

City of Topeka Popular Annual Financial Report to Citizens

For Fiscal Year
Ended December 31, 2021



Popular Annual Financial Report



As part of an ongoing commitment to transparency and helping to ensure community access to information about its local government, we are pleased to present this Popular Annual Financial Report (PAFR) for the City of Topeka's fiscal year ended December 31, 2021.

The PAFR is focused on providing useful information on the City's operations, services, and financial condition. Our goal is to provide this information in a helpful and understandable format. Financial information referenced herein is sourced from the City's audited financial statements as published in the Annual Comprehensive Financial Report (ACFR) for fiscal year ended December 31, 2021. The 2021 ACFR was audited by RSM US, LLP and has received an unmodified or "clean" audit opinion.

While the ACFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited, the PAFR is not audited, provides information only on primary government funds, and is presented on a non-GAAP basis. For a more detailed and complete record of the City's financial information, please refer to the ACFR.

The City Of Topeka was the recipient of the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) by the Government Finance Officers Association of the United States and Canada for its PAFR for the fiscal year ending December 31, 2020. The award is a prestigious honor recognizing conformance with the highest standards for preparation of state and local government popular annual financial reports.

Both documents are available through the City's website at:

<https://www.topeka.org/finance/financial-reports/annual-reports/>

Contacts:

Mayor Michael Padilla, 785-368-3895, 215 Southeast 7th Street Topeka, Kansas, 66603

Stephen Wade, Administrative and Financial Services Director, 785-368-9160, 215 Southeast 7th Street Topeka, Kansas, 66603



Governing Body



Top Row: Spencer Duncan, Neil Dobler, Brett Kell, Tony Emerson, Michael Lesser
Bottom Row: Sylvia Ortiz, Karen Hiller, Michael Padilla, Hannah Naeger, Christina Valdvia-Alcalá

Since 2005 the City of Topeka has operated under a Council-Manager form of government. This system of local government combines the strong political leadership of elected officials with the managerial experience of a professional local government manager.

The City is governed by a ten-member Governing Body, including a directly elected Mayor and a nine-member City Council, elected by district. Governing Body members serve 4-year staggered terms. A City Manager, appointed by the Governing Body, is responsible for the implementation of the Governing Body's policy and the day-to-day operations of the City.

