

Revenues

Overview

The revenue estimated to finance the 2007 budget totals \$194.7 million. This includes revenues for the General Fund, Special Revenue funds, Internal Service funds, and Enterprise funds. The 2007 total is an increase of \$13.7 million or 7.6 percent from the 2006 revised estimate of \$181.0 million. The increase from the 2006 to 2007 results primarily from revenue for the Bond and Interest Fund to pay additional debt service on the two tax increment financed bonds (Heartland Park STAR bond and the College Hill Redevelopment TIF) and the Topeka Boulevard Bridge bonds. Utility fund revenue also increased. The table on the following page breaks out the 2005 actual revenue and the estimates for 2006 and 2007 revenues by source. The estimates for the various funds and a more detailed picture of General Fund revenue can be found at the end of this section.

General Fund revenue increases by a little more than \$1.0 million or 1.6 percent. The demand for property tax revenue increases by \$0.7 million in 2007. The decreases in other taxes and court fines and fees will be more than offset by sales tax, franchise fees and other revenue sources.

In the Special Revenue Funds, overall revenue increases 9.9 percent from 2006. However, there are significant year to year differences among the various funds. The General Improvement Fund experiences an increase from property tax revenue to carry out several projects. Revenue for the Bond and Interest Fund increases to pay additional debt service on the two tax increment financed bonds (Heartland Park STAR bond and the College Hill Redevelopment TIF) and the Topeka Boulevard Bridge bonds. Conversely, the Special Liability Expense Fund will require less property tax because of higher than expected prior year carry over. The Unsafe Structures Demolition Fund will maintain transfer amount in 2007 as was transferred in 2006 from the General Fund. This is reflective of the continuing emphasis being placed on cleaning up the City and making it safer. Federal Community Development Block Grant funds are expected to decrease based on the proposed federal budget.

In the Enterprise Funds, the 7.9 percent increase is tied to rate increases for the utilities. Revenue from these increases is used for debt service on infrastructure improvements and system expansion. For 2007, overall rates increased anywhere from 3.1 percent to 7.1 percent between the three major utilities. Parking Fund revenue is projected to increase from both parking fees and meter fines. One garage has been sub-leased to a private contractor.

The Internal Service Funds are financed with payments from the various operating funds for services rendered in support of the City organization. The significant increase to the Information Technology Fund from 2005 to 2006 was to begin reimbursing the fund for prior year equipment lease payments, bringing the fund out of deficit by 2008. The 4.9 percent increase in revenue to the Employee Health Insurance Fund is based on the estimated increase in the cost of providing health insurance in 2007.

Revenue Estimation

Budget preparation begins with revenue projections. To make those projections as accurate as is possible, four types of techniques are used depending upon each revenue source's unique characteristics. In practice, most revenue source projections combine several of the methodologies.

- Informed/Expert Judgment (e.g. the advice of a department head)
- Deterministic Techniques (e.g. formulaic revenues)
- Time Series Techniques (e.g. moving averages)
- Estimates from the State of Kansas and Shawnee County (e.g. transfer payments, property valuation estimates)

Additional resources include information from the State of Kansas Consensus Revenue Estimating Group, *The 2005-2006 Governor's Economic and Demographic Report*, *Kansas Tax Facts, 2005 Supplement to 7th Edition*, and economic data available from the U.S. Department of Labor and other federal agencies.

Balance Forward/Unappropriated Fund Balances

State law limits unappropriated fund balances in taxing funds to five percent of a fund's expenditures. Additionally, up to 10 percent of the fund's expenditures can be budgeted in a "Miscellaneous" account that *is* appropriated. The City's fund balance in the General Fund has ranged in recent years from \$5.0 million to \$10.8 million. Approximately \$6.8 million has been budgeted in the appropriated miscellaneous or contingency line as balance for 2007. This will give the City an unappropriated fund balance of 10.3 percent of revenue. This is a decrease from the 7.9 million or 12.1 percent revised forecast for 2006. The original 2006 budget provided a \$6.2 million or 9.6 percent ending balance. A modest increase in sales

Revenues

tax and utility franchise fees in 2005 provided an additional \$1.6 million increase in the 2006 balance. Approximately 1.1 million of these dollars are planned for use on one-time projects in 2007.

