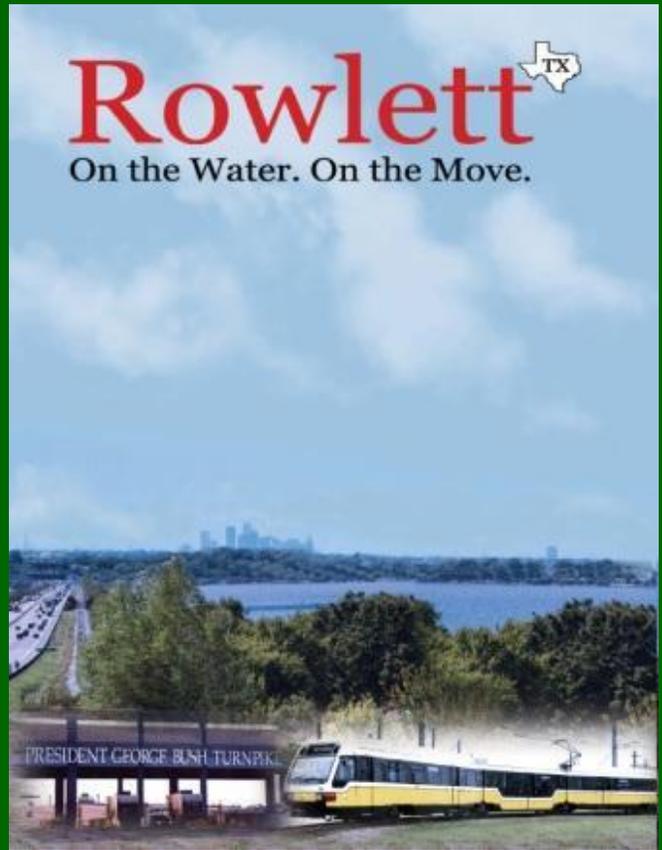




Comprehensive Monthly Financial Report

November 2013





MONTHLY FINANCIAL REPORT

PERFORMANCE AT A GLANCE

OCTOBER 2013

| | 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 | WARNING | Page 7 |
| SEWER REVENUES | WARNING | Page 7 |
| WATER REVENUES | POSITIVE | Page 8 |
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| REFUSE FUND REV VS EXP | POSITIVE | Page 9 |
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| 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

NOVEMBER 30, 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 3.6% in the 3rd quarter of 2013 after increasing 2.5% in the 2nd quarter of 2013 as reported by the Bureau of Economic Analysis. The increase reflected a notable increase in inventory investment. Imports also increased as did state and local government spending.

Texas Retail Sales: 

Texas retail sales totaled \$39.6 billion for the month of September, an increase of \$0.8 billion (2.1%) over September 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 0.6% between the months of August and September.

UNEMPLOYMENT

National Unemployment: 

The national unemployment rate decreased from 7.3% in October to 7.0% in September.

State-Wide: 

The Texas unemployment rate for Oct, 2013 was 6.2%, 0.1% less than September, 2013.

Rowlett:

The City of Rowlett unemployment rate for October, 2013 was 5.8%, flat from September, 2013. Note – city unemployment rates are not seasonally adjusted.

Attached is the Comprehensive Monthly Financial report for November 2013. Two months of FY 2014, or 16.7% of the fiscal year is complete.

Revenues: Overall, the City has earned or received \$10.2 million for FY 2014. This amount is 12.5% of the approved operating budget of \$81.4 million and is 2.1% more than forecast through the month of November.

- General Fund revenues are \$0.1 million or 3.3% higher than expected.
- Utility Fund revenues are \$33 thousand or 0.7% higher than expected.

Expenditures: Expenses totaled \$10.9 million year-to-date for FY 2014. This amount is 13.2% of the approved operating budget of \$82.7 million and is 5.4% lower than forecast through the month of November.

- General Fund expenditures are \$0.5 million or 9.1% lower than expected.
- Utility Fund expenditures are \$0.1 million or 3.1% higher than expected.

