VILLAGE OF MOUNT PROSPECT

MONTHLY FINANCIAL REPORT

October 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: DECEMBER 9, 2024

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE MONTH OF OCTOBER 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 October 1, 2024, the beginning Cash and Cash Equivalents totaled $107.8 million. During the month, the Village collected cash receipts totaling $9.6 million. The investment income for the month totaled $419,753. The monthly payroll cost was $2.0 million, and accounts payable were paid in the amount of $6.5 million. The inter-fund activity increased the cash position by $8,725, while other disbursements totaled $19,298. During the month under review, the Village invested $5.0 million from its liquid cash and cash equivalents in certain qualified investments. As of October 31, 2024, the Village's Cash and Cash Equivalents totaled $104.4 million.

GOVERNMENTAL AND ENTERPRISE FUNDS

	Cash and Cash Equivalents	Investments	Total Cash and Investments
Balance at October 1, 2024	$ 107,837,503	$ 27,105,640	$ 134,943,143
Cash receipts	9,628,051	-	9,628,051
Investment income	419,753	13,870	433,623
Transfers from investments to cash	-	-	-
Transfers to investments from cash	(5,000,000)	5,000,000	-
Interfund activity	8,725	-	8,725
Disbursements:			
Accounts payable	(6,468,274)	-	(6,468,274)
Payroll	(1,992,402)	-	(1,992,402)
Other	(19,298)	-	(19,298)
Balance at October 31, 2024	$ 104,414,058	$ 32,119,510	$ 136,533,568

As of October 31, 2024, the Village has $32.1 million invested in long-term investments, including U.S. Treasury, AAA+ rated money-market funds, and FDIC-insured CDs. The Cash, Cash Equivalents, and Investments totaled $136.5 million as of October 31, 2024.

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

Fund Details		Amount
General Fund	$	56,646,789
Special Revenue Funds		28,976,285
Debt Service Funds		2,706,933
Capital Projects Funds		15,221,732
Enterprise Funds		15,581,824
Internal Service Funds		17,400,004
Total Cash and Cash Equivalents	$	136,533,568

In addition to the funds summarized above, the Village of Mount Prospect has $1,308,818 in escrow accounts under the umbrella of Other Trust and Agency Funds.

b) <u>Revenues</u>

The data below summarizes the revenue recognized by the Village through October 2024.

Revenue Category	Budget 2024	Actual YTD October 2024	% of Annual Budget	Actual YTD October 2023	Actual 2024 Vs. Actual 2023	% Change
Property Taxes	22,022,359	24,314,774	110.4%	11,374,561	12,940,214	113.8%
Other Taxes	14,689,000	10,076,348	68.6%	9,609,786	466,563	4.9%
Intergovernmental Revenue	57,179,236	34,408,814	60.2%	33,374,243	1,034,571	3.1%
Licenses, Permits & Fees	2,037,000	1,965,463	96.5%	1,902,537	62,926	3.3%
Charges For Services	42,255,770	34,958,337	82.7%	34,909,711	48,626	0.1%
Fines & Forfeits	470,955	469,633	99.7%	470,776	(1,143)	-0.2%
Investment Income	1,818,245	5,614,834	308.8%	4,514,658	1,100,176	24.4%
Other Financing Sources	21,279,000	8,509,559	40.0%	6,559,238	1,950,321	29.7%
Other Revenue	2,854,944	3,472,188	121.6%	2,023,258	1,448,930	71.6%
Reimbursements	337,000	760,717	225.7%	683,230	77,488	11.3%
Total Revenues	**164,943,509**	**124,550,669**	**75.5%**	**105,421,997**	**19,128,672**	**18.1%**

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 November 2024 and later. Additionally, during October 2024, the Village received the following revenues from the State, which relate to a period prior to October 2024. These amounts are distributed after the State administrative fee deductions of $10,738.

