

The City of Topeka, Kansas

Comprehensive Annual Financial Report For Year Ended December 31, 2007



**City of Topeka, Kansas
Comprehensive Annual Financial Report
For the Year Ended December 31, 2007**

Mayor

William W. Bunten, Mayor

City Council Members

<u>Name</u>	<u>District #</u>	<u>Current Term Expires</u>
John Alcala	2	April 2011
Deborah Swank	6	April 2011
Bill Haynes	5	April 2009
Sylvia Ortiz	3	April 2009
Jack Woelfel	4	April 2011
Lana Kennedy	1	April 2009
Jeff Preisner	8	April 2011
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
Pamela S. Simecka, City Controller
Curtis R. Cox, City Treasurer
Tina M. Loyd, Accounting Manager
Amy S. Vail, Grant and General Accountant II
Kristen E. Ready, Accountant II
Deidre E. Chinn, Accounts Receivable and Utility Billings Specialist

City of Topeka, Kansas Comprehensive Annual Financial Report For the Year Ended December 31, 2007

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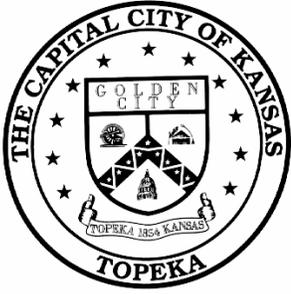
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CITY OF TOPEKA

Norton N. Bonaparte, Jr., City Manager

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

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

June 23, 2008

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, 2007. 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, 2007.

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

Wendling Noe Nelson & Johnson, LLC, an independent firm of licensed certified public accountants, audited the City's financial statements and issued an unqualified opinion on the governmental and business-type activities of the City of Topeka's financial statements for the year ended December 31, 2007 except for the financial statements for Water, Wastewater and Storm water on which they issued a qualified opinion.

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

Our CAFR is divided into the following sections:

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

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

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

PROFILE OF THE CITY

The City of Topeka, Kansas, 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 2007, the City annexed 262.3 acres of real estate.

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 four or five Council members elected bi-annually. The Council is responsible, among other things, for adopting ordinances and resolutions, adopting an annual budget, appointing certain officials of boards and committees, and selecting a City Manager.

As the chief executive officer of Topeka, the City Manager is responsible to execute and enforce all laws, ordinances, and policies of the Council and is charged with administering the day-to-day operations of the City. The City Manager has the power to appoint, assign, reassign, discipline, and remove all directors 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 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.

A long time local industry Del Monte announced in 2007 that they will be adding 427,000 square foot distribution center adjacent to their existing pet food plant. This new distribution

center will serve all 5 of the Del Monte's Pet Products manufacturing plants. They will also see an increase in approximately 80 jobs. Another long time area manufacturer Frito Lay increased its manufacturing space by 40,000 square feet in 2007. They also added 75 new jobs for a new production line of SunChips. Thirty new jobs were also added at Topeka Metal Specialities Inc. since they became a division of a Chicago based steel company. They are planning to add another 100 jobs in the next two years.

Heartland Park Topeka (HPT) is a National Hot Rod Association sanctioned race facility. It will also host the 2008 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 Great Overland Station, a restoration and enhancement of the historic, former Union Pacific Railroad depot north of the Kansas River.

Construction is almost completed on a redevelopment of one of the City's deteriorating neighborhoods, College Hill. The private developer was successful in gaining a commitment for partial funding through tax increment financing bonds issued by the City in 2006. Currently, the City is working with another developer in East Topeka for the redevelopment of another deteriorating area as well through a "Pay As You Go" tax increment financing plan.

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 2008 through 2011, nearly \$84 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 underway is the demolition and reconstruction of the Topeka Boulevard Bridge over the Kansas River. That project is funded by a combination of the City's sales tax revenue bonds and federal highway funds. The scheduled completion date is August 2008.

Approximately \$7.9 million is scheduled to be spent on street improvements in the next few years according to recently approved Capital Improvement Plan.

Relevant Financial Policies

Community Goals established by the City Council are

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

In May of 2006, the Mayor and Council members participated with a facilitator in a consensus building session to discuss priorities for the community. The following core goals were identified for the next three to five years:

- Reducing Crime
- Improving Quality of City Services
- Stabilizing the City's Tax Base and Reducing the City's Debt Burden
- Promoting Economic Development
- Managing Growth
- Recognizing and Promoting Equality in the Community

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.

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, 2007, the City's outstanding loan balances for the Water Pollution Control Division were \$72,535,217. A synopsis of 2007 activity in the revolving loan balances is included in the *Notes to the Financial Statements, Change in Long-term Liabilities* table on page 64.

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.

<u>Year of Projected Expenditures</u>	<u>Projected Major Capital Expenditures</u>	<u>Projected Routine Capital Expenditures</u>	<u>Total Projected Capital Expenditures</u>
2008	15,174,743	850,000	16,024,743
2009	7,350,000	850,000	8,200,000
2010	3,800,000	300,000	4,100,000
2011	16,700,000	-	16,700,000
2012	13,500,000	-	13,500,000
Totals	<u><u>\$ 56,524,743</u></u>	<u><u>\$ 2,000,000</u></u>	<u><u>\$ 58,524,743</u></u>

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 are being funded by dedicated countywide sales tax of .5%, passed in 2004 by Shawnee County voters.

In 2007, construction of the Topeka Boulevard Bridge, which carries traffic over the Kansas River, continued. 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 contributions to the project. Additional information about this financing is included in the *Notes to the Financial Statements, Long-term debt* section on pages 62 - 65. 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, 2006. This was the thirteenth 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, 2007. 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 2008 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



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

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, 2006

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.



Oliver S. Cox

President

Jeffrey R. Emer

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.

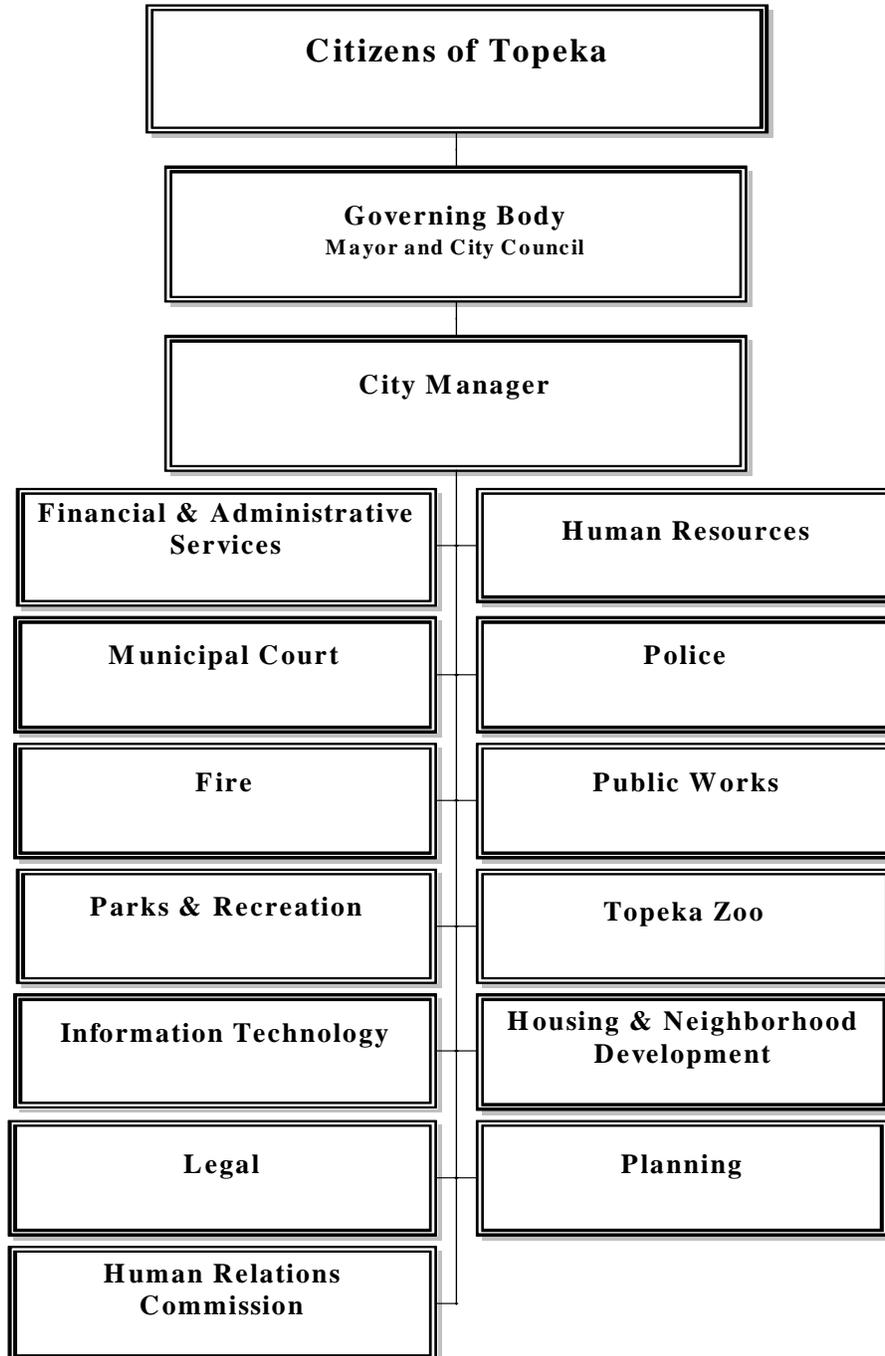
Community Wide Goals

(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.

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2007 City's Organizational Chart



City of Topeka, Kansas
Principal Officials at December 31, 2007

Mayor

William W. Bunten, Mayor

City Council Members

District 1	Lana Kennedy
District 2	John Alcala
District 3	Sylvia Ortiz
District 4	Jack Woelfel
District 5	Bill Haynes
District 6	Deborah Swank
District 7	Brett Blackburn, Deputy Mayor
District 8	Jeff Preisner
District 9	Richard Harmon

City Manager

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

Department Heads

Budget and Financial Services, James F. Langford
Chief of Fire, Howard Giles
Housing and Neighborhood Development, Randy Speaker
Human Resources, Joyce Mitchell (Acting)
Human Relations Commission, Rio Cervantes-Reed (Acting)
Information Technology, Mark Biswell (Acting)
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

Financial Services:

Cash Management, Curtis Cox, City Treasurer

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

Contracts and Procurement, Jay Oyler

Fleet Services, Ron Raines

Fire:

Chief of Training, Jack Collie

Chief of Fire Prevention / Fire Marshall, Greg Bailey

Deputy Chief of Operations, Rick Pardee

Deputy Chief of Support Services, Kathryn Petty

City of Topeka, Kansas
Principal Officials at December 31, 2007

Division Directors (continued)

Information Technology:

Public Affairs - Public Information, David Bevens

Legal:

Deputy City Attorney, Braxton Copley

Risk Management, Eric Smith

Municipal Court:

Court Administrator, Gail Lewis

Parks & Recreation:

Accounting, Quail Lowe

Administration, Teri Simpson

Athletics, Bruce Andrews

Centers & Day Camps, Betty Kirchner and Lynn Bishop

Forestry, Adam Moser

Golf, 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-Support and CID, Colonel Walt Wywadis

Deputy Chief-Uniform and Special Operations, Colonel Gerald Herman

Community and Support Services, Major Randy Mills

Criminal Investigation Division, Major John Sidwell

Special Operations, Major Tony Kirk

Uniform Division, Major Warren Wilson

Public Works:

Administration, Mike McGee, Deputy Public Works Director

Development Services, Miriam Berke

Engineering, Shawn Bruns

Facility Management, Vacant

Technical Support Group, Mike Teply

Transportation Operations, Mark Thiel

Water Pollution Control, Bob Sample

Water, Don Rankin



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 and the aggregate remaining fund information of the City of Topeka, Kansas, as of and for the year ended December 31, 2007, 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 2006 financial statements and, in our report dated July 17, 2007, 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, 2006, 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.

Management has a policy of inventorying their developer construction and internal repair work orders. The inventory is charged for direct labor, direct materials, and an overhead adjustment for labor fringe benefits. Accounting principles generally accepted in the United States requires when a work order is completed, these costs are charged to cost of sales or repairs and maintenance. Management has failed to remove all of the respective costs when the work orders were completed. The amount by which this departure would affect the assets, net assets, operating income, and cash flows of the Water, Water Pollution Control, and Stormwater Utility is a reduction of approximately \$4,157,000.

In our opinion, except for the effects of not properly relieving the inventory costs for the Water, Water Pollution Control, and Stormwater Utility as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Water, Water Pollution Control, and Stormwater Utility of the City of Topeka, Kansas, as of December 31, 2007, and the respective changes in financial position and cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, except the Water, Water Pollution Control, and Stormwater Utility, and the aggregate remaining fund information of the City of Topeka, Kansas, as of December 31, 2007, 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 June 19, 2008, 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 17 through 29 and other required supplementary information on page 71, is not a required part of the basic financial statements but is 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 Noel Nelson & Johnson LLC
Topeka, Kansas
June 19, 2008

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Topeka, Kansas, we offer readers of the City of Topeka's financial statements this narrative overview and analysis of the financial activities of the City of Topeka for the year ended December 31, 2007. 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 1-7 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 \$502,940,395 (*net assets*). Of this amount, \$55,594,665 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets decreased \$14.1 million to \$502.9 million in 2007. The \$14.1 million decrease is comprised of a decrease in net assets of the governmental activities of \$15.1 million, and an increase in net assets of the City's business type activities of \$1.0 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 2007, the City of Topeka's governmental funds reported combined ending fund balances of \$22.2 million, a decrease of \$23.1 million in comparison with the prior year. Just under 56% of \$12.5 million, is *available for spending* at the government's discretion (*unreserved fund balances*).
- At the end of 2007, unreserved, undesignated fund balance for the General Fund was \$7.1 million or 10.57% of total General Fund revenues, and 10.63% of General Fund expenditures.
- For the General Fund, actual resources available for appropriation in 2007 (revenue inflows and fund balance) were \$1.6 million more than the final budget, while actual appropriations (outflows) were \$5.4 million less than budgeted for the year.
- The City of Topeka's total bonded indebtedness had a net increase of \$7.6 million (1.9%) during 2007. An additional \$.3 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 \$5.6 million from the Kansas Public Water Supply Revolving Loan Fund Program for improvements to the City's Water facilities; \$11.1 million in general obligation bonds issued for streets and trafficway improvements, \$1.4 million in building improvements, and \$2.3 million in park improvements; lastly consisting of \$5.3 million in revenue bonds for the City's utilities for infrastructure improvements and waterlines across a renovated bridge. A summary of all 2007 changes in the City's long-term debt and liabilities can be found in the notes on page 62 – 65 and in the *Schedule of Bonded Indebtedness* on pages 138 - 139.

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 31 and 32 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 45

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 34 and 36.

The City of Topeka maintains thirty 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 remaining governmental funds, which the City categorizes as *special revenue funds and capital project funds*, are aggregated for presentation. Special revenue funds and capital projects funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Individual fund data for each of these *non-major funds* is provided in the form of *combining statements* on pages 76 - 81 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 37 - 39 and 82 - 84 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 40 - 42. Individual data for these non-major enterprise funds in the form of *combining statements* can be found on pages 110 - 112 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 40 - 42. Individual data for the internal service funds in the form of *combining statements* is on pages 114 - 119.

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 43 and pages 103 - 108.

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 45 - 69 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 73 - 122.

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 \$502,940,395 at the close of 2007, the most recent fiscal year.

By far the largest portion of the City of Topeka's net assets (83.1%) 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, 2007

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 109,489,663	\$ 129,151,648	\$52,585,578	\$ 52,067,488	\$ 162,075,241	\$181,219,136
Capital assets, non-depreciable	102,038,551	70,912,160	34,918,673	58,120,223	136,957,224	129,032,383
Capital assets, net of depreciation	367,732,881	388,982,715	338,781,241	310,668,955	706,514,122	699,651,670
Total assets	579,261,095	589,046,523	426,285,492	420,856,666	1,005,546,588	1,009,903,189
Long-term liabilities outstanding	246,619,363	239,464,264	229,679,292	221,640,550	476,298,655	461,104,814
Other liabilities	23,378,194	25,248,847	2,929,343	6,535,443	26,307,537	31,784,290
Total liabilities	269,997,557	264,713,111	232,608,635	228,175,993	502,606,192	492,889,104
Net assets:						
Invested in capital assets, net of related debt	272,511,890	262,873,235	145,198,301	145,623,138	417,710,191	408,496,373
Restricted	6,334,674	4,477,822	23,300,865	27,049,741	29,635,539	31,527,563
Unrestricted	30,416,974	56,982,355	25,177,691	20,007,794	55,594,665	76,990,149
Total net assets	\$ 309,263,538	\$ 324,333,412	\$ 193,676,857	\$ 192,680,673	\$ 502,940,395	\$ 517,014,085

A portion of the City's net assets (5.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$55,594,665 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 4.6%, from \$324.3 million to \$309.3 million, in 2007. There was a \$19.7 million decrease in the governmental activities' current assets in 2007. This was attributable to a decrease of \$17.3 million of restricted cash, which was mainly due to paying the Kansas Department of Transportation the City's share for the replacement of one of the City's major bridges. Even though unrestricted cash decreased by \$4.2 million, shown mainly in the General Fund and Debt Service Fund, the accounts receivable increased \$2.3 million. This was due to an increase in the estimated outstanding balance of special assessments.

Although non-depreciable capital assets increased \$31.1 million from governmental activities, the value of depreciable capital assets decreased \$21.3 million in 2007. The non-depreciable capital assets increased largely due to the payments discussed above reducing the restricted cash for the bridge project. Other construction in progress projects involved sidewalk and street repairs, a new facility located at the zoo, and infrastructure for new developing areas. The long-term debt increased \$7.1 million, and other liabilities decreased about \$1.9 million in 2007. The increase in long-term debt includes \$2.2 million increase in general obligation and other bonds, \$3.8 million increase in deferred revenue, and increases in compensated absences and the new OPEB liability requirement by GASB 45 of \$.3 million and \$.7 million respectively. The other liabilities had decreases in temporary notes issued, while showing increases in the amounts owed to others. This included an overpayment of neighborhood revitalization funds from Shawnee County and a missed payment to JEDO for their sales tax distribution.

The City of Topeka's total net assets reported in connection with its business-type activities increased by \$996,184, or .5% in 2007. The increase in assets was attributable to finishing some long term construction projects and the utilities were able to gain on increasing their level of cash. The increase liabilities was mainly attributable to the issuance of debt to fund Water Utility projects for infrastructure and water mains going on the replacement bridge in the City.

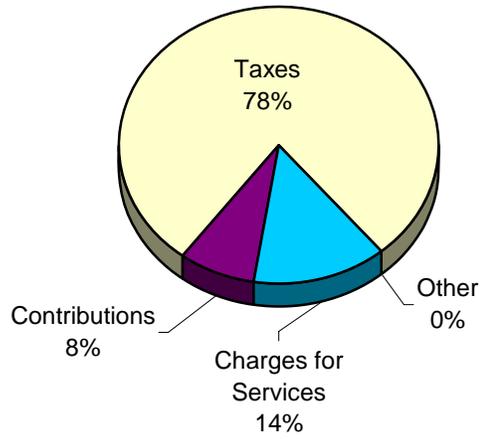
Governmental activities

Governmental activities decreased the City of Topeka's total net assets by \$15,069,874, while the total decrease of both governmental and business-type total net assets was only \$14,073,690. The charts on the next page depict the elements of the 2007 governmental activities, and *Table 2* on page 23 shows key elements of the total decrease in net assets.

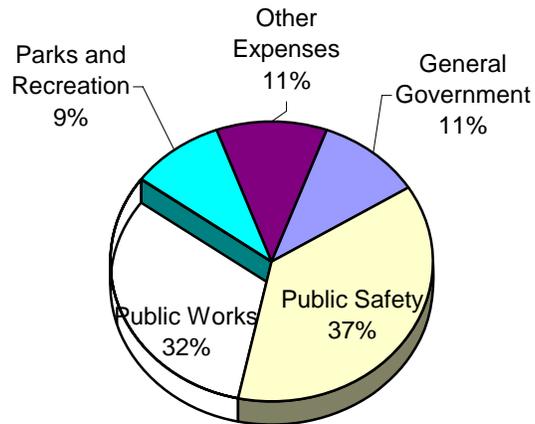
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Fiscal Year 2007 Government Activities
(Also see Table 2 on next page)

Sources of Revenue



Functional Expenses



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

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
<u>Program revenues</u>						
Charges for services	\$ 16,461	\$ 6,959	\$ 54,658	\$ 51,922	\$ 71,119	\$ 58,881
Operating grants and contributions	7,698	11,427	-	-	7,698	11,427
Capital grants and contributions	1,504	5,556	456	70	1,960	5,626
<u>General revenues</u>						
Property taxes	39,142	37,394	-	-	39,142	37,394
Sales taxes	35,080	35,075	-	-	35,080	35,075
Franchise taxes	11,482	10,757	-	-	11,482	10,757
Motor fuel taxes	5,195	5,379	-	-	5,195	5,379
Alcoholic beverage taxes	1,442	1,468	-	-	1,442	1,468
Transient guest taxes	1,913	1,767	-	-	1,913	1,767
Gain on sale of capital assets	-	-	444	(213)	444	(213)
Unrestricted investment earnings	-	-	1,944	2,877	1,944	2,877
Total revenues	119,917	115,782	57,502	54,656	177,419	170,439
Expenses						
General government	14,342	11,586	-	-	14,342	11,586
Public safety	50,236	46,180	-	-	50,236	46,180
Public works	42,801	43,454	-	-	42,801	43,454
Metropolitan Planning	998	853	-	-	998	-
Miscellaneous	436	1,138	-	-	436	1,138
Parks and Recreation	12,527	12,048	-	-	12,527	12,048
Public Housing	4,864	3,515	-	-	4,864	3,515
Social Services	779	758	-	-	779	758
Capital leases	281	-	-	-	281	-
Interest	7,738	7,014	-	-	7,738	7,014
Water, Water Pollution Control, & Stormwater Utility	-	-	52,086	49,704	52,086	49,704
Combined Public Parking	-	-	3,566	3,198	3,566	3,198
Public Golf Course	-	-	854	793	854	793
Total expenses	135,002	126,546	56,506	53,695	191,508	179,389
Increase in net assets before transfers	(15,085)	(10,764)	996	961	(14,089)	(8,950)
Transfers in (out)	-	325	-	(325)	-	-
Increase (Decrease) in Net Assets	(15,085)	(10,439)	996	636	(14,089)	(8,950)
Net Assets - Beginning	324,348	334,772	192,681	192,045	517,030	526,816
Net Assets - Ending	\$ 309,263	\$ 324,333	\$ 193,677	\$ 192,681	\$ 502,941	\$ 526,817

**Note: Two Fiduciary funds were moved into the special revenues.

In 2007, changed how the interfund transfers were eliminated in the revenues. In 2006 the charge for services for the general government should have been around \$12,132 and the operating grants and contributions should have been around \$2,326. The capital grants and contributions for public works should have been around \$1,408.

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)

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General government	\$ 14.3	\$0.8
Public safety	50.2	49.3
Public works, highways & streets	42.8	39.8
Parks & recreation	<u>12.5</u>	<u>9.1</u>
Totals	<u>\$119.8</u>	<u>\$99.0</u>

The total governmental expenses increased by \$8.5 million, while program revenues only increased by \$1.7 million. The net cost of operations for the four major areas increased by \$5.1 million from 2006.

- The net costs of operations in 2007 increased in public safety of \$1.6 million due to passing of the IAFF and FOP labor contracts. Fire department averaged 6%, while Police averaged 4.5%.
- Public works and Shawnee County started design on a project information management system, which would provide up-to-date maps and information on the internet for residents to obtain information about projects throughout the City. Design was also started on an electronic maintenance management system, allowing for the planning of preventative maintenance and tracking of hours and costs for maintenance staff.
- Public works also showed a decrease in special streets expenses by \$338,000, even though a study was completed for the City indicating it needed to invest \$31.0 million dollars over the next ten years into road infrastructure.
- Parks and Recreation stayed about the same with a slight decrease in net cost. The City received more in grants to construct nature and bike trails. The City welcomed the opportunity to host a men's national slow pitch softball tournament over Labor Day.
- Program revenues which included Capital Grants decreased by \$1.6 million, in the areas of General Government and Public Works, mainly attributable to the funding of capital projects. In 2006 a couple of projects were funded from Federal funds which included the restoration of an old railroad station and street improvements. These projects had little or no funding from outside sources in 2007.

Other areas contributing to the increase in expenses consisted of the following:

- \$77,000 was spent out of the Golf Improvement fund to renovate the clubhouse grill, update bunkers and have a facility assessment completed.
- Interest expense for the governmental activities increased by \$.7 million due to the second interest payment of \$683,500 for the Topeka Boulevard bridge replacement bonds issued in the amount of \$30.6 million in 2006.
- Retirement reserve decreased \$133,000, while there were increases in the amounts set aside for KP&F equalization and special liabilities, of \$51,000 and \$236,000 respectively.
- Public housing increased \$1.2 million. This was in part due to focusing on a new area for redevelopment in the Chesney and Hi-Crest areas of Topeka. The qualifying participation was unusually high, increasing the amount spent. The HND staff has also concentrated on increasing the amount spent on the Shelter Plus Care program, which provides rental housing assistance to special needs citizens.
- Franchise taxes increased by \$0.7 million during 2007 due to the higher price of gas and the unusually cold winter of \$.6 million. Cable television franchise taxes also showed increases

in revenues of \$.5 million which was impacted by an audit. The electricity and telephone franchise fees decreased in total by \$.4 million.

Business-type activities

Net assets of the City’s business-type activities increased by \$996,184 during 2007. 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	\$ 52.1	\$ 0.4
Public Parking	3.6	0.7
Public Golf Course	0.9	0.2
Totals	<u>\$ 56.6</u>	<u>\$ 1.3</u>

The City issued its Series 2007-B and 2007-C Revenue Refunding Bonds for the Combined Utility Fund in July 2007 in the amount of \$5,210,000 and \$2,140,000, respectively. The Council mandated annual rate increases, which was in the final year in 2007. The Water, Water Pollution Control, and Stormwater Utilities had an increase of revenues, but also showed an increase of expenses. Water sold a parcel of land and received \$442,430. The operating expenditures for the Public Golf Course decreased in the area of salaries and benefits by \$133,000 and increased in contractual services by \$228,000, due to the business decision to lay off employees and hire an outside company to maintain the golf course grounds. 2007 was the first full year for this decision. The public parking facilities started using a garage downtown, which debt was issued for in 2006 and the first full year of interest hit in 2007.

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, 2007, the City’s governmental funds reported combined, ending fund balances of \$22.2 million, which is a decrease of \$23.1 million from the prior year. All of the major Governmental funds except for Parks and Recreation had decreases in fund balances. The largest decrease of \$17.1 million, in the Bridges fund balance, due to the expenditures on the Topeka Boulevard bridge replacement of \$17 million. The bridge is tentatively scheduled to open in August 2008, pending weather delays.

Approximately 56%, \$12.4 million, of this total amount is unreserved fund balance, which is available for spending at the City’s discretion. The remaining fund balance is reserved to indicate

that it has already been committed to liquidate contracts and purchase orders (\$2.5 million) or for payment of debt service (\$7.3 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 \$7,065,321, and total fund balance was \$8,147,371. 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 10.6% of total general fund expenditures, and total fund balance is 13.0% of expenditures.

The fund balance of the City's General Fund decreased by \$629,382 during 2007. Factors in the net decrease of General Fund balance include:

- Revenues increased \$.7 million with the largest increase in the area of franchise fees, attributable to having an audit of cable fees conducted with a settlement of \$400,000. Financial Services also incurred the costs of a telephone audit and natural gas and electric franchise fee audit of \$13,000 and \$48,000 respectively. Settlements have not yet been determined.
- Operating expenditures in the Public Safety area increased by \$1.6 million due largely in part to passing of the IAFF and FOP labor contracts.
- Money needed to be set aside for Finance to have an audit performed to comply with GASB 45, for other postemployment benefits, of \$14,000.
- In the area of other financing sources, transfers out of the General Fund decreased \$.6 million. The only areas left for funding were for police cars, demolition work for structures not meeting code requirements and operating transfers to Parks and Recreation and the Zoo.
- COLA's were decreased from 2.5 percent to 2 percent.
- Transfers in to the General Fund was increased by a transfer from the Worker's Compensation fund for \$435,000.
- Metropolitan Planning had increased costs in outside services to conduct several studies for long-term transportation and unified code development.
- The Capital Projects Planning fund was closed out to the General Fund with a transfer of \$179,428. As well as the Regional Planning Commission Fund with a transfer of \$119,552.

The Parks and Recreation Fund had an ending fund balance of \$745,369 in 2007. The \$33,702 increase in the Parks and Recreation fund balance was held to a minimum by the additional transfers in from the general fund. Areas that showed the largest increases in expenses were Recreation Centers, Park maintenance and Horticulture. The areas showing the greatest decrease in expenses were Ward Meade and concessions.

The Special Street Repairs Fund ended 2007 with a fund balance of \$1,545,195, a decrease over the 2006 ending fund balance of \$648,377. A budget amendment was approved in August 2007 to reduce fund balance by \$800,000. This was needed to fund additional maintenance projects.

