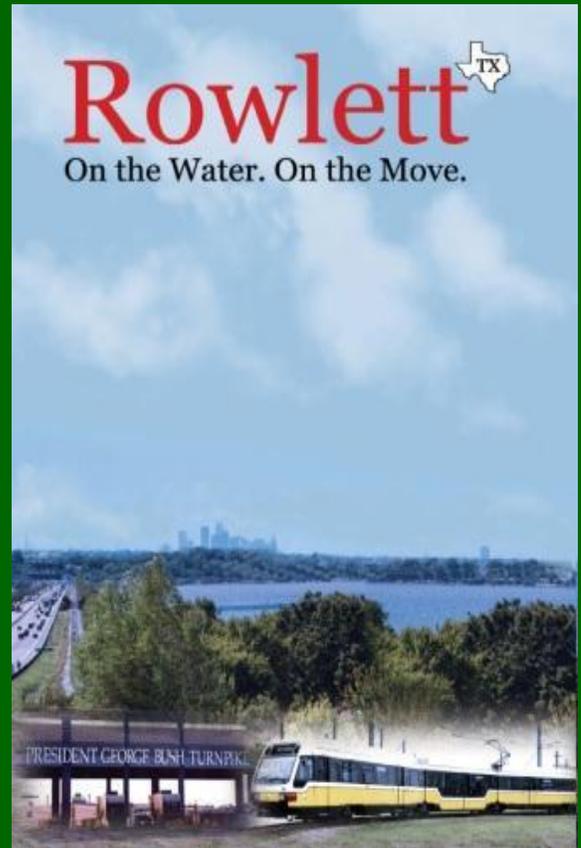




# **Comprehensive Monthly Financial Report**

**July 2016**





# MONTHLY FINANCIAL REPORT

## PERFORMANCE AT A GLANCE

**July 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**

**July 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 1.2% in the 2nd quarter of 2016 after increasing 0.8% in the 1st quarter of 2016 as reported by the Bureau of Economic Analysis. The second-quarter increase was more than accounted for by an increase in consumer spending.

**Texas Retail Sales:**   
 Texas retail sales totaled \$41.3 billion for the month of April, an increase of \$0.2 billion (0.5%) 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 remained flat between the months of May and June.

Attached is the Comprehensive Monthly Financial report for July 2016. Ten months of FY2016, or 83.3% of the fiscal year is complete.

**Revenues:** Overall, the City has earned or received \$78.9 million for FY2016. This amount is 87.5% of the approved operating budget of \$90.2 million and is 2.6% more than forecast through the month of July.

- General Fund revenues are \$54 thousand or 0.1% higher than expected
- Utility Fund revenues are \$0.9 million or 3.8% lower than expected.

**Expenditures:** Expenses totaled \$74.3 million year-to-date for FY2016. This amount is 83.9% of the approved operating budget of \$88.5 million and is 3.0% more than forecast through the month of July.

- General Fund expenditures are \$1.0 million or 2.9% lower than expected.
- Utility Fund expenditures are \$1.4 million or 6.7% higher than expected.

**Surplus:** The net surplus from operations through July is \$4.7 million which is \$0.2 less than expected at this point in the year. The adopted operating budget for the fiscal year anticipates a total increase of \$1.7 million.

*\*2016 Budget amounts reflect pending budget amendments.*

**UNEMPLOYMENT**

**National Unemployment:**  
 The national unemployment rate remained flat at 4.9% between June and July.

**State-Wide:**   
 The Texas unemployment increased from 4.4% to 4.5% between May and June.

**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.

**NOTEWORTHY**

**PROPOSED FISCAL YEAR 2017 BUDGET - TAX RATE REDUCTION INCLUDED!**

City Manager Brian Funderburk presented the Proposed FY2017 Budget to the City Council on Tuesday, August 2. Included is a one cent REDUCTION in the tax rate!



