

city of topeka

2018 Comprehensive Annual Financial

report

for Year Ending December 31, 2018



quality of life



neighborhoods



public safety



infrastructure



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF TOPEKA, KANSAS

For The Year Ending December 31, 2018

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, 2018

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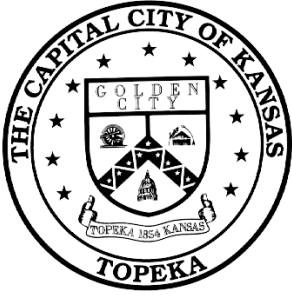
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INTRODUCTORY SECTION



CITY OF TOPEKA

Brent Trout, City Manager

Administrative and Financial Services Department

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Jessica Lamendola, Director of Administrative and
Financial Services
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June 4, 2019

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, 2018. 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, 2018.

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.

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. 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 approximately 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.

TOPEKA'S ECONOMY AND OUTLOOK

Topeka is the economic hub of northeast Kansas and a vital retail center. Topeka collects more than 90% of Shawnee County's sales tax. A 2018 Kansas Department of Revenue pull factor report shows Topeka's pull factor as 1.39 (2018)—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.

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 a myriad of social services. Attractions include Heartland Motorsports Park Topeka, the Topeka Zoo and Conservation Center, the Brown vs. Board National Historic Site, the State Capitol complex and Governor's Mansion, the Kansas History Center, the Great Overland Station, the NOTO Arts District, 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. 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, in 2018 the unemployment rate was 3.5% versus 3.6% in 2017. Overall, building permits remain steady from the previous year with several new developments opening or under construction in 2018 including Reser's Fine Foods expansion, Federal Home Loan Bank's regional headquarters, and the Wheatfield Village mixed use redevelopment. In addition, rejuvenation of Downtown continues with opening of the Cyrus Hotel, Kansas Avenue Lofts, and approval of a new public plaza.

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.

Topeka's economy is improving, but remains at risk. The reliance on public sector for job gains is a challenge 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 are expected to 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 initially approved in 2009 and was recently renewed for another 10 years. It is currently set to expire October 2029. It is specifically dedicated to improving *existing* citywide infrastructure. To date, over \$110 million has been used to improve existing streets, curbs, and sidewalks.

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. It initially was set to expire in December 2017. However, in November of 2017, City voters approved a 15-year extension starting in 2017 and lasting until 2031. The primary use is intended to encourage economic development and quality of life improvements.

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. The construction of a Downtown Plaza has begun and is anticipated to be completed in 2020.

The first major project announced for downtown was the Cyrus Hotel, a boutique hotel that started construction in November 2017 and opened in January of 2019. This was an investment of approximately \$8 million and added 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 totaled \$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 2018, 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 0.40 years. The fair value of investments totaled \$145,863,609 at December 31, 2018. 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

Topeka Municipal Code Section 3.25.010 requires that all funds established by the director of administrative and financial services be managed in accordance with generally accepted accounting principles in accordance with the National Council on Governmental Accounting. The 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, 2017. In addition to this award, the City also received the Distinguished Budget Award for the 2019 budget and the Popular Annual Financial Award (PAFR) for the period ending December 31, 2017.

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

Jessica Lamendola



City Manager

Director of Administrative and Financial Services

Simon Martinez

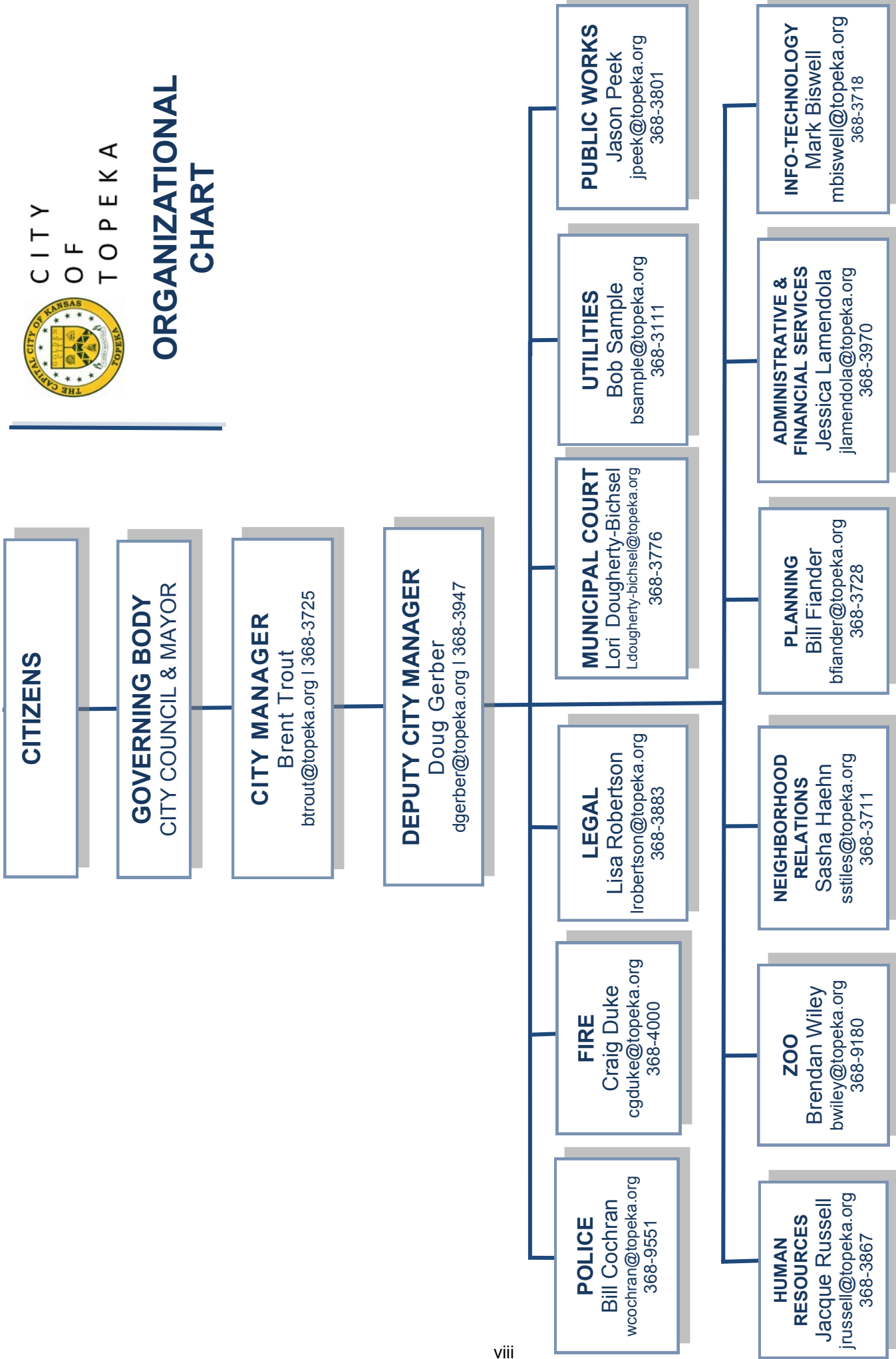


Chief Accounting Officer



CITY
OF
TOPEKA

ORGANIZATIONAL
CHART



City of Topeka, Kansas
Comprehensive Annual Financial Report
Principal Officials for the Year Ended December 31, 2018

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
City Attorney, Lisa Robertson
Chief of Fire, Craig Duke
Chief of Police, William Cochran
Director of Administrative and Financial Services, Jessica Lamendola
Director of Human Resources, Jacque M. Russell
Director of Information Technology, Mark M. Biswell
Director of Neighborhood Relations, Sasha Stiles
Director of Planning and Development, William Fiander
Director of Public Works, Jason Peek
Director of Utilities, Bob Sample
Director of Zoo, Brendan M. Wiley
Municipal Court, Administrative Judge Lori Dougherty-Bischsel

Prepared by Administrative and Financial Services Department

Jessica Lamendola, Director of Administrative and Financial Services
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, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



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 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, 2018, 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 did not audit the financial statements of the Friends of the Topeka Zoo, Inc., a discretely presented component unit of the City of Topeka, Kansas, which represent 100% of the assets and revenues of the aggregate discretely presented component units. Those statements, which were prepared in accordance with the modified cash basis of accounting, were audited by other auditors, whose report has been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of the Friends of the Topeka Zoo, Inc., which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for the Friends of the Topeka Zoo, Inc., prior to these conversion adjustments, is based solely on the report of the other auditors. 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 opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Topeka, Kansas, as of December 31, 2018, 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, the sales tax – street repairs fund and the ½% sales tax fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note 2.B. to the financial statements, the City implemented GASB 75 for other postemployment benefits during the current year. As a result of the implementation, a restatement was made to the net position at December 31, 2017. Our opinion is not modified with respect to this matter.

Prior Period Restatement

As discussed in Note 2.B. to the financial statements, certain errors in amounts previously reported as of December 31, 2017, were discovered by management of the City during the current year. Accordingly, these amounts have been restated in the December 31, 2018, 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 – 15, the other postemployment benefit schedules on page 68 and 69, the schedule of the City's proportionate share of the net pension liability on page 70, and the schedule of City contributions on page 70 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

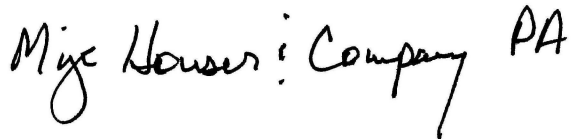
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of 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 June 4, 2019, 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.

A handwritten signature in black ink that reads "Mike Houser: Company PA". The signature is written in a cursive style.

Certified Public Accountants

Lawrence, Kansas
June 4, 2019

CITY OF TOPEKA, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS Fiscal Year Ended December 31, 2018 (Unaudited)

This section of the City of Topeka report includes an overview and analysis of the City of Topeka's (the "City") financial statements for the year ended December 31, 2018. 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 \$425.0 million. Of this amount, \$58.7 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased to \$425.0 million in 2018 from \$410.2 million in 2017. Both governmental activities and business-type activities saw an increase of \$3.9 million and \$11.0 million, respectively.
- At the close of 2018, the City's governmental funds reported combined ending fund balances of \$77.1 million, an increase of \$6.2 million in comparison with the prior year. The General Fund maintains an unassigned fund balance of \$21.6 million or 23.4% of General Fund revenues.
- For the General Fund, actual resources available for appropriation in 2018 (inflows) were under budget by \$1.9 million, while actual appropriations (outflows) were \$3.3 million less than budgeted for the year. During the year, General Fund revenues generated in taxes and other revenues were more than \$1.0 million more than the total General Fund expenditures and other financing sources.
- The City reported a net position of \$1.7 million for its component unit (Friends of the Topeka Zoo).
- The City implemented GASB 75 (Accounting and Financial Reporting for OPEB) for fiscal year ending December 31, 2018. The biggest effect of this standard over the previous standard (GASB 45), is the recognition of the unfunded actuarial accrued liability on the Statement of Net Position of the City (pg. 16). For further information see Financial Statement Note 5d.

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 as they both rely on the full accrual basis of accounting.

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. 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 provide the funding for most of the governmental 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, other than its General Fund, as *special revenue funds* or *capital project funds*, which are aggregated for presentation. The City uses special revenue funds and capital project 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; budgetary comparison statements are presented 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.

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 approximately \$425.0 million at the end of 2018.

Table 1
City of Topeka
Condensed Statement of Net Position
December 31, 2018

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 199,448,928	\$ 189,520,843	\$ 148,945,794	\$ 111,824,085	\$ 348,394,722	\$ 301,344,928
Capital assets, non-depreciable	59,279,908	56,628,347	90,269,322	67,343,400	149,549,230	123,971,747
Capital assets, net of depreciation	253,774,924	265,973,807	299,215,445	308,919,826	552,990,369	574,893,633
Total assets	512,503,760	512,122,997	538,430,561	488,087,311	1,050,934,321	1,000,210,308
Deferred outflows of resources	24,716,397	24,732,586	3,520,112	3,523,215	28,236,509	28,255,801
Long-term liabilities outstanding	248,038,587	252,080,480	241,387,677	207,760,711	489,426,264	459,841,191
Other liabilities	45,715,092	46,586,878	65,030,879	59,233,112	110,745,971	105,819,990
Total liabilities	293,753,679	298,667,358	306,418,556	266,993,823	600,172,235	565,661,181
Deferred inflows of resources	53,782,840	52,361,520	238,630	288,694	54,021,470	52,650,214
Net position						
Net investments in capital assets	167,266,727	172,739,034	143,837,224	164,452,662	311,103,951	337,191,696
Restricted	34,799,747	39,842,650	20,393,271	17,619,912	55,193,018	57,462,562
Unrestricted	(12,382,836)	(26,754,979)	71,062,992	42,255,435	58,680,156	15,500,456
Total net position	\$ 189,683,638	\$ 185,826,705	\$ 235,293,487	\$ 224,328,009	\$ 424,977,125	\$ 410,154,714

The total net position of the City saw an increase of \$14.8 million to \$425.0 million in 2018 from \$410.2 million in 2017. The composition of the change in net position was primarily due to an increase in unrestricted net position of \$43.2 million and a decrease of \$26.1 million in net investment of capital assets.

The largest portion of the City's net position, \$311.1 million, 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 decrease of \$26.1 million from 2017 is mainly attributable to the issuance of new debt in business-type activities. 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.

A portion of the City's total net position, \$55.2 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$58.7 million or 13.8% of the total net position may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental Activities

Governmental Activities non-depreciable governmental capital assets increased to \$59.3 million in 2018 from \$56.6 million in 2017, a change of \$2.7 million. This was a result of construction in progress exceeding capitalized projects by \$4.1 million, including a prior year adjustment of \$1.5 million. New construction in progress totaled \$13.1 million. These projects consisted of infrastructure projects (\$9.3 million), public safety related improvements (\$300,000), and miscellaneous general improvements (\$3.5 million).

The value of governmental activities depreciable capital assets were \$253.8 million in 2018. This decreased by \$12.2 million, from \$266.0 million in 2017. The decrease was driven by depreciation exceeding additions by \$13.6 million and a restatement of prior year assets (an increase of \$1.4 million).

Governmental activities long-term liabilities decreased by \$4.0 million, mainly due to a reclassification of the current portion due of long term debt (\$1.8 million) and the repayment of capital leases (\$1.0 million). Other liabilities decreased slightly to \$45.7 million in 2018 from \$46.6 million in 2017. The City issued governmental long-term debt in 2018, with series 2018A and 2018B. See the Notes to the financial statements for more details on debt.

Deferred inflows of resources represent revenues unavailable to the City. Deferred inflows of resources increased to \$54.0 million in 2018 from \$52.7 million in 2017, a change of \$1.3 million. Of this, \$48.6 million reflects the property and motor vehicle taxes levied in 2018 for disbursement during 2019. Deferred property tax revenue increased by \$1.6 million which was partially offset by a decrease of \$0.5 million in pension and OPEB deferred inflows, which are effects of the implementation of GASB 68 & GASB 75.

The City's business-type activities total net position increased to \$235.3 million in 2018 from \$224.3 million in 2017, an increase of \$11.0 million. Current assets increased by \$37.1 million mainly due to cash from temporary note issuance and revenue bond issuance. Capital assets increased by \$13.2 million mainly due to an increase in construction in progress. Total liabilities increased by \$39.4 million, with the majority due to the issuance of temporary notes and revenue bonds.

Deferred inflows and outflows of resources remained relatively consistent with the prior year.

Statement of Activities

Figure 1 below depicts the elements of 2018 governmental activities.

Figure 1 - Governmental Activities

Sources of Revenue			Functional Expenses		
Taxes	\$ 128,722,306	77.97%	General Government	\$ 13,988,771	8.57%
Charges for Services	10,940,343	6.63%	Public Safety	66,505,207	40.73%
Grants/Contributions	21,429,721	12.98%	Public Works	54,794,256	33.56%
Investment Income	1,977,204	1.20%	Parks and Recreation	4,477,801	2.74%
Other	2,022,908	1.23%	Other Expenses	23,511,540	14.40%
			Transfers	-	0.00%
Totals	\$ 165,092,482	100.00%	Totals	\$ 163,277,575	100.00%

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
<u>Program revenues</u>						
Charges for services	\$ 10,940,343	\$ 10,512,118	\$ 75,447,138	\$ 69,343,412	\$ 86,387,481	\$ 79,855,530
Operating grants and contributions	10,308,145	8,189,835	-	-	10,308,145	8,189,835
Capital grants and contributions	11,121,576	10,459,624	-	-	11,121,576	10,459,624
<u>General revenues</u>						
Property taxes	42,035,684	41,783,520	-	-	42,035,684	41,783,520
Sales taxes	55,648,002	64,677,625	-	-	55,648,002	64,677,625
Franchise taxes	14,400,099	13,973,191	-	-	14,400,099	13,973,191
Motor fuel taxes	4,621,676	3,721,221	-	-	4,621,676	3,721,221
Payment in lieu of taxes	7,471,168	7,264,903	-	-	7,471,168	7,264,903
Service assessments	-	493,888	-	-	-	493,888
Alcoholic beverage taxes	1,803,375	1,619,970	-	-	1,803,375	1,619,970
Transient guest taxes	2,742,302	2,668,430	-	-	2,742,302	2,668,430
Miscellaneous	2,022,908	1,520,082	2,565,063	1,900,181	4,587,971	3,420,263
Unrestricted investment earnings	1,977,204	888,864	1,847,444	644,033	3,824,648	1,532,897
Gain on sale of capital assets	-	(48,014)	43,071	59,594	43,071	11,580
Total general revenues	165,092,482	167,725,257	79,902,716	71,947,220	244,995,198	239,672,477
Expenses						
General government	13,988,771	14,386,282	-	-	13,988,771	14,386,282
Public safety	66,505,207	68,081,184	-	-	66,505,207	68,081,184
Public works	54,794,256	60,764,330	-	-	54,794,256	60,764,330
Miscellaneous	3,395,631	4,445,027	-	-	3,395,631	4,445,027
Economic Development	9,607,852	9,004,532	-	-	9,607,852	9,004,532
Parks and Recreation	4,477,801	3,217,782	-	-	4,477,801	3,217,782
Public Housing	4,126,533	3,940,428	-	-	4,126,533	3,940,428
Social Services	542,965	538,902	-	-	542,965	538,902
Interest and fiscal charges	5,838,559	5,153,042	-	-	5,838,559	5,153,042
Water, Water Pollution Control, & Stormwater Utility	-	-	65,503,021	62,835,383	65,503,021	62,835,383
Public Parking	-	-	2,959,169	2,993,100	2,959,169	2,993,100
Total expenses	163,277,575	169,531,509	68,462,190	65,828,483	231,739,765	235,359,992
Increase (decrease) in net position before transfers and special item	1,814,907	(1,806,252)	11,440,526	6,118,737	13,255,433	4,312,485
Transfers in (out)	-	-	-	-	-	-
Prior period adjustment	2,042,026	314,682	(475,048)	174,911	1,566,978	489,593
Change in Net Position	3,856,933	(1,491,570)	10,965,478	6,293,648	14,822,411	4,802,078
Net Position - Beginning	185,826,705	187,318,275	224,328,009	218,034,361	410,154,714	405,352,636
Net Position - Ending	\$189,683,638	\$ 185,826,705	\$ 235,293,487	\$ 224,328,009	\$ 424,977,125	\$ 410,154,714

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.

Table 3
Net Cost of Governmental Activities (in millions)

	Total Cost of Services	Net Cost of Services
General government	\$ 14.0	\$ 6.6
Public Safety	66.5	65.6
Public works	54.8	41.1
Totals	\$ 135.3	\$ 113.3

The net cost of services for the above governmental activities decreased by \$8.9 million from 2017, while the total cost of services decreased by \$8.0 million, as detailed below:

- The total cost of services for Public Safety decreased by \$1.6 million.
- The total cost of services for Public Works decreased by \$6.0 million.
- The total cost of services for general government decreased by \$0.4 million

Business-type activities

The change in net cost of the City’s business-type activities was an increase of \$3.5 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)

	Total Cost of Services	Net Cost of Services
Water, Water Pollution Control, & Stormwater Utility	\$ 65.5	\$ 7.3
Public Parking	3.0	(0.3)
Totals	\$ 68.5	\$ 7.0

The total cost of services for the Combined Utility increased by \$2.7 million, while the net cost of services increased by \$3.4 million during 2018. Public Parking’s total cost remained unchanged from the prior year, while its net cost of services decreased by \$0.1 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, 2018, the City's governmental funds reported combined, ending fund balances of \$77.1 million, an increase of \$6.2 million from the prior year. The ½% Sales Tax Fund met the definition of a major fund for 2018, as such it is shown separately, whereas in 2017 it was reported in other governmental funds. Of the major funds, the General Fund, Debt Service, Capital Projects, Special Street Repair, Sales Tax Street Repair, and other governmental funds all had increases in fund balance. The ½% Sales Tax Fund had a decrease of \$2.6 million in fund balance in 2018.

Table 5
Change in Governmental Fund Balance

Fund	Beginning Fund Balance	Ending Fund Balance	Change in Fund Balance
General	\$ 20,977,655	\$ 22,013,007	\$ 1,035,352
Special Street Repairs	3,738,885	3,860,909	122,024
Sales Tax Street Repair	10,825,912	14,371,101	3,545,189
1/2% Sales Tax	11,059,233	8,448,011	(2,611,222)
Debt Service	6,944,664	8,580,089	1,635,425
Capital Projects Funds	8,934,182	10,878,402	1,944,220
Other Governmental Funds	8,391,995	8,942,315	550,320
Total Governmental Funds	\$ 70,872,526	\$ 77,093,834	\$ 6,221,308

The General Fund is the primary operating fund of the City. At the end of 2018, unassigned fund balance of the General Fund totaled \$21.6 million, while total fund balance was \$22.0 million, an increase of \$1.0 million from 2017.

As a measure of the General Fund's financial position, it is useful to compare both unassigned fund balance and total fund balance to total fund revenues. Unassigned fund balance represented 23.4% of total general fund revenues, and total fund balance represented 23.9% of revenues. The city's internal fund balance policy is to maintain a minimum unassigned fund balance equal to fifteen percent (15%) of the General Fund revenues and a target of unassigned fund balance of twenty percent (20%) of the General Fund revenues. The city's current fund balance exceeds both of these goals.

The Special Street Repairs Fund ended 2018 with a fund balance of \$3.9 million, an increase of \$0.1 million from the 2017 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 of Kansas. The Special Street Repairs Fund was able to maintain a positive fund balance due to a mild winter, which saves in overtime and materials. Expenditures decreased slightly from prior year.

The Sales Tax Street Repairs Fund ended 2018 with a fund balance of \$14.4 million, an increase of \$3.5 million from 2017. A dedicated sales tax authorized by Topeka voters for collection through 2029 is the sole revenue in this fund. Revenues increased by \$1.1 million to \$16.3 million for 2018. Expenditures decreased by \$8.2 million in 2018 to \$12.8 million, compared to \$21.0 million in 2017. This was due to a decrease in the number of projects completed in 2018. The proceeds of the sales tax are dedicated to repairs and improvements to existing streets, curbs and gutters, alleys, sidewalks, and streetlights.

The ½% Sales Tax Fund provides funding for economic development and countywide infrastructure development. Previously it was reported in other governmental funds, however in 2018 it met the definition of a major fund and as such is reported separately. Fund balance decreased by \$2.6 million in 2018, which was the result of increased expenses on infrastructure projects.

The Debt Service Fund had a total fund balance of \$8.6 million at December 31, 2018, all of which is restricted for the payment of debt service. The fund balance increased by \$1.6 million from 2017. See the *Notes to the Financial Statements*, for a more complete description of activity in the Debt Service Fund.

The Capital Projects Fund ending fund balance increased by \$2.0 million, ending with a positive balance of \$10.9 million. The change is driven by an increase in temporary notes payable. The City issues temporary notes to fund projects during their construction and typically will retire these notes with long-term bonds after the project is complete.

Proprietary funds

The proprietary funds statement provide similar information found in the government-wide financial statements for business-type activities, as both are based on the full accrual basis of accounting. The proprietary fund statements show the individual funds that compose the business-type activities. See the *Basic Financial Statements* section for more information. The total net position of the Combined Utility Fund at December 31, 2018, was \$229.1 million, an increase from 2017 of \$10.6 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

General Fund revenues ended the year \$2 million lower than originally anticipated; General Fund expenditures were \$3.3 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 \$1.0 million.

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

- Revenues were less than budgeted primarily due to lower than expected property tax and license and permitting fees, and fines. Intergovernmental revenues and interest from investments exceeded budget.
- Expenditures were less than budgeted by \$3.3 million primarily due to vacancies in budgeted positions throughout the year as well as lower than anticipated expenses in contractual services.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, the City had \$702.5 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 \$9.0 million in governmental construction projects. This included street upgrades, infrastructure improvements, new bridge, in fill sidewalks and renovations to a fire station.
- The Combined Utility was able to complete and capitalize existing projects totaling \$5.0 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	
	2018	2017	2018	2017	2018	2017
Land	\$ 867,682	\$ 867,682	\$ 1,675,360	\$ 1,675,360	\$ 2,543,042	\$ 2,543,042
Construction in Progress	\$ 55,536,702	\$ 52,952,784	76,708,636	54,920,130	132,245,338	107,872,914
Easements	\$ 2,875,524	\$ 2,807,881	11,885,326	10,747,910	14,760,850	13,555,791
Buildings, Improvements, Infrastructure	\$ 247,402,385	\$ 258,836,742	295,794,448	305,444,179	543,196,833	564,280,921
Furniture and Fixtures	\$ 63,980	\$ 82,735	7,627	10,144	71,607	92,879
Vehicles	\$ 5,352,694	\$ 6,070,743	2,869,524	2,875,225	8,222,218	8,945,968
Software	\$ -	\$ -	-	-	-	-
Tools and Equipment	\$ 955,865	\$ 983,587	543,846	590,278	1,499,711	1,573,865
Total Capital Assets	\$ 313,054,832	\$ 322,602,154	\$ 389,484,767	\$ 376,263,226	\$ 702,539,599	\$ 698,865,380

The City's five-year Capital Improvement Plan reflects appropriations for construction, improvements to, and acquisition of about \$378 million worth of capital assets for fiscal 2018 through 2022. Funding is budgeted to come from utility revenue bonds and enterprise fund revenues (\$206.1 million), other sources (\$106.7 million), and general obligation bonds (\$65.4 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, and neighborhood improvements.

Debt

At December 31, 2018, the City's total outstanding bonded indebtedness was \$397,356,326. Of this amount, \$154,045,000 was general obligation debt, backed by the full faith and credit of the government. Revenue bonds outstanding totaled \$199,720,000 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 \$9,415,000. In addition, the City is obligated for \$34,176,326 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 \$49,136,160 in general obligation temporary notes, issued to fund construction in progress for both governmental activities and business-type capital projects, in the amounts of \$9,421,344 and \$39,714,816, respectively. The City anticipates refunding these temporary notes with general obligation bonds or other resources in 2019. See the *Notes to the Financial Statements*, for a more complete description of debt activity.

