

**To:** Village of Dolton-Finance Committee  
**From:** Cristiano Miroballi, John Kasperek Co., Inc.  
**Date:** September 27, 2020  
**Subject:** August Financial Report Notes

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

- Revenues
  - The Village received over \$2.1 million in real estate taxes during August. The Village is over \$600 thousand below last year in real estate taxes receipts. Due to the extension of the due date the Village may still receive some of those monies, but there is also the possibility that due to COVID many taxpayers may not be able to make their tax payment, meaning the Village has less monies to fund general operations.
  - The Village is starting to rebound with its state income, PPRT, and sales taxes revenues. In prior months, the Village was two to three hundred thousand below prior year revenues. As of August, the cumulated difference is only \$62 thousand. The only tax revenue stream that hasn't rebounded is video gaming, which is expected considering the limitations on indoor dining and that video gaming reopened July 1<sup>st</sup>.
  - The vehicle sticker renewal season has passed, and the Village only collected about 86% of its anticipated revenues.
  - The Village appears on schedule relating to utility billing revenue. The prior months late billing has still caused cash flow concerns due to extension of due dates and removal of late penalties.
- Expenditures
  - The Village has recognized \$346 thousand in general liability insurance expenditure a \$260 thousand increase. This large increase is because the Village has made its down payment and the next 2 monthly payments to avoid any late fees due to invoicing due dates.
  - Police Department overtime is below prior year amounts by \$8 thousand. The Fire Department overtime is 33% of budgeted amount, which is expected considering the understaffing of rank for the Fire Department.
  - The Village has paid \$400 thousand more to City of Chicago than prior year, which due to lower cash flow collections means that it has been using its surplus to fund its payments.
  - The Village has made \$310 thousand of its \$350 thousand annual payment on TIF #2 Sibley Woodlawn. Due to prior years lack of TIF revenues the Village owes the vendor \$823 thousand. The financials reflect \$1.1 million, the \$310 thousand difference is the August payment that was issued in September. Last year the Village received enough resources to pay down \$191 thousand of the outstanding amount owed.
  - The Village has made another partial payment of \$320 thousand on its Homewood Disposal 2019 bond series payment. The Village received \$55 thousand for its 2009B Build America Bond rebate, which is provided to offset some of the interest payment in June and December. The Village usually receives the first payment in May and the second in November. Due to COVID, the federal deposit was two months past due placing cash flow pressures on funding the debt service payment.

- Other Considerations
  - The utility trail balance has increase by \$155 thousand compared to last year. The amount that is over 120 days past due increase by over \$348 thousand, meaning a large percentage of accounts aren't paying their utility bills
  - Due to the unpredictability of cash flow and the possible resurgence of the 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.