



PURPOSE OF THE REPORT

The popular annual financial report is an unaudited summary report of the financial activities of the City and is prepared primarily from detailed information in the City's 2013 Comprehensive Annual Financial Report (CAFR), with selected information from CAFRs prepared for earlier years.

The CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and includes audited financial statements. As such, it provides much more detail as well as full disclosure of material events, both financial and non financial. The information in the CAFR by nature can be technical and complex and as such not as useful to citizens wishing to gain an understanding of the City's finances. The PAFR has been prepared to simplify the information in the CAFR and better inform the public about the overall financial condition of the City, without the heavy use of technical accounting terms or excessive detail. The PAFR is not intended to provide a complete financial picture of the City in accordance with GAAP.

THE CITY OF TOPEKA

Topeka is the capital city of Kansas and is the seat of Shawnee County. It is situated along the Kansas River in northeast Kansas. As of the 2010 census, the City's population was 127,476 and has shown a modest growth of 2.1 percent since 2000.

The City of Topeka operates under a council-manager form of government. The City is governed by a ten-member Governing Body, including a directly elected Mayor and a nine-member City Council, elected by district. 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 70/470, Interstate 35, US Highways 24, 40, 75 and Kansas Highway 4.



Copies of both the Popular Annual Financial Report (PAFR) and the Comprehensive Annual Financial Report (CAFR) are available online at www.topeka.org/administrative/financialreports.shtml, under the City Finances, Financial Reports section.



Popular Annual Financial Report

Fiscal Year Ended December
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Financial Highlights

The table below summarizes financial information that is detailed in the pages following and gives a wide overview of City finances for governmental and business-type funds. The City of Topeka maintains 24 governmental funds which account for the City's basic services including police, fire, road maintenance, general government, the zoo and public housing. The City has two enterprise funds: the combined Water, Wastewater and Stormwater Utility Fund, a major fund; and the Public Parking Facilities Fund, which is a non-major fund.

Financial Summary

(in thousands)

	2013	2012	2011
Net Position			
Assets plus Deferred Outflows	\$ 951,063	\$ 940,809	\$ 976,826
Liabilities plus Deferred Inflows	\$ 486,910	\$ 479,276	\$ 487,870
Total Net Position	\$ 464,153	\$ 461,533	\$ 488,956
Revenues			
Governmental Activities	\$ 146,394	\$ 145,920	\$ 147,814
Business-type Activities	\$ 64,187	\$ 71,020	\$ 66,065
Total Revenues	\$ 210,581	\$ 216,939	\$ 213,879
Expenses			
Governmental Activities	\$ 145,499	\$ 142,909	\$ 151,174
Business-type Activities	\$ 62,463	\$ 62,024	\$ 62,683
Total Expenses	\$ 207,962	\$ 204,933	\$ 213,856
Capital Assets			
Governmental Activities	\$ 367,425	\$ 386,572	\$ 419,892
Business-type Activities	\$ 352,139	\$ 354,657	\$ 360,601
Total Capital Assets	\$ 719,564	\$ 741,228	\$ 780,494
Long-Term Obligations			
Governmental Activities	\$ 188,265	\$ 191,558	\$ 200,775
Business-type Activities	\$ 204,295	\$ 210,428	\$ 219,075
Total Capital Assets	\$ 392,560	\$ 401,986	\$ 419,850

Glossary

Governmental Activities: Used to account for activities primarily supported by taxes, grants and similar revenue sources.

Business-type Activities: Used to account for activities that are primarily supported from user fee and charges for services.

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Net Position

The Balance Sheet, known as the Statement of Net Position in governmental financial statements, presents information concerning the City's assets and liabilities with the difference between the two reported as net position. Increases and decreases in net position serves as an indicator of the City's financial position and of the results of the City's operations.

