

Monthly Financial Status Report August 2019

Report is prepared on a cash basis

City of Topeka Financial Services Department
September 30, 2019

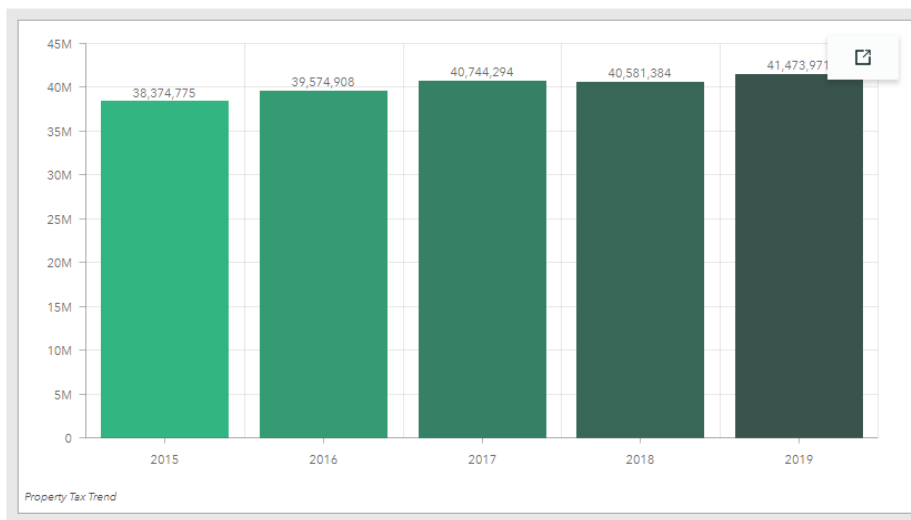


Key Revenue Indicators Overview



Property Tax

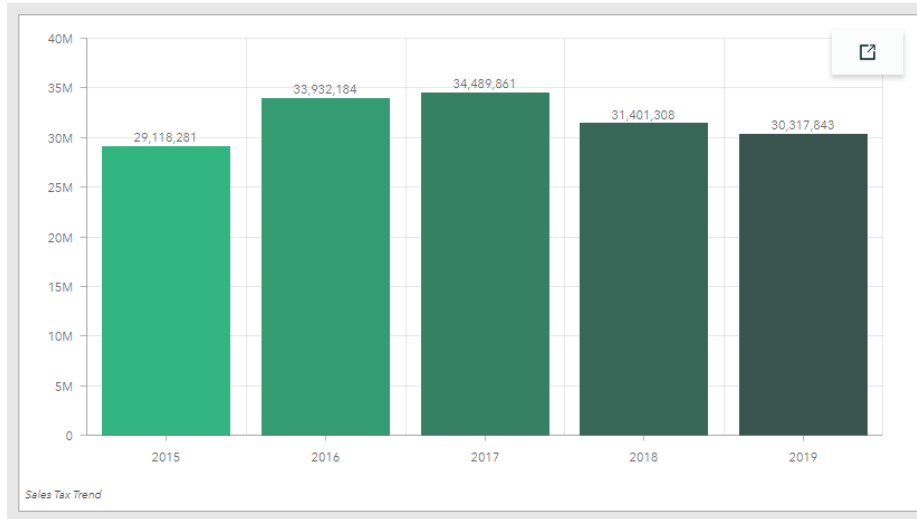
The ad valorem tax revenues are derived from taxes levied on real property, personal property, and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for the General, Debt Service, and Special Liability Funds. To date, property tax collections increased 2.20% in 2019 to \$41,473,971 from the 2018 collections of \$40,581,384. They have increased 7.5% from 2015 collections of \$38,374,775.



Property Tax Collections

Sales Tax

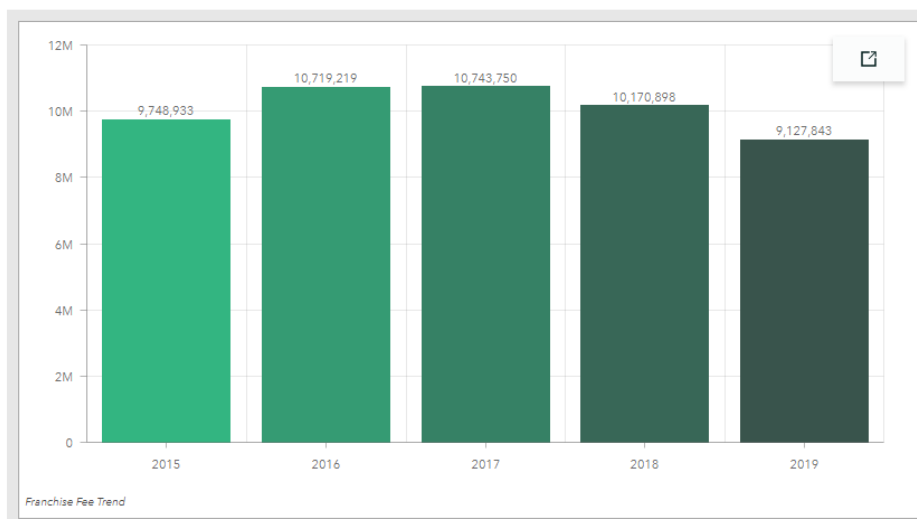
The City of Topeka receives two sales taxes for direct operations: a citywide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Sales tax distributions have a two month lag from when they are collected versus when the City receives them. To date, total sales tax collections decreased 3.5% in 2019 to \$30,317,843 compared to 2018 collections of \$31,401,308.