Revenue for All Funds by Funding Source

Revenue Source				Dollar	Percent
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Change</u>	<u>Change</u>
General Property Tax	\$ 29,384,161	\$ 29,823,284	\$ 30,888,423	\$ 1,065,139	3.6%
Sales Taxes	32,804,873	35,140,000	38,808,503	3,668,503	10.4%
Motor Vehicle Taxes	3,517,982	3,344,954	3,217,752	(127,202)	-3.8%
Other Taxes	9,055,880	8,604,480	8,369,137	(235,343)	-2.7%
Intergovernmental Revenue	12,535,020	10,576,788	11,543,366	966,578	9.1%
Licenses and Permits	12,157,657	12,123,706	12,394,575	270,869	2.2%
Fees for Services	68,851,894	70,736,716	77,954,915	7,218,199	10.2%
Fines and Court Costs	3,329,009	3,538,413	3,349,091	(189,322)	-5.4%
Miscellaneous Revenue	6,440,041	6,130,141	6,207,324	77,183	1.3%
Transfers	1,735,401	988,155	2,000,303	1,012,148	102.4%
Total Revenue	\$ 179,811,918	\$ 181,006,637	\$ 194,733,389	\$ 13,726,752	7.6%

General Property Taxes

According to Kansas law, *Ad Valorem* (“based on value”) *Property Taxes* are computed with a calculation that takes into account the property’s use, residential, personal or commercial, and a percentage of its market value. Residential real estate is assessed at a rate of 11.5 percent, commercial and industrial property at 25.0 percent, and “utilities” at 33.0 percent.

Each year the county appraiser evaluates property and applies an increase or decrease based on the market. For the past five years the increase inside the City has averaged 4.2 percent with a low of 2.2 percent and a high of 5.6 percent. During the early budget development phase, conversations with the County Appraiser combined with past year averages are combined to project the change for the following year. Just prior to delivering the proposed budget to the City Council, the County Clerk provides an official estimate of property values. This amount is then used in determining financing for the proposed budget and the budget adopted by the City Council. The final assessed valuation is determined towards the end of the calendar year, which alters slightly the mill levy necessary to fund the budget. The final assessed valuation for 2006 was \$3.1 million less than the July estimate.

Property tax revenues are based on property valuations. These generally are not elastic or dependent upon the economy, except possibly for the state assessed commercial and industrial properties. However, they do reflect changes in real estate prices, which are affected by interest rates and changes in the local economy, and the annexation of property by the City. The latter has not been a factor for several years. Topeka has experienced valuation growth over the last ten years. The stability of property tax revenue stands in direct contrast to sales and income taxes. A wide majority of states have experienced extreme budget difficulties with decline experienced in revenue from these two sources. On the other hand, they have also enjoyed the good times. Because of its stability, the property tax remains a mainstay in the revenue structure of most local governments.

The assessed value of property in Topeka in 2006 for 2007 receipts was \$1,025.2 million, consisting of \$827.9 million in real property (RAV), \$107.7 million in personal property (PPAV), and \$89.7 million in “utilities” (MCC), which are assessed at the state level because of their multi-county jurisdictions. The Shawnee County Clerk reports those amounts to the City. The assessed values are derived from multiplying the market/appraised value by the statutory percentage for each category of property. The value of real property increased at from 2006 to 2007 by 7.1 percent. Personal property experienced insignificant growth of 0.4 percent, especially when compared to last year’s increase of 8.7 percent. State assessed or corporate values dropped \$9.4 million or 9.5 percent. The overall growth rate was 4.7 percent from the \$979.4 million for last year. The Assessed Value of Taxable Property table in the Statistical Section demonstrates changes in property value over the last eleven years.

After the City determines how many dollars it will need to raise in taxes, that dollar amount is communicated to the Shawnee County Clerk who calculates and certifies the City mill levy based upon the most recent valuation of property.

