

Monthly Financial Status Report

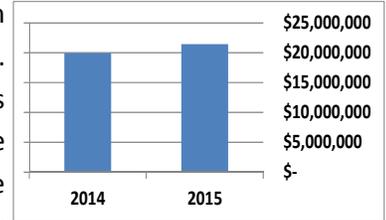
February 28, 2015



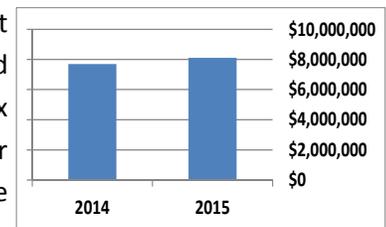
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

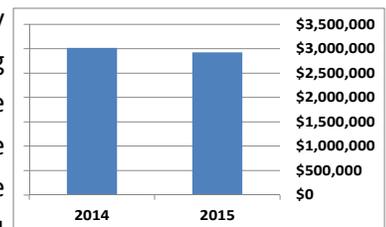
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2015 through February are \$21,435,668, which is a 7.51% increase over the 2014 collections of \$19,939,096. The City receives property tax allocations from the County primarily twice a year in January and June with a smaller allocation in the fall.



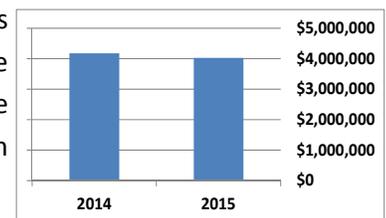
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2015 through February are \$8,109,592, which is a 5.27% increase over the 2014 collections of \$7,703,916. 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.



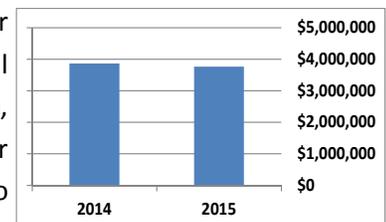
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are down 3.03% in 2015 with collections of \$2,926,827, compared to 2014 collections of \$3,018,296.



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 down -3.55% in 2015 with collections of \$4,024,0734, compared to 2014 billings of \$4,172,932.



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 down -2.60% in 2015 with collections of \$3,765,786, compared to 2014 billings of \$3,866,301.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues for the month ending February 2015 were \$24,627,683, an increase of approximately 18% over 2014 revenues which were \$20,939,589. The largest difference monetarily is in taxes and assessments, this is due to higher property taxes due to better collections from the County. General Fund expenditures for the month ending February 2015 were \$14,540,325, a increase of approximately 27% over 2014 expenditures which were \$11,445,022. In 2015 the City is converting to accounting based on cash basis, this will cause large fluctuations comparing to the prior year. For example, expenses are up 27%, normally the City would accrue a portion of the first payroll back to the prior year. Those adjustments are still made, but differently, which makes it look like expenses are up considerably.

General Fund Operating Overview

As of February 28, 2015 (17% of budget year)

