

FINANCIAL STATUS REPORT

2nd QUARTER FY 2023-2024

May – October 2023 (unaudited)

This financial status report highlights the Village’s general fund financial position as compared to the amended budget for the period May 1, 2023 through October 31, 2023 (6 months – 50% of the fiscal year) and as compared to actual results from the previous fiscal year-to-date.

Sales tax data for the first nine months of the calendar year (January through September 2023) are also highlighted compared to prior years’.

An update to the general capital, water sewer capital, and American Rescue Plan Act (ARPA) projects is also included in this status report.

General Fund Summary

Projected unassigned General Fund Balance as of April 30, 2024.

General Fund Balance	
Unassigned Fund Balance – May 1, 2023 (audited)	\$ 14,113,595
FY 2023-2024 Budgeted Revenue	\$ 25,145,540
FY 2023-2024 Amended Budgeted Expenditures	\$(25,140,820)
Transfer Unassigned Fund Balance to Capital Projects Fund	\$(2,000,000)
Unassigned Fund Balance – April 30, 2024 (unaudited)	\$ 12,118,315
# of months of Operating Expenditures	5.7

An updated fund balance policy was brought to the Village Board at the September 26, 2023, Board of Trustees meeting to update the Village’s minimum General Fund reserve balance requirement from four (4) months to five (5) months of operating expenditures. This recommendation was made for the following reasons:

- Anticipated revenue impacts of nearly a millions dollars from the closing of a top retailer
- Sales tax revenues are leveling off – returning to pre-COVID levels
- Perpetual increase of operating expenses
- Volatile and unpredictable economy
- Impacts from Cook County Assessments being shifted to commercial properties
- Potential General Fund support to our anchor Downtown Development Project

At the December 12, 2023, Board of Trustees meeting, a transfer of \$2M from the General Fund unassigned fund balance to the Capital Projects fund was approved. This brings the unassigned fund balance to 5.7 months.

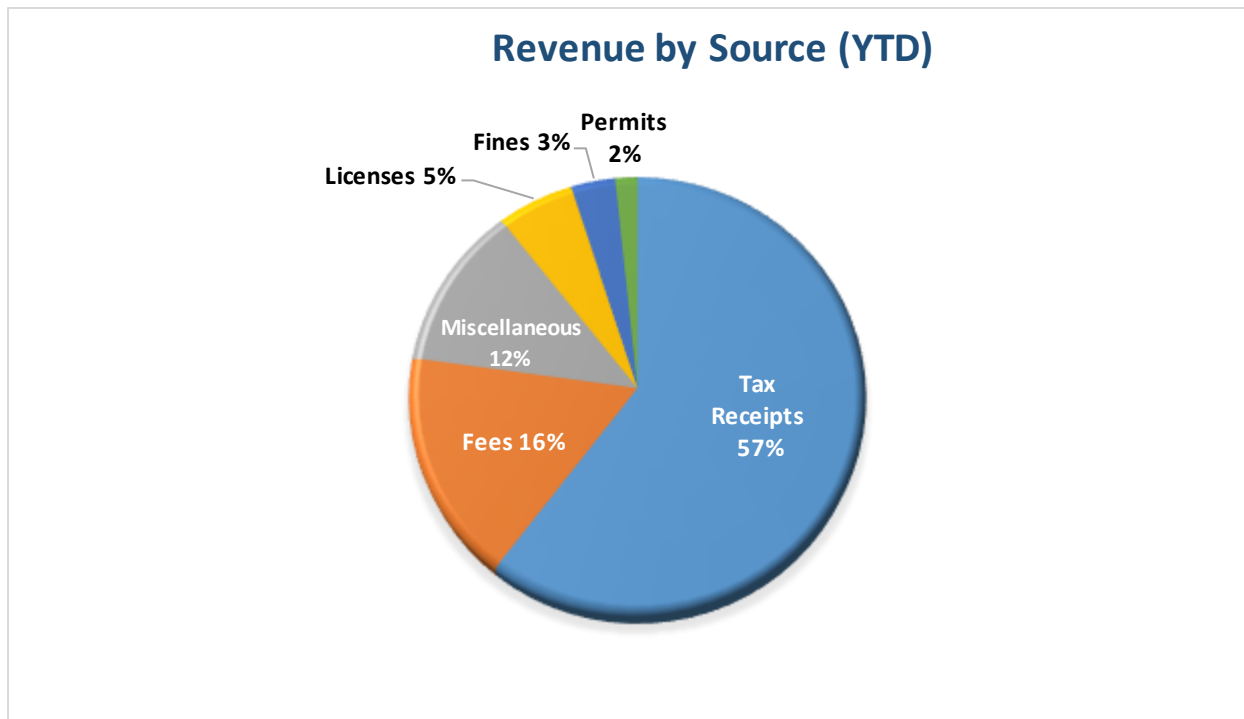
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General Fund Summary

