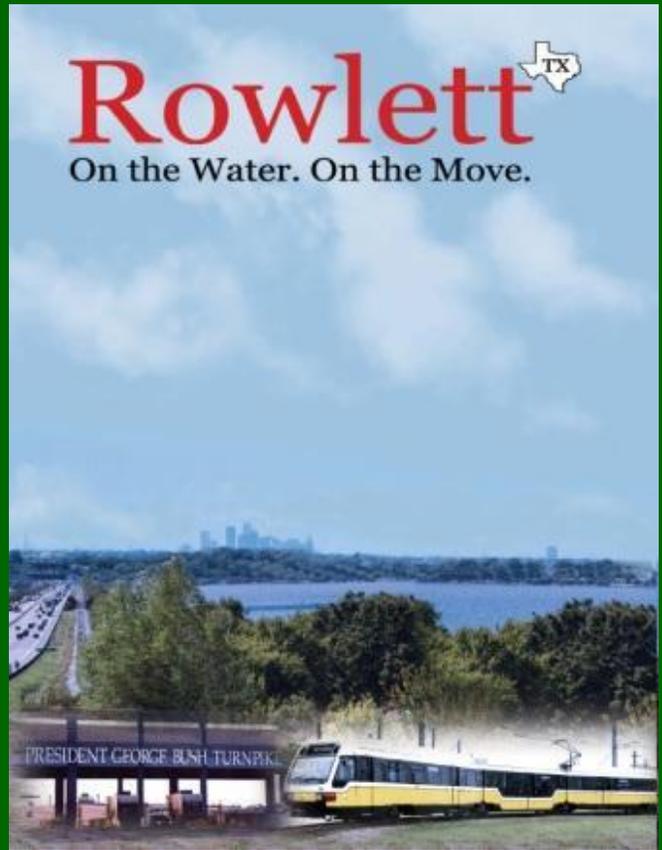




# **Comprehensive Monthly Financial Report**

**October 2015**





# MONTHLY FINANCIAL REPORT

## PERFORMANCE AT A GLANCE

**October 2015**

	YEAR TO DATE	REFERENCE
ALL FUNDS SUMMARY	POSITIVE	Page 4
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## 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**

**October 31, 2015 – NEWS FOR YOU**

**ECONOMY**

Attached is the Comprehensive Monthly Financial report for October 2015. One month of FY2016, or 8.3% of the fiscal year is complete.

**National GDP:** 

GDP - the output of goods and services produced by labor and property located in the US – increased at a rate of 1.5% in the 3rd quarter of 2015 after increasing 3.9% in the 2nd quarter of 2015 as reported by the Bureau of Economic Analysis. The third-quarter increase mainly reflected an increase in consumer spending. Spending on services increased, notably on health care.

**Revenues:** Overall, the City has earned or received \$5.6 million for FY2016. This amount is 6.2% of the approved operating budget of \$90.2 million and is 5.9% more than forecast through the month of October.

- General Fund revenues are \$0.1 million or 6.8% higher than expected
- Utility Fund revenues are \$0.3 million or 12.2% higher than expected.

**Texas Retail Sales:** 

Texas retail sales totaled \$41.2 billion for the month of Aug., a decrease of \$0.7 billion (1.7%) over Aug. 2014.

**Expenditures:** Expenses totaled \$6.5 million year-to-date for FY2016. This amount is 7.3% of the approved operating budget of \$88.9 million and is 2.8% lower than forecast through the month of October.

- General Fund expenditures are \$26 thousand or 0.7% lower than expected.
- Utility Fund expenditures are \$48 thousand or 2.5% lower than expected.

**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 0.2% between the months of August and September.

**Surplus:** The net surplus from operations through October is \$1.0 million which is \$0.5 million better than expected at this point in the year. The adopted operating budget for the fiscal year anticipates a total increase of \$1.3 million.

**UNEMPLOYMENT**

**NOTEWORTHY**

**National Unemployment:** 

The national unemployment rate dropped from 5.1% in September to 5.0% in October.

**CITY HALL WEST PARKING LOT CLOSED BEGINNING DECEMBER 9<sup>TH</sup>** Downtown construction will close the west parking lot of City Hall for approximately 2 years. Access to the east parking lots will remain open, as will the after-hours Utility Billing payment box on a walk-up basis, but the drive-thru will also close.

**State-Wide:** 

The Texas unemployment rate increased from 4.1% in August to 4.2% in September.

**Rowlett:** 

The City of Rowlett unemployment rate increased between August and September from 3.7% to 3.8%. Note – city unemployment rates are not seasonally adjusted.



