



VILLAGE OF MOUNT PROSPECT
MONTHLY FINANCIAL REPORT

April 30, 2024

Prepared By

Amit Thakkar, CPA
Director of Finance

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

FROM: AMIT THAKKAR, DIRECTOR OF FINANCE

DATE: MAY 28, 2024

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE MONTH OF APRIL 2024

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 and analytical information for the Village's 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, 2024, the beginning Cash and Cash Equivalents totaled \$123.2 million. During the month, the Village collected cash receipts totaling \$8.6 million. The investment income for the month totaled \$543,038. The monthly payroll cost was \$1.8 million, and accounts payable were paid in the amount of \$6.8 million. The inter-fund activity increased the cash position by \$10,707, while other disbursements totaled \$19,605. As of April 30, 2024, the Village's Cash and Cash Equivalents totaled \$124.9 million.

GOVERNMENTAL AND ENTERPRISE FUNDS

	Cash and Cash Equivalents	Investments	Total Cash and
Balance at April 1, 2024	\$ 123,168,436	\$ 14,976,047	\$ 138,144,483
Cash receipts	8,600,664	-	8,600,664
Investment income	543,038	28,054	571,092
Transfers from investments to cash	-	-	-
Transfers to investments from cash	1,182,000	(1,182,000)	-
Interfund activity	10,707	-	10,707
Disbursements:			
Accounts payable	(6,766,245)	-	(6,766,245)
Payroll	(1,799,909)	-	(1,799,909)
Other	(19,605)	-	(19,605)
Balance at April 30, 2024	<u>\$ 124,919,086</u>	<u>\$ 13,822,101</u>	<u>\$ 138,741,187</u>

As of April 30, 2024, the Village has \$13.8 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 \$138.7 million as of April 30, 2024.

The table below summarizes the cash, cash equivalents, and investments by fund type as of April 30, 2024.

Fund Details	Amount
General Fund	\$ 58,188,098
Special Revenue Funds	19,951,811
Debt Service Funds	2,280,388
Capital Projects Funds	17,906,157
Enterprise Funds	23,449,485
Internal Service Funds	16,965,248
Total Cash and Cash Equivalents	\$ 138,741,187

In addition to the funds summarized above, the Village of Mount Prospect has \$1,278,738 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 April 2024.

Revenue Category	Budget 2024	Actual YTD April 2024	% of Annual Budget	Actual 2024		
				Actual YTD April 2023	Vs. Actual 2023	% Change
Property Taxes	22,022,359	12,390,315	56.3%	10,793,984	1,596,331	14.8%
Other Taxes	14,689,000	2,420,731	16.5%	2,085,459	335,271	16.1%
Intergovernmental Revenue	56,598,663	7,871,012	13.9%	7,857,220	13,792	0.2%
Licenses, Permits & Fees	2,037,000	772,825	37.9%	820,978	(48,153)	-5.9%
Charges For Services	42,240,404	13,347,577	31.6%	13,165,133	182,444	1.4%
Fines & Forfeits	470,955	175,085	37.2%	159,283	15,802	9.9%
Investment Income	1,818,245	2,156,908	118.6%	1,557,631	599,276	38.5%
Other Financing Sources	14,779,000	-	0.0%	3,500	(3,500)	-100.0%
Other Revenue	2,854,944	914,544	32.0%	818,528	96,017	11.7%
Reimbursements	337,000	486,107	144.2%	162,292	323,815	199.5%
Total Revenues	157,847,570	40,535,104	25.7%	37,424,009	3,111,095	8.3%

The above amounts do not represent all the revenues to be recognized for the period under review. Certain state taxes, such as sales tax, home rule sales tax, and a few other taxes, will be received by the Village in May 2024 and later. Additionally, during April 2024, the Village received the following revenues from the State, which relate to a period prior to April 2024. These amounts are distributed after the State administrative fee deductions of \$10,570.

Revenues	Original Revenue Month	Revenue Recognition Month	Received by the Village	Amounts
State Sales Tax	Jan-24	Apr-24	Apr-24	3,076,500
Home Rule Sales Tax	Jan-24	Apr-24	Apr-24	635,487
Business District Tax	Jan-24	Apr-24	Apr-24	22,257
Auto Rental Tax	Jan-24	Apr-24	Apr-24	2,194
Telecom Tax	Jan-24	Apr-24	Apr-24	90,091
Total Revenues				\$ 3,826,529

The actual revenue recognized by the Village totaled \$40.5 million through April 2024, representing 25.7

percent of the annual budget. The revenue collection is on track with an overall expected annual revenue cycle. The following narratives provide insight into the revenue collection activities through April 2024.

