

Monthly Financial Status Report

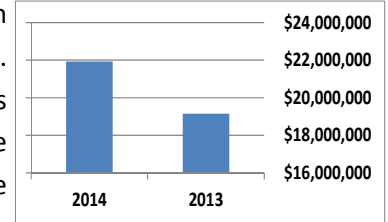
March 31st, 2014



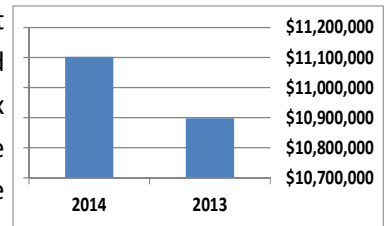
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

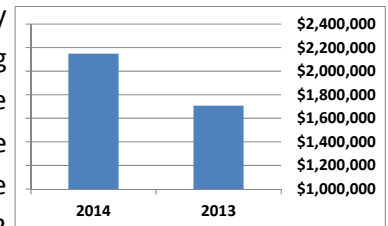
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2014 through March are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



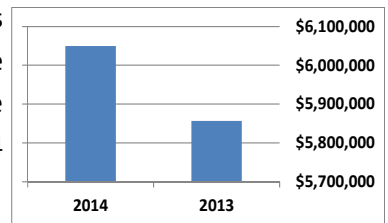
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2014 through March are \$11,102,175, which is a 1.88% increase over the 2013 collections of \$10,897,714. 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.



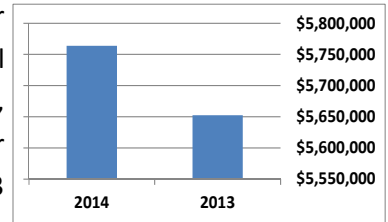
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are up 25.92% in 2014 with collections of \$2,148,263, compared to 2013 collections of \$1,706,024. Westar franchise fees increased from 5% to 6% in 2014, 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 2.94% in 2014 with collections of \$6,029,043, compared to 2013 collections of \$5,856,698.



