

Monthly Financial Status Report

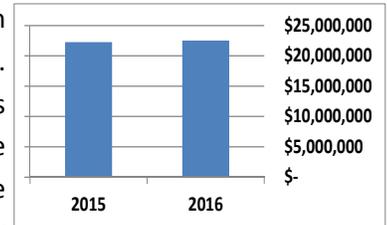
March 31, 2016



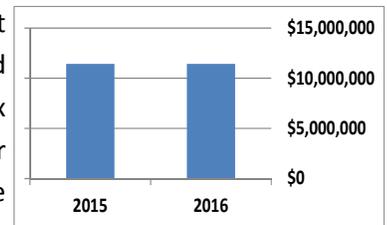
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

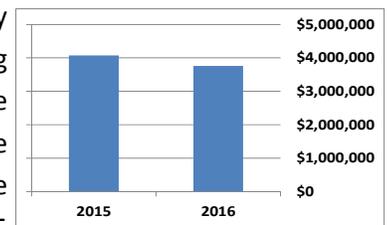
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2016 through March are \$22,524,844, which is a 1.14% increase over the 2015 collections of \$22,270,138. The City receives property tax allocations from the County primarily twice a year in January and June with a smaller allocation in the fall.



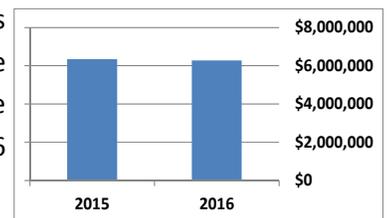
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2016 through March are \$11,417,757, which is a -.12% decrease under the 2015 collections of \$11,430,954. 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.



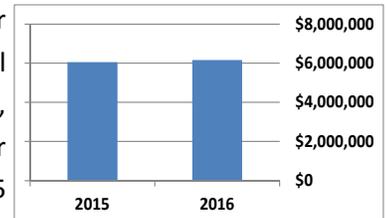
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are down 7.86% in 2016 with collections of \$3,757,565, compared to 2015 collections of \$4,077,895.



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 1.11% in 2016 with billings of \$6,278,716, compared to 2015 billings of \$6,349,367.



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 1.74% in 2016 with billings of \$6,155,000, compared to 2015 billings of \$6,049,712.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues for the month ending March 2016 were \$30,501,988, a decrease of approximately 1% under 2015 revenues which were \$30,780,074. The largest difference monetarily is in charges for services and franchise fees, franchise fees is due to a warmer winter than the prior year. General Fund expenditures for the month ending March 2016 was \$21,564,033, an increase of approximately 8% over 2015 expenditures which were \$19,971,365. The largest increase is in expenditures is in the police department, part of this is due to a lease payment scheduled in January that did not occur in the prior year.

