



# Sixth Taxing District Annual Meeting Financial Review

March 4, 2020

Gil Kernan, District Treasurer

# Financial Review Headlines

- The District's finances are in good health.
- The auditors issued a clean opinion on our 6/30/2019 financials.
- We finished 2018/19 fiscal year with a net increase in operating fund balance.
- The 2020/21 budget holds the increase in the District's portion of property taxes to 3%.
- The major one-time items in the proposed budget are for improvements at The Little League Field and the Ambler Parking Lot.

# Financial Review Topics

<u>Section</u>	<u>Slides</u>	<u>Color code</u>
Fiscal Year 2018-19 Audited Results	4-9	FY 2018/19
Fiscal Year 2019-20 YTD and Forecast	10-12	FY 2019/20
Fiscal Year 2020-21 Proposed Budget	13-20	FY 2020/21

Note: This material covers three fiscal years. 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 2018-19 Audited Results**
- Fiscal Year 2019-20 YTD and Forecast
- Fiscal Year 2020-21 Proposed Budget

FY 2018/19

# Fiscal Year 2018-19 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, 2019 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 2018/19 Results

## Summary of 2018/19 Results

<u>Revenues</u>	<u>Year ending 6/30/19</u>	
Property Taxes	\$1,742,527	6TD portion of property taxes
All Other	<u>101,806</u>	Beach fees, rent from Comm. Ctr & misc fees
Total Revenue	\$1,844,333	
<u>Operating Expenses</u>		
Home & Community	\$394,483	Refuse collection/disposal, street lighting
Culture & Recreation	322,200	Library, Comm Ctr, Bayley Beach, Pinkney Park
Employee Pay & Benefits	378,670	Employee costs including wages and benefits
General Gov't Support	127,747	Insurance, legal, audit, admin and technology
Debt Service	151,190	Principal and interest payments
Community Grants	20,000	Grants to community organizations
Public Safety & Parking	<u>87,262</u>	Fire Department and Amber Parking Lot
Total Operating Expenses	\$1,481,552	
<b>Transfer to Capital</b>	<u>\$85,373</u>	
<b>Revenues Less Expenditures</b>	\$277,408	

- District revenues exceeded operating expenses and the transfer to capital by \$277,408 in fiscal year 2018/19.
- This net amount increases our unrestricted fund balance which can be used to defray future taxes provided we maintain the fund balance above the 10% - 15% of expenditures recommended by the auditors.

# Change in General Fund Balance

Change in General Fund Balance	Fiscal Year Ending	
	6/30/2019	6/30/2018
Total Assets	\$1,009,649	\$1,144,566
Total Liabilities	<u>304,688</u>	<u>717,013</u>
Fund Balance	\$704,961	\$427,553
Fund Balance Increase/(Decrease)	\$277,408	
<u>Changes to Fund Balance</u>		
Revenues greater than Expenses	\$362,781	
Transfers from/(to) Capital Account	<u>(85,373)</u>	
Net Increase/(Decrease)	\$277,408	

- 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 \$277,408 from 6/30/18 to 6/30/19 reflecting the positive net income less the amount transferred to our capital account.

# Key Variances to Budget

FY 2018/19

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Actual B/(W) Final Budget
Revenues	\$1,830,806	\$1,830,806	\$1,844,333	\$13,527
Expenses	<u>1,594,162</u>	<u>1,594,162</u>	<u>1,481,552</u>	<u>112,610</u>
Revenues Less Expenses	\$236,644	\$236,644	\$362,781	\$126,137
<u>Key Variances to Final Budget</u>				
<u>Revenues</u>				
Property Taxes				(\$6,769)
All other revenues				<u>20,296</u>
Total Revenues vs Budget				\$13,527
<u>Expenses</u>				
General Government Support				\$29,422
Public Safety				(\$1,903)
Transportation				641
Culture and Recreation				29,850
Home and Community Services				12,767
Employee Benefits				35,767
Debt Service				<u>6,066</u>
Total Expenses vs Budget				<u>\$112,610</u>
Total Revenues Less Expenses vs Budget				
				\$126,137

- Adjustments to budgeted expenses reflect the transfer of budget monies from an expense category to either the fund balance or capital.
- The \$13,527 positive revenue variance reflects higher revenues rentals and residential beach passes, partially offset by lower revenues in all other categories.
- The \$112,610 favorable variance in expenses reflects the fact that we spent less on General Government Support, Culture and Recreation and Employee Benefits than budgeted for.

