

# Monthly Financial Status Report

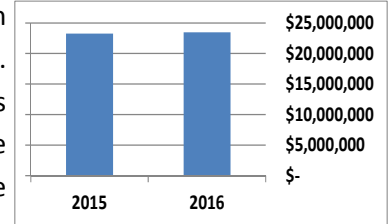
February 29, 2016



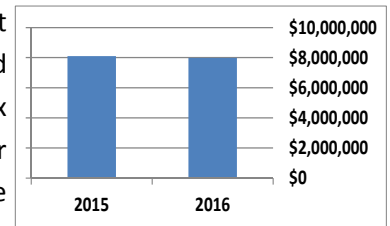
Prepared by the Financial Services Department

## KEY REVENUE INDICATORS OVERVIEW

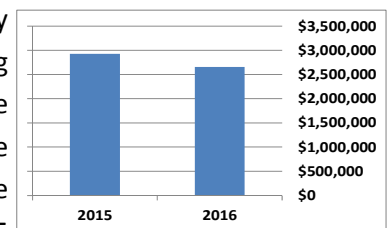
**PROPERTY TAX** The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2016 through February are \$23,469,145, which is a .79% increase over the 2015 collections of \$23,286,272. The City receives property tax allocations from the County primarily twice a year in January and June with a smaller allocation in the fall.



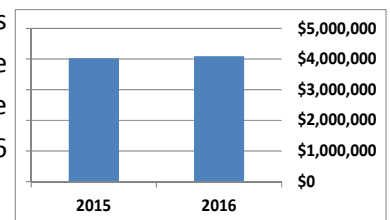
**SALES TAX** The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2016 through February are \$7,997,430, which is a -1.38% decrease under the 2015 collections of \$8,109,592. 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.



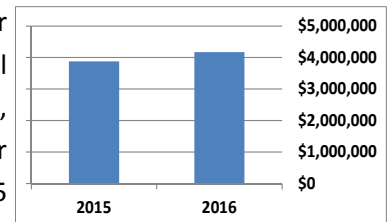
**FRANCHISE FEES** These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are down 9.20% in 2016 with collections of \$2,657,885, compared to 2015 collections of \$2,927,127.



**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 1.72% in 2016 with billings of \$4,094,242, compared to 2015 billings of \$4,025,010.



**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 7.49% in 2016 with billings of \$4,168,996, compared to 2015 billings of \$3,878,425.



**POSITIVE**

**CAUTION**

**NEGATIVE**

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## GENERAL FUND OVERVIEW

General Fund revenues for the month ending February 2016 were \$24,421,913, a decrease of approximately 1% under 2015 revenues which were \$24,632,473. The largest difference monetarily is in charges for services and franchise fees, franchise fees is due to a warmer winter than the prior year. General Fund expenditures for the month ending February 2016 was \$14,672,899, an increase of approximately 7% over 2015 expenditures which were \$13,737,950. The largest increase is in expenditures is in the police department, part of this is due to a lease payment scheduled in January that did not occur in the prior year.

