VILLAGE OF MOUNT PROSPECT

MONTHLY FINANCIAL REPORT

August 31, 2025

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: OCTOBER 29, 2025

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE MONTH OF AUGUST 2025

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 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 August 1, 2025, the beginning Cash and Cash Equivalents totaled $117.1 million. During the month, the Village collected cash receipts totaling $9.6 million. The investment income for the month totaled $413,881. The monthly payroll cost was $1.9 million, and accounts payable were paid in the amount of $8.1 million. The inter-fund activity decreased the cash position by $22,050, while other disbursements totaled $23,118. As of August 31, 2025, the Village's Cash and Cash Equivalents totaled $117.1 million.

GOVERNMENTAL AND ENTERPRISE FUNDS

	Cash and Cash Equivalents	Investments	Total Cash and Investments
Balance at August 1, 2025	$ 117,115,675	$ 22,836,269	$ 139,951,944
Cash receipts	9,607,493	$ -	9,607,493
Investment income	413,881	45,190	459,072
Transfers from investments to cash	7,149,000	(7,149,000)	-
Transfers to investments from cash	(7,146,845)	7,146,845	-
Interfund activity	(22,050)	0	(22,050)
Disbursements:			
Accounts payable	(8,089,134)	0	(8,089,134)
Payroll	(1,949,098)	0	(1,949,098)
Other	(23,118)	0	(23,118)
Balance at August 31, 2025	$ 117,055,804	$ 22,879,304.09	$ 139,935,108

As of August 31, 2025, the Village has $22.9 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 $139.9 million as of August 31, 2025.

The table below summarizes the cash, cash equivalents, and investments by fund type as of August 31, 2025.

Fund Details	Amount
General Fund	$ 53,979,191
Special Revenue Funds	24,906,503
Debt Service Funds	1,790,990
Capital Projects Funds	20,367,276
Enterprise Funds	20,494,722
Internal Service Funds	18,396,425
Total Cash and Cash Equivalents	$ 139,935,108

In addition to the funds summarized above, the Village of Mount Prospect has $1,288,865 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 August 2025.

Revenue Category	Budget 2025	Actual YTD August 2025	% of Annual Budget	Actual YTD August 2024	Actual YTD 2025 vs. Actual YTD 2024	% Change
Property Taxes	24,813,627	13,160,196	53.0%	24,152,627	(10,992,431)	-45.5%
Other Taxes	15,554,350	8,261,984	53.1%	7,477,828	784,156	10.5%
Intergovernmental Revenue	54,857,954	28,267,974	51.5%	25,667,778	2,600,196	10.1%
Licenses, Permits & Fees	1,912,000	1,312,398	68.6%	1,390,689	(78,290)	-5.6%
Charges For Services	47,342,301	31,914,226	67.4%	27,302,003	4,612,223	16.9%
Fines & Forfeits	608,500	394,019	64.8%	390,251	3,768	1.0%
Investment Income	3,933,700	3,546,217	90.1%	4,561,967	(1,015,750)	-22.3%
Other Financing Sources	12,749,433	2,135,427	16.7%	8,500,000	(6,364,573)	-74.9%
Other Revenue	3,085,500	1,896,710	61.5%	2,849,510	(952,800)	-33.4%
Reimbursements	1,086,500	1,737,729	159.9%	699,559	1,038,170	148.4%
Total Revenues	**165,943,865**	**92,626,880**	**55.8%**	**102,992,212**	**(10,365,332)**	**-10.1%**

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 September 2025 and later. Additionally, during August 2025, the Village received the following revenues from the State, which relate to a period prior to August 2025. These amounts are distributed after the State administrative fee deduction of $12,602.

Revenues	Original Revenue Month	Revenue Recognition Month	Received by the Village	Amounts
State Sales Tax	May-25	Aug-25	Jul-25	3,462,095
Home Rule Sales Tax	May-25	Aug-25	Jul-25	758,658
Business District Tax	May-25	Aug-25	Jul-25	32,636
Auto Rental Tax	May-25	Aug-25	Jul-25	2,447
Telecom Tax	May-25	Aug-25	Jul-25	79,854
Total Revenues				**$ 4,335,690**

The actual revenue recognized by the Village totaled $92.6 million through August 2025, representing 55.8 percent of the annual budget. The overall recognized revenues are trending lower compared to the 2024 collection for the same period, due to timing issues with property taxes and interfund transfers.

