

Monthly Financial Status Report

December 31, 2016

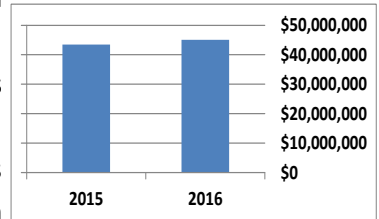


Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

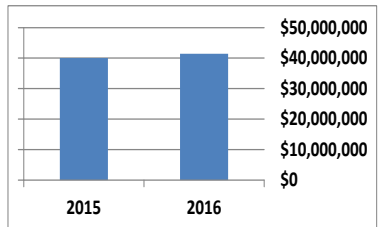
PROPERTY TAX

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 \$39,010,282. The City receives property tax allocations from the County primarily twice a year in January and July with a smaller allocation in the fall.



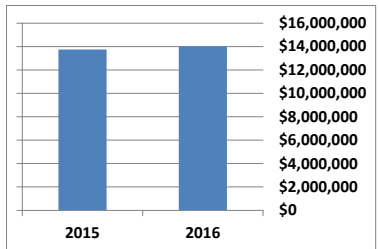
SALES TAX

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 \$45,041,460, which is a 3.65% increase over the 2015 collections of \$43,455,751. 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.



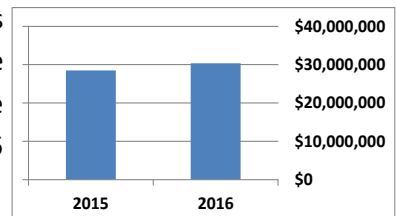
FRANCHISE FEES

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 up 1.88% in 2016 with collections of \$14,012,412, compared to 2015 collections of \$13,753,979.



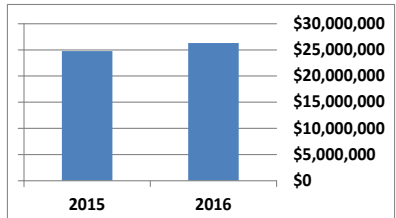
WATER FEES

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 6.59% in 2016 with billings of \$30,345,728, compared to 2015 billings of \$28,470,628.



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 6.15% in 2016 with billings of \$26,296,693, compared to 2015 billings of \$24,772,989.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues year to date were \$89,589,639, a decrease of approximately 0.18% under 2015 revenues which were \$89,752,237. 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 \$88,919,882, a decrease of approximately 0.16% over 2015 expenditures which were \$89,066,591. 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. Additionally, the year end excess funds transfers approved by the Governing Body have not all been booked for 2016.

General Fund Operating Overview

As of December 31, 2016 (100% of budget year)

