



Sixth Taxing District Annual Meeting Financial Review

March 1, 2017

Jim Hendrickson, District Treasurer

Financial Review Topics

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Fiscal Year 2015-16 Audited Results	3-8	FY 2015/16
Fiscal Year 2016-17 YTD and Forecast	9-11	FY 2016/17
Fiscal Year 2017-18 Proposed Budget	12-19	FY 2017/18

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 2015-16 Audited Results**
- Fiscal Year 2016-17 YTD and Forecast
- Fiscal Year 2017-18 Proposed Budget

FY 2015/16

Fiscal Year 2015-16 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 2015/16 Results

Revenues

Property Taxes	\$1,683,623	6TD portion of property taxes
All Other	<u>\$77,859</u>	Beach fees, rent from Comm. Ctr & misc fees
Total Revenue	\$1,761,482	

Expenses

Home & Community	\$381,138	Refuse collection/disposal, street lighting
Culture & Recreation	320,588	Library, Comm Ctr, Bayley Beach, Pinkney Park
Employee Benefits	376,612	Employee costs including wages and benefits
General Gov't Support	124,990	Insurance, legal, audit, admin and technology
Debt Service	146,588	Principal and interest payments
Community Grants	26,350	Grants to community organizations
Public Safety & Parking	<u>73,200</u>	Fire Department and Amber Parking Lot
Total Expenses	\$1,449,466	

Revenues Less Expenses: \$312,016

- District revenues exceeded expenses by \$312,000 in fiscal year 2015/16.
- This net income was used for two purposes: 1) to build our capital reserve 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 6/30/16 fund balance was up \$53,777 from 6/30/15.

	Fiscal Year Ending	
	<u>6/30/2016</u>	<u>6/30/2015</u>
Total Assets	\$1,133,987	\$1,201,890
Total Liabilities	<u>901,439</u>	<u>1,023,119</u>
Fund Balance	\$232,548	\$178,771
Fund Balance Increase/(Decrease)	\$53,777	
 <u>Changes to Fund Balance</u>		
Revenues greater than Expenses	\$312,017	
Transfers from/(to) Capital Account	<u>(258,240)</u>	
Net Increase/(Decrease)	\$53,777	

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

Key Variances to Budget

FY 2015/16

	Original	Final		Actual B/(W)
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues	\$1,731,917	\$1,731,917	\$1,761,482	\$29,565
Expenses	<u>1,485,677</u>	<u>1,473,677</u>	<u>1,449,465</u>	<u>24,212</u>
Revenues Less Expenses	\$246,240	\$258,240	\$312,017	\$53,777

Key Variances to Final Budget

Revenues

Property Taxes	\$6,356
All other revenues	<u>23,209</u>
Total Revenues vs Budget	\$29,565

Expenses

Pinkney Park	\$5,380
Street lighting	4,814
General District Expenses	3,830
Insurance	2,330
All other expense reductions	<u>7,858</u>
Total Expenses vs Budget	\$24,212
Total Revenues Less Expenses vs Budget	\$53,777

- Positive revenue variance primarily reflects higher property taxes (\$6,400) and beach permit sales (\$15,400)
- Favorable expense variance reflects modest savings in various areas.

Sixth Taxing District Commissioners

*Motion to accept major variances
to 2015/16 budget*

Financial Review Topics

- Fiscal Year 2015-16 Audited Results
- **Fiscal Year 2016-17 YTD and Forecast**
- Fiscal Year 2017-18 Proposed Budget

FY 2016/17

2016/17 Budget and YTD Results

FY 2016/17

<u>Revenues</u>	<u>Budget</u>	<u>Thru 1/31/17</u>	<u>YTD % FY</u>
Property Taxes	\$1,740,757	\$1,084,393	62%
All Other	<u>61,710</u>	<u>26,193</u>	42%
Total Revenue	\$1,802,467	\$1,110,586	62%
<u>Expenses</u>			
Home & Community	\$403,375	\$219,619	54%
Culture & Recreation	352,310	229,471	65%
Employee Benefits	389,916	245,766	63%
General Gov't Support	146,221	107,530	74%
Debt Service	147,350	100,275	68%
Community Grants	32,400	33,440	103%
Public Safety & Parking	81,400	35,267	43%
Valuation Claim Reserve	31,000	0	
Increase to Fund Balance	<u>27,600</u>	<u>0</u>	
Total Expenses	<u>\$1,611,572</u>	<u>\$971,368</u>	60%
Revenues over Expenses	\$190,895	\$139,218	73%

- Revenues and expenses on track to meet budget after seven months
- 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.

