

JEDO Board Meeting Agenda

May 10, 2023

6:00 P.M.

JEDO BOARD MEMBERS

VOTING MEMBERS:

Michael Padilla:	City of Topeka Mayor
Neil Dobler:	City of Topeka Deputy Mayor
Tony Emerson:	City of Topeka Councilmember
Hannah Naeger:	City of Topeka Councilmember
Bill Riphahn:	Shawnee County Commissioner
Kevin Cook:	Shawnee County Commissioner
Aaron Mays:	Shawnee County Commissioner

NON-VOTING MEMBERS:

Karen Hiller:	City of Topeka Councilmember
Sylvia Ortiz:	City of Topeka Councilmember
Christina Valdivia-Alcala:	City of Topeka Councilmember
Brett Kell:	City of Topeka Councilmember
Spencer Duncan:	City of Topeka Councilmember
Michelle Hoferer:	City of Topeka Councilmember

PUBLIC COMMENT from members of the public shall be entertained on each actionable agenda item and at the end of each meeting. Comment shall be limited to topics directly relevant to JEDO business. Members of the public wishing to speak must notify the City Clerk's Office at 785-368-3940 or email cclerk@topeka.org before 5:00 p.m. on the date of the meeting. The Zoom Link will be provided to those who sign up for public comment. Members of the public will be allowed access to speak one at a time, in the order they signed up. Public comment shall not apply to items added during the meeting. Members of the public shall be given four (4) minutes to speak and must maintain proper decorum relating to public meetings. Written public comment may also be considered to the extent it is personally submitted at the meeting or to the City Clerk's Office located at 215 SE 7th Street, Room 166, Topeka, Kansas, 66603 or via email at cclerk@topeka.org on or before the date of the meeting.

AGENDAS are furnished at least five (5) business days prior to each meeting and posted on JEDO's website at <https://www.jedoecodevo.com/Meeting-Documents/>. **JEDO BOARD MEETINGS** shall be open to the public, except for executive sessions pursuant to state law. Meetings shall be televised. View the meeting online at <https://www.topeka.org/communications/live-stream/> or at <https://www.facebook.com/cityoftopeka/>.

To make arrangements for special accommodations please call 785-368-3940. A 48-hour advance notice is preferred.

1. CALL TO ORDER

2. ROLL CALL

3. ACTION ITEMS:

- A. APPROVAL** of February 8, 2023 JEDO Board Meeting Minutes.
- B. APPROVAL** of AMENDMENT NO. 2 to the Incentive Agreement between GO Topeka and Project Gigi.
- C. APPROVAL** of an AMENDMENT to the 2022 Cash Carry-Forward Agreement between GO Topeka and the Joint Economic Development Organization to increase the amount from \$15,600,000 to \$15,663,522.
- D. APPROVAL** of the 2022 GO Topeka Audit Report
- E. PRESENTATION:** Go Topeka Quarterly Update

4. PUBLIC COMMENT:

Public Comment is allowed in-person or via Zoom. Topics shall be limited directly relevant to JEDO business. Members of the public wishing to speak must notify the City Clerk's Office at 785-368-3940 or email cclerk@topeka.org before 5:00 p.m. on the date of the meeting. Members of the public shall be given four (4) minutes to speak and must maintain proper decorum relating to public meetings. Written public comment may also be considered to the extent it is personally submitted at the meeting or to the City Clerk's Office located at 215 SE 7th Street, Room 166, Topeka, Kansas, 66603 or via email at cclerk@topeka.org on or before the date of the meeting.

5. REMINDER: 2023 JEDO Board Meeting Dates per the JEDO Operational Rules:

Wednesday, September 14, 2023
Wednesday, December 14 2023

6. ADJOURNMENT



Agenda Item No. 3A

**JEDO Board Meeting
May 10, 2023 - 6:00 P.M.**

**JEDO Board Meeting Minutes
February 8, 2023**

JEDO Board Meeting – February 8, 2023

CYRUS K. HOLLIDAY BUILDING, Topeka, Kansas, Wednesday, February 8, 2023.

The JEDO Board members of the City of Topeka met in regular session at 6:00 P.M. with the following Voting Members present: City of Topeka Mayor Michael Padilla, City of Topeka Deputy Mayor Neil Dobler, City of Topeka Councilmembers Tony Emerson and Hannah Naeger; and Shawnee County Commissioners Bill Riphahn, Kevin Cook and Aaron Mays -7. Non-voting members City of Topeka Councilmembers Karen Hiller, Christina Valdivia-Alcala, Sylvia Ortiz, Brett Kell, Spencer Duncan and Michelle Hoferer were absent -6.

Public comment for the meeting was available via Zoom or in-person. Individuals were required to contact the City Clerk's Office at 785-368-3940 or via email at cclerk@topeka.org by no later than 5:00 p.m. on February 8, 2023, after which the City Clerk's Office provided the Zoom link information and protocols prior to the meeting start time. Written public comment was also considered to the extent it was personally submitted at the meeting or to the City Clerk's Office located at 215 SE 7th Street, Room 166, Topeka, Kansas, 66603 or via email at cclerk@topeka.org on or before February 8, 2023.

THE PLEDGE OF ALLEGIANCE was recited by meeting participants.

MINUTES of the JEDO Board Meeting December 14, 2022, was presented.

Commissioner Mays moved to approve the minutes. The motion seconded by Commissioner Cook carried unanimously on roll call vote. (7-0-0)

APPROVAL of a funding amendment in the amount of \$45,400 for Project GiGi, was presented.

Ashley Lehman, GO Topeka Director of Business Development, stated all projects are approved by the GO Topeka Board of Directors prior to consideration by the JEDO Board for

02-08-23 (DRAFT)

funding and final contract approval. She noted projects follow incentive guidelines and a performance based structure. She reported the proposal was for an existing manufacturing company looking to invest another \$725,000 adding six new jobs with an average salary of \$60,000. The economic impact over six years will be \$51.5 million with a 41% return on investment. GO Topeka Staff recommended approval to amend the funding of the previously approved contract.

Commissioner Mays moved to approve a funding amendment in the amount of \$45,400 for Project GiGi. The motion seconded by Commissioner Riphahn carried unanimously on roll call vote. (7-0-0)

APPROVAL of an Incentive Agreement in the amount of \$190,000 between the Growth Organization of Topeka/Shawnee County (GO Topeka) and Harrison Fabrication (Project Kool-Aid), was presented.

Ashley Lehman, GO Topeka Director of Business Development, reported Harrison Fabrication (Project Kool-Aid) reached out to GO Topeka for small business incentives; however, through the better understanding of the goals of the company it was decided traditional funding would be a better fit. She stated the capital investment will be \$2.1 million with a plan to add 30 new jobs with an average wage of \$48,000 plus benefits. The economic impact over 10 years will be \$175 million with a 117% return on investment. GO Topeka Staff recommended approval of the final contract in the amount of \$190,000.

Commissioner Riphahn moved to approve the incentive agreement in the amount of \$190,000 for Harris Fabrication (Project Kool-Aid). The motion seconded by Commissioner Mays carried unanimously on roll call vote. (7-0-0)

Andrew Harris, Harris Fabrication President, expressed his gratitude to the JEDO Board and GO Topeka Staff for providing the opportunity to expand his business. He stated he looks forward to the continued partnership.

Mayor Padilla thanked Mr. Harris for locating and continuing their business in Topeka, Shawnee County.

APPROVAL of a funding increase in the amount of \$200,000 for the Small Business Incentives Program, was presented.

Stephanie Moran, GO Topeka Senior Vice President of Innovation, presented the 2022 Small Business Incentives Analysis including historical data, program changes, the tier evaluation process, program surveys, metrics, awareness and marketing. She reported based on demand and opportunity to create additional economic impact through the Small Business Incentives Program, GO Topeka is requesting to allocate \$200,000 in carryforward funds for the Small Business Incentives program, providing a total budget of \$500,000 for the program in 2023. She noted it will increase the funding from 40 businesses in 2022 to 50 businesses in 2023.

Commissioner Cook asked Ms. Moran to expand on the characteristics and/or metrics (number of employees, wages, capital investment etc.) they are seeking when funding a small business; and if an income threshold has been implemented.

Deputy Mayor Dobler inquired on what an average project that would be funded would entail.

Commissioner Mays questioned the significant increase in the average award amount for 2023.

In response, Stephanie Moran reported the follow:

- The initial item considered would be if the business was a considered a primary employer that generates revenue for increased economic development in the

community. Also considered, would be the number of employees. They are required to submit a proposed use of funds and what the impact will be to the business *i.e.* are they driving job increases or product lines etc.

- Child care has been a big focus as it is a critical need in the community; therefore, in the second Tier of the program they are looking at businesses that provide critical infrastructure. As they look to grow the community, they want businesses that will bring in additional workforce and employees.
- The Small Business Incentive program has not implemented an income threshold; however, it is something they could analysis under the new program. It was noted most of the businesses in the program are small averaging 1-10 employees.
- Larger incentives are for equipment and construction. Story Factory Media was able to purchase additional photography video equipment to provide services out of state – bringing revenue into the community. Other companies may build additional facility space to increase retail/service footprint or additional upgrades to the building.
- The increase of the average amount was due to the implementation of minimums on the 2023 incentives.

Commissioner Cook referenced the requested funding source and expressed concern with using carryover funds that historically have been used for small businesses. He inquired on the remaining balance of carryover funds and questioned if there was any available funding in the overall carryover budget that could be allocated. He expressed the importance of making sure incentive funding remains available for potential projects coming to the community.

Molly Howey, GO Topeka President, reported in 2022, the balance of unallocated carryforward funds was \$2.9 million and at this time, they do not expect a surplus of funds in any area of the carryover funds; however, there may be an opportunity to utilize incentive funds due to various project cycle timing. She noted they rarely have companies that are under performing; however, they will be tracking numbers more closely and can report back to the JEDO Board on overall incentive performance.

Deputy Mayor Dobler inquired on the balance of carryover funds in 2021 compared to 2022.

Commissioner Cook noted during the Covid-19 pandemic a number of funding allocations for Small Businesses and Small Business sustainability was made by the JEDO Board.

Molly Howey stated the amount of carryover funds has decreased based on projects; however, she will report back to the JEDO Board on the exact amount. She confirmed approximately \$1.7 million was infused into the community to sustain businesses and unfortunately, they were not able to apply for reimbursement of those funds.

Commissioner Cook moved to allocate \$200,000 in carryforward funds for the Small Business Incentives program, providing a total budget of \$500,000 for the program in 2023. The motion was seconded by Councilmember Naeger.

Commissioner Cook requested GO Topeka Staff review allocated funds and determine if there are business incentives underperforming or not meeting maximum threshold for the purpose of tracking allocated verses unallocated funds. He suggested at a future JEDO Board meeting, they set a threshold of carryover allocated funds verses unallocated funds as a percentage so they are aware of the amount of reserve funding available to be used for potential projects in the future.

The motion to allocate \$200,000 in carryforward funds for the Small Business Incentives program, providing a total budget of \$500,000 for the program in 2023, carried unanimously on roll call vote. (7-0-0)

APPROVAL of incentive funding in the amount of \$365,000 for the Choose Topeka 2.0 Talent Incentive Program, was presented.

Trina Goss, GO Topeka Director of Business & Talent Initiatives, reported the Choose Topeka Relocation Incentive continues to be successful in offering options to employers in Topeka and Shawnee County, resulting in a population increase of 2,265 people, the highest spike in population in 10 years. She stated they are recommending continuation of the incentive program

by offering the next round of Choose Topeka 2.0 funding for the Employer Match Boomerang and Military Programs in the amount of \$300,000; and funding for Welcome Packages in the amount of \$65,000 for a total funding request of \$365,000.

Molly Howey, GO Topeka President, clarified the Chose Topeka Program was not a budgeted program but instead was implemented on a funding cycle with the goal of the funding cycle to extend past the first of the year.

Councilmember Naeger commended GO Topeka Staff for implementing a creative incentive opportunity through the Boomerang Program.

Mayor Padilla inquired on the types of careers or industries that are attracting people to Topeka.

Commissioner Cook noted they were not just investing economic dollars in big business but also investing in people.

Deputy Mayor Dobler inquired on the marketing influence the Choose Topeka Program has received.

