

Monthly Financial Status Report

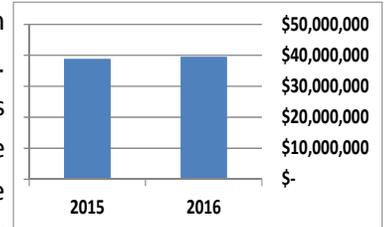
September 30, 2016



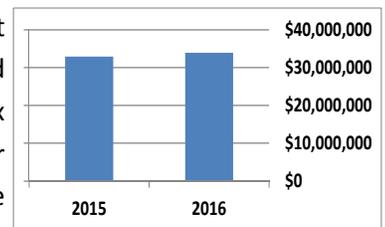
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

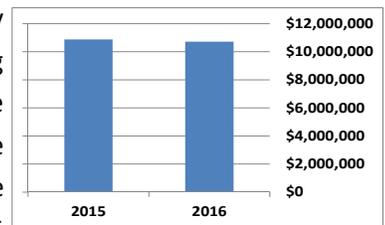
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2016 through September are \$39,574,898, which is a 1.77% increase over the 2015 collections of \$38,888,128. The City receives property tax allocations from the County primarily twice a year in January and July with a smaller allocation in the fall.



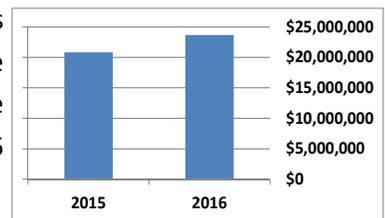
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2016 through September are \$33,932,184, which is a 3.06% increase over the 2015 collections of \$32,925,019. 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.



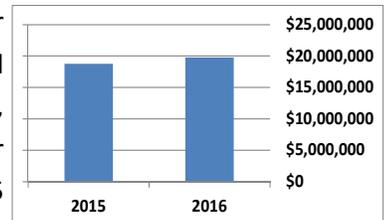
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are down 1.39% in 2016 with collections of \$10,718,876, compared to 2015 collections of \$10,870,264.



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 13.75% in 2016 with billings of \$23,680,655, compared to 2015 billings of \$20,818,263.



