

City of Topeka Comprehensive Annual Financial Report

for Year Ending December 31, 2017

2017

INFRASTRUCTURE

QUALITY OF LIFE

PUBLIC SAFETY

NEIGHBORHOODS



NIA's

- | NIA | NAME |
|-----|------------------------|
| 1 | Historic N Topeka East |
| 2 | Hard Meade |
| 3 | East End |
| 4 | Old Town |
| 5 | East Topeka North |
| 6 | Tennessee Town |
| 7 | East Tennessee South |
| 8 | East Topeka South |
| 9 | Central Park |
| 10 | Central Highland Park |
| 11 | Jefferson Square |
| 12 | Quinton Heights Steele |
| 13 | Highland Crest |
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF TOPEKA, KANSAS

For The Year Ending December 31, 2017

Prepared by the Administrative and Financial Services Department

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CITY OF TOPEKA, KANSAS

Comprehensive Annual Financial Report
For the year ending December 31, 2017

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i - vii
City Organizational Chart	viii
List of Principal Officials	ix
Certificate of Achievement for Excellence in Financial Reporting	x
FINANCIAL SECTION	
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 16
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements	
Balance Sheet - Governmental Funds	19
Reconciliation of the Total Governmental Fund Balance to Net Position of Governmental Activities	20
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	21
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance with the Government-Wide Statement of Activities	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
General Fund	23
Special Street Repairs Fund	24
Sales Tax – Street Repairs Fund	25
Statement of Net Position - Proprietary Funds	26
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	27
Statement of Cash Flows - Proprietary Funds	28 - 29
Statement of Assets and Liabilities - Agency Funds	30
Notes to the Basic Financial Statements	31 - 63

CITY OF TOPEKA, KANSAS

Comprehensive Annual Financial Report
For the year ending December 31, 2017

TABLE OF CONTENTS - CONTINUED

	<u>Page</u>
Required Supplementary Information	
Schedule of Funding Progress – for the Retirees Health Plan	64
KPERS Pension Plan	
Schedule of City's Proportionate Share of the Net Pension Liability	65
Schedule of City Contributions	65
Combining Statements and Individual Fund Schedules	
Combining Statements - Nonmajor Governmental Funds	
Fund Descriptions	66 - 67
Combining Balance Sheet - Nonmajor Governmental Funds	68 - 71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	72 - 75
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis):	
Downtown Improvement District Fund	76
Court Technology Fund	77
Special Alcohol Program Fund	78
Alcohol and Drug Safety Fund	79
Law Enforcement Fund	80
Special Liability Expense Fund	81
Transient Guest Tax Fund	82
Employee Separation Fund	83
Retirement Reserve Fund	84
KP&F Equalization Fund	85
Neighborhood Revitalization Fund	86
Historic Asset Tourism Fund	87
½% Sales Tax Fund	88
Tax Increment Financing Fund	89
Debt Service Fund	90
Internal Service Fund Descriptions	91
Combining Statement of Net Position - Internal Service Funds	92
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds	93
Combining Statement of Cash Flows - Internal Service Funds	94 - 95
Combining Statement of Net Position – Risk Management Funds	96
Combining Statement of Revenues, Expenses and Changes in Net Position – Risk Management Funds	97
Combining Statement of Cash Flows – Risk Management Funds	98 - 99
Fiduciary Fund Descriptions - Agency Funds	100
Combining Balance Sheet - Agency Funds	101

CITY OF TOPEKA, KANSAS

Comprehensive Annual Financial Report
For the year ending December 31, 2017

TABLE OF CONTENTS - CONTINUED

	<u>Page</u>
STATISTICAL SECTION	
Net Position by Component - Last Ten Years	102
Changes in Net Position - Last Ten Years	103 - 104
Fund Balances, Governmental Funds - Last Ten Years	105
Changes in Fund Balances, Governmental Funds - Last Ten Years	106
Tax Revenues by Source, Governmental Funds - Last Ten Years	107
Local Sales Tax Revenues – Last Ten Years	108
Local Sales Taxable Collections by Category – Last Ten Years	109
Direct and Overlapping Sales Tax Rates – Last Ten Years	110
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Years	111
Property Tax Levies and Collections – Last Ten Years	111
Principal Property Taxpayers – Current Year and Nine Years Ago	112
Direct and Overlapping Property Tax Rates – Last Ten Years	113
Direct and Overlapping Governmental Activities Debt	114
Ratios of Outstanding Debt by Type – Last Ten Years	115
Ratios of General Bonded Debt Outstanding – Last Ten Years	116
Legal Debt Margin Information – Last Ten Years	117
Pledged-Revenue Coverage – Last Ten Years	118
Demographic and Economic Statistics – Last Ten Years	119
Property Value, Construction, and Bank Deposits – Last Ten Years	119
Principal Employers – Current Year and Nine Years Ago	120
Full-time Equivalent City Government Employees by Function/Program – Last Ten Years	121
Operating Indicators by Function/Program – Last Ten Years	122
Capital Asset Statistics by Function/Program – Last Ten Years	123

CITY OF TOPEKA, KANSAS

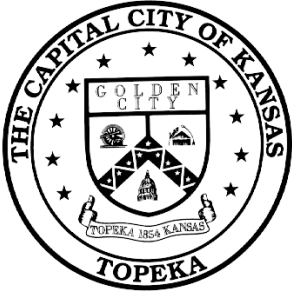
Comprehensive Annual Financial Report
For the year ending December 31, 2017

TABLE OF CONTENTS - CONTINUED

	<u>Page</u>
STATISTICAL SECTION – OTHER INFORMATION	
Schedule of Bonded Indebtedness and Other Financing by Issue	124
Schedule of Temporary Notes Outstanding by Project	125
Debt Service Payments to Final Maturity	126
Schedule of Industrial Revenue Bonds by Obligee	127
Schedule of Special Assessment Debt	128
Employment and Unemployment Statistics	129
Capital Improvement Program	130 - 132
GOVERNMENTAL AUDIT SECTION	
Schedule of Expenditures of Federal Awards	133 - 134
Notes to the Schedule of Expenditures of Federal Awards	135
Schedule of Findings and Questioned Costs	136 - 138
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"	139 - 140
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance	141 – 142

INTRODUCTORY SECTION

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CITY OF TOPEKA

Brent Trout, City Manager

Administrative and Financial Services Department

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Fax: 785-368-3975
www.topeka.org

May 1, 2018

Honorable Mayor Michelle De La Isla
Honorable Members of the City Council
and Citizens of Topeka, KS:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Topeka, Kansas (the City) for the fiscal year ended December 31, 2017. The CAFR has been prepared by the Administrative and Financial Services Department in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. I believe that the data, as presented, is accurate in all material respects; that its presentation fairly shows the financial position and the results of the City's operations as measured by the financial activity of its various funds; and that the included disclosures will provide the reader with an understanding of the City's financial affairs.

Mize Houser and Company P.A., an independent firm of licensed certified public accountants, audited the City's financial statements and issued an unmodified opinion on the governmental and business-type activities of the City of Topeka's financial statements for the year ended December 31, 2017.

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

Our CAFR is divided into the following sections:

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

The Financial Section is prepared in accordance with the GASB 34 requirements by including the MD&A, the Basic Financial Statements including notes and the Required Supplementary Information. The Basic Financial Statements include the government-wide financial statements that present an overview of the City's entire financial operations and the fund financial statements that present the financial information of each of the City's major funds, as well as non-major governmental, fiduciary

and other funds. Also included in this section is the Independent Auditors' Report on the basic financial statements.

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

PROFILE OF TOPEKA

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

The City of Topeka operates under a council manager form of government. This system of local government combines the strong political leadership of elected officials with the managerial experience of a professional local government manager. The City is governed by a ten-member Governing Body, including a directly elected Mayor and a nine-member City Council, elected by district. Governing Body members serve 4-year staggered terms. A City Manager, appointed by the Governing Body, is responsible for the implementation of the Governing Body's policy and the day-to-day operations of the City. The City has 1,180 employees responsible for a wide range of services, including public safety, municipal court, construction and maintenance of the City's street and traffic infrastructure network, water utility, wastewater utility, stormwater utility, social services, planning and zoning, the zoo, and many others.

Topeka is located in the center of the United States, approximately equidistant between the east and west coasts and between Mexico and Canada. Topeka's transportation needs are served by a comprehensive transportation network, including Interstate Highway 70 / 470, Interstate Highway 35 (Kansas Turnpike), U. S. Highway 24, U. S. Highway 40, U. S. Highway 75, and Kansas Highway 4. Burlington Northern Santa Fe and Union Pacific serve the region's freight needs, while AMTRAK Passenger Rail Service is available to either Chicago or Los Angeles. Forbes Field Airport provides limited scheduled air service and Kansas City International, a 73 mile Interstate drive east of Topeka, is served by 18 major commercial airlines and their connection partners, offering over 180 daily departures with nonstop jet service to 55 destinations.

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

TOPEKA'S ECONOMY AND OUTLOOK

Topeka is the economic hub of northeast Kansas and a vital retail center. A 2017 Kansas Department of Revenue Study indicated the City captures more than 91.2% of sales tax generated in Shawnee County (most current data). This same study documented Topeka's pull factor as 1.38 (2017)—meaning that Topeka “exports” a significant share of its sales tax burden to non-Topeka residents. Topeka has a diverse business community ranging from federal and state government to distribution centers and manufacturing facilities, complimented by a full range of retail and service businesses. This employer mix presents both opportunities and challenges for Topeka currently and in the future. Hill's Pet Nutrition, Security Benefit, Advisors Excel, and Blue Cross and Blue Shield of Kansas are all headquartered in Topeka.

Washburn University, located in the center of the city, offers broadly-based liberal arts and professional education through more than 200 certificate, associate, baccalaureate, master's, doctorate and juris doctorate programs through the College of Arts and Sciences and the Schools of Law, Business, Nursing and Applied Studies. Washburn, which serves a student population of over 6,300, has new campus living centers and lifestyle amenities that have resulted in more traditional students finding Washburn a perfect fit for their college years. Topeka is also the home of the Washburn Institute of Technology which offers a wide variety of secondary, post-secondary and customized workforce development programs. In addition, the University of Kansas, Kansas State University, and Emporia State University are within an hour's drive bringing the total number of college students in the immediate area to more than 58,000.

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

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

In 2008 and 2009, the United States economy experienced a significant economic downturn, with significant losses in the stock market, rising unemployment, and decreasing consumer confidence. Like most cities, Topeka, has been hit hard by the economic slowdown. While the softening of some sectors has stalled the local economy, some professional services categories that have long been critical to Topeka's economy have displayed stability or growth over the last three years. Health care, manufacturing, and even the public sector, after experiencing some job losses, have recovered and improved to the point where these industries together now employ more people than during the economic peak in 2000. Unemployment rates continue to decrease in Topeka. For example, last January the unemployment rate was 3.90% and it is currently at 3.70%. Building permits remain steady from the previous year, with new construction making a positive contribution towards property valuations. Commercial growth remains steady with continuing the construction of a downtown boutique hotel in

2018, as well as significant expansion of a major food services factory in 2017. Per capita personal income was up by 3% to \$43,747 in 2017.

The City's property tax revenue, one of the single largest sources of tax revenue for the City's general fund, has grown at a modest pace in recent years, reflecting the growth in property values and prices during the time period. The City's tax base remained relatively stable through the recession and total assessed valuation is trending toward pre-recession levels. Trends in other sources of local tax revenue—sales tax primarily—have also seen modest growth as the City experiences an overall growth in our economy. Increases in real property are driven primarily by new construction, which on average grows around \$16 million a year. State assessed valuations on average have grown approximately 5% a year over the last 5 years.

Topeka's economy is improving, but remains at risk. The reliance on public sector for job gains is an economic weakness as is the relatively weak population growth. However, good transportation infrastructure benefits manufacturing and distribution. This infrastructure, combined with the low costs of living and doing business, should attract business activity.

MAJOR INITIATIVES AND ACHIEVEMENTS

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

Economic Development

The challenge of financing local public infrastructure improvements and operations has been met creatively by both government and citizens in the recent past. New funding has come in the form of a dedicated citywide sales tax to address existing infrastructure needs. The 10-year citywide ½ cent sales tax was approved in 2009 and expires October 2019 and was specifically dedicated to improving *existing* citywide infrastructure. To date, over \$80 million has been used to improve existing streets, curbs, and sidewalks. In addition to improved City infrastructure, we have seen a significant reduction in G.O. debt demanded for such projects.

In addition to a specific citywide sales tax, Topeka also receives funds from a county wide ½ cent sales tax. The tax was approved by the voters and speaks to the strong City/County relationship and commitment to community, economic, and infrastructure development. This sales tax generates approximately \$15 million annually – including \$5 million for countywide economic development. The tax expired in December 2016. In November of 2014, City voters approved a 15-year extension starting in 2017 and lasting until 2031. The primary focuses are renewed infrastructure, economic development and quality of life improvements.

In 2017, incentives were approved to support the attraction of Industrial Maintenance, Inc., the expansion of Mars Chocolate North America and the expansion of Premier Advisory Group, P.A. These projects totaled over \$60M in capital investment and over 160 new jobs.

The downtown redevelopment project, started in 2014, is a \$5.8 million restoration project spanning four blocks. The landscaping and pocket parks were completed in 2017. The project also included new street, sidewalk and lighting improvements, as well as new water mains and storm sewers. An influx of private capital – over \$3.0 million – makes this project a unique public/private partnership. The private contributions are pledged to enhance aesthetics, including decorative arches and eight new pocket parks. In addition, the construction of a Downtown Plaza is expected to begin in 2018-2019.

The first major project has been announced for downtown which is a boutique hotel that started construction in November 2017. This will be an investment of approximately \$8 million and will add 106 hotel rooms to downtown Topeka.

OTHER FINANCIAL INFORMATION

Internal Controls

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

Budgetary Process

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

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

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

In addition to the five-year financial forecast, the City develops a Capital Improvement Program (CIP) with the goal of facilitating area-wide economic development by updating the City's roads, bridges and drainage systems, as well as maintaining its facilities. Planned capital spending for 2018 totals \$126,034,245 and total projected spending in the five year capital improvement program that extends through 2022 is \$378,308,880. The CIP is funded on a year-by-year basis from various funding sources, including annual operating revenues from property tax and sales tax, or by issuing bonds and making debt service payments over a period of years.

Topeka is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principal and Audit Requirements for Federal Awards. Single audits are intended to eliminate duplication of audit effort by providing for only one audit entity-wide, specifically designed to meet the needs of all interested parties. Although individual federal grantor agencies may still arrange for additional audit work if they consider it necessary for their purposes, the law requires that any additional work be built upon the single audit.

Cash Management

The City's investment priorities seek the preservation of capital, liquidity and yield. A priority is placed on the soundness of financial institutions holding our assets and the types of investments permitted by the State of Kansas Statutes. During 2017, idle funds were invested in certificates of deposit, obligations of the U.S. Treasury, government agency securities, money market funds, and the State of Kansas Municipal Investment Pool. The weighted average maturity was 1.96 years. The fair value of investments totaled \$93,737,285 at December 31, 2017. The Employees' Retirement System deposits and investments are maintained by the State of Kansas, outside the City Treasury, and follow policies established by their respective governing boards.

Risk Management

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

INDEPENDENT AUDIT

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

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (CAFR) to the City of Topeka for its Comprehensive Annual Financial Report (CAFR) for the period ending December 31, 2016. In addition to this award, the City also received the Distinguished Budget Award for the 2018 budget and the Popular Annual Financial Award (PAFR) for the period ending December 31, 2016.

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

Respectfully submitted,

Brent Trout

Nicole Lee



City Manager

Director of Administrative and Financial Services

Simon Martinez

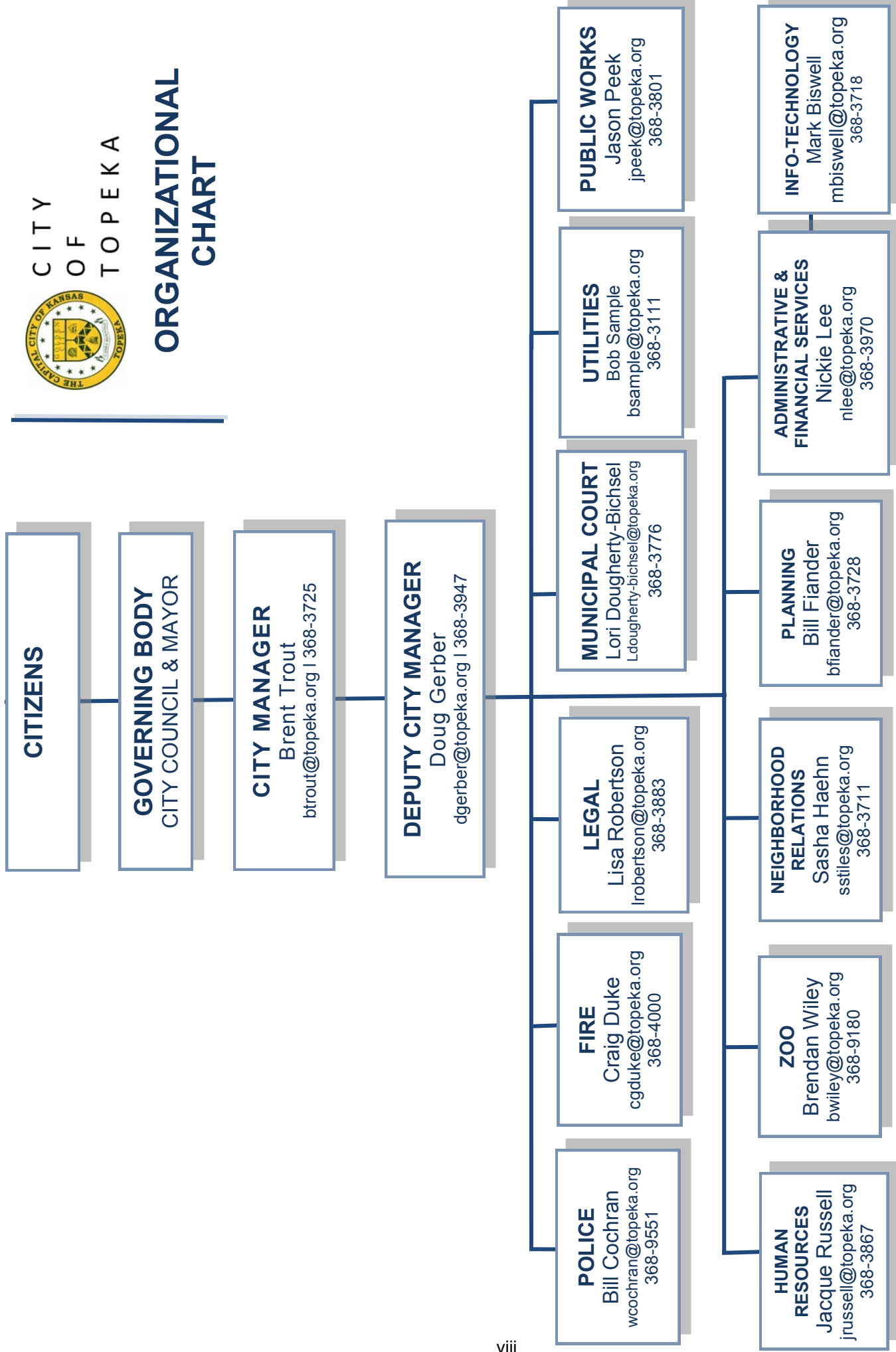


Chief Accounting Officer



CITY OF TOPEKA

ORGANIZATIONAL CHART



City of Topeka, Kansas
Comprehensive Annual Financial Report
Principal Officials for the Year Ended December 31, 2017

Mayor

Michelle De La Isla, Mayor

City Council Members

<u>Name</u>	<u>District #</u>	<u>Current Term Expires</u>
Karen Hiller	1	November 2020
Sandra Clear	2	November 2019
Sylvia Ortiz	3	November 2020
Tony Emerson	4	November 2020
Michael Padilla	5	November 2020
Brendan Jensen	6	November 2019
Aaron Mays	7	November 2020
Jeff Coen	8	November 2019
Michael Lesser	9	November 2020

City Manager

Brent Trout, City Manager

Department Heads

Deputy City Manager, Doug Gerber
Chief of Fire, Craig Duke
Neighborhood Relations, Sasha Stiles
Human Resources, Jacque M. Russell
Information Technology, Mark M. Biswell
City Attorney, Lisa Robertson
Municipal Court, Administrative Judge Lori Dougherty-Bischsel
Planning, William Fiander
Chief of Police, William Cochran
Public Works, Jason Peek
Utilities, Bob Sample
Zoo, Brendan M. Wiley
Finance, Nicole Lee

Prepared by Administrative and Financial Services Department

Nicole Lee, Director of Finance
Simon Martinez, Chief Accounting Officer
Rachelle Mathews, Principal Account
Amanda Meyer, Accountant II
Kristin E. Ready, Accountant II
Deidre E. Chinn, Accounts Receivable and Utility Billings Specialist



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Topeka
Kansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Topeka, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Topeka, Kansas, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the "Kansas Municipal Accounting and Audit Guide." These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Topeka, Kansas, as of December 31, 2017, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund, special street repairs fund, and the sales tax – street repairs fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Prior Period Restatement

As discussed in Note 2.B. to the financial statements, certain errors in amounts previously reported as of December 31, 2016, were discovered by management of the City during the current year. Accordingly, these amounts have been restated in the December 31, 2017, financial statements now presented, and adjustments have been made to net position to correct the error. 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, on pages 4 – 16, and the schedule of funding progress on page 64, the schedule of the City's proportionate share of the net pension liability on page 65, and the schedule of City contributions on page 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mike Houser: Company PA

Certified Public Accountants

Lawrence, Kansas
May 1, 2018

CITY OF TOPEKA, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS Fiscal Year Ended December 31, 2017

As management of the City of Topeka, KS, we offer you this discussion and analysis, which is an overview and analysis of the City of Topeka's (the "City") financial statements, a narrative overview and analysis of the financial activities of the City for the year ended December 31, 2017. We present all amounts as whole dollars, except as otherwise indicated. The information contained here, as well as the information contained in the letter of transmittal, are intended to provide the reader of the financial statements with a well-rounded picture of the City's financial condition.

FINANCIAL HIGHLIGHTS

- The net position of the City at the close of the most recent fiscal year was \$410.1 million. Of this amount, \$15.4 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased from \$405.3 million in 2016 to \$410.1 million in 2017. The increase is largely due to an increase in unrestricted net position from governmental activities.
- At the close of 2017, the City's governmental funds reported combined ending fund balances of \$70.9 million, an increase of \$8.0 million in comparison with the prior year. At the end of 2017, unassigned fund balance for the General Fund was \$20.6 million or 22.8% of General Fund revenues, and 23.1% of General Fund expenditures. To see more details on the makeup of the fund balance, see the table in the *Notes* to the financial statements.
- For the General Fund, actual resources available for appropriation in 2017 (inflows) were under budget by \$2.4 million for those resources, while actual appropriations (outflows) were \$3.5 million less than budgeted for the year.
- The City reported a net position of \$1.5 million for its component unit (Friends of the Topeka Zoo). 2017 marked the first time the component unit reached a level of materiality to be included in the City's financial statements per GASB 14 & 39.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report consists of four major sections: introductory, financial, statistical and single audit. The financial statements included are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves. Other statements included provide financial information about activities for which the City acts solely as an agent for the benefit of entities outside of the government.

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

Government-wide financial statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental activities (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The City's governmental activities include general government, public safety, public works, 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 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 consolidated Parks and Recreation with Shawnee County in 2012, however still maintains a Parkland Acquisition Fund to track permit revenues collected for Shawnee County.

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

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

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

Internal service funds are the second type of proprietary funds maintained by the City. An internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City's internal service funds include: Information Technology; Fleet Services; Facility Operations, 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

Net position may serve over time as a useful indicator of a government's financial position. Assets of the primary government exceed liabilities by \$410.1 million at the end of 2017.

Table 1
City of Topeka
Condensed Statement of Net Position
December 31, 2017

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 189,520,843	\$ 179,888,322	\$ 111,824,085	\$ 94,978,625	\$ 301,344,928	\$ 274,866,947
Capital assets, non-depreciable	56,628,347	42,978,844	67,343,400	44,606,278	123,971,747	87,585,122
Capital assets, net of depreciation	265,973,807	287,976,478	308,919,826	322,980,595	574,893,633	610,957,073
Total assets	512,122,997	510,843,644	488,087,311	462,565,498	1,000,210,308	973,409,142
Deferred outflows of resources	24,732,586	29,362,157	3,523,215	3,977,978	28,255,801	33,340,135
Long-term liabilities outstanding	252,080,480	258,560,864	207,760,711	202,642,679	459,841,191	461,203,543
Other liabilities	46,586,878	44,772,444	59,233,112	45,600,585	105,819,990	90,373,029
Total liabilities	298,667,358	303,333,308	266,993,823	248,243,264	565,661,181	551,576,572
Deferred inflows of resources	52,361,520	49,554,218	288,694	265,851	52,650,214	49,820,069
Net position						
Net investments in capital assets	172,739,034	185,155,591	164,452,662	161,813,578	337,191,696	346,969,169
Restricted	39,842,650	34,269,281	17,619,912	17,044,386	57,462,562	51,313,667
Unrestricted	(26,754,979)	(32,106,597)	42,255,435	39,176,397	15,500,456	7,069,800
Total net position	\$ 185,826,705	\$ 187,318,275	\$ 224,328,009	\$ 218,034,361	\$ 410,154,714	\$ 405,352,636

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$410.1 million at the close of 2017. The largest portion of the City's net position, 82.2%, was its net investment in capital assets (e.g., land, buildings, machinery and equipment), less any related outstanding debt used to construct or acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's net investment in its capital assets is reported net of related debt, readers should note that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The total net position of the City saw an increase of \$4.8 million from \$405.3 million in 2016 to \$410.1 million in 2017. The composition of the net position changed primarily due to an increase in unrestricted net position of \$8.4 million. Additionally net investments in capital assets decreased \$9.8 million, and restricted net position increased \$6.2 million.

A portion of the City's total net position, 14.0%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$15.4 million or 3.8% may be used to meet the government's ongoing obligations to citizens and creditors.

Non-depreciable governmental capital assets increased from \$42.9 million in 2016 to \$56.6 million in 2017, a change of \$13.7 million. This was a result of construction in progress exceeding capitalized projects by \$13.7 million. While the City completed many projects, it also began new ones and continued improvements totaling \$17.8 million. This consisted of: infrastructure projects of \$13.8 million, public safety related improvements of \$2.7million, and miscellaneous general improvements \$1.3 million.

The value of governmental activities depreciable capital assets decreased \$22.2 million from \$288.0 million in 2016 to \$266.0 million in 2017. The main decrease was depreciation exceeding additions by \$22.0 million.

In 2017 governmental activities long-term liabilities saw a decrease of \$1.4 million, mainly due to a reclassification of long term debt to short term debt of \$1.2 million. Other liabilities increased \$15.4 million, primarily due to the issuance of temporary notes. The City has a policy that approved projects for debt financing will be scheduled in the capital improvements plan to stay under \$9.0 million per year. The City issued governmental long-term debt in 2017, with series 2017A. See the Notes to the financial statements for more details on debt.

Deferred inflows of resources represent revenues unavailable to the City. For the City, deferred inflows of resources increased \$2.8 million from \$49.8 million in 2016 to \$52.6 million in 2017. Of this \$46.8 million reflect estimated property and motor vehicle taxes to be collected during 2018. The increase is mainly due to changes in pension proportion, which are effects of the implementation of GASB 68.

The City's business-type activities total net position increased by \$6.3 million from \$218.0 in 2016 to \$224.3 million in 2017. Current assets increased \$16.9 million mainly due to cash from temporary note issuance. Non-depreciable assets increased by \$22.7 million, due to an increase in construction in progress of \$22.2 million and an increase easements of \$0.5 million. Depreciable business-type activities assets decreased by \$14.0 million with the majority occurring in buildings and improvements.

Deferred outflows of resources saw a decrease of \$0.4 million due to deferred amount on refunding debt. Other deferred inflows and outflows, remained relatively consistent with the prior year.

Statement of Activities

Figure 1 below depicts the elements of 2017 governmental activities.

Figure 1 - Governmental Activities

Sources of Revenue			Functional Expenses		
Taxes	\$ 136,202,748	81.20%	General Government	\$ 14,386,282	8.49%
Charges for Services	10,512,118	6.27%	Public Safety	68,081,184	40.16%
Grants/Contributions	18,649,459	11.12%	Public Works	60,764,330	35.84%
Investment Income	888,864	0.53%	Parks and Recreation	3,217,782	1.90%
Other	1,472,068	0.88%	Other Expenses	23,081,931	13.62%
			Transfers	-	0.00%
Totals	\$ 167,725,257	100.00%	Totals	\$ 169,531,509	100.00%

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
<u>Program revenues</u>						
Charges for services	\$ 10,512,118	\$ 10,093,135	\$ 69,343,412	\$ 66,244,583	\$ 79,855,530	\$ 76,337,718
Operating grants and contributions	8,189,835	5,488,767	-	-	8,189,835	5,488,767
Capital grants and contributions	10,459,624	20,078,676	-	-	10,459,624	20,078,676
<u>General revenues</u>						
Property taxes	41,783,520	44,185,848	-	-	41,783,520	44,185,848
Sales taxes	64,677,625	55,012,686	-	-	64,677,625	55,012,686
Franchise taxes	13,973,191	14,078,919	-	-	13,973,191	14,078,919
Motor fuel taxes	3,721,221	3,398,833	-	-	3,721,221	3,398,833
Payment in lieu of taxes	7,264,903	7,254,737	-	-	7,264,903	7,254,737
Service assessments	493,888	412,208	-	-	493,888	412,208
Alcoholic beverage taxes	1,619,970	1,577,272	-	-	1,619,970	1,577,272
Transient guest taxes	2,668,430	2,691,679	-	-	2,668,430	2,691,679
Miscellaneous	1,520,082	1,088,364	1,900,181	2,419,162	3,420,263	3,507,526
Unrestricted investment earnings	888,864	502,216	644,033	575,290	1,532,897	1,077,506
Gain on sale of capital assets	(48,014)	16,975	59,594	41,783	11,580	58,758
Total general revenues	167,725,257	165,880,315	71,947,220	69,280,818	239,672,477	235,161,133
Expenses						
General government	14,386,282	13,466,865	-	-	14,386,282	13,466,865
Public safety	68,081,184	66,743,087	-	-	68,081,184	66,743,087
Public works	60,764,330	64,511,425	-	-	60,764,330	64,511,425
Miscellaneous	4,445,027	3,102,361	-	-	4,445,027	3,102,361
Economic Development	9,004,532	-	-	-	9,004,532	-
Parks and Recreation	3,217,782	3,015,394	-	-	3,217,782	3,015,394
Public Housing	3,940,428	4,055,154	-	-	3,940,428	4,055,154
Social Services	538,902	604,038	-	-	538,902	604,038
Interest and fiscal charges	5,153,042	4,388,345	-	-	5,153,042	4,388,345
Water, Water Pollution Control, & Stormwater Utility	-	-	62,835,383	64,388,157	62,835,383	64,388,157
Public Parking	-	-	2,993,100	3,190,334	2,993,100	3,190,334
Total expenses	169,531,509	159,886,669	65,828,483	67,578,491	235,359,992	227,465,160
Increase (decrease) in net position before transfers and special item	(1,806,252)	5,993,646	6,118,737	1,702,327	4,312,485	7,695,973
Transfers in (out)	-	(560,000)	-	560,000	-	-
Prior period adjustment	314,682	(13,935,097)	174,911	(601)	489,593	(13,935,698)
Change in Net Position	(1,491,570)	(8,501,451)	6,293,648	2,261,726	4,802,078	(6,239,725)
Net Position - Beginning restated	187,318,275	195,819,726	218,034,361	215,772,635	405,352,636	411,592,361
Net Position - Ending	\$185,826,705	\$ 187,318,275	\$ 224,328,009	\$ 218,034,361	\$ 410,154,714	\$ 405,352,636

Table 3 below summarizes the cost of the top three governmental activities—general government, public safety, and public works—as well as each activity’s *net* cost (total cost to provide the services, less any revenues generated by the activity and excluding the general revenues). The net cost shows the financial burden that was placed on the City’s taxpayers by each of these governmental functions. Since the Parks and Recreation department was transferred to Shawnee County, this activity has been removed from this chart.

Table 3
Net Cost of Governmental Activities (in millions)

	Total Cost of Services	Net Cost of Services
General government	\$ 14.4	\$ 8.0
Public Safety	68.1	65.5
Public works	60.8	48.7
Totals	\$ 143.3	\$ 122.2

The net cost of services for the above governmental activities increased by \$4.1 million from 2016, while the total cost of services decreased by \$5.2 million, as detailed below:

- The total cost of services for Public Safety increased by \$1.4 million.
- The total cost of services for Public Works decreased by \$7.5 million.
- The total cost of services for general government increased by \$0.9 million

Business-type activities

The change in net cost of the City’s business-type activities was an increase of \$2.2 million. Table 4 presents the net revenue from, or cost of, the City’s two business-type activities—the Combined Utility (Water, Water Pollution Control and Stormwater Systems) and the Public Parking Fund—as well as each activity’s net cost or proceeds (the total cost to provide the services, less any revenues generated by the activity and excluding the general revenues).

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

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Water, Water Pollution Control, & Stormwater Utility	\$ 62.8	\$ 3.9
Public Parking	3.0	(0.4)
Totals	<u>\$ 65.8</u>	<u>\$ 3.5</u>

The total cost of services for the Combined Utility decreased by \$1.6 million, while the net cost of services increased by \$3.2 million during 2017. Public Parking saw a decrease in its total cost of services of \$0.2 million, while its net cost of services decreased by \$1.0 million.

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, 2017, the City's governmental funds reported combined, ending fund balances of \$70.9 million, an increase of \$8.0 million from the prior year. Of the major funds, the General Fund, Debt Service, Capital Projects, and non-major funds had increases in fund balance, while Special Street Repair and Sales Tax Street Repair had decreases in fund balance.

