



VILLAGE OF MOUNT PROSPECT  
MONTHLY FINANCIAL REPORT

May 31, 2024

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: JUNE 26, 2024**

**SUBJECT: MONTHLY FINANCIAL REPORT FOR THE MONTH OF MAY 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 May 1, 2024, the beginning Cash and Cash Equivalents totaled \$124.9 million. During the month, the Village collected cash receipts totaling \$9.5 million. The investment income for the month totaled \$547,168. The monthly payroll cost was \$1.8 million, and accounts payable were paid in the amount of \$8.7 million. The inter-fund activity increased the cash position by \$18,541, while other disbursements totaled \$15,503. As of May 31, 2024, the Village's Cash and Cash Equivalents totaled \$124.5 million.

**GOVERNMENTAL AND ENTERPRISE FUNDS**

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Total Cash and Investments</u>
Balance at May 1, 2024	\$ 124,919,086	\$ 13,822,101	\$ 138,741,187
Cash receipts	9,520,231	-	9,520,231
Investment income	547,168	64,364	611,532
Transfers from investments to cash	-	-	-
Transfers to investments from cash	-	-	-
Interfund activity	(18,541)	-	(18,541)
Disbursements:			
Accounts payable	(8,662,656)	-	(8,662,656)
Payroll	(1,814,185)	-	(1,814,185)
Other	(15,503)	-	(15,503)
Balance at May 31, 2024	<u>\$ 124,475,600</u>	<u>\$ 13,886,465</u>	<u>\$ 138,362,066</u>

As of May 31, 2024, the Village has \$13.9 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 \$138.4 million as of May 31, 2024.

The table below summarizes the cash, cash equivalents, and investments by fund type as of May 31, 2024.

Fund Details	Amount
General Fund	\$ 59,629,022
Special Revenue Funds	20,080,111
Debt Service Funds	1,512,970
Capital Projects Funds	18,166,399
Enterprise Funds	21,883,705
Internal Service Funds	17,089,857
<b>Total Cash and Cash Equivalents</b>	<b>\$ 138,362,066</b>

In addition to the funds summarized above, the Village of Mount Prospect has \$1,332,845 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 May 2024.

Revenue Category	Budget 2024	Actual YTD May 2024	% of Annual Budget	Actual 2024		
				Actual YTD May 2023	Actual Vs. Actual 2023	% Change
Property Taxes	22,022,359	12,935,366	58.7%	10,793,984	2,141,382	19.8%
Other Taxes	14,689,000	3,572,282	24.3%	3,330,034	242,247	7.3%
Intergovernmental Revenue	56,598,663	12,885,276	22.8%	12,375,268	510,008	4.1%
Licenses, Permits & Fees	2,037,000	903,349	44.3%	981,809	(78,460)	-8.0%
Charges For Services	42,240,404	16,531,180	39.1%	16,416,643	114,537	0.7%
Fines & Forfeits	470,955	214,555	45.6%	221,487	(6,933)	-3.1%
Investment Income	1,818,245	2,774,785	152.6%	1,989,479	785,306	39.5%
Other Financing Sources	14,779,000	-	0.0%	6,511,051	(6,511,051)	-100.0%
Other Revenue	2,854,944	1,978,343	69.3%	1,034,363	943,980	91.3%
Reimbursements	337,000	534,135	158.5%	210,858	323,277	153.3%
<b>Total Revenues</b>	<b>157,847,570</b>	<b>52,329,271</b>	<b>33.2%</b>	<b>53,864,977</b>	<b>(1,535,706)</b>	<b>-2.9%</b>

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 June 2024 and later. Additionally, during May 2024, the Village received the following revenues from the State, which relate to a period prior to May 2024. These amounts are distributed after the State administrative fee deductions of \$8,469.

Revenues	Original Revenue Month	Revenue Recognition Month	Received by the Village	Amounts
State Sales Tax	Feb-24	May-24	May-24	2,889,816
Home Rule Sales Tax	Feb-24	May-24	May-24	503,051
Business District Tax	Feb-24	May-24	May-24	20,538
Auto Rental Tax	Feb-24	May-24	May-24	58
Telecom Tax	Feb-24	May-24	May-24	85,585
<b>Total Revenues</b>				<b>\$ 3,499,049</b>

The actual revenue recognized by the Village totaled \$52.3 million through May 2024, representing 33.2 percent of the annual budget. The overall recognized revenues are trending higher compared to the 2023

collection for the same period, except for the Other Financing Sources and License and Permit fees. At this time last year, the Village had executed an internal transfer of \$6.5 million to the Economic Emergency Fund. The Village will propose a transfer in July this year for \$6.5 million to the Economic Emergency Fund. The revenue collection is on track with an overall expected annual revenue cycle. The following narratives provide insight into the revenue collection activities through May 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 \$12.9 million in property taxes through May 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 for the current year. As of the date of the report, Cook County has already issued the second installment of property taxes, which are due on August 1. The Village is expected to collect the majority of property taxes by August 31.

