



VILLAGE OF MOUNT PROSPECT
MONTHLY FINANCIAL REPORT

February 29, 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: MARCH 27, 2024

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE MONTH OF FEBRUARY 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 February 1, 2024, the beginning Cash and Cash Equivalents totaled \$109.3 million. During the month, the Village collected cash receipts totaling \$12.6 million. The investment income for the month totaled \$441,308. The monthly payroll cost was \$3.0 million, and accounts payable were paid in the amount of \$5.2 million. The inter-fund activity increased the cash position by \$3,705, while other disbursements totaled \$16,989. As of February 29, 2024, the Village's Cash and Cash Equivalents totaled \$114.0 million.

GOVERNMENTAL AND ENTERPRISE FUNDS

	Cash and Cash Equivalents	Investments	Total Cash and
Balance at February 1, 2024	\$ 109,287,562	\$ 14,902,195	\$ 124,189,757
Cash receipts	12,600,677	-	12,600,677
Investment income	441,308	22,036	463,344
Transfers from investments to cash	-	-	-
Transfers to investments from cash	-	-	-
Interfund activity	3,705	-	3,705
Disbursements:			
Accounts payable	(5,218,801)	-	(5,218,801)
Payroll	(3,048,839)	-	(3,048,839)
Other	(16,989)	-	(16,989)
Balance at February 29, 2024	\$ 114,048,623	\$ 14,924,231	\$ 128,972,855

As of February 29, 2024, the Village has \$14.9 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 \$129.0 million as of February 29, 2024.

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The table below summarizes the cash, cash equivalents, and investments by fund type as of February 29, 2024.

Fund Details	Amount
General Fund	\$ 51,460,944
Special Revenue Funds	19,129,420
Debt Service Funds	1,499,790
Capital Projects Funds	17,765,189
Enterprise Funds	22,704,828
Internal Service Funds	16,412,683
Total Cash and Cash Equivalents	\$ 128,972,855

In addition to the funds summarized above, the Village of Mount Prospect has \$1,263,575 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 February 2024.

Revenue Category	Budget 2024	Actual YTD Feb - 2024	% of Annual Budget	Actual 2024		
				Actual YTD Feb - 2024	Vs. Actual 2023	% Change
Property Taxes	22,022,359	2,907,911	13.2%	-	2,907,911	0.0%
Other Taxes	14,689,000	681,351	4.6%	523,970	157,381	30.0%
Intergovernmental Revenue	56,598,663	2,347,984	4.1%	2,322,411	25,573	1.1%
Licenses, Permits & Fees	2,037,000	344,620	16.9%	328,928	15,692	4.8%
Charges For Services	42,240,404	6,354,996	15.0%	6,240,779	114,217	1.8%
Fines & Forfeits	470,955	56,315	12.0%	76,776	(20,461)	-26.6%
Investment Income	1,818,245	1,028,322	56.6%	650,810	377,512	58.0%
Other Financing Sources	14,029,000	-	0.0%	3,500	(3,500)	-100.0%
Other Revenue	2,854,944	389,788	13.7%	387,128	2,660	0.7%
Reimbursements	337,000	30,944	9.2%	79,760	(48,816)	-61.2%
Total Revenues	157,097,570	14,142,232	9.0%	10,614,062	3,528,170	33.2%

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 March 2024 and later. Additionally, during February 2024, the Village received the following revenues from the State, which relate to a period prior to 2024. These amounts are distributed after the State administrative fee deductions of \$10,529.

Revenues	Original Revenue Month	Revenue Recognition Month	Received by the Village	Amounts
State Sales Tax	Nov-23	Dec-23	Feb-24	3,003,242
Home Rule Sales Tax	Nov-23	Dec-23	Feb-24	625,229
Business District Tax	Nov-23	Dec-23	Feb-24	25,941
Auto Rental Tax	Nov-23	Dec-23	Feb-24	2,187
Telecom Tax	Nov-23	Dec-23	Feb-24	98,520
Total Revenues				\$ 3,755,120

The actual revenue recognized by the Village totaled \$14.1 million through February 2024, representing 9.0 percent of the annual budget. The Village does not receive any significant revenue in the early part of

the year. During the first three months of the year, it usually collects revenues for the last quarter of the previous year.

