benefits	238,732	10,318	249,050	47,171
Unearned revenue	728,545	-	728,545	55,161
Other	44,000	-	44,000	-
Total current liabilities	<u>19,521,357</u>	<u>539,986</u>	<u>20,061,343</u>	<u>5,424,148</u>
Noncurrent liabilities:				
Revenue bonds payable	120,235,000	-	120,235,000	-
Discount on issuance of bonds	[189,279]	-	[189,279]	-
Premium on issuance of bonds	3,183,360	-	3,183,360	-
State revolving loan payable	58,529,808	-	58,529,808	-
General obligation bonds payable	-	11,121,983	11,121,983	-
Discount on issuance of bonds	-	[1,483]	[1,483]	-
Premium on issuance of bonds	-	291,070	291,070	-
Leases payable	138,343	-	138,343	-
Compensated absences and other benefits	927,999	68,857	996,856	204,717
Other	176,000	-	176,000	-
Total noncurrent liabilities	<u>183,001,231</u>	<u>11,480,427</u>	<u>194,481,658</u>	<u>204,717</u>
Total liabilities	<u>\$ 202,522,588</u>	<u>\$ 12,020,413</u>	<u>\$ 214,543,001</u>	<u>\$ 5,628,865</u>
Net Position				
Invested in capital assets, net of related debt	\$ 147,826,263	\$ 5,019,400	\$ 152,845,663	\$ 570,795
Restricted				
Restricted for bond retirement	8,150,943	-	8,150,943	-
Restricted for capital projects	16,078,575	-	16,078,575	-
Restricted for sinking funds	3,622,848	132,946	3,755,794	-
Unrestricted	<u>33,916,418</u>	<u>1,757,269</u>	<u>35,673,687</u>	<u>5,621,385</u>
Total net position	<u>\$ 209,595,047</u>	<u>\$ 6,909,615</u>	<u>216,504,662</u>	<u>\$ 6,192,180</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:			<u>[1,240,763]</u>	
Total net position			<u>\$ 215,263,899</u>	

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

CITY OF TOPEKA, KANSAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-Type Activities: Enterprise Funds			Internal Service Funds
	Water, Stormwater & Water Pollution Control Utility	Nonmajor Enterprise Fund	Total Enterprise Funds	
Operating revenues				
Charges for services	\$ 58,460,057	\$ 2,909,290	\$ 61,369,347	\$ 20,248,461
Other	2,047,858	205,596	2,253,454	262,512
Total operating revenues	<u>60,507,915</u>	<u>3,114,886</u>	<u>63,622,801</u>	<u>20,510,973</u>
Operating expenses				
Personnel services	13,152,148	928,751	14,080,899	3,412,792
Contractual services	20,412,051	998,949	21,411,000	5,548,286
Supplies	6,195,441	109,510	6,304,951	303,855
Depreciation and amortization	13,165,019	759,385	13,924,404	634,069
Bad debt	259,564	-	259,564	-
Insurance claims	-	-	-	7,107,656
Total operating expenses	<u>53,184,223</u>	<u>2,796,595</u>	<u>55,980,818</u>	<u>17,006,658</u>
Operating income [loss]	<u>7,323,692</u>	<u>318,291</u>	<u>7,641,983</u>	<u>3,504,315</u>
Nonoperating revenues [expenses]				
Interest income	469,863	4,477	474,340	21,537
Interest [expense]	[6,767,515]	[346,334]	[7,113,849]	[23,714]
Gain/[loss] on sale of capital assets	94,094	[3,962]	90,132	3,506
Total nonoperating revenues [expenses]	<u>[6,203,558]</u>	<u>[345,819]</u>	<u>[6,549,377]</u>	<u>1,329</u>
Income [loss] before contributions and transfers	<u>1,120,134</u>	<u>[27,528]</u>	<u>1,092,606</u>	<u>3,505,644</u>
Transfers from [to] other funds				
Transfers [out]	-	-	-	[4,000]
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>[4,000]</u>
Change in net position	<u>1,120,134</u>	<u>[27,528]</u>	<u>1,092,606</u>	<u>3,501,644</u>
Net position, January 1	208,487,058	6,976,865	215,463,923	2,862,769
Restatement	[12,145]	[39,722]	[51,867]	[172,233]
Net position, January 1, restated	<u>208,474,913</u>	<u>6,937,143</u>	<u>215,412,056</u>	<u>2,690,536</u>
Net position, December 31	<u>\$ 209,595,047</u>	<u>\$ 6,909,615</u>	<u>\$ 216,504,662</u>	<u>\$ 6,192,180</u>

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

CITY OF TOPEKA, KANSAS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2013

	Business-Type Activities:			
	Enterprise Funds			
	Water, Stormwater & Water Pollution Control Utility	Nonmajor Enterprise Fund	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities				
Receipts from customers	\$ 59,613,850	\$ 2,929,492	\$ 62,543,342	\$ 20,165,887
Payments to suppliers	[25,144,569]	[1,232,868]	[26,377,437]	[13,170,389]
Payments to employees	[12,935,906]	[872,079]	[13,807,985]	[3,229,850]
Other receipts	2,047,858	205,596	2,253,454	262,512
Net cash provided by [used in] operating activities	<u>23,581,233</u>	<u>1,030,141</u>	<u>24,611,374</u>	<u>4,028,160</u>
Cash flows from capital and related financing activities				
Deferred loss on refunding	2,864,338	72,832	2,937,170	-
Payment of other liabilities	[44,000]	-	[44,000]	-
Payment of capital lease	[67,369]	-	[67,369]	[642,873]
Proceeds from capital debt	37,427,106	1,442,106	38,869,212	-
Principal paid on capital debt	[37,151,260]	[2,406,260]	[39,557,520]	-
Payment of state revolving loan	[8,599,065]	-	[8,599,065]	-
Proceeds of state revolving loan	547,005	-	547,005	-
Net borrowings on temporary notes	11,930	-	11,930	-
Interest paid on capital debt	[6,757,949]	[401,740]	[7,159,689]	-
Purchases of capital assets	[13,393,505]	[70,785]	[13,464,290]	[96,837]
Proceeds from sale of capital assets	94,094	-	94,094	78,323
Net cash provided by [used in] capital and related financing activities	<u>[25,068,675]</u>	<u>[1,363,847]</u>	<u>[26,432,522]</u>	<u>[661,387]</u>
Cash flows from investing activities				
Interest received	469,863	4,478	474,341	21,537
Cash flows from noncapital financing activities				
Advances from other funds	[299,982]	-	[299,982]	-
Transfers [out]	-	-	-	[4,000]
Net cash provided by [used in] noncapital financing activities	<u>[299,982]</u>	<u>-</u>	<u>[299,982]</u>	<u>[4,000]</u>
Net increase [decrease] in cash and cash equivalents	[1,317,561]	[329,228]	[1,646,789]	3,384,310
Cash and cash equivalents, January 1	<u>55,027,655</u>	<u>2,270,573</u>	<u>57,298,228</u>	<u>7,612,787</u>
Cash and cash equivalents, December 31	<u>\$ 53,710,094</u>	<u>\$ 1,941,345</u>	<u>\$ 55,651,439</u>	<u>\$ 10,997,097</u>
Cash and equivalents reported on the Statement of Net Position				
Cash and equity in Treasurer's Fund	\$ 24,242,953	\$ 1,808,399	\$ 26,051,352	\$ 10,997,097
Restricted cash and equity in Treasurer's Fund	29,467,141	132,946	29,600,087	-
Total	<u>\$ 53,710,094</u>	<u>\$ 1,941,345</u>	<u>\$ 55,651,439</u>	<u>\$ 10,997,097</u>

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

CITY OF TOPEKA, KANSAS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (Continued)
 For the Year Ended December 31, 2013

	Business-Type Activities:			
	Enterprise Funds			
	Water, Stormwater & Water Pollution Control Utility	Nonmajor Enterprise Fund	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities				
Operating income [loss]	\$ 7,323,692	\$ 318,291	\$ 7,641,983	\$ 3,504,315
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities				
Depreciation and amortization	13,424,583	759,385	14,183,968	634,069
Non-operating [expense]				
[Increase] decrease in accounts receivable	1,004,978	20,202	1,025,180	[43,126]
[Increase] decrease in intergovernmental receivables	205,208	-	205,208	-
[Increase] decrease in due from other funds	123,523	-	123,523	2,836
[Increase] decrease in inventory	90,451	-	90,451	18,323
[Increase] decrease in prepaids	33,940	-	33,940	72,968
Increase [decrease] in due to other governments	1,723	[136,082]	[134,359]	-
Increase [decrease] in accounts payable	1,336,809	11,673	1,348,482	313,456
Increase [decrease] in accrued payroll and benefits	5,642	6,227	11,869	53,395
Increase [decrease] in self-insurance claims	-	-	-	[618,174]
Increase [decrease] in deposits	24,203	-	24,203	-
Increase [decrease] in compensated absences	210,600	50,445	261,045	129,546
Increase [decrease] in unearned revenue	[204,119]	-	[204,119]	[39,448]
Net cash provided by [used in] operating activities	<u>\$ 23,581,233</u>	<u>\$ 1,030,141</u>	<u>\$ 24,611,374</u>	<u>\$ 4,028,160</u>

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

CITY OF TOPEKA, KANSAS
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
December 31, 2013

ASSETS

Cash and equity in Treasurer's Fund	\$ 891,526
Accounts receivable	<u>30,147</u>
Total assets	<u>\$ 921,673</u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts and contracts payable	\$ 99,073
Due to other governments	4,447
Due to others	<u>818,153</u>
Total liabilities	<u>\$ 921,673</u>

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

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Topeka is a municipal corporation governed by a Mayor and nine 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. The accompanying financial statements present the financial position of the City at December 31, 2013. In evaluating the City's financial reporting entity, management has considered all potential component units and has determined there are no material component units over which the City is financially accountable. Financial accountability is based primarily on non-operational or financial relationships with the City (as distinct from legal relationships). These financial statements include all accounts for which the City is considered to be financially accountable.

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), and by the Financial Accounting Standards Board, when applicable. Certain significant accounting policies of the City are described below.

B. Government-wide and fund financial statements

The government-wide financial statements (*i.e.*, the *Statement of Net Position* and the *Statement of Activities*) report information on all of the non-fiduciary activities of the City of Topeka. As a general rule, 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 statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *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 program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. 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 and enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of 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 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 position. 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 total net position. 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.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 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. 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. Property taxes and special assessments, though measurable, are not available to finance current period obligations. Therefore, property taxes and special assessment receivables are recorded and deferred in the fund statements until they become available.

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. This fund accounts for activities of general government, public safety, public works, parks and recreation, zoo and planning.

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.

The *sales tax street repairs fund* provides funding for costs of maintenance and improvements to existing City streets, curbs, gutters, sidewalks, alleys and street lighting.

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 *capital projects fund* is used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

The City of Topeka reports the following major proprietary fund:

The combined *water, storm water, and water pollution control 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.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The City reports the following types of nonmajor governmental funds:

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

Capital Project funds are used to account for the construction of projects that are financed by developer contributions.

The City of Topeka reports the following types of nonmajor 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 (which consists of funds for vehicle liability insurance, workman's compensation insurance, health insurance, a risk reserve fund, and unemployment insurance fund)*. The schedules for the internal service funds can be found in the *Other Fund Statements and Schedules* section.

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 an 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 seven 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 and Schedules* section.

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 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 *nonoperating* 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 nonoperating revenues and expenses.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance, and Net Position

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 maintains and administers a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is included on the combined balance sheet or statement of net position 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 is not registered with the Securities Exchange Commission and is governed by the State of Kansas Pooled Money Investment Board. 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. MIP does not include any involuntary participants. 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 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, at which time the applicable property is subject to lien.

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.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance, and Net Position (Continued)

4. Restricted Assets

Certain proceeds of governmental and business-type bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the *statement of net position*, because their use is limited by applicable bond covenants. An amount is placed under restricted assets if resources need to be set aside to subsidize potential deficiencies from the enterprise fund's operation that could affect debt service payments. These amounts will be shown in the *Restricted assets: Cash and equity in treasurer's fund* account on the Combined Water, Stormwater & Water Pollution Control Utility Fund *statement of net position*.

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred amount on refunding reported in the government-wide and proprietary fund statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three types of items, which arises under the accrual and modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental activities statement of net position and the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. 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 one year. 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 capital assets are valued at their estimated fair 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.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance, and Net Position (Continued)

6. Capital Assets (Continued)

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

Buildings and improvements	Five to Fifty Years
Furniture and office equipment	Three to Twenty Years
Motor vehicles	Three to Six Years
Tools and equipment	Five to Twenty Years
Infrastructure	Twenty to Fifty 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. A portion of the temporary notes issued were used to finance specific water improvement projects. Accordingly, the interest capitalized was 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.

7. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation and sick leave balances. Under the terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. After completing a probationary period, vacation is earned at a rate of .0462 to .1154 per hour for a forty hour employee, depending on the length of service. A forty hour per week employee can accumulate up to 240 hours in a year. A twenty-four hour employee earns at a rate of .0462 to .1296 per hour and is allowed to carry over 360 hours per year. All accrued vacation will be paid out upon termination of services from the City at the regular rate. The City's compensated absence liability is normally liquidated in the General Fund and the Water, Stormwater & Water Pollution Control Utility Fund.

Sick leave for a forty hour employee is earned at a rate of .0462 per hour and has a maximum accrual of 1,040 hours. Sick leave for a twenty-four hour employee is earned at the same rate, but employees are allowed to carry up to 1,388 hours. Accrued sick leave will only be paid out upon an employee retiring and paid at 35% of their sick leave balance, with a maximum of 400 hours for a forty hour employee and a maximum of 520 hours for a twenty-four hour employee.

8. 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 position. Bond premiums and discounts are amortized over the term of the related bonds using the bonds outstanding method, which approximates the effective interest method. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuances are also reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as interest and fiscal charges in the period incurred.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance, and Net Position (Continued)

9. Equity Classifications

In the government-wide financial statements, equity is shown as net position and classified into three components:

Net investment in capital assets - Capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; (2) law through constitutional provisions or enabling legislation. *When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first and then unrestricted resources, as they are needed.*

Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “net investment in capital assets.”

The City reports governmental fund balances by the five following classifications:

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

Restricted – Amounts with restrictions that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes and imposed by formal action of the government's highest level of decision making authority. In the case of the City it is the City Council and the formal action would be an ordinance to modify or rescind the commitment.

Assigned – Amounts constrained by City management's intent to be used for specific purposes but are not formally restricted by external resources or committed by City Council.

Unassigned – Amount of the remaining fund balance not in any of the other classifications.

For the classification of fund balances, the City considers restricted amounts to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Expenditures are to be spent from restricted fund balance first, followed by committed, assigned, and lastly unassigned fund balance.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 2. 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 budget for the succeeding year on or before August 1.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

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 2013, the City had one amendment to the originally adopted budget, which affected the following funds: Downtown Improvement District, Employee Separation, KP&F Equalization and the Community Improvement District funds. The amendment had the following effect on the fund budgets:

<u>Fund</u>	<u>Adopted</u>	<u>Amended</u>
Downtown Improvement District Fund	\$ 166,217	\$ 196,217
Employee Separation Fund	-	600,000
KP&F Equalization Fund	200,000	400,000
Community Improvement District Fund	-	80,000

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 and schedules are presented for each budgeted governmental 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 restricted, committed or assigned fund balances and do not constitute liabilities, because the commitments will be honored during subsequent year.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The funds with legally adopted, annual budgets consist of the General Fund, Special Street Repairs Fund, Fund, Sales Tax – Street Repairs Fund, Special Liability Expense Fund, Debt Service Fund, Special Alcohol Program Fund, Alcohol and Drug Safety Fund, Transient Guest Tax Fund, Employee Separation Fund, Retirement Reserve Fund, KP & F Equalization Fund, Neighborhood Revitalization Fund, Historic Asset Tourism Fund, 1/2 % Sales Tax Fund, Law Enforcement Fund, Tax Increment Financing Fund, Park Land Acquisition Fund, Downtown Improvement District Fund, and Court Technology Fund, which are all Special Revenue funds. A legal annual operating budget is not required for capital projects funds (such as bridges, streets and traffic ways), but each project is taken before the City Council for approval, as well as trust (agency) funds, proprietary funds, and certain other special revenue funds. Spending in funds that are not subject to legal, annual, operating budget requirements are controlled by Federal regulations, other statutes, Council approved budgets, by the use of external spending limits or by the external organization contributing the funds.

B. Excess of Expenditures Over Appropriations

Parkland Acquisition Fund was in excess of budget by \$22,499. This was due to the transferring of the fund balance and any 2013 revenues collected as per contract #C304-2011 with Shawnee County for the Parks and Recreation consolidation. The amount budgeted was \$20,000 and the fund balance was \$0.

The ½% Sales Tax Fund was in excess of budget by \$421,527. This was due to the remittance of the sales tax received to JEDO. The amount of sales tax collected exceeded the budgeted amount.

C. Cash and Fund Balance Deficits

The Parkland Acquisition Fund, a nonmajor special revenue fund, ended 2013 with a fund balance deficit of \$7,875 (violating K.S.A 10-1113 and 10-1121). The City overpaid Shawnee County for some purchases that were made during the consolidation of the Parks and Recreation department with Shawnee County.

The Capital Project Fund ended 2013 with a fund balance deficit of \$7,681,426 (violating 10-1121). This was due to projects needing long- term financing. Each project is presented to the City Council for approval.

The Developer Project Fund, a nonmajor capital projects fund, ended 2013 with a cash deficit of \$44,265 (violating K.S.A 10-1113 and 10-1121).

The Facility Operations Fund, a nonmajor internal service fund, ended 2013 with a fund balance deficit of \$66,148 (violating K.S.A 10-1113 and 10-1121). The internal charges to the departments were less than operating expenses and interest. The departmental fees will be reevaluated to ensure costs will be covered in the future. The year ended December 31, 2013 is the first year that this particular fund has operated as its own fund.

The Workers Compensation Fund, a nonmajor internal service fund, ended 2013 with a fund balance deficit of \$1,475,243 (violating K.S.A 10-1113 and 10-1121). The internal charges to the departments were less than insurance claims. The departmental fees will be reevaluated to ensure costs will be covered in future periods. The accrual of future claims creates this fund deficit.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At December 31, 2013, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (In Years)</u>
Certificates of Deposit	\$ 20,000,000	0.20
U.S. Treasuries	24,670,998	0.04
U.S. Agencies	15,890,109	0.46
Kansas Municipal Bonds	25,018,049	0.31
Reserve Funds	6,661,874	0.65
State Treasurer's Municipal Investment Pool	<u>19,992,395</u>	<u>-</u>
Total Fair Value of Investments	<u>\$ 112,233,425</u>	
Weighted Average Maturity of Portfolio		<u>1.66</u>

Interest rate risk—The City manages interest rate risk by dividing its pooled cash into four sub-portfolios. Its day-to-day and secondary liquidity portfolios are invested in securities maturing in not more than 30-days and not more than one-year, respectively. Its income portfolio (moneys not expected to be needed for cash flow purposes during the course of the year) is invested in securities with maturities of two years or less in accordance with state law. Investments held in accordance with bond programs are invested to match the expected cash flow needs of each bond program.

Credit risk—Kansas state law (K.S.A. 10-301 and K.S.A. 12-1675) specifies the types of investments in which a municipality may invest. Generally, these are limited to bank deposits and high-quality Federal and local securities. State law also provides for investment of City funds in the Municipal Investment Pool (MIP) within the State Treasury. At December 31, 2013 the City's investment in the MIP was rated AAAf/S1+.

Concentration of credit risk—The City's Investment Policy limits concentration of risk by imposing portfolio limits on most types of investments, except in bank deposits (which are either FDIC insured or fully collateralized) and US Treasury securities. 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 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, 2013, the City had deposits totaling \$28,272,652 in financial institutions, with collateral assets pledged to the City by the institutions having a fair market value of \$33,645,430.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2013

Note 3. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

State law (K.S.A. 12-1675) allows monies not associated with a bond program or a multi-year capital investment fund, to be invested in the following types of securities:

- (A) Temporary notes or no-fund warrants of the City;
- (B) Savings deposits, time deposits, open accounts, certificates of deposit or time certificates of deposit with maturities of not more than two years in banks, savings and loan associations and savings banks which have main or branch offices located within the corporate boundaries of the City ("Bank Deposits"); or
- (C) Repurchase agreements with banks, savings and loan associations and savings banks, which have main or branch offices located within the corporate boundaries of the City, for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof. The City may enter into such investments with banks, savings and loan associations and savings banks with main or branch offices in Shawnee County, Kansas, if no such institutions within the corporate boundaries of the City are willing to enter into such agreements or if the agreements bid by in-city institutions do not provide an interest rate equal to or greater than that rate defined in K.S.A. 12-1675a(g). Finally, the City may enter into such investments with banks, savings and loan associations and savings banks with main or branch offices in the state if no such institutions within the corporate boundaries of the City or of Shawnee County, Kansas, are willing to enter into such agreements or if the agreements bid by in-city institutions do not provide an interest rate equal to or greater than that rate defined in K.S.A. 12-1675(a)(g).

In the event banks, savings and loan associations and savings banks eligible for investments in savings deposits, time deposits, open accounts, certificates of deposit or time certificates of deposit with maturities of not more than two years cannot or will not make such investments available to the City at interest rates equal to or greater than the rate set forth in K.S.A. 12-1675a(g), the City may invest in the following:

- (A) United States Treasury bills or notes with maturities as the governing body shall determine, but not exceeding two years. The City is required to purchase such securities from: (a) banks, savings and loan associations and savings banks; (b) the federal reserve bank of Kansas City, Missouri; (c) primary government securities dealers which report to the market report division of the federal reserve bank of New York; or (d) or any broker-dealer engaged in the business of selling government securities which is registered in compliance with the requirements of section 15 or 15C of the securities exchange act of 1934 and registered pursuant to K.S.A. 17-12a401;
- (B) The municipal investment pool fund established in K.S.A. 12-1677a, and amendments thereto;
- (C) Multiple municipal client investment pools managed by the trust departments of banks which have main or branch offices located in Shawnee County, Kansas, or with trust companies incorporated under Kansas law which have contracted to provide trust services under the provisions of K.S.A. 9-2107 with banks that have main or branch offices located Shawnee County, Kansas; or
- (D) General obligation municipal bonds or other general obligations issued by any municipality of the state of Kansas as defined in K.S.A. 10-1101.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Bond and note proceeds, as well as the balances in a capital improvement fund created pursuant to K.S.A 12-1,118, may be invested in accordance with K.S.A. 10-131. Permitted investments include:

- (A) Investments authorized by KSA 12-1675 et seq. (as described above).
- (B) Municipal investment pool.
- (C) Direct obligations of the United States government or agency thereof.
- (D) Temporary notes of the City.
- (E) Interest-bearing time deposits in commercial banks located in Shawnee County, Kansas.
- (F) Obligations such as the Federal National Mortgage Association, Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation or other qualified obligations.
- (G) Money market funds investing solely in US Treasury and Agencies.
- (H) Receipts evidencing ownership interest in US Treasury and Agencies.
- (I) Repurchase agreements for securities described in (C) or (F).
- (J) Municipal bonds or other obligations issued by any Kansas municipality bearing that municipality's general obligation.
- (K) Bonds of any Kansas municipality that have been advance refunded and are fully secured as to payment of principal and interest by US Treasury and Agencies.

