VILLAGE OF MOUNT PROSPECT

MONTHLY FINANCIAL REPORT

September 30, 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: NOVEMBER 11, 2025

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE MONTH OF SEPTEMBER 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 September 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 $451,004. The monthly payroll cost was $2.0 million, and accounts payable were paid in the amount of $9.6 million. The inter-fund activity increased the cash position by $3,788, while other disbursements totaled $24,841. As of September 30, 2025, the Village's Cash and Cash Equivalents totaled $112.1 million.

GOVERNMENTAL AND ENTERPRISE FUNDS

	Cash and Cash Equivalents	Investments	Total Cash and Investments
Balance at September 1, 2025	$ 117,055,624	$ 22,879,304	$ 139,934,928
Cash receipts	9,624,907	$ -	9,624,907
Investment income	451,004	44,622	495,626
Transfers from investments to cash	1,180,400	(1,180,400)	-
Transfers to investments from cash	(4,600,000)	4,600,000	-
Interfund activity	3,788	0	3,788
Disbursements:			
Accounts payable	(9,582,535)	0	(9,582,535)
Payroll	(2,040,810)	0	(2,040,810)
Other	(24,841)	0	(24,841)
Balance at September 30, 2025	$ 112,067,537	$ 26,343,527	$ 138,411,063

As of September 30, 2025, the Village has $26.3 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 $138.4 million as of September 30, 2025.

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

Fund Details		Amount
General Fund	$	54,203,001
Special Revenue Funds		24,929,588
Debt Service Funds		1,831,717
Capital Projects Funds		19,439,588
Enterprise Funds		19,505,929
Internal Service Funds		18,501,239
Total Cash and Cash Equivalents	$	138,411,063

In addition to the funds summarized above, the Village of Mount Prospect has $1,297,929 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 September 2025.

Revenue Category	Budget 2025	Actual YTD Sept 2025	% of Annual Budget	Actual YTD Sept 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
Property Taxes	24,813,627	13,251,705	53.4%	24,152,627	(10,900,922)	-45.1%
Other Taxes	15,554,350	9,671,547	62.2%	8,766,255	905,292	10.3%
Intergovernmental Revenue	54,857,954	32,837,408	59.9%	29,603,336	3,234,072	10.9%
Licenses, Permits & Fees	1,912,000	1,437,717	75.2%	1,867,408	(429,691)	-23.0%
Charges For Services	47,342,301	36,421,400	76.9%	31,350,352	5,071,048	16.2%
Fines & Forfeits	608,500	452,914	74.4%	437,284	15,630	3.6%
Investment Income	3,933,700	3,981,361	101.2%	5,133,572	(1,152,212)	-22.4%
Other Financing Sources	12,749,433	2,135,427	16.7%	8,505,059	(6,369,632)	-74.9%
Other Revenue	3,085,500	2,113,363	68.5%	3,267,161	(1,153,798)	-35.3%
Reimbursements	1,086,500	1,783,954	164.2%	722,067	1,061,887	147.1%
Total Revenues	**165,943,865**	**104,086,795**	**62.7%**	**113,805,119**	**(9,718,325)**	**-8.5%**

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 October 2025 and later. Additionally, during September 2025, the Village received the following revenues from the State, which relate to a period prior to September 2025. These amounts are distributed after the State administrative fee deduction of $12,734.

Revenues	Original Revenue Month	Revenue Recognition Month	Received by the Village	Amounts
State Sales Tax	Jun-25	Sep-25	Sep-25	3,546,367
Home Rule Sales Tax	Jun-25	Sep-25	Sep-25	763,599
Business District Tax	Jun-25	Sep-25	Sep-25	31,775
Auto Rental Tax	Jun-25	Sep-25	Sep-25	3,019
Telecom Tax	Jun-25	Sep-25	Sep-25	92,599
Total Revenues				**$ 4,437,359**