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 \$2.9 million in property taxes through February 2024. The property taxes are due in two installments, one in March and one in August. The Village receives its property tax distributions from the County between February and December. Last year, the Village did not receive any property tax payments in February. 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 February are reported in March or later. The YTD tax collection under this category totals \$681,351, an increase of \$157,381 or 30 percent compared to the 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 \$2,347,984 in intergovernmental revenues through February 2024. The amount does not represent the total revenues to be recognized during the month, as major revenues will be reported and collected after February 2024. The overall recognized revenues are trending higher by \$25,573 compared to the amount recognized last year for the same period. The recognized revenues include income tax totaling \$1,764,751, an increase of \$82,004 or 4.8 percent compared to the last year's collection.

Licenses & Permits: The Village collected \$344,620 in License and permit fees through February 2024. This amount is trending higher by \$15,692, or 4.8 percent, compared to last year's collection.

Charges for Services: The Village collected \$6.4 million in charges for services through February 2024. The amount represents 15 percent of the annual budget for the category, and it is trending higher by \$114,217, or 1.8 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 \$1,028,322 in investment income through February 2024. The amount represents 56.6 percent of the annual budget for the category. The recognized revenue is trending higher by \$377,512 or 58.0 percent compared to last year's amount.

Other Categories: All other revenue categories have collectively generated \$477,048 through February 2024. The amount mainly includes \$56,315 in fines and forfeitures, \$389,788 in other revenues, and \$30,944 in reimbursements,

c) **Expenditures**

The data below recaps the expenditures incurred through February 2024.

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Departments	Amended Budget 2024	Actual Expenditure Feb 2024	% of Total Budget Used	Actual Expenditure Feb 2023	Actual 2024 Vs. Actual 2023
10 Public Representation	708,940	94,518	13.3%	61,804	32,714
20 Village Administration	6,206,145	852,080	13.7%	580,754	271,326
30 Finance	2,574,094	345,495	13.4%	225,670	119,826
40 Community Development	5,343,568	533,983	10.0%	413,775	120,208
50 Human Services	1,874,802	249,451	13.3%	189,109	60,342
60 Police	25,002,782	3,610,989	14.4%	2,205,698	1,405,291
70 Fire	24,682,037	3,102,059	12.6%	1,888,982	1,213,077
80 Public Works	64,102,970	4,787,480	7.5%	3,602,683	1,184,797
00 Non-Departmental	34,152,797	2,662,920	7.8%	2,347,171	315,749
Total Expenditures	164,648,135	16,238,974	9.9%	11,515,645	4,723,329

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 Expenditure YTD Feb 2024	% of Total Budget Used	Actual Expenditure YTD Feb 2023	Actual 2024 Vs. Actual 2023
Personnel	60,907,762	8,838,837	14.5%	5,590,947	3,247,890
Contractual Services	40,197,688	6,239,694	15.5%	5,231,673	1,008,022
Commodities & Supplies	2,689,749	419,721	15.6%	323,120	96,601
Capital Improvements	34,652,301	704,115	2.0%	344,260	359,854
Debt Service	9,392,309	29,244	0.3%	25,644	3,600
Other Expenditures	16,808,326	7,362	0.0%	-	7,362
Total Expenditures	164,648,135	16,238,974	9.9%	11,515,645	4,723,329

Personnel Costs: The year-to-date expenditures for Personnel Costs, including benefits, are \$8.8 million, or 14.5 percent of the annual budget for the category. The amount is trending higher by \$3.2 million compared to the last year's amount. Last year, through February 2023, the Village had processed four payrolls. However, due to timing issues, the Village has processed five payrolls through February 2024. The month of February had payrolls on February 1, 15 and 29. An extra payroll through February has resulted in a higher year-to-date expenditure amount. This timing issue will resolve in March. The overtime expense through February 2024 totaled \$432,544, while at the same time last year, it totaled \$304,026.

