

# **Rock Island – Milan School District #41**

## **Board of Education Meeting September 23, 2025**

Sharon Williams, Ed. D.  
Superintendent of Schools





# **Quarterly Financial & Investment Update – as of June 30, 2025 (unaudited)**

Annaka Whiting  
Chief Financial Officer





# 4th Quarter Revenues

Local Revenue

**\$17,078,769**

37.45% of Budget

State Revenue

**\$10,448,954**

27.66% of Budget

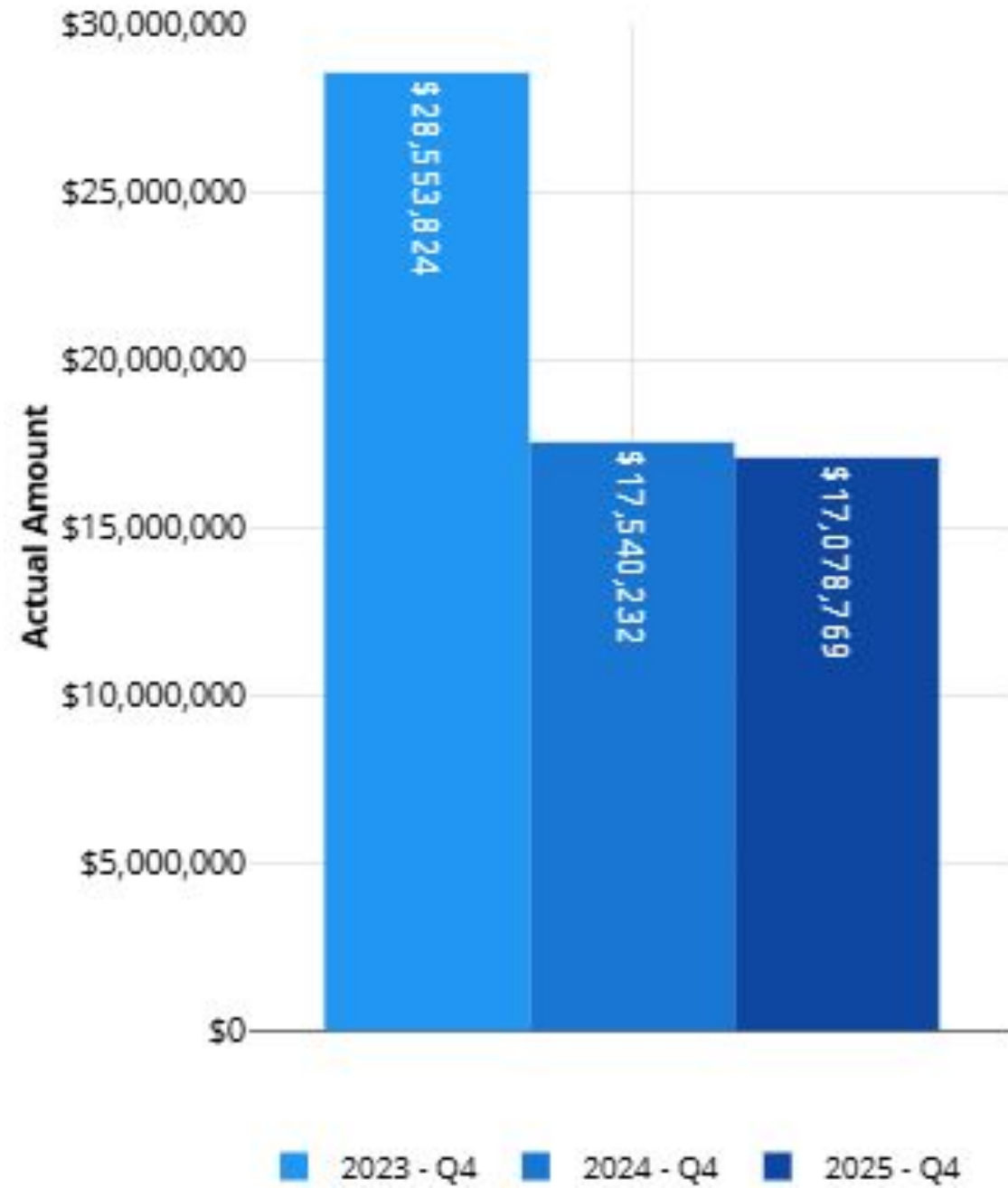
Federal Revenue

**\$6,110,437**

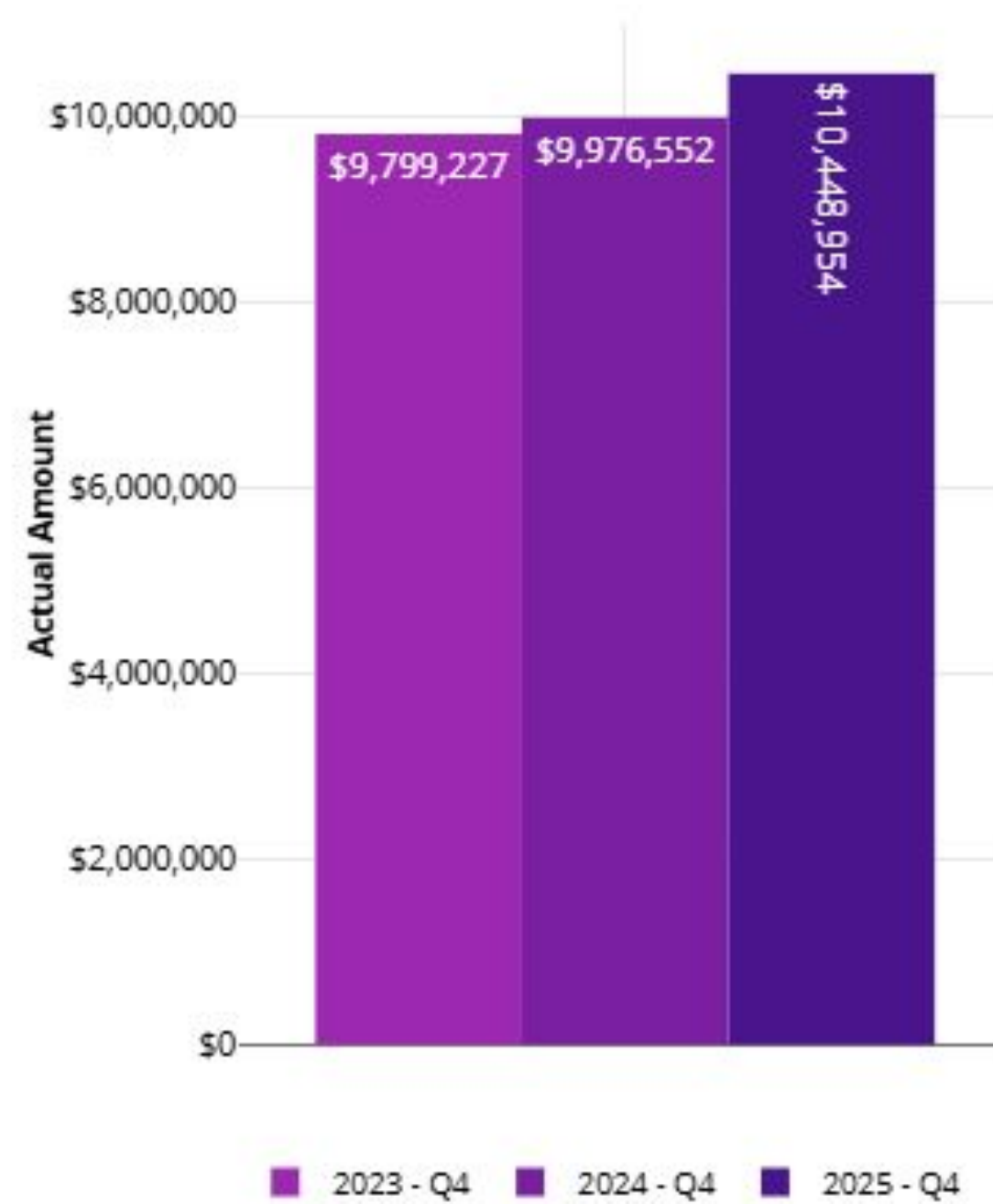
34.97% of Budget



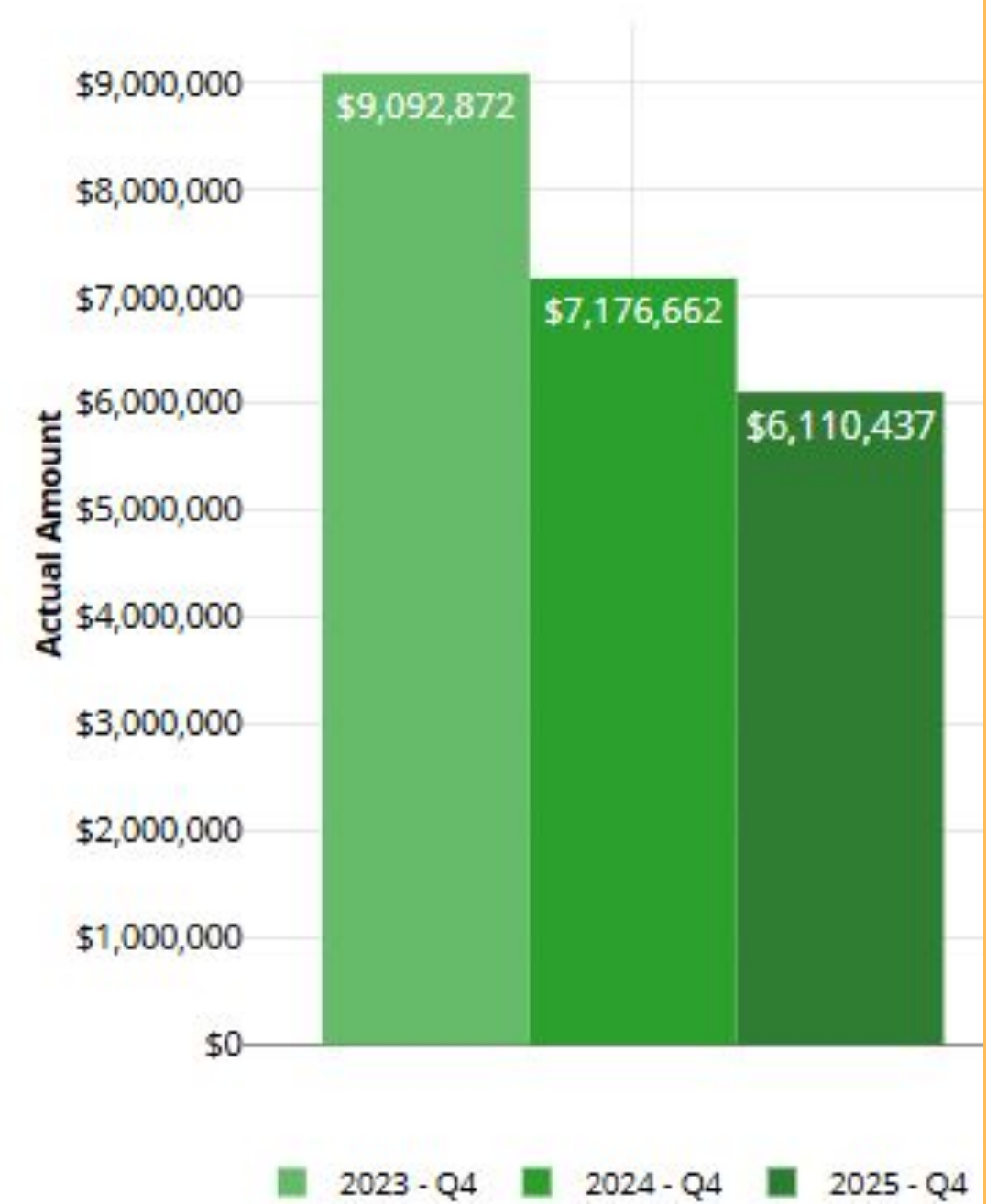
### Local Revenue



### State Revenue



### Federal Revenue



# 4th Quarter Expenditures

Salaries and Benefits

**\$24,952,574**

31.72% of Budget

Purchased Services

**\$3,723,892**

41.59% of Budget

Supplies & Materials

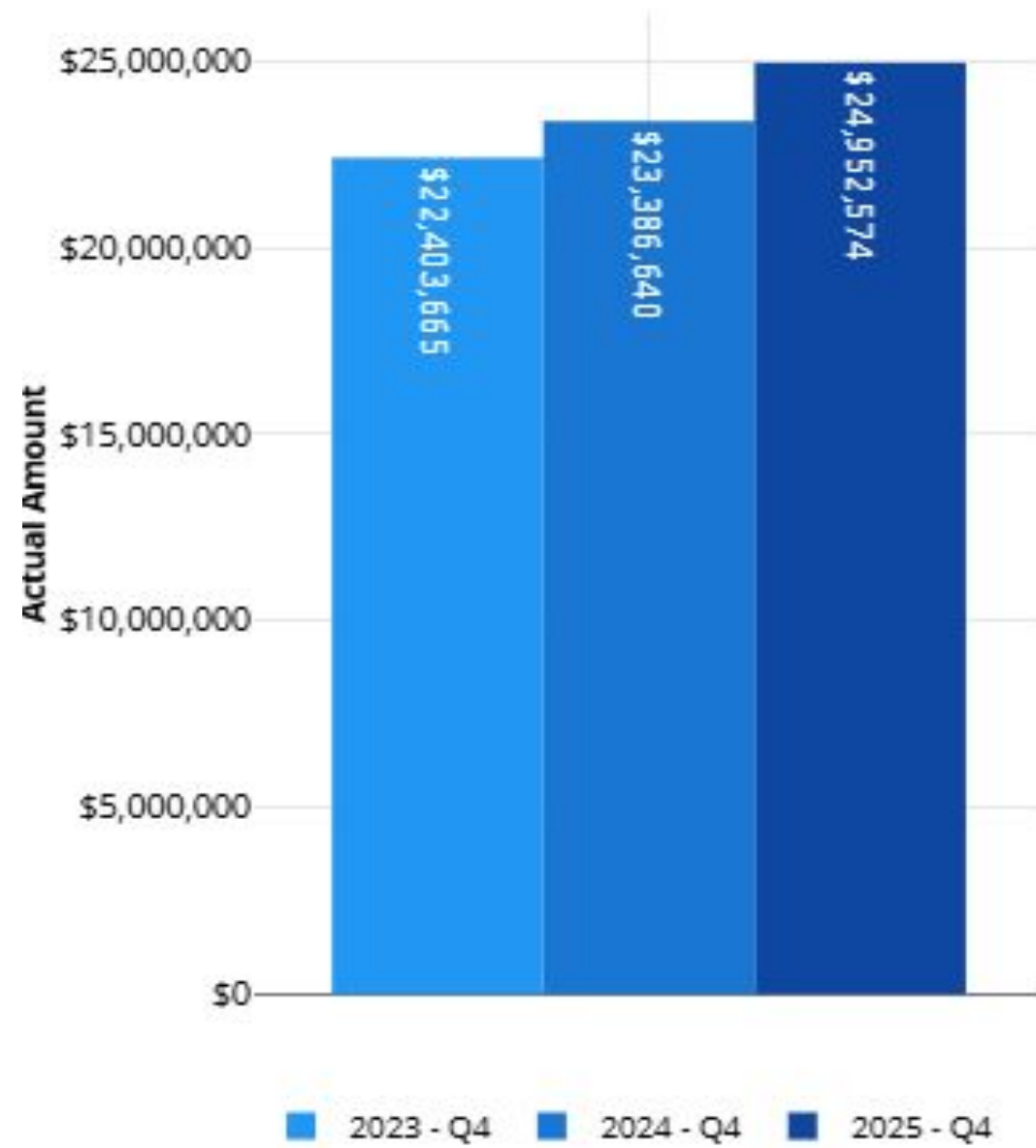
**\$1,694,908**

28.52% of Budget

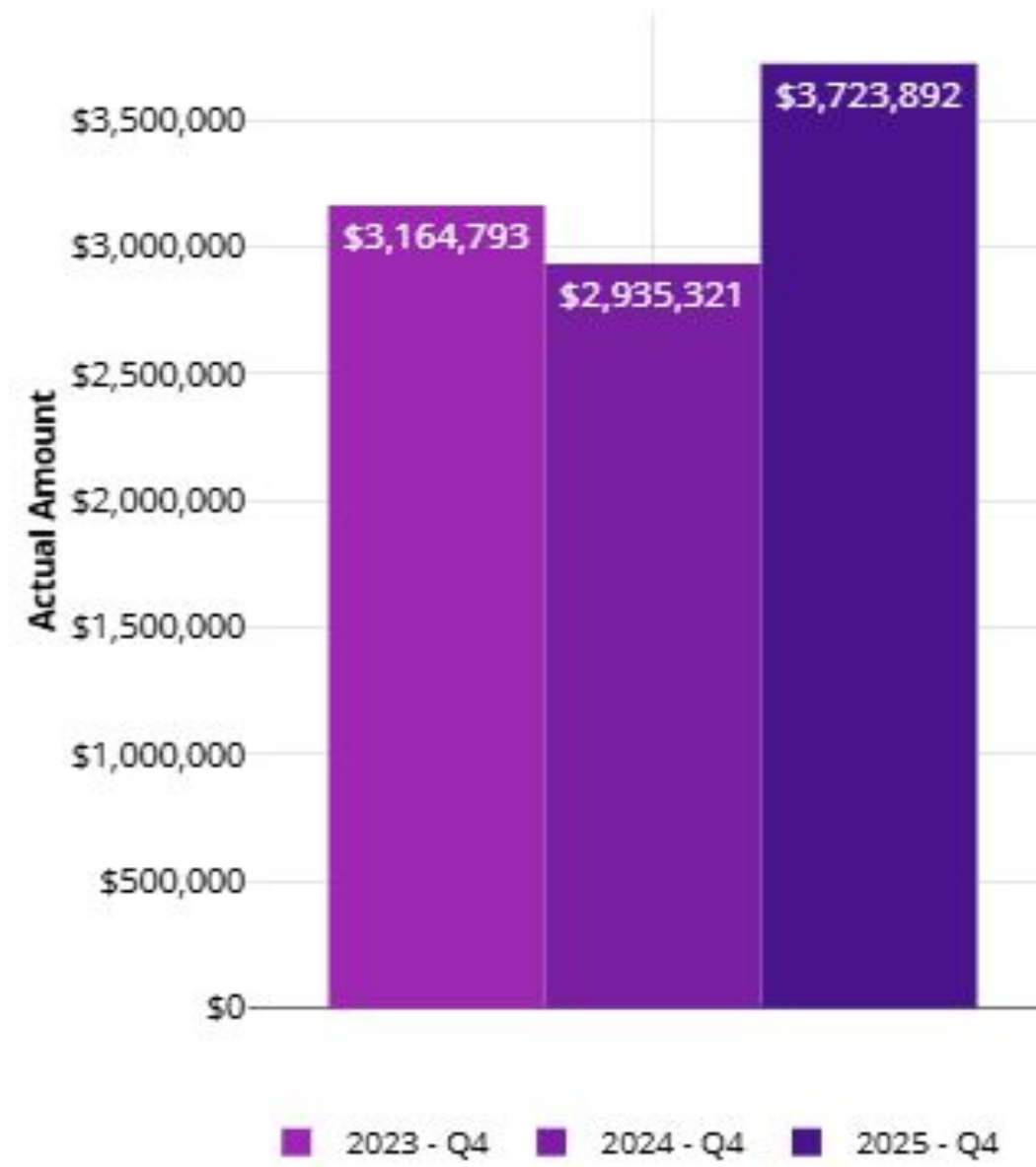




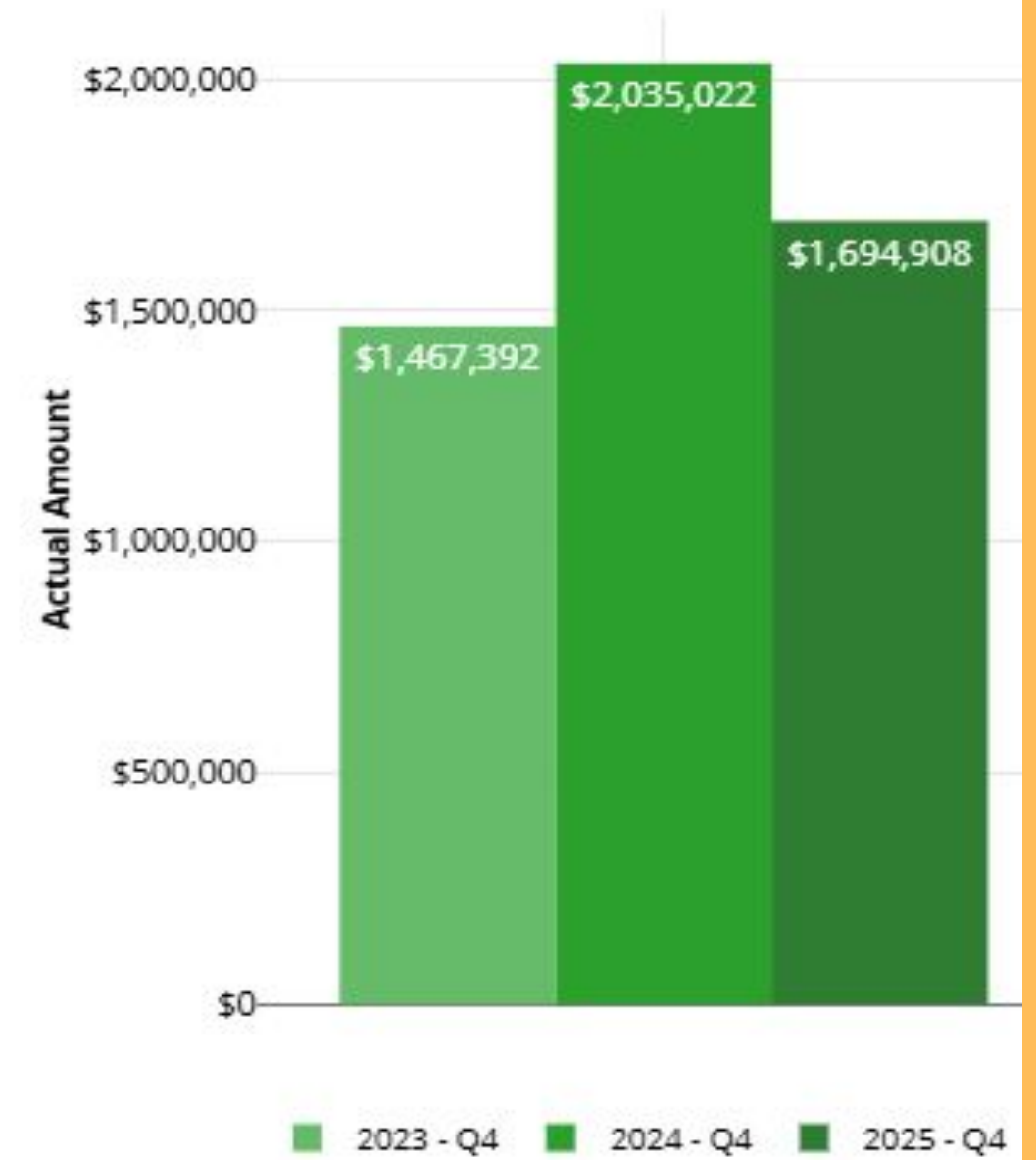
Salaries and Benefits



Purchased Services



Supplies & Materials



# Year to Date Revenues

REVENUES	Prior YTD	Current YTD	+/-
Local	\$37,821,192	\$37,633,349	(\$187,843)
State	\$36,208,909	\$37,866,718	\$1,657,809
Federal	\$15,663,155	\$15,307,309	(\$355,846)
<b>TOTAL REVENUE</b>	<b>\$89,693,256</b>	<b>\$90,807,377</b>	<b>\$1,114,120</b>



# Year to Date Expenditures

EXPENDITURES	Prior YTD	Current YTD	+/-
Salaries	\$58,702,421	\$61,991,603	\$3,289,182
Benefits	\$15,553,033	\$17,118,772	\$1,565,739
Purchased Services	\$8,952,697	\$11,446,383	\$2,493,686
Supplies	\$5,969,848	\$6,100,548	\$130,700
Capital Outlay	\$2,154,393	\$1,330,196	(\$824,198)
Other Objects	\$2,076,426	\$2,316,567	\$240,141
Non-Cap Equipment	\$633,744	\$411,302	(\$222,442)
<b>TOTAL EXPENDITURES</b>	<b>\$94,042,563</b>	<b>\$100,715,371</b>	<b>\$6,672,808</b>





# Purpose of Investment Report

- Provide transparent view of district finances
- Highlight trends in revenues, expenditures, and fund balances
- Focus on Operating Funds for accurate financial health
- Figures are unaudited; final numbers may change after audit



# Investment Policy & Benchmark

- Board Policy 6144 ensures compliance with SB1555
- Quarterly investment report required
- Benchmark: 90-day Treasury bill rate (T-bill)
- All investments collateralized (FDIC insurance or 110% perfected security interest)





