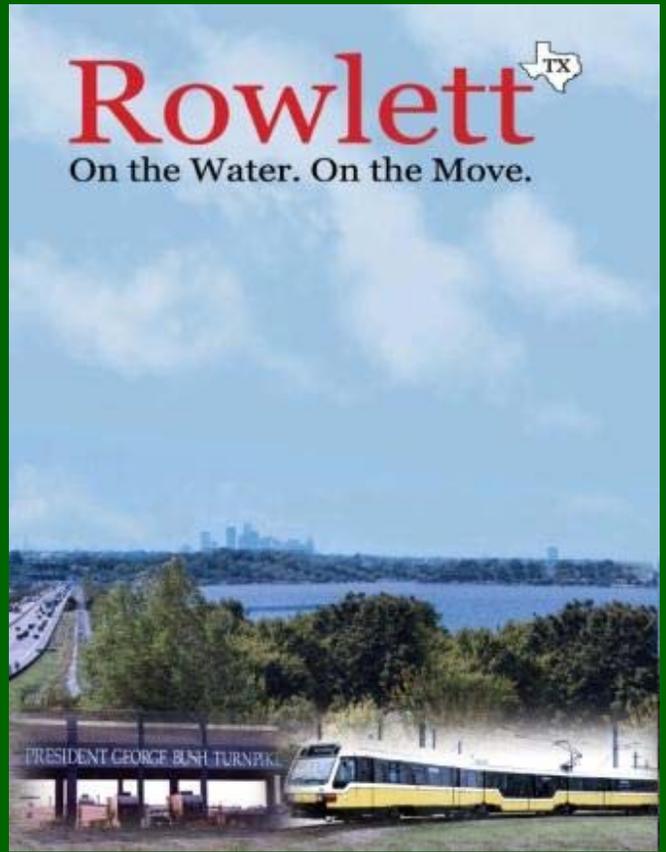




**Comprehensive
Monthly
Financial Report**

July 2012





MONTHLY FINANCIAL REPORT

PERFORMANCE AT A GLANCE

JULY 2012

	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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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

JULY 31, 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 1.5% in the 2nd quarter of 2012 after increasing 2.0% in the 1st quarter as reported by the Bureau of Economic Analysis. Consumer spending for durable goods slowed, imports picket up, and business investment slowed.

Texas Retail Sales: 
 Texas retail sales totaled \$35.54 billion for the month of June, an increase of \$1.1 billion (3.2%) over June 2011.

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 0.24% between the months of April and May.

UNEMPLOYMENT

National Unemployment: 
 The national unemployment rate increased from 8.2% in June to 8.3% in July.

State-Wide: 
 The Texas unemployment rate for July 2012 was 7.2%, an increase of 0.2% over June.

Rowlett: 
 The City of Rowlett unemployment rate for July 2012 was 7.4%. This is a decrease from the June rate of 7.5%.

Attached is the Comprehensive Monthly Financial report for July 2012. Ten months of FY 2012, or 83.3% of the fiscal year is complete.

Revenues: Overall, the City has earned or received \$66.2 million for FY 2012. This amount is 86.5% of the approved operating budget of \$76.4 million and is 1.6% higher than forecast through the month of July.

- General Fund revenues are \$0.5 million or 1.8% higher than expected.
- Utility Fund revenues are \$0.1 million or 0.3% lower than expected.

Expenditures: Expenses totaled \$63.0 million year-to-date for FY 2012. This amount is 81.7% of the approved operating budget of \$77.2 million and is 1.4% lower than forecast through the month of July.

- General Fund expenditures are \$0.7 million or 2.5% lower than expected.
- Utility Fund expenditures are \$0.7 million or 3.7% lower than expected.

Surplus: The net surplus from operations through July is \$3.1 million which is \$1.9 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: *As of June 1, Rowlett residents and businesses may water landscaping unscheduled twice a week! Foundations, new landscaping and new plantings (first year) of shrubs and trees may be watered for up to two hours on any day by a hand-held hose, a soaker hose or using a drip irrigation system.*

Realize Rowlett 2020 Phase II: *Realize Rowlett 2020 Phase II is now underway. A series of public meetings is being held giving citizens opportunities for input. Phase II will zoom in and flesh out the details in four target areas. The end result will be regulatory tools that will help to achieve the vision for each individual area.*



