



Sixth Taxing District Annual Meeting Financial Review

March 3, 2025

Gil Kernan, District Treasurer

Doug Hillman, Assistant to the Treasurer

Financial Review Headlines

- The District's finances are in good health.
- The 6/30/24 audit is still underway, and we expect a clean opinion.
- We finished the 2023/24 fiscal year with a net increase in operating fund balance.
- The 2024/25 fiscal year is projected to have a net decrease to the operating fund balance.
- The 2025/2026 budget raises taxes 2.5% for the Sixth Taxing District portion.

Financial Review Topics

<u>Section</u>	<u>Slides</u>	<u>Color code</u>
Fiscal Year 2023-24 Audited Results	4-9	FY 2023/24
Fiscal Year 2024-25 YTD and Forecast	10-12	FY 2024/25
Fiscal Year 2025-26 Proposed Budget	13-20	FY 2025/26

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 2023-24 Un-Audited Results FY 2023/24
- Fiscal Year 2024-25 YTD and Forecast
- Fiscal Year 2025-26 Proposed Budget

Fiscal Year 2023-24 Audit

- District financial statements are audited. Expected completion 3/31/25.
- Independent Auditor is O'Connor Davies, LLP in Stamford, CT.
- Expected results of audit: Clean, unqualified opinion
- Audited financial statements will be made available to the public on the District's web site (www.Rowayton6TD.com). The June 30, 2024 audit will be posted after completion of the audit.
- 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 2023/24 Results

Summary of 2023/24 Results

Revenues

Total Revenue \$2,103,364

Year ending 6/30/24

Property taxes \$1,925,962 of Total Revenue

Operating Expenses

Home & Community \$506,008

Refuse collection/disposal, street lighting

Culture & Recreation 392,738

Library, Comm Ctr, Bayley Beach, Pinkney Park

Employee Pay & Benefits 412,104

Employee costs including wages and benefits

General Gov't Support 172,437

Insurance, legal, audit, admin and technology

Debt Service 184,517

Principal and interest payments

Community Grants 10,000

Grants to community organizations

Public Safety & Parking 121,300

Fire Department and Ambler Parking Lot

Total Operating Expenses \$1,799,104

Transfer to Capital-Budgeted \$200,428

Net change in Fund Balance \$103,832

- Total revenue exceeded operating expenses plus the transfer to the Capital Fund by \$103,832 in fiscal year 2023/24.
- This net amount increases our unrestricted fund balance which can be used to defray future taxes provided we maintain the fund balance above the 15% - 20% of expenditures recommended by the auditors.

Change in General Fund Balance

	Fiscal Year Ending	
	6/30/2023	6/30/2024
Total Assets	\$955,757	\$1,061,806
Total Liabilities	\$404,604	\$406,821
Fund Balance	\$551,153	\$654,985
Fund Balance Increase/(Decrease)	\$103,832	
<u>Changes to Fund Balance</u>		
Revenues Greater than Expenses	\$304,260	
Transfer to Capital-Budget	(\$200,428)	
	\$103,832	

- 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 \$103,832 from 6/30/23 to 6/30/24 reflecting the operating net income of \$304,260 (Revenues \$2,103,364 – Expenditures \$1,799,104) less the Capital fund budget of \$200,428.

Key Variances to Budget

FY 2023/24

	Original Budget	Final Budget	Un-Audited Actual	Variance to Final Budget
Revenues	\$2,051,025	\$2,051,025	\$2,103,364	\$52,339
Expenses	\$1,850,597	\$1,850,597	\$1,799,104	\$51,493
Revenues less Expenses	\$200,428	\$200,428	\$304,260	\$103,832
Key Variances to Final Budget				
Property Tax Revenue				(\$563)
Interest Earned				\$28,376
All other Revenues				\$24,526
Total Revenues vs Budget				\$52,339
Expenses				
General Gov't Support				(\$14,525)
Culture and Recreation				\$14,861
Home and Community Services				(\$34,992)
Other				(\$16,837)
Total Expense vs Budget				(\$51,493)

- The \$52,339 positive revenue variance reflects more interest earned, rental income, and beach sticker income versus the budget.
- The \$51,493 favorable variance in expenses reflects the fact that the district spent less than budgeted for on General Government Support and Home and Community Services (Trash Collection, Tipping Fees, Street Lighting), offset by Culture and Recreation.

Sixth Taxing District Commissioners

*Motion to accept Un-Audited key
variances to 2023/2024 budget*

Financial Review Topics

- Fiscal Year 2023-24 Audited Results
- **Fiscal Year 2024-25 YTD and Forecast**
- Fiscal Year 2025-26 Proposed Budget

FY 2024/25

2024/25 Budget and YTD Results

<u>Revenues</u>	<u>Budget</u>	<u>Thru 1/31/25</u>	<u>YTD % FY</u>
Property Taxes	\$1,926,525	\$1,172,221	61%
All Other	<u>134,500</u>	<u>78,367</u>	58%
Total Revenue	\$2,061,025	\$1,250,588	61%
<u>Expenses</u>			
Home & Community	\$547,560	\$308,652	56%
Culture & Recreation	381,784	224,800	59%
Employee Pay and Benefits	429,625	342,296	80%
General Gov't Support	192,456	165,232	86%
Debt Service	180,708	180,708	100%
Community Grants	20,000	20,000	100%
Public Safety & Parking	<u>108,290</u>	<u>84,494</u>	78%
Total Expenses	\$1,860,423	\$1,326,182	71%
Revenues Higher/(Lower) than Expenses	\$200,602	(\$75,594)	-38%

- 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 (insurance, debt service, etc.) are front loaded in fiscal year.

