

Monthly Financial Status Report

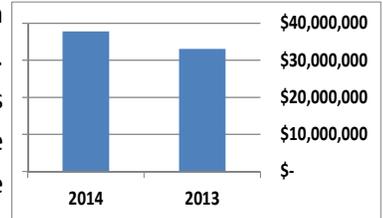
August 31, 2014



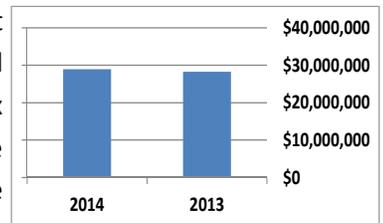
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

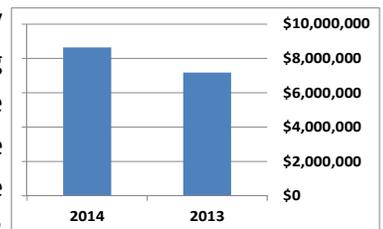
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2014 through August are \$37,805,217, which is a 14.19% increase over the 2013 collections of \$33,107,442. The City receives property tax allocations from the County primarily twice a year in January and June with a smaller allocation in the fall.



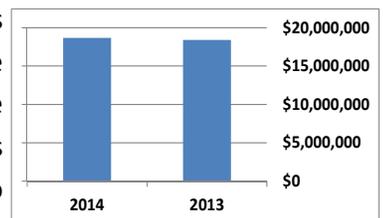
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2014 through August are \$28,928,894, which is a 2.38% increase over the 2013 collections of \$28,257,499. 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.



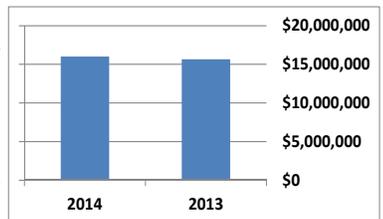
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are up 20.45% in 2014 with collections of \$8,649,762, compared to 2013 collections of \$7,181,142. Westar franchise fees increased from 5% to 6% in late 2013, all others remain at 5%.



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 1.39% in 2014 with collections of \$18,682,386, compared to 2013 collections of \$18,425,587. The indicator changed to caution in July, due to water fees being 4.53% up in June and then falling to .54% in July.



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 2.29% in 2014 with collections of \$16,007,228, compared to 2013 collections of \$15,648,270.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues for the month ending August 2014 were \$64,089,105, an increase of approximately 7% over 2013 revenues which were \$60,121,0165. The largest difference monetarily is in licenses/permits and franchise fees, this is due to higher franchise fee collections, caused by Westar increasing from 5% to 6%. General Fund expenditures for the month ending August 2014 were \$53,383,910, a increase of approximately 2% over 2013 expenditures which were \$52,499,754. Expenditures vary year to year by department, the largest difference is in the police department due to contractually obligated expenditures and a decrease in parks and rec due to lower contractual payments.

General Fund Operating Overview

As of August 31st, 2014 (67% of budget year)

