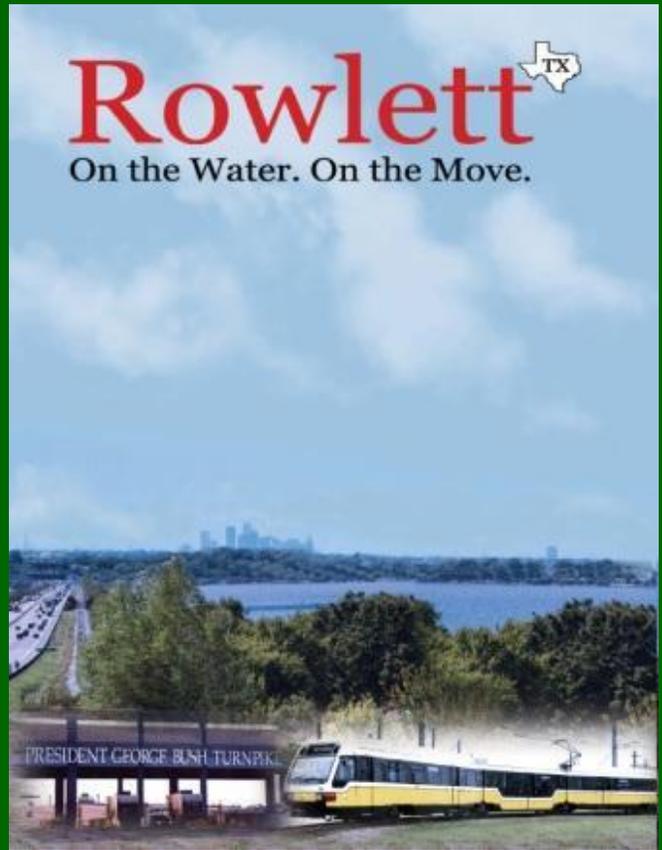




# **Comprehensive Monthly Financial Report**

**July 2015**





# MONTHLY FINANCIAL REPORT

## PERFORMANCE AT A GLANCE

**July 2015**

	YEAR TO DATE	REFERENCE
ALL FUNDS SUMMARY	POSITIVE	Page 4
GENERAL FUND REV VS EXP	POSITIVE	Page 5
PROPERTY TAXES	WARNING	Page 5
SALES TAXES	POSITIVE	Page 6
FRANCHISE FEES	POSITIVE	Page 6
UTILITY FUND REV VS EXP	POSITIVE	Page 7
SEWER REVENUES	WARNING	Page 7
WATER REVENUES	WARNING	Page 8
WATER USAGE	NEGATIVE	Page 8
REFUSE FUND REV VS EXP	POSITIVE	Page 9
DRAINAGE FUND REV VS EXP	POSITIVE	Page 9
DEBT SERVICE FUND REV VS EXP	POSITIVE	Page 10
EMPLOYEE BENEFITS REV VS EXP	POSITIVE	Page 10

## PERFORMANCE INDICATORS

**POSITIVE**

= Positive variance or negative variance < 1% compared to seasonal trends.

**WARNING**

= Negative variance of 1-5% compared to seasonal trends

**NEGATIVE**

= Negative variance of >5% compared to seasonal trends.

**ECONOMIC INDICATORS**

**July 31, 2015 – NEWS FOR YOU**

**ECONOMY**

**National GDP:** 

GDP - the output of goods and services produced by labor and property located in the US – increased at a rate of 2.3% in the 2nd quarter of 2015 after increasing 0.6% in the 1st quarter of 2015 as reported by the Bureau of Economic Analysis. The second-quarter increase mainly reflected an increase in consumer spending.

**Texas Retail Sales:** 

Texas retail sales totaled \$41.4 billion for the month of May, an increase of \$0.6 billion (1.5%) over May 2014.

**Texas Leading Index:** 

The Texas Leading Index is a single summary statistic that sheds light on the future of the state's economy. The index is a composite of eight leading indicators—those that tend to change direction before the overall economy. The index decreased 0.4% between the months of May and June.

**UNEMPLOYMENT**

**National Unemployment:**

The national unemployment rate remained flat at 5.35 from June to July.

**State-Wide:** 

The Texas unemployment rate decreased from 4.3% in May to 4.2% in June.

**Rowlett:** 

The City of Rowlett unemployment rate increased between May to June from 3.6% to 3.8%. Note – city unemployment rates are not seasonally adjusted.

