

Monthly Financial Status Report

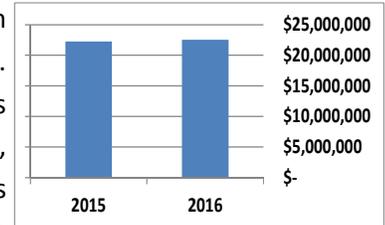
May 31, 2016



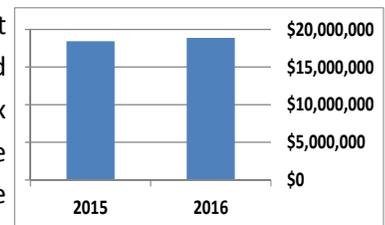
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

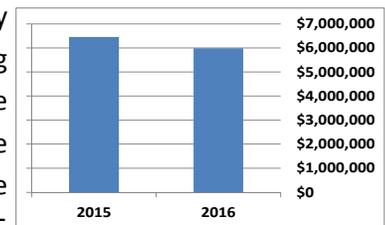
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2016 through May are \$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.



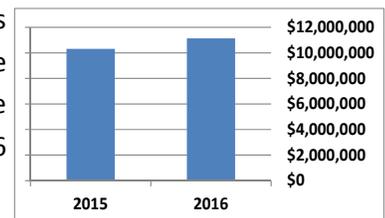
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2016 through May are \$18,865,353, which is a 2.44% increase over the 2015 collections of \$18,415,319. 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.



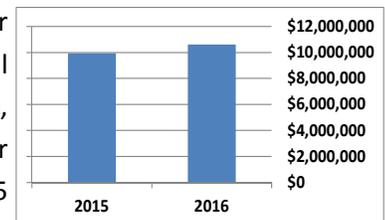
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are down 7.18% in 2016 with collections of \$5,991,730, compared to 2015 collections of \$6,455,433.



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 8.08% in 2016 with billings of \$11,135,383, compared to 2015 billings of \$10,302,648.



