

Monthly Financial Status Report

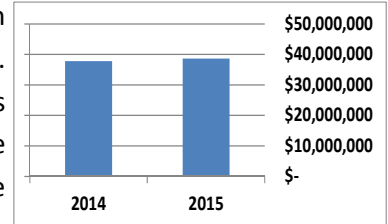
August 30, 2015



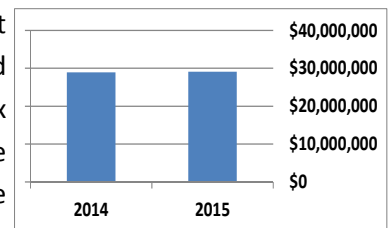
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

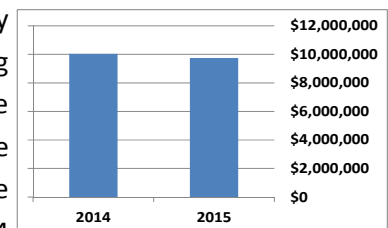
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2015 through August are \$38,374,775, which is a 1.51% increase over the 2014 collections of \$37,805,217. The City receives property tax allocations from the County primarily twice a year in January and June with a smaller allocation in the fall.



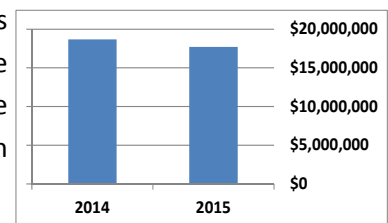
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2015 through August are \$29,118,281, which is a .65% increase over the 2014 collections of \$28,928,894. 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.



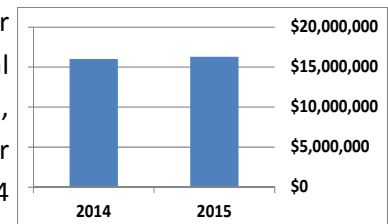
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are down (2.88)% in 2015 with collections of \$9,748,933, compared to 2014 collections of \$10,037,711.



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 (5.26)% in 2015 with collections of \$17,699,795, compared to 2014 billings of \$18,682,386.



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 1.78% in 2015 with collections of \$16,291,955, compared to 2014 billings of \$16,007,228.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues for the month ending August 2015 were \$68,067,041, an increase of approximately 6% over 2014 revenues which were \$64,089,105. 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 August 2015 was \$55,595,404, an increase of approximately 7% over 2014 expenditures which were \$51,958,942. 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 8%, 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 August 30, 2015 (67% of budget year)