Department	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	\$ 18,981,867	\$ 711,867			
Revenues						
Taxes & Assessments	\$ 63,629,476	\$ 64,916,679	\$ 1,287,203	\$ 65,374,096	99.30%	\$ (457,417)
Intergovernmental	\$ 1,031,389	\$ 1,051,514	\$ 20,125	\$ 1,052,523.00	99.90%	\$ (1,009)
Licenses/Permits & Franchise Fees	\$ 15,263,685	\$ 15,663,516	\$ 399,831	\$ 16,089,002	97.36%	\$ (425,486)
Charges for Services	\$ 5,583,518	\$ 4,095,532	\$ (1,487,986)	\$ 4,081,059	100.35%	\$ 14,473
Fines/forfeitures	\$ 3,230,575	\$ 3,032,695	\$ (197,880)	\$ 3,000,000	101.09%	\$ 32,695
Rents/Interest	\$ 324,022	\$ 463,209	\$ 139,187	\$ 462,692	100.11%	\$ 517
Other	\$ 345,446	\$ 201,739	\$ (143,707)	\$ 241,285	83.61%	\$ (39,546)
Transfers In	\$ 211,075	\$ 134,123	\$ (76,952)	\$ 191,945	69.88%	\$ (57,822)
Sale of Assets	\$ 133,051	\$ 30,632	\$ (102,419)	\$ 35,000	87.52%	\$ (4,368)
TOTAL REVENUES	\$ 89,752,237	\$ 89,589,639	\$ (162,598)	\$ 90,527,602	98.96%	\$ (937,963)
Expenditures						
City Council	\$ 242,637	\$ 248,156	\$ 5,519	\$ 278,769	89.02%	\$ 30,613
City Manager	\$ 1,196,985	\$ 1,229,675	\$ 32,690	\$ 1,335,319	92.09%	\$ 105,644
City Attorney	\$ 1,005,068	\$ 1,144,821	\$ 139,753	\$ 1,172,014	97.68%	\$ 27,193
Financial Services	\$ 1,976,679	\$ 2,287,151	\$ 310,472	\$ 2,497,610	91.57%	\$ 210,459
Municipal Court	\$ 1,634,614	\$ 1,690,898	\$ 56,284	\$ 1,818,327	92.99%	\$ 127,429
Human Resources	\$ 992,529	\$ 1,165,431	\$ 172,902	\$ 1,204,518	96.75%	\$ 39,087
Mayor's Office	\$ 115,942	\$ 129,978	\$ 14,036	\$ 130,110	99.90%	\$ 132
Non Departmental	\$ 5,247,749	\$ 2,455,901	\$ (2,791,848)	\$ 1,680,381	146.15%	\$ (775,520)
Prisoner Care	\$ 728,368	\$ 865,742	\$ 137,374	\$ 842,607	102.75%	\$ (23,135)
HND Program Delivery	\$ 23,144	\$ -	\$ (23,144)	\$ -	0.00%	\$ -
Social Service Grants	\$ 566,387	\$ 622,076	\$ 55,689	\$ 752,894	82.62%	\$ 130,818
Franchise Fee Program	\$ 85,000	\$ 99,500	\$ 14,500	\$ 100,100	99.40%	\$ 600
Topeka Performance Center	\$ 451,840	\$ 528,590	\$ 76,750	\$ 416,823	126.81%	\$ (111,767)
Cemeteries	\$ 164,135	\$ 225,760	\$ 61,625	\$ 220,000	102.62%	\$ (5,760)
Fire Department	\$ 26,161,003	\$ 26,357,465	\$ 196,462	\$ 26,498,972	99.47%	\$ 141,507
Police Department	\$ 34,620,041	\$ 36,132,582	\$ 1,512,541	\$ 37,721,186	95.79%	\$ 1,588,604
Public Works	\$ 5,967,125	\$ 6,252,196	\$ 285,071	\$ 6,865,689	91.06%	\$ 613,493
Park and Recreation	\$ 1,562,676	\$ 531,585	\$ (1,031,091)	\$ 520,045	102.22%	\$ (11,540)
Topeka Zoological Park	\$ 2,470,562	\$ 2,368,538	\$ (102,024)	\$ 2,364,797	100.16%	\$ (3,741)
Planning Department	\$ 842,778	\$ 812,025	\$ (30,753)	\$ 851,229	95.39%	\$ 39,204
Neighborhood Relations	\$ 3,011,329	\$ 3,771,812	\$ 760,483	\$ 3,893,037	96.89%	\$ 121,225
TOTAL EXPENDITURES	\$ 89,066,591	\$ 88,919,882	\$ (146,709)	\$ 91,164,427	97.54%	\$ 2,244,545
BETTER/(WORSE)	\$ 685,646	\$ 669,757				
ENDING FUND BALANCE	\$ 18,955,646	\$ 19,651,624	\$ 695,978			

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ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2016 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 89,589,639	\$ 90,527,602	\$ (937,963)	99%
Debt Service	\$ 22,218,243	\$ 21,734,020	\$ 484,223	102%
Special Liability	\$ 859,127	\$ 785,237	\$ 73,890	109%
Special Highway	\$ 6,102,254	\$ 5,612,588	\$ 489,666	109%
Special Alcohol & Drug	\$ 525,757	\$ 526,261	\$ (504)	100%
Alcohol & Drug Safety	\$ 62,249	\$ 74,800	\$ (12,551)	83%
Law Enforcement	\$ 499,666	\$ 279,500	\$ 220,166	179%
Transient Guest Tax	\$ 3,325,828	\$ 2,687,232	\$ 638,596	124%
Employee Separation	\$ 9,949	\$ -	\$ 9,949	
Retirement Reserve	\$ 1,242,486	\$ 1,127,692	\$ 114,794	110%
KP&F Rate Equalization	\$ 8,931	\$ -	\$ 8,931	0%
Neighborhood Revitalization	\$ 28,120	\$ 3,500	\$ 24,620	803%
Historical Asset Tourism	\$ -	\$ -	\$ -	
Half Cent Sales Tax (JEDO)	\$ 8,922,772	\$ 16,938,569	\$ (8,015,797)	53%
Half Cent Sales Tax (Street)	\$ 15,303,807	\$ 14,701,708	\$ 602,099	104%
Tax Increment Financing	\$ 175,522	\$ 247,486	\$ (71,964)	71%
Court Technology	\$ 60,339	\$ 52,785	\$ 7,554	114%
Downtown Improvement	\$ 171,646	\$ 220,349	\$ (48,703)	78%
Community Development	\$ 378,070	\$ 421,480	\$ (43,410)	90%
Combined Utilities	\$ 65,503,370	\$ 67,122,000	\$ (1,618,630)	98%
Public Parking	\$ 2,797,391	\$ 2,871,253	\$ (73,862)	97%
Facilities	\$ 1,498,556	\$ 1,498,445	\$ 111	100%
Fleet	\$ 1,989,735	\$ 1,980,000	\$ 9,735	100%
IT	\$ 3,681,583	\$ 3,656,564	\$ 25,019	101%
Risk Funds	\$ 14,640,669	\$ 14,000,162	\$ 640,507	105%
TOTAL	\$ 239,595,708	\$ 247,069,233	\$ (7,473,525)	97%