The assets of the City exceeded its liabilities at the close of 2013 by \$464.1 million, an increase of .57% over 2012 year end. At the end of 2012, assets exceed liabilities by \$461.5 million, indicating that the City in 2013 improved its financial position. The largest portion of the City's net assets, \$369.6 million or 79.63%, consists of its investments in capital assets (land, building, land acquisition, monuments and fountains, machinery and equipment, and infrastructure) less any related debt used to acquire those assets that are still outstanding. An additional portion of the City's net position, \$57.6 million, represents resources that are subject to external or internal restriction as to how they may be used. The remaining balance of unrestricted net position, or \$36.9 million may be used to meet the government's ongoing obligations to citizens and creditors.

Statement of Net Position

(In thousands)

	2013		2012		Total	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities	2013	2012
Assets						
Current & Other Assets	\$ 149,671	\$ 73,984	\$ 116,959	\$ 77,188	\$ 223,655	\$ 194,146
Capital Assets	\$ 367,425	\$ 352,139	\$ 386,308	\$ 354,699	\$ 719,564	\$ 741,007
Total Assets	\$ 517,096	\$ 426,123	\$ 503,267	\$ 431,887	\$ 943,219	\$ 935,154
Deferred Outflows	\$ 4,159	\$ 3,684	\$ 4,488	\$ 1,167	\$ 7,843	\$ 5,655
Liabilities						
Long-Term Liabilities Outstanding	\$ 188,265	\$ 204,295	\$ 190,688	\$ 210,388	\$ 392,560	\$ 401,076
Other Liabilities	\$ 40,447	\$ 10,248	\$ 30,398	\$ 9,125	\$ 50,695	\$ 39,524
Total Liabilities	\$ 228,712	\$ 214,543	\$ 221,086	\$ 219,514	\$ 443,255	\$ 440,600
Deferred Inflows	\$ 43,655	\$ -	\$ 38,676	\$ -	\$ 43,655	\$ 38,676
Net Position						
Investment in Capital Assets	\$ 216,765	\$ 152,846	\$ 219,947	\$ 146,726	\$ 369,611	\$ 366,674
Restricted	\$ 29,643	\$ 27,985	\$ 25,442	\$ 26,887	\$ 57,628	\$ 52,329
Unrestricted	\$ 2,480	\$ 34,433	\$ 2,603	\$ 39,927	\$ 36,913	\$ 42,530
Total Net Position	\$ 248,888	\$ 215,264	\$ 247,993	\$ 213,540	\$ 464,152	\$ 461,533

Glossary

Investments in capital assets: Assets owned by the City including but not limited to land, machinery, and infrastructure.

Restricted: Assets that are subject to constraints by

creditors as debt, grants, laws or internal restrictions.

Unrestricted: Assets that have no restrictions and are available to meet ongoing needs.

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Revenues

Combined Statement of Revenues

	2013	2012
Program Revenues		
Charges for Services	\$ 72,069,344	\$ 79,033,715
Operating Grants and Contributions	\$ 4,397,512	\$ 11,016,057
Capital Grants and Contributions	\$ 16,455,997	\$ 15,383,844
General Revenues		
Property taxes	\$ 35,163,854	\$ 35,038,165
Sales taxes	\$ 50,278,644	\$ 49,071,293
Franchise fees	\$ 12,517,785	\$ 11,542,112
Motor fuel taxes	\$ 3,313,921	\$ 5,807,499
Payment in lieu of taxes	\$ 7,063,853	\$ 5,436,000
Other taxes	\$ 3,884,966	\$ 3,530,591
Interest Earnings & Miscellaneous	\$ 5,435,305	\$ 1,079,831
Total Revenues	\$ 210,581,181	\$ 216,939,107

The City receives the funding it needs to provide basic services to residents through a variety of sources. The table (left) presents a summary of City revenues by source for 2013 and 2012 including both governmental activities and business-type activities combined.