Table 5
Change in Governmental Fund Balance

Fund	Beginning Fund Balance	Ending Fund Balance	Change in Fund Balance
General	\$ 20,493,804	\$ 20,977,655	\$ 483,851
Special Street Repairs	3,996,638	3,738,885	(257,753)
Sales Tax Street Repair	16,596,616	10,825,912	(5,770,704)
Debt Service	5,682,111	6,944,664	1,262,553
Capital Projects Funds	6,885,208	8,934,182	2,048,974
Other Governmental Funds	9,379,575	19,451,228	10,071,653
Total Governmental Funds	\$ 63,033,952	\$ 70,872,526	\$ 7,838,574

The General Fund is the primary operating fund of the City. At the end of 2017, unassigned fund balance of the General Fund totaled \$20.6 million, while total fund balance was \$20.9 million, an increase of \$0.5 million from 2016.

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 23.1% of total general fund expenditures, and total fund balance represented 23.4% 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 \$13.5 million at the end of 2017. In 2017 the city exceeded this goal.

The Special Street Repairs Fund ended 2017 with a fund balance of \$3.7 million, an decrease of \$0.2 million from the 2016 ending fund balance. Expenditures in this fund are to be used to repair City streets and are funded solely by motor fuel taxes collected by the State. Special Street was able to maintain a positive fund balance due to a mild winter, which saves in overtime and materials. Expenditures increased slightly from prior year.

The Sales Tax Street Repairs Fund ended 2017 with a fund balance of \$10.8 million, a decrease of \$5.8 million from 2016. The sole revenue of this fund is a dedicated sales tax authorized by Topeka voters for collection through 2019. Revenues remained flat for 2017. Expenditures increased for 2017 to \$21.0 million, compared to \$19.6 million in 2016. This was due to an increased number of projects done in 2017. 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 \$6.9 million at December 31, 2017, all of which is restricted for the payment of debt service. The fund balance increased by \$1.2 million from 2016. See the *Notes to the Financial Statements*, for a more complete description of activity in the Debt Service Fund.

Capital Projects Funds balances saw an increase in fund balance of \$2.0 million, ending with a positive balance of \$8.9 million. The increase 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, 2017, was \$218.5 million, an increase from 2016 of \$5.9 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

General Fund revenues ended the year \$2.4 million lower than originally anticipated; General Fund expenditures were \$3.5 million less than the adopted operating budget. These numbers, including other financing sources, resulted in an increase in the fund balance on a budgetary basis of \$1.2 million.

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

- Revenues came in under budget primarily due to lower than expected franchise fees and property tax. Sales taxes, Licenses/permits and Intergovernmental revenues exceeded budget.
- Expenditures were less than budgeted by \$3.5 million primarily due to vacancies in budgeted positions throughout the year. The budget assumes the City is fully staffed for the entire year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the City had \$698.9 million, (net of accumulated depreciation) invested in a broad range of capital assets, including police and fire equipment, buildings, improvements, land, zoo facilities, water and wastewater treatment facilities, and roads and bridges (see Table 6 below). To find more information on capital assets, refer to the *Notes to the Financial Statements* and to the *Other Fund Statements and Schedules* section of this report. Capital asset transactions during the current fiscal year included:

- Capitalization of \$4.2 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.
- The Combined Utility was able to complete and capitalize existing projects totaling \$0.5 million. This included replacement and installation of new water lines, sanitary sewers and drain improvements.

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 867,682	\$ 878,112	\$ 1,675,360	\$ 1,675,360	\$ 2,543,042	\$ 2,553,472
Construction in Progress	52,952,784	39,462,266	54,920,130	32,763,726	107,872,914	72,225,992
Easements	2,807,881	2,638,466	10,747,910	10,167,192	13,555,791	12,805,658
Buildings, Improvements, Infrastructure	258,836,742	281,745,893	305,444,179	319,532,146	564,280,921	601,278,039
Furniture and Fixtures	82,735	104,712	10,144	20,026	92,879	124,738
Vehicles	6,070,743	5,071,403	2,875,225	2,862,439	8,945,968	7,933,842
Software	-	-	-	-	-	-
Tools and Equipment	983,587	1,054,470	590,278	565,984	1,573,865	1,620,454
Total Capital Assets	<u>\$ 322,602,154</u>	<u>\$ 330,955,322</u>	<u>\$ 376,263,226</u>	<u>\$ 367,586,873</u>	<u>\$ 698,865,380</u>	<u>\$ 698,542,195</u>

The City's five-year Capital Improvement Plan reflects appropriations for construction, improvements to, and acquisition of about \$298 million worth of capital assets for fiscal 2017 through 2021. Funding is budgeted to come from utility revenue bonds and enterprise fund revenues (\$138.1 million), other sources (\$110.9 million), and general obligation bonds (\$48.8 million) over the next five years. The most significant projects include water main replacements, continued upgrades to interceptor and distribution control systems, improvements to the storm sewer system, repairs to the river levees, construction of elevated water tanks, construction of various streets and trafficways, traffic signal replacements, fleet replacements for fire, the addition of a new fire station, and neighborhood improvements.

Debt

At December 31, 2017, the City's total outstanding bonded indebtedness was \$325,500,000. Of this amount, \$154,860,000 was general obligation debt, backed by the full faith and credit of the government. Revenue bonds outstanding totaled \$159,950,000 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 \$10,690,000. In addition, the City is obligated for \$40,790,177 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 \$43,320,861 in general obligation temporary notes, issued to fund construction in progress for both governmental activities and business-type capital projects, in the amounts of \$7,042,770 and \$36,278,091 respectively. The City anticipates refunding these temporary notes with general obligation bonds or other resources in 2018. See the *Notes to the Financial Statements*, for a more complete description of debt activity.

The City continues to be assigned the Standard and Poor's rating of 'AA' with a stable outlook—its third highest—to the City's general obligation bonds.

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

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

CONTACTING CITY FINANCIAL MANAGEMENT

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

CITY OF TOPEKA, KANSAS
STATEMENT OF NET POSITION
December 31, 2017

	Primary Government			Component Unit
	Total Governmental Activities	Total Business-type Activities	Total Primary Government	Friends of the Topeka Zoo
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current assets:				
Cash and equity in Treasurer's fund	\$ 91,921,581	\$ 75,028,318	\$ 166,949,899	\$ 1,108,195
Receivables (net of allowance for uncollectibles)	94,820,939	8,783,571	103,604,510	-
Campaign promises to give	-	-	-	215,550
Internal Balances	141,358	[141,358]	-	-
Due from other governments	2,344,954	-	2,344,954	-
Inventory	152,866	1,735,269	1,888,135	64,332
Prepaid costs	139,145	14,942	154,087	-
Restricted assets:				
Cash and equity in Treasurer's fund	-	18,652,414	18,652,414	-
Other restricted assets	-	7,750,929	7,750,929	-
Total current assets	189,520,843	111,824,085	301,344,928	1,388,077
Noncurrent assets:				
Campaign promises to give	-	-	-	59,665
Capital assets, nondepreciable				
Not being depreciated	56,628,347	67,343,400	123,971,747	-
Being depreciated, net of depreciation	265,973,807	308,919,826	574,893,633	85,545
Total noncurrent assets	322,602,154	376,263,226	698,865,380	145,210
Total assets	512,122,997	488,087,311	1,000,210,308	1,533,287
Deferred outflows of resources:				
Deferred amount on refunding	5,565,846	2,595,795	8,161,641	-
Pension - contributions subsequent to the measurement date	6,119,747	447,275	6,567,022	-
Pension - difference between expected and actual experience	3,462,082	22,892	3,484,974	-
Pension - net difference between projected and actual earnings on pension plan investments	3,182,064	148,464	3,330,528	-
Pension - changes in assumptions	5,897,155	254,887	6,152,042	-
Pension - changes in proportion	505,692	53,902	559,594	-
Total deferred outflows of resources	24,732,586	3,523,215	28,255,801	-
Total assets and deferred outflows of resources	\$ 536,855,583	\$ 491,610,526	\$ 1,028,466,109	\$ 1,533,287
Liabilities:				
Current liabilities:				
Accounts payable and other current liabilities	\$ 9,076,291	\$ 4,530,752	\$ 13,607,043	\$ 36,093
Salaries and wages payable	3,254,551	584,531	3,839,082	1,182
Retainage payable	-	396,405	396,405	-
Accrued interest payable	1,929,975	578,820	2,508,795	-
Due to other government	-	97,523	97,523	-
Due to others	1,654,525	-	1,654,525	-
Temporary notes payable	7,042,770	36,278,091	43,320,861	-
Liabilities payable from restricted assets	-	3,420,316	3,420,316	-
Estimated insurance claims	4,429,790	-	4,429,790	-
Unearned revenue	-	386,078	386,078	-
Due within one year	19,198,976	12,960,596	32,159,572	-
Total current liabilities	46,586,878	59,233,112	105,819,990	37,275
Noncurrent liabilities:				
Due in more than one year	252,080,480	207,760,711	459,841,191	-
Total noncurrent liabilities	252,080,480	207,760,711	459,841,191	-
Total liabilities	298,667,358	266,993,823	565,661,181	37,275
Deferred inflows of resources:				
Deferred revenues-property taxes	46,823,027	-	46,823,027	-
Deferred revenues	-	-	-	11,624
Pension - difference between expected and actual experience	1,182,629	163,656	1,346,285	-
Pension - changes of assumptions	451,326	34,609	485,935	-
Pension - change in proportion	3,904,538	90,429	3,994,967	-
Total deferred inflows of resources	52,361,520	288,694	52,650,214	11,624
Total liabilities and deferred inflows of resources	\$ 351,028,878	\$ 267,282,517	\$ 618,311,395	\$ 48,899
Net Position				
Net investment in capital assets	\$ 172,739,034	\$ 164,452,662	\$ 337,191,696	\$ 85,545
Restricted for debt service	6,944,664	8,804,083	15,748,747	-
Restricted for capital projects	-	6,914,614	6,914,614	1,300,424
Restricted for sinking funds	-	1,901,215	1,901,215	-
Restricted for public safety	1,841,717	-	1,841,717	-
Restricted for public works	14,564,797	-	14,564,797	-
Restricted for other purposes	16,491,472	-	16,491,472	-
Unrestricted	[26,754,979]	42,255,435	15,500,456	98,419
Total net position	\$ 185,826,705	\$ 224,328,009	\$ 410,154,714	\$ 1,484,388

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

CITY OF TOPEKA, KANSAS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

					Net [Expenses] Revenue and Changes in Net Assets			Component Unit Friends of the Topeka Zoo
Program Revenues					Primary Government			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-type Activities	Total Primary Government		
Governmental activities:								
General government	\$ 14,386,282	\$ 6,290,452	\$ 55,722	\$ -	\$ [8,040,108]	\$ -	\$ [8,040,108]	\$ -
Public safety	68,081,184	2,556,186	5,399	-	[65,519,599]	-	[65,519,599]	-
Public works	60,764,330	1,648,600	-	10,459,624	[48,656,106]	-	[48,656,106]	-
Miscellaneous	4,445,027	-	-	-	[4,445,027]	-	[4,445,027]	-
Economic development	9,004,532	-	4,539,155	-	[4,465,377]	-	[4,465,377]	-
Parks and recreation	3,217,782	16,880	-	-	[3,200,902]	-	[3,200,902]	-
Public housing	3,940,428	-	3,589,559	-	[350,869]	-	[350,869]	-
Social services	538,902	-	-	-	[538,902]	-	[538,902]	-
Interest and fiscal charges	5,153,042	-	-	-	[5,153,042]	-	[5,153,042]	-
Total governmental activities	169,531,509	10,512,118	8,189,835	10,459,624	[140,369,932]	-	[140,369,932]	-
Business-type activities:								
Water, Water Pollution Control, & Stormwater Utility	62,835,383	66,740,720	-	-	-	3,905,337	3,905,337	-
Public Parking	2,993,100	2,602,692	-	-	-	[390,408]	[390,408]	-
Total business-type activities	65,828,483	69,343,412	-	-	-	3,514,929	3,514,929	-
Total primary government	\$ 235,359,992	\$ 79,855,530	\$ 8,189,835	\$ 10,459,624	[140,369,932]	3,514,929	[136,855,003]	-
Component Unit:								
Friends of the Zoo	\$ 1,682,292	\$ 1,332,451	\$ 170,692	\$ 1,069,444	-	-	-	890,295
Total component units	\$ 1,682,292	\$ 1,332,451	\$ 170,692	\$ 1,069,444	-	-	-	890,295
General Revenues:								
Property taxes					41,783,520	-	41,783,520	-
Sales taxes					64,677,625	-	64,677,625	-
Franchise taxes					13,973,191	-	13,973,191	-
Motor fuel taxes					3,721,221	-	3,721,221	-
Payment in lieu of taxes					7,264,903	-	7,264,903	-
Service assessments					493,888	-	493,888	-
Alcoholic beverage taxes					1,619,970	-	1,619,970	-
Transient guest taxes					2,668,430	-	2,668,430	-
Miscellaneous					1,520,082	1,900,181	3,420,263	9,985
Unrestricted investment earnings					888,864	644,033	1,532,897	530
Gain on sales of capital assets					[48,014]	59,594	11,580	-
Transfers, net					-	-	-	-
Subtotal general revenues					138,563,680	2,603,808	141,167,488	10,515
Change in net position					[1,806,252]	6,118,737	4,312,485	900,810
Net position - beginning					187,318,275	218,034,361	405,352,636	583,578
Prior period adjustment					314,682	174,911	489,593	-
Net position - beginning, restated					187,632,957	218,209,272	405,842,229	583,578
Net position - ending					\$ 185,826,705	\$ 224,328,009	\$ 410,154,714	\$ 1,484,388

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

CITY OF TOPEKA, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

		Special Revenue Funds					
	General	Special Street Repairs	Sales Tax Street Repair	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and equity in Treasurer's Fund	\$ 16,172,128	\$ 3,045,193	\$ 12,227,805	\$ 6,797,390	\$ 17,446,756	\$ 19,776,091	\$ 75,465,363
Receivables (net of allowance for uncollectibles):							
Accounts receivable	1,894,099	2,325	46,479	152,097	-	191,223	2,286,223
Taxes receivable	35,934,820	-	2,785,273	16,904,773	-	2,556,536	58,181,402
Special assessments with debt commitments	-	-	-	34,022,903	-	-	34,022,903
Interest receivable	-	-	-	-	-	7,252	7,252
Due from others funds	163,524	-	-	-	-	72,630	236,154
Due from other governments	-	864,981	-	-	241,861	1,238,112	2,344,954
Prepaid costs	139,145	-	-	-	-	-	139,145
Total assets	\$ 54,303,716	\$ 3,912,499	\$ 15,059,557	\$ 57,877,163	\$ 17,688,617	\$ 23,841,844	\$ 172,683,396
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts and contracts payable	\$ 940,007	\$ 27,212	\$ 4,225,434	\$ -	\$ 1,811,556	\$ 3,308,872	\$ 10,313,081
Salaries and wages payable	2,953,603	123,512	7,176	-	-	12,105	3,096,396
Accrued interest	-	-	-	-	52,254	-	52,254
Due to other funds	413,821	22,890	1,035	-	-	155,627	593,373
Due to other governments	5,824	-	-	-	-	275	6,099
Due to others	5,627	-	-	-	-	-	5,627
Temporary notes payable	-	-	-	-	6,890,625	-	6,890,625
Total liabilities	4,318,882	173,614	4,233,645	-	8,754,435	3,476,879	20,957,455
Deferred inflows of resources							
Unavailable revenues - property taxes	29,007,179	-	-	16,902,111	-	913,737	46,823,027
Unavailable revenues - special assessments	-	-	-	34,022,903	-	-	34,022,903
Unavailable revenues - other	-	-	-	7,485	-	-	7,485
Total deferred inflows of resources	29,007,179	-	-	50,932,499	-	913,737	80,853,415
Fund balance:							
Nonspendable	139,145	-	-	-	-	-	139,145
Restricted	-	3,738,885	10,825,912	6,944,664	8,934,182	18,333,189	48,776,832
Committed	-	-	-	-	-	1,199,892	1,199,892
Assigned	280,673	-	-	-	-	-	280,673
Unassigned	20,557,837	-	-	-	-	[81,853]	20,475,984
Total fund balances	20,977,655	3,738,885	10,825,912	6,944,664	8,934,182	19,451,228	70,872,526
Total liabilities, deferred inflows of resources and fund balances	\$ 54,303,716	\$ 3,912,499	\$ 15,059,557	\$ 57,877,163	\$ 17,688,617	\$ 23,841,844	\$ 172,683,396

CITY OF TOPEKA, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES

December 31, 2017

Total Governmental Fund Balances	\$ 70,872,526
Amounts reported for governmental activities in the statement of net position are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The assets of the internal service funds in the amount of \$231,969 are excluded from this amount and included in the internal service fund note amount.	322,370,184
Pension contributions are reported an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.	18,020,955
Pension fundings are reported an a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.	[5,207,403]
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 \$4,429,790 in self insurance claims, \$5,310,036 in net pension liability and \$574,485 in accrued compensated absences, and other post employment benefit obligations which are included in total charges for internal service funds).	[267,424,800]
Certain revenues are not available to pay for current period expenditures and therefore are reported as unavailable in the governmental funds.	34,030,388
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	5,565,846
An internal service fund is used by the City's management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities column in the statement of net position. A portion of the internal service fund activities are allocated to business type activities in the amount of \$38,892.	<u>7,599,009</u>
Net Position of Governmental Activities	<u>\$ 185,826,705</u>

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

CITY OF TOPEKA, KANSAS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	Special Revenue Funds						
	General	Special Street Repairs	Sales Tax Street Repairs	Debt Service	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes and service assessments	\$ 58,566,974	\$ -	\$ 15,113,789	\$ 16,390,505	\$ -	\$ 23,273,415	\$ 113,344,683
Special assessments with debt commitments	-	-	-	3,135,948	-	-	3,135,948
Payment in lieu of taxes - interfund	7,264,903	-	-	-	-	-	7,264,903
Licenses and permits	1,697,574	-	-	-	-	33,380	1,730,954
Franchise fees	13,973,191	-	-	-	-	-	13,973,191
Intergovernmental	1,135,701	5,521,577	-	178,081	4,122,119	8,674,103	19,631,581
Fees for services	1,364,173	255,291	-	-	-	1,765,180	3,384,644
Administrative fees - interfund	2,761,717	-	-	-	-	-	2,761,717
Fines and forfeitures	2,373,647	-	-	-	-	261,155	2,634,802
Interest from investments	555,898	-	61,697	233,793	411	37,065	888,864
Miscellaneous	342,211	46,059	36,908	-	99,000	995,904	1,520,082
Total revenues	90,035,989	5,822,927	15,212,394	19,938,327	4,221,530	35,040,202	170,271,369
EXPENDITURES:							
Current:							
General government	8,756,479	-	-	-	-	5,477,480	14,233,959
Public safety	65,452,237	-	-	-	-	963,025	66,415,262
Public works	7,456,929	6,091,397	20,983,098	-	-	4,080,454	38,611,878
Miscellaneous	4,445,027	-	-	-	-	-	4,445,027
Parks and recreation	3,150,581	-	-	-	-	146,869	3,297,450
Economic development	-	-	-	-	-	9,004,532	9,004,532
Housing & neighborhood development	-	-	-	-	-	3,952,567	3,952,567
Social services	-	-	-	-	-	538,902	538,902
Construction	-	-	-	-	14,748,202	252,603	15,000,805
Engineering and others	-	-	-	-	2,425,398	-	2,425,398
Debt Service:							
Principal retirement	-	-	-	13,641,306	-	-	13,641,306
Interest and fiscal costs	-	-	-	5,407,830	358,961	-	5,766,791
Total expenditures	89,261,253	6,091,397	20,983,098	19,049,136	17,532,561	24,416,432	177,333,877
Excess [deficiency] of revenue and other sources over [under] expenditures and other [uses]	774,736	[268,470]	[5,770,704]	889,191	[13,311,031]	10,623,770	[7,062,508]
OTHER FINANCING SOURCES [USES]							
Issuance of debt	-	-	-	11,510,000	12,500,000	-	24,010,000
Issuance of debt premium	-	-	-	639,917	730,305	-	1,370,222
Refunding bonds paid	-	-	-	[11,885,000]	-	-	[11,885,000]
Transfers in	186,163	-	-	457,950	1,207,585	18	1,851,716
Transfers [out]	[568,080]	-	-	[349,505]	-	[644,131]	[1,561,716]
Lease proceeds	-	-	-	-	924,576	-	924,576
Sale of property	44,479	10,026	-	-	-	-	54,505
Total other financing sources [uses]	[337,438]	10,026	-	373,362	15,362,466	[644,113]	14,764,303
Net change in fund balance	437,298	[258,444]	[5,770,704]	1,262,553	2,051,435	9,979,657	7,701,795
Fund balance - Beginning of year	20,493,804	3,996,638	16,596,616	5,682,111	6,885,208	9,379,575	63,033,952
Prior period adjustment	46,553	691	-	-	[2,461]	91,996	136,779
Fund balance - Beginning of year, restated	20,540,357	3,997,329	16,596,616	5,682,111	6,882,747	9,471,571	63,170,731
Fund balance - End of year	\$ 20,977,655	\$ 3,738,885	\$ 10,825,912	\$ 6,944,664	\$ 8,934,182	\$ 19,451,228	\$ 70,872,526

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

CITY OF TOPEKA, KANSAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

Total Net Change In Fund Balances - Governmental Funds \$ 7,701,795

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

Capital outlays to purchase or build assets are reported in governmental funds
as expenditures. However, for governmental activities those costs are shown
in the statement of net position and allocated over their estimated useful lives
as annual depreciation expenses in the statement of activities. This is the
amount by which capital outlays exceeds depreciation in the period.

Loss on sale of assets	[102,519]	
Capital outlays	17,034,271	
Depreciation expense	<u>[25,244,464]</u>	[8,312,712]

Revenues in the statement of activities that do not provide current financial
resources are reported as unavailable revenue in the governmental funds [2,498,100]

An internal service fund is used by the city's management to charge the
costs of certain activities to the individual funds. The revenues and expenses
of certain internal service fund is reported with governmental activities. 1,760,406

Some expenses reported in the statement of activities, such as compensated
absences and other post employment benefits, do not require the use of current
financial resources and therefore are not reported as expenditures in
governmental funds.

Change in liability for lawsuits	738,000
Changes in compensated absences, OPEB, and termination benefits	[428,651]
Change in accrued interest	219,022

Pension payments are reported as expenditures in the governmental funds and
do not affect the statement of net activities. [1,362,264]

Bond and temporary note proceeds are other financing sources in the governmental
funds, but they increase long-term liabilities in the statement of net position and do
not affect the statement of activities. Also, governmental funds report the effect
of issuance costs, premiums, discounts, and similar items when debt is first
issued, whereas these amounts are deferred and amortized in the statement
of activities. This amount is the net effect of these differences in the
treatment of long-term debt and related items.

376,252

Changes In Net Position of Governmental Activities \$ [1,806,252]

CITY OF TOPEKA, KANSAS

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

For the Year Ended December 31, 2017

		<u>Budgeted Amounts</u>		Variance with
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes and service assessments	\$ 58,566,974	\$ 59,312,842	\$ 59,312,842	\$ [745,868]
Licenses and permits	1,697,574	1,559,996	1,559,996	137,578
Franchise fees	13,973,191	15,054,663	15,054,663	[1,081,472]
Intergovernmental	1,135,701	1,041,588	1,041,588	94,113
Fees for services	1,364,173	4,214,060	4,214,060	[2,849,887]
Administrative fees - interfund	2,761,717	-	-	2,761,717
Fines and forfeitures	2,373,647	3,000,000	3,000,000	[626,353]
Interest from investments	555,898	-	-	555,898
Miscellaneous	<u>342,211</u>	<u>1,010,364</u>	<u>1,010,364</u>	<u>[668,153]</u>
Total revenues	<u>82,771,086</u>	<u>85,193,513</u>	<u>85,193,513</u>	<u>[2,422,427]</u>
Expenditures				
General government	12,575,757	15,100,560	15,100,560	2,524,803
Public safety	65,326,426	66,468,240	66,468,240	1,141,814
Public works	7,367,748	6,905,126	6,905,126	[462,622]
Parks and recreation	<u>3,150,581</u>	<u>3,456,645</u>	<u>3,456,645</u>	<u>306,064</u>
Total expenditures	<u>88,420,512</u>	<u>91,930,571</u>	<u>91,930,571</u>	<u>3,510,059</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[5,649,426]</u>	<u>[6,737,058]</u>	<u>[6,737,058]</u>	<u>1,087,632</u>
Other financing sources [uses]				
Payment in lieu of taxes - interfund	7,264,903	7,455,038	7,455,038	[190,135]
Transfer in	186,163	185,341	185,341	822
Transfer [out]	<u>[568,080]</u>	<u>-</u>	<u>-</u>	<u>[568,080]</u>
Sale of property	<u>44,479</u>	<u>21,000</u>	<u>21,000</u>	<u>23,479</u>
Total other financing sources [uses]	<u>6,927,465</u>	<u>7,661,379</u>	<u>7,661,379</u>	<u>[733,914]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>1,278,039</u>	<u>\$ 924,321</u>	<u>\$ 924,321</u>	<u>\$ 353,718</u>
Budgetary fund balance, January 1	19,372,390			
Prior period adjustment	<u>46,553</u>			
Budgetary fund balance, January 1, restated	<u>19,418,943</u>			
Budgetary fund balance, December 31	20,696,982			
Reconciliation to GAAP				
Current year encumbrances	<u>280,673</u>			
GAAP Fund Balance, December 31	<u>\$ 20,977,655</u>			

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

CITY OF TOPEKA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
SPECIAL STREET REPAIRS FUND
For the Year Ended December 31, 2017

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 5,521,577	\$ 5,032,790	\$ 5,032,790	\$ 488,787
Fees for services	255,291	16,404	16,404	238,887
Miscellaneous	<u>46,059</u>	<u>332,130</u>	<u>332,130</u>	<u>[286,071]</u>
Total revenues	<u>5,822,927</u>	<u>5,381,324</u>	<u>5,381,324</u>	<u>441,603</u>
Expenditures				
Public works	<u>6,091,397</u>	<u>6,993,704</u>	<u>6,993,704</u>	<u>902,307</u>
Total expenditures	<u>6,091,397</u>	<u>6,993,704</u>	<u>6,993,704</u>	<u>902,307</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[268,470]</u>	<u>[1,612,380]</u>	<u>[1,612,380]</u>	<u>1,343,910</u>
Other financing sources [uses]				
Sale of property	<u>10,026</u>	<u>-</u>	<u>-</u>	<u>10,026</u>
Total other financing sources [uses]	<u>10,026</u>	<u>-</u>	<u>-</u>	<u>10,026</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[258,444]</u>	<u>\$ [1,612,380]</u>	<u>\$ [1,612,380]</u>	<u>\$ 1,353,936</u>
Budgetary fund balance, January 1	3,996,638			
Prior period adjustment	<u>691</u>			
Budgetary fund balance, January 1, restated	<u>3,997,329</u>			
Budgetary fund balance, December 31	3,738,885			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 3,738,885</u>			

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

CITY OF TOPEKA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
SALES TAX - STREET REPAIRS FUND
For the Year Ended December 31, 2017

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues				
Taxes and service assessments	\$ 15,113,789	\$ 14,619,605	\$ 14,619,605	\$ 494,184
Interest from investments	61,697	-	-	61,697
Miscellaneous	<u>36,908</u>	<u>30,000</u>	<u>30,000</u>	<u>6,908</u>
Total revenues	<u>15,212,394</u>	<u>14,649,605</u>	<u>14,649,605</u>	<u>562,789</u>
Expenditures				
Public works	<u>20,983,098</u>	<u>18,805,175</u>	<u>23,000,000</u>	<u>2,016,902</u>
Total expenditures	<u>20,983,098</u>	<u>18,805,175</u>	<u>23,000,000</u>	<u>2,016,902</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[5,770,704]</u>	<u>[4,155,570]</u>	<u>[8,350,395]</u>	<u>2,579,691</u>
Other financing sources [uses]				
Transfer [out]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[5,770,704]</u>	<u>\$ [4,155,570]</u>	<u>\$ [8,350,395]</u>	<u>\$ 2,579,691</u>
Budgetary fund balance, January 1	<u>16,596,616</u>			
Budgetary fund balance, December 31	10,825,912			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 10,825,912</u>			

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

CITY OF TOPEKA, KANSAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

	Business-Type Activities: Enterprise Funds			
	Water, Stormwater & Water Pollution Control Utility	Nonmajor Enterprise Fund - Parking	Total Enterprise Funds	Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current assets:				
Cash and equity in Treasurer's Fund	\$ 72,934,525	\$ 2,093,793	\$ 75,028,318	\$ 16,456,218
Receivables (net of allowance for uncollectibles)				
Accounts receivable	8,721,443	62,128	8,783,571	323,159
Inventory	1,735,269	-	1,735,269	152,866
Prepays	10,843	4,099	14,942	-
Due from other funds	-	-	-	485,737
Restricted cash and cash equivalents:				
Cash and equity in Treasurer's Fund	18,553,323	99,091	18,652,414	-
Restricted other	7,750,929	-	7,750,929	-
Total current assets	109,706,332	2,259,111	111,965,443	17,417,980
Capital assets:				
Not being depreciated	66,285,069	1,058,331	67,343,400	-
Depreciable capital assets:				
Being depreciated, net of depreciation	296,254,319	12,665,507	308,919,826	231,969
Total capital assets	362,539,388	13,723,838	376,263,226	231,969
Deferred outflows of resources:				
Deferred amounts on refunding	2,601,840	[6,045]	2,595,795	-
Pension - contributions subsequent to the measurement date	420,742	26,533	447,275	365,838
Pension - difference between expected and actual experience	21,534	1,358	22,892	206,963
Pension - net difference between projected and actual earnings on pension plan investments	139,657	8,807	148,464	190,223
Pension - changes in assumptions	239,767	15,120	254,887	352,531
Pension - changes in proportion	50,703	3,199	53,902	30,230
Total deferred outflows of resources	3,474,243	48,972	3,523,215	1,145,785
Total assets and deferred outflows of resources	\$ 475,719,963	\$ 16,031,921	\$ 491,751,884	\$ 18,795,734
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:				
Current liabilities				
Accounts payable	\$ 4,433,191	\$ 97,561	\$ 4,530,752	\$ 406,009
Accrued payroll and benefits	559,189	25,342	584,531	158,155
Retainage payable	396,405	-	396,405	-
Accrued interest	484,458	94,362	578,820	-
Due to other funds	98,742	4,700	103,442	25,076
Due to other governments	97,523	-	97,523	-
Current portion of state revolving loan	5,882,593	-	5,882,593	-
Temporary notes payable	36,278,091	-	36,278,091	-
Self insurance claims	-	-	-	4,429,790
Current liabilities (payable from restricted assets):				
General obligation bonds payable	-	551,730	551,730	-
Revenue bonds payable	5,925,000	-	5,925,000	-
Accrued interest	2,256,171	-	2,256,171	-
Deposits	1,164,145	-	1,164,145	-
Compensated absences and other benefits	520,934	36,339	557,273	174,609
Unearned revenue	386,078	-	386,078	-
Other	44,000	-	44,000	-
Total current liabilities	58,526,520	810,034	59,336,554	5,193,639
Noncurrent liabilities:				
Revenue bonds payable	158,110,314	-	158,110,314	-
State revolving loan payable	34,907,584	-	34,907,584	-
General obligation bonds payable	-	9,035,183	9,035,183	-
Compensated absences and other benefits	920,106	54,598	974,704	399,876
Net pension liability	4,452,159	280,767	4,732,926	5,310,036
Total noncurrent liabilities	198,390,163	9,370,548	207,760,711	5,709,912
Total liabilities	256,916,683	10,180,582	267,097,265	10,903,551
Deferred Inflows of Resources				
Pension - difference between expected and actual experience	153,947	9,709	163,656	70,697
Pension - changes of assumptions	32,556	2,053	34,609	26,981
Pension - change in proportion	85,065	5,364	90,429	233,412
Total deferred inflows of resources	271,568	17,126	288,694	331,090
Total liabilities and deferred inflows of resources	\$ 257,188,251	\$ 10,197,708	\$ 267,385,959	\$ 11,234,641
Net Position				
Net investment in capital assets	\$ 160,315,737	\$ 4,136,925	\$ 164,452,662	\$ 231,969
Restricted				
Restricted for bond retirement	8,804,083	-	8,804,083	-
Restricted for capital projects	6,914,614	-	6,914,614	-
Restricted for sinking funds	1,802,124	99,091	1,901,215	-
Unrestricted	40,695,154	1,598,197	42,293,351	7,329,124
Total net position	\$ 218,531,712	\$ 5,834,213	224,365,925	\$ 7,561,093
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:			[37,916]	
Total net position			\$ 224,328,009	

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

CITY OF TOPEKA, KANSAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	Business-Type Activities: Enterprise Funds			Internal Service Funds
	Water, Stormwater & Water Pollution Control Utility	Nonmajor Enterprise Fund - Parking	Total Enterprise Funds	
Operating revenues				
Charges for services	\$ 66,740,720	\$ 2,602,692	\$ 69,343,412	\$ 22,592,932
Other	1,706,059	194,122	1,900,181	72,662
Total operating revenues	<u>68,446,779</u>	<u>2,796,814</u>	<u>71,243,593</u>	<u>22,665,594</u>
Operating expenses				
Personnel services	13,597,089	725,385	14,322,474	4,216,305
Contractual services	26,028,738	1,071,240	27,099,978	6,984,177
Supplies	2,281,424	78,675	2,360,099	339,822
Depreciation and amortization	14,973,116	765,797	15,738,913	74,815
Insurance claims	-	-	-	8,568,647
Total operating expenses	<u>56,880,367</u>	<u>2,641,097</u>	<u>59,521,464</u>	<u>20,183,766</u>
Operating income [loss]	<u>11,566,412</u>	<u>155,717</u>	<u>11,722,129</u>	<u>2,481,828</u>
Nonoperating revenues [expenses]				
Interest income	644,033	-	644,033	110,656
Interest [expense]	[6,466,567]	[387,216]	[6,853,783]	-
Gain/[loss] on sale of capital assets	<u>64,258</u>	<u>[4,664]</u>	<u>59,594</u>	<u>4,686</u>
Total nonoperating revenues [expenses]	<u>[5,758,276]</u>	<u>[391,880]</u>	<u>[6,150,156]</u>	<u>115,342</u>
Income [loss] before contributions and transfers	<u>5,808,136</u>	<u>[236,163]</u>	<u>5,571,973</u>	<u>2,597,170</u>
Transfers from [to] other funds				
Transfers in	4,801,000	-	4,801,000	-
Transfers [out]	<u>[4,801,000]</u>	<u>-</u>	<u>[4,801,000]</u>	<u>[290,000]</u>
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>[290,000]</u>
Change in net position	<u>5,808,136</u>	<u>[236,163]</u>	<u>5,571,973</u>	<u>2,307,170</u>
Net position, January 1	212,637,935	5,981,106	218,619,041	5,215,720
Prior period adjustment	<u>85,641</u>	<u>89,270</u>	<u>174,911</u>	<u>38,203</u>
Net position, January 1, restated	<u>212,723,576</u>	<u>6,070,376</u>	<u>218,793,952</u>	<u>5,253,923</u>
Net position, December 31	<u>\$ 218,531,712</u>	<u>\$ 5,834,213</u>	<u>\$ 224,365,925</u>	<u>\$ 7,561,093</u>

