



Rock Island-Milan School District No. 41

Investment & Financial Report

for Quarter Ended
September 30, 2025

Presented to Board of Education:

December 9, 2025

Prepared by: Annaka Whiting

Financial Report

The District prepares quarterly financial reports to provide the Board of Education and the community with a clear, timely, and transparent view of the District's financial position. These reports highlight trends in revenues, expenditures, and fund balances, equipping decision-makers with the information necessary to monitor financial stability and guide long-term planning.

Quarterly reports focus on the Operating Funds; Educational, Operations & Maintenance, Transportation, Illinois Municipal Retirement & Social Security, Working Cash, and Tort, as these funds support the District's core services, account for the majority of recurring revenues and expenditures, and offer the most accurate measure of overall financial health. Other funds, including Debt Service and Capital Projects, are excluded because their restricted or irregular activity may distort ongoing financial trends.

Rock Island SD 41
Year to Date Revenue Overview - Operating Funds*
September 2025

Local Revenue

\$8,131,244

16.65% of Budget

State Revenue

\$7,286,865

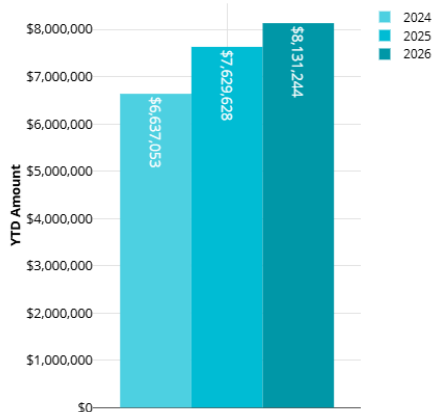
17.87% of Budget

Federal Revenue

\$1,108,947

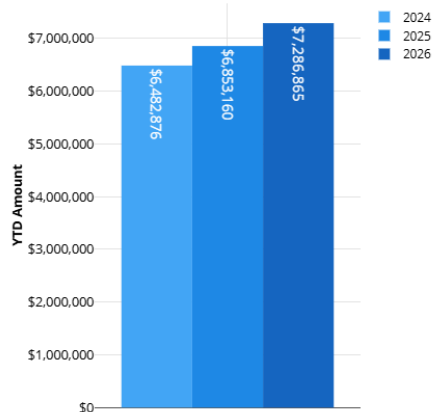
7.29% of Budget

Local Revenue



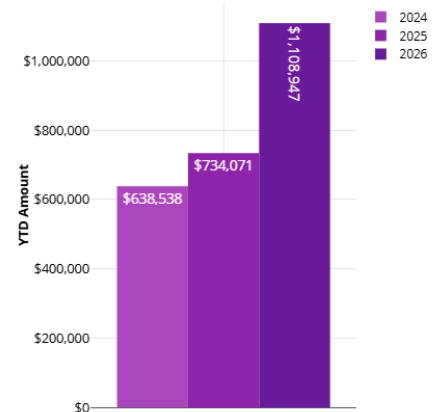
For the Period JUL - SEP

State Revenue



For the Period JUL - SEP

Federal Revenue



For the Period JUL - SEP

| | FY 2024 YTD Amount | FY 2025 YTD Amount | FY 2026 YTD Amount | FY 2026 Annual Budget | FY 2026 % YTD Budget |
|--|-----------------------|-----------------------|-----------------------|--------------------------|-------------------------|
| LOCAL REVENUE | | | | | |
| 1100 Ad Valorem Taxes | \$5,204,925 | \$6,513,733 | \$7,270,359 | \$38,816,355 | 18.73% |
| 1200 Payments in Lieu of Taxes | \$401,914 | \$300,927 | \$189,268 | \$5,940,360 | 3.19% |
| 1500 Earnings on Investments | \$574,918 | \$563,754 | \$457,333 | \$2,361,220 | 19.37% |
| 1600 Food Service | \$12,415 | \$23,863 | \$15,928 | \$82,300 | 19.35% |
| 1900 Other Revenue from Local Sources | \$368,507 | \$164,924 | \$137,790 | \$1,511,799 | 9.11% |
| ALL OTHER LOCAL REVENUE | \$74,375 | \$62,427 | \$60,566 | \$128,040 | 47.30% |
| TOTAL LOCAL REVENUE | \$6,637,053 | \$7,629,628 | \$8,131,244 | \$48,840,074 | 16.65% |
| STATE REVENUE | | | | | |
| 3000 Unrestricted Grants-in-Aid | \$6,276,196 | \$6,567,852 | \$7,106,024 | \$39,083,140 | 18.18% |
| 3100 Special Education | \$112,774 | \$145,947 | \$92,688 | \$221,000 | 41.94% |
| 3300 Bilingual Education | \$50,028 | \$20,820 | \$0 | \$96,830 | 0.00% |
| 3500 State Transportation Reimbursement | \$0 | \$0 | \$0 | \$691,205 | 0.00% |
| ALL OTHER STATE REVENUE | \$43,878 | \$118,541 | \$88,153 | \$680,775 | 12.95% |
| TOTAL STATE REVENUE | \$6,482,876 | \$6,853,160 | \$7,286,865 | \$40,772,950 | 17.87% |
| TOTAL FEDERAL REVENUE | \$638,538 | \$734,071 | \$1,108,947 | \$15,212,121 | 7.29% |
| TOTAL REVENUE | \$13,758,467 | \$15,216,859 | \$16,527,056 | \$104,825,145 | 15.77% |
| OTHER FINANCING SOURCES | \$0 | \$0 | \$0 | \$0 | 0.00% |
| TOTAL REVENUE & OTHER FINANCING SOURCES | \$13,758,467 | \$15,216,859 | \$16,527,056 | \$104,825,145 | 15.77% |

Revenue Insight:

Operating Funds (excluding transfers) YTD revenues totaled \$16,527,055 through September 2025, which is \$1,310,197 or 7.9% more than the amount received last year for this period. The YTD difference is driven by an increase in 1000 Local Sources of \$501,616, an increase in 3000 State Sources of \$433,705, and an increase in 4000 Federal Sources of \$374,876.