**CITY OF ROWLETT, TEXAS  
FINANCIAL STATUS DASHBOARD  
July 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>
<b>Beginning Reserves</b>	\$ 14,113,838	\$ 13,111,690	\$ 13,111,690	0.0%
<b>Revenues:</b>				
General	40,452,242	36,519,239	36,573,308	0.1%
Water & sewer	28,901,031	22,499,833	21,640,519	-3.8%
Debt service	7,997,408	7,766,388	7,625,683	-1.8%
Drainage	1,360,397	1,133,658	1,112,816	-1.8%
Refuse	4,827,003	4,022,499	4,122,775	2.5%
Employee health benefits	5,010,230	3,768,380	4,144,246	10.0%
Police seizure	100,550	83,792	81,451	-2.8%
Economic development	316,694	263,911	400,988	51.9%
Hotel/motel tax	47,752	38,775	69,704	79.8%
P.E.G.	85,893	42,946	101,083	135.4%
Grants	356,634	289,650	442,948	52.9%
Community Development Block Grant	179,247	149,373	133,825	-10.4%
Inspection Fees Fund	225,000	187,500	244,759	30.5%
Juvenile diversion	33,281	27,730	24,322	-12.3%
Court technology	26,936	22,450	19,918	-11.3%
Court security	20,035	16,700	14,924	-10.6%
Golf course	257,005	128,541	127,685	-0.7%
Disaster	-	-	2,064,407	0.0%
<b>Total Revenues</b>	\$ 90,197,338	\$ 76,961,365	\$ 78,945,360	2.6%
<b>Expenses:</b>				
General	40,781,726	33,118,284	32,151,314	-2.9%
Water & sewer	26,152,490	20,913,971	22,306,273	6.7%
Debt service	8,552,017	7,365,472	7,445,790	1.1%
Drainage	1,401,835	1,101,133	996,123	-9.5%
Refuse	4,774,880	3,979,067	3,934,947	-1.1%
Employee health benefits	4,967,764	4,137,710	3,799,512	-8.2%
Police seizure	187,097	155,914	238,447	52.9%
Economic development	443,023	363,235	574,707	58.2%
Hotel/motel tax	48,749	48,749	22,892	-53.0%
P.E.G.	90,543	75,453	97,646	29.4%
Grants	359,565	289,650	442,948	52.9%
Community Development Block Grant	179,247	149,373	133,825	-10.4%
Inspection Fees Fund	218,760	176,691	141,907	-19.7%
Juvenile diversion	38,738	31,288	24,606	-21.4%
Court technology	43,874	36,562	21,720	-40.6%
Court security	23,672	19,727	22,418	13.6%
Golf course	254,990	127,280	147,458	15.9%
Disaster	-	-	1,767,722	100.0%
<b>Total Expenses</b>	\$ 88,518,970	\$ 72,089,556	\$ 74,270,254	3.0%
<b>Current Year Surplus/(Shortfall)</b>	\$ 1,678,368	\$ 4,871,809	\$ 4,675,106	-4.0%
<b>Ending Reserves</b>	\$ 15,542,207	\$ 17,983,499	\$ 17,786,796	-1.1%

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	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	2,564,620	3,134,480	(569,860)
Aug			
Sep			
<b>Total</b>	<b>\$ 36,573,309</b>	<b>\$ 32,151,315</b>	<b>\$ 4,421,994</b>
<b>Cumulative Forecast</b>	<b>\$ 36,519,239</b>	<b>\$ 33,118,284</b>	<b>\$ 3,400,956</b>
<b>Actual to Forecast \$</b>	<b>\$ 54,069</b>	<b>\$ (966,969)</b>	<b>\$ 1,021,039</b>
<b>Actual to Forecast %</b>	<b>0.1%</b>	<b>-2.9%</b>	



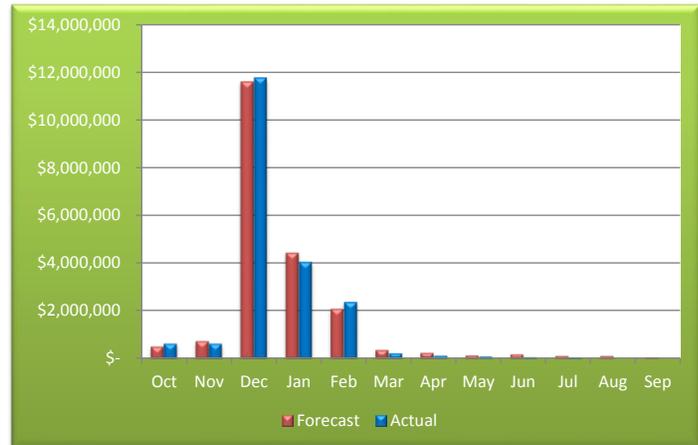
Positive

Cumulatively overall, the General Fund is better than expected for this time of the year. Revenues are 0.1% lower due to lower than expected property tax revenue, and expenses are 2.9% lower than forecasted due to vacancies and the timing of supply purchases.