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

CITY OF TOPEKA, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	Business-Type Activities: Enterprise Funds			
	Water, Stormwater & Water Pollution Control Utility	Nonmajor Enterprise Fund - Parking	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities				
Receipts from customers	\$ 66,114,500	\$ 2,577,706	\$ 68,692,206	\$ 22,402,279
Payments to suppliers	[27,571,774]	[1,082,988]	[28,654,762]	[12,635,275]
Payments to employees	[13,691,838]	[737,639]	[14,429,477]	[6,697,374]
Other receipts	1,706,059	194,122	1,900,181	72,662
Net cash provided by [used in] operating activities	<u>26,556,947</u>	<u>951,201</u>	<u>27,508,148</u>	<u>3,142,292</u>
Cash flows from capital and related financing activities				
Loss on refunding	186,419	118,170	304,589	-
Payment of other liabilities	[44,000]	-	[44,000]	-
Proceeds from capital debt	17,975,000	4,480,000	22,455,000	-
Premium on issuance of capital debt	372,880	249,073	621,953	-
Principal paid on capital debt	[5,405,000]	[5,393,693]	[10,798,693]	-
Payment of state revolving loan	[6,118,872]	-	[6,118,872]	-
Net borrowings on temporary notes	11,949,891	-	11,949,891	-
Interest paid on capital debt	[6,203,607]	[413,824]	[6,617,431]	-
Purchases of capital assets	[24,235,828]	-	[24,235,828]	[34,359]
Proceeds from sale of capital assets	103,540	-	103,540	4,686
Net cash provided by [used in] capital and related financing activities	<u>[11,419,577]</u>	<u>[960,274]</u>	<u>[12,379,851]</u>	<u>[29,673]</u>
Cash flows from investing activities				
Interest received	<u>644,033</u>	<u>-</u>	<u>644,033</u>	<u>110,656</u>
Cash flows from noncapital financing activities				
Advances from other funds	[20,890]	-	[20,890]	-
Transfers in	4,801,000	-	4,801,000	-
Transfers [out]	<u>[4,801,000]</u>	<u>-</u>	<u>[4,801,000]</u>	<u>[290,000]</u>
Net cash provided by [used in] noncapital financing activities	<u>[20,890]</u>	<u>-</u>	<u>[20,890]</u>	<u>[290,000]</u>
Net increase [decrease] in cash and cash equivalents	<u>15,760,513</u>	<u>[9,073]</u>	<u>15,751,440</u>	<u>2,933,275</u>
Cash and cash equivalents, January 1	75,812,976	2,112,687	77,925,663	13,522,943
Prior period adjustment	<u>[85,641]</u>	<u>89,270</u>	<u>3,629</u>	<u>-</u>
Cash and cash equivalents, January 1, restated	<u>75,727,335</u>	<u>2,201,957</u>	<u>77,929,292</u>	<u>13,522,943</u>
Cash and cash equivalents, December 31	<u>\$ 91,487,848</u>	<u>\$ 2,192,884</u>	<u>\$ 93,680,732</u>	<u>\$ 16,456,218</u>
Cash and equivalents reported on the Statement of Net Position				
Cash and equity in Treasurer's Fund	\$ 72,934,525	\$ 2,093,793	\$ 75,028,318	\$ 16,456,218
Restricted cash and equity in Treasurer's Fund	<u>18,553,323</u>	<u>99,091</u>	<u>18,652,414</u>	<u>-</u>
Total	<u>\$ 91,487,848</u>	<u>\$ 2,192,884</u>	<u>\$ 93,680,732</u>	<u>\$ 16,456,218</u>

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

CITY OF TOPEKA, KANSAS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (Continued)
 For the Year Ended December 31, 2017

	Business-Type Activities: Enterprise Funds			
	Water, Stormwater & Water Pollution Control Utility	Nonmajor Enterprise Fund - Parking	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities				
Operating income [loss]	\$ 11,566,412	\$ 155,717	\$ 11,722,129	\$ 2,481,828
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities				
Depreciation and amortization	14,973,116	765,797	15,738,913	74,815
Non-operating [expense]				
[Increase] decrease in accounts receivable	[753,088]	[24,986]	[778,074]	[267,086]
[Increase] decrease in due from other funds	-	-	-	[7,929]
[Increase] decrease in inventory	[129,351]	-	[129,351]	[6,679]
[Increase] decrease in prepaids	44,123	-	44,123	-
[Increase] decrease in deferred outflows	141,265	8,909	150,174	188,143
Increase [decrease] in deferred inflows	21,488	1,355	22,843	131,595
Increase [decrease] in net pension liability	[295,019]	[18,605]	[313,624]	[131,276]
Increase [decrease] in due to other governments	[167,774]	153	[167,621]	76,243
Increase [decrease] in accounts payable	715,616	66,774	782,390	33,517
Increase [decrease] in accrued payroll and benefits	15,580	55	15,635	14,947
Increase [decrease] in retainage payable	275,774	-	275,774	-
Increase [decrease] in self-insurance claims	-	-	-	521,235
Increase [decrease] in deposits	80,187	-	80,187	-
Increase [decrease] in compensated absences	21,937	[3,968]	17,969	32,939
Increase [decrease] in unearned revenue	46,681	-	46,681	-
Net cash provided by [used in] operating activities	<u>\$ 26,556,947</u>	<u>\$ 951,201</u>	<u>\$ 27,508,148</u>	<u>\$ 3,142,292</u>

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

CITY OF TOPEKA, KANSAS
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
December 31, 2017

ASSETS

Cash and equity in Treasurer's Fund	\$ 880,002
Accounts receivable	<u>75,844</u>
Total assets	<u>\$ 955,846</u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts and contracts payable	\$ 123,777
Due to other governments	5,073
Due to others	<u>826,996</u>
Total liabilities	<u>\$ 955,846</u>

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

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2017

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Topeka is a municipal corporation governed by a Mayor and nine Council members all elected on a non-partisan basis. The City at large elects the Mayor, and the nine Council members are elected by district. The accompanying financial statements present the financial position of the City (the primary government) and its component unit, an entity for which the City is considered to be financially accountable at December 31, 2017. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the City.

Discretely Presented Component Unit. The Friends of the Topeka Zoo, Inc. is organized as a not-for-profit under Section 501(c)(3) of the Internal Revenue Code. The purpose of the organization is to carry on general charitable, benevolent, social service, educational, and public benefit work in the community, particularly for developing and improving zoos and zoo facilities in Topeka and Shawnee County, Kansas, and improving the educational influence of zoos with children and adults. The organization operates on Zoo property owned by the City of Topeka.

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). Certain significant accounting policies of the City are described below.

B. Government-wide and fund financial statements

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

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

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

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

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

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 intergovernmental allocations 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 through taxes for costs of maintenance and improvements to existing City streets, curbs, gutters, sidewalks, alleys and street lighting.

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

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

The City of Topeka reports the following major proprietary fund:

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

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following types of nonmajor governmental funds:

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

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

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

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

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

Additionally, the City reports the following fund type:

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

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

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

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

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2017

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

1. Deposits and investments

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

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

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

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

2. Receivables and Payables

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

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

3. Inventories and Prepaid Items

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

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

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Restricted Assets

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports a 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. The City reports changes in the pension liability proportion and assumptions, net difference between projected and actual earnings on pension plan investments and differences between expected and actual experience are reported as deferred outflows of resources in the government activities.

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 multiple 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. . Differences between expected and actual experience, changes in assumptions, and changes in the pension liability proportion are reported as deferred inflows. 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, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at their acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2017

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Capital Assets (Continued)

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

Buildings and improvements	Five to Fifty Years
Furniture and office equipment	Three to Twenty Years
Motor vehicles	Three to Six Years
Tools and equipment	Five to Twenty Years
Infrastructure	Twenty to Fifty Years

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

7. Compensated Absences

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

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

8. Long Term Obligations

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

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Equity Classifications

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

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

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

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

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

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

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

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

Assigned – Amounts constrained by the City's departmental director's intent, through contract and procurement policies, 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. The General Fund is the only fund that reports a positive unassigned fund balance amount.

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

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

In 2017, the City had one amendment to the originally adopted budget. The amendment had the following effect on the fund budgets:

<u>Fund</u>	<u>Adopted</u>	<u>Amended</u>
Transient Guest Tax Fund	\$ 2,781,124	\$ 3,284,523
Sales Tax - Street Repairs Fund	18,805,175	23,000,000
Tax Increment Financing Fund	190,000	250,000

Under Kansas statutes, management cannot amend the budget without approval of the governing body. The level of budgetary control or expenditure limit is at the fund level, except for the General Fund, which also has established expenditure limits for each Department financed. The statutes permit transferring budgeted amounts within a General Fund department or other funds, line item by line item, to be made administratively.

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

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

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2017

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

B. Restatement of Beginning Equity

On January 1, 2017, it was determined that amounts previously reported in the prior year were recorded incorrectly. The effects of which are as follows:

	Governmental Activities	Business Type Activities
Net position - beginning	\$ 187,318,275	\$ 218,034,361
Revenue bond reclassification	-	88,131
Accounts receivable	177,689	86,780
Park obligation	135,870	
Capital lease retirement	[2,707]	-
General obligation bond reclassification	3,830	-
Net position - beginning, restated	<u>\$ 187,632,957</u>	<u>\$ 218,209,272</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At December 31, 2017, the City had the following investments:

		Fair Value Measurement Using Quoted Prices in Active Markets for Identical Assets	Fair Value Measurement Using Significant Other Observable Inputs	Fair Value Measurement Using Unobservable Inputs		Weighted Average Maturity (In Years)
	12/31/2017	Level 1	Level 2	Level 3	Rating	
<u>Investments by fair value level</u>						
U.S. Agencies	\$ 85,924,464	\$ 85,924,464	\$ -	\$ -	Moody's Aaa	1.96
Kansas Municipal Bonds	5,125,972	5,125,972	-	-	n/a	1.03
Total investments by fair value level	91,050,436	91,050,436	-	-		
<u>Investments measured by the net asset value (NAV)</u>						
State Treasurer's Municipal Investment Pool	2,686,849					
Total investments measured by the net asset value (NAV)	2,686,849					
Total investments	\$ 93,737,285					

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Several of the above investments are measured at the net asset value, have an ongoing redemption frequency and liquidity fees or redemption gates are not imposed on any of the investments.

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

Credit risk—Kansas state law (K.S.A. 10-301 and K.S.A. 12-1675) specifies the types of investments in which a municipality may invest. Generally, these are limited to bank deposits and high-quality Federal and local securities. State law also provides for investment of City funds in the Municipal Investment Pool (MIP) within the State Treasury. At December 31, 2017 the City's investment in the MIP was rated AAAf/S1+.

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

Custodial credit risk on deposits—In the case of deposits of cash and cash equivalents, custodial credit risk is the risk that in the event of 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, 2017, the City had deposits totaling \$88,942,619 in financial institutions, with FDIC coverage of \$1,504,716 and with collateral assets pledged to the City by the institutions having a fair market value of \$87,437,903.

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;

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 3. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

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

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

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

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.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

- (E) Interest-bearing time deposits in commercial banks located in Shawnee County, Kansas.
- (F) Obligations such as the Federal National Mortgage Association, Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation or other qualified obligations.
- (G) Money market funds investing solely in US Treasury and Agencies.
- (H) Receipts evidencing ownership interest in US Treasury and Agencies.
- (I) Repurchase agreements for securities described in (C) or (F).
- (J) Municipal bonds or other obligations issued by any Kansas municipality bearing that municipality's general obligation.
- (K) Bonds of any Kansas municipality that have been advance refunded and are fully secured as to payment of principal and interest by US Treasury and Agencies.

B. Interfund Receivables and Payables

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

	Governmental <u>Activities</u>	Business- Type <u>Activities</u>	<u>Total</u>
Accounts Receivable	\$ 2,609,382	\$ 8,783,571	\$ 11,392,953
Taxes Receivable	58,181,402	-	58,181,402
Special Assessments Receivable	34,022,903	-	34,022,903
Interest Receivable	<u>7,252</u>	<u>-</u>	<u>7,252</u>
Total	<u>\$ 94,820,939</u>	<u>\$ 8,783,571</u>	<u>\$ 103,604,510</u>

All trade receivables are shown net of an allowance for uncollectibles. At December 31, 2017 an allowance of \$19,164,285 and \$782,397 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	<u>Total</u>
Property Tax	\$ 29,007,179	\$ 16,902,111	\$ 913,737	\$ 46,823,027
Special Assessments	-	34,022,903	-	34,022,903
Other Unavailable Revenues	<u>-</u>	<u>7,485</u>	<u>-</u>	<u>7,485</u>
Total	<u>\$ 29,007,179</u>	<u>\$ 50,932,499</u>	<u>\$ 913,737</u>	<u>\$ 80,853,415</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance 12/31/2016	Adjustments	Adj. Bal. 12/31/2016	Additions	Retirements	Balance 12/31/2017
City governmental activities:						
Governmental activities:						
Capital assets, not being depreciated						
Land	\$ 878,112	\$ -	\$ 878,112	\$ -	\$ 10,430	\$ 867,682
Intangible easements	2,638,466	-	2,638,466	169,415	-	2,807,881
Construction in progress	39,462,266	-	39,462,266	17,783,513	4,292,995	52,952,784
Capital assets, being depreciated						
Building improvements & infrastructure	993,928,525	-	993,928,525	-	359,983	993,568,542
Furniture	6,704,091	-	6,704,091	-	2,359,493	4,344,598
Vehicles	23,141,994	-	23,141,994	3,159,628	1,315,711	24,985,911
Software	2,727,528	-	2,727,528	-	-	2,727,528
Tools & equipment	7,112,598	-	7,112,598	301,862	364,278	7,050,182
Total capital assets	1,076,593,580	-	1,076,593,580	21,414,418	8,702,890	1,089,305,108
Less accumulated depreciation for:						
Building improvements & infrastructure	712,182,632	-	712,182,632	22,874,712	325,544	734,731,800
Furniture	6,599,379	-	6,599,379	21,976	2,359,492	4,261,863
Vehicles	18,070,591	-	18,070,591	2,092,208	1,247,631	18,915,168
Software	2,727,528	-	2,727,528	-	-	2,727,528
Tools & equipment	6,058,128	-	6,058,128	372,745	364,278	6,066,595
Total accumulated depreciation	745,638,258	-	745,638,258	25,361,641	4,296,945	766,702,954
Governmental activities capital assets, net	\$ 330,955,322	\$ -	\$ 330,955,322	\$ [3,947,223]	\$ 4,405,945	\$ 322,602,154
Business-type activities:						
Capital assets, not being depreciated						
Land	\$ 1,675,360	\$ -	\$ 1,675,360	\$ -	\$ -	\$ 1,675,360
Intangible easements	10,167,192	-	10,167,192	580,718	-	10,747,910
Construction in progress	32,763,726	-	32,763,726	22,640,946	484,542	54,920,130
Capital assets, being depreciated						
Building improvements & infrastructure	561,127,620	-	561,127,620	483,539	13,673	561,597,486
Furniture	825,919	-	825,919	-	34,613	791,306
Vehicles	9,278,097	-	9,278,097	814,498	349,233	9,743,362
Tools & equipment	4,683,656	-	4,683,656	203,100	228,942	4,657,814
Total capital assets	620,521,570	-	620,521,570	24,722,801	1,111,003	644,133,368
Less accumulated depreciation for:						
Building improvements & infrastructure	241,595,474	-	241,595,474	14,571,506	13,673	256,153,307
Furniture	805,893	-	805,893	5,218	29,949	781,162
Vehicles	6,415,658	-	6,415,658	801,712	349,233	6,868,137
Tools & equipment	4,117,672	-	4,117,672	139,524	189,660	4,067,536
Total accumulated depreciation	252,934,697	-	252,934,697	15,517,960	582,515	267,870,142
Business-type activities capital assets, net	\$ 367,586,873	\$ -	\$ 367,586,873	\$ 9,204,841	\$ 528,488	\$ 376,263,226

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

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

Governmental Activities:	
General Government	\$ 1,070,894
Infrastructure	18,042,656
Parks and Recreation	22,010
Public Safety	2,128,963
Public Works	3,979,941
Internal Service	<u>117,177</u>
Total depreciation	<u>\$ 25,361,641</u>
Business-type Activities:	
Parking Garages	\$ 765,799
Water, Sewer & Stormwater Utilities	<u>14,752,161</u>
Total depreciation	<u>\$ 15,517,960</u>

Several assets retired in the current year in the building improvements and infrastructure category were not previously depreciated.

Construction Commitments

The City had open, active construction projects on December 31, 2017. 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	\$ 739,363	\$ 7,998,782
Public Safety - Fire & Police	10,894,499	9,888,329
Public Works - Streets	40,717,858	23,284,791
Public Works - Special Assessment	2,364,727	18,696,460
Public Works - Bridges	2,125,603	811,277
Parks	403,730	6,603,614
Combined Utilities	<u>40,160,304</u>	<u>48,292,466</u>
Total	<u>\$ 97,406,084</u>	<u>\$ 115,575,719</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Transfers and Activity

Interfund transfers for the year ended December 31, 2017 were as follows:

	Transfer In:					Total
	General Fund	Debt Service Fund	Capital Project Fund	Nonmajor Governmental Funds	Water, Stormwater & Water Pollution Control Utility	
<u>Transfer Out:</u>						
General Fund	\$ -	\$ -	\$ 568,080	\$ -	\$ -	\$ 568,080
Debt Service Fund	-	-	349,505	-	-	349,505
Nonmajor Internal Service Fund	-	-	290,000	-	-	290,000
Water, Stormwater & Water Pollution Control Utility	-	-	-	-	4,801,000	4,801,000
Nonmajor Governmental Funds	<u>186,163</u>	<u>457,950</u>	<u>-</u>	<u>18</u>	<u>-</u>	<u>644,131</u>
Total	<u>\$ 186,163</u>	<u>\$ 457,950</u>	<u>\$ 1,207,585</u>	<u>\$ 18</u>	<u>\$ 4,801,000</u>	<u>\$ 6,652,716</u>

Interfund transfers in consisted of the following:

General Fund received \$186,163 from the Transient Guest Tax Fund for operating expenses	\$ 186,163
Debt Service Fund received \$250,000 from the Retirement Reserve Fund for debt payments	250,000
Debt Service Fund received \$207,950 from the TIF College Fund for debt payments	207,950
Capital Projects Fund received from the General Fund for project expenses	568,080
Capital Projects Fund received from the Debt Service Fund for project expenses	349,505
TIF College Fund received from the Tax Increment Financing Fund for fund close out	18
Capital Projects Fund received from the Nonmajor Internal Service Fund for project expenses	290,000
Water, Stormwater & Water Pollution Fund transferred intrafund transfer amounts	<u>4,801,000</u>
Total	<u>\$ 6,652,716</u>

Interfund charges for support services paid to the General Fund during 2017 were as follows:

Special Street Repair Fund	\$ 83,203
Sales Tax Street Repairs Fund	185
Water, Stormwater & WPC Fund	2,426,333
Nonmajor Governmental Funds	32,753
Nonmajor Enterprise Fund	72,855
Internal Service Funds	<u>178,474</u>
	<u>\$ 2,793,803</u>

In 2017, payments in lieu of taxes of \$7,033,925 and \$230,978 were made to the General Fund by the Water, Stormwater & WPC Utility Fund and the Public Parking Facilities Fund, respectively. The payment in lieu of taxes is based on applying the levy rate to 33% of the net book value of capital assets and 3% of service revenues.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases

Operating Leases:

The City has operating leases for computers and licenses. The expenditures for these operating leases for the year ended December 31, 2017 were \$724,597. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2018	\$ 620,302
2019	429,196
2020	165,679
2021	18,768
Total	<u>\$ 1,233,945</u>

Capital Leases:

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

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset Information:	
Machinery and equipment	<u>\$ 4,737,163</u>

The future minimum lease obligations for governmental activities and business-type activities, and the net present value of these minimum lease payments at December 31, 2017, were as follows:

Year Ending December 31	Governmental Activities
2018	\$ 1,011,942
2019	713,901
2020	713,901
2021	375,108
2022	375,108
2023 - 2027	<u>718,274</u>
Total minimum lease payments	3,908,234
Less: amount representing interest	<u>[217,121]</u>
Net present value of minimum lease payments	<u>\$ 3,691,113</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long Term Debt

Changes in long term liabilities:

	Restated Balance <u>12/31/2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2017</u>	Due Within <u>One Year</u>
Governmental activities:					
Bond payable:					
General obligation bonds	\$ 146,157,300	\$ 24,010,000	\$ [24,281,307]	\$ 145,885,993	\$ 12,773,270
Tax increment and other bonds	11,935,000	-	[1,245,000]	10,690,000	1,275,000
Less deferred amounts:					
For issuance premium	7,156,961	1,218,077	[1,192,894]	7,182,144	-
For issuance discounts	[709]	-	89	[620]	-
Capital leases	3,526,553	924,576	[760,016]	3,691,113	760,016
OPEB Liability**	5,817,974	312,295	[170,747]	5,959,522	-
Net pension liability	93,046,447	1,185,357	[5,405,156]	88,826,648	-
Compensated Absences**	8,515,285	4,463,536	[4,143,498]	8,835,323	4,390,690
Claims and Judgments	<u>947,333</u>	<u>168,000</u>	<u>[906,000]</u>	<u>209,333</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 277,102,144</u>	<u>\$ 32,281,841</u>	<u>\$ [38,104,529]</u>	<u>\$ 271,279,456</u>	<u>\$ 19,198,976</u>

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

	Restated Balance <u>12/31/2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2017</u>	Due Within <u>One Year</u>
Business-Type Activities					
Bond payable:					
General obligation bonds	\$ 9,887,700	\$ 4,480,000	\$ [5,393,693]	\$ 8,974,007	\$ 551,730
Less deferred amounts:					
For issuance premium	389,335	249,073	[25,503]	612,905	-
For issuance discounts	[1,446]	-	1,446	-	-
Revenue bonds	147,380,000	17,975,000	[5,405,000]	159,950,000	5,925,000
Less deferred amounts:					
For issuance premium	4,035,518	372,880	[208,161]	4,200,237	-
For issuance discounts	[122,495]	-	7,572	[114,923]	-
State revolving loan	46,909,049	-	[6,118,872]	40,790,177	5,882,593
Other liabilities	88,000	-	[44,000]	44,000	44,000
OPEB liability	646,322	73,255	[40,052]	679,525	-
Net pension liability	5,046,549	500,389	[814,012]	4,732,926	-
Compensated absences	<u>867,686</u>	<u>552,495</u>	<u>[567,728]</u>	<u>852,453</u>	<u>557,273</u>
Business Type Activity Long-Term Liabilities	<u>\$ 215,126,218</u>	<u>\$ 24,203,092</u>	<u>\$ [18,608,003]</u>	<u>\$ 220,721,307</u>	<u>\$ 12,960,596</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long Term Debt (Continued)

The following paragraphs summarize the long-term liability activity for 2017 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, 2017, the City owed \$35,864,638 to the Kansas Water Pollution Control State Revolving Loan Fund (WPC-SRF); during the year, the City repaid loan principal of \$5,261,040. The total balance owed for the WPC-SRF at December 31, 2017, was \$30,603,598.

At January 1, 2017, the City owed \$11,044,411 to the Kansas Public Water Supply State Revolving Loan Fund (PWS-SRF); during the year, the City repaid loan principal of \$857,832. The total balance owed for the WPS-SRF at December 31, 2017 was \$10,186,579.

The City's procedure was to back the SRF loans through bond insurance instead of full faith and credit of the City. The City is not willing to change its policy regarding the use of full faith and credit for SRF loans.

Annual debt service requirements to maturity for the KDHE loans outstanding at December 31, 2017, are as follows:

Year Ended December 31,	Principal	Interest
2018	\$ 5,882,593	\$ 1,133,047
2019	6,068,925	962,433
2020	5,363,805	791,732
2021	5,388,639	637,980
2022	5,559,805	481,389
2023-2027	11,853,723	766,648
2028-2029	672,687	14,629
Total	<u>\$ 40,790,177</u>	<u>\$ 4,787,857</u>

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction or improvement of major capital assets. General obligation bonds have been issued for both governmental and business-type activities. The principal amount of general obligation bonds outstanding at January 1, 2017, was \$156,045,000. During the year, general obligation bonds totaling \$29,675,000 were retired or refunded, and \$28,490,000 of general obligation bonds were issued, bringing the December 31, 2017 outstanding balance to \$154,860,000.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long Term Debt (Continued)

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

<u>Series</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Outstanding Amount As Of December 31, 2017</u>
Governmental activities					
Series 2010C	9/29/2010	\$ 4,570,000	2.05% - 4.85%	8/15/2030	\$ 3,895,000
Series 2011B	9/29/2011	3,430,000	2.00% - 4.00%	8/15/2031	2,680,000
Series 2013A	6/4/2013	18,892,894	2.20% - 4.00%	8/15/2031	13,803,243
Series 2013B	9/30/2013	9,790,000	3.00% - 4.50%	8/15/2033	8,615,000
Series 2013C	9/30/2013	5,000,000	2.00% - 2.50%	8/15/2019	2,060,000
Series 2014A	9/25/2014	5,590,000	2.00% - 3.25%	8/15/2034	4,910,000
Series 2015A	9/14/2015	52,809,613	2.50% - 5.00%	8/15/2035	46,701,770
Series 2016A	5/19/2016	19,257,600	2.00% - 5.00%	8/15/2031	17,900,980
Series 2016B	9/13/2016	22,705,000	2.00% - 5.00%	8/15/2036	21,310,000
Series 2017A	9/5/2017	24,010,000	2.00% - 5.00%	8/15/2036	24,010,000
					<u>\$ 145,885,993</u>
Business-Type activities					
Series 2013A	6/4/2013	1,442,106	2.20% - 4.00%	8/15/2031	\$ 981,757
Series 2015A	9/14/2015	2,455,387	2.50% - 4.00%	8/15/2035	2,028,230
Series 2016A	5/19/2016	1,592,400	2.00% - 5.00%	8/15/2031	1,484,020
Series 2017A	9/5/2017	4,480,000	2.00% - 5.00%	8/15/2036	4,480,000
					<u>\$ 8,974,007</u>

The City issued Series 2017 General Obligation Bonds in the amount of \$28,490,000 on September 5, 2017, for City improvements and to refund and redeem the City's outstanding Series 2012 General Obligation Bonds in the amount of \$11,885,000, including any interest accrued to the redemption date. As a result, the 2012 Bonds are considered to be defeased and the liability for the defeased bonds has been removed from the City's financial statements. The transaction resulted in an economic gain of \$967,778 and a reduction of \$1,197,092 in future debt payments. The interest rate on the bonds is 2.00-5.00% and has a final maturity of August 15, 2036.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long Term Debt (Continued)

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

Year Ending December 31,	Governmental Activities		Business Type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 12,773,270	\$ 4,831,296	\$ 551,730	\$ 270,858
2019	12,702,711	4,314,479	532,289	252,237
2020	11,440,153	3,763,676	489,847	228,978
2021	11,667,989	3,241,603	482,011	206,828
2022	11,563,948	2,807,820	491,052	190,432
2023-2027	53,040,230	9,109,877	2,879,770	701,144
2028-2032	29,832,691	2,894,443	2,142,308	393,646
2033-2036	2,865,001	163,350	1,405,000	106,650
Total	<u>\$ 145,885,993</u>	<u>\$ 31,126,545</u>	<u>\$ 8,974,007</u>	<u>\$ 2,350,773</u>

Tax Increment and Other Bonds:

The tax increment and other bonds consist of \$6,705,000 of STAR bonds for Heartland Park race track and \$3,985,000 of tax increment bonds for College Hill development.

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

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>
2018	\$ 1,275,000	\$ 253,250
2019	1,305,000	227,750
2020	1,340,000	201,650
2021	1,375,000	172,688
2022	1,415,000	140,763
2023-2025	<u>3,980,000</u>	<u>199,513</u>
Total	<u>\$ 10,690,000</u>	<u>\$ 1,195,613</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, 2017, was \$147,380,000. In 2017, the City retired or refunded \$5,405,000 of revenue bonds and issued \$17,975,000 of revenue bonds.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long Term Debt (Continued)

Revenue bonds outstanding at year-end are \$159,950,000, as follows:

<u>Series</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Outstanding Amount As Of December 31, 2017</u>
Series 2010A	9/22/2010	\$ 985,000	4.55% - 4.90%	8/1/2028	\$ 985,000
Series 2010B	9/22/2010	9,155,000	5.10% - 5.25%	8/1/2040	9,155,000
Series 2010C	9/22/2010	85,000	3.75%	8/1/2020	85,000
Series 2011A	9/29/2011	18,900,000	2.00% - 4.50%	8/1/2041	13,415,000
Series 2012A	6/12/2012	22,045,000	3.00% - 3.50%	8/1/2033	20,425,000
Series 2013A	5/21/2013	35,985,000	1.50% - 4.00%	8/1/2031	35,055,000
Series 2014A	12/23/2014	45,510,000	3.00% - 5.00%	8/1/2044	36,885,000
Series 2016A	9/6/2016	24,945,000	2.00% - 3.00%	8/1/2046	24,945,000
Series 2016B	9/6/2016	1,745,000	0.85% - 1.30%	8/1/2019	1,025,000
Series 2017A	9/5/2017	17,975,000	2.25% - 5.00%	8/1/2047	17,975,000
					<u>\$ 159,950,000</u>

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 5,925,000	\$ 5,343,473	\$ 11,268,473
2019	6,085,000	5,183,065	11,268,065
2020	6,645,000	4,928,460	11,573,460
2021	6,790,000	4,668,848	11,458,848
2022	7,125,000	4,395,448	11,520,448
2023-2027	43,275,000	18,573,520	61,848,520
2028-2032	38,225,000	11,691,769	49,916,769
2033-2037	21,310,000	6,368,501	27,678,501
2038-2042	14,420,000	3,138,319	17,558,319
2043-2046	10,150,000	868,846	11,018,846
Total	<u>\$ 159,950,000</u>	<u>\$ 65,160,249</u>	<u>\$ 225,110,249</u>

The City has pledged \$159,950,000 in utility revenues through the term of commitment of August 1, 2046. The percent of the revenue pledged is 100%. The 2017 principal and interest for the revenue bonds was \$11,330,000 and the pledged revenues recognized for 2017 was \$11,330,000.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long Term Debt (Continued)

Short Term Debt – Notes:

The City issues notes in advance of property tax collections, depositing the proceeds in its capital improvement funds. These notes are necessary because the City receives the biggest part of its mill levy twice each year – January and June. The City issues business type notes to cover expenses, until the next revenue bonds are sold. Notes outstanding at December 31, 2017 mature on October 1, 2018 and bear interest of 3%. The temporary notes payable in the statement of net position for the business-type activities includes \$783,716 of issuance premium and for the governmental activities the temporary notes payable includes \$152,145 of issuance premium.

Short-term debt activity for the year ended December 31, 2017, was as follows:

	Beginning			Ending
	<u>Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance</u>
Governmental activities notes	\$7,743,719	\$ 7,042,770	\$ 7,743,719	\$ 7,042,770
Business-type notes	<u>23,751,281</u>	<u>36,278,091</u>	<u>23,751,281</u>	<u>36,278,091</u>
Total	<u>\$31,495,000</u>	<u>\$43,320,861</u>	<u>\$31,495,000</u>	<u>\$43,320,861</u>

G. Restricted Assets

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

	Water, Stormwater & WPC Utility	Nonmajor Enterprise	
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
Bond Reserve	\$ 8,804,083	\$ -	\$ 8,804,083
Renewal and Replacement	1,500,000	-	1,500,000
Construction Proceeds	5,414,614	-	5,414,614
Sinking Fund	1,802,124	99,091	1,901,215
Water Consumer Deposits	881,766	-	881,766
Water Consumer Deposits Flushing Meters	150,734	-	150,734
Deposits with Fiscal Agency	<u>7,750,931</u>	<u>-</u>	<u>7,750,931</u>
Total Restricted Assets	<u>\$ 26,304,252</u>	<u>\$ 99,091</u>	<u>\$ 26,403,343</u>

Note 5. OTHER INFORMATION

A. Risk Management

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

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2017

Note 5. OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

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

	<u>2017</u>	<u>2016</u>
Claims liabilities at beginning of the year	\$ 3,908,555	\$ 4,517,017
Claims incurred during the year	9,681,217	10,227,854
Claims paid during the year	<u>[9,159,982]</u>	<u>[10,836,316]</u>
Claims liabilities at end of the year	<u>\$ 4,429,790</u>	<u>\$ 3,908,555</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 \$947,330 related to certain cases. While other cases may have future financial effect, management, based on advice of counsel, believes that their ultimate outcome will not be material to the basic financial statements.

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

The City has issued industrial revenue bonds to finance the purchase of land and construction of facilities leased to local businesses. The lease agreements provide for rentals sufficient to service the debt repayment of the related bonds. The bonds and related interest costs are payable solely from lessee rentals and do not constitute general liabilities of the City. The lessees have the option of purchasing the leased properties at any time during the lease periods for amounts sufficient to retire the related outstanding bonds. At the end of the lease periods, which conform to bond maturity schedules, the lessees may either purchase the property for a nominal amount or renew the leases annually at nominal amounts. Industrial revenue bonds outstanding at December 31, 2017, totaled \$44,138,000.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 5. OTHER INFORMATION (Continued)

C. Jointly Governed Organizations

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 imposed on January 1, 2017 and extending through December 31, 2031, 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, 2017, the City paid \$7,361,733 to JEDO in accordance with the interlocal agreement. The City is owed \$1,642,799 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. The City's other post employment benefit liability is normally liquidated in the General Fund and the Water, Stormwater & Water Pollution Control Utility Fund.

