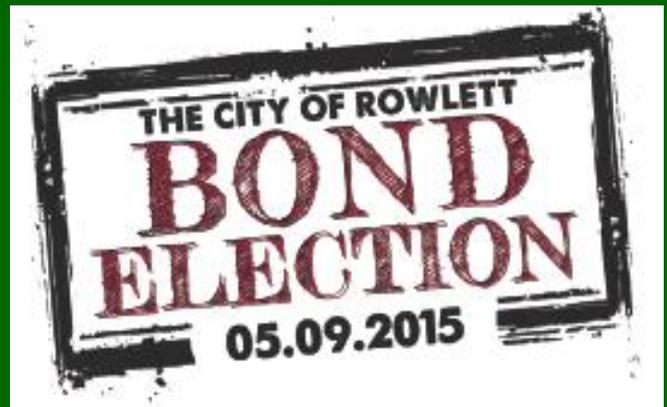
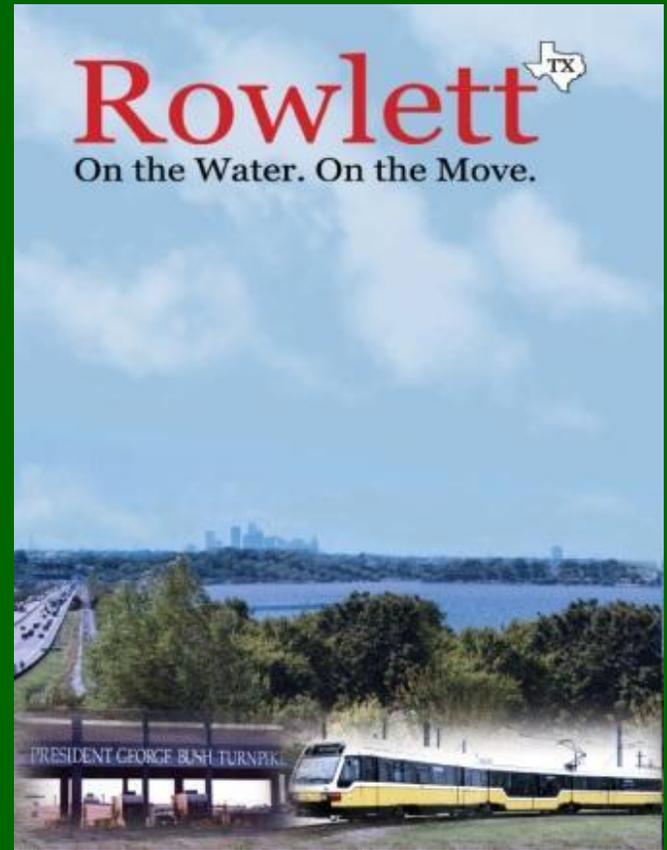




Comprehensive Monthly Financial Report

December 2014





MONTHLY FINANCIAL REPORT

PERFORMANCE AT A GLANCE

December 2014

	YEAR TO DATE	REFERENCE
ALL FUNDS SUMMARY	POSITIVE	Page 4
GENERAL FUND REV VS EXP	POSITIVE	Page 5
PROPERTY TAXES	POSITIVE	Page 5
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UTILITY FUND REV VS EXP	NEGATIVE	Page 7
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REFUSE FUND REV VS EXP	POSITIVE	Page 9
DRAINAGE FUND REV VS EXP	POSITIVE	Page 9
DEBT SERVICE FUND REV VS EXP	POSITIVE	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

DECEMBER 31, 2014 – 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 5.0% in the 3rd quarter of 2014 after increasing 4.6% in the 2nd quarter of 2014 as reported by the Bureau of Economic Analysis. The increase in GDP reflected an increase in consumer spending, business investment and increased exports.

Texas Retail Sales:  Texas retail sales totaled \$42.1 billion for the month of Oct., an increase of \$3.0 billion (7.7%) over Oct. 2013.

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 Nov. and Oct.

UNEMPLOYMENT

National Unemployment:  The national unemployment rate decreased to 5.6% in December, a 3.4% decrease from November.

State-Wide:  The Texas unemployment rate decreased from 5.1% in October to 4.9% in November.

Rowlett:  The City of Rowlett unemployment rate for November 2014 was 4.5%, a 4.3% decrease over the October unemployment rate of 4.7%. Note – city unemployment rates are not seasonally adjusted.

Attached is the Comprehensive Monthly Financial report for December 2014. Three months of FY2015, or 25.0% of the fiscal year is complete.

