

# Monthly Financial Status Report

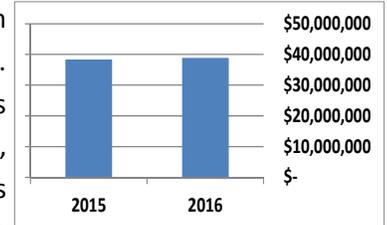
June 30, 2016



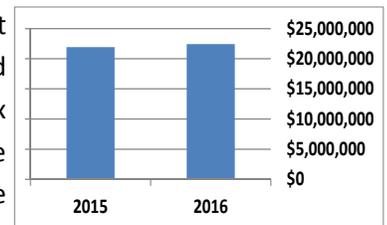
Prepared by the Financial Services Department

## KEY REVENUE INDICATORS OVERVIEW

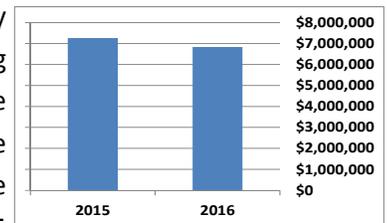
**PROPERTY TAX** The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2016 through June are \$38,946,454, which is a 1.49% increase over the 2015 collections of \$38,374,776. The City receives property tax allocations from the County primarily twice a year in January and June with a smaller allocation in the fall.



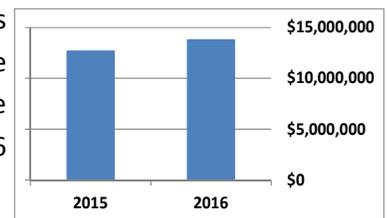
**SALES TAX** The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2016 through June are \$22,444,020, which is a 2.36% increase over the 2015 collections of \$21,927,348. 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.



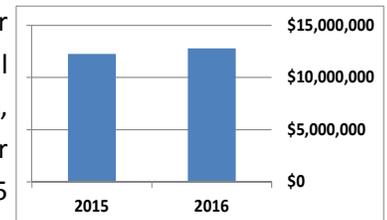
**FRANCHISE FEES** These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are down 5.87% in 2016 with collections of \$6,837,934, compared to 2015 collections of \$7,264,274.



**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 up 8.63% in 2016 with billings of \$13,833,108, compared to 2015 billings of \$12,734,127.



**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 4.34% in 2016 with billings of \$12,790,055, compared to 2015 billings of \$12,257,853.



**POSITIVE**

**CAUTION**

**NEGATIVE**

# Monthly Financial Status Report

June 30, 2016



## GENERAL FUND OVERVIEW

General Fund revenues for the month ending June 2016 were \$56,438,271, a decrease of approximately 2% under 2015 revenues which were \$57,568,539. The largest difference monetarily is in charges for taxes and assessments, this is due to a planned reduction in administrative fees. General Fund expenditures for the month ending June 2016 was \$44,041,152, an increase of approximately 6% over 2015 expenditures which were \$41,381,943. The largest increase is in expenditures monetarily is in the police department, this is primarily due to increases in personnel costs and timing of a lease payment.