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 5.37% in 2016 with billings of \$19,779,237, compared to 2015 billings of \$18,770,622.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues for the month ending September 2016 were \$73,442,159, a decrease of approximately 2% under 2015 revenues which were \$74,806,204. The largest difference monetarily is in charges for services, this is due to a planned reduction in administrative fees. General Fund expenditures for the month ending September 2016 was \$66,541,396, an increase of approximately 13% over 2015 expenditures which were \$59,129,055. 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	As of September 30, 2016 (75% 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	\$ 54,854,231	\$ 54,942,448	\$ 88,217	\$ 49,030,572	112.06%	\$ 5,911,876
Intergovernmental	\$ 784,841	\$ 798,251	\$ 13,410	\$ 789,392.25	101.12%	\$ 8,859
Licenses/Permits & Franchise Fees	\$ 11,856,287	\$ 11,918,450	\$ 62,163	\$ 12,066,752	98.77%	\$ (148,302)
Charges for Services	\$ 3,907,361	\$ 2,703,221	\$ (1,204,140)	\$ 3,060,794	88.32%	\$ (357,573)
Fines/forfeitures	\$ 2,490,701	\$ 2,383,458	\$ (107,243)	\$ 2,250,000	105.93%	\$ 133,458
Rents/Interest	\$ 342,323	\$ 432,619	\$ 90,296	\$ 347,019	124.67%	\$ 85,600
Other	\$ 309,892	\$ 144,396	\$ (165,496)	\$ 180,964	79.79%	\$ (36,568)
Transfers In	\$ 150,019	\$ 89,907	\$ (60,112)	\$ 143,959	62.45%	\$ (54,052)
Sale of Assets	\$ 110,549	\$ 29,409	\$ (81,140)	\$ 26,250	112.03%	\$ 3,159
TOTAL REVENUES	\$ 74,806,204	\$ 73,442,159	\$ (1,364,045)	\$ 67,895,702	108.17%	\$ 5,546,458
Expenditures						
City Council	\$ 175,938	\$ 185,873	\$ 9,935	\$ 209,077	88.90%	\$ 23,204
City Manager	\$ 830,065	\$ 1,006,996	\$ 176,931	\$ 979,166	102.84%	\$ (27,830)
City Attorney	\$ 697,698	\$ 863,808	\$ 166,110	\$ 879,011	98.27%	\$ 15,203
Financial Services	\$ 1,424,129	\$ 1,743,459	\$ 319,330	\$ 1,857,000	93.89%	\$ 113,541
Municipal Court	\$ 1,214,297	\$ 1,299,992	\$ 85,695	\$ 1,363,745	95.33%	\$ 63,753
Human Resources	\$ 728,702	\$ 886,034	\$ 157,332	\$ 863,974	102.55%	\$ (22,060)
Mayor's Office	\$ 79,948	\$ 110,631	\$ 30,683	\$ 97,583	113.37%	\$ (13,049)
Non Departmental	\$ 1,336,675	\$ 1,712,637	\$ 375,962	\$ 9,214,078	18.59%	\$ 7,501,441
Prisoner Care	\$ 491,061	\$ 330,351	\$ (160,710)	\$ 631,955	52.27%	\$ 301,604
HND Program Delivery	\$ 23,528	\$ -	\$ (23,528)	\$ -	0.00%	\$ -
Social Service Grants	\$ 309,040	\$ 618,000	\$ 308,960	\$ 523,936	117.95%	\$ (94,064)
Franchise Fee Program	\$ 85,000	\$ 85,000	\$ -	\$ 75,075	113.22%	\$ (9,925)
Topeka Performance Center	\$ 349,442	\$ 331,737	\$ (17,705)	\$ 312,617	106.12%	\$ (19,120)
Cemeteries	\$ 164,781	\$ 218,875	\$ 54,094	\$ 165,000	132.65%	\$ (53,875)
Fire Department	\$ 17,799,304	\$ 19,967,920	\$ 2,168,616	\$ 19,834,460	100.67%	\$ (133,460)
Police Department	\$ 23,629,008	\$ 27,365,400	\$ 3,736,392	\$ 28,235,529	96.92%	\$ 870,129
Public Works	\$ 3,918,952	\$ 4,458,708	\$ 539,756	\$ 4,992,894	89.30%	\$ 534,186
Park and Recreation	\$ 1,561,171	\$ 405,514	\$ (1,155,657)	\$ 390,034	103.97%	\$ (15,480)
Topeka Zoological Park	\$ 1,611,681	\$ 1,810,151	\$ 198,470	\$ 1,773,598	102.06%	\$ (36,553)
Planning Department	\$ 597,533	\$ 610,239	\$ 12,706	\$ 638,422	95.59%	\$ 28,183
Neighborhood Relations	\$ 2,101,102	\$ 2,530,071	\$ 428,969	\$ 2,864,326	88.33%	\$ 334,255
TOTAL EXPENDITURES	\$ 59,129,055	\$ 66,541,396	\$ 7,412,341	\$ 75,901,478	87.67%	\$ 9,360,082
BETTER/(WORSE)	\$ 15,677,149	\$ 6,900,763				
ENDING FUND BALANCE	\$ 33,947,149	\$ 26,018,741	\$ (7,928,408)			

