VILLAGE OF MOUNT PROSPECT

MONTHLY FINANCIAL REPORT

December 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: MARCH 10, 2026

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE MONTH OF DECEMBER 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 December 1, 2025, the beginning cash and cash equivalents totaled $99.2 million. During the month, the Village collected cash receipts totaling $9.8 million. The investment income for the month totaled $305,171. The monthly payroll cost was $3.6 million, and accounts payable were paid in the amount of $7.4 million. The inter-fund activity increased the cash position by $14,018, while other disbursements totaled $23,063. As of December 31, 2025, the Village's Cash and Cash Equivalents totaled $98.2 million.

GOVERNMENTAL AND ENTERPRISE FUNDS

	Cash and Cash Equivalents	Investments	Total Cash and Investments
Balance at December 1, 2025	$ 99,168,983	$ 29,128,769	$ 128,297,752
Cash receipts	$ 9,750,497	$ -	9,750,497
Investment income	$ 305,171	$ 61,366	366,537
Transfers from investments to cash	$ -	$ -	-
Transfers to investments from cash	$ -	$ -	-
Interfund activity	$ 14,018	$ -	14,018
Disbursements:			
Accounts payable	$ (7,447,420)	$ -	(7,447,420)
Payroll	$ (3,585,184)	$ -	(3,585,184)
Other	$ (23,063)	$ -	(23,063)
Balance at December 31, 2025	$ 98,183,003	$ 29,190,135	$ 127,373,138

As of December 31, 2025, the Village had $29.2 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 $127.4 million as of December 31, 2025.

The table below summarizes the cash, cash equivalents, and investments by fund type as of December 30, 2025.

Fund Details		Amount
General Fund	$	41,125,543
Special Revenue Funds		26,645,547
Debt Service Funds		1,496,158
Capital Projects Funds		20,647,030
Enterprise Funds		17,774,652
Internal Service Funds		19,684,207
Total Cash and Cash Equivalents	$	127,373,138

In addition to the funds summarized above, the Village of Mount Prospect has $1,223,949 in escrow accounts under the umbrella of Other Trust and Agency Funds. The overall cash balance is lower due to delayed property tax payments from Cook County. These payments should have been received by December. However, the Village received most of its property taxes by February 28, 2026.

b) <u>Revenues</u>

The data below summarizes the revenue recognized by the Village through December 2025.

Revenue Category	Budget 2025	Actual YTD Dec 2025	% of Annual Budget	Actual YTD Dec 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
Property Taxes	24,813,627	13,246,783	53.4%	24,382,279	(11,135,495)	-45.7%
Other Taxes	15,554,350	17,388,874	111.8%	15,725,477	1,663,396	10.6%
Intergovernmental Revenue	54,857,954	60,771,786	110.8%	59,823,146	948,641	1.6%
Licenses, Permits & Fees	1,912,000	1,625,966	85.0%	2,029,196	(403,229)	-19.9%
Charges For Services	47,342,301	49,208,351	103.9%	43,597,132	5,611,220	12.9%
Fines & Forfeits	608,500	678,612	111.5%	604,800	73,812	12.2%
Investment Income	3,933,700	5,417,877	137.7%	6,912,516	(1,494,640)	-21.6%
Other Financing Sources	16,449,433	6,417,060	39.0%	19,533,765	(13,116,705)	-67.1%
Other Revenue	3,085,500	2,895,162	93.8%	4,901,095	(2,005,933)	-40.9%
Reimbursements	1,086,500	1,897,779	174.7%	920,907	976,873	106.1%
Total Revenues	**169,643,865**	**159,548,251**	**94.0%**	**178,430,311**	**(18,882,060)**	**-10.6%**

The above amounts do not represent all 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 January 2026 and later. Additionally, during December 2025, the Village received the following revenues from the State, which relate to a period prior to December 2025. These amounts are distributed after the State administrative fee deduction of $12,894.