Trina Goss reported all types of careers have contributed to attracting people to Topeka and the Choose Topeka program has generated approximately \$13 million in earned media marketing.

Commission Cook referenced the previously approved carryforward funding request (\$200,000) in addition to the current \$365,000 request and expressed concern with reducing the carryforward funds by a total of \$565,000. He asked GO Topeka Staff to monitor the funds closely to ensure funding would be available for future projects.

Commissioner Mays questioned if the \$65,000 requested for Welcome Packages could be used for Employer Matches if needed.

Commissioner Riphahn asked if GO Topeka plans to track the relocation funding initiative for at least 5 to 10 years to determine if people stay in Topeka.

Trina Goss stated the Employer Matching program funds would not be paid out until the person has lived in Topeka for one-year and if needed, the \$65,000 could be used for Employer Match purposes. She stated she would like to generate an annual survey to understand the overall satisfaction with the community and to confirm recipients are still living in the area.

Mayor Padilla stated the survey could also be used as a tool to advocate for the program.

Deputy Mayor Dobler moved to approve incentive funding in the amount of \$365,000 for the Choose Topeka 2.0 Talent Incentive Program. The motion seconded by Councilmember Naeger carried unanimously on roll call vote. (7-0-0)

PRESENTATION on the 2022 Growth Organization of (GO) Topeka 4th Quarter Report, was presented.

Molly Howey, GO Topeka President, provided an overview of New Business Attraction specifically focusing on (1) mega projects with a top criteria being 200 acres or more of shovel ready property; and (2) the development and growth of aviation and the opportunities available at the Topeka Regional Airport and the Philip Billard Airport. She reported a local Aerospace Sector Taskforce has been working to move the initiative forward and has received a 90-day action mandate from Lieutenant Governor David Toland. She stated GO Topeka continues to work to understand their role in that mandate and how they can effect community readiness as it relates to aviation projects for the airports.

Councilmember Emerson inquired on the details of the 90-day action mandate received the Lieutenant Governor Toland as well as the 200 acres at Forbes Field (Topeka Regional Airport) that he believed was a shovel ready site.

Molly Howey reported GO Topeka has been working with the State to make them aware of the aviation assets already in the area and to receive feedback from the State regarding how Topeka-Shawnee County could better be positioned for aviation projects and the market industry. She thanked Paul Hughes, Deputy Secretary of Business Development, Kansas Department of Commerce, for touring the airports and providing feedback. She reported on a site visit from a company in the fall of 2022, and the feedback received was that as a community, Topeka was not ready due to the need to address overall infrastructure, training, available sites, policies and procedures. She confirmed there was a 200-acre site they are considering located at Forbes Field; however, they are in the stage of taking inventory and gathering information regarding timing, costs, and utility/power requirements to make sites truly shovel ready.

Trina Goss, GO Topeka Director of Business & Talent Initiatives, reported on Work Force initiatives including area high school and university students, local manufacturing companies, career fairs, childcare initiatives and assisting exiting military families.

Commissioner Riphahn asked if GO Topeka was noticing a trend in regards to employees working in the Topeka-Shawnee County area; however, they are not living in Topeka-Shawnee County.

Trina Goss stated she would have to research and report back to the JEDO Board.

Stephanie Moran, GO Topeka Senior Vice President of Innovation, provided a recap on the Plug and Play Program and announced Animal Health Selection Day on March 15, 2023; Expo-Topeka on June 14-15, 2023; Animal Health Selection Day August 30, 2023; and SUMMIT-Silicon Valley on December 5-7, 2023. At the close of the presentation, GO Topeka displayed a short marketing video.

NO FURTHER BUSINESS appearing the meeting adjourned at 7:06 p.m.

(SEAL)

Brenda Younger City Clerk

DRAFT



Agenda Item No. 3B

**JEDO Board Meeting
May 10, 2023 - 6:00 P.M.**

**AMENDMENT NO. 2
Project GiGi Incentive Agreement**

AMENDMENT NO. 2 TO INCENTIVE AGREEMENT

This Amendment No. 2 to Incentive Agreement (the “Amendment No. 2”) is effective as of _____ (the “Amendment Effective Date”) and is entered into by and between Growth Organization of Topeka/Shawnee County, Inc. (“GO Topeka”) and PROJECT GIGI (“Business”);

WHEREAS, Business is a corporation that is in good standing and qualified to do business under the laws of the state of Kansas; and

WHEREAS, GO Topeka and PROJECT GIGI are parties to an Incentive Agreement effective September 12, 2018 (the “Agreement”) and Amendment No. 1 to Incentive Agreement effective September 14, 2022 (the “Amendment No. 1”) concerning the expansion of Business (as defined in the Agreement) in Topeka/Shawnee County; and

WHEREAS, Business is experiencing faster than anticipated growth; and

WHEREAS, Business is contemplating six (6) additional new employment positions beyond the amount considered in the Agreement; and

WHEREAS, Business has completed the full capital investment (as defined in the Incentive Agreement) of Five Million Dollars (\$5,000,000) contemplated by the Agreement; and

WHEREAS, GO Topeka has paid all of the incentive payments under the Agreement to Business in the amount of Ten Thousand Dollars (\$10,000) associated with the previously mentioned capital investment; and

WHEREAS, Business is contemplating additional capital investments with respect to its Topeka facility of up to Seven Hundred Twenty-Five Thousand dollars (\$725,000); and

WHEREAS, GO Topeka desires to assist and promote Business by offering up to Forty-Five Thousand Four Hundred (\$45,400) in additional employment, capital investment and training incentives; and

WHEREAS, the parties wish to amend the Agreement to reflect the foregoing and to make related changes, as further set forth herein.

WITNESSETH:

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements expressed herein, the parties agree that the Incentive Agreement shall be amended as follows:

1. **Definitions.** Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Agreement.

2. **Amendments.**

(a) Section 1 “Local Employment Incentive” of the Agreement is hereby amended, effective as of the Amendment Effective Date, to add the following additional paragraph:

“In addition to the maximum aggregate employment incentive of One Hundred Five Thousand Six Hundred Dollars (\$105,600), GO Topeka shall pay an additional Thirty-Six Thousand (\$36,000) in employment incentives to Business for new Full Time Employment Positions created and maintained by Business as outlined in Section 1 “Local Employment Incentive” of the Agreement.”

(b) The Agreement is hereby amended to add the following Sections:

“7. **Employee Training Incentive.** Business may earn an Employee Training Incentive in an amount not to exceed Six Thousand Dollars (\$6,000.00) (the “Employee Training Incentive”). Business shall be eligible for One Thousand Dollars (\$1,000.00) in Employee Training Incentive for each net new Full Time Employment Position (as defined in Section 1 “Local Employment Incentive”), up to six (6), created by Business between October 11, 2022 – December 31, 2027.

Upon earning an Employee Training Incentive, GO Topeka shall reimburse Business for verifiable training costs including, but not limited to, tuition, registration fees, computer software for in-house training and other direct training costs incurred by Business from October 11, 2022 to December 31, 2027 in accordance with the following provisions.

An Employee Training Incentive payment may be made to Business starting in 2023 for training costs incurred by any full time employee (new or existing) at Business upon proof of approved training expenses in the form of paid invoices, or other verifiable records confirming payment for approved training expenses. The amount of Employee Training Incentive available in 2023 will be based on net new Full Time Employment Positions created by Business between

October 11, 2022 – December 31, 2022. For example, if Business created two (2) net new Full Time Employment Positions between October 11, 2022 – December 31, 2022, Business could receive a reimbursement of up to Two Thousand dollars (\$2,000) in 2023 for expenses incurred to train any existing or new full-time employee. Payment for training expenses incurred shall be available on a yearly basis thereafter through 2028 based on the previous year's net new job creation and verifiable training costs. GO Topeka shall not reimburse Business for wages paid to an employee while they are in training or incidental costs associated with training such as travel expenses, meals, and lodging.

8. Real Estate and Equipment Investment Incentive. In addition to the capital investment incentive payment already paid to Business as contemplated on page 4 of the Agreement, GO Topeka shall pay an additional Real Estate and Equipment Investment Incentive to Business for additional investment made by Business over and above the previously incented Five Million Dollar (\$5,000,000.00) capital investments (the "Initial Capital Investments"), in accordance with the following provisions:

- For each One Hundred Sixty-Two Thousand Dollars (\$162,500.00) in expenditure made by Business for the improvement of real estate located at _____ in Shawnee County, Kansas, GO TOPEKA shall pay an incentive to Business of One Thousand Three Hundred Dollars (\$1,300.00) (the "Real Estate Investment Incentive"). The aggregate of said real estate investment incentive payments shall not exceed Two Thousand Six Hundred Dollars (\$2,600.00). Business's real estate investment in Shawnee County is expected to be Three Hundred Twenty-Five Thousand Dollars (\$325,000.00).
- For each Two Hundred Thousand Dollars (\$200,000.00) in expenditure made by Business for the purchase of equipment to be installed/housed at _____ in Shawnee County, Kansas, GO TOPEKA shall pay an incentive to Business of Four Hundred Dollars (\$400.00) (the "Equipment Investment Incentive"). The aggregate of said equipment investment incentive payments shall not exceed Eight Hundred Dollars (\$800.00). Business's equipment investment in Shawnee County is expected to be Four Hundred Thousand Dollars (\$400,000.00).

- Real Estate and Equipment Investment incentive payments shall be made to Business upon GO Topeka's receipt of documentary evidence showing the improvement of its real estate and/or the purchase of equipment.
- To be eligible for the additional Real Estate and Equipment Investment Incentive, as contemplated by this Section 8, the additional capital investments must be made by Business between October 11, 2022 and December 31, 2027."

3. **Effect as to Agreement.** No changes or amendments other than those set forth in Section 2 "Amendments" above are effected hereby. All other terms and provisions of the Agreement not affected by the amendment stated above shall continue in full force and effect.

4. **Entire Agreement.** This Amendment No. 2, together with the Agreement and Amendment No. 1, and the documents referred to therein, contains the entire agreement made by the parties hereto as to the subject matter hereof, superseding any and all previous representations, warranties or agreements, oral or written, relating thereto.

5. **Amendment.** This Amendment may be varied only by a written instrument signed by the duly authorized representatives of each party.

6. **Captions.** The captions that appear in this Amendment have been inserted for the convenience of the reader and do not limit or in any other way affect the meaning of its terms and conditions.

7. **Counterparts.** This Amendment may be executed in multiple counterparts, and by the parties hereto in separate counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

8. **Electronic Signature.** The parties acknowledge and agree that this Agreement may be executed or accepted using electronic, stamped or facsimile signatures, and that such a signature shall be legally binding to the same extent as a written cursive signature by a party's authorized representative. Each party waives any legal requirement that this Agreement be embodied, stored or reproduced in tangible media, and agrees that an electronic reproduction shall be given the same legal force and effect as a signed writing.

9. **Public Event.** PROJECT GIGI and GO Topeka will use reasonable efforts acting in good faith, to agree upon a mutually acceptable date, time, and agenda for, and if agreed will

participate in a public event in Shawnee County, Kansas. Such event would include general recognition of Business's expansion and GO Topeka's involvement and assistance.

IN WITNESS WHEREOF, the parties hereto have caused their respective representatives hereunto duly authorized to execute this Amendment as of the Amendment Effective Date.

PROJECT GIGI

Address

City, State, Zip

By: _____

Printed Name: _____

Title: _____

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.

By: _____

Printed Name: Molly Howey

Title: President, GO Topeka



Agenda Item No. 3C

**JEDO Board Meeting
May 10, 2023 - 6:00 P.M.**

**AMENDMENT
2022 Cash Carry-Forward Agreement**

JEDO CONTRACT NO. C-____ - 2023

AMENDMENT NO. 1; CASH CARRY-FORWARD AGREEMENT (2022)

This Contract is entered into on May 10, 2023 by and between the GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC., a non-profit Kansas corporation, hereinafter referred to as “GO Topeka” and the JOINT ECONOMIC DEVELOPMENT ORGANIZATION, hereinafter referred to as “JEDO,” a duly organized separate legal entity authorized by K.S.A. 12-2904(a) which was created by the Interlocal Agreement between the Board of County Commissioners of the County of Shawnee, Kansas, hereinafter referred to as “the County,” and the City of Topeka, Kansas, hereinafter referred to as “the City,” dated April 19, 2016.