The Debt Service Fund had a total balance of \$7,257,138 at December 31, 2007, all of which is reserved for the payment of debt service. The decrease in fund balance of \$536,193. See the *Notes to the Financial Statements*, on pages 62 - 65 for a more complete description of activity in the Debt Service Fund.

The Bridge Fund had a net decrease in fund balance of \$17.1 million, making the fund balance (\$783,277), which is due to the construction taking place on the replacement of the Topeka Boulevard Bridge. The bridge is set to open in August 2008.

The Capital Project Fund, Streets and Trafficways had a fund balance of (\$6,062,489), decreasing from 2006 by \$1,525,413. The decrease was due mainly to a couple of large special assessments that could not be assessed on the tax rolls until 2008.

In the non-major governmental funds, the fund balances decreased by \$2,741,378, taking the ending balance to \$11,340,792. None of the non-major funds had very large increases, but the increases occurred in the General Improvement Fund, Transient Guest Tax Fund, and the KP & F Equalization Fund of \$.2 million each. The funds with the largest decreases in fund balance were in the capital projects funds in Sanitary Sewers and Water Mains of \$1.7 million, Park Improvements of \$1.2 million and Public Buildings of \$.4 million. This was due to projects that had been constructed, but were lacking permanent financing.

Proprietary funds

The City of Topeka's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail. See the *Basic Financial Statements* on pages 40 – 42 for more information. Unrestricted net assets of the combined Water, Water Pollution Control, and Stormwater Utility Fund at December 31, 2007, were \$23,553,291. The increase of \$4,692,197 over the 2006 amount is partly due to a decrease in the restriction for capital projects, since some projects are nearing completion.

GENERAL FUND BUDGETARY HIGHLIGHTS

The changes in the General Fund original budget were made in the area of Miscellaneous Non-Departmental for \$120,000 to be reclassified as interfund transfer. These funds were used to assist the Zoo in gaining a positive fund balance.

General Fund revenues came in \$1.4 million higher than anticipated, and expenditures were \$5.4 million less than budgeted in 2007. Key factors of the difference include:

- Franchise fee revenues were \$1.2 higher than expected, due to increases in natural gas prices and an audit was completed and settled on the local cable television company.
- There were also favorable revenues in the areas of retail sales tax, permits issued, and other revenues.
- Unfavorable areas of revenues were in property taxes and Municipal Court. The difference in Municipal Court was in part due to the discontinued prosecution of suspended driver's license offenders per City ordinance.
- Unfavorable areas of expenditures were in public safety. Due partly to increases in labor costs and the number of disasters such as floods, ice and tornados that occurred.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2007, the City had \$843.5 million invested in a broad range of capital assets, including police and fire equipment, buildings, improvements, land, park facilities, water and wastewater treatment facilities, and roads and bridges (see Table 5 below). This amount represents a net increase (including additions and deductions) of \$14.8 million, or 1.78%, during the year. To find more information on capital assets, refer to the *Notes to the Financial Statements* on pages 58 - 59 and to the *Other Fund Statements and Schedules* section of this report on pages 120 - 122. Capital asset transactions during the current fiscal year included:

- The City increased the expenditures in its construction in progress by \$39.7 million, which consisted of costs for bridges (\$17.5 million), building improvements (\$3.2 million), park improvements (\$4.1 million), sanitary sewers and water mains (\$2.1 million), and streets and trafficways (\$12.5 million).
- The City was able to capitalize and close several construction projects, increasing the amount of governmental assets. These included projects to replace the HVAC for one of the community centers, replacing the roofs on some community centers, replacing a

major street on the east side of the City, adding pedestrian lighting close to the local university, updating the police fleet, and other street and trafficway improvements. The capitalized amount totaled about \$8.5 million.

- The Combined Utility Fund replaced and installed new water main extensions and installed sanitary sewers and drain improvements. The combined utilities were able to complete and capitalize existing projects consisting of drain improvements (\$1.5 million), water mains (\$1.6 million), and sewer and system improvements (\$35.6 million). Of the \$35.6 million was the capitalization of the water pollution control treatment plant's fifth phase of renovations.
- The Parking fund continues to construct a new garage in the downtown area of \$2.3 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 6,319,861	\$ 6,319,861	\$ 1,595,573	\$ 1,595,573	\$ 7,915,434	\$ 7,915,434
Buildings, Improvements, Infrastructure	358,067,079	378,165,452	336,388,241	307,969,733	694,455,320	686,135,185
Furniture and Fixtures	1,557,191	2,371,054	106,128	127,664	1,663,319	2,498,718
Vehicles	4,699,309	5,254,758	1,309,764	1,580,260	6,009,073	6,835,018
Machinery and Equipment	3,409,302	3,191,451	977,108	991,298	4,386,410	4,182,749
Construction in Progress	95,718,690	64,592,299	33,323,100	56,524,650	129,041,790	121,116,949
Total Capital Assets	\$ 469,771,432	\$ 459,894,875	\$ 373,699,914	\$ 368,789,178	\$ 843,471,346	\$ 828,684,053

The City's five-year Capital Improvement Plan reflects appropriations for construction, improvements to, or acquisition of about \$168.5 million worth of capital assets for fiscal 2008 through 2012. Funding is budgeted to come from projected enterprise fund revenues (\$27.4 million), general obligation bonds (\$45.8 million), utility revenue bonds (\$26.9 million), state revolving fund loans (\$51.1 million), and other sources (\$17.3 million) over the next five years. The most significant projects include continued upgrades to interceptor and distribution control systems, improvements to the storm sewer system, repairs to the river levee's, rehabilitation to the water treatment plant, increasing water service to the south part of Topeka, construction of various streets and trafficways, traffic signal replacements, fleet replacements for fire and police, addition of a new fire station, neighborhood improvements, and shelter house renovations.

Debt

At December 31, 2007 the City's total outstanding bonded indebtedness was \$317,645,000. Of this amount, \$153,840,000 is general obligation debt, backed by the full faith and credit of the government. There are \$119,140,000 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 \$44,665,000. In addition, the City is obligated for \$93,762,685 of Kansas State Revolving Loan Program loans, which are secured solely by specified revenue sources from the Combined Utility Fund, and for \$9,200,000 in general obligation temporary notes, issued to fund construction in progress on capital projects. See the *Statistical Section – Schedule of Bonded Indebtedness by Category* of this report on pages 138 – 139 for more details.

Moody's Investors Service has assigned the City's general obligation bonds ratings of "Aa3" upon their issuance. During 2007, 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.

At the time of issuance, various series of bonds were insured by either Financial Guaranty Insurance Company (“FGIC”) or XL Capital Assurance, Inc. (“XLCA”) and were assigned ratings by Moody’s Investors Service, Inc. (“Moody’s”). In 2008, Moody’s downgraded both FGIC and XLCA below Aaa in correspondence with Moody’s financial strength and financial enhancement ratings of FGIC and XLCA. Material event notices were registered with DisclosureUSA who then disseminated that information to the Nationally Recognized Municipal Securities Information Repositories.

Additional information on the City of Topeka’s long-term debt can be found in *Note IV, Section F* on pages 62 – 65 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The average unemployment rate for the City of Topeka in 2007 was 5.4%, which is a decrease from the rate of 5.8% in 2006. This compares unfavorably to the state’s average unemployment rate of 4.1% and the national average rate of 4.6%. The City’s average unemployment rate is currently 5.3%. 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 2008 fiscal year.

During 2007, unreserved fund balance in the general fund decreased to \$7,065,321. The City anticipated an unreserved fund balance of \$6,705,197, when it adopted its 2008 operating budget.

The City’s Water, Wastewater, and Stormwater rates were in the last year of the approved rate increases, of approximately 5%, 7%, and 3%, respectively, for 2007. An additional rate increase became effective May 1, 2008 covering the years 2008 - 2011. Water increased minimum from \$8.82 to \$15.00 and flow increased around 4%, Wastewater increased minimum from \$11.31 to \$14.85 and flow increased around 4% and stormwater increased single family charge from \$3.62 to \$4.25 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.

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City of Topeka, Kansas
Statement of Net Assets
December 31, 2007

With comparative totals for December 31, 2006

	Primary Government		Totals		Component Unit
	Governmental Activities	Business-Type Activities	2007	2006	JEDO
Assets					
Cash and cash equivalents	\$ 33,605,196	\$ 4,172,271	\$ 37,777,467	39,377,959	8,131,781
Receivables (net of allowance for uncollectibles)	61,837,551	10,285,817	72,123,368	68,988,060	-
Due from component unit	6,549,671	-	6,549,671	5,800,528	-
Due from other governments	749,350	-	749,350	2,249,965	664,482
Internal balances	183,262	(183,262)	-	-	-
Inventories	63,953	6,371,873	6,435,826	6,019,051	-
Prepaid Costs	166,006	9,857	175,863	200,563	-
Restricted assets:					
Cash and equity in Treasurer's Fund	6,334,674	23,300,865	29,635,539	50,672,514	-
Other restricted assets	-	8,454,994	8,454,994	7,893,882	-
Capital assets:					
Land and infrastructure	102,038,551	34,918,673	136,957,224	129,032,383	-
Depreciable buildings, property, and equipment, net of depreciation	367,732,881	338,781,241	706,514,122	699,651,670	-
Other assets	-	173,163	173,163	16,614	-
Total assets	579,261,095	426,285,492	1,005,546,588	1,009,903,189	8,796,263
Liabilities					
Accounts payable and other current liabilities	5,852,097	1,831,513	7,683,610	9,730,216	-
Accrued interest payable	2,397,579	416,508	2,814,087	2,729,660	-
Salaries & wages payable	4,601,460	654,954	5,256,414	5,294,782	-
Due to other governments	-	26,278	26,278	13,327	2,497,881
Due to primary government	-	-	-	-	5,881,715
Due to others	406,076	90	406,166	90	416,667
Due to component unit	664,482	-	664,482	-	-
Estimated insurance claims	256,500	-	256,500	285,000	-
Temporary notes payable	9,200,000	-	9,200,000	11,470,000	-
Liabilities payable from restricted assets	-	2,962,570	2,962,570	2,261,215	-
Unearned revenue	56,371,365	387,478	56,758,843	53,157,497	-
Non-current liabilities:					
Due within one year	14,739,821	6,548,447	21,288,268	21,103,470	-
Due within one year, payable from restricted assets	-	1,885,000	1,885,000	2,010,000	-
Due in more than one year	175,508,177	217,895,797	393,403,974	384,833,847	-
Total liabilities	269,997,557	232,608,635	502,606,192	492,889,104	8,796,263
Net assets					
Invested in capital assets, net of related debt	272,511,890	145,198,301	417,710,191	408,496,373	-
Restricted for debt service	5,320,200	8,398,593	13,718,793	12,727,794	-
Restricted for capital projects	1,014,474	11,276,138	12,290,612	15,886,257	-
Restricted for sinking funds	-	3,056,448	3,056,448	2,388,983	-
Restricted for deposits	-	569,686	569,686	524,529	-
Unrestricted	30,416,974	25,177,691	55,594,665	76,990,149	-
Total net assets	\$ 309,263,538	\$ 193,676,857	\$ 502,940,395	\$ 517,014,085	\$ -

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, 2007
With comparative totals for December 31, 2006

	Net (Expense) Revenue and Changes in Net Assets					
	Program Revenues		Primary Government		Business-Type	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Expenses						
	\$ (14,341,948)	\$ 11,130,288	\$ -	\$ (771,585)	\$ -	\$ (771,585)
	(50,236,176)	385,906	-	(49,294,710)	-	(49,294,710)
	(42,801,152)	2,297,648	641,908	(39,774,691)	-	(39,774,691)
	(997,806)	-	-	(997,806)	-	(997,806)
	(436,371)	5,727	-	(430,644)	-	(430,644)
	(12,526,539)	2,592,634	861,843	(9,069,812)	-	(9,069,812)
	(4,864,393)	48,551	-	(653,870)	-	(653,870)
	(778,614)	-	-	(327,750)	-	(327,750)
	(281,232)	-	-	(281,232)	-	(281,232)
	(7,738,193)	-	-	(7,738,193)	-	(7,738,193)
Total Governmental Activities	(135,002,424)	16,460,754	1,503,751	(109,340,293)	-	(102,603,597)
Business-Type Activities:						
Water, Water Pollution Control, & Stormwater Utility	(52,085,653)	51,209,242	456,116	-	(420,295)	(420,295)
Public Parking	(3,566,490)	2,822,807	-	-	(743,683)	(743,683)
Public Golf Course	(853,731)	626,005	-	-	(227,726)	(227,726)
Total Business-Type Activities	(56,505,874)	54,658,054	456,116	-	(1,391,704)	(1,703,304)
Total Primary Government	\$ (191,508,298)	\$ 71,118,808	\$ 1,959,867	\$ (109,340,293)	\$ (1,391,704)	\$ (110,731,997)
General revenues:						
Property taxes			39,142,343		39,142,343	37,393,649
Sales taxes			35,080,416		35,080,416	35,075,497
Franchise taxes			11,482,483		11,482,483	10,757,159
Motor fuel taxes			5,194,698		5,194,698	5,379,423
Alcoholic beverage taxes			1,441,932		1,441,932	1,468,050
Transient guest taxes			1,913,492		1,913,492	1,766,633
Unrestricted investment earnings			-	1,944,408	1,944,408	2,876,773
Gain on sale of capital assets			-	443,480	443,480	(212,673)
Total general revenues and transfers			94,255,364	2,387,888	96,643,252	94,504,511
Change in net assets			(15,084,929)	996,184	(14,088,745)	(9,802,390)
Net assets - beginning			324,348,467	192,680,673	517,029,140	526,816,475
Net assets - ending			\$ 309,263,538	\$ 193,676,857	\$ 502,940,395	\$ 517,014,085

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

**Note: The beginning net assets were restated to include the two fiduciary funds charged over to special revenue funds.

City of Topeka, Kansas
Balance Sheet
Governmental Funds
December 31, 2007
With comparative totals for December 31, 2006

	Special Revenue Funds		Capital Projects Funds			Other Governmental Funds		Totals	
	General	Parks and Recreation	Special Street Repairs	Debt Service Fund	Bridges	Streets and Trafficways	2007	2006	
Assets									
Cash and equity in Treasurer's Fund	\$ 5,931,749	\$ 1,212,718	\$ 498,164	\$ 1,933,928	\$ -	\$ 1,253,275	\$ 9,098,862	\$ 26,196,507	
Receivables (net of allowance for uncollectibles):									
Accounts receivable	105,072	-	412	506	3,399	-	391,805	742,451	
General property taxes	17,369,159	6,092,831	1,400,247	15,506,643	-	-	3,675,421	43,382,621	
Notes	-	-	-	-	-	-	24,322	24,322	
Other	-	-	-	17,267,734	-	-	-	15,373,176	
Prepaid costs	9,030	4,380	-	-	-	-	2,596	16,006	
Due from other funds	3,372,650	-	-	3,010	-	-	-	3,375,660	
Due from other governments	6,732	-	-	-	-	-	742,618	2,250,688	
Due from component unit	(994)	-	-	-	-	-	6,549,671	1,537,305	
Inventory	-	800	-	-	-	-	-	5,800,528	
Restricted assets:							(194)	11,013	
Cash and equity in Treasurer's Fund	-	-	-	5,320,200	913,263	101,211	-	23,622,773	
Other restricted assets	-	-	-	-	-	-	-	16	
Capital assets:									
Land and infrastructure	-	-	-	-	-	221,676	-	-	
Total assets	\$ 26,793,398	\$ 7,310,729	\$ 1,898,823	\$ 40,032,021	\$ 916,662	\$ 1,576,162	\$ 20,485,295	\$ 118,957,406	

	Special Revenue Funds		Capital Projects Funds			Other Governmental Funds		Totals	
	General	Parks and Recreation	Special Street Repairs	Debt Service Fund	Bridges	Streets and Trafficways	2007	2006	
Liabilities and fund balances									
Liabilities:									
Accounts and contracts payable	\$ 738,102	\$ 182,629	\$ 157,058	\$ -	\$ 88,199	\$ 816,088	\$ 495,494	\$ 3,481,975	
Salaries & wages payable	3,864,881	286,335	186,625	-	-	302	143,848	4,647,554	
Accrued interest	-	-	-	-	-	21,134	7,455	45,999	
Due to other funds	-	-	-	-	1,611,740	-	1,611,202	1,433,120	
Due to other governments	406,076	-	-	-	-	-	406,076	-	
Due to component unit	-	-	-	-	-	-	664,482	-	
Temporary notes payable	-	-	-	-	-	6,801,127	2,388,873	11,470,000	
Other	208	3,565	-	-	-	-	-	39,545	
Liabilities payable from restricted assets:									
Unearned Revenue	13,636,760	6,092,831	9,945	32,774,883	-	-	3,823,149	52,544,095	
Total liabilities	18,646,027	6,565,360	353,628	32,774,883	1,699,939	7,638,651	9,144,503	73,662,288	
Fund Balances									
Reserved for:									
Encumbrances	1,082,050	272,056	546,175	-	-	-	581,070	1,676,356	
Debt service	-	-	-	7,257,138	-	-	-	7,793,331	
Unreserved, reported in:									
General Fund	7,065,321	-	-	-	-	-	-	8,087,568	
Special Revenue Funds	-	473,313	999,020	-	-	-	10,907,848	12,793,266	
Capital Projects Funds	-	-	-	-	(783,277)	(6,062,489)	(148,126)	14,944,597	
Total fund balances	8,147,371	745,369	1,545,195	7,257,138	(783,277)	(6,062,489)	11,340,792	45,295,118	
Total liabilities and fund balances	\$ 26,793,398	\$ 7,310,729	\$ 1,898,823	\$ 40,032,021	\$ 916,662	\$ 1,576,162	\$ 20,485,295	\$ 118,957,406	

The notes to the financial statements are an integral part of these statements.
The 2006 totals have been updated to include the conversion of two Fiduciary funds to Special Revenue funds with fund balances of \$15,055.
The amount in the Streets and Trafficways for Land and Infrastructure was for retainage on a capital project.

City of Topeka, Kansas
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
December 31, 2007

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	\$ 22,190,099
Capital assets, net of depreciation, used in governmental activities are not financial resources, and so have not been reported on the balance sheet.	468,442,422
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	(184,825,000)
Compensated absences	(3,776,819)
OPEB liability	(652,915)
Estimated insurance claims	(256,500)
Accrued interest payable on bonds	(2,368,990)
Leases Payable	(281,232)
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>10,792,473</u>
Net assets of governmental activities as reported on the statement of net assets	<u><u>\$309,263,538</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, 2007
With comparative totals for December 31, 2006

	Special Revenue Funds				Capital Project Funds			Other Governmental Funds		Totals	
	General	Parks and Recreation	Special Street Repairs	Debt Service Fund	Bridges	Streets and Trafficways			2007	2006	
Revenues:											
Taxes and assessments	\$ 44,951,162	\$ 5,775,184	\$ -	\$ 13,993,420	\$ -	\$ -	\$ 12,943,442	\$ 77,663,208	\$ 75,653,375		
Licenses and permits	13,027,664	124	-	-	-	-	65,917	13,093,705	12,393,096		
Intergovernmental	560,635	480,644	5,211,102	-	9,211	8,314	8,625,565	14,895,471	12,448,639		
Fees for service	4,540,796	1,792,726	6,387	-	-	-	1,370,949	7,710,858	7,530,038		
Investment income	696,422	-	-	144,109	466,765	-	17,191	1,324,487	1,930,675		
Fines and forfeitures	2,355,577	-	-	-	-	-	-	2,355,577	3,067,462		
Rents and interest	-	12,071	-	-	-	-	-	12,071	3,952		
Other	697,190	284,501	113,219	6,575	-	49,307	770,164	1,920,956	1,581,018		
Total revenues	66,829,446	8,345,250	5,330,708	14,144,104	475,976	57,621	23,793,228	118,976,333	114,608,255		
Expenditures:											
Current:											
General government	8,429,380	-	-	-	-	-	7,550,887	15,980,267	16,465,813		
Public safety	46,922,274	-	-	-	-	-	840,960	47,763,234	44,636,855		
Public works	10,161,141	-	5,988,985	-	-	-	414,235	16,564,361	16,905,882		
Metropolitan Planning	997,806	-	-	-	-	-	-	997,806	852,604		
Miscellaneous	(28,610)	-	-	-	-	-	-	(28,610)	536,830		
Parks and recreation	-	8,946,879	-	-	-	-	2,355,441	11,302,320	10,934,118		
Public housing	-	-	-	-	-	-	4,864,393	4,864,393	3,515,342		
Social services	-	-	-	-	-	-	778,614	778,614	758,097		
Construction	-	-	-	17,386,048	9,198,611	9,198,611	7,830,365	34,415,024	30,654,057		
Engineering and others	-	-	-	-	113,386	2,883,080	1,591,723	4,588,189	5,041,172		
Debt service:											
Principal retirement	-	-	-	26,845,000	-	-	-	26,845,000	10,095,000		
Interest	-	-	-	7,151,742	9,777	403,196	74,047	7,638,762	6,673,762		
Other costs of bond issuance	-	-	-	148,195	-	-	-	148,195	2,800		
Total expenditures	66,481,991	8,946,879	5,988,985	34,144,937	17,509,211	12,484,887	26,300,665	171,857,555	147,072,332		
Excess (deficiency) of revenues over expenditures	347,455	(601,629)	(658,277)	(20,000,833)	(17,033,235)	(12,427,266)	(2,507,437)	(52,881,222)	(32,464,077)		
Other financing sources (uses):											
Issuance of debt	-	-	-	14,135,000	390,652	11,002,361	3,691,987	29,220,000	60,540,000		
Original issue premium on bonds	-	-	-	-	-	(10,445)	-	(10,445)	618,618		
Original issue discount on bonds	-	-	-	116,562	(1,381)	(28,463)	(13,055)	73,663	-		
Defeasance of bonds	-	-	-	(104,738)	-	-	-	(104,738)	-		
Redemption premium on defeased bonds	636,184	632,498	-	5,317,816	-	-	2,242,961	8,829,459	10,731,930		
Transfers in	(1,698,011)	-	-	(414,014)	(61,600)	(6,155,834)	(6,329,459)	(8,329,459)	(10,406,930)		
Transfers out	84,990	2,833	9,900	-	-	-	-	97,723	661,843		
Sale of property	(976,837)	635,331	9,900	19,464,640	(24,743)	10,901,853	(233,941)	29,776,203	62,145,461		
Total other financing sources (uses)	(629,382)	33,702	(648,377)	(536,193)	(17,057,978)	(1,525,413)	(2,741,378)	(23,105,019)	29,681,384		
Net change in fund balances	8,776,753	711,667	2,193,572	7,793,331	16,274,701	(4,537,076)	14,082,170	45,295,118	15,613,794		
Fund balances (deficits) - beginning of year	\$ 8,147,371	\$ 745,369	\$ 1,545,195	\$ 7,257,138	\$ (783,277)	\$ (6,062,489)	\$ 11,340,792	\$ 22,190,099	\$ 45,295,118		

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

**2006 totals have been adjusted to reflect change in two fiduciary funds with a net increase of revenues and expenses of \$1,746, and an increase in beginning fund balance of \$13,310.

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, 2007

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>	\$ (23,105,019)
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.	10,177,118
Issuance of long-term debt, such as bonds and leases, provides current financial resources to governmental funds, and the repayment of long-term debt uses those resources; however, neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and discounts when debt is issued, whereas in the statement of activities, those amounts are deferred and estimated. The City issued \$29,220,000 of bonds and retired \$26,845,000 and had a change in interest of \$59,887. The effect of the capital lease was \$281,232. The net effect of these differences is this amount.	(2,716,119)
Compensated absences, such as vacation time and estimated insurance claims, along with the OPEB liability 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.	(964,395)
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>1,523,486</u>
Change in net assets of governmental activities as shown on the government-wide <i>Statement of Activities</i>	<u><u>\$ (15,084,929)</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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property tax	\$ 11,131,673	\$ 11,131,673	\$ 10,804,204	\$ (327,469)
Auto ad valorem tax	1,138,989	1,138,989	1,183,367	44,378
Local retail sales tax	26,970,000	26,970,000	27,255,401	285,401
Payment in lieu of debt service	400,000	400,000	400,000	-
Payment in lieu of taxes	5,030,926	5,030,926	5,205,085	174,159
Licenses	307,050	307,050	293,892	(13,158)
Permits	1,281,000	1,281,000	1,445,944	164,944
Franchise fees	10,136,525	10,136,525	11,287,828	1,151,303
Intergovernmental	501,387	501,387	560,635	59,248
Fees for services	4,449,150	4,449,150	4,540,796	91,646
Municipal court	3,045,500	3,045,500	2,355,577	(689,923)
Special assessments	100,000	100,000	103,105	3,105
Interest	614,000	614,000	696,422	82,422
Other	336,000	336,000	697,190	361,190
Total revenues	<u>65,442,200</u>	<u>65,442,200</u>	<u>66,829,446</u>	<u>1,387,246</u>
Expenditures				
General government:				
City Council	312,773	312,773	280,120	32,653
Executive	1,014,263	1,014,263	948,040	66,223
Legal Services	1,443,694	1,443,694	1,408,178	35,516
Administrative and Financial Services	1,839,887	1,839,887	1,825,708	14,179
Municipal Court	1,803,419	1,803,419	1,807,681	(4,262)
Human Resources	834,663	834,663	782,521	52,142
Human Relations Commission	299,915	299,915	297,424	2,491
Contributions to Agencies	1,129,345	1,129,345	1,126,237	3,108
Public Safety:				
Police	27,261,503	27,261,503	27,417,732	(156,229)
Fire	18,797,716	18,797,716	19,569,663	(771,947)
Public Works:				
General	7,783,539	7,783,539	7,515,085	268,454
Transportation	1,595,035	1,595,035	1,500,821	94,214
Technical Services	1,181,391	1,181,391	1,142,001	39,390
Bridges	342,780	342,780	316,537	26,243
Metropolitan Planning	906,889	906,889	937,108	(30,219)
Miscellaneous Non-Departmental	5,880,488	5,760,488	-	5,760,488
Total expenditures	<u>72,427,300</u>	<u>72,307,300</u>	<u>66,874,856</u>	<u>5,432,444</u>
Excess (deficit) of revenues over expenditures	<u>(6,985,100)</u>	<u>(6,865,100)</u>	<u>(45,410)</u>	<u>6,819,690</u>
Other financing sources (uses)				
Transfers in	662,409	662,409	636,184	(26,225)
Transfers out	(1,578,968)	(1,698,968)	(1,698,011)	957
Sale of property	10,000	10,000	84,990	74,990
Total other financing sources (uses)	<u>(906,559)</u>	<u>(1,026,559)</u>	<u>(976,837)</u>	<u>49,722</u>
Net change in fund balance	(7,891,659)	(7,891,659)	(1,022,247)	6,869,412
Beginning fund balance	<u>7,891,659</u>	<u>7,891,659</u>	<u>8,087,568</u>	<u>195,909</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,065,321</u>	<u>\$ 7,065,321</u>

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

Budget was amended to reduce Misc. Non-Departmental expenditures and increase transfers out per Ordinance 19005, December 18, 2007

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & assessments	\$ 5,887,681	\$ 5,887,681	\$ 5,775,184	\$ (112,497)
Licenses & permits	-	-	124	124
Intergovernmental revenue	450,000	450,000	480,644	30,644
Fees for service	1,872,050	1,872,050	1,792,726	(79,324)
Miscellaneous	-	-	12,071	12,071
Other	125,375	125,375	284,501	159,126
Total revenues	<u>8,335,106</u>	<u>8,335,106</u>	<u>8,345,250</u>	<u>10,144</u>
Expenditures				
Parks:				
General Administration	645,316	645,316	543,708	101,608
Park Administration	613,512	613,512	640,064	(26,552)
Maintenance	2,107,136	2,107,136	1,915,264	191,872
Forestry	720,779	720,779	948,793	(228,014)
Horticulture	668,122	668,122	662,766	5,356
Concessions	147,895	147,895	120,618	27,277
Recreation:				
Administration	364,934	364,934	364,013	921
Community Arts	23,525	23,525	20,663	2,862
Special Services	448,711	448,711	445,982	2,729
Recreation Centers	1,557,042	1,557,042	1,481,621	75,421
Day Camps	317,951	317,951	296,193	21,758
Athletics	487,913	487,913	491,743	(3,830)
Aquatics	527,494	527,494	551,142	(23,648)
Mini Train and Carousel	71,715	71,715	74,089	(2,374)
Helen Hocker Theatre	356,550	356,550	352,301	4,249
Ward Meade Park	361,748	361,748	304,948	56,800
Total expenditures	<u>9,420,343</u>	<u>9,420,343</u>	<u>9,213,908</u>	<u>206,435</u>
Excess (deficit) of revenues over expenditures	<u>(1,085,237)</u>	<u>(1,085,237)</u>	<u>(868,658)</u>	<u>216,579</u>
Other financing sources				
Transfers in	632,498	632,498	632,498	-
Sale of property	10,000	10,000	2,833	(7,167)
Total other financing sources	<u>642,498</u>	<u>642,498</u>	<u>635,331</u>	<u>(7,167)</u>
Net change in fund balance	(442,739)	(442,739)	(233,327)	209,412
Beginning fund balance	<u>442,739</u>	<u>442,739</u>	<u>706,640</u>	<u>263,901</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 473,313</u>	<u>\$ 473,313</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, 2007