Property Taxes: The Village's total levy for the year is $18,235,179. The total property tax budget, including TIF increments, is $24.8 million. The Village collected $13.2 million in property taxes through August 2025. The property taxes are due in two installments: one in March and one in August. The Village received the first installment of the property taxes during March 2025. Due to the implementation of a new property tax ERP system, the second installment of property taxes is delayed significantly and the same has resulted in an overall reduced collection of property taxes by $11.0 million compared to 2024. The Village is expected to collect its full levy before the end of the current fiscal 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 July are reported in August or later. The YTD tax collection under this category totals $8.3 million and it represents 53.1 percent of the annual budget. The reported collection is higher by $784,156 or 10.5 percent compared to the previous year's collection. The reported amount for 2025 mainly includes $3.5 million in home-rule sales tax, $1.6 million in utility taxes, $2.8 million in use taxes, and $403,124 in other misc. taxes. The use tax includes $1.1 million in food & beverage tax, $863,889 in real estate transfer tax. $431,367 in municipal motor-fuel tax, and $411,123 in other local taxes. The home-rule sales tax reflects a 18.3 percent increase over the 2024 collection for the same period. Due to recent changes in the law, out-of-state businesses selling items in the State of Illinois are now required to pay destination-based sales tax and the same has resulted in a higher amount of home-rule sales tax collections.

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 $28.3 million in intergovernmental revenues through August 2025. The amount does not represent the total revenues to be recognized during the month, as significant revenues will be reported and collected after August 2025. The overall recognized revenues are trending higher by $2.6 million, or 10.1 percent, compared to the amount recognized last year for the same period. The State income tax revenue is recognized on a cash basis in the month of receipt and represents a 7.1 percent growth compared to the 2024 collections. The sales tax amount for 2025 represents sales tax from January to May 2025, collected through August 2025 (with a three-month lag). The data in the table below represents major intergovernmental revenue line items. Please note that the table reports only selected major items under the category of intergovernmental revenues.

Major State Taxes	Actual YTD August 2025	Actual YTD August 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
002 - State Income Tax	7,454,663	6,958,781	495,883	7.1%
003 - State Motor Fuel Tax	1,460,811	1,414,597	46,214	3.3%
004 - State Sales Tax	16,666,024	14,938,783	1,727,241	11.6%
005 - State Use Tax	604,003	1,267,828	(663,824)	-52.4%
006 - Video Gaming Tax	224,602	192,654	31,948	16.6%
007 - Cannabis Education Fund	51,791	55,213	(3,422)	-6.2%
008 - Municipal Cannabis Tax	34,214	37,031	(2,818)	-7.6%
Total State Taxes	**26,496,108**	**24,864,886**	**1,631,221**	**6.6%**

Due to recent changes in the law, a few items previously reported under use tax are now being reported under sales tax and this shift is responsible for the lower use tax and higher sales tax amounts.

Licenses & Permits: The Village collected $1,312,398 in license and permit fees through August 2025. This amount is trending lower by $78,290, or 5.6 percent, compared to last year's collection. The overall collection represents 68.6 percent of the annual budget for the category.

Business Licenses & Permits	Actual YTD August 2025	Actual YTD August 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
409 - Business Licenses & Permits	644,767	621,106	23,661	3.8%
410 - Nonbusiness Licenses & Permits	667,632	769,583	(101,951)	-13.2%
Total Business Licenses & Permits	**1,312,398**	**1,390,689**	**(78,290)**	**-5.6%**

Charges for Services: The Village collected $31.9 million in charges for services through August 2025. The amount represents 67.4 percent of the annual budget for the category, and it is trending higher by $4.6 million, or 16.9 percent, compared to last year's collection. An increase in the water, sewer and refuse rates, along with an increase in the ambulance billing fee has resulted in a higher collection compared to last year's amount.

