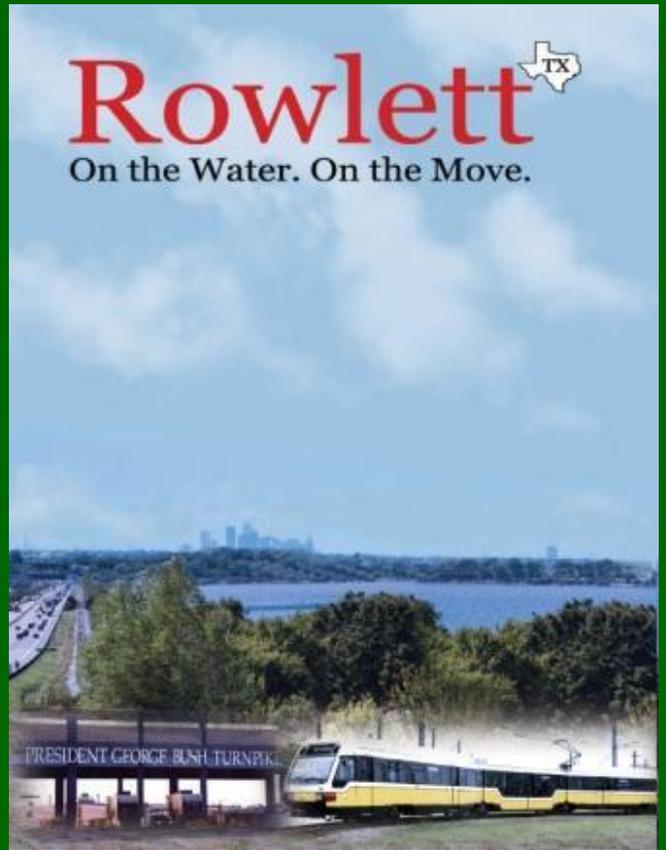




# **Comprehensive Monthly Financial Report**

**August 2013**





# MONTHLY FINANCIAL REPORT

## PERFORMANCE AT A GLANCE

**AUGUST 2013**

	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	WARNING	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**

**AUGUST 31, 2013 – 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 2.5% in the 2nd quarter of 2013 after increasing 1.1% in the 1st quarter of 2013 as reported by the Bureau of Economic Analysis. The increase reflected an upturn in business investment & exports of goods.

**Texas Retail Sales:**

Texas retail sales totaled \$37.7 billion for the month of June, a decrease of \$0.1 billion (0.26%) over June 2012.

**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 increased 1.2% between the months of June and July.

**UNEMPLOYMENT**

**National Unemployment:** 

The national unemployment rate decreased from 7.4% in July to 7.3% in August.

**State-Wide:**

The Texas unemployment rate for July, 2013 was 6.5%, the same as June, 2013.

**Rowlett:** 

The City of Rowlett unemployment rate for July 2013 was 6.3%, a 6.0% decrease over the June unemployment rate of 6.7%. Note – city unemployment rates are not seasonally adjusted.

Attached is the Comprehensive Monthly Financial report for August 2013. Eleven months of FY 2013, or 91.7% of the fiscal year is complete.

**Revenues:** Overall, the City has earned or received \$73.8 million for FY 2013. This amount is 92.2% of the approved operating budget of \$80.0 million and is 0.2% lower than forecast through the month of August.

- General Fund revenues are \$0.3 million or 0.9% higher than expected.
- Utility Fund revenues are \$1.3 million or 5.5% lower than expected.

**Expenditures:** Expenses totaled \$73.4 million year-to-date for FY 2013. This amount is 91.7% of the approved operating budget of \$80.1 million and is 0.7% lower than forecast through the month of August.

- General Fund expenditures are \$1.6 million or 5.3% lower than expected.
- Utility Fund expenditures are \$0.5 million or 2.2% higher than expected.

**Surplus:** The net surplus from operations through August is \$0.4 million which is \$0.4 million better than expected at this point in the year. The adopted operating budget for the fiscal year anticipates a total decrease of \$64 thousand.

