



October 19, 2022

To: Acting Mayor Matthew Dolick and Members of the City Council

From: Cheri Graefen, Finance Director

Subject: September 2022 Treasurer's Report

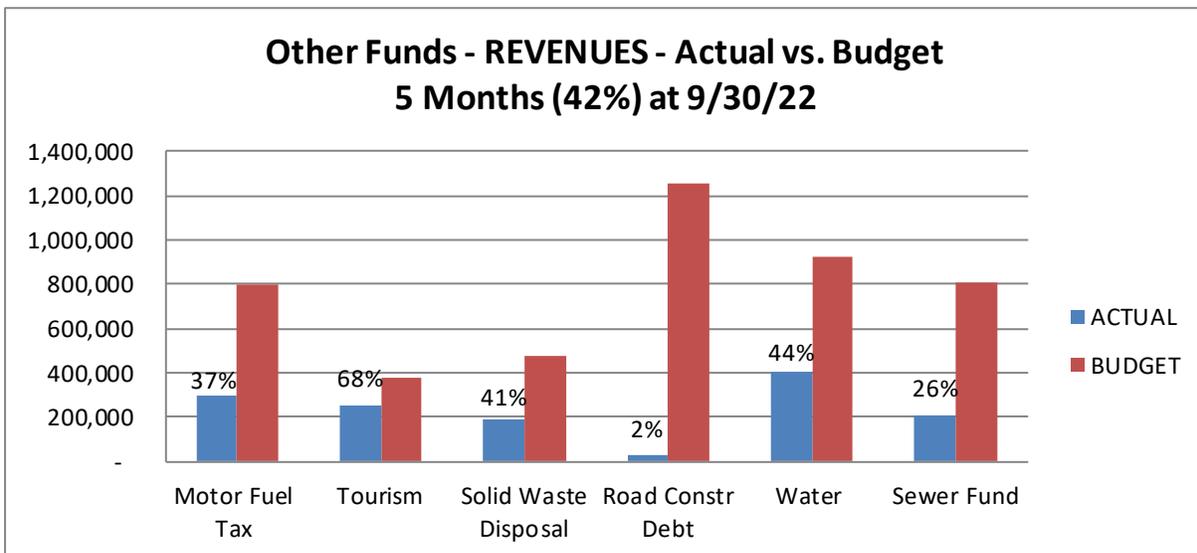
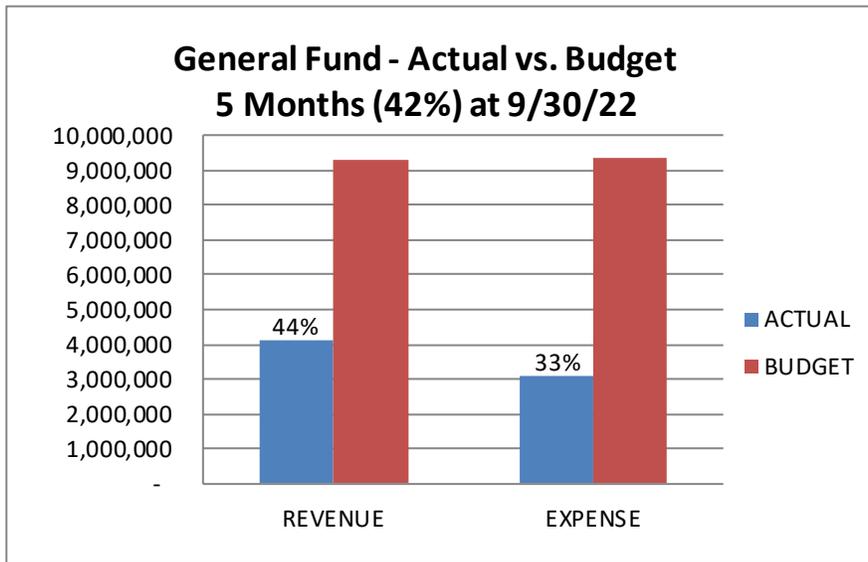
Attached is the Financial Report for the 5 months ending September 30, 2022. With 42% of the year having passed, for all funds combined, the City's total revenues represent 43% of budget and the total expenses reflect 47% of budget.