Investment Income: The Village earned $3.5 million in investment income through August 2025, which represents 90.1 percent of the category's annual budget. The recognized revenue is trending lower by $1.0 million or 22.3 percent, compared to last year's amount, mainly due to rate reduction and timing issues (i.e. different maturity dates beyond August 2025).

Other Categories: All other revenue categories collectively generated $6.1 million through August 2025. The amount mainly includes $394,019 in fines and forfeitures, $1.9 million in other revenues, $2,135,427 in other financing sources, and $1.7 million in reimbursements.

c) <u>Expenditure</u>

The data below recaps the expenditures incurred through August 2025.

Departments	Budget 2025	Actual YTD August 2025	% of Annual Budget	Actual YTD August 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
10 Public Representation	779,620	497,588	63.8%	446,982	50,606	11.3%
20 Village Administration	6,679,309	3,702,859	55.4%	3,167,855	535,004	16.9%
30 Finance	3,299,072	1,410,431	42.8%	2,093,090	(682,659)	-32.6%
40 Community Development	11,861,291	7,686,911	64.8%	2,797,844	4,889,067	174.7%
50 Human Services	1,783,765	1,176,266	65.9%	1,002,642	173,624	17.3%
60 Police	28,215,092	17,667,449	62.6%	17,740,434	(72,984)	-0.4%
70 Fire	27,373,238	15,533,255	56.7%	15,614,997	(81,742)	-0.5%
80 Public Works	75,412,437	34,209,292	45.4%	39,836,218	(5,626,926)	-14.1%
00 ND	33,941,104	11,970,452	35.3%	19,265,674	(7,295,222)	-37.9%
Total Expenditures	**189,344,927**	**93,854,503**	**49.6%**	**101,965,735**	**(8,111,232)**	**-8.0%**

The above amounts do not include the expenditure for the Pension Funds, as they are separate entities. The above amounts are unaudited and subject to change with accrual/audit adjustments.

Departments	Budget 2025	Actual YTD August 2025	% of Annual Budget	Actual YTD August 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
Personnel	64,691,024	39,820,259	61.6%	42,625,411	(2,805,152)	-6.6%
Contractual Services	44,259,415	27,153,867	61.4%	24,037,512	3,116,355	13.0%
Commodities & Supplies	2,827,830	1,540,872	54.5%	1,475,467	65,405	4.4%
Capital Improvements	45,344,808	15,851,493	35.0%	20,490,266	(4,638,773)	-22.6%
Debt Service	9,735,249	2,184,530	22.4%	2,437,485	(252,955)	-10.4%
Other Expenditures	9,737,168	5,303,483	54.5%	2,399,594	2,903,889	121.0%
Interfund Transfers	12,749,433	2,000,000	15.7%	8,500,000	(6,500,000)	-76.5%
Total Expenditures	**189,344,927**	**93,854,503**	**49.6%**	**101,965,735**	**(8,111,232)**	**-8.0%**

Personnel Costs: The year-to-date expenditure for Personnel Costs, including benefits, is $39.8 million, or 61.6 percent of the annual budget for the category. The amount is trending lower by $2.8 million, or 6.6 percent compared to last year's amount, mainly due to delayed pension contributions resulting from delayed second installment of property taxes. The overtime expense through August 2025 totaled $2.1 million, while at the same time last year, it totaled $2.0 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 $27.2 million in contractual services, equating to 61.4 percent of the annual budgeted amount for the category. The expenditure amount is trending higher by $3.1 million or 13.0 percent, mainly due to inflationary and timing issues.

Supplies: Through August 2025, the Village spent $1.5 million on supplies, which totaled 54.5 percent of the annual budget. The commodities and supplies are trending higher by $65,405 or 4.4 percent, mainly due to inflation.

Capital Improvements: The Village initially had $32.9 million in approved capital improvement projects for 2025. In March 2025, the Village Board approved a budget amendment to carry over $11.0 million in unfinished projects from 2024 to 2025. The Village has spent $15.9 million for capital improvement projects through August 2025. The Village initiates many projects in the spring and concludes them in late fall and early winter. The major expenditure under this category will be reported in the later part of the year.

