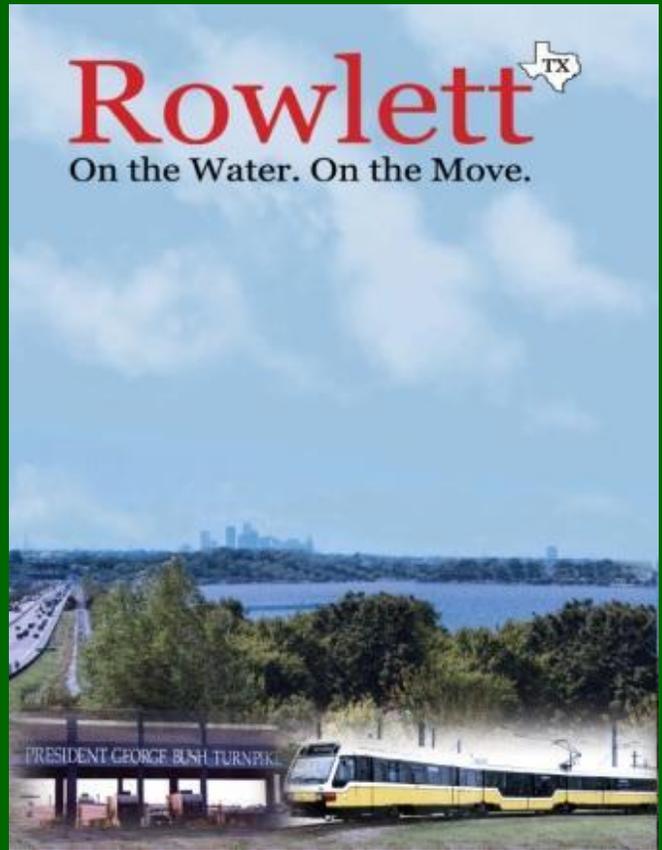




**Comprehensive
Monthly
Financial Report**

February 2014





MONTHLY FINANCIAL REPORT

PERFORMANCE AT A GLANCE

FEBRUARY 2014

	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

FEBRUARY 28, 2014 – 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 2.4% in the 4th quarter of 2013 after increasing 4.1% in the 3rd quarter of 2013 as reported by the Bureau of Economic Analysis. The slowdown in growth reflected a slowdown in inventory investment.

Texas Retail Sales:

Texas retail sales totaled \$40.0 billion for the month of December, an increase of \$1.9 billion (5.0%) over December 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 decreased 0.5% between the months of December and January.

UNEMPLOYMENT

National Unemployment:

The national unemployment rate increased from 6.6% in January to 6.7% in February.

State-Wide:

The Texas unemployment rate for Jan., 2014 was 5.7%, 0.3% less than December, 2013.

Rowlett:

The City of Rowlett unemployment rate for January, 2014 was 5.7%, 0.4% more than December, 2013. Note – city unemployment rates are not seasonally adjusted.

Attached is the Comprehensive Monthly Financial report for February 2014. Five months of FY 2014, or 41.7% of the fiscal year is complete.

Revenues: Overall, the City has earned or received \$45.0 million for FY 2014. This amount is 55.3% of the approved operating budget of \$81.4 million and is 1.0% more than forecast through the month of February.

- General Fund revenues are \$0.8 million or 3.7% higher than expected.
- Utility Fund revenues are \$0.3 million or 3.1% lower than expected.

Expenditures: Expenses totaled \$34.7 million year-to-date for FY 2014. This amount is 42.8% of the approved operating budget of \$81.0 million and is 2.5% lower than forecast through the month of February.

- General Fund expenditures are \$1.0 million or 7.3% lower than expected.
- Utility Fund expenditures are \$0.1 million or 1.1% higher than expected.

Surplus: The net surplus from operations through February is \$10.3 million which is \$1.3 million better than expected at this point in the year. The adopted operating budget for the fiscal year anticipates a total increase of \$0.4 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.

