

Monthly Financial Status Report

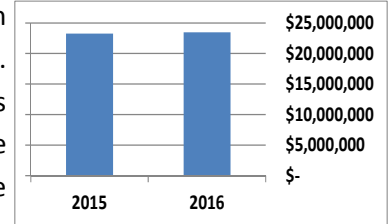
January 31, 2016



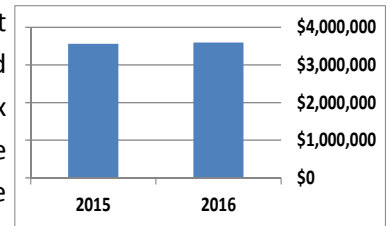
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

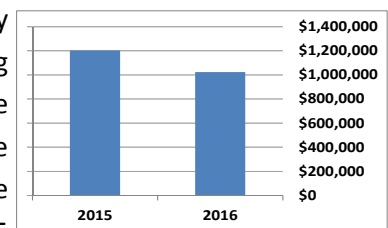
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2016 through January 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.



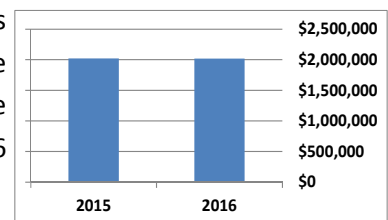
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2016 through January are \$3,594,681, which is a .95% increase over the 2015 collections of \$3,560,856. 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.



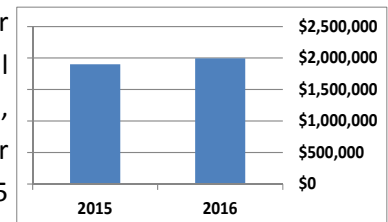
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are down 14.95% in 2016 with collections of \$1,022,719, compared to 2015 collections of \$1,202,519.



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 .12% in 2016 with billings of \$2,020,314, compared to 2015 billings of \$2,022,645.