2016/17 Capital Account and Plans

Equity and Capital Funds	Balance as <u>of 1/31/17</u>
Amber Lot Improvements	\$35,700
Bayley Beach	23,903
Community Center (Phase IV)	404,415
Cannon Curbing	25,000
Pinkney Park	5,213
Reserves and all other	<u>87,505</u>
Total	\$581,736

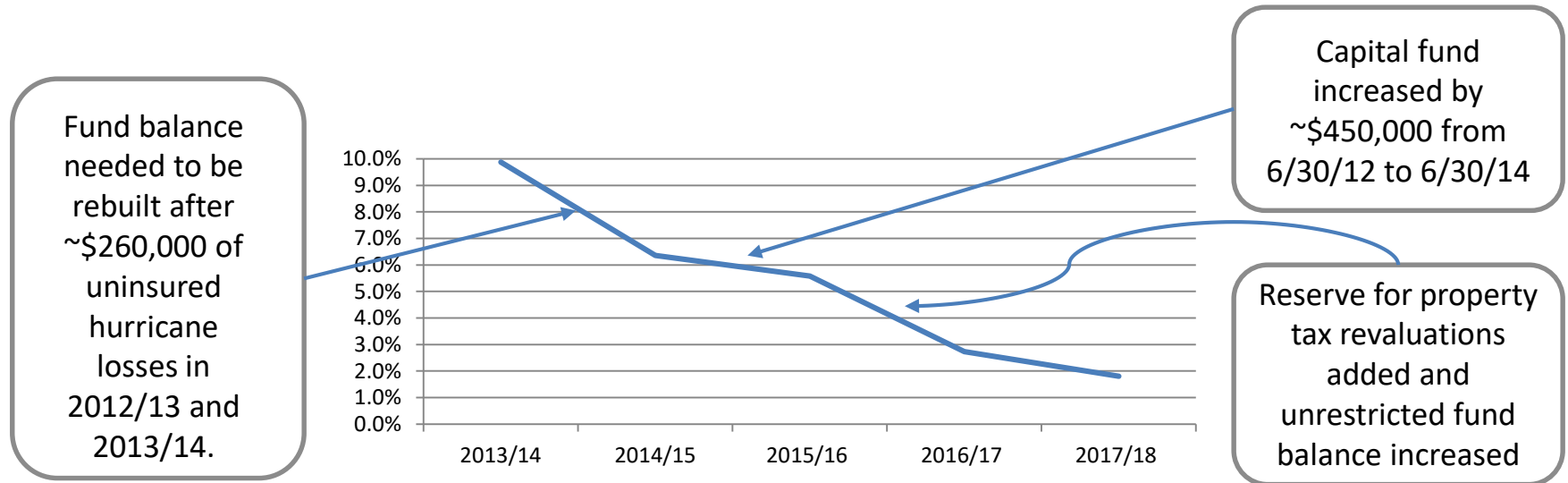
- The District currently has \$581,000 set aside for capital projects including \$300,000 from the loan approved last year (loan for 15 years at 2.23%)
- Capital funds not used in current fiscal year will be rolled into 2017/18 budget
- Work on final phase of the Community Center renovation about to begin
- Other capital projects are underway or on track

Financial Review Topics

- Fiscal Year 2015-16 Audited Results
- Fiscal Year 2016-17 YTD and Forecast
- **Fiscal Year 2017-18 Proposed Budget**

FY 2017/18

2017/18 Proposed Budget Highlights



Fund balance needed to be rebuilt after ~\$260,000 of uninsured hurricane losses in 2012/13 and 2013/14.

Capital fund increased by ~\$450,000 from 6/30/12 to 6/30/14

Reserve for property tax revaluations added and unrestricted fund balance increased

- The 2017/18 budget will increase the Sixth Taxing District portion of property taxes by 1.5%; a substantially lower increase compared with recent years when the District needed to fund repair of hurricane damage, build capital for projects such as the Community Center and create reserves for potential property revaluations.
- The 2017/18 budget includes a \$300,000 loan from the City of Norwalk to complete the Community Center renovation; the loan was approved at a public meeting on 11/16/2016.

2017/18 Revenues

<u>Revenues</u>	<u>2017/18</u>	<u>2016/17</u>	<u>Yr/Yr Change</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>
Property Tax	\$1,767,694	\$1,740,757	\$26,937	1.5%
Other Income				
Rentals	\$12,000	\$12,000	\$0	0.0%
Beach Permits, Resident	15,000	14,000	1,000	7.1%
Beach Fees: Non Resident	18,000	18,000	0	0.0%
Other Beach/Camp Fees	7,000	4,500	2,500	55.6%
Firefighter Rebate Provision	8,500	8,000	500	6.3%
All Other Income	<u>\$5,210</u>	<u>\$5,210</u>	<u>\$0</u>	0.0%
Total Revenue	\$1,833,404	\$1,802,467	\$30,937	1.7%

- The 6TD portion of our property taxes, which account for 96% of total district revenues, are proposed at \$1,767,694 up about \$27,000 or 1.5% from the current fiscal year. This represents an \$18 per household increase.
- All other revenues are up 6.5% primarily reflecting a continuation of the better-than-planned beach revenue we booked last summer.