Property Taxes: The Village's total levy for the year is \$19,469,004. The total property tax revenue budget, including TIF revenues, is \$22.0 million. The Village collected \$12.4 million in property taxes through April 2024. The property taxes are due in two installments, one in March and one in August. The Village receives property tax distributions from the County between February and December. Last year, the property tax payments were delayed by Cook County. They are on time for the tax year 2023, payable in 2024. There has been an improvement in overall timing issues with the property tax collections and payments, resulting in an early collection of property taxes in February this year.

Other Taxes: The category of Other Taxes includes all the taxes enacted per local ordinances, including 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 April are reported in May or later. The YTD tax collection under this category totals \$2,420,731, an increase of \$335,271 or 16.1 percent compared to last year's collection. The Village collected \$511,483 in Food & Beverage Taxes and \$329,615 in Real Estate Transfer Taxes through April 2024. The same was \$384,489 and \$214,111 last year, respectively. The Food & Beverage Tax reflects an increase of 33.0 percent over last year's collection, while the Real Estate Transfer Tax reflects an increase of 53.9 percent over last year's collection.

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 Village recognized \$7.9 million in intergovernmental revenues through April 2024. The amount does not represent the total revenues to be recognized during the month, as major revenues will be reported and collected after April 2024. The overall recognized revenues are marginally trending higher by \$13,792 compared to the amount recognized last year for the same period. Overall, the YTD state taxes collected are trending higher by \$594,630 or 8.6 percent compared to the 2023 collection for the same time period. The below-listed increases are offset by a decrease in intergovernmental grant revenues of \$421,840 (one-time grants in 2023).

Major State Taxes	FY 2024	FY 2023	2024 vs. 2023	% Change
State Income Tax	3,202,861	2,975,727	227,134	7.6%
State Sales Tax	3,076,500	2,683,225	393,275	14.7%
State Use Tax	579,887	658,373	(78,486)	-11.9%
State Motor Fuel Tax	577,485	536,859	40,626	7.6%
Video Gaming Tax	78,226	70,520	7,706	10.9%
Cannabis Education Fund	24,524	22,350	2,174	9.7%
Municipal Cannabis Tax	7,531	5,331	2,200	41.3%
Total	7,547,014	6,952,384	594,630	8.6%

Licenses & Permits: The Village collected \$772,825 in license and permit fees through April 2024. This amount is trending lower by \$48,153, or 5.9 percent, compared to last year's collection.

Charges for Services: The Village collected \$13.3 million in charges for services through April 2024. The amount represents 31.6 percent of the annual budget for the category, and it is trending higher by \$182,444, or 1.4 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 \$2.2 million in investment income through April 2024. The amount represents 118.6 percent of the annual budget for the category. The recognized revenue is trending higher by \$599,276 or 38.5 percent compared to last year’s amount.

Other Categories: All other revenue categories have collectively generated \$1.6 million through April 2024. The amount mainly includes \$175,085 in fines and forfeitures, \$914,544 in other revenues, and \$486,107 in reimbursements,

c) Expenditures

The data below recaps the expenditures incurred through April 2024.

Departments	Amended Budget 2024	Actual		Actual Expenditure YTD April 2023	Actual 2024 Vs. Actual 2023	
		Expenditure YTD April 2024	% of Total Budget Used		% Change	
10 Public Representation	708,940	166,834	23.5%	158,640	8,194	5.2%
20 Village Administration	6,206,145	1,630,382	26.3%	1,284,745	345,636	26.9%
30 Finance	2,574,094	718,124	27.9%	673,273	44,851	6.7%
40 Community Development	5,428,453	1,651,330	30.4%	1,246,282	405,048	32.5%
50 Human Services	1,902,802	474,239	24.9%	446,661	27,578	6.2%
60 Police	25,086,548	8,083,889	32.2%	7,104,341	979,549	13.8%
70 Fire	24,802,876	7,078,828	28.5%	6,437,983	640,846	10.0%
80 Public Works	78,477,228	11,023,091	14.0%	11,517,949	(494,858)	-4.3%
00 Non-Departmental	34,902,797	4,504,170	12.9%	4,125,713	378,457	9.2%
Total Expenditures	180,089,883	35,330,888	19.6%	32,995,587	2,335,300	7.1%

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 2024	Actual		Actual Expenditure YTD April- 2023	Actual 2024 Vs. Actual 2023	
		Expenditure YTD April-2024	% of Total Budget Used		% Change	
Personnel	60,910,762	19,618,550	32.2%	17,918,945	1,699,605	9.5%
Contractual Services	40,372,510	11,855,464	29.4%	10,636,346	1,219,119	11.5%
Commodities & Supplies	2,689,749	848,682	31.6%	821,159	27,523	3.4%
Capital Improvements	49,166,227	2,129,129	4.3%	2,966,629	(837,500)	-28.2%
Debt Service	9,392,309	299,088	3.2%	253,054	46,034	18.2%
Other Expenditures	17,558,326	579,974	3.3%	399,455	180,519	45.2%
Total Expenditures	180,089,883	35,330,888	19.6%	32,995,587	2,335,300	7.1%

Personnel Costs: The year-to-date expenditures for Personnel Costs, including benefits, are \$19.6 million, or 32.2 percent of the annual budget for the category. The amount is trending higher by \$1.7 million compared to last year’s amount, mainly due to early recognition of pension contribution for the year, and cost of living adjustments for the wages. The overtime expense through April 2024 totaled \$730,411, while at the same time last year, it totaled \$736,925.