**NOTEWORTHY**

North Texas Municipal Water District remains under Stage 3 water restrictions On April 25, the City of Rowlett received notice that the Board of Directors of the North Texas Municipal Water District (NTMWD) voted to implement Stage 3 of its Drought Plan. Once a week watering is in effect, and there is no watering between 10 am and 6 pm.

Mosquito season is here. Rowlett is experiencing an increased number of mosquitos testing positive for the virus. To avoid West Nile Virus, use the four D's to protect yourself – Drain standing water, Dress in long, light loose-fitting clothing, use insect repellent products with DEET as an ingredient, and stay inside during Dusk & Dawn hours.



**CITY OF ROWLETT, TEXAS  
FINANCIAL STATUS DASHBOARD  
August 31, 2013**

**BUDGET SUMMARY OF ALL FUNDS FY2013**

	2013 <u>Budget</u>	2013 <u>Forecast</u>	2013 <u>Year-to-Date</u>	<u>Variance</u>
<b>Beginning Reserves</b>	\$ 14,262,492	\$ 14,262,492	\$ 14,262,492	0.0%
<b>Revenues:</b>				
General	32,886,990	30,729,697	31,014,056	0.9%
Water & sewer	26,788,993	23,879,782	22,567,339	-5.5%
Debt service	8,612,739	8,580,105	8,544,908	-0.4%
Drainage	1,333,611	1,222,491	1,220,499	-0.2%
Refuse	4,764,621	4,367,646	4,291,102	-1.8%
Employee health benefits	3,787,878	3,472,222	3,178,461	-8.5%
Impact fees	44,357	41,542	206,561	397.2%
Police seizure	100,550	92,171	911,346	888.8%
Economic development	316,694	290,303	288,821	-0.5%
Innovations	-	-	124	0.0%
Hotel/motel tax	47,752	43,550	44,714	2.7%
P.E.G.	85,042	63,672	71,796	12.8%
Grants	24,590	22,199	63,187	184.6%
Community Development Block Grant	228,181	202,828	573,147	182.6%
Juvenile diversion	33,281	30,508	33,925	11.2%
Court technology	26,936	24,691	27,264	10.4%
Court security	20,035	18,365	20,313	10.6%
Traffic safety	297,926	273,099	131,864	-51.7%
Golf course	600,628	600,472	597,794	-0.4%
<b>Total Revenues</b>	<b>\$ 80,000,804</b>	<b>\$ 73,955,342</b>	<b>\$ 73,787,221</b>	<b>-0.2%</b>
<b>Expenses:</b>				
General	33,215,399	30,435,116	28,821,279	-5.3%
Water & sewer	26,707,119	24,242,636	24,769,604	2.2%
Debt service	8,612,739	8,609,579	8,477,395	-1.5%
Drainage	1,300,646	1,221,839	1,187,351	-2.8%
Refuse	4,740,876	4,346,803	4,280,554	-1.5%
Employee health benefits	3,698,369	3,390,172	3,593,530	6.0%
Impact fees	30,000	27,500	106,896	288.7%
Police seizure	100,550	92,171	469,106	409.0%
Economic development	345,192	317,123	289,044	-8.9%
Innovations	-	-	17,338	0.0%
Hotel/motel tax	42,749	39,187	67,194	71.5%
P.E.G.	69,845	64,257	71,155	10.7%
Grants	24,590	22,199	63,187	184.6%
Community Development Block Grant	228,181	202,828	573,147	182.6%
Juvenile diversion	33,274	30,501	26,220	-14.0%
Court technology	206,120	188,943	29,833	-84.2%
Court security	22,170	20,323	34,416	69.3%
Traffic safety	297,926	273,099	131,864	-51.7%
Golf course	389,176	389,176	379,176	-2.6%
<b>Total Expenses</b>	<b>\$ 80,064,921</b>	<b>\$ 73,913,452</b>	<b>\$ 73,388,288</b>	<b>-0.7%</b>
<b>Current Year Surplus/(Shortfall)</b>	<b>\$ (64,117)</b>	<b>\$ 41,890</b>	<b>\$ 398,933</b>	<b>852.3%</b>
<b>Ending Reserves</b>	<b>\$ 14,198,375</b>	<b>\$ 14,304,382</b>	<b>\$ 14,661,425</b>	<b>2.5%</b>

