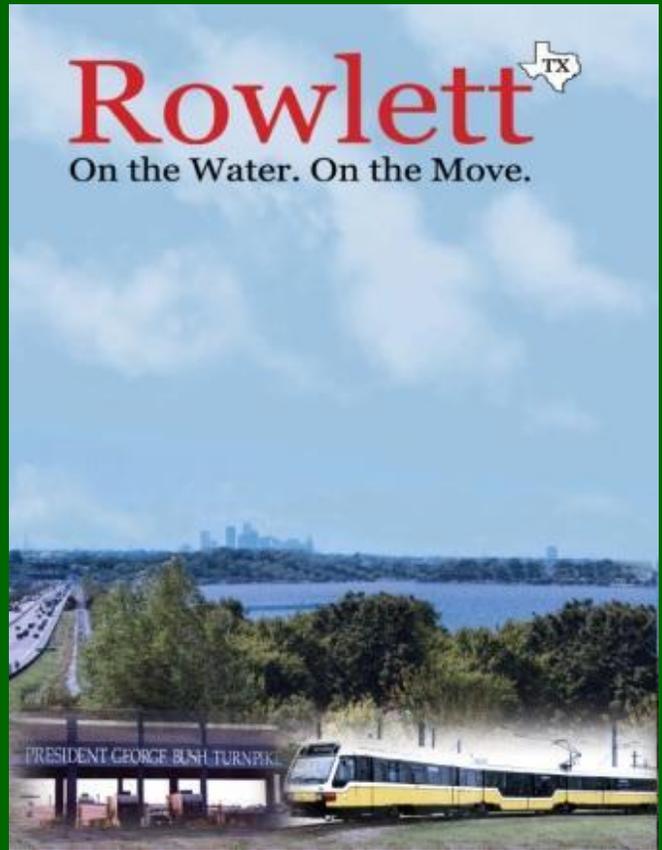




Comprehensive Monthly Financial Report

December 2013





MONTHLY FINANCIAL REPORT

PERFORMANCE AT A GLANCE

DECEMBER 2013

	YEAR TO DATE	REFERENCE
ALL FUNDS SUMMARY	POSITIVE	Page 4
GENERAL FUND REV VS EXP	POSITIVE	Page 5
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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, 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 4.1% 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 \$400.5 billion for the month of November, an increase of \$15.8 billion (4.1%) over November 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 October and November.

UNEMPLOYMENT

National Unemployment:  The national unemployment rate decreased from 7.0% in November to 6.7% in December.

State-Wide:  The Texas unemployment rate for Nov., 2013 was 6.1%, 0.1% less than October, 2013.

Rowlett:  The City of Rowlett unemployment rate for November, 2013 was 5.5%, 0.2% less than October, 2013. Note – city unemployment rates are not seasonally adjusted.

Attached is the Comprehensive Monthly Financial report for December 2013. Three months of FY 2014, or 25.0% of the fiscal year is complete.

Revenues: Overall, the City has earned or received \$28.4 million for FY 2014. This amount is 34.9% of the approved operating budget of \$81.4 million and is 0.3% more than forecast through the month of December.

- General Fund revenues are \$0.4 million or 2.9% higher than expected.
- Utility Fund revenues are \$0.3 million or 5.0% lower than expected.

Expenditures: Expenses totaled \$16.1 million year-to-date for FY 2014. This amount is 19.5% of the approved operating budget of \$82.7 million and is 5.9% lower than forecast through the month of December.

- General Fund expenditures are \$0.7 million or 8.0% lower than expected.
- Utility Fund expenditures are \$67 thousand or 1.2% higher than expected.

Surplus: The net surplus from operations through December is \$12.3 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 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 water restrictions. Continuation of Stage 3 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.

WASTE MANAGEMENT IS ROWLETT'S ONLY STORM DEBRIS COLLECTION CONTRACTOR To address recent concerns, Waste Management is the only vendor contracted by the City to collect debris from December's ice storm. The City and Waste Management will continue to work diligently to ensure all those impacted by the storm are properly serviced. Residents also have the option of utilizing their landfill passes to take brush or debris to the landfill at their convenience.



