

Monthly Financial Status Report

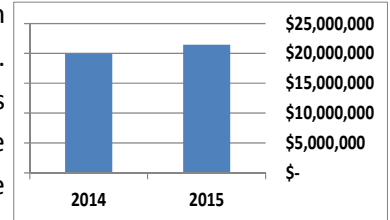
January 31, 2015



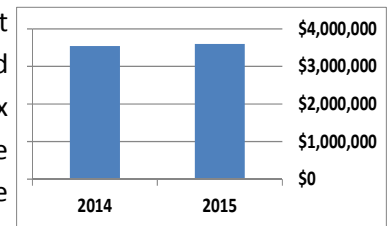
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

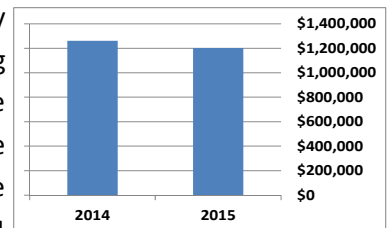
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2015 through January are \$21,435,668, which is a 7.51% increase over the 2014 collections of \$19,939,096. The City receives property tax allocations from the County primarily twice a year in January and June with a smaller allocation in the fall.



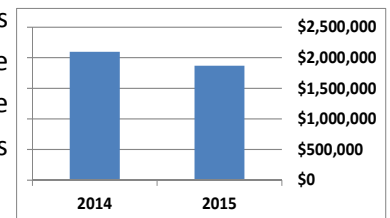
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2015 through January are \$3,598,069, which is a 1.58% increase over the 2014 collections of \$3,542,250. 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.



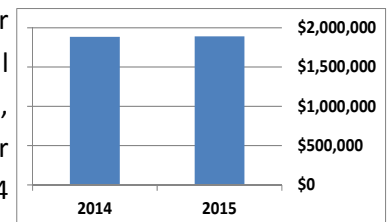
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are down 4.61% in 2015 with collections of \$1,202,519, compared to 2014 collections of \$1,260,618.



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 down -10.78% in 2014 with billings of \$1,871,190, compared to 2014 billings of \$2,097,369.



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 .35% in 2015 with billings of \$1,891,629, compared to 2014 billings of \$1,884,969.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues for the month ending January 2015 were \$18,450,049, an increase of approximately 13% over 2014 revenues which were \$16,255,643. The largest difference monetarily is in taxes and assessments, this is due to higher property taxes due to better collections from the County. General Fund expenditures for the month ending January 2015 were \$7,648,278, a increase of approximately 44% over 2014 expenditures which were \$5,299,436. In 2015 the City is converting to accounting based on cash basis, this will cause large fluctuations comparing to the prior year. For example, expenses are up 44%, normally the City would accrue a portion of the first payroll back to the prior year. Those adjustments are still made, but differently, which makes it look like expenses are up considerably.

General Fund Operating Overview

As of January 31, 2015 (8% of budget year)