Revenues



Revenue Sources	FY 2023-2024			FY 2022-2023
	Annual Budget	YTD Actual	% of Budget Collected YTD	YTD Actual
Tax Receipts	18,656,908	5,466,536	29%	5,584,156
Fees	2,403,000	1,525,586	63%	1,301,763
Miscellaneous	1,346,000	1,108,595	82%	750,688
Licenses	612,500	512,228	84%	526,674
Fines	553,000	295,964	54%	318,842
Permits	214,000	147,705	69%	130,847
Transfers In	1,360,132	529,629	39%	530,009
Total	25,145,540	9,586,243	38%	9,142,979

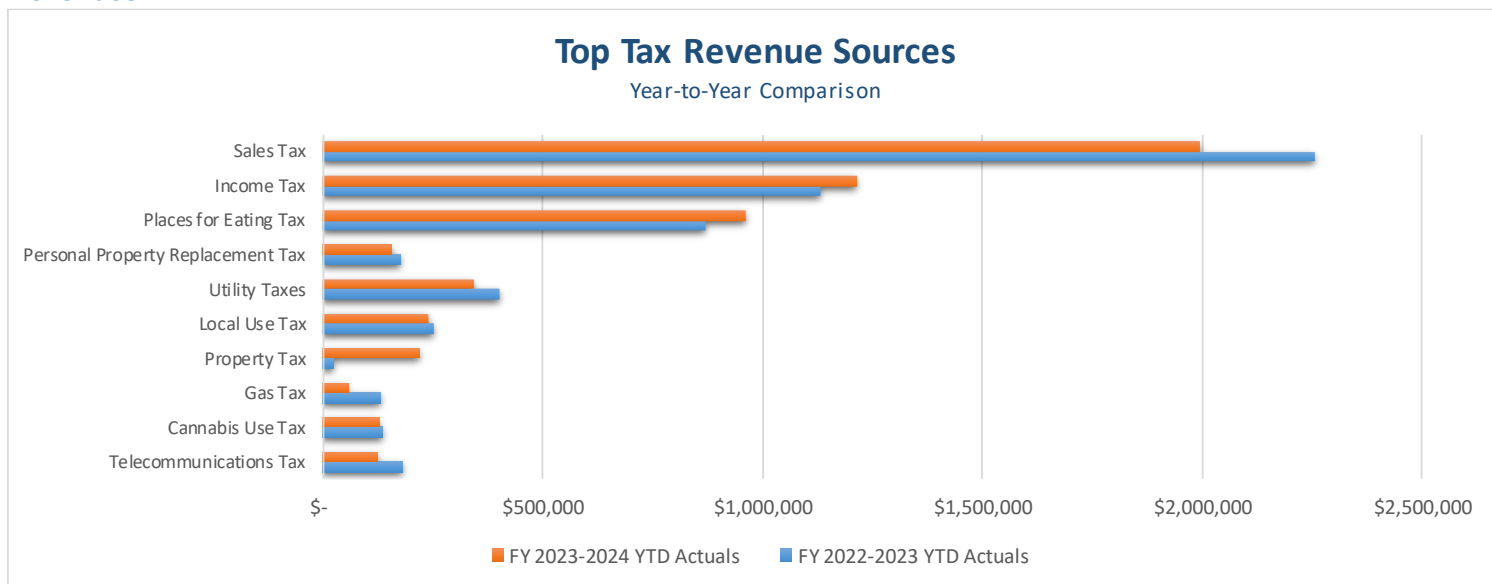
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General Fund Summary