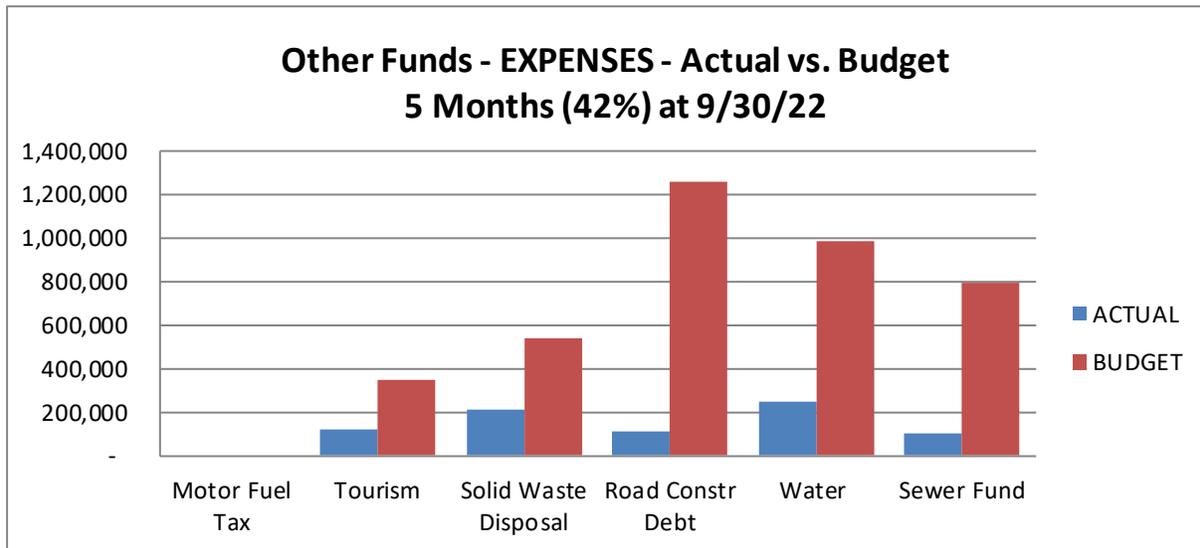
Additional financial information and/or further details will be provided upon request.

# City of Prospect Heights Financial Report – FY22-23 For the 5 Months Ending September 30, 2022

The following report highlights the financial position of the City of Prospect Heights for the period beginning September 1 2022 through September 30, 2022 (*5 months ~ 42% of year*) with an analysis on actual revenues and expenditures compared to fiscal year 2022/2023 budget.

**Overall Fund Summary** - The following charts highlight each of the City’s major funds and how the YTD revenues and expenditures compare to budget:

