

Monthly Financial Status Report

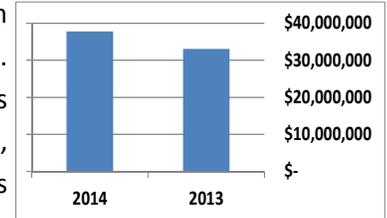
July 31, 2014



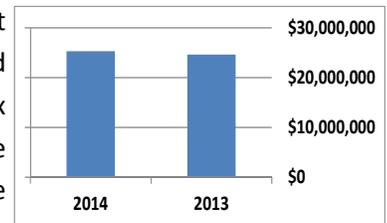
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

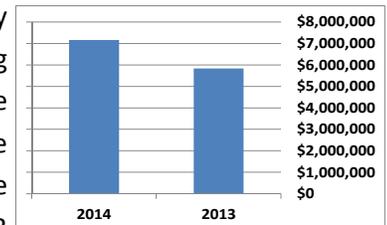
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2014 through July are \$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.



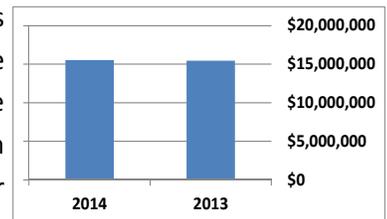
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2014 through July are \$25,271,390, which is a 2.63% increase over the 2013 collections of \$24,624,621. 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.



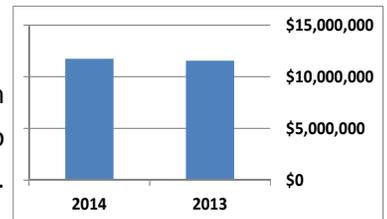
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are up 22.58% in 2014 with collections of \$7,159,861, compared to 2013 collections of \$5,840,848. 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 .54% in 2014 with collections of \$15,534,815, compared to 2013 collections of \$15,451,697. The indicator changed to caution due to water fees being 4.53% 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 1.08% in 2014 with collections of \$13,766,295, compared to 2013 collections of \$13,618,697.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues for the month ending July 2014 were \$58,665,358, an increase of approximately 7% over 2013 revenues which were \$54,900,059. The largest difference monetarily is in property tax collections, this is primarily due to property taxes levied being set higher in 2014 than in 2013 and franchise fee collections. General Fund expenditures for the month ending July 2014 were \$46,603,212, a increase of approximately 2% over 2013 expenditures which were \$45,719,795. Expenditures vary year to year by department, the largest difference is in the police department due to contractually obligated expenditures increasing and a decrease in parks and rec due to lower contractual payments.

