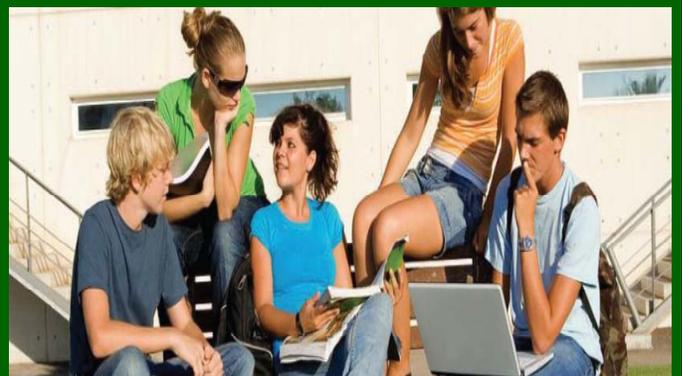
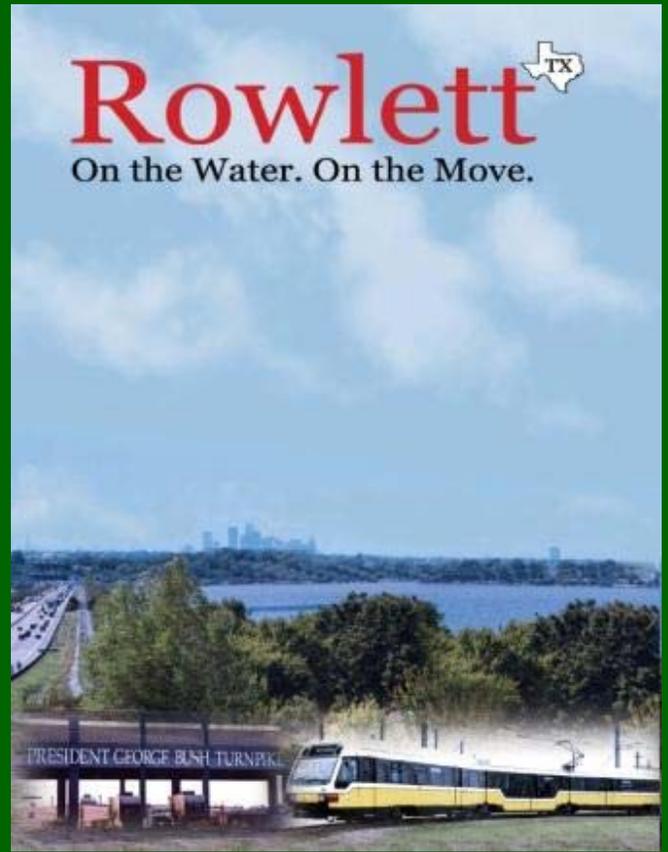




Comprehensive Monthly Financial Report

August 2012





MONTHLY FINANCIAL REPORT

PERFORMANCE AT A GLANCE

AUGUST 2012

	YEAR TO DATE	REFERENCE
ALL FUNDS SUMMARY	POSITIVE	Page 4
GENERAL FUND REV VS EXP	POSITIVE	Page 5
PROPERTY TAXES	POSITIVE	Page 5
SALES TAXES	POSITIVE	Page 6
FRANCHISE FEES	WARNING	Page 6
UTILITY FUND REV VS EXP	POSITIVE	Page 7
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REFUSE FUND REV VS EXP	POSITIVE	Page 9
DRAINAGE FUND REV VS EXP	POSITIVE	Page 9
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

AUGUST 31, 2012 – 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 1.3% in the 2nd quarter of 2012 after increasing 2.0% in the 1st quarter as reported by the Bureau of Economic Analysis. Consumer spending for durable goods slowed, business investment slowed and residential housing also slowed.

Texas Retail Sales: 
 Texas retail sales totaled \$35.58 billion for the month of July, an increase of \$0.92 billion (2.7%) over July 2011.

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 0.25% between the months of June and July.

Attached is the Comprehensive Monthly Financial report for August 2012. Eleven months of FY 2012, or 91.7% of the fiscal year is complete.