Rock Island SD 41
Year to Date Expense Overview - Operating Funds*
September 2025

Salaries and Benefits

\$15,467,304

18.81% of Budget

Purchased Services

\$3,174,473

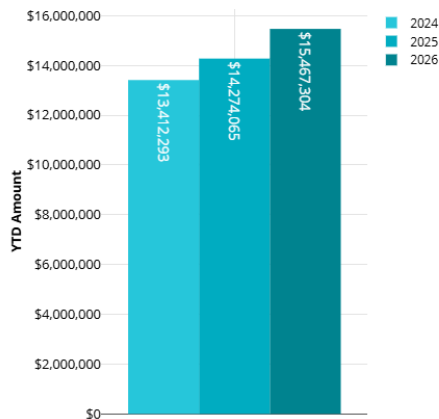
25.53% of Budget

Supplies & Materials

\$1,503,987

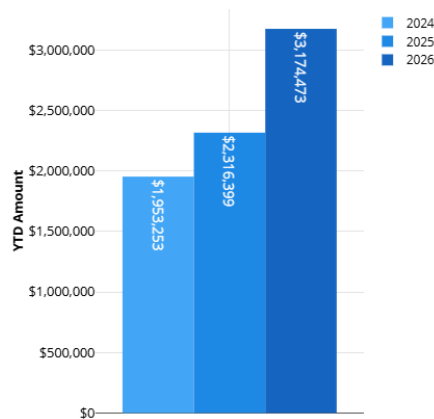
25.18% of Budget

Salaries and Benefits



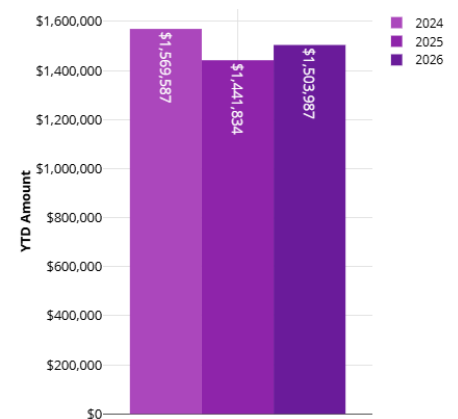
For the Period JUL - SEP

Purchased Services



For the Period JUL - SEP

Supplies & Materials



For the Period JUL - SEP

| | FY 2024 YTD Amount | FY 2025 YTD Amount | FY 2026 YTD Amount | FY 2026 Annual Budget | FY 2026 % YTD Budget |
|--|-----------------------|-----------------------|-----------------------|--------------------------|-------------------------|
| SALARIES AND BENEFITS | | | | | |
| 100 Salaries | \$10,505,046 | \$11,085,553 | \$11,978,860 | \$64,691,248 | 18.52% |
| 200 Benefits | \$2,907,247 | \$3,188,512 | \$3,488,443 | \$17,526,570 | 19.90% |
| TOTAL SALARIES AND BENEFITS | \$13,412,293 | \$14,274,065 | \$15,467,303 | \$82,217,818 | 18.81% |
| OTHER EXPENSES | | | | | |
| 300 Purchased Services | \$1,953,253 | \$2,316,399 | \$3,174,473 | \$12,434,904 | 25.53% |
| 400 Supplies & Materials | \$1,569,587 | \$1,441,834 | \$1,503,987 | \$5,972,902 | 25.18% |
| 500 Capital Outlay | \$761,908 | \$807,352 | \$-3,146 | \$948,775 | -0.33% |
| 600 Other Objects | \$78,837 | \$31,240 | \$108,456 | \$1,837,699 | 5.90% |
| 700 Non-Capitalized Equipment | \$87,848 | \$64,970 | \$1,066,801 | \$1,297,398 | 82.23% |
| 800 Termination Benefits | \$0 | \$0 | \$0 | \$0 | 0.00% |
| TOTAL OTHER EXPENSES | \$4,451,433 | \$4,661,795 | \$5,850,571 | \$22,491,678 | 26.01% |
| TOTAL EXPENSES | \$17,863,726 | \$18,935,860 | \$21,317,874 | \$104,709,496 | 20.36% |
| OTHER FINANCING USES | \$0 | \$0 | \$0 | \$0 | 0.00% |
| TOTAL EXPENSES & OTHER FINANCING USES | \$17,863,726 | \$18,935,860 | \$21,317,874 | \$104,709,496 | 20.36% |

Expense Insights:

Operating Funds (excluding transfers) YTD expenses totaled \$21,317,874 through September 2025, which is \$2,382,015 or 11.2% more than the amount spent last year for this period. The YTD difference is driven by an increase in 700 Non-Capitalized Equipment of \$1,001,831, an increase in 100 Salaries of \$893,307, and an increase in 300 Purchased Services of \$858,074.

*Operating Funds = Educational, Operations & Maintenance, Transportation, Illinois Municipal Retirement & Social Security, Working Cash, Tort

Investment Report Summary

In December 1999, the Board of Education adopted Policy 6144 and Administrative Guidelines 6144, ensuring the District's compliance with SB1555. This legislation required public entities to establish policies and procedures for managing public funds under their custody and control.

As part of these guidelines, a quarterly investment report must be provided to the Board of Education. Enclosed is the report for the unaudited quarter ending September 30, 2025. The guidelines also specify a benchmark for the investment portfolio, which is the 90-day Treasury bill rate. All investments are collateralized by FDIC insurance and/or a perfected security interest, with collateral valued at 110% of the investment and marked to the market rate of the pledged assets.

The portfolio's cash and investment balance increased by \$51,895,787 from the balance as of September 30, 2025. This increase is due to the sale of the Working Cash Fund Bond, but for the bond issuance, there would have been a decrease of \$2,473,387 from the previous year.

| <u>Fund</u> | September 30, 2025 | | | September 30, 2024 | | |
|-------------------|-----------------------------|---------------------|-----------------|----------------------------|---------------------|-----------------|
| | <u>Cash/Invest</u> | <u>w/o cash</u> | <u>x-Mat</u> | <u>Cash/Invest</u> | <u>w/o cash</u> | <u>x-Mat</u> |
| Education | \$42,462,125 | 3.34% | 1 | \$39,542,435 | 3.97% | 1 |
| O & M | \$4,503,826 | 3.57% | 1 | \$6,823,313 | 4.33% | 1 |
| Bond & Int | \$1,399,718 | 3.66% | 1 | \$2,130,021 | 4.32% | 1 |
| Transportation | \$2,580,212 | 3.57% | 1 | \$2,534,422 | 4.32% | 1 |
| IMRF | \$2,287,249 | 3.58% | 1 | \$3,044,616 | 4.33% | 1 |
| Capital Proj | \$69,698,594 | 4.02% | 1 | \$16,119,268 | 4.64% | 1 |
| Tort | \$1,156,011 | 3.57% | 1 | \$2,002,656 | 4.32% | 1 |
| Life/Safety | <u>\$180,809</u> | <u>3.58%</u> | <u>1</u> | <u>\$176,025</u> | <u>3.78%</u> | <u>1</u> |
| Totals/Avg | <u>\$124,268,544</u> | <u>3.75%</u> | <u>1</u> | <u>\$72,372,757</u> | <u>4.20%</u> | <u>1</u> |

Portfolio rates are slightly lower with an average of 3.75% compared to that of the previous quarter ending June 30, 2025 at 3.85%. The district's portfolio shows 53.6% of funds held locally at Blackhawk Bank, with the remaining 46.4% split between Illinois Funds (0.60%) and PMA (45.8%). T-bill rates ranged from a high of 4.35% mid-quarter to 3.96% at quarter's end. Overall, investing funds continues to yield a higher return than keeping money in local accounts.

