



Sixth Taxing District Annual Meeting Financial Review

March 2, 2016

Jim Hendrickson, District Treasurer

Financial Review Topics

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Fiscal Year 2015-16 YTD and Forecast	9-11	FY 2015/16
Fiscal Year 2016-17 Proposed Budget	12-19	FY 2016/17

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 2014-15 Audited Results**
- Fiscal Year 2015-16 YTD and Forecast
- Fiscal Year 2016-17 Proposed Budget

FY 2014/15

Fiscal Year 2014-15 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)

Summary of 2014/15 Results

Revenues

Property Taxes	\$1,535,272	6TD portion of property taxes
All Other	<u>90,498</u>	Beach fees, rent of the Community Center and other miscellaneous fees
Total Revenue	\$1,625,770	

Expenses

Home & Community	\$369,119	Refuse collection/disposal, street lighting
Culture & Recreation	369,429	Library, Comm Ctr, Bayley Beach, Pinkney Park
Employee Benefits	317,986	Employee costs including wages and benefits
General Gov't Support	163,815	Insurance, legal, audit, admin and technology
Debt Service	147,980	Principal and interest payments
Community Grants	32,287	Grants to community organizations
Public Safety & Parking	<u>60,018</u>	Fire Department and Amber Parking Lot
Total Expenses	\$1,460,634	

Revenues Less Expenses \$165,136

Key Variances to Budget

	Original	Final		Actual B/(W)
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues	\$1,654,955	\$1,589,955	\$1,625,771	\$35,816
Expenses	<u>1,523,955</u>	<u>1,418,955</u>	<u>1,460,289</u>	<u>(41,334)</u>
Revenues Less Expenses	\$131,000	\$171,000	\$165,482	(\$5,518)

Key Variances to Final Budget

Revenues				
Propert Taxes				\$12,317
All other revenues				<u>23,499</u>
Total Revenues vs Budget				35,816
<u>Expenses</u>				
Community Center - burst pipe				(\$22,018)
Higher disposal fees due to bill timing				(14,588)
All other expense reductions				<u>(4,728)</u>
Total Expenses vs Budget				<u>(41,334)</u>
Total Revenues Less Expenses vs Budget				(\$5,518)

- Original budget revenues reduced by \$65,000 to reflect lost tax revenue associated with revaluation of a major property
- Original budget expenses reduced to offset lost tax revenue and to reflect elimination of grant to Norwalk Land Trust

Change in General Fund Balance

- The general fund balance indicates the amount by which assets exceed liabilities and represents our reserve for unforeseen expenditures.
- The 6/30/15 fund balance was down \$41,124 from 6/30/14.

	<u>6/30/2015</u>	<u>6/30/2014</u>
Total Assets	\$1,201,890	\$1,101,401
Total Liabilities	<u>1,023,119</u>	<u>881,506</u>
Fund Balance	\$178,771	\$219,895
Fund Balance Increase/(Decrease)	(\$41,124)	

Changes to Fund Balance

Revenues Over/(Under) Expenses	\$165,482
Transfers from/(to) Capital Account	<u>(206,606)</u>
Net Increase/(Decrease)	(\$41,124)

Note: The Capital Account and planned projects are addressed in subsequent slides

Sixth Taxing District Commissioners

*Motion to accept major variances
to 2014/15 budget*

Financial Review Topics

- Fiscal Year 2014-15 Audited Results
- **Fiscal Year 2015-16 YTD and Forecast**
- Fiscal Year 2016-17 Proposed Budget

FY 2015/16

2015/16 Budget and YTD Results

<u>Revenues</u>	<u>Budget</u>	<u>Thru 1/31/16</u>	<u>YTD % FY</u>
Property Taxes	\$1,703,267	\$1,068,287	63%
All Other	<u>28,650</u>	<u>36,002</u>	126%
Total Revenue	\$1,731,917	\$1,104,289	64%
<u>Expenses</u>			
Home & Community	\$392,500	\$240,032	61%
Culture & Recreation	295,150	231,091	78%
Employee Benefits	377,237	249,283	66%
General Gov't Support	157,763	113,098	72%
Debt Service	146,588	146,588	100%
Community Grants	26,350	26,350	100%
Public Safety & Parking	<u>75,090</u>	<u>41,995</u>	56%
Total Expenses	<u>\$1,470,678</u>	<u>\$1,048,437</u>	71%
Ordinary Net Income	\$261,239	\$55,852	21%