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. So far, the Village has paid its debt service payments in May 2025 (due on June 1, 2025) totaling $2.2 million.

Other Expenditure: This category includes a budget of $9.7 million and includes various risk management items as well as the TIF incentive amounts to be shared per the redevelopment agreements. The Village recently approved a budget amendment (in July 2025) for acquiring the 111 E Busse property. This budget amendment is reflected in the above numbers. The Village has spent $5.0 million for the 111 E Busse acquisition and $303,483 in other expenditures.

Interfund Transfers: The amount represents various interfund transfers budgeted from the General Fund ($11,749,433) and from the Elk Grove Rural Special Service Area Fund ($1,000,000). The Village executed interfund transfers totaling $2.0 million in July. These transfers were made from the General Fund to the Pension Stabilization Fund, to support the public safety pension abatements.

d) Fund Balance Analysis:

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.

Items/Details	Dec-24	Q1-2025	Q2-2025	Jul-25	Aug-25	Grand Total
Revenues - Unaudited	90,532,896	15,232,119	18,588,508	5,749,373	5,547,145	45,117,145
Expenses - Unaudited	(87,415,097)	(18,337,275)	(15,119,549)	(6,930,181)	(6,756,405)	(47,143,409)
Net Monthly Surplus/(Deficit)	**3,117,799**	**(3,105,156)**	**3,468,959**	**(1,180,808)**	**(1,209,260)**	**(2,026,265)**
Ending Unrestricted Reserves	**46,348,799**	**43,243,643**	**46,712,602**	**45,531,795**	**44,322,534**	**44,322,534**
As % of General Fund Budget	54.0%	50.4%	54.5%	53.1%	51.7%	51.7%
Unencumbered Cash Balance	**(8,498,623)**	**41,705,474**	**46,623,754**	**45,531,795**	**44,322,534**	**44,322,534**
As % of General Fund Budget	-9.9%	48.6%	54.4%	53.1%	51.7%	51.7%

* Fund Balance is unaudited, and subject to adjustments and other changes. The above analysis includes only unrestricted fund balance for the General Fund.

As of August 31, 2025, the unrestricted fund balance is estimated at $44.3 million, which equates to 51.7 percent of the annual budget. Not all revenues and expenditures for the fiscal period are recognized. The year-to-date financial activities have resulted in a net deficit of $2.0 million. 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), reducing the overall fund balance starting in July 2024. The unencumbered cash balance as of August 31, 2025, is $44.3 million, and it also represents 51.7 percent of the annual budget.

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 $49,709 during August 2025. As of August 31, 2025, the Economic Emergency Fund reported an ending fund balance of $14,083,537, which comprises $13.0 million in Village Contributions from the General Fund and $1,083,537 in Investment Income.

Economic Emergency Fund	FY 2023	FY 2024	Q1-2025	Q2-2025	Jul-25	Aug-25	Total Since Inception
Village Contribution	6,500,000	6,500,000	-	-	-	-	13,000,000
Investment Income	195,690	495,944	118,134	172,874	51,186	49,709	1,083,537
Net Monthly Surplus/Deficit	**6,695,690**	**6,995,944**	**118,134**	**172,874**	**51,186**	**49,709**	**14,083,537**
Beginning Fund Balance	**-**	**6,695,690**	**13,691,634**	**13,809,768**	**13,982,643**	**14,033,828**	**-**
Ending Fund Balance	**6,695,690**	**13,691,634**	**13,809,768**	**13,982,643**	**14,033,828**	**14,083,537**	**14,083,537**

e) **Other Items:**

a. During August 2025, the Village issued 98 real estate transfer tax stamps, of which 36 were exempt and 62 were non-exempt. During the month under review, the Village collected $87,558 in real estate transfer taxes. The average real estate selling price was $470,200. At the same time last year (August 2024), the Village sold 112 transfer tax stamps, of which 46 were exempt and 66 were non-exempt. In the same month last year, the Village collected real estate transfer tax totaling $85,479, and the average selling price was $431,667.

Respectfully Submitted,
Amit Thakkar
Director of Finance