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 4.98% in 2016 with billings of \$1,995,951, compared to 2015 billings of \$1,995,951.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues for the month ending January 2016 were \$18,369,599, a decrease of approximately 1% over 2015 revenues which were \$18,455,408. 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 January 2016 was \$7,996,985, an increase of approximately 11% over 2015 expenditures which were \$7,180,504. 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 January 31, 2016 (8% 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	\$ 19,117,978	\$ 847,978			
Revenues						
Taxes & Assessments	\$ 16,548,348	\$ 16,613,626	\$ 65,278	\$ 5,447,841	304.96%	\$ 11,165,785
Intergovernmental	\$ -	\$ -	\$ -	\$ 87,710.25	0.00%	\$ (87,710)
Licenses/Permits & Franchise Fees	\$ 1,284,143	\$ 1,201,712	\$ (82,431)	\$ 1,340,750	89.63%	\$ (139,038)
Charges for Services	\$ 325,710	\$ 240,049	\$ (85,661)	\$ 340,088	70.58%	\$ (100,039)
Fines/forfeitures	\$ 231,777	\$ 248,732	\$ 16,955	\$ 250,000	99.49%	\$ (1,268)
Rents/Interest	\$ 3,141	\$ 58,913	\$ 55,772	\$ 38,558	152.79%	\$ 20,355
Other	\$ 5,928	\$ 6,482	\$ 554	\$ 20,107	32.24%	\$ (13,625)
Transfers In	\$ 52,484	\$ -	\$ (52,484)	\$ 15,995	0.00%	\$ (15,995)
Sale of Assets	\$ 3,877	\$ 85	\$ (3,792)	\$ 2,917	2.91%	\$ (2,832)
TOTAL REVENUES	\$ 18,455,408	\$ 18,369,599	\$ (85,809)	\$ 7,543,967	243.50%	\$ 10,825,632
Expenditures						
City Council	\$ 21,526	\$ 19,341	\$ (2,185)	\$ 23,231	83.26%	\$ 3,890
City Manager	\$ 69,748	\$ 139,636	\$ 69,888	\$ 108,796	128.35%	\$ (30,840)
City Attorney	\$ 79,511	\$ 76,326	\$ (3,185)	\$ 97,668	78.15%	\$ 21,342
Financial Services	\$ 145,057	\$ 213,070	\$ 68,013	\$ 206,333	103.26%	\$ (6,737)
Municipal Court	\$ 281,828	\$ 253,123	\$ (28,705)	\$ 151,527	167.05%	\$ (101,596)
Human Resources	\$ 61,782	\$ 78,602	\$ 16,820	\$ 95,997	81.88%	\$ 17,395
Mayor's Office	\$ 8,683	\$ 15,186	\$ 6,503	\$ 10,843	140.06%	\$ (4,344)
Non Departmental	\$ 178,473	\$ 330,328	\$ 151,855	\$ 1,023,786	32.27%	\$ 693,458
Prisoner Care	\$ 15,000	\$ -	\$ (15,000)	\$ 70,217	0.00%	\$ 70,217
HND Program Delivery	\$ 2,001	\$ -	\$ (2,001)	\$ -	0.00%	\$ -
Social Service Grants	\$ 7,455	\$ -	\$ (7,455)	\$ 58,215	0.00%	\$ 58,215
Franchise Fee Program	\$ 55,000	\$ 25,000	\$ (30,000)	\$ 8,342	299.70%	\$ (16,658)
Topeka Performance Center	\$ 112,980	\$ 109,903	\$ (3,077)	\$ 34,735	316.40%	\$ (75,168)
Cemeteries	\$ 161,925	\$ 213,443	\$ 51,518	\$ 18,333	1164.23%	\$ (195,110)
Fire Department	\$ 2,081,406	\$ 2,173,387	\$ 91,981	\$ 2,203,829	98.62%	\$ 30,442
Police Department	\$ 2,608,902	\$ 3,531,799	\$ 922,897	\$ 3,137,281	112.58%	\$ (394,518)
Public Works	\$ 420,338	\$ 304,249	\$ (116,089)	\$ 554,766	54.84%	\$ 250,517
Park and Recreation	\$ 540,361	\$ -	\$ (540,361)	\$ 43,337	0.00%	\$ 43,337
Topeka Zoological Park	\$ 153,038	\$ 204,141	\$ 51,103	\$ 197,066	103.59%	\$ (7,075)
Planning Department	\$ 59,541	\$ 66,831	\$ 7,290	\$ 70,936	94.21%	\$ 4,105
Neighborhood Relations	\$ 115,949	\$ 242,620	\$ 126,671	\$ 318,258	76.23%	\$ 75,638
TOTAL EXPENDITURES	\$ 7,180,504	\$ 7,996,985	\$ 816,481	\$ 8,433,498	94.82%	\$ 436,513
BETTER/(WORSE)	\$ 11,274,904	\$ 10,372,614				
ENDING FUND BALANCE	\$ 29,544,904	\$ 29,490,592	\$ (54,312)			

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ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2016 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 18,369,599	\$ 7,543,967	\$ 10,825,632	20%
Debt Service	\$ 9,099,866	\$ 1,811,168	\$ 7,288,698	42%
Special Liability	\$ 427,254	\$ 65,436	\$ 361,818	54%
Special Highway	\$ 839,094	\$ 467,716	\$ 371,378	15%
Special Alcohol & Drug	\$ -	\$ 43,855	\$ (43,855)	0%
Alcohol & Drug Safety	\$ 7,534	\$ 6,233	\$ 1,301	10%
Law Enforcement	\$ 28,715	\$ 23,292	\$ 5,423	10%
Transient Guest Tax	\$ 625,149	\$ 223,936	\$ 401,213	23%
Employee Separation	\$ -	\$ -	\$ -	
Retirement Reserve	\$ 121,749	\$ 93,974	\$ 27,775	11%
KP&F Rate Equalization	\$ -	\$ -	\$ -	0%
Neighborhood Revitalization	\$ -	\$ 292	\$ (292)	0%
Historical Asset Tourism	\$ 88,781	\$ -	\$ 88,781	
Half Cent Sales Tax (JEDO)	\$ 705,098	\$ 1,411,547	\$ (706,449)	4%
Half Cent Sales Tax (Street)	\$ 1,195,968	\$ 1,225,142	\$ (29,174)	8%
Tax Increment Financing	\$ 89,057	\$ 20,624	\$ 68,433	36%
Court Technology	\$ 5,627	\$ 4,399	\$ 1,228	11%
Downtown Improvement	\$ 52,000	\$ 18,362	\$ 33,638	24%
Community Development	\$ 35,625	\$ 35,123	\$ 502	8%
Combined Utilities	\$ 4,721,445	\$ 5,593,500	\$ (872,055)	7%
Public Parking	\$ 231,958	\$ 239,271	\$ (7,313)	8%
Facilities	\$ 124,804	\$ 124,870	\$ (66)	8%
Fleet	\$ 165,532	\$ 165,000	\$ 532	8%
IT	\$ 303,995	\$ 304,714	\$ (719)	8%
Risk Funds	\$ 1,121,922	\$ 1,166,680	\$ (44,758)	8%
TOTAL	\$ 38,360,772	\$ 20,589,103	\$ 17,771,669	16%