Revenues	Original Revenue Month	Revenue Recognition Month	Received by the Village	Amounts
State Sales Tax	Aug-25	Nov-25	Nov-25	3,748,408
Home Rule Sales Tax	Aug-25	Nov-25	Nov-25	752,601
Business District Tax	Aug-25	Nov-25	Nov-25	26,709
Auto Rental Tax	Aug-25	Nov-25	Nov-25	2,274
Telecom Tax	Aug-25	Nov-25	Nov-25	72,945
Total Revenues				**$ 4,602,937**

The actual revenue recognized by the Village totaled $159.5 million through December 2025, representing 94.0 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.

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 December 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 by the county, the second installment of property taxes is delayed significantly and the same has resulted in an overall reduced collection of property taxes by $11.1 million compared to 2024. The Village has collected close to 98% of the levy by February 28, 2026.

Other Taxes: The category of Other Taxes includes all 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 local economic activities for December are reported in January of next year or later. The YTD tax collection under this category totals $17.4 million and it represents 111.8 percent of the annual budget. The reported collection is higher by $1.6 million, or 10.6 percent compared to the previous year’s collection. The reported amount for 2025 mainly includes $9.3 million in home-rule sales tax, $2.8 million in utility taxes, $4.5 million in use taxes, and $893,066 in other misc. taxes. The use tax includes $1.9 million in food & beverage tax, $1.2 million in real estate transfer tax, $749,464 in municipal motor-fuel tax, and $629,801 in other local taxes. The home-rule sales tax reflects a 18.9 percent increase over the 2025 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 $60.8 million in intergovernmental revenues through December 2025. This amount does not represent the total revenues to be recognized during the month, as significant revenues will be reported and collected after December 2025. The overall recognized revenues are trending higher by $948,641, or 1.6 percent, compared to the amount recognized last year for the same period. The Village recognized a one-time American Rescue Plan grant in 2024. No such items are expected in 2025. Except for this one-time grant, the Village intergovernmental revenues are showing an unprecedented growth. The State income tax revenue is recognized on a cash basis in the month of receipt and represents 6.1 percent growth compared to the 2024 collections. The sales tax amount for 2025 represents a 19.7 percent growth. 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. Also, please note that the Village has recognized these revenues based on the data available as of the date of this report and includes full 12 months’ worth of sales tax.

Major State Taxes	Actual YTD Dec 2025	Actual YTD Dec 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
002 - State Income Tax	10,252,936	9,654,627	598,309	6.2%
003 - State Motor Fuel Tax	2,595,474	2,527,080	68,394	2.7%
004 - State Sales Tax	44,228,739	36,948,179	7,280,560	19.7%
005 - State Use Tax	837,103	2,040,366	(1,203,262)	-59.0%
006 - Video Gaming Tax	389,133	345,021	44,113	12.8%
007 - Cannabis Education Fun	86,439	91,597	(5,157)	-5.6%
008 - Municipal Cannabis Tax	78,592	90,462	(11,870)	-13.1%
Total State Taxes	**58,468,417**	**51,697,331**	**6,771,086**	**13.1%**

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. The state sales tax is showing a growth of $7.3 million or 19.7 percent, while the state use tax is showing a reduction of $1.2 million or 59.0 percent.

Licenses & Permits: The Village collected $1,625,966 in license and permit fees through December 2025. This amount is trending lower by $403,229, or 19.9 percent, compared to last year's collection. The overall collection represents 85.0 percent of the annual budget for the category.

Business Licenses & Permits	Actual YTD Dec 2025	Actual YTD Dec 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
409 - Business Licenses & Permits	682,309	677,756	4,553	0.7%
410 - Nonbusiness Licenses & Permits	943,657	1,351,440	(407,783)	-30.2%
Total Business Licenses & Permits	**1,625,966**	**2,029,196**	**(403,229)**	**-19.9%**

Charges for Services: The Village collected $49.2 million in charges for services through December 2025. The amount represents 103.9 percent of the annual budget for the category, and it is trending higher by $5.6 million, or 12.9 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 $5.4 million in investment income through December 2025, which represents 137.7 percent of the category's annual budget. The recognized revenue is trending lower by $1.5 million or 21.6 percent, compared to last year's amount, mainly due to several rate reductions and timing issues.

