



City of Topeka

POPULAR ANNUAL FINANCIAL REPORT



For the fiscal year ended December 31, 2022

About the Popular Annual Financial Report

Introduction

As part of an ongoing commitment to transparency and ensuring 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 ending December 31, 2022.

The PAFR is focused on providing useful information on the City's operations, services, and financial condition in a helpful and understandable format. Information is taken from the City's audited Annual Comprehensive Financial Report (ACFR) for the fiscal year ending December 31, 2022.

The PAFR summarizes content from the ACFR. The City of Topeka reports information from two categories of activities: **Governmental** and **Business-type**.

Governmental Activities

General Government, Public Safety, Public Works, Public Housing, Social Services, Interest

Business-type Activities

Water, Water Pollution Control, Stormwater, Public Parking

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

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

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

Any questions can be directed to:

- **Freddy Mawyin:** Chief Financial Officer, 785-368-3970, 215 SE 7th Street Topeka, Kansas, 66603
- **Mayor Michael Padilla:** 785-368-3895, 215 SE 7th Street Topeka, Kansas, 66603

About Topeka

Form of Government

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 who are elected by district. Governing Body members serve 4-year staggered terms.

The City Council conducts the business of the City by voting on ordinances, resolutions, adopting the annual budget, and other policy. The City Council elects a Deputy Mayor every year, who presides over Council meetings in the absence of the Mayor, makes committee assignments, and chairs various Council committees.

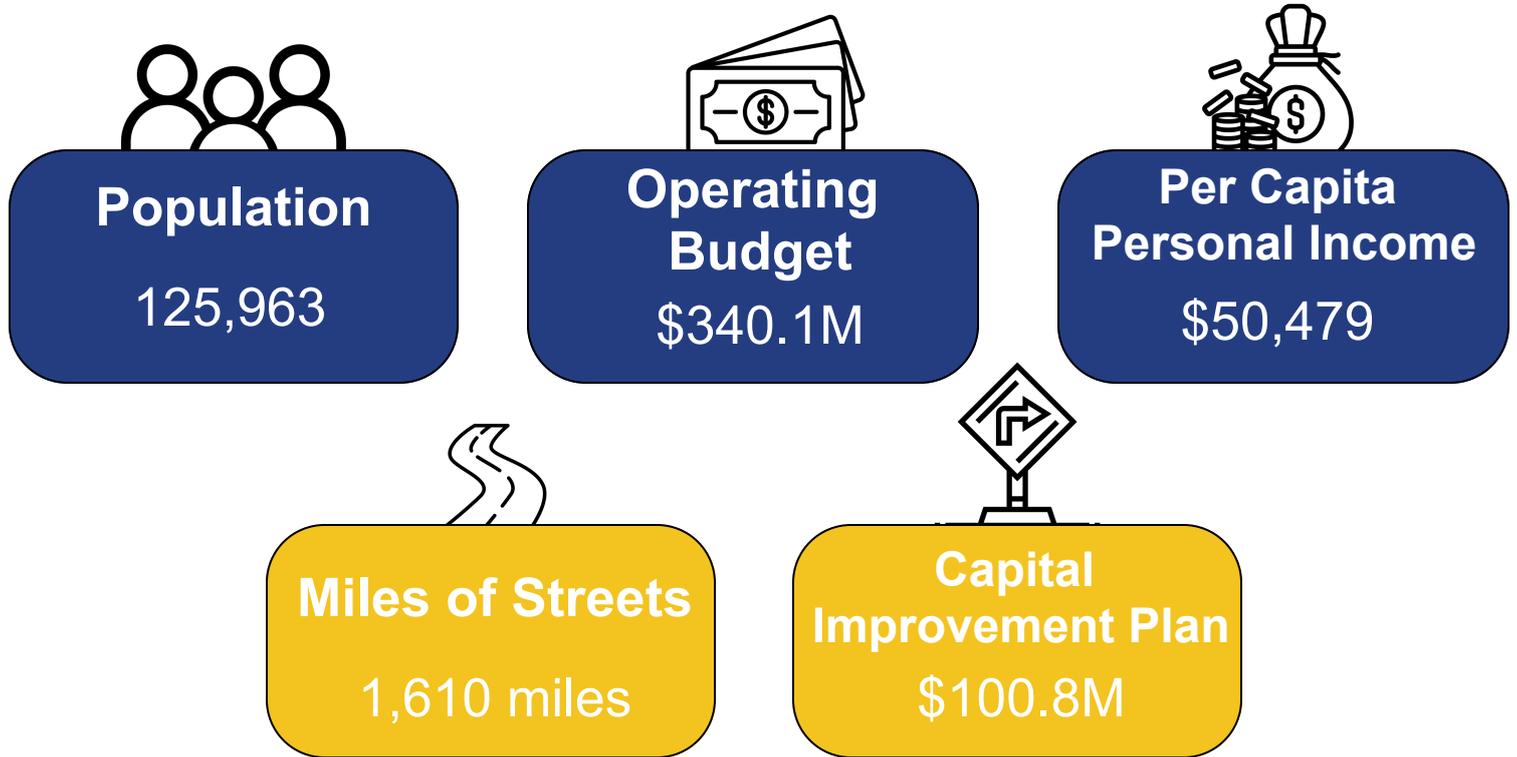
A City Manager, appointed by the Governing Body, is responsible for the implementation of the Governing Body's policy and the day-to-day operations of the City.