Revenues	Original Revenue Month	Revenue Recognition Month	Received by the Village	Amounts
State Sales Tax	Jul-24	Oct-24	Oct-24	3,207,795
Home Rule Sales Tax	Jul-24	Oct-24	Oct-24	638,975
Business District Tax	Jul-24	Oct-24	Oct-24	26,706
Auto Rental Tax	Jul-24	Oct-24	Oct-24	5,485
Telecom Tax	Jul-24	Oct-24	Oct-24	84,246
Total Revenues				**$ 3,963,206**

The actual revenue recognized by the Village totaled $124.6 million through October 2024, representing 75.5 percent of the annual budget. The overall recognized revenues are trending higher compared to the 2024 collection for the same period, except for the charges for services. The revenue collection is on track with an overall expected annual revenue cycle.

Property Taxes: The Village's total levy for the year is $19,469,004. The total property tax budget, including TIF increments, is $22.0 million. The Village collected $24.3 million in property taxes through October 2024. The property taxes are due in two installments, one in March and one in August. This year, the Village received its second installment on time from Cook County Treasurer's Office. Last year, the County significantly delayed the second installment. The collected property taxes include higher-than-expected TIF increments for the Prospect & Main TIF district.

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 October are reported in November or later. The YTD tax collection under this category totals $10.1 million, an increase of $466,563 or 4.9 percent compared to last year's collection. The Village collected $1,423,504 in Food & Beverage Taxes and $901,453 in Real Estate Transfer Taxes through October 2024. The same was $1,287,969 and $679,811 last year, respectively. The Food & Beverage Tax reflects an increase of 10.5 percent over last year's collection, while the Real Estate Transfer Tax reflects an increase of 32.6 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 $34.4 million in intergovernmental revenues through October 2024. The amount does not represent the total revenues to be recognized during the month, as significant revenues will be reported and collected after October 2024. The overall recognized revenues are trending higher by $1.0 million, or 3.1 percent, compared to the amount recognized last year for the same period. Overall, the YTD 2024 state taxes collected are trending higher by $1.95 million or 6.2 percent compared to the 2023 collection for the same 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. The State sales tax reflects actual sales tax accrued from January through July, collected with a three-month lag between April and October. The State income tax revenue is recognized on a cash basis in the month of receipt and represents a 7.9 percent growth compared to the 2023 collections.

Major State Taxes	FY 2024	FY 2023	2024 vs. 2023	% Change
State Sales Tax	21,049,418	19,737,100	1,312,318	6.6%
State Income Tax	8,518,888	7,895,347	623,541	7.9%
State Motor Fuel Tax	1,865,708	1,795,325	70,383	3.9%
State Use Tax	1,591,259	1,691,491	(100,232)	-5.9%
Video Gaming Tax	252,209	216,399	35,810	16.5%
Cannabis Education Fund	69,474	64,833	4,641	7.2%
Municipal Cannabis Tax	52,380	44,997	7,383	16.4%
Total	33,399,335	31,445,491	1,953,844	6.2%

Licenses & Permits: The Village collected $2.0 million in license and permit fees through October 2024. This amount is trending higher by $62,926, or 3.3 percent, compared to last year's collection.

	FY 2024	FY 2023	2024 vs. 2023	% Change
Business Licenses & Permits	676,331	619,360	56,971	9.2%
Liquor Licenses	194,200	180,019	14,181	7.9%
Business Licenses	162,263	152,824	9,439	6.2%
Contractor Licenses	135,200	119,400	15,800	13.2%
Gaming Terminal Fees	112,000	90,000	22,000	24.4%
Alarm Licenses	42,438	44,206	(1,769)	-4.0%
Elevator Licenses	26,080	26,410	(330)	-1.2%
Utility Permit Fee	3,550	5,900	(2,350)	-39.8%
Gaming Applications	600	600	-	0.0%
Nonbusiness Licenses & Permits	1,289,132	1,282,907	6,225	0.5%
Building Permit	951,553	835,653	115,901	13.9%
Landlord/Rental Permit	317,449	311,095	6,354	2.0%
Village Impact Fees	20,130	136,160	(116,030)	-85.2%
Total Licenses & Permit Fees	1,965,463	1,902,267	63,196	3.3%

Charges for Services: The Village collected $42.3 million in charges for services through October 2024. The amount represents 82.7 percent of the annual budget for the category, and it is trending marginally higher by $48,626, or 0.1 percent, compared to last year's collection. The expected collection for the category was initially higher. However, due to timing issues with the ambulance billing fees, especially for the GEMT (Ground Emergency Medical Transport), the amount reported is close to the 2023 collection. This timing issue is expected to be resolved in the near future.