Revenues

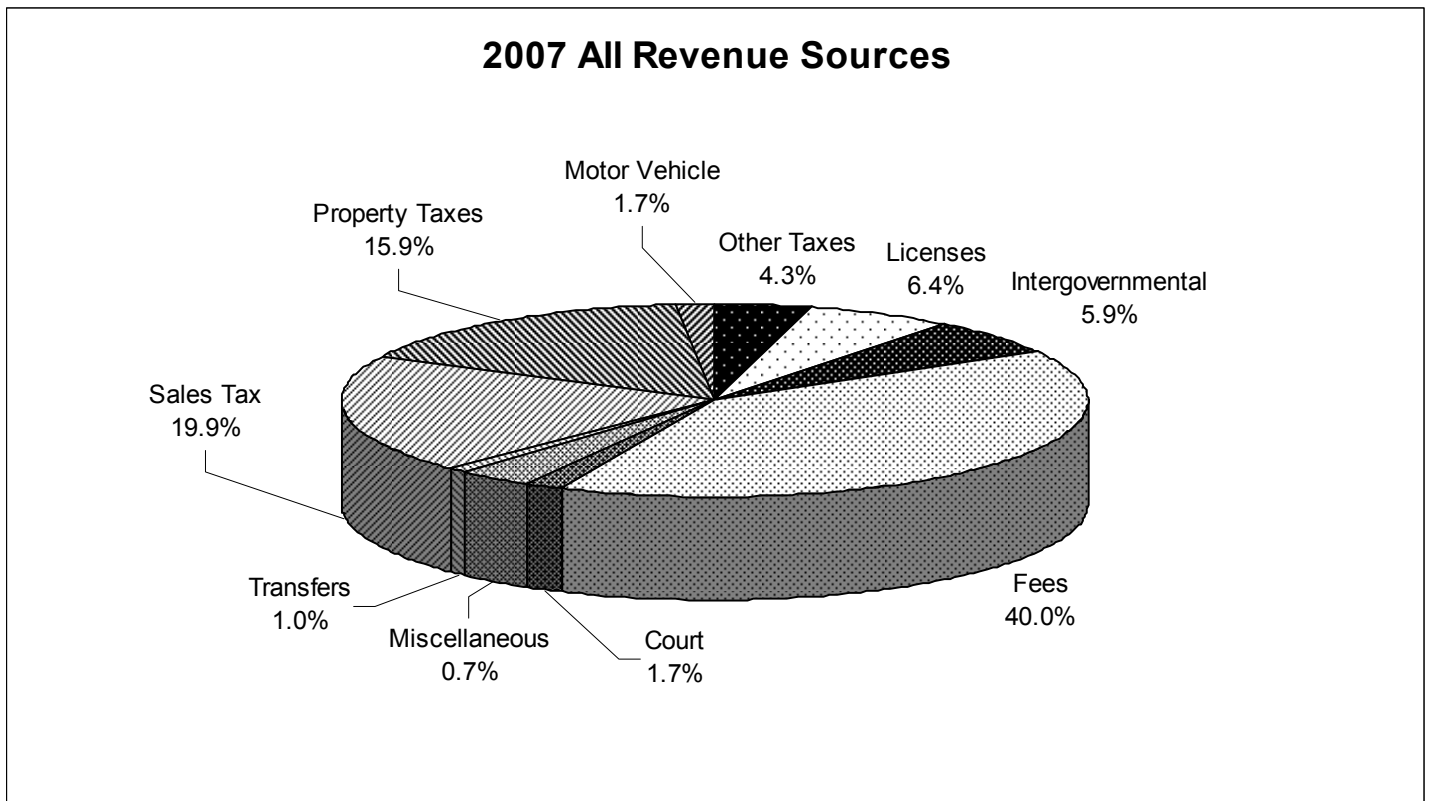
Property taxes are allocated to the General Fund, the General Improvement Fund, the Special Liability Expense Fund, the Parks and Recreation Fund, the Zoo Fund and the General Bond and Interest Fund. The last fund is used for payment of debt service. Property tax receipts for the 2007 budget are divided as shown:

• General Fund	35.9%	11.044mills
• General Improvement Fund	4.1%	1.266 mills
• Special Liability Fund	0.6%	0.172 mills
• Parks & Recreation Fund	17.1%	5.257 mills
• Zoo Fund	4.6%	1.408 mills
• Bond and Interest Fund (Debt Service)	<u>37.7%</u>	<u>11.600 mills</u>
	100.0%	30.747 mills

The formula for property taxes is:

$$(\text{Tax \$ Needed}) \div (\text{RAV} + \text{PPAV} + \text{MCC}) * 1000 = \text{mill levy}$$

For 2006... assessed values increased by about 4.7 percent. The City's 2006 tax rate increases by approximately 0.09 mills, from 30.653 mills to 30.747 mills. Overall revenue increases by 3.6 percent for the 2007 budget.



Retailer Sales Taxes

Sales tax is the principal non-property tax revenue source available to cities in Kansas. The rate in Topeka is currently 7.45 percent. The 2002 Kansas Legislature passed several revenue enhancements in Senate Bill 39 to help fund the state's FY 2003 budget. The state sales and compensating use tax rates were increased from 4.9 percent to 5.3 percent, effective July 1, 2002. They were to go down to 5.2 percent on July 1, 2004 and then to 5.0 percent on July 1, 2005. However, the 2003 Legislature extended the 5.3 percent rate to June 30, 2006 (2003 HB 265), and 2004 SB 384 made the 5.3 percent rate permanent. The overall rate in Topeka breaks out as follows:

- 5.30 % State portion. Prior to 2003, a portion of this tax came back to the city through the State of Kansas Local Ad Valorem Tax Reduction Fund (LAVTRF) and the County City Revenue Sharing Fund (CCRSF). This practice has been discontinued by the State of Kansas

Revenues

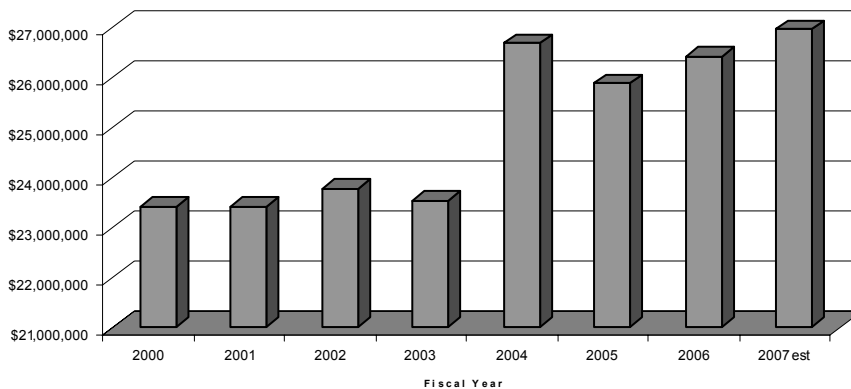
1.00 %	City portion (maximum allowed by statute for a city prior to July 1, 2006)
0.50%	County-wide portion (approved by referendum)
0.65 %	Devoted to Washburn University (replaced property tax mill levy)