WHEREAS, the parties mutually desire to amend the Cash Carry-Forward Agreement (“Agreement”) approved on December 14, 2022.

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. Section 1 of the Agreement is amended to increase the carry forward amount from \$15,600,000 to \$15,663,522.
2. All other terms and conditions of the Agreement not specifically amended or deleted herein shall remain in full force and effect.
3. This Amendment No. 1 may be signed by faxed or electronic signature, which shall be deemed to be an original signature. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, JEDO and GO Topeka have executed this Agreement.

Dated: _____

JOINT ECONOMIC DEVELOPMENT ORGANIZATION

Michael A. Padilla, Mayor

Dated: _____

**GROWTH ORGANIZATION OF TOPEKA/SHAWNEE
COUNTY, a non-profit Kansas corporation**

Molly Howey, President, GO Topeka



Agenda Item No. 3D

**JEDO Board Meeting
May 10, 2023 - 6:00 P.M.**

2022 GO Topeka Audit Report



Certified Public Accountants

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.

Report to the Board of Directors
April 27, 2023



April 27, 2023

Board of Directors
Growth Organization of Topeka/Shawnee County, Inc.
719 S. Kansas Avenue, 5th Floor
Topeka, Kansas 66603

We are pleased to present this report related to our audit of the consolidated financial statements of Growth Organization of Topeka/Shawnee County, Inc. and Subsidiary (the Organization) for the year ended December 31, 2022. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Organization's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Organization.

BT&Co, P.A.

4301 SW Huntoon St. Topeka, KS 66604 | t: 785.234.3427 | toll-free: 800.530.5526 | f: 785.233.1768 | w: btandco.com

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GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.
Report to the Board of Directors
April 27, 2023

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Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated October 26, 2022. Our audit of the consolidated financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication dated March 28, 2023 regarding the planned scope and timing of our audit and identified significant risks.
Accounting Policies and Practices	<p>Preferability of Accounting Policies and Practices</p> <p>Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p>Adoption of, or Change in, Accounting Policies</p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Organization. Except as noted below, the Organization did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period. Following is a description of a new Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) that was adopted during the year:</p> <p>ASU No 2016-02 <i>Leases</i> (Topic 842) was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities for operating leases on the statement of financial position and disclosing key information about leasing arrangements.</p>

Area	Comments
	<p>Significant Accounting Policies</p> <p>We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Significant Unusual Transactions</p> <p>We did not identify any significant unusual transactions.</p> <p>Management’s Judgments and Accounting Estimates</p> <p>Summary information about the process used by management in formulating a particularly sensitive accounting estimate and about our conclusions regarding the reasonableness of that estimate is in the attached “Summary of Significant Accounting Estimates.”</p>
<p>Audit Adjustments</p>	<p>The audit adjustment proposed by us and recorded by the Organization is summarized in the attached representation letter.</p>
<p>Uncorrected Misstatements</p>	<p>We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.</p>
<p>Departure from the Auditors’ Standard Report</p>	<p>Expected Emphasis-of-Matter Paragraph</p> <p>The Organization implemented a new accounting standard during the year. Below is a draft of the paragraph to be included in the auditors’ report:</p> <p>As described in Note 2 to the financial statements, the Organization has changed its method of accounting for leases effective January 1, 2022 due to the adoption of Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 842, <i>Leases</i>. Our opinion is not modified with respect to this matter.</p>
<p>Observations About the Audit Process</p>	<p>Disagreements with Management</p> <p>We encountered no disagreements with management over the application of significant accounting principles, the basis for management’s judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.</p>

Area	Comments
	<p data-bbox="833 279 1336 310">Consultations with Other Accountants</p> <p data-bbox="833 321 1490 426">We are not aware of any consultations management had with other accountants about accounting or auditing matters.</p> <p data-bbox="833 447 1442 478">Significant Issues Discussed with Management</p> <p data-bbox="833 489 1490 594">No significant issues arising from the audit were discussed with or the subject of correspondence with management.</p> <p data-bbox="833 615 1490 678">Significant Difficulties Encountered in Performing the Audit</p> <p data-bbox="833 688 1490 751">We did not encounter any significant difficulties in dealing with management during the audit.</p> <p data-bbox="833 772 1490 835">Difficult or Contentious Matters That Required Consultation</p> <p data-bbox="833 846 1490 951">We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.</p>
<p data-bbox="227 976 711 1039">Significant Written Communications Between Management and Our Firm</p>	<p data-bbox="833 976 1490 1113">Copies of certain written communications between our firm and the management of the Organization, including the representation letter provided to us by management, are attached.</p>

GROWTH ORGANIZATION OF TOPEKA/ SHAWNEE COUNTY, INC.

Summary of Significant Accounting Estimates

Year Ended December 31, 2022

The following describes the significant accounting estimate reflected in the Organization's December 31, 2022 financial statements:

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusion on Reasonableness of Estimate
Fair value of investments	The fair value of investments is computed by the custodians of the Organization's investments.	Management of the Organization obtained and reviewed the year-end valuations prepared by the custodians.	Review of the investment information prepared by the custodians resulted in our conclusion that the estimates appear reasonable.
Operating lease right-of-use asset and lease liability	Right-of-use asset and lease liability is recognized for the lease with a term greater than 12 months.	The right-of-use asset and lease liability is measured at the present value of the future lease payments.	Based on our review, the method for estimating the asset and liability is reasonable.



BT&Co., P.A.
4301 SW Huntoon Street
Topeka, Kansas 66604-1659

This representation letter is provided in connection with your audits of the consolidated financial statements (financial statements) of Growth Organization of Topeka/Shawnee County, Inc. and Subsidiary (the Organization) which comprise the statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements for the purpose of expressing an opinion on whether the financial statements are presented fairly in all material respects in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of the date of the auditors' report, the following representations made to you during your audits.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated October 26, 2022, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. We have no knowledge of any uncorrected misstatements in the financial statements.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. With respect to financial statement preparation, accounting assistance, and tax return services performed in the course of the audit:
 - a. We have made all management decisions and performed all management functions;

- b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services, and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.
10. The following have been properly recorded and/or disclosed in the financial statements:
- a. Security agreements in effect under the Uniform Commercial Code.
 - b. All other liens or encumbrances on assets and all other pledges of assets.
 - c. Investments in debt and equity securities, including their classification.
 - d. All leases and material amounts of rental obligations under long-term leases.
 - e. All significant estimates and material concentrations known to management that are required to be disclosed in accordance with the Risks and Uncertainties Topic of the FASB Accounting Standards Codification. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the next year.
 - f. Concentrations of credit risk.
 - g. Allocations of functional expenses based on reasonable basis.
 - h. Deferred revenue
 - i. Assets and liabilities measured at fair value in accordance with the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification.
 - j. Tax status.
 - k. Board designated net assets without donor restrictions.
11. We have no plans or intentions that may materially affect the carrying value or classification of assets or liabilities.
12. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
13. There are no:
- a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Environmental Protection Agency in connection with any environmental contamination.
 - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the Contingencies Topic of the FASB Accounting Standards Codification.
 - c. Lines of credit or similar arrangements.

- d. Agreements to repurchase assets previously sold.
 - e. Contractual obligations for construction and/or purchase of real property, equipment, other assets and intangibles.
 - f. Conditional promises to give.
 - g. Donor restricted net assets.
 - h. Refundable advances.
 - i. Liabilities that are subordinated to any other actual or possible liabilities of the Organization.
 - j. Guarantees, whether written or oral, under which the Organization is contingently liable.
 - k. Derivative financial instruments.
 - l. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
 - m. Recordable contributions.
14. The Organization has satisfactory title to all owned assets.
15. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and Uniform Guidance, because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.

Information Provided

16. We have provided you with:
- a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence;
 - d. Minutes of the meetings of governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
17. All transactions have been recorded in the accounting records and are reflected in the financial statements.
18. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
19. We have no knowledge of allegations of fraud or suspected fraud, affecting the Organization's financial statements involving:
- a. Management.
 - b. Employees who have significant roles in the internal control.

- c. Others where the fraud could have a material effect on the financial statements.
20. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements received in communications from employees, former employees, analysts, regulators, or others.
21. We have no knowledge of or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
22. We are not aware of any pending or threatened litigation and claims whose effects were considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
23. We have disclosed to you the identity of the Organization's related parties and all the related-party relationships and transactions of which we are aware.
24. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Organization's ability to record, process, summarize and report financial data.
25. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
26. With respect to supplementary information presented in relation to the financial statements as a whole:
- a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditors' report thereon.
27. We have received a determination from the Internal Revenue Service that we are exempt from federal income taxes as Section 501(c)(6) and Section 501(c)(3) not-for-profit corporations, and we have complied with the IRS regulations regarding these exemptions.
28. The methods and significant assumptions used to estimate fair values of financial instruments are as follows:
- a. Mutual Funds: Valued at fair value which is determined by quoted market prices on the day of valuation.



- b. U.S. Government Obligations: Valued using trade prices or broker/dealer quotes on the day of valuation.

The methods and significant assumptions used result in a measure of fair value appropriate for financial measurement and disclosure purposes.

29. During the course of your audit, you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
30. We agree with the adjusting journal entry as proposed in the attachment. Furthermore, we intend to record this entry into our trial balance as of December 31, 2022.

Very truly yours,

GROWTH ORGANIZATION OF
TOPEKA/SHAWNEE COUNTY, INC. AND
SUBSIDIARY

Josh Patterson, Senior Vice President of Finance

Date Signed 4/27/23

Molly Howey, GO Topeka President

Date Signed 4-27-2023

Growth Organization of Topeka & Shawnee County

Adjusting Journal Entry

Year End: December 31, 2022

Number	Date	Name	Account No	Debit	Credit
1	12/31/2022	ROU Asset - Innovation Center	17500 GOPUB	178,035.00	
	12/31/2022	Short Term Lease Liability	25000 GOPUB		-41,927.00
	12/31/2022	Long Term Lease Liability	27000 GOPUB		-138,183.00
	12/31/2022	Other fees	85400 GOPUB	2,075.00	
		To record ROU asset and lease liability			



Certified Public Accountants

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Growth Organization of Topeka/Shawnee County, Inc. and Subsidiary
Topeka, Kansas

Opinion

We have audited the consolidated financial statements of Growth Organization of Topeka/Shawnee County, Inc. and Subsidiary (the Organization), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 2 to the financial statements, the Organization has changed its method of accounting for leases effective January 1, 2022 due to the adoption of Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 842, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 20-23 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information for the years ended December 31, 2022 and 2021 is fairly stated, in all material respects, in relation to the financial statements as a whole.

BT&Co, P.A.

