



VILLAGE OF MOUNT PROSPECT  
MONTHLY FINANCIAL REPORT

October 31, 2023

Prepared By

Amit Thakkar, CPA  
Director of Finance

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

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

**DATE: NOVEMBER 28, 2023**

**SUBJECT: MONTHLY FINANCIAL REPORT FOR THE MONTH OF OCTOBER 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 October 1, 2023, the beginning Cash and Cash Equivalents totaled \$102.2 million. During October, the Village collected cash receipts totaling \$9.2 million. The investment income for the month totaled \$481,427. The monthly payroll cost was \$1.8 million, and accounts payable were paid in the amount of \$5.2 million. The inter-fund activity increased the cash position by \$8,383, while other disbursements totaled \$16,196. As of October 31, 2023, the Village's Cash and Cash Equivalents totaled \$105.0 million.

**GOVERNMENTAL AND ENTERPRISE FUNDS**

	Cash and Cash Equivalents	Investments	Total Cash and
Balance at October 1, 2023	\$ 102,179,738	\$ 16,967,875	\$ 119,147,613
Cash receipts	9,245,811	-	9,245,811
Investment income	481,427	62,563	543,990
Transfers from investments to cash	-	-	-
Transfers to investments from cash	-	-	-
Interfund activity	8,383	-	8,383
Disbursements:			
Accounts payable	(5,167,224)	-	(5,167,224)
Payroll	(1,776,410)	-	(1,776,410)
Other	(16,196)	-	(16,196)
Balance at October 31, 2023	<u>\$ 104,955,529</u>	<u>\$ 17,030,438</u>	<u>\$ 121,985,967</u>

As of October 31, the Village has a total of \$17.0 million invested in long-term investment options, including U.S. Treasury, AAA+ rated money market funds and FDIC-insured CDs. The Cash, Cash Equivalents, and Investments totaled \$122.0 million as of October 31, 2023.

Village of Mount Prospect  
 Monthly Financial Report – October 2023

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

Fund Details	Amount
General Fund	\$ 45,524,790
Special Revenue Funds	14,767,501
Debt Service Funds	2,527,409
Capital Projects Funds	13,348,681
Enterprise Funds	22,236,847
Internal Service Funds	6,550,301
<b>Total Cash and Cash Equivalents</b>	<b>\$ 104,955,529</b>

In addition to the funds summarized above, the Village of Mount Prospect has \$1,278,116 in Escrow Accounts under the umbrella of Other Trust and Agency Funds.

**b) Revenues**

The data below summarizes the revenue recognized by the village through October 2023.

Revenue Category	Budget 2023	Actual YTD Oct -2023	% of Annual Budget	Actual 2023		
				Actual YTD Oct - 2022	Vs. Actual 2022	% Change
Property Taxes	22,393,921	11,374,561	50.8%	11,186,316	188,244	1.7%
Other Taxes	14,144,500	9,609,786	67.9%	10,292,046	(682,261)	-6.6%
Intergovernmental Revenue	49,689,008	33,374,243	67.2%	32,420,918	953,325	2.9%
Licenses, Permits & Fees	1,959,500	1,902,537	97.1%	3,053,228	(1,150,691)	-37.7%
Charges For Services	40,837,772	34,909,711	85.5%	31,777,271	3,132,440	9.9%
Fines & Forfeits	530,140	470,776	88.8%	809,514	(338,738)	-41.8%
Investment Income	278,266	4,514,658	1622.4%	315,199	4,199,459	1332.3%
Other Financing Sources	18,850,000	6,559,238	34.8%	2,024,243	4,534,995	224.0%
Other Revenue	2,166,550	2,023,258	93.4%	2,124,558	(101,300)	-4.8%
Reimbursements	203,000	683,230	336.6%	415,468	267,762	64.4%
<b>Total Revenues</b>	<b>151,052,657</b>	<b>105,421,997</b>	<b>69.8%</b>	<b>94,418,763</b>	<b>11,003,235</b>	<b>11.7%</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 November 2023 and later. Additionally, during October 2023, the Village received the following revenues from the State, which relate to a period prior to September 2023. These amounts are distributed after the State administrative fee deductions of \$10,424.