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ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2016 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 73,442,159	\$ 67,895,702	\$ 5,546,458	81%
Debt Service	\$ 37,976,802	\$ 16,300,515	\$ 21,676,287	175%
Special Liability	\$ 836,039	\$ 588,928	\$ 247,111	106%
Special Highway	\$ 4,698,862	\$ 4,209,441	\$ 489,421	84%
Special Alcohol & Drug	\$ 399,125	\$ 394,696	\$ 4,430	76%
Alcohol & Drug Safety	\$ 51,336	\$ 56,100	\$ (4,764)	69%
Law Enforcement	\$ 331,304	\$ 209,625	\$ 121,679	119%
Transient Guest Tax	\$ 2,129,551	\$ 2,015,424	\$ 114,127	79%
Employee Separation	\$ 9,949	\$ -	\$ 9,949	
Retirement Reserve	\$ 885,911	\$ 845,769	\$ 40,142	79%
KP&F Rate Equalization	\$ 8,931	\$ -	\$ 8,931	0%
Neighborhood Revitalization	\$ 27,763	\$ 2,625	\$ 25,138	793%
Historical Asset Tourism	\$ -	\$ -	\$ -	
Half Cent Sales Tax (JEDO)	\$ 6,698,179	\$ 12,703,927	\$ (6,005,748)	40%
Half Cent Sales Tax (Street)	\$ 11,598,742	\$ 11,026,281	\$ 572,461	79%
Tax Increment Financing	\$ 175,522	\$ 185,615	\$ (10,092)	71%
Court Technology	\$ 45,464	\$ 39,589	\$ 5,875	86%
Downtown Improvement	\$ 178,835	\$ 165,262	\$ 13,573	81%
Community Development	\$ 358,319	\$ 316,110	\$ 42,209	85%
Combined Utilities	\$ 49,797,396	\$ 50,341,500	\$ (544,104)	74%
Public Parking	\$ 2,123,140	\$ 2,153,440	\$ (30,300)	74%
Facilities	\$ 1,124,142	\$ 1,123,834	\$ 308	75%
Fleet	\$ 1,492,946	\$ 1,485,000	\$ 7,946	75%
IT	\$ 2,752,574	\$ 2,742,423	\$ 10,151	75%
Risk Funds	\$ 9,130,418	\$ 10,500,122	\$ (1,369,704)	65%
TOTAL	\$ 206,273,408	\$ 185,301,925	\$ 20,971,483	83%

Fund	YTD Actual Expenditures	2016 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 66,541,396	\$ 75,901,478	\$ 9,360,082	66%
Debt Service	\$ 41,520,372	\$ 18,444,355	\$ (23,076,018)	169%
Special Liability	\$ 281,026	\$ 1,009,455	\$ 728,429	21%
Special Highway	\$ 4,337,128	\$ 4,783,650	\$ 446,522	68%
Special Alcohol & Drug	\$ 389,583	\$ 450,000	\$ 60,417	65%
Alcohol & Drug Safety	\$ 50,007	\$ 51,036	\$ 1,029	73%
Law Enforcement	\$ 339,452	\$ 412,500	\$ 73,048	62%
Transient Guest Tax	\$ 1,676,463	\$ 2,055,541	\$ 379,078	61%
Employee Separation	\$ 993,291	\$ 1,500,000	\$ 506,709	50%
Retirement Reserve	\$ 15,007	\$ 877,507	\$ 862,500	1%
KP&F Rate Equalization	\$ 162,398	\$ 225,000	\$ 62,602	54%
Neighborhood Revitalization	\$ -	\$ 112,500	\$ 112,500	0%
Historical Asset Tourism	\$ 201,478	\$ 90,077	\$ (111,401)	168%
Half Cent Sales Tax (JEDO)	\$ 5,947,598	\$ 6,553,927	\$ 606,328	68%
Half Cent Sales Tax (Street)	\$ 8,077,528	\$ 21,281,702	\$ 13,204,174	28%
Tax Increment Financing	\$ 175,522	\$ 387,575	\$ 212,052	34%
Court Technology	\$ 28,752	\$ 33,750	\$ 4,998	64%
Downtown Improvement	\$ 136,717	\$ 190,989	\$ 54,272	54%
Community Development	\$ 256,919	\$ 316,110	\$ 59,191	61%
Combined Utilities	\$ 44,852,244	\$ 50,221,165	\$ 5,368,921	67%
Public Parking	\$ 2,233,294	\$ 2,768,338	\$ 535,044	61%
Facilities	\$ 1,072,368	\$ 1,123,834	\$ 51,465	72%
Fleet	\$ 1,462,333	\$ 1,485,000	\$ 22,667	74%
IT	\$ 2,649,326	\$ 2,734,924	\$ 85,598	73%
Risk Funds	\$ 9,986,219	\$ 9,701,350	\$ (284,870)	77%
TOTAL	\$ 193,386,422	\$ 202,711,760	\$ 9,610,208	72%