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

Moody's Investors Service also maintains the rating of 'Aa3' with a stable outlook 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 G* 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, 2018

	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	\$ 100,196,055	\$ 108,086,721	\$ 208,282,776	\$ 1,590,281
Beneficial interest in trust	-	-	-	5,344,289
Receivables (net of allowance for uncollectibles)	96,622,448	9,167,826	105,790,274	4,520
Campaign promises to give	-	-	-	15,571
Internal balances	[368,454]	368,454	-	-
Due from other governments	2,697,884	-	2,697,884	-
Inventory	161,850	2,809,863	2,971,713	52,891
Prepaid costs	139,145	7,609	146,754	5,250
Restricted assets:				
Cash and equity in Treasurer's Fund	-	21,512,888	21,512,888	-
Other restricted assets	-	6,992,433	6,992,433	-
Total current assets	199,448,928	148,945,794	348,394,722	7,012,802
Noncurrent assets:				
Campaign promises to give	-	-	-	18,150
Capital assets, nondepreciable				
Not being depreciated	59,279,908	90,269,322	149,549,230	-
Being depreciated, net of depreciation	253,774,924	299,215,445	552,990,369	56,689
Total noncurrent assets	313,054,832	389,484,767	702,539,599	74,839
Total assets	512,503,760	538,430,561	1,050,934,321	7,087,641
Deferred outflows of resources:				
Deferred amount on refunding	5,063,724	2,415,421	7,479,145	-
Deferred pension amounts	19,158,159	1,022,776	20,180,935	-
Deferred KPERS OPEB amounts	409,095	62,507	471,602	-
Deferred OPEB amounts	85,419	19,408	104,827	-
Total deferred outflows of resources	24,716,397	3,520,112	28,236,509	-
Total assets and deferred outflows of resources	\$ 537,220,157	\$ 541,950,673	\$ 1,079,170,830	\$ 7,087,641
Liabilities:				
Current liabilities:				
Accounts payable and other current liabilities	\$ 5,878,055	\$ 5,739,862	\$ 11,617,917	\$ 14,287
Salaries and wages payable	3,641,612	643,424	4,285,036	9,692
Retainage payable	-	243,860	243,860	-
Accrued interest payable	1,963,683	742,119	2,705,802	-
Due to other government	-	119,194	119,194	-
Due to others	2,342,815	-	2,342,815	-
Temporary notes payable	9,421,344	39,714,816	49,136,160	-
Liabilities payable from restricted assets	-	3,934,081	3,934,081	-
Estimated insurance claims	2,723,052	-	2,723,052	-
Unearned revenue	-	384,532	384,532	17,867
Due within one year	19,744,531	13,508,991	33,253,522	-
Total current liabilities	45,715,092	65,030,879	110,745,971	41,846
Noncurrent liabilities:				
Due in more than one year	248,038,587	241,387,677	489,426,264	-
Total noncurrent liabilities	248,038,587	241,387,677	489,426,264	-
Total liabilities	293,753,679	306,418,556	600,172,235	41,846
Deferred inflows of resources:				
Property taxes levied for a subsequent period	48,607,142	-	48,607,142	-
Beneficial interest for a subsequent period	-	-	-	5,344,289
Deferred amounts on refunding	-	5,722	5,722	-
KPERS pension deferred inflows of resources	5,090,630	211,919	5,302,549	-
KPERS OPEB deferred inflows of resources	85,068	20,989	106,057	-
Total deferred inflows of resources	53,782,840	238,630	54,021,470	5,344,289
Total liabilities and deferred inflows of resources	\$ 347,536,519	\$ 306,657,186	\$ 654,193,705	\$ 5,386,135
Net Position				
Net investment in capital assets	\$ 167,266,727	\$ 143,837,224	\$ 311,103,951	\$ 56,689
Restricted for debt service	8,580,089	11,577,442	20,157,531	-
Restricted for capital projects	-	6,914,614	6,914,614	-
Restricted for sinking funds	-	1,901,215	1,901,215	-
Restricted for public safety	1,926,970	-	1,926,970	-
Restricted for public works	18,232,010	-	18,232,010	-
Restricted for other purposes	6,060,678	-	6,060,678	307,124
Unrestricted	[12,382,836]	71,062,992	58,680,156	1,337,693
Total net position	\$ 189,683,638	\$ 235,293,487	\$ 424,977,125	\$ 1,701,506

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, 2018

	Program Revenues				Net [Expenses] Revenue and Changes in Net Assets			Component Unit Friends of the Topeka Zoo
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Total Governmental Activities	Total Business-type Activities	Total Primary Government	
Governmental activities:								
General government	\$ 13,988,771	\$ 7,144,922	\$ 199,841	\$ -	\$ [6,644,008]	\$ -	\$ [6,644,008]	\$ -
Public safety	66,505,207	594,812	310,857	-	[65,599,538]	-	[65,599,538]	-
Public works	54,794,256	2,610,436	-	11,121,576	[41,062,244]	-	[41,062,244]	-
Miscellaneous	3,395,631	-	-	-	[3,395,631]	-	[3,395,631]	-
Economic development	9,607,852	-	5,801,330	-	[3,806,522]	-	[3,806,522]	-
Parks and recreation	4,477,801	590,173	-	-	[3,887,628]	-	[3,887,628]	-
Public housing	4,126,533	-	3,996,117	-	[130,416]	-	[130,416]	-
Social services	542,965	-	-	-	[542,965]	-	[542,965]	-
Interest and fiscal charges	5,838,559	-	-	-	[5,838,559]	-	[5,838,559]	-
Total governmental activities	163,277,575	10,940,343	10,308,145	11,121,576	[130,907,511]	-	[130,907,511]	-
Business-type activities:								
Water, Water Pollution Control, & Stormwater Utility	65,503,021	72,756,215	-	-	-	7,253,194	7,253,194	-
Public Parking	2,959,169	2,690,923	-	-	-	[268,246]	[268,246]	-
Total business-type activities	68,462,190	75,447,138	-	-	-	6,984,948	6,984,948	-
Total primary government	\$ 231,739,765	\$ 86,387,481	\$ 10,308,145	\$ 11,121,576	[130,907,511]	6,984,948	[123,922,563]	-
Component Unit:								
Friends of the Zoo	\$ 2,006,174	\$ 1,648,972	\$ 422,744	\$ 142,927	-	-	-	208,469
Total component units	\$ 2,006,174	\$ 1,648,972	\$ 422,744	\$ 142,927	-	-	-	208,469
General Revenues:								
Property taxes					42,035,684	-	42,035,684	-
Sales taxes					55,648,002	-	55,648,002	-
Franchise taxes					14,400,099	-	14,400,099	-
Motor fuel taxes					4,621,676	-	4,621,676	-
Payment in lieu of taxes					7,471,168	-	7,471,168	-
Alcoholic beverage taxes					1,803,375	-	1,803,375	-
Transient guest taxes					2,742,302	-	2,742,302	-
Miscellaneous					2,022,908	2,565,063	4,587,971	6,865
Unrestricted investment earnings					1,977,204	1,847,444	3,824,648	1,784
Gain on sales of capital assets					-	43,071	43,071	-
Subtotal general revenues					132,722,418	4,455,578	137,177,996	8,649
Change in net position					1,814,907	11,440,526	13,255,433	217,118
Net position - beginning					185,826,705	224,328,009	410,154,714	1,484,388
Prior period adjustment					2,042,026	[475,048]	1,566,978	-
Net position - beginning, restated					187,868,731	223,852,961	411,721,692	1,484,388
Net position - ending					\$ 189,683,638	\$ 235,293,487	\$ 424,977,125	\$ 1,701,506

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

CITY OF TOPEKA, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	Special Revenue Funds					Capital Projects	Other Governmental Funds	Total Governmental Funds
	General	Special Street Repairs	Sales Tax Street Repair	1/2% Sales Tax	Debt Service			
ASSETS								
Cash and equity in Treasurer's Fund	\$ 17,757,931	\$ 3,298,335	\$ 12,161,428	\$ 8,989,961	\$ 8,276,313	\$ 21,412,410	\$ 9,564,284	\$ 81,460,662
Receivables (net of allowance for uncollectibles):								
Accounts receivable	1,853,500	3,113	712,549	-	300,405	-	283,040	3,152,607
Taxes receivable	36,615,015	-	2,715,177	1,608,764	17,559,116	-	966,540	59,464,612
Special assessments with debt commitments	-	-	-	-	33,824,228	-	-	33,824,228
Interest receivable	-	-	-	-	-	-	8,130	8,130
Due from others funds	414,913	-	-	-	-	-	74,412	489,325
Due from other governments	-	862,851	-	443,532	-	448,775	942,726	2,697,884
Prepaid costs	139,145	-	-	-	-	-	-	139,145
Total assets	\$ 56,780,504	\$ 4,164,299	\$ 15,589,154	\$ 11,042,257	\$ 59,960,062	\$ 21,861,185	\$ 11,839,132	\$ 181,236,593
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts and contracts payable	\$ 949,723	\$ 150,369	\$ 1,208,450	\$ 262,637	\$ 1,500	\$ 1,446,433	\$ 1,243,180	\$ 5,262,292
Salaries and wages payable	3,316,564	130,345	8,527	-	-	-	11,824	3,467,260
Accrued interest	-	-	-	-	-	115,006	-	115,006
Due to other funds	376,738	22,676	1,076	-	-	-	421,889	822,379
Due to other governments	7,888	-	-	-	-	-	275	8,163
Due to others	3,043	-	-	2,331,609	-	-	-	2,334,652
Temporary notes payable	-	-	-	-	-	9,421,344	-	9,421,344
Total liabilities	4,653,956	303,390	1,218,053	2,594,246	1,500	10,982,783	1,677,168	21,431,096
Deferred inflows of resources								
Property taxes levied for a subsequent period	30,113,541	-	-	-	17,546,760	-	946,841	48,607,142
Unavailable revenues - special assessments	-	-	-	-	33,824,228	-	-	33,824,228
Unavailable revenues - other	-	-	-	-	7,485	-	272,808	280,293
Total deferred inflows of resources	30,113,541	-	-	-	51,378,473	-	1,219,649	82,711,663
Fund balance:								
Nonspendable	139,145	-	-	-	-	-	-	139,145
Restricted	-	3,860,909	14,371,101	8,448,011	8,580,089	10,878,402	7,987,648	54,126,160
Committed	-	-	-	-	-	-	1,260,965	1,260,965
Assigned	284,442	-	-	-	-	-	-	284,442
Unassigned	21,589,420	-	-	-	-	-	[306,298]	21,283,122
Total fund balances	22,013,007	3,860,909	14,371,101	8,448,011	8,580,089	10,878,402	8,942,315	77,093,834
Total liabilities, deferred inflows of resources and fund balances	\$ 56,780,504	\$ 4,164,299	\$ 15,589,154	\$ 11,042,257	\$ 59,960,062	\$ 21,861,185	\$ 11,839,132	\$ 181,236,593

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

CITY OF TOPEKA, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2018

Total Governmental Fund Balances	\$ 77,093,834
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 \$207,251 are excluded from this amount and included in the internal service fund note amount.	312,847,581
Pension and OPEB 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. The deferred outflow of resources of the internal service funds in the amount of \$1,232,322 are excluded from this amount and included in the internal service fund note amount.	18,420,351
Pension and OPEB fundings are reported a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position. The deferred inflow of resources of the internal service funds in the amount of \$324,665 are excluded from this amount and included in the internal service fund note amount.	[4,851,033]
The following liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (These amounts exclude \$2,723,052 in self insurance claims, \$5,596,894 in net pension liability, \$268,804 in accrued compensated absences, and \$306,805 of other postemployment benefit obligations which are included in total changes in internal service funds.) These liabilities at year end consist of:	
Compensated absences	[8,397,038]
Net pension liability	[83,626,929]
Net OPEB liability	[4,837,530]
General obligation bonds payable	[152,592,670]
Tax increment bonds payable	[9,415,000]
Capital lease payable	[2,741,448]
Accrued interest on bonds	[1,848,676]
Certain revenues are not available to pay for current period expenditures and therefore are reported as unavailable in the governmental funds.	34,104,521
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	5,063,724
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 \$469,558.	<u>10,463,951</u>
Net Position of Governmental Activities	<u>\$ 189,683,638</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, 2018

	Special Revenue Funds							Total Governmental Funds
	General	Special Street Repairs	Sales Tax Street Repairs	1/2% Sales Tax	Debt Service	Capital Project Fund	Other Governmental Funds	
REVENUES:								
Taxes and service assessments	\$ 59,920,889	\$ -	\$ 15,462,747	\$ 9,188,267	\$ 16,836,067	\$ -	\$ 4,496,681	\$ 105,904,651
Special assessments with debt commitments	-	-	-	-	3,043,217	-	-	3,043,217
Payment in lieu of taxes - interfund	7,471,168	-	-	-	-	-	-	7,471,168
Licenses and permits	1,327,830	-	-	-	-	-	30,173	1,358,003
Franchise fees	14,400,099	-	-	-	-	-	-	14,400,099
Intergovernmental	1,274,634	5,645,828	-	5,801,330	127,458	2,031,104	5,235,394	20,115,748
Fees for services	1,431,812	304,000	-	-	-	-	1,827,706	3,563,518
Administrative fees - interfund	2,838,831	-	-	-	-	-	-	2,838,831
Fines and forfeitures	2,081,683	-	-	-	-	-	241,322	2,323,005
Interest from investments	1,149,275	-	191,512	-	563,405	-	73,012	1,977,204
Miscellaneous	349,429	58,883	688,656	-	-	-	896,306	1,993,274
Total revenues	92,245,650	6,008,711	16,342,915	14,989,597	20,570,147	2,031,104	12,800,594	164,988,718
EXPENDITURES:								
Current:								
General government	9,052,599	-	-	-	-	-	4,736,392	13,788,991
Public safety	66,443,504	-	-	-	-	-	755,352	67,198,856
Public works	8,278,720	5,913,247	12,797,726	8,412,552	-	-	461,971	35,864,216
Miscellaneous	3,395,631	-	-	-	-	-	-	3,395,631
Parks and recreation	4,275,029	-	-	-	-	-	77,096	4,352,125
Economic development	-	-	-	9,188,267	-	-	419,586	9,607,853
Housing & neighborhood development	-	-	-	-	-	-	4,126,533	4,126,533
Social services	-	-	-	-	-	-	542,965	542,965
Construction	-	-	-	-	-	10,388,789	387,633	10,776,422
Engineering and others	-	-	-	-	-	1,828,950	-	1,828,950
Debt Service:								
Principal retirement	-	-	-	-	14,048,270	-	-	14,048,270
Interest and fiscal costs	-	-	-	-	5,626,908	462,197	-	6,089,105
Total expenditures	91,445,483	5,913,247	12,797,726	17,600,819	19,675,178	12,679,936	11,507,528	171,619,917
Excess [deficiency] of revenue and other sources over [under] expenditures and other [uses]	800,167	95,464	3,545,189	[2,611,222]	894,969	[10,648,832]	1,293,066	[6,631,199]
OTHER FINANCING SOURCES [USES]								
Issuance of debt	-	-	-	-	-	12,510,000	-	12,510,000
Issuance of debt premium	-	-	-	-	-	359,903	-	359,903
Transfers in	191,320	-	-	-	740,456	-	-	931,776
Transfers [out]	-	-	-	-	-	[276,851]	[654,925]	[931,776]
Sale of property	43,865	26,560	-	-	-	-	-	70,425
Total other financing sources [uses]	235,185	26,560	-	-	740,456	12,593,052	[654,925]	12,940,328
Net change in fund balance	1,035,352	122,024	3,545,189	[2,611,222]	1,635,425	1,944,220	638,141	6,309,129
Fund balance - Beginning of year	20,977,655	3,738,885	10,825,912	11,059,233	6,944,664	8,934,182	8,391,995	70,872,526
Prior period adjustment	-	-	-	-	-	-	[87,821]	[87,821]
Fund balance - Beginning of year, restated	20,977,655	3,738,885	10,825,912	11,059,233	6,944,664	8,934,182	8,304,174	70,784,705
Fund balance - End of year	\$ 22,013,007	\$ 3,860,909	\$ 14,371,101	\$ 8,448,011	\$ 8,580,089	\$ 10,878,402	\$ 8,942,315	\$ 77,093,834

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, 2018

Total Net Change In Fund Balances - Governmental Funds \$ 6,309,129

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 depreciation exceeds capital outlays in the period.

Loss on sale of assets	[40,798]	
Capital outlays	14,469,697	
Depreciation expense	<u>[23,913,784]</u>	[9,484,885]

Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds 74,133

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 funds are reported with governmental activities. 1,794,146

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	209,333
Changes in compensated absences, OPEB, and termination benefits	127,269
Change in accrued interest	29,044

Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities. 407,205

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. 2,349,533

Changes In Net Position of Governmental Activities \$ 1,814,907

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, 2018

	Actual	Budgeted Amounts		Variance with
		Original	Final	Final Budget Positive [Negative]
Revenues				
Taxes and service assessments	\$ 59,920,889	\$ 61,223,202	\$ 61,223,202	\$ [1,302,313]
Licenses and permits	1,327,830	1,951,420	1,951,420	[623,590]
Franchise fees	14,400,099	14,650,000	14,650,000	[249,901]
Intergovernmental	1,274,634	1,071,940	1,071,940	202,694
Fees for services	1,431,812	4,251,503	4,251,503	[2,819,691]
Administrative fees - interfund	2,838,831	-	-	2,838,831
Fines and forfeitures	2,081,683	3,000,000	3,000,000	[918,317]
Interest from investments	1,149,275	-	-	1,149,275
Miscellaneous	349,429	584,035	584,035	[234,606]
Total revenues	<u>84,774,482</u>	<u>86,732,100</u>	<u>86,732,100</u>	<u>[1,957,618]</u>
Expenditures				
General government	12,548,054	12,595,366	12,595,366	47,312
Public safety	66,405,061	69,976,291	69,976,291	3,571,230
Public works	8,221,108	8,291,604	8,291,604	70,496
Parks and recreation	4,275,029	3,886,784	3,886,784	[388,245]
Total expenditures	<u>91,449,252</u>	<u>94,750,045</u>	<u>94,750,045</u>	<u>3,300,793</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[6,674,770]</u>	<u>[8,017,945]</u>	<u>[8,017,945]</u>	<u>1,343,175</u>
Other financing sources [uses]				
Payment in lieu of taxes - interfund	7,471,168	7,471,168	7,471,168	-
Transfer in	191,320	188,500	188,500	2,820
Sale of property	43,865	14,000	14,000	29,865
Total other financing sources [uses]	<u>7,706,353</u>	<u>7,673,668</u>	<u>7,673,668</u>	<u>32,685</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	1,031,583	<u>\$ [344,277]</u>	<u>\$ [344,277]</u>	<u>\$ 1,375,860</u>
Budgetary fund balance, January 1	<u>20,696,982</u>			
Budgetary fund balance, December 31	21,728,565			
Reconciliation to GAAP				
Current year encumbrances	<u>284,442</u>			
GAAP Fund Balance, December 31	<u>\$ 22,013,007</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, 2018

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive <u>[Negative]</u>
Revenues				
Intergovernmental	\$ 5,645,828	\$ 5,951,857	\$ 5,951,857	\$ [306,029]
Fees for services	304,000	370,091	370,091	[66,091]
Miscellaneous	<u>58,883</u>	<u>28,444</u>	<u>28,444</u>	<u>30,439</u>
Total revenues	<u>6,008,711</u>	<u>6,350,392</u>	<u>6,350,392</u>	<u>[341,681]</u>
Expenditures				
Public works	<u>5,913,247</u>	<u>7,334,675</u>	<u>7,334,675</u>	<u>1,421,428</u>
Total expenditures	<u>5,913,247</u>	<u>7,334,675</u>	<u>7,334,675</u>	<u>1,421,428</u>
Excess [deficiency] of revenues over [under] expenditures	<u>95,464</u>	<u>[984,283]</u>	<u>[984,283]</u>	<u>1,079,747</u>
Other financing sources [uses]				
Sale of property	<u>26,560</u>	<u>-</u>	<u>-</u>	<u>26,560</u>
Total other financing sources [uses]	<u>26,560</u>	<u>-</u>	<u>-</u>	<u>26,560</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	122,024	<u>\$ [984,283]</u>	<u>\$ [984,283]</u>	<u>\$ 1,106,307</u>
Budgetary fund balance, January 1	<u>3,738,885</u>			
Budgetary fund balance, December 31	3,860,909			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 3,860,909</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, 2018

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes and service assessments	\$ 15,462,747	\$ 14,765,801	\$ 14,765,801	\$ 696,946
Interest from investments	191,512	-	-	191,512
Miscellaneous	688,656	60,300	60,300	628,356
Total revenues	<u>16,342,915</u>	<u>14,826,101</u>	<u>14,826,101</u>	<u>1,516,814</u>
Expenditures				
Public works	<u>12,797,726</u>	<u>28,432,827</u>	<u>28,432,827</u>	<u>15,635,101</u>
Total expenditures	<u>12,797,726</u>	<u>28,432,827</u>	<u>28,432,827</u>	<u>15,635,101</u>
Excess [deficiency] of revenues over [under] expenditures	3,545,189	\$ <u>[13,606,726]</u>	\$ <u>[13,606,726]</u>	\$ <u>17,151,915</u>
Budgetary fund balance, January 1	<u>10,825,912</u>			
Budgetary fund balance, December 31	14,371,101			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 14,371,101</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)
 1/2% SALES TAX FUND
 For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive <u>[Negative]</u>
Revenues				
Taxes and assessments	\$ 9,188,267	\$ 17,723,914	\$ 17,723,914	\$ [8,535,647]
Intergovernmental	5,801,330	-	-	5,801,330
Miscellaneous	-	886,196	886,196	[886,196]
Total revenues	<u>14,989,597</u>	<u>18,610,110</u>	<u>18,610,110</u>	<u>[3,620,513]</u>
Expenditures				
Public works	8,412,552	27,723,914	27,723,914	19,311,362
Economic development	9,188,267	-	-	[9,188,267]
Miscellaneous	-	886,196	886,196	886,196
Total expenditures	<u>17,600,819</u>	<u>28,610,110</u>	<u>28,610,110</u>	<u>11,009,291</u>
Excess [deficiency] of revenues over [under] expenditures	[2,611,222]	<u>\$ [10,000,000]</u>	<u>\$ [10,000,000]</u>	<u>\$ 7,388,778</u>
Budgetary fund balance, January 1	<u>11,059,233</u>			
Budgetary fund balance, December 31	8,448,011			
Reconciliation to GAAP				
Encumbrances	-			
GAAP Fund Balance, December 31	<u>\$ 8,448,011</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, 2018

	Business-Type Activities: Enterprise Funds			Internal Service Funds
	Water, Stormwater & Water Pollution Control Utility	Nonmajor Enterprise Fund - Parking	Total Enterprise Funds	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current assets:				
Cash and equity in Treasurer's Fund	\$ 105,770,041	\$ 2,316,680	\$ 108,086,721	\$ 18,735,393
Receivables (net of allowance for uncollectibles)				
Accounts receivable	9,045,681	122,145	9,167,826	172,871
Inventory	2,809,863	-	2,809,863	161,849
Prepays	3,510	4,099	7,609	-
Due from other funds	-	-	-	457,293
Restricted cash and cash equivalents:				
Cash and equity in Treasurer's Fund	21,413,797	99,091	21,512,888	-
Restricted other	6,992,433	-	6,992,433	-
Total current assets	146,035,325	2,542,015	148,577,340	19,527,406
Capital assets:				
Not being depreciated	89,210,991	1,058,331	90,269,322	-
Depreciable capital assets:				
Being depreciated, net of depreciation	287,308,633	11,906,812	299,215,445	207,251
Total capital assets	376,519,624	12,965,143	389,484,767	207,251
Total assets	522,554,949	15,507,158	538,062,107	19,734,657
Deferred outflows of resources:				
Deferred amounts on refunding	2,415,421	-	2,415,421	-
Deferred pension amounts	962,103	60,673	1,022,776	1,211,537
Deferred KPERS OPEB amounts	58,799	3,708	62,507	15,892
Deferred OPEB amounts	18,266	1,142	19,408	4,893
Total deferred outflows of resources	3,454,589	65,523	3,520,112	1,232,322
Total assets and deferred outflows of resources	\$ 526,009,538	\$ 15,572,681	\$ 541,582,219	\$ 20,966,979
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:				
Current liabilities				
Accounts payable	\$ 5,486,366	\$ 253,496	\$ 5,739,862	\$ 615,763
Accrued payroll and benefits	616,338	27,086	643,424	174,352
Retainage payable	243,860	-	243,860	-
Accrued interest	646,753	95,366	742,119	-
Due to other funds	96,770	4,334	101,104	23,135
Due to other governments	119,194	-	119,194	-
Current portion of state revolving loan	5,337,668	-	5,337,668	-
Temporary notes payable	39,714,816	-	39,714,816	-
Self insurance claims	-	-	-	2,723,052
Current liabilities (payable from restricted assets):				
General obligation bonds payable	-	532,289	532,289	-
Revenue bonds payable	7,070,000	-	7,070,000	-
Accrued interest	2,686,131	-	2,686,131	-
Deposits	1,247,950	-	1,247,950	-
Compensated absences and other benefits	535,776	33,258	569,034	181,309
Unearned revenue	384,532	-	384,532	-
Total current liabilities	64,186,154	945,829	65,131,983	3,717,611
Noncurrent liabilities:				
Revenue bonds payable	197,815,830	-	197,815,830	-
State revolving loan payable	28,838,658	-	28,838,658	-
General obligation bonds payable	-	8,468,519	8,468,519	-
Compensated absences and other benefits	288,558	17,028	305,586	87,495
Net OPEB liability	623,596	38,975	662,571	167,034
Net OPEB liability - KPERS	517,154	32,613	549,767	139,771
Net pension liability	4,465,159	281,587	4,746,746	5,596,894
Total noncurrent liabilities	232,548,955	8,838,722	241,387,677	5,991,194
Total liabilities	296,735,109	9,784,551	306,519,660	9,708,805
Deferred Inflows of Resources				
Deferred amounts on refunding	-	5,722	5,722	-
KPERS pension deferred inflows of resources	199,347	12,572	211,919	319,328
KPERS OPEB deferred inflows of resources	19,744	1,245	20,989	5,337
Total deferred inflows of resources	219,091	19,539	238,630	324,665
Total liabilities and deferred inflows of resources	\$ 296,954,200	\$ 9,804,090	\$ 306,758,290	\$ 10,033,470
Net Position				
Net investment in capital assets	\$ 139,872,889	\$ 3,964,335	\$ 143,837,224	\$ 207,251
Restricted				
Restricted for debt service	11,577,442	-	11,577,442	-
Restricted for capital projects	6,914,614	-	6,914,614	-
Restricted for sinking funds	1,802,124	99,091	1,901,215	-
Unrestricted	68,888,269	1,705,165	70,593,434	10,726,258
Total net position	\$ 229,055,338	\$ 5,768,591	234,823,929	\$ 10,933,509
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:			469,558	
Total net position			\$ 235,293,487	