April 27, 2023
Topeka, Kansas

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 9,906,789	\$ 8,534,667
ETLC restricted cash	1,627,355	1,667,221
Investments	6,229,820	6,182,838
Grants receivable	11,225	11,170
Accounts receivable	498	10,130
Due from Greater Topeka Partnership Foundation	1,500	-
Prepaid expenses	60,403	53,333
Total current assets	17,837,590	16,459,359
Property and equipment, net	4,129,724	4,222,582
Other assets:		
Right of use operating lease asset	178,035	-
Land held for economic development	1,787,305	1,787,305
Total assets	<u>\$ 23,932,654</u>	<u>\$ 22,469,246</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Lease liability - current	\$ 41,927	\$ -
Accounts payable	81,484	82,574
Due to Greater Topeka Partnership Foundation	-	2,500
Due to Greater Topeka Partnership	271,152	210,594
Due to Visit Topeka	3,400	-
Deferred revenue	15,600,075	14,353,396
Other current liabilities	44,041	22,170
Total current liabilities	16,042,079	14,671,234
Other liabilities:		
KFCP Improvement Fund	430,934	483,934
Lease liability - long-term	138,183	-
Long-term debt, net of loan fees	6,202,537	6,192,810
Total liabilities	22,813,733	21,347,978
Net assets:		
Without donor restrictions:		
Undesignated	(668,384)	(666,037)
Board designated	1,787,305	1,787,305
Total net assets	1,118,921	1,121,268
Total liabilities and net assets	<u>\$ 23,932,654</u>	<u>\$ 22,469,246</u>

See accompanying notes to the consolidated financial statements.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended December 31, 2022 and 2021

	2022	2021
Support and revenues:		
JEDO grant revenue	\$ 3,687,323	\$ 4,827,152
Other grant revenue	52,152	95,701
Other income	347,673	36,749
Sponsorship revenue	210,478	148,985
Event revenue	40,500	37,962
Interest and investment income	66,655	24,937
Affiliate support revenue	240,726	260,710
Advertising income	-	3,000
Total support and revenues	<u>4,645,507</u>	<u>5,435,196</u>
Expenses:		
Program expenses:		
Economic development	3,413,943	4,351,823
Events	47,943	56,342
East Topeka Learning Center (ETLC)	226,709	477,237
Marketing	389,947	371,980
Total program expenses	<u>4,078,542</u>	<u>5,257,382</u>
Supporting services expense:		
General and administrative	569,312	574,512
Total supporting services expense	<u>569,312</u>	<u>574,512</u>
Total expenses	<u>4,647,854</u>	<u>5,831,894</u>
Change in net assets	(2,347)	(396,698)
Net assets, beginning of year	<u>1,121,268</u>	<u>1,517,966</u>
Net assets, end of year	<u><u>\$ 1,118,921</u></u>	<u><u>\$ 1,121,268</u></u>

See accompanying notes to the consolidated financial statements.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

	Economic Development	Events	ETLC	Marketing	General and Administrative	Total Expenses
Payroll/benefits	\$ 1,029,860	\$ -	\$ -	\$ -	\$ -	\$ 1,029,860
Other compensation	6,073	-	-	-	-	6,073
Professional services	180,944	1,395	-	-	25,986	208,325
Other employee related costs	67,727	693	-	-	530	68,950
Shared services	-	-	-	230,000	400,000	630,000
Total personnel expenses	1,284,604	2,088	-	230,000	426,516	1,943,208
Program/event expense	53,049	19,466	-	-	32	72,547
Sales travel	10,348	-	-	-	-	10,348
Hospitality	48,621	18,015	-	-	255	66,891
Grants/sponsor/contrib/scholar	451,423	-	-	-	-	451,423
Total program expenses	563,441	37,481	-	-	287	601,209
Occupancy	248,124	-	-	-	94,565	342,689
Office expense	8,996	1,193	16,942	-	8,334	35,465
Dues/subscriptions	63,291	-	1,500	150	9,556	74,497
Advertising	-	5,389	-	159,797	-	165,186
Depreciation	-	-	105,069	-	9,346	114,415
Insurance/taxes/fees	11,534	1,792	20,174	-	15,862	49,362
Interest expense	-	-	83,024	-	-	83,024
Bad debt expense	-	-	-	-	4,846	4,846
Total operational expenses	331,945	8,374	226,709	159,947	142,509	869,484
Total expenses before incentives	2,179,990	47,943	226,709	389,947	569,312	3,413,901
Business incentives	1,233,953	-	-	-	-	1,233,953
Total expenses	\$ 3,413,943	\$ 47,943	\$ 226,709	\$ 389,947	\$ 569,312	\$ 4,647,854

See accompanying notes to the consolidated financial statements.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021

	Economic Development	Events	ETLC	Marketing	General and Administrative	Total Expenses
Payroll/benefits	\$ 972,226	\$ -	\$ -	\$ -	\$ -	\$ 972,226
Other compensation	11,530	-	-	-	-	11,530
Professional services	190,765	3,700	6,430	24,945	16,792	242,632
Other employee related costs	30,540	117	-	-	-	30,657
Shared services	-	-	-	175,750	400,500	576,250
Total personnel expenses	1,205,061	3,817	6,430	200,695	417,292	1,833,295
Program/event expense	30,097	23,220	-	-	-	53,317
Sales travel	15,506	-	-	-	-	15,506
Hospitality	23,404	25,834	-	-	153	49,391
Grants/sponsor/contrib/scholar	1,261,576	-	250,000	-	-	1,511,576
Total program expenses	1,330,583	49,054	250,000	-	153	1,629,790
Occupancy	29,873	-	-	-	98,995	128,868
Office expense	10,215	2,656	12,540	505	14,446	40,362
Dues/subscriptions	47,783	-	1,500	-	21,398	70,681
Advertising	-	-	-	170,780	320	171,100
Depreciation	-	-	105,069	-	8,219	113,288
Insurance/taxes/fees	28,584	815	18,674	-	5,328	53,401
Interest expense	-	-	83,024	-	-	83,024
Bad debt expense	4,000	-	-	-	8,361	12,361
Total operational expenses	120,455	3,471	220,807	171,285	157,067	673,085
Total expenses before incentives	2,656,099	56,342	477,237	371,980	574,512	4,136,170
Business incentives	1,695,724	-	-	-	-	1,695,724
Total expenses	<u>\$ 4,351,823</u>	<u>\$ 56,342</u>	<u>\$ 477,237</u>	<u>\$ 371,980</u>	<u>\$ 574,512</u>	<u>\$ 5,831,894</u>

See accompanying notes to the consolidated financial statements.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Contributions, grants and other support	\$ 5,719,095	\$ 5,899,242
Cash paid to employees and suppliers	(3,077,705)	(4,123,810)
Cash incentives paid	(1,233,953)	(3,120,417)
Interest and dividends received	66,655	24,938
Interest paid	(73,297)	(73,296)
Net cash flows from operating activities	<u>1,400,795</u>	<u>(1,393,343)</u>
Cash flows from investing activities:		
Net purchases of investments	(46,982)	(4,653)
Purchase of property and equipment	(21,557)	(3,003)
Net cash flows from investing activities	<u>(68,539)</u>	<u>(7,656)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	1,332,256	(1,400,999)
Cash, cash equivalents and restricted cash at beginning of year	<u>10,201,888</u>	<u>11,602,887</u>
Cash, cash equivalents and restricted cash at end of year	<u><u>\$ 11,534,144</u></u>	<u><u>\$ 10,201,888</u></u>
Cash, cash equivalents and restricted cash includes:		
Cash and cash equivalents	\$ 9,906,789	\$ 8,534,667
ETLC restricted cash	1,627,355	1,667,221
	<u><u>\$ 11,534,144</u></u>	<u><u>\$ 10,201,888</u></u>
Supplemental cash flow information related to leases is as follows:		
Cash paid for amounts included in the measurement of liabilities	<u><u>\$ 54,431</u></u>	
Right-of-use assets obtained in exchange for new lease obligations	<u><u>\$ 217,851</u></u>	

See accompanying notes to the consolidated financial statements.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

1 - History and Organization

The Growth Organization of Topeka/Shawnee County, Inc. was organized to encourage business and industry to locate and develop within the greater Topeka area and to otherwise promote the common economic interest of greater Topeka. The Organization receives funding primarily through a grant from the Joint Economic Development Organization (JEDO) and by donations from the business community.

In 2018, the Growth Organization of Topeka/Shawnee County, Inc. set up and became the sole member of the GO Topeka ETLIC Support Corporation. This entity was organized to hold and finance the East Topeka Learning Center project.

Together, the entities will be referred to as the Organization throughout the footnotes.

2 - Summary of Significant Accounting Policies

Basis of Reporting

Assets, liabilities, net assets, revenues, and expenses are recognized on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets without donor restrictions represent the portion of funds currently available to support the Organization's operations. The Organization's Board of Directors may designate a portion of net assets without donor restrictions to be used for certain purposes or projects. At December 31, 2022 and 2021, the Board has designated net assets for future incentives related to land held for economic development.

Net Assets with Donor Restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions. Resources that are restricted but have the restrictions met in the same period are reported as net assets without donor restrictions. As of December 31, 2022 and 2021, the Organization had no net assets with donor restrictions.

Consolidation

The financial statements of Growth Organization of Topeka/Shawnee County, Inc. and GO Topeka ETLIC Support Corporation are consolidated in these financial statements. All intercompany balances and transactions have been eliminated in consolidation.

Revenue Recognition

Revenue from programs, events and other program services is recognized at the point in time the event or program is held.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

A significant portion of the Organization's revenue is derived from contracts and grants with local governments, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization has deemed sponsorships and affiliate support revenue to be conditional contributions, and they are accounted for accordingly.

At December 31, 2022 and 2021, conditional contributions, grants and contracts of \$ 15,600,075 and \$ 14,353,396, respectively, have been received in advance but have not been recognized in the accompanying financial statements.

The Organization's customers consist of local government agencies and private customers, primarily located within the state of Kansas. For government grants and contracts, future cash flows depend on the Organization's ability to continue to obtain local government contracts, and indirectly on the amount of funding available to these agencies for new and current government projects. Therefore, a portion of the Organization's operations is dependent upon the level and timing of government funding. As it relates to private customers, credit risk is mitigated because payment is received before, shortly after or at the time the goods or services are provided. For those program services provided before payment is received, continuing services will be considered for termination for significant non-payment, limiting future credit risk.

Investments

The Organization invests in money market funds, mutual funds and U.S. Government Obligations. Investments are stated at fair value. Realized and unrealized gains and losses, dividends and interest on investments are reflected in the statement of activities.

Investment securities are exposed to various risks, such as interest rate, market fluctuation and credit risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in risks in the near term could materially affect investments and the amounts reported in the statements of financial position.

Management Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Land Held for Economic Development

The Organization holds land for the development of the Kanza Fire and Central Crossing Commerce Parks in southwest Topeka, Kansas. The acquisition cost of the land and certain types of improvements are recorded as an asset on the consolidated statement of financial position. Maintenance and certain utility extension costs that result in benefits beyond the park development are expensed as incurred. Management annually reviews the land held for economic development to determine whether carrying values have been impaired.

Land held for economic development is a board designated asset.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$ 1,000, at cost. Depreciation is determined on the straight-line basis, with estimated useful lives as follows:

Equipment	5 years
Furniture and fixtures	7 years
Building	39 years

Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred.

Income Taxes

The Growth Organization of Topeka/Shawnee County, Inc. is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code and GO Topeka ETLC Support Corporation is exempt from federal income tax under Section 501(c)(3). The Organizations are exempt from federal income taxes pursuant to Section 501(a) of the Code. The GO Topeka ETLC Support Corporation has been classified as other than a private foundation.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis. All expenses are identified with a specific program or support service and are charged directly to that program or support service. There are no costs allocated across multiple functions. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Advertising Expense

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2022 and 2021 is \$ 165,186 and \$ 171,100, respectively.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Cash Defined for Statements of Cash Flows

For purposes of the statement of cash flows, the Organization considers cash held in commercial banks with original maturities of three months or less to be cash and cash equivalents.

Adoption of New Accounting Standard

The Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, Leases (Topic 842). The ASU and all subsequently issued clarifying ASUs replaced most existing lease guidance in U.S. GAAP. Topic 842 requires lessees to recognize most leases on their statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the income statement. The Organization adopted Topic 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements.

The Organization elected the “package of practical expedients” under the transition guidance within Topic 842, in which the Organization does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The Organization has not elected to adopt the “hindsight” practical expedient, and therefore measured the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on January 1, 2022.

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to and the agreement creates enforceable rights and obligations. The Organization leases a building. Under ASC 842, a contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

The adoption of FASB ASC 842 resulted in the recognition of a right-of-use asset of \$ 217,851 and an operating lease liability of \$ 217,851 at January 1, 2022. The adoption of FASB ASC 842 did not have a material impact on the Organization’s results of operations or cash flows. There was no change to net assets due to this change.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Reclassification

Certain prior year information was reclassified to conform to the current year presentation.

3 - Concentrations of Credit Risk

Cash and cash equivalents includes a repurchase agreement with a local bank. The repurchase agreement represents ownership interest in Federal Agency securities. Other bank deposits are generally maintained within FDIC-insured limits.

4 - Availability and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, are:

	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 9,906,789	\$ 8,534,667
Investments	6,229,820	6,182,838
Grants receivable	11,225	11,170
Accounts receivable	498	10,130
Due from Greater Topeka Partnership Foundation	1,500	-
Amounts available for general expenditures within one year	<u>\$ 16,149,832</u>	<u>\$ 14,738,805</u>

In addition to the financial assets available to meet general expenditures over the next 12 months, the Organization anticipates collecting revenue to cover a majority of the general expenditures. The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

5 - Fair Value Measurements

The disclosure provisions of the Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 820) establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
Level 2	Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
Level 3	Prices or valuations that require inputs that are both significant to fair value measurement and unobservable.