Revenues



Top Tax Revenue Sources	FY 2023-2024			FY 2022-2023
	Annual Budget	YTD Actual	% of Budget Collected YTD	YTD Actual
Property Tax	5,518,378	218,853	4%	24,628
Sales Tax	5,300,000	1,994,895	38%	2,257,088
Income Tax	3,024,550	1,216,020	40%	1,131,093
Places for Eating Tax	1,800,000	961,989	53%	870,406
Utility Taxes	1,010,000	344,030	34%	402,156
Local Use Tax	797,980	239,144	30%	252,649
Telecommunications Tax	445,000	124,582	28%	182,717
Cannabis Use Tax	400,000	128,541	32%	135,959
Gas Tax	210,000	57,236	27%	129,649
Personal Property Replacement Tax	115,000	156,062	136%	175,214

- Taxes continue to be the Village's top general fund revenue source. Tax collections equate to 74% of the Village's general fund revenue budget.
- The second installment of property taxes was not due until December 1, 2023.
- There is a lag time for most of the revenue collected by the State and remitted to the Village. For example, tax from sales that take place in March are not received by the Village until June.
- Tax revenue collected by the State include sales, income, local use, telecommunications, gas and personal property replacement tax.

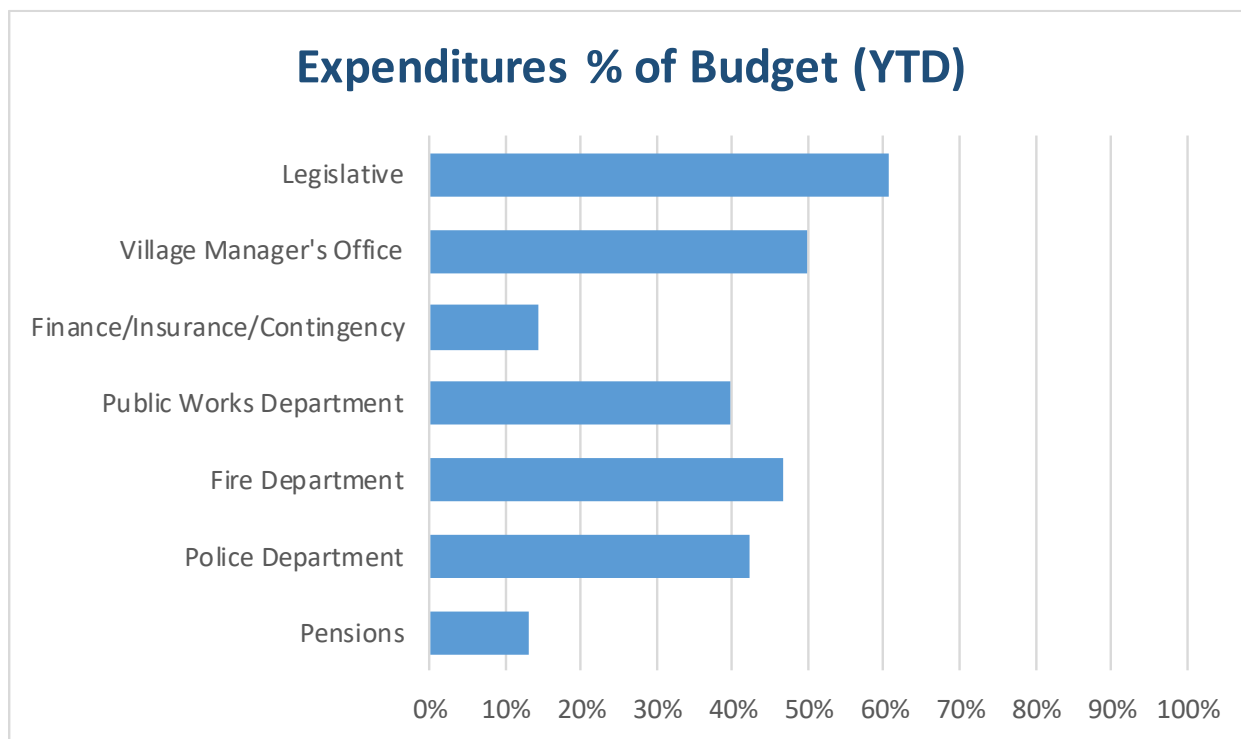
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General Fund Summary