General Fund Operating Overview

Department	As of March 31, 2016 (25% of budget year)					
	Actuals			Budget		
	2015 YTD	2016 YTD	Difference	2016 budget YTD	% of 2016 Budget YTD	\$ Diff Compared to 2016 budget YTD
BEGINNING FUND BALANCE	\$ 18,270,000	\$ 19,117,978	\$ 847,978			
Revenues						
Taxes & Assessments	\$ 23,950,987	\$ 23,979,328	\$ 28,341	\$ 16,343,524	146.72%	\$ 7,635,804
Intergovernmental	\$ 252,658	\$ 247,705	\$ (4,953)	\$ 263,130.75	94.14%	\$ (15,426)
Licenses/Permits & Franchise Fees	\$ 4,299,944	\$ 4,247,122	\$ (52,822)	\$ 4,022,251	105.59%	\$ 224,872
Charges for Services	\$ 1,027,489	\$ 957,856	\$ (69,633)	\$ 1,020,265	93.88%	\$ (62,409)
Fines/forfeitures	\$ 1,062,973	\$ 929,480	\$ (133,493)	\$ 750,000	123.93%	\$ 179,480
Rents/Interest	\$ 73,951	\$ 95,550	\$ 21,599	\$ 115,673	82.60%	\$ (20,123)
Other	\$ 30,711	\$ 44,229	\$ 13,518	\$ 60,321	73.32%	\$ (16,092)
Transfers In	\$ 52,484	\$ -	\$ (52,484)	\$ 47,986	0.00%	\$ (47,986)
Sale of Assets	\$ 28,877	\$ 718	\$ (28,159)	\$ 8,750	8.21%	\$ (8,032)
TOTAL REVENUES	\$ 30,780,074	\$ 30,501,988	\$ (278,086)	\$ 22,631,901	134.77%	\$ 7,870,088
Expenditures						
City Council	\$ 64,351	\$ 58,812	\$ (5,539)	\$ 69,692	84.39%	\$ 10,880
City Manager	\$ 282,990	\$ 358,278	\$ 75,288	\$ 326,389	109.77%	\$ (31,889)
City Attorney	\$ 237,151	\$ 262,059	\$ 24,908	\$ 293,004	89.44%	\$ 30,945
Financial Services	\$ 453,745	\$ 608,758	\$ 155,013	\$ 619,000	98.35%	\$ 10,242
Municipal Court	\$ 514,050	\$ 495,285	\$ (18,765)	\$ 454,582	108.95%	\$ (40,703)
Human Resources	\$ 186,654	\$ 295,711	\$ 109,057	\$ 287,991	102.68%	\$ (7,720)
Mayor's Office	\$ 21,402	\$ 27,392	\$ 5,990	\$ 32,528	84.21%	\$ 5,136
Non Departmental	\$ 360,988	\$ 729,181	\$ 368,193	\$ 3,071,359	23.74%	\$ 2,342,178
Prisoner Care	\$ 126,393	\$ 100,641	\$ (25,752)	\$ 210,652	47.78%	\$ 110,011
HND Program Delivery	\$ 22,989	\$ -	\$ (22,989)	\$ -	0.00%	\$ -
Social Service Grants	\$ 10,159	\$ 154,008	\$ 143,849	\$ 174,645	88.18%	\$ 20,637
Franchise Fee Program	\$ 55,000	\$ 85,000	\$ 30,000	\$ 25,025	339.66%	\$ (59,975)
Topeka Performance Center	\$ 177,331	\$ 167,757	\$ (9,574)	\$ 104,206	160.99%	\$ (63,551)
Cemeteries	\$ 161,968	\$ 213,622	\$ 51,654	\$ 55,000	388.40%	\$ (158,622)
Fire Department	\$ 6,021,819	\$ 6,076,780	\$ 54,961	\$ 6,611,487	91.91%	\$ 534,707
Police Department	\$ 8,019,876	\$ 8,957,941	\$ 938,065	\$ 9,411,843	95.18%	\$ 453,902
Public Works	\$ 1,241,436	\$ 1,334,130	\$ 92,694	\$ 1,664,298	80.16%	\$ 330,168
Park and Recreation	\$ 790,164	\$ 768	\$ (789,396)	\$ 130,011	0.59%	\$ 129,243
Topeka Zoological Park	\$ 480,781	\$ 555,609	\$ 74,828	\$ 591,199	93.98%	\$ 35,590
Planning Department	\$ 191,323	\$ 192,706	\$ 1,383	\$ 212,807	90.55%	\$ 20,101
Neighborhood Relations	\$ 550,795	\$ 889,595	\$ 338,800	\$ 954,775	93.17%	\$ 65,180
TOTAL EXPENDITURES	\$ 19,971,365	\$ 21,564,033	\$ 1,592,668	\$ 25,300,493	85.23%	\$ 3,736,460
BETTER/(WORSE)	\$ 10,808,709	\$ 8,937,955				
ENDING FUND BALANCE	\$ 29,078,709	\$ 28,055,933	\$ (1,022,776)			

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ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2016 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 30,501,988	\$ 22,631,901	\$ 7,870,088	34%
Debt Service	\$ 9,989,762	\$ 5,433,505	\$ 4,556,257	46%
Special Liability	\$ 454,956	\$ 196,309	\$ 258,647	58%
Special Highway	\$ 1,678,594	\$ 1,403,147	\$ 275,447	30%
Special Alcohol & Drug	\$ 123,852	\$ 131,565	\$ (7,713)	24%
Alcohol & Drug Safety	\$ 17,477	\$ 18,700	\$ (1,223)	23%
Law Enforcement	\$ 76,762	\$ 69,875	\$ 6,887	27%
Transient Guest Tax	\$ 635,965	\$ 671,808	\$ (35,843)	24%
Employee Separation	\$ 7,428	\$ -	\$ 7,428	
Retirement Reserve	\$ 264,345	\$ 281,923	\$ (17,578)	23%
KP&F Rate Equalization	\$ 5,250	\$ -	\$ 5,250	0%
Neighborhood Revitalization	\$ 16,076	\$ 875	\$ 15,201	459%
Historical Asset Tourism	\$ -	\$ -	\$ -	
Half Cent Sales Tax (JEDO)	\$ 2,238,409	\$ 4,234,642	\$ (1,996,233)	13%
Half Cent Sales Tax (Street)	\$ 3,949,684	\$ 3,675,427	\$ 274,257	27%
Tax Increment Financing	\$ 89,057	\$ 61,872	\$ 27,186	36%
Court Technology	\$ 16,807	\$ 13,196	\$ 3,611	32%
Downtown Improvement	\$ 157,451	\$ 55,087	\$ 102,364	71%
Community Development	\$ 106,883	\$ 105,370	\$ 1,513	25%
Combined Utilities	\$ 14,755,401	\$ 16,780,500	\$ (2,025,099)	22%
Public Parking	\$ 711,969	\$ 717,813	\$ (5,844)	25%
Facilities	\$ 374,977	\$ 374,611	\$ 366	25%
Fleet	\$ 496,708	\$ 495,000	\$ 1,708	25%
IT	\$ 912,083	\$ 914,141	\$ (2,058)	25%
Risk Funds	\$ 3,349,719	\$ 3,500,041	\$ (150,322)	24%
TOTAL	\$ 70,931,603	\$ 61,767,308	\$ 9,164,295	29%

