

Monthly Financial Status Report

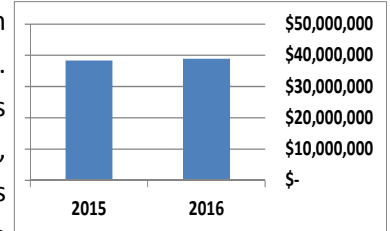
July 31, 2016



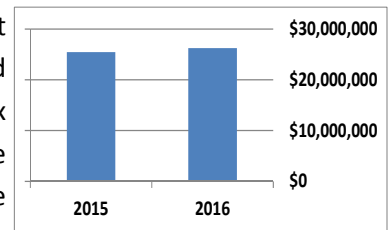
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

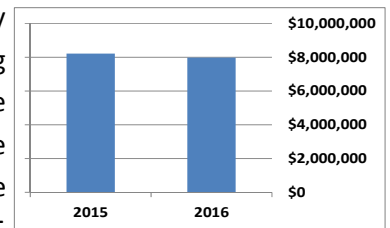
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2016 through July are \$38,946,454, which is a 1.49% increase over the 2015 collections of \$38,374,776. The City receives property tax allocations from the County primarily twice a year in January and July with a smaller allocation in the fall.



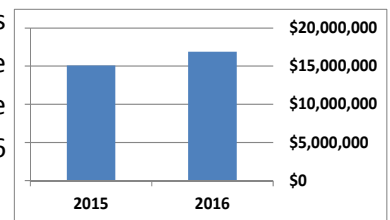
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2016 through July are \$26,263,486, which is a 3.19% increase over the 2015 collections of \$25,451,018. 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.



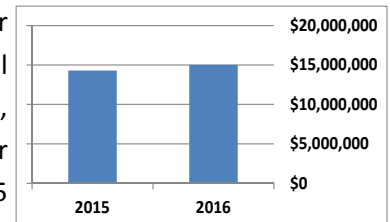
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are down 2.75% in 2016 with collections of \$7,986,046, compared to 2015 collections of \$8,211,535.



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 11.93% in 2016 with billings of \$16,892,114, compared to 2015 billings of \$15,091,828.



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 4.95% in 2016 with billings of \$14,998,548, compared to 2015 billings of \$14,290,822.