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, 2018

	Business-Type Activities:			
	Enterprise Funds			
	Water, Stormwater & Water Pollution Control Utility	Nonmajor Enterprise Fund - Parking	Total Enterprise Funds	Internal Service Funds
Operating revenues				
Charges for services	\$ 72,756,215	\$ 2,690,923	\$ 75,447,138	\$ 22,655,386
Other	<u>2,376,696</u>	<u>188,367</u>	<u>2,565,063</u>	<u>48,787</u>
Total operating revenues	<u>75,132,911</u>	<u>2,879,290</u>	<u>78,012,201</u>	<u>22,704,173</u>
Operating expenses				
Personnel services	14,309,792	608,384	14,918,176	4,352,817
Contractual services	21,681,647	1,238,263	22,919,910	7,173,185
Supplies	7,914,258	123,668	8,037,926	535,452
Depreciation	14,900,826	758,695	15,659,521	60,806
Insurance claims	-	-	-	8,527,011
Total operating expenses	<u>58,806,523</u>	<u>2,729,010</u>	<u>61,535,533</u>	<u>20,649,271</u>
Operating income [loss]	<u>16,326,388</u>	<u>150,280</u>	<u>16,476,668</u>	<u>2,054,902</u>
Nonoperating revenues [expenses]				
Interest income	1,797,406	50,038	1,847,444	244,097
Interest [expense]	[7,196,643]	[237,488]	[7,434,131]	-
Gain/[loss] on sale of capital assets	<u>42,578</u>	<u>493</u>	<u>43,071</u>	<u>2,621</u>
Total nonoperating revenues [expenses]	<u>[5,356,659]</u>	<u>[186,957]</u>	<u>[5,543,616]</u>	<u>246,718</u>
Income [loss] before contributions and transfers	<u>10,969,729</u>	<u>[36,677]</u>	<u>10,933,052</u>	<u>2,301,620</u>
Transfers from [to] other funds				
Transfers in	3,900,000	-	3,900,000	-
Transfers [out]	<u>[3,900,000]</u>	<u>-</u>	<u>[3,900,000]</u>	<u>-</u>
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>10,969,729</u>	<u>[36,677]</u>	<u>10,933,052</u>	<u>2,301,620</u>
Net position, January 1	218,531,712	5,834,213		7,561,093
Prior period adjustment	<u>[446,103]</u>	<u>[28,945]</u>		<u>1,070,796</u>
Net position, January 1, restated	<u>218,085,609</u>	<u>5,805,268</u>		<u>8,631,889</u>
Net position, December 31	<u>\$ 229,055,338</u>	<u>\$ 5,768,591</u>		<u>\$ 10,933,509</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.			<u>507,474</u>	
Changes in net position of business-type activities			<u>\$ 11,440,526</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, 2018

	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	\$ 72,514,236	\$ 2,630,906	\$ 75,145,142	\$ 22,834,118
Payments to suppliers	[29,742,837]	[1,206,362]	[30,949,199]	[13,463,177]
Payments to employees	[13,934,841]	[588,698]	[14,523,539]	[7,351,182]
Other receipts	<u>2,376,696</u>	<u>188,367</u>	<u>2,565,063</u>	<u>48,787</u>
Net cash provided by [used in] operating activities	<u>31,213,254</u>	<u>1,024,213</u>	<u>32,237,467</u>	<u>2,068,546</u>
Cash flows from capital and related financing activities				
Gain/loss on refunding	186,419	323	186,742	-
Payment of other liabilities	[44,000]	-	[44,000]	-
Proceeds from capital debt	45,695,000	-	45,695,000	-
Premium on issuance of capital debt	1,080,513	-	1,080,513	-
Principal paid on capital debt	[5,925,000]	[586,104]	[6,511,104]	-
Payment of state revolving loan	[6,613,850]	-	[6,613,850]	-
Net borrowings on temporary notes	3,436,725	-	3,436,725	-
Interest paid on capital debt	[6,604,387]	[237,131]	[6,841,518]	-
Purchases of capital assets	[28,881,061]	-	[28,881,061]	[36,089]
Proceeds from sale of capital assets	<u>42,578</u>	<u>493</u>	<u>43,071</u>	<u>2,621</u>
Net cash provided by [used in] capital and related financing activities	<u>2,372,937</u>	<u>[822,419]</u>	<u>1,550,518</u>	<u>[33,468]</u>
Cash flows from investing activities				
Interest received	<u>1,797,406</u>	<u>50,038</u>	<u>1,847,444</u>	<u>244,097</u>
Cash flows from noncapital financing activities				
Sale of investments	758,496	-	758,496	-
Transfers in	3,900,000	-	3,900,000	-
Transfers [out]	<u>[3,900,000]</u>	<u>-</u>	<u>[3,900,000]</u>	<u>-</u>
Net cash provided by [used in] noncapital financing activities	<u>758,496</u>	<u>-</u>	<u>758,496</u>	<u>-</u>
Net increase [decrease] in cash and cash equivalents	<u>36,142,093</u>	<u>251,832</u>	<u>36,393,925</u>	<u>2,279,175</u>
Cash and cash equivalents, January 1	91,487,848	2,192,884	93,680,732	16,456,218
Prior period adjustment	<u>[446,103]</u>	<u>[28,945]</u>	<u>[475,048]</u>	<u>-</u>
Cash and cash equivalents, January 1, restated	<u>91,041,745</u>	<u>2,163,939</u>	<u>93,205,684</u>	<u>16,456,218</u>
Cash and cash equivalents, December 31	<u>\$ 127,183,838</u>	<u>\$ 2,415,771</u>	<u>\$ 129,599,609</u>	<u>\$ 18,735,393</u>
Cash and equivalents reported on the Statement of Net Position				
Cash and equity in Treasurer's Fund	\$ 105,770,041	\$ 2,316,680	\$ 108,086,721	\$ 18,735,393
Restricted cash and equity in Treasurer's Fund	<u>21,413,797</u>	<u>99,091</u>	<u>21,512,888</u>	<u>-</u>
Total	<u>\$ 127,183,838</u>	<u>\$ 2,415,771</u>	<u>\$ 129,599,609</u>	<u>\$ 18,735,393</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, 2018

	Business-Type Activities:			
	Enterprise Funds			Internal Service Funds
	Water, Stormwater & Water Pollution Control Utility	Nonmajor Enterprise Fund - Parking	Total Enterprise Funds	
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities				
Operating income [loss]	\$ 16,326,388	\$ 150,280	\$ 16,476,668	\$ 2,054,902
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities				
Depreciation	14,900,826	758,695	15,659,521	60,806
Non-operating [expense]				
[Increase] decrease in accounts receivable	[324,238]	[60,017]	[384,255]	150,288
[Increase] decrease in due from other funds	-	-	-	[1,971]
[Increase] decrease in inventory	[1,074,594]	-	[1,074,594]	[8,983]
[Increase] decrease in prepaids	7,333	-	7,333	-
[Increase] decrease in deferred outflows	[166,765]	[10,506]	[177,271]	[86,537]
Increase [decrease] in deferred inflows	[52,477]	[3,309]	[55,786]	[6,425]
Increase [decrease] in net OPEB liability	1,140,750	71,588	1,212,338	306,805
Increase [decrease] in net pension liability	13,000	820	13,820	311,517
Increase [decrease] in due to other governments	21,671	-	21,671	28,474
Increase [decrease] in accounts payable	1,053,175	155,935	1,209,110	209,754
Increase [decrease] in accrued payroll and benefits	57,149	1,744	58,893	16,197
Increase [decrease] in retainage payable	[152,545]	-	[152,545]	-
Increase [decrease] in self-insurance claims	-	-	-	[660,600]
Increase [decrease] in due to other funds	[1,972]	[366]	[2,338]	
Increase [decrease] in deposits	83,805	-	83,805	-
Increase [decrease] in compensated absences	[616,706]	[40,651]	[657,357]	[305,681]
Increase [decrease] in unearned revenue	[1,546]	-	[1,546]	-
Net cash provided by [used in] operating activities	\$ 31,213,254	\$ 1,024,213	\$ 32,237,467	\$ 2,068,546

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, 2018

ASSETS

Cash and equity in Treasurer's Fund	\$ 2,757,245
Accounts receivable	<u>88,187</u>
Total assets	<u>\$ 2,845,432</u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts and contracts payable	\$ 1,818,819
Due to other governments	5,073
Due to others	<u>1,021,540</u>
Total liabilities	<u>\$ 2,845,432</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, 2018

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, 2018. 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. (FOTZ) 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, 2018

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 accounted for and reported in another fund. 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 *½% sales tax fund* provides funding for economic development and countywide infrastructure development.

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, 2018

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 property insurance, workman's compensation insurance, group 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 eleven 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, 2018

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, 2018

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 and OPEB plan liability proportion and assumptions, net difference between projected and actual earnings on pension plan and OPEB 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 arise under the accrual and modified accrual basis of accounting that qualify for reporting in this category. The governmental funds report unavailable revenues from special assessments and other and property taxes levied for a subsequent period. The City reports a deferred amount on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price, in the government wide statement of net position. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Differences between expected and actual experience, changes in assumptions, and changes in the pension liability and OPEB plan 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, 2018

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, 2018

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, 2018

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 2018, 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>
Special Alcohol Program Fund	\$ 535,970	\$ 641,970
Law Enforcement Fund	690,921	713,921

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, 2018

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, Retirement Reserve Fund, KP & F Equalization Fund, Neighborhood Revitalization Fund, Historic Asset Tourism Fund, 1/2 % Sales Tax Fund, Law Enforcement 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, 2018, 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	\$ 185,826,705	\$224,328,009
Change in accounting principle:		
Other post employment benefits - change in accounting principle	3,050,506	48,837
Other post employment benefits - KPERS - change in accounting principle	[1,929,080]	[523,885]
Reclassification correction:		
Deferred revenue reclassification	[87,821]	-
Capital asset reclassification	[37,717]	-
Elimination of repair estimate established in prior years:		
Elimination of liability for repair of the railroad bridge	<u>1,046,138</u>	<u>-</u>
Net position - beginning, restated	<u>\$ 187,868,731</u>	<u>\$223,852,961</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At December 31, 2018, the City and FOTZ had the following investments:

	12/31/2018	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	Rating	Weighted Average Maturity (In Years)
	12/31/2018	Level 1	Level 2	Level 3		
<u>City Investments by fair value level</u>						
U.S. Agencies	\$ 100,644,682	\$ -	\$ 100,644,682	\$ -	Moody's Aaa	0.34
U.S. Treasury Notes	41,096,678	-	41,096,678	-	Moody's Aaa	0.03
Kansas Municipal Bonds	2,716,338	-	2,716,338	-	n/a	0.02
State Treasurer's Municipal Investment Pool	1,405,911	-	1,405,911	-	AAAf/S1+	0.01
Total investments by fair value level	<u>\$ 145,863,609</u>	<u>\$ -</u>	<u>\$ 145,863,609</u>	<u>\$ -</u>		

	12/31/2018	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
	12/31/2018	Level 1	Level 2	Level 3
<u>FOTZ Investments by fair value level</u>				
Topeka Community Foundation Investments	\$ 102,197	\$ -	\$ -	\$ 102,197

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.

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, 2018 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, 2018, the City had deposits totaling \$85,600,140 in financial institutions, with FDIC coverage of \$1,465,312 and with collateral assets pledged to the City by the institutions having a fair market value of \$84,134,828. FOTZ had deposits totaling \$1,507,011 of which \$500,000 was covered by FDIC insurance. The remaining \$1,007,011 was unsecured and exposed to credit risk at December 31, 2018.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2018

Note 3. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

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

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

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

- (A) United States Treasury bills or notes with maturities as the governing body shall determine, but not exceeding two years. The City is required to purchase such securities from: (a) banks, savings and loan associations and savings banks; (b) the federal reserve bank of Kansas City, Missouri; (c) primary government securities dealers which report to the market report division of the federal reserve bank of New York; or (d) or any broker-dealer engaged in the business of selling government securities which is registered in compliance with the requirements of section 15 or 15C of the securities exchange act of 1934 and registered pursuant to K.S.A. 17-12a401;
- (B) The municipal investment pool fund established in K.S.A. 12-1677a, and amendments thereto;
- (C) Multiple municipal client investment pools managed by the trust departments of banks which have main or branch offices located in Shawnee County, Kansas, or with trust companies incorporated under Kansas law which have contracted to provide trust services under the provisions of K.S.A. 9-2107 with banks that have main or branch offices located Shawnee County, Kansas; or
- (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, 2018

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	\$ 3,325,478	\$9,167,826	\$ 12,493,304
Taxes Receivable	59,464,612	-	59,464,612
Special Assessments Receivable	33,824,228	-	33,824,228
Interest Receivable	<u>8,130</u>	<u>-</u>	<u>8,130</u>
 Total	 <u>\$96,622,448</u>	 <u>\$9,167,826</u>	 <u>\$ 105,790,274</u>

All trade receivables are shown net of an allowance for uncollectibles. At December 31, 2018 an allowance of \$19,608,030 and \$800,024 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:

	<u>General</u>	Debt <u>Service</u>	Nonmajor <u>Governmental</u>	<u>Total</u>
Property Tax	\$30,113,541	\$17,546,760	\$ 946,841	\$48,607,142
Special Assessments	-	33,824,228	-	33,824,228
Other Unavailable Revenues	<u>-</u>	<u>7,485</u>	<u>272,808</u>	<u>280,293</u>
 Total	 <u>\$30,113,541</u>	 <u>\$51,378,473</u>	 <u>\$ 1,219,649</u>	 <u>\$82,711,663</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

C. Beneficial Interest in McFarland Trusts

During the year ended December 31, 2018, FOTZ became the beneficiary of three separate funds that were set up through the Kay E. McFarland Trust. The contribution of these funds has been reflected as capital grants and contributions on the statement of activities. The investments held in these accounts are recorded at their fair value at year end and are considered Level 1 investments of the fair value hierarchy using prices quoted in active markets. The funds are controlled solely by the trustee of the McFarland Trust and are released to FOTZ at various times per the guidelines of the Trust. Amounts recognized as deferred inflows of resources relating to the beneficial interest total \$5,344,289 at December 31, 2018.

The first fund is the Endowment Fund that was funded initially with \$1,000,000 of assets. This fund will pay a blended total return distribution of 4.5% each year annually to FOTZ for operational expenses of Kay's Garden. The value of this account at year end was \$945,525.

The second fund is the Charitable Trust Fund that was funded initially with \$1,600,000 of assets. This fund will be used for debt service and construction of Kay's Garden. After debt service for the garden is complete the fund may be used to support other projects. The value of this account at year end was \$1,516,066.

The third fund is the Garden Fund that was funded initially with \$3,080,000 of assets. The purpose of this fund is to make semi-annual payments to FOTZ for the purpose of paying down bonds to build the Garden itself. The value of this account at year end was \$2,882,698.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	Balance <u>12/31/2017</u>	Adjustments	Adj. Bal. <u>12/31/2017</u>	Additions	Retirements	Balance <u>12/31/2018</u>
City governmental activities:						
Governmental activities:						
Capital assets, not being depreciated						
Land	\$ 867,682	\$ -	\$ 867,682	\$ -	\$ -	\$ 867,682
Intangible easements	2,807,881	-	2,807,881	67,643	-	2,875,524
Construction in progress	52,952,784	[1,468,004]	51,484,780	13,069,219	9,017,297	55,536,702
Capital assets, being depreciated						
Building improvements & infrastructure	993,568,542	2,043,267	995,611,809	9,017,297	-	1,004,629,106
Furniture	4,344,598	-	4,344,598	-	-	4,344,598
Vehicles	24,985,911	-	24,985,911	1,118,116	996,961	25,107,066
Software	2,727,528	-	2,727,528	-	-	2,727,528
Tools & equipment	<u>7,050,182</u>	<u>-</u>	<u>7,050,182</u>	<u>250,807</u>	<u>289,220</u>	<u>7,011,769</u>
Total capital assets	<u>1,089,305,108</u>	<u>575,263</u>	<u>1,089,880,371</u>	<u>23,523,082</u>	<u>10,303,478</u>	<u>1,103,099,975</u>
Less accumulated depreciation for:						
Building improvements & infrastructure	734,731,800	612,980	735,344,780	21,881,941	-	757,226,721
Furniture	4,261,863	-	4,261,863	18,755	-	4,280,618
Vehicles	18,915,168	-	18,915,168	1,836,165	996,961	19,754,372
Software	2,727,528	-	2,727,528	-	-	2,727,528
Tools & equipment	<u>6,066,595</u>	<u>-</u>	<u>6,066,595</u>	<u>237,730</u>	<u>248,421</u>	<u>6,055,904</u>
Total accumulated depreciation	<u>766,702,954</u>	<u>612,980</u>	<u>767,315,934</u>	<u>23,974,591</u>	<u>1,245,382</u>	<u>790,045,143</u>
Governmental activities capital assets, net	<u>\$ 322,602,154</u>	<u>\$ [37,717]</u>	<u>\$ 322,564,437</u>	<u>\$ [451,509]</u>	<u>\$ 9,058,096</u>	<u>\$ 313,054,832</u>
Business-type activities:						
Capital assets, not being depreciated						
Land	\$ 1,675,360	\$ -	\$ 1,675,360	\$ -	\$ -	\$ 1,675,360
Intangible easements	10,747,910	-	10,747,910	1,137,416	-	11,885,326
Construction in progress	54,920,130	-	54,920,130	26,809,316	5,020,810	76,708,636
Capital assets, being depreciated						
Building improvements & infrastructure	561,597,486	-	561,597,486	5,020,810	-	566,618,296
Furniture	791,306	-	791,306	-	-	791,306
Vehicles	9,743,362	-	9,743,362	808,024	383,203	10,168,183
Tools & equipment	<u>4,657,814</u>	<u>-</u>	<u>4,657,814</u>	<u>126,307</u>	<u>24,046</u>	<u>4,760,075</u>
Total capital assets	<u>644,133,368</u>	<u>-</u>	<u>644,133,368</u>	<u>33,901,873</u>	<u>5,428,058</u>	<u>672,607,182</u>
Less accumulated depreciation for:						
Building improvements & infrastructure	256,153,307	-	256,153,307	14,670,541	-	270,823,848
Furniture	781,162	-	781,162	2,517	-	783,679
Vehicles	6,868,137	-	6,868,137	813,725	383,203	7,298,659
Tools & equipment	<u>4,067,536</u>	<u>-</u>	<u>4,067,536</u>	<u>172,738</u>	<u>24,046</u>	<u>4,216,228</u>
Total accumulated depreciation	<u>267,870,142</u>	<u>-</u>	<u>267,870,142</u>	<u>15,659,521</u>	<u>407,248</u>	<u>283,122,415</u>
Business-type activities capital assets, net	<u>\$ 376,263,226</u>	<u>\$ -</u>	<u>\$ 376,263,226</u>	<u>\$18,242,352</u>	<u>\$ 5,020,810</u>	<u>\$ 389,484,767</u>

CITY OF TOPEKA, KANSAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 December 31, 2018

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:	
General Government	\$ 1,057,930
Infrastructure	16,938,704
Parks and Recreation	22,010
Public Safety	1,992,953
Public Works	3,902,186
Internal Service	<u>60,807</u>
Total depreciation	<u>\$ 23,974,591</u>
Business-type Activities:	
Parking Garages	\$ 758,695
Water, Sewer & Stormwater Utilities	<u>14,900,826</u>
Total depreciation	<u>\$ 15,659,521</u>

FOTZ property and equipment consists of the following as of December 31, 2018:

	Balance 12/31/2017	Additions	Retirements	Balance 12/31/2018
FOTZ capital assets, being depreciated				
Furniture and equipment	\$ 102,890	\$ -	\$ 3,380	\$ 99,510
Software	<u>52,091</u>	-	5,690	46,401
Total capital assets	<u>154,981</u>	-	9,070	<u>145,911</u>
Less accumulated depreciation for:				
Furniture, equipment and software	<u>69,436</u>	<u>28,498</u>	<u>8,712</u>	<u>89,222</u>
Total accumulated depreciation	<u>69,436</u>	<u>28,498</u>	<u>8,712</u>	<u>89,222</u>
FOTZ capital assets, net	<u>\$ 85,545</u>	<u>\$ [28,498]</u>	<u>\$ [358]</u>	<u>\$ 56,689</u>

Depreciation expense for the year ended December 31, 2018 was \$28,498.

Construction Commitments

The City had open, active construction projects on December 31, 2018. 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:

	Spent to Date	Remaining Commitment
General Government	\$ 2,945,490	\$ 6,003,477
Public Safety - Fire & Police	6,986,426	15,717,267
Public Works - Streets	47,783,709	17,742,010
Public Works - Special Assessment	4,205,344	21,547,608
Public Works - Bridges	600,836	1,124,164
Parks	1,413,318	7,334,204
Combined Utilities	<u>81,729,445</u>	<u>151,385,138</u>
Total	<u>\$ 145,664,568</u>	<u>\$ 220,853,868</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2018

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Transfers and Activity

Interfund transfers for the year ended December 31, 2018 were as follows:

	Transfer In:			Total
	General Fund	Debt Service Fund	Water, Stormwater & Water Pollution Control Utility	
<u>Transfer Out:</u>				
Capital Project Fund	\$ -	\$ 276,851	\$ -	\$ 276,851
Water, Stormwater & Water Pollution Control Utility	-	-	3,900,000	3,900,000
Nonmajor Governmental Funds	<u>191,320</u>	<u>463,605</u>	<u>-</u>	<u>654,925</u>
Total	<u>\$ 191,320</u>	<u>\$ 740,456</u>	<u>\$ 3,900,000</u>	<u>\$ 4,831,776</u>

Interfund transfers in consisted of the following:

General Fund received \$191,320 from the Transient Guest Tax Fund for operating expenses	\$ 191,320
Debt Service Fund received \$276,851 from the Capital Project Fund for debt payments	276,851
Debt Service Fund received \$213,605 from the TIF College Fund for debt payments	213,605
Debt Service Fund received \$250,000 from the Retirement Reserve Fund for debt payments	250,000
Water, Stormwater & Water Pollution Fund transferred intrafund transfer amounts	<u>3,900,000</u>
Total	<u>\$ 4,831,776</u>

Interfund charges for support services paid to the General Fund during 2018 were as follows:

Special Street Repair Fund	\$ 92,139
Sales Tax Street Repairs Fund	244
Water, Stormwater & WPC Fund	2,489,005
Nonmajor Governmental Funds	177,990
Nonmajor Enterprise Fund	73,150
Internal Service Funds	<u>6,303</u>
	<u>\$ 2,838,831</u>

In 2018, payments in lieu of taxes of \$7,252,197 and \$218,971 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, 2018

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Operating Leases:

The City has operating leases for computers and licenses. The expenditures for these operating leases for the year ended December 31, 2018 were \$637,206. The future minimum lease payments for these leases are as follows:

Year Ending December	Amount
2019	\$ 467,521
2020	204,004
2021	57,093
Total	<u>\$ 728,618</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:

Asset Information:	Governmental Activities
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, 2018, were as follows:

Year Ended December 31	Governmental Activities
2019	\$ 713,901
2020	713,901
2021	375,108
2022	375,108
2023	179,568
2024 - 2026	<u>538,705</u>
Total minimum lease payments	2,896,292
Less: amount representing interest	<u>[154,844]</u>
Net present value of minimum lease payments	<u>\$ 2,741,448</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

G. Long Term Debt

Changes in long term liabilities:

	Restated			Balance	Due Within
	Balance	Additions	Reductions	Balance	One Year
	<u>12/31/2017</u>			<u>12/31/2018</u>	
Governmental activities:					
Bond payable:					
General obligation bonds	\$ 145,885,993	\$12,510,000	\$ [12,773,270]	\$ 145,622,723	\$13,287,711
Tax increment and other bond	10,690,000	-	[1,275,000]	9,415,000	1,305,000
Less deferred amounts:					
For issuance premium	7,182,144	359,903	[571,568]	6,970,479	-
For issuance discounts	[620]	-	88	[532]	-
Capital leases	3,691,113	-	[949,665]	2,741,448	666,769
OPEB Liability**	4,834,012	637,600	[327,277]	5,144,335	-
Net pension liability	88,826,648	22,413,982	[22,016,807]	89,223,823	-
Compensated Absences**	8,835,323	4,046,600	[4,216,081]	8,665,842	4,485,051
Claims and Judgments	209,333	-	[209,333]	-	-
Governmental Activity					
Long-Term Liabilities	<u>\$ 270,153,946</u>	<u>\$39,968,085</u>	<u>\$ [42,338,913]</u>	<u>\$ 267,783,118</u>	<u>\$19,744,531</u>

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

	Restated			Balance	Due Within
	Balance	Additions	Reductions	Balance	One Year
	<u>12/31/2017</u>			<u>12/31/2018</u>	
Business-Type Activities					
Bond payable:					
General obligation bonds	\$ 8,974,007	\$ -	\$ [551,730]	\$ 8,422,277	\$ 532,289
Less deferred amounts:					
For issuance premium	612,905	-	[34,374]	578,531	-
Revenue bonds	159,950,000	45,695,000	[5,925,000]	199,720,000	7,070,000
Less deferred amounts:					
For issuance premium	4,200,237	1,302,993	[230,053]	5,273,177	-
For issuance discounts	[114,923]	-	7,576	[107,347]	-
State revolving loan	40,790,177	-	[6,613,851]	34,176,326	5,337,668
Other liabilities	44,000	-	[44,000]	-	-
OPEB liability	1,138,511	154,576	[80,749]	1,212,338	-
Net pension liability	4,732,926	944,491	[930,671]	4,746,746	-
Compensated absences	852,452	579,440	[557,272]	874,620	569,034
Business Type Activity					
Long-Term Liabilities	<u>\$ 221,180,292</u>	<u>\$48,676,500</u>	<u>\$ [14,960,124]</u>	<u>\$ 254,896,668</u>	<u>\$13,508,991</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

G. Long Term Debt (Continued)

The following paragraphs summarize the long-term liability activity for 2018 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, 2018, the City owed \$30,603,597 to the Kansas Water Pollution Control State Revolving Loan Fund (WPC-SRF); during the year, the City repaid loan principal of \$5,724,916. The total balance owed for the WPC-SRF at December 31, 2018, was \$24,878,681.

At January 1, 2018, the City owed \$10,186,579 to the Kansas Public Water Supply State Revolving Loan Fund (PWS-SRF); during the year, the City repaid loan principal of \$888,934. The total balance owed for the WPS-SRF at December 31, 2018 was \$9,297,645.