	<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	\$ 5,283,570	\$ 5,283,570	\$ 5,211,102	\$ (72,468)
Fees for service	-	-	6,387	6,387
Miscellaneous	25,000	25,000	113,219	88,219
Total revenues	<u>5,308,570</u>	<u>5,308,570</u>	<u>5,330,708</u>	<u>22,138</u>
Expenditures				
Transportation:				
Repair in-house	3,595,754	3,595,754	3,480,655	115,099
Administration	1,478,826	1,478,826	1,397,157	81,669
Contractual services	860,674	1,660,674	1,087,189	573,485
Total expenditures	<u>5,935,254</u>	<u>6,735,254</u>	<u>5,965,001</u>	<u>770,253</u>
Excess (deficit) of revenues over expenditures	<u>(626,684)</u>	<u>(1,426,684)</u>	<u>(634,293)</u>	<u>792,391</u>
Other financing sources				
Transfers in	200,000	200,000	-	(200,000)
Sale of property	24,700	24,700	9,900	(14,800)
Total other financing sources	<u>224,700</u>	<u>224,700</u>	<u>9,900</u>	<u>(214,800)</u>
Net change in fund balance	(401,984)	(1,201,984)	(624,393)	577,591
Beginning fund balance	<u>487,146</u>	<u>1,623,411</u>	<u>1,623,413</u>	<u>2</u>
Ending fund balance	<u>\$ 85,162</u>	<u>\$ 421,427</u>	<u>\$ 999,020</u>	<u>\$ 577,593</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, 2007

	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	\$ 2,101,548	\$ 2,070,723	\$ 4,172,271	\$ 13,676,500
Receivables (net of allowance for uncollectibles):				
Accounts receivable	10,217,365	56,415	10,273,780	-
General property taxes	12,037	-	12,037	-
Prepaid costs	2,110	7,747	9,857	150,000
Due from other funds	237,533	6,529	244,062	30,544
Inventory	6,332,467	39,406	6,371,873	64,147
Restricted assets:				
Cash and equity in Treasurer's Fund	4,847,570	-	4,847,570	-
Total current assets	23,750,630	2,180,820	25,931,450	13,921,191
Non-current assets:				
Restricted assets:				
Cash and equity in Treasurer's Fund	18,081,726	371,569	18,453,295	-
Other restricted assets	8,454,994	-	8,454,994	-
Capital assets:				
Land and infrastructure	27,480,399	7,438,274	34,918,673	-
Depreciable buildings, property, and equipment, net of depreciation	325,670,455	13,110,786	338,781,241	1,107,334
Other assets	156,852	16,311	173,163	-
Total non-current assets	379,844,426	20,936,940	400,781,366	1,107,334
Total assets	403,595,056	23,117,760	426,712,816	15,028,525
Liabilities				
Current liabilities:				
Accounts and contracts payable	1,765,164	53,333	1,818,497	604,956
Salaries & wages payable	615,423	39,531	654,954	119,469
Accrued interest	416,508	-	416,508	-
Due to other funds	-	427,324	427,324	-
Due to other governments	26,278	-	26,278	-
Due to others	-	90	90	-
Current portion of State revolving loan	6,033,275	-	6,033,275	-
Estimated insurance claims	-	-	-	2,765,798
Other	-	13,016	13,016	125,843
Liabilities payable from restricted assets:				
Revenue bonds payable	1,885,000	-	1,885,000	-
Accrued interest on revenue bonds	2,271,033	-	2,271,033	-
Customer deposits	691,537	-	691,537	-
Unearned Revenue	387,478	-	387,478	33,797
Total current liabilities	14,091,696	533,294	14,624,990	3,649,863
Non-current liabilities:				
Revenue bonds payable	117,255,000	-	117,255,000	-
Premium (loss) on redemption of bonds	(500,733)	-	(500,733)	-
Discount on issuance of bonds	1,958,905	-	1,958,905	-
Premium on issuance of bonds	-	(22,306)	(22,306)	-
Costs of issuance to be amortized	(1,508,637)	(119,834)	(1,628,471)	-
Deferred Loss on Bond Redemption/Amortized	(576,008)	-	(576,008)	-
State revolving loan payable	87,729,410	-	87,729,410	-
General obligation bonds payable	-	13,680,000	13,680,000	-
Accrued liabilities	475,735	39,437	515,172	96,745
Other	-	-	-	489,444
Total non-current liabilities	204,833,672	13,577,297	218,410,969	586,189
Total liabilities	218,925,368	14,110,591	233,035,959	4,236,052
Net assets				
Invested in capital assets, net of related debt	138,187,101	7,011,200	145,198,301	492,047
Restricted for debt service	8,398,593	-	8,398,593	-
Restricted for capital projects	10,904,569	371,569	11,276,138	-
Restricted for sinking funds	3,056,448	-	3,056,448	-
Restricted for deposits	569,686	-	569,686	-
Unrestricted	23,553,291	1,624,400	25,177,691	10,300,426
Total net assets	\$ 184,669,688	\$ 9,007,169	\$ 193,676,857	\$ 10,792,473

City of Topeka, Kansas
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2007

	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	\$ 23,486,962	\$ -	\$ 23,486,962	\$ -
Sewer service charges	25,501,098	-	25,501,098	-
Parking fees	-	2,513,838	2,513,838	-
Meter fines	-	297,917	297,917	-
Greens fees	-	611,603	611,603	-
Fees for services	-	-	-	15,616,571
Other	1,740,708	25,454	1,766,162	244,272
Total operating revenues	<u>50,728,768</u>	<u>3,448,812</u>	<u>54,177,580</u>	<u>15,860,843</u>
Operating expenses:				
Salaries, wages, and benefits	10,017,958	894,241	10,912,199	2,102,566
Purchased services	12,633,036	1,552,628	14,185,664	4,482,610
Commodities	5,332,850	170,184	5,503,034	157,282
Insurance claims	-	-	-	7,191,179
Other payments	1,356,006	22,672	1,378,678	14,080
Depreciation	10,760,245	661,874	11,422,119	541,777
Payments in lieu of debt service	-	400,000	400,000	-
Payments in lieu of taxes	4,725,000	184,062	4,909,062	-
Total operating expenses	<u>44,825,095</u>	<u>3,885,661</u>	<u>48,710,756</u>	<u>14,489,494</u>
Operating income (loss)	<u>5,903,673</u>	<u>(436,849)</u>	<u>5,466,824</u>	<u>1,371,349</u>
Non-operating revenues (expenses)				
Interest income	1,768,307	176,101	1,944,408	641,819
Interest expense	(7,260,558)	(534,560)	(7,795,118)	(39,544)
Other income	936,590	-	936,590	49,862
Gain on disposal of capital assets	442,430	1,050	443,480	-
Total non-operating revenues (expenses)	<u>(4,113,231)</u>	<u>(357,409)</u>	<u>(4,470,640)</u>	<u>652,137</u>
Transfers out	-	-	-	(500,000)
Change in Net Assets	1,790,442	(794,258)	996,184	1,523,486
Total Net Assets Beginning of Year	<u>182,879,246</u>	<u>9,801,427</u>	<u>192,680,673</u>	<u>9,268,987</u>
Total Net Assets End of Year	<u>\$ 184,669,688</u>	<u>\$ 9,007,169</u>	<u>\$ 193,676,857</u>	<u>\$ 10,792,473</u>

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

City of Topeka, Kansas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007

	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	\$ 50,879,241	\$ 3,456,458	\$ 54,335,699	\$ 15,815,617
Receipts from interfund services provided	-	-	-	(259,775)
Payments to suppliers	(19,580,341)	(2,058,421)	(21,638,762)	(11,409,501)
Payments to employees	(10,017,958)	(894,241)	(10,912,199)	(2,102,566)
Payments for interfund services used	(4,725,000)	(584,062)	(5,309,062)	14,265
Other	(419,416)	(22,672)	(442,088)	35,829
Net cash provided (used) by operating activities	<u>16,136,526</u>	<u>(102,938)</u>	<u>16,033,588</u>	<u>2,093,869</u>
Cash flows from non-capital financing activities				
Transfer to other funds	-	-	-	(500,000)
Net cash used by non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>
Cash flows from capital and related financing activities				
Payment on capital debt	(2,010,000)	-	(2,010,000)	-
Proceeds from capital debt	7,350,000	-	7,350,000	-
Debt issuance costs	(234,563)	(2,673)	(237,236)	-
Payment of state revolving loan	(5,646,091)	-	(5,646,091)	-
Proceeds from state revolving loan	5,730,060	-	5,730,060	-
Payment of capital lease	-	-	-	(131,251)
Deposit with fiscal agent	(561,128)	-	(561,128)	-
Purchases of capital assets	-	-	-	(19,540)
Acquisition and construction of capital assets	(14,375,255)	(1,957,600)	(16,332,855)	-
Amortization of revenue bond discount	68,927	(130,000)	(61,073)	-
Interest paid on capital debt	(7,260,558)	(534,560)	(7,795,118)	(39,544)
Proceeds from sales of capital assets	442,430	1,050	443,480	-
Net cash provided (used) by capital and related financing activities	<u>(16,496,178)</u>	<u>(2,623,783)</u>	<u>(19,119,961)</u>	<u>(190,335)</u>
Cash flows from investing activities				
Interest and dividends received	1,768,307	176,101	1,944,408	641,819
Net cash provided by investing activities	<u>1,768,307</u>	<u>176,101</u>	<u>1,944,408</u>	<u>641,819</u>
Net increase in cash and cash equivalents	1,408,655	(2,550,620)	(1,141,965)	2,045,353
Cash and cash equivalents, January 1	23,622,189	4,992,912	28,615,101	11,631,147
Cash and cash equivalents, December 31	<u>\$ 25,030,844</u>	<u>\$ 2,442,292</u>	<u>\$ 27,473,136</u>	<u>\$ 13,676,500</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 5,903,673	\$ (436,849)	\$ 5,466,824	\$ 1,371,349
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Other	-	-	-	49,862
Depreciation expense	10,760,245	661,874	11,422,119	541,777
Other non operating income	936,590	-	936,590	-
Changes in assets and liabilities:				
Accounts receivable	(818,692)	(18,246)	(836,938)	(45,226)
Due from other funds	247,647	25,892	273,539	232
Due from other governments	712,631	-	712,631	-
Inventories	(450,723)	(3,381)	(454,104)	26,122
Prepaid items	(115,238)	-	(115,238)	-
Customer deposits	48,920	-	48,920	-
Accounts payable	(980,064)	(534,688)	(1,514,752)	710,093
Accrued liabilities	798,840	1,056	799,896	(194,139)
Due to other funds	(880,221)	201,404	(678,817)	(259,775)
Due to other governments	12,951	-	12,951	-
Deferred revenue	(40,033)	-	(40,033)	(106,426)
Total adjustments	<u>10,232,853</u>	<u>333,911</u>	<u>10,566,764</u>	<u>722,520</u>
Net cash provided (used) by operating activities	<u>\$ 16,136,526</u>	<u>\$ (102,938)</u>	<u>\$ 16,033,588</u>	<u>\$ 2,093,869</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, 2007

With comparative totals for December 31, 2006

	Combined Agency Funds Totals	
	2007	2006
Assets		
Cash and equity in Treasurer's Fund	\$ 1,339,393	\$ 1,587,427
Accounts receivable	707	766
	Total Assets	1,588,193
	1,340,100	1,588,193
Liabilities		
Accounts and contracts payable	\$ 43,586	\$ 45,970
Salaries & wages payable	2,107	1,922
Due to others	1,294,407	1,540,301
	Total Liabilities	\$ 1,588,193
	\$ 1,340,100	\$ 1,588,193

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

Note: 2006 has been restated to reflect moving TCI and Police Equipment fund to Special Revenue funds.

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City of Topeka, Kansas
Notes to the Financial Statements
December 31, 2007

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, 2007. 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 67. JEDO Financial Statements requests should be addressed to the City's Financial Services Department, City of Topeka, 215 SE 7th Street, Room 358, Topeka, Kansas 66603-3914.

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.

Notes to the Financial Statements (continued)

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 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. Agency funds do not have a measurement focus and will only report assets and liabilities. Agency funds do use the accrual basis of accounting. The operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The City of Topeka reports the following major governmental funds:

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

The *parcs 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.

Notes to the Financial Statements (continued)

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 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 114.

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 fifteen fiduciary agency funds. Agency funds are custodial in nature (assets equal liabilities), and do not involve measurement of results of operations. The City's agency funds consist of state mandated collections through the Municipal Court and payroll taxes and deductions. A more detailed list of these funds and their purposes can be found in the *Other Fund Financial Statements* section, beginning on page 101.

Private-sector standards of accounting and financial reporting issued before December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements, to the extent that those standards do not conflict with or contradict the guidance of the Governmental

Notes to the Financial Statements (continued)

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 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

Notes to the Financial Statements (continued)

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.

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

Notes to the Financial Statements (continued)

unexpended debt proceeds against the related interest expense incurred from the date of debt issuance until completion of the project.

6. Compensated absences

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

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

7. Long-term obligations

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

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

8. Fund equity

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

9. Comparative data/reclassifications

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

The 2006 totals on the *Combining Balance Sheet Non-major Governmental Funds* were restated to change the Police Equipment Fund and the TCI/CEC fund to Special Revenue funds from Fiduciary funds. This increased the assets and liability and fund balance to \$22,458,765. On the *Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Non-major Governmental Funds*. This increased the net change in fund balances by \$15,055.

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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 34) between *fund balance—total governmental funds* in the amount of \$22,190,099, and *net assets—governmental activities* as reported in the government-wide statement of net assets in the amount of \$309,263,538. 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 \$468,442,422, to be added to the *fund balance—total governmental funds* amount of \$22,190,099.

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 \$184,825,000 and \$3,776,819, 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 \$2,368,990 from the *fund balance—total governmental funds* amount. The City acquired some fire equipment through a capital lease for a deduction of \$281,232. The remaining differences in the area of the long-term liability is estimated insurance claims for a deduction of \$256,500 and for the OPEB liability of \$652,915. 2007 is the first year for the City to report this liability as per GASB 45.

Internal service funds

Internal service funds are used by management to charge the costs of certain activities, such as fleet services, to the individual funds deriving a benefit from such services. The net of assets and liabilities of these internal service funds are included in governmental activities in the government-wide statement of net assets, because they primarily serve governmental activities of the City, so these assets and liabilities, in the amount of \$10,792,473, 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 \$23,105,019 *net changes in fund balances* reported in the governmental funds *Statement of Revenues, Expenditures, and Changes in Fund Balances*, to the \$15,084,929 *changes in net assets* for governmental activities reported in the government-wide *Statement of Activities* is included with the financial statements on page 364. 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 \$10,177,118, as follows:

Capitalized construction	\$ 34,415,024
Capitalized fees on construction	4,588,189
Capital project adjustments (excluding internal service funds)	1,508,556
Sales of capital assets	(97,723)
Depreciation expense	<u>(30,236,928)</u>
Net adjustment to fund balances	<u>\$ 10,177,118</u>

Long-term debt transactions

The issuance of long-term debt, including bonds payable and leases, provides current financial resources to governmental funds, and the repayment of long-term debt uses current financial resources of governmental funds. However, neither issuance nor payment of long-term debt has any effect on net assets. Also, governmental funds report the effects of original issue premiums and discounts and certain other related costs at the time debt is issued, whereas in the statement of activities, those amounts are deferred and amortized. The net effect of these transactions is to decrease the net change in fund balances by \$2,716,119, 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 \$29,220,000.
- 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 \$26,845,000.
- The issuance of a capital lease, results in an increase to net change in fund balances of \$281,232,
- 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 \$59,887

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 \$964,395. Consisting of the following:

Notes to the Financial Statements (continued)

Change in compensated absences	\$ 339,980
Change in OPEB liability	\$ 652,915
Change in tort claims	(28,500)
Net adjustment to fund balances	<u>\$ 964,395</u>

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

Internal service funds

Internal service funds are used by management to charge the costs of certain activities, such as fleet services, to the individual funds deriving a benefit from such services. The adjustments for internal service funds "closes" those funds by charging additional amounts to participating governmental activities to completely cover the internal service funds' costs for the year, a net increase of \$1,523,486.

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 \$8,829,459, will net against the governmental transfers out of \$8,329,459. This will leave a net transfers in of \$500,000. 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 \$15,611,362.

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 2007, the City had four amendments to the originally adopted budget which effected the General Fund, General Improvement Fund, Transient Guest Tax Fund, Half-cent Sales Tax Fund. The first amendment was passed in May 2007 and later to be revised in June 2007. This amendment approved to reduce expenditures in the General Improvement Fund by \$600,000 to allow for a transfer out to be used for Capital Projects. It also allowed the Transient Guest Tax Fund to increase the beginning fund balance by \$171,420. \$69,758 was to be allocated by the Council and \$87,000 was to be transferred to the Zoo Fund for operating expenses.

The third amendment was passed in August 2007 increasing the spending level for contractual services in the Special Street Fund.

Notes to the Financial Statements (continued)

The last amendment done in December 2007, reduced the General Fund contingency by \$120,000, to allow for a transfer out to the Zoo Fund for operating costs. It increased the General Improvement transfers out an additional \$300,000 for Capital Projects. Lastly, the transfers out were split out between JEDO and the Debt Service Fund.

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.

The funds with legally adopted, annual budgets 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 Regional Planning Commission Fund, which are all Special Revenue funds. A legal operating budget is not required for capital projects funds (such as bridges, streets and trafficways), trust funds, proprietary funds, and certain special revenue funds. Spending in funds that are not subject to legal, annual, operating budget requirements is controlled by Federal regulations, other statutes, Council approved budgets or by the use of internal spending limits established by the governing body.

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

Fund	Expenditures & Transfer Out			Expenditures & Transfers Out per Budget Basis
	per Fund Statement	Less Beginning Encumbrances	Plus Ending Encumbrances	
General Fund	\$ 68,180,002	\$ 689,185	\$ 1,082,050	\$ 68,572,867
Parks and Recreation Fund	8,946,879	5,027	272,056	9,213,908
Special Street Repairs Fund	5,988,985	570,159	546,175	5,965,001
Debt Service Fund	34,144,937	-	-	34,144,937
Bridges	17,923,225	-	-	17,923,225
Streets and Trafficways	12,546,487	-	-	12,546,487

Notes to the Financial Statements (continued)

B. Excess of expenditures over appropriations

There was no known instances of excess expenditures over appropriations in 2007.

C. Deficit fund equity

Bridges in 2007 are considered a major special revenue fund and closed out the year with a cash deficit of \$1,611,740 (violating K.S.A. 10-1113 and 10-1121) and a fund deficit of \$783,277. 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.

Streets and Trafficways in 2007 are considered a major special revenue fund and closed out the year with a fund deficit of \$6,062,489. 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.

Sanitary Sewers and Water Mains are considered a non-major special revenue fund and closed out the year with a cash deficit of \$1,306,014 (violating K.S.A. 10-1113 and 10-1121) and a fund deficit of \$3,714,841. The City anticipates funding such deficits through the issuance of debt in subsequent accounting periods, when the construction projects are completed and the associated assets are capitalized.

The Public Golf Course Fund ended 2007 with a deficit in cash of \$427,329 (violating K.S.A. 10-1113 and 10-1121) and a fund balance of \$88,653. This was due to decreases in revenues, attributable to the drop in the number of rounds played. Management is currently in discussions on keeping as is or moving under Parks and Recreation fund.

IV. Detailed notes on all funds

A. Deposits and investments At December 31, 2007, 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	\$ 25,806,060	0.08
U.S. government and agency securities	<u>32,125,500</u>	10.30
Total fair value of investments	<u>\$ 57,931,560</u>	
Weighted average maturity of portfolio		<u>9.69 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, 2007, the City's investment in the MIP and Federal Home Loan Bank was rated AAaf/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, 2007, the City had deposits totaling \$10,847,016 in financial institutions, with collateral assets pledged to the City by the institutions having a fair market value of \$12,738,303.

Notes to the Financial Statements (continued)

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

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

B. Receivables

Receivables 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	\$ 17,369	\$ 6,093	\$ 1,400	\$ 15,507	\$ -	\$ -	\$ 3,675	\$ 44,044
Accounts	105	-	-	1	3	10,286	392	10,787
Notes	-	-	-	-	-	-	24	24
Sp. assessments	-	-	-	17,268	-	-	-	17,268
Intergovernmental	7	-	-	-	-	-	743	750
Component Unit	-	-	-	-	-	-	6,550	6,550
Gross receivables	\$ 17,481	\$ 6,093	\$ 1,400	\$ 32,776	\$ 3	\$ 10,286	\$ 11,384	\$ 79,423

(Amounts Expressed in Thousands)

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

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Notes to the Financial Statements (continued)

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

	<u>Unavailable</u>
<u>Current Property Taxes Receivable:</u>	
General Fund	12,205,718
Debt service fund	12,874,403
Parks & Recreation Fund	5,500,597
Special Street Repairs	9,945
Other, non-major funds	2,571,932
<u>Delinquent Property Taxes Receivable:</u>	
General Fund	89,836
Debt service fund	56,147
Parks & Recreation Fund	20,213
Other, non-major funds	20,482
<u>Special Assessments, General Fund:</u>	
Current	140,250
<u>Special Assessments, Debt Service Fund:</u>	
Current	1,259,843
Delinquent	54,436
Not yet due	17,267,734
<u>Motor Vehicle <i>ad valorem</i> Taxes Receivable:</u>	
General Fund	1,200,956
Debt service fund	1,261,814
Parks & Recreation Fund	572,021
Other, non-major funds	308,985
Grants, other, non-major funds	921,750
Other Deferred Revenues, debt service	506
Total deferred revenue for governmental funds	<u><u>\$ 56,337,568</u></u>

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Notes to the Financial Statements (continued)

Depreciation expense was charged to activities as follows:

Governmental activities:	
General Government	\$ 464,981
Public Safety	1,845,956
Public Works	26,236,791
Parks and Recreation	1,224,219
Internal Service	<u>541,777</u>
Total depreciation expense - Governmental	<u><u>\$ 30,313,724</u></u>
Business-type activities:	
Parking Garages	\$ 618,350
Water, WPC, & Stormwater Utility	10,760,245
Other business-type activities	<u>43,524</u>
Total depreciation expense - Business-type	<u><u>\$ 11,422,119</u></u>

Construction commitments

The City had open, active construction projects on December 31, 2007. 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	\$ 25,694,250	\$ 2,800,140
Public Safety - Fire	1,088,000	1,054,691
Public Safety - Police	126,141	-
Public Works - Administration	200,000	10,509
Public Works - Traffic	15,360,576	8,631,659
Public Works - Transportation	46,699,980	21,991,135
Public Works - Bridges	41,940,392	6,705,658
Parks and Recreation	<u>10,408,896</u>	<u>4,827,427</u>
Total	<u><u>\$ 141,518,235</u></u>	<u><u>\$ 46,021,219</u></u>

In order to fund some of the expenditures above, the City has issued \$9,200,000 worth of temporary notes, which will be paid off in November 2008. See a complete listing of projects on the *Schedule of Temporary Notes* on page 140.

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Notes to the Financial Statements (continued)

C. Capital assets

Capital asset activity for the year ended December 31, 2007, including Internal Service Funds, was as follows:

Primary Government

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Non-depreciable capital assets:				
Land	\$ 6,319,861	-	-	\$ 6,319,861
Construction in progress	64,592,299	39,711,906	(8,585,515)	95,718,690
Total non-depreciable capital assets	<u>70,912,160</u>	<u>39,711,906</u>	<u>(8,585,515)</u>	<u>102,038,551</u>
Depreciable capital assets:				
Buildings, improvements, infrastructure	871,589,207	7,318,555	-	878,907,762
Furniture and fixtures	6,951,769	52,605	(42,770)	6,961,604
Vehicles	17,635,226	1,102,664	(1,003,452)	17,734,438
Machinery and equipment	6,758,957	922,624	(205,856)	7,475,725
Total depreciable capital assets	<u>902,935,159</u>	<u>9,396,448</u>	<u>(1,252,078)</u>	<u>911,079,529</u>
Less accumulated depreciation for:				
Buildings, improvements, infrastructure	(493,423,755)	(27,416,928)	-	(520,840,683)
Furniture and fixtures	(4,580,715)	(823,698)	-	(5,404,413)
Vehicles	(12,380,468)	(1,501,480)	846,819	(13,035,129)
Machinery and equipment	(3,567,506)	(571,618)	72,701	(4,066,423)
Less accumulated depreciation	<u>(513,952,444)</u>	<u>(30,313,724)</u>	<u>919,520</u>	<u>(543,346,648)</u>
Depreciable capital assets, net of accumulated depreciation	<u>388,982,715</u>	<u>(20,917,276)</u>	<u>(332,558)</u>	<u>367,732,881</u>
Governmental activities capital assets, net of accumulated depreciation	<u>\$ 459,894,875</u>	<u>\$ 18,794,630</u>	<u>\$ (8,918,073)</u>	<u>\$ 469,771,432</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Non-depreciable capital assets:				
Land	\$ 1,595,573	\$ -	\$ -	\$ 1,595,573
Construction in progress	56,524,650	15,970,885	(39,172,435)	33,323,100
Total non-depreciable capital assets	<u>58,120,223</u>	<u>15,970,885</u>	<u>(39,172,435)</u>	<u>34,918,673</u>
Depreciable capital assets:				
Buildings and improvements	425,396,181	39,152,369	(51,162)	464,497,388
Furniture and fixtures	890,540	38,392	-	928,932
Vehicles	6,690,935	229,909	(348,691)	6,572,153
Machinery and equipment	4,629,149	162,341	(33,330)	4,758,160
Total depreciable capital assets:	<u>437,606,805</u>	<u>39,583,011</u>	<u>(433,183)</u>	<u>476,756,633</u>
Less accumulated depreciation for:				
Buildings and Improvements	(117,426,448)	(10,685,256)	2,557	(128,109,147)
Furniture and Fixtures	(762,876)	(59,928)	-	(822,804)
Vehicles	(5,110,675)	(500,404)	348,690	(5,262,389)
Machinery and Equipment	(3,637,851)	(176,531)	33,330	(3,781,052)
Less accumulated depreciation	<u>(126,937,850)</u>	<u>(11,422,119)</u>	<u>384,577</u>	<u>(137,975,392)</u>
Depreciable capital assets, net of accumulated depreciation	<u>310,668,955</u>	<u>28,160,892</u>	<u>(48,606)</u>	<u>338,781,241</u>
Business-type activities capital assets, net of accumulated depreciation	<u>\$ 368,789,178</u>	<u>\$ 44,131,777</u>	<u>\$ (39,221,041)</u>	<u>\$ 373,699,914</u>

Notes to the Financial Statements (continued)

D. Interfund receivables and transfers

The composition of interfund balances as of December 31, 2007, 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	\$ 27,572
General	Golf Course	Operating Subsidy	427,324
General	Sanitary Sewers and Water Mains	Operating Subsidy	1,306,014
General	Bridges	Operating Subsidy	1,611,740
Debt Service	Undistributed Investment Earnings	Distribute investment interest	3,010
Total Governmental Funds			3,375,660
Public Parking Facilities	Undistributed Investment Earnings	Distribute investment interest	6,529
Water, WPC, & Stormwater Utility	Undistributed Investment Earnings	Distribute investment interest	237,533
Total Proprietary Funds: Business-Type			244,062
Employee Health Insurance	Undistributed Investment Earnings	Distribute investment interest	19,509
Self-Insurance	Undistributed Investment Earnings	Distribute investment interest	6,660
Risk Management	Undistributed Investment Earnings	Distribute investment interest	4,375
Total Proprietary Funds: Governmental-Internal Service Funds			30,544
Grand Total			\$ 3,650,266

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

Interfund transfers:

	<u>Transfer In:</u>				<u>Total Transfers out</u>
	<u>General Fund</u>	<u>Parks and Recreation</u>	<u>Debt Service Fund</u>	<u>Non-major Governmental</u>	
Transfer out:					
General Fund	\$ -	\$ 467,032	\$ -	\$ 1,230,979	\$ 1,698,011
Bridges	-	-	414,014	-	414,014
Streets and Trafficways	-	-	61,600	-	61,600
Nonmajor Governmental	200,682	115,000	4,842,202	997,950	6,155,834
Internal Service Funds	435,502	50,466	-	14,032	500,000
Total transfers in	\$ 636,184	\$ 632,498	\$ 5,317,816	\$ 2,242,961	\$ 8,829,459

Transfers in consisted of the following:

- General Fund received \$119,552 from Regional Planning Commission to close out fund
- General Fund received \$60,000 from Transient Guest Tax for operating expenses
- General Fund received \$435,502 from Worker's Comp Self Insurance for operating expenses
- General Fund received excess funds of \$7,303 for Buildings and Improvement closed projects
- General Fund received funds of \$13,827 from General Improvement for operating expenses
- Parks and Recreation received \$467,032 from General Fund for operating expenses
- Parks and Recreation received \$115,000 from Transient Guest Tax for operating expenses
- Parks and Recreation received \$50,466 from Worker's Comp Self Insurance for operating expenses
- Debt Service received funds of \$179,428 from Capital Planning Fund to close out fund
- Debt Service received excess funds of \$748,871 from closed capital projects
- Debt Service received funds of \$4,389,517 from 1/2 % Sales Tax for debt service on bridge bonds
- Unsafe Structures Fund received \$200,000 from the General Fund for demolitions
- Capital Projects received \$200,000 from Transient Guest Tax for renovation of train station

Notes to the Financial Statements (continued)

Transfers in (continued)

Capital Projects received \$10,950 from Capital Projects for operating expenses
 Capital Projects received \$800,000 from General Fund for police vehicles
 Buildings and Improvements received \$650,000 from General Improvement for sidewalks and other improvements
 Park Improvements received \$50,000 from General Improvement for sidewalks
 Zoo received \$230,979 from General Fund for operating expenses
 Zoo received \$87,000 from Transient Guest Tax for operating expenses
 Zoo received \$14,032 from Worker's Comp Self Insurance for operating expenses

E. Leases

Operating Leases

The City has operating leases for computers and golf carts. The expenditures for these operating leases for the year ended December 31, 2007, were \$685,480. The future minimum lease payments for these leases are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2008	569,813
2009	367,935
2010	13,296
2011 and thereafter	-
Total	<u><u>\$ 951,044</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, telecommunications equipment, fire equipment, and an enterprise resource planning software. The enterprise resource planning lease was signed in 2007, but possession did not occur until 2008. Therefore the asset table below does not reflect the value of this asset. These capital leases have been recorded at the present value of their future minimum lease payments as of the inception date, in accordance with generally accepted accounting principles.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities - Internal Service & Other Gov Funds</u>	<u>Business Activities - Enterprise Funds</u>
Asset information:		
Machinery and equipment	\$ 3,583,025	\$ 106,734
Less accumulated depreciation	(2,447,450)	(106,734)
Total	<u><u>\$ 1,135,575</u></u>	<u><u>\$ -</u></u>

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Notes to the Financial Statements (continued)

There are currently no capital leases attributable to business-type activities.. The future minimum lease obligations for governmental activities, and the net present value of these minimum lease payments at December 31, 2007, were as follows:

Year Ending December 31	Governmental Activities - Internal Service & Other Gov Funds
2008	257,304
2009	900,177
2010	900,177
2011	801,171
2012	708,829
2013 and thereafter	1,285,747
Total minimum lease payments	4,853,405
Less: amount representing interest	(616,459)
Net present value of minimum lease payments	<u>\$ 4,236,946</u>

The City also entered into a capital lease for a police helicopter, but early in 2008 found the contract to be void. Neither of the above tables include amounts for this lease.

