

# The City of Topeka, Kansas

FOR YEAR  
ENDING  
DECEMBER  
31, 2012



*Comprehensive Annual Financial Report*

# City of Topeka, Kansas

## Comprehensive Annual Financial Report For the Year Ended December 31, 2012

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# CITY OF TOPEKA

Jim Colson, City Manager

FINANCIAL SERVICES DEPARTMENT  
CENTRAL ACCOUNTING DIVISION  
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Topeka, KS 66603-3914  
Website: <http://www.topeka.org>

Pam Simecka, Controller  
E-mail: [psimecka@topeka.org](mailto:psimecka@topeka.org)  
Telephone: 785-368-3970  
Fax: 785-368-3975

June 25, 2013

Mayor Larry E. Wolgast  
Members of the Topeka City Council  
City of Topeka, Kansas

Honorable Mayor and City Council Members:

Please find enclosed the *Comprehensive Annual Financial Report* ("CAFR") for the City of Topeka, Kansas ("City"), for the year ended December 31, 2012. The City issues this report 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. The City also uses this vehicle to provide the Mayor and City Council members, Topeka citizens, other City staff, City bondholders, and other interested parties with detailed information concerning its financial condition and activities during the 2012 fiscal year.

The Financial Services Department (the "Department") produces the CAFR each year. The Department assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the costs of internal controls should not exceed anticipated benefits, our objective is to provide reasonable—rather than absolute—assurance that the financial statements are free of any material misstatements.

Cochran Head Vick & Co., P.A., 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, 2012.

GAAP requires 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. Readers may find the MD&A immediately after the report of the independent auditors in the *Financial Section* of this CAFR.

We divide the CAFR into the following sections:

- The **Introductory Section** includes information about the organizational structure of the City, its economy, its major initiatives and the status of its 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. This section also includes 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 presentation includes ten-year revenue and expenditure information on an inflation-adjusted basis. The City uses this section, in part, to comply with its secondary market disclosure requirements, mandated by its bond documents.

This year's CAFR reflects, in all material respects, the changes to the City's financial condition during 2012. Importantly, this is the City's first CAFR produced from its new enterprise resource platform, Lawson. Although the conversion has been challenging and time-consuming, we look forward to using this powerful tool in coming years to improve both the timeliness and quality of the City's financial reporting. Readers should take particularly note this year of the City's transfer of its Parks & Recreation function to Shawnee County during 2012. That transfer, representing a \$33,460,801 reduction in the City's net position, may make comparisons of fiscal year 2012 to prior years more challenging. We discuss this transfer in more depth in the MD&A.

The entire staff of the Department makes the CAFR presentation possible. Many other City employees, across every department, support this effort. I sincerely appreciate the professionalism, dedication, attention to detail and extra hours these individuals have contributed to the CAFR development process in recent months.

We are gratified by the "unqualified" opinion of our auditors. This document is one of the primary vehicles by which we, as City staff, demonstrate our efforts to provide high-quality, accurate reporting of our management of the public's resources. Many find city government audits difficult to interpret and understand. We stand ready to address any questions you might have about the contents of this report and their implications for the future management of the City's financial resources. We look forward to continuing this dialogue with you.

Respectfully submitted,

  
Jim Colson, City Manager

**City of Topeka**  
**Quality Public Service is Our Business**

**Mission Statement**

To provide exceptional, cost-effective services in partnership with the community, that add value and enhance the quality of life for all.

**Vision Statement**

As the capital city of Kansas, Topeka is recognized as a vibrant community where people choose to live, work, learn and play and of which Kansans are proud.

**Community Wide Goals**

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.
7. Revitalize Downtown
8. Expand Street Maintenance and Improve Infrastructure
9. Reduce Unnecessary Signage
10. Reduce General Obligation Debt
11. Create Parks and Recreation Long Range Plan

**Areas of Concern**

1. Expand Street Maintenance & Improve Infrastructure
2. Safety
3. Business Development
4. Transparency
5. City Cleanliness
6. Parks & Recreation
7. Consolidation/Partnerships/Economies

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**City of Topeka, Kansas**  
**Comprehensive Annual Financial Report**  
**Principal Officials for the Year Ended December 31, 2012**

**Mayor**

William W. Bunten, Mayor

**City Council Members**

<b><u>Name</u></b>	<b><u>District #</u></b>	<b><u>Current Term Expires</u></b>
Karen Hiller	1	April 2013
John Alcalá	2	April 2015
Sylvia Ortiz	3	April 2013
Denise Everhart	4	April 2015
Larry E. Wolgast	5	April 2013
Chad Manspeaker	6	April 2015
Robert Archer	7	April 2013
Andrew P. Gray	8	April 2015
Richard Harmon	9	April 2013

**City Manager**

Jim Colson, City Manager

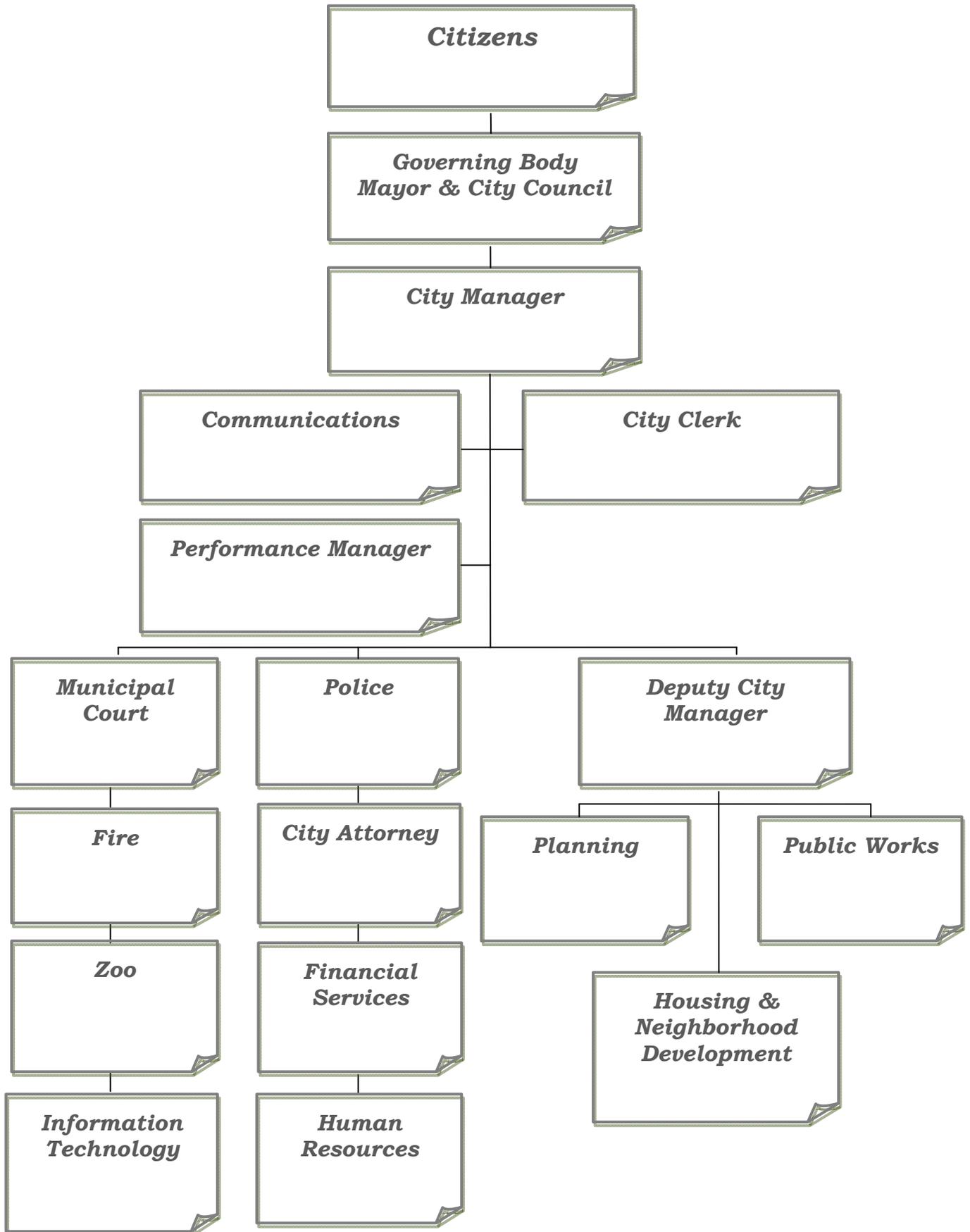
**Department Heads**

Budget & Financial Services, Pamela S. Simecka  
Chief of Fire, Gregory T. Bailey  
Housing & Neighborhood Development, Acting Bradley S. Reiff  
Human Resources, Jacque M. Russell  
Information Technology, Mark M. Biswell  
City Attorney, Harold D. Starkey  
Municipal Court, Administrative Judge Victor W. Miller  
Planning, William Fiander  
Chief of Police, Ronald Miller  
Public Works, Michael J. Teply  
Zoo, Brendan M. Wiley

**Prepared by Financial Services Department**

Pamela S. Simecka, Director of Budget & Financial Services/City Controller  
Tina M. Loyd, Accounting Manager  
Amy S. Vail, Grant and General Accountant II  
Kristin E. Ready, Accountant II  
Deidre E. Chinn, Accounts Receivable and Utility Billings Specialist

# 2012 City's Organizational Chart





# COCHRAN HEAD VICK & CO., P.A.

*Certified Public Accountants*

1333 Meadowlark Lane  
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(913) 287-0010 FAX

## INDEPENDENT AUDITOR'S REPORT

To 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, each major fund, and the aggregate remaining fund information of the City of Topeka, Kansas (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Other Offices**

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(913) 378-1100  
(913) 378-1177 FAX

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Change in Accounting Principle

As discussed in Note IV (I) and (J) to the financial statements, in 2012 the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and early implemented GASB Statement No. 65, *Items Previously Recognized as Assets and Liabilities* and GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. Our opinion is not modified with respect to these matters.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

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

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Reporting Required by Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 25, 2013 on our consideration of the City's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Kansas City, Kansas  
June 25, 2013

*Cochran Head Vick & Co, P.A.*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section offers readers of the City of Topeka's (the "City") financial statements a narrative overview and analysis of the financial activities of the City for the year ended December 31, 2012. We present all amounts as whole dollars, except as otherwise indicated.

### FINANCIAL HIGHLIGHTS

- The net position of the City at the close of the most recent fiscal year was \$463.6 million. Of this amount, \$42.7 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position decreased \$21.1 million from \$484.6 million in 2011. The change is comprised of a decrease in net position in governmental activities of \$30.1 million, and an increase in net position of the City's business type activities of \$9.0 million.
- \$33.5 million of the change in net position in governmental activities was the direct result of the transfer of the City's Parks & Recreation operation to Shawnee County. We discuss this transfer in more depth below.
- At the close of 2012, the City's governmental funds reported combined ending fund balances of \$21.8 million, a decrease of \$5.8 million in comparison with the prior year. At the end of 2012, unassigned fund balance for the General Fund was \$5.5 million or 8.0% of General Fund revenues, and 8.0% of General Fund expenditures. To see more details on the makeup of the fund balance, see the table in the *Notes* to the financial statements.
- For the General Fund, actual resources available for appropriation in 2012 (inflows) fell \$3.6 million below budgeted totals for those resources, while actual appropriations (outflows) were \$7.0 million less than budgeted for the year. Fees for services and franchise fees came in significantly lower than budgeted while most other revenues came in as anticipated.
- The City's total bonded debt saw a net decrease of \$16.7 million during 2012, due to retirement of \$17.9 million of principal and a net refunding of \$1.2 million. See the *Notes* to the financial statements for more detailed information about the City's indebtedness.

### TRANSFER OF PARKS AND RECREATION FUNCTIONS TO SHAWNEE COUNTY

On August 23, 2011, the Topeka City Council approved the transfer of the City's Parks and Recreation assets and operations to Shawnee County, Kansas (the "County"). On January 1, 2012, the parties effected the transfer, resulting in the following:

- The transfer of 47 full-time employees from the City to the County.
- The transfer of \$2.6 million in land value.
- The transfer of \$19.5 million in book value of building and building improvements.
- The transfer of \$0.5 million in tools, equipment and furniture.
- The transfer of \$10.9 million in financial resources related to parks and recreation activities from the City and the County.

The City retained ownership of the Big Gage Shelter house, and 80 of the 160 acres of Gage Park including, the horseshoe pit, train depot, Helen Hocker Theater and some roads and lights in the east side of Gage Park. The City generated \$3.4 million in operational savings in 2012 as the result of the transfer of parks and recreation functions to the County.

On and after January 1, 2012, the City is responsible for continuing to collect parkland acquisition fees on building permits and plats and transfer such funds to Shawnee County. The City will also transfer property tax and compensated absences payments amounting to \$6.1 million to the County through 2015, along with one third of the City's liquor tax receipts of approximately \$500,000 annually.

The City retains no ongoing liability with respect to parks and recreation programs transferred to the County, beyond its responsibilities listed above.

Readers should note that the following funds are directly impacted by this transfer: General Fund, Parkland Acquisition Fund, and Golf Course Improvement Fund.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's financial report, which includes the basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves. Other statements included provide financial information about activities for which the City acts solely as an agent for the benefit of entities outside of the government.

### Government-wide financial statements

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

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference being reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. With the implementation of GASB 63, the Statement of Net Assets has been changed to be the Statement of Net Position. GASB 63 allows for the concept of deferred outflows and inflows to be distinguished from assets and liabilities.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. So, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. For example, uncollected taxes are reported as assets, despite the fact that the City has not received the actual cash from those levies.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental activities (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The City's governmental activities include general government, public safety, public works, parks and recreation, public housing, social services and interest. Property taxes, sales taxes, franchise fees, motor fuel taxes and transient guest taxes finance most of these activities. The City's business-type activities include a combined water, water pollution control, and storm water utility and public parking facilities.

### Fund financial statements

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

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

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

The City maintains twenty-five individual governmental funds. Once the transfer is complete of the Parks and Recreation operations to Shawnee County, the Golf Improvement Fund will be eliminated. Even though the Parkland Acquisition Fund is part of the consolidation, the City will be using it to track permit revenues collected for Shawnee County.

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

The City adopts annual, appropriated budgets for its major funds; we present budgetary comparison statements to demonstrate compliance with these budgets. Readers may find the basic governmental fund financial statements in the *Fund Financial Statements* and the *Other Fund Statements & Schedules* section of this report.

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

*Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City has two enterprise funds: the combined Water, Water Pollution Control, and Stormwater Utility Fund, a major fund; and the Public Parking Facilities Fund, which is a non-major fund shown in the *Proprietary Funds* statements presented in the *Fund Financial Statements* section.

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

**Fiduciary funds**—Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements, because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The City's fiduciary activities are reported in the *Statement of Fiduciary Net Assets*, at the end of the *Fund Financial Statements* and after the budget basis schedules in the *Other Fund Statements & Schedules*.

#### **Notes to the financial statements**

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

**Other Information**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position**

The City implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position in 2012. This statement reclassified some items as deferred outflows or inflows of resources that were previously reported as assets and liabilities. The City also implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. With the implementation of these two GASB statements, the *Statement of Net Position* will replace the *Statement of Net Assets* in the Basic Financial Statements section. In Tables 1 and 2 below, the City has restated 2011 financial information in order to make comparisons. See more detailed information in the *Notes* to the financial statements.

The table below summarizes net position:

**TABLE 1—CONDENSED STATEMENT OF NET POSITION**  
December 31, 2012

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Current and other assets</b>	\$ 118,831,210	\$ 120,275,527	\$ 77,187,708	\$ 71,694,462	\$ 196,018,918	\$ 191,969,989
<b>Capital assets, non-depreciable</b>	40,083,963	49,457,080	11,258,148	8,164,671	51,342,111	57,621,751
<b>Capital assets, net of depreciation</b>	346,352,608	370,435,364	343,492,720	352,436,742	689,845,328	722,872,106
<b>Total assets</b>	505,267,781	540,167,971	431,938,576	432,295,875	937,206,357	972,463,846
<b>Deferred outflows of resources</b>	4,488,025	4,063,765	1,166,812	906,229	5,654,837	4,969,994
<b>Long-term liabilities outstanding</b>	190,687,836	199,138,496	210,388,229	218,561,129	401,076,065	417,699,625
<b>Other liabilities</b>	30,404,121	29,633,432	9,125,364	10,096,460	39,529,485	39,729,892
<b>Total liabilities</b>	221,091,957	228,771,928	219,513,593	228,657,589	440,605,550	457,429,517
<b>Deferred inflows of resources</b>	38,675,873	35,410,223	-	-	38,675,873	35,410,223
<b>Net position</b>						
<b>Net investment in capital assets</b>	219,818,869	233,520,164	146,778,312	143,122,189	366,597,181	376,642,353
<b>Restricted</b>	27,392,230	22,767,520	26,886,821	23,754,679	54,279,051	46,522,199
<b>Unrestricted</b>	2,776,877	23,761,901	39,926,662	37,667,647	42,703,539	61,429,548
<b>Total net position</b>	\$ 249,987,976	\$ 280,049,585	\$ 213,591,795	\$ 204,544,515	\$ 463,579,771	\$ 484,594,100

*Note 2011 has been restated to account for GASB 63 & GASB 65 statement changes and a prior period adjustment.*

The level of and changes in net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$463.6 million at the close of 2012. By far the largest portion of the City's net position (79.1%) was its net investment in capital assets (e.g., land, buildings, machinery and equipment), less any related outstanding debt used to construct or acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's net investment in its capital assets is reported net of related debt, readers should note that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The total net position of the City saw a decrease of \$21.1 million from 2011. The composition of the net position changed due to: an increase of restricted assets by \$7.7 million; a decrease in net investment in capital assets of \$10.0 million; and, a decrease of unrestricted net position of \$18.7 million.

A portion of the City's total net position (11.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$42.7 million or 9.2% may be used to meet the government's ongoing obligations to citizens and creditors.

The City's governmental activities net position decreased 10.7%, from \$280.0 million to \$250.0 million, in 2012, primarily due to the transfer of the Parks and Recreation Department.

Non-depreciable governmental capital assets decreased by \$9.4 million. This was a result of capitalizing construction projects of \$24.0 million consisting of: public works improvements of \$15.0 million; improvements to park facilities for \$6.7 million; \$1.8 million for public safety improvements; and, \$0.5 million of general government improvements. While the City completed many projects, it also began new ones and continued improvements totaling \$16.0 million. This consisted of: infrastructure projects of \$13.5 million; park and recreation improvements for \$2.0 million; public safety related improvements of \$0.1 million; and, miscellaneous general improvements of \$0.4 million. The City also showed an increase in easements of \$1.3 million and a decrease in land value of \$2.7 million. The decrease in land was in part attributable to the Parks and Recreation transfer.

The value of governmental activities depreciable capital assets decreased \$24.1 million in 2012. The main decrease was in building improvements and infrastructure of \$21.8 million. This also was attributable to the Parks and Recreation transfer to Shawnee County.

The City reclassified to a deferred outflow of resources the amount of governmental activities deferred amount on refunding of \$4.1 million at the end of 2011. During 2012, total deferred outflows of resources increased by \$0.4 million. This was due to being able to keep refunding losses to a minimum.

During 2012 governmental activities long-term liabilities saw a decrease of \$8.5 million and other liabilities decreased \$0.8 million in 2012. The City set a policy to keep newly issued debt to under \$9.0 million per year. The City did not issue any new governmental long-term debt in 2012, but did refund its Series 2005C, 2007A and 2007D issues during the year. See the Notes to the financial statements for more details on the refundings. The City also saw decreases in compensated absences and claims and judgments, while experiencing an increase in the other post-employment benefit (OPEB) liability.

Deferred inflows of resources represent revenues unavailable to the City. For the City, deferred inflows of resources totaling \$38.7 million reflect estimated property and motor vehicle taxes to be collected during 2013.

The City's business-type activities net position increased by \$21.0 million, or 4.4%, in 2012. Current assets increased by \$5.5 million, resulting from increases in cash and accounts receivable. Non-depreciable assets increased by \$3.1 million, due to an increase in easements of \$1.2 million and an increase in construction projects of \$1.9 million. Depreciable business-type activities assets decreased by \$8.9 million with the majority occurring in buildings and improvements.

Deferred outflows of resources saw a slight increase of \$0.3 million. The City issued no new long-term debt for the benefit of proprietary funds. The Combined Utilities also had scheduled rate increases effective May 1, 2008 through 2011. Business-type activities reflect decreases in compensated absences and increases in the OPEB liability.

**Statement of Activities**

Figure 1 below depicts the elements of 2012 governmental activities.

<b>FIGURE 1—GOVERNMENTAL ACTIVITIES</b>					
<b>Sources of Revenue</b>			<b>Functional Expenses</b>		
Taxes	\$110,739,767	78.2%	Public Works	\$53,352,882	31.1%
Grants/Contributions	19,881,025	14.0%	Public Safety	55,805,618	32.5%
Charges for Services	10,958,211	7.7%	Parks & Rec.	2,866,108	1.7%
Investment Income	68,610	0.1%	General Gov't.	10,385,163	6.0%
Other	13,939	0.0%	Other	15,013,219	8.7%
			Transfers	839,370	0.5%
			Special Item†	33,460,801	19.5%
<b>TOTALS</b>	<b>\$141,661,552</b>	<b>100.0%</b>	<b>TOTALS</b>	<b>\$171,723,161</b>	<b>100.0%</b>

† The Special Item is the transfer of City Parks and Recreation functions to Shawnee County, effective January 1, 2012.

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

**TABLE 2—STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**

**December 31, 2012**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
<u>Program revenues</u>						
Charges for services	\$ 10,958,211	\$ 12,177,395	\$ 68,075,504	\$ 64,215,114	\$ 79,033,715	\$ 76,392,509
Operating grants and contributions	7,771,030	6,745,084	-	-	7,771,030	6,745,084
Capital grants and contributions	12,109,995	14,930,621	1,401,268	145,747	13,511,263	15,076,368
<u>General revenues</u>					-	
Property taxes	35,038,165	36,645,847	-	-	35,038,165	36,645,847
Sales taxes	49,089,889	49,934,630	-	-	49,089,889	49,934,630
Franchise taxes	11,542,112	11,861,777	-	-	11,542,112	11,861,777
Motor fuel taxes	5,807,499	5,417,603	-	-	5,807,499	5,417,603
Payment in lieu of taxes	5,436,000	5,492,001	-	-	5,436,000	5,492,001
Service assessments	295,511	290,049	-	-	295,511	290,049
Alcoholic beverage taxes	1,579,658	1,562,791	-	-	1,579,658	1,562,791
Transient guest taxes	1,950,933	1,964,711	-	-	1,950,933	1,964,711
Miscellaneous	13,939	53,437	-	-	13,939	53,437
Unrestricted investment earnings	68,610	496,077	607,677	1,490,738	676,287	1,986,815
Gain on sale of capital assets	-	242,085	95,715	44,097	95,715	286,182
Total revenues	141,661,552	147,814,108	70,180,164	65,895,696	211,841,716	213,709,804
Expenses						
General government	10,385,163	11,279,435	-	-	10,385,163	11,279,435
Public safety	55,805,618	54,653,150	-	-	55,805,618	54,653,150
Public works	53,352,882	57,487,591	-	-	53,352,882	57,487,591
Miscellaneous	3,260,507	3,813,754	-	-	3,260,507	3,813,754
Parks and Recreation	2,866,108	12,595,655	-	-	2,866,108	12,595,655
Public Housing	5,244,401	5,014,032	-	-	5,244,401	5,014,032
Social Services	677,925	684,638	-	-	677,925	684,638
Interest and fiscal charges	5,830,386	5,645,299	-	-	5,830,386	5,645,299
Water, Water Pollution Control, & Stormwater Utility	-	-	58,926,733	58,489,582	58,926,733	58,489,582
Public Parking	-	-	3,045,521	4,193,038	3,045,521	4,193,038
Total expenses	137,422,990	151,173,554	61,972,254	62,682,620	199,395,244	213,856,174

Continued...

**TABLE 2—STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION (Continued)**  
**December 31, 2012 (...continued)**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Increase (decrease) in net position before transfers and special item	4,238,562	(3,359,446)	8,207,910	3,213,076	12,446,472	(146,370)
Transfers in (out) Special Item - park and recreation transfer	(839,370)	(314,660)	839,370	314,660	-	-
	(33,460,801)	-	-	-	(33,460,801)	-
Change in Net Position	(30,061,609)	(3,674,106)	9,047,280	3,527,736	12,446,472	(146,370)
Net Position - Beginning, as restated	280,049,585	283,723,691	204,544,515	201,016,779	484,594,100	484,740,470
Net Position - Ending	\$249,987,976	\$ 280,049,585	\$ 213,591,795	\$ 204,544,515	\$ 497,040,572	\$ 484,594,100

Table 3 below summarizes the cost of selected governmental activities—general government, public safety, public works, and parks and recreation—as well as each activity’s net cost (total cost to provide the services, less any revenues generated by the activity and excluding the general revenues). The net cost shows the financial burden that was placed on the City’s taxpayers by each of these governmental functions. Since the Parks and Recreation department was transferred to Shawnee County, the Topeka Zoo is the significant remaining function in the Parks and Recreation activity.

**TABLE 3—NET COST OF GOVERNMENTAL ACTIVITIES**  
**December 31, 2012**  
**Dollars in Millions**

Activity	Total Cost of Services	Net Cost of Services
General Government	\$ 10.4	\$ 3.0
Public Safety	55.8	52.4
Public Works	53.4	40.6
Parks and Recreation	2.9	1.0
<b>Total</b>	<b>\$ 122.5</b>	<b>\$ 97.0</b>

The net cost of services for the above governmental activities decreased by \$10.3 million from 2011, while the total cost of services decreased by \$13.6 million, as detailed below:

- The total cost of services for Public Safety increased by \$1.1 million. The increase was due to rising personnel costs, such as the increase in Kansas Police and Fire (KP&F) retirement rates.
- Parks and Recreation saw the largest decrease in both total cost (\$9.7 million) and net cost (\$7.5 million), all resulting from the Parks and Recreation transfer. The Topeka Zoo remains in the parks and recreation function in the table.

**Business-type activities**

The change in net cost of the City’s business-type activities was a decrease of \$5.8 million. Table 4 presents the net revenue from, or cost of, the City’s two business-type activities—the Combined Utility (Water, Water Pollution Control and Stormwater Systems) and the Public Parking Fund—as well as each activity’s net cost or proceeds (the total cost to provide the services, less any revenues generated by the activity and excluding the general revenues).

**TABLE 4—NET COST OF BUSINESS-TYPE ACTIVITIES**

December 31, 2012

Dollars in Millions

Activity	Total Cost of Services	Net Cost of Services
Combined Utility	\$ 58.9	\$ 7.3
Public Parking	3.0	0.2
Total	\$ 61.9	\$ 7.5

The total cost of services for the Combined Utility increased by \$0.4 million, while the net cost of services increased by \$4.6 million during 2012. Capital grants and contributions increased by \$1.3 million. Public Parking saw a decrease in its total cost of services (\$1.2 million), as well as its net cost of services of (\$.8 million), compared to 2011.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS****Governmental Funds**

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

At December 31, 2012, the City's governmental funds reported combined, ending fund balances of \$21.8 million, a decrease of \$5.8 million from the prior year. Of the major funds, the Sales Tax Street Repair, Special Street Repairs and Debt Service Funds had net increases in fund balances. The General Fund and Capital Project funds had net decreases in fund balances. The overall fund balance for nonmajor funds decreased by \$0.6 million.

The General Fund is the primary operating fund of the City. At the end of 2012, unassigned fund balance of the General Fund totaled \$5.5 million, while total fund balance was \$6.1 million, a decrease of \$2.6 million from 2011. For 2012 the City Council passed a budget for the General Fund, which would decrease fund balance by \$6.1 million. This budgeted decrease included \$4.6 million for the Parks and Recreation consolidation and an increase in the Public Safety budget of \$1.9 million. This in conjunction with the decline of revenues (franchise fees and fees for services) and cutbacks in expenditures, the City was still able to maintain a decrease of only \$2.9 million.

As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represented 7.3% of total general fund expenditures, and total fund balance represented 8.1% of expenditures. The city manager has expressed a goal of increasing General Fund total fund balance to an amount equivalent to 15% of total General Fund revenues, a sum that would have equaled \$10.8 million at the end of 2012.

The Special Street Repairs Fund ended 2012 with a fund balance of \$2.9 million, an increase over the 2011 ending fund balance of \$0.9 million. Expenditures in this fund are to be used to repair City streets and are funded solely by motor fuel taxes collected by the State. Special Street was able to maintain a positive fund balance due to a mild winter, which saves in overtime and materials. Expenditures decreased by \$1.0 million from 2011 and revenues increased by \$0.4 million, which was mostly in the Special City County Highway revenue.

The Sales Tax Street Repairs Fund ended 2012 with a fund balance of \$15.1 million, an increase over 2011 ending fund balance of \$3.8 million. The sole revenue of this fund is a dedicated sales tax authorized by Topeka voters for collection through 2019. Revenues remained steady from 2011, but had a decrease in construction costs of \$4.4 million and an increase of design costs of \$0.3 million. The proceeds of the sales tax are dedicated to repairs and improvements to existing streets, curbs and gutters, alleys, sidewalks, and streetlights.

The Debt Service Fund had a total fund balance of \$4.9 million at December 31, 2012, all of which is restricted for the payment of debt service. The fund balance increased by \$0.2 million from 2011. The revenues and expenditures were about the same for the year, so the Debt Service Fund was able to maintain the existing fund balance. The City issued a bond refunding to also help maintain the fund balance. See the *Notes to the Financial Statements*, for a more complete description of activity in the Debt Service Fund.

Capital Projects Funds balances saw a decrease in fund balance of \$7.5 million, ending with a negative balance of \$13.5 million. This negative balance is not surprising as the City issues temporary notes to fund projects during their construction, then later issues bonds for the retirement of temporary notes and the permanent financing of the projects.

### **Proprietary funds**

The proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail. See the *Basic Financial Statements* section for more information. The total net position of the Combined Utility Fund at December 31, 2012, was \$208.5 million, an increase from 2011 of \$8.9 million. This change consisted mostly of increases in revenues in the areas of fees for services, contributions, and net transfers. While showing increases in personnel, supplies and depreciation expense lower than the increase in revenues.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

General Fund revenues ended the year \$3.7 million lower than anticipated; General Fund expenditures were \$7.0 million less than budgeted. Even though these numbers suggest growth in the fund balance, the adopted budget included a budgeted decrease fund balance of \$7.3 million.

