

VILLAGE OF GATES MILLS
FINANCIAL REPORT FOR THE EIGHT MONTHS ENDED AUGUST 31, 2022

September 7, 2022

Financial statements were provided to the Mayor, Clerk and Council in advance of the September council meeting.

EIGHT MONTH RESULTS-GENERAL FUND

The Village continues to be in a solid financial position. We have positive cash flow, a balanced budget and no debt. The Village is able to continue its level of police, fire, service and administrative services as budgeted for 2022, despite the economic uncertainties in the markets and inflationary pressures. We are benefiting from the hybrid work environment as work-from-home (WFH) villagers are paying taxes to Gates Mills as their work city rather than other municipalities. Municipal income tax revenue is also benefiting by a subtle shift in wage earners moving into the Village and replacing villagers who paid less in tax. The mid-year financial Outlook, reflecting a current view of 2022 from the budget set in December of 2021, is being affirmed by July and August results. In summary, the Village is in good financial shape.

Revenue for the eight months was \$5.2 million. The month of August was particularly strong with \$822,000 of real estate tax revenue and \$462,000 of municipal Income tax revenue. For the year to date, real estate tax revenue was on budget and prior year figures, as expected. Income tax revenue is \$300,000 favorable to the full year budget driven by WFM and the shift in taxpayers. It is likely that we will achieve the \$2.5 million Outlook figure for municipal income revenue. Other Sources Revenue is running \$100,000 less than prior year driven by a non recurring \$50,000 BWC refund in 2021 and less rental income at the Mills building due to tenant movement and payment timing.

Expenditures for the eight months were \$3.8 million. The month of August was a typical month with expenditures of \$434,000. There were no unusual departmental expenditures during the month, except for payment of the Service Department truck outfitting of \$84,000. For the year to date, we are running \$400,000 above prior year due to personnel costs (\$169,000), legal and professional fees (\$76,000), EMS costs(\$65,000) and Service Department equipment (\$105,000).

The General Fund cash balance at August 31 was \$8.8 million compared to the beginning of the year balance of \$7.4 million. On September 9th, we transferred \$1,000,000 to the invested balance account at Ancora to earn higher returns.

OTHER FUNDS

The Village is required to maintain other special purpose funds by statute or contract, such as the Capital Improvement Fund. There were no unusual receipts or expenditures during August. Cash in those funds amounted to \$1.6 million.

OTHER FINANCIAL MATTERS

Comprehensive Plan Advisory Committee. I will present an overview of Village finances to the Advisory Committee at its September 27 meeting.

Budget and Finance Committee. We have scheduled a meeting for October 5, 2022 to (1) review the updated long range planning financial schedules based on assumptions developed and remarks from the last Committee meeting and (2) hear a presentation by Ancora on the Village's investments.

Long Range Financial Planning schedules. Following the Budget and Finance Committee meeting on October 5th, I would expect to present the LRP schedules to Council at its October 11 meeting. This report will be published to the Village website. Please direct any questions to Treasurer@gatesmillsvillage.com.

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