

Monthly Financial Status Report

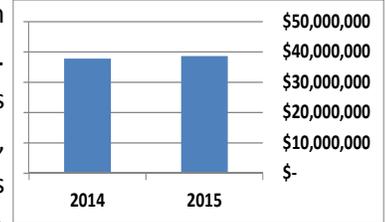
June 30, 2015



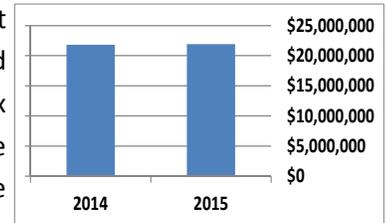
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

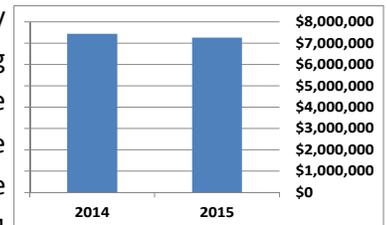
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2015 through June are \$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.



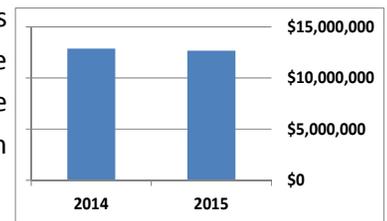
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2015 through June are \$21,927,348, which is a .47% increase over the 2014 collections of \$21,824,447. 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.



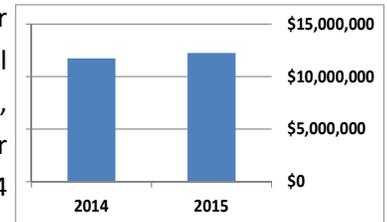
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are down (2.33)% in 2015 with collections of \$7,264,094, compared to 2014 collections of \$7,437,097.



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 (.99)% in 2015 with collections of \$12,734,127, compared to 2014 billings of \$12,861,301.



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 4.36% in 2015 with collections of \$12,257,853, compared to 2014 billings of \$11,746,207.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues for the month ending June 2015 were \$55,227,185, an increase of approximately 3% over 2014 revenues which were \$53,489,752. 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 June 2015 was \$42,234,877, an increase of approximately 10% over 2014 expenditures which were \$38,450,764. 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 10%, 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

As of June 30, 2015 (50% of budget year)