**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
July 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>
	\$ 14,262,492	\$ 18,128,314	\$ 18,128,314	0.0%
Beginning Reserves				
Revenues:				
General	32,110,964	28,682,428	29,189,596	1.8%
Water & sewer	24,025,444	18,473,883	18,424,827	-0.3%
Debt service	8,996,721	8,705,323	8,716,388	0.1%
Drainage	1,320,414	1,100,339	1,092,309	-0.7%
Refuse	4,550,646	3,792,172	3,774,902	-0.5%
Employee health benefits	3,316,590	2,763,825	2,610,184	-5.6%
Impact fees	44,357	39,161	200,565	412.2%
Police seizure	100,550	83,792	624,075	644.8%
Economic development	316,694	263,912	263,025	-0.3%
Innovations	-	-	1,747	0.0%
Hotel/motel tax	48,275	39,199	38,722	-1.2%
P.E.G.	85,042	63,672	68,557	7.7%
Grants	24,590	19,809	112,992	470.4%
Community Development Block Grant	217,245	168,968	121,188	-28.3%
Tax-increment financing	290,845	289,238	289,833	0.2%
Juvenile diversion	41,602	34,668	25,697	-25.9%
Court technology	33,670	28,058	20,845	-25.7%
Court security	25,044	20,870	15,416	-26.1%
Traffic safety	297,926	248,272	269,784	8.7%
Golf course	595,847	298,547	297,103	-0.5%
Total Revenues	\$ 76,442,466	\$ 65,116,135	\$ 66,157,756	1.6%
Expenses:				
General	32,338,915	26,854,307	26,186,930	-2.5%
Water & sewer	23,815,437	19,967,936	19,232,185	-3.7%
Debt service	8,950,468	7,191,822	7,182,345	-0.1%
Drainage	1,546,376	1,252,388	1,235,521	-1.3%
Refuse	4,542,847	3,787,705	3,781,968	-0.2%
Employee health benefits	3,316,590	2,763,825	2,707,228	-2.0%
Impact fees	30,000	25,000	184,786	639.1%
Police seizure	125,000	104,167	504,098	383.9%
Economic development	338,370	276,775	142,803	-48.4%
Innovations	512,339	426,949	591,885	38.6%
Hotel/motel tax	42,749	35,624	15,017	-57.8%
P.E.G.	67,779	54,745	54,492	-0.5%
Grants	24,590	19,809	112,992	470.4%
Community Development Block Grant	217,245	168,968	121,188	-28.3%
Tax-increment financing	290,845	289,238	289,833	0.2%
Juvenile diversion	73,136	60,947	18,151	-70.2%
Court technology	33,670	28,058	54,096	92.8%
Court security	24,851	20,709	25,973	25.4%
Traffic safety	297,926	248,272	269,784	8.7%
Golf course	565,464	337,732	327,732	-3.0%
Total Expenses	\$ 77,154,597	\$ 63,914,975	\$ 63,039,007	-1.4%
Current Year Surplus/(Shortfall)	\$ (712,131)	\$ 1,201,160	\$ 3,118,749	159.6%
Ending Reserves	\$ 13,550,361	\$ 19,329,474	\$ 21,247,063	9.9%

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

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	2,230,661	2,309,967	(79,306)
Apr	1,120,890	2,564,197	(1,443,307)
May	1,435,954	3,254,409	(1,818,455)
Jun	2,253,600	2,859,106	(605,506)
Jul	1,290,825	2,444,854	(1,154,029)
Aug			
Sep			
Total	\$ 29,189,596	\$ 26,186,930	\$ 3,002,666
Cumulative Forecast	\$ 28,682,428	\$ 26,854,307	\$ 1,828,121
Actual to Forecast \$	\$ 507,168	\$ (667,376)	\$ 1,174,545
Actual to Forecast %	1.8%	-2.5%	