**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	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	54,477	(69,918)
Aug	124,396		
Sep	62,198		
<b>Total</b>	<b>\$ 20,732,585</b>	<b>\$ 20,077,974</b>	<b>\$ (468,018)</b>
<b>Actual to Forecast</b>			<b>-2.3%</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 2.3% 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	614,407	14,252
Jul	525,136	525,136	-
Aug	481,375		
Sep	581,400		
<b>Total</b>	<b>\$ 6,251,617</b>	<b>\$ 5,456,685</b>	<b>\$ 267,843</b>
<i>Actual to Forecast</i>			5.2%



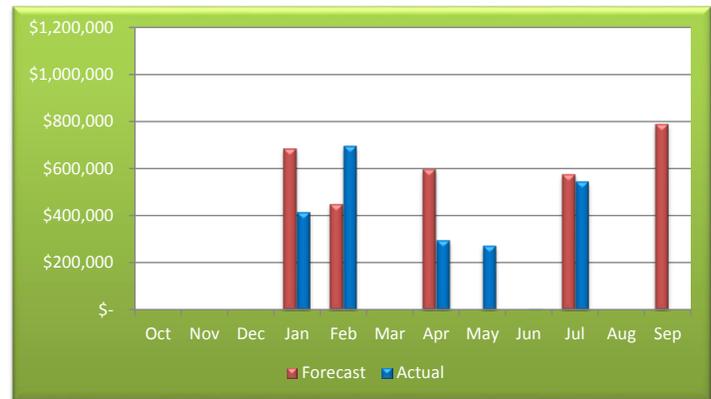
Positive

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 5.2% higher than budgeted for this fiscal year. The sales taxes reported here for July 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	541,725	(33,814)
Aug	-		
Sep	787,599		
<b>Total</b>	<b>\$ 3,093,891</b>	<b>\$ 2,213,382</b>	<b>\$ (61,340)</b>
<i>Actual to Forecast</i>			-2.7%



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 2.7% 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	2,465,721	2,679,421	(213,700)
Aug			
Sep			
<b>Total</b>	<b>\$ 21,640,519</b>	<b>\$ 22,306,273</b>	<b>\$ (665,754)</b>
<b>Cumulative Forecast</b>	<b>\$ 22,499,833</b>	<b>\$ 20,913,971</b>	<b>\$ 1,585,863</b>
<b>Actual to Forecast \$</b>	<b>\$ (859,315)</b>	<b>\$ 1,392,302</b>	<b>\$ (2,251,617)</b>
<b>Actual to Forecast</b>	<b>-3.8%</b>	<b>6.7%</b>	



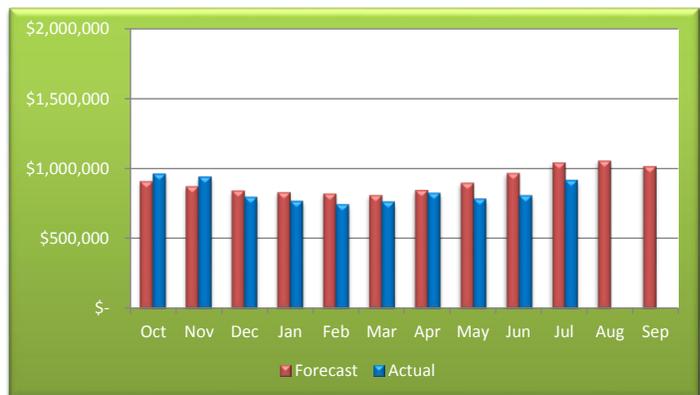
Negative

Utility fund revenues are 3.8% lower than forecast as a result of lower than expected water and wastewater revenues. Expenses are 6.7% higher than forecast due to higher than expected overtime and 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	914,125	(129,979)
Aug	1,056,180		
Sep	1,017,048		
<b>Total</b>	<b>\$ 10,921,401</b>	<b>\$ 8,288,879</b>	<b>\$ (559,294)</b>
<b>Actual to Forecast</b>			<b>-6.3%</b>



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 6.3% 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	1,466,038	(567,961)
Aug	2,158,983		
Sep	1,950,603		
<b>Total</b>	<b>\$ 17,027,975</b>	<b>\$ 12,549,862</b>	<b>\$ (368,527)</b>
<b>Actual to Forecast</b>			<b>-2.9%</b>



