

Village of Thornton
115 E. Margaret St.
Thornton, IL 60476

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www.thorntonil.us



Nikki Kitakis
Village Clerk

Vivian Payne
Village Administrator

Simone Jackson
Village Treasurer

OFFICE OF THE TREASURER

Maxine Reynolds, Village President

MEMORANDUM

To: President Reynolds, Finance Committee Chair Rosemary Cunningham, Board of Trustees, and Administrator Payne
From: Simone Jackson, Treasurer
Date: Wednesday, March 25, 2026

Re: Water Fund Cash Position Summary

The Water Fund began experiencing a negative cash position December 2024. This condition reflects a multi-year structural imbalance in which operating expenses exceeded revenues—what the Village decided to charge consumers.

From what I've gathered, historical factors contributing to this condition include:

- Water rates not aligned with the costs of providing the service
- Inconsistent or inaccurate meter readings (prior to new meter replacements)
- Billing practices that did not fully capture consumption
- Rising wholesale water costs not accounted for in billing practices

With this, it's not farfetched to conclude the cumulative effect resulted in recurring deficits (e.g., negative cash position).

Under governmental accounting, Enterprise Funds, like the Water Fund, must be **self-supported through user charges**.

Negative Cash Position – What this means from a financial operations position

The negative cash position of the Water Fund means:

1. The fund is borrowing internally (e.g., from pooled cash).
2. Vendors are paid with other fund resources.
3. Revenues are insufficient.
4. Rates were not aligned with cost of service.

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Water Fund Cash Position – December 2024 through January 2025 as Reported to the Board

The Board has been duly advised of the negative cash position of the Fund through the monthly Treasurer's Report Package's Cash Position Summary.

The below graph visually displays the cash position provided to the Board each month.

Cash Position
as Reported to the Board