Revenues: Overall, the City has earned or received \$71.4 million for FY 2012. This amount is 93.4% of the approved operating budget of \$76.4 million and is 0.9% higher than forecast through the month of August.

- General Fund revenues are \$0.1 million or 0.2% higher than expected.
- Utility Fund revenues are \$0.1 million or 0.5% lower than expected.

Expenditures: Expenses totaled \$70.8 million year-to-date for FY 2012. This amount is 91.8% of the approved operating budget of \$77.2 million and is 1.3% lower than forecast through the month of August.

- General Fund expenditures are \$0.7 million or 2.2% lower than expected.
- Utility Fund expenditures are \$0.8 million or 3.5% lower than expected.

Surplus: The net surplus from operations through August is \$0.6 million which is \$1.6 million better than expected at this point in the year. The adopted operating budget for the fiscal year anticipates a total net reduction of \$0.7 million.

UNEMPLOYMENT

National Unemployment: 
 The national unemployment rate decreased from 8.3% in July to 8.1% in August.

State-Wide:
 The Texas unemployment rate for August 2012 was 7.1%, the same rate as July.

Rowlett: 
 The City of Rowlett unemployment rate for August 2012 was 6.8%. This is a decrease from the July rate of 7.4%.

NOTEWORTHY

New Solid Waste Collection Provider: *As of October 1, Waste Management will be the City of Rowlett's new solid waste collection provider. Enhanced services are headed our way with no cost increase to citizens. Highlights include larger 96 gallon trash polycarts, 96 gallon recycling polycarts, unlimited automatic weekly brush and bulky waste pickup with no phone call necessary.*

Water Bills to go up effective October 1: *Effective October 1, 2012, the City of Rowlett will raise water and sewer rates an average of \$11.95 per customer per month. For most residential customers, this will increase your monthly utility bill by about 9%. Refuse and drainage fees will remain flat.*



**CITY OF ROWLETT, TEXAS
FINANCIAL STATUS DASHBOARD
August 31, 2012**

BUDGET SUMMARY OF ALL FUNDS FY2012

	2012 <u>Budget</u>	2012 <u>Forecast</u>	2012 <u>Year-to-Date</u>	<u>Variance</u>
	\$ 14,262,492	\$ 18,128,314	\$ 18,128,314	0.0%
Beginning Reserves				
Revenues:				
General	32,110,964	30,018,575	30,087,425	0.2%
Water & sewer	24,025,444	21,341,829	21,231,249	-0.5%
Debt service	8,996,721	8,963,302	8,957,581	-0.1%
Drainage	1,320,414	1,210,394	1,201,338	-0.7%
Refuse	4,550,646	4,171,502	4,149,844	-0.5%
Employee health benefits	3,316,590	3,040,208	2,937,601	-3.4%
Impact fees	44,357	41,588	280,652	574.8%
Police seizure	100,550	92,171	636,869	591.0%
Economic development	316,694	290,303	289,442	-0.3%
Innovations	-	-	2,026	0.0%
Hotel/motel tax	48,275	44,027	46,137	4.8%
P.E.G.	85,042	63,672	70,736	11.1%
Grants	24,590	22,199	135,532	510.5%
Community Development Block Grant	217,245	193,107	121,205	-37.2%
Tax-increment financing	290,845	290,411	290,466	0.0%
Juvenile diversion	41,602	38,135	28,823	-24.4%
Court technology	33,670	30,864	23,389	-24.2%
Court security	25,044	22,957	17,280	-24.7%
Traffic safety	297,926	273,099	298,512	9.3%
Golf course	595,847	595,691	594,498	-0.2%
Total Revenues	\$ 76,442,466	\$ 70,744,033	\$ 71,400,607	0.9%
Expenses:				
General	32,338,915	30,001,349	29,338,896	-2.2%
Water & sewer	23,815,437	21,662,524	20,904,423	-3.5%
Debt service	8,950,468	8,947,306	8,800,891	-1.6%
Drainage	1,546,376	1,447,292	1,426,367	-1.4%
Refuse	4,542,847	4,165,276	4,154,894	-0.2%
Employee health benefits	3,316,590	3,040,208	2,972,566	-2.2%
Impact fees	30,000	27,500	355,414	1192.4%
Police seizure	125,000	114,583	551,166	381.0%
Economic development	338,370	311,473	159,781	-48.7%
Innovations	512,339	469,644	591,885	26.0%
Hotel/motel tax	42,749	39,187	15,517	-60.4%
P.E.G.	67,779	62,565	61,510	-1.7%
Grants	24,590	22,199	135,532	510.5%
Community Development Block Grant	217,245	193,107	121,205	-37.2%
Tax-increment financing	290,845	290,411	290,466	0.0%
Juvenile diversion	73,136	67,041	20,756	-69.0%
Court technology	33,670	30,864	54,483	76.5%
Court security	24,851	22,780	31,650	38.9%
Traffic safety	297,926	273,099	298,512	9.3%
Golf course	565,464	552,964	542,964	-1.8%
Total Expenses	\$ 77,154,597	\$ 71,741,371	\$ 70,828,879	-1.3%
Current Year				
Surplus/(Shortfall)	\$ (712,131)	\$ (997,338)	\$ 571,728	-157.3%
Ending Reserves	\$ 13,550,361	\$ 17,130,976	\$ 18,700,042	9.2%