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 6.83% in 2016 with billings of \$10,608,903, compared to 2015 billings of \$9,930,200.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues for the month ending May 2016 were \$40,604,500, a decrease of approximately 3% under 2015 revenues which were \$42,024,563. 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 May 2016 was \$37,552,781, an increase of approximately 8% over 2015 expenditures which were \$34,932,567. 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 May 31, 2016 (42% of budget year)		
	2015 YTD	2016 YTD	Difference	Budget		\$ Diff Compared to 2016 budget YTD
				2016 budget YTD	% of 2016 Budget YTD	
BEGINNING FUND BALANCE	\$ 18,270,000	\$ 19,117,978	\$ 847,978			
Revenues						
Taxes & Assessments	\$ 30,710,946	\$ 30,263,193	\$ (447,753)	\$ 27,239,207	111.10%	\$ 3,023,986
Intergovernmental	\$ 252,658	\$ 247,705	\$ (4,953)	\$ 438,551.25	56.48%	\$ (190,846)
Licenses/Permits & Franchise Fees	\$ 6,985,828	\$ 6,728,235	\$ (257,593)	\$ 6,703,751	100.37%	\$ 24,484
Charges for Services	\$ 2,086,777	\$ 1,465,032	\$ (621,745)	\$ 1,700,441	86.16%	\$ (235,409)
Fines/forfeitures	\$ 1,570,163	\$ 1,490,212	\$ (79,951)	\$ 1,250,000	119.22%	\$ 240,212
Rents/Interest	\$ 257,006	\$ 290,662	\$ 33,656	\$ 192,788	150.77%	\$ 97,874
Other	\$ 58,006	\$ 97,262	\$ 39,256	\$ 100,535	96.74%	\$ (3,273)
Transfers In	\$ 52,484	\$ -	\$ (52,484)	\$ 79,977	0.00%	\$ (79,977)
Sale of Assets	\$ 50,695	\$ 22,199	\$ (28,496)	\$ 14,583	152.22%	\$ 7,616
TOTAL REVENUES	\$ 42,024,563	\$ 40,604,500	\$ (1,420,063)	\$ 37,719,834	107.65%	\$ 2,884,666
Expenditures						
City Council	\$ 110,624	\$ 101,825	\$ (8,799)	\$ 116,154	87.66%	\$ 14,329
City Manager	\$ 500,330	\$ 584,237	\$ 83,907	\$ 543,981	107.40%	\$ (40,256)
City Attorney	\$ 421,413	\$ 470,293	\$ 48,880	\$ 488,339	96.30%	\$ 18,046
Financial Services	\$ 833,207	\$ 970,907	\$ 137,700	\$ 1,031,667	94.11%	\$ 60,760
Municipal Court	\$ 802,256	\$ 771,361	\$ (30,895)	\$ 757,636	101.81%	\$ (13,725)
Human Resources	\$ 361,333	\$ 509,576	\$ 148,243	\$ 479,985	106.16%	\$ (29,591)
Mayor's Office	\$ 48,036	\$ 61,963	\$ 13,927	\$ 54,213	114.30%	\$ (7,751)
Non Departmental	\$ 465,987	\$ 1,303,340	\$ 837,353	\$ 5,118,932	25.46%	\$ 3,815,592
Prisoner Care	\$ 235,771	\$ 191,075	\$ (44,696)	\$ 351,086	54.42%	\$ 160,011
HND Program Delivery	\$ 22,989	\$ -	\$ (22,989)	\$ -	0.00%	\$ -
Social Service Grants	\$ 169,929	\$ 535,168	\$ 365,239	\$ 291,075	183.86%	\$ (244,093)
Franchise Fee Program	\$ 85,000	\$ 85,000	\$ -	\$ 41,708	203.80%	\$ (43,292)
Topeka Performance Center	\$ 231,207	\$ 218,831	\$ (12,376)	\$ 173,676	126.00%	\$ (45,155)
Cemeteries	\$ 162,012	\$ 214,454	\$ 52,442	\$ 91,667	233.95%	\$ (122,787)
Fire Department	\$ 10,748,262	\$ 10,938,531	\$ 190,269	\$ 11,019,145	99.27%	\$ 80,614
Police Department	\$ 14,055,944	\$ 15,248,974	\$ 1,193,030	\$ 15,686,405	97.21%	\$ 437,431
Public Works	\$ 2,353,000	\$ 2,434,951	\$ 81,951	\$ 2,773,830	87.78%	\$ 338,879
Park and Recreation	\$ 791,152	\$ 125,206	\$ (665,946)	\$ 216,685	57.78%	\$ 91,479
Topeka Zoological Park	\$ 925,932	\$ 1,024,335	\$ 98,403	\$ 985,332	103.96%	\$ (39,003)
Planning Department	\$ 355,443	\$ 340,082	\$ (15,361)	\$ 354,679	95.88%	\$ 14,597
Neighborhood Relations	\$ 1,252,740	\$ 1,422,672	\$ 169,932	\$ 1,591,292	89.40%	\$ 168,620
TOTAL EXPENDITURES	\$ 34,932,567	\$ 37,552,781	\$ 2,620,214	\$ 42,167,488	89.06%	\$ 4,614,707
BETTER/(WORSE)	\$ 7,091,996	\$ 3,051,719				
ENDING FUND BALANCE	\$ 25,361,996	\$ 22,169,697	\$ (3,192,299)			

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ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2016 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 40,604,500	\$ 37,719,834	\$ 2,884,666	45%
Debt Service	\$ 10,047,305	\$ 9,055,842	\$ 991,463	46%
Special Liability	\$ 454,971	\$ 327,182	\$ 127,789	58%
Special Highway	\$ 2,493,781	\$ 2,338,578	\$ 155,203	44%
Special Alcohol & Drug	\$ 123,852	\$ 219,275	\$ (95,423)	24%
Alcohol & Drug Safety	\$ 31,382	\$ 31,167	\$ 215	42%
Law Enforcement	\$ 202,890	\$ 116,458	\$ 86,432	73%
Transient Guest Tax	\$ 1,104,326	\$ 1,119,680	\$ (15,354)	41%
Employee Separation	\$ 7,428	\$ -	\$ 7,428	
Retirement Reserve	\$ 483,414	\$ 469,872	\$ 13,542	43%
KP&F Rate Equalization	\$ 5,250	\$ -	\$ 5,250	0%
Neighborhood Revitalization	\$ 16,350	\$ 1,458	\$ 14,892	467%
Historical Asset Tourism	\$ -	\$ -	\$ -	
Half Cent Sales Tax (JEDO)	\$ 3,702,769	\$ 7,057,737	\$ (3,354,968)	22%
Half Cent Sales Tax (Street)	\$ 6,442,881	\$ 6,125,712	\$ 317,169	44%
Tax Increment Financing	\$ 89,057	\$ 103,119	\$ (14,062)	36%
Court Technology	\$ 27,521	\$ 21,994	\$ 5,527	52%
Downtown Improvement	\$ 181,090	\$ 91,812	\$ 89,278	82%
Community Development	\$ 167,149	\$ 175,617	\$ (8,468)	40%
Combined Utilities	\$ 25,241,097	\$ 27,967,500	\$ (2,726,403)	38%
Public Parking	\$ 1,183,876	\$ 1,196,355	\$ (12,479)	41%
Facilities	\$ 624,585	\$ 624,352	\$ 233	42%
Fleet	\$ 829,533	\$ 825,000	\$ 4,533	42%
IT	\$ 1,536,595	\$ 1,523,568	\$ 13,027	42%
Risk Funds	\$ 5,745,918	\$ 5,833,401	\$ (87,483)	41%
TOTAL	\$ 101,347,521	\$ 102,945,514	\$ (1,597,993)	41%

