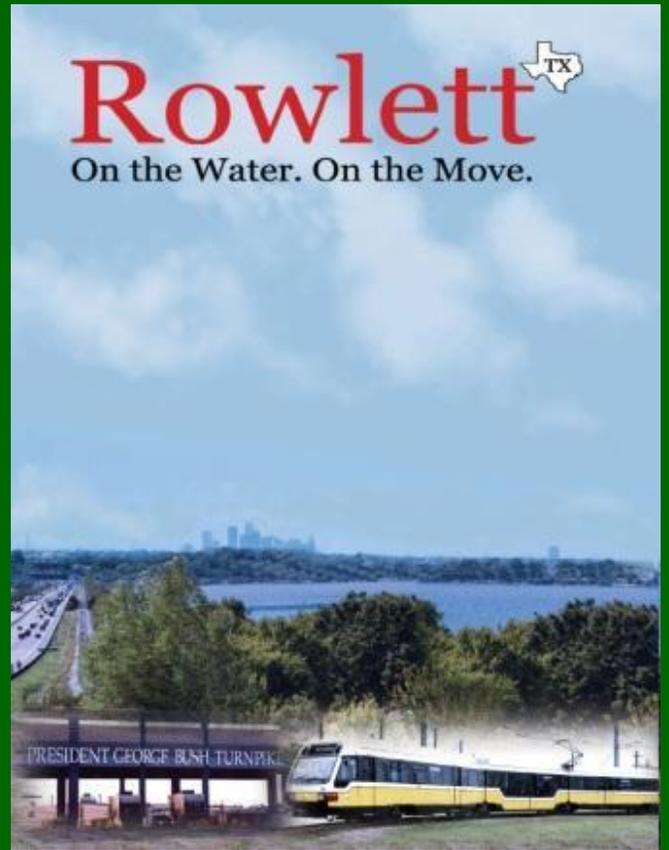




**Comprehensive
Monthly
Financial Report**

January 2016





MONTHLY FINANCIAL REPORT

PERFORMANCE AT A GLANCE

January 2016

| | 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 |
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| SEWER REVENUES | POSITIVE | Page 7 |
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| DEBT SERVICE FUND REV VS EXP | WARNING | 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

January 31, 2016 – 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 0.7% in the 4th quarter of 2015 after increasing 2.0% in the 3rd quarter of 2015 as reported by the Bureau of Economic Analysis. The fourth quarter increase mainly reflected an increase in consumer spending. Spending on services increased, notably on health care.

Texas Retail Sales: 

Texas retail sales totaled \$41.2 billion for the month of Nov., an increase of \$1.0 billion (2.5%) over Nov. 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 1.0% between the months of November and December.

UNEMPLOYMENT

National Unemployment: 

The national unemployment rate decreased from 5.0% in December to 4.9% in January.

State-Wide: 

The Texas unemployment rate increased from 4.6% in November to 4.7% in December.

Rowlett: 

The City of Rowlett unemployment rate decreased between November and December from 4.0% to 3.7%. Note – city unemployment rates are not seasonally adjusted.

Attached is the Comprehensive Monthly Financial report for January 2016. Four months of FY2016, or 33.3% of the fiscal year is complete.

Revenues: Overall, the City has earned or received \$42.4 million for FY2016. This amount is 47.0% of the approved operating budget of \$90.2 million and is 1.7% more than forecast through the month of January.

- General Fund revenues are \$13 thousand or 0.1% lower than expected
- Utility Fund revenues are \$0.6 million or 6.8% higher than expected.

Expenditures: Expenses totaled \$25.5 million year-to-date for FY2016. This amount is 28.4% of the approved operating budget of \$89.8 million and is 3.2% higher than forecast through the month of January.

- General Fund expenditures are \$0.1 million or 0.7% lower than expected.
- Utility Fund expenditures are \$0.6 million or 8.6% higher than expected.

Surplus: The net surplus from operations through January is \$16.9 million which is \$0.1 million less than expected at this point in the year. The adopted operating budget for the fiscal year anticipates a total increase of \$0.4 million.