B. Interfund Receivables and Payables

Year-end receivables for the governmental activities and business-type activities in the aggregate, are as follows:

	Governmental <u>Activities</u>	Business- Type <u>Activities</u>	<u>Total</u>
Accounts Receivable	\$ 2,697,715	\$ 9,300,457	\$ 11,998,172
Taxes Receivable	55,091,090	-	55,091,090
Special Assessments Receivable	24,845,572	-	24,845,572
Intergovernmental Receivable	<u>-</u>	<u>366,589</u>	<u>366,589</u>
 Total	 <u>\$ 82,634,377</u>	 <u>\$ 9,667,046</u>	 <u>\$ 92,301,423</u>

All trade receivables are shown net of an allowance for uncollectibles. At December 31, 2013 an allowance of \$946,201 and \$967,447 is recorded in the governmental activities and business-type activities, respectively.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report deferred inflows of resources 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 inflows of resources reported in the governmental funds were as follows:

	<u>General</u>	Debt <u>Service</u>	Nonmajor <u>Governmental</u>	<u>Total</u>
Property Tax	\$ 27,556,401	\$ 15,253,820	\$ 844,664	\$ 43,654,885
Special Assessments	-	24,845,572	-	24,845,572
Other Unavailable Revenues	<u>1,018,144</u>	<u>6,473</u>	<u>60,143</u>	<u>1,084,760</u>
 Total	 <u>\$ 28,574,545</u>	 <u>\$ 40,105,865</u>	 <u>\$ 904,807</u>	 <u>\$ 69,585,217</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

	Balance 12/31/2012	Adjustments	Adj. Bal. 12/31/2012	Additions	Retirements	Balance 12/31/2013
City governmental activities:						
Governmental activities:						
Capital assets, not being depreciated						
Land	\$ 3,689,642	\$ -	\$ 3,689,642	\$ -	\$ -	\$ 3,689,642
Intangible easements	2,044,953	-	2,044,953	53,660	-	2,098,613
Construction in progress	34,349,368	-	34,349,368	9,005,169	13,850,610	29,503,927
Capital assets, being depreciated						
Building improvements & infrastructure	955,914,672	-	955,914,672	13,988,337	1,184,085	968,718,924
Furniture	6,635,736	-	6,635,736	-	-	6,635,736
Vehicles	20,458,874	30,740	20,489,614	1,297,487	1,157,849	20,629,252
Software	2,727,528	-	2,727,528	-	-	2,727,528
Tools & equipment	6,910,243	-	6,910,243	201,828	432,722	6,679,349
Total capital assets	<u>1,032,731,016</u>	<u>30,740</u>	<u>1,032,761,756</u>	<u>24,546,482</u>	<u>16,625,266</u>	<u>1,040,682,972</u>
Less accumulated depreciation for:						
Building improvements & infrastructure	618,291,319	[135,568]	618,155,751	26,003,340	-	644,159,091
Furniture	6,523,498	20,625	6,544,123	14,171	-	6,558,294
Vehicles	14,789,817	2,009	14,791,826	1,482,326	1,091,852	15,182,300
Software	1,909,270	-	1,909,270	545,505	-	2,454,775
Tools & equipment	4,780,541	8,627	4,789,168	494,056	379,541	4,903,683
Total accumulated depreciation	<u>646,294,445</u>	<u>[104,307]</u>	<u>646,190,138</u>	<u>28,539,398</u>	<u>1,471,393</u>	<u>673,258,142</u>
Governmental activities capital assets, net	<u>\$ 386,436,571</u>	<u>\$ 135,047</u>	<u>\$ 386,571,618</u>	<u>\$ [3,992,916]</u>	<u>\$ 15,153,873</u>	<u>\$ 367,424,829</u>
Business-type activities:						
Capital assets, not being depreciated						
Land	\$ 1,675,360	\$ -	\$ 1,675,360	\$ -	\$ -	\$ 1,675,360
Intangible easements	3,307,003	-	3,307,003	721,646	-	4,028,649
Construction in progress	6,275,785	[82,022]	6,193,763	10,225,466	2,029,898	14,389,331
Capital assets, being depreciated						
Building improvements & infrastructure	528,471,659	[3,402]	528,468,257	2,029,898	-	530,498,155
Furniture	817,380	-	817,380	-	-	817,380
Vehicles	8,293,615	-	8,293,615	452,426	587,874	8,158,167
Tools & equipment	4,255,740	-	4,255,740	58,543	53,257	4,261,026
Total capital assets	<u>553,096,542</u>	<u>[85,424]</u>	<u>553,011,118</u>	<u>13,487,980</u>	<u>2,671,029</u>	<u>563,828,069</u>
Less accumulated depreciation for:						
Building improvements & infrastructure	187,921,459	2,950	187,924,409	13,144,460	-	201,068,869
Furniture	786,466	-	786,466	3,753	-	790,219
Vehicles	5,984,476	[5,413]	5,979,063	638,310	571,961	6,045,412
Tools & equipment	3,653,273	11,209	3,664,482	173,156	53,257	3,784,381
Total accumulated depreciation	<u>198,345,674</u>	<u>8,746</u>	<u>198,354,420</u>	<u>13,959,679</u>	<u>625,218</u>	<u>211,688,881</u>
Business-type activities capital assets, net	<u>\$ 354,750,868</u>	<u>\$ [94,170]</u>	<u>\$ 354,656,698</u>	<u>\$ [471,699]</u>	<u>\$ 2,045,811</u>	<u>\$ 352,139,188</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

The City's depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General Government	\$ 950,200
Infrastructure	21,574,391
Parks and Recreation	46,424
Public Safety	1,649,327
Public Works	3,678,690
Internal Service	<u>640,366</u>
Total depreciation	<u>\$ 28,539,398</u>
Business-type Activities:	
Parking Garages	\$ 794,664
Water, Sewer & Stormwater Utilities	<u>13,165,015</u>
Total depreciation	<u>\$ 13,959,679</u>

Construction Commitments

The City had open, active construction projects on December 31, 2013. These projects included 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	\$ 6,348,295	\$ 5,417,472
Public Safety - Fire	836,591	3,368,869
Public Works - Streets	14,863,416	9,808,098
Public Works - Special Assessment	6,961,399	10,026,273
Public Works - Bridges	210,706	1,581,407
Parks and Recreation and Zoo	155,939	192,266
Combine Utilities	<u>14,400,798</u>	<u>24,130,612</u>
Total	<u>\$ 43,777,144</u>	<u>\$ 54,524,997</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Transfers and Activity

Interfund transfers for the year ended December 31, 2013 were as follows:

	Transfer In:				Total
	General Fund	Debt Service Fund	Capital Project Fund	Nonmajor Governmental Funds	
<u>Transfer Out:</u>					
General Fund	\$ -	\$ -	\$ 320,844	\$ -	\$ 320,844
Capital Project Fund	-	685,873	-	-	685,873
Nonmajor Governmental Funds	200,000	-	200,000	115,000	515,000
Nonmajor Internal Service Funds	-	-	4,000	-	4,000
Total	<u>\$ 200,000</u>	<u>\$ 685,873</u>	<u>\$ 524,844</u>	<u>\$ 115,000</u>	<u>\$ 1,525,717</u>

Interfund transfers in consisted of the following:

General Fund received \$200,000 from the Transient Guest Tax Fund for operating expenses	\$ 200,000
Debt Service Fund received \$685,873 from the Capital Projects Fund for closed projects	685,873
Capital Projects Fund received from the General Fund for project expenses	320,844
Capital Projects Fund received from the Fleet Services Fund for project expenses	4,000
Capital Projects Fund received from the Transient Guest Tax Fund for project expenses	200,000
Historic Asset Tourism Fund received from the Transient Guest Tax Fund for rehabilitation expenses	<u>115,000</u>
Total	<u>\$ 1,525,717</u>

Interfund charges for support services paid to the General Fund during 2013 were as follows:

Special Street Repair Fund	\$ 363,956
Water, Stormwater & WPC Fund	2,546,000
Nonmajor Enterprise Fund	205,000
Property Insurance Fund	29,000
WorkersCompensations Fund	328,000
Unemployment Fund	<u>12,000</u>
	<u>\$ 3,483,956</u>

In 2013, payments in lieu of taxes of \$6,823,965 and \$239,888 were made to the General Fund by the Water, Stormwater & WPC Utility Fund and the Public Parking Facilities Fund, respectively. The payment in lieu of taxes is based on applying the levy rate to 33% of the net book value of capital assets and 3% of service revenues.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases

Operating Leases:

The City has operating leases for computers and licenses. The expenditures for these operating leases for the year ended December 31, 2013 were \$568,877. The future minimum lease payments for these leases are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Amount</u>
2014	\$ 608,772
2015	387,518
2016	300,224
2017	<u>106,299</u>
Total	<u>\$ 1,402,813</u>

Capital Leases:

The City has entered into capital lease agreements, as lessee, for financing the acquisition of software and server equipment, telecommunications equipment, fire equipment and trucks, and enterprise resource planning software. Capital assets acquired under capital leases are amortized over their estimated useful lives and are included in depreciation expense. 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</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Asset Information:		
Machinery and equipment	\$ 6,424,904	\$ 425,029
Less accumulated depreciation	<u>[3,509,656]</u>	<u>[212,514]</u>
Total	<u>\$ 2,915,248</u>	<u>\$ 212,515</u>

The future minimum lease obligations for governmental activities and business-type activities, and the net present value of these minimum lease payments at December 31, 2013, were as follows:

<u>Year Ending December 31</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
2014	\$ 1,585,971	\$ 75,103
2015	943,098	75,103
2016	646,779	75,103
2017	350,467	-
2018	350,467	-
2019 - 2021	<u>700,934</u>	<u>-</u>
Total minimum lease payments	4,577,716	225,309
Less: amount representing interest	<u>[399,578]</u>	<u>[11,863]</u>
Net present value of minimum lease payments	<u>\$ 4,178,138</u>	<u>\$ 213,446</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long Term Debt

Changes in long term liabilities:

	Balance <u>12/31/2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2013</u>	Due Within <u>One Year</u>
Governmental activities:					
Bond payable:					
General obligation bonds	\$ 136,650,561	\$ 33,682,894	\$ [30,298,740]	\$ 140,034,715	\$ 13,261,698
Tax increment and other bonds	26,735,000	-	[3,430,000]	23,305,000	3,525,000
Less deferred amounts:					
For issuance premium	4,191,819	1,534,208	[2,303,125]	3,422,902	-
For issuance discounts	[49,660]	-	4,105	[45,555]	-
Capital leases	4,448,007	870,000	[1,139,869]	4,178,138	1,576,537
OPEB Liability**	4,095,852	584,360	-	4,680,212	-
Retirement Incentive**	244,613	-	[74,000]	170,613	-
Compensated Absences**	8,004,369	8,665,844	[8,004,369]	8,665,844	4,538,649
Park Transfer Obligations	6,129,775	-	[3,031,721]	3,098,054	3,098,054
Claims and Judgments	1,107,500	-	[352,500]	755,000	-
Governmental Activity Long-Term Liabilities	<u>\$ 191,557,836</u>	<u>\$ 45,337,306</u>	<u>\$ [48,630,219]</u>	<u>\$ 188,264,923</u>	<u>\$ 25,999,938</u>

** - For governmental activities, other post employment benefits, retirement incentive, compensated absences, are generally liquidated by the General Fund.

	Balance <u>12/31/2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2013</u>	Due Within <u>One Year</u>
Business-Type Activities					
Bond payable:					
General obligation bonds	\$ 12,434,439	\$ 1,442,106	\$ [2,406,260]	\$ 11,470,285	\$ 348,302
Less deferred amounts:					
For issuance premium	271,498	83,735	[64,163]	291,070	-
For issuance discounts	[363]	(1,483)	363	[1,483]	-
Revenue bonds	122,550,000	35,985,000	[34,745,000]	123,790,000	3,555,000
Less deferred amounts:					
For issuance premium	1,990,381	1,372,785	[179,806]	3,183,360	-
For issuance discounts	[471,618]	-	282,339	[189,279]	-
State revolving loan	72,123,938	547,005	[8,599,065]	64,071,878	5,542,070
Other liabilities	264,000	-	[44,000]	220,000	44,000
Capital leases	280,815	-	[67,369]	213,446	75,103
OPEB liability	234,834	109,259	-	344,093	-
Retirement Incentive	109,899	-	[109,899]	-	-
Compensated absences	640,128	901,813	[640,128]	901,813	249,050
Business Type Activity Long-Term Liabilities	<u>\$ 210,427,951</u>	<u>\$ 40,440,220</u>	<u>\$ [46,572,988]</u>	<u>\$ 204,295,183</u>	<u>\$ 9,813,525</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long Term Debt (Continued)

The following paragraphs summarize the long-term liability activity for 2013 for the governmental and business-type activities as presented in the above table.

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 storm water utilities, which are responsible for all phases of operation and maintenance of the City's public water supply, wastewater treatment, and storm water activities. The water, water pollution control, and storm water debt transactions are reported in separate funds for internal accounting purposes. However, the revenue generated by the Combined Water, Water Pollution Control, and Storm water Utility Fund is pledged in loan agreements and in bond covenants for repayment of debt.

At January 1, 2013, the City owed \$58,340,688 to the Kansas Water Pollution Control State Revolving Loan Fund (WPC-SRF); during the year, the City repaid loan principal of \$7,710,432. The total balance owed for the WPC-SRF at December 31, 2013, was \$50,630,256.

At January 1, 2013, the City owed \$13,783,250 to the Kansas Public Water Supply State Revolving Loan Fund (PWS-SRF); during the year, the City repaid loan principal of \$888,633 and received loan proceeds in the amount of \$547,005. The total balance owed for the WPS-SRF at December 31, 2013 was \$13,441,622.

The City has entered into agreements to receive loans up to \$121,140,518 from WPC-SRF and up to \$20,198,119 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. The City is not willing to change its policy regarding the use of full faith and credit for SRF loans.

Annual debt service requirements to maturity for the KDHE loans outstanding at December 31, 2013, are as follows:

Year Ended Decmeber 31.	Principal	Interest
2014	\$ 5,542,070	\$ 1,811,259
2015	5,719,175	1,648,935
2016	5,901,585	1,481,742
2017	5,977,441	1,310,035
2018	6,024,024	1,135,409
2019 - 2023	28,117,624	3,193,322
2024 - 2028	6,679,046	459,725
2029	110,914	1,764
Total	<u>\$ 64,071,879</u>	<u>\$ 11,042,189</u>

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, 2013, was \$149,085,000. During the year, general obligation bonds totaling \$32,705,000 were retired or refunded, and \$35,125,000 of general obligation bonds were issued, bringing the December 31, 2013 outstanding balance to \$151,505,000.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long Term Debt (Continued)

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>Series</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Outstanding Amount As Of December 31, 2013</u>
Governmental activities					
Series 2004A	8/12/2004	\$ 13,385,000	4.00% - 5.00%	8/15/2015	\$ 2,990,000
Series 2009A	10/28/2009	3,345,000	2.50% - 4.00%	8/15/2029	285,000
Series 2009B	10/28/2009	50,940,686	2.50% - 4.00%	8/15/2031	13,769,130
Series 2010A	9/29/2010	1,650,000	1.63% - 4.00%	8/15/2030	1,445,000
Series 2010B	9/29/2010	34,830,000	1.63% - 4.38%	8/15/2036	33,461,092
Series 2010C	9/29/2010	4,570,000	2.05% - 4.85%	8/15/2030	4,570,000
Series 2011A	9/20/2011	25,765,000	2.00% - 4.25%	8/15/2031	22,941,599
Series 2011B	9/29/2011	3,430,000	2.00% - 4.00%	8/15/2031	3,280,000
Series 2012A	4/17/2012	25,510,000	1.50% - 4.00%	8/15/2030	22,565,000
Series 2012B	4/17/2012	1,660,000	0.50% - 2.25%	8/15/2015	1,045,000
Series 2013A	6/4/2013	18,892,894	2.20% - 4.00%	8/15/2031	18,892,894
Series 2013B	9/30/2013	9,790,000	3.00% - 4.50%	8/15/2033	9,790,000
Series 2013C	9/30/2013	5,000,000	2.00% - 2.50%	8/15/2019	5,000,000
					<u>\$ 140,034,715</u>
Business-Type activities					
Series 2009B	10/28/2009	\$ 5,804,314	2.50% - 4.00%	8/15/2031	\$ 3,010,870
Series 2010B	9/29/2010	155,000	1.63% - 4.38%	8/15/2036	148,908
Series 2011A	9/20/2011	2,055,000	2.00% - 4.25%	8/15/2031	1,988,401
Series 2012A	5/17/2012	4,814,582	1.50% - 4.00%	8/15/2030	4,880,000
Series 2013A	6/4/2013	1,442,106	2.20% - 4.00%	8/15/2031	1,442,106
					<u>\$ 11,470,285</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long Term Debt (Continued)

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

Year Ending December 31,	<u>Governmental Activities</u>		<u>Business Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 13,261,698	\$ 4,450,274	\$ 348,302	\$ 288,701
2015	12,670,916	3,987,511	354,084	283,696
2016	10,663,876	3,653,118	586,124	278,854
2017	10,309,772	3,353,207	600,228	264,722
2018	10,041,402	3,076,017	573,598	252,452
2019 - 2023	41,733,773	11,378,322	2,766,227	1,125,072
2024 - 2028	29,978,197	5,414,793	2,711,803	834,374
2029 - 2033	11,345,212	1,042,663	2,314,788	465,775
2034 - 2036	29,869	2,613	1,215,131	98,412
Total	<u>\$ 140,034,715</u>	<u>\$ 36,358,518</u>	<u>\$ 11,470,285</u>	<u>\$ 3,892,058</u>

Tax Increment and Other Bonds:

The tax increment and other bonds consist of \$9,090,000 of STAR bonds for Heartland Park race track, \$5,205,000 of tax increment bonds for College Hill development, and \$9,010,000 of sales tax revenue bonds to replace one of the main bridges in the City.

Tax Increment and other bond debt service requirements to maturity are as follows:

Year Ending December 31,		
2014	\$ 3,525,000	\$ 686,375
2015	3,630,000	586,475
2016	4,225,000	449,225
2017	1,230,000	325,475
2018	1,260,000	299,838
2019 - 2023	6,865,000	1,029,745
2024 - 2025	<u>2,570,000</u>	<u>122,060</u>
Total	<u>\$ 23,305,000</u>	<u>\$ 3,499,193</u>

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, 2013, was \$122,550,000. In 2013, the City retired or refunded \$34,745,000 of revenue bonds, and issued \$35,985,000.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long Term Debt (Continued)

Revenue bonds outstanding at year-end are \$123,790,000, as follows:

<u>Series</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Outstanding Amount As Of December 31, 2013</u>
Series 2005A	12/8/2005	\$ 147,875,000	4.00% - 7.50%	8/1/2035	\$ 12,755,000
Series 2006B	10/18/2006	22,600,000	4.00% - 5.00%	8/1/2021	18,320,000
Series 2007B	7/17/2007	5,210,000	4.63% - 4.75%	8/1/2037	5,210,000
Series 2007C	7/17/2007	2,140,000	6.00%	8/1/2025	1,880,000
Series 2010A	9/22/2010	985,000	4.55% - 4.90%	8/1/2028	985,000
Series 2010B	9/22/2010	9,155,000	5.10% - 5.25%	8/1/2040	9,155,000
Series 2010C	9/22/2010	85,000	3.75%	8/1/2020	85,000
Series 2011A	9/29/2011	18,900,000	2.00% - 4.50%	8/1/2041	18,755,000
Series 2012A	6/12/2012	22,045,000	3.00% - 3.50%	8/1/2033	20,660,000
Series 2013A	5/21/2013	35,985,000	1.50% - 4.00%	8/1/2031	35,985,000
					<u>\$ 123,790,000</u>

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 3,555,000	\$ 4,927,381	\$ 8,482,381
2015	4,415,000	4,544,478	8,959,478
2016	4,620,000	4,335,303	8,955,303
2017	4,795,000	4,168,678	8,963,678
2018	4,960,000	4,006,428	8,966,428
2019 - 2023	28,315,000	17,068,450	45,383,450
2024 - 2028	37,505,000	11,679,181	49,184,181
2029 - 2033	25,715,000	5,450,624	31,165,624
2034 - 2038	7,970,000	1,525,293	9,495,293
2039 - 2041	1,940,000	157,838	2,097,838
Total	\$ 123,790,000	\$ 57,863,652	\$ 181,653,652

Current Refundings:

The City issued Series 2013A Revenue bonds in the amount of \$35,985,000 on May 21, 2013, to advance refund in full the City's outstanding Series 2006A Revenue Bonds in the amount of \$32,375,000, and currently refund and redeem in part the City's Series 2005A Revenues Bonds in the amount of \$270,000, Series 2006B Revenue Bonds in the amount of \$815,000, and Series 2012A Revenue Bonds in the amount of \$1,195,000. As a result, the 2006A Bonds are considered to be defeased and the liability for the defeased bonds has been removed from the City's financial statements. The transaction resulted in an economic gain of \$3,342,804 and a reduction of \$3,428,814 in future debt payments. The interest rate on the bonds is 1.50% to 4.00% and has a final maturity of August 1, 2031.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long Term Debt (Continued)

Short Term Debt – Notes:

The City issues 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 June. The City issues business type notes to cover expenses, until the next revenue bonds are sold. Notes outstanding at December 31, 2013 mature on October 1, 2014 and bear interest of 1%.

Short-term debt activity for the year ended December 31, 2013, was as follows:

	Beginning <u>Balance</u>	<u>Issued</u>	<u>Redeemed</u>	Ending <u>Balance</u>
Governmental activities notes	\$14,687,187	\$ 22,720,257	\$ 14,687,187	\$ 22,720,257
Business-type notes	<u>1,852,813</u>	<u>1,864,743</u>	<u>1,852,813</u>	<u>1,864,743</u>
Total	<u>\$16,540,000</u>	<u>\$24,585,000</u>	<u>\$16,540,000</u>	<u>\$24,585,000</u>

G. Restricted Assets

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

	Water, Stormwater & WPC Utility <u>Fund</u>	Nonmajor Enterprise <u>Fund</u>	<u>Total</u>
Bond Reserve	\$ 8,150,944	\$ -	\$ 8,150,944
Renewal and Replacement	1,500,000	-	1,500,000
Construction Proceeds	14,578,575	-	14,578,575
Sinking Fund	3,622,848	132,946	3,755,794
Water Consumer Deposits	669,352	-	669,352
Water Consumer Deposits Flushing Meters	114,195	-	114,195
Internal Restrictions on SRF Loans	831,227	-	831,227
Deposits with Fiscal Agency	<u>8,203,167</u>	<u>-</u>	<u>8,203,167</u>
Total Restricted Assets	<u>\$ 37,670,308</u>	<u>\$ 132,946</u>	<u>\$ 37,803,254</u>

Note 5. 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. 75-6101 to 75-6115, general liability claims against the City are limited within the scope of the act to an occurrence aggregate of \$500,000. The City self-insures for general liability claims up to this statutory dollar limit and has a self-insured retention on third party vehicle liability claims of \$250,000. The City purchases commercial insurance coverage for physical damage to City property. For each of the past three years, settlements have been within coverage limits.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 5. OTHER INFORMATION (Continued)

A. Risk Management (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). The claims liability is based upon estimates of the ultimate cost of claims, including inflation factors and historical trend data. Other non-incremental costs are not included in the basis for estimating the liability. 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 apportioning rate charges among the various City departments. Rates are based on historical and expected future expenses pursuant to eight-year actuarial studies. These rate charges are reported as expenditures in the applicable funds. Risks attributable to the workers' compensation self-insurance fund have excess reinsurance coverage above \$500,000.

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. It also maintains a trust reserve. Our management of this program and claims experience over the past several years has enabled us to not only maintain but upgrade benefit coverage with continued 100% payment of individual employee plans and no increases in dependent premiums.

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

	<u>2013</u>	<u>2012</u>
Claims liabilities at beginning of the year	\$ 4,522,928	\$ 3,712,406
Claims incurred during the year	6,432,620	9,324,587
Claims paid during the year	<u>[6,878,561]</u>	<u>[8,514,065]</u>
Claims liabilities at end of the year	<u>\$ 4,076,987</u>	<u>\$ 4,522,928</u>

B. Contingent Liabilities

The City is involved in lawsuits arising in the ordinary course of activities, including claims regarding wrongful death, personal injury, civil rights actions, and wrongful termination cases. Management based on the advice of counsel, has recorded an estimated obligation of \$1,107,500 related to certain cases. While other cases may have future financial effect, management, based on advice of counsel, believes that their ultimate outcome will not be material to the basic financial statements.

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.

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, 2013, totaled \$27,475,000.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2013

Note 5. OTHER INFORMATION (Continued)

C. 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 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. During the year ended December 31, 2013, the City paid \$6,798,353 to JEDO and received \$6,164,448 from JEDO in accordance with the interlocal agreement. The City is owed \$1,523,174 from the State of Kansas, which is subsequently due to JEDO for sales taxes earned, but not received and is included in due to other governments. 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.

Change in Presentation – Joint Economic Development Organization and Miscellaneous Adjustments:

As discussed above, the County and the City established JEDO and entered into an inter-local agreement related to the countywide sales taxes. The financial reporting of the inter-local agreement activities between JEDO, County and City has been reviewed and a change in the reporting and presentation alternatives was determined to be appropriate. Previously, JEDO was reported as an agency fund, whereby a portion of JEDO assets were reported as due to the County and City. The County and City reported, as an asset, the corresponding amount that JEDO reported as due to the County and City. Under the revised reporting and presentation, JEDO will be reported as a special purpose governmental entity. JEDO will not report any amounts due to the City nor will the City report an asset. This reporting change did not affect the total assets of JEDO or any of the projects or other requirements of the JEDO inter-local agreement.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 5. OTHER INFORMATION (Continued)

D. Restatement of Equity

The change in JEDO presentation, accumulated depreciation adjustments and the recognition of capital lease were also identified as prior period adjustments, the results of which are as follows:

	Governmental <u>Activities</u>	Governmental <u>Funds</u>	Business Type <u>Activities</u>
Net Position/Fund Balance at December 31, 2012 as Previously Reported	\$ 249,987,976	\$ 21,824,720	\$ 213,591,795
Accumulated Depreciation Calculation Correction	128,384	-	[51,867]
Internal Service Fund Restatement	[173,710]	-	-
Capital Lease Previously Unrecorded	[870,000]	-	-
Change in JEDO Presentation	[1,065,571]	[1,065,571]	-
Change in Community Improvement District Fund Classification	<u>[14,171]</u>	<u>[14,171]</u>	<u>-</u>
Net Position/Fund Balance at December 31, 2012 As Restated	<u>\$ 247,992,908</u>	<u>\$ 20,744,978</u>	<u>\$ 213,539,928</u>

E. Other Post Employment Benefits

Plan Description The City's health plan is self-funded. The City 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 and prescription coverage. The City does offer dental insurance, but the benefit is paid by the retirees on a full cost basis and is assumed to not produce an implicit subsidy. The City's other post employment benefit liability is normally liquidated in the General Fund and the Water, Stormwater & Water Pollution Control Utility Fund.

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 2013 the City had 152 retirees, contributing \$1,178,318. The total cost of health insurance claims and administrative fees for retirees was \$1,708,928. Resulting in the City supplementing the retirees' health insurance plan by \$530,610 for 2013.

See the chart below for costs paid by employees and retirees on a monthly basis.

	Retirees <u>Base Plan</u>	Employees <u>Buy-Up Plan</u>
Single	\$ 486.77	\$ 88.93
With Children	939.80	471.85
With Spouse	1,035.85	520.18
Family	1,478.53	742.39

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 5. OTHER INFORMATION (Continued)

E. Other Post Employment Benefits (Continued)

Funding Status and Funding Progress

As of January 1, 2013, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$11,967,705. There are no assets set aside for funding the plan as of that date, thus the entire amount is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$54,474,144, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 21.97%.

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 Cavanaugh MacDonald Consulting LLC as of January 1, 2013. 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 (ARC)	\$ 1,105,231
Interest on Net OPEB Obligation	173,227
Adjustment to the ARC	<u>[144,356]</u>
Annual OPEB cost (expense)	1,134,102
Benefit payments	<u>440,483</u>
Change in net OPEB obligation	693,619
Net OPEB obligation - beginning of year	<u>4,330,686</u>
Net OPEB obligation - end of year	<u>\$ 5,024,305</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, also presented as supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The City's annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan and the net OPEB obligation for the years ending December 31, 2011-2013 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Net OPEB Obligation	Percentage of Annual OPEB Cost Contributed
December 31, 2011	\$ 909,769	\$ 4,060,748	76.60%
December 31, 2012	909,769	4,330,686	70.30%
December 31, 2013	1,134,102	5,024,305	38.80%

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 5. OTHER INFORMATION (Continued)

E. Other Post Employment Benefits (Continued)

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: Projected Unit Credit

Interest Rate: 4.00%

Amortization Method: Level Percent of Pay, Open

Amortization Factor: 30.0000%

Mortality Rate: RP-2000 Mortality Tables 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

Price Inflation: 3.00%

Health Care Cost Trend Rate: Pre-Medicare Medical and Drugs– 3.00% avg.; other expenses 3.00 avg.

F. 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 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 1-888-275-5737.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 5. OTHER INFORMATION (Continued)

F. Employee Retirement Systems and Pension Plans (Continued)

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary prior to June 30, 2009, and at 6% of covered salary from July 1, 2009 to December 31, 2013. K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The City 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 City of Topeka employer contributions to KPERS for the years ending December 31, 2013, 2012, and 2011 were \$2,320,731, \$2,201,790, and \$1,920,510 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 2013 was 17.26%. The City's employer contributions to KP&F for the years ending December 31, 2013, 2012, and 2011 were \$6,224,948, \$5,934,810, and \$4,867,695, respectively, equal to the statutorily required contributions for each year.

G. Termination Benefits

In June 2010, the City offered a retirement incentive plan, where the City would cover the cost of a basic single health insurance premium for five years. Forty people took advantage of the plan. A risk free rate of .6751% was used to discount back the future payments to present value. The remaining benefit at December 31, 2013 was \$170,613.

H. Commitments and Encumbrance

Community Improvement District:

On April 17, 2012 the City established a Community Improvement District (CID) for economic development purposes and to finance capital improvement project. The method of financing the project is a pay as you go with project costs reimbursed with the proceeds of a 1% CID sales tax.