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, 2007, was \$149,390,000. During the year, general obligation bonds totaling \$10,805,000 were retired, \$13,965,000 were refunded, and \$29,220,000 of general obligation bonds were issued, bringing the December 31, 2007, outstanding balance to \$153,840,000.

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%	\$ 73,030,000
Governmental activities – refunding	1.80 - 5.10%	67,130,000
Business-type activities	4.00 - 5.13%	13,680,000
		<u>\$153,840,000</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>
2008	\$ 10,650,000	\$ 5,920,211
2009	11,525,000	5,731,921
2010	11,710,000	5,332,261
2011	11,870,000	4,913,659
2012	12,110,000	4,474,778
2013-2017	46,250,000	15,720,851
2018-2022	27,105,000	8,418,905
2023-2036	22,620,000	4,132,157
Total	<u>\$153,840,000</u>	<u>\$54,644,743</u>

Notes to the Financial Statements (continued)

Revenue bonds

The City also issues revenue bonds. The City pledges income derived from the fees and charges to users of the related assets to pay debt service on revenue bonds. The principal amount of revenue bonds outstanding at January 1, 2007, was \$113,800,000. In 2007, the City issued \$7,350,000 of revenue bonds and \$2,010,000 of revenue bonds were retired. Revenue bonds outstanding at year-end are \$119,140,000, as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Water, Water Pollution Control & Stormwater	2.00 - 7.50%	\$119,140,000

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending December 31 *</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 1,885,000	\$ 5,568,118
2009	1,980,000	5,319,718
2010	2,050,000	5,219,518
2011	2,105,000	5,115,918
2012	2,175,000	5,009,418
2013-2017	18,130,000	23,169,301
2018-2022	24,680,000	18,582,769
2023-2037	66,135,000	17,864,678
Total	\$119,140,000	\$85,849,438

* See note V. section C regarding subsequent events

Advance and current refundings

General Obligation Bonds – On February 28, 2007, the City issued its General Obligation Refunding Bonds, Series 2007-A in the principal amount of \$14,135,000. The interest rates on the bonds range from 3.50% to 4.25% and the final maturity date is August 15, 2021. The bonds were used to currently refund certain maturities of the City’s Series 2001-B General Obligation Improvement and Refunding Bonds. The aggregate reduction in debt service between the refunding debt and the refunded debt is \$480,511. The City realized a net present value savings of \$475,402

Revenue Bonds – On July 17, 2007, the City issued its Combined Utility Improvement and Refunding Revenue Bonds, Series 2007-B (the 2007-B Bonds) in the principal amount of \$5,210,000. The interest rates for the 2007-B Bonds range from 4.625% to 4.75%, and the final maturity date is August 1, 2037. The 2007-B Bonds were used to refund on a current basis the August 1, 2007 principal maturities of the City’s Combined Utility Revenue Bonds, Series 2001-A, Series 2004-A, Series 2005-A, and Series 2006-Bond to provide moneys for other system improvements.

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Notes to the Financial Statements (continued)

Changes in long-term liabilities

The following paragraphs are a summary of long-term liability activity for 2007:

	Balance 12/31/06	Additions	Reductions	Balance 12/31/07	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 135,580,000	\$ 29,220,000	\$ (24,640,000)	\$ 140,160,000	\$ 10,650,000
Tax increment bonds	46,870,000	-	(2,205,000)	44,665,000	-
Bonds payable	182,450,000	29,220,000	(26,845,000)	184,825,000	10,650,000
Capital leases	746,538	452,245	(302,265)	896,518	216,256
OPEB liability	-	1,547,257	(894,342)	652,915	-
Compensated absences	3,537,740	354,617	(18,792)	3,873,565	3,873,565
Governmental activity					
Long-term liabilities	\$ 186,734,278	\$ 31,574,119	\$ (28,060,399)	\$ 190,247,998	\$ 14,739,821
Business-type activities:					
Bonds payable:					
General obligation bonds	13,810,000	-	(130,000)	13,680,000	-
Revenue bonds	113,800,000	7,350,000	(2,010,000)	119,140,000	1,885,000
Less deferred amounts:					
For issuance prem/discounts	1,526,620	215,647	(306,401)	1,435,866	-
Cost of issuance amortized	(1,519,252)	61,517	(170,736)	(1,628,471)	-
Defer. gain(loss) bond redemp	(607,672)	43,608	(11,944)	(576,008)	-
Total bonds payable	127,009,696	7,670,772	(2,629,081)	132,051,387	1,885,000
State revolving loan	93,678,716	5,730,060	(5,646,091)	93,762,685	6,033,275
Compensated absences	524,627	6,949	(16,404)	515,172	515,172
Business-type activity					
Long-term liabilities	\$ 221,213,039	\$ 13,407,781	\$ (8,291,576)	\$ 226,329,244	\$ 8,433,447

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, \$96,745 of the compensated absences, and \$615,287 of capital leases are attributable to internal service funds. For the governmental activities, compensated absences are generally liquidated by the general fund.

With the issuance of GASB 45, the City has determined a liability for the governmental funds of \$652,915, which does not include Internal Service funds. Of the amount \$25,929 is attributable to the general government and \$626,986 for public safety.

The government-wide statement of net assets includes \$1,885,000 of the long-term liabilities due within one year for *business-type activities* in current *liabilities payable from restricted assets*. The remaining amount of \$117,255,000 is categorized as *non-current liabilities, due in more than one year* on that same statement.

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

At January 1, 2007, the City owed \$77,031,126 to the Kansas Water Pollution Control State Revolving Loan Fund (WPC-SRF); during the year, the City borrowed an additional \$337,615, from the WPC-SRF and repaid loan principal of \$4,648,407. The total balance owed for the WPC-SRF at December 31, 2007, was \$72,535,217.

Notes to the Financial Statements (continued)

At January 1, 2007, the City owed \$16,647,590 to the Kansas Public Water Supply State Revolving Loan Fund (PWS-SRF); during the year, the City borrowed an additional \$5,577,562 from PWS-SRF and repaid loan principal of \$997,684.23. The total balance owed for the WPS-SRF at December 31, 2007 was \$21,227,468

The City has entered into agreements to receive loans up to \$121,140,518 from WPC-SRF and up to \$24,019,966 from PWS-SRF. The City anticipates borrowing additional monies from these revolving loan funds in 2008.

G. Restricted assets

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

Bond reserve - Water	\$5,404,442
Bond reserve - Water Pollution Control	2,113,590
Bond reserve - Stormwater	880,561
Renewal & replacement - Water	1,500,000
Construction proceeds - Water	4,350,208
Construction proceeds - Water Pollution Control	4,371,882
Construction proceeds - Parking	371,569
Sinking fund - Water	1,836,616
Sinking fund - Water Pollution Control	858,670
Sinking fund - Stormwater	361,162
Water consumer deposits - Water	495,491
Water consumer deposits flushing meters - Water	74,195
Internal restriction principal on SRF loans – Water	284,047
Internal restriction principal on SRF loans – Water Pollution Control	398,432
Deposits with fiscal agent - Water	2,205,235
Deposits with fiscal agent - Water Pollution Control	6,249,759
Total restricted assets	<u>\$31,755,859</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, 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.

Notes to the Financial Statements (continued)

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

	2007	2006
Claims liabilities at beginning of the year	\$ 2,538,978	\$ 1,543,442
Claims incurred during the year	7,191,179	7,091,427
Claims paid during the year	(6,964,359)	(6,095,891)
Claims liabilities at end of the year	<u>\$ 2,765,798</u>	<u>\$ 2,538,978</u>

B. Related party transactions

There were no significant related party transactions in 2007.

C. Subsequent events

In December 2007, the City of Topeka sustained an ice storm which qualified as a declared disaster. The final authorized expenditures approved by FEMA were \$630,633.47. The City will be receiving payment in the amount of \$472,975.10 from the federal government and \$63,063.35 from the state government. The City will cover \$94,595.02 of the expenses for the disaster.

On September 21, 2007 the City executed contract number 37729, with Municipal Service Group for the lease purchase of an Enterprise Resource Planning Software System in the amount of \$3,857,239. This purchase was authorized by the City Council on August 28, 2007. Due to concerns of Kansas Cash Basis violations a revised contract was approved on April 1, 2008 by the Council in Resolution 8051. The Mayor vetoed the resolution on April 4, 2008. The Council overrode the veto on April 15, 2008 on a 7-2 vote. However this contract remains involved in a legal suit by Shawnee County District Attorney. The first payment is not due under the lease until 2009. The City has placed a hold on the project expenditures until the litigation is resolved.

While reviewing account balances in 2008 Central Accounting Staff discovered a discrepancy in the water division work in process account. The formula used to transfer expenditures out of the work in process account understated the amount of payroll and benefits to be shifted out when a work order was closed. The understatement began to occur in 1997. Therefore by December 31, 2007 the account was over stated by \$4,159,000. The City of Topeka will be taking a one time write-off in 2008 to adjust this account to its actual value. The write off will not effect combined utilities cash account, but it will lower retained earnings. The City Council approved a major rate increase for the combined utilities in April 2008. It is believed that the additional revenue will offset the write off amount.

D. Contingent liabilities

On December 4, 2007 5 members of the City Council authorized a lease purchase agreement will Municipal Service Group in the amount of \$820,372 to purchase a police helicopter. Contract 37914 was entered into on December 6, 2008. The lease payments were to extend over 5 years. On May 20, 2008 the City Council passed resolution 8064 stating that "Contract 37914 is void and of no legal effect pursuant to K.S.A. 10-1119. It is subject to the pending suit brought by the District Attorney.

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, 2007, totaled \$99,419,138.

Notes to the Financial Statements (continued)

Costs to complete construction contracts to which the City was committed at December 31, 2007 are estimated at \$46,021,219 for the governmental funds and \$35,517,633 for Enterprise Funds.

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

E. Jointly governed organizations

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

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

The JEDO is comprised of a seven (7)-member board, which includes three County Commissioners, the Mayor and Deputy Mayor of the City, and two City Council members. The Chair of the JEDO rotates between the County and the City on a yearly basis. Under the terms of the interlocal 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 45.

F. Other post employment benefits

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

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

Funding Policy: The current plan is financed on a pay as you go basis. The retirees pay the same premium established for active employees. In 2007 the City had 234 retirees, contributing \$1,419,049. The total cost of health insurance claims and administrative costs for retirees was \$2,505,441.98. Resulting in the City supplementing the retirees health insurance plan by

Notes to the Financial Statements (continued)

\$1,086,392.98 for 2007. See the chart below for costs paid by employees and retirees on a monthly basis.

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

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

Annual required contribution	\$ 1,727,200
City's contribution to retiree's costs	<u>(1,226,519)</u>
Increase in net OPEB obligation	\$ 500,681
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	\$ 500,681

Funding Status and Funding Progress The funded status of the plan as of December 31, 2007, was as follows:

Actuarial accrued liability	\$ 500,681
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability	\$ 500,681
Funded ratio	0%
Covered payroll (active members)	\$ 62,540,183
Unfunded accrued liability as Percentage of covered payroll	0.80%

The unfunded actuarial accrued liability is reduced by an asset for the proprietary funds of \$152,234.

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

Method Used: Unit Credit Actuarial Cost Method

Discount Rate: 5.25%

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

Withdrawal Rates: Used City past history to establish rates

Retirement Rates: Used City past history to establish rates

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

Price Inflation: 3.5%

Payroll Growth: 4.0% per year

Health Care Cost Trend Rate: Medical – 7% avg; Drug-9% avg; Dental – 4.5% avg; other expenses 4.5 avg

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

Notes to the Financial Statements (continued)

G. Employee retirement systems and pension plans

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

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

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

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 2007 was 4.31%. The City of Topeka employer contributions to KPERS for the years ending December 31, 2007, 2006, and 2005 were \$1,217,923, \$1,044,241, and \$923,997 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 2007 was 13.32%. The City's employer contributions to KP&F for the years ending December 31, 2007, 2006, and 2005 were \$4,079,863, \$3,551,539, and \$3,302,950 respectively, equal to the statutorily required contributions for each year.

H. Accounting Changes

The City of Topeka came under a new accounting and auditing standard in 2007. The new auditing standard dealt with documentation of internal controls. Basically, the governmental sector is being pushed towards coming into compliance with Sarbanes-Oxley standards. This will mean more documentation, auditing and testing of internal controls. While the City does have an extensive internal control system we do not have the documentation required to meet the new auditing standard. Our goal is to prepare the required documentation of our internal control system for our new Lawson Enterprise Resource System instead of spending valuable staff time to document the current system. Since the Lawson System is not scheduled to be fully implemented until March 2009, we will not be able to meet this new standard until then.

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

Municipal Retired Employees Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as Percentage of covered Payroll
12/31/2007	\$ -	\$ 318,447	\$ 25,929	0.00%	\$ 18,416,920	0.14%

Fire and Police Retired Employees Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as Percentage of covered Payroll
12/31/2007	\$ -	\$ 1,228,812	\$ 626,986	0.00%	\$ 32,513,817	1.93%

Enterprise Funds Retired Employees Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as Percentage of covered Payroll
12/31/2007	\$ -	\$ 179,942	\$ -	0.00%	\$ 11,609,446	0.00%

Note: Enterprise funds spent more on the healthcare plan, resulting in an asset of \$152,234 versus a liability.

Note: Current years payments exceeded current year liabilities for retirees

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Nonmajor Governmental Funds

Special Revenue Funds

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

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

<u>FUND NAME</u>	<u>STATUTORY OR OTHER AUTHORITY</u>	<u>PURPOSE</u>
Downtown 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.
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.

Special Revenue Funds (Continued...)

<u>FUND NAME</u>	<u>STATUTORY OR OTHER AUTHORITY</u>	<u>PURPOSE</u>
Unsafe Structures Removal	K.S.A 12-1750 & K.S.A. 12-4758 Topeka Ordinance #16918	Accounts for resources and expenditures for repair, alteration, removal or demolishing those structures determined to be unfit for habitation or endangering health and safety of the public.
Retirement Reserve	Administrative Action	Provides funding for and absorbs those accrued sick leave, vacation, and other related costs of City employees upon their retirement.
KP & F Equalization	Administrative Action Topeka Ordinance #18269 & #18290	Provides funding for retirement of the KP & F liabilities and a reserve fund for any future excess contribution liabilities.
Neighborhood Revitalization	Administrative Action Topeka Ordinance #18222	Provides funding for the redevelopment of designated revitalization areas and dilapidated structures.
Historic Asset 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 contibuted by other entities for future land acquisitions for park improvements and developments.
Undistributed Investment Earnings	Administrative	Accounts for investment earnings on all pooled City funds before actual distribution to various recipient funds.
TCI/CEC	Administrative Contract with TCI Topeka Ordinance #16560	Receives and holds contributions by Topeka Cablevision Inc. for use in purchasing equipment for and operation of a public education and governmental access TV channel, run by City staff.

Special Revenue Funds (Continued...)

Police Equipment Fund	Topeka Ordinance #18726	Receives, holds, and pays proceeds to be used for police equipment purchases.
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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 & Water Mains
- (4) Streets and Trafficways (Major)
- (5) Park Improvements

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City of Topeka, Kansas
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2007
 With comparative totals for December 31, 2006

	Special Revenue Funds								
	Downtown Improvement District	Special Alcohol Program	General Improvement	Special Liability Expense	Zoo Improvement	Zoo	Golf Improvement	Transient Guest Tax	Capital Projects Planning
Assets									
Cash and equity in Treasurer's Fund	\$ 24,728	\$ 432,701	\$ 258,057	\$ 882,133	\$ 6,743	\$ 120,461	\$ 70,531	\$ 248,036	\$ -
Receivables (net of allowance for uncollectibles):									
Accounts receivable	2,763	-	-	-	-	-	-	-	-
General property taxes	-	-	919,549	98,051	-	1,883,799	-	556,802	-
Notes	-	-	-	-	-	-	-	-	-
Component unit	-	-	-	-	-	-	-	-	-
Prepaid costs	-	-	-	-	-	2,596	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Total assets	\$ 27,491	\$ 432,701	\$ 1,177,606	\$ 980,184	\$ 6,743	\$ 2,006,856	\$ 70,531	\$ 804,838	\$ -
Liabilities and fund balances									
Liabilities:									
Accounts and contracts payable	13,513	-	16,390	2,723	-	30,171	-	-	-
Salaries & wages payable	-	-	-	5,188	-	88,467	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-
Temporary notes payable	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	919,549	98,051	-	1,883,799	-	-	-
Total liabilities	13,513	-	935,939	105,962	-	2,002,437	-	-	-
Fund Balances									
Reserved for:									
Encumbrances	-	101,521	39,955	45,225	-	200	-	336,500	-
Unreserved, reported in:									
Special Revenue Funds	13,978	331,180	201,712	828,997	6,743	4,219	70,531	468,338	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-
Total fund balances	13,978	432,701	241,667	874,222	6,743	4,419	70,531	804,838	-
Total liabilities and fund balances	\$ 27,491	\$ 432,701	\$ 1,177,606	\$ 980,184	\$ 6,743	\$ 2,006,856	\$ 70,531	\$ 804,838	\$ -

2007 was the last year for Capital Projects Planning fund.

continued...

City of Topeka, Kansas
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2007
 With comparative totals for December 31, 2006

	Special Revenue Funds									
	Unsafe Structure Removal	Retirement Reserve	KP & F Equalization	Neighborhood Revitalization	Historic Asset Preservation	1/2 % Sales Tax	Governmental & Miscellaneous Grants	Regional Planning Commission	Park Land Acquisition	
Assets										
Cash and equity in Treasurer's Fund	\$ 142,595	\$ 666,206	\$ 1,211,773	\$ 25,496	\$ 159,257	\$ 664,482	\$ 158,084	\$ -	\$ 173,312	
Receivables (net of allowance for uncollectibles)	-	-	-	-	-	-	-	-	-	
Accounts receivable	60,611	-	-	-	-	-	23,243	-	-	
General property taxes	217,220	-	-	-	-	-	-	-	-	
Notes	-	-	-	-	-	-	24,322	-	-	
Component unit	-	-	-	-	-	6,549,671	-	-	-	
Prepaid costs	-	-	-	-	-	-	-	-	-	
Due from other governments	-	-	-	-	-	-	742,618	-	-	
Total assets	\$ 420,426	\$ 666,206	\$ 1,211,773	\$ 25,496	\$ 159,257	\$ 7,214,153	\$ 948,267	\$ -	\$ 173,312	
Liabilities and fund balances										
Liabilities:										
Accounts and contracts payable	3,325	-	-	-	-	-	195,869	-	-	
Salaries & wages payable	-	2,325	-	-	-	-	47,868	-	-	
Accrued interest	-	-	-	-	-	-	-	-	-	
Due to other funds	-	-	-	-	-	-	-	-	-	
Due to other governments	-	-	-	-	-	664,482	-	-	-	
Temporary notes payable	-	-	-	-	-	-	-	-	-	
Unearned Revenue	217,220	-	-	-	-	-	704,530	-	-	
Total liabilities	220,545	2,325	-	-	-	664,482	948,267	-	-	
Fund Balances Reserved for:										
Encumbrances	57,669	-	-	-	-	-	-	-	-	
Unreserved, reported in:										
Special Revenue Funds	142,212	663,881	1,211,773	25,496	159,257	6,549,671	-	-	173,312	
Capital Projects Funds	-	-	-	-	-	-	-	-	-	
Total fund balances	199,881	663,881	1,211,773	25,496	159,257	6,549,671	-	-	173,312	
Total liabilities and fund balances	\$ 420,426	\$ 666,206	\$ 1,211,773	\$ 25,496	\$ 159,257	\$ 7,214,153	\$ 948,267	\$ -	\$ 173,312	

2007 was the last year for Regional Planning Commission fund, it was combined into the General Fund in 2007.

continued...

City of Topeka, Kansas
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2007
 With comparative totals for December 31, 2006

	Special Revenue Funds		Capital Project Funds				Totals
	Uninvested Earnings	TC/CEC	Police Equipment	Public Buildings and Facilities	Sanitary Sewers & Water Mains	Park Improvements	
Assets							
Cash and equity in Treasurer's Fund	\$ 13	\$ 1,503	\$ 55,045	\$ 1,247,617	\$ 34,502	\$ 2,515,587	\$ 9,098,862
Receivables (net of allowance for uncollectibles)							
Accounts receivable	305,188	-	-	-	-	-	391,805
General property taxes	-	-	-	-	-	-	3,675,421
Notes	-	-	-	-	-	-	24,322
Component unit	-	-	-	-	-	-	6,549,671
Prepaid costs	-	-	-	-	-	-	2,596
Due from other governments	-	-	-	-	-	-	742,618
Total assets	\$ 305,201	\$ 1,503	\$ 55,045	\$ 1,247,617	\$ 34,502	\$ 2,515,587	\$ 20,485,295

	Special Revenue Funds		Capital Project Funds				Totals
	Uninvested Earnings	TC/CEC	Police Equipment	Public Buildings and Facilities	Sanitary Sewers & Water Mains	Park Improvements	
Liabilities and fund balances							
Liabilities:							
Accounts and contracts payable	13	-	-	141,068	37,001	55,421	485,494
Salaries & wages payable	-	-	-	-	-	-	143,848
Accrued interest	-	-	-	-	7,455	-	7,455
Due to other funds	305,188	-	-	-	1,306,014	-	1,611,202
Due to other governments	-	-	-	-	-	-	664,482
Temporary notes payable	-	-	-	-	2,398,873	-	2,398,873
Unearned Revenue	-	-	-	-	-	-	3,823,149
Total liabilities	305,201	-	-	141,068	3,749,343	55,421	9,144,503
Fund Balances							
Reserved for:							
Encumbrances	-	-	-	-	-	-	581,070
Unreserved, reported in:							
Special Revenue Funds	-	1,503	55,045	-	-	-	10,907,848
Capital Projects Funds	-	-	-	1,106,549	(3,714,841)	2,460,166	(148,126)
Total fund balances	-	1,503	55,045	1,106,549	(3,714,841)	2,460,166	11,340,792
Total liabilities and fund balances	\$ 305,201	\$ 1,503	\$ 55,045	\$ 1,247,617	\$ 34,502	\$ 2,515,587	\$ 20,485,295

Note: The following funds have been moved to Special Revenue Funds from Filialary funds - TC/CEC and Police Equipment fund. See page 50 of the notes for further information. The 2006 totals have been restated to include their totals: \$8,915 and \$6,140 respectively.

Sanitary Sewers has been changed to include special assessment Water Mains as well.

TC/CEC has a negative fund balance, due to the money brought in was posted to a liability and the purchases were taken through an expenditure. This will be corrected in 2008.

