

Monthly Financial Status Report

April 30th, 2014

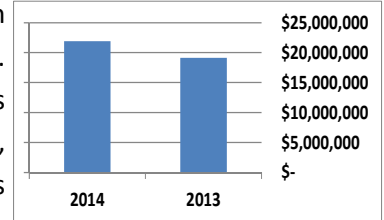


Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

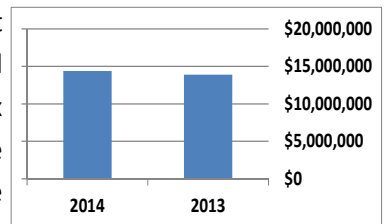
PROPERTY TAX

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 April 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.



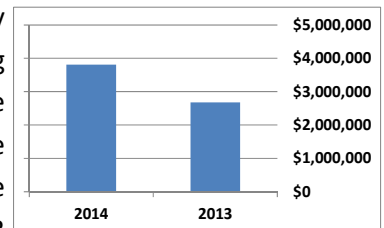
SALES TAX

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 April are \$14,375,796, which is a 3.64% increase over the 2013 collections of \$13,871,197. 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.



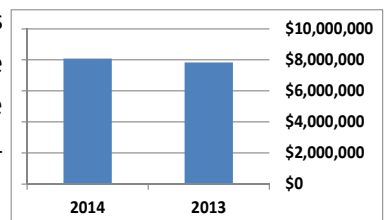
FRANCHISE FEES

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 42.12% in 2014 with collections of \$3,810,592, compared to 2013 collections of \$2,681,166. Westar franchise fees increased from 5% to 6% in late 2013, all others remain at 5%.



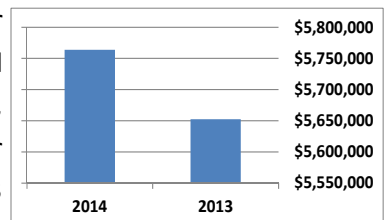
WATER FEES

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 3.04% in 2014 with collections of \$8,080,831, compared to 2013 collections of \$7,842,152.