NOTEWORTHY

ON DECEMBER 26, 2015 AROUND 7:00PM CST, ROWLETT, TEXAS WAS HIT BY AN EF4 TORNADO THAT CAUSED WIDESPREAD DEVASTATION IN OUR COMMUNITY. 1,145 homes and businesses were impacted. 23 individuals were injured with no fatalities. Approximately 8,000 homes and businesses lost power, over 6,000 of which were in Rowlett. For additional tornado recovery information, visit

[Rowlett, TX - Official Website - Tornado Information.](#)



**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
January 31, 2016**

BUDGET SUMMARY OF ALL FUNDS FY2016

| | 2016 <u>Budget</u> | 2016 <u>Forecast</u> | 2016 <u>Year-to-Date</u> | <u>Variance</u> |
|---|-----------------------|-------------------------|-----------------------------|-----------------|
| Beginning Reserves | \$ 14,113,838 | \$ 13,745,376 | \$ 13,745,376 | 0.0% |
| Revenues: | | | | |
| General | 40,452,242 | 23,016,570 | 23,003,911 | -0.1% |
| Water & sewer | 28,901,031 | 8,606,073 | 9,194,819 | 6.8% |
| Debt service | 7,997,408 | 6,364,187 | 6,287,061 | -1.2% |
| Drainage | 1,360,397 | 453,333 | 446,304 | -1.6% |
| Refuse | 4,827,003 | 1,608,929 | 1,643,385 | 2.1% |
| Employee health benefits | 5,010,230 | 1,263,265 | 1,385,057 | 9.6% |
| Police seizure | 100,550 | 33,517 | 15,174 | -54.7% |
| Economic development | 316,694 | 105,565 | 160,960 | 52.5% |
| Hotel/motel tax | 47,752 | 16,021 | 17,034 | 6.3% |
| P.E.G. | 85,893 | 21,473 | 21,717 | 1.1% |
| Grants | 356,634 | 79,903 | 122,382 | 53.2% |
| Community Development Block Grant | 179,247 | 59,749 | 23,618 | -60.5% |
| Inspection Fees Fund | 225,000 | 75,000 | 93,635 | 24.8% |
| Juvenile diversion | 33,281 | 11,094 | 7,779 | -29.9% |
| Court technology | 26,936 | 8,979 | 6,642 | -26.0% |
| Court security | 20,035 | 6,678 | 4,992 | -25.3% |
| Golf course | 257,005 | 279 | 187 | -32.9% |
| Disaster | - | - | - | 0.0% |
| Total Revenues | \$ 90,197,338 | \$ 41,730,615 | \$ 42,434,655 | 1.7% |
| Expenses: | | | | |
| General | 40,781,726 | 13,022,495 | 12,925,155 | -0.7% |
| Water & sewer | 27,410,712 | 7,475,637 | 8,120,589 | 8.6% |
| Debt service | 8,552,017 | 150,730 | 146,372 | -2.9% |
| Drainage | 1,401,835 | 348,623 | 280,678 | -19.5% |
| Refuse | 4,774,880 | 1,591,627 | 1,599,222 | 0.5% |
| Employee health benefits | 4,967,764 | 1,653,828 | 1,267,458 | -23.4% |
| Police seizure | 187,097 | 62,366 | 109,964 | 76.3% |
| Economic development | 443,023 | 141,723 | 191,438 | 35.1% |
| Hotel/motel tax | 48,749 | - | 15,415 | 0.0% |
| P.E.G. | 90,543 | 30,181 | 59,905 | 98.5% |
| Grants | 359,565 | 79,903 | 122,382 | 53.2% |
| Community Development Block Grant | 179,247 | 59,749 | 23,618 | -60.5% |
| Inspection Fees Fund | 218,760 | 67,311 | 40,316 | -40.1% |
| Juvenile diversion | 38,738 | 11,919 | 7,158 | -39.9% |
| Court technology | 43,874 | 14,625 | 1,389 | -90.5% |
| Court security | 23,672 | 7,891 | 8,765 | 11.1% |
| Golf course | 254,990 | - | - | 0.0% |
| Disaster | - | - | 591,783 | 0.0% |
| Total Expenses | \$ 89,777,192 | \$ 24,718,607 | \$ 25,511,607 | 3.2% |
| Current Year Surplus/(Shortfall) | \$ 420,146 | \$ 17,012,008 | \$ 16,923,048 | -0.5% |
| Ending Reserves | \$ 14,283,985 | \$ 30,757,384 | \$ 30,668,424 | -0.3% |