City of Topeka, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2007
With comparative totals for December 31, 2006

	Special Revenue Funds									
	Downtown Improvement District	Special Alcohol Program	General Improvement	Special Liability Expense	Zoo Improvement	Zoo	Golf Improvement	Transient Guest Tax	Capital Projects Planning	
Revenues:										
Taxes and assessments	\$ 166,408	\$ -	\$ 1,250,988	\$ 209,124	\$ -	\$ 1,549,057	\$ -	\$ 1,913,492	\$ -	
Intergovernmental	-	480,644	-	-	-	-	-	-	-	
Licenses and permits	-	-	-	-	-	-	-	-	-	
Charges for services	-	-	-	-	1,176	446,551	20,032	-	-	
Rents	-	-	-	-	-	-	-	-	-	
Interest from investments	-	-	-	-	324	-	-	-	-	
Other	-	-	18,936	1,233	-	35,253	-	-	-	
Total revenues	166,408	480,644	1,269,924	210,357	1,500	2,030,861	20,032	1,913,492	-	
Expenditures:										
General government	-	-	244,896	412,711	-	-	-	1,230,125	-	
Public safety	-	-	-	-	-	-	-	-	-	
Public works	187,178	-	-	-	-	2,271,433	72,035	-	-	
Parks and recreation	-	-	-	-	-	-	-	-	-	
Public housing	-	-	98,285	-	-	-	-	-	-	
Social services	-	458,065	-	-	-	-	-	-	-	
Construction	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	
Engineering and others	-	-	-	-	-	-	-	-	-	
Total expenditures	187,178	458,065	343,181	412,711	-	2,271,433	72,035	1,230,125	-	
Excess (deficit) of revenues over (under) expenditures	(20,770)	22,579	926,743	(202,354)	1,500	(240,572)	(52,003)	683,367	-	
Other financing sources (uses):										
Issuance of debt	-	-	-	-	-	-	-	-	-	
Original issue premium on bonds	-	-	-	-	-	-	-	-	-	
Original issue discount on bonds	-	-	-	-	-	-	-	-	-	
Transfers in	-	-	-	-	-	332,011	-	-	-	
Transfers out	-	-	(713,827)	-	-	-	-	(462,000)	(179,428)	
Total other financing sources (uses)	-	-	(713,827)	-	-	332,011	-	(462,000)	(179,428)	
Net change in fund balances	(20,770)	22,579	212,916	(202,354)	1,500	91,439	(52,003)	221,367	(179,428)	
Fund balances (deficits) - beginning	34,748	410,122	28,751	1,076,576	5,243	(87,020)	122,534	583,471	179,428	
Fund balances (deficits) - ending	\$ 13,978	\$ 432,701	\$ 241,667	\$ 874,222	\$ 6,743	\$ 4,419	\$ 70,531	\$ 804,838	\$ -	

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, 2007
With comparative totals for December 31, 2006

...continued

	Special Revenue Funds									
	Unsafe Structure Removal	Retirement Reserve	KP & F Equalization	Neighborhood Revitalization	Historic Asset Preservation	1/2 % Sales Tax	Governmental & Miscellaneous Grants	Regional Planning Commission	Park Land Acquisition	
Revenues:										
Taxes and assessments	-	-	-	-	\$	\$ 7,767,247	\$	-	\$	-
Intergovernmental	-	-	-	25,496	-	-	7,215,124	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Charges for services	-	604,894	298,296	-	-	-	-	-	-	65,917
Rents	-	-	-	-	-	-	-	-	-	-
Interest from investments	-	-	-	-	-	-	15,039	-	-	-
Other	2,700	-	-	-	-	192,054	421,673	-	-	-
Total revenues	2,700	604,894	298,296	25,496	-	7,959,301	7,651,836	-	-	65,917
Expenditures:										
General government	129,167	519,981	88,170	-	-	3,433,236	1,485,189	-	-	-
Public safety	-	-	-	-	-	-	840,960	-	-	-
Public works	-	-	-	-	-	-	227,057	-	-	-
Parks and recreation	-	-	-	-	-	-	11,973	-	-	-
Public housing	-	-	-	-	-	-	4,766,108	-	-	-
Social services	-	-	-	-	-	-	320,549	-	-	-
Construction	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Engineering and others	-	-	-	-	-	-	-	-	-	-
Total expenditures	129,167	519,981	88,170	-	-	3,433,236	7,651,836	-	-	-
Excess (deficit) of revenues over (under) expenditures	(126,467)	84,913	210,126	25,496	-	4,526,065	-	-	-	65,917
Other financing sources (uses):										
Issuance of debt	-	-	-	-	-	-	-	-	-	-
Original issue premium on bonds	-	-	-	-	-	-	-	-	-	-
Original issue discount on bonds	-	-	-	-	-	-	-	-	-	-
Transfers in	200,000	-	-	-	-	(4,389,517)	-	(119,552)	-	-
Transfers out	-	-	-	-	-	-	-	(119,552)	-	-
Total other financing sources (uses)	200,000	-	-	-	-	(4,389,517)	-	(119,552)	-	-
Net change in fund balances	73,533	84,913	210,126	25,496	-	136,548	-	(119,552)	-	65,917
Fund balances (deficits) - beginning	126,348	578,968	1,001,647	-	159,257	6,413,123	-	119,552	-	107,395
Fund balances (deficits) - ending	\$ 199,881	\$ 663,881	\$ 1,211,773	\$ 25,496	\$ 159,257	\$ 6,549,671	\$ -	\$ -	\$ -	\$ 173,312

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, 2007

With comparative totals for December 31, 2006

...continued

	Special Revenue Funds			Capital Project Funds			Totals	2006
	Undistributed Investment Earnings	Police Equipment	Public Buildings and Facilities	Sanitary Sewers & Water Mains	Park Improvements	2007		
Revenues:								
Taxes and assessments	\$ -	\$ -	\$ 72,511	\$ 14,615	\$ -	\$ 12,943,442	11,542,739	
Intergovernmental	-	-	42,458	-	861,843	8,625,565	5,646,863	
Licenses and permits	-	-	-	-	-	65,917	66,225	
Charges for services	-	-	-	-	-	1,370,949	1,288,770	
Rents	-	-	-	-	-	-	-	
Interest from investments	-	-	-	-	-	15,363	(66,420)	
Other	-	48,905	51,238	-	-	771,992	582,487	
Total revenues	-	48,905	166,207	14,615	861,843	23,793,228	19,060,654	
Expenditures:								
General government	-	-	-	-	-	7,550,887	8,181,327	
Public safety	7,412	-	-	-	-	840,960	(1,441,274)	
Public works	-	-	-	-	-	414,235	207,757	
Parks and recreation	-	-	-	-	-	2,355,441	2,205,670	
Public housing	-	-	-	-	-	4,864,393	3,515,342	
Social services	-	-	-	-	-	778,614	758,097	
Construction	-	-	2,174,263	1,805,304	3,850,798	7,830,365	4,018,378	
Interest	-	-	-	74,047	-	74,047	88,556	
Engineering and others	-	-	1,031,693	281,560	278,470	1,591,723	1,695,785	
Total expenditures	-	7,412	3,205,956	2,160,911	4,129,268	26,300,665	19,229,638	
Excess (deficit) of revenues over (under) expenditures	-	(7,412)	(3,039,749)	(2,146,296)	(3,267,425)	(2,507,437)	(168,984)	
Other financing sources (uses):								
Issuance of debt	-	-	980,337	400,404	2,311,246	3,691,987	5,147,446	
Original issue premium on bonds	-	-	-	-	-	-	14,953	
Original issue discount on bonds	-	-	(3,466)	(1,416)	(8,173)	(13,055)	-	
Transfers in	-	-	1,660,950	-	50,000	2,242,961	2,901,294	
Transfers out	-	-	(11,750)	-	(279,760)	(6,155,834)	(2,364,370)	
Total other financing sources (uses)	-	-	2,626,071	398,988	2,073,313	(233,941)	5,699,323	
Net change in fund balances	-	(7,412)	(413,678)	(1,747,308)	(1,194,112)	(2,741,378)	5,530,339	
Fund balances (deficits) - beginning	-	8,915	1,520,227	(1,967,533)	3,654,278	14,082,170	8,551,831	
Fund balances (deficits) - ending	\$ -	\$ 1,503	\$ 1,106,549	\$ (3,714,841)	\$ 2,460,166	\$ 11,340,792	\$ 14,082,170	

Note: The following funds have been moved to Special Revenue funds from Foliary funds - TC/CEC and Police Equipment fund. See page 50 of the notes for further information. The 2006 totals have been restated to include revenues and (expenses) of \$(4,395) and \$6,140 respectively and the beginning fund balance was increased by \$13,310.

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & assessments:				
Property taxes - current	\$ 11,512,373	\$ 11,512,373	\$ 11,186,953	\$ (325,420)
Property taxes - delinquent	120,000	120,000	105,410	(14,590)
Neighborhood Revitalization Act rebates	(4,025)	(4,025)	-	4,025
Motor vehicle ad valorem tax	1,266,595	1,266,595	1,315,945	49,350
Sales Tax	80,000	80,000	57,768	(22,232)
Assessments - current	1,250,000	1,250,000	1,204,763	(45,237)
Assessments - prepaid	-	-	1,166	1,166
Assessments - delinquent	-	-	38,133	38,133
Payment in lieu of taxes	47,691	47,691	83,282	35,591
Interest from investments	177,000	177,000	144,109	(32,891)
Miscellaneous	-	-	6,575	6,575
Total revenues	<u>14,449,634</u>	<u>14,449,634</u>	<u>14,144,104</u>	<u>(305,530)</u>
Expenditures				
Principal retirement	12,570,000	12,570,000	26,845,000	(14,275,000)
Interest on bonds	7,353,289	7,353,289	7,151,742	201,547
Fiscal agent fees	6,000	6,000	2,800	3,200
Defeasance of bonds	230,000	230,000	-	230,000
Underwriter's discount on bonds	-	-	65,603	(65,603)
Other costs of bond issuance	-	-	79,792	(79,792)
NRA rebates	239,999	239,999	-	239,999
Contingency	1,000,000	1,000,000	-	1,000,000
Total expenditures	<u>21,399,288</u>	<u>21,399,288</u>	<u>34,144,937</u>	<u>(12,745,649)</u>
Excess (deficiency) of revenues over expenditures	(6,949,654)	(6,949,654)	(20,000,833)	(13,051,179)
Other financing sources				
Proceeds of general obligation bonds	1,424,011	1,424,011	14,135,000	12,710,989
Original issue premium on bonds	-	-	116,562	116,562
Redemption premium on defeased bonds	-	-	(104,738)	(104,738)
Transfers in	3,067,931	3,067,931	5,317,816	2,249,885
Total other financing sources	<u>4,491,942</u>	<u>4,491,942</u>	<u>19,464,640</u>	<u>14,972,698</u>
Net change in fund balances	(2,457,712)	(2,457,712)	(536,193)	1,921,519
Beginning fund balance	<u>2,457,712</u>	<u>2,457,712</u>	<u>7,793,331</u>	<u>5,335,619</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,257,138</u>	<u>\$ 7,257,138</u>

City of Topeka, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actuals
Bridges
From Inception and for the Year Ended December 31, 2007

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Taxes & assessments	\$ 2,690,354	\$ -	\$ 2,690,354	\$ 38,034,028
Intergovernmental revenue	90,254	9,211	99,465	128,392
Other	422,441	466,765	889,206	-
Total revenues	<u>3,203,049</u>	<u>475,976</u>	<u>3,679,025</u>	<u>38,162,420</u>
Expenditures				
Construction	14,610,537	17,386,048	31,996,585	25,125,101
Interest	244,273	9,777	254,050	522,298
Engineering and others	2,870,712	113,386	2,984,098	16,292,993
Total expenditures	<u>17,725,522</u>	<u>17,509,211</u>	<u>35,234,733</u>	<u>41,940,392</u>
Excess (deficit) of revenues over (under) expenditures	<u>(14,522,473)</u>	<u>(17,033,235)</u>	<u>(31,555,708)</u>	<u>(3,777,972)</u>
Other financing sources (uses)				
Proceeds of general obligation bonds	33,644,983	390,652	34,035,635	3,599,322
Original issue premium on bonds	475,227	-	475,227	-
Original issue discount on bonds	(5,868)	(1,381)	(7,249)	-
Transfer in	1,112,338	-	1,112,338	178,650
Transfer out	(4,429,506)	(414,014)	(4,843,520)	-
Total other financing sources (uses)	<u>30,797,174</u>	<u>(24,743)</u>	<u>30,772,431</u>	<u>3,777,972</u>
Net change in fund balance	<u>\$ 16,274,701</u>	<u>(17,057,978)</u>	<u>\$ (783,277)</u>	<u>\$ -</u>
Fund balance - beginning		<u>16,274,701</u>		
Fund balance (deficit) - ending		<u>\$ (783,277)</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, 2007

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Intergovernmental revenue	\$ 509,107	\$ 8,314	\$ 517,421	\$ 4,194,781
Other	71,845	49,307	121,152	250,000
Total revenues	<u>580,952</u>	<u>57,621</u>	<u>638,573</u>	<u>4,444,781</u>
Expenditures				
Construction	27,178,524	9,198,611	36,377,135	48,032,494
Interest	555,154	403,196	958,350	2,876,262
Engineering and others	5,127,761	2,883,080	8,010,841	16,966,286
Total expenditures	<u>32,861,439</u>	<u>12,484,887</u>	<u>45,346,326</u>	<u>67,875,042</u>
Excess (deficit) of revenues over (under) expenditures	<u>(32,280,487)</u>	<u>(12,427,266)</u>	<u>(44,707,753)</u>	<u>(63,430,261)</u>
Other financing sources (uses)				
Proceeds of general obligation bonds	27,406,379	11,002,361	38,408,740	59,439,554
Original issue premium on bonds	172,827	(10,445)	162,382	-
Original issue discount on bonds	(4,330)	(28,463)	(32,793)	-
Transfer in	1,143,888	-	1,143,888	3,990,707
Transfer out	(975,353)	(61,600)	(1,036,953)	-
Total other financing sources (uses)	<u>27,743,411</u>	<u>10,901,853</u>	<u>38,645,264</u>	<u>63,430,261</u>
Net change in fund balance	<u>\$ (4,537,076)</u>	<u>(1,525,413)</u>	<u>\$ (6,062,489)</u>	<u>\$ -</u>
Fund balance (deficit) - beginning		<u>(4,537,076)</u>		
Fund balance (deficit) - ending		<u>\$ (6,062,489)</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, 2007

	<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	\$ 450,000	\$ 450,000	\$ 480,644	\$ 30,644
Total revenues	<u>450,000</u>	<u>450,000</u>	<u>480,644</u>	<u>30,644</u>
Expenditures				
Social Services	575,000	575,000	520,019	54,981
Total Expenditures	<u>575,000</u>	<u>575,000</u>	<u>520,019</u>	<u>54,981</u>
Excess (deficit) of revenues over expenditures	<u>(125,000)</u>	<u>(125,000)</u>	<u>(39,375)</u>	<u>85,625</u>
Beginning fund balance	279,385	279,385	370,555	91,170
Ending fund balance	<u>\$ 154,385</u>	<u>\$ 154,385</u>	<u>\$ 331,180</u>	<u>\$ 176,795</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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & Assessments	\$ 1,287,683	\$ 1,287,683	\$ 1,250,988	\$ (36,695)
Miscellaneous	-	-	9,851	9,851
Other Financing Sources	613	613	9,085	8,472
Total revenues	<u>1,288,296</u>	<u>1,288,296</u>	<u>1,269,924</u>	<u>(18,372)</u>
Expenditures				
General Government	1,003,085	103,085	244,896	(141,811)
Public Housing	275,000	275,000	138,240	136,760
Total Expenditures	<u>1,278,085</u>	<u>378,085</u>	<u>383,136</u>	<u>(5,051)</u>
Other financing sources (uses)				
Transfer Out	<u>(13,827)</u>	<u>(913,827)</u>	<u>(713,827)</u>	<u>200,000</u>
Total other financing sources (uses)	<u>(13,827)</u>	<u>(913,827)</u>	<u>(713,827)</u>	<u>200,000</u>
Excess (deficit) of revenues over expenditures	<u>(3,616)</u>	<u>(3,616)</u>	<u>172,961</u>	<u>176,577</u>
Beginning fund balance	18,616	18,616	28,751	10,135
Ending fund balance	<u><u>\$ 15,000</u></u>	<u><u>\$ 15,000</u></u>	<u><u>\$ 201,712</u></u>	<u><u>\$ 186,712</u></u>

Budget was amended to reduce general government and increase transfers out per Ordinance 19005, December 18, 2007

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & Assessments	\$ 214,611	\$ 214,611	\$ 209,124	\$ (5,487)
Other Financing Sources	1,007	1,007	1,233	226
Total revenues	215,618	215,618	210,357	(5,261)
Expenditures				
General Government	776,085	776,085	454,938	321,147
Total Expenditures	776,085	776,085	454,938	321,147
Excess (deficit) of revenues over expenditures	(560,467)	(560,467)	(244,581)	315,886
Beginning fund balance	560,467	560,467	1,073,578	513,111
Ending fund balance	\$ -	\$ -	\$ 828,997	\$ 828,997

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Zoo Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & Assessments	\$ 1,579,498	\$ 1,579,498	\$ 1,549,057	\$ (30,441)
Fees For Service	513,556	513,556	446,551	(67,005)
Miscellaneous	-	-	33,425	33,425
Other Financing Sources	2,000	2,000	1,828	(172)
Total revenues	2,095,054	2,095,054	2,030,861	(64,193)
Expenditures				
Parks and recreation	2,321,022	2,321,022	2,271,633	49,389
Total Expenditures	2,321,022	2,321,022	2,271,633	49,389
Transfer In	125,968	332,968	332,011	(957)
Excess (deficit) of revenues over expenditures and transfers	(100,000)	107,000	91,239	(15,761)
Beginning fund balance (deficit)	100,000	100,000	(87,020)	(187,020)
Ending fund balance	\$ -	\$ 207,000	\$ 4,219	\$ (202,781)

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, 2007

	<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	\$ 1,610,000	\$ 1,610,000	\$ 1,913,492	\$ 303,492
Total revenues	<u>1,610,000</u>	<u>1,610,000</u>	<u>1,913,492</u>	<u>303,492</u>
Expenditures				
General Government	1,255,500	1,325,258	1,257,250	68,008
Total Expenditures	<u>1,255,500</u>	<u>1,325,258</u>	<u>1,257,250</u>	<u>68,008</u>
Other financing sources (uses)				
Transfer Out	<u>(375,000)</u>	<u>(462,000)</u>	<u>(462,000)</u>	<u>-</u>
Total other financing sources uses)	<u>(375,000)</u>	<u>(462,000)</u>	<u>(462,000)</u>	<u>-</u>
Excess (deficit) of revenues over expenditures and transfers	<u>(20,500)</u>	<u>(177,258)</u>	<u>194,242</u>	<u>371,500</u>
Beginning fund balance	102,675	274,095	274,096	1
Ending fund balance	<u>\$ 82,175</u>	<u>\$ 96,837</u>	<u>\$ 468,338</u>	<u>\$ 371,501</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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other Financing Sources	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
General Government	-	-	-	-
Total Expenditures	-	-	-	-
Transfer Out	(179,428)	(179,428)	(179,428)	-
Excess (deficit) of revenues over expenditures and transfers	(179,428)	(179,428)	(179,428)	-
Beginning fund balance	179,428	179,428	179,428	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: This fund was closed out into the Debt Service Fund.

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, 2007

	<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	\$ -	\$ -	\$ 2,700	\$ 2,700
Total revenues	<u>-</u>	<u>-</u>	<u>2,700</u>	<u>2,700</u>
Expenditures				
General Government	250,000	250,000	126,791	123,209
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>126,791</u>	<u>123,209</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 (deficit) of revenues over expenditures and transfers	<u>(50,000)</u>	<u>(50,000)</u>	<u>75,909</u>	<u>125,909</u>
Beginning fund balance	58,310	58,310	66,303	7,993
Ending fund balance	<u>\$ 8,310</u>	<u>\$ 8,310</u>	<u>\$ 142,212</u>	<u>\$ 133,902</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, 2007

	<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	\$ 618,000	\$ 618,000	\$ 604,894	\$ (13,106)
Total revenues	<u>618,000</u>	<u>618,000</u>	<u>604,894</u>	<u>(13,106)</u>
Expenditures				
General Government	700,000	700,000	519,981	180,019
Total Expenditures	<u>700,000</u>	<u>700,000</u>	<u>519,981</u>	<u>180,019</u>
Excess (deficit) of revenues over expenditures	<u>(82,000)</u>	<u>(82,000)</u>	<u>84,913</u>	<u>166,913</u>
Beginning fund balance	550,873	550,873	578,968	28,095
Ending fund balance	<u>\$ 468,873</u>	<u>\$ 468,873</u>	<u>\$ 663,881</u>	<u>\$ 195,008</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, 2007

	<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	\$ 294,000	\$ 294,000	\$ 298,296	\$ 4,296
Total revenues	<u>294,000</u>	<u>294,000</u>	<u>298,296</u>	<u>4,296</u>
Expenditures				
General Government	294,000	294,000	88,170	205,830
Total Expenditures	<u>294,000</u>	<u>294,000</u>	<u>88,170</u>	<u>205,830</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>210,126</u>	<u>210,126</u>
Beginning fund balance	754,057	754,057	1,001,647	247,590
Ending fund balance	<u>\$ 754,057</u>	<u>\$ 754,057</u>	<u>\$ 1,211,773</u>	<u>\$ 457,716</u>

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Neighborhood Revitalization Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenue	\$ 45,904	\$ 45,904	25,496	(20,408)
Total revenues	<u>45,904</u>	<u>45,904</u>	<u>25,496</u>	<u>(20,408)</u>
Expenditures				
General Government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>45,904</u>	<u>45,904</u>	<u>25,496</u>	<u>(20,408)</u>
Beginning fund balance	-	-	-	-
Ending fund balance	<u><u>\$ 45,904</u></u>	<u><u>\$ 45,904</u></u>	<u><u>\$ 25,496</u></u>	<u><u>\$ (20,408)</u></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, 2007

	<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	12,000	12,000	-	12,000
Total Expenditures	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Other financing sources				
Transfer In	-	82,662	-	(82,662)
Transfer Out	-	-	-	-
Total other financing sources	<u>-</u>	<u>82,662</u>	<u>-</u>	<u>(82,662)</u>
Excess (deficit) of revenues over expenditures	<u>(12,000)</u>	<u>70,662</u>	<u>-</u>	<u>(70,662)</u>
Beginning fund balance	59,257	159,257	159,257	-
Ending fund balance	<u>\$ 47,257</u>	<u>\$ 229,919</u>	<u>\$ 159,257</u>	<u>\$ (70,662)</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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & Assessments	\$ 8,870,000	\$ 8,870,000	\$ 7,767,247	\$ (1,102,753)
Other Financing Sources	-	-	192,054	192,054
Total revenues	8,870,000	8,870,000	7,959,301	(910,699)
Expenditures				
General Government	8,870,000	4,480,482	3,433,236	1,047,246
Total Expenditures	8,870,000	4,480,482	3,433,236	1,047,246
Other financing sources (uses)				
Transfer Out	-	(4,389,518)	(4,389,517)	1
Total other financing sources (uses)	-	(4,389,518)	(4,389,517)	1
Excess of revenues over expenditures	-	-	136,548	136,548
Beginning fund balance	-	-	6,413,123	6,413,123
Ending fund balance	\$ -	\$ -	\$ 6,549,671	\$ 6,549,671

Budget was amended to reduce general government and increase transfers out per Ordinance 19005, December 18, 2007

City of Topeka, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actuals
Regional Planning Commission Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$ 112,406	\$ 112,406	\$ -	\$ (112,406)
Total revenues	112,406	112,406	-	(112,406)
Expenditures				
General Government	-	-	-	-
Total Expenditures	-	-	-	-
Transfer In	-	-	-	-
Transfer Out	(153,080)	(153,080)	(119,552)	33,528
Contingency	-	-	-	-
Excess (deficit) of revenues over expenditures and transfers	(40,674)	(40,674)	(119,552)	(78,878)
Beginning fund balance	40,674	40,674	119,552	78,878
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2007

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Taxes & assessments	\$ 1,472,757	\$ 72,511	\$ 1,545,268	\$ 1,268,325
Intergovernmental revenue	5,272,621	42,458	5,315,079	5,501,735
Miscellaneous	194,031	51,238	245,269	774,223
Total revenues	<u>6,939,409</u>	<u>166,207</u>	<u>7,105,616</u>	<u>7,544,283</u>
Expenditures				
Construction	7,840,810	2,174,263	10,015,073	10,789,912
Interest	9,380	-	9,380	191,397
Engineering and others	1,636,037	1,031,693	2,667,730	6,965,264
Total expenditures	<u>9,486,227</u>	<u>3,205,956</u>	<u>12,692,183</u>	<u>17,946,573</u>
Excess (deficit) of revenues over (under) expenditures	<u>(2,546,818)</u>	<u>(3,039,749)</u>	<u>(5,586,567)</u>	<u>(10,402,290)</u>
Other financing sources (uses)				
Proceeds of general obligation bonds	1,000,932	980,337	1,981,269	3,905,000
Original issue premium on bonds	11,691	-	11,691	-
Original issue discount on bonds	-	(3,466)	(3,466)	-
Transfer in	3,192,297	1,660,950	4,853,247	6,497,290
Transfer out	(137,875)	(11,750)	(149,625)	-
Total other financing sources (uses)	<u>4,067,045</u>	<u>2,626,071</u>	<u>6,693,116</u>	<u>10,402,290</u>
Net change in fund balance	<u>\$ 1,520,227</u>	<u>(413,678)</u>	<u>\$ 1,106,549</u>	<u>\$ -</u>
Fund balance - beginning		<u>1,520,227</u>		
Fund balance - ending		<u>\$ 1,106,549</u>		

City of Topeka, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Sanitary Sewers and Water Mains
From Inception and for the Year Ended December 31, 2007

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Taxes & assessments	-	14,615	14,615	-
Intergovernmental revenue	77,546	-	77,546	-
Total revenues	<u>77,546</u>	<u>14,615</u>	<u>92,161</u>	<u>-</u>
Expenditures				
Construction	1,469,006	1,805,304	3,274,310	7,101,166
Interest	96,372	74,047	170,419	536,688
Engineering and others	479,701	281,560	761,261	2,020,144
Total expenditures	<u>2,045,079</u>	<u>2,160,911</u>	<u>4,205,990</u>	<u>9,657,998</u>
Excess (deficit) of revenues over (under) expenditures	<u>(1,967,533)</u>	<u>(2,146,296)</u>	<u>(4,113,829)</u>	<u>(9,657,998)</u>
Other financing sources (uses)				
Proceeds of general obligation bonds	-	400,404	400,404	9,657,998
Original issue discount on bonds	-	(1,416)	(1,416)	-
Total other financing sources (uses)	<u>-</u>	<u>398,988</u>	<u>398,988</u>	<u>9,657,998</u>
Net change in fund balance	<u>\$ (1,967,533)</u>	(1,747,308)	<u>\$ (3,714,841)</u>	<u>\$ -</u>
Fund balance (deficit) - beginning		(1,967,533)		
Fund balance (deficit) - ending		<u>\$ (3,714,841)</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, 2007

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Intergovernmental revenue	\$ 422,413	\$ 861,843	\$ 1,284,256	\$ 2,858,000
Other	-	-	-	745,015
Total revenues	<u>422,413</u>	<u>861,843</u>	<u>1,284,256</u>	<u>3,603,015</u>
Expenditures				
Construction	2,074,236	3,850,798	5,925,034	9,326,286
Interest	-	-	-	368,455
Engineering and others	351,170	278,470	629,640	1,972,572
Total expenditures	<u>2,425,406</u>	<u>4,129,268</u>	<u>6,554,674</u>	<u>11,667,313</u>
Excess (deficit) of revenues over (under) expenditures	<u>(2,002,993)</u>	<u>(3,267,425)</u>	<u>(5,270,418)</u>	<u>(8,064,298)</u>
Other financing sources (uses)				
Proceeds of general obligation bonds	5,625,430	2,311,246	7,936,676	8,011,797
Original issue premium on bonds	31,841	-	31,841	-
Original issue discount on bonds	-	(8,173)	(8,173)	-
Transfer in	-	50,000	50,000	52,501
Transfer out	-	(279,760)	(279,760)	-
Total other financing sources (uses)	<u>5,657,271</u>	<u>2,073,313</u>	<u>7,730,584</u>	<u>8,064,298</u>
Net change in fund balance	<u>\$ 3,654,278</u>	<u>(1,194,112)</u>	<u>\$ 2,460,166</u>	<u>\$ -</u>
Fund balance - beginning		<u>3,654,278</u>		
Fund balance - ending		<u>\$ 2,460,166</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 Fund	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.
Softball Trust Fund	Topeka City Ordinance # 16269	Collects a portion of softball league registration fees to be paid to Topeka Park & Recreation Foundation for future improvements to City softball facilities.
Topeka Metropolitan Transit Authority	Topeka City Code Section A9-2	Receives, holds, and pays to the TMTA the proceeds of a special tax collected by the City for the benefit of that entity.
Water Customer Round Up	Administrative	Utility mutual assistance fund that passes the money derived from customers who offer to round up their payments to assist others.

City of Topeka, Kansas
Combining Statement of Fiduciary Net Assets
December 31, 2007

With comparative totals for December 31, 2006

		<u>Alcohol and Drug Safety</u>	<u>Court Bond</u>	<u>Crime Prevention</u>	<u>Fire Equipment Trust</u>	<u>Fire Insurance Proceeds</u>	<u>Judges Training</u>	<u>Kansas Trauma Fund</u>	<u>Law Enforcement Trust</u>
Cash and equity in Treasurer's Fund	\$	264,295	\$ 202,933	\$ 24,644	\$ -	\$ 19,011	\$ 676	\$ 635	\$ 669,178
Receivables (net of allowance for uncollectibles):									
Accounts receivable		-	-	-	-	-	-	-	-
Total assets	\$	264,295	\$ 202,933	\$ 24,644	\$ -	\$ 19,011	\$ 676	\$ 635	\$ 669,178
Liabilities									
Accounts and contracts payable	\$	716	\$ 565	\$ 7,991	\$ -	\$ 7,704	\$ 324	\$ 53	\$ 8,880
Salaries & wages payable		2,107	-	-	-	-	-	-	-
Due to others		261,472	202,368	16,653	-	11,307	352	582	660,298
Total liabilities	\$	264,295	\$ 202,933	\$ 24,644	\$ -	\$ 19,011	\$ 676	\$ 635	\$ 669,178

continued...

NET ASSETS

Held in trust for other purposes

Total net assets

Note: 2006 has been restated to reflect moving TC/CEC and Police Equipment fund to Special Revenue funds.

