



Rock Island-Milan School District No. 41

Quarterly Financial & Investment Report

for Quarter Ended
December 31, 2025

Presented to Board of Education:
February 10, 2026
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.

This report provides a comprehensive overview of the financial position of Rock Island-Milan School District #41 as of December 31, 2025. The following data details our Year-to-Date (YTD) performance against the approved budget, offering critical insights into our fiscal stability and operational efficiency.

Key components of this analysis include:

- **Budget Performance & Projections:** An assessment of current standing versus forecasted targets, including an updated End-of-Year Outlook.
- **Revenue Analysis:** A detailed breakdown of Local, State, and Federal revenue streams, benchmarked against prior year performance to highlight emerging trends.
- **Expenditure Overview:** A summary of operating expenses with year-over-year comparisons to ensure fiscal discipline.
- **Fund Balance:** A current snapshot of our reserves and overall liquidity.

This document serves to validate our financial trajectory and inform strategic decision-making for the remainder of the fiscal year.

Budget Performance Update & Projections

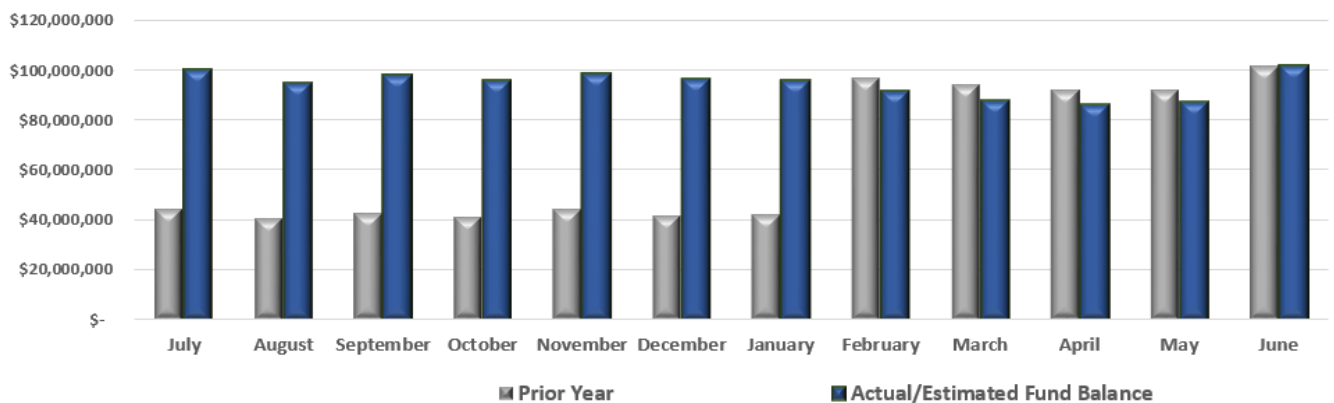
Year-to-Date (YTD) Financial Position

- **Revenue Performance:** Operating Fund revenues are currently favorable by \$1,004,062 year-to-date. Total revenues stand at \$40.7 million (38.9% of the annual budget), driven primarily by strong Local Sources (+\$1.7M), which offset timing lags in State and Federal receipts.
- **Expenditure Trends:** Expenditures are currently up by \$1,613,786 year-to-date. Total spending stands at \$46.8 million (44.7% of the annual budget), with key variances attributed to Salaries (+\$844k), Employee Benefits (+\$391k), and Non-Capitalized Equipment (+\$628k).



End-of-Year Outlook. Based on current trends, the District projects a shift in the year-end financial position:

- **Projected Variance:** While revenues are projected to finish \$1.0 million over budget, expenditures are projected to finish \$1.6 million over budget.
- **Strategic Application:** This performance data serves as the baseline for the upcoming amended budget. The variances identified in salary/benefit costs and equipment purchasing are being incorporated into our projections to ensure the amended budget accurately reflects the District's shifting fiscal reality and year-end trajectory.