# Portfolio Highlights

- Cash & investment balance: \$120.8M (up from \$52.6M in 2024)
- Increase due to Working Cash Fund Bond sale
- Without bond, balance would decrease by ~\$2.5M (2022 Bonds and ESSER Funding)



# Investment Balances

<u>Fund</u>	<u>6/30/2024</u>	<u>6/30/2025</u>	<u>Difference</u>
Education	\$45,160,611	\$41,612,386	(\$3,548,225)
O & M	\$6,458,318	\$4,478,928	(\$1,979,391)
Bond & Int	\$762,021	\$485,170	(\$276,851)
Transportation	\$1,958,733	\$2,240,200	\$281,466
IMRF	\$2,655,620	\$2,666,994	\$11,374
Capital Proj	\$9,523,064	\$68,266,064	\$58,743,000
Tort	\$1,393,563	\$827,156	(\$566,407)
Life/Safety	\$172,388	\$179,191	\$6,803
<b>Total</b>	<b>\$68,084,318</b>	<b>\$120,756,087</b>	<b>\$52,671,770</b>





# Portfolio Allocation

- 51.1% Blackhawk Bank (local)
- 48.9% Illinois Funds (0.60%) & PMA (48.3%)
- Asset mix:
  - 67.8% Checking/Money Market
  - 32.2% REPO



# Performance vs Benchmark

- T-bill range: 4.46% end of quarter
- Portfolio avg return: 3.94% with cash
- Underperforms benchmark by 0.36%
- Avg maturity: ~1 day vs 90-day benchmark





# Key Takeaways

- District remains financially stable with strong cash position
- Short maturities ensure liquidity for operational needs





# **Rock Island – Milan School District #41**

## **Fiscal Year 2026 (FY26) Budget**

Annaka Whiting  
Chief Financial Officer





# Revenue Assumptions

## Broad Overview

- **Local - Property Tax**
  - Equalized Assessed Value (EAV) determined by County and provided to District by late October
  - EAV drives how the Tax Levy is calculated
  - Tax Levy – the specific dollar amount of property tax revenue that the district is requesting from the county
  - Tax Rate – the percentage applied to a property's EAV to calculate its tax bill.
  - Tax Extension – the actual dollar amount of property tax collected



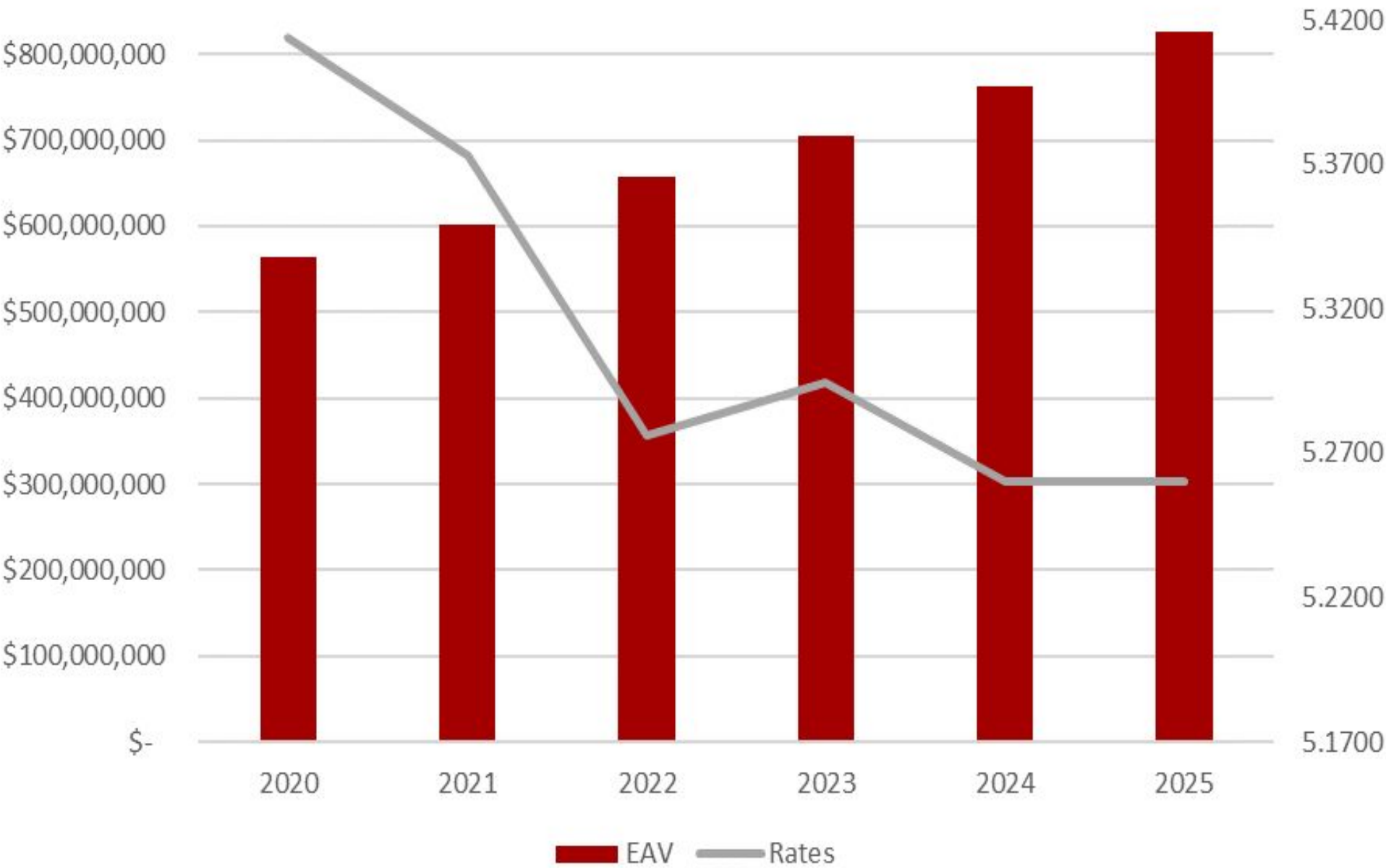
# Property Tax Timeline

- EAV provided to District by the end of October (Received 9/8/5)
- Tentative Tax Levy presented to Board – 10/28/25
- Fund Balance Calculation presented to Board – 10/28/25
- Public Hearing Notice
  - Notification of Public Hearing posted on website – 11/7/25
  - Notification of Public Hearing published in newspaper 11/26/25
- Final Tax Levy Presentation – 12/9/25
- Public Hearing – 12/9/25
- Final Levy Adopted – 12/9/25
- Tax Levy Documents submitted to the County by last Tuesday in December