POSITIVE

CAUTION

NEGATIVE

Monthly Financial Status Report

July 31, 2016



GENERAL FUND OVERVIEW

General Fund revenues for the month ending July 2016 were \$61,387,716, a decrease of approximately 2% under 2015 revenues which were \$62,766,070. 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 July 2016 was \$50,888,218, an increase of approximately 5% over 2015 expenditures which were \$48,464,735. 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	Actuals			As of July 31, 2016 (58% of budget year)		
	2015 YTD	2016 YTD	Difference	Budget		\$ Diff Compared to 2016 budget YTD
				2016 budget YTD	% of 2016 Budget YTD	
BEGINNING FUND BALANCE	\$ 18,270,000	\$ 19,117,978	\$ 847,978			
Revenues						
Taxes & Assessments	\$ 47,397,988	\$ 47,343,632	\$ (54,356)	\$ 38,134,889	124.15%	\$ 9,208,743
Intergovernmental	\$ 521,181	\$ 531,732	\$ 10,551	\$ 613,971.75	86.61%	\$ (82,240)
Licenses/Permits & Franchise Fees	\$ 9,057,380	\$ 8,928,605	\$ (128,775)	\$ 9,385,251	95.13%	\$ (456,646)
Charges for Services	\$ 2,969,243	\$ 2,063,623	\$ (905,620)	\$ 2,380,618	86.68%	\$ (316,995)
Fines/forfeitures	\$ 2,051,285	\$ 1,934,872	\$ (116,413)	\$ 1,750,000	110.56%	\$ 184,872
Rents/Interest	\$ 265,006	\$ 347,523	\$ 82,517	\$ 269,904	128.76%	\$ 77,619
Other	\$ 277,644	\$ 119,218	\$ (158,426)	\$ 140,750	84.70%	\$ (21,532)
Transfers In	\$ 150,019	\$ 89,907	\$ (60,112)	\$ 111,968	80.30%	\$ (22,061)
Sale of Assets	\$ 76,324	\$ 28,604	\$ (47,720)	\$ 20,417	140.10%	\$ 8,187
TOTAL REVENUES	\$ 62,766,070	\$ 61,387,716	\$ (1,378,354)	\$ 52,807,768	116.25%	\$ 8,579,948
Expenditures						
City Council	\$ 147,544	\$ 140,095	\$ (7,449)	\$ 162,615	86.15%	\$ 22,520
City Manager	\$ 672,172	\$ 795,510	\$ 123,338	\$ 761,574	104.46%	\$ (33,936)
City Attorney	\$ 586,037	\$ 649,672	\$ 63,635	\$ 683,675	95.03%	\$ 34,003
Financial Services	\$ 1,160,922	\$ 1,342,922	\$ 182,000	\$ 1,444,333	92.98%	\$ 101,411
Municipal Court	\$ 1,022,625	\$ 1,012,592	\$ (10,033)	\$ 1,060,691	95.47%	\$ 48,099
Human Resources	\$ 553,959	\$ 652,456	\$ 98,497	\$ 671,980	97.09%	\$ 19,524
Mayor's Office	\$ 64,007	\$ 80,829	\$ 16,822	\$ 75,898	106.50%	\$ (4,932)
Non Departmental	\$ 1,138,032	\$ 1,124,248	\$ (13,784)	\$ 7,166,505	15.69%	\$ 6,042,257
Prisoner Care	\$ 371,112	\$ 865,742	\$ 494,630	\$ 491,521	176.14%	\$ (374,221)
HND Program Delivery	\$ 28,989	\$ -	\$ (28,989)	\$ -	0.00%	\$ -
Social Service Grants	\$ 290,121	\$ 211,488	\$ (78,633)	\$ 407,506	51.90%	\$ 196,018
Franchise Fee Program	\$ 85,000	\$ 85,000	\$ -	\$ 58,392	145.57%	\$ (26,608)
Topeka Performance Center	\$ 288,390	\$ 274,349	\$ (14,041)	\$ 243,147	112.83%	\$ (31,202)
Cemeteries	\$ 163,844	\$ 216,467	\$ 52,623	\$ 128,333	168.68%	\$ (88,134)
Fire Department	\$ 14,739,695	\$ 15,126,675	\$ 386,980	\$ 15,426,802	98.05%	\$ 300,127
Police Department	\$ 19,138,652	\$ 20,784,763	\$ 1,646,111	\$ 21,960,967	94.64%	\$ 1,176,204
Public Works	\$ 3,153,735	\$ 3,492,031	\$ 338,296	\$ 3,883,362	89.92%	\$ 391,331
Park and Recreation	\$ 1,427,219	\$ 270,789	\$ (1,156,430)	\$ 303,360	89.26%	\$ 32,571
Topeka Zoological Park	\$ 1,273,954	\$ 1,349,295	\$ 75,341	\$ 1,379,465	97.81%	\$ 30,170
Planning Department	\$ 484,742	\$ 463,633	\$ (21,109)	\$ 496,550	93.37%	\$ 32,917
Neighborhood Relations	\$ 1,673,984	\$ 1,949,662	\$ 275,678	\$ 2,227,809	87.51%	\$ 278,147
TOTAL EXPENDITURES	\$ 48,464,735	\$ 50,888,218	\$ 2,423,483	\$ 59,034,483	86.20%	\$ 8,146,265
BETTER/(WORSE)	\$ 14,301,335	\$ 10,499,498				
ENDING FUND BALANCE	\$ 32,571,335	\$ 29,617,476	\$ (2,953,859)			

Monthly Financial Status Report

July 31, 2016



ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2016 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 61,387,716	\$ 52,807,768	\$ 8,579,948	68%
Debt Service	\$ 17,160,511	\$ 12,678,178	\$ 4,482,333	79%
Special Liability	\$ 797,109	\$ 458,055	\$ 339,055	102%
Special Highway	\$ 4,240,301	\$ 3,274,010	\$ 966,292	76%
Special Alcohol & Drug	\$ 265,866	\$ 306,986	\$ (41,120)	51%
Alcohol & Drug Safety	\$ 41,290	\$ 43,633	\$ (2,343)	55%
Law Enforcement	\$ 286,401	\$ 163,042	\$ 123,359	102%
Transient Guest Tax	\$ 2,127,249	\$ 1,567,552	\$ 559,697	79%
Employee Separation	\$ 8,685	\$ -	\$ 8,685	
Retirement Reserve	\$ 662,050	\$ 657,820	\$ 4,229	59%
KP&F Rate Equalization	\$ 6,313	\$ -	\$ 6,313	0%
Neighborhood Revitalization	\$ 26,991	\$ 2,042	\$ 24,949	771%
Historical Asset Tourism	\$ -	\$ -	\$ -	
Half Cent Sales Tax (JEDO)	\$ 5,165,703	\$ 9,880,832	\$ (4,715,129)	30%
Half Cent Sales Tax (Street)	\$ 8,948,526	\$ 8,575,996	\$ 372,529	61%
Tax Increment Financing	\$ 175,522	\$ 144,367	\$ 31,155	71%
Court Technology	\$ 35,738	\$ 30,791	\$ 4,947	68%
Downtown Improvement	\$ 178,835	\$ 128,537	\$ 50,298	81%
Community Development	\$ 230,480	\$ 245,863	\$ (15,384)	55%
Combined Utilities	\$ 37,073,818	\$ 39,154,500	\$ (2,080,682)	55%
Public Parking	\$ 1,716,735	\$ 1,674,898	\$ 41,838	60%
Facilities	\$ 874,534	\$ 874,093	\$ 441	58%
Fleet	\$ 1,161,882	\$ 1,155,000	\$ 6,882	59%
IT	\$ 2,144,584	\$ 2,132,996	\$ 11,589	59%
Risk Funds	\$ 8,014,073	\$ 8,166,761	\$ (152,688)	57%
TOTAL	\$ 152,730,914	\$ 144,123,719	\$ 8,607,195	62%