Attached is the Comprehensive Monthly Financial report for July 2015. Ten months of FY2015, or 83.3% of the fiscal year is complete.

**Revenues:** Overall, the City has earned or received \$75.5 million for FY2015. This amount is 89.7% of the approved operating budget of \$84.2 million and is 4.4% more than forecast through the month of July.

- General Fund revenues are \$0.4 million or 1.2% higher than expected.
- Utility Fund revenues are \$0.7 million or 3.4% higher than expected.

**Expenditures:** Expenses totaled \$68.6 million year-to-date for FY2015. This amount is 79.7% of the approved operating budget of \$86.1 million and is 3.0% lower than forecast through the month of July.

- General Fund expenditures are \$1.3 million or 4.4% lower than expected.
- Utility Fund expenditures are \$0.1 million or 0.4% lower than expected.

**Surplus:** The net surplus from operations through July is \$6.9 million which is \$5.3 million better than expected at this point in the year. The adopted operating budget for the fiscal year anticipates a total decrease of \$1.9 million.

**NOTEWORTHY**

**THE PROPOSED FISCAL YEAR 2016 BUDGET IS NOW AVAILABLE** Copies of the Proposed Budget can be viewed online at

<http://www.rowlett.com/DocumentCenter/View/9849>

or at the Rowlett Public Library. City Council budget adoption is scheduled for Tuesday, September 15.



# CITY OF ROWLETT, TEXAS FINANCIAL STATUS DASHBOARD July 31, 2015

## BUDGET SUMMARY OF ALL FUNDS FY2015

	2015 <u>Budget</u>	2015 <u>Forecast</u>	2015 <u>Year-to-Date</u>	<u>Variance</u>
<b>Beginning Reserves</b>	\$ 17,438,670	\$ 13,025,520	\$ 13,025,520	0.0%
<b>Revenues:</b>				
General	37,097,467	33,264,316	33,672,183	1.2%
Water & sewer	27,518,760	21,795,276	22,529,551	3.4%
Debt service	7,783,232	7,549,441	8,052,429	6.7%
Drainage	1,346,939	1,122,443	1,117,679	-0.4%
Refuse	4,699,097	3,915,881	4,091,879	4.5%
Employee health benefits	4,405,117	3,670,931	3,589,237	-2.2%
Impact fees	44,357	36,964	1,231,589	3231.8%
Police seizure	100,550	83,792	87,119	4.0%
Economic development	316,694	263,912	263,054	-0.3%
Hotel/motel tax	47,752	38,775	56,052	44.6%
P.E.G.	85,042	63,672	158,585	149.1%
Grants	73,792	61,493	195,371	217.7%
Community Development Block Grant	186,209	155,174	129,994	-16.2%
Inspection Fees Fund	169,333	141,111	126,738	-10.2%
Juvenile diversion	33,281	27,734	28,225	1.8%
Court technology	26,936	22,447	23,607	5.2%
Court security	20,035	16,696	23,607	41.4%
Golf course	256,564	128,906	159,507	23.7%
<b>Total Revenues</b>	\$ 84,211,157	\$ 72,358,962	\$ 75,536,404	4.4%
<b>Expenses:</b>				
General	37,021,061	30,064,666	28,753,558	-4.4%
Water & sewer	28,062,142	23,186,033	23,096,714	-0.4%
Debt service	7,783,232	6,514,359	6,510,182	-0.1%
Drainage	1,318,500	1,060,064	995,883	-6.1%
Refuse	4,657,232	3,881,027	3,933,209	1.3%
Employee health benefits	4,337,523	3,614,603	3,218,005	-11.0%
Impact fees	916,238	763,532	32,243	-95.8%
Police seizure	350,550	292,125	430,742	47.5%
Economic development	436,593	352,833	332,699	-5.7%
Hotel/motel tax	42,749	42,749	81,506	90.7%
P.E.G.	113,142	104,190	92,204	-11.5%
Grants	71,434	57,544	195,371	239.5%
Community Development Block Grant	186,209	155,174	129,994	-16.2%
Inspection Fees Fund	115,760	94,323	56,311	-40.3%
Juvenile diversion	34,399	28,029	23,165	-17.4%
Court technology	49,005	47,055	133,472	183.7%
Court security	23,989	19,991	25,559	27.9%
Golf course	559,025	431,746	580,605	34.5%
<b>Total Expenses</b>	\$ 86,078,783	\$ 70,710,040	\$ 68,621,422	-3.0%
<b>Current Year Surplus/(Shortfall)</b>	\$ (1,867,626)	\$ 1,648,921	\$ 6,914,981	319.4%
<b>Ending Reserves</b>	\$ 15,571,044	\$ 14,674,441	\$ 19,940,501	35.9%