Surplus: The net shortfall from operations through November is \$0.7 million which is \$0.8 million better than expected at this point in the year. The adopted operating budget for the fiscal year anticipates a total decrease of \$1.3 million.

NOTEWORTHY

STAGE 3 WATER RESTRICTIONS EXTENDED THROUGH

MARCH 31, 2014 The North Texas Municipal Water District (NTMWD) Board of Directors has unanimously voted to remain in Stage 3 of the NTMWD Water Conservation and Drought Contingency and Water Emergency Response Plan. Continuation of Stage 3 water restrictions is necessary due to below average rainfall, declining water levels of NTMWD reservoirs and the ongoing prohibition of pumping water from Lake Texoma due to the zebra mussel infestation.



**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
November 30, 2013**

BUDGET SUMMARY OF ALL FUNDS FY2014

| | 2014 <u>Budget</u> | 2014 <u>Forecast</u> | 2014 <u>Year-to-Date</u> | <u>Variance</u> |
|---|-----------------------|-------------------------|-----------------------------|-----------------|
| Beginning Reserves | \$ 16,862,505 | \$ 16,862,505 | \$ 16,862,505 | 0.0% |
| Revenues: | | | | |
| General | 33,671,772 | 3,055,639 | 3,156,313 | 3.3% |
| Water & sewer | 27,531,543 | 4,585,002 | 4,618,376 | 0.7% |
| Debt service | 8,246,662 | 445,437 | 518,911 | 16.5% |
| Drainage | 1,346,939 | 224,385 | 221,084 | -1.5% |
| Refuse | 4,835,889 | 805,416 | 789,830 | -1.9% |
| Employee health benefits | 4,095,123 | 682,521 | 691,418 | 1.3% |
| Impact fees | 44,357 | 5,861 | 62,887 | 973.0% |
| Police seizure | 100,550 | 16,758 | 14,807 | -11.6% |
| Economic development | 316,694 | 52,782 | 53,004 | 0.4% |
| Innovations | - | - | 577 | 0.0% |
| Hotel/motel tax | 47,752 | 7,879 | 7,874 | -0.1% |
| P.E.G. | 85,042 | - | 77 | 0.0% |
| Grants | 41,838 | 3,487 | 9,227 | 164.6% |
| Community Development Block Grant | 191,254 | 31,876 | 6,376 | -80.0% |
| Inspection Fees Fund | 169,333 | 28,222 | - | -100.0% |
| Juvenile diversion | 33,281 | 5,547 | 5,195 | -6.3% |
| Court technology | 26,936 | 4,489 | 4,269 | -4.9% |
| Court security | 20,035 | 3,339 | 2,986 | -10.6% |
| Golf course | 601,728 | 20 | 882 | 4299.0% |
| Total Revenues | \$ 81,406,728 | \$ 9,958,661 | \$ 10,164,093 | 2.1% |
| Expenses: | | | | |
| General | 35,001,079 | 5,815,175 | 5,287,824 | -9.1% |
| Water & sewer | 27,403,823 | 3,708,629 | 3,823,462 | 3.1% |
| Debt service | 8,246,662 | 124,341 | 144,195 | 16.0% |
| Drainage | 1,303,580 | 147,830 | 124,596 | -15.7% |
| Refuse | 4,778,613 | 800,437 | 783,713 | -2.1% |
| Employee health benefits | 4,070,097 | 678,350 | 531,270 | -21.7% |
| Impact fees | 30,000 | 5,000 | - | -100.0% |
| Police seizure | 100,550 | 16,758 | 95,919 | 472.4% |
| Economic development | 355,588 | 56,443 | 42,933 | -23.9% |
| Innovations | 224,605 | 37,434 | - | -100.0% |
| Hotel/motel tax | 42,749 | 7,125 | - | -100.0% |
| P.E.G. | 71,811 | 11,048 | 9,971 | -9.7% |
| Grants | 41,838 | 3,487 | 9,227 | 164.6% |
| Community Development Block Grant | 191,254 | 31,876 | 6,376 | -80.0% |
| Inspection Fees Fund | 146,144 | 24,357 | - | -100.0% |
| Juvenile diversion | 33,210 | 5,535 | 4,193 | -24.2% |
| Court technology | 29,145 | 4,858 | 18,344 | 277.6% |
| Court security | 24,102 | 4,017 | 5,541 | 37.9% |
| Golf course | 601,728 | 30,426 | - | -100.0% |
| Total Expenses | \$ 82,696,578 | \$ 11,513,125 | \$ 10,887,565 | -5.4% |
| Current Year Surplus/(Shortfall) | \$ (1,289,850) | \$ (1,554,464) | \$ (723,471) | -146.5% |
| Ending Reserves | \$ 15,572,655 | \$ 15,308,041 | \$ 16,139,034 | 5.4% |

