

# Monthly Financial Status Report

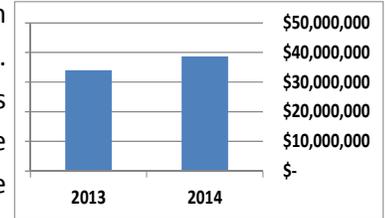
October 31, 2014



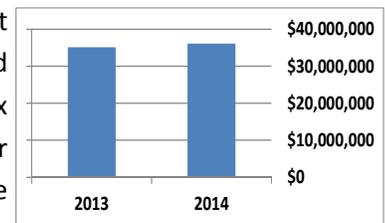
Prepared by the Financial Services Department

## KEY REVENUE INDICATORS OVERVIEW

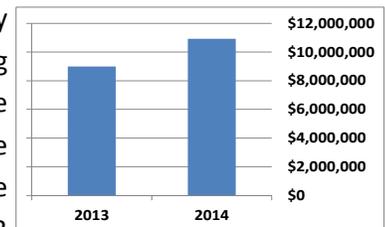
**PROPERTY TAX** The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2014 through October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



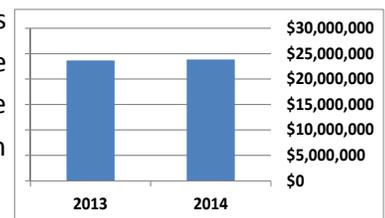
**SALES TAX** The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2014 through October are \$36,115,635, which is a 2.82% increase over the 2013 collections of \$35,126,039. 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.



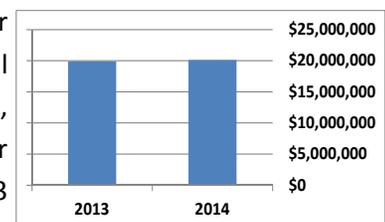
**FRANCHISE FEES** These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are up 21.66% in 2014 with collections of \$10,929,700, compared to 2013 collections of \$8,984,113. 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 .81% in 2014 with billings of \$23,849,993, compared to 2013 billings of \$23,657,443.



**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 1.27% in 2014 with billings of \$20,134,776, compared to 2013 billings of \$19,882,480.



POSITIVE

CAUTION

NEGATIVE

# Monthly Financial Status Report

October 31, 2014



## GENERAL FUND OVERVIEW

General Fund revenues for the month ending October 2014 were \$76,601,146, an increase of approximately 7% over 2013 revenues which were \$71,568,488. 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 October 2014 were \$67,350,480, a increase of approximately 5% over 2013 expenditures which were \$64,290,583. 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 October 31st, 2014 (83% of budget year)