### General Fund Operating Overview

Department	Actuals			As of June 30, 2016 (50% of budget year)		
	2015 YTD	2016 YTD	Difference	Budget		\$ Diff Compared to 2016 budget YTD
				2016 budget YTD	% of 2016 Budget YTD	
<b>BEGINNING FUND BALANCE</b>	<b>\$ 18,270,000</b>	<b>\$ 19,117,978</b>	<b>\$ 847,978</b>			
<b>Revenues</b>						
Taxes & Assessments	\$ 44,415,975	\$ 44,210,092	\$ (205,883)	\$ 32,687,048	135.25%	\$ 11,523,044
Intergovernmental	\$ 521,181	\$ 531,732	\$ 10,551	\$ 526,261.50	101.04%	\$ 5,471
Licenses/Permits & Franchise Fees	\$ 7,892,089	\$ 7,716,754	\$ (175,335)	\$ 8,044,501	95.93%	\$ (327,747)
Charges for Services	\$ 2,488,315	\$ 1,790,256	\$ (698,059)	\$ 2,040,530	87.73%	\$ (250,274)
Fines/forfeitures	\$ 1,791,638	\$ 1,714,469	\$ (77,169)	\$ 1,500,000	114.30%	\$ 214,469
Rents/Interest	\$ 261,257	\$ 341,249	\$ 79,992	\$ 231,346	147.51%	\$ 109,903
Other	\$ 81,338	\$ 107,408	\$ 26,070	\$ 120,643	89.03%	\$ (13,235)
Transfers In	\$ 52,484	\$ (1,582)	\$ (54,066)	\$ 95,973	-1.65%	\$ (97,555)
Sale of Assets	\$ 64,262	\$ 27,893	\$ (36,369)	\$ 17,500	159.39%	\$ 10,393
<b>TOTAL REVENUES</b>	<b>\$ 57,568,539</b>	<b>\$ 56,438,271</b>	<b>\$ (1,130,268)</b>	<b>\$ 45,263,801</b>	<b>124.69%</b>	<b>\$ 11,174,470</b>
<b>Expenditures</b>						
City Council	\$ 129,052	\$ 120,653	\$ (8,399)	\$ 139,385	86.56%	\$ 18,732
City Manager	\$ 589,652	\$ 688,574	\$ 98,922	\$ 652,778	105.48%	\$ (35,797)
City Attorney	\$ 504,938	\$ 569,872	\$ 64,934	\$ 586,007	97.25%	\$ 16,135
Financial Services	\$ 990,339	\$ 1,177,475	\$ 187,136	\$ 1,238,000	95.11%	\$ 60,525
Municipal Court	\$ 913,833	\$ 889,976	\$ (23,857)	\$ 909,164	97.89%	\$ 19,188
Human Resources	\$ 444,192	\$ 567,145	\$ 122,953	\$ 575,983	98.47%	\$ 8,838
Mayor's Office	\$ 56,022	\$ 72,813	\$ 16,791	\$ 65,055	111.93%	\$ (7,758)
Non Departmental	\$ 837,346	\$ 1,300,987	\$ 463,641	\$ 6,142,719	21.18%	\$ 4,841,732
Prisoner Care	\$ 301,990	\$ 246,349	\$ (55,641)	\$ 421,304	58.47%	\$ 174,955
HND Program Delivery	\$ 28,989	\$ -	\$ (28,989)	\$ -	0.00%	\$ -
Social Service Grants	\$ 192,569	\$ 574,580	\$ 382,011	\$ 349,291	164.50%	\$ (225,290)
Franchise Fee Program	\$ 85,000	\$ 85,000	\$ -	\$ 50,050	169.83%	\$ (34,950)
Topeka Performance Center	\$ 258,245	\$ 245,716	\$ (12,529)	\$ 208,412	117.90%	\$ (37,305)
Cemeteries	\$ 163,226	\$ 215,658	\$ 52,432	\$ 110,000	196.05%	\$ (105,658)
Fire Department	\$ 12,766,145	\$ 12,927,671	\$ 161,526	\$ 13,222,974	97.77%	\$ 295,303
Police Department	\$ 16,608,566	\$ 17,878,926	\$ 1,270,360	\$ 18,823,686	94.98%	\$ 944,760
Public Works	\$ 2,761,162	\$ 2,913,441	\$ 152,279	\$ 3,328,596	87.53%	\$ 415,155
Park and Recreation	\$ 791,152	\$ 269,549	\$ (521,603)	\$ 260,023	103.66%	\$ (9,527)
Topeka Zoological Park	\$ 1,088,770	\$ 1,201,512	\$ 112,742	\$ 1,182,399	101.62%	\$ (19,114)
Planning Department	\$ 425,544	\$ 402,326	\$ (23,218)	\$ 425,615	94.53%	\$ 23,289
Neighborhood Relations	\$ 1,445,211	\$ 1,692,929	\$ 247,718	\$ 1,909,551	88.66%	\$ 216,622
<b>TOTAL EXPENDITURES</b>	<b>\$ 41,381,943</b>	<b>\$ 44,041,152</b>	<b>\$ 2,659,209</b>	<b>\$ 50,600,986</b>	<b>87.04%</b>	<b>\$ 6,559,834</b>
<b>BETTER/(WORSE)</b>	<b>\$ 16,186,596</b>	<b>\$ 12,397,119</b>				
<b>ENDING FUND BALANCE</b>	<b>\$ 34,456,596</b>	<b>\$ 31,515,097</b>	<b>\$ (2,941,499)</b>			