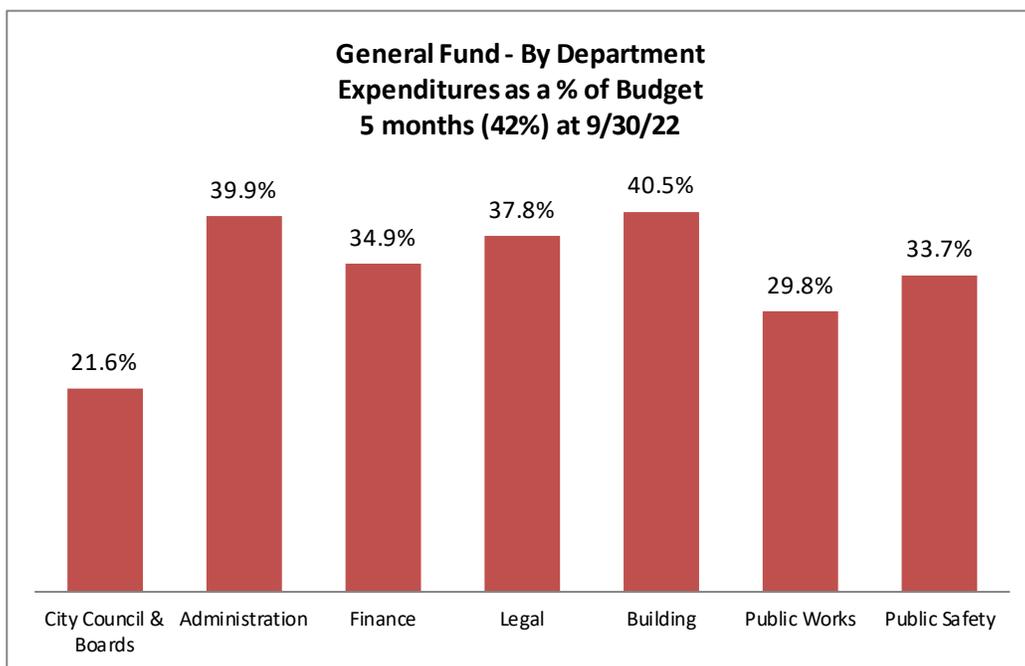




### Revenue and Expenditures – By Fund

As detailed in the following table on pg. 4-5, the City’s overall YTD revenue is currently 42.88% of budget and the YTD expenses are coming in at 46.71% of budget (42% of the year has elapsed). The following budget variances are worth noting:

- General Fund Departmental Expenses – Expenses across all departments have been monitored closely to capitalize on lower costs and efficiencies where possible. The chart below shows departmental expenses as a % of current budget.



**General Fund Revenue** – Below is a comparison graph showing revenue collected for the 5 months of each fiscal year compared to FY23 budget. Of special note:

- Income and Sales tax receipts are up compared to previous years.
- MFT revenue is up compared to previous years.
- Utility tax receipts are in line with expectations.
- Food & Beverage tax collections are up as compared to pre pandemic years.
- Solid Waste revenue includes 3 months franchise fees in FY23 vs. 2 months in previous years.
- Revenue for vehicle stickers and rental inspections generally comes in February-March of each year.

	<b>FY20 Actual</b>	<b>FY21 Actual</b>	<b>FY22 Actual</b>	<b>FY23 Actual</b>	<b>FY23 Budget</b>	<b>FY23 % Budget</b>
USE TAX	211,693	267,846	242,145	252,109	493,500	51.1%
SALES TAX	468,436	462,763	632,650	706,842	1,400,000	50.5%
INCOME TAX	786,860	771,903	977,422	1,183,899	1,975,000	59.9%
VEH STICKERS	37,069	190,962	42,158	36,133	675,000	5.4%
MFT	190,651	229,811	273,984	274,644	617,500	44.5%
NHMRULE TAX	129,394	103,958	202,311	238,349	460,000	51.8%
SOLID WASTE	115,256	196,448	156,216	193,898	475,000	40.8%
UTILITY - TELEP	92,448	78,721	62,314	56,277	130,000	43.3%
UTILITY - ELEC	154,498	163,960	157,242	159,787	340,000	47.0%
FOOD & BEVERAGE	128,183	83,231	-	161,765	320,000	50.6%
RENTAL INSPECTION	13,400	29,875	17,375	18,125	226,875	8.0%
HOTEL TAX	352,435	64,025	181,865	253,550	375,000	67.6%

**OTHER FUND HIGHLIGHTS**

- Motor Fuel Tax Fund – Revenue is consistent with budget. No MFT project expenses are budgeted for this year.
- Tourism Fund – Receipts for Hotel tax is showing signs of recovery. Expenditures for Grant disbursements to hotels are paid quarterly when request for payment with supporting documentation is received.
- DEA Seizure – Revenue continues to trickle in due to backlog at the State level. Minimal expenditures have been incurred to date.
- Solid Waste – Revenues and expenditures are consistent with the budget.
- SSA2, SSA3 and SSA4 – The City plans to utilize remaining fund balance to support capital improvements within the boundaries of these districts.
- Water Fund – Revenues are in-line with budget at 44.08%, while expenses are only 25.53% of budget.
- Parking Fund – Commuter volume continues to be low despite the lifting of pandemic restrictions. There has been minimal revenue earned to date as many residents are working from home. The majority of expenses incurred during this time are fixed costs.
- Sewer Fund – Sewer bills run quarterly. Expenses have been monitored closely and are at 13.16% of budget. The third quarter sewer bills will be issued in October 2022. Collection efforts by staff are in progress for past due amounts, which has revenues at 25.91% of budget.
- Capital Fund – The second tranche of ARPA funding was received in September.

