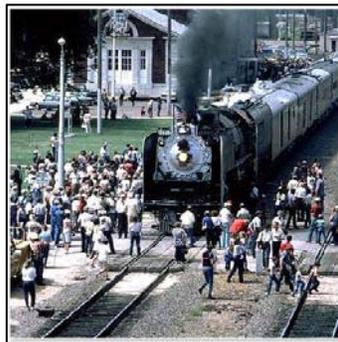


The City of Topeka, Kansas



Comprehensive Annual Financial Report

For the Year Ended



December 31, 2006

**City of Topeka, Kansas
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006**

Mayor

William W. Bunten, Mayor

City Council Members

<u>Name</u>	<u>District #</u>	<u>Current Term Expires</u>
John Alcala	2	April 2007
Clark R. Duffy	6	April 2007
Bill Haynes	5	April 2009
Sylvia Ortiz	3	April 2009
John Nave	4	April 2007
Lana Kennedy	1	April 2009
Jeff Preisner	8	April 2007
Richard Harmon	9	April 2009
Brett Blackburn	7	April 2009

Operations Administration

Norton N. Bonaparte Jr., City Manager

Prepared by Financial Services Department

James F. Langford, Director of Budget and Financial Services
Linda K. Wood, City Controller
Curtis R. Cox, City Treasurer
David B. Nelson, Accounting Manager
Tina M. Loyd, Senior Accountant
Amy Vail, Grant and General Accountant II
Deidre E. Chinn, Accounts Receivable and Utility Billings Specialist

City of Topeka, Kansas Comprehensive Annual Financial Report For the Year Ended December 31, 2006

Table of Contents

INTRODUCTORY SECTION

Table of Contents	i-iii
Letter of Transmittal	1-6
GFOA Certificate of Achievement	7
Mission Statement	8
Organization Chart	9
List of Principal Officials	10-11

FINANCIAL SECTION

Independent Auditors' Report	13-14
Management's Discussion and Analysis	15-26
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	27
Statement of Activities	28
Fund Financial Statements:	
Balance Sheet - Governmental Funds	29
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets	30
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Major Funds:	
General Fund	33
Parks and Recreation Fund	34
Special Street Repairs Fund	35
Statement of Net Assets - Proprietary Funds	36
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	37
Statement of Cash Flows - Proprietary Funds	38
Statement of Fiduciary Net Assets - Fiduciary Funds	39
Notes to the Financial Statements	41-63
Other Fund Statements and Schedules:	
Combining Balance Sheet - Non-major Governmental Funds	68-70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-major Governmental Funds	71-73
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Debt Service Fund	74
Bridges (From Inception)	75
Streets and Trafficways (From Inception)	76
Special Alcohol Program Fund	77
General Improvement Fund	78
Special Liability Expense Fund	79
Zoo Fund	80

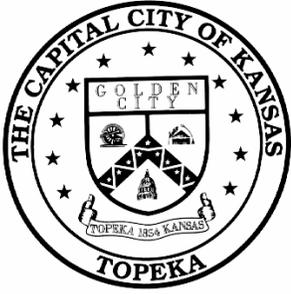
Table of Contents - (continued)

Transient Guest Tax Fund	81
Capital Projects Planning Fund	82
Unsafe Structure Removal Fund	83
Retirement Reserve Fund	84
KP & F Equalization Fund	85
Historic Asset Fund	86
½ % Sales Tax	87
Regional Planning Commission Fund	88
Schedules of Revenues, Expenditures, and Changes in Fund	
Balances - Budget and Actual, From Inception:	
Public Buildings and Facilities	89
Sanitary Sewers	90
Park Improvements	91
Combining Statement of Fiduciary Net Assets	94-95
Combining Statement of Net Assets – Non-major Enterprise Funds	98
Combining Statement of Revenues, Expenses, and Changes in Fund	
Net Assets - Non-major Enterprise Funds	99
Combining Statement of Cash Flows - Non-major Enterprise Funds	100
Combining Statement of Net Assets - Internal Service Funds	102
Combining Statement of Revenues, Expenses, and Changes in Fund	
Net Assets - Internal Service Funds	103
Combining Statement of Cash Flows - Internal Service Funds	104
Combining Statement of Net Assets - Risk Management Funds	105
Combining Statement of Revenues, Expenses, and Changes in Fund	
Net Assets - Risk Management Funds	106
Combining Statement of Cash Flows - Risk Management Funds	107
Capital Assets Used in the Operation of Governmental Funds with	
Prior year comparatives:	
Schedule by Source	108
Schedule by Function and Activity	109
Schedule of Changes by Function and Activity	110
 STATISTICAL SECTION	
Summary	111
Net Assets by Component	112
Changes in Net Assets	113-114
Fund Balances, Governmental Funds	115
Changes in Fund Balances, Governmental Funds	116
Tax Revenues by Source, Governmental Funds	117
Assessed Value and Estimated Actual Value of Taxable Property	118
Property Tax Levies and Collections	118
Direct and Overlapping Property Tax Rates	119
Principal Property Taxpayers	120
Ratios of Outstanding Debt by Type	121
Ratios of General Bonded Debt Outstanding	122
Direct and Overlapping Governmental Activities Debt	123
Legal Debt Margin Information	124
Pledged-Revenue Coverage	125
Schedule of Bonded Indebtedness by Category	126-127
Schedule of Temporary Notes Outstanding by Project	128
Debt Service Payments to Final Maturity - Revenue Bonds	129
Schedule of Industrial Revenue Bonds by Obligee	130
Demographic and Economic Statistics	131

Table of Contents - (continued)

Principal Employers	132
Full-time Equivalent City Government Employees by Function/Program	133
Operating Indicators by Function/Program	134
Capital Asset Statistics by Function/Program	135
SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal Awards	137-138
Notes to the Schedule of Expenditures of Federal Awards	139
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	141-142
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	143-144
Schedule of Findings and Questioned Costs	145-146
Follow-Up on Prior Year Findings and Questioned Costs	147

[This page is intentionally left blank.]



CITY OF TOPEKA

Norton N. Bonaparte, Jr., City Manager

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

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

July 16, 2007

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

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

The City Manager and the Department of Financial Services are pleased to submit the *Comprehensive Annual Financial Report* (the "CAFR") for the City of Topeka, Kansas, for the year ended December 31, 2006. This report is issued pursuant to State law, which requires publication of a complete set of annual financial statements presented in conformity with generally accepted accounting principles ("GAAP") and independently audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This CAFR is also published to provide the Mayor and City Council members, Topeka citizens, other City staff, City bondholders, and other interested parties with detailed information concerning the financial condition and activities of City government for the year ended December 31, 2006.

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

Wendling Noe Nelson & Johnson, LLC, an independent firm of licensed certified public accountants, audited the City's financial statements and issued an unqualified opinion that the City of Topeka's financial statements for the year ended December 31, 2006, are fairly presented in conformity with GAAP.

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

PROFILE OF THE CITY

The City of Topeka, Kansas, incorporated in 1857, is located in the northeastern part of the State and is the capital of Kansas and the county seat of Shawnee County. With a population of around 122,377, the City is the fourth largest city in Kansas. The land within the City covers slightly more than 60 square miles. The City is empowered to levy property tax on both real and personal properties located within its boundaries. It is also empowered by State statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body. In 2006, the City annexed .384 square miles of real estate.

The City of Topeka operated from 1985, until April 12, 2005, under the form of government known as the Strong Mayor-City Council-Chief Administrative Officer model. In November 2004, the citizens of Topeka voted to change the government to a Council-Manager form. Under this model, policy-making and legislative authority are vested in a governing Council consisting of the Mayor, who is a non-voting member, and nine other Council members, all elected on a non-partisan basis. The City at large elects the Mayor, and the nine Council members are elected by district to four-year, staggered terms, with three Council members elected bi-annually. The Council is responsible, among other things, for adopting ordinances and resolutions, adopting an annual budget, appointing certain officials of boards and committees, and selecting a City Manager.

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

The City of Topeka provides its citizens with those services proven to be necessary and meaningful, and which can be provided by the City most cost effectively. Major services provided under general governmental and enterprise functions are: police and fire protection; provision of safe drinking water; wastewater treatment and disposal services; public parking facilities; parks and recreational activities, including an 18-hole golf course and a zoo; street improvements and maintenance; economic development support; housing and neighborhood development programs; and general administrative services.

Internal services of the City, accounted for on a cost reimbursement basis, include: fleet services operations; information technology services; risk management activities; employees' health insurance administration; facilities maintenance and operations; and financial services, including cash management and investing, accounts payable processing, procurement and contract services, general ledger accounting and reporting functions, and debt issuance and management.

The annually adopted budget serves as the foundation for the City of Topeka's financial planning and control. The Council is required by State law to publish a proposed budget and notice of public hearing no later than August 10 of the prior year. Following the public hearing and consideration of amendments decreasing the proposed budget, the law requires the final, Council-adopted budget to be certified to the county clerk by August 25 of each year, for the purpose of levying taxes to fund the following year's authorized budget.

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

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

FACTORS AFFECTING THE CITY'S FINANCIAL CONDITION

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

Local Economy

The City of Topeka currently enjoys a relatively stable economy, in comparison to the nation. The strength of our local economy is attributed in large part to the fact that Topeka is the hub of a Metropolitan Statistical Area. The U.S. Bureau of the Census defines a Metropolitan Statistical Area as “...a core area containing a substantial population nucleus, together with adjacent communities having a high degree of social and economic integration with that core.” The Topeka Metropolitan Statistical Area (the “Topeka MSA”) includes not only all of Shawnee County, but also all of the adjacent counties of Jackson, Jefferson, Osage, and Wabaunsee. Well over half of Topeka MSA employers are service organizations, including State, local, and Federal government entities, but there are also a significant number of manufacturing and wholesale and retail trade employers.

Even though the City was hit with some news of a distribution center closing in early 2008, losing around 1,000 jobs, the City is still receiving the benefits of a Target retail stores' distribution center, which opened in Topeka in 2004. The regional facility serves 80 to 90 stores in a multi-state area extending far beyond Topeka and employs about 600 people. The 190th Air Refueling Wing stationed at Topeka's Forbes Air Base is going strong and employes around 900 personnel. A local manufacturer has been sold and expected to increase the number of jobs, by about 130 positions over the next few years. Topeka was chosen as a site for Alorica, Inc., which offers call center services and logistics solutions, early in 2007. This has the potential of up to 1,000 full-time positions in the long-term.

Heartland Park Topeka (HPT), a National Hot Rod Association sanctioned race facility hosted the 2006 Sports Car Club of America national run-offs and events such as road racing, drag racing, and dirt track racing along with many other events throughout the year. Another tourist destination is the recently completed Great Overland Station, a restoration and enhancement of the historic, former Union Pacific Railroad depot north of the Kansas River, which is pictured on the front cover.

Construction began for the redevelopment in one of the City's deteriorating neighborhoods in 2006 and estimated completion in the fall of 2007. The private developer was

successful in gaining a commitment for partial funding through tax increment financing bonds issued by the City in 2006. For more information about this, please refer to the discussion in the *Notes to the Financial Statements, Long-term debt* on page 58.

Long-Term Financial Plans

As indicated in the City's long-term capital budget, Topeka intends to spend significant amounts for infrastructure improvements over the next several years. In the four-year period from 2007 through 2010, nearly \$78.7 million worth of additions and improvements to the City's Combined Utility systems are anticipated in the Council-adopted Capital Improvement Budget (the CIB). Those projects are expected to be funded by a combination of revenue bond financing, operating dollars, and loans from the Kansas Department of Health and Environment's State Revolving Loan funds.

Another significant project endorsed in the 2006 CIB is the demolition and reconstruction of the Topeka Boulevard Bridge over the Kansas River. That project will be funded by a combination of the City's sales tax revenue bonds, federal highway funds, and City operating funds. In the CIB, local funding for the bridge was anticipated to be about \$26.4 million. For more information about this, please refer to the discussion in the *Notes to the Financial Statements, Long-term debt* on page 58.

Approximately \$2.6 million in the adopted 2006 CIB will be spent from operating funds for improvements to neighborhood streets, upgrades to the City's fleet, improvements to City Hall, and curb and gutter replacements. Those project costs are anticipated to be spread over the next five years.

Relevant Financial Policies

Since 2000, the Council has followed a budget process of each member ranking a set of separate priorities. The scores were aggregated and priorities established under the following community-wide goals:

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

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

During the 2007 budget process, the Council set some new core goals of reducing crime, improving quality of City services, stabilizing the City's tax base, and reducing the City debt burden, promoting economic development, managing growth, and recognizing and promoting equality in the community.

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

Major Initiatives

The City continues to borrow money at attractively low interest rates through the Kansas Department of Health and Environment's Kansas State Water Pollution Control Revolving Loan Fund to make improvements and additions to its wastewater treatment facilities, bringing them into compliance with the State and Federal clean water laws and regulations now in effect and expected to be promulgated in the near future. At December 31, 2006, the City's outstanding loan balances for the Water Pollution Control Division were \$77,031,126. A synopsis of 2006 activity in the revolving loan balances is included in the *Notes to the Financial Statements, Change in Long-term Liabilities* table on page 59.

The City's long-range capital improvement program for the Water Pollution Control Division, including those projects that are expected to be funded with the low interest cost loans from the State, is summarized in the table below.

Wastewater Utility Projected Capital Expenditures

<u>Year</u>	<u>Projected Major Capital Expenditures</u>	<u>Projected Routine Capital Expenditures</u>	<u>Total Projected Capital Expenditures</u>
2007	8,380,000	-	8,380,000
2008	4,500,000	100,000	4,600,000
2009	6,656,000	300,000	6,956,000
2010	3,800,000	100,000	3,900,000
2011	<u>15,200,000</u>	<u>400,000</u>	<u>15,600,000</u>
Totals	\$ 38,536,000	\$ 900,000	\$ 39,436,000

Source: The Topeka Public Works Department, Water Pollution Control Division

The City of Topeka and Shawnee County entered into a revised interlocal agreement in 2004, reaffirming the establishment of a Joint Economic Development Organization (JEDO), which has been designated to receive funds from both the City and the County to use in efforts to attract and retain businesses and jobs to the Topeka area. Some money from the City's one-half cent sales tax is being provided to the JEDO to assist in the mission. The JEDO Board has entered into a contract with the Greater Topeka Chamber of Commerce's economic development entity GO Topeka to provide \$5 million annually from sales tax revenues of the City and the County for this effort. This contract with GO Topeka and the funding for the Topeka Boulevard Bridge, discussed below, will be funded by dedicated countywide sales tax of .5%, passed in 2004 by Shawnee County voters.

In 2006, demolition of the Topeka Boulevard Bridge, which carries traffic over the Kansas River, was completed. The City owns the bridge, which was originally owned and maintained by the State. The City issued sales tax revenue bonds in 2006 to finance the construction, until sufficient sales tax funds are received. The remainder will be paid from Federal and State contributions to the project. Additional information about this financing is included in the *Notes to the Financial Statements, Long-term debt* section on page 58. The Topeka Boulevard Bridge is a major thoroughfare over the Kansas River, and is considered essential to the continued vitality of businesses in the northern part of the City.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association ("GFOA") awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Topeka for its CAFR for the fiscal year ended December 31, 2005. This was the twelfth consecutive year that the City has received this prestigious award. In order to be awarded the certificate, the government must publish an easily readable and efficiently organized CAFR, satisfying both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the program requirements, and we are submitting it to the GFOA to determine eligibility for another certificate. A copy of the 2006 CAFR is available on the City's website at <http://www.topeka.org>.

In addition, the City also received the GFOA's *Distinguished Budget Presentation Award* for its annual budget document for the fiscal year beginning January 1, 2006. In order to qualify for this award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device. A copy of the 2007 Budget is available on the City's website at <http://www.topeka.org>.

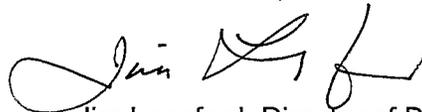
The preparation of this *Comprehensive Annual Financial Report* is made possible by the efficient, dedicated, and professional work of the entire staff of the Financial Services Department. Appreciation is expressed to City employees throughout the organization for their assistance and cooperation in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

In closing, we thank the members of the City Council for their interest and effort in establishing and overseeing the financial policies of the City of Topeka in a responsible manner. Without the leadership and support of the governing body, preparation of this *Comprehensive Annual Financial Report* would not be possible.

Respectfully submitted,



Norton N. Bonaparte, Jr., City Manager



Jim Langford, Director of Budget and Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Topeka
Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

City of Topeka
Quality Public Service is Our Business

Mission Statement

(Adopted February 19, 2002)

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

Vision Statement

(Adopted February 19, 2002)

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

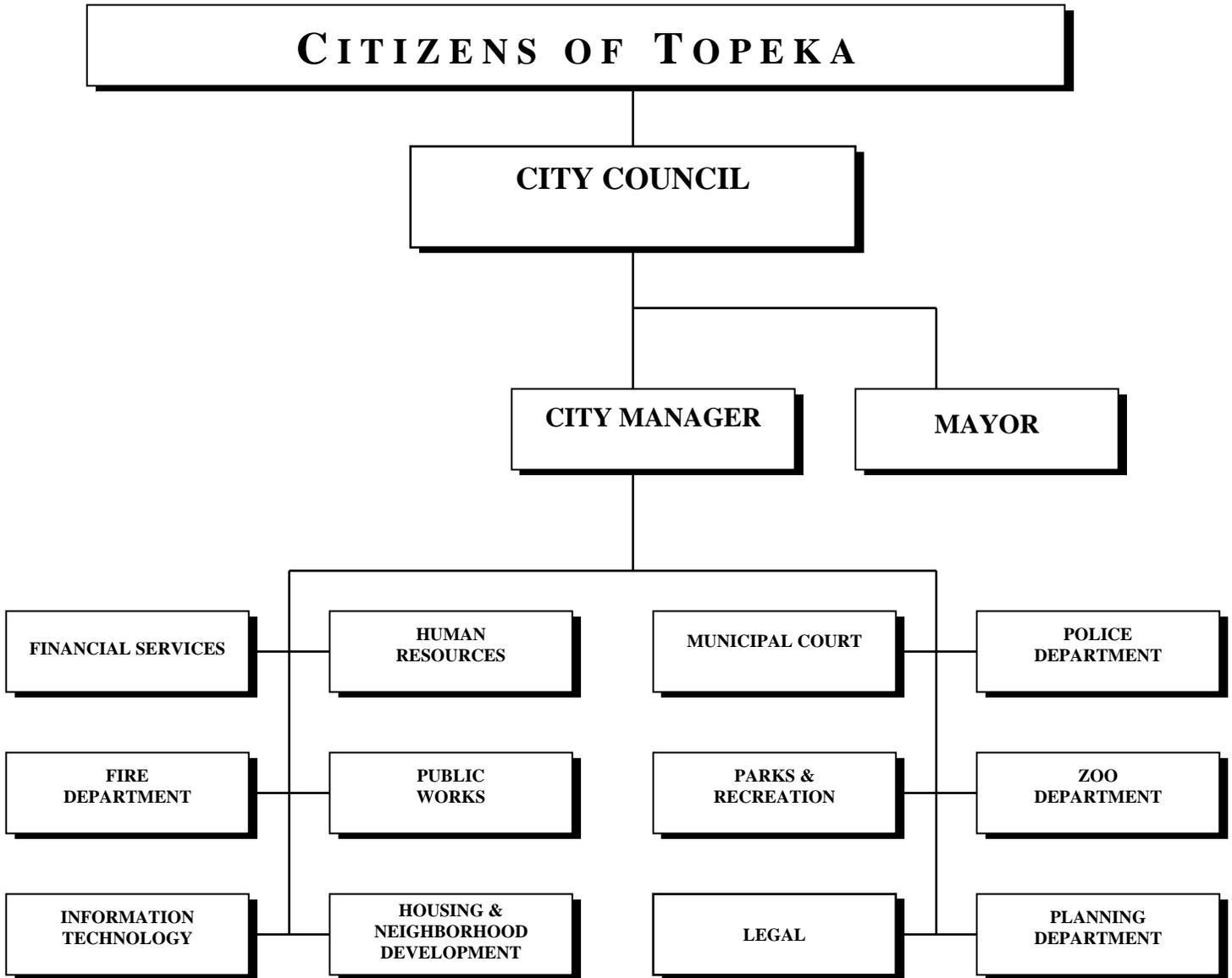
Community Wide Goals

(Adopted March 26, 2002)

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

[The remainder of this page intentionally left blank.]

2006 City Organizational Chart



City of Topeka, Kansas
Principal Officials at December 31, 2006

Mayor

William W. Bunten, Mayor

City Council Members

District 1	Lana Kennedy
District 2	John Alcala
District 3	Sylvia Ortiz
District 4	John Nave
District 5	Bill Haynes
District 6	Clark R. Duffy
District 7	Brett Blackburn
District 8	Jeff Preisner, Deputy Mayor
District 9	Richard Harmon

City Manager

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

Department Directors

Budget and Financial Services, James F. Langford
Chief of Fire, Howard Giles
Housing and Neighborhood Development, Randy Speaker
Human Resources, Janet Robinson
Information Technology, Steve Tallen
City Attorney, Brenden Long
Municipal Court, Administrative Judge Steven Ebberts
Parks and Recreation, Terry Bertels (Acting)
Planning, David Thurbon
Chief of Police, Ronald Miller
Public Works, Michael Teply (Acting)
Zoo, Michael Coker

Division Directors

Administration:
City Clerk, Brenda Younger (Acting)
Human Relations Commission, Rio Cervantes-Reed (Acting)
Financial Services:
Cash Management, Curtis Cox, City Treasurer
Central Accounting and Reporting, Linda Wood, City Controller
Contracts and Procurement, Jay Oyler
Fleet Services, Ron Raines
Fire:
Chief of Training, Jack Collie
Chief of Fire Prevention / Fire Marshall, Greg Bailey
Deputy Chief of Special Operations, Dave Sterbenz
Deputy Chief of Support Services, Kathryn Petty

City of Topeka, Kansas
Principal Officials at December 31, 2006

Division Directors (continued)

Information Technology:

Public Affairs - Public Information, Ruth Maus

Legal:

Deputy City Attorney, Braxton Copley

Risk Management, Eric Smith

Municipal Court:

Court Administrator, Beth Visocsky

Parks & Recreation:

Accounting, Karen Bosch

Administration, Teri Simpson

Athletics, Bruce Andrews

Centers & Day Camps, Betty Kirchner and Lynn Bishop

Forestry, Adam Moser

Golf, Scot Weller and Doug Reynolds

Helen Hocker Theatre, Jo Huseman

Media, Doug Stillings

Management, Doug Reynolds

Parks, Ron Cathey

Planning and Development, Bill Riphahn

Special Services, Karen Meyers

Ward Meade, Sara Leeth

Planning:

Deputy Director, Bill Fiander

Transportation & Long-Range Planning, Todd Girdler

Police:

Deputy Chief-Operations, Colonel Walt Wywadis

Administration / Support Services, Major Randy Mills

Criminal Investigation, Major Tony Kirk

East Patrol Uniform Division, Major Gerald Herman

Support Operations, Major Warren Wilson

West Patrol Uniform Division, Major John Sidwell

Public Works:

Administration, Mike McGee, Deputy Public Works Director

Development Services, Miriam Berke

Engineering, Shawn Bruns

Facility Management, Mark Thiel (Acting)

Technical Support Group, Mike Teply

Transportation Operations, Michael Pfender

Water Pollution Control, Bob Sample

Water, Don Rankin

[This page is intentionally left blank.]



Certified Public Accountants
and Management Consultants

Brian J. Florea, CPA
John R. Helms, CPA
Roger L. Johnson, CPA
Darrell D. Loyd, CPA
Eric L. Otting, CPA
John E. Wendling, CPA

Jere Noe, CPA
Gary D. Knoll, CPA
Adam C. Crouch, CPA
Derek H. Hart, CPA

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund (General, Parks and Recreation, Special Street Repairs, Debt Service and Water, Water Pollution Control and Storm Water), and the aggregate remaining fund information of the City of Topeka, Kansas, as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Topeka's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial and summarized comparative information has been derived from the City of Topeka's 2005 financial statements and, in our report dated March 6, 2006, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information.

The financial statements include partial and summarized prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2005, from which such partial and summarized information was derived.

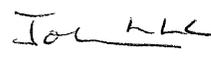
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the Kansas *Municipal Audit Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Topeka, Kansas, as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Parks and Recreation, and Special Street Repairs funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2007, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 15 through 26 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Topeka's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Topeka, Kansas. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City of Topeka, Kansas. The combining and individual nonmajor fund financial statements and Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Wendling Noe Nelson & Tol 

Topeka, Kansas
July 17, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Topeka, Kansas, we offer readers of the City of Topeka's financial statements this narrative overview and analysis of the financial activities of the City of Topeka for the year ended December 31, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report. Numbers are presented as whole dollars, except as otherwise indicated.

FINANCIAL HIGHLIGHTS

- The assets of the City of Topeka exceeded its liabilities at the close of the most recent fiscal year by \$517,014,085 (*net assets*). Of this amount, \$76,990,149 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets decreased \$9.8 million, or 1.86%, to \$517.0 million in 2006. The \$9.8 million decrease is comprised of a decrease in net assets of the governmental activities of \$10.4 million, and an increase in net assets of the City's business type activities of \$0.6 million. The decrease in net assets of the governmental activities is primarily attributable to an increase in debt incurred for capital improvements.
- At the close of 2006, the City of Topeka's governmental funds reported combined ending fund balances of \$45.3 million, an increase of \$29.7 million in comparison with the prior year. Just under four fifths (79%) of this total amount, \$35.8 million, is *available for spending* at the government's discretion (*unreserved fund balances*).
- At the end of 2006, unreserved, undesignated fund balance for the General Fund was \$8.1 million or 12.51% of total General Fund revenues, and 12.23% of General Fund expenditures.
- For the General Fund, actual resources available for appropriation in 2006 (revenue inflows and fund balance) were \$1.1 million more than the final budget, while actual appropriations (outflows) were \$5.5 million less than budgeted for the year.
- The City of Topeka's total debt had a net increase of \$64.0 million (18.7%) during 2006. This net increase included an additional \$3.7 million in loans from the Kansas State Water Pollution Control Revolving Loan Fund Program for improvements to the City's Water Pollution Control facilities and \$9.2 million from the Kansas Public Water Supply Revolving Loan Fund Program for improvements to the City's Water facilities; the issuance of \$10.4 million STAR bonds for Heartland Park Topeka; the issuance of \$30.6 million of sales tax revenue bonds for the demolition and construction of the Topeka Boulevard Bridge; the issuance of \$5.8 million for the College Hill Redevelopment District; \$13.7 million in bonds issued for various other capital improvements; and \$7.6 million for the construction of a new parking garage in the downtown area. A summary of all 2006 changes in the City's long-term liabilities can be found in the table on page 59.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

The *government-wide financial statements* (pages 27 and 28 of this CAFR) are designed to provide readers with a broad overview of the City of Topeka's finances, in a format similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City of Topeka that are principally supported by taxes and intergovernmental activities (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The City's governmental activities include general government, public safety, highways and streets, community and economic development, and parks and recreation. Property taxes, transient guest taxes, sales taxes, and franchise fees finance most of these activities. The City's business-type activities include a combined water, water pollution control and storm water utility, public parking facilities, and a municipally owned and operated public golf course. The City of Topeka has one component unit—the City of Topeka/Shawnee County Joint Economic Development Organization (JEDO). Component units are entities that are legally separate, but for which the City is financially accountable. For more information about the component unit, please refer to the *Notes to the Financial Statements, Summary of Significant Accounting Policies, Reporting Entity* section, page 41.

Fund financial statements

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

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

Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental *funds* (reported in the fund financial statements) in a reconciliation document following the fund financial statements, on pages 30 and 32.

The City of Topeka maintains twenty-seven individual governmental funds. Information is presented separately in the *governmental funds balance sheet* and in the *governmental funds statement of revenues, expenditures, and changes in fund balance* for the General Fund, the Parks and Recreation

Fund, the Debt Service Fund, and the Special Street Fund, Bridge Fund, and Streets and Trafficways Fund all of which are considered to be *major funds*.

Data from the other twenty governmental funds, which the City categorizes as *special revenue funds*, is aggregated for presentation. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Individual fund data for each of these *non-major funds* is provided in the form of *combining statements* on pages 68 - 73 of this report.

The City of Topeka adopts annual, appropriated budgets for its major funds, and budgetary comparison statements are presented to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 33 - 35 and 74 - 76 of this report.

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

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City has three enterprise funds: the combined Water, Water Pollution Control, and Stormwater Utility Fund, a major fund; and the Public Parking Facilities and Public Golf Course funds, which are both non-major funds shown in the aggregate in the *Proprietary Funds* statements presented on pages 36 - 38. Individual data for these non-major enterprise funds in the form of *combining statements* can be found on pages 98 - 100 of this report.

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

Because internal services generally benefit governmental rather than business-type functions, they are included within *governmental activities* in the government-wide financial statements. The three internal service funds, which are all considered non-major funds, are combined into a single, aggregated presentation in the *Proprietary Funds* statements on pages 36 - 38. Individual data for the internal service funds in the form of *combining statements* is on pages 102 - 107.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the City of Topeka's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The City's fiduciary activities are reported in the *Statement of Fiduciary Net Assets*, which can be found on page 39 and pages 94 - 95.

Notes to the financial statements

The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41 - 63 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents the combining and individual fund statements and schedules referred to above. Those statements and schedules can be found on pages 68 - 107.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the City of Topeka, assets exceeded liabilities by \$517,014,085 at the close of 2006, the most recent fiscal year.

By far the largest portion of the City of Topeka’s net assets (79.0%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related outstanding debt used to construct or acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The table below summarizes net assets:

Table 1
City of Topeka
Condensed Statement of Net Assets
December 31, 2006

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 129,151,648	\$ 98,502,638	\$ 52,067,488	\$ 56,907,905	\$ 181,219,136	\$ 155,410,543
Capital assets, non-depreciable	70,912,160	54,700,196	58,120,223	85,139,942	129,032,383	139,840,138
Capital assets, net of depreciation	388,982,715	395,681,346	310,668,955	270,656,042	699,651,670	666,337,388
Total assets	589,046,523	548,884,180	420,856,666	412,703,889	1,009,903,189	961,588,069
Long-term liabilities outstanding	239,464,264	184,267,389	221,640,550	207,704,877	461,104,814	391,972,266
Other liabilities	25,248,847	29,845,193	6,535,443	12,954,135	31,784,290	42,799,328
Total liabilities	264,713,111	214,112,582	228,175,993	220,659,012	492,889,104	434,771,594
Net assets:						
Invested in capital assets,						
net of related debt	262,873,235	295,663,965	145,623,138	139,930,303	408,496,373	435,594,268
Restricted	4,477,822	2,812,438	27,049,741	13,477,670	31,527,563	16,290,108
Unrestricted	56,982,355	36,295,195	20,007,794	38,636,904	76,990,149	74,932,099
Total net assets	\$ 324,333,412	\$ 334,771,598	\$ 192,680,673	\$ 192,044,877	\$ 517,014,085	\$ 526,816,475

A portion of the City’s net assets (6.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$76,990,149 may be used to meet the government’s ongoing obligations to citizens and creditors.

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

The City’s net assets from governmental activities decreased 3.1%, from \$334.8 million to \$324.3 million, in 2006. There was a \$30.6 million increase in the governmental activities’ current assets in 2006, attributable to \$2.8 million of sales tax receivable from the component unit, \$3.3 million increase in receivables, a \$3.8 million increase in cash, a \$23.6 million increase in restricted cash, a \$0.7 million increase in internal balances, and a decrease of \$3.6 million due from other governments. The restricted

cash increase included \$20.7 million of sales tax revenue bond restrictions for the replacement of one of the main bridges in Topeka and \$2.9 million of tax increment bond restrictions for the redevelopment of an area in the City.

