



# Sixth Taxing District Annual Meeting Financial Review

March 7, 2018

Jim Hendrickson, District Treasurer

# Financial Review Topics

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Fiscal Year 2018-19 Proposed Budget	12-20	FY 2018/19

Note: See color coded box on upper right corner of each slide to identify the fiscal year being addressed on the slide

# Financial Review Topics

- **Fiscal Year 2016-17 Audited Results**
- Fiscal Year 2017-18 YTD and Forecast
- Fiscal Year 2018-19 Proposed Budget

FY 2016/17

# Fiscal Year 2016-17 Audit

- District financial statements are audited
- Independent Auditor is O'Connor Davies, LLP in Stamford, CT.
- Results of audit: Clean, unqualified opinion
- Audited financial statements are available to the public at the Rowayton Library, at the District Treasurer's office or on the District's web site ([www.Rowayton6TD.com](http://www.Rowayton6TD.com)). The June 30, 2017 audit will be posted shortly.
- The audit includes all of the District's activities but the remainder of this presentation excludes the Train Station Parking financials which must be kept separate from District finances under the terms of our lease with the CT Department of Transportation.

# Summary of 2016/17 Results

**Revenues**

**Year ending 6/30/17**

Property Taxes	\$1,746,993	6TD portion of property taxes
All Other	<u>69,022</u>	Beach fees, rent from Comm. Ctr & misc fees
Total Revenue	\$1,816,015	

**Expenses**

Home & Community	\$389,301	Refuse collection/disposal, street lighting
Culture & Recreation	356,726	Library, Comm Ctr, Bayley Beach, Pinkney Park
Employee Pay & Benefits	361,071	Employee costs including wages and benefits
General Gov't Support	125,609	Insurance, legal, audit, admin and technology
Debt Service	116,548	Principal and interest payments
Community Grants	33,440	Grants to community organizations
Public Safety & Parking	<u>72,160</u>	Fire Department and Amber Parking Lot
Total Expenses	\$1,454,855	

**Revenues Less Expenses**      \$361,160

- District revenues exceeded expenses by \$361,160 in fiscal year 2016/17.
- This net income was used for two purposes: 1) to build our capital reserves for major projects and 2) to maintain our unrestricted fund balance which the auditors recommend we keep between 10% - 15% of expenditures.

# Change in General Fund Balance

- The general fund balance is the amount by which assets exceed liabilities and represents our reserve for unforeseen expenditures.
- The District's general fund balance increased by \$89,462 from 6/30/16 to 6/30/17 reflecting an increase from net income partially offset by the amount transferred to our capital account.

	<u>Fiscal Year Ending</u>	
	<u>6/30/2017</u>	<u>6/30/2016</u>
Total Assets	\$1,285,234	\$1,133,987
Total Liabilities	<u>963,224</u>	<u>901,439</u>
Fund Balance	\$322,010	\$232,548
Fund Balance Increase/(Decrease)	\$89,462	
<u>Changes to Fund Balance</u>		
Revenues greater than Expenses	\$361,159	
Transfers from/(to) Capital Account	<u>(271,697)</u>	
Net Increase/(Decrease)	\$89,462	

# Key Variances to Budget

FY 2016/17

	Original	Final		Actual B/(W)
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues	\$1,802,466	\$1,802,466	\$1,816,014	\$13,548
Expenses	<u>1,611,570</u>	<u>1,530,769</u>	<u>1,454,855</u>	<u>75,914</u>
Revenues Less Expenses	\$190,896	\$271,697	\$361,159	\$89,462
<b><u>Key Variances to Final Budget</u></b>				
Revenues				
Property Taxes				\$6,237
All other revenues				<u>7,311</u>
Total Revenues vs Budget				\$13,548
<b><u>Expenses</u></b>				
Property Tax Revaluation Reserve				\$58,599
Employee Benefits				\$6,845
Audit Fees				4,194
Insurance				2,228
Community Center				2,525
All other expense reductions				<u>1,523</u>
Total Expenses vs Budget				<u>\$75,914</u>
Total Revenues Less Expenses vs Budget				\$89,462

- Adjustments to budgeted expenses reflect the transfer of budget monies from an expense category to either the fund balance or capital.
- Positive revenue variance reflects higher property taxes (\$6,400) and rental income (\$5,600).
- The reserve for property tax revaluations was not required resulting in an expense savings of \$58,599.

