

Monthly Financial Status Report

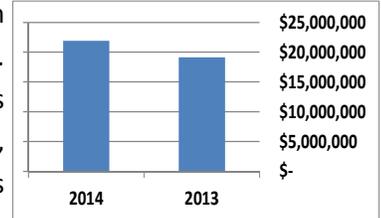
May 31st, 2014



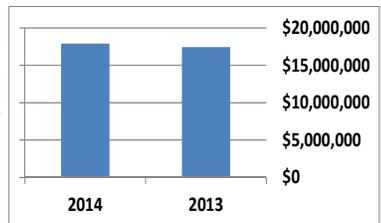
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

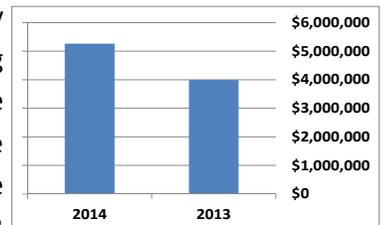
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2014 through May are \$21,921,044, which is a 14.50% increase over the 2013 collections of \$19,144,607. The City receives property tax allocations from the County primarily twice a year in January and May with a smaller allocation in the fall.



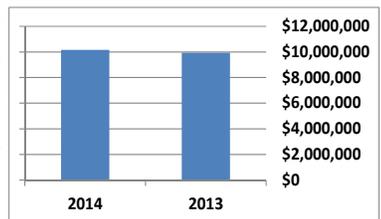
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2014 through May are \$17,907,042, which is a 2.73% increase over the 2013 collections of \$17,430,476. 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.



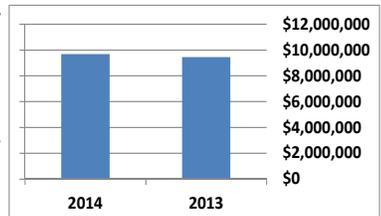
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are up 31.70% in 2014 with collections of \$5,259,864, compared to 2013 collections of \$3,993,794. 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 2.32% in 2014 with collections of \$10,170,359, compared to 2013 collections of \$9,940,226.



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 2.66% in 2014 with collections of \$9,694,723, compared to 2013 collections of \$9,443,703.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues for the month ending May 2014 were \$37,726,931, an increase of approximately 8% over 2013 revenues which were \$34,827,315. 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. General Fund expenditures for the month ending May 2014 were \$33,412,728, a decrease of approximately 1% under 2013 expenditures which were \$33,722,841. Expenditures vary year to year by department, the largest difference is in the park and recreation department due to decreasing payments to the County as the contract stipulates for 2014.