| |
|----------|
| 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 FY2014

| <u>Month</u> | <u>2014 Revenue</u> | <u>2014 Expenses</u> | <u>Monthly Variance</u> |
|------------------------------|---------------------|----------------------|-------------------------|
| Oct | 1,600,503 | 2,235,034 | \$ (634,531) |
| Nov | 1,555,810 | 3,052,790 | (1,496,980) |
| Dec | - | - | - |
| Jan | - | - | - |
| Feb | - | - | - |
| Mar | - | - | - |
| Apr | - | - | - |
| May | - | - | - |
| Jun | - | - | - |
| Jul | - | - | - |
| Aug | - | - | - |
| Sep | - | - | - |
| Total | \$ 3,156,313 | \$ 5,287,824 | \$ (2,131,511) |
| Cumulative Forecast | \$ 3,055,639 | \$ 5,815,175 | \$ (2,759,536) |
| Actual to Forecast \$ | \$ 100,674 | \$ (527,352) | \$ 628,025 |
| Actual to Forecast % | 3.3% | -9.1% | |



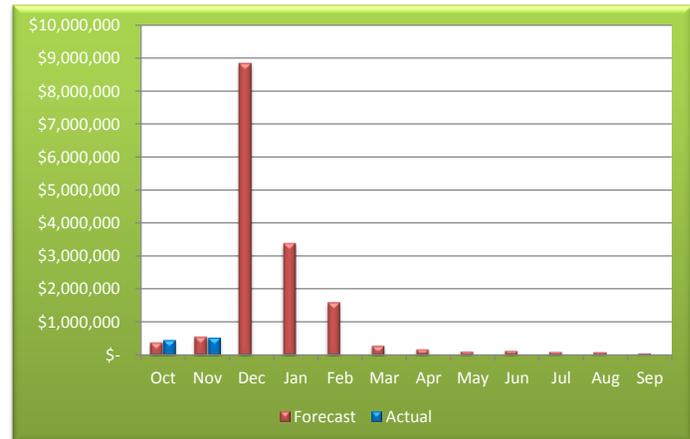
Positive

Cumulatively overall, the General Fund is better than forecasted for this time of the year, with revenues exceeding the forecast by 3.3% and expenses 9.1% lower than forecasted. These differences are primarily due to higher than expected fees and charges, vacancy savings and lower than expected supplies expenses.

REVENUE ANALYSIS

PROPERTY TAXES FY2014

| <u>Month</u> | <u>2014 Forecast</u> | <u>2014 Actual</u> | <u>Monthly Variance</u> |
|---------------------------|----------------------|--------------------|-------------------------|
| Oct | \$ 388,488 | \$ 460,233 | \$ 71,745 |
| Nov | 561,872 | 531,720 | (30,152) |
| Dec | 8,847,877 | | |
| Jan | 3,403,794 | | |
| Feb | 1,608,725 | | |
| Mar | 290,844 | | |
| Apr | 184,755 | | |
| May | 117,901 | | |
| Jun | 140,464 | | |
| Jul | 102,440 | | |
| Aug | 89,645 | | |
| Sep | 50,372 | | |
| Total | \$ 15,787,177 | \$ 991,952 | \$ 41,592 |
| Actual to Forecast | | | 4.4% |



Positive

Property taxes represents nearly 50% of the total General Fund revenue budget and serves as the primary funding source for the general government. Property taxes are generally collected in December of each year. Cumulatively overall, property tax revenues are 4.4% higher than forecasted for this time of the year.