Although non-depreciable capital assets increased \$16.2 million from governmental activities, the value of depreciable capital assets decreased \$6.7 million in 2006. Correspondingly, long-term debt increased \$55.2 million, and other liabilities decreased about \$4.6 million in 2006. The increase in non-depreciable capital assets is primarily attributable to construction in progress, including a large number of streets and bridge improvements. The increase in long-term and other liabilities includes \$49.7 million increase in general obligation and other bonds, a \$0.5 million increase in general obligation temporary notes, and \$5 million increase in deferred revenue. The deferred revenue is split between increases in special assessments and increases in property tax accrual. The remaining increase in other liabilities is due to various accounts payable increases.

The City of Topeka's net assets reported in connection with its business-type activities increased by \$635,796, or .33% in 2006. This slight change in net assets is attributed to the net difference between an increase in depreciable assets and the increased liability from the issuance of revenue bonds to fund those assets.

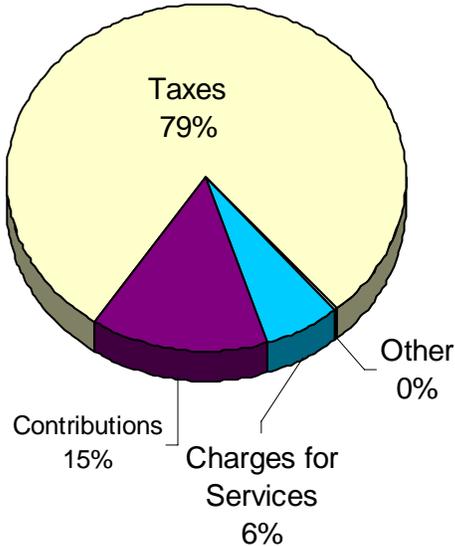
Governmental activities

Governmental activities decreased the City of Topeka's net assets by \$10,438,186. The total decrease of \$9,802,390 in net assets includes the effects of the increase provided from business-type activities. The charts on the next page depict the elements of 2006 governmental activities, and *Table 2* on page 21 shows key elements of the total decrease in net assets.

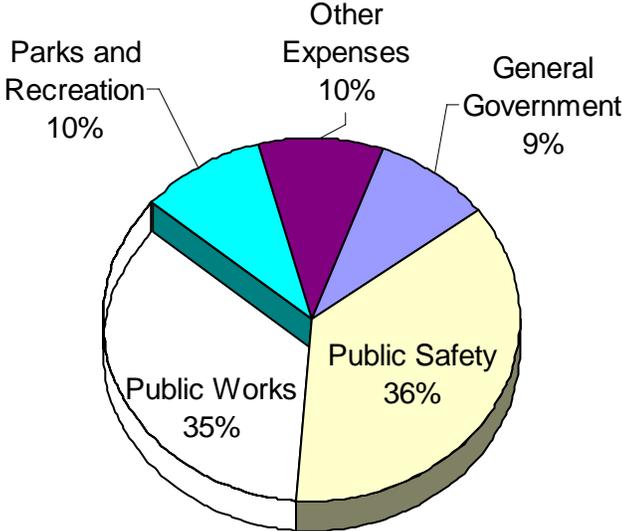
[The remainder of this page intentionally left blank.]

Fiscal Year 2006 Government Activities
(Also see Table 2 on next page)

Sources of Revenue



Functional Expenses



[The remainder of this page intentionally left blank.]

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

	Governmental Activities		Business-type		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
<u>Program revenues</u>						
Charges for services	\$ 6,959	\$ 13,204	\$ 51,922	\$ 50,632	\$ 58,881	\$ 63,836
Operating grants and contributions	11,427	9,009	-	20	11,427	9,029
Capital grants and contributions	5,556	2,317	70	-	5,626	2,317
<u>General revenues</u>						
Property taxes	37,394	38,621	-	-	37,394	38,621
Sales taxes	35,075	33,697	-	-	35,075	33,697
Franchise taxes	10,757	10,058	-	-	10,757	10,058
Motor fuel taxes	5,379	5,124	-	-	5,379	5,124
Alcoholic beverage taxes	1,468	1,292	-	-	1,468	1,292
Transient guest taxes	1,767	1,612	-	-	1,767	1,612
Gain on sale of capital assets	-	-	(213)	8	(213)	8
Unrestricted investment earnings	-	-	2,877	1,527	2,877	1,527
Total revenues	115,782	114,935	54,656	52,187	170,438	167,121
Expenses						
General government	11,586	15,479	-	-	11,586	15,479
Public safety	46,180	44,302	-	-	46,180	44,302
Public works	43,454	43,309	-	-	43,454	43,309
Metropolitan Planning	853	-	-	-	853	-
Miscellaneous	1,138	602	-	-	1,138	602
Parks and Recreation	12,048	11,730	-	-	12,048	11,730
Public Housing	3,515	4,044	-	-	3,515	4,044
Social Services	758	664	-	-	758	664
Interest	7,014	5,162	-	-	7,014	5,162
Water, Water Pollution Control, & Stormwater Utility	-	-	49,704	46,018	49,704	46,018
Combined Public Parking	-	-	3,198	3,292	3,198	3,292
Public Golf Course	-	-	793	791	793	791
Total expenses	126,546	125,292	53,695	50,101	180,241	175,393
Increase in net assets before transfers	(10,764)	(10,357)	961	2,086	(9,803)	(8,271)
Transfers in (out)	325	(130)	(325)	130	-	-
Increase (Decrease) in Net Assets	(10,439)	(10,487)	636	2,216	(9,803)	(8,271)
Net Assets - Beginning	334,772	345,258	192,045	189,829	526,817	535,087
Net Assets - Ending	\$ 324,333	\$ 334,772	\$ 192,681	\$ 192,045	\$ 517,014	\$ 526,817

[The remainder of this page intentionally left blank.]

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

Table 3
Net Cost of Governmental Activities (in millions)

	Total Cost of Services	Net Cost of Services
General government	\$ 11.6	\$ 1.5
Public Safety	46.2	47.7
Public works, highways & streets	43.5	35.5
Parks & recreation	12.0	9.2
Totals	\$113.3	\$93.9

- The net costs of operations in 2006 increased \$4.4 million in public safety and \$0.1 million in parks and recreation. General government and public works decreased \$5.3 million and \$.1 million respectively.
- Property tax collections decreased by approximately \$1.2 million (3.2%) during 2006, even though the tax base increased by 4.3%.
- Net sales and use tax increased by approximately \$1.4 million (4.1%) during 2006. While franchise taxes increased by \$0.7 million (7.0%) during 2006.

Business-type activities

Net assets of the City's business-type activities increased by \$635,796 during 2006. Table 4 presents the net revenue from, or cost of, the City's three largest business-type activities – the combined Water, Water Pollution Control and Stormwater Utility, the Public Parking Fund, and the Public Golf Course – as well as each activity's net cost or proceeds (total cost to provide the services, less any revenues generated by the activity).

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

	Total Cost of Services	Net Cost of Services
Water, Water Pollution Control, & Stormwater Utility	\$ 49.7	\$ 1.0
Public Parking	3.2	0.5
Public Golf Course	0.8	0.1
Totals	\$ 53.7	\$ 1.6

The City issued its Series 2006-A and 2006-B Revenue Refunding Bonds for the Combined Utility Fund in August 2006 in the amount of \$32,375,000 and \$22,600,000, respectively. The Council mandated annual rate increases, which will be in the final year starting in 2007. Public Parking issued the 2006-B General Obligation Bonds for a new garage downtown in the amount of \$7,570,000. The operating expenditures for the Public Golf Course decreased in the area of salaries and benefits and increased in contractual services, due to the business decision to lay off employees and hire an outside company to maintain the golf course grounds.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

At December 31, 2006, the City's governmental funds reported combined, ending fund balances of \$45.3 million, which is an increase of \$29.7 million or 290% from the prior year. The major Governmental funds – General Fund, Parks and Recreation Fund, and Special Street Fund all had decreases in fund balances. While the Debt Service Fund, Bridge Fund, and Streets and Trafficway Funds all had increases in fund balances. Approximately 79%, \$35.8 million, of this total amount is unreserved fund balance, which is available for spending at the City's discretion. The remaining fund balance is reserved to indicate that it has already been committed to liquidate contracts and purchase orders (\$1.7 million) or for payment of debt service (\$7.8 million).

The General Fund is the chief operating fund of the City of Topeka. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$8,087,568, and total fund balance was \$8,776,753. As a measure of the general fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 12.23% of total general fund expenditures, and total fund balance is 13.27% of expenditures.

The fund balance of the City's General Fund decreased by \$3,159,678 during 2006. Significant factors in the net decrease of General Fund balance include:

- Revenues increased \$1.1 million with the largest increase in the area of franchise fees, attributable to higher prices of energy.
- Operating expenditures in the Public Safety area increased by \$4.1 million with the largest increase in the personnel area of both fire and police. A police helicopter was also purchased in 2006.
- Another factor is in the area of other financing sources of transfers from the General Fund which increased \$1.4 million, attributable to needed repairs to the City's curbs and gutters, sidewalk repairs, fleet replacements for the police department, elevator repairs in the purchased office building for several City departments, and increased funds to the Unsafe Structure Fund for needed demolition of structures throughout the City.

The Parks and Recreation Fund had an ending fund balance of \$711,667 in 2006. The \$103,090 decrease in the Parks and Recreation fund balance is attributed to small net increases in revenues and small increases in operating expenditures. The largest increases in expenditures were seen in special services and recreation centers/day camps.

The Special Street Repairs Fund ended 2006 with a fund balance of \$2,193,572, a decrease over the 2005 ending fund balance of \$477,925. Even though revenues increased slightly, it was not enough to cover operating expenditures. The largest increases in expenditures were seen in capital outlay, for more street equipment and vehicles, and personnel costs.

The Debt Service Fund had a total balance of \$7,793,331 at December 31, 2006, all of which is reserved for the payment of debt service. The increase in fund balance is due to the issuance of sales tax bonds to fund the replacement of one of the main bridges in the City. A more complete description of activity in the Debt Service Fund is in the *Notes to the Financial Statements*, on pages 57 – 60.

The Capital Project Bridge Fund passed the test as a major fund in 2006; this was attributable mostly to the replacement needed for one of the main bridges in the City. The Bridge Fund had a net increase in fund balance of \$16.7 million, which is due to the issuance of sales tax revenue bonds to cover expenditures and restricted only for construction costs.

The Capital Project Fund Streets and Trafficways was another group of funds passing the major fund test. Its fund balance had an increase of \$6,214,768, primarily due to the issuance of debt to fund completed projects.

In the non-major governmental funds, fund balances increased \$5,528,594 during 2006. The largest increases in fund balances occurred in the ½% Sales Tax Fund of \$2.8 million and in the Capital Projects Park Improvement Fund of \$2.5 million.

Proprietary funds

The City of Topeka's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the combined Water, Water Pollution Control, and Stormwater Utility Fund at December 31, 2006, were \$18,861,094. The decrease of \$13,649,722 over the 2005 amount is primarily attributable to a \$10.9 million increase in assets being restricted for capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The changes in the General Fund original budget were made in the areas of Metropolitan Planning of \$10,000, General – Public Works for \$45,196, and Miscellaneous Non-Departmental for \$180,232 to be reclassified as interfund transfers. These funds are being used to finance a traffic signal, two elevators for an office building, remodel a conference room, and to fund a long range transportation study for the City.

General Fund revenues came in \$0.4 million higher than anticipated, and expenditures were \$5.4 million less than budgeted in 2006. Key factors of the difference include:

- \$6.1 million that was budgeted as a contingency was unspent.
- The City collected \$0.9 million less than anticipated in local retail sales and compensating use taxes.
- Franchise fee revenues were \$1.3 higher than expected, due to increases imposed by the Council in 2004 and higher energy costs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2006, the City had \$828.7 million invested in a broad range of capital assets, including police and fire equipment, buildings, improvements, land, park facilities, water and wastewater treatment facilities, and roads and bridges (see Table 5 below). This amount represents a net increase (including additions and deductions) of \$22.5 million, or 2.8%, during the year. To find more information on capital assets, refer to the *Notes to the Financial Statements* on pages 53 - 54 and to the *Other Fund Statements and Schedules* section of this report on pages 108 - 110.

Significant capital asset transactions during the current fiscal year included:

- The City was able to capitalize and close several construction projects, increasing the amount of governmental assets. These included projects for park improvements, streets, trafficways, general improvements to run down neighborhoods, and purchase and repairs to an office building. The capitalized amount totaled about \$20.2 million. The City increased the expenditures in its construction in progress by \$16.3 million, which was mostly attributable to the cost to replace one of the main bridges in the City.

- The Combined Utility Fund replaced and installed new water main extensions and installed sanitary sewers and drain improvements. The largest increase in expenditures occurred in Water Pollution Control in the fifth phase of the replacement of the treatment plant.

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

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 6,319,861	\$ 6,359,851	\$ 1,595,573	\$ 1,664,898	\$ 7,915,434	\$ 8,024,749
Buildings, Improvements, Infrastructure	378,165,452	386,754,112	307,969,733	267,731,639	686,135,185	654,485,751
Furniture and Fixtures	2,371,054	2,015,137	127,664	115,730	2,498,718	2,130,867
Vehicles	5,254,758	4,130,603	1,580,260	1,704,524	6,835,018	5,835,127
Machinery and Equipment	3,191,451	2,781,494	991,298	1,104,149	4,182,749	3,885,643
Construction in Progress	64,592,299	48,340,345	56,524,650	83,475,044	121,116,949	131,815,389
Total Capital Assets	\$ 459,894,875	\$ 450,381,542	\$ 368,789,178	\$ 355,795,984	\$ 828,684,053	\$ 806,177,526

The City's five-year Capital Improvement Plan reflects appropriations for construction, improvements to, or acquisition of about \$181.6 million worth of capital assets for fiscal 2007 through 2011. Funding is budgeted to come from projected enterprise fund revenues (\$46.2 million), general obligation bonds (\$43.2 million), utility revenue bonds (\$41.2 million), state revolving fund loans (\$25.5 million), and special benefit districts and other sources (\$31.1 million) over the next five years. The most significant projects include construction of various streets, trafficways and bridges, fleet replacements for fire and police, neighborhood improvements, water treatment and distribution system improvements, and wastewater collection and treatment facilities.

Debt

At December 31, 2006, the City's total outstanding bonded indebtedness was \$310,060,000. Of this amount, \$149,390,000 is general obligation debt, backed by the full faith and credit of the government. There are \$113,800,000 in revenue bonds, secured by a pledge of the revenues derived from user fees for the specific enterprise fund or funds that benefited from the bond issue. The remainder of the bonded indebtedness consists of tax increment and sales tax revenue bonds in the amount of \$46,870,000. In addition, the City is obligated for \$93,678,716 of Kansas State Revolving Loan Program loans, which are secured solely by specified revenue sources from the Combined Utility Fund, and for \$11,470,000 in general obligation temporary notes, issued to fund construction in progress on capital projects.

Moody's Investors Service has assigned the City's general obligation bonds ratings of "Aa3" upon their issuance. During 2006, Moody's assigned Topeka's revenue bonds a rating of "A2". The City's stable service area, satisfactory compliance with legal covenants of outstanding debt issues, and satisfactory debt service coverage levels have kept the City's revenue bonds in the "A" category. The City's utility revenue bonds are subordinate to the lien of the State Revolving Fund loans.

Additional information on the City of Topeka's long-term debt can be found in *Note IV, Section F* on pages 57 – 60 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The average unemployment rate for the City of Topeka in 2006 was 5.8%, which is a decrease from the revised rate of 6.6% in 2005. This compares unfavorably to the state's average unemployment rate of 4.5% and the national average rate of 4.6%. The City's average unemployment rate is currently 5.2%.

Inflationary trends in the region compare favorably to national indices. These and other factors were considered in preparing the City of Topeka's budget for the 2007 fiscal year.

During 2006, unreserved fund balance in the general fund decreased to \$8,087,568. The City anticipated an unreserved fund balance of \$7,891,659, when it adopted its 2007 operating budget.

The City's Water, Wastewater, and Stormwater rates were increased approximately 5%, 7%, and 3%, respectively, for 2007, with additional increases anticipated for 2008. These rate increases are planned to help pay debt service on revenue bonds and State Revolving Fund loans to finance infrastructure improvements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

City of Topeka, Kansas

Statement of Net Assets

December 31, 2006

With comparative totals for December 31, 2005

	Primary Government		Totals		Component
	Governmental	Business-Type	2006	2005	Unit
	Activities	Activities			JEDO
Assets					
Cash and cash equivalents	\$ 37,812,599	\$ 1,565,360	\$ 39,377,959	49,243,023	8,153,626
Receivables (net of allowance for uncollectibles)	59,522,570	9,465,490	68,988,060	59,694,074	-
Due from component unit	5,800,528	-	5,800,528	2,968,036	-
Due from other governments	1,537,334	712,631	2,249,965	4,526,217	-
Internal balances	588,540	(588,540)	-	-	-
Inventories	101,282	5,917,769	6,019,051	5,080,734	-
Prepaid Costs	166,006	34,557	200,563	200,813	-
Restricted assets:					
Cash and equity in Treasurer's Fund	23,622,773	27,049,741	50,672,514	26,977,670	-
Other restricted assets	16	7,893,866	7,893,882	6,663,081	-
Capital assets:					
Land and infrastructure	70,912,160	58,120,223	129,032,383	139,840,138	-
Depreciable buildings, property, and equipment, net of depreciation	388,982,715	310,668,955	699,651,670	666,337,388	-
Other assets	-	16,614	16,614	56,895	-
Total assets	589,046,523	420,856,666	1,009,903,189	961,588,069	8,153,626
Liabilities					
Accounts payable and other current liabilities	6,384,828	3,345,388	9,730,216	7,998,531	-
Matured bonds and interest payable	-	-	-	-	-
Accrued interest payable	2,355,102	374,558	2,729,660	2,095,943	-
Salaries & wages payable	4,753,917	540,865	5,294,782	4,369,828	-
Due to other governments	-	13,327	13,327	445	2,353,098
Due to others	-	90	90	90	-
Due to primary government	-	-	-	-	5,800,528
Estimated insurance claims	285,000	-	285,000	-	-
Temporary notes payable	11,470,000	-	11,470,000	25,425,000	-
Liabilities payable from restricted assets	-	2,261,215	2,261,215	2,909,491	-
Unearned revenue	52,729,986	427,511	53,157,497	48,164,686	-
Non-current liabilities:					
Due within one year	14,418,991	6,684,479	21,103,470	17,374,294	-
Due within one year, payable from restricted assets	-	2,010,000	2,010,000	1,905,000	-
Due in more than one year	172,315,287	212,518,560	384,833,847	324,528,286	-
Total liabilities	264,713,111	228,175,993	492,889,104	434,771,594	8,153,626
Net assets					
Invested in capital assets, net of related debt	262,873,235	145,623,138	408,496,373	435,594,268	-
Restricted for debt service	4,436,969	8,290,825	12,727,794	11,443,278	-
Restricted for capital projects	40,853	15,845,404	15,886,257	1,500,000	-
Restricted for sinking funds	-	2,388,983	2,388,983	2,879,242	-
Restricted for deposits	-	524,529	524,529	467,588	-
Unrestricted	56,982,355	20,007,794	76,990,149	74,932,099	-
Total net assets	\$ 324,333,412	\$ 192,680,673	\$ 517,014,085	\$ 526,816,475	\$ -

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

JEDO is the Joint Economic Development Organization

City of Topeka, Kansas
Statement of Activities
For the Year Ended December 31, 2006
With comparative totals for December 31, 2005

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Net (Expense) Revenue and Changes in Net Assets		
						Governmental Activities	Business-Type Activities	Total
Primary Government:								
Governmental Activities:								
General Government	\$ (11,586,215)	\$ 1,725,530	\$ 8,384,164	\$ -	\$ (1,476,521)	\$ -	\$ (1,476,521)	\$ (6,797,390)
Public Safety	(46,180,001)	365,736	(1,922,136)	-	(47,736,401)	-	(47,736,401)	(43,319,860)
Public Works	(43,453,681)	2,365,324	428,172	5,113,015	(35,547,170)	-	(35,547,170)	(35,668,925)
Metropolitan Planning	(852,604)	-	-	-	(852,604)	-	(852,604)	-
Miscellaneous	(1,137,603)	202,150	-	-	(935,453)	-	(935,453)	(494,431)
Parks and Recreation	(12,048,277)	2,300,624	125,000	442,874	(9,179,779)	-	(9,179,779)	(9,086,772)
Public Housing	(3,515,342)	-	3,983,053	-	467,711	-	467,711	14,437
Social Services	(758,097)	-	429,209	-	(328,888)	-	(328,888)	(246,999)
Construction	-	-	-	-	-	-	-	-
Engineering and Others	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-
Interest	(7,014,492)	-	-	-	(7,014,492)	-	(7,014,492)	(5,161,643)
Total Governmental Activities	(126,546,312)	6,959,364	11,427,462	5,555,889	(102,603,597)	-	(102,603,597)	(100,761,583)
Business-Type Activities:								
Water, Water Pollution Control, & Stormwater Utility	(49,704,499)	48,614,312	-	70,061	-	(1,020,126)	(1,020,126)	1,292,518
Public Parking	(3,198,078)	2,655,614	-	-	-	(542,464)	(542,464)	(595,936)
Public Golf Course	(793,221)	652,507	-	-	-	(140,714)	(140,714)	(145,693)
Total Business-Type Activities	(53,695,798)	51,922,433	-	70,061	-	(1,703,304)	(1,703,304)	550,889
Total Primary Government	\$ (180,242,110)	\$ 58,881,797	\$ 11,427,462	\$ 5,625,950	\$ (102,603,597)	\$ (1,703,304)	\$ (104,306,901)	\$ (100,210,694)
General revenues:								
Property taxes			37,393,649				37,393,649	38,621,393
Sales taxes			35,075,497				35,075,497	33,697,145
Franchise taxes			10,757,159				10,757,159	10,057,929
Motor fuel taxes			5,379,423				5,379,423	5,123,815
Alcoholic beverage taxes			1,468,050				1,468,050	1,292,445
Transient guest taxes			1,766,633				1,766,633	1,612,169
Grants and contributions not restricted to specific programs			-			2,876,773	2,876,773	1,526,703
Unrestricted investment earnings			-			(212,673)	(212,673)	8,000
Gain (loss) on sale of capital assets			325,000			(325,000)	-	-
Transfers			92,165,411			2,339,100	94,504,511	91,939,599
Total general revenues and transfers			(10,438,186)			635,796	(9,802,390)	(8,271,095)
Change in net assets			334,771,598			192,044,877	526,816,475	535,087,570
Net assets - beginning			\$ 324,333,412			\$ 192,680,673	\$ 517,014,085	\$ 526,816,475
Net assets - ending								

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

City of Topeka, Kansas
Balance Sheet
Governmental Funds
December 31, 2006

With comparative totals for December 31, 2005

	Special Revenue Funds				Capital Projects Funds			Totals	
	General	Parks and Recreation	Special Street Repairs	Debt Service Fund	Bridges	Streets and Trafficways	Other Governmental Funds	2006	2005
Assets									
Cash and equity in Treasurer's Fund	\$ 8,448,953	\$ 997,924	\$ 956,579	\$ 2,773,792	\$ -	\$ 3,054,858	\$ 9,949,346	\$ 26,181,452	\$ 30,565,274
Receivables (net of allowance for uncollectibles):									
Accounts receivable	551,400	-	-	-	3,399	-	187,652	742,451	1,124,884
General property taxes	16,219,552	6,015,927	1,455,000	14,739,432	-	-	4,952,710	43,382,621	40,197,037
Notes	-	-	-	-	-	-	24,322	24,322	24,322
Other	-	-	-	15,373,176	-	-	-	15,373,176	12,056,437
Prepaid costs	9,030	4,380	-	-	-	-	2,596	16,006	15,956
Due from other funds	1,610,634	57,500	-	582,554	-	-	2,250,688	2,250,688	928,454
Due from other governments	10,749	-	-	-	-	-	1,526,556	1,537,305	4,526,188
Due from component unit	-	-	-	-	-	-	5,800,528	5,800,528	-
Inventory	10,213	800	-	-	-	-	-	11,013	8,049
Restricted assets:									
Cash and equity in Treasurer's Fund	-	-	-	4,436,969	16,863,299	2,322,505	-	23,622,773	-
Other restricted assets	-	-	-	16	-	-	-	16	-
Total assets	\$ 26,860,531	\$ 7,076,531	\$ 2,411,579	\$ 37,905,939	\$ 16,866,698	\$ 5,377,363	\$ 22,443,710	\$ 118,942,351	\$ 89,446,601
Liabilities and fund balances									
Liabilities:									
Accounts and contracts payable	\$ 1,390,528	\$ 90,480	\$ 99,154	\$ -	\$ 261,038	\$ 320,496	\$ 1,320,279	\$ 3,481,975	\$ 2,610,051
Salaries & wages payable	4,109,749	256,062	118,853	-	-	55	162,835	4,647,554	3,724,295
Accrued interest	-	-	-	-	978	38,321	6,700	45,999	59,322.00
Due to other funds	-	-	-	-	86,189	-	1,346,931	1,433,120	326,410
Temporary notes payable	-	-	-	-	243,792	9,555,567	1,670,641	11,470,000	19,413,136
Other	37,150	2,395	-	-	-	-	-	39,545	39,088
Liabilities payable from restricted assets:									
Unearned Revenue	12,546,351	6,015,927	-	30,112,608	-	-	3,869,209	52,544,095	47,673,875
Total liabilities	18,083,778	6,364,864	218,007	30,112,608	591,997	9,914,439	8,376,595	73,662,288	73,846,177
Fund Balances									
Reserved for:									
Encumbrances	689,185	5,027	570,159	-	-	-	411,985	1,676,356	2,443,251
Debt service	-	-	-	7,793,331	-	-	-	7,793,331	2,812,438
Unreserved, reported in:									
General Fund	8,087,568	-	-	-	-	-	-	8,087,568	10,872,739
Special Revenue Funds	-	706,640	1,623,413	-	-	-	10,448,158	12,778,211	9,963,325
Capital Projects Funds	-	-	-	-	16,274,701	(4,537,076)	3,206,972	14,944,597	(10,481,329)
Total fund balances	8,776,753	711,667	2,193,572	7,793,331	16,274,701	(4,537,076)	14,067,115	45,280,063	15,600,424
Total liabilities and fund balances	\$ 26,860,531	\$ 7,076,531	\$ 2,411,579	\$ 37,905,939	\$ 16,866,698	\$ 5,377,363	\$ 22,443,710	\$ 118,942,351	\$ 89,446,601

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

City of Topeka, Kansas
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
December 31, 2006

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

Fund balances of governmental funds from the balance sheet	\$ 45,280,063
Capital assets, net of depreciation, used in governmental activities are not financial resources, and so have not been reported on the balance sheet.	458,265,304
Long term liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(182,450,000)
Compensated absences	(3,436,839)
Estimated insurance claims	(285,000)
Accrued interest payable on bonds	(2,309,103)
Internal service funds are used by management to charge the costs of certain activities, such as fleet service, to individual funds. The assets and liabilities of the internal service funds have not been included in the balance sheet, but are included in the governmental activities on the statement of net assets.	<u>9,268,987</u>
Net assets of governmental activities as reported on the statement of net assets	<u><u>\$324,333,412</u></u>

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

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2006
With comparative totals for December 31, 2005

	Special Revenue Funds			Capital Project Funds			Other Governmental Funds		Totals	
	General	Parks and Recreation	Special Street Repairs	Debt Service Fund	Bridges	Streets and Trafficways			2006	2005
Revenues:										
Taxes and assessments	\$ 42,954,168	\$ 5,995,749	\$ -	\$ 13,985,475	\$ 1,175,244	\$ -	\$ 11,542,739	\$ 75,653,375	\$ 75,653,375	\$ 75,806,083
Licenses and permits	12,326,713	158	-	-	-	-	66,225	12,393,096	12,393,096	11,682,029
Intergovernmental	560,743	489,350	5,395,827	59,749	113,656	182,461	5,646,853	12,448,639	12,448,639	13,485,071
Fees for service	4,476,685	1,757,762	6,821	-	-	-	1,288,770	7,530,038	7,530,038	7,697,417
Investment income	587,133	-	-	987,520	422,442	-	(66,420)	1,930,675	1,930,675	494,401
Fines and forfeitures	3,067,462	-	-	-	-	-	-	3,067,462	3,067,462	3,006,858
Rents and interest	-	3,952	-	-	-	-	-	3,952	3,952	-
Other	669,864	1,14,751	136,356	5,715	-	71,845	576,347	1,574,878	1,574,878	2,246,069
Total revenues	64,642,768	8,361,722	5,539,004	15,038,459	1,711,342	254,306	19,054,514	114,602,115	114,602,115	114,417,928
Expenditures:										
Current:										
General government	8,284,486	-	-	-	-	-	8,176,932	16,461,418	16,461,418	16,107,096
Public safety	46,078,129	-	-	-	-	-	(1,441,274)	44,636,855	44,636,855	42,872,366
Public works	10,370,356	-	6,327,769	-	-	-	207,757	16,905,882	16,905,882	16,319,117
Metropolitan Planning	852,604	-	-	-	-	-	-	852,604	852,604	-
Miscellaneous	536,830	-	-	-	-	-	-	536,830	536,830	602,031
Parks and recreation	-	8,728,448	-	-	-	-	2,205,670	10,934,118	10,934,118	10,764,049
Public housing	-	-	-	-	-	-	3,515,342	3,515,342	3,515,342	4,044,289
Social services	-	-	-	-	-	-	758,097	758,097	758,097	664,335
Construction	-	-	-	-	-	-	4,018,378	30,654,057	30,654,057	17,590,173
Engineering and others	-	-	-	-	-	-	1,695,785	5,041,172	5,041,172	7,460,891
Other costs of bond issuance	-	-	-	2,800	-	-	-	2,800	2,800	-
Debt service:										
Principal retirement	-	-	-	10,095,000	-	-	-	10,095,000	10,095,000	9,850,000
Interest	-	-	-	5,899,184	44,279	641,743	88,556	6,673,762	6,673,762	4,803,074
Total expenditures	66,122,405	8,728,448	6,327,769	15,996,984	13,867,413	16,799,675	19,225,243	147,067,937	147,067,937	131,077,421
Excess (deficiency) of revenues over expenditures	(1,479,637)	(366,726)	(788,765)	(958,525)	(12,156,071)	(16,545,369)	(170,729)	(32,465,822)	(32,465,822)	(16,659,493)
Other financing sources (uses):										
Issuance of debt	-	-	-	-	32,047,282	23,345,272	5,147,446	60,540,000	60,540,000	20,115,000
Original issue premium on bonds	-	-	-	-	471,741	131,924	14,953	618,618	618,618	226,193
Transfers in	114,598	240,000	200,000	5,939,418	933,688	402,932	2,901,294	10,731,930	10,731,930	3,356,680
Transfers out	(2,322,006)	-	-	-	(4,600,563)	(1,119,991)	(2,364,370)	(10,406,930)	(10,406,930)	(3,492,247)
Sale of property	527,367	23,636	110,840	-	-	-	-	661,843	661,843	130,619
Total other financing sources (uses)	(1,680,041)	263,636	310,840	5,939,418	28,852,148	22,760,137	5,699,323	62,145,461	62,145,461	20,336,245
Net change in fund balances	(3,159,678)	(103,090)	(477,925)	4,980,893	16,696,077	6,214,768	5,528,594	29,679,639	29,679,639	3,676,752
Fund balances (deficits) - beginning of year	11,936,431	814,757	2,671,497	2,812,438	(421,376)	(10,751,844)	8,538,521	15,600,424	15,600,424	11,923,672
Fund balances (deficits) - end of year	\$ 8,776,753	\$ 711,667	\$ 2,193,572	\$ 7,793,331	\$ 16,274,701	\$ (4,537,076)	\$ 14,067,115	\$ 45,280,063	\$ 45,280,063	\$ 15,600,424