**CITY OF ROWLETT, TEXAS  
FINANCIAL STATUS DASHBOARD  
October 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>	\$ 14,113,838	\$ 13,769,669	\$ 13,769,669	0.0%
<b>Revenues:</b>				
General	40,452,242	1,688,527	1,803,893	6.8%
Water & sewer	28,901,031	2,390,935	2,682,717	12.2%
Debt service	7,997,408	207,777	256,615	23.5%
Drainage	1,360,397	113,316	107,637	-5.0%
Refuse	4,827,003	402,223	391,264	-2.7%
Employee health benefits	5,010,230	349,071	256,170	-26.6%
Police seizure	100,550	8,379	-	-100.0%
Economic development	316,694	26,391	26,245	-0.6%
Hotel/motel tax	47,752	3,653	3,931	7.6%
P.E.G.	85,893	-	7,386	0.0%
Grants	356,634	29,720	5,176	-82.6%
Community Development Block Grant	179,247	14,937	23,343	56.3%
Inspection Fees Fund	225,000	18,750	950	-94.9%
Juvenile diversion	33,281	2,773	2,231	-19.6%
Court technology	26,936	2,245	2,034	-9.4%
Court security	20,035	1,670	1,537	-7.9%
Golf course	257,005	-	-	0.0%
<b>Total Revenues</b>	<b>\$ 90,197,338</b>	<b>\$ 5,260,366</b>	<b>\$ 5,571,128</b>	<b>5.9%</b>
<b>Expenses:</b>				
General	40,241,422	3,716,147	3,689,831	-0.7%
Water & sewer	27,179,163	1,936,910	1,889,190	-2.5%
Debt service	8,552,017	15,117	3,910	-74.1%
Drainage	1,401,835	122,222	67,427	-44.8%
Refuse	4,759,486	396,624	388,769	-2.0%
Employee health benefits	4,967,764	413,457	370,713	-10.3%
Police seizure	138,050	11,504	56,246	388.9%
Economic development	443,023	35,431	19,318	-45.5%
Hotel/motel tax	48,749	-	-	0.0%
P.E.G.	80,922	6,744	-	-100.0%
Grants	359,565	14,982	5,176	-65.5%
Community Development Block Grant	179,247	14,937	23,343	56.3%
Inspection Fees Fund	218,760	16,828	3,634	-78.4%
Juvenile diversion	38,738	2,980	2,298	-22.9%
Court technology	43,874	3,656	-	-100.0%
Court security	23,672	1,973	2,408	22.1%
Golf course	254,990	-	-	0.0%
<b>Total Expenses</b>	<b>\$ 88,931,277</b>	<b>\$ 6,709,511</b>	<b>\$ 6,522,262</b>	<b>-2.8%</b>
<b>Current Year Surplus/(Shortfall)</b>	<b>\$ 1,266,061</b>	<b>\$ (1,449,145)</b>	<b>\$ (951,134)</b>	<b>-34.4%</b>
<b>Ending Reserves</b>	<b>\$ 15,129,900</b>	<b>\$ 12,320,523</b>	<b>\$ 12,818,534</b>	<b>4.0%</b>

