



VILLAGE OF MOUNT PROSPECT  
MONTHLY FINANCIAL REPORT

January 31, 2023

Prepared By

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Director of Finance

**TO: VILLAGE PRESIDENT, BOARD OF TRUSTEES, AND FINANCE COMMISSION**

**FROM: AMIT THAKKAR, DIRECTOR OF FINANCE**

**DATE: FEBRUARY 28, 2023**

**SUBJECT: MONTHLY FINANCIAL REPORT FOR THE MONTH OF DECEMBER 2022**

In an effort to provide the most transparent and relevant financial information in a timely manner, we are submitting this report herewith. The report contains relevant data with analytical information for the Village's current financial affairs. The report is prepared based on the most recent available financial information (internal and external). The report is divided into five sections, including a) Cash and Investments, b) Revenues, c) Expenses, d) Fund Balance Analysis, and e) Other items that may contain relevant new issues and items representing and impacting the Village's financial interest and well-being.

**a) Cash and Investments**

The Village of Mount Prospect maintains a sufficient liquid cash balance at various banking and investment institutions for the smooth operation of the Village's day-to-day activities. The remainder of the cash assets are invested in multiple interest-earning accounts and investment options in accordance with the Village's Investment Policy. As of January 1, 2023, the beginning Cash and Cash Equivalents totaled \$80.7 million. During the month of January, the Village collected cash receipts totaling \$11.2 million. The investment income for the month totaled \$115,554. The payroll cost for the month was \$941,991, and accounts payable were paid in the amount of \$4.5 million. The inter-fund activity increased the cash position by \$15,727, while other disbursements totaled \$13,717. As of January 31, 2023, the Village's Cash and Cash Equivalents totaled \$86.6 million.

Summary of Cash Activity by Fund Type  
 For the Month Ended January 31, 2023

GOVERNMENTAL AND ENTERPRISE FUNDS

	Cash and Cash Equivalents	Investments	Total Cash and Investments
Balance at January 1, 2023	\$ 80,721,451	\$ 25,476,940	\$ 106,198,390
Cash receipts	11,207,422	-	11,207,422
Investment income	115,554	98,929	214,483
Transfers from investments to cash	-	-	-
Transfers to investments from cash	-	-	-
Interfund activity	15,727	-	15,727
Disbursements:			
Accounts payable	(4,545,782)	-	(4,545,782)
Payroll	(941,991)	-	(941,991)
Other	(13,717)	-	(13,717)
Balance at January 31, 2023	<u>\$ 86,558,663</u>	<u>\$ 25,575,868</u>	<u>\$ 112,134,531</u>

As of January 31, the Village has a total of \$25.6 million invested in long-term investment options, including U.S. Treasuries, AAA+ rated money market Funds, and FDIC insured CDs. The Cash, Cash Equivalents, and Investments totaled \$112.1 million as of January 31, 2023.

The below table summarizes the Cash and Cash Equivalents by Fund type as of January 31, 2023.

Fund Details	Amount
General Fund	\$ 49,712,561
Special Revenue Funds	9,727,237
Debt Service Funds	931,619
Capital Projects Funds	11,607,195
Enterprise Funds	26,625,301
Internal Service Funds	13,530,618
<b>Total Cash and Cash Equivalents</b>	<b>\$ 112,134,531</b>

In addition to the funds summarized above, the Village of Mount Prospect has \$1,152,676 in Escrow Accounts under the umbrella of Other Trust and Agency Funds.

**b) Revenues**

The below data summarizes the revenue recognized by the Village during January 2023.