Fund	YTD Actual Expenditures	2016 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 21,564,033	\$ 25,300,493	\$ 3,736,460	21%
Debt Service	\$ 2,306,330	\$ 6,148,118	\$ 3,841,788	9%
Special Liability	\$ 68,758	\$ 336,485	\$ 267,727	5%
Special Highway	\$ 1,614,166	\$ 1,594,550	\$ (19,616)	25%
Special Alcohol & Drug	\$ 16,036	\$ 150,000	\$ 133,964	3%
Alcohol & Drug Safety	\$ 14,916	\$ 17,012	\$ 2,096	22%
Law Enforcement	\$ 28,803	\$ 137,500	\$ 108,697	5%
Transient Guest Tax	\$ 403,963	\$ 685,180	\$ 281,217	15%
Employee Separation	\$ 159,888	\$ 500,000	\$ 340,112	8%
Retirement Reserve	\$ 5,002	\$ 292,502	\$ 287,500	0%
KP&F Rate Equalization	\$ 90,276	\$ 75,000	\$ (15,276)	30%
Neighborhood Revitalization	\$ -	\$ 37,500	\$ 37,500	0%
Historical Asset Tourism	\$ 8,650	\$ 30,026	\$ 21,376	7%
Half Cent Sales Tax (JEDO)	\$ 1,566,990	\$ 2,184,642	\$ 617,652	18%
Half Cent Sales Tax (Street)	\$ 749,393	\$ 7,093,901	\$ 6,344,508	3%
Tax Increment Financing	\$ 89,057	\$ 129,192	\$ 40,135	17%
Court Technology	\$ 28,752	\$ 11,250	\$ (17,502)	64%
Downtown Improvement	\$ 10,652	\$ 63,663	\$ 53,011	4%
Community Development	\$ 82,701	\$ 105,370	\$ 22,669	20%
Combined Utilities	\$ 13,999,255	\$ 16,740,388	\$ 2,741,133	21%
Public Parking	\$ 712,249	\$ 922,779	\$ 210,530	19%
Facilities	\$ 304,793	\$ 374,611	\$ 69,818	20%
Fleet	\$ 441,947	\$ 495,000	\$ 53,053	22%
IT	\$ 798,455	\$ 911,641	\$ 113,186	22%
Risk Funds	\$ 4,245,974	\$ 3,233,783	\$ (1,012,191)	33%
TOTAL	\$ 49,311,039	\$ 67,570,587	\$ 19,271,739	18%



CASH MANAGEMENT

Pooled Cash & Investments

Guidelines

Type of Investment	Minimum	Maximum	Actual %	Invested Value	Yield to Maturity
Bank Certificates of Deposit	0%	100%	36%	\$ 56,676,611	0.50
US Treasuries	0%	100%	0%	\$ -	
US Agencies	0%	100%	30%	\$ 46,929,777	0.57
Repurchase Agreements	0%	50%	-	-	
Municipal Investment Pool	0%	30%	0%	\$ 100,000	
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%	11%	\$ 17,994,596	0.78
General Checking	0%	100%	23%	\$ 37,107,914	
Subtotal of Investments				\$158,808,899	0.62

Total Portfolio Balance \$158,808,899

Duration of investments (expressed in years) 0.53

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 2016 the City had \$390,865,410 in permanent and temporary debt, compared to \$387,208,937 in 2015 or a .94% increase. When backing out the temporary notes