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

- Fees for services and franchise fees were unfavorable to the budget. Fees for services decreased by \$2.2 million, due to the transfer of Parks and Recreation to Shawnee County. Franchise fees—fees on the gross receipts of electric, natural gas and other utilities—suffered from an unseasonably warm winter. Natural gas franchise fees decreased from 2011, while electric franchise fees showed an increase from 2011 due to prolonged summer heat.
- Parks and Recreation expenditures were lower than budgeted by \$3.5 million, due to the transfer to Shawnee County that took place during 2012.
- General Government expenditures were significantly lower than budgeted due to the City appropriating, but not spending, its fund balance. Public Safety functions ended 2012 over budget, attributable to the need for more vehicles, increases in utility costs, and increased salaries and benefits.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2012, the City had \$741.2 million, (net of accumulated depreciation) invested in a broad range of capital assets, including police and fire equipment, buildings, improvements, land, zoo facilities, water and wastewater treatment facilities, and roads and bridges (see Table 5 below). To find more information on capital assets, refer to the *Notes to the Financial Statements* and to the *Other Fund Statements and Schedules* section of this report. Capital asset transactions during the current fiscal year included:

- Capitalization of \$24.0 million in governmental construction projects. This included street upgrades, signal replacements, zoo exhibits and infrastructure improvements, city-wide trail extensions, and renovations to a fire station.
- Replacement and installation of new water lines, sanitary sewers and drain improvements. The Combined Utility was able to complete and capitalize existing projects totaling \$3.8 million.

**TABLE 5—CAPITAL ASSETS, NET OF DEPRECIATION**

December 31, 2012

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Capital Asset</b>						
Land	\$ 3,689,642	\$ 6,367,861	\$ 1,675,360	\$ 1,675,360	\$ 5,365,002	\$ 8,043,221
Construction in Progress	34,349,368	42,372,108	6,275,785	4,419,351	40,625,153	46,791,459
Easements	2,044,953	717,111	3,307,003	2,069,960	5,351,956	2,787,071
<b>Building, Improvements,</b>						
Infrastructure	337,623,353	359,408,779	340,550,200	349,705,214	678,173,553	709,113,993
Furniture and Fixtures	112,238	114,019	30,914	41,468	143,152	155,487
Vehicles	5,669,057	6,776,508	2,309,139	2,007,825	7,978,196	8,784,333
Software	818,258	1,363,764	-	-	818,258	1,363,764
Tools and Equipment	2,129,702	2,772,294	602,467	682,235	2,732,169	3,454,529
<b>Total</b>	<b>\$ 386,436,571</b>	<b>\$ 419,892,444</b>	<b>\$ 354,750,868</b>	<b>\$ 360,601,413</b>	<b>\$ 741,187,439</b>	<b>\$ 780,493,857</b>

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

## **Debt**

At December 31, 2012, the City's total outstanding bonded indebtedness was \$298,370,000. Of this amount, \$149,085,000 was general obligation debt, backed by the full faith and credit of the government. Revenue bonds outstanding totaled \$122,550,000, secured by a pledge of the revenues derived from user fees for the specific enterprise fund or funds that benefited from the bond issue. The remainder of the bonded indebtedness consisted of tax increment and sales tax revenue bonds in the amount of \$26,735,000. In addition, the City is obligated for \$72,123,938 of Kansas State Revolving Loan Program loans, which are secured solely by specified revenue sources from the Combined Water, Water Pollution Control and Stormwater Utility fund. The City is also responsible for \$16,540,000 in general obligation temporary notes, issued to fund construction in progress for both governmental activities and business-type capital projects, in the amounts of \$14,687,188 and \$1,852,812 respectively. The City anticipates refunding these temporary notes with general obligation bonds or other resources in 2013. See the *Notes to the Financial Statements*, for a more complete description of debt activity.

Moody's Investors Service ("Moody's") has assigned the rating of 'Aa3'—its fourth highest—to the City's general obligation bonds. Moody's downgraded the City's general obligation bonds one notch from 'Aa2' in 2013 as a result of the City's decreased level of fund balance in the General Fund.

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

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

## **CONTACTING CITY FINANCIAL MANAGEMENT**

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

**City of Topeka, Kansas**  
**Statement of Net Position**  
**December 31, 2012**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<b>Assets</b>			
Cash and equity in Treasurer's Fund	\$ 34,745,285	\$ 26,044,080	\$ 60,789,365
Receivables (net of allowance for uncollectibles)	79,490,078	10,325,637	89,815,715
Internal balances	2,184,687	(2,184,687)	-
Due from other governments	1,073,433	571,797	1,645,230
Deposits held by others	1,065,571	-	1,065,571
Inventory	152,337	1,592,910	1,745,247
Prepaid costs	119,819	234,193	354,012
Restricted assets:			
Cash and equity in Treasurer's Fund	-	31,254,148	31,254,148
Other restricted assets	-	9,349,630	9,349,630
Capital assets:			
Not being depreciated	40,083,963	11,258,148	51,342,111
Being depreciated, net of depreciation	346,352,608	343,492,720	689,845,328
<b>Total assets</b>	<b>505,267,781</b>	<b>431,938,576</b>	<b>937,206,357</b>
<b>Deferred outflows of resources</b>			
Deferred amount on refunding	4,488,025	1,166,812	5,654,837
<b>Total deferred outflows of resources</b>	<b>4,488,025</b>	<b>1,166,812</b>	<b>5,654,837</b>
<b>Liabilities</b>			
Accounts payable and other current liabilities	5,429,457	2,260,996	7,690,453
Salaries and wages payable	2,040,875	402,565	2,443,440
Accrued interest payable	1,948,650	501,138	2,449,788
Due to other governments	193,408	147,491	340,899
Due to others	1,487,007	-	1,487,007
Temporary notes payable	14,687,187	1,852,813	16,540,000
Liabilities payable from restricted assets	-	3,027,697	3,027,697
Unearned revenue	94,609	932,664	1,027,273
Non-current liabilities:			
Due within one year	25,155,159	10,367,861	35,523,020
Due in more than one year	165,532,677	200,020,368	365,553,045
Estimated insurance claims	4,522,928	-	4,522,928
<b>Total Liabilities</b>	<b>221,091,957</b>	<b>219,513,593</b>	<b>440,605,550</b>
<b>Deferred inflows of resources</b>			
Unavailable revenues-property taxes	38,675,873	-	38,675,873
<b>Total deferred inflows of resources</b>	<b>38,675,873</b>	<b>-</b>	<b>38,675,873</b>
<b>Net position</b>			
Net investment in capital assets	219,818,869	146,778,312	366,597,181
Restricted for debt service	4,939,942	9,262,760	14,202,702
Restricted for capital projects	-	14,334,567	14,334,567
Restricted for sinking funds	-	3,289,494	3,289,494
Restricted for public safety	482,554	-	482,554
Restricted for public works	19,051,917	-	19,051,917
Restricted for other purposes	2,917,817	-	2,917,817
Unrestricted	2,776,877	39,926,662	42,703,539
<b>Total net position</b>	<b>\$ 249,987,976</b>	<b>\$ 213,591,795</b>	<b>\$ 463,579,771</b>

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

**City of Topeka, Kansas**  
**Statement of Activities**  
**For the Year Ended December 31, 2012**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General Government	\$ (10,385,163)	\$ 7,107,104	\$ 245,589	\$ -	\$ (3,032,470)	\$ -	\$ (3,032,470)
Public Safety	(55,805,618)	1,726,176	1,680,687	-	(52,398,755)	-	(52,398,755)
Public Works	(53,352,882)	1,351,462	326,169	11,102,924	(40,572,327)	-	(40,572,327)
Miscellaneous	(3,260,507)	-	-	-	(3,260,507)	-	(3,260,507)
Parks and Recreation	(2,866,108)	660,532	137,235	1,007,071	(1,061,270)	-	(1,061,270)
Public Housing	(5,244,401)	112,937	5,381,350	-	249,886	-	249,886
Social Services	(677,925)	-	-	-	(677,925)	-	(677,925)
Interest and fiscal charges	(5,830,386)	-	-	-	(5,830,386)	-	(5,830,386)
Total Governmental Activities	<u>(137,422,990)</u>	<u>10,958,211</u>	<u>7,771,030</u>	<u>12,109,995</u>	<u>(106,583,754)</u>	<u>-</u>	<u>(106,583,754)</u>
Business-Type Activities:							
Water, Water Pollution Control, & Stormwater Utility	(58,926,733)	64,835,463	-	1,401,268	-	7,309,998	7,309,998
Public Parking	(3,045,521)	3,240,041	-	-	-	194,520	194,520
Total Business-Type Activities	<u>(61,972,254)</u>	<u>68,075,504</u>	<u>-</u>	<u>1,401,268</u>	<u>-</u>	<u>7,504,518</u>	<u>7,504,518</u>
Total Primary Government	<u>\$ (199,395,244)</u>	<u>\$ 79,033,715</u>	<u>\$ 7,771,030</u>	<u>\$ 13,511,263</u>	<u>(106,583,754)</u>	<u>7,504,518</u>	<u>(99,079,236)</u>
General revenues:							
Property taxes					35,038,165	-	35,038,165
Sales taxes					49,089,889	-	49,089,889
Franchise taxes					11,542,112	-	11,542,112
Motor fuel taxes					5,807,499	-	5,807,499
Payment in lieu of taxes					5,436,000	-	5,436,000
Service assessments					295,511	-	295,511
Alcoholic beverage taxes					1,579,658	-	1,579,658
Transient guest taxes					1,950,933	-	1,950,933
Miscellaneous					13,939	-	13,939
Unrestricted investment earnings					68,610	607,677	676,287
Gain on sale of capital assets					-	95,715	95,715
Transfers					(839,370)	839,370	-
Special item - park and recreation transfer					(33,460,801)	-	(33,460,801)
Total general revenues, transfers and special item					<u>76,522,145</u>	<u>1,542,762</u>	<u>78,064,907</u>
Change in net position					(30,061,609)	9,047,280	(21,014,329)
Net position - beginning, as restated					280,049,585	204,544,515	484,594,100
Net position - ending					<u>\$ 249,987,976</u>	<u>\$ 213,591,795</u>	<u>\$ 463,579,771</u>

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

# City of Topeka, Kansas

## Balance Sheet

### Governmental Funds

December 31, 2012

	Special Revenue Funds						Total 2012
	General	Special Street Repairs	Sales Tax Street Repair	Debt Service	Capital Projects Fund	Other Governmental Funds	
<b>Assets</b>							
Cash and equity in Treasurer's Fund	\$ 1,503,217	\$ 2,300,188	\$ 13,734,008	\$ 3,351,615	\$ -	\$ 4,753,539	\$ 25,642,567
Receivables (net of allowance for uncollectibles):							
Accounts receivable	1,434,669	18,583	-	-	3,604,596	490,095	5,547,943
Taxes receivable	32,335,147	-	2,518,963	12,033,917	-	2,854,508	49,742,535
Special Assessments with debt commitments	-	-	-	24,157,126	-	-	24,157,126
Due from other funds	535,369	-	-	136,082	300,000	-	971,451
Due from other governments	11,030	799,907	-	-	-	262,492	1,073,429
Deposits held by others	-	-	-	-	-	1,065,571	1,065,571
Prepaid costs	13,316	-	-	-	-	-	13,316
Restricted assets:							
Cash and investments	-	-	-	1,489,931	-	-	1,489,931
<b>Total assets</b>	<b>\$ 35,832,748</b>	<b>\$ 3,118,678</b>	<b>\$ 16,252,971</b>	<b>\$ 41,168,671</b>	<b>\$ 3,904,596</b>	<b>\$ 9,426,205</b>	<b>\$ 109,703,869</b>
<b>Liabilities</b>							
Accounts and contracts payable	\$ 1,069,169	\$ 133,700	\$ 1,170,783	\$ -	\$ 2,669,440	\$ 225,685	\$ 5,268,777
Salaries and wages payable	1,870,186	90,773	4,218	-	-	4,109	1,969,286
Accrued interest	-	-	-	-	38,758	-	38,758
Due to other funds	123,523	-	-	-	15,957	519,412	658,892
Due to other governments	155,633	-	-	37,775	-	-	193,408
Due to others	1,029	-	-	-	-	1,485,978	1,487,007
Temporary notes payable	-	-	-	-	14,687,187	-	14,687,187
<b>Total liabilities</b>	<b>3,219,540</b>	<b>224,473</b>	<b>1,175,001</b>	<b>37,775</b>	<b>17,411,342</b>	<b>2,235,184</b>	<b>24,303,315</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenues-property taxes	25,845,293	-	-	12,027,608	-	802,972	38,675,873
Unavailable revenues-special assessments	-	-	-	24,157,125	-	-	24,157,125
Unavailable revenues-other	659,577	-	-	6,221	-	77,038	742,836
<b>Total deferred inflows of resources</b>	<b>26,504,870</b>	<b>-</b>	<b>-</b>	<b>36,190,954</b>	<b>-</b>	<b>880,010</b>	<b>63,575,834</b>
<b>Fund Balances</b>							
Nonspendable	13,316	-	-	-	-	-	13,316
Restricted	-	2,894,205	15,077,970	4,939,942	-	4,480,113	27,392,230
Committed	-	-	-	-	-	2,210,591	2,210,591
Assigned	618,902	-	-	-	-	-	618,902
Unassigned	5,476,120	-	-	-	(13,506,746)	(379,693)	(8,410,319)
<b>Total Fund Balance</b>	<b>6,108,338</b>	<b>2,894,205</b>	<b>15,077,970</b>	<b>4,939,942</b>	<b>(13,506,746)</b>	<b>6,311,011</b>	<b>21,824,720</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 35,832,748</b>	<b>\$ 3,118,678</b>	<b>\$ 16,252,971</b>	<b>\$ 41,168,671</b>	<b>\$ 3,904,596</b>	<b>\$ 9,426,205</b>	<b>\$ 109,703,869</b>

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

**City of Topeka, Kansas**  
**Reconciliation of the Governmental Funds Balance Sheet to**  
**the Statement of Net Position**  
**December 31, 2012**

Fund balances of governmental funds \$ 21,824,720

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements. The assets of the internal service funds in the amount of \$1,182,843 are excluded from this amount and included in the internal service fund note amount. 385,253,728

Long-term liabilities for items such as bonds and certificates of participation are not current obligations and, therefore, not recorded in the governmental fund statements (excluding \$4,522,928 in self insurance claims and \$1,377,820 in capital lease obligations, accrued compensated absences, and other post employment benefit obligations which are included in total charges for internal service funds). (176,264,636)

Certain revenues are not available to pay for current period expenditures and therefore are reported as unavailable in the governmental funds. 24,899,961

Deferred amounts on refunding are reported as deferred outflows of resources in the government-wide financial statements but are not reported in the governmental fund statements. 4,488,025

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities column in the statement of net position. A portion of the internal service fund activities are allocated to business type activities in the amount of \$1,872,128. 4,734,897

Liabilities for interest on long-term debt, compensated absences, OPEB, and claims are recognized only when due in the governmental fund statements but are accrued in the government-wide statements. (14,948,719)

Net position of governmental activities \$ 249,987,976

*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, 2012**

	Special Revenue Funds					Other Governmental Funds	Total 2012
	General	Special Street Repairs	Sales Tax Street Repairs	Debt Service	Capital Project Fund		
<b>Revenues</b>							
Taxes and service assessments	\$ 49,065,351	\$ -	\$ 13,644,890	\$ 13,987,958	-	\$ 10,764,440	\$ 87,462,639
Special assessments with debt commitments	-	-	-	2,085,984	-	-	2,085,984
Licenses and permits	1,489,989	-	-	-	-	16,000	1,505,989
Franchise fees	11,542,112	-	-	-	-	-	11,542,112
Intergovernmental	1,129,118	5,823,915	-	205,860	7,283,329	8,430,885	22,873,107
Fees for services	1,871,423	45,605	-	-	-	634,626	2,551,654
Administrative Fees - interfund	3,483,059	-	-	-	-	-	3,483,059
Fines and forfeitures	2,440,474	-	-	-	-	294,715	2,735,189
Interest from investments	22,549	-	16,269	24,606	-	5,187	68,611
Miscellaneous	487,836	77,843	27,554	5,715	468,800	673,328	1,741,076
<b>Total revenues</b>	<b>71,531,911</b>	<b>5,947,363</b>	<b>13,688,713</b>	<b>16,310,123</b>	<b>7,752,129</b>	<b>20,819,181</b>	<b>136,049,420</b>
<b>Expenditures</b>							
Current:							
General government	6,821,654	-	-	-	-	3,371,906	10,193,560
Public safety	52,669,846	-	-	-	-	1,757,237	54,427,083
Public works	9,663,809	5,050,607	9,843,333	-	-	3,720,822	28,278,571
Miscellaneous	3,254,582	-	-	-	-	-	3,254,582
Parks and recreation	2,428,986	-	-	-	-	37,140	2,466,126
Economic development	-	-	-	-	-	5,925	5,925
Housing & neighborhood development	-	-	-	-	-	5,238,562	5,238,562
Social services	-	-	-	-	-	677,925	677,925
Construction	-	-	-	-	12,732,096	735,235	13,467,331
Engineering and others	-	-	-	-	2,363,652	-	2,363,652
Debt Service:							
Principal retirement	246,873	-	-	14,998,500	-	172,658	15,418,031
Interest and fiscal costs	103,593	-	-	6,024,802	117,097	-	6,245,492
<b>Total expenditures</b>	<b>75,189,343</b>	<b>5,050,607</b>	<b>9,843,333</b>	<b>21,023,302</b>	<b>15,212,845</b>	<b>15,717,410</b>	<b>142,036,840</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>(3,657,432)</b>	<b>896,756</b>	<b>3,845,380</b>	<b>(4,713,179)</b>	<b>(7,460,716)</b>	<b>5,101,771</b>	<b>(5,987,420)</b>
<b>Other Financing Sources (Uses)</b>							
Refunding issuance of debt	-	-	-	27,170,000	-	-	27,170,000
Refunding issuance of debt premium	-	-	-	854,522	-	-	854,522
Refunding issuance of debt discount	-	-	-	(1,590)	-	-	(1,590)
Payment for refunding bond escrow agent	-	-	-	(27,685,868)	-	-	(27,685,868)
Payment in lieu of taxes - interfund	5,436,000	-	-	-	-	-	5,436,000
Transfers in	137,000	-	-	4,485,505	1,241,930	114,354	5,978,789
Transfers out	(8,719)	-	-	-	(1,240,478)	(5,568,962)	(6,818,159)
Sale of property	88,231	12,025	-	41,920	-	-	142,176
<b>Total other financing sources (uses)</b>	<b>5,652,512</b>	<b>12,025</b>	<b>-</b>	<b>4,864,489</b>	<b>1,452</b>	<b>(5,454,608)</b>	<b>5,075,870</b>
<b>Special Item - park and recreation transfer</b>	<b>(4,571,917)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(273,573)</b>	<b>(4,845,490)</b>
<b>Net change in fund balances</b>	<b>(2,576,837)</b>	<b>908,781</b>	<b>3,845,380</b>	<b>151,310</b>	<b>(7,459,264)</b>	<b>(626,410)</b>	<b>(5,757,040)</b>
<b>Fund balances (deficit) - beginning</b>	<b>8,685,175</b>	<b>1,985,424</b>	<b>11,232,590</b>	<b>4,788,632</b>	<b>(6,047,482)</b>	<b>6,937,421</b>	<b>27,581,760</b>
<b>Fund balances (deficit) - ending</b>	<b>\$ 6,108,338</b>	<b>\$ 2,894,205</b>	<b>\$ 15,077,970</b>	<b>\$ 4,939,942</b>	<b>\$ (13,506,746)</b>	<b>\$ 6,311,011</b>	<b>\$ 21,824,720</b>

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

**City of Topeka, Kansas**  
**Reconciliation of the Governmental Funds Statement of Revenues,**  
**Expenditures and Changes in Fund Balances to the Statement of Activities**  
**For the Year Ended December 31, 2012**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (5,757,040)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay costs in excess of capitalization threshold	17,661,262
Depreciation	(28,061,077)
Disposals of capital assets	(121,271)
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds.	(1,156,050)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Issuance of debt	(27,170,000)
Payment to escrow agent	27,685,868
Principal payments on long term debt	14,617,165
Amortization of bond issuance costs and deferred amounts	(67,518)
<p>Some expenses 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.</p>	
Change in liability for lawsuits	528,968
Changes in compensated absences, OPEB, and termination benefits	369,331
Change in accrued interest	430,560
Internal service funds are used by management to charge the costs of certain activities, such as insurance and garage charges, to individual funds. The net income (loss) of the internal service funds is reported with the governmental activities.	(406,496)
Special item - park and recreation transfer	(28,615,311)
Change in net position of governmental activities	<u><u>\$ (30,061,609)</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, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property tax	\$ 19,385,875	\$ 19,385,875	\$ 19,429,176	\$ 43,301
Auto ad volorem tax	2,000,000	2,000,000	1,955,826	(44,174)
Local retail sales tax	27,140,000	27,140,000	27,279,046	139,046
Payment in lieu of taxes	224,599	224,599	236,412	11,813
Licenses	370,444	370,444	498,357	127,913
Permits	835,000	835,000	991,632	156,632
Franchise fees	12,644,000	12,644,000	11,542,112	(1,101,888)
Intergovernmental	1,212,614	1,212,614	1,129,118	(83,496)
Fees for services	4,283,564	4,283,564	1,871,423	(2,412,141)
Administrative Fees - interfund	3,483,059	3,483,059	3,483,059	-
Municipal court	2,556,500	2,556,500	2,440,474	(116,026)
Service assessments	119,000	119,000	164,891	45,891
Interest	177,000	177,000	22,549	(154,451)
Miscellaneous	666,830	666,830	487,836	(178,994)
<b>Total revenues</b>	<b>75,098,485</b>	<b>75,098,485</b>	<b>71,531,911</b>	<b>(3,566,574)</b>
Expenditures				
General government:				
City Council	245,787	245,787	269,807	(24,020)
Executive	840,573	840,573	912,882	(72,309)
Legal Services	1,379,167	1,379,167	1,293,415	85,752
Administrative and Financial Services	1,880,835	1,880,835	1,883,979	(3,144)
Municipal Court	1,785,985	1,785,985	1,569,367	216,618
Human Resources	957,407	957,407	873,973	83,434
Misc Non-Departmental & Contributions	8,475,711	8,475,711	3,791,541	4,684,170
Public Safety:				
Fire	21,242,916	21,242,916	21,667,251	(424,335)
Police	29,952,331	29,952,331	31,110,858	(1,158,527)
Public Works:				
Administration	861,531	861,531	451,552	409,979
Development Services	1,249,523	1,249,523	1,171,435	78,088
Engineering	2,155,087	2,155,087	2,231,706	(76,619)
Transportation Operations	2,832,079	2,832,079	2,689,769	142,310
Facility Operations	2,023,426	2,023,426	2,368,172	(344,746)
Planning	782,813	782,813	753,712	29,101
Parks and Recreation:				
Parks and Recreation Administration	3,769,637	3,769,637	313,444	3,456,193
Zoo	1,998,695	1,998,695	2,113,615	(114,920)
<b>Total expenditures</b>	<b>82,433,503</b>	<b>82,433,503</b>	<b>75,466,478</b>	<b>6,967,025</b>
Excess of Revenues Over (Under) Expenditures	<u>(7,335,018)</u>	<u>(7,335,018)</u>	<u>(3,934,567)</u>	<u>3,400,451</u>
Other Financing Sources (Uses)				
Payment in lieu of debt service - interfund	50,000	50,000	50,000	-
Payment in lieu of taxes - interfund	5,386,000	5,386,000	5,386,000	-
Transfers in	195,000	195,000	137,000	(58,000)
Transfers out	-	-	(8,719)	(8,719)
Sale of property	190,000	190,000	88,231	(101,769)
<b>Total other financing sources</b>	<b>5,821,000</b>	<b>5,821,000</b>	<b>5,652,512</b>	<b>(168,488)</b>
Special Item				
Parks and Recreation Consolidation	(4,575,388)	(4,575,388)	(4,571,917)	3,471
Excess of Revenues, Other Sources and Special Item Over Expenditures and Other Uses	<u>\$ (6,089,406)</u>	<u>\$ (6,089,406)</u>	<u>\$ (2,853,972)</u>	<u>\$ 3,235,434</u>
Beginning budget basis fund balance,			8,343,408	
Fund balance - end of year - budget basis			5,489,436	
Adjustments:				
Encumbrances			618,902	
Fund balance - end of year - GAAP basis			<u>\$ 6,108,338</u>	
Net change in fund balance - budget basis			\$ (2,853,972)	
Adjustments:				
Encumbrances - beginning of year			(341,767)	
Encumbrances - end of year			618,902	
Net change in fund balance - GAAP basis			<u>\$ (2,576,837)</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, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 5,729,264	\$ 5,729,264	\$ 5,823,915	\$ 94,651
Fees for services	-	-	45,605	45,605
Miscellaneous	101,233	101,233	77,843	(23,390)
Total revenues	<u>5,830,497</u>	<u>5,830,497</u>	<u>5,947,363</u>	<u>116,866</u>
Expenditures				
Public Works:				
Administration	1,656,937	1,656,937	1,475,914	181,023
Street Maintenance	4,119,301	4,119,301	4,163,124	(43,823)
Total expenditures	<u>5,776,238</u>	<u>5,776,238</u>	<u>5,639,038</u>	<u>137,200</u>
Excess of Revenues Over (Under) Expenditures	<u>54,259</u>	<u>54,259</u>	<u>308,325</u>	<u>254,066</u>
Other Financing Sources (Uses)				
Sale of property	-	-	12,025	12,025
Total other financing sources	<u>-</u>	<u>-</u>	<u>12,025</u>	<u>12,025</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 54,259</u>	<u>\$ 54,259</u>	<u>320,350</u>	<u>\$ 266,091</u>
Beginning budget basis fund balance,			<u>1,985,424</u>	
Fund balance - end of year - budget basis			2,305,774	
Adjustments:				
Encumbrances			<u>588,431</u>	
Fund balance - end of year - GAAP basis			<u>\$ 2,894,205</u>	
Net change in fund balance - budget basis			\$ 320,350	
Adjustments:				
Encumbrances - beginning of year			-	
Encumbrances - end of year			<u>588,431</u>	
Net change in fund balance - GAAP basis			<u>\$ 908,781</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**  
**Sales Tax - Street Repairs Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & assessments	\$ 13,500,000	\$ 13,500,000	\$ 13,644,890	\$ 144,890
Interest on investments	-	-	16,269	16,269
Miscellaneous	-	-	27,554	27,554
Total revenues	<u>13,500,000</u>	<u>13,500,000</u>	<u>13,688,713</u>	<u>188,713</u>
Expenditures				
Public works	13,252,308	16,107,678	11,833,319	4,274,359
Total expenditures	<u>13,252,308</u>	<u>16,107,678</u>	<u>11,833,319</u>	<u>4,274,359</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 247,692</u>	<u>\$ (2,607,678)</u>	1,855,394	<u>\$ 4,463,072</u>
Beginning budget basis fund balance,			9,489,556	
Fund balance - end of year - budget basis			11,344,950	
Adjustments:				
Encumbrances			3,733,020	
Fund balance - end of year - GAAP basis			<u>\$ 15,077,970</u>	
Net change in fund balance - budget basis			\$ 1,855,394	
Adjustments:				
Encumbrances - beginning of year			(1,743,034)	
Encumbrances - end of year			3,733,020	
Net change in fund balance - GAAP basis			<u>\$ 3,845,380</u>	

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

*Note: See Ordinance 19777 for budget amendment.*

**City of Topeka, Kansas**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2012**

	Enterprise Funds			Internal Service Funds
	Water, Stormwater & Water Pollution Control Utility	Nonmajor Enterprise Fund	Total	
<b>Assets</b>				
Current assets:				
Cash and equity in Treasurer's Fund	\$ 23,943,469	\$ 2,100,611	\$ 26,044,080	\$ 7,612,787
Receivables, net:				
Accounts receivable	10,248,232	77,405	10,325,637	42,474
Intergovernmental	571,797	-	571,797	4
Due from other funds	123,523	-	123,523	-
Inventory	1,592,910	-	1,592,910	152,337
Prepays	230,344	3,849	234,193	106,503
Restricted cash and cash equivalents:				
Cash and equity in Treasurer's Fund	31,084,186	169,962	31,254,148	-
Restricted other	9,349,630	-	9,349,630	-
<b>Total current assets</b>	<b>77,144,091</b>	<b>2,351,827</b>	<b>79,495,918</b>	<b>7,914,105</b>
Noncurrent assets:				
Capital assets:				
Not being depreciated	10,199,817	1,058,331	11,258,148	-
Being depreciated, net of depreciation	327,031,989	16,460,731	343,492,720	1,182,843
<b>Total noncurrent assets</b>	<b>337,231,806</b>	<b>17,519,062</b>	<b>354,750,868</b>	<b>1,182,843</b>
<b>Total assets</b>	<b>414,375,897</b>	<b>19,870,889</b>	<b>434,246,786</b>	<b>9,096,948</b>
<b>Deferred Outflows of Resources</b>				
Deferred amounts on refunding	1,011,918	154,894	1,166,812	-
<b>Total deferred outflows of resources</b>	<b>1,011,918</b>	<b>154,894</b>	<b>1,166,812</b>	<b>-</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	2,226,557	34,439	2,260,996	160,680
Accrued payroll and benefits	383,221	19,344	402,565	71,589
Accrued interest	336,667	164,471	501,138	46,553
Due to other funds	300,000	136,082	436,082	-
Due to other governments	147,491	-	147,491	-
Current portion of State revolving loan	7,480,675	-	7,480,675	-
Temporary notes payable	1,852,813	-	1,852,813	-
Leases payable	67,369	-	67,369	596,320
Self insurance claims	-	-	-	4,522,928
Unearned revenue	-	-	-	94,609
Current liabilities (payable from restricted assets):				
General obligation bonds payable	-	244,482	244,482	-
Revenue bonds payable	2,370,000	-	2,370,000	-
Accrued interest	2,132,032	-	2,132,032	-
Deposits	895,665	-	895,665	-
Compensated absences and other benefits	158,894	2,441	161,335	21,627
Unearned revenue	932,664	-	932,664	-
Other	44,000	-	44,000	-
<b>Total current liabilities:</b>	<b>19,328,048</b>	<b>601,259</b>	<b>19,929,307</b>	<b>5,514,306</b>
Noncurrent liabilities:				
Revenue bonds payable	120,180,000	-	120,180,000	-
Discount on issuance of bonds	(471,618)	-	(471,618)	-
Premium on issuance of bonds	1,990,381	-	1,990,381	-
State revolving loan payable	64,643,263	-	64,643,263	-
General obligation bonds payable	-	12,189,957	12,189,957	-
Discount on issuance of bonds	-	(363)	(363)	-
Premium on issuance of bonds	-	231,776	231,776	-
Leases payable	213,446	-	213,446	619,159
Compensated absences and other benefits	797,237	26,289	823,526	100,714
Other	220,000	-	220,000	-
<b>Total noncurrent liabilities</b>	<b>187,572,709</b>	<b>12,447,659</b>	<b>200,020,368</b>	<b>719,873</b>
<b>Total liabilities</b>	<b>206,900,757</b>	<b>13,048,918</b>	<b>219,949,675</b>	<b>6,234,179</b>
<b>Net position</b>				
Net investment in capital assets	141,770,208	5,008,104	146,778,312	(32,636)
Restricted for debt service	9,262,760	-	9,262,760	-
Restricted for capital projects	14,334,567	-	14,334,567	-
Restricted for sinking funds	3,119,532	169,962	3,289,494	-
Unrestricted	39,999,991	1,798,799	41,798,790	2,895,405
<b>Total net position</b>	<b>\$ 208,487,058</b>	<b>\$ 6,976,865</b>	<b>215,463,923</b>	<b>\$ 2,862,769</b>