Revenue Category	Budget 2023	Actual YTD Jan -2023	% of Annual Budget	Actual YTD Jan - 2022	Actual 2023 Vs. Actual 2022
Property Taxes	22,078,821	-	0.0%	-	-
Other Taxes	13,743,156	29,514	0.2%	56,157	(26,643)
Intergovernmental Revenue	49,689,008	1,063,968	2.1%	914,458	149,510
Licenses, Permits & Fees	1,959,500	252,539	12.9%	229,280	23,259
Charges For Services	40,837,772	2,659,774	6.5%	3,103,473	(443,699)
Fines & Forfeits	530,140	26,783	5.1%	29,041	(2,258)
Investment Income	278,266	381,363	137.0%	(70,864)	452,227
Other Financing Sources	10,600,000	3,763	0.0%	180,400	(176,638)
Other Revenue	2,166,550	168,892	7.8%	185,468	(16,576)
Reimbursements	203,000	43,138	21.3%	11,295	31,843
<b>Total Revenues</b>	<b>142,086,213</b>	<b>4,629,732</b>	<b>3.3%</b>	<b>4,638,707</b>	<b>(8,974)</b>

The above amounts do not represent all the revenues to be recognized for the period under review. There are certain state taxes, such as sales tax, home rule sales tax, and a few other taxes, that will be received by the Village in February 2023 and later. Additionally, during the month of January 2023, the Village received the following revenues from the State, which relate to a period prior to January 2023. These amounts are distributed after the State administrative fee deductions of \$10,484.

Revenues	Original Revenue Month	Revenue Recognition Month	Received by the Village	Amounts
State Sales Tax	Oct-22	Dec-22	Jan-23	2,641,231
Home Rule Sales Tax	Oct-22	Dec-22	Jan-23	622,909
Business District Tax	Oct-22	Dec-22	Jan-23	26,863
Auto Rental Tax	Oct-22	Dec-22	Jan-23	35
Telecom Tax	Oct-22	Dec-22	Jan-23	95,579
<b>Total Revenues</b>				<b>\$3,386,617</b>

The actual revenue received by the Village totaled \$4.6 million during January 2023. This amount represents 3.3 percent of the annual budget. The collected amount is tracking marginally lower by \$8,974 compared to the 2022 collection for the same period, mainly due to reductions in the charges for services.

**Property Taxes:** The Village's total levy for the year is \$20,443,677. The total property tax revenue budget, including TIF revenues, is \$22.1 million. The Village has not collected any property taxes so far for the tax year 2022. The Village will be receiving the first installment of property tax in April 2023. The Village is expected to collect 55% of the budgeted property taxes in April 2023.

**Other Taxes:** The category of Other Taxes includes all the taxes enacted per local ordinances and includes Home Rule Sales Tax, Hotel/Motel, Food and Beverage, Municipal Motor Fuel Tax, Utility Taxes, etc. As some of these taxes are collected by the State, there is a three-month lag between the actual sales and the remittance of the tax. In addition, all the local economic activities for the month of January are reported in February or later. Since January is the first month of the fiscal year, the revenues for the month and as well as related data is yet to be obtained. The January 2023 collection for this category is \$29,514.

**Intergovernmental Revenue:** This category includes all the State shared taxes, including State Sales Tax, Income Tax, Use Tax, Motor Fuel Tax, and Grants. The Village is vigilantly tracking all intergovernmental revenues. As most of these taxes are collected by the State, there is a three-month lag between the actual sales and the remittance of the tax. The year-to-date collection totals \$1.1 million and is trending higher by \$149,510 compared to 2022 amounts. The Village collected \$846,129 in the State Income Tax and \$203,051 in the Personal Property Replacement Tax. Both of these amounts are higher by \$71,508 and \$63,214, respectively. Since it is the early part of the year, the significant portion of the revenues belonging to January 2023 will be received in April 2023 (due to a three-month lag) and later. Hence, the limited information is being reported here.

**Licenses & Permits:** The Village has collected \$252,539 in License & Permit Fees through January 2023. The amount is trending higher by \$23,259 compared to last year's collection at the same time. The amount collected represents 12.9 percent of the annual budgeted revenues for this category.

**Charges for Services:** The Village has received \$2,659,774 in charges for services for the month under review. The amount represents 6.5% of the annual budgeted amount for the category and it is trending lower by \$443,699 compared to last year's collection at the same time, mainly due to the timing issues of internal lease payments and health insurance premium deductions.

**Other Categories:** All other revenue categories have collectively generated \$623,939 for the month of January 2023. The amount includes \$26,783 in fines & forfeitures, \$381,363 in investment income, \$43,138 in reimbursements, \$168,892 in other revenues and \$3,763 in other financing

sources.