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, 2018, are as follows:

Year Ended <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 5,337,668	\$ 1,037,907
2020	5,363,805	868,553
2021	5,388,639	700,502
2022	5,559,805	529,336
2023	5,736,450	352,691
2024-2028	6,679,046	510,044
2029	110,914	1,958
Total	<u>\$ 34,176,326</u>	<u>\$ 4,000,991</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, 2018, was \$154,860,000. During the year, general obligation bonds totaling \$13,325,000 were retired, and \$12,510,000 of general obligation bonds were issued, bringing the December 31, 2018 outstanding balance to \$154,045,000.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

G. 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, 2018</u>
Governmental activities					
Series 2010C	9/29/2010	\$ 4,570,000	2.05% - 4.85%	8/15/2030	\$ 3,660,000
Series 2011B	9/29/2011	3,430,000	2.00% - 4.00%	8/15/2031	2,525,000
Series 2013A	6/4/2013	18,892,894	2.20% - 4.00%	8/15/2031	11,583,866
Series 2013B	9/30/2013	9,790,000	3.00% - 4.50%	8/15/2033	8,200,000
Series 2013C	9/30/2013	5,000,000	2.00% - 2.50%	8/15/2019	1,040,000
Series 2014A	9/25/2014	5,590,000	2.00% - 3.25%	8/15/2034	4,680,000
Series 2015A	9/14/2015	52,809,613	2.50% - 5.00%	8/15/2035	43,687,225
Series 2016A	5/19/2016	19,257,600	2.00% - 5.00%	8/15/2031	16,516,632
Series 2016B	9/13/2016	22,705,000	2.00% - 5.00%	8/15/2036	19,940,000
Series 2017A	9/5/2017	24,010,000	2.00% - 5.00%	8/15/2036	21,280,000
Series 2018A	8/7/2018	7,225,000	3.00% - 5.00%	8/15/2033	7,225,000
Series 2018B	8/7/2018	5,285,000	3.00% - 3.25%	8/15/2033	5,285,000
					<u>\$ 145,622,723</u>
Business-Type activities					
Series 2013A	6/4/2013	1,442,106	2.20% - 4.00%	8/15/2031	\$ 776,134
Series 2015A	9/14/2015	2,455,387	2.50% - 4.00%	8/15/2035	1,812,775
Series 2016A	5/19/2016	1,592,400	2.00% - 5.00%	8/15/2031	1,368,368
Series 2017A	9/5/2017	4,480,000	2.00% - 5.00%	8/15/2036	4,465,000
					<u>\$ 8,422,277</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

G. Long Term Debt (Continued)

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

Year Ending December 31,	<u>Governmental Activities</u>		<u>Business Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 13,287,711	\$ 4,720,743	\$ 532,289	\$ 252,237
2020	12,110,153	4,167,726	489,847	228,978
2021	12,362,989	3,618,153	482,011	206,828
2022	12,288,948	3,155,720	491,052	190,432
2023	12,496,990	2,739,425	733,010	174,441
2024-2028	53,178,947	8,860,690	2,581,053	629,771
2029-2033	28,531,985	2,449,774	2,048,015	332,729
2034-2036	1,365,001	62,725	1,065,000	64,500
Total	<u>\$ 145,622,723</u>	<u>\$ 29,774,956</u>	<u>\$ 8,422,277</u>	<u>\$ 2,079,915</u>

Tax Increment and Other Bonds:

The tax increment and other bonds consist of \$5,875,000 of STAR bonds for Heartland Park race track and \$3,540,000 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>
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	1,450,000	105,638
2024-2025	2,530,000	93,875
Total	<u>\$ 9,415,000</u>	<u>\$ 942,363</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, 2018, was \$159,950,000. In 2018, the City retired \$5,925,000 of revenue bonds and issued \$45,695,000 of revenue bonds.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

G. Long Term Debt (Continued)

Revenue bonds outstanding at year-end are \$199,720,000, 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, 2018</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	11,970,000
Series 2012A	6/12/2012	22,045,000	3.00% - 3.50%	8/1/2033	20,360,000
Series 2013A	5/21/2013	35,985,000	1.50% - 4.00%	8/1/2031	34,750,000
Series 2014A	12/23/2014	45,510,000	3.00% - 5.00%	8/1/2044	33,825,000
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	360,000
Series 2017A	9/5/2017	17,975,000	2.25% - 5.00%	8/1/2047	17,590,000
Series 2018A	8/14/2018	45,695,000	3.00% - 5.00%	8/1/2048	45,695,000
					<u>\$ 199,720,000</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>
2019	\$ 7,070,000	\$ 6,782,898	\$ 13,852,898
2020	7,475,000	6,679,023	14,154,023
2021	7,665,000	6,377,910	14,042,910
2022	8,040,000	6,060,760	14,100,760
2023	8,170,000	5,814,310	13,984,310
2024-2028	51,310,000	24,576,300	75,886,300
2029-2033	41,590,000	16,682,068	58,272,068
2034-2038	26,025,000	10,600,899	36,625,899
2039-2043	23,260,000	6,053,479	29,313,479
2044-2048	19,115,000	1,951,194	21,066,194
Total	<u>\$ 199,720,000</u>	<u>\$ 91,578,840</u>	<u>\$ 291,298,840</u>

The City has pledged \$199,720,000 in utility revenues through the term of commitment of August 1, 2048. The percent of the revenue pledged is 100%. The 2018 principal and interest for the revenue bonds was \$11,268,473 and the pledged revenues recognized for 2018 was \$11,268,473.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

G. 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, 2018 mature on October 1, 2019 and bear interest of 3% to 5%. The temporary notes payable in the statement of net position for the business-type activities includes \$1,249,223 of issuance premium and for the governmental activities the temporary notes payable includes \$321,937 of issuance premium.

Short-term debt activity for the year ended December 31, 2018, was as follows:

	Beginning <u>Balance</u>	<u>Issued</u>	<u>Redeemed</u>	Ending <u>Balance</u>
Governmental activities notes	\$7,042,770	\$ 9,421,344	\$ 7,042,770	\$ 9,421,344
Business-type notes	<u>36,278,091</u>	<u>39,714,816</u>	<u>36,278,091</u>	<u>39,714,816</u>
Total	<u>\$43,320,861</u>	<u>\$49,136,160</u>	<u>\$43,320,861</u>	<u>\$49,136,160</u>

H. Restricted Assets

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

	Water, Stormwater & WPC Utility <u>Fund</u>	Nonmajor Enterprise <u>Fund</u>	<u>Total</u>
Bond Reserve	\$ 11,577,442	\$ -	\$ 11,577,442
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	948,211	-	948,211
Water Consumer Deposits Flushing Meters	171,406	-	171,406
Deposits with Fiscal Agency	<u>6,992,433</u>	<u>-</u>	<u>6,992,433</u>
Total Restricted Assets	<u>\$ 28,406,230</u>	<u>\$ 99,091</u>	<u>\$ 28,505,321</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, 2018

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>2018</u>	<u>2017</u>
Claims liabilities at beginning of the year	\$ 3,383,652	\$ 2,862,417
Claims incurred during the year	8,064,460	9,681,217
Claims paid during the year	<u>[8,725,060]</u>	<u>[9,159,982]</u>
Claims liabilities at end of the year	<u>\$ 2,723,052</u>	<u>\$ 3,383,652</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. While 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, 2018, totaled \$42,557,000.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

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, 2018, the City paid \$7,579,504 to JEDO in accordance with the interlocal agreement. The City is owed \$1,608,764 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 Postemployment 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 postemployment 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. The City did not contribute to the plan.

At December 31, 2018, the following employees were covered by the benefit terms:

Active employees	1,146
Retirees and covered spouses	<u>72</u>
Total	<u>1,218</u>

The total OPEB liability of \$3,578,715 was measured as of January 1, 2017, and was determined by an actuarial valuation as of that date.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2018

Note 5. OTHER INFORMATION (Continued)

D. Other Postemployment Benefits (Continued)

The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Valuation date	January 1, 2017
Actuarial cost method	Entry age normal as a level percentage of payroll
Inflation	2.75%
Salary increases	3.50%
Discount rate	3.44%
Healthcare cost trend rates	Medical & Pharmacy: 6.80% for 2018, decreasing 0.50% per year to an ultimate rate of 4.75% for 2027 and later years

The discount rate was based on an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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.

Changes in the total OPEB liability are as follows:

Balance 1/1/2018	\$ 3,406,515
Service cost	133,319
Interest	129,858
Difference between expected and actual experience	18,851
Benefit paid	[210,799]
Changes in assumptions	100,971
Balance 12/31/2018	<u>\$ 3,578,715</u>

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.44%) or one percentage point higher (4.44%) than the current discount rate:

	1% Decrease (2.44%)	Discount Rate (3.44%)	1% increase (4.44%)
Total OPEB Liability \$	3,893,843 \$	3,578,715 \$	3,290,514

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% increase
Total OPEB Liability \$	3,215,071 \$	3,578,715 \$	4,006,291

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 5. OTHER INFORMATION (Continued)

D. Other Postemployment Benefits (Continued)

For the year ended December 31, 2018, the City recognized OPEB expense of \$278,173.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2018, the City reported deferred outflows related to other postemployment benefits from the following sources:

	Deferred outflows of resources
Changes of assumptions	\$ 88,334
Differences between expected and actual experience	16,493
Total	<u>\$ 104,827</u>

Amounts reported as deferred outflows of resources will be recognized in OPEB expense as follows:

Year ended	Deferred	
	[Inflows]	Outflows
June 30,	Amount	
2019	\$	14,996
2020		14,996
2021		14,996
2022		14,996
2023		14,996
2024+		29,847
Total	\$	<u>104,827</u>

E. Other Postemployment Benefits - KPERS

Plan Description. The City participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits. Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 5. OTHER INFORMATION (Continued)

E. Other Postemployment Benefits – KPERS (Continued)

begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees covered by benefit terms. At June 30, 2018, the valuation date, the following employees were covered by the benefit terms:

Active employees	587
Disabled members	<u>27</u>
Total	<u><u>614</u></u>

Total OPEB Liability. The District's total KPERS OPEB liability of \$2,777,958 reported as of December 31, 2018, was measured as of June 30, 2018, and was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018, using the following actuarial assumptions:

Valuation date	December 31, 2017
Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increases	3.00%
Discount rate (based on 20 year municipal bond rate with an average rating of AA/Aa or better, obtained through the Bond Buyer General Obligation 20-Bond Municipal Index)	3.87%

The discount rate was based on the bond buyer general obligation 20-bond municipal index.

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, 2017 valuation were based on the results of an actuarial experience study for the period of July 1, 2014 through June 30, 2016. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2017 KPERS pension valuation.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 5. OTHER INFORMATION (Continued)

E. Other Postemployment Benefits – KPERS (Continued)

The changes in the total OPEB liability are as follows:

Balance 1/1/2018	\$ 2,566,008
Service cost	109,489
Interest	90,425
Effect of economic/demographic gains or losses	352,193
Effect of assumptions changes or inputs	[38,187]
Benefit payments	<u>[301,970]</u>
Balance 12/31/2018	<u>\$ 2,777,958</u>

Sensitivity of the total KPERS OPEB liability to changes in the discount rate. The following presented the total KPERS OPEB liability of the City, as well as what the City's total KPERS OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1% Decrease <u>(2.87%)</u>	Discount Rate <u>(3.87%)</u>	1% increase <u>(4.87%)</u>
Total OPEB Liability \$	2,911,947 \$	2,777,958 \$	2,652,059

Sensitivity of the total KPERS OPEB liability to changes in the healthcare cost trend rates. The following presented the total KPERS OPEB liability of the City calculated using the current healthcare cost trend rates as well as what the City's total KPERS OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates. The reader should note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this exhibit is provided as it is a required disclosure under GASB 75.

	1% Decrease	Healthcare Cost Trend Rates	1% increase
Total OPEB Liability \$	2,777,958 \$	2,777,958 \$	2,777,958

For the year ended June 30, 2018, the City recognized OPEB expense of \$222,969.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2018, the City reported deferred outflows related to other postemployment benefits from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 315,847
Changes of assumptions	<u>106,057</u>	<u>-</u>
Subtotal	106,057	315,847
Contributions subsequent to the measurement date	<u>-</u>	<u>155,755</u>
Total	<u>\$ 106,057</u>	<u>\$ 471,602</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 5. OTHER INFORMATION (Continued)

E. Other Postemployment Benefits – KPERS (Continued)

\$155,755 reported as deferred outflows of resources related to KPERS OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Deferred	
	[Inflows]	Outflows
<u>June 30,</u>	<u>Amount</u>	
2019	\$	23,055
2020		23,055
2021		23,055
2022		23,055
2023		23,055
Thereafter		<u>94,515</u>
Total	\$	<u><u>209,790</u></u>

F. 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, 2018

Note 5. OTHER INFORMATION (Continued)

F. 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, 2018

Note 5. OTHER INFORMATION (Continued)

F. 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, 2018.

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 Caped Rate
Local government employees	8.39%	8.39%
Police and Firemen	20.09%	20.09%

Member contribution rates as a percentage of eligible compensation for the fiscal year 2018 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, 2018, 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, 2018.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2018, the City's proportion for the Local employees group was 1.72%, which was an increase of .07% from its proportion measured at June 30, 2017. At June 30, 2018, the City's proportion for the Police and Firemen group was 7.27%, which was a decrease of .16% from its proportion measured at June 30, 2017.

Net Pension Liability. At December 31, 2018, the City reported a liability of \$23,985,147 and \$69,985,422, 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, 2018

Note 5. OTHER INFORMATION (Continued)

F. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018, 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, 2017 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, 2018 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%	6.85%
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, 2018

Note 5. OTHER INFORMATION (Continued)

F. 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	\$ 35,177,716	\$ 23,985,147	\$ 14,526,415
Police and Firemen	99,743,140	69,985,422	45,071,650
Total	<u>\$ 134,920,856</u>	<u>\$ 93,970,569</u>	<u>\$ 59,598,065</u>

Pension Expense. For the year ended December 31, 2018, the City recognized Local pension expense of \$2,056,611 and Police and Firemen pension expense of \$8,673,205, 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, 2018, 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	\$ 4,362,903	\$ 1,002,972
Net differences between projected and actual earnings on investments	2,382,463	-
Changes of assumptions	4,724,044	308,667
Changes in proportion	1,159,247	3,990,910
Subtotal	<u>12,628,657</u>	<u>5,302,549</u>
Contributions subsequent to the measurement date	<u>7,552,278</u>	<u>-</u>
Total	<u>\$ 20,180,935</u>	<u>\$ 5,302,549</u>

\$7,552,278 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, 2019.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 5. OTHER INFORMATION (Continued)

F. 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:

Year ended	Local Group		Police and Firemen Group		Total
	[Inflows]	Outflows	[Inflows]	Outflows	
<u>June 30,</u>	<u>Amount</u>		<u>Amount</u>		
2019	\$	923,323	\$	3,666,233	\$ 4,589,556
2020		644,179		1,999,404	2,643,583
2021		[164,879]		[335,123]	[500,002]
2022		203,002		301,478	504,480
2023		39,426		49,065	88,491
Total	\$	<u>1,645,051</u>	\$	<u>5,681,057</u>	<u>\$ 7,326,108</u>

G. 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, 2018, 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, 2018, was \$512,741.

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 5. OTHER INFORMATION (Continued)

G. 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, 2018, 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, 2018, was \$1,104,148.

Encumbrances:

Outstanding encumbrances at December 31, 2018 were as follows: General Fund \$284,442.

The governmental fund balance classifications as of December 31, 2018 are as follows:

	General	Special Street Repairs	Sales Tax Street Repair	1/2% Sales Tax	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	-	-	-	-	-	-	1,926,970	1,926,970
Infrastructure Repairs and Projects	-	3,860,909	14,371,101	-	-	10,878,402	-	29,110,412
Economic Development	-	-	-	8,448,011	-	-	394	8,448,405
Alcohol and Drug Programs	-	-	-	-	-	-	510,743	510,743
Debt Service	-	-	-	-	8,580,089	-	-	8,580,089
Claims and Judgements	-	-	-	-	-	-	2,479,138	2,479,138
Tourism	-	-	-	-	-	-	513,507	513,507
Other Purposes	-	-	-	-	-	-	2,556,896	2,556,896
Committed To:								
Crime Prevention and Public Safety	-	-	-	-	-	-	731,794	731,794
Housing and Community Improvements	-	-	-	-	-	-	478,561	478,561
Other Purposes	-	-	-	-	-	-	50,610	50,610
Assigned To:								
Contractual Services and Commodities	284,442	-	-	-	-	-	-	284,442
Unassigned:	21,589,420	-	-	-	-	-	[306,298]	21,283,122
Total Fund Balances	<u>\$ 22,013,007</u>	<u>\$ 3,860,909</u>	<u>\$ 14,371,101</u>	<u>\$ 8,448,011</u>	<u>\$ 8,580,089</u>	<u>\$ 10,878,402</u>	<u>\$ 8,942,315</u>	<u>\$ 77,093,834</u>

CITY OF TOPEKA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2018

Note 5. OTHER INFORMATION (Continued)

H. 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 2018 was \$859,331.

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 2018 was \$6,329,005.

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TOPEKA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

OTHER POSTEMPLOYMENT BENEFITS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years*

Total OPEB liability	<u>2018</u>
Service cost	\$ 133,319
Interest	129,858
Benefit paid	[210,799]
Difference between expected and actual experience	18,851
Changes in assumptions	<u>100,971</u>
Net change in total OPEB liability	172,200
Total OPEB liability - beginning	<u>3,406,515</u>
Total OPEB liability - ending	<u><u>\$ 3,578,715</u></u>
Covered payroll	<u><u>\$ 65,614,990</u></u>
Total OPEB liability as a percentage of covered payroll	5.45%
Actuarially determined contribution	<u><u>\$ 210,799</u></u>
Actual contribution	<u><u>\$ 210,799</u></u>
Contributions as a percentage of covered payroll	0.32%

* - Data became available with the inception of GASB 75 during fiscal year 2018, therefore 10 years of data is unavailable.

CITY OF TOPEKA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

OTHER POSTEMPLOYMENT BENEFITS - KPERS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years*

Total OPEB liability	<u>2018</u>
Service cost	\$ 109,489
Interest	90,425
Effect of economic/demographic gains or losses	352,193
Effect of assumptions changes or inputs	[38,187]
Benefit payments	<u>[301,970]</u>
Net change in total OPEB liability	211,950
Total OPEB liability - beginning	<u>2,566,008</u>
Total OPEB liability - ending	<u>\$ 2,777,958</u>
Covered payroll	<u>\$ 28,913,231</u>
Total OPEB liability as a percentage of covered payroll	9.61%
Actuarially determined contribution	<u>\$ 301,970</u>
Actual contribution	<u>\$ 301,970</u>
Contributions as a percentage of covered payroll	1.04%

* - Data became available with the inception of GASB 75 during fiscal year 2018, therefore 10 years of data is unavailable.

CITY OF TOPEKA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
December 31, 2018

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

	Local		Police and Firemen		Local		Police and Firemen	
	<u>12/31/18</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/15</u>
City's proportion of the net pension liability	1.72%	7.27%	1.65%	7.43%	1.63%	7.85%	1.66%	8.01%
City's proportionate share of the net pension liability	\$23,985,147	\$69,985,422	\$23,855,151	\$69,704,423	\$ 25,127,903	\$ 72,935,093	\$21,732,588	\$58,178,917
City's covered payroll	\$29,714,446	\$36,819,385	\$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 payroll	80.72%	190.08%	84.64%	187.96%	91.13%	197.58%	78.31%	159.91%
Plan fiduciary net position as a percentage of the total pension liability	74.22%	71.53%	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.

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

	Local		Police and Firemen		Local		Police and Firemen	
	<u>12/31/18</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/15</u>
Contractually required contribution	\$ 2,593,128	\$ 7,540,599	\$ 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>2,593,128</u>	<u>7,540,599</u>	<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]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$30,907,339	\$37,534,087	\$29,714,446	\$36,819,385	\$28,183,553	\$37,083,948	\$27,574,365	\$36,914,198
Contributions as a percentage of covered payroll	8.39%	20.09%	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.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

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.

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.
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.
Tourism Business Improvement District	Administrative Action Ordinance #20064	Topeka	The Tourism Business Improvement District fund provides for a \$1 per night per room tax on hotels in the city that will be provided to the Topeka Lodging Association to provide supplemental funding for the design and administration of the Downtown Topeka Plaza.
TIF College	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, 2018

	Special Revenue Funds			
	Downtown Improvement District	Court Technology Fund	Special Alcohol Program	Alcohol & Drug Safety
ASSETS				
Cash and equity in Treasurer's Fund	\$ 73,392	\$ 309,931	\$ 287,616	\$ 335,745
Receivables (net of allowance for uncollectibles)				
Accounts receivable	27,281	-	-	-
Taxes receivable	-	-	-	-
Interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 100,673</u>	<u>\$ 309,931</u>	<u>\$ 287,616</u>	<u>\$ 335,745</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ 7,543	\$ 1,000	\$ 110,624	\$ 1,719
Salaries and wages payable	-	-	-	-
Due to other funds	-	-	-	-
Due to others	-	-	-	275
Total liabilities	<u>7,543</u>	<u>1,000</u>	<u>110,624</u>	<u>1,994</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	-	-	176,992	333,751
Committed	93,130	308,931	-	-
Unassigned [deficit]	-	-	-	-
Total fund balance [deficit]	<u>93,130</u>	<u>308,931</u>	<u>176,992</u>	<u>333,751</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 100,673</u>	<u>\$ 309,931</u>	<u>\$ 287,616</u>	<u>\$ 335,745</u>

See independent auditor's report on the financial statements.

Special Revenue Funds

Park Land Acquisition	Law Enforcement	Special Liability Expense	Transient Guest Tax	Retirement Reserve
\$ 13,706	\$ 1,944,042	\$ 2,581,899	\$ 433,980	\$ 2,679,555
-	24,692	-	-	-
-	-	946,841	-	-
-	-	-	-	8,130
-	-	-	-	74,412
-	-	-	669,918	-
<u>\$ 13,706</u>	<u>\$ 1,968,734</u>	<u>\$ 3,528,740</u>	<u>\$ 1,103,898</u>	<u>\$ 2,762,097</u>
\$ 10,085	\$ 41,764	\$ 89,256	\$ 542,540	\$ 224,759
-	-	11,824	-	-
-	-	1,681	47,851	8,414
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,085</u>	<u>41,764</u>	<u>102,761</u>	<u>590,391</u>	<u>233,173</u>
-	-	946,841	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>946,841</u>	<u>-</u>	<u>-</u>
-	1,926,970	2,479,138	513,507	2,528,924
3,621	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,621</u>	<u>1,926,970</u>	<u>2,479,138</u>	<u>513,507</u>	<u>2,528,924</u>
<u>\$ 13,706</u>	<u>\$ 1,968,734</u>	<u>\$ 3,528,740</u>	<u>\$ 1,103,898</u>	<u>\$ 2,762,097</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS

COMBINING BALANCE SHEET-CONTINUED
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 December 31, 2018

	Special Revenue Funds			
	KP&F Equalization	Neighborhood Revitalization	Historic Asset Tourism	Tourism Business Improvement District
ASSETS				
Cash and equity in Treasurer's Fund	\$ 421,584	\$ 385,431	\$ 31,522	\$ 36,481
Receivables (net of allowance for uncollectibles)				
Accounts receivable	1,279	-	-	-
Taxes receivable	-	-	-	19,699
Interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 422,863</u>	<u>\$ 385,431</u>	<u>\$ 31,522</u>	<u>\$ 56,180</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ 55,786
Salaries and wages payable	-	-	-	-
Due to other funds	-	-	-	-
Due to others	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,786</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	-	-	-	394
Committed	422,863	385,431	31,522	-
Unassigned [deficit]	-	-	-	-
Total fund balance [deficit]	<u>422,863</u>	<u>385,431</u>	<u>31,522</u>	<u>394</u>
Total liabilities and fund balances	<u>\$ 422,863</u>	<u>\$ 385,431</u>	<u>\$ 31,522</u>	<u>\$ 56,180</u>

See independent auditor's report on the financial statements.

					<u>Project Fund</u>	
<u>TIF College</u>	<u>Donations & Gifts</u>	<u>Governmental & Miscellaneous Grants</u>	<u>Developer Projects</u>	<u>Totals</u>		
\$ -	\$ 29,400	\$ -	\$ -	\$ 9,564,284		
-	-	36,772	193,016	283,040		
-	-	-	-	966,540		
-	-	-	-	8,130		
-	-	-	-	74,412		
-	-	272,808	-	942,726		
<u>\$ -</u>	<u>\$ 29,400</u>	<u>\$ 309,580</u>	<u>\$ 193,016</u>	<u>\$ 11,839,132</u>		
\$ -	\$ 1,428	\$ 156,676	\$ -	\$ 1,243,180		
-	-	-	-	11,824		
-	-	186,394	177,549	421,889		
-	-	-	-	275		
-	1,428	343,070	177,549	1,677,168		
-	-	-	-	946,841		
-	-	272,808	-	272,808		
-	-	272,808	-	1,219,649		
-	27,972	-	-	7,987,648		
-	-	-	15,467	1,260,965		
-	-	[306,298]	-	[306,298]		
-	27,972	[306,298]	15,467	8,942,315		
<u>\$ -</u>	<u>\$ 29,400</u>	<u>\$ 309,580</u>	<u>\$ 193,016</u>	<u>\$ 11,839,132</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, 2018

	Special Revenue Funds			
	Downtown Improvement District	Court Technology Fund	Special Alcohol Program	Alcohol & Drug Safety
Revenues				
Taxes and assessments	\$ 213,486	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	601,125	-
Fees for services	-	-	-	-
Fines and forfeitures	-	44,838	-	37,162
Interest from investments	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>213,486</u>	<u>44,838</u>	<u>601,125</u>	<u>37,162</u>
Expenditures				
Current				
General government	187,129	10,789	-	34,023
Public safety	-	-	-	-
Public works - planning	-	-	-	-
Parks and recreation	-	-	-	-
Economic development	-	-	-	-
Housing & neighborhood development	-	-	-	-
Social services	-	-	542,965	-
Construction	-	-	-	-
Total Expenditures	<u>187,129</u>	<u>10,789</u>	<u>542,965</u>	<u>34,023</u>
Excess [deficiency] of revenues over [under] expenditures	<u>26,357</u>	<u>34,049</u>	<u>58,160</u>	<u>3,139</u>
Other financing sources [uses]				
Transfers [out]	-	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>26,357</u>	<u>34,049</u>	<u>58,160</u>	<u>3,139</u>
Fund balance, beginning of year	66,773	274,882	118,832	330,612
Prior period adjustment	-	-	-	-
Fund balance, beginning of year, restated	<u>66,773</u>	<u>274,882</u>	<u>118,832</u>	<u>330,612</u>
Fund balance, end of year	<u>\$ 93,130</u>	<u>\$ 308,931</u>	<u>\$ 176,992</u>	<u>\$ 333,751</u>

See independent auditor's report on the financial statements.

Special Revenue Funds

Park Land <u>Acquisition</u>	Law <u>Enforcement</u>	Special Liability <u>Expense</u>	Transient Guest <u>Tax</u>	Retirement <u>Reserve</u>
\$ -	\$ -	\$ 907,307	\$ 2,742,303	\$ -
15,673	14,500	-	-	-
-	27,484	-	-	-
-	-	-	-	1,827,706
-	159,322	-	-	-
-	35,386	-	-	32,774
-	299,887	60	-	-
<u>15,673</u>	<u>536,579</u>	<u>907,367</u>	<u>2,742,303</u>	<u>1,860,480</u>
-	-	503,829	2,611,015	1,380,557
-	451,326	-	-	-
-	-	-	-	-
18,757	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>18,757</u>	<u>451,326</u>	<u>503,829</u>	<u>2,611,015</u>	<u>1,380,557</u>
<u>[3,084]</u>	<u>85,253</u>	<u>403,538</u>	<u>131,288</u>	<u>479,923</u>
-	-	-	[191,320]	[250,000]
-	-	-	[191,320]	[250,000]
<u>[3,084]</u>	<u>85,253</u>	<u>403,538</u>	<u>[60,032]</u>	<u>229,923</u>
6,705	1,841,717	2,075,600	573,539	2,299,001
-	-	-	-	-
<u>6,705</u>	<u>1,841,717</u>	<u>2,075,600</u>	<u>573,539</u>	<u>2,299,001</u>
<u>\$ 3,621</u>	<u>\$ 1,926,970</u>	<u>\$ 2,479,138</u>	<u>\$ 513,507</u>	<u>\$ 2,528,924</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, 2018

	Special Revenue Funds			
	KP&F Equalization	Neighborhood Revitalization	Historic Asset Tourism	Tourism Business Improvement District
Revenues				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 419,980
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest from investments	4,852	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>4,852</u>	<u>-</u>	<u>-</u>	<u>419,980</u>
Expenditures				
Current				
General government	-	-	9,050	-
Public safety	5,418	-	-	-
Public works - planning	-	-	-	-
Parks and recreation	-	-	-	-
Economic development	-	-	-	419,586
Housing & neighborhood development	-	2,100	-	-
Social services	-	-	-	-
Construction	-	-	-	-
Total Expenditures	<u>5,418</u>	<u>2,100</u>	<u>9,050</u>	<u>419,586</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[566]</u>	<u>[2,100]</u>	<u>[9,050]</u>	<u>394</u>
Other financing sources [uses]				
Transfers [out]	-	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>[566]</u>	<u>[2,100]</u>	<u>[9,050]</u>	<u>394</u>
Fund balance, beginning of year	423,429	387,531	40,572	-
Prior period adjustment	-	-	-	-
Fund balance, beginning of year, restated	<u>423,429</u>	<u>387,531</u>	<u>40,572</u>	<u>-</u>
Fund balance, end of year	<u>\$ 422,863</u>	<u>\$ 385,431</u>	<u>\$ 31,522</u>	<u>\$ 394</u>

See independent auditor's report on the financial statements.