Investment Income: The Village earned $5.6 million in investment income through October 2024, which represents 308.8 percent of the category's annual budget. The recognized revenue is trending higher by $1.1 million, or 24.4 percent, compared to last year's amount.

Other Categories: All other revenue categories have collectively generated $13.2 million through October 2024. The amount mainly includes $469,633 in fines and forfeitures, $3.5 million in other revenues, $760,717 in reimbursements, and $8.5 million in Other Finance Sources (inter-fund transfers).

c) <u>Expenditures</u>

The data below recaps the expenditures incurred through October 2024.

Departments	Amended Budget 2024	Actual Expenditure YTD October 2024	% of Total Budget Used	Actual Expenditure YTD October 2023	Actual 2024 Vs. Actual 2023	% Change
10 Public Representation	708,940	554,004	78.1%	475,131	78,873	16.6%
20 Village Administration	6,206,145	4,148,344	66.8%	3,738,792	409,551	11.0%
30 Finance	2,574,094	2,395,893	93.1%	1,804,598	591,295	32.8%
40 Community Development	5,428,453	3,394,250	62.5%	3,007,943	386,307	12.8%
50 Human Services	1,902,802	1,227,287	64.5%	1,124,594	102,693	9.1%
60 Police	25,156,755	20,703,754	82.3%	16,566,316	4,137,439	25.0%
70 Fire	24,802,876	19,227,626	77.5%	14,833,222	4,394,404	29.6%
80 Public Works	79,218,309	50,392,372	63.6%	43,233,345	7,159,027	16.6%
00 Non-Departmental	42,177,797	21,031,029	49.9%	18,081,743	2,949,287	16.3%
Total Expenditures	**188,176,171**	**123,074,559**	**65.4%**	**102,865,684**	**20,208,875**	**19.6%**

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 October 2024	% of Total Budget Used	Actual Expenditure YTD October 2023	Actual 2024 Vs. Actual 2023	% Change
Personnel	60,987,452	50,625,310	83.0%	42,034,793	8,590,516	20.4%
Contractual Services	40,367,336	31,539,757	78.1%	28,842,474	2,697,283	9.4%
Commodities & Supplies	2,682,343	1,811,671	67.5%	1,799,257	12,414	0.7%
Capital Improvements	49,840,850	25,246,000	50.7%	19,606,598	5,639,402	28.8%
Debt Service	9,392,309	2,557,610	27.2%	2,585,080	(27,470)	-1.1%
Other Expenditures	24,905,881	11,294,211	45.3%	7,997,482	3,296,729	41.2%
Total Expenditures	**188,176,171**	**123,074,559**	**65.4%**	**102,865,684**	**20,208,875**	**19.6%**

Personnel Costs: The year-to-date expenditures for Personnel Costs, including benefits, are $50.6 million, or 83 percent of the annual budget for the category. The amount is trending higher by $8.6 million compared to last year's amount, mainly due to early recognition of pension contribution for the year and cost-of-living adjustments for wages. The Village received the second installment of property tax earlier than last year, resulting in a higher portion of pension levy revenue. The exact amount is also recognized as pension contributions to the Police and Fire Pension Funds, resulting in higher reported personnel costs compared to the last year. The overtime expense through October 2024 totaled $2.7 million, while at the same time last year, it totaled $2.1 million.

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 $31.5 million in contractual services, equating to 78.1 percent of the annual budgeted amount for the category. The expenditure amount is trending higher by $2.7 million, mainly due to inflationary and timing issues.

Supplies: Through October 2024, the Village spent $1.8 million on supplies, which totaled 67.5 percent of the annual budget. The commodities and supplies are on track as expected and are in line with the reported expenditures for the last year.

Capital Improvements: The Village initially had $36.0 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 $25.2 million on capital improvement projects through October 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 $2.6 million in debt service expenditures through October 2024.