The City has entered into a developer agreement whereby the developer financed project costs that have been certified by the City as eligible to be reimbursed from CID sales tax attributable to the project. Under the CID plan the developer may be reimbursed up to the certified cost amount including interest from CID sales taxes during a period not to exceed 22 years. CID sales taxes were projected to produce sufficient funds to reimburse the developer for certified costs. The developer obligation is limited solely to the amount of CID sales taxes received attributable to the project; any deficiencies are the sole responsibility of the developer and do not constitute an obligation of the City. At December 31, 2013, the amount of eligible reimbursable project costs submitted by the developer was \$1,693,291.

Encumbrances:

Outstanding encumbrances at December 31, 2013 were as follows: General Fund \$502,828, Special Street Repairs Fund - \$32,482, Sales Tax Street Repairs Fund \$89,954, and Non Major Special Revenue Funds \$193,218.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 5. OTHER INFORMATION (Continued)

H. Commitments and Encumbrance (Continued)

The governmental fund balance classifications as of December 31, 2013 are as follows:

	<u>General</u>	<u>Special Street Repairs</u>	<u>Sales Tax Street Repair</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:							
Nonspendable:							
Prepaid Items	\$ 200,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,820
Restricted For:							
Crime Prevention and Public Safety	-	-	-	-	-	1,814,667	1,814,667
Infrastructure Repairs and Projects	-	2,865,131	14,096,529	-	-	-	16,961,660
Housing and Community Improvements	-	-	-	-	-	282,042	282,042
Alcohol and Drug Programs	-	-	-	-	-	639,323	639,323
Debt Service	-	-	-	3,896,624	-	-	3,896,624
Claims and Judgements	-	-	-	-	-	892,651	892,651
Tourism	-	-	-	-	-	443,549	443,549
Other Purposes	-	-	-	-	-	4,712,444	4,712,444
Committed To:							
Crime Prevention and Public Safety	-	-	-	-	-	1,206,695	1,206,695
Housing and Community Improvements	-	-	-	-	-	304,105	304,105
Other Purposes	-	-	-	-	-	265,378	265,378
Assigned To:							
Contractual Services and Commodities	502,828	-	-	-	-	-	502,828
Unassigned:	9,353,610	-	-	-	[7,681,426]	[7,875]	1,664,309
Total Fund Balances	<u>\$ 10,057,258</u>	<u>\$ 2,865,131</u>	<u>\$ 14,096,529</u>	<u>\$ 3,896,624</u>	<u>\$ [7,681,426]</u>	<u>\$ 10,552,979</u>	<u>\$ 33,787,095</u>

I. Special Item – Transfer of Parks and Recreation to Shawnee County

Pursuant to an intergovernmental agreement between the City of Topeka (City) and Shawnee County, Kansas (County) the City will transfer certain parks and recreation operations to the County for the purpose of providing services to its citizens. Effective January 1, 2012, the City transferred certain assets comprising the parks and recreation operations to the County.

The City also agreed to transfer to the County the amount of tax levied for funding the parks and recreation for the years 2012 through 2015. The amount of tax levy to be transferred each year is based upon the amount levied by the City in 2011, the base year, which was \$5,011,893. The City has agreed to transfer to the County the following amount of tax levied for the years 2012 through 2015:

<u>Year</u>	<u>% of Base Year</u>	<u>Transfer Amount</u>
2012	80%	\$ 4,009,514
2013	60%	3,007,136
2014	40%	2,004,757
2015	20%	1,002,379
Total		<u>\$ 10,023,786</u>

The City has also agreed to transfer to the County the amount of vacation, sick leave and retirement earned but not paid to those City parks and recreation employees that were transferred to the County. The total amount of vacation, sick leave and retirement that will be transferred by the City to the County is \$156,687. This amount will be transferred in four equal annual payments of \$39,172 beginning in 2012.

CITY OF TOPEKA, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Note 5. OTHER INFORMATION (Continued)

I. Special Item – Transfer of Parks and Recreation to Shawnee County (Continued)

The City has early adopted GASB No. 69 and in accordance with this guidance the total amount that the City has agreed to transfer to the County has been reported as a special item in the basic financial statements. At December 31, 2013 the amount remaining to be transferred to the County totaled \$3,085,479 has been reported as a park transfer obligation in the basic financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF TOPEKA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION
 Schedule of Funding Progress – For the Retiree Health Plan
 December 31, 2013

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfund AAL (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percent of Payroll (b-a)/(c)
1/1/2007	\$ -	\$ 17,441,930	\$ 17,441,930	0.00%	\$ 62,540,183	27.9%
1/1/2009	-	18,737,527	18,737,527	0.00%	66,152,204	28.3%
1/1/2011	-	11,499,605	11,499,605	0.00%	55,905,828	20.6%
1/1/2013	-	11,967,705	11,967,705	0.00%	54,474,144	22.0%

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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.

<u>FUND NAME</u>	<u>STATUTORY OR OTHER AUTHORITY</u>	<u>PURPOSE</u>
Downtown Improvement District	Topeka Ordinance # 19695	Accounts for assessments levied against tenants within the downtown business improvement district to provide for improvements and promotion of the downtown business area.
Court Technology Fund	Topeka Ordinance #19502	Adds a court fee to existing mandatory court costs and fees for upgrading the court's electronic records and payment systems.
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.
Alcohol and Drug Safety	K.S.A. 8-1008	Fees are collected by Municipal Court on diversions of criminal proceedings to provide drug and alcohol evaluations, and appropriate referrals to include an internal Alcohol Information School by certified counselors, as well as case management ensuring both the needs of the client and Municipal Court are met.
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.
Law Enforcement	K.S.A 13-14-a02, 60-4100,74-5607 Topeka City Code Section 106:227-229 Topeka Ordinance # 17796	This fund was established for collecting revenues through means of donations, Federal monies, warrant fees, Municipal Court fees, and license fees in order to subsidize crime prevention activities including training, canine and officer equipment, and crime prevention programs.
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.

Special Revenue Funds (Continued...)

<u>FUND NAME</u>	<u>STATUTORY OR OTHER AUTHORITY</u>		<u>PURPOSE</u>
Transient Guest Tax	K.S.A. 12-1697 Resolution #4045 Charter Ordinance #69	Topeka Topeka	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.
Employee Separation	K.S.A. 10-101 to 125 Ordinance #19846	Topeka	Fund setup to make final payments of accrued leave to which any employee is entitled pursuant to the Topeka Municipal code or pertinent labor agreements for City employees separating from City employment, to fund capitalized interest or other cost of issuance on bonds.
Retirement Reserve	Administrative Action Code 3.25.010	City	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 Ordinance #18269 & #18290;Resolution 7487	Topeka	Provides funding for retirement of the KP & F liabilities and a reserve fund for any future 15% excess contribution liabilities.
Neighborhood Revitalization	Administrative Action Ordinance #18222	Topeka	Provides funding for the redevelopment of designated revitalization areas and dilapidated structures.
Historic Asset Tourism	Administrative Action Ordinance #17238	Topeka	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.
Tax Increment Financing	K.S.A 12-1770a & Topeka Ordinance #18923		This fund was established to monitor the amount of property and sales taxes received for tax increment financing districts created for redevelopment of blighted areas.
Donations and Gifts	Administrative		Established to house donations and gifts for departments in the General Fund.
Governmental and Miscellaneous Grants	Public Law 93-838 Code Chapter 42 Contracts	City Various Grant	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.

Nonmajor Capital Projects Fund

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.)

Developer Project Fund
This fund was established to house the expenditures of projects that are funded by developers of the community.

CITY OF TOPEKA, KANSAS

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUING)
 December 31, 2013

	Special Revenue Funds			
	Downtown Improvement District	Court Technology Fund	Special Alcohol Program	Alcohol & Drug Safety
ASSETS				
Cash and equity in Treasurer's Fund	\$ 51,576	\$ 125,046	\$ 353,499	\$ 324,643
Receivables (net of allowance for uncollectibles)				
Accounts receivable	19,467	-	-	-
Taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 71,043</u>	<u>\$ 125,046</u>	<u>\$ 353,499</u>	<u>\$ 324,643</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ 16,325	\$ -	\$ 37,093	\$ 275
Salaries and wages payable	-	-	-	1,451
Due to other funds	-	-	-	-
Due to others	-	-	-	-
Total liabilities	<u>16,325</u>	<u>-</u>	<u>37,093</u>	<u>1,726</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Restricted	-	-	316,406	322,917
Committed	54,718	125,046	-	-
Unassigned [deficit]	-	-	-	-
Total fund balance [deficit]	<u>54,718</u>	<u>125,046</u>	<u>316,406</u>	<u>322,917</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 71,043</u>	<u>\$ 125,046</u>	<u>\$ 353,499</u>	<u>\$ 324,643</u>

See independent auditor's report on the financial statements.

Special Revenue Funds

Park Land Acquisition	Law Enforcement	Special Liability Expense	Transient Guest Tax	Employee Separation	Retirement Reserve
\$ 17,714	\$ 1,590,539	\$ 910,608	\$ 172,854	\$ 4,472,665	\$ 205,520
-	12,845	1,050	-	660	-
-	-	844,664	619,359	-	-
-	13,146	-	-	-	-
<u>\$ 17,714</u>	<u>\$ 1,616,530</u>	<u>\$ 1,756,322</u>	<u>\$ 792,213</u>	<u>\$ 4,473,325</u>	<u>\$ 205,520</u>
\$ -	\$ 51,568	\$ 12,168	\$ 348,664	\$ 14,817	\$ -
-	-	6,831	-	-	-
-	-	8	-	-	-
<u>25,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>25,589</u>	<u>51,568</u>	<u>19,007</u>	<u>348,664</u>	<u>14,817</u>	<u>-</u>
-	-	844,664	-	-	-
-	605	-	-	-	-
-	605	844,664	-	-	-
-	1,564,357	892,651	443,549	4,458,508	205,520
-	-	-	-	-	-
[7,875]	-	-	-	-	-
<u>[7,875]</u>	<u>1,564,357</u>	<u>892,651</u>	<u>443,549</u>	<u>4,458,508</u>	<u>205,520</u>
<u>\$ 17,714</u>	<u>\$ 1,616,530</u>	<u>\$ 1,756,322</u>	<u>\$ 792,213</u>	<u>\$ 4,473,325</u>	<u>\$ 205,520</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

COMBINING BALANCE SHEET-CONTINUED
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 December 31, 2013

	Special Revenue Funds			
	KP&F Equalization	Neighborhood Revitalization	Historic Asset Tourism	1/2% Sales Tax
ASSETS				
Cash and equity in Treasurer's Fund	\$ 1,081,493	\$ 249,387	\$ 265,378	\$ -
Receivables (net of allowance for uncollectibles)				
Accounts receivable	156	-	-	-
Taxes receivable	-	-	-	1,523,174
Due from other governments	-	-	-	-
Total assets	<u>\$ 1,081,649</u>	<u>\$ 249,387</u>	<u>\$ 265,378</u>	<u>\$ 1,523,174</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -
Salaries and wages payable	-	-	-	-
Due to other funds	-	-	-	-
Due to others	-	-	-	1,523,174
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,523,174</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Restricted	-	-	-	-
Committed	1,081,649	249,387	265,378	-
Unassigned [deficit]	-	-	-	-
Total fund balance [deficit]	<u>1,081,649</u>	<u>249,387</u>	<u>265,378</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,081,649</u>	<u>\$ 249,387</u>	<u>\$ 265,378</u>	<u>\$ 1,523,174</u>

See independent auditor's report on the financial statements.

Special Revenue Funds				Project Fund	
Tax Increment Financing	Community Improvement District	Donations & Gifts	Governmental & Miscellaneous Grants	Developer Projects	Totals
\$ 165,112	\$ -	\$ 49,462	\$ 19,646	\$ [44,265]	\$ 10,010,877
24	-	-	101,784	161,171	297,157
-	-	-	-	-	2,987,197
-	-	-	394,560	-	407,706
<u>\$ 165,136</u>	<u>\$ -</u>	<u>\$ 49,462</u>	<u>\$ 515,990</u>	<u>\$ 116,906</u>	<u>\$ 13,702,937</u>
\$ -	\$ -	\$ 1,046	\$ 206,080	\$ -	\$ 688,036
-	-	-	-	-	8,282
-	-	-	-	-	8
-	-	-	62	-	1,548,825
-	-	1,046	206,142	-	2,245,151
-	-	-	-	-	844,664
-	-	-	59,538	-	60,143
-	-	-	59,538	-	904,807
165,136	-	48,416	250,310	116,906	8,784,676
-	-	-	-	-	1,776,178
-	-	-	-	-	[7,875]
<u>165,136</u>	<u>-</u>	<u>48,416</u>	<u>250,310</u>	<u>116,906</u>	<u>10,552,979</u>
<u>\$ 165,136</u>	<u>\$ -</u>	<u>\$ 49,462</u>	<u>\$ 515,990</u>	<u>\$ 116,906</u>	<u>\$ 13,702,937</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUING)
For the Year Ended December 31, 2013

	Special Revenue Funds			
	Downtown Improvement District	Court Technology Fund	Special Alcohol Program	Alcohol & Drug Safety
Revenues				
Taxes and assessments	\$ 178,281	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	523,395	-
Fees for services	-	-	-	-
Fines and forfeitures	-	52,785	-	74,700
Interest from investments	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>178,281</u>	<u>52,785</u>	<u>523,395</u>	<u>74,700</u>
Expenditures				
Current				
General government	158,530	15,084	-	60,595
Public safety	-	-	-	-
Public works	-	-	-	-
Public works - planning	-	-	-	-
Parks and recreation	-	-	-	-
Economic development	-	-	-	-
Housing & neighborhood development	-	-	-	-
Social services	-	-	580,973	-
Construction	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>158,530</u>	<u>15,084</u>	<u>580,973</u>	<u>60,595</u>
Excess [deficiency] of revenues over [under] expenditures	<u>19,751</u>	<u>37,701</u>	<u>[57,578]</u>	<u>14,105</u>
Other financing sources [uses]				
Transfers in	-	-	-	-
Transfers [out]	-	-	-	-
Issuance of debt	-	-	-	-
Issuance of debt premium	-	-	-	-
Sale of property	2,010	-	-	-
Total other financing sources [uses]	<u>2,010</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>21,761</u>	<u>37,701</u>	<u>[57,578]</u>	<u>14,105</u>
Fund balance, beginning of year	32,957	87,345	373,984	308,812
Prior period adjustment	-	-	-	-
Fund balance, beginning of year, restated	<u>32,957</u>	<u>87,345</u>	<u>373,984</u>	<u>308,812</u>
Fund balance, end of year	<u>\$ 54,718</u>	<u>\$ 125,046</u>	<u>\$ 316,406</u>	<u>\$ 322,917</u>

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Special Revenue Funds					
Park Land Acquisition	Law Enforcement	Special Liability Expense	Transient Guest Tax	Employee Separation	Retirement Reserve
\$ -	\$ -	\$ 782,286	\$ 2,314,781	\$ -	\$ -
34,624	19,500	-	-	-	-
-	11,636	-	-	-	-
-	-	-	-	-	812,767
-	179,568	-	-	-	-
-	4,727	-	-	-	-
-	733,449	6,593	-	-	-
<u>34,624</u>	<u>948,880</u>	<u>788,879</u>	<u>2,314,781</u>	<u>-</u>	<u>812,767</u>
-	-	641,185	1,909,310	465,098	298,807
-	330,708	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
42,499	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	41,805	-
<u>42,499</u>	<u>330,708</u>	<u>641,185</u>	<u>1,909,310</u>	<u>506,903</u>	<u>298,807</u>
<u>[7,875]</u>	<u>618,172</u>	<u>147,694</u>	<u>405,471</u>	<u>[506,903]</u>	<u>513,960</u>
-	-	-	-	-	-
-	-	-	[515,000]	-	-
-	-	-	-	4,907,058	-
-	-	-	-	58,353	-
-	-	-	-	-	-
-	-	-	[515,000]	4,965,411	-
<u>[7,875]</u>	<u>618,172</u>	<u>147,694</u>	<u>[109,529]</u>	<u>4,458,508</u>	<u>513,960</u>
-	946,185	744,957	553,078	-	[308,440]
-	-	-	-	-	-
-	946,185	744,957	553,078	-	[308,440]
<u>\$ [7,875]</u>	<u>\$ 1,564,357</u>	<u>\$ 892,651</u>	<u>\$ 443,549</u>	<u>\$ 4,458,508</u>	<u>\$ 205,520</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended December 31, 2013

	Special Revenue Funds			
	KP&F Equalization	Neighborhood Revitalization	Historic Asset Tourism	1/2% Sales Tax
Revenues				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 8,321,527
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest from investments	-	-	-	-
Miscellaneous	-	38,455	-	-
Total Revenues	-	38,455	-	8,321,527
Expenditures				
Current				
General government	-	-	14,749	-
Public safety	168,950	-	-	-
Public works	-	-	-	8,321,527
Public works - planning	-	-	-	-
Parks and recreation	-	-	-	-
Economic development	-	-	-	-
Housing & neighborhood development	-	-	-	-
Social services	-	-	-	-
Construction	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	168,950	-	14,749	8,321,527
Excess [deficiency] of revenues over [under] expenditures	[168,950]	38,455	[14,749]	-
Other financing sources [uses]				
Transfers in	-	-	115,000	-
Transfers [out]	-	-	-	-
Issuance of debt	-	-	-	-
Issuance of debt premium	-	-	-	-
Sale of property	-	-	-	-
Total other financing sources [uses]	-	-	115,000	-
Net change in fund balance	[168,950]	38,455	100,251	-
Fund balance, beginning of year	1,250,599	210,932	165,127	1,065,571
Prior period adjustment	-	-	-	[1,065,571]
Fund balance, beginning of year, restated	1,250,599	210,932	165,127	-
Fund balance, end of year	\$ 1,081,649	\$ 249,387	\$ 265,378	\$ -

See independent auditor's report on the financial statements.

Special Revenue Funds				Project Fund	
Tax Increment Financing	Community Improvement District	Donations & Gifts	Governmental & Miscellaneous Grants	Developer Projects	Totals
\$ 215,496	\$ -	\$ -	\$ -	\$ -	\$ 11,812,371
-	-	-	-	-	54,124
-	-	-	4,164,857	776,647	5,476,535
-	-	-	-	-	812,767
-	-	-	-	-	307,053
-	-	-	2,500	-	7,227
-	-	35,903	229,867	238,490	1,282,757
<u>215,496</u>	<u>-</u>	<u>35,903</u>	<u>4,397,224</u>	<u>1,015,137</u>	<u>19,752,834</u>
-	-	-	-	-	3,563,358
-	-	-	475,894	-	975,552
-	-	-	-	-	8,321,527
-	-	-	152,205	-	152,205
-	-	39,533	-	-	82,032
-	-	-	-	-	-
-	-	-	4,096,215	-	4,096,215
-	-	-	-	-	580,973
-	-	-	-	826,978	826,978
200,000	-	-	-	-	200,000
157,900	-	-	-	-	199,705
<u>357,900</u>	<u>-</u>	<u>39,533</u>	<u>4,724,314</u>	<u>826,978</u>	<u>18,998,545</u>
<u>[142,404]</u>	<u>-</u>	<u>[3,630]</u>	<u>[327,090]</u>	<u>188,159</u>	<u>754,289</u>
-	-	-	-	-	115,000
-	-	-	-	-	[515,000]
-	-	-	-	-	4,907,058
-	-	-	-	-	58,353
-	-	-	-	-	2,010
-	-	-	-	-	4,567,421
<u>[142,404]</u>	<u>-</u>	<u>[3,630]</u>	<u>[327,090]</u>	<u>188,159</u>	<u>5,321,710</u>
307,540	14,171	52,046	577,400	[71,253]	6,311,011
-	[14,171]	-	-	-	[1,079,742]
<u>307,540</u>	<u>-</u>	<u>52,046</u>	<u>577,400</u>	<u>[71,253]</u>	<u>5,231,269</u>
<u>\$ 165,136</u>	<u>\$ -</u>	<u>\$ 48,416</u>	<u>\$ 250,310</u>	<u>\$ 116,906</u>	<u>\$ 10,552,979</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 DOWNTOWN IMPROVEMENT DISTRICT FUND
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes and assessments	\$ 178,281	\$ 161,384	\$ 191,384	\$ [13,103]
Sale of property	<u>2,010</u>	<u>-</u>	<u>-</u>	<u>2,010</u>
Total revenues	<u>180,291</u>	<u>161,384</u>	<u>191,384</u>	<u>[11,093]</u>
Expenditures				
General government	<u>157,969</u>	<u>166,217</u>	<u>196,217</u>	<u>38,248</u>
Total expenditures	<u>157,969</u>	<u>166,217</u>	<u>196,217</u>	<u>38,248</u>
Excess [deficiency] of revenues over [under] expenditures	22,322	<u>\$ [4,833]</u>	<u>\$ [4,833]</u>	<u>\$ 27,155</u>
Unreserved fund balance, January 1	<u>32,396</u>			
Unreserved fund balance, December 31	54,718			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 54,718</u>			

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CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 COURT TECHNOLOGY FUND
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Fines and forfeitures	\$ 52,785	\$ 45,000	\$ 45,000	\$ 7,785
Total revenues	<u>52,785</u>	<u>45,000</u>	<u>45,000</u>	<u>7,785</u>
Expenditures				
General government	<u>15,084</u>	<u>70,000</u>	<u>70,000</u>	<u>54,916</u>
Total expenditures	<u>15,084</u>	<u>70,000</u>	<u>70,000</u>	<u>54,916</u>
Excess [deficiency] of revenues over [under] expenditures	37,701	<u>\$ [25,000]</u>	<u>\$ [25,000]</u>	<u>\$ 62,701</u>
Unreserved fund balance, January 1	<u>87,345</u>			
Unreserved fund balance, December 31	125,046			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 125,046</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 SPECIAL ALCOHOL PROGRAM FUND
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Intergovernmental	\$ 523,395	\$ 525,000	\$ 525,000	\$ [1,605]
Total revenues	<u>523,395</u>	<u>525,000</u>	<u>525,000</u>	<u>[1,605]</u>
Expenditures				
Social services	<u>500,000</u>	<u>600,000</u>	<u>600,000</u>	<u>100,000</u>
Total expenditures	<u>500,000</u>	<u>600,000</u>	<u>600,000</u>	<u>100,000</u>
Excess [deficiency] of revenues over [under] expenditures	23,395	\$ <u>[75,000]</u>	\$ <u>[75,000]</u>	\$ <u>98,395</u>
Unreserved fund balance, January 1	<u>293,011</u>			
Unreserved fund balance, December 31	316,406			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 316,406</u>			

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CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 ALCOHOL AND DRUG SAFETY FUND
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Fines and forfeitures	\$ 74,700	\$ 75,000	\$ 75,000	\$ [300]
Total revenues	<u>74,700</u>	<u>75,000</u>	<u>75,000</u>	<u>[300]</u>
Expenditures				
General government	<u>60,205</u>	<u>61,731</u>	<u>61,731</u>	<u>1,526</u>
Total expenditures	<u>60,205</u>	<u>61,731</u>	<u>61,731</u>	<u>1,526</u>
Excess [deficiency] of revenues over [under] expenditures	14,495	<u>\$ 13,269</u>	<u>\$ 13,269</u>	<u>\$ 1,226</u>
Unreserved fund balance, January 1	<u>308,422</u>			
Unreserved fund balance, December 31	322,917			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 322,917</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 PARK LAND ACQUISITION FUND
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Licenses and permits	\$ 34,624	\$ 20,000	\$ 20,000	\$ 14,624
Total revenues	<u>34,624</u>	<u>20,000</u>	<u>20,000</u>	<u>14,624</u>
Expenditures				
Parks and recreation	<u>42,499</u>	<u>20,000</u>	<u>20,000</u>	<u>[22,499]</u>
Total expenditures	<u>42,499</u>	<u>20,000</u>	<u>20,000</u>	<u>[22,499]</u>
Excess [deficiency] of revenues over [under] expenditures	[7,875]	\$ -	\$ -	\$ [7,875]
Unreserved fund balance, January 1	<u>-</u>			
Unreserved fund balance, December 31	[7,875]			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ [7,875]</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 LAW ENFORCEMENT FUND
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 11,636	\$ 166,000	\$ 166,000	\$ [154,364]
Fines and forfeitures	179,568	126,000	126,000	53,568
Licenses and permits	19,500	20,000	20,000	[500]
Interest	4,727	-	-	4,727
Miscellaneous	<u>733,449</u>	<u>9,500</u>	<u>9,500</u>	<u>723,949</u>
Total revenues	<u>948,880</u>	<u>321,500</u>	<u>321,500</u>	<u>627,380</u>
Expenditures				
Public safety	<u>317,344</u>	<u>550,000</u>	<u>550,000</u>	<u>232,656</u>
Total expenditures	<u>317,344</u>	<u>550,000</u>	<u>550,000</u>	<u>232,656</u>
Excess [deficiency] of revenues over [under] expenditures	631,536	<u>\$ [228,500]</u>	<u>\$ [228,500]</u>	<u>\$ 860,036</u>
Unreserved fund balance, January 1	<u>849,932</u>			
Unreserved fund balance, December 31	1,481,468			
Reconciliation to GAAP				
Encumbrances	<u>82,889</u>			
GAAP Fund Balance, December 31	<u>\$ 1,564,357</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 SPECIAL LIABILITY EXPENSE FUND
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes and assessments	\$ 782,286	\$ 802,972	\$ 802,972	\$ [20,686]
Miscellaneous	<u>6,593</u>	<u>2,127</u>	<u>2,127</u>	<u>4,466</u>
Total revenues	<u>788,879</u>	<u>805,099</u>	<u>805,099</u>	<u>[16,220]</u>
Expenditures				
General government	<u>621,266</u>	<u>1,256,632</u>	<u>1,256,632</u>	<u>635,366</u>
Total expenditures	<u>621,266</u>	<u>1,256,632</u>	<u>1,256,632</u>	<u>635,366</u>
Excess [deficiency] of revenues over [under] expenditures	167,613	<u>\$ [451,533]</u>	<u>\$ [451,533]</u>	<u>\$ 619,146</u>
Unreserved fund balance, January 1	<u>655,987</u>			
Unreserved fund balance, December 31	823,600			
Reconciliation to GAAP				
Encumbrances	<u>69,051</u>			
GAAP Fund Balance, December 31	<u>\$ 892,651</u>			