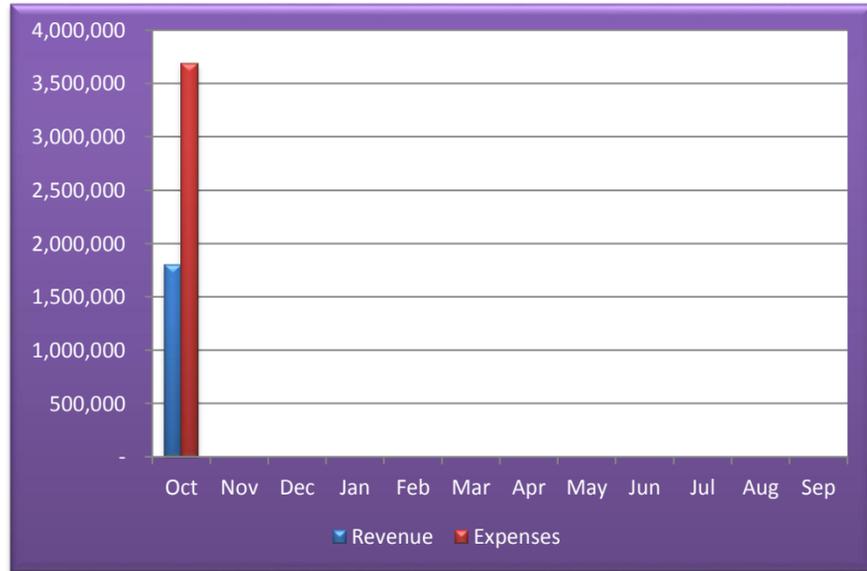
Positive
Warning
Negative

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**

<u>Month</u>	<u>2015 Revenue</u>	<u>2015 Expenses</u>	<u>Monthly Variance</u>
Oct	1,803,893	3,689,831	\$ (1,885,938)
Nov			
Dec			
Jan			
Feb			
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
<b>Total</b>	<b>\$ 1,803,893</b>	<b>\$ 3,689,831</b>	<b>\$ (1,885,938)</b>
<b>Cumulative Forecast</b>	<b>\$ 1,688,527</b>	<b>\$ 3,716,147</b>	<b>\$ (2,027,620)</b>
<b>Actual to Forecast \$</b>	<b>\$ 115,365</b>	<b>\$ (26,316)</b>	<b>\$ 141,682</b>
<b>Actual to Forecast %</b>	<b>6.8%</b>	<b>-0.7%</b>	



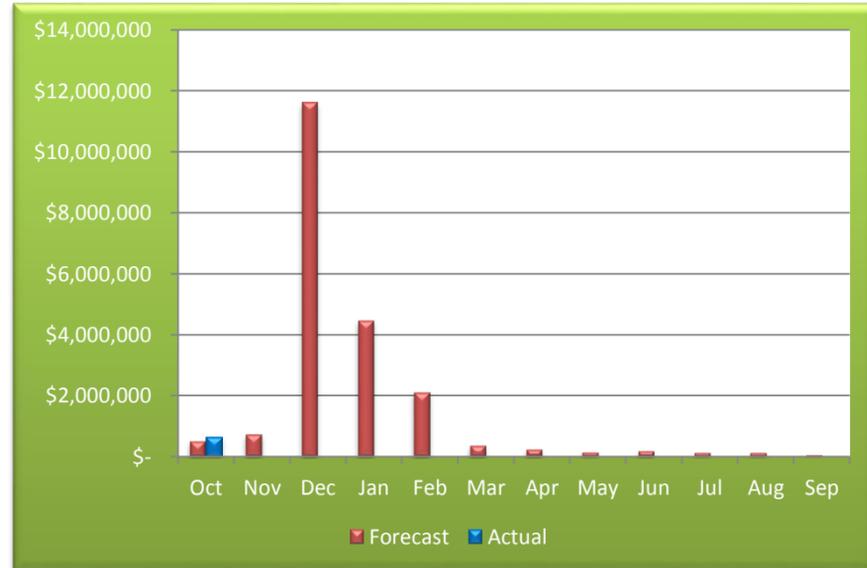
**Positive**

Cumulatively overall, the General Fund is better than forecasted for this time of the year, with revenues exceeding the forecast by 6.8% and expenses 0.7% lower than forecasted. These differences are primarily due to higher than expected property taxes and the timing of supply and capital equipment purchases.

**REVENUE ANALYSIS**

**PROPERTY TAXES FY2015**

<u>Month</u>	<u>2015 Forecast</u>	<u>2015 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 518,315	635,883	\$ 117,568
Nov	746,373		
Dec	11,610,248		
Jan	4,478,238		
Feb	2,114,724		
Mar	373,187		
Apr	248,791		
May	145,128		
Jun	186,593		
Jul	124,396		
Aug	124,396		
Sep	62,198		
<b>Total</b>	<b>\$ 20,732,585</b>	<b>\$ 635,883</b>	<b>\$ 117,568</b>
<b>Actual to Forecast</b>			<b>22.7%</b>



**Positive**

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 22.7% higher than forecasted for this time of the year.

**REVENUE ANALYSIS**

**SALES TAXES FY2015**

<u>Month</u>	<u>2015 Forecast</u>	<u>2015 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 487,626	\$ 487,626	\$ -
Nov	481,375		
Dec	631,413		
Jan	418,858		
Feb	431,362		
Mar	631,413		
Apr	493,878		
May	487,626		
Jun	600,155		
Jul	525,136		
Aug	481,375		
Sep	581,400		
<b>Total</b>	<b>\$ 6,251,617</b>	<b>\$ 487,626</b>	<b>\$ -</b>
<i>Actual to Forecast</i>			<i>0.0%</i>