Fund	YTD Actual Expenditures	2016 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 50,888,218	\$ 59,034,483	\$ 8,146,265	50%
Debt Service	\$ 2,704,992	\$ 14,345,609	\$ 11,640,617	11%
Special Liability	\$ 192,563	\$ 785,132	\$ 592,568	14%
Special Highway	\$ 3,371,390	\$ 3,720,617	\$ 349,227	53%
Special Alcohol & Drug	\$ 192,259	\$ 350,000	\$ 157,741	32%
Alcohol & Drug Safety	\$ 37,459	\$ 39,695	\$ 2,235	55%
Law Enforcement	\$ 83,524	\$ 320,833	\$ 237,309	15%
Transient Guest Tax	\$ 1,152,392	\$ 1,598,754	\$ 446,362	42%
Employee Separation	\$ 730,777	\$ 1,166,667	\$ 435,890	37%
Retirement Reserve	\$ 11,672	\$ 682,505	\$ 670,833	1%
KP&F Rate Equalization	\$ 115,488	\$ 175,000	\$ 59,512	38%
Neighborhood Revitalization	\$ -	\$ 87,500	\$ 87,500	0%
Historical Asset Tourism	\$ 8,650	\$ 70,060	\$ 61,410	7%
Half Cent Sales Tax (JEDO)	\$ 5,165,703	\$ 5,097,499	\$ (68,204)	59%
Half Cent Sales Tax (Street)	\$ 3,409,322	\$ 16,552,435	\$ 13,143,112	12%
Tax Increment Financing	\$ 89,057	\$ 301,447	\$ 212,390	17%
Court Technology	\$ 28,752	\$ 26,250	\$ (2,502)	64%
Downtown Improvement	\$ 131,452	\$ 148,547	\$ 17,095	52%
Community Development	\$ 230,011	\$ 245,863	\$ 15,853	55%
Combined Utilities	\$ 33,799,691	\$ 39,060,906	\$ 5,261,215	50%
Public Parking	\$ 1,565,973	\$ 2,153,152	\$ 587,179	42%
Facilities	\$ 752,821	\$ 874,093	\$ 121,272	50%
Fleet	\$ 1,063,248	\$ 1,155,000	\$ 91,752	54%
IT	\$ 2,059,635	\$ 2,127,163	\$ 67,528	56%
Risk Funds	\$ 8,715,333	\$ 7,545,494	\$ (1,169,839)	67%
TOTAL	\$ 116,500,384	\$ 157,664,702	\$ 42,334,157	43%



CASH MANAGEMENT

Pooled Cash & Investments

Type of Investment	Guidelines			Invested Value	Yield to Maturity
	Minimum	Maximum	Actual %		
Bank Certificates of Deposit	0%	100%	26%	\$ 35,679,125	0.59
US Treasuries	0%	100%	0%	\$ -	
US Agencies	0%	100%	20%	\$ 28,229,664	0.60
Repurchase Agreements	0%	50%	-	-	
Municipal Investment Pool	0%	30%	8%	\$ 11,400,024	
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%	14%	\$ 19,044,689	0.77
General Checking	0%	100%	32%	\$ 44,994,856	
Subtotal of Investments				\$139,348,358	0.65
Total Portfolio Balance				\$139,348,358	
Duration of investments (expressed in years)					0.47