Funding Policy - The current plan is financed on a pay as you go basis. The retirees pay the same premium established for active employees. In 2017 the City had 72 retirees, contributing \$695,000. The total cost of health insurance claims and administrative fees for retirees was \$884,000.

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

	Retirees	Employees
	<u>Base Plan</u>	<u>Buy-Up Plan</u>
Single	\$ 657.98	\$ 711.49
With Spouse	1,400.19	1,515.28

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2017

Note 5. OTHER INFORMATION (Continued)

D. Other Post Employment Benefits (Continued)

As of January 1, 2017, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$4,476,397. 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 \$65,614,990, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 6.8%.

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, 2017. 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.

Funding Status and Funding Progress

Annual required contribution (ARC)	\$ 382,317
Interest on Net OPEB Obligation	226,250
Adjustment to the ARC	<u>[223,018]</u>
Annual OPEB cost (expense)	385,549
Benefit payments	<u>210,799</u>
Change in net OPEB obligation	174,750
Net OPEB obligation - beginning of year	<u>6,464,297</u>
Net OPEB obligation - end of year	<u>\$ 6,639,047</u>

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

The City's annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan and the net OPEB obligation for the years ending December 31, 2015 - 2017 are as follows:

Fiscal Year <u>Ended</u>	Annual OPEB Cost	Net OPEB Obligation	Percentage of Annual OPEB Cost <u>Contributed</u>
December 31, 2015	\$ 922,076	\$ 6,135,291	15.92%
December 31, 2016	927,244	6,464,296	64.52%
December 31, 2017	385,549	6,639,047	54.68%

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2017

Note 5. OTHER INFORMATION (Continued)

D. Other Post Employment Benefits (Continued)

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

The City used the following assumptions in their valuation:

Method Used: Entry Age Normal, Level Percent of Pay

Interest Rate: 3.50%

Amortization Method: Level Percent of Pay, Closed

Amortization Factor: 30.0000%

Mortality Rate: RP-2014 total dataset mortality with fully generational projected mortality improvements using MP-2016.

Withdrawal Rates: Used City past history to establish rates

Retirement Rates: Used City past history to establish rates

Price Inflation: 2.75%

Health Care Cost Trend Rate: Pre-Medicare Medical and Drugs– 7.00% 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.

Description of Pension Plan. The City participates in a cost-sharing multiple-employer pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
- State/School employees
- Local employees
- Police and Firemen
- Judges

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2017

Note 5. OTHER INFORMATION (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City are included in the Local employees group and the Kansas Police and Firemen group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kpers.org.

Benefits. Benefits are established by statute and may only be changed by the State Legislature. Members (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85. Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service.

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions. Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2017

Note 5. OTHER INFORMATION (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2017.

The actuarially determined employer contribution rates (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rates are as follows:

	Actuarial Employer Rate	Statutory Employer Capped Rate
Local government employees	8.46%	8.46%
Police and Firemen	19.03%	19.03%

Member contribution rates as a percentage of eligible compensation for the fiscal year 2017 are 6.00% for Local employees and 7.15% for Police and Firemen.

Employer Allocations. Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the City's share of the collective pension amounts as of December 31, 2017, are based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended December 31, 2017.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2017, the City's proportion for the Local employees group was 1.65%, which was an increase of .02% from its proportion measured at June 30, 2016. At June 30, 2017, the City's proportion for the Police and Firemen group was 7.43%, which was a decrease of .42% from its proportion measured at June 30, 2016.

Net Pension Liability. At December 31, 2017, the City reported a liability of \$23,855,151 and \$69,704,423, for its total proportionate share of the net pension liability for the Local and Police and Firemen groups respectively.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2017

Note 5. OTHER INFORMATION (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017, using the following actuarial assumptions:

<u>Assumption</u>	<u>Rate</u>
Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.50 to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.75%

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study conducted for the period of January 1, 2013 through December 31, 2015. The experience study is dated November 18, 2016.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset</u>	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	47.00%	6.80%
Fixed income	13.00%	1.25%
Yield driven	8.00%	6.55%
Real return	11.00%	1.71%
Real estate	11.00%	5.05%
Alternatives	8.00%	9.85%
Short-term investments	<u>2.00%</u>	-0.25%
Total	<u>100.00%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for Police & Firemen, and Judges.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2017

Note 5. OTHER INFORMATION (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Future employer contribution rates were also modeled for Police & Firemen and Judges, assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Discount rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Local	\$ 34,356,632	\$ 23,855,151	\$ 15,002,814
Police and Firemen	98,885,769	69,704,423	45,275,473
Total	<u>\$ 133,242,401</u>	<u>\$ 93,559,574</u>	<u>\$ 60,278,287</u>

Pension Expense. For the year ended December 31, 2017, the City recognized Local pension expense of \$2,158,835 and Police and Firemen pension expense of \$9,131,029, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for Local and Police and Firemen groups from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between actual and expected experience	\$ 3,484,974	\$ 1,346,285
Net differences between projected and actual earnings on investments	3,330,528	-
Changes of assumptions	6,152,042	485,935
Changes in proportion	559,594	3,994,967
Total	<u>\$ 13,527,138</u>	<u>\$ 5,827,187</u>

\$6,567,022 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 5. OTHER INFORMATION (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Local Group		Police and Firemen Group		
	Deferred		Deferred		
Year ended	[Inflows]	Outflows	[Inflows]	Outflows	
<u>June 30,</u>	<u>Amount</u>		<u>Amount</u>		<u>Total</u>
2018	\$	[169,186]	\$	1,116,346	\$ 947,160
2019		779,724		3,714,402	4,494,126
2020		516,159		2,013,649	2,529,808
2021		[257,121]		[374,847]	[631,968]
2021		95,372		265,453	360,825
Tota2	\$	964,948	\$	6,735,003	\$ 7,699,951

F. Commitments and Encumbrance

Community Improvement District:

On May 3, 2012 the City established the Holliday Square 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, 2017, the amount of eligible reimbursable project costs submitted by the developer was \$2,140,216. The amount reimbursed to the developer as of December 31, 2017, was \$427,796.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 5. OTHER INFORMATION (Continued)

F. Commitments and Encumbrance (Continued)

In January 28, 2014, the City established the Crosswinds Community Improvement District (CID) for economic development purposes and to finance a 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, 2017, the amount of eligible reimbursable project costs submitted by the developer was \$5,400,000. The amount reimbursed to the developer as of December 31, 2017, was \$857,562.

Encumbrances:

Outstanding encumbrances at December 31, 2017 were as follows: General Fund \$280,673.

The governmental fund balance classifications as of December 31, 2017 are as follows:

	General	Special Street Repairs	Sales Tax Street Repair	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Fund Balances:							
Nonspendable:							
Prepaid Items	\$ 139,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,145
Restricted For:							
Crime Prevention and Public Safety	-	-	-	-	-	1,841,717	1,841,717
Infrastructure Repairs and Projects	-	3,738,885	10,825,912	-	8,934,182	-	23,498,979
Economic Development	-	-	-	-	-	11,059,233	11,059,233
Alcohol and Drug Programs	-	-	-	-	-	449,444	449,444
Debt Service	-	-	-	6,944,664	-	-	6,944,664
Claims and Judgements	-	-	-	-	-	2,075,600	2,075,600
Tourism	-	-	-	-	-	573,539	573,539
Other Purposes	-	-	-	-	-	2,333,656	2,333,656
Committed To:							
Crime Prevention and Public Safety	-	-	-	-	-	698,311	698,311
Housing and Community Improvements	-	-	-	-	-	454,304	454,304
Other Purposes	-	-	-	-	-	47,277	47,277
Assigned To:							
Contractual Services and Commodities	280,673	-	-	-	-	-	280,673
Unassigned:	<u>20,557,837</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[81,853]</u>	<u>20,475,984</u>
Total Fund Balances	<u>\$ 20,977,655</u>	<u>\$ 3,738,885</u>	<u>\$ 10,825,912</u>	<u>\$ 6,944,664</u>	<u>\$ 8,934,182</u>	<u>\$ 19,451,228</u>	<u>\$ 70,872,526</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Note 5. OTHER INFORMATION (Continued)

G. Tax Abatements

Neighborhood Revitalization Program

The City has established a Neighborhood Revitalization Program (NRP), which provides tax rebates to property owners making improvements that raise the appraised value of residential property by 10% and of commercial property by 20%. The program is intended to promote the revitalization of the City's intensive care, at-risk neighborhoods and downtown by creating an incentive for the rehabilitation, conservation, and redevelopment of these areas. A property tax rebate over 10 years may be given based on the incremental increase in appraised value resulting from improvements made to a property in the targeted areas. In addition rebates are offered up to 95% for 10 years for historic properties and intensive care neighborhoods. The NRP's are authorized under City policy and Kansas statute K.S.A. 12-117. To receive a rebate as part of the NRP, applicants must submit an application, which undergoes due diligence and analysis. Because the rebate is not given until property taxes are paid, there are no provisions for recapturing taxes. The amount of the City's share of rebates issued in 2017 was \$844,360.

Abatements of Other Governments

The City is also subject to tax abatements granted by Shawnee County, Kansas. The agreements have been negotiated under Section 13 of Article 11 of the Kansas Constitution, which specifies that the property for which the exemption is granted will be used for manufacturing articles of commerce, conducting research and development or storing goods or commodities which are sold or traded in interstate commerce. The exemption may be granted for a maximum of ten years. The County's Statement of Policy and Procedure for Tax Exemptions and Incentives for Economic Development by Shawnee County Home Rule Resolution No. HR-2002-9, governs the issuance of tax exemptions within the County and dictates the following procedures: 1. The applicant shall apply for a tax exemption by filing a written application, 2. The County shall then determine whether the requested tax exemption may be lawfully granted and should be granted, 3. The amount of the tax incentive will then be determined in accordance with the policy, and 4. Upon the failure of the business to fully and timely pay the in lieu tax payments, as may be required as a condition of granting of an exemption, or to provide reports or other information requested by the City and reasonably necessary for the implementation of the policy, the City may either deny, revoke, or not renew the authorization of such an exemption. All requests for a tax exemption for economic development purposes shall be considered and acted upon in accordance with the County's Statement of Policy and Procedure for Tax Exemptions and Incentives for Economic Development by Shawnee County Home Rule Resolution No. HR-2002-9. The amount of City taxes abated during 2017 was \$1,881,937.

The City has not made any commitments as part of the agreements other than to reduce taxes.

H. Subsequent Event

In 2016 a trust, independent from the Friends of the Topeka Zoo, Inc. (FOTZ) and the City, was established to account for assets bequeathed to build a garden at the Topeka Zoological Park and to provide funding to operate the garden. As of December 31, 2017, FOTZ has received \$410,760 from the trust for architectural and other fees to begin the plan and design phase of the garden. As the garden project is approaching commencement, three accounts have been established to earmark the trust's funds for specific purposes over the next fifteen years.

It is anticipated that two of the accounts will provide funds to FOTZ to pay for the operational expenses of the garden. These two accounts will be initially funded with \$2,620,000. The third account would be initially funded with \$3,080,000 and it is anticipated these funds would be used to make the annual payment to retire the bonds issued to build the garden itself. The City will be issuing bonds for this project and the payments from this third account will flow through the City to retire the bonds.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF TOPEKA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress – For the Retiree Health Plan
December 31, 2017

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfund AAL (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percent of Payroll (b-a)/(c)
1/1/2009	\$ -	\$ 18,737,527	\$ 18,737,527	0.00%	\$ 66,152,204	28.3%
1/1/2011	-	11,499,605	11,499,605	0.00%	55,905,828	20.6%
1/1/2013	-	11,967,705	11,967,705	0.00%	54,474,144	22.0%
1/1/2015	-	12,874,661	12,874,661	0.00%	59,758,487	21.5%
1/1/2017	-	4,476,397	4,476,397	0.00%	65,614,990	6.8%

CITY OF TOPEKA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
December 31, 2017

Schedule of the City's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*

	Local 12/31/17	Police and Firemen 12/31/17	Local 12/31/16	Police and Firemen 12/31/16	Local 12/31/15	Police and Firemen 12/31/15
Contractually required contribution	\$ 2,513,838	\$ 7,006,729	\$ 2,587,251	\$ 7,572,539	\$ 2,614,051	\$ 7,884,872
Contributions in relation to the contractually required contribution	<u>2,513,838</u>	<u>7,006,729</u>	<u>2,587,251</u>	<u>7,572,539</u>	<u>2,614,051</u>	<u>7,884,872</u>
Contribution deficiency [excess]	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 29,714,446	\$ 36,819,385	\$ 28,183,553	\$ 37,083,948	\$ 27,574,365	\$ 36,914,198
Contributions as a percentage of covered employee payroll	8.46%	19.03%	9.18%	20.42%	9.48%	21.36%

* - Data became available with the inception of GASB 68
during fiscal year 2015, therefore 10 years of data is
unavailable.

Schedule of the City's Contributions
Last Ten Fiscal Years*

	Local 12/31/17	Police and Firemen 12/31/17	Local 12/31/16	Police and Firemen 12/31/16	Local 12/31/15	Police and Firemen 12/31/15
City's proportion of the net pension liability	1.65%	7.43%	1.63%	7.85%	1.66%	8.01%
City's proportionate share of the net pension liability	\$ 23,855,151	\$ 69,704,423	\$ 25,127,903	\$ 72,935,093	\$ 21,732,588	\$ 58,178,917
City's covered employee payroll	\$ 28,183,553	\$ 37,083,948	\$ 27,574,365	\$ 36,914,198	\$ 27,750,977	\$ 36,381,311
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	84.64%	187.96%	91.13%	197.58%	78.31%	159.91%
Plan fiduciary net position as a percentage of the total pension liability	72.15%	70.99%	68.55%	69.30%	71.98%	74.60%

* - The amounts presented for each fiscal year were determined as of 12/31. Data became
available with the inception of GASB 68 during fiscal year 2015, therefore 10 years of
data is unavailable.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

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Nonmajor Governmental Funds

Special Revenue Funds

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

<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 Expense	K.S.A. 75-6110	Provides resources from a property tax levy to pay costs of defending the City and its officers and employees against tort or civil rights claims, and to pay judgments or settlements resulting from such claims.

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Special Revenue Funds (Continued...)

<u>FUND NAME</u>	<u>STATUTORY OR OTHER AUTHORITY</u>		<u>PURPOSE</u>
Transient Guest Tax	K.S.A. 12-1697 Resolution #4045 Charter Ordinance #69	Topeka Topeka	Accounts for revenues received from a transient guest tax imposed on hotel and motel room rentals. Used for promotion of conventions and tourism in Topeka.
Employee Separation	K.S.A. 10-101 to 125 Ordinance #19846	Topeka	Fund setup to make final payments of accrued leave to which any employee is entitled pursuant to the Topeka Municipal code or pertinent labor agreements for City employees separating from City employment, to fund capitalized interest or other cost of issuance on bonds.
Retirement Reserve	Administrative Action Code 3.25.010	City	Provides funding for and absorbs those accrued sick leave, vacation, and other related costs of City employees upon their retirement.
KP & F Equalization	Administrative Action Ordinance #18269 & #18290; Resolution 7487	Topeka	Provides funding for retirement of the KP & F liabilities and a reserve fund for any future 15% excess contribution liabilities.
Neighborhood Revitalization	Administrative Action Ordinance #18222	Topeka	Provides funding for the redevelopment of designated revitalization areas and dilapidated structures.
Historic Asset Tourism	Administrative Action Ordinance #17238	Topeka	Provides funding for acquisition, rehabilitation and preservation of historic landmarks or historic resources located within the City.
1/2 % Sales Tax	City (# 44926)/County (C129-2016) Interlocal Agreement & Approved by Voters on 11-4-2014		Provides funding for economic development and countywide infrastructure development.
Tax Increment Financing Eastgate TIF	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.
Tax Increment Financing Tax College TIF	K.S.A 12-1770A & Topeka Ordinance 18566		This fund was established to monitor the amount of property and sales taxes received for tax increment financing districts created for redevelopment of blighted areas.
Donations and Gifts	Administrative		Established to house donations and gifts for departments in the General Fund.
Governmental and Miscellaneous Grants	Public Law 93-838 Code Chapter 42 Contracts	City Various Grant	Accounts for the receipts and expenditures of proceeds provided by various governmental departments for Community Development Block Grant Programs, various other grants related to health and social service programs, and law enforcement programs. Other grants Included are miscellaneous grants from all sources to provide for things such as community clean up, recreational equipment and public safety.

Nonmajor Capital Projects Fund

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

Developer Project Fund	This fund was established to house the expenditures of projects that are funded by developers of the community.
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CITY OF TOPEKA, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUING)
 December 31, 2017

	Special Revenue Funds			
	Downtown Improvement <u>District</u>	Court Technology <u>Fund</u>	Special Alcohol <u>Program</u>	Alcohol & Drug <u>Safety</u>
ASSETS				
Cash and equity in Treasurer's Fund	\$ 31,742	\$ 274,882	\$ 142,757	\$ 333,133
Receivables (net of allowance for uncollectibles)				
Accounts receivable	37,430	-	-	-
Taxes receivable	-	-	-	-
Interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 69,172</u>	<u>\$ 274,882</u>	<u>\$ 142,757</u>	<u>\$ 333,133</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ 2,399	\$ -	\$ 23,925	\$ -
Salaries and wages payable	-	-	-	2,154
Due to other funds	-	-	-	92
Due to others	-	-	-	275
Total liabilities	<u>2,399</u>	<u>-</u>	<u>23,925</u>	<u>2,521</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Restricted	-	-	118,832	330,612
Committed	66,773	274,882	-	-
Unassigned [deficit]	-	-	-	-
Total fund balance [deficit]	<u>66,773</u>	<u>274,882</u>	<u>118,832</u>	<u>330,612</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 69,172</u>	<u>\$ 274,882</u>	<u>\$ 142,757</u>	<u>\$ 333,133</u>

See independent auditor's report on the financial statements.

Special Revenue Funds					
<u>Park Land Acquisition</u>	<u>Law Enforcement</u>	<u>Special Liability Expense</u>	<u>Transient Guest Tax</u>	<u>Employee Separation</u>	<u>Retirement Reserve</u>
\$ 6,705	\$ 1,851,108	\$ 2,103,294	\$ 468,159	\$ -	\$ 2,257,668
-	13,776	-	-	-	-
-	-	913,737	-	-	-
-	-	-	-	-	7,252
-	-	-	-	-	72,630
-	-	-	686,562	-	-
<u>\$ 6,705</u>	<u>\$ 1,864,884</u>	<u>\$ 3,017,031</u>	<u>\$ 1,154,721</u>	<u>\$ -</u>	<u>\$ 2,337,550</u>
\$ -	\$ 23,167	\$ 16,323	\$ 532,142	\$ -	\$ 37,546
-	-	9,951	-	-	-
-	-	1,420	49,040	-	1,003
-	-	-	-	-	-
-	23,167	27,694	581,182	-	38,549
-	-	913,737	-	-	-
-	-	-	-	-	-
-	-	913,737	-	-	-
-	1,841,717	2,075,600	573,539	-	2,299,001
6,705	-	-	-	-	-
-	-	-	-	-	-
<u>6,705</u>	<u>1,841,717</u>	<u>2,075,600</u>	<u>573,539</u>	<u>-</u>	<u>2,299,001</u>
<u>\$ 6,705</u>	<u>\$ 1,864,884</u>	<u>\$ 3,017,031</u>	<u>\$ 1,154,721</u>	<u>\$ -</u>	<u>\$ 2,337,550</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

COMBINING BALANCE SHEET-CONTINUED
NONMAJOR GOVERNMENTAL FUNDS (Continued)
December 31, 2017

	Special Revenue Funds			
	KP&F <u>Equalization</u>	Neighborhood <u>Revitalization</u>	Historic <u>Asset Tourism</u>	1/2% Sales <u>Tax</u>
ASSETS				
Cash and equity in Treasurer's Fund	\$ 422,073	\$ 387,531	\$ 40,572	\$ 11,265,012
Receivables (net of allowance for uncollectibles)				
Accounts receivable	1,356	-	-	-
Taxes receivable	-	-	-	1,642,799
Interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	450,005
Total assets	<u>\$ 423,429</u>	<u>\$ 387,531</u>	<u>\$ 40,572</u>	<u>\$ 13,357,816</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ 2,298,583
Salaries and wages payable	-	-	-	-
Due to other funds	-	-	-	-
Due to others	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,298,583</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Restricted	-	-	-	11,059,233
Committed	423,429	387,531	40,572	-
Unassigned [deficit]	-	-	-	-
Total fund balance [deficit]	<u>423,429</u>	<u>387,531</u>	<u>40,572</u>	<u>11,059,233</u>
Total liabilities and fund balances	<u>\$ 423,429</u>	<u>\$ 387,531</u>	<u>\$ 40,572</u>	<u>\$ 13,357,816</u>

See independent auditor's report on the financial statements.

Special Revenue Funds				Project Fund	
Tax Increment Financing	TIF College	Donations & Gifts	Governmental & Miscellaneous Grants	Developer Projects	Totals
\$ -	\$ -	\$ 37,155	\$ -	\$ 154,300	\$ 19,776,091
-	-	-	138,661	-	191,223
-	-	-	-	-	2,556,536
-	-	-	-	-	7,252
-	-	-	-	-	72,630
-	-	-	101,545	-	1,238,112
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,155</u>	<u>\$ 240,206</u>	<u>\$ 154,300</u>	<u>\$ 23,841,844</u>
\$ -	\$ -	\$ 2,500	\$ 192,596	\$ 179,691	\$ 3,308,872
-	-	-	-	-	12,105
-	-	-	104,072	-	155,627
-	-	-	-	-	275
-	-	2,500	296,668	179,691	3,476,879
-	-	-	-	-	913,737
-	-	-	-	-	-
-	-	-	-	-	913,737
-	-	34,655	-	-	18,333,189
-	-	-	-	-	1,199,892
-	-	-	[56,462]	[25,391]	[81,853]
-	-	34,655	[56,462]	[25,391]	19,451,228
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,155</u>	<u>\$ 240,206</u>	<u>\$ 154,300</u>	<u>\$ 23,841,844</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUING)
For the Year Ended December 31, 2017

	Special Revenue Funds			
	Downtown Improvement District	Court Technology Fund	Special Alcohol Program	Alcohol & Drug Safety
Revenues				
Taxes and assessments	\$ 218,063	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	539,990	-
Fees for services	-	-	-	-
Fines and forfeitures	-	53,731	-	41,385
Interest from investments	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>218,063</u>	<u>53,731</u>	<u>539,990</u>	<u>41,385</u>
Expenditures				
Current				
General government	208,346	7,490	-	68,051
Public safety	-	-	-	-
Public works	-	-	-	-
Public works - planning	-	-	-	-
Parks and recreation	-	-	-	-
Economic development	-	-	-	-
Housing & neighborhood development	-	-	-	-
Social services	-	-	538,902	-
Construction	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>208,346</u>	<u>7,490</u>	<u>538,902</u>	<u>68,051</u>
Excess [deficiency] of revenues over [under] expenditures	<u>9,717</u>	<u>46,241</u>	<u>1,088</u>	<u>[26,666]</u>
Other financing sources [uses]				
Transfers in	-	-	-	-
Transfers [out]	-	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>9,717</u>	<u>46,241</u>	<u>1,088</u>	<u>[26,666]</u>
Fund balance, beginning of year	58,415	228,641	117,744	357,278
Prior period adjustment	<u>[1,359]</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year, restated	<u>57,056</u>	<u>228,641</u>	<u>117,744</u>	<u>357,278</u>
Fund balance, end of year	<u>\$ 66,773</u>	<u>\$ 274,882</u>	<u>\$ 118,832</u>	<u>\$ 330,612</u>

See independent auditor's report on the financial statements.

Special Revenue Funds					
<u>Park Land Acquisition</u>	<u>Law Enforcement</u>	<u>Special Liability Expense</u>	<u>Transient Guest Tax</u>	<u>Employee Separation</u>	<u>Retirement Reserve</u>
\$ -	\$ -	\$ 883,500	\$ 2,668,430	\$ -	\$ -
16,880	16,500	-	-	-	-
-	5,399	-	-	-	-
-	-	-	-	-	1,765,180
-	166,039	-	-	-	-
-	19,016	-	-	-	17,498
-	139,635	11,838	-	-	-
<u>16,880</u>	<u>346,589</u>	<u>895,338</u>	<u>2,668,430</u>	<u>-</u>	<u>1,782,678</u>
-	-	857,467	2,654,445	-	1,673,540
-	390,062	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
21,155	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>21,155</u>	<u>390,062</u>	<u>857,467</u>	<u>2,654,445</u>	<u>-</u>	<u>1,673,540</u>
<u>[4,275]</u>	<u>[43,473]</u>	<u>37,871</u>	<u>13,985</u>	<u>-</u>	<u>109,138</u>
-	-	-	-	-	-
-	-	-	[186,163]	-	[250,000]
-	-	-	[186,163]	-	[250,000]
<u>[4,275]</u>	<u>[43,473]</u>	<u>37,871</u>	<u>[172,178]</u>	<u>-</u>	<u>[140,862]</u>
10,980	1,885,190	2,037,729	745,717	-	2,439,863
-	-	-	-	-	-
<u>10,980</u>	<u>1,885,190</u>	<u>2,037,729</u>	<u>745,717</u>	<u>-</u>	<u>2,439,863</u>
<u>\$ 6,705</u>	<u>\$ 1,841,717</u>	<u>\$ 2,075,600</u>	<u>\$ 573,539</u>	<u>\$ -</u>	<u>\$ 2,299,001</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 For the Year Ended December 31, 2017

	Special Revenue Funds			
	KP&F <u>Equalization</u>	Neighborhood <u>Revitalization</u>	Historic <u>Asset Tourism</u>	1/2% Sales <u>Tax</u>
Revenues				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 19,295,472
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	4,539,155
Fees for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest from investments	551	-	-	-
Miscellaneous	-	34,695	24,200	-
Total Revenues	<u>551</u>	<u>34,695</u>	<u>24,200</u>	<u>23,834,627</u>
Expenditures				
Current				
General government	-	-	8,141	-
Public safety	272,176	-	-	-
Public works	-	-	-	3,770,862
Public works - planning	-	-	-	-
Parks and recreation	-	-	-	-
Economic development	-	-	-	9,004,532
Housing & neighborhood development	-	3,166	-	-
Social services	-	-	-	-
Construction	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>272,176</u>	<u>3,166</u>	<u>8,141</u>	<u>12,775,394</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[271,625]</u>	<u>31,529</u>	<u>16,059</u>	<u>11,059,233</u>
Other financing sources [uses]				
Transfers in	-	-	-	-
Transfers [out]	-	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>[271,625]</u>	<u>31,529</u>	<u>16,059</u>	<u>11,059,233</u>
Fund balance, beginning of year	695,054	356,002	24,513	-
Prior period adjustment	-	-	-	-
Fund balance, beginning of year, restated	<u>695,054</u>	<u>356,002</u>	<u>24,513</u>	<u>-</u>
Fund balance, end of year	<u>\$ 423,429</u>	<u>\$ 387,531</u>	<u>\$ 40,572</u>	<u>\$ 11,059,233</u>

See independent auditor's report on the financial statements.

Special Revenue Funds				Project Fund	
Tax Increment Financing	TIF College	Donations & Gifts	Governmental & Miscellaneous Grants	Developer Projects	Totals
\$ -	\$ 207,950	\$ -	\$ -	\$ -	\$ 23,273,415
-	-	-	-	-	33,380
-	-	-	3,589,559	-	8,674,103
-	-	-	-	-	1,765,180
-	-	-	-	-	261,155
-	-	-	-	-	37,065
-	-	65,238	505,158	215,140	995,904
-	207,950	65,238	4,094,717	215,140	35,040,202
-	-	-	-	-	5,477,480
-	-	-	300,787	-	963,025
-	-	-	-	-	3,770,862
-	-	-	309,592	-	309,592
-	-	125,714	-	-	146,869
-	-	-	-	-	9,004,532
-	-	-	3,949,401	-	3,952,567
-	-	-	-	-	538,902
-	-	-	-	252,603	252,603
-	-	-	-	-	-
-	-	-	-	-	-
-	-	125,714	4,559,780	252,603	24,416,432
-	207,950	[60,476]	[465,063]	[37,463]	10,623,770
-	18	-	-	-	18
[18]	[207,950]	-	-	-	[644,131]
[18]	[207,932]	-	-	-	[644,113]
[18]	18	[60,476]	[465,063]	[37,463]	9,979,657
18	[18]	95,131	315,246	12,072	9,379,575
-	-	-	93,355	-	91,996
18	[18]	95,131	408,601	12,072	9,471,571
\$ -	\$ -	\$ 34,655	\$ [56,462]	\$ [25,391]	\$ 19,451,228

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
DOWNTOWN IMPROVEMENT DISTRICT FUND
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes and assessments	\$ 218,063	\$ 174,326	\$ 174,326	\$ 43,737
Miscellaneous	<u>-</u>	<u>9,174</u>	<u>9,174</u>	<u>[9,174]</u>
Total revenues	<u>218,063</u>	<u>183,500</u>	<u>183,500</u>	<u>34,563</u>
Expenditures				
General government	<u>208,346</u>	<u>183,500</u>	<u>183,500</u>	<u>[24,846]</u>
Total expenditures	<u>208,346</u>	<u>183,500</u>	<u>183,500</u>	<u>[24,846]</u>
Excess [deficiency] of revenues over [under] expenditures	<u>9,717</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,717</u>
Budgetary fund balance, January 1	58,415			
Prior period adjustment	<u>[1,359]</u>			
Budgetary fund balance, January 1, restated	<u>57,056</u>			
Budgetary fund balance, December 31	66,773			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 66,773</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
COURT TECHNOLOGY FUND
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Fines and forfeitures	\$ 53,731	\$ 52,785	\$ 52,785	\$ 946
Total revenues	<u>53,731</u>	<u>52,785</u>	<u>52,785</u>	<u>946</u>
Expenditures				
General government	7,490	45,000	45,000	37,510
Other	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total expenditures	<u>7,490</u>	<u>65,000</u>	<u>65,000</u>	<u>57,510</u>
Excess [deficiency] of revenues over [under] expenditures	46,241	<u>\$ [12,215]</u>	<u>\$ [12,215]</u>	<u>\$ 58,456</u>
Budgetary fund balance, January 1	<u>228,641</u>			
Budgetary fund balance, December 31	274,882			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 274,882</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
SPECIAL ALCOHOL PROGRAM FUND
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	<u>[Negative]</u>
Revenues				
Intergovernmental	\$ 539,990	\$ 520,794	\$ 520,794	\$ 19,196
Total revenues	<u>539,990</u>	<u>520,794</u>	<u>520,794</u>	<u>19,196</u>
Expenditures				
Social services	<u>538,902</u>	<u>620,000</u>	<u>620,000</u>	<u>81,098</u>
Total expenditures	<u>538,902</u>	<u>620,000</u>	<u>620,000</u>	<u>81,098</u>
Excess [deficiency] of revenues over [under] expenditures	1,088	\$ <u>[99,206]</u>	\$ <u>[99,206]</u>	\$ <u>100,294</u>
Budgetary fund balance, January 1	<u>117,744</u>			
Budgetary fund balance, December 31	118,832			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 118,832</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
ALCOHOL AND DRUG SAFETY FUND
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Fines and forfeitures	\$ 41,385	\$ 74,800	\$ 74,800	\$ [33,415]
Total revenues	<u>41,385</u>	<u>74,800</u>	<u>74,800</u>	<u>[33,415]</u>
Expenditures				
General government	<u>68,051</u>	<u>106,746</u>	<u>106,746</u>	<u>38,695</u>
Total expenditures	<u>68,051</u>	<u>106,746</u>	<u>106,746</u>	<u>38,695</u>
Excess [deficiency] of revenues over [under] expenditures	[26,666]	<u>\$ [31,946]</u>	<u>\$ [31,946]</u>	<u>\$ 5,280</u>
Budgetary fund balance, January 1	<u>357,278</u>			
Budgetary fund balance, December 31	330,612			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 330,612</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

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

LAW ENFORCEMENT FUND

For the Year Ended December 31, 2017

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 5,399	\$ 50,000	\$ 50,000	\$ [44,601]
Fines and forfeitures	166,039	205,000	205,000	[38,961]
Licenses and permits	16,500	15,000	15,000	1,500
Interest	19,016	-	-	19,016
Miscellaneous	<u>139,635</u>	<u>45,000</u>	<u>45,000</u>	<u>94,635</u>
Total revenues	<u>346,589</u>	<u>315,000</u>	<u>315,000</u>	<u>31,589</u>
Expenditures				
Public safety	390,062	550,000	550,000	159,938
Other	<u>-</u>	<u>140,921</u>	<u>140,921</u>	<u>140,921</u>
Total expenditures	<u>390,062</u>	<u>690,921</u>	<u>690,921</u>	<u>300,859</u>
Excess [deficiency] of revenues over [under] expenditures	[43,473]	<u>\$ [375,921]</u>	<u>\$ [375,921]</u>	<u>\$ 332,448</u>
Budgetary fund balance, January 1	<u>1,885,190</u>			
Budgetary fund balance, December 31	1,841,717			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 1,841,717</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
SPECIAL LIABILITY EXPENSE FUND
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes and assessments	\$ 883,500	\$ 899,713	\$ 899,713	\$ [16,213]
Miscellaneous	<u>11,838</u>	<u>2,000</u>	<u>2,000</u>	<u>9,838</u>
Total revenues	<u>895,338</u>	<u>901,713</u>	<u>901,713</u>	<u>[6,375]</u>
Expenditures				
General government	<u>851,732</u>	<u>1,956,507</u>	<u>1,956,507</u>	<u>1,104,775</u>
Total expenditures	<u>851,732</u>	<u>1,956,507</u>	<u>1,956,507</u>	<u>1,104,775</u>
Excess [deficiency] of revenues over [under] expenditures	43,606	<u>\$ [1,054,794]</u>	<u>\$ [1,054,794]</u>	<u>\$ 1,098,400</u>
Budgetary fund balance, January 1	<u>2,031,994</u>			
Budgetary fund balance, December 31	2,075,600			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 2,075,600</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
TRANSIENT GUEST TAX FUND
For the Year Ended December 31, 2017