# Sixth Taxing District Commissioners

*Motion to accept major variances  
to 2016/17 budget*



# Financial Review Topics

- Fiscal Year 2016-17 Audited Results
- **Fiscal Year 2017-18 YTD and Forecast**
- Fiscal Year 2018-19 Proposed Budget

FY 2017/18

# 2017/18 Budget and YTD Results

<u>Revenues</u>	<u>Budget</u>	<u>Thru 1/31/18</u>	<u>YTD % FY</u>
Property Taxes	\$1,781,168	\$1,289,141	72%
All Other	<u>352,210</u>	<u>21,649</u>	6%
Total Revenue	\$2,133,378	\$1,310,790	61%
 <b><u>Expenses</u></b>			
Home & Community	\$407,250	\$219,267	54%
Culture & Recreation	363,000	198,630	55%
Employee Pay and Benefits	417,978	232,160	56%
General Gov't Support	162,497	116,417	72%
Debt Service	159,945	101,860	64%
Community Grants	50,875	50,875	100%
Public Safety & Parking	<u>79,500</u>	<u>37,386</u>	47%
Total Expenses	\$1,641,045	\$956,595	58%
 <b>Revenues over Expenses</b>	 \$492,333	 \$354,195	 72%

a) Budgeted loan proceeds of \$300,000 not yet drawn

- Revenues and expenses on track to meet budget after seven months (58% of year).
- Property tax revenues now on budget including funds received in February.
- Certain expenses (e.g., most community grants and debt service) are front loaded in fiscal year.

# 2017/18 Capital Account

<u>Equity and Capital Funds</u>	<u>Balance as of 1/31/18</u>
Amber Lot Improvements	\$35,700
Bayley Beach	61,403
Community Center Renovation	442,475
Community Center Lot Repaving	60,000
Fire Department equipment	7,280
Pinkney Park	19,213
Reserves and all other	<u>95,625</u>
<b>Total</b>	<b>\$721,696</b>

- The District currently has \$721,696 set aside for capital projects. This balance does not yet reflect the proceeds of a \$300,000 loan that was approved in the 2017/18 Budget. The loan proceeds, which will be received shortly, will increase the Community Center renovation budget to \$742,475.
- The required funds for the project will exceed the \$742,475 available and we'll explain how that is being addressed in the next few slides.

# Financial Review Topics

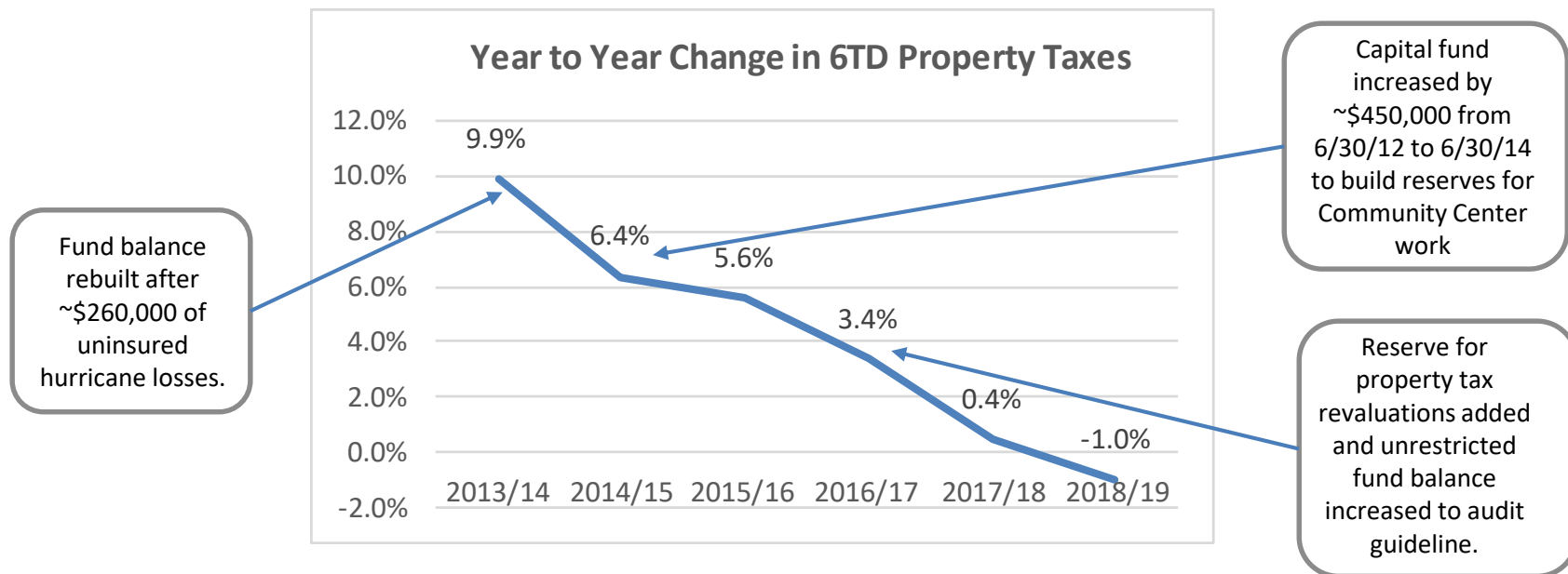
- Fiscal Year 2016-17 Audited Results
- Fiscal Year 2017-18 YTD and Forecast
- **Fiscal Year 2018-19 Proposed Budget**

