



Bloom Township Trustees of Schools

3311 Chicago Road • South Chicago Heights, Illinois 60411

[www.bloomtts.org](http://www.bloomtts.org)

# **ANNUAL INVESTMENT REPORT**

## **FISCAL YEAR ENDING JUNE 30, 2025**

Unit School Districts 129, 131

High School Districts 206, 227, 233

Elementary School Districts 153, 159, 161, 163, 167, 168, 169, 170, 171, 172, 194

Lee, Ogle, Whiteside ROE 47 • SPEED 802 • South Cook Intermediate Service Center 4

## Introduction

The Annual Investment Report is divided into two sections: (1) Economic Overview and (2) Investment Performance.

The first section gives members of Bloom Township Trustees of Schools a brief overview of the U.S. economy and how it affects the investment of public funds. The focus is on three areas that directly impact interest earnings: Federal Reserve interest rates, inflation, and unemployment.

The second section provides the Board of Education and Administration information about the funds managed by the Bloom Township Trustees of Schools. All school districts and agencies that receive this report have their money invested together in one pooled portfolio. Each entity owns a share of the pool based on how much cash they contribute to the total amount invested. This pooled investment approach provides benefits such as greater diversification, easier access to cash, and more consistent interest earnings. Interest earned from the pooled funds is distributed quarterly to each school district and agency based on its share of the total fund.

## Economic Overview

The intent of this section is to provide an easy-to-understand overview of the economy and help explain recent investment earnings and support informed, practical decisions.

### Key Economic Takeaways

- Post-COVID normalization: The U.S. economy has mostly returned to normal after COVID. Supply chains are back on track, people are spending more normally, and the government and Federal Reserve have ended emergency support programs.
- Federal Reserve Interest Rates: After raising interest rates to fight inflation, the Federal Reserve began slowly lowering rates in 2025 as inflation eased and the economy slowed down.
- Inflation: Inflation rose quickly during and after COVID but eased a lot by 2025. Prices are still higher than before the pandemic, but they are increasing at a slower pace.
- Unemployment: The labor market remains stable. Hiring has slowed since the post-COVID surge, but unemployment is still at a moderate level compared to the past.

### Investment Implications for the Township

- Recent strong investment earnings reflect higher interest rates.
- As interest rates return to normal levels, investment earnings are likely to slow down.

### Bottom Line

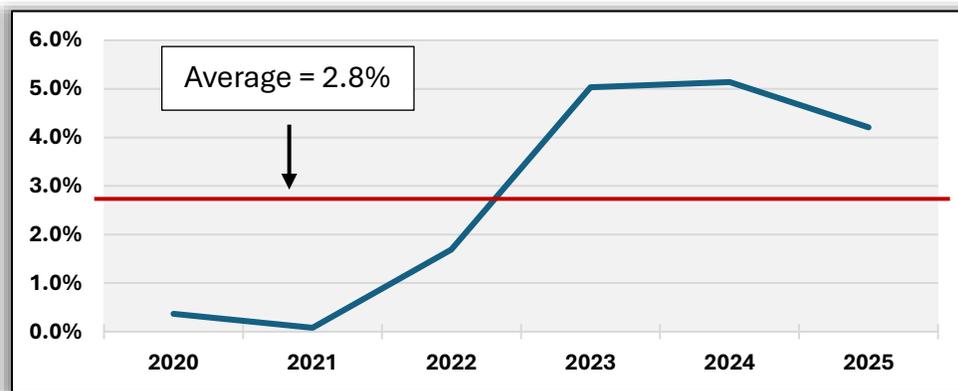
The Township's investment results have followed overall interest-rate trends while prioritizing safety, liquidity, and returns. The recent period of high returns was not typical, so future plans should assume more normal earnings.