Expenditures



Expenditure Source	FY 2023-2024			FY 2022-2023
	Amended Budget	YTD Actual	% of Budget Spent YTD	YTD Actual
Legislative	122,895	74,707	61%	76,311
Village Manager's Office	2,622,705	1,309,074	50%	1,653,543
Finance/Insurance/Contingency	1,636,056	234,879	14%	250,981
Public Works Department	4,797,248	1,909,308	40%	1,936,214
Fire Department	4,358,398	2,037,280	47%	1,711,822
Police Department	7,432,213	3,144,838	42%	3,481,913
Pensions	4,194,524	549,003	13%	373,755
Total	25,164,039	9,259,087	37%	9,484,538

- Public Safety and Public Works account for nearly 80% of general fund expenses.
- 61% of the Legislative budget has been spent due to half of the Village's audit expenses being paid in June & July.
- The Village's annual insurance premium is not paid until January 2024.

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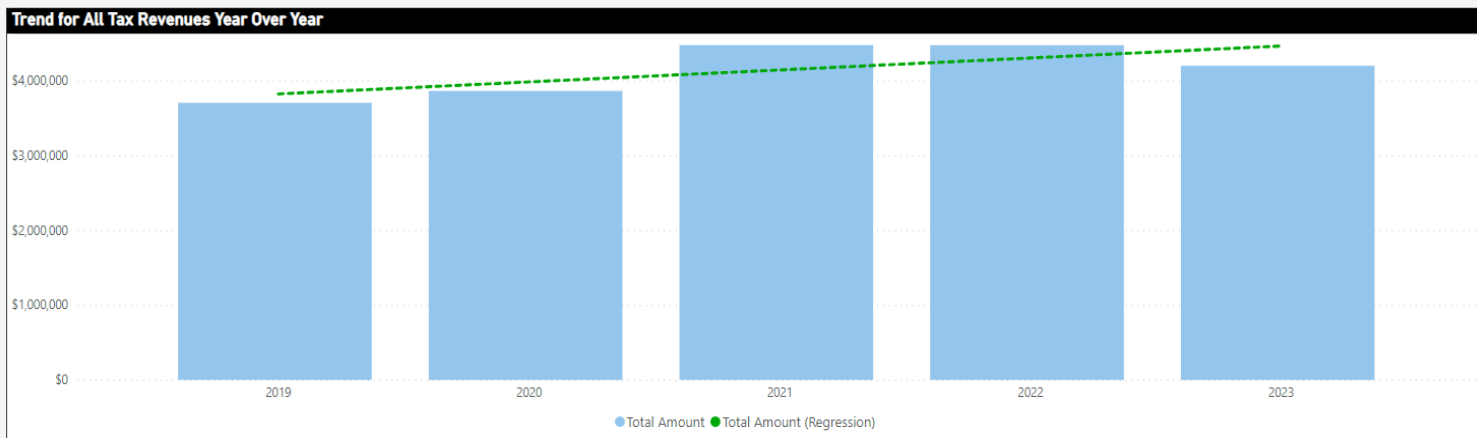
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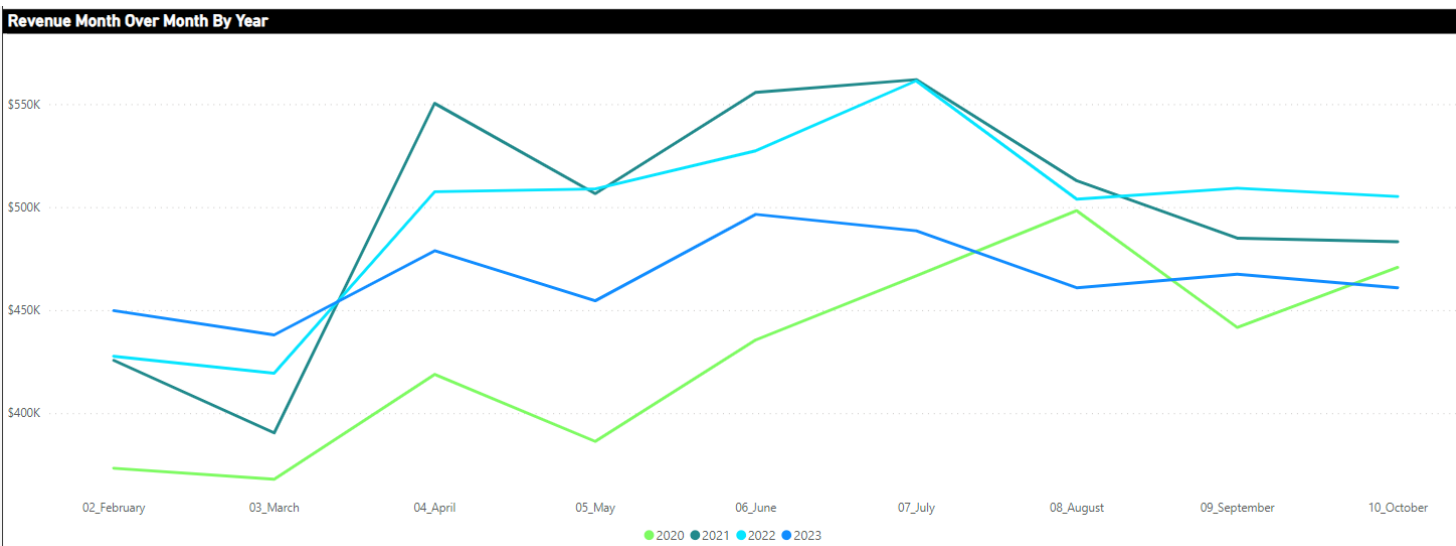
Sales Tax

