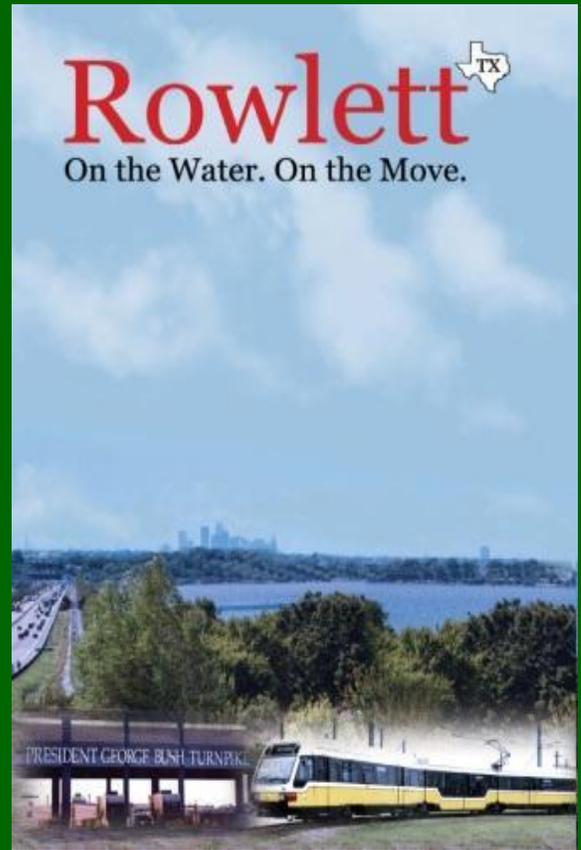




Comprehensive Monthly Financial Report

June 2016





MONTHLY FINANCIAL REPORT

PERFORMANCE AT A GLANCE

June 2016

	YEAR TO DATE	REFERENCE
ALL FUNDS SUMMARY	POSITIVE	Page 4
GENERAL FUND REV VS EXP	POSITIVE	Page 5
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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

June 30, 2016 – NEWS FOR YOU

ECONOMY

Attached is the Comprehensive Monthly Financial report for June 2016. Nine months of FY2016, or 75.0% 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 1.1% 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.

Revenues: Overall, the City has earned or received \$72.6 million for FY2016. This amount is 80.9% of the approved operating budget of \$89.7 million and is 3.7% more than forecast through the month of June.

- General Fund revenues are \$0.1 million or 0.4% higher than expected
- Utility Fund revenues are \$0.1 million or 0.7% lower than expected.

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.

Expenditures: Expenses totaled \$67.0 million year-to-date for FY2016. This amount is 76.9% of the approved operating budget of \$87.1 million and is 2.8% more than forecast through the month of June.

- General Fund expenditures are \$0.7 million or 2.4% lower than expected.
- Utility Fund expenditures are \$1.2 million or 6.7% higher 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 0.9% between the months of April and May.

Surplus: The net surplus from operations through June is \$5.6 million which is \$0.8 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.

UNEMPLOYMENT

**2016 Budget amounts reflect pending budget amendments.*

National Unemployment: 

The national unemployment rate increased from 4.7% to 4.9% between May and June.

NOTEWORTHY

State-Wide: 

The Texas unemployment increased from 4.4% to 4.5% between May and June.

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.

Rowlett: 

The City of Rowlett unemployment rate increased from 3.3% to 3.8% between May and June. Note – city unemployment rates are not seasonally adjusted.



**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
June 30, 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	33,864,764	34,008,688	0.4%
Water & sewer	28,901,031	19,313,654	19,174,797	-0.7%
Debt service	7,997,408	7,700,919	7,584,916	-1.5%
Drainage	1,360,397	1,020,296	1,002,371	-1.8%
Refuse	4,827,003	3,620,251	3,710,986	2.5%
Employee health benefits	5,010,230	3,350,861	3,621,350	8.1%
Police seizure	100,550	75,413	81,451	8.0%
Economic development	316,694	237,520	176,441	-25.7%
Hotel/motel tax	47,752	33,999	60,434	77.8%
P.E.G.	85,893	42,946	92,214	114.7%
Grants	356,634	254,692	447,656	75.8%
Community Development Block Grant	179,247	134,435	133,820	-0.5%
Inspection Fees Fund	225,000	168,750	242,904	43.9%
Juvenile diversion	33,281	24,957	21,858	-12.4%
Court technology	26,936	20,205	17,937	-11.2%
Court security	20,035	15,030	13,439	-10.6%
Golf course	257,005	128,387	127,665	-0.6%
Disaster	-	-	2,058,837	0.0%
Total Revenues	\$ 89,734,442	\$ 70,007,080	\$ 72,577,763	3.7%
Expenses:				
General	40,781,726	29,744,216	29,016,834	-2.4%
Water & sewer	24,714,594	18,401,532	19,626,851	6.7%
Debt service	8,552,017	7,354,183	7,439,949	1.2%
Drainage	1,401,835	1,017,555	878,456	-13.7%
Refuse	4,774,880	3,581,160	3,607,647	0.7%
Employee health benefits	4,967,764	3,724,253	3,362,034	-9.7%
Police seizure	187,097	140,323	210,346	49.9%
Economic development	443,023	327,804	331,175	1.0%
Hotel/motel tax	48,749	36,374	22,767	-37.4%
P.E.G.	90,543	67,907	87,474	28.8%
Grants	359,565	254,692	447,656	75.8%
Community Development Block Grant	179,247	134,435	133,820	-0.5%
Inspection Fees Fund	218,760	159,863	109,608	-31.4%
Juvenile diversion	38,738	28,309	22,270	-21.3%
Court technology	43,874	32,906	21,373	-35.0%
Court security	23,672	17,754	20,523	15.6%
Golf course	254,990	127,280	142,958	12.3%
Disaster	-	-	1,471,606	100.0%
Total Expenses	\$ 87,081,074	\$ 65,150,546	\$ 66,953,347	2.8%
Current Year Surplus/(Shortfall)	\$ 2,653,368	\$ 4,856,534	\$ 5,624,416	15.8%
Ending Reserves	\$ 16,517,207	\$ 17,968,224	\$ 18,736,107	4.3%