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CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 TRANSIENT GUEST TAX FUND
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes and assessments	\$ 2,314,781	\$ 2,100,000	\$ 2,100,000	\$ 214,781
Total revenues	<u>2,314,781</u>	<u>2,100,000</u>	<u>2,100,000</u>	<u>214,781</u>
Expenditures				
General government	<u>1,566,660</u>	<u>1,630,000</u>	<u>1,630,000</u>	<u>63,340</u>
Total expenditures	<u>1,566,660</u>	<u>1,630,000</u>	<u>1,630,000</u>	<u>63,340</u>
Excess [deficiency] of revenues over [under] expenditures	<u>748,121</u>	<u>470,000</u>	<u>470,000</u>	<u>278,121</u>
Other financing sources [uses]				
Transfers [out]	<u>[515,000]</u>	<u>[515,000]</u>	<u>[515,000]</u>	<u>-</u>
Total other financing sources [uses]	<u>[515,000]</u>	<u>[515,000]</u>	<u>[515,000]</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>233,121</u>	<u>\$ [45,000]</u>	<u>\$ [45,000]</u>	<u>\$ 278,121</u>
Unreserved fund balance, January 1	<u>210,428</u>			
Unreserved fund balance, December 31	443,549			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 443,549</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 EMPLOYEE SEPARATION FUND
 For the Year Ended December 31, 2013

	Actual	Budgeted Amounts		Variance with Final Budget Positive [Negative]
		Original	Final	
Revenues				
Fees for services	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
General government	465,098	-	600,000	134,902
Debt service				
Interest and fiscal charges	41,805	-	-	[41,805]
Total expenditures	506,903	-	600,000	93,097
Excess [deficiency] of revenues over [under] expenditures	[506,903]	-	[600,000]	93,097
Other financing sources [uses]				
Refunding issuance of debt	4,907,058	-	600,000	4,307,058
Refunding issuance of debt premium	58,353	-	-	58,353
Total other financing sources [uses]	4,965,411	-	600,000	4,365,411
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	4,458,508	\$ -	\$ -	\$ 4,458,508
Unreserved fund balance, January 1	-			
Unreserved fund balance, December 31	4,458,508			
Reconciliation to GAAP				
Encumbrances	-			
GAAP Fund Balance, December 31	\$ 4,458,508			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 RETIREMENT RESERVE FUND
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Fees for service	\$ 812,767	\$ 489,034	\$ 489,034	\$ 323,733
Total revenues	<u>812,767</u>	<u>489,034</u>	<u>489,034</u>	<u>323,733</u>
Expenditures				
General government	<u>298,807</u>	<u>350,000</u>	<u>350,000</u>	<u>51,193</u>
Total expenditures	<u>298,807</u>	<u>350,000</u>	<u>350,000</u>	<u>51,193</u>
Excess [deficiency] of revenues over [under] expenditures	513,960	<u>\$ 139,034</u>	<u>\$ 139,034</u>	<u>\$ 374,926</u>
Unreserved fund balance, January 1	<u>[308,440]</u>			
Unreserved fund balance, December 31	205,520			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 205,520</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 KP&F EQUALIZATION FUND
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Fees for services	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Public safety	168,950	200,000	400,000	231,050
Total expenditures	168,950	200,000	400,000	231,050
Excess [deficiency] of revenues over [under] expenditures	[168,950]	\$ [200,000]	\$ [400,000]	\$ [231,050]
Unreserved fund balance, January 1	1,250,599			
Unreserved fund balance, December 31	1,081,649			
Reconciliation to GAAP				
Encumbrances	-			
GAAP Fund Balance, December 31	\$ 1,081,649			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 NEIGHBORHOOD REVITALIZATION FUND
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Miscellaneous	\$ 38,455	\$ 37,000	\$ 37,000	\$ 1,455
Total revenues	<u>38,455</u>	<u>37,000</u>	<u>37,000</u>	<u>1,455</u>
Expenditures				
General government	-	235,000	235,000	235,000
Total expenditures	<u>-</u>	<u>235,000</u>	<u>235,000</u>	<u>235,000</u>
Excess [deficiency] of revenues over [under] expenditures	38,455	\$ [198,000]	\$ [198,000]	\$ 236,455
Unreserved fund balance, January 1	<u>210,932</u>			
Unreserved fund balance, December 31	249,387			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 249,387</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 HISTORIC ASSET TOURISM FUND
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
General government	16,777	115,000	115,000	98,223
Total expenditures	16,777	115,000	115,000	98,223
Excess [deficiency] of revenues over [under] expenditures	[16,777]	[115,000]	[115,000]	[98,223]
Other financing sources [uses]				
Transfers in	115,000	115,000	115,000	-
Total other financing sources [uses]	115,000	115,000	115,000	-
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	98,223	\$ -	\$ -	\$ [98,223]
Unreserved fund balance, January 1	125,877			
Unreserved fund balance, December 31	224,100			
Reconciliation to GAAP				
Encumbrances	41,278			
GAAP Fund Balance, December 31	\$ 265,378			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 1/2% SALES TAX FUND
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes and assessments	\$ 8,321,527	\$ 7,900,000	\$ 7,900,000	\$ 421,527
Total revenues	<u>8,321,527</u>	<u>7,900,000</u>	<u>7,900,000</u>	<u>421,527</u>
Expenditures				
Public works	<u>8,321,527</u>	<u>7,900,000</u>	<u>7,900,000</u>	<u>[421,527]</u>
Total expenditures	<u>8,321,527</u>	<u>7,900,000</u>	<u>7,900,000</u>	<u>[421,527]</u>
Excess [deficiency] of revenues over [under] expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources [uses]				
Transfers [out]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Unreserved fund balance, January 1	1,065,571			
Prior period adjustment	<u>[1,065,571]</u>			
Unreserved fund balance, January 1, restated	<u>-</u>			
Unreserved fund balance, December 31	-			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ -</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 TAX INCREMENT FINANCING FUND
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes and assessments	\$ 215,496	\$ 135,000	\$ 135,000	\$ 80,496
Total revenues	<u>215,496</u>	<u>135,000</u>	<u>135,000</u>	<u>80,496</u>
Expenditures				
Debt service				
Principal retirement	200,000	366,625	366,625	166,625
Interest and fiscal charges	<u>157,900</u>	<u>-</u>	<u>-</u>	<u>[157,900]</u>
Total expenditures	<u>357,900</u>	<u>366,625</u>	<u>366,625</u>	<u>8,725</u>
Excess [deficiency] of revenues over [under] expenditures	[142,404]	<u>\$ [231,625]</u>	<u>\$ [231,625]</u>	<u>\$ 89,221</u>
Unreserved fund balance, January 1	<u>307,540</u>			
Unreserved fund balance, December 31	165,136			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 165,136</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
DEBT SERVICE FUND

For the Year Ended December 31, 2013

	Actual	Budgeted Amounts		Variance with Final Budget Positive [Negative]
		Original	Final	
Revenues				
Taxes and service assessments	\$ 12,123,953	\$ 12,842,039	\$ 12,842,039	\$ [718,086]
Special assessments with debt commitments	1,860,171	1,400,000	1,400,000	460,171
Intergovernmental	3,383,156	-	-	3,383,156
Interest from investments	11,986	27,000	27,000	[15,014]
Miscellaneous	-	146,917	146,917	[146,917]
Total revenues	<u>17,379,266</u>	<u>14,415,956</u>	<u>14,415,956</u>	<u>2,963,310</u>
Expenditures				
Debt Service:				
Principal	14,416,860	16,207,206	16,207,206	1,790,346
Interest and fiscal costs	<u>5,705,937</u>	<u>5,396,801</u>	<u>5,396,801</u>	<u>[309,136]</u>
Total expenditures	<u>20,122,797</u>	<u>21,604,007</u>	<u>21,604,007</u>	<u>1,481,210</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[2,743,531]</u>	<u>[7,188,051]</u>	<u>[7,188,051]</u>	<u>4,444,520</u>
Other financing sources [uses]				
Refunding issuance of debt	18,985,837	-	-	18,985,837
Refunding issuance of debt premium	1,399,957	-	-	1,399,957
Payment for refunding bond escrow agent	[19,371,454]	-	-	[19,371,454]
Transfers in	685,873	3,242,700	3,242,700	[2,556,827]
Adjustment for qualifying budget credit	-	<u>[20,387,384]</u>	<u>[20,387,384]</u>	<u>20,387,384</u>
Total other financing sources [uses]	<u>1,700,213</u>	<u>[17,144,684]</u>	<u>[17,144,684]</u>	<u>18,844,897</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[1,043,318]</u>	<u>\$ [24,332,735]</u>	<u>\$ [24,332,735]</u>	<u>\$ 23,289,417</u>
Unreserved fund balance, January 1	<u>4,939,942</u>			
Unreserved fund balance, December 31	3,896,624			
Reconciliation to GAAP				
Encumbrances	-			
GAAP Fund Balance, December 31	<u>\$ 3,896,624</u>			

See independent auditor's report on the financial statements.

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.

<u>FUND NAME</u>	<u>STATUTORY AUTHORITY</u>	<u>PURPOSE</u>
Information Technology	Topeka City Code Section 3.25.020	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.
Facility Operations	Topeka City Code Section 3.25.020	Accounts for assets, liabilities, revenues and expenses for maintaining municipal buildings and infrastructure.
Risk Managements, includes the following areas:		
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 POSITION
INTERNAL SERVICE FUNDS
December 31, 2013

	Information Technology	Fleet Services	Facility Operations	Combined Risk Management	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and equity in Treasurer's Fund	\$ 1,020,593	\$ 528,136	\$ 60,046	\$ 9,388,322	\$ 10,997,097
Receivables, net					
Accounts	8,695	496	20,647	55,766	85,604
Inventory	-	134,014	-	-	134,014
Prepays	29,264	1,720	2,551	-	33,535
Total current assets	<u>1,058,552</u>	<u>664,366</u>	<u>83,244</u>	<u>9,444,088</u>	<u>11,250,250</u>
Noncurrent assets:					
Capital assets					
Being depreciated, net of depreciation	284,134	266,863	19,798	-	570,795
Total noncurrent assets	<u>284,134</u>	<u>266,863</u>	<u>19,798</u>	<u>-</u>	<u>570,795</u>
Total assets	<u>\$ 1,342,686</u>	<u>\$ 931,229</u>	<u>\$ 103,042</u>	<u>\$ 9,444,088</u>	<u>\$ 11,821,045</u>
Liabilities:					
Current liabilities (payable from current assets):					
Accounts payable	\$ 234,141	\$ 127,238	\$ 88,132	\$ 24,625	\$ 474,136
Accrued payroll and benefits	40,144	45,389	37,069	2,382	124,984
Due to others	54	2,442	340	-	2,836
Accrued interest	23,714	-	-	-	23,714
Leases payable	-	-	-	-	-
Self-insurance claims	-	-	-	4,076,987	4,076,987
Unearned revenue	-	-	-	55,161	55,161
Compensated absences and other benefits	14,275	25,088	7,379	429	47,171
Total current liabilities (payable from current assets)	<u>312,328</u>	<u>200,157</u>	<u>132,920</u>	<u>4,159,584</u>	<u>4,804,989</u>
Noncurrent liabilities:					
Leases payable	619,159	-	-	-	619,159
Compensated absences and other benefits	84,163	83,947	34,792	1,815	204,717
Total noncurrent liabilities	<u>703,322</u>	<u>83,947</u>	<u>34,792</u>	<u>1,815</u>	<u>823,876</u>
Total liabilities	<u>\$ 1,015,650</u>	<u>\$ 284,104</u>	<u>\$ 167,712</u>	<u>\$ 4,161,399</u>	<u>\$ 5,628,865</u>
Net Position					
Net investment in capital assets	\$ 284,134	\$ 266,863	\$ 19,798	\$ -	\$ 570,795
Unrestricted	42,902	380,262	[84,468]	5,282,689	5,621,385
Total net position	<u>\$ 327,036</u>	<u>\$ 647,125</u>	<u>\$ [64,670]</u>	<u>\$ 5,282,689</u>	<u>\$ 6,192,180</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUND
 For the Year Ended December 31, 2013

	Information Technology	Fleet Services	Facility Operations	Combined Risk Management	Total Internal Service Funds
Operating revenues					
Charges for services	\$ 4,025,281	\$ 1,761,867	\$ 1,555,802	\$ 12,905,511	\$ 20,248,461
Other	21,195	8,003	1,790	231,524	262,512
Total operating revenues	<u>4,046,476</u>	<u>1,769,870</u>	<u>1,557,592</u>	<u>13,137,035</u>	<u>20,510,973</u>
Operating expenses					
Personnel services	1,243,272	1,322,121	744,256	103,143	3,412,792
Contractual services	1,595,190	305,049	822,923	2,825,124	5,548,286
Supplies	205,267	43,131	53,606	1,851	303,855
Depreciation and amortization	569,955	62,637	1,477	-	634,069
Insurance claims	-	-	-	7,107,656	7,107,656
Total operating expenses	<u>3,613,684</u>	<u>1,732,938</u>	<u>1,622,262</u>	<u>10,037,774</u>	<u>17,006,658</u>
Operating income [loss]	<u>432,792</u>	<u>36,932</u>	<u>[64,670]</u>	<u>3,099,261</u>	<u>3,504,315</u>
Nonoperating revenues [expenses]					
Interest income	-	-	-	21,537	21,537
Interest [expense]	[23,714]	-	-	-	[23,714]
Gain/[loss] on sale of capital assets	-	3,506	-	-	3,506
Total nonoperating revenues [expenses]	<u>[23,714]</u>	<u>3,506</u>	<u>-</u>	<u>21,537</u>	<u>1,329</u>
Income [loss] before transfers	<u>409,078</u>	<u>40,438</u>	<u>[64,670]</u>	<u>3,120,798</u>	<u>3,505,644</u>
Transfers from [to] other funds					
Transfers [out]	-	[4,000]	-	-	[4,000]
Total transfers	<u>-</u>	<u>[4,000]</u>	<u>-</u>	<u>-</u>	<u>[4,000]</u>
Change in net position	<u>409,078</u>	<u>36,438</u>	<u>[64,670]</u>	<u>3,120,798</u>	<u>3,501,644</u>
Net position, January 1	[82,042]	610,687	-	2,334,124	2,862,769
Restatement	-	-	-	[172,233]	[172,233]
Net position, January 1, restated	<u>[82,042]</u>	<u>610,687</u>	<u>-</u>	<u>2,161,891</u>	<u>2,690,536</u>
Net position, December 31	<u>\$ 327,036</u>	<u>\$ 647,125</u>	<u>\$ [64,670]</u>	<u>\$ 5,282,689</u>	<u>\$ 6,192,180</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended December 31, 2013

	Information Technology	Fleet Services	Facility Operations	Combined Risk Management	Total Internal Service Funds
Cash flows from operating activities					
Receipts from customers and users	\$ 4,016,586	\$ 1,761,809	\$ 1,535,155	\$ 12,852,337	\$ 20,165,887
Payments to suppliers and providers	[1,631,253]	[277,434]	[790,609]	[10,471,093]	[13,170,389]
Payments to employees	[1,199,443]	[1,263,247]	[665,016]	[102,144]	[3,229,850]
Other receipts	21,195	8,003	1,790	231,524	262,512
Net cash provided by [used in] operating activities	<u>1,207,085</u>	<u>229,131</u>	<u>81,320</u>	<u>2,510,624</u>	<u>4,028,160</u>
Cash flows from noncapital financing activities					
Transfer [out]	-	[4,000]	-	-	[4,000]
Net cash flows from noncapital financing activities	<u>-</u>	<u>[4,000]</u>	<u>-</u>	<u>-</u>	<u>[4,000]</u>
Cash flows from capital and related financing activities					
Interest paid on capital leases	[46,553]	-	-	-	[46,553]
Payment of capital lease	[596,320]	-	-	-	[596,320]
Purchase of capital assets	-	[75,563]	[21,274]	-	[96,837]
Proceeds from sale of capital assets	-	78,323	-	-	78,323
Net cash provided by [used in] capital and related financing activities	<u>[642,873]</u>	<u>2,760</u>	<u>[21,274]</u>	<u>-</u>	<u>[661,387]</u>
Cash flows from investing activities					
Interest received	-	-	-	21,537	21,537
Net increase [decrease] in cash and cash equivalents	564,212	227,891	60,046	2,532,161	3,384,310
Cash and cash equivalents, January 1	<u>456,381</u>	<u>300,245</u>	<u>-</u>	<u>6,856,161</u>	<u>7,612,787</u>
Cash and cash equivalents, December 31	<u>\$ 1,020,593</u>	<u>\$ 528,136</u>	<u>\$ 60,046</u>	<u>\$ 9,388,322</u>	<u>\$ 10,997,097</u>
Cash and equivalents reported on the statement of net position					
Cash and equity in Treasurer's Fund	<u>\$ 1,020,593</u>	<u>\$ 528,136</u>	<u>\$ 60,046</u>	<u>\$ 9,388,322</u>	<u>\$ 10,997,097</u>
Total	<u>\$ 1,020,593</u>	<u>\$ 528,136</u>	<u>\$ 60,046</u>	<u>\$ 9,388,322</u>	<u>\$ 10,997,097</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (Continued)
For the Year Ended December 31, 2013

	Information Technology	Fleet Services	Facility Operations	Combined Risk Management	Total Internal Service Funds
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities					
Operating income [loss]	\$ 432,792	\$ 36,932	\$ [64,670]	\$ 3,099,261	\$ 3,504,315
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities					
Depreciation	569,955	62,637	1,477	-	634,069
[Increase] decrease in accounts receivable	[8,695]	[58]	[20,647]	[13,726]	[43,126]
Increase [decrease] in due to other funds	54	2,442	340	-	2,836
[Increase] decrease in inventory	-	18,323	-	-	18,323
[Increase] decrease in prepaids	17,239	[1,720]	[2,551]	60,000	72,968
Increase [decrease] in accounts payable	151,911	51,701	88,132	21,712	313,456
Increase [decrease] in accrued liabilities	14,292	3,268	37,069	[1,234]	53,395
Increase [decrease] in self-insurance claims	-	-	-	[618,174]	[618,174]
Increase [decrease] in unearned revenue	-	-	-	[39,448]	[39,448]
Increase [decrease] in compensated absences	29,537	55,606	42,170	2,233	129,546
Net cash provided by [used in] operating activities	<u>\$ 1,207,085</u>	<u>\$ 229,131</u>	<u>\$ 81,320</u>	<u>\$ 2,510,624</u>	<u>\$ 4,028,160</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS
 COMBINING STATEMENT OF NET POSITION
 RISK MANAGEMENT FUNDS
 December 31, 2013

	Property Insurance	Workman's Compensation	Group Health Insurance	Risk Management Reserve	Unemployment Compensation	Total
ASSETS						
Current assets:						
Cash and equity in Treasurer's Fund	\$ 1,788,702	\$ 742,834	\$ 5,931,678	\$ 802,370	\$ 122,738	\$ 9,388,322
Receivables, net						
Accounts	-	5,751	43,717	6,298	-	55,766
Total current assets	<u>1,788,702</u>	<u>748,585</u>	<u>5,975,395</u>	<u>808,668</u>	<u>122,738</u>	<u>9,444,088</u>
Total assets	<u>\$ 1,788,702</u>	<u>\$ 748,585</u>	<u>\$ 5,975,395</u>	<u>\$ 808,668</u>	<u>\$ 122,738</u>	<u>\$ 9,444,088</u>
Liabilities:						
Current liabilities (payable from current assets):						
Accounts payable	\$ 19,305	\$ 5,320	\$ -	\$ -	\$ -	\$ 24,625
Accrued payroll and benefits	-	2,382	-	-	-	2,382
Self-insurance claims	1,191,138	2,213,882	656,788	-	15,179	4,076,987
Unearned revenues	-	-	55,161	-	-	55,161
Compensated absences and other benefits	-	429	-	-	-	429
Total current liabilities (payable from current assets)	<u>1,210,443</u>	<u>2,222,013</u>	<u>711,949</u>	<u>-</u>	<u>15,179</u>	<u>4,159,584</u>
Noncurrent liabilities:						
Compensated absences and other benefits	-	1,815	-	-	-	1,815
Total noncurrent liabilities	<u>-</u>	<u>1,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,815</u>
Total liabilities	<u>\$ 1,210,443</u>	<u>\$ 2,223,828</u>	<u>\$ 711,949</u>	<u>\$ -</u>	<u>\$ 15,179</u>	<u>\$ 4,161,399</u>
Net Position						
Unrestricted	<u>\$ 578,259</u>	<u>\$ [1,475,243]</u>	<u>\$ 5,263,446</u>	<u>\$ 808,668</u>	<u>\$ 107,559</u>	<u>\$ 5,282,689</u>
Total net position	<u>\$ 578,259</u>	<u>\$ [1,475,243]</u>	<u>\$ 5,263,446</u>	<u>\$ 808,668</u>	<u>\$ 107,559</u>	<u>\$ 5,282,689</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
RISK MANAGEMENT FUNDS
For the Year Ended December 31, 2013

	Property Insurance	Workman's Compensation	Group Health Insurance	Risk Management Reserve	Unemployment Compensation	Total
Operating revenues						
Charges for services	\$ 606,507	\$ 1,480,234	\$ 10,691,990	\$ -	\$ 126,780	\$ 12,905,511
Other	192,320	-	39,204	-	-	231,524
Total operating revenues	<u>798,827</u>	<u>1,480,234</u>	<u>10,731,194</u>	<u>-</u>	<u>126,780</u>	<u>13,137,035</u>
Operating expenses						
Personnel services	-	103,143	-	-	-	103,143
Contractual services	679,326	1,078,089	1,052,473	1,736	13,500	2,825,124
Supplies	-	1,851	-	-	-	1,851
Insurance claims	179,501	138,522	6,694,118	-	95,515	7,107,656
Total operating expenses	<u>858,827</u>	<u>1,321,605</u>	<u>7,746,591</u>	<u>1,736</u>	<u>109,015</u>	<u>10,037,774</u>
Operating income [loss]	<u>[60,000]</u>	<u>158,629</u>	<u>2,984,603</u>	<u>[1,736]</u>	<u>17,765</u>	<u>3,099,261</u>
Nonoperating revenues [expenses]						
Interest income	-	2,221	16,884	2,432	-	21,537
Total nonoperating revenues [expenses]	<u>-</u>	<u>2,221</u>	<u>16,884</u>	<u>2,432</u>	<u>-</u>	<u>21,537</u>
Income [loss] before transfers	<u>[60,000]</u>	<u>160,850</u>	<u>3,001,487</u>	<u>696</u>	<u>17,765</u>	<u>3,120,798</u>
Transfers from [to] other funds						
Transfers in	-	-	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>[60,000]</u>	<u>160,850</u>	<u>3,001,487</u>	<u>696</u>	<u>17,765</u>	<u>3,120,798</u>
Net position, January 1	810,492	[1,636,093]	2,261,959	807,972	89,794	2,334,124
Restatement	<u>[172,233]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[172,233]</u>
Net position, January 1, restated	<u>638,259</u>	<u>[1,636,093]</u>	<u>2,261,959</u>	<u>807,972</u>	<u>89,794</u>	<u>2,161,891</u>
Net position, December 31	<u>\$ 578,259</u>	<u>\$ [1,475,243]</u>	<u>\$ 5,263,446</u>	<u>\$ 808,668</u>	<u>\$ 107,559</u>	<u>\$ 5,282,689</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS
 COMBINING STATEMENT OF CASH FLOWS
 RISK MANAGEMENT FUNDS
 For the Year Ended December 31, 2013

	Property Insurance	Workman's Compensation	Group Health Insurance	Risk Management Reserve	Unemployment Compensation	Total
Cash flows from operating activities						
Receipts from customers and users	\$ 647,924	\$ 1,475,106	\$ 10,608,825	\$ [6,298]	\$ 126,780	\$ 12,852,337
Payments to suppliers and providers	[951,788]	[1,577,140]	[7,807,593]	[1,736]	[132,836]	[10,471,093]
Payments to employees	-	[102,144]	-	-	-	[102,144]
Other receipts	192,320	-	39,204	-	-	231,524
Net cash provided by [used in] operating activities	<u>[111,544]</u>	<u>[204,178]</u>	<u>2,840,436</u>	<u>[8,034]</u>	<u>[6,056]</u>	<u>2,510,624</u>
Cash flows from capital and related financing activities						
Proceeds from sale of capital assets	-	-	-	-	-	-
Net cash provided by [used in] capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities						
Interest received	-	2,221	16,884	2,432	-	21,537
Net increase [decrease] in cash and cash equivalents	[111,544]	[201,957]	2,857,320	[5,602]	[6,056]	2,532,161
Cash and cash equivalents, January 1	<u>1,900,246</u>	<u>944,791</u>	<u>3,074,358</u>	<u>807,972</u>	<u>128,794</u>	<u>6,856,161</u>
Cash and cash equivalents, December 31	<u>\$ 1,788,702</u>	<u>\$ 742,834</u>	<u>\$ 5,931,678</u>	<u>\$ 802,370</u>	<u>\$ 122,738</u>	<u>\$ 9,388,322</u>
Cash and equivalents reported on the statement of net position						
Cash and equity in Treasurer's Fund	<u>\$ 1,788,702</u>	<u>\$ 742,834</u>	<u>\$ 5,931,678</u>	<u>\$ 802,370</u>	<u>\$ 122,738</u>	<u>\$ 9,388,322</u>
Total	<u>\$ 1,788,702</u>	<u>\$ 742,834</u>	<u>\$ 5,931,678</u>	<u>\$ 802,370</u>	<u>\$ 122,738</u>	<u>\$ 9,388,322</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS
 COMBINING STATEMENT OF CASH FLOWS
 RISK MANAGEMENT FUNDS (Continued)
 For the Year Ended December 31, 2013

	<u>Property Insurance</u>	<u>Workman's Compensation</u>	<u>Group Health Insurance</u>	<u>Risk Management Reserve</u>	<u>Unemployment Compensation</u>	<u>Total</u>
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities						
Operating income [loss]	\$ [60,000]	\$ 158,629	\$ 2,984,603	\$ [1,736]	\$ 17,765	\$ 3,099,261
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities						
[Increase] decrease in accounts receivable	41,417	[5,128]	[43,717]	[6,298]	-	[13,726]
[Increase] decrease in prepaids	60,000	-	-	-	-	60,000
Increase [decrease] in accounts payable	19,272	2,440	-	-	-	21,712
Increase [decrease] in accrued liabilities	-	[1,234]	-	-	-	[1,234]
Increase [decrease] in self-insurance claims	[172,233]	[361,118]	[61,002]	-	[23,821]	[618,174]
Increase [decrease] in unearned revenue	-	-	[39,448]	-	-	[39,448]
Increase [decrease] in compensated absences	-	2,233	-	-	-	2,233
Net cash provided by [used in] operating activities	<u>\$ [111,544]</u>	<u>\$ [204,178]</u>	<u>\$ 2,840,436</u>	<u>\$ [8,034]</u>	<u>\$ [6,056]</u>	<u>\$ 2,510,624</u>

See independent auditor's report on the financial statements.

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.