Sales Tax Collections

Franchise Fee

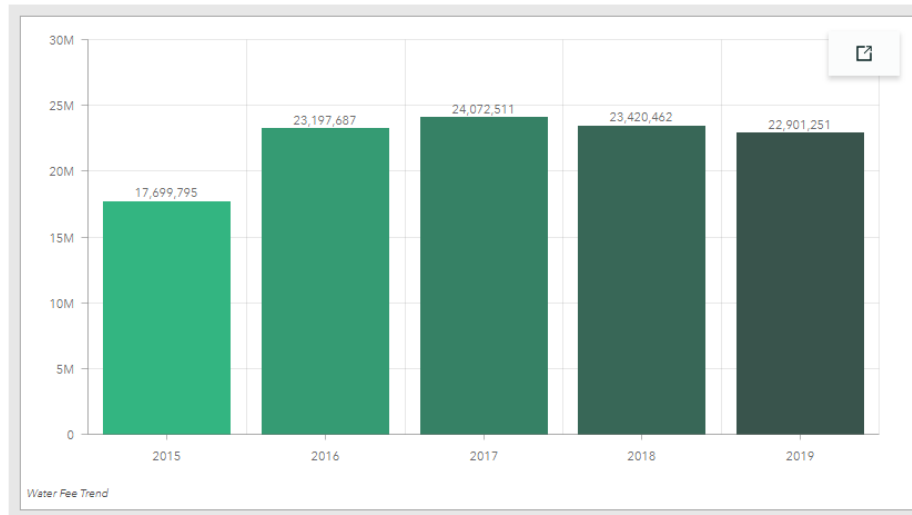
Franchise Fee revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenue is credited to the General Fund. Franchise Fee revenues tend to be volatile as it is influenced by the weather, commodity pricing, and utility rates. To date, franchise fee collections decreased -10.3% in 2019 to \$9,127,843 from the 2018 collections of \$10,170,898. The collections are \$974,286 below the five year collection average of \$10,102,128.



Franchise Fees Collections

Water Fees

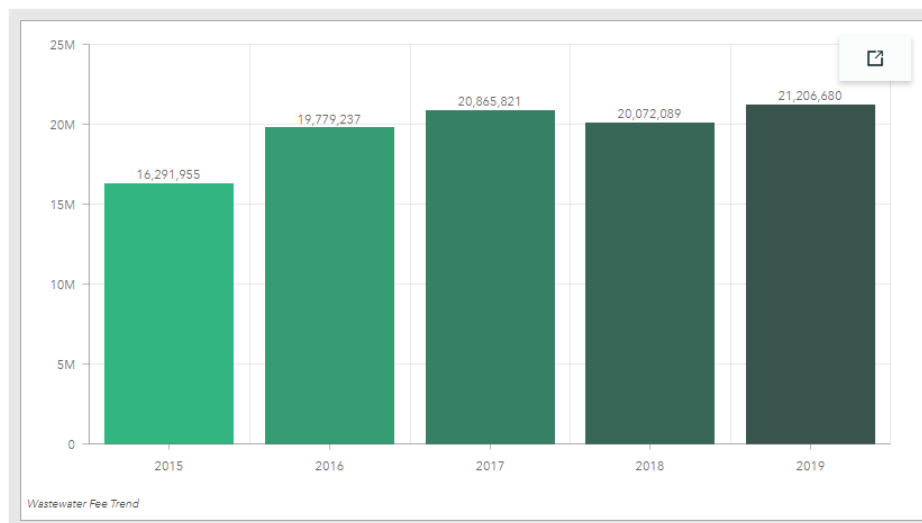
Customers in the City are charged fees for water services. These fees are reviewed on an annual basis to ensure adequate future financial planning and the capacity to maintain, preserve, and enhance the infrastructure of the City water system. To date, water fee revenues decreased -2.2% in 2019 to \$22,901,231 from 2018 collections of \$23,420,462 . The historical upward trend in water fee revenues is representative of the rate increases of 6% in 2018, 5% in 2019, and 5% in 2020 approved by the Governing Body in 2017. The decline in August 2019 revenues from August 2018 revenues is largely driven by the higher than average rainfall this summer which decreases consumer consumption of water for lawns and gardens.