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

<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	1,966,000	3,537,868	(1,571,869)
Jul			
Aug			
Sep			
Total	\$ 34,008,689	\$ 29,016,835	\$ 4,991,854
Cumulative Forecast	\$ 33,864,764	\$ 29,744,216	\$ 4,120,548
Actual to Forecast \$	\$ 143,925	\$ (727,382)	\$ 871,306
Actual to Forecast %	0.4%	-2.4%	



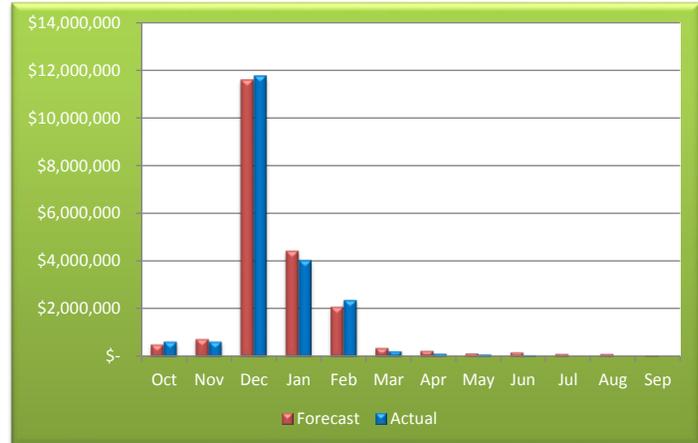
Positive

Cumulatively overall, the General Fund is better than expected for this time of the year. Revenues are 0.4% lower due to lower than expected property tax revenue and franchise fees, and expenses 2.4% 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	68,478	(118,115)
Jul	124,396		
Aug	124,396		
Sep	62,198		
Total	\$ 20,732,585	\$ 20,023,497	\$ (398,099)
Actual to Forecast			-1.9%



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 1.9% 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	524,507	36,881
Jun	600,155	600,155	-
Jul	525,136		
Aug	481,375		
Sep	581,400		
Total	\$ 6,251,617	\$ 4,917,297	\$ 253,591
<i>Actual to Forecast</i>			5.4%



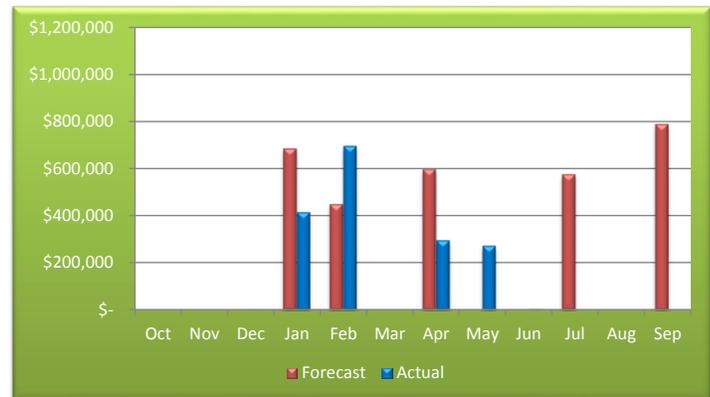
Positive

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 5.4% higher than budgeted for this fiscal year. The sales taxes reported here for June 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	-	2,245	2,245
Jul	575,539		
Aug	-		
Sep	787,599		
Total	\$ 3,093,891	\$ 1,671,657	\$ (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	2,040,379	1,939,901	100,478
Jul			
Aug			
Sep			
Total	\$ 19,174,797	\$ 19,626,851	\$ (452,054)
Cumulative Forecast	\$ 19,313,654	\$ 18,401,532	\$ 912,122
Actual to Forecast \$	\$ (138,857)	\$ 1,225,320	\$ (1,364,176)
Actual to Forecast	-0.7%	6.7%	



Negative

Utility fund revenues are 0.7% lower than forecast as a result of lower than expected wastewater revenues. Expenses are 6.7% higher than forecast due to higher than expected wastewater treatment expenses. 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	806,107	(161,649)
Jul	1,044,105		
Aug	1,056,180		
Sep	1,017,048		
Total	\$ 10,921,401	\$ 7,374,753	\$ (429,315)
Actual to Forecast			-5.5%