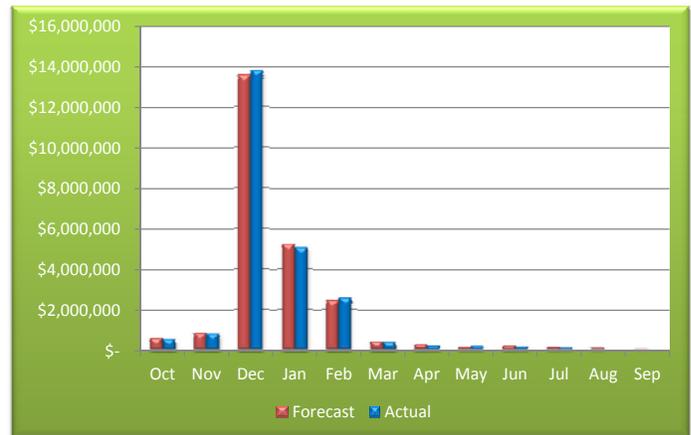
Positive

Cumulatively overall, the General Fund is better than forecasted for this time of the year, with revenues exceeding the forecast by 1.8% and expenses 2.5% lower than forecasted. These differences are primarily due to higher than expected sales tax net lower franchise fees 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	372,122	(33,640)
Apr	242,389	183,454	(58,935)
May	139,436	164,290	24,854
Jun	174,183	150,816	(23,367)
Jul	115,626	98,222	(17,404)
Aug	95,923		
Sep	35,446		
Total	\$ 23,774,904	\$ 23,692,187	\$ 82,717
Actual to Forecast			0.2%



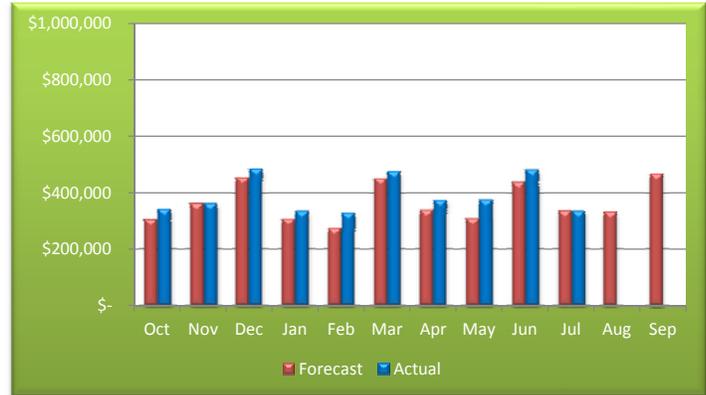
Positive

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 0.2% 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	\$ 341,355	\$ 37,811
Nov	360,887	362,073	1,186
Dec	452,781	485,007	32,226
Jan	305,669	334,553	28,884
Feb	273,148	328,527	55,379
Mar	449,711	476,075	26,364
Apr	337,076	373,937	36,861
May	307,445	374,486	67,041
Jun	435,463	482,319	46,856
Jul	334,612	334,612	-
Aug	330,675		
Sep	466,686		
Total	\$ 4,357,697	\$ 3,892,944	\$ 332,608
<i>Actual to Forecast</i>			9.3%



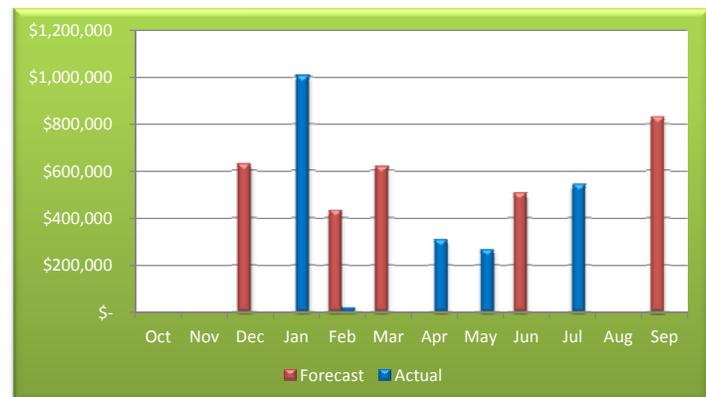
Positive

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 9.3% 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	93	(619,548)
Apr	-	304,717	304,717
May	-	263,444	263,444
Jun	506,111	1,376	(504,735)
Jul	-	540,993	540,993
Aug	-		
Sep	830,174		
Total	\$ 3,018,276	\$ 2,130,296	\$ (57,806)
<i>Actual to Forecast</i>			-2.6%



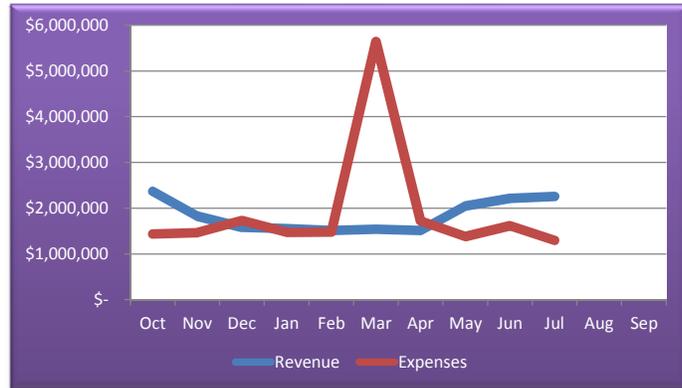
Warning

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 2.6% 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.