# EAV History

Tax Year	EAV	Rates
2020	\$ 564,040,169	5.4136
2021	\$ 601,252,781	5.3731
2022	\$ 657,970,159	5.2760
2023	\$ 704,824,764	5.2944
2024	\$ 762,272,443	5.2601
2025	\$ 826,296,205	5.2601





# Tax Levy Budget

- EAV – 8.4% increase over previous year
- Tax Rate remains level
- Total Property Tax Revenues Increase \$3.36M
- Requires Public Hearing in November



# Tax Levy Sources

Levy Fund	%
Education*	60.6%
Bond and Interest	10.3%
O&M	14.2%
IMRF**	2.0%
Transportation	2.7%
Working Cash	0.9%
Special Ed.*	0.8%
Tort	4.2%
Social Security**	3.4%
Lease*	0.9%

\* combined to Ed Fund

\*\* combined to IMRF/SS Fund



# Local – 1% Sales Tax

**Formal name: County School Facility Operation Tax**

Requires voter approval throughout County – approved November 2016, does not require additional voter approval.

The revenue generated is to be used exclusively for school facility purposes.

Illinois Department of Revenue is responsible for administering the tax. The revenues are distributed to the ROE and then distributed to districts within the county based on pupil counts.





# History of 1% Sales Tax & Sources

Fiscal Year	Revenues	+/-
2020	\$3,155,550	-6%
2021	\$3,457,760	10%
2022	\$4,175,710	21%
2023	\$4,347,095	4%
2024	\$4,441,880	2%
2025	\$4,983,280	12%
2026	\$5,058,030	1.5%

Debt Service (Bond Payments) – 52.9%

Capital Improvement Fund – 47.1%



# State – Corporate Personal Property Replacement Tax (CPPRT)

**CPPRT – tax on the net income of corporations, partnerships, subchapter S corporations, and trusts.**

It was established to replace revenue lost by local governments after the 1970 Illinois Constitution abolished local governments' ability to tax the personal property of businesses.

Illinois Department of Revenue is responsible for administering the tax. The revenues are collected by the State and distributed back

*Fact Sheet – <https://www.iml.org/file.cfm?key=14820>*



# State – Corporate Personal Property Replacement Tax (CPPRT)

Distributions are made 8 times per year: January, March, April, May, July, August, October, and December

Fiscal Year Distributions: August 2025, October 2025, December 2025, January 2026, March 2026, April 2026, May 2026, and July 2026

Estimates received in August of each year, must account for audit requirements and subtract out July Payment: Example: FY2026 Estimate is \$7,041,905, but this includes the estimated amount of July 2025 which is rolled back to the prior year for audit purposes, making the estimate \$5,940,360

Can access documents on Illinois Department of Revenue Website:  
<https://tax.illinois.gov/localgovernments/localtaxallocation.html>





# History of CPPRT & Sources

Fiscal Year	Revenues
2020	\$5,028,148
2021	\$7,005,694
2022	\$15,147,582
2023	\$15,808,620
2024	\$9,525,963
2025	\$6,387,900
2026	\$5,940,360

- Education Fund – 98.7%
- IMRF/SS Fund – 1.3%



# State – Evidence Based Funding (EBF)

Governor Bruce Rauner signed Public Act 100-0465, the Evidence-Based Funding for Student Success Act, on August 31, 2017.

- The law enacts evidence-based funding (EBF) and changes how school districts receive the bulk of state funds.
- EBF directs more resources to Illinois' most under-resourced students.
- It takes first steps toward ensuring all schools have the resources needed to provide a safe, rigorous, and well-rounded learning environment.
- EBF demonstrates a new mindset for understanding the relationship between equity, adequacy, and student outcomes.

Source: <https://www.isbe.net/Pages/EvidenceBasedFunding.aspx>





# EBF Calculation

Determined by the Illinois State Board of Education (ISBE) using the following calculation:

$$\text{Final Resources} \div \text{Adequacy Target} = \text{Final \% of Adequacy}$$

ISBE places the District in a Tier based on the Final % Adequacy:

Tier	Target Ratio	State Assistance
Tier 1	< 78.0% (FY 25)	Furthest away from adequacy, more state assistance
Tier 2	$\geq 78.0\%$ and $< 90\%$	
Tier 3	$\geq 90\%$ $< 100\%$	
Tier 4	$\geq 100\%$	Greater than adequacy, least amount of state assistance.

Source: [https://www.isbe.net/Documents/EBF\\_Presentation\\_Detailed.pdf](https://www.isbe.net/Documents/EBF_Presentation_Detailed.pdf)



# History of EBF & Sources

Fiscal Year	Revenues	+/-	Tier	Adequacy %
2020	\$ 30,434,438		1	64%
2021*	\$ 30,434,261	0%	1	64%
2022	\$ 32,721,842	8%	1	65%
2023	\$ 33,966,789	4%	1	70%
2024**	\$ 34,525,494	2%	2	81%
2025	\$ 36,129,569	5%	1	75%
2026	\$ 39,083,140	8%	1	69%

Education Fund – 95.2%

Operations Fund – 4.8%

\*Flat Funding due to COVID

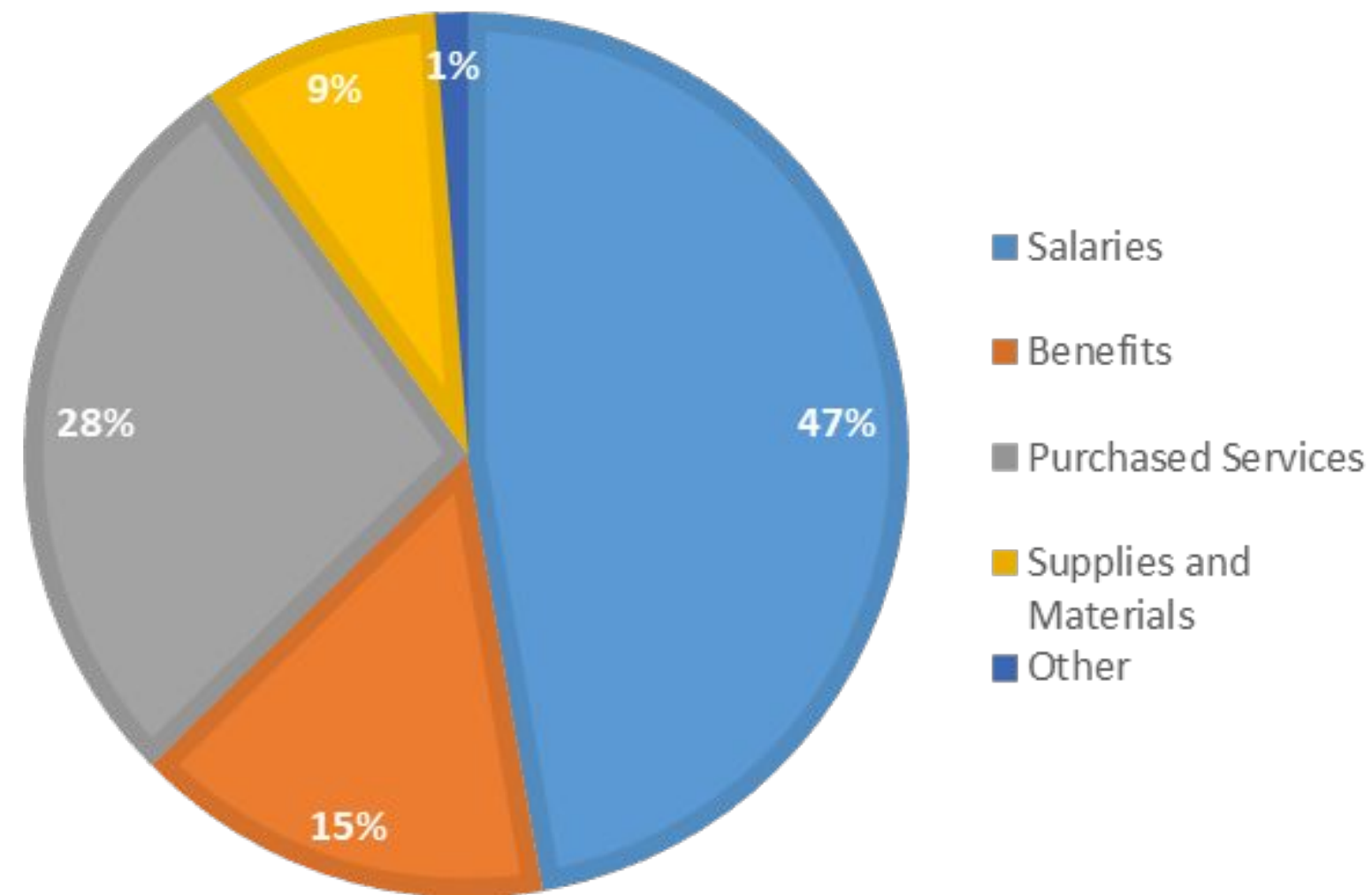
\*\* Increase in CPPRT



# Title I Assumptions

- FY23 Allocation – \$2,743,952
- FY24 Allocation – \$3,812,939
- FY25 Allocation – \$3,944,449
- FY26 Allocation – \$3,550,004

Eligible Uses: Expenses aimed at improving the academic achievement of the disadvantaged scholars.

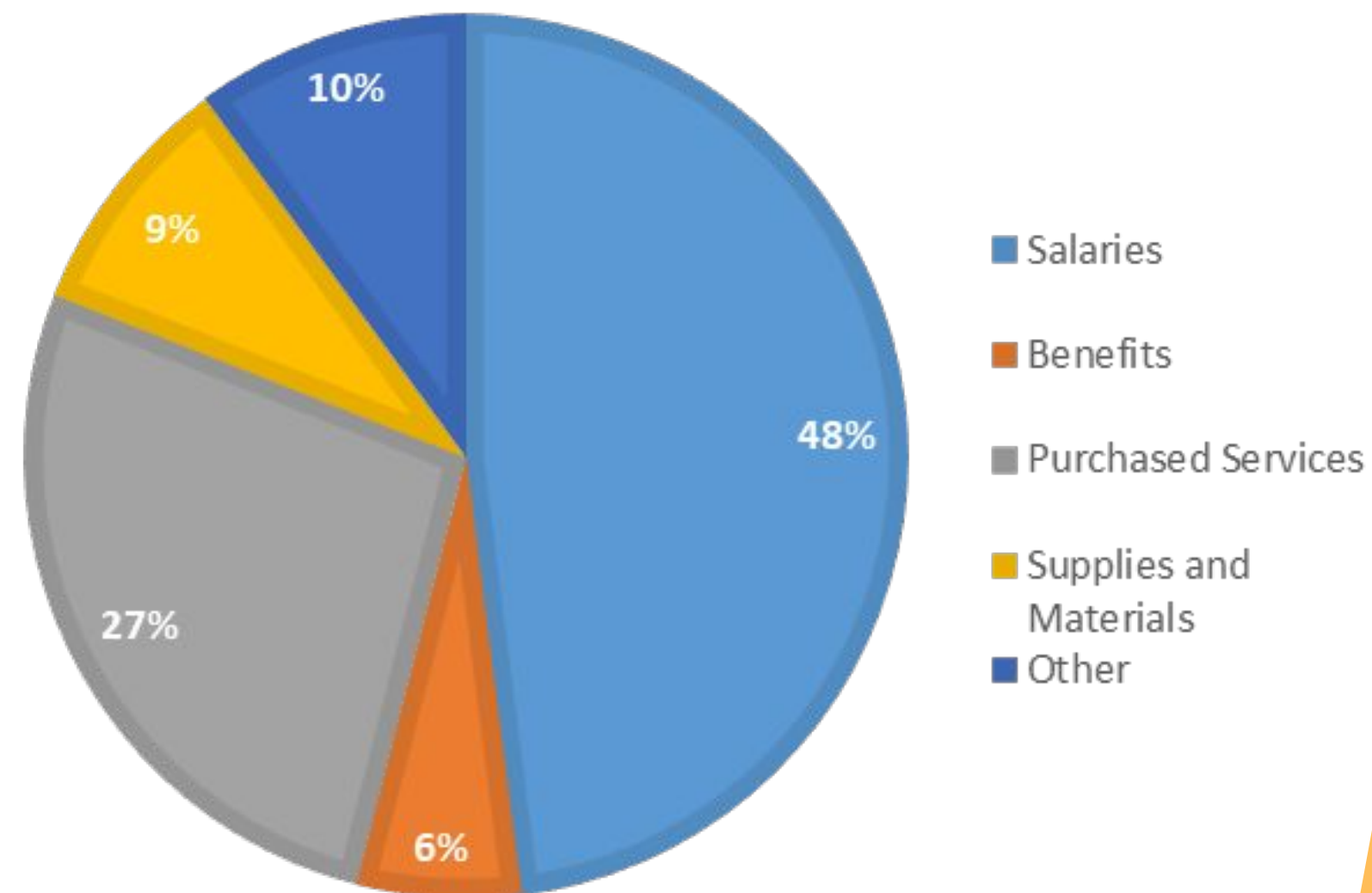




# Title II Assumptions

- FY23 Allocation - \$362,669
- FY24 Allocation - \$386,092
- FY25 Allocation - \$404,277
- FY26 Allocation - \$363,085