The asset or liability's fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2022 and 2021.

Mutual Funds: Valued at fair value which is determined by quoted market prices on the day of valuation.
U.S. Government Obligations: Valued using trade prices or broker/dealer quotes on the date of valuation.

The following table summarizes the investments recorded at fair value, measured on a recurring basis, based on the valuation hierarchy as of December 31, 2022:

	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
Mutual Fund:				
Treasury obligation fund	\$ 3,043,510	\$ 3,043,510	\$ -	\$ -
U.S. Government obligations	3,186,310	-	3,186,310	-
Total fair value	<u>\$ 6,229,820</u>	<u>\$ 3,043,510</u>	<u>\$ 3,186,310</u>	<u>\$ -</u>

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

The following table summarizes the investments recorded at fair value, measured on a recurring basis, based on the valuation hierarchy as of December 31, 2021:

	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
Mutual Fund:				
Treasury obligation fund	\$ 3,753,324	\$ 3,753,324	\$ -	\$ -
U.S. Government obligations	1,130,735	-	1,130,735	-
Total fair value	4,884,059	\$ 3,753,324	\$ 1,130,735	\$ -
Certificates of deposit, at cost	1,298,779			
Total investments	\$ 6,182,838			

6 - Property and Equipment

Property and equipment consist of the following as of December 31:

	2022	2021
Cost:		
Land	\$ 251,909	\$ 251,909
Buildings	4,202,776	4,202,776
Furniture and fixtures	43,781	43,781
Equipment	13,376	11,151
Software	15,000	-
Total property and equipment	4,526,842	4,509,617
Accumulated depreciation	(397,118)	(287,035)
Net property and equipment	\$ 4,129,724	\$ 4,222,582

7 - Land Held for Economic Development

The Organization owns a portion of land at the Kanza Fire and Central Crossing Commerce Parks in southwest Topeka, Kansas. The land is available for the Organization to transfer to companies for economic development.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

8 - Restricted Cash

ETLC restricted cash of \$ 1,627,355 and \$ 1,667,221, as of December 31, 2022 and 2021, respectively, represents amounts held in escrow accounts for the specific purpose of funding the East Topeka Learning Center project.

9 - KFCP Improvement Fund

The Organization has an agreement with Mars requiring an amount equal to 10% of their annual property tax abatement to be paid by Mars to the Organization. The funds are to be used for Kanza Fire Commerce Park (KFCP) improvements and a fire station to serve the park. During 2020, JEDO approved the release of fire station funds to be used at Mars' discretion for other improvement projects. During the years ended December 31, 2022 and 2021, Mars approved \$ 53,000 and \$ 140,000, respectively, of expenditures of these funds.

10 - Long-Term Debt

GO Topeka ETLC Support Corporation has two notes payable with Partnerships of Hope XXI, LLC for a total of \$ 6,500,000. The terms of both notes are the same with an interest rate of 1.127641% and a maturity date of July 2053. Interest only payments are due on a quarterly basis on the 5th of March, June, September and December until September 5, 2027. On September 5, 2027, both interest and principal quarterly payments will begin. The notes are collateralized by the East Topeka Learning Center building.

Growth Organization of Topeka/Shawnee County, Inc. is the guarantor on the notes payable. These notes payable are intended to constitute a qualified low-income community investment for the lender and as such GO Topeka ETLC Support Corporation is required to maintain the status of a qualified active low-income community business throughout the terms of the loans.

As of December 31, 2022, debt maturities are as follows:

2023	\$ -
2024	-
2025	-
2026	-
2027	107,897
Thereafter	6,392,103
Less: loan fees	(297,463)
Total	<u>\$ 6,202,537</u>

Loan fees are being amortized over the term of the loan using the straight-line method which approximates the effective yield method and is recorded as interest expense. Estimated interest expense for each of the next five years is \$ 9,727.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

11 - Related Party Transactions

The Greater Topeka Partnership (GTP) became the sole member of the Organization, effective January 1, 2018. GTP includes Downtown Topeka, Inc., the Greater Topeka Chamber of Commerce, Growth Organization of Topeka/Shawnee County, Inc. and Subsidiary, and Visit Topeka. GTP is the sole member of the Greater Topeka Partnership Foundation. The Foundation is the sole member of The Topeka/Shawnee County First Opportunity Fund, LLC, and 712 Innovations, LLC. During the year ended December 31, 2021, 712 Innovations, LLC ceased operations.

The purpose of GTP is to foster economic development and improve the quality of life in Topeka and Shawnee County, Kansas.

Due To/From

The Organization has entered into an agreement with GTP. On a monthly basis, GTP pays for certain operational expenses and requests reimbursement from the Organization. These operational expenses consist of the Organization's dedicated employees' salaries and benefits, shared services employees' salaries and benefits, office rent, parking rent, payment for company credit card charges, property and equipment purchases, accounting support, marketing, and any other expense which is deemed appropriate to be allocated across all of the subsidiaries of GTP. The allocation was determined by completing an annual employee time allocation study. The Organization owes GTP \$ 271,152 at December 31, 2022, which is comprised of \$ 210,477 for payroll paid for the Organization, \$ 46,770 for accounts payable billed by GTP on behalf of the Organization, and \$ 105,000 for shared operating expenses including office and parking rent in the amount of \$ 81,675, less the amount owed to the Organization by GTP of \$ 91,095 for revenue collected and receivables billed by GTP on their behalf. The Organization owes GTP \$ 210,594 at December 31, 2021, which is comprised of \$ 101,139 for payroll paid for the Organization, \$ 62,051 for accounts payable billed by GTP on behalf of the Organization, and \$ 75,916 for shared operating expenses including office and parking rent in the amount of \$ 86,625, less the amount owed to the Organization by GTP of \$ 28,512 for revenue collected and receivables billed by GTP on their behalf.

At December 31, 2021 the Organization owed \$ 2,500 to the Greater Topeka Partnership Foundation for pledges collected on their behalf. At December 31, 2022, the Organization was owed \$ 1,500 from the Greater Topeka Partnership Foundation.

At December 31, 2022 and 2021, the Organization owed \$ 3,400 and \$ 0, respectively, to Visit Topeka for publication funds collected on their behalf.

Revenue

The Organization received contributions of \$ 240,726 and \$ 260,710, during the years ended December 31, 2022 and 2021, respectively from GTP for affiliate support and reimbursement of expenses paid with private dollars.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

12 - Leases

The Organization has recognized a lease liability equal to the present value of the remaining lease payments, and a right-to-use asset equal to the lease liability, subject to certain adjustments. The Organization used their incremental borrowing rate for a period comparable to the lease term to determine the present value of the lease payments. The incremental borrowing rate was determined by comparison to recent bank loans with comparable terms.

The Organization leases building space under an operating lease agreement with a term of 42 months. The operating lease contains a renewal option for 12 months. The operating lease cost is recognized on a straight-line basis over the lease term. The lease agreement does not contain any residual value guarantees or restrictive covenants.

The lease includes variable lease costs, which typically represent additional services transferred to the Organization, and are expensed in the period incurred.

The components of lease expense related to leases for the year ended December 31, 2022, are as follows:

Lease cost:	
Operating lease expense	\$ 56,506
Variable lease expense	194,658
	<hr/>
	\$ 251,164
	<hr/>

As of December 31, 2022, the weighted average remaining lease term for the operating lease is 3.67 years. The weighted average discount rate is 8.50%.

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the operating lease liabilities recognized on the statement of financial position are as follows at December 31, 2022:

Right of use operating leased asset	<hr/> <hr/>
	\$ 178,035
Years ending December 31:	
2023	\$ 55,249
2024	56,630
2025	58,046
2026	39,337
	<hr/>
Total lease payments	209,262
Less the amount representing present value discount	(29,152)
	<hr/>
Net operating lease liability	<hr/> <hr/>
	\$ 180,110

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

13 - JEDO Grant

JEDO is a separate legal entity authorized by Kansas Statute 12-2904(a) which was created by an inter-local agreement between the Board of Commissioners of Shawnee County and the City of Topeka. The Organization has an agreement with JEDO that provides for a grant to the Organization for the purpose of providing economic development services, including research, target marketing, existing business retention and expansion, new business recruitment, infrastructure development, site acquisition and development, incentive funds, workforce training and expansion, and other such activities deemed necessary and appropriate. The contract renews automatically every December, unless objections are brought forward.

JEDO has approved carryover of the 2022 and 2021 unexpended grant funds. At December 31, 2022 the carryover fund cannot exceed \$ 15,600,000. The unexpended funds are included in deferred revenue at December 31, 2022 and 2021, and includes approximately \$ 1,311,000 and \$ 1,114,000, for the minority and women-owned business program at December 31, 2022 and 2021, respectively.

14 - Concentrations and Major Customers

The Organization received 79% and 89% of their total revenue from a grant with the Joint Economic Development Organization (JEDO) for the years ended December 31, 2022 and 2021, respectively. In the event this grant was discontinued, the activities of the Organization would be curtailed accordingly.

15 - 401(k) Retirement Plan

The Organization participates in a 401(k) retirement plan which is sponsored by GTP. Eligibility is reached when an employee has completed ninety days of continuous employment and is over the age of 21.

The Organization's 401(k) retirement plan expense was \$ 52,700 and \$ 46,994 for the years ended December 31, 2022 and 2021, respectively.

16 - Incentives

The Organization enters into various incentive agreements spanning several years and generally requiring maintenance of employment levels and other obligations. For the years ended December 31, 2022 and 2021, the Organization paid \$ 1,233,953 and \$ 1,695,725, respectively, for cash incentives, net of amounts recouped from employers that did not maintain employment levels or meet other requirements.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

At December 31, 2022, the Organization has outstanding contingent incentive commitments to various companies expected to be payable as follows:

2023	\$	3,016,059
2024		1,504,387
2025		1,398,487
2026		908,187
2027		586,606
		<hr/>
Total	\$	7,413,726
		<hr/>

17 - Subsequent Events

The Organization has evaluated subsequent events through the date of the independent auditors' report, which is the date the financial statements are available to be issued.

SUPPLEMENTARY INFORMATION

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2022

	Growth Organization of Topeka/Shawnee County, Inc.	GO Topeka ETLC Support Corporation	Eliminations	Consolidated
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 9,906,650	\$ 139	\$ -	\$ 9,906,789
ETLC restricted cash	-	1,627,355	-	1,627,355
Investments	6,229,820	-	-	6,229,820
Grants receivable	11,225	-	-	11,225
Accounts receivable	498	-	-	498
Due from Greater Topeka Partnership Foundation	1,500	-	-	1,500
Prepaid expenses	56,997	3,406	-	60,403
Total current assets	16,206,690	1,630,900	-	17,837,590
Property and equipment, net	42,783	4,086,941	-	4,129,724
Other assets:				
Right of use operating lease asset	178,035	-	-	178,035
Land held for economic development	1,787,305	-	-	1,787,305
Total assets	<u>\$ 18,214,813</u>	<u>\$ 5,717,841</u>	<u>\$ -</u>	<u>\$ 23,932,654</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Lease liability - current	\$ 41,927	\$ -	\$ -	\$ 41,927
Accounts payable	81,484	-	-	81,484
Due to (from) Greater Topeka Partnership	291,550	(20,398)	-	271,152
Due to Visit Topeka	3,400	-	-	3,400
Deferred revenue	15,600,075	-	-	15,600,075
Intercompany due to/from	(1,712,622)	1,712,622	-	-
Other current liabilities	44,041	-	-	44,041
Total current liabilities	14,349,855	1,692,224	-	16,042,079
Other liabilities:				
KFCP Improvement Fund	430,934	-	-	430,934
Lease liability - long-term	138,183	-	-	138,183
Long-term debt, net of loan fees	-	6,202,537	-	6,202,537
Total liabilities	14,918,972	7,894,761	-	22,813,733
Net assets:				
Without donor restrictions:				
Undesignated	1,508,536	(2,176,920)	-	(668,384)
Board designated	1,787,305	-	-	1,787,305
Total net assets	3,295,841	(2,176,920)	-	1,118,921
Total liabilities and net assets	<u>\$ 18,214,813</u>	<u>\$ 5,717,841</u>	<u>\$ -</u>	<u>\$ 23,932,654</u>

