River Trails
SCHOOL DISTRICT 26

To: Finance Committee
From: Ryan Berry
Date: November 11, 2025
Subject: Delayed Tax Revenue and Cash Flow

Introduction

Due to Cook County's delay in collecting and distributing property taxes, many school districts are running into both fund balance and liquidity issues. The District, as part of the Treasury, is invested in different instruments that can be liquidated to help cover the expense needs caused by the property tax delays.

Background

Cook County has delayed collecting property taxes once again and the district/treasury are starting to run low on liquid funds. Participating treasury districts have come together to further examine the situation and all available options.

Analysis of Options (if appropriate)

The first option that will be considered is selling out of the position held in Limited Term Duration (LTD). The Treasury has held this investment for the past few years and is currently holding gains. The investment is set up to give participants longer term exposure to the yield curve while maintaining a liquidity component. We have the option to withdraw once per month (third Wednesday) if needed.

If the property tax delay carries on beyond November the Treasury can consider selling out of the positions held in the long-term portfolio that is a part of a separately managed account. Currently we would expect to be able to sell those positions at a gain as well but it could limit future investment earnings once sold.

The last investment options that would be considered for liquidation if the delay extends through December and into January would be the fixed term investment options held at the Treasury, Certificate of Deposits and US Treasuries. The consequence of breaking the CDs would be an interest payment penalty and selling the treasuries could result in a loss based on current market positions.

Based on the overall size of the Treasury, there is not a large existing portfolio remaining but the potential of a 4 to 6 month delay in receiving Cook County property taxes will require the district to consider all available options.

Financial Impact (If applicable)

Costs to liquidate assets early, possibly before maturity dates could cost the district interest revenue, but there would not be a loss on the principal investment.

However, the district has recently been given information that tax bills are scheduled to go out on November 15, 2025, and be due by December 15, 2025. If this information is true, many investments would be able to be maintained and would not need to be liquidated. Nevertheless, if tax bills were not to be sent out for another few months and the treasury did not have enough investments to cover districts' expenses for several more months, the district would have to pay additional interest for tax anticipation warrants.The treasury does not feel that is necessary at this time, but we will continue to update the board if the issue continues.