

# Monthly Financial Status Report

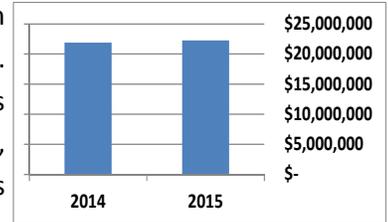
May 31, 2015



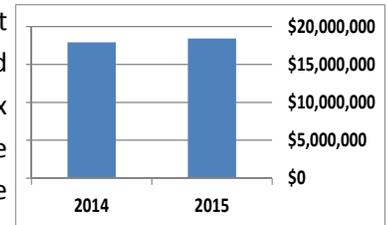
Prepared by the Financial Services Department

## KEY REVENUE INDICATORS OVERVIEW

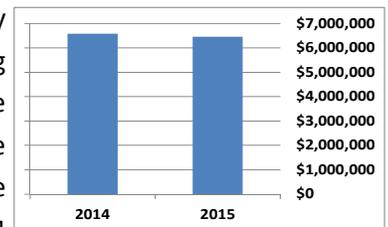
**PROPERTY TAX** The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2015 through May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



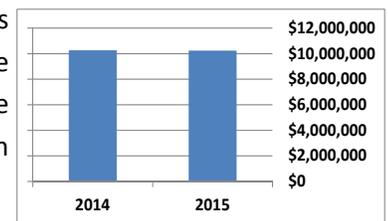
**SALES TAX** The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2015 through May are \$18,415,319, which is a 2.84% increase over the 2014 collections of \$17,907,042. 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.



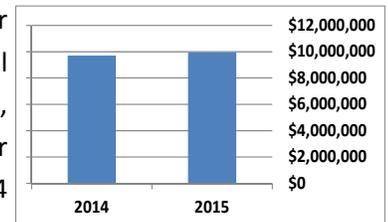
**FRANCHISE FEES** These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are down (1.89)% in 2015 with collections of \$6,455,433, compared to 2014 collections of \$6,579,612.



**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 (.33)% in 2015 with collections of \$10,234,110, compared to 2014 billings of \$10,267,536.



**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 2.32% in 2015 with collections of \$9,930,200, compared to 2014 billings of \$9,704,763.



POSITIVE

CAUTION

NEGATIVE

# Monthly Financial Status Report

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## GENERAL FUND OVERVIEW

General Fund revenues for the month ending May 2015 were \$42,024,563, an increase of approximately 11% over 2014 revenues which were \$37,726,459. 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 May 2015 were \$36,356,417, an increase of approximately 12% over 2014 expenditures which were \$32,411,639. 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 12%, 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 May 31, 2015 (42% of budget year)