**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
December 31, 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	13,840,201	14,247,055	2.9%
Water & sewer	27,531,543	6,861,086	6,517,446	-5.0%
Debt service	8,246,662	4,776,726	4,896,863	2.5%
Drainage	1,346,939	336,576	331,961	-1.4%
Refuse	4,835,889	1,208,116	1,191,448	-1.4%
Employee health benefits	4,095,123	1,023,781	958,918	-6.3%
Impact fees	44,357	8,397	79,534	847.2%
Police seizure	100,550	25,138	14,807	-41.1%
Economic development	316,694	79,174	79,092	-0.1%
Innovations	-	-	403	0.0%
Hotel/motel tax	47,752	11,914	13,593	14.1%
P.E.G.	85,042	20,972	21,049	0.4%
Grants	41,838	5,230	12,135	132.0%
Community Development Block Grant	191,254	47,814	10,035	-79.0%
Inspection Fees Fund	169,333	42,333	-	-100.0%
Juvenile diversion	33,281	8,320	7,370	-11.4%
Court technology	26,936	6,734	5,988	-11.1%
Court security	20,035	5,009	4,325	-13.6%
Golf course	601,728	40	616	1436.2%
Total Revenues	\$ 81,406,728	\$ 28,307,560	\$ 28,392,640	0.3%
Expenses:				
General	35,001,079	8,499,573	7,819,944	-8.0%
Water & sewer	27,403,823	5,669,028	5,736,506	1.2%
Debt service	8,246,662	166,912	151,788	-9.1%
Drainage	1,303,580	221,746	198,287	-10.6%
Refuse	4,778,613	1,203,656	1,172,000	-2.6%
Employee health benefits	4,070,097	1,017,524	800,040	-21.4%
Impact fees	30,000	7,500	-	-100.0%
Police seizure	100,550	25,138	123,008	389.3%
Economic development	355,588	84,664	60,739	-28.3%
Innovations	224,605	56,151	-	-100.0%
Hotel/motel tax	42,749	10,687	-	-100.0%
P.E.G.	71,811	16,572	15,447	-6.8%
Grants	41,838	5,230	12,135	132.0%
Community Development Block Grant	191,254	47,814	10,035	-79.0%
Inspection Fees Fund	146,144	36,536	-	-100.0%
Juvenile diversion	33,210	8,303	6,499	-21.7%
Court technology	29,145	7,286	18,344	151.8%
Court security	24,102	6,026	7,848	30.2%
Golf course	601,728	45,639	-	-100.0%
Total Expenses	\$ 82,696,578	\$ 17,135,984	\$ 16,132,619	-5.9%
Current Year Surplus/(Shortfall)	\$ (1,289,850)	\$ 11,171,576	\$ 12,260,021	-209.7%
Ending Reserves	\$ 15,572,655	\$ 28,034,081	\$ 29,122,526	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

OVERALL FUND PERFORMANCE

GENERAL FUND REVENUES VS EXPENSES FY2014

Month	2014 Revenue	2014 Expenses	Monthly Variance
Oct	1,600,503	2,235,034	\$ (634,531)
Nov	1,555,810	3,052,790	(1,496,980)
Dec	11,090,742	2,532,120	8,558,622
Jan	-	-	-
Feb	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 14,247,055	\$ 7,819,944	\$ 6,427,111
Cumulative Forecast	\$ 13,840,201	\$ 8,499,573	\$ 5,340,627
Actual to Forecast \$	\$ 406,855	\$ (679,629)	\$ 1,086,484
Actual to Forecast %	2.9%	-8.0%	



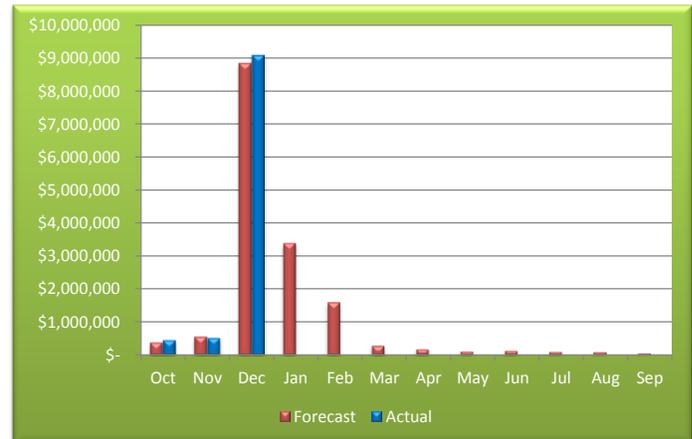
Positive

Cumulatively overall, the General Fund is better than forecasted for this time of the year, with revenues exceeding the forecast by 2.9% and expenses 8.0% lower than forecasted. These differences are primarily due to higher than expected property tax collections, vacancy savings and lower than expected supplies expenses.

REVENUE ANALYSIS

PROPERTY TAXES FY2014

Month	2014 Forecast	2014 Actual	Monthly Variance
Oct	\$ 388,488	\$ 460,233	\$ 71,745
Nov	561,872	531,720	(30,152)
Dec	8,847,877	9,078,518	230,641
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	\$ 10,070,470	\$ 272,233
Actual to Forecast			2.8%



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 2.8% 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	414,283	19,935
Dec	558,732	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	\$ 1,400,866	\$ (12,155)
<i>Actual to Forecast</i>			<i>-0.9%</i>



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 November are 5.1% above projected. Cumulatively, sales taxes are 0.9% below projected. Sales taxes for December 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	652,896	(32)
Jan	-		
Feb	333,775		
Mar	642,098		
Apr	-		
May	-		
Jun	528,568		
Jul	-		
Aug	-		
Sep	852,633		
Total	\$ 3,010,000	\$ 652,896	\$ (32)
<i>Actual to Forecast</i>			<i>0.0%</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. Franchise payments are currently as projected for the fiscal year.