Water Fees Collections

Wastewater Fees

Customers in the City are charged a fee for wastewater disposal. These fees are reviewed on an annual bases to ensure adequate future financial planning and the capacity to maintain, preserve, and enhance the infrastructure of the City wastewater system. To date, wastewater revenue increased 5.7% in 2019 to \$21,206,680 from 2018 collections of \$20,072,089. The upward trend in wastewater fees is also representative of the rate increases of 6% in 2018, 5% in 2020 approved by the Governing Body in 2017.



Wastewater Fees Collections

Fund Overview



General Fund

Year to date, General Fund revenue decreased -0.5% in 2019 to \$68,754,676 compared to the 2018 collections of \$69,070,081. Year to date, General Fund expenditures increased 4.7% in 2019 to \$66,388,316 from 2018 expenditures of \$63,418,299. The largest increases in expenditures are in the police department. The increase in police costs are largely driven by an increase of \$1,251,771 in personnel costs.



City of Topeka General Fund

Department	Actual 2018 YTD	Actual 2019 YTD	Actual Difference	2019 Budget YTD	% of 2019 Budget YTD	\$ Diff Compared to 2019 Budget YTD
Beginning Fund Balance	20,977,655	22,013,007	1,035,352			
Taxes & Assessments	52,602,923	52,650,311	47,388	46,047,129	114.34%	6,603,182
Intergovernmental	597,553	629,969	32,416	759,934	82.90%	(129,965)
Licenses/Permits & Franchise Fees	10,964,814	10,477,084	(487,730)	10,653,817	98.34%	(176,733)
Charges for Services	2,460,445	2,619,991	159,545	2,994,668	87.49%	(374,677)
Fines/forfeitures	1,723,312	1,623,099	(100,212)	2,000,000	81.15%	(376,901)
Rents/Interest	383,871	377,842	(6,028)	346,774	108.96%	31,069
Other	226,746	225,717	(1,029)	203,389	110.98%	22,327
Transfers In	-	-	-	-	0.00%	-
Sale of Assets	110,418	150,663	40,245	140,505	107.23%	10,158
TOTAL REVENUES	69,070,081	68,754,676	(315,405)	63,146,216	108.88%	5,608,460
City Council	258,447	247,098	(11,349)	252,329	97.93%	5,231
City Manager	923,571	1,054,402	130,831	1,087,834	96.93%	33,432
City Attorney	784,808	798,557	13,749	778,831	102.53%	(19,726)
Financial Services	1,711,727	1,626,730	(84,997)	1,739,073	93.54%	112,343
Municipal Court	1,240,820	1,194,854	(45,966)	1,175,577	101.64%	(19,277)
Human Resources	859,114	1,006,486	147,372	917,031	109.75%	(89,455)
Mayor's Office	129,221	114,137	(15,084)	110,851	102.96%	(3,286)
Non Departmental	907,548	1,031,514	123,966	7,973,020	12.94%	6,941,506
Prisoner Care	525,962	504,278	(21,684)	466,667	108.06%	(37,611)
Social Service Grants	339,576	422,106	82,530	283,044	149.13%	(139,062)
Franchise Fee Program	104,500	104,500	-	69,733	149.86%	(34,767)
Topeka Performance Center	413,795	406,620	(7,175)	328,031	123.96%	(78,589)
Cemeteries	216,936	212,951	(3,985)	146,667	145.19%	(66,284)
Fire Department	19,511,602	19,416,406	(95,196)	18,686,278	103.91%	(730,128)
Police Department	25,666,637	26,956,516	1,289,879	26,794,301	100.61%	(162,215)
Public Works	4,643,716	5,615,767	972,051	5,605,150	100.19%	(10,617)
Park and Recreation	298,777	314,985	16,208	379,967	82.90%	64,982
Topeka Zoological Park	1,805,577	1,844,560	38,983	1,721,599	107.14%	(122,961)
Planning Department	1,678,449	1,756,097	77,648	1,813,032	96.86%	56,935
Neighborhood Relations	1,397,516	1,759,752	362,236	1,546,842	113.76%	(212,910)
TOTAL EXPENDITURES	63,418,299	66,388,316	2,970,017	71,875,856	92.37%	5,487,539
Better/Worse	5,651,782	2,366,360				
Ending Fund Balance	26,629,437	24,379,367				