About Topeka

City Insights

The City of Topeka is the capital city of Kansas and the seat of Shawnee County. The City was incorporated in February 14, 1857. The City of Topeka is a full-service city that focuses on providing quality services to its community. Below are a selection of quick facts about Topeka.



Top Employers in 2022	Number of Employees
State of Kansas	8,050
Stormont-Vail Health Care	5,500
Unified School District #501	2,500
Midwest Health	2,000
BNSF Railway Company	1,931
Goodyear Tire and Rubber Co.	1,700
University of Kansas Health Systems - St. Francis Campus	1,600
Washburn University	1,566
Colmery-O'Neil VA Medical Center	1,544
Payless Shoe Source	1,500

Financial Overview

Net Position

The **Statement of Net Position** presents information on what the City owns (*assets and deferred outflows*) and owes (*liabilities and deferred inflows*). The difference between total assets plus deferred outflows and liabilities plus deferred inflows is net position.

For the year ending December 31, 2022, total assets and deferred outflows exceeded total liabilities and deferred inflows (what we owe), resulting in an overall increase in total net position over fiscal year 2022.



Increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or declining. The below chart summarizes the City's financial condition as of December 31, 2022

	2020	2021	2022
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current and Other Assets	\$ 374,202,113	\$ 401,857,189	\$ 424,625,346
Capital	758,564,085	763,853,643	777,691,304
Total Assets	\$ 1,132,766,198	\$ 1,165,710,832	\$ 1,202,316,650
Deferred Outflows of Resources	37,339,611	32,285,766	41,799,746
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Long-Term Liabilities Outstanding	\$ 568,621,785	\$ 555,501,581	\$ 587,268,749
Other Liabilities	101,645,450	99,261,696	113,263,122
Total Liabilities	\$ 670,267,235	\$ 654,763,277	\$ 700,531,871
Deferred Inflows of Resources	55,235,213	82,837,663	63,881,642
NET POSITION			
Investment in Capital Assets	\$ 339,838,873	\$ 328,647,197	\$ 301,380,654
Restricted	65,281,939	82,388,561	147,193,372
Unrestricted	39,482,549	49,359,900	31,128,857
Total Net Position	\$ 444,603,361	\$ 460,395,658	\$ 479,702,883

Financial Overview

Revenues

PROPERTY TAX

These are taxes collected on real property, personal property, and state assessed utilities. Property taxes increased by 8% in fiscal year 2022, mainly due to an increase in assessed valuations.

Sales Tax 36%

Property Tax 26%

OTHER TAXES

Other taxes include sales and motor fuel taxes and franchise fees. Sales tax was the largest source of revenue for the City in fiscal year 2022, increasing by approximately \$4 million from 2021.