Fund	YTD Actual Expenditures	2016 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 88,919,882	\$ 91,164,427	\$ 2,244,545	88%
Debt Service	\$ 21,022,727	\$ 24,592,473	\$ 3,569,746	85%
Special Liability	\$ 434,669	\$ 1,345,940	\$ 911,271	32%
Special Highway	\$ 5,648,419	\$ 6,378,200	\$ 729,781	89%
Special Alcohol & Drug	\$ 601,953	\$ 615,000	\$ 13,047	98%
Alcohol & Drug Safety	\$ 65,958	\$ 68,048	\$ 2,090	97%
Law Enforcement	\$ 532,719	\$ 550,000	\$ 17,281	97%
Transient Guest Tax	\$ 2,218,729	\$ 2,740,721	\$ 521,992	81%
Employee Separation	\$ 1,611,354	\$ 2,000,000	\$ 388,646	81%
Retirement Reserve	\$ 311,154	\$ 1,170,009	\$ 858,855	27%
KP&F Rate Equalization	\$ 162,398	\$ 300,000	\$ 137,602	54%
Neighborhood Revitalization	\$ -	\$ 150,000	\$ 150,000	0%
Historical Asset Tourism	\$ 212,886	\$ 215,000	\$ 2,114	99%
Half Cent Sales Tax (JEDO)	\$ 8,922,772	\$ 9,200,000	\$ 277,228	97%
Half Cent Sales Tax (Street)	\$ 18,741,463	\$ 32,500,000	\$ 13,758,537	58%
Tax Increment Financing	\$ 175,522	\$ 516,766	\$ 341,244	34%
Court Technology	\$ 31,272	\$ 45,000	\$ 13,728	69%
Downtown Improvement	\$ 158,860	\$ 254,652	\$ 95,792	62%
Community Development	\$ 378,070	\$ 421,480	\$ 43,410	90%
Combined Utilities	\$ 60,381,484	\$ 66,961,553	\$ 6,580,069	90%
Public Parking	\$ 3,062,633	\$ 3,691,117	\$ 628,484	83%
Facilities	\$ 1,672,644	\$ 1,878,445	\$ 205,801	89%
Fleet	\$ 2,316,671	\$ 2,380,000	\$ 63,329	97%
IT	\$ 3,357,448	\$ 3,646,565	\$ 289,117	92%
Risk Funds	\$ 14,812,104	\$ 12,935,133	\$ (1,876,971)	115%
TOTAL	\$ 235,753,792	\$ 265,720,529	\$ 31,843,708	85%

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CASH MANAGEMENT

Pooled Cash & Investments

Guidelines

Type of Investment	Minimum	Maximum	Actual %	Invested Value	Yield to Maturity
Bank Certificates of Deposit	0%	100%	27%	\$ 41,319,255	0.68
US Treasuries	0%	100%	0%	\$ -	
US Agencies	0%	100%	26%	\$ 39,319,672	1.27
Repurchase Agreements	0%	50%	-	-	
Municipal Investment Pool	0%	30%	11%	\$ 16,838,454	
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%	\$ 12,306,243	1.26
General Checking	0%	100%	27%	\$ 41,627,371	
Subtotal of Investments				\$151,410,995	1.07
Total Portfolio Balance				\$151,410,995	
Duration of investments (expressed in years)					1.24

