

To: Village of Dolton-Finance Committee
From: Cristiano Miroballi, John Kasperek Co., Inc.
Date: June 27, 2021
Subject: May Financial Report Notes

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

- Revenues
 - Real estate collections for general operations and City of Chicago tort levy are \$190 thousand and \$44 thousand above prior year, respectively. Part of the reason for the increase is because of Cook County extending the deadline in 2021 from March 2 to May 3 for the payment of the 1st installment of property taxes, meaning the property taxes the Village is currently receiving the Village would have received in March/April of the prior year.
 - Sales, use, and income tax revenues are \$268 thousand above prior year. Part of the reason for the increase is because the prior year reflects the revenue that was earned in March 2020 during the COVID shutdown compared to current year revenue earned post COVID shutdown.
 - We are anticipating a reduction for the FY22 year in state income tax revenue due to the Governor's intention to decrease municipalities share of state income tax.
 - Overall General Fund revenues are above prior year by \$763 thousand. The large increase is due in part to \$296 thousand in intergovernmental revenues and \$337 thousand in various tax revenues.
 - The Village water utility revenue is \$50 thousand above prior year.
- Expenditures
 - Police Department salaries are \$33 thousand below prior year, due in part because the Lieutenant and Sergeants rate increases weren't implemented until October 2020.
 - Overtime for the Fire Department is \$24 thousand above prior year because of minimum staffing requirements for senior position per the union contract.
 - Public Works salaries is \$11k below prior year due in part because of less staffing and hiring paying individuals are no longer on payroll.
 - The Water Fund operating expense have increased by \$19 thousand.
 - The Water Fund doesn't reflect any expense for City of Chicago because the payment that occurred in May was recorded as an accrual in April.

- Other Considerations
 - The General Fund ended the month with \$855 thousand surplus compared to the prior year deficit of \$125 thousand, largely due to higher revenues compared to the prior year.
 - The General Fund has decreased the amount owed to the Water Fund and some Special Revenue Funds. The Village has repaid \$1.4 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.
 - Overall receivables for utility billing have increased by \$244 in conjunction with a \$44 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. Also, we have identified a significant decrease in the receivable balance to \$3.1 million compared to the April financial statements of \$4.0 million.
 - 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.