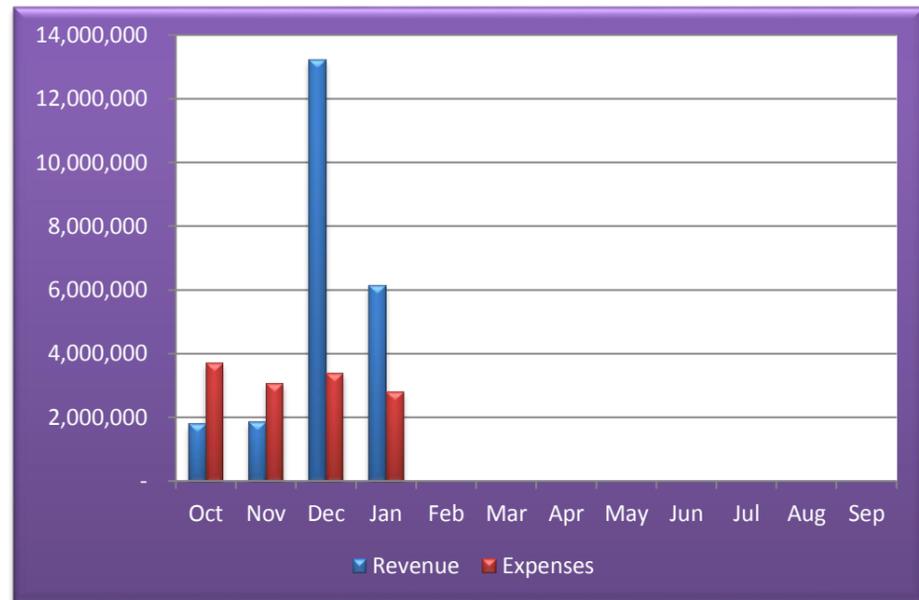
| |
|----------|
| Positive |
| Warning |
| Negative |

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 FY2016

| Month | 2016 Revenue | 2016 Expenses | Monthly Variance |
|------------------------------|----------------------|----------------------|----------------------|
| Oct | 1,803,893 | 3,689,831 | \$ (1,885,938) |
| Nov | 1,857,665 | 3,060,768 | \$ (1,203,103) |
| Dec | 13,210,437 | 3,373,494 | \$ 9,836,943 |
| Jan | 6,131,916 | 2,801,063 | \$ 3,330,853 |
| Feb | | | |
| Mar | | | |
| Apr | | | |
| May | | | |
| Jun | | | |
| Jul | | | |
| Aug | | | |
| Sep | | | |
| Total | \$ 23,003,912 | \$ 12,925,156 | \$ 10,078,755 |
| Cumulative Forecast | \$ 23,016,570 | \$ 13,022,495 | \$ 9,994,076 |
| Actual to Forecast \$ | \$ (12,658) | \$ (97,338) | \$ 84,680 |
| Actual to Forecast % | -0.1% | -0.7% | |