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues				
Taxes and assessments	\$ 2,668,430	\$ 2,648,738	\$ 2,648,738	\$ 19,692
Other	-	132,386	132,386	[132,386]
Total revenues	<u>2,668,430</u>	<u>2,781,124</u>	<u>2,781,124</u>	<u>[112,694]</u>
Expenditures				
General government	2,654,445	1,718,861	2,130,000	[524,445]
Grants Other Agencies	-	372,535	670,000	670,000
Contingency	-	132,389	-	-
Total expenditures	<u>2,654,445</u>	<u>2,223,785</u>	<u>2,800,000</u>	<u>145,555</u>
Excess [deficiency] of revenues over [under] expenditures	<u>13,985</u>	<u>557,339</u>	<u>[18,876]</u>	<u>32,861</u>
Other financing sources [uses]				
Transfers [out]	<u>[186,163]</u>	<u>[557,339]</u>	<u>[484,523]</u>	<u>298,360</u>
Total other financing sources [uses]	<u>[186,163]</u>	<u>[557,339]</u>	<u>[484,523]</u>	<u>298,360</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[172,178]</u>	<u>\$ -</u>	<u>\$ [503,399]</u>	<u>\$ 331,221</u>
Budgetary fund balance, January 1	<u>745,717</u>			
Budgetary fund balance, December 31	573,539			
Reconciliation to GAAP				
Encumbrances	-			
GAAP Fund Balance, December 31	<u>\$ 573,539</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
EMPLOYEE SEPARATION FUND
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	<u>[Negative]</u>
Revenues				
Interest from investments	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
General government	-	1,000,000	1,000,000	1,000,000
Total expenditures	-	1,000,000	1,000,000	1,000,000
Excess [deficiency] of revenues over [under] expenditures	-	[1,000,000]	[1,000,000]	1,000,000
Other financing sources [uses]				
Transfers in	-	-	-	-
Total other financing sources [uses]	-	-	-	-
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	-	\$ [1,000,000]	\$ [1,000,000]	\$ 1,000,000
Budgetary fund balance, January 1	-			
Budgetary fund balance, December 31	-			
Reconciliation to GAAP				
Encumbrances	-			
GAAP Fund Balance, December 31	\$ -			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
RETIREMENT RESERVE FUND
For the Year Ended December 31, 2017

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues				
Fees for service	\$ 1,765,180	\$ 1,667,522	\$ 1,667,522	\$ 97,658
Interest from investments	17,498	-	-	17,498
Total revenues	<u>1,782,678</u>	<u>1,667,522</u>	<u>1,667,522</u>	<u>115,156</u>
Expenditures				
General government	<u>1,673,540</u>	<u>2,024,623</u>	<u>2,024,623</u>	<u>351,083</u>
Total expenditures	<u>1,673,540</u>	<u>2,024,623</u>	<u>2,024,623</u>	<u>351,083</u>
Excess [deficiency] of revenues over [under] expenditures	<u>109,138</u>	<u>[357,101]</u>	<u>[357,101]</u>	<u>466,239</u>
Other financing sources [uses]				
Transfer [out]	<u>[250,000]</u>	<u>[1,449,848]</u>	<u>[1,449,848]</u>	<u>1,199,848</u>
Total other financing sources [uses]	<u>[250,000]</u>	<u>[1,449,848]</u>	<u>[1,449,848]</u>	<u>1,199,848</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[140,862]</u>	<u>\$ [1,806,949]</u>	<u>\$ [1,806,949]</u>	<u>\$ 1,666,087</u>
Budgetary fund balance, January 1	<u>2,439,863</u>			
Budgetary fund balance, December 31	2,299,001			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 2,299,001</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
KP&F EQUALIZATION FUND
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Interest from investments	\$ 551	\$ -	\$ -	\$ 551
Total revenues	<u>551</u>	<u>-</u>	<u>-</u>	<u>551</u>
Expenditures				
Public safety	<u>272,176</u>	<u>300,000</u>	<u>300,000</u>	<u>27,824</u>
Total expenditures	<u>272,176</u>	<u>300,000</u>	<u>300,000</u>	<u>27,824</u>
Excess [deficiency] of revenues over [under] expenditures	[271,625]	<u>\$ [300,000]</u>	<u>\$ [300,000]</u>	<u>\$ 28,375</u>
Budgetary fund balance, January 1	<u>695,054</u>			
Budgetary fund balance, December 31	423,429			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 423,429</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
NEIGHBORHOOD REVITALIZATION FUND
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Miscellaneous	\$ 34,695	\$ 35,000	\$ 35,000	\$ [305]
Total revenues	<u>34,695</u>	<u>35,000</u>	<u>35,000</u>	<u>[305]</u>
Expenditures				
General government	-	150,000	150,000	150,000
Housing & neighborhood development	<u>3,166</u>	<u>247,882</u>	<u>247,882</u>	<u>244,716</u>
Total expenditures	<u>3,166</u>	<u>397,882</u>	<u>397,882</u>	<u>394,716</u>
Excess [deficiency] of revenues over [under] expenditures	31,529	<u>\$ [362,882]</u>	<u>\$ [362,882]</u>	<u>\$ 394,411</u>
Budgetary fund balance, January 1	<u>356,002</u>			
Budgetary fund balance, December 31	387,531			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 387,531</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
HISTORIC ASSET TOURISM FUND
For the Year Ended December 31, 2017

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	<u>[Negative]</u>
Revenues				
Miscellaneous	\$ 24,200	\$ -	\$ -	\$ 24,200
Total revenues	<u>24,200</u>	<u>-</u>	<u>-</u>	<u>24,200</u>
Expenditures				
General government	8,141	-	-	[8,141]
Other	<u>-</u>	<u>113,914</u>	<u>113,914</u>	<u>113,914</u>
Total expenditures	<u>8,141</u>	<u>113,914</u>	<u>113,914</u>	<u>105,773</u>
Excess [deficiency] of revenues over [under] expenditures	<u>16,059</u>	<u>[113,914]</u>	<u>[113,914]</u>	<u>129,973</u>
Other financing sources [uses]				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	16,059	<u>\$ [113,914]</u>	<u>\$ [113,914]</u>	<u>\$ 129,973</u>
Budgetary fund balance, January 1	<u>24,513</u>			
Budgetary fund balance, December 31	40,572			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 40,572</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

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

1/2% SALES TAX FUND

For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	<u>[Negative]</u>
Revenues				
Taxes and assessments	\$ 19,295,472	\$ 13,232,478	\$ 13,232,478	\$ 6,062,994
Intergovernmental	4,539,155	-	-	4,539,155
Miscellaneous	-	661,624	661,624	[661,624]
Total revenues	<u>23,834,627</u>	<u>13,894,102</u>	<u>13,894,102</u>	<u>9,940,525</u>
Expenditures				
Public works	3,770,862	23,232,478	23,232,478	19,461,616
Economic development	9,004,532	-	-	[9,004,532]
Miscellaneous	-	661,624	661,624	661,624
Total expenditures	<u>12,775,394</u>	<u>23,894,102</u>	<u>23,894,102</u>	<u>11,118,708</u>
Excess [deficiency] of revenues over [under] expenditures	11,059,233	<u>\$ [10,000,000]</u>	<u>\$ [10,000,000]</u>	<u>\$ 21,059,233</u>
Budgetary fund balance, January 1	-			
Budgetary fund balance, December 31	11,059,233			
Reconciliation to GAAP				
Encumbrances	-			
GAAP Fund Balance, December 31	<u>\$ 11,059,233</u>			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
TAX INCREMENT FINANCING FUND
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	<u>[Negative]</u>
Revenues				
Taxes and assessments	\$ -	\$ 190,000	\$ 250,000	\$ [250,000]
Total revenues	-	190,000	250,000	[250,000]
Expenditures				
Construction	-	190,000	250,000	250,000
Total expenditures	-	190,000	250,000	250,000
Excess [deficiency] of revenues over [under] expenditures	-	-	-	-
Other financing sources [uses]				
Transfers [out]	[18]	-	-	[18]
Total other financing sources [uses]	[18]	-	-	[18]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[18]	\$ -	\$ -	\$ [18]
Budgetary fund balance, January 1	18			
Budgetary fund balance, December 31	-			
Reconciliation to GAAP				
Encumbrances	-			
GAAP Fund Balance, December 31	\$ -			

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

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

For the Year Ended December 31, 2017

		<u>Budgeted Amounts</u>		Variance with
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes	\$ 16,390,505	\$ 16,997,022	\$ 16,997,022	\$ [606,517]
Special assessments with debt commitments	3,135,948	2,711,759	2,711,759	424,189
Intergovernmental	178,081	493,702	493,702	[315,621]
Interest from investments	<u>233,793</u>	<u>127,513</u>	<u>127,513</u>	<u>106,280</u>
Total revenues	<u>19,938,327</u>	<u>20,329,996</u>	<u>20,329,996</u>	<u>[391,669]</u>
Expenditures				
Debt Service:				
Principal	13,641,306	13,696,503	13,696,503	55,197
Interest and fiscal costs	5,407,830	5,973,733	5,973,733	565,903
Contingency	<u>-</u>	<u>1,323,889</u>	<u>1,323,889</u>	<u>1,323,889</u>
Total expenditures	<u>19,049,136</u>	<u>20,994,125</u>	<u>20,994,125</u>	<u>1,944,989</u>
Excess [deficiency] of revenues over [under] expenditures	<u>889,191</u>	<u>[664,129]</u>	<u>[664,129]</u>	<u>1,553,320</u>
Other financing sources [uses]				
Issuance of debt	11,510,000	-	-	11,510,000
Issuance of debt premium	639,917	-	-	639,917
Refunding bonds paid	[11,885,000]	-	-	[11,885,000]
Transfers [out]	[349,505]	-	-	[349,505]
Transfers in	<u>457,950</u>	<u>-</u>	<u>-</u>	<u>457,950</u>
Total other financing sources [uses]	<u>373,362</u>	<u>-</u>	<u>-</u>	<u>373,362</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	1,262,553	<u>\$ [664,129]</u>	<u>\$ [664,129]</u>	<u>\$ 1,926,682</u>
Budgetary fund balance, January 1	<u>5,682,111</u>			
Budgetary fund balance, December 31	6,944,664			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 6,944,664</u>			

See independent auditor's report on the financial statements.

INTERNAL SERVICE FUNDS

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

<u>FUND NAME</u>	<u>STATUTORY AUTHORITY</u>	<u>PURPOSE</u>
Information Technology	Topeka City Code Section 3.25.020	Accounts for assets, liabilities, revenues, and expenses in the operation of the Information Technology Department.
Fleet Services	Topeka Ordinance #15665	Accounts for the assets, liabilities, revenues, and expenses of fleet services for Public Works Department vehicles and also for other City departments' vehicles as needed.
Facility Operations	Topeka City Code Section 3.25.020	Accounts for assets, liabilities, revenues and expenses for maintaining municipal buildings and infrastructure.
Risk Managements, includes the following areas:		
Workers' Compensation	K.S.A. 12-2615	Administered by the Risk Management Division of the Human Resource Department, provides accountability for expenditures and revenues for workers compensation claims.
Property 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.
Group 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 Human Resource Department, provides moneys to reimburse the City from insurable losses not otherwise insured.
Unemployment Compensation	Administrative	Administered by the Risk Management Division of the Human Resource 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, 2017

	Information Technology	Fleet Services	Facility Operations	Combined Risk Management	Total Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current assets:					
Cash and equity in Treasurer's Fund	\$ 1,318,727	\$ 1,958,846	\$ 339,286	\$ 12,839,359	\$ 16,456,218
Receivables, net					
Accounts	-	532	241,269	81,358	323,159
Inventory	-	152,866	-	-	152,866
Due from others	-	-	-	485,737	485,737
Total current assets	<u>1,318,727</u>	<u>2,112,244</u>	<u>580,555</u>	<u>13,406,454</u>	<u>17,417,980</u>
Noncurrent assets:					
Capital assets					
Being depreciated, net of depreciation	-	226,355	5,614	-	231,969
Total noncurrent assets	<u>-</u>	<u>226,355</u>	<u>5,614</u>	<u>-</u>	<u>231,969</u>
Total assets	<u>1,318,727</u>	<u>2,338,599</u>	<u>586,169</u>	<u>13,406,454</u>	<u>17,649,949</u>
Deferred outflows of resources:					
Pension - contributions subsequent to the measurement date	109,110	147,619	109,109	-	365,838
Pension - difference between expected and actual experience	61,726	83,511	61,726	-	206,963
Pension - net difference between projected and actual					
Earnings on pension plan investments	56,733	76,757	56,733	-	190,223
Pension - changes in assumptions	105,141	142,249	105,141	-	352,531
Pension - changes in proportion	9,016	12,198	9,016	-	30,230
Total deferred outflows of resources	<u>341,726</u>	<u>462,334</u>	<u>341,725</u>	<u>-</u>	<u>1,145,785</u>
Total assets and deferred outflows of resources	<u>\$ 1,660,453</u>	<u>\$ 2,800,933</u>	<u>\$ 927,894</u>	<u>\$ 13,406,454</u>	<u>\$ 18,795,734</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:					
Current liabilities (payable from current assets):					
Accounts payable	\$ 118,457	\$ 86,819	\$ 136,922	\$ 63,811	\$ 406,009
Accrued payroll and benefits	58,536	58,438	37,832	3,349	158,155
Due to others	7,144	10,943	6,989	-	25,076
Self-insurance claims	-	-	-	4,429,790	4,429,790
Compensated absences and other benefits	80,293	68,678	22,362	3,276	174,609
Total current liabilities (payable from current assets)	<u>264,430</u>	<u>224,878</u>	<u>204,105</u>	<u>4,500,226</u>	<u>5,193,639</u>
Noncurrent liabilities:					
Net pension liability	1,583,695	2,142,646	1,583,695	-	5,310,036
Compensated absences and other benefits	116,936	168,910	112,345	1,685	399,876
Total noncurrent liabilities	<u>1,700,631</u>	<u>2,311,556</u>	<u>1,696,040</u>	<u>1,685</u>	<u>5,709,912</u>
Total liabilities	<u>1,965,061</u>	<u>2,536,434</u>	<u>1,900,145</u>	<u>4,501,911</u>	<u>10,903,551</u>
Deferred Inflows of Resources					
Pension - difference between expected and actual experience	21,085	28,527	21,085	-	70,697
Pension - changes of assumptions	8,047	10,887	8,047	-	26,981
Pension - change in proportion	69,614	94,184	69,614	-	233,412
Total deferred inflows of resources	<u>98,746</u>	<u>133,598</u>	<u>98,746</u>	<u>-</u>	<u>331,090</u>
Total liabilities and deferred inflows of resources	<u>\$ 2,063,807</u>	<u>\$ 2,670,032</u>	<u>\$ 1,998,891</u>	<u>\$ 4,501,911</u>	<u>\$ 11,234,641</u>
Net Position					
Net investment in capital assets	\$ -	\$ 226,355	\$ 5,614	\$ -	\$ 231,969
Unrestricted	<u>[403,354]</u>	<u>[95,454]</u>	<u>[1,076,611]</u>	<u>8,904,543</u>	<u>7,329,124</u>
Total net position	<u>\$ [403,354]</u>	<u>\$ 130,901</u>	<u>\$ [1,070,997]</u>	<u>\$ 8,904,543</u>	<u>\$ 7,561,093</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUND
 For the Year Ended December 31, 2017

	Information Technology	Fleet Services	Facility Operations	Combined Risk Management	Total Internal Service Funds
Operating revenues					
Charges for services	\$ 3,806,906	\$ 1,980,082	\$ 1,832,845	\$ 14,973,099	\$ 22,592,932
Other	34,043	8,827	1,592	28,200	72,662
Total operating revenues	<u>3,840,949</u>	<u>1,988,909</u>	<u>1,834,437</u>	<u>15,001,299</u>	<u>22,665,594</u>
Operating expenses					
Personnel services	1,759,131	1,445,256	893,326	118,592	4,216,305
Contractual services	2,135,529	281,266	596,441	3,970,941	6,984,177
Supplies	146,646	74,236	118,138	802	339,822
Depreciation and amortization	-	71,269	3,546	-	74,815
Insurance claims	-	-	-	8,568,647	8,568,647
Total operating expenses	<u>4,041,306</u>	<u>1,872,027</u>	<u>1,611,451</u>	<u>12,658,982</u>	<u>20,183,766</u>
Operating income [loss]	<u>[200,357]</u>	<u>116,882</u>	<u>222,986</u>	<u>2,342,317</u>	<u>2,481,828</u>
Nonoperating revenues [expenses]					
Interest income	-	-	-	110,656	110,656
Gain/[loss] on sale of capital assets	-	3,346	1,340	-	4,686
Total nonoperating revenues [expenses]	<u>-</u>	<u>3,346</u>	<u>1,340</u>	<u>110,656</u>	<u>115,342</u>
Income [loss] before transfers	<u>[200,357]</u>	<u>120,228</u>	<u>224,326</u>	<u>2,452,973</u>	<u>2,597,170</u>
Transfers from [to] other funds					
Transfers in	-	-	-	-	-
Transfers [out]	<u>[290,000]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[290,000]</u>
Total transfers	<u>[290,000]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[290,000]</u>
Change in net position	<u>[490,357]</u>	<u>120,228</u>	<u>224,326</u>	<u>2,452,973</u>	<u>2,307,170</u>
Net position, January 1	87,003	10,673	[1,295,323]	6,413,367	5,215,720
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,203</u>	<u>38,203</u>
Net position, January 1, restated	<u>87,003</u>	<u>10,673</u>	<u>[1,295,323]</u>	<u>6,451,570</u>	<u>5,253,923</u>
Net position, December 31	<u>\$ [403,354]</u>	<u>\$ 130,901</u>	<u>\$ [1,070,997]</u>	<u>\$ 8,904,543</u>	<u>\$ 7,561,093</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2017

	Information Technology	Fleet Services	Facility Operations	Combined Risk Management	Total Internal Service Funds
Cash flows from operating activities					
Receipts from customers and users	\$ 3,806,906	\$ 1,979,550	\$ 1,600,381	\$ 15,015,442	\$ 22,402,279
Payments to suppliers and providers	[2,222,813]	[411,894]	[698,713]	[9,301,855]	[12,635,275]
Payments to employees	[1,566,534]	[1,416,980]	[878,247]	[2,835,613]	[6,697,374]
Other receipts	34,043	8,827	1,592	28,200	72,662
Net cash provided by [used in] operating activities	<u>51,602</u>	<u>159,503</u>	<u>25,013</u>	<u>2,906,174</u>	<u>3,142,292</u>
Cash flows from noncapital financing activities					
Transfer in/[out]	<u>[290,000]</u>	-	-	-	<u>[290,000]</u>
Net cash flows from noncapital financing activities	<u>[290,000]</u>	-	-	-	<u>[290,000]</u>
Cash flows from capital and related financing activities					
Purchase of capital assets	-	[34,359]	-	-	[34,359]
Proceeds from sale of capital assets	-	3,346	1,340	-	4,686
Net cash provided by [used in] capital and related financing activities	<u>-</u>	<u>[31,013]</u>	<u>1,340</u>	<u>-</u>	<u>[29,673]</u>
Cash flows from investing activities					
Interest received	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,656</u>	<u>110,656</u>
Net increase [decrease] in cash and cash equivalents	<u>[238,398]</u>	<u>128,490</u>	<u>26,353</u>	<u>3,016,830</u>	<u>2,933,275</u>
Cash and cash equivalents, January 1	<u>1,557,125</u>	<u>1,830,356</u>	<u>312,933</u>	<u>9,822,529</u>	<u>13,522,943</u>
Cash and cash equivalents, December 31	<u>\$ 1,318,727</u>	<u>\$ 1,958,846</u>	<u>\$ 339,286</u>	<u>\$ 12,839,359</u>	<u>\$ 16,456,218</u>
Cash and equivalents reported on the statement of net position					
Cash and equity in Treasurer's Fund	<u>\$ 1,318,727</u>	<u>\$ 1,958,846</u>	<u>\$ 339,286</u>	<u>\$ 12,839,359</u>	<u>\$ 16,456,218</u>
Total	<u>\$ 1,318,727</u>	<u>\$ 1,958,846</u>	<u>\$ 339,286</u>	<u>\$ 12,839,359</u>	<u>\$ 16,456,218</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (Continued)
For the Year Ended December 31, 2017

	Information Technology	Fleet Services	Facility Operations	Combined Risk Management	Total Internal Service Funds
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities					
Operating income [loss]	\$ [200,357]	\$ 116,882	\$ 222,986	\$ 2,342,317	\$ 2,481,828
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities					
Depreciation	-	71,269	3,546	-	74,815
[Increase] decrease in accounts receivable	-	[532]	[232,464]	[34,090]	[267,086]
[Increase] decrease in due from other funds	-	-	-	76,243	76,243
Increase [decrease] in due to other funds	293	[7,299]	[923]	-	[7,929]
[Increase] decrease in inventory	-	[6,679]	-	-	[6,679]
[Increase] decrease in deferred outflows	22,073	95,491	70,579	-	188,143
Increase [decrease] in deferred inflows	44,338	50,173	37,084	-	131,595
Increase [decrease] in net pension liability	99,701	[132,812]	[98,165]	-	[131,276]
Increase [decrease] in accounts payable	59,069	[42,414]	16,789	73	33,517
Increase [decrease] in accrued liabilities	8,801	4,349	2,602	[805]	14,947
Increase [decrease] in self-insurance claims	-	-	-	521,235	521,235
Increase [decrease] in compensated absences	17,684	11,075	2,979	1,201	32,939
Net cash provided by [used in] operating activities	\$ 51,602	\$ 159,503	\$ 25,013	\$ 2,906,174	\$ 3,142,292

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS
 COMBINING STATEMENT OF NET POSITION
 RISK MANAGEMENT FUNDS
 December 31, 2017

	Property Insurance	Workman's Compensation	Group Health Insurance	Risk Management Reserve	Unemployment Compensation	Total
ASSETS						
Current assets:						
Cash and equity in Treasurer's Fund	\$ 1,747,438	\$ 4,054,474	\$ 6,513,322	\$ 370,543	\$ 153,582	\$ 12,839,359
Receivables, net						
Accounts	-	30,127	48,473	2,758	-	81,358
Due from other funds	-	98,416	384,562	-	2,759	485,737
Total current assets	<u>1,747,438</u>	<u>4,183,017</u>	<u>6,946,357</u>	<u>373,301</u>	<u>156,341</u>	<u>13,406,454</u>
Total assets	<u>\$ 1,747,438</u>	<u>\$ 4,183,017</u>	<u>\$ 6,946,357</u>	<u>\$ 373,301</u>	<u>\$ 156,341</u>	<u>\$ 13,406,454</u>
Liabilities:						
Current liabilities (payable from current assets):						
Accounts payable	\$ 33,974	\$ 29,837	\$ -	\$ -	\$ -	\$ 63,811
Accrued payroll and benefits	-	3,349	-	-	-	3,349
Self-insurance claims	1,191,138	2,371,187	863,054	-	4,411	4,429,790
Due to other funds	-	-	-	-	-	-
Compensated absences and other benefits	-	3,276	-	-	-	3,276
Total current liabilities (payable from current assets)	<u>1,225,112</u>	<u>2,407,649</u>	<u>863,054</u>	<u>-</u>	<u>4,411</u>	<u>4,500,226</u>
Noncurrent liabilities:						
Compensated absences and other benefits	-	1,685	-	-	-	1,685
Total noncurrent liabilities	<u>-</u>	<u>1,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,685</u>
Total liabilities	<u>\$ 1,225,112</u>	<u>\$ 2,409,334</u>	<u>\$ 863,054</u>	<u>\$ -</u>	<u>\$ 4,411</u>	<u>\$ 4,501,911</u>
Net Position						
Unrestricted	<u>\$ 522,326</u>	<u>\$ 1,773,683</u>	<u>\$ 6,083,303</u>	<u>\$ 373,301</u>	<u>\$ 151,930</u>	<u>\$ 8,904,543</u>
Total net position	<u>\$ 522,326</u>	<u>\$ 1,773,683</u>	<u>\$ 6,083,303</u>	<u>\$ 373,301</u>	<u>\$ 151,930</u>	<u>\$ 8,904,543</u>

CITY OF TOPEKA, KANSAS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 RISK MANAGEMENT FUNDS
 For the Year Ended December 31, 2017

	Property Insurance	Workman's Compensation	Group Health Insurance	Risk Management Reserve	Unemployment Compensation	Total
Operating revenues						
Charges for services	\$ 835,419	\$ 2,418,182	\$ 11,651,661	\$ -	\$ 67,837	\$ 14,973,099
Other	16,700	11,500	-	-	-	28,200
Total operating revenues	<u>852,119</u>	<u>2,429,682</u>	<u>11,651,661</u>	<u>-</u>	<u>67,837</u>	<u>15,001,299</u>
Operating expenses						
Personnel services	-	93,185	25,407	-	-	118,592
Contractual services	708,722	1,002,383	2,259,135	-	701	3,970,941
Supplies	-	-	802	-	-	802
Insurance claims	121,835	618,141	7,814,516	-	14,155	8,568,647
Total operating expenses	<u>830,557</u>	<u>1,713,709</u>	<u>10,099,860</u>	<u>-</u>	<u>14,856</u>	<u>12,658,982</u>
Operating income [loss]	<u>21,562</u>	<u>715,973</u>	<u>1,551,801</u>	<u>-</u>	<u>52,981</u>	<u>2,342,317</u>
Nonoperating revenues [expenses]						
Interest income	-	38,901	68,048	3,707	-	110,656
Total nonoperating revenues [expenses]	<u>-</u>	<u>38,901</u>	<u>68,048</u>	<u>3,707</u>	<u>-</u>	<u>110,656</u>
Income [loss] before transfers	<u>21,562</u>	<u>754,874</u>	<u>1,619,849</u>	<u>3,707</u>	<u>52,981</u>	<u>2,452,973</u>
Transfers from [to] other funds						
Transfers in/[out]	-	-	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>21,562</u>	<u>754,874</u>	<u>1,619,849</u>	<u>3,707</u>	<u>52,981</u>	<u>2,452,973</u>
Net position, January 1	500,764	1,018,809	4,425,251	369,594	98,949	6,413,367
Prior period adjustment	-	-	38,203	-	-	38,203
Net position, January 1, restated	<u>500,764</u>	<u>1,018,809</u>	<u>4,463,454</u>	<u>369,594</u>	<u>98,949</u>	<u>6,451,570</u>
Net position, December 31	<u>\$ 522,326</u>	<u>\$ 1,773,683</u>	<u>\$ 6,083,303</u>	<u>\$ 373,301</u>	<u>\$ 151,930</u>	<u>\$ 8,904,543</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

COMBINING STATEMENT OF CASH FLOWS
RISK MANAGEMENT FUNDS
For the Year Ended December 31, 2017

	Property Insurance	Workman's Compensation	Group Health Insurance	Risk Management Reserve	Unemployment Compensation	Total
Cash flows from operating activities						
Receipts from customers and users	\$ 835,419	\$ 2,397,907	\$ 11,716,141	\$ [1,821]	\$ 67,796	\$ 15,015,442
Payments to suppliers and providers	[804,820]	751,867	[9,238,457]	-	[10,445]	[9,301,855]
Payments to employees	-	[2,347,731]	[487,882]	-	-	[2,835,613]
Other receipts	16,700	11,500	-	-	-	28,200
Net cash provided by [used in] operating activities	47,299	813,543	1,989,802	[1,821]	57,351	2,906,174
Cash flows from noncapital financing activities						
Transfer in/[out]	-	-	-	-	-	-
Net cash flows from noncapital financing activities	-	-	-	-	-	-
Cash flows from capital and related financing activities						
Proceeds from sale of capital assets	-	-	-	-	-	-
Net cash provided by [used in] capital and related financing activities	-	-	-	-	-	-
Cash flows from investing activities						
Interest received	-	38,901	68,048	3,707	-	110,656
Net increase [decrease] in cash and cash equivalents	47,299	852,444	2,057,850	1,886	57,351	3,016,830
Cash and cash equivalents, January 1	1,700,139	3,202,030	4,455,472	368,657	96,231	9,822,529
Cash and cash equivalents, December 31	\$ 1,747,438	\$ 4,054,474	\$ 6,513,322	\$ 370,543	\$ 153,582	\$ 12,839,359
Cash and equivalents reported on the statement of net position						
Cash and equity in Treasurer's Fund	\$ 1,747,438	\$ 4,054,474	\$ 6,513,322	\$ 370,543	\$ 153,582	\$ 12,839,359
Total	\$ 1,747,438	\$ 4,054,474	\$ 6,513,322	\$ 370,543	\$ 153,582	\$ 12,839,359

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

COMBINING STATEMENT OF CASH FLOWS
RISK MANAGEMENT FUNDS (Continued)
For the Year Ended December 31, 2017

	Property Insurance	Workman's Compensation	Group Health Insurance	Risk Management Reserve	Unemployment Compensation	Total
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities						
Operating income [loss]	\$ 21,562	\$ 715,973	\$ 1,551,801	\$ -	\$ 52,981	\$ 2,342,317
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities						
[Increase] decrease in accounts receivable	-	[21,999]	[10,270]	[1,821]	-	[34,090]
[Increase] decrease in prepaids	-	-	-	-	-	-
[Increase] decrease in due from other funds	-	1,724	74,560	-	[41]	76,243
Increase [decrease] in accounts payable	25,737	1,204	[26,868]	-	-	73
Increase [decrease] in accrued liabilities	-	184	[989]	-	-	[805]
Increase [decrease] in self-insurance claims	-	115,256	401,568	-	4,411	521,235
Increase [decrease] in compensated absences	-	1,201	-	-	-	1,201
Net cash provided by [used in] operating activities	<u>\$ 47,299</u>	<u>\$ 813,543</u>	<u>\$ 1,989,802</u>	<u>\$ [1,821]</u>	<u>\$ 57,351</u>	<u>\$ 2,906,174</u>

FIDUCIARY FUNDS

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

<u>FUND NAME</u>	<u>STATUTORY AUTHORITY</u>	<u>PURPOSE</u>
Topeka Metropolitan Transit Authority	Topeka City Code Section A9-2	Receives, holds, and pays to the TMTA the proceeds of a special tax collected by the City for the benefit of that entity.
Payroll Clearing	Administrative	Accounts for receipts and disbursements of the City payroll withholding amounts, such as income taxes.
Court Bond	Administrative	Receives, holds, and disburses bonds posted by individuals at the Municipal Court.
Fire Insurance Proceeds	Topeka Ordinance #16276	Temporarily and partially restricts the payment of insurance proceeds on fire damaged buildings to the insured until certain health and building code conditions are met.
Law Enforcement Trust	K.S.A. 28-172a; K.S.A. 13-14a02, K.S.A. 60-4100, K.S.A. 74-5607	Holds Federal and State seized monies until cases are settled and then funds are dispersed properly.
Community Improvement District: Holliday Square	K.S.A. 12-6a26 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.
Community Improvement District: Crosswind	K.S.A. 12-6a26 Topeka Ordinance 19878	Provides for the use of public financing to fund projects within a prescribed district to strengthen economic development and employment opportunities, enhance tourism, or upgrade older real estate through redevelopment or rehabilitation.
Community Improvement District: Cyrus Hotel	K.S.A. 12-6a26 Topeka Ordinance 20085	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.
Special Event Debris	Topeka Ordinance 20098	Deposit fees are collected for Special Events and outdoor events held on public property organized for a particular and limited purpose and time, and shall include, but are not limited to parades, running/walking/bicycling events, motor vehicle events, festivals and concerts.
Municipal Court Trust	K.S.A 12-4116 & Topeka Ordinance #16635; K.S.A. 75-5670; K.S.A. 74-5607 & K.S.A. 28-172a	Fees are collected on cases filed in Municipal Court, which are mandated by the State, for judicial education and training of judges, administering the statewide trauma system, to maintain the State law enforcement training center, and collects motor vehicle reinstatement fees. All of the funds collected are remitted to the State on a monthly basis.
Water Customer Round Up	Administrative	Utility mutual assistance fund that passes the money derived from customers who offer to round up their payments to assist others.