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2021

	Growth Organization of Topeka/Shawnee County, Inc.	GO Topeka ETLC Support Corporation	Eliminations	Consolidated
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 8,534,528	\$ 139	\$ -	\$ 8,534,667
ETLC restricted cash	-	1,667,221	-	1,667,221
Investments	6,182,838	-	-	6,182,838
Grants receivable	11,170	-	-	11,170
Accounts receivable	10,130	-	-	10,130
Prepaid expenses	50,191	3,142	-	53,333
Total current assets	14,788,857	1,670,502	-	16,459,359
Property and equipment, net	30,570	4,192,012	-	4,222,582
Other assets:				
Land held for economic development	1,787,305	-	-	1,787,305
Total assets	<u>\$ 16,606,732</u>	<u>\$ 5,862,514</u>	<u>\$ -</u>	<u>\$ 22,469,246</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Accounts payable	\$ 82,574	\$ -	\$ -	\$ 82,574
Due to Greater Topeka Partnership Foundation	2,500	-	-	2,500
Due to Greater Topeka Partnership	210,594	-	-	210,594
Deferred revenue	14,353,396	-	-	14,353,396
Intercompany due to/from	(1,720,356)	1,720,356	-	-
Other current liabilities	22,170	-	-	22,170
Total current liabilities	12,950,878	1,720,356	-	14,671,234
Other liabilities:				
KFCP Improvement Fund	483,934	-	-	483,934
Long-term debt, net of loan fees	-	6,192,810	-	6,192,810
Total liabilities	<u>13,434,812</u>	<u>7,913,166</u>	<u>-</u>	<u>21,347,978</u>
Net assets:				
Without donor restrictions:				
Undesignated	1,384,615	(2,050,652)	-	(666,037)
Board designated	1,787,305	-	-	1,787,305
Total net assets	<u>3,171,920</u>	<u>(2,050,652)</u>	<u>-</u>	<u>1,121,268</u>
Total liabilities and net assets	<u>\$ 16,606,732</u>	<u>\$ 5,862,514</u>	<u>\$ -</u>	<u>\$ 22,469,246</u>

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

	Growth Organization of Topeka/Shawnee County, Inc.	GO Topeka ETLC Support Corporation	Eliminations	Consolidated Total
Support and revenues:				
JEDO grant revenue	\$ 3,687,323	\$ -	\$ -	\$ 3,687,323
Other grant revenue	52,152	-	-	52,152
Other income	247,724	99,949	-	347,673
Sponsorship revenue	210,478	-	-	210,478
Event revenue	40,500	-	-	40,500
Interest and investment income	66,163	492	-	66,655
Affiliate support revenue	240,726	-	-	240,726
Total support and revenues	4,545,066	100,441	-	4,645,507
Expenses:				
Program expenses:				
Economic development	3,413,943	-	-	3,413,943
Events	47,943	-	-	47,943
East Topeka Learning Center (ETLC)	-	226,709	-	226,709
Marketing	389,947	-	-	389,947
Total program expenses	3,851,833	226,709	-	4,078,542
Supporting services expense:				
General and administrative	569,312	-	-	569,312
Total supporting services expense	569,312	-	-	569,312
Total expenses	4,421,145	226,709	-	4,647,854
Change in net assets	123,921	(126,268)	-	(2,347)
Net assets, beginning of year	3,171,920	(2,050,652)	-	1,121,268
Net assets, end of year	\$ 3,295,841	\$ (2,176,920)	\$ -	\$ 1,118,921

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

	Growth Organization of Topeka/Shawnee County, Inc.	GO Topeka ETLC Support Corporation	Eliminations	Consolidated Total
Support and revenues:				
JEDO grant revenue	\$ 4,827,152	\$ -	\$ -	\$ 4,827,152
Other grant revenue	95,701	-	-	95,701
Other income	6,534	30,215	-	36,749
Sponsorship revenue	148,985	-	-	148,985
Event revenue	37,962	-	-	37,962
Interest and investment income	24,238	699	-	24,937
Affiliate support revenue	260,710	-	-	260,710
Advertising income	3,000	-	-	3,000
Total support and revenues	5,404,282	30,914	-	5,435,196
Expenses:				
Program expenses:				
Economic development	4,351,823	-	-	4,351,823
Events	56,342	-	-	56,342
East Topeka Learning Center (ETLC)	-	477,237	-	477,237
Marketing	371,980	-	-	371,980
Total program expenses	4,780,145	477,237	-	5,257,382
Supporting services expense:				
General and administrative	574,512	-	-	574,512
Total supporting services expense	574,512	-	-	574,512
Total expenses	5,354,657	477,237	-	5,831,894
Change in net assets	49,625	(446,323)	-	(396,698)
Net assets, beginning of year	3,122,295	(1,604,329)	-	1,517,966
Net assets, end of year	\$ 3,171,920	\$ (2,050,652)	\$ -	\$ 1,121,268



Agenda Item No. 3E

**JEDO Board Meeting
May 10, 2023 - 6:00 P.M.**

GO Topeka Quarterly Update

JEDO Quarterly Report

Q1
2023

go
>topeka

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Choose
Topeka



GO Topeka
785.234.2644
GOTOpeka.com
719 S Kansas Ave. Ste.100
Topeka, KS 66603

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In The Press



Glenda Washington, recognized with International Award

The Partnership is proud to announce that Glenda Washington, Chief Equity and Opportunity Officer for the Greater Topeka Partnership, was recognized by iChange Nations™ with the iCHANGE NATIONS™ GLOBAL LIFE OF IMPACT AWARD.

Previous award winners include His Majesty King Oyo Nyimba, Toro Kingdom in Uganda, Dr. Ben Shelly former President of the Navajo Nation, and Wolde Giorgis former President of Ethiopia, among others.

Glenda Washington puts all she has into small businesses

Helping develop small businesses has always been a passion for Glenda Washington.

The Greater Topeka Partnership's chief equity and opportunity officer has pioneered her way through the business realm. She was honored earlier this month for her years of guiding others.

Washington was awarded the Global Life of Impact Award from iChangeNations.

Washington said receiving the award meant validation of the work she has done in the community.

"It means that your work is not in vain and that you have put forth all effort that you possibly could to help grow a community," Washington said.

Long history of helping businesses development in communities Whether it be a business pitch contest, small business meetings, forums and more, Washington has been the face of numerous development efforts for the betterment of businesses in Topeka and Shawnee County. She received a bachelor of science in workforce, education and development from Southern Illinois University, a bachelor of science in business management and a master's in business administration from the University of Phoenix.

Washington said she has received "probably over 50 or 60 awards" in her professional career, but they all were centered around small business development. They include the UNF Small Business Development Center Advocate of the Year and Jacksonville MED Week Advocate of the Year awards.

Receiving the award during Women's History Month shows 'power of a woman'. Though Washington was amazed about being honored for her success through Ichange Nations, she said receiving it during Women's History Month was perfect timing.

"It's always good to see people embrace the power of a woman. The things that she does. And then she goes home and does a whole ton more," Washington said. "And what she brings to the economy and how she grows her home while she grows her business."



Washington grew up in Statesboro, Georgia, during the 1960s as the second child of 11 children. She watched her grandmother leave home each day to do domestic work.

She told The Capital-Journal it was an everyday occasion for her grandmother to go off to work, come back home at lunch and go to another job later that evening. But her grandmother's work ethic encouraged her and modeled for her on "how you make ends meet."

Washington said she's honored to be able to help the community.

"I don't take it for granted, but I just continue to work," she said. "I don't say, 'It's another job or another day.' I say that I'm just honored to be able to say that I'm working in this position to help small businesses."

The Ichange Nations award recognized Washington for her "tireless efforts to better the lives of others" and her "willingness to sacrifice her time and resources that creates a positive impact as well as a shift in society."

She said she encourages others to give it their all and put everything into it.

"Look for opportunities to be a resource and opportunities to give back to the community," Washington said. "Don't think your job is your job and then you go home. You're going to have to give back something else besides just your job."

Molly Howey inducted into Ingram's 25th Class of 40 Under Forty

Molly Howey, 39, is all about learning new things, gaining new perspectives—and bringing new businesses to Topeka and the Shawnee County area. She's the president of Go Topeka, the county's economic development effort, working her way to that role over the course of 12 years. Her work has paid off for the region in the form of more than 1,500 new jobs and billions of dollars in capital investment.

She has also led efforts to create a partnership with Plug and Play, a Silicon Valley-based innovation platform that brings dozens of startup companies to Topeka each year for a business-accelerator program. "We have also funded hundreds of small businesses through our small business incentives program that puts over \$300,000 in the hands of small, local businesses each year to fill gaps and remove growth barriers," says Howey. "Being a community leader, I get to help create opportunities for our citizens and see the changes happen before my eyes, which is amazing! I am involved in my community and my industry as a mentor across the nation, as well," and her efforts have been rewarded with multiple awards at the local, state, and even national levels. "I'm a native Kansan and love my home state, but I also love to travel," says the mother of three. She, husband Johnny, and their three kids spend a lot of time at lakes and listening to live music whenever they can. She also says, "I have a heart for people with special needs and serve on the board for TARC, a major resource for that community in Topeka."



Business Attraction

GO Topeka works continuously to bring awareness of the business assets in Topeka and Shawnee County to site selectors and companies looking to relocate or expand. Currently, the new business attraction portfolio holds 25 active projects in various industry sectors: 18 manufacturing, distribution and R&D, five aviation, one general office, and one bioscience.

25
**ACTIVE
PROJECTS**



HARRIS FABRICATION EXPANSION IN TOPEKA PROJECTED TO MAKE \$175M ECONOMIC IMPACT

Topeka and Shawnee County's Joint Economic Development Organization (JEDO) board approved an incentive agreement that will aid in the expansion of Harris Fabrication, an existing manufacturing business in Topeka that provides world-class metal fabrication services.

Previously referred to as "Project Koolaid," this expansion is expected to result in an estimated economic impact locally of \$175 million over 10 years, with Harris Fabrication preparing to make a \$2.1 million capital investment. The expansion will create up to 30 new full-time jobs with an average salary of \$48,000, plus benefits. The JEDO incentive for this project, to be paid out as performance metrics are met, is up to \$190,000, resulting in a 117% return on investment for the community.

"We are dedicated to giving our people state-of-the-art equipment and facilities," said Andrew Harris, president of Harris Fabrication. "This incentive will help us continue that through our new high-bay building and all the equipment in it. Thank you to GO Topeka and JEDO for supporting the manufacturing industry. Our company is looking forward to many more years with the capital city in our corner, supporting us along the way."

Project Press Releases

"Harris Fabrication is driven to make our employees better through training, high-quality equipment, and first-class facilities," added business partner Brian Green. "We are excited that our partnership with GO Topeka and JEDO will help us move forward with all of these goals in mind. We look forward to many more years in the capital city and want to be part of a strong, vibrant Topeka that betters all of our lives!"

"Harris Fabrication has become known in our community for exceptional work and customer service," said Bill Riphahn, Shawnee County Commission chair. "I'm proud JEDO has the opportunity to support their growth and look forward to seeing their legacy of excellence continue for years to come."

"It's a win for Topeka when a local company chooses to further invest in our community through a business-expansion project," said Topeka Mayor Mike Padilla. "Not only will the growth of Harris Fabrication result in positive economic returns for this community, but the project will provide new job opportunities and further prosperity for families that call the capital city, 'home.'"

"Harris Fabrication is one of the local companies helping put Topeka/Shawnee County on the map as a hub for manufacturing," said Molly Howey, president of GO Topeka. "When they were first considering expansion, the company started working with GO Topeka on the small-business side to see if small-business incentives might be a good fit. It quickly became clear the ambitious scope of their project would be better suited to traditional expansion incentives. It's exciting to see Harris Fabrication going that route, as they grow right here at home. I have no doubt their innovative approach to business will continue to positively impact this community."