FY 2018/19

# 2018/19 Proposed Budget Overview

- Key goal of the 2018/19 Budget - - fund a shortfall of over \$200,000 in the Community Center Renovation Project while avoiding new borrowing or a major property tax increase.
- The proposed budget achieves this goal but getting there required a number of actions including:
  - 1) Transferring capital funds from several projects to the Community Center Renovation
  - 2) Reducing a number of grants
  - 3) Holding the line on various expenses
  - 4) Raising the cost of resident beach passes to \$25

# 2018/19 Proposed Budget Overview



- The proposed budget reflects a 1% reduction in the 6TD portion of our property taxes compared to the current fiscal year.
- The 6TD property taxes are imbedded in our overall property tax bills from the City of Norwalk and represent about 5% of the total.
- The 6TD portion of our property taxes has been trending downward following a 2-3 year period when we needed to build our fund balance.

# 2018/19 Revenues

<u>Revenues</u>	<u>2018/19</u>	<u>2017/18</u>	<u>Yr/Yr Change</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>
Property Tax	\$1,749,166	\$1,767,668	(\$18,502)	-1.0%
Other Income				
Rentals	\$9,000	\$12,000	(\$3,000)	-25.0%
Beach Permits, Resident	30,000	15,000	15,000	100.0%
Beach Fees: Non Resident	17,500	18,000	(500)	-2.8%
Other Beach/Camp Fees	11,000	7,000	4,000	57.1%
Firefighter Rebate Provision	8,000	8,500	(500)	-5.9%
Loan Proceeds	0	300,000	(300,000)	-100.0%
All Other Income	<u>\$6,010</u>	<u>\$5,210</u>	<u>\$800</u>	15.4%
Total Revenue	\$1,830,676	\$2,133,378	(\$302,702)	-14.2%

- The 6TD portion of our property taxes, which account for 96% of total District revenues, are proposed at \$1,749,166, down 1% from the current fiscal year.
- Resident beach passes are being raised to \$25 per vehicle, increasing next year's revenue by \$15,000 compared with the current year budget. We will also see additional beach permit revenue in the current fiscal year.

# 2018/19 Expenditures

<u>Expense Category</u>	<u>2018/19</u>	<u>2017/18</u>	<u>Yr/Yr Change</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>
General Gov't Support	\$154,169	\$166,497	(\$12,328)	-7.4%
Public Safety and Transportatio	86,000	79,500	6,500	8.2%
Culture & Recreation	352,050	363,000	(10,950)	-3.0%
Home & Community	197,950	202,550	(4,600)	-2.3%
Library Grant	209,300	204,700	4,600	2.2%
All Other Grants	21,700	50,875	(29,175)	-57.3%
Employee Pay and Benefits	415,607	417,978	(2,371)	-0.6%
Debt Service	157,256	159,945	(2,689)	-1.7%
Valuation Reserve	0	25,000	(25,000)	-100.0%
Increase to Fund Balance	<u>0</u>	<u>15,000</u>	<u>(15,000)</u>	-100.0%
Total Operating Expenses	\$1,594,032	\$1,685,045	(\$91,013)	-5.4%
Transfer to Capital	<u>\$236,644</u>	<u>\$448,333</u>	<u>(\$211,689)</u>	-47.2%
Total Expenditures	\$1,830,676	\$2,133,378	(\$302,702)	-14.2%

