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August 16, 2023

TO: RAILS BOARD OF DIRECTORS
FROM: SHARON SWANSON
SUBJECT: RAILS INVESTMENT PORTFOLIO REVIEW - BIENNIAL

The updated RAILS fiscal accountability policy was approved by the RAILS Board at the May 2023 meeting. As a part of the updates, the RAILS Board is to review the investment portfolio twice a year to assess its effectiveness in meeting RAILS's needs for safety, liquidity, rate of return, diversification, and general performance.

The listing of RAILS's investments is included in the monthly financial report, but, since there were a series of CD maturities that occurred in early August, a second listing of the cash and investments as of August 16 is attached.

Most of RAILS' liquid funds are held in accounts with Hinsdale Bank & Trust, which is a part of the Wintrust network of banks. These accounts include a checking account and a money market account that are fully insured with a combination of FDIC coverage as well as mortgage-backed collateral held by a third party in RAILS's name. RAILS has \$3.5 million of FDIC coverage through the bank's MaxSafe program which splits the account balances between fourteen banks within the Wintrust network to stay below the \$250,000 FDIC insurance limit. The checking account is kept at a minimal balance that is sufficient to offset account service fees, and the bulk is kept in the money market account which is currently earning 5.49%. The thought has been over the years to keep the bulk of RAILS's funds liquid for a multitude of reasons that have changed over RAILS's existence. Until the past three fiscal years, the APC grant payments from the Comptroller's office have been delayed which has temporarily lowered reserves to as little as nine months of expense coverage. More recently, planned vehicle purchases as well as several other facilities maintenance items that are upcoming make it desirable to keep the bulk of our funds liquid.

The remainder of RAILS's liquid funds are held in money market accounts with Illinois Funds and PMA, which are both local government investment pools. Illinois Funds is backed by US Treasury obligations and is collateralized at 102%. The PMA account is part of the IntraFi Network Deposits program which spreads balances between network banks in \$250,000 increments to take full advantage of the FDIC insurance limits. The Illinois Funds and PMA accounts are currently earning 5.45% and 5.25%, respectively.

RAILS's investments consist of one US Treasury Note and thirteen CD's as well as a small number of US Treasury Bonds that were willed to Alliance Library System by a former staff member. The US Treasury Note is backed by the full faith of the US government and is considered the most secure form of investment. All of the CD's are spread between individual banks with the balances kept below the \$250,000 FDIC insurance limit. All banks that are used by PMA have been thoroughly risk tested according to the standards in the Illinois Public Funds Investment Act before being offered to their



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clients. One of RAILS's Treasury Notes matured at the end of July and four CD's matured early in August, and, to take advantage of this peak in interest rates, RAILS reinvested the available funds in nine two-year CD's at an average rate of 4.93%.

RAILS - Reaching Across Illinois Library System
Cash, Cash Equivalants & Investments
August 16, 2023

Financial Account Name	Account Purpose/Type	Investment Par/Face Value	Balance/Fair Market Value	Current APY	Maturity Date
<u>The Illinois Funds</u> <u>Reaching Across Illinois Library System</u>	<u>RAILS Operations Checking Account</u> <u>Money Market Account</u>		\$ 5,727.24	5.445%	Demand
<u>Hinsdale Bank & Trust</u> <u>Reaching Across Illinois Library System</u>	<u>Hinsdale Bank & Trust</u> <u>Checking Account</u>		\$ 515,196.23	0.000%	Demand
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u>	<u>PMA Financial Network</u> <u>Prime Investment Pool</u>		\$ 3,380.38	5.247%	Demand
<u>U.S. Treasury E-Bonds</u> <u>Reaching Across Illinois Library System</u>	<u>Donation - P. Sworski</u> <u>U.S. Treasury E-Bonds</u>		\$ 24,883.20	0.000%	5/31/2021
<u>Hinsdale Bank & Trust</u> <u>Reaching Across Illinois Library System</u>	<u>Hinsdale Bank & Trust</u> <u>Money Market Account</u>		\$ 19,107,175.94	5.490%	Demand
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u>	<u>PMA Securities</u> <u>U.S Treasury Note</u>	\$ 982,000.00	\$ 959,291.25	0.900%	1/15/2024
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u>	<u>PMA Securities</u> <u>CD - Wells Fargo Bank NA</u>	\$ 249,000.00	\$ 245,751.41	4.405%	2/6/2025
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u>	<u>PMA Securities</u> <u>CD - Machias Savings Bank</u>	\$ 220,000.00	\$ 216,799.83	4.322%	2/7/2025
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u>	<u>PMA Securities</u> <u>CD - First United Bk & Trust</u>	\$ 248,000.00	\$ 244,564.32	4.354%	2/10/2025
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u>	<u>PMA Securities</u> <u>CD - Mainstreet Bank</u>	\$ 248,000.00	\$ 244,564.32	4.302%	2/10/2025
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u>	<u>PMA Securities</u> <u>CD - First Bank of Ohio</u>	\$ 249,862.00	\$ 227,150.00	4.992%	8/4/2025
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u>	<u>PMA Securities</u> <u>CD - Baxter Credit Union</u>	\$ 249,845.32	\$ 226,800.00	4.977%	8/4/2025
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u>	<u>PMA Securities</u> <u>CD - Schertz Bank & Trust</u>	\$ 249,841.75	\$ 227,750.00	4.843%	8/4/2025
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u>	<u>PMA Securities</u> <u>CD - Cornerstone Bank</u>	\$ 249,610.18	\$ 226,000.00	5.112%	8/4/2025
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u>	<u>PMA Securities</u> <u>CD - First National Bank</u>	\$ 120,230.71	\$ 109,000.00	5.028%	8/11/2025
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u>	<u>PMA Securities</u> <u>CD - BMO Harris Bank NA</u>	\$ 243,000.00	\$ 243,661.64	4.856%	8/11/2025
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u>	<u>PMA Securities</u> <u>CD - Townebank/Portsmouth VA</u>	\$ 243,000.00	\$ 243,658.00	4.906%	8/11/2025
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u>	<u>PMA Securities</u> <u>CD - Citizens Bank Co</u>	\$ 248,000.00	\$ 248,682.15	4.855%	8/15/2025
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u>	<u>PMA Securities</u> <u>CD - First Source Bank</u>	\$ 243,000.00	\$ 243,659.38	4.806%	8/21/2025
Total Cash and Investments / Weighted Average Annual Interest Rate			\$ 4,043,389.96	\$ 23,563,695.29	5.0830%