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 FY2013**

<u>Month</u>	<u>2013 Revenue</u>	<u>2013 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 1,581,793	\$ 3,174,107	\$ (1,592,314)
Nov	1,752,477	1,825,631	(73,154)
Dec	10,464,096	2,287,286	8,176,810
Jan	4,984,840	2,605,586	2,379,254
Feb	2,806,795	2,254,581	552,214
Mar	2,188,330	2,469,028	(280,699)
Apr	1,349,643	2,389,859	(1,040,215)
May	1,388,018	3,545,007	(2,156,989)
Jun	1,869,572	2,568,049	(698,477)
Jul	1,350,915	2,685,833	(1,334,918)
Aug	1,277,578	3,016,313	(1,738,735)
Sep			
<b>Total</b>	<b>\$ 31,014,056</b>	<b>\$ 28,821,279</b>	<b>\$ 2,192,777</b>
<b>Cumulative Forecast</b>	<b>\$ 30,729,697</b>	<b>\$ 30,435,116</b>	<b>\$ 294,581</b>
<b>Actual to Forecast \$</b>	<b>\$ 284,359</b>	<b>\$ (1,613,837)</b>	<b>\$ 1,898,196</b>
<b>Actual to Forecast %</b>	<b>0.9%</b>	<b>-5.3%</b>	



Positive

Cumulatively overall, the General Fund is better than forecasted for this time of the year, with revenues exceeding the forecast by 0.9% and expenses 5.3% lower than forecasted. These differences are primarily due to higher than expected sales taxes, vacancy savings and lower than expected supplies expenses.

**REVENUE ANALYSIS**

**PROPERTY TAXES FY2013**

<u>Month</u>	<u>2013 Forecast</u>	<u>2013 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 361,132	\$ 457,968	\$ 96,836
Nov	534,516	597,911	63,395
Dec	8,820,527	8,563,603	(256,924)
Jan	3,376,438	3,835,692	459,254
Feb	1,581,369	1,359,068	(222,301)
Mar	263,488	204,532	(58,956)
Apr	157,399	106,625	(50,774)
May	90,545	43,298	(47,247)
Jun	113,108	97,657	(15,451)
Jul	75,084	39,691	(35,393)
Aug	62,289	28,162	(34,127)
Sep	23,016		
<b>Total</b>	<b>\$ 15,458,911</b>	<b>\$ 15,334,207</b>	<b>\$ (101,688)</b>
<b>Actual to Forecast</b>			<b>-0.7%</b>



