

Monthly Financial Status Report

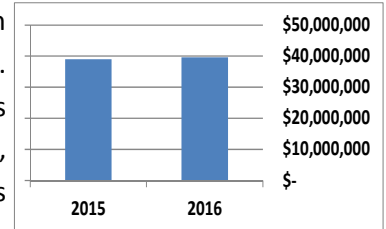
November 30, 2016



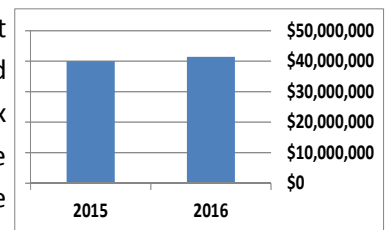
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

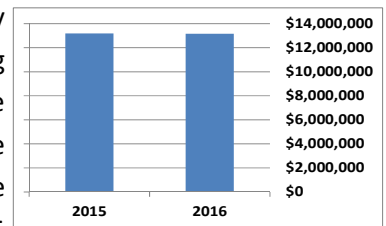
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2016 year to date are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



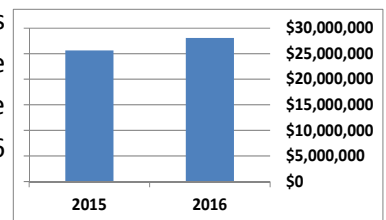
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2016 year to date are \$41,445,077, which is a 3.50% increase over the 2015 collections of \$40,043,557. 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.



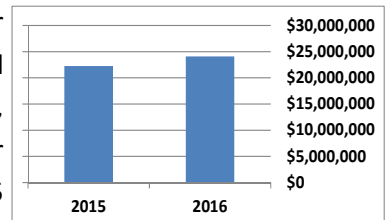
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are down .22% in 2016 with collections of \$13,161,390, compared to 2015 collections of \$13,190,900.



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 9.62% in 2016 with billings of \$28,079,729, compared to 2015 billings of \$25,615,225.



