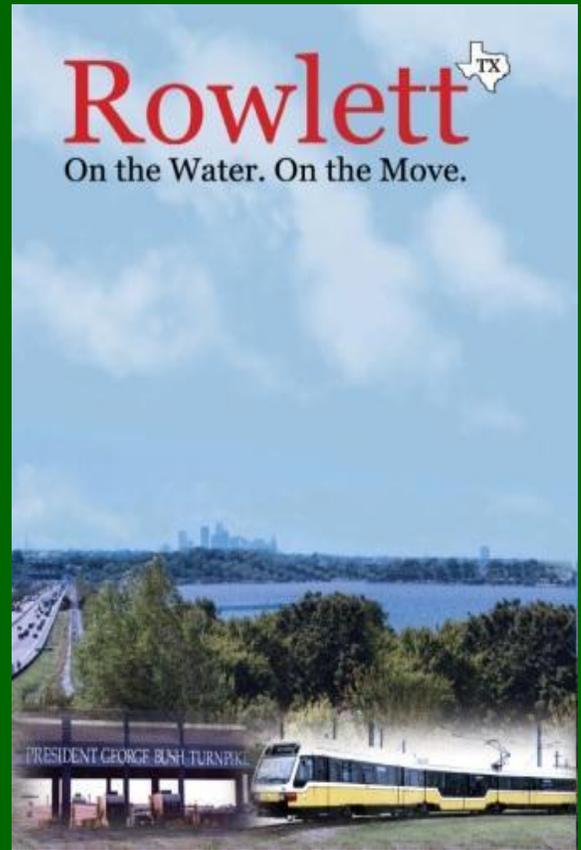




**Comprehensive
Monthly
Financial Report**

May 2016





MONTHLY FINANCIAL REPORT

PERFORMANCE AT A GLANCE

May 2016

	YEAR TO DATE	REFERENCE
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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

May31, 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 1.1% in the 1st quarter of 2016 after increasing 1.4% in the 4th quarter of 2015 as reported by the Bureau of Economic Analysis. The first-quarter increase was a result of increased spending on household services net decreases in business investment and private inventory investment.

Texas Retail Sales:  Texas retail sales totaled \$41.3 billion for the month of April, a decrease of \$0.8 billion (1.9%) over April 2015.

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 increased 1.4% between the months of March and April.

Attached is the Comprehensive Monthly Financial report for May 2016. Eight months of FY2016, or 66.7% of the fiscal year is complete.

Revenues: Overall, the City has earned or received \$67.0 million for FY2016. This amount is 74.7% of the approved operating budget of \$89.7 million and is 4.4% more than forecast through the month of May.

- General Fund revenues are \$0.2 million or 0.6% higher than expected
- Utility Fund revenues are \$0.5 million or 2.8% higher than expected.

Expenditures: Expenses totaled \$60.1 million year-to-date for FY2016. This amount is 69.0% of the approved operating budget of \$87.1 million and is 2.1% lower than forecast through the month of May.

- General Fund expenditures are \$0.7 million or 2.6% lower than expected.
- Utility Fund expenditures are \$0.9 million or 5.5% higher than expected.

Surplus: The net surplus from operations through May is \$6.9 million which is \$1.6 million better than expected at this point in the year. The adopted operating budget for the fiscal year anticipates a total increase of \$2.7 million.

**2016 Budget amounts reflect pending budget amendments.*

UNEMPLOYMENT

NOTEWORTHY

National Unemployment:  The national unemployment rate decreased from 5.0% to 4.7% between April and May.

State-Wide: The Texas unemployment rate remained flat at 4.4% between April and May.

Rowlett: The City of Rowlett unemployment rate remained flat at 3.3% between April and May. Note – city unemployment rates are not seasonally adjusted.

CIP BOND PROJECTS Although some projects have experienced inevitable tornado-related delays, the \$25.8 million bond projects, voter-approved in May, 2015 to fund street, park and public safety projects, are underway. Kids Kingdom, the state of the art, 22,000 square foot, community-inspired playground located in Pecan Grove Park (5300 Main Street) held a grand opening on July 9, 2016.