Other Categories: All other revenue categories collectively generated $11.9 million through December 2025. The amount mainly includes $678,612 in fines and forfeitures, $2.9 million in other revenues, $6.4 million in other financing sources, and $1.9 million in reimbursements.

c) Expenditure

The data below recaps the expenditures incurred through December 2025.

Departments	Budget 2025	Actual YTD Dec 2025	% of Annual Budget	Actual YTD Dec 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
10 Public Representation	779,620	727,190	93.3%	629,503	97,687	15.5%
20 Village Administration	6,682,559	6,156,004	92.1%	5,149,022	1,006,982	19.6%
30 Finance	3,299,072	3,255,711	98.7%	7,961,615	(4,705,904)	-59.1%
40 Community Development	14,011,009	13,584,577	97.0%	4,356,199	9,228,379	211.8%
50 Human Services	1,785,465	1,852,845	103.8%	1,497,281	355,564	23.7%
60 Police	28,116,292	26,652,299	94.8%	24,223,658	2,428,641	10.0%
70 Fire	25,374,738	24,257,184	95.6%	22,738,540	1,518,644	6.7%
80 Public Works	66,463,815	60,111,482	90.4%	45,478,048	14,633,433	32.2%
00 ND	37,641,104	26,469,197	70.3%	36,116,206	(9,647,008)	-26.7%
Total Expenditures	**184,153,673**	**163,066,488**	**88.5%**	**148,150,070**	**14,916,418**	**10.1%**

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 Dec 2025	% of Annual Budget	Actual YTD Dec 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
Personnel	64,697,474	63,394,771	98.0%	58,400,308	4,994,463	8.6%
Contractual Services	44,058,921	42,317,759	96.0%	38,950,219	3,367,540	8.6%
Commodities & Supplies	2,790,502	2,343,118	84.0%	2,146,534	196,584	9.2%
Capital Improvements	34,678,498	28,694,556	82.7%	12,775,309	15,919,247	124.6%
Debt Service	9,735,249	9,235,299	94.9%	6,688,414	2,546,885	38.1%
Other Expenditures	11,743,596	10,881,552	92.7%	9,666,974	1,214,578	12.6%
Interfund Transfers	16,449,433	6,199,433	37.7%	19,522,312	(13,322,879)	-68.2%
Total Expenditures	**184,153,673**	**163,066,488**	**88.5%**	**148,150,070**	**14,916,418**	**10.1%**

Personnel Costs: The year-to-date expenditure on Personnel Costs, including benefits, is $63.4 million, or 98.0 percent of the annual budget for the category. The amount is trending higher by $5.0 million, or 8.7 percent compared to last year's amount, mainly due to higher pension contributions, cost of living adjustments, and added employee headcount. The overtime expense through December 2025 totaled $3.95 million, an increase of $316,317 compared to last year's overtime expense of $3.6 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 $42.3 million in contractual services, equating to 96.0 percent of the annual budgeted amount for the category. The expenditure amount is trending higher by $3.4 million or 8.6 percent, mainly due to inflationary and timing issues.

Supplies: Through December 2025, the Village spent $2.3 million on supplies, which totaled 84.0 percent of the annual budget. The commodities and supplies are trending higher by $196,584 or 9.2 percent.

Capital Improvements: The Village initially had $34.7 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. With a few other amendments, the total budget for the category is set at $45.3 million for the year. The Village again is proposing a budget carryover totaling $12.6 million in March 2026 (from 2025 to 2026). After these carryovers, the total CIP budget will be settled at $34.7 million. The Village has spent $28.7 million for capital improvement projects through December 2025.