The 2003 Kansas Legislature adopted legislation to bring Kansas sales and use tax laws into conformity with the uniformity provisions states are required to enact as part of the Streamlined Sales and Use Tax Agreement. This agreement comes from the combined effort of participating states and the business community working to establish uniformity among the states' sales tax laws. The project responds to the concerns of merchants about the difficulties in dealing with different states' sales tax laws and to state and local government concerns about lost revenues from remote retail sales by mail order, telephone, and the internet. The most significant changes to the Kansas sales tax law are the sourcing rules. Beginning, July 1, 2003, retailers began phasing in the use of "destination-based" sourcing rules to identify the local sales tax to charge on a retail sales transaction. Under prior law, sales were sourced to the retailer's business location. Under the destination-based sourcing rules, sales generally are sourced to the location where the purchaser receives the item sold. Retailers who ship or deliver sold items to their customers' locations will be required to collect the local sales tax in effect where delivery is made. A welcome companion change brought about by the 2003 law was the application of "compensating use" tax to localities with a sales tax. Prior to September of 2003, the only "use tax" received by local governments in Kansas was tied to motor vehicles and recreational vehicles purchased in another jurisdiction. To make up for the loss in revenue that is anticipated from destination based sourcing rules, the law was changed to extend the application of the compensating use tax to local governments. This has had a significant positive impact on the City's revenue collections. Destination based was to have been completely phased in by January, 2005. The effect on the City's sales tax collections was significant and negative. The 2005 collections of \$25.9 million were a drop of \$0.8 million or 3.0 percent from 2004 collections of \$26.7 million. There may have been other factors, such as the dramatic increase in fuel prices, that influenced sales tax in 2005, but preliminary indications based on experiences in the rest of the state are that those were not significant.

The City sales tax revenues projected for the General Fund are based upon the 1.0 percent city portion. The county-wide half-cent sales tax is used for economic development purposes plus certain selected capital improvement projects, including the replacement of the Topeka Boulevard Bridge. In November of 2004, county voters approved the 0.5 percent sales tax that went into effect on January 1, 2005. This replaced a 0.25 percent tax that was used for current economic development purposes and county bridge repair. The 0.65 percent for Washburn University replaced a property tax that had been levied on property in the City for many years. The change to sales tax support was seen as a more equitable method of generating local revenue for the University.

The state's Consensus Revenue Estimating Group forecasts the following to make its estimates for the State General Fund: Kansas personal income, inflation rates, interest rates, natural gas pricing and availability, and crude oil pricing and production. The City uses the Consensus Revenue information, plus judgment and predictive statistics to determine sales tax projections.

Local Sales Tax Receipts



For 2005, the 1.0 percent city sales tax generated revenues of \$25.9 million, a decrease of \$0.8 million or 3.0 percent from 2004 collections of \$26.7 million. They were \$0.64 million or 3.5 percent above the revised estimate of \$25.25 million. Again, as indicated above the impact of the destination based sales tax law is believed to have influenced the 2005 collections. The decline in 2005 was seen in the local sales tax collections, while compensating use tax remained flat from 2004. The 2006 estimate was revised to \$26.4 million from

\$27.2 million. 2004 collections had given hope to recovery from past flat or negative years, but the one-year spurt was, as usual, too good to be a true trend. The graph shows sales and use tax collections since 2000.

Revenues

Because the sales tax is pro-cyclical (revenue from it expands and contracts with the business cycle), it is carefully and conservatively estimated. It can also be less than stable because of the potential for narrowing of the base by the Kansas Legislature. The ICMA (International City/County Management Association) recommends that municipalities raise equal amounts of sales and property taxes to provide for stability in their revenue structures. For 2005 through budgeted 2007, the relative numbers are:

	2005 (\$)	2005 (%)	2006 (\$)	2006 (%)	2007 (\$)	2007 (%)
Property Taxes	29,384,161	53.8	29,823,284	53.0	30,888,423	53.4
Sales Taxes	25,891,084	46.2	26,440,000	47.0	26,970,000	46.6

To ensure an accurate, realistic projection of sales tax revenues, the City has relied on a number of forecasting methods: year-to-year average, multi-year rolling average, and correlation with projected economic indicators. Although it has been rather volatile the last few years, the impact of destination based sales tax should be worked into the system. The forecast assumes moderate growth and a stable economy.

For 2007... the City is using a projection of \$27.0 million, 2.0 percent greater than the 2006 revised estimate.