8% Franchise Fees

5% Motor Fuel Tax

CHARGES FOR SERVICES

This revenue source represents charges to the public for services the City provides. This includes water, wastewater, stormwater, parking, licenses, permitting, and inspection fees.

CAPITAL GRANTS AND CONTRIBUTIONS

This is financial support received from other entities and organizations for the purpose of financing specific capital projects. This revenue source increased approximately \$1.2 million in 2022.

	2020	2021	2022
PROGRAM REVENUES			
Charges for Services	92,087,961	95,278,022	9,715,425
Operating Grants and Contributions	20,895,403	13,323,863	12,882,368
Capital Grants and Contributions	10,321,771	9,148,578	10,399,338
GENERAL REVENUES			
Property Taxes	44,646,000	46,207,608	49,682,480
Sales Taxes	58,049,375	65,831,655	69,729,617
Franchise Fees	13,239,426	13,696,309	16,080,723
Motor Fuel Taxes	4,685,315	5,003,333	10,151,572
Payment in Lieu of Taxes	7,866,785	8,330,204	7,987,111
Other Taxes	3,239,201	4,199,771	4,906,421
Interest Earnings and Miscellaneous	8,243,995	8,246,739	2,480,746
Total Revenues	263,275,232	269,266,082	194,015,801

Financial Overview

Expenses

The City's expenses fall into two broad categories: governmental activities and business-type activities. Public Safety is the largest expense category for **governmental activities**, and Utilities is the largest expense for **business-type activities**. The chart below shows the four largest expense categories based on total expenses.

UTILITIES

These are expenses related to the operation and maintenance of water, water pollution control, and stormwater utilities.

Utilities 31%

Public Safety 28%

PUBLIC SAFETY

Expenses in this category include fire and police protection and municipal court.

Public Works 18%

PUBLIC WORKS

This category includes development services, forestry, engineering, administration, and construction and maintenance of streets.

11% General Governmental

GENERAL GOVERNMENTAL

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

	2020	2021	2022
GOVERNMENTAL ACTIVITIES			
General Governmental	\$ 21,587,144	\$ 22,280,194	\$ 28,611,531
Public Safety	74,336,261	71,266,533	76,746,763
Public Works	51,875,759	50,088,353	49,474,882
Miscellaneous	-	-	-
Parks and Recreation	4,585,049	2,838,008	2,839,153
Public Housing	5,638,619	6,902,349	5,743,728
Social Services	627,882	656,412	659,892
Interest and Fiscal Charges	5,154,666	2,264,545	7,184,731
Economic Development	9,826,739	11,399,719	11,928,467
Total Governmental Activities	173,632,119	167,696,113	183,189,147
BUSINESS-TYPE ACTIVITIES			
Water, Water Pollution Control, and Stormwater Utilities	\$ 72,815,843	\$ 83,819,158	\$ 84,793,773
Public Parking	2,469,134	2,458,514	2,907,699
Total Business-Type Activities	75,284,977	86,277,672	87,701,472
TOTAL EXPENSES	\$ 248,917,096	\$ 253,973,785	\$ 270,890,619

Financial Overview

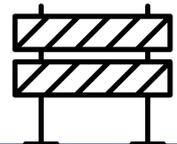
Assets

Capital assets include land, buildings and systems, improvements, construction in progress, machinery and equipment, storm sewers, water and sewer lines, roads, and bridges. The City's total investment increased by 2% from fiscal year 2021.



Buildings and Infrastructure
\$605.8M

Total Capital Investment
\$777.6M



Construction in Progress
\$134.5M

Debt

As a municipality, the City of Topeka can issue two types of debt:

- **General Obligation Bonds:** Municipal bonds that are issued to fund various public projects. These type of bonds are backed by the full faith and credit of the City. This means the bond will be paid back by the City's ability to raise funds, including through taxation. The City's GO bond rated is AA.
- **Revenue Bonds:** Municipal bonds that are payable from a specific source of revenue. Unlike a General Obligation bond, the full faith and credit of the City's taxing power is not pledged. The City's revenue bond rating is Aa3.



General Obligation Debt
\$146.3M

Total Indebtedness
\$454.9M



Revenue Debts
\$299.4M