The portfolio is divided as follows: 68.1% in Checking/Money Market Accounts, 31.9% in REPO Accounts, and 0% in Commercial Paper or Certificates of Deposit. At quarter-end, the Rock Island-Milan School District portfolio is underperforming the benchmark by 0.12% with cash, 0.21% without cash, compared to the T-bill rate. It is important to note that during periods of declining rates, the portfolio rate of return typically outperforms the market. However, when rates start to rise after a decline, the portfolio will generally underperform the benchmark due to the timing of investments.

Performance over the past four quarters is presented below, including the portfolio's average rate of return and average maturity, with cash excluded from the calculation.

| Fund | September 30, 2025 | | | June 30, 2025 | | |
|-------------------|-----------------------------|---------------------|-----------------|-----------------------------|---------------------|-----------------|
| | Cash/Invest | w/o cash | x-Mat | Cash/Invest | w/o cash | x-Mat |
| Education | \$42,462,125 | 3.34% | 1 | \$41,612,386 | 3.43% | 1 |
| O & M | \$4,503,826 | 3.57% | 1 | \$4,478,928 | 3.66% | 1 |
| Bond & Int | \$1,399,718 | 3.56% | 1 | \$485,170 | 3.66% | 1 |
| Transportation | \$2,580,212 | 3.57% | 1 | \$2,240,200 | 3.66% | 1 |
| IMRF | \$2,287,249 | 3.58% | 1 | \$2,666,994 | 3.66% | 1 |
| Capital Proj | \$69,698,594 | 4.02% | 1 | \$68,266,064 | 4.13% | 1 |
| Tort | \$1,156,011 | 3.57% | 1 | \$827,156 | 3.66% | 1 |
| Life/Safety | <u>\$180,809</u> | <u>3.58%</u> | <u>1</u> | <u>\$179,191</u> | <u>3.66%</u> | <u>1</u> |
| Totals/Avg | <u>\$124,268,544</u> | <u>3.75%</u> | <u>1</u> | <u>\$120,756,087</u> | <u>3.85%</u> | <u>1</u> |

| Fund | March 31, 2025 | | | December 31, 2024 | | |
|-------------------|-----------------------------|---------------------|-----------------|----------------------------|---------------------|-----------------|
| | Cash/Invest | w/o cash | x-Mat | Cash/Invest | w/o cash | x-Mat |
| Education | \$41,586,615 | 3.43% | 1 | \$31,637,256 | 3.40% | 1 |
| O & M | \$4,478,928 | 3.66% | 1 | \$5,924,400 | 3.78% | 1 |
| Bond & Int | \$485,170 | 3.66% | 1 | \$2,817,472 | 3.78% | 1 |
| Transportation | \$2,240,200 | 3.66% | 1 | \$2,830,653 | 3.78% | 1 |
| IMRF | \$2,666,994 | 3.66% | 1 | \$2,880,167 | 3.78% | 1 |
| Capital Proj | \$68,233,484 | 4.15% | 1 | \$17,784,602 | 3.82% | 1 |
| Tort | \$827,156 | 3.66% | 1 | \$2,313,203 | 3.78% | 1 |
| Life/Safety | <u>\$179,191</u> | <u>3.66%</u> | <u>1</u> | <u>\$176,025</u> | <u>3.78%</u> | <u>1</u> |
| Totals/Avg | <u>\$120,697,737</u> | <u>3.86%</u> | <u>1</u> | <u>\$66,363,779</u> | <u>3.61%</u> | <u>1</u> |

The investment report provides data by fund, with each fund invested to meet the criteria of liquidity, safety, and return on investment. The graphs presented include all cash within each fund, including cash on deposit to cover ongoing current expenses. The Education Fund incorporates the investment of the Working Cash Fund, while all other funds are invested individually.

Below is a chart displaying the balances, average investment rate (both with and without cash in the checking accounts), the benchmark, and the average maturity of the portfolio (x-Mat):

| Fund | Portfolio Avg. Return | | | | | T-Bill |
|-------------------|------------------------------|---------------------|-----------------|---------------------|-----------------|---------------------|
| | Cash/Invest | w/cash | x-Mat | w/o cash | x-Mat | Rate |
| Education | \$42,462,125 | 3.62% | 1 | 3.34% | 1 | 3.96% |
| O & M | \$4,503,826 | 3.57% | 1 | 3.57% | 1 | 3.96% |
| Bond & Int | \$1,399,718 | 3.66% | 1 | 3.56% | 1 | 3.96% |
| Transportation | \$2,580,212 | 3.57% | 1 | 3.57% | 1 | 3.96% |
| IMRF | \$2,287,249 | 3.58% | 1 | 3.58% | 1 | 3.96% |
| Capital Proj | \$69,698,594 | 4.02% | 1 | 4.02% | 1 | 3.96% |
| Tort | \$1,156,011 | 3.57% | 1 | 3.57% | 1 | 3.96% |
| Life/Safety | <u>\$180,809</u> | <u>3.58%</u> | <u>1</u> | <u>3.58%</u> | <u>1</u> | <u>3.96%</u> |
| Totals/Avg | <u>\$124,268,544</u> | <u>3.84%</u> | <u>1</u> | <u>3.75%</u> | <u>1</u> | <u>3.96%</u> |