Revenues	Original Revenue Month	Revenue Recognition Month	Received by the Village	Amounts
State Sales Tax	Jul-23	Oct-23	Oct-23	2,806,751
Home Rule Sales Tax	Jul-23	Oct-23	Oct-23	620,729
Business District Tax	Jul-23	Oct-23	Oct-23	26,409
Auto Rental Tax	Jul-23	Oct-23	Oct-23	5,672
Telecom Tax	Jul-23	Oct-23	Oct-23	79,057
<b>Total Revenues</b>				<b>\$3,538,619</b>

The actual revenue received by the Village totaled \$105.4 million through October 2023. This amount represents 69.8 percent of the annual budget. The collected amount is tracking higher by \$11.0 million, or 11.7 percent, compared to the 2022 collection for the same period, mainly because of an inter-fund transfer from the General Fund to the Economic Emergency Fund totaling \$6.5 million and outperforming investment income.

**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 \$11.4 million in property taxes so far for the tax year 2022. The Village has received its primary tax extension report from Cook County. Per the most recent reports, the 2022 triennial assessment added \$325.0 million to the Village's total Equalized Assessed Value, and that has resulted in a primary tax rate of 0.942%. The second installment of the property tax bills came out in October, with a due date of December 1, 2023. The Village is hoping to collect the second installment of the property taxes before the end of the 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 the State collects some of these taxes, there is a three-month lag between the actual sales and the tax remittance. In addition, all the local economic activities for the month of October are reported in November or later. The YTD tax collection under this category totals \$9.6 million, and it is trailing lower by \$682,261 or 6.6 percent compared to the previous year. Most revenue lines under Other Taxes are tracking higher than the previous year, except the real estate transfer tax. The YTD real estate transfer tax collection totals \$679,811, while at the same time last year, the real estate transfer tax totaled \$1,305,781. The higher interest rate environment and low inventory in the market for available homes have resulted in a lower collection of the real estate transfer tax.

**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 tax remittance. The year-to-date collection totals \$33.4 million and is trending higher by \$953,325 or 2.9 percent compared to 2022 amounts. The table below summarizes the major taxes collected through October 2023.

Major State Taxes	FY 2023	FY 2022	2023 vs. 2022	% Change
State Sales Tax	19,737,100	17,702,282	2,034,818	11.5%
State Income Tax	7,895,347	8,162,113	(266,765)	-3.3%
State Use Tax	1,691,491	1,701,230	(9,740)	-0.6%
State Motor Fuel Tax	1,795,325	1,610,084	185,241	11.5%
Video Gaming Tax	216,399	168,596	47,804	28.4%
Cannabis Education Fund	64,833	70,583	(5,751)	-8.1%
Municipal Cannabis Tax	44,997	27,964	17,033	60.9%
<b>Total</b>	<b>31,445,491</b>	<b>29,442,851</b>	<b>2,002,640</b>	<b>6.8%</b>

The above table reflects that the State Sales Tax and State Motor Fuel Tax are both trending higher by 11.5 percent. The State Sales Tax amount reflects the sales tax collected for the first seven months of the year (January to July), and the amounts are encouraging. At the same time, the YTD Income Tax revenue reflects a decline of \$266,765, a decrease of 3.6 percent compared to the YTD 2022 amount.

**Licenses & Permits:** The Village has collected \$1.9 million in License & Permit Fees through October 2023. The amount is trending lower by \$1,150,691, or 37.7 percent, compared to last

year's collection, mainly due to the suspension of vehicle stickers. The Village had collected \$1,312,268 in vehicle sticker revenues by this time last year.

**Charges for Services:** The Village has received \$34.9 million in charges for services through October 2023. The amount represents 85.5 percent of the annual budgeted amount for the category, and it is trending higher by \$3.1 million, or 9.9 percent, compared to last year's collection at the same time, mainly due to the increased water/sewer and refuse rates.

**Investment Income:** The Village earned \$4.5 million in investment income through October 2023. The Village is currently earning anywhere from 3.5% to 5.0% on its liquid investments. The Village's investments comply 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 a net investment income of \$315,199 was realized. The current investment income reflects an increase of \$4.2 million or 1,332.3 percent compared to the previous year's investment income.