January - September 2023

9 Months YTD Sales Tax (January through September 2023)



Year	September Sales Tax	9 Months YTD Sales Tax (Jan-Sept)	YTD Year over Year %
2019	\$413,309	\$3,700,991	
2020	\$470,758	\$3,859,143	+4.3%
2021	\$483,208	\$4,471,648	+15.9%
2022	\$505,165	\$4,470,308	-0.3%
2023	\$460,875	\$4,195,361	-6.2%



- The Village carefully watches how sales tax is trending as it is the second largest revenue source behind property taxes.
- We are beginning to see sales tax revenues leveling off and returning to pre-COVID levels.

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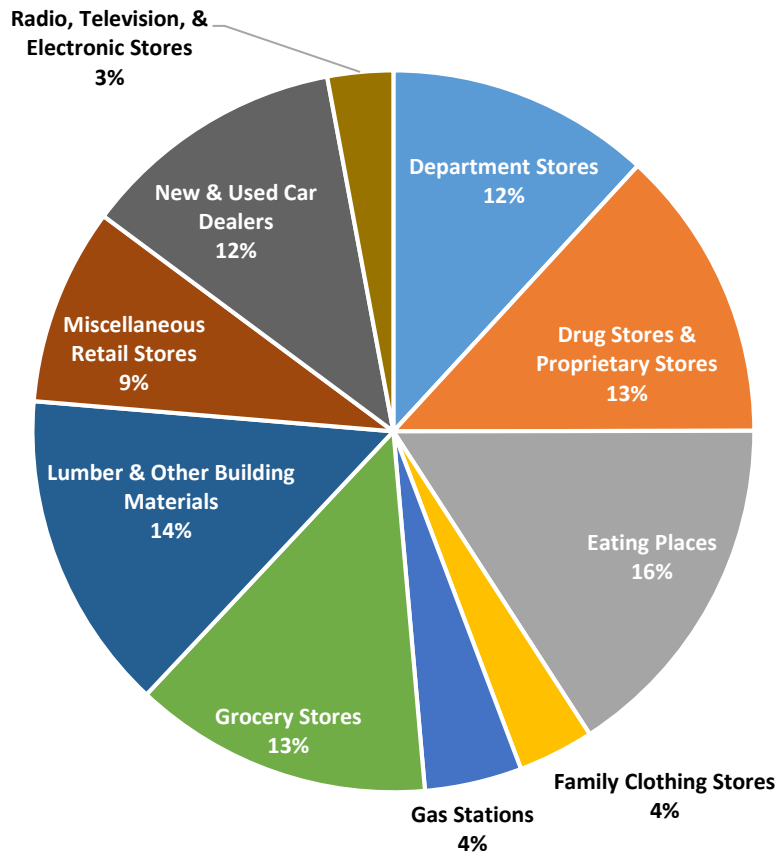
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Sales Tax