General Fund Operating Overview

Department	Actuals			As of July 31st, 2014 (58% of budget year)		
				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	\$ 44,956,414	\$ 43,128,290	\$ 1,828,124	\$ 31,729,758	141.69%	\$ 13,226,656
Intergovernmental	\$ 513,520	\$ 514,257	\$ (737)	\$ 309,166.67	166.10%	\$ 204,353
Licenses/Permits & Franchise Fees	\$ 7,982,418	\$ 6,505,374	\$ 1,477,044	\$ 8,739,060	91.34%	\$ (756,642)
Charges for Services	\$ 3,014,024	\$ 2,657,897	\$ 356,127	\$ 3,214,077	93.78%	\$ (200,053)
Fines/forfeitures	\$ 1,773,221	\$ 1,760,974	\$ 12,247	\$ 1,750,000	101.33%	\$ 23,221
Rents/Interest	\$ 328,484	\$ 99,766	\$ 228,718	\$ 199,512	164.64%	\$ 128,972
Other	\$ 93,846	\$ 114,331	\$ (20,485)	\$ 158,317	59.28%	\$ (64,471)
Transfers In	\$ -	\$ 100,000	\$ (100,000)	\$ 116,667	0.00%	\$ (116,667)
Sale of Assets	\$ 3,431	\$ 19,170	\$ (15,739)	\$ 37,917	9.05%	\$ (34,486)
TOTAL REVENUES	\$ 58,665,358	\$ 54,900,059	\$ 3,765,299	\$ 46,254,473	126.83%	\$ 12,410,885
Expenditures						
City Council	\$ 146,257	\$ 170,476	\$ (24,219)	\$ 181,739	80.48%	\$ 35,482
City Manager	\$ 720,520	\$ 495,498	\$ 225,022	\$ 756,564	95.24%	\$ 36,044
City Attorney	\$ 575,562	\$ 711,387	\$ (135,825)	\$ 665,544	86.48%	\$ 89,982
Financial Services	\$ 1,264,092	\$ 1,298,493	\$ (34,401)	\$ 1,276,264	99.05%	\$ 12,172
Municipal Court	\$ 904,728	\$ 950,588	\$ (45,860)	\$ 1,063,191	85.10%	\$ 158,463
Human Resources	\$ 487,143	\$ 519,220	\$ (32,077)	\$ 584,723	83.31%	\$ 97,580
Mayor's Office	\$ 64,506	\$ 69,990	\$ (5,484)	\$ 78,275	82.41%	\$ 13,769
Non Departmental	\$ 497,270	\$ 424,349	\$ 72,921	\$ 3,011,931	16.51%	\$ 2,514,661
Prisoner Care	\$ 305,179	\$ 365,519	\$ (60,340)	\$ 615,837	49.56%	\$ 310,658
HND Program Delivery	\$ 131,948	\$ 48,493	\$ 83,455	\$ 132,935	99.26%	\$ 987
Social Service Grants	\$ 415,823	\$ 388,576	\$ 27,247	\$ 235,711	176.41%	\$ (180,112)
Franchise Fee Program	\$ 79,925	\$ 68,069	\$ 11,856	\$ 58,392	136.88%	\$ (21,533)
Topeka Performance Center	\$ 249,661	\$ 248,522	\$ 1,139	\$ 199,470	125.16%	\$ (50,191)
Cemeteries	\$ 162,217	\$ 162,493	\$ (276)	\$ 99,167	163.58%	\$ (63,050)
Fire Department	\$ 13,361,080	\$ 12,989,532	\$ 371,548	\$ 15,112,518	88.41%	\$ 1,751,438
Police Department	\$ 19,499,281	\$ 17,997,533	\$ 1,501,748	\$ 22,180,669	87.91%	\$ 2,681,388
Public Works	\$ 3,692,148	\$ 3,818,462	\$ (126,314)	\$ 4,533,929	81.43%	\$ 841,781
Park and Recreation	\$ 2,302,027	\$ 3,288,202	\$ (986,175)	\$ 1,205,601	190.94%	\$ (1,096,426)
Topeka Zoological Park	\$ 1,249,270	\$ 1,278,930	\$ (29,660)	\$ 1,331,447	93.83%	\$ 82,177
Planning Department	\$ 494,575	\$ 425,463	\$ 69,112	\$ 491,047	100.72%	\$ (3,528)
TOTAL EXPENDITURES	\$ 46,603,212	\$ 45,719,795	\$ 883,417	\$ 53,814,952	86.60%	\$ 7,211,740
BETTER/(WORSE)	\$ 12,062,146	\$ 9,180,264				
ENDING FUND BALANCE	\$ 21,616,576	\$ 14,669,700	\$ 6,946,876			

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ALL FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2014 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 58,665,358	\$ 46,254,473	\$ 12,410,885	68%
Debt Service	\$ 19,172,366	\$ 12,323,668	\$ 6,848,698	91%
Special Liability	\$ 768,327	\$ 494,496	\$ 273,831	91%
Special Highway	\$ 3,308,194	\$ 3,408,509	\$ (100,315)	57%
Special Alcohol & Drug	\$ 256,760	\$ 306,250	\$ (49,490)	49%
Alcohol & Drug Safety	\$ 51,754	\$ 44,042	\$ 7,712	69%
Law Enforcement	\$ 161,869	\$ 187,542	\$ (25,673)	50%
Transient Guest Tax	\$ 1,187,321	\$ 1,429,167	\$ (241,846)	48%
Retirement Reserve	\$ 597,590	\$ 388,908	\$ 208,682	90%
KP&F Rate Equalization	\$ 795	\$ -	\$ 795	0%
Neighborhood Revitalization	\$ 38,644	\$ 20,417	\$ 18,227	110%
Historical Asset Tourism	\$ -	\$ 67,083	\$ (67,083)	0%
Half Cent Sales Tax (JEDO)	\$ 4,703,271	\$ 4,666,667	\$ 36,604	59%
Half Cent Sales Tax (Street)	\$ 7,873,082	\$ 8,067,500	\$ (194,418)	57%
Tax Increment Financing	\$ 230,608	\$ 116,667	\$ 113,941	115%
Court Technology	\$ 31,474	\$ 26,250	\$ 5,224	70%
Downtown Improvement	\$ 168,846	\$ 108,816	\$ 60,030	91%
Community Development	\$ 45,823	\$ 70,583	\$ (24,760)	38%
Combined Utilities	\$ 34,495,359	\$ 36,526,233	\$ (2,030,874)	55%
Public Parking	\$ 1,885,034	\$ 1,844,870	\$ 40,164	60%
Facilities	\$ 740,839	\$ 1,064,627	\$ (323,788)	41%
Fleet	\$ 1,088,081	\$ 1,081,795	\$ 6,286	59%
IT	\$ 2,196,019	\$ 2,199,623	\$ (3,604)	58%
Risk Funds	\$ 7,372,243	\$ 7,364,583	\$ 7,660	58%
TOTAL	\$ 145,039,657	\$ 128,062,768	\$ 16,976,889	64%