Adjustment to reflect the consolidation of internal  
service fund activities related to enterprise funds. (1,872,128)

Total net position \$213,591,795

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

**City of Topeka, Kansas**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2012**

	Water, Stormwater & Water Pollution Control Utility	Nonmajor Enterprise Fund	Total	Internal Service Funds
Operating revenues:				
Charges for services	\$ 62,848,750	\$ 2,969,420	\$ 65,818,170	\$ 15,425,701
Other	1,986,713	270,621	2,257,334	174,633
Total operating revenues	<u>64,835,463</u>	<u>3,240,041</u>	<u>68,075,504</u>	<u>15,600,334</u>
Operating expenses:				
Personnel services	12,854,123	751,014	13,605,137	2,227,404
Contractual services	12,946,404	753,251	13,699,655	4,654,909
Supplies	7,066,089	49,271	7,115,360	217,277
Depreciation and amortization	13,179,324	784,391	13,963,715	635,901
Bad debt	93,682	-	93,682	-
Insurance claims	-	-	-	8,353,449
Total operating expenses	<u>46,139,622</u>	<u>2,337,927</u>	<u>48,477,549</u>	<u>16,088,940</u>
Operating income (loss)	<u>18,695,841</u>	<u>902,114</u>	<u>19,597,955</u>	<u>(488,606)</u>
Nonoperating revenues (expenses):				
Interest income	601,450	6,227	607,677	5,940
Interest (expense)	(7,492,158)	(424,403)	(7,916,561)	(47,500)
Gain (loss) on sale of capital assets	95,715	-	95,715	(7,572)
Other income (expenses)	(10,902)	-	(10,902)	-
Total nonoperating revenues (expenses)	<u>(6,805,895)</u>	<u>(418,176)</u>	<u>(7,224,071)</u>	<u>(49,132)</u>
Income (loss) before contributions and transfers	<u>11,889,946</u>	<u>483,938</u>	<u>12,373,884</u>	<u>(537,738)</u>
Capital contributions	1,401,268	-	1,401,268	-
Transfers in	839,370	-	839,370	-
Payments in lieu of taxes and debt service	(5,160,000)	(276,000)	(5,436,000)	-
Change in net position	<u>8,970,584</u>	<u>207,938</u>	<u>9,178,522</u>	<u>(537,738)</u>
Net position-beginning of year, as restated	199,516,474	6,768,927	206,285,401	3,400,507
Net position-end of year	<u>\$ 208,487,058</u>	<u>\$ 6,976,865</u>	<u>215,463,923</u>	<u>\$ 2,862,769</u>

Change in net position, enterprise funds 9,178,522

Adjustment to reflect the consolidation of internal service fund  
activities related to enterprise funds. (131,242)

Change in net position \$ 9,047,280

*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, 2012**

	Water, Stormwater & Water Pollution Control Utility	Nonmajor Enterprise Fund	Total	Internal Service Funds
<b>Cash Provided by (Used in) Operating Activities:</b>				
Receipts from customers	\$ 62,477,660	\$ 2,926,684	\$ 65,404,344	\$ 15,798,259
Payments to suppliers	(20,819,222)	(788,847)	(21,608,069)	(13,439,527)
Payments to employees	(12,786,241)	(784,311)	(13,570,552)	(2,272,963)
Other receipts	(10,902)	270,621	259,719	174,633
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>28,861,295</b>	<b>1,624,147</b>	<b>30,485,442</b>	<b>260,402</b>
<b>Cash Provided by (Used in) Noncapital Financing Activities</b>				
Transfers in	839,370	-	839,370	-
Advances from other funds	300,000	136,082	436,082	-
Payments in lieu of taxes	(5,160,000)	(276,000)	(5,436,000)	-
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<b>(4,020,630)</b>	<b>(139,918)</b>	<b>(4,160,548)</b>	<b>-</b>
<b>Cash Provided by (Used in) Investing Activities:</b>				
Interest received	601,450	6,227	601,450	5,940
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>601,450</b>	<b>6,227</b>	<b>601,450</b>	<b>5,940</b>
<b>Cash Provided by (Used In) Capital and Related Financing Activities:</b>				
Discount on issuance of bonds	(156,884)	-	(156,884)	-
Deferred gain on refunding	(379,369)	(138,730)	(518,099)	-
Payment of capital lease	(69,111)	-	(69,111)	(625,301)
Proceeds from capital debt	22,045,000	4,935,000	26,980,000	-
Principal paid on capital debt	(23,840,000)	(4,953,842)	(28,793,842)	-
Payment of state revolving loan	(6,079,705)	-	(6,079,705)	-
Payment of other liabilities	(44,000)	-	(44,000)	-
Net borrowings on temporary notes	24,522	-	24,522	-
Interest paid on capital debt	(7,652,638)	(448,066)	(8,100,704)	(69,496)
Purchases of capital assets	(6,683,842)	(28,060)	(6,711,902)	(200,070)
Proceeds from sale of capital assets	95,715	-	95,715	5,848
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(22,740,312)</b>	<b>(633,698)</b>	<b>(23,374,010)</b>	<b>(889,019)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,701,803</b>	<b>856,758</b>	<b>3,558,561</b>	<b>(622,677)</b>
Cash and equivalents, beginning of year	52,325,852	1,413,815	53,739,667	8,235,464
<b>Cash and equivalents, end of year</b>	<b>\$ 55,027,655</b>	<b>\$ 2,270,573</b>	<b>\$ 57,298,228</b>	<b>\$ 7,612,787</b>
<b>Cash and equivalents reported on the Statement of Net Position:</b>				
Cash and equity in Treasurer's Fund	\$ 23,943,469	\$ 2,100,611	\$ 26,044,080	\$ 7,612,787
Restricted cash and equity in Treasurer's Fund	31,084,186	169,962	31,254,148	-
<b>Total</b>	<b>\$ 55,027,655</b>	<b>\$ 2,270,573</b>	<b>\$ 57,298,228</b>	<b>\$ 7,612,787</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating Income (Loss)	\$ 18,695,841	\$ 902,114	\$ 19,597,955	\$ (488,606)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:				
Depreciation and amortization	13,179,324	784,391	13,963,715	635,901
Non-operating (expense)	(10,902)	-	(10,902)	-
Change in assets and liabilities				
Accounts receivable	(1,515,822)	(42,535)	(1,558,357)	284,048
Intergovernmental receivables	(571,209)	-	(571,209)	-
Due from other funds	(438,633)	1,983	(436,650)	82
Inventory	(290,280)	-	(290,280)	(10,094)
Prepaid	43,799	-	43,799	(12,402)
Accounts payable	(121,615)	13,675	(107,940)	37,405
Accrued payroll and benefits	67,882	(35,280)	32,602	(38,744)
Self-insurance claims	-	-	-	(235,616)
Deposits	42,046	-	42,046	-
Unearned revenue	(219,136)	(201)	(219,337)	88,428
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 28,861,295</b>	<b>\$ 1,624,147</b>	<b>\$ 30,485,442</b>	<b>\$ 260,402</b>
<b>Noncash capital and financing activities:</b>				
Capital contributions	\$ 1,401,268	\$ -	\$ 1,401,268	\$ -

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

**City of Topeka, Kansas**  
**Statement of Assets and Liabilities**  
**Agency Funds**  
**December 31, 2012**

	<b>Totals</b>
	<b>2012</b>
<b>Assets</b>	
Cash and equity in Treasurer's Fund	\$ 676,629
Accounts receivable	2,280
	<hr/>
<b>Total Assets</b>	<b>\$ 678,909</b>
	<hr/> <hr/>
<b>Liabilities</b>	
Accounts and contracts payable	\$ 197
Due to other governments	1,941
Due to others	676,771
	<hr/>
<b>Total Liabilities</b>	<b>\$ 678,909</b>
	<hr/> <hr/>

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

**City of Topeka, Kansas**  
**Notes to the Financial Statements**  
**December 31, 2012**

**I. Summary of significant accounting policies**

**A. Reporting entity**

The City of Topeka is a municipal corporation governed by a Mayor and nine Council members all elected on a non-partisan basis. The City at large elects the Mayor, and the nine Council members are elected by district. The accompanying financial statements present the financial position of the City at December 31, 2012. In evaluating the City's financial reporting entity, management has considered all potential component units and has determined there are no material component units over which the City is financially accountable. Financial accountability is based primarily on non-operational or financial relationships with the City (as distinct from legal relationships). These financial statements include all accounts for which the City is considered to be financially accountable.

The accounting and reporting policies of the City of Topeka, Kansas, relating to the funds included in the accompanying financial statements, conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), and by the Financial Accounting Standards Board, when applicable. Certain significant accounting policies of the City are described below.

**B. Government-wide and fund financial statements**

The government-wide financial statements (*i.e.*, the *Statement of Net Position* and the *Statement of Activities*) report information on all of the non-fiduciary activities of the City of Topeka. As a general rule, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

**City of Topeka, Kansas**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

Those revenues susceptible to accrual are sales taxes, franchise taxes, special assessments, investment earnings, and certain Federal and State grants and entitlements. Licenses, permits, fees for services, fines, and parking meter revenues are not susceptible to accrual, because generally they are not measurable until received in cash. Property taxes and special assessments, though measurable, are not available to finance current period obligations. Therefore, property taxes and special assessment receivables are recorded and deferred in the fund statements until they become available.

The City of Topeka reports the following major governmental funds:

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

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

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

The *debt service fund* is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt paid primarily from taxes levied by the City.

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

The City of Topeka reports the following major proprietary fund:

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

The City reports the following types of nonmajor governmental funds:

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

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

**City of Topeka, Kansas**  
**Notes to the Financial Statements**  
**December 31, 2012**

The City of Topeka reports the following types of nonmajor proprietary funds:

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

*Internal service funds* are used to report any activity that provides goods or services to other funds, departments, or agencies of the City, or to other governments, on a cost-reimbursement basis. The City's internal service funds include *information technology, fleet services, and risk management*(which consists of funds for *vehicle liability insurance, workman's compensation insurance, health insurance, a risk reserve fund, and unemployment insurance fund*).The schedules for the internal service funds can be found in the *Other Fund Statements and Schedules* section.

Additionally, the City reports the following fund type:

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

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

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

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

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.

**City of Topeka, Kansas**  
**Notes to the Financial Statements**  
**December 31, 2012**

**D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position or fund balance**

**1. Deposits and investments**

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

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

Kansas statutes authorize the City, with certain restrictions, to deposit or invest directly in temporary notes, no-fund warrants, open accounts, time deposits, certificates of deposit, repurchase agreements, U.S. Treasury bills and notes, and the State's Municipal Investment Pool (MIP). The MIP is not registered with the Securities Exchange Commission and is governed by the State of Kansas Pooled Money Investment Board. The MIP operates in accordance with applicable State laws and regulations. The reported value of the City's investment in the MIP is the same as the fair value of its pool shares. MIP does not include any involuntary participants. Other investments of the City are also reported at fair value.

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

**2. Receivables and payables**

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

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

**3. Inventories and prepaid items**

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

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

**4. Restricted assets**

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

**City of Topeka, Kansas**  
**Notes to the Financial Statements**  
**December 31, 2012**

**5. Deferred outflows/inflows of resources**

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

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

**6. Capital assets**

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

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	50	years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed when those projects are debt financed. A portion of the temporary notes issued were used to finance specific water improvement projects. Accordingly, the interest capitalized in the amount of \$22,347 was calculated by netting any investment earnings from unexpended debt proceeds against the related interest expense incurred from the date of debt issuance until completion of the project.

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**7. Compensated absences**

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

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

**8. Long-term obligations**

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

**9. Equity Classifications**

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

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

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

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

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

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

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

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

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

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

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

## **II. 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 1<sup>st</sup>.
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 5<sup>th</sup>.
3. Public hearing on or before August 15<sup>th</sup>, 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 25<sup>th</sup>.

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 2012, the City had one amendment to the originally adopted budget, which affected the following funds: Transient Guest Tax, Retirement Reserve, Historic Asset Tourism, ½ % Sales Tax, Sales Tax Street Repair, and the Tax Increment Financing funds. The amendment was approved by Ordinance 19777 on November 13, 2012. The Transient Guest Tax amendment would use the fund balance to increase contributions by \$135,000 and a transfer to Historic Asset Tourism by \$29,354. Retirement Reserve expenditures were increased by \$50,000, as well as increasing the fees to the departments by \$105,000. The Historic Asset Tourism fund received additional funds from the Transient Guest Tax fund of \$29,364, in order to cover the increased spending authority of \$114,364. In the ½ % Sales Tax fund the fund balance would be drawn down to increase the transfer authority to cover approved projects in the sales tax agreement of \$1,460,328. In the Sales Tax Street Repair the fund balance will be decreased in order to fund projects approved for Street Sales Tax by \$1,743,034 for Street projects, \$584,554 for curb projects, \$217,782 for alley projects and \$310,000 for sidewalk projects. Lastly, the Tax Increment Financing fund will use fund balance to increase spending authority by \$118,658 to cover debt service payments.

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.

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

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

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

**B. Excess of expenditures over appropriations**

The Alcohol and Drug Safety Fund was in excess of expenditures by \$3,674. This was due to labor costs being over budget for employee health insurance premiums.

Parkland Acquisition Fund was in excess of budget by \$147,997. This was due to the transferring of the fund balance and any 2012 revenues collected of \$23,750 and expenses of \$80,951 as per contract #C304-2011 with Shawnee County for the Parks and Recreation consolidation. The amount budgeted was only \$112,000 and the fund balance was \$259,997.

The Transient Guest Tax Fund was in excess of budget by \$301,990. This was due to the amount of the current encumbrances of \$342,650. The budget amendment that was prepared was not requested for enough to cover the encumbered amount.

The Special Liability Fund was in excess of budget by \$41,826. This was due to having \$88,970 of current encumbrances for outside legal counsel for outstanding claims, part time direct labor was over budget by \$4,058 and health insurance premiums were \$8,577 over budget.

The Retirement Reserve Fund was in excess of budget by \$241,490. This was due to having more retirements than were budgeted. In December 2012, \$431,406 of retirement expenditures was recorded.

The KP&F Equalization Fund was in excess of budget by \$68,087. This was due to having more retirements than were budgeted.

The Community Improvement District Fund was in excess of budget by \$5,925. This was due to the developer submitting first reimbursement request for approval late in the year, not allowing for enough time to request a budget amendment.

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**C. Cash and Fund Balance Deficits**

The Parkland Acquisition Fund, a nonmajor special revenue fund, ended 2012 with a cash deficit of \$46,239 (violating K.S.A 10-1113 and 10-1121). The City overpaid Shawnee County for some purchases that were made during the consolidation of the Parks and Recreation department with Shawnee County.

The Retirement Reserve Fund, a nonmajor special revenue fund, ended 2012 with a cash and fund balance deficit of \$308,440 (violating K.S.A 10-1113 and 10-1121). Retirements amounted to \$431,406 in December 2012.

The Capital Project Fund ended 2012 with a cash deficit of \$15,957 and fund balance deficit of \$13,506,746 (violating K.S.A 10-1113 and 10-1121). This was due to projects needing long- term financing. Each project is presented to the City Council for approval.

The Developer Project Fund, a nonmajor capital projects fund, ended 2012 with a cash deficit of \$124,094 and fund balance deficit of \$71,253 (violating K.S.A 10-1113 and 10-1121).

The Information Technology Fund, a nonmajor internal service fund, ended 2012 with a fund balance deficit of \$82,042 (violating K.S.A 10-1113 and 10-1121). The internal charges to the departments were less than operating expenses and interest. The departmental fees will be reevaluated to ensure costs will be covered in the future.

The Workers Compensation Fund, a nonmajor internal service fund, ended 2012 with a fund balance deficit of \$1,636,093 (violating K.S.A 10-1113 and 10-1121). The internal charges to the departments were less than insurance claims. The departmental fees will be reevaluated to ensure costs will be covered in future periods. The total claims estimated outstanding increased by \$540,000 from 2011. This was partly due to two fatalities in the Police Department in December 2012.

**III. Detailed notes on all funds**

**A. Deposits and investments**

At December 31, 2012, 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	\$ 81,491,612	0.00
Bond Investment contracts, held in trust and government securities	<u>6,750,470</u>	10.16
Total fair value of investments	<u>\$ 88,242,082</u>	
Weighted average maturity of portfolio		<u>0.78</u>

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

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*Credit risk*—Kansas state law (K.S.A. 10-301 and K.S.A. 12-1675) specifies the types of investments in which a municipality may invest. Generally, these are limited to bank deposits and high-quality Federal and local securities. State law also provides for investment of City funds in the Municipal Investment Pool (MIP) within the State Treasury. At December 31, 2012 the City's investment in the MIP was rated AA Af/S1+.

*Concentration of credit risk*—The City's Investment Policy limits concentration of risk by imposing portfolio limits on most types of investments, except in bank deposits (which are either FDIC insured or fully collateralized) and US Treasury securities. Investments are made in consideration of safety, liquidity, rate of return, and diversification.

*Custodial credit risk on deposits*—In the case of deposits of cash and cash equivalents, custodial credit risk is the risk that in the event of 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, 2012, the City had deposits totaling \$5,706,583 in financial institutions, with collateral assets pledged to the City by the institutions having a fair market value of \$13,292,845.

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

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

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

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

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(D) General obligation municipal bonds or other general obligations issued by any municipality of the state of Kansas as defined in K.S.A. 10-1101.

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

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

**B. Receivables**

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

	Governmental Activities	Business- type Activities	Total
<u>Receivables:</u>			
Accounts	\$ 5,547,943	\$ 10,325,637	\$ 15,873,580
Taxes	49,742,535	-	49,742,535
Special assessments	24,157,126	-	24,157,126
Intergovernmental	1,073,429	571,797	1,645,226
Net receivables	<u>\$ 80,521,033</u>	<u>\$ 10,897,434</u>	<u>\$ 91,418,467</u>

All trade receivables are shown net of an allowance for uncollectibles. At December 31, 2012 an allowance of \$1,057,677 and \$1,132,180 is recorded in the governmental activities and business-type activities, respectively.

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

	General	Debt Service	Nonmajor Governmental	Total
<u>Unavailable revenues:</u>				
Property tax	\$ 25,845,293	\$ 12,027,608	\$ 802,972	\$ 38,675,873
Special assessments	-	24,157,125	-	24,157,125
Other unavailable revenues	659,577	6,221	77,038	742,836
Total	<u>\$ 26,504,870</u>	<u>\$ 36,190,954</u>	<u>\$ 880,010</u>	<u>\$ 63,575,834</u>

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**C. Capital Assets**

Government-wide activity for the year ended December 31, 2012 is as follows:

<b>Consolidated Statement</b>	<b>Beginning</b>			<b>Ending</b>
<b>Governmental Activities</b>	<b>Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance</b>
<b>Non-depreciable capital assets</b>				
Land	\$ 6,367,861	\$ -	\$ (2,678,219)	\$ 3,689,642
Intangible Easements	717,111	1,327,842	-	2,044,953
Construction in Process	42,372,108	15,948,081	(23,970,821)	34,349,368
<b>Total Non-Depreciable Capital Assets</b>	<b>49,457,080</b>	<b>17,275,923</b>	<b>(26,649,040)</b>	<b>40,083,963</b>
<b>Depreciable Capital Assets</b>				
Building Improvements & Infrastructure	963,636,015	23,584,896	(31,306,239)	955,914,672
Furniture	6,685,068	131,332	(180,664)	6,635,736
Vehicles	21,468,601	456,417	(1,466,144)	20,458,874
Software	2,727,528	-	-	2,727,528
Tools & Equipment	8,022,395	267,844	(1,379,996)	6,910,243
<b>Total Depreciable Capital Assets</b>	<b>1,002,539,607</b>	<b>24,440,489</b>	<b>(34,333,043)</b>	<b>992,647,053</b>
<b>Less Accumulated Depreciation for:</b>				
Building Improvements & Infrastructure	(604,227,236)	(26,117,700)	12,053,617	(618,291,319)
Furniture	(6,571,049)	(37,881)	85,432	(6,523,498)
Vehicles	(14,692,093)	(1,508,579)	1,410,855	(14,789,817)
Software	(1,363,764)	(545,506)	-	(1,909,270)
Tools & Equipment	(5,250,101)	(485,632)	955,192	(4,780,541)
<b>Total Accumulated Depreciation</b>	<b>(632,104,243)</b>	<b>(28,695,298)</b>	<b>14,505,096</b>	<b>(646,294,445)</b>
<b>Total Depreciable capital assets, net of accumulated depreciation</b>	<b>370,435,364</b>	<b>(4,254,809)</b>	<b>(19,827,947)</b>	<b>346,352,608</b>
<b>Governmental activities capital assets, net of accumulated depreciation</b>	<b>\$ 419,892,444</b>	<b>\$ 13,021,114</b>	<b>\$ (46,476,987)</b>	<b>\$ 386,436,571</b>
<b>Consolidated Statement</b>				
<b>Business-Type Activities</b>				
<b>Non-depreciable capital assets</b>				
Land	\$ 1,675,360	\$ -	\$ -	\$ 1,675,360
Intangible Easements	2,069,960	1,237,043	-	3,307,003
Construction in Process	4,419,351	5,647,894	(3,791,460)	6,275,785
<b>Total Non-Depreciable Capital Assets</b>	<b>8,164,671</b>	<b>6,884,937</b>	<b>(3,791,460)</b>	<b>11,258,148</b>
<b>Depreciable Capital Assets</b>				
Building Improvements & Infrastructure	524,513,845	3,957,814	-	528,471,659
Furniture	817,380	-	-	817,380
Vehicles	7,949,245	975,816	(631,446)	8,293,615
Tools & Equipment	4,344,329	97,300	(185,889)	4,255,740
<b>Total Depreciable Capital Assets</b>	<b>537,624,799</b>	<b>5,030,930</b>	<b>(817,335)</b>	<b>541,838,394</b>
<b>Less Accumulated Depreciation for:</b>				
Building Improvements & Infrastructure	(174,808,631)	(13,112,828)	-	(187,921,459)
Furniture	(775,912)	(10,554)	-	(786,466)
Vehicles	(5,941,420)	(675,364)	632,308	(5,984,476)
Tools & Equipment	(3,662,094)	(164,969)	173,790	(3,653,273)
<b>Total Accumulated Depreciation</b>	<b>(185,188,057)</b>	<b>(13,963,715)</b>	<b>806,098</b>	<b>(198,345,674)</b>
<b>Total Depreciable capital assets, net of accumulated depreciation</b>	<b>352,436,742</b>	<b>(8,932,785)</b>	<b>(11,237)</b>	<b>343,492,720</b>
<b>Business-Type activities capital assets, net of accumulated depreciation</b>	<b>\$ 360,601,413</b>	<b>\$ (2,047,848)</b>	<b>\$ (3,802,697)</b>	<b>\$ 354,750,868</b>

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Depreciation expense was charged to activities as follows:

<b>Governmental Activities</b>	
General government	\$ 776,580
Public Safety	1,609,301
Public Works	25,279,107
Parks and recreation	394,409
Internal Service	635,901
Total Depreciation Expense	<u>\$ 28,695,298</u>
<b>Business - Type Activities</b>	
Parking, Garages	\$ 784,391
Combined Utilities	13,179,324
Total Depreciation Expense	<u>\$ 13,963,715</u>

**Construction commitments**

The City had open, active construction projects on December 31, 2012. These projects included bridge repairs, building and facility updates, repairs of existing streets and traffic signals, new zoo exhibits and facilities, bike trails, water mains, and the construction of additional wastewater facilities. At year-end, the City's open project expenditures and remaining commitments with contractors, by category were as follows:

	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
General Government	\$ 5,652,449	\$ 5,340,212
Public Safety - Fire	79,714	4,173,400
Public Works - Streets	18,677,430	9,683,165
Public Works - Special Assessment	8,275,062	4,710,636
Public Works - Bridges	117,648	666,040
Parks and Recreation & Zoo	1,547,066	533,296
Combined Utilities	6,193,763	23,651,086
<b>Total</b>	<u>\$ 40,543,132</u>	<u>\$ 48,757,835</u>

In order to fund some of the expenditures above, the City has issued \$16,540,000 worth of temporary notes, which mature October 1, 2013.

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**D. Interfund receivables, transfers, and activity**

The composition of interfund balances as of December 31, 2012 is presented in both table and schedule format with brief descriptions as follows:

Due to :	Due from:					Total
	General Fund	Nonmajor Governmental	Water, Stormwater & WPC Utility Fund	Nonmajor Enterprise	Capital Projects Fund	
General Fund	\$ -	\$ 519,412	\$ -	\$ -	\$ 15,957	\$ 535,369
Debt Service	-	-	-	136,082	-	136,082
Capital Projects	-	-	300,000	-	-	300,000
Water, Stormwater, & WPC Utility Fund	123,523	-	-	-	-	123,523
	<u>\$ 123,523</u>	<u>\$ 519,412</u>	<u>\$ 300,000</u>	<u>\$ 136,082</u>	<u>\$ 15,957</u>	<u>\$ 1,094,974</u>

The composition of interfund balances as of December 31, 2012 is as follows:

Receivable Fund	Payable Fund	Purpose	Amount
General	Capital Projects	Operating Subsidy	\$ 15,957
General	Nonmajor-Governmental	Operating Subsidy	519,412
Capital Projects	Water, Stormwater, & WPC Utility	Funding for WPC Project	300,000
Debt Service	Nonmajor Enterprise	Distribute investment interest	136,082
Total Governmental Funds			<u>971,451</u>
Water, Stormwater & WPC Utility	General	Distribute investment interest	123,523
Total Enterprise Funds			<u>123,523</u>
Grand Total			<u>\$ 1,094,974</u>

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 for the year ended December 31, 2012 were as follows:

Transfer out:	Transfer In:					Total Transfers out
	General Fund	Debt Service Fund	Capital Projects	Nonmajor Governmental	Water, Stormwater & WPC Utility Fund	
General Fund	\$ -	\$ -	\$ 8,719	\$ -	\$ -	\$ 8,719
Capital Projects	-	1,240,478	-	-	-	1,240,478
Nonmajor Governmental	137,000	3,245,027	1,233,211	114,354	839,370	5,568,962
Total transfers in	<u>\$ 137,000</u>	<u>\$ 4,485,505</u>	<u>\$ 1,241,930</u>	<u>\$ 114,354</u>	<u>\$ 839,370</u>	<u>\$ 6,818,159</u>

**City of Topeka, Kansas**  
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Interfund transfers in consisted of the following:

General Fund received from Transient Guest Fund for operating expenses	\$ 137,000
Debt Service received from 1/2% Sales Tax for Bridge Debt Service	3,245,027
Debt Service received from Capital Projects for closed projects	1,240,478
Historic Asset Tourism received from Transient Guest Tax for rehabilitaion expenses	114,354
Enterprise Funds received from 1/2% Sales Tax for operating expense	839,370
Capital Projects received from General Fund for project expenses	8,719
Capital Projects received from Transient Guest Tax for project expenses	200,000
Capital Projects received 1/2% Sales Tax for infrastructure	1,033,211
	<b>\$ 6,818,159</b>

Interfund charges for support services paid to the General Fund during 2012 were as follows:

Special Street Repair Fund	\$ 363,000
Water, Stormwater & WPC Utility Fund	2,546,000
Nonmajor Governmental Funds	59
Nonmajor Enterprise Fund	205,000
Property Insurance Fund	29,000
Workers Compensation Fund	328,000
Unemployment Fund	12,000
	<b>\$ 3,483,059</b>

In 2012, payments in lieu of taxes of \$5,160,000 and \$276,000 were made to the General Fund by the Water, Stormwater & WPC Utility Fund and the Public Parking Facilities Fund, respectively. The payment in lieu of taxes is based on applying the levy rate to 33% of the net book value of capital assets and 3% of service revenues.

