

# Monthly Financial Status Report

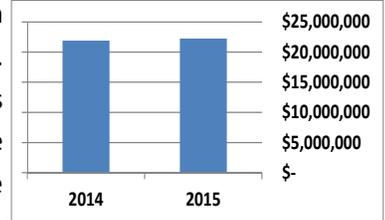
March 31, 2015



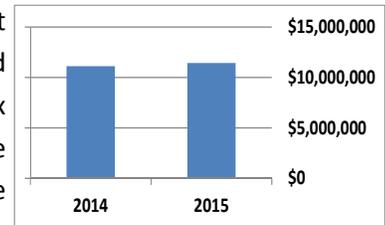
Prepared by the Financial Services Department

## KEY REVENUE INDICATORS OVERVIEW

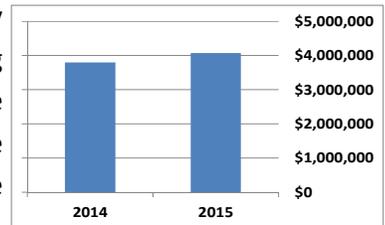
**PROPERTY TAX** The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2015 through March are \$22,270,138, which is a 1.59% increase over the 2014 collections of \$21,921,044. The City receives property tax allocations from the County primarily twice a year in January and June with a smaller allocation in the fall.



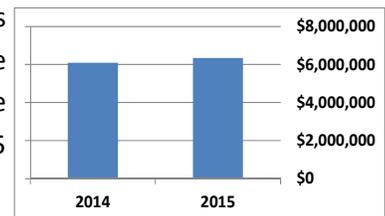
**SALES TAX** The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2015 through March are \$11,430,954, which is a 2.96% increase over the 2014 collections of \$11,102,175. 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.



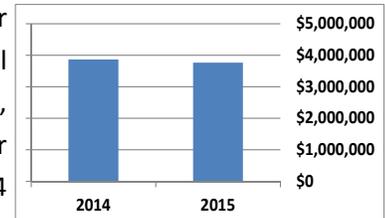
**FRANCHISE FEES** These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are up 7.37% in 2015 with collections of \$4,077,895, compared to 2014 collections of \$3,797,865.



**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 4.31% in 2015 with collections of \$6,349,367, compared to 2014 billings of \$6,086,794.



**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 4.96% in 2015 with collections of \$6,049,712, compared to 2014 billings of \$5,763,706.