Department	Actuals			Budget		
	2014 YTD	2015 YTD	Difference	2015 budget YTD	% of 2015 Budget YTD	\$ Diff Compared to 2015 budget YTD
BEGINNING FUND BALANCE	\$ 10,057,217	\$ 18,270,000	\$ 8,212,783			
Revenues						
Taxes & Assessments	\$ 41,788,932	\$ 42,074,622	\$ 285,690	\$ 31,875,304	132.00%	\$ 10,199,319
Intergovernmental	\$ 513,520	\$ 521,181	\$ 7,661	\$ 530,000.00	98.34%	\$ (8,819)
Licenses/Permits & Franchise Fees	\$ 6,868,605	\$ 7,892,089	\$ 1,023,484	\$ 7,287,669	108.29%	\$ 604,421
Charges for Services	\$ 2,581,564	\$ 2,488,315	\$ (93,249)	\$ 2,632,735	94.51%	\$ (144,420)
Fines/forfeitures	\$ 1,554,426	\$ 1,791,638	\$ 237,212	\$ 1,500,000	119.44%	\$ 291,638
Rents/Interest	\$ 101,611	\$ 261,257	\$ 159,646	\$ 171,010	152.77%	\$ 90,247
Other	\$ 79,921	\$ 81,337	\$ 1,416	\$ 118,947	68.38%	\$ (37,610)
Transfers In	\$ -	\$ 52,484	\$ 52,484	\$ 100,000	52.48%	\$ (47,516)
Sale of Assets	\$ 1,173	\$ 64,262	\$ 63,089	\$ 17,500	367.21%	\$ 46,762
TOTAL REVENUES	\$ 53,489,752	\$ 55,227,185	\$ 1,737,433	\$ 44,233,164	124.85%	\$ 10,994,021
Expenditures						
City Council	\$ 126,044	\$ 129,017	\$ 2,973	\$ 141,705	91.05%	\$ 12,688
City Manager	\$ 598,846	\$ 614,252	\$ 15,406	\$ 630,574	97.41%	\$ 16,322
City Attorney	\$ 493,147	\$ 513,975	\$ 20,828	\$ 577,183	89.05%	\$ 63,208
Financial Services	\$ 1,104,143	\$ 997,044	\$ (107,099)	\$ 1,110,770	89.76%	\$ 113,726
Municipal Court	\$ 793,406	\$ 913,543	\$ 120,137	\$ 919,413	99.36%	\$ 5,870
Human Resources	\$ 400,747	\$ 483,536	\$ 82,789	\$ 501,657	96.39%	\$ 18,121
Mayor's Office	\$ 52,050	\$ 59,589	\$ 7,539	\$ 60,018	99.29%	\$ 429
Non Departmental	\$ 206,980	\$ 841,882	\$ 634,902	\$ 1,656,674	50.82%	\$ 814,792
Prisoner Care	\$ 192,990	\$ 316,990	\$ 124,000	\$ 500,000	63.40%	\$ 183,010
HND Program Delivery	\$ 128,081	\$ 28,989	\$ (99,092)	\$ 1	5797800.00%	\$ (28,989)
Social Service Grants	\$ 337,294	\$ 579,061	\$ 241,767	\$ 257,049	225.27%	\$ (322,013)
Franchise Fee Program	\$ 59,925	\$ 85,000	\$ 25,075	\$ 50,050	169.83%	\$ (34,950)
Topeka Performance Center	\$ 224,573	\$ 256,497	\$ 31,924	\$ 212,180	120.89%	\$ (44,318)
Cemeteries	\$ 161,897	\$ 163,226	\$ 1,329	\$ 85,000	192.03%	\$ (78,226)
Fire Department	\$ 11,356,516	\$ 12,813,812	\$ 1,457,296	\$ 13,222,974	96.91%	\$ 409,162
Police Department	\$ 16,554,742	\$ 16,772,320	\$ 217,578	\$ 18,667,505	89.85%	\$ 1,895,185
Public Works	\$ 3,057,170	\$ 2,858,030	\$ (199,140)	\$ 3,174,876	90.02%	\$ 316,846
Park and Recreation	\$ 1,172,765	\$ 791,152	\$ (381,613)	\$ 761,212	103.93%	\$ (29,940)
Topeka Zoological Park	\$ 1,013,818	\$ 1,120,917	\$ 107,099	\$ 1,175,051	95.39%	\$ 54,134
Planning Department	\$ 415,630	\$ 425,457	\$ 9,827	\$ 398,804	106.68%	\$ (26,654)
Neighborhood Relations	\$ -	\$ 1,470,588	\$ 1,470,588	\$ 1,359,749	108.15%	\$ (110,839)
TOTAL EXPENDITURES	\$ 38,450,764	\$ 42,234,877	\$ 3,784,113	\$ 45,462,440	92.90%	\$ 3,227,563
BETTER/(WORSE)	\$ 15,038,988	\$ 12,992,308				
ENDING FUND BALANCE	\$ 25,096,205	\$ 31,262,308	\$ 6,166,103			

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ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2015 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 55,227,185	\$ 44,233,164	\$ 10,994,021	62%
Debt Service	\$ 19,863,021	\$ 10,556,326	\$ 9,306,696	94%
Special Liability	\$ 787,547	\$ 421,055	\$ 366,492	94%
Special Highway	\$ 3,312,802	\$ 2,875,097	\$ 437,705	58%
Special Alcohol & Drug	\$ 260,590	\$ 260,023	\$ 568	50%
Alcohol & Drug Safety	\$ 44,647	\$ 37,400	\$ 7,247	60%
Law Enforcement	\$ 255,163	\$ 138,250	\$ 116,913	92%
Transient Guest Tax	\$ 1,255,096	\$ 1,231,679	\$ 23,417	51%
Employee Separation	\$ 4,798	\$ -	\$ 4,798	
Retirement Reserve	\$ 555,714	\$ 565,957	\$ (10,243)	49%
KP&F Rate Equalization	\$ 1,627	\$ -	\$ 1,627	0%
Neighborhood Revitalization	\$ 19,258	\$ 17,500	\$ 1,758	55%
Historical Asset Tourism	\$ 96,307	\$ 74,519	\$ 21,788	65%
Half Cent Sales Tax (JEDO)	\$ 3,633,107	\$ 4,243,979	\$ (610,872)	43%
Half Cent Sales Tax (Street)	\$ 6,190,525	\$ 7,120,000	\$ (929,475)	43%
Tax Increment Financing	\$ 212,762	\$ 117,748	\$ 95,015	90%
Court Technology	\$ 29,812	\$ 26,393	\$ 3,419	56%
Downtown Improvement	\$ 157,431	\$ 93,138	\$ 64,293	85%
Community Development	\$ 168,046	\$ 131,105	\$ 36,941	64%
Combined Utilities	\$ 29,113,917	\$ 31,308,200	\$ (2,194,283)	46%
Public Parking	\$ 1,453,109	\$ 1,610,603	\$ (157,493)	45%
Facilities	\$ 746,993	\$ 746,529	\$ 464	50%
Fleet	\$ 995,747	\$ 990,000	\$ 5,747	50%
IT	\$ 1,839,698	\$ 1,828,282	\$ 11,416	50%
Risk Funds	\$ 6,438,776	\$ 6,888,369	\$ (449,593)	47%
TOTAL	\$ 132,663,677	\$ 115,515,312	\$ 17,148,365	57%