**c) Expenditures**

The below data recaps the expenditures incurred during the month of January 2023.

Departments	Amended Budget 2023	Actual Expenditure YTD Jan 2023	% of Total Budget Used	Actual Expenditure YTD Jan 2022	Actual 2023 Vs. Actual 2022
10 Public Representation	624,596	19,828	3.2%	6,409	13,419
20 Village Administration	5,193,601	168,068	3.2%	178,119	(10,051)
30 Finance	2,501,247	68,527	2.7%	65,199	3,329
40 Community Development	4,784,744	115,266	2.4%	115,423	(158)
50 Human Services	1,952,212	68,088	3.5%	62,987	5,101
60 Police	22,139,071	729,135	3.3%	822,261	(93,127)
70 Fire	20,147,909	629,348	3.1%	746,481	(117,133)
80 Public Works	59,613,439	1,451,872	2.4%	1,547,646	(95,774)
00 Non-Departmental	30,339,135	749,168	2.5%	1,519,871	(770,702)
<b>Total Expenditures</b>	<b>147,295,954</b>	<b>3,999,301</b>	<b>2.7%</b>	<b>5,064,397</b>	<b>(1,065,096)</b>

The above amounts do not include the expenditures for the Pension Funds, as they are separate entities. The above amounts are unaudited and subject to change with accrual/audit adjustments.

Departments	Amended Budget 2023	Actual Expenditure YTD Jan 2023	% of Total Budget Used	Actual Expenditure YTD Jan 2022	Actual 2022 Vs. Actual 2021
Personnel	56,094,705	1,861,920	3.3%	1,976,732	(114,813)
Contractual Services	38,231,191	1,746,024	4.6%	2,994,316	(1,248,293)
Commodities & Supplies	2,608,215	229,525	8.8%	79,296	150,230
Capital Improvements	27,773,113	161,832	0.6%	14,053	147,779
Debt Service	9,037,425	-	0.0%	-	-
Other Expenditures	13,551,305	-	0.0%	-	-
<b>Total Expenditures</b>	<b>147,295,954</b>	<b>3,999,301</b>	<b>15.5%</b>	<b>5,064,397</b>	<b>(1,065,096)</b>

**Personnel Costs:** The year-to-date expenditures for Personnel Costs, including benefits, are \$1.9 million or 3.3 percent of the annual budget for the category. The amount is trending lower by \$114,813 compared to 2022. The overtime costs for January 2023 are \$78,952, while the overtime costs at the same time last year were \$142,496.

**Services:** - This category covers the majority of the contractual services that include some large line items, including JAWA water purchases, budgeted and grant-funded engineering studies, and other contracts. The year-to-date expenditure is \$1.7 million, and the Village has spent 4.6 percent of the budgeted amount through January 2023. The expenditure amount is trending lower by \$1.2 million, mainly due to the timing issues with expense recognition.

**Supplies:** The Village has spent \$229,525 in supplies through January 2023. The spending totals 8.8 percent of the approved budget. The Village is diligently tracking inflation. The recent inflation is at its highest in the last 40 years. So far, the Village has tracked inflation and its financial impacts successfully and the current budget and fund balance have the capacity to deal with short-term inflation impacts. The expenditures incurred are trending higher by \$150,230 compared to last year's amount at the same time. The amount for year 2022 incurred some timing issues with recognition, while the 2023 amount is incurred

as expected.

**Capital Improvements:** The Village has \$27.7 million in approved capital improvement projects for the year 2023. The Village will be amending its budget to carry forward \$12.7 million worth of projects from the year 2022 to 2023. Many of the budgeted projects from the year 2022 will be completed in 2023. With the proposed budget amendment, the total budget for the year will be \$39.9 million. Since it is the early part of the year, the Village has not yet started on big projects. Most of the projects will be started in the spring and are expected to be concluded in the fall of 2023. During the month of January 2023, the Village has spent \$161,832 on capital improvement projects.

**Debt Service:** Per the established debt service schedules, the Village's bond payments are due on June 1 and December 1. The Village will be processing the debt service payment a few days prior to due dates and have sufficient funds on hand to execute the same. There were no debt service payments due in January 2023 and no expenditures are reported.