**POSITIVE**

**CAUTION**

**NEGATIVE**

# Monthly Financial Status Report

March 31, 2015



## GENERAL FUND OVERVIEW

General Fund revenues for the month ending March 2015 were \$30,780,073, an increase of approximately 14% over 2014 revenues which were \$27,117,642. The largest difference monetarily is in taxes and assessments, this is due to better collections from the County. General Fund expenditures for the month ending March 2015 were \$21,036,758, a increase of approximately 16% over 2014 expenditures which were \$18,107,067. In 2015 the City is converting to accounting based on cash basis, this will cause large fluctuations comparing to the prior year. For example, expenses are up 16%, 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	As of March 31, 2015 (25% of budget year)					
	Actuals			Budget		
	2014 YTD	2015 YTD	Difference	2015 budget YTD	% of 2015 Budget YTD	\$ Diff Compared to 2015 budget YTD
<b>BEGINNING FUND BALANCE</b>	<b>\$ 10,057,217</b>	<b>\$ 16,167,324</b>	<b>\$ 6,110,107</b>			
<b>Revenues</b>						
Taxes & Assessments	\$ 22,176,579	\$ 23,950,987	\$ 1,774,408	\$ 15,937,652	150.28%	\$ 8,013,335
Intergovernmental	\$ 262,093	\$ 252,658	\$ (9,435)	\$ 265,000.00	95.34%	\$ (12,342)
Licenses/Permits & Franchise Fees	\$ 2,554,203	\$ 4,299,944	\$ 1,745,741	\$ 3,643,834	118.01%	\$ 656,110
Charges for Services	\$ 1,214,757	\$ 1,027,489	\$ (187,268)	\$ 1,316,368	78.05%	\$ (288,879)
Fines/forfeitures	\$ 850,868	\$ 1,062,973	\$ 212,105	\$ 750,000	141.73%	\$ 312,973
Rents/Interest	\$ 17,685	\$ 73,951	\$ 56,266	\$ 85,505	86.49%	\$ (11,554)
Other	\$ 39,997	\$ 30,710	\$ (9,287)	\$ 59,474	51.64%	\$ (28,764)
Transfers In	\$ -	\$ 52,484	\$ 52,484	\$ 50,000	104.97%	\$ 2,484
Sale of Assets	\$ 1,460	\$ 28,877	\$ 27,417	\$ 8,750	330.02%	\$ 20,127
<b>TOTAL REVENUES</b>	<b>\$ 27,117,642</b>	<b>\$ 30,780,073</b>	<b>\$ 3,662,431</b>	<b>\$ 22,116,582</b>	<b>139.17%</b>	<b>\$ 8,663,491</b>
<b>Expenditures</b>						
City Council	\$ 55,933	\$ 64,316	\$ 8,383	\$ 70,853	90.77%	\$ 6,537
City Manager	\$ 261,666	\$ 352,362	\$ 90,696	\$ 315,287	111.76%	\$ (37,075)
City Attorney	\$ 213,283	\$ 246,905	\$ 33,622	\$ 288,591	85.56%	\$ 41,686
Financial Services	\$ 543,065	\$ 492,801	\$ (50,264)	\$ 555,385	88.73%	\$ 62,584
Municipal Court	\$ 363,796	\$ 513,760	\$ 149,964	\$ 459,707	111.76%	\$ (54,054)
Human Resources	\$ 194,153	\$ 194,452	\$ 299	\$ 250,828	77.52%	\$ 56,376
Mayor's Office	\$ 18,830	\$ 21,369	\$ 2,539	\$ 30,009	71.21%	\$ 8,640
Non Departmental	\$ 169,720	\$ 365,524	\$ 195,804	\$ 828,337	44.13%	\$ 462,813
Prisoner Care	\$ 90,598	\$ 126,393	\$ 35,795	\$ 250,000	50.56%	\$ 123,607
HND Program Delivery	\$ 69,306	\$ 28,989	\$ (40,317)	\$ 0	11595600.00%	\$ (28,989)
Social Service Grants	\$ 275,202	\$ 388,060	\$ 112,858	\$ 128,524	301.94%	\$ (259,536)
Franchise Fee Program	\$ 30,000	\$ 85,000	\$ 55,000	\$ 25,025	339.66%	\$ (59,975)
Topeka Performance Center	\$ 159,051	\$ 175,583	\$ 16,532	\$ 106,090	165.50%	\$ (69,493)
Cemeteries	\$ 160,342	\$ 161,968	\$ 1,626	\$ 42,500	381.10%	\$ (119,468)
Fire Department	\$ 5,042,868	\$ 6,113,643	\$ 1,070,775	\$ 6,611,487	92.47%	\$ 497,844
Police Department	\$ 7,349,766	\$ 8,310,691	\$ 960,925	\$ 9,333,753	89.04%	\$ 1,023,062
Public Works	\$ 1,320,411	\$ 1,312,029	\$ (8,382)	\$ 1,587,438	82.65%	\$ 275,409
Park and Recreation	\$ 1,172,633	\$ 790,164	\$ (382,469)	\$ 380,606	207.61%	\$ (409,558)
Topeka Zoological Park	\$ 443,850	\$ 531,492	\$ 87,642	\$ 587,526	90.46%	\$ 56,034
Planning Department	\$ 172,594	\$ 191,151	\$ 18,557	\$ 199,402	95.86%	\$ 8,251
Neighborhood Relations	\$ -	\$ 570,106	\$ 570,106	\$ 679,875	83.85%	\$ 109,769
<b>TOTAL EXPENDITURES</b>	<b>\$ 18,107,067</b>	<b>\$ 21,036,758</b>	<b>\$ 2,929,691</b>	<b>\$ 22,731,220</b>	<b>92.55%</b>	<b>\$ 1,694,462</b>
<b>BETTER/(WORSE)</b>	<b>\$ 9,010,575</b>	<b>\$ 9,743,315</b>				
<b>ENDING FUND BALANCE</b>	<b>\$ 19,067,792</b>	<b>\$ 25,910,639</b>	<b>\$ 6,842,847</b>			