Fund	YTD Actual Expenditures	2016 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 37,552,781	\$ 42,167,488	\$ 4,614,707	37%
Debt Service	\$ 2,459,330	\$ 10,246,864	\$ 7,787,534	10%
Special Liability	\$ 132,157	\$ 560,808	\$ 428,651	10%
Special Highway	\$ 2,506,489	\$ 2,657,583	\$ 151,094	39%
Special Alcohol & Drug	\$ 182,374	\$ 250,000	\$ 67,626	30%
Alcohol & Drug Safety	\$ 26,655	\$ 28,353	\$ 1,698	39%
Law Enforcement	\$ 71,076	\$ 229,167	\$ 158,091	13%
Transient Guest Tax	\$ 550,987	\$ 1,141,967	\$ 590,980	20%
Employee Separation	\$ 322,115	\$ 833,333	\$ 511,218	16%
Retirement Reserve	\$ 8,337	\$ 487,504	\$ 479,167	1%
KP&F Rate Equalization	\$ 115,488	\$ 125,000	\$ 9,512	38%
Neighborhood Revitalization	\$ -	\$ 62,500	\$ 62,500	0%
Historical Asset Tourism	\$ 8,650	\$ 50,043	\$ 41,393	7%
Half Cent Sales Tax (JEDO)	\$ 2,947,986	\$ 3,641,070	\$ 693,084	34%
Half Cent Sales Tax (Street)	\$ 1,457,755	\$ 11,823,168	\$ 10,365,413	5%
Tax Increment Financing	\$ 89,057	\$ 215,319	\$ 126,262	17%
Court Technology	\$ 28,752	\$ 18,750	\$ (10,002)	64%
Downtown Improvement	\$ 120,516	\$ 106,105	\$ (14,411)	47%
Community Development	\$ 132,201	\$ 175,617	\$ 43,416	31%
Combined Utilities	\$ 26,814,113	\$ 27,900,647	\$ 1,086,534	40%
Public Parking	\$ 1,321,765	\$ 1,537,965	\$ 216,200	36%
Facilities	\$ 564,167	\$ 624,352	\$ 60,185	38%
Fleet	\$ 755,205	\$ 825,000	\$ 69,795	38%
IT	\$ 1,345,306	\$ 1,519,402	\$ 174,096	37%
Risk Funds	\$ 6,397,268	\$ 5,389,639	\$ (1,007,629)	49%
TOTAL	\$ 85,910,530	\$ 112,617,645	\$ 27,714,744	32%



CASH MANAGEMENT

Pooled Cash & Investments

Type of Investment	Guidelines			Invested Value	Yield to Maturity
	Minimum	Maximum	Actual %		
Bank Certificates of Deposit	0%	100%	32%	\$ 50,427,868	0.58
US Treasuries	0%	100%	0%	\$ -	
US Agencies	0%	100%	31%	\$ 49,654,841	0.51
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%	\$ 18,529,650	0.88
General Checking	0%	100%	25%	\$ 39,533,380	
Subtotal of Investments				\$158,940,466	0.66
Total Portfolio Balance				\$158,940,466	
Duration of investments (expressed in years)					0.47