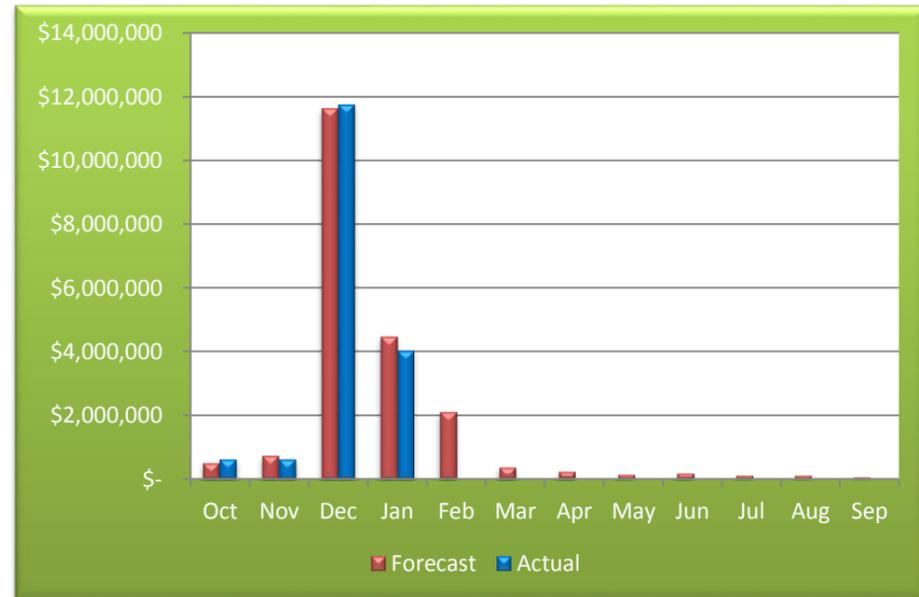
Positive

Cumulatively overall, the General Fund is as forecasted for this time of the year, with revenues at 0.1% lower and expenses 0.7% lower than forecasted.

REVENUE ANALYSIS

PROPERTY TAXES FY2016

| Month | 2016 Forecast | 2016 Actual | Monthly Variance |
|---------------------------|----------------------|----------------------|---------------------|
| Oct | \$ 518,315 | 635,883 | \$ 117,568 |
| Nov | 746,373 | 642,668 | (103,705) |
| Dec | 11,610,248 | 11,750,304 | 140,057 |
| Jan | 4,478,238 | 4,068,982 | (409,257) |
| 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 | | |
| Total | \$ 20,732,585 | \$ 17,097,837 | \$ (255,337) |
| Actual to Forecast | | | -1.5% |



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 1.5% lower than forecasted for this time of the year.

REVENUE ANALYSIS

SALES TAXES FY2016

| <u>Month</u> | <u>2016 Forecast</u> | <u>2016 Actual</u> | <u>Monthly Variance</u> |
|---------------------------|----------------------|---------------------|-------------------------|
| Oct | \$ 487,626 | \$ 497,364 | \$ 9,738 |
| Nov | 481,375 | 507,859 | 26,484 |
| Dec | 631,413 | 665,451 | 34,038 |
| Jan | 418,858 | 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 | | |
| Total | \$ 6,251,617 | \$ 2,089,532 | \$ 70,260 |
| <i>Actual to Forecast</i> | | | 3.5% |



