

# Monthly Financial Status Report

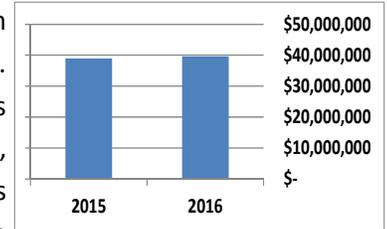
October 31, 2016



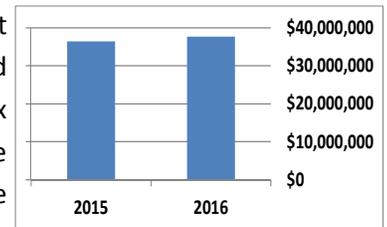
Prepared by the Financial Services Department

## KEY REVENUE INDICATORS OVERVIEW

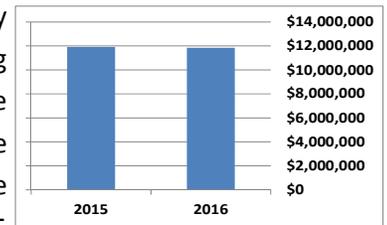
**PROPERTY TAX** The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2016 year to date are \$39,636,092, which is a 1.60% increase over the 2015 collections of \$39,012,282. The City receives property tax allocations from the County primarily twice a year in January and July with a smaller allocation in the fall.



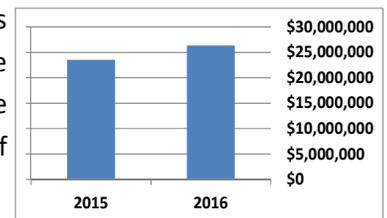
**SALES TAX** The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2016 year to date are \$37,706,999, which is a 3.46% increase over the 2015 collections of \$36,446,158. 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.



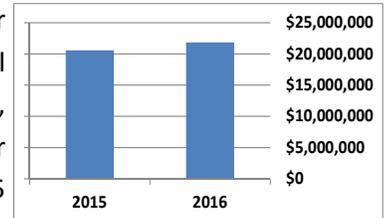
**FRANCHISE FEES** These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are down .62% in 2016 with collections of \$11,844,821, compared to 2015 collections of \$11,918,405.



**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 11.93% in 2016 with billings of \$26,324,541, compared to 2015 billings of \$23,518,443.



**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 6.26% in 2016 with billings of \$21,875,016, compared to 2015 billings of \$20,586,710.



POSITIVE

CAUTION

NEGATIVE

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## GENERAL FUND OVERVIEW

General Fund revenues year to date were \$78,881,791, a decrease of approximately 2% under 2015 revenues which were \$80,163,148. The largest difference monetarily is in charges for services, this is due to a planned reduction in administrative fees. General Fund expenditures year to date were \$70,252,046, an increase of approximately 4% over 2015 expenditures which were \$67,771,302. 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

As of October 31, 2016 (83% of budget year)