Overall, the City's total revenue decreased approximately 2.93% or \$6,357,926, primarily due to decreases in charges for services in business-type activities and reduction in operating grants and contributions. Reductions in charges for services were due to a wet summer in 2013, which reduced water usage. These two categories decreased 15.08% or \$13,582,916 from 2013 to 2012.

REVENUES BY SOURCE

The chart to the right shows total revenues by source, along with amount collected and the percent of total. Key revenue source descriptions are listed below:

Charges for Services: Resources paid to the City for services such as water, sewer, stormwater, licenses, parking and inspections

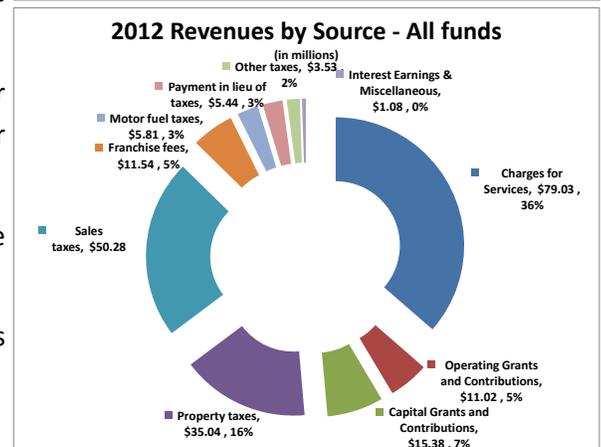
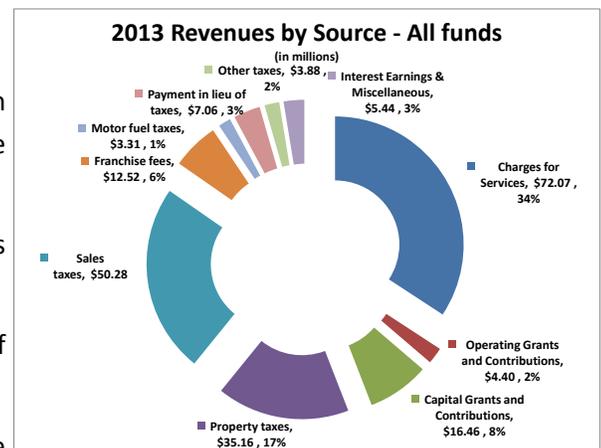
Sales Taxes: City's 1 cent citywide, 1/2 cent citywide and a portion of the 1/2 cent countywide tax

Property Taxes: Taxes collected from property owners on real estate and other equipment

Capital grants and Contributions: Received primarily from other governments and special assessments from property owners used for the construction of capital assets

Franchise Fees: Percent of revenue from utility companies for the use of the City's right of way in order to deliver utility services

Payment in lieu of taxes (PILOTS): PILOTS are property tax payments primarily for tax exempt properties



Glossary

Governmental Activities Revenue: Total governmental activities revenue for 2013 were \$146,393,908 compared to 2012 totals of \$145,919,573, or a .33% increase.

Business-type Activities Revenues: Total business-type activities revenues for 2013 were \$64,187,273, a decrease from 2012 revenues of \$71,019,534, or a 9.62% decrease.



Expenses

Combined Statement of Expenses

	2013	2012
Governmental Activities		
General Government	\$ 11,156,000	\$ 10,552,948
Public Safety	\$ 58,713,711	\$ 55,805,618
Public Works	\$ 61,257,941	\$ 57,800,789
Miscellaneous	\$ 2,295,172	\$ 4,130,507
Parks and Recreation	\$ 2,979,990	\$ 2,866,108
Public Housing	\$ 4,065,479	\$ 5,244,401
Social Services	\$ 580,973	\$ 677,925
Interest and Fiscal Charges	\$ 4,449,400	\$ 5,830,386
Total Governmental Activities	\$ 145,498,666	\$ 142,908,682
Business-type Activities		
Water, Water Pollution Control, Stormwater Utilities	\$ 59,356,712	\$ 58,978,600
Public Parking	\$ 3,106,590	\$ 3,045,521
Total Business-type Activities	\$ 62,463,302	\$ 62,024,121
Total Expenses	\$ 207,961,968	\$ 204,932,803

The City receives the funding it needs to provide basic services to residents through a variety of sources. The table (left) presents a summary of City expenditures by source for 2013 and 2012 including both governmental activities and business-type activities combined.