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

City of Topeka, Kansas
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2006

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

Net change in fund balances - total from the preceding <i>Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds</i>	\$ 29,679,639
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	9,946,253
Issuance of long-term debt, such as bonds, provides current financial resources to governmental funds, and the repayment of long-term debt uses those resources; however, neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and discounts when debt is issued, whereas in the statement of activities, those amounts are deferred and estimated. The City issued \$60,540,000 of bonds and retired \$10,095,000 and had a change in interest of \$289,543. The net effect of these differences is this amount.	(50,734,543)
Compensated absences, such as vacation are reported in the statement of activities, but do not require the use of current financial resources and therefore are not reported in the governmental funds.	(500,829)
Internal service funds are used by management to charge the costs of certain activities, such as fleet service, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities, but not included in governmental funds.	<u>1,171,294</u>
Change in net assets of governmental activities as shown on the government-wide <i>Statement of Activities</i>	<u><u>\$ (10,438,186)</u></u>

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

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property tax	\$ 10,466,650	\$ 10,466,650	\$ 10,189,008	\$ (277,642)
Auto ad volorem tax	1,088,262	1,088,262	1,125,274	37,012
Local retail sales tax	27,240,000	27,240,000	26,344,949	(895,051)
Payment in lieu of debt service	499,402	499,402	499,402	-
Payment in lieu of taxes	4,783,940	4,783,940	4,759,809	(24,131)
Licenses	321,222	321,222	351,314	30,092
Permits	1,434,231	1,434,231	1,437,046	2,815
Franchise fees	9,200,745	9,200,745	10,538,353	1,337,608
Intergovernmental	450,350	450,350	560,743	110,393
Fees for services	4,364,088	4,364,088	4,476,685	112,597
Municipal court	3,092,900	3,092,900	3,067,462	(25,438)
Special assessments	100,000	100,000	35,726	(64,274)
Interest	525,000	525,000	587,133	62,133
Other	689,740	689,740	669,864	(19,876)
Total revenues	64,256,530	64,256,530	64,642,768	386,238
Expenditures				
General government:				
City Council	285,621	285,621	276,291	9,330
Executive	1,157,224	1,157,224	1,114,732	42,492
Legal Services	1,485,505	1,485,505	1,389,961	95,544
Administrative and Financial Services	1,866,482	1,866,482	1,816,523	49,959
Municipal Court	1,667,307	1,667,307	1,631,383	35,924
Human Resources	847,585	847,585	792,309	55,276
Contributions to Agencies	1,273,400	1,273,400	1,257,729	15,671
Public Safety:				
Police	26,648,583	26,648,583	27,290,572	(641,989)
Fire	18,530,434	18,530,434	18,656,633	(126,199)
Public Works:				
General	7,380,675	7,370,675	7,498,757	(128,082)
Transportation	1,573,448	1,573,448	1,451,856	121,592
Technical Services	1,175,000	1,175,000	1,178,061	(3,061)
Bridges	348,082	348,082	335,895	12,187
Metropolitan Planning	849,140	803,944	938,874	(134,930)
Miscellaneous Non-Departmental	6,364,896	6,184,664	118,322	6,066,342
Total expenditures	71,453,382	71,217,954	65,747,898	5,470,056
Excess (deficit) of revenues over expenditures	(7,196,852)	(6,961,424)	(1,105,130)	5,856,294
Other financing sources (uses)				
Transfers in	-	-	114,598	114,598
Transfers out	(2,306,579)	(2,542,007)	(2,322,006)	220,001
Sale of property	-	-	527,367	527,367
Total other financing sources (uses)	(2,306,579)	(2,542,007)	(1,680,041)	861,966
Net change in fund balance	(9,503,431)	(9,503,431)	(2,785,171)	6,718,260
Beginning fund balance	10,151,612	10,151,612	10,872,739	721,127
Ending fund balance	\$ 648,181	\$ 648,181	\$ 8,087,568	\$ 7,439,387

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

Note: Metropolitan Planning fund was combined into General fund in 2006

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Parks and Recreation Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & assessments	\$ 6,116,239	\$ 6,116,239	\$ 5,995,749	\$ (120,490)
Licenses & permits	-	-	158	158
Intergovernmental revenue	400,150	400,150	489,350	89,200
Fees for service	1,628,575	1,628,575	1,757,762	129,187
Miscellaneous	126,027	126,027	3,952	(122,075)
Other	149,800	149,800	114,751	(35,049)
Total revenues	<u>8,420,791</u>	<u>8,420,791</u>	<u>8,361,722</u>	<u>(59,069)</u>
Expenditures				
Parks:				
General Administration	829,907	829,907	503,973	325,934
Park Administration	626,425	626,425	585,140	41,285
Maintenance	1,948,739	1,948,739	1,860,337	88,402
Forestry	653,198	653,198	665,316	(12,118)
Horticulture	623,719	623,719	618,326	5,393
Concessions	141,976	141,976	138,715	3,261
Recreation:				
Administration	541,867	541,867	351,443	190,424
Community Arts	20,200	20,200	19,711	489
Special Services	425,967	425,967	425,702	265
Recreation Centers	1,471,106	1,471,106	1,402,048	69,058
Day Camps	319,533	319,533	292,749	26,784
Athletics	463,914	463,914	474,586	(10,672)
Aquatics	512,985	512,985	516,419	(3,434)
Mini Train and Carousel	59,348	59,348	78,317	(18,969)
Helen Hocker Theatre	338,622	338,622	328,179	10,443
Ward Meade Park	346,368	346,368	330,030	16,338
Total expenditures	<u>9,323,874</u>	<u>9,323,874</u>	<u>8,590,991</u>	<u>732,883</u>
Excess (deficit) of revenues over expenditures	<u>(903,083)</u>	<u>(903,083)</u>	<u>(229,269)</u>	<u>673,814</u>
Other financing sources				
Transfers in	240,000	240,000	240,000	-
Sale of property	-	-	23,636	23,636
Total other financing sources	<u>240,000</u>	<u>240,000</u>	<u>263,636</u>	<u>23,636</u>
Net change in fund balance	(663,083)	(663,083)	34,367	697,450
Beginning fund balance	<u>663,083</u>	<u>663,083</u>	<u>672,273</u>	<u>9,190</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 706,640</u>	<u>\$ 706,640</u>

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

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Street Repairs Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ 5,257,650	\$ 5,257,650	\$ 5,395,827	\$ 138,177
Fees for service	-	-	6,821	6,821
Miscellaneous	25,000	25,000	136,356	111,356
Total revenues	<u>5,282,650</u>	<u>5,282,650</u>	<u>5,539,004</u>	<u>256,354</u>
Expenditures				
Transportation:				
Repair in-house	3,836,348	3,836,348	3,500,110	336,238
Administration	1,465,603	1,465,603	1,392,177	73,426
Contractual services	1,573,967	1,573,967	1,285,906	288,061
Total expenditures	<u>6,875,918</u>	<u>6,875,918</u>	<u>6,178,193</u>	<u>697,725</u>
Excess (deficit) of revenues over expenditures	<u>(1,593,268)</u>	<u>(1,593,268)</u>	<u>(639,189)</u>	<u>954,079</u>
Other financing sources				
Transfers in	200,000	200,000	200,000	-
Sale of property	24,700	24,700	110,840	86,140
Total other financing sources	<u>224,700</u>	<u>224,700</u>	<u>310,840</u>	<u>86,140</u>
Net change in fund balance	(1,368,568)	(1,368,568)	(328,349)	1,040,219
Beginning fund balance	<u>1,511,445</u>	<u>1,511,445</u>	<u>1,951,762</u>	<u>440,317</u>
Ending fund balance	<u>\$ 142,877</u>	<u>\$ 142,877</u>	<u>\$ 1,623,413</u>	<u>\$ 1,480,536</u>

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

City of Topeka, Kansas
Statement of Net Assets
Proprietary Funds
December 31, 2006

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water, Water Pollution Control, and Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
Assets				
Current assets:				
Cash and equity in Treasurer's Fund	\$ -	\$ 1,565,360	\$ 1,565,360	\$ 11,631,147
Receivables (net of allowance for uncollectibles):				
Accounts receivable	9,410,710	54,780	9,465,490	-
Prepaid costs	27,110	7,447	34,557	150,000
Due from other funds	485,180	32,421	517,601	30,747
Due from other governments	712,631	-	712,631	29
Inventory	5,881,744	36,025	5,917,769	90,269
Restricted assets:				
Cash and equity in Treasurer's Fund	4,271,215	-	4,271,215	-
Total current assets	20,788,590	1,696,033	22,484,623	11,902,192
Non-current assets:				
Restricted assets:				
Cash and equity in Treasurer's Fund	19,350,974	3,427,552	22,778,526	-
Other restricted assets	7,893,866	-	7,893,866	-
Capital assets:				
Land and infrastructure	52,594,326	5,525,897	58,120,223	-
Depreciable buildings, property, and equipment, net of depreciation	296,941,518	13,727,437	310,668,955	1,629,571
Other assets	16,614	-	16,614	-
Total non-current assets	376,797,298	22,680,886	399,478,184	1,629,571
Total assets	397,585,888	24,376,919	421,962,807	13,531,763
Liabilities				
Current liabilities:				
Accounts and contracts payable	2,745,228	588,021	3,333,249	324,330
Salaries & wages payable	500,245	40,620	540,865	106,363
Accrued interest	374,558	-	374,558	-
Due to other funds	880,221	225,920	1,106,141	259,775
Due to other governments	13,327	-	13,327	-
Due to others	-	90	90	-
Current portion of State revolving loan	6,159,852	-	6,159,852	-
Estimated insurance claims	-	-	-	2,538,978
Other	-	12,139	12,139	131,251
Liabilities payable from restricted assets:				
Revenue bonds payable	2,010,000	-	2,010,000	-
Accrued interest on revenue bonds	1,618,598	-	1,618,598	-
Customer deposits	642,617	-	642,617	-
Unearned Revenue	427,511	-	427,511	185,891
Total current liabilities	15,372,157	866,790	16,238,947	3,546,588
Non-current liabilities:				
Revenue bonds payable	111,790,000	-	111,790,000	-
Premium on redemption of bonds	(552,127)	-	(552,127)	-
Discount on issuance of bonds	2,101,053	-	2,101,053	-
Premium on issuance of bonds	-	(22,306)	(22,306)	-
Costs of issuance to be amortized	(1,402,091)	(117,161)	(1,519,252)	-
Deferred Loss on Bond Redemption/Amortized	(607,672)	-	(607,672)	-
State revolving loan payable	87,518,864	-	87,518,864	-
General obligation bonds payable	-	13,810,000	13,810,000	-
Accrued liabilities	486,458	38,169	524,627	100,901
Other	-	-	-	615,287
Total non-current liabilities	199,334,485	13,708,702	213,043,187	716,188
Total liabilities	214,706,642	14,575,492	229,282,134	4,262,776
Net assets				
Invested in capital assets, net of related debt	140,395,963	5,227,175	145,623,138	883,033
Restricted for debt service	8,290,825	-	8,290,825	-
Restricted for capital projects	12,417,852	3,427,552	15,845,404	-
Restricted for sinking funds	2,388,983	-	2,388,983	-
Restricted for deposits	524,529	-	524,529	-
Unrestricted	18,861,094	1,146,700	20,007,794	8,385,954
Total net assets	\$ 182,879,246	\$ 9,801,427	\$ 192,680,673	\$ 9,268,987

City of Topeka, Kansas
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2006

	Business-Type Activities Enterprise Funds		Governmental Activities	
	Water, Water Pollution Control, and Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
Operating revenues:				
Metered water	\$ 22,327,431	\$ -	\$ 22,327,431	\$ -
Sewer service charges	22,998,474	-	22,998,474	-
Parking fees	-	2,376,442	2,376,442	-
Meter fines	-	271,023	271,023	-
Greens fees	-	649,429	649,429	-
Fees for services	-	-	-	15,130,509
Other	3,358,468	11,227	3,369,695	341,706
Total operating revenues	48,684,373	3,308,121	51,992,494	15,472,215
Operating expenses:				
Salaries, wages, and benefits	9,638,530	996,834	10,635,364	2,075,268
Purchased services	11,786,223	1,045,949	12,832,172	4,445,577
Commodities	5,837,783	219,418	6,057,201	234,870
Insurance claims	-	-	-	7,091,427
Other payments	783,051	25,365	808,416	(651)
Depreciation	9,614,177	705,323	10,319,500	622,410
Payments in lieu of debt service	-	499,402	499,402	-
Payments in lieu of taxes	4,519,442	192,000	4,711,442	-
Total operating expenses	42,179,206	3,684,291	45,863,497	14,468,901
Operating income (loss)	6,505,167	(376,170)	6,128,997	1,003,314
Non-operating revenues (expenses)				
Interest income	2,640,306	236,467	2,876,773	218,313
Interest expense	(7,525,293)	(307,008)	(7,832,301)	(51,187)
Gain (loss) on disposal of capital assets	(217,269)	4,596	(212,673)	854
Total non-operating revenues (expenses)	(5,102,256)	(65,945)	(5,168,201)	167,980
Transfers out	(325,000)	-	(325,000)	-
Change in Net Assets	1,077,911	(442,115)	635,796	1,171,294
Total Net Assets Beginning of Year	181,801,335	10,243,542	192,044,877	8,097,693
Total Net Assets End of Year	\$ 182,879,246	\$ 9,801,427	\$ 192,680,673	\$ 9,268,987

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

City of Topeka, Kansas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2006

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water, Water Pollution Control, and Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 47,527,130	\$ 3,313,906	\$ 50,841,036	\$ 15,612,880
Receipts from interfund services provided	-	-	-	(465,769)
Payments to suppliers	(18,602,348)	(658,126)	(19,260,474)	(10,748,062)
Payments to employees	(9,638,530)	(996,834)	(10,635,364)	(2,075,268)
Payments for interfund services used	(4,519,442)	(691,402)	(5,210,844)	(18,513)
Other	(783,051)	(25,365)	(808,416)	(8,685)
Net cash provided (used) by operating activities	<u>13,983,759</u>	<u>942,179</u>	<u>14,925,938</u>	<u>2,296,583</u>
Cash flows from non-capital financing activities				
Transfer to other funds	(325,000)	-	(325,000)	-
Net cash used by non-capital financing activities	<u>(325,000)</u>	<u>-</u>	<u>(325,000)</u>	<u>-</u>
Cash flows from capital and related financing activities				
Payment on capital debt	(55,410,000)	(6,011,864)	(61,421,864)	-
Proceeds from capital debt	54,975,000	7,430,533	62,405,533	-
Debt issuance costs	(824,379)	-	(824,379)	-
Proceeds from state revolving loan	7,709,511	-	7,709,511	-
Payment of capital lease	-	(18,788)	(18,788)	(474,022)
Deposit with fiscal agent	(1,230,785)	-	(1,230,785)	-
Purchases of capital assets	(19,957,686)	(3,573,366)	(23,531,052)	(189,489)
Acquisition and construction of capital assets	-	-	-	-
Amortization of revenue bond discount	50,506	-	50,506	-
Interest paid on capital debt	(7,525,293)	(307,008)	(7,832,301)	(51,187)
Proceeds from sales of capital assets	-	5,685	5,685	854
Net cash provided (used) by capital and related financing activities	<u>(22,213,126)</u>	<u>(2,474,808)</u>	<u>(24,687,934)</u>	<u>(713,844)</u>
Cash flows from investing activities				
Interest and dividends received	2,640,306	236,467	2,876,773	218,313
Net cash provided by investing activities	<u>2,640,306</u>	<u>236,467</u>	<u>2,876,773</u>	<u>218,313</u>
Net increase in cash and cash equivalents	(5,914,061)	(1,296,162)	(7,210,223)	1,801,052
Cash and cash equivalents, January 1	29,536,250	6,289,074	35,825,324	9,830,095
Cash and cash equivalents, December 31	<u>\$ 23,622,189</u>	<u>\$ 4,992,912</u>	<u>\$ 28,615,101</u>	<u>\$ 11,631,147</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 6,505,167	\$ (376,170)	\$ 6,128,997	\$ 1,003,314
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	9,614,177	705,323	10,319,500	622,410
Changes in assets and liabilities:				
Accounts receivable	(239,287)	33,227	(206,060)	-
Due from other funds	(250,748)	(27,442)	(278,190)	(27,198)
Due from other governments	(712,631)	-	(712,631)	-
Inventories	(925,432)	(3,492)	(928,924)	(6,429)
Prepaid items	103	-	103	40,478
Accounts payable	(634,987)	549,998	(84,989)	973,246
Accrued liabilities	(250,940)	(45,725)	(296,665)	19,174
Due to other funds	880,221	106,460	986,681	(465,769)
Due to other governments	12,882	-	12,882	-
Deferred revenue	(14,766)	-	(14,766)	137,357
Total adjustments	<u>7,478,592</u>	<u>1,318,349</u>	<u>8,796,941</u>	<u>1,293,269</u>
Net cash provided by operating activities	<u>\$ 13,983,759</u>	<u>\$ 942,179</u>	<u>\$ 14,925,938</u>	<u>\$ 2,296,583</u>

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

City of Topeka, Kansas
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2006

With comparative totals for December 31, 2005

	Combined Agency Funds Totals	
	2006	2005
Assets		
Cash and equity in Treasurer's Fund	\$ 1,602,483	\$ 1,722,145
Accounts receivable	766	791
	Total Assets	1,722,936
	1,603,249	1,722,936
Liabilities		
Accounts and contracts payable	\$ 45,970	\$ 49,980
Salaries & wages payable	1,922	8,984
Due to others	1,555,357	1,662,077
Other current liabilities	-	1,895
	Total Liabilities	\$ 1,722,936
	\$ 1,603,249	\$ 1,722,936

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

[This page is intentionally left blank.]

City of Topeka, Kansas
Notes to the Financial Statements
December 31, 2006

I. Summary of significant accounting policies

A. Reporting entity

The City of Topeka is a municipal corporation governed by a Council consisting of the Mayor, who is a non-voting member, and nine other members, all elected on a non-partisan basis. The City at large elects the Mayor, and the nine Council members are elected by district. The accompanying financial statements present the financial position of the City and its component unit at December 31, 2006. The City's financial statements include the accounts of all City operations. The financial information of the discretely presented component unit is reported in a separate column in the government-wide financial statements, to emphasize that it is legally separate from the City.

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

Discretely presented component unit

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

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

Based on this criterion, the City of Topeka has one component unit, which is the Topeka-Shawnee County Joint Economic Development Organization (JEDO). JEDO was created under a 2004 interlocal agreement between the City and Shawnee County, Kansas (the County). The City appoints a voting majority of JEDO's Board. Both the City and the County have apportioned specific sales tax revenues to JEDO for the purpose of fostering economic growth throughout the County. For additional information about JEDO, please refer to the *Notes to the Financial Statements, Other Information, Jointly Governed Organizations* section on page 62.

B. Government-wide and fund financial statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants

Notes to the Financial Statements (continued)

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The City of Topeka reports the following major governmental funds:

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

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

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

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

Notes to the Financial Statements (continued)

taxes levied by the City. The fund balance of the debt service fund is reserved, to signify that amounts are restricted exclusively for debt service expenditures.

The *capital projects funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The City has five groups of capital project funds and currently have two which are considered major funds. The two major groups are Bridges and Streets and Trafficways.

The City of Topeka reports the following major proprietary funds:

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

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

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

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

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

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

Internal service funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the City, or to other governments, on a cost-reimbursement basis. The City's internal service funds include *information technology, fleet services, and risk management*. The statements for the internal service funds can be found in the *Other Fund Statements and Schedules* section, beginning on page 102.

Additionally, the City reports the following fund type:

Fiduciary funds are used to account for resources that are held by the government as a trustee or as agent for parties outside the government and that cannot be used to support the City's own programs. The City of Topeka has no fiduciary trust funds, but maintains sixteen fiduciary agency funds. Agency funds are custodial in nature (assets equal liabilities), and do not involve measurement of results of operations. A list of these funds can be found in the *Other Fund Financial Statements* section, beginning on page 92.

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

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

Notes to the Financial Statements (continued)

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

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

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

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

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

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

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

2. Receivables and payables

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

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

Notes to the Financial Statements (continued)

3. Inventories and prepaid items

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

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

4. Restricted assets

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

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets, other than infrastructure assets, as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of three years. All such capital assets that are purchased or constructed are valued at historical cost where records are available and at an estimated historical cost where no such records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

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

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

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

Notes to the Financial Statements (continued)

6. Compensated absences

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

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

7. Long-term obligations

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

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

8. Fund equity

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

9. Comparative data/reclassifications

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

On the *Combining Balance Sheet Non-major Governmental Funds*, the capital project funds for Streets and Trafficways were reclassified in the 2005 totals. Streets and Trafficways should have been classified as a major special revenue fund. This lowered the assets and total liabilities and fund balance by \$6,835,227, respectively.

On the *Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Non-major Governmental Funds*, Streets and Trafficways were reclassified in the 2005 totals. This increased the net change in fund balances by \$4,701,016.

Notes to the Financial Statements (continued)

II. Reconciliation of government-wide and fund financial statements

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

The governmental funds balance sheet includes a reconciliation (on page 30) between *fund balance—total governmental funds* in the amount of \$45,280,063, and *net assets—governmental activities* as reported in the government-wide statement of net assets in the amount of \$324,333,412. This difference results primarily from the difference in measurement focus between those statements. The government-wide statement of net assets has a long-term economic focus, versus the current financial resources focus of the governmental funds balance sheet. Elements of the reconciliation are explained below.

Capital asset differences

When capital assets (property, plant, equipment) to be used in governmental activities are acquired or constructed, the costs of those assets are reported as expenditures in governmental funds and not as capitalized assets net of related accumulated depreciation on the governmental fund balance sheet. However, the government-wide statement of net assets includes the value of those capital assets, net of accumulated depreciation, among the assets of the City as a whole. Using the GASB Statement 34 format, this represents a difference of \$458,265,304, to be added to the *fund balance—total governmental funds* amount of \$45,280,063.

Long-term liabilities

Long-term liabilities, including bonds payable, which are applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities on the governmental fund balance sheet. All liabilities, both current and long-term, are reported in the government-wide statement of net assets. The net difference, which includes bonds payable and compensated absences payable, is a deduction of \$182,450,000 and \$3,436,839, respectively, from the *fund balance—total governmental funds* amount. Also, accrued liabilities in the government-wide statement of net assets differ from the amount reported in the governmental funds balance sheet, because accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds. This represents a deduction of \$2,309,103 from the *fund balance—total governmental funds* amount. The last area of the long-term liability difference is for estimated insurance claims for a deduction of \$285,000.

Internal service funds

Internal service funds are used by management to charge the costs of certain activities, such as fleet services, to the individual funds deriving a benefit from such services. The net of assets and liabilities of these internal service funds are included in governmental activities in the government-wide statement of net assets, because they primarily serve governmental activities of the City, so these assets and liabilities, in the amount of \$9,268,987, are added to the *fund balance—total governmental funds* amount.

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

A reconciliation of the \$29,679,639 *net changes in fund balances* reported in the governmental funds *Statement of Revenues, Expenditures, and Changes in Fund Balances*, to the \$10,438,186 *changes in net assets* for governmental activities reported in the government-wide *Statement of Activities* is included with the financial statements on page 32. The differences arise primarily from the long-term economic focus of the government-wide statement of activities versus the current financial resources focus of the governmental funds statement of revenues, expenditures, and changes in fund balances. The details of the differences are discussed in the following paragraphs.

Notes to the Financial Statements (continued)

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decrease only by the amount of depreciation expense charged for the year. Also, in the statement of activities, only the gain on the sale of capital assets is reported, but in the governmental funds, the gross sales proceeds increase fund balances. These differences in capital asset transactions result in a net increase to governmental funds of \$9,946,253, as follows:

Capitalized construction	\$ 30,654,057
Capitalized fees on construction	5,041,172
Capital project adjustments (excluding internal service funds)	5,319,517
Sales of capital assets	(661,843)
Depreciation expense	<u>(30,406,650)</u>
Net adjustment to fund balances	<u>\$ 9,946,253</u>

Long-term debt transactions

The issuance of long-term debt, including bonds payable, provides current financial resources to governmental funds, and the repayment of long-term debt uses current financial resources of governmental funds. However, neither issuance nor payment of long-term debt has any effect on net assets. Also, governmental funds report the effects of original issue premiums and discounts and certain other related costs at the time debt is issued, whereas in the statement of activities, those amounts are deferred and amortized. The net effect of these transactions is to decrease the net change in fund balances by \$50,734,543, as follows:

- Proceeds from the issuance of long-term bonds are included in *other financing sources* of the governmental funds, but have the effect of increasing long-term liabilities as reported in the statement of activities, a decrease from the net change in fund balances in the amount of \$60,540,000.
- Repayment of bond principal is reported in *other financing uses* in the governmental funds, thus having the effect of reducing fund balance, because current financial resources have been used. However, for the City as a whole, the principal payments reduce the liabilities in the government-wide statement of net assets and do not result in an expense in the government-wide statement of activities, an increase to net change in fund balances of \$10,095,000.
- The net change in accrued interest on general obligation bonds is included in the statement of activities, but is not a current source or use of financial resources, and so is an increase to the governmental funds of \$289,543.

Accrued liabilities

Some expenses, such as accrued compensated absences, reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds, a net increase of \$500,828, as follows:

Change in compensated absences	\$ 215,828
Change in tort claims	<u>285,000</u>
Net adjustment to fund balances	<u>\$ 500,828</u>

Notes to the Financial Statements (continued)

Internal service funds

Internal service funds are used by management to charge the costs of certain activities, such as fleet services, to the individual funds deriving a benefit from such services. The adjustments for internal service funds "closes" those funds by charging additional amounts to participating governmental activities to completely cover the internal service funds' costs for the year, a net increase of \$1,171,294.

Reclassification and eliminations

Interfund balances must generally be eliminated in the government-wide financial statements, except for net residual amounts due between governmental activities. The governmental transfers in of \$10,731,930, will net against the governmental transfers out of \$10,406,930. This will leave a net transfers in of \$325,000. Amounts involving fiduciary funds should be reported as external transactions and are not reported in the governmental funds. Any interfund charges must be eliminated, so that expenses are reported only once - in the governmental funds. This accounts for \$15,126,189.

III. Stewardship, compliance, and accountability

A. Budgetary information

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

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

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

In 2006, there was one amendment to the originally adopted budget which effected the General Fund, General Improvement Fund, Kansas Police and Fire Rate Equalization Fund, and the Half-cent Sales Tax Fund. The amendment was adopted by the governing body in December 2006. The amendment decreased contractual services in both Public Works and Metropolitan Planning by \$10,000 and \$45,196, respectively, and reclassified as interfund transfers from the General Fund to Capital Project funds. An additional \$180,232 was reclassified from the General Fund contingency to an interfund transfer to Capital Projects funds.

The General Improvement fund had an amendment of a beginning fund balance of \$105,261 and a reclassification of \$200,000 from the capital outlay line item, to be transferred to Capital Project funds and Affordable Housing, respectively.

The Kansas Police and Fire Rate Equalization fund was amended to account for a beginning fund balance of \$754,057, revenues of \$285,000 and expenditures of \$350,000.

Lastly, the Half-Cent Sales tax fund was amended to account for \$8,700,000 of revenue and of \$7,367,612 expenditures, going to voter approved projects and Go Topeka.

Notes to the Financial Statements (continued)

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. However, transfers of \$15,000 or more from department to department within the General Fund may only be made with the approval of the City Council.

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

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

A legal operating budget is not required for capital projects funds, trust funds, proprietary funds, and certain special revenue funds. The budgeted funds consist of the General Fund, General Improvement Fund, Special Liability Fund, Park and Recreation Fund, Zoo Fund, General Bond and Interest Fund, Special Alcohol Fund, Transient Guest Tax Fund, Capital Project Planning Fund, Unsafe Structure Fund, Retirement Reserve Fund, KP & F Equalization Fund, Historic Asset Preservation Fund, Special Street Repair Fund, Capital Project Funds, Downtown Improvement District, Half-cent Sales Tax Fund, and Metropolitan Planning Fund, which are all Special Revenue funds. Spending in funds that are not subject to legal, annual, operating budget requirements is controlled by Federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

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

Fund	Expenditures & Transfer Out per Fund Statement	Less Beginning Encumbrances	Plus Ending Encumbrances	Expenditures & Transfers Out per Budget Basis
General Fund	\$ 68,444,411	\$ 1,063,692	\$ 689,185	\$ 68,069,904
Parks and Recreation Fund	8,728,448	142,484	5,027	8,590,991
Special Street Repairs Fund	6,327,769	719,735	570,159	6,178,193
Debt Service Fund	15,996,984	-	-	15,996,984
Bridges	18,467,976	-	-	18,467,976
Streets and Trafficways	17,919,666	-	-	17,919,666

B. Excess of expenditures over appropriations

There was no known instances of excess expenditures over appropriations in 2006.

C. Deficit fund equity

Streets and Trafficways in 2006 was considered a major special revenue fund and closed out the year with a fund deficit of \$4,537,076. The City anticipates funding such deficits through the issuance of debt in subsequent accounting periods, when the construction projects are completed and the associated assets are capitalized.

Notes to the Financial Statements (continued)

The Zoo Fund ended 2006 with a deficit fund balance of \$87,020. This was attributable to taxes and assessments coming in under budget by \$31,257. Also miscellaneous income was lower than expected by \$125,445, but expenditures came in under budget by \$87,016.

IV. Detailed notes on all funds

A. Deposits and investments At December 31, 2006, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (in Years)</u>
State Treasurer's Municipal Investment Pool	\$ 12,460,652	0.08
U.S. government and agency securities	<u>75,331,465</u>	1.19
Total fair value of investments	<u>\$ 87,792,117</u>	
Weighted average maturity of portfolio		<u>0.90 years</u>

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

Credit risk—Kansas state law (K.S.A. 10-301 and K.S.A. 12-1675 to 12-1677) specifies the types of investments in which a municipality may invest. State law also provides for investment of City funds in the Municipal Investment Pool (MIP) within the State Treasury. At December 31, 2006, the City's investment in the MIP and Federal Home Loan Bank was rated AAf/S1+ and AAA by Standard & Poor's, respectively.

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

Custodial credit risk on deposits—In the case of deposits of cash and cash equivalents, custodial credit risk is the risk that in the event of failure of a financial institution, the City's deposits may not be returned. State law (K.S.A. 9-1402) mandates that a bank must pledge collateral equal to 100% of the market value of the City's deposits, using those types of collateral allowed by the law. At December 31, 2006, the City had deposits totaling \$3,386,656 in financial institutions, with collateral assets pledged to the City by the institutions having a fair market value of \$9,563,714.

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

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

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

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

Notes to the Financial Statements (continued)

6. Mutual funds with portfolios consisting entirely of obligations of the U.S. Government, U.S. Government agencies, FNMA, FHLB and FHLMC;
7. Certain Kansas municipal bonds.