HERE.
GO
TOPEKA
SMOOR
GREAT

PRESS RELEASE

February 8, 2023

Harris Fabrication
Expansion in Topeka

Capital Investment:

\$2.1M

New Jobs:

30

Projected:

Economic Impact - \$175M

Return On Investment - 117%



Innovation & Entrepreneurship

The Topeka Social Entrepreneurship Engagement Project

GO Topeka, working in conjunction with the Washburn Small Business Development Center, Washburn School of Business, Topeka Community Foundation, Omni Circle Group and Shawnee Startups, received a \$10,000 grant from NetWorked Community Solutions to create The Topeka Social Entrepreneurship Engagement Project. TSEEP-related events are taking place in February and March, including a community bus tour, training and resources for social entrepreneurship, and a public lecture by renowned speaker and social entrepreneur James Rhee, of Red Helicopter.

Spring Propeller Journey Launches

The Spring Journey of Propeller launched in April! Propeller is GO Topeka's mentorship network to support and grow entrepreneurs in our ecosystem. Propeller is designed to allow for maximum flexibility and helps spur organic connections between entrepreneurs and people with valuable experience. Participants are each connected with up to three others, with special guests invited to networking sessions. Propeller's advisory committee include Scott Gales of Architect One, Chris McGee of Endeavor Private Wealth, and Susie Pryor of the Kansas SBDC. To get involved as a mentor or mentee, please contact Stephanie.Norwood@TopekaPartnership.com

For more information, visit
GoTopeka.com/propeller

Plug and Play Topeka Announces Batch-Five Startups for Spring Accelerator Program

Plug and Play Topeka has announced 11 startups were recently selected for the fifth batch of its Animal Health accelerator program. This program aims to bring global innovation to the heartland by facilitating opportunities for business development and mentorship, as well as spurring pilots and initiating proof of concepts between the selected startups and the program's three founding partners, Cargill, Evergy and Hill's Pet Nutrition.

The startups, chosen by partners of the program, span five countries and represent a broad range of new innovations focused on things like supply chain, sustainability, anti-waste, new materials, and pet health and wellness.

"We are excited to see such diverse startups that showcase how comprehensive the animal health industry is," said Lindsay Lebahn, senior program manager for Plug and Play Topeka. "Our goal is to help these emerging companies gain valuable resources, mentorship, and partnerships, which can ultimately bring their innovative ideas to market and make a real impact in the animal health industry."

"Cargill is proud to support the Plug and Play Topeka Animal Health accelerator," said Eric Flanagan, director of emerging products and solutions for Cargill's North American Protein business. "The startups selected represent some exciting and innovative technologies that have the potential to enhance our work across the food supply chain and make an impact on the animal health corridor."

"We've been impressed by the depth of the startups going through Topeka's Plug and Play accelerator," said Jeff Martin, vice president customer operations for Evergy. "The latest cohort represents a range of cutting-edge innovations, and we're eager to see how their products advance through this program."

"We are already seeing the difference being made by innovative startups going through the Plug and Play program," said Dave Baloga, vice president of science and technology for Hill's Pet Nutrition. "The latest batch is full of potential, and we look forward to helping advance some of the exciting ideas they bring to the table."

"These startups are developing exciting new technologies and products that will enhance the animal health industry," said Stephanie Moran, senior vice president of innovation for GO Topeka. "We are

excited to introduce them to the resources and support available to them in Topeka and hope that they will consider our community for their growth needs as they continue to develop.”

Click each of the company names below to learn more about the 11 startups participating in the program:

Animoscope — Animoscope offers veterinary advice to all dog and cat owners.

Aquapak — Aquapak Polymers is focusing on bringing multi-functional plastics into a circular economy.

Curbicus — Curbicus provides a clean, compostable solution to dog waste for modern pet parents.

FaunaLabs — FaunaLabs helps optimize animal health and welfare by delivering valuable insights to enable carers (owners, farm managers and veterinarians) with scalable fur-penetrating sensors and AI-driven predictive medicine.

Okeanos — Okeanos can replace the majority of plastic in packaging with stone; meet Made From Stone™, nature’s solution to plastic pollution.

Pastoral — Pastoral financially incentivizes livestock farmers to be more environmentally sustainable, providing the tools and data required to transition to low-GHG regenerative farming while generating valuable carbon credits and carbon accounting data. We turn livestock farmers into Carbon Farmers.

PeelON — PeelON, innovating the way we pack.

Prevera — Prevera provides a solution that specializes in protecting waters and foods.

Titan Bioplastics — Titan Bioplastics develops functional, sustainable materials for a wide variety of industries and applications.

Treetop Biopak — Treetop Biopak provides sustainable packaging solutions for industry, with a focus on compostable materials.

Völur — Völur is optimizing the meat industry by reducing waste and making it more sustainable.



JA Holds Youth Entrepreneurship Challenge

Junior Achievement, in partnership with Network Kansas, hosted a Youth Entrepreneurship Challenge on Feb. 2 at the Bradbury Thompson Alumni Center at Washburn University.

Middle and high school students submitted their entrepreneurial ideas, competing for prize money in the areas of a written business plan, 4-minute pitch, and tabletop trade show. Community leaders and entrepreneurship advocates served as judges, including GO Topeka’s Stephanie Moran, Plug and Play’s Lindsay Lebahn, members of the Innovation Advisory Board and local entrepreneurs.

Plug and Play Expo Coming to Topeka

Plug and Play and GO Topeka are teaming up to bring the first Animal Health & Ag Tech Summit to the capital city in June 2023! Plug and Play is building a world-class animal health ecosystem by pairing Silicon Valley technology with the Kansas region’s state-of-the-art industry R&D, workforces, and animal health companies. They are also creating the world’s most effective ag tech platform to find and develop new applications in automation, analytics, sustainability, and supply chain. Save the date and join us to discover the latest trends in the Animal Health and Ag Tech industries! There will be networking, demo tables, pitches, panels, and keynote speakers. The summit will take place June 15 from 8 a.m. to 5 p.m. in the Townsite Avenue Ballroom. To learn more and register, visit

GoTopeka.com/plug-and-play-expo

Small Business Incentive Program

Incentive Types

Construction

8

Marketing

7

Architecture
& Design

4

Equipment

9

Proof of Concept

1

PREAPPROVAL
2023

29

Incentives
Totaling

\$132,708

LIFE OF PROGRAM

605

Incentives
Totaling

\$2,522,233

*Some companies may have been awarded more than one incentive.

DEMOGRAPHICS OF APPLICATIONS IN PROCESS

5

Minority Owned

6

Women Owned

1

Veteran Owned

1

Disabled Owned

1

SBA 8(a)- Certified

Starting a small biz comes with struggle; this Topeka grants program helps cut the risk

A focused small business incentive program is helping Capital City entrepreneurs grow their businesses more quickly and saving them money during the startup process. When his family settled in Topeka in late 2021 after a couple years living in a motorhome, veteran video producer Thomas Hicks knew he needed to rebuild his equipment arsenal in order to serve his new customer base.

So Hicks, founder and executive producer of Story Factory, applied for and received a \$5,000 matching equipment grant from Go Topeka in the first quarter of 2022, putting the money toward new lights, stands, a

tripod, and a second camera, among other items.

Had the small business incentive program through Go Topeka not been available, Hicks said, he would have been forced to put all the expenses on a credit card and pay off the interest over a longer period of time.

"It just would have been an additional \$5,000 of struggle, because when you're trying to start a small business, \$5,000 is a lot of extra cash," Hicks said. Beyond the cost savings, Hicks said having the proper equipment gave Story Factory the added credibility needed to impress its clients.

"There's this perception from clients that when you show up with four of five cases of high-quality gear, and you have a couple of high-end cameras, it tells your client that they're important and this project is for real," Hicks said. "That confidence that you get from having the proper equipment has value in itself."



Small Business Awards

42nd Annual Small Business Awards Finalists



GO Topeka announced 23 local businesses as finalists for recognition at Topeka and Shawnee County's 42nd annual Small Business Awards. Finalists were selected to receive awards in the following nine award categories and will learn the

winner of each category at the awards on May 2nd: Small Business Exporter Award, Young Entrepreneur Award, Micro Enterprise Award, Emerging Innovation Venture Award, Women-Owned Small Business Award, Minority-Owned Small Business Award, Veteran-Owned Small Business Award, Small Business Manufacturer Award, and Top City Small Business of the Year.

The following companies have been chosen as finalists:

Amused Gallery, DeAna Morrison
Axe and Ale, Chelsea Huston & Ashlee Spring
Bimini Pet Health, Sam Al-Murrani
Chavez Inc., Dan Chavez
Chef LaMona, LaMona Schley
Civium Architecture & Planning, David Heit
Counter Craft LLC, Andrew & Kristy Richards
Customskin Medspa at His and Her Salon & Day Spa, Trisha Williams
Cut Right Lawn Care LLC, Matt Bleier
Dialogue Coffee House, Caitlyn Halsey
Distingué Gentleman, Theodis Williams
Giant Communications, Austin Taylor
Inspire & Company Candles, Ebony White
Linens by Marlen, Marlen Oliveros
Miller Precision, Dustin Miller
Onyx Salon & Wellness Spa, Heather Graves
Owl's Nest Topeka, Lyndsey McKinnon
Phoenix Marketing Group, Seth Stevens
Plains Craft Covered Wagons, Dennis Steinman
Ricks Advanced Dermatology & Radiance Medical Spa, Matthew Ricks
Senne & Company, Matthew McGivern
Supersonic Music/Tree House Drums, Derek Sharp
Yes! Athletics, Deb North

To be eligible for an award, small businesses had to be located within Shawnee County and have 100 or fewer employees, including the owner(s). Evaluation included review of each business' vision, staying power, growth, innovativeness, response to adversity and community engagement.

Equity and Opportunity

Collaborations

Social Entrepreneurship Survey

The GTP's Equity and Opportunity Office is working with partners at Washburn's SBDC, The Omni Circle, Shawnee Startups to conduct a community survey to determine retail and other service gaps in the LMI Community. Once the survey results have been received, these partners will work with potential business owners and local authorities to assist with plans for filling the gaps identified.

Unity Breakfast

GO Topeka hosted a unity breakfast during diversity month. The breakfast included words from Representative Tobias Schlingensiepen and Senator Oletha Faust-Goudeau, education, art, and dance. The event brought together 100 individuals from across the community.

WISE Women

GO Topeka is working to introduce a program called WISE Women. The goal of the WISE Women Mentorship program is to increase female representation and introduce young women to the fields of Science, Technology, Engineering and Math. The Partnership staff will be working with USD 501 staff and students to build a successful program. Several local companies and corporations have volunteered to serve as mentors.

Becoming Athena Leadership Training



Becoming Athena Leadership Training offers a deep dive into the Eight Principles of Enlightened Leadership. Sixteen women are experiencing Athena Leadership training. They are actively participating in week six of an eight-week program focusing on Living Authentically, Learning Constantly, Building Relationships, Fostering Collaboration, Acting Courageously, Advocating Fiercely, Giving Back and Celebrating.

The training is aiding in developing the catalytic skills needed to transform our community. The participants took an assessment to aid them in better understanding their leadership type.

Topeka Athena Award

Congratulations to Dr. JuliAnn Mazachek, the inaugural Athena Award recipient. The Athena Award was introduced in 1982. The award is given to a professional woman who leads by example and creates opportunities for other women. The award showcases inspiring examples of leadership in our community.



Doing Business with the City Lunch and Learn

The Greater Topeka Partnership and the City of Topeka have scheduled a Lunch and Learn entitled "How to Do Business with the City of Topeka." The Lunch and Learn, aimed specifically at black and Hispanic owned businesses, will offer hands on experience that will cover how to navigate the City's procurement system and view upcoming opportunities. The workshop will take place on May 11, 11:30 AM – 1PM, 719 S Kansas Avenue, Suite 110, 6th Floor, at the Greater Topeka Partnership.

First Opportunity Loan Fund Dashboard

The First Opportunity Fund Loan is a loan program that provides small businesses with access to funding for a variety of purposes, including equipment purchases, working capital, and real estate acquisition. The program started in 2009 and has since provided approximately \$11 million in loans to small businesses in Topeka and Shawnee County. Direct access to finance is a critical piece of the business ownership puzzle. The First Opportunity Loan Fund continues to support businesses located in economically distressed communities.

