

Monthly Financial Status Report

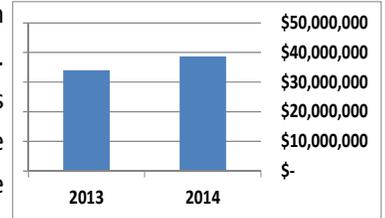
November 30, 2014



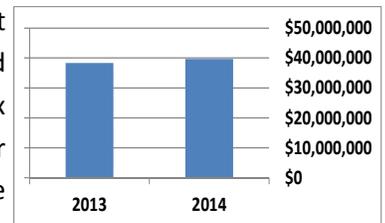
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

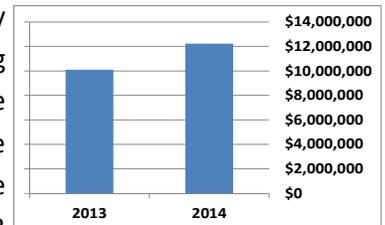
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2014 through November are \$38,727,790, which is a 13.93% increase over the 2013 collections of \$33,993,558. The City receives property tax allocations from the County primarily twice a year in January and June with a smaller allocation in the fall.



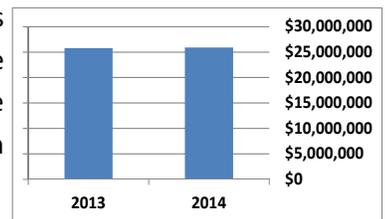
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2014 through November are \$39,713,184, which is a 3.53% increase over the 2013 collections of \$38,357,518. 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.



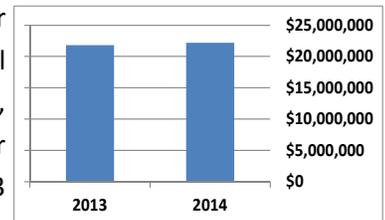
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are up 20.96% in 2014 with collections of \$12,224,131, compared to 2013 collections of \$10,105,677. 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 .56% in 2014 with billings of \$25,921,751, compared to 2013 billings of \$25,778,066.



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 1.85% in 2014 with billings of \$22,192,678, compared to 2013 billings of \$21,789,225.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues for the month ending November 2014 were \$80,749,624, an increase of approximately 6% over 2013 revenues which were \$75,948,926. 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 November 2014 were \$74,267,358, a increase of approximately 4% over 2013 expenditures which were \$71,520,687. 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 November 30, 2014 (92% of budget year)