Fund	YTD Actual Expenditures	2016 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 7,996,985	\$ 8,433,498	\$ 436,513	8%
Debt Service	\$ -	\$ 2,049,373	\$ 2,049,373	0%
Special Liability	\$ 18,417	\$ 112,162	\$ 93,745	1%
Special Highway	\$ 563,027	\$ 531,517	\$ (31,510)	9%
Special Alcohol & Drug	\$ -	\$ 50,000	\$ 50,000	0%
Alcohol & Drug Safety	\$ 4,858	\$ 5,671	\$ 813	7%
Law Enforcement	\$ 6,901	\$ 45,833	\$ 38,932	1%
Transient Guest Tax	\$ 132,347	\$ 228,393	\$ 96,046	5%
Employee Separation	\$ 45,712	\$ 166,667	\$ 120,955	2%
Retirement Reserve	\$ 1,667	\$ 97,501	\$ 95,834	0%
KP&F Rate Equalization	\$ -	\$ 25,000	\$ 25,000	0%
Neighborhood Revitalization	\$ -	\$ 12,500	\$ 12,500	0%
Historical Asset Tourism	\$ -	\$ 10,009	\$ 10,009	0%
Half Cent Sales Tax (JEDO)	\$ -	\$ 728,214	\$ 728,214	0%
Half Cent Sales Tax (Street)	\$ 75,276	\$ 2,364,634	\$ 2,289,358	0%
Tax Increment Financing	\$ -	\$ 43,064	\$ 43,064	0%
Court Technology	\$ 28,752	\$ 3,750	\$ (25,002)	64%
Downtown Improvement	\$ 97,326	\$ 21,221	\$ (76,105)	38%
Community Development	\$ 646	\$ 35,123	\$ 34,477	0%
Combined Utilities	\$ 2,885,849	\$ 5,580,129	\$ 2,694,280	4%
Public Parking	\$ 121,062	\$ 307,593	\$ 186,531	3%
Facilities	\$ 145,844	\$ 124,870	\$ (20,974)	10%
Fleet	\$ 124,944	\$ 165,000	\$ 40,056	6%
IT	\$ 374,013	\$ 303,880	\$ (70,133)	10%
Risk Funds	\$ 1,655,413	\$ 1,077,928	\$ (577,485)	13%
TOTAL	\$ 14,279,039	\$ 22,523,529	\$ 8,221,975	5%



CASH MANAGEMENT

Pooled Cash & Investments

Guidelines

Type of Investment	Minimum	Maximum	Actual %	Invested Value	Yield to Maturity
Bank Certificates of Deposit	0%	100%	37%	\$ 62,295,375	0.50
US Treasuries	0%	100%	0%	\$ -	
US Agencies	0%	100%	34%	\$ 55,907,584	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%	\$ 18,849,131	0.83
General Checking	0%	100%	18%	\$ 29,601,938	
Subtotal of Investments				\$166,754,029	0.61

Total Portfolio Balance \$166,754,029

Duration of investments (expressed in years) 0.64

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 January 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