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	1,899,070	1,913,043	(13,973)
Jan	-	-	-
Feb	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 6,517,446	\$ 5,736,506	\$ 780,941
Cumulative Forecast	\$ 6,861,086	\$ 5,669,028	\$ 1,192,058
Actual to Forecast \$	\$ (343,640)	\$ 67,477	\$ (411,118)
Actual to Forecast	-5.0%	1.2%	



Negative

Utility fund revenues are 5.0% lower than forecast, and expenses are 1.2% higher than expected. These differences are primarily due to lower than expected water and sewer revenues and higher than expected purchase services.

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	791,813	(150,845)
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	\$ 2,575,231	\$ (194,855)
Actual to Forecast			-7.0%



Negative

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 7.0% 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	1,019,459	(241,086)
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	\$ 3,604,898	\$ (263,215)
<i>Actual to Forecast</i>			<i>-6.8%</i>



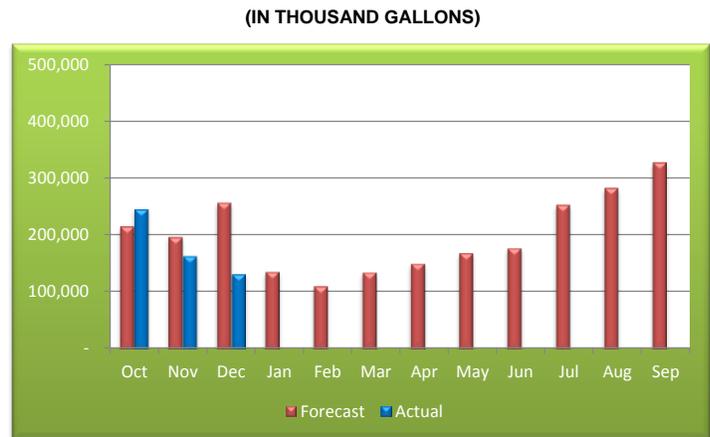
Negative

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. Water revenues are 6.8% 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	214,791	244,924	30,133
Nov	196,050	163,192	(32,858)
Dec	256,386	131,044	(125,342)
Jan	135,250		
Feb	109,903		
Mar	134,556		
Apr	149,742		
May	168,338		
Jun	176,946		
Jul	252,733		
Aug	282,281		
Sep	326,843		
Total	2,403,819	539,160	(128,068)
<i>Actual to Forecast</i>			<i>-19.2%</i>



Negative

The City purchases its water from the North Texas Municipal Water District. Customer usage is 19.2% 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	401,618	388,287	13,331
Jan	-	-	-
Feb	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 1,191,448	\$ 1,172,000	\$ 19,448
Cumulative Forecast	\$ 1,208,116	\$ 1,203,656	\$ 4,460
Actual to Forecast \$	\$ (16,668)	\$ (31,657)	\$ 14,988
Actual to Forecast	-1.4%	-2.6%	



Warning

The Refuse Fund accounts for monies collected from customers on their utility bills and remitted to our solid waste provider. Revenues are currently 1.4% lower than forecasted, and expenses are 2.6% 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	110,877	73,691	37,186
Jan	-	-	-
Feb	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 331,961	\$ 198,287	\$ 133,674
Cumulative Forecast	\$ 336,576	\$ 221,746	\$ 114,831
Actual to Forecast \$	\$ (4,616)	\$ (23,459)	\$ 18,843
Actual to Forecast	-1.4%	-10.6%	



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 1.4% lower than forecasted but expenses 10.6% 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	4,377,953	7,593	4,370,360
Jan	-	-	-
Feb	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 4,896,863	\$ 151,788	\$ 4,745,075
Cumulative Forecast	\$ 4,776,726	\$ 166,912	\$ 4,609,814
Actual to Forecast \$	\$ 120,137	\$ (15,124)	\$ 135,262
Actual to Forecast	2.5%	-9.1%	



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 2.5% higher than projected as a result of better than expected property tax collections, and expenses 9.1% 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>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	267,500	268,769	(1,269)
Jan	-	-	-
Feb	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 958,918	\$ 800,040	\$ 158,878
Cumulative Forecast	\$ 1,023,781	\$ 1,017,524	\$ 6,257
Actual to Forecast \$	\$ (64,863)	\$ (217,484)	\$ 152,621
Actual to Forecast	-6.3%	-21.4%	



Positive

Employee Health Benefits Fund accounts for all health related claims paid from the City's partial self-insured fund. Overall, revenues are 6.3% lower than forecasted due to vacant positions. Expenses are 21.4% lower than forecasted due to lower than expected claims.