January - September 2023

Sales Tax Revenue by Industry



Top 10 Industry Segments	9 Months YTD Sales Tax (Jan-Sept)
Eating Places	\$568,242
Lumber and Other Building Materials	\$513,666
Grocery Stores	\$479,357
Drug Stores and Proprietary Stores	\$470,409
New and Used Car Dealers	\$425,809
Department Stores	\$423,866
Miscellaneous Retail Stores	\$316,245
Gasoline Stations	\$155,949
Family Clothing Stores	\$121,929
Radio, Television, and Electronic Stores	\$105,328

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2nd QUARTER FY 2023-2024

May – October 2023 (unaudited)

Capital Projects

Fiscal Year 2023-2024

Dept	Funding Source	Project Description	Capital Project Budget	Actual YTD 10/31/2023
DPW	Bond	Science Center Annex - Tuckpointing & Roof Replacement	\$ 210,000	\$ 83,587
DPW	Bond	Science Center - Sprinkler System	140,000	17,910
DPW	Bond	Vehicle Purchases	90,000	288
FD	Bond	Air Compressor	54,559	54,559
DPW	Bond	Izaak Walton Well	32,649	32,649
DPW	Bond	Science Center Annex - Interior Buildout	30,000	-
FD	Bond	Thermal Imaging Camera	18,520	-
DPW	Capital	Storm Sewer - Loomis/Ridge	728,000	-
DPW	Capital	Science Center - ADA	275,000	-
DPW	Capital	Replace Public Works Radio System (50% in w/s)	169,000	-
DPW	Capital	Village-wide Camera Replacement/Improvements	150,000	-
DPW	Capital	183rd Street Project - Phase One	132,000	-
DPW	Capital	Auditorium HVAC Rooftop unit	52,000	-
DPW	Capital	Tuckpointing at various buildings (Village Hall, BCTC, Auditorium)	50,000	-
DPW	Capital	Ridge Road Storm Sewer Design - Ashland to Center	47,500	-
DPW	Capital	North Viaduct Retaining Wall Stabilization & Landscaping	47,500	-
DPW	Capital	Roof & Gutters Brian Carey Training Center Building C	45,000	-
DPW	Capital	Science Center - Parking Lot Resurfacing	31,000	-
DPW	Capital	Municipal Service Center Fence Replacement	28,600	-
FD	Capital	Replace Second Floor Carpet in Fire Station	25,000	-
VMO	Capital	Switches Upgrade (due to age & security camera project with B&M)	20,000	-
FD	Capital	Genesis E Force Combi Extrication Tool	12,500	-
FD	Capital	Paint Brian Carey Training Center Building C	10,000	-
TOTAL ALL DEPARTMENTS CAPITAL			\$ 2,398,828	\$ 188,993

- Capital projects in fiscal year 2023-2024 are funded by the remaining bond proceeds from the 2020 General Obligation Bond issuance and a transfer of \$2 million from the General Fund unassigned fund balance. This transfer was approved at the December 12, 2023 Board of Trustees meeting.