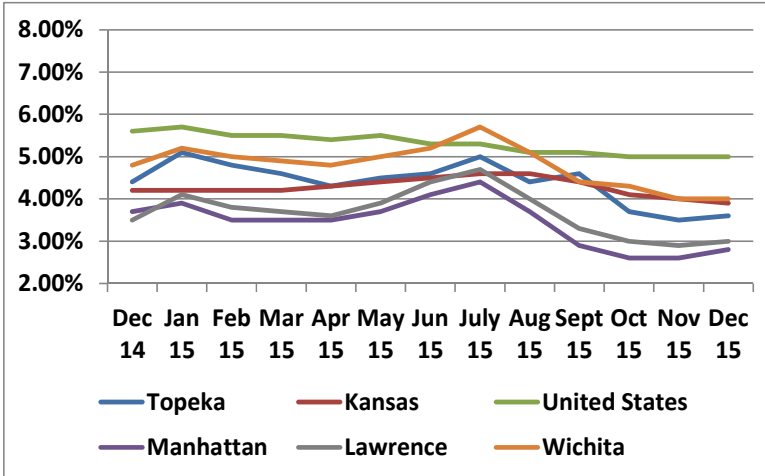
Debt Management

and comparing current permanent debt to the prior year, permanent debt decreased by 3.55%.

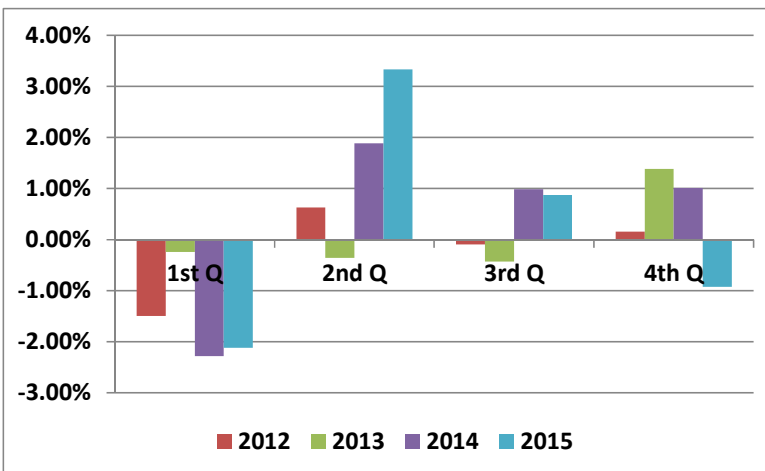
Instrument	2015	2016
Governmental General Obligation Bonds	\$ 131,938,017	\$ 134,756,536
Business Type General Obligation Bonds	\$ 11,121,983	\$ 10,513,464
Other General Obligation Bonds	\$ 14,135,000	\$ 13,115,000
Utility Revenue Bonds	\$ 132,420,000	\$ 127,425,000
Sales Tax Revenue Bonds	\$ 6,070,000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



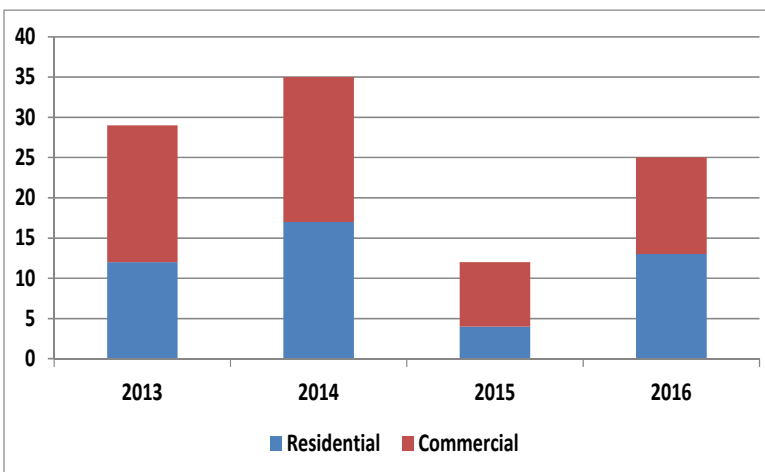
COMMUNITY STATISTICS



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 December 2015 was 3.60%, 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 January. 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 2015 by 108% over 2014.