



City of Topeka

POPULAR ANNUAL FINANCIAL REPORT



For the fiscal year ended December 31, 2023

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, 2023.

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, 2023.

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:

- **Josh McAnarney:** Budget Manager, 785-368-3035, 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.



TOPEKA CITY COUNCIL



Michael Padilla
MAYOR



Karen Hiller
DISTRICT 1



Christina Valdivia-Alcala
DEPUTY MAYOR/
DISTRICT 2



Sylvia Ortiz
DISTRICT 3



David Banks
DISTRICT 4



Brett Kell
DISTRICT 5



Marcus D.L. Miller
DISTRICT 6



Neil Dobler
DISTRICT 7



Spencer Duncan
DISTRICT 8



Michelle Hoferer
DISTRICT 9

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.



Population

125,464



Operating Budget

\$340.1M



Per Capita Personal Income

\$50,709



Miles of Streets

1,610 miles



Capital Improvement Plan

\$117.5M

Top Employers in 2023	Employees
State of Kansas	9,919
Stormont-Vail Health Care	4,400
Hills Pet Nutrition Inc	3,439
Unified School District #501	2,500
Blue Cross Blue Shieff of Kansas	2,026
BBNSF Railway Company	1,931
Washburn University	1,596
Comery-O'Neil VA Medical Center	1,544
University of KS Health Systems- St Francis Campus	1,334
Security Benefit Group of Companies	1,000

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, 2023, 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



2020
\$444M

2021
\$460M

2022
\$479M

2023
\$535M



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, 2023

BALANCE SHEET - PRIMARY GOVERNMENT

	2021	2022	2023
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current and Other Assets	\$ 401,857,189	\$ 424,625,346	\$ 424,625,346
Capital	763,853,643	777,691,304	801,440,096
Total Assets	1,165,710,832	1,202,316,650	1,312,329,399
Deferred Outflows of Resources	32,285,766	41,799,746	41,494,426
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Long-Term Liabilities Outstanding	\$ 555,501,581	\$ 587,268,749	\$ 631,152,059
Other Liabilities	99,261,696	113,263,122	117,937,186
Total Liabilities	654,763,277	700,531,871	749,089,245
Deferred Inflows of Resources	82,837,663	63,881,642	69,388,808
NET POSITION			
Investment in Capital Assets	\$ 328,647,197	\$ 301,380,654	\$ 370,012,182
Restricted	82,388,561	147,193,372	159,134,556
Unrestricted	49,359,900	31,128,857	6,199,034
Total Net Position	460,395,658	479,702,883	535,345,772

Financial Overview

Revenues

PROPERTY TAX

These are taxes collected on real property, personal property, and state assessed utilities. Property taxes increased by 4% in fiscal year 2023, mainly due to an increase in assessed valuations.

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 2023, increasing by approximately \$2.6 million from 2022.

Sales Tax

32%

Property Tax

23%

7%

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 \$15 million in 2023.

	2021	2022	2023
PROGRAM REVENUES			
Charges for Services	\$ 95,278,022	\$ 9,715,425	\$ 10,132,322
Operating Grants and Contributions	13,323,863	12,882,368	14,643,072
Capital Grants and Contributions	9,148,578	10,399,338	25,929,678
GENERAL REVENUES			
Property Taxes	\$ 46,207,608	\$ 49,682,480	\$ 51,895,674
Sales Taxes	65,831,655	69,729,617	72,308,952
Franchise Fees	13,696,309	16,080,723	15,228,457
Motor Fuel Taxes	5,003,333	10,151,572	10,499,656
Payment in Lieu of Taxes	8,330,204	7,987,111	8,001,039
Other Taxes	4,199,771	4,906,421	5,479,885
Interest Earnings and Miscellaneous	8,246,739	2,480,746	11,890,916
Total Revenues	269,266,082	194,015,801	226,027,660

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 30%

Public Safety 29%

PUBLIC SAFETY

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

Public Works 19%

13% General Governmental

PUBLIC WORKS

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

GENERAL GOVERNMENTAL

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

	2021	2022	2023
GOVERNMENTAL ACTIVITIES			
General Governmental	\$ 22,280,194	\$ 28,611,531	\$ 36,427,340
Public Safety	71,266,533	76,746,763	83,198,927
Public Works	50,088,353	49,474,882	55,293,614
Miscellaneous	-	-	-
Parks and Recreation	2,838,008	2,839,153	1,662,279
Public Housing	6,902,349	5,743,728	5,952,966
Social Services	656,412	659,892	567,661
Interest and Fiscal Charges	2,264,545	7,184,731	(299,534)
Economic Development	11,399,719	11,928,467	14,244,027
Total Governmental Activities	167,696,113	183,189,147	197,047,280
BUSINESS-TYPE ACTIVITIES			
Water, Water Pollution Control, and Stormwater Utilities	\$ 83,819,158	\$ 84,793,773	\$ 85,344,155
Public Parking	2,458,514	2,907,699	3,583,052
Total Business-Type Activities	86,277,672	87,701,472	89,644,083
TOTAL EXPENSES	\$ 253,973,785	\$ 270,890,619	\$ 286,691,363

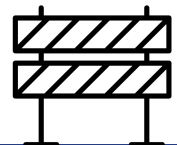
Financial Overview

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 3% from fiscal year 2022.



Total Capital Investment
\$801.4M



Buildings and Infrastructure
\$624.9M

Construction in Progress
\$137.3M

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.



Total Indebtedness
\$451.4M



General Obligation Debt
\$150.3M

Revenue Debts
\$299.4M