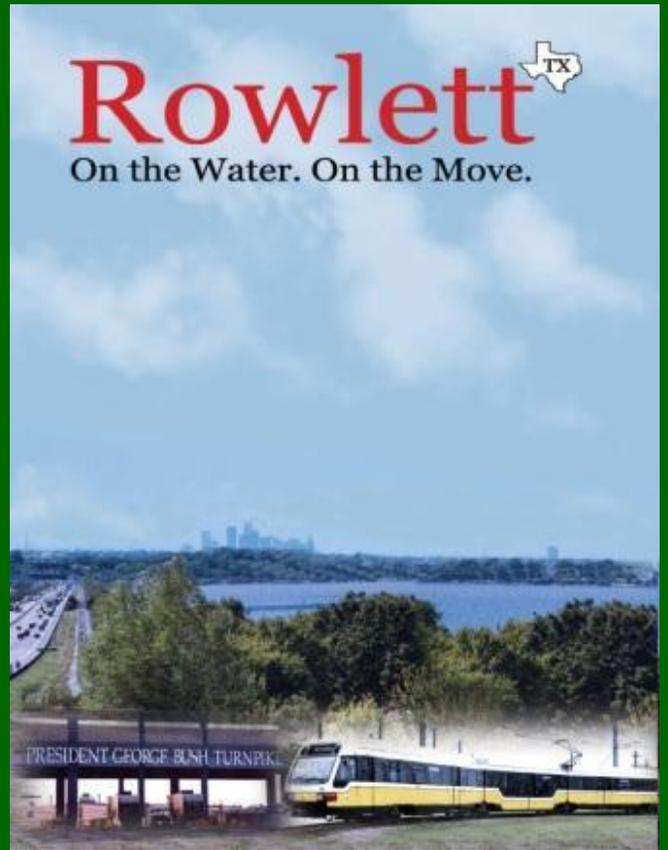




Comprehensive Monthly Financial Report

September 2014





MONTHLY FINANCIAL REPORT

PERFORMANCE AT A GLANCE

SEPTEMBER 2014

	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	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

SEPTEMBER 30, 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 4.6% in the 2nd quarter of 2014 after decreasing 2.1% in the 1st quarter of 2014 as reported by the Bureau of Economic Analysis. The increase in real GDP was driven by upturns in exports as well as acceleration in business investment.

Texas Retail Sales: 

Texas retail sales totaled \$41.3 billion for the month of July, an increase of \$1.2 billion (3.0%) over July 2013.

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 1.8% between the months of June and July.

UNEMPLOYMENT

National Unemployment: 

The national unemployment rate decreased from 6.1% to 5.9% from August to September.

State-Wide: 

The Texas unemployment rate for August, 2014 was 5.3%, which is less than the August, 2013 rate of 6.4%.

Rowlett: 

The City of Rowlett unemployment rate for August, 2014 was 5.6%, less than the August, 2013 of 6.0%. Note – city unemployment rates are not seasonally adjusted.

Attached is the Comprehensive Monthly Financial report for September 2014. 12 months of FY 2014, or 100.0% of the fiscal year is complete.

Please note that under governmental accounting standards, certain revenues and expenditures received or incurred during the first 60 days of the new fiscal year are applied back to the previous year. As a result, the City is still accruing invoices and not all revenues have been collected yet. Staff expects each operating fund to meet or exceed its reserve requirement.

Revenues: Overall, the City has earned or received \$80.6 million for FY 2014. This amount is 100.3% of the approved operating budget of \$80.3 million and is 0.3% more than forecast through the month of September.

- General Fund revenues are \$0.3 million or 0.8% higher than expected.
- Utility Fund revenues are \$0.9 million or 3.6% lower than expected.

Expenditures: Expenses totaled \$80.5 million year-to-date for FY 2014. This amount is 99.0% of the approved operating budget of \$81.3 million and is 1.0% lower than forecast through the month of September.