Motor Vehicle Property Tax

The assessment rate on motor vehicles in the State of Kansas is 20.0 percent. The City has realized revenue growth from this source, but the rate of growth has declined in recent years. The County Treasurer notifies the City of the subsequent year's estimate prior to May 10th. The estimate is based on prior year values. These receipts are spread among the six funds that also receive property tax revenue, the General Fund, General Improvement Fund, Special Liability Expense Fund, Parks and Recreation Fund, the Zoo Fund, and the Bond and Interest Fund. Collections from this source in 2005 were \$3,471,230. For 2006, \$3,349,158 is estimated, a decrease of 3.5 percent. The 2007 estimate is \$3,179,517.

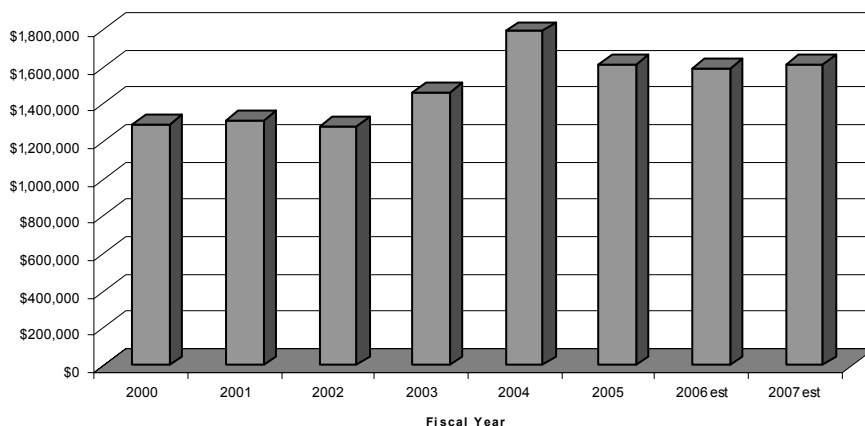
For 2007...The estimate of \$3,179,517 is a decrease of 5.1 percent from 2006.

Other Taxes

Other Taxes are estimated to decrease by \$451,400 from 2005 to 2006, and then further decrease by \$235,343 or 2.7 percent in 2007. The major components of Other Taxes are Payments in Lieu of Taxes (PILOTs), Special Assessments, Transient Guest Taxes, and Payment in Lieu of Debt Service. The Payment in Lieu of Debt Service comes from the Parking Fund to the General Fund. This is a declining source that is reimbursing the General Fund for debt service paid on bonds issued to enhance the parking system. These will decline from \$499,402 in 2006 to \$400,000 in 2007. The PILOTs, which are payments made by the City's enterprise funds to the General Fund to reflect the estimated property taxes and franchise fees they would pay if they were privately owned, increase by \$271,986.

For 2007... the PILOTs for the three utilities and Parking Garages were increased by 5.7 percent overall.

Transient Guest Tax Receipts



Revenues from special assessments are expected to increase for 2007. The majority of the revenue goes to the Bond and Interest Fund to pay the debt service on capital projects financed by special assessments on individual properties.

The Transient Guest Tax is a bed tax. The estimate is based on trend analysis of the increase or decrease experienced. The City opted out of the statutory rate of 2.0 percent in 1986 and

Revenues

charged a 5.0 percent tax until 2003. Beginning in April of 2003, the rate was increased to 6.0 percent. The additional 1.0 percent is dedicated to the restoration of the Overland Station, a train depot, and also the Historic Preservation Fund by appropriation. Actual 2005 revenue was \$1,612,169, which was \$33,209 above the estimate. The estimate for 2006 is \$1,590,000, and that is increased to \$1,610,000 for 2007. Depending on the impact of the Sports Car Club of America (SCCA) runoffs coming to Heartland Park Topeka, actual revenue could exceed these estimates. The table on the preceding page compares receipts since 2000.

For 2007... Transient Guest Tax receipts were increased by 1.6 percent.

Intergovernmental Revenue

The largest amount of intergovernmental revenue is in the form of state aid from the Special City and County Highway Fund (SCCHF), based on motor fuel taxes. Three items—gas consumption, legislative caps to growth, and certain population factors, impact *state highway aid* revenue. In 2005, actual receipts of \$5,123,815 fell behind the estimate by \$309,165. The 2006 Legislature approved \$154.8 million statewide for state FY 2007, virtually no increase from the 2006 amount. The League of Kansas Municipalities (LKM) generally suggests budget levels as an addendum to its “City Budget Bulletin Tips” that is released during the summer. The City adopted the LKM estimate of \$5.1 million for 2006 and \$5.3 million for 2007.

For 2007... SCCHF aid was forecast at \$5.3 million.