Department	Actuals			Budget		
	2013 YTD	2014 YTD	Difference	2014 budget YTD	% of 2014 Budget YTD	\$ Diff Compared to 2014 budget YTD
BEGINNING FUND BALANCE	\$ 5,489,436	\$ 9,554,430	\$ 4,064,994			
Revenues						
Taxes & Assessments	\$ 56,509,060	\$ 59,138,180	\$ 2,629,120	\$ 49,861,048	118.61%	\$ 9,277,132
Intergovernmental	\$ 799,131	\$ 784,824	\$ (14,307)	\$ 485,833.33	161.54%	\$ 298,991
Licenses/Permits & Franchise Fees	\$ 11,062,928	\$ 13,647,529	\$ 2,584,601	\$ 13,732,808	99.38%	\$ (85,279)
Charges for Services	\$ 4,206,636	\$ 4,918,954	\$ 712,318	\$ 5,050,692	97.39%	\$ (131,738)
Fines/forfeitures	\$ 2,610,062	\$ 2,731,549	\$ 121,487	\$ 2,750,000	99.33%	\$ (18,451)
Rents/Interest	\$ 379,103	\$ 62,903	\$ (316,200)	\$ 313,518	20.06%	\$ (250,615)
Other	\$ 152,502	\$ (726,537)	\$ (879,039)	\$ 248,783	-292.04%	\$ (975,320)
Transfers In	\$ 200,000	\$ 150,066	\$ (49,934)	\$ 183,333	81.85%	\$ (33,267)
Sale of Assets	\$ 29,504	\$ 42,156	\$ 12,652	\$ 59,583	70.75%	\$ (17,427)
TOTAL REVENUES	\$ 75,948,926	\$ 80,749,624	\$ 4,800,698	\$ 72,685,600	111.09%	\$ 8,064,024
Expenditures						
City Council	\$ 242,547	\$ 237,460	\$ (5,087)	\$ 285,590	83.15%	\$ 48,130
City Manager	\$ 757,225	\$ 1,040,353	\$ 283,128	\$ 1,188,886	87.51%	\$ 148,533
City Attorney	\$ 1,020,730	\$ 902,309	\$ (118,421)	\$ 1,045,855	86.27%	\$ 143,546
Financial Services	\$ 1,911,534	\$ 1,905,925	\$ (5,609)	\$ 2,005,558	95.03%	\$ 99,633
Municipal Court	\$ 1,262,587	\$ 1,392,262	\$ 129,675	\$ 1,670,729	83.33%	\$ 278,467
Human Resources	\$ 807,773	\$ 815,909	\$ 8,136	\$ 918,850	88.80%	\$ 102,941
Mayor's Office	\$ 99,414	\$ 96,133	\$ (3,281)	\$ 123,004	78.15%	\$ 26,871
Non Departmental	\$ 693,314	\$ 674,326	\$ (18,988)	\$ 4,733,034	14.25%	\$ 4,058,708
Prisoner Care	\$ 643,155	\$ 607,800	\$ (35,355)	\$ 967,743	62.81%	\$ 359,943
HND Program Delivery	\$ 74,583	\$ 168,749	\$ 94,166	\$ 208,897	80.78%	\$ 40,148
Social Service Grants	\$ 463,284	\$ 443,314	\$ (19,970)	\$ 370,403	119.68%	\$ (72,911)
Franchise Fee Program	\$ 78,367	\$ 79,925	\$ 1,558	\$ 91,758	87.10%	\$ 11,833
Topeka Performance Center	\$ 347,588	\$ 347,548	\$ (40)	\$ 313,453	110.88%	\$ (34,095)
Cemeteries	\$ 165,284	\$ 170,562	\$ 5,278	\$ 155,833	109.45%	\$ (14,729)
Fire Department	\$ 21,267,627	\$ 22,046,630	\$ 779,003	\$ 23,748,242	92.83%	\$ 1,701,612
Police Department	\$ 29,528,066	\$ 31,869,734	\$ 2,341,668	\$ 34,855,337	91.43%	\$ 2,985,603
Public Works	\$ 5,895,734	\$ 6,237,822	\$ 342,088	\$ 7,124,746	87.55%	\$ 886,924
Park and Recreation	\$ 3,431,242	\$ 2,439,450	\$ (991,792)	\$ 1,894,515	128.76%	\$ (544,935)
Topeka Zoological Park	\$ 2,130,410	\$ 2,036,229	\$ (94,181)	\$ 2,092,274	97.32%	\$ 56,045
Planning Department	\$ 700,223	\$ 754,918	\$ 54,695	\$ 771,645	97.83%	\$ 16,727
TOTAL EXPENDITURES	\$ 71,520,687	\$ 74,267,358	\$ 2,746,671	\$ 84,566,354	87.82%	\$ 10,298,996
BETTER/(WORSE)	\$ 4,428,239	\$ 6,482,266				
ENDING FUND BALANCE	\$ 9,917,675	\$ 16,036,696	\$ 6,119,021			

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ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2014 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 80,749,624	\$ 72,685,600	\$ 8,064,024	94%
Debt Service	\$ 21,030,078	\$ 19,365,764	\$ 1,664,314	100%
Special Liability	\$ 835,822	\$ 777,066	\$ 58,756	99%
Special Highway	\$ 5,354,781	\$ 5,356,228	\$ (1,447)	92%
Special Alcohol & Drug	\$ 392,412	\$ 481,250	\$ (88,838)	75%
Alcohol & Drug Safety	\$ 75,703	\$ 69,208	\$ 6,495	100%
Law Enforcement	\$ 330,893	\$ 294,708	\$ 36,185	103%
Transient Guest Tax	\$ 1,796,817	\$ 2,245,833	\$ (449,016)	73%
Retirement Reserve	\$ 985,577	\$ 611,142	\$ 374,435	148%
KP&F Rate Equalization	\$ 3,707	\$ -	\$ 3,707	0%
Neighborhood Revitalization	\$ 39,962	\$ 32,083	\$ 7,879	114%
Historical Asset Tourism	\$ 68,599	\$ 105,417	\$ (36,818)	60%
Half Cent Sales Tax (JEDO)	\$ 7,905,667	\$ 7,333,333	\$ 572,334	99%
Half Cent Sales Tax (Street)	\$ 12,785,840	\$ 12,677,500	\$ 108,340	92%
Tax Increment Financing	\$ 62,195	\$ 183,333	\$ (121,138)	31%
Court Technology	\$ 51,950	\$ 41,250	\$ 10,700	115%
Downtown Improvement	\$ 165,639	\$ 170,997	\$ (5,358)	89%
Community Development	\$ 88,333	\$ 110,917	\$ (22,584)	73%
Combined Utilites	\$ 56,151,485	\$ 57,398,367	\$ (1,246,882)	90%
Public Parking	\$ 2,829,979	\$ 2,899,082	\$ (69,103)	89%
Facilities	\$ 1,161,775	\$ 1,672,985	\$ (511,210)	64%
Fleet	\$ 1,730,037	\$ 1,699,963	\$ 30,074	93%
IT	\$ 3,426,165	\$ 3,456,550	\$ (30,385)	91%
Risk Funds	\$ 11,440,334	\$ 11,572,917	\$ (132,583)	91%
TOTAL	\$ 209,463,374	\$ 201,241,493	\$ 8,221,881	92%