Project Fund				
TIF College	Donations & Gifts	Governmental & Miscellaneous Grants	Developer Projects	Totals
\$ 213,605	\$ -	\$ -	\$ -	\$ 4,496,681
-	-	-	-	30,173
-	-	4,606,785	-	5,235,394
-	-	-	-	1,827,706
-	-	-	-	241,322
-	-	-	-	73,012
-	51,656	116,212	428,491	896,306
<u>213,605</u>	<u>51,656</u>	<u>4,722,997</u>	<u>428,491</u>	<u>12,800,594</u>
-	-	-	-	4,736,392
-	-	298,608	-	755,352
-	-	461,971	-	461,971
-	58,339	-	-	77,096
-	-	-	-	419,586
-	-	4,124,433	-	4,126,533
-	-	-	-	542,965
-	-	-	387,633	387,633
-	58,339	4,885,012	387,633	11,507,528
<u>213,605</u>	<u>[6,683]</u>	<u>[162,015]</u>	<u>40,858</u>	<u>1,293,066</u>
<u>[213,605]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[654,925]</u>
<u>[213,605]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[654,925]</u>
-	[6,683]	[162,015]	40,858	638,141
-	34,655	[56,462]	[25,391]	8,391,995
-	-	[87,821]	-	[87,821]
-	34,655	[144,283]	[25,391]	8,304,174
<u>\$ -</u>	<u>\$ 27,972</u>	<u>\$ [306,298]</u>	<u>\$ 15,467</u>	<u>\$ 8,942,315</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)
 DOWNTOWN IMPROVEMENT DISTRICT FUND
 For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes and assessments	\$ 213,486	\$ 189,051	\$ 189,051	\$ 24,435
Miscellaneous	-	21,752	21,752	[21,752]
Total revenues	<u>213,486</u>	<u>210,803</u>	<u>210,803</u>	<u>2,683</u>
Expenditures				
General government	<u>187,129</u>	<u>232,555</u>	<u>232,555</u>	<u>45,426</u>
Total expenditures	<u>187,129</u>	<u>232,555</u>	<u>232,555</u>	<u>45,426</u>
Excess [deficiency] of revenues over [under] expenditures	26,357	<u>\$ [21,752]</u>	<u>\$ [21,752]</u>	<u>\$ 48,109</u>
Budgetary fund balance, January 1	<u>66,773</u>			
Budgetary fund balance, December 31	93,130			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 93,130</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, 2018

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Fines and forfeitures	\$ 44,838	\$ 52,785	\$ 52,785	\$ [7,947]
Total revenues	<u>44,838</u>	<u>52,785</u>	<u>52,785</u>	<u>[7,947]</u>
Expenditures				
General government	10,789	45,000	45,000	34,211
Other	<u>-</u>	<u>21,642</u>	<u>21,642</u>	<u>21,642</u>
Total expenditures	<u>10,789</u>	<u>66,642</u>	<u>66,642</u>	<u>55,853</u>
Excess [deficiency] of revenues over [under] expenditures	34,049	\$ <u>[13,857]</u>	\$ <u>[13,857]</u>	\$ <u>47,906</u>
Budgetary fund balance, January 1	<u>274,882</u>			
Budgetary fund balance, December 31	308,931			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 308,931</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, 2018

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Intergovernmental	\$ 601,125	\$ 535,970	\$ 535,970	\$ 65,155
Total revenues	<u>601,125</u>	<u>535,970</u>	<u>535,970</u>	<u>65,155</u>
Expenditures				
Social services	<u>542,965</u>	<u>535,970</u>	<u>641,970</u>	<u>99,005</u>
Total expenditures	<u>542,965</u>	<u>535,970</u>	<u>641,970</u>	<u>99,005</u>
Excess [deficiency] of revenues over [under] expenditures	58,160	\$ -	\$ [106,000]	\$ 164,160
Budgetary fund balance, January 1	<u>118,832</u>			
Budgetary fund balance, December 31	176,992			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 176,992</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, 2018

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Fines and forfeitures	\$ 37,162	\$ 74,800	\$ 74,800	\$ [37,638]
Total revenues	<u>37,162</u>	<u>74,800</u>	<u>74,800</u>	<u>[37,638]</u>
Expenditures				
General government	<u>34,023</u>	<u>111,220</u>	<u>111,220</u>	<u>77,197</u>
Total expenditures	<u>34,023</u>	<u>111,220</u>	<u>111,220</u>	<u>77,197</u>
Excess [deficiency] of revenues over [under] expenditures	3,139	<u>\$ [36,420]</u>	<u>\$ [36,420]</u>	<u>\$ 39,559</u>
Budgetary fund balance, January 1	<u>330,612</u>			
Budgetary fund balance, December 31	333,751			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 333,751</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, 2018

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive <u>[Negative]</u>
Revenues				
Intergovernmental	\$ 27,484	\$ -	\$ -	\$ 27,484
Fines and forfeitures	159,322	282,000	282,000	[122,678]
Licenses and permits	14,500	-	-	14,500
Interest	35,386	-	-	35,386
Miscellaneous	<u>299,887</u>	<u>-</u>	<u>-</u>	<u>299,887</u>
Total revenues	<u>536,579</u>	<u>282,000</u>	<u>282,000</u>	<u>254,579</u>
Expenditures				
Public safety	451,326	550,000	573,000	121,674
Other	<u>-</u>	<u>140,921</u>	<u>140,921</u>	<u>140,921</u>
Total expenditures	<u>451,326</u>	<u>690,921</u>	<u>713,921</u>	<u>262,595</u>
Excess [deficiency] of revenues over [under] expenditures	85,253	<u>\$ [408,921]</u>	<u>\$ [431,921]</u>	<u>\$ 517,174</u>
Budgetary fund balance, January 1	<u>1,841,717</u>			
Budgetary fund balance, December 31	1,926,970			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 1,926,970</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, 2018

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes and assessments	\$ 907,307	\$ 915,737	\$ 915,737	\$ [8,430]
Miscellaneous	60	-	-	60
Total revenues	<u>907,367</u>	<u>915,737</u>	<u>915,737</u>	<u>[8,370]</u>
Expenditures				
General government	<u>503,829</u>	<u>1,873,297</u>	<u>1,873,297</u>	<u>1,369,468</u>
Total expenditures	<u>503,829</u>	<u>1,873,297</u>	<u>1,873,297</u>	<u>1,369,468</u>
Excess [deficiency] of revenues over [under] expenditures	403,538	<u>\$ [957,560]</u>	<u>\$ [957,560]</u>	<u>\$ 1,361,098</u>
Budgetary fund balance, January 1	<u>2,075,600</u>			
Budgetary fund balance, December 31	2,479,138			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 2,479,138</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, 2018

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes and assessments	\$ 2,742,303	\$ 2,836,747	\$ 2,836,747	\$ [94,444]
Total revenues	<u>2,742,303</u>	<u>2,836,747</u>	<u>2,836,747</u>	<u>[94,444]</u>
Expenditures				
General government	2,611,015	1,874,770	1,874,770	[736,245]
Grants Other Agencies	-	379,987	379,987	379,987
Contingency	-	591,042	591,042	591,042
Total expenditures	<u>2,611,015</u>	<u>2,845,799</u>	<u>2,845,799</u>	<u>234,784</u>
Excess [deficiency] of revenues over [under] expenditures	<u>131,288</u>	<u>[9,052]</u>	<u>[9,052]</u>	<u>140,340</u>
Other financing sources [uses]				
Transfers [out]	<u>[191,320]</u>	<u>[581,990]</u>	<u>[581,990]</u>	<u>390,670</u>
Total other financing sources [uses]	<u>[191,320]</u>	<u>[581,990]</u>	<u>[581,990]</u>	<u>390,670</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[60,032]</u>	<u>\$ [591,042]</u>	<u>\$ [591,042]</u>	<u>\$ 531,010</u>
Budgetary fund balance, January 1	<u>573,539</u>			
Budgetary fund balance, December 31	513,507			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 513,507</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)
 RETIREMENT RESERVE FUND
 For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Fees for service	\$ 1,827,706	\$ 1,806,687	\$ 1,806,687	\$ 21,019
Interest from investments	32,774	-	-	32,774
Total revenues	<u>1,860,480</u>	<u>1,806,687</u>	<u>1,806,687</u>	<u>53,793</u>
Expenditures				
General government	<u>1,380,557</u>	<u>3,317,577</u>	<u>3,317,577</u>	<u>1,937,020</u>
Total expenditures	<u>1,380,557</u>	<u>3,317,577</u>	<u>3,317,577</u>	<u>1,937,020</u>
Excess [deficiency] of revenues over [under] expenditures	<u>479,923</u>	<u>[1,510,890]</u>	<u>[1,510,890]</u>	<u>1,990,813</u>
Other financing sources [uses]				
Transfer [out]	<u>[250,000]</u>	<u>[250,000]</u>	<u>[250,000]</u>	<u>-</u>
Total other financing sources [uses]	<u>[250,000]</u>	<u>[250,000]</u>	<u>[250,000]</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	229,923	<u>\$ [1,760,890]</u>	<u>\$ [1,760,890]</u>	<u>\$ 1,990,813</u>
Budgetary fund balance, January 1	<u>2,299,001</u>			
Budgetary fund balance, December 31	2,528,924			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 2,528,924</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, 2018

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive <u>[Negative]</u>
Revenues				
Interest from investments	\$ 4,852	\$ -	\$ -	\$ 4,852
Total revenues	<u>4,852</u>	<u>-</u>	<u>-</u>	<u>4,852</u>
Expenditures				
Public safety	<u>5,418</u>	<u>392,693</u>	<u>392,693</u>	<u>387,275</u>
Total expenditures	<u>5,418</u>	<u>392,693</u>	<u>392,693</u>	<u>387,275</u>
Excess [deficiency] of revenues over [under] expenditures	[566]	\$ <u>[392,693]</u>	\$ <u>[392,693]</u>	\$ <u>392,127</u>
Budgetary fund balance, January 1	<u>423,429</u>			
Budgetary fund balance, December 31	422,863			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 422,863</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, 2018

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Miscellaneous	\$ -	\$ 35,000	\$ 35,000	\$ [35,000]
Total revenues	<u>-</u>	<u>35,000</u>	<u>35,000</u>	<u>[35,000]</u>
Expenditures				
General government	-	150,000	150,000	150,000
Housing & neighborhood development	<u>2,100</u>	<u>241,002</u>	<u>241,002</u>	<u>238,902</u>
Total expenditures	<u>2,100</u>	<u>391,002</u>	<u>391,002</u>	<u>388,902</u>
Excess [deficiency] of revenues over [under] expenditures	[2,100]	<u>\$ [356,002]</u>	<u>\$ [356,002]</u>	<u>\$ 353,902</u>
Budgetary fund balance, January 1	<u>387,531</u>			
Budgetary fund balance, December 31	385,431			
Reconciliation to GAAP				
Encumbrances	<u>-</u>			
GAAP Fund Balance, December 31	<u>\$ 385,431</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, 2018

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
General government	9,050	-	-	[9,050]
Other	-	24,513	24,513	24,513
Total expenditures	9,050	24,513	24,513	15,463
Excess [deficiency] of revenues over [under] expenditures	[9,050]	\$ [24,513]	\$ [24,513]	\$ 15,463
Budgetary fund balance, January 1	40,572			
Budgetary fund balance, December 31	31,522			
Reconciliation to GAAP				
Encumbrances	-			
GAAP Fund Balance, December 31	\$ 31,522			

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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget Positive [Negative]
		Original	Final	
Revenues				
Taxes	\$ 16,836,067	\$ 17,323,606	\$ 17,323,606	\$ [487,539]
Special assessments with debt commitments	3,043,217	3,314,972	3,314,972	[271,755]
Intergovernmental	127,458	210,792	210,792	[83,334]
Interest from investments	563,405	128,788	128,788	434,617
Total revenues	<u>20,570,147</u>	<u>20,978,158</u>	<u>20,978,158</u>	<u>[408,011]</u>
Expenditures				
Debt Service:				
Principal	14,048,270	16,041,253	16,041,253	1,992,983
Interest and fiscal costs	5,626,908	4,717,028	4,717,028	[909,880]
Contingency	-	5,892,000	5,892,000	5,892,000
Total expenditures	<u>19,675,178</u>	<u>26,650,281</u>	<u>26,650,281</u>	<u>6,975,103</u>
Excess [deficiency] of revenues over [under] expenditures	<u>894,969</u>	<u>[5,672,123]</u>	<u>[5,672,123]</u>	<u>6,567,092</u>
Other financing sources [uses]				
Transfers [out]	-	[300,000]	[300,000]	300,000
Transfers in	740,456	731,694	731,694	8,762
Total other financing sources [uses]	<u>740,456</u>	<u>431,694</u>	<u>431,694</u>	<u>308,762</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>1,635,425</u>	<u>\$ [5,240,429]</u>	<u>\$ [5,240,429]</u>	<u>\$ 6,875,854</u>
Budgetary fund balance, January 1	<u>6,944,664</u>			
Budgetary fund balance, December 31	8,580,089			
Reconciliation to GAAP				
Encumbrances	-			
GAAP Fund Balance, December 31	<u>\$ 8,580,089</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, 2018

	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	\$ 1,369,939	\$ 2,059,112	\$ 680,625	\$ 14,625,717	\$ 18,735,393
Receivables, net					
Accounts	-	414	10,821	161,636	172,871
Inventory	-	161,849	-	-	161,849
Due from others	-	-	-	457,293	457,293
Total current assets	<u>1,369,939</u>	<u>2,221,375</u>	<u>691,446</u>	<u>15,244,646</u>	<u>19,527,406</u>
Noncurrent assets:					
Capital assets					
Being depreciated, net of depreciation	-	178,834	28,417	-	207,251
Total noncurrent assets	<u>-</u>	<u>178,834</u>	<u>28,417</u>	<u>-</u>	<u>207,251</u>
Total assets	<u>1,369,939</u>	<u>2,400,209</u>	<u>719,863</u>	<u>15,244,646</u>	<u>19,734,657</u>
Deferred outflows of resources:					
KPERS pension deferred outflows of resources	343,269	464,422	403,846	-	1,211,537
KPERS OPEB deferred outflows of resources	4,503	6,092	5,297	-	15,892
OPEB deferred outflows of resources	1,386	1,876	1,631	-	4,893
Total deferred outflows of resources	<u>349,158</u>	<u>472,390</u>	<u>410,774</u>	<u>-</u>	<u>1,232,322</u>
Total assets and deferred outflows of resources	<u>\$ 1,719,097</u>	<u>\$ 2,872,599</u>	<u>\$ 1,130,637</u>	<u>\$ 15,244,646</u>	<u>\$ 20,966,979</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:					
Current liabilities (payable from current assets):					
Accounts payable	\$ 154,173	\$ 96,891	\$ 198,395	\$ 166,304	\$ 615,763
Accrued payroll and benefits	64,414	61,850	43,208	4,880	174,352
Due to others	7,008	9,686	6,411	30	23,135
Self-insurance claims	-	-	-	2,723,052	2,723,052
Compensated absences and other benefits	81,327	67,054	27,591	5,337	181,309
Total current liabilities (payable from current assets)	<u>306,922</u>	<u>235,481</u>	<u>275,605</u>	<u>2,899,603</u>	<u>3,717,611</u>
Noncurrent liabilities:					
Net pension liability	1,585,787	2,145,476	1,865,631	-	5,596,894
Other post employment benefits	47,326	64,030	55,678	-	167,034
Other post employment benefits - KPERS	39,602	53,579	46,590	-	139,771
Compensated absences and other benefits	38,548	34,372	12,256	2,319	87,495
Total noncurrent liabilities	<u>1,711,263</u>	<u>2,297,457</u>	<u>1,980,155</u>	<u>2,319</u>	<u>5,991,194</u>
Total liabilities	<u>2,018,185</u>	<u>2,532,938</u>	<u>2,255,760</u>	<u>2,901,922</u>	<u>9,708,805</u>
Deferred Inflows of Resources					
KPERS pension deferred inflows of resources	90,476	122,409	106,443	-	319,328
OPEB deferred inflows of resources	1,512	2,046	1,779	-	5,337
Total deferred inflows of resources	<u>91,988</u>	<u>124,455</u>	<u>108,222</u>	<u>-</u>	<u>324,665</u>
Total liabilities and deferred inflows of resources	<u>\$ 2,110,173</u>	<u>\$ 2,657,393</u>	<u>\$ 2,363,982</u>	<u>\$ 2,901,922</u>	<u>\$ 10,033,470</u>
Net Position					
Net investment in capital assets	\$ -	\$ 178,834	\$ 28,417	\$ -	\$ 207,251
Unrestricted	<u>[391,076]</u>	<u>36,372</u>	<u>[1,261,762]</u>	<u>12,342,724</u>	<u>10,726,258</u>
Total net position	<u>\$ [391,076]</u>	<u>\$ 215,206</u>	<u>\$ [1,233,345]</u>	<u>\$ 12,342,724</u>	<u>\$ 10,933,509</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, 2018

	Information Technology	Fleet Services	Facility Operations	Combined Risk Management	Total Internal Service Funds
Operating revenues					
Charges for services	\$ 3,921,045	\$ 1,980,800	\$ 1,641,185	\$ 15,112,356	\$ 22,655,386
Other	34,182	8,388	-	6,217	48,787
Total operating revenues	<u>3,955,227</u>	<u>1,989,188</u>	<u>1,641,185</u>	<u>15,118,573</u>	<u>22,704,173</u>
Operating expenses					
Personnel services	1,632,093	1,422,390	1,173,139	125,195	4,352,817
Contractual services	2,046,358	285,721	524,557	4,316,549	7,173,185
Supplies	261,296	164,249	108,035	1,872	535,452
Depreciation and amortization	-	56,115	4,691	-	60,806
Insurance claims	-	-	-	8,527,011	8,527,011
Total operating expenses	<u>3,939,747</u>	<u>1,928,475</u>	<u>1,810,422</u>	<u>12,970,627</u>	<u>20,649,271</u>
Operating income [loss]	<u>15,480</u>	<u>60,713</u>	<u>[169,237]</u>	<u>2,147,946</u>	<u>2,054,902</u>
Nonoperating revenues [expenses]					
Interest income	-	-	-	244,097	244,097
Gain/[loss] on sale of capital assets	-	-	2,621	-	2,621
Total nonoperating revenues [expenses]	<u>-</u>	<u>-</u>	<u>2,621</u>	<u>244,097</u>	<u>246,718</u>
Change in net position	<u>15,480</u>	<u>60,713</u>	<u>[166,616]</u>	<u>2,392,043</u>	<u>2,301,620</u>
Net position, January 1	[403,354]	130,901	[1,070,997]	8,904,543	7,561,093
Prior period adjustment	<u>[3,202]</u>	<u>23,592</u>	<u>4,268</u>	<u>1,046,138</u>	<u>1,070,796</u>
Net position, January 1, restated	<u>[406,556]</u>	<u>154,493</u>	<u>[1,066,729]</u>	<u>9,950,681</u>	<u>8,631,889</u>
Net position, December 31	<u>\$ [391,076]</u>	<u>\$ 215,206</u>	<u>\$ [1,233,345]</u>	<u>\$ 12,342,724</u>	<u>\$ 10,933,509</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, 2018

	Information Technology	Fleet Services	Facility Operations	Combined Risk Management	Total Internal Service Funds
Cash flows from operating activities					
Receipts from customers and users	\$ 3,921,045	\$ 1,980,918	\$ 1,871,633	\$ 15,060,522	\$ 22,834,118
Payments to suppliers and providers	[2,272,074]	[450,138]	[571,697]	[10,169,268]	[13,463,177]
Payments to employees	[1,631,941]	[1,430,307]	[933,724]	[3,355,210]	[7,351,182]
Other receipts	34,182	8,388	-	6,217	48,787
Net cash provided by [used in] operating activities	<u>51,212</u>	<u>108,861</u>	<u>366,212</u>	<u>1,542,261</u>	<u>2,068,546</u>
Cash flows from noncapital financing activities					
Transfer in/[out]	-	-	-	-	-
Net cash flows from noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities					
Purchase of capital assets	-	[8,595]	[27,494]	-	[36,089]
Proceeds from sale of capital assets	-	-	2,621	-	2,621
Net cash provided by [used in] capital and related financing activities	<u>-</u>	<u>[8,595]</u>	<u>[24,873]</u>	<u>-</u>	<u>[33,468]</u>
Cash flows from investing activities					
Interest received	-	-	-	244,097	244,097
Net increase [decrease] in cash and cash equivalents	51,212	100,266	341,339	1,786,358	2,279,175
Cash and cash equivalents, January 1	<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 cash equivalents, December 31	<u>\$ 1,369,939</u>	<u>\$ 2,059,112</u>	<u>\$ 680,625</u>	<u>\$ 14,625,717</u>	<u>\$ 18,735,393</u>
Cash and equivalents reported on the statement of net position					
Cash and equity in Treasurer's Fund	<u>\$ 1,369,939</u>	<u>\$ 2,059,112</u>	<u>\$ 680,625</u>	<u>\$ 14,625,717</u>	<u>\$ 18,735,393</u>
Total	<u>\$ 1,369,939</u>	<u>\$ 2,059,112</u>	<u>\$ 680,625</u>	<u>\$ 14,625,717</u>	<u>\$ 18,735,393</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, 2018

	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]	\$ 15,480	\$ 60,713	\$ [169,237]	\$ 2,147,946	\$ 2,054,902
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities					
Depreciation	-	56,115	4,691	-	60,806
[Increase] decrease in accounts receivable	-	118	230,448	[80,278]	150,288
[Increase] decrease in due from other funds	-	-	-	28,474	28,474
Increase [decrease] in due to other funds	[136]	[1,257]	[578]	-	[1,971]
[Increase] decrease in inventory	-	[8,983]	-	-	[8,983]
[Increase] decrease in deferred outflows	[7,432]	[10,056]	[69,049]	-	[86,537]
Increase [decrease] in deferred inflows	[6,758]	[9,143]	9,476	-	[6,425]
Increase [decrease] in other post employment benefits	86,928	117,609	102,268	-	306,805
Increase [decrease] in net pension liability	[1,110]	26,423	286,204	-	311,517
Increase [decrease] in accounts payable	35,716	10,072	61,473	102,493	209,754
Increase [decrease] in accrued liabilities	5,878	3,412	5,376	1,531	16,197
Increase [decrease] in self-insurance claims	-	-	-	[660,600]	[660,600]
Increase [decrease] in compensated absences	[77,354]	[136,162]	[94,860]	2,695	[305,681]
Net cash provided by [used in] operating activities	<u>\$ 51,212</u>	<u>\$ 108,861</u>	<u>\$ 366,212</u>	<u>\$ 1,542,261</u>	<u>\$ 2,068,546</u>

See independent auditor's report on the financial statements.

CITY OF TOPEKA, KANSAS
 COMBINING STATEMENT OF NET POSITION
 RISK MANAGEMENT FUNDS
 December 31, 2018

ASSETS	Property Insurance	Workman's Compensation	Group Health Insurance	Risk Management Reserve	Unemployment Compensation	Total
Current assets:						
Cash and equity in Treasurer's Fund	\$ 1,740,738	\$ 4,892,059	\$ 7,434,098	\$ 375,447	\$ 183,375	\$ 14,625,717
Receivables, net						
Accounts	-	63,037	93,784	4,815	-	161,636
Due from other funds	-	107,058	347,225	-	3,010	457,293
Total current assets	<u>1,740,738</u>	<u>5,062,154</u>	<u>7,875,107</u>	<u>380,262</u>	<u>186,385</u>	<u>15,244,646</u>
Total assets	<u>\$ 1,740,738</u>	<u>\$ 5,062,154</u>	<u>\$ 7,875,107</u>	<u>\$ 380,262</u>	<u>\$ 186,385</u>	<u>\$ 15,244,646</u>
Liabilities:						
Current liabilities (payable from current assets):						
Accounts payable	\$ 157,926	\$ 8,378	\$ -	\$ -	\$ -	\$ 166,304
Accrued payroll and benefits	-	3,746	1,134	-	-	4,880
Self-insurance claims	145,000	1,763,093	810,006	-	4,953	2,723,052
Due to other funds	-	-	30	-	-	30
Compensated absences and other benefits	-	5,337	-	-	-	5,337
Total current liabilities (payable from current assets)	<u>302,926</u>	<u>1,780,554</u>	<u>811,170</u>	<u>-</u>	<u>4,953</u>	<u>2,899,603</u>
Noncurrent liabilities:						
Compensated absences and other benefits	-	2,319	-	-	-	2,319
Total noncurrent liabilities	<u>-</u>	<u>2,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,319</u>
Total liabilities	<u>\$ 302,926</u>	<u>\$ 1,782,873</u>	<u>\$ 811,170</u>	<u>\$ -</u>	<u>\$ 4,953</u>	<u>\$ 2,901,922</u>
Net Position						
Unrestricted	<u>\$ 1,437,812</u>	<u>\$ 3,279,281</u>	<u>\$ 7,063,937</u>	<u>\$ 380,262</u>	<u>\$ 181,432</u>	<u>\$ 12,342,724</u>
Total net position	<u>\$ 1,437,812</u>	<u>\$ 3,279,281</u>	<u>\$ 7,063,937</u>	<u>\$ 380,262</u>	<u>\$ 181,432</u>	<u>\$ 12,342,724</u>

CITY OF TOPEKA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
RISK MANAGEMENT FUNDS
For the Year Ended December 31, 2018

	Property Insurance	Workman's Compensation	Group Health Insurance	Risk Management Reserve	Unemployment Compensation	Total
Operating revenues						
Charges for services	\$ 873,382	\$ 2,627,860	\$ 11,540,787	\$ -	\$ 70,327	\$ 15,112,356
Other	6,201	-	-	16	-	6,217
Total operating revenues	<u>879,583</u>	<u>2,627,860</u>	<u>11,540,787</u>	<u>16</u>	<u>70,327</u>	<u>15,118,573</u>
Operating expenses						
Personnel services	-	99,336	25,859	-	-	125,195
Contractual services	768,371	1,115,804	2,426,865	-	5,509	4,316,549
Supplies	-	1,622	250	-	-	1,872
Insurance claims	241,864	-	8,249,831	-	35,316	8,527,011
Total operating expenses	<u>1,010,235</u>	<u>1,216,762</u>	<u>10,702,805</u>	<u>-</u>	<u>40,825</u>	<u>12,970,627</u>
Operating income [loss]	<u>[130,652]</u>	<u>1,411,098</u>	<u>837,982</u>	<u>16</u>	<u>29,502</u>	<u>2,147,946</u>
Nonoperating revenues [expenses]						
Interest income	-	94,500	142,652	6,945	-	244,097
Total nonoperating revenues [expenses]	<u>-</u>	<u>94,500</u>	<u>142,652</u>	<u>6,945</u>	<u>-</u>	<u>244,097</u>
Change in net position	<u>[130,652]</u>	<u>1,505,598</u>	<u>980,634</u>	<u>6,961</u>	<u>29,502</u>	<u>2,392,043</u>
Net position, January 1	522,326	1,773,683	6,083,303	373,301	151,930	8,904,543
Prior period adjustment	1,046,138	-	-	-	-	1,046,138
Net position, January 1, restated	<u>1,568,464</u>	<u>1,773,683</u>	<u>6,083,303</u>	<u>373,301</u>	<u>151,930</u>	<u>9,950,681</u>
Net position, December 31	<u>\$ 1,437,812</u>	<u>\$ 3,279,281</u>	<u>\$ 7,063,937</u>	<u>\$ 380,262</u>	<u>\$ 181,432</u>	<u>\$ 12,342,724</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, 2018

	Property Insurance	Workman's Compensation	Group Health Insurance	Risk Management Reserve	Unemployment Compensation	Total
Cash flows from operating activities						
Receipts from customers and users	\$ 873,382	\$ 2,586,308	\$ 11,532,813	\$ [2,057]	\$ 70,076	\$ 15,060,522
Payments to suppliers and providers	[886,283]	624,208	[9,866,910]	-	[40,283]	[10,169,268]
Payments to employees	-	[2,467,431]	[887,779]	-	-	[3,355,210]
Other receipts	6,201	-	-	16	-	6,217
Net cash provided by [used in] operating activities	<u>[6,700]</u>	<u>743,085</u>	<u>778,124</u>	<u>[2,041]</u>	<u>29,793</u>	<u>1,542,261</u>
Cash flows from noncapital financing activities						
Transfer in/[out]	-	-	-	-	-	-
Net cash flows from noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities						
Interest received	-	94,500	142,652	6,945	-	244,097
Net increase [decrease] in cash and cash equivalents	[6,700]	837,585	920,776	4,904	29,793	1,786,358
Cash and cash equivalents, January 1	<u>1,747,438</u>	<u>4,054,474</u>	<u>6,513,322</u>	<u>370,543</u>	<u>153,582</u>	<u>12,839,359</u>
Cash and cash equivalents, December 31	<u>\$ 1,740,738</u>	<u>\$ 4,892,059</u>	<u>\$ 7,434,098</u>	<u>\$ 375,447</u>	<u>\$ 183,375</u>	<u>\$ 14,625,717</u>
Cash and equivalents reported on the statement of net position						
Cash and equity in Treasurer's Fund	<u>\$ 1,740,738</u>	<u>\$ 4,892,059</u>	<u>\$ 7,434,098</u>	<u>\$ 375,447</u>	<u>\$ 183,375</u>	<u>\$ 14,625,717</u>
Total	<u>\$ 1,740,738</u>	<u>\$ 4,892,059</u>	<u>\$ 7,434,098</u>	<u>\$ 375,447</u>	<u>\$ 183,375</u>	<u>\$ 14,625,717</u>

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, 2018

	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]	\$ [130,652]	\$ 1,411,098	\$ 837,982	\$ 16	\$ 29,502	\$ 2,147,946
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities						
[Increase] decrease in accounts receivable	-	[32,910]	[45,311]	[2,057]	-	[80,278]
[Increase] decrease in due from other funds	-	[8,642]	37,367	-	[251]	28,474
Increase [decrease] in accounts payable	123,952	[21,459]	-	-	-	102,493
Increase [decrease] in accrued liabilities	-	397	1,134	-	-	1,531
Increase [decrease] in self-insurance claims	-	[608,094]	[53,048]	-	542	[660,600]
Increase [decrease] in compensated absences	-	2,695	-	-	-	2,695
Net cash provided by [used in] operating activities	\$ [6,700]	\$ 743,085	\$ 778,124	\$ [2,041]	\$ 29,793	\$ 1,542,261

See independent auditor's report on the financial statements.