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

Local Revenue

\$18,366,589

37.61% of Budget

State Revenue

\$18,365,508

45.04% of Budget

Federal Revenue

\$4,004,104

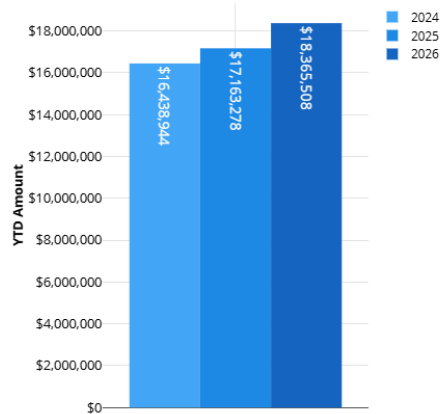
26.32% of Budget

Local Revenue



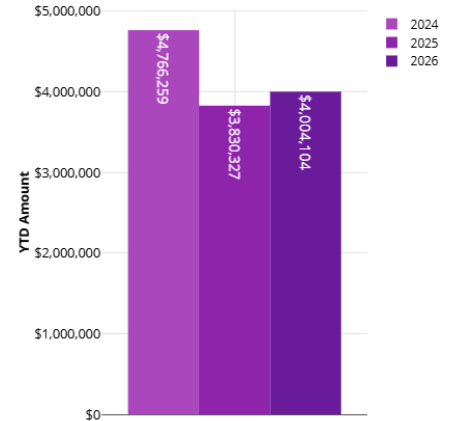
For the Period JUL - DEC

State Revenue



For the Period JUL - DEC

Federal Revenue



For the Period JUL - DEC

	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	\$11,238,513	\$13,465,905	\$15,234,068	\$38,816,355	39.25%
1200 Payments in Lieu of Taxes	\$3,109,394	\$1,916,235	\$2,233,210	\$5,940,360	37.59%
1500 Earnings on Investments	\$1,152,085	\$1,041,313	\$304,659	\$2,361,220	12.90%
1600 Food Service	\$31,202	\$44,155	\$27,909	\$82,300	33.91%
1900 Other Revenue from Local Sources	\$471,876	\$522,826	\$480,706	\$1,511,799	31.80%
ALL OTHER LOCAL REVENUE	\$97,033	\$103,274	\$86,037	\$128,040	67.20%
TOTAL LOCAL REVENUE	\$16,100,104	\$17,093,708	\$18,366,589	\$48,840,074	37.61%
STATE REVENUE					
3000 Unrestricted Grants-in-Aid	\$15,690,490	\$16,419,630	\$17,765,060	\$39,083,140	45.45%
3100 Special Education	\$147,371	\$167,621	\$118,190	\$221,000	53.48%
3300 Bilingual Education	\$78,652	\$45,468	\$41,828	\$96,830	43.20%
3500 State Transportation Reimbursement	\$170,466	\$185,591	\$152,584	\$691,205	22.08%
ALL OTHER STATE REVENUE	\$351,965	\$344,968	\$287,846	\$680,775	42.28%
TOTAL STATE REVENUE	\$16,438,944	\$17,163,278	\$18,365,508	\$40,772,950	45.04%
TOTAL FEDERAL REVENUE	\$4,766,259	\$3,830,327	\$4,004,104	\$15,212,121	26.32%
TOTAL REVENUE	\$37,305,307	\$38,087,313	\$40,736,201	\$104,825,145	38.86%
OTHER FINANCING SOURCES	\$0	\$0	\$0	\$0	0.00%
TOTAL REVENUE & OTHER FINANCING SOURCES	\$37,305,307	\$38,087,313	\$40,736,201	\$104,825,145	38.86%

Revenue Insight:

Operating Funds (excluding transfers) YTD revenues totaled \$40,736,201 through December 2025, which is \$2,648,888 or 6.5% more than the amount received last year for this period. The YTD difference is driven by an increase in 1000 Local Sources of \$1,272,882, an increase in 3000 State Sources of \$1,202,230, and an increase in 4000 Federal Sources of \$173,776.