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March 31, 2015



## ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2015 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 30,780,073	\$ 22,116,582	\$ 8,663,491	35%
Debt Service	\$ 12,794,953	\$ 5,278,163	\$ 7,516,790	61%
Special Liability	\$ 451,299	\$ 210,527	\$ 240,771	54%
Special Highway	\$ 1,411,213	\$ 1,437,549	\$ (26,335)	25%
Special Alcohol & Drug	\$ 126,329	\$ 130,011	\$ (3,682)	24%
Alcohol & Drug Safety	\$ 24,997	\$ 18,700	\$ 6,297	33%
Law Enforcement	\$ 84,741	\$ 69,125	\$ 15,616	31%
Transient Guest Tax	\$ 687,909	\$ 615,840	\$ 72,070	28%
Employee Separation	\$ -	\$ -	\$ -	
Retirement Reserve	\$ 258,875	\$ 282,978	\$ (24,103)	23%
KP&F Rate Equalization	\$ -	\$ -	\$ -	0%
Neighborhood Revitalization	\$ 19,258	\$ 8,750	\$ 10,508	55%
Historical Asset Tourism	\$ 96,307	\$ 37,260	\$ 59,048	65%
Half Cent Sales Tax (JEDO)	\$ 2,254,785	\$ 2,121,990	\$ 132,796	27%
Half Cent Sales Tax (Street)	\$ 3,810,610	\$ 3,560,000	\$ 250,610	27%
Tax Increment Financing	\$ 137,878	\$ 58,874	\$ 79,004	59%
Court Technology	\$ 17,528	\$ 13,196	\$ 4,332	33%
Downtown Improvement	\$ 52,000	\$ 46,569	\$ 5,431	28%
Community Development	\$ 100,169	\$ 65,553	\$ 34,616	38%
Combined Utilites	\$ 14,501,915	\$ 15,654,100	\$ (1,152,185)	23%
Public Parking	\$ 729,603	\$ 805,301	\$ (75,699)	23%
Facilities	\$ 372,311	\$ 373,265	\$ (953)	25%
Fleet	\$ 498,415	\$ 495,000	\$ 3,415	25%
IT	\$ 911,641	\$ 914,141	\$ (2,500)	25%
Risk Funds	\$ 3,194,120	\$ 3,444,184	\$ (250,065)	23%
<b>TOTAL</b>	<b>\$ 73,316,929</b>	<b>\$ 57,757,656</b>	<b>\$ 15,559,273</b>	<b>32%</b>

Fund	YTD Actual Expenditures	2015 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 21,036,758	\$ 22,731,220	\$ 1,694,462	24%
Debt Service	\$ 2,103,236	\$ 6,107,691	\$ 4,004,455	9%
Special Liability	\$ 201,496	\$ 382,810	\$ 181,314	13%
Special Highway	\$ 1,089,235	\$ 1,628,823	\$ 539,588	17%
Special Alcohol & Drug	\$ 321,387	\$ 150,000	\$ (171,387)	54%
Alcohol & Drug Safety	\$ 14,298	\$ 14,600	\$ 302	24%
Law Enforcement	\$ 199,720	\$ 69,125	\$ (130,595)	72%
Transient Guest Tax	\$ 442,811	\$ 615,840	\$ 173,029	18%
Employee Separation	\$ 385,391	\$ 250,000	\$ (135,391)	39%
Retirement Reserve	\$ -	\$ 225,000	\$ 225,000	0%
KP&F Rate Equalization	\$ -	\$ 75,000	\$ 75,000	0%
Neighborhood Revitalization	\$ -	\$ 37,500	\$ 37,500	0%
Historical Asset Tourism	\$ 8,132	\$ 37,260	\$ 29,128	5%
Half Cent Sales Tax (JEDO)	\$ 1,598,078	\$ 2,121,990	\$ 523,912	19%
Half Cent Sales Tax (Street)	\$ 1,454,921	\$ 4,092,512	\$ 2,637,591	9%
Tax Increment Financing	\$ 1,000	\$ 48,113	\$ 47,113	1%
Court Technology	\$ -	\$ 11,250	\$ 11,250	0%
Downtown Improvement	\$ 186,778	\$ 46,569	\$ (140,209)	100%
Community Development	\$ 105,783	\$ 65,553	\$ (40,231)	40%
Combined Utilites	\$ 17,918,967	\$ 19,722,318	\$ 1,803,351	23%
Public Parking	\$ 550,459	\$ 776,704	\$ 226,245	18%
Facilities	\$ 411,104	\$ 366,663	\$ (44,441)	28%
Fleet	\$ 812,115	\$ 476,886	\$ (335,229)	43%
IT	\$ 830,936	\$ 865,183	\$ 34,247	24%
Risk Funds	\$ 3,502,666	\$ 3,174,266	\$ (328,400)	28%
<b>TOTAL</b>	<b>\$ 53,175,272</b>	<b>\$ 64,092,874</b>	<b>\$ 11,246,002</b>	<b>21%</b>



## CASH MANAGEMENT

### Pooled Cash & Investments

Type of Investment	Guidelines			Invested Value	Yield to Maturity
	Minimum	Maximum	Actual %		
Bank Certificates of Deposit	0%	100%	27%	\$ 31,600,082	0.33
US Treasuries	0%	100%	11%	\$ 12,994,618	0.24
US Agencies	0%	100%	32%	\$ 38,106,814	0.28
Repurchase Agreements	0%	50%	-	-	-
Municipal Investment Pool	0%	30%	5%	\$ 6,097,252	-
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%	25%	\$ 29,158,874	0.60
<b>Subtotal of Investments</b>				<b>\$117,957,641</b>	<b>0.36</b>
<b>General Checking</b>				<b>\$ 36,058,213</b>	
<b>Total Cash Balance</b>				<b>\$154,015,854</b>	
<b>Duration of investments (expressed in years)</b>				<b>0.64</b>	