CASH MANAGEMENT

Pooled Cash & Investments

Guidelines

Type of Investment	Minimum	Maximum	Actual %	Invested Value	Yield to Maturity
Bank Certificates of Deposit	0%	100%	18%	\$ 27,560,403	0.62
US Treasuries	0%	100%	0%	\$ -	
US Agencies	0%	100%	20%	\$ 29,436,508	0.77
Repurchase Agreements	0%	50%	-	-	
Municipal Investment Pool	0%	30%	25%	\$ 37,596,896	
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%	9%	\$ 13,167,026	1.19
General Checking	0%	100%	29%	\$ 43,016,952	
Subtotal of Investments				\$150,777,785	0.86

Total Portfolio Balance **\$150,777,785**

Duration of investments (expressed in years) **0.77**

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 September 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

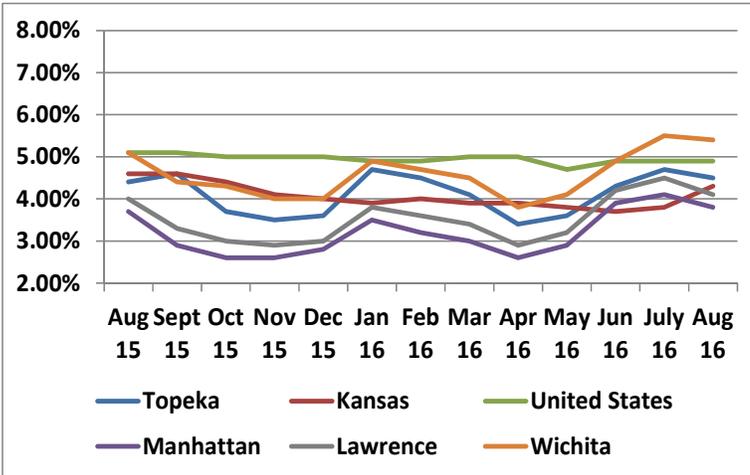
Debt Management

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
Total	\$ 396,789,680	\$ 399,355,402

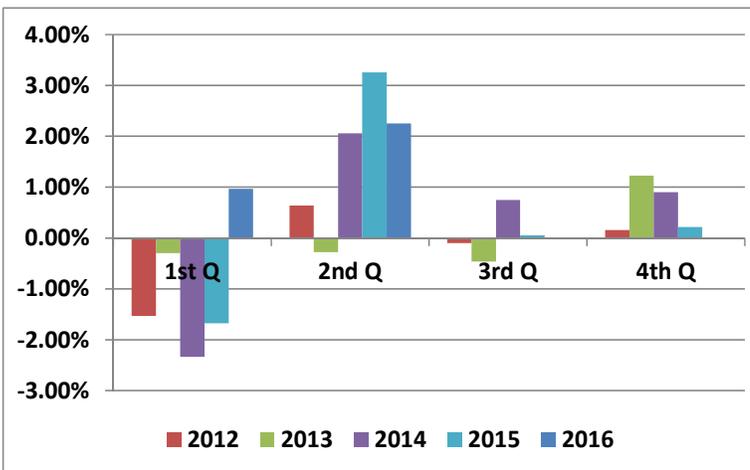
temporary notes and comparing current permanent debt to the prior year, permanent debt increased by 5.96%.



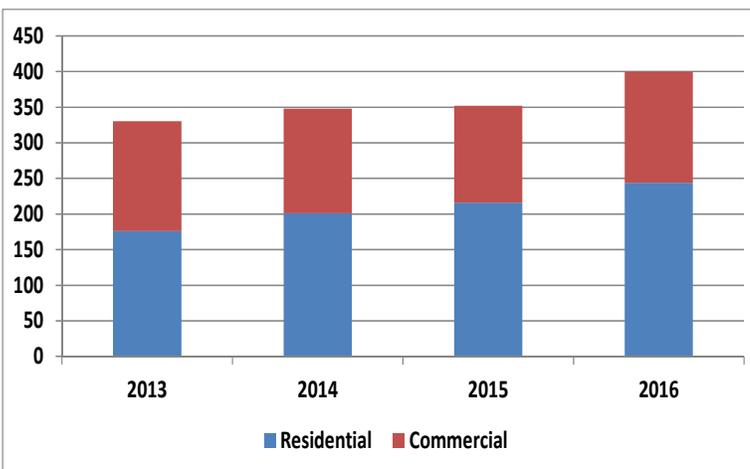
COMMUNITY STATISTICS



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 August 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 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 14% over 2015.