Revenues: Overall, the City has earned or received \$31.3 million for FY2015. This amount is 36.7% of the approved operating budget of \$85.3 million and is 2.2% more than forecast through the month of December.

- General Fund revenues are \$0.4 million or 2.8% higher than expected.
- Utility Fund revenues are \$0.3 million or 4.4% lower than expected.

Expenditures: Expenses totaled \$17.3 million year-to-date for FY2015. This amount is 20.1% of the approved operating budget of \$86.0 million and is 1.1% lower than forecast through the month of December.

- General Fund expenditures are \$0.1 million or 1.4% lower than expected.
- Utility Fund expenditures are \$0.2 million or 2.7% higher than expected.

Surplus: The net surplus from operations through December is \$14.0 million which is \$0.9 million better than expected at this point in the year. The adopted operating budget for the fiscal year anticipates a total decrease of \$0.7 million.

NOTEWORTHY

NORTH TEXAS MUNICIPAL WATER DISTRICT INITIATES SEASONAL STAGE 3 RESTRICTIONS; EVERY OTHER WEEK WATERING IN EFFECT THROUGH MARCH 31, 2015!

Recently, due to below average rainfall and extremely low lake levels, NTMWD has initiated Stage 3 seasonal watering. This limits landscape watering with sprinklers or irrigation systems to once every two weeks between November 1 and March 31.

BOND ELECTION MAY 9TH The City of Rowlett will hold a Community Investment Program (CIP) bond election on May 9, 2015. If passed, no increase to the tax rate will occur.



**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
December 31, 2014**

BUDGET SUMMARY OF ALL FUNDS FY2015

	2015 <u>Budget</u>	2015 <u>Forecast</u>	2015 <u>Year-to-Date</u>	<u>Variance</u>
Beginning Reserves	\$ 17,438,670	\$ 17,438,670	\$ 17,438,670	0.0%
Revenues:				
General	37,097,467	15,705,660	16,152,911	2.8%
Water & sewer	28,605,460	7,418,988	7,095,121	-4.4%
Debt service	7,783,232	4,583,109	5,023,221	9.6%
Drainage	1,346,939	336,576	333,524	-0.9%
Refuse	4,699,097	1,173,918	1,218,972	3.8%
Employee health benefits	4,405,117	1,101,279	1,065,044	-3.3%
Impact fees	44,357	11,089	121,015	991.3%
Police seizure	100,550	25,138	58,032	130.9%
Economic development	316,694	79,174	79,044	-0.2%
Hotel/motel tax	47,752	11,914	11,532	-3.2%
P.E.G.	85,042	20,972	21,039	0.3%
Grants	73,792	18,448	21,695	17.6%
Community Development Block Grant	186,209	46,552	44	-99.9%
Inspection Fees Fund	169,333	42,333	42,823	1.2%
Juvenile diversion	33,281	8,320	9,224	10.9%
Court technology	26,936	6,734	7,512	11.6%
Court security	20,035	5,009	7,804	55.8%
Golf course	256,564	40	764	1805.2%
Total Revenues	\$ 85,297,857	\$ 30,595,253	\$ 31,269,320	2.2%
Expenses:				
General	37,021,061	8,491,094	8,369,651	-1.4%
Water & sewer	28,062,142	5,666,652	5,817,230	2.7%
Debt service	7,783,232	190,176	148,242	-22.0%
Drainage	1,318,500	223,423	206,032	-7.8%
Refuse	4,657,232	1,164,308	1,190,820	2.3%
Employee health benefits	4,337,523	1,084,381	1,029,294	-5.1%
Impact fees	916,238	229,060	1,826	-99.2%
Police seizure	350,550	87,638	52,702	-39.9%
Economic development	436,593	99,601	108,969	9.4%
Hotel/motel tax	42,749	10,687	2,408	-77.5%
P.E.G.	73,142	18,963	15,608	-17.7%
Grants	71,434	8,929	21,695	143.0%
Community Development Block Grant	186,209	46,552	44	-99.9%
Inspection Fees Fund	115,760	30,012	15,968	-46.8%
Juvenile diversion	34,399	8,918	6,604	-25.9%
Court technology	49,005	12,251	84,745	591.7%
Court security	23,989	5,997	5,094	-15.1%
Golf course	559,025	76,117	189,158	148.5%
Total Expenses	\$ 86,038,783	\$ 17,454,758	\$ 17,266,090	-1.1%
Current Year				
Surplus/(Shortfall)	\$ (740,926)	\$ 13,140,496	\$ 14,003,230	6.6%
Ending Reserves	\$ 16,697,744	\$ 30,579,166	\$ 31,441,900	2.8%