**E. Leases**

Operating Leases

The City has operating leases for computers and licenses. The expenditures for these operating leases for the year ended December 31, 2012 were \$356,881. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2013	\$ 455,990
2014	384,502
2015	151,629
2016	81,038
Total	<b>\$ 1,073,159</b>

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Capital Leases

The City has entered into capital lease agreements, as lessee, for financing the acquisition of software and server equipment, telecommunications equipment, fire equipment and trucks, and enterprise resource planning software. Capital assets acquired under capital leases are amortized over their estimated useful lives and are included in depreciation expense. These capital leases have been recorded at the present value of their future minimum lease payments as of the inception date, in accordance with generally accepted accounting principles.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Asset information:		
Machinery and equipment	\$ 5,626,651	\$ 425,029
Less accumulated depreciation	(2,437,333)	(127,509)
Total	\$ 3,189,318	\$ 297,520

The future minimum lease obligations for governmental activities and business-type activities, and the net present value of these minimum lease payments at December 31, 2012, were as follows:

Year Ending December 31	Governmental Activities	Business-Type Activities
2013	\$ 993,339	\$ 75,103
2014	993,339	75,103
2015	350,466	75,103
2016	350,467	75,103
2017	350,467	-
2018 - 2021	1,051,402	-
Total minimum lease payments	4,089,480	300,412
Less: amount representing interest	(511,473)	(19,597)
Net present value of minimum lease payments	\$ 3,578,007	\$ 280,815

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**F. Long-term debt**

Changes in long-term liabilities

	Balance 12/31/11	Additions	Reductions	Balance 12/31/12	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 148,201,719	\$ 27,170,000	\$ (38,721,158)	\$ 136,650,561	\$ 12,900,518
Tax increment and other bonds	30,070,000	-	(3,335,000)	26,735,000	3,430,000
Less deferred amounts:					
For issuance premium	3,881,414	854,522	(544,117)	4,191,819	-
For issuance discounts	(231,033)	(1,590)	182,963	(49,660)	-
Capital leases	4,450,181	-	(872,174)	3,578,007	852,994
OPEB liability**	3,874,503	221,349	-	4,095,852	-
Retirement Incentive**	368,163	-	(123,550)	244,613	122,719
Compensated absences**	8,523,549	7,445,469	(7,964,649)	8,004,369	4,802,621
Park transfer obligations	-	10,180,473	(4,050,698)	6,129,775	3,046,307
Claims and judgments	1,636,468	-	(528,968)	1,107,500	-
Governmental activity					
Long-term liabilities	<u>\$ 200,774,964</u>	<u>\$ 45,870,223</u>	<u>\$ (55,957,351)</u>	<u>\$ 190,687,836</u>	<u>\$ 25,155,159</u>

\*\* For governmental activities, other post employment benefits, retirement incentive, compensated absences, are generally liquidated by the general fund.

	Balance 12/31/11	Additions	Reductions	Balance 12/31/12	Due Within One Year
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 12,453,281	\$ 4,935,000	\$ (4,953,842)	\$ 12,434,439	\$ 244,482
Less deferred amounts:					
Discount on issuance	(13,205)	-	12,842	(363)	-
Premium on issuance	243,793	-	(12,017)	231,776	-
Revenue bonds	124,345,000	22,045,000	(23,840,000)	122,550,000	2,370,000
Less deferred amounts:					
Discount on issuance	(334,310)	(156,884)	19,576	(471,618)	-
Premium on issuance	2,600,851	-	(610,470)	1,990,381	-
State revolving loan	78,077,683	1,259,620	(7,213,365)	72,123,938	7,480,675
Other liabilities	308,000	-	(44,000)	264,000	44,000
Capital leases	349,226	-	(68,411)	280,815	67,369
OPEB liability	186,245	48,589	-	234,834	-
Retirement Incentive	169,110	-	(59,211)	109,899	54,763
Compensated absences	689,597	594,910	(644,379)	640,128	106,572
Business-type activity					
Long-term liabilities	<u>\$ 219,075,271</u>	<u>\$ 28,726,235</u>	<u>\$ (37,413,277)</u>	<u>\$ 210,388,229</u>	<u>\$ 10,367,861</u>

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The following paragraphs summarize the long-term liability activity for 2012 for the governmental and business-type activities as presented in the above table.

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

At January 1, 2012, the City owed \$59,865,408 to the Kansas Water Pollution Control State Revolving Loan Fund (WPC-SRF); during the year, the City repaid loan principal of \$5,895,574. The total balance owed for the WPC-SRF at December 31, 2012, was \$53,969,834.

At January 1, 2012, the City owed \$18,212,275 to the Kansas Public Water Supply State Revolving Loan Fund (PWS-SRF); during the year, the City repaid loan principal of \$1,317,791. The total balance owed for the WPS-SRF at December 31, 2012 was \$18,154,104.

The City has entered into agreements to receive loans up to \$121,140,518 from WPC-SRF and up to \$20,198,119 from PWS-SRF. The City's procedure was to back the SRF loans through bond insurance instead of full faith and credit of the City. The City is not willing to change its policy regarding the use of full faith and credit for SRF loans. In 2012, the State lowered its requirement for bond insurance, making these types of loans an available option to the City in the future.

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, 2012, was \$160,655,000. During the year, general obligation bonds totaling \$12,045,000 were retired, \$31,630,000 were refunded, and \$32,105,000 of general obligation bonds were issued, bringing the December 31, 2012 outstanding balance to \$149,085,000.

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	1.625 - 5.00%	\$ 16,845,000
Governmental activities - refunding	2.00 - 4.85%	119,805,561
Business-type - refunding	2.00 - 4.375%	12,434,439
		<u>\$ 149,085,000</u>

**City of Topeka, Kansas**  
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Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Principal	Interest	Total
2013	\$ 13,145,000	\$ 4,822,467	\$ 17,967,467
2014	13,600,000	4,341,391	17,941,391
2015	11,675,000	3,815,471	15,490,471
2016	9,870,000	3,506,736	13,376,736
2017	9,465,000	3,254,018	12,719,018
2018-2022	41,875,000	12,659,704	54,534,704
2023-2027	33,595,000	6,603,313	40,198,313
2028-2032	14,225,000	1,678,177	15,903,177
2033-2036	1,635,000	165,626	1,800,626
Total	<u>\$ 149,085,000</u>	<u>\$ 40,846,903</u>	<u>\$ 189,931,903</u>

Tax Increment and Other Bonds

The tax increment and other bonds consist of \$9,465,000 of STAR bonds for Heartland Park race track, \$5,405,000 of tax increment bonds for College Hill development, and \$11,865,000 of sales tax revenue bonds to replace one of the main bridges in the City.

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

Year Ending December 31	Principal	Interest	Total
2013	\$ 3,430,000	\$ 783,525	\$ 4,213,525
2014	3,525,000	686,375	4,211,375
2015	3,630,000	586,475	4,216,475
2016	4,225,000	449,225	4,674,225
2017	1,230,000	325,475	1,555,475
2018-2022	6,670,000	1,198,090	7,868,090
2023-2027	4,025,000	253,553	4,278,553
Total	<u>\$ 26,735,000</u>	<u>\$ 4,282,718</u>	<u>\$ 31,017,718</u>

Revenue bonds

The City also issues revenue bonds. The City pledges income derived from the fees and charges to users of the related assets to pay debt service on revenue bonds. The principal amount of revenue bonds outstanding at January 1, 2012, was \$124,345,000. In 2012, the City retired \$2,475,000 of revenue bonds, refunded \$21,365,000 and issued \$22,045,000. Revenue bonds outstanding at year-end are \$122,550,000, as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Water, Stormwater, & WPC Utility	2.00 - 7.50%	<u>\$122,550,000</u>

**City of Topeka, Kansas**  
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Revenue bond debt service requirements to maturity are as follows:

Year Ending December 31	Principal	Interest	Total
2013	\$ 2,370,000	\$ 5,116,876	\$ 7,486,876
2014	3,490,000	5,016,026	8,506,026
2015	4,135,000	4,846,876	8,981,876
2016	4,330,000	4,646,101	8,976,101
2017	4,500,000	4,488,177	8,988,177
2018-2022	25,735,000	19,803,981	45,538,981
2023-2027	34,575,000	13,953,477	48,528,477
2028-2032	29,060,000	6,751,509	35,811,509
2033-2037	11,415,000	2,062,599	13,477,599
2038-2041	2,940,000	308,436	3,248,436
Total	<u>\$ 122,550,000</u>	<u>\$ 66,994,058</u>	<u>\$ 189,544,058</u>

Current refundings

General Obligation Bonds – On May 17, 2012, the City issued its General Obligation Refunding Bonds, Series 2012-A in the principal amount of \$30,445,000, with interest rates ranging from 1.50% to 4.00% and a final maturity date of August 15, 2036. Series 2012-A currently refunded the: City's Series 2006-B General Obligation Bonds, with interest rates ranging from 4.125% to 4.375%; Series 2007-A General Obligation Bonds, with interest rates ranging from 3.75% to 4.25%; and Series 2007-D General Obligation Bonds, with interest rates ranging from 4.00% to 4.50%. The Series 2012-A Bonds also partially advance refunded maturities 2014-2018 of the Series 2008-A General Obligation Bonds, with interest rates ranging from 4.00% to 4.375%. Net proceeds of \$30,891,543 were used to refund the refunded bonds, of which \$26,020,243 was used to refund governmental activities debt and \$4,871,300 was used to refund business-type debt. As a result, the 2006-B, 2007-A, 2007-D and the refunded portion of the Series 2008-A refunded bonds are considered defeased and the related liability for these bonds has been removed from the long-term debt.

The 2012-A bonds attributable to the 2006-B bonds refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of \$138,730. The City completed this current refunding to reduce its debt service payments by \$516,930 over the life of the bonds with a net present value savings of \$346,461. The 2012-A bonds attributable to the 2007-A bonds' refunding resulted in a difference between the reacquisition price and the net carrying value of the refunded bonds of \$280,729. The City completed this current refunding to reduce its debt service payments by \$653,723 over the life of the bonds with a net present value savings of \$607,244. The 2012-A bonds attributable to the 2007-D bonds' refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of \$394,046. The City completed this current refunding to reduce its debt service payments by \$1,753,628 over the life of the bonds with a net present value savings of \$1,452,957. The 2012-A bonds attributable to the 2008-A bonds' refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of \$118,291. The City completed this advance refunding to reduce its debt service payments by \$284,764 over the life of the bonds with a net present value savings of \$272,229.

General Obligation Bonds – On May 17, 2012, the City issued its Taxable General Obligation Refunding Bonds, Series 2012-B in the principal amount of \$1,660,000, with interest rates ranging from 0.50% to 2.25% and a final maturity date of August 15, 2015. Series 2012-B currently refunded the City's Series 2005-C General Obligation Bonds, with an interest rate of 5.00%. Net proceeds of \$1,665,625 were used to refund the refunded bonds. As a result, the 2005-C bonds are considered defeased and the related liability for these bonds has been removed from the long-term debt.

The 2012-B bonds attributable to the 2005-C bonds refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of \$18,881. The City completed this current refunding to reduce its debt service payments by \$105,769 over the life of the bonds with a net present value savings of \$103,551.

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Revenue Bonds – On June 12 2012, the City issued its Combined Utility Refunding Revenue Bonds, Series 2012-A in the principal amount of \$22,045,000, with interest rates ranging from 3.00% to 3.50% and a final maturity date of August 1, 2033. Series 2012 currently refunded \$21,365,000 of the City’s Series 2004-A Revenue Bonds, with interest rates ranging from 3.30% to 4.50%. Net proceeds of \$21,819,354 were used to refund the refunded bonds. As a result, the 2004-A Revenue bonds are considered defeased and the related liability for these bonds has been removed from the long-term debt.

The refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of \$(40,119). The City completed this current refunding to reduce its debt service payments by \$4,101,077 over the life of the bonds with a net present value savings of \$2,627,379.

**G. Restricted assets**

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

	Water, Stormwater & WPC Utility Fund	Nonmajor Enterprise Fund	Total
Bond reserve	\$ 8,241,805	\$ -	\$ 8,241,805
Renewal & replacement	1,500,000	-	1,500,000
Construction proceeds	16,445,380	-	16,445,380
Sinking fund	3,119,532	169,962	3,289,494
Water consumer deposits	644,155	-	644,155
Water consumer deposits flushing meters	112,358	-	112,358
Internal restrictions on SRF loans	1,020,956	-	1,020,956
Deposits with fiscal agent	9,349,630	-	9,349,630
Total restricted assets	<u>\$ 40,433,816</u>	<u>\$ 169,962</u>	<u>\$ 40,603,778</u>

**H. Short-term Debt – Notes**

The City issues notes in advance of property tax collections, depositing the proceeds in its capital improvement funds. These notes are necessary because the City receives the biggest part of its mill levy twice each year – January and June. The City issues business type notes to cover expenses, until the next revenue bonds are sold. Notes outstanding at December 31, 2012 mature on October 1, 2013 and bear interest of 1%.

Short-term debt activity for the year ended December 31, 2012, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Governmental activities notes	\$13,401,709	\$ 14,687,187	\$ 13,401,709	\$ 14,687,187
Business-type notes	1,828,291	1,852,813	1,828,291	1,852,813
Total	<u>\$15,230,000</u>	<u>\$16,540,000</u>	<u>\$15,230,000</u>	<u>\$16,540,000</u>

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**IV. Other information**

**A. Risk management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Under the Kansas Tort Claims Act, K.S.A. 75-6101 to 75-6115, general liability claims against the City are limited within the scope of the act to an occurrence aggregate of \$500,000. The City self-insures for general liability claims up to this statutory dollar limit and has a self-insured retention on third party vehicle liability claims of \$250,000. The City purchases commercial insurance coverage for physical damage to City property. For each of the past three years, settlements have been within coverage limits.

The City is also self-insured for several other categories of potential loss. As part of its self-insurance program, the City has established internal self-insurance funds for employee health insurance, workers' compensation, and unemployment compensation (jointly, the internal self-insurance funds). The claims liability is based upon estimates of the ultimate cost of claims, including inflation factors and historical trend data. Other non-incremental costs are not included in the basis for estimating the liability. There has been no significant reduction in commercial or self-insurance coverage from the prior year.

The internal self-insurance funds accrue the required amounts for the payment of anticipated claims by apportioning rate charges among the various City departments. Rates are based on historical and expected future expenses pursuant to eight-year actuarial studies. These rate charges are reported as expenditures in the applicable funds. Risks attributable to the workers' compensation self-insurance fund have excess reinsurance coverage above \$500,000.

The health self-insurance fund has catastrophic stop-loss reinsurance for all claims, except those for prescription drugs, to help protect the City against extraordinary losses. It also maintains a trust reserve. Our management of this program and claims experience over the past several years has enabled us to not only maintain but upgrade benefit coverage with continued 100% payment of individual employee plans and no increases in dependent premiums.

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

	2012	2011
Claims liabilities at beginning of the year	\$ 3,712,406	\$ 2,240,845
Claims incurred during the year	9,324,587	12,761,007
Claims paid during the year	(8,514,065)	(11,289,446)
Claims liabilities at end of the year	<u>\$ 4,522,928</u>	<u>\$ 3,712,406</u>

**B. Contingent liabilities**

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

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

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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, 2012, totaled \$26,845,000.

Costs to complete construction contracts to which the City was committed at December 31, 2012 are estimated at \$25,106,749 for the governmental funds and \$23,651,086 for Enterprise Funds.

**C. Jointly governed organizations**

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

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

The JEDO is comprised of a seven (7)-member board, which includes three County Commissioners, the Mayor and Deputy Mayor of the City, and two City Council members. The Chair of the JEDO rotates between the County and the City on a yearly basis. Under the terms of the interlocal agreement, the JEDO must remain in existence during the term of the one-half of one percent countywide sales tax approved by the voters to be imposed from January 1, 2005, through December 31, 2015, plus one year. The revenues derived from the sales tax are deposited with the JEDO, which administers the monies as directed by the vote and under the terms of the interlocal agreement. During the year ended December 31, 2012, the City paid \$8,065,048 to JEDO and received \$5,121,758 from JEDO in accordance with the interlocal agreement. The City is owed \$1,485,978 from the State of Kansas, which is subsequently due to JEDO for sales taxes earned, but not received and is included in due to other governments. An annual audit of the JEDO is required to be provided to the City and the County and filed with the City Clerk, the County Clerk and at the Topeka-Shawnee County Public Library.

**D. Other post-employment benefits**

**Plan Description** The City's health plan is self-funded. The City has a single employer plan for retirees' health benefit. The benefit plan is authorized by Personnel Code Article III, Section 4 Group Insurance B and K.S.A. 12-5040. Retirees have the option to continue with the City plan and pay the monthly premium. However once the retiree drops the coverage they forfeit their right to future coverage. The City offers major medical health insurance and prescription coverage. The City does offer dental insurance, but the benefit is paid by the retirees on a full cost basis and is assumed to not produce an implicit subsidy.

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**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 2012 the City had 193 retirees, contributing \$1,202,019. The total cost of health insurance claims and administrative fees for retirees was \$1,915,979. Resulting in the City supplementing the retirees' health insurance plan by \$713,960 for 2012.

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

	Retirees Base Plan	Employees Buy-up Plan
Single	\$ 397.26	\$ 38.64
With Children	853.78	353.88
With Spouse	769.85	263.04
Family	1,319.74	746.38

**Funding Status and Funding Progress**

As of January 1, 2011, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$11,499,605. There are no assets set aside for funding the plan as of that date, thus the entire amount is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$55,905,828, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 20.57%.

**Annual OPEB Cost and Net OPEB Obligation** - The City's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years. This number was established by an independent actuarial study done by Cavanaugh MacDonald Consulting LLC as of January 1, 2011. 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	\$ 879,015
Interest on net OPEB obligation	163,519
Adjustment to annual required contribution	(132,765)
Annual OPEB cost (expense)	909,769
City's contribution to retiree's costs	(639,831)
Increase in net OPEB obligation	269,938
Net OPEB obligation - beginning of year	4,060,748
Net OPEB obligation - end of year	\$ 4,330,686

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

**City of Topeka, Kansas**  
**Notes to the Financial Statements**  
**December 31, 2012**

The City's annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan and the net OPEB obligation for the years ending December 31, 2010-2012 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2010	\$ 1,831,955	65.6%	\$ 3,847,511
12/31/2011	909,769	76.6%	4,060,748
12/31/2012	909,769	70.3%	4,330,686

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

The City used the following assumptions in their valuation:

**Method Used:** Projected Unit Credit

**Interest Rate:** 4.25%

**Amortization Method:** Level Percent of Pay, Open

**Amortization Factor:** 28.9798%

**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

**Price Inflation:** 3.25%

**Health Care Cost Trend Rate:** Pre-Medicare Medical and Drugs– 9.50% avg.; other expenses 4.5 avg.

**E. Employee retirement systems and pension plans**

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

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

The City participates in the Kansas Public Employees Retirement System (KPERs) and in the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer, defined benefit pension plan, as defined by Federal regulations. As provided by K.S.A. 74-4901, *et seq.*, KPERs and KP&F provide retirement benefits, term life insurance, disability income benefits, and death benefits. Kansas state law establishes and amends all KPERs and KP&F benefit provisions. KPERs and KP&F issue a publicly available, combined, annual financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERs, 611 S Kansas Avenue, Suite 100, Topeka, Kansas, 66603-3925, or by calling 1-888-275-5737.

**City of Topeka, Kansas**  
**Notes to the Financial Statements**  
**December 31, 2012**

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary prior to June 30, 2009, and at 6% of covered salary from July 1, 2009 to December 31, 2012. K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The City collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually, based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limit on annual increases in the employer contribution rates. The KPERS employer rate established by statute for calendar year 2012 was 8.34% (includes 1% for insurance) for both Tier 1 and Tier 2. Tier 2 is for employees with a membership date on or after July 1, 2009. For local non-school-type municipalities that hire a KPERS retiree who retired from a different KPERS employer, the employer rate is 13.44% for the period of January 1, 2012 to December 31, 2021 and the waiting period is 60 days. The City of Topeka employer contributions to KPERS for the years ending December 31, 2012, 2011, and 2010 were \$2,201,790, \$1,920,510, and \$1,805,616 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 2012 was 16.54%. The City's employer contributions to KP&F for the years ending December 31, 2012, 2011, and 2010 were \$5,934,810, \$4,867,695, and \$4,053,917, respectively, equal to the statutorily required contributions for each year.

**F. Termination Benefits**

In June 2010, the City offered a retirement incentive plan, where the City would cover the cost of a basic single health insurance premium for five years. Forty people took advantage of the plan. A risk free rate of .6751% was used to discount back the future payments to present value. The remaining benefit at December 31, 2012 was \$354,512.

**G. Pending Governmental Accounting Standards Board Statements (GASB)**

GASB has issued the following statement which may impact the City's financial reporting requirements in the future.

- GASB Statement 61 – *The Financial Reporting Entity – Omnibus*, effective for the fiscal year beginning January 1, 2013.
- GASB Statement No. 66, Technical Corrections to GASB Statement No. 10 and Statement No. 62, effective for the fiscal year beginning January 1, 2013.
- GASB Statement No. 67 – *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, effective for the fiscal year beginning January 1, 2014.
- GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, effective for the fiscal year beginning January 1, 2015.
- GASB Statement No. 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for the fiscal year beginning January 1, 2014.

**City of Topeka, Kansas**  
**Notes to the Financial Statements**  
**December 31, 2012**

**H. Commitments and Encumbrance**

Community Improvement District

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

The City has entered into a developer agreement whereby the developer financed project costs that have been certified by the City as eligible to be reimbursed from CID sales tax attributable to the project. Under the CID plan the developer may be reimbursed up to the certified cost amount including interest from CID sales taxes during a period not to exceed 22 years. CID sales taxes were projected to produce sufficient funds to reimburse the developer for certified costs. The developer obligation is limited solely to the amount of CID sales taxes received attributable to the project; any deficiencies are the sole responsibility of the developer and do not constitute an obligation of the City. At December 31, 2012, the amount of eligible reimbursable project costs submitted by the developer was \$1,612,008.

Encumbrances

Outstanding encumbrances at December 31, 2012 were as follows: General Fund \$618,902, Special Street Repairs Fund - \$588,431, Sales Tax Street Repairs Fund \$3,733,020, and Non Major Special Revenue Funds \$649,047.

The governmental fund balance classifications as of December 31, 2012 are as follows:

	General	Special Street Repairs	Sales Tax Street Repair	Debt Service	Capital Projects Fund	Other Gov't Funds	Total 2012
<b>Fund balances:</b>							
<b>Nonspendable:</b>							
Prepaid items	\$ 13,316	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,316
<b>Restricted for:</b>							
Crime prevention and public safety	-	-	-	-	-	482,554	482,554
Infrastructure repairs and projects	-	2,894,205	15,077,970	-	-	1,065,571	19,037,746
Housing and community improvements	-	-	-	-	-	899,111	899,111
Alcohol and drug programs	-	-	-	-	-	682,796	682,796
Debt service	-	-	-	4,939,942	-	-	4,939,942
Claims and judgements	-	-	-	-	-	744,957	744,957
Tourism	-	-	-	-	-	553,078	553,078
Other purposes	-	-	-	-	-	52,046	52,046
<b>Committed to:</b>							
Crime prevention and public safety	-	-	-	-	-	1,714,230	1,714,230
Housing and community improvements	-	-	-	-	-	376,059	376,059
Other purposes	-	-	-	-	-	120,302	120,302
<b>Assigned to:</b>							
Contractual services and commodities	618,902	-	-	-	-	-	618,902
<b>Unassigned:</b>	5,476,120	-	-	-	(13,506,746)	(379,693)	(8,410,319)
<b>Total fund balances</b>	<b>\$6,108,338</b>	<b>\$2,894,205</b>	<b>\$15,077,970</b>	<b>\$4,939,942</b>	<b>\$(13,506,746)</b>	<b>\$6,311,011</b>	<b>\$21,824,720</b>

**City of Topeka, Kansas**  
**Notes to the Financial Statements**  
**December 31, 2012**

**I. Change in accounting principle and restatement of prior period net position**

For 2012, the City has adopted GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and has early adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities.

GASB 63 and GASB 65 establish accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Furthermore, these Statements provide guidance for deferred outflows of resources and deferred inflows of resources and their applicability to consumption or acquisition of net position, previously referred to as net assets, by the City.

As of December 31, 2011, the beginning net position of the governmental activities and the proprietary funds were restated for bond issuance costs incurred prior to 2011. Under GASB 65 these costs should be expensed as incurred.

During 2012, the City received insurance recovery proceeds of \$325,000 that related to damages incurred to a railroad bridge in 2010. The estimated total damages to the bridge amounted to \$1,046,138, of which \$721,138 exceeds liability coverage limitations. Management determined that the beginning net position of the Property Insurance internal service fund should be restated to properly record the damage claim liability.

	Governmental Activities	Business-type Activities	Proprietary Funds	Property Insurance
Net Position, beginning of year as previously reported	\$ 281,701,924	\$ 207,254,119	\$ 208,273,867	\$ 1,628,097
Debt issuance costs	(1,652,339)	(1,988,466)	(1,988,466)	-
Claim liability, net of insurance recovery	-	-	-	(721,138)
Internal service fund allocation adjustment	-	(721,138)	-	-
Net Position, beginning of year ,as restated	<u>\$ 280,049,585</u>	<u>\$ 204,544,515</u>	<u>\$ 206,285,401</u>	<u>\$ 906,959</u>

**J. Special Item - Transfer of Parks and Recreation to Shawnee County**

Pursuant to an intergovernmental agreement between the City of Topeka (City) and Shawnee County, Kansas (County) the City will transfer certain parks and recreation operations to the County for the purpose of providing services to its citizens. Effective January 1, 2012, the City transferred certain assets comprising the parks and recreation operations to the County. During 2012, the City transferred cash and certain revenues collected totaling \$794,792 and buildings and improvements, infrastructure, construction in progress, vehicles and various equipment having a carrying value of \$22,485,536 to the County.

**City of Topeka, Kansas**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

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

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

The following table summarizes the amount the City has agreed to transfer to the County:

	<u>Transfer</u>
	<u>Amount</u>
Cash balances	\$ 794,792
Net carrying value of capital assets	22,485,536
Property tax levies	10,023,786
Vacation, sick leave and retirement incentive	156,687
	<u>\$ 33,460,801</u>

The City has early adopted GASB No. 69 and in accordance with this guidance the total amount that the City has agreed to transfer to the County has been reported as a special item in the basic financial statements. At December 31, 2012 the amount remaining to be transferred to the County totaled \$ 6,129,775 has been reported as a park transfer obligation in the basic financial statements.

**K. Subsequent Events**

The City evaluated subsequent events through June 25, 2013, the date the financial statements were available to be issued.

The City issued the following in new debt instruments in 2013:

<u>Name and purpose of debt</u>	<u>Series</u>	<u>Date of Issue</u>	<u>Interest Rate %</u>	<u>Amount Issued</u>
Utility Refunding Revenue Bonds	2013A	05/21/13	1.50 – 5.00	\$35,985,000
General Obligation Refunding Bonds	2013A	06/04/13	2.20 – 4.00	\$20,335,000

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

**All Municipal Retired Employees Healthcare Plan**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>Funding Ratio</b>	<b>Covered Payroll</b>	<b>Unfunded Liability as Percentage of Covered Payroll</b>
1/1/2007	\$ -	\$ 17,441,930	\$ 17,441,930	0%	\$ 62,540,183	27.89%
1/1/2009	-	18,737,527	18,737,527	0%	66,152,204	28.32%
1/1/2011	-	11,499,605	11,499,605	0%	55,905,828	20.57%

# Nonmajor Governmental Funds

## Special Revenue Funds

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

<u>FUND NAME</u>	<u>STATUTORY OR OTHER AUTHORITY</u>	<u>PURPOSE</u>
Downtown Improvement District	Topeka Ordinance # 19695	Accounts for assessments levied against tenants within the downtown business improvement district to provide for improvements and promotion of the downtown business area.
Court Technology Fund	Topeka Ordinance #19502	Adds a court fee to existing mandatory court costs and fees for upgrading the court's electronic records and payment systems.
Special Alcohol Program	K.S.A. 79-41a04	Accountability and use of one-third of City's distributable portion of special tax on sales of alcoholic beverages in private clubs. The resources of this fund may be used only for services or programs for prevention, education, or treatment of alcohol or drug abuse.
Alcohol and Drug Safety	K.S.A. 8-1008	Fees are collected by Municipal Court on diversions of criminal proceedings to provide drug and alcohol evaluations, and appropriate referrals to include an internal Alcohol Information School by certified counselors, as well as case management ensuring both the needs of the client and Municipal Court are met.
Park Land Acquisition	Administrative Topeka Ordinance #17226/18065	Reserves funds transferred from City departments and contributed by other entities for future land acquisitions for park improvements and developments.
Law Enforcement	K.S.A 13-14-a02, 60-4100,74-5607 Topeka City Code Section 106:227-229 Topeka Ordinance # 17796	This fund was established for collecting revenues through means of donations, Federal monies, warrant fees, Municipal Court fees, and license fees in order to subsidize crime prevention activities including training, canine and officer equipment, and crime prevention programs.
Special Liability	K.S.A. 75-6110	Provides resources from a property tax levy to pay costs of defending the City and its officers and employees against tort or civil rights claims, and to pay judgments or settlements resulting from such claims.
Golf Improvement	City Code 2-333 Ordinance #17783	Topeka Accounts for seven percent of golf course revenues to be used for capital improvements for the city golf course.

## Special Revenue Funds (Continued...)

<u>FUND NAME</u>	<u>STATUTORY OR OTHER AUTHORITY</u>	<u>PURPOSE</u>
Transient Guest Tax	K.S.A. 12-1697 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.
Retirement Reserve	Administrative Action City Code 3.25.010	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; Resolution 7487	Provides funding for retirement of the KP & F liabilities and a reserve fund for any future 15% excess contribution liabilities.
Neighborhood Revitalization	Administrative Action Topeka Ordinance #18222	Provides funding for the redevelopment of designated revitalization areas and dilapidated structures.
Historic Asset Tourism	Administrative Action Topeka Ordinance #17238	Provides funding for acquisition, rehabilitation and preservation of historic landmarks or historic resources located within the City.
1/2 % Sales Tax	City (# 34790)/County (C334-2004) Interlocal Agreement & Approved by Voters on 08-03-04	Provides funding for economic development and countywide infrastructure development.
Tax Increment Financing	K.S.A 12-1770a & Topeka Ordinance #18923	This fund was established to monitor the amount of property and sales taxes received for tax increment financing districts created for redevelopment of blighted areas.
Community Improvement District	Topeka Ordinance #19722	Provides for the use of public financing to fund projects within a prescribed district to strengthen economic development and employment opportunities, enhance tourism, or upgrade older real estate through redevelopment or rehabilitation.
Donations and Gifts	Administrative	Established to house donations and gifts for departments in the General Fund.
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.