- General Fund expenditures are \$1.2 million or 3.3% lower than expected.
- Utility Fund expenditures are \$60 thousand or 0.2% higher than expected.

Surplus: The net surplus from operations through September is \$0.2 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 \$0.9 million.

NOTEWORTHY

Stage 3 Water Restrictions Notice: NTMWD has TEMPORARILY Eased Stage 3 Water Restrictions to Allow Weekly Landscape Irrigation Sept. 1 – Oct. 31, 2014

The TCEQ requires that water providers maintain chlorine residuals in transmission and distribution systems to assure water quality so that the treated water supply is safe for use. During the summer of 2014, NTMWD consumers have reduced their water usage so well that maintaining chlorine residuals has been compounded by the decreased demands. To improve the circulation and increase the water flow within the water systems, allowance of once per week watering with sprinkler or irrigation systems will assist in maintaining the required chlorine residuals.



**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
September 30, 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	33,813,168	33,813,168	34,082,246	0.8%
Water & sewer	26,331,543	26,331,543	25,389,747	-3.6%
Debt service	8,246,662	8,246,662	8,227,600	-0.2%
Drainage	1,346,939	1,346,939	1,333,769	-1.0%
Refuse	4,835,889	4,835,889	5,086,581	5.2%
Employee health benefits	4,095,123	4,095,123	3,954,631	-3.4%
Impact fees	44,357	44,357	431,816	873.5%
Police seizure	100,550	100,550	321,027	219.3%
Economic development	316,694	316,694	315,916	-0.2%
Innovations	-	-	988	0.0%
Hotel/motel tax	47,752	47,752	64,351	34.8%
P.E.G.	85,042	85,042	90,833	6.8%
Grants	41,838	41,838	146,822	250.9%
Community Development Block Grant	191,254	191,254	159,990	-16.3%
Inspection Fees Fund	169,333	169,333	310,400	83.3%
Juvenile diversion	33,281	33,281	40,412	21.4%
Court technology	26,936	26,936	32,535	20.8%
Court security	20,035	20,035	23,997	19.8%
Golf course	601,728	601,728	601,692	0.0%
Total Revenues	\$ 80,348,124	\$ 80,348,124	\$ 80,615,352	0.3%
Expenses:				
General	35,242,475	35,242,475	34,067,272	-3.3%
Water & sewer	25,703,823	25,703,823	25,763,996	0.2%
Debt service	8,246,662	8,246,662	7,859,575	-4.7%
Drainage	1,303,580	1,303,580	1,203,553	-7.7%
Refuse	4,728,613	4,728,613	4,964,140	5.0%
Employee health benefits	4,070,097	4,070,097	3,841,608	-5.6%
Impact fees	30,000	30,000	468,340	1461.1%
Police seizure	100,550	100,550	633,356	529.9%
Economic development	355,588	355,588	307,333	-13.6%
Innovations	224,605	224,605	272,988	21.5%
Hotel/motel tax	42,749	42,749	46,912	9.7%
P.E.G.	71,811	71,811	74,374	3.6%
Grants	41,838	41,838	146,822	250.9%
Community Development Block Grant	191,254	191,254	159,990	-16.3%
Inspection Fees Fund	146,144	146,144	84,057	-42.5%
Juvenile diversion	33,210	33,210	28,743	-13.5%
Court technology	128,518	128,518	91,611	-28.7%
Court security	24,102	24,102	32,340	34.2%
Golf course	601,728	601,728	409,166	-32.0%
Total Expenses	\$ 81,287,347	\$ 81,287,347	\$ 80,456,175	-1.0%
Current Year Surplus/(Shortfall)	\$ (939,223)	\$ (939,223)	\$ 159,178	14.5%
Ending Reserves	\$ 15,923,282	\$ 15,923,282	\$ 17,021,683	6.9%