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 8.15% in 2016 with billings of \$24,091,083, compared to 2015 billings of \$22,275,434.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues year to date were \$84,171,211, a decrease of approximately 2% under 2015 revenues which were \$85,589,640. 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 \$77,405,560, an increase of approximately 4% over 2015 expenditures which were \$74,736,967. 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 November 30, 2016 (92% 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 | \$ 61,304,728 | \$ 61,555,164 | \$ 250,436 | \$ 59,926,255 | 102.72% | \$ 1,628,909 |
| Intergovernmental | \$ 784,841 | \$ 798,251 | \$ 13,410 | \$ 964,812.75 | 82.74% | \$ (166,562) |
| Licenses/Permits & Franchise Fees | \$ 14,497,214 | \$ 14,553,912 | \$ 56,698 | \$ 14,748,252 | 98.68% | \$ (194,340) |
| Charges for Services | \$ 4,939,599 | \$ 3,713,833 | \$ (1,225,766) | \$ 3,740,971 | 99.27% | \$ (27,138) |
| Fines/forfeitures | \$ 3,014,773 | \$ 2,822,419 | \$ (192,354) | \$ 2,750,000 | 102.63% | \$ 72,419 |
| Rents/Interest | \$ 362,757 | \$ 445,519 | \$ 82,762 | \$ 424,134 | 105.04% | \$ 21,385 |
| Other | \$ 343,924 | \$ 161,574 | \$ (182,350) | \$ 221,178 | 73.05% | \$ (59,604) |
| Transfers In | \$ 210,934 | \$ 89,907 | \$ (121,027) | \$ 175,950 | 51.10% | \$ (86,043) |
| Sale of Assets | \$ 130,870 | \$ 30,632 | \$ (100,238) | \$ 32,083 | 95.48% | \$ (1,451) |
| TOTAL REVENUES | \$ 85,589,640 | \$ 84,171,211 | \$ (1,418,429) | \$ 82,983,635 | 101.43% | \$ 1,187,576 |
| Expenditures | | | | | | |
| City Council | \$ 217,712 | \$ 218,817 | \$ 1,105 | \$ 255,538 | 85.63% | \$ 36,721 |
| City Manager | \$ 1,038,649 | \$ 1,121,335 | \$ 82,686 | \$ 1,196,759 | 93.70% | \$ 75,424 |
| City Attorney | \$ 889,883 | \$ 1,009,985 | \$ 120,102 | \$ 1,074,346 | 94.01% | \$ 64,361 |
| Financial Services | \$ 1,781,760 | \$ 2,038,314 | \$ 256,554 | \$ 2,269,667 | 89.81% | \$ 231,353 |
| Municipal Court | \$ 1,482,930 | \$ 1,531,038 | \$ 48,108 | \$ 1,666,800 | 91.85% | \$ 135,762 |
| Human Resources | \$ 929,657 | \$ 1,030,565 | \$ 100,908 | \$ 1,055,968 | 97.59% | \$ 25,403 |
| Mayor's Office | \$ 101,048 | \$ 115,406 | \$ 14,358 | \$ 119,268 | 96.76% | \$ 3,862 |
| Non Departmental | \$ 1,353,181 | \$ 1,869,732 | \$ 516,551 | \$ 11,261,651 | 16.60% | \$ 9,391,919 |
| Prisoner Care | \$ 619,503 | \$ 482,219 | \$ (137,284) | \$ 772,390 | 62.43% | \$ 290,171 |
| HND Program Delivery | \$ 23,528 | \$ - | \$ (23,528) | \$ - | 0.00% | \$ - |
| Social Service Grants | \$ 452,126 | \$ 590,483 | \$ 138,357 | \$ 640,366 | 92.21% | \$ 49,883 |
| Franchise Fee Program | \$ 85,000 | \$ 99,500 | \$ 14,500 | \$ 91,758 | 108.44% | \$ (7,742) |
| Topeka Performance Center | \$ 407,173 | \$ 383,804 | \$ (23,369) | \$ 382,088 | 100.45% | \$ (1,716) |
| Cemeteries | \$ 165,719 | \$ 224,239 | \$ 58,520 | \$ 201,667 | 111.19% | \$ (22,572) |
| Fire Department | \$ 22,838,855 | \$ 23,071,562 | \$ 232,707 | \$ 24,242,118 | 95.17% | \$ 1,170,556 |
| Police Department | \$ 30,290,869 | \$ 32,001,942 | \$ 1,711,073 | \$ 34,510,091 | 92.73% | \$ 2,508,149 |
| Public Works | \$ 5,017,547 | \$ 5,217,332 | \$ 199,785 | \$ 6,102,426 | 85.50% | \$ 885,094 |
| Park and Recreation | \$ 1,562,137 | \$ 404,953 | \$ (1,157,184) | \$ 476,708 | 84.95% | \$ 71,755 |
| Topeka Zoological Park | \$ 2,153,011 | \$ 2,117,690 | \$ (35,321) | \$ 2,167,731 | 97.69% | \$ 50,041 |
| Planning Department | \$ 742,398 | \$ 729,563 | \$ (12,835) | \$ 780,293 | 93.50% | \$ 50,730 |
| Neighborhood Relations | \$ 2,584,281 | \$ 3,147,081 | \$ 562,800 | \$ 3,500,843 | 89.89% | \$ 353,762 |
| TOTAL EXPENDITURES | \$ 74,736,967 | \$ 77,405,560 | \$ 2,668,593 | \$ 92,768,473 | 83.44% | \$ 15,362,913 |
| BETTER/(WORSE) | \$ 10,852,673 | \$ 6,765,651 | | | | |
| ENDING FUND BALANCE | \$ 29,122,673 | \$ 25,883,629 | \$ (3,239,044) | | | |