## The Federal Reserve and Interest Rates

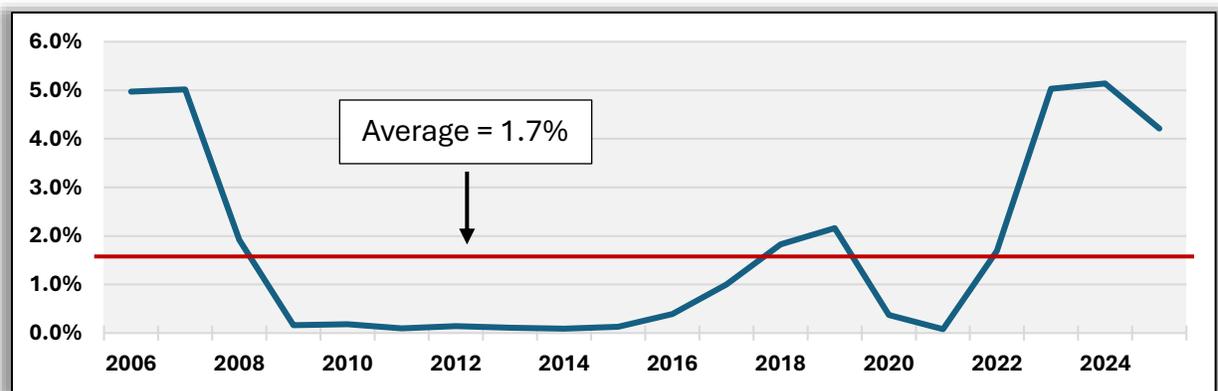
Short-term interest rates set by the Federal Reserve have the biggest impact on investment income. The Federal Reserve is the U.S. central bank, and its main goals are to control inflation and support employment. Public entities do not earn the rates set by the Federal Reserve. However, its actions influence short-term investments like CDs, investment pools, money markets, and Treasury Bills. When the Federal Reserve raises interest rates, short-term investment earnings usually go up. When interest rates go down, investment earnings generally decrease over time.

**Federal Reserve Policy in 2025:** As inflation slowed and the job market stabilized, the Federal Reserve began lowering interest rates in 2025. Rates were cut three times by December 10 and are moving back toward normal levels. The current target range is 3.50% to 3.75%.