Department	Actuals			Budget		
	2014 YTD	2015 YTD	Difference	2015 budget YTD	% of 2015 Budget YTD	\$ Diff Compared to 2015 budget YTD
BEGINNING FUND BALANCE	\$ 10,057,217	\$ 14,746,907	\$ 4,689,690			
Revenues						
Taxes & Assessments	\$ 15,457,761	\$ 16,548,348	\$ 1,090,587	\$ 5,312,551	311.50%	\$ 11,235,797
Intergovernmental	\$ -	\$ -	\$ -	\$ 88,333.33	0.00%	\$ (88,333)
Licenses/Permits & Franchise Fees	\$ 238,859	\$ 1,282,605	\$ 1,043,746	\$ 1,214,611	105.60%	\$ 67,994
Charges for Services	\$ 347,887	\$ 323,432	\$ (24,455)	\$ 438,789	73.71%	\$ (115,357)
Fines/forfeitures	\$ 197,688	\$ 231,777	\$ 34,089	\$ 250,000	92.71%	\$ (18,223)
Rents/Interest	\$ 5,125	\$ 2,061	\$ (3,064)	\$ 28,502	7.23%	\$ (26,441)
Other	\$ 8,323	\$ 5,465	\$ (2,858)	\$ 19,825	27.57%	\$ (14,360)
Transfers In	\$ -	\$ 52,484	\$ 52,484	\$ 16,667	314.90%	\$ 35,817
Sale of Assets	\$ -	\$ 3,877	\$ 3,877	\$ 2,917	132.93%	\$ 960
TOTAL REVENUES	\$ 16,255,643	\$ 18,450,049	\$ 2,194,406	\$ 7,372,194	250.27%	\$ 11,077,855
Expenditures						
City Council	\$ 13,882	\$ 21,526	\$ 7,644	\$ 23,618	91.14%	\$ 2,092
City Manager	\$ 42,374	\$ 77,209	\$ 34,835	\$ 105,096	73.47%	\$ 27,887
City Attorney	\$ 55,108	\$ 84,466	\$ 29,358	\$ 96,197	87.81%	\$ 11,731
Financial Services	\$ 91,323	\$ 193,160	\$ 101,837	\$ 185,128	104.34%	\$ (8,032)
Municipal Court	\$ 130,401	\$ 282,458	\$ 152,057	\$ 153,236	184.33%	\$ (129,223)
Human Resources	\$ 46,698	\$ 109,856	\$ 63,158	\$ 83,609	131.39%	\$ (26,247)
Mayor's Office	\$ 4,364	\$ 8,683	\$ 4,319	\$ 10,003	86.80%	\$ 1,320
Non Departmental	\$ 29,559	\$ 178,473	\$ 148,914	\$ 276,112	64.64%	\$ 97,639
Prisoner Care	\$ -	\$ 15,000	\$ 15,000	\$ 83,333	18.00%	\$ 68,333
HND Program Delivery	\$ 7,664	\$ 2,001	\$ (5,663)	\$ 0	2401200.00%	\$ (2,001)
Social Service Grants	\$ 266,883	\$ 7,455	\$ (259,428)	\$ 42,841	17.40%	\$ 35,386
Franchise Fee Program	\$ 30,000	\$ 85,000	\$ 55,000	\$ 8,342	1018.98%	\$ (76,658)
Topeka Performance Center	\$ 107,152	\$ 112,980	\$ 5,828	\$ 35,363	319.48%	\$ (77,617)
Cemeteries	\$ 160,000	\$ 161,925	\$ 1,925	\$ 14,167	1143.00%	\$ (147,758)
Fire Department	\$ 860,475	\$ 2,123,932	\$ 1,263,457	\$ 2,203,829	96.37%	\$ 79,897
Police Department	\$ 2,007,707	\$ 2,769,957	\$ 762,250	\$ 3,111,251	89.03%	\$ 341,294
Public Works	\$ 258,170	\$ 428,423	\$ 170,253	\$ 529,146	80.97%	\$ 100,723
Park and Recreation	\$ 1,041,586	\$ 540,361	\$ (501,225)	\$ 126,869	425.92%	\$ (413,492)
Topeka Zoological Park	\$ 106,085	\$ 227,733	\$ 121,648	\$ 195,842	116.28%	\$ (31,891)
Planning Department	\$ 40,005	\$ 59,541	\$ 19,536	\$ 66,467	89.58%	\$ 6,926
Neighborhood Relations	\$ -	\$ 158,139	\$ 158,139	\$ 226,625	69.78%	\$ 68,486
TOTAL EXPENDITURES	\$ 5,299,436	\$ 7,648,278	\$ 2,348,842	\$ 7,577,073	100.94%	\$ (71,205)
BETTER/(WORSE)	\$ 10,956,207	\$ 10,801,771				
ENDING FUND BALANCE	\$ 21,013,424	\$ 25,548,678	\$ 4,535,254			

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ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2014 YTD Revenue Budget	Difference	% of Total Budget
General	\$ 17,487,760	\$ 7,372,194	\$ 10,115,566	20%
Debt Service	\$ 8,770,458	\$ 1,759,388	\$ 7,011,070	42%
Special Liability	\$ 423,930	\$ 70,176	\$ 353,754	50%
Special Highway	\$ 833,174	\$ 479,183	\$ 353,992	14%
Special Alcohol & Drug	\$ -	\$ 43,337	\$ (43,337)	0%
Alcohol & Drug Safety	\$ 7,225	\$ 6,233	\$ 992	10%
Law Enforcement	\$ 26,594	\$ 23,042	\$ 3,552	10%
Transient Guest Tax	\$ 589,636	\$ 205,280	\$ 384,357	24%
Employee Separation	\$ -	\$ -	\$ -	
Retirement Reserve	\$ 90,616	\$ 94,326	\$ (3,710)	8%
KP&F Rate Equalization	\$ -	\$ -	\$ -	0%
Neighborhood Revitalization	\$ 19,258	\$ 2,917	\$ 16,341	55%
Historical Asset Tourism	\$ -	\$ 12,420	\$ (12,420)	0%
Half Cent Sales Tax (JEDO)	\$ 711,774	\$ 707,330	\$ 4,445	8%
Half Cent Sales Tax (Street)	\$ 1,180,750	\$ 1,186,667	\$ (5,917)	8%
Tax Increment Financing	\$ 90,819	\$ 19,625	\$ 71,194	39%
Court Technology	\$ 5,088	\$ 4,399	\$ 689	10%
Downtown Improvement	\$ -	\$ 15,523	\$ (15,523)	0%
Community Development	\$ 7,034	\$ 21,851	\$ (14,817)	3%
Combined Utilites	\$ 4,429,735	\$ 5,218,033	\$ (788,298)	7%
Public Parking	\$ 223,394	\$ 268,434	\$ (45,040)	7%
Facilities	\$ -	\$ 124,422	\$ (124,422)	0%
Fleet	\$ 1,925	\$ 165,000	\$ (163,075)	0%
IT	\$ -	\$ 304,714	\$ (304,714)	0%
Risk Funds	\$ 906,808	\$ 1,148,061	\$ (241,253)	7%
TOTAL	\$ 35,805,981	\$ 19,252,552	\$ 16,553,429	15%

