VILLAGE OF MOUNT PROSPECT

MONTHLY FINANCIAL REPORT

May 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: JULY 10, 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 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 May 1, 2025, the beginning Cash and Cash Equivalents totaled $115.1 million. During the month, the Village collected cash receipts totaling $13.5 million. The investment income for the month totaled $385,782. The monthly payroll cost was $1.9 million, and accounts payable were paid in the amount of $11.3 million. The inter-fund activity increased the cash position by $12,262, while other disbursements totaled $21,566. As of May 31, 2025, the Village's Cash and Cash Equivalents totaled $115.8 million.

GOVERNMENTAL AND ENTERPRISE FUNDS

	Cash and Cash Equivalents	Investments	Total Cash and Investments
Balance at May 1, 2025	$ 115,104,374	$ 26,974,796	$ 142,079,170
Cash receipts	13,496,738	-	13,496,738
Investment income	385,782	41,845	427,627
Transfers from investments to cash	-	-	-
Transfers to investments from cash	-	-	-
Interfund activity	12,262	-	12,262
Disbursements:			
Accounts payable	(11,269,561)	-	(11,269,561)
Payroll	(1,878,698)	-	(1,878,698)
Other	(21,566)	-	(21,566)
Balance at May 31, 2025	$ 115,829,331	$ 27,016,640	$ 142,845,971

As of May 31, 2025, the Village has $27.0 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 $142.8 million as of May 31, 2025.

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

Fund Details		Amount
General Fund	$	56,303,828
Special Revenue Funds		25,658,147
Debt Service Funds		1,196,735
Capital Projects Funds		19,887,075
Enterprise Funds		22,277,886
Internal Service Funds		17,522,299
Total Cash and Cash Equivalents	$	142,845,971

In addition to the funds summarized above, the Village of Mount Prospect has $1,250,574 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 May 2025.

Revenue Category	Budget 2025	Actual YTD May 2025	% of Annual Budget	Actual YTD May 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
Property Taxes	24,813,627	12,894,729	52.0%	12,935,366	(40,637)	-0.3%
Other Taxes	15,554,350	3,858,609	24.8%	3,572,282	286,327	8.0%
Intergovernmental Revenue	54,857,954	14,405,205	26.3%	12,885,276	1,519,929	11.8%
Licenses, Permits & Fees	1,912,000	821,041	42.9%	903,349	(82,309)	-9.1%
Charges For Services	47,342,301	20,477,945	43.3%	16,531,180	3,946,765	23.9%
Fines & Forfeits	608,500	240,747	39.6%	214,555	26,192	12.2%
Investment Income	3,933,700	2,170,390	55.2%	2,776,638	(606,247)	-21.8%
Other Financing Sources	7,749,433	62,652	0.8%	-	62,652	++
Other Revenue	3,085,500	1,165,396	37.8%	1,978,343	(812,947)	-41.1%
Reimbursements	1,086,500	1,450,678	133.5%	534,135	916,543	171.6%
Total Revenues	**160,943,865**	**57,547,392**	**35.8%**	**52,331,124**	**5,216,268**	**10.0%**

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 June 2025 and later. Additionally, during May 2025, the Village received the following revenues from the State, which relate to a period prior to May 2025. These amounts are distributed after the State administrative fee deduction of $10,706.

Revenues	Original Revenue Month	Revenue Recognition Month	Received by the Village	Amounts
State Sales Tax	Feb-25	May-25	May-25	3,116,624
Home Rule Sales Tax	Feb-25	May-25	May-25	646,379
Business District Tax	Feb-25	May-25	May-25	21,371
Auto Rental Tax	Feb-25	May-25	May-25	1,870
Telecom Tax	Feb-25	May-25	May-25	87,664
Total Revenues				**$ 3,873,908**

The actual revenue recognized by the Village totaled $57.5 million through May 2025, representing 35.8 percent of the annual budget. The overall recognized revenues are trending higher compared to the 2024 collection for the same period, except for a few categories as discussed below.

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 May 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. The Village is expected to receive the remaining portion of the property taxes around August or September of 2025. The second installment of property tax is expected to be delayed by 30 days.

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 Mayl are reported in June or later. The YTD tax collection under this category totals $3.85 million and it represents 24.8 percent of the annual budget. The reported collection is higher by $286,327 or 8.0 percent compared to the previous year’s collection. The reported amount for 2025 mainly includes $1.3 million in home-rule sales tax, $929,124 in utility taxes, $542,469 in real estate transfer tax, $588,384 in food & beverage tax, and $240,338 in municipal motor fuel tax.