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 1.97% in 2014 with collections of \$5,763,706, compared to 2013 collections of \$5,652,485.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues for the month ending March 2014 were \$27,124,929, an increase of approximately 7% over 2013 revenues which were \$25,405,057. 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 March 2014 were \$18,676,547, a decrease of approximately 3% under 2013 expenditures which were \$19,304,773. 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 March 31st, 2014 (25% of budget year)		
	2014 YTD	2013 YTD	Difference	Budget		
				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	\$ 22,176,579	\$ 21,428,340	\$ 748,240	\$ 13,598,468	163.08%	\$ 8,578,112
Intergovernmental	\$ 262,093	\$ 133,111	\$ 128,982	\$ 132,500.00	197.81%	\$ 129,593
Licenses/Permits & Franchise Fees	\$ 2,554,203	\$ 1,915,421	\$ 638,782	\$ 3,745,311	68.20%	\$ (1,191,108)
Charges for Services	\$ 1,214,757	\$ 957,694	\$ 257,063	\$ 1,377,462	88.19%	\$ (162,705)
Fines/forfeitures	\$ 850,868	\$ 839,073	\$ 11,796	\$ 750,000	113.45%	\$ 100,868
Rents/Interest	\$ 17,685	\$ 72,726	\$ (55,041)	\$ 85,505	20.68%	\$ (67,820)
Other	\$ 39,997	\$ 46,208	\$ (6,211)	\$ 67,850	58.95%	\$ (27,853)
Transfers In	\$ -	\$ -	\$ -	\$ 50,000	0.00%	\$ (50,000)
Sale of Assets	\$ 8,746	\$ 12,483	\$ (3,737)	\$ 16,250	53.82%	\$ (7,504)
TOTAL REVENUES	\$ 27,124,929	\$ 25,405,057	\$ 1,719,872	\$ 19,823,346	137%	\$ 7,301,583
Expenditures						
City Council	\$ 55,950	\$ 66,973	\$ (11,023)	\$ 77,888	17.96%	\$ 21,938
City Manager	\$ 274,477	\$ 176,411	\$ 98,066	\$ 324,242	22.45%	\$ 49,765
City Attorney	\$ 221,056	\$ 264,361	\$ (43,305)	\$ 284,648	19.41%	\$ 63,592
Financial Services	\$ 545,622	\$ 405,376	\$ 140,246	\$ 546,036	25.09%	\$ 414
Municipal Court	\$ 363,795	\$ 414,982	\$ (51,187)	\$ 454,207	20.02%	\$ 90,412
Human Resources	\$ 259,469	\$ 192,930	\$ 66,540	\$ 249,121	27.09%	\$ (10,348)
Mayor's Office	\$ 18,830	\$ 23,482	\$ (4,651)	\$ 33,547	14.03%	\$ 14,716
Non Departmental	\$ 177,551	\$ 254,934	\$ (77,383)	\$ 1,288,579	3.26%	\$ 1,111,028
Prisoner Care	\$ 90,598	\$ 53,586	\$ 37,012	\$ 250,000	149.35%	\$ 159,402
HND Program Delivery	\$ 80,373	\$ 9,304	\$ 71,069	\$ 45,350	44.31%	\$ (35,023)
Social Service Grants	\$ 322,317	\$ 256,417	\$ 65,900	\$ 101,019	90.70%	\$ (221,298)
Inmate Cleanup Program		\$ 9,762	\$ (9,762)	\$ -		\$ -
Franchise Fee Program	\$ 30,000	\$ 26,123	\$ 3,877	\$ 25,025	29.97%	\$ (4,975)
Topeka Performance Center	\$ 159,051	\$ 160,416	\$ (1,365)	\$ 85,487	46.51%	\$ (73,564)
Cemeteries	\$ 168,442	\$ 160,044	\$ 8,398	\$ 42,500	99.08%	\$ (125,942)
Fire Department	\$ 4,727,633	\$ 4,762,130	\$ (34,497)	\$ 6,467,075	18.05%	\$ 1,739,442
Police Department	\$ 7,841,052	\$ 6,926,104	\$ 914,948	\$ 9,450,827	20.62%	\$ 1,609,775
Public Works	\$ 1,451,458	\$ 1,494,356	\$ (42,898)	\$ 1,915,258	19.33%	\$ 463,800
Park and Recreation	\$ 1,172,633	\$ 3,030,497	\$ (1,857,864)	\$ 516,686	56.74%	\$ (655,947)
Topeka Zoological Park	\$ 541,618	\$ 465,501	\$ 76,117	\$ 569,900	24.79%	\$ 28,282
Planning Department	\$ 174,622	\$ 151,085	\$ 23,537	\$ 210,449	20.58%	\$ 35,827
TOTAL EXPENDITURES	\$ 18,676,547	\$ 19,304,773	\$ (628,226)	\$ 22,937,843	21.90%	\$ 4,261,296
BETTER/(WORSE)	\$ 8,448,382	\$ 6,100,284				
ENDING FUND BALANCE	\$ 16,837,818	\$ 11,589,720	\$ 5,248,098			

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March 31st, 2014



ALL FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2014 YTD Revenue Budget	Difference
General	\$ 27,124,929	\$ 19,823,346	\$ 7,301,583
Debt Service	\$ 12,208,979	\$ 5,281,572	\$ 6,927,407
Special Liability	\$ 436,829	\$ 211,927	\$ 224,902
Special Highway	\$ 587,828	\$ 1,460,790	\$ (872,962)
Special Alcohol & Drug	\$ 131,047	\$ 131,250	\$ (203)
Alcohol & Drug Safety	\$ 20,448	\$ 18,875	\$ 1,573
Law Enforcement	\$ 64,479	\$ 80,375	\$ (15,896)
Transient Guest Tax	\$ -	\$ 612,500	\$ (612,500)
Retirement Reserve	\$ 82,237	\$ 166,675	\$ (84,438)
KP&F Rate Equalization	\$ 135,907	\$ -	\$ 135,907
Neighborhood Revitalization	\$ 23,690	\$ 8,750	\$ 14,940
Historical Asset Tourism	\$ -	\$ 28,750	\$ (28,750)
Half Cent Sales Tax (JEDO)	\$ 2,204,342	\$ 2,000,000	\$ 204,342
Half Cent Sales Tax (Street)	\$ 3,700,725	\$ 3,457,500	\$ 243,225
Tax Increment Financing	\$ 138,872	\$ 50,000	\$ 88,872
Court Technology	\$ 14,147	\$ 11,250	\$ 2,897
Downtown Improvement	\$ 52,000	\$ 46,636	\$ 5,365
Community Development	\$ 15,902	\$ 30,250	\$ (14,348)
Combined Utilites	\$ 13,809,424	\$ 15,654,100	\$ (1,844,676)
Public Parking	\$ 866,932	\$ 790,659	\$ 76,273
Facilities	\$ 319,647	\$ 456,269	\$ (136,622)
Fleet	\$ 468,900	\$ 463,626	\$ 5,274
IT	\$ 911,651	\$ 942,696	\$ (31,045)
Risk Funds	\$ 3,287,916	\$ 3,156,250	\$ 131,666
TOTAL	\$ 66,606,831	\$ 54,884,044	\$ 11,722,787