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	1,734,785	2,759,381	\$ (1,024,596)
Nov	1,807,432	2,671,992	(864,560)
Dec	12,610,694	2,938,279	9,672,416
Jan	-	-	-
Feb	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 16,152,911	\$ 8,369,651	\$ 7,783,260
Cumulative Forecast	\$ 15,705,660	\$ 8,491,094	\$ 7,214,566
Actual to Forecast \$	\$ 447,252	\$ (121,442)	\$ 568,694
Actual to Forecast %	2.8%	-1.4%	



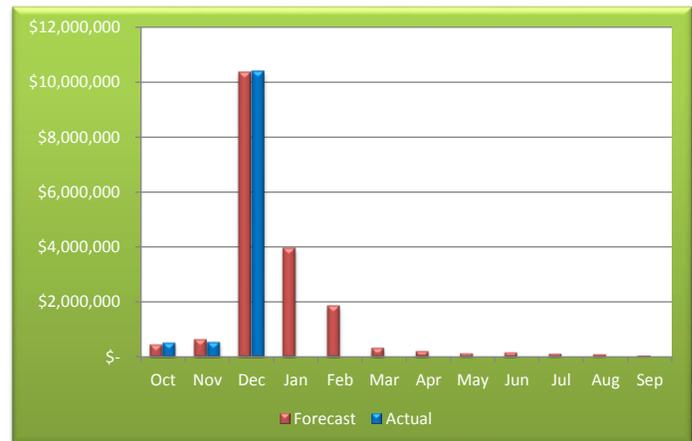
Positive

Cumulatively overall, the General Fund is better than forecasted for this time of the year, with revenues exceeding the forecast by 2.8% and expenses 1.4% lower than forecasted. These differences are primarily due to higher than expected charges for services revenue, and the timing of supply purchases.

REVENUE ANALYSIS

PROPERTY TAXES FY2015

<u>Month</u>	<u>2015 Forecast</u>	<u>2015 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 454,997	\$ 526,146	\$ 71,149
Nov	658,035	556,508	(101,527)
Dec	10,362,155	10,407,110	44,955
Jan	3,986,347	-	-
Feb	1,884,055	-	-
Mar	340,621	-	-
Apr	216,375	-	-
May	138,080	-	-
Jun	164,504	-	-
Jul	119,972	-	-
Aug	104,988	-	-
Sep	58,993	-	-
Total	\$ 18,489,122	\$ 11,489,764	\$ 14,577
Actual to Forecast			0.1%



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 0.1% 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	\$ 478,504	\$ 460,063	\$ (18,441)
Nov	410,264	452,581	42,317
Dec	581,282	581,282	-
Jan	405,356		
Feb	376,136		
Mar	504,779		
Apr	432,807		
May	434,829		
Jun	579,529		
Jul	427,562		
Aug	452,415		
Sep	548,190		
Total	\$ 5,631,653	\$ 1,493,926	\$ 23,876
<i>Actual to Forecast</i>			1.6%



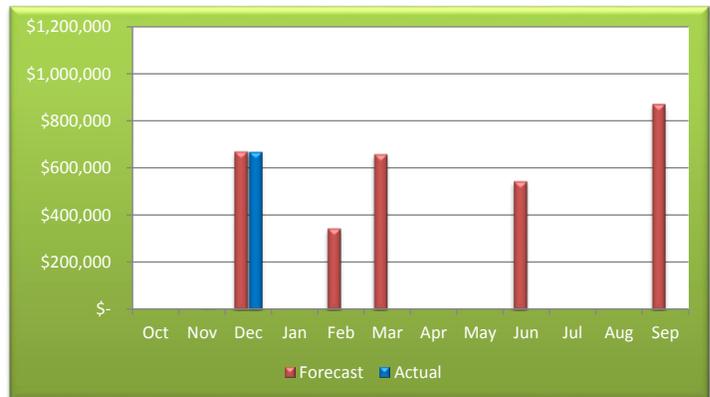
Positive

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 December represent an estimate. Overall, sales tax revenues are 1.6% higher than forecasted for this time of the year.

REVENUE ANALYSIS

FRANCHISE FEES FY2015

<u>Month</u>	<u>2015 Forecast</u>	<u>2015 Actual</u>	<u>Monthly Variance</u>
Oct	\$ -	\$ -	\$ -
Nov	-	215	215
Dec	667,417	667,417	-
Jan	-		
Feb	343,788		
Mar	656,587		
Apr	-		
May	-		
Jun	543,057		
Jul	-		
Aug	-		
Sep	867,119		
Total	\$ 3,077,966	\$ 667,632	\$ 215
<i>Actual to Forecast</i>			0.0%



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. Franchise fees for December are estimated.