**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 May are reported in June or later. The YTD tax collection under this category totals \$3,572,282, an increase of \$242,247 or 7.3 percent compared to last year's collection. The Village collected \$658,645 in Food & Beverage Taxes and \$421,166 in Real Estate Transfer Taxes through May 2024. The same was \$517,661 and \$233,446 last year, respectively. The Food & Beverage Tax reflects an increase of 27.2 percent over last year's collection, while the Real Estate Transfer Tax reflects an increase of 37.8 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 \$12.9 million in intergovernmental revenues through May 2024. The amount does not represent the total revenues to be recognized during the month, as major revenues will be reported and collected after May 2024. The overall recognized revenues are marginally trending higher by \$510,008 compared to the amount recognized last year for the same period. Overall, the YTD state taxes collected are trending higher by \$1.2 million or 10.3 percent compared to the 2023 collection for the same time period. Due to the recent legislative changes, some portions of the State Use Tax are now collected as the State Sales Tax (from out-of-state online retailers). This shift is responsible for a reduction in the State Use Tax.

Major State Taxes	FY 2024	FY 2023	2024 vs. 2023	% Change
State Sales Tax	5,966,316	5,165,214	801,102	15.5%
State Income Tax	4,724,284	4,343,315	380,968	8.8%
State Use Tax	738,489	826,447	(87,958)	-10.6%
State Motor Fuel Tax	781,957	738,843	43,114	5.8%
Video Gaming Tax	108,875	95,050	13,824	14.5%
Cannabis Education Fund	32,696	29,206	3,490	11.9%
Municipal Cannabis Tax	14,863	10,610	4,252	40.1%
<b>Total</b>	<b>12,367,479</b>	<b>11,208,686</b>	<b>1,158,793</b>	<b>10.3%</b>

**Licenses & Permits:** The Village collected \$903,349 in license and permit fees through May 2024. This amount is trending lower by \$78,460, or 8.0 percent, compared to last year’s collection.

**Charges for Services:** The Village collected \$16.5 million in charges for services through May 2024. The amount represents 39.1 percent of the annual budget for the category, and it is trending higher by \$114,537, or 0.7 percent, compared to last year’s collection for the same time, mainly due to the increased water/sewer and refuse rates.

**Investment Income:** The Village earned \$2.7 million in investment income through May 2024. This amount represents 152.6 percent of the category’s annual budget. The recognized revenue is trending higher by \$785,306, or 39.5 percent, compared to last year’s amount.

**Other Categories:** All other revenue categories have collectively generated \$2.7 million through May 2024. The amount mainly includes \$214,555 in fines and forfeitures, \$1,978,343 in other revenues, and \$534,135 in reimbursements,

**c) Expenditures**

The data below recaps the expenditures incurred through May 2024.

Departments	Amended Budget 2024	Actual		Actual Expenditure YTD May 2023	Actual 2024	
		Expenditure YTD May 2024	% of Total Budget Used		Vs. Actual 2023	% Change
10 Public Representation	708,940	213,851	30.2%	202,974	10,878	5.4%
20 Village Administration	6,206,145	1,908,696	30.8%	1,729,184	179,511	10.4%
30 Finance	2,574,094	854,530	33.2%	823,028	31,502	3.8%
40 Community Development	5,428,453	1,920,979	35.4%	1,685,995	234,984	13.9%
50 Human Services	1,902,802	578,013	30.4%	546,368	31,645	5.8%
60 Police	25,086,548	9,530,302	38.0%	8,493,278	1,037,025	12.2%
70 Fire	24,802,876	8,389,208	33.8%	7,662,463	726,745	9.5%
80 Public Works	78,477,228	17,454,922	22.2%	18,034,086	(579,164)	-3.2%
00 Non-Departmental	34,902,797	7,315,641	21.0%	13,419,345	(6,103,704)	-45.5%
<b>Total Expenditures</b>	<b>180,089,883</b>	<b>48,166,142</b>	<b>26.7%</b>	<b>52,596,720</b>	<b>(4,430,578)</b>	<b>-8.4%</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 2024	Actual		Actual Expenditure YTD May-2023	Actual 2024	
		Expenditure YTD May-2024	% of Total Budget Used		Vs. Actual 2023	% Change
Personnel	60,911,462	23,408,586	38.4%	21,431,948	1,976,638	9.2%
Contractual Services	40,371,810	14,702,511	36.4%	14,106,734	595,776	4.2%
Commodities & Supplies	2,689,749	1,051,130	39.1%	1,035,925	15,205	1.5%
Capital Improvements	49,093,672	6,186,268	12.6%	6,956,739	(770,471)	-11.1%
Debt Service	9,392,309	2,126,452	22.6%	2,149,698	(23,246)	-1.1%
Other Expenditures	17,630,881	691,195	3.9%	6,915,675	(6,224,480)	-90.0%
<b>Total Expenditures</b>	<b>180,089,883</b>	<b>48,166,142</b>	<b>26.7%</b>	<b>52,596,720</b>	<b>(4,430,578)</b>	<b>-8.4%</b>

