VILLAGE OF MOUNT PROSPECT

MONTHLY FINANCIAL REPORT

July 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: AUGUST 31, 2025

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE MONTH OF JULY 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 July 1, 2025, the beginning Cash and Cash Equivalents totaled $120.1 million. During the month, the Village collected cash receipts totaling $10.2 million. The investment income for the month totaled $415,106. The monthly payroll cost was $3.1 million, and accounts payable were paid in the amount of $10.4 million. The inter-fund activity increased the cash position by $3,877, while other disbursements totaled $25,760. As of July 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 July 1, 2025	$ 120,123,315	$ 22,797,849	$ 142,921,164
Cash receipts	10,163,560	$ -	10,163,560
Investment income	415,106	38,420	453,526
Transfers from investments to cash	-	0	-
Transfers to investments from cash	-	0	-
Interfund activity	3,877	0	3,877
Disbursements:			
Accounts payable	(10,448,094)	0	(10,448,094)
Payroll	(3,116,329)	0	(3,116,329)
Other	(25,760)	0	(25,760)
Balance at July 31, 2025	$ 117,115,675	$ 22,836,269.26	$ 139,951,944

As of July 31, 2025, the Village has $22.8 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 $140.0 million as of July 31, 2025.

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

Fund Details		Amount
General Fund	$	55,376,391
Special Revenue Funds		24,234,931
Debt Service Funds		1,676,763
Capital Projects Funds		21,016,496
Enterprise Funds		19,695,917
Internal Service Funds		17,951,446
Total Cash and Cash Equivalents	$	139,951,944

In addition to the funds summarized above, the Village of Mount Prospect has $1,251,277 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 July 2025.

Revenue Category	Budget 2025	Actual YTD July 2025	% of Annual Budget	Actual YTD July 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
Property Taxes	24,813,627	12,946,524	52.2%	18,301,773	(5,355,250)	-29.3%
Other Taxes	15,554,350	6,718,515	43.2%	6,144,629	573,886	9.3%
Intergovernmental Revenue	54,857,954	23,717,776	43.2%	21,602,953	2,114,823	9.8%
Licenses, Permits & Fees	1,912,000	1,055,392	55.2%	1,192,071	(136,680)	-11.5%
Charges For Services	47,342,301	27,819,805	58.8%	23,957,165	3,862,640	16.1%
Fines & Forfeits	608,500	345,802	56.8%	350,258	(4,456)	-1.3%
Investment Income	3,933,700	3,079,194	78.3%	3,946,973	(867,779)	-22.0%
Other Financing Sources	12,749,433	81,327	0.6%	8,500,000	(8,418,673)	-99.0%
Other Revenue	3,085,500	1,662,055	53.9%	2,499,369	(837,314)	-33.5%
Reimbursements	1,086,500	1,710,636	157.4%	571,956	1,138,681	199.1%
Total Revenues	**165,943,865**	**79,137,026**	**47.7%**	**87,067,146**	**(7,930,121)**	**-9.1%**

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 August 2025 and later. Additionally, during July 2025, the Village received the following revenues from the State, which relate to a period prior to July 2025. These amounts are distributed after the State administrative fee deduction of $12,192.

Revenues	Original Revenue Month	Revenue Recognition Month	Received by the Village	Amounts
State Sales Tax	Apr-25	Jul-25	Jul-25	3,486,560
Home Rule Sales Tax	Apr-25	Jul-25	Jul-25	735,210
Business District Tax	Apr-25	Jul-25	Jul-25	31,685
Auto Rental Tax	Apr-25	Jul-25	Jul-25	1,898
Telecom Tax	Apr-25	Jul-25	Jul-25	73,887
Total Revenues				**$ 4,329,239**

The actual revenue recognized by the Village totaled $79.1 million through July 2025, representing 47.7 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 $12.9 million in property taxes through July 2025. The property taxes are due in two installments: one in March and one in August. The Village has 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 by one to two months and the same has resulted in an overall reduced collection of property taxes by $5.4 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 $6.7 million and it represents 43.2 percent of the annual budget. The reported collection is higher by $573,886 or 9.3 percent compared to the previous year's collection. The reported amount for 2025 mainly includes $2.7 million in home-rule sales tax, $1.3 million in utility taxes, $777,681 in real estate transfer tax, $921,724 in food & beverage tax, and $367,939 in municipal motor fuel tax. The home-rule sales tax reflects a 19.3 percent increase over the 2024 collection for the same period. Due to recent changes in the law, the out-of-state business selling items in the State of Illinois is 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 $23.7 million in intergovernmental revenues through July 2025. The amount does not represent the total revenues to be recognized during the month, as significant revenues will be reported and collected after May 2025. The overall recognized revenues are trending higher by $2.1 million, or 9.8 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 an 8.5 percent growth compared to the 2024 collections. The sales tax amount for 2025 represents sales tax from January to April 2025, collected through July 2025 (with a three-month lag). The data in the table below represents major intergovernmental revenue line items.