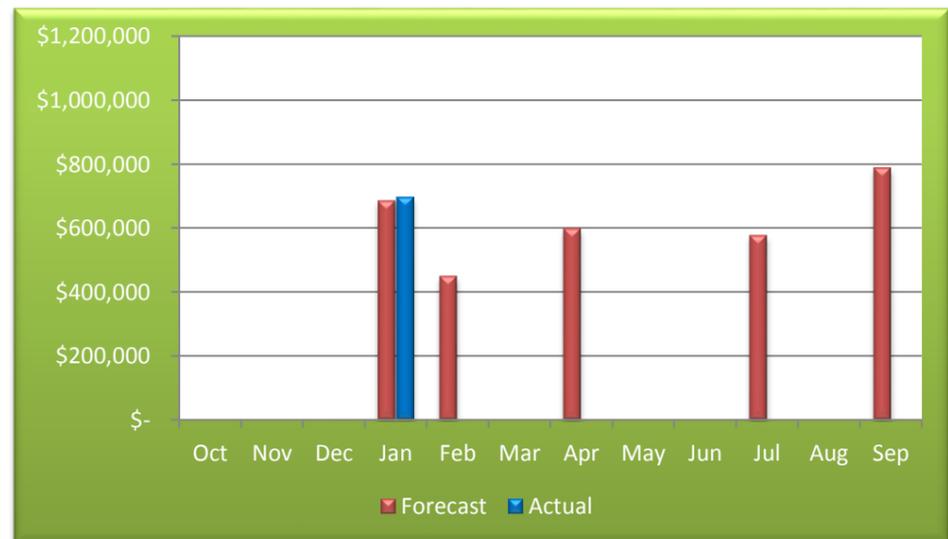
Positive

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. Overall, sales tax revenues are 3.5% higher than budgeted for this fiscal year. The sales taxes reported here for January represent an estimate.

REVENUE ANALYSIS

FRANCHISE FEES FY2016

| <u>Month</u> | <u>2016 Forecast</u> | <u>2016 Actual</u> | <u>Monthly Variance</u> |
|---------------------------|----------------------|--------------------|-------------------------|
| Oct | \$ - | \$ - | \$ - |
| Nov | - | - | - |
| Dec | - | 9 | 9 |
| Jan | 684,373 | 697,040 | 12,667 |
| Feb | 449,247 | | |
| Mar | - | | |
| Apr | 597,132 | | |
| May | - | | |
| Jun | - | | |
| Jul | 575,539 | | |
| Aug | - | | |
| Sep | 787,599 | | |
| Total | \$ 3,093,891 | \$ 697,049 | \$ 12,676 |
| <i>Actual to Forecast</i> | | | 1.9% |



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. Cumulatively overall, franchise fees are 1.9% higher than forecasted for this time of the year.



**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
January 31, 2016**

OVERALL FUND PERFORMANCE

UTILITY FUND REVENUES VS EXPENSES FY2016

| <u>Month</u> | <u>2016 Revenue</u> | <u>2016 Expenses</u> | <u>Monthly Variance</u> |
|------------------------------|-------------------------|--------------------------|-----------------------------|
| Oct | \$ 2,682,717 | \$ 1,889,190 | \$ 793,527 |
| Nov | 2,473,831 | 1,850,141 | 623,690 |
| Dec | 2,016,697 | 2,347,286 | (330,589) |
| Jan | 2,021,574 | 2,033,971 | (12,398) |
| Feb | | | |
| Mar | | | |
| Apr | | | |
| May | | | |
| Jun | | | |
| Jul | | | |
| Aug | | | |
| Sep | | | |
| Total | \$ 9,194,819 | \$ 8,120,589 | \$ 1,074,230 |
| Cumulative Forecast | \$ 8,606,073 | \$ 7,475,637 | \$ 1,130,436 |
| Actual to Forecast \$ | \$ 588,745 | \$ 644,952 | \$ (56,206) |
| Actual to Forecast | 6.8% | 8.6% | |



Warning

Utility fund revenues are 6.8% higher than forecast as a result of higher than expected water revenues. Expenses are 8.6% higher than forecast due to higher than expected overtime expenses and wastewater treatment expenses. The fund makes semi-annual debt payments in March and September.

REVENUE ANALYSIS

SEWER REVENUES FY2016

| <u>Month</u> | <u>2016 Forecast</u> | <u>2016 Actual</u> | <u>Monthly Variance</u> |
|---------------------------|--------------------------|------------------------|-----------------------------|
| Oct | \$ 909,883 | \$ 959,040 | \$ 49,157 |
| Nov | 873,354 | 937,249 | 63,895 |
| Dec | 842,927 | 794,871 | (48,056) |
| Jan | 830,971 | 766,081 | (64,890) |
| 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 | | |
| Total | \$ 10,921,401 | \$ 3,457,241 | \$ 106 |
| Actual to Forecast | | | 0.0% |



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 as forecasted for this time of year.