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	5,184,857	2,858,962	2,325,895
Feb	2,670,847	2,488,264	182,583
Mar	2,084,191	2,653,398	(569,207)
Apr	1,173,782	3,439,351	(2,265,569)
May	1,582,059	2,847,836	(1,265,777)
Jun	2,050,941	2,794,600	(743,659)
Jul	1,484,138	2,898,074	(1,413,935)
Aug	1,376,033	2,637,884	(1,261,851)
Sep	2,228,343	3,628,960	(1,400,616)
Total	\$ 34,082,246	\$ 34,067,272	\$ 14,974
Cumulative Forecast	\$ 33,813,168	\$ 35,242,475	\$ (1,429,307)
Actual to Forecast \$	\$ 269,078	\$ (1,175,203)	\$ 1,444,281
Actual to Forecast %	0.8%	-3.3%	



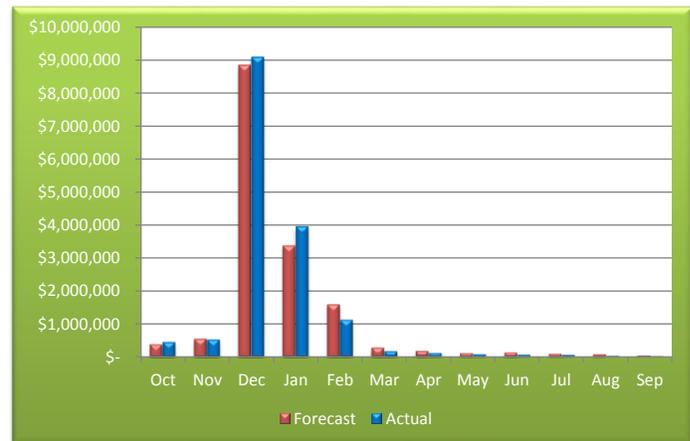
Positive

Cumulatively overall, the General Fund is better than forecasted for this time of the year, with revenues exceeding the forecast by 0.8% and expenses 3.3% lower than forecasted. These differences are primarily due to higher than expected 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	181,028	(109,816)
Apr	184,755	118,224	(66,531)
May	117,901	86,854	(31,047)
Jun	140,464	72,416	(68,048)
Jul	102,440	66,862	(35,578)
Aug	89,645	35,201	(54,444)
Sep	50,372	17,977	(32,395)
Total	\$ 15,787,177	\$ 15,763,174	\$ (24,003)
Actual to Forecast			-0.2%



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 0.2% lower 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	348,585	(12,959)
Mar	485,196	556,530	71,334
Apr	416,016	437,942	21,926
May	417,960	470,499	52,539
Jun	557,046	547,489	(9,557)
Jul	410,975	469,538	58,563
Aug	434,864	447,008	12,144
Sep	526,923	526,923	-
Total	\$ 5,413,175	\$ 5,611,874	\$ 198,699
<i>Actual to Forecast</i>			3.7%



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 August are 2.8% higher than projected. Cumulatively, sales taxes are 3.7% higher than projected.

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	-	(642,098)
Apr	-	346,431	346,431
May	-	278,919	278,919
Jun	528,568	-	(528,568)
Jul	-	281,098	281,098
Aug	-	289,817	289,817
Sep	852,633	853,952	1,320
Total	\$ 3,010,000	\$ 3,114,982	\$ 104,982
<i>Actual to Forecast</i>			3.5%



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 3.5% 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	(5,428)
Mar	1,865,352	5,579,472	(3,714,120)
Apr	1,937,442	1,721,349	216,093
May	2,092,697	1,635,873	456,824
Jun	2,161,092	1,635,420	525,672
Jul	2,275,788	1,620,074	655,714
Aug	2,342,906	2,292,560	50,346
Sep	2,462,684	1,751,930	710,754
Total	\$ 25,389,747	\$ 25,763,996	\$ (374,249)
Cumulative Forecast	\$ 26,331,543	\$ 25,703,823	\$ 627,720
Actual to Forecast \$	\$ (941,796)	\$ 60,173	\$ (1,001,969)
Actual to Forecast	-3.6%	0.2%	