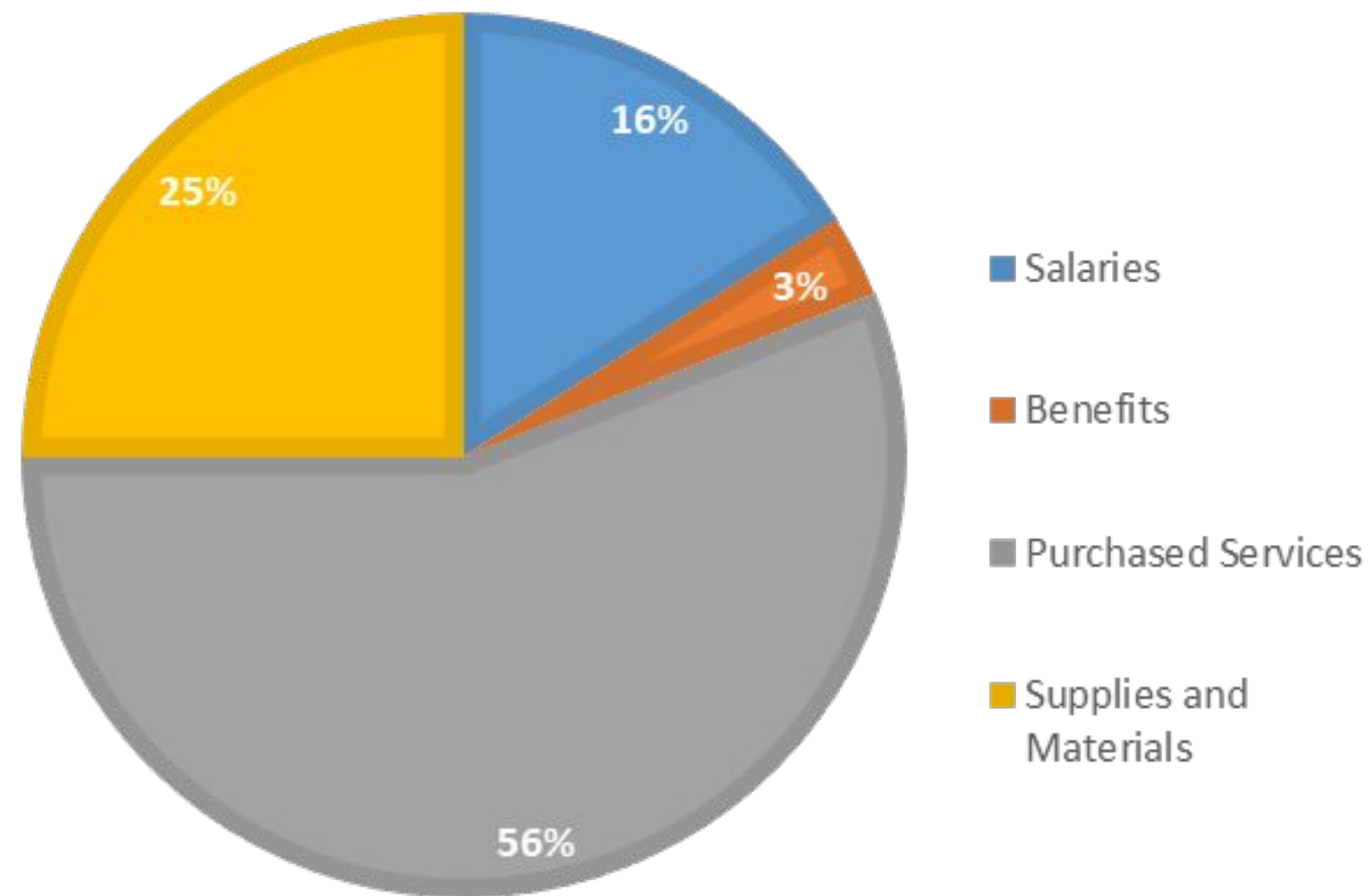
Eligible Uses: Expenses aimed at preparing, training, and recruiting high-quality teachers, principals, and other school leaders.



# Title III Assumptions

- FY23 Allocation – \$77,700
- FY24 Allocation – \$80,600
- FY25 Allocation – \$81,630
- FY26 Allocation – \$81,243

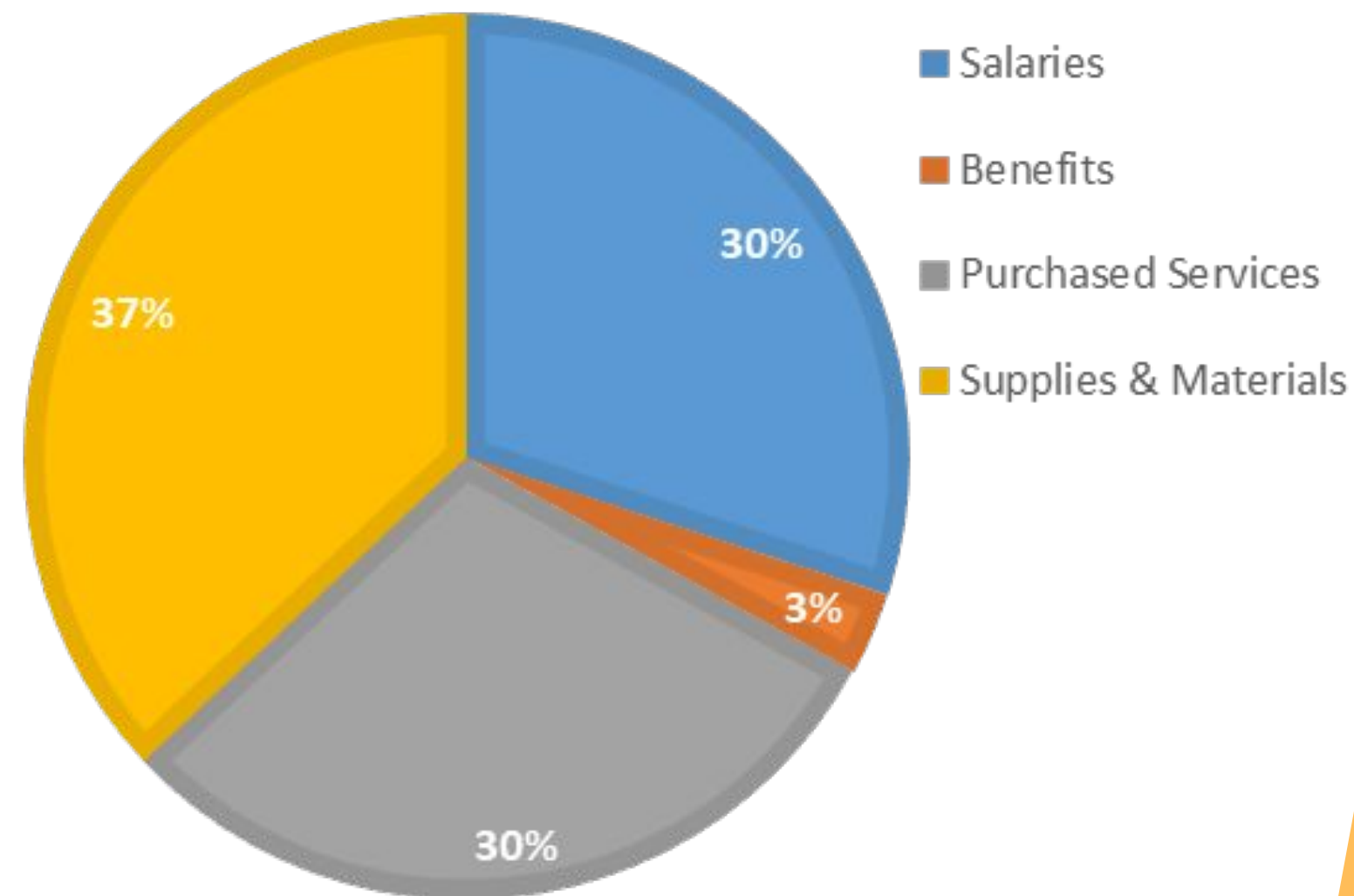
Eligible Uses: Expenses aimed at immigrant student education.



# Title IV Assumptions

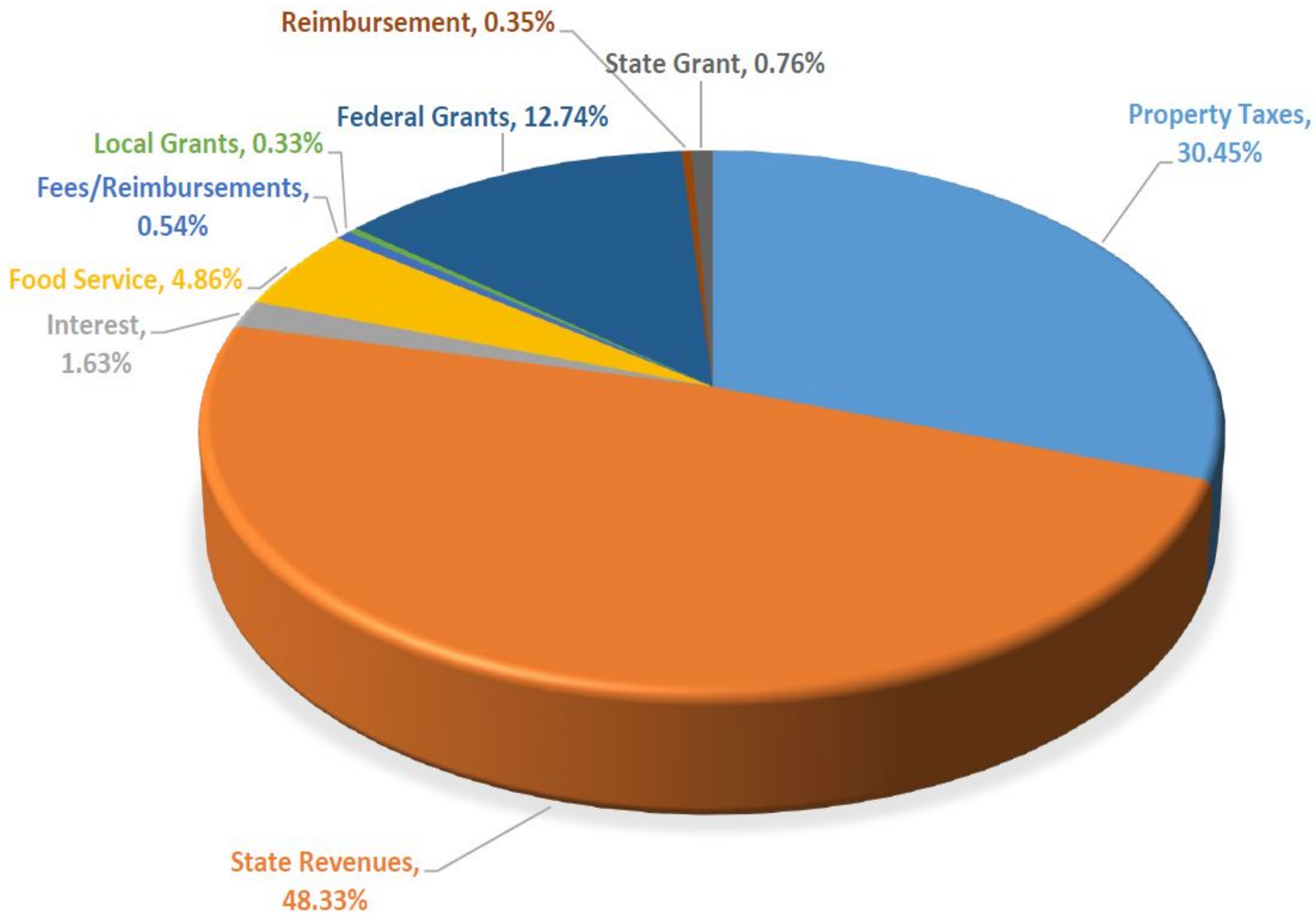
- FY23 Allocation – \$202,535
- FY24 Allocation – \$266,322
- FY25 Allocation – \$280,984
- FY26 Allocation – \$229,924

- Eligible Uses:  
Expenses aimed at  
student support  
and academic  
enrichment.





# Revenue Allocations by Fund

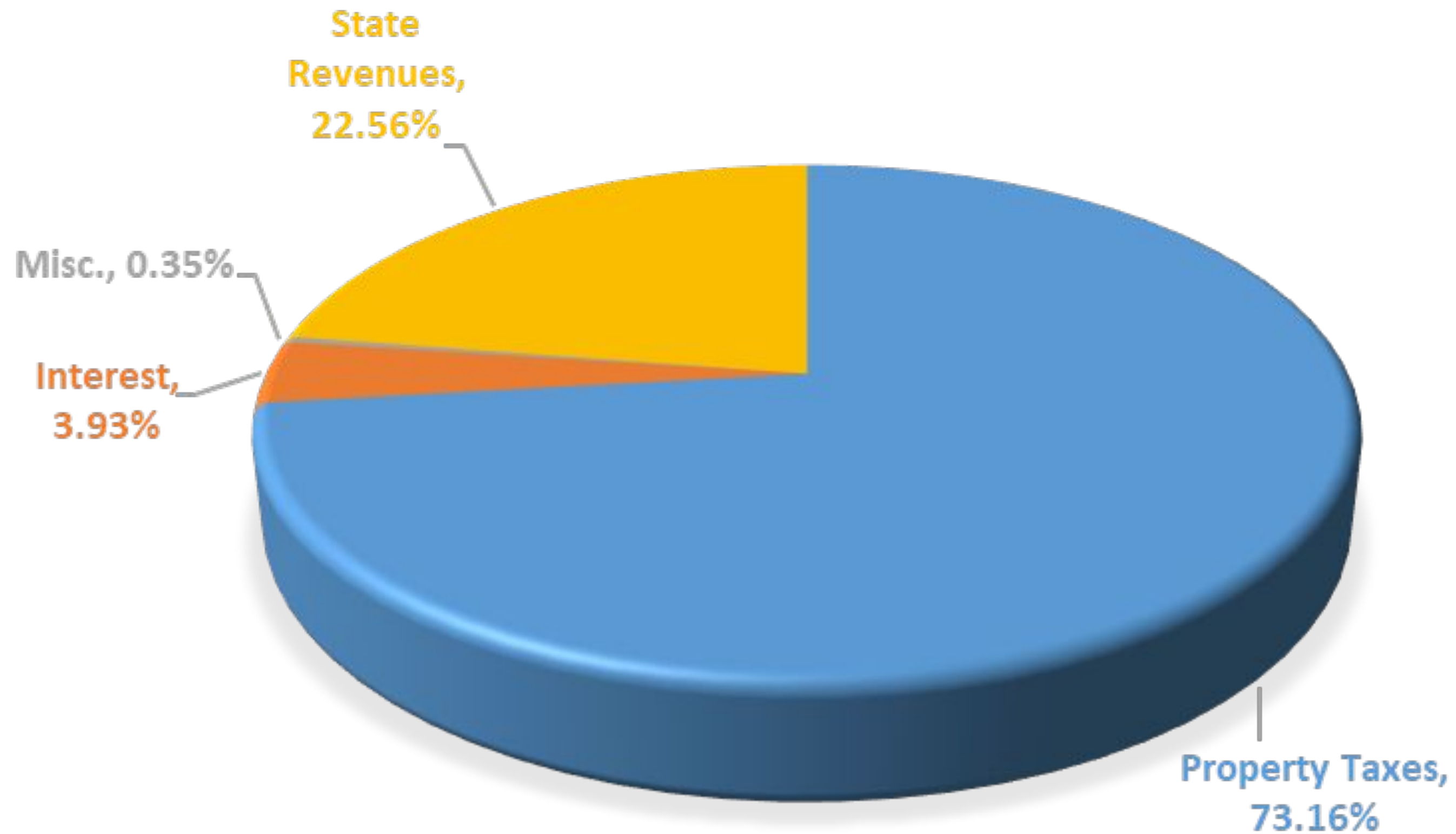


## Education Fund

- Property Taxes
- State Revenues
- Interest
- Food Service
- Fees/Reimbursements
- Local Grants
- Federal Grants
- Reimbursement
- State Grant



# Operations Fund



Property Taxes

State Revenues

Interest

Rentals

Misc.