REVENUE ANALYSIS

SALES TAXES FY2014

| <u>Month</u> | <u>2014 Forecast</u> | <u>2014 Actual</u> | <u>Monthly Variance</u> |
|---------------------------|----------------------|--------------------|-------------------------|
| Oct | \$ 459,941 | \$ 427,851 | \$ (32,090) |
| Nov | 394,348 | 394,348 | - |
| Dec | 558,732 | | |
| Jan | 389,630 | | |
| Feb | 361,544 | | |
| Mar | 485,196 | | |
| Apr | 416,016 | | |
| May | 417,960 | | |
| Jun | 557,046 | | |
| Jul | 410,975 | | |
| Aug | 434,864 | | |
| Sep | 526,923 | | |
| Total | \$ 5,413,175 | \$ 822,199 | \$ (32,090) |
| <i>Actual to Forecast</i> | | | -3.8% |



Warning

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 October are 7% below projected. Sales taxes for November are an estimate.

REVENUE ANALYSIS

FRANCHISE FEES FY2014

| <u>Month</u> | <u>2014 Forecast</u> | <u>2014 Actual</u> | <u>Monthly Variance</u> |
|---------------------------|----------------------|--------------------|-------------------------|
| Oct | \$ - | \$ - | \$ - |
| Nov | - | - | - |
| Dec | 652,928 | | |
| Jan | - | | |
| Feb | 333,775 | | |
| Mar | 642,098 | | |
| Apr | - | | |
| May | - | | |
| Jun | 528,568 | | |
| Jul | - | | |
| Aug | - | | |
| Sep | 852,633 | | |
| Total | \$ 3,010,000 | \$ - | \$ - |
| <i>Actual to Forecast</i> | | | |



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. No franchise payments are expected until December.

OVERALL FUND PERFORMANCE

UTILITY FUND REVENUES VS EXPENSES FY2014

| <u>Month</u> | <u>2014 Revenue</u> | <u>2014 Expenses</u> | <u>Monthly Variance</u> |
|------------------------------|---------------------|----------------------|-------------------------|
| Oct | \$ 2,506,570 | \$ 1,769,999 | \$ 736,571 |
| Nov | 2,111,806 | 2,053,463 | 58,343 |
| Dec | | | - |
| Jan | | | - |
| Feb | | | - |
| Mar | | | - |
| Apr | | | - |
| May | | | - |
| Jun | | | - |
| Jul | | | - |
| Aug | | | - |
| Sep | | | - |
| Total | \$ 4,618,376 | \$ 3,823,462 | \$ 794,914 |
| Cumulative Forecast | \$ 4,585,002 | \$ 3,708,629 | \$ 876,373 |
| Actual to Forecast \$ | \$ 33,374 | \$ 114,833 | \$ (81,459) |
| Actual to Forecast | 0.7% | 3.1% | |



Warning

Utility fund revenues are 0.7% higher than forecast, and expenses are 3.1% higher. These differences are primarily due to higher than expected water purchases and sewer treatment costs net vacancy savings and lower than expected supply costs.

REVENUE ANALYSIS

SEWER REVENUES FY2014

| <u>Month</u> | <u>2014 Forecast</u> | <u>2014 Actual</u> | <u>Monthly Variance</u> |
|---------------------------|----------------------|---------------------|-------------------------|
| Oct | \$ 919,553 | \$ 950,609 | \$ 31,056 |
| Nov | 907,875 | 832,809 | (75,066) |
| Dec | 942,658 | | |
| Jan | 738,313 | | |
| Feb | 750,346 | | |
| Mar | 837,264 | | |
| Apr | 847,397 | | |
| May | 886,960 | | |
| Jun | 884,119 | | |
| Jul | 1,006,135 | | |
| Aug | 1,014,318 | | |
| Sep | 1,058,609 | | |
| Total | \$ 10,793,547 | \$ 1,783,418 | \$ (44,010) |
| Actual to Forecast | | | -2.4% |



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 2.4% lower than forecasted for this time of year.