Department	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>\$ 18,270,000</b>	<b>\$ 8,212,783</b>			
<b>Revenues</b>						
Taxes & Assessments	\$ 28,088,368	\$ 30,710,946	\$ 2,622,578	\$ 26,562,753	115.62%	\$ 4,148,193
Intergovernmental	\$ 262,093	\$ 252,658	\$ (9,435)	\$ 441,666.67	57.21%	\$ (189,009)
Licenses/Permits & Franchise Fees	\$ 5,830,250	\$ 6,985,828	\$ 1,155,578	\$ 6,073,057	115.03%	\$ 912,771
Charges for Services	\$ 2,043,163	\$ 2,086,777	\$ 43,614	\$ 2,193,946	95.12%	\$ (107,169)
Fines/forfeitures	\$ 1,338,685	\$ 1,570,163	\$ 231,478	\$ 1,250,000	125.61%	\$ 320,163
Rents/Interest	\$ 95,954	\$ 257,006	\$ 161,052	\$ 142,508	180.34%	\$ 114,498
Other	\$ 67,416	\$ 58,006	\$ (9,410)	\$ 99,123	58.52%	\$ (41,117)
Transfers In	\$ -	\$ 52,484	\$ 52,484	\$ 83,333	62.98%	\$ (30,849)
Sale of Assets	\$ 530	\$ 50,695	\$ 50,165	\$ 14,583	347.62%	\$ 36,112
<b>TOTAL REVENUES</b>	<b>\$ 37,726,459</b>	<b>\$ 42,024,563</b>	<b>\$ 4,298,104</b>	<b>\$ 36,860,970</b>	<b>114.01%</b>	<b>\$ 5,163,593</b>
<b>Expenditures</b>						
City Council	\$ 105,587	\$ 110,589	\$ 5,002	\$ 118,088	93.65%	\$ 7,499
City Manager	\$ 505,047	\$ 525,952	\$ 20,905	\$ 525,478	100.09%	\$ (474)
City Attorney	\$ 403,531	\$ 430,450	\$ 26,919	\$ 480,985	89.49%	\$ 50,535
Financial Services	\$ 956,562	\$ 845,795	\$ (110,767)	\$ 925,641	91.37%	\$ 79,846
Municipal Court	\$ 678,558	\$ 801,966	\$ 123,408	\$ 766,178	104.67%	\$ (35,789)
Human Resources	\$ 339,316	\$ 417,259	\$ 77,943	\$ 418,047	99.81%	\$ 788
Mayor's Office	\$ 36,197	\$ 51,603	\$ 15,406	\$ 50,015	103.18%	\$ (1,588)
Non Departmental	\$ 218,172	\$ 470,523	\$ 252,351	\$ 1,380,561	34.08%	\$ 910,038
Prisoner Care	\$ 138,417	\$ 235,771	\$ 97,354	\$ 416,667	56.59%	\$ 180,896
HND Program Delivery	\$ 98,039	\$ 22,989	\$ (75,050)	\$ 0	5517360.00%	\$ (22,989)
Social Service Grants	\$ 337,294	\$ 486,215	\$ 148,921	\$ 214,207	226.98%	\$ (272,008)
Franchise Fee Program	\$ 59,925	\$ 85,000	\$ 25,075	\$ 41,708	203.80%	\$ (43,292)
Topeka Performance Center	\$ 203,113	\$ 229,459	\$ 26,346	\$ 176,816	129.77%	\$ (52,643)
Cemeteries	\$ 160,385	\$ 162,012	\$ 1,627	\$ 70,833	228.72%	\$ (91,179)
Fire Department	\$ 9,438,447	\$ 10,792,935	\$ 1,354,488	\$ 11,019,145	97.95%	\$ 226,210
Police Department	\$ 13,861,297	\$ 14,316,453	\$ 455,156	\$ 15,556,254	92.03%	\$ 1,239,801
Public Works	\$ 2,536,774	\$ 2,464,429	\$ (72,345)	\$ 2,645,730	93.15%	\$ 181,301
Park and Recreation	\$ 1,172,633	\$ 1,292,341	\$ 119,708	\$ 634,343	203.73%	\$ (657,998)
Topeka Zoological Park	\$ 812,784	\$ 995,746	\$ 182,962	\$ 979,209	101.69%	\$ (16,537)
Planning Department	\$ 349,561	\$ 355,271	\$ 5,710	\$ 332,336	106.90%	\$ (22,935)
Neighborhood Relations	\$ -	\$ 1,263,659	\$ 1,263,659	\$ 1,133,124	111.52%	\$ (130,535)
<b>TOTAL EXPENDITURES</b>	<b>\$ 32,411,639</b>	<b>\$ 36,356,417</b>	<b>\$ 3,944,778</b>	<b>\$ 37,885,366</b>	<b>95.96%</b>	<b>\$ 1,528,949</b>
<b>BETTER/(WORSE)</b>	<b>\$ 5,314,820</b>	<b>\$ 5,668,146</b>				
<b>ENDING FUND BALANCE</b>	<b>\$ 15,372,037</b>	<b>\$ 23,938,146</b>	<b>\$ 8,566,109</b>			