- Revenues and expenses on track to meet budget
- Property tax receipts are lumpy; majority of funds received in July and February
- Certain expenses (e.g., most community grants, debt service and transfers to capital) are front loaded in fiscal year

2015/16 Capital Account and Plans

Equity and Capital Funds	Balance as <u>of 1/31/16</u>
Amber Lot Improvements	\$25,700
Bayley Beach	24,528
Community Center (Phase IV)	226,000
District Wide Tree Project	7,658
Fire Department	68,692
Pinkney Park	15,088
Reserve and all other	<u>31,900</u>
Total	\$399,566

- The District currently has nearly \$400,000 set aside for capital projects
- Capital funds not used in current fiscal year will be rolled in 2016/17 budget
- Phase IV of the Community Center renovation has progressed and consideration being given to borrowing \$300,000 as part of the 2016/17 budget to complete the remaining renovation work
- Other capital projects are underway or on track

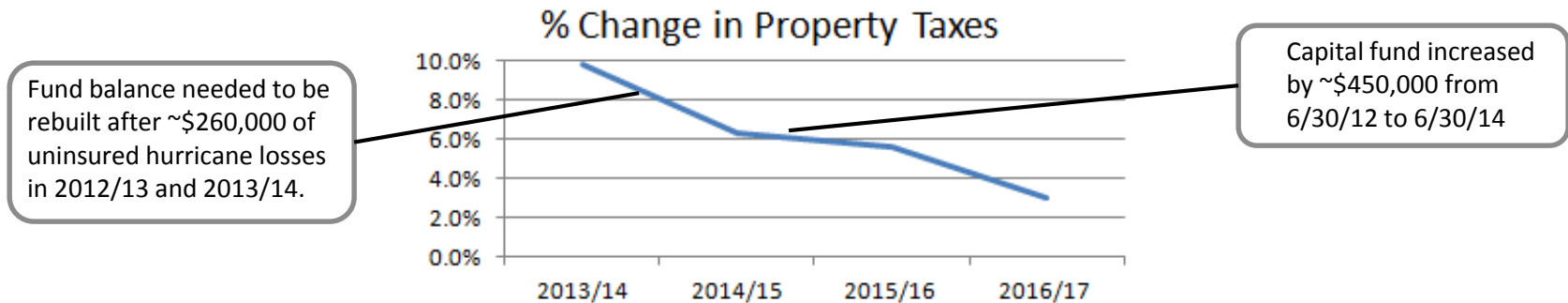
Financial Review Topics

- Fiscal Year 2014-15 Audited Results
- Fiscal Year 2015-16 YTD and Forecast
- **Fiscal Year 2016-17 Proposed Budget**

FY 2016/17

2016/17 Proposed Budget Highlights

- Proposed Sixth Taxing District portion of property taxes up 3% from prior year; down from the 6-10% increases in recent years needed to cover uninsured hurricane losses and rebuilding the unrestricted and capital funds.



- Normal operating expenses up less than 1% but two provisions which were recommended by the Auditors, and we believe are prudent, push the year-to-year increase to 4%.
- \$300,000 loan from the City of Norwalk proposed to fund completion of improvements to Community Center's main building; debt servicing costs decline due to payoff of \$300,000 loan from 2001 and lower interest rate on new loan.

2016/17 Revenues

<u>Revenues</u>	<u>2016/17</u>	<u>2015/16</u>	<u>Yr/Yr Incr/(Decr)</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>
Property Tax	\$1,740,756	\$1,690,237	\$50,519	3.0%
Other Income				
Rentals	\$12,000	\$12,000	\$0	0.0%
Beach Permits, Resident	14,000	15,000	(1,000)	-6.7%
Beach Fees: Non Resident	18,000	11,500	6,500	56.5%
Other Beach/Camp Fees	4,500	2,000	2,500	125.0%
Donations & Misc. Income	<u>200</u>	<u>1,150</u>	<u>(950)</u>	-82.6%
Total Other Income	<u>\$48,700</u>	<u>\$41,650</u>	<u>\$7,050</u>	16.9%
Total Revenue	\$1,789,456	\$1,731,887	\$57,569	3.3%

- The 6TD portion of our property taxes, which account for 97% of total district revenues, are proposed at \$1,740,756 up about \$50,000 or 3% from the current fiscal year. This represents a \$34 per household increase.
- All other revenues are up 17% primarily reflecting a continuation of the better-than-planned non-resident beach fees we booked last summer.