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 incurred $9.2 million in debt service payments through December 2025. That includes $7.7 million in G.O. bond interest and principal payments, and the remaining amount is for a developer's note for the Randhurst Mall.

Other Expenditure: This category includes a budget of $11.7 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 on the 111 E Busse acquisition and $5.9 in other expenditures.

Interfund Transfers: The amount represents various interfund transfers budgeted from the General Fund ($15,449,433) and from the Elk Grove Rural Special Service Area Fund ($1,000,000). The Village executed interfund transfers totaling $14.9 million through December. However, $8.7 million in transfers are recoverable from the Prospect & Main TIF. Hence, booked as Due from Prospect & Main TIF on the balance sheet, and not as an expense. The other 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	Q3-2025	Q4-2025	Total YTD 2025
Revenues - Unaudited	90,532,896	15,232,119	18,588,508	16,499,457	32,292,778	82,612,862
Expenses - Unaudited	(87,415,097)	(18,345,645)	(15,113,139)	(18,663,990)	(23,128,937)	(75,251,710)
Net Monthly Surplus/(Deficit)	**3,117,799**	**(3,113,526)**	**3,475,369**	**(2,164,532)**	**9,163,841**	**7,361,152**
Ending Unrestricted Reserves	**46,348,799**	**43,235,273**	**46,710,642**	**44,546,110**	**53,709,951**	**53,709,951**
As % of General Fund Budget	54.0%	50.4%	54.5%	51.9%	62.6%	62.6%
Unencumbered Cash Balance	**(8,498,623)**	**41,697,104**	**46,621,794**	**44,546,110**	**33,987,325**	**33,987,325**
As % of General Fund Budget	-9.9%	48.6%	54.4%	51.9%	39.6%	39.6%

* 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 December 31, 2025, the unrestricted fund balance is estimated at $53.7 million, which equates to 53.7 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 surplus of $7,361,152. The unencumbered cash balance as of December 31, 2025, is $34.0 million, and it represents 39.6 percent of the annual budget. The Village fund balance policy recommends maintaining a fund balance between 30 to 50 percent of the annual budget. The current fund balance is in compliance with the fund balance policy. The cash balance is lower compared to other months due to delayed property tax payments totaling $11.0 million for the General Fund.

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. The initial 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 $45,994 during December 2025. As of December 30, 2025, the Economic Emergency Fund reported an ending fund balance of $14,271,439, which comprises $13.0 million in Village Contributions from the General Fund and $1,271,439 in Investment Income.

Economic Emergency Fund	FY 2023	FY 2024	Q1-2025	Q2-2025	Q3-2025	Q4-2025	Total Since Inception
Village Contribution	6,500,000	6,500,000	-	-	-		13,000,000
Investment Income	195,690	495,944	118,134	172,874	149,604	139,193	1,271,439
Net Monthly Surplus/Deficit	**6,695,690**	**6,995,944**	**118,134**	**172,874**	**149,604**	**139,193**	**14,271,439**
Beginning Fund Balance	**-**	**6,695,690**	**13,691,634**	**13,809,768**	**13,982,643**	**14,132,246**	**-**
Ending Fund Balance	**6,695,690**	**13,691,634**	**13,809,768**	**13,982,643**	**14,132,246**	**14,271,439**	**14,271,439**

e) **Other Items:**

a. During December 2025, the Village issued 102 real estate transfer tax stamps, of which 41 were exempt and 61 were non-exempt. During the month under review, the Village collected $99,237 in real estate transfer taxes. The average real estate selling price was $542,197. At the same time last year (December 2024), the Village sold 70 transfer tax stamps, of which 36 were exempt and 34 were non-exempt. In the same month last year, the Village collected real estate transfer tax totaling $48,639, and the average selling price was $476,802.

Respectfully Submitted,
Amit Thakkar
Director of Finance