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	2,523,628	1,923,448	\$ 600,179
Nov	2,371,585	1,871,254	500,331
Dec	2,199,908	2,022,527	177,381
Jan	-	-	-
Feb	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 7,095,121	\$ 5,817,230	\$ 1,277,891
Cumulative Forecast	\$ 7,418,988	\$ 5,666,652	\$ 1,752,336
Actual to Forecast \$	\$ (323,867)	\$ 150,578	\$ (474,445)
Actual to Forecast	-4.4%	2.7%	



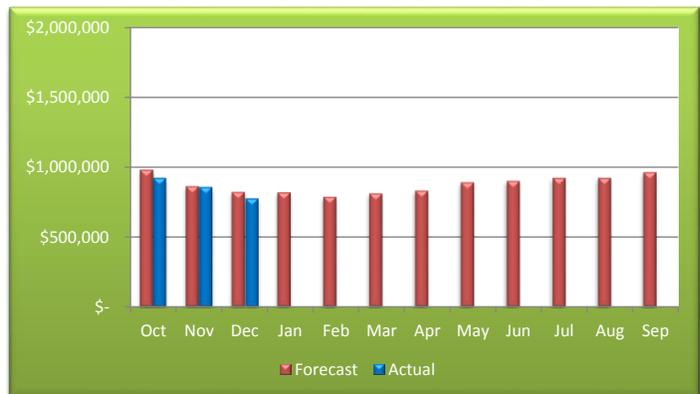
Negative

Utility fund revenues are 4.4% lower than forecast as a result of lower water and wastewater treatment revenues. NTMWD is maintaining stage 3 water restrictions thru March 31, 2015. Expenses are 2.7% higher as a result of repair expenses.

REVENUE ANALYSIS

SEWER REVENUES FY2015

<u>Month</u>	<u>2015 Forecast</u>	<u>2015 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 980,881	\$ 919,190	\$ (61,691)
Nov	863,081	855,352	(7,729)
Dec	822,085	772,784	(49,301)
Jan	818,618	-	-
Feb	787,673	-	-
Mar	810,911	-	-
Apr	832,390	-	-
May	891,378	-	-
Jun	901,239	-	-
Jul	922,611	-	-
Aug	922,221	-	-
Sep	963,034	-	-
Total	\$ 10,516,122	\$ 2,547,326	\$ (118,721)
Actual to Forecast			-4.5%



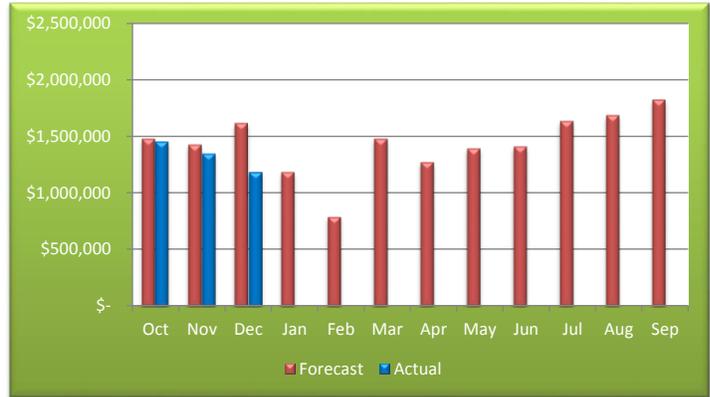
Warning

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 4.5% lower than forecasted for this time of year.

REVENUE ANALYSIS

WATER REVENUES FY2015

<u>Month</u>	<u>2015 Forecast</u>	<u>2015 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 1,476,673	\$ 1,451,221	\$ (25,452)
Nov	1,425,161	1,343,838	(81,323)
Dec	1,614,038	1,182,809	(431,229)
Jan	1,184,773		
Feb	789,848		
Mar	1,476,673		
Apr	1,270,626		
May	1,390,820		
Jun	1,407,991		
Jul	1,631,209		
Aug	1,682,721		
Sep	1,820,086		
Total	\$ 17,170,618	\$ 3,977,868	\$ (538,004)
<i>Actual to Forecast</i>			<i>-11.9%</i>