Fund	YTD Actual Expenditures	2015 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 42,234,877	\$ 45,462,440	\$ 3,227,563	48%
Debt Service	\$ 2,214,461	\$ 12,215,383	\$ 10,000,922	9%
Special Liability	\$ 315,206	\$ 765,621	\$ 450,415	21%
Special Highway	\$ 3,280,444	\$ 3,257,646	\$ (22,798)	50%
Special Alcohol & Drug	\$ 640,387	\$ 300,000	\$ (340,387)	107%
Alcohol & Drug Safety	\$ 31,171	\$ 29,201	\$ (1,970)	53%
Law Enforcement	\$ 244,250	\$ 319,439	\$ 75,189	38%
Transient Guest Tax	\$ 952,909	\$ 1,231,679	\$ 278,770	39%
Employee Separation	\$ 768,932	\$ 500,000	\$ (268,932)	77%
Retirement Reserve	\$ 13,588	\$ 450,000	\$ 436,412	2%
KP&F Rate Equalization	\$ 40,708	\$ 150,000	\$ 109,292	14%
Neighborhood Revitalization	\$ -	\$ 75,000	\$ 75,000	0%
Historical Asset Tourism	\$ 216,584	\$ 74,519	\$ (142,065)	145%
Half Cent Sales Tax (JEDO)	\$ 3,633,107	\$ 4,243,979	\$ 610,872	43%
Half Cent Sales Tax (Street)	\$ 8,955,895	\$ 8,185,024	\$ (770,871)	55%
Tax Increment Financing	\$ 90,819	\$ 96,225	\$ 5,406	47%
Court Technology	\$ 62	\$ 22,500	\$ 22,438	0%
Downtown Improvement	\$ 113,732	\$ 93,138	\$ (20,594)	61%
Community Development	\$ 196,374	\$ 131,105	\$ (65,269)	75%
Combined Utilities	\$ 27,990,976	\$ 39,444,636	\$ 11,453,660	35%
Public Parking	\$ 1,180,434	\$ 1,553,409	\$ 372,974	38%
Facilities	\$ 825,485	\$ 733,326	\$ (92,159)	56%
Fleet	\$ 878,959	\$ 953,773	\$ 74,814	46%
IT	\$ 2,541,368	\$ 1,730,366	\$ (811,002)	73%
Risk Funds	\$ 6,538,580	\$ 6,348,533	\$ (190,047)	51%
TOTAL	\$ 103,899,306	\$ 128,366,938	\$ 24,657,678	41%



CASH MANAGEMENT

Pooled Cash & Investments

Guidelines

Type of Investment	Minimum	Maximum	Actual %	Invested Value	Yield to Maturity
Bank Certificates of Deposit	0%	100%	19%	\$ 30,800,973	0.45
US Treasuries	0%	100%	1%	\$ 2,310,294	-
US Agencies	0%	100%	15%	\$ 24,689,862	0.46
Repurchase Agreements	0%	50%	-	-	-
Municipal Investment Pool	0%	30%	5%	\$ 7,508,447	-
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%	21%	\$ 34,030,331	0.77
General Checking	0%	100%	39%	\$ 63,536,568	-
Subtotal of Investments				\$162,876,475	0.56

Total Portfolio Balance \$162,876,475

Duration of investments (expressed in years) 0.78

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 June 2015 the City had \$384,767,664 in permanent and temporary debt, compared to \$385,713,971 in 2014 or a -.25% decrease. When backing out the temporary notes