Fund	YTD Actual Expenditures	2014 YTD Expen. Budget	Difference	% of Total Budget
General	\$ 7,262,645	\$ 7,577,073	\$ 314,428	8%
Debt Service	\$ -	\$ 2,035,897	\$ 2,035,897	0%
Special Liability	\$ 31,137	\$ 127,603	\$ 96,466	2%
Special Highway	\$ 295,495	\$ 542,941	\$ 247,446	5%
Special Alcohol & Drug	\$ -	\$ 50,000	\$ 50,000	0%
Alcohol & Drug Safety	\$ 4,775	\$ 4,867	\$ 91	8%
Law Enforcement	\$ 15,910	\$ 23,042	\$ 7,132	6%
Transient Guest Tax	\$ 11,793	\$ 205,280	\$ 193,487	0%
Employee Separation	\$ 45,790	\$ 83,333	\$ 37,543	5%
Retirement Reserve	\$ -	\$ 75,000	\$ 75,000	0%
KP&F Rate Equalization	\$ -	\$ 25,000	\$ 25,000	0%
Neighborhood Revitalization	\$ -	\$ 12,500	\$ 12,500	0%
Historical Asset Tourism	\$ -	\$ 12,420	\$ 12,420	0%
Half Cent Sales Tax (JEDO)	\$ -	\$ 707,330	\$ 707,330	0%
Half Cent Sales Tax (Street)	\$ 279,345	\$ 1,364,171	\$ 1,084,825	2%
Tax Increment Financing	\$ 1,000	\$ 16,038	\$ 15,038	1%
Court Technology	\$ -	\$ 3,750	\$ 3,750	0%
Downtown Improvement	\$ 186,276	\$ 15,523	\$ (170,753)	100%
Community Development	\$ -	\$ 21,851	\$ 21,851	0%
Combined Utilites	\$ 4,228,708	\$ 6,574,106	\$ 2,345,398	5%
Public Parking	\$ 110,982	\$ 258,901	\$ 147,920	4%
Facilities	\$ 127,638	\$ 122,221	\$ (5,417)	9%
Fleet	\$ 1,166,282	\$ 158,962	\$ (1,007,319)	61%
IT	\$ 424,336	\$ 288,394	\$ (135,942)	12%
Risk Funds	\$ 1,437,685	\$ 1,058,089	\$ (379,596)	11%
TOTAL	\$ 15,629,796	\$ 21,364,291	\$ 6,114,091	6%



CASH MANAGEMENT

Pooled Cash & Investments

Guidelines

Type of Investment	Minimum	Maximum	Actual %	Invested Value	Yield to Maturity
Bank Certificates of Deposit	0%	100%	29%	\$ 35,400,000	0.65
US Treasuries	0%	100%	11%	\$ 13,992,733	0.20
US Agencies	0%	100%	23%	\$ 28,306,770	0.59
Repurchase Agreements	0%	50%	-	-	-
Municipal Investment Pool	0%	30%	13%	\$ 16,371,198	-
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%	\$ 29,411,354	0.55
Subtotal of Investments				\$123,482,055	0.50
General Checking				\$ 30,682,751	
Total Cash Balance				\$154,164,806	
Duration of investments (expressed in years)					1.20

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 January 2015 the City had \$387,208,937 in permanent and temporary debt, compared to \$388,463,077 in 2014 or a -0.32% decrease. When backing out the temporary notes

