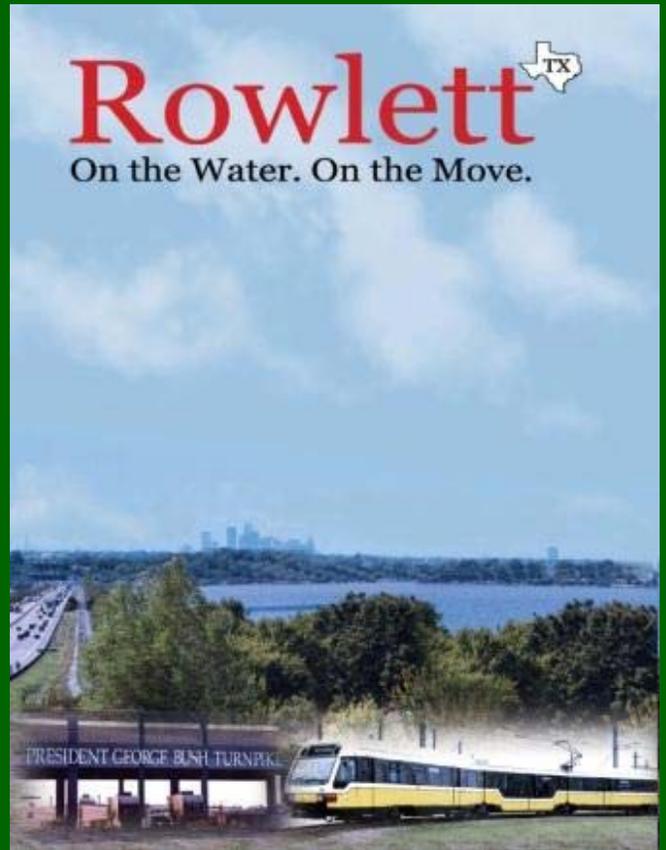




**Comprehensive
Monthly
Financial Report**

February 2012





MONTHLY FINANCIAL REPORT

PERFORMANCE AT A GLANCE

JANUARY 2012

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

FEBRUARY 29, 2012 – 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 3.0% in the 4th quarter of 2011 after increasing 1.8% in the 3rd quarter as reported by the Bureau of Economic Analysis. The fourth-quarter real GDP growth rate was the same as the second estimate released in February.

Texas Retail Sales: 
 Texas retail sales totaled 35.72 billion for the month of January, an increase of \$1.72 billion over January 2011.

CPI – Dallas/Fort Worth:
 Consumer Price Index (CPI) is monthly data on changes in the prices paid by consumers for a representative basket of goods and services. As an economic indicator, it is the most widely used measure of inflation. The Bureau of Economic Analysis reported a decrease of 0.05% for the DFW area from January to December.

UNEMPLOYMENT

National Unemployment:
 The national unemployment rate remained flat from January to February, remaining at rate of 8.5%.

State-Wide: 
 The Texas unemployment rate for February 2012 was 7.1%. This is a decrease from the January rate of 7.3%.

Rowlett: 
 The City of Rowlett unemployment rate for February 2012 was 7.6%. This is a decrease from the January rate of 7.7%.

Attached is the Comprehensive Monthly Financial report for February 2012. Five months of FY 2012, or 41.7% of the fiscal year is complete.

Staff will continue to evaluate any issues that may impact budget stability as we move into the 2nd quarter of the fiscal year. Of primary concern, staff continues to monitor and evaluate the potential fiscal impact to the City regarding the drought and the NTMWD water supply.

Revenues: Overall, the City has earned or received \$42.7 million for FY 2012. This amount is 55.9% of the approved operating budget of \$76.4 million and is 1.1% higher than forecast through the month of February.

Expenditures: Expenses totaled \$32.8 million year-to-date for FY 2012. This amount is 42.5% of the approved operating budget of \$77.2 million and is 3.1% lower than forecast through the month of February.

Surplus: The net surplus from operations through February is \$9.9 million which is \$1.5 million better than expected at this point in the year. The adopted operating budget for the fiscal year anticipates a total net reduction of \$0.7 million.