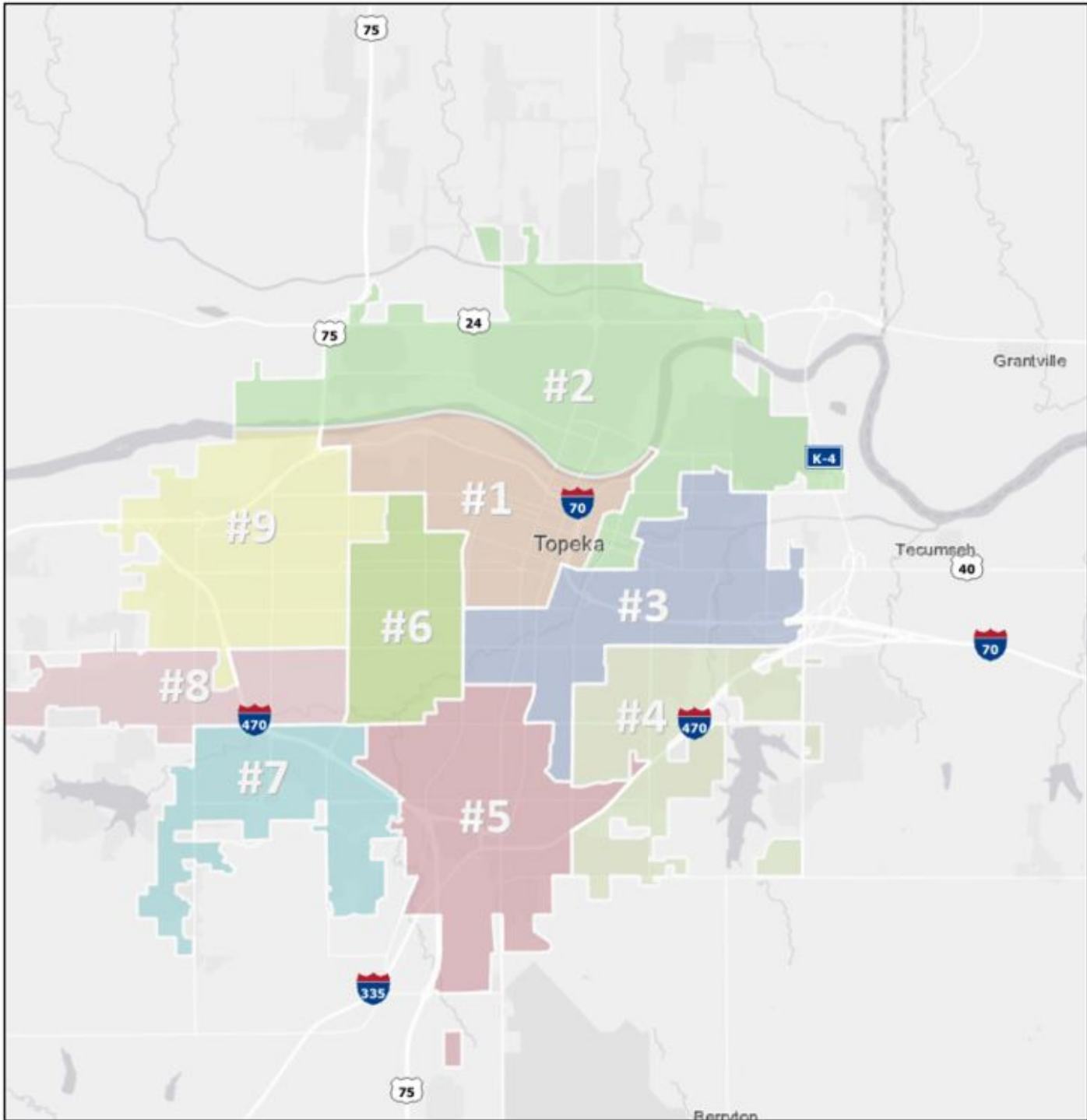
The information in the City of Topeka Popular Annual Financial Report is taken from the City of Topeka Annual Comprehensive Financial Report (ACFR).

A copy of the ACFR is available online at <https://www.topeka.org/finance/financial-reports/annual-reports/>

City of Topeka Address: 215 SE 7th, Topeka, Kansas, 66603; (785) 368-9160

Financial and Administrative Services Address: 215 SE 7th, Topeka, Kansas, 66603; (785) 368-3970

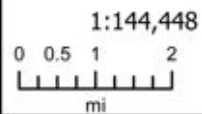
City Council Districts



City Council Districts

District Number

1. Karen Hiller
2. Christina Valdivia-Alcalá
3. Sylvia Ortiz
4. Tony Emerson
5. Brett Kell
6. Hannah Naeger
7. Neil Dobler
8. Spencer Duncan
9. Mike Lesser



June 21, 2022

City of Topeka, Kansas GIS Data Disclaimer

While the City of Topeka, Kansas makes every effort to maintain and distribute accurate information, **NO WARRANTIES AND/OR REPRESENTATIONS OF ANY KIND** are made regarding information, data or services provided. In no event, shall the City of Topeka, KS be liable in any way to the users of this data. Users of this data shall hold the City of Topeka, KS harmless in all matters and accounts arising from the use and/or accuracy of this data. This Agreement is solely for the benefit of the parties hereto, and no third party shall be entitled to claim or enforce any rights hereunder.



Statistical Section

Topeka is the capital city of Kansas and the seat of Shawnee County. Begun as a site to ferry wagons across the Kansas River for the Oregon Trail, the City of Topeka was incorporated on February 14, 1857. Topeka was the center of abolitionist and pro-slavery conflict that gave the territory the name Bleeding Kansas. Constitution Hall, located in Topeka, is where the Free State Capitol Constitution was drafted. In 1861 Kansas was admitted to the Union as the 34th state and Topeka was designated the capital.