Department	Actuals			Budget		
	2014 YTD	2015 YTD	Difference	2015 budget YTD	% of 2015 Budget YTD	\$ Diff Compared to 2015 budget YTD
BEGINNING FUND BALANCE	\$ 10,057,217	\$ 16,180,034	\$ 6,122,817			
Revenues						
Taxes & Assessments	\$ 18,045,943	\$ 20,169,984	\$ 2,124,041	\$ 10,625,101	189.83%	\$ 9,544,883
Intergovernmental	\$ -	\$ -	\$ -	\$ 176,666.67	0.00%	\$ (176,667)
Licenses/Permits & Franchise Fees	\$ 1,691,134	\$ 3,056,333	\$ 1,365,199	\$ 2,429,223	125.82%	\$ 627,110
Charges for Services	\$ 728,868	\$ 687,514	\$ (41,354)	\$ 877,578	78.34%	\$ (190,064)
Fines/forfeitures	\$ 442,289	\$ 604,261	\$ 161,972	\$ 500,000	120.85%	\$ 104,261
Rents/Interest	\$ 10,587	\$ 14,304	\$ 3,717	\$ 57,003	25.09%	\$ (42,699)
Other	\$ 19,308	\$ 13,926	\$ (5,382)	\$ 39,649	35.12%	\$ (25,723)
Transfers In	\$ -	\$ 52,484	\$ 52,484	\$ 33,333	157.45%	\$ 19,151
Sale of Assets	\$ 1,460	\$ 28,877	\$ 27,417	\$ 5,833	495.03%	\$ 23,044
TOTAL REVENUES	\$ 20,939,589	\$ 24,627,683	\$ 3,688,094	\$ 14,744,388	167.03%	\$ 9,883,295
Expenditures						
City Council	\$ 34,935	\$ 42,767	\$ 7,832	\$ 47,235	90.54%	\$ 4,468
City Manager	\$ 145,796	\$ 241,319	\$ 95,523	\$ 210,191	114.81%	\$ (31,128)
City Attorney	\$ 137,834	\$ 158,501	\$ 20,667	\$ 192,394	82.38%	\$ 33,893
Financial Services	\$ 233,800	\$ 289,525	\$ 55,725	\$ 370,257	78.20%	\$ 80,732
Municipal Court	\$ 246,817	\$ 389,754	\$ 142,937	\$ 306,471	127.17%	\$ (83,283)
Human Resources	\$ 116,219	\$ 174,585	\$ 58,366	\$ 167,219	104.41%	\$ (7,366)
Mayor's Office	\$ 11,612	\$ 16,372	\$ 4,760	\$ 20,006	81.84%	\$ 3,634
Non Departmental	\$ 143,821	\$ 230,774	\$ 86,953	\$ 552,225	41.79%	\$ 321,451
Prisoner Care	\$ 44,627	\$ 82,329	\$ 37,702	\$ 166,667	49.40%	\$ 84,338
HND Program Delivery	\$ 35,870	\$ 2,696	\$ (33,174)	\$ 0	1617600.00%	\$ (2,696)
Social Service Grants	\$ 275,202	\$ 167,099	\$ (108,103)	\$ 85,683	195.02%	\$ (81,416)
Franchise Fee Program	\$ 30,000	\$ 85,000	\$ 55,000	\$ 16,683	509.49%	\$ (68,317)
Topeka Performance Center	\$ 133,977	\$ 144,468	\$ 10,491	\$ 70,727	204.26%	\$ (73,742)
Cemeteries	\$ 160,320	\$ 161,947	\$ 1,627	\$ 28,333	571.58%	\$ (133,614)
Fire Department	\$ 2,791,116	\$ 4,176,525	\$ 1,385,409	\$ 4,407,658	94.76%	\$ 231,133
Police Department	\$ 4,703,196	\$ 5,794,809	\$ 1,091,613	\$ 6,222,502	93.13%	\$ 427,693
Public Works	\$ 785,655	\$ 827,945	\$ 42,290	\$ 1,058,292	78.23%	\$ 230,347
Park and Recreation	\$ 1,041,586	\$ 663,834	\$ (377,752)	\$ 253,737	261.62%	\$ (410,097)
Topeka Zoological Park	\$ 264,279	\$ 393,758	\$ 129,479	\$ 391,684	100.53%	\$ (2,074)
Planning Department	\$ 108,360	\$ 124,851	\$ 16,491	\$ 132,935	93.92%	\$ 8,084
Neighborhood Relations	\$ -	\$ 371,467	\$ 371,467	\$ 453,250	81.96%	\$ 81,783
TOTAL EXPENDITURES	\$ 11,445,022	\$ 14,540,325	\$ 3,095,303	\$ 15,154,147	95.95%	\$ 613,821
BETTER/(WORSE)	\$ 9,494,567	\$ 10,087,358				
ENDING FUND BALANCE	\$ 19,551,784	\$ 26,267,392	\$ 6,715,608			

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ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2014 YTD Revenue Budget	Difference	% of Total Budget	0% 50% 100%		
General	\$ 24,627,683	\$ 14,744,388	\$ 9,883,295	28%			
Debt Service	\$ 8,869,596	\$ 3,518,775	\$ 5,350,821	42%			
Special Liability	\$ 423,930	\$ 140,352	\$ 283,579	50%			
Special Highway	\$ 833,174	\$ 958,366	\$ (125,191)	14%			
Special Alcohol & Drug	\$ -	\$ 86,674	\$ (86,674)	0%			
Alcohol & Drug Safety	\$ 14,185	\$ 12,467	\$ 1,718	19%			
Law Enforcement	\$ 54,451	\$ 46,083	\$ 8,368	20%			
Transient Guest Tax	\$ 589,636	\$ 410,560	\$ 179,077	24%			
Employee Separation	\$ -	\$ -	\$ -	-			
Retirement Reserve	\$ 175,775	\$ 188,652	\$ (12,877)	16%			
KP&F Rate Equalization	\$ -	\$ -	\$ -	0%			
Neighborhood Revitalization	\$ 19,258	\$ 5,833	\$ 13,424	55%			
Historical Asset Tourism	\$ 96,307	\$ 24,840	\$ 71,468	65%			
Half Cent Sales Tax (JEDO)	\$ 1,598,078	\$ 1,414,660	\$ 183,418	19%			
Half Cent Sales Tax (Street)	\$ 2,703,217	\$ 2,373,333	\$ 329,884	19%			
Tax Increment Financing	\$ 90,819	\$ 39,249	\$ 51,570	39%			
Court Technology	\$ 10,912	\$ 8,798	\$ 2,114	21%			
Downtown Improvement	\$ 52,000	\$ 31,046	\$ 20,954	28%			
Community Development	\$ 78,481	\$ 43,702	\$ 34,780	30%			
Combined Utilites	\$ 9,259,898	\$ 10,436,067	\$ (1,176,169)	15%			
Public Parking	\$ 469,819	\$ 536,868	\$ (67,048)	15%			
Facilities	\$ 248,204	\$ 248,843	\$ (639)	17%			
Fleet	\$ 332,457	\$ 330,000	\$ 2,457	17%			
IT	\$ 607,761	\$ 609,427	\$ (1,667)	17%			
Risk Funds	\$ 2,143,339	\$ 2,296,123	\$ (152,784)	16%			
TOTAL	\$ 53,298,981	\$ 38,505,104	\$ 14,793,877	23%			