Fund	YTD Actual Expenditures	2014 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 46,603,212	\$ 53,814,952	\$ 7,211,740	54%
Debt Service	\$ 2,416,718	\$ 13,176,323	\$ 10,759,605	11%
Special Liability	\$ 287,692	\$ 581,286	\$ 293,594	29%
Special Highway	\$ 3,865,854	\$ 3,694,862	\$ (170,992)	61%
Special Alcohol & Drug	\$ 555,820	\$ 350,000	\$ (205,820)	93%
Alcohol & Drug Safety	\$ 29,186	\$ 36,273	\$ 7,087	47%
Law Enforcement	\$ 274,578	\$ 320,833	\$ 46,255	50%
Transient Guest Tax	\$ 432,496	\$ 1,458,333	\$ 1,025,837	17%
Retirement Reserve	\$ -	\$ 525,000	\$ 525,000	0%
KP&F Rate Equalization	\$ 89,258	\$ 175,000	\$ 85,742	30%
Neighborhood Revitalization	\$ -	\$ 87,500	\$ 87,500	0%
Historical Asset Tourism	\$ 231,901	\$ 67,083	\$ (164,818)	202%
Half Cent Sales Tax (JEDO)	\$ 5,026,445	\$ 2,043,125	\$ (2,983,320)	144%
Half Cent Sales Tax (Street)	\$ 4,104,735	\$ 9,144,043	\$ 5,039,308	26%
Tax Increment Financing	\$ 77,313	\$ 100,698	\$ 23,385	45%
Court Technology	\$ 34,235	\$ 29,167	\$ (5,068)	68%
Downtown Improvement	\$ 119,527	\$ 108,816	\$ (10,711)	64%
Community Development	\$ 50,127	\$ 69,533	\$ 19,406	42%
Combined Utilities	\$ 38,996,272	\$ 38,153,626	\$ (842,646)	60%
Public Parking	\$ 2,003,463	\$ 2,192,097	\$ 188,634	53%
Facilities	\$ 844,453	\$ 1,045,251	\$ 200,798	47%
Fleet	\$ 911,481	\$ 1,074,849	\$ 163,368	49%
IT	\$ 2,334,364	\$ 1,994,436	\$ (339,928)	68%
Risk Funds	\$ 5,961,962	\$ 7,364,583	\$ 1,402,621	47%
TOTAL	\$ 115,251,092	\$ 137,607,670	\$ 20,953,957	50%



CASH MANAGEMENT

Pooled Cash & Investments

Type of Investment	Guidelines			Invested Value	Yield to Maturity
	Minimum	Maximum	Actual %		
Bank Certificates of Deposit	0%	100%	21%	\$ 26,000,000	0.34
US Treasuries	0%	100%	15%	\$ 17,758,380	0.07
US Agencies	0%	100%	17%	\$ 20,751,228	0.58
Repurchase Agreements	0%	50%	-	-	-
Municipal Investment Pool	0%	30%	22%	\$ 26,352,781	-
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%	26%	\$ 31,550,377	0.48
Subtotal of Investments				\$122,412,766	0.37
General Checking				\$ 11,255,337	
Total Cash Balance				\$133,668,103	
Duration of investments (expressed in years)				1.09	

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 July 2014 the City had \$357,185,086 in total debt, compared to \$367,164,461 in 2013 or a -2.72% 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 July 2014, the City had \$278,840,950 of its remaining bonding

authority available, a decrease of approximately -3.31% under the July 2013 amount of \$288,391,156. The City is currently utilizing 18% of the debt authority as authorized by state statute.