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 \$6,239,694 in contractual services, equating to 15.5 percent of the annual budgeted amount for the category. The expenditure amount is trending higher by \$1.0 million, mainly due to inflationary and timing issues.

Supplies: Through February 2024, the Village spent \$419,721 on supplies, which totaled 15.6 percent of the annual budget. At the same time last year, the Village had spent \$323,120 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 \$34.7 million in approved capital improvement projects for 2024. In March 2024, the village proposed a budget amendment to carry over \$13.8 million in unfinished projects from 2023 to 2024. The Village has spent \$704,115 on capital improvement projects through February 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 \$29,244 in accrued debt service expenditures through February 2024.

Other Expenditure: The Other Expenditure category includes all other expenditures not categorized above. The budget for this category includes \$14.0 million in inter-fund transfers and \$2.8 million in other expenditures. The Village has incurred \$7,362 in expenditures under this category through February 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	Dec-22	Q1-2023	Q2-2023	Q3-2023	Q4-2023	Jan-24	Feb-24
Revenues - Unaudited	10,700,346	9,802,704	19,841,298	16,141,164	36,835,229	2,186,312	3,907,856
Expenses - Unaudited	(22,813,049)	(13,634,814)	(21,183,603)	(14,141,367)	(29,339,642)	(3,003,826)	(6,926,423)
Net Monthly Surplus/(Deficit)	(12,112,703)	(3,832,110)	(1,342,305)	1,999,797	7,495,587	(817,514)	(3,018,567)
Ending Unrestricted Reserves	44,163,180	40,331,070	38,988,765	40,988,563	48,484,149	47,666,635	44,648,068
As % of General Fund Budget	52%	48%	46%	48%	57%	56%	53%
Unencumbered Cash Balance	30,091,800	39,920,051	38,788,966	40,831,884	37,211,789	39,782,245	41,381,364
As % of General Fund Budget	36%	47%	46%	48%	44%	47%	49%

(Unaudited and Subject to Change)

The above fund balance analysis is not audited and is subject to change. As of February 29, 2024, the unrestricted fund balance is estimated at \$44.6 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. 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.

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 February, the Economic Emergency Fund earned interest income of \$28,038, and at the end of the month, the total fund balance stood at \$6,753,710.

Economic Emergency Fund	Q2-2023	Q3-2023	Q4-2023	Jan-24	Feb-24
Revenues	6,521,524	85,792	88,374	29,982	28,038
Expenditures	-	-	-	-	-
Net Monthly Surplus/Deficit	6,521,524	85,792	88,374	29,982	28,038
Beginning Fund Balance	-	6,521,524	6,607,316	6,695,690	6,725,672
Ending Fund Balance	6,521,524	6,607,316	6,695,690	6,725,672	6,753,710

e) **Other Items:**

- a. During February 2024, the Village issued 88 real estate transfer tax stamps, of which 37 were exempt and 51 were non-exempt. During the month under review, the Village collected \$120,099 in real estate transfer taxes. The average selling price for real estate was \$500,024. At the same time last year (February 2023), the Village sold 74 transfer tax stamps, of which 42 were exempt and 32 were non-exempt. In the same month last year, the Village collected real estate transfer taxes of \$30,783, and the average selling price was \$320,625.
- b. The State of Illinois has proposed a budget that will eliminate 1% sales tax on groceries starting July 1, 2024. The State collects 1% grocery tax for the local governments and the elimination of the same will result in an annual loss of \$875,000 in grocery tax for the Village of Mount Prospect

Respectfully Submitted,
Amit Thakkar
Director of Finance