Fund	YTD Actual Expenditures	2014 YTD Expen. Budget	Difference	% of Total Budget	0% 50% 100%		
General	\$ 14,540,325	\$ 15,154,147	\$ 613,822	16%			
Debt Service	\$ 2,098,706	\$ 4,071,794	\$ 1,973,089	9%			
Special Liability	\$ 244,805	\$ 255,207	\$ 10,402	16%			
Special Highway	\$ 777,095	\$ 1,085,882	\$ 308,787	12%			
Special Alcohol & Drug	\$ 315,412	\$ 100,000	\$ (215,412)	53%			
Alcohol & Drug Safety	\$ 9,236	\$ 9,734	\$ 498	16%			
Law Enforcement	\$ 47,657	\$ 46,083	\$ (1,574)	17%			
Transient Guest Tax	\$ 589,636	\$ 410,560	\$ (179,077)	24%			
Employee Separation	\$ 126,137	\$ 166,667	\$ 40,530	13%			
Retirement Reserve	\$ -	\$ 150,000	\$ 150,000	0%			
KP&F Rate Equalization	\$ 300,000	\$ 50,000	\$ (250,000)	100%			
Neighborhood Revitalization	\$ -	\$ 25,000	\$ 25,000	0%			
Historical Asset Tourism	\$ 3,684	\$ 24,840	\$ 21,155	2%			
Half Cent Sales Tax (JEDO)	\$ 1,598,078	\$ 1,414,660	\$ (183,418)	19%			
Half Cent Sales Tax (Street)	\$ 961,638	\$ 2,728,341	\$ 1,766,703	6%			
Tax Increment Financing	\$ 90,819	\$ 32,075	\$ (58,744)	47%			
Court Technology	\$ -	\$ 7,500	\$ 7,500	0%			
Downtown Improvement	\$ 98,838	\$ 31,046	\$ (67,792)	53%			
Community Development	\$ 107,204	\$ 43,702	\$ (63,502)	41%			
Combined Utilites	\$ 13,050,589	\$ 13,148,212	\$ 97,623	17%			
Public Parking	\$ 466,087	\$ 517,803	\$ 51,716	15%			
Facilities	\$ 230,948	\$ 244,442	\$ 13,494	16%			
Fleet	\$ 522,653	\$ 317,924	\$ (204,729)	27%			
IT	\$ 589,506	\$ 576,789	\$ (12,717)	17%			
Risk Funds	\$ 2,480,552	\$ 2,116,178	\$ (364,375)	20%			
TOTAL	\$ 39,249,604	\$ 42,728,583	\$ 3,843,354	15%			



CASH MANAGEMENT

Pooled Cash & Investments

Type of Investment	Guidelines			Invested Value	Yield to Maturity
	Minimum	Maximum	Actual %		
Bank Certificates of Deposit	0%	100%	29%	\$ 35,400,000	0.32
US Treasuries	0%	100%	10%	\$ 11,995,870	0.28
US Agencies	0%	100%	29%	\$ 35,807,342	0.67
Repurchase Agreements	0%	50%	-	-	-
Municipal Investment Pool	0%	30%	6%	\$ 7,824,467	-
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%	25%	\$ 30,420,192	0.65
Subtotal of Investments				\$121,447,870	0.48
General Checking				\$ 32,735,994	
Total Cash Balance				\$154,183,864	
Duration of investments (expressed in years)				0.78	