<u>FUND NAME</u>	<u>STATUTORY AUTHORITY</u>	<u>PURPOSE</u>
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.
Payroll Clearing	Administrative	Accounts for receipts and disbursements of the City payroll withholding amounts, such as income taxes.
Court Bond	Administrative	Receives, holds, and disburses bonds posted by individuals at the Municipal Court.
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.
Law Enforcement Trust	K.S.A. 28-172a; K.S.A. 13-14a02, K.S.A. 60-4100, K.S.A. 74-5607	Holds Federal and State seized monies until cases are settled and then funds are dispersed properly.
Community Improvement District	K.S.A. 12-6a26 Ordinance 19722	Topeka Provides for the use of public financing to fund projects within a prescribed district to strengthen economic development and employment opportunities, enhance tourism, or upgrade older real estate through redevelopment or rehabilitation.
Community Improvement District #2	K.S.A. 12-6a26 Ordinance 19878	Topeka Provides for the use of public financing to fund projects within a prescribed district to strengthen economic development and employment opportunities, enhance tourism, or upgrade older real estate through redevelopment or rehabilitation.
Municipal Court Trust	K.S.A 12-4116 & Topeka Ordinance #16635; K.S.A. 75-5670; K.S.A. 74-5607 & K.S.A. 28-172a	Fees are collected on cases filed in Municipal Court, which are mandated by the State, for judicial education and training of judges, administering the statewide trauma system, to maintain the State law enforcement training center, and collects motor vehicle reinstatement fees. All of the funds collected are remitted to the State on a monthly basis.
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 BALANCE SHEET
 AGENCY FUNDS
 December 31, 2013

	Topeka Metropolitan Transit <u>Authority</u>	Payroll <u>Clearing</u>	Court <u>Bond</u>	Fire Insurance <u>Proceeds</u>	Law Enforcement <u>Trust</u>	Community Improvement <u>District</u>	Community Improvement <u>District #2</u>	Municipal Court <u>Trust</u>	Water Customer <u>Round-Up</u>	<u>Totals</u>
ASSETS:										
Cash and equity in Treasurer's Fund	\$ -	\$ 87,771	\$ 144,379	\$ 29,192	\$ 585,359	\$ 7,700	\$ 1,500	\$ 32,546	\$ 3,079	\$ 891,526
Receivables (net of allowance for uncollectibles):										
Accounts receivable	-	13,565	-	-	1,239	14,427	-	-	916	30,147
Total assets	<u>\$ -</u>	<u>\$ 101,336</u>	<u>\$ 144,379</u>	<u>\$ 29,192</u>	<u>\$ 586,598</u>	<u>\$ 22,127</u>	<u>\$ 1,500</u>	<u>\$ 32,546</u>	<u>\$ 3,995</u>	<u>\$ 921,673</u>
LIABILITIES:										
Accounts payable	\$ -	\$ 34,883	\$ -	\$ 29,192	\$ -	\$ 6,347	\$ -	\$ 28,651	\$ -	\$ 99,073
Due to other governments	-	552	-	-	-	-	-	3,895	-	4,447
Due to others	-	65,901	144,379	-	586,598	15,780	1,500	-	3,995	818,153
Total liabilities	<u>\$ -</u>	<u>\$ 101,336</u>	<u>\$ 144,379</u>	<u>\$ 29,192</u>	<u>\$ 586,598</u>	<u>\$ 22,127</u>	<u>\$ 1,500</u>	<u>\$ 32,546</u>	<u>\$ 3,995</u>	<u>\$ 921,673</u>

See independent auditor's report on the financial statements.

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.	98 - 102
Revenue Capacity	
These schedules contain information to help the reader assess the City's revenue sources.	103 - 109
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.	110 - 114
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.	115 - 116
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.	117 - 119

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
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities:										
General Government	\$ 13,058,303	\$ 15,478,671	\$ 11,586,215	\$ 14,341,948	\$ (50,453,620)	\$ 20,992,947	\$ 15,778,573	\$ 11,279,435	\$ 10,552,948	\$ 11,156,000
Public Safety	44,851,230	44,301,857	46,180,001	50,236,176	52,155,982	50,886,402	52,672,902	54,653,150	55,805,618	58,713,711
Public Works	40,509,135	43,308,612	44,306,285	43,798,958	43,678,127	42,076,025	46,619,088	57,487,591	57,800,789	61,257,941
Miscellaneous	13,686,232	602,031	1,137,603	436,371	(1,103,867)	206,630	3,714,714	3,813,754	3,260,507	2,295,172
Parks and Recreation	11,139,756	11,730,162	12,048,277	12,526,539	12,646,036	13,522,524	12,533,312	12,595,655	2,866,108	2,979,990
Public Housing	3,902,156	4,044,289	3,515,342	4,864,393	2,386,622	3,508,784	5,360,789	5,014,032	5,244,401	4,065,479
Social Services	697,203	664,335	758,097	778,614	964,006	1,077,479	547,155	684,638	677,925	580,973
Capital Leases	-	-	-	281,232	(90,415)	(93,704)	-	-	870,000	-
Interest and fiscal charges	5,005,900	5,161,643	7,014,492	7,738,193	7,800,518	8,645,912	7,630,957	5,645,299	5,830,386	4,449,400
Total Governmental Activities Expenses	132,849,915	125,291,600	126,546,312	135,002,424	67,983,389	140,822,999	144,857,490	151,173,554	142,908,682	145,498,666
Business-Type Activities:										
Water, Water Pollution Control, & Stormwater Utility	43,462,577	46,018,492	49,704,499	52,085,653	59,604,907	55,464,181	56,363,844	58,450,690	58,978,600	59,356,712
Public Parking	3,616,803	3,291,919	3,198,078	3,566,490	3,537,726	3,894,210	3,323,677	4,231,930	3,045,521	3,106,590
Public Golf Course	804,042	790,552	793,221	853,731	911,930	11,669	-	-	-	-
Total Business-Type Activities Expenses	47,883,422	50,100,963	53,695,798	56,505,874	64,054,563	59,370,060	59,687,521	62,682,620	62,024,121	62,463,302
Total Primary Government Expenses	180,733,337	175,392,563	180,242,110	191,508,298	132,037,952	200,193,059	204,545,011	213,856,174	204,932,803	207,961,968
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	8,029,066	7,185,457	1,725,530	11,130,288	10,065,179	10,224,079	7,172,882	6,526,579	7,107,104	7,612,602
Public Safety	765,400	153,671	365,736	385,906	329,998	431,755	504,609	696,829	1,726,176	741,919
Public Works	3,639,149	3,363,923	2,365,324	2,297,648	2,924,831	1,808,343	1,973,913	1,777,781	1,351,462	1,821,039
Miscellaneous	208,456	107,600	202,150	5,727	436,396	390,075	(966)	-	-	-
Parks and Recreation	2,309,285	2,393,364	2,300,624	2,592,634	2,720,158	3,256,677	3,079,792	3,061,392	660,532	524,437
Public Housing	-	-	-	48,551	49,695	-	281,504	114,814	112,937	-
Operating Grants and Contributions										
General Government	661,465	1,495,824	8,384,164	2,440,075	1,664,110	455,261	48,873	2,500	245,589	221,019
Public Safety	560,134	828,326	(1,922,136)	555,560	661,773	841,432	1,941,888	1,368,338	1,680,687	11,636
Public Works	965,262	2,026,609	428,172	86,905	178,973	406,886	2,125,673	343,439	326,169	-
Miscellaneous	-	-	-	-	-	-	83,738	46,463	3,245,027	-
Parks and Recreation	202,990	182,187	125,000	2,250	320,139	19,482	5,517	23,919	137,235	-
Public Housing	4,017,162	4,058,726	3,983,053	4,161,972	2,314,458	3,231,569	5,224,128	4,960,425	5,381,350	4,164,857
Social Services	838,234	417,336	429,209	450,864	332,387	620,849	-	-	-	-
Capital Grants and Contributions										
Public Safety	-	-	-	-	-	-	250	-	-	-
Public Works	2,869,174	2,249,155	5,113,015	641,908	1,012,017	832,648	3,753,982	13,927,652	12,136,135	16,455,997
Parks and Recreation	271,200	67,839	442,874	861,843	332,644	36,817	36,522	1,002,969	1,007,071	-
Total Gov. Activities Program Revenues	25,336,977	24,530,017	23,942,715	25,662,131	23,342,758	22,555,873	26,232,305	33,853,100	35,117,474	31,553,506
Business-Type Activities:										
Charges for Services:										
Water, Water Pollution Control, & Stormwater Utility	43,419,997	47,291,010	48,614,312	51,209,242	56,435,887	56,918,079	59,723,501	61,055,067	64,835,463	58,460,057
Public Parking	2,736,464	2,695,983	2,655,614	2,822,807	3,126,337	3,178,471	3,149,394	3,160,047	3,240,041	2,909,290
Public Golf Course	647,178	644,859	652,507	626,005	633,211	877	-	-	-	-
Operating Grants and Contributions	-	20,000	-	-	30,469	-	-	-	-	-
Capital Grants and Contributions	-	-	70,061	456,116	2,168,467	3,782,949	1,048,271	145,747	2,240,638	-
Total Business-Type Act. Program Revenues	46,803,639	50,651,852	51,992,494	55,114,170	62,394,371	63,880,376	63,921,166	64,360,861	70,316,142	61,369,347
Total Primary Government Program Revenues	72,140,616	75,181,869	75,935,209	80,776,301	85,737,129	86,436,249	90,153,471	98,213,961	105,433,616	92,922,853
	**									
Net (Expense) Revenue										
Governmental Activities	\$ (107,512,938)	\$ (100,761,583)	\$ (102,603,597)	\$ (109,340,293)	\$ (44,640,631)	\$ (118,267,126)	\$ (118,625,185)	\$ (117,320,454)	\$ (107,791,208)	\$ (113,945,160)
Business-Type Activities	(1,079,783)	550,889	(1,703,304)	(1,391,704)	(1,660,192)	4,510,316	4,233,645	1,678,241	8,292,021	(1,093,955)
Total Primary Government Net Expense	\$ (108,592,721)	\$ (100,210,694)	\$ (104,306,901)	\$ (110,731,997)	\$ (46,300,823)	\$ (113,756,810)	\$ (114,391,540)	\$ (115,642,213)	\$ (99,499,187)	\$ (115,039,115)

continued...

City of Topeka, Kansas
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<i>...continued</i>										
General revenues:										
Governmental Activities:										
Taxes										
Property taxes	\$ 37,551,521	\$ 38,621,393	\$ 37,393,649	\$ 39,142,343	\$ 41,454,387	\$ 38,830,969	\$ 41,365,990	\$ 36,645,847	\$ 35,038,165	\$ 35,163,854
Sales taxes	27,195,771	33,697,145	35,075,497	35,080,416	35,682,826	38,004,148	47,878,274	49,934,630	49,071,293	50,278,644
Franchise taxes	6,938,644	10,057,929	10,757,159	11,482,483	11,790,003	11,916,523	12,090,272	11,861,777	11,542,112	12,517,785
Motor fuel taxes	4,976,669	5,123,815	5,379,423	5,194,698	4,771,522	6,648,136	5,592,181	5,417,603	5,807,499	3,313,921
Payment in lieu of taxes	-	-	-	-	-	-	-	5,492,001	5,436,000	7,063,853
Special assessments with debt commitments	-	-	-	-	-	1,688,433	-	-	-	-
Service assessments	-	-	-	-	-	280,871	274,485	290,049	295,511	365,948
Alcoholic beverage taxes	1,237,716	1,292,445	1,468,050	1,441,932	1,601,574	1,617,758	1,565,766	1,562,791	1,579,658	1,570,185
Transient guest taxes	1,789,703	1,612,169	1,766,633	1,913,492	2,070,271	1,719,807	1,839,049	1,964,711	1,950,933	2,314,781
Grants/contrib not restricted to specific programs	-	-	-	-	131,352	136,764	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	53,437	13,939	2,036,806
Unrestricted investment earnings	-	-	-	-	-	-	375,862	496,077	66,989	131,892
Gain on sale of capital assets	-	-	-	-	-	-	188,930	242,085	-	82,733
Transfers in (out)	(400,000)	(130,000)	325,000	-	-	51,879	-	(314,660)	-	-
Special Item - park and recreation transfer	-	-	-	-	-	-	-	-	(33,460,801)	-
Total governmental activities	79,290,024	90,274,896	92,165,411	94,255,364	97,501,935	100,895,288	111,170,809	113,646,348	77,341,298	114,840,402
Business-Type Activities										
Unrestricted investment earnings	863,868	1,526,703	2,876,773	1,944,408	1,107,202	966,083	872,900	1,490,738	607,677	474,340
Miscellaneous	-	-	-	-	-	-	-	-	-	2,253,454
Gain (loss) on sale of capital assets	13,998	8,000	(212,673)	443,480	1,793	36,365	43,470	44,097	95,715	90,132
Transfers	400,000	130,000	(325,000)	-	-	(51,879)	-	314,660	-	-
Total Business-Type Activities	1,277,866	1,664,703	2,339,100	2,387,888	1,108,995	950,569	916,370	1,849,495	703,392	2,817,926
Total Primary Government	\$ 80,567,890	\$ 91,939,599	\$ 94,504,511	\$ 96,643,252	\$ 98,610,930	\$ 101,845,857	\$ 112,087,179	\$ 115,495,843	\$ 78,044,690	\$ 117,658,328
Change in Net Position										
Governmental Activities:	\$ (28,222,914)	\$ (10,486,687)	\$ (10,438,186)	\$ (15,084,929)	\$ 52,861,304	\$ (17,371,838)	\$ (7,454,376)	\$ (3,674,106)	\$ (30,449,910)	\$ 895,242
Business-Type Activities	198,083	2,215,592	635,796	996,184	(551,197)	5,460,885	5,150,015	3,527,736	8,995,413	1,723,971
Total Primary Government	\$ (28,024,831)	\$ (8,271,095)	\$ (9,802,390)	\$ (14,088,745)	\$ 52,310,107	\$ (11,910,953)	\$ (2,304,361)	\$ (146,370)	\$ (21,454,497)	\$ 2,619,213

Note: Starting in 2012 the City implemented GASB 63 and GASB 65, so the format of the schedule has changed to be Net Position versus Net Assets

*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

Two 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 \$68,886,874.

General revenues for Special assessment with debt and service assessments were added, but only 2009 and 2010 calculated. Prior to this the specials were included under Taxes.

**Restated due to accounting changes in sales tax, fines and forfeitures, compensated absences for public safety, and moving of fiduciary funds.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,327	\$ 13,316	\$ 200,820
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	341,767	618,902	502,828
Unassigned	-	-	-	-	-	-	-	8,305,081	5,476,120	9,353,610
Reserved	788,765	1,063,692	689,185	1,082,050	1,218,734	879,122	910,084	-	-	-
Unreserved	9,139,605	10,872,739	8,087,568	7,065,321	6,752,087	8,776,655	10,004,985	-	-	-
Total General Fund	\$ 9,928,370	\$ 11,936,431	\$ 8,776,753	\$ 8,147,371	\$ 7,970,821	\$ 9,655,777	\$ 10,915,069	\$ 8,685,175	\$ 6,108,338	\$ 10,057,258
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	22,767,520	27,392,230	29,642,960
Committed	-	-	-	-	-	-	-	2,497,088	2,210,591	1,776,178
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(6,368,023)	(13,886,439)	(7,689,301)
Reserved	\$ 2,906,380	\$ 4,191,997	\$ 8,780,502	\$ 8,656,439	\$ 7,667,937	\$ 8,630,226	\$ 16,989,600	-	-	-
Unreserved, reported in:										
Special Revenue Funds	6,556,675	9,953,325	12,778,211	12,380,181	11,315,365	15,413,452	13,120,980	-	-	-
Capital Projects Funds	(7,467,753)	(10,481,329)	14,944,597	(6,993,892)	(3,929,892)	(11,159,441)	(14,840,382)	-	-	-
Total all other governmental fund	\$ 1,995,302	\$ 3,663,993	\$ 36,503,310	\$ 14,042,728	\$ 15,053,410	\$ 12,884,237	\$ 15,270,198	\$ 18,896,585	\$ 15,716,382	\$ 23,729,837
Total all governmental funds	\$ 11,923,672	\$ 15,600,424	\$ 45,280,063	\$ 22,190,099	\$ 23,024,231	\$ 22,540,014	\$ 26,185,267	\$ 27,581,760	\$ 21,824,720	\$ 33,787,095

a-b

GASB 54 was implemented in 2011 and 2010 and prior years were not restated, but have been presented.
a-Three fiduciary funds were moved to special revenue funds in 2010, Alcohol and Drug Safety, Crime Prevention, and Police Benefit.
b-Restated due to accounting changes in sales tax, fines and forfeitures, compensated absences for public safety, and moving of fiduciary funds.

completed through 2010 Mize to complete 2013 7-18-2014 tml

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Taxes and assessments	\$ 67,378,236	\$ 74,690,533	\$ 74,449,550	\$ 76,419,146	\$ 79,557,430	\$ 82,809,015	\$ 91,357,546	\$ 90,735,119	\$ 87,462,639	\$ 91,437,147
Assessments with debt commitments	1,256,084	1,115,550	1,203,825	1,244,062	1,235,590	1,579,364	1,824,096	1,766,964	2,085,984	1,875,559
Licenses and permits	1,770,608	1,728,031	1,854,743	1,805,877	1,565,251	1,495,909	1,292,187	1,119,329	1,505,989	1,253,586
Franchise fee	6,796,288	9,953,998	10,538,353	11,287,828	11,656,474	11,748,942	12,064,162	11,861,777	11,542,112	12,517,785
Intergovernmental	13,834,393	13,485,071	12,448,639	14,895,471	12,853,091	14,399,963	25,678,799	15,548,303	22,873,107	19,876,671
Fees for service	8,593,706	7,697,417	7,530,038	7,710,858	7,875,082	8,198,079	7,889,738	4,416,185	2,551,654	2,581,067
Administrative fees - interfund	-	-	-	-	-	-	-	3,485,117	3,483,059	3,483,956
Fines and forfeitures	2,945,019	3,006,858	3,067,462	2,355,577	2,194,196	2,425,825	2,752,512	2,615,458	2,735,189	3,022,820
Investment income	550,925	494,401	1,930,675	1,324,487	881,505	480,973	343,531	496,078	68,611	131,892
Rents	103,851	-	3,952	12,071	-	-	-	-	-	-
Miscellaneous	1,730,312	2,246,069	1,830,075	1,920,956	2,066,654	1,891,921	2,276,058	2,262,455	1,741,076	2,032,806
Total revenues	104,959,422	114,417,928	114,857,312	118,976,333	119,885,273	125,029,991	145,478,629	134,306,785	136,049,420	138,213,289
Expenditures:										
Current:										
General government	14,491,502	16,107,096	16,461,418	15,980,267	16,229,447	16,059,684	21,513,502	9,726,973	10,193,560	10,656,091
Public safety	43,470,025	42,872,366	44,636,855	47,763,234	49,523,130	49,712,116	49,026,100	51,582,488	54,427,083	58,721,570
Public works	13,339,505	16,319,117	16,905,882	16,564,361	16,685,997	15,681,065	21,122,211	32,435,501	27,524,858	37,091,050
Public works - planning	-	-	852,604	997,806	908,365	860,580	860,580	363,000	753,713	-
Miscellaneous	13,686,232	602,031	536,830	(28,610)	(1,103,867)	206,630	3,648,515	3,863,117	3,254,582	2,295,172
Parks and recreation	10,328,095	10,764,049	10,934,118	11,302,320	11,386,851	12,420,567	11,508,680	10,869,241	2,466,126	2,979,514
Housing & neighborhood development	3,902,156	4,044,289	3,515,342	4,864,393	2,386,622	3,537,403	5,446,685	5,001,800	5,238,562	4,096,215
Social services	697,203	664,335	758,097	778,614	964,006	1,077,479	547,155	684,638	677,925	580,973
Economic development	-	-	-	-	-	-	-	-	5,925	-
Construction	7,158,585	17,590,173	30,654,057	34,415,024	17,423,213	8,688,795	11,552,787	13,218,536	13,467,331	5,682,787
Engineering and others	4,374,173	7,460,891	5,041,172	4,588,189	4,391,813	2,456,666	2,155,206	3,087,446	2,363,652	3,143,332
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	45,001	-	-	-	-	-
Debt service:										
Principal retirement	6,160,000	9,850,000	10,095,000	12,880,000	12,690,000	12,505,000	13,510,789	14,433,178	15,418,031	14,616,860
Interest and fiscal costs	4,974,054	4,803,074	6,673,762	7,638,762	7,548,982	8,677,044	7,434,773	6,700,967	6,245,492	6,142,123
Total expenditures	123,118,075	131,077,421	147,067,937	157,997,293	139,079,560	131,919,707	148,326,983	151,966,885	142,036,840	146,005,687
Excess (deficiency) of revenues over expenditures	(18,158,653)	(16,659,493)	(32,210,625)	(39,020,960)	(19,194,287)	(6,889,716)	(2,848,354)	(17,660,100)	(5,987,420)	(7,792,398)
Other financing sources (uses):										
Original Issuance of debt	59,385,000	20,115,000	60,540,000	15,085,000	20,039,890	3,345,000	12,025,000	17,185,000	-	-
Original Issuance of debt premium	684,114	226,193	618,618	106,117	(102)	2,000,937	56,372	305,941	-	-
Original issuance of debt discount	(138,195)	-	-	(42,899)	(78,847)	660	-	-	-	-
Defeasance of bonds	(38,130,000)	-	-	-	-	-	-	-	-	-
Defeasance of bonds redemption premium	(379,200)	-	-	-	-	-	-	-	-	-
Refunding issuance	-	-	-	14,135,000	4,530,110	50,940,686	34,830,000	34,420,000	27,170,000	33,682,895
Refunding issuance premium	-	-	-	-	-	-	17,564	1,380,307	854,522	1,534,209
Refunding issuance discount	-	-	-	-	-	-	(50,996)	-	(1,590)	-
Payment for refunding bond escrow agent	-	-	-	(13,965,000)	(4,522,500)	(51,613,950)	(37,015,000)	(37,995,000)	(27,685,868)	(19,371,454)
Payment for refunding bond cost of issuance	-	-	-	-	-	(862,502)	(769,919)	-	-	-
Payment for refunding bond interest	-	-	-	-	-	-	(2,638,394)	(463,581)	-	-
Payment for refunding redemption premium	-	-	-	-	-	-	(149,950)	(195,500)	-	-
Payment in lieu of taxes - interfund	-	-	-	-	-	-	-	5,492,001	5,436,000	7,063,853
Transfers in	2,186,745	3,356,680	10,476,733	8,829,459	7,281,374	6,499,590	4,574,416	5,757,738	5,978,789	1,525,717
Transfers out	(2,609,501)	(3,492,247)	(10,406,930)	(8,329,459)	(7,281,374)	(6,447,711)	(4,574,416)	(7,072,398)	(6,818,159)	(1,521,717)
Capital leases	82,041	-	-	-	-	-	-	-	-	870,000
Sale of property	420,852	130,619	661,843	97,723	59,868	44,855	188,930	242,085	142,176	82,733
Total other financing sources (uses)	21,501,856	20,336,245	61,890,264	15,915,941	20,028,419	3,907,565	6,493,607	19,056,593	5,075,870	23,866,236
Special item - park and recreation transfer	-	-	-	-	-	-	-	-	(4,845,490)	(3,031,721)
Net change in fund balances	\$ 3,343,203	\$ 3,676,752	\$ 29,679,639	\$ (23,105,019)	\$ 834,132	\$ (2,982,151)	\$ 3,645,253	\$ 1,396,493	\$ (5,757,040)	\$ 13,042,117
Debt service as a percentage of noncapital expenditures	10.03%	13.82%	15.06%	17.28%	17.27%	17.54%	15.56%	15.58%	17.17%	15.13%

See breakdown of taxes and assessments on next page.

All years have been adjusted to reduce expenditures by Construction and Engineering and other amounts

Three fiduciary funds were moved to special revenue funds in 2010. Alcohol and Drug Safety, Crime Prevention, and Police Benefit.

Starting in 2007 numbers have been restated to account properly for refunding of debt and premiums and discounts.

**Restated due to accounting changes in sales tax, fines and forfeitures, compensated absences for public safety, and moving of fiduciary funds.

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

Fiscal Year	Property Tax	Auto Ad Valorem	TIF Property Tax	Local Sales Tax	Street Repair Sales Tax	0.25% Sales Tax	JEDO Sales Tax	Starbond Sales Tax	TIF Sales Tax	Transient Guest Tax	Payments in Lieu of Taxes	Service and Special Assessments	Total
2004	#####	\$ 3,679,898	\$ -	\$ 26,691,399	\$ -	\$ 779,140	\$ -	\$ -	\$ -	\$ 1,789,703	\$ 5,424,022	\$ 1,768,915	\$ 68,634,320
2005	29,392,422	3,509,857	-	25,891,083	-	892,271	6,913,790	-	-	1,612,169	5,671,862	1,922,629	75,806,083
2006	28,595,710	3,458,719	-	26,344,949	-	1,175,244	7,502,107	53,197	-	1,766,633	5,339,220	1,417,596	75,653,375
2007	29,989,259	3,343,126	-	27,255,401	-	-	7,767,247	57,768	-	1,913,492	5,737,447	1,599,468	77,663,208
2008	32,469,562	3,326,312	-	27,991,780	-	-	7,617,164	73,882	-	2,070,271	5,637,762	1,606,287	80,793,020
2009	32,373,062	3,470,239	-	26,566,267	1,143,728	-	7,809,194	95,224	-	1,719,807	5,570,911	1,932,052	80,680,484
2010	31,821,035	3,417,996	140,920	26,607,992	13,303,994	-	7,813,635	148,033	4,620	1,839,049	5,986,040	2,098,328	93,181,642
2011	32,725,941	3,339,172	185,897	27,703,555	13,859,830	-	8,239,489	115,652	16,105	1,964,711	5,903,774	3,939,958	97,994,084
2012	32,276,245	3,302,893	191,293	27,279,045	13,644,890	-	8,058,097	78,526	10,735	1,950,933	5,760,746	2,412,624	94,966,027
2013	34,873,515	3,313,921	215,495	27,930,147	13,965,074	-	8,321,528	61,895	-	2,314,781	7,138,696	2,241,507	100,376,559
Change													
2004-2013	22.4%	-9.9%	15.9%	4.6%	1121.0%	0.0%	20.4%	16.4%	-100.0%	29.3%	31.6%	26.7%	46.2%
					<i>d</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>e</i>	<i>g</i>	<i>f</i>		

a - 2002 was the last year of the Sales tax approved in 1996. In 2002 the voters passed another .25% increase in City Sales tax to fund countywide infrastructure development and economic development.

b - In August 2004 the voters passed a 1/2% increase in County-wide Sales tax to fund economic development and countywide infrastructure development, including the Topeka Boulevard Bridge.

c - The City approved a STAR bond district for Heartland Park Topeka, a major motorsports complex.

d - In April 2009 the voters passed a 1/2% increase in City Sales tax to fund maintenance and improvements to existing streets, gutters, curbs, sidewalks, alleys and street lighting.

e - The City approved TIF districts for College Hill and Eastgate development.

f - 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.

g - Transient Guest Tax increased to 7% in 2013 to allot 1% to a local sporting facility.