**Other Categories:** All other revenue categories have collectively generated \$9.7 million through October 2023. The amount mainly includes \$470,776 in fines and forfeitures, \$2.0 million in other revenues, \$683,230 in reimbursements, and \$6.6 million in other financing sources/inter-fund transfers.

c) **Expenditures**

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

Departments	Amended Budget 2023	Actual Expenditure YTD Oct 2023	% of Total Budget Used	Actual Expenditure YTD Oct 2022	Actual 2023 Vs. Actual 2022
10 Public Representation	624,596	475,131	76.1%	336,420	138,711
20 Village Administration	5,438,601	3,738,792	68.7%	3,576,102	162,691
30 Finance	2,481,347	1,804,598	72.7%	1,872,758	(68,161)
40 Community Development	4,839,744	3,007,943	62.2%	2,689,658	318,285
50 Human Services	1,954,711	1,124,594	57.5%	1,083,743	40,852
60 Police	22,833,993	16,566,316	72.6%	15,317,194	1,249,121
70 Fire	20,735,011	14,833,222	71.5%	14,303,223	529,999
80 Public Works	73,630,070	43,233,345	58.7%	33,634,537	9,598,808
00 Non-Departmental	37,839,135	18,081,743	47.8%	11,263,806	6,817,937
<b>Total Expenditures</b>	<b>170,377,207</b>	<b>102,865,684</b>	<b>60.4%</b>	<b>84,077,441</b>	<b>18,788,243</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.

Category	Amended Budget 2023	Actual Expenditure YTD Oct 2023	% of Total Budget Used	Actual Expenditure YTD Oct 2022	Actual 2023 Vs. Actual 2022
Personnel	57,289,488	42,034,793	73.4%	40,082,866	1,951,928
Contractual Services	38,310,688	28,842,474	75.3%	27,118,745	1,723,728
Commodities & Supplies	2,617,520	1,799,257	68.7%	1,703,894	95,363
Capital Improvements	42,022,181	19,606,598	46.7%	11,586,975	8,019,623
Debt Service	9,037,425	2,585,080	28.6%	2,847,961	(262,881)
Other Expenditures	21,099,905	7,997,482	37.9%	737,000	7,260,482
<b>Total Expenditures</b>	<b>170,377,207</b>	<b>102,865,684</b>	<b>60.4%</b>	<b>84,077,441</b>	<b>18,788,243</b>

**Personnel Costs:** The year-to-date expenditures for Personnel Costs, including benefits, are \$42.0 million or 73.4 percent of the annual budget for the category. The amount is trending higher by \$2.0 million compared to 2022. The overtime expense through October 2023 totals \$2.1 million, while at the same time last year, the overtime expense totaled \$1.8 million.

**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 \$28.8 million, equating to 75.3 percent of the annual budgeted amount for the category. The expenditure amount is trending higher by \$1.7 million, mainly due to inflationary and timing issues.

**Supplies:** The Village has spent \$1.8 million in supplies through October 2023. The spending totals 68.7 percent of the approved budget. The Village is diligently tracking inflation. The recent inflation (2022) was 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 can deal with short-term inflation impacts. The expenditures incurred are trending higher by \$95,363 compared to last year's amount at the same time. The amount for 2022 includes some timing issues with recognition, while 2023 expenditures are incurred as expected. The Consumer Price Index for All Urban Consumers (CPI-U) increased 3.2 percent over the last 12 months to an index level of 307.671 (1982-84=100). With that, inflation seems to be leveling off to a normal level, and staff is hopeful for a further reduction in the coming months.

**Capital Improvements:** The Village has \$42.0 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. Many projects are currently in process, and most of them are expected to conclude in late 2023. Through October 2023, the Village has spent \$19.6 million on capital improvement projects, accounting for 46.7 percent of the annual budget.

**Debt Service:** Per the established debt service schedules, the Village's bond payments are due on June 1 and December 1. The Village processes these debt service payments a few days before due dates and has sufficient funds on hand to execute the same. The Village has incurred and paid \$2.6 million in interest expenditures through October 2023.