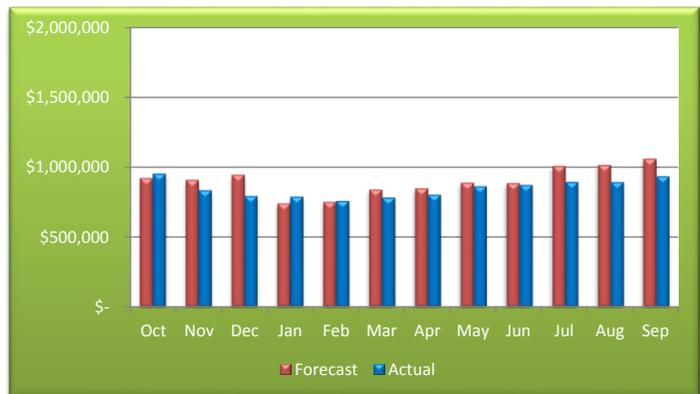
Warning

Utility fund revenues are 3.6% lower than forecast, and expenses are 0.2% lower than expected. These differences are primarily due to lower than expected water and sewer revenues. The fund makes semi-annual debt payments in March and August.

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	780,639	(56,625)
Apr	847,397	802,118	(45,279)
May	886,960	861,106	(25,854)
Jun	884,119	870,967	(13,152)
Jul	1,006,135	892,339	(113,796)
Aug	1,014,318	891,949	(122,369)
Sep	1,058,609	932,759	(125,850)
Total	\$ 10,793,547	\$ 10,152,855	\$ (640,692)
Actual to Forecast			-5.9%



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 5.9% 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	\$ 1,163,371	\$ 1,432,250	\$ 268,879
Nov	1,248,287	1,153,189	(95,098)
Dec	1,164,744	1,019,459	(145,285)
Jan	1,035,859	995,804	(40,055)
Feb	908,737	955,899	47,162
Mar	1,029,804	988,809	(40,995)
Apr	1,079,021	1,036,762	(42,259)
May	1,145,473	1,136,453	(9,020)
Jun	1,180,953	1,171,347	(9,606)
Jul	1,434,137	1,251,814	(182,323)
Aug	1,536,918	1,254,562	(282,356)
Sep	1,691,972	1,404,130	(287,842)
Total	\$ 14,619,276	\$ 13,800,477	\$ (818,799)
<i>Actual to Forecast</i>			-5.6%



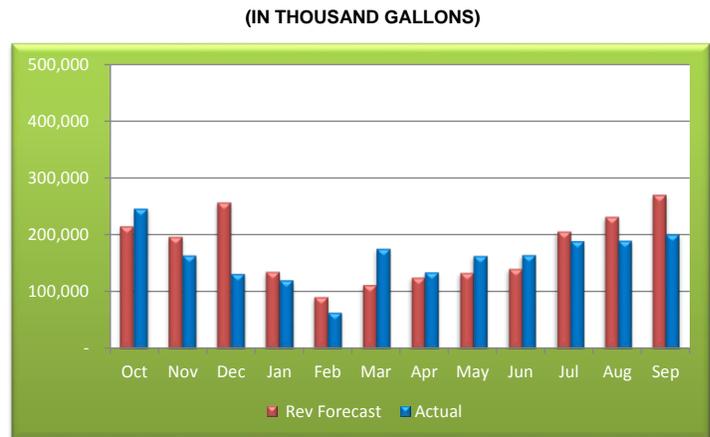
Warning

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 5.6% less than forecasted for this time of year.