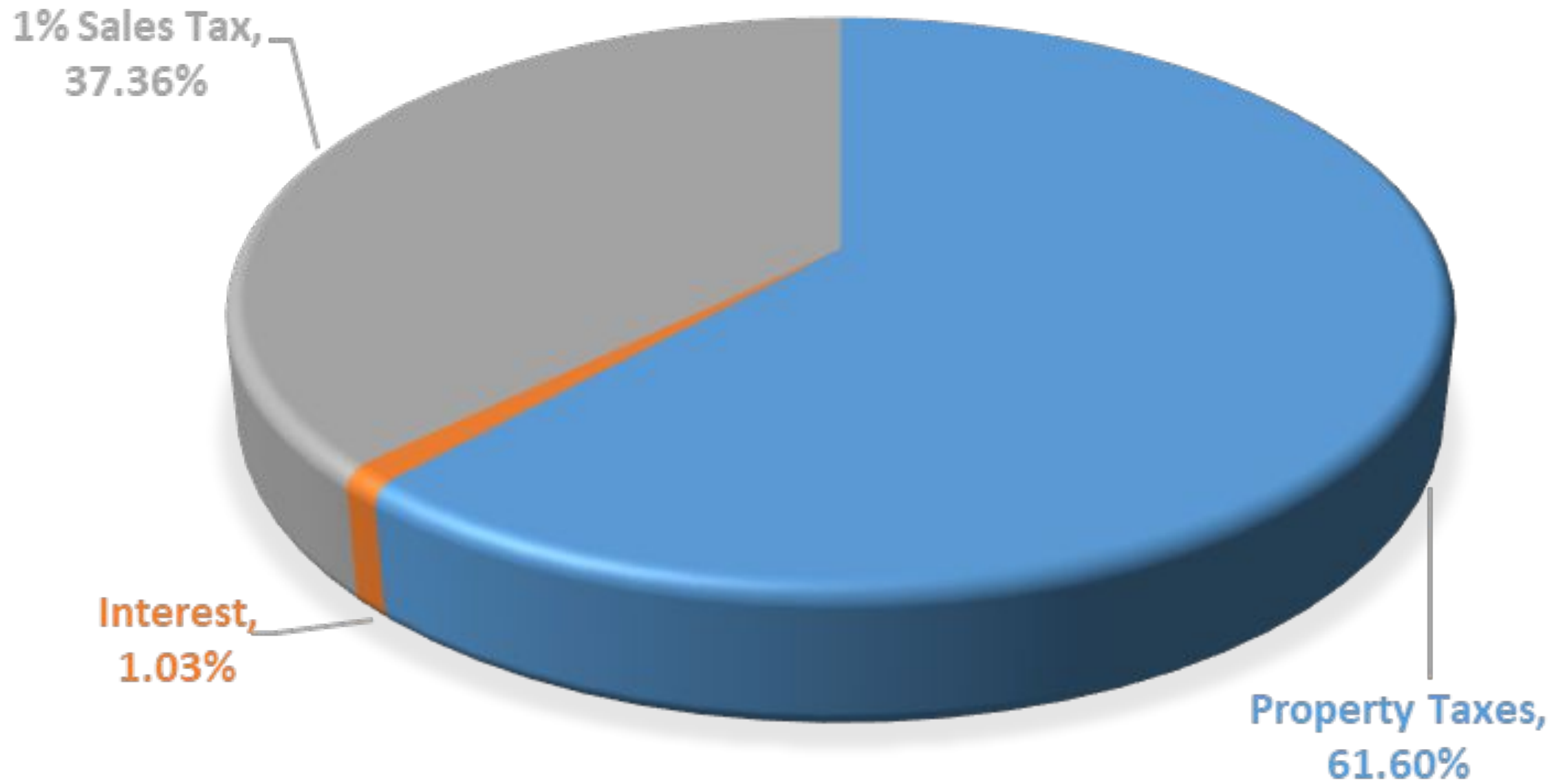


# Debt Service Fund

Property Taxes

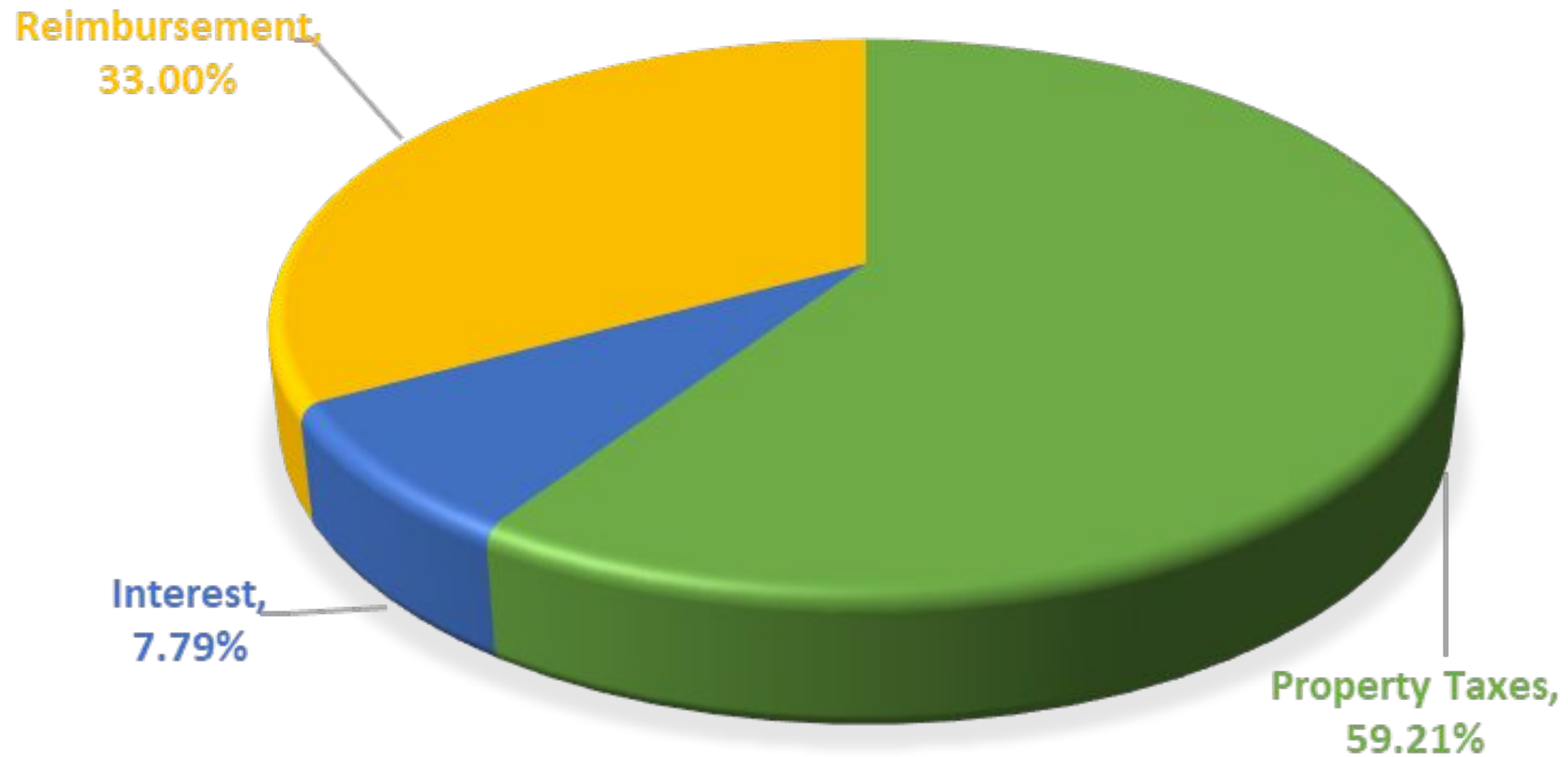
Interest

1% Sales Tax





## Transportation Fund



Property Taxes

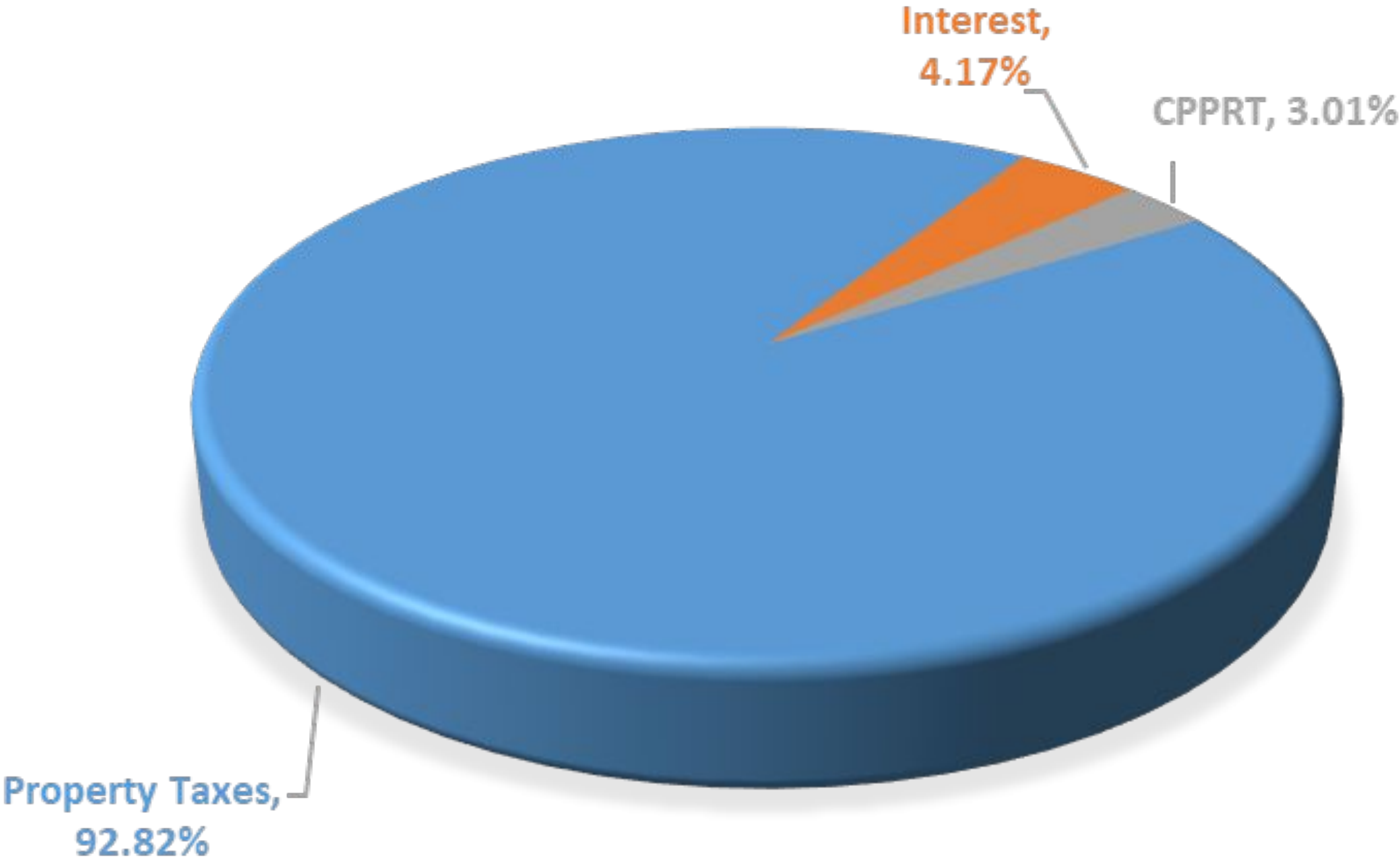
Interest

Reimbursement

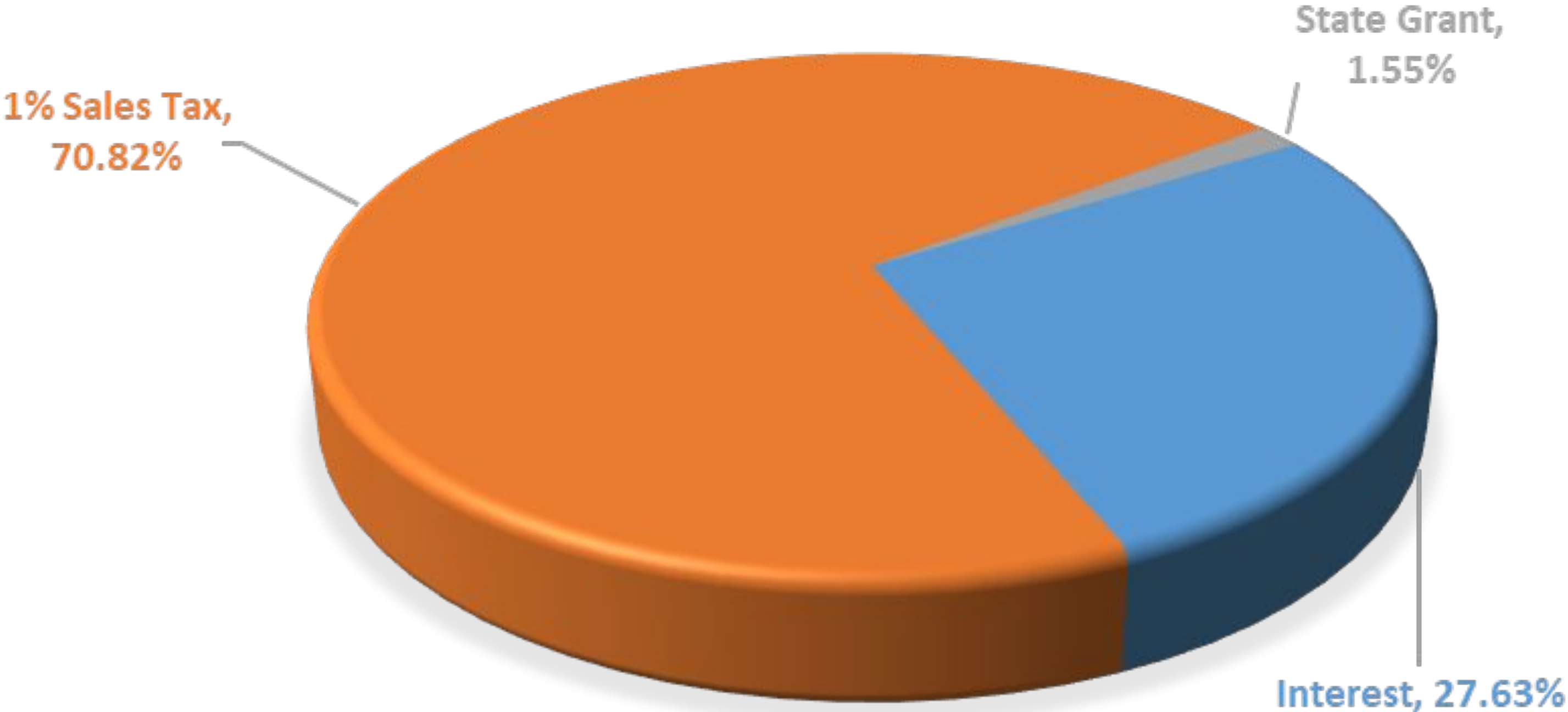


# IMRF/SS Fund

Property Taxes  
CPPRT  
Interest



**Capital  
Impr.  
Fund**

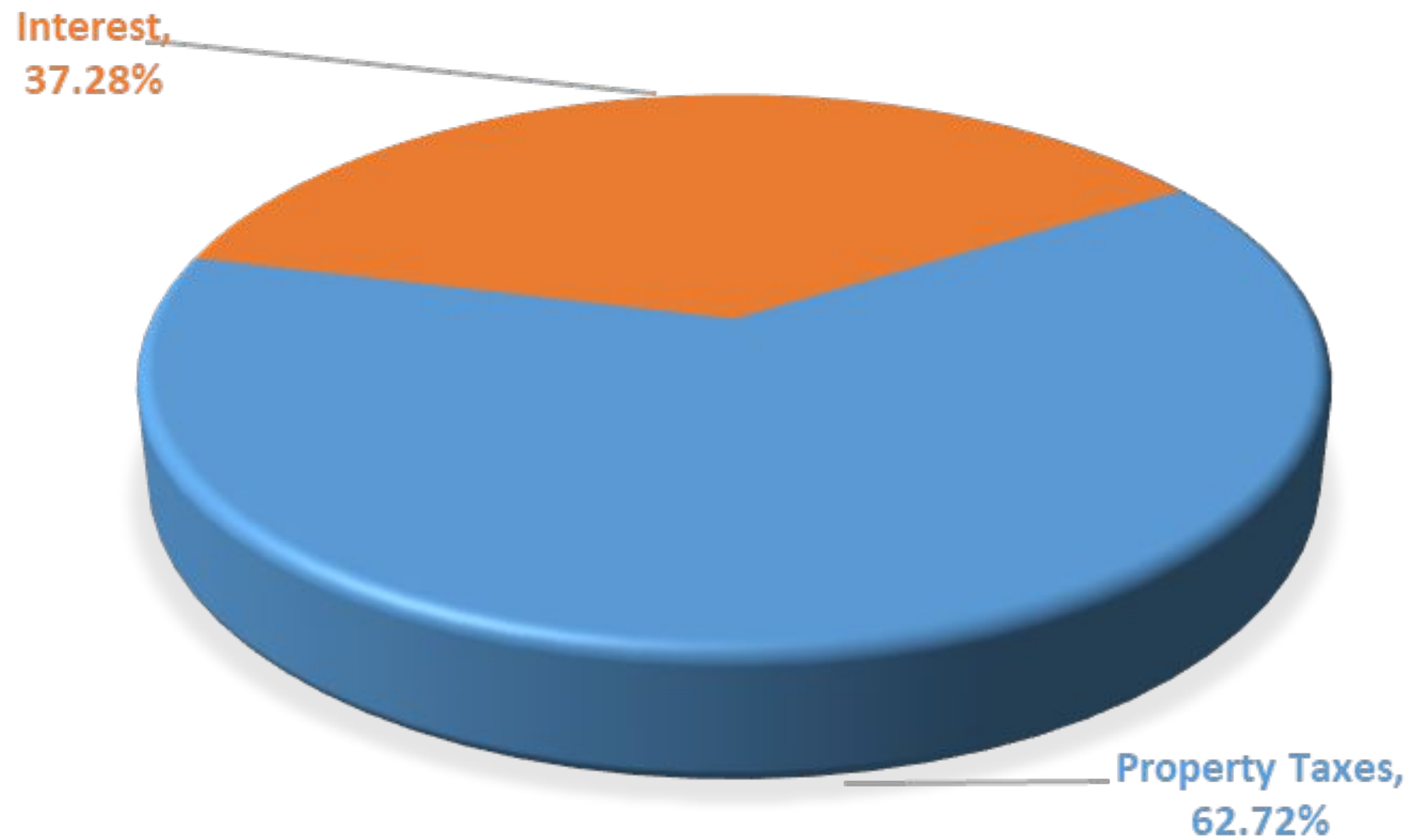


- 1% Sales Tax
- State Grant
- Interest





# Working Cash Fund

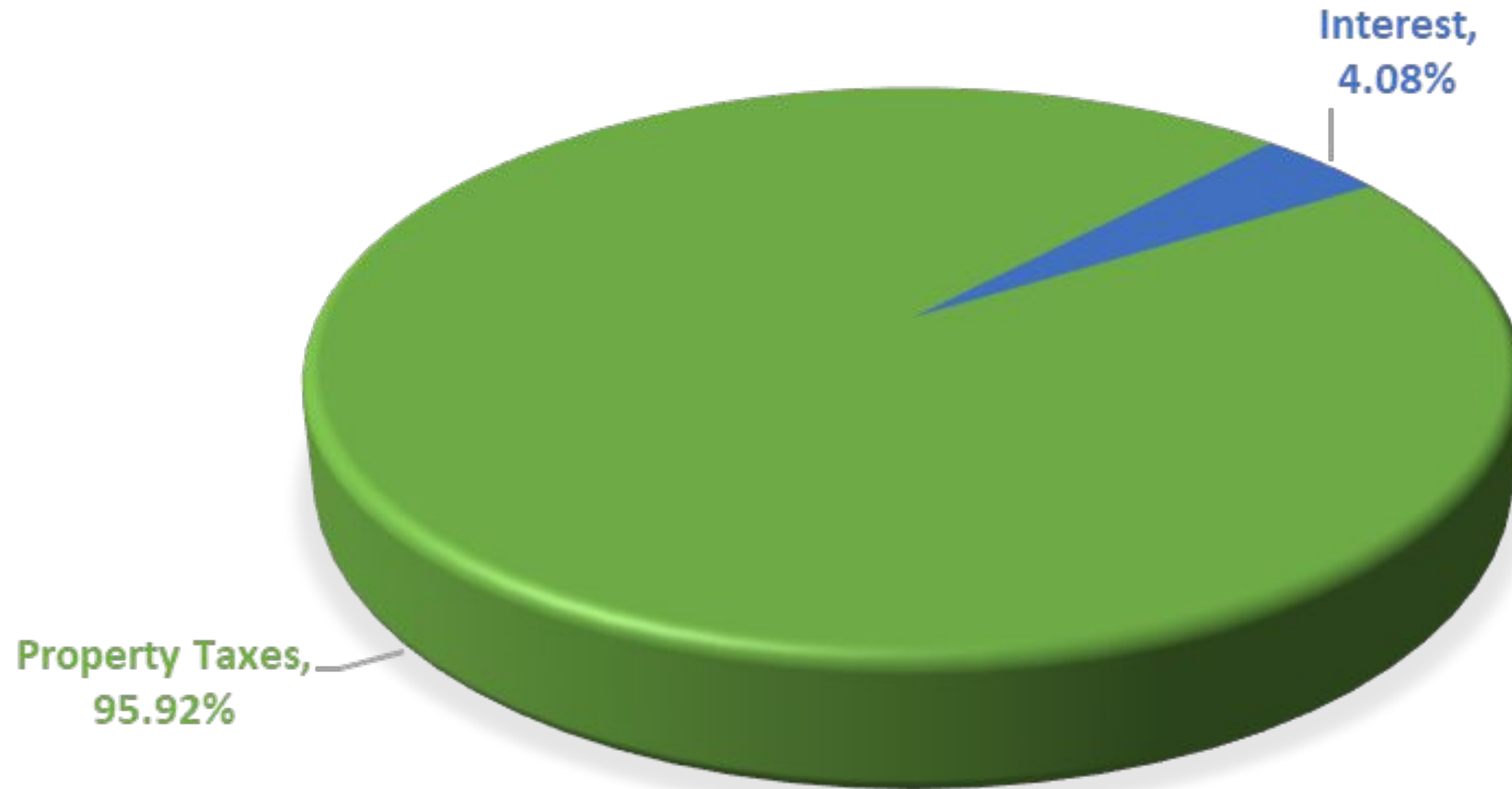


Property Taxes

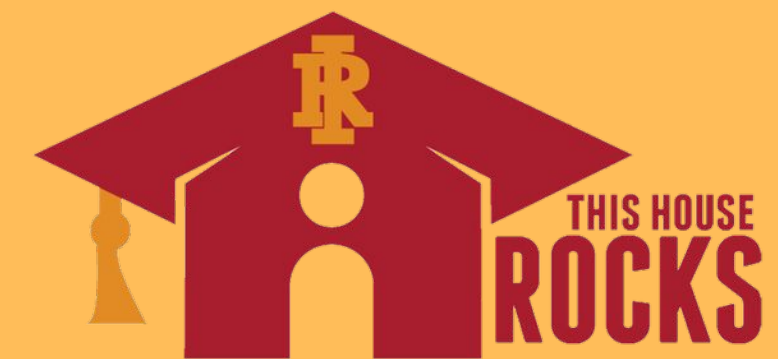
Interest



# Tort/ Judgment Fund



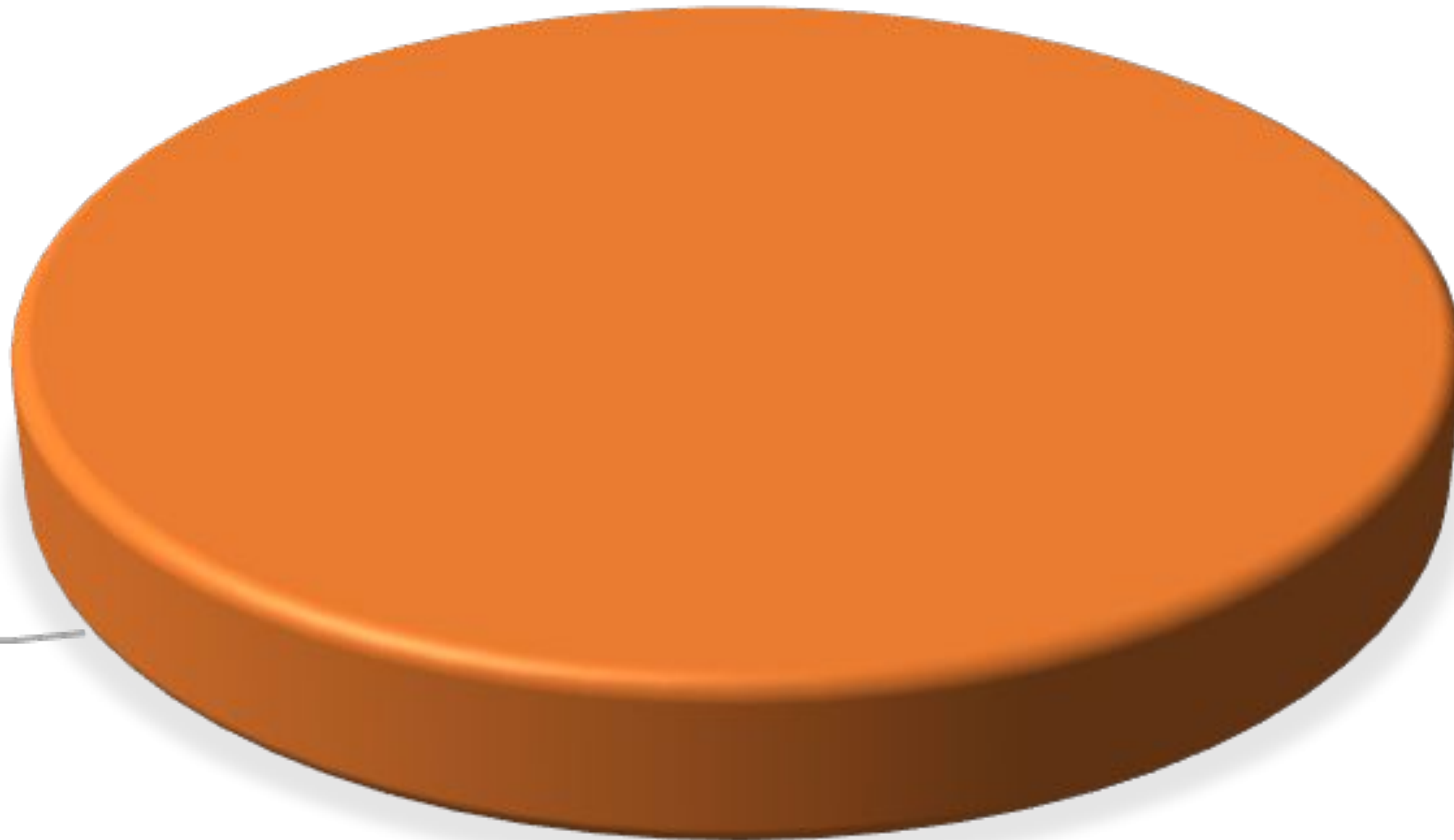
Property Taxes  
Interest



# Life Safety Fund

Interest

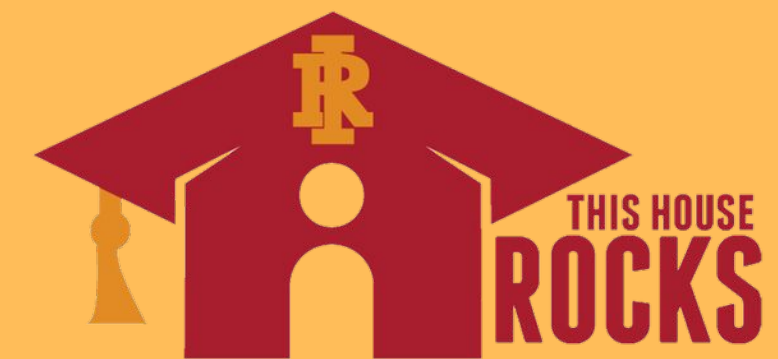
Interest,  
100.00%



# Revenue Summary

## (Page 2, Line 9)

Education	\$90,042,280
Operations & Maintenance	\$8,431,330
Debt Service	\$7,162,165
Transportation	\$2,129,295
Municipal Retirement/Social Security	\$2,529,305
Capital Projects	\$3,363,370
Working Cash	\$654,395
Tort	\$1,700,785
Fire Prevention & Safety	\$5,960
Total	<b>\$116,018,885</b>





# Expenditure Assumptions

- **Supplies & Materials**
  - Maintained at prior year levels
- **Operational (Maintenance & Departmental Support)**
  - Adjusted based on school needs and goal alignment
- **Salary Increases**
  - RIEA – 3% (CBA)
  - RIESPA – 5% (CBA)
  - AFSCME – 3% (CBA)
  - Non-Affiliated – 3%
- **Health Insurance increased by 7.6%**
  - RIEA, RIESPA, Non-Affiliated
    - Percentage Based
  - AFSCME
    - Set Dollar Amount