### General Fund Operating Overview

As of February 29, 2016 (17% 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	\$ 20,169,984	\$ 20,193,812	\$ 23,828	\$ 10,895,683	185.34%	\$ 9,298,129
Intergovernmental	\$ -	\$ -	\$ -	\$ 175,420.50	0.00%	\$ (175,421)
Licenses/Permits & Franchise Fees	\$ 3,056,333	\$ 2,909,331	\$ (147,002)	\$ 2,681,500	108.50%	\$ 227,831
Charges for Services	\$ 687,621	\$ 721,750	\$ 34,129	\$ 680,177	106.11%	\$ 41,574
Fines/forfeitures	\$ 604,261	\$ 514,262	\$ (89,999)	\$ 500,000	102.85%	\$ 14,262
Rents/Interest	\$ 14,304	\$ 63,990	\$ 49,686	\$ 77,115	82.98%	\$ (13,125)
Other	\$ 18,609	\$ 18,683	\$ 74	\$ 40,214	46.46%	\$ (21,531)
Transfers In	\$ 52,484	\$ -	\$ (52,484)	\$ 31,991	0.00%	\$ (31,991)
Sale of Assets	\$ 28,877	\$ 85	\$ (28,792)	\$ 5,833	1.46%	\$ (5,748)
<b>TOTAL REVENUES</b>	<b>\$ 24,632,473</b>	<b>\$ 24,421,913</b>	<b>\$ (210,560)</b>	<b>\$ 15,087,934</b>	<b>161.86%</b>	<b>\$ 9,333,979</b>
<b>Expenditures</b>						
City Council	\$ 42,802	\$ 38,163	\$ (4,639)	\$ 46,462	82.14%	\$ 8,299
City Manager	\$ 205,335	\$ 260,908	\$ 55,573	\$ 217,593	119.91%	\$ (43,316)
City Attorney	\$ 152,236	\$ 213,884	\$ 61,648	\$ 195,336	109.50%	\$ (18,548)
Financial Services	\$ 286,626	\$ 416,978	\$ 130,352	\$ 412,667	101.04%	\$ (4,311)
Municipal Court	\$ 394,993	\$ 373,661	\$ (21,332)	\$ 303,055	123.30%	\$ (70,607)
Human Resources	\$ 126,939	\$ 157,064	\$ 30,125	\$ 191,994	81.81%	\$ 34,930
Mayor's Office	\$ 16,405	\$ 23,710	\$ 7,305	\$ 21,685	109.34%	\$ (2,025)
Non Departmental	\$ 226,238	\$ 513,422	\$ 287,184	\$ 2,047,573	25.07%	\$ 1,534,151
Prisoner Care	\$ 70,329	\$ 54,808	\$ (15,521)	\$ 140,435	39.03%	\$ 85,627
HND Program Delivery	\$ 2,696	\$ -	\$ (2,696)	\$ -	0.00%	\$ -
Social Service Grants	\$ 7,455	\$ 155,737	\$ 148,282	\$ 116,430	133.76%	\$ (39,307)
Franchise Fee Program	\$ 55,000	\$ 55,000	\$ -	\$ 16,683	329.67%	\$ (38,317)
Topeka Performance Center	\$ 146,216	\$ 136,284	\$ (9,932)	\$ 69,471	196.18%	\$ (66,814)
Cemeteries	\$ 161,947	\$ 213,600	\$ 51,653	\$ 36,667	582.55%	\$ (176,933)
Fire Department	\$ 4,103,951	\$ 4,163,260	\$ 59,309	\$ 4,407,658	94.46%	\$ 244,398
Police Department	\$ 5,487,880	\$ 5,973,418	\$ 485,538	\$ 6,274,562	95.20%	\$ 301,144
Public Works	\$ 827,847	\$ 901,854	\$ 74,007	\$ 1,109,532	81.28%	\$ 207,678
Park and Recreation	\$ 663,834	\$ 560	\$ (663,274)	\$ 86,674	0.65%	\$ 86,114
Topeka Zoological Park	\$ 320,441	\$ 378,233	\$ 57,792	\$ 394,133	95.97%	\$ 15,900
Planning Department	\$ 125,023	\$ 129,750	\$ 4,727	\$ 141,872	91.46%	\$ 12,122
Neighborhood Relations	\$ 313,757	\$ 602,605	\$ 288,848	\$ 636,517	94.67%	\$ 33,912
<b>TOTAL EXPENDITURES</b>	<b>\$ 13,737,950</b>	<b>\$ 14,762,899</b>	<b>\$ 1,024,949</b>	<b>\$ 16,866,995</b>	<b>87.53%</b>	<b>\$ 2,104,096</b>
<b>BETTER/(WORSE)</b>	<b>\$ 10,894,523</b>	<b>\$ 9,659,014</b>				
<b>ENDING FUND BALANCE</b>	<b>\$ 29,164,523</b>	<b>\$ 28,776,992</b>	<b>\$ (387,531)</b>			

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February 29, 2016



## ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2016 YTD Revenue Budget	Difference	% of Total Budget	
				Actual	Budget
General	\$ 24,421,913	\$ 15,087,934	\$ 9,333,979	27%	
Debt Service	\$ 9,191,891	\$ 3,622,337	\$ 5,569,554	42%	
Special Liability	\$ 427,254	\$ 130,873	\$ 296,381	54%	
Special Highway	\$ 1,101,386	\$ 935,431	\$ 165,955	20%	
Special Alcohol & Drug	\$ -	\$ 87,710	\$ (87,710)	0%	
Alcohol & Drug Safety	\$ 11,349	\$ 12,467	\$ (1,118)	15%	
Law Enforcement	\$ 47,143	\$ 46,583	\$ 560	17%	
Transient Guest Tax	\$ 635,965	\$ 447,872	\$ 188,093	24%	
Employee Separation	\$ -	\$ -	\$ -	-	
Retirement Reserve	\$ 178,806	\$ 187,949	\$ (9,143)	16%	
KP&F Rate Equalization	\$ -	\$ -	\$ -	0%	
Neighborhood Revitalization	\$ 16,062	\$ 583	\$ 15,479	459%	
Historical Asset Tourism	\$ -	\$ -	\$ -	-	
Half Cent Sales Tax (JEDO)	\$ 1,566,990	\$ 2,823,095	\$ (1,256,105)	9%	
Half Cent Sales Tax (Street)	\$ 2,665,810	\$ 2,450,285	\$ 215,525	18%	
Tax Increment Financing	\$ 89,057	\$ 41,248	\$ 47,809	36%	
Court Technology	\$ 9,772	\$ 8,798	\$ 975	19%	
Downtown Improvement	\$ 52,000	\$ 36,725	\$ 15,275	24%	
Community Development	\$ 82,268	\$ 70,247	\$ 12,021	20%	
Combined Utilities	\$ 9,914,156	\$ 11,187,000	\$ (1,272,844)	15%	
Public Parking	\$ 465,331	\$ 478,542	\$ (13,211)	16%	
Facilities	\$ 250,153	\$ 249,741	\$ 412	17%	
Fleet	\$ 331,064	\$ 330,000	\$ 1,064	17%	
IT	\$ 608,088	\$ 609,427	\$ (1,339)	17%	
Risk Funds	\$ 2,165,682	\$ 2,333,360	\$ (167,678)	15%	
<b>TOTAL</b>	<b>\$ 54,232,140</b>	<b>\$ 41,178,206</b>	<b>\$ 13,053,935</b>	<b>22%</b>	