Department	Actuals			Budget		
	2014 YTD	2013 YTD	Difference	2014 budget YTD	% of 2014 Budget YTD	\$ Diff Compared to 2014 budget YTD
BEGINNING FUND BALANCE	\$ 9,554,430	\$ 5,489,436	\$ 4,064,994			
Revenues						
Taxes & Assessments	\$ 47,881,099	\$ 46,251,409	\$ 1,629,690	\$ 36,262,581	132.04%	\$ 11,618,518
Intergovernmental	\$ 513,520	\$ 514,257	\$ (737)	\$ 353,333.33	145.34%	\$ 160,187
Licenses/Permits & Franchise Fees	\$ 9,803,021	\$ 7,916,351	\$ 1,886,670	\$ 9,987,497	98.15%	\$ (184,476)
Charges for Services	\$ 3,617,466	\$ 3,110,892	\$ 506,574	\$ 3,673,231	98.48%	\$ (55,765)
Fines/forfeitures	\$ 1,981,518	\$ 1,974,012	\$ 7,506	\$ 2,000,000	99.08%	\$ (18,482)
Rents/Interest	\$ 73,245	\$ 106,050	\$ (32,805)	\$ 228,013	32.12%	\$ (154,768)
Other	\$ 104,954	\$ 129,024	\$ (24,070)	\$ 180,933	58.01%	\$ (75,979)
Transfers In	\$ 103,565	\$ 100,000	\$ 3,565	\$ 133,333	77.67%	\$ (29,768)
Sale of Assets	\$ 10,717	\$ 19,170	\$ (8,453)	\$ 43,333	24.73%	\$ (32,616)
TOTAL REVENUES	\$ 64,089,105	\$ 60,121,165	\$ 3,967,940	\$ 52,862,255	121.24%	\$ 11,226,850
Expenditures						
City Council	\$ 166,430	\$ 192,586	\$ (26,156)	\$ 207,702	80.13%	\$ 41,272
City Manager	\$ 794,245	\$ 556,909	\$ 237,336	\$ 864,645	91.86%	\$ 70,400
City Attorney	\$ 669,131	\$ 806,992	\$ (137,861)	\$ 760,622	87.97%	\$ 91,491
Financial Services	\$ 1,407,258	\$ 1,445,090	\$ (37,832)	\$ 1,458,587	96.48%	\$ 51,329
Municipal Court	\$ 1,011,186	\$ 1,066,922	\$ (55,736)	\$ 1,215,075	83.22%	\$ 203,889
Human Resources	\$ 575,151	\$ 582,321	\$ (7,170)	\$ 668,255	86.07%	\$ 93,104
Mayor's Office	\$ 71,197	\$ 76,441	\$ (5,244)	\$ 89,457	79.59%	\$ 18,260
Non Departmental	\$ 531,602	\$ 666,353	\$ (134,751)	\$ 3,442,207	15.44%	\$ 2,910,605
Prisoner Care	\$ 980,179	\$ 436,933	\$ 543,246	\$ 703,813	139.27%	\$ (276,366)
HND Program Delivery	\$ 139,963	\$ 58,408	\$ 81,555	\$ 151,925	92.13%	\$ 11,962
Social Service Grants	\$ 448,256	\$ 409,980	\$ 38,276	\$ 269,384	166.40%	\$ (178,872)
Franchise Fee Program	\$ 79,925	\$ 70,849	\$ 9,076	\$ 66,733	119.77%	\$ (13,192)
Topeka Performance Center	\$ 273,973	\$ 275,219	\$ (1,246)	\$ 227,966	120.18%	\$ (46,007)
Cemeteries	\$ 162,834	\$ 162,536	\$ 298	\$ 113,333	143.68%	\$ (49,501)
Fire Department	\$ 15,259,607	\$ 15,189,919	\$ 69,688	\$ 17,271,449	88.35%	\$ 2,011,842
Police Department	\$ 22,043,504	\$ 20,869,238	\$ 1,174,266	\$ 25,349,336	86.96%	\$ 3,305,832
Public Works	\$ 4,454,895	\$ 4,318,392	\$ 136,503	\$ 5,181,633	85.97%	\$ 726,738
Park and Recreation	\$ 2,302,749	\$ 3,288,370	\$ (985,621)	\$ 1,377,829	167.13%	\$ (924,920)
Topeka Zoological Park	\$ 1,459,158	\$ 1,541,605	\$ (82,447)	\$ 1,521,654	95.89%	\$ 62,496
Planning Department	\$ 552,667	\$ 484,691	\$ 67,976	\$ 561,196	98.48%	\$ 8,529
TOTAL EXPENDITURES	\$ 53,383,910	\$ 52,499,754	\$ 884,156	\$ 61,502,803	86.80%	\$ 8,118,893
BETTER/(WORSE)	\$ 10,705,195	\$ 7,621,411				
ENDING FUND BALANCE	\$ 20,259,625	\$ 13,110,847	\$ 7,148,778			

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ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2014 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 64,089,105	\$ 52,862,255	\$ 11,226,850	74%
Debt Service	\$ 19,660,045	\$ 14,084,192	\$ 5,575,853	93%
Special Liability	\$ 768,328	\$ 565,139	\$ 203,189	91%
Special Highway	\$ 3,328,292	\$ 3,895,439	\$ (567,147)	57%
Special Alcohol & Drug	\$ 256,760	\$ 350,000	\$ (93,240)	49%
Alcohol & Drug Safety	\$ 57,997	\$ 50,333	\$ 7,664	77%
Law Enforcement	\$ 223,332	\$ 214,333	\$ 8,999	69%
Transient Guest Tax	\$ 1,187,321	\$ 1,633,333	\$ (446,012)	48%
Retirement Reserve	\$ 683,392	\$ 444,467	\$ 238,925	103%
KP&F Rate Equalization	\$ 2,748	\$ -	\$ 2,748	0%
Neighborhood Revitalization	\$ 38,644	\$ 23,333	\$ 15,311	110%
Historical Asset Tourism	\$ 17,044	\$ 76,667	\$ (59,623)	15%
Half Cent Sales Tax (JEDO)	\$ 5,758,354	\$ 5,333,333	\$ 425,021	72%
Half Cent Sales Tax (Street)	\$ 9,642,965	\$ 9,220,000	\$ 422,965	70%
Tax Increment Financing	\$ 230,607	\$ 133,333	\$ 97,274	115%
Court Technology	\$ 36,252	\$ 30,000	\$ 6,252	81%
Downtown Improvement	\$ 168,846	\$ 124,361	\$ 44,485	91%
Community Development	\$ 52,762	\$ 80,667	\$ (27,905)	44%
Combined Utilites	\$ 40,735,322	\$ 41,744,267	\$ (1,008,945)	65%
Public Parking	\$ 2,146,650	\$ 2,108,423	\$ 38,227	68%
Facilities	\$ 846,049	\$ 1,216,716	\$ (370,667)	46%
Fleet	\$ 1,266,249	\$ 1,236,337	\$ 29,912	68%
IT	\$ 2,499,899	\$ 2,513,855	\$ (13,956)	66%
Risk Funds	\$ 8,545,472	\$ 8,416,667	\$ 128,805	68%
TOTAL	\$ 162,242,435	\$ 146,357,449	\$ 15,884,986	72%