B. Receivables

Receivables at year-end for the government's individual major funds and non-major and internal service funds in the aggregate, including any related allowances for uncollectible accounts are as follows:

	General	Parks and Recreation	Special Street Repairs	Debt Service	Bridges	Business-type Activities	Non-major and Other Funds	Total
Receivables:								
Taxes	\$ 16,220	\$ 6,016	\$ 1,455	\$ 14,739	\$ -	\$ -	\$ 4,953	\$ 43,383
Accounts	551	-	-	-	3	9,465	188	10,207
Notes	-	-	-	-	-	-	24	24
Sp. assessments	-	-	-	15,373	-	-	-	15,373
Intergovernmental	11	-	-	-	-	713	1,526	2,250
Component Unit	-	-	-	-	-	-	5,800	5,800
Gross receivables	\$ 16,782	\$ 6,016	\$ 1,455	\$ 30,112	\$ 3	\$ 10,178	\$ 12,491	\$ 77,037

(Amounts Expressed in Thousands)

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

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

	Unavailable
<u>Current Property Taxes Receivable:</u>	
General Fund	11,321,986
Debt service fund	11,892,281
Parks & Recreation Fund	5,389,094
Other, non-major funds	2,916,625
<u>Delinquent Property Taxes Receivable:</u>	
General Fund	85,376
Debt service fund	58,544
Parks & Recreation Fund	21,954
Other, non-major funds	22,247
<u>Special Assessments, Debt Service Fund:</u>	
Current	1,394,938
Delinquent	126,821
Not yet due	15,373,176
<u>Motor Vehicle <i>ad valorem</i> Taxes Receivable:</u>	
General Fund	1,138,989
Debt service fund	1,266,595
Parks & Recreation Fund	604,879
Other, non-major funds	207,289
Grants, other, non-major funds	723,048
Other Deferred Revenues, debt service	253
Total deferred revenue for governmental funds	\$ 52,544,095

Notes to the Financial Statements (continued)

C. Capital assets

Capital asset activity for the year ended December 31, 2006, including Internal Service Funds, was as follows:

Primary Government

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Non-depreciable capital assets:				
Land	\$ 6,359,851	-	(39,990)	\$ 6,319,861
Construction in progress	48,340,345	30,475,793	(14,223,839)	64,592,299
Total non-depreciable capital assets	<u>54,700,196</u>	<u>30,475,793</u>	<u>(14,263,829)</u>	<u>70,912,160</u>
Depreciable capital assets:				
Buildings, improvements, infrastructure	852,313,784	19,275,423	-	871,589,207
Furniture and fixtures	5,782,400	1,169,369	-	6,951,769
Vehicles	16,105,647	2,896,014	(1,366,435)	17,635,226
Machinery and equipment	6,175,897	972,877	(389,817)	6,758,957
Total depreciable capital assets	<u>880,377,728</u>	<u>24,313,683</u>	<u>(1,756,252)</u>	<u>902,935,159</u>
Less accumulated depreciation for:				
Buildings, improvements, infrastructure	(465,559,672)	(27,864,083)	-	(493,423,755)
Furniture and fixtures	(3,767,263)	(808,438)	(5,014)	(4,580,715)
Vehicles	(11,975,044)	(1,347,573)	942,149	(12,380,468)
Machinery and equipment	(3,394,403)	(408,193)	235,090	(3,567,506)
Less accumulated depreciation	<u>(484,696,382)</u>	<u>(30,428,287)</u>	<u>1,172,225</u>	<u>(513,952,444)</u>
Depreciable capital assets, net of accumulated depreciation	<u>395,681,346</u>	<u>(6,114,604)</u>	<u>(584,027)</u>	<u>388,982,715</u>
Governmental activities capital assets, net of accumulated depreciation	<u>\$ 450,381,542</u>	<u>\$ 24,361,189</u>	<u>\$ (14,847,856)</u>	<u>\$ 459,894,875</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
Non-depreciable capital assets:				
Land	\$ 1,664,898	\$ -	\$ (69,325)	\$ 1,595,573
Construction in progress	83,475,044	22,147,589	(49,097,983)	56,524,650
Total non-depreciable capital assets	<u>85,139,942</u>	<u>22,147,589</u>	<u>(49,167,308)</u>	<u>58,120,223</u>
Depreciable capital assets:				
Buildings and improvements	376,711,058	49,961,973	(1,276,850)	425,396,181
Furniture and fixtures	824,990	65,551	-	890,541
Vehicles	6,592,762	419,128	(320,955)	6,690,935
Machinery and equipment	4,540,412	168,484	(79,747)	4,629,149
Total depreciable capital assets:	<u>388,669,222</u>	<u>50,615,136</u>	<u>(1,677,552)</u>	<u>437,606,806</u>
Less accumulated depreciation for:				
Buildings and Improvements	(108,979,419)	(9,443,882)	996,853	(117,426,448)
Furniture and Fixtures	(709,260)	(53,617)	-	(762,877)
Vehicles	(4,888,238)	(543,393)	320,956	(5,110,675)
Machinery and Equipment	(3,436,263)	(278,608)	77,020	(3,637,851)
Less accumulated depreciation	<u>(118,013,180)</u>	<u>(10,319,500)</u>	<u>1,394,829</u>	<u>(126,937,851)</u>
Depreciable capital assets, net of accumulated depreciation	<u>270,656,042</u>	<u>40,295,636</u>	<u>(282,723)</u>	<u>310,668,955</u>
Business-type activities capital assets, net of accumulated depreciation	<u>\$ 355,795,984</u>	<u>\$ 62,443,225</u>	<u>\$ (49,450,031)</u>	<u>\$ 368,789,178</u>

Notes to the Financial Statements (continued)

Depreciation expense was charged to activities as follows:

Governmental activities:	
General Government	\$ 600,773
Public Safety	1,543,146
Public Works	26,547,799
Parks and Recreation	1,114,159
Internal Service	622,410
Total depreciation expense - Governmental	<u>\$ 30,428,287</u>
Business-type activities:	
Parking Garages	\$ 648,169
Water, WPC, & Stormwater Utility	9,614,177
Other business-type activities	57,154
Total depreciation expense - Business-type	<u>\$ 10,319,500</u>

Construction commitments

The City had open, active construction projects on December 31, 2006. The projects include bridge repairs, building and facility updates, repairs of existing streets and traffic signals, upgrades to existing parks and recreation centers, 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	\$ 21,617,790	\$ 4,052,460
Public Safety - Fire	9,305	7,695
Public Safety - Police	735,801	64,199
Public Works - Administration	179,755	37,869
Public Works - Traffic	4,004,984	8,076,326
Public Works - Transportation	17,844,152	14,902,441
Public Works - Bridges	17,725,523	17,240,441
Parks and Recreation	2,474,989	7,803,612
Total	<u>\$ 64,592,299</u>	<u>\$ 52,185,043</u>

In order to fund some of the expenditures above, the City has issued \$11,470,000 worth of temporary notes, which will be paid off in November 2007. See a complete listing of projects on the *Schedule of Temporary Notes* on page 128.

[The remainder of this page intentionally left blank.]

Notes to the Financial Statements (continued)

D. Interfund receivables and transfers

The composition of interfund balances as of December 31, 2006, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Undistributed Investment Earnings	Distribute investment interest	\$ 158,529
General	Information Technology	Operating Subsidy	259,775
General	Golf Course	Operating Subsidy	225,920
General	Water, WPC, & Stormwater Utility	Operating Subsidy	880,221
General	Bridges	Operating Subsidy	86,189
Parks and Recreation	Transient Guest Tax	Accrued tax due for 2005	57,500
Debt Service	Undistributed Investment Earnings	Distribute investment interest	582,554
Total Governmental Funds			2,250,688
Public Parking Facilities	Undistributed Investment Earnings	Distribute investment interest	32,421
Water, WPC, & Stormwater Utility	Undistributed Investment Earnings	Distribute investment interest	485,180
Total Proprietary Funds: Business-Type			517,601
Self-Insurance	Undistributed Investment Earnings	Distribute investment interest	20,925
Risk Management	Undistributed Investment Earnings	Distribute investment interest	9,822
Total Proprietary Funds: Governmental-Internal Service Funds			30,747
Grand Total			\$ 2,799,036

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

Interfund transfers:

Transfer out:	Transfer In:							Total Transfers out
	General Fund	Parks and Recreation	Special Street Repairs	Debt Service Fund	Bridges	Steets and Trafficways	Non-major Governmental	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 2,318	\$ 2,322
Bridges	55	-	-	4,546	-	-	-	4,601
Streets and Trafficways	-	-	-	1,120	-	-	-	1,120
Nonmajor Governmental	60	115	-	273	934	399	583	2,364
Enterprise Fund	-	125	200	-	-	-	-	325
Total transfers in	\$ 115	\$ 240	\$ 200	\$ 5,939	\$ 934	\$ 403	\$ 2,901	\$ 10,732

(Amounts Expressed in Thousands)

Transfers in consisted of the following:

- General Fund received \$60,000 from Transient Guest Tax for operating expenses
- General Fund received excess funds of \$54,598 for closed capital projects
- Parks and Recreation received \$115,000 from Transient Guest Tax for operating expenses
- Parks and Recreation received \$125,000 from Water Pollution Control for operating material
- Special Street Repair received \$200,000 from Stormwater for use of equipment
- Debt Service received excess funds of \$5,939,418 from closed capital projects
- Bridges received sales tax revenue of \$933,688 from ½ Cent Sales Tax Fund for capital projects
- Streets and Trafficways received \$4,232 from General fund for a capital project
- Streets and Trafficways received sales tax revenue of \$398,700 from ½ Cent Sales Tax Fund for a capital project
- Unsafe Structures Fund received \$200,000 from the General Fund for demolitions
- Capital Projects received \$2,062,579 from the General Fund for projects
- Capital Projects received \$99,899 from General Improvement Fund for fire equipment

Notes to the Financial Statements (continued)

Historic Preservation Fund received \$57,947 from Transient Guest Tax operating expenses
 Capital Projects received \$205,212 from Transient Guest Tax for renovation of train station
 Capital Projects received \$20,460 from a Park Land Fund for capital project
 Government and Miscell. Grants received \$55,197 from General Fund for operating
 Government and Miscell. Grants received \$200,000 from General Fund for operating

E. Leases

Operating Leases

The City has operating leases for computers, fire equipment, and golf carts. The expenditures for these operating leases for the year ended December 31, 2006, were \$439,688. The future minimum lease payments for these leases are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2007	465,844
2008	430,796
2009	218,012
2010 and thereafter	99,006
Total	<u><u>\$1,213,658</u></u>

Capital Leases

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

The assets acquired through capital leases are as follows:

	<u>Governmental Activities - Internal Service Funds</u>	<u>Business Activities - Enterprise Funds</u>
Asset information:		
Machinery and equipment	\$ 3,131,500	\$ 106,734
Less accumulated depreciation	(1,960,351)	(106,734)
Total	<u><u>\$ 1,171,149</u></u>	<u><u>\$ -</u></u>

[The remainder of this page intentionally left blank.]

Notes to the Financial Statements (continued)

The capital leases attributable to business-type activities were paid in full in 2004 and fully depreciated in 2006. The future minimum lease obligations for governmental activities, and the net present value of these minimum lease payments at December 31, 2006, were as follows:

Year Ending December 31	Governmental Activities - Internal Service Funds
2007	170,795
2008	158,298
2009	158,298
2010	158,298
2011	158,298
2012 and thereafter	65,937
Total minimum lease payments	869,924
Less: amount representing interest	(123,385)
Net present value of minimum lease payments	<u>\$ 746,539</u>

F. Long-term debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction or improvement of major capital assets. General obligation bonds have been issued for both governmental and business-type activities. The principal amount of general obligation bonds outstanding at January 1, 2006, was \$138,245,000. During the year, general obligation bonds totaling \$10,095,000 were retired, and \$21,240,000 of general obligation bonds were issued, bringing the December 31, 2006, outstanding balance to \$149,390,000.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.70 - 5.25%	\$ 60,955,000
Governmental activities – refunding	1.80 - 5.10%	74,625,000
Business-type activities	4.00 - 5.13%	13,810,000
		<u>\$149,390,000</u>

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

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 10,750,000	\$ 5,776,675
2008	10,785,000	5,552,298
2009	10,930,000	5,178,241
2010	11,090,000	4,802,121
2011	11,225,000	4,408,056
2012-2016	48,300,000	15,552,816
2017-2021	24,860,000	7,917,100
2022-2036	21,450,000	4,416,970
Total	<u>\$149,390,000</u>	<u>\$53,604,277</u>

Notes to the Financial Statements (continued)

STAR Bonds

On March 30, 2006, the City issued its City of Topeka, Kansas, Full Faith and Credit STAR Bonds, Series 2006-A (Heartland Park), in the aggregate principal amount of \$10,405,000. These bonds are anticipated to be paid from the proceeds of State and local sales taxes generated within the established redevelopment project area. The redevelopment project consists of enhancements and new construction for Heartland Park Topeka, a nationally recognized car-racing venue. The City has also pledged its full faith and credit to repayment of the bonds.

Sales Tax Revenue Bonds

On June 15, 2006, the City issued its City of Topeka, Kansas, Series 2006 Sales Tax Revenue Bonds (Topeka Boulevard Bridge), in the aggregate principal amount of \$30,625,000, for the purpose of paying a portion of the costs to remove and replace the Topeka Boulevard bridge over the Kansas River. The revenues to pay the City's portion of the estimated \$51 million total cost of the bridge replacement will be generated by a special one-half of one percent (0.50%) Countywide sales tax authorized by the voters in August 2004. These bonds are not the City's general obligation, but are to be paid solely from the sales taxes to be collected by the Kansas Department of Revenue (KDOR), transferred by the City to the JEDO (see *Note V-E Jointly Governed Organizations* below), reimbursed to the City by JEDO upon demand by the City, then transferred by the City to U.S. Bank, the trustee for the 2006 Bonds. In addition to bond proceeds, the Topeka Boulevard Bridge project will also be financed in part by Federal and Kansas Department of Transportation highway grants.

Tax Increment Financing bonds

On July 27, 2006, the City issued its City of Topeka, Kansas Series 2006-A Tax Increment Financing Bonds (College Hill), in the aggregate principal amount of \$5,840,000. The redevelopment projects consists of constructing apartments, townhomes, commercial retail space, parking spaces and various other public and private infrastructure in the Redevelopment District – which is close to Washburn University in central Topeka. The bonds will be paid by incremental tax revenue from ad valorem property tax and local sales and use taxes for properties and business located within the Redevelopment District. The bonds will also constitute general obligation bonds of the City.

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, 2006, was \$114,235,000. In 2006, the City issued \$54,975,000 of revenue bonds and \$55,410,000 of revenue bonds were retired. Revenue bonds outstanding at year-end are \$113,800,000, as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Water, Water Pollution Control & Stormwater	2.00 - 7.50%	\$113,800,000

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending December 31 *</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 2,010,000	\$ 4,656,037
2008	1,875,000	5,047,755
2009	1,935,000	4,946,655
2010	2,005,000	4,849,155
2011	2,055,000	4,748,255
2012-2016	15,665,000	22,095,330
2017-2021	23,250,000	17,899,375
2022-2035	65,005,000	18,696,219
Total	\$113,800,000	\$82,938,781

* See note V. section C regarding subsequent events

Notes to the Financial Statements (continued)

Advance and current refundings

Revenue Bonds – On October 18, 2006, the City issued its Combined Utility Improvement and Refunding Revenue Bonds, Series 2006-A (the 2006-A Bonds) in the principal amount of \$32,375,000. The interest rates for the 2006-A Bonds range from 4.25% to 4.375%, and the final maturity date is August 1, 2031. The 2006-A Bonds were used to currently refund the City's previously issued Series 1998-B Water and Water Pollution Control Utility Revenue Bonds, in the outstanding principal amount of \$31,440,000.

On October 18, 2006, the City issued its Combined Utility Improvement and Refunding Revenue Bonds, Series 2006-B (the 2006-B Bonds) \$22,600,000. The interest rates for the 2006-B Bonds range from 4.00% to 5.00%, and the final maturity date is August 1, 2021. The 2006-A Bonds were used to advance refund the majority of the City's previously issued Series 2001A Water and Water Pollution Control Utility Revenue Bonds, in the outstanding principal amount of \$22,065,000.

General Obligation Bonds - There were no advance or current refunding issues in 2006.

Changes in long-term liabilities

The following paragraphs are a summary of long-term liability activity for 2006.

	<u>Balance 12/31/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/06</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 132,005,000	\$ 13,670,000	\$ (10,095,000)	\$ 135,580,000	\$ 8,545,000
Tax increment bonds	-	46,870,000	-	46,870,000	2,205,000
Capital leases	1,220,560	-	(474,022)	746,538	131,251
Compensated absences	3,319,420	265,436	(47,116)	3,537,740	3,537,740
Governmental activity					
Long-term liabilities	<u>\$ 136,544,980</u>	<u>\$ 60,805,436</u>	<u>\$ (10,616,138)</u>	<u>\$ 186,734,278</u>	<u>\$ 14,418,991</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	6,240,000	7,570,000	-	13,810,000	-
Revenue bonds	114,235,000	54,975,000	(55,410,000)	113,800,000	2,010,000
Less deferred amounts:					
For issuance prem/discounts	1,327,091	192,347	7,182	1,526,620	-
Cost of issuance amortized	(1,014,056)	(542,592)	37,396	(1,519,252)	-
Deferred loss on bond redemption	-	(612,949)	5,277	(607,672)	-
Total bonds payable	120,788,035	61,581,806	(55,360,145)	127,009,696	2,010,000
State revolving loan	85,969,206	12,851,537	(5,142,027)	93,678,716	6,159,852
Compensated absences	505,359	37,265	(17,997)	524,627	524,627
Business-type activity					
Long-term liabilities	<u>\$ 207,262,600</u>	<u>\$ 74,470,608</u>	<u>\$ (60,520,169)</u>	<u>\$ 221,213,039</u>	<u>\$ 8,694,479</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included in the preceding table, as part of the totals for *governmental activities*. At year-end, there were no general obligation bonds, \$100,901 of the compensated absences, and \$746,538 of capital leases are attributable to internal service funds. For the governmental activities, compensated absences are generally liquidated by the general fund.

The government-wide statement of net assets includes \$2,010,000 of the long-term liabilities due within one year for *business-type activities* in current *liabilities payable from restricted assets*. The remaining amount of \$111,790,000 is categorized as *non-current liabilities, due in more than one year* on that same statement.

Notes to the Financial Statements (continued)

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

At January 1, 2006, the City owed \$77,989,503 to the Kansas Water Pollution Control State Revolving Loan Fund (WPC-SRF); during the year, the City borrowed an additional \$3,669,606, from the WPC-SRF and repaid loan principal of \$4,627,983. The total balance owed for the WPC-SRF at December 31, 2006, was \$77,031,126.

At January 1, 2006, the City owed \$7,979,703 to the Kansas Public Water Supply State Revolving Loan Fund (PWS-SRF); during the year, the City borrowed an additional \$9,181,931 from PWS-SRF and repaid loan principal of \$514,044. The total balance owed for the PWS-SRF at December 31, 2006 was \$16,647,590

The City has entered into agreements to receive loans up to \$111,807,667 from WPC-SRF and up to \$24,019,966 from PWS-SRF. The City anticipates borrowing additional monies from these revolving loan funds in 2007.

G. Restricted assets

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

Bond reserve - Water	\$5,308,591
Bond reserve - Water Pollution Control	2,105,399
Bond reserve - Stormwater	876,835
Renewal & replacement - Water	1,500,000
Construction proceeds - Water	2,941,873
Construction proceeds - Water Pollution Control	7,975,979
Construction proceeds - Parking	3,427,552
Sinking fund - Water	1,265,278
Sinking fund - Water Pollution Control	764,442
Sinking fund - Stormwater	359,263
Water consumer deposits - Water	454,674
Water consumer deposits flushing meters - Water	69,855
Deposits with fiscal agent - Water	1,653,843
Deposits with fiscal agent - Water Pollution Control	6,240,023
Total restricted assets	<u>\$34,943,607</u>

V. Other information

A. Risk management

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

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

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,

Notes to the Financial Statements (continued)

workers' compensation, and unemployment compensation (jointly, the internal self-insurance funds). There has been no significant reduction in commercial or self-insurance coverage from the prior year.

The internal self-insurance funds accrue the required amounts for the payment of anticipated claims by imposing rate charges to various City departments. Rates are based on historical and expected future expenses. These rate charges are reported as expenditures in the applicable funds. Risks attributable to the workers' compensation self-insurance fund have excess reinsurance coverage. The health self-insurance fund has catastrophic stop-loss reinsurance for all claims, except those for prescription drugs, to help protect the City against extraordinary losses. A reconciliation of changes in liabilities for claims, including claims incurred but not reported, for the past two years follows:

	2006	2005
Claims liabilities at beginning of the year	\$ 1,543,442	\$ 1,642,781
Claims incurred during the year	7,091,427	7,940,119
Claims paid during the year	(6,095,891)	(8,039,458)
Claims liabilities at end of the year	<u>\$ 2,538,978</u>	<u>\$ 1,543,442</u>

B. Related party transactions

There were no significant related party transactions in 2006.

C. Subsequent events

In May of 2007 the City experienced some major flooding throughout the City, due to receiving rainfall totals in the 9 to 11 inch range. This was received on top of the already high groundwater tables. These conditions created flooding in low areas adjacent to several streams and resulted in sanitary sewer backups in homes.

On June 19, 2007 the City issued its City of Topeka, Kansas Combined Utility Revenue Refunding Bonds and its Combined Utility Improvement Revenue Bonds series 2007-B, in the aggregate principal amount of \$2,185,000 and \$3,025,000, respectively. The 2007-B Improvement and Refunding Bonds will mature on August 1 of the years 2025 through 2037. The City also issued its Taxable Combined Utility Improvement Revenue bonds, series 2007-C, in the aggregate principal amount of \$2,140,000. The 2007-C Bonds will mature on August 1 of the years 2008 through 2025. The City pledges income derived from the fees and charges to users of the related assets.

D. Contingent liabilities

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, 2006, totaled \$117,072,428.

Costs to complete construction contracts to which the City was committed at December 31, 2006 are estimated at \$52,185,043 for the governmental funds and \$31,117,298 for Enterprise Funds.

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

Notes to the Financial Statements (continued)

E. Jointly governed organizations

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

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

The JEDO is comprised of a seven (7)-member board, which includes three County Commissioners, the Mayor and Deputy Mayor of the City, and two City Council members. The Chair of the JEDO rotates between the County and the City on a yearly basis. Under the terms of the interlocal agreement, the JEDO must remain in existence during the term of the one-half of one percent countywide sales tax approved by the voters to be imposed from January 1, 2005, through December 31, 2015, plus one year. The revenues derived from the sales tax are deposited with the JEDO, which administers the monies as directed by the vote and under the terms of the interlocal agreement. An annual audit of the JEDO is required to be provided to the City and the County and filed with the City Clerk, the County Clerk and at the Topeka-Shawnee County Public Library. The JEDO is considered a component unit of the City as explained in *Note A* on page 41.

F. Other post employment benefits

The City allows its retirees to participate in the medical, dental, and prescription drug plans of the City. The individual retiree is responsible for 100% of his or her insurance premiums in conjunction with such coverage. Currently, retirees are eligible to remain in the plan until they elect to withdraw. The benefits are exactly the same as those provided to active City employees. At December 31, 2006, the city had a total of 295 retirees enrolled in these insurance plans.

Although each retiree pays the full amount of applicable insurance premiums, conceptually, the City is subsidizing this benefit, because each participant is charged a level premium, regardless of age or employer premium increases for the current employees' group that may be attributable to a higher claims experience in the retirees' group. However, the cost of this subsidy has not been quantified in these financial statements.

G. Employee retirement systems and pension plans

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

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights "are held in trust for the exclusive benefit of [employee] participants and their beneficiaries". The City, which does not have

Notes to the Financial Statements (continued)

access to those properties or rights, provides neither administrative services to nor investment advice for the plan, and therefore does not include the balances and activities of the plan in the City's financial statements.

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

Currently, K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary, and K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually, based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limit on annual increases in the employer contribution rates. The KPERS employer rate established by statute for calendar year 2006 was 3.81%. The City of Topeka employer contributions to KPERS for the years ending December 31, 2006, 2005, and 2004 were \$1,044,241, \$923,997, and \$882,246, 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 2006 was 12.39%. The City's employer contributions to KP&F for the years ending December 31, 2006, 2005, and 2004 were \$3,551,539, \$3,302,950, and \$3,638,554, respectively, equal to the statutorily required contributions for each year.

[The remainder of this page intentionally left blank.]

[This page is intentionally left blank.]

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Special Revenue Funds (Continued...)

<u>FUND NAME</u>	<u>STATUTORY OR OTHER AUTHORITY</u>	<u>PURPOSE</u>
Capital Projects Planning	K.S.A. 12-1,118 Topeka Ordinance #15687	Represents resources set aside to be used for preliminary costs of planning for a capital improvement in advance of formal authorization and funding of the project. Fund is reimbursed after project is authorized.
Unsafe Structures Removal	K.S.A 12-1750 & K.S.A. 12-4758 Topeka Ordinance #16918	Accounts for resources and expenditures for repair, alteration, removal or demolishing those structures determined to be unfit for habitation or endangering health and safety of the public.
Retirement Reserve	Administrative Action	Provides funding for and absorbs those accrued sick leave, vacation, and other related costs of City employees upon their retirement.
KP & F Equalization	Administrative Action Topeka Ordinance #18269 & #18290	Provides funding for retirement of the KP & F liabilities and a reserve fund for any future excess contribution liabilities.
Historic Asset Preservation	Administrative Action Topeka Ordinance #17238	Provides funding for acquisition, rehabilitation and preservation of historic landmarks or historic resources located within the City.
1/2 % Sales Tax	City (# 34790)/County (C334-2004) Interlocal Agreement & Approved by Voters on 08-03-04	Provides funding for economic development and countywide infrastructure development.
Governmental and Miscellaneous Grants	Public Law 93-838 City Code Chapter 42 Various Grant Contracts	Accounts for the receipts and expenditures of proceeds provided by various governmental departments for Community Development Block Grant Programs, various other grants related to health and social service programs, and law enforcement programs. Other grants Included are miscellaneous grants from all sources to provide for things such as community clean up, recreational equipment and public safety.
Regional Planning Commission	City/County Interlocal Agreement	Accounts for funds used by the Planning Commission in preparation and adoption of a Comprehensive Metropolitan Plan for land use, transportation and public facilities, to guide the future development of the metropolitan area. This structure was changed in 2004.
Park Land Acquisition	Administrative Topeka Ordinance #17226	Reserves funds transferred from City departments and contributed by other entities for future land acquisitions for park improvements and developments.
Undistributed Investment Earnings	Administrative	Accounts for investment earnings on all pooled City funds before actual distribution to various recipient funds.

Capital Projects Funds

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

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

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

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

[The remainder of this page is intentionally left blank.]

City of Topeka, Kansas
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2006

With comparative totals for December 31, 2005

	Downtown Improvement District	Special Revenue Funds						Transient Guest Tax
		Special Alcohol Program	General Improvement	Special Liability Expense	Zoo Improvement	Zoo	Golf Improvement	
Assets								
Cash and equity in Treasurer's Fund	\$ 7,639	\$ 442,423	\$ 28,751	\$ 1,087,709	\$ 5,243	\$ 23,427	\$ 122,534	\$ 123,853
Receivables (net of allowance for uncollectibles):								
Accounts receivable	32,472	-	-	-	-	-	-	-
General property taxes	-	-	1,321,241	212,389	-	1,612,531	-	517,118
Notes	-	-	-	-	-	-	-	-
Component unit	-	-	-	-	-	-	-	-
Prepaid costs	-	-	-	-	-	2,596	-	-
Due from other governments	-	-	-	-	-	-	-	-
Total assets	\$ 40,111	\$ 442,423	\$ 1,349,992	\$ 1,300,098	\$ 5,243	\$ 1,638,554	\$ 122,534	\$ 640,971
Liabilities and fund balances								
Liabilities:								
Accounts and contracts payable	5,363	32,301	-	6,348	-	25,934	-	-
Salaries & wages payable	-	-	-	4,785	-	87,109	-	-
Accrued interest	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	57,500
Temporary notes payable	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	1,321,241	212,389	-	1,612,531	-	-
Total liabilities	5,363	32,301	1,321,241	223,522	-	1,725,574	-	57,500
Fund Balances Reserved for:								
Encumbrances	-	39,567	-	2,998	-	-	-	309,375
Unreserved, reported in:								
Special Revenue Funds	34,748	370,555	28,751	1,073,578	5,243	(87,020)	122,534	274,096
Capital Projects Funds	-	-	-	-	-	-	-	-
Total fund balances	34,748	410,122	28,751	1,076,576	5,243	(87,020)	122,534	583,471
Total liabilities and fund balances	\$ 40,111	\$ 442,423	\$ 1,349,992	\$ 1,300,098	\$ 5,243	\$ 1,638,554	\$ 122,534	\$ 640,971

continued...

City of Topeka, Kansas
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2006

With comparative totals for December 31, 2005

...continued

	Special Revenue Funds							Regional Planning Commission
	Capital Projects Planning	Unsafe Structure Removal	Retirement Reserve	KP & F Equalization	Historic Asset Preservation	1/2 % Sales Tax	Governmental & Miscellaneous Grants	
Assets								
Cash and equity in Treasurer's Fund	\$ 179,450	\$ 94,839	\$ 585,658	\$ 1,001,647	\$ 159,257	\$ -	\$ 320,960	\$ 153,079
Receivables (net of allowance for uncollectibles)	-	86,714	-	-	-	-	68,466	-
Accounts receivable	-	-	-	-	-	-	-	-
General property taxes	-	-	-	-	-	-	24,322	-
Notes	-	-	-	-	-	5,800,528	-	-
Component unit	-	-	-	-	-	-	-	-
Prepaid costs	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	612,595	913,961	-
Total assets	<u>\$ 179,450</u>	<u>\$ 181,553</u>	<u>\$ 585,658</u>	<u>\$ 1,001,647</u>	<u>\$ 159,257</u>	<u>\$ 6,413,123</u>	<u>\$ 1,327,709</u>	<u>\$ 153,079</u>
Liabilities and fund balances								
Liabilities:								
Accounts and contracts payable	22	55,205	-	-	-	-	540,410	33,527
Salaries & wages payable	-	-	6,690	-	-	-	64,251	-
Accrued interest	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Temporary notes payable	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	723,048	-
Total liabilities	<u>22</u>	<u>55,205</u>	<u>6,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,327,709</u>	<u>33,527</u>
Fund Balances Reserved for:								
Encumbrances	-	60,045	-	-	-	-	-	-
Unreserved, reported in:								
Special Revenue Funds	179,428	66,303	578,968	1,001,647	159,257	6,413,123	-	119,552
Capital Projects Funds	-	-	-	-	-	-	-	-
Total fund balances	<u>179,428</u>	<u>126,348</u>	<u>578,968</u>	<u>1,001,647</u>	<u>159,257</u>	<u>6,413,123</u>	<u>-</u>	<u>119,552</u>
Total liabilities and fund balances	<u>\$ 179,450</u>	<u>\$ 181,553</u>	<u>\$ 585,658</u>	<u>\$ 1,001,647</u>	<u>\$ 159,257</u>	<u>\$ 6,413,123</u>	<u>\$ 1,327,709</u>	<u>\$ 153,079</u>

continued...