# Sixth Taxing District Commissioners

*Motion to accept major variances  
to 2018/19 budget*

# Financial Review Topics

- Fiscal Year 2018-19 Audited Results
- **Fiscal Year 2019-20 YTD and Forecast**
- Fiscal Year 2020-21 Proposed Budget

FY 2019/20

# 2019/20 Budget and YTD Results

FY 2019/20

<u>Revenues</u>	<u>Budget</u>	<u>Thru 1/31/20</u>	<u>YTD % FY</u>
Property Taxes	\$1,775,952	\$1,125,389	63%
All Other	<u>76,560</u>	<u>36,331</u>	47%
Total Revenue	\$1,852,512	\$1,161,720	63%
<u>Expenses</u>			
Home & Community	\$412,750	\$218,638	53%
Culture & Recreation	361,200	238,371	66%
Employee Pay and Benefits	447,585	266,968	60%
General Gov't Support	178,850	123,779	69%
Debt Service	149,852	148,102	99%
Community Grants	62,500	60,800	97%
Public Safety & Parking	<u>79,260</u>	<u>39,932</u>	50%
Total Expenses	\$1,691,997	\$1,096,590	65%
<b>Revenues Higher/(Lower) than Expenses</b>	\$160,515	\$65,130	41%

- Revenues and expenses are on track to meet budget after 7 months (58% of year).
- Property tax revenues are now close to budget with funds received in February.
- Certain expenses (e.g., most community grants, insurance, debt service, etc.) are front loaded in fiscal year.

# 2019/20 Capital Account

<u>Equity and Capital Funds</u>	<u>Balance as of 1/31/20</u>
Amber Lot Improvements	\$9,300
Bayley Beach Entrance & Sidewalk	173,715
Community Center Renovation	1,067
Reserves and all other	<u>131,949</u>
	\$316,031

- The District currently has \$316,031 set aside for capital projects.
- This includes money that is set aside as a reserve for potential uninsured losses from a hurricane (\$110,000) and for capital projects that are in progress at Bayley Beach.
- The Community Center Renovation is complete.

# Financial Review Topics

- Fiscal Year 2018-19 Audited Results
- Fiscal Year 2019-20 YTD and Forecast
- **Fiscal Year 2020-21 Proposed Budget**

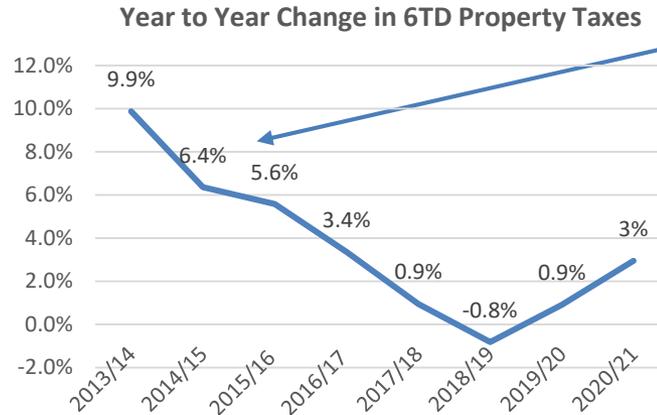
FY 2020/21

# 2020/21 Proposed Budget Overview

- We entered this year's budget planning process with a surplus from the prior year and our major capital project, the Bayley Beach Walkways & Sidewalk improvement project estimates fully funded.
- Our property tax bills from the City reflect the needs of the whole City of Norwalk (schools, roads, police, social services, etc.) plus an overlay for Sixth Taxing District expenditures which we provide and they collect on our behalf.
- The District's portion of our total property taxes are only about 5% of our total tax bills but we strive to keep the number as low as possible while still providing the services that make Rowayton what it is.

# 2020/21 Proposed Budget Overview

Fund balance needed to be rebuilt after ~\$260,000 of uninsured hurricane losses from Sandy.



Capital fund increased by ~\$450,000 from 6/30/12 to 6/30/14 to build reserves for Community Center work

Proposed budget includes \$145,000 for the Ambler parking lot and Little League drainage

- The proposed budget reflects an increase of 3% in the 6TD portion of our property taxes compared to the current fiscal year.
- The major one-time item in the budget is **\$145,000** being budgeted for work on the Ambler parking lot and the Little League field drainage.

# 2020/21 Revenues

<u>Revenues</u>	<u>2020/21</u>	<u>2019/20</u>	<u>Yr/Yr Change</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>
Property Tax	\$1,817,082	\$1,764,953	\$52,129	3.0%
Other Income				
Rentals	\$11,000	\$11,000	\$0	0.0%
Beach Permits, Resident	40,000	40,000	0	0.0%
Beach Fees: Non Resident	16,800	16,000	800	5.0%
Other Beach/Camp Fees	15,000	8,500	6,500	76.5%
Firefighter Rebate Provision	5,500	6,000	(500)	-8.3%
All Other Income	<u>\$6,060</u>	<u>\$6,060</u>	<u>\$0</u>	0.0%
Total Revenue	\$1,911,442	\$1,852,513	\$58,929	3.2%

- The 6TD portion of our property taxes, which account for 95% of total District revenues, are proposed at \$1,817,082, up 3% from the current fiscal year.