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>
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.
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.
Community Improvement District: 29th Street	K.S.A. 12-6a26 Topeka Ordinance 20085	The SE 29th Street CID fund receives the extra levied 1% sales tax generated within the SE 29th Street district. The revenue is used to pay the developer for certified costs to upgrade the district to strengthen economic development and employment opportunities, enhance tourism or upgrade older real estate.
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, 2018

	Special Event Debris	Payroll Clearing	Court Bond	Fire Insurance Proceeds	Law Enforcement Trust	Community Improvement District: Holiday Square	Community Improvement District: Crosswind	Community Improvement District: Cyrus Hotel	Community Improvement District: 29th Street	Municipal Court Trust	Water Customer Round-Up	Totals
ASSETS:												
Cash and equity in Treasurer's Fund	\$ 1,000	\$ 1,659,385	\$ 92,483	\$ 75,061	\$ 808,849	\$ 7,846	\$ 18,238	\$ 13,346	\$ 43,922	\$ 30,526	\$ 6,589	\$ 2,757,245
Receivables (net of allowance for uncollectibles):												
Accounts receivable	-	-	-	-	10,806	14,294	52,378	783	9,018	-	908	88,187
Total assets	\$ 1,000	\$ 1,659,385	\$ 92,483	\$ 75,061	\$ 819,655	\$ 22,140	\$ 70,616	\$ 14,129	\$ 52,940	\$ 30,526	\$ 7,497	\$ 2,845,432
LIABILITIES:												
Accounts payable	\$ 1,000	\$ 1,636,208	\$ -	\$ 75,061	\$ -	\$ 6,346	\$ 16,738	\$ -	\$ 52,940	\$ 30,526	\$ -	\$ 1,818,819
Due to other governments	-	5,073	-	-	-	-	-	-	-	-	-	5,073
Due to others	-	18,104	92,483	-	819,655	15,794	53,878	14,129	-	-	7,497	1,021,540
Total liabilities	\$ 1,000	\$ 1,659,385	\$ 92,483	\$ 75,061	\$ 819,655	\$ 22,140	\$ 70,616	\$ 14,129	\$ 52,940	\$ 30,526	\$ 7,497	\$ 2,845,432

STATISTICAL SECTION

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.	104 - 108
Revenue Capacity These schedules contain information to help the reader assess the City's revenue sources.	109 - 115
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.	116 - 120
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.	121 - 122
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.	123 - 125
<i>Sources: 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)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 167,266,727
Restricted for debt service	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	8,580,089
Restricted for capital projects	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	1,926,970
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	18,232,010
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	6,060,678
Unrestricted	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)	(12,382,836)
Total Governmental Activities Net Position	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	189,683,638
Business-Type Activities										
Net investment in capital assets	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	143,837,224
Restricted for debt service	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	11,577,442
Restricted for capital projects	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	6,914,614
Restricted for deposits	635,851	672,920	-	-	-	-	-	-	-	-
Restricted for sinking funds	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	1,901,215
Unrestricted	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	71,062,992
Total Business-Type Activities Net Position	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	235,293,487
Primary Government										
Net investment in capital assets	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	311,103,951
Restricted	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	55,193,018
Unrestricted	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	58,680,156
Total Primary Government Net Position	\$ 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	\$ 424,977,125

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)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General Government	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	13,988,771
Public Safety	50,886,402	52,672,902	54,653,150	55,805,618	58,713,711	62,281,840	61,251,608	66,743,087	68,081,184	66,505,207
Public Works	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	54,794,256
Miscellaneous	206,630	3,714,714	3,813,754	3,260,507	2,295,172	2,602,268	3,114,322	4,445,027	4,445,027	3,395,631
Parks and Recreation	13,522,524	12,533,312	12,595,655	2,866,108	2,979,990	2,788,252	3,058,534	3,217,782	3,217,782	4,477,801
Public Housing	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	4,126,533
Social Services	1,077,479	547,155	684,638	677,925	580,973	515,433	636,349	604,038	538,902	542,965
Economic Development	-	-	-	-	-	-	-	-	9,004,532	9,607,852
Capital Leases	(93,704)	-	-	870,000	-	-	-	-	-	-
Interest and fiscal charges	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	5,838,559
Total Governmental Activities Expenses	140,822,999	144,857,490	151,173,554	142,908,682	145,498,682	141,906,746	145,069,903	159,886,669	169,531,509	163,277,573
Business-Type Activities:										
Water, Water Pollution Control, & Stormwater Utility	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	65,503,021
Public Parking	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	2,959,169
Public Golf Course	11,669	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	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	68,462,190
Total Primary Government Expenses	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	231,739,763
Program Revenues										
Governmental Activities										
Charges for Services:										
General Government	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	7,144,922
Public Safety	431,755	504,609	696,829	1,726,176	741,919	2,168,459	3,449,353	2,666,231	2,556,186	594,812
Public Works	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	2,610,436
Miscellaneous	390,075	(966)	-	-	-	-	-	-	-	-
Parks and Recreation	3,256,677	3,079,792	3,061,392	660,532	524,437	19,592	18,168	19,320	16,880	590,173
Public Housing	-	281,504	114,814	112,937	-	-	-	-	-	-
Operating Grants and Contributions	455,261	48,873	2,500	245,589	221,019	178,486	190,135	122,560	55,722	199,841
General Government	841,432	1,941,888	1,368,338	1,680,687	1,1636	6,901	99,372	34,270	5,399	310,857
Public Works	406,886	2,125,673	343,439	326,169	326,169	-	-	-	-	-
Miscellaneous	-	83,738	46,463	3,245,027	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	19,482	5,517	23,919	137,235	-	-	-	-	4,539,155	5,801,330
Public Housing	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	3,996,117
Social Services	620,849	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Public Safety	-	250	-	-	-	-	-	-	-	-
Public Works	832,648	3,753,982	13,927,652	12,136,135	16,455,997	14,336,249	19,237,068	20,078,676	10,459,624	11,121,576
Parks and Recreation	36,817	36,522	1,002,969	1,007,071	-	-	-	-	-	-
Total Gov. Activities Program Revenues	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	32,370,064
Business-Type Activities:										
Charges for Services:										
Water, Water Pollution Control, & Stormwater Utility	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	72,756,215
Public Parking	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	2,690,923
Public Golf Course	877	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	3,782,949	1,048,271	145,747	2,240,638	-	-	-	-	-	-
Capital Grants and Contributions	63,880,376	63,921,166	64,360,861	70,316,142	61,569,347	61,395,446	62,788,285	66,244,583	69,343,412	75,447,138
Total Business-Type Act. Program Revenues	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	107,817,202
Net (Expense) Revenue										
Governmental Activities	(118,267,126)	(118,625,185)	(117,320,454)	(107,791,208)	(113,945,160)	(111,750,269)	(108,554,584)	(124,226,091)	(140,369,932)	(130,907,511)
Business-Type Activities:	4,510,316	4,231,645	1,678,241	8,292,021	(3,511,281)	(2,950,955)	(2,950,600)	(3,514,929)	6,984,948	6,984,948
Total Primary Government Net Expense	(113,756,810)	(114,393,540)	(115,642,213)	(99,499,187)	(115,039,115)	(115,261,550)	(111,805,184)	(125,559,999)	(136,855,003)	(123,922,563)

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>...continued</i>										
General revenues:										
Governmental Activities:										
Taxes										
Property taxes	\$ 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	\$ 42,035,684
Sales taxes	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	55,648,002
Franchise taxes	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	14,400,099
Motor fuel taxes	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	4,621,676
Payment in lieu of taxes	1,688,433	-	5,492,001	5,436,000	7,063,853	6,957,993	7,282,854	7,254,737	7,264,903	7,471,168
Special assessments with debt commitments	280,871	274,485	290,049	295,511	365,948	357,542	401,915	412,208	493,888	-
Service assessments	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	1,803,375
Alcoholic beverage taxes	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	2,742,302
Grants/contrib not restricted to specific programs	136,764	-	53,437	13,939	2,036,806	933,871	1,055,776	1,088,364	1,472,068	2,022,908
Miscellaneous	-	-	496,077	66,989	131,892	252,940	314,138	502,216	888,864	1,977,204
Unrestricted investment earnings	-	375,862	242,085	242,085	82,733	35,625	179,210	16,975	-	-
Gain on sale of capital assets	51,879	188,930	(314,660)	-	-	-	(3,790,050)	(560,000)	-	-
Transfers in (out)	-	-	-	-	-	-	-	-	-	-
Special Item - park and recreation transfer	-	-	-	(33,460,801)	-	-	-	-	-	-
Total governmental activities	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	132,722,418
Business-Type Activities										
Unrestricted investment earnings	966,083	872,900	1,490,738	607,677	474,340	518,454	721,630	575,290	644,033	1,847,444
Miscellaneous	-	-	-	-	2,253,454	4,772,029	3,444,587	2,419,162	1,900,181	2,565,063
Gain (loss) on sale of capital assets	36,365	43,470	44,097	95,715	90,132	36,965	168,772	41,783	59,594	43,071
Transfers	(51,879)	-	314,660	-	-	-	3,790,050	560,000	-	-
Total Business-Type Activities	950,569	916,370	1,849,495	703,392	2,817,926	5,327,448	8,125,039	3,596,235	2,603,808	4,455,578
Total Primary Government	\$ 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	\$ 137,177,996
Change in Net Position										
Governmental Activities:	\$ (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)	\$ 1,814,907
Business-Type Activities	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	11,440,526
Total Primary Government	\$ (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	\$ 13,255,433

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

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable	\$ -	\$ -	\$ 38,327	\$ 13,316	\$ 200,820	\$ 194,053	\$ 128,121	\$ 308,242	\$ 139,145	\$ 139,145
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	341,767	618,902	502,828	772,767	672,826	1,121,414	280,673	284,442
Unassigned	-	-	8,305,081	5,476,120	9,353,610	17,303,180	18,180,919	19,064,148	20,557,837	21,589,420
Reserved	879,122	910,084	-	-	-	-	-	-	-	-
Unreserved	8,776,655	10,004,985	-	-	-	-	-	-	-	-
Total General Fund	\$ 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	\$ 22,013,007
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	54,126,160
Committed	-	-	2,497,088	2,210,591	1,776,178	1,732,544	1,671,977	1,385,677	1,199,892	1,260,965
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(6,368,023)	(13,886,439)	(7,689,301)	(16,225,549)	(10,315,260)	(18)	(81,853)	(306,298)
Reserved	8,630,226	16,989,600	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	15,413,452	13,120,980	-	-	-	-	-	-	-	-
Capital Projects Funds	(11,159,441)	(14,840,382)	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 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	\$ 55,080,827
Total all governmental funds	\$ 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	\$ 77,093,834

a-b

GASB 54 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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:	\$ 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	\$ 105,904,651
Taxes and assessments	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	3,043,217
Assessments with debt commitments	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	1,358,003
Licenses and permits	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	14,400,099
Franchise fee	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	20,115,748
Intergovernmental	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	3,565,518
Fees for service	2,425,825	2,752,512	3,485,117	3,483,059	3,483,956	3,972,966	3,641,493	2,574,663	2,761,717	2,838,831
Administrative fees - interfund	480,973	343,531	496,078	68,611	131,892	252,940	314,138	502,216	888,864	1,977,204
Fines and forfeitures										
Investment income										
Rents										
Miscellaneous	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	1,993,274
Total revenues	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	157,517,550
Expenditures:										
Current:										
General government	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	13,788,991
Public safety	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	67,198,856
Public works	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	35,864,216
Public works - planning	897,258	860,580	363,000	753,713	-	-	-	-	-	-
Miscellaneous	206,630	3,648,515	3,863,117	3,254,582	2,295,172	2,602,268	3,114,322	3,102,361	4,445,027	3,395,631
Parks and recreation	12,420,567	11,508,680	10,869,241	2,466,126	2,979,514	2,790,462	3,170,611	2,982,206	3,297,450	4,352,125
Housing & neighborhood development	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	4,126,533
Social services	1,077,479	547,155	684,638	677,925	580,973	515,433	636,349	604,038	538,902	542,965
Economic development				5,925	-	-	-	-	9,004,532	9,607,853
Construction	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	10,776,422
Engineering and others	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	1,828,950
Debt service:										
Principal retirement	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	14,048,270
Interest and fiscal costs	8,677,044	7,434,773	6,700,967	6,245,492	5,277,400	5,277,400	5,694,642	5,950,420	5,766,791	6,089,105
Total expenditures	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	171,619,917
Excess (deficiency) of revenues over expenditures	(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)	(14,102,367)
Other financing sources (uses):										
Original issuance of debt	3,345,000	12,025,000	17,185,000	-	-	5,590,000	52,809,613	46,392,600	24,010,000	12,510,000
Original issuance of debt premium	2,000,937	56,372	305,941	-	-	39,627	3,140,642	2,556,037	1,370,222	359,903
Original issuance of debt discount	660	-	-	-	-	-	-	-	-	-
Refunding issuance	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 escrow agent	(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 cost of issuance	(862,502)	(769,919)	-	-	-	-	-	-	-	-
Payment for refunding bond interest	-	(2,638,394)	-	-	-	-	-	-	-	-
Payment for refunding redemption premium	-	(149,950)	(195,500)	-	-	-	-	-	-	-
Transfers in lieu of taxes - interfund	6,499,590	4,574,416	5,492,001	5,436,000	7,063,853	6,957,993	7,282,854	7,254,737	7,264,903	7,471,168
Transfers in	(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)	(931,776)
Transfers out	-	-	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	870,000	-	870,000	2,942,588	924,576	-
Contributed capital	-	-	-	-	-	-	16,314	-	-	-
Sale of property	44,855	188,930	242,085	142,176	82,733	46,909	185,009	39,263	54,505	70,425
Total other financing sources (uses)	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	20,411,496
Special item - park and recreation transfer	-	-	-	(4,845,490)	(3,031,721)	(2,043,929)	(918,255)	-	-	-
Net change in fund balances	\$ (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	\$ 6,309,129
Debt service as a percentage of noncapital expenditures	**	17.54%	15.56%	15.88%	17.17%	15.13%	16.77%	15.53%	14.00%	12.11%
										12.81%

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, 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
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
2018	41,822,079	4,621,676	213,605	30,925,494	15,462,747	9,188,267	71,494	-	2,742,302	7,471,168	3,900,204	116,419,036
Change 2009-2018	29%	33%	15%	16%	16%	18%	-25%	-100%	59%	34%	102%	44%

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**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Original Budget	\$ 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	\$ 31,484,036
Amended Budget	\$ 28,052,000	\$ 28,052,000	\$ 28,052,000	\$ 28,052,000	\$ 28,052,000	\$ 28,052,000	\$ 28,052,000	\$ 28,052,000	\$ 28,052,000	\$ 28,052,000
Revenue Recognized by Month:										
January	\$ 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	\$ 2,431,540
February	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	2,331,839
March	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	2,705,326
April	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	2,524,210
May	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	2,678,285
June	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	2,682,458
July	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	2,588,083
August	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	2,618,607
September	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	2,514,425
October	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	2,410,366
November	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	2,600,325
December	2,120,685	2,687,166	2,597,840	2,672,922	2,774,444	3,007,680	2,939,685	3,296,043	2,973,101	2,840,030
Total	\$ 26,566,267	\$ 26,607,992	\$ 27,703,555	\$ 27,279,046	\$ 27,930,148	\$ 28,993,482	\$ 28,980,895	\$ 30,567,025	\$ 30,227,578	\$ 30,925,494

**City of Topeka, Kansas
Street Repair Sales Tax Revenues
Last Ten Years
Accrual Basis**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Original Budget	\$ -	\$ 1,060,341	\$ 1,134,031	\$ 1,105,436	\$ 1,113,609	\$ 1,132,753	\$ 1,107,121	\$ 1,140,109	\$ 1,113,350	\$ 1,215,770
Amended Budget	\$ 1,100,000	\$ 1,395,600	\$ 1,300,000	\$ 1,350,000	\$ 1,380,000	\$ 1,380,000	\$ 1,420,000	\$ 14,619,605	\$ 14,619,605	\$ 14,765,801
Revenue Recognized by Month:										
January	\$ -	\$ 1,186,631	\$ 941,559	\$ 1,027,666	\$ 991,161	\$ 1,091,207	\$ 1,107,068	\$ 1,200,659	\$ 1,186,582	\$ 1,165,919
February	-	1,131,120	1,181,305	1,203,942	1,186,427	1,177,082	1,221,054	1,281,872	1,268,432	1,352,663
March	-	911,452	1,147,114	1,118,566	1,124,455	1,215,802	1,170,676	1,192,889	1,219,101	1,262,105
April	-	1,155,086	1,084,492	1,146,894	1,273,593	1,238,981	1,174,557	1,273,155	1,234,858	1,339,143
May	-	1,148,029	1,128,603	1,242,818	1,210,959	1,219,168	1,222,421	1,319,625	1,285,699	1,346,229
June	-	1,056,645	1,149,448	1,025,405	1,125,562	1,190,042	1,258,518	1,236,607	1,253,097	1,294,042
July	-	1,167,476	1,207,604	1,133,127	1,163,951	1,205,538	1,173,713	1,258,272	1,271,610	1,309,303
August	-	1,079,060	1,144,838	1,117,888	1,077,160	1,199,183	1,199,133	1,246,026	1,260,287	1,257,213
September	-	1,109,418	1,210,914	1,004,185	1,130,225	1,123,787	1,174,785	1,198,794	1,235,501	1,205,183
October	-	1,038,846	1,222,949	1,177,128	1,180,750	1,199,356	1,195,968	1,287,480	1,298,722	1,300,162
November	-	1,259,890	1,306,973	1,341,835	1,387,222	1,503,842	1,469,842	1,648,024	1,486,550	1,415,015
December	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	\$ 15,462,747
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	\$ 15,462,747

a - In April 2009 the voters passed a 12% 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	2009	% of Total	2010	% of Total	2011	% of Total	2012	% of Total
Utilities	\$ 1,827,351	6.59%	\$ 2,877,890	7.32%	\$ 2,963,983	6.93%	\$ 2,835,940	7.13%
Construction	911,785	3.29%	1,303,048	2.85%	1,237,042	3.16%	1,293,500	2.98%
Manufacturing	486,604	1.76%	1,016,249	1.83%	910,521	1.80%	734,938	2.19%
Wholesale Trade	1,414,868	5.11%	1,693,203	4.92%	1,935,850	5.27%	2,157,088	4.66%
Retail Trade	16,311,506	58.87%	23,548,951	58.14%	24,338,914	58.61%	23,985,939	58.56%
Information	1,286,727	4.64%	1,912,368	5.33%	2,021,622	4.76%	1,948,959	4.86%
Real Estate and Rental and Leasing	533,821	1.93%	582,422	2.01%	789,365	1.87%	763,479	1.90%
Accommodation and Food Services	3,048,873	11.00%	4,485,275	11.18%	4,665,905	10.96%	4,484,328	11.23%
Other Services	1,888,461	6.82%	2,492,580	6.41%	2,700,183	6.65%	2,719,764	6.50%
Total	\$ 27,709,995	100%	\$ 39,911,986	100%	\$ 41,563,385	100%	\$ 40,923,935	100%
City Sales Tax Rate	1.50%*		1.50%		1.50%		1.50%	

Category	2013	% of Total	2014	% of Total	2015	% of Total	2016	% of Total
Utilities	\$ 2,987,647	7.21%	\$ 3,184,338	7.75%	\$ 2,990,481	6.88%	\$ 1,366,535	3.10%
Construction	1,246,919	3.26%	1,239,330	3.56%	1,124,347	2.59%	1,603,304	3.64%
Manufacturing	917,790	2.55%	796,690	2.52%	975,721	2.25%	1,075,099	2.44%
Wholesale Trade	1,951,305	4.24%	2,139,295	4.30%	2,007,214	4.62%	2,177,744	4.94%
Retail Trade	24,533,232	59.00%	25,286,547	58.12%	25,842,995	59.47%	25,650,557	58.22%
Information	2,037,762	4.79%	2,316,372	5.07%	2,252,695	5.18%	3,215,697	7.30%
Real Estate and Rental and Leasing	795,667	1.46%	875,353	1.39%	544,364	1.25%	678,806	1.54%
Accommodation and Food Services	4,703,157	11.24%	4,863,486	11.21%	5,012,211	11.53%	4,802,890	10.90%
Other Services	2,721,742	6.25%	2,788,813	6.08%	2,705,723	6.23%	3,487,855	7.92%
Total	\$ 41,895,221	100%	\$ 43,490,224	100%	\$ 43,455,751	100%	\$ 44,058,487	100%
City Sales Tax Rate	1.50%		1.50%		1.50%		1.50%	

Category	2017	% of Total	2018	% of Total
Utilities	\$ 1,480,816	3.08%	\$ 1,322,034	2.85%
Construction	1,778,407	3.70%	1,617,264	3.49%
Manufacturing	1,238,333	2.57%	962,495	2.07%
Wholesale Trade	2,448,288	5.09%	3,028,310	6.53%
Retail Trade	28,160,341	58.51%	26,670,799	57.49%
Information	3,102,872	6.45%	2,757,158	5.94%
Real Estate and Rental and Leasing	779,858	1.62%	710,406	1.53%
Accommodation and Food Services	5,210,411	10.83%	5,273,647	11.37%
Other Services	3,881,629	8.07%	3,916,516	8.44%
Total	\$ 48,080,955	100%	\$ 46,258,629	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

Fiscal Year	City Direct Rates			Other Overlapping Governments					Grand Total
	Local	Street Repair	Total	State of Kansas	Shawnee County	Shawnee County 0.25%	Shawnee County Joint Economic Dev Org (JEDO)	Washburn University	
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%
2018	1%	0.50%	1.50%	6.50%	0.25%	-	0.25%	0.65%	9.15%

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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
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%
2018	999,444,544	24,635,667	118,271,408	110,288,167	1,252,639,786	39.730	7,652,701,711	16.37%

Source: Shawnee County Clerk

Property in Shawnee County is valued every January 1, at its 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
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%
2018	41,945,347	41,418,152	98.74%	616,282	42,034,434	100.21%

(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	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Westar Energy***	\$ 67,414,093	1	5.38%	\$ 55,452,031	1	4.91%
Burlington Northern/Santa Fe/Utility***	22,123,019	2	1.77%	12,516,561	5	1.11%
Resers Fine Foods Inc	14,167,053	3	1.13%	-	-	-
Target Corporation	12,396,800	4	0.99%	-	-	-
Westridge Mall LLC	11,860,093	5	0.95%	10,910,237	6	0.97%
Kansas Gas Service/Utility***	9,595,790	6	0.77%	13,089,200	4	1.16%
Federal Home Loan Bank of Topeka	8,884,838	7	0.71%	-	-	-
Wal-Mart Stores Inc	8,251,727	8	0.66%	7,969,899	7	0.71%
Blue Cross/Blue Shield/Ks Hospital Serv/Insurance	7,368,004	9	0.59%	-	-	-
IRET Properties/Apts	6,443,927	10	0.51%	-	-	-
Union Pacific/Utility ***	-	-	-	5,700,053	10	0.50%
Frito Lay/Manufacturing	-	-	-	6,539,210	9	0.58%
Goodyear Tire & Rubber/Manufacturing	-	-	-	13,222,530	3	1.17%
Payless Shoe Source/Manufacturing	-	-	-	6,849,295	8	0.61%
Southwestern Bell/Utility***	-	-	-	18,195,262	2	1.61%
Total	<u>\$ 168,505,344</u>		<u>13.46%</u>	<u>\$ 150,444,278</u>		<u>13.33%</u>
Total Assessed Value	\$ 1,252,639,786			\$ 1,129,941,608		

Source: Shawnee County Clerk 2018 tax roll

*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							Topeka SNCO P Library	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	MATAA		
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
2018	24.612	14.341	-	0.777	39.730	1.500	48.194	50.754	3.229	4.200	2.037	9.786	159.430

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, 2018

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Shawnee County	\$ 45,620,000	70.84%	\$ 32,317,208
Unified School District No. 345	54,275,248	29.39%	15,951,495
Unified School District No. 437	54,105,000	62.68%	33,913,014
Unified School District No. 450	28,175,000	22.16%	6,243,580
Unified School District No. 501	146,805,000	100.00%	146,805,000
Washburn University	37,510,000	100.00%	37,510,000
Topeka Shawnee Co. Library	1,600,000	70.84%	1,133,440
	<u>368,090,248</u>		<u>273,873,737</u>
Total overlapping debt			
Direct debt, City of Topeka:			
General obligation bonds*	163,460,000		163,460,000
Temporary notes	47,565,000		47,565,000
Capital leases	2,741,448		2,741,448
	<u>213,766,448</u>		<u>213,766,448</u>
Total direct debt			
	<u>213,766,448</u>		<u>213,766,448</u>
Total direct and overlapping debt	<u>\$ 581,856,696</u>		<u>\$ 487,640,185</u>