**Other Expenditure:** The Other Expenditure category includes all other expenditures not categorized above. The category includes \$11.4 million in interfund transfers and \$2.2 million in the other expenditures. There are no expenses posted against the budgeted amounts during the month of January 2023.

**d) Fund Balance Analysis:**

The fund balance is an essential tool to check the fiscal health of any governmental organization. The below data summarizes the Village's monthly unassigned/unrestricted General fund reserves. The fund balance data is unaudited.

Items/Details	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23
Revenues - Unaudited	3,778,061	8,375,373	5,116,293	5,927,046	4,477,093	4,593,438	4,805,937	4,316,484	4,837,618	5,276,351	19,315,298	1,765,660
Expenses - Unaudited	(4,614,139)	(8,068,433)	(3,673,429)	(4,502,318)	(4,047,021)	(3,937,586)	(4,046,246)	(4,875,646)	(4,165,417)	(7,404,694)	(9,536,945)	(1,984,080)
Net Monthly Surplus/(Deficit)	(836,078)	306,940	1,442,864	1,424,728	430,072	655,852	759,691	(559,162)	672,201	(2,128,343)	9,778,353	(218,420)
<b>Ending Unrestricted Reserves</b>	<b>29,045,633</b>	<b>29,352,573</b>	<b>30,795,437</b>	<b>32,220,165</b>	<b>32,650,237</b>	<b>33,306,089</b>	<b>34,065,780</b>	<b>33,506,618</b>	<b>34,178,820</b>	<b>32,050,477</b>	<b>41,828,830</b>	<b>41,610,410</b>
As % of General Fund Budget	38%	38%	40%	42%	43%	44%	45%	44%	45%	42%	55%	54%
<b>Unencumbered Cash Balance</b>	<b>24,276,279</b>	<b>29,245,698</b>	<b>30,687,808</b>	<b>32,113,414</b>	<b>32,545,937</b>	<b>33,180,854</b>	<b>33,966,192</b>	<b>33,406,988</b>	<b>34,152,083</b>	<b>32,025,774</b>	<b>31,265,201</b>	<b>38,365,215</b>
As % of General Fund Budget	32%	38%	40%	42%	43%	43%	44%	44%	45%	42%	41%	50%

(Unaudited and Subject to Change)

The above fund balance analysis is not audited, and it is subject to change. The unrestricted fund balance as of December 2022 is estimated at \$41.9 million. Not all the revenues and expenditures for the fiscal year 2022 are recognized and the above amount will change as and when yearend accruals and adjustments are added to the same. The yearend fund balance amounts are expected to increase above 55% of the annual expenditures. It is important to note that the December 2021 fund balance includes three months of intergovernmental tax receivables from the State of Illinois totaling \$10.0 million. All these amounts were recognized per the GASB rules but were not available to spend. These receivables were collected during the first quarter of 2022. The above analysis concludes that the Village is in great fiscal health and has achieved a great level of growth in its revenue base. The above amounts also exclude \$3.7 million in restricted/assigned fund balances, as well as \$7.0 million received from the American Rescue Plan (restricted for the allocated items) as of the date of the report.

**e) Other Items:**

- a. During January 2023, the Village issued 65 real estate transfer tax stamps, of which 36 were exempt stamps and 29 were non-exempt. During January 2023, the Village collected \$46,092 in real estate transfer taxes. The average selling price for real estate was \$529,771. At the same time last year (January 2022), the Village sold 99 transfer tax stamps, of which 32 were exempt and 67 were non-exempt. In the same month last year, the Village collected real estate transfer taxes of \$58,266 and the average selling price was \$289,828.
- b. The Village will be presenting a budget amendment on March 21, 2023. The amendment

will primarily include carry over projects totaling \$12.7 million from 2022 to 2023 and a few final budget amendments for the year 2023.

- c. The Village has started working on its annual audit. The preliminary audit work was concluded in February 2023. The auditors are going to start their field work on the 2022 annual audit in March 2023. The audit is expected to be concluded in May 2023.
- d. Cook county has issued first installment of the property tax bills and the due date for the same is April 3, 2023.

Respectfully Submitted,  
Amit Thakkar  
Director of Finance