



Quarterly Financial Report

First Quarter of Fiscal Year 2018-19

October 31, 2018

OVERVIEW

With only the first quarter for the fiscal year complete, it is too early to identify any major financial trends. Although there do not appear to be any significant deviations from past revenue and expenditure patterns through the first quarter, we are closely monitoring our key revenue sources.

Interim Beginning Balances. While the audit is not yet complete, we believe the beginning fund and working capital balances presented in this report are reasonable and not likely to change significantly.

Adjusted Budgets. The revenue projections and budgets include adjustments for actual carryovers for the capital improvement projects and any supplemental appropriations made by the Council as of September 30, 2018.

GENERAL FUND

General Fund Financial Condition. With 25% of the year complete, General Fund revenues are at 13% of projections and operational expenditures are at 21%.

General Fund Balance	Budget	Actual	% BUDGET
	as of 10/16/18		
Unassigned Balance, Start of Year	12,701,773	12,701,773	
Assigned CIP Balance	221,000	221,000	
Change in Reserve Balances	122,987	122,987	
Available Beginning Balance, Start of Year	13,045,760	13,045,760	
Plus Revenues:	47,024,280	5,908,509	13%
Less Expenditures:			
Operations & Minor Capital Outlays	47,691,153	10,123,243	21%
Capital Projects	221,000	37,766	17%
Other Sources (Uses)	(2,409,600)	-	0%
Purchase of Street Light Poles	-	2,078,736	
Unassigned Balance, Year to Date	9,748,287	6,714,523	69%
Additional Fund Balance Changes:			
Less Assigned to CIPs - FY2018		183,234	
Interim Unassigned Balance, Year to Date	9,748,287	6,531,289	67%

Major Revenues. Our top revenues represent 86% of total General Fund revenues. By focusing on these, we can get an understanding of our revenue position. Overall these revenues are performing as projected based on payment schedules and past trends for the first quarter. Any significant variances are noted below.

REVENUE DESCRIPTION	BUDGET	ACTUAL	% Budget	Variance Actual vs. Budget
PROP TAX-S.E. REC & PARK AREA	4,138,200	-	0%	(4,138,200)
PROPERTY TAX IN-LIEU/VLF	3,062,300	-	0%	(3,062,300)
NO/LOW PROPERTY TAX-CNTY	11,436,000	-	0%	(11,436,000)
SA RDAs - AB 1484 ALLOCATIONS	90,000	-	0%	(90,000)
REAL-PROPERTY VALUE DERIVED REVENUES:	18,726,500	-	0%	(18,726,500)
SALES & USE TAXES (STATE)	10,993,000	963,968	9%	(10,029,032)
UTILITY USER TAX	5,000,000	927,236	19%	(4,072,764)
TRANSIENT OCCUPANCY TAX	1,560,000	160,349	10%	(1,399,651)
FRANCHISE TAX	2,234,100	20,197	1%	(2,213,903)
FRANCHISE - CABLE TV	700,900	-	0%	(700,900)
BUSINESS LICENSE	894,000	15,936	2%	(878,064)
REAL PROPERTY TRANSFER TAX	320,000	44,684	14%	(275,316)
TAXES & FRANCHISES:	21,702,000	2,132,370	10%	(19,569,630)
SUBTOTAL: MAJOR REVENUES:	40,428,500	2,132,370	5%	(38,296,130)
OTHER GENERAL REVENUES:	2,681,530	622,239	23%	(2,059,291)
PUBLIC SAFETY REVENUES:	1,333,000	361,392	27%	(971,608)
PUBLIC SERVICES REVENUES:	433,750	28,704	7%	(405,046)
SOCIAL SERVICES REVENUES:	28,250	11,967	42%	(16,283)
RECREATION & PARKS REVENUES:	704,150	280,237	40%	(423,913)
COMMUNITY DEVELOPMENT REVENUES:	1,415,100	392,865	28%	(1,022,235)
TRANSFER FROM DEBT SERVICE/ STREET LIGHT POLES	-	2,078,736	0%	2,078,736
TOTAL: GENERAL FUND REVENUES	\$ 47,024,280	\$ 5,908,509	13%	\$ (41,115,771)

- **Real Property Value Derived Revenues.** The first major apportionment of 2018/19 tax year will occur in December.
- **Sales Tax.** Year-to-date results are generally on target with our projections, and the reported numbers contain only one month of remittances.
- **Utility User Tax.** Reported revenues represent remittances for two months of UUT collections and are on target with the estimates.
- **Transient Occupancy Tax.** Revenues are usually higher in the first quarter due to the summer tourist season. The reported receipts represent only partial first quarter receipts, missing filings from three of the hotel establishments.
- **Franchise Fees.** We will not receive the largest components of our franchise fee revenues – payments from oil and utility companies – until April of 2018. The

amount reported is received from former trash hauler companies for the service in the month of July.