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 1.92% in 2014 with collections of \$7,695,732, compared to 2013 collections of \$7,551,076s.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues for the month ending April 2014 were \$32,369,172, an increase of approximately 19% over 2013 revenues which were \$27,193,399. 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 April 2014 were \$25,933,712, a increase of approximately 1% over 2013 expenditures which were \$25,734,048. 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			Budget		
	2014 YTD	2013 YTD	Difference	As of April 30th, 2014 (33% of budget year)		
				2014 budget YTD	% of 2014 Budget YTD	\$ Diff Compared to 2014 budget YTD
BEGINNING FUND BALANCE	\$ 8,389,436	\$ 5,489,436	\$ 2,900,000			
Revenues						
Taxes & Assessments	\$ 24,946,932	\$ 21,452,540	\$ 3,494,392	\$ 18,131,290	137.59%	\$ 6,815,642
Intergovernmental	\$ 262,093	\$ 133,111	\$ 128,982	\$ 176,666.67	148.35%	\$ 85,426
Licenses/Permits & Franchise Fees	\$ 4,325,998	\$ 3,030,939	\$ 1,295,059	\$ 4,993,748	86.63%	\$ (667,750)
Charges for Services	\$ 1,627,434	\$ 1,318,810	\$ 308,624	\$ 1,836,615	88.61%	\$ (209,181)
Fines/forfeitures	\$ 1,117,794	\$ 1,098,465	\$ 19,329	\$ 1,000,000	111.78%	\$ 117,794
Rents/Interest	\$ 23,491	\$ 81,268	\$ (57,777)	\$ 114,007	20.60%	\$ (90,516)
Other	\$ 61,065	\$ 65,782	\$ (4,717)	\$ 90,467	67.50%	\$ (29,402)
Transfers In	\$ -	\$ -	\$ -	\$ 66,667	0.00%	\$ (66,667)
Sale of Assets	\$ 4,365	\$ 12,483	\$ (8,118)	\$ 21,667	20.15%	\$ (17,302)
TOTAL REVENUES	\$ 32,369,172	\$ 27,193,399	\$ 5,175,773	\$ 26,431,127	122%	\$ 5,938,045
Expenditures						
City Council	\$ 77,016	\$ 95,124	\$ (18,108)	\$ 103,851	74.16%	\$ 26,835
City Manager	\$ 402,727	\$ 252,543	\$ 150,184	\$ 432,322	93.15%	\$ 29,595
City Attorney	\$ 303,964	\$ 370,677	\$ (66,713)	\$ 380,311	79.93%	\$ 76,347
Financial Services	\$ 727,745	\$ 715,783	\$ 11,962	\$ 729,294	99.79%	\$ 1,549
Municipal Court	\$ 482,290	\$ 560,887	\$ (78,597)	\$ 607,538	79.38%	\$ 125,248
Human Resources	\$ 320,214	\$ 270,510	\$ 49,704	\$ 334,127	95.84%	\$ 13,913
Mayor's Office	\$ 26,188	\$ 33,876	\$ (7,688)	\$ 44,729	58.55%	\$ 18,541
Non Departmental	\$ 195,412	\$ 351,579	\$ (156,167)	\$ 1,721,103	11.35%	\$ 1,525,691
Prisoner Care	\$ 765,598	\$ 210,868	\$ 554,730	\$ 351,907	217.56%	\$ (413,691)
HND Program Delivery	\$ 80,713	\$ 21,887	\$ 58,826	\$ 75,963	106.25%	\$ (4,750)
Social Service Grants	\$ 429,564	\$ 279,203	\$ 150,361	\$ 134,692	318.92%	\$ (294,872)
Inmate Cleanup Program	\$ -	\$ 9,528	\$ (9,528)	\$ -		\$ -
Franchise Fee Program	\$ 80,000	\$ 43,832	\$ 36,168	\$ 33,367	239.76%	\$ (46,633)
Topeka Performance Center	\$ 181,556	\$ 183,105	\$ (1,549)	\$ 113,983	159.28%	\$ (67,573)
Cemeteries	\$ 168,463	\$ 160,065	\$ 8,398	\$ 56,667	297.29%	\$ (111,796)
Fire Department	\$ 6,962,615	\$ 6,657,948	\$ 304,667	\$ 8,635,724	80.63%	\$ 1,673,109
Police Department	\$ 10,538,936	\$ 9,561,031	\$ 977,905	\$ 12,674,668	83.15%	\$ 2,135,732
Public Works	\$ 2,021,945	\$ 2,056,958	\$ (35,013)	\$ 2,590,817	78.04%	\$ 568,872
Park and Recreation	\$ 1,172,633	\$ 3,030,775	\$ (1,858,142)	\$ 688,915	170.21%	\$ (483,718)
Topeka Zoological Park	\$ 734,397	\$ 657,294	\$ 77,103	\$ 760,827	96.53%	\$ 26,430
Planning Department	\$ 261,736	\$ 210,575	\$ 51,161	\$ 280,598	93.28%	\$ 18,862
TOTAL EXPENDITURES	\$ 25,933,712	\$ 25,734,048	\$ 199,664	\$ 30,751,401	#REF!	\$ 4,817,689
BETTER/(WORSE)	\$ 6,435,460	\$ 1,459,351				
ENDING FUND BALANCE	\$ 14,824,896	\$ 6,948,787	\$ 7,876,109			

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ALL FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2014 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 32,369,172	\$ 26,431,127	\$ 5,938,045	38%
Debt Service	\$ 12,250,294	\$ 7,042,096	\$ 5,208,198	58%
Special Liability	\$ 436,829	\$ 282,569	\$ 154,260	52%
Special Highway	\$ 1,388,947	\$ 1,947,719	\$ (558,772)	24%
Special Alcohol & Drug	\$ 131,047	\$ 175,000	\$ (43,953)	25%
Alcohol & Drug Safety	\$ 30,198	\$ 25,167	\$ 5,031	40%
Law Enforcement	\$ 138,795	\$ 107,167	\$ 31,628	43%
Transient Guest Tax	\$ 449,786	\$ 816,667	\$ (366,881)	18%
Retirement Reserve	\$ 122,351	\$ 222,233	\$ (99,882)	18%
KP&F Rate Equalization	\$ 174,560	\$ -	\$ 174,560	0%
Neighborhood Revitalization	\$ 23,690	\$ 11,667	\$ 12,023	68%
Historical Asset Tourism	\$ -	\$ 38,333	\$ (38,333)	0%
Half Cent Sales Tax (JEDO)	\$ 2,852,208	\$ 2,666,667	\$ 185,541	36%
Half Cent Sales Tax (Street)	\$ 4,791,932	\$ 4,610,000	\$ 181,932	35%
Tax Increment Financing	\$ 138,872	\$ 66,667	\$ 72,205	69%
Court Technology	\$ 18,977	\$ 15,000	\$ 3,977	42%
Downtown Improvement	\$ 168,846	\$ 62,181	\$ 106,665	91%
Community Development	\$ 23,153	\$ 40,333	\$ (17,180)	19%
Combined Utilites	\$ 18,486,226	\$ 20,872,133	\$ (2,385,907)	30%
Public Parking	\$ 1,182,148	\$ 1,054,212	\$ 127,936	37%
Facilities	\$ 424,848	\$ 608,358	\$ (183,510)	23%
Fleet	\$ 621,015	\$ 618,168	\$ 2,847	33%
IT	\$ 1,216,177	\$ 1,256,927	\$ (40,750)	32%
Risk Funds	\$ 4,640,274	\$ 4,208,333	\$ 431,941	37%
TOTAL	\$ 82,080,345	\$ 73,178,725	\$ 8,901,620	36%