** The Community Improvement Districts were reclassified to agency funds.*

**City of Topeka, Kansas
Local Sales Tax Revenues
Last Ten Years
Accrual Basis**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Original Budget	\$ 24,500,000	\$ 25,255,000	\$ 27,240,000	\$ 26,970,000	\$ 27,500,000	\$ 27,500,000	\$ 28,052,000	\$ 26,600,000	\$ 27,140,000	\$ 28,000,000
Amended Budget								\$ 28,052,000		
Revenue Recognized by Month:										
January	\$ 2,638,061	\$ 2,603,851	\$ 2,426,392	\$ 2,725,674	\$ 2,649,763	\$ 2,686,405	\$ 2,262,241	\$ 2,268,063	\$ 2,210,872	\$ 2,227,217
February	2,036,769	2,201,500	2,062,741	1,918,436	2,375,876	2,431,539	1,822,905	1,883,119	2,055,332	1,982,322
March	1,797,473	2,034,847	1,977,310	2,135,506	2,048,961	1,919,260	2,310,172	2,362,610	2,407,884	2,372,853
April	2,050,306	2,171,326	2,192,480	2,372,332	2,398,066	2,007,516	2,296,057	2,294,228	2,237,133	2,248,910
May	2,216,804	2,030,815	2,300,071	2,210,789	2,584,478	2,161,504	2,113,289	2,168,983	2,293,789	2,547,187
June	2,148,032	2,077,630	2,154,133	2,336,735	2,302,707	2,381,268	2,334,951	2,257,207	2,485,636	2,421,918
July	2,381,489	2,276,663	2,419,861	2,290,031	2,485,527	2,024,195	2,158,120	2,298,896	2,050,811	2,251,125
August	2,196,939	2,055,419	2,045,981	2,152,904	2,310,893	2,060,764	2,218,837	2,415,208	2,266,253	2,327,903
September	2,265,864	2,128,764	2,264,655	2,465,636	2,316,344	2,231,968	2,077,693	2,289,675	2,235,777	2,154,319
October	2,246,088	2,091,363	2,188,360	2,026,567	2,160,624	2,253,707	2,133,692	2,421,828	2,008,369	2,260,450
November	2,221,679	2,111,762	2,140,434	2,259,755	2,311,542	2,287,456	2,192,869	2,445,898	2,354,255	2,361,500
December	2,491,894	2,107,143	2,172,530	2,361,035	2,047,000	2,120,685	2,687,166	2,597,840	2,672,935	2,774,444
Total	\$ 26,691,399	\$ 25,891,083	\$ 26,344,949	\$ 27,255,401	\$ 27,991,780	\$ 26,566,267	\$ 26,607,992	\$ 27,703,555	\$ 27,279,045	\$ 27,930,147

**City of Topeka, Kansas
Street Repair Sales Tax Revenues
December 31, 2013
Accrual Basis**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Original Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,956,000	\$ 13,956,000	\$ 13,500,000	\$ 13,800,000
Amended Budget	-	-	-	-	-	\$ 1,100,000				
Revenue Recognized by Month:										
January	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,060,341	\$ 1,134,031	\$ 1,105,436	\$ 1,113,609
February	-	-	-	-	-	-	1,186,631	941,559	1,027,666	991,161
March	-	-	-	-	-	-	1,131,120	1,181,305	1,203,942	1,186,427
April	-	-	-	-	-	-	911,452	1,147,114	1,118,566	1,124,455
May	-	-	-	-	-	-	1,155,086	1,084,492	1,146,894	1,273,593
June	-	-	-	-	-	-	1,148,029	1,128,603	1,242,818	1,210,959
July	-	-	-	-	-	-	1,056,645	1,149,448	1,025,405	1,125,562
August	-	-	-	-	-	-	1,167,476	1,207,604	1,133,127	1,163,951
September	-	-	-	-	-	-	1,079,060	1,144,838	1,117,888	1,077,160
October	-	-	-	-	-	-	1,109,418	1,210,914	1,004,185	1,130,225
November	-	-	-	-	-	-	1,038,846	1,222,949	1,177,128	1,180,750
December	-	-	-	-	-	1,143,728	1,259,890	1,306,973	1,341,835	1,387,222
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,143,728	\$ 13,303,994	\$ 13,859,830	\$ 13,644,890	\$ 13,965,074

a - In April 2009 the voters passed a 1/2% increase in City Sales tax to fund maintenance and improvements to existing streets, gutters, curbs, sidewalks, alleys and street lighting. Since the tax had not passed until April the budget amount was an amendment to the originally adopted budget.

b - In 2010 sales tax by passed property tax as the major source of revenue for the City.

City of Topeka, Kansas
Local Sales Taxable Collections by Category
Last Ten Years

Category	2004	% of Total	2005	% of Total	2006	% of Total	2007	% of Total
Utilities	\$ 2,481,403	9.42%	\$ 2,232,963	8.48%	\$ 1,622,145	6.16%	\$ 1,662,027	6.10%
Construction	647,129	2.46%	685,422	2.60%	701,920	2.66%	822,527	3.02%
Manufacturing	559,539	2.12%	581,852	2.21%	609,718	2.31%	595,297	2.18%
Wholesale Trade	1,362,901	5.17%	1,540,389	5.85%	1,642,825	6.24%	1,471,660	5.40%
Retail Trade	15,282,329	58.01%	15,296,884	58.06%	15,510,029	58.87%	16,098,256	59.06%
Information	1,178,181	4.47%	897,396	3.41%	978,577	3.71%	1,072,068	3.93%
Real Estate and Rental and Leasing	550,718	2.09%	549,022	2.08%	580,622	2.20%	572,993	2.10%
Accommodation and Food Services	2,404,436	9.13%	2,510,277	9.53%	2,656,350	10.08%	2,887,771	10.60%
Other Services	1,878,312	7.13%	2,050,742	7.78%	2,042,763	7.75%	2,072,803	7.61%
Total	\$ 26,691,399	100%	\$ 25,891,083	100%	\$ 26,344,949	100%	\$ 27,255,401	100%
City Sales Tax Rate	1.00%		1.00%		1.00%		1.00%	

Category	2008	% of Total	2009	% of Total	2010	% of Total	2011	% of Total
Utilities	\$ 2,085,234	7.45%	\$ 1,827,351	6.59%	\$ 2,877,890	7.32%	\$ 2,963,983	6.93%
Construction	915,257	3.27%	911,785	3.29%	1,303,048	2.85%	1,237,042	3.16%
Manufacturing	595,663	2.13%	486,604	1.76%	1,016,249	1.83%	910,521	1.80%
Wholesale Trade	1,471,457	5.26%	1,414,868	5.11%	1,693,203	4.92%	1,935,850	5.27%
Retail Trade	16,189,928	57.84%	16,311,506	58.87%	23,548,951	58.14%	24,338,914	58.61%
Information	1,092,751	3.90%	1,286,727	4.64%	1,912,368	5.33%	2,021,622	4.76%
Real Estate and Rental and Leasing	570,357	2.04%	533,821	1.93%	582,422	2.01%	789,365	1.87%
Accommodation and Food Services	3,002,726	10.73%	3,048,873	11.00%	4,485,275	11.18%	4,665,905	10.96%
Other Services	2,068,407	7.39%	1,888,461	6.82%	2,492,580	6.41%	2,700,183	6.65%
Total	\$ 27,991,780	100%	\$ 27,709,995	100%	\$ 39,911,986	100%	\$ 41,563,385	100%
City Sales Tax Rate	1.00%		1.25%*		1.25%		1.25%	

Category	2012	% of Total	2013	% of Total
Utilities	\$ 2,835,940	7.13%	\$ 3,067,552	7.21%
Construction	1,293,500	2.98%	1,193,878	3.26%
Manufacturing	734,938	2.19%	767,472	2.55%
Wholesale Trade	2,157,088	4.66%	2,060,836	4.24%
Retail Trade	23,985,939	58.56%	24,359,164	59.00%
Information	1,948,959	4.86%	2,231,419	4.79%
Real Estate and Rental and Leasing	763,479	1.90%	843,249	1.46%
Accommodation and Food Services	4,484,328	11.23%	4,685,117	11.24%
Other Services	2,719,764	6.50%	2,686,533	6.25%
Total	\$ 40,923,935	100%	\$ 41,895,221	100%
City Sales Tax Rate	1.25%		1.25%	

Note (1) - Data is listed based on when the local sales tax became the major revenue source for the City in 2010.

* Collections for a .25% citywide tax began October 1st, 2009

Source: Kansas Department of Revenue.

City of Topeka, Kansas
Direct and Overlapping Sales Tax Rates
Last Ten Years

Fiscal Year	City Direct Rates			Other Overlapping Governments					Grand Total
	Local	Street Repair	Total	State of Kansas	Shawnee County	Shawnee County 0.25%	Shawnee County Joint Economic Dev Org (JEDO)	Washburn University	
2004	1%	-	1.00%	5.30%	0.25%	0.25%	-	0.65%	7.45%
2005	1%	-	1.00%	5.30%	0.25%	-	0.25%	0.65%	7.45%
2006	1%	-	1.00%	5.30%	0.25%	-	0.25%	0.65%	7.45%
2007	1%	-	1.00%	5.30%	0.25%	-	0.25%	0.65%	7.45%
2008	1%	-	1.00%	5.30%	0.25%	-	0.25%	0.65%	7.45%
2009	1%	0.50%	1.50%	5.30%	0.25%	-	0.25%	0.65%	7.95%
2010	1%	0.50%	1.50%	6.30%	0.25%	-	0.25%	0.65%	8.95%
2011	1%	0.50%	1.50%	6.30%	0.25%	-	0.25%	0.65%	8.95%
2012	1%	0.50%	1.50%	6.30%	0.25%	-	0.25%	0.65%	8.95%
2013	1%	0.50%	1.50%	6.15%	0.25%	-	0.25%	0.65%	8.80%
						<i>a</i>	<i>b</i>		

Source: Kansas Department of Revenue

a - In August 2004 the voters passed a 1/2% increase in County-wide Sales tax to fund economic development and countywide infrastructure development, including the Topeka Boulevard Bridge.

b - In April 2009 the voters passed a 1/2% increase in City Sales tax to fund maintenance and improvements to existing streets, gutters, curbs, sidewalks, alleys and street lighting.

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

Levy Year	Real Property	Personal Property	Motor Vehicle	Corporation	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
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%
2010	875,969,022	54,841,080	109,450,833	71,648,338	1,111,909,273	32.592	6,986,332,628	15.92%
2011	883,236,614	49,707,508	107,376,098	75,704,241	1,116,024,461	32.849	7,002,281,274	15.94%
2012	872,122,132	43,942,396	105,898,240	84,434,065	1,106,396,833	32.928	6,906,374,072	16.02%
2013	896,632,231	43,255,123	105,931,855	89,386,409	1,135,205,618	35.838	7,030,771,815	16.15%

Source: Shawnee County Clerk

Property in Shawnee County is valued every January 1, at its fair market value, except for land devoted to agricultural use. Agricultural land is appraised at 30% of its use value and not market value. The assessed value of each class is calculated by varying percentages of appraised values, ranging from 11.5% for residential and 25% for commercial or industrial. The mill levy is the tax rate applied to the assessed value. One mill is one dollar per \$1,000 of assessed value.

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

Property Tax Levies and Collections
Last Ten Years

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy Amount	Percentage of Levy	Collections for Subsequent Years	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
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%
2010	32,287,451	31,255,989	96.81%	705,966	31,961,955	98.99%
2011	31,741,291	31,313,481	98.65%	1,598,357	32,911,838	103.69% ^a
2012	32,257,692	31,574,444	97.88%	893,094	32,467,538	100.65%
2013	35,623,485	34,209,054	96.03%	879,956 ^b	35,089,010	98.50%

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

a - College Hill was originally recorded as current collections, but was determined to be delinquent.

b - Collections for subsequent years are placed in a separate column, due to levied year is not furnished by County.

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

Taxpayer	2013			2004		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Westar Energy***	\$ 49,486,240	1	4.36%	\$ 80,380,203	1	7.63%
Burlington Northern/Santa Fe/Utility***	15,669,904	2	1.38%	11,753,911	3	1.12%
Security Benefit/Insurance	9,893,995	3	0.87%	-	-	-
Southwestern Bell/Utility***	9,892,151	4	0.87%	26,222,996	2	2.49%
Westridge Mall LLC/Retail (Simon Property Group)	9,775,001	5	0.86%	10,915,745	4	1.04%
Kansas Gas Service/Utility***	9,449,293	6	0.83%	9,833,919	5	0.93%
Wal-Mart Properties & SAMS CLUB/Retail	7,818,962	7	0.69%	-	-	-
Frito Lay/Manufacturing	6,436,904	8	0.57%	6,528,319	6	0.62%
Dillon Real Estate Co Inc/Retail	5,561,581	9	0.49%	-	-	-
IRET Properties/Apts	5,207,637	10	0.46%	-	-	-
Riviana Foods/Hills Pet Prod/Manufacturing	-	-	-	5,348,562	8	0.51%
Hallmark Cards/Manufacturing	-	-	-	5,060,842	9	0.48%
DLM Foods/Manufacturing	-	-	-	5,929,104	7	0.56%
Atrium Finance LLC/John Q Hammons Hotel	-	-	-	4,870,176	10	0.46%
Total	\$ 129,191,668		11.38%	\$ 166,843,777		15.39%
Total Assessed Value	\$ 1,135,205,618			\$ 1,052,933,985		

Source: Shawnee County Clerk 2013 tax roll

In 2008 Atrium Finance took over John Q. Hammons Hotels

**Included in the NRA*

****State Assessed*

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

Fiscal Year	City of Topeka				Other Overlapping Governments								Grand Total
	General Fund	Debt Service Fund	Parks and Recreation Fund	Others	City Total	State of Kansas	Shawnee County	School District No 501	Washburn University	TMTA	MTAA	Topeka SNCO P Library	
2004	17.220	7.680	6.105	2.219	33.224	1.500	43.043	46.198	3.308	2.361	1.087	10.519	141.240
2005	10.508	13.931	5.930	2.022	32.391	1.500	42.091	54.007	3.313	2.983	1.065	10.147	147.497
2006	10.855	12.060	5.763	1.975	30.653	1.500	41.850	53.295	3.313	2.712	1.036	9.370	143.729
2007	11.044	11.600	5.257	2.846	30.747	1.500	41.919	53.367	3.314	3.000	1.036	9.671	144.554
2008	11.944	12.598	5.388	2.527	32.457	1.500	41.662	53.423	3.315	3.000	1.313	8.959	145.629
2009	11.805	12.545	5.501	2.831	32.682	1.500	40.117	54.740	3.316	3.000	1.290	8.999	145.644
2010	18.469	13.852	-	0.271	32.592	1.500	40.965	54.429	3.316	4.404	1.293	9.018	147.517
2011	19.451	13.113	-	0.285	32.849	1.500	41.016	54.301	3.317	4.208	1.255	9.103	147.549
2012	19.786	12.819	-	0.323	32.928	1.500	43.165	56.307	3.298	4.200	1.229	9.773	152.400
2013	24.146	10.915	-	0.777	35.838	1.500	44.196	56.319	3.318	4.200	1.220	9.783	156.374

a

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.

a - In 2010 Parks & Recreation, Zoo, General Improvement and Unsafe Structure fund amounts have been consolidated to the General fund.

City of Topeka, Kansas
Direct and Overlapping Governmental Activities Debt
December 31, 2013

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Shawnee County	\$ 48,640,000	70.84%	\$ 34,456,576
Unified School District No. 345	66,374,417	29.39%	19,507,441
Unified School District No. 437	73,190,000	62.68%	45,875,492
Unified School District No. 450	40,270,000	22.16%	8,923,832
Unified School District No. 501	22,410,000	100.00%	22,410,000
Washburn University	21,270,000	100.00%	21,270,000
Topeka Shawnee Co. Library	10,265,000	70.84%	7,271,726
	<u>282,419,417</u>		<u>159,715,067</u>
Direct debt, City of Topeka:			
General obligation bonds*	163,339,715		163,339,715
Temporary notes	22,720,257		22,720,257
Capital leases	4,178,138		4,178,138
	<u>190,238,110</u>		<u>190,238,110</u>
Total direct and overlapping debt	<u><u>\$ 472,657,527</u></u>		<u><u>\$ 349,953,177</u></u>

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

**Includes specialty debt - Heartland Park Star bonds and College Hill TIF*

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 that is borne by the residents and businesses of Topeka. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

City of Topeka, Kansas
Ratios of Outstanding Debt by Type
Last Ten 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	Kansas Department of Health & Environment Loans	Capital Leases			
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	4.85%	\$ 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	5.20%	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	5.57%	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	5.29%	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	5.10%	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	5.12%	3,451
2010	142,274,897	24,615,000	36,820,000	5,456,832	12,795,103	123,450,000	2,950,000	84,946,895	-	433,308,727	5.15%	3,399
2011	148,201,719	12,110,745	30,070,000	4,450,181	12,453,281	124,345,000	4,429,255	78,077,683	349,924	414,487,788	4.68%	3,233
2012	136,650,561	14,687,188	26,735,000	3,578,007	12,434,439	122,550,000	1,852,812	72,123,938	280,815	390,892,760	4.15%	3,055
2013	140,034,715	22,720,257	23,305,000	4,178,138	11,470,285	123,790,000	1,864,743	64,071,878	213,446	391,648,462	4.06%	3,067

Note: The other governmental bonds include tax increment and special revenue bonds. These bonds are funded by other sources, but are 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. Details regarding the City's outstanding debt can be found in the notes under long-term debt and in the following statistical section pages. Personal income and population data can be found in the demographic and economic section of the statistical section. 2012 Personal Income and Per capita have been updated with the most recent information.

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Debt Service Restricted Fund Balance	General Obligation Bonds Net of Debt Service Restriction	Total Outstanding Debt		General Obligation Bonds Net of Debt Service Restriction	
	General Obligation Bonds*	General Obligation Bonds	General Obligation Bonds	General Obligation Bonds				Percentage of Personal Income	Per Capita	Percentage of Actual Taxable Value of Property	Per Capita
2004	\$ 121,740,000	\$ 6,240,000	\$ 127,980,000	\$ 1,202,328	\$ 126,777,672	1.871%	\$ 1,052	2.02%	\$ 1,042		
2005	132,005,000	6,240,000	138,245,000	2,812,438	135,432,562	1.970%	1,133.66	2.06%	1,110.59		
2006	151,825,000	13,810,000	165,635,000	7,793,331	157,841,669	2.219%	1,356.41	2.28%	1,292.59		
2007	156,405,000	13,680,000	170,085,000	7,257,138	162,827,862	2.133%	1,386.84	2.31%	1,327.67		
2008	166,090,000	13,405,000	179,495,000	6,513,004	172,981,996	2.128%	1,454.04	2.43%	1,401.28		
2009	159,000,686	13,089,314	172,090,000	6,749,235	165,340,765	2.053%	1,384.13	2.35%	1,329.84		
2010	157,969,897	12,795,103	170,765,000	9,561,850	161,203,150	2.032%	1,339.62	2.31%	1,264.61		
2011	163,661,719	12,453,281	176,115,000	4,788,632	171,326,368	1.987%	1,373.88	2.45%	1,336.52		
2012	151,520,561	12,434,439	163,955,000	4,939,942	159,015,058	1.742%	1,281.51	2.30%	1,242.90		
2013	154,329,715	11,470,285	165,800,000	3,896,624	161,903,376	1.717%	1,298.57	2.30%	1,268.05		

Note: This information includes debt that is backed by full faith and credit of government. Governmental amounts from 2006 to 2011 have been updated to reflect this change in reporting. Details regarding the city's outstanding debt can be found in the notes under long-term debt and in the following statistical pages.

Property value data, population data, and per capita information can be found in the demographic and economic section of the statistical section.

City of Topeka, Kansas
Legal Debt Margin Information
Last Ten Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 335,444,774	\$ 328,235,858	\$ 342,362,741	\$ 347,366,486	\$ 346,999,495	\$ 338,982,482	\$ 346,999,495	\$ 334,807,338	\$ 331,919,050	\$ 340,561,685
Total net debt applicable to limit	142,729,341	155,727,186	74,795,038	85,780,252	95,537,544	67,443,634	95,537,544	55,885,557	44,026,297	57,268,672
Legal debt margin	\$ 192,715,433	\$ 172,508,672	\$ 267,567,703	\$ 261,586,234	\$ 251,461,951	\$ 271,538,848	\$ 251,461,951	\$ 278,921,781	\$ 287,892,753	\$ 283,293,013
Total net debt applicable to the limit as a percentage of debt limit	42.55%	47.44%	21.85%	24.69%	27.53%	19.90%	27.53%	16.69%	13.26%	16.82%

Legal Debt Margin Calculation for Fiscal Year 2012

As permitted by Kansas statutes, for 2013 the City has excluded certain types of debt from this computation as follows:

\$ 112,675,414	K.S.A. 10-427a
12,892,279	K.S.A. 10-309
9,010,000	K.S.A. 12-195(8)
5,205,000	K.S.A. 12-1774
<u>\$ 139,782,693</u>	
Total excluded in 2013	<u>\$ 139,782,693</u>

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

Total assessed value	<u>\$ 1,135,205,618</u>
Debt limit (30% of total assessed value)	<u>340,561,685</u>
Debt applicable to limit:	
General obligation bonds	59,612,307
Less: Amount set aside for repayment of general obligation debt	<u>(2,343,635)</u>
Total net debt applicable to limit	<u>57,268,672</u>
Legal debt margin	<u>\$ 283,293,013</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 Years

Water and Water Pollution Control KDHE Revolving Loans								
Fiscal	Gross Revenues	Less: Operating Expenses	Net Available	Debt Service on KDHE Loans (Next Fiscal Year)		Debt Service on Revenue Bonds (Next Fiscal Year)		1.00 KDHE Loan
				Principal	Interest	Principal	Interest	
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	33,190,749	20,242,916	6,033,276	2,930,765	1,885,000	5,568,118	1.23
2008	59,703,701	38,923,418	20,780,283	6,638,050	3,028,657	1,980,000	5,319,718	1.22
2009	61,650,545	35,392,529	26,258,016	6,884,878	2,726,323	2,050,000	5,219,518	1.56
2010	61,719,464	35,128,771	26,590,693	6,880,361	2,446,042	2,105,000	5,568,673	1.56
2011	61,512,843	37,192,745	24,320,098	7,213,366	2,228,756	2,285,000	5,358,952	1.42
2012	64,558,928	38,616,083	25,942,845	7,466,350	2,121,525	2,370,000	5,116,876	1.52
2013	60,977,779	39,789,027	21,188,752	6,588,941	1,829,580	3,555,000	4,927,381	1.25

Water, Water Pollution Control and Stormwater Revenue Bonds								
Fiscal	Gross Revenues	Less: Operating Expenses	Net Available	Debt Service on Revenue Bonds (Next Fiscal Year)				1.25 Revenue Bond
				Principal	Interest			
2004	\$ 44,485,360	\$ 31,217,897	\$ 13,267,463	\$ 1,390,000	\$ 4,907,439			2.11
2005	48,832,060	32,388,584	16,443,476	1,905,000	5,387,707			2.25
2006	51,324,679	36,001,171	15,323,508	2,010,000	4,656,037			2.30
2007	53,433,665	36,884,842	16,548,823	1,885,000	5,568,118			2.22
2008	59,703,701	43,127,042	16,576,659	1,980,000	5,319,718			2.27
2009	61,650,545	39,831,984	21,818,561	2,050,000	5,219,518			3.00
2010	61,719,464	39,376,888	22,342,576	2,105,000	5,568,673			2.91
2011	61,512,843	41,176,575	20,336,268	2,285,000	5,358,952			2.66
2012	64,558,928	42,898,205	21,660,723	2,370,000	5,116,876			2.89
2013	60,977,779	42,407,157	18,570,622	3,555,000	4,927,381			2.19

Note: Details regarding the city's outstanding debt can be found in the long-term notes section.

1 - Expenses for the KDHE loans do not include depreciation, interest, bad debt, or other non-cash items. Prior years have been updated to reflect this change.

2 - Expenses for the Revenue bonds do not include payments in lieu of taxes, depreciation, amortization, interest, bad debt, or other non-cash items, but does include principal and interest on permitted loans. Prior years have been updated to reflect this change.

3 - The City maintains Net Revenues in the Combined Utility in an amount which will be not less than 100% of the amount required to be paid for debt service, on Permitted Loans and 125% on revenue bonds, by the City in the next succeeding fiscal year.

4 - The gross revenues include fees for services, license and permits, rental income, interest income, and other income, but exclude any gains on disposal of fixed assets.

In 2003, City Ordinance 17985 was passed to combine the Water, Water Pollution Control and Stormwater Utilities.

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

Fiscal Year	Population (1)	Personal Income (thousands of dollars) (2)	Per Capita Personal Income (2)	501 School District Enrollment (3)	
2004	121,691	\$ 6,840,345	\$ 30,113	14,300	
2005	121,946	7,017,881	30,752	13,870	
2006	122,113	7,463,761	32,618	13,387	
2007	122,642	7,974,051	34,666	13,142	
2008	123,446	8,433,296	36,465	13,469	
2009	124,331	8,380,977	36,040	13,846	
2010	127,473	8,405,809	35,887	14,183	
2011	128,188	8,861,468	37,765	14,194	
*	2012	127,939	9,413,488	40,132	14,084
**	2013	127,679	9,658,239	41,175	14,021

Sources:

(1) Population estimates, are taken from the Kansas Division of the Budget. 2010 data retrieved from the 2010 U.S. Census Bureau.

(2) Bureau of Economic Analysis.

(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.

*2012 Personal Income and Per Capita Personal Income have been updated with the latest published reports. They are both based on the Topeka MSA.