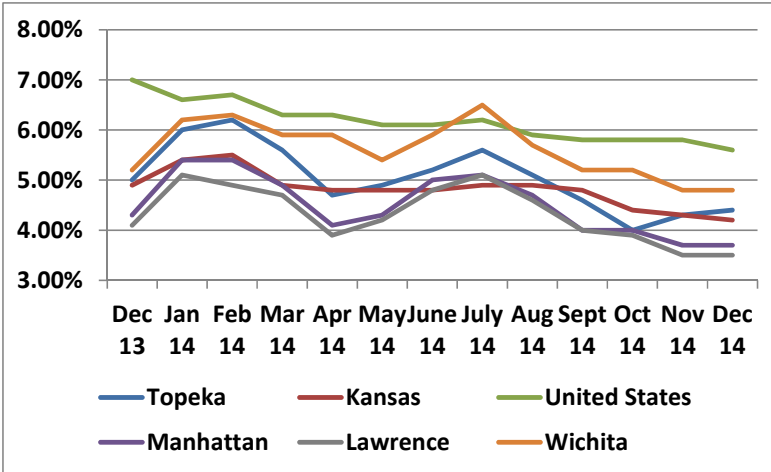
Debt Management

Instrument	2014	2015
Governmental General Obligation Bonds	\$ 140,270,111	\$ 131,938,017
Business Type General Obligation Bonds	\$ 10,189,889	\$ 11,121,983
Other General Obligation Bonds	\$ 15,340,000	\$ 14,135,000
Utility Revenue Bonds	\$ 123,790,000	\$ 132,420,000
Sales Tax Revenue Bonds	\$ 9,010,000	\$ 6,070,000
KDHE Revolving Loans	\$ 65,278,077	\$ 58,133,937
Temporary Notes	\$ 24,585,000	\$ 33,390,000
Total	\$ 388,463,077	\$ 387,208,937

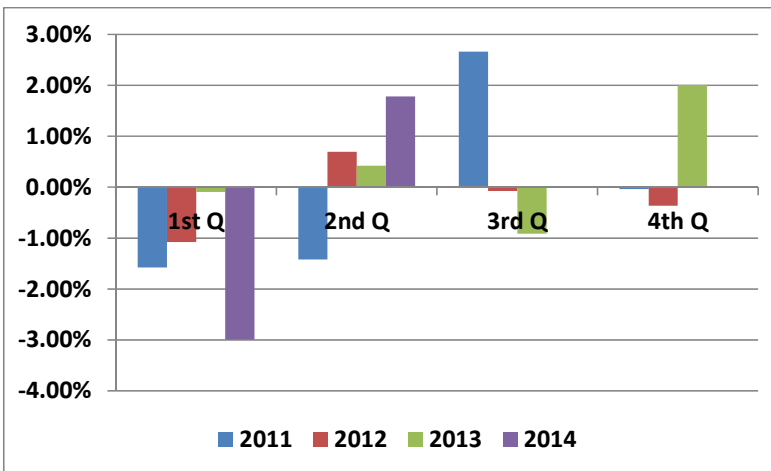
and comparing current permanent debt to the prior year, permanent debt decreased by -2.76%.



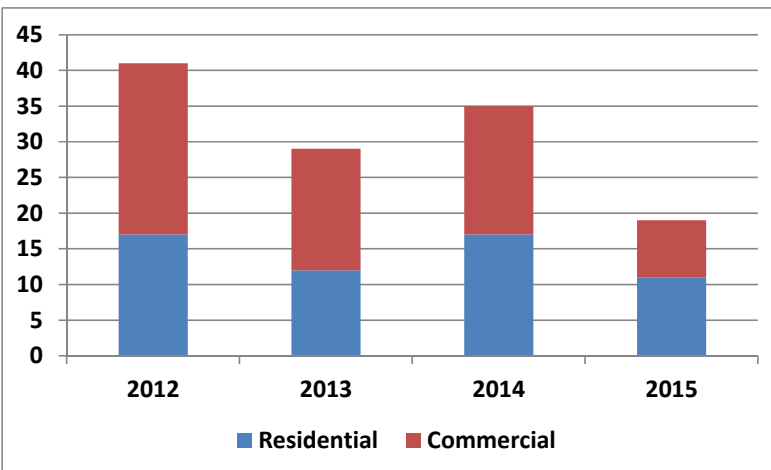
COMMUNITY STATISTICS



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 December of 2014 was 4.40%, 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 January 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.