



Quarterly Financial Report

Third Quarter of Fiscal Year 2022-23

April 21, 2023

OVERVIEW

This report summarizes the City's overall financial position for the fiscal year through March 2023. Except as noted below, revenues and operating expenditures are generally on target based on past trends for the third quarter.

Reflects Mid-Year Review Adjustments. The City's overall revenue and expenditure picture was discussed in detail during the Mid-Year Budget Review held on February 21, 2023. The projections include adjustments made to revenues and expenditures at that time, as well as any other supplemental appropriations made by the Council as of March 2023.

GENERAL FUND

General Fund Financial Condition. With 75% of the year complete, General Fund revenues are at 66% of projections and operational expenditures are at 60%:

General Fund Balance	Budget	Actual	% BUDGET
Unassigned Balance, Start of Year	25,016,168	25,016,168	
Change in Reserve Balances	979,311	979,311	
Available Beginning Balance, Start of Year	25,995,479	25,995,479	
Plus Revenues:	71,892,413	47,519,699	66%
Less Expenditures:			
Operations & Minor Capital Outlays	68,656,507	41,165,674	60%
Other Sources (Uses) Transfers to PARS & Capital Reserves	(13,522,000)	(12,522,000)	93%
Unassigned Balance, Year to Date	15,709,385	19,827,504	126%

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

REVENUE DESCRIPTION	BUDGET FY 2022/23	ACTUAL FY 2022/23	% Budget
PROP TAX-S.E. REC & PARK AREA	5,141,400	2,986,696	58%
PROPERTY TAX IN-LIEU/VLF	3,827,100	2,178,091	57%
NO/LOW PROPERTY TAX-CNTY	14,332,770	7,166,388	50%
SA RDAs - AB 1484 ALLOCATIONS	831,000	373,394	45%
REAL-PROPERTY VALUE DERIVED REVENUES:	24,132,270	12,704,569	53%
SALES & USE TAXES (STATE)	15,683,000	9,239,526	59%
SALES & USE TAXES (STATE) - MEASURE P	10,928,000	6,442,529	59%
UTILITY USER TAX	5,277,000	4,427,851	84%
TRANSIENT OCCUPANCY TAX	1,540,500	1,120,534	73%
FRANCHISE FEES	2,648,400	2,222,444	84%
FRANCHISE - CABLE TV	647,600	310,790	48%
BUSINESS LICENSE	900,000	900,260	100%
REAL PROPERTY TRANSFER TAX	245,000	172,422	70%
TAXES & FRANCHISES:	37,869,500	24,836,356	66%
SUBTOTAL: MAJOR REVENUES:	62,001,770	37,540,925	61%
ARPA REVENUES:	2,888,400	2,888,400	100%
OTHER GENERAL REVENUES:	3,204,143	3,033,719	95%
PUBLIC SAFETY REVENUES:	1,240,500	1,268,921	102%
PUBLIC SERVICES REVENUES:	357,000	258,875	73%
SOCIAL SERVICES REVENUES:	11,700	15,190	130%
RECREATION & PARKS REVENUES:	547,500	560,700	102%
COMMUNITY DEVELOPMENT REVENUES:	1,641,400	1,952,968	119%
TOTAL: GENERAL FUND REVENUES	\$ 71,892,413	\$ 47,519,699	66%

- **Sales Taxes – Local Tax & Measure P.** Reported revenues of our largest revenue category contain seven monthly remittances received from the State. Revenues received are on target with the projections.
- **Real Property Value Derived Revenues.** Year-to-date results are generally within the projections, and contain eight months of remittances. Next major apportionment, allocated to the City later in May, will be reported in the fourth quarter revenues.
- **Utility User Tax.** We are currently exceeding projections of gas and electricity categories, mainly due the growing energy prices.
- **Transient Occupancy Tax.** Year-to-date revenues received indicate that the hospitality industry, primarily DoubleTree Hotel, is rebounding from pre-pandemic levels. Annual results may slightly surpass the budgetary amount.

- **Franchise Fees.** We will not receive the largest components of our franchise fee revenues – payments from oil and utility companies – until the end April of 2023. The reported amounts include payments for seven months from trash haulers, but only two quarters from cable companies.
- **Business Licenses.** Year-to date receipts already reached the annual revenue estimates.
- **Real Property Transfer Tax.** Receipts include full three quarters of sales and slightly lag our projections. Declining sales are attributed to the increased interest rates.

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

EXPENDITURES BY TYPE	BUDGET FY 2022/23	ACTUAL FY 2022/23	% BUDGET	VARIANCE BUDGET vs. ACTUAL
SALARIES & BENEFITS	32,386,023	21,041,584	65%	11,344,439
OPEB TRUST	1,500,000	-	0%	1,500,000
SHERIFF'S CONTRACT	17,253,013	10,365,983	60%	6,887,030
CONTRACT SERVICES	8,370,920	4,849,348	58%	3,521,572
UTILITIES	3,111,205	1,783,452	57%	1,327,753
INSURANCE	925,100	923,796	100%	1,304
TRANSFER OUT TO DEBT SERVICE	1,616,547	-	0%	1,616,547
OTHER OPERATING COSTS	3,884,027	2,722,940	70%	1,161,087
MINOR CAPITAL OUTLAYS	780,700	416,736	53%	363,964
TOTAL OPERATIONS	69,827,535	42,103,839	60%	27,723,696
Less Transfers In From Special Revenues Funds To Offset General Fund Street Maintenance Cost:				
GAS TAX FUND	(1,525,000)	(1,176,406)	77%	(348,594)
TRAFFIC CONGESTION RELIEF FUND	(450,000)	(225,000)	50%	(225,000)
TRANSFER TO PARKING STRUCTURE	381,135	36,992	10%	344,143
TRANSFER TO SA HOUSING ADMIN	167,400	167,388	100%	12
OTHER SPECIAL REVENUE FUNDS	255,437	258,862	101%	(3,425)
TOTAL OPERATIONAL TRANSFERS (IN)/OUT	(1,171,028)	(938,164)	80%	(232,864)
NET OPERATIONAL EXPENDITURES	\$ 68,656,507	\$ 41,165,675	60%	\$ 27,490,832
TRANSFERS TO "REPLACEMENT" FUNDS	12,522,000	12,522,000	100%	-
TRANSFER TO POST EMPLOYMENT BENEFITS TRUST FUND	1,000,000	-	0%	1,000,000
TOTAL GENERAL FUND EXPENDITURES	\$ 82,178,507	\$ 53,687,675	65%	\$ 28,490,832

