



VILLAGE OF MOUNT PROSPECT  
MONTHLY FINANCIAL REPORT

April 30, 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: MAY 25, 2023**

**SUBJECT: MONTHLY FINANCIAL REPORT FOR THE MONTH OF APRIL 2023**

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 April 1, 2023, the beginning Cash and Cash Equivalents totaled \$92.8 million. During the month of April, the Village collected cash receipts totaling \$12.0 million. The investment income for the month totaled \$337,061. The payroll cost for the month was \$1.7 million, and accounts payable were paid in the amount of \$7.5 million. The inter-fund activity increased the cash position by \$5,406, while other disbursements totaled \$22,938. As of April 30, 2023, the Village's Cash and Cash Equivalents totaled \$95.9 million.

**GOVERNMENTAL AND ENTERPRISE FUNDS**

	Cash and Cash Equivalents	Investments	Total Cash and Investments
Balance at April 1, 2023	\$ 92,789,960	\$ 25,731,743	\$ 118,521,704
Cash receipts	11,977,802	-	11,977,802
Investment income	337,061	68,171	405,232
Transfers from investments to cash	-	-	-
Transfers to investments from cash	-	-	-
Interfund activity	5,406	-	5,406
Disbursements:			
Accounts payable	(7,476,143)	-	(7,476,143)
Payroll	(1,723,352)	-	(1,723,352)
Other	(22,938)	-	(22,938)
Balance at April 30, 2023	<u>\$ 95,887,797</u>	<u>\$ 25,799,914</u>	<u>\$ 121,687,710</u>

As of April 30, the Village has a total of \$25.8 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 \$121.7 million as of April 30, 2023.

The below table summarizes the Cash and Cash Equivalents by Fund type as of April 30, 2023.

Fund Details	Amount
General Fund	\$ 54,662,700
Special Revenue Funds	9,955,748
Debt Service Funds	2,480,694
Capital Projects Funds	14,242,291
Enterprise Funds	26,220,518
Internal Service Funds	14,125,759
<b>Total Cash and Cash Equivalents</b>	<b>\$ 121,687,710</b>

In addition to the funds summarized above, the Village of Mount Prospect has \$1,212,492 in Escrow Accounts under the umbrella of Other Trust and Agency Funds.

**b) Revenues**

The below data summarizes the revenue recognized by the Village through April 2023.

Revenue Category	Budget 2023	Actual YTD Apr -2023	% of Annual Budget	Actual 2023		
				Actual YTD Apr - 2022	Vs. Actual 2022	% Change
Property Taxes	22,078,821	10,793,984	48.9%	11,182,368	(388,385)	-3.5%
Other Taxes	13,743,156	2,085,459	15.2%	2,258,695	(173,236)	-7.7%
Intergovernmental Revenue	49,689,008	7,857,220	15.8%	7,740,021	117,199	1.5%
Licenses, Permits & Fees	1,959,500	820,978	41.9%	2,134,047	(1,313,069)	-61.5%
Charges For Services	40,837,772	13,165,133	32.2%	12,036,492	1,128,641	9.4%
Fines & Forfeits	530,140	159,283	30.0%	388,596	(229,314)	-59.0%
Investment Income	278,266	1,557,631	559.8%	(266,117)	1,823,748	-685.3%
Other Financing Sources	10,600,000	3,500	0.0%	-	3,500	+++
Other Revenue	2,166,550	818,528	37.8%	764,861	53,667	7.0%
Reimbursements	203,000	162,292	79.9%	75,646	86,646	114.5%
<b>Total Revenues</b>	<b>142,086,213</b>	<b>37,424,009</b>	<b>26.3%</b>	<b>36,314,611</b>	<b>1,109,398</b>	<b>3.1%</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 April 2023 and later. Additionally, during the month of April 2023, the Village received the following revenues from the State, which relate to a period prior to April 2023. These amounts are distributed after the State administrative fee deductions of \$8,639.

Revenues	Original Revenue Month	Revenue Recognition Month	Received by the Village	Amounts
State Sales Tax	Jan-23	Apr-23	Apr-23	2,683,225
Home Rule Sales Tax	Jan-23	Apr-23	Apr-23	511,397
Business District Tax	Jan-23	Apr-23	Apr-23	21,095
Auto Rental Tax	Jan-23	Apr-23	Apr-23	25
Telecom Tax	Jan-23	Apr-23	Apr-23	91,090
<b>Total Revenues</b>				<b>\$ 3,306,832</b>

The actual revenue received by the Village totaled \$37.4 million through April 2023. This amount represents 26.3 percent of the annual budget. The collected amount is tracking higher by \$1.1 million compared to the 2022 collection for the same period.