*Federal Reserve Interest Rates (COVID period through 2025)*



*20-Year History of the Federal Reserve Interest Rates*

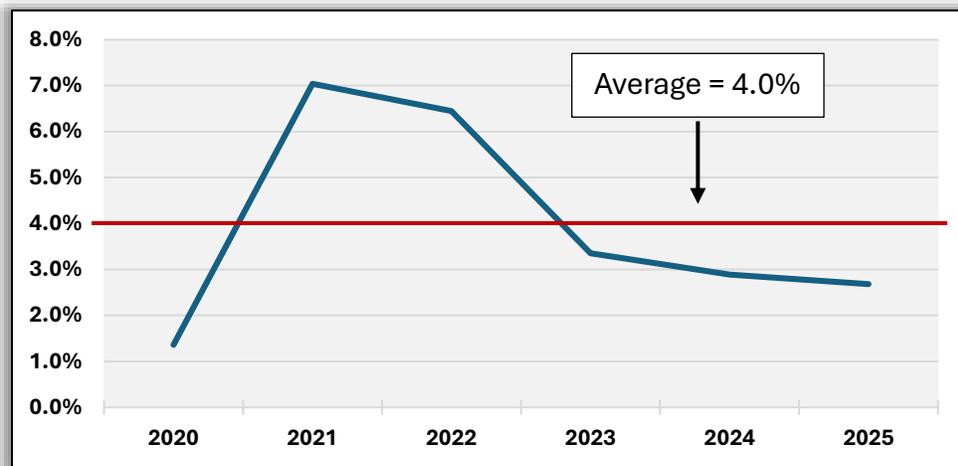


## Inflation

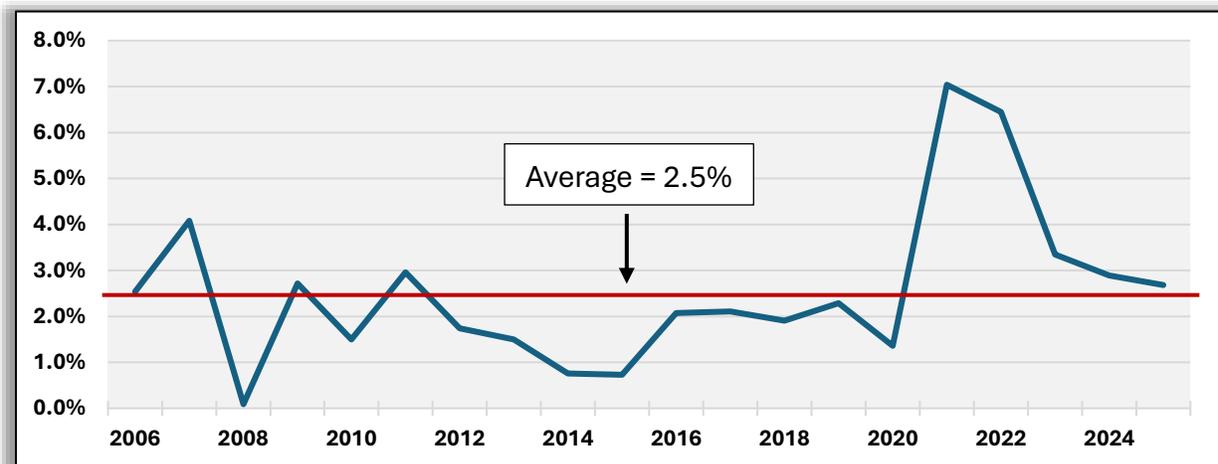
Inflation is the rate at which prices increase over time. Inflation has a negative impact on the purchasing power of money as the same dollar amount buys less today than it did before. Specific to school district budgets, inflation affects salaries and benefits, construction, food, supplies, transportation, and utilities.

**Inflation in 2025:** Inflation has come down a lot compared to the levels during COVID. That said, prices are still higher than before the pandemic, but they are rising at a slower pace. As of December 2025, inflation over the past year was 2.7%. This means overall prices are on average 2.7% higher in December 2025 versus December 2024.