NOTEWORTHY

Water Restrictions: *North Texas Municipal Water District voted to return to "Normal" Stage 3 water restrictions. Due to the recent heavy rains causing lake levels to return to normal elevations, effective April 1, 2012, Stage 3 restrictions return to 'normal' allowing weekly landscape watering, with the schedule based on the last number in the address. The no outdoor watering between 10am-6pm restriction remains in place.*



**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
February 29, 2012**

BUDGET SUMMARY OF ALL FUNDS FY2012

	2012 <u>Budget</u>	2012 <u>Forecast</u>	2012 <u>Year-to-Date</u>	<u>Variance</u>
Beginning Reserves	\$ 14,262,492	\$ 14,262,492	\$ 14,262,492	0.0%
Revenues:				
General	32,110,964	20,715,756	20,857,666	0.7%
Water & sewer	24,025,444	8,465,329	8,842,756	4.5%
Debt service	8,996,721	8,218,725	8,273,973	0.7%
Drainage	1,320,414	550,023	546,041	-0.7%
Refuse	4,550,646	1,895,296	1,891,530	-0.2%
Employee health benefits	3,316,590	1,381,913	1,342,620	-2.8%
Impact fees	44,357	15,076	24,273	61.0%
Police seizure	100,550	41,896	38,593	-7.9%
Economic development	316,694	131,956	131,460	-0.4%
Innovations	-	-	954	0.0%
Hotel/motel tax	48,275	18,562	18,721	0.9%
P.E.G.	85,042	20,972	23,202	10.6%
Grants	24,590	7,855	29,787	279.2%
Community Development Block Grant	217,245	48,277	10,255	-78.8%
Tax-increment financing	290,845	276,058	277,980	0.7%
Juvenile diversion	41,602	17,334	11,626	-32.9%
Court technology	33,670	14,029	9,480	-32.4%
Court security	25,044	10,435	6,993	-33.0%
Traffic safety	297,926	124,136	83,966	-32.4%
Golf course	595,847	297,320	296,664	-0.2%
Total Revenues	\$ 76,442,466	\$ 42,250,947	\$ 42,718,539	1.1%
Expenses:				
General	32,338,915	13,782,162	12,754,396	-7.5%
Water & sewer	23,815,437	7,620,625	7,577,930	-0.6%
Debt service	8,950,468	7,164,369	7,147,277	-0.2%
Drainage	1,546,376	761,687	744,598	-2.2%
Refuse	4,543,466	1,900,109	1,896,363	-0.2%
Employee health benefits	3,316,590	1,381,913	1,316,055	-4.8%
Impact fees	30,000	12,500	20,000	60.0%
Police seizure	125,000	52,083	287,798	452.6%
Economic development	338,370	142,288	51,548	-63.8%
Innovations	512,339	213,475	256,982	20.4%
Hotel/motel tax	42,749	17,812	10,163	-42.9%
P.E.G.	67,779	28,676	26,424	-7.9%
Grants	24,590	7,855	29,787	279.2%
Community Development Block Grant	217,245	48,277	10,255	-78.8%
Tax-increment financing	290,845	276,058	277,980	0.7%
Juvenile diversion	73,136	30,473	5,837	-80.8%
Court technology	33,670	14,029	25,385	80.9%
Court security	24,851	10,355	12,509	20.8%
Traffic safety	297,926	124,136	83,966	-32.4%
Golf course	565,464	265,232	265,232	0.0%
Total Expenses	\$ 77,155,216	\$ 33,854,112	\$ 32,800,485	-3.1%
Current Year				
Surplus/(Shortfall)	\$ (712,750)	\$ 8,396,834	\$ 9,918,054	18.1%
Ending Reserves	\$ 13,549,742	\$ 22,659,326	\$ 24,180,546	6.7%

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 FY2012

<u>Month</u>	<u>2012 Revenue</u>	<u>2012 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 1,223,497	\$ 2,553,136	\$ (1,329,639)
Nov	1,538,720	2,472,765	(934,045)
Dec	10,712,393	2,716,159	7,996,233
Jan	4,480,376	2,501,977	1,978,400
Feb	2,902,679	2,510,359	392,320
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Total	\$ 20,857,666	\$ 12,754,396	\$ 8,103,269
Cumulative Forecast	\$ 20,715,756	\$ 13,782,162	\$ 6,933,594
Actual to Forecast \$	\$ 141,910	\$ (1,027,766)	\$ 1,169,675
Actual to Forecast %	0.7%	-7.5%	