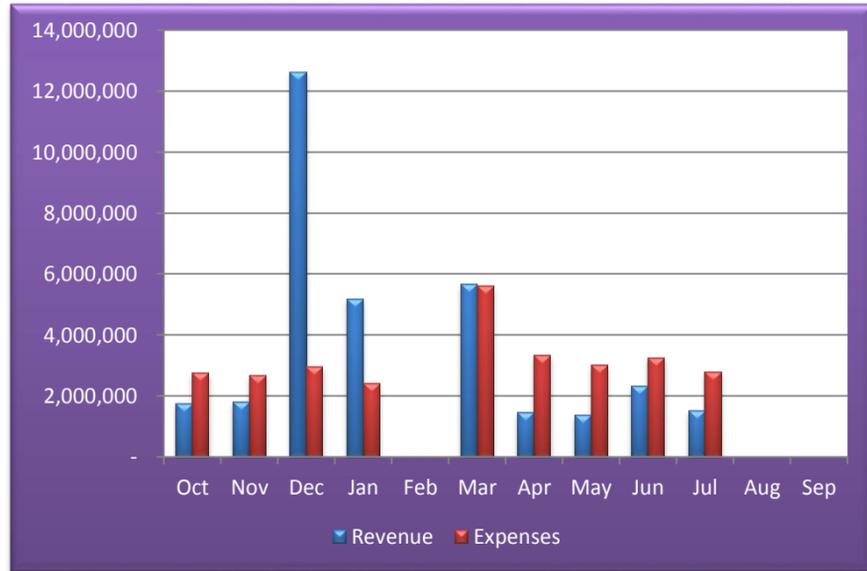
Positive
Warning
Negative

Positive variance or negative variance <1% compared to forecast  
 Negative variance between 1%-5% compared to forecast  
 Negative variance >5% compared to forecast

**OVERALL FUND PERFORMANCE**

**GENERAL FUND REVENUES VS EXPENSES FY2015**

Month	2015 Revenue	2015 Expenses	Monthly Variance
Oct	1,734,785	2,759,381	\$ (1,024,596)
Nov	1,807,432	2,671,992	(864,560)
Dec	12,610,694	2,938,279	9,672,416
Jan	5,184,121	2,416,012	2,768,108
Feb	-	-	-
Mar	5,664,737	5,594,393	70,344
Apr	1,462,874	3,331,111	(1,868,237)
May	1,377,737	2,995,627	(1,617,890)
Jun	2,313,029	3,261,014	(947,985)
Jul	1,516,773	2,785,749	(1,268,977)
Aug	-	-	-
Sep	-	-	-
<b>Total</b>	<b>\$ 33,672,183</b>	<b>\$ 28,753,558</b>	<b>\$ 4,918,624</b>
<b>Cumulative Forecast</b>	<b>\$ 33,264,316</b>	<b>\$ 30,064,666</b>	<b>\$ 3,199,650</b>
<b>Actual to Forecast \$</b>	<b>\$ 407,867</b>	<b>\$ (1,311,107)</b>	<b>\$ 1,718,975</b>
<b>Actual to Forecast %</b>	<b>1.2%</b>	<b>-4.4%</b>	