<b>REVENUE &amp; EXPENDITURES - BY FUND</b>						
<b>PERIOD ENDING September 30, 2022</b>						
<b>PERCENTAGE OF YEAR COMPLETED: 42%</b>						
		<b>ACTUAL</b>	<b>FY 2023</b>	<b>% OF</b>	<b>ACTUAL</b>	<b>BUDGET</b>
		<b>YTD</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>INCR (DECR)</b>	<b>INCR (DECR)</b>
<b>TOTALS - ALL FUNDS</b>						
	<b>Revenues</b>	6,677,278	15,571,322	42.88%		
	<b>Expenses</b>	(7,621,646)	(16,316,255)	46.71%		
		<b>(944,368)</b>	<b>(744,933)</b>		<b>(944,368)</b>	<b>(744,933)</b>
<b>General Fund</b>						
	Revenues	4,126,279	9,274,901	44.49%	1,034,338	(69,287)
	Expenses	(3,091,941)	(9,344,188)	33.09%		
<b>Motor Fuel Tax Fund</b>						
	Revenues	295,385	797,056	37.06%	295,385	797,056
	Expenses	-	-	0%		
<b>Tourism Fund</b>						
	Revenues	253,596	375,000	67.63%	135,355	27,300
	Expenses	(118,241)	(347,700)	34.01%		
<b>DEA Seizure Fund</b>						
	Revenues	29,278	100	NA	11,598	(229,600)
	Expenses	(17,680)	(229,700)	7.70%		
<b>Development Fund</b>						
	Revenues	-	-	0.00%	-	-
	Expenses	-	-	0.00%		
<b>Solid Waste Disposal Fund</b>						
	Revenues	193,898	475,000	40.82%	(15,457)	(63,000)
	Expenses	(209,355)	(538,000)	38.91%		
<b>Palatine Road TIF Fund</b>						
	Revenues	319	-	0.00%	(4,415)	(14,600)
	Expenses	(4,734)	(14,600)	32.43%		
<b>SSA 1 Fund</b>						
	Revenues	2	-	0.00%	2	-
	Expenses	-	-	0.00%		
<b>SSA 2 Fund</b>						
	Revenues	10	-	0.00%	10	(10,000)
	Expenses	-	(10,000)	0.00%		
<b>SSA 3 Fund</b>						
	Revenues	92	-	0.00%	92	(10,000)
	Expenses	-	(10,000)	0.00%		
<b>SSA 4 Fund</b>						
	Revenues	9	-	0.00%	9	(10,000)
	Expenses	-	(10,000)	0.00%		
<b>SSA 5 Fund</b>						
	Revenues	350	28,500	1.23%	(17,041)	10,825
	Expenses	(17,391)	(17,675)	98.39%		
<b>SSA 6 Debt Fund</b>						
	Revenues	2,340	218,895	1.07%	(19,607)	-
	Expenses	(21,948)	(218,895)	10.03%		