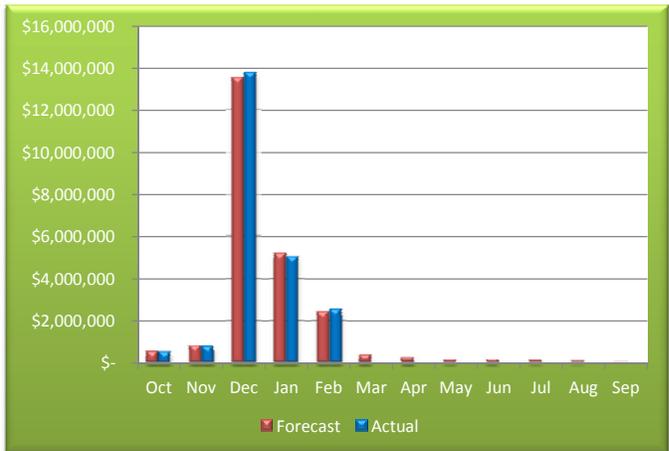
Positive

Cumulatively overall, the General Fund is better than forecasted for this time of the year, with revenues exceeding the forecast by 0.7% and expenses 7.5% lower than forecasted. These differences are primarily due to higher than expected property tax collections and higher than projected vacancy savings.

REVENUE ANALYSIS

PROPERTY TAXES FY2012

<u>Month</u>	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 556,130	\$ 527,493	\$ (28,637)
Nov	823,136	786,365	(36,771)
Dec	13,552,023	13,796,602	244,579
Jan	5,199,597	5,048,899	(150,698)
Feb	2,435,253	2,563,924	128,671
Mar	405,762		
Apr	242,389		
May	139,436		
Jun	174,183		
Jul	115,626		
Aug	95,923		
Sep	35,446		
Total	\$ 23,774,904	\$ 22,723,283	\$ 157,144
Actual to Forecast			0.7%



Positive

Property taxes represents nearly 50% of the total General Fund budget and serves as the primary funding source for the general government. Cumulatively overall, property tax revenues are 0.7% better than forecasted for this time of the year.

REVENUE ANALYSIS

SALES TAXES FY2012

<u>Month</u>	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 303,544	\$ 341,356	\$ 37,812
Nov	360,887	362,073	1,186
Dec	452,781	485,007	32,226
Jan	305,669	334,553	28,884
Feb	273,148	273,148	-
Mar	449,711		
Apr	337,076		
May	307,445		
Jun	435,463		
Jul	334,612		
Aug	330,675		
Sep	466,686		
Total	\$ 4,357,697	\$ 1,796,136	\$ 100,107
<i>Actual to Forecast</i>			5.9%



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 the current month represent an estimate. Cumulatively overall, sales tax revenues are 5.9% better than forecasted for this time of the year.

REVENUE ANALYSIS

FRANCHISE FEES FY2012

<u>Month</u>	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>Monthly Variance</u>
Oct	\$ -	\$ -	\$ -
Nov	-	-	-
Dec	630,471	-	(630,471)
Jan	-	1,004,309	1,004,309
Feb	431,878	15,364	(416,514)
Mar	619,641		
Apr	-		
May	-		
Jun	506,111		
Jul	-		
Aug	-		
Sep	830,174		
Total	\$ 3,018,276	\$ 1,019,673	\$ (42,676)
<i>Actual to Forecast</i>			-4.0%



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. Cumulatively overall, franchise fees are 4.0% less than forecasted for this time of the year as a result of lower natural gas revenues. FY 2012 gas payment was 16.8% or \$72 K less than forecasted.