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 FY2012

<u>Month</u>	<u>2012 Revenue</u>	<u>2012 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 1,223,497	\$ 2,553,136	\$ (1,329,639)
Nov	1,538,720	2,472,765	(934,045)
Dec	10,712,393	2,716,159	7,996,233
Jan	4,480,376	2,501,977	1,978,400
Feb	2,902,679	2,510,359	392,320
Mar	2,230,661	2,309,967	(79,306)
Apr	1,120,890	2,564,197	(1,443,307)
May	1,435,954	3,254,409	(1,818,455)
Jun	2,253,600	2,859,106	(605,506)
Jul	1,290,825	2,444,854	(1,154,029)
Aug	897,829	3,151,966	(2,254,137)
Sep			
Total	\$ 30,087,425	\$ 29,338,896	\$ 748,529
Cumulative Forecast	\$ 30,018,575	\$ 30,001,349	\$ 17,226
Actual to Forecast \$	\$ 68,850	\$ (662,453)	\$ 731,303
Actual to Forecast %	0.2%	-2.2%	



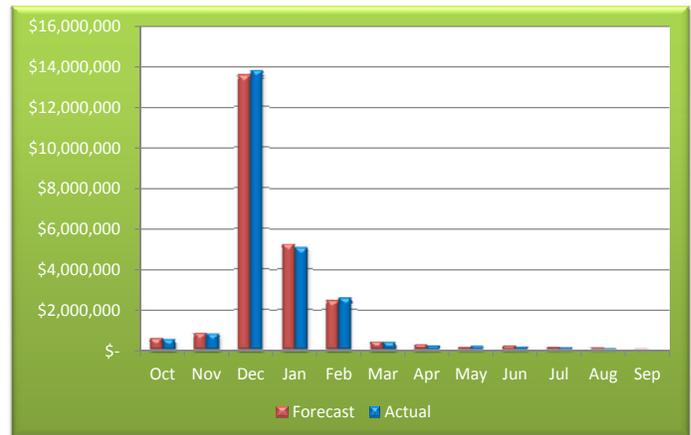
Positive

Cumulatively overall, the General Fund is better than forecasted for this time of the year, with revenues exceeding the forecast by 0.2% and expenses 2.2% lower than forecasted. These differences are primarily due to higher than expected sales tax net lower franchise fees and higher than projected vacancy savings.

REVENUE ANALYSIS

PROPERTY TAXES FY2012

<u>Month</u>	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 556,130	\$ 527,493	\$ (28,637)
Nov	823,136	786,365	(36,771)
Dec	13,552,023	13,796,602	244,579
Jan	5,199,597	5,048,899	(150,698)
Feb	2,435,253	2,563,924	128,671
Mar	405,762	372,122	(33,640)
Apr	242,389	183,454	(58,935)
May	139,436	164,290	24,854
Jun	174,183	150,816	(23,367)
Jul	115,626	98,222	(17,404)
Aug	95,923	51,733	(44,190)
Sep	35,446		
Total	\$ 23,774,904	\$ 23,743,920	\$ 4,462
Actual to Forecast			0.0%