Fund	YTD Actual Expenditures	2014 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 53,383,910	\$ 61,502,803	\$ 8,118,893	62%
Debt Service	\$ 18,553,800	\$ 15,058,655	\$ (3,495,145)	82%
Special Liability	\$ 336,573	\$ 664,327	\$ 327,754	34%
Special Highway	\$ 4,403,813	\$ 4,222,699	\$ (181,114)	70%
Special Alcohol & Drug	\$ 555,820	\$ 400,000	\$ (155,820)	93%
Alcohol & Drug Safety	\$ 33,587	\$ 41,455	\$ 7,868	54%
Law Enforcement	\$ 402,247	\$ 366,667	\$ (35,580)	73%
Transient Guest Tax	\$ 1,974,402	\$ 1,666,667	\$ (307,735)	79%
Retirement Reserve	\$ -	\$ 600,000	\$ 600,000	0%
KP&F Rate Equalization	\$ 109,963	\$ 200,000	\$ 90,037	37%
Neighborhood Revitalization	\$ -	\$ 100,000	\$ 100,000	0%
Historical Asset Tourism	\$ 231,901	\$ 76,667	\$ (155,234)	202%
Half Cent Sales Tax (JEDO)	\$ 5,758,354	\$ 2,335,000	\$ (3,423,354)	164%
Half Cent Sales Tax (Street)	\$ 4,416,513	\$ 10,450,335	\$ 6,033,822	28%
Tax Increment Financing	\$ 235,704	\$ 115,083	\$ (120,621)	137%
Court Technology	\$ 34,235	\$ 33,333	\$ (902)	68%
Downtown Improvement	\$ 124,861	\$ 124,361	\$ (500)	67%
Community Development	\$ 57,065	\$ 79,467	\$ 22,402	48%
Combined Utilites	\$ 44,433,491	\$ 43,604,144	\$ (829,347)	68%
Public Parking	\$ 2,133,362	\$ 2,505,254	\$ 371,892	57%
Facilities	\$ 902,699	\$ 1,194,572	\$ 291,873	50%
Fleet	\$ 1,009,323	\$ 1,228,399	\$ 219,076	55%
IT	\$ 2,497,955	\$ 2,279,355	\$ (218,600)	73%
Risk Funds	\$ 6,675,227	\$ 8,416,667	\$ 1,741,440	53%
TOTAL	\$ 148,264,805	\$ 157,265,909	\$ 7,259,664	64%

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CASH MANAGEMENT

Pooled Cash & Investments

Type of Investment	Guidelines			Invested Value	Yield to Maturity
	Minimum	Maximum	Actual %		
Bank Certificates of Deposit	0%	100%	23%	\$ 25,000,000	0.35
US Treasuries	0%	100%	17%	\$ 17,758,380	0.13
US Agencies	0%	100%	21%	\$ 22,243,241	0.64
Repurchase Agreements	0%	50%	-	-	-
Municipal Investment Pool	0%	30%	9%	\$ 10,046,029	-
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%	30%	\$ 31,671,727	0.51
Subtotal of Investments				\$106,719,377	0.41
General Checking				\$ 7,332,959	
Total Cash Balance				\$114,052,336	
Duration of investments (expressed in years)				1.34	

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 August 2014 the City had \$342,990,086 in total debt, compared to \$354,595,738 in 2013 or a -3.27% decrease.

According to K.S.A. 10-308, the City is limited to debt that cannot be greater than 30% of the assessed tangible valuation of the City. Certain debt is then not subject to the debt limitation and is subsequently backed out of the calculation. As of August 2014, the City had \$301,873,912 of its remaining bonding

authority available, a increase of approximately 3.27% over the August 2013 amount of \$292,321,737. The City is currently utilizing 11% of the debt authority as authorized by state statute.