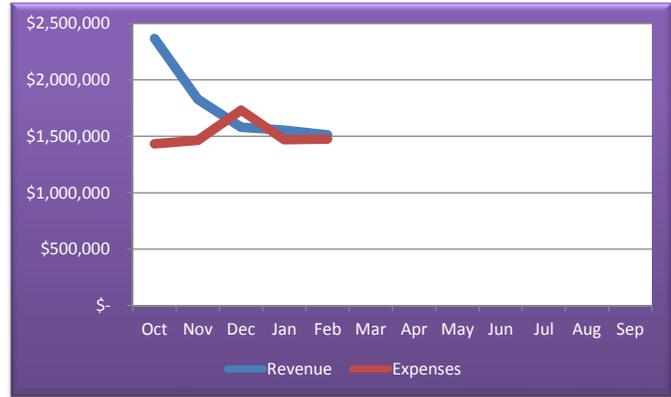


**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
February 29, 2012**

OVERALL FUND PERFORMANCE

UTILITY FUND REVENUES VS EXPENSES FY2012

<u>Month</u>	<u>2012 Revenue</u>	<u>2012 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 2,366,677	\$ 1,434,379	\$ 932,298
Nov	1,829,020	1,465,728	363,292
Dec	1,580,184	1,731,116	(150,932)
Jan	1,554,164	1,471,421	82,743
Feb	1,512,712	1,475,286	37,426
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 8,842,756	\$ 7,577,930	\$ 1,264,826
Cumulative Forecast	\$ 8,465,329	\$ 7,620,625	\$ 844,703
Actual to Forecast \$	\$ 377,427	\$ (42,695)	\$ 420,123
Actual to Forecast	4.5%	-0.6%	



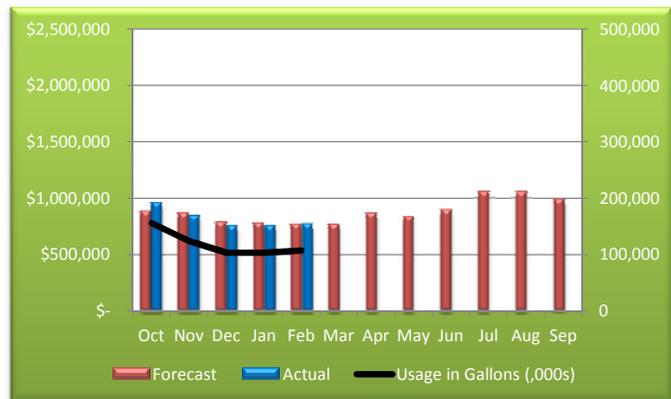
Positive

Cumulatively overall, the Utility Fund is better than forecasted for this time of the year, with revenues exceeding the forecast by 4.5% and expenses 0.6% lower than forecasted. These differences are primarily due to higher than expected water sales and higher than projected vacancy savings.

REVENUE ANALYSIS

SEWER REVENUES FY2012

<u>Month</u>	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 879,788	\$ 956,593	\$ 76,805
Nov	864,359	843,710	(20,649)
Dec	781,498	753,776	(27,722)
Jan	774,260	753,521	(20,739)
Feb	765,101	769,983	4,882
Mar	763,117	-	-
Apr	863,482	-	-
May	832,531	-	-
Jun	893,098	-	-
Jul	1,049,869	-	-
Aug	1,048,910	-	-
Sep	983,757	-	-
Total	\$ 10,499,770	\$ 4,077,583	\$ 12,577
Actual to Forecast			0.3%



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 0.3% better than forecasted for this time of year.

REVENUE ANALYSIS

WATER REVENUES FY2012

<u>Month</u>	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 1,018,164	\$ 1,302,102	\$ 283,938
Nov	914,521	891,918	(22,603)
Dec	719,385	739,199	19,814
Jan	686,190	668,884	(17,306)
Feb	663,042	688,109	25,067
Mar	675,179		
Apr	870,781		
May	855,239		
Jun	1,087,442		
Jul	1,600,086		
Aug	1,675,571		
Sep	1,569,021		
Total	\$ 12,334,621	\$ 4,290,212	\$ 288,910
<i>Actual to Forecast</i>			7.2%



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 overall, water revenues are 7.2% better than forecasted for this time of year primarily due to a 3.4% increase in consumption compared to the same time period last year.

REVENUE ANALYSIS

WATER USAGE FY2012

<u>Month</u>	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>Monthly Variance</u>
Oct	174,810	291,105	116,295
Nov	139,224	176,136	36,912
Dec	138,804	133,572	(5,232)
Jan	128,475	116,890	(11,585)
Feb	118,245	121,164	2,919
Mar	123,390		
Apr	139,285		
May	171,618		
Jun	254,065		
Jul	300,079		
Aug	374,332		
Sep	367,772		
Total	2,430,099	838,867	139,309
<i>Actual to Forecast</i>			19.9%