The actual revenue recognized by the Village totaled $104.1 million through September 2025, representing 62.7 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 $13.3 million in property taxes through September 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 $10.9 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 September are reported in October or later. The YTD tax collection under this category totals $9.7 million and it represents 62.2 percent of the annual budget. The reported collection is higher by $905,292 or 10.3 percent compared to the previous year's collection. The reported amount for 2025 mainly includes $4.2 million in home-rule sales tax, $1.8 million in utility taxes, $3.2 million in use taxes, and $434,900 in other misc. taxes. The use tax includes $1.2 million in food & beverage tax, $950,727 in real estate transfer tax. $498,605 in municipal motor-fuel tax, and $464,043 in other local taxes. The home-rule sales tax reflects a 17.5 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 $32.8 million in intergovernmental revenues through September 2025. The amount does not represent the total revenues to be recognized during the month, as significant revenues will be reported and collected after September 2025. The overall recognized revenues are trending higher by $3.2 million, or 10.9percent, 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 6.8 percent growth compared to the 2024 collections. The sales tax amount for 2025 represents sales tax from January to June 2025, collected through September 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 Sept 2025	Actual YTD Sept 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
002 - State Income Tax	7,960,901	7,456,364	504,537	6.8%
003 - State Motor Fuel Tax	1,699,784	1,644,116	55,668	3.4%
004 - State Sales Tax	20,212,391	17,841,623	2,370,768	13.3%
005 - State Use Tax	655,259	1,427,342	(772,082)	-54.1%
006 - Video Gaming Tax	259,067	221,615	37,452	16.9%
007 - Cannabis Education Fund	58,938	62,213	(3,275)	-5.3%
008 - Municipal Cannabis Tax	40,716	44,491	(3,775)	-8.5%
Total State Taxes	**30,887,056**	**28,697,764**	**2,189,292**	**7.6%**

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 $1,437,717 in license and permit fees through September 2025. This amount is trending lower by $429,691, or 23.0 percent, compared to last year's collection. The overall collection represents 75.2 percent of the annual budget for the category.

Business Licenses & Permits	Actual YTD Sept 2025	Actual YTD Sept 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
409 - Business Licenses & Permits	663,577	647,151	16,426	2.5%
410 - Nonbusiness Licenses & Permits	774,141	1,220,257	(446,116)	-36.6%
Total Business Licenses & Permits	**1,437,717**	**1,867,408**	**(429,691)**	**-23.0%**

Charges for Services: The Village collected $36.4 million in charges for services through September 2025. The amount represents 76.9 percent of the annual budget for the category, and it is trending higher by $5.1 million, or 16.2 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 $3.9 million in investment income through September 2025, which represents 101.2 percent of the category's annual budget. The recognized revenue is trending lower by $1.1 million or 22.4 percent, compared to last year's amount, mainly due to several rate reductions and timing issues (i.e. different maturity dates beyond September 2025).

Other Categories: All other revenue categories collectively generated $6.5 million through September 2025. The amount mainly includes $452,914 in fines and forfeitures, $2.1 million in other revenues, $2,135,427 in other financing sources, and $1.8 million in reimbursements.

c) **Expenditure**

The data below recaps the expenditures incurred through September 2025.

Departments	Budget 2025	Actual YTD Sept 2025	% of Annual Budget	Actual YTD Sept 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
10 Public Representation	779,620	530,616	68.1%	521,863	8,753	1.7%
20 Village Administration	6,687,309	4,116,014	61.5%	3,526,881	589,133	16.7%
30 Finance	3,299,072	1,653,598	50.1%	2,243,221	(589,623)	-26.3%
40 Community Development	11,853,291	7,938,441	67.0%	3,052,748	4,885,693	160.0%
50 Human Services	1,783,765	1,312,190	73.6%	1,111,565	200,625	18.0%
60 Police	28,215,092	19,356,333	68.6%	19,184,757	171,576	0.9%
70 Fire	27,373,238	16,963,507	62.0%	17,871,248	(907,741)	-5.1%
80 Public Works	75,412,437	40,335,860	53.5%	46,082,866	(5,747,006)	-12.5%
00 ND	33,941,104	12,822,963	37.8%	20,189,868	(7,366,905)	-36.5%
Total Expenditures	**189,344,927**	**105,029,521**	**55.5%**	**113,785,016**	**(8,755,496)**	**-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 Sept 2025	% of Annual Budget	Actual YTD Sept 2024	Actual YTD 2025 vs.Actual YTD 2024	% Change
Personnel	64,689,524	43,881,214	67.8%	46,604,716	(2,723,503)	-5.8%
Contractual Services	44,255,115	30,628,138	69.2%	28,310,158	2,317,981	8.2%
Commodities & Supplies	2,833,630	1,644,181	58.0%	1,661,276	(17,095)	-1.0%
Capital Improvements	45,344,808	19,312,846	42.6%	23,517,079	(4,204,233)	-17.9%
Debt Service	9,735,249	2,247,772	23.1%	2,504,245	(256,473)	-10.2%
Other Expenditures	9,737,168	5,315,369	54.6%	2,687,542	2,627,827	97.8%
Interfund Transfers	12,749,433	2,000,000	15.7%	8,500,000	(6,500,000)	-76.5%
Total Expenditures	**189,344,927**	**105,029,521**	**55.5%**	**113,785,016**	**(8,755,496)**	**-7.7%**