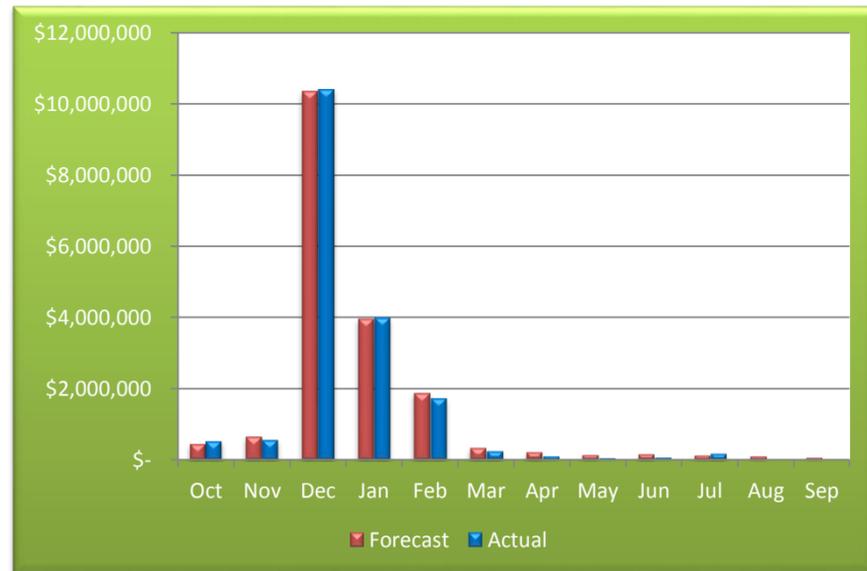
**Positive**

Cumulatively overall, the General Fund is better than forecasted for this time of the year, with revenues exceeding the forecast by 1.2% and expenses 4.4% lower than forecasted. These differences are primarily due to higher than expected franchise fees and building permit revenues, and the timing of supply and capital equipment purchases.

**REVENUE ANALYSIS**

**PROPERTY TAXES FY2015**

Month	2015 Forecast	2015 Actual	Monthly Variance
Oct	\$ 454,997	\$ 526,146	\$ 71,149
Nov	658,035	556,508	(101,527)
Dec	10,362,155	10,407,110	44,955
Jan	3,986,347	3,994,425	8,078
Feb	1,884,055	1,729,174	(154,881)
Mar	340,621	243,070	(97,551)
Apr	216,375	96,413	(119,962)
May	138,080	54,281	(83,799)
Jun	164,504	58,969	(105,535)
Jul	119,972	177,132	57,160
Aug	104,988	-	-
Sep	58,993	-	-
<b>Total</b>	<b>\$ 18,489,122</b>	<b>\$ 17,843,228</b>	<b>\$ (481,913)</b>
<b>Actual to Forecast</b>			<b>-2.6%</b>



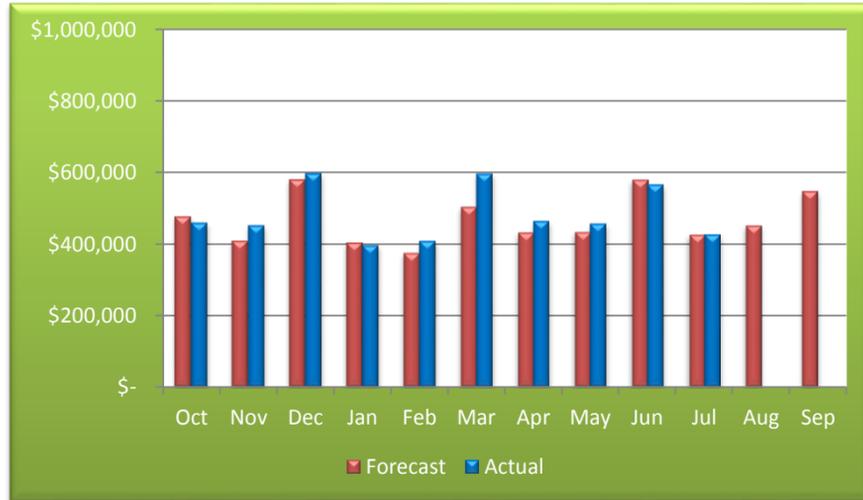
**Warning**

Property taxes represents nearly 50% of the total General Fund revenue budget and serves as the primary funding source for the general government. They are generally collected in December and January of each year. Cumulatively overall, property tax revenues are 2.6% lower than forecasted for this time of the year.

**REVENUE ANALYSIS**

**SALES TAXES FY2015**

Month	2015 Forecast	2015 Actual	Monthly Variance
Oct	\$ 478,504	\$ 460,063	\$ (18,441)
Nov	410,264	452,581	42,317
Dec	581,282	598,257	16,975
Jan	405,356	396,499	(8,857)
Feb	376,136	408,413	32,277
Mar	504,779	597,027	92,248
Apr	432,807	464,601	31,794
May	434,829	457,500	22,671
Jun	579,529	566,827	(12,702)
Jul	427,562	427,562	-
Aug	452,415		
Sep	548,190		
<b>Total</b>	<b>\$ 5,631,653</b>	<b>\$ 4,829,330</b>	<b>\$ 198,282</b>
<b>Actual to Forecast</b>			<b>4.3%</b>