# 2020/21 Expenditures

FY 2020/21

<u>Expense Category</u>	<u>2020/21</u>	<u>2019/20</u>	<u>Yr/Yr Change</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>
Home & Community	\$422,500	\$412,750	\$9,750	2.4%
Culture & Recreation	393,350	360,400	\$32,950	9.1%
Employee Pay and Benefits	443,215	447,585	(\$4,370)	-1.0%
General Gov't Support	156,937	178,849	(\$21,912)	-12.3%
Debt Service	146,739	149,853	(\$3,114)	-2.1%
Community Grants	60,160	62,500	(\$2,340)	-3.7%
Public Safety & Parking	97,260	94,200	\$3,060	3.2%
Valuation Reserve	<u>0</u>	<u>30,000</u>	<u>(30,000)</u>	NA
Total Operating Expenses	\$1,720,161	\$1,736,137	(\$15,976)	-0.9%
Transfer to Capital	<u>\$191,280</u>	<u>\$236,644</u>	<u>(\$45,364)</u>	-19.2%
Total Expenditures	\$1,911,441	\$1,972,781	(\$61,340)	-3.1%

- Total District operating expenses are down 1% driven by several items:
  - \$32,000 higher Cultural and Recreation to pay for extended lifeguard hours at Bayley Beach and planned improvements at Pinkney Park.
  - (\$22,000) lower General Government Support to adjust from previous budgeted amounts for insurance and administrative amounts that were higher than actual amounts spent.
  - \$10,000 increase due to higher refuse collection expenses
  - (\$30,000) lower valuation claim reserve to reflect lack of valuation claim adjustments.
- Transfers to capital are down \$45,364.

# 2020/21 Community Grants

<u>Community Grants</u>	2020/21	2019/20	Year/Year Change	
	Budget	Budget	<u>Amount</u>	<u>Percent</u>
Library	\$220,800	\$216,000	\$4,800	2%
Little League	6,000	6,000	\$0	0%
Mayor's Summer Employment Program	0	1,700	(\$1,700)	-100%
Norwalk Tree Alliance	3,000	0	\$3,000	100%
Rowayton Paddle Tennis Assoc.	10,000	0	\$10,000	100%
Rowayton Arts Center	10,000	10,000	\$0	0%
RCA - Fireworks, etc.	10,000	10,000	\$0	0%
Rowayton Gardeners	0	3,000	(\$3,000)	-100%
Rowayton Historical Society	<u>11,160</u>	<u>19,800</u>	<u>(\$8,640)</u>	-44%
Shakespeare on the Sound	<u>10,000</u>	<u>12,000</u>	<u>(\$2,000)</u>	-17%
<b>Total Community Grants</b>	<b>\$280,960</b>	<b>\$278,500</b>	<b>\$2,460</b>	<b>1%</b>

- Grants are up \$2,460, with the mix of increases and decreases highlighted in the chart above.
- The Historical Society plans to continue their work on the Boathouse and maritime museum, install an ADA ramp and improve the landscaping.

# 2020/21 Capital Project Budget

FY 2020/21

<u>Capital Budget Projects</u>	<u>Projected 6/30/20</u>	<u>New Funds 2020/21</u>	<u>Total 2020/21 Capital Budget</u>
Reserve for Future Projects	\$110,000	\$0	\$110,000
Little League Capital Reserve	6,721	6,000	12,721
Wilson Avenue Lot	9,300	70,000	79,300
Bayley Beach Sidewalk	169,497	10,000	179,497
Bayley Beach Field Drainage	0	75,000	75,000
Community Center Renovation	1,067	0	1,067
Fire Department	15,228	10,280	25,508
Pinkney Park	0	10,000	10,000
Rowayton Arts Center	<u>0</u>	<u>10,000</u>	<u>10,000</u>
<b>TOTAL</b>	\$311,813	\$191,280	\$503,093

- We expect to end this fiscal year with about \$311,000 in capital funds. That includes \$169,497 of funds for the Bayley Beach sidewalk improvements which will mostly likely be paid out as project progresses and bills from the contractors are submitted.
- The major new capital funding in the 2020/21 budget is for the work to improve the Ambler-Wilson Street Parking lot and to address the drainage issues at Bayley Beach. Cost estimates for these proposals are being developed.

# Sixth Taxing District Commissioners

*Motion to adopt the proposed budget for Fiscal Year 2020/21.*