Quick Facts about Topeka:

Population: 125,819

Unemployment Rate: 2.4%

Operating Budget: \$339m

City Employees: 1,155

GO Bond Rating: AA (S&P)

Revenue Bond Rating: Aa3 (Moody's)

Top Ten Taxpayers	Taxable Assessed Value
Total Assessed Value of City	\$1,354,780,081
Evergy Kansas Central Inc. / Westar	\$95,661,435
Burlington North/Santa Fe	\$13,093,092
Walmart Properties	\$12,795,333
Target Corporation	\$12,681,500
Kansas Gas Service	\$12,336,846
Comm 204-CCRE16 SW Wanamaker Road LLC	\$7,497,763
BCBS of Kansas	\$7,496,999
Frito Lay	\$6,807,502
Federal Home Loan Bank of Topeka	\$6,375,000
Big Heart Pet Brands	\$6,345,913
Total	\$1,535,871,464

Top Ten Employers	Employees	Percentage of Total City Employment
State of Kansas	8,050	7.59%
Stormont -Vail Health Care	3,900	3.68%
USD 501	2,500	2.36%
Goodyear Tire and Rubber Co.	2,000	1.89%
Blue Cross Blue Shield of Kansas	1,600	1.51%
University of Kansas Health System	1,550	1.46%
Target Distribution	1,320	1.25%
Reser's Fine Foods	1,300	1.23%
Frito-Lay	1,200	1.13%
Hill's Pet Nutrition	1,200	1.13%
Total	24,620	23.23%



Balance Sheet

The Balance Sheet, known as the Statement of Net Position in governmental financial statements, presents information on what the City owns (assets and deferred outflows) and owes (liabilities and deferred inflows), including governmental and business-type activities. The difference, known as net position, is an indicator of the financial condition of the City. The below chart summarizes the City's financial condition as of December 31, 2021. For the year ending December 31, 2021, total assets and deferred outflows (what we own) exceeded total liabilities and deferred inflows (what we owe), resulting in an overall increase in total net position over 2020.

Balance Sheet - Primary Government			
	2021	2020	2019
Assets:			
Current and Other Assets	\$ 401,857,189	\$ 374,202,113	\$ 347,404,356
Capital	\$ 763,853,643	\$ 758,564,085	\$ 728,593,785
Total Assets	\$ 1,165,710,832	\$ 1,132,766,198	\$ 1,075,998,141
Deferred Outflows	\$ 32,285,766	\$ 37,339,611	\$ 23,798,078
Liabilities:			
Long-Term Liabilities Outstanding	\$ 555,501,581	\$ 568,621,785	\$ 504,168,849
Other Liabilities	\$ 99,261,696	\$ 101,645,450	\$ 111,107,408
Total Liabilities	\$ 654,763,277	\$ 670,267,235	\$ 615,276,257
Deferred Inflows	\$ 82,837,663	\$ 55,235,213	\$ 54,659,633
Net Position:			
Investment in Capital Assets	\$ 328,647,197	\$ 339,838,873	\$ 351,731,559
Restricted	\$ 82,388,561	\$ 65,281,939	\$ 60,404,206
Unrestricted	\$ 49,359,900	\$ 39,482,549	\$ 17,724,564
Total Net Position	\$ 460,395,658	\$ 444,603,361	\$ 429,860,329



Income Statement

The Income Statement, known as the Statement of Activities in governmental financial statements, presents information on how the City's net assets changed during the year as a result of the year's financial activity, including governmental and business-type activities. The chart below summarizes the City's financial activity for the fiscal year ending December 31, 2021. In 2021, revenues exceeded expenditures by \$15.2 million, resulting in an increase in the total net position.

