

Budget Fund Descriptions

The annual budget is built around about thirty major fund appropriations. Each of these fall into one of the following six categories of fund types: *General, Special Revenue, Debt Service, Enterprise, Internal Service, and Fiduciary.*

The *General Fund* serves as the primary reporting vehicle for current government operations, and is used to account for all financial resources except those required to be accounted for in other funds. The General Fund is used to record financial information for General Government, Public Safety, Non-Proprietary divisions of Public Works, Miscellaneous Non-Departmental, and Other Financing Uses. General Government is divided into nine major operating areas: Legislative, Executive, Legal, Financial Services, Information Technology, Municipal Court, Human Resources, Housing and Neighborhood Development, and Metropolitan Planning. Public Safety includes Fire and Police protection. Non-proprietary divisions of Public Works include Administration, Engineering and Bridge Maintenance, Street Lighting, Transportation Operations, Code Compliance, and Development Services. Miscellaneous Non-Departmental information primarily pertains to Contributions to Agencies and Social Service Grants, but is also used for items that are not directly identifiable to one operating unit.

Special Revenue Funds are used to account for 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. The City's Special Revenue Funds include: Downtown Business Improvement District, Special Alcohol Program, General Improvement, Special Liability Expense, Parks & Recreation, Zoo, Zoo Improvement, Golf Improvement, Transient Guest Tax, Street, Unsafe Structures Demolition, Retirement Reserve, Capital Projects Planning, and Governmental Grants, Park Land Acquisition, and Undistributed Investment Earnings funds.

The Downtown Business Improvement District accounts for assessments levied against property owners and tenants within the designated downtown district, which are used to provide for improvements for and promotion of the downtown business area.

The purpose of the Special Alcohol Program Fund is to provide accountability for the use of one-third of the City's distributed portion of the 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 and drug abuse.

The General Improvement Fund controls and accounts for the proceeds of a property tax levy which is authorized to permit the City to pay cash in lieu of issuing bonds to pay the cost of public improvements.

The Special Liability Expense Fund 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.

The Parks & Recreation Fund is the fiscal and accounting entity used to record financial transactions and balances related to the operation and maintenance of the City's parks and recreation programs.

Beginning in 2004, the Zoo Fund is established to record the expenditures and receipts related to the operation of the City Zoo. In 2003, and before, the City Zoo was financed from the Parks and Recreation Fund.

Prior to 2004, the Zoo Improvement Fund collected revenues set aside from zoo admissions. The funds were used for capital improvements at the zoo. Beginning with 2004, all revenue from zoo admissions will be placed in the Zoo Fund and no expenditures will be budgeted from the Zoo Improvement Fund.

The Golf Improvement Fund was established in 2003, and accounts for seven percent (7%) of golf course revenues, which are to be used for capital improvements to the City's golf course.

The Transient Guest Tax Fund accounts for revenues received from a transient guest tax imposed on hotel and motel room rentals. These revenues are used to promote conventions and tourism in Topeka.

The Street Fund receives the local share of weight and gas tax monies from the State of Kansas. This fund provides for the overall management and maintenance of the City's transportation infrastructure.

The Unsafe Structures Demolition Fund receives property tax assessments levied when the City is required to demolish a property. When that property changes ownership, the new owner brings tax payments up to date, including the assessment for the demolition work. This fund provides for the demolition of unsafe residential and commercial structures in the community.

The Retirement Reserve Fund provides financing for costs incurred when City employees elect to retire from public service.

The Capital Projects Planning fund represents resources that have been used only for the preliminary costs of planning for a capital improvement in advance of formal authorization and funding of the project. The fund is reimbursed after such project is authorized.

The Governmental Grants Fund accounts for the resources provided by the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant Program and by various other grant programs related to health and human services functions. Although the city is not required to report these and other community development

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federal monies in the document submitted to the State of Kansas, the HUD funds are included in the city budget. Expenditures from these funds are approved through adoption of the Housing and Neighborhood Development Consolidated Action Plan by the City Council.

Federal grant funds from the U.S. Justice Department, the U.S. Department of Transportation, the U.S. Environmental Protection Agency, and various other Federal agencies, as well as many Kansas State grant funds are accounted for in the Governmental Grants Fund, in accordance with the terms of Federal, State, and City laws and various grant agreements.

