

Monthly Financial Status Report

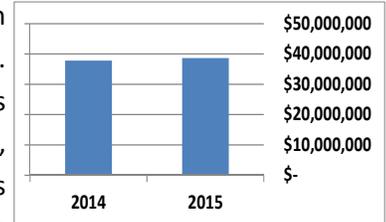
July 31, 2015



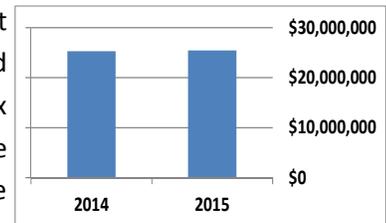
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

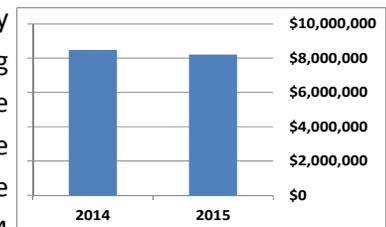
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2015 through July are \$38,374,775, which is a 1.51% increase over the 2014 collections of \$37,805,217. The City receives property tax allocations from the County primarily twice a year in January and June with a smaller allocation in the fall.



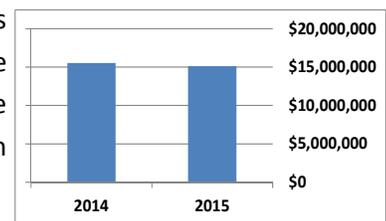
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2015 through July are \$25,451,018, which is a .71% increase over the 2014 collections of \$25,271,390. The City receives monthly disbursements from the State of Kansas, these allocations have a two month lag compared to when they are collected versus when the City receives them.



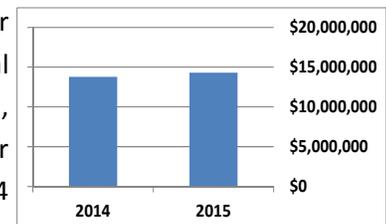
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are down (3.16%) in 2015 with collections of \$8,211,535, compared to 2014 collections of \$8,479,609.



WATER FEES Customers in the City are charged a fee for water services, fees are reviewed on an annual basis to ensure adequate future financial planning and the capacity to maintain, preserve and enhance the infrastructure of the City water system. Water fees for service are down (2.77%) in 2015 with collections of \$15,102,887, compared to 2014 billings of \$15,532,815.



WASTEWATER FEES Customers in the City are charged a fee for wastewater disposal, fees are reviewed on an annual basis to ensure adequate future financial planning and the capacity to maintain, preserve and enhance the infrastructure of the City wastewater system. Wastewater fees for service are up 3.81% in 2015 with collections of \$14,290,822, compared to 2014 billings of \$13,766,295.



POSITIVE

CAUTION

NEGATIVE

Monthly Financial Status Report

July 31, 2015



GENERAL FUND OVERVIEW

General Fund revenues for the month ending July 2015 were \$62,748,397, an increase of approximately 7% over 2014 revenues which were \$58,654,732. The largest difference monetarily is in taxes and assessments, this is due to better sales and property tax collections. General Fund expenditures for the month ending July 2015 was \$49,508,112, an increase of approximately 8% over 2014 expenditures which were \$45,908,993. In 2015 the City is converting to accounting based on cash basis, this will cause large fluctuations compared to the prior year. For example, expenses are up 8%, normally the City would accrue a portion of the first payroll back to the prior year. Those adjustments are still made, but differently, which makes it look like expenses are up considerably.