*U.S. Inflation Rate (COVID period through 2025)*



*20-Year History of the U.S. Inflation Rate*

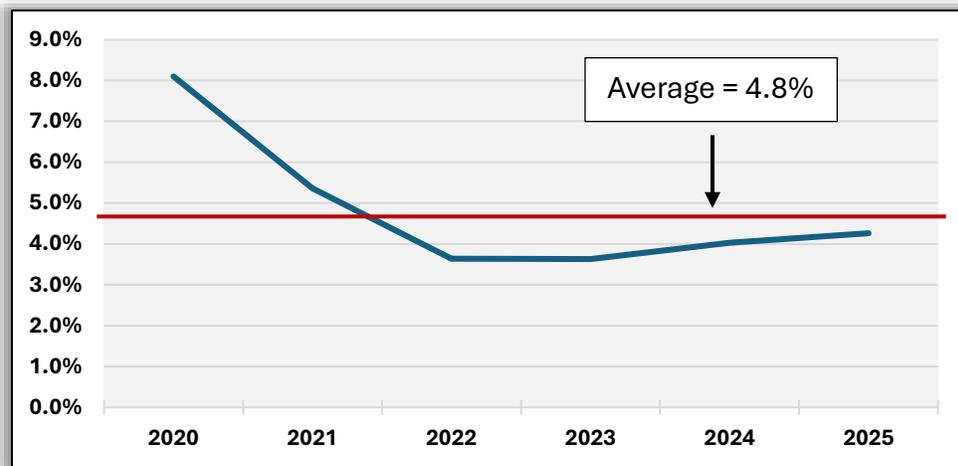


## Unemployment and the Labor Market

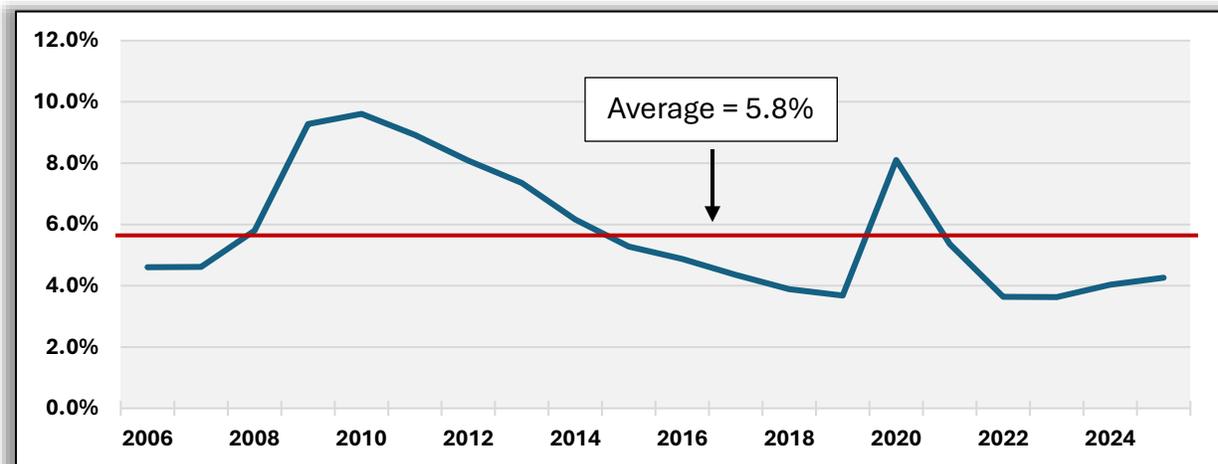
The unemployment rate is the percentage of people in the workforce who are looking for a job but do not have one. The workforce includes people who are working and those actively looking for work. The unemployment rate helps show how strong or weak the economy is performing.

**Unemployment in 2025:** Unemployment is still at a reasonable level compared to the past. Hiring has slowed since the post-COVID surge, which has reduced wage pressure and helped slow inflation. As of December 2025, the national unemployment rate was 4.3%, the highest since 2021.

*U.S. Unemployment Rate (COVID period through 2025)*



*20-Year History of the U.S. Unemployment Rate*



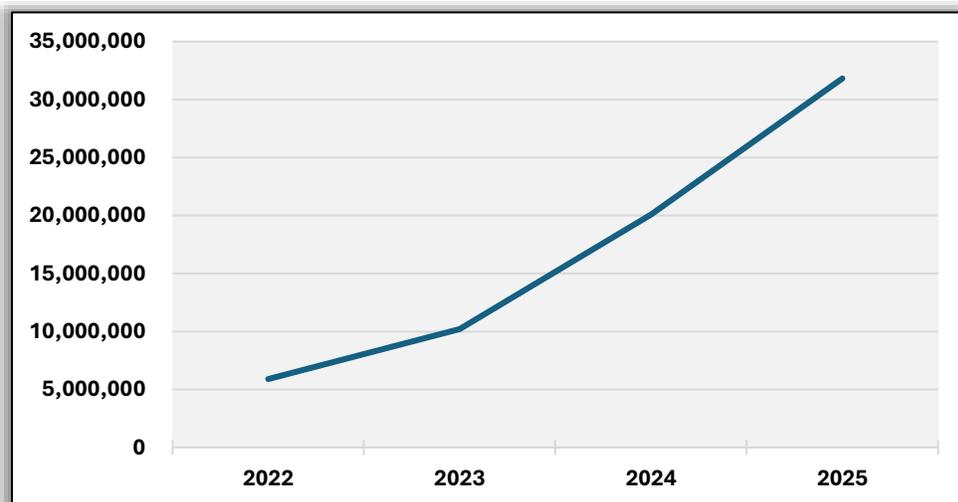
## Investment Performance

The Treasurer’s Office continued to generate strong interest earnings during calendar year 2025. These results were driven by a combination of elevated interest rates and unusually large fund balances as schools transition out of the post-COVID funding environment. Together, these factors created a unique opportunity to maximize interest earnings. For the fiscal year ending June 30, 2025, the investment pool managed by the Bloom Township Treasurer’s Office generated \$31,821,000 in interest earnings.

