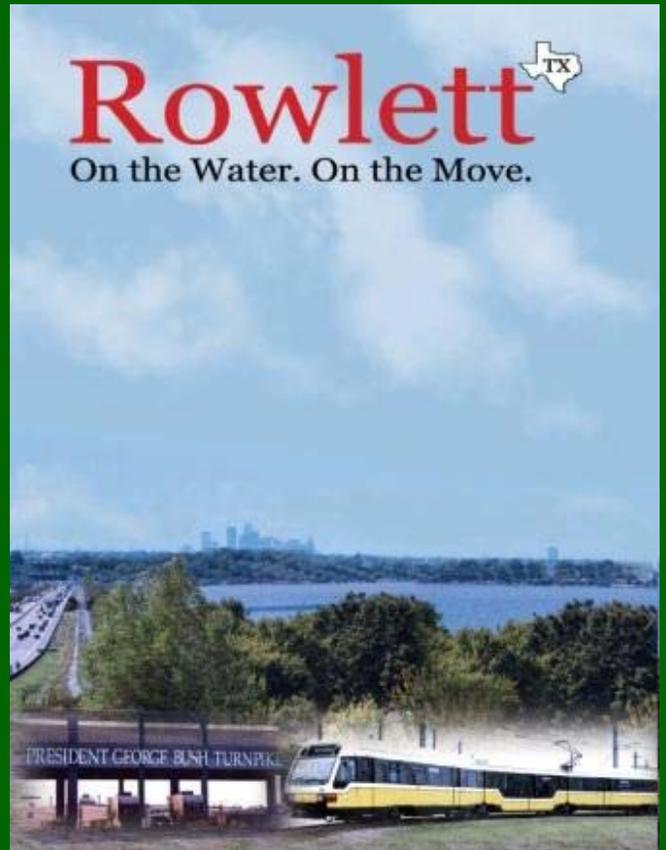




**Comprehensive
Monthly
Financial Report**

January 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
PROPERTY TAXES	POSITIVE	Page 5
SALES TAXES	POSITIVE	Page 6
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UTILITY FUND REV VS EXP	POSITIVE	Page 7
SEWER REVENUES	POSITIVE	Page 7
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WATER USAGE	POSITIVE	Page 8
REFUSE FUND REV VS EXP	NEGATIVE	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, 2011 – 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 revised up 0.2% from the advance estimate.

Texas Retail Sales: 

Texas retail sales totaled 35.88 billion for the month of December, an increase of \$1.5 billion over December 2010.

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 for January decreased to 8.3% from the December rate of 8.5%.

State-Wide: 

The Texas unemployment rate for December 2011 was 7.8%. This is a decrease from the November rate of 8.1%.

Rowlett: 

The City of Rowlett unemployment rate for December 2011 was 7.1%. This is a decrease from the November rate of 7.2%

Attached is the Comprehensive Monthly Financial report for January 2012. Four months of FY 2012, or 33.3% 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 \$36.2 million for FY 2012. This amount is 47.4% of the approved operating budget of \$76.4 million and is 1.9% higher than forecast through the month of January.

Expenditures: Expenses totaled \$20.4 million year-to-date for FY 2012. This amount is 26.4% of the approved operating budget of \$77.2 million and is 2.2% lower than forecast through the month of January.

Surplus: The net surplus from operations through January is \$15.8 million which is \$1.1 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: *With the rain events in December and January, the second-longest drought on Texas record may be coming to an end, but Rowlett is still in Stage 3 water restrictions and will likely remain there at least through 2012.*

PGBT: *President George W Bush turnpike is now open. The inconvenience of the two and one-half years of construction is almost over. There will still be service road construction occurring, but this construction won't impact the ability to drive on the main lanes.*