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

Rock Island SD 41

Year to Date Expense Overview - Operating Funds*

December 2025

Salaries and Benefits

\$36,798,204

44.76% of Budget

Purchased Services

\$5,239,599

42.14% of Budget

Supplies & Materials

\$2,879,765

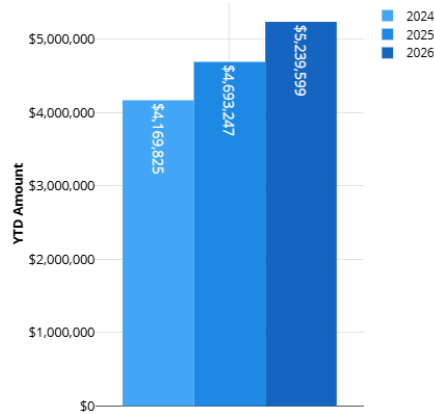
48.21% of Budget

Salaries and Benefits



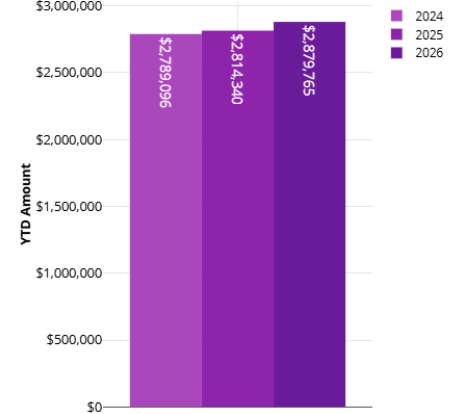
For the Period JUL - DEC

Purchased Services



For the Period JUL - DEC

Supplies & Materials



For the Period JUL - DEC

	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	\$25,349,227	\$26,690,353	\$28,655,694	\$64,691,248	44.30%
200 Benefits	\$6,824,284	\$7,507,060	\$8,142,510	\$17,526,570	46.46%
TOTAL SALARIES AND BENEFITS	\$32,173,511	\$34,197,413	\$36,798,204	\$82,217,818	44.76%
OTHER EXPENSES					
300 Purchased Services	\$4,169,825	\$4,693,247	\$5,239,599	\$12,434,904	42.14%
400 Supplies & Materials	\$2,789,096	\$2,814,340	\$2,879,765	\$5,972,902	48.21%
500 Capital Outlay	\$1,450,489	\$973,701	\$452,632	\$948,775	47.71%
600 Other Objects	\$441,608	\$383,617	\$300,010	\$1,837,699	16.33%
700 Non-Capitalized Equipment	\$161,779	\$160,834	\$1,103,628	\$1,297,398	85.06%
800 Termination Benefits	\$0	\$0	\$0	\$0	0.00%
TOTAL OTHER EXPENSES	\$9,012,797	\$9,025,739	\$9,975,634	\$22,491,678	44.35%
TOTAL EXPENSES	\$41,186,308	\$43,223,152	\$46,773,838	\$104,709,496	44.67%
OTHER FINANCING USES	\$0	\$0	\$0	\$0	0.00%
TOTAL EXPENSES & OTHER FINANCING USES	\$41,186,308	\$43,223,152	\$46,773,838	\$104,709,496	44.67%

Expense Insights:

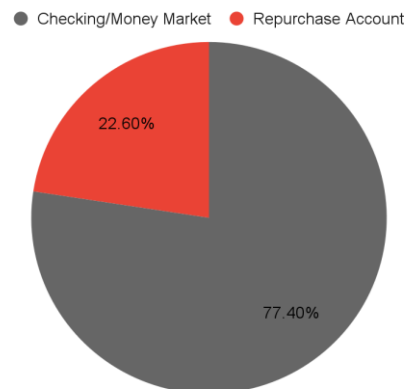
Operating Funds (excluding transfers) YTD expenses totaled \$46,773,839 through December 2025, which is \$3,550,688 or 7.6% more than the amount spent last year for this period. The YTD difference is driven by an increase in 100 Salaries of \$1,965,341, an increase in 700 Non-Capitalized Equipment of \$942,794, and an increase in 200 Employee Benefits of \$635,451.