Department	Actuals			Budget		
	2015 YTD	2016 YTD	Difference	2016 budget YTD	% of 2016 Budget YTD	\$ Diff Compared to 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	\$ 58,261,179	\$ 58,435,866	\$ 174,687	\$ 54,478,413	107.26%	\$ 3,957,453
Intergovernmental	\$ 784,841	\$ 798,251	\$ 13,410	\$ 877,102.50	91.01%	\$ (78,852)
Licenses/Permits & Franchise Fees	\$ 13,099,342	\$ 13,110,493	\$ 11,151	\$ 13,407,502	97.78%	\$ (297,009)
Charges for Services	\$ 4,269,514	\$ 3,228,390	\$ (1,041,124)	\$ 3,400,883	94.93%	\$ (172,493)
Fines/forfeitures	\$ 2,743,399	\$ 2,587,392	\$ (156,007)	\$ 2,500,000	103.50%	\$ 87,392
Rents/Interest	\$ 352,298	\$ 438,010	\$ 85,712	\$ 385,577	113.60%	\$ 52,433
Other	\$ 326,670	\$ 162,850	\$ (163,820)	\$ 201,071	80.99%	\$ (38,221)
Transfers In	\$ 210,934	\$ 89,907	\$ (121,027)	\$ 159,954	56.21%	\$ (70,047)
Sale of Assets	\$ 114,971	\$ 30,632	\$ (84,339)	\$ 29,167	105.02%	\$ 1,465
<b>TOTAL REVENUES</b>	<b>\$ 80,163,148</b>	<b>\$ 78,881,791</b>	<b>\$ (1,281,357)</b>	<b>\$ 75,439,668</b>	<b>104.56%</b>	<b>\$ 3,442,123</b>
<b>Expenditures</b>						
City Council	\$ 201,009	\$ 199,294	\$ (1,715)	\$ 232,308	85.79%	\$ 33,014
City Manager	\$ 951,091	\$ 1,057,463	\$ 106,372	\$ 1,087,963	97.20%	\$ 30,500
City Attorney	\$ 808,091	\$ 922,942	\$ 114,851	\$ 976,678	94.50%	\$ 53,736
Financial Services	\$ 1,643,756	\$ 1,870,064	\$ 226,308	\$ 2,063,333	90.63%	\$ 193,269
Municipal Court	\$ 1,372,589	\$ 1,418,515	\$ 45,926	\$ 1,515,273	93.61%	\$ 96,758
Human Resources	\$ 830,855	\$ 970,264	\$ 139,409	\$ 959,971	101.07%	\$ (10,293)
Mayor's Office	\$ 91,883	\$ 105,216	\$ 13,333	\$ 108,425	97.04%	\$ 3,209
Non Departmental	\$ 1,359,233	\$ 1,498,702	\$ 139,469	\$ 10,237,864	14.64%	\$ 8,739,162
Prisoner Care	\$ 557,471	\$ 865,742	\$ 308,271	\$ 702,173	123.29%	\$ (163,570)
HND Program Delivery	\$ 23,528	\$ -	\$ (23,528)	\$ -	0.00%	\$ -
Social Service Grants	\$ 452,126	\$ 365,614	\$ (86,512)	\$ 582,151	62.80%	\$ 216,537
Franchise Fee Program	\$ 85,000	\$ 99,500	\$ 14,500	\$ 83,417	119.28%	\$ (16,083)
Topeka Performance Center	\$ 378,285	\$ 356,172	\$ (22,113)	\$ 347,353	102.54%	\$ (8,820)
Cemeteries	\$ 165,399	\$ 219,489	\$ 54,090	\$ 183,333	119.72%	\$ (36,156)
Fire Department	\$ 20,530,939	\$ 21,008,748	\$ 477,809	\$ 22,038,289	95.33%	\$ 1,029,541
Police Department	\$ 27,195,722	\$ 28,728,971	\$ 1,533,249	\$ 31,372,810	91.57%	\$ 2,643,839
Public Works	\$ 4,502,864	\$ 4,791,598	\$ 288,734	\$ 5,547,660	86.37%	\$ 756,062
Park and Recreation	\$ 1,561,755	\$ 404,953	\$ (1,156,802)	\$ 433,371	93.44%	\$ 28,418
Topeka Zoological Park	\$ 1,983,835	\$ 1,961,579	\$ (22,256)	\$ 1,970,664	99.54%	\$ 9,085
Planning Department	\$ 682,182	\$ 649,976	\$ (32,206)	\$ 709,358	91.63%	\$ 59,382
Neighborhood Relations	\$ 2,393,689	\$ 2,757,244	\$ 363,555	\$ 3,182,584	86.64%	\$ 425,340
<b>TOTAL EXPENDITURES</b>	<b>\$ 67,771,302</b>	<b>\$ 70,252,046</b>	<b>\$ 2,480,744</b>	<b>\$ 84,334,976</b>	<b>83.30%</b>	<b>\$ 14,082,930</b>
<b>BETTER/(WORSE)</b>	<b>\$ 12,391,846</b>	<b>\$ 8,629,745</b>				
<b>ENDING FUND BALANCE</b>	<b>\$ 30,661,846</b>	<b>\$ 27,747,723</b>	<b>\$ (2,914,123)</b>			