City of Topeka, Kansas
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2006

With comparative totals for December 31, 2005

...continued

	Special Revenue Funds			Capital Project Funds			Totals	
	Park Land Acquisition	Undistributed Investment Earnings	Public Buildings and Facilities	Sanitary Sewers	Park Improvements	2006	2005	
Assets								
Cash and equity in Treasurer's Fund	\$ 107,395	\$ -	\$ 1,536,324	\$ (100,731)	\$ 4,069,889	\$ 9,949,346	\$ 7,554,667	
Receivables (net of allowance for uncollectibles)	-	-	-	-	-	187,652	431,112	
Accounts receivable	-	1,289,431	-	-	-	4,952,710	2,595,595	
General property taxes	-	-	-	-	-	24,322	24,322	
Notes	-	-	-	-	-	-	-	
Component unit	-	-	-	-	-	5,800,528	-	
Prepaid costs	-	-	-	-	-	2,596	2,596	
Due from other governments	-	-	-	-	-	1,526,556	4,524,746	
Total assets	\$ 107,395	\$ 1,289,431	\$ 1,536,324	\$ (100,731)	\$ 4,069,889	\$ 22,443,710	\$ 15,133,038	
Liabilities and fund balances								
Liabilities:								
Accounts and contracts payable	-	-	16,097	189,461	\$ 415,611	\$ 1,320,279	\$ 643,420	
Salaries & wages payable	-	-	-	-	-	162,835	160,282	
Accrued interest	-	-	-	6,700	-	6,700	8,425	
Due to other funds	-	1,289,431	-	-	-	1,346,931	326,410	
Temporary notes payable	-	-	-	1,670,641	-	1,670,641	2,968,489	
Unearned Revenue	-	-	-	-	-	3,869,209	2,908,867	
Total liabilities	-	1,289,431	16,097	1,866,802	415,611	8,376,595	7,015,893	
Fund Balances Reserved for:								
Encumbrances	-	-	-	-	-	411,985	517,340	
Unreserved, reported in:								
Special Revenue Funds	107,395	-	-	-	-	10,448,158	7,329,290	
Capital Projects Funds	-	-	1,520,227	(1,967,533)	3,654,278	3,206,972	270,515	
Total fund balances	107,395	-	1,520,227	(1,967,533)	3,654,278	14,067,115	8,117,145	
Total liabilities and fund balances	\$ 107,395	\$ 1,289,431	\$ 1,536,324	\$ (100,731)	\$ 4,069,889	\$ 22,443,710	\$ 15,133,038	

Note: The 2005 totals have been restated to reflect Streets and Trafficways being reclassified as a major fund.

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

For the Year Ended December 31, 2006

With comparative totals for December 31, 2005

	Special Revenue Funds							
	Downtown Improvement District	Special Alcohol Program	General Improvement	Special Liability Expense	Zoo Improvement	Zoo	Golf Improvement	Transient Guest Tax
Revenues:								
Taxes and assessments	\$ 177,764	\$ -	\$ 200,810	\$ 288,814	\$ -	\$ 1,606,330	\$ -	\$ 1,766,633
Intergovernmental	-	489,350	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,244	398,628	23,040	-
Interest from investments	-	-	-	-	810	158	-	-
Other	-	-	-	-	-	121	-	-
Total revenues	177,764	489,350	200,810	288,814	2,054	2,005,237	23,040	1,766,633
Expenditures:								
General government	-	-	99,006	176,108	-	-	-	1,155,000
Public safety	-	-	-	-	-	-	-	-
Public works	207,757	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	9,362	2,196,308	-	-
Public housing	-	-	-	-	-	-	-	-
Social services	-	427,701	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Engineering and others	-	-	-	-	-	-	-	-
Total expenditures	207,757	427,701	99,006	176,108	9,362	2,196,308	-	1,155,000
Excess (deficit) of revenues over (under) expenditures	(29,993)	61,649	101,804	112,706	(7,308)	(191,071)	23,040	611,633
Other financing sources (uses):								
Issuance of debt	-	-	-	-	-	-	-	-
Original issue premium on bonds	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(299,899)	-	-	-	-	(438,159)
Total other financing sources (uses)	-	-	(299,899)	-	-	-	-	(438,159)
Net change in fund balances	(29,993)	61,649	(198,095)	112,706	(7,308)	(191,071)	23,040	173,474
Fund balances (deficits) - beginning	64,741	348,473	226,846	963,870	12,551	104,051	99,494	409,997
Fund balances (deficits) - ending	\$ 34,748	\$ 410,122	\$ 28,751	\$ 1,076,576	\$ 5,243	(87,020)	\$ 122,534	\$ 583,471

continued...

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

For the Year Ended December 31, 2006

With comparative totals for December 31, 2005

...continued

	Special Revenue Funds									
	Capital Projects Planning	Unsafe Structure Removal	Retirement Reserve	KP & F Equalization	Historic Asset Preservation	1/2 % Sales Tax	Governmental & Miscellaneous Grants	Regional Planning Commission		
Revenues:										
Taxes and assessments	\$ -	\$ 281	\$ -	\$ -	\$ -	\$ 7,502,107	\$ -	-	-	-
Intergovernmental	-	-	-	-	-	-	4,300,870	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	581,717	284,141	-	-	-	-	-	-
Interest from investments	-	-	-	-	-	-	(67,388)	-	-	-
Other	-	-	-	-	-	102,210	289,934	-	-	-
Total revenues	-	281	581,717	284,141	-	7,604,317	4,523,416	-	-	-
Expenditures:										
General government	6,615	242,731	653,622	36,551	-	3,433,150	2,374,149	-	-	-
Public safety	-	-	-	-	-	-	(1,441,274)	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Public housing	-	-	-	-	-	-	3,515,342	-	-	-
Social services	-	-	-	-	-	-	330,396	-	-	-
Construction	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Engineering and others	-	-	-	-	-	-	-	-	-	-
Total expenditures	6,615	242,731	653,622	36,551	-	3,433,150	4,778,613	-	-	-
Excess (deficit) of revenues over (under) expenditures	(6,615)	(242,450)	(71,905)	247,590	-	4,171,167	(255,197)	-	-	-
Other financing sources (uses):										
Issuance of debt	-	-	-	-	-	-	-	-	-	-
Original issue premium on bonds	-	-	-	-	-	-	-	-	-	-
Transfers in	-	200,000	-	-	57,947	-	255,197	-	-	-
Transfers out	-	-	-	-	-	(1,332,388)	-	-	-	-
Total other financing sources (uses)	-	200,000	-	-	57,947	(1,332,388)	255,197	-	-	-
Net change in fund balances	(6,615)	(42,450)	(71,905)	247,590	57,947	2,838,779	-	-	-	-
Fund balances (deficits) - beginning	186,043	168,798	650,873	754,057	101,310	3,574,344	-	-	-	119,552
Fund balances (deficits) - ending	\$ 179,428	\$ 126,348	\$ 578,968	\$ 1,001,647	\$ 159,257	\$ 6,413,123	\$ -	\$ -	\$ -	\$ 119,552

continued...

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

For the Year Ended December 31, 2006

With comparative totals for December 31, 2005

...continued

	Special Revenue Funds				Capital Project Funds				Totals	
	Park Land Acquisition	Undistributed Investment Earnings	Public Buildings and Facilities	Sanitary Sewers	Park Improvements	2006	2005			
Revenues:										
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,542,739	\$ 11,740,416			
Intergovernmental	-	-	356,673	77,546	422,414	5,646,853	6,951,232			
Licenses and permits	66,225	-	-	-	-	66,225	82,875			
Charges for services	-	-	-	-	-	1,288,770	1,405,496			
Interest from investments	-	-	-	-	-	(66,420)	50,710			
Other	-	-	184,082	-	-	576,347	1,802,344			
Total revenues	66,225	-	540,755	77,546	422,414	19,054,514	22,033,073			
Expenditures:										
General government	-	-	-	-	-	8,176,932	7,862,505			
Public safety	-	-	-	-	-	(1,441,274)	860,862			
Public works	-	-	-	-	-	207,757	214,517			
Parks and recreation	-	-	-	-	-	2,205,670	2,067,329			
Public housing	-	-	-	-	-	3,515,342	4,044,289			
Social services	-	-	-	-	-	758,097	664,335			
Construction	-	-	1,047,443	701,216	2,269,719	4,018,378	4,672,463			
Interest	-	-	-	88,556	-	88,556	120,023			
Engineering and others	-	-	1,301,517	271,945	122,323	1,695,785	6,066,166			
Total expenditures	-	-	2,348,960	1,061,717	2,392,042	19,225,243	26,572,489			
Excess (deficit) of revenues over (under) expenditures	66,225	-	(1,808,205)	(984,171)	(1,969,628)	(170,729)	(4,539,416)			
Other financing sources (uses):										
Issuance of debt	-	-	7,835	695,209	4,444,402	5,147,446	9,868,334			
Original issue premium on bonds	-	-	22	2,020	12,911	14,953	120,187			
Transfers in	-	-	2,367,690	-	20,460	2,901,294	1,413,238			
Transfers out	(20,460)	-	(237,306)	(16,961)	(19,197)	(2,364,370)	(1,357,403)			
Total other financing sources (uses)	(20,460)	-	2,138,241	680,268	4,458,576	5,699,323	10,044,356			
Net change in fund balances	45,765	-	330,036	(303,903)	2,488,948	5,528,594	5,504,940			
Fund balances (deficits) - beginning	61,630	-	1,190,191	(1,663,630)	1,165,330	8,538,521	2,612,205			
Fund balances (deficits) - ending	\$ 107,395	\$ -	\$ 1,520,227	\$ (1,967,533)	\$ 3,654,278	\$ 14,067,115	\$ 8,117,145			

Note: The 2005 totals have been restated to reflect Streets and Trafficways being reclassified as a major fund for (\$10,751,844).
 Note: The 2006 beginning balance will be off due to Bridges being reclassified to a major fund for (\$421,376).

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes & assessments:				
Property taxes - current	\$ 11,434,642	\$ 11,434,642	\$ 11,062,846	\$ (371,796)
Property taxes - delinquent	100,000	100,000	132,624	32,624
Motor vehicle ad valorem tax	1,435,424	1,435,424	1,484,244	48,820
Sales Tax		-	53,197	53,197
Assessments - current	1,250,000	1,250,000	1,165,207	(84,793)
Assessments - prepaid	-	-	3,181	3,181
Assessments - delinquent	-	-	35,437	35,437
Payment in lieu of taxes	-	-	48,739	48,739
Intergovernmental	-	-	59,749	59,749
Interest from investments	50,000	50,000	987,520	937,520
Miscellaneous	-	-	5,715	5,715
Other	55,271	55,271	-	(55,271)
Total revenues	<u>14,325,337</u>	<u>14,325,337</u>	<u>15,038,459</u>	<u>713,122</u>
Expenditures				
Principal retirement	9,965,000	9,965,000	10,095,000	(130,000)
Interest on bonds	5,229,608	5,229,608	5,899,184	(669,576)
Fiscal agent fees	6,007	6,007	2,800	3,207
NRA rebates	262,596	262,596	-	262,596
Contingency	750,000	750,000	-	750,000
Total expenditures	<u>16,213,211</u>	<u>16,213,211</u>	<u>15,996,984</u>	<u>216,227</u>
Excess (deficiency) of revenues over expenditures	(1,887,874)	(1,887,874)	(958,525)	929,349
Other financing sources				
Transfers in	-	-	5,939,418	5,939,418
Total other financing sources	<u>-</u>	<u>-</u>	<u>5,939,418</u>	<u>5,939,418</u>
Net change in fund balances	(1,887,874)	(1,887,874)	4,980,893	6,868,767
Beginning fund balance	<u>1,887,874</u>	<u>1,887,874</u>	<u>2,812,438</u>	<u>924,564</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,793,331</u>	<u>\$ 7,793,331</u>

City of Topeka, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Bridges
From Inception and for the Year Ended December 31, 2006

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Taxes & assessments	\$ 1,671,411	\$ 1,175,244	\$ 2,846,655	\$ 33,002,728
Intergovernmental revenue	1,588,192	113,656	1,701,848	128,392
Other	-	422,442	422,442	-
Total revenues	<u>3,259,603</u>	<u>1,711,342</u>	<u>4,970,945</u>	<u>33,131,120</u>
Expenditures				
Construction	2,724,320	12,695,291	15,419,611	25,949,068
Interest	208,392	44,279	252,671	523,413
Engineering and others	3,695,242	1,127,843	4,823,085	11,591,585
Total expenditures	<u>6,627,954</u>	<u>13,867,413</u>	<u>20,495,367</u>	<u>38,064,066</u>
Excess (deficit) of revenues over (under) expenditures	<u>(3,368,351)</u>	<u>(12,156,071)</u>	<u>(15,524,422)</u>	<u>(4,932,946)</u>
Other financing sources (uses)				
Proceeds of general obligation bonds	2,822,701	32,047,282	34,869,983	4,754,296
Original issue premium on bonds	3,499	471,741	475,240	-
Original issue discount on bonds	(12,551)	-	(12,551)	-
Transfer in	358,650	933,688	1,292,338	178,650
Transfer out	(225,324)	(4,600,563)	(4,825,887)	-
Total other financing sources (uses)	<u>2,946,975</u>	<u>28,852,148</u>	<u>31,799,123</u>	<u>4,932,946</u>
Net change in fund balance	<u>\$ (421,376)</u>	16,696,077	<u>\$ 16,274,701</u>	<u>\$ -</u>
Fund balance (deficit) - beginning		<u>(421,376)</u>		
Fund balance (deficit) - ending		<u>\$ 16,274,701</u>		

City of Topeka, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Streets and Trafficways
From Inception and for the Year Ended December 31, 2006

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Intergovernmental revenue	\$ 326,646	\$ 182,461	\$ 509,107	\$ 3,500,381
Other	-	71,845	71,845	250,000
Total revenues	<u>326,646</u>	<u>254,306</u>	<u>580,952</u>	<u>3,750,381</u>
Expenditures				
Construction	16,976,989	13,940,388	30,917,377	38,384,705
Interest	63,662	641,743	705,405	2,125,369
Engineering and others	3,812,798	2,217,544	6,030,342	13,552,278
Total expenditures	<u>20,853,449</u>	<u>16,799,675</u>	<u>37,653,124</u>	<u>54,062,352</u>
Excess (deficit) of revenues over (under) expenditures	<u>(20,526,803)</u>	<u>(16,545,369)</u>	<u>(37,072,172)</u>	<u>(50,311,971)</u>
Other financing sources (uses)				
Proceeds of general obligation bonds	8,540,380	23,345,272	31,885,652	49,583,067
Original issue premium on bonds	60,671	131,924	192,595	-
Original issue discount on bonds	(4,330)	-	(4,330)	-
Transfer in	1,495,188	402,932	1,898,120	728,904
Transfer out	(316,950)	(1,119,991)	(1,436,941)	-
Total other financing sources (uses)	<u>9,774,959</u>	<u>22,760,137</u>	<u>32,535,096</u>	<u>50,311,971</u>
Net change in fund balance	<u>\$ (10,751,844)</u>	6,214,768	<u>\$ (4,537,076)</u>	<u>\$ -</u>
Fund balance (deficit) - beginning		<u>(10,751,844)</u>		
Fund balance (deficit) - ending		<u>\$ (4,537,076)</u>		

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Alcohol Program Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenue	\$ 400,150	\$ 400,150	\$ 489,350	\$ 89,200
Total revenues	<u>400,150</u>	<u>400,150</u>	<u>489,350</u>	<u>89,200</u>
Expenditures				
Social Services	400,150	400,150	398,179	1,971
Total Expenditures	<u>400,150</u>	<u>400,150</u>	<u>398,179</u>	<u>1,971</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>91,171</u>	<u>91,171</u>
Beginning fund balance	219,750	219,750	279,384	59,634
Ending fund balance	<u>\$ 219,750</u>	<u>\$ 219,750</u>	<u>\$ 370,555</u>	<u>\$ 150,805</u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Improvement Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & Assessments	\$ 198,668	\$ 198,668	\$ 200,810	\$ 2,142
Other Financing Sources	1,401	1,401	-	(1,401)
Total revenues	<u>200,069</u>	<u>200,069</u>	<u>200,810</u>	<u>741</u>
Expenditures				
General Government	306,654	106,654	99,006	7,648
Total Expenditures	<u>306,654</u>	<u>106,654</u>	<u>99,006</u>	<u>7,648</u>
Other financing sources (uses)				
Transfer Out	<u>-</u>	<u>(299,899)</u>	<u>(299,899)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(299,899)</u>	<u>(299,899)</u>	<u>-</u>
Excess (deficit) of revenues over expenditures	<u>(106,585)</u>	<u>(206,484)</u>	<u>(198,095)</u>	<u>8,389</u>
Beginning fund balance	121,585	226,846	226,846	-
Ending fund balance	<u><u>\$ 15,000</u></u>	<u><u>\$ 20,362</u></u>	<u><u>\$ 28,751</u></u>	<u><u>\$ 8,389</u></u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Liability Expense Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & Assessments	\$ 290,616	\$ 290,616	\$ 288,814	\$ (1,802)
Other Financing Sources	555	555	-	(555)
Total revenues	291,171	291,171	288,814	(2,357)
 Expenditures				
General Government	691,363	691,363	175,760	515,603
Total Expenditures	691,363	691,363	175,760	515,603
 Excess (deficit) of revenues over expenditures	(400,192)	(400,192)	113,054	513,246
Beginning fund balance	400,192	400,192	960,524	560,332
Ending fund balance	\$ -	\$ -	\$ 1,073,578	1,073,578

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Zoo Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Taxes & Assessments	\$ 1,637,587	\$ 1,637,587	\$ 1,606,330	\$ (31,257)
Fees For Service	327,500	327,500	398,628	71,128
Miscellaneous	125,566	125,566	121	(125,445)
Other Financing Sources	-	-	158	158
 Total revenues	<u>2,090,653</u>	<u>2,090,653</u>	<u>2,005,237</u>	<u>(85,416)</u>
 Expenditures				
Parks and recreation	2,269,265	2,269,265	2,182,249	87,016
 Total Expenditures	<u>2,269,265</u>	<u>2,269,265</u>	<u>2,182,249</u>	<u>87,016</u>
 Excess (deficit) of revenues over expenditures and transfers	<u>(178,612)</u>	<u>(178,612)</u>	<u>(177,012)</u>	<u>1,600</u>
 Beginning fund balance	178,612	178,612	89,992	(88,620)
 Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (87,020)</u>	<u>\$ (87,020)</u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Transient Guest Tax Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes & Assessments	\$ 1,578,960	\$ 1,578,960	\$ 1,766,633	\$ 187,673
Total revenues	<u>1,578,960</u>	<u>1,578,960</u>	<u>1,766,633</u>	<u>187,673</u>
Expenditures				
General Government	1,387,500	1,387,500	1,187,500	200,000
Total Expenditures	<u>1,387,500</u>	<u>1,387,500</u>	<u>1,187,500</u>	<u>200,000</u>
Other financing sources (uses)				
Transfer Out	<u>(238,160)</u>	<u>(238,160)</u>	<u>(438,159)</u>	<u>(199,999)</u>
Total other financing sources uses)	<u>(238,160)</u>	<u>(238,160)</u>	<u>(438,159)</u>	<u>(199,999)</u>
Excess (deficit) of revenues over expenditures and transfers	<u>(46,700)</u>	<u>(46,700)</u>	<u>140,974</u>	<u>187,674</u>
Beginning fund balance	128,324	128,324	133,122	4,798
Ending fund balance	<u>\$ 81,624</u>	<u>\$ 81,624</u>	<u>\$ 274,096</u>	<u>\$ 192,472</u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects Planning Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other Financing Sources	\$ 35,000	\$ 35,000	\$ -	\$ (35,000)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>(35,000)</u>
Expenditures				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficit) of revenues over expenditures and transfers	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>(35,000)</u>
Beginning fund balance	9,171	9,171	179,428	170,257
Ending fund balance	<u>\$ 44,171</u>	<u>\$ 44,171</u>	<u>\$ 179,428</u>	<u>\$ 135,257</u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Unsafe Structure Removal Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes & Assessments	\$ -	\$ -	\$ 281	\$ 281
Total revenues	<u>-</u>	<u>-</u>	<u>281</u>	<u>281</u>
Expenditures				
General Government	250,000	250,000	242,290	7,710
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>242,290</u>	<u>7,710</u>
Other financing sources				
Transfer In	200,000	200,000	200,000	-
Total other financing sources	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Excess of revenues over expenditures and transfers	<u>(50,000)</u>	<u>(50,000)</u>	<u>(42,009)</u>	<u>7,991</u>
Beginning fund balance	93,413	93,413	108,312	14,899
Ending fund balance	<u>\$ 43,413</u>	<u>\$ 43,413</u>	<u>\$ 66,303</u>	<u>\$ 22,890</u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Retirement Reserve Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees For Service	\$ 600,000	\$ 600,000	\$ 581,717	\$ (18,283)
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>581,717</u>	<u>(18,283)</u>
Expenditures				
General Government	700,000	700,000	653,622	46,378
Total Expenditures	<u>700,000</u>	<u>700,000</u>	<u>653,622</u>	<u>46,378</u>
Excess of revenues over expenditures	<u>(100,000)</u>	<u>(100,000)</u>	<u>(71,905)</u>	<u>28,095</u>
Beginning fund balance	707,933	707,933	650,873	(57,060)
Ending fund balance	<u><u>\$ 607,933</u></u>	<u><u>\$ 607,933</u></u>	<u><u>\$ 578,968</u></u>	<u><u>\$ (28,965)</u></u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
KP & F Equalization Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees For Service	\$ -	\$ 285,000	\$ 284,141	\$ (859)
Total revenues	-	285,000	284,141	(859)
Expenditures				
Gen Government	-	350,000	36,551	313,449
Total Expenditures	-	350,000	36,551	313,449
Excess (deficit) of revenues over expenditures	-	(65,000)	247,590	312,590
Beginning fund balance	-	754,057	754,057	-
Ending fund balance	<u>\$ -</u>	<u>\$ 689,057</u>	<u>\$ 1,001,647</u>	<u>\$ 312,590</u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Historic Asset Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Total revenues	-	-	-	-
Expenditures				
General Government	100,000	100,000	-	100,000
Total Expenditures	100,000	100,000	-	100,000
Other financing sources				
Transfer In	63,160	63,160	57,947	(5,213)
Total other financing sources	63,160	63,160	57,947	(5,213)
Excess of revenues over expenditures	(36,840)	(36,840)	57,947	94,787
Beginning fund balance	101,309	101,309	101,310	1
Ending fund balance	<u>\$ 64,469</u>	<u>\$ 64,469</u>	<u>\$ 159,257</u>	<u>\$ 94,788</u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
1/2 % Sales Tax
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes & Assessments	\$ 8,700,000	\$ 8,700,000	\$ 7,502,107	\$ (1,197,893)
Other Financing Sources	-	-	102,210	102,210
Total revenues	<u>8,700,000</u>	<u>8,700,000</u>	<u>7,604,317</u>	<u>(1,095,683)</u>
Expenditures				
General Government	-	7,367,612	3,433,150	3,934,462
Total Expenditures	<u>-</u>	<u>7,367,612</u>	<u>3,433,150</u>	<u>3,934,462</u>
Other financing sources (uses)				
Transfer Out	(8,700,000)	(1,332,388)	(1,332,388)	-
Total other financing sources (uses)	<u>(8,700,000)</u>	<u>(1,332,388)</u>	<u>(1,332,388)</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>2,838,779</u>	<u>2,838,779</u>
Beginning fund balance	-	-	3,574,344	3,574,344
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,413,123</u>	<u>\$ 6,413,123</u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Regional Planning Commission Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Total revenues	-	-	-	-
 Expenditures				
General Government	-	-	(78,878)	78,878
Total Expenditures	-	-	(78,878)	78,878
 Excess (deficit) of revenues over expenditures and transfers	-	-	78,878	78,878
Beginning fund balance	119,552	119,552	40,674	(78,878)
Ending fund balance	<u>\$ 119,552</u>	<u>\$ 119,552</u>	<u>\$ 119,552</u>	<u>\$ -</u>

City of Topeka, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Buildings and Facilities
From Inception and for the Year Ended December 31, 2006

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Taxes & assessments	\$ 1,378,269	\$ -	\$ 1,378,269	\$ 1,268,325
Intergovernmental revenue	4,915,948	356,673	5,272,621	\$ 5,501,735
Miscellaneous	163,060	184,082	347,142	724,223
Total revenues	<u>6,457,277</u>	<u>540,755</u>	<u>6,998,032</u>	<u>7,494,283</u>
Expenditures				
Construction	7,528,549	1,047,443	8,575,992	8,590,165
Interest	9,380	-	9,380	479,418
Engineering and others	6,992,666	1,301,517	8,294,183	12,968,060
Total expenditures	<u>14,530,595</u>	<u>2,348,960</u>	<u>16,879,555</u>	<u>22,037,643</u>
Excess (deficit) of revenues over (under) expenditures	<u>(8,073,318)</u>	<u>(1,808,205)</u>	<u>(9,881,523)</u>	<u>(14,543,360)</u>
Other financing sources (uses)				
Proceeds of general obligation bonds	7,584,299	7,835	7,592,134	8,311,820
Original issue premium on bonds	83,548	22	83,570	-
Transfer in	1,651,087	2,367,690	4,018,777	6,231,540
Transfer out	(55,425)	(237,306)	(292,731)	-
Total other financing sources (uses)	<u>9,263,509</u>	<u>2,138,241</u>	<u>11,401,750</u>	<u>14,543,360</u>
Net change in fund balance	<u>\$ 1,190,191</u>	330,036	<u>\$ 1,520,227</u>	<u>\$ -</u>
Fund balance - beginning		<u>1,190,191</u>		
Fund balance - ending		<u>\$ 1,520,227</u>		

City of Topeka, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Sanitary Sewers
From Inception and for the Year Ended December 31, 2006

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Intergovernmental revenue	-	77,546	77,546	-
Total revenues	<u>-</u>	<u>77,546</u>	<u>77,546</u>	<u>-</u>
Expenditures				
Construction	1,311,492	701,216	2,012,708	5,695,064
Interest	30,122	88,556	118,678	464,219
Engineering and others	322,016	271,945	593,961	1,801,367
Total expenditures	<u>1,663,630</u>	<u>1,061,717</u>	<u>2,725,347</u>	<u>7,960,650</u>
Excess (deficit) of revenues over (under) expenditures	<u>(1,663,630)</u>	<u>(984,171)</u>	<u>(2,647,801)</u>	<u>(7,960,650)</u>
Other financing sources (uses)				
Proceeds of general obligation bonds	-	695,209	695,209	7,538,655
Original issue premium on bonds	-	2,020	2,020	-
Transfer in	-	-	-	421,995
Transfer Out	-	(16,961)	(16,961)	-
Total other financing sources (uses)	<u>-</u>	<u>680,268</u>	<u>680,268</u>	<u>7,960,650</u>
Net change in fund balance	<u>\$ (1,663,630)</u>	(303,903)	<u>\$ (1,967,533)</u>	<u>\$ -</u>
Fund balance (deficit) - beginning		(1,663,630)		
Fund balance (deficit) - ending		<u>\$ (1,967,533)</u>		

City of Topeka, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Park Improvements
From Inception and for the Year Ended December 31, 2006

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Intergovernmental revenue	\$ 610,824	\$ 422,414	\$ 1,033,238	\$ 3,206,224
Other	250,000	-	250,000	595,015
Total revenues	<u>860,824</u>	<u>422,414</u>	<u>1,283,238</u>	<u>3,801,239</u>
Expenditures				
Construction	3,329,627	2,269,719	5,599,346	11,366,003
Interest	22,221	-	22,221	481,463
Engineering and others	1,206,539	122,323	1,328,862	2,884,482
Total expenditures	<u>4,558,387</u>	<u>2,392,042</u>	<u>6,950,429</u>	<u>14,731,948</u>
Excess (deficit) of revenues over (under) expenditures	<u>(3,697,563)</u>	<u>(1,969,628)</u>	<u>(5,667,191)</u>	<u>(10,930,709)</u>
Other financing sources (uses)				
Proceeds of general obligation bonds	4,437,439	4,444,402	8,881,841	10,533,437
Original issue premium on bonds	48,083	12,911	60,994	-
Original issue discount on bonds	(922)	-	(922)	-
Transfer in	378,293	20,460	398,753	397,272
Transfer out	-	(19,197)	(19,197)	-
Total other financing sources (uses)	<u>4,862,893</u>	<u>4,458,576</u>	<u>9,321,469</u>	<u>10,930,709</u>
Net change in fund balance	<u>\$ 1,165,330</u>	2,488,948	<u>\$ 3,654,278</u>	<u>\$ -</u>
Fund balance - beginning		1,165,330		
Fund balance - ending		<u>\$ 3,654,278</u>		

FIDUCIARY FUNDS

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

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

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

FIDUCIARY FUNDS (Continued...)

<u>FUND NAME</u>	<u>STATUTORY AUTHORITY</u>	<u>PURPOSE</u>
Local Law Enforcement Training Center	K.S.A. 74-5607	Receives, holds, and disburses fees collected by the State for the purpose of training law enforcement personnel from various law enforcement agencies throughout the State.
Motor Vehicle Reinstatement	K.S.A. 12-4416	Receives and holds a portion of the diversion fees collected by the Municipal Court in DUI cases, pending payment to the State of Kansas.
Payroll Clearing	Administrative	Accounts for receipts and disbursements of the City payroll withholding amounts, such as income taxes.
Police Benefit	Topeka City Code Section 31-441	Receives, holds, and disburses fees collected by the Municipal Court. Disbursements are by order of the Police Benefit Association.
Police Equipment Fund	Topeka Ordinance #18726	Receives, holds, and pays proceeds to be used for police equipment purchases.
TCI/CEC	Administrative Contract with TCI Topeka Ordinance #16560	Receives and holds contributions by Topeka Cablevision Inc. for use in purchasing equipment for and operation of a public education and governmental access TV channel.
Topeka Metropolitan Transit Authority	Topeka City Code Section A9-2	Receives, holds, and pays to the TMTA the proceeds of a special tax collected by the City for the benefit of that entity.
Water Customer Round Up	Administrative	Utility mutual assistance fund that passes the money derived from customers who offer to round up their payments to assist others.

City of Topeka, Kansas
Combining Statement of Fiduciary Net Assets
December 31, 2006

With comparative totals for December 31, 2005

	Alcohol and Drug Safety	Court Bond	Crime Prevention	Fire Equipment Trust	Fire Insurance Proceeds	Judges Training	Kansas Trauma Fund	Law Enforcement Trust	Local Law Enforcement Training Center
Assets									
Cash and equity in Treasurer's Fund	\$ 276,849	\$ 333,209	\$ 89,855	\$ 200	\$ 12,783	\$ 950	\$ 745	\$ 708,949	\$ 18,586
Receivables (net of allowance for uncollectibles):									
Accounts receivable	-	-	-	-	-	-	-	-	-
Total assets	\$ 276,849	\$ 333,209	\$ 89,855	\$ 200	\$ 12,783	\$ 950	\$ 745	\$ 708,949	\$ 18,586
Liabilities									
Accounts and contracts payable	\$ 1,569	\$ 511	\$ 386	\$ -	\$ -	\$ 602	\$ 156	\$ 12,281	\$ 13,138
Salaries & wages payable	1,922	-	-	-	-	-	-	-	-
Due to others	273,358	332,698	89,469	200	12,783	348	589	696,668	5,448
Other current liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	\$ 276,849	\$ 333,209	\$ 89,855	\$ 200	\$ 12,783	\$ 950	\$ 745	\$ 708,949	\$ 18,586

continued...

City of Topeka, Kansas
Combining Statement of Fiduciary Net Assets
December 31, 2006

With comparative totals for December 31, 2005

...continued

	Motor Vehicle Reinstatement	Payroll Clearing	Police Benefit	Police Equipment	TCI/CEC	Water Customer Round-Up	Totals 2006	Totals 2005
Assets								
Cash and equity in Treasurer's Fund	\$ 13,111	\$ 8,283	\$ 119,258	\$ 6,140	\$ 8,916	\$ 4,649	\$ 1,602,483	\$ 1,722,145
Receivables (net of allowance for uncollectibles):								
Accounts receivable	-	-	-	-	-	766	766	791
Total assets	\$ 13,111	\$ 8,283	\$ 119,258	\$ 6,140	\$ 8,916	\$ 5,415	\$ 1,603,249	\$ 1,722,936
Liabilities								
Accounts and contracts payable	\$ 9,044	\$ 8,283	\$ -	\$ -	\$ -	\$ -	\$ 45,970	\$ 49,980
Salaries & wages payable	-	-	-	-	-	-	1,922	8,984
Due to others	4,067	-	119,258	6,140	8,916	5,415	1,555,357	1,662,077
Other current liabilities	-	-	-	-	-	-	-	1,895
Total liabilities	\$ 13,111	\$ 8,283	\$ 119,258	\$ 6,140	\$ 8,916	\$ 5,415	\$ 1,603,249	\$ 1,722,936

[This page is intentionally left blank.]