CITY OF TOPEKA, KANSAS

COMBINING BALANCE SHEET
AGENCY FUNDS
December 31, 2017

	Topeka Metropolitan Transit Authority	Payroll Clearing	Court Bond	Fire Insurance Proceeds	Law Enforcement Trust	Community Improvement District: Holiday Square	Community Improvement District: Crosswind	Community Improvement District: Cyrus Hotel	Special Event Debris	Municipal Court Trust	Water Customer Round-Up	Totals
ASSETS:												
Cash and equity in Treasurer's Fund	\$ -	\$ 70,333	\$ 5,771	\$ 44,329	\$ 717,182	\$ 1,500	\$ 1,500	\$ 5,051	\$ 750	\$ 29,125	\$ 4,461	\$ 880,002
Receivables (net of allowance for uncollectibles):												
Accounts receivable	-	-	-	-	5,337	15,883	53,306	292	-	-	1,026	75,844
Total assets	\$ -	\$ 70,333	\$ 5,771	\$ 44,329	\$ 722,519	\$ 17,383	\$ 54,806	\$ 5,343	\$ 750	\$ 29,125	\$ 5,487	\$ 955,846
LIABILITIES:												
Accounts payable	\$ -	\$ 49,573	\$ -	\$ 44,329	\$ -	\$ -	\$ -	\$ -	\$ 750	\$ 29,125	\$ -	\$ 123,777
Due to other governments	-	5,073	-	-	-	-	-	-	-	-	-	5,073
Due to others	-	15,687	5,771	-	722,519	17,383	54,806	5,343	-	-	5,487	826,996
Total liabilities	\$ -	\$ 70,333	\$ 5,771	\$ 44,329	\$ 722,519	\$ 17,383	\$ 54,806	\$ 5,343	\$ 750	\$ 29,125	\$ 5,487	\$ 955,846

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STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Topeka's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures say about the city's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	102 - 106
Revenue Capacity	
These schedules contain information to help the reader assess the City's revenue sources.	107 - 113
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	114 - 118
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	119 - 120
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	121 - 123
Sources: <i>Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.</i>	

City of Topeka, Kansas
Net Position by Component
Last Ten Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net investment in capital assets	\$ 321,190,223	\$ 234,990,331	\$ 224,786,079	\$ 237,583,929	\$ 219,947,253	\$ 216,765,361	\$ 220,539,444	\$ 191,293,176	\$ 185,155,591	\$ 172,739,034
Restricted for debt service	4,990,862	6,749,235	9,561,850	4,788,632	4,939,942	3,896,624	3,977,552	5,221,106	5,682,111	6,944,664
Restricted for capital projects	104,676	104,810	-	-	-	-	-	-	-	-
Restricted for general government	-	-	5,801,596	-	-	-	-	-	-	-
Restricted for public safety	-	-	2,236,780	539,190	482,554	1,564,357	1,570,825	1,917,770	1,885,190	1,841,717
Restricted for public works	-	-	14,983,868	14,830,926	17,116,346	16,961,660	24,813,275	24,337,222	20,593,254	14,564,797
Restricted for other purposes	-	-	1,010,133	2,608,772	2,903,646	7,220,319	6,679,966	5,703,900	6,108,726	16,491,472
Unrestricted	35,839,081	64,133,037	26,995,724	19,698,136	2,603,167	2,479,829	4,726,913	(32,653,448)	(32,106,597)	(26,754,979)
Total Governmental Activities Net Position	362,124,842	305,977,413	285,376,030	280,049,585	247,992,908	248,888,150	262,307,975	195,819,726	187,318,275	185,826,705
Business-Type Activities										
Net investment in capital assets	156,909,635	152,680,549	144,341,063	144,028,418	146,726,445	152,845,663	148,856,817	163,523,409	161,813,578	164,452,662
Restricted for debt service	8,319,620	8,319,619	5,374,838	9,696,355	9,262,760	8,150,943	7,989,756	7,989,756	8,206,520	8,804,083
Restricted for capital projects	6,749,027	7,976,673	13,662,901	10,723,668	14,334,567	16,078,575	8,911,354	8,769,868	6,936,651	6,914,614
Restricted for deposits	602,286	635,851	672,920	-	-	-	-	-	-	-
Restricted for sinking funds	3,242,703	3,329,836	3,448,714	3,334,656	3,289,494	3,755,794	17,958,544	1,901,215	1,901,215	1,901,215
Unrestricted	17,302,389	25,225,961	36,225,947	36,761,418	39,926,662	34,432,924	33,363,595	33,588,387	39,176,397	42,255,435
Total Business-Type Activities Net Position	193,125,660	198,168,489	203,726,383	204,544,515	213,539,928	215,263,899	217,080,066	215,772,635	218,034,361	224,328,009
Primary Government										
Net investment in capital assets	478,099,858	387,670,880	369,127,142	381,612,347	366,673,698	369,611,024	369,396,261	354,816,585	346,969,169	337,191,696
Restricted	24,009,174	27,116,024	56,753,600	46,522,199	52,329,309	57,628,272	71,901,272	55,840,837	51,313,667	57,462,562
Unrestricted	53,141,470	89,358,998	63,221,671	56,459,554	42,529,829	36,912,753	38,090,508	934,939	7,069,800	15,500,456
Total Primary Government Net Position	\$ 555,250,502	\$ 504,145,902	\$ 489,102,413	\$ 484,594,100	\$ 461,532,836	\$ 464,152,049	\$ 479,388,041	\$ 411,592,361	\$ 405,352,636	\$ 410,154,714

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 for 2008 were restated to reflect the retroactive treatment of GASB No. 51 for Intangible Assets, accounting for \$68,886,874. In 2009 and 2010 it was determined not to use retroactive treatment.

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General Government	\$ (50,453,620)	\$ 20,992,947	\$ 15,778,573	\$ 11,279,435	\$ 10,552,948	\$ 11,156,000	\$ 11,465,726	\$ 13,786,674	\$ 13,466,865	\$ 14,386,282
Public Safety	52,155,982	30,886,402	52,672,902	54,653,150	55,803,618	58,713,711	62,281,840	61,251,608	66,743,087	68,081,184
Public Works	43,678,127	42,076,025	46,619,088	57,487,591	57,800,789	61,257,941	52,344,002	55,672,216	64,511,425	60,764,330
Miscellaneous	(1,103,867)	206,630	3,714,714	3,813,754	3,260,507	2,295,172	2,602,268	3,114,322	3,102,361	4,445,027
Parks and Recreation	12,646,036	13,522,524	12,533,312	12,595,655	2,866,108	2,979,990	2,788,252	3,058,534	3,015,394	3,217,782
Public Housing	2,386,622	3,508,784	5,360,789	5,014,032	5,244,401	4,065,479	4,589,860	4,370,594	4,055,154	3,940,428
Social Services	964,006	1,077,479	547,155	684,638	677,925	580,973	515,433	636,349	604,038	538,902
Economic Development	-	-	-	-	-	-	-	-	-	-
Capital Leases	(90,415)	(93,704)	-	-	870,000	-	-	-	-	-
Interest and fiscal charges	7,800,518	8,645,912	7,630,957	5,645,299	5,830,386	4,449,400	5,319,365	3,179,606	4,388,345	5,153,042
Total Governmental Activities Expenses	67,983,389	140,822,999	144,837,490	151,173,554	142,908,682	145,498,666	141,906,746	143,069,903	159,886,669	169,531,509
Business-Type Activities:										
Water, Water Pollution Control, & Stormwater Utility	59,604,907	55,464,181	56,363,844	58,450,690	58,978,600	59,356,712	61,744,893	62,784,919	64,388,157	62,835,383
Public Parking	3,537,726	3,894,210	3,323,677	4,231,930	3,045,521	3,106,590	3,161,834	2,953,966	3,190,334	2,993,100
Public Golf Course	911,930	11,669	-	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	64,054,563	59,370,060	59,687,521	62,682,620	62,024,121	62,463,302	64,906,727	65,738,885	67,578,491	65,828,483
Total Primary Government Expenses	132,037,952	200,193,059	204,545,011	213,856,174	204,932,803	207,961,968	206,813,473	210,808,788	227,465,160	235,359,992
Program Revenues										
Governmental Activities										
Charges for Services:										
General Government	10,065,179	10,224,079	7,172,882	6,526,579	7,107,104	7,612,602	7,273,552	7,247,727	5,920,734	6,290,452
Public Safety	329,998	431,755	504,609	696,829	1,726,176	741,919	2,168,459	3,449,353	2,666,231	2,556,186
Public Works	2,924,831	1,808,343	1,973,913	1,777,781	1,351,462	1,821,039	1,256,973	1,361,029	1,486,850	1,648,600
Miscellaneous	456,396	390,075	(966)	-	-	-	-	-	-	-
Parks and Recreation	2,720,158	3,256,677	3,079,792	3,061,392	660,532	524,437	19,592	18,168	19,320	16,880
Public Housing	49,695	-	281,504	114,814	112,937	-	-	-	-	-
Operating Grants and Contributions	1,664,110	455,261	48,873	2,500	245,589	221,019	178,486	190,135	122,560	55,722
Public Safety	661,773	841,432	1,941,888	1,368,338	1,680,687	11,636	6,901	99,372	34,270	5,399
Public Works	178,973	406,886	2,125,673	343,439	326,169	-	-	-	-	-
Miscellaneous	-	-	83,738	46,463	3,245,027	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	320,139	19,482	5,517	23,919	137,235	-	-	-	-	4,539,155
Public Housing	2,314,458	3,231,569	5,224,128	4,960,425	5,381,350	4,164,857	4,916,265	4,612,467	5,331,937	3,589,559
Social Services	332,387	620,849	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Public Safety	1,012,017	832,648	250	-	-	-	-	-	-	-
Public Works	332,644	36,817	3,753,982	13,927,652	12,136,135	16,455,997	14,336,249	19,237,068	20,078,676	10,459,624
Parks and Recreation	-	-	36,522	1,002,969	1,007,071	-	-	-	-	-
Total Gov. Activities Program Revenues	23,342,758	22,555,873	26,232,305	33,853,100	35,117,474	31,553,506	30,156,477	36,215,319	35,660,578	29,161,577
Business-Type Activities:										
Charges for Services:										
Water, Water Pollution Control, & Stormwater Utility	56,435,887	56,918,079	59,723,501	61,055,067	64,835,463	58,460,057	58,575,992	60,162,429	63,645,019	66,740,720
Public Parking	3,126,337	3,178,471	3,149,394	3,160,047	3,240,041	2,909,290	2,819,454	2,625,856	2,599,564	2,602,692
Public Golf Course	633,211	877	-	-	-	-	-	-	-	-
Operating Grants and Contributions	30,469	3,782,949	1,048,271	145,747	2,240,638	-	-	-	-	-
Capital Grants and Contributions	2,168,467	63,880,376	63,921,166	64,360,861	70,316,142	61,369,347	61,395,446	62,788,285	66,244,583	69,343,412
Total Business-Type Act. Program Revenues	62,394,371	86,436,249	90,153,471	98,213,961	105,433,616	92,922,853	91,551,923	99,003,604	101,905,161	98,504,989
Total Primary Government Program Revenues	85,737,129	86,436,249	90,153,471	98,213,961	105,433,616	92,922,853	91,551,923	99,003,604	101,905,161	98,504,989
Net (Expense) Revenue										
Governmental Activities	\$ (44,640,631)	\$ (118,267,126)	\$ (118,625,185)	\$ (117,320,454)	\$ (107,791,208)	\$ (113,945,160)	\$ (111,750,269)	\$ (108,854,584)	\$ (124,226,091)	\$ (140,369,932)
Business-Type Activities:	(1,660,192)	4,510,316	4,233,645	1,678,241	8,292,021	(1,093,955)	(3,511,281)	(2,950,600)	(1,333,908)	(3,514,929)
Total Primary Government Net Expense	\$ (46,300,823)	\$ (113,756,810)	\$ (114,391,540)	\$ (115,642,213)	\$ (99,499,187)	\$ (115,039,115)	\$ (115,261,550)	\$ (111,805,184)	\$ (125,559,999)	\$ (136,885,000)

continued...

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General revenues:										
Governmental Activities:										
Taxes										
Property taxes	\$ 41,454,387	\$ 38,830,969	\$ 41,365,990	\$ 36,645,847	\$ 35,038,165	\$ 35,163,854	\$ 39,854,410	\$ 40,155,575	\$ 44,185,848	\$ 41,783,520
Sales taxes	35,682,826	38,004,148	47,878,274	49,934,630	49,071,293	50,278,644	52,307,397	52,137,146	55,012,686	64,677,625
Franchise taxes	11,790,003	11,916,523	12,090,272	11,861,777	11,542,112	12,517,785	14,758,026	13,720,537	14,078,919	13,973,191
Motor fuel taxes	4,771,522	6,648,136	5,592,181	5,417,603	5,807,499	3,313,921	3,555,972	3,465,072	3,398,833	3,721,221
Payment in lieu of taxes	-	-	-	5,492,001	5,436,000	7,063,853	6,957,993	7,282,854	7,254,737	7,264,903
Special assessments with debt commitments	-	1,688,433	-	-	-	-	-	-	-	-
Service assessments	-	280,871	274,485	290,049	295,511	365,948	357,542	401,915	412,208	493,888
Alcoholic beverage taxes	1,601,574	1,617,758	1,565,766	1,562,791	1,579,658	1,570,185	1,547,122	1,547,083	1,577,272	1,619,970
Transient guest taxes	2,070,271	1,719,807	1,839,049	1,964,711	1,950,933	2,314,781	2,484,726	2,545,883	2,691,679	2,668,430
Grants/contrib not restricted to specific programs	131,352	136,764	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	53,437	13,939	2,036,806	933,871	1,055,776	1,088,364	1,520,082
Unrestricted investment earnings	-	-	375,862	496,077	66,989	131,892	252,940	314,138	502,216	888,864
Gain on sale of capital assets	-	-	188,930	-	-	82,733	35,625	179,210	16,975	(48,014)
Transfers in (out)	-	51,879	-	(314,660)	-	-	-	(3,790,050)	(560,000)	-
Special Item - park and recreation transfer	-	-	-	-	(33,460,801)	-	-	-	-	-
Total governmental activities	97,501,935	100,895,288	111,170,809	113,646,348	77,341,298	114,840,402	123,045,624	119,015,139	129,659,737	138,563,680
Business-Type Activities										
Unrestricted investment earnings	1,107,202	966,083	872,900	1,490,738	607,677	474,340	518,454	721,630	575,290	644,033
Miscellaneous	-	-	-	-	-	2,253,454	4,772,029	3,444,587	2,419,162	1,900,181
Gain (loss) on sale of capital assets	1,793	36,365	43,470	44,097	95,715	90,132	36,965	168,772	41,783	59,594
Transfers	-	(51,879)	-	314,660	-	-	-	3,790,050	560,000	-
Total Business-Type Activities	1,108,995	950,569	916,370	1,849,495	703,392	2,817,926	5,327,448	8,125,039	3,596,235	2,603,808
Total Primary Government	\$ 98,610,930	\$ 101,845,857	\$ 112,087,179	\$ 115,495,843	\$ 78,044,690	\$ 117,658,328	\$ 128,373,072	\$ 127,140,178	\$ 133,255,972	\$ 141,167,488
Change in Net Position										
Governmental Activities:	\$ 52,861,304	(17,371,838)	(7,454,376)	(3,674,106)	(30,449,910)	895,242	11,295,355	10,160,555	5,433,646	(1,806,252)
Business-Type Activities	(551,197)	5,460,885	5,150,015	3,527,736	8,995,413	1,723,971	1,816,167	5,174,439	2,262,327	6,118,737
Total Primary Government	\$ 52,310,107	\$ (11,910,953)	\$ (2,304,361)	\$ (146,370)	\$ (21,454,497)	\$ 2,619,213	\$ 13,111,522	\$ 15,334,994	\$ 7,695,973	\$ 4,312,485

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

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

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

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 38,327	\$ 13,316	\$ 200,820	\$ 194,053	\$ 128,121	\$ 308,242	\$ 139,145
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	341,767	618,902	502,828	772,767	672,826	1,121,414	280,673
Unassigned	-	-	-	8,305,081	5,476,120	9,353,610	17,303,180	18,180,919	19,064,148	20,557,837
Reserved	1,218,734	879,122	910,084	-	-	-	-	-	-	-
Unreserved	6,752,087	8,776,655	10,004,985	-	-	-	-	-	-	-
Total General Fund	\$ 7,970,821	\$ 9,655,777	\$ 10,915,069	\$ 8,685,175	\$ 6,108,338	\$ 10,057,258	\$ 18,270,000	\$ 18,981,866	\$ 20,493,804	\$ 20,977,655
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	22,767,520	27,392,230	29,642,960	37,041,618	37,179,998	41,154,489	48,776,832
Committed	-	-	-	2,497,088	2,210,591	1,776,178	1,732,544	1,671,977	1,385,677	1,199,892
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(6,368,023)	(13,886,439)	(7,689,301)	(16,225,549)	(10,315,260)	(18)	(81,853)
Reserved	7,667,937	8,630,226	16,989,600	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	11,315,365	15,413,452	13,120,980	-	-	-	-	-	-	-
Capital Projects Funds	(3,929,892)	(11,159,441)	(14,840,382)	-	-	-	-	-	-	-
Total all other governmental funds	\$ 15,053,410	\$ 12,884,237	\$ 15,270,198	\$ 18,896,585	\$ 15,716,382	\$ 23,729,837	\$ 22,548,613	\$ 28,536,715	\$ 42,540,148	\$ 49,894,871
Total all governmental funds	\$ 23,024,231	\$ 22,540,014	\$ 26,185,267	\$ 27,581,760	\$ 21,824,720	\$ 33,787,095	\$ 40,818,613	\$ 47,518,581	\$ 63,033,952	\$ 70,872,526

a-b

GASB 34 was implemented in 2011 and 2010 and prior years were not restated, but have been presented.

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

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Taxes and assessments	\$ 79,557,430	\$ 82,809,015	\$ 91,357,546	\$ 90,735,119	\$ 87,462,639	\$ 91,437,147	\$ 98,560,047	\$ 98,705,588	\$ 102,302,416	\$ 113,344,683
Assessments with debt commitments	1,235,590	1,579,364	1,824,096	1,766,964	2,085,984	1,875,559	2,168,623	1,976,450	2,345,440	3,135,948
License and permits	1,565,251	1,495,909	1,292,187	1,119,329	1,505,989	1,253,586	1,651,599	1,575,816	1,717,297	1,730,954
Franchise fee	11,656,474	11,748,942	12,064,162	11,861,777	11,542,112	12,517,785	14,738,026	13,720,537	14,078,919	13,973,191
Intergovernmental	12,853,091	14,399,963	25,678,799	15,548,303	22,873,107	19,876,671	18,116,201	16,835,116	22,206,141	19,631,581
Fees for service	7,875,082	8,198,079	7,889,738	4,416,185	2,551,654	2,581,067	2,799,449	3,289,148	3,025,356	3,384,644
Administrative fees - interfund	-	-	-	3,485,117	3,483,059	3,483,956	3,972,966	3,641,493	2,574,663	2,761,717
Fines and forfeitures	2,194,196	2,425,825	2,752,512	2,615,458	2,735,189	3,022,820	3,312,706	3,569,819	2,775,822	2,634,802
Investment income	881,505	480,973	343,531	496,078	68,611	131,892	252,940	314,138	502,216	888,864
Rents	-	-	-	-	-	-	-	-	-	-
Miscellaneous	2,066,654	1,891,921	2,276,058	2,262,455	1,741,076	2,032,806	933,871	1,055,776	1,088,364	1,520,082
Total revenues	119,885,273	125,029,991	145,478,629	134,306,785	136,049,420	138,213,289	146,526,428	144,683,881	152,616,634	163,006,466
Expenditures:										
Current:										
General government	16,229,447	16,059,684	21,513,502	9,726,973	10,193,560	10,656,091	11,037,016	12,203,324	13,132,979	14,233,959
Public safety	49,523,130	49,712,116	49,026,100	51,582,488	54,427,083	58,721,570	61,263,713	64,421,170	66,181,144	66,415,262
Public works	16,685,997	15,681,065	21,122,211	32,435,501	27,524,858	37,091,050	29,658,922	34,655,831	41,634,947	38,611,878
Public works - planning	908,365	897,258	860,580	363,000	753,713	2,295,172	2,602,268	3,114,322	3,102,361	4,445,027
Miscellaneous	(1,103,867)	206,630	3,648,515	3,863,117	3,254,582	2,979,514	2,790,462	3,170,611	2,982,206	3,297,450
Parks and recreation	11,386,851	12,420,567	11,508,680	10,869,241	2,466,126	4,096,215	4,589,860	4,370,594	4,055,154	3,952,567
Housing & neighborhood development	2,386,622	3,537,403	5,446,685	5,001,800	5,238,562	4,096,215	4,589,860	4,370,594	4,055,154	3,952,567
Social services	964,006	1,077,479	547,155	684,638	677,925	580,973	515,433	636,349	604,038	538,902
Economic development	-	-	-	-	5,925	-	-	-	-	9,004,532
Construction	17,423,213	8,688,795	11,552,787	13,218,536	13,467,331	5,682,787	14,536,438	13,264,265	15,464,039	15,000,805
Engineering and others	4,391,813	2,456,666	2,155,206	3,087,446	2,363,652	3,143,332	2,951,770	2,417,839	2,664,735	2,425,398
Other costs of bond issuance	-	-	-	-	-	-	-	-	-	-
Refunding bond issuance costs	45,001	-	-	-	-	-	-	-	-	-
Debt service:										
Principal retirement	12,690,000	12,505,000	13,510,789	14,433,178	15,418,031	14,616,860	16,786,698	16,535,216	15,370,731	13,641,306
Interest and fiscal costs	7,548,982	8,677,044	7,434,773	6,700,967	6,245,492	6,142,123	5,277,400	5,604,642	5,950,420	5,766,791
Total expenditures	139,079,560	131,919,707	148,326,983	151,966,885	142,036,840	146,005,687	152,009,980	160,394,163	171,142,754	177,333,877
Excess (deficiency) of revenues over expenditures	(19,194,287)	(6,889,716)	(2,848,354)	(17,660,100)	(5,987,420)	(7,792,398)	(5,483,552)	(15,710,282)	(18,526,120)	(14,327,411)
Other financing sources (uses):										
Original issuance of debt	20,039,890	3,345,000	12,025,000	17,185,000	-	-	5,590,000	52,809,613	46,392,600	24,010,000
Original issuance of debt premium	(102)	2,000,937	56,372	305,941	-	-	39,627	3,140,642	2,556,037	1,370,222
Original issuance of debt discount	(78,847)	660	-	-	-	-	-	-	-	-
Refunding issuance	4,530,110	50,940,686	34,830,000	34,420,000	27,170,000	33,682,895	-	-	-	-
Refunding issuance premium	-	-	17,564	1,380,307	854,522	1,534,209	-	-	-	-
Refunding issuance discount	-	-	(50,996)	-	(1,590)	-	-	-	-	-
Payment for refunding bond cost of issuance	(4,522,500)	(51,613,950)	(37,015,000)	(37,995,000)	(27,685,868)	(19,371,454)	-	(37,510,877)	(23,830,975)	(11,885,000)
Payment for refunding bond escrow agent	-	(862,502)	(769,919)	-	-	-	-	-	-	-
Payment for refunding bond interest	-	-	(2,638,394)	(463,581)	-	-	-	-	-	-
Payment for refunding redemption premium	-	-	(149,950)	(195,500)	-	-	-	-	-	-
Payment in lieu of taxes - interfund	-	-	-	5,492,001	5,436,000	7,063,853	6,957,993	7,282,854	7,254,737	7,264,903
Transfers in	7,281,374	6,499,590	4,574,416	5,757,738	5,978,789	1,525,717	1,688,945	5,873,100	2,314,897	1,851,716
Transfers out	(7,281,374)	(6,447,711)	(4,574,416)	(7,072,398)	(6,818,159)	(1,521,717)	(1,888,945)	(9,338,150)	(3,607,083)	(1,561,716)
Capital leases	-	-	-	-	-	870,000	-	870,000	2,942,588	924,576
Contributed capital	-	-	-	-	-	-	-	16,314	-	-
Sale of property	59,868	44,855	188,930	242,085	142,176	82,733	46,909	185,009	39,263	54,505
Total other financing sources (uses)	20,028,419	3,907,565	6,493,607	19,056,593	5,075,870	23,866,236	12,434,529	23,328,505	34,062,064	22,029,206
Special item - park and recreation transfer	-	-	-	-	(4,845,490)	(3,031,721)	(2,043,929)	(918,255)	-	-
Net change in fund balances	\$ 834,132	\$ (2,982,151)	\$ 3,645,253	\$ 1,396,493	\$ (5,757,040)	\$ 13,042,117	\$ 4,907,048	\$ 6,699,968	\$ 15,535,944	\$ 7,701,795
Debt service as a percentage of noncapital expenditures	17.27%	17.54%	15.56%	15.58%	17.17%	15.13%	16.77%	15.53%	14.00%	12.11%

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

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

Fiscal Year	Property Tax	Auto Ad Valorem	TIF Property Tax	Local Sales Tax	Street Repair Sales Tax	JEDO Sales Tax	Starbond Sales Tax	TIF Sales Tax	Transient Guest Tax	Payments in Lieu of Taxes	Service and Special Assessments	Total
2008	\$ 32,469,562	\$ 3,326,312	\$ -	\$ 27,991,780	\$ -	\$ 7,617,164	\$ 73,882	\$ -	\$ 2,070,271	\$ 5,637,762	\$ 1,606,287	\$ 80,793,020
2009	32,373,062	3,470,239	-	26,566,267	1,143,728	7,809,194	95,224	-	1,719,807	5,570,911	1,932,052	80,680,484
2010	31,821,035	3,417,996	140,920	26,607,992	13,303,994	7,813,635	148,033	4,620	1,839,049	5,986,040	2,098,328	93,181,642
2011	32,725,941	3,339,172	185,897	27,703,555	13,859,830	8,239,489	115,652	16,105	1,964,711	5,903,774	3,939,958	97,994,084
2012	32,276,245	3,302,893	191,293	27,279,045	13,644,890	8,058,097	78,526	10,735	1,950,933	5,760,746	2,412,624	94,966,027
2013	34,873,515	3,313,921	215,495	27,930,147	13,965,074	8,321,528	61,895	-	2,314,781	7,138,696	2,241,507	100,376,559
2014	39,762,474	3,555,972	91,935	28,993,482	14,496,741	8,652,048	165,127	-	2,484,726	6,957,993	2,526,165	107,686,663
2015	39,929,435	3,465,072	181,580	28,980,895	14,474,856	8,599,552	81,842	-	2,545,883	7,327,412	2,378,365	107,964,892
2016	40,390,408	3,619,913	175,522	30,567,025	15,283,512	9,082,251	79,898	-	2,691,679	7,254,737	2,757,648	111,902,593
2017	41,575,570	3,721,221	207,950	30,227,578	15,113,789	19,295,472	40,786	-	2,668,430	7,264,903	3,629,835	123,745,534

Change 2008-2017	28%	12%	48%	8%	1221%	153%	-45%	-100%	29%	29%	126%	53%
					^a	^b	^c	^d	^e	^f		

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

b - In August 2004 the voters passed a 1/2% increase in County-wide Sales tax to fund economic development and countywide infrastructure development, including the Topeka Boulevard Bridge. The tax was renewed in 2014.

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

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

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

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Original Budget	\$ 27,500,000	\$ 27,500,000	\$ 28,052,000	\$ 26,600,000	\$ 27,140,000	\$ 28,000,000	\$ 27,200,000	\$ 28,773,637	\$ 29,869,085	\$ 30,167,776
Amended Budget				\$ 28,052,000						
Revenue Recognized by Month:										
January	\$ 2,649,763	\$ 2,686,405	\$ 2,262,241	\$ 2,268,063	\$ 2,210,872	\$ 2,227,217	\$ 2,265,506	\$ 2,214,241	\$ 2,280,218	\$ 2,226,700
February	2,375,876	2,431,539	1,822,905	1,883,119	2,055,332	1,982,322	2,182,414	2,214,136	2,401,319	2,373,164
March	2,048,961	1,919,260	2,310,172	2,362,610	2,407,884	2,372,853	2,354,164	2,442,108	2,563,745	2,536,863
April	2,398,066	2,007,516	2,296,057	2,294,228	2,237,133	2,248,910	2,431,604	2,341,353	2,385,779	2,438,203
May	2,584,478	2,161,504	2,113,289	2,168,983	2,293,789	2,547,187	2,477,962	2,349,114	2,546,310	2,469,715
June	2,302,707	2,381,268	2,334,951	2,257,207	2,485,636	2,421,918	2,438,336	2,444,842	2,639,251	2,571,397
July	2,485,527	2,024,195	2,158,120	2,298,896	2,050,811	2,251,125	2,380,085	2,548,219	2,473,215	2,506,193
August	2,310,893	2,060,764	2,218,837	2,415,208	2,266,253	2,327,903	2,411,077	2,347,426	2,516,543	2,543,220
September	2,316,344	2,231,968	2,077,693	2,289,675	2,235,777	2,154,319	2,398,366	2,398,266	2,492,052	2,520,574
October	2,160,624	2,253,707	2,133,692	2,421,828	2,008,369	2,260,450	2,247,575	2,349,570	2,397,589	2,471,002
November	2,311,542	2,287,456	2,192,869	2,445,898	2,354,255	2,361,500	2,398,713	2,391,935	2,574,961	2,597,446
December	2,047,000	2,120,685	2,687,166	2,597,840	2,672,935	2,774,444	3,007,680	2,939,685	3,296,043	2,973,101
Total	\$ 27,991,780	\$ 26,566,267	\$ 26,607,992	\$ 27,703,555	\$ 27,279,045	\$ 27,930,147	\$ 28,993,482	\$ 28,980,895	\$ 30,567,025	\$ 30,227,578

City of Topeka, Kansas
Street Repair Sales Tax Revenues
December 31, 2017
Accrual Basis

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Original Budget	\$ -	\$ -	\$ 13,956,000	\$ 13,300,000	\$ 13,500,000	\$ 13,800,000	\$ 13,800,000	\$ 14,210,000	\$ 14,619,605	\$ 14,619,605
Amended Budget	-	\$ 1,100,000								
Revenue Recognized by Month:										
January	\$ -	\$ -	\$ 1,060,341	\$ 1,134,031	\$ 1,105,436	\$ 1,113,609	\$ 1,132,753	\$ 1,107,121	\$ 1,140,109	\$ 1,113,350
February	-	-	1,186,631	941,559	1,027,666	991,161	1,091,207	1,107,088	1,200,659	1,186,582
March	-	-	1,131,120	1,181,305	1,203,942	1,186,427	1,177,082	1,221,054	1,281,872	1,268,432
April	-	-	911,452	1,147,114	1,118,566	1,124,455	1,215,802	1,170,676	1,192,889	1,219,101
May	-	-	1,155,086	1,084,492	1,146,894	1,273,593	1,238,981	1,174,557	1,273,155	1,234,858
June	-	-	1,148,029	1,128,603	1,242,818	1,210,959	1,219,168	1,222,421	1,319,625	1,285,699
July	-	-	1,056,645	1,149,448	1,025,405	1,125,562	1,190,042	1,258,518	1,236,607	1,253,097
August	-	-	1,167,476	1,207,604	1,133,127	1,163,951	1,205,538	1,173,713	1,258,272	1,271,610
September	-	-	1,079,060	1,144,838	1,117,888	1,077,160	1,199,183	1,199,133	1,246,026	1,260,287
October	-	-	1,109,418	1,210,914	1,004,185	1,130,225	1,123,787	1,174,785	1,198,794	1,235,501
November	-	-	1,038,846	1,222,949	1,177,128	1,180,750	1,199,356	1,195,968	1,287,480	1,298,722
December	-	1,143,728	1,259,890	1,306,973	1,341,835	1,387,222	1,503,842	1,469,842	1,648,024	1,486,550
Total	\$ -	\$ 1,143,728	\$ 13,303,994	\$ 13,859,830	\$ 13,644,890	\$ 13,965,074	\$ 14,496,741	\$ 14,474,856	\$ 15,283,512	\$ 15,113,789

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

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

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

Category	2008	% of Total	2009	% of Total	2010	% of Total	2011	% of Total
Utilities	\$ 2,085,234	7.45%	\$ 1,827,351	6.59%	\$ 2,877,890	7.32%	\$ 2,963,983	6.93%
Construction	915,257	3.27%	911,785	3.29%	1,303,048	2.85%	1,237,042	3.16%
Manufacturing	595,663	2.13%	486,604	1.76%	1,016,249	1.83%	910,521	1.80%
Wholesale Trade	1,471,457	5.26%	1,414,868	5.11%	1,693,203	4.92%	1,935,850	5.27%
Retail Trade	16,189,928	57.84%	16,311,506	58.87%	23,548,951	58.14%	24,338,914	58.61%
Information	1,092,751	3.90%	1,286,727	4.64%	1,912,368	5.33%	2,021,622	4.76%
Real Estate and Rental and Leasing	570,357	2.04%	533,821	1.93%	582,422	2.01%	789,365	1.87%
Accommodation and Food Services	3,002,726	10.73%	3,048,873	11.00%	4,485,275	11.18%	4,665,905	10.96%
Other Services	2,068,407	7.39%	1,888,461	6.82%	2,492,580	6.41%	2,700,183	6.65%
Total	\$ 27,991,780	100%	\$ 27,709,995	100%	\$ 39,911,986	100%	\$ 41,563,385	100%
City Sales Tax Rate	1.00%		1.50%*		1.50%		1.50%	

Category	2012	% of Total	2013	% of Total	2014	% of Total	2015	% of Total
Utilities	\$ 2,835,940	7.13%	\$ 2,987,647	7.21%	\$ 3,184,338	7.75%	\$ 2,990,481	6.88%
Construction	1,293,500	2.98%	1,246,919	3.26%	1,239,330	3.56%	1,124,347	2.59%
Manufacturing	734,938	2.19%	917,790	2.55%	796,690	2.52%	975,721	2.25%
Wholesale Trade	2,157,088	4.66%	1,951,305	4.24%	2,139,295	4.30%	2,007,214	4.62%
Retail Trade	23,985,939	58.56%	24,533,232	59.00%	25,286,547	58.12%	25,842,995	59.47%
Information	1,948,959	4.86%	2,037,762	4.79%	2,316,372	5.07%	2,252,695	5.18%
Real Estate and Rental and Leasing	763,479	1.90%	795,667	1.46%	875,353	1.39%	544,364	1.25%
Accommodation and Food Services	4,484,328	11.23%	4,703,157	11.24%	4,863,486	11.21%	5,012,211	11.53%
Other Services	2,719,764	6.50%	2,721,742	6.25%	2,788,813	6.08%	2,705,723	6.23%
Total	\$ 40,923,935	100%	\$ 41,895,221	100%	\$ 43,490,224	100%	\$ 43,455,751	100%
City Sales Tax Rate	1.50%		1.50%		1.50%		1.50%	

Category	2016	% of Total	2017	% of Total
Utilities	\$ 1,366,535	3.10%	\$ 1,480,816	3.08%
Construction	1,603,304	3.64%	1,778,407	3.70%
Manufacturing	1,075,099	2.44%	1,238,333	2.57%
Wholesale Trade	2,177,744	4.94%	2,448,288	5.09%
Retail Trade	25,650,557	58.22%	28,160,341	58.51%
Information	3,215,697	7.30%	3,102,872	6.45%
Real Estate and Rental and Leasing	678,806	1.54%	779,858	1.62%
Accommodation and Food Services	4,802,890	10.90%	5,210,411	10.83%
Other Services	3,487,855	7.92%	3,881,629	8.07%
Total	\$ 44,058,487	100%	\$ 48,080,955	100%
City Sales Tax Rate	1.50%		1.50%	

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

* Collections for a .50 citywide tax began October 1st, 2009

Source: Kansas Department of Revenue.