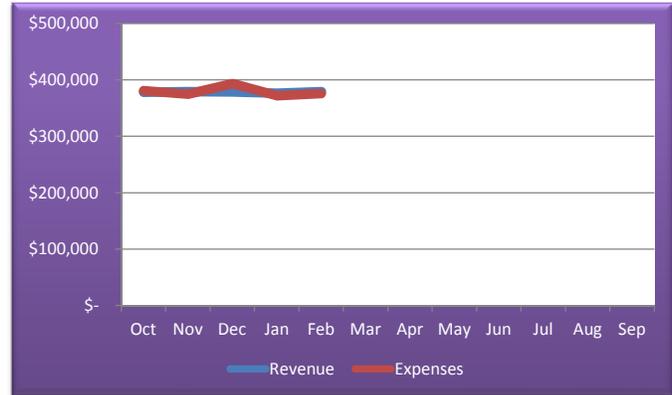
Positive

The City purchases its water from the North Texas Municipal Water District. Cumulative overall, customer usage is 19.9% higher than forecasted for this time of the year, primarily due to an unusually warm and dry fall. 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 FY2012

<u>Month</u>	<u>2012 Revenue</u>	<u>2012 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 377,866	\$ 380,693	\$ (2,827)
Nov	379,425	374,831	4,594
Dec	378,838	393,078	(14,240)
Jan	376,254	371,982	4,272
Feb	379,147	375,780	3,368
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Total	\$ 1,891,530	\$ 1,896,363	\$ (4,833)
Cumulative Forecast	\$ 1,895,296	\$ 1,900,109	\$ (4,813)
Actual to Forecast \$	\$ (3,765)	\$ (3,745)	\$ (20)
Actual to Forecast	-0.2%	-0.2%	



Positive

The Refuse Fund accounts for monies collected from customers on their utility bills and remitted to our solid waste provider. Cumulatively overall, the Fund is essentially as forecasted at this time.

OVERALL FUND PERFORMANCE

DRAINAGE FUND REVENUES VS EXPENSES FY2012

<u>Month</u>	<u>2012 Revenue</u>	<u>2012 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 108,907	\$ 87,314	\$ 21,593
Nov	109,800	97,450	12,349
Dec	108,534	88,994	19,540
Jan	109,782	90,773	19,009
Feb	109,018	380,067	(271,049)
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Total	\$ 546,041	\$ 744,598	\$ (198,557)
Cumulative Forecast	\$ 550,023	\$ 761,687	\$ (211,664)
Actual to Forecast \$	\$ (3,982)	\$ (17,089)	\$ 13,107
Actual to Forecast	-0.7%	-2.2%	



Positive

The Drainage Fund accounts for monies collected from customers on their utility bills to address maintenance and capital needs in the municipal drainage system. Cumulatively overall, the fund is better than forecasted for this time of the year, with revenues 0.7% lower than forecasted and expenses 2.2% lower than forecasted, primarily the result of lower supply

OVERALL FUND PERFORMANCE

DEBT SERVICE FUND REVENUES VS EXPENSES FY2012

<u>Month</u>	<u>2012 Revenue</u>	<u>2012 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 205,063	\$ 600	\$ 204,463
Nov	296,265	4,281	291,984
Dec	4,834,712	16,271	4,818,441
Jan	1,816,121	129,076	1,687,046
Feb	1,121,811	6,997,050	(5,875,238)
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Total	\$ 8,273,973	\$ 7,147,277	\$ 1,126,695
Cumulative Forecast	\$ 8,218,725	\$ 7,164,369	\$ 1,054,356
Actual to Forecast \$	\$ 55,247	\$ (17,092)	\$ 72,339
Actual to Forecast	0.7%	-0.2%	



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 0.7% higher than forecasted and expenses 0.2% lower, primarily the result of higher property tax collections. The fund makes semi-annual debt payments, and a payment was made in February.

OVERALL FUND PERFORMANCE

EMPLOYEE HEALTH BENEFITS FUND REVENUES VS EXPENSES FY2012

<u>Month</u>	<u>2012 Revenue</u>	<u>2012 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 354,405	\$ 261,820	\$ 92,585
Nov	248,791	283,303	(34,511)
Dec	247,364	231,897	15,467
Jan	372,340	240,436	131,903
Feb	119,720	298,598	(178,878)
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Total	\$ 1,342,620	\$ 1,316,055	\$ 26,566
Cumulative Forecast	\$ 1,381,913	\$ 1,381,913	\$ -
Actual to Forecast \$	\$ (39,292)	\$ (65,858)	\$ 26,566
Actual to Forecast	-2.8%	-4.8%	



Positive

Employee Health Benefits Fund accounts for all health related claims paid from the City's partial self-insured fund. Overall, the fund is better than forecasted, with revenues 2.8% lower than forecasted due to vacancies and expenses 4.8% lower than forecasted due to lower than expected claims.