REVENUE ANALYSIS

WATER USAGE FY2014

<u>Month</u>	<u>2014 Rev 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	90,680 *	63,297	(27,383)
Mar	111,904	174,862	62,958
Apr	124,977	133,624	8,647
May	133,120	162,355	29,235
Jun	140,531	164,148	23,617
Jul	205,774	188,220	(17,554)
Aug	231,212	189,268	(41,944)
Sep	269,573	200,080	(69,493)
Total	2,110,249	1,934,824	(175,425)
<i>Actual to Forecast</i>			-8.3%



Negative

The City purchases its water from the North Texas Municipal Water District. Customer usage is 8.3% 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. *Budget amendment approved by City Council in February.

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	400,681	381,364	19,317
Apr	430,529	400,245	30,284
May	461,005	390,515	70,490
Jun	460,202	391,841	68,361
Jul	458,889	390,072	68,817
Aug	455,174	382,579	72,595
Sep	433,930	383,387	50,543
Total	\$ 5,086,581	\$ 4,964,140	\$ 122,441
Cumulative Forecast	\$ 4,835,889	\$ 4,728,613	\$ 107,276
Actual to Forecast \$	\$ 250,692	\$ 235,527	\$ 15,165
Actual to Forecast	5.2%	5.0%	



Positive

The Refuse Fund accounts for monies collected from customers on their utility bills and remitted to our solid waste provider. Revenues are currently 5.2% higher than forecasted, and expenses are 5.0% 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	110,885	68,186	42,699
Apr	111,456	82,602	28,854
May	111,653	67,375	44,278
Jun	111,760	75,659	36,101
Jul	111,491	67,210	44,281
Aug	111,410	156,508	(45,098)
Sep	111,758	70,193	41,565
Total	\$ 1,333,769	\$ 1,203,553	\$ 130,216
Cumulative Forecast	\$ 1,346,939	\$ 1,303,580	\$ 43,359
Actual to Forecast \$	\$ (13,170)	\$ (100,027)	\$ 86,857
Actual to Forecast	-1.0%	-7.7%	



Positive

The Drainage Fund accounts for monies collected from customers on their utility bills for the municipal drainage system. Overall, the fund is better than forecasted for this time of the year, with revenues 1.0% lower than forecasted but expenses 7.7% lower than forecasted. Semi-annual bond payments are made in February and August.

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	106,583	13,099	93,485
Apr	78,036	1,423	76,613
May	63,106	1,435	61,671
Jun	54,830	12,352	42,478
Jul	50,682	2,808	47,873
Aug	242,278	1,019,840	(777,562)
Sep	28,627	12,858	15,770
Total	\$ 8,227,600	\$ 7,859,575	\$ 368,025
Cumulative Forecast	\$ 8,246,662	\$ 8,246,662	\$ (0)
Actual to Forecast \$	\$ (19,062)	\$ (387,088)	\$ 368,026
Actual to Forecast	-0.2%	-4.7%	



Positive

General Debt Service Fund is used to pay principal and interest on tax-supported debt. Overall, the fund better than forecasted, with revenues 0.2% lower than projected, and expenses 4.7% lower 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	322,699	416,103	(93,403)
Apr	321,340	353,006	(31,666)
May	319,385	279,120	40,264
Jun	317,239	266,986	50,253
Jul	384,910	361,831	23,079
Aug	322,164	340,815	(18,650)
Sep	342,209	408,831	(66,622)
Total	\$ 3,954,631	\$ 3,841,608	\$ 113,023
Cumulative Forecast	\$ 4,095,123	\$ 4,070,097	\$ 25,026
Actual to Forecast \$	\$ (140,492)	\$ (228,489)	\$ 87,997
Actual to Forecast	-3.4%	-5.6%	



Positive

Employee Health Benefits Fund accounts for all health related claims paid from the City's partial self-insured fund. Overall, revenues are 3.4% lower than forecasted due to lower than expected employee contributions. Expenses are 5.6% lower than forecasted due to lower than expected claims.