Positive

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

REVENUE ANALYSIS

SALES TAXES FY2012

<u>Month</u>	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 303,544	\$ 341,355	\$ 37,811
Nov	360,887	362,073	1,186
Dec	452,781	485,007	32,226
Jan	305,669	334,553	28,884
Feb	273,148	328,527	55,379
Mar	449,711	476,075	26,364
Apr	337,076	373,937	36,861
May	307,445	374,486	67,041
Jun	435,463	482,319	46,856
Jul	334,612	413,351	78,739
Aug	330,675	330,675	-
Sep	466,686		
Total	\$ 4,357,697	\$ 4,302,358	\$ 411,347
<i>Actual to Forecast</i>			10.6%



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 the current month represent an estimate. Cumulatively overall, sales tax revenues are 10.6% better than forecasted for this time of the year.

REVENUE ANALYSIS

FRANCHISE FEES FY2012

<u>Month</u>	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>Monthly Variance</u>
Oct	\$ -	\$ -	\$ -
Nov	-	-	-
Dec	630,471	-	(630,471)
Jan	-	1,004,309	1,004,309
Feb	431,878	15,364	(416,514)
Mar	619,641	93	(619,548)
Apr	-	304,717	304,717
May	-	263,444	263,444
Jun	506,111	1,376	(504,735)
Jul	-	288,537	288,537
Aug	-	287,514	287,514
Sep	830,174		
Total	\$ 3,018,276	\$ 2,165,354	\$ (22,748)
<i>Actual to Forecast</i>			-1.0%



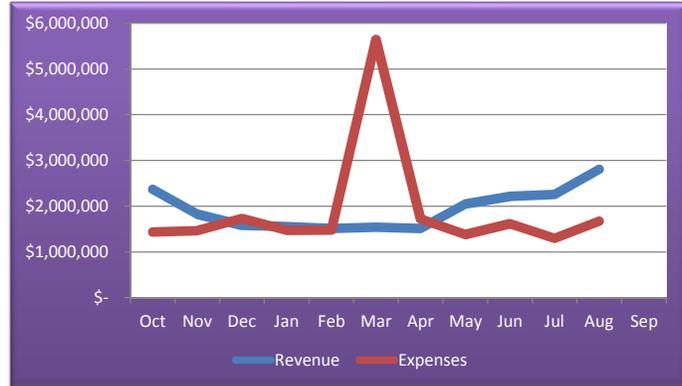
Warning

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. Cumulatively overall, franchise fees are 1.0% less than forecasted for this time of the year as a result of lower natural gas revenues. FY 2012 gas payment was 16.8% or \$72 K less than forecasted.

OVERALL FUND PERFORMANCE

UTILITY FUND REVENUES VS EXPENSES FY2012

<u>Month</u>	<u>2012 Revenue</u>	<u>2012 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 2,366,677	\$ 1,434,379	\$ 932,298
Nov	1,829,020	1,465,728	363,292
Dec	1,580,184	1,731,116	(150,932)
Jan	1,554,164	1,471,421	82,743
Feb	1,512,712	1,475,286	37,426
Mar	1,541,860	5,644,346	(4,102,486)
Apr	1,515,973	1,719,076	(203,103)
May	2,045,779	1,381,691	664,088
Jun	2,218,325	1,614,041	604,284
Jul	2,260,134	1,295,101	965,033
Aug	2,806,421	1,672,239	1,134,183
Sep			
Total	\$ 21,231,249	\$ 20,904,423	\$ 326,825
Cumulative Forecast	\$ 21,341,829	\$ 21,662,524	\$ (320,694)
Actual to Forecast \$	\$ (110,581)	\$ (758,101)	\$ 647,520
Actual to Forecast	-0.5%	-3.5%	