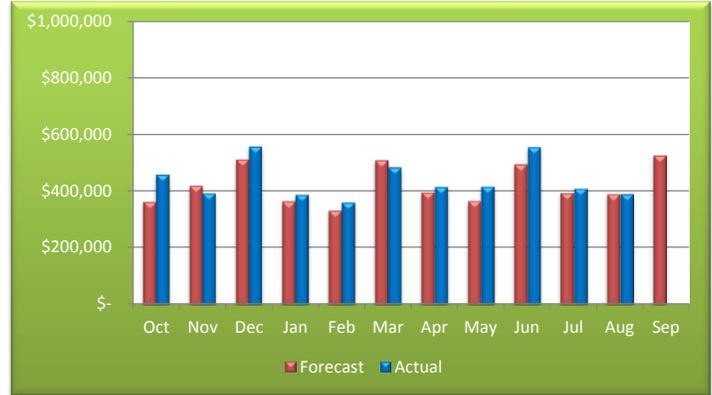
Positive

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

**REVENUE ANALYSIS**

**SALES TAXES FY2013**

<u>Month</u>	<u>2013 Forecast</u>	<u>2013 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 361,401	\$ 457,566	\$ 96,165
Nov	418,744	391,973	(26,771)
Dec	510,638	556,357	45,719
Jan	363,526	387,255	23,729
Feb	331,005	359,169	28,164
Mar	507,568	482,821	(24,747)
Apr	394,933	413,641	18,708
May	365,302	415,585	50,283
Jun	493,320	554,671	61,351
Jul	392,469	408,600	16,131
Aug	388,532	<b>388,532</b>	-
Sep	524,552		
<b>Total</b>	<b>\$ 5,051,990</b>	<b>\$ 4,816,170</b>	<b>\$ 288,732</b>
<i>Actual to Forecast</i>			6.4%



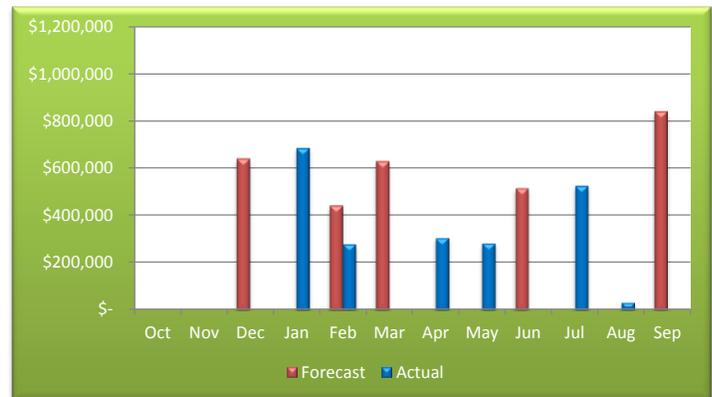
Positive

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. Sales taxes for the month of July are 4.1% higher than forecasted and cumulatively sales taxes are 6.4% over forecast for the year. The sales taxes reported here for August represent an estimate.

**REVENUE ANALYSIS**

**FRANCHISE FEES FY2013**

<u>Month</u>	<u>2013 Forecast</u>	<u>2013 Actual</u>	<u>Monthly Variance</u>
Oct	\$ -	\$ 110	\$ 110
Nov	-	-	-
Dec	638,370	-	(638,370)
Jan	-	683,373	683,373
Feb	440,516	277,476	(163,040)
Mar	627,540	-	(627,540)
Apr	-	303,375	303,375
May	-	281,709	281,709
Jun	514,010	40	(513,970)
Jul	-	523,642	523,642
Aug	-	31,224	31,224
Sep	838,072		
<b>Total</b>	<b>\$ 3,058,509</b>	<b>\$ 2,100,949</b>	<b>\$ (119,488)</b>
<i>Actual to Forecast</i>			-5.4%



Negative

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 are 5.4% lower than forecasted as a result of the yearly payment for natural gas totaling 30.2% lower than forecasted. Natural gas prices are much lower than projected at the beginning of the fiscal year.

**OVERALL FUND PERFORMANCE**

**UTILITY FUND REVENUES VS EXPENSES FY2013**

<u>Month</u>	<u>2013 Revenue</u>	<u>2013 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 2,139,089	\$ 1,824,240	\$ 314,849
Nov	2,097,389	1,772,973	324,416
Dec	2,165,287	1,786,703	378,584
Jan	1,670,797	1,682,982	(12,185)
Feb	1,627,836	1,757,248	(129,412)
Mar	1,838,432	6,040,182	(4,201,750)
Apr	1,926,725	1,775,991	150,735
May	2,009,539	1,869,406	140,133
Jun	2,048,248	1,739,331	308,917
Jul	2,460,321	1,838,383	621,938
Aug	2,583,677	2,682,166	(98,489)
Sep			-
<b>Total</b>	<b>\$ 22,567,339</b>	<b>\$ 24,769,604</b>	<b>\$ (2,202,264)</b>
<b>Cumulative Forecast</b>	<b>\$ 23,879,782</b>	<b>\$ 24,242,636</b>	<b>\$ (362,855)</b>
<b>Actual to Forecast \$</b>	<b>\$ (1,312,443)</b>	<b>\$ 526,967</b>	<b>\$ (1,839,410)</b>
<b>Actual to Forecast</b>	<b>-5.5%</b>	<b>2.2%</b>	