**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 October represent an estimate.

**REVENUE ANALYSIS**

**FRANCHISE FEES FY2015**

<u>Month</u>	<u>2015 Forecast</u>	<u>2015 Actual</u>	<u>Monthly Variance</u>
Oct	\$ -	-	\$ -
Nov	-		
Dec	66,005		
Jan	618,368		
Feb	449,247		
Mar	66,005		
Apr	531,127		
May	-		
Jun	66,005		
Jul	509,534		
Aug	-		
Sep	787,599		
<b>Total</b>	<b>\$ 3,093,891</b>	<b>\$ -</b>	<b>\$ -</b>
<i>Actual to Forecast</i>			<i>0.0%</i>



**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.

**OVERALL FUND PERFORMANCE**

**UTILITY FUND REVENUES VS EXPENSES FY2015**

<u>Month</u>	<u>2015 Revenue</u>	<u>2015 Expenses</u>	<u>Monthly Variance</u>
Oct	2,682,717	1,889,190	\$ 793,527
Nov			
Dec			
Jan			
Feb			
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
<b>Total</b>	<b>\$ 2,682,717</b>	<b>\$ 1,889,190</b>	<b>\$ 793,527</b>
<b>Cumulative Forecast</b>	<b>\$ 2,390,935</b>	<b>\$ 1,936,910</b>	<b>\$ 454,024</b>
<b>Actual to Forecast \$</b>	<b>\$ 291,783</b>	<b>\$ (47,720)</b>	<b>\$ 339,503</b>
<b>Actual to Forecast</b>	<b>12.2%</b>	<b>-2.5%</b>	



Positive

Utility fund revenues are 12.2% higher than forecast as a result of higher than expected water and sewer revenues. Expenses are 2.5% lower than forecast due to the timing of supply and equipment purchases. The fund makes semi-annual debt payments in March and September.

**REVENUE ANALYSIS**

**SEWER REVENUES FY2015**

<u>Month</u>	<u>2015 Forecast</u>	<u>2015 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 909,883	959,040	\$ 49,158
Nov	873,354		
Dec	842,927		
Jan	830,971		
Feb	822,173		
Mar	810,975		
Apr	846,813		
May	899,217		
Jun	967,756		
Jul	1,044,105		
Aug	1,056,180		
Sep	1,017,048		
<b>Total</b>	<b>\$ 10,921,401</b>	<b>\$ 959,040</b>	<b>\$ 49,158</b>
<b>Actual to Forecast</b>			<b>5.4%</b>



Positive

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 5.4% higher than forecasted for this time of year.



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

**REVENUE ANALYSIS**

**WATER REVENUES FY2015**

<u>Month</u>	<u>2015 Forecast</u>	<u>2015 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 1,403,401	1,621,805	\$ 218,403
Nov	1,266,499		
Dec	1,132,796		
Jan	1,069,153		
Feb	1,039,399		
Mar	1,018,224		
Apr	1,121,145		
May	1,248,648		
Jun	1,585,123		
Jul	2,033,999		
Aug	2,158,983		
Sep	1,950,603		
<b>Total</b>	<b>\$ 17,027,975</b>	<b>\$ 1,621,805</b>	<b>\$ 218,403</b>
<b>Actual to Forecast</b>			<b>15.6%</b>



Positive

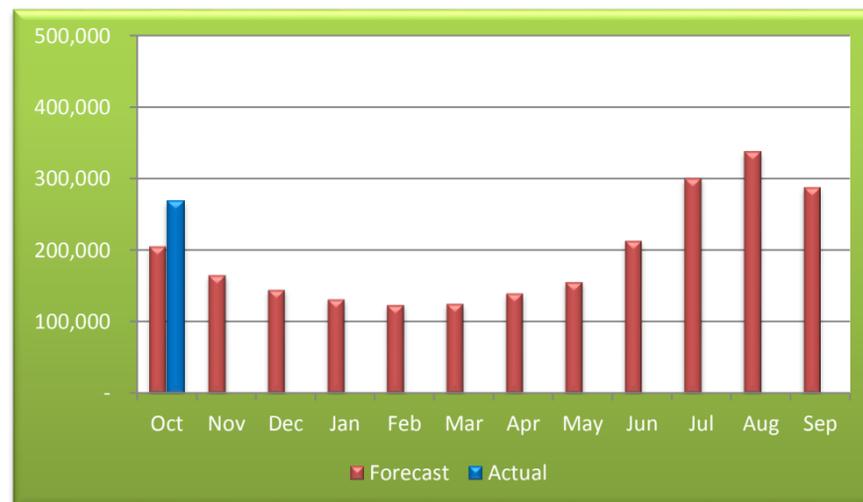
Water sales represent just over 50% of the total Utility Fund budget and cover the cost of water acquisition from the North Texas Municipal Water District. Water revenues are 15.6% higher than the forecast for this time of year.