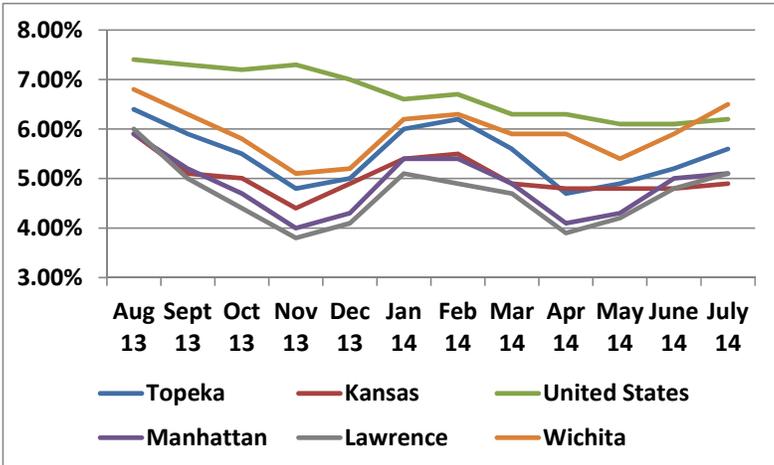
Debt Management

Instrument	2014	2013
Governmental General Obligation Bonds	\$ 126,348,017	\$ 124,400,631
Business Type General Obligation Bonds	\$ 11,121,983	\$ 12,314,369
Other General Obligation Bonds	\$ 14,135,000	\$ 14,295,000
Utility Revenue Bonds	\$ 120,235,000	\$ 123,790,000
Sales Tax Revenue Bonds	\$ 9,010,000	\$ 11,865,000
KDHE Revolving Loans	\$ 62,140,086	\$ 67,930,738
Total	\$ 342,990,086	\$ 354,595,738

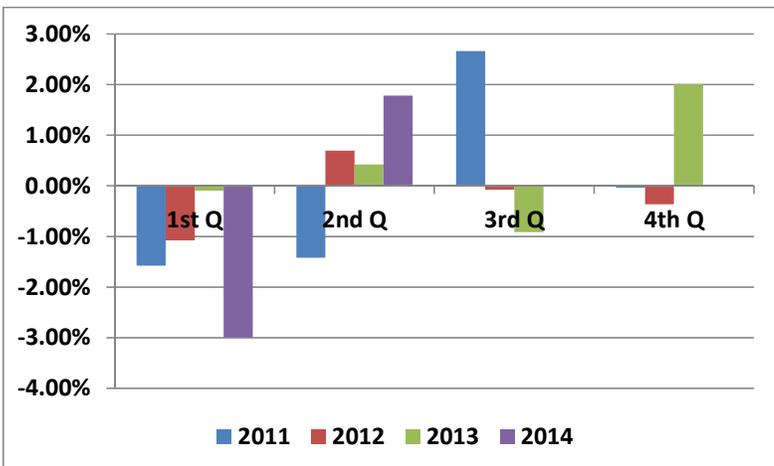
Debt Capacity	2014	2013
Assessed Valuation	\$ 1,135,205,618	\$ 1,103,303,854
Debt Limit Ratio	30.00%	30.00%
Debt Limit	\$ 340,561,685	\$ 330,991,156
Total Outstanding GO Debt	\$ 185,200,000	\$ 179,415,000
Debt Subject to Limitation	\$ 38,687,773	\$ 38,669,419
Debt Authority Remaining	\$ 301,873,912	\$ 292,321,737



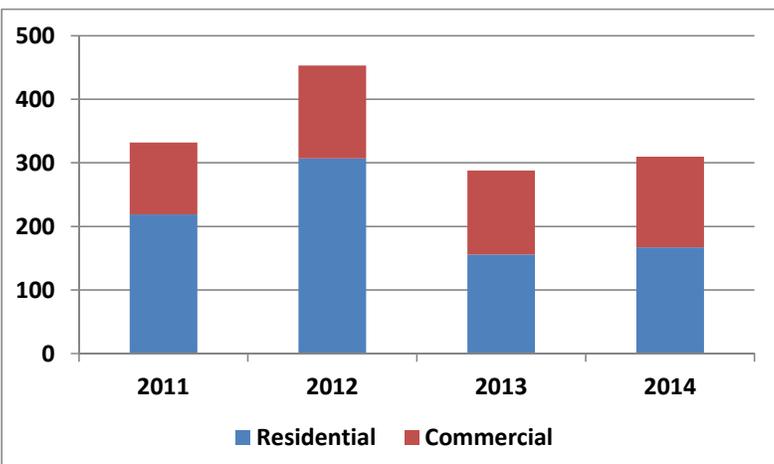
COMMUNITY STATISTICS



Unemployment Rates: Unemployment rates listed for Topeka, Lawrence, Manhattan and 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 July of 2014 was 5.60%, 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 purchase 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 August for each year. 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 an 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.