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ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

| Fund | YTD Actual Revenues | 2016 YTD Revenue Budget | Difference | % of Total Budget |
|------------------------------|-----------------------|-------------------------|-----------------------|-------------------|
| General | \$ 84,171,211 | \$ 82,983,635 | \$ 1,187,576 | 93% |
| Debt Service | \$ 20,487,682 | \$ 19,922,852 | \$ 564,830 | 94% |
| Special Liability | \$ 847,128 | \$ 719,801 | \$ 127,327 | 108% |
| Special Highway | \$ 5,262,277 | \$ 5,144,872 | \$ 117,405 | 94% |
| Special Alcohol & Drug | \$ 399,125 | \$ 482,406 | \$ (83,281) | 76% |
| Alcohol & Drug Safety | \$ 57,710 | \$ 68,567 | \$ (10,857) | 77% |
| Law Enforcement | \$ 449,440 | \$ 256,208 | \$ 193,232 | 161% |
| Transient Guest Tax | \$ 2,060,020 | \$ 2,463,296 | \$ (403,276) | 77% |
| Employee Separation | \$ 9,949 | \$ - | \$ 9,949 | |
| Retirement Reserve | \$ 1,071,237 | \$ 1,033,718 | \$ 37,519 | 95% |
| KP&F Rate Equalization | \$ 8,931 | \$ - | \$ 8,931 | 0% |
| Neighborhood Revitalization | \$ 28,120 | \$ 3,208 | \$ 24,912 | 803% |
| Historical Asset Tourism | \$ - | \$ - | \$ - | |
| Half Cent Sales Tax (JEDO) | \$ 8,204,015 | \$ 15,527,022 | \$ (7,323,007) | 48% |
| Half Cent Sales Tax (Street) | \$ 14,105,012 | \$ 13,476,566 | \$ 628,447 | 96% |
| Tax Increment Financing | \$ 175,522 | \$ 226,862 | \$ (51,340) | 71% |
| Court Technology | \$ 55,284 | \$ 48,386 | \$ 6,898 | 105% |
| Downtown Improvement | \$ 178,486 | \$ 201,987 | \$ (23,500) | 81% |
| Community Development | \$ 348,334 | \$ 386,357 | \$ (38,022) | 83% |
| Combined Utilities | \$ 68,489,847 | \$ 61,528,500 | \$ 6,961,347 | 102% |
| Public Parking | \$ 1,724,105 | \$ 2,631,982 | \$ (907,877) | 60% |
| Facilities | \$ 1,373,750 | \$ 1,373,575 | \$ 175 | 92% |
| Fleet | \$ 1,824,735 | \$ 1,815,000 | \$ 9,735 | 92% |
| IT | \$ 3,377,588 | \$ 3,351,850 | \$ 25,738 | 92% |
| Risk Funds | \$ 9,130,418 | \$ 12,833,482 | \$ (3,703,064) | 65% |
| TOTAL | \$ 223,839,926 | \$ 226,480,130 | \$ (2,640,205) | 91% |