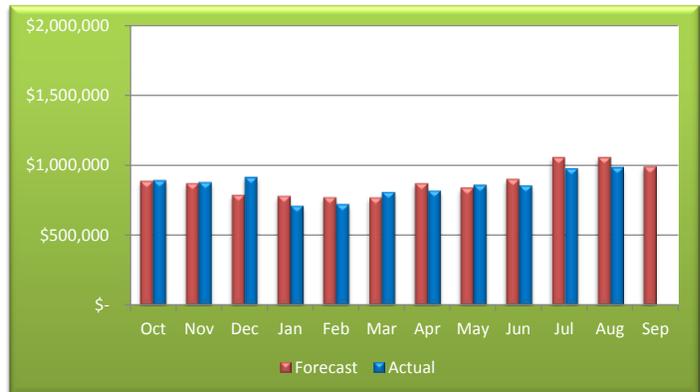
Negative

Utility fund revenues are 5.5% lower than forecast, and expenses are 2.2% higher. These differences are primarily due to lower than expected water sales as a result of Stage 3 watering restrictions and unanticipated rain during the summer. Additionally, the first of the twice yearly bond payments was made in March.

**REVENUE ANALYSIS**

**SEWER REVENUES FY2013**

<u>Month</u>	<u>2013 Forecast</u>	<u>2013 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 884,374	\$ 890,089	\$ 5,715
Nov	868,945	878,411	9,466
Dec	786,084	913,194	127,110
Jan	778,846	708,849	(69,997)
Feb	769,687	720,882	(48,805)
Mar	767,703	807,800	40,097
Apr	868,068	817,933	(50,135)
May	837,117	857,496	20,379
Jun	897,684	854,655	(43,029)
Jul	1,054,455	976,671	(77,784)
Aug	1,053,496	984,854	(68,642)
Sep	988,340		
<b>Total</b>	<b>\$ 10,554,799</b>	<b>\$ 9,410,833</b>	<b>\$ (155,626)</b>
<b>Actual to Forecast</b>			<b>-1.6%</b>



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 1.6% lower than forecasted for this time of year.

**REVENUE ANALYSIS**

**WATER REVENUES FY2013**

<u>Month</u>	<u>2013 Forecast</u>	<u>2013 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 1,266,568	\$ 1,088,274	\$ (178,294)
Nov	1,162,925	1,182,629	19,704
Dec	967,789	1,092,214	124,425
Jan	934,594	952,729	18,135
Feb	911,446	815,151	(96,295)
Mar	923,583	946,175	22,592
Apr	1,119,185	999,441	(119,744)
May	1,103,643	1,071,358	(32,285)
Jun	1,335,846	1,109,757	(226,089)
Jul	1,848,490	1,383,765	(464,725)
Aug	1,923,975	1,495,000	(428,975)
Sep	1,817,430		
<b>Total</b>	<b>\$ 15,315,474</b>	<b>\$ 12,136,493</b>	<b>\$ (1,361,551)</b>
<i>Actual to Forecast</i>			<i>-10.1%</i>



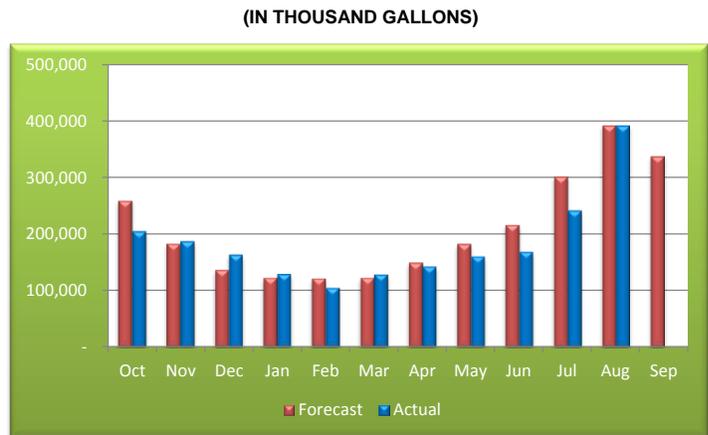
**Negative**

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. These differences are primarily due to lower than expected water sales as a result of Stage 3 watering restrictions and unanticipated rain during the summer. Water revenues are 10.1% less than forecasted for this time of year.