2017/18 Expenditures

<u>Expense</u>	<u>2017/18</u>	<u>2016/17</u>	<u>Yr/Yr Change</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>
General Gov't Support	\$166,497	\$146,221	\$20,276	13.9%
Public Safety	69,650	69,050	600	0.9%
Transportation	9,850	12,350	(2,500)	-20.2%
Culture & Recreation	363,000	352,310	10,690	3.0%
Home & Community	407,250	403,375	3,875	1.0%
Grants (Library in Community)	50,875	32,400	18,475	57.0%
Employee Benefits	418,004	389,916	28,088	7.2%
Debt Service	159,945	147,350	12,595	8.5%
Valuation Reserve	25,000	31,000	(6,000)	-19.4%
Increase to Fund Balance	<u>15,000</u>	<u>27,600</u>	<u>(12,600)</u>	-45.7%
Total Operating Expenses	\$1,685,071	\$1,611,572	\$73,499	4.6%
Transfer to Capital	<u>\$148,333</u>	<u>\$190,895</u>	<u>(\$42,562)</u>	-22.3%
Total Expenditures	\$1,833,404	\$1,802,467	\$30,937	1.7%

- The major items underlying the increase in General Government Support are a new sand spreader, higher insurance costs, funding for the creation of a Pathways Committee and replacing a computer.
- The next slide looks at the increase in grant funding.

2017/18 Community Grants

<u>Community Grants</u>	2017/18 <u>Budget</u>	2016/17 <u>Budget</u>
Library	\$204,700	\$199,800
Little League	6,000	6,000
Mayor's Summer Employment Program	0	1,400
Rowayton Arts Center	2,500	2,500
RCA - Fireworks, etc.	10,000	10,000
Rowayton Gardners	2,375	0
Rowayton Historical Society	20,000	2,500
Shakespeare on the Sound	<u>10,000</u>	<u>10,000</u>
Total Community Grants	\$255,575	\$232,200

- Community grants are up about \$23,000 or 10%. The Historical Society’s increase of \$17,500 reflects a one-time contribution to fund about 50% of the cost to renovate the maritime barn at Pinkney Park. The RHS will fund the balance.
- In lieu of a requested \$5,000 grant for the Rowayton Platform Tennis Association, the District will fund some needed electrical work for the group’s facilities.

2017/18 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
- Ten operating projects budgeted for 2017/18 to maintain our facilities.

Community Center: Wall repairs, new shed, RPTA electrical work, tree work, misc. equipment repair	\$35,400
Bayley Beach: Bathroom updates, new beach chairs and tables, new wood chips for playground	\$14,500
Pinkney Park: Tree work, landscaping and landscaping stones	\$5,500
Total Operating Projects	\$55,400

2017/18 Operating and Capital Projects continued

	Projected	New Funds	
<u>Capital Projects with New Funding</u>	<u>6/30/17</u>	<u>2017/18</u>	<u>Total Funds</u>
Community Center Renovation	\$404,415	\$300,000	\$704,415
Community Center Lower Lot Repaving	\$0	\$60,000	\$60,000
Sidewalk on Roton Avenue near Beach	0	37,500	\$37,500
Fire Department - new gear	676	22,500	\$23,176
Pinkney Park - New Stairs and Sidewalk	5,213	14,000	\$19,213
Rowayton Tennis Association Reserve	8,333	8,333	\$16,666
Little League Capital Reserve	<u>17,500</u>	<u>6,000</u>	<u>\$23,500</u>
Subtotal	\$436,137	\$448,333	\$884,470
<u>Capital Projects with Carryover Funding</u>	<u>\$145,599</u>	<u>0</u>	<u>\$145,599</u>
Total - All Capital Projects	\$581,736	\$448,333	\$1,030,069

- Additional funding for the Community Center renovation and lower parking lot repaving account for 80% of the new capital funding and the majority of the new money will come from the recently approved loan.
- Major carryover projects include: Amber Lot improvements (\$35,700), new curbing at the cannon (\$25,000), Little League Field Drainage (\$23,900), and a District reserve (\$50,000).

Sixth Taxing District Commissioners

*Motion to adopt the proposed
budget for Fiscal Year 2017- 2018*