| Fund | YTD Actual Expenditures | 2016 YTD Expen. Budget | Difference | % of Total Budget |
|------------------------------|-------------------------|------------------------|----------------------|-------------------|
| General | \$ 77,405,560 | \$ 92,768,473 | \$ 15,362,913 | 76% |
| Debt Service | \$ 17,703,594 | \$ 22,543,100 | \$ 4,839,506 | 72% |
| Special Liability | \$ 449,041 | \$ 1,233,778 | \$ 784,737 | 33% |
| Special Highway | \$ 5,893,318 | \$ 5,846,683 | \$ (46,635) | 92% |
| Special Alcohol & Drug | \$ 602,798 | \$ 563,750 | \$ (39,048) | 98% |
| Alcohol & Drug Safety | \$ 57,806 | \$ 62,377 | \$ 4,571 | 85% |
| Law Enforcement | \$ 658,305 | \$ 504,167 | \$ (154,138) | 120% |
| Transient Guest Tax | \$ 1,123,459 | \$ 2,512,328 | \$ 1,388,869 | 41% |
| Employee Separation | \$ 1,158,825 | \$ 1,833,333 | \$ 674,508 | 58% |
| Retirement Reserve | \$ 268,342 | \$ 1,072,508 | \$ 804,167 | 23% |
| KP&F Rate Equalization | \$ 162,398 | \$ 275,000 | \$ 112,602 | 54% |
| Neighborhood Revitalization | \$ - | \$ 137,500 | \$ 137,500 | 0% |
| Historical Asset Tourism | \$ 208,058 | \$ 197,083 | \$ (10,975) | 97% |
| Half Cent Sales Tax (JEDO) | \$ 8,204,015 | \$ 8,433,333 | \$ 229,319 | 89% |
| Half Cent Sales Tax (Street) | \$ 14,566,755 | \$ 29,791,667 | \$ 15,224,912 | 45% |
| Tax Increment Financing | \$ 175,522 | \$ 473,702 | \$ 298,180 | 34% |
| Court Technology | \$ 28,752 | \$ 41,250 | \$ 12,498 | 64% |
| Downtown Improvement | \$ 150,957 | \$ 233,431 | \$ 82,474 | 59% |
| Community Development | \$ 348,334 | \$ 386,357 | \$ 38,022 | 83% |
| Combined Utilities | \$ 52,325,849 | \$ 61,381,424 | \$ 9,055,575 | 78% |
| Public Parking | \$ 2,880,382 | \$ 3,383,524 | \$ 503,142 | 78% |
| Facilities | \$ 1,262,876 | \$ 1,721,908 | \$ 459,032 | 67% |
| Fleet | \$ 1,739,207 | \$ 2,181,667 | \$ 442,459 | 73% |
| IT | \$ 2,977,203 | \$ 3,342,685 | \$ 365,482 | 82% |
| Risk Funds | \$ 9,986,219 | \$ 11,857,205 | \$ 1,870,986 | 77% |
| TOTAL | \$ 200,337,575 | \$ 252,778,234 | \$ 50,569,673 | 73% |



CASH MANAGEMENT

Pooled Cash & Investments

Guidelines

| Type of Investment | Minimum | Maximum | Actual % | Invested Value | Yield to Maturity |
|--|---------|---------|----------|----------------------|-------------------|
| Bank Certificates of Deposit | 0% | 100% | 25% | \$ 41,318,636 | 0.67 |
| US Treasuries | 0% | 100% | 0% | \$ - | |
| US Agencies | 0% | 100% | 18% | \$ 28,885,646 | 1.25 |
| Repurchase Agreements | 0% | 50% | - | - | |
| Municipal Investment Pool | 0% | 30% | 25% | \$ 40,823,641 | |
| 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% | 7% | \$ 11,598,122 | 1.24 |
| General Checking | 0% | 100% | 25% | \$ 39,974,206 | |
| Subtotal of Investments | | | | \$162,600,252 | 1.05 |

Total Portfolio Balance \$162,600,252

Duration of investments (expressed in years) 1.10

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

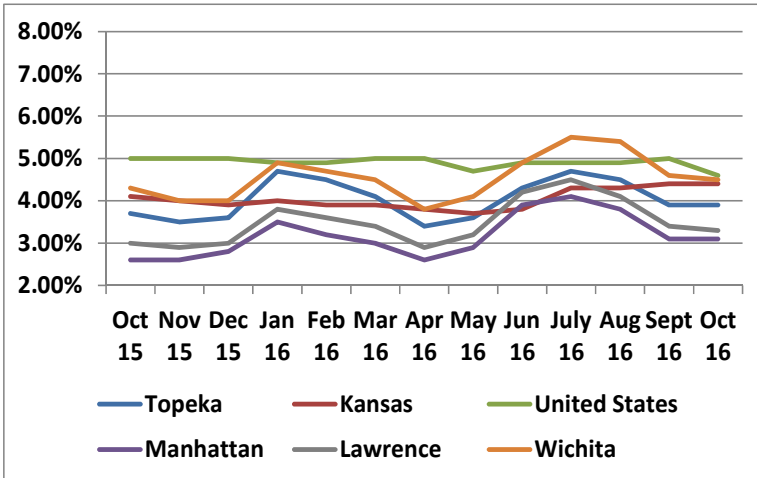
Finance staff oversee all debt issued by the City, which includes General Obligation (GO), revenue backed, revolving loan funds, temporary notes and special assessment debt. The current debt year to date for 2016 the City had \$396,799,041 in permanent and temporary debt, compared to \$394,310,634 in 2015 or a .63% increase. When backing out the temporary notes and comparing current permanent debt to the prior year, permanent debt increased by 5.98%.