General Fund Operating Overview

Department	Actuals			As of April 30th, 2014 (42% of budget year)		
	2014 YTD	2013 YTD	Difference	Budget		\$ Diff Compared to 2014 budget YTD
				2014 budget YTD	% of 2014 Budget YTD	
BEGINNING FUND BALANCE	\$ 8,389,436	\$ 5,489,436	\$ 2,900,000			
Revenues						
Taxes & Assessments	\$ 28,088,367	\$ 26,990,504	\$ 1,097,863	\$ 22,664,113	123.93%	\$ 5,424,254
Intergovernmental	\$ 262,093	\$ 133,111	\$ 128,982	\$ 220,833.33	118.68%	\$ 41,260
Licenses/Permits & Franchise Fees	\$ 5,829,535	\$ 4,462,416	\$ 1,367,119	\$ 6,242,185	93.39%	\$ (412,650)
Charges for Services	\$ 2,031,308	\$ 1,729,967	\$ 301,341	\$ 2,295,769	88.48%	\$ (264,461)
Fines/forfeitures	\$ 1,338,685	\$ 1,315,684	\$ 23,001	\$ 1,250,000	107.09%	\$ 88,685
Rents/Interest	\$ 94,893	\$ 95,706	\$ (813)	\$ 142,508	66.59%	\$ (47,615)
Other	\$ 67,416	\$ 84,738	\$ (17,322)	\$ 113,083	59.62%	\$ (45,667)
Transfers In	\$ -	\$ -	\$ -	\$ 83,333	0.00%	\$ (83,333)
Sale of Assets	\$ 14,634	\$ 15,189	\$ (555)	\$ 27,083	54.03%	\$ (12,449)
TOTAL REVENUES	\$ 37,726,931	\$ 34,827,315	\$ 2,899,616	\$ 33,038,909	114.19%	\$ 4,688,022
Expenditures						
City Council	\$ 105,618	\$ 125,480	\$ (19,862)	\$ 129,814	81.36%	\$ 24,196
City Manager	\$ 554,084	\$ 350,467	\$ 203,617	\$ 540,403	102.53%	\$ (13,681)
City Attorney	\$ 436,154	\$ 507,647	\$ (71,493)	\$ 475,389	91.75%	\$ 39,235
Financial Services	\$ 967,707	\$ 943,387	\$ 24,320	\$ 911,617	106.15%	\$ (56,090)
Municipal Court	\$ 679,595	\$ 715,878	\$ (36,283)	\$ 759,422	89.49%	\$ 79,827
Human Resources	\$ 392,577	\$ 364,654	\$ 27,923	\$ 417,659	93.99%	\$ 25,082
Mayor's Office	\$ 40,397	\$ 46,286	\$ (5,889)	\$ 55,911	72.25%	\$ 15,514
Non Departmental	\$ 218,172	\$ 510,252	\$ (292,080)	\$ 2,151,379	10.14%	\$ 1,933,207
Prisoner Care	\$ 138,417	\$ 210,868	\$ (72,451)	\$ 439,883	31.47%	\$ 301,466
HND Program Delivery	\$ 99,239	\$ 28,105	\$ 71,134	\$ 94,953	104.51%	\$ (4,286)
Social Service Grants	\$ 438,216	\$ 282,480	\$ 155,736	\$ 168,365	260.28%	\$ (269,851)
Inmate Cleanup Program	\$ -	\$ -	\$ -	\$ -		\$ -
Franchise Fee Program	\$ 79,925	\$ 56,239	\$ 23,686	\$ 41,708	191.63%	\$ (38,217)
Topeka Performance Center	\$ 203,113	\$ 203,946	\$ (833)	\$ 142,479	142.56%	\$ (60,634)
Cemeteries	\$ 168,485	\$ 160,087	\$ 8,398	\$ 70,833	237.86%	\$ (97,652)
Fire Department	\$ 9,567,803	\$ 9,291,157	\$ 276,646	\$ 10,794,655	88.63%	\$ 1,226,852
Police Department	\$ 14,268,138	\$ 12,956,026	\$ 1,312,112	\$ 15,843,335	90.06%	\$ 1,575,197
Public Works	\$ 2,620,365	\$ 2,757,943	\$ (137,578)	\$ 3,238,521	80.91%	\$ 618,156
Park and Recreation	\$ 1,172,633	\$ 3,030,954	\$ (1,858,321)	\$ 861,143	136.17%	\$ (311,490)
Topeka Zoological Park	\$ 912,456	\$ 890,410	\$ 22,046	\$ 951,034	95.94%	\$ 38,578
Planning Department	\$ 349,634	\$ 290,575	\$ 59,059	\$ 350,748	99.68%	\$ 1,114
TOTAL EXPENDITURES	\$ 33,412,728	\$ 33,722,841	\$ (310,113)	\$ 38,439,252	86.92%	\$ 5,026,524
BETTER/(WORSE)	\$ 4,314,203	\$ 1,104,474				
ENDING FUND BALANCE	\$ 12,703,639	\$ 6,593,910	\$ 6,109,729			

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May 31st, 2014



ALL FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2014 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 37,726,931	\$ 33,038,909	\$ 4,688,022	44%
Debt Service	\$ 12,351,557	\$ 8,802,620	\$ 3,548,937	58%
Special Liability	\$ 436,828	\$ 353,212	\$ 83,616	52%
Special Highway	\$ 1,619,860	\$ 2,434,649	\$ (814,789)	28%
Special Alcohol & Drug	\$ 131,047	\$ 218,750	\$ (87,703)	25%
Alcohol & Drug Safety	\$ 37,513	\$ 31,458	\$ 6,055	50%
Law Enforcement	\$ 101,189	\$ 133,958	\$ (32,769)	31%
Transient Guest Tax	\$ 449,786	\$ 1,020,833	\$ (571,047)	18%
Retirement Reserve	\$ 183,230	\$ 277,792	\$ (94,562)	27%
KP&F Rate Equalization	\$ 230,846	\$ -	\$ 230,846	0%
Neighborhood Revitalization	\$ 23,690	\$ 14,583	\$ 9,107	68%
Historical Asset Tourism	\$ 47,917	\$ 47,917	\$ 0	42%
Half Cent Sales Tax (JEDO)	\$ 3,231,940	\$ 3,333,333	\$ (101,393)	40%
Half Cent Sales Tax (Street)	\$ 5,403,775	\$ 5,762,500	\$ (358,725)	39%
Tax Increment Financing	\$ 138,872	\$ 83,333	\$ 55,539	69%
Court Technology	\$ 22,748	\$ 18,750	\$ 3,998	51%
Downtown Improvement	\$ 168,846	\$ 77,726	\$ 91,120	91%
Community Development	\$ 30,598	\$ 50,417	\$ (19,819)	25%
Combined Utilites	\$ 23,621,165	\$ 26,090,167	\$ (2,469,002)	38%
Public Parking	\$ 1,465,488	\$ 1,317,765	\$ 147,723	46%
Facilities	\$ 530,048	\$ 760,448	\$ (230,400)	29%
Fleet	\$ 776,090	\$ 772,710	\$ 3,380	42%
IT	\$ 1,588,258	\$ 1,571,159	\$ 17,099	42%
Risk Funds	\$ 5,351,523	\$ 5,260,417	\$ 91,106	42%
TOTAL	\$ 95,669,745	\$ 91,473,406	\$ 4,196,339	42%

