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DATE: August 21, 2026

TO: RAILS Board of Directors

FROM: Sharon Swanson, Finance Director

SUBJECT: 8.3 RAILS Investment Portfolio Review

The RAILS fiscal accountability policy requires the RAILS Board 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.

The bulk of RAILS' funds are held in two accounts with Hinsdale Bank & Trust, which is a part of the Wintrust network of banks. RAILS has FDIC coverage on the balance of both the checking and money market account through Wintrust's MaxSafe program. The account balances are divided between the banks within the Wintrust network to stay below the $250,000 FDIC insurance limit within each individual bank charter. The remainder of the balance not covered by FDIC insurance is collateralized with mortgage-backed securities held by a third party in RAILS's name. To maximize interest income, the checking account is kept at a minimal balance that is sufficient to offset account service fees and meet current financial obligations. The bulk of RAILS's funds are held in the money market account that was earning 3.89% as of the end of July.

The remainder of RAILS's liquid funds are held in money market accounts with Illinois Funds and PTMA, which are both local government investment pools. The Illinois Funds account is collateralized at 102%. The PTMA account is part of the IntraFi Network Deposits program which, like Wintrust, spreads balances between network banks in $250,000 increments to take full advantage of FDIC insurance limits. The PTMA account holds a minimal balance, existing purely to receive coupon interest payments and maturity balances from our CD investments with PTMA. The Illinois Funds and PTMA accounts were earning 3.784% and 3.521% as of the end of July.

RAILS's investments consist of seventeen CD's as well as a small number of US Treasury Bonds that were bequeathed to the Alliance Library System by a former staff member. The CDs are also part of the IntraFi Network Deposits program with both the principal and anticipated interest covered by FDIC insurance. As of July 31, the total face value of RAILS's CD investments is $4,209,242 and the market value is $4,020,041. Of RAILS's total cash and investment balance of $25,725,461, the face value of these CDs is 16.4% of this total.