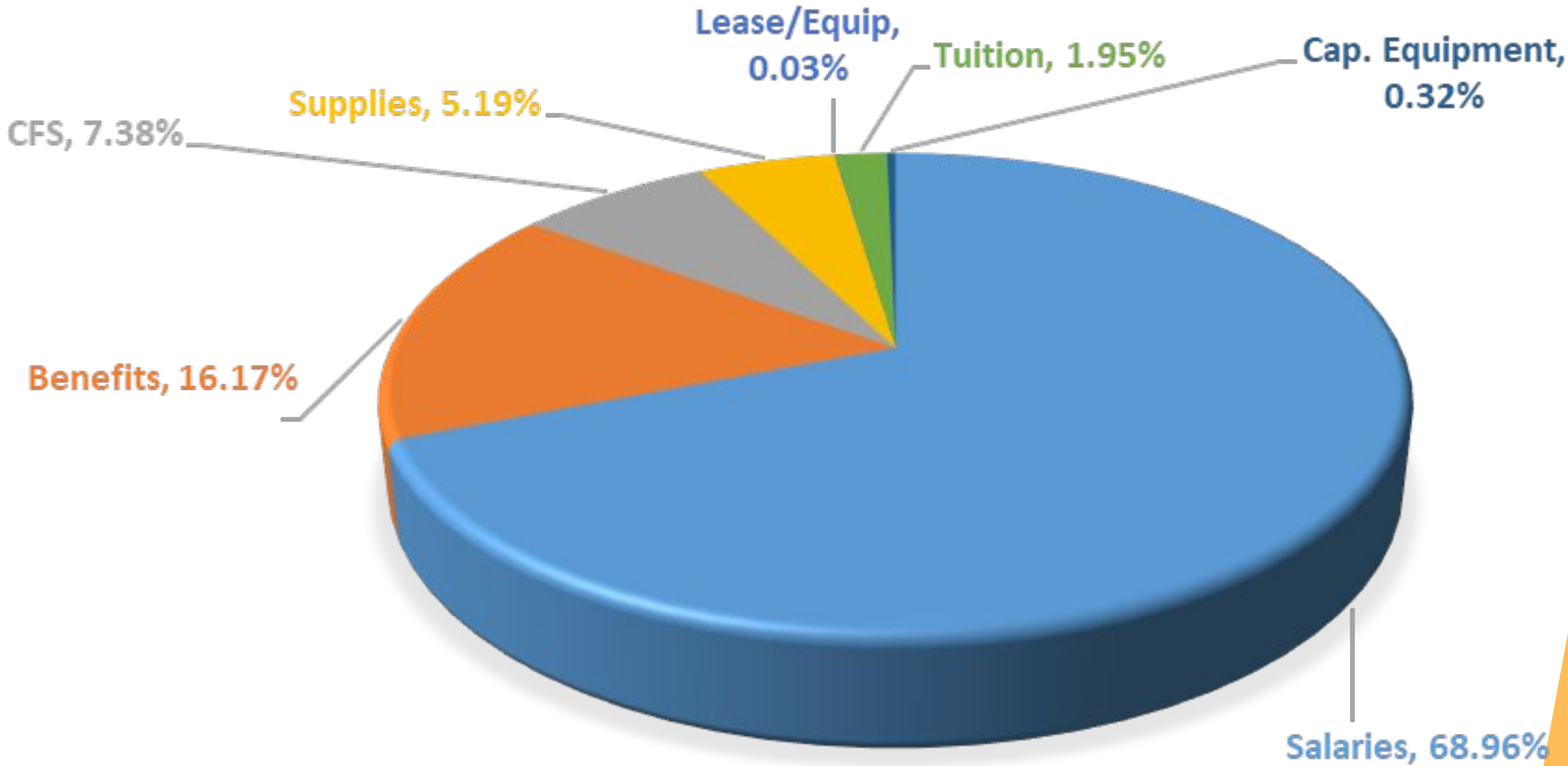
# Expenditure Assumptions

- **Capital Projects**
  - Increase based on FMP
  - Bond Proceeds
- **Preventative Maintenance**
  - Nutrition Services
  - Operations Fund
- **Property Insurance** – 47% Increase



# Expenditure Allocations by Fund

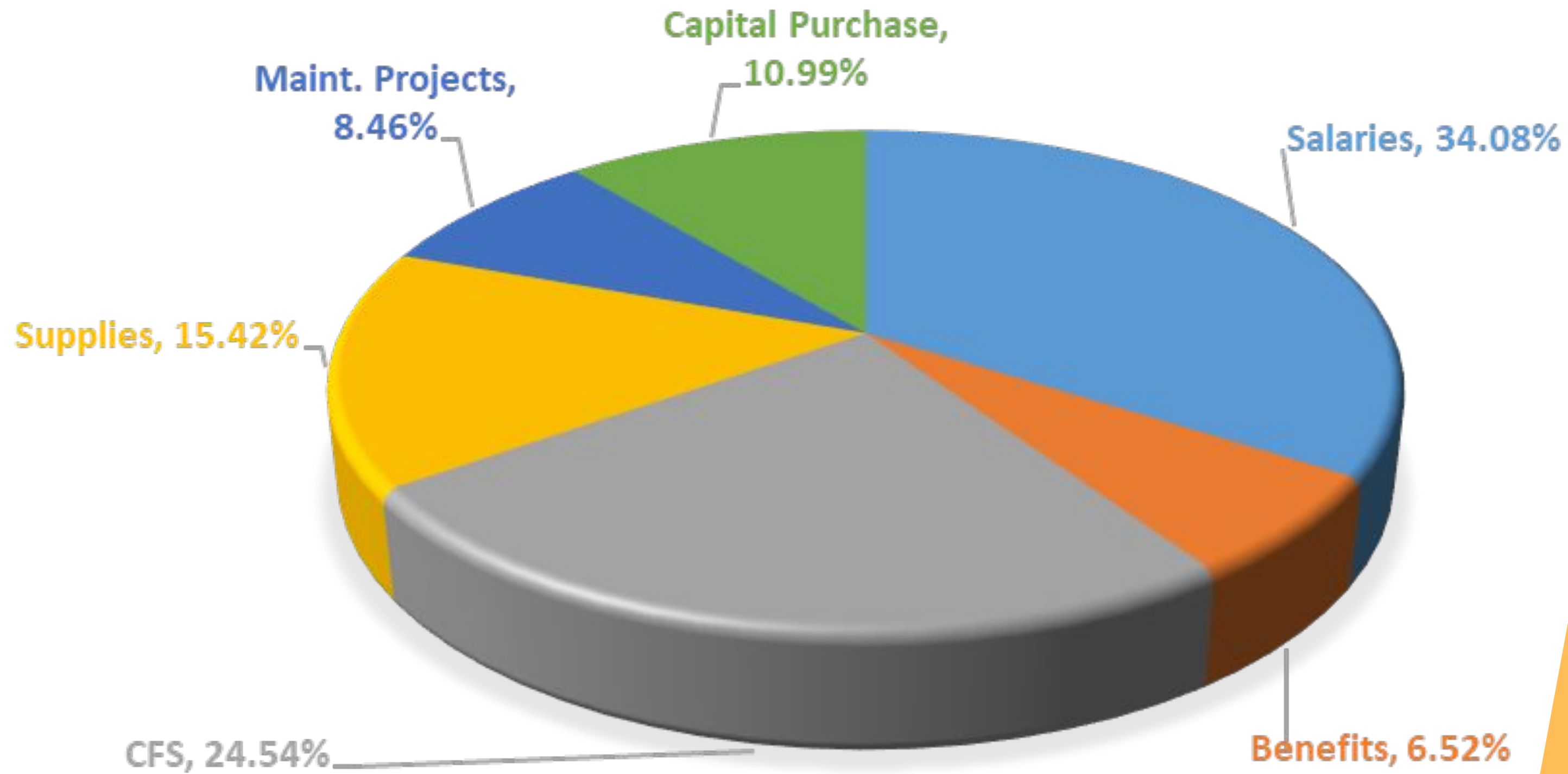
## Education Fund



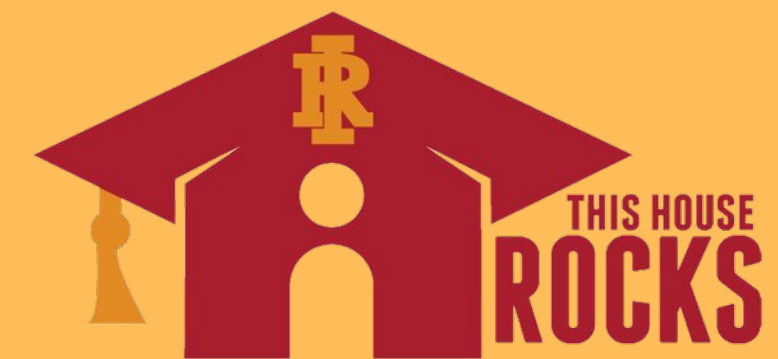
Salaries  
Benefits  
CFS  
Supplies  
Lease/Equip  
Tuition  
Cap. Equipment