Insurance is the only "by type" expense category spent at 100%, as the actual amount reflects the City's annual premium for liability and property insurance paid in full in July.

Operating expenditures by department are also on target as summarized by the following:

EXPENDITURES BY DEPARTMENT	BUDGET FY 2022/23	ACTUAL FY 2022/23	% BUDGET	VARIANCE BUDGET vs. ACTUAL
MAYOR / COUNCIL & BOARDS	517,081	350,121	68%	166,960
ADMINISTRATION	1,394,924	765,867	55%	629,057
CITY ATTORNEY	410,000	263,473	64%	146,527
MANAGEMENT SERVICES	419,822	238,031	57%	181,791
COMMUNICATIONS & PUBLIC AFFAIRS	1,276,450	695,972	55%	580,478
CABLE TV	377,206	165,685	44%	211,521
MIS - NETWORK CONTRACTOR	1,111,657	589,107	53%	522,550
CITY CLERK	1,210,985	801,187	66%	409,798
HUMAN RESOURCES	4,784,238	2,736,221	57%	2,048,017
FINANCE	2,818,355	2,100,669	75%	717,686
DEBT SERVICE	1,616,547	-	0%	1,616,547
PUBLIC SAFETY	23,617,990	14,349,507	61%	9,268,483
PUBLIC SERVICES	14,464,485	8,920,675	62%	5,543,810
SOCIAL SERVICES	3,640,761	2,114,538	58%	1,526,223
HOMELESS SERVICES	888,620	698,950	79%	189,670
RECREATION	5,805,149	3,904,530	67%	1,900,619
COMMUNITY DEVELOPMENT	4,302,237	2,471,141	57%	1,831,096
TOTAL ALL DEPARTMENTS	\$ 68,656,507	\$ 41,165,674	60%	27,490,833
- OPERATIONS & MINOR CAPITAL OUTLAYS				
TRANSFERS TO "REPLACEMENT" FUNDS	12,522,000	12,522,000	100%	-
TRANSFER TO POST EMPLOYMENT BENEFITS TRUST FUND	1,000,000	-	0%	1,000,000
TOTAL EXPENDITURES	\$ 82,178,507	\$ 53,687,674	65%	28,490,833

With three quarters of the fiscal year completed, spending of all, but Homeless Services, departments is at or under 75% of the budget.

Expenditures related to Homeless Services exceed 75% of budgeted amount primarily due to the cost of staff working overtime.

PARKING STRUCTURE FUND

Parking Structure Fund Balance	Budget	Actual	% BUDGET
Revenues	300,000	226,960	76%
General Fund Operational Transfer In	382,600	-	
Expenditures:			
Operational	430,214	270,213	63%
Capital Improvement Projects	-	-	
Other Sources (Uses) - Txf Debt Svc Fund	(252,386)	-	0%
Balance, Start of Year	-	-	
Balance, Year to Date	-	(43,253)	

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	5,834,500	4,647,600	80%
Expenses			
Personnel	1,105,826	501,074	45%
Operations & Maintenance	3,994,249	2,271,667	57%
Total Operating Expenses	5,100,075	2,772,741	54%
Operating Income (Loss)	734,425	1,874,858	
Debt Service	552,615	1,250	0%
CIP Expense	1,944,739	328	0%
Capital Income (Loss)	(1,944,739)	(328)	
Working Capital, Start of Year	8,342,216	8,342,216	
Working Capital, Year to Date	6,579,287	10,215,496	

Norwalk Sewer System

Sewer Fund - Working Capital	Budget	YTD Actual	% BUDGET
Revenues	2,630,000	1,592,120	61%
Expenses			
Personnel	548,017	273,889	50%
Operations & Capital Outlays	1,065,155	450,812	42%
Total Operating Expenses	1,613,172	724,701	45%
Operating Income (Loss)	1,016,828	867,419	
Capital Revenues	-	-	
CIP Expense	5,423,026	5,376	0%
Capital Income (Loss)	(5,423,026)	(5,376)	
Working Capital, Start of Year	9,202,396	9,202,396	
Working Capital, Year to Date	4,796,198	10,064,440	

Transportation	Budget	YTD Actual	% BUDGET
Operating Revenues	19,542,044	12,487,859	64%
Expenses			
Personnel	13,663,213	7,908,214	58%
Operations & Maintenance	4,985,266	3,161,662	63%
Total Operating Expenses	18,648,479	11,070,271	59%
Operating Income (Loss)	893,565	1,417,588	
Capital Revenues	7,575,541	133,348	2%
Expenses - Capital Outlay	7,619,167	317,356	4%
Expenses - CIPs	2,428,868	100,166	4%
Capital Income (Loss) - Use of reserves	(2,472,494)	(284,174)	
Working Capital, Start of Year	8,025,995	8,025,995	
Working Capital, Year to Date	6,447,066	9,159,409	

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.