ROWLETT: MY COMMUNITY, MY MONEY, MY CHOICE:

Citizen input is sought about the future of city services no longer sustainable at the current tax rate. Meetings to be held on Mondays and Thursdays throughout April at locations across the community. All meetings start at 7:00 pm. Questions? Email myrowlett@rowlett.com



**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
February 28, 2014**

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	21,314,510	22,102,759	3.7%
Water & sewer	27,531,543	10,581,749	10,251,786	-3.1%
Debt service	8,246,662	7,647,600	7,603,458	-0.6%
Drainage	1,346,939	561,075	553,357	-1.4%
Refuse	4,835,889	2,014,147	1,986,171	-1.4%
Employee health benefits	4,095,123	1,706,301	1,624,685	-4.8%
Impact fees	44,357	16,677	166,724	899.7%
Police seizure	100,550	41,896	27,587	-34.2%
Economic development	316,694	131,956	131,890	0.0%
Innovations	-	-	774	0.0%
Hotel/motel tax	47,752	18,361	21,665	18.0%
P.E.G.	85,042	20,972	22,778	8.6%
Grants	41,838	13,365	15,527	16.2%
Community Development Block Grant	191,254	79,690	159,927	100.7%
Inspection Fees Fund	169,333	70,555	-	-100.0%
Juvenile diversion	33,281	13,867	13,704	-1.2%
Court technology	26,936	11,223	11,134	-0.8%
Court security	20,035	8,348	8,044	-3.6%
Golf course	601,728	300,260	301,247	0.3%
Total Revenues	\$ 81,406,728	\$ 44,552,553	\$ 45,003,216	1.0%
Expenses:				
General	35,101,079	14,203,822	13,167,169	-7.3%
Water & sewer	25,703,823	9,427,314	9,527,318	1.1%
Debt service	8,246,662	6,765,370	6,795,760	0.4%
Drainage	1,303,580	659,027	615,820	-6.6%
Refuse	4,728,613	1,998,091	2,244,136	12.3%
Employee health benefits	4,070,097	1,695,874	1,414,917	-16.6%
Impact fees	30,000	12,500	-	-100.0%
Police seizure	100,550	41,896	297,448	610.0%
Economic development	355,588	141,106	141,105	0.0%
Innovations	224,605	93,585	-	-100.0%
Hotel/motel tax	42,749	17,812	1,810	-89.8%
P.E.G.	71,811	27,620	26,363	-4.5%
Grants	41,838	13,365	15,527	16.2%
Community Development Block Grant	191,254	79,690	159,927	100.7%
Inspection Fees Fund	146,144	60,893	-	-100.0%
Juvenile diversion	33,210	13,838	11,135	-19.5%
Court technology	29,145	12,144	30,089	147.8%
Court security	24,102	10,043	12,362	23.1%
Golf course	601,728	280,649	204,583	-27.1%
Total Expenses	\$ 81,046,578	\$ 35,554,637	\$ 34,665,469	-2.5%
Current Year Surplus/(Shortfall)	\$ 360,150	\$ 8,997,916	\$ 10,337,747	14.9%
Ending Reserves	\$ 17,222,655	\$ 25,860,421	\$ 27,200,252	5.2%

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	5,184,857	2,858,962	2,325,895
Feb	2,670,847	2,488,264	182,583
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 22,102,759	\$ 13,167,169	\$ 8,935,589
Cumulative Forecast	\$ 21,314,510	\$ 14,203,822	\$ 7,110,688
Actual to Forecast \$	\$ 788,249	\$ (1,036,653)	\$ 1,824,902
Actual to Forecast %	3.7%	-7.3%	



Positive

Cumulatively overall, the General Fund is better than forecasted for this time of the year, with revenues exceeding the forecast by 3.7% and expenses 7.3% lower than forecasted. These differences are primarily due to higher than expected property tax collections and franchise fees, 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	3,978,058	574,264
Feb	1,608,725	1,136,084	(472,641)
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	\$ 15,184,612	\$ 373,856
Actual to Forecast			2.5%



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 2.5% 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	565,590	6,858
Jan	389,630	399,637	10,007
Feb	361,544	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	\$ 2,168,904	\$ 4,709
<i>Actual to Forecast</i>			0.2%