- Operating expenses in the proposed budget are down 5.4% from the current year reflecting reductions in non-capital projects, grants and other expense areas.
- The City has advised that we do not need to reserve for property tax revaluations and our unrestricted fund balance meets the auditor's guideline, enabling us to avoid setting aside monies for those categories.



# 2018/19 Community Grants

	2018/19	2017/18	2018/19
<u>Community Grants</u>	<u>Budget</u>	<u>Budget</u>	(O)/U <u>2017/18</u>
Library	\$209,300	\$204,700	(\$4,600)
Little League	6,000	6,000	0
Mayor's Summer Employment Program	1,700	0	(1,700)
Rowayton Arts Center	3,000	2,500	(500)
RCA - Fireworks, etc.	0	10,000	10,000
Rowayton Gardners	0	2,375	2,375
Rowayton Historical Society	1,000	20,000	19,000
Shakespeare on the Sound	<u>10,000</u>	<u>10,000</u>	<u>0</u>
<b>Total Community Grants</b>	<b>\$231,000</b>	<b>\$255,575</b>	<b>\$24,575</b>

- Community grants are down a total of about \$25,000. The 2.2% increase in the Library grant reflects the cost of an increase in it's payroll.
- The Historical Society's grant is down \$19,000 but it is important to note that last year's grant included a major one-time contribution to help renovate the Maritime Barn at Pinkney Park and that the District is currently paying for any uninsured cost to repair broken water pipes.

# 2018/19 Operating and Capital Projects

- Two types of projects and programs
  - Operating budget projects: smaller projects, not capitalized, funded from the current year operating expense budget
  - Capital projects: major projects relating to assets with a longer life, spending is capitalized, funds may be accumulated in a capital account over several years
- Operating projects have been reduced as part of the overall effort to fund the Community Center Renovation; three groups of projects were retained.

## **2018/19 Operating Projects**

Community Center - Maintenance	\$14,200
Bayley Beach - Picnic tables, chair, playground chips	5,750
Pinkney Park - Landscaping, tree work, picnic tables	9,000
<b>Total Operating Projects</b>	<b>\$28,950</b>

# 2018/19 Operating and Capital Projects continued

<u>Capital Budget Projects</u>	<u>Projected 6/30/18</u>	<u>Transfers</u>		<u>New Funds 2018/19</u>	<u>Total Funds</u>
		<u>From</u>	<u>To</u>		
Reserve for Future Projects	\$50,000	\$0	\$0	\$60,000	\$110,000
Little League Capital Reserve	21,301	0	0	3,000	24,301
Rowayton Tennis Association Reserve	16,666	0	0	8,334	25,000
Wilson Avenue Lot	35,700	-25,700	0	0	10,000
Bayley Beach Sidewalk	37,500	-27,500	0	0	10,000
Baseball Field Drainage	23,903	-23,903	0	0	0
Community Center Lot Repaving	60,000	-60,000	0	0	0
<b>Community Center Renovation</b>	<b>742,475</b>	<b>0</b>	<b>137,103</b>	<b>136,922</b>	<b>1,016,500</b>
District Tree Projects	7,658	0	0	0	7,658
Fire Department	7,280	0	0	28,388	35,668
Pinkney Park, Stairs, Sidewalk and Driveway	<u>19,213</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,213</u>
<b>TOTAL</b>	<b>\$1,021,696</b>	<b>(\$137,103)</b>	<b>\$137,103</b>	<b>\$236,644</b>	<b>\$1,258,340</b>

- Including the pending receipt of the \$300,000 loan, the District will have \$1,021,696 set aside for capital projects on June 30 including \$742,475 for the Community Center Renovation.
- The Renovation budget is now projected to cost \$1,016,500 and is being funded by reallocating funds from several other projects and adding new funds.

# Sixth Taxing District Commissioners

*Motion to adopt the proposed  
budget for Fiscal Year 2018- 2019*