

VILLAGE OF GATES MILLS
FINANCIAL REPORT FOR THE FOUR MONTHS ENDED APRIL 30, 2023
Prepared May 4, 2023

APRIL RESULTS AND FINANCIAL POSITION

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

GENERAL FUND

Revenue for the month of April was only \$34,000, consisting of \$0 of real estate tax revenue, \$0 of municipal income tax revenue and \$34,000 of other 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.

For real estate taxes, no receipts this year is in line with the seasonal nature of tax due dates, payments by property owners and county remittances to the Village. For the first four months of 2023, real estate tax receipts are below the prior year by \$160,000. The underlying basis of calculation has not changed, so we can still expect the budget amount for the full year.

Municipal income tax revenue was zero in April as RITA refunded to a taxpayer \$117,000 which offset normal remittances for April. On May 2, we received \$245,000. For the four months in 2023, income tax revenue of \$440,000 is below 2022 amounts by \$447,000. 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 April were \$495,000. 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 four months of 2023, expenditures were \$2,273,000 compared to \$2,170,000 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, \$344,000 for March and \$495,000 for April. All four departments were generally on budget though in 2023 we spent greater amounts on (a) service department equipment maintenance (\$26,000 in 2023 compared to \$11,000 in 2022) and (b) ambulance/EMS costs (\$222,000 in 2023 compared to \$169,000 in 2022) due to more emergency calls.

For the first four months of the year, the Village operated with a General Fund shortfall of \$292,000. 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 on April 30, 2023, was \$7,518,000 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 \$1,838,000 on April 30. ARPA funds that have been awarded to and received by Gates Mills have been 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.

BUDGET AND FINANCE COMMITTEE

The Committee will meet on May 31, 2023, at 4:30. The agenda is being finalized, but a preliminary agenda contains the following four topic areas: 1. General Fund YTD results and budget implications; 2. Special projects and their costs, funding sources and appropriations; 3. Road program; and 4. Investment review. The meeting is open to the public.

This report will be published on 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