Fund	YTD Actual Expenditures	2014 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 33,412,728	\$ 38,439,252	\$ 5,026,524	39%
Debt Service	\$ 2,292,549	\$ 9,411,660	\$ 7,119,111	10%
Special Liability	\$ 209,473	\$ 415,204	\$ 205,731	21%
Special Highway	\$ 2,953,639	\$ 2,639,187	\$ (314,452)	47%
Special Alcohol & Drug	\$ 555,820	\$ 250,000	\$ (305,820)	93%
Alcohol & Drug Safety	\$ 20,786	\$ 25,909	\$ 5,123	33%
Law Enforcement	\$ 233,927	\$ 229,167	\$ (4,760)	43%
Transient Guest Tax	\$ 1,642,711	\$ 1,041,667	\$ (601,044)	66%
Retirement Reserve	\$ -	\$ 375,000	\$ 375,000	0%
KP&F Rate Equalization	\$ 89,257	\$ 125,000	\$ 35,743	30%
Neighborhood Revitalization	\$ -	\$ 62,500	\$ 62,500	0%
Historical Asset Tourism	\$ 9,028	\$ 47,917	\$ 38,889	8%
Half Cent Sales Tax (JEDO)	\$ 3,240,650	\$ 1,459,375	\$ (1,781,275)	93%
Half Cent Sales Tax (Street)	\$ 3,230,441	\$ 6,531,459	\$ 3,301,018	21%
Tax Increment Financing	\$ -	\$ 71,927	\$ 71,927	0%
Court Technology	\$ 32,235	\$ 20,833	\$ (11,402)	64%
Downtown Improvement	\$ 113,024	\$ 77,726	\$ (35,298)	61%
Community Development	\$ 34,878	\$ 49,667	\$ 14,789	29%
Combined Utilites	\$ 29,869,002	\$ 27,252,590	\$ (2,616,412)	46%
Public Parking	\$ 1,520,424	\$ 1,565,784	\$ 45,360	40%
Facilities	\$ 709,136	\$ 746,608	\$ 37,472	40%
Fleet	\$ 1,371,672	\$ 767,749	\$ (603,923)	74%
IT	\$ 1,606,422	\$ 1,424,597	\$ (181,825)	47%
Risk Funds	\$ 4,119,608	\$ 5,260,417	\$ 1,140,809	33%
TOTAL	\$ 87,267,410	\$ 98,291,193	\$ 9,882,974	38%



CASH MANAGEMENT

Pooled Cash & Investments

Type of Investment	Guidelines			Invested Value	Yield to Maturity
	Minimum	Maximum	Actual %		
Bank Certificates of Deposit	0%	100%	28%	\$ 31,000,000	0.31
US Treasuries	0%	100%	16%	\$ 17,758,380	0.07
US Agencies	0%	100%	20%	\$ 22,248,291	0.52
Repurchase Agreements	0%	50%	-	-	-
Municipal Investment Pool	0%	30%	8%	\$ 9,214,187	-
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%	29%	\$ 32,043,040	1.14
Subtotal of Investments				\$112,263,897	0.51
General Checking				\$ 12,750,880	
Total Cash Balance				\$125,014,777	
Duration of investments (expressed in years)				1.70	

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 May 2014 the City had \$361,128,971 in total debt, compared to \$368,159,811 in 2013 or a -1.91% 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 May 31st, 2014, the City had \$278,840,950 of its remaining

bonding authority available, a decrease of approximately -3.23% under the May 31st, 2013 amount of \$288,141,156. The City is currently utilizing 18% of the debt authority as authorized by state statute.