## Nonmajor Capital Projects Fund

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

Developer Project Fund	This fund was established to house the expenditures of projects that are funded by developers of the community.
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**City of Topeka, Kansas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2012**

	Special Revenue Funds									
	Downtown Improvement District	Court Technology Fund	Special Alcohol Program	Alcohol & Drug Safety	Park Land Acquisition	Law Enforcement	Special Liability Expense	Golf Course Improvement	Transient Guest Tax	Retirement Reserve
<b>Assets</b>										
Cash and equity in Treasurer's Fund	\$ 19,564	\$ 87,345	\$ 386,430	\$ 310,401	\$ -	\$ 941,284	\$ 761,748	\$ -	\$ 191	\$ -
Receivables (net of allowance for uncollectibles):										
Accounts receivable	24,312	-	-	-	-	605	-	-	-	-
Taxes receivable	-	-	-	-	-	-	802,972	-	552,887	-
Due from other governments	-	-	-	-	46,239	10,054	-	-	-	-
Restricted assets:										
Cash and equity in Treasurer's Fund	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 43,876</u>	<u>\$ 87,345</u>	<u>\$ 386,430</u>	<u>\$ 310,401</u>	<u>\$ 46,239</u>	<u>\$ 951,943</u>	<u>\$ 1,564,720</u>	<u>\$ -</u>	<u>\$ 553,078</u>	<u>\$ -</u>
<b>Liabilities</b>										
Accounts and contracts payable	\$ 10,919	\$ -	\$ 12,446	\$ 305	\$ -	\$ 5,153	\$ 13,956	\$ -	\$ -	\$ -
Salaries and wages payable	-	-	-	1,284	-	-	2,835	-	-	-
Due to other funds	-	-	-	-	46,239	-	-	-	-	308,440
Due to others	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>10,919</u>	<u>-</u>	<u>12,446</u>	<u>1,589</u>	<u>46,239</u>	<u>5,153</u>	<u>16,791</u>	<u>-</u>	<u>-</u>	<u>308,440</u>
<b>Deferred Inflows of Resources</b>										
Unavailable revenues-property taxes	-	-	-	-	-	-	802,972	-	-	-
Unavailable revenues-other	-	-	-	-	-	605	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>605</u>	<u>802,972</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>										
Restricted	-	-	373,984	308,812	-	482,554	744,957	-	553,078	-
Committed	32,957	87,345	-	-	-	463,631	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	(308,440)
<b>Total Fund Balance</b>	<u>32,957</u>	<u>87,345</u>	<u>373,984</u>	<u>308,812</u>	<u>-</u>	<u>946,185</u>	<u>744,957</u>	<u>-</u>	<u>553,078</u>	<u>(308,440)</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 43,876</u>	<u>\$ 87,345</u>	<u>\$ 386,430</u>	<u>\$ 310,401</u>	<u>\$ 46,239</u>	<u>\$ 951,943</u>	<u>\$ 1,564,720</u>	<u>\$ -</u>	<u>\$ 553,078</u>	<u>\$ -</u>

continued..

**City of Topeka, Kansas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2012**

	Special Revenue Funds							Project Fund	Total 2012	
	KP & F Equalization	Neighborhood Revitalization	Historic Asset Tourism	1/2 % Sales Tax	Tax Increment Financing	Community Improvement District	Donations & Gifts	Governmental & Miscellaneous Grants		Developer Projects
<b>Assets</b>										
Cash and equity in Treasurer's Fund	\$ 1,250,599	\$ 210,932	\$ 165,358	\$ -	\$ 307,540	\$ 7,247	\$ 44,653	\$ 260,247	\$ -	\$ 4,753,539
Receivables (net of allowance for uncollectibles):										
Accounts receivable	-	-	-	-	-	-	3,847	336,628	124,703	490,095
Taxes receivable	-	-	-	1,485,978	-	12,671	-	-	-	2,854,508
Due from other governments	-	-	-	-	-	-	-	206,199	-	262,492
Restricted assets:										
Cash and equity in Treasurer's Fund	-	-	-	1,065,571	-	-	-	-	-	1,065,571
<b>Total assets</b>	<u>\$ 1,250,599</u>	<u>\$ 210,932</u>	<u>\$ 165,358</u>	<u>\$ 2,551,549</u>	<u>\$ 307,540</u>	<u>\$ 19,918</u>	<u>\$ 48,500</u>	<u>\$ 803,074</u>	<u>\$ 124,703</u>	<u>\$ 9,426,205</u>
<b>Liabilities</b>										
Accounts and contracts payable	\$ -	\$ -	\$ 231	\$ -	\$ -	\$ 5,747	\$ (3,546)	\$ 108,612	\$ 71,862	\$ 225,685
Salaries and wages payable	-	-	-	-	-	-	-	(10)	-	4,109
Due to other funds	-	-	-	-	-	-	-	40,639	124,094	519,412
Due to others	-	-	-	1,485,978	-	-	-	-	-	1,485,978
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>231</u>	<u>1,485,978</u>	<u>-</u>	<u>5,747</u>	<u>(3,546)</u>	<u>149,241</u>	<u>195,956</u>	<u>2,235,184</u>
<b>Deferred Inflows of Resources</b>										
Unavailable revenues-property taxes	-	-	-	-	-	-	-	-	-	802,972
Unavailable revenues-other	-	-	-	-	-	-	-	76,433	-	77,038
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,433</u>	<u>-</u>	<u>880,010</u>
<b>Fund Balances</b>										
Restricted	-	-	-	1,065,571	307,540	14,171	52,046	577,400	-	4,480,113
Committed	1,250,599	210,932	165,127	-	-	-	-	-	-	2,210,591
Unassigned (deficit)	-	-	-	-	-	-	-	-	(71,253)	(379,693)
<b>Total Fund Balance</b>	<u>1,250,599</u>	<u>210,932</u>	<u>165,127</u>	<u>1,065,571</u>	<u>307,540</u>	<u>14,171</u>	<u>52,046</u>	<u>577,400</u>	<u>(71,253)</u>	<u>6,311,011</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 1,250,599</u>	<u>\$ 210,932</u>	<u>\$ 165,358</u>	<u>\$ 2,551,549</u>	<u>\$ 307,540</u>	<u>\$ 19,918</u>	<u>\$ 48,500</u>	<u>\$ 803,074</u>	<u>\$ 124,703</u>	<u>\$ 9,426,205</u>

**City of Topeka, Kansas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2012**

	Special Revenue Funds									
	Downtown Improvement District	Court Technology Fund	Special Alcohol Program	Alcohol & Drug Safety	Park Land Acquisition	Law Enforcement	Special Liability Expense	Golf Course Improveme	Transient Guest Tax	Retirement Reserve
<b>Revenues</b>										
Taxes and assessments	\$ 161,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 373,038	\$ -	\$1,950,933	\$ -
Licenses and permits	-	-	-	-	-	16,000	-	-	-	-
Intergovernmental	-	-	526,553	-	-	33,751	-	-	-	-
Fees for services	-	-	-	-	-	-	(188)	-	-	634,814
Fines and forfeitures	-	48,406	-	84,727	-	161,582	-	-	-	-
Interest from investments	3	-	-	-	-	1,063	-	-	-	-
Miscellaneous	-	-	-	-	-	177,661	(51)	-	-	-
<b>Total revenues</b>	<u>161,751</u>	<u>48,406</u>	<u>526,553</u>	<u>84,727</u>	<u>-</u>	<u>390,057</u>	<u>372,799</u>	<u>-</u>	<u>1,950,933</u>	<u>634,814</u>
<b>Expenditures</b>										
General government	150,200	-	-	62,673	-	-	487,015	-	1,502,950	891,490
Public safety	-	-	-	-	-	216,526	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Public works - planning	-	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-
Housing & neighborhood development	-	-	-	-	-	-	-	-	-	-
Social services	-	-	668,977	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-	-
Debt Service										
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>150,200</u>	<u>-</u>	<u>668,977</u>	<u>62,673</u>	<u>-</u>	<u>216,526</u>	<u>487,015</u>	<u>-</u>	<u>1,502,950</u>	<u>891,490</u>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<u>11,551</u>	<u>48,406</u>	<u>(142,424)</u>	<u>22,054</u>	<u>-</u>	<u>173,531</u>	<u>(114,216)</u>	<u>-</u>	<u>447,983</u>	<u>(256,676)</u>
<b>Other Financing Sources (Uses)</b>										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(451,354)	-
<b>Total other financing sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(451,354)</u>	<u>-</u>
<b>Special item - park and recreation transfer</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(259,997)</u>	<u>-</u>	<u>-</u>	<u>(13,576)</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>11,551</u>	<u>48,406</u>	<u>(142,424)</u>	<u>22,054</u>	<u>(259,997)</u>	<u>173,531</u>	<u>(114,216)</u>	<u>(13,576)</u>	<u>(3,371)</u>	<u>(256,676)</u>
<b>Fund balances (deficit) - beginning</b>	<u>21,406</u>	<u>38,939</u>	<u>516,408</u>	<u>286,758</u>	<u>259,997</u>	<u>772,654</u>	<u>859,173</u>	<u>13,576</u>	<u>556,449</u>	<u>(51,764)</u>
<b>Fund balances (deficit)- ending</b>	<u>\$ 32,957</u>	<u>\$ 87,345</u>	<u>\$ 373,984</u>	<u>\$ 308,812</u>	<u>-</u>	<u>\$ 946,185</u>	<u>\$ 744,957</u>	<u>-</u>	<u>\$ 553,078</u>	<u>\$ (308,440)</u>

continued...

**City of Topeka, Kansas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2012**

	Special Revenue Funds							Project Fund		Total 2012
	KP & F Equalization	Neighborhood Revitalization	Historic Asset Tourism	1/2 % Sales Tax	Tax Increment Financing	Community Improvement District	Donations & Gifts	Governmental & Miscellaneous Grants	Developer Projects	
<b>Revenues</b>										
Taxes and assessments	\$ -	\$ -	\$ -	\$8,058,097	\$ 202,028	\$ 18,596	\$ -	\$ -	\$ -	\$ 10,764,440
Licenses and permits	-	-	-	-	-	-	-	-	-	16,000
Intergovernmental	-	-	-	-	-	-	7,210,423	660,158	-	8,430,885
Fees for services	-	-	-	-	-	-	-	-	-	634,626
Fines and forfeitures	-	-	-	-	-	-	-	-	-	294,715
Interest from investments	-	-	-	1,621	-	-	-	2,500	-	5,187
Miscellaneous	-	39,730	-	-	-	-	70,074	113,313	272,601	673,328
<b>Total revenues</b>	<u>-</u>	<u>39,730</u>	<u>-</u>	<u>8,059,718</u>	<u>202,028</u>	<u>18,596</u>	<u>70,074</u>	<u>7,326,236</u>	<u>932,759</u>	<u>20,819,181</u>
<b>Expenditures</b>										
General government	-	-	277,578	-	-	-	-	-	-	3,371,906
Public safety	168,087	-	-	-	-	-	1,372,624	-	-	1,757,237
Public works	-	-	-	3,481,806	-	-	2,186	-	-	3,483,992
Public works - planning	-	-	-	-	-	-	236,830	-	-	236,830
Parks and recreation	-	-	-	-	-	-	37,140	-	-	37,140
Economic development	-	-	-	-	-	5,925	-	-	-	5,925
Housing & neighborhood development	-	-	-	-	-	-	5,238,562	-	-	5,238,562
Social services	-	-	-	-	-	-	8,948	-	-	677,925
Construction	-	-	-	-	-	-	-	-	735,235	735,235
Debt Service										
Interest and fiscal charges	-	-	-	-	172,658	-	-	-	-	172,658
<b>Total expenditures</b>	<u>168,087</u>	<u>-</u>	<u>277,578</u>	<u>3,481,806</u>	<u>172,658</u>	<u>5,925</u>	<u>37,140</u>	<u>6,859,150</u>	<u>735,235</u>	<u>15,717,410</u>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<u>(168,087)</u>	<u>39,730</u>	<u>(277,578)</u>	<u>4,577,912</u>	<u>29,370</u>	<u>12,671</u>	<u>32,934</u>	<u>467,086</u>	<u>197,524</u>	<u>5,101,771</u>
<b>Other Financing Sources (Uses)</b>										
Transfers in	-	-	114,354	-	-	-	-	-	-	114,354
Transfers out	-	-	-	(5,117,608)	-	-	-	-	-	(5,568,962)
<b>Total other financing sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>114,354</u>	<u>(5,117,608)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,454,608)</u>
<b>Special item - park and recreation transfer</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(273,573)</u>
<b>Net change in fund balances</b>	<u>(168,087)</u>	<u>39,730</u>	<u>(163,224)</u>	<u>(539,696)</u>	<u>29,370</u>	<u>12,671</u>	<u>32,934</u>	<u>467,086</u>	<u>197,524</u>	<u>(626,410)</u>
<b>Fund balances (deficit) - beginning</b>	<u>1,418,686</u>	<u>171,202</u>	<u>328,351</u>	<u>1,605,267</u>	<u>278,170</u>	<u>1,500</u>	<u>19,112</u>	<u>110,314</u>	<u>(268,777)</u>	<u>6,937,421</u>
<b>Fund balances (deficit)- ending</b>	<u>\$ 1,250,599</u>	<u>\$ 210,932</u>	<u>\$ 165,127</u>	<u>\$ 1,065,571</u>	<u>\$ 307,540</u>	<u>\$ 14,171</u>	<u>\$ 52,046</u>	<u>\$ 577,400</u>	<u>\$ (71,253)</u>	<u>\$ 6,311,011</u>

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Debt Service Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & assessments				
Property taxes - current	\$ 12,477,641	\$ 12,477,641	\$ 12,224,840	\$ (252,801)
Property taxes - delinquent	200,000	200,000	279,937	79,937
Neighborhood Revitalization Act rebates	(184,469)	(184,469)	-	184,469
Motor vehicle ad valorem tax	1,330,595	1,330,595	1,318,487	(12,108)
Sales tax	450,000	450,000	78,526	(371,474)
Special assessments with debt commitments	2,025,000	2,025,000	1,879,022	(145,978)
Assessments - delinquent	115,000	115,000	206,962	91,962
Payment in lieu of taxes	90,740	90,740	86,168	(4,572)
Intergovernmental	-	-	205,860	205,860
Interest from investments	150,000	150,000	24,606	(125,394)
Miscellaneous	1,400	1,400	5,715	4,315
Total revenues	<u>16,655,907</u>	<u>16,655,907</u>	<u>16,310,123</u>	<u>(345,784)</u>
Debt Service:				
Principal	14,905,814	14,905,814	14,998,500	(92,686)
Interest and fiscal costs	7,063,691	7,063,691	6,024,802	1,038,889
Total expenditures	<u>21,969,505</u>	<u>21,969,505</u>	<u>21,023,302</u>	<u>946,203</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,313,598)</u>	<u>(5,313,598)</u>	<u>(4,713,179)</u>	<u>600,419</u>
Other Financing Sources (Uses)				
Refunding issuance of debt	-	-	27,170,000	27,170,000
Refunding issuance of debt premium	-	-	854,522	854,522
Refunding issuance of debt discount	-	-	(1,590)	(1,590)
Payment for refunding bond escrow agent	-	-	(27,685,868)	(27,685,868)
Transfers in	3,573,006	3,573,006	4,485,505	912,499
Sale of property	-	-	41,920	41,920
Total other financing sources	<u>3,573,006</u>	<u>3,573,006</u>	<u>4,864,489</u>	<u>1,291,483</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ (1,740,592)</u>	<u>\$ (1,740,592)</u>	151,310	<u>\$ 1,891,902</u>
Beginning budget basis fund balance,			<u>4,788,632</u>	
Fund balance - end of year - budget basis			4,939,942	
Adjustments:				
Encumbrances			-	
Fund balance - end of year - GAAP basis			<u>\$ 4,939,942</u>	

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Downtown Improvement District Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & assessments	\$ 166,889	\$ 166,889	\$ 161,748	\$ (5,141)
Interest on investments	-	-	3	3
Total revenues	<u>166,889</u>	<u>166,889</u>	<u>161,751</u>	<u>(5,138)</u>
Expenditures				
General Government	166,809	166,809	150,761	16,048
Total expenditures	<u>166,809</u>	<u>166,809</u>	<u>150,761</u>	<u>16,048</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 80</u>	<u>\$ 80</u>	10,990	<u>\$ 10,910</u>
Beginning budget basis fund balance,			21,406	
Fund balance - end of year - budget basis			32,396	
Adjustments:				
Encumbrances			561	
Fund balance - end of year - GAAP basis			<u>\$ 32,957</u>	
Net change in fund balance - budget basis			\$ 10,990	
Adjustments:				
Encumbrances - beginning of year			-	
Encumbrances - end of year			561	
Net change in fund balance - GAAP basis			<u>\$ 11,551</u>	

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Court Technology Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Court	\$ 40,416	\$ 40,416	\$ 48,406	\$ 7,990
Total revenues	40,416	40,416	48,406	7,990
Expenditures				
General Government	40,416	40,416	-	40,416
Total expenditures	40,416	40,416	-	40,416
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	48,406	\$ 48,406
Beginning budget basis fund balance,			38,939	
Fund balance - end of year - budget basis			87,345	
Adjustments:				
Encumbrances			-	
Fund balance - end of year - GAAP basis			\$ 87,345	

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Special Alcohol Program Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 524,690	\$ 524,690	\$ 526,553	\$ 1,863
Total revenues	<u>524,690</u>	<u>524,690</u>	<u>526,553</u>	<u>1,863</u>
Expenditures				
Social Services	750,000	750,000	749,950	50
Total expenditures	<u>750,000</u>	<u>750,000</u>	<u>749,950</u>	<u>50</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (225,310)</u>	<u>\$ (225,310)</u>	(223,397)	<u>\$ 1,913</u>
Beginning budget basis fund balance,			516,408	
Fund balance - end of year - budget basis			293,011	
Adjustments:				
Encumbrances			80,973	
Fund balance - end of year - GAAP basis			<u>\$ 373,984</u>	
Net change in fund balance - budget basis			(223,397)	
Adjustments:				
Encumbrances - beginning of year			-	
Encumbrances - end of year			80,973	
Net change in fund balance - GAAP basis			<u>\$ (142,424)</u>	

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Alcohol and Drug Safety Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Court	\$ 60,439	\$ 60,439	\$ 84,727	\$ 23,751
Total revenues	<u>60,439</u>	<u>60,439</u>	<u>84,727</u>	<u>23,751</u>
Expenditures				
General Government:				
Municipal Court	59,388	59,388	63,063	(3,674)
Total expenditures	<u>59,388</u>	<u>59,388</u>	<u>63,063</u>	<u>(3,674)</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 1,051</u>	<u>\$ 1,051</u>	21,664	<u>\$ 20,077</u>
Beginning budget basis fund balance,			286,758	
Fund balance - end of year - budget basis			308,422	
Adjustments:				
Encumbrances			390	
Fund balance - end of year - GAAP basis			<u>\$ 308,812</u>	
Net change in fund balance - budget basis			\$ 21,664	
Adjustments:				
Encumbrances - beginning of year			-	
Encumbrances - end of year			390	
Net change in fund balance - GAAP basis			<u>\$ 22,054</u>	

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Park Land Acquisition Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses & permits	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Expenditures				
Parks and Recreation	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Special Item				
Parks and Recreation Consolidation	(112,000)	(112,000)	(259,997)	(147,997)
Excess of Revenues and Special Item Over Expenditures	<u>\$ (97,000)</u>	<u>\$ (97,000)</u>	<u>(259,997)</u>	<u>\$ (162,997)</u>
Beginning budget basis fund balance,			<u>259,997</u>	
Fund balance - end of year - budget basis			-	
Adjustments:				
Encumbrances			-	
Fund balance - end of year - GAAP basis			<u>\$ -</u>	

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Law Enforcement Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 33,751	\$ (6,249)
Municipal Court	200,000	200,000	161,582	(38,418)
Licenses, permits and franchise fees	15,000	15,000	16,000	1,000
Interest	5,000	5,000	1,063	(3,937)
Miscellaneous	-	-	177,661	177,661
Total revenues	<u>260,000</u>	<u>260,000</u>	<u>390,057</u>	<u>130,057</u>
Expenditures				
Public Safety:				
Police	550,000	550,000	312,779	237,221
Total expenditures	<u>550,000</u>	<u>550,000</u>	<u>312,779</u>	<u>237,221</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (290,000)</u>	<u>\$ (290,000)</u>	77,278	<u>\$ 367,278</u>
Beginning budget basis fund balance,			772,654	
Fund balance - end of year - budget basis			849,932	
Adjustments:				
Encumbrances			96,253	
Fund balance - end of year - GAAP basis			<u>\$ 946,185</u>	
Net change in fund balance - budget basis			\$ 77,278	
Adjustments:				
Encumbrances - beginning of year			-	
Encumbrances - end of year			96,253	
Net change in fund balance - GAAP basis			<u>\$ 173,531</u>	

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Special Liability Expense Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & assessments	\$ 365,445	\$ 365,445	\$ 373,038	\$ 7,593
Miscellaneous	-	-	(239)	(239)
Total revenues	<u>365,445</u>	<u>365,445</u>	<u>372,799</u>	<u>7,354</u>
Expenditures				
General Government	406,665	406,665	448,491	(41,826)
Total expenditures	<u>406,665</u>	<u>406,665</u>	<u>448,491</u>	<u>(41,826)</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (41,220)</u>	<u>\$ (41,220)</u>	<u>(75,692)</u>	<u>\$ (34,472)</u>
Beginning budget basis fund balance,			<u>731,679</u>	
Fund balance - end of year - budget basis			655,987	
Adjustments:				
Encumbrances			88,970	
Fund balance - end of year - GAAP basis			<u>\$ 744,957</u>	
Net change in fund balance - budget basis			\$ (75,692)	
Adjustments:				
Encumbrances - beginning of year			(127,494)	
Encumbrances - end of year			88,970	
Net change in fund balance - GAAP basis			<u>\$ (114,216)</u>	

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Golf Course Improvement Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees For Service	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Expenditures				
Parks and recreation:				
Golf	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Special Item				
Parks and Recreation Consolidation	(20,000)	(20,000)	(13,576)	6,424
Excess of Revenues and Special Item Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(13,576)</u>	<u>\$ (13,576)</u>
Beginning budget basis fund balance,			13,576	
Fund balance - end of year - budget basis			-	
Adjustments:				
Encumbrances			-	
Fund balance - end of year - GAAP basis			<u>\$ -</u>	

*This fund was closed out due to P&R Consolidation with Shawnee County*

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Transient Guest Tax Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & assessments	\$ 1,830,600	\$ 1,830,600	\$ 1,950,933	\$ 120,333
Total revenues	<u>1,830,600</u>	<u>1,830,600</u>	<u>1,950,933</u>	<u>120,333</u>
Expenditures				
General Government	1,370,600	1,505,600	1,845,600	(340,000)
Total expenditures	<u>1,370,600</u>	<u>1,505,600</u>	<u>1,845,600</u>	<u>(340,000)</u>
Excess of Revenues Over (Under) Expenditures	<u>460,000</u>	<u>325,000</u>	<u>105,333</u>	<u>(219,667)</u>
Other Financing Sources (Uses)				
Transfers out	(460,000)	(489,364)	(451,354)	38,010
Total other financing sources	<u>(460,000)</u>	<u>(489,364)</u>	<u>(451,354)</u>	<u>38,010</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (164,364)</u>	<u>(346,021)</u>	<u>\$ (181,657)</u>
Beginning budget basis fund balance,			<u>556,449</u>	
Fund balance - end of year - budget basis			210,428	
Adjustments:				
Encumbrances			<u>342,650</u>	
Fund balance - end of year - GAAP basis			<u>\$ 553,078</u>	
Net change in fund balance - budget basis			\$ (346,021)	
Adjustments:				
Encumbrances - beginning of year			-	
Encumbrances - end of year			<u>342,650</u>	
Net change in fund balance - GAAP basis			<u>\$ (3,371)</u>	

*Note: See Ordinance 19777 for budget amendment.*

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Retirement Reserve Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees For Services	\$ 600,000	\$ 705,000	\$ 634,814	\$ (70,186)
Total revenues	<u>600,000</u>	<u>705,000</u>	<u>634,814</u>	<u>(70,186)</u>
Expenditures				
General Government	600,000	650,000	891,490	(241,490)
Total expenditures	<u>600,000</u>	<u>650,000</u>	<u>891,490</u>	<u>(241,490)</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 55,000</u>	<u>(256,676)</u>	<u>\$ (311,676)</u>
Beginning budget basis fund balance,			<u>(51,764)</u>	
Fund balance - end of year - budget basis			(308,440)	
Adjustments:				
Encumbrances			-	
Fund balance - end of year - GAAP basis			<u>\$ (308,440)</u>	

*Note: See Ordinance 19777 for budget amendment.*

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**KP & F Equalization Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Public Safety	\$ 100,000	\$ 100,000	\$ 168,087	\$ (68,087)
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>168,087</u>	<u>(68,087)</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>(168,087)</u>	<u>\$ (68,087)</u>
Beginning budget basis fund balance,			<u>1,418,686</u>	
Fund balance - end of year - budget basis			1,250,599	
Adjustments:				
Encumbrances			-	
Fund balance - end of year - GAAP basis			<u>\$ 1,250,599</u>	

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Neighborhood Revitalization Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ 37,000	\$ 37,000	\$ 39,730	\$ 2,730
Total revenues	<u>37,000</u>	<u>37,000</u>	<u>39,730</u>	<u>2,730</u>
Expenditures				
General Government	119,185	119,185	-	119,185
Total expenditures	<u>119,185</u>	<u>119,185</u>	<u>-</u>	<u>119,185</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (82,185)</u>	<u>\$ (82,185)</u>	<u>39,730</u>	<u>\$ 121,915</u>
Beginning budget basis fund balance,			171,202	
Fund balance - end of year - budget basis			210,932	
Adjustments:				
Encumbrances			-	
Fund balance - end of year - GAAP basis			<u>\$ 210,932</u>	

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Historic Asset Tourism Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
General Government	\$ 100,000	\$ 114,364	\$ 35,523	\$ 78,841
Total expenditures	<u>100,000</u>	<u>114,364</u>	<u>35,523</u>	<u>78,841</u>
Excess of Revenues Over (Under) Expenditures	<u>(100,000)</u>	<u>(114,364)</u>	<u>(35,523)</u>	<u>(78,841)</u>
Other Financing Sources (Uses)				
Transfers in	85,000	114,364	114,354	10
Total other financing sources	<u>85,000</u>	<u>114,364</u>	<u>114,354</u>	<u>10</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ (15,000)</u>	<u>\$ -</u>	78,831	<u>\$ (78,831)</u>
Beginning budget basis fund balance,			<u>47,046</u>	
Fund balance - end of year - budget basis			125,877	
Adjustments:				
Encumbrances			<u>39,250</u>	
Fund balance - end of year - GAAP basis			<u>\$ 165,127</u>	
Net change in fund balance - budget basis			\$ 78,831	
Adjustments:				
Encumbrances - beginning of year			(281,305)	
Encumbrances - end of year			<u>39,250</u>	
Net change in fund balance - GAAP basis			<u>\$ (163,224)</u>	

*Note: See Ordinance 19777 for budget amendment.*

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**1/2 % Sales Tax Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & assessments	\$ 8,000,000	\$ 8,000,000	\$ 8,058,097	\$ 58,097
Interest on investments	-	-	1,621	1,621
Total revenues	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,059,718</u>	<u>59,718</u>
Expenditures				
Public works	2,502,750	2,502,750	3,481,806	(979,056)
Total expenditures	<u>2,502,750</u>	<u>2,502,750</u>	<u>3,481,806</u>	<u>(979,056)</u>
Excess of Revenues Over (Under) Expenditures	<u>5,497,250</u>	<u>5,497,250</u>	<u>4,577,912</u>	<u>(919,338)</u>
Other Financing Sources (Uses)				
Transfers out	(5,497,250)	(6,957,578)	(5,117,608)	1,839,970
Total other financing sources	<u>(5,497,250)</u>	<u>(6,957,578)</u>	<u>(5,117,608)</u>	<u>1,839,970</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (1,460,328)</u>	(539,696)	<u>\$ 920,632</u>
Beginning budget basis fund balance,			<u>1,605,267</u>	
Fund balance - end of year - budget basis			1,065,571	
Adjustments:				
Encumbrances			-	
Fund balance - end of year - GAAP basis			<u>\$ 1,065,571</u>	

*Note: See Ordinance 19777 for budget amendment.*

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Tax Increment Financing**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & assessments	\$ 54,000	\$ 54,000	\$ 202,028	\$ 148,028
Total revenues	<u>54,000</u>	<u>54,000</u>	<u>202,028</u>	<u>148,028</u>
Expenditures				
General Government	54,000	172,658	172,658	-
Total expenditures	<u>54,000</u>	<u>172,658</u>	<u>172,658</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (118,658)</u>	29,370	<u>\$ 148,028</u>
Beginning budget basis fund balance,			278,170	
Fund balance - end of year - budget basis			307,540	
Adjustments:				
Encumbrances			-	
Fund balance - end of year - GAAP basis			<u>\$ 307,540</u>	

*Note: See Ordinance 19777 for budget amendment.*

**City of Topeka, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Community Improvement District**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes & assessments	\$ -	\$ -	\$ 18,596	\$ 18,596
Interest on investments	-	-	-	-
Total revenues	-	-	18,596	18,596
Expenditures				
Economic Development	-	-	5,925	(5,925)
Total expenditures	-	-	5,925	(5,925)
Excess of Revenues Over (Under) Expenditures	-	-	12,671	12,671
Other Financing Sources (Uses)				
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -	12,671	\$ 12,671
Beginning budget basis fund balance,			1,500	
Fund balance - end of year - budget basis			14,171	
Adjustments:				
Encumbrances			-	
Fund balance - end of year - GAAP basis			\$ 14,171	

## INTERNAL SERVICE FUNDS

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

<u>FUND NAME</u>	<u>STATUTORY AUTHORITY</u>	<u>PURPOSE</u>
Information Technology	Topeka City Code Section 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.
Risk Management, includes the following areas:		
Workers' Compensation	K.S.A. 12-2615	Administered by the Risk Management Division of the Legal Department, provides accountability for expenditures and revenues for workers compensation claims.
Vehicle Physical Damage - Self Insurance	K.S.A. 12-2615	Administered by the Risk Management Division, provides accountability of expenditures and revenues for physical damage to City vehicles and aircraft.
Employees Health Insurance	Administrative	Provides fiscal and accounting control for the City Employee Health Self-Insurance Plan.
Risk Management Reserve	K.S.A. 12-2615	Administered by the Risk Management Division of the Legal Department, provides moneys to reimburse the City from insurable losses not otherwise insured.
Unemployment Compensation	Administrative	Administered by the Risk Management Division of the Legal Department, established to account for assessments made against compensation paid to City employees, to be used only to reimburse the State for unemployment compensation payments.