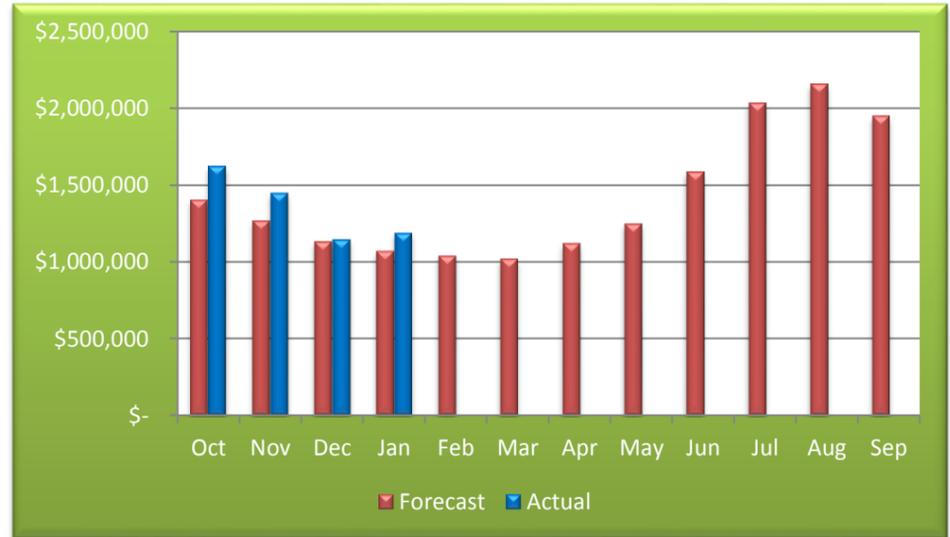


**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
January 31, 2016**

REVENUE ANALYSIS

WATER REVENUES FY2016

| <u>Month</u> | <u>2016 Forecast</u> | <u>2016 Actual</u> | <u>Monthly Variance</u> |
|---------------------------|----------------------|---------------------|-------------------------|
| Oct | \$ 1,403,401 | \$ 1,621,805 | \$ 218,404 |
| Nov | 1,266,499 | 1,446,969 | 180,470 |
| Dec | 1,132,796 | 1,145,412 | 12,617 |
| Jan | 1,069,153 | 1,187,109 | 117,956 |
| 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 | | |
| Total | \$ 17,027,975 | \$ 5,401,295 | \$ 529,445 |
| <i>Actual to Forecast</i> | | | 10.9% |



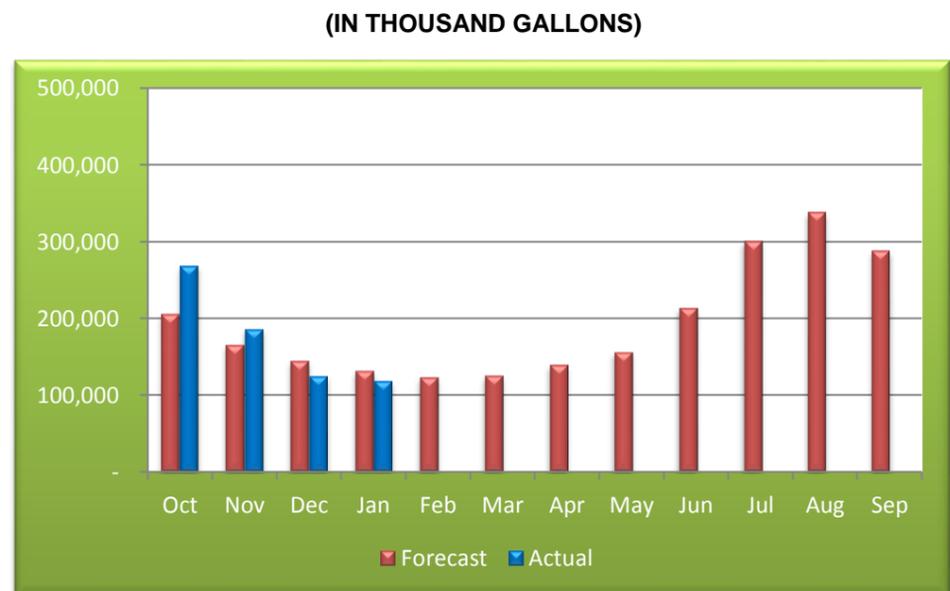
Positive

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. Cumulatively, water revenues are 10.9% higher than the forecast for this time of year.

