

To: Village of Dolton-Finance Committee
From: Cristiano Miroballi, John Kasperek Co., Inc.
Date: September 28, 2020
Subject: April Financial Report Notes

After updating the April's financial statements for year-end accruals, there are a few items we want to make the Committee aware of:

- Revenues
 - Real estate taxes were \$2.2 million above prior year. In 2018, the Village increased the tax levy by \$2 million. The payment schedule is 55% of the previous tax levy and 45% of the subsequent year levy. In FY19, the Village levies were \$13 and \$15 million, respectively. In FY20, both levies were \$15 million.
 - Intergovernmental revenues were \$70 thousand below prior year. The only reason the total was above prior year was due to grant funding of \$291 thousand.
 - License revenue was over \$400 thousand compared to prior year. A large part of that increase was due to the rate increases that were implemented.
 - The Water, Sewer, and Melanie Fitness Center reflect IMRF pension revenue/expense. This revenue/expense is from the change in the IMRF determined net pension liability (asset). Per IMRF, the Village currently has a net pension asset of \$3,281,977 thousand as of December 31, 2019. The recording of this transaction is a non-cash event.
- Expenditures
 - General administration department was below budgeted amount by \$380 thousand.
 - The general administration department did increase by \$619 thousand, which was mainly due to a \$580 thousand increase in workers compensation insurance and \$282 thousand in CDBG spending.
 - The police department increase by \$1.3 million. The large increase consisted of \$680 thousand for pension contributions, \$390 thousand in salaries, and \$340 thousand for the new vehicles.
 - The fire department overtime decreased by \$108 thousand with an increase in salaries of \$107 thousand.
 - The other large expenditure increase in the fire department was in pension contributions of \$204 thousand.
 - Public works had a large increase in expenditures relating to salaries, tree maintenance, and new vehicles.
 - The General Fund ended the fiscal year with a \$677 thousand surplus, a \$660 thousand decreased compared to last year.
 - The General Fund revenue increased by 11% compared to a 15% increase in spending. Over the last few years, the Village has been balanced with spending and revenue increases.
 - In FY19, the Water Fund recognized the full amount of the amount owed to City of Chicago recognizing \$525 thousand in penalties and interest.
 - Eliminating that one-time expense, the Water Fund expenses increased by \$283 thousand with only a \$94 thousand increase in billing.

- Other Considerations
 - The Water Fund had a \$1.4 million increase in net position. The majority of the increase was due to monies received from the City of Chicago levy. Operational revenues resulted in a \$198 thousand surplus.
 - The monies from the City of Chicago tax levy are used to fund the annual City of Chicago payment. The Village records revenue of \$1.78 million and only the interest is reflected on the revenues vs. expenses. The principal portion (\$683 thousand) of the payment is only reflected on the balance sheet.
 - The Water Fund is reporting cash balances of \$1.3 million of which \$708 thousand is real estate taxes allocated for the 2020 annual payment.
 - The utility accounts receivable balance in the Water Fund increased by over \$400k while revenue has only increased by \$70 thousand. Receivables have increased by over 11%.