

To: Village of Dolton-Finance Committee
From: Cristiano Miroballi, John Kasperek Co., Inc.
Date: July 31, 2021
Subject: June Financial Report Notes

After reviewing June's financial statements, there are few items that we want to make the Committee aware of:

- Revenues
 - The Village didn't receive any real estate taxes in June for its operating levies. In FY21, the Village received \$20 thousand.
 - The Village has received \$173 thousand more in real estate taxes for General Fund operations compared to the prior year.
 - Sales, use, and income tax revenues are \$501 thousand above prior year. Part of the reason is because the prior year reflects the revenue that was earned in March and April of 2020 during the COVID shutdown compared to current year revenue earned post COVID shutdown.
 - We have not received any specifics as to how much or when the Governor will/if reduce municipalities share of state income tax, but as of June the Village has received over \$353 thousand more compared to the prior year.
 - In June 2021, the Village has received \$160,025 in vehicle license revenue compared to the prior year in which the combined total for May and June was \$136,370.
 - Overall General Fund revenues are above prior year by \$1.4 million and all subcategories, except interest are above prior year amounts.
 - The Village water utility revenue is \$385 thousand above prior year, partly due to prior year June billing wasn't posted until July
- Expenditures
 - Police Department salaries are \$78 thousand below prior year with an \$18 thousand increase in overtime.
 - The hiring of additional officers should reduce the overtime and since those officers will be at lower rates than the retired/terminated prior year officers the Village overall Police salary should remain less than prior year.
 - The salaries management line is \$58 thousand more than the prior year, due in part because the prior year didn't reflect the union raises until October 2020.
 - Overall Police Department salaries for all items is less than \$1,000 higher compared to the prior year.
 - Fire Department salaries have decreased by \$92 thousand; over \$50 thousand of the difference is the payout of benefits for a retiring firefighter.
 - Overtime has increased by \$53 thousand compared to the prior year. We don't anticipate any reduction in overtime due to minimum staffing requirements for senior positions per union contract.
 - Public Works salaries is \$20 thousand above prior year. In June 2021, the Village had a payout of retirement benefits over \$50 thousand which offset by the prior year deferred union raises.

- Expenditures (continued)
 - Overall General Fund expenditures have decreased by \$124 thousand with an increase in police, fire, and public works of \$155 thousand.
 - The Water Fund salaries have increased by over \$30 thousand compared to the prior year, part of which relates to the additional staffing added to improve operations.
 - The Village has experienced a reduction in water consumption in May compared to the prior year.
 - The Water Fund operating expense have increased by \$38 thousand.
 - The Village has made its June interest payment on all bonds, totaling \$421,567.50. Each Debt Service Fund, with the exception of Homewood Disposal, had sufficient cash flow to fund its interest payment without General Fund subsidy.
- Other Considerations
 - The General Fund current month activity created a \$209 thousand surplus, largely due to higher revenues compared to the prior year.
 - The General Fund ended the period with a \$1.1 million surplus before any other financing sources and uses compared to the prior year deficit of \$416 thousand.
 - The General Fund has decreased the amount owed to the Water Fund and some Special Revenue Funds. The Village has repaid \$1.3 million of its interfund borrowing from prior years. If the General Fund continues its progress, it may repay the entire amount owed to the Water Fund and TIF #3 Indulux Fund within the next 2 years.
 - The Water Fund ended the month with a \$306 thousand operating surplus compared to the prior year deficit of \$41 thousand.
 - Overall receivables for utility billing have increased by \$539 thousand with a \$544 thousand increase in utility billing revenue.
 - The Utility Aged Trial Balance by District report time segment has been modified due to an update of the Village utility software time segment.
 - All of the Village's union contracts have expired, meaning the Village will start the process of contract negotiation. The Village will need to be cognizant of the various requests of the union and plan how to fund those contract agreements.
 - Due to the unpredictability of cash flow and the economic uncertainty relating to the COVID-19 virus, the Village needs to maximize collection of its outstanding revenues and minimize as many expenditures/expenses as possible to ensure the Village will have reserves to operate effectively.