Kansas cities also receive 70.0 percent of the revenue generated by the state liquor drink excise tax, which is 10.0 percent on the gross receipts from the sale of alcoholic liquor. This revenue is divided evenly between the General Fund, the Parks and Recreation Fund, and the Special Alcohol Program Fund. In 2005 collections totaled \$1,292,445. The estimates for 2006 and 2007 are \$1,200,450 and \$1,350,000 respectively. Shawnee County provides the estimates.

For 2007... Liquor by the drink revenue is expected to increase by 12.5 percent.

Licenses, Permits and Franchise Fees

The greatest contributor to this category is *Franchise Fees*. These fees are generally set for a 10-year period and include fees from telephone, electric, natural gas and cable companies. The rates charged to all the utilities became 5.0% in July of 2004 when the City Council increased electric and natural gas from 3.0 percent to 5.0 percent. In addition, the franchise fee on natural gas is now applied to gas purchased by large consumers that buy bulk directly from suppliers. These organizations had not been charged the franchise fee because they were not purchasing from the local natural gas supplier that has the franchise agreement with the City of Topeka. A total of \$9.95 million was collected in 2005, up from \$6.8 million in 2004.

For 2007... revenue from Franchise Fees is expected to increase by 1.9 percent overall, from \$9.95 million to \$10.14 million.

Building permits and business licenses account for approximately \$1.4 million in revenue in 2006. These permits and fees were also increased by the City Council in July of 2004. This revenue source is affected by the economy and the activity in the building trades. A generally conservative approach is taken when making these estimates because of the built-in volatility. However, this has been a solid revenue source the last few years.

For 2007... Licenses, permits and franchise fees revenue is expected to decrease by 2.2 percent overall and 0.7 percent for the General Fund.

Fees & Service Charges

This is the largest category of revenues to the City totaling \$70.7 million in 2006 and \$78.0 million in 2007. In 2006 \$50.0 million of the total is from enterprise funds, primarily the utilities. A total of \$4.4 million is generated for the General Fund. Also found here are \$2.2 million in fees collected by the Parks and Recreation Department and the City Zoo. The remaining \$15.1 million in fees are charges the Internal Service Funds make to the City Departments for services and support.

User fees—especially Water, Water Pollution Control, and Stormwater—are typically determined with the assistance of rate studies. Rate studies look at the financing needs of the particular utility, the rate base, changes in the number of users, and other factors to determine the rate level necessary to support a particular revenue stream. Significant rate increases have been approved for the Water, Water Pollution Control (WPC), and Stormwater Utilities to cover capital infrastructure improvements. The City Council has approved average rate increases of 6.0 percent in 2006 and 3.0 percent in 2007 for

Revenues

Stormwater; 7.0 percent for both 2006 and 2007 for Water Pollution Control; and 7.5 percent in 2006 and 5.0 percent in 2007 for Water. Customers that are city residents pay a lower rate than those outside the city limits. Total budgeted fee revenue for the three utilities increases from \$46.0 million in 2006 to \$52.1 million in 2007. Mainly market forces determine other user fees, such as for recreation programs, parking lots and garages.

For 2007...most utility rate receipt projections are derived from expert techniques in the individual departments. Typically, rate studies produce the anticipated revenue stream for each source.

Court Fines and Costs

The majority of this revenue source includes a variety of items generated through the actions of the Municipal Court including fines, fees, court costs, and other court charges. Receipts from the Municipal Court are deposited in the General Fund. Actual collections in 2005 were \$3.0 million, an increase from the \$2.9 million collected in 2004. The estimate for 2006 is \$3,348,671 for the General Fund. 2007 revenues are expected to drop to \$3,045,500. This \$300,000 decline is tied to the change in ordinance on Driving While Suspended. The revenue of \$375,000 attributable to that offense was removed from the estimate. Otherwise there would have been a slight increase. The Parking Fund receives the revenue collected from parking fines. For parking fine revenue, \$137,326 is estimated for 2006 and \$258,596 for 2007.

For 2007...revenue overall is expected to decline by 5.1 percent. General Fund revenue will decrease by 9.1 percent.

Miscellaneous Revenues

As the title suggests, there are a variety of items in this category, including interest income. Revenue from interest income is expected to fluctuate based on the actions of the Federal Reserve Board. The estimate for assessments by the Code Compliance Division is \$100,000 for both 2006 and 2007. The contributions to the Retirement Reserve Fund are increased from \$600,000 in 2006 to \$618,000 in 2007 based on 2005 demand and future year projection of retirement activity.

Transfers

Revenue transfers are monies transferred from one fund to another for expenditure or to rebuild fund balances. In 2007, \$1.0 million is transferred from the General Fund for various capital projects and the demolition of unsafe structures. A major factor in 2007 is the transfer of \$500,000 from the Workers Compensation Fund to the General, Parks and Recreation, and Zoo funds. Further transfers from the General Fund to the Parks and Recreation and Zoo funds to balance out the property tax distribution add to the amount. Other transfers include those from the Transient Guest Tax Fund to the Parks and Recreation Fund and General Fund.