**Personnel Costs:** The year-to-date expenditures for Personnel Costs, including benefits, are \$23.4 million, or 38.4 percent of the annual budget for the category. The amount is trending higher by \$1.9 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 May 2024 totaled \$906,621, while at the same time last year, it totaled \$902,400.

**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 \$14.7 million in contractual services, equating to 36.4 percent of the annual budgeted amount for the category. The expenditure amount is trending higher by \$595,776, mainly due to inflationary and timing issues.

**Supplies:** Through May 2024, the Village spent \$1,051,130 on supplies, which totaled 39.1 percent of the annual budget. At the same time last year, the Village had spent \$1,035,925 in supplies. The spending on supplies is on track with the budget and the previous year's amount.

**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 \$6.2 million on capital improvement projects through May 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 paid \$2.1 million in debt service expenditures through May 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 \$691,195 in expenditures under this category through May 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	May-24
Revenues - Unaudited	82,613,435	2,186,312	3,907,856	9,293,882	5,499,376	6,281,137
Expenses - Unaudited	(78,299,452)	(3,003,826)	(6,926,423)	(7,474,896)	(4,432,961)	(4,639,685)
<b>Net Monthly Surplus/(Deficit)</b>	<b>4,313,983</b>	<b>(817,514)</b>	<b>(3,018,567)</b>	<b>1,818,987</b>	<b>1,066,415</b>	<b>1,641,451</b>
<b>Ending Unrestricted Reserves</b>	<b>43,700,864</b>	<b>42,883,350</b>	<b>39,864,783</b>	<b>41,683,769</b>	<b>42,750,185</b>	<b>44,391,636</b>
As % of General Fund Budget	52%	51%	47%	49%	51%	53%
<b>Unencumbered Cash Balance</b>	<b>32,347,539</b>	<b>34,917,995</b>	<b>36,517,114</b>	<b>41,683,769</b>	<b>42,750,185</b>	<b>44,391,636</b>
As % of General Fund Budget	38%	41%	43%	49%	51%	53%

(Unaudited and Subject to Change)

The above fund balance analysis is not audited and is subject to change. As of May 31, 2024, the unrestricted fund balance is estimated at \$44.4 million, which equates to 53 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. In 2023, 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, an 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 May 2024, the Economic Emergency Fund earned an interest income of \$30,109, and at the end of the month, the total fund balance stood at \$6,842,677.

Economic Emergency Fund	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Apr-24	May-24
Revenues	6,521,524	85,792	88,374	87,879	28,999	30,109
Expenditures	-	-	-	-	-	-
<b>Net Monthly Surplus/Deficit</b>	<b>6,521,524</b>	<b>85,792</b>	<b>88,374</b>	<b>87,879</b>	<b>28,999</b>	<b>30,109</b>
<b>Beginning Fund Balance</b>	<b>-</b>	<b>6,521,524</b>	<b>6,607,316</b>	<b>6,695,690</b>	<b>6,783,570</b>	<b>6,812,568</b>
<b>Ending Fund Balance</b>	<b>6,521,524</b>	<b>6,607,316</b>	<b>6,695,690</b>	<b>6,783,570</b>	<b>6,812,568</b>	<b>6,842,677</b>

e) **Other Items:**

- a. During May 2024, the Village issued 119 real estate transfer tax stamps, of which 50 were exempt and 69 were non-exempt. During the month under review, the Village collected \$90,801 in real estate transfer taxes. The average selling price for real estate was \$438,572. At the same time last year (May 2023), the Village sold 108 transfer tax stamps, of which 38 were exempt and 70 were non-exempt. In the same month last year, the Village collected real estate transfer taxes of \$91,416, and the average selling price was \$435,229.
- b. The Village recently concluded its Annual Audit for the year 2023 and received a clean audit opinion (highest possible) on its financial statement. The audit firm of Lauterbach & Amen made a presentation to the Audit Committee on June 10, 2024. The Audit Committee will present its Annual Report and the Audit to the Village Board on July 9, 2024.

Respectfully Submitted,  
 Amit Thakkar  
 Director of Finance