

VILLAGE OF GATES MILLS
FINANCIAL REPORT FOR THE THREE MONTHS ENDED MARCH 31, 2023 April 7, 2023

MARCH RESULTS AND FINANCIAL POSITION

The financial statements were provided to the Mayor, Clerk and Council prior to the April council meeting.

GENERAL FUND

Revenue for the month of March was \$483,000 consisting of \$232,000 of real estate tax revenue, \$116,000 of municipal income tax revenue and \$131,000 of other sources revenue. Tax amounts represent collections by the taxing agencies (Cuyahoga County and RITA) that are forwarded to the Village. The Village is dependent on the timing of those agencies' billing and collection activities and on the timing of taxpayer remittances. The amounts received in the first three months of 2023 for real estate taxes are very near prior year's amounts and are back in line with budget. Municipal income tax revenue year-to-date in 2023 is below 2022 amounts by \$379,000. We are conferring with RITA on expectations for 2023 collections to see whether their previous guidance to us, from which we developed the budget, is different. Other source revenue is favorable to the prior year due to higher rental income from the cell tower (\$72,000 this year, \$62,000 in 2022) and higher Mills Building rental income from a one time tenant payment in January of 2023 that was paid differently for 2022.

Expenditures for the month of March were \$343,000. Our monthly operating costs are normally around \$450,000. Legal and professional fees are down as we have not yet been billed for legal services. Income tax expense is down as a function of lower collections. For the first three months of 2023, expenditures were \$1,778,000 compared to \$1,761,000 in 2022. The 2023 amount includes \$496,000 of transfers from the General Fund to other Funds (\$451,000 in 2022). Excluding those transfers, cash expenditures were \$540,000 for the month of January, \$398,000 in February and \$344,000 for March. All four departments, were generally on budget. In 2023 we spent greater amounts on service department equipment maintenance.

For the first three months of the year, the Village operated with a General Fund surplus of \$168,000. Recall that the Village financial records are maintained on a cash basis and we are early in the 2023 year.

The General Fund cash balance at March 31, 2023 was \$7,979,000 compared to the beginning of the year balance of \$7,811,000.

The financial statements do not include any costs for the coffee shop space improvements in the Mills Building as we have not been invoiced for that in-process work.

OTHER FUNDS

The Village is required to maintain other special purpose funds by statute or contract. Cash in these special purpose funds amounted to \$1,859,000 million at March 31, 2023.

During March, we paid \$23,147 for consulting fees for the Comprehensive Plan using the ARPA funds, consistent with Council's prior appropriation of up to \$72,000 of ARPA funds for these costs. Our cumulative comprehensive plan costs are \$65,521 leaving \$7,479 appropriated but not spent. Invoices were for services through January 31, 2023.

During March we received \$250,000 of ARPA funds that were awarded to Gates Mills from the county for the Mayfield Road culvert replacement and the bathroom renovation. Those funds were deposited into the ARPA fund per instruction and not into the Capital Improvement fund. At this point, we have \$382,000 accumulated in the ARPA Fund for the culvert replacement before using any other fund amounts.

This report will be published to the Village website.

Please direct any questions or comments to Treasurer@gatesmillsvillage.com.

Steven L. Siemborski
Treasurer, Village of Gates Mills
Chair, Budget and Finance Committee