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

Executive Investment Summary

For the Quarter Ended December 31, 2025

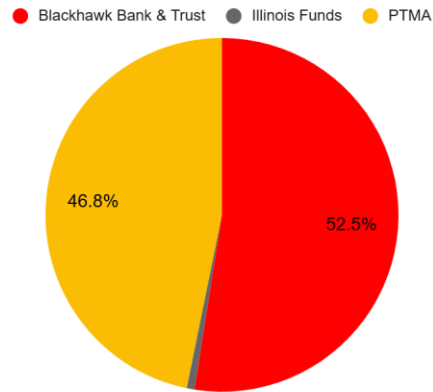
1. **Financial Position & Liquidity.** As of December 31, 2025, the District's total portfolio (cash and investments) stands at \$112,701,962. This represents an increase of \$46,338,184 compared to the same time last year.
 - **Primary Driver of Increase:** This growth is largely attributable to the proceeds from the issuance and sale of the Working Cash Fund Bond.
 - **Operational Context:** Absent these bond proceeds, the portfolio would have decreased by approximately \$3.9 million year-over-year. This fluctuation is normal and driven by the timing of State revenue receipts and routine increases in expenditures, such as salaries and benefits.
2. **Investment Strategy & Performance.** The District prioritizes safety and liquidity (immediate access to funds) over high-risk returns. Consequently, 52.5% of funds are held locally at Blackhawk Bank, with the remaining 47.5% in Illinois Funds and PMA.
 - **Portfolio Yield:** The average return for the quarter was 3.71%, a slight decrease from the previous quarter's 3.75%.
 - **Benchmark Comparison:** The portfolio is currently yielding less than the 90-day Treasury Bill benchmark of 4.34%.
 - **Why the Difference?** The T-Bill benchmark assumes funds are locked away for 90 days. However, to maintain cash flow for bond payments and operations, the District kept the average maturity of investments at 1 day. While this lowers the interest rate slightly, it ensures the District has immediate flexibility to pay bills without penalty.
3. **Understanding the Data: "With Cash" vs. "Without Cash".** To provide full transparency, this report analyzes returns in two ways:
 - **Total Portfolio ("With Cash"):** This calculation includes *all* district funds, including the daily checking accounts used to pay bills. Because checking accounts earn lower interest than dedicated investments, this number represents our blended operational return.
 - **Invested Portion ("Without Cash"):** This calculation looks *only* at the funds actively placed in investment vehicles (like money markets or savings). This metric isolates the performance of our investment strategy, removing the drag of necessary operational cash.
4. **Asset Allocation & Safety Portfolio Composition.** We maintain a diverse portfolio to balance risk. Currently, 77.4% of funds are in Checking/Money



Market accounts for easy access, while 22.6% are in Repurchase Agreements (REPOs) for security. We currently hold no Commercial Paper or Certificates of Deposit.

Where the Money is Held:

- **Blackhawk Bank (Local):** 52.5%
- **PMA Financial:** 46.8%
- **Illinois Funds:** 0.70%



Safety & Collateral. All investments are fully collateralized by FDIC insurance and/or a perfected security interest. Collateral is valued at 110% of the investment, ensuring the District's funds are protected against bank failure.

5. Fund Performance Summary. The table below details the balance and performance of each specific fund.

- **Benchmark:** 90-Day T-Bill Rate (4.34%).
Status: All funds are currently liquid (1-day maturity).

Fund Name	Balance (12/31/25)	Rate of Return (w/cash)	vs. Benchmark	Rate of Return (w/o cash)	vs. Benchmark
<i>Education</i>	\$28,393,493	3.59%	-0.75%	3.12%	-1.12%
<i>Operations & Maint.</i>	\$3,817,246	3.12%	-1.22%	3.12%	-1.22%
<i>Bond & Interest</i>	\$2,361,204	3.66%	-0.68%	3.12%	-1.22%
<i>Transportation</i>	\$2,937,313	3.12%	-1.22%	3.12%	-1.22%
<i>IMRF</i>	\$1,890,370	3.12%	-1.22%	3.12%	-1.22%
<i>Capital Projects</i>	\$71,616,844	3.84%	-0.50%	3.12%	-0.50%
<i>Tort</i>	\$1,503,214	3.12%	-1.22%	3.12%	-1.22%
<i>Life/Safety</i>	\$182,279	3.12%	-1.22%	3.12%	-1.22%
TOTAL / AVG	\$112,701,962	3.71%	-0.63%	3.60%	-0.74%

Analysis by Fund Group:

- **Operational Funds (Ed, O&M, Trans, IMRF, Tort):** These funds are invested almost entirely in highly liquid cash accounts to meet payroll and immediate expenses. Consequently, they mirror the standard checking rate of roughly 3.12%.
- **Capital Projects Fund:** This holds the largest balance (\$71.6M) and is outperforming the other funds (3.84%). This fund includes the 2018 Bond and 2025 Working Cash Bond

proceeds, which are invested slightly more aggressively while maintaining liquidity for scheduled bond payments.