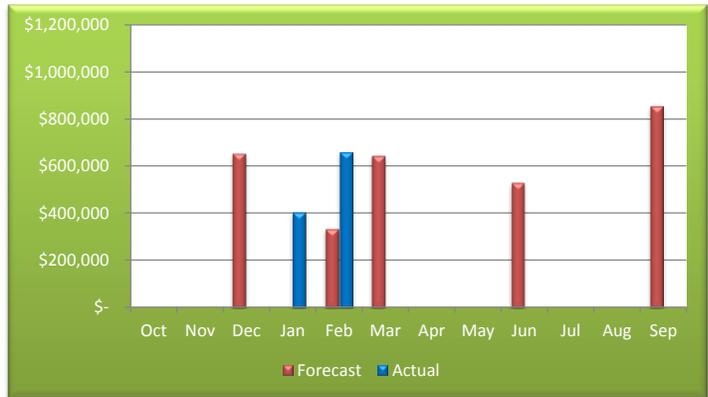
Positive

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 January are 2.6% higher than projected. Cumulatively, sales taxes are 0.2% higher than projected. Sales taxes for February 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	-	(652,928)
Jan	-	405,092	405,092
Feb	333,775	659,673	325,898
Mar	642,098		
Apr	-		
May	-		
Jun	528,568		
Jul	-		
Aug	-		
Sep	852,633		
Total	\$ 3,010,000	\$ 1,064,765	\$ 78,062
<i>Actual to Forecast</i>			7.9%



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 7.9% higher than 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	1,894,254	1,945,298	(51,044)
Feb	1,840,086	1,845,514	(5,429)
Mar			-
Apr			-
May			-
Jun			-
Jul			-
Aug			-
Sep			-
Total	\$ 10,251,786	\$ 9,527,318	\$ 724,468
Cumulative Forecast	\$ 10,581,749	\$ 9,427,314	\$ 1,154,435
Actual to Forecast \$	\$ (329,964)	\$ 100,004	\$ (429,967)
Actual to Forecast	-3.1%	1.1%	



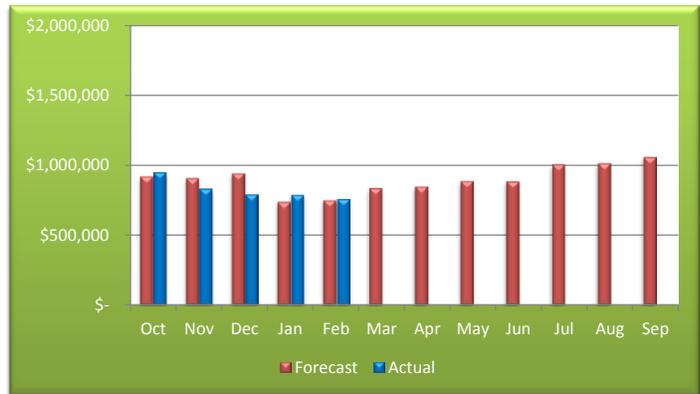
Warning

Utility fund revenues are 3.1% lower than forecast, and expenses are 1.1% higher than expected. These differences are primarily due to lower than expected water and sewer revenues and higher than expected personnel 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	791,813	(150,845)
Jan	738,313	788,346	50,033
Feb	750,346	757,401	7,055
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	\$ 4,120,978	\$ (137,767)
Actual to Forecast			-3.2%



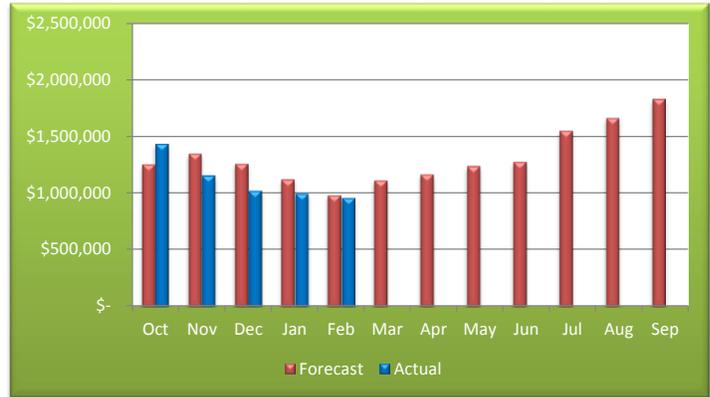
Warning

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 3.2% 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	995,804	(125,256)
Feb	983,482	955,899	(27,583)
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	\$ 5,556,601	\$ (416,054)
<i>Actual to Forecast</i>			<i>-7.0%</i>