General Fund Operating Overview

Department	Actuals			As of July 31, 2015 (58% of budget year)		
	2014 YTD	2015 YTD	Difference	Budget		\$ Diff Compared to 2015 budget YTD
				2015 budget YTD	% of 2015 Budget YTD	
BEGINNING FUND BALANCE	\$ 10,057,217	\$ 18,270,000	\$ 8,212,783			
Revenues						
Taxes & Assessments	\$ 44,956,414	\$ 47,397,988	\$ 2,441,574	\$ 37,187,854	127.46%	\$ 10,210,134
Intergovernmental	\$ 513,520	\$ 521,181	\$ 7,661	\$ 618,333.33	84.29%	\$ (97,152)
Licenses/Permits & Franchise Fees	\$ 7,982,418	\$ 9,056,509	\$ 1,074,091	\$ 8,502,280	106.52%	\$ 554,229
Charges for Services	\$ 3,014,024	\$ 2,968,383	\$ (45,641)	\$ 3,071,524	96.64%	\$ (103,141)
Fines/forfeitures	\$ 1,773,221	\$ 2,051,285	\$ 278,064	\$ 1,750,000	117.22%	\$ 301,285
Rents/Interest	\$ 317,858	\$ 265,006	\$ (52,852)	\$ 199,512	132.83%	\$ 65,494
Other	\$ 93,846	\$ 261,702	\$ 167,856	\$ 138,772	188.58%	\$ 122,931
Transfers In	\$ -	\$ 150,019	\$ 150,019	\$ 116,667	128.59%	\$ 33,352
Sale of Assets	\$ 3,431	\$ 76,324	\$ 72,893	\$ 20,417	373.83%	\$ 55,907
TOTAL REVENUES	\$ 58,654,732	\$ 62,748,397	\$ 4,093,665	\$ 51,605,358	121.59%	\$ 11,143,039
Expenditures						
City Council	\$ 146,496	\$ 147,544	\$ 1,048	\$ 165,323	89.25%	\$ 17,779
City Manager	\$ 688,037	\$ 719,227	\$ 31,190	\$ 735,670	97.76%	\$ 16,443
City Attorney	\$ 575,562	\$ 592,138	\$ 16,576	\$ 673,380	87.94%	\$ 81,242
Financial Services	\$ 1,258,849	\$ 1,167,914	\$ (90,935)	\$ 1,295,898	90.12%	\$ 127,984
Municipal Court	\$ 904,534	\$ 1,029,222	\$ 124,688	\$ 1,072,649	95.95%	\$ 43,427
Human Resources	\$ 470,419	\$ 566,076	\$ 95,657	\$ 585,266	96.72%	\$ 19,190
Mayor's Office	\$ 62,106	\$ 67,661	\$ 5,555	\$ 70,020	96.63%	\$ 2,359
Non Departmental	\$ 497,270	\$ 1,391,078	\$ 893,808	\$ 1,932,786	71.97%	\$ 541,708
Prisoner Care	\$ 305,179	\$ 386,112	\$ 80,933	\$ 583,333	66.19%	\$ 197,221
HND Program Delivery	\$ 131,948	\$ 28,989	\$ (102,959)	\$ 1	4969542.86%	\$ (28,988)
Social Service Grants	\$ 377,602	\$ 521,976	\$ 144,374	\$ 299,890	174.06%	\$ (222,086)
Franchise Fee Program	\$ 59,925	\$ 85,000	\$ 25,075	\$ 58,392	145.57%	\$ (26,608)
Topeka Performance Center	\$ 249,661	\$ 288,390	\$ 38,729	\$ 247,543	116.50%	\$ (40,847)
Cemeteries	\$ 162,217	\$ 163,844	\$ 1,627	\$ 99,167	165.22%	\$ (64,677)
Fire Department	\$ 13,272,915	\$ 14,797,317	\$ 1,524,402	\$ 15,426,802	95.92%	\$ 629,485
Police Department	\$ 19,192,017	\$ 19,434,369	\$ 242,352	\$ 21,778,756	89.24%	\$ 2,344,387
Public Works	\$ 3,578,561	\$ 3,195,603	\$ (382,958)	\$ 3,704,021	86.27%	\$ 508,418
Park and Recreation	\$ 2,302,027	\$ 1,427,219	\$ (874,808)	\$ 888,081	160.71%	\$ (539,138)
Topeka Zoological Park	\$ 1,179,093	\$ 1,326,380	\$ 147,287	\$ 1,370,893	96.75%	\$ 44,513
Planning Department	\$ 494,575	\$ 484,742	\$ (9,833)	\$ 465,271	104.18%	\$ (19,471)
Neighborhood Relations	\$ -	\$ 1,687,311	\$ 1,687,311	\$ 1,586,374	106.36%	\$ (100,937)
TOTAL EXPENDITURES	\$ 45,908,993	\$ 49,508,112	\$ 3,599,119	\$ 53,039,513	93.34%	\$ 3,531,401
BETTER/(WORSE)	\$ 12,745,739	\$ 13,240,285				
ENDING FUND BALANCE	\$ 22,802,956	\$ 31,510,285	\$ 8,707,329			