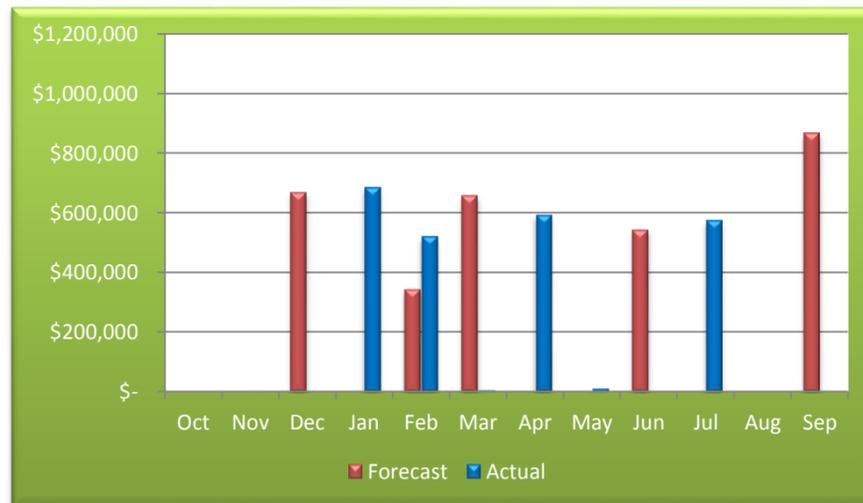
**Positive**

Sales tax is an important indicator of financial health for the Rowlett community. Sales taxes are collected by the State Comptroller and are recorded two months later. The sales taxes reported here for July represent an estimate. Overall, sales tax revenues are 4.3% higher than forecasted for this time of the year.

**REVENUE ANALYSIS**

**FRANCHISE FEES FY2015**

Month	2015 Forecast	2015 Actual	Monthly Variance
Oct	\$ -	\$ -	\$ -
Nov	-	215	215
Dec	667,417	-	(667,417)
Jan	-	683,614	683,614
Feb	343,788	519,339	175,551
Mar	656,587	4,369	(652,218)
Apr	-	589,708	589,708
May	-	10,131	10,131
Jun	543,057	-	(543,057)
Jul	-	573,615	573,615
Aug	-		
Sep	867,119		
<b>Total</b>	<b>\$ 3,077,966</b>	<b>\$ 2,380,991</b>	<b>\$ 170,144</b>
<b>Actual to Forecast</b>			<b>7.7%</b>



**Positive**

Franchise fees represents nearly 10% of the total General Fund budget and include electric, gas, cable and telecommunications. Most fees are paid quarterly with natural gas being paid yearly in February. Natural gas franchise fee was 51.1% higher than expected. Overall, franchise fees 7.7% higher than expected.

**OVERALL FUND PERFORMANCE**

**UTILITY FUND REVENUES VS EXPENSES FY2015**

Month	2015 Revenue	2015 Expenses	Monthly Variance
Oct	2,523,628	1,923,448	\$ 600,179
Nov	2,371,585	1,871,254	500,331
Dec	2,199,908	2,022,527	177,381
Jan	2,071,743	1,921,446	150,298
Feb	-	-	-
Mar	4,162,568	7,533,495	(3,370,927)
Apr	2,319,497	1,957,159	362,338
May	1,981,222	1,833,178	148,044
Jun	2,056,178	2,076,172	(19,993)
Jul	2,843,221	1,958,034	885,187
Aug	-	-	-
Sep	-	-	-
<b>Total</b>	<b>\$ 22,529,551</b>	<b>\$ 23,096,714</b>	<b>\$ (567,162)</b>
<b>Cumulative Forecast</b>	<b>\$ 21,795,276</b>	<b>\$ 23,186,033</b>	<b>\$ (1,390,757)</b>
<b>Actual to Forecast \$</b>	<b>\$ 734,276</b>	<b>\$ (89,319)</b>	<b>\$ 823,595</b>
<b>Actual to Forecast</b>	<b>3.4%</b>	<b>-0.4%</b>	