Fund	YTD Actual Expenditures	2014 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 74,267,358	\$ 84,566,354	\$ 10,298,996	86%
Debt Service	\$ 18,559,275	\$ 20,705,651	\$ 2,146,376	82%
Special Liability	\$ 411,813	\$ 913,449	\$ 501,636	41%
Special Highway	\$ 5,609,491	\$ 5,806,212	\$ 196,721	89%
Special Alcohol & Drug	\$ 555,820	\$ 550,000	\$ (5,820)	93%
Alcohol & Drug Safety	\$ 48,732	\$ 57,000	\$ 8,268	78%
Law Enforcement	\$ 418,731	\$ 504,167	\$ 85,436	76%
Transient Guest Tax	\$ 2,118,423	\$ 2,291,667	\$ 173,244	85%
Retirement Reserve	\$ -	\$ 825,000	\$ 825,000	0%
KP&F Rate Equalization	\$ 109,963	\$ 275,000	\$ 165,037	37%
Neighborhood Revitalization	\$ -	\$ 137,500	\$ 137,500	0%
Historical Asset Tourism	\$ 237,170	\$ 105,417	\$ (131,753)	206%
Half Cent Sales Tax (JEDO)	\$ 5,679,719	\$ 3,210,625	\$ (2,469,094)	162%
Half Cent Sales Tax (Street)	\$ 5,995,681	\$ 14,369,210	\$ 8,373,529	38%
Tax Increment Financing	\$ 235,704	\$ 158,240	\$ (77,464)	137%
Court Technology	\$ 34,358	\$ 45,833	\$ 11,475	69%
Downtown Improvement	\$ 141,118	\$ 170,997	\$ 29,879	76%
Community Development	\$ 71,796	\$ 109,267	\$ 37,471	60%
Combined Utilites	\$ 61,207,690	\$ 59,955,698	\$ (1,251,992)	94%
Public Parking	\$ 2,876,500	\$ 3,444,724	\$ 568,224	77%
Facilities	\$ 1,230,974	\$ 1,642,537	\$ 411,563	69%
Fleet	\$ 1,512,956	\$ 1,689,048	\$ 176,092	82%
IT	\$ 3,084,432	\$ 3,134,114	\$ 49,682	90%
Risk Funds	\$ 9,120,229	\$ 11,572,917	\$ 2,452,688	72%
TOTAL	\$ 193,527,933	\$ 216,240,624	\$ 20,260,004	84%



CASH MANAGEMENT

Pooled Cash & Investments

Guidelines

Type of Investment	Minimum	Maximum	Actual %	Invested Value	Yield to Maturity
Bank Certificates of Deposit	0%	100%	31%	\$ 35,400,000	0.33
US Treasuries	0%	100%	2%	\$ 1,996,863	0.05
US Agencies	0%	100%	31%	\$ 35,493,936	0.62
Repurchase Agreements	0%	50%	-	-	-
Municipal Investment Pool	0%	30%	13%	\$ 15,245,299	-
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%	23%	\$ 26,514,527	0.54
Subtotal of Investments				\$114,650,625	0.39

General Checking \$ 18,480,532

Total Cash Balance \$133,131,157

Duration of investments (expressed in years) 0.47

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 November 2014 the City had \$378,359,808 in permanent and temporary debt, compared to \$391,163,785 in 2013 or a -3.27% decrease. When backing out the