ENTERPRISE FUNDS

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

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

<u>FUND NAME</u>	<u>STATUTORY AUTHORITY</u>	<u>PURPOSE</u>
Water, Water Pollution Control, and Stormwater Utility	K.S.A. 13-1254 & K.S.A. 12-6311 Topeka Ordinance #17985	Accounts for assets, liabilities, revenues, and expenses in the operation and maintenance of the City's public water, water pollution control, and stormwater utility system. (The utility fund is considered a major enterprise fund and shown on pages 36 - 38)
Public Parking Facilities	K.S.A. 13-1379	Accounts for assets, liabilities, revenues, and expenses in the operation and maintenance of the City's public parking meters and facilities.
Public Golf Course	Topeka City Code Section 29-207	Accounts for assets, liabilities, revenues, and expenses in the operation and maintenance of the Public Golf Course.

City of Topeka, Kansas
Combining Statement of Net Assets
Non-major Enterprise Funds
December 31, 2006

With comparative totals for December 31, 2005

	Public Parking Facilities	Public Golf Course	Totals	
			2006	2005
Assets				
Current assets:				
Cash and equity in Treasurer's Fund	\$ 1,565,360	\$ -	\$ 1,565,360	\$ 6,289,074
Receivables (net of allowance for uncollectibles):				
Accounts receivable	53,780	1,000	54,780	88,007
Prepaid costs	2,310	5,137	7,447	7,447
Due from other funds	32,421	-	32,421	4,979
Inventory	-	36,025	36,025	32,533
Total current assets	1,653,871	42,162	1,696,033	6,422,040
Non-current assets:				
Restricted assets:				
Cash and equity in Treasurer's Fund	3,427,552	-	3,427,552	-
Capital assets:				
Land and infrastructure	5,477,897	48,000	5,525,897	2,026,979
Depreciable buildings, property, and equipment, net depreciation	13,425,632	301,805	13,727,437	14,359,401
Total non-current assets	22,331,081	349,805	22,680,886	16,386,380
Total assets	23,984,952	391,967	24,376,919	22,808,420
Liabilities				
Current liabilities:				
Accounts and contracts payable	569,371	18,650	588,021	38,023
Salaries & wages payable	36,570	4,050	40,620	43,189
Accrued interest	-	-	-	17,062
Due to other funds	-	225,920	225,920	119,460
Due to others	90	-	90	90
Temporary notes payable	-	-	-	6,011,864
Other	12,139	-	12,139	41,693
Total current liabilities	618,170	248,620	866,790	6,271,381
Non-current liabilities:				
Premium on issuance of bonds	(22,306)	-	(22,306)	-
Costs of issuance to be amortized	(117,161)	-	(117,161)	-
General obligation bonds payable	13,810,000	-	13,810,000	6,240,000
Accrued liabilities	33,345	4,824	38,169	53,497
Total non-current liabilities	13,703,878	4,824	13,708,702	6,293,497
Total liabilities	14,322,048	253,444	14,575,492	12,564,878
NET ASSETS				
Invested in capital assets, net of related	4,877,370	349,805	5,227,175	4,117,454
Restricted for capital projects	3,427,552	-	3,427,552	-
Unrestricted	1,357,982	(211,282)	1,146,700	6,126,088
Total net assets	\$ 9,662,904	\$ 138,523	\$ 9,801,427	\$ 10,243,542

City of Topeka, Kansas
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Non-major Enterprise Funds
For the Year Ended December 31, 2006
With comparative totals for December 31, 2005

	Public Parking Facilities	Public Golf Course	Totals	
			2006	2005
Operating revenues:				
Charges for services:				
Parking fees	\$ 2,376,442	\$ -	\$ 2,376,442	\$ 2,420,155
Meter fines	271,023	-	271,023	272,171
Green fees	-	649,429	649,429	644,859
Other	8,149	3,078	11,227	3,657
Total operating revenues	2,655,614	652,507	3,308,121	3,340,842
Operating expenses before depreciation and payments in lieu of taxes and debt service:				
Salaries, wages, and benefits	733,031	263,803	996,834	1,043,492
Purchased services	726,843	319,106	1,045,949	882,942
Commodities	91,519	127,899	219,418	265,073
Other	106	25,259	25,365	23,230
Total operating expenses before depreciation and payments in lieu of taxes and debt service	1,551,499	736,067	2,287,566	2,214,737
Operating income (loss) before depreciation and payments in lieu of taxes and debt service	1,104,115	(83,560)	1,020,555	1,126,105
Depreciation expense	648,169	57,154	705,323	727,935
Payments in lieu of debt service	499,402	-	499,402	628,291
Payments in lieu of taxes	192,000	-	192,000	204,500
Operating income (loss)	(235,456)	(140,714)	(376,170)	(434,621)
Other income (expense):				
Interest income	236,467	-	236,467	135,653
Interest expense	(307,008)	-	(307,008)	(307,008)
Gain (loss) on disposal of capital assets	5,685	(1,089)	4,596	-
Nonoperating revenues (expenses)	(64,856)	(1,089)	(65,945)	(171,355)
Change in net assets	(300,312)	(141,803)	(442,115)	(605,976)
Net assets beginning of year	9,963,216	280,326	10,243,542	10,849,518
Net assets end of year	\$ 9,662,904	\$ 138,523	\$ 9,801,427	\$ 10,243,542

City of Topeka, Kansas
Combining Statement of Cash Flows
Non-major Enterprise Funds
For the Year Ended December 31, 2006
With comparative totals for December 31, 2005

	Public Parking Facilities	Public Golf Course	Totals	
			2006	2005
Cash flows from operating activities				
Receipts from customers and users	\$ 2,662,399	\$ 651,507	\$ 3,313,906	3,335,953
Payments to suppliers	(323,918)	(334,208)	(658,126)	(1,084,248)
Payments to employees	(733,031)	(263,803)	(996,834)	(1,043,492)
Payments for interfund services used	(691,402)	-	(691,402)	(832,791)
Other	(106)	(25,259)	(25,365)	(23,230)
Customer deposits	-	-	-	-
Net cash provided by operating activities	<u>913,942</u>	<u>28,237</u>	<u>942,179</u>	<u>352,192</u>
Cash flows from capital and related financing activities				
Payment of capital debt	(6,011,864)	-	(6,011,864)	-
Payment of capital lease	-	(18,788)	(18,788)	(1,485)
Purchases of capital assets	(3,563,917)	(9,449)	(3,573,366)	(859,574)
Interest paid on capital debt	(307,008)	-	(307,008)	(307,008)
Proceeds from capital debt	7,430,533	-	7,430,533	(1,297,711)
Proceeds from sales of capital assets	5,685	-	5,685	-
Net cash provided (used) by capital and related financing activities	<u>(2,446,571)</u>	<u>(28,237)</u>	<u>(2,474,808)</u>	<u>(2,465,778)</u>
Cash flows from investing activities				
Interest and dividends received	236,467	-	236,467	135,653
Net cash provided by investing activities	<u>236,467</u>	<u>-</u>	<u>236,467</u>	<u>135,653</u>
Net increase (decrease) in cash and cash equivalents	(1,296,162)	-	(1,296,162)	(1,977,933)
Cash and cash equivalents, beginning	6,289,074	-	6,289,074	8,267,007
Cash and cash equivalents, ending	<u>\$ 4,992,912</u>	<u>\$ -</u>	<u>\$ 4,992,912</u>	<u>\$ 6,289,074</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (235,456)	\$ (140,714)	\$ (376,170)	\$ (434,621)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	648,169	57,154	705,323	727,935
Changes in assets and liabilities:				
Accounts receivable	34,227	(1,000)	33,227	(44,624)
Due from other funds	(27,442)	-	(27,442)	-
Inventories	-	(3,492)	(3,492)	(10,646)
Accounts payable	535,458	14,540	549,998	(36,775)
Accrued liabilities	(41,014)	(4,711)	(45,725)	(4,861)
Due to other funds	-	106,460	106,460	155,784
Total adjustments	<u>1,149,398</u>	<u>168,951</u>	<u>1,318,349</u>	<u>786,813</u>
Net cash provided by operating activities	<u>\$ 913,942</u>	<u>\$ 28,237</u>	<u>\$ 942,179</u>	<u>\$ 352,192</u>

INTERNAL SERVICE FUNDS

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

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

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

City of Topeka, Kansas
Combining Statement of Net Assets
Internal Service Funds
December 31, 2006

With comparative totals for December 31, 2005

	Information Technology	Fleet Services	Combined Risk Management	Totals	
				2006	2005
Assets					
Current assets:					
Cash and equity in Treasurer's Fund	\$ -	\$ 648,225	\$ 10,982,922	\$ 11,631,147	\$ 9,830,095
Prepaid costs	-	-	150,000	150,000	150,000
Due from other funds	-	-	30,747	30,747	3,549
Due from other governments	-	29	-	29	29
Inventory	4,588	85,681	-	90,269	83,840
Other assets	-	-	-	-	40,478
Total current assets	4,588	733,935	11,163,669	11,902,192	10,107,991
Non-current assets:					
Capital assets:					
Depreciable buildings, property, and equipment, net of depreciation	1,384,654	244,917	-	1,629,571	2,062,492
Total non-current assets	1,384,654	244,917	-	1,629,571	2,062,492
Total assets	1,389,242	978,852	11,163,669	13,531,763	12,170,483
Liabilities					
Current liabilities:					
Accounts and contracts payable	55,280	102,590	166,460	324,330	346,019
Salaries & wages payable	44,175	56,211	5,977	106,363	90,281
Due to other funds	259,775	-	-	259,775	725,544
Estimated insurance claims	-	-	2,538,978	2,538,978	1,543,442
Other	131,251	-	-	131,251	474,022
Unearned Revenue	-	-	185,891	185,891	48,534
Total current liabilities	490,481	158,801	2,897,306	3,546,588	3,227,842
Non-current liabilities:					
Accrued liabilities	49,884	51,017	-	100,901	98,410
Other	615,287	-	-	615,287	746,538
Total non-current liabilities	665,171	51,017	-	716,188	844,948
Total liabilities	1,155,652	209,818	2,897,306	4,262,776	4,072,790
Net assets					
Invested in capital assets, net of related debt	638,116	244,917	-	883,033	841,932
Unrestricted	(404,526)	524,117	8,266,363	8,385,954	7,255,761
Total net assets	\$ 233,590	\$ 769,034	\$ 8,266,363	\$ 9,268,987	\$ 8,097,693

City of Topeka, Kansas
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2006
With comparative totals for December 31, 2005

	Information Technology	Fleet Services	Combined Risk Management	Totals	
				2006	2005
Operating revenues:					
Charges for services	\$ 3,516,309	\$ 1,288,426	\$ 10,325,774	\$ 15,130,509	\$ 13,242,986
Other	218,806	56	122,844	341,706	174,493
Total operating revenues	<u>3,735,115</u>	<u>1,288,482</u>	<u>10,448,618</u>	<u>15,472,215</u>	<u>13,417,479</u>
Operating expenses before depreciation:					
Salaries, wages, and benefits	1,007,846	1,015,663	51,759	2,075,268	1,848,368
Purchased services	1,467,557	125,687	2,852,333	4,445,577	3,043,931
Commodities	183,567	51,041	262	234,870	248,417
Insurance claims	-	-	7,091,427	7,091,427	7,940,119
Other payments	-	(651)	-	(651)	(193)
Total operating expenses before depreciation	<u>2,658,970</u>	<u>1,191,740</u>	<u>9,995,781</u>	<u>13,846,491</u>	<u>13,080,642</u>
Operating income before depreciation	1,076,145	96,742	452,837	1,625,724	336,837
Depreciation	<u>569,977</u>	<u>52,433</u>	<u>-</u>	<u>622,410</u>	<u>643,662</u>
Operating income (loss)	506,168	44,309	452,837	1,003,314	(306,825)
Nonoperating revenues (expenses)					
Interest income	-	-	218,313	218,313	76,462
Interest expense	(51,187)	-	-	(51,187)	(70,003)
Other income	-	-	-	-	35,250
Gain on disposal of capital assets	-	854	-	854	3,915
Total nonoperating income (expense) before transfers	454,981	45,163	671,150	1,171,294	(261,201)
Transfers in	-	-	-	-	5,567
Increase (decrease) in net assets	454,981	45,163	671,150	1,171,294	(255,634)
Total Net Assets (deficits) Beginning of Year	<u>(221,391)</u>	<u>723,871</u>	<u>7,595,213</u>	<u>8,097,693</u>	<u>8,353,327</u>
Total Net Assets End of Year	<u>\$ 233,590</u>	<u>\$ 769,034</u>	<u>\$ 8,266,363</u>	<u>\$ 9,268,987</u>	<u>\$ 8,097,693</u>

City of Topeka, Kansas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2006
With comparative totals for December 31, 2005

	Information Technology	Fleet Services	Combined Risk Management	Totals	
				2006	2005
Cash flows from operating activities					
Receipts from customers and users	\$ 3,735,115	\$ 1,288,482	\$ 10,589,283	\$ 15,612,880	\$ 13,438,384
Receipts from interfund services provided	(465,769)	-	-	(465,769)	-
Payments to suppliers	(1,666,722)	(166,465)	(8,914,875)	(10,748,062)	(10,991,201)
Payments to employees	(1,007,846)	(1,015,663)	(51,759)	(2,075,268)	(1,798,709)
Payments for interfund services used	-	-	(18,513)	(18,513)	-
Other	-	-	(8,685)	(8,685)	35,250
Customer deposits	-	-	-	-	-
Net cash provided by operating activities	<u>594,778</u>	<u>106,354</u>	<u>1,595,451</u>	<u>2,296,583</u>	<u>683,724</u>
Cash flows from non-capital financing activities					
Transfer In	-	-	-	-	5,567
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,567</u>
Cash flows from capital and related financing activities					
Interest expense	(51,187)	-	-	(51,187)	(70,003)
Payment of capital lease	(474,022)	-	-	(474,022)	(498,406)
Purchases of capital assets	(69,569)	(119,920)	-	(189,489)	(48,685)
Proceeds from sales of capital assets	-	854	-	854	3,915
Net cash provided (used) by capital and related financing activities	<u>(594,778)</u>	<u>(119,066)</u>	<u>-</u>	<u>(713,844)</u>	<u>(613,179)</u>
Cash flows from investing activities					
Interest received	-	-	218,313	218,313	76,462
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>218,313</u>	<u>218,313</u>	<u>76,462</u>
Net increase (decrease) in cash and cash equivalents	-	(12,712)	1,813,764	1,801,052	152,574
Cash and cash equivalents, January 1	-	660,937	9,169,158	9,830,095	9,677,521
Cash and cash equivalents, December 31	<u>\$ -</u>	<u>\$ 648,225</u>	<u>\$ 10,982,922</u>	<u>\$ 11,631,147</u>	<u>\$ 9,830,095</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 506,168	\$ 44,309	\$ 452,837	\$ 1,003,314	\$ (306,825)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Other	-	-	-	-	35,250
Depreciation expense	569,977	52,433	-	622,410	643,662
Changes in assets and liabilities:					
Due from other funds	-	-	(27,198)	(27,198)	20,883
Inventories	-	(6,429)	-	(6,429)	(19,283)
Prepaid items	40,478	-	-	40,478	40,479
Accounts payable	(65,590)	6,381	1,032,455	973,246	(102,218)
Accrued liabilities	9,514	9,660	-	19,174	20,048
Due to other funds	(465,769)	-	-	(465,769)	342,379
Deferred Revenue	-	-	137,357	137,357	-
Other current liabilities	-	-	-	-	9,349
Total adjustments	<u>88,610</u>	<u>62,045</u>	<u>1,142,614</u>	<u>1,293,269</u>	<u>990,549</u>
Net cash provided by operating activities	<u>\$ 594,778</u>	<u>\$ 106,354</u>	<u>\$ 1,595,451</u>	<u>\$ 2,296,583</u>	<u>\$ 683,724</u>

City of Topeka, Kansas
Combining Statement of Net Assets
Risk Management Funds
December 31, 2006

With comparative totals for December 31, 2005

	Workers' Compensation Self-Insurance		Vehicle Physical Damage Self-Insurance		Employees Health Insurance		Risk Management Reserve		Unemployment Compensation		Totals	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Assets												
Current assets:												
Cash and equity in Treasurer's Fund	\$ 3,249,409		\$ 480,969		\$ 5,309,243		\$ 1,525,264		\$ 418,037		\$ 10,982,922	\$ 9,169,158
Receivables (net of allowance for uncollectibles):												
Prepaid costs	-		-		150,000		-		-		150,000	150,000
Due from other funds	20,925		-		-		9,822		-		30,747	3,549
Total current assets	<u>3,270,334</u>		<u>480,969</u>		<u>5,459,243</u>		<u>1,535,086</u>		<u>418,037</u>		<u>11,163,669</u>	<u>9,322,707</u>
Total assets	<u>3,270,334</u>		<u>480,969</u>		<u>5,459,243</u>		<u>1,535,086</u>		<u>418,037</u>		<u>11,163,669</u>	<u>9,322,707</u>
Liabilities												
Current liabilities:												
Accounts and contracts payable	-		-		140,790		-		25,670		166,460	128,940
Salaries & wages payable	5,977		-		-		-		-		5,977	6,578
Estimated insurance claims	1,538,978		-		1,000,000		-		-		2,538,978	1,543,442
Unearned Revenue	-		140,665		45,226		-		-		185,891	48,534
Total current liabilities	<u>1,544,955</u>		<u>140,665</u>		<u>1,186,016</u>		<u>-</u>		<u>25,670</u>		<u>2,897,306</u>	<u>1,727,494</u>
Total liabilities	<u>1,544,955</u>		<u>140,665</u>		<u>1,186,016</u>		<u>-</u>		<u>25,670</u>		<u>2,897,306</u>	<u>1,727,494</u>
Net assets												
Unrestricted	1,725,379		340,304		4,273,227		1,535,086		392,367		8,266,363	7,595,213
Total net assets	<u>\$ 1,725,379</u>		<u>\$ 340,304</u>		<u>\$ 4,273,227</u>		<u>\$ 1,535,086</u>		<u>\$ 392,367</u>		<u>\$ 8,266,363</u>	<u>\$ 7,595,213</u>

City of Topeka, Kansas
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Risk Management Funds
For the Year Ended December 31, 2006
With comparative totals for December 31, 2005

	Workers' Compensation Self-Insurance	Vehicle Physical Self-Insurance	Employees Health Insurance	Risk Management Reserve	Unemployment Compensation	Totals
						2006
						2005
Operating revenues:						
Fees for service	\$ 1,205,092	\$ 12,088	\$ 8,999,567	\$ -	\$ 109,027	\$ 9,448,464
Miscellaneous	91,541	26,822	4,481	-	-	69,989
Total operating revenues	1,296,633	38,910	9,004,048	-	109,027	9,518,453
Operating expenses						
Personnel	51,759	-	-	-	-	49,659
Purchased services	1,970,851	25,254	846,228	-	10,000	1,484,974
Commodities	262	-	-	-	-	410
Insurance claims	256,564	-	6,708,991	-	125,872	7,940,119
Total operating expenses	2,279,436	25,254	7,555,219	-	135,872	9,475,162
Operating income (loss)	(982,803)	13,656	1,448,829	-	(26,845)	43,291
Nonoperating revenues						
Interest income	144,070	-	6,746	67,497	-	218,313
Other income	-	-	-	-	-	35,250
Total other income	144,070	-	6,746	67,497	-	111,712
Income (loss) before transfers	(838,733)	13,656	1,455,575	67,497	(26,845)	155,003
Change in net assets	(838,733)	13,656	1,455,575	67,497	(26,845)	155,003
Beginning net assets	2,564,112	326,648	2,817,652	1,467,589	419,212	7,440,210
Ending net assets	\$ 1,725,379	\$ 340,304	\$ 4,273,227	\$ 1,535,086	\$ 392,367	\$ 7,595,213

City of Topeka, Kansas
Combining Statement of Cash Flows
Risk Management Funds
For the Year Ended December 31, 2006
With comparative totals for December 31, 2005

	Workers'		Vehicle		Employees		Risk		Totals	
	Compensation Self-Insurance	Physical Damage Self-Insurance	Health Insurance	Management Reserve	Unemployment Compensation	2006	2005			
Cash flows from operating activities										
Receipts from customers and users	\$ 1,296,633	\$ 179,575	\$ 9,004,048	\$ -	\$ 109,027	\$ 10,589,283	\$ 9,539,358			
Payments to suppliers	(1,232,742)	(25,254)	(7,546,677)	-	(110,202)	(8,914,875)	(9,559,774)			
Payments to employees	(51,759)	-	-	-	-	(51,759)	-			
Payments for interfund services used	(18,513)	-	-	-	-	(18,513)	-			
Other	-	-	-	(8,685)	-	(8,685)	35,250			
Net cash provided (used) by operating activities	(6,381)	154,321	1,457,371	(8,685)	(1,175)	1,595,451	14,834			
Interest and dividends received	144,070	-	6,746	67,497	-	218,313	76,462			
Net cash provided by investing activities	144,070	-	6,746	67,497	-	218,313	76,462			
Net increase (decrease) in cash and cash equivalents	137,689	154,321	1,464,117	58,812	(1,175)	1,813,764	91,296			
Cash and cash equivalents, January 1	3,111,720	326,648	3,845,126	1,466,452	419,212	9,169,158	9,077,862			
Cash and cash equivalents, December 31	\$ 3,249,409	\$ 480,969	\$ 5,309,243	\$ 1,525,264	\$ 418,037	\$ 10,982,922	\$ 9,169,158			
Reconciliation of operating income to net cash provided (used) by operating activities:										
Operating income (loss)	\$ (982,803)	\$ 13,656	\$ 1,448,829	\$ -	\$ (26,845)	\$ 452,837	43,291			
Adjustments to reconcile operating income to net cash provided (used) by operating activities:										
Other	-	-	-	-	-	-	35,250			
Changes in assets and liabilities:										
Due from (to) other funds	(18,513)	-	-	(8,685)	-	(27,198)	20,883			
Accounts payable	994,935	-	11,850	-	25,670	1,032,455	(100,074)			
Accrued liabilities	-	-	-	-	-	-	15,484			
Deferred Revenue	-	140,665	(3,308)	-	-	137,357	-			
Total adjustments	976,422	140,665	8,542	(8,685)	25,670	1,142,614	(28,457)			
Net cash provided (used) by operating activities	\$ (6,381)	\$ 154,321	\$ 1,457,371	\$ (8,685)	\$ (1,175)	\$ 1,595,451	\$ 14,834			

City of Topeka, Kansas
Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2006

With comparative totals for December 31, 2005

	2006	2005
Governmental funds capital assets by category:		
Land	\$ 6,319,861	\$ 6,359,851
Buildings, Improvements, Infrastructure	871,365,507	852,090,084
Furniture and Fixtures	2,585,557	1,601,556
Vehicles	17,438,990	15,899,216
Machinery and Equipment	6,639,832	6,068,538
Construction in Progress	64,592,299	48,340,345
Total governmental funds capital assets	\$ 968,942,046	\$ 930,359,590
Investments in governmental funds capital assets by source:		
General fund	\$ 872,246,652	\$ 854,418,864
Special revenue funds	32,103,095	27,600,381
Capital projects funds	64,592,299	48,340,345
Total governmental funds capital assets	\$ 968,942,046	\$ 930,359,590

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

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

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

December 31, 2006

With comparative totals for December 31, 2005

Function and activity	Land	Buildings and Improvements	Furniture and Fixtures	Motor Vehicles	Tools and Equipment	Construction in Process	Totals	
							2006	2005
General Government:								
City Council	\$ 3,087,998	\$ -	\$ 3,983	\$ -	\$ -	\$ -	\$ 3,983	\$ 3,983
Mayor/CAO	-	12,960,589	102,762	84,018	80,120	21,617,790	37,933,277	31,723,853
Legal Services	-	64,865	33,968	-	2,550	-	101,383	101,383
Administrative and Financial Services	-	-	786,045	-	-	-	786,045	59,464
Human resources	-	-	35,312	-	-	-	35,312	35,312
Municipal court	-	75,094	118,426	27,868	-	-	221,388	207,454
Total General Government	3,087,998	13,100,548	1,080,496	111,886	82,670	21,617,790	39,081,388	32,131,449
Public Safety:								
Police	446,152	15,160,922	588,787	5,065,726	269,404	735,801	22,266,792	20,799,357
Fire	53,136	5,050,435	453,056	7,103,198	1,174,768	9,305	13,843,898	12,874,725
Total Public Safety	499,288	20,211,357	1,041,843	12,168,924	1,444,172	745,106	36,110,690	33,674,082
Public Works:								
Administration	-	6,358,435	160,001	238,529	61,486	179,755	6,998,206	5,864,109
Engineering	-	44,140	57,212	377,472	125,362	-	604,186	609,762
Building inspection	-	-	21,343	212,818	-	-	234,161	198,345
Trafficways	-	690,080,603	74,429	312,942	312,680	4,004,984	694,785,638	688,621,890
Transportation	88,985	1,387,089	29,052	2,373,626	2,569,597	17,844,152	24,292,501	18,555,491
Bridges	-	114,531,669	-	-	-	17,725,523	132,257,192	118,389,778
Total Public Works	88,985	812,401,936	342,037	3,515,387	3,069,125	39,754,414	859,171,884	832,239,375
Parks and Recreation:								
Parks	2,643,590	25,022,857	93,374	1,605,173	1,882,764	1,731,060	32,978,818	31,325,176
Recreation	-	628,809	27,807	37,620	161,101	743,929	1,599,266	989,508
Total Parks and Recreation	2,643,590	25,651,666	121,181	1,642,793	2,043,865	2,474,989	34,578,084	32,314,684
Total governmental funds capital assets	\$ 6,319,861	\$ 871,365,507	\$ 2,585,557	\$ 17,438,990	\$ 6,639,832	\$ 64,592,299	\$ 968,942,046	\$ 930,359,590

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

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

City of Topeka, Kansas
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the year ended December 31, 2006

Function and activity	Governmental Fund Capital Assets 12/31/05	Additions	Deductions	Governmental Fund Capital Assets 12/31/06
General Government:				
City Council	\$ 3,983	\$ -	\$ -	\$ 3,983
Mayor/CAO	16,315,487	-	-	16,315,487
Legal Services	101,383	-	-	101,383
Administrative and Financial Services	59,464	726,581	-	786,045
Human resources	35,312	-	-	35,312
Municipal court	207,454	13,934	-	221,388
Total General Government	<u>16,723,083</u>	<u>740,515</u>	<u>-</u>	<u>17,463,598</u>
Public Safety:				
Police	20,715,240	1,755,187	939,436	21,530,991
Fire	12,860,093	1,103,421	128,921	13,834,593
Total Public Safety	<u>33,575,333</u>	<u>2,858,608</u>	<u>1,068,357</u>	<u>35,365,584</u>
Public Works:				
Administration	396,789	6,466,249	44,587	6,818,451
Engineering	609,762	29,217	34,793	604,186
Building inspection	198,345	35,816	-	234,161
Trafficways	685,215,617	5,565,037	-	690,780,654
Transportation	5,938,110	797,264	287,025	6,448,349
Bridges	111,761,825	2,769,844	-	114,531,669
Total Public Works	<u>804,120,448</u>	<u>15,663,427</u>	<u>366,405</u>	<u>819,417,470</u>
Parks and Recreation:				
Parks	26,745,044	4,853,999	351,285	31,247,758
Recreation	855,337	-	-	855,337
Total Parks and Recreation	<u>27,600,381</u>	<u>4,853,999</u>	<u>351,285</u>	<u>32,103,095</u>
Governmental funds capital assets excluding construction in process				
	882,019,245	24,116,549	1,786,047	904,349,747
Governmental funds construction in process				
	<u>48,340,345</u>	<u>30,475,793</u>	<u>14,223,839</u>	<u>64,592,299</u>
Total governmental funds capital assets	<u><u>\$ 930,359,590</u></u>	<u><u>\$ 54,592,342</u></u>	<u><u>\$ 16,009,886</u></u>	<u><u>\$ 968,942,046</u></u>

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

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

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.	112
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	118
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.	121
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.	131
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.	133

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

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

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental Activities					
Invested in capital assets, net of related debt	\$ 371,387,011	\$ 347,949,488	\$ 315,869,831	\$ 295,663,965	\$ 262,873,235
Restricted for debt service	1,612,599	1,756,004	1,202,328	2,812,438	4,436,969
Restricted for capital projects	-	-	-	-	40,853
Unrestricted	23,904,371	23,775,707	28,186,126	36,295,195	56,982,355
Total Governmental Activities Net Assets	396,903,981	373,481,199	345,258,285	334,771,598	324,333,412
Business-Type Activities					
Invested in capital assets, net of related debt	162,220,121	172,063,436	141,159,915	139,930,303	145,623,138
Restricted for debt service	4,661,853	4,661,853	7,613,165	8,630,840	8,290,825
Restricted for capital projects	1,500,000	1,500,000	1,500,000	1,500,000	15,845,404
Restricted for sinking funds	2,550,638	3,009,686	2,760,998	2,879,242	2,388,983
Restricted for deposits	472,846	472,046	472,393	467,588	524,529
Unrestricted	16,963,315	7,924,181	36,322,814	38,636,904	20,007,794
Total Business-Type Activities Net Assets	188,368,773	189,631,202	189,829,285	192,044,877	192,680,673
Primary Government					
Invested in capital assets, net of related debt	533,607,132	520,012,924	457,029,746	435,594,268	408,496,373
Restricted	10,797,936	11,399,589	13,548,884	16,290,108	31,527,563
Unrestricted	40,867,686	31,699,888	64,508,940	74,932,099	76,990,149
Total Primary Government Net Assets	\$ 585,272,754	\$ 563,112,401	\$ 535,087,570	\$ 526,816,475	\$ 517,014,085

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

	Fiscal Year				
	2002	2003	2004	2005	2006
Expenses					
Governmental Activities:					
General Government	\$ 12,149,931	\$ 16,059,375	\$ 13,058,303	\$ 15,478,671	\$ 11,586,215
Public Safety	41,093,527	42,357,922	44,851,230	44,301,857	46,180,001
Public Works	42,230,107	40,349,669	40,509,135	43,308,612	43,453,681
Metropolitan Planning	-	-	-	-	852,604
Miscellaneous	2,675,531	1,078,991	13,686,232	602,031	1,137,603
Parks and Recreation	9,636,719	10,273,609	11,139,756	11,730,162	12,048,277
Public Housing	4,267,288	3,813,103	3,902,156	4,044,289	3,515,342
Social Services	984,714	668,354	697,203	664,335	758,097
Interest	4,996,178	5,050,028	5,005,900	5,161,643	7,014,492
Total Governmental Activities Expenses	<u>118,033,995</u>	<u>119,651,051</u>	<u>132,849,915</u>	<u>125,291,600</u>	<u>126,546,312</u>
Business-Type Activities:					
Water, Water Pollution Control, & Stormwater Utility	37,416,758	39,436,709	43,462,577	46,018,492	49,704,499
Public Parking	2,892,977	3,273,200	3,616,803	3,291,919	3,198,078
Public Golf Course	825,052	897,809	804,042	790,552	793,221
Concessions	185,662	203,799	-	-	-
Total Business-Type Activities Expenses	<u>41,320,449</u>	<u>43,811,517</u>	<u>47,883,422</u>	<u>50,100,963</u>	<u>53,695,798</u>
Total Primary Government Expenses	<u>159,354,444</u>	<u>163,462,568</u>	<u>180,733,337</u>	<u>175,392,563</u>	<u>180,242,110</u>
Program Revenues					
Governmental Activities					
Charges for Services:					
General Government	3,437,357	4,842,720	8,029,066	7,185,457	1,725,530
Public Safety	109,096	113,169	765,400	153,671	365,736
Public Works	2,258,205	2,720,868	3,639,149	3,363,923	2,365,324
Miscellaneous	241,068	145,301	208,456	107,600	202,150
Parks and Recreation	1,934,611	2,025,330	2,309,285	2,393,364	2,300,624
Operating Grants and Contributions	12,614,896	7,851,537	7,245,247	9,009,008	11,427,462
Capital Grants and Contributions	2,010,122	5,784,892	3,140,374	2,316,994	5,555,889
Total Governmental Activities Program Revenues	<u>22,605,355</u>	<u>23,483,817</u>	<u>25,336,977</u>	<u>24,530,017</u>	<u>23,942,715</u>
Business-Type Activities:					
Charges for Services:					
Water, Water Pollution Control, & Stormwater Utility	39,510,788	41,080,327	43,419,997	47,291,010	48,614,312
Public Parking	2,823,329	2,847,252	2,736,464	2,695,983	2,655,614
Public Golf Course	828,181	802,887	647,178	644,859	652,507
Concessions	181,373	204,931	-	-	-
Operating Grants and Contributions	33,000	-	-	20,000	-
Capital Grants and Contributions	1,329,042	-	-	-	70,061
Total Business-Type Activities program revenues	<u>44,705,713</u>	<u>44,935,397</u>	<u>46,803,639</u>	<u>50,651,852</u>	<u>51,992,494</u>
Total Primary Government Program Revenues	<u>\$ 67,311,068</u>	<u>\$ 68,419,214</u>	<u>\$ 72,140,616</u>	<u>\$ 75,181,869</u>	<u>\$ 75,935,209</u>

**

continued...