Income Statement - Primary Government			
	2021	2020	2019
Revenues:			
<i>Program Revenue:</i>			
Charges for Services	\$ 95,278,022	\$ 92,087,961	\$ 88,196,601
Operating Grants and Contributions	\$ 13,323,863	\$ 20,895,403	\$ 10,507,013
Capital Grants and Contributions	\$ 9,148,578	\$ 10,321,771	\$ 12,830,709
<i>General Revenue:</i>			
Property Taxes	\$ 46,207,608	\$ 44,646,000	\$ 44,791,299
Sales Taxes	\$ 65,831,655	\$ 58,049,375	\$ 55,250,790
Franchise Fees	\$ 13,696,309	\$ 13,239,426	\$ 13,992,231
Motor Fuel Taxes	\$ 5,003,333	\$ 4,685,315	\$ 4,713,596
Payment in Lieu of Taxes	\$ 8,330,204	\$ 7,866,785	\$ 7,480,292
Other Taxes	\$ 4,199,771	\$ 3,239,201	\$ 4,575,005
Interest Earnings and Miscellaneous	\$ 8,246,739	\$ 8,243,995	\$ 5,973,937
Total Revenues	\$ 269,266,082	\$ 263,275,232	\$ 248,311,473
Expenses:			
Governmental Activities	\$ 167,696,113	\$ 173,632,119	\$ 173,346,516
Water, Water Pollution Control, & Stormwater Utilities	\$ 83,819,158	\$ 72,815,843	\$ 72,919,171
Public Parking	\$ 2,458,514	\$ 2,469,134	\$ 3,032,450
Total Expenses	\$ 253,973,785	\$ 248,917,096	\$ 249,298,137
Change in Net Position	\$ 15,792,297	\$ 14,358,136	\$ 4,883,204
Net Position - January 1 *	\$ 444,603,361	\$ 430,245,225	\$ 424,977,125
Net Position - December 31	\$ 460,395,658	\$ 444,603,361	\$ 429,860,329

* Net Position Beginning January 1, 2020 is presented as it was restated



Revenue Summary: Where the Money Comes From

Funding for the City of Topeka's governmental activities (i.e. services provided to residents) and business-type activities comes from a variety of sources. In 2021, the City's revenues totaled \$269,299,082. The majority of the City's revenues are derived from taxes. Sales and use tax of \$65.8 million and property tax of \$46.2 million, collectively made up 41% of the City's revenues for 2021. The next largest revenue source is charges for services of \$95.2 million, or 35%, of the City's 2021 revenues. The City also receives revenue from grants, franchise fees, investment income, and various other revenue streams. In total, 2021 revenue increased by \$5.9 million compared to 2020. The following provides a brief description of the City's key revenue sources:

Capital Grants: Financial support received from other entities and organizations for the purpose of financing the purchase of a capital asset for a specific program

Charges for Services: Represents charges to the public for services the City provides. Examples include water, sewer, license, permit, parking and inspection fees

Franchise Fees: Percent of revenue from utility companies for the use of the City's right-of-way in order to deliver utility services

Interest Earnings: Investment income derived from the investment of monies in securities authorized by state statute. Investment earnings are dependent on the market and cash available for investment.

Operating Grants: Funding received from other entities and organizations for the purpose of financing the day-to-day costs of a specific program

Payments in Lieu of Taxes (PILOTs): Compensation primarily for tax exempt properties in lieu taxes

Property Taxes: Taxes collected from property owners on real-estate and other equipment

Sales and Use Tax: The City's 1 cent citywide, 1/2 cent citywide, and a portion of the 1/2 cent countywide sales tax



Revenue Summary: Where the Money Comes From Continued

Search	2021 Actuals :	2020 Actuals :	2019 Actuals :
<input type="checkbox"/> 101 - GENERAL	\$99,492,230	\$103,175,423	\$94,063,051
Taxes	\$67,663,988	\$62,177,701	\$60,125,547
Special Assessments	\$292,852	\$304,177	\$330,408
PILOTS	\$7,948,927	\$7,799,229	\$7,539,898
Municipal Court	\$1,865,880	\$1,833,238	\$1,038,931
Miscellaneous	\$702,427	\$9,441,925	\$1,197,183
Licenses & Permits	\$1,748,724	\$1,578,936	\$2,195,526
Investments from Interest	\$255,014	\$1,344,925	\$1,655,437
Intergovernmental Revenue	\$1,114,800	\$971,738	\$1,285,339
Franchise Fees	\$13,696,309	\$13,239,426	\$13,992,229
Fees For Service	\$4,203,310	\$4,484,128	\$4,702,553
Total	\$99,492,230	\$103,175,423	\$94,063,051