- **Bond & Interest Fund:** This acts as a pass-through account for debt payments, so investment returns are secondary to ensuring cash is available on exact payment date

6. Year to Year Comparison

	December 31, 2025		December 31, 2024	
Fund	Cash/Invest	w/o cash	Cash/Invest	w/o cash
Education	\$28,393,493	3.22%	\$31,637,256	3.97%
O & M	\$3,817,246	3.12%	\$5,924,400	4.33%
Bond & Interest	\$2,361,204	3.66%	\$2,817,472	4.32%
Transportation	\$2,937,313	3.12%	\$2,830,653	4.32%
IMRF	\$1,890,370	3.12%	\$2,880,167	4.33%
Capital Projects	\$71,616,844	3.84%	\$17,784,602	4.64%
Tort	\$1,503,214	3.12%	\$2,313,203	4.32%
Life/Safety	\$182,279	3.12%	\$176,025	3.78%
Totals/ Avgs	\$112,701,962	3.60%	\$66,363,779	4.25%

- ## 7. Detailed Investment Holdings.
- A snapshot of specific account balances as of December 31, 2025.

Education Fund

Date	Vendor	Investment Type	Amount	Interest Rate
2/31/2025	PTMA	Savings	\$ 2,509,808	3.75%
2/31/2025	IPTIP	Repo	\$ 766,676	3.86%
12/31/2025	Blackhawk	Checking	\$ 9,660	3.12%
12/31/2025	Blackhawk	Development	\$ 318,959	3.57%
12/31/2025	Blackhawk	Payroll	\$ 41,739	3.61%
12/31/2025	Blackhawk	Repo	\$24,746,651	3.57%

Operations Funds

Date	Vendor	Investment Type	Amount	Interest Rate
12/31/2025	Blackhawk	Checking	\$ 3,817,246	3.12%

Bond & Interest Fund

Date	Vendor	Investment Type	Amount	Interest Rate
12/31/2025	Blackhawk	Money Market	\$ 2,361,204	3.12%

Transportation Fund

Date	Vendor	Investment Type	Amount	Interest Rate
12/31/2025	Blackhawk	Checking	\$ 2,937,313	3.12%

IMRF Fund				
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Date	Vendor	Investment Type	Amount	Interest Rate
12/31/2025	Blackhawk	Checking	\$ 1,890,370	3.12%

Capital Projects Fund				
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Date	Vendor	Investment Type	Amount	Interest Rate
12/31/2025	PTMA	Savings	\$50,281,729	4.15%
12/31/2025	Blackhawk	Checking	\$21,335,114	3.11%

Tort & Judgment Fund				
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Date	Vendor	Investment Type	Amount	Interest Rate
12/31/2025	Blackhawk	Money Market	\$ 1,503,214	3.12%

Life Safety Fund				
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Date	Vendor	Investment Type	Amount	Interest Rate
12/31/2025	Blackhawk	Money Market	\$ 182,279	3.12%

8. **Summary.** The Rock Island-Milan School District No. 41 maintains a robust financial position for the period ending December 31, 2025. The District's total cash and investment portfolio stands at \$112,701,962, representing a year-over-year increase of roughly \$46.3 million. While this liquidity growth is primarily driven by proceeds from the Working Cash Fund Bond, operational revenues have also shown strength, tracking \$1.0 million favorable to budget year-to-date due to strong local receipts.

Strict monitoring of expenditures remains a priority. With year-to-date spending \$1.6 million over budget, driven largely by variances in salaries, benefits, and non-capitalized equipment, the District projects a shift in the year-end financial position. These variances will serve as the baseline for the upcoming amended budget, ensuring our fiscal plan accurately reflects the District's shifting trajectory and ensures long-term stability.