**2013 used a projection of 2.6% for both Personal and Per Capita Personal Income.

Property Value, Construction, and Bank Deposits
Last Ten 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
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
2010	364	27,256	204	53,842	3,031,760	1,367,673	4,521,526	1,328,506
2011	322	17,068	220	45,974	3,210,912	1,386,065	4,536,147	1,344,785
2012	413	21,152	207	65,641	2,580,953	1,394,286	4,444,452	1,335,593
2013	260	20,232	171	73,549	2,575,596	1,475,449	4,476,216	1,338,706

Sources:

(1) City Development Coordination Office

(2) FDIC - Summary of Deposits market share report, changed in 2008, figures are as of 06-30-12

(3) Shawnee County Real Property Abstract

**City of Topeka, Kansas
Principal Employers,
Current Year and Nine Years Ago**

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of Kansas	Over 4,500	1	6.03%	8,612	1	9.10%
Stormont-Vail Health Care	3,000-4,500	2	4.14%	3,100	2	3.28%
Unified School District # 501	2,000-2,999	3	2.26%	2,270	3	2.40%
US Government	1,000-2,000	4	1.94%	1,246	10	1.32%
St. Francis Hospital & Medical Center	1,000-2,000	5	1.59%	1,837	5	1.94%
Goodyear Tire and Rubber Co.	1,000-2,000	6	1.45%	1,700	8	1.80%
Blue Cross Blue Shield of Kansas	1,000-2,000	7	1.27%	1,855	4	1.96%
Joint Force Headquarters & Ks Army National Guard	1,000-2,000	8	1.24%	-		-
Washburn University	1,000-2,000	9	1.14%	1,455	9	1.54%
City of Topeka	1,000-2,000	10	1.12%	1,735	7	1.83%
Collective Brands (Payless Shoe Source)	-		-	1,735	6	1.83%
Total	-		22.19%	25,545		27.00%
Total Employment	106,768			94,609		

Source:

Topeka Chamber of Commerce, December 2013 and City of Topeka 2004 CAFR, for number of employees

State Department of Labor, 3rd Quarter 2013 and 2004 City of Topeka Budget book for total employment

2007 Collective Brands bought out Payless Shoe Source.

Businesses requested that the actual number of employees, remain confidential. Ranges of employees were established for publication, but the percentages are based on the actual number of employees.

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

Function/Program	Full-time Equivalent Employees as of December 31									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
City Council	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.50
Mayor	-	-	-	-	-	-	-	-	-	1.00
Executive	17.00	18.00	16.00	12.00	13.00	13.00	14.00	10.00	8.40	8.00
Legal	21.50	21.50	22.50	21.50	21.50	21.50	21.50	20.50	17.50	17.50
Financial Services	25.00	24.00	25.00	25.00	26.00	26.00	29.00	23.00	22.17	23.50
Municipal Court	27.00	27.00	27.00	28.00	28.00	28.00	24.00	23.00	23.00	24.00
Human Relations Commission	-	-	-	6.00	5.00	5.00	3.00	-	-	-
Human Resources	10.00	10.00	9.00	8.00	8.00	9.00	9.00	9.00	11.00	10.50
Information Technology	14.00	14.00	16.00	16.00	17.00	17.00	12.00	12.00	12.50	13.50
Public Safety										
Fire	242.00	241.00	249.00	249.00	249.00	249.00	245.00	251.00	244.00	246.00
Police	357.50	355.00	357.00	355.00	357.00	374.00	368.50	367.50	365.50	382.00
Public Works										
Administration	13.00	13.00	13.00	13.00	11.00	10.00	10.00	9.00	9.08	2.00
Development Services	38.00	38.00	37.00	37.00	37.00	21.00	20.00	15.00	15.00	8.00
Engineering	42.00	41.00	41.00	38.00	39.00	39.00	39.00	26.00	27.00	27.00
Fleet Services	21.00	21.00	21.00	21.00	21.00	23.00	23.00	23.00	23.00	23.00
Forestry	-	-	-	-	-	-	-	-	-	9.00
Transportation Operations	15.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	13.00	13.00
Special Street Repair	53.00	53.00	53.00	53.00	53.00	49.00	46.00	46.00	47.00	46.00
Facility Operations	14.25	14.25	14.25	14.25	14.25	15.00	12.00	7.00	27.00	14.00
Public Parking	17.00	17.00	17.00	17.00	18.00	18.00	16.00	16.00	16.00	15.00
Water	115.00	117.00	115.00	116.00	116.00	116.00	117.00	119.00	118.00	120.00
Water Pollution Control	73.00	73.00	70.00	70.00	76.00	75.00	71.00	71.00	74.33	68.00
Stormwater Utility	13.00	13.00	15.00	15.00	15.00	19.00	18.00	18.00	18.00	24.00
Housing & Neighborhood Development	17.00	17.00	17.00	17.00	15.00	16.00	16.00	16.00	14.50	14.00
Planning	13.00	14.00	14.00	14.00	14.00	14.00	14.00	10.00	10.00	11.00
Parks and Recreation	93.10	93.35	94.75	94.75	92.75	93.00	89.00	63.00	11.00	-
Public Golf Course	9.00	9.00	8.00	3.00	3.00	-	-	-	-	-
Zoo	31.50	31.50	33.50	33.50	32.50	32.50	30.00	28.00	24.00	24.50
Total	1,293.85	1,291.60	1,301.00	1,293.00	1,298.00	1,299.00	1,263.00	1,198.00	1,151.98	1,146.00

Source: City Budget Office

**In 2010 the City issued an early retirement incentive program, which took forty-seven employees across the City*

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

**Fleet Services was budgeted under Executive from 2000-2005. In 2006, moved under Financial Services. In 2010, moved under Public Works.*

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

**Human Relations Commission was part of the Executive Department through 2006. In 2010 Human Relation Commission was eliminated.*

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

**Parks & Recreation consolidated with Shawnee Co in 2012 however Forestry was not included in this consolidation.*

**2013 We have separated out the Mayor's office (Executive) and Forestry (Parks & Recreation) Departments from their previous areas.*

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Fire										
Total number of incidents	12,286	13,153	13,525	14,144	14,504	14,544	15,071	16,614	18,451	17,559
Fire calls	767	2,767	982	695	740	674	660	710	835	673
Rescue & Emergency Medical calls	8,133	9,599	9,610	10,195	10,850	11,046	11,422	12,624	13,861	13,275
Police										
Citations issued	42,967	43,060	37,362	22,276	31,505	34,873	21,267	17,581	17,901	18,544
Driving under the influence citations	819	553	629	463	547	523	502	253	431	463
Development Services										
Residential building permits	584	571	566	481	380	355	364	322	413	260
Commercial building permits	294	296	242	242	197	190	204	220	207	171
Street Operations										
Streets swept (curb miles)	15,408	15,822	17,971	14,000	17,971	21,471	15,689	2,810	3,579	3,807
Pot hole patching material used (tonnage)	1,250	2,024	2,050	3,409	2,192	2,725	2,640	4,544	3,580	3,044
Traffic Operations										
Cross walks maintained (miles)	675	655	558	927	927	903	903	871	750	555
Streets painted (miles)	350	340	148	300	310	323	323	283	280	285
Number of signs replaced	3,579	3,721	3,683	3,800	4,200	838	1,800	2,548	1,350	1,670
Public Parking violations issued	33,052	26,877	30,728	24,251	21,853	24,025	17,690	17,556	16,457	15,691
Parks and Recreation										
Mini-Train & Carousel attendance	148,750	137,032	144,747	140,952	152,482	164,700	164,700	n/a	n/a	n/a
Swimming pool attendance	80,161	101,500	126,280	118,668	107,313	105,316	96,790	n/a	n/a	n/a
Summer youth camp attendance	4,007	4,236	3,822	4,018	4,012	4,129	4,151	n/a	n/a	n/a
Youth basketball teams	73	71	55	46	57	41	30	n/a	n/a	n/a
Youth volleyball teams	58	87	87	91	81	80	60	n/a	n/a	n/a
Adult summer softball teams	420	515	544	418	369	390	477	n/a	n/a	n/a
Adult volleyball teams	473	465	482	473	434	557	537	n/a	n/a	n/a
Adult basketball teams	155	129	129	121	110	135	255	n/a	n/a	n/a
Zoo attendance	182,058	163,421	166,732	178,512	176,500	137,441	111,666	152,586	194,739	172,692
Housing & Neighborhood Development										
CDBG disbursed per year (thousands of \$)	2,586	2,526	2,496	3,020	1,805	2,094	2,004	1,852	2,052	1,805
CDBG rehab activity of single residential units	170	151	181	313	237	188	357	314	284	293
Water										
New Connections	636	611	460	582	279	131	162	213	156	137
Number of accounts	51,400	52,890	53,332	53,422	53,744	53,727	53,314	53,673	54,932	55,779
Annual Volume Net Finished (millions of gallons)	6,548	7,990	8,215	8,156	6,772	6,309	6,047	7,218	7,824	6,652
Valve routine maintenance	786	1,234	2,306	5,492	2,965	2,992	2,624	2,253	2,595	1,772
Water Pollution Control										
Number of accounts	47,193	47,157	46,954	47,744	48,198	48,243	48,488	47,689	48,204	48,192
Volume (millions of gallons)	4,952	6,197	4,458	4,979	5,372	5,864	6,450	6,245	5,226	5,607
Number of service calls	880	1,109	1,004	904	574	755	752	694	826	930
Stormwater Utility										
Number of service calls	281	340	272	307	381	474	389	486	326	344
Public Golf Course rounds	31,131	27,626	26,462	25,808	22,444	26,535	28,840	n/a	n/a	n/a

Source: Various city departments

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

Parks and Recreation: Starting January 1, 2012 City of Topeka Parks & Recreation was consolidated with Shawnee County Parks & Recreation. No figures available from 2011 and on.

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 Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Program										
Square miles of City	59.8	60.1	60.5	60.9	60.9	61.0	61.0	61.8	61.8	61.8
Fire										
Stations	12	12	12	12	12	12	12	12	12	12
Firefighters	218	218	248	248	249	238	238	228	241	236
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Police officers	290	293	294	294	293	300	300	300	300	300
Street Operations										
Miles of City streets	671	671	673	* 2000	1,621	1,624	1,624	1,517	1,517	1,532
Traffic Operations										
Traffic signals	184	182	182	184	179	178	183	201	201	201
Traffic signs (number of signs)	50,000	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	n/a	n/a
Swimming pools	5	5	5	5	5	5	5	5	n/a	n/a
Community Centers	6	7	7	7	7	7	7	7	n/a	n/a
Softball diamonds	14	12	12	14	14	14	14	14	n/a	n/a
Water										
Water mains (miles)	808	815	859	864	846	846	881	881	883	887
Storage capacity (millions of gallons)	25	25	25	25	25	25	25	25	25	25
Water Pollution Control										
Sanitary sewers (miles)	750	854	867	906	910	910	910	910	919	872
Stormwater Utility										
Storm sewers (miles)	200	316	330	330	330	330	330	330	330	330
Public Parking										
Parking garages	7	7	7	8	8	8	7	7	7	7
Parking meters	1,745	1,758	1,741	1,872	1,760	1,760	1,657	1,684	1,684	1,631
Public Golf Course	1	1	1	1	1	1	1	1	n/a	n/a

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.

Parks & Recreation: As of January 1, 2012 City of Topeka Parks & Recreation consolidated with Shawnee County Parks & Recreation.

No information available for 2012.

n/a = not available

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OTHER INFORMATION

City of Topeka, Kansas
Sales Tax Revenue Bonds, Series 2006/Refunding 2011
Topeka Boulevard Bridge
1/2% Countywide Retailers' Sales Tax

Half-cent sales tax collections to date

Fiscal Year	Distribution to City of Topeka	Distribution to Shawnee County	Total Tax Receipts	Interlocal Agreement Superior Liens	Bridge Sales Tax Revenues
2006	\$ 7,502,107	\$ 6,703,350	\$ 14,205,457	\$ (6,500,000)	\$ 7,705,457
2007	7,767,247	6,896,087	14,663,334	(6,500,000)	8,163,334
2008	7,617,164	7,248,079	14,865,243	(6,500,000)	8,365,243
2009	7,809,194	6,688,457	14,497,651	(6,500,000)	7,997,651
2010	7,813,635	6,680,598	14,494,233	(6,500,000)	7,994,233
2011	8,239,489	7,069,148	15,308,637	(6,500,000)	8,808,637
2012	8,058,097	6,994,739	15,052,836	(6,500,000)	8,552,836
2013	8,321,528	7,063,882	15,385,410	(6,500,000)	8,885,410
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-

Historical and Projected Bridge Sales Tax Receipts and Debt Service Coverage

Fiscal Year	Bridge Sales Tax Revenues†	Capitalized Interest	Construction Earnings ††	DSR Transfers†††	Revenues Available For Debt Service	Debt Service	Annual Coverage
2006	\$ 7,705,457	\$ 683,503	\$ 422,442	\$ 81,595	\$ 8,892,997	\$ 673,648	13.20
2007	8,163,334	683,503	466,764	165,957	9,479,558	3,645,070	2.60
2008	8,365,243	-	42,188	165,035	8,572,466	3,642,652	2.35
2009	7,997,651	-	-	165,957	8,163,608	3,645,396	2.24
2010	7,994,233	-	1,301,176	165,957	9,461,366	3,643,318	2.60
2011	8,808,637	-	-	(97,249)	8,711,388	3,641,858	2.39
2012	8,552,836	-	-	14,332	8,567,168	3,245,027	2.64
2013	8,885,410	-	-	30,625	8,916,035	3,241,300	2.75
2014	7,265,578	-	-	30,625	7,296,203	3,240,650	2.25
2015	7,265,578	-	-	30,625	7,296,203	3,247,450	2.25
2016	7,265,578	-	-	4,813,125	12,078,703	3,126,050	3.86

† Assumes no growth in sales tax base from 2010

†† 2010 figure includes the release of unspent construction proceeds to the debt service fund.

††† Includes interest earnings on Debt Service Reserve Fund. The decrease in interest earnings for 2010 and 2011 reflect the termination of the original guaranteed investment contract and arbitrage rebate payments, respectively. The fund is assumed to earn 1% interest in 2012 and thereafter.

These bonds are funded by a 1/2% countywide retailers' sales tax imposed starting January 1, 2005 and also controlled by the Joint Economic Development Organization (JEDO). The 2006 bonds were refunded in 2011.

Debt Service includes interest

*The Bridge Sales Tax Revenues were updated in 2006-2008 and 2010 to reflect the same amounts as the Tax Revenues by Source schedule.

City of Topeka, Kansas
Schedule of Bonded Indebtedness and Other Financing by Issue
December 31, 2013

Bond Series	Transaction Description	Tax Status	Settlement Date	Interest Rate	Original Par	Interest Due	Principal Due	Outstanding as of January 1, 2013	Retired Year-to-Date	Refunded Year-to-Date	Issued Year-to-Date	Outstanding as of December 31, 2013
Governmental General Obligation Bonds												
2004A	Taxable General Obligation Bonds	Taxable	08/12/04	4.000 - 5.000	\$ 13,385,000	2/15 & 8/15	8/15	\$ 4,370,000	\$ 1,380,000	\$ -	\$ -	2,990,000
2008A	General Obligation Improvement and Refunding Bonds	Tax-Exempt	10/29/08	3.500 - 5.600	24,570,000	2/15 & 8/15	8/15	3,510,000	-	3,510,000	-	-
2009A	General Obligation Bonds	Tax-Exempt	10/28/09	2.500 - 4.000	3,345,000	2/15 & 8/15	8/15	2,960,000	-	2,675,000	-	285,000
2009B	General Obligation Refunding Bonds	Tax-Exempt	10/28/09	2.500 - 4.000	50,940,686	2/15 & 8/15	8/15	31,803,243	5,107,233	12,926,880	-	13,769,130
2010A	General Obligation Bonds	Tax-Exempt	09/29/10	1.625 - 4.000	1,650,000	2/15 & 8/15	8/15	1,515,000	70,000	-	-	1,445,000
2010B	General Obligation Refunding Bonds	Tax-Exempt	09/29/10	1.625 - 4.375	34,830,000	2/15 & 8/15	8/15	33,854,342	393,250	-	-	33,461,092
2010C	Taxable General Obligation Bonds (Build America)	Taxable	09/29/10	2.050 - 4.850	4,570,000	2/15 & 8/15	8/15	4,570,000	-	-	-	4,570,000
2011A	General Obligation Improvement and Refunding Bonds	Tax-Exempt	09/20/11	2.000 - 4.250	23,710,000	2/15 & 8/15	8/15	23,617,976	676,377	-	-	22,941,599
2011B	General Obligation Bonds	Tax-Exempt	09/29/11	2.000 - 4.000	3,430,000	2/15 & 8/15	8/15	3,430,000	150,000	-	-	3,280,000
2012A	General Obligation Refunding Bonds	Tax-Exempt	04/17/12	1.500 - 4.000	25,510,000	2/15 & 8/15	8/15	25,370,000	2,805,000	-	-	22,565,000
2012B	Taxable General Obligation Refunding Bonds	Taxable	04/17/12	0.500 - 2.250	1,660,000	2/15 & 8/15	8/15	1,650,000	605,000	-	-	1,045,000
2013A	General Obligation Refunding Bonds	Tax-Exempt	06/04/13	2.200 - 4.000	18,892,894	2/15 & 8/15	8/15	-	-	-	18,893,593	18,893,593
2013B	General Obligation Bonds	Tax-Exempt	09/30/13	3.000 - 4.500	9,790,000	2/15 & 8/15	8/15	-	-	-	9,790,000	9,790,000
2013C	Taxable General Obligation Bonds	Taxable	09/30/13	2.000 - 2.500	5,000,000	2/15 & 8/15	8/15	-	-	-	5,000,000	5,000,000
Subtotal Governmental G.O. Bonds					221,283,580			136,650,561	11,186,860	19,111,880	33,683,593	140,035,414
Business-type General Obligation Bonds												
2009B	General Obligation Refunding Bonds	Tax-Exempt	10/28/09	2.500 - 4.000	5,804,314	2/15 & 8/15	8/15	5,341,757	857,767	1,473,120	-	3,010,870
2010B	General Obligation Refunding Bonds (Garage Portion)	Tax-Exempt	09/29/10	1.625 - 4.375	155,000	2/15 & 8/15	8/15	150,658	1,750	-	-	148,908
2011A	General Obligation Improvement and Refunding Bonds	Tax-Exempt	09/20/11	2.000 - 4.250	2,055,000	2/15 & 8/15	8/15	2,047,024	58,623	-	-	1,988,401
2012A	General Obligation Refunding Bonds	Tax-Exempt	04/17/12	1.500 - 4.000	4,935,000	2/15 & 8/15	8/15	4,895,000	15,000	-	-	4,880,000
2013A	General Obligation Refunding Bonds	Tax-Exempt	06/04/13	2.200 - 4.000	1,442,106	2/15 & 8/16	8/16	-	-	-	1,441,407	1,441,407
Subtotal Business-type G.O. Bonds					14,391,420			12,434,439	933,140	1,473,120	1,441,407	11,469,586
Other General Obligation Bonds (See Footnotes)												
2010	Full Faith and Credit TIF Refunding Bonds (College Hill)	Tax-Exempt	12/14/10	2.000 - 3.600	5,805,000	2/15 & 8/15	8/15	5,405,000	200,000	-	-	5,205,000
2011A	Full Faith and Credit STAR Bonds (Heartland Park) ³	Tax-Exempt	09/20/11	2.000 - 3.250	9,855,000	2/15 & 8/15	8/15	9,465,000	375,000	-	-	9,090,000
Subtotal Other General Obligation Bonds					15,660,000			14,870,000	575,000	-	-	14,295,000
TOTAL GENERAL OBLIGATION BONDS					\$ 251,335,000			\$ 163,955,000	\$ 12,695,000	\$ 20,585,000	\$ 35,125,000	\$ 165,800,000
Utility Revenue Bonds												
2005A	Combined Utility Improvement Revenue Bonds	Tax-Exempt	12/08/05	4.000 - 7.500	14,875,000	2/1 & 8/1	8/1	\$ 13,025,000	\$ -	\$ 270,000	\$ -	\$ 12,755,000
2006A	Combined Utility Refunding Revenue Bonds	Tax-Exempt	10/18/06	4.250 - 4.375	32,375,000	2/1 & 8/1	8/1	32,375,000	-	32,375,000	-	-
2006B	Combined Utility Refunding Revenue Bonds	Tax-Exempt	10/18/06	4.000 - 5.000	22,600,000	2/1 & 8/1	8/1	19,135,000	-	815,000	-	18,320,000
2007B	Combined Utility Improvement and Refunding Bonds	Tax-Exempt	07/17/07	4.625 - 4.75	5,210,000	2/1 & 8/1	8/1	5,210,000	-	-	-	5,210,000
2007C	Taxable Combined Utility Improvement Revenue Bonds	Taxable	07/17/07	6.000	2,140,000	2/1 & 8/1	8/1	1,935,000	55,000	-	-	1,880,000
2010A	Taxable Combined Utility Improvement Revenue Bonds	Taxable	09/22/10	4.550 - 4.900	985,000	2/1 & 8/1	8/1	985,000	-	-	-	985,000
2010B	Taxable Combined Utility Improvement Revenue Bonds	Taxable	09/22/10	5.100 - 5.250	9,155,000	2/1 & 8/1	8/1	9,155,000	-	-	-	9,155,000
2010C	Taxable Combined Utility Improvement Revenue Bonds	Taxable	09/22/10	3.75	85,000	2/1 & 8/1	8/1	85,000	-	-	-	85,000
2011A	Combined Utility Improvement and Refunding Bonds	Tax-Exempt	09/29/11	2.000 - 4.500	18,900,000	2/1 & 8/1	8/1	18,790,000	35,000	-	-	18,755,000
2012A	Combined Utility Refunding Revenue Bonds	Tax-Exempt	06/12/12	3.000 - 3.500	22,045,000	2/1 & 8/1	8/1	21,855,000	-	1,195,000	-	20,660,000
2013A	Combined Utility Refunding Revenue Bonds	Tax-Exempt	05/21/13	1.500 - 5.000	35,985,000	2/1 & 8/1	8/1	-	-	-	35,985,000	35,985,000
Subtotal Utility Revenue Bonds					164,355,000			122,550,000	90,000	34,655,000	35,985,000	123,790,000
Other Revenue Bonds (See Footnotes)												
2011	Sales Tax Refunding Revenue Bonds (Blvd Bridge) ³	Tax-Exempt	10/27/11	2.000 - 4.000	14,610,000	6/15 & 12/15	12/15	11,865,000	2,855,000	-	-	9,010,000
Subtotal Other Revenue Bonds					14,610,000			11,865,000	2,855,000	-	-	9,010,000
TOTAL REVENUE BONDS					\$ 178,965,000			\$ 134,415,000	\$ 2,945,000	\$ 34,655,000	\$ 35,985,000	\$ 132,800,000
TOTAL BONDED INDEBTEDNESS OF THE CITY					\$ 430,300,000			\$ 298,370,000	\$ 15,640,000	\$ 55,240,000	\$ 71,110,000	\$ 298,600,000
KDHE Revolving Loan (WPC)			01/27/93	3.110 - 3.660	110,215,967	12/1 & 6/1	12/1 & 6/1	53,969,832	7,139,238	-	-	46,830,594
KDHE Revolving Loan (Water)			04/06/98	2.500 - 3.750	33,182,304	12/1 & 6/1	12/1 & 6/1	18,154,106	1,464,861	-	552,040	17,241,285
TOTAL REVOLVING LOANS					\$ 143,398,271			\$ 72,123,938	\$ 8,604,099	\$ -	\$ 552,040	\$ 64,071,879
2012A	Temporary Notes	Tax-Exempt	09/27/12	1.000	16,540,000	At Maturity	10/01/13	16,540,000	292,923	16,247,077	-	-
2013A	Temporary Notes	Tax-Exempt	09/30/13	1.000	24,585,000	At Maturity	10/01/14	-	-	-	24,585,000	24,585,000
TOTAL TEMPORARY NOTES					\$ 41,125,000			\$ 16,540,000	\$ 292,923	\$ 16,247,077	\$ 24,585,000	\$ 24,585,000
TOTAL INDEBTEDNESS OF THE CITY					\$ 614,823,271			\$ 387,033,938	\$ 24,537,022	\$ 71,487,077	\$ 96,247,040	\$ 387,256,879

Other General Obligation Bonds (See Footnotes)

Other Revenue Bonds (See Footnotes)

2010 - Property and sales tax increment.

2011 - Funding comes from the .5% (1/2 percent) sales tax revenue.

2011A - Become general obligation bonds if STAR revenues become inadequate.

City of Topeka, Kansas
Schedule of Temporary Notes Outstanding by Project
December 31, 2013

Project Purpose/Description	Project Number	Project Amount Financed
SE 10th St over Shunga Creek	12045.00	\$ 225,598
Restroom/Concession Sunflower Soccer	131022.00	1,494,548
Fire Station #13	131023.00	3,508,098
Traffic Signal - 4 intersections	141012.00	612,167
Retention Pond - Laurens	151001.00	101,621
Pond Repair - Laurens Bay	151011.00	1,321,072
Citywide Infill Sidewalks	241016.00	348,728
Water Ext Laurens Bay #1	281004.00	812,967
Water Main Kanza Education Park	281062.00	475,960
Quarantine Facility	301041.00	498,182
San Sewer 3249 NW Lower Silver Lake Rd	401011.00	18,442
San Sewer Bear Lake - Vineyard	401017.00	330,361
San Sewer Sunflower Soccer	401034.00	498,182
San Sewer Kanza Education Park	401039.00	666,496
Lauren Bay Estate Street	60632.01	5,385,908
St Improvement SW Kingsrow Rd	601008.00	2,032,419
Kansas Ave 7th to 9th	601020.01	498,182
NIA Chesney/Ward Meade	601028.00	697,455
NIA Highland Park/Hi-Crest	601029.00	697,455
Street Improvement Kanza Education Park	601030.00	697,455
NE Seward Ave Streetscape	601034.00	249,091
SE 21st St California to Carnahan	601035.00	398,546
SW 29th & I-470 Intersection	70123.01	1,151,324
Rehab Water Treatment Plant	281000.03	848,534
Oakland Wastewater Biofilter	291015.00	1,016,209
Total aggregate principal outstanding		<u>\$ 24,585,000</u>

Note: On September 30, 2013, the City issued its Series 2013-A Temporary Notes in the principal amount of \$24,585,000. The 2013-A Notes were purchased by Wells Fargo Bank, NA, bear interest at 1.00%, and are scheduled to mature on October 1, 2014.