Fund	YTD Actual Expenditures	2014 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 25,933,712	\$ 30,751,401	\$ 4,817,689	30%
Debt Service	\$ (23,156)	\$ 7,529,328	\$ 7,552,484	0%
Special Liability	\$ 200,676	\$ 332,163	\$ 131,487	20%
Special Highway	\$ 2,394,448	\$ 2,111,350	\$ (283,098)	38%
Special Alcohol & Drug	\$ 265,637	\$ 200,000	\$ (65,637)	44%
Alcohol & Drug Safety	\$ 14,763	\$ 20,727	\$ 5,964	24%
Law Enforcement	\$ 222,058	\$ 183,333	\$ (38,725)	40%
Transient Guest Tax	\$ 8,996	\$ 833,333	\$ 824,337	0%
Retirement Reserve	\$ -	\$ 300,000	\$ 300,000	0%
KP&F Rate Equalization	\$ 89,258	\$ 100,000	\$ 10,742	30%
Neighborhood Revitalization	\$ -	\$ 50,000	\$ 50,000	0%
Historical Asset Tourism	\$ 9,028	\$ 38,333	\$ 29,305	8%
Half Cent Sales Tax (JEDO)	\$ 3,240,650	\$ 1,167,500	\$ (2,073,150)	93%
Half Cent Sales Tax (Street)	\$ 609,508	\$ 5,225,167	\$ 4,615,659	4%
Tax Increment Financing	\$ 1,000	\$ 57,542	\$ 56,542	1%
Court Technology	\$ 32,235	\$ 16,667	\$ (15,568)	64%
Downtown Improvement	\$ 111,535	\$ 62,181	\$ (49,354)	60%
Community Development	\$ 27,433	\$ 39,733	\$ 12,300	23%
Combined Utilites	\$ 25,278,811	\$ 21,802,072	\$ (3,476,739)	39%
Public Parking	\$ 1,118,469	\$ 1,252,627	\$ 134,158	30%
Facilities	\$ 467,732	\$ 597,286	\$ 129,554	26%
Fleet	\$ 1,517,469	\$ 614,199	\$ (903,270)	82%
IT	\$ 1,277,220	\$ 1,139,678	\$ (137,542)	37%
Risk Funds	\$ 3,567,032	\$ 4,208,333	\$ 641,301	28%
TOTAL	\$ 66,364,514	\$ 78,632,954	\$ 11,627,139	29%



CASH MANAGEMENT

Pooled Cash & Investments

Type of Investment	Guidelines			Invested Value	Yield to Maturity
	Minimum	Maximum	Actual %		
Bank Certificates of Deposit	0%	100%	26%	\$ 31,000,000	0.31
US Treasuries	0%	100%	23%	\$ 27,246,377	0.23
US Agencies	0%	100%	16%	\$ 19,251,075	0.57
Repurchase Agreements	0%	50%	-	-	-
Municipal Investment Pool	0%	30%	8%	\$ 9,214,144	-
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%	27%	\$ 31,770,017	1.17
Subtotal of Investments				\$118,481,612	0.57

General Checking \$ 11,318,265

Total Cash Balance \$129,799,877

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 April 2014 the City had \$363,496,425 in total debt, compared to \$370,134,379 in 2013 or a -1.79% 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 April 30th, 2014, the City had \$279,805,104 of its remaining

bonding authority available, a decrease of approximately -2.89% under the April 30th, 2013 amount of \$288,141,156. The City is currently utilizing 18% of the debt authority as authorized by state statute.