### Interest Earned During Fiscal Year 2025

Month	Interest Earned	Weighted Average Yield
July 2024	\$2,738,600	3.85%
August 2024	\$1,134,200	3.99%
September 2024	\$1,842,500	3.98%
October 2024	\$2,312,000	3.98%
November 2024	\$2,040,400	3.90%
December 2024	\$4,805,700	3.88%
January 2025	\$3,209,200	3.84%
February 2025	\$2,044,900	3.89%
March 2025	\$2,099,800	3.88%
April 2025	\$3,071,000	3.83%
May 2025	\$1,873,200	3.82%
June 2025	\$4,649,500	3.83%
<b>Total</b>	<b>\$31,821,000</b>	

### Interest Earnings Over the Last Four (4) Fiscal Years



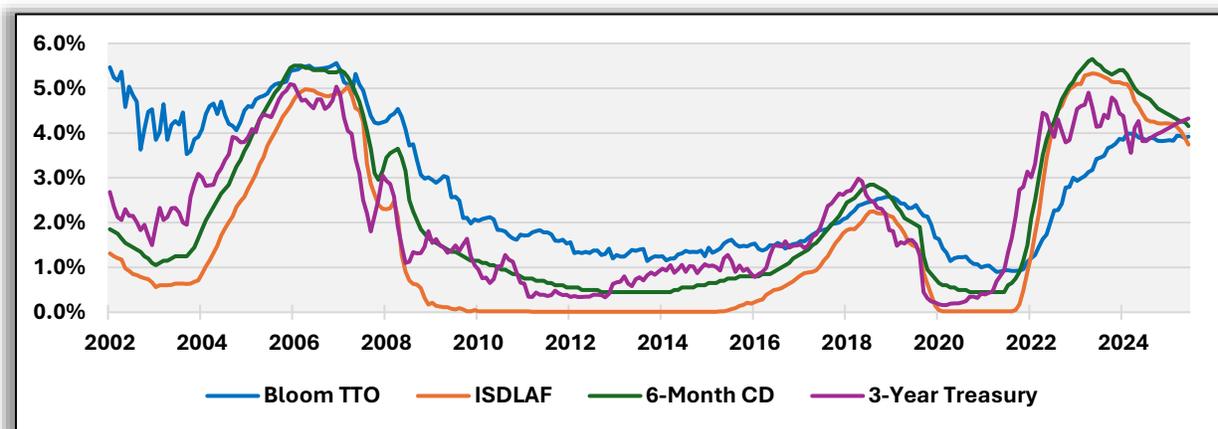
## Interest Allocated During Fiscal Year 2025

School District	Interest Allocated
West Aurora 129	\$4,977,800
East Aurora 131	\$7,297,700
Homewood 153	\$602,900
Elementary 159	\$1,946,000
Flossmoor 161	\$1,647,900
Park Forest – Chicago Heights 163	\$1,189,500
Brookwood 167	\$864,400
Community Consolidated 168	\$541,800
Ford Heights 169	\$601,300
Chicago Heights 170	\$1,483,900
Sunnybrook 171	\$601,800
Sandridge 172	\$281,100
Steger 194	\$805,600
Bloom Township 206	\$3,117,800
Rich Township 227	\$2,511,400
Homewood – Flossmoor 233	\$2,661,500
SPEED 802	\$374,900
South Cook ISC 4	\$171,700
ROE 47	\$122,400
Career Preparation Network	\$19,600