Monthly Financial Status Report

July 31, 2015



ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2015 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 62,748,397	\$ 51,605,358	\$ 11,143,039	71%
Debt Service	\$ 19,880,728	\$ 12,315,713	\$ 7,565,015	94%
Special Liability	\$ 787,547	\$ 491,230	\$ 296,317	94%
Special Highway	\$ 4,149,445	\$ 3,354,280	\$ 795,165	72%
Special Alcohol & Drug	\$ 260,590	\$ 303,360	\$ (42,769)	50%
Alcohol & Drug Safety	\$ 50,016	\$ 43,633	\$ 6,383	67%
Law Enforcement	\$ 340,886	\$ 161,292	\$ 179,595	123%
Transient Guest Tax	\$ 1,863,246	\$ 1,436,959	\$ 426,287	76%
Employee Separation	\$ 4,798	\$ -	\$ 4,798	
Retirement Reserve	\$ 643,545	\$ 660,283	\$ (16,738)	57%
KP&F Rate Equalization	\$ 1,627	\$ -	\$ 1,627	0%
Neighborhood Revitalization	\$ 38,533	\$ 20,417	\$ 18,116	110%
Historical Asset Tourism	\$ 107,854	\$ 86,939	\$ 20,916	72%
Half Cent Sales Tax (JEDO)	\$ 5,035,207	\$ 4,951,309	\$ 83,898	59%
Half Cent Sales Tax (Street)	\$ 8,535,639	\$ 8,306,667	\$ 228,973	60%
Tax Increment Financing	\$ 212,762	\$ 137,372	\$ 75,390	90%
Court Technology	\$ 33,964	\$ 30,791	\$ 3,173	64%
Downtown Improvement	\$ 157,431	\$ 108,661	\$ 48,770	85%
Community Development	\$ 225,972	\$ 152,956	\$ 73,016	86%
Combined Utilities	\$ 34,268,810	\$ 36,526,233	\$ (2,257,423)	55%
Public Parking	\$ 1,693,023	\$ 1,879,036	\$ (186,013)	53%
Facilities	\$ 871,096	\$ 870,951	\$ 145	58%
Fleet	\$ 999,956	\$ 1,155,000	\$ (155,044)	51%
IT	\$ 2,143,578	\$ 2,132,996	\$ 10,582	59%
Risk Funds	\$ 7,567,199	\$ 8,036,430	\$ (469,231)	55%
TOTAL	\$ 152,621,850	\$ 134,767,864	\$ 17,853,986	66%

Fund	YTD Actual Expenditures	2015 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 49,508,112	\$ 53,039,513	\$ 3,531,401	56%
Debt Service	\$ 17,664,768	\$ 14,251,280	\$ (3,413,488)	72%
Special Liability	\$ 356,684	\$ 893,224	\$ 536,540	23%
Special Highway	\$ 3,947,060	\$ 3,800,587	\$ (146,473)	61%
Special Alcohol & Drug	\$ 277,802	\$ 350,000	\$ 72,198	46%
Alcohol & Drug Safety	\$ 36,176	\$ 34,067	\$ (2,109)	62%
Law Enforcement	\$ 249,218	\$ 372,679	\$ 123,461	39%
Transient Guest Tax	\$ 1,339,592	\$ 1,436,959	\$ 97,367	54%
Employee Separation	\$ 1,188,458	\$ 583,333	\$ (605,125)	119%
Retirement Reserve	\$ 13,588	\$ 525,000	\$ 511,412	2%
KP&F Rate Equalization	\$ 40,708	\$ 175,000	\$ 134,292	14%
Neighborhood Revitalization	\$ -	\$ 87,500	\$ 87,500	0%
Historical Asset Tourism	\$ 227,184	\$ 86,939	\$ (140,246)	152%
Half Cent Sales Tax (JEDO)	\$ 4,339,594	\$ 4,951,309	\$ 611,715	51%
Half Cent Sales Tax (Street)	\$ 10,958,539	\$ 9,549,194	\$ (1,409,345)	67%
Tax Increment Financing	\$ 90,819	\$ 112,263	\$ 21,443	47%
Court Technology	\$ 9,810	\$ 26,250	\$ 16,440	22%
Downtown Improvement	\$ 117,263	\$ 108,661	\$ (8,602)	63%
Community Development	\$ 224,906	\$ 152,956	\$ (71,950)	86%
Combined Utilities	\$ 33,330,525	\$ 46,018,741	\$ 12,688,217	42%
Public Parking	\$ 1,346,364	\$ 1,812,310	\$ 465,946	43%
Facilities	\$ 888,549	\$ 855,547	\$ (33,002)	61%
Fleet	\$ 1,124,448	\$ 1,112,735	\$ (11,713)	59%
IT	\$ 2,647,185	\$ 2,018,760	\$ (628,424)	76%
Risk Funds	\$ 7,265,546	\$ 7,406,621	\$ 141,076	57%
TOTAL	\$ 137,192,895	\$ 149,761,427	\$ 12,427,456	54%