Department	Actuals			Budget		
	2014 YTD	2013 YTD	Difference	2014 budget YTD	% of 2014 Budget YTD	\$ Diff Compared to 2014 budget YTD
<b>BEGINNING FUND BALANCE</b>	<b>\$ 9,554,430</b>	<b>\$ 5,489,436</b>	<b>\$ 4,064,994</b>			
<b>Revenues</b>						
Taxes & Assessments	\$ 56,145,818	\$ 53,956,742	\$ 2,189,076	\$ 45,328,226	123.87%	\$ 10,817,592
Intergovernmental	\$ 784,824	\$ 799,131	\$ (14,307)	\$ 441,666.67	177.70%	\$ 343,157
Licenses/Permits & Franchise Fees	\$ 12,254,461	\$ 9,871,780	\$ 2,382,681	\$ 12,484,371	98.16%	\$ (229,910)
Charges for Services	\$ 4,534,838	\$ 3,802,125	\$ 732,713	\$ 4,591,538	98.77%	\$ (56,700)
Fines/forfeitures	\$ 2,512,428	\$ 2,412,754	\$ 99,674	\$ 2,500,000	100.50%	\$ 12,428
Rents/Interest	\$ 49,091	\$ 371,843	\$ (322,752)	\$ 285,017	17.22%	\$ (235,926)
Other	\$ 127,464	\$ 125,789	\$ 1,675	\$ 226,167	56.36%	\$ (98,703)
Transfers In	\$ 150,066	\$ 200,000	\$ (49,934)	\$ 166,667	90.04%	\$ (16,601)
Sale of Assets	\$ 42,156	\$ 28,324	\$ 13,832	\$ 54,167	77.83%	\$ (12,011)
<b>TOTAL REVENUES</b>	<b>\$ 76,601,146</b>	<b>\$ 71,568,488</b>	<b>\$ 5,032,658</b>	<b>\$ 66,077,818</b>	<b>115.93%</b>	<b>\$ 10,523,328</b>
<b>Expenditures</b>						
City Council	\$ 218,233	\$ 234,664	\$ (16,431)	\$ 259,628	84.06%	\$ 41,395
City Manager	\$ 980,805	\$ 678,301	\$ 302,504	\$ 1,080,806	90.75%	\$ 100,001
City Attorney	\$ 827,349	\$ 928,184	\$ (100,835)	\$ 950,778	87.02%	\$ 123,429
Financial Services	\$ 1,772,004	\$ 1,725,003	\$ 47,001	\$ 1,823,234	97.19%	\$ 51,230
Municipal Court	\$ 1,283,144	\$ 1,294,808	\$ (11,664)	\$ 1,518,844	84.48%	\$ 235,700
Human Resources	\$ 717,942	\$ 728,027	\$ (10,085)	\$ 835,318	85.95%	\$ 117,376
Mayor's Office	\$ 88,768	\$ 91,503	\$ (2,735)	\$ 111,822	79.38%	\$ 23,054
Non Departmental	\$ 660,287	\$ 681,277	\$ (20,990)	\$ 4,302,758	15.35%	\$ 3,642,471
Prisoner Care	\$ 460,693	\$ 582,845	\$ (122,152)	\$ 879,767	52.37%	\$ 419,074
HND Program Delivery	\$ 161,130	\$ 59,621	\$ 101,509	\$ 189,907	84.85%	\$ 28,777
Social Service Grants	\$ 437,178	\$ 458,151	\$ (20,973)	\$ 336,730	129.83%	\$ (100,448)
Franchise Fee Program	\$ 99,925	\$ 78,367	\$ 21,558	\$ 83,417	119.79%	\$ (16,508)
Topeka Performance Center	\$ 324,426	\$ 323,563	\$ 863	\$ 284,958	113.85%	\$ (39,469)
Cemeteries	\$ 164,070	\$ 165,262	\$ (1,192)	\$ 141,667	115.81%	\$ (22,403)
Fire Department	\$ 19,823,170	\$ 18,803,080	\$ 1,020,090	\$ 21,589,311	91.82%	\$ 1,766,141
Police Department	\$ 28,671,153	\$ 26,119,474	\$ 2,551,679	\$ 31,686,670	90.48%	\$ 3,015,517
Public Works	\$ 5,673,258	\$ 5,307,115	\$ 366,143	\$ 6,477,042	87.59%	\$ 803,784
Park and Recreation	\$ 2,439,450	\$ 3,431,154	\$ (991,704)	\$ 1,722,287	141.64%	\$ (717,163)
Topeka Zoological Park	\$ 1,849,449	\$ 1,975,952	\$ (126,503)	\$ 1,902,068	97.23%	\$ 52,619
Planning Department	\$ 698,046	\$ 624,232	\$ 73,814	\$ 701,495	99.51%	\$ 3,449
<b>TOTAL EXPENDITURES</b>	<b>\$ 67,350,480</b>	<b>\$ 64,290,583</b>	<b>\$ 3,059,897</b>	<b>\$ 76,878,503</b>	<b>87.61%</b>	<b>\$ 9,528,023</b>
<b>BETTER/(WORSE)</b>	<b>\$ 9,250,666</b>	<b>\$ 7,277,905</b>				
<b>ENDING FUND BALANCE</b>	<b>\$ 18,805,096</b>	<b>\$ 12,767,341</b>	<b>\$ 6,037,755</b>			