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 $14.4 million in intergovernmental revenues through May 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 $1.5 million, or 11.8 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 a 10.2 percent growth compared to the 2024 collections. The sales tax amount for 2025 represents sales tax from January and February 2025. The sales tax from March to May will be received in June 2025 and beyond.

Major State Taxes	Actual YTD May 2025	Actual YTD May 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
002 - State Income Tax	5,208,424	4,724,284	484,140	10.2%
003 - State Motor Fuel Tax	824,509	781,957	42,552	5.4%
004 - State Sales Tax	6,269,092	5,966,316	302,776	5.1%
005 - State Use Tax	469,773	738,489	(268,716)	-36.4%
006 - Video Gaming Tax	126,089	108,875	17,214	15.8%
007 - Cannabis Education Fund	29,271	32,696	(3,425)	-10.5%
008 - Municipal Cannabis Tax	13,851	14,863	(1,012)	-6.8%
Total State Taxes	**12,941,009**	**12,367,479**	**573,530**	**4.6%**

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 $821,041 in license and permit fees through May 2025. This amount is trending lower by $82,309, or 9.1 percent, compared to last year's collection. The overall collection represents 42.9 percent of the annual budget for the category.

Business Licenses & Permits	Actual YTD May 2025	Actual YTD May 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
409 - Business Licenses & Permits	594,532	560,853	33,679	6.0%
410 - Nonbusiness Licenses & Perr	226,509	342,497	(115,988)	-33.9%
Total Business Licenses & Permits	**821,041**	**903,349**	**(82,309)**	**-9.1%**

Charges for Services: The Village collected $20.5 million in charges for services through May 2025. The amount represents 43.3 percent of the annual budget for the category, and it is trending higher by $3.9 million, or 23.9 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 $2.2 million in investment income through May 2025, which represents 55.2 percent of the category's annual budget. The recognized revenue is trending lower by $606,247 or 21.8 percent, compared to last year's amount, mainly due to rate reduction and timing issues (due to different maturity dates beyond May 2025).

Other Categories: All other revenue categories collectively generated $5.1 million through May 2025. The amount mainly includes $240,747 in fines and forfeitures, $1.2 million in other revenues, $62,652 in other financing sources, and $1.45 million in reimbursements.

c) <u>Expenditure</u>

The data below recaps the expenditures incurred through May 2025.

Departments	Budget 2025	Actual YTD May 2025	% of Annual Budget	Actual YTD May 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
10 Public Representation	779,620	185,060	23.7%	213,851	(28,791)	-13.5%
20 Village Administration	6,679,309	2,269,613	34.0%	1,908,696	360,917	18.9%
30 Finance	3,287,072	813,287	24.7%	854,530	(41,243)	-4.8%
40 Community Development	6,861,291	6,788,200	98.9%	1,920,979	4,867,220	253.4%
50 Human Services	1,783,765	675,288	37.9%	578,013	97,275	16.8%
60 Police	28,215,092	10,549,319	37.4%	9,530,302	1,019,017	10.7%
70 Fire	27,373,238	9,053,056	33.1%	8,389,208	663,848	7.9%
80 Public Works	73,947,437	15,156,545	20.5%	17,454,922	(2,298,377)	-13.2%
00 ND	28,941,104	7,228,857	25.0%	7,315,641	(86,784)	-1.2%
Total Expenditures	**177,867,927**	**52,719,223**	**29.6%**	**48,166,142**	**4,553,081**	**9.5%**

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.

Departments	Budget 2025	Actual YTD May 2025	% of Annual Budget	Actual YTD May 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
Personnel	64,691,024	23,828,959	36.8%	23,408,586	420,373	1.8%
Contractual Services	44,180,535	16,857,560	38.2%	14,702,511	2,155,049	14.7%
Commodities & Supplies	2,831,710	924,802	32.7%	1,051,130	(126,328)	-12.0%
Capital Improvements	43,942,808	4,020,218	9.1%	6,186,268	(2,166,050)	-35.0%
Debt Service	9,735,249	1,862,249	19.1%	2,126,452	(264,203)	-12.4%
Other Expenditures	4,737,168	5,225,436	110.3%	691,195	4,534,241	656.0%
Interfund Transfers	7,749,433	-	0.0%	-	-	++
Total Expenditures	**177,867,927**	**52,719,223**	**29.6%**	**48,166,142**	**4,553,081**	**9.5%**

Personnel Costs: The year-to-date expenditure for Personnel Costs, including benefits, is $23.8 million, or 36.8 percent of the annual budget for the category. The amount is trending higher by $420,373 or 1.8 percent compared to last year’s amount, mainly due to the cost-of-living adjustments for wages. The overtime expense through May 2025 totaled $1,025,787, while at the same time last year, it totaled $906,621.