# Monthly Financial Status Report

May 31, 2015



## ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2015 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 42,024,563	\$ 36,860,970	\$ 5,163,593	48%
Debt Service	\$ 12,869,614	\$ 8,796,938	\$ 4,072,677	61%
Special Liability	\$ 451,299	\$ 350,879	\$ 100,420	54%
Special Highway	\$ 2,428,607	\$ 2,395,914	\$ 32,693	42%
Special Alcohol & Drug	\$ 126,329	\$ 216,685	\$ (90,356)	24%
Alcohol & Drug Safety	\$ 38,777	\$ 31,167	\$ 7,610	52%
Law Enforcement	\$ 221,560	\$ 115,208	\$ 106,352	80%
Transient Guest Tax	\$ 1,255,095	\$ 1,026,399	\$ 228,696	51%
Employee Separation	\$ 4,798	\$ -	\$ 4,798	
Retirement Reserve	\$ 468,772	\$ 471,630	\$ (2,858)	41%
KP&F Rate Equalization	\$ 1,627	\$ -	\$ 1,627	0%
Neighborhood Revitalization	\$ 19,258	\$ 14,583	\$ 4,674	55%
Historical Asset Tourism	\$ 96,307	\$ 62,099	\$ 34,208	65%
Half Cent Sales Tax (JEDO)	\$ 3,633,107	\$ 3,536,649	\$ 96,457	43%
Half Cent Sales Tax (Street)	\$ 6,187,741	\$ 5,933,333	\$ 254,407	43%
Tax Increment Financing	\$ 137,878	\$ 98,123	\$ 39,755	59%
Court Technology	\$ 26,061	\$ 21,994	\$ 4,067	49%
Downtown Improvement	\$ 157,431	\$ 77,615	\$ 79,816	85%
Community Development	\$ 168,046	\$ 109,254	\$ 58,791	64%
Combined Utilities	\$ 23,701,472	\$ 26,090,167	\$ (2,388,694)	38%
Public Parking	\$ 1,228,024	\$ 1,342,169	\$ (114,144)	38%
Facilities	\$ 620,985	\$ 622,108	\$ (1,123)	42%
Fleet	\$ 829,900	\$ 825,000	\$ 4,900	42%
IT	\$ 1,535,817	\$ 1,523,568	\$ 12,249	42%
Risk Funds	\$ 5,352,401	\$ 5,740,307	\$ (387,906)	39%
<b>TOTAL</b>	<b>\$ 103,585,470</b>	<b>\$ 96,262,760</b>	<b>\$ 7,322,710</b>	<b>45%</b>

Fund	YTD Actual Expenditures	2015 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 36,356,417	\$ 37,885,366	\$ 1,528,949	41%
Debt Service	\$ 2,106,236	\$ 10,179,485	\$ 8,073,249	9%
Special Liability	\$ 223,721	\$ 638,017	\$ 414,296	15%
Special Highway	\$ 2,889,047	\$ 2,714,705	\$ (174,342)	44%
Special Alcohol & Drug	\$ 355,250	\$ 250,000	\$ (105,250)	59%
Alcohol & Drug Safety	\$ 26,362	\$ 24,334	\$ (2,028)	45%
Law Enforcement	\$ 243,658	\$ 115,208	\$ (128,450)	88%
Transient Guest Tax	\$ 2,090,000	\$ 1,026,399	\$ (1,063,601)	85%
Employee Separation	\$ 440,187	\$ 416,667	\$ (23,520)	44%
Retirement Reserve	\$ 13,588	\$ 375,000	\$ 361,412	2%
KP&F Rate Equalization	\$ -	\$ 125,000	\$ 125,000	0%
Neighborhood Revitalization	\$ -	\$ 62,500	\$ 62,500	0%
Historical Asset Tourism	\$ 4,447	\$ 62,099	\$ 57,652	3%
Half Cent Sales Tax (JEDO)	\$ 2,911,888	\$ 3,536,649	\$ 624,761	34%
Half Cent Sales Tax (Street)	\$ 5,067,350	\$ 6,820,853	\$ 1,753,503	31%
Tax Increment Financing	\$ 90,819	\$ 80,188	\$ (10,632)	47%
Court Technology	\$ -	\$ 18,750	\$ 18,750	0%
Downtown Improvement	\$ 112,115	\$ 77,615	\$ (34,500)	60%
Community Development	\$ 160,374	\$ 109,254	\$ (51,119)	61%
Combined Utilities	\$ 22,654,366	\$ 32,870,530	\$ 10,216,164	29%
Public Parking	\$ 1,068,578	\$ 1,294,507	\$ 225,929	34%
Facilities	\$ 690,262	\$ 611,105	\$ (79,157)	47%
Fleet	\$ 1,438,899	\$ 794,810	\$ (644,089)	75%
IT	\$ 1,854,149	\$ 1,441,972	\$ (412,177)	54%
Risk Funds	\$ 5,337,449	\$ 5,290,444	\$ (47,005)	42%
<b>TOTAL</b>	<b>\$ 86,135,163</b>	<b>\$ 106,821,457</b>	<b>\$ 20,733,299</b>	<b>34%</b>