City of Topeka, Kansas
Combining Statement of Fiduciary Net Assets
December 31, 2007

With comparative totals for December 31, 2006

...continued

	Local Law Enforcement Training Center	Motor Vehicle Reinstatement	Payroll Clearing	Police Benefit	Softball Trust Fund	Topeka Metropolitan Transit Authority	Water Customer Round-Up	Totals	2006
Assets									
Cash and equity in Treasurer's Fund	\$ 14,028	\$ 10,753	\$ 2,015	\$ 126,439	\$ -	\$ -	\$ 4,786	\$ 1,339,393	\$ 1,587,427
Receivables (net of allowance for uncollectibles):									
Accounts receivable	-	-	90	-	-	-	617	707	766
Total assets	\$ 14,028	\$ 10,753	\$ 2,105	\$ 126,439	\$ -	\$ -	\$ 5,403	\$ 1,340,100	\$ 1,588,193
Liabilities									
Accounts and contracts payable	\$ 8,594	\$ 6,654	\$ 2,105	\$ -	\$ -	\$ -	\$ -	\$ 43,586	\$ 45,970
Salaries & wages payable	-	-	-	-	-	-	-	2,107	1,922
Due to others	5,434	4,099	-	126,439	-	-	5,403	1,294,407	1,540,301
Total liabilities	\$ 14,028	\$ 10,753	\$ 2,105	\$ 126,439	\$ -	\$ -	\$ 5,403	\$ 1,340,100	\$ 1,588,193
NET ASSETS									
Held in trust for other purposes									
Total net assets									

City of Topeka, Kansas
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Year ended December 31, 2007

	Balance 31-Dec 2006	Additions	Deductions	Balance 31-Dec 2007
Alcohol and Drug Safety				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 276,849	\$ 40,622	\$ 53,176	\$ 264,295
Total Assets	<u>\$ 276,849</u>	<u>\$ 40,622</u>	<u>\$ 53,176</u>	<u>\$ 264,295</u>
LIABILITIES				
Accounts and contracts payable	\$ 1,569	\$ 7,160	\$ 6,307	\$ 716
Salaries & wages payable	1,922	17,055	17,240	2,107
Due to others	273,358	11,886		261,472
Total Liabilities	<u>\$ 276,849</u>	<u>\$ 36,101</u>	<u>\$ 23,547</u>	<u>\$ 264,295</u>
Court Bond				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 333,209	\$ 215,093	\$ 345,369	\$ 202,933
Total Assets	<u>\$ 333,209</u>	<u>\$ 215,093</u>	<u>\$ 345,369</u>	<u>\$ 202,933</u>
LIABILITIES				
Accounts and contracts payable	\$ 511	\$ 86,763	\$ 86,817	\$ 565
Due to others	332,698	181,355	51,025	202,368
Total Liabilities	<u>\$ 333,209</u>	<u>\$ 268,118</u>	<u>\$ 137,842</u>	<u>\$ 202,933</u>
Crime Prevention				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 89,855	\$ 48,533	\$ 113,744	\$ 24,644
Total Assets	<u>\$ 89,855</u>	<u>\$ 48,533</u>	<u>\$ 113,744</u>	<u>\$ 24,644</u>
LIABILITIES				
Accounts and contracts payable	\$ 386	\$ 113,314	\$ 120,919	\$ 7,991
Due to others	89,469	72,816		16,653
Total Liabilities	<u>\$ 89,855</u>	<u>\$ 186,130</u>	<u>\$ 120,919</u>	<u>\$ 24,644</u>
Fire Equipment Fund				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 200	\$ -	\$ 200	\$ -
Total Assets	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ -</u>
LIABILITIES				
Due to others	\$ 200	\$ 200	\$ -	\$ -
Total Liabilities	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

City of Topeka, Kansas
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Year ended December 31, 2007

	Balance 31-Dec 2006	Additions	Deductions	Balance 31-Dec 2007
Fire Insurance Proceeds				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 12,783	\$ 360,799	\$ 354,571	\$ 19,011
Total Assets	<u>\$ 12,783</u>	<u>\$ 360,799</u>	<u>\$ 354,571</u>	<u>\$ 19,011</u>
LIABILITIES				
Accounts and contracts payable	\$ -	\$ 351,871	\$ 359,575	\$ 7,704
Due to others	12,783	362,275	360,799	11,307
Total Liabilities	<u>\$ 12,783</u>	<u>\$ 714,146</u>	<u>\$ 720,374</u>	<u>\$ 19,011</u>
Judges Training				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 950	\$ 6,272	\$ 6,546	\$ 676
Total Assets	<u>\$ 950</u>	<u>\$ 6,272</u>	<u>\$ 6,546</u>	<u>\$ 676</u>
LIABILITIES				
Accounts and contracts payable	\$ 602	\$ 6,474	\$ 6,196	\$ 324
Due to others	348	6,227	6,231	352
Total Liabilities	<u>\$ 950</u>	<u>\$ 12,701</u>	<u>\$ 12,427</u>	<u>\$ 676</u>
Kansas Trauma Fund				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 745	\$ 1,762	\$ 1,872	\$ 635
Total Assets	<u>\$ 745</u>	<u>\$ 1,762</u>	<u>\$ 1,872</u>	<u>\$ 635</u>
LIABILITIES				
Accounts and contracts payable	\$ 156	\$ 1,833	\$ 1,730	\$ 53
Due to others	589	1,741	1,734	582
Total Liabilities	<u>\$ 745</u>	<u>\$ 3,574</u>	<u>\$ 3,464</u>	<u>\$ 635</u>
Law Enforcement Trust				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 708,949	\$ 321,660	\$ 361,431	\$ 669,178
Total Assets	<u>\$ 708,949</u>	<u>\$ 321,660</u>	<u>\$ 361,431</u>	<u>\$ 669,178</u>
LIABILITIES				
Accounts and contracts payable	\$ 12,281	\$ 343,218	\$ 339,817	\$ 8,880
Due to others	696,668	176,550	140,180	660,298
Total Liabilities	<u>\$ 708,949</u>	<u>\$ 519,768</u>	<u>\$ 479,997</u>	<u>\$ 669,178</u>

continued...

City of Topeka, Kansas
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Year ended December 31, 2007

	Balance 31-Dec 2006	Additions	Deductions	Balance 31-Dec 2007
Local Law Enforcement Training Center				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 18,586	\$ 153,184	\$ 157,742	\$ 14,028
Total Assets	<u>\$ 18,586</u>	<u>\$ 153,184</u>	<u>\$ 157,742</u>	<u>\$ 14,028</u>
LIABILITIES				
Accounts and contracts payable	\$ 13,138	\$ 156,261	\$ 151,717	\$ 8,594
Due to others	5,448	152,523	152,509	5,434
Total Liabilities	<u>\$ 18,586</u>	<u>\$ 308,784</u>	<u>\$ 304,226</u>	<u>\$ 14,028</u>
Motor Vehicle Reinstatement				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 13,111	\$ 144,615	\$ 146,973	\$ 10,753
Total Assets	<u>\$ 13,111</u>	<u>\$ 144,615</u>	<u>\$ 146,973</u>	<u>\$ 10,753</u>
LIABILITIES				
Accounts and contracts payable	\$ 9,044	\$ 145,988	\$ 143,598	\$ 6,654
Due to others	4,067	143,821	143,853	4,099
Total Liabilities	<u>\$ 13,111</u>	<u>\$ 289,809</u>	<u>\$ 287,451</u>	<u>\$ 10,753</u>
Payroll Clearing				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 8,283	\$ 27,845,339	\$ 27,851,607	\$ 2,015
Accounts receivable	-	1,748	1,658	90
Total Assets	<u>\$ 8,283</u>	<u>\$ 27,847,087</u>	<u>\$ 27,853,265</u>	<u>\$ 2,105</u>
LIABILITIES				
Accounts and contracts payable	\$ 8,283	\$ 28,769,786	\$ 28,763,608	\$ 2,105
Total Liabilities	<u>\$ 8,283</u>	<u>\$ 28,769,786</u>	<u>\$ 28,763,608</u>	<u>\$ 2,105</u>
Police Benefit				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 119,258	\$ 65,878	\$ 58,697	\$ 126,439
Total Assets	<u>\$ 119,258</u>	<u>\$ 65,878</u>	<u>\$ 58,697</u>	<u>\$ 126,439</u>
LIABILITIES				
Accounts and contracts payable	\$ -	\$ 57,922	\$ 57,922	\$ -
Due to others	119,258	-	7,181	126,439
Total Liabilities	<u>\$ 119,258</u>	<u>\$ 57,922</u>	<u>\$ 65,103</u>	<u>\$ 126,439</u>

continued...

City of Topeka, Kansas
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Year ended December 31, 2007

	Balance 31-Dec 2006	Additions	Deductions	Balance 31-Dec 2007
Softball Trust Fund				
ASSETS				
Cash and equity in Treasurer's Fund	\$ -	\$ 16,720	\$ 16,720	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 16,720</u>	<u>\$ 16,720</u>	<u>\$ -</u>
LIABILITIES				
Accounts and contracts payable	\$ -	\$ 16,720	\$ 16,720	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 16,720</u>	<u>\$ 16,720</u>	<u>\$ -</u>
Topeka Metropolitan Transit Authority				
ASSETS				
Cash and equity in Treasurer's Fund	\$ -	\$ 3,710,914	\$ 3,710,914	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 3,710,914</u>	<u>\$ 3,710,914</u>	<u>\$ -</u>
LIABILITIES				
Due to others	\$ -	\$ 3,710,914	\$ 3,710,914	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 3,710,914</u>	<u>\$ 3,710,914</u>	<u>\$ -</u>
Water Customer Round-UP				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 4,649	\$ 11,865	\$ 11,728	\$ 4,786
Accounts receivable	766	11,989	12,138	617
Total Assets	<u>\$ 5,415</u>	<u>\$ 23,854</u>	<u>\$ 23,866</u>	<u>\$ 5,403</u>
LIABILITIES				
Due to others	\$ 5,415	\$ 12	-	\$ 5,403
Total Liabilities	<u>\$ 5,415</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 5,403</u>
Total Agency Funds				
ASSETS				
Cash and equity in Treasurer's Fund	\$ 1,587,427	\$ 32,943,256	\$ 33,191,290	\$ 1,339,393
Accounts receivable	766	13,737	13,796	707
Total Assets	<u>\$ 1,588,193</u>	<u>\$ 32,956,993</u>	<u>\$ 33,205,086</u>	<u>\$ 1,340,100</u>
LIABILITIES				
Accounts and contracts payable	\$ 45,970	\$ 30,057,310	\$ 30,054,926	\$ 43,586
Salaries & wages payable	1,922	17,055	17,240	2,107
Due to others	1,540,301	4,820,320	4,574,426	1,294,407
Total Liabilities	<u>\$ 1,588,193</u>	<u>\$ 34,894,685</u>	<u>\$ 34,646,592</u>	<u>\$ 1,340,100</u>

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

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 40 - 42)
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, 2007

With comparative totals for December 31, 2006

	Public Parking Facilities	Public Golf Course	Totals	
			2007	2006
Assets				
Current assets:				
Cash and equity in Treasurer's Fund	\$ 2,070,723	\$ -	\$ 2,070,723	\$ 1,565,360
Receivables (net of allowance for uncollectibles):				
Accounts receivable	55,149	1,266	56,415	54,780
Prepaid costs	2,610	5,137	7,747	7,447
Due from other funds	6,529	-	6,529	32,421
Inventory	-	39,406	39,406	36,025
Total current assets	2,135,011	45,809	2,180,820	1,696,033
Non-current assets:				
Restricted assets:				
Cash and equity in Treasurer's Fund	371,569	-	371,569	3,427,552
Capital assets:				
Land and infrastructure	7,390,274	48,000	7,438,274	5,525,897
Depreciable buildings, property, and equipment, net depreciation	12,852,505	258,281	13,110,786	13,727,437
Other assets	16,311	-	16,311	-
Total non-current assets	20,630,659	306,281	20,936,940	22,680,886
Total assets	22,765,670	352,090	23,117,760	24,376,919
Liabilities				
Current liabilities:				
Accounts and contracts payable	50,254	3,079	53,333	588,021
Salaries & wages payable	36,439	3,092	39,531	40,620
Due to other funds	-	427,324	427,324	225,920
Due to others	90	-	90	90
Other	13,016	-	13,016	12,139
Total current liabilities	99,799	433,495	533,294	866,790
Non-current liabilities:				
Premium on issuance of bonds	(22,306)	-	(22,306)	(22,306)
Costs of issuance to be amortized	(119,834)	-	(119,834)	(117,161)
General obligation bonds payable	13,680,000	-	13,680,000	13,810,000
Accrued liabilities	32,189	7,248	39,437	38,169
Total non-current liabilities	13,570,049	7,248	13,577,297	13,708,702
Total liabilities	13,669,848	440,743	14,110,591	14,575,492
NET ASSETS				
Invested in capital assets, net of related	6,704,919	306,281	7,011,200	5,227,175
Restricted for capital projects	371,569	-	371,569	3,427,552
Unrestricted	2,019,334	(394,934)	1,624,400	1,146,700
Total net assets	\$ 9,095,822	\$ (88,653)	\$ 9,007,169	\$ 9,801,427

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, 2007
With comparative totals for December 31, 2006

	Public Parking Facilities	Public Golf Course	Totals	
			2007	2006
Operating revenues:				
Charges for services:				
Parking fees	\$ 2,513,838	\$ -	\$ 2,513,838	\$ 2,376,442
Meter fines	297,917	-	297,917	271,023
Green fees	-	611,603	611,603	649,429
Other	11,052	14,402	25,454	11,227
Total operating revenues	2,822,807	626,005	3,448,812	3,308,121
Operating expenses before depreciation and payments in lieu of taxes and debt service:				
Salaries, wages, and benefits	763,475	130,766	894,241	996,834
Purchased services	1,005,475	547,153	1,552,628	1,045,949
Commodities	63,265	106,919	170,184	219,418
Other	1,803	20,869	22,672	25,365
Total operating expenses before depreciation and payments in lieu of taxes and debt service	1,834,018	805,707	2,639,725	2,287,566
Operating income (loss) before depreciation and payments in lieu of taxes and debt service	988,789	(179,702)	809,087	1,020,555
Depreciation expense	618,350	43,524	661,874	705,323
Payments in lieu of debt service	400,000	-	400,000	499,402
Payments in lieu of taxes	179,562	4,500	184,062	192,000
Operating income (loss)	(209,123)	(227,726)	(436,849)	(376,170)
Other income (expense):				
Interest income	176,101	-	176,101	236,467
Interest expense	(534,560)	-	(534,560)	(307,008)
Gain on disposal of capital assets	500	550	1,050	4,596
Nonoperating revenues (expenses)	(357,959)	550	(357,409)	(65,945)
Change in net assets	(567,082)	(227,176)	(794,258)	(442,115)
Net assets beginning of year	9,662,904	138,523	9,801,427	10,243,542
Net assets end of year	\$ 9,095,822	\$ (88,653)	\$ 9,007,169	\$ 9,801,427

City of Topeka, Kansas
Combining Statement of Cash Flows
Non-major Enterprise Funds
For the Year Ended December 31, 2007
With comparative totals for December 31, 2006

	Public Parking Facilities	Public Golf Course	Totals	
			2007	2006
Cash flows from operating activities				
Receipts from customers and users	\$ 2,830,719	\$ 625,739	\$ 3,456,458	3,313,906
Payments to suppliers	(1,588,267)	(470,154)	(2,058,421)	(658,126)
Payments to employees	(763,475)	(130,766)	(894,241)	(996,834)
Payments for interfund services used	(579,562)	(4,500)	(584,062)	(691,402)
Other	(1,803)	(20,869)	(22,672)	(25,365)
Net cash provided (used) by operating activities	<u>(102,388)</u>	<u>(550)</u>	<u>(102,938)</u>	<u>942,179</u>
Cash flows from capital and related financing activities				
Payment of capital debt	-	-	-	(6,011,864)
Debt issuance cost	(2,673)	-	(2,673)	-
Payment of capital lease	-	-	-	(18,788)
Purchases of capital assets	-	-	-	(3,573,366)
Acquisition and construction of capital assets	(1,957,600)	-	(1,957,600)	-
Principal paid on capital debt	(130,000)	-	(130,000)	-
Interest paid on capital debt	(534,560)	-	(534,560)	(307,008)
Proceeds from capital debt	-	-	-	7,430,533
Proceeds from sales of capital assets	500	550	1,050	5,685
Net cash provided (used) by capital and related financing activities	<u>(2,624,333)</u>	<u>550</u>	<u>(2,623,783)</u>	<u>(2,474,808)</u>
Cash flows from investing activities				
Interest and dividends received	176,101	-	176,101	236,467
Net cash provided by investing activities	<u>176,101</u>	<u>-</u>	<u>176,101</u>	<u>236,467</u>
Net increase (decrease) in cash and cash equivalents	(2,550,620)	-	(2,550,620)	(1,296,162)
Cash and cash equivalents, beginning	4,992,912	-	4,992,912	6,289,074
Cash and cash equivalents, ending	<u>\$ 2,442,292</u>	<u>\$ -</u>	<u>\$ 2,442,292</u>	<u>\$ 4,992,912</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (209,123)	\$ (227,726)	\$ (436,849)	\$ (376,170)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	618,350	43,524	661,874	705,323
Changes in assets and liabilities:				
Accounts receivable	(17,980)	(266)	(18,246)	33,227
Due from other funds	25,892	-	25,892	(27,442)
Inventories	-	(3,381)	(3,381)	(3,492)
Accounts payable	(519,117)	(15,571)	(534,688)	549,998
Accrued liabilities	(410)	1,466	1,056	(45,725)
Due to other funds	-	201,404	201,404	106,460
Total adjustments	<u>106,735</u>	<u>227,176</u>	<u>333,911</u>	<u>1,318,349</u>
Net cash provided used by operating activities	<u>\$ (102,388)</u>	<u>\$ (550)</u>	<u>\$ (102,938)</u>	<u>\$ 942,179</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, 2007

With comparative totals for December 31, 2006

	Information Technology	Fleet Services	Combined Risk Management	Totals	
				2007	2006
Assets					
Current assets:					
Cash and equity in Treasurer's Fund	\$ 533,881	\$ 801,245	\$ 12,341,374	\$ 13,676,500	\$ 11,631,147
Prepaid costs	-	-	150,000	150,000	150,000
Due from other funds	-	-	30,544	30,544	30,747
Due from other governments	-	-	-	-	29
Inventory	4,588	59,559	-	64,147	90,269
Total current assets	<u>538,469</u>	<u>860,804</u>	<u>12,521,918</u>	<u>13,921,191</u>	<u>11,902,192</u>
Non-current assets:					
Capital assets:					
Depreciable buildings, property, and equipment, net of depreciation	926,158	181,176	-	1,107,334	1,629,571
Total non-current assets	<u>926,158</u>	<u>181,176</u>	<u>-</u>	<u>1,107,334</u>	<u>1,629,571</u>
Total assets	<u>1,464,627</u>	<u>1,041,980</u>	<u>12,521,918</u>	<u>15,028,525</u>	<u>13,531,763</u>
Liabilities					
Current liabilities:					
Accounts and contracts payable	71,658	141,915	391,383	604,956	324,330
Salaries & wages payable	45,354	65,049	9,066	119,469	106,363
Due to other funds	-	-	-	-	259,775
Estimated insurance claims	-	-	2,765,798	2,765,798	2,538,978
Other	125,843	-	-	125,843	131,251
Unearned Revenue	-	-	33,797	33,797	185,891
Total current liabilities	<u>242,855</u>	<u>206,964</u>	<u>3,200,044</u>	<u>3,649,863</u>	<u>3,546,588</u>
Non-current liabilities:					
Accrued liabilities	47,833	48,912	-	96,745	100,901
Other	489,444	-	-	489,444	615,287
Total non-current liabilities	<u>537,277</u>	<u>48,912</u>	<u>-</u>	<u>586,189</u>	<u>716,188</u>
Total liabilities	<u>780,132</u>	<u>255,876</u>	<u>3,200,044</u>	<u>4,236,052</u>	<u>4,262,776</u>
Net assets					
Invested in capital assets, net of related debt	310,871	181,176	-	492,047	883,033
Unrestricted	373,624	604,928	9,321,874	10,300,426	8,385,954
Total net assets	<u>\$ 684,495</u>	<u>\$ 786,104</u>	<u>\$ 9,321,874</u>	<u>\$ 10,792,473</u>	<u>\$ 9,268,987</u>

City of Topeka, Kansas
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2007
With comparative totals for December 31, 2006

	Information Technology	Fleet Services	Combined Risk Management	Totals	
				2007	2006
Operating revenues:					
Charges for services	\$ 3,552,505	\$ 1,370,677	\$ 10,693,389	\$ 15,616,571	\$ 15,130,509
Other	194,755	715	48,802	244,272	341,706
Total operating revenues	<u>3,747,260</u>	<u>1,371,392</u>	<u>10,742,191</u>	<u>15,860,843</u>	<u>15,472,215</u>
Operating expenses before depreciation:					
Salaries, wages, and benefits	988,585	1,058,640	55,341	2,102,566	2,075,268
Purchased services	1,693,811	157,801	2,630,998	4,482,610	4,445,577
Commodities	99,676	56,763	843	157,282	234,870
Insurance claims	-	-	7,191,179	7,191,179	7,091,427
Other payments	703	13,377	-	14,080	(651)
Total operating expenses before depreciation	<u>2,782,775</u>	<u>1,286,581</u>	<u>9,878,361</u>	<u>13,947,717</u>	<u>13,846,491</u>
Operating income before depreciation	964,485	84,811	863,830	1,913,126	1,625,724
Depreciation	474,036	67,741	-	541,777	622,410
Operating income (loss)	490,449	17,070	863,830	1,371,349	1,003,314
Interest income	-	-	641,819	641,819	218,313
Interest expense	(39,544)	-	-	(39,544)	(51,187)
Other income	-	-	49,862	49,862	-
Gain on disposal of capital assets	-	-	-	-	854
Total nonoperating income (expense) before transfers	450,905	17,070	1,555,511	2,023,486	1,171,294
Transfers out	-	-	(500,000)	(500,000)	-
Net income (loss)	450,905	17,070	1,055,511	1,523,486	1,171,294
Increase (decrease) in net assets	450,905	17,070	1,055,511	1,523,486	1,171,294
Total Net Assets Beginning of Year	233,590	769,034	8,266,363	9,268,987	8,097,693
Total Net Assets End of Year	<u>\$ 684,495</u>	<u>\$ 786,104</u>	<u>\$ 9,321,874</u>	<u>\$ 10,792,473</u>	<u>\$ 9,268,987</u>

City of Topeka, Kansas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2007
With comparative totals for December 31, 2006

	Information Technology	Fleet Services	Combined Risk Management	Totals	
				2007	2006
Cash flows from operating activities					
Receipts from customers and users	\$ 3,747,260	\$ 1,371,392	\$ 10,696,965	\$ 15,815,617	\$ 15,612,880
Receipts from interfund services provided	(259,775)	-	-	(259,775)	(465,769)
Payments to suppliers	(1,778,684)	(155,761)	(9,475,056)	(11,409,501)	(10,748,062)
Payments to employees	(988,585)	(1,058,640)	(55,341)	(2,102,566)	(2,075,268)
Payments for interfund services used	-	-	14,265	14,265	(18,513)
Other	-	29	35,800	35,829	(8,685)
Net cash provided by operating activities	<u>720,216</u>	<u>157,020</u>	<u>1,216,633</u>	<u>2,093,869</u>	<u>2,296,583</u>
Cash flows from non-capital financing activities					
Transfer to other funds	-	-	(500,000)	(500,000)	-
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Cash flows from capital and related financing activities					
Interest expense	(39,544)	-	-	(39,544)	(51,187)
Payment of capital lease	(131,251)	-	-	(131,251)	(474,022)
Purchases of capital assets	(15,540)	(4,000)	-	(19,540)	(189,489)
Proceeds from sales of capital assets	-	-	-	-	854
Net cash provided (used) by capital and related financing activities	<u>(186,335)</u>	<u>(4,000)</u>	<u>-</u>	<u>(190,335)</u>	<u>(713,844)</u>
Cash flows from investing activities					
Interest received	-	-	641,819	641,819	218,313
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>641,819</u>	<u>641,819</u>	<u>218,313</u>
Net increase (decrease) in cash and cash equivalents	533,881	153,020	1,358,452	2,045,353	1,801,052
Cash and cash equivalents, January 1	-	648,225	10,982,922	11,631,147	9,830,095
Cash and cash equivalents, December 31	<u>\$ 533,881</u>	<u>\$ 801,245</u>	<u>\$ 12,341,374</u>	<u>\$ 13,676,500</u>	<u>\$ 11,631,147</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	<u>\$ 490,449</u>	<u>\$ 17,070</u>	<u>\$ 863,830</u>	<u>\$ 1,371,349</u>	<u>\$ 1,003,314</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Other	-	-	49,862	49,862	-
Depreciation expense	474,036	67,741	-	541,777	622,410
Changes in assets and liabilities:					
Accounts receivable	-	-	(45,226)	(45,226)	-
Due from other funds	-	29	203	232	(27,198)
Inventories	-	26,122	-	26,122	(6,429)
Prepaid items	-	-	-	-	40,478
Accounts payable	16,378	39,325	654,390	710,093	973,246
Accrued liabilities	(872)	6,733	(200,000)	(194,139)	19,174
Due to other funds	(259,775)	-	-	(259,775)	(465,769)
Deferred Revenue	-	-	(106,426)	(106,426)	137,357
Total adjustments	<u>229,767</u>	<u>139,950</u>	<u>352,803</u>	<u>722,520</u>	<u>1,293,269</u>
Net cash provided by operating activities	<u>\$ 720,216</u>	<u>\$ 157,020</u>	<u>\$ 1,216,633</u>	<u>\$ 2,093,869</u>	<u>\$ 2,296,583</u>

City of Topeka, Kansas
Combining Statement of Net Assets
Risk Management Funds
December 31, 2007

With comparative totals for December 31, 2006

	Workers'		Vehicle		Employees		Risk		Totals	
	Compensation Self-Insurance	Physical Damage Self-Insurance	Health Insurance	Management Reserve	Unemployment Compensation	2007	2006			
Assets										
Current assets:										
Cash and equity in Treasurer's Fund	\$ 2,426,734	\$ 706,749	\$ 7,162,200	\$ 1,619,173	\$ 426,518	\$ 12,341,374	\$ 10,982,922			
Receivables (net of allowance for uncollectibles):										
Prepaid costs	-	-	150,000	-	-	150,000	150,000			
Due from other funds	6,660	-	19,509	4,375	-	30,544	30,747			
Total current assets	<u>2,433,394</u>	<u>706,749</u>	<u>7,331,709</u>	<u>1,623,548</u>	<u>426,518</u>	<u>12,521,918</u>	<u>11,163,669</u>			
Total assets	<u>2,433,394</u>	<u>706,749</u>	<u>7,331,709</u>	<u>1,623,548</u>	<u>426,518</u>	<u>12,521,918</u>	<u>11,163,669</u>			
Liabilities										
Current liabilities:										
Accounts and contracts payable	-	318,925	72,458	-	-	391,383	166,460			
Salaries & wages payable	9,066	-	-	-	-	9,066	5,977			
Estimated insurance claims	1,965,798	-	800,000	-	-	2,765,798	2,538,978			
Unearned Revenue	-	-	33,797	-	-	33,797	185,891			
Total current liabilities	<u>1,974,864</u>	<u>318,925</u>	<u>906,255</u>	<u>-</u>	<u>-</u>	<u>3,200,044</u>	<u>2,897,306</u>			
Total liabilities	<u>1,974,864</u>	<u>318,925</u>	<u>906,255</u>	<u>-</u>	<u>-</u>	<u>3,200,044</u>	<u>2,897,306</u>			
Net assets										
Unrestricted	458,530	387,824	6,425,454	1,623,548	426,518	9,321,874	8,266,363			
Total net assets	<u>\$ 458,530</u>	<u>\$ 387,824</u>	<u>\$ 6,425,454</u>	<u>\$ 1,623,548</u>	<u>\$ 426,518</u>	<u>\$ 9,321,874</u>	<u>\$ 8,266,363</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, 2007
With comparative totals for December 31, 2006

	Workers' Compensation Self-Insurance	Vehicle Physical Damage Self-Insurance	Employees Health Insurance	Risk Management Reserve	Unemployment Compensation	Totals
						2007
						2006
Operating revenues:						
Fees for service	\$ 1,234,890	\$ 33,487	\$ 9,311,018	\$ -	\$ 113,994	\$ 10,693,389
Miscellaneous	-	43,272	5,530	-	-	48,802
Total operating revenues	1,234,890	76,759	9,316,548	-	113,994	10,448,618
Operating expenses						
Personnel	55,341	-	-	-	-	55,341
Purchased services	1,670,840	27,750	921,408	-	11,000	2,630,998
Commodities	843	-	-	-	-	843
Insurance claims	470,425	1,489	6,650,422	-	68,843	7,191,179
Total operating expenses	2,197,449	29,239	7,571,830	-	79,843	9,878,361
Operating income (loss)	(962,559)	47,520	1,744,718	-	34,151	863,830
Nonoperating revenues						
Interest income	145,848	-	407,509	88,462	-	641,819
Other income	49,862	-	-	-	-	49,862
Total other income	195,710	-	407,509	88,462	-	691,681
Income (loss) before transfers	(766,849)	47,520	2,152,227	88,462	34,151	1,555,511
Transfers (out)	(500,000)	-	-	-	-	(500,000)
Change in net assets	(1,266,849)	47,520	2,152,227	88,462	34,151	1,055,511
Beginning net assets	1,725,379	340,304	4,273,227	1,535,086	392,367	7,595,213
Ending net assets	\$ 458,530	\$ 387,824	\$ 6,425,454	\$ 1,623,548	\$ 426,518	\$ 8,266,363

City of Topeka, Kansas
Combining Statement of Cash Flows
Risk Management Funds
For the Year Ended December 31, 2007
With comparative totals for December 31, 2006

	Workers' Compensation Self-Insurance	Vehicle Physical Damage Self-Insurance	Employees Health Insurance	Risk Management Reserve	Unemployment Compensation	Totals 2007	Totals 2006
Cash flows from operating activities							
Receipts from customers and users	\$ 1,234,890	\$ 76,759	\$ 9,271,322	\$ -	\$ 113,994	\$ 10,696,965	\$ 10,589,283
Payments to suppliers	(1,712,199)	149,021	(7,806,365)	-	(105,513)	(9,475,056)	(8,914,875)
Payments to employees	(55,341)	-	-	-	-	(55,341)	(51,759)
Payments for interfund services used	14,265	-	-	-	-	14,265	(18,513)
Other	49,862	-	(19,509)	5,447	-	35,800	(8,685)
Net cash provided (used) by operating activities	(468,523)	225,780	1,445,448	5,447	8,481	1,216,633	1,595,451
Cash flows from non-capital financing activities							
Transfer to other funds	(500,000)	-	-	-	-	(500,000)	-
Net cash provided by non-capital financing activities	(500,000)	-	-	-	-	(500,000)	-
Cash flows from investing activities							
Interest and dividends received	145,848	-	407,509	88,462	-	641,819	218,313
Net cash provided by investing activities	145,848	-	407,509	88,462	-	641,819	218,313
Net increase (decrease) in cash and cash equivalents	(822,675)	225,780	1,852,957	93,909	8,481	1,358,452	1,813,764
Cash and cash equivalents, January 1	3,249,409	480,969	5,309,243	1,525,264	418,037	10,982,922	9,169,158
Cash and cash equivalents, December 31	\$ 2,426,734	\$ 706,749	\$ 7,162,200	\$ 1,619,173	\$ 426,518	\$ 12,341,374	\$ 10,982,922
Reconciliation of operating income to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (962,559)	\$ 47,520	\$ 1,744,718	\$ -	\$ 34,151	\$ 863,830	452,837
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Other	49,862	-	-	-	-	49,862	-
Changes in assets and liabilities:							
Accounts receivable	-	-	(45,226)	-	-	(45,226)	-
Due from (to) other funds	14,265	-	(19,509)	5,447	-	203	(27,198)
Accounts payable	429,909	318,483	(68,332)	-	(25,670)	654,390	1,032,455
Accrued liabilities	-	-	(200,000)	-	-	(200,000)	-
Deferred Revenue	-	(140,223)	33,797	-	-	(106,426)	137,357
Total adjustments	494,036	178,260	(299,270)	5,447	(25,670)	352,803	1,142,614
Net cash provided (used) by operating activities	\$ (468,523)	\$ 225,780	\$ 1,445,448	\$ 5,447	\$ 8,481	\$ 1,216,633	\$ 1,595,451