Revenue - Primary Government			
	2021	2020	2019
Program Revenues:			
Charges for Services	\$ 95,278,022	\$ 92,087,961	\$ 88,196,601
Operating Grants and Contributions	\$ 13,323,863	\$ 20,895,403	\$ 10,507,013
Capital Grants and Contributions	\$ 9,148,578	\$ 10,321,771	\$ 12,830,709
General Revenues:			
Property Taxes	\$ 46,207,608	\$ 44,646,000	\$ 44,791,299
Sales Taxes	\$ 65,831,655	\$ 58,049,375	\$ 55,250,790
Franchise Fees	\$ 13,696,309	\$ 13,239,426	\$ 13,992,231
Motor Fuel Taxes	\$ 5,003,333	\$ 4,685,315	\$ 4,713,596
Payment in Lieu of Taxes	\$ 8,330,204	\$ 7,866,785	\$ 7,480,292
Other Taxes	\$ 4,199,771	\$ 3,239,201	\$ 4,575,005
Interest Earnings and Miscellaneous	\$ 8,246,739	\$ 8,243,995	\$ 11,843,805
Total Revenues	\$ 269,266,082	\$ 263,275,232	\$ 254,181,341



Expense Summary: Where the Money Goes

The City provides a full range of services, including public works, public safety (police, fire protection, and municipal court), water and sewer services, public parking, economic development, and a variety of other services. Public works, which is responsible for the construction and maintenance of City infrastructure including streets and bridges, and public safety account for the majority of the City's governmental activity expenses. In 2021, these accounted for \$121.3 million, or 72.3%, of the City's governmental expenses. The City also operates water, water pollution control, and storm water utilities which account for the large majority, 97%, of business-type activity expenses.

General Government: Includes services such as Mayor, City Council, Executive, Administration and Financial Services, City Attorney, and other expenses related to general government

Interest and Fiscal Charges: Expenses incurred for outstanding debt obligation

Parks and Recreation: Expenses related to the operation of the City Zoo

Public Housing: Includes services that are funded through operating grants such as Community Development Block Grants

Public Safety: Includes fire and police protection and municipal court

Public Works: Includes development services, forestry, engineering, administration, construction and maintenance of streets

Utilities: Expenses related to the operation and maintenance of water, water pollution control, and stormwater utilities.



Expense Summary: Where the Money Goes Continued

Search	2021 Actuals :	2020 Actuals :	2019 Actuals :
<input type="checkbox"/> 101 - GENERAL	(\$95,166,223)	(\$102,616,631)	(\$94,553,637)
Personnel	(\$73,137,616)	(\$71,585,023)	(\$73,250,619)
Other Payments	\$438,763	(\$11,525,757)	\$1,006,283
Debt	(\$188,347)	(\$184,850)	(\$181,419)
Contractual	(\$19,443,829)	(\$16,328,266)	(\$19,070,524)
Commodities	(\$2,336,324)	(\$2,288,221)	(\$2,226,435)
Capital Outlay	(\$498,871)	(\$704,513)	(\$830,924)
Total	(\$95,166,223)	(\$102,616,631)	(\$94,553,637)

Expenses - Primary Government			
	2021	2020	2019
Governmental Activities:			
General Government	\$ 22,280,194	\$ 21,587,144	\$ 19,803,990
Public Safety	\$ 71,266,533	\$ 74,336,261	\$ 73,015,825
Public Works	\$ 50,088,353	\$ 51,875,759	\$ 57,194,339
Miscellaneous			
Parks and Recreation	\$ 2,838,008	\$ 4,585,049	\$ 4,557,143
Public Housing	\$ 6,902,349	\$ 5,638,619	\$ 4,286,652
Social Services	\$ 656,412	\$ 627,882	\$ 562,534
Interest and Fiscal Charges	\$ 2,264,545	\$ 5,154,666	\$ 4,309,300
Economic Development	\$ 11,399,719	\$ 9,826,739	\$ 9,616,733
Total Governmental Activities	\$ 167,696,113	\$ 173,632,119	\$ 173,346,516
Business-Type Activities:			
Water, Water Pollution Control, & Stormwater Utilities	\$ 83,819,158	\$ 72,815,843	\$ 72,919,171
Public Parking	\$ 2,458,514	\$ 2,469,134	\$ 3,032,450
Total Business-Type Activities	\$ 86,277,672	\$ 75,284,977	\$ 75,951,621
Total Expenses	\$ 253,973,785	\$ 248,917,096	\$ 249,298,137