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

City Direct Rates				Other Overlapping Governments					
Fiscal Year	Local	Street Repair	Total	State of Kansas	Shawnee County	Shawnee County 0.25%	Shawnee County Joint Economic Dev Org (JEDO)	Washburn University	Grand Total
2008	1%	-	1.00%	5.30%	0.25%	-	0.25%	0.65%	7.45%
2009	1%	0.50%	1.50%	5.30%	0.25%	-	0.25%	0.65%	7.95%
2010	1%	0.50%	1.50%	6.30%	0.25%	-	0.25%	0.65%	8.95%
2011	1%	0.50%	1.50%	6.30%	0.25%	-	0.25%	0.65%	8.95%
2012	1%	0.50%	1.50%	6.30%	0.25%	-	0.25%	0.65%	8.95%
2013	1%	0.50%	1.50%	6.15%	0.25%	-	0.25%	0.65%	8.80%
2014	1%	0.50%	1.50%	6.15%	0.25%	-	0.25%	0.65%	8.80%
2015	1%	0.50%	1.50%	6.50%	0.25%	-	0.25%	0.65%	9.15%
2016	1%	0.50%	1.50%	6.50%	0.25%	-	0.25%	0.65%	9.15%
2017	1%	0.50%	1.50%	6.50%	0.25%	-	0.25%	0.65%	9.15%

a

Source: Kansas Department of Revenue

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

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

Levy Year	Real Property	Personal Property	Motor Vehicle	Corporation	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2008	\$ 886,363,813	\$ 78,412,836	\$ 114,698,618	\$ 77,189,717	\$ 1,156,664,984	32.457	\$ 7,130,711,029	16.22%
2009	884,798,784	63,042,385	112,056,673	70,043,766	1,129,941,608	32.682	7,050,481,650	16.03%
2010	875,969,022	54,841,080	109,450,833	71,648,338	1,111,909,273	32.592	6,986,332,628	15.92%
2011	883,236,614	49,707,508	107,376,098	75,704,241	1,116,024,461	32.849	7,002,281,274	15.94%
2012	872,122,132	43,942,396	105,898,240	84,434,065	1,106,396,833	32.928	6,906,374,072	16.02%
2013	896,632,231	43,255,123	105,931,855	89,386,409	1,135,205,618	35.838	7,030,771,815	16.15%
2014	897,326,968	32,541,192	101,548,405	94,770,762	1,126,187,327	39.733	6,995,275,476	16.10%
2015	915,377,737	28,082,998	88,866,793	100,696,193	1,133,023,721	39.809	7,024,427,153	16.13%
2016	938,667,519	26,681,336	91,885,486	105,959,117	1,163,193,458	39.927	7,172,622,607	16.22%
2017	955,284,392	23,432,186	93,832,535	106,184,976	1,178,734,089	39.920	7,266,236,370	16.22%

Source: Shawnee County Clerk

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

Property Tax Levies and Collections
Last Ten Years

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy Amount	Percentage of Levy	Collections for Subsequent Years	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2008	\$ 32,661,974	\$ 31,891,458	97.64%	\$ 578,104	\$ 32,469,562	99.41%
2009	32,394,897	31,637,962	97.66%	735,100	32,373,062	99.93%
2010	32,287,451	31,255,989	96.81%	705,966	31,961,955	98.99%
2011	31,741,291	31,313,481	98.65%	1,598,357	32,911,838	103.69% ^a
2012	32,257,692	31,574,444	97.88%	893,094	32,467,538	100.65%
2013	35,623,485	34,209,054	96.03%	879,956	35,089,010	98.50%
2014	39,010,746	38,958,403	99.87%	905,439	39,863,842	102.19%
2015	39,035,767	39,191,861	100.40%	918,413	40,110,274	102.75%
2016	39,893,010	39,811,613	99.80%	754,229	40,565,842	101.69%
2017	40,972,347	41,033,766	100.15%	748,503	41,782,269	101.98%

^a

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

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

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

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Westar Energy***	\$ 64,962,025	1	5.51%	\$ 61,763,001	1	5.34%
Burlington Northern/Santa Fe/Utility***	19,328,282	2	1.64%	12,714,480	3	1.10%
Westridge Mall LLC/Retail (Simon Property Group)	11,722,211	3	0.99%	9,798,924	6	0.85%
Kansas Gas Service/Utility***	9,123,254	4	0.77%	12,336,516	4	1.07%
Federal Home Loan Bank of Topeka	8,884,838	5	0.75%	-	-	-
Wal-Mart Properties & SAMS CLUB/Retail	8,037,552	6	0.68%	10,808,164	5	0.93%
Southwestern Bell/Utility***	7,729,257	7	0.66%	20,254,038	2	1.75%
Blue Cross/Blue Shield/Ks Hospital Serv/Insurance	7,145,529	8	0.61%	-	-	-
Resers Fine Foods Inc	6,693,987	9	0.57%	-	-	-
Sisters of Charity of Leavenworth	6,542,268	10	0.56%	-	-	-
IRET Properties/Apts	-	-	-	4,671,824	10	0.40%
*Atrium Finance LLC/John Q Hammons Hotel	-	-	-	4,806,776	9	0.42%
Union Pacific/Utility ***	-	-	-	5,250,888	8	0.45%
Frito Lay/Manufacturing	-	-	-	6,760,508	7	0.58%
Total	\$ 150,169,203		12.74%	\$ 149,165,119		12.90%
Total Assessed Value	\$ 1,178,734,089			\$ 1,156,664,984		

Source: Shawnee County Clerk 2017 tax roll

In 2008 Atrium Finance took over John Q. Hammons Hotels

**Included in the NRA*

****State Assessed*

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

Fiscal Year	City of Topeka				Other Overlapping Governments								Grand Total
	General Fund	Debt Service Fund	Parks and Recreation Fund	Others	City Total	State of Kansas	Shawnee County	School District No 501	Washburn University	TMTA	MTAA	Topeka SNCO P Library	
2008	11.805	12.545	5.501	2.831	32.682	1.500	40.117	54.740	3.316	3.000	1.290	8.999	145.644
2009	18.469	13.852	-	0.271	32.592	1.500	40.965	54.429	3.316	4.404	1.293	9.018	147.517
2010	19.451	13.113	-	0.285	32.849	1.500	41.016	54.301	3.317	4.208	1.255	9.103	147.549
2011	19.786	12.819	-	0.323	32.928	1.500	43.165	56.307	3.298	4.200	1.229	9.773	152.400
2012	24.146	10.915	-	0.777	35.838	1.500	44.196	56.319	3.318	4.200	1.220	9.783	156.374
2013	24.960	13.999	-	0.777	39.736	1.500	48.180	56.320	3.319	4.200	2.044	9.783	165.082
2014	24.615	14.344	-	0.774	39.733	1.500	48.191	52.536	3.322	4.200	2.053	9.787	161.322
2015	24.662	14.371	-	0.776	39.809	1.500	48.266	51.722	3.266	4.200	2.052	9.798	160.613
2016	24.735	14.413	-	0.779	39.927	1.500	48.345	50.869	3.275	4.200	2.060	9.781	159.957
2017	24.730	14.410	-	0.780	39.920	1.500	48.363	50.702	3.250	4.200	2.054	9.787	159.776
a													

a

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

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

City of Topeka, Kansas
Direct and Overlapping Governmental Activities Debt
December 31, 2017

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Shawnee County	\$ 51,405,000	70.84%	\$ 36,415,302
Unified School District No. 345	56,470,248	29.39%	16,596,606
Unified School District No. 437	57,990,000	62.68%	36,348,132
Unified School District No. 450	30,670,000	22.16%	6,796,472
Unified School District No. 501	149,310,000	100.00%	149,310,000
Washburn University	40,080,000	100.00%	40,080,000
Topeka Shawnee Co. Library	4,650,000	70.84%	3,294,060
	<hr/>		<hr/>
Total overlapping debt	390,575,248		288,840,572
	<hr/>		<hr/>
Direct debt, City of Topeka:			
General obligation bonds*	165,550,000		165,550,000
Temporary notes	42,385,000		42,385,000
Capital leases	3,691,113		3,691,113
	<hr/>		<hr/>
Total direct debt	211,626,113		211,626,113
	<hr/>		<hr/>
Total direct and overlapping debt	\$ 602,201,361		\$ 500,466,685
	<hr/>		<hr/>

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

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Topeka. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

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

Fiscal Year	Governmental Activities				Business-Type Activities						Total Primary Government	Percentage of Personal Income	Per Capita
					Kansas								
	General Obligation Bonds	Other Bonds	Capital Leases		General Obligation Bonds	Revenue Bonds	Department of Health & Environment Loans	Capital Leases					
2008	\$ 149,845,000	\$ 42,350,000	\$ 680,260	\$	\$ 13,405,000	\$ 117,255,000	\$ 90,610,984	\$ -	\$	\$ 414,146,244	4.91%	\$ 3,487	
2009	143,280,686	39,485,000	3,371,639		13,089,314	115,275,000	89,619,673	-		404,121,312	4.82%	3,451	
2010	142,274,897	36,820,000	5,456,832		12,795,103	123,450,000	84,946,895	-		405,743,727	4.83%	3,399	
2011	148,201,719	30,070,000	4,450,181		12,453,281	124,345,000	78,077,683	349,924		397,947,788	4.49%	3,233	
2012	136,650,561	26,735,000	3,578,007		12,434,439	122,550,000	72,123,938	280,815		374,352,760	3.98%	3,055	
2013	140,034,715	23,305,000	4,178,138		11,470,285	123,790,000	64,071,878	213,446		367,063,462	3.80%	3,067	
2014	132,363,017	19,780,000	2,715,248		11,121,983	132,420,000	58,529,809	144,221		357,074,278	3.74%	3,063	
2015	140,398,807	16,150,000	2,436,290		10,818,413	131,272,947	52,701,862	-		353,778,319	3.72%	3,096	
2016	153,317,382	11,935,000	3,526,553		10,271,759	151,380,744	46,909,049	-		377,340,487	3.81%	2,966	
2017	153,067,517	10,690,000	3,691,113		9,586,912	164,035,314	40,790,177	-		381,861,033	3.75%	3,011	

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. Details regarding the City's outstanding debt can be found in the notes under long-term debt and in the following statistical section pages. Personal income and population data can be found in the demographic and economic section of the statistical section. 2012 Personal Income and Per capita have been updated with the most recent information.

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Debt Service Restricted Fund Balance	General Obligation Bonds Net of Debt Service Restriction		Total Outstanding Debt		Percentage of Personal Income		Percentage of Actual Taxable Value of Property		General Obligation Bonds Net of Debt Service Restriction
	General Obligation Bonds*		General Obligation Bonds								Personal Income	Per Capita	Value of Property	Per Capita	
2008	\$ 166,090,000	\$	13,405,000	\$	179,495,000	\$ 6,513,004	\$ 172,981,996	\$	1,454.04	\$	2.128%	1,454.04	2.43%	\$	1,401.28
2009	159,000,686		13,089,314		172,090,000	6,749,235	165,340,765		1,384.13		2.053%	1,384.13	2.35%		1,329.84
2010	157,969,897		12,795,103		170,765,000	9,561,850	161,203,150		1,339.62		2.032%	1,339.62	2.31%		1,264.61
2011	163,661,719		12,453,281		176,115,000	4,788,632	171,326,368		1,373.88		1.987%	1,373.88	2.45%		1,336.52
2012	151,520,561		12,434,439		163,955,000	4,939,942	159,015,058		1,281.50		1.742%	1,281.50	2.30%		1,242.90
2013	154,329,715		11,470,285		165,800,000	3,896,624	161,903,376		1,298.57		1.717%	1,298.57	2.30%		1,268.05
2014	146,073,017		11,121,983		157,195,000	3,977,552	153,217,448		1,233.16		1.647%	1,233.16	2.19%		1,201.96
2015	140,398,807		10,818,413		151,217,220	5,221,106	145,996,114		1,141.93		1.589%	1,141.93	2.08%		1,100.88
2016	153,317,382		10,271,759		163,589,141	5,682,111	157,907,030		1,285.42		1.652%	1,285.42	2.09%		1,240.77
2017	153,067,517		9,586,912		162,654,429	6,944,664	155,709,765		1,282.68		1.595%	1,282.68	2.02%		1,227.92

Note: This information includes debt that is backed by full faith and credit of government. Governmental amounts from 2008 to 2011 have been updated to reflect this change in reporting. Details regarding the city's outstanding debt can be found in the notes under long-term debt and in the following statistical pages.

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 346,999,495	\$ 338,982,482	\$ 346,999,495	\$ 334,807,338	\$ 331,919,050	\$ 340,561,685	\$ 340,500,230	\$ 345,157,363	\$ 339,907,116	\$ 352,866,535
Total net debt applicable to limit	95,537,544	67,443,634	95,537,544	55,885,557	44,026,297	57,288,672	57,893,442	62,764,358	69,174,940	81,359,940
Legal debt margin	\$ 251,461,951	\$ 271,538,848	\$ 251,461,951	\$ 278,921,781	\$ 287,892,753	\$ 283,293,013	\$ 282,606,788	\$ 282,393,005	\$ 270,732,176	\$ 271,506,595

Total net debt applicable to the limit										
as a percentage of debt limit	27.53%	19.90%	27.53%	16.69%	13.26%	16.82%	17.00%	18.18%	20.35%	23.06%

As permitted by Kansas statutes, for 2017 the City has excluded certain types of debt from this computation as follows:

\$	63,813,499	K.S.A. 10-427a
	52,071,561	K.S.A. 10-309
	-	K.S.A. 12-195(8)
	10,690,000	K.S.A. 12-1774
Total excluded in 2017	\$ 126,575,060	

Legal Debt Margin Calculation for Fiscal Year 2016

Total assessed value	\$ 1,176,221,783
Debt limit (30% of total assessed value)	
Debt applicable to limit:	352,866,535
General obligation bonds	
Less: Amount set aside for repayment of general obligation debt	81,359,940
Total net debt applicable to limit	-
Legal debt margin	\$ 271,506,595

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

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

Water and Water Pollution Control KDHE Revolving Loans								
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available	Debt Service on KDHE Loans (Next Fiscal Year)		Debt Service on Revenue Bonds (Next Fiscal Year)		1.00 KDHE Loan
				Principal	Interest	Principal	Interest	
2008	\$ 59,703,701	\$ 38,923,418	\$ 20,780,283	\$ 6,638,050	\$ 3,028,657	\$ 1,980,000	\$ 5,319,718	1.22
2009	61,650,545	35,392,529	26,258,016	6,884,878	2,726,323	2,050,000	5,219,518	1.56
2010	61,719,464	35,128,771	26,590,693	6,880,361	2,446,042	2,105,000	5,568,673	1.56
2011	61,512,843	37,192,745	24,320,098	7,213,366	2,228,756	2,285,000	5,358,952	1.42
2012	64,558,928	38,616,083	25,942,845	7,466,350	2,121,525	2,370,000	5,116,876	1.52
2013	60,977,779	39,789,027	21,188,752	6,588,941	1,829,580	3,555,000	4,927,381	1.25
2014	63,641,393	41,687,421	21,953,972	5,719,175	1,648,935	4,995,000	5,202,391	1.25
2015	61,643,563	40,725,741	20,917,822	5,901,585	1,481,742	4,565,000	4,567,203	1.27
2016	65,710,348	43,467,534	22,242,814	6,664,929	1,366,011	5,405,000	4,901,875	1.21
2017	69,507,274	42,379,782	27,127,492	6,732,759	1,171,570	5,925,000	5,343,473	1.41

Water, Water Pollution Control and Stormwater Revenue Bonds							
Fiscal	Debt Service						
	Gross Revenues	Less: Operating Expenses	Net Available	on Revenue Bonds (Next Fiscal Year)			Revenue Bond
				Principal	Interest		
2008	\$ 59,703,701	\$ 43,127,042	\$ 16,576,659	\$ 1,980,000	\$ 5,319,718		2.27
2009	61,650,545	39,831,984	21,818,561	2,050,000	5,219,518		3.00
2010	61,719,464	39,376,888	22,342,576	2,105,000	5,568,673		2.91
2011	61,512,843	41,176,575	20,336,268	2,285,000	5,358,952		2.66
2012	64,558,928	42,898,205	21,660,723	2,370,000	5,116,876		2.89
2013	60,977,779	42,407,157	18,570,622	3,555,000	4,927,381		2.19
2014	63,641,393	42,328,687	21,312,706	4,995,000	5,202,391		2.09
2015	61,643,563	41,033,768	20,609,795	4,565,000	4,567,203		2.26
2016	65,710,348	44,487,875	21,222,473	5,405,000	4,901,875		2.06
2017	69,507,274	43,249,886	26,257,388	5,925,000	5,343,473		2.33

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

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

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

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

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

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

Fiscal Year	Population (1)	Personal Income (thousands of dollars) (2)	Per Capita Personal Income (2)	501 School District Enrollment (3)
2008	123,446	\$ 8,433,296	\$ 36,465	13,469
2009	124,331	8,380,977	36,040	13,846
2010	127,473	8,405,809	35,887	14,183
2011	128,188	8,861,468	37,765	14,194
2012	127,939	9,413,488	40,132	14,084
2013	127,679	9,658,239	41,175	14,021
2014	127,473	9,546,228	40,760	14,051
2015	127,215	9,518,655	40,720	14,169
2016	127,265	9,904,668	42,365	13,794
2017	126,808	10,196,031	43,747	13,388

Sources:

(1) Population estimates, are taken from the Kansas Division of the Budget and the 2015 data retrieved from the final year of the series 2010 through 2015 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 Kansas Education Data Reporting.

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

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

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

Fiscal Year	Number of Residential Units (1)			Number of Commercial Units (1)			Bank Deposits (2)	Estimated True Value of Property (3)		
								Commercial	Residential	Nontaxable
2008	380	\$	34,046	197	\$	85,538	\$ 3,083,569	\$ 1,407,965	\$ 4,454,512	\$ 1,492,738
2009	355		37,803	190		74,547	2,956,528	1,411,297	4,505,829	1,501,653
2010	364		27,256	204		53,842	3,031,760	1,367,673	4,521,526	1,328,506
2011	322		17,068	220		45,974	3,210,912	1,386,065	4,536,147	1,344,785
2012	413		21,152	207		65,641	2,580,953	1,394,286	4,444,452	1,335,593
2013	260		20,232	171		73,549	2,575,596	1,475,449	4,476,216	1,338,706
2014	273		23,679	176		99,345	2,677,773	1,498,453	4,498,898	1,358,985
2015	282		18,848	165		118,638	3,561,214	1,534,203	4,531,516	1,355,076
2016	352		23,682	183		132,496	2,753,871	1,596,759	4,584,335	1,370,439
2017	232		26,006	213		123,329	2,984,396	1,675,035	4,657,728	1,359,843

Sources:

(1) City Development Coordination Office

(2) FDIC - Summary of Deposits market share report, changed in 2008, figures are as of 06-30-17

(3) Shawnee County Real Property Abstract

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

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of Kansas	8,320	1	7.74%	8,074	1	7.40%
Stormont-Vail Health Care	4,628	2	4.30%	3,666	2	3.36%
Unified School District # 501	2,501	3	2.33%	2,269	3	2.08%
Westar Energy	1,800	4	1.67%	-		-
SCL Health Systems	1,700	5	1.58%	-		-
Department of Veterans Affairs	1,620	6	1.51%	-		-
Goodyear Tire and Rubber Co.	1,600	7	1.49%	1,600	6	1.47%
Resers Fine Foods Inc	1,550	8	1.44%	-		-
Wal-Mart Associates, Inc	1,450	9	1.35%	-		-
Blue Cross Blue Shield of Kansas	1,347	10	1.25%	1,362	9	1.25%
Washburn University	-		-	2,100	4	1.92%
St. Francis Hospital & Medical Center	-		-	1,978	5	1.81%
Collective Brands (Payless Shoe Source)	-		-	1,500	7	1.37%
City of Topeka	-		-	1,500	8	1.37%
US Government	-		-	1,192	10	1.09%
Total	26,516		24.66%	25,241		23.13%
Total Employment	107,522			109,124		

Source:

GO Topeka & Ks Dept Labor, Labor Market Info Serv and City of Topeka 2008 CAFR, for number of employees & total employment
State Department of Labor, 3rd Quarter 2017

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
City Council	2.00	2.00	2.00	1.00	1.00	1.50	1.50	1.50	1.00	1.00
Mayor	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Executive	13.00	13.00	14.00	10.00	8.40	8.00	11.00	12.00	11.00	11.00
Legal	21.50	21.50	21.50	20.50	17.50	17.50	14.00	14.00	15.00	15.00
Financial Services	26.00	26.00	29.00	23.00	22.17	23.50	23.00	24.00	26.00	25.00
Municipal Court	28.00	28.00	24.00	23.00	23.00	24.00	23.00	23.00	23.00	23.00
Human Relations Commission	5.00	5.00	3.00	-	-	-	-	-	-	-
Human Resources	8.00	9.00	9.00	9.00	11.00	10.50	10.50	11.00	12.00	13.00
Information Technology	17.00	17.00	12.00	12.00	12.50	13.50	15.00	14.00	15.00	17.00
Public Safety										
Fire	249.00	249.00	245.00	251.00	244.00	246.00	245.00	245.00	245.00	246.00
Police	357.00	374.00	368.50	367.50	365.50	382.00	367.50	367.50	353.50	353.50
Public Works										
Administration	11.00	10.00	10.00	9.00	9.08	2.00	2.00	2.00	2.00	4.00
Development Services	37.00	21.00	20.00	15.00	15.00	8.00	15.00	15.00	-	-
Engineering	39.00	39.00	39.00	26.00	27.00	27.00	31.00	31.00	31.00	35.00
Fleet Services	21.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00
Forestry	-	-	-	-	-	9.00	9.00	9.00	9.00	9.00
Transportation Operations	14.00	14.00	14.00	14.00	13.00	13.00	13.00	13.00	13.00	13.00
Special Street Repair	53.00	49.00	46.00	46.00	47.00	46.00	46.00	46.00	54.00	54.00
Facility Operations	14.25	15.00	12.00	7.00	27.00	14.00	15.00	15.00	17.00	19.00
Public Parking	18.00	18.00	16.00	16.00	16.00	15.00	14.00	14.00	14.00	14.00
Water	116.00	116.00	117.00	119.00	118.00	120.00	123.00	123.00	123.00	125.00
Water Pollution Control	76.00	75.00	71.00	75.00	74.33	68.00	67.00	71.00	71.00	72.00
Stormwater Utility	15.00	19.00	18.00	18.00	18.00	24.00	24.00	28.00	28.00	25.00
Housing & Neighborhood Development	15.00	16.00	16.00	16.00	14.50	14.00	14.00	14.00	-	-
Neighborhood Relations	-	-	-	-	-	-	-	-	47.00	47.00
Planning	14.00	14.00	14.00	10.00	10.00	11.00	11.00	11.00	10.00	10.00
Parks and Recreation	92.75	93.00	89.00	63.00	11.00	-	-	-	-	-
Public Golf Course	3.00	-	-	-	-	-	-	-	-	-
Zoo	32.50	32.50	30.00	28.00	24.00	24.50	22.00	22.00	22.00	24.00
Total	1,298.00	1,299.00	1,263.00	1,198.00	1,151.98	1,146.00	1,140.50	1,150.00	1,166.50	1,179.50

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

*In 2006, moved under Financial Services. In 2010, moved under Public Works.

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

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

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

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

* Neighborhood Relations Department added in 2016, consolidating divisions from multiple departments.

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fire										
Total number of incidents	14,504	14,544	15,071	16,614	18,451	17,559	18,195	18,780	19,969	22,287
Fire calls	740	674	660	710	835	673	671	676	843	907
Rescue & Emergency Medical calls	10,850	11,046	11,422	12,624	13,861	13,275	14,118	14,463	12,185	11,395
Police										
Citations issued	31,505	34,873	21,267	17,581	17,901	18,544	20,696	17,631	17,521	16,042
Driving under the influence citations	547	523	502	253	431	463	349	221	188	191
Development Services										
Residential building permits	380	355	364	322	413	260	273	282	352	232
Commercial building permits	197	190	204	220	207	171	176	165	183	213
Street Operations										
Streets swept (curb miles)	17,971	21,471	15,689	2,810	3,579	3,807	2,700	2,956	4,227	5,218
Pot hole patching material used (tonnage)	2,192	2,725	2,640	4,544	3,580	3,044	4,774	2,032	3,515	3,810
Traffic Operations										
Cross walks maintained (miles)	927	903	903	871	750	555	824	871	871	871
Streets painted (miles)	310	323	323	283	280	285	198	285	285	285
Number of signs replaced	4,200	838	1,800	2,548	1,350	1,670	1,033	1,052	1,195	1,472
Public Parking violations issued	21,853	24,025	17,690	17,556	16,457	15,691	14,117	12,748	11,107	12,352
Parks and Recreation										
Mini-Train & Carousel attendance	152,482	164,700	164,700	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Swimming pool attendance	107,313	105,316	96,790	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Summer youth camp attendance	4,012	4,129	4,151	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Youth basketball teams	57	41	30	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Youth volleyball teams	81	80	60	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Adult summer softball teams	369	390	477	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Adult volleyball teams	434	557	537	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Adult basketball teams	110	135	255	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Zoo attendance	176,500	137,441	111,666	152,586	194,739	172,692	202,711	196,208	203,407	199,309
Housing & Neighborhood Development										
CDBG disbursed per year (thousands of \$)	1,805	2,094	2,004	1,852	2,052	1,805	1,883	1,734	1,915	1,378
CDBG rehab activity of single residential units	237	188	357	314	284	293	173	156	103	448
Water										
New Connections	279	131	162	213	156	137	161	270	170	149
Number of accounts	53,744	53,727	53,314	53,673	54,932	55,779	55,913	55,648	55,855	55,991
Annual Volume Net Finished (millions of gallons)	6,772	6,309	6,047	7,218	7,824	6,652	6,611	6,236	6,396	6,104
Valve routine maintenance	2,965	2,992	2,624	2,253	2,595	1,772	994	940	951	736
Water Pollution Control										
Number of accounts	48,198	48,243	48,488	47,689	48,204	48,192	48,522	48,583	48,757	48,852
Volume (millions of gallons)	5,372	5,864	6,450	6,245	5,226	5,607	5,580	6,839	7,259	7,046
Number of service calls	574	755	752	694	826	930	827	916	791	712
Stormwater Utility										
Number of service calls	381	474	389	486	326	344	435	586	489	386
Public Golf Course rounds	22,444	26,535	28,840	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Various city departments
Note: Indicators are not available for general government and administration functions.
Parks and Recreation: Starting January 1, 2012 City of Topeka Parks & Recreation was consolidated with Shawnee County Parks & Recreation. No figures available from 2011 and on.
Traffic Operations reduction in force which decreased number of signs replaced.
n/a = not available

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Square miles of City	60.9	61.0	61.0	61.8	61.8	61.8	61.9	61.9	61.9	62.6
Fire										
Stations	12	12	12	12	12	12	12	12	12	12
Firefighters	249	238	238	228	241	236	236	235	238	235
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Police officers	293	300	300	300	300	300	300	300	295	295
Street Operations										
Miles of City streets	1,621	1,624	1,624	1,517	1,517	1,532	1,586	1,586	1,611	1,610
Traffic Operations										
Traffic signals	179	178	183	201	201	201	201	201	201	185
Traffic signs (number of signs)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Parks and Recreation										
Mini-Train & Carousel	2	2	2	2	n/a	n/a	n/a	n/a	n/a	n/a
Swimming pools	5	5	5	5	n/a	n/a	n/a	n/a	n/a	n/a
Community Centers	7	7	7	7	n/a	n/a	n/a	n/a	n/a	n/a
Softball diamonds	14	14	14	14	n/a	n/a	n/a	n/a	n/a	n/a
Water										
Water mains (miles)	846	846	881	881	883	887	888	892	892	879
Storage capacity (millions of gallons)	25	25	25	25	25	25	25	25	25	25
Water Pollution Control										
Sanitary sewers (miles)	910	910	910	910	919	872	872	973	974	976
Stormwater Utility										
Storm sewers (miles)	330	330	330	330	330	330	330	330	404	422
Public Parking										
Parking garages	8	8	7	7	7	7	7	7	7	7
Parking meters	1,760	1,760	1,657	1,684	1,684	1,631	1,630	1,633	1,633	1,665
Public Golf Course	1	1	1	1	n/a	n/a	n/a	n/a	n/a	n/a

Source: Various city departments

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

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

2015 Water Pollution Control included force mains in their totals under Sanitary sewers (miles).

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

No information available for 2011.

n/a = not available

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OTHER INFORMATION

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City of Topeka, Kansas
Schedule of Bonded Indebtedness and Other Financing by Issue
December 31, 2017

Bond Series	Transaction Description	Tax Status	Settlement Date	Interest Rate	Original Par	Interest Due	Principal Due	Outstanding as of January 1, 2017	Retired Year-to-Date	Refunded Year-to-Date	Issued Year-to-Date	Outstanding as of December 31, 2017	
Governmental General Obligation Bonds													
2010C	Taxable General Obligation Bonds (Build America)	Taxable	09/29/10	2.050 - 4.850	\$	4,570,000	2/15 & 8/15	\$	4,125,000	\$	230,000	\$	3,895,000
2011B	General Obligation Bonds	Tax-Exempt	09/29/11	2.000 - 4.000		3,430,000	2/15 & 8/15		2,835,000		155,000		2,680,000
2012A	General Obligation Refunding Bonds	Tax-Exempt	04/17/12	1.500 - 4.000		25,510,000	2/15 & 8/15		14,040,000				
2013A	General Obligation Refunding Bonds	Tax-Exempt	06/04/13	2.200 - 4.000		18,308,742	2/15 & 8/15		16,258,465		2,155,000		13,803,243
2013B	General Obligation Bonds	Tax-Exempt	09/30/13	3.000-4.500		9,790,000	2/15 & 8/15		405,000		2,455,222		8,615,000
2013C	Taxable General Obligation Bonds	Taxable	09/30/13	2.000-2.500		5,000,000	2/15 & 8/15		3,060,000		1,000,000		2,060,000
2014A	General Obligation Bonds	Tax-Exempt	09/25/14	2.000-3.250		5,590,000	2/15 & 8/15		5,135,000		225,000		4,910,000
2015A	General Obligation Bonds	Tax-Exempt	09/15/15	2.000-5.000		52,809,613	2/15 & 8/15		49,752,776		3,051,006		46,701,770
2016A	General Obligation Bonds	Tax-Exempt	05/19/16	2.500-5.000		19,187,018	2/15 & 8/15		19,226,059		1,325,079		17,900,980
2016B	General Obligation Bonds	Tax-Exempt	09/13/16	2.500-5.000		22,705,000	2/15 & 8/15		22,705,000				21,310,000
2017A	General Obligation Bonds	Tax-Exempt	09/05/17	2.250 - 5.000		24,010,000	2/15 & 8/15		-		24,010,000		24,010,000
Subtotal Governmental G.O. Bonds					190,910,373			146,157,300	12,396,307	11,885,000	24,010,000	145,885,993	
Business-Type General Obligation Bonds													
2012A	General Obligation Refunding Bonds	Tax-Exempt	04/17/12	1.500 - 4.000		4,935,000	2/15 & 8/15		4,835,000		15,000		-
2013A	General Obligation Refunding Bonds	Tax-Exempt	06/04/13	2.200 - 4.000		2,026,258	2/15 & 8/15		1,216,535		234,778		981,757
2015A	General Obligation Bonds	Tax-Exempt	09/15/15	2.000-5.000		2,455,387	2/15 & 8/15		213,994		2,242,224		2,028,230
2016A	General Obligation Bonds	Tax-Exempt	05/19/16	2.500-5.000		1,662,982	2/15 & 8/15		1,593,941		109,921		1,484,020
2017A	General Obligation Bonds	Tax-Exempt	09/05/17	2.250 - 5.000		4,480,000	2/15 & 8/15		-		4,480,000		4,480,000
Subtotal Business-Type G.O. Bonds					15,559,627			9,887,700	573,693	4,820,000	4,480,000	8,974,007	
Other General Obligation Bonds (See Footnotes)													
2011A	Full Faith and Credit STAR Bonds (Heartland Park ²)	Tax-Exempt	09/20/11	2.000 - 3.250		9,855,000	2/15 & 8/15		815,000		-		6,705,000
2016A	Full Faith and Credit STAR Tax Increment Refunding Bonds	Tax-Exempt	05/19/16	2.000-2.000		4,430,000	2/15 & 8/15		430,000		-		3,985,000
Subtotal Other General Obligation Bonds					14,285,000			11,035,000	1,245,000	-	-	10,690,000	
TOTAL GENERAL OBLIGATION BONDS					\$ 220,755,000		\$	167,980,000	\$ 14,215,000	\$ 16,705,000	\$ 28,490,000	\$ 165,580,000	
Utility Revenue Bonds													
2010A	Taxable Combined Utility Improvement Revenue Bonds	Taxable	09/22/10	4.500 - 4.900	\$	985,000	2/1 & 8/1	\$	985,000	\$	-	\$	985,000
2010B	Taxable Combined Utility Improvement Revenue Bonds	Taxable	09/22/10	5.100 - 5.250		9,155,000	2/1 & 8/1		9,155,000		-		9,155,000
2010C	Taxable Combined Utility Improvement Revenue Bonds	Taxable	09/22/10	3.75		85,000	2/1 & 8/1		85,000		-		85,000
2011A	Combined Utility Improvement and Refunding Bonds	Tax-Exempt	09/29/11	2.000 - 4.500		18,900,000	2/1 & 8/1		14,830,000		-		13,415,000
2012A	Combined Utility Refunding Revenue Bonds	Tax-Exempt	06/12/12	3.000 - 3.500		22,045,000	2/1 & 8/1		60,000		-		20,425,000
2013A	Combined Utility Refunding Revenue Bonds	Tax-Exempt	05/21/13	1.500 - 5.000		35,985,000	2/1 & 8/1		35,350,000		-		35,055,000
2014A	Combined Utility Revenue Bonds	Tax-Exempt	12/23/14	3.125 - 5.000		45,510,000	2/1 & 8/1		39,800,000		-		36,885,000
2016A	Combined Utility Refunding Revenue Bonds	Tax-Exempt	09/06/16	2.000 - 3.000		24,945,000	2/1 & 8/1		24,945,000		-		24,945,000
2016B	Taxable Combined Utility Refunding Revenue Bonds	Taxable	09/06/16	850 - 1.300		1,745,000	2/1 & 8/1		720,000		-		1,025,000
2017A	Combined Utility Revenue Bonds	Tax-Exempt	09/05/17	2.250 - 5.000		17,975,000	2/1 & 8/1		-		17,975,000		17,975,000
Subtotal Utility Revenue Bonds					177,530,000			147,580,000	5,405,000	-	17,975,000	159,950,000	
Other Revenue Bonds (See Footnotes)													
TOTAL BONDED INDEBTEDNESS OF THE CITY					\$ 398,085,000		\$	315,560,000	\$ 19,620,000	\$ 16,705,000	\$ 46,465,000	\$ 325,500,000	
KDHE - KS Water Pollution Control SRF Loan													
					110,215,967	12/1 & 6/1		35,864,638	\$ 5,261,040	\$	-	\$ 30,603,598	
KDHE - KS Public Water Supply SRF Loan					33,182,304	8/1 & 2/1		11,044,411	857,832	-	-	10,186,579	
TOTAL REVOLVING LOANS					\$ 46,900,049			\$ 6,118,872	\$	-	\$	40,790,177	
2016A Temporary Notes													
					31,495,000	At Maturity	43/09	\$	-	\$ 31,495,000	\$	-	
2017A Temporary Notes					42,385,000	At Maturity	10/01/18		-	-	42,385,000	42,385,000	
TOTAL TEMPORARY NOTES					\$ 31,495,000			\$	-	\$ 31,495,000	\$ 42,385,000	\$ 42,385,000	
TOTAL INDEBTEDNESS OF THE CITY													
					\$ 393,764,049		\$	25,738,872	\$ 48,200,000	\$ 88,850,000	\$	408,675,177	

City of Topeka, Kansas
Schedule of Temporary Notes Outstanding by Project
December 31, 2017

Project Purpose/Description	Project Number	Project Amount Financed
Municipal Building Renovations/Mechanical Systems	131036.00	\$ 498,895
Fire Station #13	131059.00	1,792,142
Pipe Replace SE 29th Ph II	151016.01	696,944
Water Extension Fairlawn	281028.00	1,991,269
Rehab Layne Pump Station PH II	281032.01	995,635
2MG West Elevated Tank	281055.00	2,986,904
Main Crane @ Jefferson	281079.00	4,480,356
Main California 33rd to 41st	281082.00	995,635
Main SE 37th Kentucky - California	281085.00	995,635
Crane - NW Harrison/Branner/Jefferson	281086.00	2,986,904
Indian Hillks SW 29th/SW 21st	281090.00	1,493,452
Meriden Booster Pump Station	281091.00	497,817
24" NE Strait Seward/SE 6th	281104.00	1,991,269
S Kansas River Pump Station	291003.01	1,393,888
Solids Handling Ph II	291018.02	2,489,086
Adams St IS Rehab	291041.00	1,792,142
Lining Rep - NTWWTP/Wanamaker PS	291043.00	746,726
Eastside Interceptor Relief	291050.00	2,489,086
Wanamaker Force Main Replace	291056.00	995,635
Ash St Force Main Replacement	291057.00	1,493,452
Shunga Pump Station Rehab	291058.00	995,635
Oakland Aerator & Mixing Repl	291060.00	995,635
Kay's Garden - Zoo	301049.00	498,895
Mill/Overlay Zoo Parking Lot	301052.00	414,263
Levee Repairs/Replacement	501012.00	995,635
2018 Storm Convey System Rehab	501035.00	995,635
Street Improvement Millers Reserve	601048.00	798,229
SW Huntoon/I470/Arvonla Pl	701014.00	2,489,086
SW 10th Ave Fairlawn to Wanamaker	701015.00	399,115
		<u>\$ 42,385,000</u>

Note: On August 8, 2017, the City issued its Series 2017-A Temporary Notes in the principal amount of \$42,385,000. The 2017-A Notes were purchased by JP Morgan , bear interest at 3.00%, and are scheduled to mature on October 1, 2018.