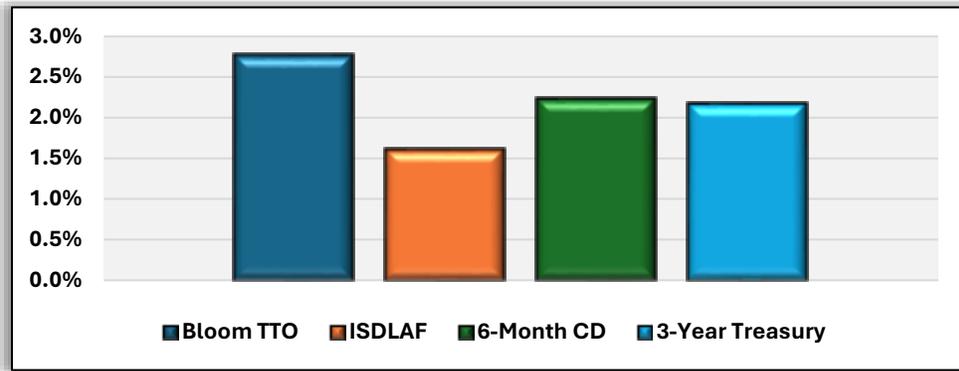
## Historical Investment Earnings Comparison (since July 2002)

The charts below compare the Township’s interest rates to three common low-risk alternatives from July 2002 through December 2025: the Illinois School District Liquid Asset Fund, a 6-Month Bank CD, and a 3-Year U.S. Treasury Note.

*Interest Rate Comparison (2002 – 2025)*

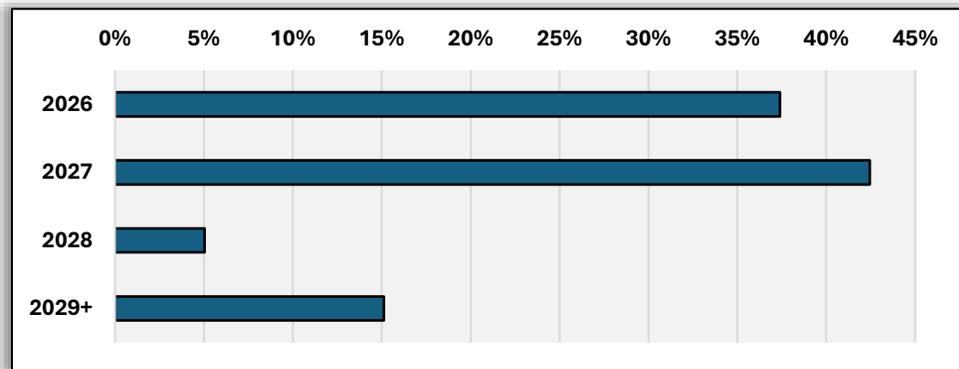


*Average Interest Rate (2002 – 2025)*



Finally, the graph below shows the maturity distribution by calendar year for investments held as of December 2025. Approximately 80% of the portfolio will mature by the end of 2027.

*Maturity Distribution*



Looking ahead, interest earnings are expected to gradually decline as economic and fiscal conditions normalize. Key contributing factors include:

- The Federal Reserve began cutting interest rates in 2025 and is expected to continue into 2026.
- Inflation, as measured by the Consumer Price Index (CPI), continues to trend downward.
- The expiration of ESSER funding will reduce overall cash balances in pooled funds over time.
- Delays in Cook County property tax distributions negatively impacted interest earnings and have limited the Treasurer’s Office’s ability to purchase longer-term investments between July and December 2025.

## Conclusion

The goal of this Annual Investment Report was to give the Board of Education and Administration a general summary of the economy and the investment performance for the fiscal year ending June 30, 2025. While the Township had tremendous investment returns during Fiscal Year 2025, interest earnings are expected to slow down as we move into 2026 and those expectations should be taken into consideration as financial decisions are made going forward.

Thank you for letting us serve your district.

Sincerely,

*David Ricker*

Treasurer, Bloom Township Trustees of Schools