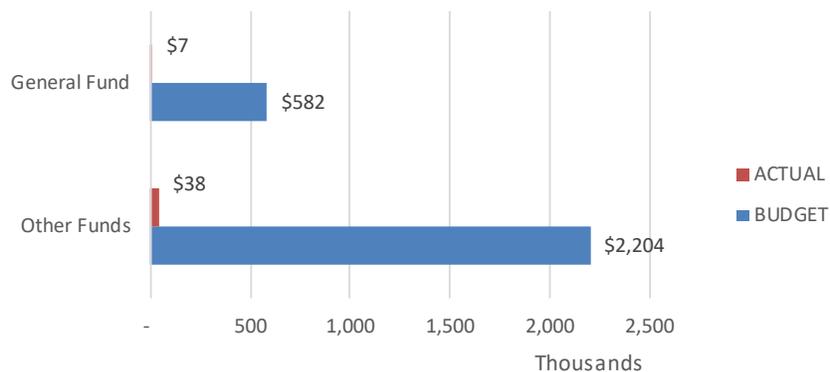
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<b>PERIOD ENDING September 30, 2022</b>						
<b>PERCENTAGE OF YEAR COMPLETED: 42%</b>						
		<b>ACTUAL</b>	<b>FY 2023</b>	<b>% OF</b>	<b>ACTUAL</b>	<b>BUDGET</b>
		<b>YTD</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>INCR (DECR)</b>	<b>INCR (DECR)</b>
<b>SSA 8 Fund</b>						
	Revenues	2,685	145,300	1.85%	(793)	122,625
	Expenses	(3,478)	(22,675)	15.34%		
<b>Capital Improvement</b>						
	Revenues	1,099,738	1,155,988	95.13%	(2,545,431)	(1,244,117)
	Expenses	(3,645,170)	(2,400,105)	151.88%		
<b>Road Construction Debt Fund</b>						
	Revenues	25,618	1,254,482	2.04%	(86,624)	(4,000)
	Expenses	(112,241)	(1,258,482)	8.92%		
<b>Water Fund</b>						
	Revenues	406,844	923,000	44.08%	156,127	(59,230)
	Expenses	(250,717)	(982,230)	25.53%		
<b>Parking Fund</b>						
	Revenues	31,929	116,800	27.34%	7,896	750
	Expenses	(24,033)	(116,050)	20.71%		
<b>Sewer Fund</b>						
	Revenues	208,904	806,300	25.91%	104,185	10,345
	Expenses	(104,718)	(795,955)	13.16%		
<b>TOTALS - ALL FUNDS</b>					<b>(944,368)</b>	<b>(744,933)</b>
	<b>Revenues</b>	<b>6,677,278</b>	<b>15,571,322</b>			
	<b>Expenses</b>	<b>(7,621,646)</b>	<b>(16,316,255)</b>			
		<b>(944,368)</b>	<b>(744,933)</b>			

## General Fund Summary

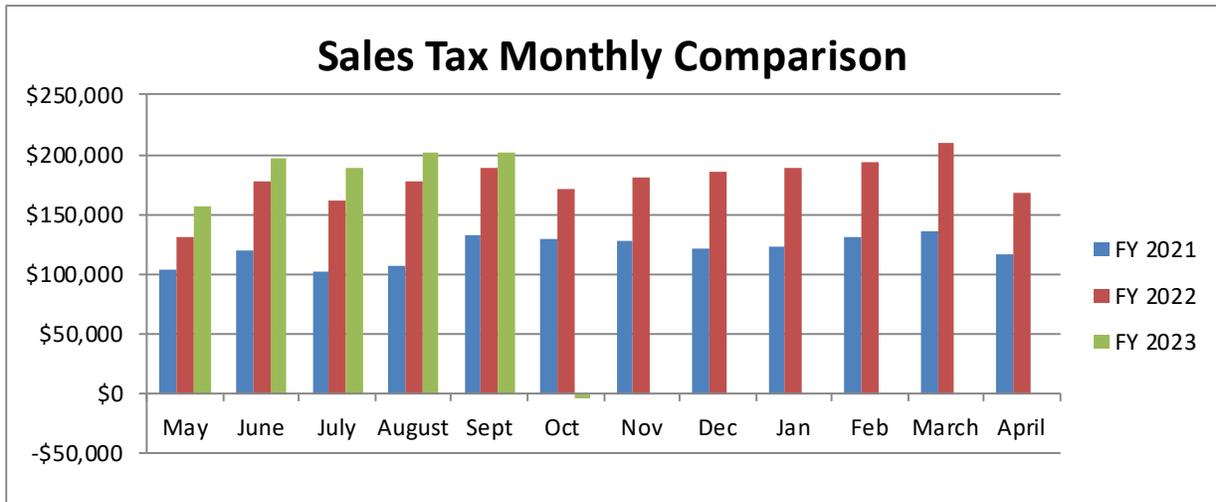
### Major Revenues

**Property Taxes** – For all funds, the City has collected a total of \$45k or 1.6% of budgeted property taxes. The City anticipates these revenues to be received near the end of the year due to State delay in mailing tax bills.