**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
January 31, 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	17,748,962	17,954,986	1.2%
Water & sewer	24,025,444	6,963,813	7,330,044	5.3%
Debt service	8,996,721	7,141,174	7,152,162	0.2%
Drainage	1,320,414	440,006	437,023	-0.7%
Refuse	4,550,646	1,516,168	1,512,383	-0.2%
Employee health benefits	3,316,590	1,105,530	1,222,900	10.6%
Impact fees	44,357	12,023	12,692	5.6%
Police seizure	100,550	33,517	38,593	15.1%
Economic development	316,694	105,565	105,228	-0.3%
Innovations	-	-	995	0.0%
Hotel/motel tax	48,275	16,196	18,721	15.6%
P.E.G.	85,042	20,972	23,202	10.6%
Grants	24,590	5,464	25,741	371.1%
Community Development Block Grant	217,245	24,138	8,421	-65.1%
Tax-increment financing	290,845	246,267	246,615	0.1%
Juvenile diversion	41,602	13,867	11,082	-20.1%
Court technology	33,670	11,223	9,029	-19.6%
Court security	25,044	8,348	6,653	-20.3%
Traffic safety	297,926	99,309	83,967	-15.4%
Golf course	595,847	279	478	71.4%
Total Revenues	\$ 76,442,466	\$ 35,512,820	\$ 36,200,914	1.9%
Expenses:				
General	32,338,915	10,676,474	10,244,037	-4.1%
Water & sewer	23,815,437	6,124,599	6,102,644	-0.4%
Debt service	8,950,468	201,196	150,228	-25.3%
Drainage	1,546,376	377,464	364,531	-3.4%
Refuse	4,543,466	1,522,486	1,520,584	-0.1%
Employee health benefits	3,316,590	1,105,530	1,017,456	-8.0%
Impact fees	30,000	10,000	8,000	-20.0%
Police seizure	125,000	41,667	256,056	514.5%
Economic development	338,370	107,590	41,141	-61.8%
Innovations	512,339	170,780	208,110	21.9%
Hotel/motel tax	42,749	14,250	9,863	-30.8%
P.E.G.	67,779	20,855	20,145	-3.4%
Grants	24,590	5,464	25,741	371.1%
Community Development Block Grant	217,245	24,138	8,421	-65.1%
Tax-increment financing	290,845	246,267	246,615	0.1%
Juvenile diversion	73,136	24,379	-	-100.0%
Court technology	33,670	11,223	24,998	122.7%
Court security	24,851	8,284	9,921	19.8%
Traffic safety	297,926	99,309	83,967	-15.4%
Golf course	565,464	50,000	50,000	0.0%
Total Expenses	\$ 77,155,216	\$ 20,841,953	\$ 20,392,458	-2.2%
Current Year				
Surplus/(Shortfall)	\$ (712,750)	\$ 14,670,867	\$ 15,808,456	7.8%
Ending Reserves	\$ 13,549,742	\$ 28,933,359	\$ 30,070,948	3.9%

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

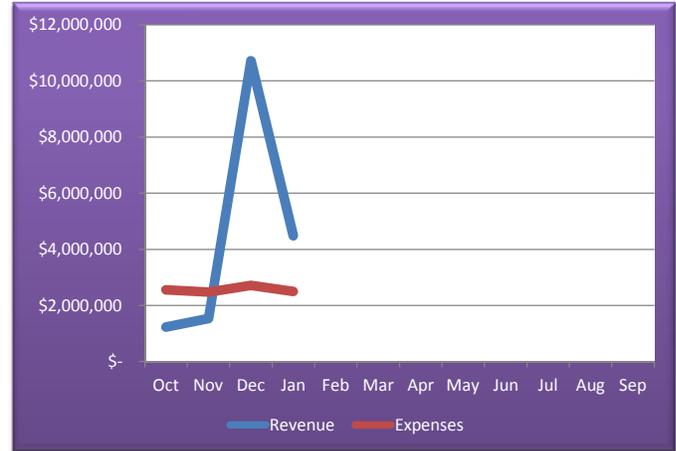


**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
January 31, 2012**

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			
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Total	\$ 17,954,986	\$ 10,244,037	\$ 7,710,949
Cumulative Forecast	\$ 17,748,962	\$ 10,676,474	\$ 7,072,487
Actual to Forecast \$	\$ 206,025	\$ (432,437)	\$ 638,462
Actual to Forecast %	1.2%	-4.1%	9.0%