Capital Assets

Delivering services to the citizens of Topeka requires more than just dollars. Many assets (i.e. capital assets) are also needed to keep the City running. In 2021, total capital assets were valued at \$763.8 million, with investments in building improvements and infrastructure (streets, alley, bridges, etc.) comprising the largest amount \$588.5 million, or 77%. Construction in progress, valued at \$142 million in 2021, represents the second largest portion, and is reflective of the City's ongoing investment in future infrastructure needs.

Capital Assets - Primary Government			
	2021	2020	2019
Capital Assets, not being depreciated:			
Land	\$ 2,543,042	\$ 2,543,042	\$ 2,543,042
Intangible Easements	\$ 20,526,855	\$ 19,979,336	\$ 16,293,034
Construction in Progress	\$ 142,006,862	\$ 133,562,460	\$ 139,051,638
Total not being depreciated	\$ 165,076,759	\$ 156,084,838	\$ 157,887,714
Capital Assets, being depreciated:			
Building Improvements and Infrastructure	\$ 588,517,799	\$ 590,814,214	\$ 558,766,418
Furniture	\$ 30,381	\$ 35,037	\$ 52,732
Vehicles	\$ 7,719,545	\$ 9,735,196	\$ 9,926,023
Software	-	-	-
Tools and Equipment	\$ 2,509,459	\$ 1,894,800	\$ 1,960,898
Total being depreciated	\$ 598,777,184	\$ 602,479,247	\$ 570,706,071
Total Capital Assets	\$ 763,853,943	\$ 758,564,085	\$ 728,593,785



Long-Term Obligations

As of December 31, 2021, the City's long-term obligations totaled \$592.2 million, comprised predominately of debt related to construction of infrastructure assets.

General Obligation Bonds: Municipal bonds issued to fund various public projects. These are backed by the full faith and credit of the City. As of December 31, 2021, the City's General Obligation bonds totaled \$145.1 million, with a bond rating of AA by Standard & Poor's.

Revenue Bonds: Municipal bonds issued to fund income producing projects are secured by a specified revenue source, for example infrastructure projects related to water utilities. As of December 31, 2021, the City had \$314.1 million outstanding in Revenue bonds, with a bond rating of Aa3 by Moody's Investors Services.

Long-Term Obligations - Primary Government			
	2021	2020	2019
General Obligation Bonds	\$ 145,117,173	\$ 150,578,300	\$ 158,260,002
Tax Increment and Other Bonds	\$ 5,395,000	\$ 6,770,000	\$ 8,110,000
Less Deferred Amounts:			
<i>For issuance premium</i>	\$ 7,692,109	\$ 7,050,107	\$ 7,037,667
<i>For issuance discounts</i>	\$ (267)	\$ (356)	\$ (444)
Revenue Bonds	\$ 314,125,000	\$ 271,930,000	\$ 215,420,000
Less Deferred Amounts:			
<i>For issuance premium</i>	\$ 15,065,192	\$ 10,148,008	\$ 6,217,857
<i>For issuance discounts</i>	-	-	\$ (96,137)
State Revolving Loan	-	\$ 23,474,854	\$ 28,697,635
Other Liabilities	-	-	-
Capital Leases	\$ 1,045,916	\$ 1,396,635	\$ 2,074,679
OPEB Liability	\$ 8,305,590	\$ 6,586,367	\$ 6,370,570
Net Pension Liability	\$ 84,668,262	\$ 117,212,981	\$ 96,643,255
Retirement Incentive	-	-	-
Compensated Absences	\$ 10,848,294	\$ 10,012,662	\$ 9,476,222
Park Transfer Obligations	-	-	-
Claims and Judgements	-	-	-
Long-Term Liabilities	\$ 592,262,269	\$ 605,159,558	\$ 538,211,306