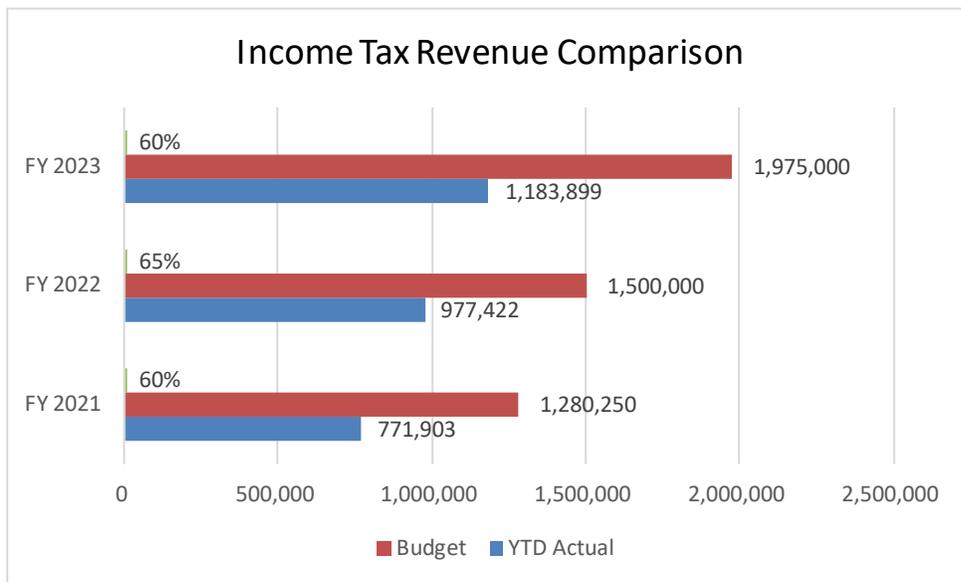
Property Tax ('000s) - 5 Months thru 9/30/22



**Sales Taxes** – As of September 30, 2022 State sales tax revenue of \$941k is approximately 13% more than the same months last year.



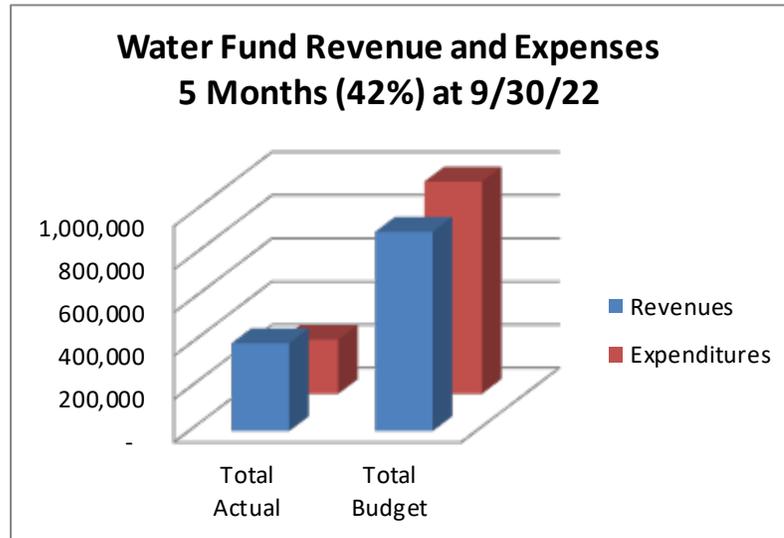
**Income Taxes** – As of September 30, 2022, income tax revenue of \$1.2M represents 60% of budget. At the same time last year, income tax revenue was \$977k or 65% of budget. On a dollar comparison, receipts have increased by \$206k over the prior year. This is due to several positive factors including an improving labor market, extraordinary corporate income tax receipts and higher estimated tax payments from individuals.



## Enterprise Funds

### Water Fund

Water fund revenue is budgeted at \$923k for the entire fiscal year. Through September 2022, actual revenues are \$406.8k or 44% of budget compared to \$391k or 44% of budget for the same period last year. Water fund actual expenditures through September 2022 total \$250.7k or 26% of budget compared to \$261k or 30% of the budget for the same period last year.



### Sewer Fund

Sewer fund revenue is budgeted at \$806k for the entire fiscal year. Through September 2022, the actual revenues are \$208.5k or 26% of budget compared to \$207k or 26% of budget for the same period last year. Sewer fund actual expenditures through September 2022 total \$46.6k or 5.9% of budget compared to \$115k or 17% of the budget for the same period last year. System improvement costs are budgeted at \$400.3k, of which \$0 have been incurred.