REVENUE ANALYSIS

WATER REVENUES FY2014

| <u>Month</u> | <u>2014 Forecast</u> | <u>2014 Actual</u> | <u>Monthly Variance</u> |
|---------------------------|----------------------|---------------------|-------------------------|
| Oct | \$ 1,256,608 | \$ 1,432,250 | \$ 175,642 |
| Nov | 1,350,960 | 1,153,189 | (197,771) |
| Dec | 1,260,545 | | |
| Jan | 1,121,060 | | |
| Feb | 983,482 | | |
| Mar | 1,114,506 | | |
| Apr | 1,167,772 | | |
| May | 1,239,689 | | |
| Jun | 1,278,088 | | |
| Jul | 1,552,096 | | |
| Aug | 1,663,331 | | |
| Sep | 1,831,139 | | |
| Total | \$ 15,819,276 | \$ 2,585,439 | \$ (22,129) |
| <i>Actual to Forecast</i> | | | <i>-0.8%</i> |



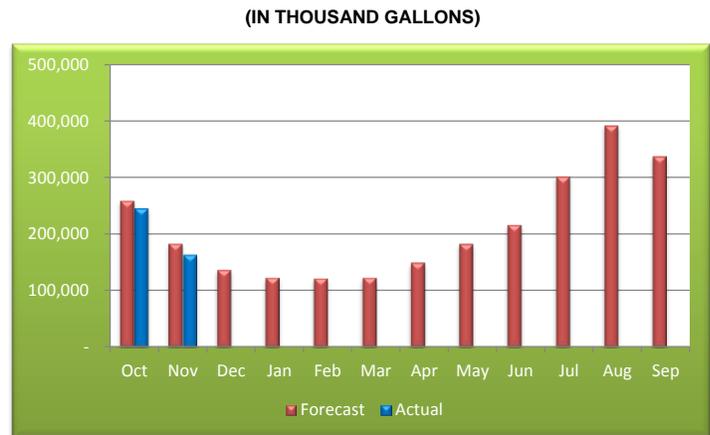
Positive

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. Water revenues are 0.8% less than forecasted for this time of year.

REVENUE ANALYSIS

WATER USAGE FY2014

| <u>Month</u> | <u>2014 Forecast</u> | <u>2014 Actual</u> | <u>Monthly Variance</u> |
|---------------------------|----------------------|--------------------|-------------------------|
| Oct | 259,455 | 244,924 | (14,531) |
| Nov | 183,154 | 163,192 | (19,962) |
| Dec | 137,185 | | |
| Jan | 123,269 | | |
| Feb | 121,904 | | |
| Mar | 123,297 | | |
| Apr | 149,889 | | |
| May | 182,800 | | |
| Jun | 216,668 | | |
| Jul | 302,232 | | |
| Aug | 392,638 | | |
| Sep | 337,845 | | |
| Total | 2,530,336 | 408,116 | (34,493) |
| <i>Actual to Forecast</i> | | | <i>-7.8%</i> |



Negative

The City purchases its water from the North Texas Municipal Water District. Customer usage is 7.8% 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 FY2014

| <u>Month</u> | <u>2014 Revenue</u> | <u>2014 Expenses</u> | <u>Monthly Variance</u> |
|------------------------------|---------------------|----------------------|-------------------------|
| Oct | \$ 393,619 | \$ 395,068 | \$ (1,449) |
| Nov | 396,211 | 388,645 | 7,567 |
| Dec | | | - |
| Jan | | | - |
| Feb | | | - |
| Mar | | | - |
| Apr | | | - |
| May | | | - |
| Jun | | | - |
| Jul | | | - |
| Aug | | | - |
| Sep | | | - |
| Total | \$ 789,830 | \$ 783,713 | \$ 6,118 |
| Cumulative Forecast | \$ 805,416 | \$ 800,437 | \$ 4,979 |
| Actual to Forecast \$ | \$ (15,586) | \$ (16,724) | \$ 1,138 |
| Actual to Forecast | -1.9% | -2.1% | |



Positive

The Refuse Fund accounts for monies collected from customers on their utility bills and remitted to our solid waste provider. Revenues are currently 1.9% lower than forecasted, and expenses are 2.1% lower than forecasted.