**REVENUE ANALYSIS**

**WATER USAGE FY2015**

<u>Month</u>	<u>2015 Forecast</u>	<u>2015 Actual</u>	<u>Monthly Variance</u>
Oct	205,688	268,258	62,570
Nov	165,430		
Dec	144,647		
Jan	131,535		
Feb	123,505		
Mar	125,372		
Apr	139,784		
May	155,805		
Jun	213,519		
Jul	300,529		
Aug	338,135		
Sep	287,959		
<b>Total</b>	<b>2,331,906</b>	<b>268,258</b>	<b>62,570</b>
<b>Actual to Forecast</b>			<b>30.4%</b>

(IN THOUSAND GALLONS)



Positive

The City purchases its water from the North Texas Municipal Water District. Customer usage in October is 30.4% higher than forecast. 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**

<u>Month</u>	<u>2015 Revenue</u>	<u>2015 Expenses</u>	<u>Monthly Variance</u>
Oct	391,264	388,769	\$ 2,495
Nov			
Dec			
Jan			
Feb			
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
<b>Total</b>	<b>\$ 391,264</b>	<b>\$ 388,769</b>	<b>\$ 2,495</b>
<b>Cumulative Forecast</b>	<b>\$ 402,223</b>	<b>\$ 396,624</b>	<b>\$ 5,599</b>
<b>Actual to Forecast \$</b>	<b>\$ (10,958)</b>	<b>\$ (7,855)</b>	<b>\$ (3,103)</b>
<b>Actual to Forecast</b>	<b>-2.7%</b>	<b>-2.0%</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 2.7% lower than forecasted, and expenses are 2.0% lower than forecasted.

**OVERALL FUND PERFORMANCE**

**DRAINAGE FUND REVENUES VS EXPENSES FY2015**

<u>Month</u>	<u>2015 Revenue</u>	<u>2015 Expenses</u>	<u>Monthly Variance</u>
Oct	107,637	67,427	\$ 40,210
Nov			
Dec			
Jan			
Feb			
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
<b>Total</b>	<b>\$ 107,637</b>	<b>\$ 67,427</b>	<b>\$ 40,210</b>
<b>Cumulative Forecast</b>	<b>\$ 113,316</b>	<b>\$ 122,222</b>	<b>\$ (8,907)</b>
<b>Actual to Forecast \$</b>	<b>\$ (5,679)</b>	<b>\$ (54,795)</b>	<b>\$ 49,116</b>
<b>Actual to Forecast</b>	<b>-5.0%</b>	<b>-44.8%</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 5.0% lower than forecasted but expenses 44.8% lower than forecasted.

**OVERALL FUND PERFORMANCE**

**DEBT SERVICE FUND REVENUES VS EXPENSES FY2015**

<u>Month</u>	<u>2015 Revenue</u>	<u>2015 Expenses</u>	<u>Monthly Variance</u>
Oct	256,615	3,910	\$ 252,705
Nov			
Dec			
Jan			
Feb			
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
<b>Total</b>	<b>\$ 256,615</b>	<b>\$ 3,910</b>	<b>\$ 252,705</b>
<b>Cumulative Forecast</b>	<b>\$ 207,777</b>	<b>\$ 15,117</b>	<b>\$ 192,660</b>
<b>Actual to Forecast \$</b>	<b>\$ 48,838</b>	<b>\$ (11,207)</b>	<b>\$ 60,044</b>
<b>Actual to Forecast</b>	<b>23.5%</b>	<b>-74.1%</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 23.5% higher than projected and expenses 74.1% 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**

<u>Month</u>	<u>2015 Revenue</u>	<u>2015 Expenses</u>	<u>Monthly Variance</u>
Oct	256,170	370,713	\$ (114,543)
Nov			
Dec			
Jan			
Feb			
Mar			
Apr			
May			
Jun			
Jul			
Aug			-
Sep			-
<b>Total</b>	<b>\$ 256,170</b>	<b>\$ 370,713</b>	<b>\$ (114,543)</b>
<b>Cumulative Forecast</b>	<b>\$ 349,071</b>	<b>\$ 413,457</b>	<b>\$ (64,386)</b>
<b>Actual to Forecast \$</b>	<b>\$ (92,901)</b>	<b>\$ (42,745)</b>	<b>\$ (50,157)</b>
<b>Actual to Forecast</b>	<b>-26.6%</b>	<b>-10.3%</b>	



Positive

Employee Health Benefits Fund accounts for all health related claims paid from the City's partial self-insured fund. Overall, revenues are 26.6% lower than forecasted and expenses are 10.3% 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.