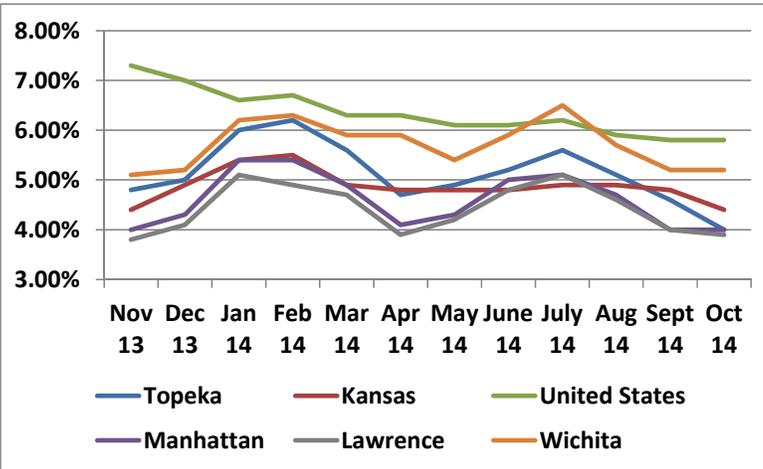
Debt Management

Instrument	2013	2014
Governmental General Obligation Bonds	\$ 139,003,398	\$ 131,938,017
Business Type General Obligation Bonds	\$ 11,456,602	\$ 11,121,983
Other General Obligation Bonds	\$ 15,340,000	\$ 14,135,000
Utility Revenue Bonds	\$ 123,790,000	\$ 120,235,000
Sales Tax Revenue Bonds	\$ 11,865,000	\$ 9,010,000
KDHE Revolving Loans	\$ 65,123,785	\$ 58,529,808
Temporary Notes	\$ 24,585,000	\$ 33,390,000
Total	\$ 391,163,785	\$ 378,359,808

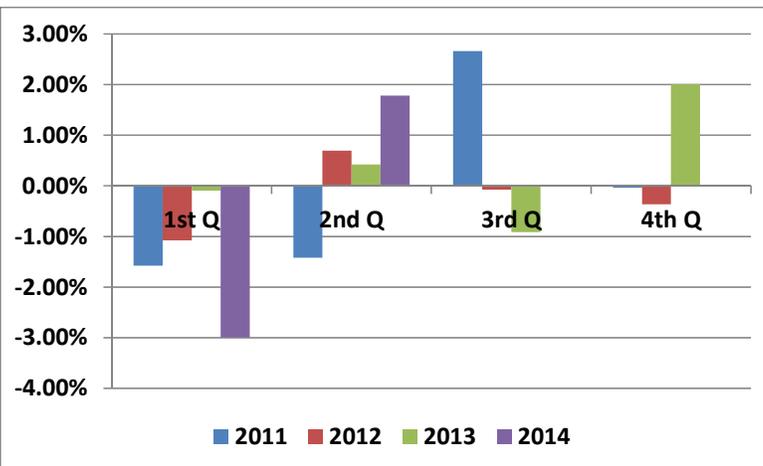
temporary notes and comparing current permanent debt to the prior year, permanent debt decreased by 5.89%.



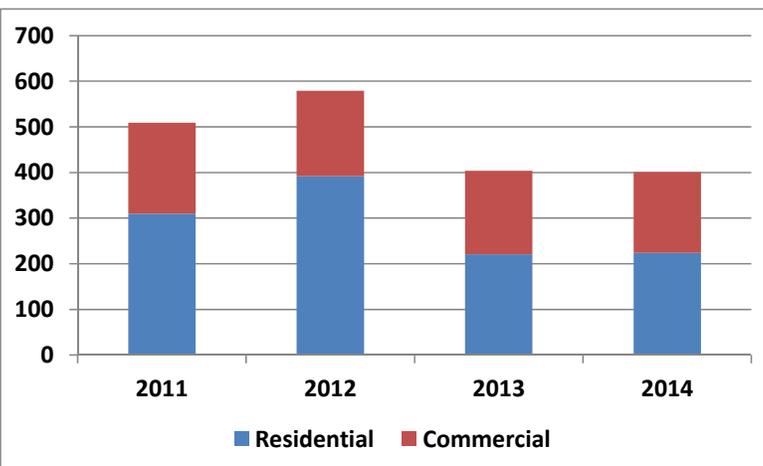
COMMUNITY STATISTICS



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 October of 2014 was 4.00%, 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 November 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.