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	1,541,860	5,644,346	(4,102,486)
Apr	1,515,973	1,719,076	(203,103)
May	2,045,779	1,381,691	664,088
Jun	2,218,325	1,614,041	604,284
Jul	2,260,134	1,295,101	965,033
Aug			
Sep			
Total	\$ 18,424,827	\$ 19,232,185	\$ (807,357)
Cumulative Forecast	\$ 18,473,883	\$ 19,967,936	\$ (1,494,053)
Actual to Forecast \$	\$ (49,056)	\$ (735,751)	\$ 686,696
Actual to Forecast	-0.3%	-3.7%	



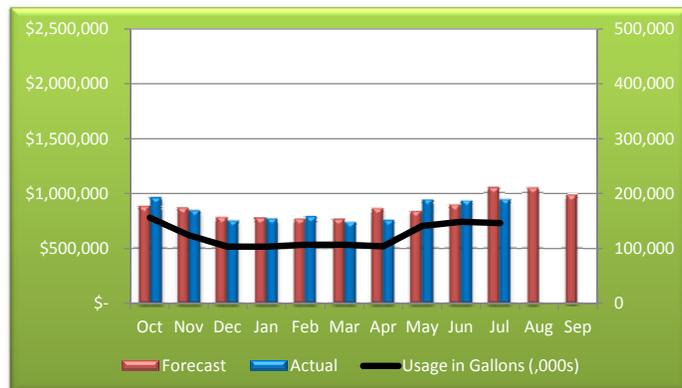
Positive

Cumulatively overall, the Utility Fund is better than forecasted for this time of the year, with revenues essentially as forecasted and expenses 3.7% lower than forecasted. These differences are primarily due to higher than expected water sales and higher than projected vacancy savings. Note, utility fund debt service payments are made in March.

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	843,123	(21,236)
Dec	781,498	749,231	(32,267)
Jan	774,260	768,992	(5,268)
Feb	765,101	786,709	21,608
Mar	763,117	738,401	(24,716)
Apr	863,482	756,191	(107,291)
May	832,531	941,600	109,069
Jun	893,098	932,562	39,464
Jul	1,049,869	942,181	(107,688)
Aug	1,048,910		
Sep	983,757		
Total	\$ 10,499,770	\$ 8,415,583	\$ (51,520)
Actual to Forecast			-0.6%



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 0.6% less 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	890,935	(23,586)
Dec	719,385	739,951	20,566
Jan	686,190	669,115	(17,075)
Feb	663,042	717,758	54,716
Mar	675,179	665,840	(9,339)
Apr	870,781	679,395	(191,386)
May	855,239	1,055,019	199,780
Jun	1,087,442	1,080,465	(6,977)
Jul	1,600,086	1,181,952	(418,134)
Aug	1,675,571		
Sep	1,569,021		
Total	\$ 12,334,621	\$ 8,982,532	\$ (107,497)
<i>Actual to Forecast</i>			-1.2%



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. Water revenues are highly variable with the weather. Cumulatively overall, water revenues are 1.2% less than forecasted for this time of 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	121,029	(2,361)
Apr	139,285	119,877	(19,408)
May	171,618	203,136	31,518
Jun	254,065	229,296	(24,769)
Jul	300,079	248,683	(51,396)
Aug	374,332		
Sep	367,772		
Total	2,430,099	1,760,888	72,893
<i>Actual to Forecast</i>			4.3%