Contractual Services: This category covers most contractual services, including some large line items, such as JAWA water purchases, budgeted and grant-funded engineering studies, and other contracts. The Village incurred \$11.9 million in contractual services, equating to 29.4 percent of the annual budgeted amount for the category. The expenditure amount is trending higher by \$1.2 million, mainly due to inflationary and timing issues.

Supplies: Through April 2024, the Village spent \$848,682 on supplies, which totaled 31.6 percent of the

annual budget. At the same time last year, the Village had spent \$821,159 in supplies. The variance represents an increase in overall supply costs and timing issues with recognizing supplies-related expenditures in 2024.

Capital Improvements: The Village has \$35.4 million in approved capital improvement projects for 2024. In March 2024, the Village Board approved a budget amendment to carry over \$13.8 million in unfinished projects from 2023 to 2024. The Village has spent \$2.1 million on capital improvement projects through April 2024. The Village conducts major projects during the summer and concludes most projects in the fall and early winter.

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 keeps sufficient funds to execute them. The Village has incurred \$299,088 in accrued debt service expenditures through April 2024.

Other Expenditure: The Other Expenditure category includes all other expenditures not categorized above. The budget for this category includes \$14.8 million in inter-fund transfers and \$2.8 million in other expenditures. The Village has incurred \$579,974 in expenditures under this category through April 2024. The major expenditures under this category will be incurred and posted after June 2024.

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	FY 2023	Jan-24	Feb-24	Mar-24	Apr-24
Revenues - Unaudited	82,613,435	2,186,312	3,907,856	9,293,882	5,499,376
Expenses - Unaudited	(78,299,452)	(3,003,826)	(6,926,423)	(7,474,896)	(4,433,313)
Net Monthly Surplus/(Deficit)	4,313,983	(817,514)	(3,018,567)	1,818,987	1,066,063
Ending Unrestricted Reserves	43,700,864	42,883,350	39,864,783	41,683,769	42,749,833
As % of General Fund Budget	52%	51%	47%	49%	51%
Unencumbered Cash Balance	32,347,539	34,917,995	36,517,114	41,683,769	42,749,833
As % of General Fund Budget	38%	41%	43%	49%	51%

(Unaudited and Subject to Change)

The above fund balance analysis is not audited and is subject to change. As of April 30, 2024, the unrestricted fund balance is estimated at \$42.8 million, which equates to 51 percent of the annual budget. 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. The yearend accruals and adjustments will further improve the ending restricted fund balance. Recently, the Village revised its Fund Balance Policy, and the new target is set to maintain the fund balance between 30 and 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. The Village is expected to approve the second installment of \$6.5 million for the Economic Emergency Fund in 2024 from the 2023 surplus (General Fund).

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 April 2024, the Economic Emergency Fund earned an interest income of \$28,999, and at the end of the month, the total fund balance stood at \$6,812,568.

Economic Emergency Fund	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Apr-24
Revenues	6,521,524	85,792	88,374	87,879	28,999
Expenditures	-	-	-	-	-
Net Monthly Surplus/Deficit	6,521,524	85,792	88,374	87,879	28,999
Beginning Fund Balance	-	6,521,524	6,607,316	6,695,690	6,783,570
Ending Fund Balance	6,521,524	6,607,316	6,695,690	6,783,570	6,812,568

e) **Other Items:**

- a. During April 2024, the Village issued 97 real estate transfer tax stamps, of which 42 were exempt and 55 were non-exempt. During the month under review, the Village collected \$66,108 in real estate transfer taxes. The average selling price for real estate was \$400,601. At the same time last year (April 2023), the Village sold 116 transfer tax stamps, of which 48 were exempt and 68 were non-exempt. In the same month last year, the Village collected real estate transfer taxes of \$87,756, and the average selling price was \$430,139.
- b. The State of Illinois has approved a budget for the year 2024-2025. The budget included eliminating the grocery tax effective January 1, 2026. All municipalities can implement their own grocery tax of up to one percent without holding a referendum.

Respectfully Submitted,
 Amit Thakkar
 Director of Finance