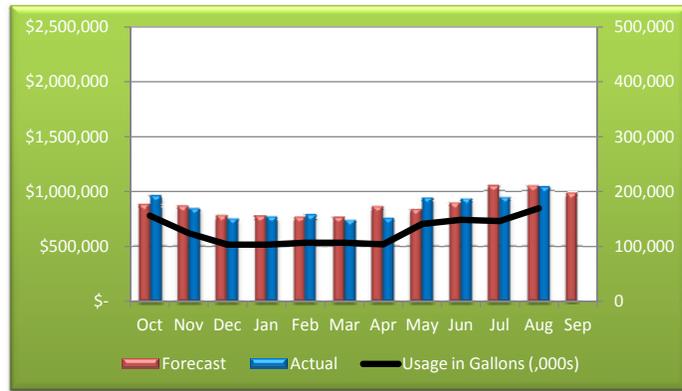
Positive

Cumulatively overall, the Utility Fund is better than forecasted for this time of the year, with revenues 0.4% lower than forecasted and expenses 3.5% lower than forecasted. These differences are primarily due to higher than projected vacancy savings. Note, utility fund debt service payments are made in March.

REVENUE ANALYSIS

SEWER REVENUES FY2012

<u>Month</u>	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 879,788	\$ 956,593	\$ 76,805
Nov	864,359	843,123	(21,236)
Dec	781,498	749,231	(32,267)
Jan	774,260	768,992	(5,268)
Feb	765,101	786,709	21,608
Mar	763,117	738,401	(24,716)
Apr	863,482	756,191	(107,291)
May	832,531	941,600	109,069
Jun	893,098	932,562	39,464
Jul	1,049,869	942,181	(107,688)
Aug	1,048,910	1,040,208	(8,702)
Sep	983,757		
Total	\$ 10,499,770	\$ 9,455,791	\$ (60,222)
Actual to Forecast			-0.6%



Positive

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 0.6% less than forecasted for this time of year.

REVENUE ANALYSIS

WATER REVENUES FY2012

<u>Month</u>	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 1,018,164	\$ 1,302,102	\$ 283,938
Nov	914,521	890,935	(23,586)
Dec	719,385	739,951	20,566
Jan	686,190	669,115	(17,075)
Feb	663,042	717,758	54,716
Mar	675,179	665,840	(9,339)
Apr	870,781	679,395	(191,386)
May	855,239	1,055,019	199,780
Jun	1,087,442	1,080,465	(6,977)
Jul	1,600,086	1,181,952	(418,134)
Aug	1,675,571	1,629,566	(46,005)
Sep	1,569,021		
Total	\$ 12,334,621	\$ 10,612,098	\$ (153,502)
<i>Actual to Forecast</i>			<i>-1.4%</i>



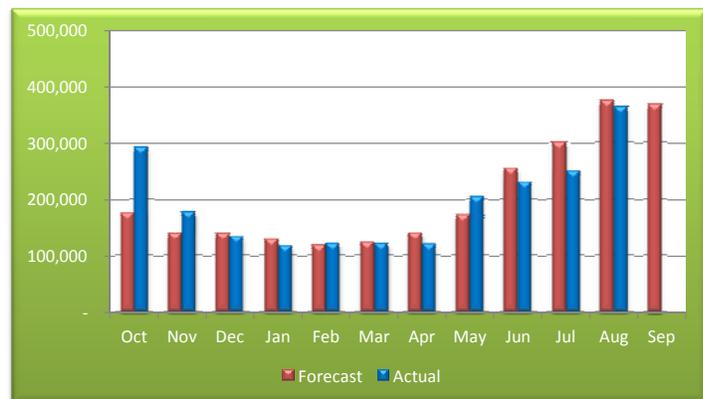
Warning

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 highly variable with the weather. Cumulatively overall, water revenues are 1.4% less than forecasted for this time of year.