City of Topeka, Kansas
Debt Service Payments to Final Maturity
Revenue bonds
December 31, 2013

Combined Utility Scheduled Debt Service					
Year Ending	Principal Amount Due	Interest Amount Due	Total Annual Debt Service	Bond Balance	Cumulative % of Total Bonds Retired at Year End
2014	\$ 3,555,000	\$ 4,927,381	\$ 8,482,381	\$ 120,235,000	2.87%
2015	4,415,000	4,544,478	8,959,478	115,820,000	6.44%
2016	4,620,000	4,335,303	8,955,303	111,200,000	10.17%
2017	4,795,000	4,168,678	8,963,678	106,405,000	14.04%
2018	4,960,000	4,006,428	8,966,428	101,445,000	18.05%
2019	5,140,000	3,831,628	8,971,628	96,305,000	22.20%
2020	5,655,000	3,624,953	9,279,953	90,650,000	26.77%
2021	5,750,000	3,418,690	9,168,690	84,900,000	31.42%
2022	5,865,000	3,175,390	9,040,390	79,035,000	36.15%
2023	5,905,000	3,017,790	8,922,790	73,130,000	40.92%
2024	7,255,000	2,849,715	10,104,715	65,875,000	46.78%
2025	7,315,000	2,604,283	9,919,283	58,560,000	52.69%
2026	7,395,000	2,366,463	9,761,463	51,165,000	58.67%
2027	7,635,000	2,072,314	9,707,314	43,530,000	64.84%
2028	7,905,000	1,786,408	9,691,408	35,625,000	71.22%
2029	5,730,000	1,515,443	7,245,443	29,895,000	75.85%
2030	5,580,000	1,296,230	6,876,230	24,315,000	80.36%
2031	5,630,000	1,083,973	6,713,973	18,685,000	84.91%
2032	4,330,000	867,073	5,197,073	14,355,000	88.40%
2033	4,445,000	687,906	5,132,906	9,910,000	91.99%
2034	2,350,000	500,859	2,850,859	7,560,000	93.89%
2035	2,055,000	384,134	2,439,134	5,505,000	95.55%
2036	1,365,000	278,306	1,643,306	4,140,000	96.66%
2037	1,200,000	211,394	1,411,394	2,940,000	97.63%
2038	1,000,000	150,600	1,150,600	1,940,000	98.43%
2039	910,000	99,900	1,009,900	1,030,000	99.17%
2040	905,000	52,625	957,625	125,000	99.90%
2041	125,000	5,313	130,313	0	100.00%
TOTALS	\$ 123,790,000	\$ 57,863,652	\$ 181,653,652		

City of Topeka, Kansas
Schedule of Industrial Revenue Bonds by Obligee (1)
December 31, 2013

Obligated Entity or Purpose	Interest Rates	Issue Date	Final Maturity	Original Principal Amount	Principal Outstanding 01/01/2013	Issued	Retired	Principal Outstanding 12/31/2013
Brewster Place**	2.50 - 5.50%	05/15/04	06/01/24	12,000,000	8,500,000	-	8,500,000	-
Brewster Place**	2.90-6.00%	07/28/10	06/01/35	9,765,000	9,535,000		315,000	9,220,000
Brewster Place	Variable	02/25/13	06/01/25	10,000,000	-	10,000,000	-	10,000,000
Great Plains Hotel**	Variable	12/01/88	10/01/13	4,300,000	415,000	-	415,000	-
Sunwest Hospital**	Variable	05/01/88	07/09/17	5,500,000	1,860,000	-	405,000	1,455,000
YMCA - refunding	4.00 - 6.00%	09/07/11	09/01/31	7,055,000	7,055,000	-	255,000	6,800,000
				\$ 48,620,000	\$ 27,365,000	\$ 10,000,000	\$ 9,890,000	\$ 27,475,000

(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...".

**The ending balances for 2012 were updated

City of Topeka, Kansas
Schedule of Special Assessment Debt
December 31, 2013

Collection Year	Assessment Levy	Current Collections (1)	Percent of Levy Collected	Amount of Delinquency
2004	1,158,760	1,137,900	98%	31,721
2005	1,095,507	1,059,891	97%	29,674
2006	1,192,349	1,165,207	98%	45,734
2007	1,242,119	1,204,763	97%	1,965
2008	1,259,843	1,211,334	96%	13,455
2009	1,657,355	1,373,257	83%	28,182
2010	1,716,269	1,352,945	79%	73,522
2011	1,730,066	1,486,381	86%	280,583
2012	2,176,590	1,879,022	86%	206,962
2013	2,310,602	1,793,593	78%	65,389
2014-2018	11,442,577	-		-
2019-2023	10,836,969	-		-
2024-2028	8,037,447	-		-
2029-2033	1,732,376	-		-

(1) Collections and assessments include interest

General Obligation bonds are issued to fund the special assessment projects for paving, sewer and water mains of the City. Therefore all debt payments are backed by the full faith and credit of the City. Consequently there is no reserve or sinking fund established to cover property owner defaults.

Assessments are payable in twenty equal annual installments with accrued interest.

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

Average Annual Non-Farm Employment Distribution										
Topeka MSA										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Non-Farm	111,900	110,700	109,900	110,500	112,500	109,000	109,200	109,000	109,500	110,200
Goods-Producing	14,300	14,800	12,800	13,300	13,600	12,500	12,000	12,200	12,700	12,700
Service-Providing	97,600	95,900	97,100	97,200	98,900	96,500	97,200	96,800	96,800	97,500
Private Service-Providing	68,900	67,800	67,900	68,800	69,700	68,200	68,400	68,800	69,400	70,700
Government	27,900	28,300	27,900	28,400	29,200	28,300	28,800	28,000	27,400	26,800

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.

2012 updated to reflect current numbers provided by Kansas Department of Labor.

Unemployment rates										
Topeka MSA										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Topeka MSA	6.10%	5.60%	4.80%	4.60%	4.90%	7.10%	7.20%	6.90%	6.30%	6.00%
Kansas	5.50%	5.10%	4.40%	4.10%	4.40%	7.10%	7.10%	6.50%	5.70%	5.40%
United States	5.40%	5.10%	4.60%	4.60%	5.80%	9.30%	9.60%	8.90%	8.10%	7.40%

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.

City of Topeka, Kansas

Capital Improvement Program 2013-2017

Adopted Adopted Adopted Adopted Adopted
2013 2014 2015 2016 2017

Enterprise Funded Projects

Pub Wrks/Water Pollution Control Fund					
Oakland Secondary Digester Lid Rpl	5,976,900				
South Kansas Pump Station - Ph. II	-	-	-	752,724	-
Ash Street P Electrical Upgrades	200,000				
Oakland CSO Reduction Phase 1	2,000,000				
Sewer Line Replacement Program (I&I)	1,000,000	1,000,000			
Oakland WWTP Solids Handling	-	-	-	-	-
Oakland WWTP Solids Handling Revised	-	500,000	-	-	-
Eastside IS-CIPP CSO #7 to Ash St PS	-	3,500,000	-	-	-
Wastewater Replacement Program	-	-	1,000,000	1,500,000	2,000,000
CSO #3 to Oakland - Eval and Lining	-	-	1,000,000	-	-
Adams St Cleaning Inspection Repair/Lining	-	-	625,107	-	-
Oakland WWTP - Headworks Generator	-	-	-	850,000	-
Adams St IS Rehabilitation	-	-	-	2,000,000	-
Lining Repairs - NTWWTP and Wanamaker PS	-	-	-	-	1,500,000
NTWWTP Solids Handling - South Wall Replace	-	-	-	-	1,500,000
Subtotal Water Pollution Control	9,176,900	5,000,000	2,625,107	5,102,724	5,000,000
Public Works/Stormwater Fund					
Levee System Rehab	-	-	-	-	-
Levee Certification	750,000	-	-	-	-
Flood Protection Relief Well Rehab	1,239,300				
SE 29th St Piping Replacement-Phase II	-	900,000	-	-	-
Topeka Blvd, 16th to Hampton	2,500,000				
City Park Pump Station Ph II	-	1,500,000	1,384,700	-	-
Storm Conveyance System Rehab.	-	-	2,500,000	3,000,000	3,500,000
Kansas River Levee Sys Rehab - Phase II	-	-	-	8,925,000	-
Levee Repairs	-	-	-	5,300,500	-
Adams St IS SW Removal	-	-	-	3,000,000	-
Subtotal Stormwater	4,489,300	2,400,000	3,884,700	20,225,500	3,500,000
Public Works/Water Fund					
Waterline Ext- Fairlawn to 41st & Wana	-	2,500,000	-	-	-
Layne Station SCADA	2,500,000	-	-	-	-
Water Main Replacement Program	2,500,000	2,000,000	2,000,000	2,500,000	3,000,000
Water Treatment Plant Rehabilitation	-	-	-	800,000	-
California from 33rd to 41st Street	-	-	1,464,400	-	-
37th St. - Kentucky to California	-	-	-	1,558,700	-
South Elevated Tank - SE 41st ST	-	-	-	4,025,500	-
SW 37th ; Gage - East Ph I	-	-	605,738	-	-
SW 37th ; Gage - East Ph II	-	-	-	618,008	-
Topka Blvd - University to Ormsby	-	-	-	-	1,744,400
Indian Hills Rd - SW 29th to SW 21st	-	-	-	-	3,110,100
Crane at Jefferson - East to Seward/Strait	-	-	4,157,000	-	-
Booster Pump Station	-	-	-	-	550,000
Subtotal Water	5,000,000	4,500,000	8,227,138	9,502,208	8,404,500
Total Enterprise Fund	18,666,200	11,900,000	14,736,945	34,830,432	16,904,500

Source City Finance

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GOVERNMENTAL AUDIT SECTION

City of Topeka, Kansas
Schedule of Expenditures of Federal Awards - Continuing
For the Year Ended December 31, 2013

Grantor Agency	Federal CFDA Number	Grant Number	Current Year Expenditures	Amount Passed Through to Subrecipients
Executive Office of the President-National Drug Control				
Passed Through Kansas Bureau of Investigation:				
Topeka Regional Task Force- High Intensity Drug Trafficking	95.001	G12MW0003A	\$ 4,822.76	-
Topeka Regional Task Force- High Intensity Drug Trafficking	95.001	G13MW0003A	9,764.59	-
Total Executive Office of the President-National Drug Control			14,587.35	-
U.S. Department of Homeland Security				
Assistance to Firefighters Grant-2011	97.044	EMW-2011-FO-08222	9,949.35	-
Total U.S. Department of Homeland Security			9,949.35	-
U.S. Department of Housing and Urban Development				
CDBG Entitlement Grants Cluster:				
Community Development Block Grant 2010	14.218	B-10-MC-20-0003	27,492.23	-
Community Development Block Grant 2011	14.218	B-11-MC-20-0003	10,336.50	-
Community Development Block Grant 2012	14.218	B-12-MC-20-0003	89,205.09	-
Community Development Block Grant 2013	14.218	B-13-MC-20-0003	1,691,985.77	194,999.96
Economic Development Initiative-2008	14.251	B-08-SP-KS-0159	49,174.38	-
Continuum of Care Program 2013	14.267	KS0022L7P031205	991,013.61	-
Emergency Solutions Grants:				
Emergency Solutions Grant 2011	14.231	S-11-MC-20-0003	32,610.00	32,610.00
Emergency Solutions Grant 2012	14.231	E-12-MC-20-0003	72,462.38	71,670.46
Emergency Solutions Grant 2013	14.231	E-13-MC-20-0003	14,178.04	5,382.04
Home Investment Partnerships Program:				
Home Investment Partnerships Program 2009	14.239	M-09-MC-20-0203	18,914.14	18,914.14
Home Investment Partnerships Program 2010	14.239	M-10-MC-20-0203	695.00	-
Home Investment Partnerships Program 2011	14.239	M-11-MC-20-0203	31,214.50	-
Home Investment Partnerships Program 2012	14.239	M-12-MC-20-0203	255,644.01	60,026.00
Home Investment Partnerships Program 2013	14.239	M-13-MC-20-0203	308,375.66	24,000.00
Shelter Plus Care Grant 2012	14.238	KS0022C7P031104	478,819.77	-
Passed Through Kansas Department of Commerce:				
Neighborhood Stabilization Program 2009	14.228	09-NSP-019	17,813.35	-
Total U.S. Department of Housing and Urban Development			4,089,934.43	407,602.60
U.S. Department of Justice				
JAG Program Cluster:				
Byrne Memorial Justice Assistance Grant Program 2010	16.738	2010-DJ-BX-1458	1.10	1.10
Byrne Memorial Justice Assistance Grant Program 2012	16.738	2012-DJ-BX-0214	21,507.61	43,004.30
Byrne Memorial Justice Assistance Grant Program 2013	16.738	2013-DJ-BX-0811	38,239.00	-
ARRA-COPS Hiring Recovery Program	16.710	2009RKWX0362	206,563.52	-
Passed Through Office of the Governor:				
Federal Victims of Crime Act 2013	16.575	13-VOCA-44	35,119.00	-
Federal Victims of Crime Act 2014	16.575	14-VOCA-47	10,247.00	-
Total U.S. Department of Justice			311,677.23	43,005.40

The accompanying notes are an integral part of this schedule.

City of Topeka, Kansas
Schedule of Expenditures of Federal Awards - Continued
For the Year Ended December 31, 2013

Grantor Agency	Federal CFDA Number	Grant Number	Current Year Expenditures	Amount Passed Through to Subrecipients
U.S. Department of Transportation				
Passed Through Kansas Department of Transportation:				
Deer Creek Trail 6th-10th	20.205	TE-0263-01	-4,541.13	-
Passed Through Kansas Department of Transportation:				
Highway Safety Cluster:				
Alcohol Impaired Driving Countermeasures Incentive Grants-13	20.601	AL-9082-13	6,846.04	-
Alcohol Impaired Driving Countermeasures Incentive Grants-14	20.601	AL-9082-14	502.25	-
Occupant Protection Incentive 2013	20.602	OP-1470-13	3,264.51	-
State and Community Highway Safety 2013	20.600	OP-993-13	23,512.23	-
State and Community Highway Safety 2014	20.600	OP-0993-14	7,588.20	-
Consolidated Planning Grant 2013	20.205	L-0132-13	129,104.73	-
Total U.S. Department of Transportation			166,276.83	-
U.S. Health and Human Services				
Passed Through Shawnee Regional Prevention & Recovery Serv.:				
Substance Abuse & Mental Health Services	93.243		4,978.06	-
Total U.S. Health and Human Services			4,978.06	-
U.S. National Park Service				
Passed Through Kansas Historical Society:				
Historic Preservation Fund Program	15.904	20-12-41924-009	23,100.00	-
Total U.S. National Park Service			23,100.00	-
Total Expenditures for Federal Awards			\$ 4,620,503.25	\$ 450,608.00

The accompanying notes are an integral part of this schedule.

CITY OF TOPEKA, KANSAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2013

Note 1. Organization

The City of Topeka, Kansas (the City), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the schedule of Expenditures of Federal Awards.

Note 2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City, and is presented on the modified accrual basis of accounting. The information presented in this schedule is in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Local Government Contributions

Local cost sharing, as defined by the Office of Management and Budget Circular A-102 is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at December 31, 2013.

Note 5. Outstanding Loans

The City has outstanding loans under the EPA Capitalization Grant for clean water from the State Revolving Loan Fund CFDA No. 66.458 totaling \$64,071,878 at December 31, 2013.

CITY OF TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUING
Year Ended December 31, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X Yes No

Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) 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: Unmodified

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:

CFDA Number(s)

Name of Federal Program or Cluster

20.205
14.267
14.218

Highway Planning and Construction
Continuum of Care Program
Community Development Block Grants

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

CITY OF TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
December 31, 2013

Section 2 – Financial Statement Findings

Summary Schedule of Current Year Audit Findings

12-01 – Financial Reporting – Material Weaknesses

Criteria

Management is responsible for establishing, maintaining and monitoring internal controls over financial reporting, and for the fair presentation of the financial statements and related notes in conformity with U.S. generally accepted accounting principles. Management is also responsible for ensuring that all transactions are properly authorized, captured, and reported in the financial statements.

Under professional standards, we have to assess the City's capability of preparing the financial statements including assessing the skills and competencies necessary to prevent or detect and correct a material misstatement. A system of internal control over financial reporting includes controls over financial statement preparation, including footnote disclosures. Control deficiencies exist when the City does not have controls over preparation of the financial statements which would prevent or detect and correct a misstatement in the financial statements.

Condition/Cause

While performing our procedures, we determined that a substantial number of adjustments were required to the financial statements. These adjustments arose, in part, because of the following deficiencies in internal control over financial reporting and other circumstances. We consider these deficiencies, both individually and in the aggregate, to constitute material weaknesses in internal control over financial reporting.

- The City entered into a lease agreement in December 2012 and the proceeds of the lease agreement were placed in a bank account under the City's tax identification number. The cash received for the lease proceeds and the capital lease liability were not properly recorded in the City's 2012 financial statements. In addition, this particular lease agreement was omitted from the City's financial statement lease disclosure note within the notes to the City's financial statements. While performing our audit procedures, it was determined that a prior period adjustment was required in the City's financial statements for this lease omission. The City entered into a similar lease agreement in December 2013 and the cash received and the lease proceeds for this particular lease were not recorded in the original trial balance received from the City. The effect of the omission of the current year lease transaction was a material audit adjustment to the City's trial balance.
- During our audit of the City's bank reconciliation process, we noted the reconciled bank balance, per the pooled cash fund did not agree to the total amount of cash held in each of the City's funds. A material journal entry was required to properly record cash, accounts payable and accounts receivable in each of the City's funds. The cause of this particular entry is due to the mechanics of how the City's general ledger system processes accounts payable throughout the year. An accumulation of accounts payable occurs in the pooled cash fund that requires a journal entry to properly record this accumulation of cash and accounts payable in the individual City funds. At December 31, 2013, this accumulation exceeded \$5 million. A journal entry to properly distribute cash and accounts payable from the pooled cash fund should be performed at least monthly to assist management in the review of the City's monthly financial statements. In addition, a complete summary list of bank balances and reconciling items should be prepared that includes all City bank and investment accounts and this bank and investment summary should be reconciled back to the City's cash held in the City's individual funds.
- We noted that the City is still experiencing difficulties in reconciling account balances to subsidiary ledgers. Particularly, the combined utility funds required significant adjustments to several general ledger accounts

receivable balances in order to reconcile to the aged trial balance and other subsidiary ledgers. Accounts receivable per the general ledger is not reconciled back to an aging report by customer on a monthly basis. Adjustments to these accounts receivable general ledger accounts are done through both journal entries directly to the general ledger and adjustments through the subsidiary ledgers. Adjusting these amounts should be consistently done through the subsidiary ledgers and a reconciliation to a detailed aging report by customer should be done monthly.

- Municipal court accounts receivable per the general ledger is not currently reconciled to a subsidiary detailed ledger of receivables by individual.
- We noted that the water utility fund's water work in process inventory account per the general ledger is not being properly adjusted after work orders are completed. A detailed list of open work orders could not be provided during the audit. This particular account should be reconciled to a detailed list of open work orders monthly.
- We noted that the utility fund's customer deposit accounts per the general ledger are not supported by detailed listings of customer deposits payable. Each of the three deposit accounts should be properly supported with detailed customer listings.
- Reconciliations of significant accounts, including deferred amounts on refunding, amortization of bond premiums and discounts, and accounts receivable required under GAAP, were either not made timely or were not made completely and accurately in the original trial balance received from the City.
- Management does not have a complete process in place to ensure that the trial balance used in the financial statement preparation process is final and contains all required journal entries.
- Throughout the year, numerous individuals have the ability to create and post journal entries. A formal journal entry creation, review and approval process is not in place to ensure journal entries posted to the general ledger are correct and the desired effect is obtained.

Effect

A significant number of adjustments were required that are material to the financial statements that were not recorded in the original trial balance provided to us at the beginning of our audit or were not identified by the City's internal controls over financial reporting. A significant number of the required adjustments were only identified as the auditor's began the initial review of the provided audit schedules. Only after this audit review and audit notification to the City, were adjustments made to correct the general ledger and provided audit schedules.

Recommendation

Due to the complexities of accounting for many of the City's transactions, we recommend that management explore various alternatives for improving the controls over financial reporting including assessing its personnel needs and evaluating if the City has the necessary number of experienced and knowledgeable personnel required to undertake the City's financial reporting objectives. Detailed job descriptions for each accountant within the organization should be created, reviewed and approved and updated at least annually. We also recommend that management consider the use of continuing professional education seminars and other training courses and reference guides to assist personnel in their understanding and application of generally accepted accounting principles.

We suggest that management evaluate and revise internal controls over identifying and recording non-routine accounting transactions including enhancing interdepartmental communications. A process to create, review and approve adjustments to the general ledger should be created and implemented. Part of this process should be the requirement that the ability to post adjustments to the general ledger reside, only, in the central accounting department. While decentralized department accountants should have the ability to create journal entries, those entries should only be posted after the thorough review and approval by the central accounting department.

We also suggest that management review the processes, procedures, and controls used to prepare reconciliations and accruals. Significant accounts, including bank accounts, accounts receivable, accounts payable and capital assets should be reconciled on a timely and monthly basis. Additionally, we suggest that management evaluate the

process used to complete the year end trial balance and revise policies procedures to ensure that all areas are reviewed and adjusted as part of this process.

Corrective Action Plan/Management's Response

Management is currently conducting a comprehensive review of internal controls and procedures for inside and outside the Department of Finance and Administration, with implementation and changes addressed by the start of the 2015 operating year. A consulting firm conducted a review of the organizational structure to determine if the City possesses appropriate staffing levels, management is currently reviewing the results and will make appropriate recommendations for action as needed. An emphasis will be placed on ensuring that staff has the training needed in order to assist in their understanding of generally accepted accounting principles. Key management positions were filled in early 2014, which will assist with addressing recommendations and implementing solutions moving forward.

Summary Schedule of Prior Year Audit Findings

12-01 Financial Reporting – Material Weaknesses

Condition

While performing our procedures, we determined that a number of adjustments were required to the financial statements. These adjustments arose, in part, because of the following deficiencies in internal control over financial reporting and other circumstances. We consider these deficiencies, both individually and in the aggregate, to constitute material weaknesses in internal control over financial reporting.

- The City has entered into a variety of contractual, intergovernmental and other agreements. The contractual requirements for some of these agreements are often complex, with events occurring that may require recording an accounting transaction often triggered by a non-cash transaction or event. These types of non-cash or non-routine accounting transactions are not always readily known or detected by finance personnel in the normal course of performing their assigned functions. While performing our audit procedures, it was determined that a prior period adjustment to the City's financial statements was necessary related to a damage claim that occurred in 2010 for which the City was liable but was not recorded in the general ledger.
- During our audit of the City's bank reconciliation process, we noted the reconciled bank balance did not agree to the general ledger. We also noted that the bank reconciliation process was not always completed in a timely manner.
- We noted that the City is still experiencing difficulties in reconciling account balances to subsidiary ledgers. Particularly, the combined utility funds required significant adjustments to several general ledger accounts receivable balances in order to reconcile to the aged trial balance and other subsidiary ledgers.
- We noted that the water utility fund bills the engineering department for material, labor and other costs incurred on certain City projects. At December 31, 2012, the water utility fund's accounts receivable due from the City's engineering department did not reconcile with the related interfund accounts payable balance. Upon further investigation management determined that a portion of the unrecorded balance was duplicate billings that should not have been included as an accounts receivable in the water utility fund and there were several old outstanding accounts receivable invoices that should be appropriately cleared from the books.
- Reconciliations of significant accounts, including deferred amounts on refunding, amortization of bond premiums and discounts, and accounts receivable required under GAAP, were either not made timely or were not made completely and accurately.
- Management does not have a complete process in place to ensure that the trial balance used in the financial statement preparation process is final and contains all required journal entries.

Effect

A significant number of adjustments were required that are material to the financial statements were not recorded on the original trial balance provided to us at the beginning of our audit or were not identified by the City's internal controls over financial reporting.

Recommendation

Due to the complexities of accounting for many of the City's transactions, we recommend that management explore various alternatives for improving the controls over financial reporting including assessing its personnel needs and evaluating if the City has the necessary number of experienced and knowledgeable personnel required to undertake the City's financial reporting objectives. We also recommend that management consider the use of continuing professional education seminars and other training courses and reference guides to assist personnel in their understanding and application of generally accepted accounting principles.

We suggest that management evaluate and revise internal controls over identifying and recording non-routine accounting transactions including enhancing interdepartmental communications.

We also suggest that management review the processes, procedures, and controls used to prepare reconciliations and accruals. Significant accounts, including bank accounts, accounts receivable, accounts payable and capital assets should be reconciled on a timely basis. Additionally, we suggest that management evaluate the process used to complete the year end trial balance and revise policies procedures to ensure that all areas are reviewed and adjusted as part of this process.

Current Year Status

Comment repeated as Finding 13-01.

Section 3 – Federal Award Findings and Questioned Costs

Summary Schedule of Current Year Audit Findings

No noted findings in the current year.

Summary Schedule of Prior Year Audit Findings

12-02 CDBG, CFDA No. 14.218 and Byrne Memorial Justice Assistance Grant CFDA No. 16.804 / 16.738 – Reporting

Criteria

Prime recipients are required to report the amount passed on to first-tier subrecipients under the Transparency Act.

Condition

The City does not have controls in place to report first-tier subawards required under the Transparency Act.

Cause

The City does not have controls in place to identify first-tier subawards that are required to be reported under the Transparency Act.

Effect

The City is not in compliance with the reporting requirements of the grant.

Questioned Costs

\$-0-

Recommendation

We recommend that the City develop formal procedures requiring employees to report all first-tier subawards in excess of \$25,000 to FSRS.gov as required by the Federal Funding Accountability and Transparency Act.

Current Status

Recommendation implemented

12-03 Highway Planning and Constructions, CFDA No. 20.205 – Special Tests and Provisions

Criteria

Proper controls over financial reporting include an adequate system for preparing the schedule of expenditures of federal awards (SEFA) including identifying those grants under the American Recovery and Reinvestment Act (Recovery Act).

Condition

The original SEFA provided to us did not properly identify grant funding received from the Recovery Act for the City's Landon Trail Extension Project.

Cause

The City does not have the proper controls implemented in identifying and reporting Recovery Act Funding separately on the SEFA as required. An amendment to the funding agreement changed the project funding from a non-recovery act sources to recovery act sources. This change was not known to City personnel responsible for preparing the SEFA.

Effect

Grant awards received from Recovery Act funds were not properly reported on the SEFA. The 2011 Single Audit Report has been reissued to include the Highway Planning and Construction program as a major program.

Recommendation

We recommend the City implement a process to better identify and report Recovery Act funding including enhanced communication between departments when grant funding is received or when funding changes occur.

Current Status

Recommendation implemented



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

Mayor and City Council
City of Topeka, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Topeka, Kansas (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as Finding 2013-1, to be material weaknesses.

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.

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Compliance and Other Matters

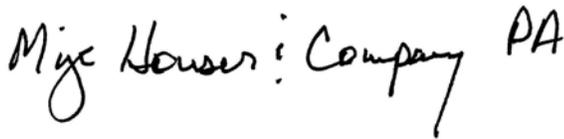
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mike Houser: Company PA". The signature is written in a cursive, slightly slanted style.

Certified Public Accountants

Lawrence, Kansas
July 30, 2014



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Mayor and City Council
City of Topeka, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of City of Topeka, KS (the City) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

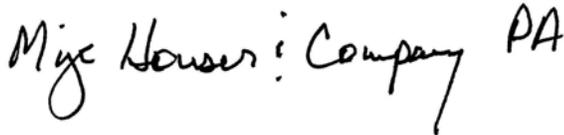
Report on Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 the internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in black ink that reads "Mike Houser: Company PA". The signature is written in a cursive style.

Certified Public Accountants

Lawrence, Kansas
July 30, 2014