City of Topeka, Kansas
Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2007

With comparative totals for December 31, 2006

	2007	2006
Governmental funds capital assets by category:		
Land	\$ 6,319,861	\$ 6,319,861
Buildings, Improvements, Infrastructure	878,684,062	871,365,507
Furniture and Fixtures	2,579,852	2,585,557
Vehicles	17,537,702	17,438,990
Machinery and Equipment	7,356,600	6,639,832
Construction in Progress	95,497,014	64,592,299
Total governmental funds capital assets	\$ 1,007,975,091	\$ 968,942,046
 Investments in governmental funds capital assets by source:		
General fund	\$ 880,260,461	\$ 872,246,652
Special revenue funds	32,217,616	32,103,095
Capital projects funds	95,497,014	64,592,299
Total governmental funds capital assets	\$ 1,007,975,091	\$ 968,942,046

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, 2007
With comparative totals for December 31, 2006

	Land	Buildings and Improvements	Furniture and Fixtures	Motor Vehicles	Tools and Equipment	Construction in Process	Totals	
							2007	2006
Function and activity								
General Government:								
City Council	\$ -	\$ -	\$ 3,983	\$ -	\$ -	\$ -	\$ 3,983	\$ 3,983
Mayor/CAO	3,087,998	2,135,111	94,162	-	6,791	22,894,110	28,218,172	37,933,277
Legal Services	-	64,865	33,968	-	2,550	-	101,383	101,383
Administrative and Financial Services	-	-	751,875	-	-	-	751,875	786,045
Human resources	-	-	35,312	-	-	-	35,312	35,312
Municipal court	-	75,094	118,426	27,868	-	-	221,388	221,388
Total General Government	3,087,998	2,275,070	1,037,726	27,868	9,341	22,894,110	29,332,113	39,081,388
Public Safety:								
Police	446,152	15,160,922	617,252	5,241,890	269,404	126,141	21,861,761	22,266,792
Fire	53,136	5,050,435	453,056	6,951,537	1,658,248	33,309	14,199,721	13,843,898
Total Public Safety	499,288	20,211,357	1,070,308	12,193,427	1,927,652	159,450	36,061,482	36,110,690
Public Works:								
Administration	-	18,437,160	168,601	300,594	173,962	189,491	19,269,808	6,998,206
Engineering	-	44,140	57,212	332,086	125,362	-	558,800	604,186
Building inspection	-	-	21,343	216,465	-	-	237,808	234,161
Trafficways	-	696,046,296	74,429	312,942	333,340	6,728,916	703,495,923	694,785,638
Transportation	88,985	1,424,014	29,052	2,506,481	2,696,293	24,708,845	31,453,670	24,292,501
Bridges	-	114,531,669	-	-	-	35,234,734	149,766,403	132,257,192
Total Public Works	88,985	830,483,279	350,637	3,668,568	3,328,957	66,861,986	904,782,412	859,171,884
Parks and Recreation:								
Parks	2,643,590	25,085,547	93,374	1,610,219	1,929,549	4,887,078	36,249,357	32,978,818
Recreation	-	628,809	27,807	37,620	161,101	694,390	1,549,727	1,599,266
Total Parks and Recreation	2,643,590	25,714,356	121,181	1,647,839	2,090,650	5,581,468	37,799,084	34,578,084
Total governmental funds capital assets	\$ 6,319,861	\$ 878,684,062	\$ 2,579,852	\$ 17,537,702	\$ 7,356,600	\$ 95,497,014	\$ 1,007,975,091	\$ 968,942,046

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, 2007

Function and activity	Governmental Fund Capital Assets 12/31/06	Additions	Deductions	Governmental Fund Capital Assets 12/31/07
General Government:				
City Council	\$ 3,983	\$ -	\$ -	\$ 3,983
Mayor/CAO	16,315,487	-	10,991,425	5,324,062
Legal Services	101,383	-	-	101,383
Administrative and Financial Services	786,045	-	34,170	751,875
Human resources	35,312	-	-	35,312
Municipal court	221,388	-	-	221,388
Total General Government	<u>17,463,598</u>	<u>-</u>	<u>11,025,595</u>	<u>6,438,003</u>
Public Safety:				
Police	21,530,991	728,317	523,688	21,735,620
Fire	13,834,593	488,480	156,661	14,166,412
Total Public Safety	<u>35,365,584</u>	<u>1,216,797</u>	<u>680,349</u>	<u>35,902,032</u>
Public Works:				
Administration	6,818,451	12,289,729	27,863	19,080,317
Engineering	604,186	12,757	58,143	558,800
Building inspection	234,161	14,113	10,466	237,808
Trafficways	690,780,654	5,986,353	-	696,767,007
Transportation	6,448,349	474,281	177,805	6,744,825
Bridges	114,531,669	-	-	114,531,669
Total Public Works	<u>819,417,470</u>	<u>18,777,233</u>	<u>274,277</u>	<u>837,920,426</u>
Parks and Recreation:				
Parks	31,247,758	208,356	93,835	31,362,279
Recreation	855,337	-	-	855,337
Total Parks and Recreation	<u>32,103,095</u>	<u>208,356</u>	<u>93,835</u>	<u>32,217,616</u>
Governmental funds capital assets				
excluding construction in process	904,349,747	20,202,386	12,074,056	912,478,077
Governmental funds				
construction in process	<u>64,592,299</u>	<u>39,490,230</u>	<u>8,585,515</u>	<u>95,497,014</u>
Total governmental funds capital assets	<u>\$968,942,046</u>	<u>\$ 59,692,616</u>	<u>\$20,659,571</u>	<u>\$ 1,007,975,091</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.	124
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	130
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.	133
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.	143
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	145

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

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

	2002	2003	2004	2005	2006	2007
	Fiscal Year					
Governmental Activities						
Invested in capital assets, net of related debt	\$ 371,387,011	\$ 347,949,488	\$ 315,869,831	\$ 295,663,965	\$ 262,873,235	\$ 272,511,890
Restricted for debt service	1,612,599	1,756,004	1,202,328	2,812,438	4,436,969	5,320,200
Restricted for capital projects	-	-	-	-	40,853	1,014,474
Unrestricted	23,904,371	23,775,707	28,186,126	36,295,195	56,982,355	30,416,974
Total Governmental Activities Net Assets	396,903,981	373,481,199	345,258,285	334,771,598	324,333,412	309,263,538
Business-Type Activities						
Invested in capital assets, net of related debt	162,220,121	172,063,436	141,159,915	139,930,303	145,623,138	145,198,301
Restricted for debt service	4,661,853	4,661,853	7,613,165	8,630,840	8,290,825	8,398,593
Restricted for capital projects	1,500,000	1,500,000	1,500,000	1,500,000	15,845,404	11,276,138
Restricted for sinking funds	2,550,638	3,009,686	2,760,998	2,879,242	2,388,983	3,056,448
Restricted for deposits	472,846	472,046	472,393	467,588	524,529	569,686
Unrestricted	16,963,315	7,924,181	36,322,814	38,636,904	20,007,794	25,177,691
Total Business-Type Activities Net Assets	188,368,773	189,631,202	189,829,285	192,044,877	192,680,673	193,676,857
Primary Government						
Invested in capital assets, net of related debt	533,607,132	520,012,924	457,029,746	435,594,268	408,496,373	417,710,191
Restricted	10,797,936	11,399,589	13,548,884	16,290,108	31,527,563	29,635,539
Unrestricted	40,867,686	31,699,888	64,508,940	74,932,099	76,990,149	55,594,665
Total Primary Government Net Assets	\$ 585,272,754	\$ 563,112,401	\$ 535,087,570	\$ 526,816,475	\$ 517,014,085	\$ 502,940,395

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Expenses						
Governmental Activities:						
General Government	\$ 12,149,931	\$ 16,059,375	\$ 13,058,303	\$ 15,478,671	\$ 11,586,215	\$ 14,341,948
Public Safety	41,093,527	42,357,922	44,851,230	44,301,857	46,180,001	50,236,176
Public Works	42,230,107	40,349,669	40,509,135	43,308,612	43,453,681	42,801,152
Metropolitan Planning	-	-	-	-	852,604	997,806
Miscellaneous	2,675,531	1,078,991	13,686,232	602,031	1,137,603	436,371
Parks and Recreation	9,636,719	10,273,609	11,139,756	11,730,162	12,048,277	12,526,539
Public Housing	4,267,288	3,813,103	3,902,156	4,044,289	3,515,342	4,864,393
Social Services	984,714	668,354	697,203	664,335	758,097	778,614
Capital Leases						281,232
Interest	4,996,178	5,050,028	5,005,900	5,161,643	7,014,492	7,738,193
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>	<u>135,002,424</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	52,085,653
Public Parking	2,892,977	3,273,200	3,616,803	3,291,919	3,198,078	3,566,490
Public Golf Course	825,052	897,809	804,042	790,552	793,221	853,731
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>	<u>56,505,874</u>
Total Primary Government Expenses	<u><u>159,354,444</u></u>	<u><u>163,462,568</u></u>	<u><u>180,733,337</u></u>	<u><u>175,392,563</u></u>	<u><u>180,242,110</u></u>	<u><u>191,508,298</u></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	11,130,288
Public Safety	109,096	113,169	765,400	153,671	365,736	385,906
Public Works	2,258,205	2,720,868	3,639,149	3,363,923	2,365,324	2,297,648
Miscellaneous	241,068	145,301	208,456	107,600	202,150	5,727
Parks and Recreation	1,934,611	2,025,330	2,309,285	2,393,364	2,300,624	2,592,634
Public Housing						48,551
Operating Grants and Contributions	12,614,896	7,851,537	7,245,247	9,009,008	11,427,462	7,697,626
Capital Grants and Contributions	2,010,122	5,784,892	3,140,374	2,316,994	5,555,889	1,503,751
Total Gov. 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>	<u>25,662,131</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	51,209,242
Public Parking	2,823,329	2,847,252	2,736,464	2,695,983	2,655,614	2,822,807
Public Golf Course	828,181	802,887	647,178	644,859	652,507	626,005
Concessions	181,373	204,931	-	-	-	-
Operating Grants and Contributions	33,000	-	-	20,000	-	-
Capital Grants and Contributions	1,329,042	-	-	-	70,061	456,116
Total Business-Type Act. 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>	<u>55,114,170</u>
Total Primary Government Program Revenues	<u><u>\$ 67,311,068</u></u>	<u><u>\$ 68,419,214</u></u>	<u><u>\$ 72,140,616</u></u>	<u><u>\$ 75,181,869</u></u>	<u><u>\$ 75,935,209</u></u>	<u><u>\$ 80,776,301</u></u>

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continued...

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
<i>...continued</i>						
Net (Expense) Revenue						
Governmental Activities	\$ (95,428,640)	\$ (96,167,234)	\$ (107,512,938)	\$ (100,761,583)	\$ (102,603,597)	\$ (109,340,293)
Business-Type Activities:	3,385,264	1,123,880	(1,079,783)	550,889	(1,703,304)	(1,391,704)
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>	<u>\$ (110,731,997)</u>
General revenues:						
Governmental Activities:						
Taxes						
Property taxes	\$ 33,683,841	\$ 35,368,108	\$ 37,551,521	\$ 38,621,393	\$ 37,393,649	\$ 39,142,343
Sales taxes	27,393,994	23,532,671	27,195,771	33,697,145	35,075,497	35,080,416
Franchise taxes	5,986,826	5,904,563	6,938,644	10,057,929	10,757,159	11,482,483
Motor fuel taxes	5,697,432	4,873,724	4,976,669	5,123,815	5,379,423	5,194,698
Alcoholic beverage taxes	1,220,592	1,260,704	1,237,716	1,292,445	1,468,050	1,441,932
Transient guest taxes	1,276,153	1,458,615	1,789,703	1,612,169	1,766,633	1,913,492
Grants/contrib 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>	<u>94,255,364</u>
Business-Type Activities						
Unrestricted investment earnings	820,012	484,616	863,868	1,526,703	2,876,773	1,944,408
Gain (loss) on sale of capital assets	150,416	-	13,998	8,000	(212,673)	443,480
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>	<u>2,387,888</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>	<u>\$ 96,643,252</u>
Change in Net Assets						
Governmental Activities:	\$ (16,000,807)	\$ (23,422,782)	\$ (28,222,914)	\$ (10,486,687)	\$ (10,438,186)	\$ (15,084,929)
Business-Type Activities	2,355,692	1,262,429	198,083	2,215,592	635,796	996,184
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>	<u>\$ (14,088,745)</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

Two fiduciary funds were converted to special revenue funds in 2007.

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

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

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

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Revenues:						
Taxes and assessments	\$ 64,342,266	\$ 62,045,216	\$ 68,634,320	\$ 75,806,083	\$ 75,653,375	77,663,208
Licenses and permits	7,220,562	7,167,543	8,566,896	11,682,029	12,393,096	13,093,705
Intergovernmental	16,695,475	15,129,905	13,834,393	13,485,071	12,448,639	14,895,471
Fees for service	5,682,954	6,139,352	8,593,706	7,697,417	7,530,038	7,710,858
Investment income	916,562	481,801	550,925	494,401	1,930,675	1,324,487
Fines and forfeitures	2,810,433	2,605,243	2,945,019	3,006,858	3,067,462	2,355,577
Rents and interest	647	98,640	103,851	-	3,952	12,071
Other	1,462,123	1,972,268	1,730,312	2,246,069	1,830,075	1,920,956
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>	<u>118,976,333</u>
Expenditures:						
Current:						
General government	13,862,851	14,336,221	14,491,502	16,107,096	16,461,418	15,980,267
Public safety	40,776,542	41,073,164	43,470,025	42,872,366	44,636,855	47,763,234
Public works	13,929,884	13,029,386	13,339,505	16,319,117	16,905,882	16,564,361
Metropolitan Planning	-	-	-	-	852,604	997,806
Miscellaneous	2,706,328	1,078,991	13,686,232	602,031	536,830	(28,610)
Parks and recreation	9,254,347	9,739,990	10,328,095	10,764,049	10,934,118	11,302,320
Public housing	4,267,288	3,813,103	3,902,156	4,044,289	3,515,342	4,864,393
Social services	984,714	668,354	697,203	664,335	758,097	778,614
Construction	3,903,533	12,087,729	7,158,585	17,590,173	30,654,057	34,415,024
Engineering and others	2,505,394	5,029,601	4,374,173	7,460,891	5,041,172	4,588,189
Capital leases	-	-	82,041	-	-	-
Underwriter's discount on bonds	-	-	332,250	-	-	-
Other costs of bond issuance	-	-	122,254	-	2,800	148,195
Debt service:						
Principal retirement	7,205,000	7,365,000	6,160,000	9,850,000	10,095,000	26,845,000
Interest	5,147,811	5,099,041	4,974,054	4,803,074	6,673,762	7,638,762
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>	<u>171,857,555</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>	<u>(52,881,222)</u>
Other financing sources (uses):						
Proceeds of general obligation bonds	-	42,335,000	59,385,000	20,115,000	60,540,000	29,220,000
Original issue premium on bonds	-	277,033	684,114	226,193	618,618	(10,445)
Original issue discount on bonds	-	-	(138,195)	-	-	73,663
Defeasance of bonds	-	(30,300,000)	(38,130,000)	-	-	-
Redemption premium on defeased bonds	-	(520,956)	(379,200)	-	-	(104,738)
Transfers in	4,777,124	3,408,289	2,186,745	3,356,680	10,476,733	8,829,459
Transfers out	(3,709,668)	(3,062,222)	(2,609,501)	(3,492,247)	(10,406,930)	(8,329,459)
Capital leases	-	-	82,041	-	-	-
Sale of property	64,754	63,561	420,852	130,619	661,843	97,723
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>	<u>29,776,203</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>	<u>\$ (23,105,019)</u>
Debt service as a percentage of noncapital expenditures	12.59%	12.96%	9.98%	13.82%	15.06%	25.96%

See breakdown of taxes and assessments on page 129.

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

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

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

Fiscal Year	Property Tax	Auto Ad Valorem	Sales Tax	Transient Guest Tax	Payments in Lieu of Taxes	Special Assessments	Total
2002	25,680,271	3,245,558	27,393,994	1,276,153	4,843,557	1,902,733	64,342,266
2003	27,242,985	3,297,687	23,532,671	1,458,615	4,925,748	1,587,510	62,045,216
2004	28,501,243	3,679,898	27,470,539	1,789,703	5,424,022	1,768,915	68,634,320
2005	29,392,422	3,509,857	33,697,144	1,612,169	5,671,862	1,922,629	75,806,083
2006	28,595,710	3,458,719	35,075,497	1,766,633	5,339,220	1,417,596	75,653,375
2007	29,989,259	3,343,126	35,080,416	1,913,492	5,737,447	1,599,468	77,663,208
Change 2002-2007	16.8%	3.0%	28.1%	49.9%	18.5%	-15.9%	20.7%

**

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

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
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%
2007	857,081,725	96,052,967	114,535,722	90,217,874	1,157,888,288	30.747	7,054,496,697	16.41%

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
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%
2007	30,513,054	29,650,545	97.17%	338,716	29,989,261	98.28%

(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	
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
2008	11.944	12.598	5.388	2.527	32.457	1.500	41.662	53.423	3.315	13.272	145.629

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	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Westar Energy***	72,708,121	1	6.28%	50,174,492	1	6.29%
Southwestern Bell/Utility***	24,661,525	2	2.13%	32,477,194	2	4.07%
Target Distribution	18,062,371	3	1.56%	-	-	-
Burlington Northern/Santa Fe/Utility***	16,656,066	4	1.44%	6,891,876	6	0.86%
Kansas Gas Service/Utility***	10,313,048	5	0.89%	5,999,371	8	0.75%
Westridge Mall LLC/Retail (Simon Property Group)	9,775,001	6	0.84%	12,404,653	3	1.55%
Frito Lay/Manufacturing	7,695,508	7	0.66%	7,316,840	5	0.92%
Walmart Properties/Hypermart/Retail	7,605,855	8	0.66%	6,823,356	7	0.85%
*John Q Hammons Hotels	4,806,091	9	0.42%	-	-	-
Hallmark Cards/Manufacturing	4,645,616	10	0.40%	5,098,843	9	0.64%
Payless Shoe Source(Collective Brands)/Mftg	-	-	-	4,790,997	10	0.60%
Blue Cross/Blue Shield/Ks Hospital Serv/Insurance**	-	-	-	10,020,544	4	1.26%
Total	\$ 176,929,202		15.28%	\$ 141,998,166		17.80%
Total Assessed Value	\$ 1,157,888,288			\$ 798,159,738		

Source: Shawnee County Clerk 2007 tax roll

*Included in the NRA

**Includes IRB - Blue Cross/Blue Shield issued IRB on new building, lowering taxable assessed value.

***State Assessed

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

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Temporary Notes	Other Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds	Temporary Notes	Department of Health & Environment Loans	Capital Leases				
										Department of Health & Environment Loans			
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	10,572,369	46,870,000	746,539	13,810,000	113,800,000	897,631	93,678,715	-	415,955,254	5.60%	3,406	
2007	140,160,000	6,379,336	44,665,000	896,518	13,680,000	119,140,000	2,820,664	93,762,685	-	421,504,203	5.39%	3,418	

Note: Information regarding other bonds issued, for example tax increment or special revenue bonds, but backed by the full faith and credit of the City have been added. The temporary notes have been left in due to the anticipation of them becoming long term debt in the following year. The Governmental General Obligation bonds include bonds issued for special improvement districts also. Details regarding the City's outstanding debt can be found in the notes on pages 62 - 65 and in the statistical section on pages 134 - 141. See page 143 for personal income and population data.

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

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	General Obligation Bonds			
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%	1,223.38
2007	140,160,000	13,680,000	153,840,000	2.18%	1,247.34

Note: Details regarding the city's outstanding debt can be found on pages 133 and 136 - 141

See page 130 for property value data, and population data can be found on page 143

Note: 2006 Per capita changed due to update in personal income figures on Demographic and Economic Statistics on page 143

City of Topeka, Kansas
Direct and Overlapping Governmental Activities Debt
As of December 31, 2007

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Shawnee County	\$ 59,985,000	70.84%	\$ 42,493,374
Unified School District No. 345	21,020,000	29.39%	6,177,778
Unified School District No. 437	17,175,000	62.68%	10,765,290
Unified School District No. 450	25,845,000	22.16%	5,727,252
Unified School District No. 501	49,175,000	100.00%	49,175,000
Washburn University	30,270,000	100.00%	30,270,000
Topeka Shawnee Co. Library	<u>18,020,000</u>	70.84%	<u>12,765,368</u>
	221,490,000		157,374,062
Direct debt, City of Topeka:			
General obligation bonds	153,840,000		153,840,000
Temporary notes	9,200,000		9,200,000
Capital leases	<u>896,518</u>		<u>896,518</u>
Total direct and overlapping debt	<u><u>\$ 385,426,518</u></u>		<u><u>\$ 321,310,580</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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	\$ 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	347,366,486
Total net debt applicable to limit	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	85,780,252
Legal debt margin	<u>\$ 32,141,560</u>	<u>\$ 141,389,324</u>	<u>\$ 154,514,917</u>	<u>\$ 162,671,092</u>	<u>\$ 175,228,334</u>	<u>\$ 178,707,180</u>	<u>\$ 192,715,433</u>	<u>\$ 172,508,672</u>	<u>\$ 267,567,703</u>	<u>\$ 261,586,234</u>
Total net debt applicable to the limit as a percentage of debt limit	77.83%	43.93%	41.75%	42.17%	39.21%	40.34%	42.55%	47.44%	21.85%	24.69%

As permitted by Kansas statutes, for 2007 the City has excluded certain types of debt from this computation as follows:

\$ 67,130,000	K.S.A. 10-427a
2,872,611	K.S.A. 10-309
28,420,000	K.S.A. 12-195(8)
16,245,000	K.S.A. 12-1774
<u>Total excluded in 2007</u>	<u>\$ 114,667,611</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 2007

Total assessed value	<u>\$ 1,157,888,288</u>
Debt limit (30% of total assessed value)	<u>347,366,486</u>
Debt applicable to limit:	
General obligation bonds	93,037,390
Less: Amount set aside for repayment of general obligation debt	(7,257,138)
Total net debt applicable to limit	<u>85,780,252</u>
Legal debt margin	<u>\$ 261,586,234</u>

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

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

Water and Water Pollution Control KDHE Revolving Loans

Fiscal Year	Gross Revenues ⁴	Less: Expenses ¹	Net Available Revenue	Debt Service on KDHE Loans (Next Fiscal Year)		Debt Service on Revenue Bonds (Next Fiscal Year)		KDHE Loan Coverage ³
				Principal	Interest	Principal	Interest	
1998	34,493,897	23,274,533	11,219,364	1,382,596	1,018,496	320,000	2,419,019	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
2000	36,864,259	21,972,611	14,891,648	2,269,953	1,060,178	725,000	2,033,485	2.45
2001	34,378,085	24,052,622	10,325,463	2,346,908	988,661	1,190,000	2,920,130	1.39
2002	37,397,613	26,852,463	10,545,150	2,336,290	1,049,072	1,230,000	3,321,653	1.33
2003	41,536,887	27,127,247	14,409,640	3,517,054	2,048,195	1,280,000	3,262,553	1.43
2004	44,595,860	29,972,512	14,623,348	3,638,050	1,936,067	1,390,000	4,907,439	1.23
2005	49,032,060	31,616,570	17,415,490	4,985,751	2,643,644	1,905,000	5,387,707	1.17
2006	51,324,679	32,890,029	18,434,650	5,551,824	2,863,855	2,010,000	4,656,037	1.22
2007	53,433,665	33,190,749	20,242,916	6,033,276	2,930,765	1,885,000	5,568,118	1.23

Water, Water Pollution Control and Stormwater Revenue Bonds

Fiscal Year	Gross Revenues ⁴	Less: Expenses ²	Net Available Revenue	Debt Service on Revenue Bonds (Next Fiscal Year)		Revenue Bond Coverage ³
				Principal	Interest	
1998	34,493,897	22,578,524	11,915,373	320,000	2,419,019	4.35
1999	35,016,991	20,626,633	14,390,358	695,000	2,061,285	5.22
2000	36,864,259	21,044,759	15,819,500	725,000	2,033,485	5.73
2001	34,378,085	24,124,446	10,253,639	1,190,000	2,920,130	2.49
2002	37,397,613	26,847,219	10,550,394	1,230,000	3,321,653	2.32
2003	41,536,887	27,094,743	14,442,144	1,280,000	3,262,553	3.18
2004	44,595,860	31,217,897	13,377,963	1,390,000	4,907,439	2.12
2005	49,032,060	32,388,584	16,643,476	1,905,000	5,387,707	2.28
2006	51,324,679	36,001,171	15,323,508	2,010,000	4,656,037	2.30
2007	53,433,665	36,884,842	16,548,823	1,885,000	5,568,118	2.22

Note: Details regarding the city's outstanding debt can be found in the notes on pages 62 - 65.

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

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

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

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

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

In 2008, a work in process adjustment of \$4,157,605 for the City Water Department was discovered. The write off will increase expenses. See page 66 of the notes for more information

City of Topeka, Kansas
Schedule of Bonded Indebtedness by Category
December 31, 2007

Bond Series	Interest rates	Issue Date	Final maturity	Original Principal Amount	Principal Outstanding 01/01/2007	Issued	Retired	Refunded	Principal Outstanding 12/31/2007
General obligation bonds (A)									
Building Improvements									
2001A	4.05%-5.00%	03/01/01	08/15/21	6,240,000	6,240,000	-	130,000	-	6,110,000
2001B	4.00%-5.10%	08/01/01	08/01/21	7,595,000	5,600,000	-	400,000	4,400,000	800,000
2003A	1.80%-4.125%	03/01/03	08/15/17	523,019	410,519	-	40,500	-	370,019
2003B	2.375%-5.00%	08/14/03	08/15/18	7,090,315	6,076,645	-	1,036,713	-	5,039,932
2003C	2.70%-5.50%	11/24/03	08/15/23	4,331,205	3,914,483	-	169,776	-	3,744,707
2004B	3.10%-4.25%	10/07/04	08/15/20	9,388,630	8,235,390	-	550,680	-	7,684,710
2004C	3.10%-5.00%	11/23/04	08/15/24	118,531	108,703	-	4,396	-	104,307
2005A	3.30%-5.50%	02/17/05	08/15/25	5,635,000	5,430,000	-	210,000	-	5,220,000
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	4,610,000	-	455,000	-	4,155,000
2006A	4.00%-4.25%	11/28/06	08/15/26	13,670,000	1,430,117	-	63,293	-	1,366,824
2006B	4.00%-4.375	11/28/06	08/15/36	7,570,000	7,570,000	-	-	-	7,570,000
2007A	3.50% - 4.25%	02/28/07	08/15/21	4,453,563	-	4,453,563	17,329	-	4,436,234
2007D	4.00% - 4.50%	11/28/07	08/15/27	1,369,871	-	1,369,872	-	-	1,369,872
				74,183,083	50,753,806	5,823,435	3,077,687	4,400,000	49,099,554
Drainage Improvements									
2001B	4.00%-5.10%	08/01/01	08/01/21	900,000	545,000	-	75,000	310,000	160,000
2007A	3.50% - 4.25%	02/28/07	08/15/21	313,773	-	313,773	1,221	-	312,552
				1,213,773	545,000	313,773	76,221	310,000	472,552
Sanitary and Storm Sewer									
2001B	4.00%-5.10%	08/01/01	08/01/21	850,000	520,000	-	80,000	260,000	180,000
2003A	1.80%-4.125%	03/01/03	08/15/17	161,037	125,537	-	17,357	-	108,180
2003B	2.375%-5.00%	08/14/03	08/15/18	1,502,500	480,068	-	419,906	-	60,162
2003C	2.70%-5.50%	11/24/03	08/15/23	68,895	62,266	-	2,701	-	59,565
2004C	3.10%-5.00%	11/23/04	08/15/24	216,295	198,362	-	8,023	-	190,339
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	-	30,768	-	664,441
2007A	3.50% - 4.25%	02/28/07	08/15/21	263,165	-	263,165	1,024	-	262,141
2007D	4.00% - 4.50%	11/28/07	08/15/27	400,077	-	400,077	-	-	400,077
				4,632,332	2,556,596	663,242	559,779	260,000	2,400,059
Street Improvements									
2001B	4.00%-5.10%	08/01/01	08/01/21	1,981,500	1,255,000	-	170,000	685,000	400,000
2003A	1.80%-4.125%	03/01/03	08/15/17	1,167,529	830,279	-	115,714	-	714,565
2003B	2.375%-5.00%	08/14/03	08/15/18	793,050	262,488	-	86,802	-	175,686
2003C	2.70%-5.50%	11/24/03	08/15/23	890,554	804,870	-	34,906	-	769,964
2004B	3.10%-4.25%	10/07/04	08/15/20	2,264,270	1,110,890	-	213,840	-	897,050
2004C	3.10%-5.00%	11/23/04	08/15/24	560,307	513,853	-	20,782	-	493,071
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	-	172,922	-	3,734,256
2007A	3.50% - 4.25%	02/28/07	08/15/21	693,340	-	693,340	2,698	-	690,642
2007D	4.00% - 4.50%	11/28/07	08/15/27	10,643,834	-	10,643,834	-	-	10,643,834
				26,366,281	12,149,277	11,337,174	817,664	685,000	21,983,787
Trafficway Improvements									
2001B	4.00%-5.10%	08/01/01	08/01/21	16,428,500	9,375,000	-	615,000	7,315,000	1,445,000
2003A	1.80%-4.125%	03/01/03	08/15/17	3,598,403	3,148,403	-	179,358	-	2,969,045
2003B	2.375%-5.00%	08/14/03	08/15/18	14,633,860	10,998,055	-	1,388,835	-	9,609,220
2003C	2.70%-5.50%	11/24/03	08/15/23	4,820,346	4,356,562	-	188,951	-	4,167,611
2004B	3.10%-4.25%	10/07/04	08/15/20	21,002,980	18,334,721	-	1,572,481	-	16,762,240
2004C	3.10%-5.00%	11/23/04	08/15/24	1,546,660	1,418,428	-	57,367	-	1,361,061
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	-	141,318	-	3,051,776
2007A	3.50% - 4.25%	02/28/07	08/15/21	7,404,046	-	7,404,046	28,809	-	7,375,237
2007D	4.00% - 4.50%	11/28/07	08/15/27	349,554	-	349,554	-	-	349,554
				75,201,698	53,048,518	7,753,600	4,172,119	7,315,000	49,314,999
Park Improvements									
2001B	4.00%-5.10%	08/01/01	08/01/21	1,910,000	1,405,000	-	135,000	995,000	275,000
2003A	1.80%-4.125%	03/01/03	08/15/17	755,012	595,262	-	52,071	-	543,191
2003B	2.375%-5.00%	08/14/03	08/15/18	842,161	2,744	-	2,744	-	-
2003C	2.70%-5.50%	11/24/03	08/15/23	1,114,000	1,006,818	-	43,665	-	963,153
2004B	3.10%-4.25%	10/07/04	08/15/20	6,111,940	5,314,000	-	458,000	-	4,856,000

continued...