**REVENUE ANALYSIS**

**WATER USAGE FY2013**

<u>Month</u>	<u>2013 Forecast</u>	<u>2013 Actual</u>	<u>Monthly Variance</u>
Oct	259,455	205,540	(53,915)
Nov	183,154	187,606	4,452
Dec	137,185	163,893	26,708
Jan	123,269	129,425	6,156
Feb	121,904	105,169	(16,735)
Mar	123,297	128,760	5,463
Apr	149,889	142,911	(6,978)
May	182,800	161,087	(21,713)
Jun	216,668	169,558	(47,110)
Jul	302,232	241,904	(60,328)
Aug	392,638	<b>392,638</b>	-
Sep	337,845		
<b>Total</b>	<b>2,530,336</b>	<b>2,028,491</b>	<b>(164,000)</b>
<i>Actual to Forecast</i>			<i>-7.5%</i>



**Negative**

The City purchases its water from the North Texas Municipal Water District. Customer usage is 7.5% 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 FY2013**

<u>Month</u>	<u>2013 Revenue</u>	<u>2013 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 366,252	\$ 391,923	\$ (25,671)
Nov	385,155	384,560	595
Dec	392,673	383,782	8,891
Jan	380,591	384,427	(3,836)
Feb	405,794	467,943	(62,149)
Mar	388,264	317,584	70,680
Apr	395,238	362,370	32,868
May	400,191	423,996	(23,804)
Jun	382,291	392,083	(9,792)
Jul	403,707	381,803	21,904
Aug	390,945	390,083	863
Sep			-
<b>Total</b>	<b>\$ 4,291,102</b>	<b>\$ 4,280,554</b>	<b>\$ 10,548</b>
<b>Cumulative Forecast</b>	<b>\$ 4,367,646</b>	<b>\$ 4,346,803</b>	<b>\$ 20,843</b>
<b>Actual to Forecast \$</b>	<b>\$ (76,544)</b>	<b>\$ (66,250)</b>	<b>\$ (10,294)</b>
<b>Actual to Forecast</b>	<b>-1.8%</b>	<b>-1.5%</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 1.8% lower than forecasted, and expenses are 1.5% lower than forecasted.

**OVERALL FUND PERFORMANCE**

**DRAINAGE FUND REVENUES VS EXPENSES FY2013**

<u>Month</u>	<u>2013 Revenue</u>	<u>2013 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 110,022	\$ 65,908	\$ 44,114
Nov	109,727	71,572	38,155
Dec	110,083	70,585	39,498
Jan	110,311	77,866	32,445
Feb	112,766	358,526	(245,759)
Mar	109,880	81,451	28,429
Apr	110,666	68,043	42,623
May	116,140	81,804	34,336
Jun	105,116	68,593	36,523
Jul	114,748	87,376	27,372
Aug	111,039	155,627	(44,588)
Sep			-
<b>Total</b>	<b>\$ 1,220,499</b>	<b>\$ 1,187,351</b>	<b>\$ 33,148</b>
<b>Cumulative Forecast</b>	<b>\$ 1,222,491</b>	<b>\$ 1,221,839</b>	<b>\$ 652</b>
<b>Actual to Forecast \$</b>	<b>\$ (1,992)</b>	<b>\$ (34,488)</b>	<b>\$ 32,496</b>
<b>Actual to Forecast</b>	<b>-0.2%</b>	<b>-2.8%</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 0.2% lower than forecasted but expenses 2.8% lower than forecasted. The second of the bi-annual bond payments was made in August.