OVERALL FUND PERFORMANCE

DRAINAGE FUND REVENUES VS EXPENSES FY2014

| <u>Month</u> | <u>2014 Revenue</u> | <u>2014 Expenses</u> | <u>Monthly Variance</u> |
|------------------------------|---------------------|----------------------|-------------------------|
| Oct | \$ 111,003 | \$ 61,084 | \$ 49,919 |
| Nov | 110,081 | 63,512 | 46,569 |
| Dec | | | - |
| Jan | | | - |
| Feb | | | - |
| Mar | | | - |
| Apr | | | - |
| May | | | - |
| Jun | | | - |
| Jul | | | - |
| Aug | | | - |
| Sep | | | - |
| Total | \$ 221,084 | \$ 124,596 | \$ 96,488 |
| Cumulative Forecast | \$ 224,385 | \$ 147,830 | \$ 76,555 |
| Actual to Forecast \$ | \$ (3,301) | \$ (23,234) | \$ 19,933 |
| Actual to Forecast | -1.5% | -15.7% | |



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 1.5% lower than forecasted but expenses 15.7% lower than forecasted.

OVERALL FUND PERFORMANCE

DEBT SERVICE FUND REVENUES VS EXPENSES FY2013

| <u>Month</u> | <u>2014 Revenue</u> | <u>2014 Expenses</u> | <u>Monthly Variance</u> |
|------------------------------|---------------------|----------------------|-------------------------|
| Oct | \$ 242,680 | \$ 13,921 | \$ 228,759 |
| Nov | 276,231 | 130,274 | 145,957 |
| Dec | - | - | - |
| Jan | - | - | - |
| Feb | - | - | - |
| Mar | - | - | - |
| Apr | - | - | - |
| May | - | - | - |
| Jun | - | - | - |
| Jul | - | - | - |
| Aug | - | - | - |
| Sep | - | - | - |
| Total | \$ 518,911 | \$ 144,195 | \$ 374,715 |
| Cumulative Forecast | \$ 445,437 | \$ 124,341 | \$ 321,096 |
| Actual to Forecast \$ | \$ 73,474 | \$ 19,854 | \$ 53,619 |
| Actual to Forecast | 16.5% | 16.0% | |



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 16.5% higher than projected and expenses 16.0% higher 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>2014 Revenue</u> | <u>2014 Expenses</u> | <u>Monthly Variance</u> |
|------------------------------|---------------------|----------------------|-------------------------|
| Oct | \$ 377,939 | \$ 348,484 | \$ 29,455 |
| Nov | 313,479 | 182,787 | 130,692 |
| Dec | - | - | - |
| Jan | - | - | - |
| Feb | - | - | - |
| Mar | - | - | - |
| Apr | - | - | - |
| May | - | - | - |
| Jun | - | - | - |
| Jul | - | - | - |
| Aug | - | - | - |
| Sep | - | - | - |
| Total | \$ 691,418 | \$ 531,270 | \$ 160,147 |
| Cumulative Forecast | \$ 682,521 | \$ 678,350 | \$ 4,171 |
| Actual to Forecast \$ | \$ 8,897 | \$ (147,079) | \$ 155,976 |
| Actual to Forecast | 1.3% | -21.7% | |



Positive

Employee Health Benefits Fund accounts for all health related claims paid from the City's partial self-insured fund. Overall, revenues are 1.3% higher than forecasted and expenses are 21.7% lower than forecasted. Expenses are lower than forecasted due to lower than expected claims.