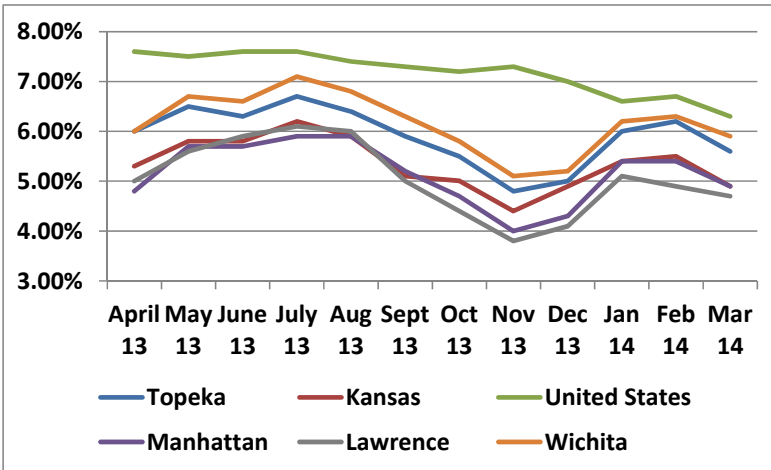
Debt Management

Instrument	2014	2013
Governmental General Obligation Bonds	\$ 140,270,111	\$ 136,650,561
Business Type General Obligation Bonds	\$ 10,189,889	\$ 12,434,439
Other General Obligation Bonds	\$ 15,340,000	\$ 14,870,000
Utility Revenue Bonds	\$ 123,790,000	\$ 122,550,000
Sales Tax Revenue Bonds	\$ 9,010,000	\$ 11,865,000
KDHE Revolving Loans	\$ 64,896,425	\$ 71,764,379
Total	\$ 363,496,425	\$ 370,134,379

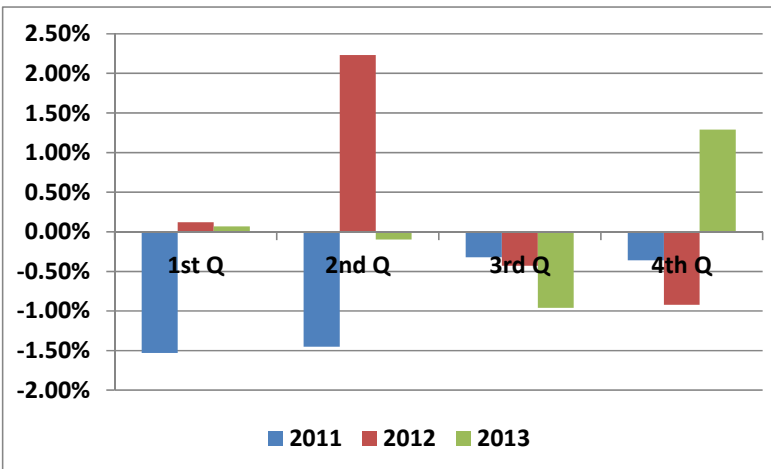
Debt Capacity	2014	2013
Assessed Valuation	\$ 1,132,135,180	\$ 1,103,303,854
Debt Limit Ratio	30.00%	30.00%
Debt Limit	\$ 339,640,554	\$ 330,991,156
Total Outstanding GO Debt	\$ 199,395,000	\$ 192,360,000
Debt Subject to Limitation	\$ 59,835,450	\$ 42,850,000
Debt Authority Remaining	\$ 279,805,104	\$ 288,141,156



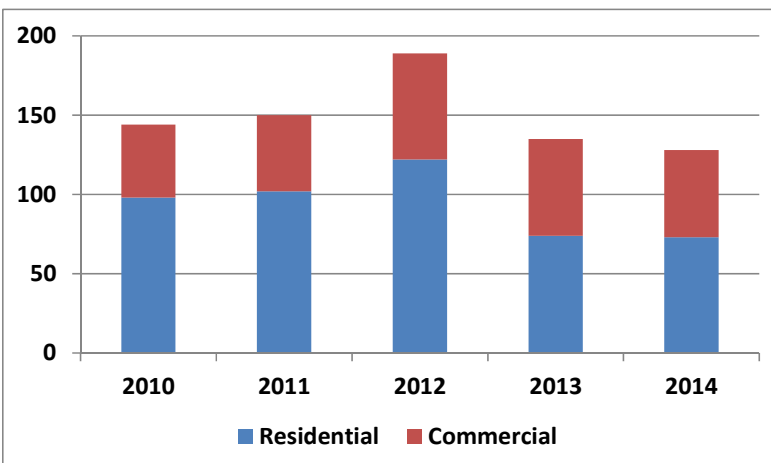
COMMUNITY STATISTICS



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.



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 (through April): These are the total number of building permits issued in the City of Topeka through April 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.