For 2007...Overall revenue transfers will increase by \$1.0 million.

Notes and Summary

In most cases, estimating revenues is more art than science. Because predicting the flow of income to the City more than 18 months in the future is a tricky business, care is taken to be cautious in the estimation of revenues. It is important, however, that the budget reflect the revenue levels that can reasonably be expected. As such, revenue projections were developed with the goal that revenue receipts at the end of 2007 will be within two percent ($\pm 2\%$) of estimates.

When estimating revenues as accurately as possible, the opportunity exists for revenue surprises during the year. This is one reason that the City should maintain adequate appropriated contingency accounts and unappropriated revenue accounts to ensure that services are not unduly affected by a revenue shock. City staff members track revenues closely throughout the year and report, through periodic financial reports, any significant exceptions to our revenue estimates. The fund summaries provide a good historical reference for the various receipt sources for a particular fund, as well as the estimated receipts for the current and budget years.

The 2006 Legislature made two changes to state law. The first exempts newly acquired commercial and industrial machinery and equipment from property tax effective July 1, 2006. The exemption also applies to railroad and telecommunication equipment acquired after the same date. In order to ease the impact of the obvious loss of property tax base, the Legislature provided a "Reimbursement Slider" that is designed to replace a portion of the revenue lost due to the exemptions. For tax year 2007, which impacts funding for the 2008 budget, 90.0 percent of the difference is to be reimbursed. The Secretary of Revenue is to determine the difference between tax year 2005 and the future tax year. In addition, the Local Ad Valorem Tax Reduction (LAVTR) is to be reinstated in July, 2009. The state FY 2010 payment would be \$13.5 million

Revenues

statewide. The payments increase to \$54.0 million in SFY 2013 and are to remain there. Of course, all of these revenue replacement devices are subject to appropriation by the Kansas Legislature.

The second change allows cities to increase local sales tax, both for general and special purposes. The change restores uniformity to local sales tax provisions by reducing the number of classes of cities to one. Cities can levy sales taxes of up to 2.0 percent, up from 1.0 percent, for general purposes and up to 1.0 percent for special purposes. The latter would have to sunset after 10 years. In addition, cities are granted the authority to levy excise tickets for concerts, sports activities, and other performances that occur on city owned property.

Revenue From All Funding Sources

	2005 Actual	2006 Revised	2007 Adopted	Percent Change
General Fund	\$ 63,603,060	\$ 65,091,445	\$ 66,114,609	1.6%
Special Revenue Funds				
Special Alcohol	430,815	400,150	450,000	12.5%
General Improvement	338,912	200,069	1,288,296	543.9%
Special Liability Expense	203,532	291,171	215,618	-25.9%
Parks and Recreation	8,665,022	8,683,291	8,977,604	3.4%
Zoo	1,963,812	2,106,911	2,221,022	5.4%
Transient Guest Tax	1,612,169	1,590,000	1,610,000	1.3%
Capital Project Planning	4,174	-	-	-
Unsafe Structures Demolition	87,839	200,000	200,000	0.0%
Retirement Reserve	911,917	600,000	618,000	3.0%
KP&F Rate Equalization	70,512	285,000	294,000	3.2%
Neighborhood Revitalization	-	-	45,904	100.0%
Historic Asset Preservation	101,310	57,947	-	-100.0%
Half-Cent Sales Tax	6,929,418	8,700,000	8,870,000	2.0%
Special Street Repair	5,576,924	5,374,120	5,533,270	3.0%
General Bond & Interest	16,070,759	15,908,051	18,941,576	19.1%
Metropolitan Planning	1,029,879	-	112,406	100.0%
CDBG Funds	4,951,494	4,626,521	4,222,043	-8.7%
ADSAP Fee Fund	49,980	52,416	44,995	-14.2%
Other Federal Grants	1,155,157	265,442	590,462	122.4%
Subtotal	50,153,625	49,341,089	54,235,196	9.9%
Enterprise Funds				
Public Parking	2,831,636	2,436,037	2,754,575	13.1%
Water Utility	24,726,739	24,175,330	26,366,560	9.1%
Storm Water Utility	4,941,428	4,500,000	5,597,292	24.4%
Golf	644,858	674,700	792,700	17.5%
Water Pollution Control	19,371,893	19,333,300	22,827,092	18.1%
Subtotal	52,516,554	51,119,367	58,338,219	14.1%
Subtotal Operating Funds	166,273,239	165,551,901	178,688,024	7.9%
Internal Service Funds				
Information Technology	2,685,040	3,725,216	3,712,228	-0.3%
Fleet Management	1,223,474	1,311,925	1,395,370	6.4%
Workers' Comp Self Insurance	1,253,547	1,203,000	1,252,815	4.1%
Vehicle Physical Damage Self Insurance	29,829	127,595	167,817	31.5%
Employee Group Health Insurance	8,216,302	8,947,500	9,387,500	4.9%
Risk Management Reserve	23,371	35,000	22,000	-37.1%
Unemployment Compensation	107,116	104,500	107,635	3.0%
Subtotal	13,538,679	15,454,736	16,045,365	3.8%
Total Revenue	\$ 179,811,918	\$ 181,006,637	\$ 194,733,389	7.6%