**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
May 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	\$ 13,111,690	\$ 13,111,690	0.0%
Revenues:				
General	39,989,346	31,846,169	32,042,688	0.6%
Water & sewer	28,901,031	16,673,773	17,134,418	2.8%
Debt service	7,997,408	7,612,934	7,536,789	-1.0%
Drainage	1,360,397	906,935	890,629	-1.8%
Refuse	4,827,003	3,218,004	3,300,131	2.6%
Employee health benefits	5,010,230	2,933,342	3,243,492	10.6%
Police seizure	100,550	67,033	72,263	7.8%
Economic development	316,694	211,129	161,712	-23.4%
Hotel/motel tax	47,752	28,794	55,712	93.5%
P.E.G.	85,893	42,946	91,635	113.4%
Grants	356,634	219,734	341,019	55.2%
Community Development Block Grant	179,247	119,498	133,737	11.9%
Inspection Fees Fund	225,000	150,000	234,976	56.7%
Juvenile diversion	33,281	22,184	18,610	-16.1%
Court technology	26,936	17,960	15,554	-13.4%
Court security	20,035	13,360	11,680	-12.6%
Golf course	257,005	128,234	127,342	-0.7%
Disaster	-	-	1,605,295	0.0%
Total Revenues	\$ 89,734,442	\$ 64,212,031	\$ 67,017,682	4.4%
Expenses:				
General	40,781,726	26,170,372	25,478,966	-2.6%
Water & sewer	24,714,594	16,768,618	17,686,950	5.5%
Debt service	8,552,017	7,345,225	7,437,219	1.3%
Drainage	1,401,835	941,781	813,510	-13.6%
Refuse	4,774,880	3,183,253	3,212,534	0.9%
Employee health benefits	4,967,764	3,310,796	3,045,521	-8.0%
Police seizure	187,097	124,731	200,765	61.0%
Economic development	443,023	292,373	298,618	2.1%
Hotel/motel tax	48,749	24,000	22,620	-5.8%
P.E.G.	90,543	60,362	85,356	41.4%
Grants	359,565	219,734	341,019	55.2%
Community Development Block Grant	179,247	119,498	133,737	11.9%
Inspection Fees Fund	218,760	143,035	96,337	-32.6%
Juvenile diversion	38,738	25,329	19,935	-21.3%
Court technology	43,874	29,249	3,026	-89.7%
Court security	23,672	15,781	18,963	20.2%
Golf course	254,990	127,280	142,958	12.3%
Disaster	-	-	1,072,578	100.0%
Total Expenses	\$ 87,081,074	\$ 58,901,419	\$ 60,110,612	2.1%
Current Year Surplus/(Shortfall)	\$ 2,653,368	\$ 5,310,612	\$ 6,907,069	30.1%
Ending Reserves	\$ 16,517,207	\$ 18,422,302	\$ 20,018,760	8.7%

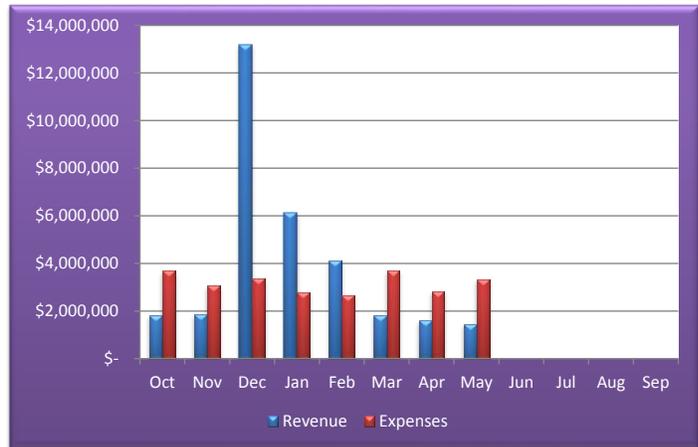
Positive
Warning
Negative

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

<u>Month</u>	<u>2016 Revenue</u>	<u>2016 Expenses</u>	<u>Monthly Variance</u>
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	4,140,663	2,670,152	1,470,511
Mar	1,812,124	3,709,750	(1,897,626)
Apr	1,619,532	2,825,972	(1,206,440)
May	1,466,459	3,347,937	(1,881,478)
Jun			
Jul			
Aug			
Sep			
Total	\$ 32,042,689	\$ 25,478,967	\$ 6,563,723
Cumulative Forecast	\$ 31,846,169	\$ 26,170,372	\$ 5,675,797
Actual to Forecast \$	\$ 196,521	\$ (691,405)	\$ 887,926
Actual to Forecast %	0.6%	-2.6%	