REVENUE ANALYSIS

WATER USAGE FY2016

| <u>Month</u> | <u>2016 Forecast</u> | <u>2016 Actual</u> | <u>Monthly Variance</u> |
|---------------------------|----------------------|--------------------|-------------------------|
| Oct | 205,688 | 268,258 | 62,570 |
| Nov | 165,430 | 185,897 | 20,467 |
| Dec | 144,647 | 124,951 | (19,696) |
| Jan | 131,535 | 119,045 | (12,490) |
| Feb | 123,505 | | |
| Mar | 125,372 | | |
| Apr | 139,784 | | |
| May | 155,805 | | |
| Jun | 213,519 | | |
| Jul | 300,529 | | |
| Aug | 338,135 | | |
| Sep | 287,959 | | |
| Total | 2,331,906 | 698,151 | 50,852 |
| <i>Actual to Forecast</i> | | | 7.9% |



Positive

The City purchases its water from the North Texas Municipal Water District. Customer usage in January is 9.5% lower than forecast, but cumulatively customer usage is 7.9% higher than forecast. The contract with NTMWD requires the City to pay for a minimum of 3.2 billion gallons of water per year.



**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
January 31, 2016**

OVERALL FUND PERFORMANCE

REFUSE FUND REVENUES VS EXPENSES FY2016

| <u>Month</u> | <u>2016 Revenue</u> | <u>2016 Expenses</u> | <u>Monthly Variance</u> |
|------------------------------|---------------------|----------------------|-------------------------|
| Oct | \$ 391,264 | \$ 388,769 | \$ 2,495 |
| Nov | 421,039 | 398,249 | 22,790 |
| Dec | 416,530 | 412,957 | 3,574 |
| Jan | 414,551 | 399,248 | 15,304 |
| Feb | | | |
| Mar | | | |
| Apr | | | |
| May | | | |
| Jun | | | |
| Jul | | | |
| Aug | | | |
| Sep | | | |
| Total | \$ 1,643,385 | \$ 1,599,223 | \$ 44,162 |
| Cumulative Forecast | \$ 1,608,929 | \$ 1,591,627 | \$ 17,302 |
| Actual to Forecast \$ | \$ 34,456 | \$ 7,596 | \$ 26,860 |
| Actual to Forecast | 2.1% | 0.5% | |



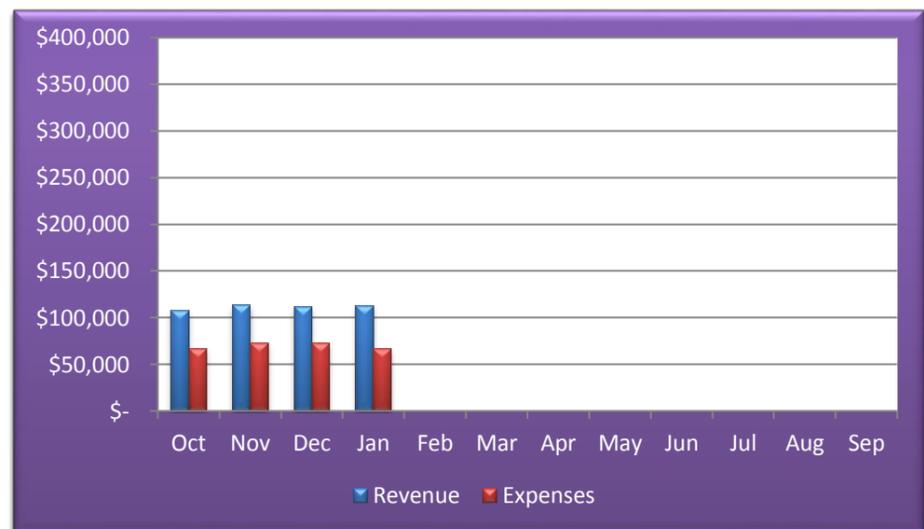
Positive

The Refuse Fund accounts for monies collected from customers on their utility bills and remitted to our solid waste provider. Revenues are currently 2.1% higher than forecasted, and expenses are 0.5% higher than forecasted.