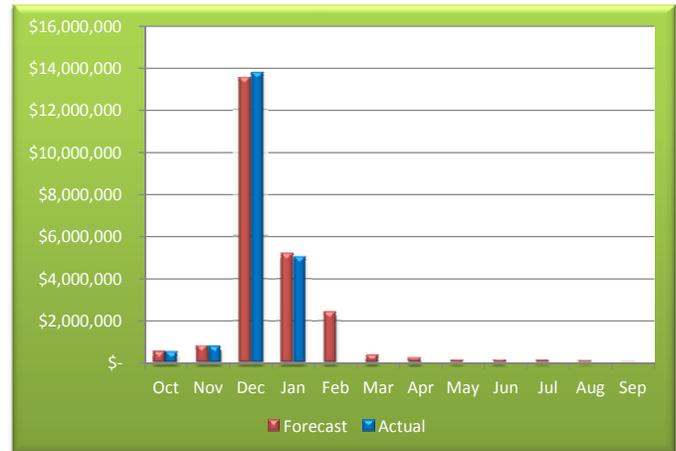
**Positive
9.0%**

Cumulatively overall, the General Fund is 9.0% better than forecasted for this time of the year, primarily due to higher than expected property tax collections, franchise fees and 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		
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	\$ 20,159,359	\$ 28,473
Actual to Forecast			0.1%



**Positive
0.1%**

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 0.1% better than forecasted for this time of the year.



**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
January 31, 2012**

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	305,669	-
Feb	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	\$ 1,494,104	\$ 71,223
<i>Actual to Forecast</i>			5.0%



Positive
5.0%

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 5.0% 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	-	644,964	644,964
Feb	431,878		
Mar	619,641		
Apr	-		
May	-		
Jun	506,111		
Jul	-		
Aug	-		
Sep	830,174		
Total	\$ 3,018,276	\$ 644,964	\$ 14,493
<i>Actual to Forecast</i>			2.3%



Positive
2.3%

Franchise fees represents nearly 10% of the total General Fund budget and includes electric, gas, cable and telecommunications. These fees are generally paid quarterly. Cumulatively overall, franchise fees are 2.3% better than forecasted for this time of the year.

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	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 7,330,044	\$ 6,102,644	\$ 1,227,400
Cumulative Forecast	\$ 6,963,813	\$ 6,124,599	\$ 839,215
Actual to Forecast \$	\$ 366,231	\$ (21,955)	\$ 388,186
Actual to Forecast	5.3%	-0.4%	46.3%



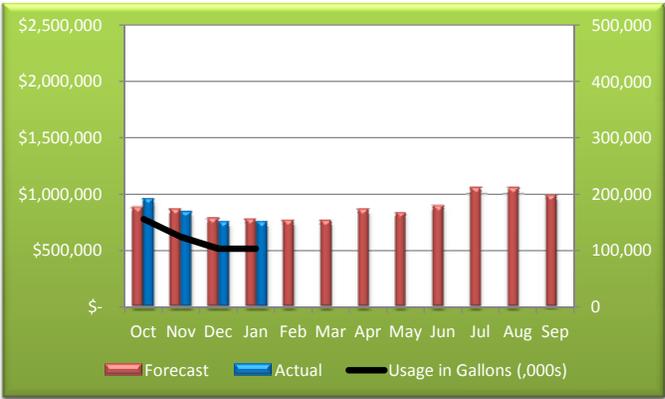
Positive
46.3%

Cumulatively overall, the Utility Fund is 46.3% better than forecasted for this time of the year, primarily due to increased water sales and 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	-	-
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	\$ 3,307,600	\$ 7,695
Actual to Forecast			0.2%



Positive
0.2%

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 0.2% 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		
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	\$ 3,602,103	\$ 263,843
<i>Actual to Forecast</i>			7.9%