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

	Fiscal Year				
	2002	2003	2004	2005	2006
<i>...continued</i>					
Net (Expense) Revenue					
Governmental Activities	\$ (95,428,640)	\$ (96,167,234)	\$ (107,512,938)	\$ (100,761,583)	\$ (102,603,597)
Business-Type Activities:	3,385,264	1,123,880	(1,079,783)	550,889	(1,703,304)
Total Primary Government Net Expense	<u>\$ (92,043,376)</u>	<u>\$ (95,043,354)</u>	<u>\$ (108,592,721)</u>	<u>\$ (100,210,694)</u>	<u>\$ (104,306,901)</u>
General revenues:					
Governmental Activities:					
Taxes					
Property taxes	\$ 33,683,841	\$ 35,368,108	\$ 37,551,521	\$ 38,621,393	\$ 37,393,649
Sales taxes	27,393,994	23,532,671	27,195,771	33,697,145	35,075,497
Franchise taxes	5,986,826	5,904,563	6,938,644	10,057,929	10,757,159
Motor fuel taxes	5,697,432	4,873,724	4,976,669	5,123,815	5,379,423
Alcoholic beverage taxes	1,220,592	1,260,704	1,237,716	1,292,445	1,468,050
Transient guest taxes	1,276,153	1,458,615	1,789,703	1,612,169	1,766,633
Grants/contributions not restricted to specific programs	2,163,903	-	-	-	-
Gain on sale of capital assets	5,092	-	-	-	-
Transfers in (out)	2,000,000	346,067	(400,000)	(130,000)	325,000
Total governmental activities	<u>79,427,833</u>	<u>72,744,452</u>	<u>79,290,024</u>	<u>90,274,896</u>	<u>92,165,411</u>
Business-Type Activities					
Unrestricted investment earnings	820,012	484,616	863,868	1,526,703	2,876,773
Gain (loss) on sale of capital assets	150,416	-	13,998	8,000	(212,673)
Transfers	(2,000,000)	(346,067)	400,000	130,000	(325,000)
Total Business-Type Activities	<u>(1,029,572)</u>	<u>138,549</u>	<u>1,277,866</u>	<u>1,664,703</u>	<u>2,339,100</u>
Total Primary Government	<u>\$ 78,398,261</u>	<u>\$ 72,883,001</u>	<u>\$ 80,567,890</u>	<u>\$ 91,939,599</u>	<u>\$ 94,504,511</u>
Change in Net Assets					
Governmental Activities:	\$ (16,000,807)	\$ (23,422,782)	\$ (28,222,914)	\$ (10,486,687)	\$ (10,438,186)
Business-Type Activities	2,355,692	1,262,429	198,083	2,215,592	635,796
Total Primary Government	<u>\$ (13,645,115)</u>	<u>\$ (22,160,353)</u>	<u>\$ (28,024,831)</u>	<u>\$ (8,271,095)</u>	<u>\$ (9,802,390)</u>

*

*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

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

	2002	2003	Fiscal Year 2004	2005	2006
General Fund					
Reserved	\$ 562,459	\$ 897,170	\$ 788,765	\$ 1,063,692	\$ 689,185
Unreserved	8,226,144	4,192,045	9,139,605	10,872,739	8,087,568
Total General Fund	\$ 8,788,603	\$ 5,089,215	\$ 9,928,370	\$ 11,936,431	\$ 8,776,753
All Other Governmental Funds					
Reserved	2,771,567	2,792,770	2,906,380	4,191,997	8,780,502
Unreserved, reported in:					
Special Revenue Funds	5,230,847	5,576,823	6,556,675	9,953,325	12,778,211
Capital Projects Funds	(2,730,641)	(4,878,339)	(7,467,753)	(10,481,329)	14,944,597
Total all other governmental funds	\$ 5,271,773	\$ 3,491,254	\$ 1,995,302	\$ 3,663,993	\$ 36,503,310

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

	Fiscal Year				
	2002	2003	2004	2005	2006
Revenues:					
Taxes and assessments	\$ 64,342,266	\$ 62,045,216	\$ 68,634,320	\$ 75,806,083	\$ 75,653,375
Licenses and permits	7,220,562	7,167,543	8,566,896	11,682,029	12,393,096
Intergovernmental	16,695,475	15,129,905	13,834,393	13,485,071	12,448,639
Fees for service	5,682,954	6,139,352	8,593,706	7,697,417	7,530,038
Investment income	916,562	481,801	550,925	494,401	1,930,675
Fines and forfeitures	2,810,433	2,605,243	2,945,019	3,006,858	3,067,462
Rents and interest	647	98,640	103,851	-	3,952
Other	1,462,123	1,972,268	1,730,312	2,246,069	1,830,075
Total revenues	<u>99,131,022</u>	<u>95,639,968</u>	<u>104,959,422</u>	<u>114,417,928</u>	<u>114,857,312</u>
Expenditures:					
Current:					
General government	13,862,851	14,336,221	14,491,502	16,107,096	16,461,418
Public safety	40,776,542	41,073,164	43,470,025	42,872,366	44,636,855
Public works	13,929,884	13,029,386	13,339,505	16,319,117	16,905,882
Metropolitan Planning	-	-	-	-	852,604
Miscellaneous	2,706,328	1,078,991	13,686,232	602,031	536,830
Parks and recreation	9,254,347	9,739,990	10,328,095	10,764,049	10,934,118
Public housing	4,267,288	3,813,103	3,902,156	4,044,289	3,515,342
Social services	984,714	668,354	697,203	664,335	758,097
Construction	3,903,533	12,087,729	7,158,585	17,590,173	30,654,057
Engineering and others	2,505,394	5,029,601	4,374,173	7,460,891	5,041,172
Capital leases	-	-	82,041	-	-
Underwriter's discount on bonds	-	-	332,250	-	-
Other costs of bond issuance	-	-	122,254	-	2,800
Debt service:					
Principal retirement	7,205,000	7,365,000	6,160,000	9,850,000	10,095,000
Interest	5,147,811	5,099,041	4,974,054	4,803,074	6,673,762
Total expenditures	<u>104,543,692</u>	<u>113,320,580</u>	<u>123,118,075</u>	<u>131,077,421</u>	<u>147,067,937</u>
Excess (deficiency) of revenues over expenditures	<u>(5,412,670)</u>	<u>(17,680,612)</u>	<u>(18,158,653)</u>	<u>(16,659,493)</u>	<u>(32,210,625)</u>
Other financing sources (uses):					
Proceeds of general obligation bonds	-	42,335,000	59,385,000	20,115,000	60,540,000
Original issue premium on bonds	-	277,033	684,114	226,193	618,618
Original issue discount on bonds	-	-	(138,195)	-	-
Defeasance of bonds	-	(30,300,000)	(38,130,000)	-	-
Redemption premium on defeased bonds	-	(520,956)	(379,200)	-	-
Transfers in	4,777,124	3,408,289	2,186,745	3,356,680	10,476,733
Transfers out	(3,709,668)	(3,062,222)	(2,609,501)	(3,492,247)	(10,406,930)
Capital leases	-	-	82,041	-	-
Sale of property	64,754	63,561	420,852	130,619	661,843
Total other financing sources (uses)	<u>1,132,210</u>	<u>12,200,705</u>	<u>21,501,856</u>	<u>20,336,245</u>	<u>61,890,264</u>
Net change in fund balances	<u>\$ (4,280,460)</u>	<u>\$ (5,479,907)</u>	<u>\$ 3,343,203</u>	<u>\$ 3,676,752</u>	<u>\$ 29,679,639</u>
Debt service as a percentage of noncapital expenditures	12.59%	12.96%	9.98%	13.82%	15.06%

See breakdown of taxes and assessments on page 117.

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

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

Fiscal Year	Property Tax	Auto Ad Valorem	Sales Tax	Transient Guest Tax	Payments in Lieu of Taxes	Special Assessments	Total
2002	25,680,271	3,245,558	27,393,994	1,276,153	4,843,557	1,902,733	64,342,266
2003	27,242,985	3,297,687	23,532,671	1,458,615	4,925,748	1,587,510	62,045,216
2004	28,501,243	3,679,898	27,470,539	1,789,703	5,424,022	1,768,915	68,634,320
2005	29,392,422	3,509,857	33,697,144	1,612,169	5,671,862	1,922,629	75,806,083
2006	28,595,710	3,458,719	35,075,497	1,766,633	5,339,220	1,417,596	75,653,375
Change 2002-2006	11.4%	6.6%	28.0%	38.4%	10.2%	-25.5%	17.6%

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

Levy Year	Real Property	Personal Property	Motor Vehicle	Corporation	Total	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
1997	518,150,716	86,571,979	101,862,417	67,939,717	774,524,829	36.053	4,415,827,483	17.54%
1998	537,961,023	91,755,768	101,862,417	66,580,530	798,159,738	32.588	4,551,388,553	17.54%
1999	567,535,489	94,568,971	102,234,340	76,232,926	840,571,726	31.671	4,829,640,546	17.40%
2000	598,880,284	100,095,765	103,112,439	82,107,765	884,196,253	31.785	5,133,131,762	17.23%
2001	639,811,794	104,293,494	102,761,506	90,808,628	937,675,422	32.574	5,504,254,827	17.04%
2002	663,952,786	99,512,426	106,771,595	90,583,484	960,820,291	32.447	5,680,535,365	16.91%
2003	697,585,301	101,802,554	108,022,653	91,086,096	998,496,604	33.129	5,948,006,923	16.79%
2004 **	743,500,077	102,142,306	111,107,944 **	96,183,658	1,052,933,985 **	33.224	6,273,558,359 **	16.78%
2005	773,082,310	109,805,201	112,163,923	99,068,092	1,094,119,526	32.391	6,562,713,094	16.67%
2006	827,861,828	110,281,801	113,410,393	89,655,115	1,141,209,137	30.653	6,918,477,613	16.50%

Source: Shawnee County Clerk

The assessed value of each class is calculated by varying percentages of appraised or market value. The range varies from 11.5% for residential to 33% for public utilities.
 **Note the 2004 valuation for motor vehicles was revised in June 2006

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
1997	22,946,271	22,205,221	96.77%	245,749	22,450,970	97.84%
1998	21,920,747	21,235,622	96.87%	310,166	21,545,788	98.29%
1999	22,052,495	21,179,420	96.04%	324,021	21,503,441	97.51%
2000	23,468,092	22,364,918	95.30%	30,848	22,395,766	95.43%
2001	24,710,652	24,285,629	98.28%	378,877	24,664,506	99.81%
2002	26,255,858	25,336,447	96.50%	343,825	25,680,272	97.81%
2003	27,343,275	26,780,238	97.94%	462,748	27,242,985	99.63%
2004	28,597,845	28,048,577	98.08%	452,666	28,501,243	99.66%
2005	29,449,181	28,984,901	98.42%	407,520	29,392,421	99.81%
2006	29,062,534	28,117,469	96.75%	478,241	28,595,710	98.39%

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

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

Fiscal Year	City of Topeka					Other Overlapping Governments					Grand Total
	General Fund	Debt Service Fund	Parks and Recreation Fund	Others	Total	State of Kansas	Shawnee County	School District No 501	Washburn University	Others	
1998	8.674	14.004	8.085	1.825	32.588	1.500	37.193	58.771	17.847	10.816	158.715
1999	10.233	12.482	7.470	1.486	31.671	1.500	36.958	50.971	18.317	11.291	150.708
2000	10.432	13.077	7.581	0.695	31.785	1.500	37.014	51.984	3.313	12.849	138.445
2001	11.231	12.181	7.475	1.687	32.574	1.500	35.971	49.610	3.311	13.819	136.785
2002	13.222	10.246	8.013	0.966	32.447	1.500	40.592	52.563	3.312	12.848	143.262
2003	13.278	11.236	8.193	0.422	33.129	1.500	40.734	47.769	3.314	13.384	139.830
2004	17.220	7.680	6.105	2.219	33.224	1.500	43.043	46.198	3.308	13.967	141.240
2005	10.508	13.931	5.930	2.022	32.391	1.500	42.091	54.007	3.313	14.195	147.497
2006	10.855	12.060	5.763	1.975	30.653	1.500	41.850	53.295	3.313	13.118	143.729
2007	11.044	11.600	5.257	2.846	30.747	1.500	41.919	53.367	3.314	13.707	144.554

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.

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

Taxpayer	2006			1997		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Westar Energy***	74,425,565	1	6.52%	58,375,337	1	7.54%
Southwestern Bell/Utility***	24,959,203	2	2.19%	32,427,758	2	4.19%
Target Distribution	17,351,707	3	1.52%	-	-	-
Burlington Northern/Santa Fe/Utility***	12,762,554	4	1.12%	7,115,649	5	0.92%
Simon Property Group/Retail	12,152,388	5	1.06%	14,745,101	3	1.90%
Blue Cross/Blue Shield/Ks Hospital Serv/Insurance	10,555,612	6	0.92%	8,072,540	4	1.04%
Kansas Gas Service/Utility***	9,590,805	7	0.84%	-	-	-
Frito Lay/Manufacturing	6,635,285	8	0.58%	5,456,473	7	0.70%
Walmart Properties/Hypermart/Retail	5,824,132	9	0.51%	7,243,377	6	0.94%
*John Q Hammons Hotels	4,806,091	10	0.42%	-	-	-
**Riviana Foods/Hills Pet Products/Manufacturing	-	-	-	4,762,147	10	0.61%
Hallmark Cards/Manufacturing	-	-	-	5,080,985	8	0.66%
Payless Shoe Source/Manufacturing	-	-	-	4,858,506	9	0.63%
Total	\$ 179,063,342		15.69%	\$ 148,137,873		19.14%
Total Assessed Value	\$ 1,141,209,137			\$ 774,524,829		

Source: Shawnee County Clerk 2005 tax roll

*Included in the NRA

**Includes IRB

***State Assessed

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

Fiscal Year	Governmental Activities				Business-Type Activities							Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Temporary Notes	Capital Leases	General Obligation Bonds	Revenue Bonds	Temporary Notes	Department of Health & Environment Loans	Capital Leases						
1997	111,146,000	9,963,000	-	1,704,000	12,640,000	12,837,000	27,439,625	-				175,729,625	3.44%	1,469
1998	111,580,000	12,150,000	-	1,240,000	42,755,000	2,950,000	26,138,462	-				196,813,462	3.61%	1,587
1999	109,516,500	11,240,000	-	828,500	42,435,000	2,000,000	25,498,259	-				191,518,259	3.41%	1,545
2000	108,726,200	11,530,000	-	428,800	41,740,000	2,000,000	27,788,362	-				192,213,362	3.19%	1,563
2001	109,163,400	4,065,000	2,484,618	6,256,600	66,380,000	9,500,000	27,633,083	71,446				225,554,147	3.61%	1,838
2002	101,958,400	9,815,070	2,745,704	6,256,600	65,190,000	2,034,930	37,592,045	48,952				225,641,701	3.54%	1,847
2003	106,636,500	14,456,414	2,216,017	6,248,500	63,960,000	2,543,586	64,454,297	25,162				260,540,475	4.03%	2,132
2004	121,740,000	20,559,075	1,718,967	6,240,000	100,750,000	2,580,925	77,905,586	-				331,494,553	4.87%	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	5.15%	2,994
2006	135,580,000	11,470,000	746,539	13,810,000	113,800,000	-	93,678,715	-				369,085,254	4.98%	3,016

Note: Details regarding the City's outstanding debt can be found in the notes on pages 57-60 and in the statistical section on pages 121-130. See page 131 for personal income and population data.

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

Fiscal Year	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	Total Primary Government	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	General Obligation Bonds			
1997	111,146,000	1,704,000	112,850,000	2.56%	943.10
1998	111,580,000	1,240,000	112,820,000	2.48%	909.89
1999	109,516,500	828,500	110,345,000	2.28%	889.93
2000	108,726,200	428,800	109,155,000	2.13%	887.87
2001	109,163,400	6,256,600	115,420,000	2.10%	940.78
2002	101,958,400	6,256,600	108,215,000	1.91%	885.58
2003	106,636,500	6,248,500	112,885,000	1.90%	923.57
2004	121,740,000	6,240,000	127,980,000	2.04%	1,051.68
2005	132,005,000	6,240,000	138,245,000	2.11%	1,133.66
2006	135,580,000	13,810,000	149,390,000	2.16%	1,220.74

Note: Details regarding the city's outstanding debt can be found on pages 121 and 123-130
See page 118 for property value data, and population data can be found on page 131

City of Topeka, Kansas
Direct and Overlapping Governmental Activities Debt
As of December 31, 2006

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Shawnee County	\$ 55,175,000	70.84%	\$ 39,085,970
Unified School District No. 345	8,720,000	29.39%	2,562,808
Unified School District No. 437	20,070,000	62.68%	12,579,876
Unified School District No. 450	27,230,000	22.16%	6,034,168
Unified School District No. 501	51,855,000	100.00%	51,855,000
Washburn University	31,580,000	100.00%	31,580,000
Topeka Shawnee Co. Library	<u>19,110,000</u>	70.84%	<u>13,537,524</u>
	213,740,000		157,235,346
Direct debt, City of Topeka:			
General obligation bonds	149,390,000		149,390,000
Temporary notes	11,470,000		11,470,000
Capital leases	<u>746,539</u>		<u>746,539</u>
Total direct and overlapping debt	<u><u>\$ 375,346,539</u></u>		<u><u>\$ 318,841,885</u></u>

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

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

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt Limit	\$ 144,951,674	\$ 144,945,808	\$ 252,171,518	\$ 265,258,876	\$ 281,302,627	\$ 288,246,087	\$ 299,548,981	\$ 335,444,774	\$ 328,235,858	\$ 342,362,741
Total net debt applicable to limit	110,307,142	112,804,248	110,782,194	110,743,959	118,631,535	113,017,753	120,841,801	142,729,341	155,727,186	74,795,038
Legal debt margin	\$ 34,644,532	\$ 32,141,560	\$ 141,389,324	\$ 154,514,917	\$ 162,671,092	\$ 175,228,334	\$ 178,707,180	\$ 192,715,433	\$ 172,508,672	\$ 267,567,703
Total net debt applicable to the limit as a percentage of debt limit	76.10%	77.83%	43.93%	41.75%	42.17%	39.21%	40.34%	42.55%	47.44%	21.85%

As permitted by Kansas statutes, for 2006 the City has excluded certain types of debt from this computation as follows:

\$ 73,499,395	K.S.A. 10-427a
3,101,596	K.S.A. 10-309
30,625,000	K.S.A. 12-195(6)
16,245,000	K.S.A. 12-1774
<u>Total excluded in 2006</u>	<u>\$ 123,470,991</u>

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

Legal Debt Margin Calculation for Fiscal Year 2006

Total assessed value	\$ 1,141,209,137
Debt limit (30% of total assessed value)	342,362,741
Debt applicable to limit:	
General obligation bonds	82,588,369
Less: Amount set aside for repayment of general obligation debt	(7,793,331)
Total net debt applicable to limit	74,795,038
Legal debt margin	\$ 267,567,703

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

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

Fiscal Year	Water and Water Pollution Control KDHE Revolving Loans										KDHE Loan Coverage ³	
	Gross Revenues ⁴	Less: Expenses ¹	Net Available Revenue	Debt Service on KDHE Loans (Next Fiscal Year)		Debt Service on Revenue Bonds (Next Fiscal Year)		Principal	Interest	Principal		Interest
				Principal	Interest	Principal	Interest					
1997	14,835,413	9,880,249	4,955,164	1,250,363	383,297	960,000	758,400	1.48				1.48
1998	34,493,897	23,274,533	11,219,364	1,382,596	1,018,496	320,000	2,419,019	2.18				2.18
1999	35,016,991	21,252,013	13,764,978	1,833,149	1,033,125	695,000	2,061,285	2.45				2.45
2000	36,864,259	21,972,611	14,891,648	2,269,953	1,060,178	725,000	2,033,485	2.45				2.45
2001	34,378,085	24,052,622	10,325,463	2,346,908	988,661	1,190,000	2,920,130	1.39				1.39
2002	37,397,613	26,852,463	10,545,150	2,336,290	1,049,072	1,230,000	3,321,653	1.33				1.33
2003	41,536,887	27,127,247	14,409,640	3,517,054	2,048,195	1,280,000	3,262,553	1.43				1.43
2004	44,485,360	29,862,012	14,623,348	3,638,050	1,936,067	1,390,000	4,907,439	1.23				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				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				1.22

Fiscal Year	Water, Water Pollution Control and Stormwater Revenue Bonds										Revenue Bond Coverage ³	
	Gross Revenues ⁴	Less: Expenses ²	Net Available Revenue	Debt Service on Revenue Bonds (Next Fiscal Year)		Debt Service on Revenue Bonds (Next Fiscal Year)		Principal	Interest	Principal		Interest
				Principal	Interest	Principal	Interest					
1997	32,068,921	21,822,244	10,246,677	960,000	758,400			5.96				5.96
1998	34,493,897	22,578,524	11,915,373	320,000	2,419,019			4.35				4.35
1999	35,016,991	20,626,633	14,390,358	695,000	2,061,285			5.22				5.22
2000	36,864,259	21,044,759	15,819,500	725,000	2,033,485			5.73				5.73
2001	34,378,085	24,124,446	10,253,639	1,190,000	2,920,130			2.49				2.49
2002	37,397,613	26,847,219	10,550,394	1,230,000	3,321,653			2.32				2.32
2003	41,536,887	27,094,743	14,442,144	1,280,000	3,262,553			3.18				3.18
2004	44,595,860	31,217,897	13,377,963	1,390,000	4,907,439			2.12				2.12
2005	49,032,060	32,388,584	16,643,476	1,905,000	5,387,707			2.28				2.28
2006	51,324,679	36,001,171	15,323,508	2,010,000	4,656,037			2.30				2.30

Note: Details regarding the city's outstanding debt can be found in the notes on pages 57-60.

- 1 - Expenses for the KDHE loans do not include depreciation, interest, 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 or other non-cash items, but do 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, and interest income.
- In 1996 & 1997 Water Pollution Control revenue was only used for the KDHE Loan Coverage.
- In 2003, City Ordinance 17985 was passed to combine the Water, Water Pollution Control and Stormwater Utilities.

City of Topeka, Kansas
Schedule of Bonded Indebtedness by Category
December 31, 2006

Bond Series	Interest rates	Issue Date	Final maturity	Original Principal Amount	Principal Outstanding 01/01/2006	Issued	Retired	Refunded	Principal Outstanding 12/31/2006
General obligation bonds (A)									
Building Improvements									
2001A	4.05%-5.00%	03/01/01	08/15/21	6,240,000	6,240,000	-	-	-	6,240,000
2001B	4.00%-5.10%	08/01/01	08/01/21	7,595,000	6,000,000	-	400,000	-	5,600,000
2003A	1.80%-4.125%	03/01/03	08/15/17	523,019	452,519	-	42,000	-	410,519
2003B	2.375%-5.00%	08/14/03	08/15/18	7,090,315	6,908,937	-	832,292	-	6,076,645
2003C	2.70%-5.50%	11/24/03	08/15/23	4,331,205	4,080,400	-	165,917	-	3,914,483
2004B	3.10%-4.25%	10/07/04	08/15/20	9,388,630	8,803,480	-	568,090	-	8,235,390
2004C	3.10%-5.00%	11/23/04	08/15/24	118,531	113,014	-	4,311	-	108,703
2005A	3.30%-5.50%	02/17/05	08/15/25	5,635,000	5,635,000	-	205,000	-	5,430,000
2005B	3.50%-5.00%	11/29/05	08/15/25	1,127,949	1,127,949	-	-	-	1,127,949
2005C	4.88%-5.50%	11/29/05	08/15/15	5,070,000	5,070,000	-	460,000	-	4,610,000
2006A	4.00%-4.25%	11/28/06	08/15/26	13,670,000	-	1,430,117	-	-	1,430,117
2006B	4.00%-4.375	11/28/06	08/15/36	7,570,000	-	7,570,000	-	-	7,570,000
				<u>68,359,649</u>	<u>44,431,299</u>	<u>9,000,117</u>	<u>2,677,610</u>	<u>-</u>	<u>50,753,806</u>
Drainage Improvements									
2001B	4.00%-5.10%	08/01/01	08/01/21	900,000	620,000	-	75,000	-	545,000
				<u>900,000</u>	<u>620,000</u>	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>545,000</u>
Sanitary and Storm Sewer									
2001B	4.00%-5.10%	08/01/01	08/01/21	850,000	600,000	-	80,000	-	520,000
2003A	1.80%-4.125%	03/01/03	08/15/17	161,037	137,537	-	12,000	-	125,537
2003B	2.375%-5.00%	08/14/03	08/15/18	1,502,500	906,499	-	426,431	-	480,068
2003C	2.70%-5.50%	11/24/03	08/15/23	68,895	64,906	-	2,640	-	62,266
2004B	3.10%-4.25%	10/07/04	08/15/20	357,180	178,590	-	178,590	-	-
2004C	3.10%-5.00%	11/23/04	08/15/24	216,295	206,228	-	7,866	-	198,362
2005B	3.50%-5.00%	11/29/05	08/15/25	475,154	475,154	-	-	-	475,154
2006A	4.00%-4.25%	11/28/06	08/15/26	695,209	-	695,209	-	-	695,209
				<u>4,326,270</u>	<u>2,568,914</u>	<u>695,209</u>	<u>707,527</u>	<u>-</u>	<u>2,556,596</u>
Street Improvements									
2001B	4.00%-5.10%	08/01/01	08/01/21	1,981,500	1,425,000	-	170,000	-	1,255,000
2003A	1.80%-4.125%	03/01/03	08/15/17	1,167,529	944,279	-	114,000	-	830,279
2003B	2.375%-5.00%	08/14/03	08/15/18	793,050	350,639	-	88,151	-	262,488
2003C	2.70%-5.50%	11/24/03	08/15/23	890,554	838,985	-	34,115	-	804,870
2004B	3.10%-4.25%	10/07/04	08/15/20	2,264,270	1,655,230	-	544,340	-	1,110,890
2004C	3.10%-5.00%	11/23/04	08/15/24	560,307	534,228	-	20,375	-	513,853
2005B	3.50%-5.00%	11/29/05	08/15/25	3,464,719	3,464,719	-	-	-	3,464,719
2006A	4.00%-4.25%	11/28/06	08/15/26	3,907,178	-	3,907,178	-	-	3,907,178
				<u>15,029,107</u>	<u>9,213,080</u>	<u>3,907,178</u>	<u>970,981</u>	<u>-</u>	<u>12,149,277</u>
Trafficway Improvements									
2001B	4.00%-5.10%	08/01/01	08/01/21	16,428,500	9,930,000	-	555,000	-	9,375,000
2003A	1.80%-4.125%	03/01/03	08/15/17	3,598,403	3,316,403	-	168,000	-	3,148,403
2003B	2.375%-5.00%	08/14/03	08/15/18	14,633,860	12,568,242	-	1,570,187	-	10,998,055
2003C	2.70%-5.50%	11/24/03	08/15/23	4,820,346	4,541,217	-	184,655	-	4,356,562
2004B	3.10%-4.25%	10/07/04	08/15/20	21,002,980	19,678,700	-	1,343,979	-	18,334,721
2004C	3.10%-5.00%	11/23/04	08/15/24	1,546,660	1,474,670	-	56,242	-	1,418,428
2005B	3.50%-5.00%	11/29/05	08/15/25	2,224,255	2,224,255	-	-	-	2,224,255
2006A	4.00%-4.25%	11/28/06	08/15/26	3,193,094	-	3,193,094	-	-	3,193,094
				<u>67,448,098</u>	<u>53,733,487</u>	<u>3,193,094</u>	<u>3,878,063</u>	<u>-</u>	<u>53,048,518</u>
Park Improvements									
2001B	4.00%-5.10%	08/01/01	08/01/21	1,910,000	1,520,000	-	115,000	-	1,405,000
2003A	1.80%-4.125%	03/01/03	08/15/17	755,012	649,262	-	54,000	-	595,262
2003B	2.375%-5.00%	08/14/03	08/15/18	842,161	5,682	-	2,938	-	2,744
2003C	2.70%-5.50%	11/24/03	08/15/23	1,114,000	1,049,492	-	42,674	-	1,006,818
2004B	3.10%-4.25%	10/07/04	08/15/20	6,111,940	5,709,000	-	395,000	-	5,314,000
2004C	3.10%-5.00%	11/23/04	08/15/24	4,433,207	4,226,861	-	161,207	-	4,065,654
2005B	3.50%-5.00%	11/29/05	08/15/25	2,117,923	2,117,923	-	-	-	2,117,923
2006A	4.00%-4.25%	11/28/06	08/15/26	4,444,402	-	4,444,402	-	-	4,444,402
				<u>21,728,645</u>	<u>15,278,220</u>	<u>4,444,402</u>	<u>770,819</u>	<u>-</u>	<u>18,951,803</u>
Taxable Pension Obligation									
2004A	4.00%-5.00%	08/12/04	08/15/15	13,385,000	12,400,000	-	1,015,000	-	11,385,000
				<u>13,385,000</u>	<u>12,400,000</u>	<u>-</u>	<u>1,015,000</u>	<u>-</u>	<u>11,385,000</u>
Total all general obligation bonds (A)				\$ 191,176,769	\$ 138,245,000	\$ 21,240,000	\$ 10,095,000	\$ -	\$ 149,390,000

continued...