General Fund Revenues and Expenses



City Funds Overview

Type	Fund #	Fund	YTD Actual	2019 YTD Budget	Difference	% of Total Budget
Revenue		101 General	68,754,676	63,146,216	5,608,460	72.59%
Revenue		301 Debt Service	19,299,915	14,408,849	4,891,065	89.30%
Revenue		236 Special Liability	859,469	633,800	225,669	90.40%
Revenue		291 Special Highway	4,171,753	3,985,947	185,806	69.77%
Revenue		228 Special Alcohol & Drug	314,985	380,000	(65,015)	55.26%
Revenue		229 Alcohol & Drug Safety	32,083	49,867	(17,783)	42.89%
Revenue		232 Law Enforcement	261,440	148,333	113,106	117.50%
Revenue	271/272/273	Transient Guest Tax	1,941,411	1,814,572	126,839	71.33%
Revenue		286 Retirement Reserve	1,302,628	1,213,728	88,901	71.55%
Revenue		287 KP&F Rate Equalization	2,370	-	2,370	0.00%
Revenue		288 Neighborhood Revitalization	-	10,000	(10,000)	0.00%
Revenue		289 Historical Asset Tourism	-	-	-	0.00%
Revenue	290/274/275	Half Cent Sales Tax (JEDO)	9,777,449	12,530,807	(2,753,358)	52.02%
Revenue		292 Half Cent Sales Tax (Street)	10,107,670	9,884,067	223,603	68.17%
Revenue	220/293/401	Tax Increment Financing	30,514	166,667	(136,153)	12.21%
Revenue		227 Court Technology	30,407	35,190	(4,783)	57.61%
Revenue		216 Downtown Improvement	181,324	153,201	28,122	78.90%
Revenue		217 Topeka Tourism BID	272,320	333,333	(61,013)	54.46%
Revenue	294/295/296/297/298/400/499	Community Improvement Dist	307,037	440,000	(132,963)	46.52%
Revenue	621-625	Combined Utilities	49,920,341	49,793,928	126,413	66.84%
Revenue		601 Public Parking	2,054,128	1,940,966	113,162	70.55%
Revenue		615 Facilities	1,123,632	1,089,954	33,678	68.73%
Revenue		614 Fleet	1,371,893	1,966,667	(594,774)	46.50%
Revenue		613 IT	2,638,178	2,627,517	10,661	66.94%
Revenue	640-644	Risk Funds	10,926,503	11,926,650	(1,000,147)	61.08%
Revenue		TOTAL REVENUES	185,682,126	178,680,259	7,001,866	69.28%

City Funds Revenue Overview

Type	Fund #	Fund	YTD Actual	2019 YTD Budget	Difference	% of Total Budget
Expenditure		101 General	66,388,316	71,875,856	5,487,539	61.58%
Expenditure		301 Debt Service	19,755,607	19,061,867	(693,740)	69.09%
Expenditure		236 Special Liability	467,659	1,397,623	929,964	22.31%
Expenditure		291 Special Highway	4,159,562	5,052,297	892,735	54.89%
Expenditure		228 Special Alcohol & Drug	448,891	380,000	(68,891)	78.75%
Expenditure		229 Alcohol & Drug Safety	55,103	267,867	212,764	13.71%
Expenditure		232 Law Enforcement	454,717	460,614	5,897	65.81%
Expenditure	271/272/273	Transient Guest Tax	1,187,397	2,126,678	939,281	37.22%
Expenditure		286 Retirement Reserve	785,779	2,086,636	1,300,857	25.11%
Expenditure		287 KP&F Rate Equalization	35,922	19,587	(16,335)	122.27%
Expenditure		288 Neighborhood Revitalization	-	191,687	191,687	0.00%
Expenditure		289 Historical Asset Tourism	600	20,770	20,170	1.93%
Expenditure	290/274/275	Half Cent Sales Tax (JEDO)	7,463,454	19,197,474	11,734,020	25.92%
Expenditure		292 Half Cent Sales Tax (Street)	7,125,198	14,060,311	6,935,113	33.78%
Expenditure	220/293/401	Tax Increment Financing	30,514	166,667	136,153	12.21%
Expenditure		227 Court Technology	53,487	209,207	155,719	17.04%
Expenditure		216 Downtown Improvement	97,703	188,864	91,162	34.49%
Expenditure		217 Topeka Tourism BID	262,968	333,333	70,365	52.59%
Expenditure	294/295/296/297/298/400/499	Community Improvement Dist	236,394	440,000	203,606	35.82%
Expenditure	621-625	Combined Utilities	51,244,282	48,295,667	(2,948,615)	70.74%
Expenditure		601 Public Parking	2,357,428	2,434,637	77,209	64.55%
Expenditure		615 Facilities	1,201,110	1,238,423	37,313	64.66%
Expenditure		614 Fleet	1,516,871	1,985,343	468,472	50.94%
Expenditure		613 IT	3,016,117	2,678,193	(337,924)	75.08%
Expenditure	640-644	Risk Funds	8,116,110	13,033,083	4,916,973	41.52%
Expenditure		TOTAL EXPENDITURES	176,461,187	207,202,683	30,741,496	56.78%