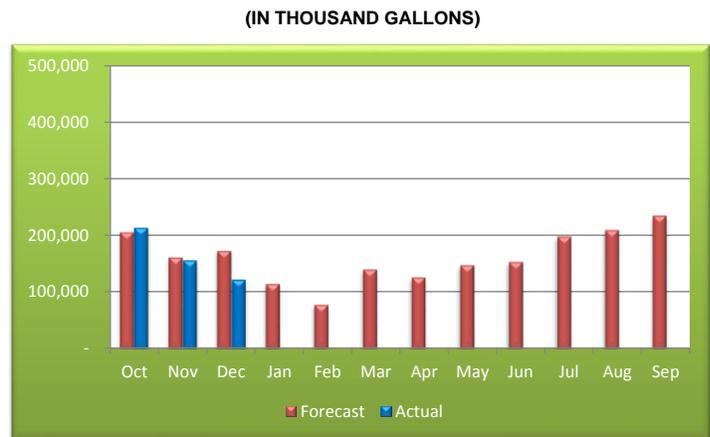
Negative

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 11.9% less than forecasted 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	205,110	212,743	7,633
Nov	160,605	155,467	(5,138)
Dec	172,215	121,571	(50,644)
Jan	114,165		
Feb	77,400		
Mar	139,320		
Apr	125,775		
May	147,060		
Jun	152,865		
Jul	197,370		
Aug	208,980		
Sep	234,135		
Total	1,935,000	489,781	(48,149)
<i>Actual to Forecast</i>			<i>-9.0%</i>



Negative

The City purchases its water from the North Texas Municipal Water District. Customer usage is 9.0% lower than forecasted for this time of the year. 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	402,012	389,513	\$ 12,499
Nov	402,813	408,017	(5,205)
Dec	414,147	393,290	20,858
Jan	-	-	-
Feb	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 1,218,972	\$ 1,190,820	\$ 28,152
Cumulative Forecast	\$ 1,173,918	\$ 1,164,308	\$ 9,610
Actual to Forecast \$	\$ 45,053	\$ 26,512	\$ 18,541
Actual to Forecast	3.8%	2.3%	



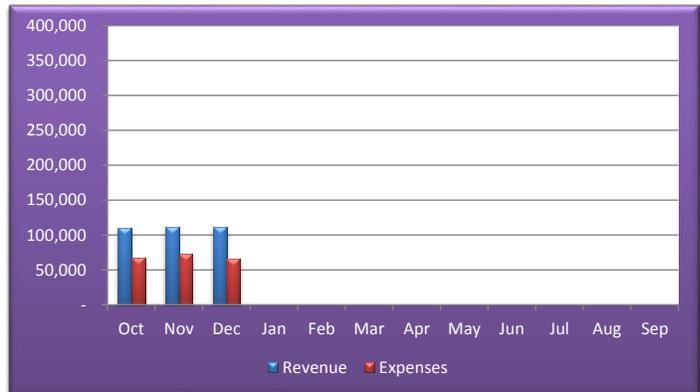
Positive

The Refuse Fund accounts for monies collected from customers on their utility bills and remitted to our solid waste provider. Revenues are currently 3.8% higher than forecasted, and expenses are also 2.3% higher 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	110,599	67,145	\$ 43,454
Nov	111,354	72,873	38,481
Dec	111,572	66,014	45,558
Jan	-	-	-
Feb	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 333,524	\$ 206,032	\$ 127,492
Cumulative Forecast	\$ 336,576	\$ 223,423	\$ 113,153
Actual to Forecast \$	\$ (3,052)	\$ (17,391)	\$ 14,340
Actual to Forecast	-0.9%	-7.8%	



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 0.9% lower than forecasted but expenses 7.8% 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	249,127	10,468	\$ 238,659
Nov	261,982	129,846	132,136
Dec	4,512,112	7,928	4,504,183
Jan	-	-	-
Feb	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 5,023,221	\$ 148,242	\$ 4,874,978
Cumulative Forecast	\$ 4,583,109	\$ 190,176	\$ 4,392,933
Actual to Forecast \$	\$ 440,112	\$ (41,933)	\$ 482,045
Actual to Forecast	9.6%	-22.0%	



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 9.6% higher than projected and expenses 22.0% 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	419,181	447,218	\$ (28,037)
Nov	291,239	249,946	41,293
Dec	354,624	332,130	22,494
Jan	-	-	-
Feb	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 1,065,044	\$ 1,029,294	\$ 35,750
Cumulative Forecast	\$ 1,101,279	\$ 1,084,381	\$ 16,899
Actual to Forecast \$	\$ (36,235)	\$ (55,087)	\$ 18,851
Actual to Forecast	-3.3%	-5.1%	



Positive

Employee Health Benefits Fund accounts for all health related claims paid from the City's partial self-insured fund. Overall, revenues are 3.3% lower than forecasted and expenses are 5.1% 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.