Personnel Costs: The year-to-date expenditure for Personnel Costs, including benefits, is $43.9 million, or 67.8 percent of the annual budget for the category. The amount is trending lower by $2.7 million, or 5.8 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 September 2025 totaled $2,352,225, marginally trending lower compared to the last year's amount of $2,359,027.

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 $30.6 million in contractual services, equating to 69.2 percent of the annual budgeted amount for the category. The expenditure amount is trending higher by $2.3 million or 8.2 percent, mainly due to the inflationary and timing issues.

Supplies: Through September 2025, the Village spent $1.6 million on supplies, which totaled 58.0 percent of the annual budget. The commodities and supplies are trending marginally lower by $17,095 or 1.0 percent.

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 $19.3 million for capital improvement projects through September 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 $315,369 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	Sep-25	YTD 2025
Revenues - Unaudited	90,532,896	15,232,119	18,588,508	5,749,373	5,547,145	5,202,940	50,320,084
Expenses - Unaudited	(87,415,097)	(18,337,275)	(15,119,549)	(6,930,181)	(6,756,405)	(4,977,404)	(52,120,813)
Net Monthly Surplus/(Deficit)	**3,117,799**	**(3,105,156)**	**3,468,959**	**(1,180,808)**	**(1,209,260)**	**225,536**	**(1,800,729)**
Ending Unrestricted Reserves	**46,348,799**	**43,243,643**	**46,712,602**	**45,531,795**	**44,322,534**	**44,548,070**	**44,548,070**
As % of General Fund Budget	54.0%	50.4%	54.5%	53.1%	51.7%	51.9%	51.9%
Unencumbered Cash Balance	**(8,498,623)**	**41,705,474**	**46,623,754**	**45,531,795**	**44,322,534**	**44,548,070**	**44,548,070**
As % of General Fund Budget	-9.9%	48.6%	54.4%	53.1%	51.7%	51.9%	51.9%

* 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 September 30, 2025, the unrestricted fund balance is estimated at $44.5 million, which equates to 51.9 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 deficit of $1.8 million. The unencumbered cash balance as of September 30, 2025, is $44.5 million, and it also represents 51.9 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.

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 $48,709 during September 2025. As of September 30, 2025, the Economic Emergency Fund reported an ending fund balance of $14,132,246, which comprises $13.0 million in Village Contributions from the General Fund and $1,132,246 in Investment Income.

Economic Emergency Fund	FY 2023	FY 2024	Q1-2025	Q2-2025	Jul-25	Aug-25	Sep-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	48,709	1,132,246
Net Monthly Surplus/Deficit	**6,695,690**	**6,995,944**	**118,134**	**172,874**	**51,186**	**49,709**	**48,709**	**14,132,246**
Beginning Fund Balance	**-**	**6,695,690**	**13,691,634**	**13,809,768**	**13,982,643**	**14,033,828**	**14,083,537**	**-**
Ending Fund Balance	**6,695,690**	**13,691,634**	**13,809,768**	**13,982,643**	**14,033,828**	**14,083,537**	**14,132,246**	**14,132,246**

e) **Other Items:**

a. During September 2025, the Village issued 102 real estate transfer tax stamps, of which 40 were exempt and 62 were non-exempt. During the month under review, the Village collected $89,115 in real estate transfer taxes. The average real estate selling price was $479,027. At the same time last year (September 2024), the Village sold 93 transfer tax stamps, of which 34 were exempt and 59 were non-exempt. In the same month last year, the Village collected real estate transfer tax totaling $90,861, and the average selling price was $513,282.

b. Cook County recently announced that the second installment of property tax bills will be released around November 14, 2025, with a due date of December 14, 2025.

Respectfully Submitted,
Amit Thakkar
Director of Finance