City Funds Expenditure Overview

Cash Management

The City recognizes that effective cash management is an integral part of 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 below 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 portfolio balance as well as the average duration of investments. For more information please visit the Kansas State Legislative statutes governing the investment of public monies.

Pooled Cash & Investments					
Guidelines					
Type of Investment	Minimum	Maximum	Actual %	Invested Value	Yield to Maturity
Bank Certificates of Deposit	0%	100%	33%	\$ 68,000,000	2.64
US Treasuries	0%	100%	16%	\$ 32,967,305	1.90
US Agencies	0%	100%	42%	\$ 86,613,730	1.86
Repurchase Agreements	0%	50%	-	-	
Municipal Investment Pool	0%	30%	3%	\$ 6,887,310	2.00
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%	1%	\$ 2,816,324	1.98
General Checking	0%	100%	4%	\$ 8,231,091	
Subtotal of investments				\$205,515,760	2.08
Total Portfolio Balance				\$205,515,760	
Duration of investments (expressed in years)				0.54	

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 the quarter ending June 2019 the city has \$442,273,331 in permanent and temporary debt outstanding, compared to \$408,675,173 in the same quarter in 2018 or an increase of 8.2%. The increase is largely driven by an increase in utility revenue backed debt of \$38,625,000 that is offset by a decrease in revolving loan funds of \$6,359,736.

For more information and to visit the city's fiscal sustainability performance page, click the button below.

[City of Topeka Performance Portal](#)

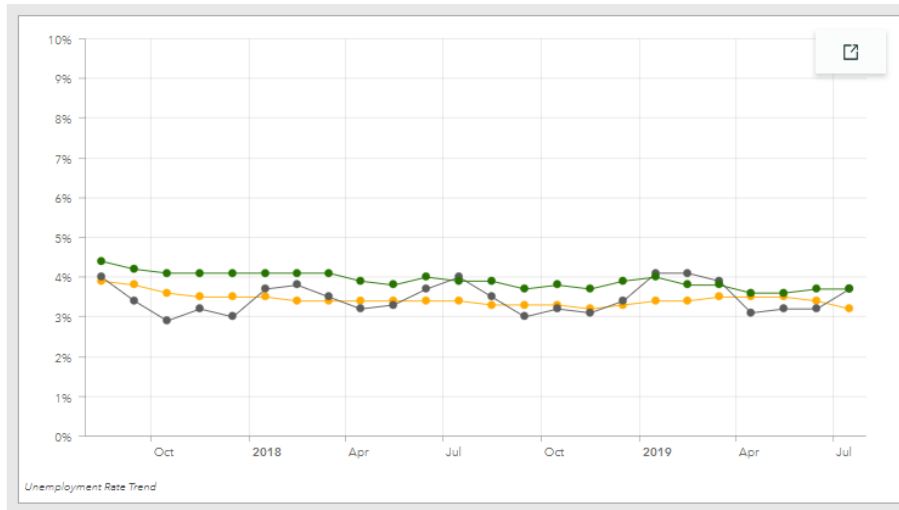
City of Topeka Checkbook

This tool allows citizens to view who received payments from the city for goods and services and how much they received. The application allows the user to drill down from aggregated spending accounts all the way down to individual payment to a payee. Please visit City of Topeka Checkbook by clicking the button below to review how we allocate public funds.

[City of Topeka Checkbook](#)

Unemployment Rate

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 those individuals working and those actively seeking employment and willing to work. The unemployment rate for July 2019 was 3.7%, data lags by one month. For more detailed information please visit the Bureau of Labor Statistics for Topeka, KS.



Unemployment Rate Trend

Building Permits

For a comprehensive review of the status of residential and commercial building permits in the city please visit the August report prepared by the Planning department.



From the City Manager's Desk

For weekly reports containing updates from across the City's departments and divisions about past activity and upcoming events, please click the button below to read more.

[City Manager Weekly Reports](#)



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