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

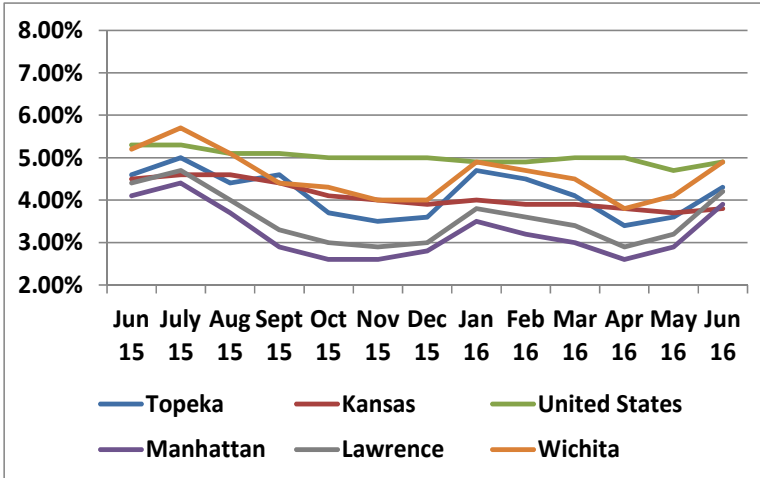
Finance staff oversee all debt issued by the City, which includes General Obligation (GO), revenue backed, revolving loan funds, temporary notes and special assessment debt. As of July 2016 the City had \$383,565,402 in permanent and temporary debt, compared to \$379,369,684 in 2015 or a 1.11% increase. When backing out the temporary notes and comparing current permanent debt to the prior year, permanent debt decreased by 3.48%.

Debt Management

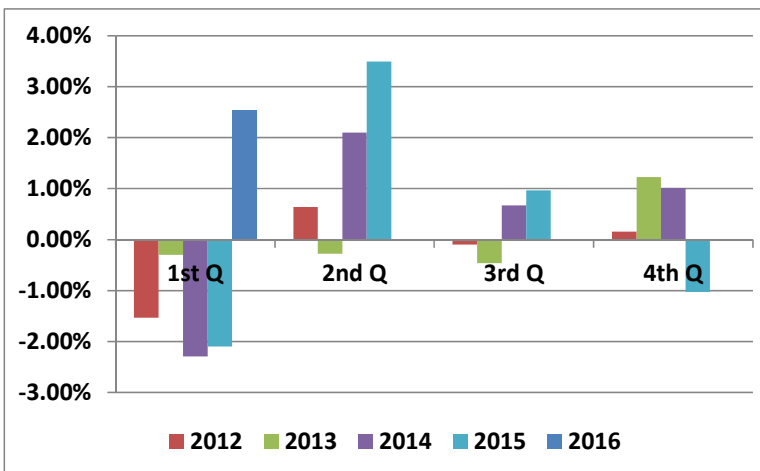
Instrument	2015	2016
Governmental General Obligation Bonds	\$ 131,938,017	\$ 134,917,579
Business Type General Obligation Bonds	\$ 11,121,983	\$ 10,527,421
Other General Obligation Bonds	\$ 14,135,000	\$ 13,140,000
Utility Revenue Bonds	\$ 127,425,000	\$ 122,860,000
Sales Tax Revenue Bonds	\$ 6,070,000	\$ 3,035,000
KDHE Revolving Loans	\$ 55,289,680	\$ 49,465,402
Temporary Notes	\$ 33,390,000	\$ 49,620,000
Total	\$ 379,369,680	\$ 383,565,402



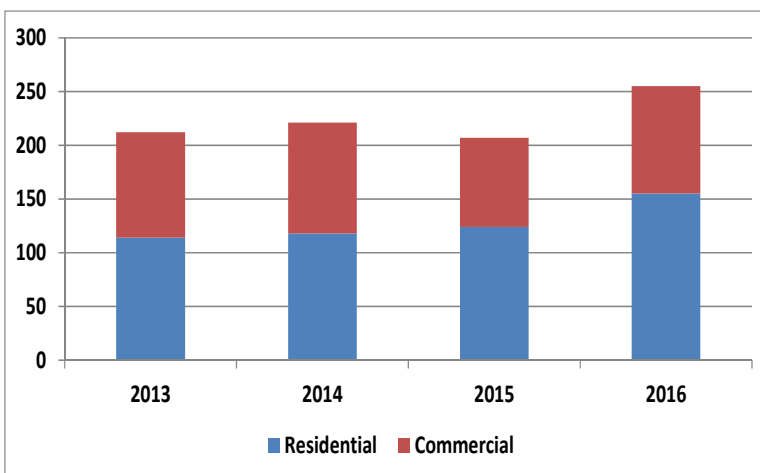
COMMUNITY STATISTICS



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 June 2016 was 4.30%, 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 July. 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 16% over 2015.