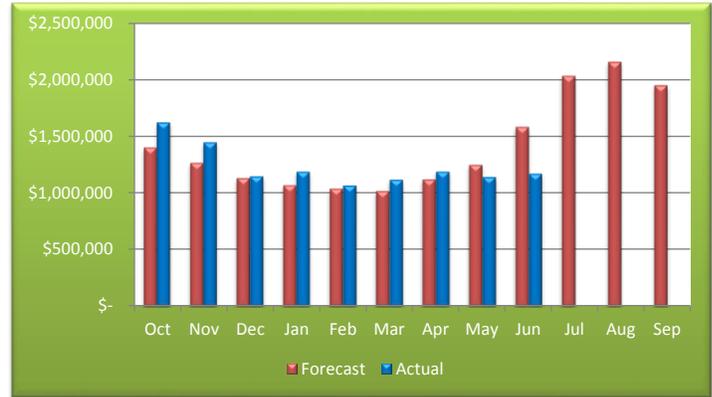
Negative

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 5.5% 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	1,170,967	(414,157)
Jul	2,033,999		
Aug	2,158,983		
Sep	1,950,603		
Total	\$ 17,027,975	\$ 11,083,824	\$ 199,434
<i>Actual to Forecast</i>			1.8%



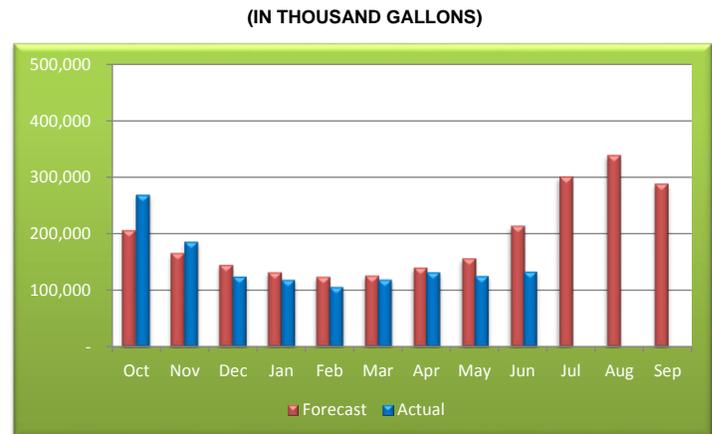
Positive

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 1.8% 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	133,483	(80,036)
Jul	300,529		
Aug	338,135		
Sep	287,959		
Total	2,331,906	1,314,852	(90,431)
<i>Actual to Forecast</i>			-6.4%



Negative

The City purchases its water from the North Texas Municipal Water District. Customer usage in June is 37.5% lower than forecast; cumulatively customer usage is 6.4% 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	410,855	395,113	15,742
Jul			
Aug			
Sep			
Total	\$ 3,710,986	\$ 3,607,648	\$ 103,338
Cumulative Forecast	\$ 3,620,251	\$ 3,581,160	\$ 39,091
Actual to Forecast \$	\$ 90,734	\$ 26,488	\$ 64,246
Actual to Forecast	2.5%	0.7%	



Positive

The Refuse Fund accounts for monies collected from customers on their utility bills and remitted to our solid waste provider. Revenues are currently 2.5% higher than forecasted, and expenses are 0.7% 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	111,742	64,946	46,796
Jul			
Aug			
Sep			
Total	\$ 1,002,372	\$ 878,456	\$ 123,916
Cumulative Forecast	\$ 1,020,296	\$ 1,017,555	\$ 2,741
Actual to Forecast \$	\$ (17,924)	\$ (139,099)	\$ 121,175
Actual to Forecast	-1.8%	-13.7%	



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 13.7% 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	48,126	2,730	45,397
Jul			
Aug			
Sep			
Total	\$ 7,584,916	\$ 7,439,950	\$ 144,966
Cumulative Forecast	\$ 7,700,919	\$ 7,354,183	\$ 346,736
Actual to Forecast \$	\$ (116,003)	\$ 85,767	\$ (201,769)
Actual to Forecast	-1.5%	1.2%	



Warning

General Debt Service Fund is used to pay principal and interest on tax-supported debt. Revenues are 1.5% lower than projected, and expenses 1.2% 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	377,814
Feb	190,704	347,350	(156,646)
Mar	532,069	510,261	21,808
Apr	253,148	555,584	(302,436)
May	678,513	364,868	313,645
Jun	377,858	316,513	61,344
Jul			
Aug			
Sep			
Total	\$ 3,621,349	\$ 3,362,035	\$ 259,313
Cumulative Forecast	\$ 3,350,861	\$ 3,724,253	\$ (373,392)
Actual to Forecast \$	\$ 270,487	\$ (362,218)	\$ 632,705
Actual to Forecast	8.1%	-9.7%	



Positive

Employee Health Benefits Fund accounts for all health related claims paid from the City's partial self-insured fund. Overall, revenues are 8.1% higher than forecasted and expenses are 9.7% lower than forecasted.