Overall, the City's total expenditures increased approximately 1.46% or \$3,029,165, primarily due to increases in public safety and public works in governmental activities.

EXPENSES BY SOURCE

The chart to the right shows total revenues by source, along with amount collected and the percent of total. Key expense source descriptions are listed below:

Public Works: Includes development services, forestry, engineering, administration, construction and maintenance of streets

Water, Water Pollution Control, Stormwater Utilities: Includes expenses for the water, wastewater and stormwater utilities.

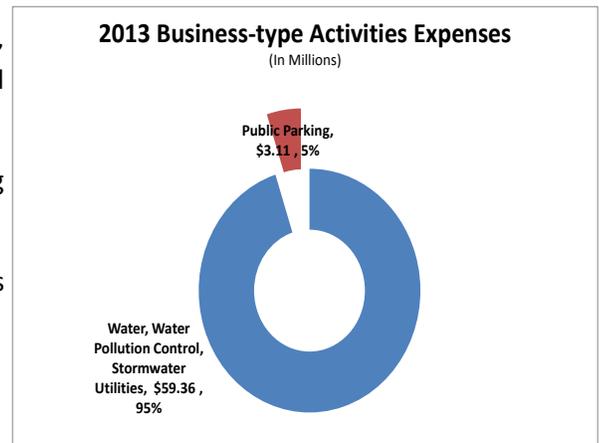
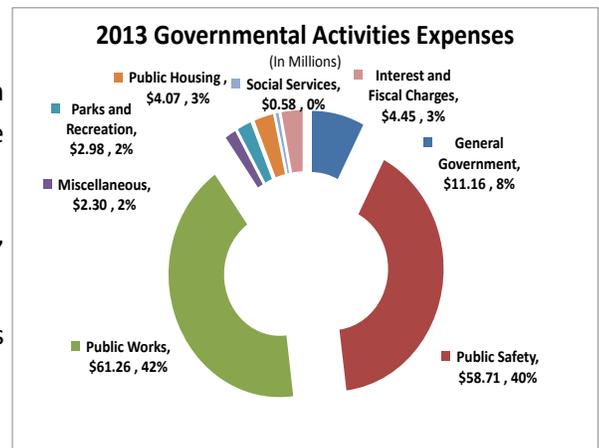
Public Safety: Fire and police

General Government: Includes services such as Mayor, City Council, Executive, Administration and Financial Services, City Attorney, and non-departmental

Public Housing: Includes services that are funded through operating grants such as Community Development Block Grants

Public Parking: Includes on-street public parking and parking garages throughout the City

Parks and Recreation: The Zoo



Glossary



Governmental Activities Expenses: Total governmental activities expenses for 2013 were \$145,498,666 compared to 2012 totals of \$142,908,682, or a 1.78% increase.

Business-type Activities Expenses: Total business-type activities expenses for 2013 were \$62,463,302, an increase from 2012 expenses of \$62,024,121, or a .71% increase.

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Capital Assets / Long-Term Obligations

Combined Statement of Capital Assets

CAPITAL ASSETS

	2013	2012
Capital Assets, not being depreciated:		
Land	\$ 5,365,002	\$ 5,365,002
Intangible easements	\$ 6,127,262	\$ 5,351,956
Construction in progress	\$ 43,893,258	\$ 40,543,131
Total not being depreciated	\$ 55,385,522	\$ 51,260,089
Capital Assets, being depreciated:		
Building improvements and infrastructure	\$ 653,989,119	\$ 678,302,769
Furniture	\$ 104,603	\$ 122,527
Vehicles	\$ 7,559,707	\$ 8,012,340
Software	\$ 272,753	\$ 818,258
Tools and equipment	\$ 2,252,311	\$ 2,712,333
Total being depreciated	\$ 664,178,493	\$ 689,968,227
Total Capital Assets	\$ 719,564,015	\$ 741,228,316