Fund	YTD Actual Expenditures	2014 YTD Expen. Budget	Difference
General	\$ 18,676,547	\$ 22,937,843	\$ 4,261,296
Debt Service	\$ 27,656	\$ 5,646,996	\$ 5,619,340
Special Liability	\$ 126,782	\$ 249,123	\$ 122,341
Special Highway	\$ 1,977,616	\$ 1,583,512	\$ (394,104)
Special Alcohol & Drug	\$ 531,338	\$ 150,000	\$ (381,338)
Alcohol & Drug Safety	\$ 10,683	\$ 15,546	\$ 4,863
Law Enforcement	\$ 203,977	\$ 137,500	\$ (66,477)
Transient Guest Tax	\$ 348,664	\$ 625,000	\$ 276,336
Retirement Reserve	\$ -	\$ 225,000	\$ 225,000
KP&F Rate Equalization	\$ 89,258	\$ 75,000	\$ (14,258)
Neighborhood Revitalization	\$ -	\$ 37,500	\$ 37,500
Historical Asset Tourism	\$ 9,028	\$ 28,750	\$ 19,722
Half Cent Sales Tax (JEDO)	\$ 3,240,650	\$ 875,625	\$ (2,365,025)
Half Cent Sales Tax (Street)	\$ 501,122	\$ 3,918,876	\$ 3,417,753
Tax Increment Financing	\$ 1,000	\$ 43,156	\$ 42,156
Court Technology	\$ 31,541	\$ 12,500	\$ (19,041)
Downtown Improvement	\$ 104,903	\$ 46,636	\$ (58,268)
Community Development	\$ 20,182	\$ 29,800	\$ 9,618
Combined Utilites	\$ 16,571,852	\$ 16,351,554	\$ (220,298)
Public Parking	\$ 674,486	\$ 939,470	\$ 264,984
Facilities	\$ 427,759	\$ 447,965	\$ 20,206
Fleet	\$ 1,314,463	\$ 460,650	\$ (853,814)
IT	\$ 856,672	\$ 854,758	\$ (1,914)
Risk Funds	\$ 2,901,724	\$ 3,156,250	\$ 254,526
TOTAL	\$ 48,647,904	\$ 58,849,008	\$ 9,946,578



CASH MANAGEMENT

Pooled Cash & Investments

Type of Investment	Guidelines			Invested Value	Yield to Maturity
	Minimum	Maximum	Actual %		
Bank Certificates of Deposit	0%	100%	23%	\$ 26,500,000	0.30
US Treasuries	0%	100%	24%	\$ 27,246,377	0.13
US Agencies	0%	100%	11%	\$ 12,975,745	0.50
Repurchase Agreements	0%	50%	-	-	-
Municipal Investment Pool	0%	30%	16%	\$ 18,703,789	-
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%	26%	\$ 29,690,186	2.47
Subtotal of Investments				\$ 115,116,097	0.85

General Checking \$ 6,845,201

Total Cash Balance \$ 121,961,298

Duration of investments (expressed in years) 1.73

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 March 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 March 31st, 2014, the City had \$279,805,104 of its remaining

bonding authority available, a decrease of approximately -2.89% under the March 31, 2013 amount of \$288,141,156. The City is currently utilizing 18% of the debt authority as authorized by state statute.