Major State Taxes	Actual YTD July 2025	Actual YTD July 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
002 - State Income Tax	6,861,078	6,324,956	536,121	8.5%
003 - State Motor Fuel Tax	1,242,728	1,198,834	43,894	3.7%
004 - State Sales Tax	13,203,928	11,974,819	1,229,109	10.3%
005 - State Use Tax	547,897	1,102,491	(554,594)	-50.3%
006 - Video Gaming Tax	196,454	167,674	28,780	17.2%
007 - Cannabis Education Fund	45,058	47,692	(2,635)	-5.5%
008 - Municipal Cannabis Tax	27,452	29,453	(2,001)	-6.8%
Total State Taxes	**22,124,594**	**20,845,919**	**1,278,675**	**6.1%**

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 $1,055,392 in license and permit fees through July 2025. This amount is trending lower by $136,680, or 11.5 percent, compared to last year's collection. The overall collection represents 55.2 percent of the annual budget for the category.

Business Licenses & Permits	Actual YTD July 2025	Actual YTD July 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
409 - Business Licenses & Permits	630,337	600,591	29,746	5.0%
410 - Nonbusiness Licenses & Perr	425,055	591,481	(166,425)	-28.1%
Total Business Licenses & Permits	**1,055,392**	**1,192,071**	**(136,680)**	**-11.5%**

Charges for Services: The Village collected $27.8 million in charges for services through July 2025. The amount represents 58.8 percent of the annual budget for the category, and it is trending higher by $3.9 million, or 16.1 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 $3.1 million in investment income through July 2025, which represents 78.3 percent of the category's annual budget. The recognized revenue is trending lower by $867,779 or 22.0 percent, compared to last year's amount, mainly due to rate reduction and timing issues (due to different maturity dates beyond July 2025).

Other Categories: All other revenue categories collectively generated $3.8 million through July 2025. The amount mainly includes $345,802 in fines and forfeitures, $1.7 million in other revenues, $81,327 in other financing sources, and $1.7 million in reimbursements.

c) **Expenditure**

The data below recaps the expenditures incurred through July 2025.

Departments	Budget 2025	Actual YTD July 2025	% of Annual Budget	Actual YTD July 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
10 Public Representation	779,620	420,880	54.0%	409,140	11,740	2.9%
20 Village Administration	6,679,309	3,361,550	50.3%	2,657,594	703,956	26.5%
30 Finance	3,299,072	1,211,103	36.7%	1,902,017	(690,914)	-36.3%
40 Community Development	11,861,291	7,386,904	62.3%	2,490,126	4,896,778	196.6%
50 Human Services	1,783,765	985,373	55.2%	810,156	175,216	21.6%
60 Police	28,215,092	15,043,047	53.3%	14,767,131	275,916	1.9%
70 Fire	27,373,238	12,511,187	45.7%	12,915,240	(404,054)	-3.1%
80 Public Works	75,412,437	29,732,147	39.4%	32,097,307	(2,365,160)	-7.4%
00 ND	33,941,104	9,111,165	26.8%	18,403,517	(9,292,353)	-50.5%
Total Expenditures	**189,344,927**	**79,763,356**	**42.1%**	**86,452,228**	**(6,688,873)**	**-7.7%**

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 July 2025	% of Annual Budget	Actual YTD July 2024	Actual YTD 2025 vs. Actual YTD 2024	% Change
Personnel	64,691,024	33,797,053	52.2%	35,232,377	(1,435,324)	-4.1%
Contractual Services	44,250,535	23,941,682	54.1%	20,950,744	2,990,938	14.3%
Commodities & Supplies	2,831,710	1,388,096	49.0%	1,352,616	35,480	2.6%
Capital Improvements	45,349,808	13,278,778	29.3%	15,799,061	(2,520,283)	-16.0%
Debt Service	9,735,249	2,119,264	21.8%	2,374,550	(255,286)	-10.8%
Other Expenditures	9,737,168	5,238,483	53.8%	2,242,880	2,995,602	133.6%
Interfund Transfers	12,749,433	-	0.0%	8,500,000	(8,500,000)	-100.0%
Total Expenditures	**189,344,927**	**79,763,356**	**42.1%**	**86,452,228**	**(6,688,873)**	**-7.7%**