Delivering services to the citizens of Topeka requires more than just dollars. Many assets are also needed to keep the City running. In 2013, depreciated assets were valued at \$719 million, a decrease from 2012 assets valued at \$741 million or a 3.01% decrease. Capital assets that are not being depreciated increased by 8% or by \$4,125,433. Capital assets that are being depreciated decreased by 3.88% or by \$(25,789,734). This decrease is primarily due to a decrease in the value of building improvements and infrastructure, which is \$24,313,650 less in 2013 compared to 2012.

LONG TERM OBLIGATIONS

As of December 31, 2013, the City's long-term obligations totaled \$392,560,106, comprised of \$188,264,924 for governmental activities and \$204,295,183 for business-type activities. Of this total, \$35,813,463 is due within one

Statement of Long-term Obligations

	Governmental Activities		Business-type Activities		Totals	
	Payable Dec 31, 2013	Amounts Due Within One Year	Payable Dec 31, 2013	Amounts Due Within One Year	Payable Dec 31, 2013	Amounts Due Within One Year
General obligation bonds	\$ 140,034,715	\$ 13,261,698	\$ 11,470,285	\$ 348,302	\$ 151,505,000	\$ 13,610,000
Tax increment and other bonds	\$ 23,305,000	\$ 3,525,000	\$ -	\$ -	\$ 23,305,000	\$ 3,525,000
Less deferred amounts:						
For issuance premium	\$ 3,422,902	\$ -	\$ 291,070	\$ -	\$ 3,713,972	\$ -
For issuance discounts	\$ (45,555)	\$ -	\$ (1,483)	\$ -	\$ (47,038)	\$ -
Revenue Bonds			\$ 123,790,000	\$ 3,555,000		
Less deferred amounts:						
For issuance premium	\$ -	\$ -	\$ 3,183,360	\$ -	\$ 3,183,360	\$ -
For issuance discounts	\$ -	\$ -	\$ (189,279)	\$ -	\$ (189,279)	\$ -
State revolving loan	\$ -	\$ -	\$ 64,071,878	\$ 5,542,070	\$ 64,071,878	\$ 5,542,070
Other liabilities	\$ -	\$ -	\$ 220,000	\$ 44,000	\$ 220,000	\$ 44,000
Capital leases	\$ 4,178,138	\$ 1,576,537	\$ 213,446	\$ 75,103	\$ 4,391,584	\$ 1,651,640
OPEB liability	\$ 4,680,212	\$ -	\$ 344,093	\$ -	\$ 5,024,305	\$ -
Retirement incentive	\$ 170,613	\$ -	\$ -	\$ -	\$ 170,613	\$ -
Compensated absences	\$ 8,665,844	\$ 4,538,649	\$ 901,813	\$ 249,050	\$ 9,567,657	\$ 4,787,699
Park transfer obligations	\$ 3,098,054	\$ 3,098,054	\$ -	\$ -	\$ 3,098,054	\$ 3,098,054
Claims and judgments	\$ 755,000	\$ -	\$ -	\$ -	\$ 755,000	\$ -
Long Term Liabilities	\$ 188,264,923	\$ 25,999,938	\$ 204,295,183	\$ 9,813,525	\$ 392,560,106	\$ 35,813,463

year. The long-term obligations for the City include debt, other post employment benefit obligations, compensated absences and claims payable.

Glossary

OPEB: Other post employment benefits an employee will receive at the start of retirement.

State revolving loan: Loans from the Kansas Department of Health and Environment for

improvements related to water and sewer.

Park transfer obligation: Obligation on behalf of the City as part of transfer to County for park system.