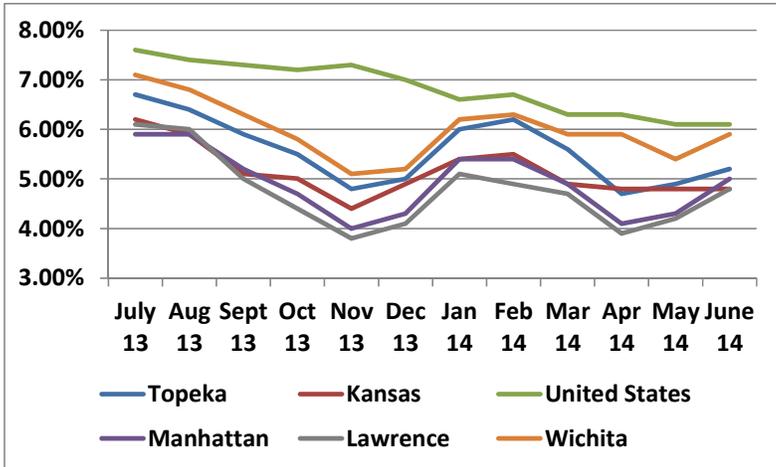
Debt Management

Instrument	2014	2013
Governmental General Obligation Bonds	\$ 138,989,715	\$ 136,445,258
Business Type General Obligation Bonds	\$ 11,470,285	\$ 12,389,742
Other General Obligation Bonds	\$ 15,340,000	\$ 14,870,000
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	\$ 67,804,461
Total	\$ 357,185,086	\$ 367,164,461

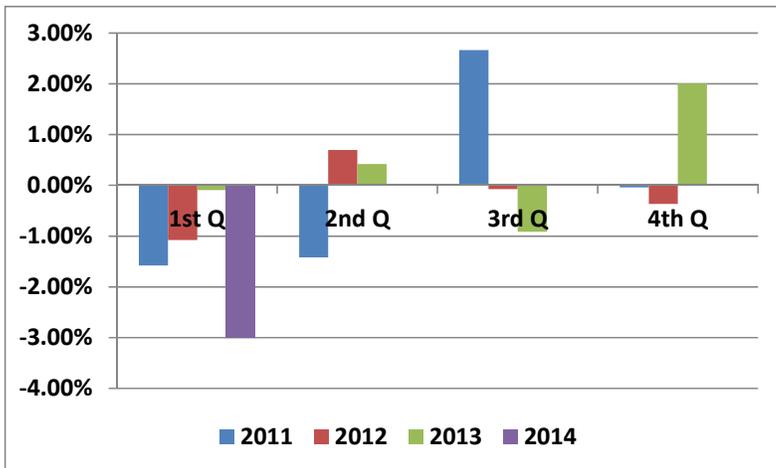
Debt Capacity	2014	2013
Assessed Valuation	\$ 1,132,135,180	\$ 1,103,303,854
Debt Limit Ratio	30.00%	30.00%
Debt Limit	\$ 339,640,554	\$ 330,991,156
Total Outstanding GO Debt	\$ 199,395,000	\$ 192,110,000
Debt Subject to Limitation	\$ 60,799,604	\$ 42,600,000
Debt Authority Remaining	\$ 278,840,950	\$ 288,391,156



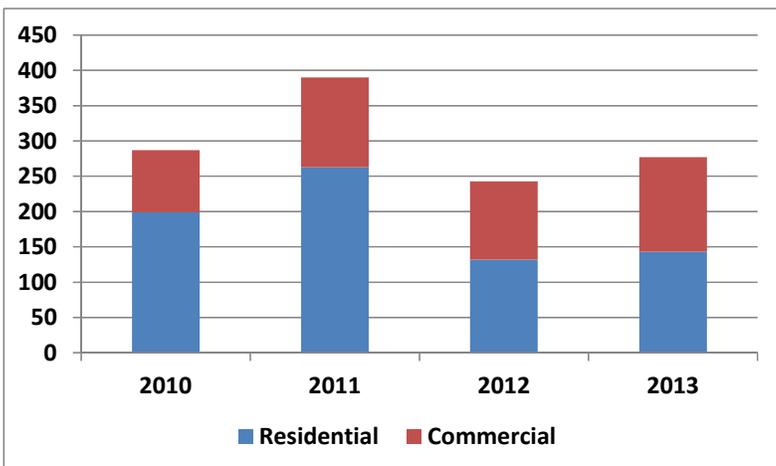
COMMUNITY STATISTICS



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 June of 2014 was 4.90%, 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 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 July 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.