Personnel Costs: The year-to-date expenditure for Personnel Costs, including benefits, is $33.8 million, or 52.2 percent of the annual budget for the category. The amount is trending lower by $1.4 million, or 4.1 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 July 2025 totaled $1.8 million, while at the same time last year, it totaled $1.6 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 $23.9 million in contractual services, equating to 54.1 percent of the annual budgeted amount for the category. The expenditure amount is trending higher by $3.0 million or 14.3 percent, mainly due to inflationary and timing issues.

Supplies: Through July 2025, the Village spent $1.4 million on supplies, which totaled 49.0 percent of the annual budget. The commodities and supplies are trending higher by $35,480 or 2.6 percent, mainly due to inflationary reasons.

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 $13.3 million for capital improvement projects through July 2025. The Village initiates many projects in 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 $2.1 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 111 E Busse Property. This budget amendment is reflected in the above numbers. The Village has spent $5.0 million for 111 E Busse acquisition and $238,483 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 has not executed any interfund transfers; they are expected to be executed after July 2025.

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.

Items/Details	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	YTD Total
Revenues - Unaudited	90,532,896	1,903,070	4,692,858	8,636,190	5,914,774	8,677,673	3,996,061	5,749,373	39,570,000
Expenses - Unaudited	(87,415,097)	(4,155,381)	(6,072,023)	(8,109,871)	(5,152,769)	(4,786,964)	(5,179,816)	(6,930,181)	(40,387,004)
Net Monthly Surplus/(Deficit)	**3,117,799**	**(2,252,311)**	**(1,379,164)**	**526,319**	**762,005**	**3,890,709**	**(1,183,755)**	**(1,180,808)**	**(817,004)**
Ending Unrestricted Reserves	**46,348,799**	**44,096,488**	**42,717,324**	**43,243,643**	**44,005,648**	**47,896,357**	**46,712,602**	**45,531,795**	**45,531,795**
As % of General Fund Budget	54.0%	51.4%	49.8%	50.4%	51.3%	55.9%	54.5%	53.1%	53.1%
Unencumbered Cash Balance	**34,239,750**	**34,737,448**	**37,460,933**	**41,705,474**	**42,477,169**	**46,448,019**	**46,623,754**	**45,531,795**	**45,531,795**
As % of General Fund Budget	39.9%	40.5%	43.7%	48.6%	49.5%	54.2%	54.4%	53.1%	53.1%

* 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 July 31, 2025, the unrestricted fund balance is estimated at $45.5 million, which equates to 53.1 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 $817,004. 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 July 31, 2025, is $45.5 million, and it also represents 53.1 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 $51,186 during July 2025. As of July 31, 2025, the Economic Emergency Fund reported an ending fund balance of $14,033,828, which comprises $13.0 million in Village Contributions from the General Fund and $1,033,828 in interest income.

Economic Emergency Fund	FY 2023	FY 2024	Q1-2025	Q2-2025	Jul-25	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	1,033,828
Net Monthly Surplus/Deficit	**6,695,690**	**6,995,944**	**118,134**	**172,874**	**51,186**	**14,033,828**
Beginning Fund Balance	**-**	**6,695,690**	**13,691,634**	**13,809,768**	**13,982,643**	**-**
Ending Fund Balance	**6,695,690**	**13,691,634**	**13,809,768**	**13,982,643**	**14,033,828**	**14,033,828**

e) **Other Items:**

a. During July 2025, the Village issued 132 real estate transfer tax stamps, of which 58 were exempt and 74 were non-exempt. During the month under review, the Village collected $94,596 in real estate transfer taxes. The average real estate selling price was $426,064. At the same time last year (July 2024), the Village sold 103 transfer tax stamps, of which

40 were exempt and 63 were non-exempt. In the same month last year, the Village collected real estate transfer tax totaling $164,727, and the average selling price was $867,132 (due to a high-value transaction).

Respectfully Submitted,
Amit Thakkar
Director of Finance