Financial Review Topics

- Fiscal Year 2023-24 Audited Results
- Fiscal Year 2024-25 YTD and Forecast
- **Fiscal Year 2025-26 Proposed Budget**

FY 2025/26

2025/26 Proposed Budget Overview

- 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.
- We provide the CFO of The City of Norwalk a proposed dollar amount of our budgeted property tax collection. The CFO then divides that number by the Grand List in order to calculate the Sixth Taxing District Mill Rate.

2025/26 Proposed Budget Overview

- The proposed budget reflects a 2.5% increase in the 6TD portion of our property taxes compared to the current fiscal year.
- The new capital fund items in the budget are \$130,000 for securing the Art Center Deck, \$15,000 for District Wide Water Fountains/Bottle Filling stations, \$20,000 for work on the Boat House at Pinkney Park, \$20,000 for for the playground project by Friends of Bayley Beach, and \$82,000 for a second Fire chief vehicle.

2025/26 Revenues

<u>Revenues</u>	<u>2025/26</u>	<u>2024/25</u>	<u>Yr/Yr Change</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>
Property Tax	\$1,974,688	\$1,926,525	\$48,163	2.5%
Other Income				
Rentals	\$40,000	\$40,000	\$0	0.0%
Beach Permits, Resident	54,000	45,000	9,000	20.0%
Beach Fees: Non Resident	18,000	15,500	2,500	16.1%
Interest	45,000	25,000	20,000	80.0%
Firefighter Rebate Provision	4,000	4,000	0	0.0%
All Other Income	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$0</u>	0.0%
Total Revenue	\$2,140,688	\$2,061,025	\$79,663	3.9%

- The 6TD portion of our property taxes, which account for 95% of total District revenues, are proposed with a 2.5% increase.

2025/26 Expenditures

FY 2025/26

<u>Expense Category</u>	<u>2025/26</u>	<u>2024/25</u>	<u>Yr/Yr Change</u>		
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>	
Home & Community	\$546,290	\$547,560	(\$1,270)	-0.2%	Refuse collection/disposal, street lighting
Culture & Recreation	411,691	381,784	\$29,907	7.8%	Library, Comm Ctr, Bayley Beach, Pinkney Park
Employee Pay and Benefits	490,191	429,625	\$60,566	14.1%	Employee costs including wages and benefits
General Gov't Support	197,607	192,456	\$5,151	2.7%	Insurance, legal, audit, admin and technology
Debt Service	176,791	180,709	(\$3,918)	-2.2%	Principal and interest payments
Community Grants	20,000	20,000	\$0	0.0%	Grants to community organizations
Public Safety & Parking	<u>132,250</u>	<u>108,290</u>	<u>\$23,960</u>	22.1%	Fire Department and Ambler Parking Lot
Total Operating Expenses	\$1,974,820	\$1,860,424	\$114,396	6.1%	
Transfer to Capital	<u>\$165,868</u>	<u>\$200,601</u>	<u>(\$34,733)</u>	-17.3%	
Total Expenditures	\$2,140,688	\$2,061,025	\$79,663	3.9%	

- Total District operating expenses before the transfer to the Capital Fund are up 6.1% due to change in personnel, higher repair and maintenance costs, and higher Fire Department costs because of new OSHA requirements.

2025/26 Community Grants

	2025/2026 Budget	2024/2025 Budget	Change	% Change
Library	\$258,411	\$250,884	\$7,527	3.0%
<u>Other Community Grants</u>				
RCA - Fireworks, Etc.	10,000	10,000	0	0.0%
Shakespeare on the Sound	10,000	10,000	0	0.0%
Total	\$20,000	\$20,000	\$0	0.0%

- The Library grant is up 3%.
- Other Community grants are the same as last year.

2025/26 Capital Project Budget

	1/31/2025	Re-Allocate	25-26	7/1/2025
Reserve for Future Projects	100,000	-	-	100,000
Comm. Ctr. Roof	30,000	-	-	30,000
Comm. Ctr. - Sewer Line	83,585	-	-	83,585
Comm. Ctr. - Paving	70,990	-	-	70,990
Comm. Ctr. - Greenhouse Roof	14,000	-	-	14,000
New Blue Truck	20,000	-	-	20,000
Art Center Deck	(4,500)	-	115,000	110,500
DW-Water Fountains/Bottle Filling	-	-	15,000	15,000
Pinkney Park Boathouse	-	-	20,000	20,000
Bayley Beach / Comm. Ctr. WIFI	75,000	-	-	75,000
Bayley Beach Playground (FBB)	20,000	-	20,000	40,000
Bayley Beach New Float	4,631	314	-	4,945
FD Chief Vehicle	-	-	82,000	82,000
FD Utility Truck	25,000	(25,000)	-	-
FD Air System	30,000	(30,000)	-	-
FD - Pagers, Nozzles, Radios	1,295	24,686	-	25,981
FD Packs and Bottles	-	30,000	-	30,000
	470,001	-	252,000	722,001

Sixth Taxing District Commissioners

*Motion for residents to vote on the
proposed budget for Fiscal Year
2025/26*