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## ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2016 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 78,881,791	\$ 75,439,668	\$ 3,442,123	87%
Debt Service	\$ 18,957,627	\$ 18,111,683	\$ 845,943	87%
Special Liability	\$ 847,173	\$ 654,364	\$ 192,809	108%
Special Highway	\$ 5,610,206	\$ 4,677,157	\$ 933,050	100%
Special Alcohol & Drug	\$ 399,125	\$ 438,551	\$ (39,425)	76%
Alcohol & Drug Safety	\$ 54,633	\$ 62,333	\$ (7,700)	73%
Law Enforcement	\$ 413,078	\$ 232,917	\$ 180,162	148%
Transient Guest Tax	\$ 2,691,060	\$ 2,239,360	\$ 451,700	100%
Employee Separation	\$ 9,949	\$ -	\$ 9,949	
Retirement Reserve	\$ 973,231	\$ 939,743	\$ 33,488	86%
KP&F Rate Equalization	\$ 8,931	\$ -	\$ 8,931	0%
Neighborhood Revitalization	\$ 27,763	\$ 2,917	\$ 24,846	793%
Historical Asset Tourism	\$ -	\$ -	\$ -	
Half Cent Sales Tax (JEDO)	\$ 7,457,543	\$ 14,115,474	\$ (6,657,931)	44%
Half Cent Sales Tax (Street)	\$ 12,858,986	\$ 12,251,423	\$ 607,563	87%
Tax Increment Financing	\$ 175,522	\$ 206,238	\$ (30,716)	71%
Court Technology	\$ 49,890	\$ 43,988	\$ 5,903	95%
Downtown Improvement	\$ 178,546	\$ 183,624	\$ (5,078)	81%
Community Development	\$ 315,893	\$ 351,233	\$ (35,341)	75%
Combined Utilities	\$ 55,097,386	\$ 55,935,000	\$ (837,614)	82%
Public Parking	\$ 2,347,984	\$ 2,392,711	\$ (44,726)	82%
Facilities	\$ 1,248,946	\$ 1,248,704	\$ 242	83%
Fleet	\$ 1,658,583	\$ 1,650,000	\$ 8,583	84%
IT	\$ 3,073,594	\$ 3,047,137	\$ 26,457	84%
Risk Funds	\$ 9,130,418	\$ 11,666,802	\$ (2,536,384)	65%
<b>TOTAL</b>	<b>\$ 202,467,858</b>	<b>\$ 205,891,028</b>	<b>\$ (3,423,169)</b>	<b>82%</b>

Fund	YTD Actual Expenditures	2016 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 70,252,046	\$ 84,334,976	\$ 14,082,930	69%
Debt Service	\$ 17,351,023	\$ 20,493,728	\$ 3,142,705	71%
Special Liability	\$ 314,341	\$ 1,121,617	\$ 807,276	23%
Special Highway	\$ 4,623,070	\$ 5,315,167	\$ 692,097	72%
Special Alcohol & Drug	\$ 389,583	\$ 500,000	\$ 110,417	65%
Alcohol & Drug Safety	\$ 52,383	\$ 56,707	\$ 4,324	77%
Law Enforcement	\$ 465,035	\$ 458,333	\$ (6,702)	85%
Transient Guest Tax	\$ 1,507,256	\$ 2,283,934	\$ 776,678	55%
Employee Separation	\$ 1,140,337	\$ 1,666,667	\$ 526,330	57%
Retirement Reserve	\$ 250,000	\$ 975,008	\$ 725,008	21%
KP&F Rate Equalization	\$ 162,398	\$ 250,000	\$ 87,602	54%
Neighborhood Revitalization	\$ -	\$ 125,000	\$ 125,000	0%
Historical Asset Tourism	\$ 208,058	\$ 100,086	\$ (107,973)	173%
Half Cent Sales Tax (JEDO)	\$ 7,457,543	\$ 7,282,141	\$ (175,402)	85%
Half Cent Sales Tax (Street)	\$ 10,635,627	\$ 23,646,335	\$ 13,010,708	37%
Tax Increment Financing	\$ 175,522	\$ 430,638	\$ 255,116	34%
Court Technology	\$ 28,752	\$ 37,500	\$ 8,748	64%
Downtown Improvement	\$ 145,150	\$ 212,210	\$ 67,060	57%
Community Development	\$ 310,225	\$ 351,233	\$ 41,009	74%
Combined Utilities	\$ 53,077,365	\$ 55,801,294	\$ 2,723,930	79%
Public Parking	\$ 2,743,248	\$ 3,075,931	\$ 332,683	74%
Facilities	\$ 1,144,655	\$ 1,248,704	\$ 104,049	76%
Fleet	\$ 1,596,182	\$ 1,650,000	\$ 53,818	81%
IT	\$ 2,831,957	\$ 3,038,804	\$ 206,848	78%
Risk Funds	\$ 9,986,219	\$ 10,779,278	\$ 793,058	77%
<b>TOTAL</b>	<b>\$ 186,847,977</b>	<b>\$ 225,235,289</b>	<b>\$ 37,594,254</b>	<b>69%</b>



## CASH MANAGEMENT

### Pooled Cash & Investments

Type of Investment	Guidelines			Invested Value	Yield to Maturity
	Minimum	Maximum	Actual %		
Bank Certificates of Deposit	0%	100%	25%	\$ 41,317,997	0.58
US Treasuries	0%	100%	0%	\$ -	
US Agencies	0%	100%	16%	\$ 26,533,641	0.99
Repurchase Agreements	0%	50%	-	-	
Municipal Investment Pool	0%	30%	25%	\$ 41,799,002	
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%	8%	\$ 12,604,273	0.98
General Checking	0%	100%	26%	\$ 42,985,383	
<b>Subtotal of Investments</b>				<b>\$165,240,296</b>	<b>0.85</b>
<b>Total Portfolio Balance</b>				<b>\$165,240,296</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