**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 collected \$10.8 million in property taxes so far for the tax year 2022. Due to a shift in the due date from March to April, the collection is trailing lower by \$388,385 or 3.5% compared to the previous year.

**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 February are reported in March or later. The YTD tax collection under this category totals \$2,085,459, and it is trailing lower by \$173,236 or 7.7 percent compared to the previous year.

**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 \$7.9 million and is trending higher by \$117,199 or 1.5% compared to 2022 amounts. The below table summarizes the major taxes collected through April 2023.

Major State Taxes	FY 2023	FY 2022	2023 vs. 2022	FY 2022
State Income Tax	2,975,727	3,053,551	(77,824)	-3%
State Sales Tax	2,683,225	2,258,869	424,356	19%
State Use Tax	658,373	634,091	24,281	4%
State Motor Fuel Tax	536,859	491,778	45,081	9%
Video Gaming Tax	70,520	50,223	20,296	40%
Cannabis Education Fund	22,350	25,008	(2,658)	-11%
Municipal Cannabis Tax	5,331	3,084	2,247	73%
<b>Total</b>	<b>6,952,384</b>	<b>6,516,604</b>	<b>435,780</b>	<b>6.7%</b>

It is still the early part of the year, and the Village has yet to collect major state sales tax belonging to the year 2023. The overall collection is trailing higher by \$435,780 or 6.7 percent compared to the previous year, mainly due to a higher state sales tax collection.

**Licenses & Permits:** The Village has collected \$820,978 in License & Permit Fees through April 2023. The amount is trending lower by \$1,313,069 or 61.5% compared to last year's collection at the same time, mainly due to the suspension of vehicle stickers. The Village had collected \$1,163,723 in vehicle sticker revenues by this time last year.

**Charges for Services:** The Village has received \$13,165,133 in charges for services through April 2023. The amount represents 32.2% of the annual budgeted amount for the category and it is trending higher by \$1.1 million compared to last year's collection at the same time, mainly due to the increased water/sewer and refuse rates.

**Investment Income:** The Village has earned \$1,557,631 in investment income through April 2023. The Village is currently earning anywhere from 3.5% to 4.5% on its liquid investments. The Village's investments are in compliance with its Investment Policy and due to high federal rates, the Village is earning a higher amount in investment income. Last year at the same time, the Village's investments were marked to market and unrealized loss in the investment values were booked,

which are reversed now and booked as a realized investment income.

**Other Categories:** All other revenue categories have collectively generated \$1,143,602 through April 2023. The amount mainly includes \$159,283 in fines and forfeitures, \$818,528 in other revenues, and \$162,292 in reimbursements.

**c) Expenditures**

The below data recaps the expenditures incurred through the month of April 2023.

Departments	Amended Budget 2023	Actual Expenditure YTD April 2023	% of Total Budget Used	Expenditure YTD April 2022	Actual 2023 Vs. Actual 2022
10 Public Representation	624,596	158,640	25.4%	60,090	98,551
20 Village Administration	5,193,601	1,284,577	24.7%	1,266,085	18,492
30 Finance	2,501,247	673,273	26.9%	671,336	1,937
40 Community Development	4,784,744	1,246,282	26.0%	1,020,890	225,392
50 Human Services	1,954,711	446,661	22.9%	419,255	27,406
60 Police	22,458,993	7,104,341	31.6%	7,083,149	21,192
70 Fire	20,357,909	6,437,983	31.6%	6,590,224	(152,241)
80 Public Works	72,010,070	11,517,949	16.0%	9,968,387	1,549,562
00 Non-Departmental	30,339,135	4,125,713	13.6%	3,906,003	219,710
<b>Total Expenditures</b>	<b>160,225,005</b>	<b>32,995,419</b>	<b>20.6%</b>	<b>30,985,419</b>	<b>2,010,001</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 Apr 2023	% of Total Budget Used	Actual Expenditure YTD Apr 2022	Actual 2023 Vs. Actual 2022
Personnel	56,369,627	17,918,945	31.8%	17,681,435	237,510
Contractual Services	38,227,054	10,636,178	27.8%	9,871,180	764,998
Commodities & Supplies	2,613,215	821,159	31.4%	748,615	72,544
Capital Improvements	40,407,780	2,966,629	7.3%	2,393,975	572,654
Debt Service	9,037,425	253,054	2.8%	93,623	159,431
Other Expenditures	13,569,905	399,455	2.9%	196,591	202,864
<b>Total Expenditures</b>	<b>160,225,005</b>	<b>32,995,419</b>	<b>20.6%</b>	<b>30,985,419</b>	<b>2,010,001</b>

**Personnel Costs:** The year-to-date expenditures for Personnel Costs, including benefits, are \$17.9 million or 31.8 percent of the annual budget for the category. The amount is trending higher by \$237,510 compared to 2022, mainly due to the cost-of-living adjustments in the real wages. The overtime expense through April 2023 totals \$736,925, while at the same time last year, the overtime expense totaled \$699,327.