Revenues

General Fund Revenue

	2005 Actual	2006 Revised	Percent Change	2007 Adopted	Dollar Difference	Percent Change
TAXES AND ASSESSMENTS:						
General Property Tax-Current	9,403,449	10,291,650	9.4%	10,960,296	668,646	6.5%
General Property Tax-Delinquent	182,145	175,000	-3.9%	175,000	-	0.0%
NRA Rebates	-	-	0.0%	(3,623)	(3,623)	-100.0%
Motor Vehicle/RV Tax	1,817,199	1,088,262	-40.1%	1,138,989	50,727	4.7%
Local Sales Tax	25,891,083	26,440,000	2.1%	26,970,000	530,000	2.0%
Quarter Cent Excess Sales Tax	-	-	0.0%	-	-	0.0%
Payment in lieu of Debt Service	611,038	499,402	-18.3%	400,000	(99,402)	-19.9%
PAYMENT IN LIEU OF TAX:						
State of Kansas	-	-	100.0%	-	-	0.0%
IRB Leases	42,604	41,690	-2.1%	42,926	1,236	3.0%
Water	2,125,000	2,127,000	0.1%	2,200,000	73,000	3.4%
Water Pollution Control	2,150,000	1,970,000	-8.4%	2,065,000	95,000	4.8%
Parking Garages	200,000	192,000	-4.0%	190,000	(2,000)	-1.0%
Golf Course	4,500	4,250	-5.6%	3,000	(1,250)	-29.4%
Heartland Park	-	-	100.0%	70,000	70,000	100.0%
Public Housing	-	-	100.0%	-	-	0.0%
Stormwater Utility	450,000	424,000	-5.8%	460,000	36,000	8.5%
TOTAL PAYMENT IN LIEU OF TAX	4,972,104	4,758,940	-4.3%	5,030,926	271,986	5.7%
TOTAL TAXES AND ASSESSMENTS	42,877,018	43,253,254	0.9%	44,671,588	1,418,334	3.3%
INTERGOVERNMENTAL REVENUE:						
Liquor Tax Gross Receipts	430,815	450,000	4.5%	450,000	-	0.0%
Federal Grants	-	20,457	100.0%	-	(20,457)	-100.0%
Shawnee County	51,109	50,200	-1.8%	51,387	1,187	2.4%
Other	32,787	-	-100.0%	-	-	-
TOTAL INTERGOVERNMENTAL	514,711	520,657	1.2%	501,387	(19,270)	-3.7%
TOTAL LICENSES	287,337	317,750	10.6%	307,050	(10,700)	-3.4%
TOTAL PERMITS	1,357,816	1,372,468	1.1%	1,281,000	(91,468)	-6.7%
UTILITY FRANCHISE						
Gas Service	3,377,253	3,350,000	-0.8%	3,433,750	83,750	2.5%
Electric	4,663,346	4,650,000	-0.3%	4,743,000	93,000	2.0%
Southwestern Bell	623,830	615,000	-1.4%	605,000	(10,000)	-1.6%
Williams Telecom	50,358	50,000	-0.7%	50,000	-	0.0%
Other	1,560	500	-	500	-	0.0%
Cablevision	1,237,650	1,285,000	3.8%	1,304,275	19,275	1.5%
TOTAL UTILITY FRANCHISE	9,953,998	9,950,500	0.0%	10,136,525	186,025	1.9%
TOTAL LIC., PERMITS, FRANCHISES	11,599,151	11,640,718	0.4%	11,724,575	83,857	0.7%
TOTAL FEES FOR SERVICES	4,370,049	4,433,302	1.4%	4,449,150	15,848	0.4%
MUNICIPAL COURT						
COURT FINES	1,999,543	2,240,771	12.1%	2,082,600	(158,171)	-7.1%
COURT COSTS	1,007,314	1,107,900	10.0%	962,900	(145,000)	-13.1%
TOTAL MUNICIPAL COURT	3,006,857	3,348,671	11.4%	3,045,500	(303,171)	-9.1%
OTHER						
Environmental Code Assessments	590,032	100,000	-83.1%	100,000	-	0.0%
Interest on Investments	346,326	570,000	64.6%	614,000	44,000	7.7%
Rents	101,239	248,000	145.0%	248,000	-	0.0%
Other (includes transfers)	197,677	976,843	394.2%	760,409	(216,434)	-22.2%
TOTAL OTHER REVENUES	1,235,274	1,894,843	53.4%	1,722,409	(172,434)	-9.1%
TOTAL GENERAL FUND REVENUE	63,603,060	65,091,445	2.3%	66,114,609	1,023,164	1.6%