# Monthly Financial Status Report

October 31, 2014



## ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2014 YTD Revenue Budget	Difference	% of Total Budget	0% 50% 100%		
					Bar Chart		
General	\$ 76,601,146	\$ 66,077,818	\$ 10,523,328	89%	[Bar at 89%]		
Debt Service	\$ 21,014,112	\$ 17,605,240	\$ 3,408,872	99%	[Bar at 99%]		
Special Liability	\$ 835,822	\$ 706,423	\$ 129,399	99%	[Bar at 99%]		
Special Highway	\$ 4,768,816	\$ 4,869,298	\$ (100,482)	82%	[Bar at 82%]		
Special Alcohol & Drug	\$ 392,412	\$ 437,500	\$ (45,088)	75%	[Bar at 75%]		
Alcohol & Drug Safety	\$ 71,533	\$ 62,917	\$ 8,616	95%	[Bar at 95%]		
Law Enforcement	\$ 314,281	\$ 267,917	\$ 46,364	98%	[Bar at 98%]		
Transient Guest Tax	\$ 1,540,129	\$ 2,041,667	\$ (501,538)	63%	[Bar at 63%]		
Retirement Reserve	\$ 898,433	\$ 555,583	\$ 342,850	135%	[Bar at 135%]		
KP&F Rate Equalization	\$ 3,011	\$ -	\$ 3,011	0%	[Bar at 0%]		
Neighborhood Revitalization	\$ 39,962	\$ 29,167	\$ 10,795	114%	[Bar at 114%]		
Historical Asset Tourism	\$ 68,599	\$ 95,833	\$ (27,234)	60%	[Bar at 60%]		
Half Cent Sales Tax (JEDO)	\$ 7,202,893	\$ 6,666,667	\$ 536,226	90%	[Bar at 90%]		
Half Cent Sales Tax (Street)	\$ 11,708,680	\$ 11,525,000	\$ 183,680	85%	[Bar at 85%]		
Tax Increment Financing	\$ 262,195	\$ 166,667	\$ 95,528	131%	[Bar at 131%]		
Court Technology	\$ 47,722	\$ 37,500	\$ 10,222	106%	[Bar at 106%]		
Downtown Improvement	\$ 168,846	\$ 155,452	\$ 13,394	91%	[Bar at 91%]		
Community Development	\$ 74,351	\$ 100,833	\$ (26,482)	61%	[Bar at 61%]		
Combined Utilites	\$ 51,351,325	\$ 52,180,333	\$ (829,008)	82%	[Bar at 82%]		
Public Parking	\$ 2,618,344	\$ 2,635,529	\$ (17,185)	83%	[Bar at 83%]		
Facilities	\$ 1,056,575	\$ 1,520,895	\$ (464,320)	58%	[Bar at 58%]		
Fleet	\$ 1,574,387	\$ 1,545,421	\$ 28,966	85%	[Bar at 85%]		
IT	\$ 3,122,285	\$ 3,142,318	\$ (20,033)	83%	[Bar at 83%]		
Risk Funds	\$ 10,735,570	\$ 10,520,833	\$ 214,737	85%	[Bar at 85%]		
<b>TOTAL</b>	<b>\$ 196,471,429</b>	<b>\$ 182,946,812</b>	<b>\$ 13,524,617</b>	<b>87%</b>	[Bar at 87%]		

