ROCK ISLAND–MILAN SCHOOL DISTRICT #41

Quarterly Investment Report

Quarter Ended: June 30, 2026

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Purpose: The intent of this quarterly investment report it to provide the Board of Education with a concise overview of the District's investment portfolio, investment performance, interest earnings, liquidity, and compliance with the District's Investment Policy.

The report focuses on the District's operating funds, including Education, Operations and Maintenance, Transportation, IMRF/Social Security, Working Cash, and Tort/Judgment. These funds support the District's ongoing operations and financial obligations. Focusing on these funds provides the Board with insight into the District's investment position and the availability of resources to support operational needs.

1. Portfolio at a Glance

Total Portfolio	$105,998,207	Net Change in Position	$(14,757,880)
YTD Interest Income	$1,415,999	Average Portfolio Yield	3.46%
Investment Providers	3		

2. Quarterly Financial Position

This section provides a high-level comparison of the District's operating fund revenues and expenditures for the current quarter and the same quarter of the prior fiscal year. The comparison highlights year-over-year changes in financial activity.

Funds	Revenues		Expenditures	
	Prior Year Quarter	Current Quarter	Prior Year Quarter	Current Quarter
Education	$86,548,653	$92,567,228	$86,719,570	$93,821,968
Operations & Maintenance	$7,552,116	$8,120,653	$7,774,680	$9,100,199
Transportation	$2,222,305	$2,122,740	$1,945,532	$2,383,403
IMRF/Social Security	$2,127,367	$2,198,099	$2,401,255	$2,533,585
Working Cash	$58,879,892	$406,095	$2,489,035	$2,056,337
Tort/Judgment	$1,512,580	$1,657,271	$2,058,423	$1,810,477
Total	**$158,842,913**	**$107,072,086**	**$103,388,495**	**$111,705,969**

Quarterly Financial Overview: Operating fund revenues decreased from $158.8 million in the prior-year quarter to $107.1 million in the current-year quarter. The decrease is primarily attributable to the $55 million Working Cash Bond issuance received in the prior-year quarter. Those proceeds remained in the Working Cash Fund until they were transferred for capital projects in the following fiscal year, creating a significant difference in the year-over-year comparison.

Operating fund expenditures increased from $103.4 million in the prior-year quarter to $111.7 million in the current-year quarter, an increase of approximately $8.3 million, or 8.0%. These figures reflect total expenditures during each quarter; significant variances can be attributable to the timing of expenditures and year end close out.

3. Year-to-Year Comparison

This section asks how the District's financial and investment position compares with the same point in the prior fiscal year. It looks at financial activity as well as the quarter-end investment balance, year-to-date interest earnings, and average investment yield.

Financial Activity	Prior Year Quarter	Current Quarter	Change ($)	Change (%)
Total revenues	$158,842,913	$107,072,086	$(51,770,827)	(33)%
Total expenditures	$103,388,495	$111,705,969	$8,317,474	8%
Net rev. over/(under) exp.	$55,454,418	$(4,633,883)	$(60,088,301)	(108)%

Investment Measure	Prior Year Quarter	Current Quarter	Change ($)	Change (%)
Quarter-end total investments	$120,756,087	$105,998,207	$(14,757,880)	(12)%
Interest earned year-to-date	$2,570,118	$1,415,999	$(1,154,119)	(45)%
Average investment yield	3.85%	3.46%		

Year-to-Year Comparison Notes: The District's quarter-end investment balance decreased by approximately $14.8 million, or 12%, compared with the same quarter of the prior fiscal year. Year-to-date interest earnings decreased by approximately $1.15 million, or 45%, while the average investment yield decreased from 3.85% to 3.46%. The lower interest earnings reflect both the decrease in the investment portfolio balance and the lower average yield during the current period, as well as capital spending. The change in portfolio balances is also consistent with the District's cash flow needs and the movement of funds during the fiscal year.

Quarterly Fund Balance - The quarterly fund balance table below shows how the District's cash and investment balances have moved throughout the fiscal year. It provides context for the current quarter-end balance and can help explain changes resulting from tax collections, expenditures, bond proceeds, capital project spending, and other significant cash flows.

	Q4 – 6/30/26	Q3 – 3/31/26	Q2 – 12/31/25	Q1 – 9/30/25
Education	$33,853,934	$37,432,234	$43,589,911	$42,462,125
Operations & Maintenance	$3,217,290	$2,963,845	$3,818,905	$4,503,826
Bond & Interest	$7,446,414	$(3,344,521)	$(4,369,164)	$1,399,718
Transportation	$1,863,516	$1,914,769	$2,098,365	$2,580,212
IMRF/Social Security	$1,544,477	$1,516,023	$1,896,993	$2,287,249
Capital Projects	$57,425,393	$63,601,931	$65,325,528	$69,698,594
Tort/Judgment	$462,176	$240,095.05	$159,145	$1,156,011
Life Safety	$185,008	$183,630.82	$182,279	$180,809
Total	**$105,998,207**	**$104,508,008**	**$112,701,962**	**$124,268,544**

4. Investment Portfolio

This section shows where the District's investments are held and how the portfolio is distributed among investment providers. Book value shows the amount recorded for the investment, market value shows the current market value where applicable, and yield shows the rate being earned. This section provides visibility into the District's portfolio composition and diversification. The District's investment portfolio is managed with emphasis on safety of principal, adequate liquidity, and reasonable return, consistent with District policy and applicable law.

Provider	Investment Type	Book Value	Market Value	Yield
Illinois Funds / IPTIP	Investment Pool	$781,158	$781,158	3.78%
PTMA	Investment Pool	$46,176,970	$46,983,630	3.56%
Local Bank	Deposits / CDs	$59,040,079	$59,040,079	3.04%
TOTAL		**$105,998,207**	**$106,804,867**	

5. Portfolio Performance

This section evaluates whether the District's investments are earning a reasonable return by comparing current yields with appropriate benchmarks. A yield below a benchmark does not automatically indicate a problem; it shows that the investment earned less than the selected benchmark during the period and should be considered in the context of safety, liquidity, and the District's overall investment objectives.

Investment	Current Yield	Benchmark	Assessment
Illinois Funds/IPTIP	3.78%	3.78%	Meets
PTMA	3.56%	3.83%	Below
Local Bank	3.04%	3.83%	Below

During the quarter, investment performance was reviewed against appropriate and credible industry standards for each investment type. Overall portfolio performance was reasonable, with the Illinois Funds/IPTIP investment meeting its benchmark. PTMA and Local Bank yields were below the applicable benchmark during the reporting period.

6. Liquidity Position

This section answers whether the District has sufficient funds available when needed. It summarizes total cash and investments, immediately liquid or available funds, and invested funds. The purpose is to demonstrate that investment management is being balanced with ongoing needs such as payroll, vendor payments, debt service, and other financial obligations.

Liquidity Category	Amount
Total Cash & Investments	$105,998,207
Immediately Liquid / Available Funds	$59,040,079
Invested Funds	$46,958,128

The District maintains sufficient liquidity to meet anticipated operating, payroll, debt service, and other financial obligations.

8. Compliance & Internal Controls

This section provides the Board with assurance that investments were managed appropriately. It addresses compliance with the District's Investment Policy and applicable Illinois law, reconciliation of investment balances and earnings to accounting records, use of approved investment providers, and monitoring of applicable collateralization or insurance requirements.

9. Administrative Summary

The District's investment portfolio continues to support the District's objectives of preserving principal, maintaining adequate liquidity, and earning a reasonable return. Administration will continue to monitor market conditions, investment performance, liquidity needs, and compliance with District policy and applicable law.