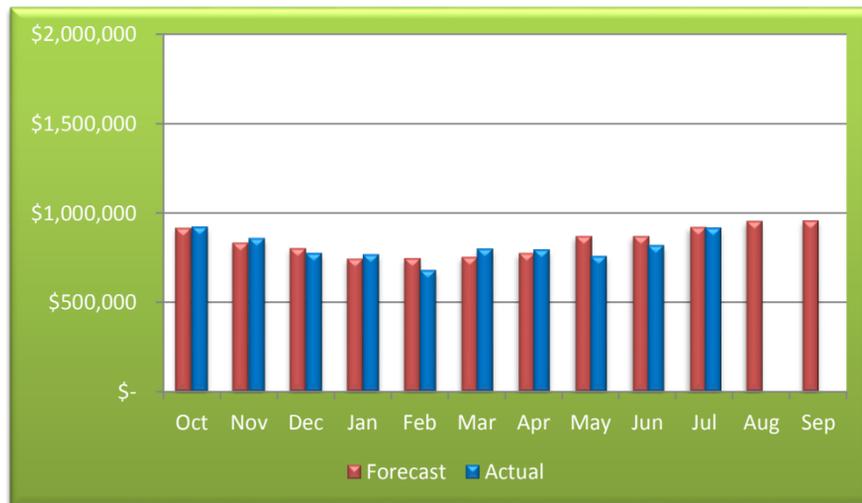
Positive

Utility fund revenues are 3.4% higher than the amended forecast as a result of higher than expected impact fees net lower than expected water and sewer revenues. Expenses are 0.4% lower than the amended forecast. The fund makes semi-annual debt payments in March and September.

**REVENUE ANALYSIS**

**SEWER REVENUES FY2015**

Month	2015 Forecast	2015 Actual	Monthly Variance
Oct	\$ 916,365	\$ 919,190	\$ 2,825
Nov	833,754	855,352	21,597
Dec	802,473	772,784	(29,688)
Jan	744,348	766,420	22,071
Feb	745,497	679,354	(66,143)
Mar	753,752	796,213	42,461
Apr	775,606	791,597	15,990
May	870,292	755,162	(115,130)
Jun	869,921	816,984	(52,937)
Jul	920,105	912,597	(7,507)
Aug	954,769	-	-
Sep	956,485	-	-
<b>Total</b>	<b>\$ 10,143,368</b>	<b>\$ 8,065,652</b>	<b>\$ (166,462)</b>
<b>Actual to Forecast</b>			<b>-2.0%</b>



Warning

Sewer sales represent over 40% of the Utility Fund budget and cover the cost of sewer treatment paid to City of Garland. Cumulatively overall, sewer revenues are 2.0% lower than forecasted for this time of year.

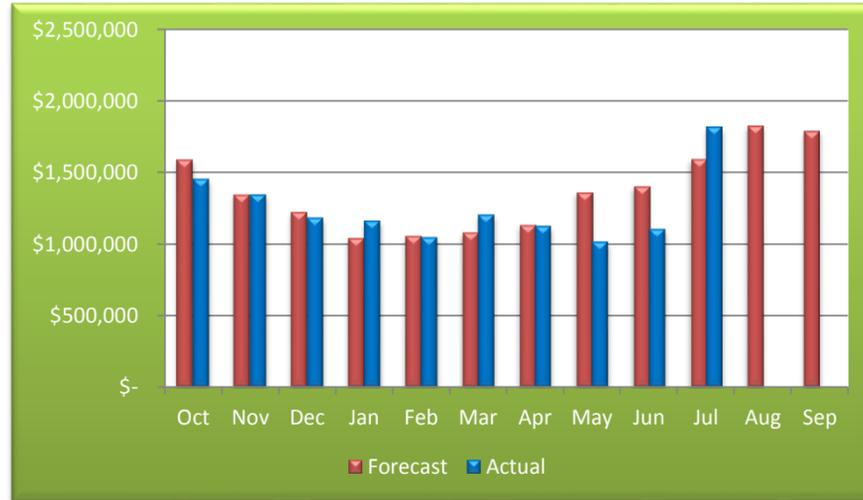


**CITY OF ROWLETT, TEXAS  
FINANCIAL STATUS DASHBOARD  
July 31, 2015**

**REVENUE ANALYSIS**

**WATER REVENUES FY2015**

Month	2015 Forecast	2015 Actual	Monthly Variance
Oct	\$ 1,591,776	\$ 1,451,221	\$ (140,555)
Nov	1,346,151	1,343,838	(2,313)
Dec	1,225,508	1,182,809	(42,699)
Jan	1,044,611	1,162,524	117,913
Feb	1,057,784	1,045,383	(12,401)
Mar	1,082,048	1,203,771	121,722
Apr	1,133,210	1,126,605	(6,605)
May	1,361,568	1,017,128	(344,440)
Jun	1,402,780	1,103,062	(299,718)
Jul	1,593,044	1,814,632	221,588
Aug	1,827,396		
Sep	1,790,796		
<b>Total</b>	<b>\$ 16,456,672</b>	<b>\$ 12,450,972</b>	<b>\$ (387,508)</b>
<b>Actual to Forecast</b>			<b>-3.0%</b>