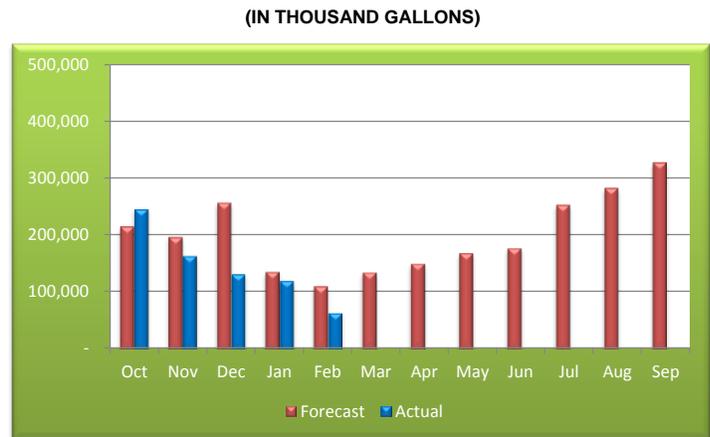
Negative

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 7.0% 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	119,810	(15,440)
Feb	109,903	63,297	(46,606)
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	722,267	(190,114)
<i>Actual to Forecast</i>			<i>-20.8%</i>



Negative

The City purchases its water from the North Texas Municipal Water District. Customer usage is 20.8% 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	401,618	388,287	13,331
Jan	398,650	391,384	7,266
Feb	396,073	680,753	(284,680)
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 1,986,171	\$ 2,244,136	\$ (257,965)
Cumulative Forecast	\$ 2,014,147	\$ 1,998,091	\$ 16,056
Actual to Forecast \$	\$ (27,976)	\$ 246,045	\$ (274,021)
Actual to Forecast	-1.4%	12.3%	



Negative

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 12.3% higher than forecasted due to expenses from the ice storm cleanup.

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	110,715	70,278	40,437
Feb	110,681	347,255	(236,574)
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 553,357	\$ 615,820	\$ (62,463)
Cumulative Forecast	\$ 561,075	\$ 659,027	\$ (97,952)
Actual to Forecast \$	\$ (7,718)	\$ (43,207)	\$ 35,489
Actual to Forecast	-1.4%	-6.6%	



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 6.6% lower than forecasted. The first of two semi-annual bond payments was made in February.

OVERALL FUND PERFORMANCE

DEBT SERVICE FUND REVENUES VS EXPENSES FY2014

<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	1,934,744	12,067	1,922,677
Feb	771,850	6,631,905	(5,860,055)
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 7,603,458	\$ 6,795,760	\$ 807,698
Cumulative Forecast	\$ 7,647,600	\$ 6,765,370	\$ 882,231
Actual to Forecast \$	\$ (44,142)	\$ 30,390	\$ (74,533)
Actual to Forecast	-0.6%	0.4%	



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 0.6% lower than projected, and expenses 0.4% higher than expected. The fund makes semi-annual debt payments in February and August.

OVERALL FUND PERFORMANCE

EMPLOYEE HEALTH BENEFITS FUND REVENUES VS EXPENSES FY2014

<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	303,830	252,833	50,997
Feb	361,937	362,044	(107)
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	-	-	-
Total	\$ 1,624,685	\$ 1,414,917	\$ 209,768
Cumulative Forecast	\$ 1,706,301	\$ 1,695,874	\$ 10,428
Actual to Forecast \$	\$ (81,616)	\$ (280,957)	\$ 199,341
Actual to Forecast	-4.8%	-16.6%	



Positive

Employee Health Benefits Fund accounts for all health related claims paid from the City's partial self-insured fund. Overall, revenues are 4.8% lower than forecasted due to vacant positions (lower than expected employee contributions). Expenses are 16.6% lower than forecasted due to lower than expected claims.