REVENUE ANALYSIS

WATER USAGE FY2012

<u>Month</u>	<u>2012 Forecast</u>	<u>2012 Actual</u>	<u>Monthly Variance</u>
Oct	174,810	291,105	116,295
Nov	139,224	176,136	36,912
Dec	138,804	133,572	(5,232)
Jan	128,475	116,890	(11,585)
Feb	118,245	121,164	2,919
Mar	123,390	121,029	(2,361)
Apr	139,285	119,877	(19,408)
May	171,618	203,136	31,518
Jun	254,065	229,296	(24,769)
Jul	300,079	248,683	(51,396)
Aug	374,332	362,662	(11,670)
Sep	367,772		
Total	2,430,099	2,123,550	61,223
<i>Actual to Forecast</i>			<i>3.0%</i>



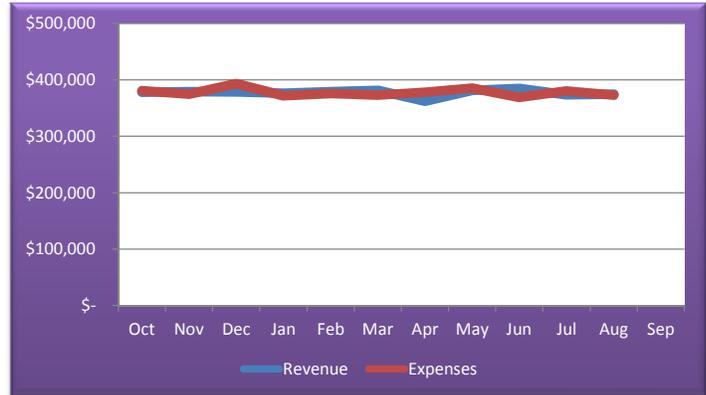
Positive

The City purchases its water from the North Texas Municipal Water District. Cumulative overall, customer usage is 3.0% higher than forecasted for this time of the year, primarily due to an unusually warm and dry fall. 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 FY2012

<u>Month</u>	<u>2012 Revenue</u>	<u>2012 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 377,866	\$ 380,693	\$ (2,827)
Nov	379,425	374,831	4,594
Dec	378,838	393,078	(14,240)
Jan	376,254	371,982	4,272
Feb	379,147	375,780	3,367
Mar	381,688	372,847	8,841
Apr	362,129	378,318	(16,189)
May	381,384	385,166	(3,782)
Jun	384,891	369,126	15,764
Jul	373,281	380,148	(6,867)
Aug	374,942	372,926	2,016
Sep			
Total	\$ 4,149,844	\$ 4,154,894	\$ (5,050)
Cumulative Forecast	\$ 4,171,502	\$ 4,165,276	\$ 6,226
Actual to Forecast \$	\$ (21,658)	\$ (10,382)	\$ (11,276)
Actual to Forecast	-0.5%	-0.2%	



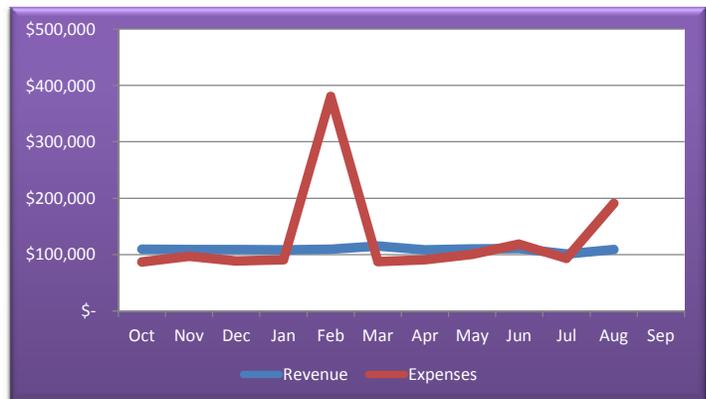
Positive

The Refuse Fund accounts for monies collected from customers on their utility bills and remitted to our solid waste provider. Cumulatively overall, the fund is as forecasted for this time of the year, with revenues 0.5% lower than forecasted but expenses 0.2% lower than forecasted.