Department	Actuals			Budget		
	2014 YTD	2015 YTD	Difference	2015 budget YTD	% of 2015 Budget YTD	\$ Diff Compared to 2015 budget YTD
BEGINNING FUND BALANCE	\$ 10,057,217	\$ 18,270,000	\$ 8,212,783			
Revenues						
Taxes & Assessments	\$ 47,881,099	\$ 50,481,360	\$ 2,600,261	\$ 42,500,405	118.78%	\$ 7,980,955
Intergovernmental	\$ 513,520	\$ 521,181	\$ 7,661	\$ 706,666.67	73.75%	\$ (185,486)
Licenses/Permits & Franchise Fees	\$ 9,803,021	\$ 10,657,952	\$ 854,931	\$ 9,716,891	109.68%	\$ 941,061
Charges for Services	\$ 3,617,466	\$ 3,347,150	\$ (270,316)	\$ 3,510,313	95.35%	\$ (163,163)
Fines/forfeitures	\$ 1,981,518	\$ 2,253,139	\$ 271,621	\$ 2,000,000	112.66%	\$ 253,139
Rents/Interest	\$ 73,245	\$ 272,847	\$ 199,602	\$ 228,013	119.66%	\$ 44,834
Other	\$ 104,954	\$ 280,660	\$ 175,706	\$ 158,596	176.97%	\$ 122,064
Transfers In	\$ 103,565	\$ 150,019	\$ 46,454	\$ 133,333	112.51%	\$ 16,686
Sale of Assets	\$ 10,717	\$ 102,733	\$ 92,016	\$ 23,333	440.28%	\$ 79,400
TOTAL REVENUES	\$ 64,089,105	\$ 68,067,041	\$ 3,977,936	\$ 58,977,552	115.41%	\$ 9,089,489
Expenditures						
City Council	\$ 166,399	\$ 166,104	\$ (295)	\$ 188,940	87.91%	\$ 22,836
City Manager	\$ 765,503	\$ 774,436	\$ 8,933	\$ 840,765	92.11%	\$ 66,329
City Attorney	\$ 646,496	\$ 669,366	\$ 22,870	\$ 769,577	86.98%	\$ 100,211
Financial Services	\$ 1,402,670	\$ 1,335,872	\$ (66,798)	\$ 1,481,026	90.20%	\$ 145,154
Municipal Court	\$ 1,010,903	\$ 1,135,442	\$ 124,539	\$ 1,225,884	92.62%	\$ 90,442
Human Resources	\$ 540,031	\$ 641,577	\$ 101,546	\$ 668,875	95.92%	\$ 27,298
Mayor's Office	\$ 68,797	\$ 76,304	\$ 7,507	\$ 80,023	95.35%	\$ 3,719
Non Departmental	\$ 531,602	\$ 1,158,061	\$ 626,459	\$ 2,208,898	52.43%	\$ 1,050,837
Prisoner Care	\$ 305,179	\$ 440,679	\$ 135,500	\$ 666,667	66.10%	\$ 225,988
HND Program Delivery	\$ 139,963	\$ 28,989	\$ (110,974)	\$ 1	4348350.00%	\$ (28,988)
Social Service Grants	\$ 386,323	\$ 568,979	\$ 182,656	\$ 342,731	166.01%	\$ (226,248)
Franchise Fee Program	\$ 59,925	\$ 85,000	\$ 25,075	\$ 66,733	127.37%	\$ (18,267)
Topeka Performance Center	\$ 273,973	\$ 318,661	\$ 44,688	\$ 282,906	112.64%	\$ (35,755)
Cemeteries	\$ 162,834	\$ 164,163	\$ 1,329	\$ 113,333	144.85%	\$ (50,830)
Fire Department	\$ 15,171,793	\$ 16,676,737	\$ 1,504,944	\$ 17,630,631	94.59%	\$ 953,894
Police Department	\$ 21,807,903	\$ 22,298,038	\$ 490,135	\$ 24,890,007	89.59%	\$ 2,591,969
Public Works	\$ 4,253,366	\$ 3,683,088	\$ (570,278)	\$ 4,233,167	87.01%	\$ 550,079
Park and Recreation	\$ 2,302,749	\$ 1,427,969	\$ (874,780)	\$ 1,014,949	140.69%	\$ (413,020)
Topeka Zoological Park	\$ 1,409,866	\$ 1,501,893	\$ 92,027	\$ 1,566,735	95.86%	\$ 64,842
Planning Department	\$ 552,667	\$ 546,778	\$ (5,889)	\$ 531,738	102.83%	\$ (15,040)
Neighborhood Relations	\$ -	\$ 1,897,268	\$ 1,897,268	\$ 1,812,999	104.65%	\$ (84,269)
TOTAL EXPENDITURES	\$ 51,958,942	\$ 55,595,404	\$ 3,636,462	\$ 60,616,586	91.72%	\$ 5,021,182
BETTER/(WORSE)	\$ 12,130,163	\$ 12,471,637				
ENDING FUND BALANCE	\$ 22,187,380	\$ 30,741,637	\$ 8,554,257			

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ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2015 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 68,067,041	\$ 58,977,552	\$ 9,089,489	77%
Debt Service	\$ 19,973,204	\$ 14,075,101	\$ 5,898,103	95%
Special Liability	\$ 787,547	\$ 561,406	\$ 226,141	94%
Special Highway	\$ 4,165,177	\$ 3,833,463	\$ 331,714	72%
Special Alcohol & Drug	\$ 260,590	\$ 346,697	\$ (86,106)	50%
Alcohol & Drug Safety	\$ 53,382	\$ 49,867	\$ 3,515	71%
Law Enforcement	\$ 354,415	\$ 184,333	\$ 170,082	128%
Transient Guest Tax	\$ 1,863,246	\$ 1,642,239	\$ 221,007	76%
Employee Separation	\$ 4,798	\$ -	\$ 4,798	
Retirement Reserve	\$ 731,250	\$ 754,609	\$ (23,359)	65%
KP&F Rate Equalization	\$ 1,627	\$ -	\$ 1,627	0%
Neighborhood Revitalization	\$ 38,533	\$ 23,333	\$ 15,200	110%
Historical Asset Tourism	\$ 107,854	\$ 99,359	\$ 8,496	72%
Half Cent Sales Tax (JEDO)	\$ 5,760,855	\$ 5,658,639	\$ 102,217	68%
Half Cent Sales Tax (Street)	\$ 9,758,552	\$ 9,493,333	\$ 265,219	69%
Tax Increment Financing	\$ 212,762	\$ 156,997	\$ 55,766	90%
Court Technology	\$ 38,102	\$ 35,190	\$ 2,912	72%
Downtown Improvement	\$ 157,431	\$ 124,184	\$ 33,247	85%
Community Development	\$ 259,094	\$ 174,807	\$ 84,287	99%
Combined Utilities	\$ 39,597,591	\$ 41,744,267	\$ (2,146,676)	63%
Public Parking	\$ 1,923,336	\$ 2,147,470	\$ (224,134)	60%
Facilities	\$ 995,366	\$ 995,372	\$ (6)	67%
Fleet	\$ 1,166,398	\$ 1,320,000	\$ (153,602)	59%
IT	\$ 2,447,458	\$ 2,437,709	\$ 9,749	67%
Risk Funds	\$ 8,606,994	\$ 9,184,491	\$ (577,498)	62%
TOTAL	\$ 167,332,602	\$ 154,020,416	\$ 13,312,186	72%