City of Topeka, Kansas
Schedule of Bonded Indebtedness by Category
December 31, 2007

Bond Series	Interest rates	Issue Date	Final maturity	Original Principal Amount	Principal Outstanding 01/01/2007	Issued	Retired	Refunded	Principal Outstanding 12/31/2007
<i>...continued</i>									
Park Improvements									
2004C	3.10%-5.00%	11/23/04	08/15/24	4,433,207	4,065,654	-	164,432	-	3,901,222
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	-	196,699	-	4,247,703
2007A	3.50% - 4.25%	02/28/07	08/15/21	1,007,113	-	1,007,113	3,919	-	1,003,194
2007D	4.00% - 4.50%	11/28/07	08/15/27	2,321,663	-	2,321,663	-	-	2,321,663
				<u>25,057,421</u>	<u>18,951,803</u>	<u>3,328,776</u>	<u>1,056,530</u>	<u>995,000</u>	<u>20,229,049</u>
Taxable Pension Obligation									
2004A	4.00%-5.00%	08/12/04	08/15/15	13,385,000	11,385,000	-	1,045,000	-	10,340,000
				<u>13,385,000</u>	<u>11,385,000</u>	<u>-</u>	<u>1,045,000</u>	<u>-</u>	<u>10,340,000</u>
Total all general obligation bonds (A)				\$ 220,039,589	\$ 149,390,000	\$ 29,220,000	\$ 10,805,000	\$ 13,965,000	\$ 153,840,000
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	-	2,205,000	-	28,420,000
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	\$ -	\$ 2,205,000	\$ -	\$ 44,665,000
Revenue Bonds (C):									
2001A	5.30%-6.00%	12/01/01	08/01/19	25,365,000	1,020,000	-	-	500,000	520,000
2004A	2.00%-6.00%	02/19/04	08/01/33	46,180,000	43,410,000	-	-	960,000	42,450,000
2005A	4.00%-7.50%	12/09/05	08/01/35	14,875,000	14,395,000	-	-	205,000	14,190,000
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	-	-	345,000	22,255,000
2007B	4.625% - 4.75%	07/17/07	08/01/37	5,210,000	-	5,210,000	-	-	5,210,000
2007C	6.00%	07/17/07	08/01/25	2,140,000	-	2,140,000	-	-	2,140,000
Total all revenue bonds				\$ 148,745,000	\$ 113,800,000	\$ 7,350,000	\$ -	\$ 2,010,000	\$ 119,140,000
Total all bonded indebtedness				\$ 415,654,589	\$ 310,060,000	\$ 36,570,000	\$ 13,010,000	\$ 15,975,000	\$ 317,645,000

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, 2007

Project Purpose/Description	Project Number	Project Amount Financed
Water Main Lauren Bay	286270	\$ 130,555
San Swr Gail Subdivision	408321	49,209
San Swr River Hill Dist	408583	229,469
San Swr SE 22nd & 3 CRTS	409152	70,814
San Swr Aquarian Acres #9	409172	313,020
Mission Ridge Sewers	409261	519,454
San Swr Woodland Ct Sub 2	409410	87,458
San Swr Stone Crest	40942H	205,378
San Swr Stone Crest	40943H	233,634
San Swr Lauren's Bay Villas	409450	410,744
San Swr Rockfire	409470	149,138
St Improvement SW 12th TGLWD	605002	85,077
Aquarian Acres Sub #9	605992	560,243
Mission Ridge Streets	606070	662,815
Street Capricorn Woods #3	606102	208,680
St Improvement Stone Crest	60623H	732,903
St Improvement Woodland Trl Sub	606241	130,425
Storm Swr Lauren's Bay Villa	606250	634,231
St Improvement SW 30th Ter	606260	104,340
Traffic Improv SE 6th - Golden Mkt	701901	1,173,824
MacVicar Sw 6th - I70	701962	2,086,798
Traffic SE California 29th - 33rd	701423	421,791
Total aggregate principal outstanding		<u><u>\$ 9,200,000</u></u>

Note: On November 28, 2007, the City issued its Series 2007-A Temporary Notes in the principal amount of \$9,200,000. The 2007-A Notes were purchased by RBC Capital Markets, bear interest at 3.39%, and are scheduled to mature on November 1, 2008.

See independent auditor's report.

City of Topeka, Kansas
Debt Service Payments to Final Maturity
Revenue Bonds
December 31, 2007

Water, Water Pollution Control and Stormwater			
Year	Principal	Interest	Total
2008	1,885,000	5,568,118	7,453,118
2009	1,980,000	5,319,718	7,299,718
2010	2,050,000	5,219,518	7,269,518
2011	2,105,000	5,115,918	7,220,918
2012	2,175,000	5,009,418	7,184,418
2013	2,275,000	4,922,468	7,197,468
2014	3,400,000	4,820,713	8,220,713
2015	3,965,000	4,661,075	8,626,075
2016	4,150,000	4,470,770	8,620,770
2017	4,340,000	4,294,275	8,634,275
2018	4,515,000	4,118,375	8,633,375
2019	4,715,000	3,928,775	8,643,775
2020	4,935,000	3,728,794	8,663,794
2021	5,145,000	3,517,469	8,662,469
2022	5,370,000	3,289,356	8,659,356
2023	5,630,000	3,047,106	8,677,106
2024	6,560,000	2,788,844	9,348,844
2025	6,855,000	2,478,262	9,333,262
2026	6,985,000	2,160,512	9,145,512
2027	7,255,000	1,841,106	9,096,106
2028	7,570,000	1,514,225	9,084,225
2029	4,775,000	1,177,275	5,952,275
2030	4,795,000	959,487	5,754,487
2031	5,025,000	741,137	5,766,137
2032	3,670,000	512,275	4,182,275
2033	3,855,000	340,237	4,195,237
2034	1,220,000	159,500	1,379,500
2035	1,275,000	96,975	1,371,975
2036	325,000	31,587	356,587
2037	340,000	16,150	356,150
	\$ 119,140,000	\$ 85,849,438	\$ 204,989,438

See independent auditor's report.

City of Topeka, Kansas
Schedule of Industrial Revenue Bonds by Obligee (1)
December 31, 2007

Obligated Entity or Purpose	Interest Rates	Issue Date	Final Maturity	Original Principal Amount	Principal Outstanding 01/01/2007	Issued	Retired	Principal Outstanding 12/31/2007
Brewster Place	3.75 - 6.00%	08/15/02	08/01/22	\$ 2,225,000	\$ 1,995,000	\$ -	\$ 80,000	\$ 1,915,000
Brewster Place	2.50 - 5.50%	05/15/04	06/01/24	12,000,000	11,215,000	-	410,000	10,805,000
Fairlawn Green Acquisition	7.25%	11/01/96	12/15/21	2,275,000	1,847,519	-	63,381	1,784,138
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	3,685,000	-	50,000	3,635,000
Great Plains Hotel	Var. Rate	12/01/88	10/01/13	4,300,000	2,250,000	-	240,000	2,010,000
Hill's Pet Nutrition	5.45%	06/18/02	08/01/12	15,000,000	9,935,000	-	1,445,000	8,490,000
Kensington Park Apts.	7.00% - 8.00%	08/01/92	08/15/17	2,490,000	1,893,909	-	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	425,000	-	425,000	-
Payless Shoesource Corp.	7.00%	08/01/97	08/01/07	13,731,000	1,376,000	-	1,376,000	-
Payless Shoesource Corp.	7.00%	09/01/98	09/01/08	13,200,000	2,640,000	-	1,320,000	1,320,000
Payless Shoesource Corp.	7.00%	10/01/99	10/02/09	3,844,000	1,145,000	-	385,000	760,000
Payless Shoesource Corp.	8.25%	12/01/00	01/01/11	10,563,000	5,275,000	-	1,055,000	4,220,000
Payless Shoesource Corp.	8.25%	12/01/00	01/01/11	10,393,000	5,200,000	-	1,040,000	4,160,000
Payless Shoesource Corp.	6.00%	10/29/02	10/01/12	14,000,000	8,000,000	-	1,500,000	6,500,000
Payless Shoesource Corp.	6.00%	06/15/04	06/01/14	10,000,000	8,000,000	-	1,000,000	7,000,000
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	30,000,000	-	5,000,000	25,000,000
Sunwest Hospital	Variable	05/01/88	07/09/05	5,500,000	3,630,000	-	230,000	3,400,000
YMCA	5.50 - 7.50%	08/01/00	09/01/25	8,500,000	8,015,000	-	140,000	7,875,000
				\$ 198,871,000	\$ 117,072,428	\$ -	\$ 17,653,290	\$ 99,419,138

(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)
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	122,113	7,432,000	\$32,469	13,387	5.8%
** 2007	123,334	7,825,896	\$34,190	13,142	5.4%

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. 2007 figures based upon the State of Kansas Population Projections.

(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. Source of information for 2007 is the State of Kansas Organization Statistics.

(4) Kansas Department of Human Resources

**Used a 5.3% increase from 2006 for the personal income and used a 5.3% increase from 2006 for the Per Capita Income since these actual numbers were unavailable at publication. Percentages increase based on numbers from the 2006-2007 Governor's Economic & Demographic Report.

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

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

Employer	2007			1998		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of Kansas	8,436	1	8.00%	8,748	1	9.41%
Stormont-Vail Health Care	3,500	2	3.32%	2,280	2	2.45%
Unified School District # 501	2,300	3	2.18%	2,200	3	2.37%
Washburn University	2,100	4	1.99%	-	-	-
St. Francis Hospital & Medical Center	1,944	5	1.84%	1,705	7	1.83%
Collective Brands (Payless Shoe Source)	1,700	6	1.61%	1,550	8	1.67%
Blue Cross Blue Shield of Kansas	1,603	7	1.52%	1,854	6	1.99%
Goodyear Tire and Rubber Co.	1,600	8	1.52%	2,000	5	2.15%
City of Topeka	1,599	9	1.52%	1,362	10	1.47%
US Government	1,246	10	1.18%	1,447	9	1.56%
Burlington Northern/Santa Fe/Utility	-		-	2,100	4	2.26%
Total	26,028		24.70%	25,246		27.16%
Total Employment	105,390			92,959		

Source:

Topeka Chamber of Commerce, October 2007, for number of employees
State Department of Labor, June 2007 and November 1998 for total employment
2007 Collective Brands bought out Payless Shoe Source.

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

Function/Program	Full-time Equivalent Employees as of December 31																																																																																																																																																																																																																																																																																																																																																			
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007																																																																																																																																																																																																																																																																																																																																										
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	21.00	22.75	20.00	19.00	19.00	17.00	18.00	16.00	12.00	Legal	16.00	17.00	17.00	22.00	22.50	23.50	21.50	21.50	22.50	21.50	Financial Services	31.00	29.00	26.00	28.00	24.75	24.75	25.00	24.00	25.00	25.00	Municipal Court	27.00	28.00	28.00	24.00	28.00	27.00	27.00	27.00	27.00	28.00	Human Relations Commission	-	-	-	-	-	-	-	-	-	6.00	Human Resources	12.00	11.00	11.00	10.00	10.00	11.00	10.00	10.00	9.00	8.00	Information Technology	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	16.00	Fleet Services	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	249.00	Police	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	355.00	Public Works											Administration	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00
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	21.00	22.75	20.00	19.00	19.00	17.00	18.00	16.00	12.00	Legal	16.00	17.00	17.00	22.00	22.50	23.50	21.50	21.50	22.50	21.50	Financial Services	31.00	29.00	26.00	28.00	24.75	24.75	25.00	24.00	25.00	25.00	Municipal Court	27.00	28.00	28.00	24.00	28.00	27.00	27.00	27.00	27.00	28.00	Human Relations Commission	-	-	-	-	-	-	-	-	-	6.00	Human Resources	12.00	11.00	11.00	10.00	10.00	11.00	10.00	10.00	9.00	8.00	Information Technology	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	16.00	Fleet Services	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	249.00	Police	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	355.00	Public Works											Administration	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00											
Executive	23.25	21.00	22.75	20.00	19.00	19.00	17.00	18.00	16.00	12.00	Legal	16.00	17.00	17.00	22.00	22.50	23.50	21.50	21.50	22.50	21.50	Financial Services	31.00	29.00	26.00	28.00	24.75	24.75	25.00	24.00	25.00	25.00	Municipal Court	27.00	28.00	28.00	24.00	28.00	27.00	27.00	27.00	27.00	28.00	Human Relations Commission	-	-	-	-	-	-	-	-	-	6.00	Human Resources	12.00	11.00	11.00	10.00	10.00	11.00	10.00	10.00	9.00	8.00	Information Technology	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	16.00	Fleet Services	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	249.00	Police	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	355.00	Public Works											Administration	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																						
Legal	16.00	17.00	17.00	22.00	22.50	23.50	21.50	21.50	22.50	21.50	Financial Services	31.00	29.00	26.00	28.00	24.75	24.75	25.00	24.00	25.00	25.00	Municipal Court	27.00	28.00	28.00	24.00	28.00	27.00	27.00	27.00	27.00	28.00	Human Relations Commission	-	-	-	-	-	-	-	-	-	6.00	Human Resources	12.00	11.00	11.00	10.00	10.00	11.00	10.00	10.00	9.00	8.00	Information Technology	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	16.00	Fleet Services	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	249.00	Police	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	355.00	Public Works											Administration	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																	
Financial Services	31.00	29.00	26.00	28.00	24.75	24.75	25.00	24.00	25.00	25.00	Municipal Court	27.00	28.00	28.00	24.00	28.00	27.00	27.00	27.00	27.00	28.00	Human Relations Commission	-	-	-	-	-	-	-	-	-	6.00	Human Resources	12.00	11.00	11.00	10.00	10.00	11.00	10.00	10.00	9.00	8.00	Information Technology	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	16.00	Fleet Services	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	249.00	Police	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	355.00	Public Works											Administration	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																												
Municipal Court	27.00	28.00	28.00	24.00	28.00	27.00	27.00	27.00	27.00	28.00	Human Relations Commission	-	-	-	-	-	-	-	-	-	6.00	Human Resources	12.00	11.00	11.00	10.00	10.00	11.00	10.00	10.00	9.00	8.00	Information Technology	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	16.00	Fleet Services	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	249.00	Police	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	355.00	Public Works											Administration	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																							
Human Relations Commission	-	-	-	-	-	-	-	-	-	6.00	Human Resources	12.00	11.00	11.00	10.00	10.00	11.00	10.00	10.00	9.00	8.00	Information Technology	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	16.00	Fleet Services	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	249.00	Police	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	355.00	Public Works											Administration	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																		
Human Resources	12.00	11.00	11.00	10.00	10.00	11.00	10.00	10.00	9.00	8.00	Information Technology	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	16.00	Fleet Services	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	249.00	Police	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	355.00	Public Works											Administration	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																													
Information Technology	15.00	14.25	14.00	14.15	14.00	14.00	14.00	14.00	16.00	16.00	Fleet Services	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	249.00	Police	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	355.00	Public Works											Administration	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																								
Fleet Services	24.00	23.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	21.00	Public Safety											Fire	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	249.00	Police	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	355.00	Public Works											Administration	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																			
Public Safety											Fire	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	249.00	Police	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	355.00	Public Works											Administration	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																														
Fire	250.00	250.00	248.00	249.00	249.00	249.00	242.00	241.00	249.00	249.00	Police	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	355.00	Public Works											Administration	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																									
Police	329.50	338.50	350.00	347.00	351.00	356.50	357.50	355.00	357.00	355.00	Public Works											Administration	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																				
Public Works											Administration	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																															
Administration	8.00	8.00	8.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																										
Development Services	20.00	20.00	43.00	40.50	38.50	37.00	38.00	38.00	37.00	37.00	Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																																					
Engineering	48.00	47.00	47.00	43.00	43.00	43.00	42.00	41.00	41.00	38.00	Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																																																
Transportation Operations	14.00	14.00	14.00	14.00	16.00	16.00	15.00	14.00	14.00	14.00	Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																																																											
Special Street Repair	54.00	53.00	54.00	50.00	49.00	50.00	53.00	53.00	53.00	53.00	Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																																																																						
Facility Operations	17.25	18.25	17.50	16.25	16.25	16.25	14.25	14.25	14.25	14.25	Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																																																																																	
Planning	12.50	13.00	16.00	14.50	15.00	15.00	13.00	14.00	14.00	14.00	Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																																																																																												
Parks and Recreation	91.88	90.51	87.38	87.63	93.75	92.85	93.10	93.35	94.75	94.75	Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																																																																																																							
Zoo	27.00	28.50	29.50	30.50	31.50	31.50	31.50	31.50	33.50	33.50	Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																																																																																																																		
Housing & Neighborhood Development	21.00	21.00	14.00	15.60	15.60	19.00	17.00	17.00	17.00	17.00	Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																																																																																																																													
Water	147.00	145.00	127.00	116.00	114.00	122.00	115.00	117.00	115.00	116.00	Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																																																																																																																																								
Water Pollution Control	119.00	100.00	82.00	74.00	73.00	74.00	73.00	73.00	70.00	70.00	Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																																																																																																																																																			
Stormwater Utility	16.00	16.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																																																																																																																																																														
Public Parking	21.00	21.00	18.00	18.00	19.00	19.00	17.00	17.00	17.00	17.00	Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																																																																																																																																																																									
Public Golf Course	9.00	8.00	8.00	8.00	1.00	8.00	9.00	9.00	8.00	3.00	Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																																																																																																																																																																																				
Concessions	1.00	1.00	1.00	1.00	8.00	1.00	-	-	-	-	Total	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	1,293.00																																																																																																																																																																																																																																																																																																																															
Total	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	1,293.00																																																																																																																																																																																																																																																																																																																																										

Source: City Budget Office

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

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

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

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

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

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

*Golf Course FTE's reduced by 5 due to contracting out of Grounds Maintenance.

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

Function/Program	Fiscal Year as of December 31									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Fire										
Total number of incidents	10,239	11,556	11,897	12,088	12,091	11,920	12,286	13,153	13,525	14,144
Fire calls	828	799	1,030	1,023	1,035	890	767	2,767	982	695
Rescue & Emergency Medical calls	6,583	7,656	8,018	8,205	7,903	8,093	8,133	9,599	9,610	10,195
Police										
Citations issued	48,141	42,455	48,276	51,565	43,766	42,114	42,967	43,060	37,362	22,276
Driving under the influence citations	946	944	891	777	833	833	819	553	629	463
Development Services										
Residential building permits	490	603	530	408	824	594	584	571	566	481
Commercial building permits	362	340	304	308	341	287	294	296	242	242
Street Operations										
Streets swept (curb miles)	n/a	n/a	n/a	n/a	n/a	n/a	15,408	15,822	17,971	14,000
Pot hole patching material used (tonnage)	1,200	1,200	1,200	1,200	1,230	1,000	1,250	2,024	2,050	3,409
Traffic Operations										
Cross walks painted (miles)	675	695	670	670	675	675	675	655	558	927
Streets painted (miles)	350	366	350	345	350	350	350	340	148	300
Number of signs replaced	n/a	2,314	3,913	3,800	3,950	2,583	3,579	3,721	3,683	3,800
Public Parking violations issued	48,003	46,392	45,690	47,552	44,895	37,898	33,052	26,877	30,728	24,251
Parks and Recreation										
Mini-Train & Carousel attendance	113,366	79,701	67,966	59,393	82,520	88,449	148,750	137,032	144,747	140,952
Swimming pool attendance	61,615	54,497	99,841	108,946	99,613	98,107	80,161	101,500	126,280	118,668
Summer youth camp attendance	4,450	4,663	4,357	4,304	4,295	4,301	4,007	4,236	3,822	4,018
Youth basketball teams	110	116	99	92	88	83	73	71	55	46
Youth volleyball teams	67	71	65	63	87	91	58	87	87	91
Adult summer softball teams	335	357	366	371	404	396	420	515	544	418
Adult volleyball teams	482	463	454	438	450	447	473	465	482	473
Adult basketball teams	245	222	212	193	164	157	155	129	129	121
Zoo attendance	192,869	186,886	185,121	157,347	151,855	151,669	182,058	163,421	166,732	178,512
Housing & Neighborhood Development										
CDBG disbursed per year (thousands of \$)	2,213	2,820	1,702	3,621	3,851	2,646	2,586	2,526	2,496	3,020
CDBG rehab activity of single residential units	308	698	199	149	245	152	170	151	181	313
Water										
New Connections	353	492	443	438	592	530	636	611	460	582
Number of accounts	48,775	49,462	49,949	50,490	50,886	51,400	51,400	52,890	53,332	53,422
Annual Volume Net Finished (millions of gallons)	7,190	7,233	7,553	7,117	7,460	7,287	6,548	7,990	8,215	8,156
Valve routine maintenance	5,674	1,718	2,564	1,682	1,295	343	786	1,234	2,306	5,492
Water Pollution Control										
Number of accounts	43,796	44,332	45,092	45,683	45,421	44,680	47,193	47,157	46,954	47,744
Volume (millions of gallons)	5,384	5,595	5,475	5,221	5,094	4,989	4,952	6,197	4,458	4,979
Number of service calls	635	658	702	694	640	733	880	1,109	1,004	904
Stormwater Utility										
Number of service calls	n/a	100	247	344	153	177	281	340	272	307
Public Golf Course rounds	48,811	48,896	47,021	46,403	42,903	40,146	31,131	27,626	26,462	25,808

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 1998 - 2004
 n/a = not available
 Water Dept implemented a valve and hydrant program in 2007 which caused the number to increase for valve routine maintenance.

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

Function/Program	Fiscal Year as of December 31									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Square miles of City	56.6	56.6	56.6	56.6	56.6	58.5	59.8	60.1	60.5	60.9
Fire										
Stations	12	12	12	12	12	12	12	12	12	12
Firefighters	244	244	244	248	239	236	218	218	248	248
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Police officers	293	293	293	289	277	274	290	293	294	294
Street Operations										
Miles of City streets	667	671	671	671	671	671	671	671	673	* 2000
Traffic Operations										
Traffic signals	180	180	180	181	181	184	184	182	182	184
Traffic signs	n/a	n/a	n/a	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Parks and Recreation										
Mini-Train & Carousel	2	2	2	2	2	2	2	2	2	2
Swimming pools	8	5	5	5	5	5	5	5	5	5
Community Centers	7	7	7	7	7	6	6	7	7	7
Softball diamonds	15	15	15	15	14	14	14	12	12	14
Water										
Water mains (miles)	777	782	800	800	808	808	808	815	859	864
Storage capacity (millions of gallons)	25	25	25	25	25	25	25	25	25	25
Water Pollution Control										
Sanitary sewers (miles)	778	778	800	800	750	750	750	854	867	906
Stormwater Utility										
Storm sewers (miles)	216	250	250	250	220	200	200	316	330	330
Public Parking										
Parking garages	6	6	6	6	7	7	7	7	7	8
Parking meters	1,620	1,620	1,620	1,620	1,620	1,620	1,745	1,758	1,741	1,872
Public Golf Course	1	1	1	1	1	1	1	1	1	1

Source: Various city departments

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

* Street Operations for miles of streets will be reporting lane miles versus the center lane miles for the year 2007 and future.

Traffic Operations updated to reflect number of traffic signs throughout the city versus number of replaced signs.

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City of Topeka, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal CFDA Number	Pass - Through Grantor's Number	Program or Award Amount	New Award or Unexpended Grant Amount at 01/01/2007	Expenditures	Unexpended Grant Amount at 12/31/2007
<i>...continued</i>					
National Institute of Justice					
Passed through Kansas Bureau of Investigation:					
			14,289	3,171	11,118
			14,289	3,171	11,118
Total National Institute of Justice					
Environmental Protection Agency					
Passed through Kansas Department of Health and Environment:					
			20,042,862	5,730,060	14,312,802
			20,042,862	5,730,060	14,312,802
Total Environmental Protection Agency					
U.S. Department of Transportation					
Passed through Kansas Department of Transportation:					
		486,156	486,156		
		111,087	111,087		
		597,243	597,243	299,220	298,023
		50,000	43,142	42,127	1,015
		32,070	26,663	26,273	390
		28,500	28,500	5,788	22,712
		6,861	6,393	5,078	1,315
		7,136	7,136	301	6,835
		721,810	709,076	378,786	330,290
Total U.S. Department of Transportation					
U.S. Department of Homeland Security					
Passed through Kansas Highway Patrol:					
			649	649	-
Passed through Kansas Adjutant General's Department:					
		174,950	174,950	174,950	-
		183,740	183,740	183,740	-
		14,658	14,658	14,658	-
		573,347	373,996	373,996	-
Total U.S. Department of Homeland Security					
Total Federal Awards					
			\$ 30,381,574	\$ 12,345,345	\$ 18,036,229

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, 2007

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, 2007 was \$93,762,685

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Topeka, Kansas, as of and for the year ended December 31, 2007, which collectively comprise the City of Topeka, Kansas, basic financial statements and have issued our report thereon dated June 19, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal control over financial reporting

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

A 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. (2007-1) (2007-2)

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.

Our consideration of internal control over financial reporting 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 identify one deficiency in internal control over financial reporting that we consider to be a material weakness, as defined above. (2007-2)

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.

Wendling Nae Nelson & John LLC

Topeka, Kansas
June 19, 2008



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

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

Compliance

We have audited the compliance of the City of Topeka, Kansas, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. 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, 2007.

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.

Wendy Noe Nelson & John LLC

Topeka, Kansas
June 19, 2008

CITY OF TOPEKA, KANSAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the year ended December 31, 2007

Section I - Summary of Auditor's Results

Financial statements --

Type of auditor's report issued: Qualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes X No

Federal awards --

Internal control over major programs:

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

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

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

Identification of major programs:

<u>CFDA number</u>	<u>Program name</u>
14.231	Community Development Block Grant - Emergency Shelter
14.218	Community Development Block Grant
14.239	Home Investment Partnership
66.458	Capitalization Grant - State Revolving Loan Fund

Dollar threshold used to distinguish between type A and type B programs \$370,000

Auditee qualified as low risk auditee? X Yes No

Section II - Financial Statement Findings

- 2007-1 A significant control deficiency exists in the design and operation of internal control due to a lack of adequate documentation of accounting procedures and the components of internal control.
- 2007-2 A material weakness exists in the failure to perform reconciliations of significant accounts. Water, Water Pollution Control, and Stormwater Utility work in process ledger was not reconciled to the general ledger resulting in a material unrecorded adjustment.

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, 2007

Findings - Federal Award Findings and Questioned Costs

No findings in the preceding year.

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