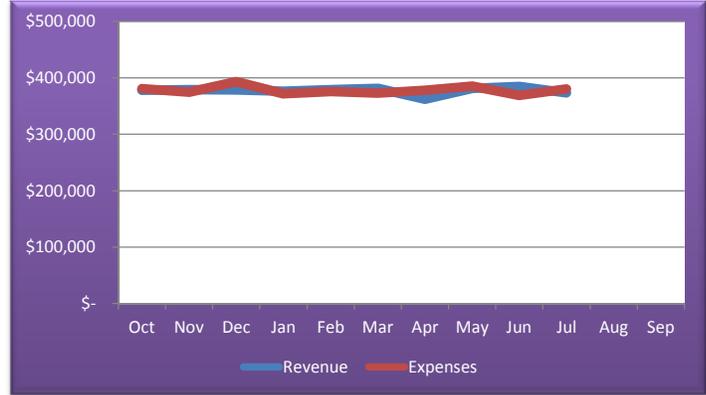
Positive

The City purchases its water from the North Texas Municipal Water District. Cumulative overall, customer usage is 4.3% 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	3,367
Mar	381,688	372,847	8,841
Apr	362,129	378,318	(16,189)
May	381,384	385,166	(3,782)
Jun	384,891	369,126	15,764
Jul	373,281	380,148	(6,867)
Aug			
Sep			
Total	\$ 3,774,902	\$ 3,781,968	\$ (7,066)
Cumulative Forecast	\$ 3,792,172	\$ 3,787,705	\$ 4,467
Actual to Forecast \$	\$ (17,270)	\$ (5,737)	\$ (11,533)
Actual to Forecast	-0.5%	-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 as forecasted for this time of the year, with revenues 0.5% lower than forecasted but expenses 0.2% lower than forecasted.

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	\$ 109,631	\$ 87,314	\$ 22,317
Nov	109,058	97,450	11,608
Dec	109,197	88,994	20,203
Jan	108,674	90,773	17,901
Feb	109,662	380,067	(270,405)
Mar	115,342	87,591	27,751
Apr	108,610	91,188	17,422
May	110,169	100,328	9,841
Jun	110,717	118,377	(7,661)
Jul	101,250	93,439	7,812
Aug			
Sep			
Total	\$ 1,092,309	\$ 1,235,521	\$ (143,212)
Cumulative Forecast	\$ 1,100,339	\$ 1,252,388	\$ (152,049)
Actual to Forecast \$	\$ (8,030)	\$ (16,867)	\$ 8,837
Actual to Forecast	-0.7%	-1.3%	



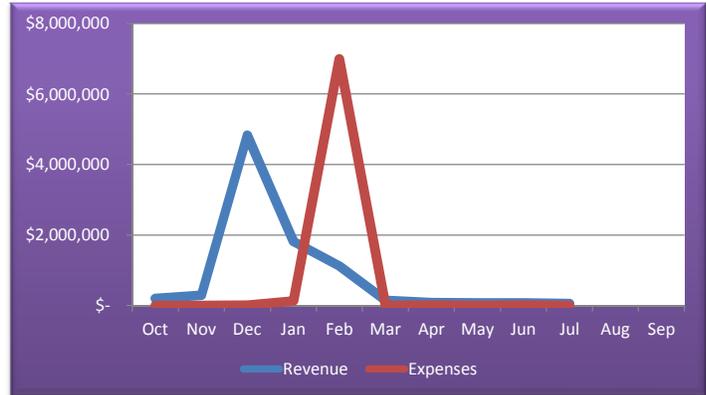
Positive

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 as forecasted for this time of the year, with revenues 0.7% lower than forecasted and expenses 1.3% lower than forecasted.

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	1,687,045
Feb	1,121,811	6,997,050	(5,875,239)
Mar	150,877	323	150,554
Apr	85,283	13,816	71,467
May	78,006	2,507	75,498
Jun	72,972	12,929	60,042
Jul	55,279	5,492	49,787
Aug			
Sep			
Total	\$ 8,716,388	\$ 7,182,345	\$ 1,534,043
Cumulative Forecast	\$ 8,705,323	\$ 7,191,822	\$ 1,513,500
Actual to Forecast \$	\$ 11,065	\$ (9,477)	\$ 20,542
Actual to Forecast	0.1%	-0.1%	



Positive

General Debt Service Fund is used to pay principal and interest on tax-supported debt. Overall, the fund is as forecasted, with revenues 0.1% higher than forecasted and expenses 0.1% 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	250,597	286,726	(36,129)
Apr	244,969	212,099	32,870
May	249,345	367,176	(117,831)
Jun	242,370	164,265	78,105
Jul	280,284	360,908	(80,625)
Aug			
Sep			
Total	\$ 2,610,184	\$ 2,707,228	\$ (97,044)
Cumulative Forecast	\$ 2,763,825	\$ 2,763,825	\$ -
Actual to Forecast \$	\$ (153,641)	\$ (56,597)	\$ (97,044)
Actual to Forecast	-5.6%	-2.0%	



Positive

Employee Health Benefits Fund accounts for all health related claims paid from the City's partial self-insured fund. Overall, revenues are 5.6% lower than forecasted due to vacancies and expenses 2.0% lower than forecasted due to lower than expected claims.