- **Business Licenses.** The renewal cycle for business tax occurs at the end of calendar year and majority of revenues will be received during the month of January 2019.
- **Real Property Transfer Tax.** The first quarter receipts reflect slowing real estate market and the slightly lower real property sales than anticipated.

Expenditures. Operating costs are right on target for the first quarter of the year as summarized below:

EXPENDITURES BY TYPE	BUDGET	ACTUAL	% BUDGET	VARIANCE BUDGET vs. ACTUAL
SALARIES & BENEFITS	24,223,920	5,221,473	22%	19,002,447
CONTRACT SERVICES	17,723,920	3,253,095	18%	14,470,825
UTILITIES	2,282,150	496,096	22%	1,786,054
INSURANCE	714,415	713,315	100%	1,100
TRANSFER OUT TO DEBT SERVICE	1,613,112	-	0%	1,613,112
OTHER OPERATING COSTS	3,429,705	699,017	20%	2,730,688
MINOR CAPITAL OUTLAYS	96,840	27,949	29%	68,891
TOTAL OPERATIONS	50,084,062	10,410,945	21%	39,673,117
Less Transfers In From Special Revenues Funds To Offset General Fund Street Maintenance Cost:				
GAS TAX FUND	(1,729,120)	(262,290)	15%	(1,466,830)
TRAFFIC CONGESTION RELIEF FUND	(527,845)	-	0%	(527,845)
TRANSFER TO SA HOUSING ADMIN	-	-	0%	-
OTHER SPECIAL REVENUE FUNDS	(135,944)	(25,412)	19%	(110,532)
TOTAL OPERATIONAL TRANSFERS (IN)/OUT	(2,392,909)	(287,702)	12%	(2,105,207)
NET OPERATIONAL EXPENDITURES	\$ 47,691,153	\$ 10,123,243	21%	\$ 37,567,910
TRANSFERS TO "REPLACEMENT" FUNDS	425,000	-	0%	425,000
TRANSFER TO POST EMPLOYMENT BENEFITS TRUST FUND	1,984,600	-	0%	1,984,600
PURCHASE OF STREET LIGHT POLES	-	2,078,736	0%	(2,078,736)
CAPITAL IMPROVEMENT PROJECTS	220,959	37,766	17%	183,193
TOTAL GENERAL FUND EXPENDITURES	\$ 50,321,712	\$ 12,239,746	24%	\$ 38,081,966

The only key variance "by expenditure type" is recorded under insurance category. It reflects the City's annual premium for liability and property insurance, which is due in full in July of each fiscal year.

Departmental operating expenditures are also on target as summarized by the following:

EXPENDITURES BY DEPARTMENT	BUDGET	ACTUAL	% BUDGET	VARIANCE BUDGET vs. ACTUAL
MAYOR / COUNCIL & BOARDS	474,366	69,283	15%	405,083
ADMINISTRATION	855,676	168,661	20%	687,015
CITY ATTORNEY	360,000	19,977	6%	340,023
MANAGEMENT SERVICES	491,773	133,362	27%	358,411
COMMUNICATIONS & PUBLIC AFFAIRS	759,413	142,678	19%	616,735
CABLE TV	260,745	46,789	18%	213,956
MIS - NETWORK CONTRACTOR	610,473	175,219	29%	435,254
CITY CLERK	817,597	191,453	23%	626,144
HUMAN RESOURCES	1,729,751	882,095	51%	847,656
FINANCE	2,099,975	580,904	28%	1,519,071
DEBT SERVICE	1,613,112	-	0%	1,613,112
PUBLIC SAFETY	16,375,168	2,767,688	17%	13,607,480
PUBLIC SERVICES	10,476,938	2,509,090	24%	7,967,848
SOCIAL SERVICES	2,529,288	509,985	20%	2,019,303
HOMELESS SERVICES	206,254	50,848	25%	155,406
RECREATION	4,622,901	1,185,993	26%	3,436,908
COMMUNITY DEVELOPMENT	3,407,723	689,219	20%	2,718,504
TOTAL ALL DEPARTMENTS - OPERATIONS & MINOR CAPITAL OUTLAYS	\$ 47,691,153	\$ 10,123,243	21%	37,567,910
TRANSFERS TO "REPLACEMENT" FUNDS	425,000	-	0%	425,000
TRANSFER TO POST EMPLOYMENT BENEFITS TRUST FUND	1,984,600	-	0%	1,984,600
PURCHASE OF STREET LIGHT POLES	-	2,078,736	0%	(2,078,736)
CAPITAL IMPROVEMENT PROJECTS	220,959	37,766	17%	183,193
TOTAL EXPENDITURES	\$ 50,321,712	\$ 12,239,746	24%	38,081,966

Human Resources expenditures are higher due to the payment of the City's annual liability and property premium due in July.

PARKING STRUCTURE FUND

Parking Structure Fund Balance	Budget	Actual	% BUDGET
Revenues	680,000	81,381	12%
Insurance Refund Received	-	-	-
Expenditures:			
Operational	522,646	82,594	16%
Capital Improvement Projects	562,655	979	-
	-	-	-
Other Sources (Uses) - Txf Debt Svc Fund	(252,769)	-	0%
Balance, Start of Year	762,981	762,981	-
Balance, Year to Date	104,911	760,788	

Revenues are under our projections and 27% lower than parking revenues received during the same period in prior fiscal year.

ENTERPRISE FUNDS

The following summarizes year-to-date revenues, expenditures and changes in working capital for the enterprise funds.

Norwalk Municipal Water System

Water Fund - Working Capital	Budget	YTD Actual	% BUDGET
Revenues	5,655,500	1,287,323	23%
Expenses			
Personnel	1,000,286	180,192	18%
Operations & Maintenance	3,197,045	579,136	18%
Total Operating Expenses	4,197,331	759,328	18%
Operating Income (Loss)	1,458,169	527,995	
Debt Service	538,613	-	0%
Capital Revenues	-	-	
CIP Expense	3,766,012	28,358	1%
Capital Income (Loss)	(3,766,012)	(28,358)	
Working Capital, Start of Year	3,417,244	3,417,244	
Working Capital, Year to Date	570,788	3,916,881	

Norwalk Sewer System

Sewer Fund - Working Capital	Budget	YTD Actual	% BUDGET
Revenues	2,587,000	6,825	0%
Expenses			
Personnel	388,899	66,355	17%
Operations & Capital Outlays	1,104,830	59,895	5%
Total Operating Expenses	1,493,729	126,250	8%
Operating Income (Loss)	1,093,271	(119,425)	
Capital Revenues			
CIP Expense	3,798,356	3,397	0%
Capital Income (Loss)	(3,798,356)	(3,397)	
Working Capital, Start of Year	5,815,676	5,815,676	
Working Capital, Year to Date	3,110,591	5,692,854	

Norwalk Transit System

Transportation	Budget	YTD Actual	% BUDGET
Operating Revenues	14,970,787	2,307,738	15%
Expenses			
Personnel	10,183,078	1,875,148	18%
Operations & Maintenance	3,537,588	875,110	25%
Total Operating Expenses	13,720,666	2,750,258	20%
Operating Income (Loss)	1,250,121	(442,521)	
Capital Revenues	1,668,543	-	0%
Expenses - Capital Outlay	1,788,885	1,582	0%
Expenses - CIPs	1,228,340	-	0%
Capital Income (Loss)	(1,348,682)	(1,582)	
Working Capital, Start of Year	2,891,778	2,891,778	
Retained Earnings, Year to Date	2,793,217	2,447,676	

For More Information. This summary is based on detailed information produced by the City's financial management system. If you would like additional information, or have any questions about the report, please call Finance at (562) 929-5748.

Strategic Plan Vision: Core Strategy 2; Objective D; 2.D.1.