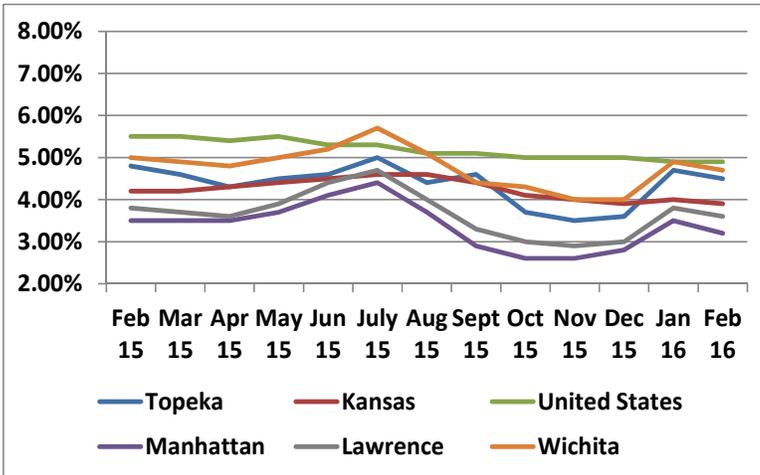
Debt Management

Instrument	2015	2016
Governmental General Obligation Bonds	\$ 131,938,017	\$ 134,756,536
Business Type General Obligation Bonds	\$ 11,121,983	\$ 10,513,464
Other General Obligation Bonds	\$ 14,135,000	\$ 13,115,000
Utility Revenue Bonds	\$ 132,420,000	\$ 127,425,000
Sales Tax Revenue Bonds	\$ 6,070,000	\$ 3,035,000
KDHE Revolving Loans	\$ 58,133,937	\$ 52,400,410
Temporary Notes	\$ 33,390,000	\$ 49,620,000
Total	\$ 387,208,937	\$ 390,865,410

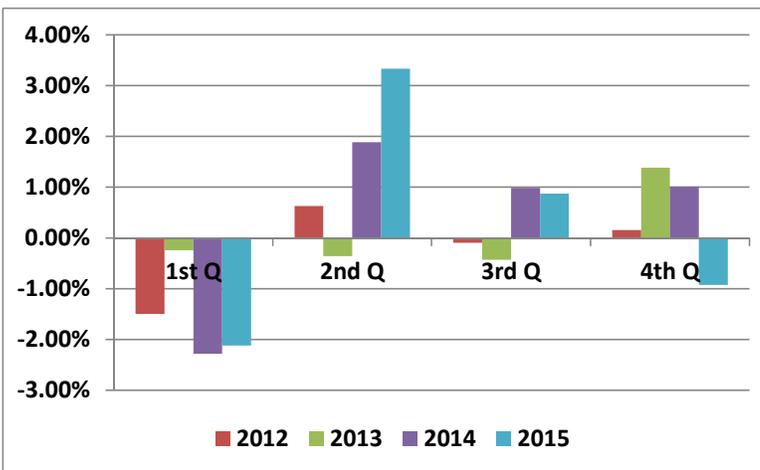
and comparing current permanent debt to the prior year, permanent debt decreased by 3.55%.



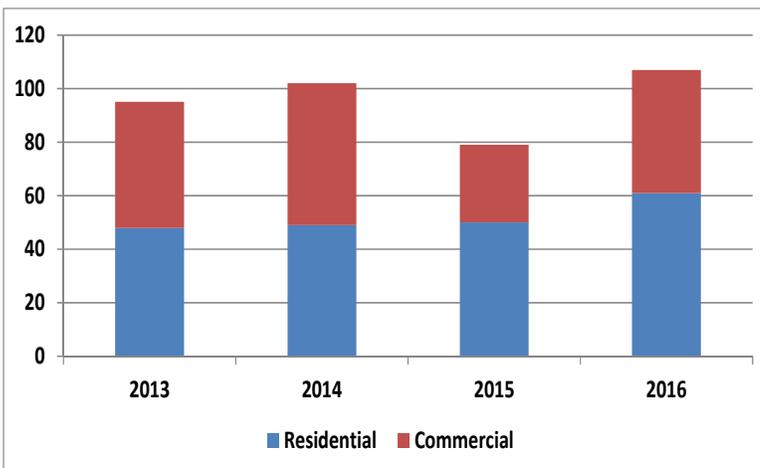
COMMUNITY STATISTICS



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 February 2016 was 4.50%, 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 March. 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 35% over 2015.