## CASH MANAGEMENT

### Pooled Cash & Investments

Type of Investment	Guidelines			Invested Value	Yield to Maturity
	Minimum	Maximum	Actual %		
Bank Certificates of Deposit	0%	100%	24%	\$ 27,601,336	0.33
US Treasuries	0%	100%	10%	\$ 11,995,870	0.28
US Agencies	0%	100%	23%	\$ 27,189,962	0.47
Repurchase Agreements	0%	50%	-	-	-
Municipal Investment Pool	0%	30%	17%	\$ 19,350,087	-
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%	26%	\$ 29,942,696	0.60
<b>Subtotal of Investments</b>				<b>\$116,079,951</b>	<b>0.42</b>
<b>General Checking</b>				<b>\$ 31,277,650</b>	
<b>Total Cash Balance</b>				<b>\$147,357,602</b>	
<b>Duration of investments (expressed in years)</b>					<b>0.75</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 May 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

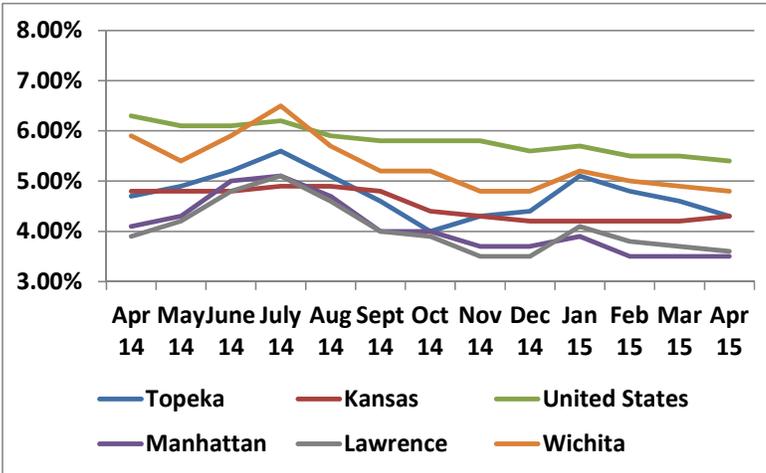
### Debt Management

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
<b>Total</b>	<b>\$ 385,713,971</b>	<b>\$ 384,767,664</b>

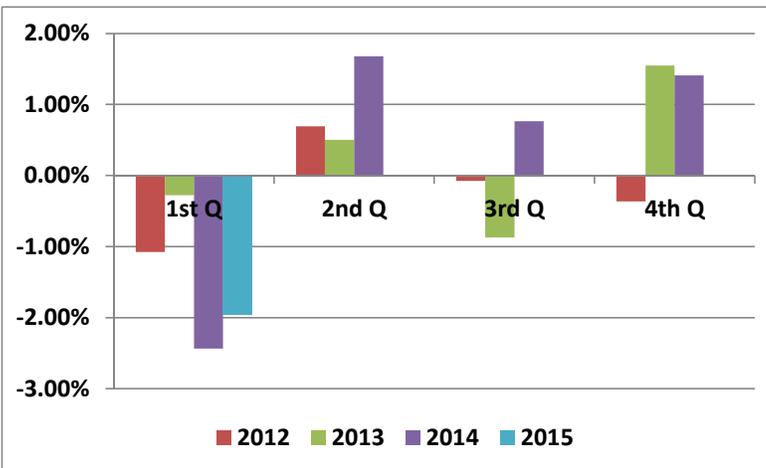
and comparing current permanent debt to the prior year, permanent debt decreased by -2.70%.



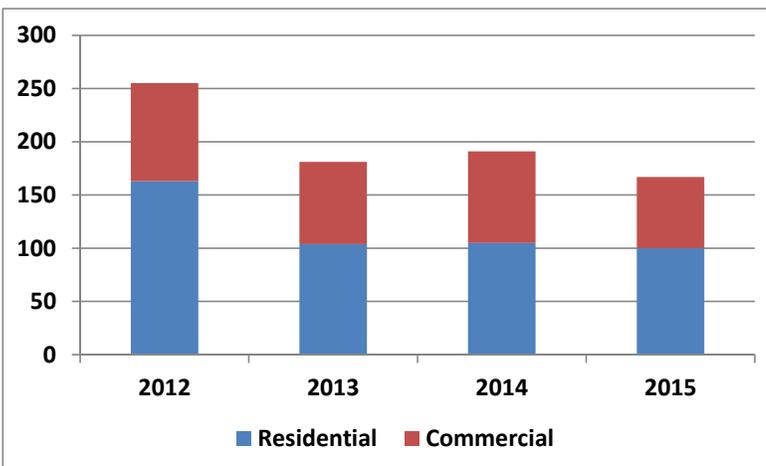
## COMMUNITY STATISTICS



**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 April 2015 was 4.30%, 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 May 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.