City of Topeka, Kansas
Schedule of Bonded Indebtedness by Category
December 31, 2006

Bond Series	Interest rates	Issue Date	Final maturity	Original Principal Amount	Principal Outstanding 01/01/2006	Issued	Retired	Refunded	Principal Outstanding 12/31/2006
<i>...continued</i>									
Other Bonds (B):									
2006A	4.00 - 5.50	03/30/06		10,405,000	-	10,405,000	-	-	10,405,000
2006	4.00 - 5.00	06/15/06		30,625,000	-	30,625,000	-	-	30,625,000
2006A	4.125 - 5.75	07/27/06		5,840,000	-	5,840,000	-	-	5,840,000
Total Other Bonds				\$ 46,870,000	\$ -	\$ 46,870,000	\$ -	\$ -	\$ 46,870,000
Revenue Bonds (C):									
1998B	4.80%-5.10%	06/01/98	08/01/28	31,440,000	31,440,000	-	-	31,440,000	-
2001A	5.30%-6.00%	12/01/01	08/01/19	25,365,000	23,570,000	-	485,000	22,065,000	1,020,000
2004A	2.00%-6.00%	02/19/04	08/01/33	46,180,000	44,350,000	-	940,000	-	43,410,000
2005A	4.00%-7.50%	12/09/05	08/01/35	14,875,000	14,875,000	-	480,000	-	14,395,000
2006A	4.25%-4.375	10/18/06	08/01/31	32,375,000	-	32,375,000	-	-	32,375,000
2006B	4.00%-5.00	10/18/06	08/01/21	22,600,000	-	22,600,000	-	-	22,600,000
Total all revenue bonds				\$ 172,835,000	\$ 114,235,000	\$ 54,975,000	\$ 1,905,000	\$ 53,505,000	\$ 113,800,000
Total all bonded indebtedness				\$ 410,881,769	\$ 252,480,000	\$ 123,085,000	\$ 12,000,000	\$ 53,505,000	\$ 310,060,000

Notes:

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

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

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

See independent auditors' report.

City of Topeka, Kansas
Schedule of Temporary Notes Outstanding by Project
December 31, 2006

Project Purpose/Description	Project Number	Project Amount Financed
Bridge SW 29th & Shunga	120601	\$ 243,792
Sanitary Sewer Old Potwin Site	400256	74,778
Sanitary Sewer River Hill Dist	408583	224,009
Sanitary Sewer Se 22nd & 3 Crts	409152	64,808
Sanitary Sewer Aquarian Acres #9	409172	298,521
Pump Station SW 49th - Misty	409320	117,650
Sanitary Sewer Hwy 24	409331	144,571
Sanitary Sewer Lauren's Bay Village	409450	746,303
Street Improvement Shawnee Trails	605251	319,053
SE 22nd 3 courts	605982	368,835
Aquarian Acres Sub #9	605992	512,462
River Hill Development	606041	897,335
Aquarian Center Paving	606050	523,445
Streets Capricorn WDS #3	606102	199,014
Street Improvement SW Lakeside	606112	209,378
Street Improvement Alexander Place	606113	363,201
Street Improvement Laurel Park	606141	135,330
Street Improvement Stone Crest	60623H	288,571
Street Improvement Woodland Trl Sub	606241	124,384
Street Improvement Lauren's Bay	606250	746,303
Street Improvement SW 30th Terrace	606260	99,507
7 Neighborhood Improvements	606270	497,536
Kansas Ave Extension Study	701830	763,588
Traf Improv SE 6th - Golden Market	701901	1,119,455
Macvicar Improvement to 6th I-70	701962	1,990,143
Industrial Rd SW 53 to SW 57	701971	398,028
Total aggregate principal outstanding		<u><u>\$ 11,470,000</u></u>

Note: On November 28, 2006, the City issued its Series 2006-A Temporary Notes in the principal amount of \$11,470,000. The 2006-A Notes were purchased by First Albany Capital, bear interest at 4.375%, and are scheduled to mature on December 1, 2007.

See independent auditor's report.

City of Topeka, Kansas
Debt Service Payments to Final Maturity
Revenue Bonds
December 31, 2006

Water, Water Pollution Control and Stormwater			
Year	Principal	Interest	Total
2007	2,010,000	4,656,037	6,666,037
2008	1,875,000	5,047,755	6,922,755
2009	1,935,000	4,946,655	6,881,655
2010	2,005,000	4,849,155	6,854,155
2011	2,055,000	4,748,255	6,803,255
2012	2,120,000	4,644,755	6,764,755
2013	2,220,000	4,561,105	6,781,105
2014	3,340,000	4,462,650	7,802,650
2015	3,900,000	4,306,613	8,206,613
2016	4,085,000	4,120,208	8,205,208
2017	4,270,000	3,947,613	8,217,613
2018	4,440,000	3,775,913	8,215,913
2019	4,635,000	3,590,813	8,225,813
2020	4,850,000	3,395,631	8,245,631
2021	5,055,000	3,189,406	8,244,406
2022	5,275,000	2,966,694	8,241,694
2023	5,530,000	2,730,144	8,260,144
2024	5,780,000	2,477,881	8,257,881
2025	6,050,000	2,214,100	8,264,100
2026	6,330,000	1,937,913	8,267,913
2027	6,630,000	1,648,800	8,278,800
2028	6,940,000	1,350,825	8,290,825
2029	4,340,000	1,043,800	5,383,800
2030	4,540,000	846,675	5,386,675
2031	4,760,000	640,438	5,400,438
2032	3,390,000	424,163	3,814,163
2033	3,560,000	265,425	3,825,425
2034	915,000	98,700	1,013,700
2035	965,000	50,663	1,015,663
	<u>\$ 113,800,000</u>	<u>\$ 82,938,781</u>	<u>\$ 196,738,781</u>

See independent auditor's report.

City of Topeka, Kansas
Schedule of Industrial Revenue Bonds by Obligee (1)
December 31, 2006

Obligated Entity or Purpose	Interest Rates	Issue Date	Final Maturity	Original Principal Amount	Principal Outstanding 01/01/2006	Issued	Retired	Principal Outstanding 12/31/2006
Brewster Place	3.75 - 6.00%	08/15/02	08/01/22	\$ 2,225,000	\$ 2,075,000	\$ -	\$ 80,000	\$ 1,995,000
Brewster Place	2.50 - 5.50%	05/15/04	06/01/24	12,000,000	11,615,000	-	400,000	11,215,000
Fairlawn Green Acquisition	7.25%	11/01/96	12/15/21	2,275,000	1,906,616	-	59,097	1,847,519
Fairlawn Green Acquisition	9.00%	11/01/96	12/15/21	525,000	525,000	-	-	525,000
Fleming Court Apts.	Var. Rate	12/01/00	12/01/28	3,880,000	3,730,000	-	45,000	3,685,000
Great Plains Hotel	Var. Rate	12/01/88	10/01/13	4,300,000	2,470,000	-	220,000	2,250,000
Hill's Pet Nutrition	5.45%	06/18/02	08/01/12	15,000,000	11,305,000	-	1,370,000	9,935,000
Kensington Park Apts.	7.00% - 8.00%	08/01/92	08/15/17	2,490,000	1,957,684	-	63,775	1,893,909
Oakbrook Apartments	N/A	11/01/95	07/01/26	3,225,000	3,225,000	-	-	3,225,000
Oakbrook Apartments	8.75%	11/01/95	07/01/26	675,000	675,000	-	-	675,000
Payless Shoesource Corp.	7.00%	08/01/97	08/01/07	4,225,000	850,000	-	425,000	425,000
Payless Shoesource Corp.	7.00%	08/01/97	08/01/07	13,731,000	2,751,000	-	1,375,000	1,376,000
Payless Shoesource Corp.	7.00%	09/01/98	09/01/08	13,200,000	3,960,000	-	1,320,000	2,640,000
Payless Shoesource Corp.	7.00%	10/01/99	10/02/09	3,844,000	1,530,000	-	385,000	1,145,000
Payless Shoesource Corp.	8.25%	12/01/00	01/01/11	10,563,000	6,330,000	-	1,055,000	5,275,000
Payless Shoesource Corp.	8.25%	12/01/00	01/01/11	10,393,000	6,240,000	-	1,040,000	5,200,000
Payless Shoesource Corp.	6.00%	10/29/02	10/01/12	14,000,000	9,500,000	-	1,500,000	8,000,000
Payless Shoesource Corp.	6.00%	06/15/04	06/01/14	10,000,000	9,000,000	-	1,000,000	8,000,000
Presbyterian Manor	6.80% - 8.625%	06/01/88	06/01/10	8,320,000	6,120,000	-	-	6,120,000
Security Benefit	5.75%	03/01/02	03/01/12	50,000,000	35,000,000	-	5,000,000	30,000,000
Sunwest Hospital	Variable	05/01/88	07/09/05	5,500,000	3,840,000	-	210,000	3,630,000
YMCA	5.50 - 7.50%	08/01/00	09/01/25	8,500,000	8,145,000	-	130,000	8,015,000
				<u>\$ 198,871,000</u>	<u>\$ 132,750,300</u>	<u>\$ -</u>	<u>\$ 15,677,872</u>	<u>\$ 117,072,428</u>

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

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

Fiscal Year	Population (1)	Personal Income (thousands of dollars) (2)	Per Capita Personal Income (2)	501 School District Enrollment (3)	Unemployment Rate % (4)
1997	119,658	5,114,437	\$23,005	14,167	4.8%
1998	123,993	5,456,434	\$24,408	14,232	3.6%
1999	123,993	5,621,125	\$25,120	14,135	3.4%
2000	122,940	6,022,592	\$26,783	14,144	4.8%
2001	122,685	6,253,618	\$27,764	14,018	5.0%
2002	122,197	6,375,524	\$28,265	13,876	5.6%
2003	122,227	6,471,266	\$28,584	14,058	6.4%
2004	121,691	6,802,645	\$29,923	14,300	7.2%
2005	121,946	7,092,816	\$31,074	13,870	6.6%
** 2006	122,377	7,397,807	\$32,255	13,387	5.8%

Sources:

(1) Population estimates, are taken from the Kansas Division of the Budget. Previous years data were updated to reflect changes made by the state.

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

(3) School District 501 only. Private schools and school districts 437, 345, and 450, which partially overlap the city boundaries, are not included.

(4) Kansas Department of Human Resources

**Used a 4.3% increase from 2005 for the personal income and used a 3.8% increase from 2005 for the Per Capita Income since these actual numbers were unavailable at publication. The percentages were derived from the increase of each area from 2004 to 2005.

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

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

<u>Employer</u>	<u>2006</u>			<u>1997</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
State of Kansas	8,402	1	8.08%	8,833	1	9.67%
Stormont-Vail Health Care	3,100	2	2.98%	2,400	2	2.63%
Unified School District # 501	2,542	3	2.45%	2,200	4	2.41%
Goodyear Tire and Rubber Co.	1,943	4	1.87%	1,700	6	1.86%
Blue Cross Blue Shield of Kansas	1,817	5	1.75%	2,084	5	2.28%
St. Francis Hospital & Medical Center	1,800	6	1.73%	1,647	7	1.80%
Washburn University	1,651	7	1.59%	-		-
Payless Shoe Source	1,600	8	1.54%	1,555	8	1.70%
City of Topeka	1,400	9	1.35%	1,500	9	1.64%
US Government	1,256	10	1.21%	1,447	10	1.58%
Burlington Northern/Santa Fe/Utility	-		-	2,385	3	2.61%
Total	<u>25,511</u>		<u>24.54%</u>	<u>25,751</u>		<u>28.18%</u>
Total Employment	103,936			91,389		

Source:

Topeka Chamber of Commerce, October 2006, for number of employees

State Department of Labor, June 2006 and November 1997 for total employment

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

Function/Program	Full-time Equivalent Employees as of December 31																																																																																																																																																																																																																																																																																																																																								
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006																																																																																																																																																																																																																																																																																																																															
General Government											City Council	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	Executive	23.25	23.25	21.00	22.75	20.00	19.00	19.00	17.00	18.00	16.00	Legal	16.00	16.00	17.00	17.00	22.00	22.50	23.50	21.50	21.50	22.50	Financial Services	29.00	31.00	29.00	26.00	28.00	24.75	24.75	25.00	24.00	25.00	Municipal Court	27.00	27.00	28.00	28.00	24.00	28.00	27.00	27.00	27.00	27.00	Human Resources	12.00	12.00	11.00	11.00	10.00	10.00	11.00	10.00	10.00	9.00	Information Technology	15.00	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	Fleet Services	25.00	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	Police	329.50	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	Public Works											Administration	13.00	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	Development Services	20.00	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00
City Council	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	Executive	23.25	23.25	21.00	22.75	20.00	19.00	19.00	17.00	18.00	16.00	Legal	16.00	16.00	17.00	17.00	22.00	22.50	23.50	21.50	21.50	22.50	Financial Services	29.00	31.00	29.00	26.00	28.00	24.75	24.75	25.00	24.00	25.00	Municipal Court	27.00	27.00	28.00	28.00	24.00	28.00	27.00	27.00	27.00	27.00	Human Resources	12.00	12.00	11.00	11.00	10.00	10.00	11.00	10.00	10.00	9.00	Information Technology	15.00	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	Fleet Services	25.00	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	Police	329.50	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	Public Works											Administration	13.00	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	Development Services	20.00	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00											
Executive	23.25	23.25	21.00	22.75	20.00	19.00	19.00	17.00	18.00	16.00	Legal	16.00	16.00	17.00	17.00	22.00	22.50	23.50	21.50	21.50	22.50	Financial Services	29.00	31.00	29.00	26.00	28.00	24.75	24.75	25.00	24.00	25.00	Municipal Court	27.00	27.00	28.00	28.00	24.00	28.00	27.00	27.00	27.00	27.00	Human Resources	12.00	12.00	11.00	11.00	10.00	10.00	11.00	10.00	10.00	9.00	Information Technology	15.00	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	Fleet Services	25.00	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	Police	329.50	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	Public Works											Administration	13.00	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	Development Services	20.00	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																						
Legal	16.00	16.00	17.00	17.00	22.00	22.50	23.50	21.50	21.50	22.50	Financial Services	29.00	31.00	29.00	26.00	28.00	24.75	24.75	25.00	24.00	25.00	Municipal Court	27.00	27.00	28.00	28.00	24.00	28.00	27.00	27.00	27.00	27.00	Human Resources	12.00	12.00	11.00	11.00	10.00	10.00	11.00	10.00	10.00	9.00	Information Technology	15.00	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	Fleet Services	25.00	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	Police	329.50	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	Public Works											Administration	13.00	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	Development Services	20.00	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																	
Financial Services	29.00	31.00	29.00	26.00	28.00	24.75	24.75	25.00	24.00	25.00	Municipal Court	27.00	27.00	28.00	28.00	24.00	28.00	27.00	27.00	27.00	27.00	Human Resources	12.00	12.00	11.00	11.00	10.00	10.00	11.00	10.00	10.00	9.00	Information Technology	15.00	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	Fleet Services	25.00	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	Police	329.50	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	Public Works											Administration	13.00	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	Development Services	20.00	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																												
Municipal Court	27.00	27.00	28.00	28.00	24.00	28.00	27.00	27.00	27.00	27.00	Human Resources	12.00	12.00	11.00	11.00	10.00	10.00	11.00	10.00	10.00	9.00	Information Technology	15.00	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	Fleet Services	25.00	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	Police	329.50	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	Public Works											Administration	13.00	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	Development Services	20.00	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																							
Human Resources	12.00	12.00	11.00	11.00	10.00	10.00	11.00	10.00	10.00	9.00	Information Technology	15.00	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	Fleet Services	25.00	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	Police	329.50	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	Public Works											Administration	13.00	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	Development Services	20.00	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																		
Information Technology	15.00	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	Fleet Services	25.00	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	Police	329.50	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	Public Works											Administration	13.00	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	Development Services	20.00	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																													
Fleet Services	25.00	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	Police	329.50	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	Public Works											Administration	13.00	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	Development Services	20.00	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																								
Public Safety											Fire	250.00	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	Police	329.50	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	Public Works											Administration	13.00	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	Development Services	20.00	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																			
Fire	250.00	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	Police	329.50	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	Public Works											Administration	13.00	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	Development Services	20.00	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																														
Police	329.50	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	Public Works											Administration	13.00	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	Development Services	20.00	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																									
Public Works											Administration	13.00	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	Development Services	20.00	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																				
Administration	13.00	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	Development Services	20.00	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																															
Development Services	20.00	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																										
Engineering	48.00	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																																					
Transportation Operations	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																																																
Special Street Repair	54.00	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																																																											
Facility Operations	13.25	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																																																																						
Parks and Recreation	91.88	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																																																																																	
Zoo	27.00	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																																																																																												
Planning	12.50	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																																																																																																							
Housing & Neighborhood Development	17.00	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																																																																																																																		
Water	148.00	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																																																																																																																													
Water Pollution Control	119.00	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																																																																																																																																								
Stormwater Utility	16.00	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																																																																																																																																																			
Public Parking	21.00	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																																																																																																																																																														
Public Golf Course	9.00	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																																																																																																																																																																									
Concessions	1.00	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																																																																																																																																																																																				
Total	1,353.38	1,356.38	1,338.01	1,319.13	1,291.13	1,299.85	1,317.35	1,293.85	1,291.60	1,301.00																																																																																																																																																																																																																																																																																																																															

Source: City Budget Office

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

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

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

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

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

*City Clerk was budgeted under Financial Services in 1995-1996 and then moved to the Executive section.

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

Function/Program	Fiscal Year as of December 31									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Fire										
Total number of incidents	9,771	10,239	11,556	11,897	12,088	12,091	11,920	12,286	13,153	13,525
Fire calls	1,030	828	799	1,030	1,023	1,035	890	767	2,767	982
Rescue & Emergency Medical calls	5,950	6,583	7,656	8,018	8,205	7,903	8,093	8,133	9,599	9,610
Police										
Citations issued	40,978	48,141	42,455	48,276	51,565	43,766	42,114	42,967	43,060	37,362
Driving under the influence citations	1,042	946	944	891	777	833	833	819	553	629
Development Services										
Residential building permits	558	490	603	530	408	824	594	584	571	566
Commercial building permits	313	362	340	304	308	341	287	294	296	242
Street Operations										
Streets swept (curb miles)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pot hole patching material used (tonnage)	1,200	1,200	1,200	1,200	1,200	1,230	1,000	1,250	2,024	2,050
Traffic Operations										
Cross walks painted (miles)	675	675	695	670	670	675	675	675	655	558
Streets painted (miles)	350	350	366	350	345	350	350	350	340	148
Number of signs replaced	n/a	n/a	2,314	3,913	3,800	3,950	2,583	3,579	3,721	3,683
Public Parking violations issued	50,554	48,003	46,392	45,690	47,552	44,895	37,898	33,052	26,877	30,728
Parks and Recreation										
Mini-Train & Carousel attendance	132,337	113,366	79,701	67,966	59,393	82,520	88,449	148,750	137,032	144,747
Swimming pool attendance	72,890	61,615	54,497	99,841	108,946	99,613	98,107	80,161	101,500	126,280
Summer youth camp attendance	4,128	4,450	4,663	4,357	4,304	4,295	4,301	4,007	4,236	3,822
Youth basketball teams	112	110	116	99	92	88	83	73	71	55
Youth volleyball teams	58	67	71	65	63	87	91	58	87	87
Adult summer softball teams	276	335	357	366	371	404	396	420	515	544
Adult volleyball teams	542	482	463	454	438	450	447	473	465	482
Adult basketball teams	256	245	222	212	193	164	157	155	129	129
Zoo attendance	203,770	192,869	186,886	185,121	157,347	151,855	151,669	182,058	163,421	166,732
Housing & Neighborhood Development										
CDBG disbursed per year (thousands of \$)	n/a	2,213	2,820	1,702	3,621	3,851	2,646	2,586	2,526	2,496
CDBG rehab activity of single residential units	n/a	308	698	199	149	245	152	170	151	181
Water										
New Connections	496	353	492	443	438	592	530	636	611	460
Number of accounts	48,373	48,775	49,462	49,949	50,490	50,886	51,400	51,400	52,890	53,332
Annual Volume (millions of gallons)	7,345	7,190	7,233	7,553	7,117	7,460	7,287	6,548	7,990	8,215
Valve routine maintenance	4,724	5,674	1,718	2,564	1,682	1,295	343	786	1,234	2,306
Water Pollution Control										
Number of accounts	39,009	43,796	44,332	45,092	45,683	45,421	44,680	47,193	47,157	46,954
Volume (millions of gallons)	5,158	5,384	5,595	5,475	5,221	5,094	4,989	4,952	6,197	4,458
Number of service calls	522	635	658	702	694	640	733	880	1,109	1,004
Stormwater Utility										
Number of service calls	n/a	n/a	100	247	344	153	177	281	340	272
Public Golf Course rounds	54,674	48,811	48,896	47,021	46,403	42,903	40,146	31,131	27,626	26,462

Source: Various city departments
Note: Indicators are not available for general government and administration functions.
Parks and Recreation: The mini-train's tracks were replaced in 1999. Starting in 2002 the attendance figures included free rides. In 1999 the Blaisdell pool closed for construction of new aquatic center, reopening in 2000. The summer youth camp is for twelve weeks. In 2002 a spring session for youth volleyball was created.
Street Operations for streets swept have been changed for the years 1997 - 2004
n/a = not available

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

Function/Program	Fiscal Year as of December 31									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Square miles of City	56.6	56.6	56.6	56.6	56.6	56.6	58.5	59.8	60.1	60.5
Fire										
Stations	12	12	12	12	12	12	12	12	12	12
Firefighters	244	244	244	244	248	239	236	218	218	248
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Police officers	268	293	293	293	289	277	274	290	293	294
Street Operations										
Miles of City streets	667	667	671	671	671	671	671	671	671	673
Traffic Operations										
Traffic signals	180	180	180	180	181	181	184	184	182	182
Traffic signs	n/a	n/a	n/a	n/a	3,800	3,850	3,950	3,579	3,721	3,683
Parks and Recreation										
Mini-Train & Carousel	2	2	2	2	2	2	2	2	2	2
Swimming pools	8	8	5	5	5	5	5	5	5	5
Community Centers	7	7	7	7	7	7	6	6	7	7
Softball diamonds	15	15	15	15	15	14	14	14	12	12
Water										
Water mains (miles)	773	777	782	800	800	808	808	808	815	859
Storage capacity (millions of gallons)	25	25	25	25	25	25	25	25	25	25
Water Pollution Control										
Sanitary sewers (miles)	778	778	778	800	800	750	750	750	854	867
Stormwater Utility										
Storm sewers (miles)	216	216	250	250	250	220	200	200	316	400
Public Parking										
Parking garages	6	6	6	6	6	7	7	7	7	6
Parking meters	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,745	1,758	1,741
Public Golf Course	1	1	1	1	1	1	1	1	1	1

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

[This page is intentionally left blank.]

City of Topeka, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2006

Federal CFDA Number	Pass - Through Grantor's Number	Program or Award Amount	New Award or Unexpended Grant Amount at 01/01/2006	Expenditures	Unexpended Grant Amount at 12/31/2006
Federal Grantor/Pass - Through Grantor/Program Title					
U.S. Department of Housing and Urban Development					
14.231	S-05-DC-20-0001	46,184	46,184	46,184	-
14.231	S-06-DC-20-0001	48,237	48,237	-	48,237
14.231	S-06-MC-20-0003	87,343	46,712	46,712	-
14.231	S-06-MC-20-0003	86,993	86,993	36,494	50,499
#	B-02-MC-20-0003	3,096,049	92,735	54,686	38,049
#	B-03-MC-20-0003	2,302,902	8,167	1,801	6,366
#	B-04-MC-20-0003	2,092,387	124,299	88,416	35,883
#	B-05-MC-20-0003	1,892,763	103,080	99,931	3,149
#	B-06-MC-20-0003	3,832,914	3,832,914	2,305,128	1,527,786
*	KS01C40-3003	1,181,208	409,896	409,896	-
*	KS01C50-3003	1,189,632	1,189,632	773,372	416,260
^	M-02-MC20-0203	1,189,316	4,473	3,757	716
^	M-03-MC20-0203	966,949	3,386	3,386	-
^	M-04-MC20-0203	790,679	31,889	27,112	4,777
^	M-05-MC20-0203	1,079,482	752,702	542,498	210,204
^	M-06-MC20-0203	1,150,168	1,150,168	543,543	606,625
*	B-03-SP-KS-0251	715,320	239,900	36,969	202,931
*	B-05-SP-KS-0486	198,400	198,400	-	198,400
^	FHEO07047016	101,409	55,184	-	-
^	FHEO070516	35,500	35,500	23,074	12,426
^	FHEO070616	48,560	48,560	-	48,560
		22,132,395	8,509,011	5,098,143	3,410,868
U.S. Department of Justice					
16.592	2004-LB-BX-1069	38,556	33,848	33,848	-
16.738	2005-DJ-BX-1433	210,142	192,607	108,616	83,991
16.738	2006-DJ-BX-0187	105,547	105,547	52,773	52,774
16.575	06-VOCA-45	46,911	34,938	34,081	857
16.575	07-VOCA-46	45,054	45,054	12,052	33,002
*	2005-WS-Q5-0027	225,000	113,928	113,928	-
*	2006-WS-Q6-0081	225,000	225,000	69,795	155,205
16.710	2002-SH-WX-0602	236,668	45,896	45,896	-
16.737	2006-JV-FX-0050	58,344	58,344	-	58,344
16.607		3,512	3,512	270	3,242
16.607		3,088	3,088	-	3,088
16.609	2003-GP-CX-0512 Adult	59,994	48,849	48,805	44
16.609	2003-GP-CX-0512 Juvenile	59,360	25,777	25,057	720
16.540	2005-MC-CXK018	3,069	3,069	2,364	705
16.609	2006-PG-BX-0078	51,016	51,016	8,400	42,616
		1,371,261	990,473	555,885	434,588
Total U.S. Department of Housing and Urban Development					
U.S. Department of Justice					
Local Law Enforcement Block Grant					
Edward Byrne Memorial Justice Assistance Grant					
Federal Victims of Crime Act					
Federal Victims of Crime Act					
Weed and Seed Program					
Weed and Seed Program					
Public Safety Partnership and Community Policing Grant					
Gang Resistance Education and Training Program					
Bulletproof Vest Partnership					
Bulletproof Vest Partnership					
Passed through Kansas Bureau of Investigation:					
Project Safe Neighborhoods					
Project Safe Neighborhoods					
Passed through Sedgwick County Sheriff's Office:					
Juvenile Justice & Delinquency Prevention					
Passed through Kansas Attorney General:					
Project Safe Neighborhood					
Total U.S. Department of Justice					

...continued

City of Topeka, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2006

Federal Grantor/Pass - Through Grantor/Program Title	Federal CFDA Number	Pass - Through Grantor's Number	Program or Award Amount	New Award or Unexpended Grant	
				Amount at 01/01/2006	Expenditures 12/31/2006
...continued					
National Institute of Justice					
Passed through Kansas Bureau of Investigation:					
DNA Expansion Demonstration Program	16.560		17,000	17,000	14,289
Solving Cold Cases with DNA	16.560		30,000	30,000	30,000
Total National Institute of Justice			47,000	47,000	44,289
Environmental Protection Agency					
Passed through Kansas Department of Health and Environment:					
Capitalization Grants for State Revolving Funds	66.458	C20 1270 01	123,303,767	15,087,143	12,756,724
Total Environmental Protection Agency			123,303,767	15,087,143	12,756,724
U.S. Department of the Interior-National Park Service					
Passed through Kansas State Historical Society:					
Historic Preservation Fund Grants In-Aid	15.904	20-05-20418-011	8,000	8,000	1,445
Total U.S. Department of the Interior			8,000	8,000	1,445
U.S. Department of Transportation					
Passed through Kansas Department of Transportation:					
Consolidated Planning Grant-Federal Highway Administration portion	20.205	L-0132-05	391,225		
Consolidated Planning Grant-Federal Transit Administration portion	20.505	L-0132-05	89,395		
Total			480,620	480,620	186,052
Intelligent Transportation System Grant	20.205	KA-0562-01	50,000	50,000	6,858
State and Community Highway Safety	20.600	OP-0993-06	31,585	27,263	27,263
State and Community Highway Safety	20.600	OP-0993-07	28,500	28,500	5,407
Safety Incentives to Prevent Operation of Motor Vehicles By Intoxicated Persons	20.605	AL-9082-06	7,187	7,187	5,092
Safety Incentives to Prevent Operation of Motor Vehicles By Intoxicated Persons	20.605	AL-9082-07	6,861	6,861	468
Total U.S. Department of Transportation			604,753	600,431	231,140
U.S. Department of Homeland Security					
Assistance to Firefighters Grant	97.044	EMW-2004-FG-19242	169,975	169,975	165,757
Passed through Kansas Highway Patrol:					
State Domestic Preparedness Equipment Support Grant	97.078		200,000	200,000	199,351
Passed through Kansas Adjutant General's Department:					
FEMA Public Assistance Grant	97.036		271,687	271,687	-
Total U.S. Department of Homeland Security			641,662	641,662	636,795
Total Federal Awards			\$ 148,108,838	\$ 25,883,720	\$ 19,287,953
					\$ 6,595,767

Transfers of Program Income were made
^ Transfers of uncommitted funds were made
* Major Program

City of Topeka, Kansas
Notes to the Schedule of Expenditures of Federal Awards
December 31, 2006

Note 1: Basis of Presentation

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

Note 2: Loans

The City of Topeka has the following federal subsidized loan:

EPA Capitalization Grant from the State Revolving Loan Fund CFDA #66.458. The balance at December 31, 2006 was \$93,678,716

[The remainder of this page intentionally left blank.]

[This page is intentionally left blank.]



Certified Public Accountants
and Management Consultants

Brian J. Florea, CPA
John R. Helms, CPA
Roger L. Johnson, CPA
Darrell D. Loyd, CPA
Eric L. Otting, CPA
John E. Wendling, CPA

Jere Noe, CPA
Gary D. Knoll, CPA
Adam C. Crouch, CPA
Derek H. Hart, CPA

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Topeka, Kansas, as of and for the year ended December 31, 2006, which collectively comprise the City of Topeka, Kansas, basic financial statements and have issued our report thereon dated July 17, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal control over financial reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Topeka, Kansas, ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood

that a misstatement of the City of Topeka, Kansas, financial statements that is more than inconsequential will not be prevented or detected by the City of Topeka, Kansas, internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting (2006-1, 2006-2, and 2006-3).

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Topeka, Kansas, internal control. However, we believe that findings 2006-1, 2006-2, and 2006-3 are material weaknesses.

Compliance and other matters

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

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

Wendy Rae Nelson & Joel LLC

Topeka, Kansas
July 17, 2007



Certified Public Accountants
and Management Consultants

Brian J. Florea, CPA
John R. Helms, CPA
Roger L. Johnson, CPA
Darrell D. Loyd, CPA
Eric L. Otting, CPA
John E. Wendling, CPA

Jere Noe, CPA
Gary D. Knoll, CPA
Adam C. Crouch, CPA
Derek H. Hart, CPA

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

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

Compliance

We have audited the compliance of the City of Topeka, Kansas, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Topeka, Kansas, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

Internal control over compliance

The management of the City of Topeka, Kansas, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over

compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

Wending Nae Nelson & Tole LLC

Topeka, Kansas
July 17, 2007

CITY OF TOPEKA, KANSAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the year ended December 31, 2006

Section I - Summary of Auditor's Results

Financial statements --

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes X No

Identification of major programs:

<u>CFDA number</u>	<u>Program name</u>
16.710	Public Safety Partnership and Community Policing
66.458	Capitalization Grant - State Revolving Loan Fund

Dollar threshold used to distinguish between type A and type B programs \$491,000

Auditee qualified as low risk auditee? X Yes No

Section II - Financial Statement Findings

- 2006-1 A control deficiency exists in the accounting and recording of investment income in accordance with generally accepted accounting principles. This deficiency is attributable to lack of adequate training and oversight.
- 2006-2 A control deficiency exists in the accounting and recording of long-term debt transactions in accordance with generally accepted accounting principles. This deficiency is attributable to lack of adequate training and oversight.
- 2006-3 A control deficiency exists in the operation of internal controls designed to safeguard assets from loss, damage or misappropriation. This deficiency is attributable to the lack of proper oversight in the expenditure of special purpose bond project costs.

Section III - Federal Award Findings and Questioned Costs

None

CITY OF TOPEKA, KANSAS
FOLLOW-UP ON PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2006

Findings - Federal Award Findings and Questioned Costs

No findings in the preceding year.

[This page is intentionally left blank.]