**OVERALL FUND PERFORMANCE**

**DEBT SERVICE FUND REVENUES VS EXPENSES FY2013**

<u>Month</u>	<u>2013 Revenue</u>	<u>2013 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 256,784	\$ 3,949	\$ 252,835
Nov	328,109	12,267	315,842
Dec	4,445,281	5,253	4,440,028
Jan	2,002,239	13,288	1,988,951
Feb	910,927	6,807,794	(5,896,867)
Mar	126,203	9,749	116,454
Apr	75,481	4,526	70,955
May	45,568	1,122	44,446
Jun	69,395	11,787	57,608
Jul	40,638	2,535	38,104
Aug	244,283	1,605,124	(1,360,841)
Sep			
<b>Total</b>	<b>\$ 8,544,908</b>	<b>\$ 8,477,395</b>	<b>\$ 67,514</b>
<b>Cumulative Forecast</b>	<b>\$ 8,580,105</b>	<b>\$ 8,609,579</b>	<b>\$ (29,473)</b>
<b>Actual to Forecast \$</b>	<b>\$ (35,197)</b>	<b>\$ (132,184)</b>	<b>\$ 96,987</b>
<b>Actual to Forecast</b>	<b>-0.4%</b>	<b>-1.5%</b>	



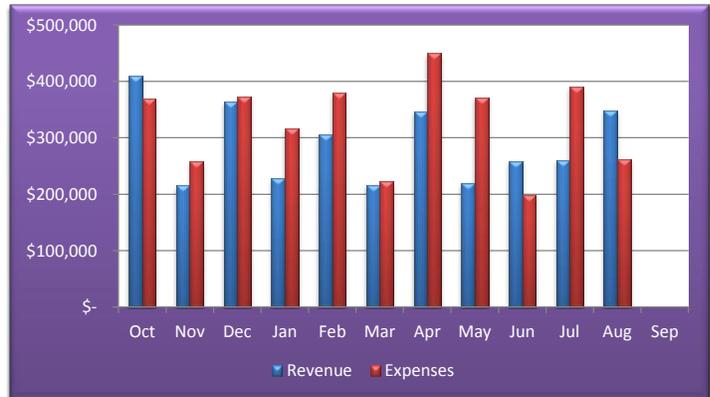
Positive

General Debt Service Fund is used to pay principal and interest on tax-supported debt. Overall, the fund is better than forecasted, with revenues 0.4% lower than projected and expenses 1.5% lower than expected. The fund makes semi-annual debt payments in February and August.

**OVERALL FUND PERFORMANCE**

**EMPLOYEE HEALTH BENEFITS FUND REVENUES VS EXPENSES FY2013**

<u>Month</u>	<u>2013 Revenue</u>	<u>2013 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 410,972	\$ 369,539	\$ 41,433
Nov	216,114	258,525	(42,411)
Dec	364,477	373,185	(8,707)
Jan	228,342	316,183	(87,842)
Feb	305,824	380,153	(74,329)
Mar	216,782	222,512	(5,730)
Apr	347,234	449,740	(102,506)
May	219,850	371,896	(152,046)
Jun	259,000	198,714	60,286
Jul	260,826	390,538	(129,712)
Aug	349,040	262,545	86,495
Sep			
<b>Total</b>	<b>\$ 3,178,461</b>	<b>\$ 3,593,530</b>	<b>\$ (415,069)</b>
<b>Cumulative Forecast</b>	<b>\$ 3,472,222</b>	<b>\$ 3,390,172</b>	<b>\$ 82,050</b>
<b>Actual to Forecast \$</b>	<b>\$ (293,761)</b>	<b>\$ 203,358</b>	<b>\$ (497,119)</b>
<b>Actual to Forecast</b>	<b>-8.5%</b>	<b>6.0%</b>	



Warning

Employee Health Benefits Fund accounts for all health related claims paid from the City's partial self-insured fund. Overall, revenues are 8.5% lower than forecasted and expenses are 6.0% higher than forecasted. Revenues are lower than expected due to personnel vacancies, and expenses are higher than forecasted due to higher than expected claims.