**City of Topeka, Kansas**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2012**

	Information Technology	Fleet Services	Combined Risk Management	Total
<b>Assets</b>				
Current assets:				
Cash and equity in Treasurer's Fund	\$ 456,381	\$ 300,245	\$ 6,856,161	\$ 7,612,787
Receivables, net:				
Accounts	-	434	42,040	42,474
Intergovernmental	-	4	-	4
Inventory	-	152,337	-	152,337
Prepays	46,503	-	60,000	106,503
Total current assets	502,884	453,020	6,958,201	7,914,105
Noncurrent assets:				
Capital assets:				
Being depreciated, net of depreciation	854,089	328,754	-	1,182,843
Total noncurrent assets	854,089	328,754	-	1,182,843
Total assets	1,356,973	781,774	6,958,201	9,096,948
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	82,230	75,537	2,913	160,680
Accrued payroll and benefits	25,852	42,121	3,616	71,589
Accrued interest	46,553	-	-	46,553
Leases payable	596,320	-	-	596,320
Self-insurance claims	-	-	4,522,928	4,522,928
Unearned revenue	-	-	94,609	94,609
Compensated absences and other benefits	10,732	10,895	-	21,627
Total current liabilities:	761,687	128,553	4,624,066	5,514,306
Noncurrent liabilities:				
Leases payable	619,159	-	-	619,159
Compensated absences and other benefits	58,169	42,534	11	100,714
Total noncurrent liabilities:	677,328	42,534	11	719,873
Total liabilities:	1,439,015	171,087	4,624,077	6,234,179
<b>Net position</b>				
Net investment in capital assets	(361,390)	328,754	-	(32,636)
Unrestricted	279,348	281,933	2,334,124	2,895,405
Total net position (deficit)	\$ (82,042)	\$ 610,687	\$ 2,334,124	\$ 2,862,769

**City of Topeka, Kansas**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2012**

	Information Technology	Fleet Services	Risk Management	Total
Operating revenues:				
Charges for services	\$ 3,263,441	\$ 1,105,952	\$ 11,056,308	\$ 15,425,701
Other	24,868	7,410	142,355	174,633
Total operating revenues	<u>3,288,309</u>	<u>1,113,362</u>	<u>11,198,663</u>	<u>15,600,334</u>
Operating expenses:				
Personnel services	971,001	1,199,650	56,753	2,227,404
Contractual services	1,582,876	107,771	2,964,262	4,654,909
Supplies	179,876	36,441	960	217,277
Depreciation and amortization	587,999	47,902	-	635,901
Insurance claims	-	-	8,353,449	8,353,449
Total operating expenses	<u>3,321,752</u>	<u>1,391,764</u>	<u>11,375,424</u>	<u>16,088,940</u>
Operating income (loss)	<u>(33,443)</u>	<u>(278,402)</u>	<u>(176,761)</u>	<u>(488,606)</u>
Nonoperating revenues (expenses):				
Interest income	-	-	5,940	5,940
Interest (expense)	(47,500)	-	-	(47,500)
Gain (loss) on sale of capital assets	-	(7,572)	-	(7,572)
Total nonoperating revenues (expenses)	<u>(47,500)</u>	<u>(7,572)</u>	<u>5,940</u>	<u>(49,132)</u>
Income (loss)	<u>(80,943)</u>	<u>(285,974)</u>	<u>(170,821)</u>	<u>(537,738)</u>
Change in net position	(80,943)	(285,974)	(170,821)	(537,738)
Net position (deficit) - beginning of year, as restated	(1,099)	896,661	2,504,945	3,400,507
Net position (deficit) -end of year	<u>\$ (82,042)</u>	<u>\$ 610,687</u>	<u>\$ 2,334,124</u>	<u>\$ 2,862,769</u>

**City of Topeka, Kansas**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2012**

	Information Technology	Fleet Services	Risk Management	Total
<b>Cash Flows from operating activities</b>				
Receipts from customers and users	\$ 3,263,441	\$ 1,107,122	\$ 11,427,696	\$ 15,798,259
Payments to suppliers and providers	(1,726,861)	(72,403)	(11,640,263)	(13,439,527)
Payments to employees	(968,749)	(1,242,705)	(61,509)	(2,272,963)
Other receipts	24,868	7,410	142,355	174,633
Net Cash Provided by (Used in) Operating Activities	<u>592,699</u>	<u>(200,576)</u>	<u>(131,721)</u>	<u>260,402</u>
<b>Cash flows from investing activities:</b>				
Interest received	-	-	5,940	5,940
Net Cash Provided by (Used in) Investing Activities	<u>-</u>	<u>-</u>	<u>5,940</u>	<u>5,940</u>
<b>Cash flows from capital and related financing activities:</b>				
Interest paid on capital leases	(69,496)	-	-	(69,496)
Payment of capital lease	(625,301)	-	-	(625,301)
Purchase of capital assets	(12,368)	(187,702)	-	(200,070)
Proceeds from sale of capital assets	-	5,848	-	5,848
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(707,165)</u>	<u>(181,854)</u>	<u>-</u>	<u>(889,019)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(114,466)	(382,430)	(125,781)	(622,677)
Cash and equivalents, beginning of year	570,847	682,675	6,981,942	8,235,464
Cash and equivalents, end of year	<u>\$ 456,381</u>	<u>\$ 300,245</u>	<u>\$ 6,856,161</u>	<u>\$ 7,612,787</u>
Cash and equivalents reported on the Statement of Net Position:				
Cash and equity in Treasurer's Fund	\$ 456,381	\$ 300,245	\$ 6,856,161	\$ 7,612,787
Total	<u>\$ 456,381</u>	<u>\$ 300,245</u>	<u>\$ 6,856,161</u>	<u>\$ 7,612,787</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating Income (loss)	\$ (33,443)	\$ (278,402)	\$ (176,761)	\$ (488,606)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:				
Depreciation	587,999	47,902	-	635,901
Change in assets and liabilities:				
Accounts receivable	-	1,088	282,960	284,048
Due from other funds	-	82	-	82
Inventory	-	(10,094)	-	(10,094)
Prepays	(12,402)	-	-	(12,402)
Accounts payable	48,293	75,088	(85,976)	37,405
Accrued liabilities	2,252	(36,240)	(4,756)	(38,744)
Self-insurance claims	-	-	(235,616)	(235,616)
Unearned revenue	-	-	88,428	88,428
Net Cash Provided by (Used in) Operating Activities	<u>\$ 592,699</u>	<u>\$ (200,576)</u>	<u>\$ (131,721)</u>	<u>\$ 260,402</u>

**City of Topeka, Kansas**  
**Combining Statement of Net Position**  
**Risk Management Funds**  
**December 31, 2012**

	Property Insurance	Workman's Compensation	Group Health Insurance	Risk Management Reserve	Unemployment Compensation	Total
<b>Assets</b>						
Current assets:						
Cash and equity in Treasurer's Fund	\$ 1,900,246	\$ 944,791	\$ 3,074,358	\$ 807,972	\$ 128,794	\$ 6,856,161
Receivables, net:						
Accounts	41,417	623	-	-	-	42,040
Prepays	60,000	-	-	-	-	60,000
Total current assets	<u>2,001,663</u>	<u>945,414</u>	<u>3,074,358</u>	<u>807,972</u>	<u>128,794</u>	<u>6,958,201</u>
Total assets	<u>2,001,663</u>	<u>945,414</u>	<u>3,074,358</u>	<u>807,972</u>	<u>128,794</u>	<u>6,958,201</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	33	2,880	-	-	-	2,913
Accrued payroll and benefits	-	3,616	-	-	-	3,616
Self-insurance claims	1,191,138	2,575,000	717,790	-	39,000	4,522,928
Unearned revenue	-	-	94,609	-	-	94,609
Total current liabilities:	<u>1,191,171</u>	<u>2,581,496</u>	<u>812,399</u>	<u>-</u>	<u>39,000</u>	<u>4,624,066</u>
Noncurrent liabilities:						
Compensated absences	-	11	-	-	-	11
Total noncurrent liabilities:	<u>-</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>
Total liabilities:	<u>1,191,171</u>	<u>2,581,507</u>	<u>812,399</u>	<u>-</u>	<u>39,000</u>	<u>4,624,077</u>
<b>Net position</b>						
Unrestricted (deficit)	810,492	(1,636,093)	2,261,959	807,972	89,794	2,334,124
Total net position (deficit)	<u>\$ 810,492</u>	<u>\$ (1,636,093)</u>	<u>\$ 2,261,959</u>	<u>\$ 807,972</u>	<u>\$ 89,794</u>	<u>\$ 2,334,124</u>

**City of Topeka, Kansas**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Risk Management Funds**  
**For the Year Ended December 31, 2012**

	Property Insurance	Workman's Compensation	Group Health Insurance	Risk Management Reserve	Unemployment Compensation	Total
Operating revenues:						
Charges for services	\$ 636,156	\$ 1,206,835	\$9,084,169	\$ -	\$ 129,148	\$ 11,056,308
Other	73,041	68,422	892	-	-	142,355
Total operating revenues	<u>709,197</u>	<u>1,275,257</u>	<u>9,085,061</u>	<u>-</u>	<u>129,148</u>	<u>11,198,663</u>
Operating expenses:						
Personnel services	-	56,753	-	-	-	56,753
Contractual services	620,561	1,109,849	1,218,452	1,500	13,900	2,964,262
Supplies	225	735	-	-	-	960
Insurance claims	184,878	1,079,736	6,956,220	-	132,615	8,353,449
Total operating expenses	<u>805,664</u>	<u>2,247,073</u>	<u>8,174,672</u>	<u>1,500</u>	<u>146,515</u>	<u>11,375,424</u>
Operating income (loss)	<u>(96,467)</u>	<u>(971,816)</u>	<u>910,389</u>	<u>(1,500)</u>	<u>(17,367)</u>	<u>(176,761)</u>
Nonoperating revenues (expenses):						
Interest income	-	1,263	3,464	1,213	-	5,940
Total nonoperating revenues (expenses)	<u>-</u>	<u>1,263</u>	<u>3,464</u>	<u>1,213</u>	<u>-</u>	<u>5,940</u>
Income (loss)	<u>(96,467)</u>	<u>(970,553)</u>	<u>913,853</u>	<u>(287)</u>	<u>(17,367)</u>	<u>(170,821)</u>
Change in net position	(96,467)	(970,553)	913,853	(287)	(17,367)	(170,821)
Net position (deficit) -						
beginning of year, as restated	<u>906,959</u>	<u>(665,540)</u>	<u>1,348,106</u>	<u>808,259</u>	<u>107,161</u>	<u>2,504,945</u>
Net position (deficit)-end of year	<u>\$ 810,492</u>	<u>\$ (1,636,093)</u>	<u>\$2,261,959</u>	<u>\$ 807,972</u>	<u>\$ 89,794</u>	<u>\$ 2,334,124</u>

**City of Topeka, Kansas**  
**Combining Statement of Cash Flows**  
**Risk Management Funds**  
**For the Year Ended December 31, 2012**

	Property Insurance	Workman's Compensation	Group Health Insurance	Risk Management Reserve	Unemployment Compensation	Total
<b>Cash Flows from operating activities</b>						
Receipts from customers and users	\$ 919,739	\$ 1,206,212	\$ 9,172,597	\$ -	\$ 129,148	\$ 11,427,696
Payments to suppliers and providers	(732,170)	(1,659,338)	(9,122,821)	(1,500)	(124,434)	(11,640,263)
Payments to employees	-	(61,509)	-	-	-	(61,509)
Other receipts	73,041	68,422	892	-	-	142,355
Net Cash Provided by (Used in) Operating Activities	260,610	(446,213)	50,668	(1,500)	4,714	(131,721)
<b>Cash flows from investing activities:</b>						
Interest received	-	1,263	3,464	1,213	-	5,940
Net Cash Provided by (Used in) Investing Activities	-	1,263	3,464	1,213	-	5,940
Net Increase (Decrease) in Cash and Cash Equivalents	260,610	(444,950)	54,132	(287)	4,714	(125,781)
Cash and equivalents, beginning of year	1,639,636	1,389,741	3,020,226	808,259	124,080	6,981,942
Cash and equivalents, end of year	\$ 1,900,246	\$ 944,791	\$ 3,074,358	\$ 807,972	\$ 128,794	\$ 6,856,161
Cash and equivalents reported on the Statement of Net Position:						
Cash and equity in Treasurer's Fund	\$ 1,900,246	\$ 944,791	\$ 3,074,358	\$ 807,972	\$ 128,794	\$ 6,856,161
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>						
Operating Income (loss)	\$ (96,467)	\$ (971,816)	\$ 910,389	\$ (1,500)	\$ (17,367)	\$ (176,761)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:						
Change in assets and liabilities:						
Accounts receivable	283,583	(623)	-	-	-	282,960
Accounts payable	(1,506)	(10,018)	(74,452)	-	-	(85,976)
Accrued liabilities	-	(4,756)	-	-	-	(4,756)
Self-insurance claims	75,000	541,000	(873,697)	-	22,081	(235,616)
Unearned revenue	-	-	88,428	-	-	88,428
Net Cash Provided by (Used in) Operating Activities	\$ 260,610	\$ (446,213)	\$ 50,668	\$ (1,500)	\$ 4,714	\$ (131,721)

## FIDUCIARY FUNDS

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

<u>FUND NAME</u>	<u>STATUTORY AUTHORITY</u>	<u>PURPOSE</u>
Topeka Metropolitan Transit Authority	Topeka City Code Section A9-2	Receives, holds, and pays to the TMTA the proceeds of a special tax collected by the City for the benefit of that entity.
Payroll Clearing	Administrative	Accounts for receipts and disbursements of the City payroll withholding amounts, such as income taxes.
Court Bond	Administrative	Receives, holds, and disburses bonds posted by individuals at the Municipal Court.
Fire Insurance Proceeds	Topeka Ordinance #16276	Temporarily and partially restricts the payment of insurance proceeds on fire damaged buildings to the insured until certain health and building code conditions are met.
Law Enforcement Trust	K.S.A. 28-172a; K.S.A. 13-14a02, K.S.A. 60-4100, K.S.A. 74-5607	Holds Federal and State seized monies until cases are settled and then funds are dispersed properly.
Municipal Court Trust	K.S.A 12-4116 & Topeka Ordinance #16635; K.S.A. 75-5670; K.S.A. 74-5607 & K.S.A. 28-172a	Fees are collected on cases filed in Municipal Court, which are mandated by the State, for judicial education and training of judges, administering the statewide trauma system, to maintain the State law enforcement training center, and collects motor vehicle reinstatement fees. All of the funds collected are remitted to the State on a monthly basis.
Water Customer Round Up	Administrative	Utility mutual assistance fund that passes the money derived from customers who offer to round up their payments to assist others.

**City of Topeka, Kansas**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**December 31, 2012**

	<b>Topeka Metropolitan Transit Authority</b>	<b>Payroll Clearing</b>	<b>Court Bond</b>	<b>Fire Insurance Proceeds</b>	<b>Law Enforcement Trust</b>	<b>Municipal Court Trust</b>	<b>Water Customer Round-Up</b>	<b>Total 2012</b>
<b>Assets</b>								
Cash and equity in Treasurer's Fund	\$ -	\$ 84,706	\$ 51,145	\$ 383	\$ 537,095	\$ -	\$ 3,300	\$ 676,629
Receivables (net of allowance for un collectibles):								
Accounts receivable	-	-	-	-	-	1,187	1,093	2,280
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 84,706</u>	<u>\$ 51,145</u>	<u>\$ 383</u>	<u>\$ 537,095</u>	<u>\$ 1,187</u>	<u>\$ 4,393</u>	<u>\$ 678,909</u>
<b>Liabilities</b>								
Accounts and contracts payable	\$ -	\$ 197	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 197
Due to other governments	-	1,941	-	-	-	-	-	1,941
Due to others	-	82,568	51,145	383	537,095	1,187	4,393	676,771
<b>Total liabilities</b>	<u>\$ -</u>	<u>\$ 84,706</u>	<u>\$ 51,145</u>	<u>\$ 383</u>	<u>\$ 537,095</u>	<u>\$ 1,187</u>	<u>\$ 4,393</u>	<u>\$ 678,909</u>

# 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>Pages</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	86-92
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's revenue sources.	93-95
<b>Debt Capacity</b>	
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.	96-105
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	106-108
<b>Operating Information</b>	
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.	109-112

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



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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 16,059,375	\$ 13,058,303	\$ 15,478,671	\$ 11,586,215	\$ 14,341,948	\$ (50,453,620)	\$ 20,992,947	\$ 15,778,573	\$ 11,279,435	\$ 10,385,163
Public Safety	42,357,922	44,851,230	44,301,857	46,180,001	50,236,176	52,155,982	50,886,402	52,672,902	54,653,150	55,805,618
Public Works	40,349,669	40,509,135	43,308,612	44,306,285	43,798,958	43,678,127	42,076,025	46,619,088	57,487,591	53,352,882
Miscellaneous	1,078,991	13,686,232	602,031	1,137,603	436,371	(1,103,867)	206,630	3,714,714	3,813,754	3,260,507
Parks and Recreation	10,273,609	11,139,756	11,730,162	12,048,277	12,526,539	12,646,036	13,522,524	12,533,312	12,595,655	2,866,108
Public Housing	3,813,103	3,902,156	4,044,289	3,515,342	4,864,393	2,386,622	3,508,784	5,360,789	5,014,032	5,244,401
Social Services	668,354	697,203	664,335	758,097	778,614	964,006	1,077,479	547,155	684,638	677,925
Capital Leases	-	-	-	-	281,232	(90,415)	(93,704)	-	-	-
Interest and fiscal charges	5,050,028	5,005,900	5,161,643	7,014,492	7,738,193	7,800,518	8,645,912	7,630,957	5,645,299	5,830,386
Total Governmental Activities Expenses	<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>	<u>67,983,389</u>	<u>140,822,999</u>	<u>144,857,490</u>	<u>151,173,554</u>	<u>137,422,990</u>
Business-Type Activities:										
Water, Water Pollution Control, & Stormwater Utility	39,436,709	43,462,577	46,018,492	49,704,499	52,085,653	59,604,907	55,464,181	56,363,844	58,450,690	58,926,733
Public Parking	3,273,200	3,616,803	3,291,919	3,198,078	3,566,490	3,537,726	3,894,210	3,323,677	4,231,930	3,045,521
Public Golf Course	897,809	804,042	790,552	793,221	853,731	911,930	11,669	-	-	-
Total Business-Type Activities Expenses	<u>43,607,718</u>	<u>47,883,422</u>	<u>50,100,963</u>	<u>53,695,798</u>	<u>56,505,874</u>	<u>64,054,563</u>	<u>59,370,060</u>	<u>59,687,521</u>	<u>62,682,620</u>	<u>61,972,254</u>
Total Primary Government Expenses	<u>163,258,769</u>	<u>180,733,337</u>	<u>175,392,563</u>	<u>180,242,110</u>	<u>191,508,298</u>	<u>132,037,952</u>	<u>200,193,059</u>	<u>204,545,011</u>	<u>213,856,174</u>	<u>199,395,244</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	4,842,720	8,029,066	7,185,457	1,725,530	11,130,288	10,065,179	10,224,079	7,172,882	6,526,579	7,107,104
Public Safety	113,169	765,400	153,671	365,736	385,906	329,998	431,755	504,609	696,829	1,726,176
Public Works	2,720,868	3,639,149	3,363,923	2,365,324	2,297,648	2,924,831	1,808,343	1,973,913	1,777,781	1,351,462
Miscellaneous	145,301	208,456	107,600	202,150	5,727	436,396	390,075	(966)	-	-
Parks and Recreation	2,025,330	2,309,285	2,393,364	2,300,624	2,592,634	2,720,158	3,256,677	3,079,792	3,061,392	660,532
Public Housing	-	-	-	-	48,551	49,695	-	281,504	114,814	112,937
Operating Grants and Contributions	7,851,537	7,245,247	9,009,008	11,427,462	7,697,626	5,471,840	5,575,479	9,429,817	6,745,084	7,771,030
Capital Grants and Contributions	5,784,892	3,140,374	2,316,994	5,555,889	1,503,751	1,344,661	869,465	3,790,754	14,930,621	12,109,995
Total Gov. Activities Program Revenues	<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>	<u>23,342,758</u>	<u>22,555,873</u>	<u>26,232,305</u>	<u>33,853,100</u>	<u>30,839,236</u>
Business-Type Activities:										
Charges for Services:										
Water, Water Pollution Control, & Stormwater Utility	41,080,327	43,419,997	47,291,010	48,614,312	51,209,242	56,435,887	56,918,079	59,723,501	61,055,067	64,835,463
Public Parking	2,847,252	2,736,464	2,695,983	2,655,614	2,822,807	3,126,337	3,178,471	3,149,394	3,160,047	3,240,041
Public Golf Course	802,887	647,178	644,859	652,507	626,005	633,211	877	-	-	-
Operating Grants and Contributions	204,931	-	20,000	-	-	30,469	-	-	-	-
Capital Grants and Contributions	-	-	-	70,061	456,116	2,168,467	3,782,949	1,048,271	145,747	1,401,268
Total Business-Type Act. Program Revenues	<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>	<u>62,394,371</u>	<u>63,880,376</u>	<u>63,921,166</u>	<u>64,360,861</u>	<u>69,476,772</u>
Total Primary Government Program Revenues	<u>\$ 68,419,214</u>	<u>\$ 72,140,616</u>	<u>\$ 75,181,869</u>	<u>\$ 75,935,209</u>	<u>\$ 80,776,301</u>	<u>\$ 85,737,129</u>	<u>\$ 86,436,249</u>	<u>\$ 90,153,471</u>	<u>\$ 98,213,961</u>	<u>\$ 100,316,008</u>
			**							
<b>Net (Expense) Revenue</b>										
Governmental Activities	(\$96,167,234)	\$(107,512,938)	\$(100,761,583)	\$(102,603,597)	\$(109,340,293)	\$(44,640,631)	\$(118,267,126)	\$(118,625,185)	\$(117,320,454)	\$(106,583,754)
Business-Type Activities:	1,123,880	(1,079,783)	550,889	(1,703,304)	(1,391,704)	(1,660,192)	4,510,316	4,233,645	1,678,241	7,504,518
Total Primary Government Net Expense	<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>	<u>\$ (46,300,823)</u>	<u>\$ (113,756,810)</u>	<u>\$ (114,391,540)</u>	<u>\$ (115,642,213)</u>	<u>\$ (99,079,236)</u>

*continued...*

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<i>...continued</i>										
<b>General revenues:</b>										
Governmental Activities:										
Taxes										
Property taxes	\$ 35,368,108	\$ 37,551,521	\$ 38,621,393	\$ 37,393,649	\$ 39,142,343	\$ 41,454,387	\$ 38,830,969	\$ 41,365,990	\$ 36,645,847	\$ 35,038,165
Sales taxes	23,532,671	27,195,771	33,697,145	35,075,497	35,080,416	35,682,826	38,004,148	47,878,274	49,934,630	49,089,889
Franchise taxes	5,904,563	6,938,644	10,057,929	10,757,159	11,482,483	11,790,003	11,916,523	12,090,272	11,861,777	11,542,112
Motor fuel taxes	4,873,724	4,976,669	5,123,815	5,379,423	5,194,698	4,771,522	6,648,136	5,592,181	5,417,603	5,807,499
Payment in lieu of taxes	-	-	-	-	-	-	-	-	5,492,001	5,436,000
Special assessments with debt commitments	-	-	-	-	-	-	1,688,433	-	-	-
Service assessments	-	-	-	-	-	-	280,871	274,485	290,049	295,511
Alcoholic beverage taxes	1,260,704	1,237,716	1,292,445	1,468,050	1,441,932	1,601,574	1,617,758	1,565,766	1,562,791	1,579,658
Transient guest taxes	1,458,615	1,789,703	1,612,169	1,766,633	1,913,492	2,070,271	1,719,807	1,839,049	1,964,711	1,950,933
Grants/contrib not restricted to specific programs	-	-	-	-	-	131,352	136,764	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	53,437	13,939
Unrestricted investment earnings	-	-	-	-	-	-	-	375,862	496,077	68,610
Gain on sale of capital assets	-	-	-	-	-	-	-	188,930	242,085	-
Transfers in (out)	346,067	(400,000)	(130,000)	325,000	-	-	51,879	-	(314,660)	(839,370)
Special Item - park and recreation transfer	-	-	-	-	-	-	-	-	-	(33,460,801)
<b>Total governmental activities</b>	<b>72,744,452</b>	<b>79,290,024</b>	<b>90,274,896</b>	<b>92,165,411</b>	<b>94,255,364</b>	<b>97,501,935</b>	<b>100,895,288</b>	<b>111,170,809</b>	<b>113,646,348</b>	<b>76,522,145</b>
Business-Type Activities										
Unrestricted investment earnings	484,616	863,868	1,526,703	2,876,773	1,944,408	1,107,202	966,083	872,900	1,490,738	607,677
Gain (loss) on sale of capital assets	-	13,998	8,000	(212,673)	443,480	1,793	36,365	43,470	44,097	95,715
Transfers	(346,067)	400,000	130,000	(325,000)	-	-	(51,879)	-	314,660	839,370
<b>Total Business-Type Activities</b>	<b>138,549</b>	<b>1,277,866</b>	<b>1,664,703</b>	<b>2,339,100</b>	<b>2,387,888</b>	<b>1,108,995</b>	<b>950,569</b>	<b>916,370</b>	<b>1,849,495</b>	<b>1,542,762</b>
<b>Total Primary Government</b>	<b>\$ 72,883,001</b>	<b>\$ 80,567,890</b>	<b>\$ 91,939,599</b>	<b>\$ 94,504,511</b>	<b>\$ 96,643,252</b>	<b>\$ 98,610,930</b>	<b>\$ 101,845,857</b>	<b>\$ 112,087,179</b>	<b>\$ 115,495,843</b>	<b>\$ 78,064,907</b>
<b>Change in Net Position</b>										
Governmental Activities:	\$ (23,422,782)	\$ (28,222,914)	\$ (10,486,687)	\$ (10,438,186)	\$ (15,084,929)	\$ 52,861,304	\$ (17,371,838)	\$ (7,454,376)	\$ (3,674,106)	\$ (30,061,609)
Business-Type Activities	1,262,429	198,083	2,215,592	635,796	996,184	(551,197)	5,460,885	5,150,015	3,527,736	9,047,280
<b>Total Primary Government</b>	<b>\$ (22,160,353)</b>	<b>\$ (28,024,831)</b>	<b>\$ (8,271,095)</b>	<b>\$ (9,802,390)</b>	<b>\$ (14,088,745)</b>	<b>\$ 52,310,107</b>	<b>\$ (11,910,953)</b>	<b>\$ (2,304,361)</b>	<b>\$ (146,370)</b>	<b>\$ (21,014,329)</b>

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

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

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

The capital outlay expense was reclassified for all years into the General Government

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

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

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

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

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

	<u>2011</u>	<u>2012</u>
<b>General Fund</b>		
Nonspendable	\$ 38,327	\$ 13,316
Assigned	341,767	618,902
Unassigned	<u>8,305,081</u>	<u>5,476,120</u>
 Total General Fund	 <u>\$ 8,685,175</u>	 <u>\$ 6,108,338</u>
 <b>All Other Governmental Funds</b>		
Restricted	\$ 22,767,520	\$ 27,392,230
Committed	2,497,088	2,210,591
Unassigned	<u>(6,368,023)</u>	<u>(13,886,439)</u>
 Total all other governmental funds	 <u>18,896,585</u>	 <u>15,716,382</u>
Total all governmental funds	<u>\$ 27,581,760</u>	<u>\$ 21,824,720</u>

*GASB 54 was implemented in 2011 and no restatement to prior years.*

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>										
Taxes and assessments	\$ 60,793,493	\$ 67,378,236	\$ 74,690,533	\$ 74,449,550	\$ 76,419,146	\$ 79,557,430	\$ 82,809,015	\$ 91,357,546	\$ 90,735,119	\$ 87,462,639
Assessments with debt commitments	1,251,723	1,256,084	1,115,550	1,203,825	1,244,062	1,235,590	1,579,364	1,824,096	1,766,964	2,085,984
Licenses and permits	1,384,412	1,770,608	1,728,031	1,854,743	1,805,877	1,565,251	1,495,909	1,292,187	1,119,329	1,505,989
Franchise fee	5,783,131	6,796,288	9,953,998	10,538,353	11,287,828	11,656,474	11,748,942	12,064,162	11,861,777	11,542,112
Intergovernmental	15,129,905	13,834,393	13,485,071	12,448,639	14,895,471	12,853,091	14,399,963	25,678,799	15,548,303	22,873,107
Fees for service	6,139,352	8,593,706	7,697,417	7,530,038	7,710,858	7,875,082	8,198,079	7,889,738	4,416,185	2,551,654
Administrative fees - interfund	-	-	-	-	-	-	-	-	3,485,117	3,483,059
Fines and forfeitures	2,605,243	2,945,019	3,006,858	3,067,462	2,355,577	2,194,196	2,425,825	2,752,512	2,615,458	2,735,189
Investment income	481,801	550,925	494,401	1,930,675	1,324,487	881,505	480,973	343,531	496,078	68,611
Rents	98,640	103,851	-	3,952	12,071	-	-	-	-	-
Miscellaneous	1,972,268	1,730,312	2,246,069	1,830,075	1,920,956	2,066,654	1,891,921	2,276,058	2,262,455	1,741,076
Total revenues	95,639,968	104,959,422	114,417,928	114,857,312	118,976,333	119,885,273	125,029,991	145,478,629	134,306,785	136,049,420
<b>Expenditures:</b>										
Current:										
General government	14,336,221	14,491,502	16,107,096	16,461,418	15,980,267	16,229,447	16,059,684	21,513,502	9,726,973	10,193,560
Public safety	41,073,164	43,470,025	42,872,366	44,636,855	47,763,234	49,523,130	49,712,116	49,026,100	51,582,488	54,427,083
Public works	13,029,386	13,339,505	16,319,117	16,905,882	16,564,361	16,685,997	15,681,065	21,122,211	32,435,501	27,524,858
Public works - planning	-	-	-	852,604	997,806	908,365	897,258	860,580	363,000	753,713
Miscellaneous	1,078,991	13,686,232	602,031	536,830	(28,610)	(1,103,867)	206,630	3,648,515	3,863,117	3,254,582
Parks and recreation	9,739,990	10,328,095	10,764,049	10,934,118	11,302,320	11,386,851	12,420,567	11,508,680	10,869,241	2,466,126
Housing & neighborhood development	3,813,103	3,902,156	4,044,289	3,515,342	4,864,393	2,386,622	3,537,403	5,446,685	5,001,800	5,238,562
Social services	668,354	697,203	664,335	758,097	778,614	964,006	1,077,479	547,155	684,638	677,925
Economic development	12,087,729	-	-	-	-	-	-	-	-	5,925
Construction	5,029,601	7,158,585	17,590,173	30,654,057	34,415,024	17,423,213	8,688,795	11,552,787	13,218,536	13,467,331
Engineering and others	-	4,374,173	7,460,891	5,041,172	4,588,189	4,391,813	2,456,666	2,155,206	3,087,446	2,363,652
Capital leases	-	82,041	-	-	-	-	-	-	-	-
Underwriter's discount on bonds	-	332,250	-	-	-	-	-	-	-	-
Other costs of bond issuance	-	122,254	-	2,800	33,737	-	-	-	-	-
Refunding bond issuance costs	-	-	-	-	219,196	45,001	-	-	-	-
Debt service:										
Principal retirement	7,365,000	6,160,000	9,850,000	10,095,000	12,880,000	12,690,000	12,505,000	13,510,789	14,433,178	15,418,031
Interest and fiscal costs	5,099,041	4,974,054	4,803,074	6,673,762	7,638,762	7,548,982	8,677,044	7,434,773	6,700,967	6,245,492
Total expenditures	113,320,580	123,118,075	131,077,421	147,067,937	157,997,293	139,079,560	131,919,707	148,326,983	151,966,885	142,036,840
Excess (deficiency) of revenues over expenditures	(17,680,612)	(18,158,653)	(16,659,493)	(32,210,625)	(39,020,960)	(19,194,287)	(6,889,716)	(2,848,354)	(17,660,100)	(5,987,420)
<b>Other financing sources (uses):</b>										
Original Issuance of debt	42,335,000	59,385,000	20,115,000	60,540,000	15,085,000	20,039,890	3,345,000	12,025,000	17,185,000	-
Original Issuance of debt premium	277,033	684,114	226,193	618,618	106,117	(102)	2,000,937	56,372	305,941	-
Original issuance of debt discount	-	(138,195)	-	-	(42,899)	(78,847)	660	-	-	-
Defeasance of bonds	(30,300,000)	(38,130,000)	-	-	-	-	-	-	-	-
Defeasance of bonds redemption premium	(520,956)	(379,200)	-	-	-	-	-	-	-	-
Refunding issuance	-	-	-	-	14,135,000	4,530,110	50,940,686	34,830,000	34,420,000	27,170,000
Refunding issuance premium	-	-	-	-	-	-	-	17,564	1,380,307	854,522
Refunding issuance discount	-	-	-	-	-	-	-	(50,996)	-	(1,590)
Payment for refunding bond escrow agent	-	-	-	-	(13,965,000)	(4,522,500)	(51,613,950)	(37,015,000)	(37,995,000)	(27,685,868)
Payment for refunding bond cost of issuance	-	-	-	-	-	-	(862,502)	(769,919)	-	-
Payment for refunding bond interest	-	-	-	-	-	-	-	(2,638,394)	(463,581)	-
Payment for refunding redemption premium	-	-	-	-	-	-	-	(149,950)	(195,500)	-
Payment in lieu of taxes - interfund	-	-	-	-	-	-	-	-	5,492,001	5,436,000
Transfers in	3,408,289	2,186,745	3,356,680	10,476,733	8,829,459	7,281,374	6,499,590	4,574,416	5,757,738	5,978,789
Transfers out	(3,062,222)	(2,609,501)	(3,492,247)	(10,406,930)	(8,329,459)	(7,281,374)	(6,447,711)	(4,574,416)	(7,072,398)	(6,818,159)
Capital leases	-	82,041	-	-	-	-	-	-	-	-
Sale of property	63561	420,852	130,619	661,843	97,723	59,868	44,855	188,930	242,085	142,176
Total other financing sources (uses)	12,200,705	21,501,856	20,336,245	61,890,264	15,915,941	20,028,419	3,907,565	6,493,607	19,056,593	5,075,870
Special item - park and recreation transfer	-	-	-	-	-	-	-	-	-	(4,845,490)
Net change in fund balances	\$ (5,479,907)	\$ 3,343,203	\$ 3,676,752	\$ 29,679,639	\$ (23,105,019)	\$ 834,132	\$ (2,982,151)	\$ 3,645,253	\$ 1,396,493	\$ (5,757,040)
Debt service as a percentage of noncapital expenditures										
	11.51%	10.03%	13.82%	15.06%	17.28%	17.27%	** 17.54%	15.56%	** 15.58%	17.17%

See breakdown of taxes and assessments on next page.