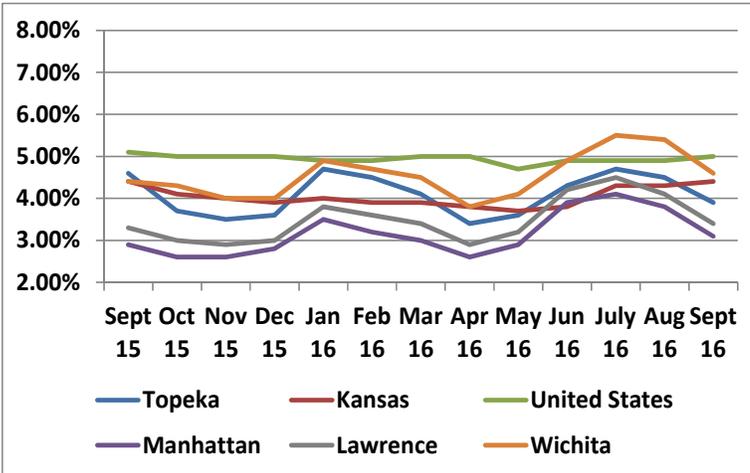
Finance staff oversee all debt issued by the City, which includes General Obligation (GO), revenue backed, revolving loan funds, temporary notes and special assessment debt. The current debt year to date for 2016 the City had \$399,355,402 in permanent and temporary debt, compared to \$396,789,680 in 2015 or a .65% increase. When backing out the temporary notes and comparing current permanent debt to the prior year, permanent debt increased by 5.96%.

### Debt Management

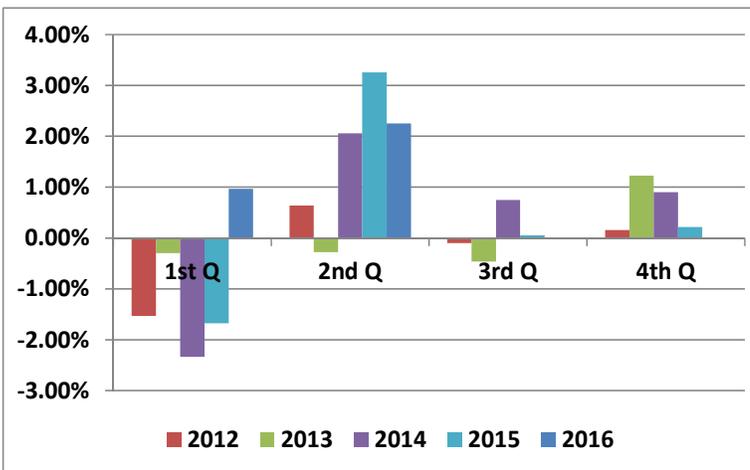
Instrument	2015	2016
Governmental General Obligation Bonds	\$ 134,756,536	\$ 146,023,472
Business Type General Obligation Bonds	\$ 10,513,464	\$ 10,021,528
Other General Obligation Bonds	\$ 13,115,000	\$ 11,935,000
Utility Revenue Bonds	\$ 127,425,000	\$ 147,380,000
Sales Tax Revenue Bonds	\$ 6,070,000	\$ 3,035,000
KDHE Revolving Loans	\$ 55,289,680	\$ 49,465,402
Temporary Notes	\$ 49,620,000	\$ 31,495,000
<b>Total</b>	<b>\$ 396,789,680</b>	<b>\$ 399,355,402</b>



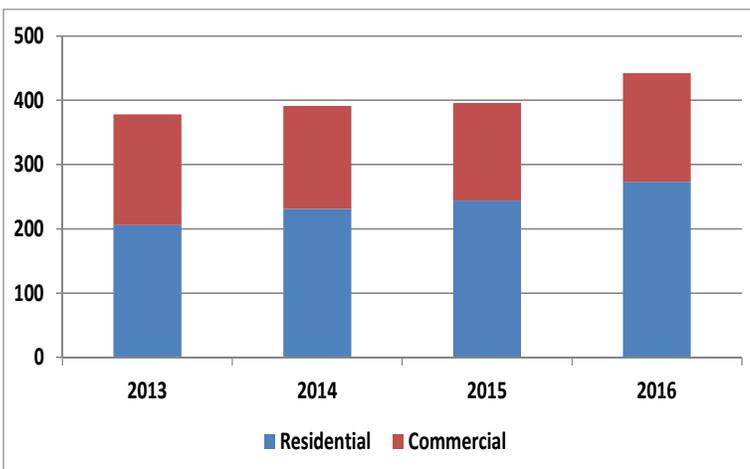
## COMMUNITY STATISTICS



**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 September 2016 was 3.90%, 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 year to date. 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 12% over 2015.