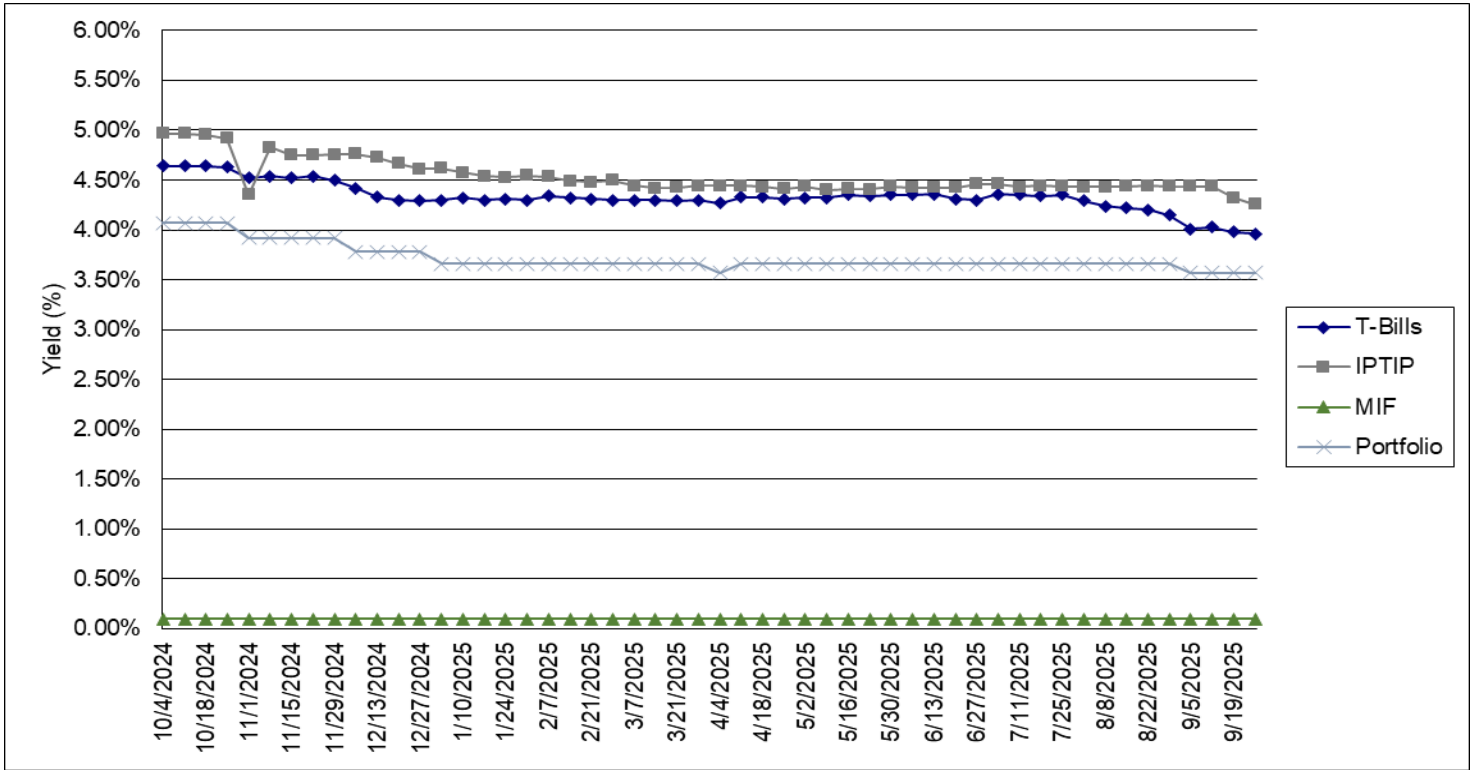
From the chart, the aggregate portfolio, excluding cash in the calculation, is underperforming the benchmark (T-bill Rate) by 0.21 %. The portfolio's average maturity is 89 days shorter than the benchmark (90-day Treasury bill).

- **Education Fund:** The portfolio is below the benchmark by 0.34% with operating cash included, and by 0.62% with cash excluded. The average maturity is 89 days below the benchmark, both with and without cash in the calculation. The portfolio consists entirely of cash (100%), with no investments in Commercial Paper or Certificates of Deposit.
- **O & M Fund:** The portfolio is underperforming the benchmark by 0.39% with operating cash included, and by 0.39% when cash is excluded. The average maturity is 89 days shorter than the benchmark, regardless of whether cash is included. This portfolio consists of 100% cash, with no Commercial Paper or Certificates of Deposit.
- **Bond & Interest Fund:** The current portfolio is performing 0.30% below the benchmark. However, this fund is more of a pass-through, in which money flows in and out to make scheduled debt payments, so investment returns are less of a focus.
- **Transportation Fund:** The portfolio is underperforming the benchmark by 0.39% with operating cash included, and by 0.39% with cash excluded. The average maturity is 89 days shorter than the benchmark in both cases.
- **IMRF Fund:** The portfolio is 0.38% below the benchmark when cash is included, and 0.38% below when cash is excluded. The average maturity is 89 days shorter than the benchmark with or without cash included. The portfolio consists of 100% cash, with no investments in Commercial Paper or Certificates of Deposit.
- **Capital Projects Fund:** The portfolio is 0.06% above the benchmark, both with and without the cash balance included. A portion of this fund is used to amortize the 2018 General Obligation Refunding School Bond and 2025 Working Cash Fund Bond and must maintain liquidity for scheduled payments on the bonds and interest. Investments are managed within the investment parameters set by the State of Illinois.
- **Tort Fund:** The portfolio is 0.39% below the benchmark with cash in, and 0.39% below with cash excluded. The average maturity is 89 days shorter than the benchmark in both cases.
- **Life/Safety Fund:** The portfolio is 0.38% below the benchmark when cash is included, and 0.38% below when cash is excluded.