2016/17 Expenditures

<u>Expense</u>	<u>2016/17</u>	<u>2015/16</u>	<u>Yr/Yr Change</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>
General Gov't Support	\$146,220	\$157,763	(\$11,543)	-7.3%
Public Safety	69,050	76,040	(6,990)	-9.2%
Transportation	12,350	14,050	(1,700)	-12.1%
Culture & Recreation	352,310	295,150	57,160	19.4%
Home & Community	403,375	392,500	10,875	2.8%
Grants	32,400	26,350	6,050	23.0%
Employee Benefits	389,916	377,237	12,679	3.4%
Debt Service	147,350	146,589	761	0.5%
Capital Projects	190,895	246,240	(55,345)	-22.5%
Valuation Reserve	31,000	0	31,000	} → \$58,600
Increase to Fund Balance	<u>27,600</u>	<u>0</u>	<u>27,600</u>	
Total Expenditures:	\$1,802,466	\$1,731,919	\$70,547	4.1%

- Total expenditures proposed at \$1,802,466, up about \$70,000 or 4% from the current year. Two provisions account for the majority of the increase:
 - \$31,000 provision for potential property valuation challenges
 - \$27,600 provision to increase unrestricted fund balance to 12.5% of total expenditures, the midpoint of the range recommended by our Auditors.
- Excluding these two items, all other expenditures are up less than 1%

2016/17 Community Grants

- Community grants up \$10,850 or 5%, largely to support a grant to Shakespeare on the Sound which has experienced a decrease in other funding.

	2015/16	2016/17
<u>Community Grants</u>	<u>Budget</u>	<u>Budget</u>
Library	\$195,000	\$199,800
Little League	6,000	6,000
Mayor's Summer Employment Program	1,350	1,400
Rowayton Arts Center	2,500	2,500
RCA - Fireworks, etc.	10,000	10,000
Rowayton Paddle Tennis Assoc	5,000	0
Rowayton Tennis Association	0	0
Rowayton Historical Society	1,500	2,500
Shakespeare on the Sound	<u>0</u>	<u>10,000</u>
Total Community Grants	\$221,350	\$232,200

2016/17 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
- Key operating budget projects

Project	2016/17 Funding
Bayley Beach: Various projects including replacing the chain link fence, new sand, and additional beach chairs and tables	\$24,000
Pinkney Park: Tree work and sealing the roof	\$8,500
Community Center: Landscaping work, garage repairs, machine repairs and other miscellaneous repair and maintenance work	\$21,000
Total	\$53,500

2016/17 Operating and Capital Projects continued

<u>Capital Project Balances</u>	<u>Projected 6/30/16</u>	<u>New Funds 2016/17</u>	<u>Total Funds</u>
Community Center Phase IV: see below	\$226,000	\$375,000	\$601,000
Fire Department - various	83,692	22,462	106,154
Wilson Ave Lot Improvements	25,700	10,000	35,700
Curbing work at Cannon	0	25,000	25,000
Little League Field Drainage	24,528	0	24,528
Little League Capital Reserve	15,000	2,500	17,500
Pinkney Park Driveway	15,087	0	15,087
Rowayton Tennis Association	0	8,333	8,333
District-Wide Tree Project & Road Safety	7,658	12,000	19,658
Arts Center	2,500		2,500
Unallocated reserve	<u>14,400</u>	<u>35,600</u>	<u>50,000</u>
Total	\$414,565	\$490,895	\$905,460

- Preliminary Phase IV Community Center work

- Re-point exterior mortar
- Install drainage at courtyard & rebuild
- Renovate 1st and 2nd floors
- Asbestos abatement
- New mechanical/HVAC
- Architectural & engineering fees

Sixth Taxing District Commissioners

Motion to adopt the proposed budget for Fiscal Year 2016- 2017 including a loan of \$300,000