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

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

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

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

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Auto Ad Valorem</b>	<b>TIF Property Tax</b>	<b>Local Sales Tax</b>	<b>0.25% Sales Tax</b>	<b>JEDO Sales Tax</b>	<b>Starbond Sales Tax</b>	<b>Street Repair Sales Tax</b>	<b>TIF Sales Tax</b>	<b>CID Sales Tax</b>	<b>Transient Guest Tax</b>	<b>Payments in Lieu of Taxes</b>	<b>Service and Special Assessments</b>	<b>Total</b>
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	-	26,691,399	779,140	-	-	-	-	-	1,789,703	5,424,022	1,768,915	68,634,320
2005	29,392,422	3,509,857	-	25,891,083	892,271	6,913,790	-	-	-	-	1,612,169	5,671,862	1,922,629	75,806,083
2006	28,595,710	3,458,719	-	26,344,949	1,175,244	7,502,107	53,197	-	-	-	1,766,633	5,339,220	1,417,596	75,653,375
2007	29,989,259	3,343,126	-	27,255,401	-	7,767,247	57,768	-	-	-	1,913,492	5,737,447	1,599,468	77,663,208
2008	32,469,562	3,326,312	-	27,991,780	-	7,617,164	73,882	-	-	-	2,070,271	5,637,762	1,606,287	80,793,020
2009	32,373,062	3,470,239	-	26,566,267	-	7,809,194	95,224	1,143,728	-	-	1,719,807	5,570,911	1,932,052	80,680,484
2010	31,821,035	3,417,996	140,920	26,607,992	-	7,813,635	148,033	13,303,994	4,620	-	1,839,049	5,986,040	2,098,328	93,181,642
2011	32,725,941	3,339,172	185,897	27,703,555	-	8,239,489	115,652	13,859,830	16,105	-	1,964,711	5,903,774	3,939,958	97,994,084
2012	32,276,245	3,302,893	191,293	27,279,045	-	8,058,097	78,526	13,644,890	10,735	18,596	1,950,933	5,760,746	2,412,624	94,984,623
<b>Change</b>														
2003-2012	18.5%	0.2%	35.7%	15.9%	0.0%	16.6%	47.6%	1093.0%	-33.3%	0.0%	33.8%	17.0%	52.0%	53.1%
						*	*	*	*			**		

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

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

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

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

\*The City approved TIF districts for College Hill and Eastgate development.

\*\*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**  
**Schedule of General Fund Sales Tax Revenues**  
**Last Ten Fiscal Years**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Budget	\$ 24,733,000	\$ 24,500,000	\$ 25,255,000	\$ 27,240,000	\$ 26,970,000	\$ 27,500,000	\$ 27,500,000	\$ 27,500,000	\$ 26,600,000	\$ 27,700,000
Revenue Recognized by Month:										
January	2,295,900	2,638,061	2,603,851	2,426,392	2,725,674	2,649,763	2,686,405	2,120,685	2,192,869	2,445,898
February	1,734,457	2,036,769	2,201,500	2,062,741	1,918,436	2,375,876	2,431,539	2,373,263	2,690,245	2,613,946
March	1,826,910	1,797,473	2,034,847	1,977,310	2,135,506	2,048,961	1,919,260	2,262,241	2,268,063	2,210,872
April	1,982,473	2,050,306	2,171,326	2,192,480	2,372,332	2,398,066	2,007,516	1,822,905	1,883,119	2,055,332
May	1,951,792	2,216,804	2,030,815	2,300,071	2,210,789	2,584,478	2,161,504	2,310,172	2,364,257	2,407,884
June	1,804,877	2,148,032	2,077,630	2,154,133	2,336,735	2,302,707	2,381,268	2,296,057	2,294,228	2,237,133
July	1,891,971	2,381,489	2,276,663	2,419,861	2,290,031	2,485,527	2,024,195	2,113,289	2,168,983	2,293,789
August	2,023,030	2,196,939	2,055,419	2,045,981	2,152,904	2,310,893	2,060,764	2,334,951	2,257,207	2,485,636
September	2,183,072	2,265,864	2,128,764	2,264,655	2,465,636	2,316,344	2,231,968	2,158,120	2,298,896	2,050,811
October	1,750,404	2,246,088	2,091,363	2,188,360	2,026,567	2,160,624	2,253,707	2,218,837	2,415,208	2,266,253
November	2,116,461	2,221,679	2,111,762	2,140,434	2,259,755	2,311,542	2,287,456	2,077,693	2,289,675	2,235,777
December	1,971,324	2,491,894	2,107,143	2,172,530	2,361,035	2,047,000	2,120,684	2,133,692	2,421,828	2,008,369
<b>Total</b>	<b>\$ 23,532,671</b>	<b>\$ 26,691,399</b>	<b>\$ 25,891,083</b>	<b>\$ 26,344,949</b>	<b>\$ 27,255,401</b>	<b>\$ 27,991,780</b>	<b>\$ 26,566,266</b>	<b>\$ 26,221,905</b>	<b>\$ 27,544,578</b>	<b>\$ 27,311,699</b>

Accumulated Revenue Received Year-to-Date by Month:

January	\$ 2,295,900	\$ 2,638,061	\$ 2,603,851	\$ 2,426,392	\$ 2,725,674	\$ 2,649,763	\$ 2,686,405	\$ 2,120,685	\$ 2,192,869	\$ 2,445,898
February	4,030,357	4,674,830	4,805,351	4,489,133	4,644,111	5,025,638	5,117,944	4,493,948	4,883,114	5,059,844
March	5,857,268	6,472,303	6,840,198	6,466,443	6,779,617	7,074,599	7,037,204	6,756,189	7,151,177	7,270,716
April	7,839,740	8,522,609	9,011,525	8,658,923	9,151,949	9,472,665	9,044,719	8,579,094	9,034,296	9,326,047
May	9,791,532	10,739,413	11,042,340	10,958,994	11,362,738	12,057,143	11,206,224	10,889,266	11,398,553	11,733,931
June	11,596,409	12,887,445	13,119,970	13,113,127	13,699,473	14,359,850	13,587,492	13,185,323	13,692,781	13,971,064
July	13,488,381	15,268,934	15,396,633	15,532,989	15,989,504	16,845,376	15,611,687	15,298,612	15,861,764	16,264,853
August	15,511,410	17,465,873	17,452,052	17,578,970	18,142,408	19,156,269	17,672,451	17,633,563	18,118,971	18,750,489
September	17,694,482	19,731,738	19,580,816	19,843,625	20,608,045	21,472,614	19,904,419	19,791,683	20,417,867	20,801,299
October	19,444,886	21,977,826	21,672,179	22,031,985	22,634,611	23,633,238	22,158,126	22,010,520	22,833,075	23,067,553
November	21,561,347	24,199,505	23,783,941	24,172,419	24,894,367	25,944,780	24,445,582	24,088,213	25,122,750	25,303,330
December	23,532,671	26,691,399	25,891,083	26,344,949	27,255,401	27,991,780	26,566,266	26,221,905	27,544,578	27,311,699

**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
2003	\$ 697,585,301	\$ 101,802,554	\$ 108,022,653	\$ 91,086,096	\$ 998,496,604	33.129	\$ 5,948,006,923	16.79%
2004	743,500,077	102,142,306	111,107,944	96,183,658	1,052,933,985	33.224	6,273,558,359	16.78%
**			**		**		**	
2005	773,082,310	109,805,201	112,163,923	99,068,092	1,094,119,526	32.391	6,562,713,094	16.67%
2006	827,861,828	110,281,801	113,410,393	89,655,115	1,141,209,137	30.653	6,918,477,613	16.50%
2007	857,081,725	96,052,967	114,535,722	90,217,874	1,157,888,288	30.747	7,054,496,697	16.41%
2008	886,363,813	78,412,836	114,698,618	77,189,717	1,156,664,984	32.457	7,130,711,029	16.22%
2009	884,798,784	63,042,385	112,056,673	70,043,766	1,129,941,608	32.682	7,050,481,650	16.03%
2010	875,969,022	54,841,080	109,450,833	71,648,338	1,111,909,273	32.592	6,986,332,628	15.92%
2011	883,236,614	49,707,508	107,376,098	75,704,241	1,116,024,461	32.928	7,002,281,274	15.94%
2012	872,122,132	43,942,396	105,898,240	84,434,065	1,106,396,833	35.838	6,906,374,072	16.02%

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
2003	\$ 27,343,275	\$ 26,780,238	97.94%	\$ 462,748	\$ 27,242,985	99.63%
2004	28,597,845	28,048,577	98.08%	452,666	28,501,243	99.66%
2005	29,449,181	28,984,901	98.42%	407,521	29,392,422	99.81%
2006	29,062,534	28,117,469	96.75%	478,241	28,595,710	98.39%
2007	30,513,054	29,650,544	97.17%	338,715	29,989,259	98.28%
2008	32,661,974	31,891,458	97.64%	578,104	32,469,562	99.41%
2009	32,394,897	31,637,962	97.66%	735,100	32,373,062	99.93%
2010	32,287,451	31,255,989	96.81%	705,965	31,961,954	98.99%
2011	31,741,291	31,218,478	98.35%	1,764,839	32,983,317	103.91%
2012	32,257,692	32,467,538	100.65%	893,093	33,360,631	103.42%

(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	TMTA	MTAA	Topeka SNCO P Library	
2003	13.278	11.236	8.193	0.422	<b>33.129</b>	1.500	40.734	47.769	3.314	**	**	13.384	<b>139.830</b>
2004	17.220	7.680	6.105	2.219	<b>33.224</b>	1.500	43.043	46.198	3.308	2.361	1.087	10.519	<b>141.240</b>
2005	10.508	13.931	5.930	2.022	<b>32.391</b>	1.500	42.091	54.007	3.313	2.983	1.065	10.147	<b>147.497</b>
2006	10.855	12.060	5.763	1.975	<b>30.653</b>	1.500	41.850	53.295	3.313	2.712	1.036	9.370	<b>143.729</b>
2007	11.044	11.600	5.257	2.846	<b>30.747</b>	1.500	41.919	53.367	3.314	3.000	1.036	9.671	<b>144.554</b>
2008	11.944	12.598	5.388	2.527	<b>32.457</b>	1.500	41.662	53.423	3.315	3.000	1.313	8.959	<b>145.629</b>
2009	11.805	12.545	5.501	2.831	<b>32.682</b>	1.500	40.117	54.740	3.316	3.000	1.290	8.999	<b>145.644</b>
2010*	18.469	13.852	-	0.271	<b>32.592</b>	1.500	40.965	54.429	3.316	4.404	1.293	9.018	<b>147.517</b>
2011	19.451	13.113	-	0.285	<b>32.849</b>	1.500	41.016	54.301	3.317	4.208	1.255	9.103	<b>147.549</b>
2012	19.786	12.819	-	0.323	<b>32.928</b>	1.500	43.165	56.307	3.298	4.200	1.229	9.773	<b>152.400</b>
2013	24.146	10.915	-	0.777	<b>35.838</b>	1.500	44.196	56.319	3.318	4.200	1.220	9.783	<b>156.374</b>

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

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

*\*\*The Topeka Metropolitan Transit Authority (TMTA), Metropolitan Topeka Airport Authority (MTAA), and the Topeka Shawnee County Library are combined for 2003 until information is found.*

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

<b>Taxpayer</b>	<b>2012</b>			<b>2003</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Westar Energy***	\$ 43,208,983	1	3.91%	\$ 70,589,982	1	7.07%
Burlington Northern/Santa Fe/Utility***	17,160,218	2	1.55%	12,997,895	3	1.30%
Westridge Mall LLC/Retail (Simon Property Group)	12,755,370	3	1.15%	12,762,347	4	1.28%
Southwestern Bell/Utility***	11,965,997	4	1.08%	26,815,518	2	2.69%
Kansas Gas Service/Utility***	8,772,699	5	0.79%	8,275,134	5	0.83%
Wal-Mart Properties & SAMS CLUB/Retail	7,693,798	6	0.70%	-	-	-
Frito Lay/Manufacturing	6,521,866	7	0.59%	5,960,490	7	0.60%
IRET Properties/Apts	5,993,163	8	0.54%	-	-	-
Dillon Real Estate Co Inc/Retail	5,046,645	9	0.46%	-	-	-
Riviana Foods/Hills Pet Prod/Manufacturing	4,668,007	10	0.42%	5,858,509	8	0.59%
Hallmark Cards/Manufacturing	-	-	-	5,116,240	10	0.51%
Delmonte	-	-	-	6,817,444	6	0.68%
Payless Shoe Source	-	-	-	5,359,040	9	0.54%
<b>Total</b>	\$ 123,786,746		<u>11.19%</u>	\$ 160,552,599		<u>16.09%</u>
<b>Total Assessed Value</b>	\$ 1,106,396,833			\$ 998,496,604		

*Source: Shawnee County Clerk 2012 tax roll*  
*In 2008 Atrium Finance took over John Q. Hammons Hotels*

*\*Included in the NRA*  
*\*\*\*State Assessed*

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

Fiscal Year	Governmental Activities				Business-Type Activities					Total Primary Government	Per Capita
	General Obligation Bonds	Temporary Notes	Other Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds	Temporary Notes	Kansas Department of Health & Environment Loans	Capital Leases		
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	\$ 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	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	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	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	3,437
2008	149,845,000	16,350,000	42,350,000	680,260	13,405,000	117,255,000	-	90,610,984	-	430,496,244	3,487
2009	143,280,686	20,071,139	39,485,000	3,371,639	13,089,314	115,275,000	4,818,861	89,619,673	-	429,011,312	3,451
2010	142,274,897	24,615,000	36,820,000	5,456,832	12,795,103	123,450,000	2,950,000	84,946,895	-	433,308,727	3,399
2011	148,201,719	12,110,745	30,070,000	4,450,181	12,453,281	124,345,000	4,429,255	78,077,683	349,924	414,487,788	3,233
2012	136,650,561	14,687,188	26,735,000	3,578,007	12,434,439	122,550,000	1,852,812	72,123,938	280,815	390,892,760	3,034

*Note: The other governmental bonds include tax increment and special revenue bonds. These bonds are funded by other sources, but are backed by the full faith and credit of the City have been added. The temporary notes have been left in due to the anticipation of them becoming long term debt in the following year. Details regarding the City's outstanding debt can be found in the notes under long-term debt and in the following statistical section pages. Personal income and population data can be found in the demographic and economic section of the statistical section.*

**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				
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		151,825,000		13,810,000	165,635,000	2.39%	1,356.41
2007		156,405,000		13,680,000	170,085,000	2.41%	1,386.84
2008		166,090,000		13,405,000	179,495,000	2.52%	1,454.04
2009		159,000,686		13,089,314	172,090,000	2.44%	1,384.13
2010		157,969,897		12,795,103	170,765,000	2.44%	1,339.62
2011		163,661,719		12,453,281	176,115,000	2.52%	1,373.88
2012		151,520,561		12,434,439	163,955,000	2.37%	1,272.66

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

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

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 299,548,981	\$ 335,444,774	\$ 328,235,858	\$ 342,362,741	\$ 347,366,486	\$ 346,999,495	\$ 338,982,482	\$ 346,999,495	\$ 334,807,338	\$ 331,919,050
Total net debt applicable to limit	120,841,801	142,729,341	155,727,186	74,795,038	85,780,252	95,537,544	67,443,634	95,537,544	55,885,557	44,026,297
Legal debt margin	\$ 178,707,180	\$ 192,715,433	\$ 172,508,672	\$ 267,567,703	\$ 261,586,234	\$ 251,461,951	\$ 271,538,848	\$ 251,461,951	\$ 278,921,781	\$ 287,892,753
Total net debt applicable to the limit as a percentage of debt limit	40.34%	42.55%	47.44%	21.85%	24.69%	27.53%	19.90%	27.53%	16.69%	13.26%

As permitted by Kansas statutes, for 2012 the City has excluded certain types of debt from this computation as follows:

	\$ 106,409,447	K.S.A. 10-427a
	21,302,641	K.S.A. 10-309
	11,865,000	K.S.A. 12-195(8)
	5,405,000	K.S.A. 12-1774
Total excluded in 2012	<u>\$ 144,982,088</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 2012**

Total assessed value	<u>\$ 1,106,396,833</u>
Debt limit (30% of total assessed value)	<u>331,919,050</u>
Debt applicable to limit:	
General obligation bonds	47,377,912
Less: Amount set aside for repayment of general obligation debt	<u>(3,351,615)</u>
Total net debt applicable to limit	<u>44,026,297</u>
Legal debt margin	<u>\$ 287,892,753</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	Gross Revenues	Less: Operating Expenses	Net Available	Debt Service on KDHE Loans (Next Fiscal Year)		Debt Service on Revenue Bonds (Next Fiscal Year)		1.00 KDHE Loan
2003	\$ 41,536,887	\$ 27,127,247	\$ 14,409,640	\$ 3,517,054	\$ 2,048,195	\$ 1,280,000	\$ 3,262,553	1.43
2004	44,485,360	29,862,012	14,623,348	3,638,050	1,936,067	1,390,000	4,907,439	1.23
2005	48,832,060	31,416,570	17,415,490	4,985,751	2,643,644	1,905,000	5,387,707	1.17
2006	51,324,679	32,890,029	18,434,650	5,551,824	2,863,855	2,010,000	4,656,037	1.22
2007	53,433,665	33,190,749	20,242,916	6,033,276	2,930,765	1,885,000	5,568,118	1.23
2008	59,703,701	38,923,418	20,780,283	6,638,050	3,028,657	1,980,000	5,319,718	1.22
2009	61,650,545	35,392,529	26,258,016	6,884,878	2,726,323	2,050,000	5,219,518	1.56
2010	61,719,464	35,128,771	26,590,693	6,880,361	2,446,042	2,105,000	5,568,673	1.56
2011	61,512,843	37,192,745	24,320,098	7,213,366	2,228,756	2,285,000	5,358,952	1.42
2012	64,558,928	38,616,083	25,942,845	7,466,350	2,121,525	2,370,000	5,116,876	1.52

Water, Water Pollution Control and Stormwater Revenue Bonds								
Fiscal	Gross Revenues	Less: Operating Expenses	Net Available	Debt Service on Revenue Bonds (Next Fiscal Year)				1.25 Revenue Bond
2003	\$ 41,536,887	\$ 27,094,743	\$ 14,442,144	\$ 1,280,000	\$ 3,262,553			3.18
2,004	44,485,360	31,217,897	13,267,463	1,390,000	4,907,439			2.11
2,005	48,832,060	32,388,584	16,443,476	1,905,000	5,387,707			2.25
2,006	51,324,679	36,001,171	15,323,508	2,010,000	4,656,037			2.30
2,007	53,433,665	36,884,842	16,548,823	1,885,000	5,568,118			2.22
2,008	59,703,701	43,127,042	16,576,659	1,980,000	5,319,718			2.27
2,009	61,650,545	39,831,984	21,818,561	2,050,000	5,219,518			3.00
2,010	61,719,464	39,376,888	22,342,576	2,105,000	5,568,673			2.91
2,011	61,512,843	41,176,575	20,336,268	2,285,000	5,358,952			2.66
2,012	64,558,928	42,898,205	21,660,723	2,370,000	5,116,876			2.89

**City of Topeka, Kansas**  
**Schedule of Bonded Indebtedness and Other Financing by Issue**  
**December 31, 2012**

Bond Series	Transaction Description	Tax Status	Settlement Date	Interest Rate	Original Par	Interest Due	Principal Due	Outstanding as of January 1, 2012	Retired Year-to-Date	Refunded Year-to-Date	Issued Year-to-Date	Outstanding as of December 31, 2012
<b>Governmental General Obligation Bonds</b>												
2004A	Taxable General Obligation Bond:	Taxable	08/12/04	4.000 - 5.000	\$ 13,385,000	2/15 & 8/15	8/15	\$ 5,680,000	\$ 1,310,000	\$ -	\$ -	\$ 4,370,000
2005C	Taxable General Obligation Bond:	Taxable	11/29/05	4.875 - 5.250	5,070,000	2/15 & 8/15	8/15	2,180,000	555,000	1,625,000	-	-
2007A	General Obligation Refunding Bond:	Tax-Exempt	02/28/07	3.500 - 4.250	14,135,000	2/15 & 8/15	8/15	10,995,000	1,985,000	9,010,000	-	-
2007D	General Obligation Bonds:	Tax-Exempt	11/28/07	4.000 - 4.500	15,085,000	2/15 & 8/15	8/15	13,080,000	595,000	12,485,000	-	-
2008A	General Obligation Improvement and Refunding Bond:	Tax-Exempt	10/29/08	3.500 - 5.600	24,570,000	2/15 & 8/15	8/15	7,310,000	35,000	3,765,000	-	3,510,000
2009A	General Obligation Bonds:	Tax-Exempt	10/28/09	2.500 - 4.000	3,345,000	2/15 & 8/15	8/15	3,085,000	125,000	-	-	2,960,000
2009B	General Obligation Refunding Bond:	Tax-Exempt	10/28/09	2.500 - 4.000	50,940,686	2/15 & 8/15	8/15	38,344,083	6,540,840	-	-	31,803,243
2010A	General Obligation Bonds:	Tax-Exempt	09/29/10	1.625 - 4.000	1,650,000	2/15 & 8/15	8/15	1,580,000	65,000	-	-	1,515,000
2010B	General Obligation Refunding Bond:	Tax-Exempt	09/29/10	1.625 - 4.375	34,830,000	2/15 & 8/15	8/15	34,237,636	383,294	-	-	33,854,342
2010C	Taxable General Obligation Bonds (Build America	Taxable	09/29/10	2.050 - 4.850	4,570,000	2/15 & 8/15	8/15	4,570,000	-	-	-	4,570,000
2011A	General Obligation Improvement and Refunding Bond:	Tax-Exempt	09/20/11	2.000 - 4.250	25,765,000	2/15 & 8/15	8/15	23,710,000	92,024	-	-	23,617,976
2011B	General Obligation Bonds:	Tax-Exempt	09/29/11	2.000 - 4.000	3,430,000	2/15 & 8/15	8/15	3,430,000	-	-	-	3,430,000
2012A	General Obligation Refunding Bond:	Tax-Exempt	04/17/12	1.500 - 4.000	25,510,000	2/15 & 8/15	8/15	-	140,000	-	25,510,000	25,370,000
2012B	Taxable General Obligation Refunding Bond:	Taxable	04/17/12	0.500 - 2.250	1,660,000	2/15 & 8/15	8/15	-	10,000	-	1,660,000	1,650,000
<b>Subtotal Governmental G.O. Bonds</b>					<b>223,945,686</b>			<b>148,201,719</b>	<b>11,836,158</b>	<b>26,885,000</b>	<b>27,170,000</b>	<b>136,650,561</b>
<b>Business-type General Obligation Bonds</b>												
2006B	General Obligation Bonds (Kanza Parking Garage	Tax-Exempt	11/28/06	4.000 - 4.375	7,570,000	2/15 & 8/15	8/15	4,745,000	-	4,745,000	-	-
2009B	General Obligation Refunding Bond:	Tax-Exempt	10/28/09	2.500 - 4.000	5,804,314	2/15 & 8/15	8/15	5,500,917	159,160	-	-	5,341,757
2010B	General Obligation Refunding Bonds (Garage Portion	Tax-Exempt	09/29/10	1.625 - 4.375	155,000	2/15 & 8/15	8/15	152,364	1,706	-	-	150,658
2011A	General Obligation Improvement and Refunding Bond:	Tax-Exempt	09/20/11	2.000 - 4.250	2,055,000	2/15 & 8/15	8/15	2,055,000	7,976	-	-	2,047,024
2012A	General Obligation Refunding Bond:	Tax-Exempt	04/17/12	1.500 - 4.000	4,814,582	2/15 & 8/15	8/15	-	40,000	-	4,935,000	4,895,000
<b>Subtotal Business-type G.O. Bonds</b>					<b>20,398,896</b>			<b>12,453,281</b>	<b>208,842</b>	<b>4,745,000</b>	<b>4,935,000</b>	<b>12,434,439</b>
<b>Other General Obligation Bonds (See Footnotes)</b>												
2010	Full Faith and Credit TIF Refunding Bonds (College H	Tax-Exempt	12/14/10	2.000 - 3.600	5,805,000	2/15 & 8/15	8/15	5,605,000	200,000	-	-	5,405,000
2011A	Full Faith and Credit STAR Bonds (Heartland Park	Tax-Exempt	09/20/11	2.000 - 3.250	9,855,000	2/15 & 8/15	8/15	9,855,000	390,000	-	-	9,465,000
<b>Subtotal Other General Obligation Bonds</b>					<b>15,660,000</b>			<b>15,460,000</b>	<b>590,000</b>	<b>-</b>	<b>-</b>	<b>14,870,000</b>
<b>TOTAL GENERAL OBLIGATION BONDS</b>					<b>\$ 260,004,582</b>			<b>\$ 176,115,000</b>	<b>\$ 12,635,000</b>	<b>\$ 31,630,000</b>	<b>\$ 32,105,000</b>	<b>\$ 163,955,000</b>
<b>Utility Revenue Bonds</b>												
2004A	Combined Utility Improvement and Refunding Bond	Tax-Exempt	02/19/04	2.000 - 6.000	\$ 46,180,000	2/1 & 8/1	8/1	\$ 22,465,000	\$ 1,100,000	\$ 21,365,000	\$ -	\$ -
2005A	Combined Utility Improvement Revenue Bond	Tax-Exempt	12/08/05	4.000 - 7.500	14,875,000	2/1 & 8/1	8/1	13,275,000	250,000	-	-	13,025,000
2006A	Combined Utility Refunding Revenue Bond	Tax-Exempt	10/18/06	4.250 - 4.375	32,375,000	2/1 & 8/1	8/1	32,375,000	-	-	-	32,375,000
2006B	Combined Utility Refunding Revenue Bond	Tax-Exempt	10/18/06	4.000 - 5.000	22,600,000	2/1 & 8/1	8/1	19,905,000	770,000	-	-	19,135,000
2007B	Combined Utility Improvement and Refunding Bond	Tax-Exempt	07/17/07	4.625 - 4.75	5,210,000	2/1 & 8/1	8/1	5,210,000	-	-	-	5,210,000
2007C	Taxable Combined Utility Improvement Revenue Bond	Taxable	07/17/07	6.000	2,140,000	2/1 & 8/1	8/1	1,990,000	55,000	-	-	1,935,000
2010A	Taxable Combined Utility Improvement Revenue Bond	Taxable	09/22/10	4.550 - 4.900	985,000	2/1 & 8/1	8/1	985,000	-	-	-	985,000
2010B	Taxable Combined Utility Improvement Revenue Bond	Taxable	09/22/10	5.100 - 5.250	9,155,000	2/1 & 8/1	8/1	9,155,000	-	-	-	9,155,000
2010C	Taxable Combined Utility Improvement Revenue Bond	Taxable	09/22/10	3.75	85,000	2/1 & 8/1	8/1	85,000	-	-	-	85,000
2011A	Combined Utility Improvement and Refunding Bond	Tax-Exempt	09/29/11	2.000 - 4.500	18,900,000	2/1 & 8/1	8/1	18,900,000	110,000	-	-	18,790,000
2012A	Combined Utility Refunding Revenue Bond	Tax-Exempt	06/12/12	3.000 - 3.500	22,045,000	2/1 & 8/1	8/1	-	190,000	-	22,045,000	21,855,000
<b>Subtotal Utility Revenue Bonds</b>					<b>174,550,000</b>			<b>124,345,000</b>	<b>2,475,000</b>	<b>21,365,000</b>	<b>22,045,000</b>	<b>122,550,000</b>
<b>Other Revenue Bonds (See Footnotes)</b>												
2011	Sales Tax Refunding Revenue Bonds (Boulevard Bridg	Tax-Exempt	10/27/11	2.000 - 4.000	14,610,000	6/15 & 12/15	12/15	14,610,000	2,745,000	-	-	11,865,000
<b>Subtotal Other Revenue Bonds</b>					<b>14,610,000</b>			<b>14,610,000</b>	<b>2,745,000</b>	<b>-</b>	<b>-</b>	<b>11,865,000</b>
<b>TOTAL REVENUE BONDS</b>					<b>\$ 189,160,000</b>			<b>\$ 138,955,000</b>	<b>\$ 5,220,000</b>	<b>\$ 21,365,000</b>	<b>\$ 22,045,000</b>	<b>\$ 134,415,000</b>
<b>TOTAL BONDED INDEBTEDNESS OF THE CITY</b>					<b>\$ 449,164,582</b>			<b>\$ 315,070,000</b>	<b>\$ 17,855,000</b>	<b>\$ 52,995,000</b>	<b>\$ 54,150,000</b>	<b>\$ 298,370,000</b>
KDHE Revolving Loan (WPC):			01/27/93	3.110 - 3.660	110,215,967	12/1 & 6/1	12/1 & 6/1	59,865,407	5,895,575	-	-	53,969,832
KDHE Revolving Loan (Water)			04/06/98	2.500 - 3.750	33,182,304	12/1 & 6/1	12/1 & 6/1	18,212,274	1,317,791	-	1,259,623	18,154,106
<b>TOTAL REVOLVING LOANS</b>					<b>\$ 143,398,271</b>			<b>\$ 78,077,681</b>	<b>\$ 7,213,366</b>	<b>\$ -</b>	<b>\$ 1,259,623</b>	<b>\$ 72,123,938</b>
2011A	Temporary Notes	Tax-Exempt	09/20/11	1.250	15,230,000	At Maturity	10/01/12	15,230,000	-	15,230,000	-	-
2012A	Temporary Notes	Tax-Exempt	09/27/12	1.000	16,540,000	At Maturity	10/01/13	-	-	-	16,540,000	16,540,000
<b>TOTAL TEMPORARY NOTES</b>					<b>\$ 31,770,000</b>			<b>\$ 15,230,000</b>	<b>\$ -</b>	<b>\$ 15,230,000</b>	<b>\$ 16,540,000</b>	<b>\$ 16,540,000</b>
<b>TOTAL INDEBTEDNESS OF THE CITY</b>					<b>\$ 624,332,853</b>			<b>\$ 408,377,681</b>	<b>\$ 25,068,366</b>	<b>\$ 68,225,000</b>	<b>\$ 71,949,623</b>	<b>\$ 387,033,938</b>

Other General Obligation Bonds (See Footnotes)

2010 - Property and sales tax increment.