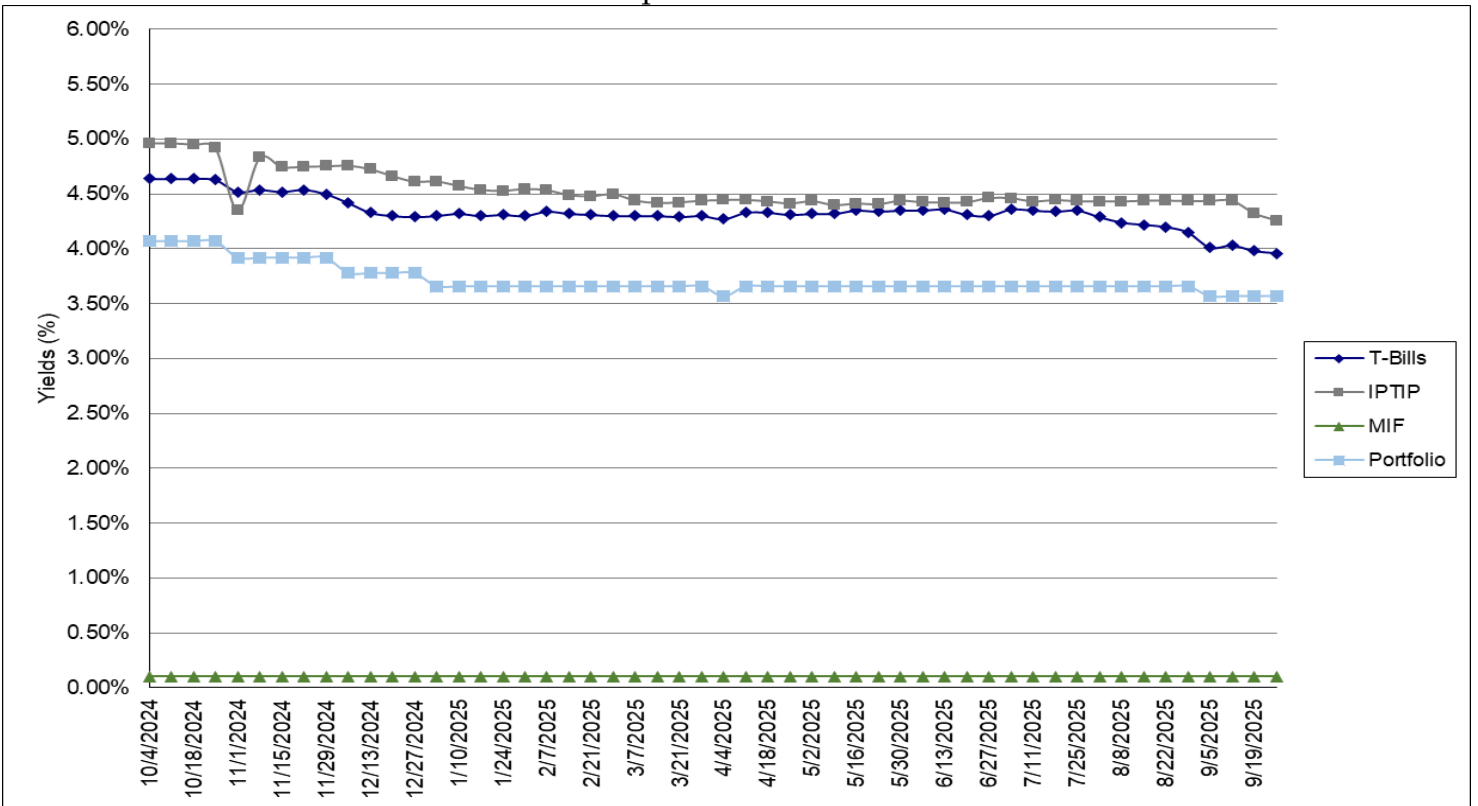
FUND ANALYSIS

Interest Comparisons September 30, 2024 – September 30, 2025

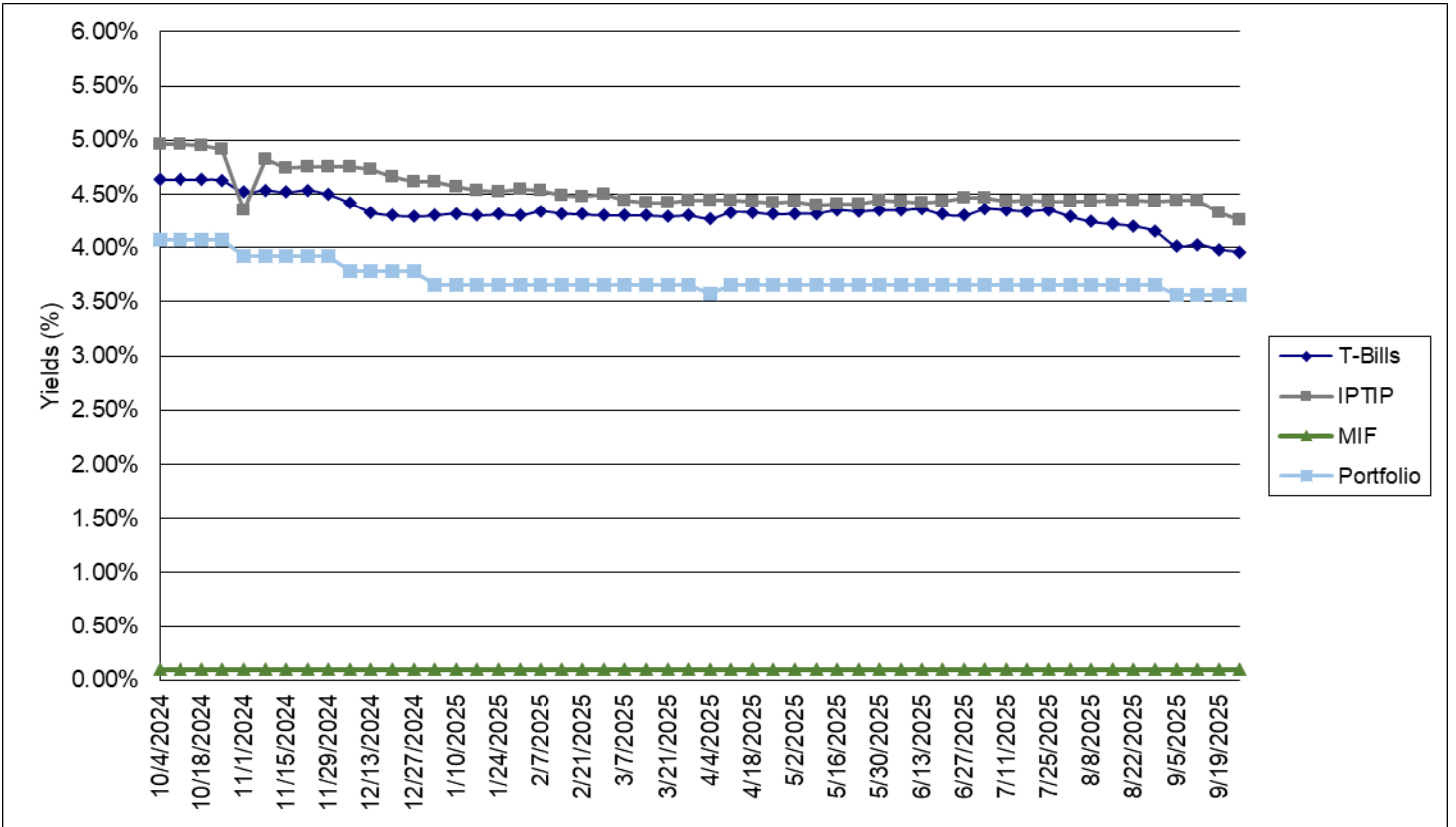
Education Fund



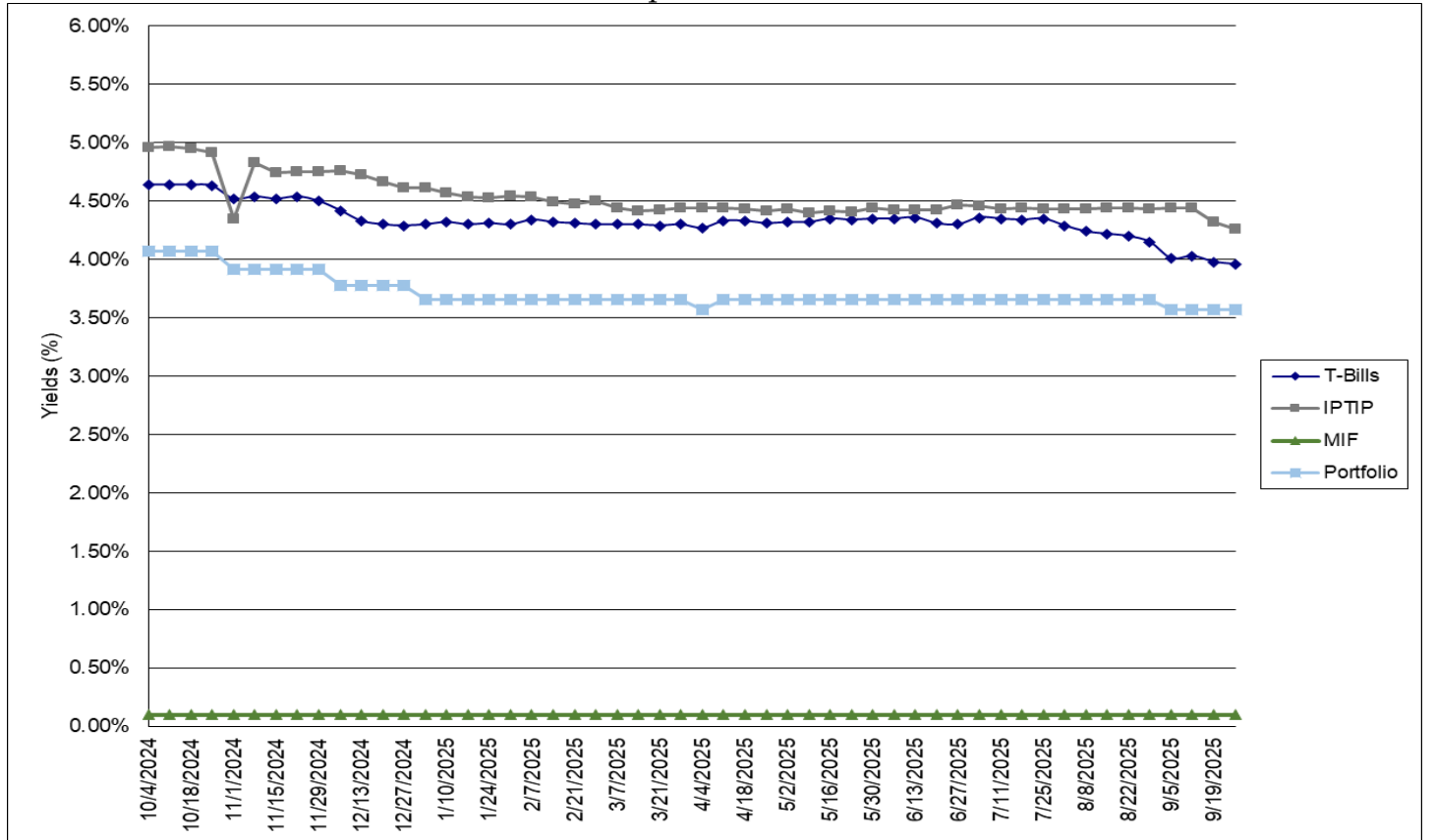
Operations Fund



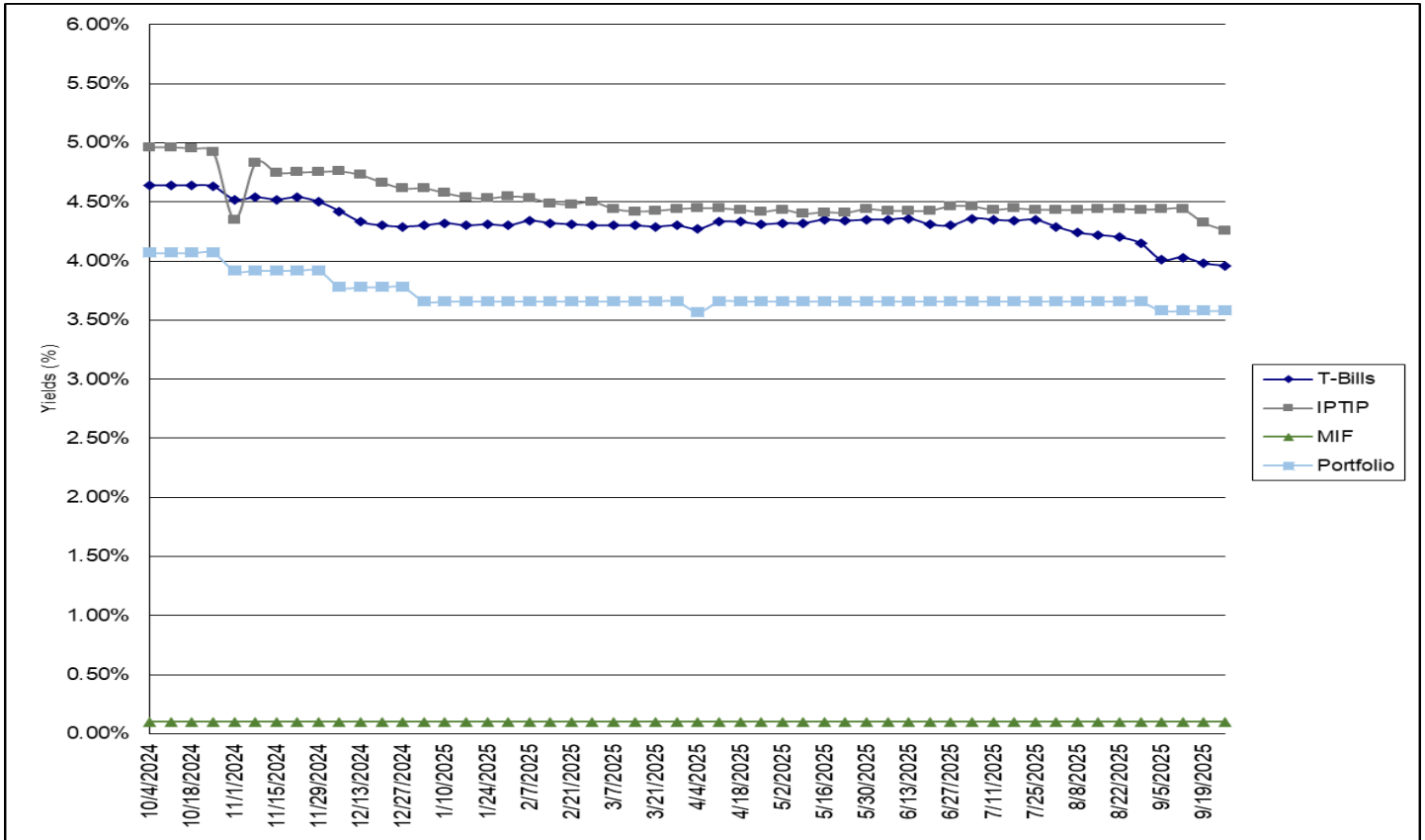
Bond & Interest Fund



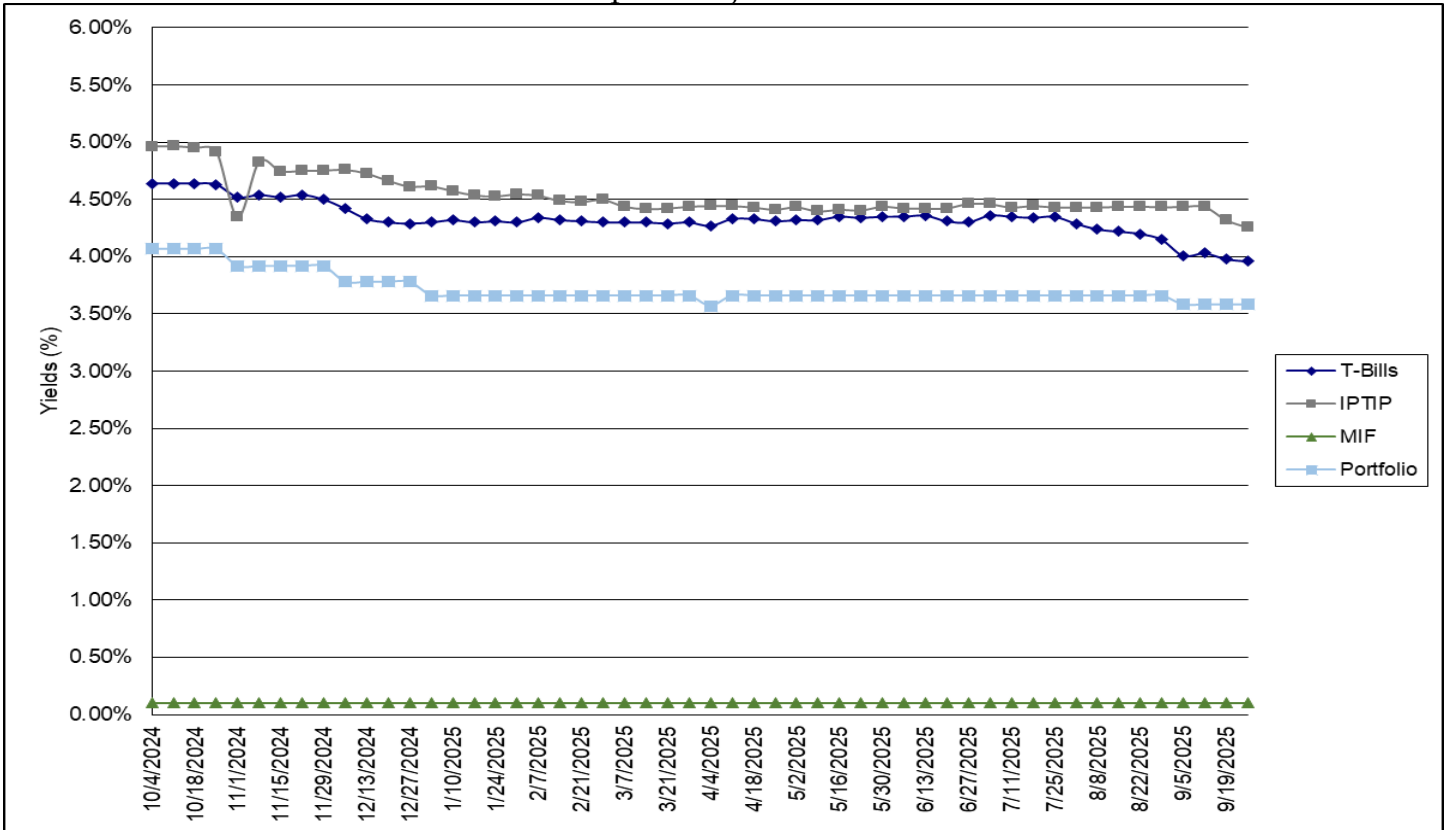
Transportation Fund



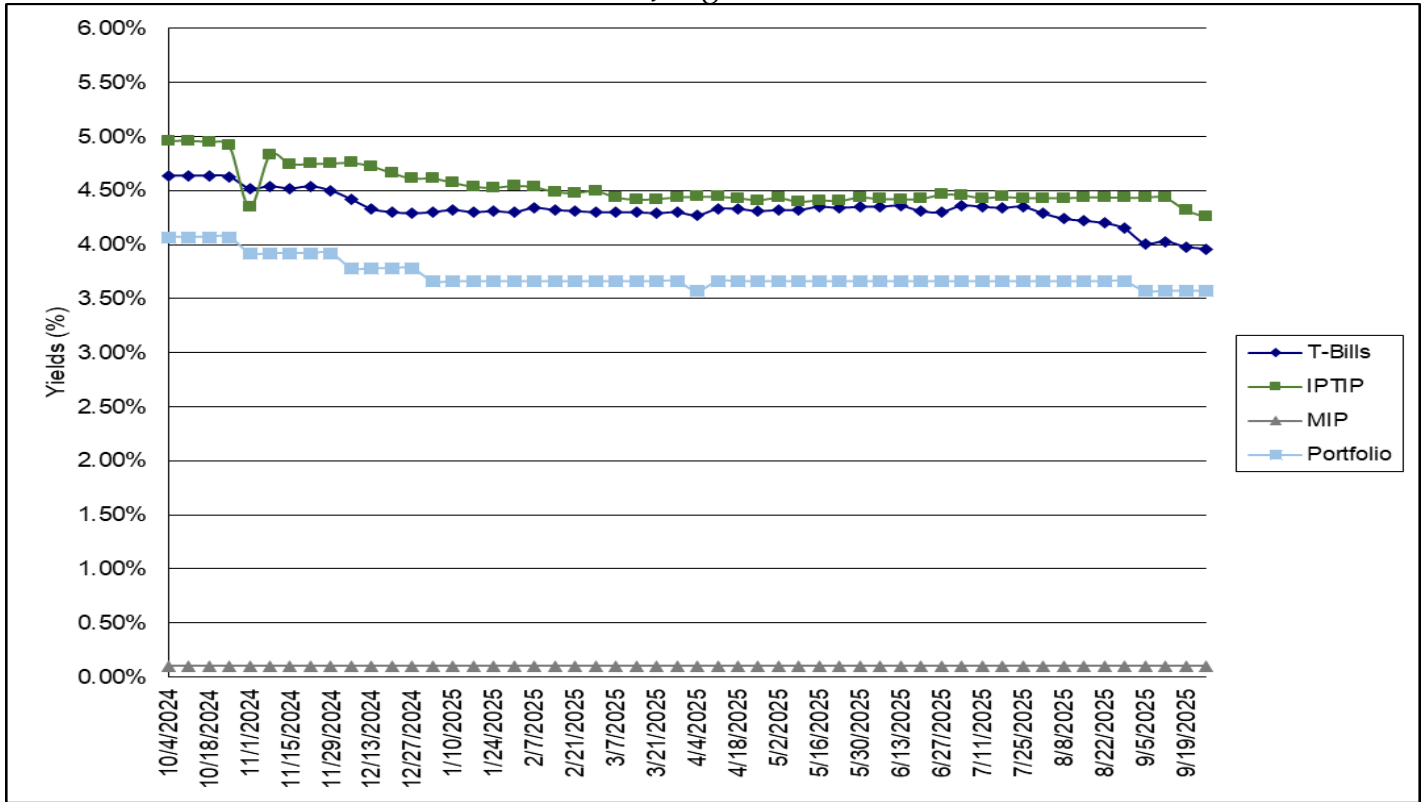
IMRF Fund



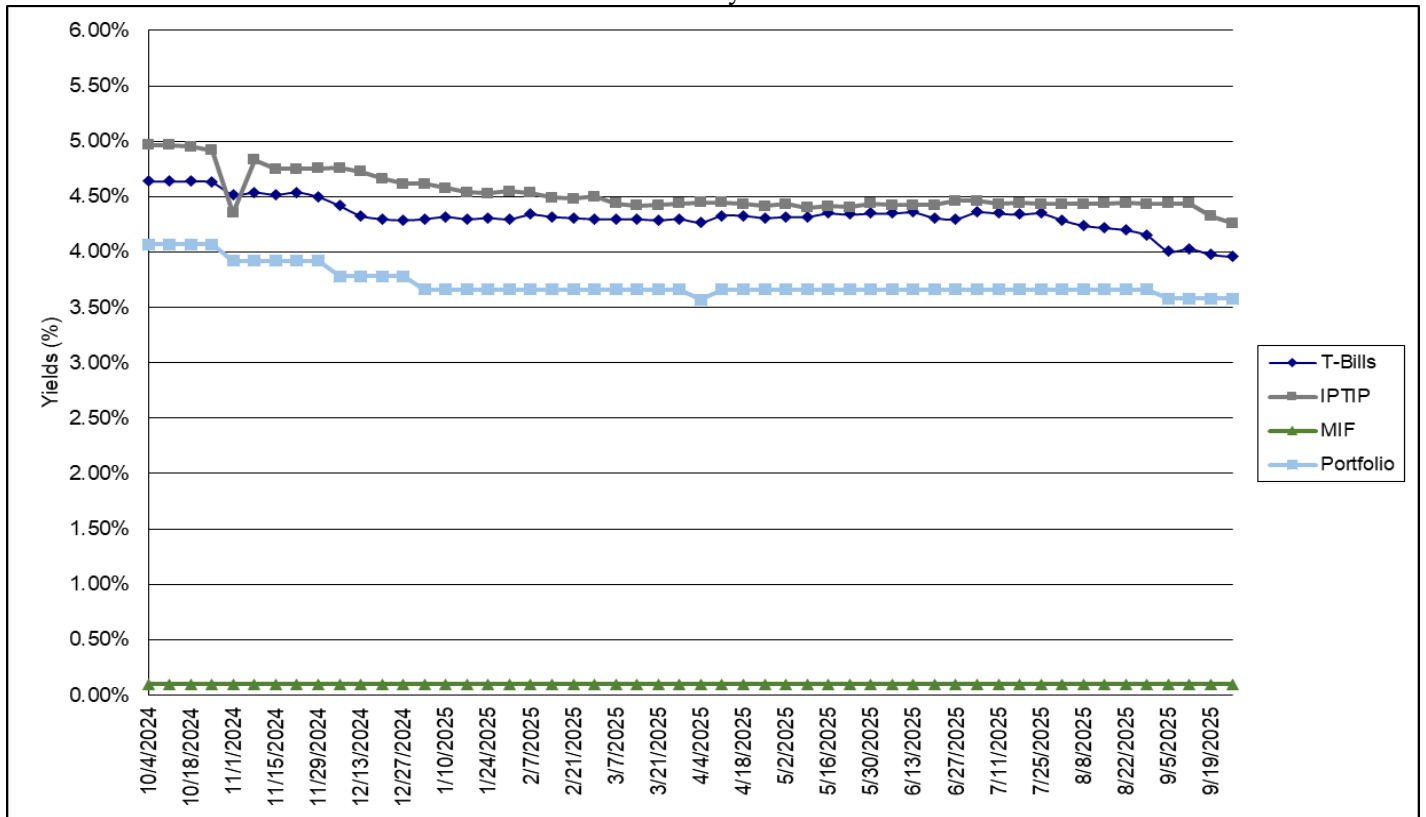
Capital Projects Fund



Tort & Judgment Fund



Life Safety Fund



Quarter End by Fund & Account

| Education Fund | | | | |
|----------------|--|--|--|--|
|----------------|--|--|--|--|

| Date | Vendor | Investment Type | Amount | Interest Rate |
|-----------|-----------|-----------------|--------------|---------------|