CASH MANAGEMENT

Pooled Cash & Investments

Guidelines

Type of Investment	Minimum	Maximum	Actual %	Invested Value	Yield to Maturity
Bank Certificates of Deposit	0%	100%	20%	\$ 30,801,590	0.45
US Treasuries	0%	100%	0%	\$ -	-
US Agencies	0%	100%	22%	\$ 32,480,779	0.43
Repurchase Agreements	0%	50%	-	-	-
Municipal Investment Pool	0%	30%	8%	\$ 12,534,735	-
Municipal Refunding Bonds	0%	100%	-	-	-
Kansas General Obligation Bonds with credit below A3 or A-	0%	5%	-	-	-
Kansas General Obligation Bonds with credit of A3 or A- higher	0%	30%	24%	\$ 36,604,257	0.79
General Checking	0%	100%	25%	\$ 38,027,647	-
Subtotal of Investments				\$150,449,007	0.56

Total Portfolio Balance \$150,449,007

Duration of investments (expressed in years) 0.88

The City recognizes that effective cash management is an integral part of good financial management. The City seeks out investments that achieve the highest rates within allowable securities that preserve the safety, liquidity, return on investment and diversification of funds. The chart to the left describes the invested value of City investments compared to the guidelines of the investment policy. It also shows the total

cash balance of the City as of the month end in the total cash balance line, and shows the average duration of investments, which are limited to under 2 years for municipalities that do not have expanded investment powers as granted by the State of Kansas except for funds designated as multi-year capital improvement or investment of proceeds on bonds issued under Kansas law.

DEBT MANAGEMENT

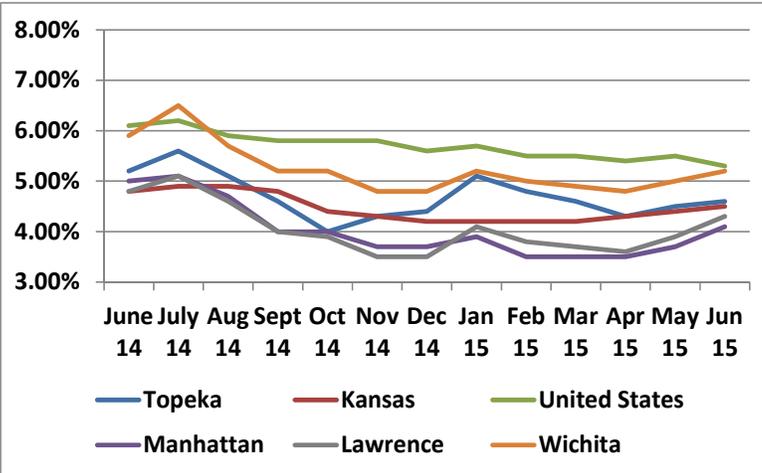
Finance staff oversee all debt issued by the City, which includes General Obligation (GO), revenue backed, revolving loan funds, temporary notes and special assessment debt. As of July 2015 the City had \$379,369,680 in permanent and temporary debt, compared to \$381,770,086 in 2014 or a -.63% decrease. When backing out the temporary notes and comparing current permanent debt to the prior year, permanent debt decreased by -3.14%.