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 $16.9 million in contractual services, equating to 38.2 percent of the annual budgeted amount for the category. The expenditure amount is trending higher by $2.2 million or 14.7 percent, mainly due to inflationary and timing issues.

Supplies: Through May 2025, the Village spent $924,802 on supplies, which totaled 32.7 percent of the annual budget. The commodities and supplies are trailing behind by $126,328 or 12.0 percent, mainly due to a mild winter (lower consumption of salt and reduced snow plowing operations).

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 $4.0 million for capital improvement projects through May 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 $1.9 million.

Other Expenditure: This category includes a budget of $4,737,168 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 amount is not reflected in the above numbers, as these numbers are as of May 31, 2025. The revised budget for this category is $9.7 million. The Village has incurred expenditures totaling $5.2 million through May 2025 and it includes $5.0 million in the acquisition cost for 111 E Busse.

Interfund Transfers: The amount represents various interfund transfers budgeted from the General Fund ($6,749,433) 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 June 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	YTD Total
Revenues - Unaudited	90,532,896	1,903,070	4,692,858	8,636,190	5,914,774	8,677,673	29,824,566
Expenses - Unaudited	(87,415,097)	(4,155,381)	(6,072,023)	(8,109,871)	(5,150,269)	(4,786,741)	(28,274,285)
Net Monthly Surplus/(Deficit)	**3,117,799**	**(2,252,311)**	**(1,379,164)**	**526,319**	**764,505**	**3,890,932**	**1,550,281**
Ending Unrestricted Reserves	**46,348,799**	**44,096,488**	**42,717,324**	**43,243,643**	**44,008,148**	**47,899,080**	**47,899,080**
As % of General Fund Budget	54.0%	51.4%	49.8%	50.4%	51.3%	55.9%	55.9%
Unencumbered Cash Balance	**34,239,750**	**34,737,448**	**37,460,933**	**41,705,474**	**42,479,669**	**46,450,741**	**46,450,741**
As % of General Fund Budget	39.9%	40.5%	43.7%	48.6%	49.5%	54.2%	54.2%

* 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 April 30, 2025, the unrestricted fund balance is estimated at $47.9 million, which equates to 55.9 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 surplus of $2.3 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 May 31, 2025, is $46.5 million, and it represents 54.2 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 $75,917 during April 2025. As of May 31, 2025, the Economic Emergency Fund reported an ending fund balance of $13,935,605, which comprises $13.0 million in Village Contributions from the General Fund and $935,605 in interest income.

Economic Emergency Fund	FY 2023	FY 2024	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Since Inception
Village Contribution	6,500,000	6,500,000	-	-	-	-	-	13,000,000
Investment Income	195,690	495,944	50,788	18,337	49,009	75,917	49,919	935,605
Net Monthly Surplus/Deficit	**6,695,690**	**6,995,944**	**50,788**	**18,337**	**49,009**	**75,917**	**49,919**	**13,935,605**
Beginning Fund Balance	**-**	**6,695,690**	**13,691,634**	**13,742,422**	**13,760,759**	**13,809,768**	**13,885,686**	**-**
Ending Fund Balance	**6,695,690**	**13,691,634**	**13,742,422**	**13,760,759**	**13,809,768**	**13,885,686**	**13,935,605**	**13,935,605**

e) **Other Items:**

a. During May 2025, the Village issued 230 real estate transfer tax stamps, of which 92 were exempt and 138 were non-exempt. During the month under review, the Village collected $212,313 in real estate transfer taxes. The average real estate selling price was $512,801. At the same time last year (May 2024), the Village sold 119 transfer tax stamps, of which 50 were exempt and 69 were non-exempt. In the same month last year, the Village collected real estate transfer tax totaling $90,801, and the average selling price was $438,572.

b. The Village concluded its 2024 audit in June 2025. The Village received the highest possible – clean audit opinion on its financial statements. The Village Audit Committee met on June 25, 2025, and has approved and accepted the audit report for the year 2025. The Village Audit Committee will make a presentation to the Village Board in July 2025. The Village also won the GFOA Award for Excellence in Financial Reporting, for the 40th consecutive year.

Respectfully Submitted,
Amit Thakkar
Director of Finance