# Monthly Financial Status Report

June 30, 2016



## ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2016 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 56,438,271	\$ 45,263,801	\$ 11,174,470	62%
Debt Service	\$ 17,348,040	\$ 10,867,010	\$ 6,481,030	80%
Special Liability	\$ 797,109	\$ 392,619	\$ 404,491	102%
Special Highway	\$ 3,397,642	\$ 2,806,294	\$ 591,348	61%
Special Alcohol & Drug	\$ 265,866	\$ 263,131	\$ 2,736	51%
Alcohol & Drug Safety	\$ 36,585	\$ 37,400	\$ (815)	49%
Law Enforcement	\$ 229,842	\$ 139,750	\$ 90,092	82%
Transient Guest Tax	\$ 1,104,326	\$ 1,343,616	\$ (239,290)	41%
Employee Separation	\$ 8,685	\$ -	\$ 8,685	
Retirement Reserve	\$ 571,629	\$ 563,846	\$ 7,783	51%
KP&F Rate Equalization	\$ 6,313	\$ -	\$ 6,313	0%
Neighborhood Revitalization	\$ 26,991	\$ 1,750	\$ 25,241	771%
Historical Asset Tourism	\$ -	\$ -	\$ -	
Half Cent Sales Tax (JEDO)	\$ 4,410,050	\$ 8,469,285	\$ (4,059,235)	26%
Half Cent Sales Tax (Street)	\$ 7,670,674	\$ 7,350,854	\$ 319,820	52%
Tax Increment Financing	\$ 175,522	\$ 123,743	\$ 51,779	71%
Court Technology	\$ 31,709	\$ 26,393	\$ 5,317	60%
Downtown Improvement	\$ 178,835	\$ 110,175	\$ 68,661	81%
Community Development	\$ 198,039	\$ 210,740	\$ (12,701)	47%
Combined Utilities	\$ 31,138,781	\$ 33,561,000	\$ (2,422,219)	46%
Public Parking	\$ 1,429,212	\$ 1,435,627	\$ (6,415)	50%
Facilities	\$ 749,717	\$ 749,223	\$ 495	50%
Fleet	\$ 996,114	\$ 990,000	\$ 6,114	50%
IT	\$ 1,840,590	\$ 1,828,282	\$ 12,308	50%
Risk Funds	\$ 5,745,918	\$ 7,000,081	\$ (1,254,163)	41%
<b>TOTAL</b>	<b>\$ 134,796,462</b>	<b>\$ 123,534,617</b>	<b>\$ 11,261,846</b>	<b>55%</b>

Fund	YTD Actual Expenditures	2016 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 44,041,152	\$ 50,600,986	\$ 6,559,834	44%
Debt Service	\$ 2,516,650	\$ 12,296,237	\$ 9,779,587	10%
Special Liability	\$ 164,127	\$ 672,970	\$ 508,843	12%
Special Highway	\$ 2,875,273	\$ 3,189,100	\$ 313,827	45%
Special Alcohol & Drug	\$ 182,374	\$ 300,000	\$ 117,626	30%
Alcohol & Drug Safety	\$ 32,446	\$ 34,024	\$ 1,578	48%
Law Enforcement	\$ 73,215	\$ 275,000	\$ 201,785	13%
Transient Guest Tax	\$ 867,374	\$ 1,370,361	\$ 502,986	32%
Employee Separation	\$ 422,567	\$ 1,000,000	\$ 577,433	21%
Retirement Reserve	\$ 10,005	\$ 585,005	\$ 575,000	1%
KP&F Rate Equalization	\$ 115,488	\$ 150,000	\$ 34,512	38%
Neighborhood Revitalization	\$ -	\$ 75,000	\$ 75,000	0%
Historical Asset Tourism	\$ 8,650	\$ 60,052	\$ 51,402	7%
Half Cent Sales Tax (JEDO)	\$ 3,702,769	\$ 4,369,285	\$ 666,515	42%
Half Cent Sales Tax (Street)	\$ 2,074,773	\$ 14,187,801	\$ 12,113,028	7%
Tax Increment Financing	\$ 89,057	\$ 258,383	\$ 169,326	17%
Court Technology	\$ 28,752	\$ 22,500	\$ (6,252)	64%
Downtown Improvement	\$ 124,991	\$ 127,326	\$ 2,335	49%
Community Development	\$ 164,141	\$ 210,740	\$ 46,599	39%
Combined Utilities	\$ 28,115,623	\$ 33,480,777	\$ 5,365,154	42%
Public Parking	\$ 1,388,088	\$ 1,845,559	\$ 457,471	38%
Facilities	\$ 650,155	\$ 749,223	\$ 99,067	43%
Fleet	\$ 936,863	\$ 990,000	\$ 53,137	47%
IT	\$ 1,532,028	\$ 1,823,283	\$ 291,254	42%
Risk Funds	\$ 6,397,268	\$ 6,467,567	\$ 70,299	49%
<b>TOTAL</b>	<b>\$ 96,513,831</b>	<b>\$ 135,141,174</b>	<b>\$ 38,557,044</b>	<b>36%</b>



## CASH MANAGEMENT

### Pooled Cash & Investments

#### Guidelines

Type of Investment	Minimum	Maximum	Actual %	Invested Value	Yield to Maturity
Bank Certificates of Deposit	0%	100%	32%	\$ 50,427,868	0.58
US Treasuries	0%	100%	0%	\$ -	
US Agencies	0%	100%	29%	\$ 45,678,507	0.59
Repurchase Agreements	0%	50%	-	-	
Municipal Investment Pool	0%	30%	1%	\$ 794,727	
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%	12%	\$ 18,321,134	0.86
General Checking	0%	100%	26%	\$ 40,629,305	
<b>Subtotal of Investments</b>				<b>\$155,851,540</b>	<b>0.68</b>