OVERALL FUND PERFORMANCE

DRAINAGE FUND REVENUES VS EXPENSES FY2016

| <u>Month</u> | <u>2016 Revenue</u> | <u>2016 Expenses</u> | <u>Monthly Variance</u> |
|------------------------------|---------------------|----------------------|-------------------------|
| Oct | \$ 107,637 | \$ 67,427 | \$ 40,210 |
| Nov | 113,549 | 73,163 | 40,386 |
| Dec | 112,214 | 73,269 | 38,945 |
| Jan | 112,904 | 66,819 | 46,085 |
| Feb | | | |
| Mar | | | |
| Apr | | | |
| May | | | |
| Jun | | | |
| Jul | | | |
| Aug | | | |
| Sep | | | |
| Total | \$ 446,305 | \$ 280,678 | \$ 165,627 |
| Cumulative Forecast | \$ 453,333 | \$ 348,623 | \$ 104,711 |
| Actual to Forecast \$ | \$ (7,029) | \$ (67,945) | \$ 60,916 |
| Actual to Forecast | -1.6% | -19.5% | |



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 1.6% lower than forecasted but expenses 19.5% lower than forecasted.

OVERALL FUND PERFORMANCE

DEBT SERVICE FUND REVENUES VS EXPENSES FY2016

| Month | 2016 Revenue | 2016 Expenses | Monthly Variance |
|------------------------------|---------------------|-------------------|---------------------|
| Oct | \$ 256,615 | \$ 3,910 | \$ 252,705 |
| Nov | 253,679 | 898 | 252,781 |
| Dec | 4,274,836 | 127,318 | 4,147,518 |
| Jan | 1,501,932 | 14,247 | 1,487,684 |
| Feb | | | |
| Mar | | | |
| Apr | | | |
| May | | | |
| Jun | | | |
| Jul | | | |
| Aug | | | |
| Sep | | | |
| Total | \$ 6,287,061 | \$ 146,373 | \$ 6,140,688 |
| Cumulative Forecast | \$ 6,364,187 | \$ 150,730 | \$ 6,213,457 |
| Actual to Forecast \$ | \$ (77,126) | \$ (4,357) | \$ (72,769) |
| Actual to Forecast | -1.2% | -2.9% | |



Warning

General Debt Service Fund is used to pay principal and interest on tax-supported debt. Revenues are 1.2% lower than projected, but expenses 2.9% lower than expected. The fund pays conduit debt in December and makes other semi-annual debt payments in February and August.

OVERALL FUND PERFORMANCE

EMPLOYEE HEALTH BENEFITS FUND REVENUES VS EXPENSES FY2016

| Month | 2016 Revenue | 2016 Expenses | Monthly Variance |
|------------------------------|---------------------|---------------------|---------------------|
| Oct | \$ 256,170 | \$ 370,713 | \$ (114,543) |
| Nov | 336,817 | 323,391 | 13,426 |
| Dec | 232,162 | 340,261 | (108,099) |
| Jan | 559,908 | 233,094 | |
| Feb | | | |
| Mar | | | |
| Apr | | | |
| May | | | |
| Jun | | | |
| Jul | | | |
| Aug | | | |
| Sep | | | |
| Total | \$ 1,385,058 | \$ 1,267,459 | \$ (209,216) |
| Cumulative Forecast | \$ 1,263,265 | \$ 1,653,828 | \$ (390,563) |
| Actual to Forecast \$ | \$ 121,792 | \$ (386,369) | \$ 181,347 |
| Actual to Forecast | 9.6% | -23.4% | |



Positive

Employee Health Benefits Fund accounts for all health related claims paid from the City's partial self-insured fund. Overall, revenues are 9.6% higher than forecasted and expenses are 23.4% 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.