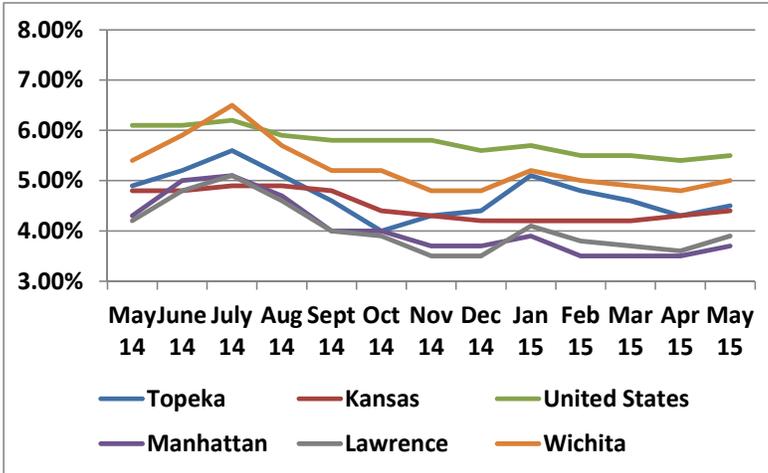
Debt Management

Instrument	2014	2015
Governmental General Obligation Bonds	\$ 140,270,111	\$ 131,938,017
Business Type General Obligation Bonds	\$ 10,189,889	\$ 11,121,983
Other General Obligation Bonds	\$ 15,340,000	\$ 14,135,000
Utility Revenue Bonds	\$ 123,790,000	\$ 132,420,000
Sales Tax Revenue Bonds	\$ 9,010,000	\$ 6,070,000
KDHE Revolving Loans	\$ 62,528,971	\$ 55,692,664
Temporary Notes	\$ 24,585,000	\$ 33,390,000
Total	\$ 385,713,971	\$ 384,767,664

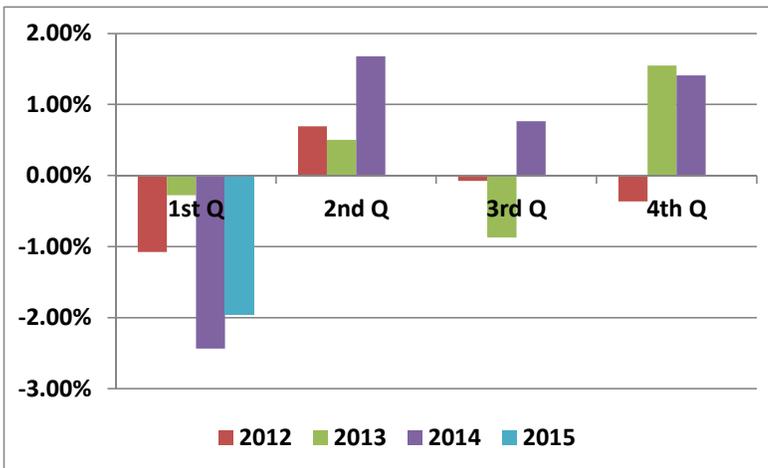
and comparing current permanent debt to the prior year, permanent debt decreased by -2.70%.



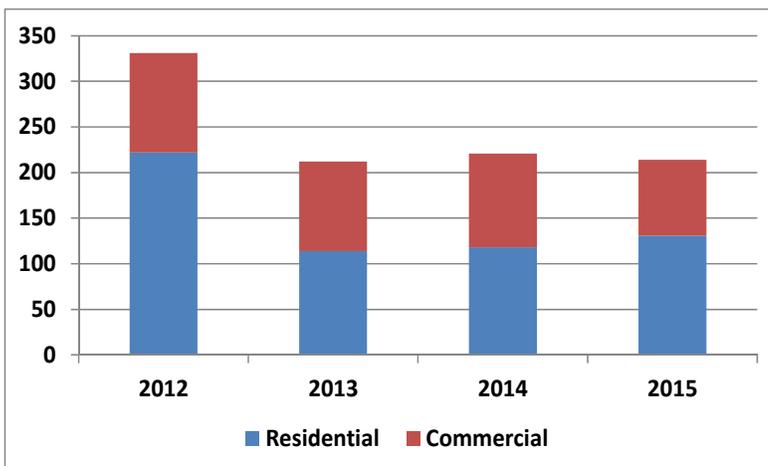
COMMUNITY STATISTICS



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 May 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 June 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.