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

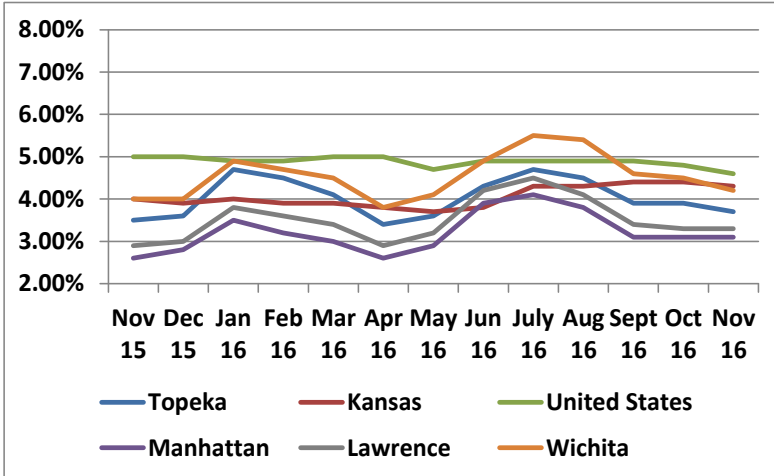
Finance staff oversee all debt issued by the City, which includes General Obligation (GO), revenue backed, revolving loan funds, temporary notes and special assessment debt. The current debt year to date for 2016 the City had \$393,764,049 in permanent and temporary debt, compared to \$391,166,862 in 2015 or a .66% increase. When backing out the temporary notes and comparing current permanent debt to the prior year, permanent debt increased by 6.07%.

Debt Management

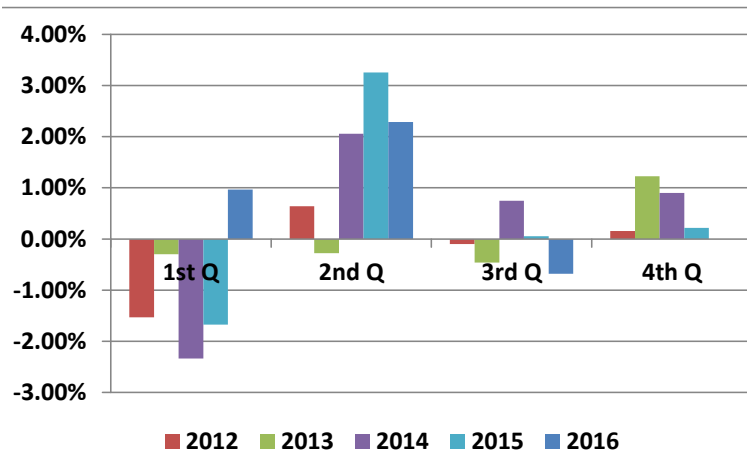
Instrument	2015	2016
Governmental General Obligation Bonds	\$ 134,756,536	\$ 146,167,286
Business Type General Obligation Bonds	\$ 10,513,464	\$ 9,877,714
Other General Obligation Bonds	\$ 13,115,000	\$ 11,935,000
Utility Revenue Bonds	\$ 127,425,000	\$ 147,380,000
Sales Tax Revenue Bonds	\$ 3,035,000	\$ -
KDHE Revolving Loans	\$ 52,701,862	\$ 46,909,049
Temporary Notes	\$ 49,620,000	\$ 31,495,000
Total	\$ 391,166,862	\$ 393,764,049



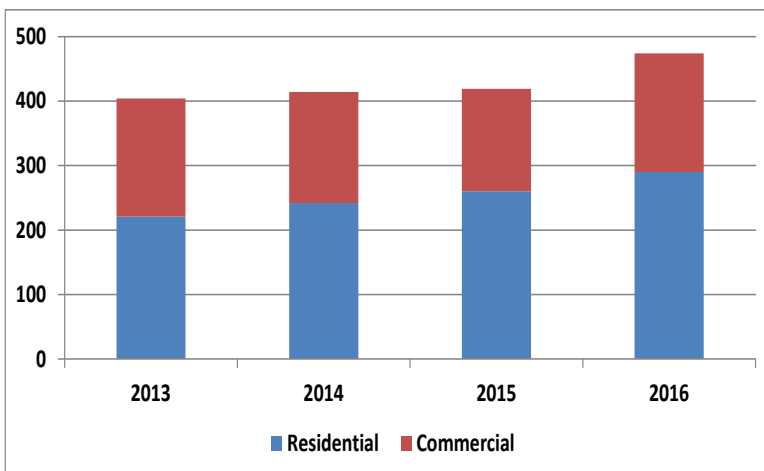
COMMUNITY STATISTICS



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 November 2016 was 3.70%, 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 7% over 2015.