**Total Portfolio Balance** \$155,851,540

**Duration of investments (expressed in years)** 0.37

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

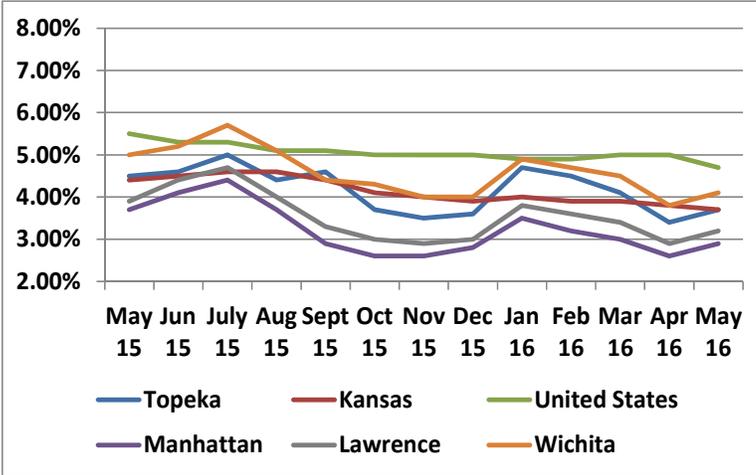
Finance staff oversee all debt issued by the City, which includes General Obligation (GO), revenue backed, revolving loan funds, temporary notes and special assessment debt. As of June 2016 the City had \$388,548,005 in permanent and temporary debt, compared to \$384,767,664 in 2015 or a .98% increase. When backing out the temporary notes and comparing current permanent debt to the prior year, permanent debt decreased by 3.54%.

### Debt Management

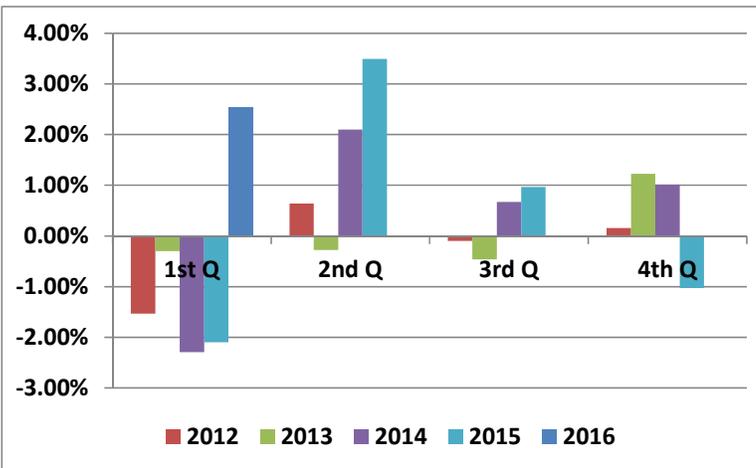
Instrument	2015	2016
Governmental General Obligation Bonds	\$ 131,938,017	\$ 134,917,579
Business Type General Obligation Bonds	\$ 11,121,983	\$ 10,527,421
Other General Obligation Bonds	\$ 14,135,000	\$ 13,140,000
Utility Revenue Bonds	\$ 132,420,000	\$ 127,425,000
Sales Tax Revenue Bonds	\$ 6,070,000	\$ 3,035,000
KDHE Revolving Loans	\$ 55,692,664	\$ 49,883,005
Temporary Notes	\$ 33,390,000	\$ 49,620,000
<b>Total</b>	<b>\$ 384,767,664</b>	<b>\$ 388,548,005</b>



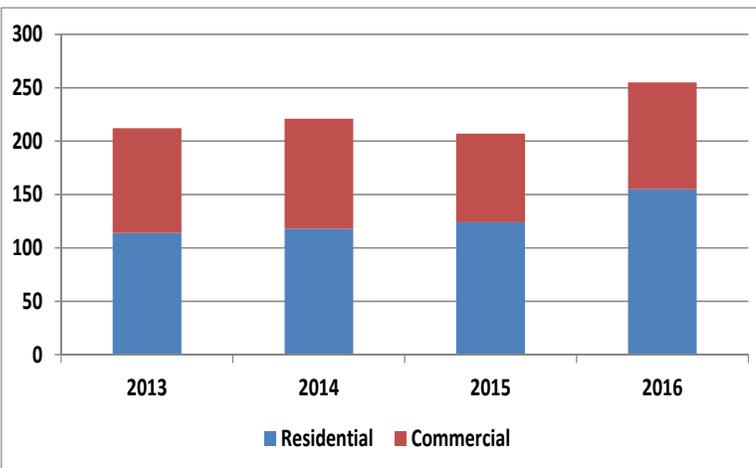
## COMMUNITY STATISTICS



**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 2016 was 3.70%, 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. 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. Building permits increased in 2016 by 23% over 2015.