Fund	YTD Actual Expenditures	2014 YTD Expen. Budget	Difference	% of Total Budget	0% 50% 100%		
					Bar Chart		
General	\$ 67,350,480	\$ 76,878,503	\$ 9,528,023	78%	[Bar at 78%]		
Debt Service	\$ 18,563,800	\$ 18,823,319	\$ 259,519	82%	[Bar at 82%]		
Special Liability	\$ 406,804	\$ 830,408	\$ 423,604	41%	[Bar at 41%]		
Special Highway	\$ 5,407,117	\$ 5,278,374	\$ (128,743)	85%	[Bar at 85%]		
Special Alcohol & Drug	\$ 445,233	\$ 500,000	\$ 54,767	74%	[Bar at 74%]		
Alcohol & Drug Safety	\$ 44,181	\$ 51,818	\$ 7,637	71%	[Bar at 71%]		
Law Enforcement	\$ 455,711	\$ 458,333	\$ 2,622	83%	[Bar at 83%]		
Transient Guest Tax	\$ 1,383,289	\$ 2,083,333	\$ 700,044	55%	[Bar at 55%]		
Retirement Reserve	\$ -	\$ 750,000	\$ 750,000	0%	[Bar at 0%]		
KP&F Rate Equalization	\$ 109,963	\$ 250,000	\$ 140,037	37%	[Bar at 37%]		
Neighborhood Revitalization	\$ -	\$ 125,000	\$ 125,000	0%	[Bar at 0%]		
Historical Asset Tourism	\$ 231,899	\$ 95,833	\$ (136,066)	202%	[Bar at 202%]		
Half Cent Sales Tax (JEDO)	\$ 4,953,846	\$ 2,918,750	\$ (2,035,096)	141%	[Bar at 141%]		
Half Cent Sales Tax (Street)	\$ 6,756,938	\$ 13,062,918	\$ 6,305,980	43%	[Bar at 43%]		
Tax Increment Financing	\$ 235,704	\$ 143,854	\$ (91,850)	137%	[Bar at 137%]		
Court Technology	\$ 34,235	\$ 41,667	\$ 7,432	68%	[Bar at 68%]		
Downtown Improvement	\$ 140,852	\$ 155,452	\$ 14,600	76%	[Bar at 76%]		
Community Development	\$ 64,010	\$ 99,333	\$ 35,323	54%	[Bar at 54%]		
Combined Utilites	\$ 58,667,821	\$ 54,505,180	\$ (4,162,641)	90%	[Bar at 90%]		
Public Parking	\$ 2,725,115	\$ 3,131,568	\$ 406,453	73%	[Bar at 73%]		
Facilities	\$ 1,112,013	\$ 1,493,215	\$ 381,202	62%	[Bar at 62%]		
Fleet	\$ 1,315,405	\$ 1,535,498	\$ 220,093	71%	[Bar at 71%]		
IT	\$ 2,924,493	\$ 2,849,194	\$ (75,299)	86%	[Bar at 86%]		
Risk Funds	\$ 8,216,197	\$ 10,520,833	\$ 2,304,636	65%	[Bar at 65%]		
<b>TOTAL</b>	<b>\$ 181,545,106</b>	<b>\$ 196,582,386</b>	<b>\$ 12,732,644</b>	<b>79%</b>	[Bar at 79%]		



## CASH MANAGEMENT

### Pooled Cash & Investments

Type of Investment	Guidelines			Invested Value	Yield to Maturity
	Minimum	Maximum	Actual %		
Bank Certificates of Deposit	0%	100%	32%	\$ 35,400,000	0.33
US Treasuries	0%	100%	5%	\$ 4,993,730	0.15
US Agencies	0%	100%	21%	\$ 22,744,836	0.64
Repurchase Agreements	0%	50%	-	-	-
Municipal Investment Pool	0%	30%	19%	\$ 20,245,112	-
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%	24%	\$ 25,647,020	0.50
<b>Subtotal of Investments</b>				<b>\$109,030,697</b>	<b>0.41</b>
<b>General Checking</b>				<b>\$ 20,190,603</b>	
<b>Total Cash Balance</b>				<b>\$129,221,301</b>	
<b>Duration of investments (expressed in years)</b>				<b>0.92</b>	