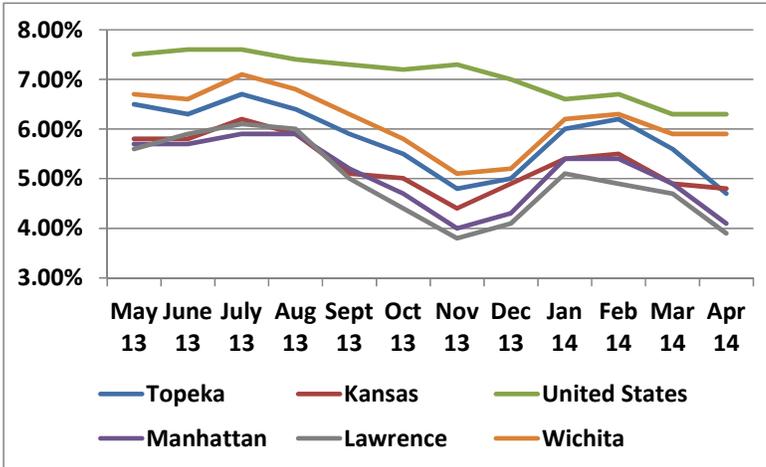
Debt Management

Instrument	2014	2013
Governmental General Obligation Bonds	\$ 138,989,715	\$ 136,650,561
Business Type General Obligation Bonds	\$ 11,470,285	\$ 12,434,439
Other General Obligation Bonds	\$ 15,340,000	\$ 14,870,000
Utility Revenue Bonds	\$ 123,790,000	\$ 123,880,000
Sales Tax Revenue Bonds	\$ 9,010,000	\$ 11,865,000
KDHE Revolving Loans	\$ 62,528,971	\$ 68,459,811
Total	\$ 361,128,971	\$ 368,159,811

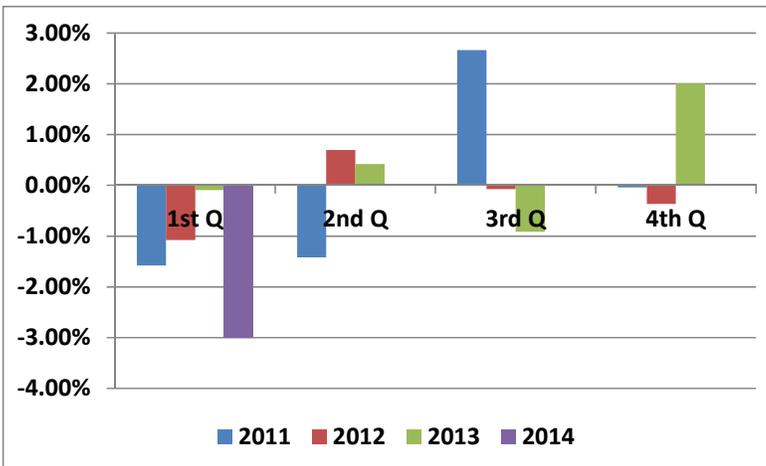
Debt Capacity	2014	2013
Assessed Valuation	\$ 1,132,135,180	\$ 1,103,303,854
Debt Limit Ratio	30.00%	30.00%
Debt Limit	\$ 339,640,554	\$ 330,991,156
Total Outstanding GO Debt	\$ 199,395,000	\$ 192,360,000
Debt Subject to Limitation	\$ 60,799,604	\$ 42,850,000
Debt Authority Remaining	\$ 278,840,950	\$ 288,141,156



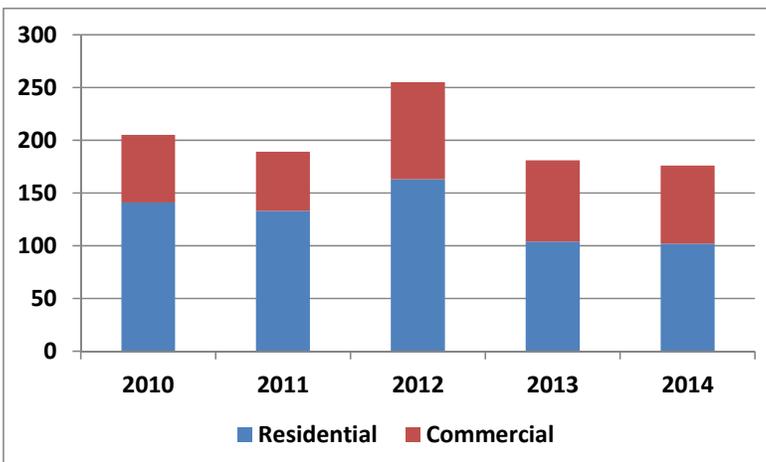
COMMUNITY STATISTICS



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 April of 2014 was 4.70%, 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 May 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.