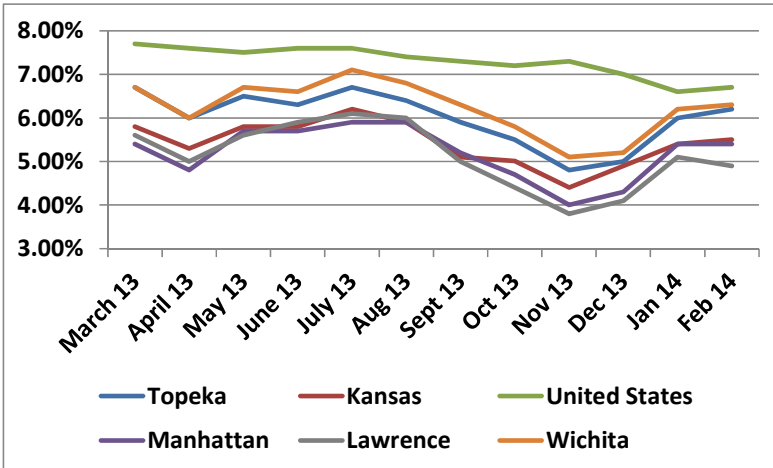
Debt Management

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

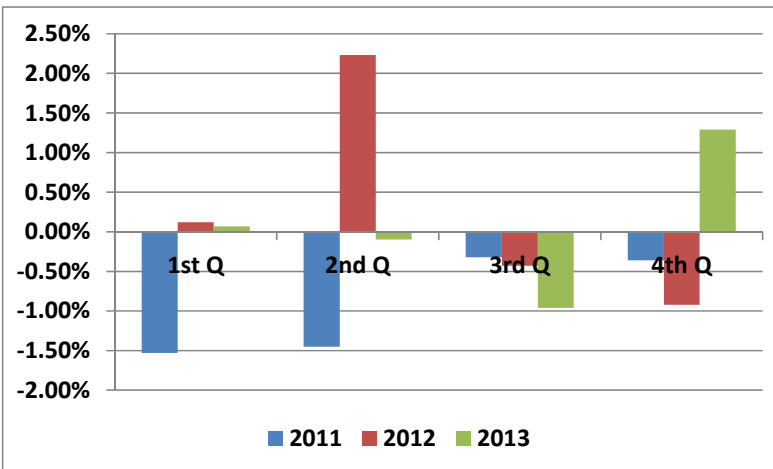
Debt Capacity	2014	2013
Assessed Valuation	\$ 1,132,135,180	\$ 1,103,303,854
Debt Limit Ratio	30.00%	30.00%
Debt Limit	\$ 339,640,554	\$ 330,991,156
Total Outstanding GO Debt	\$ 199,395,000	\$ 192,360,000
Debt Subject to Limitation	\$ 59,835,450	\$ 42,850,000
Debt Authority Remaining	\$ 279,805,104	\$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



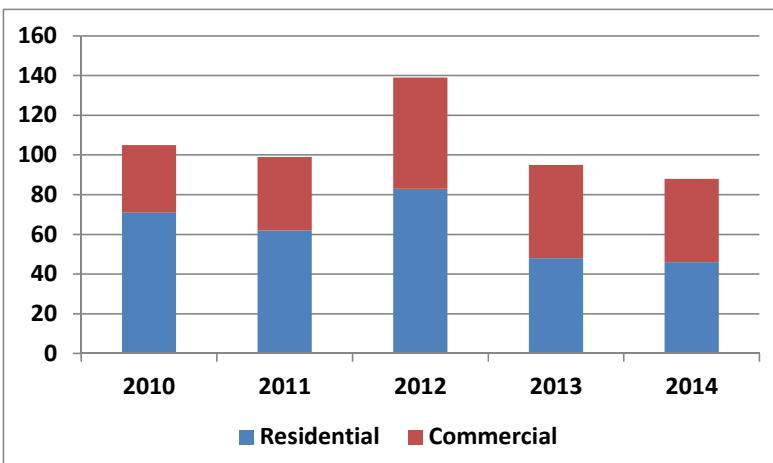
COMMUNITY STATISTICS



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