Fund	YTD Actual Expenditures	2015 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 55,595,404	\$ 60,616,586	\$ 5,021,182	63%
Debt Service	\$ 17,976,556	\$ 16,287,177	\$ (1,689,379)	74%
Special Liability	\$ 385,529	\$ 1,020,827	\$ 635,298	25%
Special Highway	\$ 4,228,564	\$ 4,343,528	\$ 114,964	65%
Special Alcohol & Drug	\$ 631,406	\$ 400,000	\$ (231,406)	105%
Alcohol & Drug Safety	\$ 41,174	\$ 38,934	\$ (2,240)	71%
Law Enforcement	\$ 272,803	\$ 425,919	\$ 153,116	43%
Transient Guest Tax	\$ 1,714,830	\$ 1,642,239	\$ (72,591)	70%
Employee Separation	\$ 1,251,008	\$ 666,667	\$ (584,341)	125%
Retirement Reserve	\$ 13,588	\$ 600,000	\$ 586,412	2%
KP&F Rate Equalization	\$ 40,708	\$ 200,000	\$ 159,292	14%
Neighborhood Revitalization	\$ -	\$ 100,000	\$ 100,000	0%
Historical Asset Tourism	\$ 227,184	\$ 99,359	\$ (127,826)	152%
Half Cent Sales Tax (JEDO)	\$ 5,760,855	\$ 5,658,639	\$ (102,217)	68%
Half Cent Sales Tax (Street)	\$ 10,522,682	\$ 10,913,365	\$ 390,683	64%
Tax Increment Financing	\$ 90,881	\$ 128,300	\$ 37,419	47%
Court Technology	\$ 9,810	\$ 30,000	\$ 20,190	22%
Downtown Improvement	\$ 186,946	\$ 124,184	\$ (62,762)	100%
Community Development	\$ 286,251	\$ 174,807	\$ (111,445)	109%
Combined Utilities	\$ 38,799,536	\$ 52,592,847	\$ 13,793,311	49%
Public Parking	\$ 1,693,766	\$ 2,071,211	\$ 377,445	55%
Facilities	\$ 1,017,183	\$ 977,768	\$ (39,415)	69%
Fleet	\$ 2,469,440	\$ 1,271,697	\$ (1,197,743)	129%
IT	\$ 2,610,932	\$ 2,307,155	\$ (303,777)	75%
Risk Funds	\$ 8,198,873	\$ 8,464,710	\$ 265,837	65%
TOTAL	\$ 154,025,909	\$ 171,155,917	\$ 16,864,170	61%



CASH MANAGEMENT

Pooled Cash & Investments

Type of Investment	Guidelines			Invested Value	Yield to Maturity
	Minimum	Maximum	Actual %		
Bank Certificates of Deposit	0%	100%	21%	\$ 30,672,227	0.45
US Treasuries	0%	100%	0%	\$ -	-
US Agencies	0%	100%	22%	\$ 31,520,288	0.49
Repurchase Agreements	0%	50%	-	-	-
Municipal Investment Pool	0%	30%	9%	\$ 12,534,735	-
Municipal Refunding Bonds	0%	100%	-	\$ 100,000	-
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%	25%	\$ 35,936,818	0.95
General Checking	0%	100%	23%	\$ 33,923,362	-
Subtotal of Investments				\$144,687,431	0.63
Total Portfolio Balance				\$144,687,431	
Duration of investments (expressed in years)				0.80	