OVERALL FUND PERFORMANCE

DRAINAGE FUND REVENUES VS EXPENSES FY2012

<u>Month</u>	<u>2012 Revenue</u>	<u>2012 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 109,631	\$ 87,314	\$ 22,317
Nov	109,058	97,450	11,608
Dec	109,197	88,994	20,203
Jan	108,674	90,773	17,901
Feb	109,662	380,067	(270,405)
Mar	115,342	87,591	27,751
Apr	108,610	91,188	17,422
May	110,169	100,328	9,841
Jun	110,717	118,377	(7,661)
Jul	101,250	93,439	7,812
Aug	109,029	190,846	(81,817)
Sep			
Total	\$ 1,201,338	\$ 1,426,367	\$ (225,029)
Cumulative Forecast	\$ 1,210,394	\$ 1,447,292	\$ (236,899)
Actual to Forecast \$	\$ (9,055)	\$ (20,925)	\$ 11,870
Actual to Forecast	-0.7%	-1.4%	



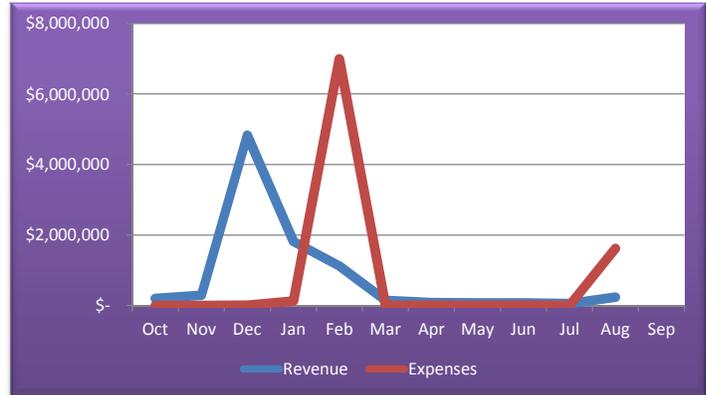
Positive

The Drainage Fund accounts for monies collected from customers on their utility bills to address maintenance and capital needs in the municipal drainage system. Cumulatively overall, the fund is as forecasted for this time of the year, with revenues 0.7% lower than forecasted and expenses 1.4% lower than forecasted.

OVERALL FUND PERFORMANCE

DEBT SERVICE FUND REVENUES VS EXPENSES FY2012

<u>Month</u>	<u>2012 Revenue</u>	<u>2012 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 205,063	\$ 600	\$ 204,463
Nov	296,265	4,281	291,984
Dec	4,834,712	16,271	4,818,441
Jan	1,816,121	129,076	1,687,045
Feb	1,121,811	6,997,050	(5,875,239)
Mar	150,877	323	150,554
Apr	85,283	13,816	71,467
May	78,006	2,507	75,498
Jun	72,972	12,929	60,042
Jul	55,279	5,492	49,787
Aug	241,193	1,618,546	(1,377,353)
Sep			
Total	\$ 8,957,581	\$ 8,800,891	\$ 156,689
Cumulative Forecast	\$ 8,963,302	\$ 8,947,306	\$ 15,996
Actual to Forecast \$	\$ (5,722)	\$ (146,415)	\$ 140,693
Actual to Forecast	-0.1%	-1.6%	



Positive

General Debt Service Fund is used to pay principal and interest on tax-supported debt. Overall, the fund is as forecasted, with revenues 0.1% lower than forecasted and expenses 1.6% lower, primarily the result of slightly lower debt payments. The fund makes semi-annual debt payments, and payments were made in February and August.

OVERALL FUND PERFORMANCE

EMPLOYEE HEALTH BENEFITS FUND REVENUES VS EXPENSES FY2012

<u>Month</u>	<u>2012 Revenue</u>	<u>2012 Expenses</u>	<u>Monthly Variance</u>
Oct	\$ 354,405	\$ 261,820	\$ 92,585
Nov	248,791	283,303	(34,511)
Dec	247,364	231,897	15,467
Jan	372,340	240,436	131,903
Feb	119,720	298,598	(178,878)
Mar	250,597	286,726	(36,129)
Apr	244,969	212,099	32,870
May	249,345	367,176	(117,831)
Jun	242,370	164,265	78,105
Jul	280,284	360,908	(80,625)
Aug	327,417	265,337	62,079
Sep			
Total	\$ 2,937,601	\$ 2,972,566	\$ (34,965)
Cumulative Forecast	\$ 3,040,208	\$ 3,040,208	\$ -
Actual to Forecast \$	\$ (102,607)	\$ (67,642)	\$ (34,965)
Actual to Forecast	-3.4%	-2.2%	



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 vacancies and expenses 2.2% lower than forecasted due to lower than expected claims.