**Other Expenditure:** The Other Expenditure category includes all other expenditures not categorized above. The category includes \$17.9 million in inter-fund transfers and \$2.2 million in other expenditures. The YTD expenditure posted against this category totals \$8.0 million (including inter-fund transfers).

**d) Fund Balance Analysis:**

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

Items/Details	Dec-22	Q1-2023	Q2-2023	Q3-2023	Oct-23	Total
Revenues - Unaudited	10,700,346	9,802,704	19,841,298	16,141,164	5,432,403	51,217,569
Expenses - Unaudited	(22,813,049)	(13,634,814)	(21,183,603)	(14,141,367)	(4,141,546)	(53,101,329)
<b>Net Monthly Surplus/(Deficit)</b>	<b>(12,112,703)</b>	<b>(3,832,110)</b>	<b>(1,342,305)</b>	<b>1,999,797</b>	<b>1,290,857</b>	<b>(1,883,760)</b>
<b>Ending Unrestricted Reserves</b>	<b>44,163,180</b>	<b>40,331,070</b>	<b>38,988,765</b>	<b>40,988,563</b>	<b>42,279,420</b>	<b>42,279,420</b>
As % of General Fund Budget	52%	47%	46%	48%	49%	49%
<b>Unencumbered Cash Balance</b>	<b>30,091,800</b>	<b>39,920,051</b>	<b>38,788,966</b>	<b>40,831,884</b>	<b>42,113,249</b>	<b>42,113,249</b>
As % of General Fund Budget	35%	47%	45%	48%	49%	49%

(Unaudited and Subject to Change)

The above fund balance analysis is not audited and is subject to change. As of October 31, 2023, the unrestricted fund balance is estimated at \$42.3 million. Not all 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. Recently, the Village revised its Fund Balance Policy, and the new target is set to maintain the fund balance between 30 to 50 percent. Besides that, a new Economic Emergency Fund was established, and a transfer of \$6.5 million was executed as initial funding from the General Fund reserves.

**Economic Emergency Fund**

The Village Board authorized the creation of a new Economic Emergency Fund in May 2023 and approved a budget amendment funding \$6.5 million from the General Fund reserves as an initial funding amount. This transfer was executed in May 2023 and invested in June 2023 in a AAA-rated I-prime account. The table below summarizes the Economic Emergency Fund activities for the month. During October, the Economic Emergency Fund earned an interest income of \$29,561, and at the end of the month, the total fund balance stood at \$6,636,877.

Economic Emergency Fund	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
Revenues	6,500,000	21,524	28,107	29,203	28,482	29,561
Expenditures	-	-	-	-	-	-
<b>Net Monthly Surplus/Deficit</b>	<b>6,500,000</b>	<b>21,524</b>	<b>28,107</b>	<b>29,203</b>	<b>28,482</b>	<b>29,561</b>

  

Beginning Fund Balance	-	6,500,000	6,521,524	6,549,631	6,578,834	6,607,316
Ending Fund Balance	6,500,000	6,521,524	6,549,631	6,578,834	6,607,316	6,636,877

e) **Other Items:**

- a. During October 2023, the Village issued 103 real estate transfer tax stamps, of which 51 were exempt and 52 were non-exempt. During October 2023, the Village collected \$73,197 in real estate transfer taxes. The average selling price for real estate was \$469,168. At the same time last year (October 2022), the Village sold 117 transfer tax stamps, of which 38 were exempt and 79 were non-exempt. In the same month last year, the Village collected real estate transfer taxes of \$115,620, and the average selling price was \$487,781. The YTD real estate transfer tax collection totals \$679,811, while at the same time last year, the real estate transfer tax totaled \$1,305,781. The higher interest rate environment and low inventory in the market for available homes have resulted in a lower collection of the real estate transfer tax.
- b. The Village Board approved 2024 budget, 2023 property tax levy, and the 2023 debt service abatements on November 7, 2023. All the required documents are filed with Cook County, and compliance requirements are fulfilled.

Respectfully Submitted,  
 Amit Thakkar  
 Director of Finance