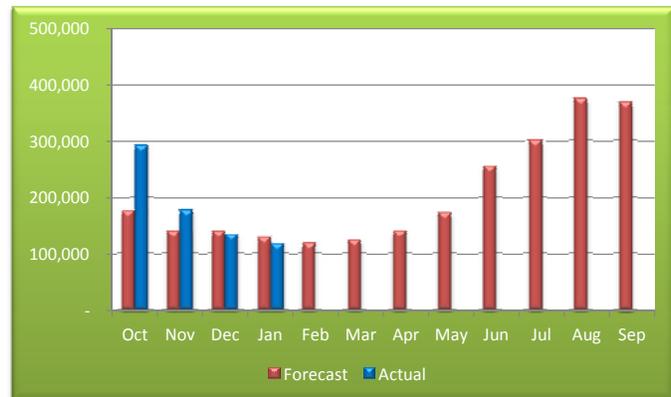
Positive
7.9%

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 7.9% better than forecasted for this time of year primarily due to a 7.4% 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		
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	717,703	136,390
<i>Actual to Forecast</i>			23.5%



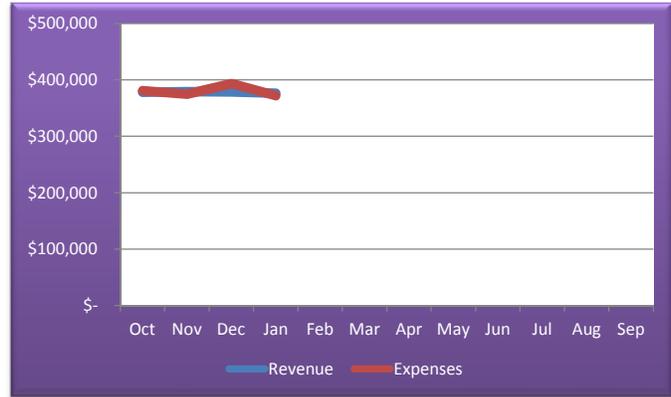
Positive
23.5%

The City purchases its water from the North Texas Municipal Water District. Cumulative overall, customer usage is 23.5% 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	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 1,512,383	\$ 1,520,584	\$ (8,201)
Cumulative Forecast	\$ 1,516,168	\$ 1,522,486	\$ (6,318)
Actual to Forecast \$	\$ (3,785)	\$ (1,902)	\$ (1,882)
Actual to Forecast	-0.2%	-0.1%	29.8%



Negative
29.8%

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 29.8% worse than forecasted for this time of the year, primarily due to higher than expected hazardous material expenses.

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	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 437,023	\$ 364,531	\$ 72,492
Cumulative Forecast	\$ 440,006	\$ 377,464	\$ 62,542
Actual to Forecast \$	\$ (2,983)	\$ (12,933)	\$ 9,950
Actual to Forecast	-0.7%	-3.4%	15.9%



Positive
15.9%

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 15.9% better than forecasted for this time of the year, primarily due to lower supplies expenditures.

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	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 7,152,162	\$ 150,228	\$ 7,001,934
Cumulative Forecast	\$ 7,141,174	\$ 201,196	\$ 6,939,978
Actual to Forecast \$	\$ 10,988	\$ (50,968)	\$ 61,956
Actual to Forecast	0.2%	-25.3%	0.9%



Positive
0.9%

The City's General Debt Service Fund is used to pay principal and interest on general obligation and other long-term tax-supported debt. Cumulatively overall, the Fund is 0.9% more than forecasted for this time of the year, primarily due to the timing of tax collections. The fund makes semi-annual debt payments and the next payment is due 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	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 1,222,900	\$ 1,017,456	\$ 205,444
Cumulative Forecast	\$ 1,105,530	\$ 1,105,530	\$ -
Actual to Forecast \$	\$ 117,370	\$ (88,074)	\$ 205,444
Actual to Forecast	10.6%	-8.0%	0.0%



Positive
0.0%

The Employee Health Benefits Fund accounts for all health related claims paid from the City's partial self-insured fund. Cumulatively overall, the Fund is \$205,444 better than forecasted for this time of the year, primarily due to higher than expected premium payments and lower than expected claims.