| 9/30/2025 | PTMA | Savings | \$ 2,485,363 | 4.15% |
| 9/30/2025 | IPTIP | Repo | \$ 758,815 | 4.26% |
| 9/30/2025 | Blackhawk | Checking | \$ 9,711 | 3.57% |
| 9/30/2025 | Blackhawk | Development | \$ 304,543 | 3.57% |
| 6/30/2025 | Blackhawk | Payroll | \$ 39,280 | 3.61% |
| 6/30/2025 | Blackhawk | Repo | \$38,864,413 | 3.57% |

| Operations Funds | | | | |
|------------------|--|--|--|--|
|------------------|--|--|--|--|

| Date | Vendor | Investment Type | Amount | Interest Rate |
|-----------|-----------|-----------------|--------------|---------------|
| 9/30/2025 | Blackhawk | Checking | \$ 4,503,826 | 3.57% |

| Bond & Interest Fund | | | | |
|----------------------|--|--|--|--|
|----------------------|--|--|--|--|

| Date | Vendor | Investment Type | Amount | Interest Rate |
|-----------|-----------|-----------------|--------------|---------------|
| 9/30/2025 | Blackhawk | Money Market | \$ 1,399,718 | 3.56% |

| Transportation Fund | | | | |
|---------------------|--|--|--|--|
|---------------------|--|--|--|--|

| Date | Vendor | Investment Type | Amount | Interest Rate |
|-----------|-----------|-----------------|--------------|---------------|
| 9/30/2025 | Blackhawk | Checking | \$ 2,580,212 | 3.57% |

IMRF Fund

| Date | Vendor | Investment Type | Amount | Interest Rate |
|-----------|-----------|-----------------|--------------|---------------|
| 9/30/2025 | Blackhawk | Checking | \$ 2,287,249 | 3.58% |

| Capital Projects Fund | | | | |
|-----------------------|--|--|--|--|
|-----------------------|--|--|--|--|

| Date | Vendor | Investment Type | Amount | Interest Rate |
|-----------|-----------|-----------------|--------------|---------------|
| 9/30/2025 | PTMA | Savings | \$54,369,174 | 4.15% |
| 9/30/2025 | Blackhawk | Checking | \$15,329,420 | 3.58% |

| Tort & Judgment Fund | | | | |
|----------------------|--|--|--|--|
|----------------------|--|--|--|--|

| Date | Vendor | Investment Type | Amount | Interest Rate |
|-----------|-----------|-----------------|--------------|---------------|
| 9/30/2025 | Blackhawk | Money Market | \$ 1,156,011 | 3.57% |

| Life Safety Fund | | | | |
|------------------|--|--|--|--|
|------------------|--|--|--|--|

| Date | Vendor | Investment Type | Amount | Interest Rate |
|-----------|-----------|-----------------|------------|---------------|
| 9/30/2025 | Blackhawk | Money Market | \$ 180,809 | 3.58% |