Debt Management

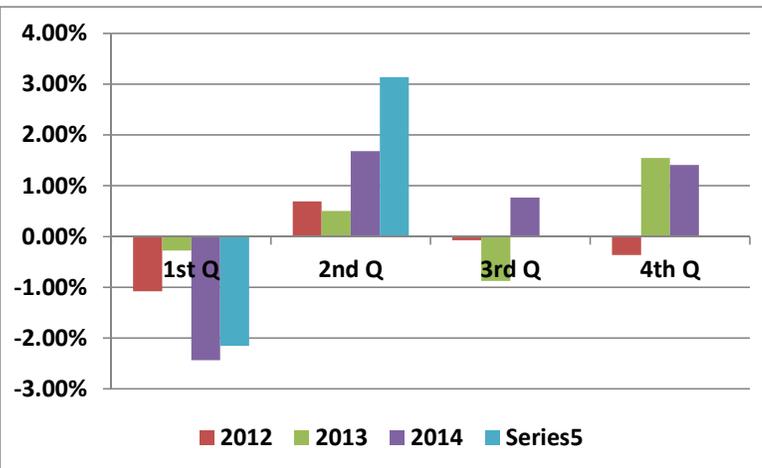
Instrument	2014	2015
Governmental General Obligation Bonds	\$ 138,989,715	\$ 131,938,017
Business Type General Obligation Bonds	\$ 11,470,285	\$ 11,121,983
Other General Obligation Bonds	\$ 15,340,000	\$ 14,135,000
Utility Revenue Bonds	\$ 120,235,000	\$ 127,425,000
Sales Tax Revenue Bonds	\$ 9,010,000	\$ 6,070,000
KDHE Revolving Loans	\$ 62,140,086	\$ 55,289,680
Temporary Notes	\$ 24,585,000	\$ 33,390,000
Total	\$ 381,770,086	\$ 379,369,680



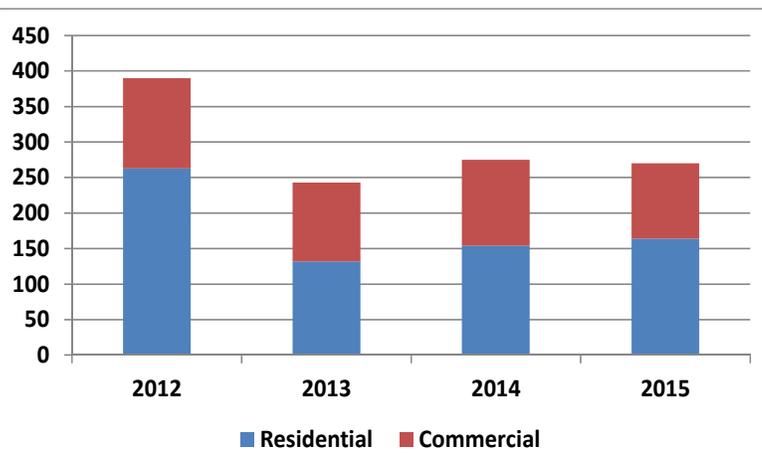
COMMUNITY STATISTICS



Unemployment Rates: Unemployment rates listed for Topeka, Lawrence, Manhattan and the Wichita area, measure the entire Metropolitan Statistical Area. The unemployment rate is a measure of the prevalence of unemployment and it is calculated as a percentage by dividing the number of unemployed individuals by all individuals currently in the labor force or those actively seeking employment and willing to work. The unemployment rate for June 2015 was 5.30%, data lags by one month.



Federal Housing Finance Agency House Price Index: The Housing Price Index is a broad measure of the movement of single-family housing prices. It serves as a timely, accurate indicator of house price trends. This information is specific for the City of Topeka and is obtained by reviewing repeat mortgage transactions on single-family properties whose mortgages have been purchased or securitized by Fannie Mae and Freddie Mac since January 1975. It is updated on a quarterly basis. The higher percent increase means higher sales data for housing.



Building Permits: These are the total number of building permits issued in the City of Topeka through July for each year. Building permits are issued for new residential, 3 or more family units, duplexes, new commercial, residential addition, commercial additional and 5 or more family. They are important to measure the amount of new construction in the community, which in turn increases value to the assessed valuation of the City. Blue represents residential permits and red represents commercial permits.