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

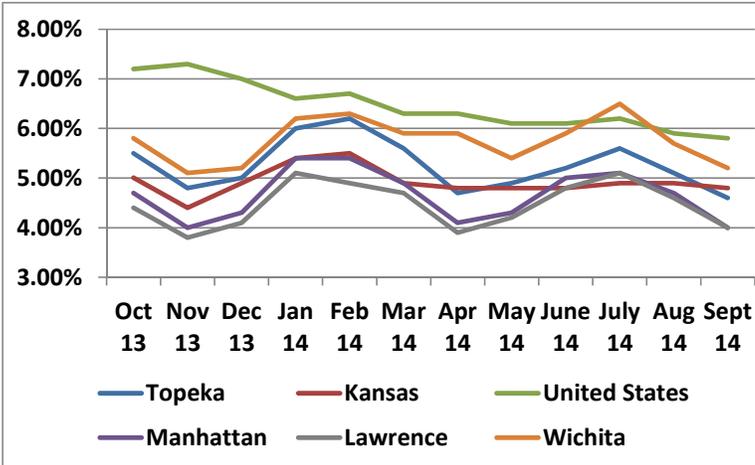
Finance staff oversee all debt issued by the City, which includes General Obligation (GO), revenue backed, revolving loan funds, temporary notes and special assessment debt. As of October 2014 the City had \$348,580,086 in permanent debt, compared to \$369,937,778 in 2013 or a -5.77% decrease.

### Debt Management

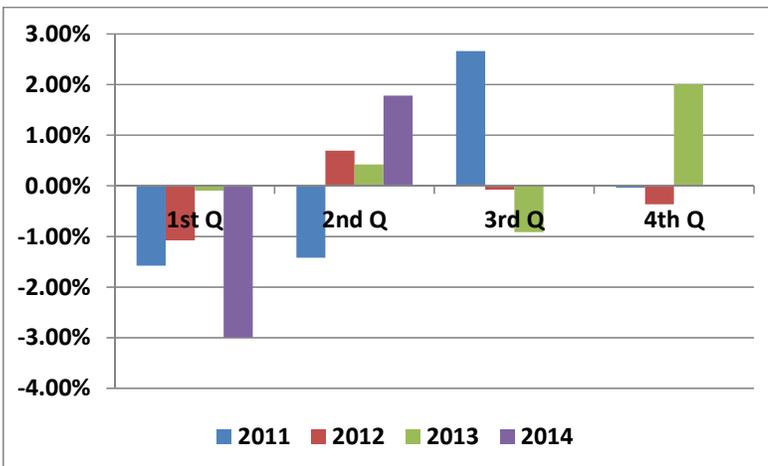
Instrument	2013	2014
Governmental General Obligation Bonds	\$ 139,003,398	\$ 131,938,017
Business Type General Obligation Bonds	\$ 11,456,602	\$ 11,121,983
Other General Obligation Bonds	\$ 15,340,000	\$ 14,135,000
Utility Revenue Bonds	\$ 123,790,000	\$ 120,235,000
Sales Tax Revenue Bonds	\$ 11,865,000	\$ 9,010,000
KDHE Revolving Loans	\$ 68,482,778	\$ 62,140,086
<b>Total</b>	<b>\$ 369,937,778</b>	<b>\$ 348,580,086</b>



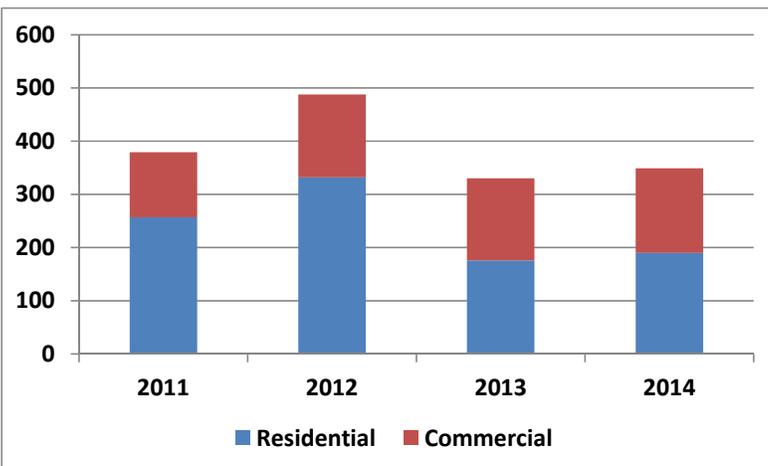
## COMMUNITY STATISTICS



**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 Septmeber of 2014 was 4.60%, 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 October 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.