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	
	General		Other		General		Revenue Bonds		Department of Health & Environment					Capital Leases
	Obligation Bonds	Bonds	Obligation Bonds	Bonds	Obligation Bonds	Bonds	Loans	Leases						
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			
2018	152,592,670	9,415,000	2,741,448	9,000,808	204,885,830	34,176,326	-		412,812,082	4.02%	3,261			

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. 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 Debt Service Restriction	General Obligation Bonds Net of Debt Restriction		Total Outstanding Debt		General Obligation Bonds Net of Debt Service Restriction	
	General Obligation Bonds*	General Obligation Bonds	General Obligation Bonds	General Obligation Bonds				Percentage of Personal Income	Per Capita	Percentage of Actual Taxable Property Value	Per Capita		
2009	\$ 159,000,686	\$ 13,089,314	\$ 13,089,314	\$ 13,089,314	\$ 172,090,000	\$ 6,749,235	\$ 165,340,765	2.053%	\$ 1,384.13	2.35%	\$ 1,329.84		
2010	157,969,897	12,795,103	12,795,103	12,795,103	170,765,000	9,561,850	161,203,150	2.032%	1,339.62	2.31%	1,264.61		
2011	163,661,719	12,453,281	12,453,281	12,453,281	176,115,000	4,788,632	171,326,368	1.987%	1,373.88	2.45%	1,336.52		
2012	151,520,561	12,434,439	12,434,439	12,434,439	163,955,000	4,939,942	159,015,058	1.742%	1,281.50	2.30%	1,242.90		
2013	154,329,715	11,470,285	11,470,285	11,470,285	165,800,000	3,896,624	161,903,376	1.717%	1,298.57	2.30%	1,268.05		
2014	146,073,017	11,121,983	11,121,983	11,121,983	157,195,000	3,977,552	153,217,448	1.647%	1,233.16	2.19%	1,201.96		
2015	140,398,807	10,818,413	10,818,413	10,818,413	151,217,220	5,221,106	145,996,114	1.589%	1,141.93	2.08%	1,100.88		
2016	153,317,382	10,271,759	10,271,759	10,271,759	163,589,141	5,682,111	157,907,030	1.652%	1,285.42	2.09%	1,240.77		
2017	153,067,517	9,586,912	9,586,912	9,586,912	162,654,429	6,944,664	155,709,765	1.595%	1,282.69	2.02%	1,277.92		
2018	152,592,670	9,000,808	9,000,808	9,000,808	161,593,478	8,580,089	153,013,389	1.573%	1,276.54	1.95%	1,208.76		

Note: This information includes debt that is backed by full faith and credit of government. Governmental amounts from 2009 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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 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	\$ 375,791,936
Total net debt applicable to limit	67,443,634	95,537,544	55,885,557	44,026,297	57,268,672	57,893,442	62,764,358	69,174,940	81,359,940	87,682,495
Legal debt margin	\$ 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	\$ 288,109,441
Total net debt applicable to the limit as a percentage of debt limit	19.90%	27.53%	16.69%	13.26%	16.82%	17.00%	18.18%	20.35%	23.06%	23.33%

As permitted by Kansas statutes, for 2018 the City has excluded certain types of debt from this computation as follows:

\$	53,965,229	K.S.A. 10-427a
	59,962,276	K.S.A. 10-309
	-	K.S.A. 12-195(8)
	9,415,000	K.S.A. 12-1774
Total excluded in 2018	<u>\$ 123,342,505</u>	

Legal Debt Margin Calculation for Fiscal Year 2018

Total assessed value	\$ 1,252,639,786
Debt limit (30% of total assessed value)	375,791,936
Debt applicable to limit:	
General obligation bonds	87,682,495
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>87,682,495</u>
Legal debt margin	<u>\$ 288,109,441</u>

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

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

Fiscal	Water and Water Pollution Control KDHE Revolving Loans						Debt Service		1.00 KDHE Loan
	Gross Revenues	Less: Operating Expenses	Net Available	on KDHE Loans		on Revenue Bonds			
				Principal	Interest	Principal	Interest		
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	
2018	76,972,895	43,538,654	33,434,241	5,337,668	1,037,907	7,070,000	6,782,898	1.65	

Fiscal	Water, Water Pollution Control and Stormwater Revenue Bonds						Debt Service		1.25 Revenue Bond
	Gross Revenues	Less: Operating Expenses	Net Available	on Revenue Bonds		on Revenue Bonds			
				Principal	Interest	Principal	Interest		
2009	\$ 61,650,545	\$ 39,831,984	\$ 21,818,561	\$ 2,050,000	\$ 5,219,518	\$ 2,050,000	\$ 5,219,518	3.00	
2010	61,719,464	39,376,888	22,342,576	2,105,000	5,568,673	2,105,000	5,568,673	2.91	
2011	61,512,843	41,176,575	20,336,268	2,285,000	5,358,952	2,285,000	5,358,952	2.66	
2012	64,558,928	42,898,205	21,660,723	2,370,000	5,116,876	2,370,000	5,116,876	2.89	
2013	60,977,779	42,407,157	18,570,622	3,555,000	4,927,381	3,555,000	4,927,381	2.19	
2014	63,641,393	42,328,687	21,312,706	4,995,000	5,202,391	4,995,000	5,202,391	2.09	
2015	61,643,563	41,033,768	20,609,795	4,565,000	4,567,203	4,565,000	4,567,203	2.26	
2016	65,710,348	44,487,875	21,222,473	5,405,000	4,901,875	5,405,000	4,901,875	2.06	
2017	69,507,274	43,249,886	26,257,388	5,925,000	5,343,473	5,925,000	5,343,473	2.33	
2018	76,972,895	46,657,081	30,315,814	7,070,000	6,782,898	7,070,000	6,782,898	2.19	

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)
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
2018	126,587	10,271,200	44,054	13,161

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)	Value	Number of Commercial Units (1)	Value	Bank Deposits (2)	Estimated True Value of Property (3)		
						Commercial	Residential	Nontaxable
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
2018	268	24,373	175	75,245	2,995,033	1,732,571	4,769,054	1,354,969

Sources:

(1) City Development Coordination Office

(2) FDIC - Summary of Deposits market share report, changed in 2008, figures are as of 06-30-18

(3) Shawnee County Real Property Abstract

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

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of Kansas	8,320	1	7.70%	8,074	1	7.73%
Stormont-Vail Health Care	3,611	2	3.34%	3,666	2	3.51%
Unified School District # 501	2,459	3	2.27%	2,269	3	2.17%
Westar Energy	2,400	4	2.22%	-	-	-
Midwest Health	2,000	5	1.85%	-	-	-
BNSF Railway Company	1,931	6	1.79%	-	-	-
Kansas Army & Air National Guard	1,746	7	1.62%	-	-	-
Goodyear Tire and Rubber Co.	1,600	8	1.48%	1,600	6	1.53%
Blue Cross Blue Shield of Kansas	1,569	9	1.45%	1,362	8	1.30%
Payless Shoe Source	1,500	10	1.39%	-	-	-
Washburn University	-	-	-	2,100	4	2.01%
St. Francis Hospital & Medical Center	-	-	-	1,978	5	1.89%
Dillon Stores Division	-	-	-	1,170	10	1.12%
City of Topeka	-	-	-	1,500	7	1.44%
US Government	-	-	-	1,192	9	1.14%
Total	27,136		25.11%	24,911		23.84%
Total Employment	108,102			104,496		

Source:

*GO Topeka & Ks Dept Labor, Labor Market Info Serv and City of Topeka 2009 CAFR, for number of employees & total employment
State Department of Labor, 3rd Quarter 2018*

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

Function/Program	Full-time Equivalent Employees as of December 31									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
City Council	2.00	2.00	1.00	1.00	1.50	1.50	1.50	1.00	1.00	1.00
Mayor	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00
Executive	13.00	14.00	10.00	8.40	8.00	11.00	12.00	11.00	11.00	11.00
Legal	21.50	21.50	20.50	17.50	17.50	14.00	14.00	15.00	15.00	15.00
Financial Services	26.00	29.00	23.00	22.17	23.50	23.00	24.00	26.00	25.00	25.00
Municipal Court	28.00	24.00	23.00	23.00	24.00	23.00	23.00	23.00	23.00	23.00
Human Relations Commission	5.00	3.00	-	-	-	-	-	-	-	-
Human Resources	9.00	9.00	9.00	11.00	10.50	10.50	11.00	12.00	13.00	13.00
Information Technology	17.00	12.00	12.00	12.50	13.50	15.00	14.00	15.00	17.00	17.00
Public Safety										
Fire	249.00	245.00	251.00	244.00	246.00	245.00	245.00	245.00	246.00	248.00
Police	374.00	368.50	367.50	365.50	382.00	367.50	367.50	353.50	353.50	350.50
Public Works										
Administration	10.00	10.00	9.00	9.08	2.00	2.00	2.00	2.00	4.00	4.00
Development Services	21.00	20.00	15.00	15.00	8.00	15.00	15.00	-	-	-
Engineering	39.00	39.00	26.00	27.00	27.00	31.00	31.00	31.00	35.00	36.00
Fleet Services	23.00	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	9.00
Transportation Operations	14.00	14.00	14.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Special Street Repair	49.00	46.00	46.00	47.00	46.00	46.00	46.00	54.00	54.00	54.00
Facility Operations	15.00	12.00	7.00	27.00	14.00	15.00	15.00	17.00	19.00	20.00
Public Parking	18.00	16.00	16.00	16.00	15.00	14.00	14.00	14.00	14.00	14.00
Water	116.00	117.00	119.00	118.00	120.00	123.00	123.00	123.00	125.00	121.00
Water Pollution Control	75.00	71.00	71.00	74.33	68.00	67.00	71.00	71.00	72.00	75.00
Stormwater Utility	19.00	18.00	18.00	18.00	24.00	24.00	28.00	28.00	25.00	26.00
Housing & Neighborhood Development	16.00	16.00	16.00	14.50	14.00	14.00	14.00	-	-	-
Neighborhood Relations	-	-	-	-	-	-	-	47.00	47.00	31.00
Planning	14.00	14.00	10.00	10.00	11.00	11.00	11.00	10.00	10.00	28.00
Parks and Recreation	93.00	89.00	63.00	11.00	-	-	-	-	-	-
Zoo	32.50	30.00	28.00	24.00	24.50	22.00	22.00	22.00	24.00	24.00
Total	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	1,182.50

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fire										
Total number of incidents	14,544	15,071	16,614	18,451	17,559	18,195	18,780	19,969	22,287	23,538
Fire calls	674	660	710	835	673	671	676	843	907	952
Rescue & Emergency Medical calls	11,046	11,422	12,624	13,861	13,275	14,118	14,463	12,185	11,395	13,822
Police										
Citations issued	34,873	21,267	17,581	17,901	18,544	20,696	17,631	17,521	16,042	13,659
Driving under the influence citations	523	502	253	431	463	349	221	188	191	238
Development Services										
Residential building permits	355	364	322	413	260	273	282	352	232	268
Commercial building permits	190	204	220	207	171	176	165	183	213	175
Street Operations										
Streets swept (curb miles)	21,471	15,689	2,810	3,579	3,807	2,700	2,956	4,227	5,218	4,796
Pot hole patching material used (tonnage)	2,725	2,640	4,544	3,580	3,044	4,774	2,032	3,515	3,810	3,123
Traffic Operations										
Cross walks maintained (miles)	903	903	871	750	555	824	871	871	871	871
Streets painted (miles)	323	323	283	280	285	198	285	285	285	285
Number of signs replaced	838	1,800	2,548	1,350	1,670	1,033	1,052	1,195	1,472	2,189
Public Parking violations issued	24,025	17,690	17,556	16,457	15,691	14,117	12,748	11,107	12,352	10,220
Parks and Recreation										
Mini-Train & Carousel attendance	164,700	164,700	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Swimming pool attendance	105,316	96,790	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Summer youth camp attendance	4,129	4,151	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Youth basketball teams	41	30	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Youth volleyball teams	80	60	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Adult summer softball teams	390	477	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Adult volleyball teams	557	537	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Adult basketball teams	135	255	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Zoo attendance	137,441	111,666	152,586	194,739	172,692	202,711	196,208	203,407	199,309	212,609
Housing & Neighborhood Development										
CDBG disbursed per year (thousands of \$)	2,094	2,004	1,852	2,052	1,805	1,883	1,734	1,915	1,378	1,848
CDBG rehab activity of single residential units	188	357	314	284	293	173	156	103	448	703
Water										
New Connections	131	162	213	156	137	161	270	170	149	131
Number of accounts	53,727	53,314	53,673	54,932	55,779	55,913	55,648	55,855	55,991	56,009
Annual Volume Net Finished (millions of gallons)	6,309	6,047	7,218	7,824	6,652	6,611	6,236	6,396	6,104	6,909
Valve routine maintenance	2,992	2,624	2,253	2,595	1,772	994	940	951	736	1,284
Water Pollution Control										
Number of accounts	48,243	48,488	47,689	48,204	48,192	48,522	48,583	48,757	48,852	48,859
Volume (millions of gallons)	5,864	6,450	6,245	5,226	5,607	5,580	6,839	7,259	7,046	5,991
Number of service calls	755	752	694	826	930	827	916	791	712	841
Stormwater Utility										
Number of service calls	474	389	486	326	344	435	586	489	386	346
Public Golf Course rounds	2,6535	28,840	n/a	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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Square miles of City	61.0	61.0	61.8	61.8	61.8	61.9	61.9	61.9	62.6	62.6
Fire										
Stations	12	12	12	12	12	12	12	12	12	12
Firefighters	238	238	228	241	236	236	235	238	235	237
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Police officers	300	300	300	300	300	300	300	295	295	295
Street Operations										
Miles of City streets	1,624	1,624	1,517	1,517	1,532	1,586	1,586	1,611	1,610	1,610
Traffic Operations										
Traffic signals	178	183	201	201	201	201	201	201	185	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	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Swimming pools	5	5	5	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Community Centers	7	7	7	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Softball diamonds	14	14	14	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water										
Water mains (miles)	846	881	881	883	887	888	892	892	879	896
Storage capacity (millions of gallons)	25	25	25	25	25	25	25	25	25	25
Water Pollution Control										
Sanitary sewers (miles)	910	910	910	919	872	872	973	974	976	866
Stormwater Utility										
Storm sewers (miles)	330	330	330	330	330	330	330	404	422	425
Public Parking										
Parking garages	8	7	7	7	7	7	7	7	7	7
Parking meters	1,760	1,657	1,684	1,684	1,631	1,630	1,633	1,633	1,665	1,338
Public Golf Course	1	1	1	n/a	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.

2011 Traffic Operations updated to reflect number of traffic signs throughout the city versus number of replaced signs.

As of January 1, 2012 City of Topeka Parks & Recreation consolidated with Shawnee County Parks & Recreation. No information available after 2011.

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

2018 per the Comprehensive Parking Study, 327 underutilized meters were removed & replaced with time limits.

2018 Sanitary Sewer miles has been revised to only include City owned mains.

OTHER INFORMATION

City of Topeka, Kansas
Schedule of Bonded Indebtedness and Other Financing by Issue
 December 31, 2018

Bond Series	Transaction Description	Tax Status	Settlement Date	Interest Rate	Original Par	Interest Due	Principal Due	Outstanding as of January 1, 2018	Retired Year-to-Date	Issued Year-to-Date	Outstanding as of December 31, 2018
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	8/15	3,895,000	235,000	-	3,660,000
2011B	General Obligation Bonds	Tax-Exempt	09/29/11	2.000 - 4.000	3,430,000	2/15 & 8/15	8/15	2,680,000	155,000	-	2,525,000
2013A	General Obligation Refunding Bonds	Tax-Exempt	06/04/13	2.200 - 4.000	18,308,742	2/15 & 8/15	8/15	13,803,245	2,219,377	-	11,583,868
2013B	General Obligation Refunding Bonds	Tax-Exempt	09/30/13	3.000 - 4.500	9,790,000	2/15 & 8/15	8/15	8,615,000	415,000	-	8,200,000
2013C	Taxable General Obligation Bonds	Taxable	09/30/13	2.000 - 2.500	5,000,000	2/15 & 8/15	8/15	2,060,000	1,020,000	-	1,040,000
2014A	General Obligation Bonds	Tax-Exempt	09/29/14	2.000 - 3.250	5,590,000	2/15 & 8/15	8/15	4,910,000	230,000	-	4,680,000
2015A	General Obligation Bonds	Tax-Exempt	09/15/15	2.500 - 5.000	62,809,613	2/15 & 8/15	8/15	46,701,771	3,014,545	-	43,687,226
2016A	General Obligation Bonds	Tax-Exempt	09/19/16	2.500 - 5.000	19,187,016	2/15 & 8/15	8/15	17,900,977	1,386,348	-	16,513,629
2016B	General Obligation Bonds	Tax-Exempt	09/13/16	2.500 - 5.000	22,705,000	2/15 & 8/15	8/15	21,310,000	1,390,000	-	19,940,000
2017A	General Obligation Bonds	Tax-Exempt	09/05/17	2.250 - 5.000	28,490,000	2/15 & 8/15	8/15	24,010,000	2,730,000	-	21,280,000
2018A	General Obligation Bonds	Tax-Exempt	09/04/18	3.000 - 5.000	7,225,000	2/15 & 8/15	8/15	-	-	7,225,000	7,225,000
2018B	General Obligation Bonds (Zoo Projects)	Tax-Exempt	09/04/18	3.000 - 3.250	5,285,000	2/15 & 8/15	8/15	-	-	5,285,000	5,285,000
Subtotal Governmental G.O. Bonds								145,885,933	12,773,270	12,510,000	145,622,723
Business-Type General Obligation Bonds											
2013A	General Obligation Refunding Bonds	Tax-Exempt	06/04/13	2.200 - 4.000	2,026,258	2/15 & 8/15	8/15	981,755	205,623	-	776,132
2015A	General Obligation Bonds	Tax-Exempt	09/15/15	2.500 - 5.000	2,455,387	2/15 & 8/15	8/15	2,028,228	215,455	-	1,812,774
2016A	General Obligation Bonds	Tax-Exempt	09/19/16	2.500 - 5.000	1,662,982	2/15 & 8/15	8/15	1,484,023	116,662	-	1,367,361
2017A	General Obligation Bonds	Tax-Exempt	09/19/16	2.500 - 3.500	1,662,982	2/15 & 8/15	8/15	1,460,000	15,000	-	1,445,000
Subtotal Business-Type G.O. Bonds								8,974,007	551,750	-	8,422,257
Other General Obligation Bonds (See Footnotes)											
2011A	Full Faith and Credit STAR Bonds (Hearland Park)	Tax-Exempt	09/20/11	2.000 - 3.250	9,855,000	2/15 & 8/15	8/15	6,705,000	830,000	-	5,875,000
2016A	Full Faith and Credit Tax Increment Refunding Bonds	Tax-Exempt	09/19/16	2.000 - 2.000	4,430,000	2/15 & 8/15	8/15	3,985,000	445,000	-	3,540,000
Subtotal Other General Obligation Bonds								10,690,000	1,275,000	-	9,415,000
TOTAL GENERAL OBLIGATION BONDS								\$ 165,550,000	\$ 14,000,000	\$ 12,510,000	\$ 163,460,000
Utilities Revenue Bonds											
2010A	Taxable Combined Utility Improvement Revenue Bonds	Taxable	09/29/10	4.550 - 4.900	985,000	2/1 & 8/1	8/1	985,000	-	-	985,000
2010B	Taxable Combined Utility Improvement Revenue Bonds	Taxable	09/29/10	5.100 - 5.250	9,155,000	2/1 & 8/1	8/1	9,155,000	-	-	9,155,000
2010C	Taxable Combined Utility Improvement Revenue Bonds	Taxable	09/29/10	3.75	85,000	2/1 & 8/1	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	8/1	13,415,000	1,445,000	-	11,970,000
2012A	Combined Utility Refunding Revenue Bonds	Tax-Exempt	06/12/12	3.000 - 3.500	22,045,000	2/1 & 8/1	8/1	20,425,000	65,000	-	20,360,000
2013A	Combined Utility Refunding Revenue Bonds	Tax-Exempt	05/21/13	1.500 - 5.000	35,985,000	2/1 & 8/1	8/1	35,055,000	305,000	-	34,750,000
2014A	Combined Utility Revenue Bonds	Tax-Exempt	12/23/14	3.125 - 5.000	45,510,000	2/1 & 8/1	8/1	36,885,000	3,060,000	-	33,825,000
2016A	Combined Utility Refunding Revenue Bonds	Tax-Exempt	09/06/16	2.000 - 3.000	24,945,000	2/1 & 8/1	8/1	24,945,000	-	-	24,945,000
2016B	Taxable Combined Utility Refunding Revenue Bonds	Taxable	09/06/16	0.850 - 1.300	1,745,000	2/1 & 8/1	8/1	1,025,000	665,000	-	360,000
2017A	Combined Utility Revenue Bonds	Tax-Exempt	09/05/17	2.250 - 5.000	17,975,000	2/1 & 8/1	8/1	17,975,000	-	-	17,975,000
2018A	Combined Utility Revenue Bonds	Tax-Exempt	09/11/18	3.000 - 5.000	45,695,000	2/1 & 8/1	8/1	45,695,000	-	-	45,695,000
Subtotal Utility Revenue Bonds								159,950,000	5,925,000	45,695,000	199,570,000
TOTAL REVENUE BONDS								\$ 165,550,000	\$ 5,925,000	\$ 45,695,000	\$ 199,570,000
TOTAL BONDED INDEBTEDNESS OF THE CITY								\$ 325,500,000	\$ 20,225,000	\$ 882,085,000	\$ 355,180,000
KDHE - KS Water Pollution Control SRF Loan											
			01/27/93	3.110 - 3.660	110,215,967	12/1 & 6/1	12/1 & 6/1	30,603,597	5,724,916	-	24,878,681
KDHE - KS Public Water Supply SRF Loan											
			04/06/98	2.500 - 3.750	33,182,304	8/1 & 2/1	8/1 & 2/1	10,186,580	888,935	-	9,297,645
TOTAL REVOLVING LOANS								\$ 40,790,177	\$ 6,613,851	\$ -	\$ 34,176,326
2017A Temporary Notes											
			09/05/17	3.000	42,385,000	At Maturity	10/01/18	42,385,000	42,385,000	-	-
2018A Temporary Notes											
			09/04/18	5.000	44,045,000	At Maturity	10/01/19	-	-	44,045,000	44,045,000
2018B Temporary Notes (Taxable)											
			09/04/18	3.000	3,520,000	At Maturity	10/01/19	-	-	3,520,000	3,520,000
TOTAL TEMPORARY NOTES								\$ 42,385,000	\$ 42,385,000	\$ 47,565,000	\$ 47,565,000
TOTAL INDEBTEDNESS OF THE CITY								\$ 408,675,177	\$ 69,523,851	\$ 105,770,000	\$ 444,921,326

City of Topeka, Kansas
Schedule of Temporary Notes Outstanding by Project
December 31, 2018

Project Purpose/Description	Project Number	Project Amount Financed
Municipal Building Renovations/Mechanical Systems	131036.00	\$ 4,259,297
2MG West Elevated Tank	281055.00	484,011
Indian Hillks SW 29th/SW 21st	281090.00	193,604
Meriden Booster Pump Station	281091.00	484,011
Water Tratment Modification	281160.00	968,022
Oakland WWTP Solids - Wastewater	291018.12	6,292,143
Oakland WWTP Solids - Biogas	291018.22	3,520,000
Eastside Interceptor Relief	291050.00	3,872,088
Wanamaker Force Main Replace	291056.00	580,813
Ash St Force Main Replacement	291057.00	7,744,176
Shunga Pump Station Rehab	291058.00	1,064,824
WW Pump Station VFD Upgrade	291059.00	580,813
Oakland Aerator & Mixing Repl	291060.00	5,808,132
Grant/Jefferson Pump Station	291061.00	968,022
Ultraviolet Expansion Oakland	291062.00	4,840,110
Zoo-Storm Drain Parking Group	301056.00	968,022
Levee Repairs/Replacement	501012.00	1,064,824
SW Hunttoon/I470/Arvonnia Pl	701014.00	3,872,088
		<u>\$ 47,565,000</u>

***Note:** On August 8, 2018, the City issued its Series 2018-A Temporary Notes in the principal amount of \$44,045,000 and Series 2018-B Temporary Notes in the principal amount of \$3,520,000.00. The 2018-A Notes were purchased by Citigroup Global Market Inc., bear interest at 5.00%. The 2018-B Notes were purchased by Commerce Bank, bear interest at 3.00%. Both are scheduled to mature on October 1, 2019.*

City of Topeka, Kansas
Debt Service Payments to Final Maturity
Revenue bonds
December 31, 2018

Combined Utility Scheduled Debt Service						
Year Ending	Principal Amount Due	Interest Amount Due	Total Annual Debt Service	Bond Balance	Cumulative % of Total Bonds Retired at Year End	
2019	\$ 7,070,000	\$ 6,782,898	\$ 13,852,898	\$ 192,650,000	3.54%	
2020	7,475,000	6,679,023	14,154,023	185,175,000	7.28%	
2021	7,665,000	6,377,910	14,042,910	177,510,000	11.12%	
2022	8,040,000	6,060,760	14,100,760	169,470,000	15.15%	
2023	8,170,000	5,814,310	13,984,310	161,300,000	19.24%	
2024	9,595,000	5,568,735	15,163,735	151,705,000	24.04%	
2025	10,030,000	5,263,553	15,293,553	141,675,000	29.06%	
2026	10,240,000	4,948,245	15,188,245	131,435,000	34.19%	
2027	10,560,000	4,570,240	15,130,240	120,875,000	39.48%	
2028	10,885,000	4,225,528	15,110,528	109,990,000	44.93%	
2029	8,765,000	3,902,063	12,667,063	101,225,000	49.32%	
2030	8,675,000	3,620,225	12,295,225	92,550,000	53.66%	
2031	8,800,000	3,336,093	12,136,093	83,750,000	58.07%	
2032	7,580,000	3,041,486	10,621,486	76,170,000	61.86%	
2033	7,770,000	2,782,201	10,552,201	68,400,000	65.75%	
2034	5,765,000	2,511,816	8,276,816	62,635,000	68.64%	
2035	5,555,000	2,306,699	7,861,699	57,080,000	71.42%	
2036	4,960,000	2,108,584	7,068,584	52,120,000	73.90%	
2037	4,900,000	1,927,301	6,827,301	47,220,000	76.36%	
2038	4,845,000	1,746,499	6,591,499	42,375,000	78.78%	
2039	4,880,000	1,565,686	6,445,686	37,495,000	81.23%	
2040	5,020,000	1,384,055	6,404,055	32,475,000	83.74%	
2041	4,380,000	1,194,443	5,574,443	28,095,000	85.93%	
2042	4,410,000	1,034,843	5,444,843	23,685,000	88.14%	
2043	4,570,000	874,453	5,444,453	19,115,000	90.43%	
2044	4,740,000	708,138	5,448,138	14,375,000	92.80%	
2045	4,220,000	534,925	4,754,925	10,155,000	94.92%	
2046	4,370,000	383,050	4,753,050	5,785,000	97.10%	
2047	3,300,000	225,681	3,525,681	2,485,000	98.76%	
2048	2,485,000	99,400	2,584,400	-	100.00%	
TOTALS	\$ 199,720,000	\$ 91,578,840	\$ 291,298,840			

City of Topeka, Kansas
Schedule of Industrial Revenue Bonds by Oblige (1)
December 31, 2018

Obligated Entity or Purpose	Interest Rates	Issue Date	Final Maturity	Original Principal Amount	Principal Outstanding 01/01/2018	Issued	Retired	Principal Outstanding 12/31/2018
Brewster Place	2.975%	7/21/2015	6/1/2035	\$ 8,190,000	\$ 7,530,000	\$ -	\$ 325,000	\$ 7,205,000
YMCA - refunding	4.00 - 6.00%	9/7/2011	9/1/2032	7,055,000	5,780,000	-	255,000	5,525,000
Brewster Place 2017-A1	3.25%	8/2/2017	3/1/2023	3,560,000	3,353,000	-	632,000	2,721,000
Brewster Place 2017-A2	3.25%	8/2/2017	12/1/2037	14,105,000	14,105,000	-	-	14,105,000
Brewster Place 2017-B1	3.25%	8/2/2017	5/1/2026	3,605,000	3,485,000	-	369,000	3,116,000
Brewster Place 2017-B2	3.25%	8/2/2017	6/1/2027	6,685,000	6,685,000	-	-	6,685,000
Brewster Place 2017-C	3.25%	8/2/2017	12/1/2018	3,200,000	3,200,000	-	-	3,200,000
				<u>\$ 46,400,000</u>	<u>\$ 44,138,000</u>	<u>\$ -</u>	<u>\$ 1,581,000</u>	<u>\$ 42,557,000</u>

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

City of Topeka, Kansas
Schedule of Special Assessment Debt
December 31, 2018

Collection Year	Assessment Levy	Current Collections (1)	Percent of Levy Collected	Amount of Delinquency
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	2,148,704	3,043,217	142%	-
2019-2023	10,120,399	-	-	-
2024-2028	10,518,346	-	-	-
2029-2033	13,949,916	-	-	-
2034-2038	10,961,485	-	-	-

(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										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Non-Farm	109,000	109,200	109,000	109,500	110,200	111,500	111,100	112,600	111,500	112,300
Goods-Producing	12,500	12,000	12,200	12,700	12,700	13,200	12,800	13,200	13,000	13,400
Service-Providing	96,500	97,200	96,800	96,800	97,500	98,300	98,300	99,300	98,500	98,900
Private Service-Providing	68,200	68,400	68,800	69,400	70,700	70,800	71,200	72,500	71,900	72,200
Government	28,300	28,800	28,000	27,400	26,800	27,500	27,200	26,900	26,700	26,600

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										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Topeka MSA	7.10%	7.20%	6.90%	6.30%	6.00%	4.80%	4.31%	4.08%	3.60%	3.50%
Kansas	7.10%	7.10%	6.50%	5.70%	5.40%	4.50%	4.23%	4.09%	3.60%	3.40%
United States	9.30%	9.60%	8.90%	8.10%	7.40%	6.20%	5.28%	4.85%	4.35%	3.89%

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.