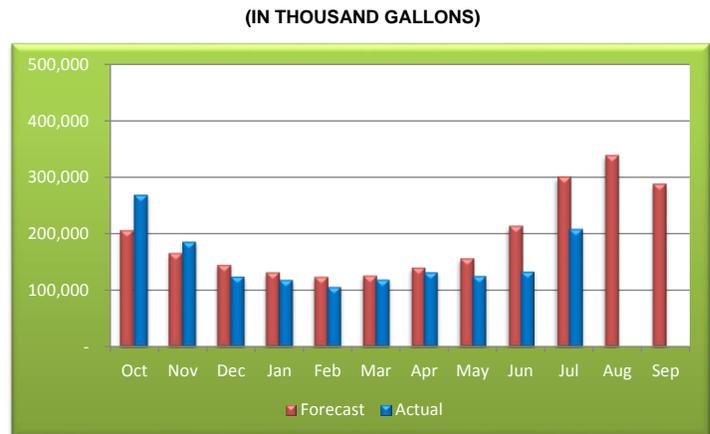
**Warning**

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. Cumulatively, water revenues are 2.9% lower 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	208,441	(92,088)
Aug	338,135		
Sep	287,959		
<b>Total</b>	<b>2,331,906</b>	<b>1,523,293</b>	<b>(182,519)</b>
<b>Actual to Forecast</b>			<b>-10.7%</b>



**Negative**

The City purchases its water from the North Texas Municipal Water District. Customer usage in July is 30.6% lower than forecast; cumulatively customer usage is 10.7% 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	411,789	327,300	84,489
Aug			
Sep			
<b>Total</b>	<b>\$ 4,122,775</b>	<b>\$ 3,934,948</b>	<b>\$ 187,826</b>
<b>Cumulative Forecast</b>	<b>\$ 4,022,499</b>	<b>\$ 3,979,067</b>	<b>\$ 43,433</b>
<b>Actual to Forecast \$</b>	<b>\$ 100,275</b>	<b>\$ (44,118)</b>	<b>\$ 144,394</b>
<b>Actual to Forecast</b>	<b>2.5%</b>	<b>-1.1%</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 2.5% higher than forecasted, and expenses are 1.1% lower 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	110,446	117,667	(7,221)
Aug			
Sep			
<b>Total</b>	<b>\$ 1,112,817</b>	<b>\$ 996,123</b>	<b>\$ 116,695</b>
<b>Cumulative Forecast</b>	<b>\$ 1,133,658</b>	<b>\$ 1,101,133</b>	<b>\$ 32,525</b>
<b>Actual to Forecast \$</b>	<b>\$ (20,841)</b>	<b>\$ (105,011)</b>	<b>\$ 84,170</b>
<b>Actual to Forecast</b>	<b>-1.8%</b>	<b>-9.5%</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 1.8% lower than forecasted but expenses 9.5% 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	40,767	5,841	34,926
Aug			
Sep			
<b>Total</b>	<b>\$ 7,625,683</b>	<b>\$ 7,445,791</b>	<b>\$ 179,892</b>
<b>Cumulative Forecast</b>	<b>\$ 7,766,388</b>	<b>\$ 7,365,472</b>	<b>\$ 400,916</b>
<b>Actual to Forecast \$</b>	<b>\$ (140,705)</b>	<b>\$ 80,319</b>	<b>\$ (221,024)</b>
<b>Actual to Forecast</b>	<b>-1.8%</b>	<b>1.1%</b>	



**Warning**

General Debt Service Fund is used to pay principal and interest on tax-supported debt. Revenues are 1.8% lower than projected, and expenses 1.1% 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	522,896	437,477	85,419
Aug			
Sep			
<b>Total</b>	<b>\$ 4,144,245</b>	<b>\$ 3,799,513</b>	<b>\$ 344,732</b>
<b>Cumulative Forecast</b>	<b>\$ 3,768,380</b>	<b>\$ 4,137,710</b>	<b>\$ (369,330)</b>
<b>Actual to Forecast \$</b>	<b>\$ 375,865</b>	<b>\$ (338,198)</b>	<b>\$ 714,062</b>
<b>Actual to Forecast</b>	<b>10.0%</b>	<b>-8.2%</b>	



**Positive**

Employee Health Benefits Fund accounts for all health related claims paid from the City's partial self-insured fund. Overall, revenues are 10.0% higher than forecasted and expenses are 8.2% lower than forecasted.