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

Other Revenue Bonds (See Footnotes)

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

**City of Topeka, Kansas**  
**Schedule of Temporary Notes Outstanding by Project**  
**December 31, 2012**

Project Purpose/Description	Project Number	Project Amount Financed
SE 10th St over Shunga Creek	12045.00	\$ 224,155
49th over Shunga Creek	121000.00	100,971
Oakland Pool Renovation	301026.00	95,706
Oakland/Garfield Gym floors	301029.00	156,962
Felker/Rueger Improvements	301030.00	117,856
Roof Tropical Rain Forest	301034.00	796,312
Retention Pond - Laurens	151001.00	100,971
Pond Repair - Laurens Bay	151011.00	1,312,619
Water Ext Laurens Bay #1	281004.00	807,766
San Swr Woodland Trail	40944.01	11,713
San Sewer 3249 NW Lower Silver Lake Rd	401011.00	18,324
San Sewer Bear Lake - Vineyard	401017.00	328,247
San Sewer NW Halfday Ln	401025.00	25,667
San Sewer 1148 SW Jewell	401027.00	22,718
St Improvement Woodland Trl Sub	60624.01	45,437
St Improvement Woodland Blk A-D	60624.02	12,117
Lauren Bay Estate Street	60632.01	5,351,448
Frazier St 3rd and 4th	601001.00	333,203
St Improvement SW Kingsrow Rd	601008.00	2,019,414
Traf Sig - 4 locations	141009.00	323,106
2009 NIA Improvement	601014.00	197,239
Traffic Study SW 29th & I470	70123.01	1,155,524
NIA Chesney/Ward Meade	601018.00	1,129,713
Rehab Water Treatment Plant	281000.03	843,105
Oakland Wastewater Biofilter	291015.00	1,009,707
Total aggregate principal outstanding		<u><u>\$ 16,540,000</u></u>

***Note:** On September 27, 2012, the City issued its Series 2012-A Temporary Notes in the principal amount of \$16,540,000. The 2012-A Notes were purchased by Wells Fargo Bank, NA, bear interest at 1.00%, and are scheduled to mature on October 1, 2013.*

**City of Topeka, Kansas**  
**Debt Service Payments to Final Maturity**  
**Revenue bonds**  
**December 31, 2012**

<b>Combined Utility Scheduled Debt Service</b>					
<b>Year Ending</b>	<b>Principal Amount Due</b>	<b>Interest Amount Due</b>	<b>Total Annual Debt Service</b>	<b>Bond Balance</b>	<b>Cumulative % of Total Bonds Retired at Year End</b>
2013	\$ 2,370,000	\$ 5,116,876	\$ 7,486,876	\$ 120,180,000	1.93%
2014	3,490,000	5,016,026	8,506,026	116,690,000	4.78%
2015	4,135,000	4,846,876	8,981,876	112,555,000	8.16%
2016	4,330,000	4,646,101	8,976,101	108,225,000	11.69%
2017	4,500,000	4,488,176	8,988,176	103,725,000	15.36%
2018	4,655,000	4,334,776	8,989,776	99,070,000	19.16%
2019	4,825,000	4,169,126	8,994,126	94,245,000	23.10%
2020	5,335,000	3,967,176	9,302,176	88,910,000	27.45%
2021	5,420,000	3,770,514	9,190,514	83,490,000	31.87%
2022	5,500,000	3,562,389	9,062,389	77,990,000	36.36%
2023	5,605,000	3,340,539	8,945,539	72,385,000	40.93%
2024	7,020,000	3,108,451	10,128,451	65,365,000	46.66%
2025	7,135,000	2,803,738	9,938,738	58,230,000	52.48%
2026	7,285,000	2,502,355	9,787,355	50,945,000	58.43%
2027	7,530,000	2,198,394	9,728,394	43,415,000	64.57%
2028	7,830,000	1,886,463	9,716,463	35,585,000	70.96%
2029	5,700,000	1,566,060	7,266,060	29,885,000	75.61%
2030	5,565,000	1,330,248	6,895,248	24,320,000	80.16%
2031	5,635,000	1,101,665	6,736,665	18,685,000	84.75%
2032	4,330,000	867,073	5,197,073	14,355,000	88.29%
2033	4,445,000	687,906	5,132,906	9,910,000	91.91%
2034	2,350,000	500,859	2,850,859	7,560,000	93.83%
2035	2,055,000	384,134	2,439,134	5,505,000	95.51%
2036	1,365,000	278,306	1,643,306	4,140,000	96.62%
2037	1,200,000	211,394	1,411,394	2,940,000	97.60%
2038	1,000,000	150,600	1,150,600	1,940,000	98.42%
2039	910,000	99,900	1,009,900	1,030,000	99.16%
2040	905,000	52,625	957,625	125,000	99.90%
2041	125,000	5,313	130,313	-	100.00%
<b>TOTALS</b>	<b>\$ 122,550,000</b>	<b>\$ 66,994,059</b>	<b>\$ 189,544,059</b>		

**City of Topeka, Kansas**  
**Schedule of Industrial Revenue Bonds by Obligee (1)**  
**December 31, 2012**

<b>Obligated Entity or Purpose</b>	<b>Interest Rates</b>	<b>Issue Date</b>	<b>Final Maturity</b>	<b>Original Principal Amount</b>	<b>Principal Outstanding 01/01/2012</b>	<b>Issued</b>	<b>Retired</b>	<b>Principal Outstanding 12/31/2012</b>
Brewster Place	3.75 - 6.00%	08/15/02	08/01/22	\$ 2,225,000	\$ 660,000	\$ -	\$ 125,000	\$ 535,000
Brewster Place	2.50 - 5.50%	05/15/04	06/01/24	12,000,000	9,000,000	-	-	9,000,000
Fleming Court Apts.	Var. Rate	12/01/00	12/01/28	3,880,000	3,425,000	-	90,000	3,335,000
Great Plains Hotel	Var. Rate	12/01/88	10/01/13	4,300,000	1,140,000	-	345,000	795,000
Hill's Pet Nutrition	5.45%	06/18/02	08/01/12	15,000,000	1,880,000	-	1,880,000	-
Oakbrook Apartments	N/A	11/01/95	07/01/26	3,225,000	3,225,000	-	-	3,225,000
Oakbrook Apartments	8.75%	11/01/95	07/01/26	675,000	675,000	-	-	675,000
Security Benefit	5.75%	03/01/02	03/01/12	50,000,000	5,000,000	-	5,000,000	-
Sunwest Hospital	Variable	05/01/88	07/09/17	5,500,000	2,225,000	-	-	2,225,000
YMCA - refunding	4.00 - 6.00%	09/07/11	09/01/31	7,055,000	7,345,000	-	290,000	7,055,000
				<b>\$ 103,860,000</b>	<b>\$ 34,575,000</b>	<b>\$ -</b>	<b>\$ 7,730,000</b>	<b>\$ 26,845,000</b>

*(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  
Sales Tax Revenue Bonds, Series 2006/Refunding 2011  
Topeka Boulevard Bridge  
1/2% Countywide Retailers' Sales Tax

Actual half-cent sales tax collections to date

Fiscal Year	Distribution to City of Topeka	Distribution to Shawnee County	Total Tax Receipts	Interlocal Agreement Superior Liens	Bridge Sales Tax Revenues
2006	\$ 7,495,820	\$ 6,703,350	\$ 14,199,170	\$ (6,500,000)	\$ 7,699,170
2007	7,711,885	6,896,087	14,607,972	(6,500,000)	8,107,972
2008	8,285,120	7,248,079	15,533,199	(6,500,000)	9,033,199
2009	7,809,194	6,688,457	14,497,651	(6,500,000)	7,997,651
2010	7,084,980	6,680,598	13,765,578	(6,500,000)	7,265,578
2011	8,239,489	7,069,148	15,308,637	(6,500,000)	8,808,637
2012	8,058,097	6,994,739	15,052,836	(6,500,000)	8,552,836
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-

Historical and Projected Bridge Sales Tax Receipts and Debt Service Coverage

Fiscal Year	Bridge Sales Tax Revenues†	Capitalized Interest	Construction Earnings ††	DSR Transfers†††	Revenues Available For Debt Service	Debt Service	Annual Coverage
2006	\$ 7,699,170	\$ 683,503	\$ 422,442	\$ 81,595	\$ 8,886,710	\$ 673,648	13.19
2007	8,107,972	683,503	466,764	165,957	9,424,196	3,645,070	2.59
2008	9,033,199	-	42,188	165,035	9,240,422	3,642,652	2.54
2009	7,997,651	-	-	165,957	8,163,608	3,645,396	2.24
2010	7,265,578	-	1,301,176	165,957	8,732,711	3,643,318	2.40
2011	8,808,637	-	-	(97,249)	8,711,388	3,641,858	2.39
2012	8,552,836	-	-	14,332	8,567,168	3,245,027	2.64
2013	7,265,578	-	-	30,625	7,296,203	3,241,300	2.25
2014	7,265,578	-	-	30,625	7,296,203	3,240,650	2.25
2015	7,265,578	-	-	30,625	7,296,203	3,247,450	2.25
2016	7,265,578	-	-	4,813,125	12,078,703	3,126,050	3.86

† Assumes no growth in sales tax base from 2010

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

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

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

**City of Topeka, Kansas**  
**Schedule of Special Assessment Debt**  
**December 31, 2012**

Collection Year	Assessment Levy	Current Collections (1)	Percent of Levy Collected	Amount of Delinquency
2003	\$ 1,208,151	\$ 1,176,254	97%	\$ 54,849
2004	1,158,760	1,137,900	98%	31,721
2005	1,095,507	1,059,891	97%	29,674
2006	1,192,349	1,165,207	98%	45,734
2007	1,242,119	1,204,763	97%	1,965
2008	1,259,843	1,211,334	96%	13,455
2009	1,657,355	1,373,257	83%	28,182
2010	1,716,269	1,352,945	79%	73,522
2011	1,730,066	1,486,381	86%	280,583
2012	2,176,590	1,879,022	86%	206,962
2013-2018	12,949,109	-		-
2019-2024	12,085,170	-		-
2025-2030	6,779,471	-		-

*(1) Collections and assessments include interest*

*General Obligation bonds are issued to fund the special assessment projects for paving, sewer and water mains of the City.*

*Therefore all debt payments are backed by the full faith and credit of the City. Consequently there is no reserve or sinking fund established to cover property owner defaults.*

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

**City of Topeka, Kansas**  
**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)
2003	122,227	\$ 6,657,101	\$ 29,436	14,058
2004	121,691	6,840,345	30,113	14,300
2005	121,946	7,017,881	30,752	13,870
2006	122,113	7,463,761	32,618	13,387
2007	122,642	7,974,051	34,666	13,142
2008	123,446	8,433,296	36,465	13,469
2009	124,331	8,380,977	36,040	13,846
2010	127,473	8,405,809	35,887	14,183
2011	128,188	8,861,468	37,765	14,194
** 2012	128,829	8,905,775	37,954	14,084

**Sources:**

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

(2) Bureau of Economic Analysis.

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

2003 - 2011 Personal Income and Per Capita Personal Income have been updated with the latest published reports. They are both based on the Topeka MSA.

\*\*\*2012 used a 0.5% increase for population, personal income and per capita personal Income based on the history trend

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

Fiscal Year	Number of Residential Units (1)	Value	Number of Commercial Units (1)	Value	Bank Deposits (2)	Estimated True Value of Property (3)		
						Commercial	Residential	Nontaxable
2003	594	\$ 55,513	287	\$ 93,932	\$ 2,017,264	\$ 1,257,186	\$ 3,717,880	\$ 1,281,949
2004	584	83,773	294	102,115	3,709,800	1,298,449	3,929,537	1,341,684
2005	571	90,124	296	79,675	2,165,088	1,344,588	4,137,524	1,285,172
2006	566	64,331	242	87,123	2,380,227	1,438,150	4,337,871	1,397,942
2007	481	64,554	242	87,016	2,765,297	1,467,379	4,461,737	1,449,351
2008	380	34,046	197	85,538	3,083,569	1,407,965	4,454,512	1,492,738
2009	355	37,803	190	74,547	2,956,528	1,411,297	4,505,829	1,501,653
2010	364	27,256	204	53,842	3,031,760	1,367,673	4,521,526	1,328,506
2011	322	17,068	220	45,974	3,210,912	1,386,065	4,536,147	1,344,785
2012	413	21,152	207	65,641	2,580,953	1,394,286	4,444,452	1,335,593

**Sources:**

(1) City Development Coordination Office

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

(3) Shawnee County Real Property Abstract

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

<b>Average Annual Non-Farm Employment Distribution</b>										
<b>Topeka MSA</b>										
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total Non-Farm	112,200	111,900	110,700	109,900	110,500	112,500	109,000	109,200	109,000	109,400
Goods-Producing	14,300	14,300	14,800	12,800	13,300	13,600	12,500	12,000	12,200	12,600
Service-Providing	97,900	97,600	95,900	97,100	97,200	98,900	96,500	97,200	96,800	96,800
Private Service-Providing	70,400	68,900	67,800	67,900	68,800	69,700	68,200	68,400	68,800	69,400
Government	27,500	27,900	28,300	27,900	28,400	29,200	28,300	28,800	28,000	27,400

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

*The major employment sectors within the Topeka Metropolitan Statistical Area ("Topeka MSA") include manufacturing, mining and construction, transportation and public utilities, wholesale and retail trade, finance related industries, service related industries, and government. Information updated for 2009 with revised numbers found in source.*

<b>Unemployment rates</b>										
<b>Topeka MSA</b>										
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Topeka MSA	5.30%	6.10%	5.60%	4.80%	4.60%	4.90%	7.10%	7.20%	6.90%	6.30%
Kansas	5.60%	5.50%	5.10%	4.40%	4.10%	4.40%	7.10%	7.10%	6.50%	5.70%
United States	5.70%	5.40%	5.10%	4.60%	4.60%	5.80%	9.30%	9.60%	8.90%	8.10%

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

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

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

<b>Employer</b>	<b>2012</b>			<b>2003</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
State of Kansas	Over 4,500	1	8.00%	8,733	1	9.13%
Stormont-Vail Health Care	3,000-4,500	2	2.95%	3,000	2	3.14%
Unified School District # 501	2,000-2,999	3	2.42%	2,300	3	2.40%
Blue Cross Blue Shield of Kansas	1,000-2,000	4	1.73%	2,200	4	2.30%
St. Francis Hospital & Medical Center	1,000-2,000	5	1.71%	1,900	5	1.99%
Washburn University	1,000-2,000	6	1.57%	1,400	9	1.46%
Goodyear Tire and Rubber Co.	1,000-2,000	7	1.52%	1,651	7	1.73%
Collective Brands (Payless Shoe Source)	1,000-2,000	8	1.52%	-		-
City of Topeka	1,000-2,000	9	1.33%	1,325	10	1.38%
US Government	1,000-2,000	10	1.20%	1,718	6	1.80%
Burlington Northern/Santa Fe/Utility			-	1,500	8	1.57%
<b>Total</b>	<b>-</b>		<b>23.95%</b>	<b>25,727</b>		<b>26.89%</b>
<b>Total Employment</b>	<b>105,059</b>			<b>95,689</b>		

**Source:**

*Topeka Chamber of Commerce, December 2012 and City of Topeka Budget book, for number of employees*

*State Department of Labor, 3rd Quarter 2012 and 2003 City of Topeka Budget book for total employment*

*2007 Collective Brands bought out Payless Shoe Source.*

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

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

Function/Program	Full-time Equivalent Employees as of December 31									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
City Council	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Executive	19.00	17.00	18.00	16.00	12.00	13.00	13.00	14.00	10.00	8.40
Legal	23.50	21.50	21.50	22.50	21.50	21.50	21.50	21.50	20.50	17.50
Financial Services	24.75	25.00	24.00	25.00	25.00	26.00	26.00	29.00	23.00	22.17
Municipal Court	27.00	27.00	27.00	27.00	28.00	28.00	28.00	24.00	23.00	23.00
Human Relations Commission	-	-	-	-	6.00	5.00	5.00	3.00	-	-
Human Resources	11.00	10.00	10.00	9.00	8.00	8.00	9.00	9.00	9.00	11.00
Information Technology	14.00	14.00	14.00	16.00	16.00	17.00	17.00	12.00	12.00	12.50
Public Safety										
Fire	249.00	242.00	241.00	249.00	249.00	249.00	249.00	245.00	251.00	244.00
Police	356.50	357.50	355.00	357.00	355.00	357.00	374.00	368.50	367.50	365.50
Public Works										
Administration	12.00	13.00	13.00	13.00	13.00	11.00	10.00	10.00	9.00	9.08
Development Services	37.00	38.00	38.00	37.00	37.00	37.00	21.00	20.00	15.00	15.00
Engineering	43.00	42.00	41.00	41.00	38.00	39.00	39.00	39.00	26.00	27.00
Fleet Services	21.00	21.00	21.00	21.00	21.00	21.00	23.00	23.00	23.00	23.00
Transportation Operations	16.00	15.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	13.00
Special Street Repair	50.00	53.00	53.00	53.00	53.00	53.00	49.00	46.00	46.00	47.00
Facility Operations	16.25	14.25	14.25	14.25	14.25	14.25	15.00	12.00	7.00	27.00
Public Parking	19.00	17.00	17.00	17.00	17.00	18.00	18.00	16.00	16.00	16.00
Water	122.00	115.00	117.00	115.00	116.00	116.00	116.00	117.00	119.00	118.00
Water Pollution Control	74.00	73.00	73.00	70.00	70.00	76.00	75.00	71.00	71.00	74.33
Stormwater Utility	13.00	13.00	13.00	15.00	15.00	15.00	19.00	18.00	18.00	18.00
Housing & Neighborhood Development	19.00	17.00	17.00	17.00	17.00	15.00	16.00	16.00	16.00	14.50
Planning	15.00	13.00	14.00	14.00	14.00	14.00	14.00	14.00	10.00	10.00
Parks and Recreation	92.85	93.10	93.35	94.75	94.75	92.75	93.00	89.00	63.00	11.00
Public Golf Course	8.00	9.00	9.00	8.00	3.00	3.00	-	-	-	-
Concessions	1.00	-	-	-	-	-	-	-	-	-
Zoo	31.50	31.50	31.50	33.50	33.50	32.50	32.50	30.00	28.00	24.00
<b>Total</b>	<b>1,317.35</b>	<b>1,293.85</b>	<b>1,291.60</b>	<b>1,301.00</b>	<b>1,293.00</b>	<b>1,298.00</b>	<b>1,299.00</b>	<b>1,263.00</b>	<b>1,198.00</b>	<b>1,151.98</b>

Source: City Budget Office

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

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

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

\*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. In 2010 Human Relation Commission was eliminated.

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

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

<b>Function/Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Fire</b>										
Total number of incidents	11,920	12,286	13,153	13,525	14,144	14,504	14,544	15,071	16,614	18,451
Fire calls	890	767	2,767	982	695	740	674	660	710	835
Rescue & Emergency Medical calls	8,093	8,133	9,599	9,610	10,195	10,850	11,046	11,422	12,624	13,861
<b>Police</b>										
Citations issued	42,114	42,967	43,060	37,362	22,276	31,505	34,873	21,267	17,581	17,901
Driving under the influence citations	833	819	553	629	463	547	523	502	253	431
<b>Development Services</b>										
Residential building permits	594	584	571	566	481	380	355	364	322	413
Commercial building permits	287	294	296	242	242	197	190	204	220	207
<b>Street Operations</b>										
Streets swept (curb miles)	n/a	15,408	15,822	17,971	14,000	17,971	21,471	15,689	2,810	3,579
Pot hole patching material used (tonnage)	1,000	1,250	2,024	2,050	3,409	2,192	2,725	2,640	4,544	3,580
<b>Traffic Operations</b>										
Cross walks maintained (miles)	675	675	655	558	927	927	903	903	871	750
Streets painted (miles)	350	350	340	148	300	310	323	323	283	280
Number of signs replaced	2,583	3,579	3,721	3,683	3,800	4,200	838	1,800	2,548	1,350
Public Parking violations issued	37,898	33,052	26,877	30,728	24,251	21,853	24,025	17,690	17,556	16,457
<b>Parks and Recreation</b>										
Mini-Train & Carousel attendance	88,449	148,750	137,032	144,747	140,952	152,482	164,700	164,700	n/a	n/a
Swimming pool attendance	98,107	80,161	101,500	126,280	118,668	107,313	105,316	96,790	n/a	n/a
Summer youth camp attendance	4,301	4,007	4,236	3,822	4,018	4,012	4,129	4,151	n/a	n/a
Youth basketball teams	83	73	71	55	46	57	41	30	n/a	n/a
Youth volleyball teams	91	58	87	87	91	81	80	60	n/a	n/a
Adult summer softball teams	396	420	515	544	418	369	390	477	n/a	n/a
Adult volleyball teams	447	473	465	482	473	434	557	537	n/a	n/a
Adult basketball teams	157	155	129	129	121	110	135	255	n/a	n/a
Zoo attendance	151,669	182,058	163,421	166,732	178,512	176,500	137,441	111,666	152,586	194,739
<b>Housing &amp; Neighborhood Development</b>										
CDBG disbursed per year (thousands of \$)	2,646	2,586	2,526	2,496	3,020	1,805	2,094	2,004	1,852	2,052
CDBG rehab activity of single residential units	152	170	151	181	313	237	188	357	314	284
<b>Water</b>										
New Connections	530	636	611	460	582	279	131	162	213	156
Number of accounts	51,400	51,400	52,890	53,332	53,422	53,744	53,727	53,314	53,673	54,932
Annual Volume Net Finished (millions of gallons)	7,287	6,548	7,990	8,215	8,156	6,772	6,309	6,047	7,218	7,824
Valve routine maintenance	343	786	1,234	2,306	5,492	2,965	2,992	2,624	2,253	2,595
<b>Water Pollution Control</b>										
Number of accounts	44,680	47,193	47,157	46,954	47,744	48,198	48,243	48,488	47,689	48,204
Volume (millions of gallons)	4,989	4,952	6,197	4,458	4,979	5,372	5,864	6,450	6,245	5,226
Number of service calls	733	880	1,109	1,004	904	574	755	752	694	826
<b>Stormwater Utility</b>										
Number of service calls	177	281	340	272	307	381	474	389	486	326
Public Golf Course rounds	40,146	31,131	27,626	26,462	25,808	22,444	26,535	28,840	n/a	n/a

*Source: Various city departments*

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

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

*Water Dept implemented a valve and hydrant program in 2007 which caused the number to increase for valve routine maintenance.*

*Traffic Operations reduction in force which decreased number of signs replaced.*

*n/a = not available*

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Function/Program</b>									
Square miles of City	58.5	59.8	60.1	60.5	60.9	60.9	61.0	61.0	61.8
Fire									
Stations	12	12	12	12	12	12	12	12	12
Firefighters	236	218	218	248	248	249	238	238	228
Police									
Stations	1	1	1	1	1	1	1	1	1
Police officers	274	290	293	294	294	293	300	300	300
Street Operations									
Miles of City streets	671	671	671	673	* 2000	1,621	1,624	1,624	1,517
Traffic Operations									
Traffic signals	184	184	182	182	184	179	178	183	201
Traffic signs (number of signs)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Parks and Recreation									
Mini-Train & Carousel	2	2	2	2	2	2	2	2	2
Swimming pools	5	5	5	5	5	5	5	5	5
Community Centers	6	6	7	7	7	7	7	7	7
Softball diamonds	14	14	12	12	14	14	14	14	14
Water									
Water mains (miles)	808	808	815	859	864	846	846	881	881
Storage capacity (millions of gallons)	25	25	25	25	25	25	25	25	25
Water Pollution Control									
Sanitary sewers (miles)	750	750	854	867	906	910	910	910	910
Stormwater Utility									
Storm sewers (miles)	200	200	316	330	330	330	330	330	330
Public Parking									
Parking garages	7	7	7	7	8	8	8	7	7
Parking meters	1,620	1,745	1,758	1,741	1,872	1,760	1,760	1,657	1,684
Public Golf Course	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.*

**City of Topeka, Kansas**  
**Capital Improvement Program**  
**2012-2015**

	Adopted 2012	Adopted 2013	Adopted 2014	Adopted 2015
<b>Enterprise Funded Projects</b>				
Pub Wrks/Water Pollution Control Fund				
PS07-Shunga PS Emerg. Backup Power	\$ 750,000	\$ -	\$ -	\$ -
Oakland WWTP UV Expansion	400,000	-	-	-
N Topeka Pump Station	750,000	-	-	-
South Kansas Pump Station - Ph. II	3,800,000	2,000,000	-	-
Oakland WWTP Solids Handling	2,000,000	5,000,000	-	-
Grant/Jefferson Pump Station Rehab	1,700,000	6,000,000	4,500,000	-
NTWWTP Rehab & Nutrient Removal	-	750,000	4,250,000	-
Oakland WWTP Digester Gas Utilization	-	-	2,000,000	2,700,000
Subtotal Water Pollution Control	9,400,000	13,750,000	10,750,000	2,700,000
Public Works/Stormwater Fund				
Levee System Rehab	2,101,000	2,101,000	2,102,000	-
City Park Pump Station	1,000,000	-	-	-
Heartland Prk BMP	200,000	-	-	-
Subtotal Stormwater	3,301,000	2,101,000	2,102,000	-
Public Works/Water Fund				
12th St from Monroe to California	-	2,906,000	-	-
Reo -Kansas Ave to Topeka Blvd	717,500	-	-	-
Water Treatment Plant Rehabilitation	-	-	-	4,265,025
California from 33rd to 41st Street	-	1,062,000	-	-
Fairlawn, Skyline Dr to 45th	-	737,000	-	-
45th St from Fairlawn to Gage	-	-	665,225	-
17th & Belle Pressure Improvement	-	-	300,000	-
Berryton Rd 50th to 53rd	-	240,000	-	-
37th St. - Kentucky to California	-	445,000	-	-
South Elevated Tank - 65th Street	4,970,000	-	-	-
W. Elevated Tank on Indian Hills Rd	-	-	5,545,000	-
California-12th to 6th to Market	-	-	1,308,000	-
41st & Cal E. to W. Edge and so. to 45th	-	-	1,064,000	-
Southeast Elevated Tank	-	-	985,000	-
Burlingame, 49th to 57th, E to Tpk Blvd	-	-	-	1,913,000
57th & Wenger to 65th & Westview	-	-	-	1,075,000
Meriden Booster Station	-	-	-	406,000
Subtotal Water	5,687,500	5,390,000	9,867,225	7,659,025
<b>Total Enterprise Fund</b>	<b>\$ 18,388,500</b>	<b>\$ 21,241,000</b>	<b>\$ 22,719,225</b>	<b>\$ 10,359,025</b>

Source City Finance