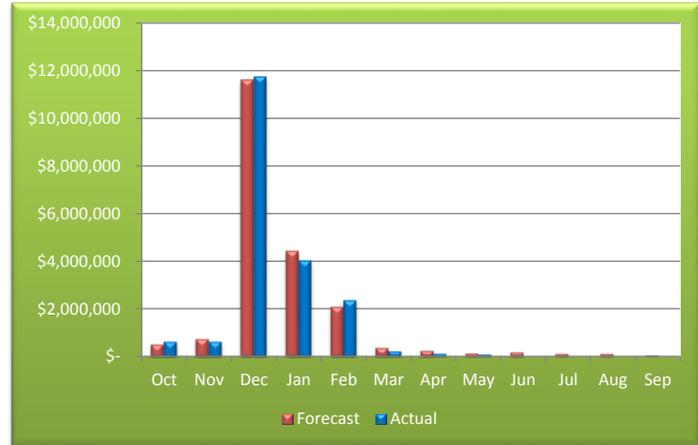
Positive

Cumulatively overall, the General Fund is better than expected for this time of the year. Revenues are 0.6% lower due to lower than expected property tax revenue and franchise fees, and expenses 2.6% lower than forecasted due to vacancies and the timing of supply purchases.

REVENUE ANALYSIS

PROPERTY TAXES FY2016

<u>Month</u>	<u>2016 Forecast</u>	<u>2016 Actual</u>	<u>Monthly Variance</u>
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	2,394,128	279,404
Mar	373,187	235,787	(137,399)
Apr	248,791	134,165	(114,626)
May	145,128	93,102	(52,026)
Jun	186,593		
Jul	124,396		
Aug	124,396		
Sep	62,198		
Total	\$ 20,732,585	\$ 19,955,019	\$ (279,984)
Actual to Forecast			-1.4%



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 1.4% 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	439,620	20,762
Feb	431,362	496,445	65,083
Mar	631,413	649,840	18,427
Apr	493,878	536,056	42,178
May	487,626	487,626	-
Jun	600,155		
Jul	525,136		
Aug	481,375		
Sep	581,400		
Total	\$ 6,251,617	\$ 4,280,261	\$ 216,710
<i>Actual to Forecast</i>			5.3%



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 5.3% higher than budgeted for this fiscal year. The sales taxes reported here for May 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	412,265	(272,108)
Feb	449,247	692,114	242,867
Mar	-	-	-
Apr	597,132	293,626	(303,506)
May	-	271,398	271,398
Jun	-		
Jul	575,539		
Aug	-		
Sep	787,599		
Total	\$ 3,093,891	\$ 1,669,412	\$ (61,340)
<i>Actual to Forecast</i>			-3.5%



Warning

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. The natural gas franchise fee was \$40,666 or 9.0% below budget for this fiscal year. Cumulatively overall, franchise fees are 3.5% lower than forecasted for this time of the year.

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	\$ 1,591,358	\$ 1,091,359
Nov	2,473,831	1,552,229	921,602
Dec	2,016,697	2,049,374	(32,677)
Jan	2,021,574	1,736,059	285,514
Feb	1,882,458	5,490,651	(3,608,193)
Mar	1,960,561	1,896,682	63,879
Apr	2,091,813	1,623,947	467,866
May	2,004,766	1,746,650	258,116
Jun			
Jul			
Aug			
Sep			
Total	\$ 17,134,418	\$ 17,686,950	\$ (552,533)
Cumulative Forecast	\$ 16,673,773	\$ 16,768,618	\$ (94,845)
Actual to Forecast \$	\$ 460,645	\$ 918,333	\$ (457,688)
Actual to Forecast	2.8%	5.5%	



Positive

Utility fund revenues are 2.8% higher than forecast as a result of higher than expected water revenues. Expenses are 1.0% higher than forecast due to the timing of supply purchases. The fund makes semi-annual debt payments in February 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	743,564	(78,609)
Mar	810,975	762,127	(48,848)
Apr	846,813	823,416	(23,397)
May	899,217	782,299	(116,917)
Jun	967,756		
Jul	1,044,105		
Aug	1,056,180		
Sep	1,017,048		
Total	\$ 10,921,401	\$ 6,568,647	\$ (267,666)
Actual to Forecast			-3.9%



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 3.9% lower than forecasted for this time of year.

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	1,065,031	25,632
Mar	1,018,224	1,117,106	98,881
Apr	1,121,145	1,188,397	67,252
May	1,248,648	1,141,028	(107,620)
Jun	1,585,123		
Jul	2,033,999		
Aug	2,158,983		
Sep	1,950,603		
Total	\$ 17,027,975	\$ 9,912,857	\$ 613,591
<i>Actual to Forecast</i>			6.6%