The Police Department uses grants received to fund School Resource Officers and other grant program expenditures. The Alcohol Safety Action Program Fund receives revenue from fees paid by persons required to attend education classes on driving and use of alcohol. Some of these dollars are used to finance the salary of a Municipal Court probation officer.

The Park Land Acquisition Fund accumulates and accounts for funds transferred from other City departments or contributed to that Fund by outside entities, which are to be used for future real estate acquisitions to improve and develop City parks.

The Undistributed Investment Earnings Fund accounts for investment earnings on all pooled City funds until the earnings are distributed to the various recipient funds.

The *Debt Service* fund for the City is the General Bond and Interest Fund, the fiscal entity that accounts for the accumulation of resources including property taxes, special assessments, and other revenues provided for payment of current maturities of principal and interest and related fees on the City's general obligation debt.

Enterprise funds are used to account for operations that are (1) financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Six enterprise funds are included in the budget. The enterprise funds include Water, Water Pollution Control, Stormwater, Combined Public Parking Facilities, Concessions, and the Public Golf Course.

The Water Utility Fund provides accountability for all phases of operation and maintenance of the City's public water supply.

The Water Pollution Control Fund provides accountability for the Water Pollution Control Division of the Public Works Department.

The Stormwater Utility Fund administers the maintenance and operation of the City's stormwater utility system.

The Public Parking Facilities Fund accounts for revenues and expenses of parking meters, and the operation and maintenance of the City's parking garages.

The Concessions Fund was established to provide accountability and fiscal control over all refreshment stands operated by the Parks and Recreation Department. Beginning with 2004, this fund is abolished and the concession operations are folded into the Parks and Recreation Fund or the Zoo Fund.

The Public Golf Course Fund is the fiscal entity in which all assets, liabilities, equities, revenue, and expenses related to the operation of the Public Golf Course are recorded.

Internal Service funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies. Starting with the 2000 budget, these funds are considered to have fixed expenditure limits (similar to taxing funds). Increases in fund expenditures above adopted levels are subject to action of the City Council.

The Internal Service funds included in the budget are: Information Technology, Fleet Services, Workers' Compensation Self-Insurance, Vehicle Physical Damage Self-Insurance, Employees Health Insurance, Risk Management Reserve, and Unemployment Compensation.

The Information Technology Fund provides accountability for assets, liabilities, revenues and expenses for the Information Technology Department.

The Fleet Services Fund accounts for the costs for repair, maintenance and fuel costs of City vehicles.

The Workers' Compensation Self-Insurance Fund provides accountability of expenditures and revenues for workers compensation claims of City employees.

The Vehicle Physical Damage Self-Insurance Fund provides accountability of expenditures and revenues for physical damage to the City's vehicles, including helicopters.

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The Employees Health Insurance Fund provides fiscal and accounting control for the City's Employee Health Self-Insurance Plan.

The Risk Management Reserve Fund provides money to reimburse the City from insurable losses not otherwise insured.

The Unemployment Compensation Fund is established for the purpose of accounting for assessments made against compensation paid to City employees, which can be used only for reimbursements made to the State for unemployment compensation payments.

Fiduciary funds are used to account for assets held by the City in a trustee capacity, or as an agent. Expandable trust funds, non-expendable trust funds, and agency funds are the three types of fiduciary funds. With the dissolution of the joint City/Shawnee County Metropolitan Planning Commission in 2004, the City no longer has any trust funds. **Agency** funds include Metropolitan Transit Authority, Alcohol and Drug Safety, Court Bon, Fire Equipment Trust, Fire Insurance Proceeds, Judges' Training, Kansas Trauma, Law Enforcement Trust, Local Law Enforcement Training Center, Motor Vehicle Reinstatement, Payroll Clearing, Police Benefit, Softball Diamond Trust, Topeka Cablevision Inc./CEC, and Water Customer Round Up funds.

The only **Agency** funds presented in the budget are the Metropolitan Transit Authority Fund, which receives and distributes taxes and other revenues to the Topeka Metropolitan Transit Authority Fund, and the Metropolitan Planning Fund, which accounts for funds used by the Planning Commission in preparation and adoption of a Comprehensive Metropolitan Plan for land use, transportation and public facilities, to guide the future development of the metropolitan area.