First Opportunity Loan Fund current loan portfolio:

\$443,340

Active Loan Amount

\$220,000

Pending Loan Requests

7

Active Loan Clients

4

Pending Loan Clients

Upcoming Event



DEI SUMMIT:
CHANGING MINDSETS, SHIFTING CULTURES



Forge Young Talent

Events

This year Forge is focused on quality over quantity, and we are seeing positive results paying off. Our first event of the year was Forge 101 in partnership with Washburn University. At this event we had some brief programming about Forge and WSGA. We also held a short networking workshop and then hosted a network bingo. During networking Bingo, Forge had “networking facilitators” placed within the crowd to help facilitate conversations between the students and other attendees. We had over 100 students and Forge members in attendance, building relationships and professional networks. In addition to Forge 101 we hosted a successful Trivia night with 50+ Forge members, a Yoga and mimosa event, Live Your Dream Symposium, and several volunteer opportunities.



Initiatives

In the first quarter Forge has been working on several different initiatives including our college recruiting initiative, TopCity Interns, Employee Engagement opportunities with local employers, and completing the transition to our new internal structure. In addition to this we have had several successful events and have increased our membership, engagement, and attendance.

College Recruiting Initiative

One of Forge’s goals for 2023 was to stand up a recruiting program to help spread the word of not only Forge but of Topeka and its attractions, night life, business opportunities and other young professional amenities. In the first quarter, Forge attended 2 different college recruiting fairs. One in partnership with Choose Topeka and the other in Partnership with GO Topeka Innovation and Small Business. At this event we were able to “sell” different aspects of Topeka, as well as share information about Forge, our business ecosystem, and other resources in hopes of attracting talent from outside the area.

Increase in membership, engagement, and attendance



In the first quarter Forge has seen just over 60 new members join. This is on track to meet our goal of 250 new members for 2023. If we continue this pace and hit our goals, Forge will have welcomed nearly 450 new members in the past 2 years. This growth in new members has also contributed to increased engagement on our social media platforms and with our enews, as well as increased attendance at our events. Our enews open rate has climbed and is hovering around 40%-45% open rate which is a nearly 10% increase year over year.

TopCity Interns

In the first quarter of 2023, TopCity Interns convened their kickoff meeting and began planning for the summer program. This year our preliminary numbers suggest that we will have close to 250 interns and more than 20 different companies. Our kickoff event will be June 1 at the Topeka Zoo. A full detailed version of the summer schedule will be available shortly.

Workforce & Talent

2023 Q1 Workforce Data

**Total Working
Age Population**
(16 YEARS AND OVER)

102,152
TOPEKA

142,152
SHAWNEE COUNTY

KS 2,273,792
US 266,115,000

**Labor Force
Participation**

63,413
TOPEKA

91,814
SHAWNEE COUNTY

KS 1,512,081
US 166,010,000

Employment

61,194
TOPEKA

88,808
SHAWNEE COUNTY

KS 1,466,191
US 159,715,000

Jobs

86,910
TOPEKA

102,521
SHAWNEE COUNTY

KS 1,506,172
US 161,552,255

**Average
Wages**

\$54,297
TOPEKA

\$54,269
SHAWNEE COUNTY

KS \$56,211
US \$68,838

**Labor Force
Participation
Rate**

62.16% TOPEKA

64.6% SHAWNEE
COUNTY

KS 66.50%
US 62.38%

**Employment-
Population Ratio**

59.98% TOPEKA

62.50% SHAWNEE
COUNTY

KS 64.48%
US 60.02%

**Unemployment
Rate**

3.5% TOPEKA

3.3% SHAWNEE
COUNTY

KS 3.0%
US 3.8%

*Total Civilian Non-institutionalized Population



Talent Attraction

CHOOSE TOPEKA 2.0 GETS FUNDING APPROVAL

The GO Topeka Board of Directors and Joint Economic Development Organization board approved funding on Feb. 7 and 8, respectively, for Choose Topeka 2.0 — the next installment in the Choose Topeka talent attraction initiative. The Choose Topeka Relocation Program has been successful in many ways since the employer match option was announced in December 2019, with a remote worker option following in September 2020. In its first three years, the

program has seen employers submit 73 employees for the incentive, and 26 remote workers have participated in the program. In total, 99 applicants — a mix of individuals and families — have relocated to Shawnee County through Choose Topeka, and both rounds of funding have been fully utilized, totaling \$600,000.

After a program review, and based on recommendations from the Momentum 2027 steering committee, an enhanced Choose Topeka 2.0 model has been developed for implementation through Momentum 2027. The refreshed

program will include a stronger focus on supporting Shawnee County business workforce needs, expanded breadth of target markets, boomerang applicants, transitioning soldiers, a wraparound immersion program and other enhancements. An employer-match option will remain part of the program, with applicants needing to meet the following criteria to be eligible for incentives:

- Move to Topeka for full time employment position
- Purchase/rent a home (primary residence) within Shawnee County
- Employer participation in matching funds
- Eligible to work in the United States
- NEW: Also available to newly graduating Washburn students as a sign-on bonus
- NEW: Must complete Choose Topeka survey after one year
- NEW: Must participate in a Choose Topeka immersion program

Incentive options have also been added for boomerang candidates and soldiers transitioning to civilian life. The submission form for the employer match option is currently available at [ChooseTopeka.com](https://choosetopeka.com), and the application for boomerangs and transitioning soldiers is coming soon!



Choose Topeka 2.0 Relocation Incentive

\$42,500

IN TOTAL COMMITTED FUNDS FROM
THE EMPLOYER MATCHING FUNDS

6

RENTING

4

PURCHASED
HOMES

7

OF STATES
MOVED FROM

6

UNIQUE EMPLOYER
SUBMITTALS

ECONOMIC IMPACT ANALYSIS

\$63,620

AVERAGE SALARY

14.7^x

\$669,125
RETURN ON INVESTMENT
IN YEAR 1

75.7^x

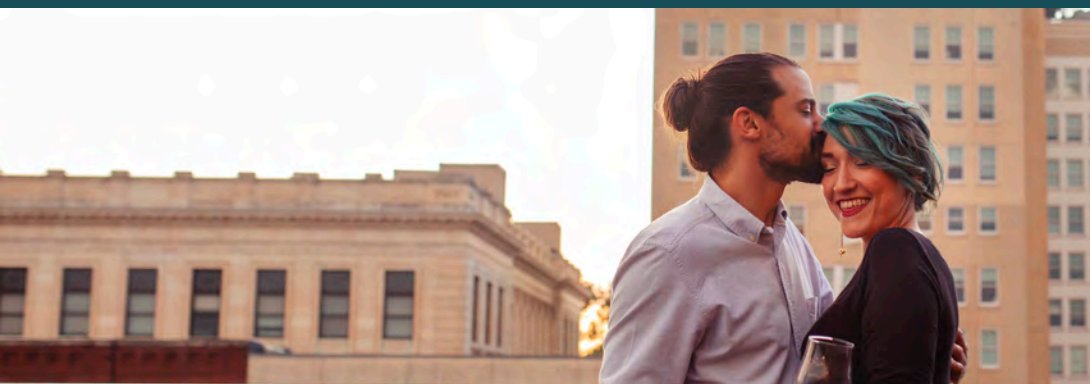
\$3,431,279
RETURN ON INVESTMENT
AFTER 5 YEARS

INTERESTING FACT

One of the participating employers relocated their business from Colorado to Topeka, and moved three of their key team members to Shawnee County utilizing the Choose Topeka Program.

CHOOSE IN THE NEWS

GO Topeka uses several public relation tools and have cultivated relationships with regional and national media to help maintain brand awareness through earned media. Overall, 86+ pieces of coverage were read by approximately 4.9M people and generated over 52,000 social media shares. This totals an earned media value of \$400,000.



GO Topeka Staff

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Howey



President of
Economic Development

Glenda

Washington



Chief Equity &
Opportunity Officer

Stephanie

Moran



SVP of Innovation

Trina

Goss



Director, Business &
Talent Initiatives

Stephanie

Norwood



Director of
Entrepreneurship
& Small Business

Patrick

Altendor



Economic Advisor

Rhett

Flood



Executive Director of
Forge Young Talent

Ashley

Lehman



Director of Business
Development

Elle

Browne



Executive
Coordinator

Matt

Pivarnik



CEO, Greater Topeka
Partnership



Meet **STEPHANIE NORWOOD**

DIRECTOR OF ENTREPRENEURSHIP & SMALL BUSINESS

The Greater Topeka Partnership and GO Topeka are pleased to announce Stephanie Norwood has been named GO Topeka's Director of Entrepreneurship and Small Business. Norwood steps into the role after serving for more than three years as The Partnership's Director of Events.

Norwood succeeds Laurie Pieper, who recently accepted the position of Assistant State Director for Kansas' Small Business Development Center.

Norwood was hired for the role following a competitive application and interview process. She is in the process of transitioning into the position and will serve on GO Topeka's innovation and entrepreneurship team.

"Stephanie was the perfect candidate for this position," said Stephanie Moran, GO Topeka's senior vice president of innovation. "Her experience organizing incredible events and programming for the community set her apart, and I know she'll do amazing things for Topeka and Shawnee County small businesses."

"Stephanie has organized some of the most amazing events for Topeka, many of which have directly supported our small businesses in the process," said Tobias Harvey, chair of the Topeka/Shawnee County Small Business Council. "Her expertise in event coordination and programming will be a valuable asset for our community and small businesses in the area. I and the other Small Business Council members look forward to working alongside her."

"Stephanie has proven herself as a leader on the GTP team, and I'm excited to see her flex those leadership skills in this new role," said Molly Howey, president of GO Topeka. "We work hard at The Partnership to provide professional development opportunities for our team members, so they can grow within our organization and beyond. Stephanie has consistently capitalized on those opportunities, and I'm proud of her achievements."



“I’m honored to accept this position and look forward to connecting more deeply with some of the area’s innovative thinkers and business leaders,” Norwood said. “It’s exciting to be part of the GO Topeka team helping our business community grow and thrive. ”



HERE. GREAT GROWS.

Positioned as an industry leader, the new GO Topeka will strive to innovate, collaborate and boldly move Topeka and Shawnee County into the future.

Great. Grows. Here.

Visit GoTopeka.com



2023 Go Topeka Board of Directors

Elected Directors

Linda Briden	Sunflower Association of Realtors
Kevin Rake	HME, Inc
Sara Girard	Central National Bank
Dr. Bob Kenagy	Stormont Vail Health
Martha Piland	MB Piland
Marsha Pope	Topeka Community Foundation
Marvin Spees	Capital City Oil
Tammy Dishman	Capitol Federal Foundation
Dan Foltz	KBS Constructors
Calla Haggard	Community Bank
Shane Hillmer	Southwest Publishing
Kurt Kuta	CoreFirst Bank & Trust
Jeff Russell	Reser's Fine Food
Daina Williams	L&J Building Maintenance
Dr. Sam Al-Murrani	Strategic Business Consultant
Scott Hunsicker	Kansas Financial Resources
Cassandra Taylor	HTK Architects
Doug Wolff	Security Benefit
Jim Klausman	Midwest Health
Jacob Wamego	Prairie Band, LLC
Jeff Martin	Evergy
Chris Faulk	McElroy Electric, Inc.
Paul Bossert	Premier Staffing
Manny Herron	Haus Property Partners
Travis Morris	Summit Materials

Directors Appointed at Large

Michael Odupitan	Omni Circle
Brittany Crabtree	Topeka Collegiate
Marsha Pope	Topeka Community Foundation
Dr. Kevin Hahn	BioTopeka
Linessa Frazier	American Century Investments
Marvin Spees	Capital City Oil
Neal Spencer	Ernest-Spencer

Directors By Virtue of Position Held

Michael Padilla	City of Topeka, Mayor
TBD	Shawnee County Commissioner
TBD	City of Topeka, Council Member
Eric Johnson	MTAA
Stephen Wade	City of Topeka, City Manager
Dr. JuliAnn Mazachek	Washburn University
Carlos Vasquez	DEI Council Chair



A Greater Topeka Partnership Organization



Prepared for JEDO
Joint Economic Development Organization