City of Topeka, Kansas
Debt Service Payments to Final Maturity
Revenue bonds
December 31, 2017

Combined Utility Scheduled Debt Service						Cumulative % of Total Bonds Retired at Year End
Year Ending	Principal Amount Due	Interest Amount Due	Total Annual Debt Service	Bond Balance		
2018	\$ 5,925,000	\$ 5,343,473	\$ 11,268,473	\$ 154,025,000		3.71%
2019	6,085,000	5,183,065	11,268,065	147,940,000		7.51%
2020	6,645,000	4,928,460	11,573,460	141,295,000		11.66%
2021	6,790,000	4,668,848	11,458,848	134,505,000		15.91%
2022	7,125,000	4,395,448	11,520,448	127,380,000		20.36%
2023	7,205,000	4,194,748	11,399,748	120,175,000		24.87%
2024	8,585,000	3,997,423	12,582,423	111,590,000		30.23%
2025	8,970,000	3,742,740	12,712,740	102,620,000		35.84%
2026	9,125,000	3,480,433	12,605,433	93,495,000		41.55%
2027	9,390,000	3,158,178	12,548,178	84,105,000		47.42%
2028	9,670,000	2,860,265	12,530,265	74,435,000		53.46%
2029	7,510,000	2,573,250	10,083,250	66,925,000		58.16%
2030	7,380,000	2,330,631	9,710,631	59,545,000		62.77%
2031	7,465,000	2,088,586	9,553,586	52,080,000		67.44%
2032	6,200,000	1,839,036	8,039,036	45,880,000		71.32%
2033	6,345,000	1,626,326	7,971,326	39,535,000		75.28%
2034	4,290,000	1,404,035	5,694,035	35,245,000		77.96%
2035	4,030,000	1,250,543	5,280,543	31,215,000		80.48%
2036	3,380,000	1,105,803	4,485,803	27,835,000		82.60%
2037	3,265,000	981,795	4,246,795	24,570,000		84.64%
2038	3,150,000	860,261	4,010,261	21,420,000		86.61%
2039	3,125,000	740,893	3,865,893	18,295,000		88.56%
2040	3,200,000	622,880	3,822,880	15,095,000		90.56%
2041	2,495,000	499,243	2,994,243	12,600,000		92.12%
2042	2,450,000	415,043	2,865,043	10,150,000		93.65%
2043	2,530,000	333,053	2,863,053	7,620,000		95.24%
2044	2,615,000	248,338	2,863,338	5,005,000		96.87%
2045	2,015,000	160,125	2,175,125	2,990,000		98.13%
2046	2,075,000	96,450	2,171,450	915,000		99.43%
2047	915,000	30,881	945,881	-		100.00%
TOTALS	\$ 159,950,000	\$ 65,160,249	\$ 225,110,249			

City of Topeka, Kansas
Schedule of Industrial Revenue Bonds by Obligor (1)
December 31, 2017

Obligated Entity or Purpose	Interest Rates	Issue Date	Final Maturity	Original Principal Amount	Principal Outstanding 01/01/2017	Issued	Retired	Principal Outstanding 12/31/2017
Brewster Place	2.98%	07/21/15	06/01/35	\$ 8,190,000	\$ 7,845,000	\$ -	\$ 315,000	\$ 7,530,000
Brewster Place	Variable	02/25/13	06/01/25	10,000,000	7,080,000	-	7,080,000	-
YMCA - refunding	4.00 - 6.00%	09/07/11	09/01/31	7,055,000	6,025,000	-	245,000	5,780,000
Brewster Place 2017-A1	3.25%	08/02/17	03/01/23	3,560,000	-	3,560,000	207,000	3,353,000
Brewster Place 2017-A2	3.25%	08/02/17	12/01/37	14,105,000	-	14,105,000	-	14,105,000
Brewster Place 2017-B1	3.25%	08/02/17	05/01/26	3,605,000	-	3,605,000	120,000	3,485,000
Brewster Place 2017-B2	3.25%	08/02/17	06/01/27	6,685,000	-	6,685,000	-	6,685,000
Brewster Place 2017-C	3.25%	08/02/17	12/01/18	3,200,000	-	3,200,000	-	3,200,000
				\$ 56,400,000	\$ 20,950,000	\$ 31,155,000	\$ 7,967,000	\$ 44,138,000

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

City of Topeka, Kansas
Schedule of Special Assessment Debt
December 31, 2017

Collection Year	Assessment Levy	Current Collections (1)	Percent of Levy Collected	Amount of Delinquency
2009	\$ 1,657,355	\$ 1,373,257	83%	\$ 28,182
2010	1,716,269	1,352,945	79%	73,522
2011	1,730,066	1,486,381	86%	280,583
2012	2,176,590	1,879,022	86%	206,962
2013	2,310,602	1,793,593	78%	65,389
2014	2,316,954	1,975,602	85%	117,655
2015	2,307,222	1,903,978	83%	55,657
2016	1,780,956	2,312,432	130%	-
2017	1,860,262	3,092,812	166%	43,136
2018-2022	9,800,489	-		-
2023-2027	8,624,246	-		-
2028-2032	11,782,837	-		-
2033-2037	10,061,152	-		-

(1) Collections and assessments include interest

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

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

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

Average Annual Non-Farm Employment Distribution										
Topeka MSA										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Non-Farm	112,500	109,000	109,200	109,000	109,500	110,200	111,500	111,100	112,600	111,500
Goods-Producing	13,600	12,500	12,000	12,200	12,700	12,700	13,200	12,800	13,200	13,000
Service-Providing	98,900	96,500	97,200	96,800	96,800	97,500	98,300	98,300	99,300	98,500
Private Service-Providing	69,700	68,200	68,400	68,800	69,400	70,700	70,800	71,200	72,500	71,900
Government	29,200	28,300	28,800	28,000	27,400	26,800	27,500	27,200	26,900	26,700

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

The major employment sectors within the Topeka Metropolitan Statistical Area ("Topeka MSA") include manufacturing, mining and construction, transportation and public utilities, wholesale and retail trade, finance related industries, service related industries, and government.

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

Unemployment rates Topeka MSA										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Topeka MSA	4.90%	7.10%	7.20%	6.90%	6.30%	6.00%	4.80%	4.31%	4.08%	3.60%
Kansas	4.40%	7.10%	7.10%	6.50%	5.70%	5.40%	4.50%	4.23%	4.09%	3.60%
United States	5.80%	9.30%	9.60%	8.90%	8.10%	7.40%	6.20%	5.28%	4.85%	4.35%

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

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

City of Topeka, Kansas
Capital Improvement Program

		Capital Improvement Budget			Capital Improvement Plan		
	Adopted Number	Adopted 2017	Adopted 2018	Adopted 2019	Adopted 2020	Adopted 2021	5 Year Total
General Obligation Bond Projects							
Neighborhoods							
Neighborhood Infrastructure	T-601056.00	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$7,000,000
Subtotal Citywide		\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$5,600,000
Public Safety							
South Fire Station (FS #14)	T-131037.00	\$1,768,407	\$1,636,007				\$3,404,413
Secure Staging Facility	T-801002.00				\$750,000		\$750,000
Purchase 1 Truck Apparatus (Truck 10)	T-801003.00	\$750,375					\$750,375
Purchase Two Engine Apparatus (Engines 1 & 12)	T-801004.00	\$0	\$1,345,500				\$1,345,500
Purchase One Aerial Apparatus (Aerial 8)	T-801005.00			\$1,345,500			\$1,345,500
Purchase Two Engine Apparatus (Engines 8 & 10)	T-801006.00				\$1,345,500		\$1,345,500
Purchase 2 Trucks (Trucks 3 & 9)	T-801007.00					\$1,552,500	\$1,552,500
Subtotal Fire Department		\$2,518,782	\$2,981,507	\$1,345,500	\$2,095,500	\$1,552,500	\$10,493,788
Traffic							
Traffic Safety Projects	T-601057.00	\$185,000	\$185,000	\$185,000	\$185,000	\$185,000	\$925,000
Traffic Signal Replacement	T-141020.00	\$0	\$640,000	\$640,000	\$640,000	\$640,000	\$2,560,000
Subtotal Traffic		\$185,000	\$825,000	\$825,000	\$825,000	\$825,000	\$3,485,000
Streets							
Complete Streets	T-601058.00	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
Citywide Infrastructure	T-601059.00	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
SE California Ave. -- 29th St. to 33rd St.	T-701011.00	\$2,200,000	\$500,000				\$2,700,000
Bike Lanes on SE 6th & SE 10th Ave Bridges over I-70	T-861009.00			0		\$500,000	\$500,000
SW Arvonla Place/Huntoon Street/I-470 Ramps	T-701014.00	\$1,125,000	\$1,125,000				\$2,250,000
Infill Sidewalks/Pedestrian Master Plan	T-241034.00	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$3,000,000
SW 10th Avenue -- SW Fairlawn Road to SW Wanamaker Road	T-701015.00	\$400,000	\$240,000	\$2,360,000	\$3,000,000		\$6,000,000
SW Wanamaker Rd/SW Huntoon/ I470 Ramps	T-701018.00			\$200,000	\$1,000,000	\$1,000,000	\$2,200,000
NW Tyler St, NW Lyman Rd to NW Beverly St	T-701019.00				\$150,000	\$1,650,000	\$1,800,000
SE 29th Street/KTA Interchange	T-701017.00				\$500,000		\$500,000
Subtotal Streets		\$4,625,000	\$2,765,000	\$3,460,000	\$5,550,000	\$4,050,000	\$20,450,000
Quality of Life							
Zoo Parking Lot Resurfacing and Enlargement	T-301052.00			\$396,267			\$396,267
Zoo Tropical Rain Forest HVAC Replacement	T-301053.00			\$194,040			\$194,040
Zoo Discovering Apes Roof Replacement	T-301054.00				\$181,913		\$181,913
Kay's Garden	T-301049.00	\$2,233,086					\$2,233,086
Subtotal Quality of Life		\$2,233,086	\$0	\$590,307	\$181,913	\$0	\$3,005,306
City Facilities							
Municipal Buildings Systems Renovation (Elec, HVAC, Mech)	T-131039.00	\$261,164					\$261,164
Municipal Building Renovations (abatement, plumbing)	T-131036.00	\$175,000	\$859,125	\$859,125	\$859,125		\$2,752,375
Sustainability Initiative: High Efficiency LEDs	T-131043.00			\$400,000	\$451,700	\$451,700	\$1,303,400
Subtotal Facilities		\$436,164	\$859,125	\$1,259,125	\$1,310,825	\$451,700	\$4,316,939
TOTAL GO Bond Projects		\$11,398,032	\$8,830,632	\$8,879,932	\$11,363,238	\$8,279,200	\$48,751,033
Total Annual Target		\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$36,000,000
Difference Target to Subtotal		(\$2,398,032)	\$169,369	\$120,068	(\$2,363,238)	\$720,800	(\$3,751,033)
Difference Target to Subtotal, excluding Kay's Garden*		(\$164,946)	\$169,369	\$120,068	(\$2,363,238)	\$720,800	(\$1,517,947)

*The city is bonding the project cost, but Friends of the Zoo (FOTZ) will pay \$250,000 annually to cover the full debt payment.

City of Topeka, Kansas
Capital Improvement Program

	Adopted Number	Capital Improvement Budget				Capital Improvement Plan		
		Adopted 2017	Adopted 2018	Adopted 2019	Adopted 2020	Adopted 2021	5 Year Total	
Utility Funded Projects								
Utilities/Wastewater Fund								
Wastewater Lining & Replacement Program	T-291042.00	\$1,000,000	\$1,000,000				\$2,000,000	
Adams Street Interceptor Sewer Rehabilitation	T-291041.00	\$1,550,000					\$1,550,000	
Lining Repairs - NTWWTP and Wanamaker PS	T-291043.00	\$321,586	\$1,178,414				\$1,500,000	
Eastside IS-Relief-CSO#3 to Ash St PS	T-291050.00		\$900,000	\$7,448,760			\$8,348,760	
NTWWTP Nutrient Removal	T-291052.00				\$6,363,627		\$6,363,627	
Oakland WWTP - UV Expansion	T-291062.00			\$2,703,750			\$2,703,750	
Wastewater Plant Operations Equipment & Fleet Maint. & Replacement Program		\$300,000	\$100,000	\$300,000	\$100,000	\$300,000	\$1,100,000	
WPC Inflow & Infiltration Program	T-291063.00	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000	
Oakland Wastewater Treatment Plant Solids Handling/Facility Upgrades Phase II	T-291018.02	\$8,098,274					\$8,098,274	
Neighborhood Infrastructure	T-601056.00	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000	
Combined Sewer Overflow Management Plan**	T-291046.00	\$391,000					\$391,000	
WPC Facility Rehabilitation Program	T-291064.00	\$1,000,000	\$1,000,000				\$2,000,000	
ADS System Meter Upgrade & Maint. Program		\$200,000	\$200,000	\$200,000	\$200,000	\$315,000	\$1,115,000	
Small WW Pump Station Rehab & Repl Program.	T-291065.00	\$1,500,000	\$1,500,000				\$3,000,000	
Sanitary Sewer Interceptor Maint & Rehab	T-291066.00	\$1,500,000	\$1,500,000				\$3,000,000	
SCADA System Upgrade	T-291055.00	\$406,000					\$406,000	
Wanamaker Force Main Rehab Repl	T-291056.00	\$125,000	\$8,500,000				\$8,625,000	
Ash St Force Main Replacement	T-291057.00	\$2,500,000	\$2,500,000				\$5,000,000	
Shunga Pump Station Rehab	T-291058.00	\$300,000	\$6,500,000				\$6,800,000	
WW Pump Station VFD Replacement	T-291059.00	\$1,000,000					\$1,000,000	
Oakland Aerator & Mixing Replacement	T-291060.00	\$2,500,000	\$2,500,000				\$5,000,000	
Grant/Jefferson Pump Station Rehab	T-291061.00		\$1,321,000	\$9,000,000			\$10,321,000	
Subtotal Wastewater		\$23,341,860	\$29,349,414	\$20,302,510	\$7,313,627	\$1,265,000	\$81,572,411	
Utilities/Stormwater Fund								
Storm Conveyance System Rehab	T-501025.00	\$2,500,000	\$1,000,000				\$3,500,000	
Kansas River Levee System Rehabilitation - Ph. II	T-831000.01	\$3,600,000	\$2,700,000				\$6,300,000	
Levee Repairs / Replacement Program	T-501012.00	\$4,726,700					\$4,726,700	
Adams St IS SW Removal - KS River to 10th St.**	T-501024.00	\$2,456,828					\$2,456,828	
Stormwater Operations Equipment & Fleet Mant. & Replacement Program		\$100,000	\$300,000	\$100,000	\$300,000	\$100,000	\$900,000	
Drainage Correction Program	T-151028.00	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,500,000	
Levee Asset Repair / Rehab		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000	
BMP Development & Construction Program		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	
Shunga Flood Mitigation Study	T-151000.01	\$560,000					\$560,000	
Subtotal Stormwater		\$14,543,528	\$4,600,000	\$700,000	\$900,000	\$700,000	\$21,443,528	
Utilities/Water Fund								
Water Main Replacement Program	T-281088.00	\$3,000,000	\$3,000,000	\$1,500,000	\$1,500,000	\$1,500,000	\$10,500,000	
Water Plant Rehabilitation Program	T-281110.00	\$1,300,000	\$1,000,000	\$500,000	\$200,000	\$200,000	\$3,200,000	
18" on Indian Hills Rd., SW 29th to 21st St.	T-281090.00	\$539,100	\$1,288,250				\$1,827,350	
2.2-MGD Meriden Booster Pump Station	T-281091.00	\$788,826					\$788,826	
East High Service Pumping Motor Control and Electrical Switch Gear	T-281107.00		\$2,689,950				\$2,689,950	
2.0-MG West Elevated Tank - Indian Hills Road	T-281055.00		\$4,744,300				\$4,744,300	
Water Plant Operations Equipment & Fleet Maint. & Replacement Program		\$300,000	\$200,000	\$100,000	\$100,000	\$100,000	\$800,000	
24" on Crane - NW Harrison to NE Branner; 24" on Jefferson - NE Crane to SE 2nd	T-281086.00	\$491,100					\$491,100	
Annual Valve & hydrant Exercising Repl Program		\$200,000					\$200,000	
Meter Replacement / AMR Upgrade Program		\$200,000	\$200,000	\$250,000	\$250,000	\$250,000	\$1,150,000	
Water Storage Tank Maint (Inspect-Repair-Painting)		\$200,000	\$200,000	\$250,000	\$250,000	\$250,000	\$1,150,000	
Rehab East Filters at the Water Treatment Plant	T-281102.00	\$1,600,000					\$1,600,000	
Water Treatment Plant Master Plan Update	T-281103.00	\$200,000					\$200,000	
Water Distribution Master Plan Update	T-281105.00	\$150,000					\$150,000	
24" NE Strait from NE Seward to SE 6th Ave	T-281104.00	\$2,700,000					\$2,700,000	
Phase II Layne High Service Pump Rehabilitation	T-281032.01	\$1,402,500					\$1,402,500	
Utility Billing and Customer Service System	T-801013.00	\$500,000	\$650,000				\$1,150,000	
Upstream River Weir	T-281058.01	\$300,000					\$300,000	
Subtotal Water		\$13,871,526	\$13,972,500	\$2,600,000	\$2,300,000	\$2,300,000	\$35,044,026	
Total Utility Fund		\$51,756,914	\$47,921,914	\$23,602,510	\$10,513,627	\$4,265,000	\$138,059,965	

** This effort is part of a Consent Order Agreement by and between KDHE and the City of Topeka

City of Topeka, Kansas
Capital Improvement Program

		Capital Improvement Budget			Capital Improvement Plan		
	Adopted Number	Adopted 2017	Adopted 2018	Adopted 2019	Adopted 2020	Adopted 2021	5 Year Total
Other Funding Sources							
City Half-Cent Sales Tax Street Repair							
Maintain & Improve Existing Streets 2017	T-841017.00	\$9,350,000					\$9,350,000
Maintain & Improve Existing Streets 2018	T-841017.01		\$9,485,000				\$9,485,000
Maintain & Improve Existing Streets 2019	T-841017.02			\$9,621,350			\$9,621,350
ADA Sidewalk Ramp Repair	T-241036.00	\$300,000	\$300,000	\$300,000			\$900,000
Curbs, Gutters & Street Repair	T-841034.00	\$1,500,000	\$1,500,000	\$1,500,000			\$4,500,000
Alley Repair	T-841041.00	\$250,000	\$250,000	\$250,000			\$750,000
Sidewalk Repair Program	T-241037.00	\$100,000	\$100,000	\$100,000			\$300,000
Street Maintenance and Repair: Local Streets	T-841040.00	\$2,000,000	\$2,000,000	\$2,000,000			\$6,000,000
Subtotal Half-Cent Sales Tax		\$13,500,000	\$13,635,000	\$13,771,350	\$0	\$0	\$40,906,350
Federal Funds							
Bridge on SW Cherokee St over Ward Cr.	T-121001.00	\$50,000	\$730,000				\$780,000
Bridge on SW 3rd St over Ward Cr.	T-121003.00	\$75,000	\$50,000	\$750,000			\$875,000
Bridge on SE 29th Street over Butcher Creek	T-121005.00		\$80,000	\$70,000	\$850,000		\$1,000,000
Neighborhoods Infrastructure	T-601056.00	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$3,000,000
Kansas River Levee System Rehabilitation - Ph. II	T-831000.01	\$10,000,000	\$5,000,000				\$15,000,000
Upstream River Weir (Federal Portion)	T-281058.01	\$500,000					\$500,000
Bridge Deck Patching and Polymer Overlay	T-121006.00					\$1,200,000	\$1,200,000
SW Arvonla Place/Huntoon Street/I-470 Ramps	T-701014.00	\$1,375,000	\$1,375,000				\$2,750,000
SW Wanamaker Rd/SW Huntoon/ I470 Ramps	T-701018.00				\$1,100,000	\$1,100,000	\$2,200,000
Subtotal Fed Funds		\$12,600,000	\$7,835,000	\$1,420,000	\$2,550,000	\$2,900,000	\$27,305,000
General Fund/Debt Service Cash							
Fire Stations Renovations	T-131035.00	\$170,000	\$230,000				\$400,000
Police Department Fleet Replacement		\$550,000	\$550,000	\$250,000	\$250,000	\$250,000	\$1,850,000
Heritage Foundation Grant for TPAC & City Hall (City Portion)	T-131042.00	\$383,800					\$383,800
Zoo - Fire Hydrants	T-301050.00	\$150,000					\$150,000
Municipal Buildings Roof Replacement	T-131040.00	\$73,000					\$73,000
Law Enforcement Center Parking Garage	T-131041.00	\$887,000					\$887,000
Zoo Service Road Repair	T-301051.00		\$206,724				\$206,724
Self Contained Breathing Apparatus (SCBA) - Fire	T-801009.00		\$159,111	\$159,111	\$159,111	\$159,111	\$636,444
City4 TV Equipment Replacement	T-861011.00	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$350,000
Subtotal General Fund Cash		\$2,283,800	\$1,215,835	\$479,111	\$479,111	\$479,111	\$4,936,968
IT Fund Cash							
Telephone System Replacement		\$137,000	\$137,000				\$274,000
Desktop Computer Replacement		\$83,250	\$83,250	\$83,250	\$83,250		\$333,000
Security System Replacement		\$52,500	\$52,500	\$52,500	\$52,500		\$210,000
Data Back-up System Replacement		\$62,500	\$62,500	\$62,500	\$62,500		\$250,000
Citywide Single Payment Portal	T-801011.00	\$200,000	\$190,000				\$390,000
Citywide Asset Management Upgrade	T-801012.00		\$360,000	\$300,000			\$660,000
Data Center Construction	T-801010.00	\$245,000					\$245,000
Subtotal IT Fund Cash		\$780,250	\$885,250	\$498,250	\$198,250	\$0	\$2,362,000
Donations/Outside Funding Sources							
Zoo Masterplan	T-301047.00		\$1,600,000	\$1,500,000	\$3,000,000	\$5,000,000	\$11,100,000
Heritage Foundation Grant for TPAC & City Hall	T-131042.00	\$90,000					\$90,000
SW Wanamaker -- SW 4th to SW 6th	T-701020.00	\$650,000					\$650,000
Kay's Garden	T-301049.00	\$500,000					\$500,000
Subtotal Donations		\$1,240,000	\$1,600,000	\$1,500,000	\$3,000,000	\$5,000,000	\$12,340,000
Countywide Sales Tax Proposal (2017-2031)							
SW 6th-Gage to Fairlawn	T-701013.00	\$500,000	\$5,100,000				\$5,600,000
Zoo Masterplan	T-301047.00		\$1,500,000	\$1,500,000			\$3,000,000
Bikeway Master Plan	T-861010.00		\$500,000		\$500,000		\$1,000,000
12th Street (2 lanes) - Gage Blvd to Kansas Ave	T-701016.00			\$500,000	\$400,000	\$6,140,000	\$7,040,000
SE California Avenue -- SE 37th Street to SE 45th Street	T-701021.00		\$400,000	\$200,000	\$5,000,000		\$5,600,000
S.W. 17th Street, MacVicar to Interstate 470						\$800,000	\$800,000
Subtotal Countywide Sales Tax		\$500,000	\$7,500,000	\$2,200,000	\$5,900,000	\$6,940,000	\$23,040,000
Total Other Sources		\$30,904,050	\$32,671,085	\$19,868,711	\$12,127,361	\$15,319,111	\$110,890,318
Total Capital Improvements		\$ 94,058,996	\$ 89,423,631	\$ 52,351,153	\$ 34,004,226	\$ 27,863,311	\$ 297,701,316

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GOVERNMENTAL AUDIT SECTION

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City of Topeka, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

Grantor Agency	Federal CFDA Number	Grant Number	Current Year Expenditures	Amount Passed Through to Subrecipients
Executive Office of the President-National Drug Control				
Passed Through Kansas Bureau of Investigation:				
Topeka Regional Task Force- High Intensity Drug Trafficking	95.001	G15MW0003A	\$ 10,200.00	\$ -
Topeka Regional Task Force- High Intensity Drug Trafficking	95.001	G16MW0003A	2,349.66	-
Total Executive Office of the President-National Drug Control			12,549.66	-
U.S. Department of Housing and Urban Development				
CDBG Entitlement Grants Cluster:				
Community Development Block Grant 2015	14.218	B-14-MC-20-0003	9,184.11	-
Community Development Block Grant 2016	14.218	B-14-MC-20-0003	177,338.85	30,000.00
Community Development Block Grant 2017	14.218	B-14-MC-20-0003	1,334,529.82	-
Continuum of Care Planning Grant				
Continuum of Care Planning Grant	14.267	KS0105L7P031500	54,243.00	-
Continuum of Care Program 2016	14.267	KS0022L7P031306	471,580.41	-
Continuum of Care Program 2017	14.267	KS0022L7P031306	946,662.18	-
Emergency Solutions Grant 2015				
Emergency Solutions Grant 2015	14.231	E-14-MC-20-0003	-470.51	-
Emergency Solutions Grant 2016	14.231	E-14-MC-20-0003	112,065.04	63,274.92
Emergency Solutions Grant 2017	14.231	E-14-MC-20-0003	37,862.81	-
Home Investment Partnerships Program 2014				
Home Investment Partnerships Program 2014	14.239	M14-MC200203	4,830.00	-
Home Investment Partnerships Program 2015	14.239	M14-MC200203	35,044.92	-
Home Investment Partnerships Program 2016	14.239	M14-MC200203	34,554.00	-
Home Investment Partnerships Program 2017	14.239	M14-MC200203	258,635.35	-
Passed Through Kansas Department of Commerce:				
Neighborhood Stabilization Program 2009	14.228	09-NSP-019	207,974.85	-
Total U.S. Department of Housing and Urban Development			3,684,034.83	93,274.92
U.S. Department of Justice				
JAG Program Cluster:				
Byrne Memorial Justice Assistance Grant Program 2016	16.738	2016-DJ-BX-0621	28,102.29	-
Passed Through Office of the Governor:				
Federal Victims of Crime Act 2017	16.575	17-VOCA-52	44,920.00	-
Federal Victims of Crime Act 2018	16.575	18-VOCA-52	12,837.00	-
Total U.S. Department of Justice			85,859.29	-
U.S. Department of Transportation				
Passed Through Kansas Department of Transportation:				
Highway Safety Cluster:				
Alcohol Impaired Driving Countermeasures Incentive Grants-17	20.616	AL-9082-17/SP-4704-1	7,725.21	-
Occupant Protection Incentive 2017	20.616	OP-1470-17	7,317.51	-
State and Community Highway Safety 2017	20.600	PT-0993-17	24,397.64	-
Consolidated Planning Grant 2016	20.505		77,854.42	-
Consolidated Planning Grant 2017	20.505		196,519.85	-
Total U.S. Department of Transportation			313,814.63	-

The accompanying notes are an integral part of this schedule.

City of Topeka, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

U.S. Health and Human Services

Passed Through Shawnee Regional Prevention & Recovery Serv. Substance Abuse & Mental Health Services 2017	93.243	656.05	-
Passed Through Shawnee Regional Prevention & Recovery Serv. Substance Abuse & Mental Health Services 2018	93.243	316.74	-

Total U.S. Health and Human Services

972.79	-
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U.S. National Park Service

Passed Through Kansas Historical Society: Topeka Cemetery Historic Preservation Fund Program 2016	15.904	8,000.00	-
COLLINS PARK NEIGHBORHOOD Historic Preservation Fund Program 2017	15.904	4,762.50	-
Auburndale Neighborhood Historic Preservation Fund Program 2016	15.904	24,750.00	-
2017 CONFERENCE Historic Preservation Fund Program 2017	15.904	1,624.32	-

Total U.S. National Park Service

39,136.82	-
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North Central Regional Planning Commission

Passed Through North Central Regional Planning Commission	97.067	59,000.00	-
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Total U.S. National Park Service

59,000.00	-
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US Environmental Protection Agency

North Topeka Riverfront Redevelopment Area (NTRRA) Brownfields Assessment	66.814	378.56	-
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Total U.S. National Park Service

378.56	-
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Total Expenditures for Federal Awards

\$ 4,195,746.58	\$ 93,274.92
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The accompanying notes are an integral part of this schedule.

CITY OF TOPEKA, KANSAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2017

Note 1. Organization

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

Note 2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City, and is presented on the modified accrual basis of accounting. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Local Government Contributions

Local cost sharing, is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at December 31, 2017.

Note 5. Outstanding Loans

The City has outstanding loans under the EPA Capitalization Grant for clean water from the State Revolving Loan Fund CFDA No. 66.458 totaling \$40,790,177 at December 31, 2017.

CITY OF TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUING
Year Ended December 31, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No	
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported	
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No	
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported	
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	<u> </u> Yes	<u> X </u> No	

Identification of major programs:

CFDA Number(s)

14.218

Name of Federal Program or Cluster

Community Development Block Grant

Dollar threshold used to distinguish between type A and type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> Yes <u> </u> No

CITY OF TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
December 31, 2017

Section 2 – Financial Statement Findings

Summary Schedule of Current Year Audit Findings

No noted findings in the current year.

Summary Schedule of Prior Year Audit Findings

16-01 – Financial Reporting – Significant Deficiency

Criteria

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

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

Condition/Cause

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

Reconciliations of accounts, including the deferred amounts on refunding, amortization of bond premiums and discounts, capital asset and capital asset contra accounts and the allocation of accounts payable to the correct fund, required under GAAP, were either not made timely or were not made completely and accurately in the original trial balance received from the City. In addition, it was noted that multiple assets were not timely deleted in the proper period, which caused a significant restatement of capital assets in the current year.

Effect

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

Recommendation

We suggest that management evaluate and revise internal controls over identifying and recording non-routine accounting transactions including enhancing interdepartmental communications. We also suggest that management review the processes, procedures, and controls used to prepare reconciliations and accruals. Significant accounts should be reconciled on a timely and monthly basis. Additionally, we suggest that management evaluate the process used to complete the year end trial balance and revise policies procedures to ensure that all areas are reviewed and adjusted as part of this process. Lastly, we recommend that the City frequently review the listing of capital assets for the proper inclusion of current capital assets.

Corrective Action Plan/Management's Response

Management is in the process of implementing procedural changes to ensure proper preparation for the year-end financial statements in order to ensure accuracy of information providing the trial balance to the auditors. In addition to better preparation for the annual audit, management will continue to work on providing proper supporting documentation and reviewing internal controls.

Current Year Status

Resolved

Section 3 – Federal Award Findings and Questioned Costs

Summary Schedule of Current Year Audit Findings

No noted findings in the current year.

Summary Schedule of Prior Year Audit Findings

No noted findings in the prior year.

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

Mayor and City Council
City of Topeka, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, 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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 1, 2018.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Mike Houser: Company PA

Certified Public Accountants

Lawrence, Kansas

May 1, 2018



MIZE & HOUSER
COMPANY P.A.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mayor and City Council
City of Topeka, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of City of Topeka, KS (the City) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2017. The City's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Mike Houser: Company PA

Certified Public Accountants

Lawrence, Kansas
May 1, 2018