# Operations Fund

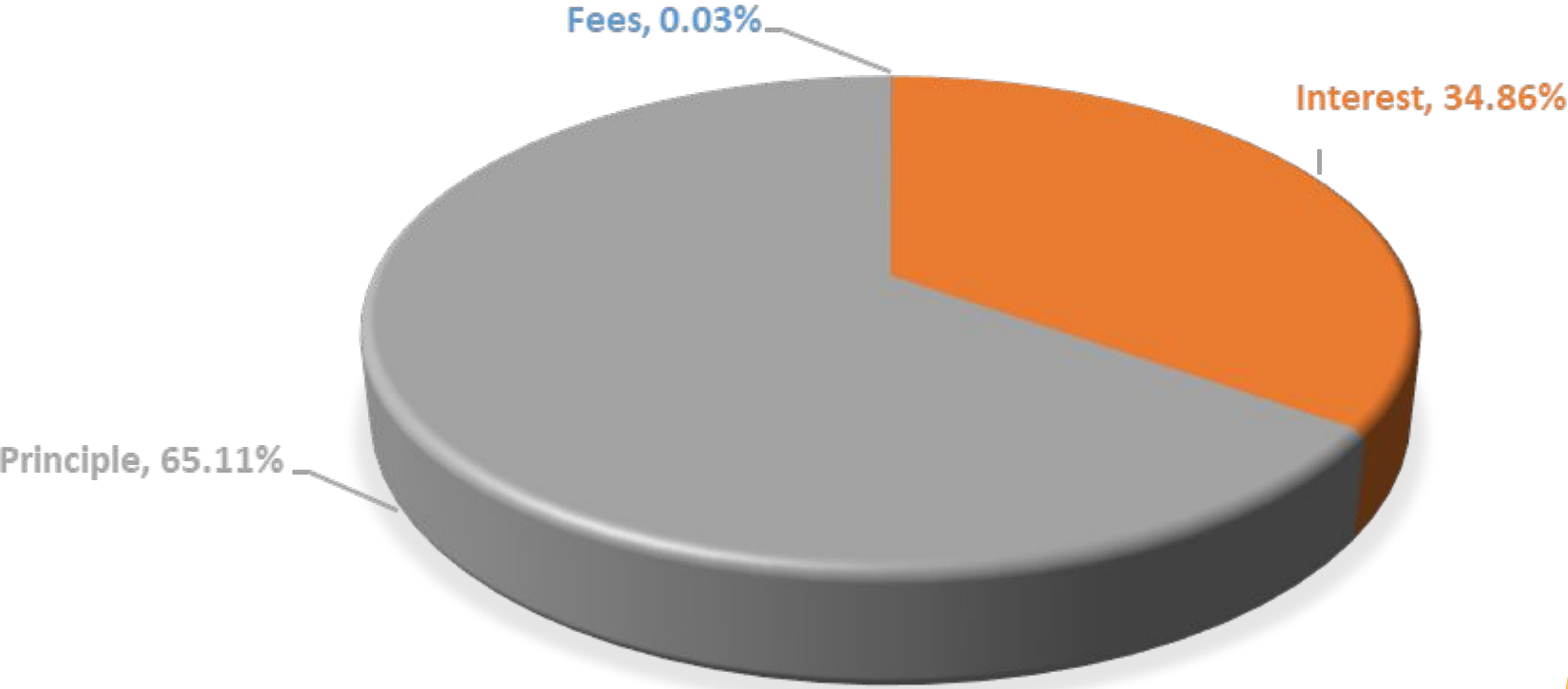


Salaries  
Benefits  
CFS  
Supplies  
Maint. Projects  
Capital Purchase



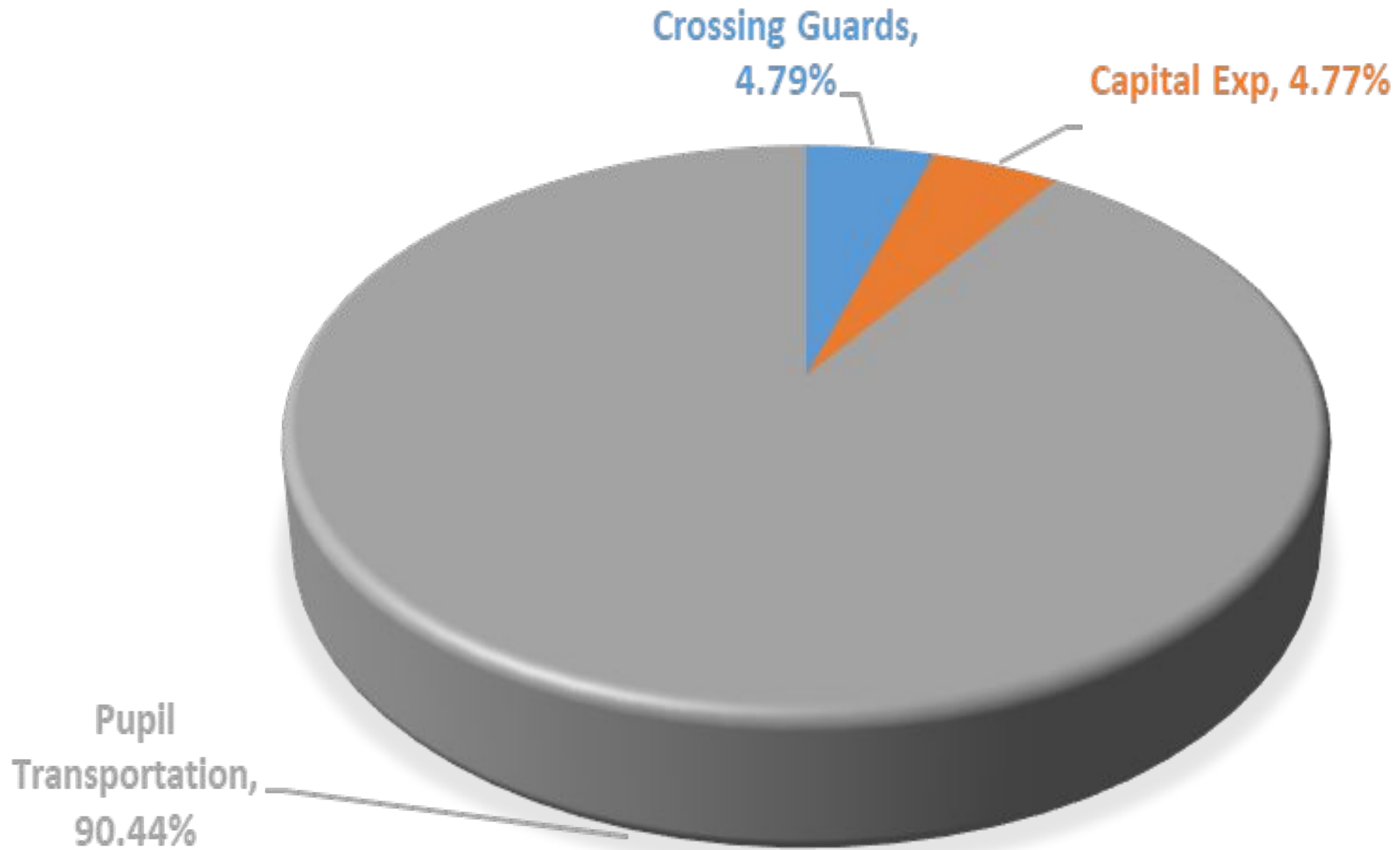


# Debt Service Fund



Fees  
Interest  
Principle





## Transportation Fund

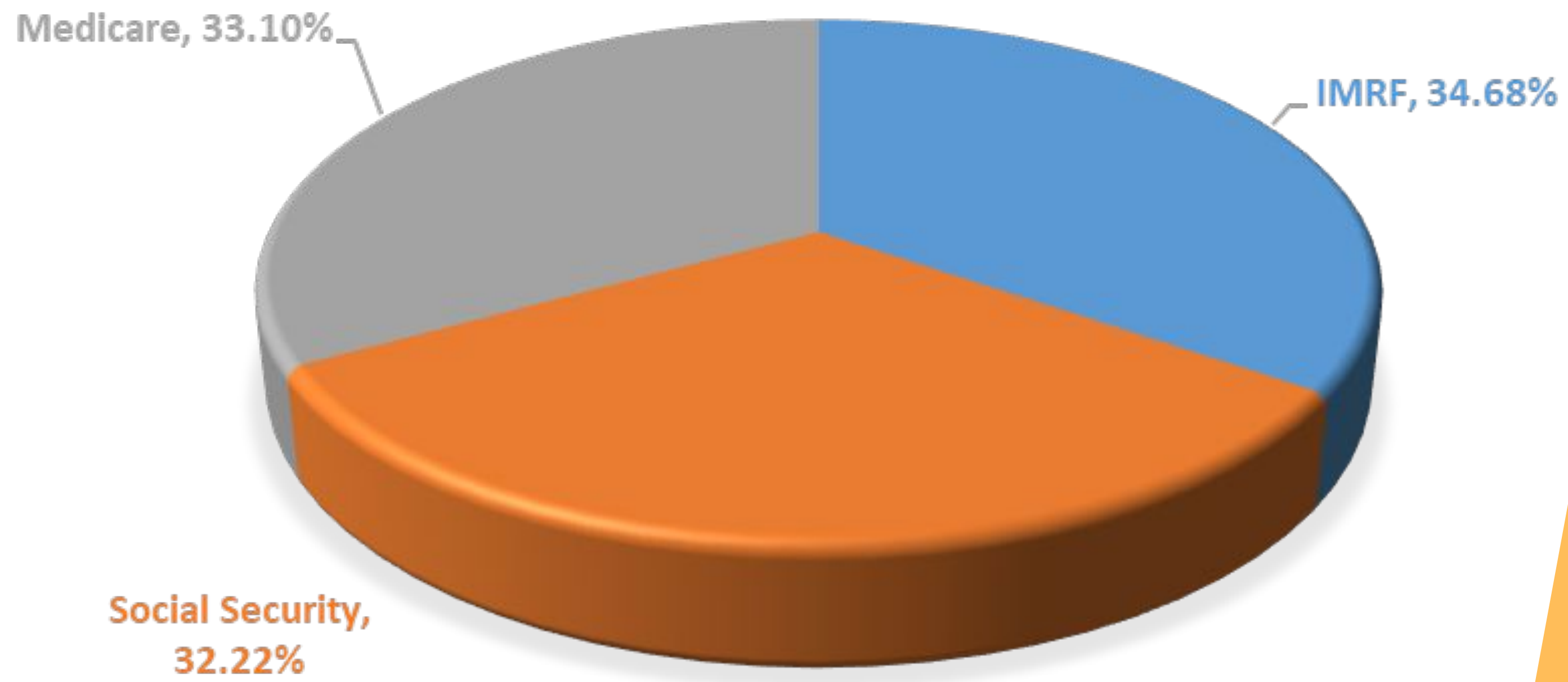
Crossing Guards

Capital Exp

Pupil Transportation



**IMRF/  
SS  
Fund**

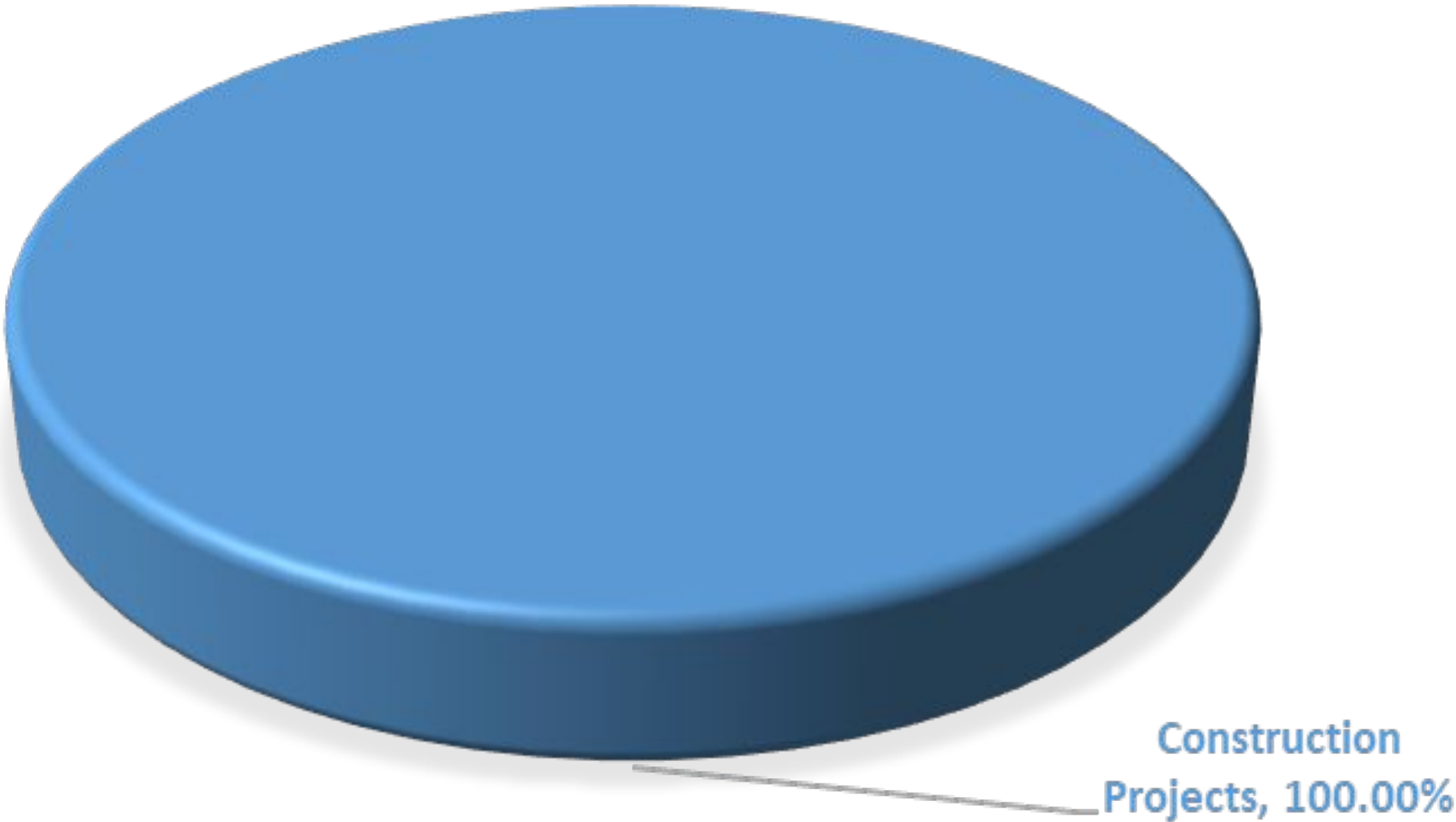


IMRF  
Social Security  
Medicare



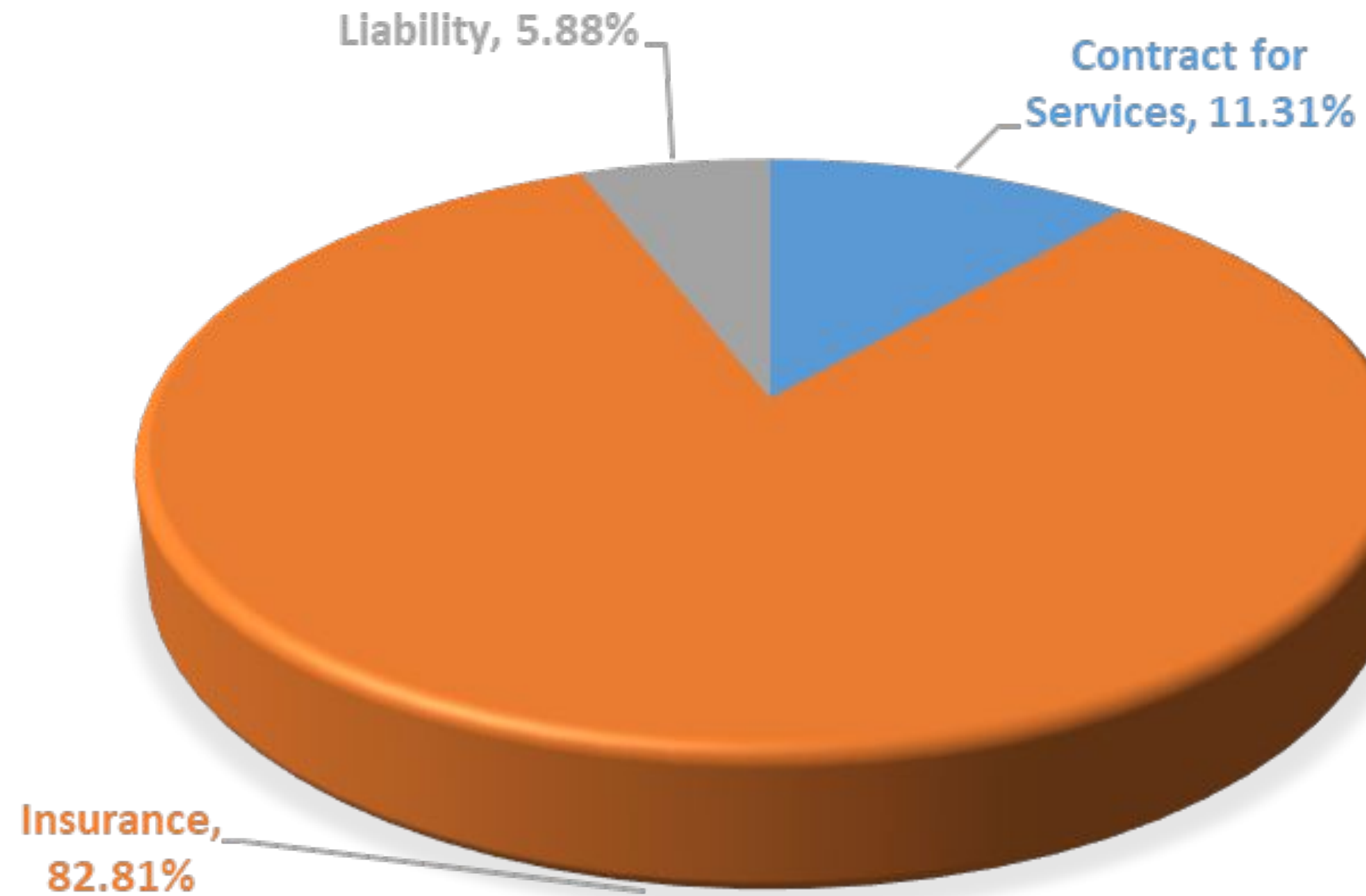
**Capital  
Impr.  
Fund**

Projects





# Tort/ Judgment Fund



CFS

Liability

Insurance



# Expenditure Summary

## (Page 2, Line 19)

Education	\$89,285,375
Operations & Maintenance	\$9,160,260
Debt Service	\$6,080,935
Transportation	\$2,094,540
Municipal Retirement/Social Security	\$2,094,540
Capital Projects*	\$24,750,000
Working Cash	\$0
Tort	\$1,700,785
Fire Prevention & Safety	\$0
Total	<b>\$135,565,790</b>

\*Funded with Bond Proceeds



# Overview

## (Page 2, Line 22)

	Revenues	Expenditures	-/+
Education	\$90,042,280	\$89,285,375	\$756,905
Operations & Maintenance	\$8,431,330	\$9,160,260	(\$728,930)
Debt Service	\$7,162,165	\$6,080,935	\$1,081,230
Transportation	\$2,129,295	\$2,094,540	\$34,755
Municipal Retirement/Social Security	\$2,529,305	\$2,094,540	\$35,410
Capital Projects*	\$3,363,370	\$24,750,000	(\$21,386,630)
Working Cash	\$654,395	\$0	\$654,395
Tort	\$1,700,785	\$1,700,785	\$0
Fire Prevention & Safety	\$5,960	\$0	\$5,960
Total	<b>\$116,018,885</b>	<b>\$135,565,790</b>	<b>(\$19,546,905)</b>

\*\$22M of Capital Project Expenditures are funded through current fund balance



# Fund Balance Estimates

	Beginning Fund Balance (P2, L3)	Ending Fund Balance (P3, L81)
Education	\$35,939,525	\$36,696,430
Operations & Maintenance	\$7,063,900	\$6,334,970
Debt Service	\$534,161	\$1,615,391
Transportation	\$2,548,207	\$2,582,962
Municipal Retirement/Social Security	\$2,233,432	\$2,268,842
Capital Projects	\$69,823,000	\$48,436,370
Working Cash	\$1,486,495	\$2,140,890
Tort	\$858,123	\$858,123
Fire Prevention & Safety	\$177,403	\$183,363
<b>Total</b>	<b>\$120,664,246</b>	<b>\$101,117,341</b>





# Next Steps

- Public Hearing
- Approve Budget
- Post on website 9/24/25
- Submit Budget to ISBE & County
- Begin Tax Levy Discussions – Oct 28
- Working document – amendment April





# BOARD OF EDUCATION ROCK ISLAND MILAN SCHOOL DISTRICT #1