**Warning**

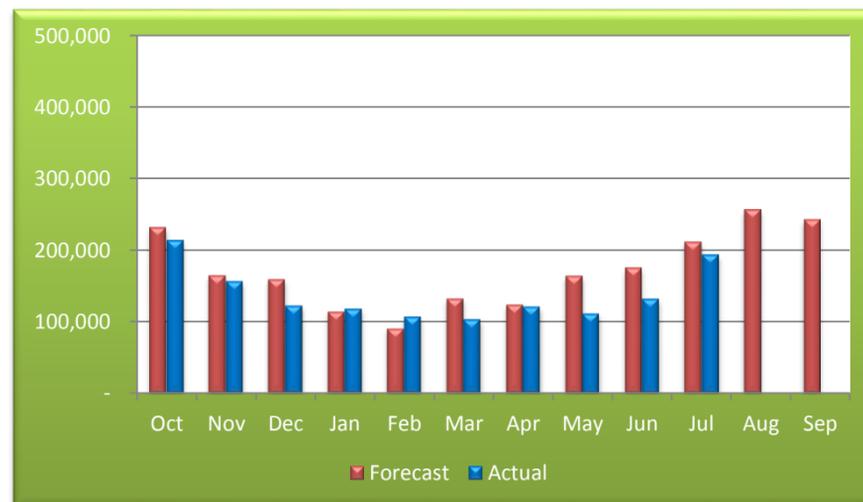
Water sales represent just over 50% of the total Utility Fund budget and cover the cost of water acquisition from the North Texas Municipal Water District. Water revenues are 3.0% less than the amended forecasted for this time of year.

**REVENUE ANALYSIS**

**WATER USAGE FY2015**

Month	2015 Forecast	2015 Actual	Monthly Variance
Oct	230,714	212,743	(17,971)
Nov	164,000	155,467	(8,533)
Dec	158,656	121,571	(37,085)
Jan	113,907	117,372	3,465
Feb	90,108	106,758	16,650
Mar	132,116	103,031	(29,085)
Apr	123,449	120,442	(3,007)
May	163,827	111,168	(52,659)
Jun	175,086	131,780	(43,306)
Jul	211,170	192,582	(18,588)
Aug	255,754		
Sep	241,994		
<b>Total</b>	<b>2,060,780</b>	<b>1,372,914</b>	<b>(190,119)</b>
<b>Actual to Forecast</b>			<b>-12.2%</b>

(IN THOUSAND GALLONS)



**Negative**

The City purchases its water from the North Texas Municipal Water District. Customer usage is 12.2% lower than the revised forecast for this time of the year. The contract with NTMWD requires the City to pay for a minimum of 3.2 billion gallons of water per year.

**OVERALL FUND PERFORMANCE**

**REFUSE FUND REVENUES VS EXPENSES FY2015**

Month	2015 Revenue	2015 Expenses	Monthly Variance
Oct	402,012	389,513	\$ 12,499
Nov	402,813	408,017	(5,204)
Dec	414,147	393,290	20,857
Jan	410,278	396,377	13,901
Feb	411,625	371,957	39,668
Mar	411,625	371,957	39,668
Apr	407,277	396,813	10,464
May	411,116	397,536	13,580
Jun	411,099	401,188	9,911
Jul	409,888	406,561	3,327
Aug			-
Sep			-
<b>Total</b>	<b>\$ 4,091,879</b>	<b>\$ 3,933,209</b>	<b>\$ 158,670</b>
<b>Cumulative Forecast</b>	<b>\$ 3,915,881</b>	<b>\$ 3,881,027</b>	<b>\$ 34,854</b>
<b>Actual to Forecast \$</b>	<b>\$ 175,998</b>	<b>\$ 52,182</b>	<b>\$ 123,816</b>
<b>Actual to Forecast</b>	<b>4.5%</b>	<b>1.3%</b>	



Positive

The Refuse Fund accounts for monies collected from customers on their utility bills and remitted to our solid waste provider. Revenues are currently 4.5% higher than forecasted, and expenses are 1.3% higher than forecasted.