**Services:** - This category covers most 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 \$10.6 million, and it equates to 27.8 percent of the annual budgeted amount for the category. The expenditure amount is trending higher by \$764,998, mainly due to the inflationary and timing issues.

**Supplies:** The Village has spent \$821,159 in supplies through April 2023. The spending totals 31.4 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 \$72,544 compared to last year's amount at the same time. The amount for the year 2022 includes some timing issues with recognition, while the 2023 amount is incurred as expected.

**Capital Improvements:** The Village has \$40.4 million in approved capital improvement projects for the year 2023. The Village has amended its budget to carry forward \$12.7 million worth of projects from the year 2022 to 2023 (during March 2023). Many of the budgeted projects from the year 2022 will be completed in 2023. 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 conclude in the fall of 2023. Through April 2023, the Village has spent \$3.0 million 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 has sufficient funds on hand to execute the same. There were no major debt service payments due through April 2023. The Village has incurred \$253,054 in interest expenditure through April 2023 for the business district note.

**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 other expenditures. The YTD expenditure posted against this category totals \$399,455.

**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	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	Total YTD 2023
Revenues - Unaudited	22,813,049	1,747,061	1,671,385	6,384,258	9,632,101	19,434,805
Expenses - Unaudited	(10,700,346)	(1,984,080)	(4,548,458)	(7,102,276)	(5,880,180)	(19,514,994)
<b>Net Monthly Surplus/(Deficit)</b>	<b>12,112,703</b>	<b>(237,019)</b>	<b>(2,877,072)</b>	<b>(718,019)</b>	<b>3,751,921</b>	<b>(80,189)</b>
<b>Ending Unrestricted Reserves</b>	<b>44,163,180</b>	<b>43,926,161</b>	<b>41,049,088</b>	<b>40,331,070</b>	<b>44,082,990</b>	<b>44,082,990</b>
As % of General Fund Budget	58%	57%	54%	53%	58%	58%
<b>Unencumbered Cash Balance</b>	<b>30,091,800</b>	<b>37,191,814</b>	<b>37,892,747</b>	<b>39,920,051</b>	<b>43,682,356</b>	<b>43,682,356</b>
As % of General Fund Budget	39%	49%	50%	52%	57%	57%

(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 April 2023 is estimated at \$44.1million. Not all the revenues and expenditures for the fiscal period are recognized and the above amount will change as and when yearend accruals and adjustments are added to the same. A presentation was made to the Finance Commission and the Finance Commission has supported the changes to the Fund Balance Policy. Subsequently, a presentation was made to the Village Board and the Village Board has approved the revisions to the Fund Balance Policy. The revised fund balance target is 30 to 50 percent. Additionally, the Village Board approved an Economic Emergency Fund and \$6.5 million (one month worth of operating cash) will be transferred from the current General Fund reserves. After the transfer, the General Fund is expected to have a fund balance close to 45 percent of the annual expenditures.

**e) Other Items:**

- a. During April 2023, the Village issued 116 real estate transfer tax stamps, of which 48 were exempt stamps and 68 were non-exempt. During April 2023, the Village collected \$87,756

in real estate transfer taxes. The average selling price for real estate was \$430,139. At the same time last year (April 2022), the Village sold 127 transfer tax stamps, of which 40 were exempt and 87 were non-exempt. In the same month last year, the Village collected real estate transfer taxes of \$106,161 and the average selling price was \$406,643. The year-to-date collection totals \$214,548, while at the same time last year, the collection totaled \$356,787.

- b. The Village has received a letter from the Department of Revenue regarding Personal Property Tax Allocation. The Department of Revenue sends estimated payments for Income Tax and Personal Property Replacement Tax. Upon finalization of amounts for the year, the Department of Revenue prepares a reconciliation and makes a reallocation (true up) for all taxing districts. The reallocation of these funds has been minimal over the past years, ranging from 0.16% to 1.38%. After IDOR completed its review for tax year 2021 returns, the reallocation amount came in at 5.0%. The 5% reallocation was most likely caused by tax policy changes, state and local tax deduction cap, the State of Illinois creation of the pass-through entity tax (PTD) and a large increase in business income tax receipts. The reallocation will begin in July-2023 (Fiscal Year 2024) and it will result in increased income tax revenues and a possible reduction in the personal property replacement tax.
- c. The Village is expected to receive its 2022 annual audit report in June 2023. Staff will be presenting the same to the Audit Committee in June 2023 and it will be presented to the Village Board in July 2023.

Respectfully Submitted,  
Amit Thakkar  
Director of Finance