SUMMARY OF PROJECTS BY FUNDING SOURCE

Below is a summary of projects by Funding Source. The CIP document also includes detailed sheets for each project including project definition, Department, location, and impact on operating budgets.

	Adopted Number	Capital Improvement Budget				Capital Improvement Plan		5 Year Total
		Adopted 2018	Adopted 2019	Adopted 2020	Adopted 2021	Proposed 2022	Proposed 2023	
General Obligation Bond Projects								
Neighborhoods								
Neighborhood Infrastructure	T-601075.00	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000		\$7,000,000
Subtotal Neighborhoods		\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000		\$7,000,000
Public Safety								
Fire Station (FS #13)**	T-131059.00	\$5,776,261						\$5,776,261
Fire Station (FS #14)**	T-131037.00				\$5,776,261			\$5,776,261
Purchase Two Engine Apparatus (Engines 1 & 11)	T-801014.00	\$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
Purchase Two Engine Apparatus (Engines 3 & 9)	T-801004.00					\$1,424,670		\$1,424,670
Fire Portable Radios	T-801015.00					\$693,450		\$693,450
Subtotal Public Safety		\$7,121,761	\$1,345,500	\$1,345,500	\$7,328,761	\$2,118,120		\$19,259,642
Traffic								
Traffic Safety Projects	T-601076.00	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000		\$1,100,000
Traffic Signal Replacement	T-141020.00	\$885,000	\$885,000	\$885,000	\$885,000	\$885,000		\$4,425,000
Public Works Facilities Assessment	T-131050.00			\$80,000	\$150,000	\$150,000		\$380,000
Subtotal Traffic		\$1,105,000	\$1,105,000	\$1,185,000	\$1,255,000	\$1,255,000		\$5,905,000
Streets								
Complete Streets	T-601077.00	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000		\$500,000
Citywide Infrastructure	T-601078.00	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000		\$1,000,000
SE California Ave. -- 29th St. to 33rd St.	T-701011.00	\$500,000						\$500,000
Bike Lanes on SE 6th & SE 10th Ave Bridges over I-70	T-861009.00					\$500,000		\$500,000
SW Arvoncia Place/Huntoon Street/I-470 Ramps	T-701014.00		\$1,023,500	\$1,024,000	\$1,594,000			\$3,641,500
Infill Sidewalks/Pedestrian Master Plan	T-241038.00	\$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			\$240,000	\$1,360,000	\$4,000,000		\$5,600,000
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 Paramore St	T-701019.00			\$150,000	\$150,000	\$1,600,000		\$1,900,000
SE 29th Street/KTA Interchange	T-701017.00					\$500,000		\$500,000
SW 29th St Burlingame to Mulvane	T-601069.00					\$50,000		\$50,000
SE Quincy St from 6th-8th	T-601070.00					\$300,000		\$300,000
SW 10th Wanamaker-SW Gerald	T-701023.00					\$150,000		\$150,000
South Kansas Avenue (1st-6th St)	T-701024.00			\$150,000	\$50,000	\$100,000		\$300,000
Wayfinding Signs	T-861014.00	\$300,000	\$170,000					\$470,000
Subtotal Streets		\$1,700,000	\$2,093,500	\$2,664,000	\$5,054,000	\$9,100,000		\$20,611,500
Quality of Life								
Zoo Parking Lot Resurfacing and Enlargement Phase 1	T-301052.00	\$416,079						\$416,079
Zoo Tropical Rain Forest HVAC Replacement	T-301053.00		\$243,432					\$243,432
Zoo Discovering Apes Roof Replacement	T-301054.00			\$191,009				\$191,009
Kay's Garden	T-301049.00	\$2,233,086						\$2,233,086
Zoo Public Area Electrical Upgrade	T-301055.00					\$262,500		\$262,500
Zoo - School and Group Entrance and Parking Lot Phase 2	T-301056.00			\$600,000				\$600,000
Zoo Public Path Barrier Replacement Project	T-301057.00					\$500,000		\$500,000
Subtotal Quality of Life		\$2,649,165	\$243,432	\$791,009	\$0	\$762,500		\$4,446,106
City Facilities								
Municipal Building Renovations	T-131036.00	\$1,350,000	\$2,000,000	\$2,000,000	\$1,650,000	\$1,200,000		\$8,200,000
Subtotal Facilities		\$1,350,000	\$2,000,000	\$2,000,000	\$1,650,000	\$1,200,000		\$8,200,000
Annual Total GO Bond Projects		\$15,325,926	\$8,187,432	\$9,385,509	\$16,687,761	\$15,835,620		\$65,422,248
TOTAL GO Bond Projects in CIB								
Total Aggregate Target for CIB								
Difference Target to Subtotal								
Difference Target to Subtotal, excluding Kay's Garden and Prior Station Authorization*								

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

**Prior authorization amounts have been backed out and were included in prior GO bond caps.



	Adopted Number	Capital Improvement Budget			Capital Improvement Plan		
		Adopted 2018	Adopted 2019	Adopted 2020	Proposed 2021	Proposed 2022	5 Year Total
Utility Funded Projects							
Utilities/Wastewater Fund							
Annual Wastewater Lining & Replacement Program	T-291048.00	\$2,000,000	\$3,000,000	\$4,000,000	\$5,000,000	\$8,000,000	\$22,000,000
Annual WPC Facility Rehabilitation Program	T-291069.00	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000
Annual Small WW Pump Station Rehab & Repl Progr.	T-291068.00	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$7,500,000
Annual Sanitary Sewer Interceptor Maint & Rehab	T-291067.00	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$7,500,000
Annual WPC Operations Equipment & Fleet Maint. & Replacement Program	T-291080.00	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,500,000
Annual WPC Inflow & Infiltration Program & Neighborhood Infrastructure	T-291084.00	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000
Lining Repairs - NTWWTP and Wanamaker PS	T-291043.00	\$1,178,414					\$1,178,414
Wanamaker Force Main Rehab Repl	T-291056.00	\$8,500,000					\$8,500,000
Ash St Force Main Repl	T-291057.00	\$2,500,000					\$2,500,000
Shunga Pump Station Rehab	T-291058.00	\$6,500,000					\$6,500,000
Oakland Aerator & Mixing Repl	T-291060.00	\$2,500,000					\$2,500,000
Eastside IS-Relief-CSO#3 to Ash St PS*	T-291050.00	\$900,000	\$7,448,760				\$8,348,760
Grant/Jefferson Pump Station Rehab	T-291061.00	\$1,321,000	\$9,000,000				\$10,321,000
Oakland WWTP - UV Expansion	T-291062.00		\$2,703,750				\$2,703,750
NTWWTP Nutrient Removal	T-291052.00			\$6,363,627			\$6,363,627
Oakland Wastewater Treatment Plant Solids Handling/Facility Upgrades Phase II	T-291018.02	\$10,500,000					\$10,500,000
Oakland WWTP - Headworks Generator	T-291040.00				\$850,000		\$850,000
North Topeka Pump Station Rehabilitation	T-291087.00				\$2,846,000		\$2,846,000
Subtotal Wastewater		\$40,699,414	\$26,952,510	\$15,163,627	\$13,496,000	\$12,800,000	\$109,111,551
Utilities/Stormwater Fund							
Annual Storm Conveyance System Rehab	T-501035.00	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$12,500,000
Annual Stormwater Operations Equipment & Fleet Mant. & Replacement Program	T-501038.00	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,500,000
Annual Drainage Correction Program	T-151031.00	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,500,000
Annual Levee Asset Repair / Rehab Program	T-161003.00	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
Annual BMP Development & Construction	T-501042.00	\$100,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,100,000
Kansas River Levee System Rehabilitation - Ph. II	T-831000.01	\$2,700,000					\$2,700,000
Subtotal Stormwater		\$6,100,000	\$3,550,000	\$3,550,000	\$3,550,000	\$3,550,000	\$20,300,000
Utilities/Water Fund							
Annual Water Main Replacement Program	T-281095.00	\$3,000,000	\$3,000,000	\$3,000,000	\$4,500,000	\$4,000,000	\$17,500,000
Annual Water Plant Rehabilitation Program	T-281113.00	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000
Annual Water Plant Operations Equipment & Fleet Maint. & Replacement Program	T-281124.00	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,000,000
18" Indian Hills Rd., SW 29th to 21st St.	T-281090.00	\$1,288,250					\$1,288,250
CIS Utility Billing, Dynamic Portal, CS System	T-801013.00	\$650,000					\$650,000
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
Citywide Water Meter Replacement/AMI Upgrade	T-281141.00	\$12,485,000					\$12,485,000
Soldier Township Transmission Improvements	T-281106.00				\$1,299,575		\$1,299,575
Disinfection Modification Phase I	T-281037.02		\$10,000,000				\$10,000,000
18" on SW Fairlawn and SW 45th - SW 41st to SW Gage	T-281108.00				\$2,213,250		\$2,213,250
Disinfection Modification Phase II	T-281037.03			\$12,000,000			\$12,000,000
16" on SW Wenger - Home Depot to SW 57th; 18" on SW 57th - SW Wenger to SW Topeka	T-281142.00					\$2,462,950	\$2,462,950
24" on SW MacVicar - SW 29th to SW 37th	T-281143.00					\$2,400,525	\$2,400,525
Subtotal Water		\$26,257,500	\$14,400,000	\$16,400,000	\$9,412,825	\$10,263,475	\$76,733,800
Total Utility Fund		\$73,056,914	\$44,902,510	\$35,113,627	\$26,458,825	\$26,613,475	\$206,145,351

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



	Adopted Number	Capital Improvement Budget			Capital Improvement Plan			5 Year Total
		Adopted 2018	Adopted 2019	Adopted 2020	Proposed 2021	Proposed 2022		
Other Funding Sources								
City Half-Cent Sales Tax Street Repair								
Maintain & Improve Existing Streets 2018	T-841017.01	\$8,660,311						\$8,660,311
Maintain & Improve Existing Streets 2019	T-841017.02		\$8,800,000					\$8,800,000
ADA Sidewalk Ramp Repair	T-241039.00	\$300,000	\$300,000					\$600,000
Curbs, Gutters & Street Repair	T-841046.00	\$1,500,000	\$1,500,000					\$3,000,000
Alley Repair	T-841047.00	\$250,000	\$250,000					\$500,000
Sidewalk Repair Program	T-241040.00	\$100,000	\$100,000					\$200,000
Street Maintenance and Repair: Local Streets	T-841048.00	\$2,998,000	\$2,888,000					\$5,886,000
Subtotal Half-Cent Sales Tax		\$13,808,311	\$13,838,000	\$0	\$0	\$0		\$27,646,311
Federal Funds								
Bridge on SW Cherokee St over Ward Cr.	T-121001.00	\$730,000						\$730,000
Bridge on SW 3rd St over Ward Cr.	T-121003.00	\$50,000	\$750,000					\$800,000
Bridge on SE 29th Street over Butcher Creek	T-121005.00	\$80,000	\$70,000	\$850,000				\$1,000,000
Neighborhoods Infrastructure	T-601075.00	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000		\$3,000,000
Kansas River Levee System Rehabilitation - Ph. II	T-831000.01	\$5,000,000						\$5,000,000
Bridge Deck Patching and Polymer Overlay	T-121006.00				\$1,200,000			\$1,200,000
SW Arvonita Place/Huntoon Street/I-470 Ramps	T-701014.00	\$1,000,000						\$1,000,000
SW Wanamaker Rd/SW Huntoon/I-470 Ramps	T-701018.00			\$1,100,000	\$1,100,000			\$2,200,000
Subtotal Fed Funds		\$7,460,000	\$1,420,000	\$2,550,000	\$2,900,000	\$600,000		\$14,930,000
General Fund/Debt Service Cash								
Body Worn Camera/Taser Equipment Replacement Plan	T-801016.00	\$291,865	\$235,224	\$235,224	\$235,224	\$235,224		\$1,232,761
Zoo Service Road Repair	T-301051.00				\$217,060			\$217,060
Self Contained Breathing Apparatus (SCBA) - Fire	T-801009.00	\$159,304	\$159,304	\$159,304	\$159,304	\$159,304		\$796,520
City4 TV Equipment Replacement	T-861011.00	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000		\$350,000
Fire Station (FS #13) Furniture	T-131059.00	\$200,000						\$200,000
Fire Station (FS #14) Furniture	T-131037.00				\$200,000			\$200,000
GPS Based AVL System	T-861015.00		\$100,000	\$100,000	\$100,000	\$100,000		\$400,000
GeoCortex	T-801017.00			\$59,280				\$59,280
Public Safety/Code Compliance at Municipal Buildings	T-131051.00	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000		\$500,000
Fire House Annual Renovation	T-131052.00	\$321,080	\$370,000	\$370,000	\$370,000	\$370,000		\$1,801,080
Police Department Fleet Replacement	T-801018.00	\$800,000	\$500,000	\$500,000	\$500,000	\$500,000		\$2,800,000
Subtotal General/Debt Service Fund Cash		\$1,942,249	\$1,534,528	\$1,593,808	\$1,951,588	\$1,534,528		\$8,556,701
IT Fund Cash								
Telephone System Replacement	IS - 2017-004	\$137,000						\$137,000
Desktop Computer Replacement	IS - 2017-005	\$83,250	\$83,250	\$83,250				\$249,750
Security System Replacement	IS - 2017-006	\$52,500	\$52,500	\$52,500				\$157,500
Data Back-up System Replacement	IS - 2017-007	\$62,500	\$62,500	\$62,500				\$187,500
Citywide Single Payment Portal	T-801011.00	\$190,000						\$190,000
Citywide Asset Management Upgrade	T-801012.00	\$360,000	\$300,000					\$660,000
Microsoft Azure	IS - 2018-001	\$150,000	\$100,000	\$50,000				\$300,000
Network Switch Upgrade - Phase-1	IS - 2019-001		\$125,000	\$125,000	\$125,000	\$125,000		\$500,000
Computer Upgrade - 2	IS - 2018-002	\$44,750	\$44,750	\$44,750	\$44,750			\$179,000
Microsoft Enterprise Agreement	IS - 2019-002		\$316,667		\$316,666			\$950,000
Network Switch Upgrade - Phase - 2	IS - 2020-001			\$21,878	\$21,878	\$21,878		\$65,634
Computer Upgrade - 3	IS - 2019-003		\$37,250	\$37,250	\$37,250	\$37,250		\$149,000
Fire Department Mobile Data Terminal Upgrade	IS - 2020-003			\$31,250	\$31,250	\$31,250		\$93,750
Police Department Mobile Data Terminal Upgrade Phase - 1	IS - 2020-004			\$56,250	\$56,250	\$56,250		\$168,750
Police Department Mobile Data Terminal Upgrade Phase-2	IS - 2020-005			\$25,000	\$25,000	\$25,000		\$75,000
Storage Area Network Upgrade	IS - 2020-006			\$162,500	\$162,500	\$162,500		\$487,500
Security Systems Replacement - 2	IS - 2020-002			\$65,000	\$65,000	\$65,000		\$195,000
Computer Upgrade - 4	IS - 2020-007			\$33,250	\$33,250	\$33,250		\$99,750
Data Back-up System Replacement - 2	IS - 2020-008			\$75,000	\$75,000	\$75,000		\$225,000
Subtotal IT Fund Cash		\$1,080,000	\$1,121,917	\$1,242,045	\$993,794	\$632,378		\$5,070,134
Parking Fund Cash								
512 Jackson Elevator Upgrade	T-131053.00		\$105,881	\$105,881				\$211,762
9th Street Elevator	T-131054.00	\$123,528	\$123,528					\$247,056
Parking Garage Systems (Hardware and Software)	T-131055.00	\$138,000	\$138,000	\$138,000	\$138,000	\$138,000		\$690,000
Subtotal Parking Fund Cash		\$261,528	\$367,409	\$243,881	\$138,000	\$138,000		\$1,148,818
Donations/Outside Funding Sources								
Zoo Masterplan	T-301047.00	\$1,800,000		\$1,500,000		\$5,000,000		\$8,300,000
Kay's Garden	T-301049.00	\$2,669,317						\$2,669,317
Subtotal Donations		\$4,469,317	\$0	\$1,500,000	\$0	\$5,000,000		\$10,969,317
Countywide Sales Tax Proposal								
SW 6th - Gage to Fairlawn	T-701013.00	\$3,100,000						\$3,100,000
Kay's Garden	T-301049.00	\$500,000						\$500,000
Zoo Masterplan	T-301047.00	\$1,000,000		\$250,000		\$1,750,000		\$3,000,000
Bikeway Master Plan	T-861010.00	\$500,000		\$500,000		\$500,000		\$1,500,000
12th Street (2 lanes) - Gage Blvd to Kansas Ave	T-701016.00		\$500,000	\$400,000	\$6,140,000	\$6,140,000		\$13,180,000
SE California Avenue -- SE 37th Street to SE 45th Street	T-701021.00	\$200,000	\$400,000	\$5,000,000				\$5,600,000
S.W. 17th Street, MacVicar to Interstate 470	T-701025.00				\$800,000	\$500,000		\$1,300,000
Pavement Management Project	T-601071.00	\$3,330,000	\$3,330,000	\$3,330,000				\$9,990,000
Zoo - School and Group Entrance and Parking Lot Phase 2	T-301056.00			\$250,000				\$250,000
Subtotal Countywide Sales Tax		\$8,630,000	\$4,230,000	\$9,730,000	\$6,940,000	\$8,890,000		\$38,420,000
Total Other Sources		\$37,651,405	\$22,511,854	\$16,859,734	\$12,923,382	\$16,794,906		\$106,741,281
Total Capital Improvements		\$ 126,034,245	\$ 75,601,796	\$ 61,358,870	\$ 56,069,968	\$ 59,244,001		\$ 378,308,880

GOVERNMENTAL AUDIT SECTION

City of Topeka, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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	G16MW0003A	\$ 6,050.34	-
Topeka Regional Task Force- High Intensity Drug Trafficking	95.001	G17MW0003A	3,356.15	-
Total Executive Office of the President-National Drug Control			9,406.49	-
U.S. Department of Housing and Urban Development				
CDBG Entitlement Grants Cluster:				
Community Development Block Grant 2016	14.218	B-16-MC-20-0003	31,930.15	-
Community Development Block Grant 2017	14.218	B-17-MC-20-0003	217,698.72	92,744.69
Community Development Block Grant 2018	14.218	B-18-MC-20-0003	1,599,109.91	10,002.25
Total CDBG Entitlement Grants Cluster			<u>1,848,738.78</u>	<u>102,746.94</u>
Continuum of Care Planning Grant				
Continuum of Care Planning Grant 2017	14.267	KS0105L7P031500	10,593.79	-
Continuum of Care Planning Grant 2018	14.267	KS0105L7P031600	58,016.36	-
Continuum of Care Planning Grant 2019	14.267	KS0105L7P031700	13,211.28	-
Continuum of Care Program 2017	14.267	KS0022L7P031609	552,996.69	-
Continuum of Care Program 2018	14.267	KS0022L7P031710	1,058,360.27	-
Emergency Solutions Grant				
Emergency Solutions Grant 2016	14.231	E-16-MC-20-0003	3,460.33	-
Emergency Solutions Grant 2017	14.231	E-17-MC-20-0003	146,776.88	89,981.08
Emergency Solutions Grant 2018	14.231	E-18-MC-20-0003	30,865.36	19,364.31
Home Investment Partnerships Program				
Home Investment Partnerships Program 2017	14.239	M-17-MC-20-0203	156,312.32	-
Home Investment Partnerships Program 2018	14.239	M-18-MC-20-0203	159,349.02	-
Passed Through Kansas Department of Commerce:				
Neighborhood Stabilization Program 2009	14.228	09-NSP-019	85,772.03	-
Total U.S. Department of Housing and Urban Development			4,124,453.11	212,092.33
U.S. Department of Justice				
Byrne Memorial Justice Assistance Grant Program 2016	16.738	2016-DJ-BX-0621	14,777.71	-
Byrne Memorial Justice Assistance Grant Program 2017	16.738	2017-DJ-BX-0605	69,398.00	-
Byrne Memorial Justice Assistance Grant Program 2018	16.738	2018-DJ-BX-0066	2,077.00	-
Equitable Sharing Program Justice Expenditures	16.922		64,343.18	-
Passed Through Office of the Governor:				
Federal Victims of Crime Act 2018	16.575	18-VOCA-52	47,912.00	-
Federal Victims of Crime Act 2019	16.575	19-VOCA-52	12,139.88	-
Total U.S. Department of Justice			210,647.77	-
U.S. Department of Transportation				
Passed Through Kansas Department of Transportation:				
Highway Safety Cluster:				
Alcohol Impaired Driving Countermeasures Incentive Grants-18	20.616	AL-9082-18/SP-4704-1	5,126.94	-
Occupant Protection Incentive 2018	20.616	OP-1470-17	3,216.47	-
State and Community Highway Safety 2018	20.600	PT-0993-17	23,988.35	-
State and Community Highway Safety 2019	20.600	PT-0993-18	2,080.36	-
Total Highway Safety Cluster			<u>34,412.12</u>	<u>-</u>
Consolidated Planning Grant 2017	20.505		130,336.67	-
Consolidated Planning Grant 2018	20.505		186,815.83	-
Total U.S. Department of Transportation			351,564.62	-

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, 2018

Grantor Agency	Federal CFDA Number	Grant Number	Current Year Expenditures	Amount Passed Through to Subrecipients
U.S. Health and Human Services				
Passed Through Shawnee Regional Prevention & Recovery Serv. Substance Abuse & Mental Health Services 2018	93.243		777.64	-
Substance Abuse & Mental Health Services 2019	93.243		294.97	-
Total U.S. Health and Human Services			1,072.61	-
U.S. Environmental Protection Agency				
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF 97761201	85,332.00	-
Total U.S. Environmental Protection Agency			85,332.00	-
U.S. National Park Service				
Passed Through Kansas Historical Society: Historic Preservation Grant 2015				
Historic Preservation Grant 2015	15.904		610.15	-
Garlinghouse Resource Documentation Historic Preservation Fund Program 2018	15.904		750.00	-
Tennessee Town Survey Historic Preservation Fund Program 2018	15.904		7,075.00	-
Historic Window Repair Workshop Historic Preservation Fund Program 2018	15.904		11,800.00	-
Country Club Addition Neighborhood Historic Preservation Fund Program 2017	15.904		5,800.00	-
Collins Park Neighborhood Historic Preservation Fund Program 2017	15.904		12,237.50	-
Auburndale Neighborhood Historic Preservation Fund Program 2017	15.904		16,000.00	-
2018 Conference Historic Preservation Fund Program 2018	15.904		5,214.10	-
Total U.S. National Park Service			59,486.75	-
Total Expenditures for Federal Awards			\$ 4,841,963.35	\$ 212,092.33

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, 2018

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. The City elected not to use the 10% de minimis indirect cost rate.

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, 2018.

Note 5. Outstanding Loans

The City had \$0 of outstanding loans under federal grants at December 31, 2018.

Note 6. Pass Through Entity Numbers

Grant numbers are not listed for several grants on the Schedule of Expenditures of Federal Awards. For those grants, pass through grantors have not assigned passthrough numbers to the passthrough grants noted in the schedule of expenditures of federal awards.

CITY OF TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUING
Year Ended December 31, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.267	Continuum of Care Planning Grant

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

CITY OF TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
December 31, 2018

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

No noted findings in the prior year.

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.



MIZE & HOUSER
COMPANY P.A.

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 the financial statements of the governmental activities, the business-type activities, the 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, 2018, and the related notes to the financial statements, which collectively comprise of the City's basic financial statements, and have issued our report thereon dated June 4, 2019. We conducted our audit in accordance with the 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." Our report includes a reference to other auditors who audited the financial statements of the Friends of the Topeka Zoo, Inc., as described in our report on the City of Topeka, Kansas' financial statements. The financial statement of the Friends of the Topeka Zoo, Inc. were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Friends of the Topeka Zoo, Inc.

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.

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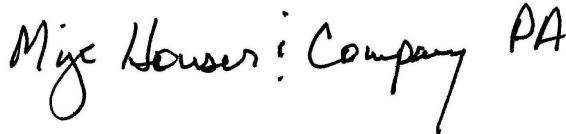
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Compliance and Other Matters

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.

A handwritten signature in black ink that reads "Mike Houser: Company PA". The signature is written in a cursive style.

Certified Public Accountants

Lawrence, Kansas
June 4, 2019



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, 2018. 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. The City's basic financial statements include the operations of the Friends of the Topeka Zoo, Inc. Any federal awards expended by the Friends of the Topeka Zoo, Inc. are not included in the City's schedule of expenditures of federal awards during the year ended December 31, 2018. Our audit, described below, did not include the operations of the Friends of the Topeka Zoo, Inc. (the Organization) because the Organization engaged other auditors to conduct their audit.

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, 2018.

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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
June 4, 2019