**OVERALL FUND PERFORMANCE**

**DRAINAGE FUND REVENUES VS EXPENSES FY2015**

Month	2015 Revenue	2015 Expenses	Monthly Variance
Oct	110,599	67,145	\$ 43,454
Nov	111,354	72,873	38,481
Dec	111,572	66,014	45,558
Jan	112,079	67,593	44,486
Feb	111,715	205,389	(93,674)
Mar	111,715	205,389	(93,674)
Apr	111,925	83,177	28,749
May	112,284	76,064	36,220
Jun	112,974	88,538	24,436
Jul	111,462	63,701	47,761
Aug			-
Sep			-
<b>Total</b>	<b>\$ 1,117,679</b>	<b>\$ 995,883</b>	<b>\$ 121,796</b>
<b>Cumulative Forecast</b>	<b>\$ 1,122,443</b>	<b>\$ 1,060,064</b>	<b>\$ 62,379</b>
<b>Actual to Forecast \$</b>	<b>\$ (4,764)</b>	<b>\$ (64,181)</b>	<b>\$ 59,417</b>
<b>Actual to Forecast</b>	<b>-0.4%</b>	<b>-6.1%</b>	



Positive

The Drainage Fund accounts for monies collected from customers on their utility bills for the municipal drainage system. Cumulatively overall, the fund is better than forecasted for this time of the year, with revenues 0.4% lower than forecasted but expenses 6.1% lower than forecasted.

**OVERALL FUND PERFORMANCE**

**DEBT SERVICE FUND REVENUES VS EXPENSES FY2015**

Month	2015 Revenue	2015 Expenses	Monthly Variance
Oct	249,127	10,468	\$ 238,659
Nov	261,982	129,846	132,136
Dec	4,512,111	7,928	4,504,183
Jan	1,753,063	11,311	1,741,752
Feb	-	-	-
Mar	1,020,513	6,324,674	(5,304,161)
Apr	62,873	2,108	60,765
May	43,688	633	43,055
Jun	45,840	10,271	35,568
Jul	103,233	12,943	90,290
Aug	-	-	-
Sep	-	-	-
<b>Total</b>	<b>\$ 8,052,429</b>	<b>\$ 6,510,182</b>	<b>\$ 1,542,247</b>
<b>Cumulative Forecast</b>	<b>\$ 7,549,441</b>	<b>\$ 6,514,359</b>	<b>\$ 1,035,082</b>
<b>Actual to Forecast \$</b>	<b>\$ 502,988</b>	<b>\$ (4,176)</b>	<b>\$ 507,165</b>
<b>Actual to Forecast</b>	<b>6.7%</b>	<b>-0.1%</b>	



Positive

General Debt Service Fund is used to pay principal and interest on tax-supported debt. Overall, the fund is better than forecasted, with revenues 6.7% higher than projected and expenses 0.1% lower than expected. The fund pays conduit debt in November and makes other semi-annual debt payments in February and August.

**OVERALL FUND PERFORMANCE**

**EMPLOYEE HEALTH BENEFITS FUND REVENUES VS EXPENSES FY2015**

Month	2015 Revenue	2015 Expenses	Monthly Variance
Oct	419,181	447,218	\$ (28,037)
Nov	291,239	249,946	41,293
Dec	354,624	332,130	22,494
Jan	358,108	202,278	155,830
Feb	-	-	-
Mar	722,117	579,469	142,648
Apr	724,226	704,687	19,539
May	362,578	368,259	(5,681)
Jun	357,163	334,018	23,146
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
<b>Total</b>	<b>\$ 3,589,237</b>	<b>\$ 3,218,005</b>	<b>\$ 371,231</b>
<b>Cumulative Forecast</b>	<b>\$ 3,670,931</b>	<b>\$ 3,614,603</b>	<b>\$ 56,328</b>
<b>Actual to Forecast \$</b>	<b>\$ (81,694)</b>	<b>\$ (396,597)</b>	<b>\$ 314,903</b>
<b>Actual to Forecast</b>	<b>-2.2%</b>	<b>-11.0%</b>	



Positive

Employee Health Benefits Fund accounts for all health related claims paid from the City's partial self-insured fund. Overall, revenues are 2.2% lower than forecasted and expenses are 11.0% lower than forecasted. Revenues reflect lower than expected premium payments due to vacancies and plan choices, and expenses are lower than forecasted due to lower than expected claims.