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

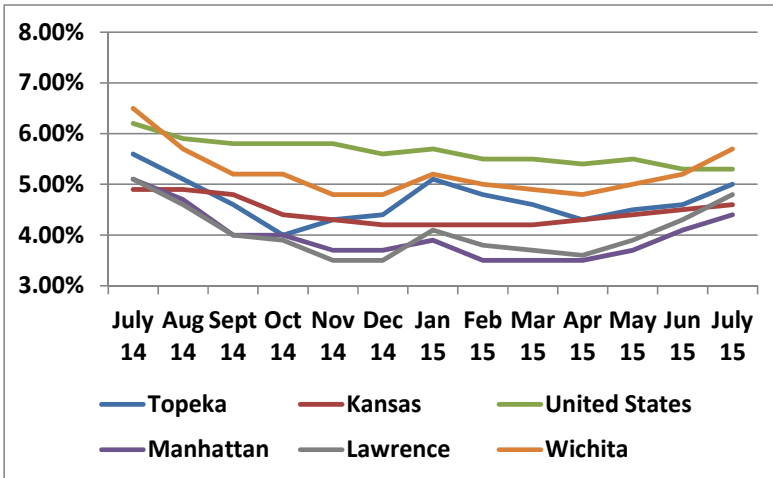
Finance staff oversee all debt issued by the City, which includes General Obligation (GO), revenue backed, revolving loan funds, temporary notes and special assessment debt. As of August 2015 the City had \$365,514,680 in permanent and temporary debt, compared to \$365,627,700 in 2014 or a -.03% decrease. When backing out the temporary notes and comparing current permanent debt to the prior year, permanent debt decreased by -2.61%.

Debt Management

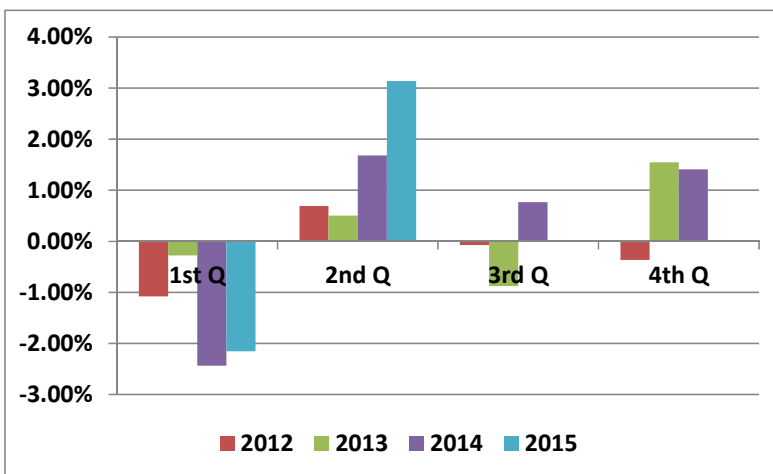
Instrument	2014	2015
Governmental General Obligation Bonds	\$ 138,989,715	\$ 131,938,017
Business Type General Obligation Bonds	\$ 11,470,285	\$ 11,121,983
Other General Obligation Bonds	\$ 15,340,000	\$ 14,135,000
Utility Revenue Bonds	\$ 120,235,000	\$ 127,425,000
Sales Tax Revenue Bonds	\$ 9,010,000	\$ 6,070,000
KDHE Revolving Loans	\$ 62,140,086	\$ 55,289,680
Temporary Notes	\$ 24,585,000	\$ 33,390,000
Total	\$ 381,770,086	\$ 379,369,680



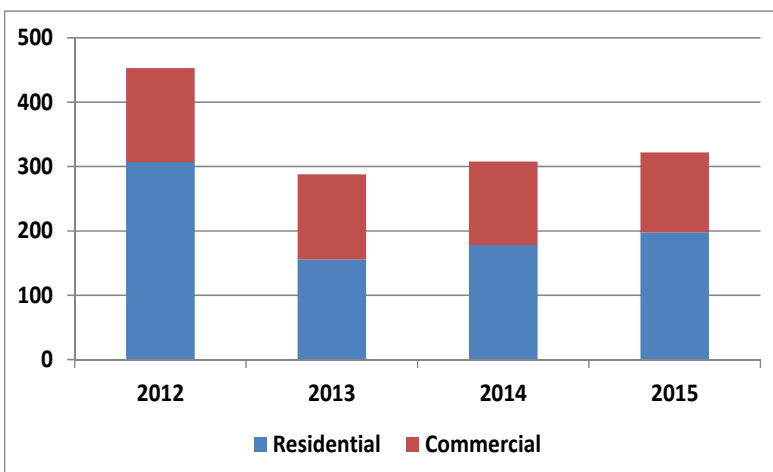
COMMUNITY STATISTICS



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 July 2015 was 5.00%, 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 August 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.