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 February 2015 the City had \$387,208,937 in permanent and temporary debt, compared to \$388,463,077 in 2014 or a -.32% decrease. When backing out the

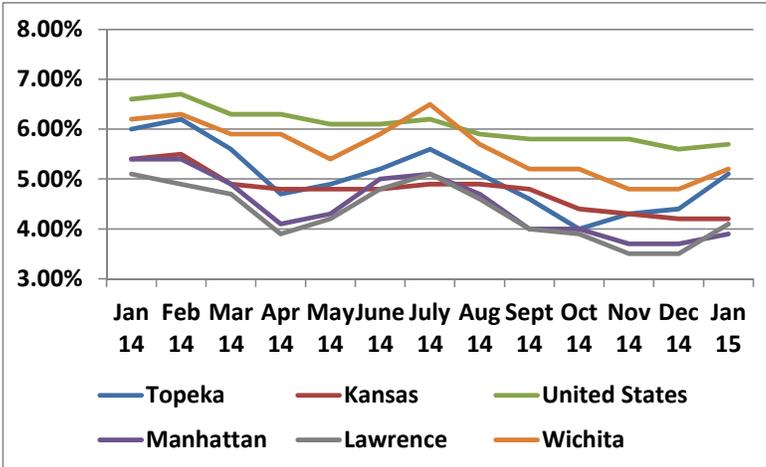
Debt Management

Instrument	2014	2015
Governmental General Obligation Bonds	\$ 140,270,111	\$ 131,938,017
Business Type General Obligation Bonds	\$ 10,189,889	\$ 11,121,983
Other General Obligation Bonds	\$ 15,340,000	\$ 14,135,000
Utility Revenue Bonds	\$ 123,790,000	\$ 132,420,000
Sales Tax Revenue Bonds	\$ 9,010,000	\$ 6,070,000
KDHE Revolving Loans	\$ 65,278,077	\$ 58,133,937
Temporary Notes	\$ 24,585,000	\$ 33,390,000
Total	\$ 388,463,077	\$ 387,208,937

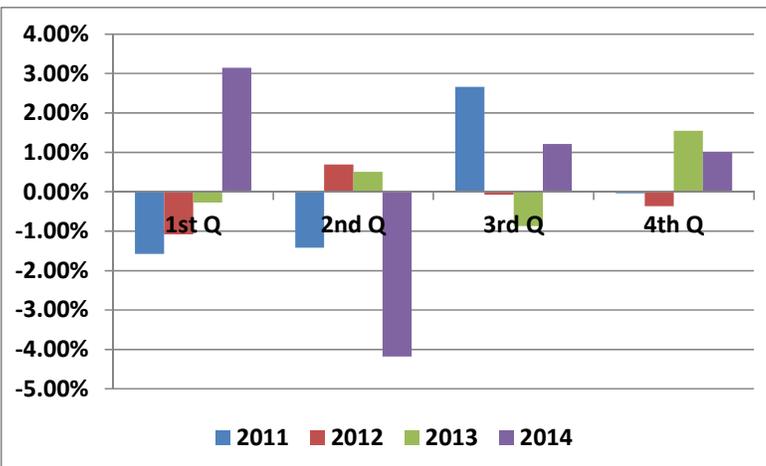
temporary notes and comparing current permanent debt to the prior year, permanent debt decreased by -2.76%.



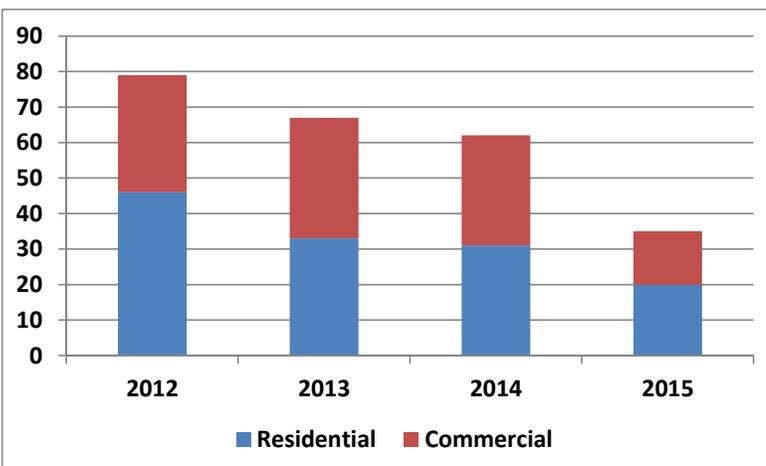
COMMUNITY STATISTICS



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 January 2015 was 5.10%, 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 February 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.