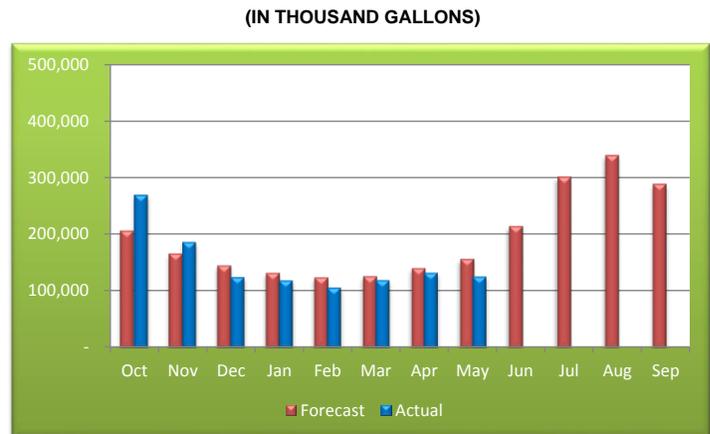
Positive

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 6.6% 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	106,152	(17,353)
Mar	125,372	119,261	(6,111)
Apr	139,784	132,105	(7,679)
May	155,805	125,700	(30,105)
Jun	213,519		
Jul	300,529		
Aug	338,135		
Sep	287,959		
Total	2,331,906	1,181,369	(10,395)
<i>Actual to Forecast</i>			-0.9%



Positive

The City purchases its water from the North Texas Municipal Water District. Customer usage in May is 19.3% lower than forecast, but cumulatively customer usage is 0.9% lower 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 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	410,311	406,265	4,045
Mar	412,556	409,631	2,925
Apr	424,338	394,913	29,426
May	409,541	402,503	7,037
Jun			
Jul			
Aug			
Sep			
Total	\$ 3,300,131	\$ 3,212,535	\$ 87,595
Cumulative Forecast	\$ 3,218,004	\$ 3,183,253	\$ 34,751
Actual to Forecast \$	\$ 82,127	\$ 29,282	\$ 52,845
Actual to Forecast	2.6%	0.9%	



Positive

The Refuse Fund accounts for monies collected from customers on their utility bills and remitted to our solid waste provider. Revenues are currently 2.6% higher than forecasted, and expenses are 0.9% 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	109,356	338,156	(228,800)
Mar	111,234	75,175	36,059
Apr	113,054	59,373	53,681
May	110,681	60,128	50,553
Jun			
Jul			
Aug			
Sep			
Total	\$ 890,630	\$ 813,510	\$ 77,120
Cumulative Forecast	\$ 906,935	\$ 941,781	\$ (34,846)
Actual to Forecast \$	\$ (16,306)	\$ (128,271)	\$ 111,965
Actual to Forecast	-1.8%	-13.6%	



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 1.8% lower than forecasted but expenses 13.6% lower than forecasted.

OVERALL FUND PERFORMANCE

DEBT SERVICE FUND REVENUES VS EXPENSES FY2016

<u>Month</u>	<u>2016 Revenue</u>	<u>2016 Expenses</u>	<u>Monthly Variance</u>
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	1,487,685
Feb	1,016,301	7,269,552	(6,253,251)
Mar	107,207	10,035	97,172
Apr	70,761	3,702	67,059
May	55,460	7,558	47,901
Jun			
Jul			
Aug			
Sep			
Total	\$ 7,536,789	\$ 7,437,220	\$ 99,570
Cumulative Forecast	\$ 7,612,934	\$ 7,345,225	\$ 267,709
Actual to Forecast \$	\$ (76,144)	\$ 91,995	\$ (168,139)
Actual to Forecast	-1.0%	1.3%	



Warning

General Debt Service Fund is used to pay principal and interest on tax-supported debt. Revenues are 1.0% lower than projected, and expenses 1.3% higher 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

<u>Month</u>	<u>2016 Revenue</u>	<u>2016 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 307,170	\$ 370,713	\$ (63,543)
Nov	387,817	323,391	64,426
Dec	283,162	340,261	(57,099)
Jan	610,908	233,094	377,815
Feb	190,704	347,350	(156,646)
Mar	532,069	510,261	21,809
Apr	253,148	555,584	(302,436)
May	678,513	364,868	313,645
Jun			
Jul			
Aug			
Sep			
Total	\$ 3,243,493	\$ 3,045,522	\$ 197,971
Cumulative Forecast	\$ 2,933,342	\$ 3,310,796	\$ (377,454)
Actual to Forecast \$	\$ 310,151	\$ (265,274)	\$ 575,425
Actual to Forecast	10.6%	-8.0%	



Positive

Employee Health Benefits Fund accounts for all health related claims paid from the City's partial self-insured fund. Overall, revenues are 10.6% lower than forecasted and expenses are 8.0% lower than forecasted. Revenues reflect lower than expected premium payments due to vacancies, plan choices and timing, and expenses are lower than forecasted due to lower than expected claims.