Fund	YTD Actual Expenditures	2016 YTD Expen. Budget	Difference	% of Total Budget	
				Actual	Budget
General	\$ 14,762,899	\$ 16,866,995	\$ 2,104,096	15%	
Debt Service	\$ 2,304,830	\$ 4,098,746	\$ 1,793,916	9%	
Special Liability	\$ 44,914	\$ 224,323	\$ 179,409	3%	
Special Highway	\$ 1,146,085	\$ 1,063,033	\$ (83,052)	18%	
Special Alcohol & Drug	\$ 49,412	\$ 100,000	\$ 50,588	8%	
Alcohol & Drug Safety	\$ 9,655	\$ 11,341	\$ 1,687	14%	
Law Enforcement	\$ 14,334	\$ 91,667	\$ 77,332	3%	
Transient Guest Tax	\$ 404,116	\$ 456,787	\$ 52,671	15%	
Employee Separation	\$ 52,802	\$ 333,333	\$ 280,532	3%	
Retirement Reserve	\$ 5,002	\$ 195,002	\$ 189,999	0%	
KP&F Rate Equalization	\$ 78,420	\$ 50,000	\$ (28,420)	26%	
Neighborhood Revitalization	\$ -	\$ 25,000	\$ 25,000	0%	
Historical Asset Tourism	\$ 8,650	\$ 20,017	\$ 11,367	7%	
Half Cent Sales Tax (JEDO)	\$ 1,566,990	\$ 1,456,428	\$ (110,562)	18%	
Half Cent Sales Tax (Street)	\$ 510,604	\$ 4,729,267	\$ 4,218,663	2%	
Tax Increment Financing	\$ -	\$ 86,128	\$ 86,128	0%	
Court Technology	\$ 28,752	\$ 7,500	\$ (21,252)	64%	
Downtown Improvement	\$ 104,491	\$ 42,442	\$ (62,049)	41%	
Community Development	\$ 82,268	\$ 70,247	\$ (12,021)	20%	
Combined Utilities	\$ 10,029,305	\$ 11,160,259	\$ 1,130,954	15%	
Public Parking	\$ 567,912	\$ 615,186	\$ 47,274	15%	
Facilities	\$ 251,973	\$ 249,741	\$ (2,232)	17%	
Fleet	\$ 282,139	\$ 330,000	\$ 47,861	14%	
IT	\$ 588,452	\$ 607,761	\$ 19,309	16%	
Risk Funds	\$ 2,671,045	\$ 2,155,856	\$ (515,190)	21%	
<b>TOTAL</b>	<b>\$ 35,565,050</b>	<b>\$ 45,047,058</b>	<b>\$ 9,997,197</b>	<b>13%</b>	



## CASH MANAGEMENT

### Pooled Cash & Investments

#### Guidelines

Type of Investment	Minimum	Maximum	Actual %	Invested Value	Yield to Maturity
Bank Certificates of Deposit	0%	100%	37%	\$ 58,926,014	0.50
US Treasuries	0%	100%	0%	\$ -	
US Agencies	0%	100%	35%	\$ 56,202,609	0.49
Repurchase Agreements	0%	50%	-	-	
Municipal Investment Pool	0%	30%	0%	\$ 100,000	
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%	11%	\$ 17,994,596	0.86
General Checking	0%	100%	16%	\$ 25,709,701	
<b>Subtotal of Investments</b>				<b>\$158,932,920</b>	<b>0.62</b>