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

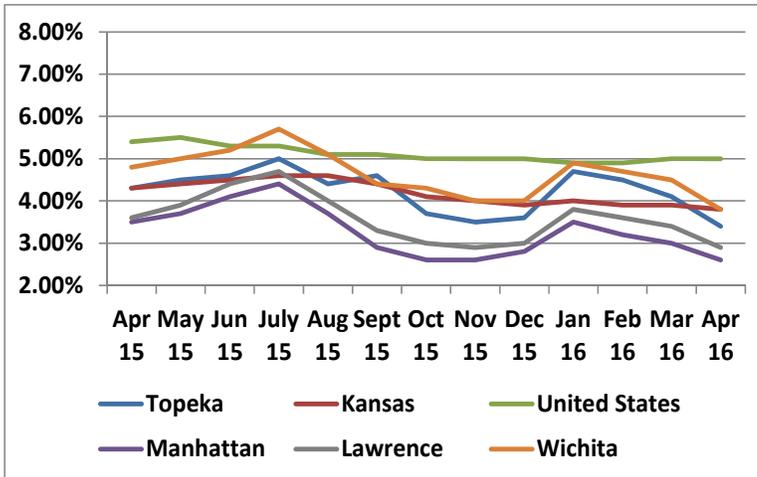
Finance staff oversee all debt issued by the City, which includes General Obligation (GO), revenue backed, revolving loan funds, temporary notes and special assessment debt. As of May 2016 the City had \$388,548,005 in permanent and temporary debt, compared to \$384,767,664 in 2015 or a .98% increase.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

Debt Management

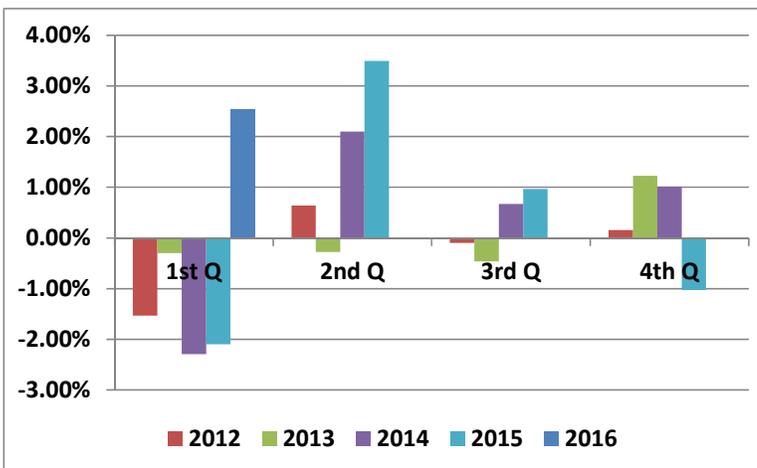
Instrument	2015	2016
Governmental General Obligation Bonds	\$ 131,938,017	\$ 134,917,579
Business Type General Obligation Bonds	\$ 11,121,983	\$ 10,527,421
Other General Obligation Bonds	\$ 14,135,000	\$ 13,140,000
Utility Revenue Bonds	\$ 132,420,000	\$ 127,425,000
Sales Tax Revenue Bonds	\$ 6,070,000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



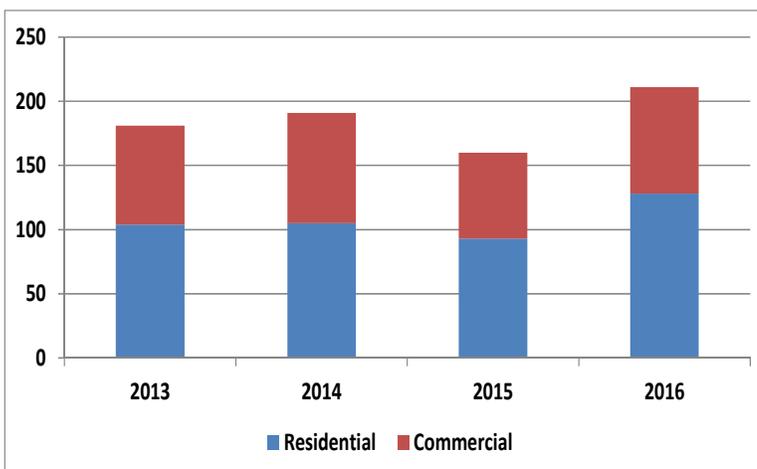
COMMUNITY STATISTICS



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 2016 was 3.40%, 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. 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 32% over 2015.