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Water Sewer Capital Projects

Fiscal Year 2023-2024

Project Description	Capital Project Budget	Actual YTD 10/31/2023
Watermain/Storm Sewer - Marlin Lane & Court	\$ 700,000	\$ 141,561
Chicago Heights Water Transmission Main (retainage)	150,000	10,500
Lift Station #4 Pump Replacement	50,000	42,243
Water System Leak Detection	30,000	7,855
Western Avenue Garage Replacement	28,400	28,400
Water Tower	25,000	8,256
TOTAL WATER SEWER CAPITAL	\$ 983,400	\$ 238,815

- Water/Sewer capital projects are funded by water user charges collected within the water/sewer fund.
- A bi-annual transfer is completed to move revenue from the water/sewer fund to water/sewer capital fund.

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American Rescue Plan Act (ARPA) Funds

Fiscal Year 2023-2024

Much of the first half of fiscal year 2023-2024 was spent completing projects and purchases utilizing American Rescue Plan Act funding.

- The Village received a total of \$2,545,191 of American Rescue Plan Act (ARPA) funds.
- The funds are to be **obligated** by December 31, 2024 and **spent** by December 31, 2026.
 - **Obligated** – an order is to be placed for property and services and/or entered into contracts no later than December 31, 2024, otherwise, the funds will have to be returned to the Treasury.
 - **Spent** – all ARPA dollars are to be paid out no later than December 31, 2026.
- A list of purchases and projects funded by ARPA dollars was included in the fiscal year 2023-2024 budget and approved by the Board on April 25, 2023.
- As the project moves forward, a budget amendment is brought before the Board of Trustees for approval to allocate the funds to the particular project.
- During the fiscal year 2024-2025 budget process, staff will look to finalize the obligation portion of the ARPA funding.

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American Rescue Plan Act (ARPA) Funds

Fiscal Year 2023-2024

Must be obligated by 12/31/2024 and spent by 12/31/2026		
Project Description	Board Approved ARPA Expenditures	ARPA Actuals As of 12/31/2023
2066 Ridge Road Building Purchase	\$ 505,000	\$ 505,000
Water Main - Lincoln (175th to Spruce)	137,000	91,925
Fire Department Front Apron Replacement	94,572	96,877
Sidewalk Grinding	80,000	-
Second Set of Turnout Gear	73,550	73,550
Vehicle Purchases - Ford F250 Pickup	72,000	67,538
Vehicle Purchases - Water Meter	69,959	55,327
1 Squad Vehicle	55,125	51,467
Vehicle Purchases - Deputy Chief	52,120	52,120
1 Squad Vehicle	51,011	51,774
Harwood Metra Parking Lot-Curb/Landscape Improvements	38,500	34,385
CBD Tree Grates (60)	31,000	23,201
I Tables - DPW & Building Departments	28,280	28,280
Fire Department Brickwork/Pavers	15,000	10,637
Village-Wide Street Patching (Phase Two)	13,000	-
TOTAL BOARD APPROVED ARPA EXPENDITURES	\$ 1,316,118	\$ 1,142,081
Project Description	Budgeted Allocations	
New Ambulance (Replaces 2015 ambulance)	\$ 380,000	
Martin Avenue Tivoli Lights *	200,000	
Sidewalk Replacement & ADA & Grinding	150,000	
Vehicle Purchases (remaining funds)	105,921	
Small Business Incentive Program	90,000	
Information Technology Items	86,500	
Harwood Metra Parking Lot (remaining funds)	38,378	
183rd & Morgan Fence Replacement	62,500	
Replace Building Uplighting at Village Hall *	50,000	
Village-Wide Resident CPR Training	40,000	
Extend Downtown Outdoor Speakers *	30,000	
TOTAL ARPA EXPENDITURES ALLOCATED THROUGH BUDGET	\$ 1,233,299	
TOTAL ARPA FUNDS RECEIVED	\$ 2,545,191	
* - discussed at Committee of the Whole meeting on 9/19/2023		