**Total Portfolio Balance** \$158,932,920

**Duration of investments (expressed in years)** 0.56

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

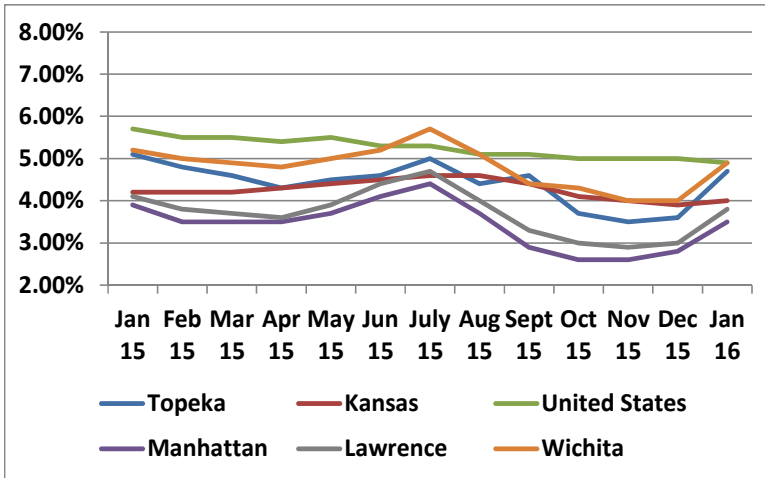
Finance staff oversee all debt issued by the City, which includes General Obligation (GO), revenue backed, revolving loan funds, temporary notes and special assessment debt. As of February 2016 the City had \$390,865,410 in permanent and temporary debt, compared to \$387,208,937 in 2015 or a .94% increase. When backing out the temporary notes and comparing current permanent debt to the prior year, permanent debt decreased by 3.55%.

### Debt Management

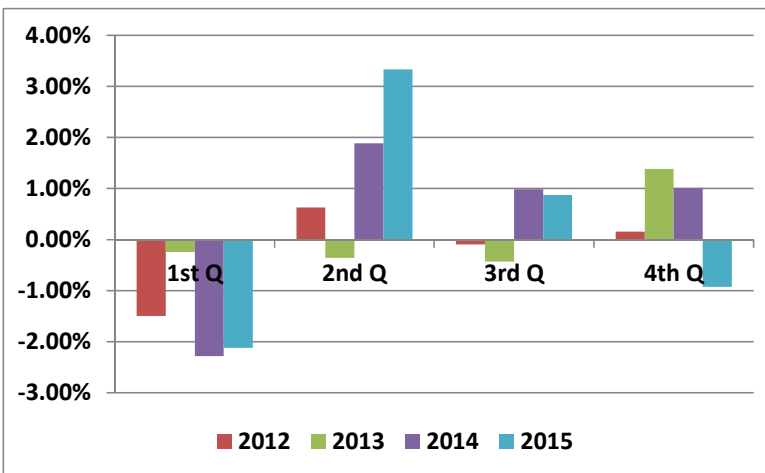
Instrument	2015	2016
Governmental General Obligation Bonds	\$ 131,938,017	\$ 134,756,536
Business Type General Obligation Bonds	\$ 11,121,983	\$ 10,513,464
Other General Obligation Bonds	\$ 14,135,000	\$ 13,115,000
Utility Revenue Bonds	\$ 132,420,000	\$ 127,425,000
Sales Tax Revenue Bonds	\$ 6,070,000	\$ 3,035,000
KDHE Revolving Loans	\$ 58,133,937	\$ 52,400,410
Temporary Notes	\$ 33,390,000	\$ 49,620,000
<b>Total</b>	<b>\$ 387,208,937</b>	<b>\$ 390,865,410</b>



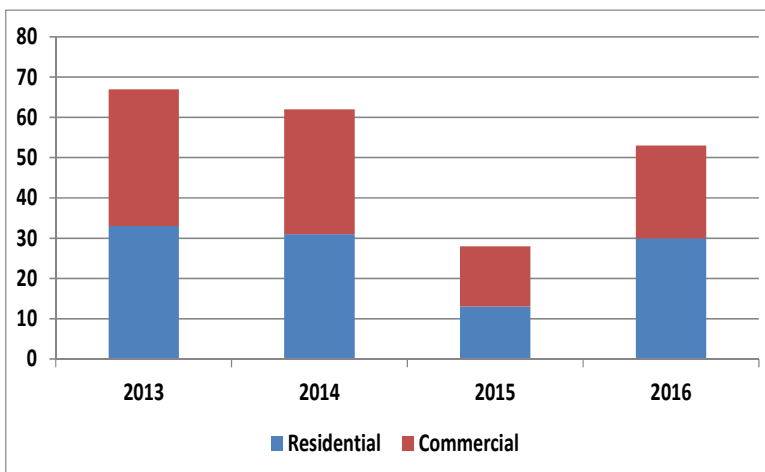
## COMMUNITY STATISTICS



**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 January 2016 was 4.70%, 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 through February. 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 89% over 2015.