

VILLAGE OF GATES MILLS
FINANCIAL REPORT FOR THE ONE MONTH ENDED JANUARY 31, 2023
February 13, 2023

JANUARY RESULTS AND FINANCIAL POSITION

The financial statements were provided to the Mayor, Clerk and Council in advance of the February council meeting.

GENERAL FUND

Revenue for the month of January was \$344,000, consisting primarily of \$105,000 of real estate tax revenue and \$154,000 of municipal income tax revenue. These amounts were derived from collections of the taxing agencies (Cuyahoga County and RITA) and forwarded to the Village. As such, the Village is dependent on the timing of those agencies' billing and collection activities. The amounts received in 2023 were less than 2022 amounts received in January and timing differences are expected to be made up over the next several months.

For real estate taxes, the tax values were \$226 million for 2023 with a 95% collection/ advance rate. This compares very closely to 2022 and 2021 valuations of \$224 million and \$219 million and collection/ advance rates of 94% and 96%, respectively. On the income tax item, average January receipts for the last four years have been \$170,000, with 2022 having larger receipts.

Expenditures for the twelve months were \$1,036,000, which included \$496,000 of transfers from the General Fund to other Funds whose expenditures are funded by the General Fund. Excluding those transfers, cash expenditures were \$540,000 for the month of January. All four departments were generally on budget except for three categories in the Service department. In 2023 we spent \$10,000 on salt and \$7,000 on gas compared to zero in the 2022 year, and we spent \$5,000 more on maintenance.

For the month of January, with the above explanations for revenue timing and transfers, the Village operated with a General Fund shortfall of \$692,000. January is one month and our books are maintained on a cash basis. February and March should be stronger financial months for the Village as delayed revenue receipts come in.

The General Fund cash balance at January 31, 2023 was \$7,120,000 compared to the beginning of the year balance of \$7,811,000

OTHER FUNDS

The Village is required to maintain other special purpose funds by statute or contract. Cash in these special purpose funds amounted to \$1.9 million.

2023 BUDGET

The 2023 budget for expenditures and revenues has previously been reviewed. As we enter 2023, it is worth mentioning a few highlights.

1. It was determined that our compensation levels for the different positions were competitive and that a 4% increase would be appropriate for 2023.
2. We have developed a balanced budget with \$6,050,000 of revenue and \$6,032,000 of expenditures.

3. We have increased expenditures on roads to accomplish the Road Program over a six-year period.
4. We expect to tackle the Mayfield Road culvert replacement at a cost near \$500,000 through grants received and other revenue sources.

LONG RANGE FINANCIAL SCHEDULES

The long-range financial schedules developed in late 2020 have been updated for the five- year period 2023 through 2027. The financial picture is good and balanced and will be presented to Council at the next meeting.

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