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 March 2015 the City had \$387,208,937 in permanent and temporary debt, compared to \$388,463,077 in 2014 or a -0.32% decrease. When backing out the temporary notes

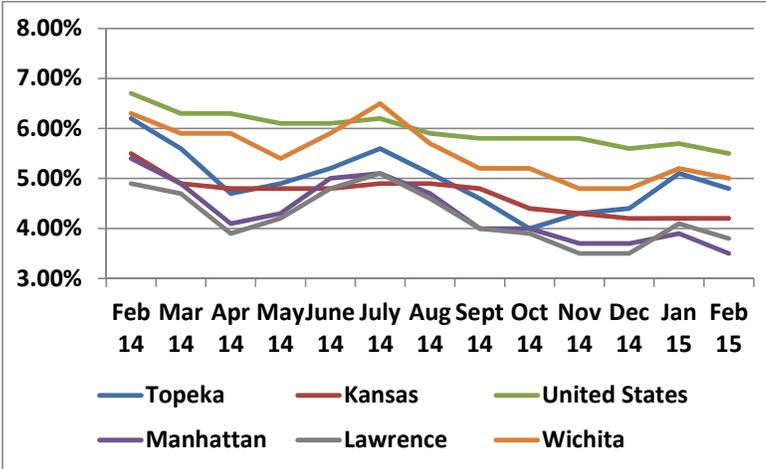
### Debt Management

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	\$ 65,278,077	\$ 58,133,937
Temporary Notes	\$ 24,585,000	\$ 33,390,000
<b>Total</b>	<b>\$ 388,463,077</b>	<b>\$ 387,208,937</b>

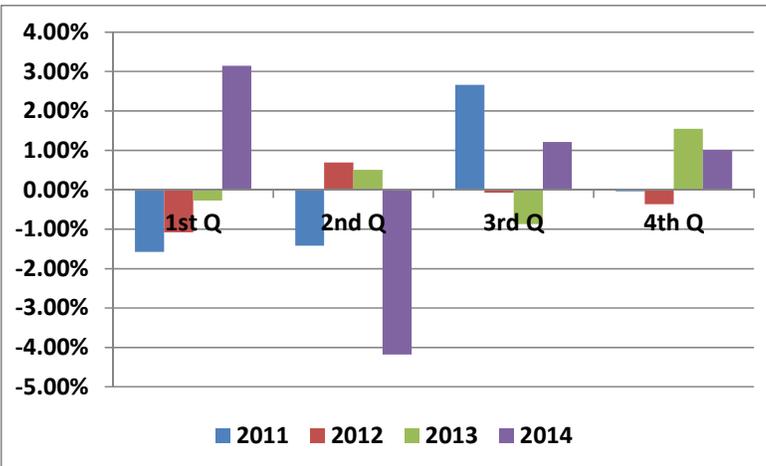
and comparing current permanent debt to the prior year, permanent debt decreased by -2.76%.



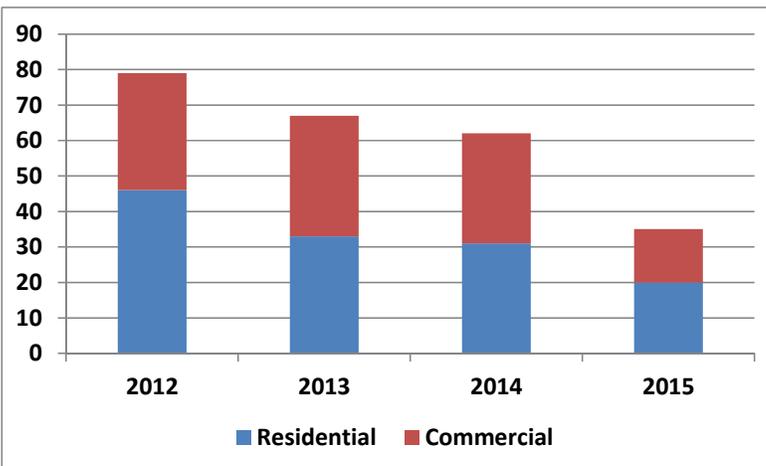
## COMMUNITY STATISTICS



**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 January 2015 was 5.10%, 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 purchase 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 March 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 an 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.