Other Expenditure: The Other Expenditure category includes expenditures not categorized above. The budget for this category includes $21.3 million in inter-fund transfers and $3.6 million in other expenditures. The Village has incurred $11.3 in expenditures under this category through October 2024. The expenditures include $8.5 million in inter-fund transfers and $2.8 million in other expenditures.

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	Q1-2024	Q2-2024	Q3-2024	Oct-24	YTD 2024
Revenues - Unaudited	82,613,435	15,388,050	16,837,235	23,829,967	6,004,694	62,059,945
Expenses - Unaudited	(78,299,452)	(17,405,144)	(14,280,967)	(27,818,540)	(4,675,981)	(64,180,633)
Net Monthly Surplus/(Deficit)	**4,313,983**	**(2,017,095)**	**2,556,268**	**(3,988,574)**	**1,328,713**	**(2,120,688)**
Ending Unrestricted Reserves	**43,700,864**	**41,683,769**	**44,240,037**	**40,251,463**	**41,580,176**	**41,580,176**
As % of General Fund Budget	48%	45%	48%	44%	45%	45%
Unencumbered Cash Balance	**32,347,539**	**41,683,769**	**44,240,037**	**40,251,463**	**41,580,176**	**41,580,176**
As % of General Fund Budget	35%	45%	48%	44%	45%	45%

(Unaudited and Subject to Change)

The above fund balance analysis is not audited and is subject to change. As of October 31, 2024, the unrestricted fund balance is estimated at $41.6 million, which equates to 45 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 in 2023, and a transfer of $6.5 million was executed as initial funding from the General Fund reserves. The Village funded the second installment of $6.5 million for the Economic Emergency Fund in July 2024 from the 2023 audited surplus (General Fund), resulting in a reduction in the overall fund balance starting in July 2024. During October 2024, the financial activities resulted in a net surplus of $1.3 million for the General Fund. The year-to-date financial activities have resulted in a deficit of $2.1 million. The overall fund balance is expected to increase between October and December.

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 July 2024, the Village funded the second installment of $6.5 million. Also, the Economic Emergency Fund earned an interest income of $57,276 during October 2024. As of October 31, 2024, the Economic Emergency Fund reported an ending fund balance of $13.59 million, which comprises $13.0 million in the Village Contributions from the General Fund and $588,374 in the interest income.

Economic Emergency Fund	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Q2-2024	Q3-2024	Oct-24	Total (Since Inception)
Funding from the General Fund	6,500,000	-	-	-	-	6,500,000	-	13,000,000
Interest Income	21,524	85,792	88,374	87,879	88,401	159,128	57,276	588,374
	6,521,524	85,792	88,374	87,879	88,401	6,659,128	57,276	13,588,374
Expenditures	-	-	-	-	-	-	-	-
Net Monthly Surplus/Deficit	**6,521,524**	**85,792**	**88,374**	**87,879**	**88,401**	**6,659,128**	**57,276**	**13,588,374**
Beginning Fund Balance	**-**	**6,521,524**	**6,607,316**	**6,695,690**	**6,783,570**	**6,871,970**	**13,531,098**	**-**
Ending Fund Balance	**6,521,524**	**6,607,316**	**6,695,690**	**6,783,570**	**6,871,970**	**13,531,098**	**13,588,374**	**13,588,374**

e) **Other Items:**

a. During October 2024, the Village issued 89 real estate transfer tax stamps, of which 39 were exempt and 50 were non-exempt. During the month under review, the Village collected $62,436 in real estate transfer taxes. The average selling price for real estate was $416,191. At the same time last year (October 2023), the Village sold 103 transfer tax stamps, of which 51 were exempt and 52 were non-exempt. In the same month last year, the Village collected real estate transfer tax totaling $73,197, and the average selling price was $469,168.
b. The Village filed its levy, budget, and abatement ordinances with Cook County in November 2024. The county has accepted all these items.
c. c. On December 2, 2024, the Village held its annual joint review board meetings for the Prospect & Main TIF and the South Mount Prospect TIF.

Respectfully Submitted,
Amit Thakkar
Director of Finance