Debt Management

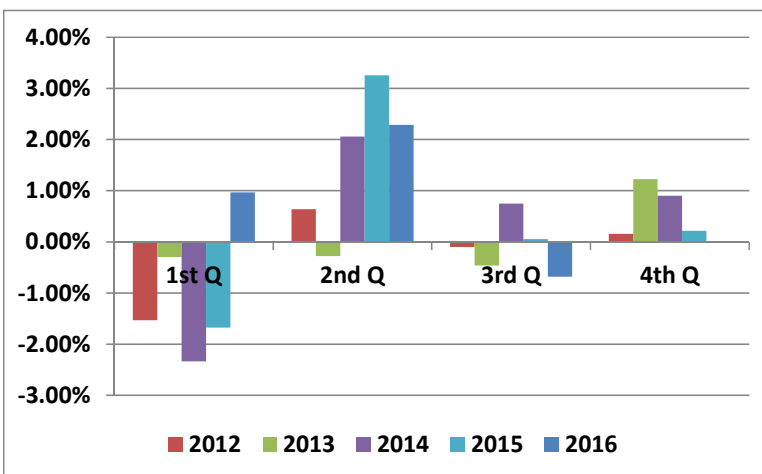
| Instrument | 2015 | 2016 |
|--|-----------------------|-----------------------|
| Governmental General Obligation Bonds | \$ 134,756,536 | \$ 146,023,472 |
| Business Type General Obligation Bonds | \$ 10,513,464 | \$ 10,021,528 |
| Other General Obligation Bonds | \$ 13,115,000 | \$ 11,935,000 |
| Utility Revenue Bonds | \$ 127,425,000 | \$ 147,380,000 |
| Sales Tax Revenue Bonds | \$ 6,070,000 | \$ 3,035,000 |
| KDHE Revolving Loans | \$ 52,810,634 | \$ 46,909,041 |
| Temporary Notes | \$ 49,620,000 | \$ 31,495,000 |
| Total | \$ 394,310,634 | \$ 396,799,041 |



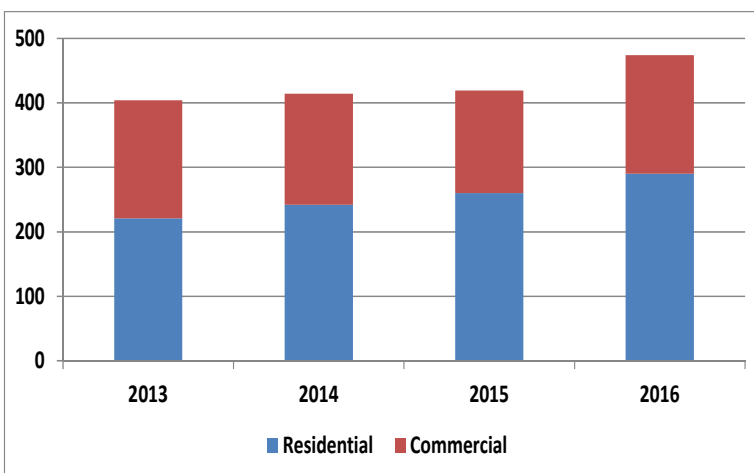
COMMUNITY STATISTICS



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 October 2016 was 3.90%, 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 13% over 2015.